

DOWNRIVER UTILITY WASTEWATER AUTHORITY
LIST OF BOARD MEETINGS
2010 - 2016

Meeting Number	Date	Page Reference
2010-01	June 17, 2010	2 – 7
2010-02	July 22, 2010	8 – 11
2010-03	November 18, 2010	12 – 16
2010-04	December 8, 2010	17 - 19
2011-01	January 27, 2011	20 – 22
2011-02	June 9, 2011	23 – 27
2011-03	November 17, 2011	28 – 31
2012-01	January 12, 2012	32 - 34
2012-02	February 15, 2012	35 – 37
2012-03	July 19, 2012	38 – 41
2014-01	May 22, 2014	42 – 45
2014-02	September 4, 2014	46 – 50
2014-03	December 4, 2014	51 – 54
2015-01	February 5, 2015	55 – 58
2015-02	February 19, 2015	59 – 63
2015-03	April 30, 2015	64 – 67
2015-04	May 28, 2015	68 – 73
2015-05	June 23, 2015	74 – 78
2015-06	July 16, 2015	79 – 85
2015-07	August 13, 2015	86 – 93
2015-08	September 10, 2015	94 – 99
2015-09	October 8, 2015	100 – 106
2015-10	November 12, 2015	107 – 111
2015-11	December 10, 2015	112 – 116
2016-01	January 14, 2016	117 – 121
2016-02	February 11, 2016	122 – 126
2016-03	March 10, 2016	127 – 131
2016-04	April 14, 2016	132 – 136
2016-05	May 12, 2016	137 – 142
2016-06	June 9, 2016	143 – 150
2016-07	July 14, 2016	151 – 157
2016-08	August 11, 2016	158 – 163
2016-09	September 8, 2016	164 – 169
2016-10	October 13, 2016	170 – 174
2016-11	November 10, 2016	175 – 179
2016-12	December 8, 2016	180 – 186

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JUNE 17, 2010 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Call to Order and Introductions

Patrick McCauley, the Downriver Utility Wastewater Authority (DUWA) designated filing agent, called the meeting to order at approximately 9:15 a.m., and distributed the agenda (Attachment 1). All attendees introduced themselves (see Attachment 2 for sign-in sheet).

2. Status Update on Actions since 4/15/10 "Communities-Only" Meeting

Patrick McCauley reported that the Articles of Incorporation were published in three local newspapers having general circulation within the territory encompassed by the Authority in accordance with the provisions of Act 233, PA 1955. This includes the Belleville View on April 22, 2010, the Sunday Press and Guide on April 25, 2010, and the Sunday News Herald on April 25, 2010 (see Attachment 3).

Patrick McCauley also reported that the Articles of Incorporation were filed with the Wayne County Clerk on May 5, 2010, and with the Michigan Secretary of State on May 10, 2010 in conformance with the provisions of Act 233, PA 1955 (Attachment 4). In conjunction with these actions, a press release announcing the creation of the Utility Authority was issued April 19 (Attachment 5) to the same newspapers with a request for publication.

Patrick McCauley distributed official copies of the Articles of Incorporation, along with copies of the newspaper publication certification and the transmittal to the County Clerk and the Secretary of State to each community representative for their records.

3. Status of Community Designations for "Commissioner" and "Alternate Commissioner"

Patrick McCauley and Dick Hinshon (Hinshon Environmental Consulting) distributed a table listing the individuals designated by the member communities as "Commissioner" and "Alternate Commissioner" (Attachment 6). It was noted that written confirmation of the appointment has not, as yet, been received from Ecorse. There was a discussion of the provision of Article VII of the Articles of Incorporation which requires that "any designee must be either an elected official or municipal employee for the community to be represented". It was noted that

River Rouge, Riverview and Southgate have designated Commissioners or Alternate Commissioners who do not appear to meet this requirement. It was suggested that the communities reconsider their designation in the context of the requirements of Article VII and make any necessary revisions. It was agreed that non-municipal employees attending the meeting on behalf of their respective communities should be allowed to participate, but should not be allowed to vote on behalf of their communities in recognition of the provisions of Article VII.

4. Roll Call/Quorum Determination

Roll Call was taken and it was determined that 11 of the 12 member communities were represented, 7 of whom meet the qualification requirements of Article VII as a duly appointed Commissioner or Alternate. A quorum was declared to be present, as required in Article X. Subsequently, Mayor Paletko from Dearborn Heights joined the meeting, thus increasing the representation to all 12 member communities, with 8 members deemed eligible to vote. The communities with non-voting representatives in attendance included Belleville, River Rouge, Riverview, and Southgate.

5. Election of Officers

Patrick McCauley reminded the group that the Articles of Incorporation require that the Chair and Vice Chair of the Authority must be Commission members. However, the Offices of Secretary and Treasurer may be filled by a non-Commissioner or a Commissioner. Patrick McCauley requested nominations for the Office of Chair. Motion by Mark Kowalewski (Wyandotte), supported by Mark Gahry (Brownstown Township) that Dearborn Heights Mayor Dan Paletko be elected to serve as Chair. Motion approved unanimously.

Patrick McCauley requested nominations for the Office of Vice Chair. Motion by Rick Lang (Allen Park), supported by Mark Gahry (Brownstown Township) that Allen Park Mayor Gary Burtka be elected to serve as Vice Chair. Motion by Mark Kowalewski (Wyandotte), supported by Derrick Schueller (Romulus) that Craig Lyon (Taylor) be elected to serve as the Vice Chair. By a vote of 5-3, Craig Lyon was elected Vice Chair.

Patrick McCauley requested nominations for the Office of Secretary. Motion by Mark Kowalewski (Wyandotte), supported by Mark Gahry (Brownstown Township) that Dick Hinshon (Hinshon Environmental Consulting) be elected to serve as the Secretary for the Utility Authority. Motion approved unanimously.

Patrick McCauley requested nominations for the Office of Treasurer. Motion by Mark Kowalewski (Wyandotte), supported by Mark Gahry (Brownstown) that Doug Drysdale (Riverview) be elected to serve as Treasurer. Motion approved unanimously.

It was agreed that the Treasurer for the Utility Authority should establish a bank account and procedures to allow for issuance of checks and payments. Beth Bialy (Plante & Moran) agreed to work with Doug Drysdale to make the necessary arrangements to set up the bank account and establish the necessary accounting procedures.

At the conclusion of the elections, Mayor Paletko assumed the Chair and presided over the remainder of the meeting.

6. Selection of a Negotiating Committee for Service Agreement Renewal Discussion

There was a general discussion as to the selection of representatives for the Utility Authority to participate in upcoming negotiations with Wayne County on the renewal of the Service Agreement which will expire at the end of March, 2012. It was suggested that the group consider several community representatives, plus individuals from the Legal, Finance and Technical Committees.

Chairman Paletko asked for volunteers from the community representatives to serve on the Negotiating Committee. Rick Lang (Allen Park) indicated that Allen Park Mayor Gary Burtka would like to participate as a community representative on the Negotiating Committee. Todd Drysdale (Wyandotte) indicated that the Finance Committee had discussed this at a recent meeting, and has requested that he serve as the Finance representative to the Negotiating Committee. Dick Hinshon (Hinshon Environmental Consulting) reported that the Technical Committee had discussed this, and has requested that he serve as the Technical representative to the Negotiating Committee. Patrick McCauley reported that the local attorneys have discussed this and a proposal was circulated for review prior to the meeting recommending that John Day (Belleville attorney) be retained. A motion was made by Mark Gahry (Brownstown Township), supported by Jack Durbin (Ecorse) that Mr. Day be hired as Attorney for the Authority in the negotiations with Wayne County relative to the Service Agreement. Mayor Paletko indicated that he is willing to participate on the Negotiating Committee as both a community representative and as Chairman of the Authority. Motion by Mark Gahry (Brownstown Township), supported by Jack Durbin (Ecorse) that the DUWA Negotiating Committee consist of Dan Paletko, Gary Burtka, Dick Hinshon, Todd Drysdale, and John Day. Motion passed unanimously.

Mayor Paletko noted that if other community representatives wish to become involved in the negotiation process, they should contact him so that they can be included in these discussions.

Dick Hinshon reminded the group that a series of "Key Issues" relating to the Service Agreement renewal has previously been distributed and discussed (Attachment 7). In addition, there have been discussions among the

communities about ownership of the System and its assets. This issue may need to be considered as part of any future discussion of the ownership issue.

7. Budget and Expenditures

Patrick McCauley reported that he has invoiced the 12 member communities for their proportional share of the newspaper publication costs, which is \$803 per community. Payments have been received from 9 communities, with invoices still pending at Ecorse, River Rouge and Taylor. Each community initially authorized a budget of \$3,000 for Utility Authority expenditures when the communities agreed to join the Authority. After payment of the newspaper publication costs, the funds remaining are approximately \$2,200 per community or about \$26,400. It was agreed that it would be appropriate to use those funds to cover costs incurred by John Day in his capacity as the Legal representative of the Authority for the Service Agreement renewal negotiations. Mr. Day has provided a billing rate schedule indicating that he will charge the Utility Authority at a rate of \$160 per hour plus expenses. A retainer agreement will be submitted to the Authority by Mr. Day.

8. Other Business

Patrick McCauley reminded the representatives that the DUWA Bylaws have not been drafted, primarily because the operating arrangements for the System have not, as yet, been determined. After a decision has been made as to whether to renew the Service Agreement and retain Wayne County as the operator, Bylaws will then need to be prepared to reflect, among other things, how the System and Authority will be operated.

A question was raised as to whether the Authority needs to develop procedures governing the conduct of its meetings. Chairman Paletko indicated that he would provide some suggestions for consideration, including the procedures for public comment during future meetings.

There was also some further discussion regarding what constitutes a "municipal employee" pursuant to Article VII and the options available to member communities with respect to the appointment of Commissioners and Alternates.

9. Future Meetings

It was agreed that the next meeting of the Utility Authority should be held in July, followed by bi-monthly meetings thereafter. In deference to the schedule constraints of the newly elected officers, the July meeting which had tentatively been targeted for July 15, 2010, was revised to Thursday, July 22, 2010. The meeting will be held at 9:00 a.m. in the Taylor City Hall Police Annex Building Conference Room. Subsequently, the dates for the remainder of the calendar year have been developed, which include DUWA meetings on Thursday,

September 16, 2010, and Thursday, November 18, 2010, both at the Taylor City Hall Police Annex Building (Attachment 7).

There being no further business, motion to adjourn was made by Mark Gahry (Brownstown Township), supported by Jack Durbin (Ecorse). Motion passed unanimously.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
July 1, 2010

DWR.6-17-10 duwa mtg minutes.doc

Attachments

1. Agenda
2. Sign-In Sheet
3. Newspaper Publication Affidavit
4. Filing Letters for Aol
5. April 19, 2010 Press Release
6. List of Commissioners and Alternate Commissioners
7. DUWA Meeting Schedule

ATTACHMENT 1

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 A.M.; THURSDAY, JUNE 17, 2010
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM**

AGENDA

1. Call to Order and Introductions - P. McCauley (DUWA designated filing agent)
2. Status Update on Actions Since 4/15/10 "Communities-Only" Meeting
 - Publication of Articles of Incorporation
 - Filing of Aol with State of Michigan and Wayne County
 - Press Release
3. Status of Community Designations for "Commissioner" and "Alternate"
4. Roll Call of Community Representatives/Quorum Determination
5. Election of Officers by Community Representatives
 - a) Chair (must be Commission member)
 - b) Vice Chair (must be Commission member)
 - c) Secretary
 - d) Treasurer
6. Selection of a Negotiating Committee for Discussions with Wayne County re: Service Agreement Renewal
 - Community representatives
 - Legal, Technical, Finance representatives
7. Budget and Expenditures
 - Invoices for Newspaper Publication
 - Future Expenses
8. Other Business
9. Next Meeting Date: 9:00 a.m.; Thursday, July 15, 2010 at Taylor Police Annex Building

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JULY 22, 2010 MEETING MINUTES**

Taylor City Hall Council Chambers

1. Roll Call and Introductions

DUWA Chairman Dan Paletko called the meeting to order at approximately 9:10 a.m. Secretary Dick Hinshon conducted a roll call, and a representative was present from each community except Ecorse. Riverview and Taylor were represented by non-voting members (Mr. Jeff Bloom for Riverview and Mr. Steve Svireff from Taylor). Chairman Paletko asked the other meeting attendees to introduce themselves (see Attachment 1). It was noted that the meeting location was unexpectedly changed due to a recent flood in the Police Annex Building Conference Room, so the Authority convened in the Taylor City Council Chambers. City of Taylor personnel were stationed at the original meeting site and re-directed people to the new location.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Todd Knepper (Van Buren Township), supported by Dan Paletko (Dearborn Heights) to approve the agenda as prepared. Motion passed unanimously.

3. Approval of Minutes from June 17, 2010 Meeting

Copies of the meeting minutes from the June 17, 2010 meeting were distributed. Secretary Dick Hinshon pointed out that there is an inadvertent reference to a non-existent "Attachment 7" in the last line at the bottom of Page 3 which should be stricken. Motion by Derrick Schueller (Romulus), supported by Rodney Julian (Brownstown Township) to approve the minutes with the modification suggested by Dick Hinshon. Motion passed unanimously.

4. Updated Status of Community Designations for "Commissioner" and "Alternate"

Secretary Hinshon noted that there have been several changes to the designation of Commissioners and Alternates since the June 17 meeting in response to the discussion which took place at that time. The City of Southgate has designated City Administrator Brandon Fournier as the Alternate Commissioner to replace John Hennessey. The City of River Rouge has designated Mayor Michael Bowdler as the Commissioner to replace Jeff Bloom. The City of Riverview has designated Mr. Larry Hunter as Alternate Commissioner to replace Kerry Morgan.

In addition, Craig Lyon has retired from the City of Taylor, so the position of Alternate Commissioner for Taylor is now vacant. Also, Secretary Hinshon noted

that a resolution has not, as yet, been received from the City of Ecorse designating Jack Durbin as their Commissioner. Secretary Hinshon agreed to attach an updated list of community representatives to the meeting minutes (see Attachment 3).

5. Election of a New Vice Chair to Replace Craig Lyon

Chairman Paletko indicated that it would be appropriate to entertain a motion for a new Vice Chair to replace Craig Lyon who has retired from the City of Taylor. Dick Hinshon indicated that he had had preliminary discussions with Tom Wilson, Commissioner for the City of Romulus, about Mr. Wilson possibly serving in this capacity since Romulus is the second largest community in the system. Mr. Wilson has indicated that, if it is the desire of the Authority that he serve in this capacity, that would be acceptable. Motion by Mark Kowalewski (Wyandotte), supported by Rodney Julian (Brownstown) to elect Tom Wilson of Romulus as the Vice Chair of the Authority. Motion passed unanimously.

6. Technical Committee Representative on the Negotiating Committee for Service Agreement Renewal

Dick Hinshon reported that he has been advised by Butler Benton, Deputy Director of the Wayne County Department of Public Services, that his services with respect to the negotiation of a new Service Agreement on behalf of the Authority would not be compensable under the Downriver Technical Coordinator contract. Mr. Benton advised that the Technical Coordinator contract is, in his opinion, intended to provide services to the JMC, not the Utility Authority, and the Utility Authority should make its own arrangements to pay for its consultant services. Mr. Hinshon noted that the Authority could select a local community representative to serve on the negotiating committee as a technical representative, or continue to utilize Dick Hinshon in that capacity if funds are available to pay for this work.

There was considerable discussion among the community representatives regarding the appropriateness and advisability of Mr. Benton's decision. There was general support for continuing to use Mr. Hinshon in this capacity because of his experience with the system and knowledge of the key issues. Chairman Paletko suggested that a decision on this matter be deferred pending further discussions with Wayne County, and he agreed to contact Mr. Benton to further discuss the issue.

7. Expenditures/Status of Bank Account

DUWA Treasurer Doug Drysdale was unable to attend due to his scheduled vacation, so Beth Bialy (Plante & Moran) gave a report on the status of the Authority's expenditures and the bank account. Ms. Bialy indicated that a tax ID number has now been secured, and that a bank account has been established at Chase Bank. In addition, she indicated that the general ledger accounts for the Authority will be established as a separate entity using the same software

package currently being used by the City of Riverview. The physical location for the Authority used for the bank's records is the DPW Building in Taylor. Signatures from the Chair and Vice Chair will be obtained for purposes of establishing these individuals as authorized signatories for checks drawn on the Authority's account. In accordance with the Articles of Incorporation, the fiscal year for the Authority will run on a calendar year basis expiring on December 31. The expenses incurred to date by the Authority have been for the newspaper publication of the Articles of Incorporation, which was a cost incurred by Patrick McCauley on behalf of the Authority. Subsequently, Mr. McCauley's firm (Giarmarco Mullins & Horton) has been reimbursed by 10 of the 12 member communities. Payments have not been received from River Rouge and Ecorse. Ms. Bialy indicated that the River Rouge and Ecorse payments will be treated as "receivables" for the Utility Authority's account.

Since each community originally authorized a start up budget of \$3,000, Treasurer Drysdale will invoice each community for the balance (\$2,197) so that these funds can be deposited in the Authority's account and then used to cover expenses. It was agreed that additional funds will eventually be needed to cover future expenses beyond the original start up budget authorization, and the Authority will need to decide how to allocate these costs.

8. Other Business

Chairman Paletko recognized the new Utility Authority attorney, John Day, and asked for him to introduce himself and comment on his role. Mr. Day indicated that he has been in contact with Dick Hinshon and Patrick McCauley, and has obtained copies of the current Service Agreement and the proposed new Service Agreement, as well as the list of "Key Issues" which will need to be addressed as part of the negotiation process with Wayne County. It was agreed that the Utility Authority should send a letter to Wayne County Executive Bob Ficano officially informing him as to the existence of the organization, and requesting that he designate appropriate Wayne County staff to serve as representatives for purposes of negotiating a new Service Agreement. Dick Hinshon agreed to draft the letter for Chairman Paletko's signature. It was further agreed that the members of the Utility Authority's negotiating team should convene in August and then schedule a meeting with Wayne County in September.

Patrick McCauley noted that the 60 day time window for filing a challenge to the creation of the new Utility Authority has expired as of July 10, and that no action has been taken by any party to challenge the filing.

Kerry Morgan commented that ownership of the System remains a concern, and this issue may arise during discussions regarding a new Service Agreement. He suggested that we refrain from talking about a potential "takeover" of the System, and instead refer to this as a process whereby the communities might "reacquire their assets".

Mark Kowalewski updated the community members about problems with Wayne County's unpaid invoices for gasoline which is furnished to Wayne County by the Wyandotte Public Services Department. Mr. Kowalewski reported that the County's gas bill has gone unpaid for many months despite repeated requests for payment to County officials. He cited this situation as an example of the types of problems which will need to be rectified if Wayne County continues to manage the System.

Gary Burtka noted that one of the elements which will need to be carefully addressed during negotiations with Wayne County will be the reasonableness of overhead charges, such as the cost of relocating staff to the Guardian Building. It was generally agreed that chargebacks and overhead costs are a major concern to the Utility Authority communities.

9. Next Meeting Date

Chairman Paletko reminded the community representatives that the next regularly scheduled meeting for the Utility Authority is Thursday, September 16, 2010 at 9:00 a.m. in the Taylor Police Annex Building Conference Room, assuming that the flooding and mold problems have been addressed by that time. If it is necessary to relocate the meeting, the community representatives will be notified and a notice will be posted at the Taylor Police Annex Building Conference Room door. Motion to adjourn by Rodney Julian (Brownstown Twp), supported by Dan Paletko (Dearborn Heights). Motion passed unanimously.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
July 28, 2010

DUA.7-22-10 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Agenda
3. Updated Roster of Commissioners and Alternate Commissioners

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
NOVEMBER 18, 2010 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Roll Call and Introductions

DUWA Vice Chair Tom Wilson called the meeting to order at approximately 9:10 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were present from all communities except River Rouge and Taylor. DUWA Chairman Dan Paletko joined the meeting during the roll call and assumed the chair at that point. All of the attendees introduced themselves, and it was noted that City of Lincoln Park Mayor Frank Vaslo was also in attendance. The sign-in sheet listing attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to approve the agenda as prepared. Attorney John Day suggested a modification to the agenda to insert a new item for a closed session in order to discuss a proposed real estate acquisition. It was recommended that this item be inserted after Item 5 (the Report from the Negotiating Committee on status of Service Agreement renewal discussions with Wayne County). The modified agenda was acceptable to the maker and supporter of the original motion, and the modified agenda was then unanimously approved.

3. Approval of Minutes from July 22, 2010 Meeting

Copies of the meeting minutes from the July 22, 2010 meeting were distributed by Secretary Dick Hinshon. Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to approve the July 22 minutes. Motion passed unanimously.

4. Expenditures/Status of Bank Account

Treasurer Doug Drysdale distributed a document showing revenues and expenditures, and reported that the current account balance is \$24,199.97. Mr. Drysdale noted that the Articles of Incorporation require the Utility Authority to adopt an annual budget. The proposed 2011 budget was distributed for review. Although the cost which will be incurred over the next year is not known, the Authority should have sufficient revenue in its account to cover the expected expenses. Motion by Tom Wilson (Romulus), supported by Paul White (Van Buren Township) to receive and file the Treasurer's report and approve the 2011 budget. Motion passed unanimously.

Mayor Paletko indicated that Patrick McCauley has requested that the Utility Authority reimburse the Giarmarco Law Firm for expenditures incurred as part of the newspaper publication cost for establishing the Utility Authority pursuant to Public Act 233. Motion by Tom Wilson (Romulus), supported by Mark Gahry (Brownstown Township) to authorize payment to the Giarmarco Law Firm in the amount of \$1,606.26. Motion passed unanimously.

5. Update from Negotiating Committee re: Wayne County Service Agreement Renewal Discussions

Attorney John Day reported that the Negotiating Committee consisting of Mayor Paletko, Mayor Burtka, Dick Hinshon, Todd Drysdale and himself, have held five meetings with regard to the Service Agreement renewal. These include three with Wayne County, and two internal meetings of the DUWA Negotiating Team. The County has designated Cameron Priebe, Assistant to Wayne County Executive Bob Ficano, as its Principal Negotiator. Other County participants include Butler Benton (Deputy Director, DPS) and Lavonda Jackson (Wayne County Corporation Counsel).

To date, discussions have focused on trying to reach conceptual agreement regarding the 12 “Key Issues” previously identified by DUWA. The meetings have been productive and congenial, and Wayne County has expressed willingness to work with DUWA on the development of a new Service Agreement.

Conceptual agreement has been reached on several Key Issues, including performance monitoring, financial reporting, issuance of independent contracts by the Utility Authority, managing cost increases and capping charge backs, providing comprehensive insurance coverage, and the establishment of a dispute resolution process. Discussions are ongoing with respect to several other Key Issues. These include the role of the communities in decision making on issues affecting the System, financial responsibility by the County in the event of gross negligence, modifications to the purchasing and procurement procedures, and the methodology for addressing long term capacity needs for the member communities.

Mr. Day noted that the parties have discussed, but as yet have not agreed on the format of a new agreement and who the parties will be. Wayne County has expressed concern over the role of the Utility Authority, and has suggested that the new Service Agreement should be between the individual communities and the County, similar to the 1962 Agreement. Some of the potential advantages associated with the Utility Authority have been raised, and this matter remains under discussion.

With regard to the term of Agreement, the parties have agreed that something shorter than the 50 year term is appropriate, but that it should be more than five years to avoid the need for renegotiation in the near future. Preliminary discussions have focused on a term in the range of 25 – 30 years.

In the course of discussion, it has been noted that one of the primary purposes of the new Service Agreement will be to ensure that the reforms and collaborative management processes established for the JMC as a voluntary measure are adopted as formal requirements for the future. The DUWA representatives reiterated the request to extend the JMC through the end of 2011, and the County representatives took this under advisement. While it is too early to determine whether the negotiations will result in a mutually acceptable Service Agreement, good progress has been made to date. The parties hope to conclude their negotiations by March, 2011.

6. New Agenda Item: Closed Session to Discuss Real Estate Acquisition

Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) for the Utility Authority to go into closed session for the purpose of discussing a proposed real estate acquisition. Motion passed unanimously. Lincoln Park Mayor Vaslo departed from the meeting and the DUWA representatives went into closed session at approximately 10:15 AM.

Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to come out of closed session and resume discussion under the Authority agenda. Motion passed unanimously.

7. Proposed Contract for Hinshon Environmental Consulting

Mayor Paletko distributed copies of the proposed consultant contract between DUWA and Hinshon Environmental Consulting (HEC). Motion by Mark Gahry (Brownstown Township), supported by Rick Lang (Allen Park) to approve the proposed contract. Attorney John Day noted that this contract is needed since Wayne County can obtain any documents produced by Hinshon Environmental Consulting under the Technical Services Coordinator contract with the County, and this could result in the disclosure of sensitive DUWA information. Mr. Day asked for a minor modification to the contract to add a provision specifically stating that copies of all documents produced under the contract belong to DUWA. Both the maker and supporter of the original motion agreed to amend the motion to incorporate the change as suggested by Attorney Day. Motion passed unanimously. Chairman Paletko directed Dick Hinshon to work with John Day to incorporate the modification to the proposed contract, and then to forward it to him for signature on behalf of the Utility Authority.

8. 2011 Meeting Schedule

Chairman Paletko noted that a series of bi-monthly meetings on the 4th Thursday beginning January 27, 2011 have been proposed as the regular meeting dates for the Utility Authority. If acceptable, the Utility Authority will continue to meet at the Taylor City Hall Police Annex Building. Motion by Rick Lang (Allen Park), supported by Mark Gahry (Brownstown Township) to approve the 2011 meeting schedule. Motion passed unanimously.

It was noted that special meetings may be called on an "As Needed" basis, and there was discussion of the potential need for a special meeting, if necessary, to address issues arising from upcoming discussions with Wayne County.

9. Other Business

Chairman Paletko asked whether there were any other business items to be brought forward. Seeing none, a motion to adjourn was made by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus). Motion passed unanimously. The meeting was adjourned at 11:07 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
November 19, 2010

DUA.11-18-10 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Agenda
3. July 22, 2010 Meeting Minutes
4. Treasurer's Report
5. Proposed HEC Contract

ATTACHMENT 2

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 A.M.; THURSDAY, NOVEMBER 18, 2010
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM**

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from July 22, 2010 meeting
4. Expenditures/Status of Bank Account
 - Treasurer's Report
 - Reimbursement of \$1,606.26 to Giamarco (River Rouge, Ecorse share of newspaper publication cost)
5. Update from Negotiating Committee re: Discussion with Wayne County on Service Agreement Renewal
6. Proposed contract for Hinshon Environmental Consulting
7. 2011 Meeting Schedule:

Suggested Bi-Monthly Meetings on the 4th Thursdays at 9:00 A.M.

- January 27, 2011
- March 24, 2011
- May 26, 2011
- July 28, 2011
- September 22, 2011
- November 17, 2011

Special meeting may be called "as needed", and regularly scheduled meetings may be cancelled in the absence of essential business.

8. Other Business

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
DECEMBER 8, 2010 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 1:35 p.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from all communities except River Rouge, Romulus and Wyandotte. Ecorse was represented by its consultant (Mark Gaworecki) as a non-voting member in the absence of the designated representative (Jack Durbin). Secretary Hinshon announced that the required quorum (seven members) was met. The individual attendees introduced themselves. A list of the attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Mark Gahry (Brownstown Township), supported by Paul White (Van Buren Township) to approve the agenda as prepared. Motion passed unanimously.

3. Approval of Minutes from November 18, 2010 Meeting

Copies of the meeting minutes from the November 18, 2010 meeting (Attachment 3) were distributed by Secretary Dick Hinshon. Motion by Rick Lang (Allen Park), supported by Mark Gahry (Brownstown Township) to approve the November 18 minutes. Motion passed unanimously.

