

**MILK RIVER INTERCOUNTY DRAIN DRAINAGE DISTRICT
DRAINAGE BOARD MEETING MINUTES
November 18, 2021**

A meeting of the Milk River Intercounty Drain Drainage Board was held on Thursday, November 18, 2021, via teleconference in compliance with State Public Act 254 of 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.

Members Present Via Teleconference

Michael R. Gregg, Chair, Michigan Dept. of Agriculture & Rural Development, State of MI
Reporting from Mason, MI

Elmeka Steele, Esq., Wayne County Drain Commissioner, Wayne County
Reporting from Rochester Hills, MI

Brian Baker, Chief Deputy, Public Works Office, Macomb County
Reporting from Clinton Twp., MI

Bryan Babcock, P.E., Director of Public Works/Water, City of St. Clair Shores
Reporting from St. Clair Shores, MI

James Kowalski, Assistant Director of Public Services, City of Grosse Pointe Woods
Reporting from Grosse Pointe Woods, MI

Others Present Via Teleconference

Kyle Seidel, Anderson, Eckstein and Westrick

Kip Walby, Southeast Macomb Sanitary District

Pete Trombley, Southeast Macomb Sanitary District

Brent Avery, Southeast Macomb Sanitary District

Dianne Schelosky, Southeast Macomb Sanitary District

William Snyder, City of Harper Woods

Mike Way, Grosse Pointe Shores

Moyna Moore, Wayne County

Patrick Cullen, Wayne County

Greg Tupancy, Tetra Tech

John Brennan, Fahey, Schultz, Burzych & Rhodes

Brady Harrington, State of Michigan

1. Call to Order

Mr. Gregg called the meeting to order at 10:01 a.m. Current legislation validates meeting structure. A State of Emergency Ordinance remains in effect in the County of Wayne. The board will proceed with a virtual meeting, hosted by Kyle Seidel.

2. Approval of Agenda

Mr. Baker, Macomb County, made a motion to approve the agenda as presented. The motion was supported by Mr. Babcock, St. Clair Shores. Motion passed.

3. Approval of the Minutes for:

a. October 21, 2021, Milk River Intercounty Drain Drainage District Board Meeting

Mr. Babcock, St. Clair Shores, moved to approve the minutes for the October 21, 2021, Milk River Intercounty Drain Drainage District Board Meeting as presented. The motion was supported by Mr. Baker, Macomb County. Motion passed.

4. Reports

a. Operations and Maintenance

Mr. Trombley reported that there have been several rain events following our last meeting, resulting in two treated discharges, occurring on the 25th and the 29th of October. The RTB was able to be completely dewatered before the second event occurred. The TRC numbers were all good, with fecal and e-coli numbers well within the compliance threshold. He noted that there have been 11 treated discharge events this year resulting in 775 million gallons of discharge. They have been flushing the basin, working around some flushing gate issues and adjustments. Cavanaugh is on-site working on the adjustments. The SEMSD has also been cleaning the bar and Rainbow Rack. Pump #5 components are scheduled to arrive this week and headway is being made on the deficiency list.

Mr. Walby noted that Mr. Trombley took care of the Insurance walk thru that occurred on November 10, 2021. The SEMSD is currently waiting on costs and values from Nickel and Saph. The SEMSD will take care of the payment when it comes in. Pictures were displayed on the screen of the facility and updates to the landscaping. Issues with the road were shown, which may be addressed next year at a cost of \$18,000-\$20,000. They are working to get a quote for the shed roof.

It was noted that pictures of the river were not available at this time due to time constraints, this will be readdressed in the spring.

Mr. Babcock questioned about the Connor Creek and Freud Pump Station tour that took place with the East Side Members. Mr. Trombley reported that the overall condition of the pump station looked good, clean, and impressive. An Eastside Group was developed from the June events, as the communities are working together to move forward and strengthen the lines of communication between the communities.

A motion to receive and file the Operations and Maintenance report was made by Mr. Babcock, St. Clair Shores. Ms. Steele, Wayne County, supported the motion. Motion passed.

b. Priority 1B and Select Improvements Project

Mr. Tupancy reported that the soleplate is set for pump #5 and ready for the pump delivery. The progress meetings will resume once the pump is back in place. Tetra Tech reported that programming has been taking place. Cavanaugh is out and working on punch list items.

It was noted that they are waiting for Spence to get information on wage rate changes, and do not have a formal package yet. This is needed before they move along with payment authorizations. Tetra Tech is up to date with its billing and within budget. They are 92% completed for the construction contract.

A motion to receive and file the Priority 1B and Select Improvements Project report was made by Ms. Steele, Wayne County. The motion was seconded by Mr. Babcock, St. Clair Shores. Motion passes.

Mr. Seidel reported that the U.S. Army Corp. of Engineers' six-month forecast continues to indicate that the water levels are trending downward.

5. New Business

a. JCI Chemical Price Increase

Mr. Walby informed the Board that the SEMSD received notice of a second price increase in the last couple of months. Noting that it was important to sign and return the contract right away to maintain compliance and continue to receive the necessary chemicals for operation.

