

**ADA TOWNSHIP SPECIAL BOARD MEETING
PUBLIC HEARING – WATER, SANITARY RATE INCREASE MINUTES
JULY 14, 2010**

Meeting was called to order by Supervisor Haga at 7:30 p.m. Members present: Supervisor Haga, Clerk Burton, Treasurer Rhoades, Trustee Smith, Trustee Westra, Trustee Proos (arrived about 8:00 pm). Also present: Township Engineer Steve Groenenboom, and several community members. Members absent: Trustee Sytsma.

APPROVAL OF AGENDA

Moved by Westra, supported by Smith, to approve the agenda. Yes – 5, No – 0, absent – 2; Motion carried.

PUBLIC HEARING – WATER AND SANITARY RATE INCREASE

Moved by Westra, supported by Rhoades, to proceed into open public hearing concerning water and sanitary sewer rate increases. Yes – 5, No – 0, absent – 2; Motion carried.

The Presentation to the Board - Steve Groenenboom from Moore & Bruggink, Township Engineers, made a presentation to the Board covering the following six areas: 1. Review of water and sanitary sewer systems. 2. Review Retail vs. Wholesale customer. 3. What is involved in a rate study. 4. Examples of new monthly bills. 5. Comparisons with other communities. 6. Questions & Comments.

It was explained that Ada Township is a Wholesale customer of Grand Rapids; Grand Rapids bills the Township and the Township bills its users. Ada Township along with East Grand Rapids and portions of Gaines Township are Wholesale customers. The Township needs \$2 million a year to operate the water system; which includes repairs, system depreciation, salaries, contract services and utilities. The sewer system needs \$1.2 million a year to operate. Rates are determined by dividing the cost of the water and sewer systems by the number of customers of each system. Amway Corp. uses 45% of the water and sewer in the Township. Water and sewage system rates need to be increased because we are currently expending approximately \$1,500 per day out of the fund balances to run the systems, whereas fund balances are needed for system improvements. The "Saddleback" sewer project currently underway by the City of Grand Rapids will result in higher rates. Additionally, with the Ada Drive force main needing improvements, and water usage down from previous years, the result is rising costs and sinking revenues. The only way to offset the deficit would be to raise the rates. Mr. Groenenboom compared rates in other communities with what Ada Township's new rates might be, with the result that Ada would still have similar or lower rates than other communities.

PUBLIC COMMENT:

There was no public comment.

Moved by Rhoades, supported by Burton, to close public comment. Yes – 6, No – 0; absent – 1. Motion carried.

BOARD COMMENT:

Trustee Proos cautioned we shouldn't hurry the hearing process; this is a complicated issue and the residents have to be able to ask questions.

Pat Kane, 3367 Bronson, asked for a copy of the presentation, which Supervisor Haga stated he would mail to her and any other resident who requests it.

Mike Lunn, 6361 Reddington Dr., stated he is the Environmental Service Manager for Grand Rapids, and would be happy to answer any questions.

Trustee Westra asked for more detail on the "miscellaneous" expenditures, as part of the overall expenditures for water and sewer.

Also discussed by the Board and Mr. Groenenboom was the Township's share of the Saddleback project expense, Grand Rapids' rate study and a possible subsequent rate hike for next year, and capital improvements to the Township water and sewer systems, such as meter and force main replacements. Reasons for the decrease in the fund balances, and whether to maintain full fund balances with significant rate increases to support them, or maintaining a lower fund balances with smaller rate increases. It was generally agreed that while it is impossible to predict many factors in calculating a rate hike, it is needed nonetheless, and the utilities committee needs to continue its study on the level of the rate increases.

ADJOURNMENT

The meeting was adjourned at 9:15 pm.

Susan Burton
Ada Township Clerk

Date

