


**MUSKEGON COUNTY REGIONAL
WATER SYSTEM POLICY BOARD
MICHAEL E. KOBZA HALL OF JUSTICE
990 TERRACE STREET
BOARD OF COMMISSIONERS ROOM, 4TH FLOOR
DECEMBER 6, 2011
2:00 P.M.**

A G E N D A

- A. Call To Order.
- B. Roll.
- C. Approval of Minutes.
- D. Items for Discussion:
 - 1. Agreement for Municipal Water Supply.
- E. Information Items:
 - 1. Regional Water System Payables.
 - 2. Budget Status.
 - 3. New Meters Set List.
 - 4. Local Fund Balance Sheet.
- F. Reports:
 - 1. Water System Update.
- G. Old Business.
- H. New Business.
- I. Audience Participation.
- J. Adjourn.

**REQUEST FOR CONSIDERATION
MUSKEGON COUNTY
REGIONAL WATER SYSTEM POLICY BOARD**

MUSKEGON COUNTY REGIONAL WATER SYSTEM POLICY BOARD		BUDGETED <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> PARTIAL
REQUESTOR Public Works	MEETING DATE December 6, 2011	REQUESTOR SIGNATURE 
SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)		
Approve the minutes of the meeting held November 8, 2011		
SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)		
I move to approve the minutes of the meeting held November 8, 2011.		

APPROVED <input type="checkbox"/> YES <input type="checkbox"/> NO DATE

FORWARD TO PUBLIC WORKS BOARD <input type="checkbox"/> YES <input type="checkbox"/> NO
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M I N U T E S

Muskegon County Regional
Water System Policy Board
Board of Commissioners Room
Michael J. Kobza Hall of Justice
990 Terrace Street
Muskegon, Michigan
November 8, 2011

CALL TO ORDER

The meeting was called to order by Chairman David Kieft at 2:00 p.m.

ROLL

Members

Present: Kim Arter, Laketon Township
Chris Hall, Dalton Township
Alan Jager, County Commissioner
David Kieft, Muskegon Charter Township
Ken Mahoney, County Commissioner
Scott Plummer, County Commissioner
Jan Deur, Fruitland Township
John Snider, County Commissioner

Excused: Sam St. Amour, Fruitland Township

Staff

Present: John Warner, County DPW
Karen Fisher, County DPW

Others

Present: Dave Bossenbroek, Attorney
Mike Thompson, Egelston Township
Deb Ackerman, Egelston Township
Rod Siegel, Laketon Township
Dave Smith, City of Muskegon

WSPB-11-054 - APPROVAL OF MINUTES

Moved by Scott Plummer, seconded by Ken Mahoney, to approve the minutes of the meeting held October 11, 2011.

Motion carried

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WSPB-11-055 - MEMORIAL DRIVE WATERMAIN

Moved by Scott Plummer, seconded by Alan Jager, to authorize payment of up to \$22,965.40 to Johnson & Anderson for design of the Memorial Drive watermain in accordance with the Laketon Township/Johnson & Anderson agreement with costs being paid by the Regional Water System fund 5910-0546 and recommend same to the Board of Public Works.

Roll call: Ayes - Arter; Hall; Jager; Kieft; Mahoney; Plummer;
Deur; Snider.

Nays - None.

Motion carried

WSPB-11-056 - INFORMATION ITEMS

Moved by Jan Deur, seconded by Kim Arter, that the following information items be received and placed on file:

1. Regional Water System Payables
2. New Meters Set List
3. Local Fund Balance

Motion carried

WSPB-11-057 - REPORTS - WATER SYSTEM UPDATE

The Water System Project Update was distributed for information.

WSPB-11-058 - OLD BUSINESS

There was no old business.

WSPB-11-059 - NEW BUSINESS

There was no new business.

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WSPB-11-060 - AUDIENCE PARTICIPATION

There was no audience participation.

WSPB-11-061 - ADJOURN

Moved by Scott Plummer, seconded by Jan Deur, to adjourn the meeting at 2:20 p.m.