Mr. Baker, Macomb County, motioned to receive and file the JCI Chemical Price Increase Report. The motion was supported by Mr. Babcock, St. Clair Shores. Motion passes.

b. FY21 Preliminary Final Budget to Actual Report

Ms. Moore, Wayne County, presented the preliminary numbers for FY21 as seen on screen and in the Board Packet. It was noted that the revenue is 99% invoiced and the interest for the FY has not yet been allocated. Total supplies are 80% spent. Fees and Services are 78% spent, that percentage will increase with the processing of the final invoice from the SEMSD. The County Chargeback, specifically, the Central Service Chargeback has increased, making it approximately 1,000% over budget. Ms. Moore noted that the budget was \$12,000 but came in at \$127,000. The majority of that amount is related to how the grant department allocates its efforts based on Federal dollars received and is not directly related to O & M, but the construction account and federal revenue received under the draw provided. Approximately \$52,000 of that is also attributed to the implementation of the county's new ERP system, a new accounting/personnel system. Utilities are 92% spent of the total budget, which will also increase with the passing of the final SEMSD invoice. Overall, it was noted that of the O&M expenses, out of the \$3.79 million budgeted, \$3.73 million has been spent, with a remaining budget of about \$57,000. In the fund balance, the Sandbag Project was applied and pulled out of Miscellaneous Contractual Services. \$400,000 was budgeted for the project, as of August 2021, approximately \$348,000 has been expensed. Discussion occurred regarding the methodology of the allocation of charges to the district for the ERP system and it was noted that the budget may need to be revised to account for it in the future. Ms. Moore noted that the implementation charges for the ERP system will carry over to 2022, but will not be an ongoing charge. Ms. Moore will inquire into the grants and budgeting unit and report back at the next meeting. Ms. Moore also requested that fund balance be used to cover the difference between the budgeted expenses and the overage. She noted that the O&M Fund Balance is \$1,666,063 and the Reserve Account balance is \$341,791. Ms. Moore reported that there was \$57,000 remaining in the budget and the final SEMSD Invoice to be paid is approximately \$115,000. The overage could be paid thru the Fund Balance.

Ms. Moore will put together a trend analysis, which would include the last four years, including this fiscal year, and confirm how costs are allocated, and the inclusion of ERP in prior periods.

Mr. Baker, Macomb County, made a motion to receive and file the FY21 Preliminary Final Budget to Actual Report and to authorize the use of the Fund Balance to cover what expenses have exceeded the FY21 budget. Ms. Steele, Wayne County, supported the motion. Motion passed.

6. Unfinished Business

a. Notice of Claims-Summons

Mr. Walby noted that the SEMSD will engage with Clark Hill legal firm to defend this case. Many parties were named on the Summons. Mr. Brennan noted that the MRIDDD has not been named as a defendant in this matter, and therefore permits the SEMSD to engage with the counsel of their choosing. He also noted that because the MRIDDD has not been named in the Summons, there is nothing for this Board to do, nor should it be expected to pay for any legal expenses to defend this claim. Discussion occurred regarding the responsible parties and the defense costs for the SEMSD. Ms. Steele, Wayne County, noted that Milk River is a customer of the SEMSD and may share some portion of the Northeast System and its expenses. Mr. Brennan will look at the agreement with the SEMD, the lawsuit, and the Boards obligations going forward as well as the allocation of the expenses for the Northeast system. It was noted that legal expenses are typically incurred in the SEMSD sewer charges. Legal fees are not part of the O&M but are included in the sewer fees. The Milk River pays 8.29% of the system operation costs. This is noted in the NESDS contract under PA222 on page 12, which states that claims are and shall remain a system cost.

An overview of the User Charge and O&M will remain on the agenda for the January MRIDDD meeting.

b. AEW Agreement

This item was tabled until the December MRIDDD meeting.

c. AT&T Lease Agreement

Mr. Tupancy noted that Mr. Strassburg who is managing this item was unavailable for this meeting but will send out any information he may have via email to board members. Mr. Brennan noted that there has been no response from AT&T since the last meeting. It was recommended that Mr. Watza, GPW, be contacted regarding renegotiating the contract with AT&T on behalf of the Milk River. Mr. Watza will be invited to attend the December MRIDDD meeting for further discussion.

d. GPW Inspection Letter-Compliance

Mr. Seidel has been working with the Grosse Pointe Woods permit department to break down the identified outstanding issues. Spence has been given a letter stating these issues. The SEMSD will do what they can and bring proposals to the next meeting for items that will be over and above the normal O&M costs. Mr. Tupancy will contact Spence to follow up with their progress on the items.

e. Milk River Generator-RFP

The RFP was posted to MITN on Tuesday, November 2, 2021, with the extension of the bidding period, and the addition of the option of the portable generator. The proposed deadline is Thursday, December 2, 2021, at 10:00 a.m., bids are to be submitted to the SEMSD office where they will be opened publicly. The results will be reported at the next MRIDDD meeting.

f. Insurance – Budget Amendment (\$45,568)

There has been no invoice received yet to date for the liability insurance that was approved for November 1st, 2021 coverage. This will be added to the pass-thru costs once received for approval.

There has been no invoice received yet to date for the liability insurance that was approved for November 1st, 2021 coverage. This will be added to the pass-thru costs once received for approval.

7. Approval of the SEMSD Operations and Maintenance Invoice

Mr. Walby reviewed the monthly invoice and pass-thru costs as noted in the Board Packet.

A motion to approve the SEMSD Operations and Maintenance Invoice as presented was made by Mr. Baker, Macomb County. Mr. Babcock, St. Clair Shores, supported the motion. Motion passed.

8. Public Comment

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

9. Next Drainage Board Meeting

The next regularly scheduled board meeting is planned for Thursday, December 16, 2021, at 10:00 a.m. This meeting will be held in a virtual format, hosted by Kyle Seidel.

10. Adjournment

Mr. Kowalski, Grosse Pointe Woods, moved to adjourn the MRIDDD meeting. The motion was supported by Ms. Steele, Wayne County. Motion adopted.

There was no further discussion to come before the Drainage Board. The meeting adjourned at 12:05 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.