

GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – MAY 10, 2007
MINUTES

The Gogebic Range Water Authority met in regular session on Thursday, May 10, 2007 at 6:30 p.m. at the Bessemer Township Hall in Ramsay MI 49959. Meeting notice was published in the Daily Globe newspaper's "Eight Day Calendar".

CALL TO ORDER: The meeting was called to order by Chairman Rickard, followed by the pledge of allegiance to the flag.

ROLL CALL: Present: Anderson, Bertetto, Ozzello, Olsen Rickard, Pikka, Smith, Grenfell, Salmi, and Estola.

Absent: Pavlovich

Also Present: Randy Scott and Chuck Lawson from Wilcox Engineering; Jim Bucknell, GRWA attorney, entered the meeting at 6:55 p.m.

MINUTES: Moved by Olsen and supported by Bertetto to accept and place on file the minutes of the April 12, 2007 regular meeting with one correction; City of Wakefield's water rate increase is \$0.03 per 1000 gallons not \$0.30 as stated. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Anderson and supported by Ozzello to approve payment of the claims against the operating account in the amount of \$44,094.52.

Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: Moved by Olsen and supported by Bertetto to place the communications on file. Motion carried.

OLD BUSINESS:

A. Administrator reported on the April 26, 2007 meeting with the City of Ironwood / Ironwood Township to attempt to establish a bulk rate for the purchase of water. It appears the City of Ironwood would require any reduction in the rate charged to Ironwood Township be earmarked only for the construction of their back-up main. It appears at this time the need to move forward with serving Ironwood Township with water from the eastern GRWA sources is the correct decision.

B. Administrator reported that the check for \$200,000 from Wal-mart for construction of the water main has been received and deposited along with a letter "informally" ordering the water main. At this time GRWA still does not have a signed Development Agreement from Wal-mart. With the receipt of all of the funds promised by Wal-mart for the design and construction of the water main, GRWA is comfortable proceeding.

C. Moved by Bertetto and supported by Ozzello to authorize signing the Wakefield Township Indianhead Water System Franchise agreement.

Motion was unanimously carried upon a roll call vote.

NEW BUSINESS

A. Administrator reported that Xcel Energy damaged the water main and the service line at Condo Bunkhouse on April 20, 2007 due to a wrong "Miss Dig" location called in by them. The damage cost is \$2075.51. This will be billed to Xcel Energy as a damage claim.

B. At this time, Randy Scott; GRWA engineer, reported that his firm has prepared a USDA Rural Development funding application for the Ironwood Township water system project. The cost of the project outlined in the application is \$5,735,500 which includes the Segment 2, water storage tank behind Grandview Hospital, of \$786,500. Grandview hospital has contacted and met with GRWA regarding the need to construct a water storage tank for fire suppression and wished to work with GRWA if possible. A letter has been drafted asking GVH for a \$200,000 cash contribution, and deeded land for the tank site along with perpetual easement for the transmission main. The hospital needs to have the tank on line by June 30, 2008. Rural Development has been contacted regarding the urgency of a speedy approval of the funding for the tank. Due to the possibility of a federal " Farm Bill" being passed by congress late this fiscal year and only projects ready for funding will be selected. Two applications for Ironwood Township project will need to be submitted, one for the tank and one for the entire project. The water storage tank portion of the project will be removed if approved now. Mr. Scott explained that in order for these projects to qualify for grant funding it will be necessary to restructure the way GRWA looks at its membership. GRWRA now has franchised the three townships. Due to the low water rates charged by the two member cities, they will be considered only as water suppliers and removed from the EDU formula. This will bring the annual cost per township user up to \$645.05 and brings them back to qualifying for grant funding.

Moved by Pikka and supported by Grenfell to authorize signatures on the letter to Grandview Hospital and the two USDA funding applications for the Ironwood Township / GVH water system improvements projects.

Motion was unanimously carried upon a roll call vote.

FINANCIAL REPORTS: Moved by Anderson and supported by Smith to place the financial reports on file. Motion carried.

PUBLIC COMMENT AND OTHER BUSINESS: Mr. Bucknell, GRWA attorney, reported that he has reviewed and presented for signature the easement needed from Keweenaw Land for the Wal-mart water main. He also has the land description for the deeds needed for the Anvil/Indianhead project.

ADJOURNMENT: Moved by Ozzello and supported by Bertetto to adjourn at 7:25 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator