

**GAINES CHARTER TOWNSHIP
WATER & SEWER ADVISORY COMMITTEE
Draft MEETING MINUTES ~ November 20, 2012**

CALL TO ORDER

A Water & Sewer Advisory Committee meeting was called to order by Chair Tim Haagsma at 4:05 p.m. on Tuesday, November 20, 2012 at the Gaines Charter Township (GCT) Offices located at 8555 Kalamazoo Avenue SE, Caledonia, Michigan 49316.

ROLL CALL

Members Present: Jan Boone, Jeff Gritter, Tim Haagsma, Don R. Hilton, Sr.
Members Absent: None
Others Present: Sandy Wiltzer, Recording Secretary

APPROVAL OF MAY 21, 2012 MINUTES

MOTION: By Jan Boone, supported by Don Hilton, to approve the minutes for the May 21, 2012 Water & Sewer Advisory Committee meeting as presented.
YES: Jan Boone, Jeff Gritter, Tim Haagsma, Don R. Hilton, Sr.
NO: None
ABSTAIN: None
MOTION: Carried

APPROVAL OF JUNE 26, 2012 MINUTES

MOTION: By Jan Boone, supported by Don Hilton, to approve the minutes for the June 26, 2012 Special Water & Sewer Advisory Committee meeting as presented.
YES: Jan Boone, Jeff Gritter, Tim Haagsma, Don R. Hilton, Sr.
NO: None
ABSTAIN: None
MOTION: Carried

PUBLIC COMMENT

None

CURRENT MATTERS:

1. Water & Sewer Annual Rate Study

Jeff Gritter presented the annual Rate Study to the Committee. The Rate Study has been completed in the same manner as it has over the last 10± years using essentially the same spreadsheet. This spreadsheet has been improved upon over time; however, the same basic structure for calculating the rates is in place. One significant change has been made to the way in which usage numbers are calculated. In the past, the last full year of data has been used for the purpose of the rate study. This would have meant that in this years Rate Study usage data from 2011 would be used to calculate 2013 rates. This year Jeff Gritter completed the rate study

as it has been in years past but also looked at changing the manner in which usage data was placed into the rate study. Jeff stated that we have available to us usage data from the first 3 quarters of 2012 and using the past 5 years of quarterly usage data an estimated 4th quarter was calculated and included with the 2012 data completing an annual estimated usage for 2012. To further “smooth” the potential peaks or valleys in usage data the average use from 2011 and 2012 was calculated. It is these numbers that the current rate study is based upon. By using this method to calculate the annual use data an attempt is being made to mitigate the effects that the weather can have on use rates; the cost of the wholesale price of water or sewer is still out of our control. The Township’s have a very residential customer base making us more susceptible to weather patterns because of the irrigation systems that accompany many residential homes.

Discussion regarding past years use followed; usage was higher in 2012 due to the extremely dry summer and a rebounding economy. Jan Boone stated 2007 was also a dry year and similar to 2012 use. Jeff Gritter stated 2012 was the biggest year for volume of water used so far for the Byron-Gaines Utilities. In 2009 / 2010 we had more rain and the economic conditions led people to cut back on water use reducing the annual usage numbers. So after several years of lower water/sewer use this has rebounded significantly.

Jeff stated that the results of the Rate Study are proposed adjustments to the Water Use Fee from \$2.25/1,000 gallons to \$2.45/1,000 gallons; adjust the Sewer Use Fee from \$3.78/1,000 gallons to \$3.50/1,000 gallons; adjust the water RTS fee from \$15.60/qtr to \$14.10/qtr and adjust the sewer RTS fee from \$14.80/qtr to \$14.15/qtr. The remaining fees are essentially unchanged. The results of these proposed changes will be that an average residential customer will see a reduction in their quarterly bill of \$2.28 if the proposed rate adjustments are adopted by the Township Board. Jeff added that he has included the comparison of the rates with neighboring communities.

MOTION: By Jan Boone, supported by Jeff Gritter, to recommend the Township Board adopt the proposed Resolution as written to establish water supply and sewer rates and charges.

<u>YES:</u>	Jan Boone, Jeff Gritter, Tim Haagsma, Don R. Hilton, Sr.
<u>NO:</u>	None
<u>ABSTAIN:</u>	None
<u>MOTION:</u>	Carried

2. Robert VanderLaan Letter

A letter was sent to Supervisor Hilton from Mr. Robert VanderLaan of 7369 Old Lantern Drive, Caledonia MI 49316 postmarked November 6, 2012 regarding sewer charges. The letter was reviewed and his recommendations to modify the calculation of sewer bills were discussed. Mr. VanderLaan has requested to pay the same rate for his sewer charges as those who only have sewer and have no water meter; the flat rate sewer charge. Jeff Gritter stated that the Township has made a choice in the billing system to charge customers for what they use. With the water meter technology and the systems available to read the meters it was determined that meter reads are the most accurate and fair way to bill customers. The Township anticipated that this might cause some issues for customers that use significant amounts of water for their landscapes. Letters were sent in advance of any changes to the billing method to notify these customers of the pending change including Mr. VanderLaan. It was noted that Mr. VanderLaan usage is quite high (has historically been high) and that he would have paid less had an irrigation meter been installed. The Water & Sewer Advisory Committee understands Mr. VanderLaan’s position but does not feel a change in billing method is warranted when he does have available another method for limiting his expenses. Mr. VanderLaan was made aware of these changes prior to them taking effect and he has been encouraged on several occasions to take the initiative and install a second meter to limit the sewer expenses that result from his irrigation practices.

