

MINUTES
LAKE CHARTER TOWNSHIP
UTILITY BOARD MEETING

April 3, 2007

12:00 NOON

CALL TO ORDER

The meeting called to order by Supervisor John Gast at 12:00 p.m.

ROLL CALL

Board members present were John Gast, Supervisor; Gloria Payne, Clerk; Betty Korcek, Treasurer, Trustees Terry Eichler, William "Bill" Geukes at 12:07 and James Stine, Jr., at 12:04 and Trustee Tom Carson.

OTHERS PRESENT

John Wilemin, Fishbeck, Thompson, Carr and Huber

Stewart Beach, Water Plant Superintendent

Dave Kunde

Mike Jasper

Scott Dienes, Lake Charter Township Legal Counsel

Richard "Dick" Wendt, Lake Charter Township Legal Bond Counsel

APPROVAL OF MINUTES

It was moved by Eichler seconded by Korcek to approve the minutes of the March 6, 2007 utility board meeting. Five ayes, motion carried.

APPROVAL OF AGENDA

Supervisor Gast asked to add four items to the agenda. It was moved by Eichler seconded by Korcek to add four items to the agenda. Six ayes, motion carried.

APPROVAL OF BILLS

Membrane System Preliminary Design

Supervisor Gast presented to board members engineering invoice #171660 from Fishbeck, Thompson, Carr and Huber for the Lake Township membrane system preliminary final design for the period January 27, 2007 through February 23, 2007 in the amount of \$2,070.31. It was moved by Korcek seconded by Stine to approve payment of engineering invoice #171660 from Fishbeck, Thompson, Carr and Huber for the Lake Township membrane system preliminary final design for the period January 27, 2007 through February 23, 2007 in the amount of \$2,070.31. Six ayes, motion carried.

Final Tank Design Engineering

Supervisor Gast presented to board members the engineering invoice #171662 from Fishbeck, Thompson, Carr and Huber for the Lake Township 1.0 million gallon tank final design for the period January 27, 2007 through February 23, 2007 in the amount of \$8,130.75. It was moved by Korcek seconded by Geukes to approve payment of engineering invoice #171662 from Fishbeck, Thompson, Carr and Huber for the Lake Township 1.0 million gallon tank final design for the period January 27, 2007 through February 23, 2007 in the amount of \$8,130.75. All ayes, motion carried.

Pay Estimate #1 from Miller-Davis 1.0 Million Gallon Storage Tank

Supervisor Gast presented to board members pay estimate #1 from Miller-Davis for the 1.0 million gallon storage tank in the amount of \$680,833.00. The amount of \$74,441.00 will be held in retainage. The project is on schedule and approximately 30% complete. It was moved by Eichler seconded by Stine to approve pay estimate #1 from Miller-Davis for the 1.0 million gallon storage tank in the amount of \$680,833.00. All ayes, motion carried.

COMMUNICATIONS

None.

AGENDA ITEMS

Storage Tank Update

Supervisor Gast turned the floor over to John Wilemin of Fishbeck, Thompson, Carr and Huber. He reported a construction meeting was held at 10:00 a.m. April 3, 2007. The formwork liner has been delivered to the job site. Kalin has made two penetrations in the tank. The wall pour is scheduled for today. Staining of the sample wall has occurred. Trustee Stine indicated he has been out to the job site and found things to be running smooth. Dave Kunde reported no accidents have occurred, when issues come up they are quick to solve problems and they are hoping to get as much concrete poured as possible.

Bond Counsel Discussion

Supervisor Gast turned the floor over to Richard "Dick" Wendt, Lake Charter Township's legal bond counsel. He explained the difference between a competitive bond sale and a negotiated bond sale.

A competitive bond sale is one in an ad gets placed in a financial journal. A specific date is selected to sell the bonds. A preliminary official statement is sent to prospective purchasers and they must submit a bid by a certain time on the selected date. Any bank or broker may submit a bid and the bond sale is awarded to the one that gives you the lowest true interest cost.