Motion carried

David A. Kieft, Jr., Chairman

kf

AGREEMENT FOR MUNICIPAL WATER SUPPLY

This Agreement is effective on March 1, 2012, between the **City of Muskegon**, 933 Terrace Street, Muskegon, MI ("Muskegon"), the **City of North Muskegon**, 1502 Ruddiman Dr. North Muskegon, MI ("North Muskegon"), the **City of Roosevelt Park**, 900 Oakridge Road, Roosevelt Park, MI ("Roosevelt Park") and the **County of Muskegon** by and through its **Board of Public Works**, 990 Terrace St. Muskegon, MI ("County"). North Muskegon, Roosevelt Park and County are referred to herein as "Buyers" or collectively as "Buyer".

RECITALS

- A. Muskegon owns and operates a water production and distribution system with a capacity currently capable of serving the present customers of Muskegon's system and the estimated number of water customers to be served by the Buyers pursuant to this agreement.
- B. North Muskegon and Roosevelt Park each own and operate water distribution systems within their respective corporate boundaries. The County, pursuant to a Management Contract authorized by 1957 PA 185, MCL 132.731 *et seq.*, operates a water distribution system within the Townships of Dalton, Fruitland, Laketon and Muskegon.
- C. The Buyers presently have separate contracts with Muskegon for water supply and the Parties now desire to enter into a single agreement for Muskegon to supply water to Buyers at a uniform rate.
- D. The parties enter into this agreement for the mutual benefit of Muskegon and Buyers.

THE PARTIES AGREE AS FOLLOWS:

1. **Supply of Water.** Muskegon shall sell, supply and deliver to Buyers, under positive pressure, such amounts of water as Buyers may require. The water shall be delivered to each Buyer at a master meter or meters used to measure the quantity delivered. The water shall have the same quality as that which Muskegon furnishes and delivers to its own customers and at a minimum meets the applicable purity standards of the State of Michigan, Department of Environmental Quality.
2. **Interruptions.** In the event the supply of water by Muskegon is interrupted for short periods of time, due to circumstances beyond its control, or due to breakdown in Muskegon's system, such interruption shall not terminate or affect this contract, provided

Muskegon exercises all due speed and diligence in eliminating the cause of such interruption, so as to minimize its duration.

3. **Rates For Water Supply.** The water supplied by Muskegon shall be paid for by each Buyer at a rate of 1.25 times the rate Muskegon charges a majority of its own commercial/industrial/residential customers within its corporate limits. The charges for water supply shall be determined using the metered volume of water supplied to each Buyer.

3.1 Muskegon reserves the right to increase its rates to its own customers for water service, and in such event, Buyer's rate shall increase at 1.25 times the increase charged Muskegon's customers.

3.2 Any rate increase shall not be effective, unless otherwise agreed, until Muskegon has given Buyers 90 days written notice thereof.

3.3 In the event any of the master meters fail to register the supply of water due to a breakdown or other failure, the charge for the water supply shall be determined by utilizing the average of the 30 day period prior to the breakdown. In the event the said measure is inaccurate because of a progressive breakdown or other reason, Muskegon reserves the right to use an average derived from a period of up to one year prior to the breakdown, in order to determine the charge for water supplied that meter.

3.4 The current water rate-setting methodology employed by the City of Muskegon does not include a ready-to-serve (RTS) component. Should the City opt to return to a rate format that includes a RTS charge, the Parties may negotiate a new rate multiplier.

3.5 The Parties may renegotiate the rate if Muskegon secures a substantial new municipal water customer.

4. **Term.** This agreement has a term of Forty Years from the effective date, through February 29, 2052. However, this agreement can be renegotiated if a regional water agreement is reached and Muskegon and Buyers agree to participate in same.

5. **Muskegon the Sole Source of Water; No Resale.** Buyers agree that they shall purchase all of their municipal water supply from Muskegon, delivered through master meters to each Buyer. There shall be no purchase of water by Buyers for their municipal systems from any other source, and the water supply furnished by Muskegon shall be solely for consumption within the systems of Buyers. Buyers shall not sell or supply water to any other governmental unit, except service to government facilities located within Buyer's system. Buyers shall not, however, be prohibited from expansion of their systems to other geographical areas such as Egelston and Moorland Townships, provided Muskegon's facilities can supply the required quantity of water.

