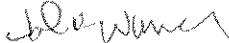


MUSKEGON COUNTY REGIONAL WATER SYSTEM POLICY BOARD
MICHAEL E. KOBZA HALL OF JUSTICE
990 TERRACE STREET
BOARD OF COMMISSIONERS ROOM, 4TH FLOOR
11 June 2013
2:00 P.M.

A G E N D A

- A. Call To Order.
- B. Roll.
- C. Approval of Minutes.
- D. Action Items
 - 1. Approve Water Rate Increase
 - 2. Approve Counsel to handle Mandatory Connection for 3110 Evanston
- E. Information Items:
 - 1. Discussion of Water System History.
 - 2. Hydrant Maintenance Fees.
 - 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 BOARD CONSIDERATION-COUNTY OF MUSKEGON

COMMITTEE Muskegon County Regional Water Policy Board		BUDGETED	NON-BUDGETED	PARTIALLY BUDGETED
REQUESTING DEPARTMENT Public Works		COMMITTEE DATE 11 June 2013	REQUESTOR SIGNATURE 	
SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)				
Approval of the minutes of the 07 May 2013 meeting of the Muskegon County Regional Water System Policy Board.				
SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)				
I move to approve the minutes of the Muskegon County Regional Water Policy Board meeting held on 07 May 2013.				
ADMINISTRATIVE ANALYSIS (AS APPLICABLE)				
<u>HUMAN RESOURCES ANALYSIS:</u>		<u>FINANCE & MANAGEMENT ANALYSIS:</u>		
<u>CORPORATE COUNSEL ANALYSIS:</u>		<u>ADMINISTRATOR RECOMMENDATION:</u>		
If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee				
				Date
AGENDA DATE:	AGENDA NO.:	BOARD DATE:	PAGE NO.	

MINUTES

Muskegon County Regional
Water System Policy Board
Board of Commissioners Room
Michael J. Kobza Hall of Justice
990 Terrace Street
Muskegon, MI 49442
May 7, 2013

CALL TO ORDER

The meeting was called to order by Chairman Sam St. Amour at 2:00pm.

ROLL

Present: Kim Arter, Laketon Township
Chris Hall, Dalton Township
David Kieft, Muskegon Charter Township
Kenneth Mahoney, Muskegon County Board Chair
Susie Hughes, Muskegon County Commissioner
Sam St. Amour, Fruitland Township, Water System Policy Board Chair
Terry Sabo, Muskegon County Commissioner

Staff

Present: John Warner, Muskegon County Director of Public Works
Heath Kaplan, Muskegon County Finance & Management Services Director
Lynn Esparsa, Muskegon County Administrative Secretary

Others

Present: David Bossenbroek, Attorney
Rod Siegel, Laketon Township
Jan Deur, Fruitland Township

WSPB-13-018 – APPROVAL OF MINUTES

Moved by Susie Hughes, seconded by Kim Arter, to approve the minutes of the meeting held March 12, 2013.

Motion carried.

WSPB-13-019 – AUTHORIZATION TO BID FIRE HYDRANT PAINTING

Public Works Director, John Warner, addressed the Board regarding their authorization to solicit bids to paint approximately 1100 fire hydrants.

Moved by Ken Mahoney, seconded by Terry Sabo, to suspend the rules to discuss the action item.

Motion carried.

Rod Siegel, Laketon Township, addressed the Board regarding the Fenner Glen Owners' Association idea to plan a weekend neighborhood fire hydrant painting party. Public Works will be supplying the paint, and Tractor Supply Company will be donating the brushes for the project. There was additional discussion regarding ensuring the hydrants are operable after being painted. John Warner stated they will be working with the Fire Department and Muskegon Township on this.

Moved by Susie Hughes, seconded by Terry Sabo, to return to the regular agenda.

Motion carried.

Moved by Susie Hughes, seconded by Ken Mahoney, to authorize the solicitation of bids for the painting of all system hydrants which are in need of repainting with costs being paid by the Regional Water System fund 5910.

