

POWDERHORN AREA UTILITY DISTRICT  
REGULAR MEETING – APRIL 19, 2007  
MINUTES

The PAUD Board met in regular session at 4:30 p.m. on April 19, 2007 at the Ironwood Township Hall, Ironwood MI 49938. Notice of meeting was published in the Daily Globe newspaper "8 Day Calendar of Events".

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

ROLL CALL: Present: Estola, Salmi and Randall

Absent: None

Also present: Chuck Lawson, project engineer; Mr. & Mr. Halverson; Mr. & Mrs. Gordon Erickson and Mr. James Bucknell

MINUTES: Moved by Salmi and supported by Estola to accept as presented and place on file the minutes of the March 15, 2007 regular meeting. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Estola and supported by Salmi to approve payment of the claims against the operating account in the amount of \$7702.51. Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: The letter from Wilcox Engineering to Snow Country Contracting regarding the leaks in the sewer pump station vaults was discussed. Mr. Lawson, project engineer, stated that the contractor was made aware of the situation and would be addressing repairs as soon as the weather permits. Moved by Estola and supported by Randall to place the communications on file. Motion carried.

OLD BUSINESS

A. Discussion was held regarding the upcoming individual homeowners connections to the new sewer system. The required permit fees were reviewed and discussed. Moved by Estola and supported by Randall to set the inspection fees at \$200.00 for the first inspection and \$100.00 for each additional inspection effective May 1, 2007, with the first inspection fee doubling if work is started prior to permit approval and authorizing the administrator to notify the potential contractors of the increase. This resolution will replace section 3.4 of the current Sewer Rate Ordinance. Motion was unanimously carried upon a roll call vote.

B. Moved by Randall and supported by Salmi to authorize the administrator to hire additional qualified lateral inspectors as needed and negotiate employee status wages with them. Motion was unanimously carried upon a roll call vote.

C. Administrator reported on the 4Q 2006 sewer fees adjustments due to the unavailability of the individual grinder stations. The loss of revenue due to the 4Q 2006 adjustments is \$3258.55. Since it was crucial to begin billing all system users that had system availability this is a potential project claim. The Board will make a decision on how this will be handled at a later date. Administrator reported that the 1Q 2007 sewer fee invoices were mailed on April 2, 2007 and are due by April 23, 2007. The Board reviewed the invoice spread sheet of the 1Q 2007 billings. Administrator reported that approximately 25% of the payments were received as of this meeting date. Administrator reported that it has been discovered that the connection for the sewer service for the Paulsen residence was not extended to her property line per contract. Mrs. Paulsen was send a letter stating that she would not be liable for sewer fees until the extension was made this spring.

D. Discussion was held regarding two PAUD sewer customers that had arbitrarily adjusted their 4Q 2006 sewer bills to the old proposed rate. So few of the potential sewer customers returned the "EDU Assignment Form" and the "User Agreement" necessary to figure the bills using this formula making it impossible to use since most of the figures would have to be "guess work". The rate used to bill the 4Q 2006 sewer fees was structured upon suggestions of the Powderhorn Lodging Association members. Moved by Salmi and supported by Randall to ratify that the rate used for the 4Q 2006 billing is valid and the two users that adjusted their bills be held responsible for all amounts arrears including penalties.  
Motion was unanimously carried upon a roll call vote.

#### NEW BUSINESS

A. Moved by Estola and supported by Salmi to approve and authorize signatures on construction project partial pay request # 29 in the amount of \$72,323.27  
Motion was unanimously carried upon a roll call vote.

B. Mr. Lawson, project engineer, reported that the State of Michigan CMI grant administrators were holding CMI Funds of approximately \$15,000 until the construction project was completed and accepted by the owner as a "retainage". Theses funds will be disbursed in one payment at that time. PAUD requested payment of \$5604.75 from CMI in January 2007 for payment of engineering invoices. These invoices are now delinquent and the engineering firm is requesting payment from the PAUD operating account. Moved by Salmi and supported by Estola to approve payment of the Wilcox Engineering invoices totaling \$5640.75 from the operating account, to be reimbursed upon receiving the CMI final payment.  
Motion was unanimously carried upon a roll call vote.

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

PUBLIC COMMENT AND OTHER BUSINESS

Mr. Gordon Erickson spoke to the board concerning his grinder pump emergency light flashing at odd times. The project engineer and contractor will check this. Mr. Erickson also expressed concerns over the cost of the new sewer to the full time residents of the district since they did not use their homes for rental or as vacation homes.

Mr. & Mrs. Halverson, also full time residents, voiced the same concerns and requested that the board look into the matter.

Discussion was held regarding the use of a discount based on the homeowner qualifying for the Michigan Personal Residence Exemption on their property tax. This type of rate structure has been reported in the AWWA Journal as being used in Cleveland Ohio.

Discounted rates for elderly and disabled were also discussed. Board requested the administrator investigate this and report at the May meeting.

ADJOURNMENT: Moved by Salmi and supported by Randall to adjourn at 5:15 p.m.  
Motion carried.

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Richard Estola Chairman

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G. Jean Verbos, Administrator