6. **Obligations of Muskegon.**

6.1 Muskegon shall supply water to each Buyer in the quantities required and bill each Buyer for the amount actually metered, which readings will be provided to Buyer and verified upon request.

6.2 Muskegon shall maintain and replace the master meters as required, and shall charge the expense thereof to Buyers in addition to the water charges. Meter replacement shall be done by prior agreement or if meter accuracy is demonstrated to be outside the AWWA standard of +/- 2%. Meter testing and/or calibration shall be shared equally by Muskegon and Buyer.

7. **Obligations of Buyers.**

7.1 Each Buyer shall pay the water charges set forth above promptly on a schedule to be determined by the Parties.

7.2 Each Buyer shall pay all costs for construction, design and improvement of its own system, meters and facilities such as, but not limited to, underground systems, overhead facilities, system pumps, meters, access and repair devices, all necessary to operate its water system or to increase its pressure over that supplied by Muskegon.

7.3 Include in each system all necessary devices to prevent back flow of any kind into the water system which might contaminate the water system of either Party.

7.4 Reimburse Muskegon as appropriate for the repair, maintenance and replacement of the master meters as referred to above.

7.5 Be responsible for the maintenance, repair, and replacement of its own water system unless otherwise provided for through a separate agreement.

7.6 Each Buyer shall administer its own water customer services including billings, collections, determining its customer rates and passing any ordinances and regulations required to operate its system and comply with this agreement.

7.7 Each Buyer shall save and hold Muskegon harmless from any and all claims, demands or damages arising out of the design, construction or operation of the Buyer's systems, the master meter(s), any connections between the Parties' systems, including but not limited to all damages, costs, attorney fees, laboratory expenses, fines, penalties, or any other expense arising out of any such claim.

8. **System Master Plan and Reliability.** The Parties understand and agree that the physical and financial health, reliability and growth of the entire system are directly related to that of the individual systems. Periodic reliability studies are also required as a condition of system licensing by the State of Michigan. To that end the Parties commissioned a *Water System Master Plan and Reliability Study* by Black and Veatch

Corporation which was submitted to the Parties in March 2011. In addition to a detailed system analysis, the Study makes specific recommendations for system improvements and regional system planning. The Parties agree to jointly discuss and consider implementing the recommendations of the current and future Reliability Studies.

9. **No Third Party Beneficiary.** There shall be no other beneficiary or third party beneficiary to this agreement. No remedy is provided or intended by this agreement for the customers of any Party.

10. **Assignment.** This contract may not be assigned to another entity by any Party without prior written consent.

11. **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties with respect to its subject matter. This Agreement supersedes and/or replaces all prior oral or written Agreements between the Parties, and specifically, on its effective date, this Agreement terminates and replaces the following Agreements and Contracts:

- A. Agreement for Municipal Water Supply effective November 1, 1996, between the City of Muskegon and the City of Roosevelt Park.
- B. Agreement for Municipal Water Supply effective June 26, 2001, between the City of Muskegon and the City of North Muskegon.
- C. Water Purchase Contract effective October 7, 1981, between the City of Muskegon and the County of Muskegon.
- D. Water Purchase Contract effective April 22, 2003, between the City of Muskegon and the Charter Township of Muskegon assigned to the County of Muskegon.

12. **Severability.** In the event any provision of this agreement is determined to be invalid by any court or tribunal having jurisdiction, the balance of the agreement shall remain in full force and effect.

13. **Law Applicable.** This agreement shall be interpreted under Michigan Law.

14. **Approvals.** This agreement shall be effective on the date above, but only after approvals given by the governing body of each Party.

