

POWDERHORN AREA UTILITY DISTRICT  
REGULAR MEETING – OCTOBER 18, 2007  
MINUTES

The PAUD Board met in regular session at 4:30 p.m. on October 18, 2007 at the Ironwood Township Hall, Ironwood MI 49938. Notice of meeting was published in the *Daily Globe* newspaper's "Eight 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, Randall and Salmi  
Absent: None

Also present: Chuck Lawson, project engineer, Louis Sworab, PAUD employee and two citizens.

**MINUTES:** Moved by Randall and supported by Salmi to accept the minutes of the September 20, 2007 regular meeting as presented and place them on file. Motion carried.

**OPERATING ACCOUNT CLAIMS:** Moved by Estola and supported by Randall to approve payment of the claims against the operating account in the amount of \$4780.72. Motion was unanimously carried upon a roll call vote.

**COMMUNICATIONS:** The letter from Xcel Energy regarding the grinder pump installation at E6429 Snowflake was discussed. Administrator reported that PAUD still does not have the required easement from the property owner, the grinder pump station has been locked and connection will not be allowed until the easement is received. Moved by Randall and supported by Salmi to place the communications on file. Motion carried.

**OLD BUSINESS:**

A. Administrator reported that the additional information requested from Stauder, Barch & Associates, Inc., Public Financial Consultants being considered to conduct the PAUD rate study, has been received and was reviewed by the Board. Ira Township was contacted for a reference check and reported that they had used Stauder, Barch for rate studies and ordinance updates for their sewer system since the early 1990s and highly recommended the firm. Stauder, Barch's cost summary was reviewed; the price quoted of \$16,500 does include travel and out-of-pocket expenses limited to two trips to the PAUD district. If more than two trips are required PAUD will be billed for actual costs incurred.

Moved by Salmi and supported by Randall to award the rate study contract to Stauder, Barch & Associated and authorize signatures on the contract when received. Motion was unanimously carried upon a roll call vote.

B. Delinquent sewer bills were discussed by the board. Administrator presented a letter from Richard Pearson, owner of 30 units at Powdermill Resort, outlining the

hardships he has encountered in his efforts to establish a profitable rental business at this location. Mr. Pearson is requesting an extension without penalty for the outstanding sewer service bills on his units. As of the 3<sup>rd</sup> quarter sewer service billing (September 30, 2007) the amount owed, including penalties, is \$20,329.86. No payments have been received on this account since the billing started on the new sewer system.

Moved by Salmi and supported by Estola to waive late fees on Mr. Pearson's account if paid in full by October 31, 2007 and if not paid by that date the late fees will be reinstated and a lien will be placed on the property on November 1, 2007 to be collected with December 2007 property taxes.

Motion was unanimously carried upon a roll call vote.

C. Moved by Salmi and supported by Estola to approve amended project pay request of September 20, 2007 to reflect an addition error which resulted in an underpayment to Snow Country Contracting of \$110.00.

Motion was unanimously carried upon a roll call vote.

D Moved by Randall and supported by Salmi to accept the extended warranty offered by UP Concrete Pipe and Snow Country Contracting regarding leaks for excessive water infiltration in pump stations and valve vaults #4 and #5 through June 1, 2008. Motion carried.

NEW BUSINESS: None

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

**PUBLIC COMMENT AND OTHER BUSINESS:**

Chuck Lawson, project engineer reported that there is approximately \$368,000 left in the project. Administrator stated that it is the intent of the Board to make an advance payment on the \$900,000 loan.

Mr. Piepho commented on the abandoning of the old septic tanks in the project area. Septic tank abandonment is under the jurisdiction of the public health department.

Mr. Erickson commented on the CMI Grant closeout report that was sent with the last sewer service billing.

ADJOURNMENT: Moved by Randall and supported by Randall to adjourn at 5:16 p.m. Motion carried.

Richard Estola, Chairman

G. Jean Verbos, Administrator