



MARQUETTE AREA WASTEWATER TREATMENT FACILITY ADVISORY BOARD MEETING MINUTES July 25, 2024

A regular meeting of the Marquette Area Wastewater Treatment Facility Advisory Board was held at 10:04 a.m., July 25, 2024, at the Wastewater Treatment Plant.

ROLL CALL

PRESENT Brad Johnson, Chocolay Township (Chair)
Jim Compton, City of Marquette
George Patrick, City of Marquette
Sean Hobbins, City of Marquette

ABSENT Leonard Bodenus, Marquette Township

OTHERS Mark O'Neill, City of Marquette
Melissa Erkkila, City of Marquette
Dan Johnston, City of Marquette
Mary Schlicht, City of Marquette
Mike Gretz, Anderson, Tackman & Co.

AGENDA It was moved by S. Hobbins, supported by G. Patrick, to approve the agenda as written. Approved 4-0.

MINUTES It was moved by S. Hobbins, supported by G. Patrick, to approve the June 20, 2024, meeting minutes as written. Approved 4-0.

FINANCIAL

- **Audit Presentation, Mike Greutz**

M. Greutz, Anderson, Tackman & Co., presented the September 30, 2023 and 2022 Audited Financial Statements. M. Greutz stated page 10 shows the net position of 7.6 million, which is nice to see. The pension and OPEB liabilities are under 2 million dollars, which is good. Page 11 shows a loss of a million dollars in the current year. The biggest piece is the net pension liability change of 1.4 million dollars. There is a calculation that is done so all the units are not charged the pension costs every single year. Since the liability went down, it took some of the reserve money. It is a way to balance the books, so we aren't charging the users for it. If we were to remove that, we would have made about \$500 thousand dollars for the year. It can be looked at coming from the operating loss of about \$500 thousand dollars, which is



in line with the year before. B. Johnson asked what causes the operating loss. M. Schlicht stated it is generally depreciation. M. Grentz agreed, stating it is an offset of the depreciation and principal calculations. M. Grentz stated page 33 shows the pension ratios dropped in the current year due to a \$460,000 investment loss instead of a gain. That is nothing that can be controlled, it is just the market doing what it does and hopefully it will turn around this year. M. Schlicht says it has flipped back around already this year. M. Grentz said he does not see any problems; any issues and Mary and her staff do a good job. It was moved by S. Hobbins, supported by G. Patrick, to accept the audit as written. Approved 4-0.

- **Financial Report**

M. Schlicht, City of Marquette, presented the Financial Report. M. Schlicht stated the report is very normal being at the 9th month of the fiscal year. The report is color coded showing numbers that are in line with the timeframe, along with items that are beginning to get out of line. If expenditures occurred smoothly through the year, we would expect to see the 75% amounts but that generally does not happen. The lines that are spiking over 75% are due to a one time annual contribution. So 100% was paid when we are only three-quarters through the year. It looks like we are operating within our budgets, and nothing is out of the ordinary. The biosolids project grant cash flows are working very well with reimbursements arriving each month. B. Johnson asked why the professional/contractual account is so high. M. Schlicht stated that is due to the engineering expense for the biosolids project is included in that account. It will be capitalized at the end of the year. B. Johnson also inquired about the capital outlay and transfer to reserves amount. M. Schlicht stated that this is also due to the biosolids project which will also be capitalized at the end of the year and reduced to the \$300,000 contribution to the reserve fund.

- **FY25 Budget**

M. Schlicht, City of Marquette, presented the proposed FY25 budget. M. Schlicht stated the budget is standard with no large spikes. The only change is the breakout in the revenue calculation shown on page 1. These show the charges that we anticipate billing out during the year. It might be something you would want to show your boards. The final page of the report is the per unit calculation. It was calculated by taking the operation expenditures, without the demand related charges, to get a true cost of what needs to be allocated based on flow. We have estimated flow for the fiscal year 2025 and came up with a calculation of \$2.67 per kgal. B. Johnson asked what the fiscal year 2024 rate is. M. Schlicht stated this year is anticipated at \$2.42 per kgal. The only item not included in this budget is the debt service charge. Once the bond is closed out for the biosolids project that will be calculated. That will be a demand allocation so it will not factor into the per unit flow rate.

M. O'Neill stated there is a change in the vehicle line item. In the past, M. O'Neill and D. Johnston have rented old police vehicles from the Motor Pool Department. However, they are changing their fleet to a leased fleet. That means our vehicles will



go away at some point. Along with that, Motor Pool is pushing our charge rate to increase to 8 hours a day whether it is being used or not. If we did that, it would be better served to purchase our own vehicles. M. O'Neill stated he proposes we purchase D. Johnston's vehicle outright instead of it being auctioned off. It is expected to get at least five more years out of it. M. O'Neill's vehicle is at the end of its life, so an idea is to lease a vehicle separate from Motor Pool's fleet. The water plant will pay their share of the vehicle so the monthly charge would be about \$300 a month. This is the same cost as the current police car. M. O'Neill stated he raised the vehicle/equipment rental budget line item before being aware of the circumstances, but these are his thoughts moving forward. S. Hobbins asked what the cost of the Motor Pool leased vehicle is. M. O'Neill stated based on 40 hours a week, with the two police vehicles currently being driven, it would cost approximately \$30,000 a year. If we took part in the lease program, it is approximately \$12 an hour at 40 hours a week. The water plant will take part in the Motor Pool lease program because it is an internal fund. However, since the wastewater plant is a separate fund with the two townships, we are separate. We currently have three trucks that were purchased outright for this reason and our staff maintains them.

