

A regular meeting of the Gratiot Area Water Authority was held virtually via Zoom and called to order at 12:02 p.m. by Chairman Kurt Giles. A quorum of the Authority Board was present.

*Roll Call*

Authority Board members present: Kurt Giles, Roxann Harrington, Bill Leonard, Tom Reed, and Jim Wheeler.

Authority Board members absent: none.

Others present: Dave Ringle, Kent Nothstine, John Willemin and Ali Barnes.

Authority Board member Ripley entered the meeting at 12:03 p.m.

Authority Board member Leonard left the meeting at 12:04 p.m.

*Approval of Agenda*

Chairman Giles offered to amend the agenda to add discussion regarding in-person meetings starting in 2022.

**Motion by Board Member Wheeler, seconded by Board Member Reed, to approve the agenda as amended.**

**Motion carried with a voice vote.**

**Aye: Giles, Ripley, Harrington, Reed, and Wheeler.**

**Nay: none.**

**Absent: Ripley.**

*Approval of Minutes*

**Motion by Board Member Reed, seconded by Board Member Wheeler, to approve the minutes of November 12, 2021, as presented. Motion carried with a voice vote.**

**Aye: Giles, Ripley, Harrington, Reed, and Wheeler.**

**Nay: none.**

**Absent: none.**

Authority Board member Leonard entered the meeting at 12:06 p.m.

*Communications*

*Requests for Payment & Purchase*

*Recommendations on Bids*

*New Business*

*Unfinished Business*

*Reports*

Ali Barnes of Yeo & Yeo presented the Audit Report for Fiscal Year ending June 30, 2021. A clean audit opinion was issued for this fiscal year. The statement of net position at the end of June showed cash was the second most significant asset, with \$2.9 million at the end of June. Capitalized assets are just over \$20.2 million. The authority has minimal liabilities, with \$84,000 in accounts payable at the end of the year. There is a total net position of \$23.2 million. The authority brought in about \$1.5 million with charges for services between Alma and St. Louis, along with some minor charges for testing. Operating expenses came in around \$1.6 million, with \$860,000 in depreciation expenses. That created an operating loss of about \$92,000. There was a significant capital contribution from St. Louis, a portion of which was grant funded. Overall, total net position increased by \$3.8 million. Statement of cash flow showed a net change in cash increased roughly \$650,000 for the year for repairs and emergency expenses. The authority does have an internal policy to maintain a certain level of cash for operations, the rest is put into a replacement reserve account which has around \$2.7 million in the fund. The rest of the cash will be needed for operations. There is \$20 million in capital assets of which \$3.9 million was

contributed from St. Louis, \$827,000 came in from Alma, and another \$709,000 from St. Louis. Alma is still running payroll for City of Alma employees working for the authority at \$345,000. St. Louis charges an amount related to accounting services, administrative services, and engineering services which is around \$20,000. There were no material weaknesses, no significant deficiencies, and no management comments for this year. Authority members and Yeo & Yeo were very pleased with the clean audit and praised Bobbie Marr for her hard work in providing the material for the audit.

Chairman Giles mentioned the summary of sales quantity of water sales has been stable, which totals 538 million gallons per year. The calculated rate for wholesale water will be \$2.98/thousand gallons of water for the next fiscal year. It will still be a little short of the recommended \$3.06 hike in the audit report.

**Motion by Board Member Wheeler, seconded by Board Member Harrington, to receive the Yeo & Yeo audit report. Motion carried with a voice vote.**

**Aye: Giles, Ripley, Harrington, Leonard, Reed, and Wheeler.**

**Nay: none.**

**Absent: none.**

Chairman Giles offered discussion regarding the Open Meetings Act. The Authority will no longer be able to meet virtually unless the Legislature passes legislation. Meetings will go back to in-person meetings starting in January 2022. Dave Ringle, Public Services Director, offered to check on meeting room availability at the Alma Public Library or Alma City Hall.

Chairman Giles reviewed the Water Production Report for November. No comments or suggestions were offered by Board Members.

Chairman Giles reviewed the Financial Statements through November 30, 2021. No comments or suggestions were offered.

John Willemin of Fishbeck, Thompson, Carr & Huber offered an update on the SLWSR project. The design project was issued to the state a while ago with the plans and specs for Well 12. The Well 12 proposed permit was the same as Wells 9, 10 and 11, but the state has approached it differently and would like the wells to run differently. The wells run at a higher rate for less hours a day, so they don't have to run 2 or 3 shifts a day to meet demands. EGLE would like the authority to clamp down on the capacity of the well to take in the large water withdrawal permit amount. John mentioned they shouldn't be capped, the rate applies to a 24-hour period, and it shouldn't matter which well is used, as long as it doesn't exceed the output. John proposed to the state they be allowed to run at the higher rate, with no restrictions beyond what the pump can produce. This is how the plant has been running for years with the 3 current wells with no issues. There have been very few days where the plant operates more than the 3.536 million gallons a day allowed from the wells now. EGLE has asked for more information to be submitted in the monthly operating reports, listing the total flow of each well, each day. Kent Nothstine, Waterplant Superintendent, agreed he would include the information if needed by the state.

The well abandonment project has been started. Some of the well houses will be demolished, others will be turned over to property owners. This will most likely require a permit from the state. It should be able to work concurrently with the work on Well 12.

Groundwater monitoring will continue and will help keep the data updated. John said they will continue to conduct residential well monitoring for residents who wish to have Fishbeck and Oberleitner look at the well, take a sample and then use it for background data. There were 10 residents who responded for the monitoring.

Well 12 will have to be resampled for the state. There were a couple of parameters which were not tested by the state, but the sample needs to be taken from a different area. The sample can be taken now or wait until construction is completed on Well 12.

**Motion by Board Member Harrington, seconded by Board Member Wheeler, to receive the November Water Production Report, November Financial Statements, and SLWSR Construction Update. Motion carried with a voice vote.**

**Aye: Giles, Ripley, Harrington, Leonard, Reed, and Wheeler.**

**Nay: none.**

**Absent: none.**

*Appropriations*

**Motion by Board Member Reed, seconded by Board Member Wheeler, to approve and ratify the claims and accounts for November 2021 in the amount of \$86,148.49. Motion carried with a voice vote.**

**Aye: Giles, Ripley, Harrington, Leonard, Reed, and Wheeler.**

**Nay: none.**

**Absent: none.**

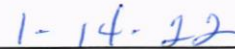
*Public Comment*

*Adjournment*

**Motion by Board Member Harrington, seconded by Board Member Wheeler, to adjourn the meeting. Chairman Giles adjourned the meeting at 12:35 p.m.**



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Kim Fellows, Recording Secretary



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Date of Approval