4. Update from Negotiating Committee re: Recent Discussions with Wayne County

Chairman Dan Paletko recommended that the Authority go into closed session for purposes of considering a proposed real estate acquisition. Motion by Mark Gahry (Brownstown Township), supported by Rick Lang (Allen Park) to go into closed session. Motion passed unanimously.

Motion by Mark Gahry (Brownstown Township), supported by Rick Lang (Allen Park) to come out of closed session and resume discussion under the Authority's agenda. Motion passed unanimously.

5. Other Business

Chairman Paletko asked if there was any other business to be brought before the Authority. Secretary Dick Hinshon reminded the group that the next scheduled meeting for the Utility Authority is Thursday, January 27 at 9:00 a.m. in the Taylor City Hall Police Annex Building. It was also noted that the next Joint

Management Committee is scheduled for Thursday, January 13 at the Taylor City Hall Council Chambers.

Motion by Mark Gahry (Brownstown Township), supported by Rick Lang (Allen Park) to adjourn. Motion passed unanimously. The meeting was adjourned at approximately 2:45 p.m.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
December 9, 2010

DUA.12-8-10 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Agenda
3. November 18, 2010 Meeting Minutes

DUA.12-8-10 duwa mtg minutes.doc

ATTACHMENT 2

DOWNRIVER UTILITY WASTEWATER AUTHORITY
1:30 P.M.; WEDNESDAY, DECEMBER 8, 2010
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from November 18, 2010 meeting
4. Update from Negotiating Committee re: Discussion with Wayne County on Service Agreement Renewal
5. Other Business

DUA.12-8-10 mtg agenda.doc

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JANUARY 27, 2011 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from all communities except Belleville, Ecorse, River Rouge and Southgate. Shortly after the roll call, Southgate's representative joined the meeting in progress. Secretary Hinshon announced that the required quorum (seven members) was met. The individual attendees introduced themselves primarily for the benefit of Doug Morton who is the new alternative representative for the City of Allen Park, replacing Rick Lang. A list of the attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to approve the agenda as prepared. Motion passed unanimously.

3. Approval of Minutes from December 8, 2010 Meeting

Copies of the meeting minutes from the December 8, 2010 meeting were distributed by Secretary Dick Hinshon (see Attachment 3). Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to approve the December 8 minutes. Motion passed unanimously.

4. Update from Negotiating Committee re: Discussion with Wayne County on Service Agreement Renewal

Chairman Paletko asked attorney John Day to provide a brief summary of the status of ongoing discussions with Wayne County. Mr. Day indicated that these discussions have primarily focused on the real estate acquisition, and it was suggested that it would be appropriate to present this information in closed session as part of the next agenda item.

5. Closed Session re: Proposed Real Estate Acquisition

A motion was made by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to go into closed session for purposes of considering a proposed real estate acquisition. Motion passed unanimously.

Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to come out of closed session and resume discussion pursuant to the approved agenda. Motion passed unanimously.

6. Other Business

Chairman Paletko asked if there was any other business to be brought before the Authority or any members of the public wishing to make a statement to the Authority. Secretary Dick Hinshon reminded the group that the next regularly scheduled meeting of the Utility Authority is set for Thursday, March 24 at 9:00 a.m. in the Taylor City Hall Police Annex Building. After discussion, it was agreed that the Utility Authority should meet early in March so as to stay abreast of ongoing developments in the discussions with Wayne County. Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to schedule a special meeting of the Downriver Utility Wastewater Authority for Thursday, March 3 at 9:00 a.m. Dick Hinshon agreed to contact the City of Taylor representatives to determine the availability of the Police Annex Building Conference Room which is the normal meeting site for the group. He will send an email confirming the meeting location after a response is received from the City of Taylor.

Motion by Mark Gahry (Brownstown Township), supported by Tom Wilson (Romulus) to adjourn. Motion passed unanimously. The meeting was adjourned at approximately 10:40 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
January 31, 2011

DUA.1-27-11 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Agenda
3. December 8, 2010 Meeting Minutes

ATTACHMENT 2

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 A.M.; THURSDAY, JANUARY 27, 2011
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM**

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from December 8, 2010 meeting
4. Update from Negotiating Committee re: Discussion with Wayne County on Service Agreement Renewal
5. Closed Session re: Proposed Real Estate Acquisition
6. Other Business

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JUNE 9, 2011 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 10:05 a.m., and Secretary Dick Hinshon conducted the roll call. At the time of the roll call representatives were in attendance from all communities except Ecorse, River Rouge, Romulus and Allen Park. The Allen Park representative joined the meeting in progress during Item 2. Secretary Hinshon announced that the required quorum (seven members) was met. A list of the attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Chairman Paletko inquired as to whether there were any suggested changes, or whether the members were satisfied with the agenda. There being no dissent, the agenda was accepted by acclamation.

3. Approval of Minutes from January 27, 2011 Meeting

Copies of the meeting minutes from the January 27, 2011 meeting were distributed by email prior to the meeting, and handed out at the session (see Attachment 3). Motion by Mark Gahry (Brownstown Township), supported by Dave Mackie (Taylor) to approve the January 27 meeting minutes. Motion passed unanimously.

4. Synopsis of February 9 Elected Officials Luncheon at Lakes of Taylor

Chairman Paletko and Secretary Hinshon summarized the discussions which took place with elected officials over a luncheon at the Lakes of Taylor held February 9, 2011. Attendees at the luncheon included elected officials from all but one community in the Downriver Utility Wastewater Authority. The primary purpose of the luncheon was to get feedback from elected officials on Wayne County's proposed sale of the Downriver Wastewater System to the communities in lieu of negotiating a new Service Agreement.

It was reported that unanimous consensus was reached among the elected officials that it would be inadvisable to pursue acquisition of the Downriver System by purchase as suggested by Wayne County, particularly since the Downriver communities and the System customers had already paid for those assets through the retirement of bonds for various capital improvements.

Furthermore, it was the sense of the group that attorneys for the Utility Authority and the communities should intervene, if necessary, in the event that Wayne County attempted to unilaterally sell Downriver wastewater system assets to a third party. It was strongly recommended that the DUWA representatives push forward with negotiations for a new Service Agreement with Wayne County incorporating appropriate terms and conditions to ensure that the System is properly operated, well managed and efficiently administered with oversight and accountability for performance and expenditures.

5. Status of Service Agreement Renewal Discussions with Wayne County

Attorney John Day reported that there has been a lag in discussions with Wayne County in part due to the replacement of Butler Benton with Lavonda Jackson, and the selection of outside legal counsel (Mike Caldwell) to represent the County in negotiations. He noted that he has had informal discussions with Mr. Caldwell, but that Mr. Caldwell is generally unfamiliar with on the status of the System and past discussions on the Service Agreement. Furthermore, it appears that the County is considering whether the Service Agreement should establish a “provider/customer” relationship between the County and the individual 13 member communities, or utilize a “joint management” concept similar to what is currently being practiced under the JMC.

Initially, Wayne County proposed that the existing Service Agreement be renewed with a few limited modifications, and that the JMC Memorandum of Understanding be appended to and referenced by the new Agreement. However, the County suggested that the term of the Service Agreement might be substantially longer than the term for the MOU, and this was unacceptable to the communities. It is anticipated that discussions with the County’s new representative (Mike Caldwell) will resume shortly, and efforts will be made to pursue the joint management concept, including incorporation of the JMC MOU into a new Service Agreement.

6. Discussion of New Service Agreement Terms and Conditions

Attorney Day noted that the System operates under Act 185 which does not expressly acknowledge the role of a Utility Authority such as DUWA. The statute describes a process whereby the County can own and operate wastewater utilities and execute Service Agreements with the customer communities. It was suggested that one option for the new Service Agreement would be to structure it so that the System is run under a joint Community/County Authority. Such a configuration, if acceptable, might alleviate some of the problems which have plagued the Downriver System (i.e. purchasing, issuance of professional service contracts, etc.). It was noted that Wayne County may be reluctant to participate as a member of an Authority.

It was agreed that the new Service Agreement must establish an acceptable process for managing the System, and that the communities should have a major role in overseeing the System administration. The draft Service Agreement which was previously prepared by the Legal Committee has been furnished to Wayne County, and this document sets forth an approach for implementing a joint management process. The DUWA Negotiating Team intends to discuss this with the Wayne County representatives to see if that document or something similar is acceptable. Former Allen Park Mayor Gary Burtka recently resigned, and Van Buren Township Supervisor Paul White has joined the DUWA Negotiating Team as his replacement.

7. Treasurer's Report

DUWA Treasurer Doug Drysdale (Riverview), and Financial Consultant Beth Bialy (Plante & Moran) distributed information (see Attachment 4) on the revenues and expenditures incurred since the Authority incorporated in 2010. All 12 communities have contributed \$3,000 each, and this revenue has been used to cover the expenses incurred to date (i.e. engineering fees, attorney fees, printing, publishing and banking fees). It was reported that the total costs billed to the Authority to date are \$37,009.84 which results in a deficit of approximately \$1,000.

Dick Hinshon reported that Lavonda Jackson has decided that his expenses for negotiating the new Service Agreement can be invoiced under the HEC Technical Coordinator contract with Wayne County. However, Wayne County will not pay for the DUWA attorney expenses since legal costs are not part of the approved scope of work for the Technical Coordinator contract, and since Mr. Day was hired by DUWA, not the JMC.

John Day has prepared an estimate of the future expenses associated with negotiating a new Service Agreement with Wayne County. Depending on the time and level of effort required to complete this work, the future attorney costs may be in the range of \$10,000 to \$25,000.

A motion by Mark Gahry (Brownstown Township), supported by Paul White (Van Buren Township) to assess each DUWA member community an additional \$3,000 to provide additional revenue to cover anticipated future expenses. Motion passed unanimously.

Doug Drysdale noted that the Articles of Incorporation require the Utility Authority to approve an annual budget, and that a 2011 budget has not, as yet, been adopted. Motion by Mark Gahry (Brownstown Township), supported by Dave Mackie (Taylor) to approve the DUWA 2011 calendar year budget based on Column E from the Treasurer's handout (see Attachment 4) with a modification to incorporate an additional \$36,000 in new revenue for calendar year 2011 based on the assessment just approved by the Board. Motion passed unanimously.

8. Other Business

There being no other business, Chairman Paletko announced that the meeting stands adjourned at 11:20 a.m. Secretary Hinshon reminded the group that the next scheduled DUWA meeting is on Thursday, July 28, 2011 at 9:00 a.m. in the Taylor City Hall Police Annex Building Conference Room.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
June 20, 2011

DUA.6-9-11 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Meeting Agenda
3. January 27, 2011 Meeting Minutes
4. Treasurer's Report on Revenues and Expenditures

ATTACHMENT 2

DOWNRIVER UTILITY WASTEWATER AUTHORITY
THURSDAY, JUNE 9, 2011;
IMMEDIATELY FOLLOWING THE JMC MEETING (~ 10:00 – 10:30 AM)
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from January 27, 2011 meeting
4. Synopsis of February 9 Elected Officials luncheon at Lakes of Taylor
5. Status of Service Agreement Renewal Discussions with Wayne County
 - Appointment of Lavonda Jackson to replace former DPS Deputy Director Butler Benton
 - Designation of outside legal counsel Mike Caldwell to negotiate for Wayne County
 - Exchange of preliminary draft Service Agreement prepared by Legal Committee
6. Discussion of new Service Agreement Terms/Conditions
 - Consolidation of current JMC Memorandum of Understanding into new Service Agreement
 - Modification to address several "Key Issues"
 - Establish term of new Agreement
7. Treasurer's Report:
 - Status of Payments from DUWA Member Communities
 - Disbursements; Account Balance
 - Funding for anticipated future expenditures
8. Other Business

NOTE: The regularly scheduled DUWA Board Meetings for the remainder of 2011 are as follows:

- Thursday, July 28, 2011
- Thursday, September 22, 2011
- Thursday, November 17, 2011

(All meetings to begin at 9:00 at Taylor City Hall Police Annex Building Conference Room)

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
NOVEMBER 17, 2011 MEETING MINUTES**

Taylor City Hall Police Annex Building

1. Roll Call

DUWA Chair Dan Paletko called the meeting to order at approximately 1:50 p.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from eight communities, including Allen Park, Dearborn Heights, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. A list of attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Chairman Paletko asked if there were any suggested changes and, there being none, the agenda was accepted by acclamation.

3. Approval of Minutes from June 9, 2011 Meeting

Copies of the meeting minutes from the June 9, 2011 meeting were distributed by email prior to the meeting (see Attachment 3). Motion by Tom Wilson (Romulus), supported by Dave Mackie (Taylor) to approve the June 9, 2011 meeting minutes. Motion passed unanimously.

4. Downriver Service Agreement Renewal

Chairman Paletko, with assistance from attorney John Day and Secretary Dick Hinshon, summarized the status of recent discussions with Wayne County representatives regarding renewal of the Service Agreement. The Wayne County representatives who have been participating in the discussions include Assistant County Executive Kim Priebe, Department of Public Services Deputy Director Lavonda Jackson, and outside legal counsel Mike Caldwell. There was a substantial delay in the negotiations when Butler Benton retired because he had been a pivotal member of the negotiating team and generally took the lead to formulate decisions on behalf of the County on what terms and conditions would be acceptable. After the County released the first draft of the proposed new Service Agreement at the September 8, 2011 JMC meeting, there have been several discussions and document exchanges. A two-page summary table comparing the latest drafts from Wayne County and the community representatives was distributed and discussed (see Attachment 4).

There was considerable discussion of several key issues with various positions and opinions being put forth by DUWA community representatives. Major topics included the role of the JMC and/or the role of the Utility Authority, the duration of the contract, the advantages and disadvantages of the communities taking over

the System from Wayne County (either in the short term or the long term), the statutory authority on which the Service Agreement is based (Act 185), the proposal for the JMC to hire a part time Executive Director to serve as the interface with Wayne County, the financial ramifications of a debt obligation default by one or more communities, and the views of the County Commission and the County Executive on what is acceptable for a new Agreement.

Chairman Paletko thanked the group for their input, and noted that the viewpoints expressed by the community representatives would be taken into account as the Service Agreement renewal negotiations move forward. He indicated that he will push to come up with a draft Agreement by the end of the calendar year, at which time it will be circulated to all the communities to ensure that it is acceptable.

5. Treasurer's Report

Dick Hinshon reported that Doug Drysdale (Riverview) was absent due to a family emergency. Copies of the Treasurer's Report showing the status of funds were distributed (Attachment 5). It was noted that all communities except Southgate have paid the second \$3,000 dues assessment, and that the fund balance is more than \$34,000 as of November 17. Dick Hinshon noted the letter from the City of Southgate which indicates that the City does not intend to pay the \$3,000 dues assessment, although the City remains committed to the mission of the Authority. Chairman Paletko, in conjunction with Treasurer Drysdale and Supervisor White from Van Buren Township, will contact the Mayor of Southgate to request that the City reconsider its position on the DUWA dues payment.

6. Looking Ahead to 2012

Dick Hinshon distributed the proposed DUWA meeting schedule (Attachment 7), and noted that the Articles of Incorporation require that the Authority elect officers in January.

7. Adjournment

There being no other business, Chairman Paletko announced that the meeting would stand adjourned as of 3:10 p.m. Secretary Hinshon agreed to prepare and distribute minutes from the meeting, as well as a reminder notice prior to the next regularly scheduled DUWA Board meeting on January 26, 2012.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
December 2, 2011

DUA.11-17-11 duwa mtg minutes.doc

Attachments

1. List of Attendees
2. Meeting Agenda
3. June 9, 2011 Meeting Minutes
4. Service Agreement Comparison Chart
5. DUWA Account Balance Statement
6. Southgate Correspondence Dated September 7, 2011
7. DUWA 2012 Meeting Schedule

ATTACHMENT 2

DOWNRIVER UTILITY WASTEWATER AUTHORITY
THURSDAY, NOVEMBER 17, 2011; 1:30 PM
TAYLOR CITY HALL – POLICE ANNEX BUILDING CONFERENCE ROOM

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from June 9, 2011 meeting
4. Downriver Service Agreement Renewal
 - Overview of Wayne Co's 9/8 draft Agreement
 - Overview of DUWA 10/19 Red Line Mark Up and Comparison Table
 - Summary of discussions with Wayne Co. representatives (K. Priebe, L. Jackson, M. Caldwell)
 - Feedback from DUWA reps on key issues:
 - Preserving current JMC role per current MOU (i.e. approvals and oversight)
 - Expanding JMC power (i.e. approval of Change Orders > \$100,000; selection and compensation of Committee Chairs; decision making authority for Blending issue; etc.)
 - Need to specify County responsibilities: reporting, performance goals, O&M duties?
 - Chargeback Cap Policy: maintain current Policy or revise/update?
 - Contract Term: 20 years vs. 10 years w/ two 5 year automatic renewals
 - System transfer to Communities at contract expiration: necessary? desirable?
 - Indemnification/Hold Harmless provision: necessary?
5. Treasurer's Report:
 - Status of Payments from DUWA Member Communities
 - Southgate letter re: non-payment of DUWA assessment
 - Disbursements; Account Balance; Anticipated Future Expenditures
6. Looking ahead to 2012
 - Election of Officers in January (per Articles of Incorporation)
 - 2012 Meeting Schedule
7. Other Business
 - Proposed Amendment to Act 185 to allow Counties to establish a Board of Public Works to undertake sewerage systems; involvement/input by DUWA either on this issue or to push for Legislative consideration of other amendments to Act 185 (i.e. referencing role of communities served by sewerage systems established under the Act)
 - Continuing with the JMC into 2012
 - Other items, if any
8. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JANUARY 12, 2012 MEETING MINUTES**

Taylor City Hall Council Chambers

1. Roll Call

DUWA Chair Dan Paletko called the meeting to order at approximately 10:00 a.m., and Secretary Dick Hinshon conducted the roll call. Voting representatives were in attendance from seven communities, including Allen Park, Belleville, Brownstown Township, Dearborn Heights, Taylor, Van Buren Township and Wyandotte. Non-voting representatives were in attendance from River Rouge and Riverview. Ecorse, Romulus and Southgate were absent. Dick Hinshon reported that a quorum was present pursuant to the Articles of Incorporation. Dick Hinshon noted that an invitation to attend the meeting had been extended to the City of Lincoln Park at the request of the Chairman so as to provide opportunity for comment and input by Lincoln Park on the negotiations with Wayne County regarding the new Service Agreement. DPW Director Bob Bartok was in attendance as a non-voting representative of Lincoln Park for the meeting.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 1). Chairman Paletko asked if there were any suggested changes and, there being none, the agenda was accepted by acclamation.

3. Approval of Minutes from November 17, 2011 Meeting

Copies of the meeting minutes from the November 17, 2011 meeting had been distributed by email prior to the meeting and were also handed out at the session (see Attachment 2). Motion by Mark Gahry (Brownstown), supported by Keith Boc (Belleville) to approve the November 17, 2011 meeting minutes. Motion passed unanimously.

4. Election of Officers

Chairman Paletko indicated that the current DUWA officers (Chairman: Mayor Dan Paletko – Dearborn Heights; Vice Chairman: Tom Wilson – Romulus; Treasurer: Doug Drysdale – Riverview; Secretary Dick Hinshon) have all agreed to continue to serve in that capacity if acceptable to the Authority members. Motion by Mark Gahry (Brownstown), supported by Paul White (Van Buren Township) to retain the current officers for 2012. Motion passed unanimously.

5. Discussion of Downriver Service Agreement Renewal Issues

DUWA attorney John Day provided background information and recommendations on several proposed terms and conditions of the new Service Agreement being negotiated with Wayne County. This included the statutory authority for the proposed new Agreement, the role and responsibility of the communities under the new Agreement, the organizational entity by which the communities will exercise those responsibilities, the term and duration of the contract, early opt out provision, and the potential for alternate operational scenarios for the future. After discussion, Chairman Paletko indicated that the DUWA Negotiating Team would move forward with incorporation of the Board's comments into the next draft of the Service Agreement, which will be presented to the Wayne County Negotiating Team for consideration. It was indicated that efforts will be made to have the proposed Service Agreement considered by the County Board of Commissioners prior to March 1 expiration of the current Service Agreement.

6. Other Business

Secretary Hinshon reported that the next regularly scheduled DUWA Board meetings are Thursday, January 26 and Thursday, March 22. After discussion, the Board agreed to cancel the January 26 meeting to allow additional time to develop the draft Service Agreement and meet with Wayne County. It was agreed that a special DUWA Board meeting would be held Thursday, February 16 at 9:00 a.m. in Taylor City Hall. A decision will be made at that time as to whether to hold the March 22 meeting.

7. Adjournment

There being no other business, Chairman Paletko announced that the meeting would stand adjourned as of 11:30 a.m. Secretary Hinshon agreed to prepare and distribute minutes from the meeting, as well as a reminder notice prior to the next special Board meeting on February 16, 2012.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
January 16, 2012

[DUA.1-12-12 duwa mtg minutes.doc](#)

Attachments

1. January 12, 2012 Meeting Agenda
2. November 17, 2011 Meeting Minutes

ATTACHMENT 1

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
THURSDAY, JANUARY 12, 2012;
Immediately after the JMC Meeting concludes (~ 10:30 AM)
TAYLOR CITY HALL COUNCIL CHAMBERS**

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from June 9, 2011 meeting
4. Election of Officers (Chairman, Vice Chairman, Treasurer and Secretary)
5. Discussion of Downriver Service Agreement Renewal Issues
6. Other Business
 - City of Southgate payment of dues assessment
 - Future Meeting dates
 - Other items, if any
7. Adjournment

DUA.1-12-12 mtg agenda.doc

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
FEBRUARY 15, 2012 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 1:40 p.m., and asked those in attendance to introduce themselves. Secretary Dick Hinshon then conducted the roll call. Representatives were in attendance from all communities except Belleville, Ecorse, and Southgate. Secretary Hinshon announced that the required quorum (seven members) was met. Chairman Paletko noted that the City of Lincoln Park had a non-voting representative in attendance in response to an invitation that was extended to the new Mayor (Pat Krause). Mayor Krause has expressed interest in the Authority, but was unable to attend the DUWA Board meeting due to a prior commitment. A list of the attendees is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Mark Gahry (Brownstown Township), supported by Jeffrey Lamarand (Taylor) to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from January 12, 2012 Meeting

Copies of the meeting minutes from the January 12, 2012 meeting were distributed by email prior to the meeting, and handed out at the session (see Attachment 3). Motion by Mark Gahry (Brownstown Township), supported by Doug Drysdale (Riverview) to approve the January 12 meeting minutes. Motion passed unanimously.

4. Discussion of Downriver Service Agreement

Attorney John Day presented a summary of the latest draft of the Service Agreement and discussed several key issues where the Negotiating Team is seeking guidance and input. These included the proposed reference to Public Act 8. 1967 as the legal basis for assigning responsibility to the Communities for management and administration of the System. He also noted that the proposed Service Agreement references the creation of a "Joint Management Board" under Act 8, and this entity is viewed as the successor to the voluntarily created "Joint Management Committee" that has been in place for several years. The draft Agreement proposes to include Wayne County as a voting member of the Board.

Other key issues presented for comment and discussion included the Term/Duration of the Agreement, and the proposed option by which the System could be transferred to the Communities in the future. It was noted that further input from the Legal Committee is needed to assist with finalizing the terms and conditions associated with such transfer. The Downriver Utility Wastewater

Authority is proposed to be a party to the new Agreement so as to have a legal entity in place to assume responsibility for managing the System after a transfer.

Discussion followed regarding several other Service Agreement provisions including the duties and appointment of the System Director and the JMB Administrative Executive Director, the proposed process for purchases and procurement, and the continuing role of Wayne County with respect to issuing payments and collecting revenue.

Mr. Day reiterated that it is important to reach consensus among the Downriver Communities regarding the terms and conditions of the draft Service Agreement at this time, so that the document that is to be presented to the Wayne County Negotiating Team is acceptable to all. It was agreed that further modifications would be made to the draft Service Agreement based on the discussion with the DUWA Board and the input that is forthcoming from the Legal Committee, after which the document will be transmitted to Wayne County for review.

5. Approval of the 2012 Budget

DUWA Treasurer Doug Drysdale (Riverview) presented an update on the DUWA account balance and the proposed 2012 DUWA Budget that had previously been distributed by email to the Community Representatives (see Attachment ____). It was noted that the DUWA Articles of Incorporation require that the annual budget be formally adopted. Mr. Drysdale indicated that all DUWA Communities are up to date with payments in response to the invoices which have been sent out. Motion by Mark Gahry (Brownstown Township), supported by Jeffrey Lamarand (Taylor) to approve the 2012 DUWA Budget as proposed. Motion passed unanimously.

6. Other Business

There being no other business, Chairman Paletko announced that the meeting stands adjourned at 4:00 p.m. The next scheduled DUWA meeting is on Thursday, May 24, 2012 at 9:00 a.m. at the Taylor City Hall.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
March 5, 2012

DUA.2-15-12 duwa mtg minutes.doc

Attachments

1. Meeting Agenda
2. List of Attendees
3. January 12, 2012 Meeting Minutes
4. Treasurer's Report on Revenues and Expenditures

ATTACHMENT 1

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
1:30 pm; WEDNESDAY, FEBRUARY 15, 2012;**

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from January 12, 2012 meeting
4. Discussion of draft Downriver Service Agreement
5. Approval of the 2012 Budget
6. Other Business
7. Adjournment

DUA.2-15-12 mtg agenda.doc

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JULY 19, 2012 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from seven communities including Belleville, Brownstown Township, Dearborn Heights, Riverview, Romulus, Van Buren Township and Wyandotte. Secretary Hinshon announced that a quorum (seven members) was present. Mr. Hinshon noted that the City of Lincoln Park was also in attendance at the invitation of the Board as a non-voting attendee. The Sign In sheet from the meeting is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were distributed (see Attachment 2). Motion by Paul White (Van Buren Township), supported by Mark Gahry (Brownstown Township) to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from February 15, 2012 Meeting

Copies of the meeting minutes from the February 15, 2012 meeting were distributed by email prior to the meeting, and handed out at the session (see Attachment 3). Motion by Mark Gahry (Brownstown Township), supported by Paul White (Van Buren Township) to approve the February 15 meeting minutes. Motion passed unanimously.

4. Discussion of Downriver Service Agreement

Chairman Paletko asked Secretary Dick Hinshon and Attorney John Day to summarize the content of the July 18 letter from Wayne County DPS Deputy Director Lavonda Jackson (see Attachment 4). It was noted that the letter indicates Wayne County's willingness to move forward with a new Service Agreement which transfers decision making authority from the County to the new Joint Management Board as proposed by the Communities. The letter notes that formal approval of the new Agreement will need to be issued by the State of Michigan Municipal Finance Authority and the Department of Environmental Quality, and that there are a number of issues and concerns which will need to be resolved through continued negotiations.

There was considerable discussion of the July 18 Wayne County letter including the following topics:

- Process and timetable for securing state approval for the proposed new Service Agreement, and the role of bond counsel to assist with that effort;
- The appropriateness and need for notifying the Federal Court regarding the proposed new Service Agreement;

- The suggestion from Wayne County that the approval request be accompanied by an Executive Summary document to be prepared by the attorneys based on the draft Service Agreement;
- The process and timetable for obtaining a Red Line Mark Up of the draft Agreement from Wayne County and the resumption of negotiations to generate a final document for formal approval by all parties;
- The suggestion from Wayne County that the parties consider developing an interim Agreement to serve as the basis for administering the System until a new Agreement has been approved.

Following discussion, a motion was made by Mark Gahry (Brownstown Township), supported by Keith Boc (Belleville) to have Chairman Paletko respond to the July 18 letter from Wayne County and indicate that the Downriver Communities are willing to seek approval from the MFA and the MDEQ for the proposed transfer of authority from the County to a new Joint Management Board, and to concurrently work with Wayne County representatives to finalize the terms and conditions of the Service Agreement. Further, the DUWA Attorney is directed to contact Wayne County's Attorney to coordinate preparation of the information which will be submitted to the state for consideration, and to arrange for a meeting between the Community representatives and the County representatives to negotiate the final language of the Service Agreement. Motion passed unanimously.

