

**REGULAR MEETING OF THE SOUTHEAST MACOMB SANITARY DISTRICT
HELD ON WEDNESDAY, MARCH 23, 2022**

Meeting called to order by Taylor at 4:15 p.m.

Board Member Present

Board Members Roll Call: Robert Taylor, Sarah Lucido and John Caron.

Also, Present:

Kip Walby, Marie Tighe, Pete Trombley, Michael Way, Grosse Pointe Farms, Kyle Seidel, AEW and Tim Tomlinson, Attorney, Steve Wietecha, Roseville, Matt Berge, AEW, Rob Baker, Eastpointe.

APPROVAL OF AGENDA

MOTION by Lucido, supported by Caron to approve the agenda.

AYES: All

MOTION CARRIED

REVIEW AND APPROVAL OF PROPOSED MINUTES

Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, March 9, 2022, was reviewed.

MOTION by Caron, supported by Lucido to approve the Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, March 9, 2022, as presented.

AYES: All

MOTION CARRIED

APPROVAL OF PAYROLL AND BILLS

The payroll and bills were presented to the Board as follows:

PAYROLL: (3/16/22)

Matt Adams	\$	2,180.20
Brent Avery	\$	4,522.93
Paul Everett	\$	2,908.76
Brendan Fick	\$	1,773.72
Dave Jenken	\$	2,204.20
Frank Pelione	\$	1,964.91
Joe Rayner	\$	2,180.20
Thomas Riley	\$	1,693.00
Dianne Schelosky	\$	2,794.80

Chairman/Treasurer Robert Taylor **Vice-Chair** Sarah Lucido **Secretary** John Caron

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Luke Smith	\$ 1,842.47
Marie Tighe	\$ 1,585.00
Pete Trombley	\$ 5,875.76
Kip Walby	\$ 5,897.33
Chris Zielinski	\$ 2,948.96
<u>General Fund</u>	\$ 29,217.99
Hoffman Pump Station	\$ 0
Kerby Road Pump Station	\$ 490.87
Rio Vista Pump Station	\$ 1,764.00
Marter Road Pump Station	\$ 11,601.00
Milk River Pump Station	\$ <u>98,769.67</u>
	\$ 140,078.53

MOTION by Lucido, supported by Caron to approve the Payroll, General Fund, Martin Drain Pump Station, Hoffman Pump Station, Marter Road Pump Station, Kerby Road Pump Station, and Wayne County invoices as presented.

AYES: All

MOTION CARRIED

RECEIVE AND FILE FINANCIAL REPORT

The Financial Report was presented.

MOTION by Lucido, supported by Caron to receive and file the financial report.

AYES: All

MOTION CARRIED

PUBLIC HEARING

Proposal Fiscal Year 2022-2023 Sanitary Rates

Chairman Taylor asked if anyone from the public would like to address the SEMSD Board regarding the Proposal Fiscal Year 2022-2023 Sanitary Rates.

There being no one from the public, Chairman Taylor asked for a motion to close the public hearing.

MOTION by Caron, supported by Lucido to close the public hearing at 4:20 p.m.

AYES: All

MOTION CARRIED

Director of Operations

The Director of Operations update was provided by Kip Walby.

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NEW BUSINESS

Building Options

Mr. Walby presented the summary of design options for the SEMSD facility in St. Clair Shores. Testing Engineers and Consulting tested the building for asbestos and other hazardous material and tested 88 samples. Only 6 came back greater than .1% for asbestos contained material. The SEMSD building was built in 1925. Matthew Berge from AEW presented three options. Option 1 is a new office with detached garage. Its 3400 square feet. Storage rooms and space for files. Option 2 is a renovation with detached garage. Basically, the same as option 1 but smaller. Option 3 is a new office with office and garage. A simple wood frame pole barn building with metal siding and metal roof. Trying to renovate on top of 2 story basement brought up a lot of concerns and would a difficult task. The SEMSD has grown over the years and the need for a larger garage and more storage was going to be addressed soon. Option 3 is the best option for the office and garage needs. We can work out of the existing building while the new one is being built.

MOTION by Lucido, supported by Caron to approve Option 3 and to start the bid process.

AYES: All

MOTION CARRIED

Adoption of FY 22/23 Budget

Before presenting the budget, Mr. Walby provided a summary of the Excess Flow Apportionment percentages effective July 1, 2021 and good for five years. He also noted the Minimum Fund Balance Levels with the 17% emergency in the general fund, we have a Capital Improvement Plan and the \$3 million for capital emergency repairs. He provided a summary of the FY23 Capital Improvement Plan costs.