3. Credit Card Payments.

The Township Treasurer is accepting credit card payments through Chemical Bank. This is a change from the prior provider used by the Township of Official Payment Corp. The Water & Sewer Department thinks that this will be an improvement for the customers. However, State law requires approval of the governing body of an organization to accept Automatic Clearing House (ACH) payments. To the knowledge of Water & Sewer, the Treasurer has not obtained Township Board approval for this change. Currently, the Township is outside of the boundaries set by State law for accepting ACH payments. The Committee discussed this matter and recommended that an effort be made to notify the Treasurer so she will have the opportunity to correct. Although the Committee understands it is a convenience to Township residents which they surely appreciate, the Board needs to pass a resolution to support ACH payments. The Treasurer should draft such a request and submit it to the Township Board. The Secretary is directed by the Water & Sewer Advisory Committee will send a memo to the Treasurer notifying her of the concerns of the Committee.

OTHER MATTERS:

a. Update on Dutton Industrial Drive Easement for Watermain.

The property owner has requested “consideration” before he is willing to grant an easement that would allow the installation of a watermain on Dutton Industrial Drive. The Water & Sewer Advisory Committee discussed several alternatives for what this consideration might be. The Committee feels it is in the best interest of the Township to have water service available to existing and future businesses located on this street. It was noted that an investment such as this would reduce insurance expenses for all business owners and that the land would be more valuable and marketable for current land owners. The properties adjacent to this street are also in the I-1 zoning district. Land in this zoning district tends to be valuable and the locations where concentrations of jobs are found. It is in the best interest of all parties to make this area as conducive to business investment as possible.

MOTION: By Don Hilton, supported by Jan Boone that a proposal be developed to offer the landowner the value of 120 feet of water availability fees and the value of a 2” water service if necessary to the property owner.

YES: Jan Boone, Jeff Gritter, Tim Haagsma, Don R. Hilton, Sr.

NO: None

ABSTAIN: None

MOTION: Carried

b. Proposed upgrades to water meter reading.

The Townships and the BGUA have been discussing possible improvements to the way in which water meters are read for several years. The Township currently has the BGUA read all water meters. One third of the water meters are read each month and from these readings, Customer Bills are created.

Three meter styles exist in the system currently: manual read, touch pad read and radio read. The next step in meter reading technology is a Vehicle Meter Reading device (VGB & VXU). These units in combination are able to read old radio style meters. Radio read out devices are also changing with technology advances and the VGB will read the new radio reads or M-style radio reads. By implementing this change the productivity of BGUA staff will be improved and hours spent on meter reading will be reduced allowing staff to focus on hydrant repairs, water sampling, valve turning, etc...

The BGUA has budgeted in 2013 to go to this technology but is a significant change and warrants the Water & Sewer Committee being made aware of it. A key to maximizing the efficiency of Vehicle Meter Reading is to continue replacing water meters in Gaines Township with radio read devices. The BGUA has been directed to replace manual meters in Gaines Township with radio read meters. It is estimated that this will take approximately 4 years to complete based on current staffing levels and funding levels.

c. Replacement of master water meter.

The City of Wyoming and the Townships have discussed replacing the Master Water Meter located in BG2 at Burlingame Ave and 60th Street. This is the Townships feed from the City of Wyoming for the supply of water to both of the Townships. The existing meter was installed in 1988 or 1989 and has likely reached the end of its useful life. There are currently some questions as to its accuracy and it is impossible to test this meter so the only option is replacement. Two options exist at this time; first to have the BGUA replace the meter with a new 16" "mag" meter. Another option is to replace the existing meter with a larger diameter meter – a 24" diameter "Mag" meter. Some exploratory engineering needs to be completed to determine which direction is ultimately pursued. It appears that it would be most wise to upgrade the meter to a 24" diameter meter for capacity improvements as well as pump efficiency improvements. However, it is possible to test some different scenarios now prior to making any changes because of the configuration of the piping at the meter station. Again this is being brought to the attention of the Committee because it is a change to the water system but the improvements are being budgeted by the BGUA in the 2013 Budget.

d. Other matters

Jeff Gritter gave an update in regards to the interest that the Township of Caledonia has expressed in connecting to the water system and the sewer system. Currently very little new progress has been made regarding these issues. In the last conversations had with Caledonia the priority appears to be the connection into the sewer system. Caledonia is currently negotiating terms with the City of Grand Rapids in regards to treatment of sewage from this potential service area. Further information is likely to come forward next year if Caledonia is able to negotiate a contract with Grand Rapids.

ADJOURNMENT

Tim Haagsma adjourned the meeting at 5:07 p.m.

Respectfully submitted:

Jeffrey M. Gritter, P.E.
Township Engineer