

**MILK RIVER INTERCOUNTY DRAIN DRAINAGE DISTRICT
DRAINAGE BOARD MEETING MINUTES
APRIL 16, 2020**

A meeting of the Milk River Intercounty Drain Drainage Board was held on Thursday, April 16, 2020, via teleconference in compliance with the State of Michigan Executive Order No. 2020-02, dated March 13, 2020, and Executive Order No. 2020-48, dated April 14, 2020; electronic (telephonic or video conferencing) attendance will meet the quorum requirements, all votes will be taken by roll call, and public participation will be allowed at the designated portion of the agenda in accordance with the recommendations of Executive Order 2020-48.

Members Present Via Teleconference

Michael R. Gregg, Chair, Michigan Dept. of Agriculture & Rural Development, State of Michigan
Elmeka N. Steele, Esq., Wayne County Drain Commissioner, Wayne County
Bryan Babcock, P.E., Director of Public Works/Water, City of St. Clair Shores
Brian Baker, Chief Deputy, Public Works Office, Macomb County
Joe Rheker, City Manager, City of Harper Woods

Others Present Via Teleconference

Kyle Seidel, Anderson, Eckstein and Westrick
Mike Harrington, Anderson, Eckstein and Westrick
Brent Avery, Southeast Macomb Sanitary District
Brett McDonald, P.E., Southeast Macomb Sanitary District
Lori Hicks, Southeast Macomb Sanitary District
Bruce Smith, City of Grosse Pointe Woods
Frank Schulte, City of Grosse Pointe Woods
John Brennan, Fahey, Schultz, Burzych & Rhodes
Russ Strassburg, Tetra Tech
Greg Tupancy, Tetra Tech
Brady Harrington, State of Michigan
Elizabeth Barrera, Wayne County
Suzanne Abouzenni, Wayne County
Jim Grezlak, Wayne County
Zach Zechmeister, Spence Brothers

1. Call to Order

Mr. Gregg called the meeting to order at 10:13 a.m. Board Members will not communicate via text or other private methods of communication while this meeting is in session.

2. Approval of Agenda

Mr. Rheker moved to approve the agenda with the addition of item 4.c. Quarterly Budget Report - Wayne County and the addition of item 5.a. Financial Advisor Engagement. The motion was supported by Mr. Babcock. Motion adopted.

3. Approval of the Minutes for:

a. March 19, 2020, Milk River Intercounty Drain Drainage Board Meeting

Mr. Babcock moved to approve the March 19, 2020, Milk River Intercounty Drain Drainage District Board Meeting minutes as presented. The motion was supported by Mr. Baker. Motion adopted.

4. Reports

a. Operations and Maintenance (O&M)

The Operations and Maintenance (O&M) update was presented by Brent Avery and Brett McDonald. Mr. Avery commented that there was a routine discharge event at the end of March due to rain; everything went well and in compliance with the permit. A generator was rented for three days to facilitate the electrical switch over in the amount of \$2,430. SEMSD has been strategically placing staff to comply with the social distancing requirements of COVID-19.

Mr. Baker moved to receive and file the Operations and Maintenance Report. The motion was supported by Mr. Babcock. Motion adopted.

b. Priority 1B and Select Improvements Project – Construction Update

The Drainage District Board received the Engineering Services and Construction Contract Status Report as of April 7, 2020, and the Summary of SRF Loan Costs Reports. Mr. Tupancy commented that the engineering contract is approximately 75% completed and invoiced through March 31, 2020. The construction contract is approximately 81% completed and invoiced through January 31, 2020. The balance of unforeseen conditions for \$103,879.10 does not include the \$580,000 in mediation credits. He reviewed the updated April 8, 2020, cost of outstanding items list noting the addition of the \$580,000 in credits, project engineering closeout cost, the mediated general condition costs, work on storm pumps 4 and 5, and the Other Construction/Engineering Costs (i.e., landscaping design/construction, intake pipe inspection, basin hatch design/construction, sandbagging project and study, and RTB weir extension analysis/construction). As of April 7, 2020, the exceeded SRF Loan balance of \$3,900,000 does not include the \$3,800,000 listed on the cost of outstanding items report and does include the communities' three-year supplemental funding of \$788,000.

Mr. Tupancy reviewed the following work being performed: continuing to work on the storm pump electrical and control systems change over from the old to the new system, pump number three will be installed and connected to the new system by Spence Brothers, working on Basin 1a flushing gates and painting, working on the aeration basin flushing pumps, most of the concrete work in Basin 2 has been completed except for a couple of flushing lanes, electrical and mechanical work at the recirculation station, divers removed the root ball from inside the intake pipe, and the pipe cleanout operation has started from the lake back to structure number three and then toward the pump station. Mr. Tupancy advised GPW that the intake pipe work may go past the Memorial Day weekend deadline due to the installation of a chemical pipe (within the intake pipe) to help control mussels. He will contact Mr. Smith and Mr. Schulte to discuss the possibility of working a couple of weeks past the deadline date.

Mr. Strassburg commented that the 10” weir extension work is moving forward, and Spence is working to add plates where needed and cut down the taller weir extensions per the recommendations in the Hydraulics Study.

Mr. Zechmeister, Spence Brothers, commented that the weir extension plates were delivered on April 14, 2020. The work to add the plates should be done in approximately one week, and they will then cut the taller plates down to 10” extensions.

Mr. Gregg and Mr. Strassburg thanked Spence Brothers for their expediency in getting the weir extension work started.

Mr. Schulte commented that the diving company took over the DPW maintenance garage with their equipment and are hanging wet clothes on the DPW equipment. He does not mind sharing the space; however, they need to be respectful.

Mr. Zechmeister commented that he will have Mike, the Superintendent, go and talk to the diving company; it will be taken care of today.

Mr. Babcock moved to receive and file the Construction Reports. The motion was supported by Mr. Rheker. Motion adopted.

c. Quarterly Budget Report

Ms. Barrera reviewed the MRIDDD Quarterly Budget Report ending March 31, 2020. She explained the second quarter invoices are being emailed to the communities today so the community assessments revenue of \$920,581 should be increased by approximately \$700,000. She confirmed the correct email address with each community and asked that they watch for the invoice, which is due in 30 days. She reviewed the highlighted SEMSD pass-through costs that are invoiced through March and paid through January. The net loss of (\$258,008) does not include the \$700,000 revenue from the second quarter invoices.

Mr. Rheker moved to receive and file the Quarterly Budget Reports. The motion was supported by Mr. Babcock. Motion adopted.

5. New Business

a. Financial Advisor Engagement

Ms. Steele commended Mr. Tupancy on his efforts in preparing the SRF Loan Costs Summary and the Cost of Outstanding Items reports that provided the projected amount of approximately \$8,000,000 in costs that would exceed the SRF loan amount. Ms. Barrera has been looking at funds available in the reserves, the O&M balance, and the construction account. Ms. Steele spoke with the original SRF Loan Financial Advisor who provided an engagement letter. The financial advisor could prepare and assist with financing options, such as financing the entire projected amount over a certain number of years or a hybrid of financing a portion and utilizing fund balance for a portion. They are looking at all options and considering the financially hard times that all communities are facing due to the COVID-19 pandemic. Ms. Steele has spoken to Mr. Tupancy requesting a determination of how much of the additional costs will occur by September 30, 2020, and what costs will hit the next fiscal year’s budget. She gave an overview of the engagement letter: phase one - the feasibility stage which would provide an overview of funding options, and phase two - the debt financing option stage (depending on the funding option the Board selects) which would assist with the debt financing, the debt schedule, developing the terms, the sale/post-sale bond documents, and working with Treasury. For phase one the cost is \$5,000, which appears to be a flat fee and Ms. Steele is waiting for confirmation, and for phase two the base fee of \$8,000 plus the additional fees depending on the bond amount. The Board needs to decide on the financing option(s) before

reaching out to a Bond Counsel; however, she can contact Dickinson Wright for a proposal while financing options are being determined. Ms. Steele recommended authorizing the engagement for financing.

At 11:14 a.m. Mr. Brennan excused himself from the meeting due to a court hearing but will try to join the meeting when done.

Mr. Rheker asked if the \$3,800,000 supplemental funding from the communities is included in the total.

Ms. Steele replied that the supplemental funding is included in the Summary of SRF Loan Costs. She will email the engagement letter to Ms. Hicks so it can be forwarded to the Board Members for their review. If the Board authorizes moving forward with the engagement letter, options should be available for the May 14, 2020, board meeting. Wayne County's financial situation has improved in terms of bond ratings. Due to COVID-19, the Wayne County finance team is reviewing everything but she is not aware of anything that would impact Milk River specifically. Overall, municipalities are looking ahead trying to forecast revenues for the rest of this fiscal year and next fiscal year and to come up with ways to cover shortfalls.

Mr. Baker moved to authorize Ms. Steele to engage the services per the proposal by PFM Financial at an estimated fee of \$5,000. The motion was supported by Mr. Rheker. Motion adopted.

6. Unfinished Business

a. Discussion of Sandbag Project

Mr. Seidel reviewed the projected lake levels as of April 15, 2020, which is expected to be four inches higher than last year. He showed the updated flood map, which now includes Doremus, and reviewed the sandbagging schedule. He is working out the details of the contract and the additional insureds with Landscape Services, Inc. (LSI). The project will begin at the GPW Lake Front Park with work on residential properties to begin on May 1, 2020. A public notice will be mailed on April 22, 2020, to the impacted properties and hand-delivered the week of April 20th. On April 30, 2020, at 4:00 p.m. a public informational Zoom meeting will be live streamed on the St. Clair Shores' Facebook page. He reviewed the estimated project costs, which amount to \$333,000. The MRIDDD approved \$200,000 for the project, however, an additional \$150,000 is needed to cover the costs. Mr. Seidel spoke with Jason Haywood, DroneView, who said they are on track to have the survey done by April 30, 2020.

Mr. McDonald commented that he tested the sandbag machine and it will take approximately 48 days to produce the necessary sandbags.