M. O'Neill stated, as far as the maintenance budget is concerned, the plant is now 15 years since the last upgrade and failures are beginning to occur. There is only \$10,000 left in the current budget, so it is raised another \$10,000 for a new total of \$80,000 as a best guess. There is the replacement fund for large purchases but just last night, D. Johnston trouble shot a raw sludge pump, and it blew up. The pump had pitting in it as well and the plant has ten of these. We will be getting pricing. There is equipment that is hitting their 15-year useful life span, and we won't change anything out if it is running well but we need to plan accordingly.

M. O'Neill stated the utilities budget was raised a little because of the two new buildings and the unknown that brings. The CoGen budget is based on worst case scenario so there is money there for any issues. The professional/contractual was increased for biosolids hauling. With the anticipated increase in septage there will be more solids to dispose of. Hopefully this is offset by the revenue we will receive, which has also been increased. M. O'Neill stated the fee for receiving septage is at 13 cents per gallon. Ishpeming is charging 12 cents per gallon. However, Ishpeming is raising their rate to 18 cents per gallon because they must landfill all their solids due to a positive PFAS test result in their biosolids. We will be following suit at 18 cents per gallon due to the biosolids project. The state does require us to justify where the rate is at, but based on our biosolids investment this is reasonable. M. O'Neill stated he was also very conservative on the revenue amount of \$50,000 but is anticipating more. J. Compton asked where Ishpeming got the PFAS. M. O'Neill stated they do not know. Their biological system differs from ours. Their raw sludge is treated because they don't have clarifiers like us. They have a composting system where they mix wood chips with their solids and place it in a cell. Temperature is monitored by probes and once it hits a certain temperature for a specific amount of time, it is a Class A compost. This can be placed on anything including gardens, lawns, etc. When the PFAS test came back positive, they lost their exceptional quality biosolids status with the state and are



now required to dispose at the landfill. G. Patrick asked where Ishpeming discharges to. M. O'Neill stated they discharge upstream of the Carp River.

OPERATIONS REPORT

D. Johnston, City of Marquette, presented the Operations Report

PERMIT COMPLIANCE FOR THE MONTH(S):

- **PERMIT COMPLIANCE:** There were no permit violations for the month of June.

PLANT NOTES:

- The Biosolids Handling Project continues, as does our cooperation with the contractors. The new sump pumps for our Biosolids Bunkers are in operation. The new ferric addition system is in operation (I worked with the system integrator to repair a few issues that arose after they had left), as is the new waste gas burner system and the aeration diffusers in our Chlorine Contact Tanks. The new Belt Filter Press arrived and is now in the process of being fitted out. Landscaping is ongoing (especially after the rainstorm we had last week).
- Kraft was on hand to perform regularly scheduled maintenance on both of our CoGen units. They also corrected an issue with our #2 Unit that was preventing it from being able to run on biogas. B. Johnson asked what the issue correction on #2 Unit was. D. Johnston stated they found a pressure regulator needed a small adjustment. Biogas does not have as much BTU content, so it doesn't light very easily. The regulator needs to be precise. A simple fix.
- Staff completed cleaning of our Chlorine Contact Tanks. During this process one of the high pressure FEW pumps managed to plug itself with a large chunk of moss that had been growing along the inside of one of the tanks.
- I diagnosed and replaced a faulty glycol flow switch that was preventing our biogas chiller from operating.
- Staff replaced the rotted floor drain system that serves the rear section of the plant. This was a project that was way overdue.
- The new fire alarm system is in operation.
- Staff is working diligently to stay on top of yard maintenance...no small feat, considering the amount of rainfall this year.
- The rainstorm on July 15th did not cause any issues at the plant itself, but we did have to deal with some power outages at a few of our lift stations. We also saw an increase in average daily flow of about 800,000 gallons over the first 12 hours after the storm, and about 500K to 600K over average the following two days. B. Johnson asked what the plant is designed to take in flows. M. O'Neill stated the max hour flow is 9.21 MGD, the max daily flow is 6.55 MGD and the average day is 3.85 MGD. J. Compton asked if the flows during the storm were back to a normal amount after repairs have been made to the storm sewers that infiltrated the plant. D. Johnston stated that it was definitely better, especially considering the amount of rain that was received in a short period of time. It was not unusual, and if the problem had not been previously corrected then it would have been much worse. J. Compton stated their department was flooded with calls about basements



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much worse. J. Compton stated their department was flooded with calls about basements being flooded that had not flooded before. Which means that water was going down floor drains and towards the plant.

INDUSTRIAL WASTEWATER ACCEPTANCE ACTIVITY FOR JUNE 2024

Source	Volume (gallons)	Total
Fabick/CAT	1,600	\$250.00
LS&I	8,200	\$1,148.00
Wisconsin Electric	27,000	\$1,080.00
Grand Totals	36,800	\$2,478.00

NEW BUSINESS

- None

OLD BUSINESS

- **Solids Handling Project:** M. O'Neill stated D. Johnston covered it well. There is still mechanical and electrical work being done. We are waiting for the MCC's to come in and then it will be busy. G. Patrick asked if the roofing was all done. M. O'Neill stated that they still have to do the trim work but yes, it is done. Contractors have been great and still on schedule. Hopefully the MCC's will arrive in October so we can begin starting things up. We are still planning on going live in December. M. O'Neill stated that if the state passes a new law mandating septic systems be inspected every few years, that will create a large increase in septage because people will be forced to pump them. Which will create more revenue.

PUBLIC COMMENT

- None

BOARD COMMENT

- None

ADJOURNMENT

The meeting was adjourned at 10:36 a.m.

Reviewed by:

Mark O'Neill

Director of Municipal Utilities

Prepared by:

Melissa Erkkila