

**MILK RIVER INTERCOUNTY DRAIN DRAINAGE DISTRICT
DRAINAGE BOARD MEETING MINUTES
June 23, 2022**

A meeting of the Milk River Intercounty Drain Drainage Board was held on Thursday, June 23, 2022, located at City of St. Clair Shores City Hall, 27600 Jefferson Avenue, St. Clair Shores, Michigan, 48081.

Members Present

Michael R. Gregg, Chair, Michigan Dept. of Agriculture & Rural Development, State of MI
Elmeka Steele, Esq., Wayne County Drain Commissioner, Wayne County
Brian Baker, Chief Deputy, Public Works Office, Macomb County
Bryan Babcock, P.E., Director of Public Works/Water, City of St. Clair Shores
James Kowalski, Director of Public Services, City of Grosse Pointe Woods

Others Present

Kyle Seidel, Anderson, Eckstein and Westrick
Kip Walby, Southeast Macomb Sanitary District
Pete Trombley, Southeast Macomb Sanitary District
Dianne Schelosky, Southeast Macomb Sanitary District
Moyna Moore, Wayne County
Frank Schulte, Grosse Pointe Woods

1. Call to Order

Mr. Gregg called the meeting to order at 10:04 a.m.

2. Approval of Agenda

Ms. Steele, Wayne County, motioned to approve the agenda as presented.
The motion was supported by Mr. Baker, Macomb County. Motion passed.

3. Approval of the Minutes for:

a. May 26, 2022, Milk River Intercounty Drain Drainage District Board Meeting

Mr. Baker, Macomb County, moved to approve the minutes for the May 26, 2022, Milk River Intercounty Drain Drainage District Board Meeting. The motion was supported by Ms. Steele, Wayne County. Motion passed.

4. Reports

a. Operations and Maintenance

Mr. Trombley reported that there was a discharge event on June 7, 2022. 1.61 inches of rain was received in a short time, resulting in the discharge of just under 30 million gallons. All fecal and E-Coli levels were within the limits. Mr. Trombley noted that they worked with Carol Hufnagel on the June 7th, 2022 discharge event. Her team came out and did the monitoring, following the EGLE PPC standards. It was a successful meeting.

Additional rain was received later that week. The SEMSD was able to manage the additional rain and no further discharge was necessary. There continues to be trouble with pump #4 as they have

been trying to reach final acceptance. Cavanaugh has been on-site, removing the greaser check valves and working on pump #4. This was a point of failure in the past, which can cause the pump to trip. They anticipate finishing in 2 to 3 days. Work is also being done on the disinfection issues and leaks. There is a malfunctioning ball valve. The automated disinfection system is still not operating properly. The operators must do everything manually. An issue with Sanitary pump #10 was noted. A new one has been put into place while it is being fixed by Kennedy Industries. Sanitation pump #8 is scheduled to be fixed when #10 is back. It can cost anywhere between \$2,500 and \$20,000 to be fixed.

The Enduro covers arrived and were installed on June 10, 2022. Photos were displayed on the screen. The covers are safe to walk on and fulfill the safety concern of the open basins.

Mr. Seidel reported that a new meter was installed in the Girard Drain. Monitoring the levels will help with the storage plans and give a clearer idea of what is in the system and open more storage options.

Mr. Walby thanked Grosse Pointe Woods for their assistance with all the ongoing projects.

It was noted that a letter was received from JCI and Westlake regarding price increases on chemicals as well as a letter of Force Majeure received, noting that chemicals are in short supply. It was noted that there are currently about 30,000 gallons of chemicals on hand, full storage is 40,000 gallons. Chemicals do lose their strength in storage with the increase in temperatures. The strength of the chemicals is tested every couple of weeks.