5. Other Business

Dick Hinshon reported that Wayne County Facilities Management Division Director Kerreen Conley has announced her intention to retire from the County as of August 1, 2012. The Board discussed the ramifications of that departure on the System, and suggested that it would be appropriate for Mayor Paletko as the Chairman of the Joint Management Committee to send a letter thanking Ms. Conley for her years of service and wishing her well upon her retirement.

Dick Hinshon also advised the Board that negotiations are underway between the Plant Superintendent (Firooz Fath Azam) and Wayne County regarding an extension of his contract. Firooz is the state licensed Class A operator that is required by the NPDES Permit, and he is seeking a pay increase to offset insurance and tax costs which were not anticipated when the initial contract was approved. Mr. Hinshon indicated that even with a significant pay raise, Firooz' cost will still be far less than the expense that would be incurred by the System to hire a new Class A operator to run the plant. Plus, Mr. Fath Azam has an outstanding performance record in that the plant has been in compliance with all permit effluent limits for the last 77 months in a row. The Board indicated that the proposed contract should be carefully reviewed in the context of what is being paid by other Systems for comparable work.

6. Treasurer's Report: Financial Statement through 6/30/12

Treasurer Doug Drysdale distributed a Financial Statement describing the status of DUWA's account and showing revenues and expenditures through June 30, 2012 (see

Attachment 5). Motion by Mark Gahry (Brownstown Township) supported by Keith Boc (Belleville) to approve the Treasurer's Report. Motion passed unanimously.

There being no other business, Chairman Paletko announced that the meeting stands adjourned at 10:30 a.m. The next scheduled DUWA meeting is on Thursday, September 27, 2012 at 9:00 a.m. at the Taylor City Hall.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
July 31, 2012

DUA.7-19-12 duwa mtg minutes.doc

Attachments

1. Meeting Agenda
2. List of Attendees
3. February 15, 2012 Meeting Minutes
4. July 18, 2012 Letter from Wayne Co. re: draft Service Agreement
5. Treasurer's Report on Revenues and Expenditures

ATTACHMENT 1

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, JULY 19, 2012;

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from February 15, 2012 meeting
4. Discussion of draft Downriver Service Agreement
5. Other Business
 - Upcoming Retirement of Kerreen Conley
 - Contract Negotiations re: Firooz Fath Azam (Plant Superintendent)
6. Treasurer's Report: Financial Statement through 6/30/2012
7. Adjournment

DUA.7-19-12 mtg agenda.doc

Note - the DUWA Board Meeting Schedule for 2012 includes:

- **Thursday, September 27, 2012 (9 AM @ Taylor City Hall)**
- **Thursday, November 15, 2012 (9 AM @ Taylor City Hall)**

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
MAY 22, 2014 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 10:10 a.m., and Secretary Dick Hinshon conducted the roll call. Voting Representatives were in attendance from eight communities including Brownstown Township, Dearborn Heights, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. Belleville was represented by a non-voting member, and a representative from Lincoln Park was also in attendance. Allen Park, Ecorse and River Rouge were absent. Secretary Hinshon announced that a quorum (seven members) was present. Other meeting attendees introduced themselves at the request of the Chairman. The Sign In sheet from the meeting is included as Attachment 1.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (see Attachment 2). Motion by Doug Drysdale (Riverview), supported by Dave Mackie (Taylor) to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from July 19, 2012 Meeting

Copies of the meeting minutes from the July 19, 2012 meeting were distributed by email prior to the meeting (see Attachment 3). Motion by Brandon Fournier (Southgate), supported by Doug Drysdale (Riverview) to approve the July 19, 2012 meeting minutes. Motion passed unanimously.

4. Election of Officers

Chairman Paletko noted that the Articles of Incorporation require that the Officers of the Authority be elected annually, and he reported that three of the current Officers (Chairman Dan Paletko, Treasurer Doug Drysdale and Secretary Dick Hinshon) have indicated a willingness to stay on in those positions if that is acceptable to the Authority. However, the Vice Chair position previously held by Tom Wilson is currently vacant. Chairman Paletko suggested that the DUWA Representatives consider electing the Taylor Representative (Mayor Rick Sollars/Alternate Dave Mackie) as the Vice Chair since Taylor is the largest Community in the System. Dave Mackie has advised that he would be willing to serve in that capacity. Motion by Keith Boc (Romulus), supported by Doug Drysdale (Riverview) to nominate Dan Paletko, Dave Mackie, Doug Drysdale and Dick Hinshon for the positions of Chairman, Vice Chair, Treasurer and Secretary. Chairman Paletko asked if there were any other nominations, and hearing none announced that nominations were closed. The slate of officers was then elected by unanimous acclamation

5. DUWA Response Options re: Wayne Co. Deficit Elimination Plan

Chairman Paletko reported that he attended the May 15 Wayne County Commission Meeting along with Mayor Durand from Riverview and Supervisor Linko from Brownstown in order to express opposition to the Deficit Elimination Plan (DEP) proposed by the County Executive. However, the DEP was approved on an 8-6 vote.

Patrick McCauley summarized the letter which has been prepared for the Rouge Valley Sewer District and noted that the draft letter states that the Downriver Communities similarly opposed the sale of the wastewater systems as a mechanism to offset the County's General Fund deficit. He noted that the Rouge Valley system would like to obtain concurrence from the Downriver System as to the acceptability of these assertions before the letter is finalized and transmitted to the State Treasurer.

He reported that the Downriver Community Attorneys had convened prior to the DUWA Board Meeting to discuss options that may be available to the Authority in response to the County's action to approve the DEP.

Beth Bialy indicated that the Downriver Finance Committee has not as yet been able to obtain any specific financial details pertaining to the DEP despite having made several requests to the CFO (Mark Abbo). In addition, the County recently canceled the Finance Committee meeting that was originally scheduled to be held in May.

Motion by Jim Taylor (Van Buren Township) supported by Dave Mackie (Taylor) to go into Closed Session for the purpose of discussing possible litigation. Motion passed unanimously and the Board went into Closed Session at 10:40 a.m.

Motion by Mark Kowalewski (Wyandotte) supported by Keith Boc (Romulus) to come out of Closed Session. Motion passed unanimously, and the Board came out of Closed Session at 11: 10 a.m.

Motion by Mark Kowalewski (Wyandotte) supported by Dave Mackie (Taylor) to (1) authorize the Chairman to prepare and send a letter to the State Treasurer objecting to the DEP and requesting that the State reject the County's submittal; (2) prepare and send a similar letter to Wayne County Executive Ficano with copies to the County Commission expressing opposition to the DEP on behalf of the Downriver Communities; and (3) to advise the Rouge Valley Sewer District that the draft letter is acceptable to the Downriver Communities. Motion passed unanimously. It was further agreed that Dick Hinshon should prepare an initial draft of the two letters with the input and assistance of John Day and Patrick McCauley and that the draft be then distributed to the Community representatives to review and comment before they are finalized and sent out.

The Board also requested that Mayor Paletko convene a meeting of the Downriver Elected Officials within the next few weeks to provide a forum for discussion of options relating to the future of the Downriver Sewer System. Mayor Paletko indicated that he would work with the City of Taylor to book the Lakes of Taylor Golf Course for a luncheon meeting sometime in the next few weeks, and he would reach out to the other

elected officials to urge their participation in the meeting due to the serious nature of the issue.

6. Treasurer's Report: Financial Status Report

A Financial Statement prepared by Treasurer Doug Drysdale was distributed by email prior to the meeting (see Attachment 5) showing the Balance Sheet and Income Statement as of April 30, 2014. It was noted during discussion that the 2014 DUWA Budget should be established after it is determined what expenses may need to be incurred by the organization with respect to the DEP. Motion by Doug Drysdale (Riverview), supported by Dave Mackie (Taylor) to adopt the Financial Statement. Motion passed unanimously.

There being no other business, Chairman Paletko announced that a motion to adjourn would be in order. Motion by Doug Drysdale (Riverview), supported by Jim Taylor (Van Buren Township) to adjourn the meeting. Motion passed unanimously at 11:30 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
June 6, 2014

DUA.5-22-14 duwa mtg minutes.doc

Attachments

1. Sign In Sheet
2. Meeting Agenda
3. July 19, 2012 Meeting Minutes
4. Draft letter from Rouge Valley Communities to State Treasurer
5. Treasurer's Financial Statement dated April 30, 2014

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
10:00 AM; THURSDAY, May 22, 2014;**

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from July 19, 2012 meeting
4. Election of Officers
 - Chairman (incumbent is Dearborn Heights Mayor Dan Paletko)
 - Vice Chairman (position was held by Tom Wilson, former Romulus DPS Director)
 - Treasurer (incumbent is Doug Drysdale, Riverview)
 - Secretary (incumbent is Dick Hinshon, Hinshon Environmental Consulting)
5. Discussion of DUWA Response Options re: Wayne County Deficit Elimination Plan
 - Written notice to the State and/or County
(Rouge Valley System letter to Michigan State Treasurer will be distributed if available)
 - Possible legal actions
 - Other options
6. Treasurer's Report: Financial Status Report
7. Next Meeting Date
8. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
September 4, 2014 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 10:30 a.m., and Secretary Dick Hinshon conducted the roll call. At the time of the Roll Call, voting Representatives were in attendance from nine communities including Allen Park, Belleville, Brownstown Township, Dearborn Heights, Riverview, Romulus, Southgate, Taylor, and Wyandotte. Ecorse, River Rouge and Van Buren Township were not represented. Secretary Hinshon announced that a quorum (> seven members) was present. *Note: the Van Buren Township Representative joined the meeting during the discussion of Agenda Item 3.*

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Dave Mackie (Taylor) supported by Doug Drysdale (Riverview), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from May 22, 2014 Meeting

Copies of the meeting minutes from the May 22, 2014 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Dave Mackie (Taylor) supported by Doug Drysdale (Riverview), to approve the May 22, 2014 meeting minutes. Motion passed unanimously.

4. Closed Session to discuss legal issues with the Attorney

Motion by Doug Drysdale (Riverview) supported by Dave Mackie (Taylor) to go into Closed Session to discuss legal issues with the Attorney. Motion carried by a vote of 9 – 1 (Allen Park voting No). Closed Session began at 10:45 AM.

At 11:10 AM, motion by Dave Mackie (Taylor) supported by Keith Boc (Romulus) to come out of Closed Session. Motion carried unanimously.

5. Financial Issues

Chairman Paletko requested that the Authority Board consider the three items listed on the table of “Cost Estimates for Work that may be Undertaken by DUWA” (Attachment 3). DUWA Treasurer Doug Drysdale reported that the funds previously collected through assessments to the DUWA Member Communities had been fully expended, so additional revenue will be needed if the Authority is to perform new work. The prior assessments to the Member Communities have totaled \$6,000 (two separate assessments of \$3,000).

Erman Teicher Proposal re: Alternatives to Protect System Assets:

Chairman Paletko suggested that the Board first take up the question of whether to retain the Erman Teicher law firm to provide a legal opinion on measures that might be taken to protect the System Assets. Patrick McCauley reported that he

has had preliminary discussions with Julie Teicher, and has confirmed that the the firm is available to provide this assistance. A Proposal Letter dated August 25, 2014 has been received from the firm (Attachment 4). The firm has requested that DUWA provide a retainer in the amount of \$10,000 for this work.

During discussion, questions were raised regarding the billing rates to be charged for the work, and Julie Teicher stated that her billing rate would be \$425/hour and the billing rate for Barb Patek would be \$375/hour. Less senior individuals from the firm may also work on the project in order to minimize costs, and their billing rates will be lower.

A question also arose as to whether the Rouge Valley Communities will be contributing to the work since they have a similar interest in protecting their sewer system assets which have also been targeted for sale by the County as part of the Deficit Elimination Plan. Mr. McCauley indicated that, based on discussions with Rouge Valley Attorney Chuck Barbieri, it was likely that several of the Rouge Valley Communities would be willing to help pay for this work. He estimated that between \$3,000 and \$5,000 would be a reasonable expectation of the amount likely to be acquired from the Rouge Valley Communities.

Mayor Matakas questioned whether it is necessary to assess legal options at this time since it may be possible to protect the System Assets without resorting to litigation. Mr. McCauley noted that the Law Firm will be asked to assess a number of alternatives, and that it is hoped that the recommendation will include options which may be implemented without necessarily having to file suit.

Chairman Paletko asked for a vote from the Board to indicate whether there would be support for retaining the Erman Teicher firm to provide this assistance, recognizing that the Authority would need to establish a mechanism to generate the additional revenue that is needed to cover the cost. The Board voted 9 – 1 to express support for retaining the Erman Teicher firm (Allen Park voting No).

DUWA Attorney Expenses re: Negotiation of New Service Agreement:

Chairman Paletko asked the Board to next consider the current and projected future costs being incurred by DUWA Attorney John Day for ongoing work to negotiate a new Service Agreement with Wayne County on behalf of the Downriver Communities. As shown on the Summary Table (Attachment 3), the costs that have already been incurred are approaching \$9,000. While the future expenses are unknown, it appears likely that an additional \$20,000 - \$25,000 may be needed depending on how quickly an Agreement can be developed.

During discussion several Board Members expressed disappointment that theres has been such little progress in moving the negotiations along to closure. It was strongly suggested that the DUWA Negotiating Team expedite its response to the latest County proposal and attempt to move forward to completing the negotiations with staff from the current Administration. While it will be important to obtain input from the Erman Teicher firm on how to protect the System Assets, the negotiations should continue concurrent with the firm's evaluation of options.

Chairman Paletko asked for a vote from the Board to indicate whether there would be support for additional legal expenses relating to the negotiation of the new Service Agreement, recognizing that the Authority would need to establish a mechanism to generate the additional revenue that is needed to cover the cost. The Board voted 9 – 1 to express support for this effort (Allen Park voting No).

Litigation vs Wayne County re: Request for Injunctive Relief:

Chairman Paletko asked the Board to consider the current and future expenses relating to the development of a lawsuit against the County seeking injunctive relief regarding the County's actions to "borrow" money from the Downriver System reserves and to request the appointment of a Receiver for the System. Patrick McCauley reported that approximately \$7,700 has been expended to date to draft a Complaint, and substantial additional expenses will no doubt be incurred if the lawsuit is filed and the case proceeds to trial. It was noted that the case might also be appealed, in which case there would be some additional expense associated with handling the appeal.

During discussion, several Board Members expressed concern over both the cost of this work and the necessity to undertake litigation at this time. It was noted that the County has recently repaid the System for the money that was previously borrowed, and has promised to forego future borrowing from the Downriver Cash Reserve account. It was generally agreed that it would be inappropriate to continue with this litigation at this time. If necessary, the Board can initiate a lawsuit at a future date if it becomes apparent that such action is necessary and in the best interest of the System.

Proposal to Assess DUWA Member Communities:

Chairman Paletko asked the Board to consider whether it wishes to assess the Member Communities to provide revenue for the various work activities listed on Attachment 4. It was generally agreed that DUWA needs to finance the proposed work by Erman Teicher to obtain a recommendation on how to protect the System Assets, to cover the incurred and projected legal expenses of the DUWA Attorney relating to the negotiation of the new Service Agreement, and to cover the already incurred cost associated with development of the Claim against Wayne County for the Injunctive Relief litigation. The Board Members generally opposed funding additional legal efforts relating to the Injunctive Relief litigation.

Motion by Keith Boc (Romulus) supported by Doug Drysdale (Riverview) to authorize the DUWA Treasurer to assess each Member Community an additional \$5,000 each to provide revenue to cover the Erman Teicher retainer, the DUWA Attorney expenses relating to the Service Agreement negotiation and the costs already incurred for the development of the Injunctive Relief claim. Mayor Matakas noted that Allen Park is operating under an Emergency Manager, and it is unclear whether the City will be able to secure approval for payment of a new DUWA assessment. Motion approved by a vote of 9 – 1 (Allen Park voting No).

6. Other Business

Brandon Fournier (Southgate) asked if it would be appropriate to augment the DUWA Negotiating Team by adding a second elected official to participate in the discussions with Wayne County on the new Service Agreement. It was noted that two elected officials (Dearborn Heights Mayor Paletko and Allen Park Mayor Burtka) had originally served on the Negotiating Team, and Van Buren Township Supervisor White participated after Mayor Burtka stepped down. There was agreement among the DUWA Board Members that it would be beneficial to have another elected official serving on the Negotiating Team. Motion by Brandon Fournier (Southgate) supported by Keith Boc (Romulus) to add Southgate Mayor Kuspa to the Negotiating Team, with the understanding that Brandon Fournier will participate if the Mayor is unavailable to attend due to schedule conflicts. Motion carried unanimously.

7. Next Meeting Date

The Board indicated that it would be appropriate to schedule the next DUWA meeting after receipt of the evaluation from Erman, Teicher. Since it is not known when that information will be available, it was agreed that it is not necessary to schedule the next meeting at this time.

There being no other business, Vice Chairman Mackie announced that a motion to adjourn would be in order. Motion by Doug Drysdale (Riverview), supported by Jim Taylor (Van Buren Township) to adjourn the meeting. Motion passed unanimously at 11:45 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
September 8, 2014

DUA.5-22-14 duwa mtg minutes.doc

Attachments

1. Meeting Agenda
2. May 22, 2014 Meeting Minutes
3. Cost Estimates for Work that may be undertaken by DUWA
4. Proposal letter from Erman, Teicher firm dated 8/25/14 re: Assistance for Evaluation of Options to Protect the System

ATTACHMENT 1

DOWNRIVER UTILITY WASTEWATER AUTHORITY
10:30 AM; THURSDAY, SEPTEMBER 4, 2014;

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from the May 22, 2014 meeting
4. Status Report on Discussions with Wayne County re: new Service Agreement (J. Day & D. Paletko)
5. Summary of Wayne County comments on Related Issues: (J. Day & D. Paletko)
 - Borrowing Money from the Cash Reserve Account
 - State Response to Deficit Elimination Plan and County Consideration of "Plan B"
6. Proposal to retain an expert to evaluate options to protect System Assets (P. McCauley)
 - Objective/Purpose
 - Issues to be considered: Proposed Scope of Work and Timing
 - J. Teicher Qualifications and Capability
 - Procurement Process and Project Budget
7. Financial Issues:
 - Current Balance/Treasurer's Report (D. Drysdale)
 - Additional Costs Already Incurred (Service Agreement negotiations; interface re: Cash Reserve loan; interface re: Deficit Elimination Plan)
 - Anticipated Future Costs (i.e. Expert on Protecting System Assets; Possible Litigation; NPDES Permit Dispute; etc.)
 - Proposed Supplemental Assessment to Member Communities to cover current/future costs
8. Next Meeting Date
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
December 4, 2014 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 AM, and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from eleven communities including Allen Park, Belleville, Brownstown Township, Dearborn Heights, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. Ecorse was not represented. Secretary Hinshon announced that a quorum (> seven members) was present.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Joseph Kuspa (Southgate), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from September 4, 2014 Meeting

Copies of the meeting minutes from the May 22, 2014 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Dave Mackie (Taylor), to approve the September 4, 2014 meeting minutes. Motion passed unanimously.

4. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that ten DUWA Member Communities have paid the additional \$5,000 assessment that was approved at the September 4 meeting. Of the two unpaid invoices, one has been approved and the check is in the process of being issued. The Treasurer has contacted the other Community to request that payment be processed. In addition, the Authority has also received checks in the amount of \$1,000 from three Rouge Valley Communities to help defray the costs associated with the work being performed by the Teicher law firm regarding protection of System assets. He reported that the current balance in the DUWA bank account is approximately \$28,000. Motion by Jim Taylor (Van Buren Township), supported by Mark Gahry (Brownstown Township) to receive and file the Treasurer's report. Motion passed unanimously.

5. Closed Session to discuss legal issues with the Attorney

Motion by Mark Gahry (Brownstown Township), supported by Jim Taylor (Van Buren Township) to go into Closed Session to discuss legal issues with the Attorney. Motion passed unanimously. Closed Session began at 9:30 AM.

At 9:50 AM, motion by Mark Gahry (Brownstown Township), supported by Jim Taylor (Van Buren Township) to come out of Closed Session. Motion carried unanimously.

Motion by Mark Gahry (Brownstown Township), supported by Jim Taylor (Van Buren Township) to approve a payment in the amount of \$15,000 to the Teicher law firm as compensation for the work performed regarding the evaluation of options for protecting System assets. Motion passed unanimously.

6. New Downriver System Service Agreement

Chairman Paletko gave a brief overview of the content of the Service Agreement prepared by Wayne County and discussed the major features listed in the Summary which was distributed by email prior to the meeting (Attachment 3). Attorney John Day noted that the new Agreement, if approved and placed into effect, would supersede the 1962 Contract. The document does not provide any additional protection to the Communities to safeguard the System assets, nor does it strengthen the Communities' position regarding ownership of the System. However, the new Agreement is a clear improvement over the 1962 Contract in that it now references Act 8 as the legal basis for Community involvement in decision making, and creates a new 9 Member Joint Management Board with specific responsibility to approve key decisions.

Mayor Paletko indicated that the Negotiating Team is recommending that the Communities ask the County Commission to approve the document at their December meeting. Based on initial informal discussions with the new incoming Administration, it appears that the Evans Administration will be focused on budgetary issues in the immediate future and it is unclear when the Downriver Service Agreement may be considered.

DUWA Representatives questioned the term of the Agreement and several members suggested that a 10 year duration would be preferable to the 20 year term established in the County's document. Additional concerns were expressed over the configuration of the new JMB with only 4 Community Representatives on the 9 member Board. Some attendees disagreed with the Negotiating Team recommendation, and asserted that it might be preferable to continue to operate the System under the expired 1962 Contract rather than accepting a compromise Agreement which does not contain many of the provisions sought by the Communities.

It was noted that securing approval from the County Commission is only the first step in the process to put the new Agreement into effect. Each of the 13 Member Communities must also approve the Agreement by vote of their individual City Councils/Township Boards. Rejection of the Agreement by any one Community would in essence veto the matter.

Motion by Mark Gahry (Brownstown Township), supported by Jim Taylor (Van Buren Township) to request that Wayne County present the proposed Downriver Service Agreement to the County Commission for approval. Motion carried on a 9 – 2 vote, with Romulus and Riverview voting No. Lincoln Park's City Attorney noted that Lincoln Park supports moving forward with consideration of the new Agreement by the County Commission even though Lincoln Park is not a voting member of DUWA.

7. Other Business

Chairman Paletko asked if anyone wished to put forth any items for discussion as "Other Business". No issues were raised.

8. Next Steps/Next Meeting Date

After discussion it was generally agreed that the Board should reconvene after the Service Agreement is either approved or deferred by the County Commission.

There being no other business, Chairman Paletko announced that a motion to adjourn would be in order. Motion by Doug Drysdale (Riverview), supported by Jim Taylor (Van Buren Township) to adjourn the meeting. Motion passed unanimously at 10:35 AM.

Meeting Minutes Prepared by:
Richard T Hinshon
Secretary, Downriver Utility Wastewater Authority
December 8, 2014

DUA.12-4-14 duwa mtg minutes.doc

Attachments

1. Meeting Agenda
2. September 4, 2014 Meeting Minutes
3. Summary of December 1 Service Agreement prepared by Wayne County
4. Proposal letter from Erman, Teicher firm dated 8/25/14 re: Assistance for Evaluation of Options to Protect the System

ATTACHMENT 1

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, DECEMBER 4, 2014;
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from the September 4, 2014 meeting
4. Treasurer's Report (D. Drysdale)
 - Update on Payments received since 9/4/14 Assessment (including contributions from Rouge Valley Communities to help defray the Erman Teicher costs)
 - Payments since 9/4/14/ and current account balance
5. Closed Session to discuss Erman Teicher Evaluation on Protecting System Assets (P. McCauley/J. Day)
 - Evaluation Purpose/Objectives/Scope of Work
 - Conclusions and Recommendations on Protecting System Assets
 - Project Cost/Invoice
6. New Downriver System Service Agreement (DUWA Negotiating Team)
 - Update on Progress of Negotiations with Wayne County since 9/4/14
 - Presentation of Proposed Service Agreement (County's 11/18 draft w/Community edits)
 - Discussion of Pro's/Con's of Finalizing and Accepting Proposed Agreement
 - Process and Timetable for moving forward with Ratification/Approval (subject to Community concurrence that the proposed Agreement is acceptable)
7. Other Business
8. Next Steps/Next Meeting Date
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
February 5, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:30 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from ten communities including Allen Park, Belleville, Brownstown Township, Dearborn Heights, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. Ecorse and River Rouge were not represented. Secretary Hinshon announced that a quorum (> seven members) was present. .

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from December 4, 2014 Meeting

Copies of the meeting minutes from the December 4, 2014 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the December 4, 2014 meeting minutes. Motion passed unanimously.

4. Proposed New Downriver System Service Agreement

Secretary Hinshon reported that discussions have been held with Wayne County staff, Romulus representatives and the Airport regarding the need to authorize the intermittent discharge of excess de-icing fluid to the Rouge Valley System. A draft letter requesting approval of this discharge has been prepared, and all parties have indicated it provides an acceptable mechanism for handling this issue. It is anticipated that the letter will be finalized so that the approval from Wayne County can be issued concurrent with the approval of the new Service Agreement.

The DUWA Board members discussed the draft procedure for selecting the 4 Community JMB Representatives and Alternates. It was generally agreed that the draft procedure was too prescriptive and detailed. Several members advocated a process that did not pre-specify categories that would limit the JMB reps. Some members favored a rotation system to ensure that all Communities would have an opportunity to have their Representative serve on the JMB. Other members suggested revisions to the proposed categories based on different criteria for "Large" and "Small" Communities. Some members recommended that a weighted vote be used for one or more positions to ensure that the larger communities are represented on the JMB.

Several Board Members suggested that the Representatives serve for two year terms and that the terms be staggered so that two seat expire each year. There was general support for this recommendation.

It was generally agreed that the Alternates should be selected from Communities other than the Communities of the Representatives. It was further suggested that consideration be given to allow a Community to name a replacement Representative if the individual needs to be replaced prior to the end of his/her term.

After considerable discussion, Secretary Hinshon was directed to revise the draft Procedure to incorporate the DUWA Board Member comments and to circulate the revised draft for consideration prior to the next DUWA Board Meeting. It was agreed that DUWA should be the entity responsible for the selection of the JMB Representatives and Alternates. In recognition that Lincoln Park is not currently a member of DUWA, it was further agreed that Lincoln Park should be invited to join DUWA, and the election process should accommodate input from Lincoln Park regardless of whether the City becomes a DUWA member.

After the new JMB becomes operational, it was suggested that DUWA schedule its Board Meetings approximately one week prior to the JMB Meetings to provide a mechanism for Community input to the JMB Reps and Alternates on issues scheduled for action by the JMB.

Motion by Mark Gahry (Brownstown Township) supported by Dave Mackie (Taylor) to continue with DUWA as the entity to assume responsibility for selecting the Community JMB Representatives and Alternates. Motion passed unanimously.

Secretary Hinshon reported that the Technical Committee met on February 4 to discuss the proposed new Max Allowable Flow Limits that are included as Exhibits B and C to the new Service Agreement. In general, the Tech Committee members were supportive of the new limits. Several Communities questioned the derivation of the new Dry Weather flow limits and how those limits might be increased in the future. Questions were also raised about the rationale for adopting 96 Wet Weather Flow Volume Limits in lieu of the old peak flow rates that were established by the 1962 Contract. Mr. Hinshon indicated that he is preparing a draft Technical Committee recommendation on this issue which will be made available to DUWA after it has been reviewed by the Tech Committee members.

It was suggested that the Attorney prepare a standard Resolution of Approval that can be given to the City Councils and Township Boards when they consider the new Service Agreement. Mr. Day agreed to circulate a proposed Resolution prior to the next DUWA Meeting.

5. Treasurer's Report

DUWA Treasurer Doug Drysdale reported that there is approximately \$23,000 in the DUWA checking account, and that he is anticipating two \$1,000 payments from Communities in the Rouge Valley System who have indicated an interest in contributing to help defray the cost incurred by DUWA for the legal evaluation prepared by the Teicher Law Firm.