At 12:11 p.m., Mr. Brennan rejoined the meeting.

Mr. Baker asked how much of the project is AEW's cost and requested a copy of the public notice.

Mr. Seidel replied approximately \$62,568; it was determined that a Construction Field Supervisor was necessary. The public notice will be forwarded to all Board Members and he reviewed the contents: 218 properties will receive the public notice. The public notice describes why a levee may be needed, references and describes the St. Clair Shores' Ordinance 35.013 (emergency authority in the event of rising waters), the sandbag levee must remain in place until December 1, 2021, gives contact information for the Construction Field Supervisor should questions arise, discusses flood

insurance including a link on “how to buy flood insurance”, and gives the information for the April 30, 2020, public informational meeting via Zoom. Mr. Seidel explained the LSI invoices will come to AEW for review and recommendation to pay, they will then be forward to Ms. Steele and Ms. Barrera so payments can be processed timely.

The Board Members agreed to the LSI invoicing process presented by Mr. Seidel.

Ms. Steele agrees that the contractor needs to be paid promptly and acknowledges payment will be processed as close to a 30-day turnaround as possible.

Ms. Barrera requested that all invoices be emailed to Ms. Steele and herself for timely payment.

Mr. Babcock moved to authorize an additional \$133,000 for the flood prevention operation project and authorize Wayne County to pay the invoices out of the O&M fund balance for a total of \$333,000. The motion was supported by Mr. Baker. Motion adopted.

Mr. Gregg thanked Mr. Seidel for a great job handling and guiding the Flood Prevention Sub-Committee meetings.

Mr. Brennan presented and reviewed the Milk River Intercounty Drain Drainage Board Emergency Declaration Resolution Authorizing Emergency Declaration for the Board Member’s consideration. The resolution cooperates with the St. Clair Shores’ Emergency Ordinance 35.013 and the MRIDDD is acting as an agent of St. Clair Shores. If the resolution is adopted, he recommended attaching the SCS Ordinance 35.013, the hydraulics study, the Army Corps of Engineers' Water Level Report, and the Declaration of Emergency to the resolution.

Mr. Gregg asked if the City of Grosse Pointe Woods should declare an emergency as well.

Mr. Brennan replied that it would be extremely helpful for GPW to have an emergency declaration on file and he will work with GPW’s attorney if needed. However, the GPW Lake Front Park is located in St. Clair Shores.

Mr. Seidel commented that there are approximately eight properties located in GPW on the course of the Milk River.

Mr. Brennan commented that if land-owner agreements are obtained, the emergency declaration would not be needed.

Mr. Smith will research the need for the emergency declaration and discuss it at the May 4, 2020, City Council Meeting.

Mr. Baker moved to adopt the Milk River Intercounty Drain Drainage Board Emergency Declaration Resolution and authorize the MRIDDD Chair to execute the Declaration of Emergency and the Resolution Authorizing Emergency Declaration. The motion was supported by Mr. Babcock. Motion adopted.

b. Mediation Update

Mr. Brennan spoke with Mr. Gallant who informed him that Spence Brothers executed the mediation agreement and should be returning it by April 16, 2020. A copy of the executed agreement will be forwarded to the Board Members when it is received.

According to the COVID-19 guidelines, all the Milk River activities (i.e., Priority 1B Improvements and sandbagging operation) are considered essential work/workers. Spence Brothers presented a job site health and safety plan to the Governor in compliance with Executive Order 2020-42.

7. Approval of the SEMSD Operations and Maintenance Invoice

The SEMSD Operations and Maintenance (O&M) Invoice for March 2020 was reviewed. The March 2020 O&M 3-2020 invoice totaled \$55,574.33. The total amount billed included March's O&M invoice and the reimbursable pass-through costs.

Mr. Avery corrected the Summary of SEMSD Pass-Through Costs to MRIDDD description for Kennedy Industries. The pump was not repaired; the pump was coated with a special coating to extend the pump life. He commented the drain signs were needed to replace missing signs that are required to be posted.

Mr. Baker moved to authorize the payment of SEMSD Invoice O&M 3-2020. The motion was supported by Mr. Babcock. Motion adopted.

8. Public Comment

Mr. Gregg announced Public Comment and asked for any public participants to identify themselves before making public comment. No public comment was made.

9. Next Drainage Board Meeting

The next regularly scheduled meeting is Thursday, May 14, 2020, at 1:30 p.m. located at St. Clair Shores City Hall, Geer Conference Room, 27600 Jefferson Avenue, St. Clair Shores, Michigan 48081 pending the expiration of Executive Order 2020-48 on May 12, 2020, at 11:59 p.m.

10. Adjournment

Mr. Rheker moved to adjourn the meeting. The motion was supported by Mr. Babcock. Motion adopted.

There was no further discussion to come before the Drainage Board. The meeting was adjourned at 1:00 p.m.

Brian Baker, Chief Deputy Macomb County Public Works Commissioner

NOTE: The foregoing minutes are subject to Milk River Intercounty Drain Drainage Board approval.