Motion carried.

WSPB-13-020 – INFORMATION ITEMS

The following information items were received and placed on file:

1. John Warner gave a brief history of the water system.
2. New Meters Set List (None).
3. Local Fund Balance Sheet (March and April 2013).

Muskegon County Regional
Water System Policy Board
May 7, 2013
Page Three

WSPB-13-021 – REPORTS – WATER SYSTEM UPDATE

The Water System Update was presented by John Warner and distributed in a memo for information.

WSPB-13-022 – OLD BUSINESS

Discussion ensued regarding the status of mandatory connect at 787 E. Giles. In progress.

WSPB-13-023 – NEW BUSINESS

A memo regarding mandatory connect for next month was given to John Warner.

WSPB-13-024 – AUDIENCE PARTICIPATION

None.

WSPB-13-025 – ADJOURN


Moved by Ken Mahoney, seconded by Kim Arter, to adjourn the meeting at 2:28pm.

Motion carried.

Sam St. Amour

lme

REQUEST FOR BOARD CONSIDERATION-COUNTY OF MUSKEGON

COMMITTEE Muskegon County Regional Water Policy Board		BUDGETED	NON-BUDGETED	PARTIALLY BUDGETED
REQUESTING DEPARTMENT Public Works	COMMITTEE DATE 11 June 2013	REQUESTOR SIGNATURE 		
<p>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</p> <p>We have been notified recently by the City of Muskegon that wholesale water rates will be increased by 10% commencing 01 October 2013 should the City Commission pass the FY 2014 budget as presented. For us, that means a \$0.19 per unit increase, bringing our wholesale rate to \$2.12 per unit. I am recommending a direct pass-through of the rate increase to the customers, taking our current per unit rate of \$2.12 up to \$2.31 effective 01 October 2013. I recommend that the Regional Water System Policy Board set the new water rate at \$2.31 per unit of water effective 01 October 2013 and that the Water System Policy Board recommend to the member townships that they approve the rate increase and amend Appendix A to their respective water ordinances prior to 30 September 2013.</p>				
<p>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</p> <p>I move that, subject to the City of Muskegon passing their FY2014 budget as presented including the 10% increase to the wholesale water rate, the Muskegon County Regional Water System Policy Board set the retail water rate for the Muskegon County Regional Water System at \$3.31 per 100 cubic foot unit effective 01 October 2013 and recommend to the townships of Dalton, Fruitland, Laketon and Muskegon Charter that they amend Appendix A of their respective water ordinances to reflect this change prior to 30 September 2013.</p>				
ADMINISTRATIVE ANALYSIS (AS APPLICABLE)				
<u>HUMAN RESOURCES ANALYSIS:</u>		<u>FINANCE & MANAGEMENT ANALYSIS:</u>		
<u>CORPORATE COUNSEL ANALYSIS:</u>		<u>ADMINISTRATOR RECOMMENDATION:</u>		
If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee:				Date
AGENDA DATE:	AGENDA NO.:	BOARD DATE:	PAGE NO.	

MUSKEGON COUNTY

M I C H I G A N

BOARD OF PUBLIC WORKS

Terry J. Sabo
Chair, District 8

Benjamin E. Cross
Vice Chair, District 2

David S. Fisher
Drain Commissioner
Secretary

James J. Derezinski
District 7

Marvin R. Engle
District 5

Susie Hughes
District 3

Charles Nash
District 6

Robert Scolnik
District 4

Rillastine R. Wilkins
District 1

Memorandum

TO: Chairman St. Amour and all Water System Policy Board members

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

Date: 03 June 2013

Subject: Pending Rate Increase

Recently, I was notified by Bryon Mazade, City of Muskegon Manager, that effective 1 October 2013, the wholesale rate of water to the Muskegon County Regional Water System will be increasing by 10% should the City of Muskegon approve the FY2014 as presented. Currently we are paying \$1.925 per 100 cubic foot unit (748 gallons). The increase will be \$0.1925 per unit so the new price will be \$2.1175 (actually \$2.12) per unit.