DUWA members questioned whether the funds are adequate to cover anticipated future expenditures. Mr. Hinshon noted that the cost of the new "Community Liason" staff person will need to be funded by DUWA or by the individual Communities since the work will not be paid directly by Wayne County. It was agreed that it would be preferable to have the Community Liason (CL) expenses covered by DUWA to avoid having each Community receive and process an invoice for their portion of these services. Mr. Hinshon noted that the CL position is likely to be about a half time effort (20 hours/week), so the cost will be a significant expense. Chairman Paletko stated that he is attempting to arrange for a meeting in the near future with the new County Executive Evans, and he hopes to discuss this issue. It was agreed that the DUWA Board should defer consideration of additional Community assessments until the costs and scope of work for the new CL position are better defined. Motion by Mark Gahry (Brownstown Township) supported by Dave Mackie (Taylor) to approve the Treasurer's Report. Motion carried unanimously.

6. Other Business

DUWA Attorney John Day reported that the new Service Agreement assumes a "status quo" regarding the County's financial condition and the Deficit Elimination Plan (i.e. no Emergency Manager; no bankruptcy proceeding). Based on recent media coverage, it appears that the new County Executive and his staff are working hard to address the County's financial problems, but DUWA should remain watchful so that any change can be addressed in a timely manner.

7. Next Meeting Date

The Board agreed that it would be appropriate to meet in the near future to try to finalize the procedure for selecting the 4 Community JMB Reps and Alternates so that the new Service Agreement can be presented to the individual City Councils and Township Boards for approval. It was agreed that the next meeting will be held on Thursday, February 19, 2015, at 9:30 a.m. in the Taylor City Hall (if available). Prior to the meeting the Chairman will contact the City of Lincoln Park to invite them to join DUWA, the Secretary will prepare and circulate a revised Procedure for Selecting JMB Reps/Alternates, and the Attorney will prepare and circulate a proposed Resolution of Approval for use by the individual City Councils and Township Boards.

There being no other business, Chairman Paletko announced that the meeting would stand adjourned. The meeting concluded at 11:25 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
February 10, 2015

Attachments

1. Meeting Agenda
2. December 4, 2014 Meeting Minutes
3. Draft Procedure for Selecting Community JMB Reps/Alternates

ATTACHMENT 1

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:30 AM; THURSDAY, FEBRUARY 5, 2015;**

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from the December 4, 2014 meeting
4. Proposed New Downriver System Service Agreement
 - a. Approval of Metro Airport discharge of de-icing fluid to Rouge Valley System
 - b. Process for selecting 4 Community Representatives and Alternates to JMB
 - c. Technical Committee consideration of Max Allowable Flow Limits (Exhibits B, C)
 - d. Community status updates: concerns/issues/timetable for Council consideration
5. Treasurer's Report
6. Other Business
7. Next Steps/Next Meeting Date
8. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
February 19, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:40 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from ten communities including Allen Park, Belleville, Brownstown Township, Dearborn Heights, Ecorse, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. Riverview and River Rouge were not represented. Secretary Hinshon announced that a quorum (> seven members) was present. .

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Dave Mackie (Taylor), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from February 5, 2015 Meeting

Copies of the meeting minutes from the February 5, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township), to approve the February 5, 2015 meeting minutes. Motion passed unanimously.

4. Proposed New Downriver System Service Agreement

Secretary Hinshon summarized the revised draft procedure (Attachment 3) for selecting the 4 Community Representatives and Alternates to serve on the Joint Management Board. Board members expressed their views on the advantages and disadvantages of reserving seats for “large” and “small” communities as opposed to having no pre-specified assignments. After discussion, it was agreed that “Option 2” which ensures at least one “large” community Rep and at least one “small” community Rep was acceptable to all of the Board Members.

Board Members expressed reluctance to establish a formal rotation process as outlined in “Option 4” whereby an Alternate would automatically assume the Representative seat at the expiration of a Representative’s term. The Board was comfortable electing a new Board Member at the end of a Representative’s term and making the decision at that time whether to designate the Alternate or some other individual.

There was no consensus among the Board Members as to the process which should be used to replace a Representative who is unable to serve the full term. Some members advocated having the Representative’s Community appoint a replacement to a departing Rep, while others were inclined to elect a new Rep who might be from a different Community. Brandon Fournier (Southgate) made a motion, supported by Jim Taylor (Van Buren Township) to have the DUWA Executive Committee convene for the purpose of developing a recommended

procedure that could then be brought back to the DUWA Board at the next meeting for approval. Motion carried unanimously.

Secretary Hinshon reported that the Technical Committee representatives met on February 4 and discussed the proposed Maximum Allowable Flow Limits set forth in Exhibits B and C of the new Service Agreement. In general, the Tech Committee members expressed support for the approach being taken in the Service Agreement, although no final agreement has been reached as to the specific flow limits to be applied to all Communities. Follow up discussions are being scheduled to address specific concerns from various Communities.

DUWA Attorney John Day summarized the proposed Resolution of Approval that (Attachment 4) that has been distributed for use by the individual City Councils and Township Boards when they take up the new Service Agreement. It was noted that it would be beneficial to have Communities take action within the next 60 days so that the new Agreement can be placed into effect quickly. Since Wayne County is experiencing major financial difficulties, it may be helpful to have the Agreement in effect in the event that an Emergency Manager is appointed. Some communities indicated that they intend to schedule their City Council action at the next meeting, while others indicated that they would be inclined to hold off presenting the Service Agreement until the selection procedure for the 4 JMB Reps has been finalized.

5. Invitation to Lincoln Park to Join DUWA

Lincoln Park City Attorney Ed Zelenak thanked Chairman Paletko for his letter dated February 9, 2015 inviting Lincoln Park to join the Utility Authority (Attachment 5). He reported that the Emergency Manager is prepared to enter an order authorizing the City to become a member, and this decision is also supported by the Mayor and Council. Attorney Day noted that it will be necessary to amend the DUWA Articles of Incorporation to add Lincoln Park as a member, and that all 12 DUWA Communities will need to approve that Amendment to take effect.

The Board Members encouraged Mr. Day to simultaneously prepare language for the JMB Rep selection process and to include that language as part of the Amendment, since the current Articles of Incorporation do not address that issue. Mr. Day indicated that he would prepare the proposed Amendment to the Articles of Incorporation to add Lincoln Park and to specify the process for selecting the JMB Representatives and Alternates, and bring that back to the next DUWA Board Meeting for review and approval.

6. Treasurer's Report

DUWA Treasurer Doug Drysdale was not in attendance, so the Treasurer's report was tabled.

6. Other Business

Secretary Hinshon reported that Mike Caldwell, outside counsel to Wayne County, has contacted him to solicit input from the Downriver Communities on proposed changes to the County's Purchasing and Procurement procedures as

they apply to the Downriver Sewer System. Mr. Hinshon indicated that he will be preparing a draft outline of suggested changes which will be circulated for review by the DUWA Members before it is transmitted to the County. He cautioned that Mr. Caldwell's request was made on behalf of the County Executive's administrative staff, and that no contact has yet been made with the County Commission to assess the Commission's willingness to consider changes.

Secretary Hinshon also indicated that he has received a Freedom Of Information Act (FOIA) request dated February 6, 2015 from Mr. Kerry Morgan (Attachment 6). The request seeks numerous documents, emails and correspondence to/from DUWA Officers and Agents starting as of January 1, 2011. Mr. Hinshon estimated that the time required to review files and email logs to be copied and provided to Mr. Morgan may be on the order of 8 – 10 hours or more. He requested that the DUWA Board authorize that this effort be subject to reimbursement by DUWA, with the understanding that DUWA can pass that cost along to Mr. Morgan. Motion by Mark Gahry (Brownstown Township), supported by Jim Taylor (Van Buren Township) to authorize payment to Mr. Hinshon for his work in responding to the FOIA. Motion carried unanimously.

Mr. Patrick McCauley briefed the DUWA Board on a new bill in the State Legislature to amend Act 185 which, if approved, would restrict the County's ability to sell the sewer system without the approval of the member communities. The bill (House Bill 4033) has been introduced by State Representative Kurt Heise but has not as yet been scheduled for a hearing. DUWA Board Members asked that a copy of the bill be provided for their review. There was a general consensus that it would be appropriate for the Communities to express support for the legislation since the new Service Agreement does not restrict the County from attempting to sell the System.

7. Next Meeting Date

It was agreed that it is important for the DUWA Board to reconvene relatively quickly to deal with the proposed changes to the Articles of Incorporation and the recommended procedures for selecting the JMB Reps and Alternates. It was decided that the next DUWA Board Meeting will be scheduled for Thursday, March 5, 2015 at 9:30 a.m. in the Taylor City Hall (if available). Secretary Hinshon will confirm the availability of the site, and then send a confirmation announcement.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 10:45 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
February 23, 2015

Attachments

1. Meeting Agenda
2. February 5, 2015 Meeting Minutes
3. Revised Draft Procedure for Selecting Community JMB Reps/Alternates
4. Letter from Chairman Paletko to Lincoln Park re: DUWA Membership
5. Proposed Resolution of Approval for Downriver Communities
6. FOIA Request dated February 6, 2015 from Kerry Morgan to Dick Hinshon

ATTACHMENT 1

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:30 AM; THURSDAY, FEBRUARY 19, 2015;
TAYLOR CITY HALL COUNCIL CHAMBERS**

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from the February 5, 2015 meeting
4. Invitation to Lincoln Park to join DUWA
5. Proposed New Downriver System Service Agreement
 - a. Revised Procedure for selecting 4 Community Representatives and Alternates to JMB
 - b. Recommendation from Technical Committee
 - c. Proposed Resolution of Approval for use by Communities for new Service Agreement
6. Treasurer's Report
7. Other Business
8. Next Steps/Next Meeting Date
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
April 30, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from eleven (11) communities including Belleville, Brownstown Township, Dearborn Heights, Ecorse, Riverview, River Rouge, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte. Allen Park was not represented. Secretary Hinshon announced that a quorum (> seven members) was present. .

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Dave Mackie (Taylor), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from February 19, 2015 Meeting

Copies of the meeting minutes from the February 19, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the February 19, 2015 meeting minutes. Riverview Representative Doug Drysdale suggested a minor modification to the minutes to insert the words "in attendance" at the end of the first paragraph of Item 4. (Proposed New Downriver System Service Agreement). The motion to approve the February 19, 2015 Meeting Minutes was so modified with the consent of the Maker and the Supporter of the motion. Motion passed unanimously.

4. Discussion of Wayne County's Proposed "Term Sheet"

Motion by Jim Taylor (Van Buren Township) supported by Mark Gahry (Brownstown Township) to go into closed session for the purpose of discussing the acquisition of property from Wayne County. Motion passed unanimously, and the Board went into closed session at 9:30 a.m.

At 10:15 a.m. motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township) to come out of closed session. Motion passed unanimously.

Motion by Keith Boc (Romulus) supported by Mark Gahry (Brownstown Township) to direct the Negotiating Team to meet with the Wayne County representatives for the purpose of entering into negotiations regarding the proposed "Term Sheet" (Attachment 3). Motion passed unanimously.

5. Update on the Request to Wayne County for responses on 4 Issues

Chairman Paletko reported that no written response has been received as yet from Wayne County on the four issues that were discussed during the March 13, 2015 meeting with Deputy CEO Richard Kaufman and other key Wayne County staff. The four items include:

- Documentation to demonstrate that the County is not utilizing Downriver System Cash Reserves to pay bills unrelated to the System;
- Assurance that the Hiring Freeze and Overtime Ban would not be applied to the Downriver System since it is a restricted revenue Enterprise Fund;
- Issuance of the 2015 -2016 proposed Downriver Rate package and presentation of the proposed rates to the JMC Finance Committee;
- Resumption of the JMC and scheduling of a meeting at which time the proposed 2015 – 2016 rates would be taken up.

Mayor Paletko noted that an email has been received indicating that the 2015 – 2016 Rate Package is being developed, and it is targeted to be distributed by May 15. Also, several vacant positions at the wastewater plant have been filled which seems to indicate that the Hiring Freeze is not being applied to the Downriver System even though the County has not issued a document officially announcing that the Downriver System is exempt.

6. Update on the Proposed New Service Agreement

Secretary Hinshon summarized the updated Table (Attachment 4) showing that 11 of the 13 Downriver Communities have approved the new Service Agreement. Riverview and Romulus have not approved the Agreement, and both Communities have indicated that there are several issues that are under review.

Secretary Hinshon noted that some minor adjustments to the Maximum Allowable Dry Weather Flow Limits have been discussed, particularly in response to questions from Riverview and Romulus.

Attorney John Day reported that he has not as yet prepared the Amendment to the DUWA Articles of Incorporation which, if approved by all 12 DUWA Communities and by the City of Lincoln Park, would add Lincoln Park as a member of the Authority. Several Board members expressed support for assessing Lincoln Park for the same amount as has already been paid by the other 12 Communities when they join the Authority. Mr. Day indicated that work on the new procedure to select the 4 JMB Reps and Alternates has been deferred until it is determined whether all 13 Communities are prepared to approve the new Service Agreement.

7. Report on 4/23 Wayne County Meeting re: Technical Coordinator Invoices

Secretary Hinshon distributed a summary of a meeting he attended on April 23 with staff from the Wayne County CEO's Office (Attachment 5). He noted that the County staff were displeased that the recent Technical Coordinator invoices showed substantial work effort relating to discussions about the new Service Agreement. Since the County Executive announced his intent to revoke the Agreement on February 20, the staff members indicated that they did not intend to pay for the Technical Coordinator's work, even though assistance on the

Service Agreement is explicitly listed as one of sixteen tasks to be undertaken by the Technical Coordinator. Subsequently, the County has advised Mr. Hinshon to stop work and incur no additional expenses under the Technical Coordinator contract.

Several Board Members objected to the County's actions, and noted that since it is the Communities' money that is funding the Technical Coordinator work the Communities should have a say in deciding what work is done. Motion by Brandon Fournier (Southgate) supported by Mark Gahry (Brownstown Township) to have DUWA pay for the Technical Coordinator costs if the County does not. Motion passed unanimously.

Several Board Members expressed support for continuing to cover future work performed by Hinshon Environmental and its subconsultant, Plante & Moran, if the County is unwilling to continue the Technical Coordinator contract. It was agreed that Mr. Hinshon should provide information to the Board regarding the anticipated future costs likely to be incurred so that the Board can consider the budgetary implications of covering future expenses.

8. Other Business/Next Meeting Date

It was agreed that the DUWA Board should meet again shortly after the Negotiating Team has had an opportunity to meet with the Wayne County representatives to discuss the Term Sheet. Thursday, May 28, 2015 was selected as the date for the next Board Meeting. The meeting will be held at Taylor City Hall in the City Council Chambers.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 10:45 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
May 14, 2015

Attachments

1. Meeting Agenda
2. February 19, 2015 Meeting Minutes
3. Non Binding Term Sheet from Wayne County dated April 22, 2015
4. Updated Summary on Status of Community Approval of Service Agreement
5. Summary of April 23, 2015 Meeting with Wayne Co. re: Technical Coordinator

ATTACHMENT 1

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, APRIL 30, 2015;
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from the February 19, 2015 meeting
4. Closed Session to Discuss Wayne County's Proposed "Term Sheet"
5. Update on Communications with Wayne Co. requesting response to 4 issues:
 - a. Provide documentation to show that Downriver System Cash Reserve Funds are NOT being borrowed and used by the County to pay bills unrelated to the Downriver System;
 - b. Written assurance that the newly announced Hiring Freeze and Overtime Prohibition will NOT be imposed on the Downriver System since it is a restricted revenue Enterprise Fund;
 - c. Release of the proposed 2015-2016 Rate Package, and presentation to the JMC Finance Committee for review/comment;
 - d. Resumption of quarterly JMC Meetings to provide continued opportunity for Community advisory input to the County on various Downriver System issues.
6. Status Update and Discussion of Proposed New Downriver System Service Agreement
 - a. Status of Approvals by Downriver Communities
 - b. Discussions re: Technical concerns relating to Proposed Maximum Allowable Flow Limits
 - c. Amendment to DUWA Articles of Incorporation:
 - a. Addition of the City of Lincoln Park as a DUWA Member
 - b. Procedure for selecting 4 Community Representatives and Alternates to JMB
7. Report on April 23 Meeting re: Technical Coordinator invoices and ongoing work with the Downriver Communities relating to the new Service Agreement
8. Other Business
9. Next Steps/Next Meeting Date
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
May 28, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Representatives were in attendance from all twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Ecorse, Riverview, River Rouge, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). A representative from Lincoln Park was also in attendance. Secretary Hinshon announced that a quorum (> seven members) was present. .

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from April 30, 2015 Meeting

Copies of the meeting minutes from the April 30, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the April 30, 2015 meeting minutes. Motion passed unanimously.

4. Discussion of May 8 Meeting with Wayne County

Attorney John Day reported on the May 8, 2015 meeting with Wayne County regarding the proposed transfer of the System from the County to the Downriver Communities as set forth in the "Non Binding Term Sheet" dated April 22. At that meeting the Community representatives informed the County personnel that the Communities are unwilling to enter into the transfer if the cost is such that it would necessitate a rate increase to the customers. The Communities might be willing to consider a transfer if the amount to be paid could be offset by savings which would accrue as a result of overall efficiencies and cost reductions associated with eliminating the County as the operator/manager of the System.

Wayne County then proposed that the Communities and the County engage in a process to issue a "Request For Proposals" (RFP) and solicit responses from qualified firms as a way to define the savings which are in fact achievable. However, the RFP process may require six months or more to complete and it is unclear whether the County is willing to suspend negotiations over the proposed transfer for that period of time. Furthermore, there is no assurance that the cost savings which might be identified will be sufficient to cover the County's proposed Transfer Fee.

Chairman Paletko summarized information he obtained at a recent seminar which included presentations from the two Judges who handled the Detroit Bankruptcy case (Judges Rhodes and Rosen). The DUWA Board Members

discussed issues relating to Wayne County's financial problems and the possible ramifications associated with either the appointment of an Emergency Financial Manager or the initiation of a Bankruptcy case in Federal Court. It was noted that the System may be at risk under various scenarios, and it was generally agreed that it makes sense to continue discussions with Wayne County about a potential transfer as a way to gain control of the assets. There was general support for moving forward with the RFP to obtain cost proposals from qualified firms.

DUWA Board members noted that it will be important to work with Wayne County to obtain the necessary technical and financial information to be provided with the RFP so that respondents can prepare a thorough, comprehensive price proposal. Chairman Paletko suggested that DUWA designate specific individuals who will serve as the Lead Persons to work on financial, technical and legal issues relating to the RFP. It was agreed that Beth Bialy (Plante & Moran), Dick Hinshon (Hinshon Environmental) and Patrick McCauley (Gasiorek Morgan et al) should be the Lead Persons for DUWA. Chairman Paletko agreed to send a letter to Wayne County Deputy CEO Richard Kaufman announcing that those individuals who will be DUWA's lead persons, and requesting that the County similarly designate its key persons who will take the lead on financial, technical and legal issues.

DUWA Board members discussed other alternatives such as entering into a long term lease and operating agreement (either by the County or by DUWA), and seeking State and/or EPA assistance of the System. It was noted that it will be important to have an outside expert or investment broker value the System assets so the Communities know its worth as part of any transfer.

Another option available to DUWA is to file a lawsuit against the County to move the issue into the Courts. The Legal Committee was asked to convene a meeting for the local attorneys to discuss issues relating to possible future litigation so that DUWA can be prepared to move in that direction if it is determined to be in the Communities' best interest. Consideration could also be given to establishing an Escrow Account in lieu of continuing to make monthly payments to the County for operating the System. It was noted that filing a lawsuit or escrowing payments will likely have an adverse effect on the ongoing discussions and issuance of the RFP, and it may be beneficial to hold off on those steps until further information becomes available about the County's willingness to move forward with the RFP.

Chairman Paletko informed the Board that the County has verbally agreed to continue to pay for the Technical Coordinator's costs from System Revenues provided that the invoices are approved by the DUWA Chairman. The unpaid invoices for work performed in February and March have been approved by the Chairman and forwarded to the County for payment. Future invoices will similarly be forwarded to the County for payment after they are approved by the DUWA Chairman. The DUWA Board was supportive of continuing the Technical Coordinator's work as set forth in the proposal from Hinshon Environmental Consulting (Attachment 3).

5. Other Issues

a. Romulus Proposal to revise the Service Agreement

Secretary Hinshon noted that Romulus' Attorney (Steve Hitchcock) had suggested that the Communities prepare a revised version of the Service Agreement to create a document which would be acceptable to all 13 Communities. The document would be similar to the one approved by the County Commission in December 2014, but with changes to address the concerns of the Communities. After discussion, it was generally agreed that there is no need to develop such a document since the County is not willing to engage in discussions to extend their role as the operator of the System.

b. Status of Downriver Cash Reserve funds

It was reported that the County has not provided any information on the status of the Downriver System Cash Reserves in response to multiple written requests from the Communities. Beth Bialy noted that she had obtained some information about Wayne County's finances from the State of Michigan Treasury Department web site which indicates that the Downriver Reserves have been reduced to \$4.7 million, and it is unclear why the amount is so low. Mayor Paletko agreed to send a letter to the Wayne County Treasurer (Raymond Wojtowicz) requesting that the Downriver funds be segregated in a separate bank account. A copy of the letter will also go to Deputy CEO Richard Kaufman.

c. FY2016 Downriver Rates

Secretary Hinshon noted that an email was received from Elmeka Steele on May 14 (Attachment 5) announcing that the FY2016 Downriver Rate package was not yet available, but that it would be distributed at some unspecified date in the future. Several DUWA members noted that this is a major concern since the Communities have to prepare and adopt their budgets at this time, and the sewer rates are an important element to that process.

d. Resumption of the JMC

Chairman Paletko indicated that the County agreed to reconvene the JMC several months ago, but nothing has transpired with respect to actually scheduling a meeting. The primary issue that is expected to be taken up by the JMC is the review of the proposed FY2016 rate package. When the rate package is distributed, a JMC meeting will be scheduled. In the interim, it was agreed that it would be appropriate for the Downriver Communities to adopt a Resolution extending the JMC Memorandum of Understanding (MOU) since the MOU has expired and is no longer in effect. Wayne County will also need to approve the MOU extension, but the County historically has been unwilling to consider any extension request until all 13 Downriver Communities have approved the extension. Attorney John Day agreed to prepare and distribute a Resolution to approve the MOU extension.

e. Incorporation of Lincoln Park into DUWA

Attorney John Day presented a proposed Amendment to the DUWA Articles of Incorporation (Attachment 6) which, if approved by all 12 member

Communities and the City of Lincoln Park, would add Lincoln Park as a member of the Authority. Lincoln Park Emergency Manager Brad Coulter has indicated that Lincoln Park is willing to become a member of the Authority. Mr. Day noted that his preference is to have the new Amendment replace/supersede the original Articles of Incorporation so as to have a single document for future reference. It was noted that the pre-meeting packets included a different version of the Amendment which would simply modify a few sections of the original Articles. After discussion it was agreed that the Amendment which completely replaces/supersedes the original Articles would be acceptable. Attorney Day indicated that he would make a few minor revisions to the Amendment and the Resolution of Approval, and will circulate the final versions to the Communities for approval within the next day or so.

Secretary Hinshon pointed out that the weighted voting percentages have been adjusted assuming that Lincoln Park becomes a member of the Authority. The voting percentages are based on Judge Feikens' Financing Order that was issued in conjunction with the 1994 Consent Judgment. He noted that the Articles of Incorporation require a Super Majority to approve seven (7) specific actions listed in Article X. For these items, the Amendment requires a minimum of sixty-two percent (62%) of the weighted vote for approval. This percentage was set to ensure that a measure could not be defeated solely by the two largest communities. In order to block passage, at least 3 communities must vote against the measure.

The Board discussed the question of membership dues for Lincoln Park assuming the City decides to join DUWA. It was noted that each member Community originally paid a start up assessment of \$3,000 when DUWA was created, and it was suggested that Lincoln Park similarly be assessed \$3,000 to become a member Community as set forth in the Amendment to the Articles of Incorporation. Motion by Mark Gahry (Brownstown Township) supported by Michael Bowdler (River Rouge) to assess Lincoln Park initial membership dues in the amount of \$3,000, and to distribute the Amendment to the DUWA Articles of Incorporation to each Community for approval. Motion passed unanimously.

6. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that as of April 30, 2015 the DUWA bank account had a balance of approximately \$11,500. Current DUW expenditures consist of attorney fees, which are typically on the order of \$3,000 per month. Assuming receipt of an additional \$3,000 from Lincoln Park for its membership dues, it appears that the funds will be sufficient to cover costs likely to be incurred over the next 5 months.

7. Other Business/Next Meeting Date

Allen Park Representative Bill Matakas inquired as to the status of House Bill 4033 and it was noted that the substantial opposition has been registered over the bill, and it appears unlikely that it will be reported out of the Committee.

It was agreed that the DUWA Board should meet again on Tuesday, June 23, 2015 in the Taylor City Hall in the City Council Chambers.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Bill Matakas (Allen Park) and carried unanimously. The meeting adjourned at 11:15 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
June 8, 2015

Attachments

1. Meeting Agenda
2. April 30, 2015 Meeting Minutes
3. Technical Coordinator Scope of Work dated 5/12/15 and Invoices
4. Wayne County "Non-Binding Term Sheet" dated 4/22/15
5. Email dated 5/14/15 from E. Steel re: delay in issuing the FY2016 Rate Package
6. Draft Amendment to DUWA Articles of Incorporation and Draft Resolution of Approval

ATTACHMENT 1

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, May 28, 2015;

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from April 30, 2015 meeting
4. Re-Cap of May 8 Wayne County Meeting (*D. Paletko/J. Day*) and DUWA Discussion:
 - a. County Proposal for Technical Coordinator Contract:
DUWA to administer Contract (i.e. assign and oversee work, review and certify invoices to County); costs to still be paid by County from System Revenue
 - b. County Proposal to Prepare/Issue an RFP for Operation/Maintenance/Management of System:
 - Use RFP as basis to identify savings which could be used to offset a Transfer Fee for System (so as to maintain a "revenue-neutral" transfer);
 - Joint County/DUWA effort to prepare RFP, obtain/review proposals
 - Unresolved Issues:
 - Willingness of Downriver Communities to accept a Transfer of the System?
 - Will there be a requirement to utilize existing County employees?
 - Will the scope of work also include System Administration/Management?
 - Does the County expect DUWA to assume any Unfunded Pension Liability?
 - To what extent will DUWA indemnify the County?
 - Decision Making process for the RFP?
5. Other Issues
 - a. New Service Agreement: Romulus Proposal to revise the Agreement into a version which would be acceptable to all 13 Communities
 - b. Status of Downriver Cash Reserve funds
 - c. 2015-2016 Proposed Rate Package: proposal targeted for release on May 15
 - d. Resumption of JMC: Agreement by County to seek JMC concurrence on Rate Package
 - e. Incorporating Lincoln Park into DUWA (formal Amendment to Articles of Incorporation)
6. Treasurer's Report: Financial Status Report
7. Other Business
8. Next Meeting Date: *possibly Tuesday June 23?*
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
June 23, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Voting Representatives were in attendance from nine (9) member communities (Belleville, Brownstown Township, Dearborn Heights, Ecorse, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte) were in attendance at the time of the Roll Call. A non-voting representative from Riverview was in attendance, and the City of Lincoln Park was also represented at the meeting. Secretary Hinshon announced that a quorum (> seven members) was present. The Representative from River Rouge joined the meeting during the discussion of Agenda Item 4.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township), to approve the agenda. Motion passed unanimously.

3. Approval of Minutes from May 28, 2015 Meeting

Copies of the meeting minutes from the May 28, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Wayne O'Neal (Ecorse), supported by Mark Gahry (Brownstown Township), to approve the May 23, 2015 meeting minutes. Motion passed unanimously.

4. Update on June 9 Meeting with Wayne County

Attorney John Day reported that he and Mayor Paletko met with Wayne County Deputy CEO Richard Kaufman, Corporation Counsel Zenna Elhasan and Chief Financial Officer Tony Saunders on June 9. Deputy County CEO Richard Kaufman indicated that the County's financial situation is deteriorating very quickly, and it is anticipated that the problem may require remedial measures in the immediate future. The County staff indicated that Community representatives will not be given the opportunity to participate in discussions with the state regarding the County's financial problems. There was no discussion of the County's failure to provide written responses to the four issues previously discussed at the March 13 and May 8 meetings.

Several Board Members questioned the appropriateness of having the DUWA Chair and Attorney meet with the County and requested that DUWA's Negotiating Team be invited to attend any future meetings. Several Board Members also recommended that DUWA establish a written paper trail documenting the County's non-responsiveness to the Community concerns and issues. Mayor Paletko noted that the purpose of the meeting was to obtain information about the County's financial position, and no negotiations relating to the proposed System transfer took place.

a. Update on Request For Proposals (“RFP”)

DUWA Secretary Dick Hinshon noted that he had transmitted a Draft Outline and Timetable (Attachment 3) to Deputy CEO Kaufman on June 15. The Board agreed that moving forward with finalizing and releasing the RFP is an important task. Mr. Hinshon questioned whether the County will cooperate with this effort notwithstanding their previous verbal indication of support. He noted that the RFP must include documents and information that is only available from the County, and that the County needs to assist in providing access to the facilities to the respondents so they can inspect the System before they prepare a Proposal.

b. Segregation of Funds/Status of Cash Reserves

Chairman Paletko noted that he sent a letter dated June 2 (Attachment 4) to Wayne County Treasurer Raymond Wojtowicz requesting that the Downriver System funds be segregated and that the funds be used only to pay for system related expenses. To date there has been no response to the letter, although Deputy CEO Kaufman expressed displeasure that it was sent.

c. FY2016 Rates and Proposed Capital Improvement Project

Secretary Hinshon noted that Wayne County has provided no information to date regarding the FY2016 Rates, and there is uncertainty over whether the County will go forward with the long awaited capital improvement project for the Headworks and Secondary Improvements due to concerns over the County’s ability to incur new debt and obtain the SRF low interest loan that the state is offering for the project.

d. Waiver on County Hiring Freeze and Overtime Prohibition

Secretary Hinshon noted that Wayne County has provided not response to the March 13 request for a clarification that the County’s Hiring Freeze and Overtime Prohibition will not be applied to the Downriver System since it is an Enterprise Fund with revenues derived solely from the member Communities.

e. Payments to Technical Coordinator

Secretary Hinshon reported that one of the four unpaid Technical Coordinator invoices has been paid as of June 22. The paid invoice covered work performed in February under the Technical Coordinator contract.

5. Report from Legal Committee re: June 9 Meeting and DUWA Options

Legal Committee Chairman Patrick McCauley presented a memo summarizing the discussions from the June 9 Legal Committee meeting (Attachment 5) and described several possible actions which DUWA might consider undertaking. DUWA Board Members requested that the list of option be presented in writing for review, and Mr. McCauley agreed to provide that document. In general, the Board Members expressed support for being proactive regarding involvement on the County’s financial situation rather than simply responding after the fact.

It was agreed that DUWA should prepare and send a letter to the State Treasurer stating our concerns over the Downriver System and requesting that DUWA be provided an opportunity to participate in discussions between the state and the County to the extent that such discussions involve issues pertaining to the sewer system.

It was further agreed that DUWA should prepare and send a letter to the County reiterating our concerns with the four issues previously identified at the March 13 meeting with Deputy CEO Richard Kaufman and several additional issues including the status of the capital improvement project for the Secondary and Headworks Renovations, participation in discussions relating to state intervention as they pertain to the sewer system and finalizing the RFP to secure quotes from qualified firms to operate the system.

Mr. McCauley was directed by the Board to also prepare a draft Notice of Interest on behalf of the Communities as one way to strengthen the Communities' ability to forestall any unilateral sale or lease of the System by the County. The Board also discussed the potential for filing a lawsuit as a possible mechanism to further protect the Communities' interest in the System. It was noted that a lawsuit would presumably need to be filed by one or more Communities since DUWA is not a party to the 1962 Service Agreement and may not have standing to file suit. Mr. McCauley reminded the Board that a complaint was previously prepared in 2014 for the City of Dearborn Heights, and that complaint could be updated and filed relatively quickly if it is decided that a lawsuit is warranted now.

6. Amendment to DUWA Articles of Incorporation to add Lincoln Park

Attorney Day presented the proposed Amendment to the DUWA Articles of Incorporation (see Attachment 6) which, if approved, would add the City of Lincoln Park as a member Community. In response to a request from several Board members, it was agreed that a Word version of the Resolution of Approval would be distributed for use by the Communities. The Amendment will remain as a "pdf file" to ensure that there are no revisions in the document when it is considered by each community. Copies of the Resolutions are to be returned to the DUWA Secretary after they are acted upon by the Community.

7. Resolution to extend JMC through December 31, 2015

Attorney Day discussed the Resolutions that were included with the pre-Meeting email packet (Attachment 7), and noted that separate versions have been prepared for City Councils and Township Boards, similar to what has been done in prior years. In response to a request from several Board members, it was agreed that Word versions of the Resolutions would be sent out for use by the Communities.

8. Treasurer's Report

Treasurer Doug Drysdale (Riverview) was unable to attend the meeting but had indicated to the Secretary that the Authority's balance is unchanged from what was reported at the May 23 meeting (approximately \$11,500).

9. Other Business/Next Meeting Date

Southgate Representative Joseph Kuspa suggested that it might be beneficial to re-convene the Downriver Elected Officials to seek policy direction in response to the County's financial plight and the potentially significant adverse impacts on the Downriver System. It was agreed that it would be appropriate to hold a luncheon for Elected Officials in conjunction with the next DUWA Board Meeting, and Secretary Hinshon was asked to work with the City of Taylor to work out the arrangements. It was further agreed that it will be important for DUWA to meet again in the near future to stay abreast of developments affecting the System. The Board agreed that the next DUWA Board Meeting should be held on Thursday July 16, 2015 at the Taylor City Hall in the City Council Chambers.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 11:10 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
July 10, 2015

Attachments

1. Meeting Agenda
2. May 28, 2015 Meeting Minutes
3. June 15 letter to R. Kaufman with RFP Outline and Timetable
4. June 2 letter to R. Wojtowicz re: segregation of Downriver funds
5. June 11 memo from P. McCauley summarizing June 9 Legal Committee meeting
6. Amendment to DUWA Articles of Incorporation and Resolution of Approval
7. Resolution approving an extension of the JMC Memorandum of Understanding through 12/31/15

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; TUESDAY, June 23, 2015;

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from May 28, 2015 meeting
4. Update on June 9 Meeting with Wayne County and Follow Up on Pending Issues:
 - a. Request For Proposals ("RFP")
 - Designation of Lead Persons by DUWA and County
 - Content and Timetable of Draft RFP
 - Next Steps
 - b. Segregation of Funds/Status of Downriver Cash Reserves/Letter to County Treasurer
 - c. FY2016 Rates and Proposed Capital Improvement Project (Secondary/Headworks Renovations)
 - d. Waiver on County Policy re: Hiring Freeze and Overtime Constraints
 - e. Status of payments for past due Technical Coordinator Invoices
5. Report from Legal Committee re: June 9 Meeting and Options Available to DUWA
6. Amendment to Articles of Incorporation re: Lincoln Park membership
7. Resumption of the JMC/Resolution to extend the JMC Memorandum of Understanding
8. Treasurer's Report: Financial Status Report
9. Other Business
11. Next Meeting Date
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
July 16, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Dan Paletko called the meeting to order at approximately 9:15 a.m., and Secretary Dick Hinshon conducted the roll call. Voting Representatives were in attendance from all twelve (12) member communities (Belleville, Brownstown Township, Dearborn Heights, Ecorse, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Representatives were also in attendance from the City of Lincoln Park. Secretary Hinshon announced that a quorum (> seven members) was present.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Joseph Kuspa (Southgate) requested that the Agenda be amended to include election of officers inasmuch as the Articles of Incorporation require annual elections, and the most recent election was in May, 2014. Chairman Paletko suggested that the election of officers be inserted as a new Item 9 on the Agenda, and that the last three Agenda Items be renumbered 10 – 12. Secretary Hinshon suggested that the discussion of the Next Meeting Date (re-numbered Agenda Item 11) be expanded to include the establishment of a meeting schedule for the remainder of the calendar year rather than just setting the date for the next meeting. Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the agenda with those modifications. Motion passed unanimously.

3. Approval of Minutes from June 23, 2015 Meeting

Copies of the meeting minutes from the June 23, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the June 23, 2015 meeting minutes. Motion passed unanimously.

4. Update on Request For Proposals (“RFP”)

Secretary Hinshon presented the Draft RFP (Attachment 3) which is targeted to be released on July 20 after some additional information is obtained from the County. He reported that he has identified five firms who appear to have provided contract operations services to similarly large municipal wastewater systems, and these firms will be contacted and requested to submit proposals. Only one of the five firms is currently engaged in contract operations work in Southeast Michigan, and it is not known how many of the five will actually prepare Proposals. He noted that County cooperation on the RFP is essential, both for providing the necessary information to the firms, but also to provide access to the facility for a tour and inspection. County staff have indicated that they have been directed to provide assistance as necessary so that the RFP can go forward.

Mr. Hinshon pointed out that the RFP includes a list of the evaluation criteria and weighting factors that are to be used to rate the Proposals. Cost is a factor to be considered, but cost constitutes only 30% of the overall score. After discussion, the Board concurred that this weighting was appropriate. Mr. Hinshon indicated that he would be preparing recommendations for consideration by the Board as to the composition of the Selection Committee who will review and evaluate the Proposals in October. This recommendation will be presented to DUWA at a future Board Meeting so that the Selection Committee is established well in advance of the submittal deadline (October 5, 2015).

Mr. Hinshon pointed out that the scope of work in the RFP is limited to the operation and maintenance of the Downriver System. DUWA will need to address the management and administrative responsibilities before the System can be transferred from the County. He will provide additional recommendations regarding system management for consideration by the Board at a future DUWA meeting.

5. Discussion of Wayne Co. Finances and Request for State Intervention

a. DUWA Letter to State Treasurer dated 6/25/15 re: Downriver System

Legal Committee Chairman Patrick McCauley reported that Chairman Paletko transmitted a letter on June 25 (Attachment 4) to State Treasurer Nick Khouri expressing DUWA's concerns about potential impacts to the Downriver System and the Downriver Communities as a result of state intervention to resolve Wayne County's financial problems. No response has been received as yet from the State.

b. DUWA Letter to Wayne Co Deputy CEO R. Kaufman dated 7/2/15

Chairman Paletko noted that he sent a letter dated July 2 (Attachment 5) to Wayne County Deputy CEO Richard Kaufman requesting that the County respond to prior requests for information on several pending issues. No response has been received as yet from the Deputy CEO.

c. Draft Notice of Interest re: Downriver System

Legal Committee Chair Patrick McCauley presented the Draft "Notice of Interest" document (Attachment 6) that was prepared in response to the directive from DUWA at the June 23 Board Meeting. He noted that the document is not yet finalized and additional work is being done to expand coverage to include cash reserves and to append the property description. The Legal Committee is also considering whether to prepare an Affidavit pursuant to Public Act 123, 1915.

Several Board Members questioned the timing of filing the Notice of Interest, and it was agreed that it would be appropriate to defer filing until more is known about the state's response to the County's request for intervention. If necessary, the document can be filed quickly if it appears that some action is about to be taken which might jeopardize the Downriver System assets or adversely affect the member Communities. It was noted that the filing would

need to be done by individual Communities since DUWA has no standing which would serve as the basis for asserting an interest. It was also pointed out that this is an action which is unrelated to filing a lawsuit against the County, and the Communities are free to initiate a lawsuit if that is warranted regardless of whether the Notice of Interest has or has not been filed.

d. Involvement of Teicher law firm to assist DUWA

Legal Committee Chair Patrick McCauley noted that Julie Teicher from the Teicher Law Firm has participated in meetings and discussions with the Legal Committee to provide insight and advice to DUWA in anticipation of state involvement in the resolution of the County's financial problems. Ms. Teicher has submitted an invoice totaling \$2,887.50 for work performed to date (Attachment 7), and has asked if DUWA is interested in retaining the firm to provide ongoing assistance. After discussion, the Board agreed that further involvement from the Teicher firm is not warranted at this time, but the matter can be reconsidered if necessary based on future developments. Motion by Mark Gahry (Brownstown Township) supported by Joseph Kuspa (Southgate) to pay the Teicher invoice in the amount of \$2,887.50. Motion carried unanimously.

6. Other Pending Issues

a. Segregation of Funds/Status of Cash Reserves

Chairman Paletko noted that there has been no response from Wayne County regarding the request to segregate the Downriver System Cash Reserves as outlined in the June 2, 2015 letter to County Treasurer Raymond Wojtowicz. He indicated that Deputy CEO Richard Kaufman expressed some consternation that the letter was sent to the County Treasurer.

Mark Gahry (Brownstown Township) requested that Beth Bialy prepare and distribute a summary of the Downriver funds that are being held by the County including a breakdown of the unrestricted Cash Reserves, the Operating Fund Reserves and the Debt Service Reserves. Ms. Bialy agreed to provide a summary to the Board.

Michael Bowdler (River Rouge) asked if it would possible to get a one page summary of the Downriver System costs over the past 5 – 10 years to show how the costs have changed over time. He requested that the summary also note the cost of the annual Chargebacks. Ms. Bialy indicated that she would work on preparing such a summary.

b. FY2016 Rates/Proposed Capital Improvement Project

Chairman Paletko noted that Wayne County has promised to prepare and distribute the FY2016 Rate Package in the near future, and the County has indicated that it will present the Rates to the JMC at a meeting that has tentatively been set for August 20. Several Board Members expressed frustration over the delay, and noted that the Communities have already prepared and approved their FY2016 budgets in the absence of any information from the County.

Todd Drysdale reported that he had had a telephone conversation with County CFO Tony Saunders which included a discussion of several issues including the segregation of funds, the FY2016 Rates and the upcoming capital improvement project for the Secondary and Headworks Renovations. He indicated that Mr. Saunders had advised that the capital improvement project might be reduced in scope to lower the cost, and that the County was not expecting to finance the project with an SRF Loan as we had assumed. Rather, the County is considering financing a portion of the project from cash reserves and rates to avoid incurring new debt. The Board expressed concern over this course of action due to the impact on rates, and urged Beth Bialy to contact the County to obtain additional information about financing and rates. Secretary Hinshon noted that this decision could potentially trigger repayment of the \$2 million SAW Grant since the grant requires that the full project begin construction within 3 years of the date of grant award.

c. Waiver on County Policy re: Hiring Freeze and Overtime Constraints

Secretary Hinshon reported that there has been no response from the County to DUWA's prior concerns over the adverse impacts of the Hiring Freeze and Overtime Prohibition Policy that was issued in March, 2015. He noted that there are several vacancies at the wastewater plant, although the plant has been authorized to fill certain positions on a case-by-case basis notwithstanding the Policy.

d. Status of Payments to Technical Coordinator

Secretary Hinshon reported that he has received payment from Wayne County for two of the Technical Coordinator invoices. A summary of these Invoices as of July 10 was included in the Board Packet (Attachment 8). Mr. Hinshon pointed out that the Technical Coordinator contract expires as of December 31, 2015 and prior to that date the Board should consider how it wants to handle this work going forward.

7. Status of Community Approvals of Resolutions

Secretary Hinshon presented a summary of Community approvals for two separate resolutions dealing with the Amendment to the Articles of Incorporation to add Lincoln Park as a member, and to extend the JMC Memorandum of Understanding through December 31, 2015. A table summarizing the status of approvals was included with the Board Packet (Attachment 9). The Board urged those Communities who have not yet approved the Resolutions to do so as soon as possible.

8. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the DUWA account has a balance of approximately \$15,000. However, the available balance will be reduced to about \$8,000 after he processes payments to the DUWA Attorney for invoices totaling about \$4,000 and to the Teicher Law Firm as authorized by the Board. He suggested that the Board consider an additional assessment of \$2,500 per community to provide revenue for future expenses. Some Board

Members questioned the need for an additional assessment at this time. It was requested that the Treasurer provide the Board with a copy of the Attorney's pending invoices and that the Board discuss and authorize additional work by the Attorney prior to making a decision on an additional assessment. It was agreed that the assessment should be deferred to the August meeting.

9. Election of Officers

Joseph Kuspa (Southgate) expressed concern over the fact that DUWA has not elected Officers since May 2014 even though the Articles of Incorporation require that elections be conducted annually. He noted that he had circulated an email prior to the Board Meeting pointing this out and indicating that he would be requesting that this item be added to the July 16 Board Meeting Agenda. He noted that DUWA is at a critical juncture with respect to its relationship to the County, and suggested that the organization would be well served if the Officers included representation from the largest Communities in the System.

Chairman Paletko called for nominations for the office of Chairman. Joseph Kuspa nominated Taylor Mayor Rick Sollars for the position. In response to an inquiry from the Chair, Mr. Sollars indicated that he was willing to serve as the DUWA Chair if that is the will of the group. No other nominations were put forth for the office of Chairman, and the nominations were closed. Chairman Paletko asked the Board to declare Mr. Sollars as the new Chair by acclamation, and there was unanimous agreement from the Board.

Chairman Paletko called for nominations for the office of Vice Chairman. Joseph Kuspa nominated Allen Park Mayor William Matakas for the position. In response to an inquiry from the Chair, Mr. Matakas indicated that he was willing to serve as the DUWA Vice Chairman if that is the will of the group. No other nominations were put forth for the office of Vice Chairman, and the nominations were closed. Chairman Paletko asked the Board to declare Mr. Matakas as the new Vice Chairman by acclamation, and there was unanimous agreement from the Board.

Chairman Paletko called for nominations for the office of Secretary. Joseph Kuspa nominated Dick Hinshon for the position. In response to an inquiry from the Chair, Mr. Hinshon indicated that he was willing to continue on as the DUWA Secretary if that is the will of the group. No other nominations were put forth for the office of Secretary, and the nominations were closed. Chairman Paletko asked the Board to declare Mr. Hinshon as the DUWA Secretary by acclamation, and there was unanimous agreement from the Board.

Chairman Paletko called for nominations for the office of Treasurer. Joseph Kuspa nominated Doug Drysdale (Riverview) for the position. In response to an inquiry from the Chair, Mr. Drysdale indicated that he was willing to continue on as the DUWA Treasurer if that is the will of the group. No other nominations were put forth for the office of Treasurer, and the nominations were closed. Chairman Paletko asked the Board to declare Mr. Drysdale as the DUWA Treasurer by acclamation, and there was unanimous agreement from the Board.

10. Other Business

Secretary Hinshon noted that a post Board Meeting luncheon for Downriver Elected Officials and staff has been arranged at the Lakes of Taylor Golf Club. Rick Sollars indicated that he would ask the Club to have the room open by 11:00 AM, with lunch being served around noon. Wayne County Deputy CEO Richard Kaufman has been invited to attend so that the elected officials can discuss their concerns about the System directly.

11. Next Meeting Date/DUWA Meeting Schedule for 2015

Secretary Hinshon suggested that it would be beneficial for the Board to establish a schedule for the remainder of 2015 so that members can reserve those dates on their calendars. The Board agreed to meet monthly on the 2nd Thursday of the month through the end of the year, with the meetings to be held at 9:00 a.m. at the Taylor City Hall Council Chambers. The meeting dates are:

- Thursday August 13, 2015
- Thursday, September 10, 2015
- Thursday, October 8, 2015
- Thursday, November 12, 2015
- Thursday, December 10, 2015

Secretary Hinshon noted that the Board Meetings will be canceled if there are no issues to discuss or present to the Board.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 10:40 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
July 22, 2015

Attachments

1. Meeting Agenda
2. June 23, 2015 Meeting Minutes
3. Draft Request For Proposals dated June 26, 2015
4. June 25, 2015 letter to State Treasurer re: Downriver System concerns
5. July 2, 2015 letter to Wayne Co Deputy CEO re: unresolved issues
6. Draft Notice of Interest for Downriver Communities
7. Teicher Law firm email and invoice
8. Summary of Technical Coordinator invoices dated July 10, 2015
9. July 11, 2015 Summary of Community Approvals for Resolutions to amend Articles of Incorporation and extend the JMC Memorandum of Understanding

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, July 16, 2015;

TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from June 23, 2015 meeting
4. Update on Request For Proposals ("RFP")
5. Discussion of Wayne County Financial Problems and Request for State Intervention
 - a. DUWA Letter to State Treasurer dated 6/25/15 re: Downriver System issues
 - b. Draft Letter to Wayne County Deputy CEO R. Kaufman re: unresolved issues
 - c. Draft Notice of Interest re: Downriver System
 - d. Involvement of Teicher law firm to assist DUWA?
6. Other Pending Issues
 - a. Segregation of Funds/Status of Downriver Cash Reserves/Letter to County Treasurer
 - b. FY2016 Rates and Proposed Capital Improvement Project (Secondary/Headworks Renovations)
 - c. Waiver on County Policy re: Hiring Freeze and Overtime Constraints
 - d. Status of payments for past due Technical Coordinator Invoices
7. Status of Community Approvals of Resolutions:
 - a. Amendment to DUWA Articles of Incorporation to add Lincoln Park as a member
 - b. Extension of the JMC Memorandum of Understanding through 12/31/15
8. Treasurer's Report: Financial Status Report
9. Other Business:
10. Next Meeting Date
11. Adjournment

NOTE: A Luncheon has been scheduled at the Lakes of Taylor Golf Course (25505 Northline Road) immediately following the conclusion of the DUWA Board Meeting. The purpose of the Luncheon is to provide opportunity for Downriver Elected Officials to discuss issues relating to the System and to set the direction for responding to the County's financial emergency. DUWA Reps and Alternates are encouraged to attend the luncheon with their elected officials. Local Attorneys are also encouraged to attend since some of the discussion may focus on legal options.

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
August 13, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at approximately 9:05 a.m., and Secretary Dick Hinshon conducted the roll call. Voting Representatives were in attendance from twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). At the time of the Roll Call, the Representative from River Rouge was absent. The River Rouge Representative Mayor Michael Bowdler joined the meeting in progress during the discussion of Item 4. Secretary Hinshon announced that a quorum (more than seven members) was present.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from July 16, 2015 Meeting

Copies of the meeting minutes from the July 16, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Wayne O'Neal (Ecorse), to approve the July 16, 2015 meeting minutes. Motion passed unanimously.

4. Update on Request For Proposals ("RFP")

Secretary Hinshon presented the Status Update on the RFP dated August 6, 2015 (Attachment 3), and noted that the Site Visit was successfully conducted at the wastewater treatment plant on August 4. Representatives from 4 firms participated, and the County staff were supportive and cooperative throughout the tour. It appears that at least two firms are likely to submit proposals.

All of the firms have indicated that the proposed 3 year contract term is problematic due to the high cost of transitioning to private operation and the short period of time to absorb mobilization, start up and training costs. Mr. Hinshon recommended that the RFP be amended to provide at least a 5 year contract term, with the possibility of accepting an even longer term during contract negotiations if the Authority determines that a longer term is in its best interest. Motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township) to authorize the Secretary to revise the RFP to allow for a minimum 5 year contract. Motion passed unanimously.

Mr. Hinshon pointed out that DUWA will need to establish a Selection Committee to review proposals and interview the firms after the Proposals are received in October. He indicated that he would be providing a recommendation to the Board

as to the make up of the Selection Committee for consideration at the September 10 DUWA Board Meeting. It is expected that the Committee will consist of approximately 5 Board Members who are able to commit the time to participate in the process. The Technical, Finance and Legal Committee co-chairs will review the proposals and provide comments and analysis to the Selection Committee for consideration as part of the evaluation process.

Chairman Sollars reported that the proposed transfer of the Downriver System is one issue that may be discussed during an upcoming "Flashpoint" interview with County Executive Evans which will be aired TV Channel 4 in the next week or so.

5. Report from Finance Committee re: 8/3/15 Meeting with Wayne County

Southgate Finance Director David Angileri presented the report from the Finance Committee (Attachment 4) on behalf of Committee Chair Beth Bialy who was unable to attend the Board Meeting due to a schedule conflict. Mr. Angileri indicated that the County presented two different FY16 Rate Packages (Attachment 5) to the Finance Committee on August 3. Both versions included utilizing Cash Reserves and O & M Revenue to cover the costs of the new Secondary/Headworks/Lab capital improvement project. One of the Rate Packages shows a 5.9% rate increase in FY16, while the other has a 2.74% rate increase. The difference is attributable to the amount of money to be generated from the O & M Revenue, with the understanding that future year rate increases will be affected by what is decided in the current Fiscal Year.

He noted that the Finance Committee has had relatively little time to review and comment on the Rate Package. Normally, the County distributes a draft package in February which provides time to complete the review process and allow the new rates to go into effect as of the start of the budget year (July 1).

On August 12 the County released a revised Rate Package which incorporated several significant changes in response to comments from the Finance Committee including revisions to the estimated annual flow volume, deletion of a new line item for OPEB, addition of the HEC Technical Coordinator contract, and reduced spending for the Asset Management line item. The latest Rate Package continues to rely on Cash Reserves and O & M revenue to finance the capital improvement project, which results in an overall 3.56% rate increase. It is important to note that the debt service costs are declining in FY16, and this helps partially offset the huge increase in the O & M component.

Because the FY16 Rate Package is being prepared so late in the year, the new rates will not go into effect until October 1 at the earliest, so the actual revenue derived from the increase will be less than what would have been collected had the rate been in effect for a full 12 months.

Mr. Angileri pointed out that the \$18 million Secondary/Headworks/Laboratory project was originally targeted to be funded with an SRF Loan, but the County has not been able to secure a loan due to its poor bond rating and unwillingness to pledge Revenue Sharing money as a basis to secure approval for the loan. In

addition, there is no Service Agreement in place which would serve as a binding legal commitment for the Downriver Communities to retire the debt on behalf of the County. The County has identified this capital improvement as a critical project which needs to be undertaken using the available funding sources (i.e. Cash Reserves and O & M revenue).

Several Community Representatives expressed objection to the FY16 Rate Package and questioned the advisability of spending all of the Cash Reserve account which took many years to build up. Representatives also questioned whether the County will be able to secure SRF loans in the future.

Mr. Angileri noted that the County has scheduled a JMC Meeting for August 20 for the purpose of presenting the Rate Package and the County would like to obtain an advisory recommendation on the proposed rate increase from the JMC at that meeting.

6. Discussion of Wayne County Financial Emergency and State Intervention

Legal Committee Chair Patrick McCauley briefed the Board on several recent developments relating to Wayne County's financial situation and the request for state intervention.

a. State Treasurer response to DUWA's 6/25/15 letter

Mr. McCauley reported that there has been no response from the State Treasurer to DUWA's June 25 letter (Attachment 6). However, the State Treasurer did respond to a similar letter from the Rouge Valley System (Attachment 7) and told the Rouge Valley System that it was premature to deal with the issues relating to the sewer system until more information is available about the remedial measures that need to be undertaken to address Wayne County's financial problems.

b. Correspondence between Wayne County and the Rouge Valley System

Mr. McCauley reported that Wayne County Deputy CEO Rick Kaufman has exchanged letters and emails with Mr. Chuck Barbieri who is an Attorney working with the Rouge Valley System (Attachment 8). This correspondence transmits information on the Rouge Valley System's legacy costs for pension and OPEB, and questions whether the Rouge Valley Communities are seriously interested in transferring the System.

c. Draft Notice of Interest and Affidavit re: Downriver System

Mr. McCauley presented the Draft "Notice of Interest" document (Attachment 9) and the draft Affidavit pursuant to Act 123, 1915 (Attachment 10). Both documents are ready to be filed if a determination is made that this is in the best interest of the System. However, he noted that it is uncertain whether such filings would effectively impede any actions by the County, and it is likely that if the documents are filed it will have a negative effect on the County's willingness to assist the Communities with the RFP initiative. For that reason, a "wait and see" approach may be prudent.

d. Draft Consent Agreement

Mr. McCauley summarized the major components of the Consent Agreement which has been negotiated with the State pursuant to Act 436. He noted that the Agreement is scheduled to be considered by the County Commission and will then presumably be signed and placed into effect. There are several provisions which could potentially affect the System including language requiring state approval of and new debt and requirements that the County institute remedial measures to improve the County's cash position. He suggested that it may be in DUWA's interest to retain the Teicher Law Firm to provide assistance and recommendation on to deal with the County to protect the Downriver System assets in view of the pending Consent Agreement terms.

It was noted that Deputy CEO Rick Kaufman had promised to provide legacy cost information for the Downriver System to the Communities, but has not as yet done so. The Board recommended that the Officers reiterate the need for that information. Concerns were expressed over a possible exodus of key staff who may be eligible for retirement as a way to minimize risk associated with future efforts by the County to reduce Pension benefits. Community representatives questioned how the County would determine which employees should be treated as Downriver System employees for purposes of calculating legacy costs. It was noted that the County at one time allegedly transferred a large number of employees onto the System shortly before they retired, and if this occurred it might have the effect of dramatically increasing pension and OPEB liability for staff who did not actually work for the System.

7. Other Pending Issues

a. Segregation of Funds/Status of Cash Reserves

Chairman Sollars noted that there has been no response from Wayne County regarding the request to segregate the Downriver System Cash Reserves as outlined in the June 2, 2015 letter to County Treasurer Raymond Wojtowicz. Several Community Representatives expressed dismay over the County's lack of response regarding an issue of major significance.

b. Waiver on County Policy re: Hiring Freeze and Overtime Constraints

Secretary Hinshon reported that there has been no response from the County to DUWA's prior concerns over the adverse impacts of the Hiring Freeze and Overtime Prohibition Policy that was issued in March, 2015. He noted that during the recent Site Visit at the wastewater treatment plant it was apparent that staff shortages are making it more and more difficult to operate the plant in compliance with permit limits. Vacancies at the wastewater plant are being filled on a case-by-case basis, but the plant is not at full staffing levels.

c. Response to U S Senate re: proposed Blending Prohibition

Secretary Hinshon reminded the Board that the FY16 federal appropriations bill for U S EPA includes a proposed prohibition on wet weather flow blending in the Great Lakes Basin. Since the Downriver System is the largest flow blending facility in Michigan, it would be appropriate for the Downriver

Communities to express concern and opposition to the proposed prohibition. A draft letter (Attachment 11) has been circulated, and it is recommended that the Communities finalize and send that letter when Congress returns from its summer recess on August 26.

8. Status of Community Approvals of Resolutions

Secretary Hinshon presented a summary of Community approvals (Attachment 12) for two separate resolutions dealing with the Amendment to the Articles of Incorporation to add Lincoln Park as a member, and to extend the JMC Memorandum of Understanding through December 31, 2015. He noted that all thirteen (13) Communities have approved the Amendment to the Articles of Incorporation and he has obtained copies of the signature pages from each Community. He will have the Amendment published in the local newspapers as required in Act 233, and then certify the Amendment to the State of Michigan and the Wayne County Clerk to place the Amendment into effect.

With regard to the Resolution extending the JMC through December 31, 2015, he reported that approvals have been received from twelve (12) of the Communities. Dearborn Heights has yet to consider and approve the Resolution. Dearborn Heights Representative Dan Paletko indicated reluctance to take the proposed Resolution to City Council since it only covers a few additional months. He indicated a preference for revisiting the JMC Memorandum of Understanding and proposing that the MOU be revised to make it more consistent with the terms that were embodied in the draft Service Agreement that was negotiated at the end of 2014. He indicated that he would be providing some suggested changes to the MOU for consideration by the other Downriver Communities.

9. Treasurer's Report

Treasurer Doug Drysdale (Riverview) presented a financial statement dated August 6, 2015 (Attachment 13) showing that the balance in the DUWA account is \$6,398.13. He also distributed a summary of the attorney invoices that have been paid during 2014 and noted that there are no pending unpaid invoices as of this time. However, based on past expenditures, it appears that DUWA may need to assess its members to generate additional revenue to cover costs likely to be incurred through the remainder of the calendar year.

Several Board Members indicated support for retaining the Teicher Law Firm to assist the Authority in dealing with Wayne County's financial crisis. Legal Committee Chair Patrick McCauley suggested that the Board consider establishing a "not to exceed" budget of \$10,000 for the Teicher Law Firm. It was noted that some of the Rouge Valley Communities may be willing to contribute to this effort since the Rouge Valley is facing similar issues with the County. Motion by Dan Paletko (Dearborn Heights) supported by Jim Taylor (Van Buren Township) to authorize the Authority to retain the Teicher Law Firm to provide assistance to DUWA for a scope of work which includes an evaluation of legal restrictions pertaining to use of Enterprise Funds under Act 436; analysis of the role of the County Commission with respect to approving budgets and proposed property sales; and options which could be undertaken to help protect the

System Assets including facilities and cash reserves, with a “not to exceed” amount set at \$10,000. Motion passed unanimously.

Motion by Todd Drysdale (Wyandotte) supported by Mark Gahry (Brownstown Township) to authorize the DUWA Treasurer to assess each Community \$800 to generate funding sufficient to cover the cost of the work to be undertaken by the Teicher Law Firm. Motion passed unanimously.

Discussion then moved to consideration of an additional assessment to cover anticipated future expenses for the Authority, including legal invoices. Motion by Mark Gahry (Brownstown Township) supported by Dan Paletko (Dearborn Heights) to assess an additional \$2,000 to each member Community for the purpose of generating revenue for expenses over and above the Teicher firm’s work. Several Community Representatives expressed concern over the assessment, and questioned the necessity of incurring additional legal expenses now that the negotiations on the Service Agreement with the County have ceased. After discussion, both the maker and seconder of the motion agreed to amend the motion to reduce the assessment amount to \$1,000. Motion passed on a vote of 8 – 5 with Allen Park, Brownstown Township, Dearborn Heights, Ecorse, Lincoln Park, River Rouge, Riverview and Taylor voting in the affirmative. Belleville, Romulus, Southgate, Van Buren Township and Wyandotte voted against the motion.

Discussion continued regarding the type and extent of work expected to be performed by the DUWA Attorney, and the role of the Legal Committee which is comprised of individual Community Attorneys under the Chairmanship of Patrick McCauley. Motion by Joseph Kuspa (Southgate) supported by Mark Gahry (Brownstown Township) that the Authority suspend work by the Authority’s Attorney pending receipt of a recommendation from the Legal Committee as to the necessity and scope of future work by the Authority’s Legal Counsel. The motion was debated extensively and some Community Representatives asserted that the ongoing interface with Wayne County makes it inadvisable to suspend the DUWA Attorney’s work authorization. Furthermore, since not all Community Attorneys actively participate in the ongoing Legal Committee meetings, this has the effect of shifting the financial burden for legal advice to a subset of Communities who are paying for their local attorneys to run the Committee. After discussion the motion was withdrawn by the maker and the seconder.

Discussion then moved to consideration of the process used by DUWA to review and pay invoices. It was pointed out that DUWA is currently paying directly for the cost of legal services, and also paying indirectly for technical and financial consultants whose payments are funded from Downriver System revenues upon receipt of invoices approved by the DUWA Chair. Motion by Dan Paletko (Dearborn Heights) supported by Wayne O’Neal (Ecorse) that the DUWA Officers prepare a proposed Policy regarding procedures for contracting for professional services and approval of invoices for payment, including work paid directly by DUWA and work paid by Wayne County upon receipt of the DUWA Chairman’s approval. The proposed Policy is to be brought back to the full

DUWA Board for consideration at a future DUWA Board meeting. Motion passed unanimously.

10. Other Business

Secretary Hinshon asked whether any Downriver Communities have been sued in response to the basement flooding that occurred during the August 11, 2014 rain event. Southgate and Wyandotte reported that both Communities have been sued, and noted that the County will be notified of this situation.

Several Community Representatives indicated that they had heard from their engineering consultants that the County may have retained Veolia to provide some type of analysis of privatized operations independent of the ongoing RFP process. It was agreed that DUWA should contact the County and inquire as to whether the County has retained Veolia, and to obtain a description of the scope of work. Also, the inquiry should request information as to whether the work being performed by Veolia (if any) is being funded by the Downriver System.

11. Next Meeting Date

Secretary Hinshon noted that the next scheduled meeting for DUWA has been set for 9:00 a.m. on Thursday September 10, 2015 at the Taylor City Hall.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Dan Palteko (Dearborn Heights) and carried unanimously. The meeting adjourned at 11:33 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
August 25, 2015

Attachments

1. Meeting Agenda
2. July 16, 2015 Meeting Minutes
3. Update re: RFP dated August 6, 2015
4. Finance Committee summary of 8/3/15 meeting with Wayne Co on FY16 Rates
5. Proposed FY16 Rate Packages (Two Versions: 5.9% and 2.74% increases)
6. DUWA letter to State Treasurer N. Khouri dated 6/25/15
7. Letter dated 7/7/15 from State Treasurer to Mr. C. Barbieri
8. Letter dated 8/4/15 from Mr. C. Barbieri to Mr. R. Kaufman re: Rouge Valley System
9. Draft Notice of Interest in Property dated 7/20/15
10. Draft Affidavit pursuant to PA 123, 1915 dated 7/20/15
11. Draft letter to U.S. Senate Appropriations Committee re: proposed Blending prohibition
12. Update on status of Community approvals of Amended Articles of Incorporation and JMC extension as of 8/3/15
13. DUWA Financial Statement dated 8/6/15 and list of invoices paid in 2015

DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, August 13, 2015
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from July 16, 2015 meeting
4. Update on Request For Proposals ("RFP")
 - a. Firms who appear to be interested in preparing a Proposal (based on 8/4 Site Visit)
 - b. Recommendation re: establishing a 5 Year Contract Term
 - c. Future Action Items:
 - Establish a Committee to Review Proposals in October and interview firms
 - Address non-operational issues (i.e. Administration/Management of the System)
5. Report from Finance Committee re: 8/3/15 Meeting with Wayne County
 - a. Proposed financing of \$18 M Capital Improvement from Cash Reserves and Rates
 - b. FY16 Rate Package options: 5.9% increase vs. 2.74% increase
 - c. Unresolved Issues/Questions NOTE: a JMC meeting is set for 8/20 to discuss the FY16 Rates
6. Discussion of Wayne County Financial Emergency and State Intervention
 - a. State Treasurer response to 6/25/15 DUWA letter
 - b. State Treasurer letter to Rouge Valley and RV correspondence w/ R Kaufman
 - c. Draft Notice of Interest and Affidavit re: Downriver System
7. Other Pending Issues
 - a. Segregation of Downriver Cash Reserve funds
 - b. Waiver on County Policy re: Hiring Freeze and Overtime Constraints
 - c. Response to U S Senate re: proposed Blending Prohibition in Appropriations Bill
8. Status of Community Approvals of Resolutions:
 - a. Amendment to DUWA Articles of Incorporation to add Lincoln Park as a member
 - b. Extension of the JMC Memorandum of Understanding through 12/31/15
9. Treasurer's Report
 - a. Financial Status Report: cash on hand; pending Attorney Invoices
 - b. Projected expenditures/Need for new Community Assessment
10. Other Business:
11. Next Meeting Date
11. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
September 10, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 10:07 a.m., and Secretary Dick Hinshon conducted the roll call. At the time of the Roll Call, voting Representatives were in attendance from ten (10) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Lincoln Park, Riverview, Romulus, Southgate, Taylor, and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. The River Rouge Representative and the Van Buren Township Representative both joined the meeting in progress during the discussion of Item 4. Ecorse was absent.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelly (Southgate), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from August 13, 2015 Meeting

Copies of the meeting minutes from the August 13, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the August 13, 2015 meeting minutes. Motion passed unanimously.

4. Update on Request For Proposals ("RFP")

Secretary Hinshon reported that follow up questions and requests for supplemental information were received from both United Water and Veolia by the August 25 deadline established in the RFP. The requests were significant and resulted in the delivery of several hundred pages of documents. Most of the information was compiled by Wayne County and then furnished to the firms on September 3. Site Visits are being held this week, and the next step will be the delivery of Proposals on October 5.

Mr. Hinshon presented a recommendation for the appointment of a 5 Person Committee to review the Proposals (Attachment 3), interview the firms and then prepare the formal evaluation using the Criteria and Weighting Factors established in the RFP. It is expected that the recommendation of the Selection Committee will be presented to the full DUWA Board for a decision at the November Board Meeting. Mr. Hinshon's recommendation consisted of DUWA Chair Rick Sollars (Taylor), Mayor Kerreen Conley (Belleville), City Administrator Todd Drysdale (Wyandotte), DPW Director Jim Taylor (Van Buren Township) and City Manager Bryce Kelly (Southgate).

Several Board Members questioned whether the Selection Committee can be appointed by the Chair or whether a formal action of the Board is needed. Mr.

Hinshon and DUWA Attorney John Day indicated that the Articles of Incorporation do not specify a process for appointing Committees. Chairman Sollars suggested that it might be best to have the Board establish the Selection Committee by motion given the lack of specificity in the Articles of Incorporation. Motion by Mark Gahry (Brownstown Township), supported by Keith Boc (Romulus) to appoint the 5 Person Selection Committee as recommended by Mr. Hinshon, and to have the Committee report back to the DUWA Board after completing the review and evaluation process. Motion passed unanimously.

Mr. Boc noted that the appointment of the Selection Committee is for the sole purpose of reviewing and evaluating Proposals, and that a separate Committee may need to be established in the future if DUWA resumes negotiations with the County regarding the proposed transfer of the System. Several Board Members asked Mr. Hinshon to provide electronic copies of the Proposals to the Board when the documents are distributed to the Selection Committee. Mr. Hinshon agreed to distribute electronic copies of the Proposals upon receipt.

5. **Update on FY16 Rates and Financing of Secondary/Headworks/Lab project**
Finance Committee Co-Chair Beth Bialy presented a set of recommendations from the Joint Meeting of the Technical and Finance Committees (Attachment 4) which met on August 27 to discuss the County's proposed FY16 Rate Package and the proposed approach to financing the \$18 million capital improvement project from a combination of Cash Reserves and Rates over a three year period. She noted that the Committee members were recommending that the capital improvement project be financed by issuing debt either as a Revenue Bond or some other debt instrument, and that the O & M charges be increased by 5.52% as of October 1, 2015. Furthermore, the Committee members are recommending that the County re-examine its proposed budget and reduce expenses by at least \$240,000 in recognition that the annual revenue resulting from the rate increase will be less than projected since the effective date is 3 months into the fiscal year.

Lincoln Park Representative Brad Coulter reported that he has had discussions with Tony Saunders regarding options for issuing debt for the project, and has also made contact with John Barton (Treasury Department Municipal Finance) to discuss how the SRF funding requirements can be satisfied or waived.

Ms. Bialy also reported that the County has provided estimates of the legacy costs allocated to the Downriver System for Pension and OPEB. The County has calculated that the Pension liability is \$24.9 million, and the OPEB liability is \$29.1 million assuming that the "MacDonald settlement" is approved by the court. Ms. Bialy noted that she has not been able to obtain and review the detailed calculations that were used to generate these amounts, and that they appear to be based on assumptions which may overestimate the amount. She is in contact with the County and attempting to analyze the calculation.

Dearborn Heights Representative Dan Paletko indicated that he has heard from former County employees that some individuals may have been re-assigned to

the Downriver System payroll shortly before retirement, and it will be important to review personnel records to make sure that the legacy costs are based on staff who worked for the system.

Several Board Members commented that the Communities should assert that they have no liability for these legacy costs inasmuch as the County is claiming ownership of the System and that these are the County's burden. It was noted that the Communities have fully paid all of the pension costs assessed by the County as part of the rates and charges, and it is arguably the County's responsibility to invest the funds so as to ensure that the earnings are sufficient to meet the pension obligations.

Ms. Bialy noted that the County is preparing to convene a JMC Meeting to present a revised FY16 Rate Package which will presumably include a recommendation on how to finance the Capital Improvement Project. The JMC will be asked to issue an advisory opinion that can be then considered by the County Commission when the rate increase is presented for approval.

6. Evaluation of Wayne County Consent Agreement by Teicher Law Firm

Legal Committee Chair Patrick McCauley distributed an Attorney-Client Privileged document (Attachment 5) summarizing comments received from the Teicher Law Firm based on their review of the Consent Agreement between Wayne County and the State of Michigan. He also distributed the detailed report from the Teicher Firm (Attachment 6) dated September 9, 2015. Mr. McCauley noted that one of the major findings of the Teicher firm was that the Downriver Communities are in a worse position with respect to protecting the System assets as a result of the new Consent Agreement. He pointed out specific language in the Consent Agreement which could be averse to the Downriver Community interests particular as it relates to a sale of the System and utilization of cash reserves as an "available resource" pursuant to the Consent Agreement.

Several Community Representatives expressed concern about the situation and questioned what, if any, options are available to DUWA and/or the member communities. DUWA Attorney John Day pointed out that litigation is an option, but that the Communities will need to pursue the lawsuit since DUWA may not have standing to file a complaint. Community Representatives questioned whether it would be possible to file in Federal Court, and Mr. McCauley indicated that the attorneys have not identified anything that would trigger federal court involvement. However, he noted that it might be worthwhile to consider filing a complaint jointly against both the County and the State of Michigan as the parties to the Consent Agreement, since this might cause the matter to be heard in Ingham County rather than Wayne County.

Several Community Representatives questioned the timing for pursuing litigation, and noted that a lawsuit would likely be a very costly endeavor. It was suggested that it would be beneficial to contact key people working for the State of Michigan in an attempt to get a dialog started on issues of concern to the Downriver System relating to the Consent Agreement. It was also suggested that the

Rouge Valley System be contacted since that System is facing similar problems, and it would be beneficial to develop a coordinated strategy for dealing with Wayne County's financial crisis and the potential sale of the wastewater systems.

7. Update on Amendment to Articles of Incorporation

Secretary Hinshon reported that the Legal Notice was published in the News Herald and the Sunday Press & Guide on September 6, and the publication in the Eagle is set for September 10. Copies of the Amendment have been filed with the Michigan Secretary of State and the Wayne County Clerk to satisfy the requirements of Act 233. The Amendment is now legally in effect, although the statute provides that a challenge can be filed in court within 60 days of the filing.

8. Proposed DUWA Policy re: Professional Services Contract and Invoicing

Secretary Hinshon presented a draft Policy (Attachment 7) which deals with professional services contracts and payment procedures. He noted that the proposed Policy would, if approved and placed into effect, require that all professional services work be performed pursuant to a contract or retainer agreement which, as a minimum, includes a scope of work, authorized budget, compensation terms and contract term/duration. Invoices would be distributed to Board Members to provide opportunity for comment prior to issuing payment, and a procedure is proposed to address any questions or objections relating to claimed costs. The new Policy would establish a 90 day window for vendors to secure a contract if they are currently working without one.

Motion by Dan Paletko (Dearborn Heights) supported by Mark Gahry (Brownstown Township) to forward the draft Policy to the Finance Committee and the Legal Committee for review, and to have the Policy brought back to the October DUWA Board Meeting for consideration. Motion passed unanimously.

9. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the DUWA Bank Account has \$6,398 on hand. The Treasurer is preparing to issue assessments to the member communities as approved by the Board at the August 13 meeting. He noted that there are two pending invoices (Attachments 8 and 9). The first is from the Foster Swift law firm for \$1,215.00 for assistance to the Legal Committee on issues relating to the Consent Agreement. The second is a request from Hinshon Environmental Consulting for reimbursement of the newspaper publication costs for the Amendment to the Articles of Incorporation in the amount of \$2,260.43. Motion by Kerreen Conley (Belleville) supported by Bryce Kelly (Southgate) to authorize payment of the Hinshon Environmental Consulting invoice. Motion passed unanimously. Motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township) to authorize payment of the Foster Swift invoice by the Treasurer. Motion passed unanimously.

10. Other Business

No other business items were raised for discussion.

11. Next Meeting Date

Chairman Sollars noted that the next scheduled meeting for DUWA has been set for 9:00 a.m. on Thursday October 8, 2015 at the Taylor City Hall.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Bryce Kelly (Southgate) and carried unanimously. The meeting adjourned at 11:45 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
September 17, 2015

Attachments

1. Meeting Agenda
2. August 13, 2015 Meeting Minutes
3. Recommendation re: Selection Committee to Review Proposals
4. Recommendations from 8/27/15 Joint Technical/Finance Committee Meeting
5. Summary of Teicher Firm's Evaluation of the Wayne Co. Consent Agreement
6. Report from Teicher Firm dated 9/9/11
7. Draft DUWA Policy re: Professional Services Contracts and Invoices
8. Foster Swift invoice dated 7/8/15
9. HEC invoice dated 9/2/15 for reimbursement of Newspaper printing costs

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY

10:00 AM; THURSDAY, September 10, 2015

TAYLOR CITY HALL COUNCIL CHAMBERS

NOTE: meeting start time has been delayed to 10 AM to accommodate the JMC Meeting at 9 AM in the Taylor City Council Chamber

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from August 13, 2015 meeting
4. Update on Request For Proposals ("RFP")
 - a. Requests for Clarification and Supplemental Information
 - b. Recommendation re: establishment of a Selection Committee for DUWA
5. Update on FY16 Rates and financing of Secondary/Headworks/Lab project
 - a. Joint Technical/Finance Committee recommendation to JMC
 - b. Options for issuing debt to finance the proposed capital improvement project
6. Wayne County Consent Agreement: Evaluation and Recommendations from Teicher Law Firm
7. Update on Amendment to Articles of Incorporation
 - a. Publication of Legal Notices in 3 Local Newspapers
 - b. Certification to State of Michigan and Wayne County Clerk
8. Proposed DUWA Policy re: Professional Services Contracts and Invoices
9. Treasurer's Report re: Bank Account Status and Pending Invoices
10. Other Business
11. Next Meeting Date: **October 8, 2015** (9:00 AM; Taylor City Hall)
12. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
October 8, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:10 a.m., and Secretary Dick Hinshon conducted the roll call. At the time of the Roll Call, voting Representatives were in attendance from twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Lincoln Park, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. The City of River Rouge was absent.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Keith Tackett (Belleville), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from September 10, 2015 Meeting

Copies of the meeting minutes from the September 10, 2015 meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Keith Tackett (Belleville), to approve the September 10, 2015 meeting minutes. Motion passed unanimously.

4. Update on Request For Proposals ("RFP")

Secretary Hinshon reported that two Proposals were received on October 5: one from United Water/SUEZ and another from Veolia. Both appear to be complete and responsive to the July 20 RFP. Copies are being reviewed by Patrick McCauley, Beth Bialy and Dick Hinshon to identify items where clarification may be needed and/or supplemental information required. A letter will be sent to each firm requesting answers prior to the Interviews with the Selection Committee which will be held in early November in accordance with the Procurement Schedule as set forth in the RFP (Attachment 3).

It is anticipated that the Selection Committee will evaluate the two Proposals using the criteria and weighting factors listed in the RFP so that a recommendation can be given to the full DUWA Board for consideration at the November 12 Board Meeting. Substantial cost savings as compared to the current Wayne County O & M budget are identified in the submittals, although additional scrutiny and review is needed to determine if the proposed scope of work encompasses all of the tasks identified in the RFP.

Mr. Hinshon presented a summary (Attachment 4) of the management and administrative duties that would need to be assumed by DUWA if the System is transferred and a Contract Operations firm is hired to do the O & M. He noted that additional investigatory work is needed to determine the number of

employees and cost that would be incurred by DUWA to manage the System. However, significant cost savings could potentially be achieved for the management of the System since the current Wayne County charges for non O & M work exceeds \$3.6 million.

DUWA Chairman Rick Sollars noted that he had recently been contacted by Wayne County Deputy CEO Rick Kaufman who expressed interest in moving forward with discussions leading to the eventual transfer of the System. Mr. Sollars indicated that DUWA will likely be in a position to resume negotiations on the System transfer in November when the Proposals have been reviewed.

Mr. Hinshon asked if the Board is willing to share the two Proposals with Wayne County staff who have inquired as to the status of the submittals. Motion by Mark Gahry (Brownstown Township) supported by Dan Paltko (Dearborn Heights) to share the two Proposals with Wayne County staff and to solicit their comments as to the content of the work plans. It was noted during discussion that the July 20 RFP included a "Confidentiality" assurance, and it will be important to ensure that releasing the documents to Wayne County does not violate that clause. After discussion, Mr. Gahry with the support of Mr. Paletko, amended his motion to condition the release to Wayne County upon receipt of adequate assurance that confidentiality will be preserved. Several attendees questioned whether Wayne County has an existing contractual relationship with one of the Proposing Firms (Veolia) and suggested that DUWA obtain information from the County about the nature of that relationship before releasing the Proposals. Other Board Members suggested that it would not be in DUWA's best interest to share the cost information with Wayne County since this could influence the County's view of what constitutes a reasonable transfer fee.

After further discussion, Mr. Gahry, with the support of Mr. Paletko, amended his motion to allow for the release of the two Proposals minus the cost data to Wayne County after the DUWA Attorney (John Day) has determined that such release will be consistent with the Confidentiality provision of the RFP. Motion passed unanimously. Mr. Hinshon indicated that he would notify Ms. Steele of the need to coordinate with the DUWA Attorney to address the Confidentiality issue before the Proposals will be released to the County.

5. Downriver System Financial Issues

DUWA Secretary Dick Hinshon noted that the Finance Committee Chair (Beth Bialy) was not able to attend the Board Meeting due to an unavoidable schedule conflict. Mr. Hinshon reported that the County's revised FY16 Rate Package (Attachment 5) was approved by the JMC and is now being forwarded to the County Commission for final approval. The new rate increase is slated to be effective as of October 1, 2015.

The final FY16 Rate Package includes a significant revision to the proposed funding for the Secondary/Headworks/Lab capital improvement project. This project will now be financed with low interest SRF loan assistance from the State rather than financing the work from Cash Reserves and Rates as previously

proposed by the County. Elmeka Steele from Wayne County DPS has indicated that the loan is expected to close in mid December, 2015 before the bids expire. According to Ms. Steele, the communities will not need to pass resolutions or assurances regarding repayment of the loan, and the new SRF requirements relating to the Fiscal Sustainability Plan will not be in effect.

Mr. Hinshon reported that Ms. Bialy is attempting to obtain and analyze supporting documentation that has been requested from Wayne County to confirm the legacy cost estimates that were previously provided (including Pension liability for the System of \$24.9 million and OPEB liability for the System of \$29.1 million). To date, the County has not provided the data to show how these liability amounts were derived.

Chairman Sollars indicated that the OPEB liability costs were mentioned by Wayne County Deputy CEO Rick Kaufman as an important amount which, as a minimum, would need to be addressed in order to move forward with negotiations on transferring the System. However, it is unclear whether the OPEB liability cost is an amount which might be sufficient for consummating the transfer. This issue will undoubtedly become clearer when the Authority and the County resume negotiations on the terms and conditions for transferring the System.

6. Update re: Wayne County Consent Agreement

Legal Committee Chair Patrick McCauley discussed correspondence distributed prior to the meeting by DUWA Attorney John Day as an Attorney-Client Privileged document summarizing recent exchanges between the Rouge Valley Sewer District and Wayne County. He noted that the County has requested a response from the Rouge Valley Communities as to their interest in acquiring the System. The Rouge Valley Communities are considering retaining Plante & Moran to assist them with analysis of financial issues. The Rouge Valley Communities have indicated that a review of the County's estimate of legacy costs must precede any detailed negotiations relating to a proposed transfer of the Sewer District assets. It was noted that the Rouge Valley Sewer District consists primarily of underground interceptor pipes and a pump station, so the situation is not analogous to the Downriver Communities' circumstances.

