

A regular meeting of the Gratiot Area Water Authority was called to order at 12:04 p.m. by Chairman Giles in the Alma Municipal Building. A quorum of the Authority was present.

*Roll Call*

Authority members present: Melissa Allen, Kurt Giles, Roxann Harrington, Don Pray, and Tom Reed.

Authority members not present: Matthew Schooley (excused).

Others present: Doug Freed, Cynthia Michels, Bill Pilmore, David Ringle, Keith Risdon, and John Willemin.

*Approval of Minutes*

**Motion by Member Allen, seconded by Member Harrington, to approve the minutes of April 13, 2018.**

**Motion carried with a unanimous voice vote.**

*Other Business*

Chairman Giles offered information about the five-year capital improvement program and called for questions. He noted these items are not included in the operational budget scheduled for approval on the agenda. Bill Pilmore, Water Treatment Plant Superintendent, was present to answer questions about items in the capital improvement program.

**Motion by Member Reed, seconded by Member Allen, to approve the following capital improvement program for Fiscal Years 2019 through 2023:**

<b>Gratiot Area Water Authority 5 Year Capital Plan</b>							
Item	Life Expectancy	2019	2020	2021	2022	2023	Totals
Sludge Pond Security Fencing	25 years	\$75,000					\$ 75,000
Welhouse #1 Repairs	20 years	\$16,500					\$ 16,500
Soda Ash Feeder	20 years		\$50,000				\$ 50,000
Window Replacement	25 years		\$20,000				\$ 20,000
Brick Planters	10 years		\$15,000				\$ 15,000
Re-Paint Clarifiers	15 years			\$95,000		\$95,000	\$190,000
SCADA Computer Replacements	5 years			\$15,000	\$15,000	\$10,000	\$ 40,000
Warm Air Incubator	20 years			\$ 7,000			\$ 7,000
Lime Slaker Replacements	20 years				\$80,000	\$80,000	\$160,000
Water Well VFD Replacements	10 years				\$10,000	\$10,000	\$ 20,000
<b>TOTALS</b>		<b>\$ 91,500</b>	<b>\$ 85,000</b>	<b>\$117,000</b>	<b>\$105,000</b>	<b>\$195,000</b>	<b>\$593,500</b>

**Motion carried with a unanimous voice vote.**

Chairman Giles explained there was no formal Finance Committee report, but the Finance Committee recommended approval of resolutions regarding the Fiscal Year 2019 Operational Budget and a water rate change for Fiscal Year 2019.

**Resolution 2018-0007**  
Gratiot Area Water Authority  
2018-2019 Operating Budget

The following preamble and resolution were offered by Member Allen, and seconded by Member Pray.

**WHEREAS**, in accordance with the Gratiot Area Water Authority Articles of Incorporation, ARTICLE XI.C., the Board shall, prior to March 1 of each year, prepare, adopt and file with the legislative bodies of the Constituent Municipalities, an annual budget for the next fiscal year covering the proposed expenditures to be made for the organization and operation of the Authority, and

**WHEREAS**, the Finance Committee has submitted and filed with the Gratiot Area Water Authority Board (Board) a proposed estimate of revenues and operating expenses for 2018-2019 fiscal year on May 11, 2018. Lateness of this budget being due to extenuating circumstances with staffing and organizational changes.

**NOW, THEREFORE, BE IT RESOLVED**, the Board does hereby adopt the operating budget as presented and attached. Said Total Operating Expenses being \$895,000, with total expenses including depreciation expected to be \$1,745,007.

Ayes: Allen, Giles, Harrington, Pray, and Reed.  
Nays: none.  
Absent: Schooley.

**Resolution declared adopted this 11<sup>th</sup> day of May, 2018.**

**Resolution 2018-0008**  
Gratiot Area Water Authority  
Wholesale Water Rate Change

The following preamble and resolution were offered by Member Pray, and seconded by Member Allen.

**WHEREAS**, the Gratiot Area Water Authority has determined that all operational costs will be covered by rates each year and as much of depreciation shall be funded as possible without causing an unreasonable increase in fees.

**WHEREAS**, the Gratiot Area Water Authority has tasked its Finance Committee to recommend a rate reflective of such desires, and such committee has offered a recommendation of increase.

**NOW THEREFORE IT BE RESOLVED**, the Gratiot Area Water Authority Board of Directors will set the wholesale water rates to the cities of Alma and St. Louis at \$2.57 per thousand gallon unit, effective July 1, 2018.

Ayes: Allen, Giles, Harrington, Pray, and Reed.  
Nays: none.  
Absent: Schooley

**Resolution declared adopted this 11<sup>th</sup> day of May, 2018.**