

Western Townships Utilities Authority
REGULAR MEETING
Monday, August 28, 2023
WTUA MIDDLE ROUGE CONFERENCE ROOM
40905 Joy Road, Canton, MI 48187

The regular meeting of the Western Townships Utilities Authority Board of Commissioners was held on Monday, August 28, 2023 in the WTUA Middle Rouge Conference Room, 40905 Joy Road, Canton, Michigan 48187. The meeting was called to order at 3:00 p.m. by the Chairman, Heise.

Present:

Absent:

Kurt Heise
Anne Marie Graham-Hudak
Mark Abbo

Also present were:

Aaron Sprague	WTUA
Suzanne Balan	WTUA
Jack Polhill	JACOBS/OMI

The first order of business was the acceptance of the agenda: Following discussion and upon hearing no objections; it was

R-23-08-48 Resolved to accept the agenda as presented.

Ayes: Heise, Graham-Hudak, Abbo
Nays: None
Absent: None

The next order of business was the minutes of the study session of July 24, 2023. Following discussion and upon motion by Abbo, supported by Graham-Hudak; it was

R-23-08-49 Resolved to accept the minutes of the study session of July 24, 2023.

Ayes: Heise, Graham-Hudak, Abbo
Nays: None
Absent: None

The next order of business was the minutes of the regular meeting of July 24, 2023. Following discussion and upon motion by Abbo, supported by Graham-Hudak; it was

R-23-08-50 Resolved to accept the minutes of the regular meeting of July 24, 2023.

Ayes: Heise, Graham-Hudak, Abbo
Nays: None
Absent: None

The next order of business was Approval of WTUA Bills. Following discussion and upon motion by Abbo, supported by Graham-Hudak; it was

R-23-08-51 Resolved to approve the schedule of disbursements for August 2023 of \$961,494.18 and pre-approved payroll for September 2023 of \$24,579.45.

Ayes: Heise, Gaham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was the Operations and Maintenance Report. Following discussion and upon motion by Abbo supported by Graham-Hudak, it was

R-23-08-52 Resolved to receive and file the Operations and Maintenance Report for the month of July 2023.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was the Directors Report for the month of August 2023: Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-53 Resolved to receive and file the Directors Report for the month of August 2023.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was the Financial Statements For The Nine Months Ended June 30, 2023: Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-54 Resolved to receive and file the financial statements for the nine months ended June 30, 2023.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was WTUA Proposed Annual Budget; Fiscal Year 2023/2024 and Opt Out of P.A. 152 of 2011, amended by P.A. 270 of 2013: Article X of the WTUA Articles of Incorporation states "...The Commission shall prepare, adopt and submit to the legislative bodies of the constituent municipalities an annual budget covering the proposed expenditures to be made for the organizing and operating of such Authority, and for the next fiscal year beginning October 1st, such budget to be submitted on or before September 1st of each calendar year." Section 7.5 of the 2000 WTUA Finance and Service Agreement with the Charter Townships of Canton, Northville and Plymouth states "WTUA shall annually submit a budget to each of the Townships for its approval in August of each year". Version 1 of the Proposed Annual Budget which was used for both the Finance Committee review and the Board Study Session was presented to each Township and approved on the following dates: Canton Township – August 22, 2023; Northville Township – August 17, 2023; and Plymouth Township – August 22, 2023.

There have been no changes to the Budget since the Study Session. Only the YTD and projected figures for the current fiscal year were updated, which is for informational purposes only. Public Act 152 of 2011 set limits to the amount that public employers may contribute to medical benefit plans. The limits for medical plan coverage years beginning after January 1, 2023 are \$7,399.47 for single, \$15,474.60 for two person plans and \$20,180.43 for family plans. With the change in rate structure by BCBS in 2014 where rates are based upon the age of all covered persons, the premiums will NOT be under these caps. Following discussion and upon motion by Abbo supported by Graham-Hudak; it was resolved that

R-23-08-55 Whereas, WTUA is required to prepare, adopt and submit to the legislative bodies of the constituent municipalities an annual Budget covering the proposed expenditures to be made for the organizing and operating of such Authority; and

Whereas, the Authority has prepared a budget for the fiscal year ending September 30, 2024; and

Whereas, the Authority has presented and received approval from each of the member Townships; and

Therefore, be it resolved that the budget for the Authority for the fiscal year Ending September 30, 2024 is hereby approved in the amounts as presented on page 1 of the Proposed Annual Budget; and

Further, that the quarterly reporting to the Board is to include the line item detail as presented in the Supplemental Information of the Proposed Annual Budget; and

