

**Portage-Base Lakes Sewer Area Water & Sewer Authority
Monday, September 20, 2010
Hamburg Township Hall Building
Regular Meeting**

1. CALL TO ORDER

Moody called the meeting to order at 7:03 p.m.
Present: Semprevivo, Moody, Ehman, Kleinschmidt
Absent: McCloskey
Also Present: Randazzo, Rick Kangas and Angie Rabb

2. ADOPTION OF AGENDA

Motion by Kleinschmidt, supported by Ehman, to approve the agenda as amended, adding Capital Improvements under Old Business.
Voice Vote: Ayes-4, Absent-1 (McCloskey) **MOTION CARRIED**

3. CALL TO THE PUBLIC

A call was made with no response.

4. CORRESPONDENCE

There was no correspondence presented.

5. NEW BUSINESS

A. 2009-2010 Audit

John Pfeffer thanked the PBLSA for having Pfeffer-Hanniford-Palka as the independent auditor of choice. He reviewed his letter dated 8/27/10 and the Annual Financial Report for year ending 3/31/10.

Semprevivo arrives – 7:07

John Pfeffer stated with Angie Rabb's assistance, the information was brought forward in a timely manner. He stated he feels a lot more comfortable now with the current people in place doing the Accounting.

Semprevivo asked if the pre-audit report would still be something that would be of benefit.

John Pfeffer stated the issues that they were having with the audit process will be greatly reduced going forward due to the staff change. He stated with the prior staff, they were not getting things in a timely manner. He stated he now feels confident that there is good communication and will receive the necessary information promptly.

Ehman stated he would like the "legal actions" wording struck from the audit.

Pfeffer stated he would remove the wording.

Rabb stated all issues in the audit report will be addressed.

John Pfeffer stated that bills need to be approved with signature prior to being paid.

Rabb stated they are in the process of getting all due dates to coincide for DTE in order to avoid late fees. She stated once the due date is corrected, direct payment from the checking account will be arranged. She stated Karen in Accounting will be working on the Accounts Receivable & Utility Bills which will assist with the separation of duties the Auditor speaks to.

Ehman asked why the program couldn't eliminate sales tax when a payment was made.

Rabb stated sales tax will be monitored more closely ~~from~~^{from} this point forward. She stated she would like to schedule an exit interview with the Auditor in order to remove some of the "boiler plate" language. She stated the Audit was not very thorough and felt that the firm didn't ask very many questions.

Moody stated she would have the full support of the Authority to request an exit interview with the Auditors.

6. OLD BUSINESS

A. Drywell Project

Randazzo stated he will get back to the Authority with a cost estimate of what the sodium testing will cost if it is done on an "in house" basis at Hamburg Township.

Ehman asked if water sample bottles could be obtained from the Health Department in order for residents to self test their water. He stated they could see where they stand with that process.

Kangas stated it will be a bit hard for some of the houses as they will need to go door to door and get inside to do the water sample. He stated reducing the amount of backwashing will also reduce the sodium levels.

Semprevivo asked how the Authority could help people with adjusting their dials. Are there any education services that could be provided?

Randazzo stated a note could be made in the letter, but there are so many various systems would be hard to educate on each individual softener. He stated Hamburg Township's sodium levels are at 280 in the spring, and since the passing of the Sodium ordinance and the requirement of the use of Potassium Chloride, levels have reduced to 180 as of today.

Semprevivo suggested a bulleted reminder in the Invoices.

Randazzo stated Hamburg has come up with a Question and Answer format at Hamburg which has been quite helpful. He stated that something along that line may be beneficial to the Authority as well.

Ehman will make amendments on the Potassium Chloride letter and send copy to Randazzo.

Randazzo to forward the letter to Authority members for final comments.

Kangas stated the sludge removal is scheduled to start October 6, 2010.

Motion by Semprevivo, supported by Ehman, to approve the revised Notice of Possible Violation Letter. Randazzo to send revised version to all Board members prior to mailing.
Voice Vote: Ayes-4, Absent-1 (McCloskey) **MOTION CARRIED**

7. **REPORTS**

A. Engineer's Report/Capital Improvements

Kangas reviewed the Operation and Maintenance report for July/August 2010 with the Board.

Ehman stated the Authority should contact DTE in order to review the issues with the recent power failures and brown outs, which are having an adverse effect on the pump station equipment.

Kangas stated the power is unbalanced and the voltage is an issue. He stated he doesn't think that DTE will pay for any damage done to the Authority's equipment, but they may pay for some of his time dealing with the issues involved at pump station #4. He stated there have been significant expenses incurred related to power outages.

Semprevivo asked if there is something the Authority can do to get DTE to come in and talk to the Board. He suggested bringing this situation up at the next Hamburg Township Board meeting and see if they would support a cooperative effort.

Kangas stated Swiffer wipes and garage rags have been flushed into the sewer, which has been causing some blockages. He suggested making residents aware that they should not be putting those types of items in the sewer system.

Moody suggested adding a note to the next sewer billing.

Randazzo stated costs could be recouped if it could be determined the resident that is responsible.

Kangas stated the 5 horsepower engines are strong enough to clear the debris, it is the 2 horsepower engines that have the issue.

Moody directed **Randazzo** to put a note on the next sewer billing to advise residents not to put rags and other similar items into the sewer system.

B. Treasurer's Report

Randazzo asked what the Board decided with regards to the \$20,000 currently in First National Bank of Howell.

Ehman stated it should be fine to leave it deposited there for now as it is covered under FDIC.

C. Superintendent's Report

Randazzo reviewed his memo dated 9/17/10. He reviewed the Stantec bills and outlined the Contractual vs. Non-contractual charges. He stated 75% of the Non-contractual charges have been related to power outages.

Semprevivo asked when generators are available at the pump stations, what can the Authority expect as a financial benefit with regards to reduced labor charges from Stantec.

Kangas stated with what is being proposed, he anticipates reducing costs by about 75%.

Semprevivo directed **Randazzo** to track the number of hours Stantec spends on power outages at pump stations both with and without generators and draft a Comparison Report for the Boards review.

D. Approval of July & August 2010 Bills

Motion by Ehman, supported by Kleinschmidt, to pay the July & August 2010 bills as presented.

Voice Vote: Ayes-4, Absent-1 (McCloskey)

MOTION CARRIED

Motion by Ehman, supported by Kleinschmidt, to forward the delinquent O&M sewer bills to the 4 Townships for inclusion on the 2010 Winter Tax bill.

Voice Vote: Ayes-4, Absent-1 (McCloskey)

MOTION CARRIED

8. APPROVAL OF THE JULY 19, 2010 MEETING MINUTES

Motion by Ehman, supported by Semprevivo, to approve the minutes from July 19, 2010 meeting as presented.

Voice Vote: Ayes-4, Absent-1 (McCloskey)

MOTION CARRIED

Motion by Semprevivo, supported by Kleinschmidt, to approve the minutes from the August 24, 2010 meeting as amended.

Voice Vote: Ayes-4, Absent-1 (McCloskey)

MOTION CARRIED

9. ADJOURNMENT

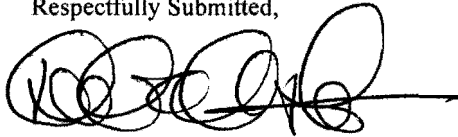
Motion by Ehman, supported by Kleinschmidt, to adjourn the meeting.

Voice Vote: Ayes-4, Absent-1 (McCloskey)

MOTION CARRIED

The meeting adjourned at 8:29 p.m.

Respectfully Submitted,



Debra A. Henneman
Recording Secretary

Approved at 11-15-10 meeting

Next meeting date: November 15, 2010 7:00 p.m.