

GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – OCTOBER 11, 2007
MINUTES

The Gogebic Range Water Authority met in regular session on Thursday, October 11, 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: Bertetto, Ozzello, Olsen, Rickard, Pikka, Smith, Grenfell, Salmi and Estola.

Absent: Anderson and Pavlovich

Also present: Administrator Jean Verbos, Randy Scott, project engineer, Jim Bucknell, GRWA attorney, Louis Sworab, DPW employee and one citizen.

MINUTES: Moved by Olsen and supported by Ozzello to accept as presented and place on file the minutes of the September 13, 2007 regular meeting. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Bertetto and supported by Olsen to approve payment of the claims against the operating account in the amount of \$\$22,404.23.

Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: Administrator presented a letter from USDA Rural Development regarding the new requirement for GRWA to enroll in the Preauthorized Debit (PAD) payment system for payment of all loan principal and interest due. The GRWA currently has three loans with USDA and will be closing on three more in the near future. The loan payments will be electronically transferred from the GRWA account one day before the due date. On weekends and holidays the payment will be debited from the account on the business day before the payment is due. GRWA does not carry an account balance sufficient for the payment of USDA loans, but invoices the members upon receipt of the notice of payment from USDA. Members will be notified of this new policy and be required to send their share of the payment to GRWA immediately in order to have a proper balance in the account for the loan payment debit.

Moved by Ozzello and supported by Smith to place the communications on file. Motion carried.

OLD BUSINESS;

A. Randy Scott, project engineer, gave an update on the upcoming Storage Tank, Anvil/Indianhead and Ironwood Township water projects. The Storage Tank and Anvil/Indianhead projects legal work is done. All the necessary property deeds and easements haven been obtained and the project are being reviewed by USDA attorneys. The Storage Tank project will be bid as soon as possible. A discussion was held regarding the UDSA loan interest rate for the Anvil/Indianhead project. The poverty rate

is currently 4.5%. This rate is locked in until December 31, 2007. Anvil/Indianhead project will be bid in December 2007 and closed in January of February 2008 with the hopes of a better interest rate for this project.

Mr. Scott presented an updated application for the Ironwood Township water project with increases in the amounts for engineering and contingency.

Moved by Ozzello and supported by Bertetto to approve and authorize signatures on the amended Ironwood Township UDSA project funding application.

Motion was unanimously carried upon a roll call vote.

B. Mr. Bucknell, GRWA attorney, reported that there has been no response to his two letters to Xcel Energy regarding the claim for damages incurred at the Blackjack Ski Resort water system due to Xcel Energy using the wrong address for a Miss Dig call. The damages being sought by GRWA are approximately \$1600.00 and costs.

Moved by Olsen and supported by Bertetto to authorize GRWA attorney, Jim Bucknell, to proceed with litigation in Gogebic County District Court in this matter.

Motion was unanimously carried upon a roll call vote.

NEW BUSINESS: None

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

PUBLIC COMMENT AND OTHER BUSINESS: Discussion was held regarding the absence from the monthly meetings of several GRWA Board members. Administrator was asked to review the Articles of Incorporation and By-Laws concerning this matter.

ADJOURNMENT: Moved by Olsen and supported by Bertetto to adjourn at 7:00 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator