

LASA + GLA BoT Q&A Session (10-28-2025)

Q1: What are the plans to increase communication from LASA to members?

- a. How often should members expect updates and in what form (emails, newsletter, posting of meeting minutes)?

A: Porter Township website will be leveraged for LASA. Plan to include links to minutes, financials.

Follow-up Item: Find out when website is live to confirm content and frequency of updates.

Q2: What are the plans to minimize lift station outages, avoid sewer back-up issues and to improve emergency hotline responsiveness?

- b. Preventive maintenance, monitoring, and alarming, etc.
- c. Technician coverage, how to contact, escalation process and contacts?

A: LASA acknowledged the process failure on the most recent outages that we have discussed. They were caused by power outage damage to equipment panel and unacceptable service by the emergency on-call technician who did not acknowledge or respond to the trouble calls. LASA has followed up with their maintenance vendor to remedy.

A: With the potential addition of Bankson Lake to LASA, a portion of that buy-in fee would be used to upgrade systems to help automate issue identification and resolution.

A: Members should expect 24/7 hotline coverage and response.

Follow-up Item: LASA to confirm and communicate trouble reporting process and escalation process and contacts.

Q3: What response time should we expect for most LASA billing inquiries, both phone and email?

A: 2-3 business days under normal circumstances.

A: Previous responsiveness issues driven by personal and technical issues, USPS delays. Changing to a .gov email/server should help alleviate issues with private email server.

Q4: Several members have commented on delays in processing and posting of check payments which sometimes lead to erroneous late payment fees that need to be corrected.

a. What would be the reason for such delays?

A: These appear to be fairly isolated instances that simply need to be worked individually with the LASA Billing Administrator.

b. Is LASA considering introducing online bill pay and/or auto-pay.

A: LASA did not commit to this stating possible additional cost and overhead involved.

Follow-up Item: Find out when LASA website is live and address on-line and/or autopay again.

Q5: Which lakes are currently supported on the LASA system and what are the customer counts by lake?

A: Currently 859 total customers from Gravel Lake, Big Fish Lake, Saddlebag Lake, Finch Lake, and Cedar Lake (did not get counts by lake).

Q6: What other customers are supported on the LASA system (Marcellus, third party septic haulers, etc.)?

A: The town of Marcellus is part-time customer (they own 3.8% of capacity). 3rd party waste haulers are also customers (added septage receptors to plant during construction) however the waste hauler business has dropped off dramatically due to them moving to large treatment facility in Kalamazoo.

Q7: What is the forecast for other lakes and customers joining the LASA system?

A: Bankson Lake (125 customer plus Miracle Camp) in final negotiations on joining LASA. Other lakes are in varying early discussions.

Q8: What drove the cost on the last two rate increases and what do future years look like in terms of anticipated increases?

A: Inflation is driving increased cost of services and replacement parts/equipment. Loss of septage hauler business has reduced previous income stream.

Q9: Do all existing LASA lakes and members pay the same assessment fee and quarterly rate and receive the same rate increases?

A: All LASA lakes customers receive same monthly/quarterly billing rates and have experienced the same increases.

Q10: Early on it was communicated that as additional lakes came on board that it would help mitigate the need for increases in quarterly services rates, but this does not seem to be the case.

A: This has in fact delayed the need for increases but inflation and the fact that the plant is still at only ~35% capacity impacts the ability to cover and spread operational costs. (Note: The DEQ (now EGLE) mandated that the plant be sized for maximum capacity (all target households and assuming full time residence of the households)).

Q11: As additional lakes come on board, what will their “buy-in” cost be and how will that buy-in benefit existing lakes and members?

A: Buy-in costs varied by lake, but most of that funding to date has been used to pay down the bond. Bankson Lake is expected to have a sizeable buy-in cost and a portion would be used as investment to modernize equipment (see item 2).

Q12: When individuals paid off the assessment early, were those funds immediately applied to pay down the principal loan balance? If so, should there have been a reduction in any operating funds needed to pay interest expense?

A: LASA didn't originally know that owners would have an option to pay off early so it was not accounted for. LASA chose to pre-pay on bond.

Q13: At one meeting prior, there was a comment made that there was saving on interest expense that was being passed on and keeping the interest portion on the tax bill down for individuals, but when asked what the benefit to those that paid their balance off early, the answer was nothing. Doesn't seem fair. Can we get some clarification on that situation?

A: Pre-payment on bond drove savings. Pay-off benefit is a personal finance choice (or as a requirement of a mortgage by a lender). Only benefit of doing such is no longer making LASA interest and principal payments on taxes.

Q14: Was there an attempt to refinance the debt when interest rates dropped so dramatically a few years back?

A: Debt was refinanced in 2022 at under 4%.

Q15: Has there been any audit of parcels and assigned sewer connections to ensure correctness of assessment and services billing?

A: Was not addressed in meeting.

Q16: What are the positions, staffing levels and salaries of the LASA organization?

A: Partially addressed in meeting and by way of the financial reports distributed in the meeting it appears that LASA has only one actual employee, that being the LASA Administrator. All plant operations and maintenance is contracted out to a 3rd party. There is \$70,000 in Salary and Wages plus associated taxes and no benefits. It was stated that approximately 50% of that expense is related to the Administrator, with the remainder being per diem payments to the LASA board members/commissioners for meetings and other board duties.

Additional Notes:

LASA Board composition: 3 township supervisors (Porter, Marcellus, Volinia) are mandatory on LASA. Supervisors appoint other board members (2 from Porter, 1 from Marcellus, 1 from Volinia)

Meetings: 1st Monday of every month at 6pm (53550 Hemlock Lake Rd. Marcellus)

Monthly operating fees (billed quarterly):

After increase: \$75 / month

\$63 = monthly operating

\$12 = debt retirement

859 customers - all charged the same (i.e. all REUs charged the same rate)

Current plant operating capacity = 35% (inefficient for running the plant, need more customers)