At present, our customers are charged \$3.13 per metered unit at their homes or businesses. I am recommending that should the City of Muskegon City Commission approve the FY2014 budget as presented including the 10% increase in the water wholesale rate, the Water System Policy Board set the new rate, effective 01 October 2013 at \$3.31 per unit. That is a direct pass-through of the \$0.19 per unit increase which would be imposed upon our system by the City of Muskegon. The increase being effective 01 October 2013 would be charged to the customers commencing with the November 2013 bill (for water used in October).

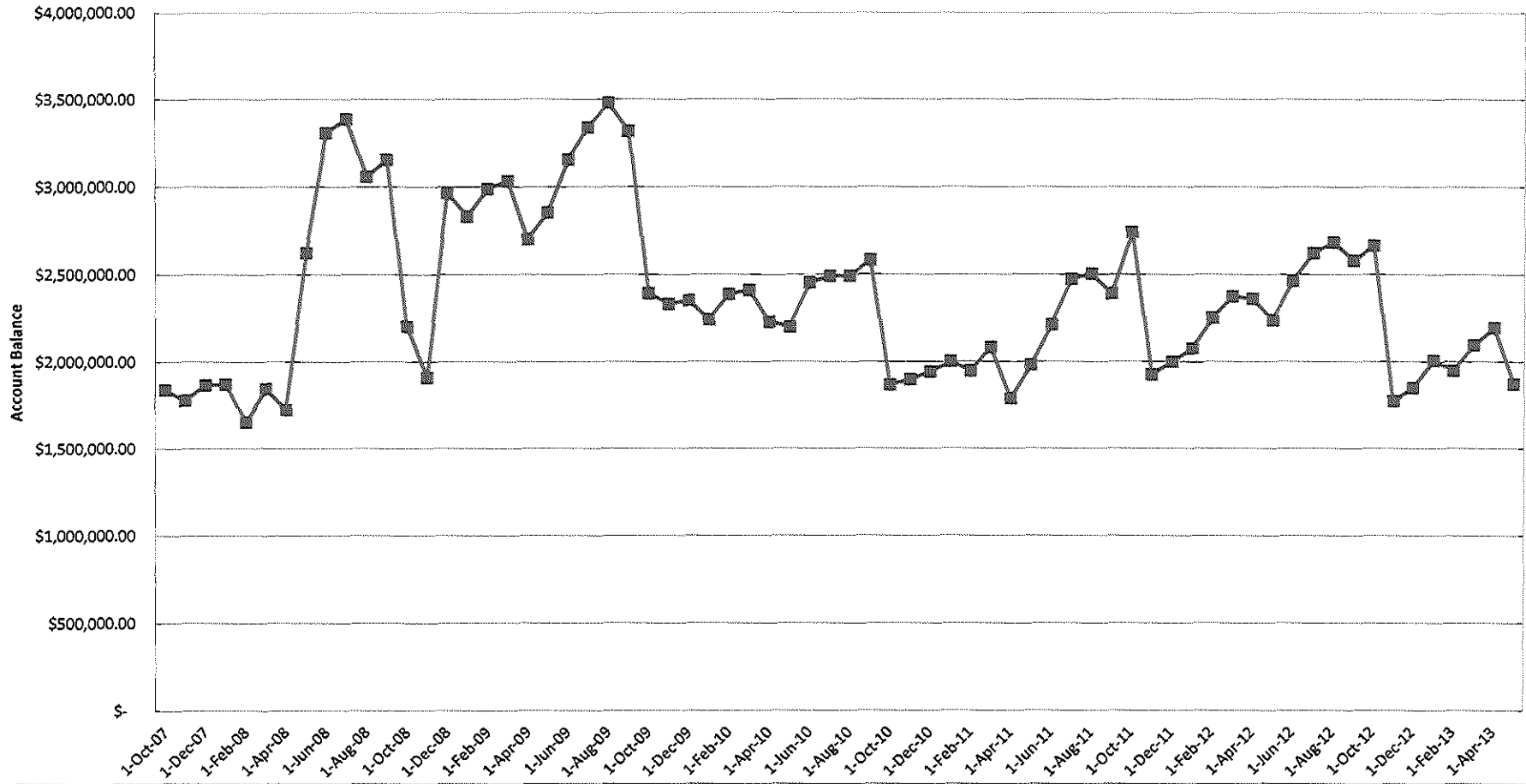
When we signed the agreement with the City of Muskegon and there was a slight rate reduction in the wholesale rate paid by the Regional Water System to the City of Muskegon for water, there was talk of reducing the rate charged to customers by the \$0.07 per unit difference. At that time I recommended against doing that as we had just raised the rates not long before the agreement was signed. The thought was that keeping the additional \$0.07 per unit could help hold off a rate increase for a while the next time the City of Muskegon raised our wholesale rate.

