

GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – NOVEMBER 8, 2007
MINUTES

The Gogebic Range Water Authority met in regular session on Thursday, November 8, 2007 at 6:30 p.m. at the Bessemer Township Hall in Ramsay, MI 59959. Meeting notice was published in the *Daily Globe* newspaper's "Eight Day Calendar".

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

ROLL CALL: Present: Anderson, Bertetto, Olsen, Pavlovich, Rickard, Pikka, Smith, Grenfell, Salmi Estola

Absent: Ozzello

Also present: Randy Scott and Chuck Lawson, Wilcox engineering; Jim Bucknell, GRWA attorney and Louis Sworab

PRESENTATION OF MINUTES: moved by Olsen and supported by Bertetto to accept as presented and place on file the minutes of the October 11, 2007 regular meeting. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Anderson and supported by Grenfell to approve payment of the claims against the operating account in the amount of \$34,788.25.

Motion was unanimously carried upon a roll call vote.

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

OLD BUSINESS:

A. Mr. Bucknell, GRWA attorney, reported that since there has been no response from Xcel Energy regarding the claim for damages on the Blackjack water system, on November 1, 2007 a complaint was filed in Gogebic County District Court.

B. Discussion was held regarding the transfer of the Indianhead water system to GRWA. On October 24 a list was sent to the Wakefield Township Board of information needed to facilitate transfer of the system. Administrator requested to meet with the executive committee to formulate the assets and information to complete the Bessemer Township water system transfer. Bidding of the Anvil/Indianhead water project makes the transfer of these systems to GRWA imperative.

C. Mr. Bucknell, GRWA attorney, reported that he had erred in the title opinion for the Grand View storage tank land deed and that there were several liens on the property. The lien holders have to release the property from the encumbrances so that GRWA has a clean title to the property. A phone call from Mr. Kimmes from GVH to the GRWA administrator stated that the matter should be cleared up in a week.

NEW BUSINESS:

A GRWA has received notification from USDA Rural Development of an anticipated funding package consisting of \$2,780,000 in loan and \$2,250,000 in grant funds for the Ironwood Township water system project. This amount of funding is for planning purposes and not a commitment of funds at this time. Funding is expected to be available within 18 months and will result in user fees of approximately \$49.06 per month/EDU with non-operating income to the water system users of Ironwood Township. Randy Scott, project engineer requested permission to start negotiations with the City of Bessemer for a reduced water rate in order to make the project viable. The City will increase its water sales revenue substantially with only a minimal increase in water production costs.

B. A discussion was held regarding seeking an opinion of the legality of the City of Ironwood charging Ironwood Township a fee for each individual meter on their system. It was suggested the GRWA seek an outside legal opinion on this matter. GRWA Board requested the administrator review the recent court case settlement between the City of Ironwood and Ironwood Township and discuss at the December meeting.

C. Moved by Grenfell and supported by Salmi to authorize the administrator to transfer the Sinking Fund, Blackjack O & M Account, and the Comet/Jackson project Bond Reserve and RRI accounts from passbook savings accounts to Money Market Checking accounts at the First National Bank. This will enable the GRWA to receive monthly instead of bi-annual statements and a better interest rate. Motion carried.

C. GRWA Board authorized Wilcox Engineering, upon request by Chuck Lawson, project engineer, to start ground control mapping for the Ironwood Township water project while there is no snow cover. GRWA will not be invoiced for this work until funding is finalized. Mr. Lawson also stated that the City of Ironwood is interested in participating with GRWA in a study to determine capacity of the GRWA water sources. It was the consensus of the Board that if this is approved that the City of Ironwood pay their share of the costs upfront.

FINANCIAL REPORTS: Administrator pointed out that the GRWA has been paying for engineering and design costs for the Anvil/Indianhead, Storage Tank and Ironwood Township water projects and the general operating funds are starting to show the stress. GRWA will be reimbursed all costs fronted for these projects upon closing. The need to get these projects out to bid is becoming crucial.

Moved by Olsen and supported by Anderson to place the financial reports on file. Motion carried.

PUBLIC COMMENT AND OTHER BUSINESS: Mr. ^{Estler} Randall, GRWA Board member and Ironwood Township Supervisor, thanked the GRWA and Wilcox Engineering for their efforts on behalf of the Ironwood Township water project.

ADJOURNMENT: Moved by Anderson and supported by Smith to adjourn at 7:15 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator