

**GAINES CHARTER TOWNSHIP  
WATER & SEWER ADVISORY COMMITTEE  
MEETING MINUTES ~ MARCH 21, 2011**

**CALL TO ORDER**

A Water & Sewer Advisory Committee meeting was called to order by Tim Haagsma at 4:00 p.m. on Monday, March 21, 2011 at the Gaines Charter Township Offices located at 8555 Kalamazoo Avenue SE, Caledonia, Michigan 49316.

**ROLL CALL**

Members Present: Brian Tingley, Tim Haagsma, Don R. Hilton, Sr., Jeff Gritter, Jan Boone  
Members Absent: None  
Others Present: Vern Jones, Don Michaud

**APPROVAL OF MEETING MINUTES**

*Brian Tingley made a motion to approve the October 26, 2010 minutes as written, supported by Jan Boone.*

Discussion: None.  
Ayes: All.  
Nays: None.  
Abstain: None.

**VERN JONES – 410 SUMMER CIRCLE DRIVE**

Mr. Vern Jones of 410 Summer Circle stated he wanted to address the water board. He built his house in Gaines Township in 2001. Construction was completed in the fall of 2001. He immediately thought his water bill was too high. He stated that he had filed several complaints with Mr. Jeff Gritter. Mr. Jones stated that Mr. Gritter sat with him and gave him information regarding what types of usage cause high water bills - specifically irrigation. He still thought the bill was extremely high and compared it to other users with higher use and their bills are lower.

Every year since building the house he sent correspondence about the bill being so high without results so he decided not to pay the water bill. Mr. Jones found that after a time his water bill was added to his property tax bill. {Secretary's note: The Township has had no correspondence or communication with Senator Stabenow in regards to this matter. The Township did communicate with the State Attorney General Mike Cox, Representative Glenn Steil, and Senator Mark Jansen regarding this matter on August 7, 2008.} On June 13, 2008, Representative Stabenow contacted (see note above) Don Hilton and requested a meter change. In June of 2008 the meter was changed. Mr. Jones stated that his water bill is still \$1200 a year.

Mr. Jones stated that he received a notice on December 16, 2010 and December 22, 2010 about the Township being unable to get a meter read at his house. Mr. Jones stated that he did not respond to either notice. Thirty days later they said they were shutting his water off. He received 21 days notice of shut off after eight years of letters. He would like to have that addressed because it's not fair. He has asked that notices not be sent certified mail. Jeff Gritter has his number and could have called him. He did not respond to the second notice. Six days later he received the shut off notice. He called the guy on the 9<sup>th</sup> to change the meter and he did not show up. He called to reschedule and when the doorbell rang, a Kent County deputy was there with the meter changer. He pays every bill and the township said they were shutting off his water but wouldn't shut if off when he requested it be shut off.

*The Committee will issue a response within thirty days to Mr. Jones.*

### **DON MICHAUD – 7311 CRYSTAL VIEW**

Mr. Don Michaud of 7311 Crystal View met with Don Hilton and Jeff Gritter in the past. In 2003 he bought his house in Crystal Springs and found that it had very low water pressure. He discussed with Donn DenBoer how to increase the water pressure. They discussed a booster pump and he had one installed. Donn DenBoer did not discuss a permit. Three years ago the Board recommended an irrigation meter. He talked to Jan Boone and asked about getting the irrigation meter put in. She made no mention of a permit. Jeff Gritter got involved because the meter needed to be replaced. Now a permit is needed for the booster pump. He is being told that he needs a \$70 booster pump and check valve. It was not required in 2003 but now it is. He should be grandfathered in. He was approved in 2003 and 4 years ago, why should he pay fees now? He is willing to pay the fees on the device but a big portion of the cost is inspection fees.

Tim Haagsma asked if a plumbing permit was ever pulled?

Jeff Gritter replied that our records do not show a plumbing permit was pulled for the installation of a booster pump.

Tim Haagsma asked Mr. Michaud if he had a copy of the permit.

Don Michaud responded that Donn DenBoer said that no permit was needed.

Brian Tingley asked the total that Mr. Michaud is disputing.

Mr. Michaud is willing to pay the item fees but not the administrative fee or the inspection fee.

Tim Haagsma asked if the BGUA had worked on the irrigation meter.

Jeff Gritter replied that they had and they directed Mr. Michaud to see the Water & Sewer Committee to discuss the booster pump in 2008. He has not appeared before now. The BGUA replaced the meter in the summer of 2010 due to a malfunction and again told Mr. Michaud to see the committee about the booster pump.

Don Michaud stated that he was approved because he got the meter.

Jeff Gritter replied that the BGUA set the meter but it did not mean that the booster pump installation was approved. The BGUA does not approve plumbing inspections. The reason the meter was set was because the meter bar was installed and allowed for Mr. Michaud to use his irrigation system without a water meter; essentially he would have had free water. It was indicated on the BGUA Work Order that the irrigation system was on and in operating condition.

Tim Haagsma asked Jeff Gritter what action the Committee could take in response to Mr. Michaud.

Jeff Gritter responded that the Committee had no authority to change the plumbing permit requirement or the fees associated with the plumbing permit. Mr. Michaud can file a complaint with the local Construction Board of Appeals but they require a \$350 filing fee. This process has been explained to Mr. Michaud several times in the past.

Brian Tingley asked Mr. Michaud if he was disputing the plumbing permit?

Don Michaud replied that he was not disputing the permit but the fees on the permit.

Tim Haagsma asked if there was anything the Committee could do.

Don Michaud said that the fee could be waived.

Tim Haagsma replied that the Committee could not waive building department fees for the plumbing permit.

Jeff Gritter said that any meter installation requires two permits; one from the Water & Sewer Department and one from the Building Inspections Department. The Water & Sewer Committee has no involvement or oversight with the plumbing permit. Plumbing permits are regulated by the State through the Plumbing Codes and Building Codes.

Don Hilton stated that the issue that Mr. Michaud is requesting to resolve is done by the plumbing inspector. The Water & Sewer Committee's concern is with the integrity of the water system. A back-up associated with the booster pump can cause huge issues with safety to the public water supply, which is why a plumbing inspection is necessary.

Don Michaud said that Dan Van Dyke has been willing to do the inspection. Dan Van Dyke and Mike Kortman agreed to do the inspection after installation.

Tim Haagsma replied that they are not the Township's plumbing inspectors. They deal with the meter and getting it operational. Any work on the plumbing system requires a plumbing permit. Dan oversaw the meter installation but the booster pump is a separate issue.

Don Michaud said that it was discussed and Mike Kortman agreed a dual check valve would be required to provide protection from a back-flow.

Tim Haagsma said that a plumbing permit is required for a dual check valve.

Don Michaud said in 2003 no permit was required, now it is. Don DenBoer said it wasn't necessary.

Jeff Gritter said that Don DenBoer was not a plumbing inspector and it would be extremely unlike Mr. DenBoer to advise anyone otherwise. Since Mr. DenBoer is not in the employment of the Township or present at the meeting it would be very difficult to ask him at this time what he might have said.

Tim Haagsma stated that he understands the frustration if Mr. Michaud were told something by an employee that wasn't right. The Water & Sewer Committee has no authority to tell the Building Department to waive a fee.

Don Michaud asked what can you do?

Tim Haagsma said the Committed can listen and try to keep the situation from happening again.

Don Hilton suggested that Mr. Michaud pursue the fees he questions with the local Construction Board of Appeals. This is the body to which these sort of appeals can be directed.

Don Michaud asked why spend \$350 to dispute \$60? Can he get a water account credit?

Jeff Gritter replied that the funding for the water system and the funding for the Inspections Department are two separate funds. We can't take fees from one fund and give them to another as a credit for unrelated financial matters. We can't credit the water account because it has nothing to do with the building department fund.

Tim Haagsma apologized and said there is nothing more the Committee can do. We try to compromise but we just don't have the authority in this situation.

Don Michaud asked if the administrative fee could be waived.

Jeff Gritter replied that it couldn't because it is what pays for processing the plumbing application by the building department.

Don Michaud said that two booster pump check valves need to be installed; his own and his neighbor's. His check valve has been back ordered and won't be delivered until April 22nd but Jeff Gritter has given him a March 30<sup>th</sup> deadline. He is trying to take care of this.

Jeff Gritter stated that it was never a question that Mr. Michaud was trying to take care of this. It has been a long process; too long and the Township needs it to be resolved for the safety of the public water supply. We all need to get this done and move on. Mr. Michaud should get his check valve installed by the end of April and Mr. Peck needs to get his done as well by the March 31 deadline.

Tim Haagsma thanked Mr. Michaud for coming in and stated that he should install the check valves as soon as he could.

## **SHUT OFF POLICY FOR DELINQUENT WATER & SEWER CUSTOMERS**

Jeff stated that current policy for the Water & Sewer Department is to not shut off water for non-payment of water/sewer bills. Over the past couple of years there has been a dramatic trend of non-payment from 2004-2010. In 2004, the total amount of delinquent utility bills (including all

penalties) assigned to the tax roll was \$55,088.54. This has risen substantially and in 2010 \$162,031.03 (including all penalties) was assigned to the tax roll. Jan reviewed where we are currently with delinquent customers and the amount that is delinquent already stands at approximately \$90,000 at this point in 2011.

Jan Boone added that as of December 1, 2010 we were at \$97,000. There are currently more than 200 residents with usage more than ninety days overdue.

Jeff Gritter said there is an obvious trend occurring and it is causing concern for staff. The ordinance does give three remedies for collecting delinquent accounts. The water can be turned off, the delinquent charges can be assigned to the winter tax roll, or we can take the customer to court. The Township has always used option 2 of assigning unpaid charges to the property tax bill to collect delinquent charges. The amount of the delinquent charges is becoming a more significant percentage of fund balance with each passing year. The Township Utilities are currently well funded with healthy balances but it would be short sighted to assume this will continue forever. Staff would like some direction from the Committee. We could proceed more strongly with shut off notices but some people ignore them and simply don't pay.

Brian Tingley asked if the delinquent balances were eventually paid?

Jeff Gritter replied that they were eventually paid. If delinquent balances continue to grow, it's possible we won't have the funds to cover the balances until they are paid. The Township is in a sense extending credit to its customers for a period of time until the charges are placed on the tax bill. This may turn into a much bigger issue in the future. It's a good time to start the process since staff has a little extra time. Landlord/tenant issues do require a very strict process according to State Law. If we do change our approach now staff will be able to implement it when the bills are assigned to taxes this fall. This will give the Water & Sewer Department time to make sure all customers have ample notice of the change in policy.

Tim Haagsma doesn't like having money out there and paying customers carrying non-paying customers but doesn't like shutting off water either. If the current method is working and the township is getting money then he is reluctant to shut water off.

Jeff Gritter said we would need to give thirty days notice for shut-offs per the ordinance which allows a lot of time to respond. If you start looking at processing time of meter reads, etc. this time period of when an account goes past due increases.

Jan Boone said that the Department of Human Services calls once a month or so asking if customers are in a shut-off situation. This Department can't help those in need unless accounts are in jeopardy of shut off or already shut off. We even have some residents occasionally ask for shut off so they can get help. Of the current past due accounts; 240 are repeats from what went to taxes last year.

Don Hilton wondered if it is a priority issue. Maybe we can ramp up the current procedures. We can't wait for delinquents to hit \$500,000. We need to work on this now.

Jeff Gritter said that this doesn't need to be a motion at this time. This change in direction will make waves as it is a major change in policy and staff thought it best if the Committee was aware of it. The ordinance requires notice be sent thirty days before shut off so it is not something we could just do tomorrow. The Water & Sewer Department doesn't want to start this

in the immediate future. We can amend our own procedures and send another notice at fifteen days to try and be more in front of the issue with customers. Jeff stated that ideally this would be implemented in the fall after past due accounts are assigned to the taxes so that most accounts will start with a zero balance as we start to issue shut offs.

Tim Haagsma stated that staff should develop procedural and ordinance changes (if needed) that can be sent to the board for approval.

