

NORTHWEST OTTAWA WATER SYSTEM

Administrative Committee Minutes

November 16, 2022

A regular administrative committee meeting of the Northwest Ottawa Water System was called to order by Christine Burns at 9:29 a.m. Wednesday, November 16, 2022, in the Council Chambers at Grand Haven City Hall.

Present: Christine Burns (Village of Spring Lake), Craig Bessinger (City of Ferrysburg), Pat Staskiewicz (Ottawa County), Ashley Latch (City of Grand Haven), Bill Cargo (Grand Haven Township), Gordon Gallagher (Spring Lake Township),
Also Present: Alando Chappell (Grand Haven Township)
Absent: Derek Gajdos (City of Grand Haven)

A motion by Cargo, supported by Staskiewicz to accept the minutes for the November 16, 2022, NOWS Committee Meeting. The motion was unanimously approved by voice vote.

Manager's Report, September, October, November '22– By Law

Law provided the Managers report with the following highlights presented.

The quarterly pumpage totals have trended down and YTD total system pumpage is a negative 36.4 MG comp to LY. The unit allocation remains unchanged from historical trends. The unit pumpage % to LY is consistent with all units reporting between 96-98%. The fiscal year is reporting at 24%, with revenue at 43% and expenditures at 34.1%. Cash on hand at the time of this report is \$356,173, and the capital replacement fund is currently at \$570,057. Operational costs continue to increase, with bulk chemical costs stabilizing and energy costs rising. Law covered recent BLP billing changes, where the BLP is now using ready-to-serve charges along with the price cost adjusting. The ready-serve charge appears to be new, and the PCA was a dormant pricing mechanism used to level commodity purchasing costs by the BLP. Law pointed to the importance of the rate hike that took place in July of this year as a significant move to hedge the increases in cost in each operational and capital projects budget. A draft copy of the NOWS FY 21/22 financial audit was provided to the committee highlighting the estimated unit refund of \$14,655. Law introduced to the committee a new capital improvement projects tracking worksheet and discussed the impact on the replacement fund reserve by un-forecasted capital expenditures replacing the two failed high-service pump VFDs and additional unplanned expenditure with the impending end of the useful life of the older VFDs at the low service stations. Law requested consideration be given to rolling the unit surplus of \$14,655 into the replacement fund to offset capital expenses. Burns supported, with the consensus of the committee approving. The Committee found the new capital improvement projects tracking favorable but cautioned against being too aggressive in replacing the low service pump VFDs in tandem and completing the projects

too early within the useful life cycle. Law agreed to adjust the plan by separating each unit and extending timelines. Discussion about preventative measures ensued. Law has used contractor service in the past to recommission VFD units and described that process. Consensus agreed that having a contingency of Soft Starter Technology on hand and ready to serve along with contracting for unit VFD reconditioning will be the bridged approach until the units can be replaced.

Adjournment – 9:57 a.m. - Submitted by Eric Law