REGIONAL WATER SYSTEM PAYABLES

Regional Water System Fund 5910

Consumers Energy	Service 5000 Whitehall	\$ 35.50
DTE Energy	Service 616 W. Giles	32.78
MDEQ	Public Water Supply Annual Fee - Eastside	2,246.37
MDEQ	Public Water Supply Annual Fee - Northside	945.85
BS&A Software	Annual service/support fee	1,330.00
DTE Energy	Service 1316 Keating	51.07
DTE Energy	Service 99 Quarterline	33.37
Consumers Energy	Service 616 W. Giles	482.77
City of Muskegon	Water Dept. services September 2011 - NS	4,134.18
City of Muskegon	Water Dept. services September 2011 - ES	11,260.52
Britton & Bossenbroek	Legal services	1,020.00
DTE Energy	Service 44 Ottawa	57.75
Johnson & Anderson	Water system specification update	1,680.00
Metron Farnier	Water meters	6,238.38
Consumers Energy	Service 1316 Keating	57.11
City Directories	City directory/internet access	245.00
Consumers Energy	Service 1655 Evanston	98.51
City of Muskegon	Water bill - Quarterline	18,695.10
City of Muskegon	Water bill - Harvey	26,928.72
City of Muskegon	Water bill - Keating	7.56
City of Muskegon	Water bill - Ottawa	29,261.75
Consumers Energy	Service 99 Quarterline	1,939.44
		\$106,781.73

New Meters Set

Property Location	Customer Name		Installed	TWP	Size	REU
1685 BECKER	JOSEPH GORBACH TRUST	RES	W AND S 11/15/11	MUS	3/4 I	1.0000
245 BIRCH DR	OLGA KHARIN	RES	LAK 11/22/11	LAK	3/4 I	1.0000
2248 PENNSYLVANI	PETER WAALKENS	RES	LAK 11/22/11	LAK	3/4 I	1.0000
1297 SPENCERWOOD	LEIGHA GOLDEN	RES	W AND S 11/23/11	MUS	3/4 I	1.0000
4165 WHITEHALL	NELS/BARB CARLSON	RES	DAL 11/28/11	DAL	3/4 I	1.0000

New Meters Set

Property Location	Customer Name		Installed	TWP	Size	REU
2010 MACARTHUR	WATER CUSTOMER	RES	W AND S 11/18/11	MUS	3/4	1.0000

LOCAL FUND BALANCE SHEET
as of November 30, 2011

	YTD .05 PER UNIT OF WATER	YTD REU REIMBURSEMENT	CURRENT ACCOUNT BALANCE
DALTON TWP	\$ 429.32	\$ 200.00	\$ 4,650.15
FRUITLAND TWP	\$ 5,102.10	\$ -	\$ 2,740.90
LAKETON TWP	\$ 3,140.20	\$ 15,700.00	\$ 26,856.32
MUSKEGON TWP	\$ 16,074.87	\$ 4,611.00	\$ 19,753.46

MUSKEGON COUNTY

M I C H I G A N

MEMORANDUM

BOARD OF PUBLIC WORKS

Marvin R. Engle
Chair, District 5

Scott Plummer
Vice Chair, District 7

David S. Fisher
Secretary
Drain Commissioner

Lewis J. Collins
District 6

Benjamin E. Cross
District 10

James J. Derezinski
District 4

Alan Jager
District 2

John Snider II
District 3

Rillastine R. Wilkins
District 9

TO: Chairman Kieft & Muskegon County Regional Water
System Policy Board Members

FROM: John K. Warner, Director of Public Works *JKW*

RE: Project Update

DATE: December 1, 2011

Northside - We sent out all notifications necessary due to our lead exceedence on the Northside Water System. As of the time of writing this we have had 6 calls from customers with questions on the notice. We still have an elevated sampling plan which we must develop before the end of the calendar year and begin to implement in 2012 until we are shown to be back in compliance (below the Action Limit at the 90th percentile).

We will be performing a flush of the Whitehall Road watermain and the elevated water storage tank during the week of December 5, 2011.

The chlorine meter at the Giles Road pump station was rebuilt as it was not functioning properly and could not be properly calibrated. It is now working well.

Eastside - The Evanston Avenue tank painting/structural repair project is complete and the tank is back on line. We are awaiting a final contract change order so we can finalize this project.

During flushing activities this fall, 5 valves were discovered to be broken in the closed or partially closed position. We will be working with the City of Muskegon to get these valves replaced within the next few months.

The new watermain for the Christian Care Facility on Sheridan Road has been completed and is being tested at present. We are working on an apparent easement issue on a part of the watermain there which has existed for many years.

General - as an information item, the City of Muskegon has hired a new operations manager for the water treatment plant. His name is Steve Teunis and he comes from the City of Holland water treatment plant.

JKW:kf