### **FIRST AMENDMENT TO 2006 WASTEWATER AGREEMENT**

Jeff stated that Byron Township is proposing to make a new sanitary sewer connection to the City of Wyoming sewer system to provide service to the northwest corner of Byron Township which requires an amendment to the wastewater agreement. As a party to the original agreement and joint owner of the sewer system Gaines Township must sign the amendment for the proposed connection to proceed. Jeff added that there will be no cost to Gaines Township for the construction of the connection and the impact is very limited; if there is any, to Gaines Township. Expenses for the sewer system are based upon how much contribution to the flow comes from each Township and Gaines will have zero flow to this new connection.

*Brian Tingley made a motion to recommend approval of the First Amendment to 2006 Wastewater Agreement to the Township Board, supported by Jan Boone.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

### **AMENDMENT TO WATER & SEWER ORDINANCE APPENDIX D**

Jeff stated recent changes to the City of Wyoming's sewer ordinance necessitated changes to Appendix D of the Townships' Water and Sewer Ordinances. The proposed amendments are similar to those approved by the Township Board for Appendix E (portion of Ordinance relating to the City of Grand Rapids) late in 2010. The proposed changes deal with the effluent limits and discharge permits issued by the State to the Treatment Plants. These two appendices address these limitations and deal with limiting potential pollutants at the source through an Industrial Pretreatment Program.

*Jan Boone made a motion to recommend approval of the Amendment to Water & Sewer Ordinance Appendix D to the Township Board, supported by Brian Tingley.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

## **WATER & SEWER RATE STUDY UPDATE**

Jeff Gritter presented the latest letter from the City of Wyoming. They are pushing to get the rate study done this year. The agreement language is basically complete in its present fashion and has been reviewed by the Township's Attorney. The Townships have made several requests regarding the rate setting procedures and are still waiting for a response from the City of Wyoming. Jeff wants to keep the Committee up to date on the negotiations as we are likely approaching the end of the process and the final documents will need to be presented to the Committee for review and a recommendation to the Township Board.

## **CALEDONIA TOWNSHIP**

Jeff stated that we have a meeting on this coming Wednesday, March 23, 2011 with Caledonia Township's engineer and with Jim White of Mika, Meyers, Beckett and Jones to discuss a possible sewer connection by Caledonia. Mr. White is also Caledonia's attorney so if conversations and negotiations continue there may be a conflict issue that will need to be dealt with in addition to the main request. Currently, it is proposed that Caledonia would be a wholesale customer of Grand Rapids. We've given them an estimate of potential Township costs that might be charged back to Caledonia based on our current maintenance expenses for this part of the collection system.

Tim Haagsma confirmed that Caledonia would pay Gaines for the sewer pipe and Grand Rapids for the sewage treatment.

Don Hilton asked what if Grand Rapids rates get too high and it becomes more cost effective to pump to the Wyoming treatment system?

Jeff Gritter replied that had been discussed with Caledonia and Jim White and should be included in any agreement with them. Caledonia has been made aware that this is a possibility in the future.

Don Hilton confirmed that Caledonia is paying for attorney fees and pointed out that staff time should be limited at this point.

## **ELECTION OF OFFICERS**

*Don R. Hilton, Sr. made a motion supported by Jan Boone that Water & Sewer Advisory Committee Officers will be as follows:*

- 1.) *Chairman – Tim Haagsma;*
- 2.) *Vice Chairman – Jan Boone; and*
- 3.) *Secretary – Jeff Gritter.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

*Tim Haagsma adjourned the meeting at 5:19 p.m.*

Respectfully submitted:

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Jeffrey M. Gritter, P.E.  
Township Engineer

**GAINES CHARTER TOWNSHIP  
WATER & SEWER ADVISORY COMMITTEE  
MEETING MINUTES ~ MAY 24, 2011**

**CALL TO ORDER**

A Water & Sewer Advisory Committee meeting was called to order by Tim Haagsma at 4:01 p.m. on Tuesday, May 24, 2011 at the Gaines Charter Township Offices located at 8555 Kalamazoo Avenue SE, Caledonia, Michigan 49316.

