



SOUTHEAST MACOMB SANITARY DISTRICT

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**REGULAR MEETING OF THE SOUTHEAST MACOMB SANITARY DISTRICT
HELD ON WEDNESDAY, MARCH 22, 2023**

Meeting called to order by Chairman Taylor at 4:10 p.m.

Board Member Present

Board Members Roll Call: Robert Taylor, John Caron, Monique Owens.

Also Present:

Kip Walby, Marie Tighe, Kyle Seidel, Tim Tomlinson, Pete Trombley, Steve Wietecha.

APPROVAL OF AGENDA

MOTION by Caron, supported by Owens 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 8, 2023, was reviewed.

MOTION by Caron, supported by Owens to approve the Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, March 8, 2023, as presented.

AYES: All

MOTION CARRIED

APPROVAL OF PAYROLL AND BILLS

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

PAYROLL: (3/15/23)

Matt Adams	\$ 2,934.93
Brent Avery	\$ 1,949.04
Paul Everett	\$ 3,613.20
Brendan Fick	\$ 2,810.95
Frank Pelione	\$ 2,630.14
Joe Rayner	\$ 4,204.59
Thomas Riley	\$ 1,906.08
Dianne Schelosky	\$ 2,283.20
Luke Smith	\$ 3,091.00
Marie Tighe	\$ 1,452.85
Pete Trombley	\$ 7,944.90
Kip Walby	\$ 6,467.32
Chris Zielinski	\$ 2,560.76

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<u>General Fund</u>	\$ 6,410.56
Hoffman Pump Station	\$ 0
Kerby Road Pump Station	\$ 780.00
Rio Vista Pump Station	\$ 2,588.61
Marter Road Pump Station	\$ 0
Milk River Pump Station	<u>\$ 10,369.37</u>
	\$ 20,148.54

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

AYES: All

MOTION CARRIED

PUBLIC HEARING

Proposal Fiscal Year 2023-2024 Sanitary Rates

Chairman Taylor asked if anyone from the public would like to address the SEMSD Board regarding the Proposal Fiscal Year 2023-2024 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 Owens to close the public hearing at 5:03 p.m.

AYES: All

MOTION CARRIED

New Business

Director of Operations

The Operations and Administrator update was provided by Kip Walby.

New Building Recommendation

Mr. Walby presented the recommendation for the award of contract for a new SEMSD Office building. Six bids were received on February 22, 2023. The lowest bidder was Braun Construction Group, Inc. with a base bid of \$3,090,355.00. Braun Construction references and current projects were provided and all positive. Total project costs including 10% contingency, construction engineering, furniture, appliances, garage and I.T. is \$3,662,180.00. Braun Construction included in their bid is \$242,475.00 for an extra garage bay.

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MOTION by Caron, supported by Owens to approve the bid from Braun Construction Group, Inc. for the new SEMSD Office building for \$3,090,355.00, including the 10% contingency, construction engineering, furniture, appliances, and I.T for \$529,000.00 and the additional garage bay for \$242,475.00 for a total of \$3,864,655.00.

AYES: All

MOTION CARRIED

Adoption of FY24 Budget

Mr. Walby presented the SEMSD FY24 Budget. Mr. Walby explained the Operating Agreement which was approved in 2021 with the apportionment is used when calculating sewer rates. The minimum fund balance levels were approved in 2021. The SEMSD fund balance policy was explained. Mr. Walby went over the 2024 Capital Improvement Plan. The treatment and O&M fees went up to \$1.2 million due to the building costs. The carryover fee is a negative of \$647,310.00 which is less carryover in FY24. Investment income is higher due to interest rates being higher. Hospitalization has increased. OPEB has gone down. Software business license down. Kerby electric is down but Mr. Trombley explained that will increase soon due to wet weather in the past months. Sewer Interceptor repairs have increased. The Clark Hill legal fees were explained. Sewer treatment fees are up due to GLWA going up 2.8%. Capital outlay increase of \$100,000.00. The Milk River budget with the O&M and pass through costs was discussed.

MOTION by Caron, supported by Owens to approve the FY24 SEMSD Budget with the change in construction costs for the additional garage bay.

AYES: All

MOTION CARRIED

Adoption of FY24 Sanitary Rates

Mr. Seidel presented the FY24 Sanitary Rates. The total revenue needed is \$29,799,377.63. 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 FY24	
	MONTHLY	YEARLY
Grosse Pointe Shores	\$66,897.17	\$802,766.04
Grosse Pointe Woods	\$163,994.94	\$1,967,939.33
Harper Woods	\$109,006.80	\$1,308,081.58
Milk River Drainage District	\$187,790.30	\$2,253,483.63
St. Clair Shores	\$766,675.42	\$9,200,105.09
Roseville	\$616,813.19	\$7,401,758.23
Eastpointe	\$572,103.64	\$6,865,243.73
	\$2,483,281.47	\$29,799,377.63

MOTION by Caron, supported by Owens to adopt the FY24 Sanitary Rates as presented.

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AYES: All

MOTION CARRIED

Grosse Pointe Shores Correction Action Plan – Update #5

Mr. Walby explained the Grosse Pointe Shores Correction Action Plan – update #5. HRC and Grosse Pointe Shores are working very well together on the Corrective Action Plan. They are working on Phase 3 which is sewer and manhole rehab. They are working on a design for the **Basis of Design (BOD)** for the Cook Rd Pump Station (CRPS) by April 2023. In September 2023, finalize the CRPS BOD. Then submit CWSRF Project Plan.

MOTION by Caron, supported by Owens to receive and file the update on the Grosse Pointe Shores Correction Action Plan – Update #5.

AYES: All

MOTION CARRIED

Jefferson Interceptor

Mr. Walby provided the letter from Candice S. Miller, Macomb County Public Works trying to get funding for the Jefferson Interceptor. This is \$25 million project which will reduce CSOs into lake St. Clair and less discharges from Rio Vista.

MOTION by Caron, supported by Owens to receive and file the update regarding the Jefferson Interceptor.

AYES: All

MOTION CARRIED

Attorney Update

Mr. Tomlinson explained the Clark Hill legal fees due to a class action lawsuit filed by a firm from two flooding events that occurred in June 2021. June 25, June 26 and then 3 weeks later. The houses were flooded in the Detroit area and the Grosse Pointes. GLWA filed a motion for summary disposition, and we concurred in that motion. The Judge ultimately ruled in our favor saying that we have governmental immunity. They failed to meet their burden of proof to avoid governmental immunity. Plaintiffs have filed an appeal.

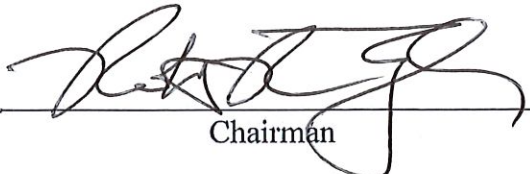
Public Participation

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

MOTION by Caron, supported by Owens to adjourn the meeting at 5:53 p.m.

AYES: All

MOTION CARRIED


Chairman


Secretary

FINANCIAL REPORT

General Fund – Cash on Hand (3/22/23)	\$ 4,794,660.22
Titan Wealth Advisors (3/22/23)	
Unrestricted Fund-Emergency Fund	\$10,789,382.01
General Fund – Accounts Payable	(\$ 20,148.54)
TOTAL	\$15,563,893.69