A negotiated bond sale is one in which you decide a specific date and time to sell the bonds, we can move it to what the market is doing and get the best rate. You, up front, negotiate what the broker's fee is. The bonds can be sold locally. Sales can be made to tax exempt funds, such as Chrysler, G.E., who have established criteria. A negotiated bond allows greater flexibility. Marketing the underwriter who is familiar with transactions, he will make a greater effort in the sale of the bonds.

Trustee Eichler asked if we need a bond rating. Attorney Wendt indicated we wouldn't, however, it is a good idea and is recommended, as well as securing bond insurance. The underwriting fee would be much less.

Supervisor Gast asked whether we could start with competitive bonds and switch to negotiated bonds. Attorney Wendt stated you could, however, it would have us lose competitively. We would be dealing with a Regional Investment Banker, knowing what the underwriting fee would be.

Trustee Stine asked Attorney Wendt to speak to the recommendation of Tom Traciak. Attorney Wendt indicated that since we changed from revenue sharing bonds to capital improvement bonds, we would be needing an investment banker anymore, and we should be careful not to be charged twice.

Attorney Dienes asked whether we wanted to make a decision today, whether to choose competitive or negotiated. It was decided to write an email to Tom Traciak and ask him what his fee is, and ask him if he is willing to adjust his fee with the underwriter.

Request for Proposal - Public Safety Building

Supervisor Gast reported to board members that 12 requests for proposals were sent out and seven architects responded. The range was from \$87,900.00 to \$264,425.00. He further reported that each board member will be given copies of all RFP's and from the seven proposals, three will be invited to be interviewed and selected.

Superintendent Beach asked whether a site analysis was included in the request for proposals regarding boring under the road for the water tap. Supervisor Gast responded that the site analysis would be included in the construction bids.

Pump Repair

Supervisor Gast turned the floor over to Water Plant Superintendent, Stewart Beach who brought before board members a pump repair that was previously approved by the board, however, when they tore the pump apart, it was determined that the pump was non-repairable. There were cracks from where it was welded before. A quote from Northern Electric was submitted for \$3,540.00 for the purchase of a new pump. It was moved by Stine seconded by Korcek to approve \$3,540.00, plus shipping for the purchase of a new pump from Northern Electric. All ayes, motion carried.

Sludge Ponds

Supervisor Gast reported to board members that he asked Kalin Construction to negotiate a price to have the sludge ponds cleaned and hauled away since the equipment is on site. It was estimated that 20 loads can be removed with a hydraulic hoe and it just makes sense, since their equipment is on site to get the sludge ponds cleaned and hauled away.

PUBLIC COMMENT

Mike Jasper commented that when we begin to make water main improvements on Browntown Road, that we be mindful of the time we begin. There is a thirteen-day window when Welch's needs to have the grapes picked. Superintendent Beach indicated that October would be about the time we begin the project. Mike Jasper agreed, that October would be best.

Secondly, Mr. Jasper reported that he has three separate drains one sump, one floor drain and one down spout, that we be mindful of those as well when digging. Mr. Jasper would be happy to show Superintendent Beach where they are so they don't get plugged up. A back up would result in flooding.

John Wilemin reported that the conversation with American Electric Power regarding whether to have primary or secondary service installed due to the fact that with the addition of the 1.0 million gallon storage tank, more power is needed. Primary service is cheaper, and we would have to maintain the equipment. Secondary power, AEP owns and maintains the transformers. It is better to have secondary power with a power outage and still have power.

Trustee Eichler commented that since we are thinking of adding another intake in the Lake, that we don't cut corners, that we get the secondary service installed and have AEP own and maintain the transformers.

NEXT MEETING

May 1, 2007 at 12:00 Noon.

ADJOURNMENT

It was moved by Geukes seconded by Stine to adjourn the meeting. Meeting adjourned at 1:26 p.m. All ayes, motion carried.

Dated: _____

Gloria A. Payne, Clerk

Dated: _____

John Gast, Supervisor