**ROLL CALL**

Members Present: Brian Tingley, Tim Haagsma, Don R. Hilton, Sr., Jeff Gritter, Jan Boone  
Members Absent: None

**APPROVAL OF MEETING MINUTES**

*Don Hilton made a motion to approve the March 21, 2011 minutes as written, supported by Brian Tingley.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

**SHUT-OFF POLICY FOR DELINQUENT WATER & SEWER CUSTOMERS**

Jeff Gritter presented proposed procedures for the shut off of delinquent utility customers. This information is in addition to the Memo provided at the March 17, 2011 committee meeting. The Ordinance requires 30 days notice prior to a shut-off; however, from a procedural stand point shut-off notices wouldn't be prepared and issued until around the 10<sup>th</sup> of the following month which will end up allowing the utility customer to go about 45 days past due prior to a shut-off from occurring. Also, the week before a shut off, BGUA staff will place a door hanger to remind customers of the shut-off date. Lastly, BGUA staff would only be able to process five to six shut-offs per day due to staffing limitations and other required work that will limit available time.

Tim Haagsma asked if this policy would require a change in the ordinance?

Jeff Gritter replied that this change in policy might require minor changes to the ordinance. The change in the collection of past due accounts procedure would require the Township to give customers a lot of notice before this is implemented. We would need to get the policy in place soon to start implementing by October with proper notice.

Jan Boone stated that there is currently \$118,798.73 in delinquent charges. There are 352 accounts ninety days past due.

Don Hilton asked how long the accounts remain delinquent before the charges are placed as a lien on the tax bill?

Jan replied that delinquents are placed on the tax bill once per year. On September 1<sup>st</sup> anything past due on May 31<sup>st</sup> is placed on the tax bill. This means that a customer is able to go a full year without paying the utility bill before it is assigned to the tax bill.

Tim Haagsma asked if we do shut-offs, would we still place a lien on the tax bill?

Jeff Gritter said that it would be possible if the delinquent accounts were not paid. In fact, this procedure should not change so that foreclosures and other unoccupied homes with past due accounts would be collected through the lien process.

Tim Haagsma said he doesn't want to just shut people off. He wants to give enough time.

Brian Tingley stated that thirty days is sufficient time, the question is to shut off or not.

Don Hilton asked how quickly the lien is paid when it goes on the tax bill?

Jeff Gritter replied that some people in the past have paid just the tax bill and not the lien, but the issue becomes that the lien is part of the tax bill and are paid eventually. The Township Treasurer and County Treasurer are very efficient in collecting past due property taxes and liens. Also, when the Utility liens are collected via the property tax bill there is a significant lag between when the taxes are collected and when the payment is made to the Utility Department. In 2010, \$162,031.03 was placed on the tax bills and the Utility Department is still waiting on the payments for these accounts.

Don Hilton suggested a schedule of notifications to include more time and more notifications.

Jeff Gritter suggested offering a grace period while implementing the new policy then eliminating the grace period.

Brian Tingley asked when the Committee would need to submit something to the Board?

Jeff Gritter replied that the Committee would need something by June or we would lose the window of time necessary to notify customers of the change in policy. There have been discussions by staff that since the Township does not issue shut off notices many people that need financial help due to a job loss or some other issue won't get it because they need a shut-off notice to qualify. Many human services organizations require shut off notices before they provide assistance to people struggling financially.

Brian Tingley suggested following the procedure in the memo but allowing 60 days to pay. This would also allow time for two notices and the door hanger.

Jan Boone asked if the full amount would be required?

Brian Tingley replied that 60 days is sufficient to pay.

Jan Boone stated that we might have to consider an easier way to take credit card and debit payments.

Tim Haagsma said that currently we take card payments but there is a fee to do so.

Jan Boone replied that this is correct and there is also a \$500 limit for utility payments which can be an issue.

