

POWDERHORN AREA UTILITY DISTRICT
REGULAR MEETING – SEPTEMBER 20, 2007
MINUTES

The PAUD Board met in regular sessions at 4:30 p.m. on September 20, 2007 at the Ironwood Township Hall, Ironwood MI 40038. 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 and Randy Scott, project engineers from Wilcox Engineering and 4 citizens

MINUTES: Moved by Estola and supported by Salmi to accept the minutes with corrections to New Business item B sentence 3 to correct the spelling of the word *line* to read *lien* and place them on file. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Randall and supported by Salmi to approve payment of the claims against the operating account in the amount of \$194,427.83, which includes payment on the two USDA loans of \$28,953.00 and \$161,353.56.

Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: After review of each communication, it was moved by Estola and supported by Salmi to receive and place on file the communications.

OLD BUSINESS:

A. Rate study FRQ response review: Two responses were received in response to the FRQ to perform an independent rate study for the PAUD utility billing. Bendzinski & Co. Municipal Financial Advisors from Detroit MI at a cost not exceed \$18,750 plus travel & out of pocket expenses and Stauder, Barch & Associates Public Financial Consultants from Ann Arbor, MI for a cost of \$16,500 and includes travel and out of pocket expenses. The Bendzinski response was complete in all aspects required by the RFQ. The Stauder response did not list reference contacts nor include insurance information or the response cover letter. It was the consensus of the Board that both firms are well qualified to perform the rate study and authorized the administrator to contact Stauder for the missing information due to being the lowest price quoted. Moved by Randall and supported by Salmi authorize the administrator to contact Stauder to clarify their proposal and to set a special meeting to award the contract when the information is available.

Motion was unanimously carried upon a roll call vote.

NEW BUSINESS:

A. Moved by Salmi and supported by Estola to approve and authorize signatures on the final construction pay request # 33 in the amount of \$243,134.44 which includes \$67,345.54 to Snow Country Contracting, \$17,493.04 to Wilcox Engineering, and \$158,295.86 to Bessemer Area Sewer Authority Tap Fee.

Motion was unanimously carried upon a roll call vote.

B Moved by Estola and supported by Salmi to approve and authorize signatures on project change order #20, the final balancing change order for a credit of \$175,579.36.

Motion was unanimously carried upon a roll call vote.

C. The operating budget for FISCAL YEAR 2008 was reviewed and discussed. Several supporting documents, trial balance as of August 29, 2007; a comparison of the adopted 2006, 2007 adopted budgets to the proposed 2008 budget; and an Income by Customer report were reviewed.

Moved by Estola and supported by Randall to adopt the FY 2008 budget with revenues of \$454,820 and expenditures of \$454,820

Motion was unanimously carried upon a roll call vote.

D. An amended utility billing delinquent payment report was reviewed. One customer on the lien list paid his account in full. The owner of 30 units at the Powdermill Inn still has not paid any PAUD sewer fees, with the addition of the 3Q 2007 billing being mailed the first week of October his delinquency is approaching \$19,000.

Administrator reported that the 3Q 2007 utility bills will be mailed the first week of October and the lien list will be finalized and turned over to the townships when this billing quarter is closed.

E. Moved by Salmi and supported by Randall to approve and authorize signatures on the final CMI report and request for funds in the amount of \$9176.50 to close out the grant.

Motion was unanimously carried upon a roll call vote.

F. Board reviewed and discussed Project Engineering Agreement Amendment #9 and it was moved by Estola and supported by Salmi to approve and authorize Engineering Agreement Amendment #9 for an increase of \$5000.00.

Motion was unanimously carried upon a roll call vote.

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

PUBLIC COMMENT AND OTHER BUSINESS: Mr. Gordon Erickson commented on the PAUD Utility billing rate structure.

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

Richard Estola, Chairman

G. Jean Verbos, Administrator