

Higgins Lake Utility Authority
Regular Meeting Minutes
April 3, 2018

The meeting was called to order by Chairperson Hartman at 10:00 a.m.

Roll call: Present: Cook, Hartman, Wood, English Absent: Riley

Public Comments: None

Motion by Wood, second by English, **CARRIED** to approve the agenda. Yeas: All Nays: None

Motion by Hartman, second by Cook, **CARRIED** to approve the minutes from the January 2, 2017 meeting. Yeas: All Nays: None

WADE-TRIM REPORT: Ken reported there were no Miss Digs and 2 service calls for the month. Spring cleanup and set up is well on its way. Monitor well test to be done in May.

Motion by Hartman, second by English, **CARRIED** to approve the treasurer's reports for January February and March 2018. Yeas All Nays: None

Motion by English, second by Cook, **CARRIED** to approve the accounts payable. Yeas: All Nays: None

REPORT FROM STAFF:

OLD BUSINESS: Motion by Cook, second by Hartman, **CARRIED** to approve the Wade Trim Asset Review Plan over the signature of the Chairperson in the amount of \$6,677.00 to be completed within 1 year and to be paid for in July 2018 as part of the 2018-2019 budget year. Roll Call vote all Yeas.

NEW BUSINESS: None

MEMBER COMMENTS:

ADJOURNMENT: Meeting adjourned 11:09 p.m.

Respectfully submitted

Paul Tatro
Business Manager

Ron Wood
Secretary



Wade Trim Operations Services, Inc.
4241 Old US 27 S, Suite 1 • PO Box 618 • Gaylord, MI 49734
989.732.3584 • www.wadetrim.com

February 1, 2018

Higgins Lake Utilities Authority
PO Box 437
Higgins Lake, MI 48627

Attention: Higgins Lake Sewer Authority Board Members

Re: Wastewater Treatment Plan Asset Review

Dear Board Members:

Wade Trim is pleased to submit a proposal to provide a review of the assets related to your wastewater treatment plant and collection system. This review is part of a program known within the industry as an Asset Management Plan, whereby all critical assets are reviewed for condition and assigned criticality ratings accordingly, current asset age, service life expectancy, estimated replacement cost, and future capital funding needs. Knowing the status of your plant assets is of the utmost importance to any wastewater system owner.

That knowledge will help guide the Authority through the future, as decisions need to be made by prioritizing upgrades, extensions, and performing major repairs or replacements. A plan provides a "snapshot status" of the system so the Authority does not proceed in a haphazard manner. The developed plan will provide good information that can be used in assisting the Authority with annual budgeting challenges to meet funding requirements for Capital Improvements.

Scope of Work

Wade Trim has direct, relevant experience in accessing conditions of assets, determining cost replacement, service life spans, and capital funding needs. Higgins Lake Utility Authority's system is no exception, although it may be found some assets are more specific to your system than others. We propose to review your system's assets by performing a condition assessment of each asset which would include pumps, tanks, buildings, lift station components, buildings, aerators, control panels, sprinklers, etc.

Proposed Project Understanding and Approach

- Task 1 - Develop an inventory list of assets
- Task 2 - Develop a description of each asset
- Task 3 - Determine level of service and criticality
- Task 4 - Determine an estimated asset replacement cost
- Task 5 - Prepare report of findings

Task 1

Development of an accurate inventory list is essential to developing an approach that will insure longevity of all assets. In the past, Wade Trim Operations has performed this task for the Authority and will refer to that listing. The inventory list will be updated as needed to include wet-well condition, vault assessments, etc. Digital pictures, where available, of each asset will be taken and provided as part of the report. The asset inventory will be used as the basis for the rest of the study.

Task 2

Provide a brief description of what each asset is and why it is needed. This will be a lengthy portion of the report.

Task 3

Level of Service defines the way an Authority wants the utility to perform over the long haul. The level can include technical, managerial, etc. For this study, we propose to determine the age and expected longevity, etc. of each asset.