*Brian Tingley made a motion to approve the procedures as listed in the shut-off policy memo dated 3/17/11 except to increase the notice period to sixty days and providing two notices and a door hanger to utility customers, supported by Jan Boone.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

## **WATER & SEWER RATE STUDY UPDATE**

Jeff Gritter stated that Wyoming has provided a final water rate study that includes notes and details that staff has been able to use to better understand the proposed rates as they review the document. Based on this latest Rate Study the proposed rates are based on the following concepts; water utility expenses are split in two major categories in the rate study. The first category is Operation and Maintenance Expenses and this category will be based on the actual costs of the Water System. This category of expense is then split into sub-categories which further allocate expenses to “*Base Demand (or Average Day Demand)*”, “*Max Day Demand*”, and “*Max Hour Demand*”. The actual annual metered usage; as defined in the proposed 2011 Water Supply Agreement, will also be used to calculate costs for the Township.

The second category of expense for the basis of calculating water rates will be capital expenses. Capital expenses are put into the same 3 subcategories defined for O & M; however, the difference is in the basis for calculating the water rates is the agreed upon *Max Day Demand*. The proposed 2011 Water Agreement currently defines this as 15 MGD for Byron/Gaines Townships and this translates into an Average Day Demand of 6 MGD. The big question for the Townships is to decide if this proposed capacity will meet the demands of the Townships into the future. Based on projections of past water use patterns (from 1984 to 2009) it is anticipated that this proposed capacity will meet the Townships needs until approximately 2020.

Staff has discussed with the City what happens if we reach capacity? Wyoming stated that they will allow reallocating of capacity between customers rather than a treatment plant expansion. If this would be possible; if not the City has studied the next possible plant expansion and based on future needs and requirements they would be prepared to begin the expansion.

The Water Rates charged by the City will go up for the next year or so but then the rates should level off.

Don Hilton asked if there is a catch all that we could use that would limit usage to protect us for a longer period of time?

Jeff Gritter replied that if we agree to this capacity, we lock into it. We can stretch the agreed upon capacity if the Townships want to consider different rate structures that would charge higher prices to greater use. This typically has the effect of limiting customer usage as the cost increase for high usage.

Don Hilton asked where Caledonia's capacity is coming from?

Jeff Gritter replied that Caledonia has not formally requested water service but if Caledonia were to request water service they could become part of the BGUA system as a retail customer. An alternative would be for Caledonia to be a wholesale customer of Wyoming using Byron/Gaines pipes for transmission. One of the main points of review should Caledonia approach us for water service would be the affect on the capacity or limitations on capacity that Byron/Gaines would face with this new demand. It's difficult to predict the nature of Caledonia's request if any is ever made and it will need to be evaluated with the long term interests of Byron/Gaines Utilities in mind.

Jeff Gritter stated that at this time the Committee needs to take no action. A final review of the proposed 2011 Water Supply Agreement and associated Rate Study are being completed and commented on. Once staff from the City and the Townships have completed this process the final documents will be presented to the Committee for review and ultimately for a recommendation to the Township Board. The last step will be the Township Board's review and action.

#### **MOBILE HOME CONTAINMENT PROGRAM**

Jeff Gritter submitted documents provided by Mike Kortman of the BGUA regarding the continuation of the mobile home park containment program. The program has been successful and we are making progress in eliminating any potential hazards. Mike has proposed Green Meadow Mobile Home Park for the next service containment. The BGUA staff would coordinate the project and complete all pipe work but a contractor is needed to build the shed to house the water meter and backflow preventers. Mike has provided three bids for the meter building and would like some direction from the Committee.

*Jan Boone made a motion to continue the containment program at Green Meadow mobile home park, supported by Jeff Gritter.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

#### **PUBLIC COMMENT**

None.

#### **ADJOURNMENT**

*Tim Haagsma adjourned the meeting at 4:45 p.m.*

Respectfully submitted:

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Jeffrey M. Gritter, P.E.  
Township Engineer

**GAINES CHARTER TOWNSHIP  
WATER & SEWER ADVISORY COMMITTEE  
MEETING MINUTES ~ JULY 27, 2011**

**CALL TO ORDER**

A Water & Sewer Advisory Committee meeting was called to order by Tim Haagsma at 11:33 a.m. on Wednesday, July 27, 2011 at the Gaines Charter Township Offices located at 8555 Kalamazoo Avenue SE, Caledonia, Michigan 49316.