I have done a study on the water system balance over the last 5+ years and I have attached the graph showing the Water System cash in bank each month since January 2007. You can

see that in 2008 and 2009, we were flush with cash, pushing the \$3,000,000 cash in bank balance. This was due to the reimbursement of grant monies from the last round of construction. Then through 2010, the cash in bank started to decline based on advice from our financial advisor, Mr. Tom Traciak. Tom advised that for a system our size, we should be keeping cash on hand of approximately \$2,000,000. Since the beginning of FY2011 (October 2012) the cash in bank hovers right around the \$2,000,000 mark which I try to maintain. You can see that each year the cash goes up and then takes a rapid decrease in the fall. That is due to the fact that principal and interest for the bonds is due on 01 November each year. You will also see a small dip in the graph each April as interest-only payments are due on the bonds on 01 May each year.

Since, for the last three years, we have been maintaining cash in bank balance of right around the recommended \$2,000,000 mark, I do not believe that we are putting away too much extra money. This is my justification for recommending increasing the retail water rates by the full per-unit cost which would be assessed to us by the City of Muskegon. The new rates would then be \$3.31 per unit, effective on 01 October 2013.

Water System Cash In Bank



Warner, John

From: Bryon Mazade <bryon.mazade@shorelinecity.com>
Sent: Friday, May 24, 2013 11:05 AM
To: Dennis Stepke (dstepke@cityofnorthmuskegon.com); Anthony Chandler (RP City Mgr); Hammersley, Bonnie; Warner, John; Mark Meyers (mmeyers@nortonshores.org); Brian Werschem (bwerschem@fruitporttownship.com)
Cc: Mohammed Al-Shatel; Tim Paul
Subject: Water Rates

I want to advise you that the City of Muskegon's proposed 2013-14 budget calls for a 10% water rate increase. If the budget is adopted as proposed, the water rate increase would be effective October 1, 2013. We will formally advise you when the City Commission approves the rate increase, but I wanted to make you aware of this situation in advance. Please feel free to contact me if you have any questions or concerns.

REQUEST FOR BOARD CONSIDERATION-COUNTY OF MUSKEGON

COMMITTEE Muskegon County Regional Water System Policy Board		BUDGETED	NON-BUDGETED X	PARTIALLY BUDGETED
REQUESTING DEPARTMENT Public Works	COMMITTEE DATE 11 June 2013	REQUESTOR SIGNATURE 		
SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)				
<p>Muskegon Township has submitted a request that the Water System Policy Board direct Attorney David Bossenbroek to pursue mandatory water system connection by the owners of 3110 Evanston Avenue. Township staff have communicated with this owner and have made no progress in attempting to enforce the mandatory connection section of the Muskegon Charter Township Water Ordinance.</p>				
SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)				
<p>I move to authorize attorney David Bossenbroek, on behalf of the Muskegon County Regional Water System Policy Board, to pursue mandatory connection to the Regional Water System in accordance with the Muskegon Charter Township Water Ordinance for the property located at 3110 Evanston Avenue with costs to be paid from the Regional Water System funds.</p>				
ADMINISTRATIVE ANALYSIS (AS APPLICABLE)				
<u>HUMAN RESOURCES ANALYSIS:</u>		<u>FINANCE & MANAGEMENT ANALYSIS:</u>		
<u>CORPORATE COUNSEL ANALYSIS:</u>		<u>ADMINISTRATOR RECOMMENDATION:</u>		
If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee				Date
AGENDA DATE:	AGENDA NO.:	BOARD DATE:	PAGE NO.	



CHARTER
TOWNSHIP OF MUSKEGON

1990 E. APPLE AVENUE
MUSKEGON, MICHIGAN 49442-4293

Phone: (231) 777-2555
Fax: (231) 777-4912

MEMO

To: Water System Policy Board
From: David A. Kieft Jr.
Date: May 7, 2013

Re: 3110 Evanston Ave.

Muskegon Township has been attempting to work with a new property owner to enforce a mandatory water connection since a sale in 2011. There has been regular contact with the new owner since the sale, but as of this date no connection fee has been paid or promise of physical connection. In addition, the owner has stated to staff that he may seek legal advice to avoid connection.

The four letters issued by staff are attached along with the record card showing the date of sale. Please consider this memo a request to have Attorney Bossenbroeck pursue enforcement of the connection.

Thank you.



CHARTER
TOWNSHIP OF MUSKEGON

1990 E. APPLE AVENUE
MUSKEGON, MICHIGAN 49442-4293

Phone: (231) 777-2555
Fax: (231) 777-4912

10/13/2011

HANCOCK MARY K/HANCOCK ERIC M
906 E N UNION
BAY CITY, MI, 48706

Re: **Notice of Mandatory Connection**
Muskegon Township Water Ordinance 54-30
3110 EVANSTON AVE

Dear Property Owner:

The Township has become aware of transfer of property at the referenced address. Muskegon Township Water Supply Ordinance requires payment of fees and mandatory connection to the system upon sale of property. This correspondence is to notify you of the requirement. The ordinance states it shall be mandatory for the residence or establishment to connect to the public water system whenever any one of the following occurs:

- 1) Sale of a residence or establishment by deed, land contract, or other conveyance, said connection upon such transfer shall be made within 120 days of the date thereof.
- 2) New construction.
- 3) New well or replacement.
- 4) Alterations to the following extent which require a permit according to the plumbing or building code adopted by the township:
 - a) Plumbing – 50 percent change or alteration in existing plumbing system.
 - b) Building – 25 percent of the ten current state equalized value of the structure.

The connection fee is \$7,350 which includes a meter. If the home doesn't have a basement or utility room, a meter pit (\$400) may also be required.

The connection fee must be paid in full before a plumbing permit will be issued. Please contact me at 231- 777-2555 ext. 325 for further details.

Sincerely,

Lorraine Grabinski
Planning/Zoning Administrator



CHARTER
TOWNSHIP OF MUSKEGON

1990 E. APPLE AVENUE
MUSKEGON, MICHIGAN 49442-4293

Phone: (231) 777-2555
Fax: (231) 777-4912

01/13/2012

HANCOCK MARY K/HANCOCK ERIC M
906 E N UNION
BAY CITY, MI 48706

Re: Mandatory Connection - Public Water
Muskegon Charter Township
Code of Ordinance Section 54-29
3110 EVANSTON AVE

Dear Property Owner:

On 10/13/11 you were issued a notice to inform you of the township ordinance pertaining to mandatory connection to public water. The notice informed you that upon conveyance of a property, connection to public water is due within 120 days.

As of today, you have not responded to the notice, nor have you taken steps to comply.

You are hereby ordered to pay the connection fee and secure proper plumbing permits to complete the connection within 30 days of this notice.

Failure to comply will result in this issue being forwarded to legal counsel. Please call me at 231-777-2555 ext. 325 if you have questions.

Sincerely,

Lorraine Grabinski
Planning/Zoning Administrator

Cc: Water/Sewer Committee



CHARTER
TOWNSHIP OF MUSKEGON

1990 E. APPLE AVENUE
MUSKEGON, MICHIGAN 49442-4293

Phone: (231) 777-2555
Fax: (231) 777-4912

01/24/2012

HANCOCK MARY K/HANCOCK ERIC M
906 E N UNION
BAY CITY, MI, 48706

Re: **Notice of Mandatory Connection**
Muskegon Township Water Ordinance 54-30
3110 EVANSTON AVE

Dear Property Owner:

On 10/13/11 and 1/13/12 you were sent letters regarding the township's mandatory water connection ordinance. The ordinance states it shall be mandatory for the residence to connect to the public water system within 120 days when there is a conveyance of property.

Our records indicate that you purchased the home on 8/24/11. Please be advised, if the water connection is not completed, or you have not contacted me by 2/17/12, this case will be forwarded to legal council for compliance. All legal fees incurred will also be billed back to you as allowed by ordinance.

The connection fee is \$7,350 which includes a meter. If the home doesn't have a basement or utility room, a meter pit (\$400) may also be required.

The connection fee must be paid in full before a plumbing permit will be issued. Please contact me at 231- 777-2555 ext. 325 to discuss this matter, or if you have questions.

Sincerely,

Lorraine Grabinski
Planning/Zoning Administrator

Cc: Water/Sewer Committee



CHARTER
TOWNSHIP OF MUSKEGON

1990 E. APPLE AVENUE
MUSKEGON, MICHIGAN 49442-4293

Phone: (231) 777-2555
Fax: (231) 777-4912

02/22/2012

HANCOCK ERIC M
3110 EVANSTON AVE.
MUSKEGON, MI 49442

Re: **3110 EVANSTON AVE**

Dear Mr. Hancock:

On 2/2/12 I received your request for an extension on the water connection at the referenced property, and I brought it to the Water/Sewer Committee today. The committee (Ann Oakes, Jeff Wood, Dave Kieft) reviewed your letter, and voted to grant you an extension until June 30, 2012.

The connection fee must be paid before a permit will be released. You may pull the permit and do the work yourself if you are going to live in the house, or you may have a contractor pull the permit and do the work. Please be advised that if the connection is not completed by June 30, 2012, legal action will commence, and any fees incurred in this process will be invoiced back to you.

Please contact me at 231- 777-2555 ext. 325 if you have questions.

Sincerely,

Lorraine Grabinski
Planning/Zoning Administrator

Grantor	Grantee	Sale Price	Sale Date	Inst Type	Terms of Sale	Liber & Page	Verified by	Prnt Trans
HEETHUIS VERONICA R EST	HANCOCK MARY K/HANCOCK	E15,000	08/24/2011	WD	ARMS-LENGTH	3890/587	PTA	100.0
HEETHUIS VERONICA R EST	APUISIS CASIMIR J III		06/25/2010	CO	OTHER	3890/586	DOC	0.0
HEETHUIS JACOB/VERONICA	APUISIS CASIMIR J III		05/07/2010	OT	OTHER	3890/585	DOC	0.0
HEETHUIS JACOB H/VERONICA	HEETHUIS VERONICA		12/18/1969	OT	OTHER	3890/584	DOC	0.0

Property Address 3110 EVANSTON AVE		Class: 401.RESIDENTIAL		Zoning: R1		Building Permit(s)		Date	Number	Status
Owner's Name/Address HANCOCK MARY K/HANCOCK ERIC M 3110 EVANSTON AVE MUSKEGON MI 49442		School: ORCHARD VIEW PUBLIC SCH		ELECTRICAL				12/03/2012	PE120239	COMPLETED
Description MUSKEGON CHARTER TOWNSHIP SEC 35 T10N R16W MU-963C; THE W 14 RDS OF SE 1/4, SE 1/4 NE 1/4		P.R.E. 100% 11/27/2012								
Comments/Influences		OLD #: 10-035-000-1135-20								
		2014 Est TCV Tentative								
		<input checked="" type="checkbox"/> Improved <input type="checkbox"/> Vacant		Land Value Estimates for Land Table SGEN.SGEN.GENERAL SOUTH OF THE RIVER * Factors * Description Frontage Depth Front Depth Rate %Adj. Reason Value <Site Value A> .01-.24 4000 0 0 ACREAGE TABLE ONE 3.260 Acres 3400 100 11,084 3.26 Total Acres Total Est. Land Value = 11,084						
		<input checked="" type="checkbox"/> Public Improvements Dirt Road Gravel Road <input checked="" type="checkbox"/> Paved Road Storm Sewer Sidewalk <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Electric <input checked="" type="checkbox"/> Gas Curb <input checked="" type="checkbox"/> Street Lights <input checked="" type="checkbox"/> Standard Utilities Underground Utils.		< Land Improvement Cost Estimates > Description Rate CountyMult. Size %Good Cash Value D/W/P: 4in Concrete 3.35 1.29 18 86 67 Shed: Wood Frame 8.93 1.29 180 46 954 Total Estimated Land Improvements True Cash Value = 1,021						
		Topography of Site								
		<input checked="" type="checkbox"/> Level Rolling Low High Landscaped Swamp <input checked="" type="checkbox"/> Wooded Pond Waterfront Ravine Wetland Flood Plain								
		Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/ Other	Taxable Value		
		2014	Tentative	Tentative	Tentative			Tentative		

MUSKEGON COUNTY

M I C H I G A N

BOARD OF PUBLIC WORKS

Terry J. Sabo
Chair, District 8

Benjamin E. Cross
Vice Chair, District 2

David S. Fisher
Drain Commissioner
Secretary

James J. Dereziński
District 7

Marvin R. Engle
District 5

Susie Hughes
District 3

Charles Nash
District 6

Robert Scolnik
District 4

Rillastine R. Wilkins
District 1

MEMORANDUM

TO: Chairman St. Amour and all Members of the Water Policy Board

FROM: John Warner, Director of Public Works *JW*

DATE: 04 June 2013

SUBJECT: Hydrant Maintenance Fees

The subject of the hydrant maintenance fees came up at the April 2013 Water Policy Board meeting as it does from time to time. The question generally involves what the fees are, what they are for, and why should the townships pay them.

The theory behind the hydrant fees is that the costs of constructing and maintaining the water system, including fire hydrants, is borne by the customers of the system. However, in actuality, all residents of a township (any township) benefit from the presence of the fire hydrants and the water system in general as in case of a fire anywhere in the township; the fire department is going to fill water trucks from the public water system whenever possible. So, this being the case, how do those residents who are not direct customers of the public water system, but who enjoy the benefits of it being there, help pay for the construction and maintenance of the system?

The answer to that question was to invoke a fee of some sort which is paid for through contributions from all residents of a township and not just the direct customers. The fee system that was developed involves a township collecting fees township-wide via a millage of some type (general operating millage, public safety

millage, etc.) and then paying the water system annually based on the number of hydrants which are present in each township. Thus, every resident benefits and every resident pays something toward the construction and maintenance of the water system as a whole as it takes the whole water system to supply water to the fire hydrants.

I think historically the confusion has always centered around the name of the fee which has never really properly described, in the name itself, the purpose for or use of the fees. Originally, the fees were referred to as "hydrant rental fees". The question of "what is it that we are we actually renting and if we already own it, why are we renting it?" always came up and there were as many speculations as there were people to make them. The simple answer is that "rental fee" is really a misnomer for what the fees actually represent.

In 2008 or thereabouts, when the question was raised about what the fees were for and why hydrants are being rented, I explained the history of the fees to the Water System Policy Board then in place and they decided that the name should be changed to more accurately reflect what the fee is for. They settled on "hydrant maintenance fee" as they reasoned out that maintenance was one of the items that the fees are used for by the Department of Public Works.