7. Proposed DUWA Policy re: Professional Services Contracts and Invoices

Legal Committee Chairman Patrick McCauley presented a memo (Attachment 6) listing comments that arose from members of the Legal Committee regarding the draft Policy on Professional Services Contracts and Invoices (Attachment 7). He noted that the draft Policy had been referred to the Legal and Finance Committees for review by the DUWA Board at the September 10 Board meeting. The Finance Committee suggested a few minor changes but had no major concerns or comments.

The Legal Committee comments include a suggestion from Riverview that a "Grandfather" provision be included to allow the currently engaged Technical, Financial and Legal consultants to continue to work without requiring them to

enter into a new contract. That recommendation was opposed by Wyandotte and the DUWA Secretary. Riverview also suggested that DUWA adopt language relating to Conflicts of Interest similar to the provisions adopted by the South Huron Valley Utility Authority (SHVUA).

In addition, Romulus suggested that DUWA establish standard contract provisions which would be mandatory for all professional services contracts to cover items such termination, expenses, insurance coverage, etc. The City of Ecorse recommended that the procedure for paying invoices be clarified and strengthened as it relates to appeals for work claimed but not paid.

Several Board Members and meeting attendees expressed views in support of and in opposition to the proposed Grandfathering provision. Motion by Ketih Boc (Romulus) supported by Mark Gahry (Brownstown Township) to approve the draft Policy and request that the Legal Committee provide proposed contract language for standardized use on boilerplate items. After discussion the motion was withdrawn.

Motion by Dan Paletko (Dearborn Heights) supported by Wayne O'Neal (Ecorse) to refer the draft Policy to the Legal Committee to develop and integrate proposed contract language into the policy and bring a revised Policy back to the DUWA Board at the November 12 meeting for consideration. Motion passed by a vote of 7 – 5 (Belleville, Brownstown Township, Romulus, Southgate, and Wyandotte voting No).

Secretary Hinshon presented a summary of 6 Options for DUWA relating to consulting assistance for technical and financial issues after the current Technical Coordinator Contract expires at the end of December, 2015 (Attachment 8). There was general agreement among the Board Members that DUWA will need technical and financial consulting assistance after the end of 2015. There was general support for discussing this further with Wayne County staff in an attempt to secure approval from the County for a continuation of the current situation whereby Hinshon Environmental and Plante & Moran continue to provide consulting assistance with the cost being financed from System revenue. Dan Paletko (Dearborn Heights) noted that the County has major concerns about paying Mr. Hinshon, in part because of his ongoing assistance to the Downriver Communities while working under contract to Wayne County as the Downriver System Technical Coordinator.

Chairman Sollars indicated that this issue might be one to put on the table for discussion with the County when negotiations over the transfer of the System resume. An argument can potentially be made that DUWA will not be able to close the deal for the System transfer without technical and financial assistance. Furthermore, the currently approved budget for the Technical Coordinator contract will not have been fully expended as of December 31, 2015, so the already approved funds could potentially be utilized for this purpose.

9. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the DUWA Bank Account has approximately \$10,500 on hand. Payments from the most recent invoice have been received from 4 Communities. The Treasurer has received an invoice from Attorney John Day in the amount of \$2,053.50 which has been distributed to the Board by email.

Patrick McCauley reported that he has received invoices from the Teicher Law Firm for assistance provided to the Legal Committee and DUWA totaling \$12,887.50. These invoices will be distributed to the Board for review prior to the next DUWA Board Meeting.

10. Other Business

Lincoln Park representative Brad Coulter introduced the City Manager Matt Coppler and noted that Mr. Coppler will be assuming a seat on the DUWA Board for Lincoln Park when the Emergency Manager's term ends. Several Board Members noted that Mr. Coulter's efforts to secure state approval for the financing of the new capital improvement project have been a major benefit to DUWA. The Board expressed its thanks for this work and appreciation for his contributions to the organization.

Patrick McCauley suggested that the Board may need to take action to designate a Negotiating Committee to begin discussions with Wayne County regarding the proposed transfer of the system and other related issues (e.g. continuation of the Technical Coordinator Contract past 12/31/15; assurances re: Confidentiality for the release of the Contract Operator Proposals; etc.). It was noted that the DUWA Articles of Incorporation do not include specific procedures regarding the appointment of Committees, but at the September 10 Board Meeting there was general agreement among Community Representatives that it would be appropriate to have the full Board vote to approve Committees. This is the process that was used to establish the Selection Committee who will be evaluating Proposals from the Contract Operations firms.

It was suggested that the current and past DUWA Chairmen (Rick Sollars and Dan Paletko) confer and then recommend a set of individuals to be nominated for the DUWA Negotiating Committee. There was general support for this approach among Community Representatives. It was further suggested that the Negotiating Committee include elected officials since that would carry weight politically, as well as members who have knowledge/expertise on financial and technical matters. Mr. Sollars and Mr. Paletko agreed to confer and recommend a new Negotiating Team for consideration by the Board.

It was recognized that it is important that discussions with Wayne County resume quickly in the context of the County's financial emergency, the pending Proposals from the Contract Operations firms and the rapidly approaching expiration of the Technical Coordinator Contract. Motion by Mark Gahry (Brownstown Township) supported by Keith Boc (Romulus) to schedule a Special DUWA Board Meeting on Thursday, October 15, 2015 at 9:00 AM for the purpose of taking up the

recommendation from Mr. Sollars and Mr. Paletko as to the appointment of the new DUWA Negotiating Committee. Motion passed unanimously. Mr. Sollars indicated that he would work with the Taylor City staff to confirm that the City Council Chambers would be available. Secretary Hinshon reported that he will be unavailable to attend due to an already scheduled out of town commitment, but that he would arrange to have someone else take notes and assist with preparation of the Board Meeting Minutes.

11. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday November 12, 2015 at the Taylor City Hall, and that the group will also be meeting on Thursday October 15, 2015 at 9:00 a.m. for the Special Meeting to take action on the appointment of the DUWA Negotiating Committee.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Keith Boc (Romulus) and carried unanimously. The meeting adjourned at 11:21 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
October 9, 2015, 2015

Attachments

1. Meeting Agenda
2. September 10, 2015 Meeting Minutes
3. Procurement Schedule from July 20, 2015 RFP
4. List of DUWA Management Activities if the System is Transferred
5. Final FY16 Wayne County Rate Package
6. September 29, 2015 Memo from Patrick McCauley re: Legal Committee comments on draft Policy for Professional Services Contracts and Invoices
7. Draft DUWA Policy re: Professional Services Contracts and Invoices
8. DUWA Options for Technical/Financial Consulting Assistance after 12/31/15

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, October 8, 2015
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from September 10, 2015 meeting
4. Update on Request For Proposals ("RFP")
 - a. Summary of Proposals received (*Submittal Deadline is Oct.5*)
 - b. Selection Committee Process/Timetable
 - c. DUWA's Responsibilities for System Administration/Management
5. Downriver System Financial Issues
 - a. Revised FY16 Rate Package for FY16 and financing of Secondary/Headworks/Lab project
 - b. Update re: request for Supporting Documentation from Wayne Co. Legacy Cost estimate
6. Update re: Wayne County Consent Agreement
 - a. Rouge Valley System Interactions with Wayne County
7. Proposed New DUWA Policy re: Professional Services Contracts and Invoices
 - a. Recommendations from Legal and Finance Committees
 - b. DUWA Board Consideration
 - c. Options for Technical/Financial assistance after 12/31/15
8. Treasurer's Report re: Bank Account Status and Pending Invoices
9. Other Business
10. Next Meeting Date: **November 12, 2015** (9:00 AM; Taylor City Hall)
11. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
November 12, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:07 a.m., and Secretary Dick Hinshon conducted the roll call. At the time of the Roll Call, voting Representatives were in attendance from twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Ecorse, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. The Representative from the City of Dearborn Heights joined the meeting in progress during the discussion of Agenda Item 3.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Bill Matakas (Allen Park) supported by Kerreen Conley (Belleville), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from October 15, 2015 Special Board Meeting

Copies of the meeting minutes from the October 15, 2015 Special Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Kerreen Conley (Belleville), to approve the October 15, 2015 meeting minutes. Motion passed unanimously.

4. Report from DUWA Selection Committee

Secretary Hinshon presented a report from the Selection Committee (Attachment 3) and briefly described the two Proposals that were received from Veolia and United Water/SUEZ. He indicated that both firms provided supplemental information to clarify and explain their original submittals, and this information was reviewed by the Selection Committee prior to interviewing the firms. Interviews were held on November 3, after which the Committee members ranked the proposals using the four criteria described in the RFP.

Mr. Hinshon indicated that the Selection Committee members reached unanimous consensus that the Proposal from Veolia was the best submittal, and this is reflected in the scores shown on the Committee Report. The Committee recommends that the Authority designate Veolia as the Preferred Vendor for contract operation services, and that the firms be so notified.

Several Community Representatives raised questions about the content of the Proposals and the calculation of potential cost savings for both operation of the System and the costs to be incurred by DUWA for management and administrative work. Motion by Mark Gahry (Brownstown Township), supported by Mark Kowalewski (Wyandotte) to designate Veolia as the preferred vendor to engage in contract negotiations with DUWA for the operation and maintenance of

the Downriver System contingent upon negotiation of a successful Transfer Agreement with Wayne County. Motion passed unanimously.

5. Status of Negotiations with Wayne Country re: System Transfer

DUWA Chair Rick Sollars indicated that he has had some brief telephone communication with Deputy Wayne County CEO Rick Kaufman, and agreement has been reached to resume discussions relating to the proposed transfer of the System next week now that DUWA has received and evaluated the proposals for contract operation of the System.

Mr. Sollars reported that DUWA Attorney John Day is unable to attend the Board Meeting due to an unavoidable court conflict. However, Mr. Day has provided a memo dated November 11, 2015 for distribution to the Board (Attachment 4). Mr. Day has been in communication with Wayne County Corporation Counsel Zenna Elhasan and is working to arrange the next negotiation meeting with the County. Motion by Dan Paletko (Dearborn Heights) supported by Mark Gahry (Brownstown Township) to receive and file the memo from DUWA Attorney John Day. Motion passed unanimously.

Several Community Representatives expressed views on the “Key Issues” that will be discussed with the County, including:

- The County’s proposed “Transfer Fee”
- The County’s estimated cost for “Legacy Costs” including pension and OPEB liabilities;
- Decision making authority for retaining existing County employees;
- Options for handling existing debt for the Downriver System;
- Utilization of Downriver System revenue to pay for DUWA’s professional services consultants

Finance Committee Chair Beth Bialy reported that she has received limited information from Wayne County CFO Tony Saunders to explain how the legacy costs were calculated. A meeting is being scheduled with County staff and actuarial consultants to discuss the legacy cost computation. Several Community Reps expressed concern with the County’s computation and questioned whether the costs might be inflated due to a large number of short term employees who may have transferred to the System just prior to retirement.

Ms. Bialy distributed a handout showing the annual debt service requirements (Attachment 5) for a bond sale assuming that the Authority wants to generate funds to cover the Transfer Fee and Legacy Costs. She noted that depending on the interest rate and the amortization period, a bond sale could potentially generate a significant amount of money that could be used to cover the costs of a Transfer Fee and/or Legacy Costs as may be negotiated with the County. However, the calculation is based on the premise that the Authority has the legal and financial capability to sell a bond which would then be retired using revenue from the System. Further analysis by Bond Counsel and a Financial Advisor is needed to confirm the validity of this assumption.

6. Finance Committee Report re: FY16 Rates

Finance Committee Chair Beth Bialy reported that the Finance Committee met with Wayne County representatives on November 4, and the County staff reported on the status of the FY16 Rates and the SRF loan to finance the Secondary/Headworks/Lab capital improvement project. With regard to the Rates, the County Commission is expected to approve the proposed rate increase at its November 19 meeting. The Secondary/Headworks/Lab construction contract was approved November 5, and it is expected that MDEQ will close the SRF Loan to finance the project in mid January 2016. She recommended that each Community carefully review its rates and make adjustments as may be necessary to provide sufficient revenue to cover the increased cost based on the new FY16 Rate Package.

7. Legal Committee Report re: proposed new Professional Services Policy

Legal Committee Chairman Patrick McCauley reported that the Legal Committee met on October 30, and that the group has prepared a mark up of the proposed new DUWA Professional Services Policy (Attachment 6) and a set of proposed standard contract provisions (Attachment 7) for Board consideration. He noted that the draft Policy includes two different options relating to either grandfathering or not grandfathering DUWA's existing professional services consultants. He indicated that the Legal Committee was unable to agree on that issue, so the Board is being presented with both versions for consideration.

Secretary Hinshon commented that the grandfathering issue would not affect the Technical Coordinator Contract which is currently being used as the basis to cover costs from Hinshon Environmental and Plante & Moran because that contract will expire on December 31, 2015. So if DUWA wishes to engage a technical or financial consultant, it will need to approve a new contract for those services.

Several Community Representatives expressed their views on the grandfathering issue, with some members supporting grandfathering and others voicing opposition. Motion by Mark Gahry (Brownstown Township) supported by Leroy Burcroff (Romulus) to direct the Legal Committee to prepare a final version of the proposed Professional Services Policy using "option 1" (i.e. no grandfathering), and to bring that draft document back to the December DUWA Board Meeting for approval. Motion carried by a vote of 8 -3 with Allen Park, Riverview and Van Buren Township voting No.

8. Treasurer's Report

Treasurer Doug Drysdale (Riverview) presented the DUWA Balance Sheet and the Revenue/Expenditure Report as of October 31, 2015 (Attachment 8). He noted that not all of the member Communities have paid the latest assessment. The only currently pending invoice is for \$1,276.50 from Attorney John Day dated October 8, 2015 for work performed through September 30. Motion by Bryce Kelley (Southgate) supported by Jim Taylor (Van Buren Township) to approve the invoice and authorize the Treasurer to issue payment. Motion passed unanimously.

9. Other Business

Secretary Hinshon noted that a proposed meeting schedule for 2016 was included in the pre-meeting packet (Attachment 9). The suggestion is for DUWA to schedule a regular monthly meeting with the understanding that a meeting can be canceled if it is deemed unnecessary. The proposed schedule reflects a standing date/time/location assuming the 2nd Thursday of the month at 9:00 a.m. in the Taylor City Hall Council Chambers. Motion by Mark Gahry (Brownstown Township) supported by Leroy Burcroff (Romulus) to approve the proposed 2016 DUWA Board Meeting Schedule. Motion passed unanimously.

10. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday December 10, 2015 at the Taylor City Hall.

There being no other business, Bill Matakas (Allen Park) moved to adjourn. The motion was supported by Mark Gahry (Brownstown Township) and carried unanimously. The meeting adjourned at 11:15 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
November 16, 2015, 2015

Attachments

1. Meeting Agenda
2. October 15 Special Board Meeting Minutes
3. Selection Committee Report and Recommendation dated 11/4/15
4. Memo from DUWA Attorney John Day dated 11/11/15
5. Analysis of Annual Debt Service costs for 20 and 30 year Bond Sale
6. Legal Committee Recommendations re: Professional Service policy
7. Proposed Professional Services contract standard provisions
8. Treasurer's report and Invoice from J. Day dated 10/8/15
9. Proposed 2016 DUWA Board Meeting Schedule

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, NOVEMBER 12, 2015
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from October 15, 2015 Special Board Meeting
4. Report from DUWA Selection Committee
 - a. Summary of Interviews with two Firms
 - b. Evaluation Results/Recommendation to DUWA
 - c. Projection of potential cost savings for Private Operator with DUWA managing System
5. Report from Attorney re: Status of Negotiations with Wayne Co on System Transfer
 - a. Schedule/Timetetable to confer with County
 - b. Approach to resolving key issues:
 - Negotiation of mutually acceptable "Transfer Fee"
 - Legacy costs (Pension and OPEB)
 - Fate of current County Employees
 - Refinancing of Outstanding Debt
 - Ability to use System Revenue to pay for DUWA Consultants after 12/31/15
6. Finance Committee report on FY16 Rates
7. Recommendations from Legal Committee re: Proposed new Professional Services Policy
8. Treasurer's Report re: Bank Account Status and Pending Invoices
9. Other Business:
 - a. Proposed 2016 DUWA Meeting Schedule
10. Next Meeting Date: **December 10, 2015** (9:00 AM; Taylor City Hall)
11. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
December 17, 2015 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:08 a.m., and Secretary Dick Hinshon conducted the Roll Call. At the time of the Roll Call, voting Representatives were in attendance from twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. The Representative from the City of Ecorse was not in attendance.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from November 12, 2015 Board Meeting

Copies of the meeting minutes from the November 12, 2015 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Kerreen Conley (Belleville) supported by Bryce Kelley (Southgate), to approve the November 12, 2015 meeting minutes. Motion passed unanimously.

4. Report from DUWA Negotiating Committee

Motion by Mark Gahry (Brownstown Township) to go into Closed Session, supported by Jim Taylor (Van Buren Township). Chairman Sollars asked if this Agenda Item needed to be discussed in Closed Session. Several Board Members and attendees questioned the DUWA Attorney as to the necessity and legality of going into Closed Session. After discussion it was generally agreed that it would be best to handle this agenda item as part of the regular open meeting. Mr. Gahry, with the support of Mr. Taylor, withdrew his motion to go into Closed Session.

Secretary Hinshon reported on the meeting between the DUWA Negotiating Team and Wayne County representatives that was held on November 19. He noted that Wayne County Deputy CEO Rick Kaufman has indicated that the County is awaiting an offer from DUWA to acquire the System, and that the County believes such offer must, at a minimum, be sufficient to cover the unfunded pension and OPEB costs (i.e. "Legacy Costs") plus additional compensation to cover the County's alleged "ownership interest" in the System. As set forth in the meeting summary (Attachment 3), the County has indicated that it would defer to DUWA regarding the fate of current County employees who are engaged in operating the System. During the meeting, it was acknowledged that the County's computation of Legacy Costs has been questioned by DUWA's

financial advisor (Plante & Moran), and a follow up meeting has been scheduled to discuss those concerns. Once the Legacy Cost calculation has been clarified, it was agreed that DUWA would provide the County with a written offer describing its proposal to assume responsibility for operating the System.

Financial Advisor Beth Bialy summarized the November 20 meeting with Wayne County staff and financial consultants regarding the derivation of Legacy Costs for unfunded pension and OPEB expenses (see Attachment 4). Several significant assumptions and procedures were questioned including the future rate of return on investments, the allocation of costs associated with personnel working on County Drains, and the impacts of the MacDonald settlement on future health care obligations. Based on that meeting, it is expected that the Legacy Costs allocated to the Downriver System will be significantly lowered. Ms. Bialy indicated that she is awaiting a revised calculation from Wayne County which incorporates the revisions agreed upon at the November 20 meeting. The Dearborn Heights Representative (Mayor Dan Paletko) departed the meeting during this discussion to attend to an emergency situation in the City.

DUWA Attorney John Day recommended that the Board consider preparing a "Letter of Intent" which could be submitted to the County as the next step in pursuing transfer of the System. There was considerable discussion among Community Representatives about the content and purpose of a Letter of Intent and several views were expressed about issues such as the purchase price, the need to ensure that DUWA is not liable for future legacy costs if the System is transferred, and the options available to DUWA to generate funds that could be used to pay the purchase price.

Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate) to authorize the Negotiating Committee to prepare and submit a "Letter of Intent" to Wayne County for the future acquisition of the Downriver Sewage Disposal System with a purchase price not to exceed \$35 million, provided that the Letter of Intent also include contingencies and conditions as deemed appropriate by the Negotiating Committee. Motion passed 10 -1 on a Roll Call vote, with Allen Park voting No.

5. Professional Services for DUWA

Legal Committee Chairman Patrick McCauley presented a proposed Policy (Attachment 5) which, if approved by the Board, would establish minimum requirements relating to the contracts for professional services including technical and financial consultants and attorneys. He noted that the proposed Policy does not include a Grandfathering provision, consistent with the directive issued by the Board at the November 12 meeting. Motion by Bryce Kelley (Southgate) supported by Jim Taylor (Van Buren Township) to approve the Policy as presented. Motion carried unanimously.

Dick Hinshon summarized the proposed Technical Consulting Services contract (Attachment 6) which was included in the pre-meeting packet. He indicated that the Scope of Work covers activities to be provided over the next 6 months in the

event that the System is being transferred, as well as continuing work to monitor and oversee Wayne County's management of the System. He noted that DUWA does not have enough money on hand at this time to cover the anticipated contract cost. If the contract is approved, the Authority will either need to secure an agreement from Wayne County to allow the costs to be reimbursed using Downriver System revenues, or the Authority will need to issue a new assessment to its members to generate additional revenue. Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate) to approve the proposed technical consultant contract and authorize the Chairman to execute the document on behalf of the Authority. Motion carried unanimously.

Beth Bialy summarized the proposed new contract with Plante & Moran (Attachment 7) to continue to provide financial consulting services for a two year period. There was general agreement among the Community Representatives that the Authority would be well advised to retain Plante & Moran to continue this work. Motion by Mark Gahry (Brownstown Township) supported by Todd Drysdale (Wyandotte) to approve the financial consultant's proposal and authorize the Chairman to execute a contract on behalf of the Authority. Motion carried unanimously.

Chairman Sollars asked the Community Representatives how they wished to proceed with respect to contracting for future legal services for DUWA pursuant to the newly adopted Professional Services Policy. Motion by Bryce Kelley (Southgate) supported by Mark Gahry (Brownstown Township) to create a new Committee consisting of 3 or 4 Board Members, and that the Committee review options as to future legal services for the Authority and provide a recommendation to the Board at the January, 2016 Board Meeting as to the scope of services, attorney qualifications and experience, and a suggested process for procuring an attorney. Motion carried unanimously.

Chairman Sollars asked for nominees and/or volunteers to serve on the newly established Committee. Mr. Kelley suggested that Mayor Matakas from Allen Park serve on the Committee since he is an attorney with knowledge and experience that would be helpful to the group. Mr. Matakas indicated that he would be willing to participate on the Committee. In addition to Mr. Matakas, Belleville Mayor Kereen Conley, Romulus Mayor Leroy Burcroff and Wyandotte City Administrator Todd Drysdale were asked to serve on the Committee, and all three individuals indicated that they were willing to participate.

6. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that all Communities have paid the most recent dues assessment and there are no pending invoices to be paid. The balance in the DUWA bank account is approximately \$14,700.

7. Other Business

Romulus Alternate Keith Boc inquired as to the status of the Joint Management Committee and whether a schedule for future JMC Meetings has been established. Secretary Hinshon noted that Wayne County tentatively agreed to

convene a JMC Meeting in February, 2016. In addition, both the Technical and Finance Committees have established meeting dates in 2016.

Van Buren Representative Jim Taylor suggested that it would be appropriate for DUWA to maintain open communications with the Communities in the Rouge Valley System regarding System transfer inasmuch as the Rouge Valley System is engaged in a similar discussion with Wayne County. It was noted that several Downriver Communities participate in both Systems, and Legal Committee Chair Patrick McCauley is in regular contact with the Rouge Valley attorney (Chuck Barbieri). It was agreed that the two sewer systems have much in common, and that it is worthwhile for members in both systems to stay in contact.

Secretary Hinshon noted that he has been in contact with representatives from Veolia and has kept the firm apprised of developments relating to the proposed System transfer from Wayne County.

8. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday January 14, 2016 at the Taylor City Hall. Secretary Hinshon noted that the Articles of Incorporation require that an election of Officers be held at the January Board Meeting. Several Community Representatives noted that the current slate of Officers was voted into office in mid year, and expressed support for maintaining the current slate of individuals serving in those positions. It was agreed that it would be appropriate to have the names of the current Officers placed into nomination for re-appointment and Secretary Hinshon agreed to include that as part of the pre-meeting packet that will be distributed prior to the January Board Meeting.

There being no other business, Bill Matakas (Allen Park) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 10:55 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
December 18, 2015, 2015

Attachments

1. Meeting Agenda
2. November 12th Board Meeting Minutes
3. Summary of Nov. 19 Negotiating Team meeting with Wayne County
4. Summary of Nov. 20 meeting between DUWA and Wayne Co financial advisors
5. Proposed DUWA Policy on Professional Service Contracts and Invoices
6. Proposed HEC Contract for Technical Consulting Services through 6/30/16
7. Proposed Plante & Moran Financial Consulting Services contract

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, DECEMBER 17, 2015
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from November 12, 2015 Special Board Meeting
4. Report from DUWA Negotiating Committee
 - a. Summary of November 19 meeting with Wayne County re: System Transfer
 - b. Summary of November 20 meeting with Wayne County re: Legacy Cost calculations
 - c. Committee recommendation re: "Notice of Intent" to transfer System
 - d. DUWA Board discussion re: Next Steps
5. Professional Services for DUWA
 - a. Recommended new Policy on Professional Services Contracts and Invoices
 - b. Proposed Contract from Hinshon Environmental for 6 months technical assistance
 - c. Proposal from Plante & Moran for future financial consulting assistance contract
 - d. Discussion of future DUWA Attorney/legal assistance (i.e. DiPietro & Day contract)
6. Treasurer's Report
7. Other Business
8. Next Meeting Date: **January 14, 2016** (9:00 AM; Taylor City Hall)
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
January 14, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:10 a.m., and Secretary Dick Hinshon conducted the Roll Call. At the time of the Roll Call, voting Representatives were in attendance from twelve (12) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. The Representative from the City of Ecorse was not in attendance.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Leroy Burcroff (Romulus), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from December 17, 2015 Board Meeting

Copies of the meeting minutes from the December 17, 2015 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate), to approve the December 17, 2015 meeting minutes. Motion passed unanimously.

4. DUWA Legal Services

Chairman Sollars noted that a letter of resignation dated January 5, 2016 (Attachment 3) was submitted by Attorney John Day. The resignation is effective as of January 14, 2015. Motion by Mark Gahry (Brownstown Township) supported by Dan Paletko (Dearborn Heights) to receive and file the Attorney's resignation letter. Motion passed unanimously.

Bill Matakas (Allen Park) summarized the draft Request For Proposals ("RFP) for Legal Services (Attachment 4) that was prepared by the Legal Services Committee and distributed by email on January 12. He stated that the RFP is intended is to elicit proposals for legal services from qualified firms once it has been reviewed and finalized.

Several Board Members thanked the Legal Services Committee for their work on the document, and expressed support for issuing the RFP. However, since most of the community representatives have not as yet had time to review the document, it was suggested that the Committee hold off on finalizing and distributing the document for a few days to allow time for review and comment. Motion by Mark Gahry (Brownstown Township) supported by Mike Bowdler (River Rouge) to authorize the Legal Services Committee to issue the RFP next week with changes as deemed appropriate by the Committee in response to

comments from the member Communities, and that the Committee transmit the final version of the RFP to the DUWA Secretary for distribution to all DUWA Representatives and Alternates prior to its issuance. Motion passed unanimously.

Several Board Members expressed concern that John Day's resignation leaves the Authority without an Attorney, and it may take several months to obtain Proposals and hire a new Attorney. Chairman Sollars noted that Patrick McCauley, the Chair of the Legal Committee, and Taylor Corporation Counsel Gus Andreasen are both participating in the discussions with Wayne County about transferring the system, and indicated that DUWA can rely on their input for legal support for an interim period. There was general agreement among the Board Members that this would be an acceptable interim arrangement until the Authority can select and retain its own Attorney.

5. Election of Officers

Secretary Hinshon referenced the excerpt of the Articles of Incorporation which was included in the pre-meeting packet (Attachment 5). He noted that the Articles of Incorporation require the election of Officers (Chairman, Vice Chairman, Treasurer and Secretary) at the first business meeting of the year. Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate), to elect Rick Sollars (Taylor) as Chairman, Bill Matakas (Allen Park) as Vice Chairman, Doug Drysdale (Riverview) as Treasurer, and Dick Hinshon (Hinshon Environmental Consulting) as Secretary. Each individual indicated a willingness to serve as an Officer for the Authority if that be the wish of the Board. Motion passed unanimously.

