

GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – JUNE 14, 2007
MINUTES

The Gogebic Range Water Authority met in regular session on Thursday, June 14, 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, Pavlovich, Rickard, Pikka Grenfell and Estola
Absent: Olsen, Anderson and Salmi
Also Present: Randy Scott and Chuck Lawson, Project engineers and one citizen

MINUTES: Moved by Bertetto and supported by Smith to approve as presented and place on file the minutes of the May 10, 2007 regular meeting and the May 31, 2007 special meeting. Motion carried.

Ms. Salmi entered the meeting at 6:40 p.m.

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

OLD BUSINESS:

A. Administrator reported on the funding for the proposed 250,000 gallon water storage tank project. Since the May 31 special meeting, GRWA received a communication from Frank Tuma, USDA director, that the promised \$165,000 grant has now been reduced to \$82,000. As of late today, another communication was received which further reduced the grant to \$28,000 and loan to \$353,000, which is all of the funds left in the State. Mr. Tuma stated that if the GRWA committed to the project he would request an additional \$54,000 grant and \$317,000 in loan from the national office. This would equal the \$82,000 grant and \$670,000 loan, along with the Grand View Hospital's contribution of \$35,000; this would be the offered funding. Administrator stated that the GRWA financial situation has been closely examined and with the taking over of Bessemer Township and Indianhead water systems and the proposed rate increase on tonight's agenda GRWA could still afford to proceed.

After lengthy discussion regarding the placement of the storage tank (location had been recommended by Doug Pascoe, MDEQ), financial situation of GRWA, importance of the storage tank to the regional system, and other pending GRWA projects the Board felt it was important to proceed at this time.

Moved by Pikka and supported by Salmi to proceed with the water storage tank project with the \$82,000 grant and \$670,000 loan from Rural Development and the \$35,000 contribution from GVH.

Motion was unanimously carried upon a roll call vote.

The Anvil/Indianhead project was discussed and it is the consensus of the Board to delay the bid process until late fall to try and capture either the lower interest rate or possible grant if the proposed Farm Bill passes. Randy Scott, Wilcox Engineering, stated that GRWA has a letter of conditions from Rural Development for the Anvil project and GRWA may be committed to the current funding of loan only.

NEW BUSINESS:

A. Moved by Bertetto and supported by Ozzello to approve and authorize signatures on the Walmart Water Main project partial pay request #1 in the amount of \$78,418.45. Motion was unanimously carried upon a roll call vote.

Mrs. Pikka was excused from the meeting at 7:05 p.m.

B. The GRWA Operating Budget for the FY 2008 was presented. Administrator explained that the new GRWA budget has been converted to a "retail budget" now that GRWA has franchised the three townships. All of revenue and expenses of the townships is now under the control of GRWA. Bessemer Township will be physically turning over their revenue side of the water system in July, Indianhead will follow shortly after. The Ironwood Township water system has some accounting problems that need to be worked out. The water and sewer funds are still intermingled and need to be separated. It is difficult to determine the exact revenue and expenses that pertain to the water department until their audit is completed later this month. For now their portion of the budget is "estimated". The GRWA budget will need to be amended to correctly show Ironwood Township's portion of the budget.

Included in the \$855,939 budget under expenses is proposed annual debt service and required set aside funds in the amount of \$85,000 for the Anvil project and \$40,000 for the storage tank project.

Moved by Ozzello and supported by Salmi to adopt the GRWA - FY 2008 Operating budget with revenues of \$855,939 and expenditures of \$855,939 subject to amendment when the Ironwood Township figures are received.

Motion was unanimously carried upon a roll call vote.

C. A new water rate resolution was presented and discussed. Small increases will be necessary to set a uniform rate for the newly acquired GRWA water system. Bessemer Township will need to raise its readiness to serve from \$20 a month to \$25 a month and Ironwood Township will need to raise the commodity charge from \$5.50 / 1000 gallons to \$6.00 / 1000 gallons. Indianhead's commodity charge will remain at \$7.25/1000 gallons due to debt owned Wakefield Township and the pending water improvement project.

Moved by Bertetto and supported by Ozzello to adopt the water rate resolution as presented to be effective July 1, 2007.

Motion was unanimously carried upon a roll call vote.

FINANCIAL REPORTS: Administrator reported that a claim has been filed for the damage Xcel Energy did to the water main at Blackjack due a wrong location being called in for a Miss Dig Locate. The amount of the pending claim is: \$1519.04.

Moved by Salmi and supported by Grenfell to place the financial report on file. Motion carried.

PUBLIC COMMENT AND OTHER BUSINESS: None

ADJOURNMENT: Moved by Ozzello and supported by Bertetto to adjourn at 7:40 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator