

## Lake Mitchell Sewer Authority

3161 South Lake Mitchell Drive

Cadillac, MI 49601

Special Meeting Minutes

October 11, 2018 5:20 P.M.

- A. **Call to Order:** Hilty 5:20 P.M.
- B. **Roll Call:** Keith, Hilty, Boyd, Kitler  
**Absent:** Pullen
- C. **Approval of Agenda:** Boyd made a motion to approve agenda as amended. Kitler supported. **All in Favor Unanimously.**
- D. **Agenda:**
1. **City Wastewater Treatment Agreement:** Hilty stated on September 19, 2017, the following motion was made: *Hilty made a motion to approve the Sanitary Sewer Service Contract with the City of Cadillac, effective May 14, 2017 and to authorize the Chairman to execute that Contract, subject to his preparation and approval of all Exhibits to that Contract, and to authorize the Chairman to use the service of Wade Trim to prepare Exhibit A, Service areas, and Exhibit B, Diagram of the LMSA System and Exhibit C, Township resolutions. Boyd supported.*  
Hilty stated that at a previous meeting Keith provided the board with information he received while at an MTA meeting regarding a fair approach to wastewater treatment costs. The board members discussed that it could potentially be a savings of \$100,000 over a twenty year treatment contract. The board members agreed it was in the best interest of the customers of the system to rescind the previous motion in order to explore an alternative pricing structure. The authority also hired a utility financial consultant firm to assist in this process and to help educate the public. Hilty made a motion to rescind the September 19, 2017 approval of the Sanitary Sewer Service Contract with the City of Cadillac and to pursue wastewater treatment rates that are more reasonable. Kitler supported. **All in Favor Unanimously.**
  2. **Review & Selection of O&M Contractor:** Hilty stated LMSA received three (3) proposals. Infrastructure Alternatives, Inc., F&V Operations and Resource Management, INC. The board discussed and reviewed the contracts and associated costs. The board discussed the pros and cons of continuing a working relationship with Wade Trim and the overall increase of 17% from the previous contract. Hilty stated that Sheila Hill will manage the contract moving forward and Ken Schaut will not be directly involved with the project. The board further discussed the benefits of the staff's ability to work on more tasks that were previously considered out-of-scope. Keith and Boyd stressed the importance of working together in the future. Hilty stated Wade Trim plans on hiring a lead technician for the project. Kitler stated if the contract does not work this time that Wade Trim should not be allowed to submit O&M proposals to LMSA in the future. Hill mentioned there was a non-negotiable annual CPI in the new contract. Hilty questioned the CPI and asked Hill for clarification. Hill stated it is built into the contract to cover the annual increase for the employees, health insurance, and any other overhead increase. Hill stated Wade Trim has historically given increases to its employees even when Wade Trim did not receive the CPI. Boyd made a motion to accept the Wade Trim contract in the amount of \$228,000.00. Keith supported. **All in Favor Unanimously.**  
Hill thanked the board for their continued support and confidence with her new position.
- E. **Board Comment:** Kitler stated that a co-worker at DEQ lives in Selma Township and would consider a position on the board if one becomes available. Boyd stated if the person is interested to have him contact him.
- F. **Adjourn:** Boyd made a motion to adjourn at 5:53 P.M. Keith supported. **All in Favor Unanimously.**