A motion to receive and file the Operations and Maintenance report was made by Mr. Babcock, St. Clair Shores. Support for the motion was given by Jim Kowalski, Grosse Pointe Woods. Motion passed.

b. Priority 1B and Select Improvements Project

• Construction Update

Mr. Gregg, Chair, reported on behalf of Mr. Strassburg. It was noted that there was no change from the last meeting to the financial reports. No pay requests have been made. All pay apps that have been pending are being paid. A request has been sent to Liz Barrera to move funds between accounts as approved at the last meeting. Cavanaugh has been on site to finish up the storm pump greaser repairs. The grease replacement is completed for all storm pumps. Eaton training is scheduled for June 28th and 29th of 2022, given no storm events occur during that time frame. Jim Kowalski, Grosse Pointe Woods, noted that no further permits will need to be pulled.

A motion to receive and file the Construction Update Report was made by Mr. Baker, Macomb County. Ms. Steele, Wayne County, supported the motion. Motion passed.

5. New Business

a. Updated Rates due to Highland Park Bad Debt

Mr. Walby reported on the letters that went out explaining the updates stemming from the elimination of the Highland Park bad debt. This resulted in a decrease of approximately \$41,000 per year to the O & M charges. It was noted that GLWA is in negotiations with Highland Park and mediation will take place in July.

Ms. Steele, Wayne County, motioned to approve the new rates due to the adjustment of the Highland Park Bad Debt. Mr. Baker, Macomb County, supported the motion. Motion passes.

b. Central Service Chargeback

Ms. Moore explained in detail the spreadsheet as seen in the board packet, specifically the functional areas and costs for FY21. She noted that these areas in the Central Service group are transaction-based as applicable to the Milk River Drainage District. These reflect the functional areas that support the MRIDDD. The total is \$127,077.00. The grants management percentage is based on the Federal Grant revenue that the MR received in 2021. Based on federal dollars received, the Milk River then received 8.29 % of that total amount. There was no charge for payroll distribution. All categories of expenditures were reviewed as provided in the board packet. The ERP total expenses resulted in \$6.3 million for services and implementation for FY21. The percentages for each functional area in Wayne County are allocated a percentage. All the other functional areas result in a .82% charge for Milk River, which is applied for total services paid throughout the fiscal year. ERP (Enterprise Resource Planning) is a new system that Wayne County is implementing, it is a financial system, that replaces the old Payroll, Accounting, and HR software systems. This is an ongoing cost; it replaces the current accounting system. Ms. Moore noted that although the SEMSD pays most of the invoices as pass-thru costs, Tetra Tech, Spence, and the SEMSD invoices are paid thru the Wayne County accounting system. The Grant distribution is the revenue received thru the SRF, the federal dollars are factored into the distribution. The last draw occurred at the end of the last fiscal year. \$570,000 was the last draw, received in the fiscal year 2022 and was factored in. The cost should go down as there will be no grants coming in or SRF payments made. Wayne County initiates the payments. In FY22 the projected amounts for the total Central Service Chargebacks will be somewhere between \$12,400 to \$39,000, based on the federal revenue recorded. Going forward to FY23, the Grants distribution portion of the Central Service Chargeback will go down, as no more federal funds are being drawn. The Milk Rivers total of the grant services amount will be a lesser percentage applied against the ERP charges. Grosse Pointe Woods and Harper Woods are responsible for a portion of the cost of the new accounting system. The cost is distributed across units where services are being provided. It was noted that Grant Distribution is driving the ERP, which results in a \$50,000 allocation to the ERP, the question arose why it is not transaction-based. M & B finance costs are the allocation of the work that Ms. Moore and her team do for the Milk River. The cost for M & B is approximately \$58,000, this is the Milk Rivers' represented percentage charges. This is in addition to the other financial charges noted in the packet. Ms. Steele will look further into the breakdown of the percentages that are charged to all of the entities being charged.

A motion to receive and file the Central Service Chargeback as reported was made by Mr. Baker, Macomb County. Mr. Babcock, St. Clair Shores, supported the motion. Motion passed.

c. FY23 Budget

Ms. Moore noted areas of revision since the last budget review. The four different areas that had revisions include the annual amount of the sewage disposal charges based on the new GLWA rates. The budget was updated with the new charges. Three of the Wayne County chargeback categories have gone down. The FY23 budgeted charges are now \$28,214, down \$17,631 from the previous budget report. The Reserve for Replacement is reserved for contingency items or a safety net for the budget.