A chart will be developed identifying criticality of each asset using information gathered. Criticality helps a utility determine how important a certain asset is to the overall function and operation. To determine criticality, we use two areas specific to the utility; how likely is it that the asset will fail, and the consequence of its failure. To accomplish this, we will assign a performance rating (1-5) based on probability of failure of a specific asset and rank the consequences of failure of the same asset.

Task 4

This task will determine an estimated asset replacement cost at current rates. It only estimates the asset replacement and not installation or other needs when upgrades are being made to an existing asset.

Task 5

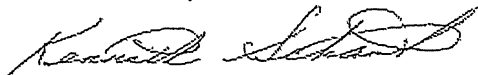
We will prepare a report identifying all the findings for each asset and make recommendations using the criticality portion of the findings with suggested priority replacements identified.

Proposed Asset Review Cost Breakdown

Wade Trim proposes to perform a review of the Authority's assets for a Lump Sum Fee of \$6,677.00. If this proposal meets your understanding and you have further interest in discussing a potential Agreement, we would be very happy to draft a proposed Agreement. Thank you for the opportunity to be of service to you and the Authority users. If you have any questions regarding the project, please contact me directly at 616.293.8699.

Very truly yours,

Wade Trim Operations Services, Inc.



Ken Schaut
Senior Project Manager

KS:daj
AAA8130-18
PWWHLU7534-18\Docs\Corresp\20180201\WWTPAssetReviewProposal

cc: Mr. Chris Johnson, Principal, Wade Trim Operations Services, Inc.
Project File

Higgins Lake Utilities Authority
Profit & Loss Budget vs. Actual
 July 2017 through March 2018

10:08 AM
 04/02/18
 Cash Basis

	Jul '17 - Mar 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
537.607 · Sewer Fees	124,214.93	170,100.00	-45,885.07	73.0%
537.609 · Delinquent Sewer Fees	1,984.25	2,000.00	-15.75	99.2%
537.664 · Interest-O&M	89.14	100.00	-10.86	89.1%
537.671 · Misc Income-O&M	878.74	200.00	678.74	439.4%
Total Income	127,167.06	172,400.00	-45,232.94	73.8%
Expense				
537.710 · Per Diem	1,900.00	3,000.00	-1,100.00	63.3%
537.726 · Office Supplies	145.29	250.00	-104.71	58.1%
537.727 · Equipment Purchases-Large	1,931.94	2,000.00	-68.06	96.6%
537.728 · Equipment Purchases-Small	44.88	500.00	-455.12	9.0%
537.729 · Equipment Replacement Reserve	25,000.00	14,700.00	10,300.00	170.1%
537.735 · Operating Supplies	0.00	100.00	-100.00	0.0%
537.801 · Legal & Professional	62.50	2,000.00	-1,937.50	3.1%
537.802 · Contractual Services-Operations	59,919.57	66,400.00	-6,480.43	90.2%
537.803 · Insurance	3,593.00	3,600.00	-7.00	99.8%
537.804 · Contract-Administrative	20,550.00	27,000.00	-6,450.00	76.1%
537.805 · Contract-Repairs	1,832.12	5,000.00	-3,167.88	36.6%
537.806 · Contract-Audit Fees	2,050.00	2,050.00	0.00	100.0%
537.850 · Telephone & Internet	1,068.70	1,200.00	-131.30	89.1%
537.900 · Printing & Publishing	369.80	500.00	-130.20	74.0%
537.920 · Utilities	39,675.43	32,000.00	7,675.43	124.0%
537.940 · Office Rent	3,150.00	4,200.00	-1,050.00	75.0%
537.955 · Education, Dues & Subscriptions	758.64	900.00	-141.36	84.3%
537.956 · Computer Hardware & Software	1,748.00	2,000.00	-252.00	87.4%
537.957 · Permits & Fees	3,650.00	3,650.00	0.00	100.0%
537.958 · Postage	68.00	1,200.00	-1,132.00	5.7%
537.959 · Miscellaneous Expense-O&M	0.00	150.00	-150.00	0.0%
Total Expense	167,517.87	172,400.00	-4,882.13	97.2%
Net Ordinary Income	-40,350.81	0.00	-40,350.81	100.0%
Net Income	-40,350.81	0.00	-40,350.81	100.0%