**ROLL CALL**

Members Present: Tim Haagsma, Don R. Hilton, Sr., Jeff Gritter, Jan Boone  
Members Absent: None.

**APPROVAL OF MEETING MINUTES**

*Jan Boone made a motion to approve the May 24, 2011 minutes with a minor change, supported by Jeff Gritter.*

Discussion: Jan noted a correction to the dates at the top of page two in the discussion of delinquent utility bills and assignment to the property tax bill.

Ayes: All.

Nays: None.

Abstain: None.

**2011 WATER SUPPLY AGREEMENT WITH CITY OF WYOMING**

Jeff Gritter stated that the proposed agreement hasn't changed since the last committee meeting. After meeting with Julie, Rod, and Jim White recently to review the agreement and more specifically the Exhibit B, it was decided that the Rate Study (Exhibit B) was as fair as possible to the Townships. With the additional notes that Wyoming added the Exhibit is understandable and it does not require the townships to pay any fees or costs that are not appropriate.

Don Hilton asked what the term of the proposed Agreement is?

Jeff Gritter replied that the wastewater agreement has a 20 year term by law but the Water Supply Agreement has no term. Jeff added that the Rate Study, which is Exhibit B to the Water Supply Agreement, is reviewed and adjusted annually, based on budgeted expenses and a review of the previous year expenses. Usage projections are also an important part of the review but usage can be highly influenced by weather patterns and other factors.

Jeff Gritter stated that the proposed agreement allocates to the Townships (Byron and Gaines) a maximum day usage of 15 MGD. This equates to approximately a 6 MGD average day use and based on historical usage patterns as well as projections into the future the proposed agreement will give the Townships capacity to at least 2020 and perhaps longer if development growth remains depressed for a long period of time. This puts the Townships in a good position to meet present day needs as well as future potential water needs.

Jeff Gritter stated that the number one question on most people's minds is what the new agreement entails for rates. In the immediate future water rates are expected to increase and based on an annual usage of 1700 MG the Townships anticipate a 13% increase in the rates charged to Township utility customers; from \$2.00/1,000 gallons to \$2.26/1,000 gallons. If the annual usage of the Townships is above or below the projection this will impact the rates accordingly; a higher annual usage will allow for lower rates while a lower usage will necessitate a higher rate.

*Jeff Gritter made a motion to recommend that the Township Board adopt the 2011 Water Supply Agreement with attachments, supported by Jan Boone.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

## **WATER & SEWER ADMINISTRATOR UPDATE**

### **Water & Sewer Accounts – Chemical Bank**

Jan Boone stated that the Treasurer has changed the Water & Sewer accounts at Chemical Bank from interest bearing accounts to insured accounts with no interest earned on the balance. The Water & Sewer checking account is the only one that remains interest bearing. With the accounts totaling more than \$2.2 million, the Township earned \$2325.05 in interest the first six months of 2011.

Don Hilton asked if the bank failed even though the bank is insured how long it would take to recoup our funds?

Jeff Gritter asked what "insured" means? It seems like the Board should have been notified of this change in the investment of water and sewer funds. If the interest rates go back up, it could result in a significant loss to the Township and the potential interest that might have been earned by these monies would not be available to offset expenses of the utilities as they have in the past.

Tim Haagsma asked if this money can be transferred when needed?

Jan Boone replied that yes we can ask the Treasurer to transfer these funds as we need them. Jan added that these are our day-to-day funds and the Utility has additional funds invested in longer term instruments such as CD's and the County Investment Pool.

Jeff Gritter stated that the Authority went to United Bank and got a great deal with their accounts. The Authority has a different financial structure than the Township Utility so it is not a direct comparison but it seems that it is worth investigating. It is difficult to not earn interest on these monies and the Committee should understand what "insured" means. How much risk is the Township involved in with Chemical Bank.

Don Hilton is concerned with the security of the money.

The Committee directed Jeff Gritter to discuss this with the Township Treasurer and ask for some details be presented to the Committee so it can understand how the utility accounts are being handled. A good understanding is important as this may or may not impact rates and the setting of future rates.