A motion to adopt the FY23 budget was made by Mr. Baker, Macomb County. Ms. Steele, Wayne County, supported the motion. Motion passed.

It was noted that Mr. Schulte, Grosse Pointe Woods, requested a follow-up with Wayne County for the detailed Central Service Chargeback information as discussed, for a July 13, 2022 meeting with the Grosse Pointe Woods City Council.

d. Doors

Mr. Walby reviewed the door replacement project. This is a Capital item that was included in the FY22 and FY23 budgets. The project was put out for bid on BidNet. One bid was received. The door Key Fabs portion of the project is on hold for the moment due to high expenses and the new SEMSD building plans. This will be revisited when the new building is completed. The budget amount for the door replacements was \$20,000. The actual bid came in at \$89,236. An additional \$4,187 is needed for another door that is not properly operational. The total comes to \$93,423. Photos of the building and doors to be replaced were shown. Gandol, Inc. is the contractor who bid on the project. Nine doors are to be replaced which will bring the building into compliance with the code issues. All doors will meet fire and code compliance requirements.

A motion to accept the bid of Gandol, Inc., of \$93,423 for the replacement of all 9 doors was made by Jim Kowalski, Grosse Pointe Woods. Mr. Babcock, St. Clair Shores, supported the motion. Motion approved.

e. Recirculation Station Driveway

This project will piggyback off the City of St. Clair Shores' recent bid with Al's Asphalt. Pictures of the driveway to be replaced were shown on screen. The driveway currently holds water and is scheduled to be repaved.

A motion to award Al's Asphalt the contract to repave the Recirculation building driveway with the bid amount of \$20,287 and up to \$22,000 was made by Mr. Babcock, St. Clair Shores. Mr. Baker, Macomb County, supported the motion. Motion passes.

It was noted that this bid is under the budgeted amount for the project which was set at \$25,000.

f. Concrete Pedestals

Mr. Walby reported on the concrete pedestals that require replacement at the facility. The budgeted amount for this project was \$34,000. These concrete pedestals currently support the aeration piping as shown in the pictures. The pedestals are all deteriorated. Zuniga Cement bid on the project. The bid received is \$40,200.

A motion to approve the additional \$6,200 to the budgeted amount was made by Mr. Baker, Macomb County. Mr. Kowalski, Grosse Pointe Woods, supported the motion. Motion passed.

g. Date of Site Tour

The tour date for the Milk River facility was tabled until the August 4th, 2022, meeting. September 22, 2022, was suggested.

6. Unfinished Business

a. GPW Inspection Letter & Worksheet

It was noted that the inspection letter items will be completed shortly.

b. Cell Tower Update

Mr. Gregg noted that there was no update provided from Mr. Strassburg regarding the Cell Tower. Mr. Brennan has been in communication with Mr. Watza, Grosse Pointe Woods, who reported that they are still in negotiations. The dollar amount increase for the lease is currently at \$500. AT&T wants additional concessions regarding the facility roof and changes would require their approval. The negotiations are still ongoing.

7. Approval of the SEMSD Operations and Maintenance Invoice

Mr. Walby reviewed the monthly invoice and pass-thru costs for April as noted in the Board Packet. The larger items were noted as the Kubota, the Enduro Covers, and the Cyber Security Insurance. They are currently under budget and any excess will be used for carry-over items.

A motion to approve the SEMSD Operations and Maintenance Invoice as presented was made by Mr. Babcock, St. Clair Shores. Ms. Steele, Wayne County, 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 noted.

9. Next Drainage Board Meeting

The next regularly scheduled board meeting is planned for Thursday, August 4, 2022, at 1:30 p.m. This meeting will be held at St. Clair Shores City Hall, 27600 Jefferson, St. Clair Shores, MI 48081.

10. Adjournment

Mr. Kowalski, Grosse Pointe Woods, moved to adjourn the MRIDDD meeting. The motion was supported by Mr. Babcock, St. Clair Shores. Motion approved.

There was no further discussion to come before the Drainage Board. The meeting adjourned at 12:15 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.