

1 508 667 0036 P.03

**POWDERHORN AREA UTILITY DISTRICT
REGULAR MEETING – JULY 19, 2007
MINUTES**

The PAUD Board met in regular session at 4:30 p.m. on July 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 and 4 citizens

MINUTES: Moved by Estola and supported by Salmi to accept as presented and place on file the minutes of the June 21, 2007 regular meeting. Motion carried.

OPERATING CLAIMS: Moved by Estola and supported by Randall to approve payment of the claims against the operating account in the amount of \$28,504.21 which includes the annual funding of the USDA Rural Development required set-aside accounts; RRI Account - \$5,400 and Capital Improvement Account - \$17,600. Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: Administrator Verbos reported that PAUD received notice from the District Court that the Dorus vs. PAUD small claims case has been dismissed in favor of PAUD. The letter the court requested from PAUD attorney, Donald Keim, was also discussed. Administrator also reported that there has been no response from Attorney Mark McDonald regarding providing PAUD with legal services. Moved by Randall and supported by Salmi to receive and place the communications on file. Motion carried.

OLD BUSINESS:

A. Discussion was held with the project engineer regarding the status of unfinished punch list items. Administrator reported that there is a continuing problem with the flow meter at station #1 which needs to be addressed before final payment will be made to the contractor. Board requested the engineer write a letter to Snow Country Contracting stating that liquidated damages in the amount of \$300 a day will be assessed when the contract expires and will continue until all punch list items are resolved.

B. Discussion was held regarding the placement of the connection wye at the Perry residence located at 6136 Edelweiss. Engineers have investigated the matter and find that even though the connection is on the opposite side of the driveway from the septic tank the homeowner's contractor could still connect with very little effort. If the wye is moved to the other side of the driveway there are a number of trees that would be in the way of the connection. PAUD Board requested the administrator meet with the homeowner's contractor to discuss the situation and resolve it.

A 306 001 0036 P.04

C. Administrator reported that property owner Renzo Fontana, who owns 6372 Snowdrift a 2,304 square foot structure and 6276 Snowdrift also 2,304 square feet, each with four housing units had called several times venting his frustration with the current rates and requested to have his concerns brought to the board. Board acknowledged Mr. Fontana's concerns.

NEW BUSINESS:

A. Moved by Salmi and supported by Randall to approve and authorize signatures on project partial pay request in the amount of \$64,885.46.
Motion was unanimously carried upon a roll call vote.

FINANCIAL REPORTS: Administrator reported that the 2Q 2007 sewer bills had been mailed on July 2, 2007 and that all the Bessemer Township properties were added on May 1, 2007 and they were billed for two months of the quarter. Next quarter PAUD will be receiving full billing for the first time. Delinquent accounts were discussed. A list will be brought to the board at the next meeting for lien approval.

Moved by Estola and supported by Randall to place the financial reports on file.

PUBLIC COMMENT AND OTHER BUSINESS:

Administrator reported that Mrs. Kleimola of 10771 Cannonball Court left a message on the PAUD answering machine on June 19, 2007 to the effect that they wanted to "opt out" of the sewer project and that they were not going to pay the sewer service invoice. Administrator reported that a list of qualified consultants for the sewer rate study has been compiled and that "Request for qualifications and experience" will be mailed as soon as possible.

Mr. Phiepho questions the progress of finding a financial consultant to compute the amount it would be for a property owner to pay off their share of the bonded indebtedness in advance. Board responded that this is a very complicated computation but would be looked at in the near future.

Mr. Gordon Erickson commented on the PAUD rates and various other issues.

ADJOURNMENT: Moved by Estola and supported by Salmi to adjourn at 5:10 p.m.
Motion carried.

Richard Estola, Chairman

G. Jean Verbos, Administrator