### **Point Pay – Credit Card Payments**

Jan Boone said that a Point and Pay representative has been talking to the Treasurer. Point and Pay is a payment company for processing credit card payments with BS&A. The information was submitted to the committee for possible recommendation to the Board.

Tim Haagsma asked if there was a cost to the Township?

Jan Boone said there was no cost to the Township but the residents would pay a 3% fee based on the payment they are making for the service. The proposal was given to Laurie Lemke in June but no response has been received at this time.

Jeff Gritter added that the current credit card payment system limited water/sewer payments to \$500.

Jan Boone said the current system charges a \$5.95 fee for each payment. With Point & Pay, we can take the payment on the phone or they can swipe their credit card when they come into the Township to make a payment.

Jeff Gritter stated that the Point and Pay system will work for all departments in the Township including the Building Department, Treasurer's Department and Planning & Zoning Department.

*Don Hilton made a motion that the Committee encourage the Treasurer the review the Point and Pay information and make a recommendation to the Township Board as soon as possible supported by Tim Haagsma.*

Discussion: None.

Ayes: All.

Nays: None.

Abstain: None.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

*Tim Haagsma adjourned the meeting at 12:18 p.m.*

Respectfully submitted:

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Jeffrey M. Gritter, P.E.  
Township Engineer

**GAINES CHARTER TOWNSHIP  
WATER & SEWER ADVISORY COMMITTEE  
MEETING MINUTES ~ NOVEMBER 21, 2011**

**CALL TO ORDER**

A Water & Sewer Advisory Committee meeting was called to order by Tim Haagsma at 4:00 p.m. on Wednesday, November 21, 2011 at the Gaines Charter Township Offices located at 8555 Kalamazoo Avenue SE, Caledonia, Michigan 49316.

**ROLL CALL**

Members Present: Tim Haagsma, Jeff Gritter, Jan Boone  
Members Absent: Don R. Hilton, Sr. (with notice)

Others Present: none.

**APPROVAL OF MEETING MINUTES**

*Jan Boone made a motion to approve the July 27, 2011 minutes, supported by Jeff Gritter.*

Discussion: none.

Ayes: All.  
Nays: None.  
Abstain: None.

**PUBLIC COMMENT**

None.

**CURRENT MATTERS:**

**Water and Sewer Rate Study**

Jeff Gritter presented a memo and a proposed resolution based on the results of the Water and Sewer Rate Study recently completed by staff from Gaines Township and Byron Township. This study is completed annually by the Townships and water/sewer rates are adjusted based on the results.

Jeff Gritter stated that the most significant changes are proposed for the use fees for both water and sewer; also the Ready-to-Serve fees are proposed to be reduced reflecting cost control efforts by the Townships and the BGUA. Also, with changes in regulations relating to Lead being implemented by the EPA the water meters that the Township can install meeting these regulations are going up in price prompting a proposed increase in these fees too.

Jeff Gritter stated that the water use fee based on the results of the Rate Study should be going to \$2.53 per 1,000 gallons to fully recover the charges that the Townships will be billed by Wyoming; however staff is proposing that this significant increase be implemented over the course of 2 years. Staff has proposed that this rate be increased to \$2.25 per 1,000 gallons for 2012 and then re-evaluate the rate for 2013.

Jeff noted that the Water Use Fee and the Sewer Use Fee are based on the charges that we receive from the City(s). The Ready to Use Fees are based on Township expenses so by all indications the Townships are reducing expenses where ever possible.

Tim Haagsma asked about the comparison of rates charged by neighboring communities referenced in the Memo to the Committee? Jeff Gritter stated that he ran out of time to prepare but would make sure it is available for the Township Board.

*Jan Boone made a motion to recommend approval of the Resolution to Establish Water Supply and Sewer Rates and Charges to the Township Board, supported by Jeff Gritter.*

Discussion: none.

Ayes: All.

Nays: none.

Abstain: none.

**ADJOURNMENT**

*Tim Haagsma adjourned the meeting at 4:22 p.m.*

Respectfully submitted:

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Jeffrey M. Gritter, P.E.  
Township Engineer