Finally, that the Authority opt out of Public Act 152 of 2011, as amended by Public Act 270 of 2013 for the fiscal year October 1, 2023 through September 30, 2024.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was Capital Improvement Program; August 2023: The Capital Improvement Program (CIP) is reviewed and updated on an annual basis. The upcoming projects for 2024 were discussed at the WTUA Budget Study Session held on July 24, 2023. No changes were made since the draft version presented at the Board Study Session. WTUA bills the townships annually in January of each year for Capital Improvement projects and reconciles what was spent versus what WTUA billed each township every 5 years to adjust allocations if need be. Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-56 Resolved to concur with the recommendation of the Director of Operations to adopt the WTUA Capital Improvement Program for 2024 as presented; and
Further, to revise/establish the capital budget for 2023 and 2024 based upon this program.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was the CSX – Facility Encroachment Agreement: We are finalizing the design of the sewer improvements intended to serve the 5 Mile Corridor (MiTech). One component of the planned improvements includes a force-main crossing of the railroad tracks, requiring a permit from CSX. In addition, CSX requires a Utility Encroachment Agreement. As such, we have negotiated an agreement similar to MDOT and Wayne County. CSX attempted to impose an indemnification requirement even for their own negligence. However, we were able to quickly come to an agreement on a modification of the terms.

Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-57 Resolved to concur with the recommendation of the Director of Operations to approve the Facility Encroachment Agreement with CSX; and

Further, that the Director of Operations execute said Agreement on behalf of the Authority.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was the Lower Rouge Pump 11 Replacement: Pumps 9, 10 and 11 in the Lower Rouge North Pump Station (LRNPS) were installed during the Lower Rouge Expansion project and were a primary source of the litigation over that project. The pumps showed excessive vibration from the start; while we were ultimately able to reduce and mitigate the vibration levels of the pumps, it has long been expected that these pumps would need to be replaced sooner rather than later. To date, pump 11 has required a multiple welding repairs to the power frame due to cracking; during reinstallation of the pump late last year, it was noted these welds were either failing or resulting in cracking in other locations of the power frame. As such, we began exploring options for repair of the power frame or replacement of the pump. Kennedy has provided a quote for \$32,910 (supply only) for replacement of the power frame. Given that the replacement power frame will not solve the vibration issues, and is therefore likely only a short-term fix, we also requested pricing on a new Patterson pump (similar to those installed in the Lower Rouge South Pump Station). Unfortunately, after over seven (7) months, we have yet to receive pricing from Kennedy/Patterson. In the interim, our representative at Kennedy has moved on to Detroit Pump. Keith has been involved in the pump issues since before the initial installation and is aware of the issues we face at the LRNPS. After consultation with engineers at Detroit Pump and evaluation of the actual pump data from the NPS, Keith and Detroit Pump have recommended replacement of pump 11 with a new Cornell pump. The Cornell pump has several features that we believe will help in meeting our pumping needs

without experiencing the vibration levels exhibited by the existing pump (e.g. much more massive/heavy, double volute). The quote for a new Cornell pump is \$125,740 (supply and start up services; installation excluded). This includes a custom base in order to align (as much as possible) with the existing piping, with the intention of reutilizing the existing motor (custom base designed to accommodate existing motor). We have requested pricing from three (3) reputable mechanical contractors for the installation of the new pump, including modifications to the existing concrete support pad and influent and effluent piping. The three (3) proposals are currently being evaluated along with additional information requested. I expect the pricing to come in at about the same price as the pump cost (\$120-\$130K). Given the long lead time for the pump, I would like to order the pump now while we evaluate installation proposals, and award the installation work at the September Board meeting. Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-58 Resolved to concur with the recommendation of the Director of Operations to issue a Purchase Order to Detroit Pump (Warren, MI) for a new Cornell Model 14NHG28-F2024 Horizontal Dry-Pit centrifugal pump for a price not to exceed \$125,740.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business Compensation Adjustment; Accountant: As previously discussed, Suzanne was offered another job. While I am happy to report that she has elected to stay at WTUA, she has asked for a compensation review. After conducting a review of salaries, as well as consulting with the Canton and Northville Township Finance Directors, I have determined that her compensation needs an adjustment in order to stay competitive in the current market. As such, I am recommending that she be given a pay increase of 15% from \$73,842 to \$85,000, effective for the next pay period. Following discussion and upon motion by Abbo supported by Graham-Hudak; it was

R-23-08-59 Resolved to concur with the recommendation of the Director of Operations to approve a salary matrix increase for 15% for the accountant position, effective for the pay period beginning on September 4, 2023, which has a pay date of September 22, 2023.

Ayes: Heise, Graham-Hudak, Abbo

Nays: None

Absent: None

The next order of business was public comments: There were none.

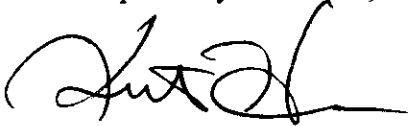
Minutes, August 28, 2023

Page -6-

The next order of business was Commissioners' Comments: Commissioners discussed the need for a study to evaluate capacity needs.

There being no further business to come before the Board, the regular meeting was adjourned at 3:52p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kurt Heise', written in a cursive style.

Kurt Heise,
Chairman