

**MILK RIVER INTERCOUNTY DRAIN DRAINAGE DISTRICT
DRAINAGE BOARD SPECIAL MINUTES
SEPTEMBER 3, 2020**

A special meeting of the Milk River Intercounty Drain Drainage Board was held on Thursday, September 3, 2020, via teleconference in compliance with the State of Michigan Executive Order No. 2020-02, dated March 13, 2020, and Executive Order No. 2020-154, dated July 17, 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 2020-154.

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
John Szymanski, Acting City Manager, City of Harper Woods

Others Present Via Teleconference

Kyle Seidel, Anderson, Eckstein and Westrick
Kip Walby, Southeast Macomb Sanitary District
Lori Hicks, Southeast Macomb Sanitary District
Bruce Smith, City of Grosse Pointe Woods
Frank Schulte, City of Grosse Pointe Woods
Cathy Behrens, City of Grosse Pointe Woods
William Snyder, City of Harper Woods
John Brennan, Fahey, Schultz, Burzych & Rhodes
Patrick Cullen, Wayne County
Elizabeth Barrera, Wayne County
Moyna Moore, Wayne County
Kari Blanchett, PFM Financial Advisors
Terry Donnelly, Dickinson Wright

1. Call to Order

Mr. Gregg called the meeting to order at 10:03 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

Ms. Steele moved to approve the agenda with the removal of item 3. Approval of the Minutes. The motion was supported by Mr. Babcock. Motion adopted.

3. Reports

a. SEMSD Update

Mr. Walby informed the Board that Grit Pump 1, Dewatering Pump 1, and Sanitary Pump 10 are all down and at Kennedy Industries for repair at the cost of approximately \$22,000. The Board had previously authorized up to \$20,000 for this repair. The Grit and Dewatering pumps should be back tomorrow. He confirmed that Chairman Gregg will be at the Milk River for a tour on Thursday, September 10th at 10:00 a.m. after the meeting at the GPW Lakefront Park.

Mr. Gregg believes there is a tour scheduled for September 10th however, Tim Ard is in charge of scheduling that meeting.

Mr. Seidel commented that Landscape Services has completed the drainage tile project on the Milk River property and are beginning restoration today.

4. New Business

No new business at this time.

5. Unfinished Business

a. Final MRIDDD FY21 Budget

Ms. Moore reviewed the following on the MRIDDD FY21 Operation & Maintenance (O&M) Budget and commented that the Equipment Repairs and Maintenance line item was increased by \$40,000 for pump inspections:

- Summary of total costs by each community for the O&M, Priority 1B Debt, and the New Bond Debt.
- The O&M summary.
- Breakdown of municipal revenue assessments by each community.

Mr. Babcock asked if the \$40,000 increase in equipment repairs and maintenance is for the annual pump inspections.

Mr. Seidel replied yes.

Mr. Babcock moved to approve and authorize the assessment of the 2020/2021 MRIDDD O&M Budget. The motion was supported by Mr. Baker. Motion adopted.

b. Financing Options

Mr. Donnelly reviewed the Resolution Approving Special Assessment Roll and Authorizing the Issuance of Milk River Intercounty Drain Bonds, Series 2020 and highlighted the following:

- Approval of Special Assessment Roll against the City of Harper Woods, City of Grosse Pointe Woods, the Charter County of Wayne, and the State of Michigan for \$6,385,000.
- Supplemental Order against each public corporation that is not prepaid shall be divided into annual installments.
- Authorization of Bonds – Purpose not to exceed \$4,490,000.
- Bond Details – Bonds may be issued in the form of a single bond for \$4,490,000 or lower and shall bear interest at the rate not to exceed 5% per annum.

- Security for Special Assessment Roll No. 2 – if it is determined that it is in the best interest of the Drainage District for the Charter County of Wayne to pledge its limited tax full faith and credit to payment of the principal and interest on the Bonds when due as additional security, the Chairperson shall request the County to do so.
- Estimates of Period of Usefulness and Cost – The period of usefulness is determined to be twenty-three (23) years and upwards with the additional cost of the improvements to be \$6,385,000, per Exhibit A of the Resolution. He advised the Board that twenty-three years is a worst-case scenario.
- This is a negotiated bond sale with the Chairperson authorized to negotiate and enter into a purchase agreement with a purchaser to be selected by the Chairperson. If the bonds are purchased by the Michigan Finance Authority from the proceeds of the State Water Pollution Control Revolving Fund (SRF), the Chairperson is authorized to change the bond resolution to comply with the SRF program requirements.
- The Chairperson is limited as follows:
 - The Bond principal amount shall not exceed \$4,490,000.
 - The interest rate shall not exceed 5.00% per annum.
 - The Bonds shall be payable in no more than 20 consecutive annual installments.
 - The Bond final maturity date shall be no later than April 1, 2043.
 - The Bonds shall not be sold at a price that is less than 99% of the principal amount.
 - The underwriter or placement agent’s discount or compensation shall not exceed 1.00% of the principal amount.
- The Chairperson is authorized, on behalf of the Drainage District, if necessary, to:
 - Approve the circulation of the preliminary and final official bond statement.
 - Purchase municipal bond insurance.
 - Apply to one or more agencies for a bond rating.
 - Make any designations or elections pursuant to the Internal Revenue Code of 1986.
 - Do all other acts and take all necessary procedures required to effectuate the sale, issuance, and delivery of the Bonds in accordance with the resolution.

Mr. Brennan asked if the Engineers and Spence Brothers discussed the construction costs referenced in Exhibit A.

Mr. Donnelly replied amendments can be made if needed, however, the District does not want to over-borrow. There is a conference call on September 17, 2020, with EGLE and SRF.

Ms. Steele commented that the Wayne County Finance Staff will be on the September 17, 2020, conference call as well.

Mr. Baker asked if the District could still have a competitive sale.

Mr. Donnelly replied no; this is a negotiated sale.

Ms. Blanchett reviewed the tentative financing timetable with the tentative bond closing date as November 17, 2020. She commented that some items that need to be done are a Qualified Status from the Drainage District, which should be filed every year with the audit filing, and a review of the official statement. She will work with Ms. Steele and file the Qualified Status on behalf of the Drainage District. She pointed out that one change could change all the dates.

The terms can be amended and she will speak with Grosse Pointe Woods and Harper Woods to run the best option that fits the communities' needs.

Mr. Gregg asked the Board Members if they had any further questions.

There were no further questions from the representatives of the City of St. Clair Shores, Harper Woods, Grosse Pointe Woods, Macomb County, and Wayne County.

Mr. Gregg thanked the Bond Consulting Team for their explanation and review of the bond issuance.

Mr. Baker moved to approve the resolution approving the special assessment roll and authorizing the issuance of Milk River Intercounty Drain Bonds, Series 2000. The motion was supported by Ms. Steele. Motion adopted.

6. 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.

7. Next Drainage Board Meetings

The next regularly scheduled Board meeting is Thursday, September 17, 2020, at 10:00 a.m. via telephonic and video conference per Executive Order 2020-154, dated July 17, 2020.

8. Adjournment

Mr. Baker moved to adjourn the meeting. The motion was supported by Ms. Steele. Motion adopted.

There was no further discussion to come before the Drainage Board; the meeting adjourned at 11:10 a.m.

Brian Baker, Chief Deputy Macomb County Public Works Commissioner

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