Mr. Walby noted some of the highlights on the FY22/23 Budget that made some of the significant changes. The excess flow fees- GPS has reduced to \$54,000 due to the meter documentation and accurate data. There is a carryover amount from last year's budget of \$932,819.00 put in revenue. The quarterly admin fee is going up to \$125,000.00. Mr. Walby noted an increase in hospitalization. The pension and OPEB is down and explained in the actuarial report. We bid out the general property and casualty insurance and down \$10,000.00. Engineering costs are down. The Clark Hill legal fees will be put in next year's budget. Mr. Seidel explained the Sewer Treatment Fees have the final numbers with the reduced costs of 3.2%. The SRF Debt schedule was discussed briefly. The Milk River draft budget was included with this budget. Milk River pays one-third of the SEMSD costs. Last year it was determined that Milk River should be responsible for the SEMSD increase in over-time. Mr. Walby gave a quick overview of the over-time. The FY23 Capital projects were discussed.

MOTION by Caron, supported by Lucido to adopt the FY22/23 SEMSD Budget as presented.

AYES: All

MOTION CARRIED

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Adoption of FY22/23 Sanitary Rates

Mr. Walby and Mr. Seidel presented the FY22/23 Sanitary Rates to the board. The total revenue needed is \$28,950,459.27. The rates are based on a five-year average flow for all the communities and the SEMSD then multiplied by the O&M and capital. The SRF Debt has its own apportionment based on five-year total flows from 2006-2010 from Wayne County.

COMMUNITY	PROPOSED FIXED CHARGES FY23	
	MONTHLY	YEARLY
Grosse Pointe Shores	\$66,065.76	\$792,789.15
Grosse Pointe Woods	\$144,335.15	\$1,732,021.75
Harper Woods	\$103,748.82	\$1,244,985.83
Milk River Drainage District	\$195,625.96	\$2,347,511.48
St. Clair Shores	\$741,810.94	\$8,901,731.22
Roseville	\$601,858.63	\$7,222,303.56
Eastpointe	\$559,093.02	\$6,709,116.28
	\$2,412,538.28	\$28,950,459.27

MOTION by Caron, supported by Lucido to adopt the FY22/23 Sanitary Rates as presented.

AYES: All

MOTION CARRIED

Highland Park Bad Debt Expense

Mr. Walby provided an update with the board regarding the Highland Park Bad Debt. Since April 2021, Highland Park has not made any payments for GLWA’s sewer services and before that only paid 50% from 2013 to March 2021. The communities are being charged for Highland Parks Debt in their sewer rates. Mr. Walby has attached a letter for the communities to send to the Governor. The letter is asking the Governor for a greater involvement from the State. The SEMSD Board had a discussion regarding the Highland Park Bad Debt Expense.

MOTION by Caron, supported by Lucido authorizing to letter to be sent to Governor Whitmer regarding to Highland Park Bad Debt.

AYES: All

MOTION CARRIED

General Updates

The SEMSD has reached out to the Macomb County Public Works (MCPW) regarding the Martin In-system storage project, and they have been informed that the SEMSD does not want to remove the weir at this time.

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Mr. Tomlinson stated he received an intergovernmental agreement from Mr. Viviano. He would like to go over with Mr. Walby and Mr. Seidel first before presenting to the Board.

The VFD's will be installed May 6, 2022. Mr. Walby stated we are considering purchasing a Kubota Utility Vehicle. The SEMSD needs to purchase the Kubota to rent it to the SMDA, then AIG will assist in paying for it. We need the Kubota at the Landfills for sampling.

Attorney Update

Mr. Tomlinson stated we are getting ready for union contract negotiations. We have some dates scheduled with the union. Tomlinson explained the SEMSD employees do not have a handbook so that is being developed as well.

PUBLIC PARTICIPATION

Mike Way from Grosse Pointe Woods stated projects have been approved and construction will start end of April or May.

There being no more public participation, Chairman Taylor called for a motion to adjourn.

MOTION by Caron, supported by Lucido to adjourn the meeting at 5:40 p.m.

AYES: All

MOTION CARRIED

CHAIRMAN

SECRETARY

Chairman/Treasurer Robert Taylor

Vice-Chairman Sarah Lucido

Secretary John Caron

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FINANCIAL REPORT

General Fund – Cash on Hand	\$9,506,555.50
Titan Wealth Advisors	
Unrestricted Fund-Emergency Fund	\$7,466,384.43
General Fund – Accounts Payable	(\$140,078.53)
TOTAL	\$16,832,825.40