So, what is the money used for? Quite simply, the money all goes into the general pot of money used to maintain and operate the water system as a whole. We do not keep track of how much money in "hydrant maintenance fees" are paid and perform that value worth of work on hydrants each year. We maintain hydrants on an as-needed basis and we are constantly performing maintenance on the system as a whole. As I pointed out, fire protection involves the entire water system, not just the hydrants. A hydrant is of little use if the pipes, pumps, and appurtenances within the system can't get the water to it.

Occasionally, the question comes up as to why the townships should pay the hydrant fees (regardless of the name associated). The reason is because since they have been collected from the beginning of the water system, they are budgeted as revenue to the system. Currently, between the Northside and Eastside portions of the water system, there is approximately 1,200 fire hydrants total. The current annual fee is \$200 each. Therefore, the hydrant fees bring in approximately \$244,000 in revenue to the water system each year. A pretty good deal considering that if one house burns to the ground that is about the average cost of replacement system-wide. If townships did not pay the hydrant fees, then the \$244,000 would have to be placed on the rates of the customers to cover the difference in revenue.

The Water System fund gets revenue in 3 ways: monthly usage fees, connection fees, and hydrant maintenance fees. If one revenue stream disappears, the other two must make up for it. We do not have the option of lowering the level of maintenance performed on the water system. The system has to be capable of bringing all customers potable water all the time as well as supplying all the hydrants system-wide. Maintenance is a very expensive task budgeted at approximately \$309,000 annually.

New Meters Set

Property Location	Customer Name		Installed	TWP	Size	REU
1055 HORTON RD		RES	LAK 05/20/13	LAK	3/4 I	1.00
1317 N GETTY ST		RES	W AND S 05/13/13	MUS	3/4 I	1.00
1150 HORTON RD		RES	LAK 05/09/13	LAK	3/4 I	1.00
45 S BEAR LAKE RD		RES	LAK 05/30/13	LAK	3/4 I	1.00
1931 MILDRED		RES	W AND S 05/13/13	MUS	3/4 I	1.00
2520 PENNSYLVANIA		RES	LAK 05/23/13	LAK	3/4 I	1.00

LOCAL FUND BALANCE SHEET

as of May 31, 2013

	YTD .05 PER UNIT OF WATER	YTD REU REIMBURSEMENT	CURRENT ACCOUNT BALANCE
DALTON TWP	\$ 145.51	\$ 125.80	\$ 6,531.00
FRUITLAND TWP	\$ 1.70	\$ -	\$ 1.05
LAKETON TWP	\$ 1,193.41	\$ 300.00	\$ 31,807.68
MUSKEGON TWP	\$ 6,703.82	\$ 350.00	\$ 7,053.82

MUSKEGON COUNTY

M I C H I G A N

BOARD OF PUBLIC WORKS

Terry J. Sabo
Chair, District 8

Benjamin E. Cross
Vice Chair, District 2

David S. Fisher
Drain Commissioner
Secretary

James J. Derezhinski
District 7

Marvin R. Engle
District 5

Susie Hughes
District 3

Charles Nash
District 6

Robert Scolnik
District 4

Rillastine R. Wilkins
District 1

MEMORANDUM

TO: Chairman St. Amour and all Members of the Water Policy Board

FROM: John K. Warner, Director of Public Works JW

DATE: 04 June 2013

SUBJECT: Water Systems Operations Report, May 2013

The elevated water storage tank at Michigan's Adventure was pressure-washed in May and looks brand new now. It should be good for another 5 years or so before needing to be washed again.

On the Northside Water System, we collected the second round of EPA unregulated contaminant monitoring samples and shipped them off to the EPA lab.

The generator at the Quarterline pump station is experiencing a ground-fault problem and we are working to track that down and get it repaired.

We are starting to replace some of the larger meters on the system which are reaching the end of their useful lives.

Working with Neptune meters to correct some communication problems between meters and the reading system.