

# NORTHWEST OTTAWA WATER SYSTEM

## Administrative Committee Minutes

### February 21, 2024

A regular administrative committee meeting of the Northwest Ottawa Water System was called to order by Derek Gajdos at 9:23 a.m. Wednesday, February 21, 2024, in the Council Chambers at Grand Haven City Hall.

Present: Craig Bessinger (City of Ferrysburg), Pat Staskiewicz (Ottawa County), Derek Gajdos (City of Grand Haven), Karen Sherwood (Grand Haven Township), Wally Delamater (Spring Lake Township)

Absent: Bill Cargo (Grand Haven Township), Gordon Gallagher (Spring Lake Township)

Also present:

---

A motion by Staskiewicz, supported by Bessinger to accept the minutes for the November 15, 2023 NOWS Committee Meeting. The motion was unanimously approved.

#### **Manager's Report, August, September, October '21** – By Law

Law provided the Managers report with the following highlights presented. Pumpage numbers were a positive comp to LY for the last three months, making it six consecutive months with positive comp pumpage. Law noted that in the lead-up to February, newly finished meter #1 had been comping to the old, finished meter #1 and is likely the driver for the consistently higher comp numbers through the winter months. Law believes that comp numbers could level off after February when raw meter #1 was authorized to be used as the billing meter until the newly finished meter was installed. While discussing system allocation, Law pointed out that demand allocation on the north side continues to trend negatively while COGH, GHCT, and the system total all show positive comp to last year. Law suggested that the potential for meter error exists and that a system-wide approach to meter maintenance would be appropriate. Staskiewicz and Law have previously discussed this, and both suggest that dropping meters out and cleaning coating build-up is a good place to start. Gajdos agreed that a system-wide meter maintenance program should be adopted.

Law reported that 59% of the fiscal year is complete with revenue at 57% to projection and expenditure with encumbrance at 50.5%. Cash and cash equivalents sit at just over \$353K, and the replacement fund sits at just over \$545K. Law described a busy year for capital improvement projects where he anticipates just over \$500K in completed capital improvement and highlighted the effort and coordination from the plant staff to replenish the depleted anthracite media in the filters. Chemical costs are up this year compared to last year. Even though the increase in pumpage is a factor the most notable is fluoride usage increased due to previous years lack of use because of equipment issues and this year's new contract for fluoride that has seen a 43% increase. Pumping more with less power consumption can be attributed to more efficient operational controls. Power consumption to last year is at 97%.

Source water quality remains outstanding and the plant is running excellent with operations remaining within or exceed all state and federal regulatory compliance levels. The next DBP cycle dates were announced. PFAS sampling detections remain far and few and all within the regulatory guidelines.

**Agenda Item 1:** *Rate Study Advisor Proposal* – By Eric Law

A motion by Staskiewicz supported by Delamater to have Baker Tilly of Lansing Michigan conduct a formal wholesale water rate study for the NOWS water filtration plant at the proposed not to exceed amount of \$14,900 was unanimously approved.

**Agenda Item 2:** *NOWS FY 2024-2025 Budget Draft Review* – By Eric Law

Law explained the approach to the FY 24-25 budget primarily factored in inflationary adjustment. Weighted attention was given to the largest expense lines of bulk chemical, electricity/power, and payroll. Law highlighted specific line items showing a significant increase over last year. The professional contractual line increased to accommodate the water treatment plant expansion feasibility study by Fishbeck. Payroll line items increased due to the restructuring of the water plant operator wage scales to be competitive. Law and Gajdos described the wage analysis completed, showing significant gaps in wages when compared to the F-class operator's wage scales of the four Lake Michigan water filtration plants in direct proximity to NOWS. Law described how the new wage scale resets NOWS operator's current wages to just under the median wage scale on July 1<sup>st</sup> of 2024 and will still have merit range flexibility up to the max wage, which has been established at the median wage scale of the competing plants. Law explained the desire to stay wage competitive for operator talent and that retention is the primary motivating factor. Law highlighted the former pension program as an effective retention tool and how that is no longer available to this new generation of operators. Law expressed concern that without a pension retention tool and without a wage correction, the NOWS treatment plant is vulnerable to recurring turnover and may become a training plant for other communities. Capital improvement cost were discussed with the most significant expense coming from the replacement fund will be a SCADA system update of hardware and software. A motion by Delamater supported by Bessinger in support of the NOWS treatment plant FY 2024-2025 draft budget was unanimously approved.

**Adjournment:** 9:55 a.m. – Submitted by Eric Law