

Dimondale/Windsor Wastewater Treatment Plant  
**SEWER BOARD MINUTES**  
October 18, 2012

7:06 p.m. Meeting called to order by Chairperson Blair

**Roll Call**

Present: Ammarman, Blair, Chappell, Reznick, Slucter

Absent: none

Also Present: Denise Parisian, Village Manager; Betsy Kelly, Recording Secretary.

**Treasurer's Report/Bills**

Motion by Reznick, second Ammarman, to accept the treasurer's report for October 18, 2012 as presented. Motion carried. Motion by Reznick, second Ammarman, to approve payment of \$51,754.27 for October 18, 2012 bills. Motion carried.

**Minutes**

Motion by Reznick, second Chappell, to approve the minutes of the September 20, 2012 regular meeting as presented. Motion carried.

**Open to the Public**

No comments were received.

**Operator's Report**

Parisian distributed a written report from Mark Hughes on the status of plant operations.

**Old Business**

1. Ammarman provided the following update on the sewer main replacement project: activities in the river are wrapping up; lift station work will begin next week; a change order will be forthcoming for mitigation requirements recently imposed by the DEQ; and the contractor expects completion by Thanksgiving.
2. Blair introduced the rate study for member consideration. Discussion followed regarding the purpose of the study as a forecasting tool and not an accounting instrument; adjusting future purchases for inflation; and, reevaluating the cost of proposed projects on an annual basis. Jim Hein Jr., Village Trustee, commented on setting priorities in the study and then sticking to the plan. The members agreed in theory but emphasized the reality of unforeseen failures and circumstances in the sewer environment and the impact on established priorities. Reznick spoke in favor of building a capital reserve fund to cover unanticipated expenditures and reduce the need and ultimate cost of borrowing money. The Board walked through the individual components that create the \$34.66/REU per month proposed rate of the most recent rate study, noting that those allocations address specific expenditures and do not "save" deliberately for reserves. Parisian explained that financial consultants have previously advised one year's worth of operations as a reasonable reserve fund, which is approximately \$300,000 for this system. Ammarman supported the proposed rate increase and additional capital funding because he believes consistent under-funding of the system precipitated the need to borrow for the current sewer main project. Motion by Slucter, second Reznick, to recommend a rate of \$37.00/REU per month effective with the December 2012 billing cycle. Reznick reiterated that the additional \$2.34/REU per month would be designated to building the capital reserve fund. Motion carried unanimously. Staff will develop an information flyer for the November Village and Township Board meetings.

**New Business**

1. Blair presented a request to temporarily suspend sewer billing for 220 Hoehn Court, effective October 1, 2012, due to destruction of the home by fire on September 30, 2012. Motion by Ammarman, second Reznick, to approve the request as presented. Motion carried unanimously. Hein questioned whether vacant buildings could request the same sewer billing exemption and Blair explained that such requests are granted only when sewer usage has been completely eliminated/disconnected.

Motion by Reznick, second Ammarman, to adjourn. Motion carried at 8:13 p.m.