6. Report from DUWA Negotiating Committee

Chairman Sollars reported that DUWA's "Notice of Intent" letter was transmitted to Wayne County on December 22, and that this triggered an exchange of multiple emails regarding the terms and conditions of transferring the System (Attachment 6). The primary issue being debated revolves around DUWA's purchase offer which is much less than what the County is seeking. In part, the differential is because of a disagreement over the calculation of pension and OPEB liabilities that can legitimately be assigned to the Downriver System.

Beth Bialy presented details on the methodology and assumptions used by the County to estimate these legacy costs, and indicated that, in her opinion, the costs calculated by the County are substantially overstated. This was discussed at a meeting of financial advisors on November 20 and tentative agreement was reached at that time to adjust the costs downward. However, the County has subsequently declined to make any change to their computation of legacy costs.

Chairman Sollars indicated that a face to face meeting between the DUWA Negotiating Team and the County staff has been set for January 26 to try to reconcile the issues relating to legacy costs. However, it was noted that even if the County agrees to adjust the legacy costs downward, it may still be difficult to come to closure on the transfer even if the parties come to agreement on the

legacy cost calculation. The County's proposed purchase price could only be financed by adopting a significant rate increase to generated revenue to cover the transfer. Several Board Members pointed out that the budget adopted by the County under the Consent Agreement with the State Treasurer anticipates additional revenue of \$110 million from the sale of the three sewer systems (Downriver; Rouge Valley; and Northeast). Since the Downriver System is by far the largest of the three sewer systems, it appears that the County's demands are based on that revenue expectation rather than what the Communities can afford to pay. The DUWA Board Members agreed that it is unacceptable to impose a significant rate increase on customers in order to cover the purchase price for the System. Since the Downriver Communities have already paid for all of the System assets, they urged the Negotiating Committee to continue to advocate for a "rate-neutral" transaction with the County.

Chairman Sollars indicated that the January 26 meeting will also include a discussion of whether the Joint Management Committee (JMC) should continue to meet while transfer negotiations are underway. Dick Hinshon and Beth Bialy reported that the County has recently canceled the previously scheduled Technical and Finance Committee meetings which were to be held later this month. In response to the meeting cancellation, Dick Hinshon transmitted a two page letter to Elmeka Steele requesting a written update on technical issues that were to have been discussed at the Technical Committee meeting.

The DUWA Board Members expressed strong support for continuation of the JMC as an important and necessary tool for the Communities to stay informed about how the System is being managed and run. It was suggested that the Mayors and Supervisors who serve on the DUWA Board contact County Executive Evans directly to seek his support for maintaining the JMC and the Technical, Finance and Legal Committees. Chairman Sollars indicated that he would work with the other Mayors and Supervisors to push for a continuation of the JMC with Mr. Evans.

7. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that all Communities have paid the most recent dues assessment, and the balance in the DUWA bank account is approximately \$14,000. He is awaiting a final invoice from Attorney John Day for work performed since September, 2015. Motion by Dan Paletko (Dearborn Heights) supported by Mark Gahry (Brownstown Township) to receive and file the Treasurer's report. Motion passed unanimously.

Several Board Members asked whether the Authority has sufficient resources to cover anticipated future consultant and attorney costs. Chairman Sollars noted that one of the items that is up for discussion with the County is whether DUWA's consultants and attorneys can be paid from Downriver System funds as part of the System transfer. If the County agrees that DUWA can access System funds to pay its consultants, the Authority would not need to generate additional revenue from dues assessments. Treasurer Drysdale indicated that he thought it would be premature to authorize a new assessment at this time, and he

suggested that this issue be deferred until it is known whether DUWA will be able to access Downriver System revenue to cover its consultant and attorney costs.

8. Other Business

Van Buren Representative Jim Taylor suggested that DUWA consider initiating a public relations campaign to reach out to customers in the Service Area if it appears that a rate increase will need to be imposed to pay for purchasing the system. He also recommended that the Negotiating Team maintain contact with representatives from the Rouge Valley System since the Rouge Valley communities are similarly engaged in discussions with Wayne County about a possible transfer of the System and both Systems have similar concerns about the County's calculation of legacy costs. Patrick McCauley indicated that he will continue to work closely with the Rouge Valley lead attorney (Chuck Barbieri) to ensure that the two Systems are aware of each other's situation.

Dearborn Heights Representative Dan Paletko noted that the recently approved contract between DUWA and Hinshon Environmental Consulting expires on June 30, and he expressed support for developing a transition plan to maintain continuity on technical issues. Dick Hinshon acknowledged that this is a very important issue, and pledged to work closely with the Board to secure a qualified successor prior to his departure. He also agreed to work closely with the new technical consultant to ensure a seamless transition. He noted that the Scope of Work for DUWA's new technical consultant will become clearer after it is known whether the System will be transferred to DUWA or whether the consultant will need to oversee and monitor the County's management and operation of the System.

9. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday February 11, 2016 at the Taylor City Hall.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Jim Taylor (Van Buren Township) and carried unanimously. The meeting adjourned at 10:50 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
January 18, 2016

Attachments

1. Meeting Agenda
2. December 17, 2015 Board Meeting Minutes
3. Resignation letter dated January 5, 2016 from Attorney John Day
4. Draft RFP for Legal Services for the Authority dated January 14, 2016
5. Excerpt of DUWA Articles of Incorporation re: Election of Officers (Article VII)
6. Email messages and supporting documents from the Negotiating Committee and Wayne County staff

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, JANUARY 14, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from December 17, 2015 Board Meeting
4. DUWA Legal Services
 - a. John Day resignation letter Jan. 5, 2016
 - b. Committee Report on Options for DUWA Legal Services Election of Officers
5. Election of Officers
6. Report from DUWA Negotiating Committee
 - a. Submittal of "Notice of Intent" Letter to Wayne County on December 22, 2015
 - b. Summary of email exchanges and clarifications as to terms for System Transfer
 - c. Next Steps
7. Treasurer's Report
8. Other Business
9. Next Meeting Date: **February 11, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
February 11, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:12 a.m., and Secretary Dick Hinshon conducted the Roll Call. At the time of the Roll Call, voting Representatives were in attendance from eleven (11) member communities (Allen Park, Belleville, Brownstown Township, Dearborn Heights, Ecorse, River Rouge, Riverview, Romulus, Southgate, Taylor, and Wyandotte). Secretary Hinshon announced that a quorum (more than seven members) was present. A Representative from Lincoln Park and Van Buren Township was not present.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Bryce Kelley (Southgate) supported by Mark Gahry (Brownstown Township), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from January 14, 2016 Board Meeting

Copies of the meeting minutes from the January 14, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate), to approve the January 14, 2016 meeting minutes. Motion passed unanimously.

4. Report from DUWA Legal Services Committee

Committee Chairman Bill Matakas reported that DUWA's Request For Proposals ("RFP") for legal services was issued January 25, 2016 to 21 firms based on recommendations received from DUWA members (Attachment 3). The RFP was similar to the document discussed at the January 14 DUWA Board Meeting, with minor changes and additions in response to comments and suggestions from various individuals. Proposals are due February 25, at which time the Officers will convene to discuss the qualifications and capabilities of the respondents. It is intended that the Officers will prepare a recommendation as to the firm which should be retained to provide ongoing legal services to the Authority prior to the March 10, 2016 DUWA Board Meeting.

5. Report from DUWA Negotiating Committee

Chairman Sollars reported that a memo dated February 3, 2016 summarizing the January 26 negotiation meeting with Wayne County was included in the Board Packet which was distributed prior to the meeting. The packet also included copies of various emails exchanged between DUWA and the County subsequent to the meeting (Attachment 4). He noted that the January 26 meeting with Wayne County staff featured a presentation from Beth Bialy regarding the computation of Legacy Costs for the System's unfunded pension and OPEB liabilities. However, since County CFO Tony Saunders was not in attendance, the County declined to engage in a detailed discussion of their Legacy Cost

calculation. Nevertheless, the point was made that the County's assertion that the Downriver System Legacy Costs are more than \$50 million was effectively countered by the information presented by Ms. Bialy.

Chairman Sollars noted that some progress was made at the January 26 meeting with respect to narrowing the gap between DUWA's offer to acquire the System and Wayne County's compensation request. However, the two sides still remain significantly far apart. The gap is sufficiently large that a rate increase might need to be considered as a mechanism to generate the revenue needed to close the purchase. Several Community representatives expressed concerns about the ramifications of a rate increase, and suggestions were put forth as to various alternatives that might be available to generate revenue. It was recommended that the Negotiating Team confirm the amount of funds available in the System's Cash Reserves, and also confer with Veolia representatives to see if Veolia can play a role in assisting DUWA as part of the County transfer negotiations.

Board members urged the Negotiating Committee to continue to meet with Wayne County and to work toward a mutually acceptable acquisition package. It was noted that formal DUWA Board approval will be necessary regardless of the amount that may be tentatively accepted by the Negotiating Committee, even if the compensation to be paid to the County reflects the amount specified in the December 22, 2015 "Notice of Intent" letter. If possible, the Negotiating Committee should push for a transfer which does not necessitate a rate increase since that will be difficult to approve, as evidenced by the negative customer feedback in response to past rate increases.

Chairman Sollars indicated that Deputy County CEO Rick Kauman has agreed to continue with JMC meetings while the transfer negotiations proceed. Mr. Kaufman has asked Elmeka Steele to make the necessary arrangements for the JMC Meeting. It was noted that February 18 had previously been set as the target date for the next JMC Meeting, but it is unclear whether the County is prepared to actually convene a meeting on that date. Since there have been no meetings of either the Technical or Finance Committees, and since no Pre-JMC meeting has been held, it seems unlikely that the JMC will actually meet on February 18. JMC Chairman Dan Paletko agreed to contact Rick Kaufman to discuss the JMC schedule and to push for a meeting in the near future if the February 18 meeting date has been scrapped. Dick Hinshon and Beth Bialy agreed to provide a list of technical and financial issues that need to be addressed as part of the next JMC meeting.

Chairman Sollars reported that he has also conferred by telephone with Deputy County CEO Kaufman about allowing DUWA's technical and financial consultants (Hinshon Environmental and Plante & Moran) to continue to be paid from Downriver System revenue while the transfer negotiations are underway. Mr. Kaufman has agreed to accommodate this request through March, 2016 and has indicated that Elmeka Steele will make the necessary arrangements to allow this to happen. However, Ms. Steele has noted that payments to HEC cannot be processed unless and until a formal Contract Amendment to extend the term of

the Technical Coordinator contract is prepared and approved by the County Commission. Mr. Hinshon stated that the County has previously amended the contract to extend the term, but the process typically requires 9 months.

Several Board Members suggested that HEC pursue a contract amendment in order to secure payment for services so as to minimize DUWA's financial obligations for this work. However, in recognition of the time that will be needed to secure payment from Wayne County, it was generally agreed that DUWA should issue payment directly to HEC with the proviso that HEC reimburse DUWA upon receipt of payment from Wayne County. Mr. Hinshon agreed that this was a satisfactory resolution of the issue, and noted that HEC had previously reimbursed DUWA for the firm's expenses back in 2011 when Wayne County similarly issued payment for work that had previously been paid directly by DUWA.

6. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the current balance in DUWA's bank account is approximately \$13,500 which is sufficient to cover the pending invoice for HEC's work in January, as well as another month or two of future invoices from HEC and Plante & Moran. Plante and Moran has not as yet submitted its invoice for work performed in January after the Wayne County Technical Coordinator contract expired. However, it is clear that DUWA will need to supplement the cash on hand if it is to be able to cover future consultant costs and the costs associated with a new attorney after DUWA completes its selection process from the Legal Services RFP.

It was suggested that the member Communities should establish a process whereby a small surcharge is assessed on a regular monthly basis when the Communities issue their payment to Wayne County to cover ongoing system operation expenses. Motion by Todd Drysdale (Wyandotte) supported by Mark Gahry (Brownstown Township) to require DUWA Member Communities to pay an extra 1% of the amount being paid to Wayne County for Base Flow as calculated from the self reporting form used by Wayne County, with the assessment to be effective as of March, 2016 based on the January 2016 Base Flow, and that this assessment remain in effect as a monthly contribution to DUWA until terminated by the DUWA Board. Motion passed unanimously.

Motion by Mark Gahry (Brownstown Township) supported by Wayne O'Neal (Ecorse) to approve Invoice No. 1 from Hinshon Environmental Consulting dated February 2, 2016 in the amount of \$4,570.00, and to have the Treasurer issue payment to HEC, provided, however, that HEC be required to reimburse DUWA for any payments subsequently received from Wayne County pursuant to the agreement with Deputy CEO Kaufman as described in Item 5. above. Motion passed unanimously.

7. Other Business

No items were presented for discussion under "Other Business".

8. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday March 10, 2016 at the Taylor City Hall. Secretary Hinshon indicated that he would be out of town on that date, but that he would make arrangements for someone else to take notes so the meeting minutes can be prepared when he returns.

There being no other business, Mark Gahry (Brownstown Township) moved to adjourn. The motion was supported by Keith Tackett (Belleville) and carried unanimously. The meeting adjourned at 11:00 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
February 15, 2016

Attachments

1. Meeting Agenda
2. January 14, 2016 Board Meeting Minutes
3. Legal Services RFP dated January 25, 2016 with Solicitation letter and list of firms receiving the invitation to submit proposals
4. Memo dated February 3, 2016 summarizing the January 26, 2016 meeting with Wayne County re: System Transfer, plus subsequent email communications
5. Invoice from Hinshon Environmental Consulting dated February 2, 2016 for technical consulting services rendered in January 2016.

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, FEBRUARY 11, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from January 14, 2016 Board Meeting
4. Report from Legal Services Committee
 - a. Overview of Final RFP issued January 26, 2016
 - b. Status of inquiries and expressions of interest from targeted firms
5. Report from DUWA Negotiating Committee
 - a. Summary of January 26, 2016 meeting with Wayne County
 - Legacy Cost methodology and Assumptions
 - County demand re: Transfer Fee + coverage of Legacy Cost
 - Resumption of JMC
 - DUWA use of Downriver System revenue for consultant costs
 - b. Summary of follow up activities/Next Steps
6. Treasurer's Report
7. Other Business
8. Next Meeting Date: **March 10, 2016** (9:00 AM; Taylor City Hall)
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
March 10, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:10 a.m., and asked for a Roll Call. At the time of the Roll Call, voting Representatives were in attendance from eleven (11) member communities (Allen Park, Belleville, Brownstown Township, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). The Dearborn Heights Representative arrived at 9:12. Chairman Sollars announced that a quorum (more than seven members) was present. There was no Representative in attendance from River Rouge.

2. Approval of the Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Doug Drysdale (Riverview), to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from February 11, 2016 Board Meeting

Copies of the meeting minutes from the February 11, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Doug Drysdale (Riverview), to approve the February 11, 2016 meeting minutes. Motion passed unanimously.

4. Report from DUWA Legal Services Committee

Chairman Sollars reported that six Proposals were received in response to DUWA's Request For Proposals ("RFP") for legal services that was issued January 25, 2016. A summary of the proposals was included in the Agenda packet (Attachment 3). The Proposals were reviewed by the DUWA Executive Committee, and two firms were identified as having very strong submittals. Those submittals were from Fausone Bohn and Foster Swift. Both Proposals were considered to be excellent, and the lead attorneys identified in their submittals (Jim Fausone and Chuck Barbieri) were deemed to be very well qualified. The Executive Committee noted that the billing rates proposed by the Fausone firm were lower than the Foster firm's rates. The Executive Committee recommended that the Fausone firm be retained by DUWA since the cost of legal services would be less under that firm's billing rates. Motion by Mark Gahry (Brownstown Township) seconded by Dan Paletko (Dearborn Heights) to retain Jim Fausone of the Fausone Bohn firm to provide legal services to DUWA, and to authorize the Chairman to execute the retainer agreement with the firm. Motion passed unanimously.

5. Report from DUWA Negotiating Committee

Chairman Sollars reported on the activities undertaken by the Negotiating Committee since the last DUWA Board Meeting on February 11. He referenced

the summary that was included in the pre-meeting packet (Attachment 4) and reported that significant progress has been made with Veolia including the identification of additional savings which would be available if DUWA is willing to enter into a longer term contract (i.e. 20 years).

Chairman Sollars noted that he and Todd Drysdale met on March 8 with Wayne County Deputy CEO Rick Kaufman, CFO Tony Saunders and Corporation Counsel Zenna Elhasan to discuss terms and conditions relating to the proposed system transfer. At that meeting, the County representatives indicated that the County Executive is insisting that the County receive at least \$60 million as the minimum acceptable purchase price for the system. The DUWA Representatives responded that the Communities are unlikely to agree to pay \$60 million to purchase the System. After substantial discussion, the parties agreed to a compromise consisting of \$54 million as an initial up-front cash payment, plus an additional \$3.5 million balloon payment to be paid within 5 years after the system is transferred. Both sides acknowledged that the compromise amount must be presented and accepted by the County Executive and the Downriver Communities before a Transfer Agreement can be prepared.

Chairman Sollars distributed an update to the DUWA Financial Strategy (Attachment 5) showing how the initial payment (\$54 million) could potentially be paid for without increasing rates. It was noted that the County is likely to significantly increase rates to cover unfunded pension and OPEB liabilities if the transfer does not go through. Beth Bialy indicated that this increase could be on the order of 15% - 20% if the County insists on using their estimate of pension and OPEB liabilities when they prepare the new rate package.

The initial cash payment is expected to be financed by a bond sale which, if feasible, would allow the current Cash Reserves to remain intact. These Reserves could then be used to cover the balloon payment that will fall due in 5 years. Beth Bialy indicated that we are still awaiting information from Wayne County as to the current status of the money on deposit in each of the reserve accounts.

The Wayne County Representatives noted that the County has received an offer from Suez to purchase the Downriver System for \$200 million. Several DUWA Representatives noted that any attempt by the County to sell the System to Suez would trigger litigation which would undoubtedly impede the County's ability to obtain cash for the proposed sale in a short period of time.

Beth Bialy noted that the estimated cost savings for both O & M and for management/administration of the System are preliminary, and are based on Dick Hinshon's analysis. Additional information is being sought from Veolia to verify the 20 year operating costs. In addition, DUWA will need to retain Bond Counsel and a Financial Advisor to determine that the Authority can, in fact, issue a bond and generate the funds needed to cover the initial purchase price. DUWA Board Members discussed the proposed purchase price, and no major objections were raised, although several Board Members questioned how the

individual community shares of the purchase price would be determined. Various allocation options were put forth, including purchase capacity and usage. It was recognized that some Communities are anticipating significant growth in the future, while others are basically completely built up at this time.

Chairman Sollars suggested that the appropriate next step would be to prepare a revised "Notice of Intent" letter which sets forth the Communities' proposed terms and conditions for the transfer, including the \$57.5 million purchase price. In addition, it will be important for the Technical and Financial Committees to meet and obtain information about the current status of the reserves, the condition of the plant, and the staffing situation. DUWA will need to secure bond counsel and a financial advisor, and begin to investigate whether the outstanding debt on the System can be transferred. It was noted that the County has offered to convene a JMC Meeting on April 21, and it was agreed that it is essential that the JMC Meeting take place as planned.

Based on the generally favorable feedback provided by DUWA Representatives regarding the proposed System Transfer, Chairman Sollars indicated he would move forward to prepare and submit a revised Notice of Intent letter, and to push Wayne County to accept DUWA's offer.

Beth Bialy briefly summarized the "Concession Model" alternative financing approach which was described in the packet of materials distributed prior to the Board meeting. She indicated that the Concession Model could be pursued if DUWA is unable to bond on its own. However, this approach involves the creation of a third party entity (the "Concessionaire") who would actually be the contracting agent to retain Veolia to operate the plan. The Board members did not express any support for pursuing the Concession Model at this time.

Several Community Representatives expressed support for engaging the new DUWA Attorney in the future discussions with Wayne County and to provide assistance with the development of the revised "Letter of Intent". Furthermore, it was agreed that it would be preferable for DUWA to take the lead on preparing the first draft of the Transfer Agreement to ensure that the terms and conditions reflect the needs of the Communities.

6. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the current balance in DUWA's bank account is approximately \$9,000, and that DUWA has received invoices totaling \$13,000 from Hinshon Environmental Consulting and Plante & Moran (Attachments 6-8). He noted that he has issued new assessments to all of the DUWA Communities based on the 1% of base flows, as authorized by the Board at the February 11 meeting. The worksheet to be used to calculate the monthly assessments was included in the pre-meeting packet (Attachment 9). He reminded the Communities to forward payments directly to him rather than remitting payments to the DUWA Mailing Address. Motion by Dan Paletko (Dearborn Heights) seconded by Mark Gahry (Brownstown Township) to approve

the invoices and authorize the Treasurer to issue payment when sufficient funds are available. Motion passed unanimously.

7. Other Business

No items were presented for discussion under "Other Business".

8. Next Meeting Date

Chairman Sollars noted that the next regularly scheduled DUWA Board meeting is 9:00 a.m. on Thursday April 14, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:10 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
March 14, 2016

Attachments

1. Meeting Agenda
2. February 11, 2016 Board Meeting Minutes
3. Summary of Legal Services Proposals and Executive Committee Recommendation dated March 7, 2016
4. Summary of Negotiating Committee activities since the Feb. 11 Board Meeting
5. Updated Financing Strategy for System Transfer
6. Invoice from Hinshon Environmental Consulting dated March 1, 2016 for technical consulting services rendered in February 2016
7. Invoice from Plante & Moran dated February 10, 2016 for financial consulting services rendered in January, 2016
8. Invoice from Plante & Moran dated March 2, 2016 for financial consulting services rendered in February, 2016
9. Worksheet for new Assessment based on 1% of base flow.

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, MARCH 10, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from February 11, 2016 Board Meeting
4. Report from Legal Services Committee Chairman
 - a. Summary of Proposals Received in response to January 25 RFP
 - b. Proposal Evaluation/Recommendation for Contract Award
5. Report from DUWA Negotiating Committee
 - a. Summary of discussions with Veolia re: assistance with Transfer Negotiations
 - Option 1: Traditional "Contract Operations" arrangement
 - Option 2: "Concession Model" arrangement
 - b. Recommended approach for next round of negotiations with Wayne County
 - c. Resumption of JMC: Proposed Meeting Date April 21, 2016
6. Treasurer's Report
 - a. Update on implementation of new monthly assessment (based on 1% of base flow)
 - b. Account balance
 - c. Pending invoices
7. Other Business
8. Next Meeting Date: **April 14, 2016** (9:00 AM; Taylor City Hall)
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
APRIL 14, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:05 a.m., and asked for a Roll Call. At the time of the Roll Call, voting Representatives were in attendance from eleven (11) member communities (Allen Park, Brownstown Township, Dearborn Heights, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Chairman Sollars announced that a quorum (more than seven members) was present. The Representative from River Rouge arrived during the discussion of Agenda Item 3. There was no Representative from Belleville in attendance at the meeting.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Doug Drysdale (Riverview), to approve the Agenda as presented. Motion passed unanimously.

3. Approval of Minutes from March 10, 2016 Board Meeting

Copies of the meeting minutes from the March 10, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Wayne O'Neal (Ecorse) supported by Mark Gahry (Brownstown Township) to approve the March 10, 2016 meeting minutes. Motion passed unanimously.

4. Introduction of new DUWA Attorney Jim Fausone

Chairman Sollars introduced the new DUWA Attorney Jim Fausone. He noted that Mr. Fausone has already assumed an active role with the Negotiating Team and encouraged the Community Representatives to get acquainted with him. Mr. Fausone thanked the Board for selecting Fausone Bohn, and indicated that he was looking forward to working with the Authority.

Secretary Dick Hinshon noted that an unsigned copy of the DUWA/Fausone Bohn contract was included in the pre-meeting packet (Attachment 3). He reported that the contract has been executed by both parties, and it is now in effect.

5. Report from DUWA Negotiating Committee

a. DUWA Letter of Intent and Wayne County Response

Chairman Sollars reported that the Negotiating Team prepared a revised Letter of Intent ("LOI") after the March 10 DUWA Board Meeting, and that letter was sent to Wayne County on March 23 (Attachment 4). The LOI set April 7 as the response deadline for Wayne County to accept the proposed terms of purchase which included an initial \$54 million payment and a second payment of \$3.5 million within 5 years of the closing date for the transfer.

On April 12 Chairman Sollars received Wayne County's response to the LOI (Attachment 5). Copies of that response were printed and distributed at the Board Meeting. Chairman Sollars indicated that the Negotiating Team held a conference call on April 13 to discuss the County's response. Attorney Fausone summarized the major issues and concerns which include the indemnification provisions, requirements pertaining to County employees, provisions relating to refinancing current debt, requirements to accept responsibility for Drains and Drainage Districts, and other issues. The Negotiating Team will meet on April 19 to establish a strategy and timetable for responding to the County and resuming negotiations on the transfer.

Several Board Members noted that if the Negotiating Team and Wayne County come to agreement on a mutually acceptable LOI, the proposed System Transfer Agreement will still need to be brought back to DUWA for approval, and each Community will also need to approve it. It was suggested that it would be beneficial to arrange a luncheon for local elected officials and local attorneys once a tentative agreement has been worked out so that it can be presented and discussed informally prior to scheduling formal presentations to City Councils and Township Boards.

Several Board Members expressed confidence in the ability of the Negotiating Team to respond to the County regarding the LOI on behalf of the Authority, and there was general agreement that the Board did not need to review and comment on the response to Wayne County before it is sent. Individual Communities who have specific concerns about the LOI issues were encouraged to make those concerns known to the Negotiating Team so they can be incorporated into the response to the County.

b. Discussions with Veolia re: 20 Year Contract Cost Proposal

Secretary Hinshon reported that he has had several discussions with Veolia staff regarding the proposed contract term extension to 20 years, and that work is progressing on the development of a formal cost proposal. As part of that process, Veolia has been obtaining and reviewing information on some critical items such as the status of several various repairs and major maintenance items that were included in the FY16 Downriver System budget. At this time it appears that Veolia's 20 Year costs may be somewhat higher than the amount shown on the DUWA Financing Strategy that was presented at the March DUWA Board Meeting. Mr. Hinshon anticipates that he will be able to distribute a new Cost Proposal of the 20 Year Contract prior to the next DUWA Board Meeting in May.

c. Next Steps

Attorney Fausone reported that he has contacted a number of local firms in an attempt to secure a firm to serve as DUWA's Bond Counsel. Several prominent firms are unable or unwilling to work for DUWA due to conflicts relating to their work with Wayne County. He is awaiting responses from a couple of other qualified firms who may be able to assist the Authority. Several Community Representatives noted that it will be essential for DUWA

to retain Bond Counsel since the Authority will need to secure its own credit rating and eventually sell a bond to effectuate the System Transfer.

Mr. Fausone indicated that he has not yet begun work on a proposed Transfer Agreement since DUWA must first reach agreement with Wayne County on the terms and conditions associated with the Letter of Intent. It was generally agreed that the Letter of Intent is the Authority's first priority, and the Transfer Agreement can be undertaken afterwards.

6. Downriver System Management Issues

a. Resumption of JMC Meetings

JMC Chair Dan Paletko noted that the next JMC Meeting has been scheduled for Thursday April 21, but he indicated that no one from the County has contacted him to work on the meeting Agenda or to set up the usual pre-JMC Meeting for the Executive Committee. He indicated that he would follow up with the County staff to see if they still plan on holding the Meeting. Several Board Members expressed support for convening the JMC as planned since there are many issues and concerns that need to be discussed.

b. Status Update from Technical Committee re: April 5 Committee Meeting

Committee Chair Dick Hinshon reported that the Committee met on April 5 and had a productive meeting. The high vacancy rate at the wastewater plant was noted as a serious concern even though the plant has been able to maintain compliance with permit limits so far this year. Other topics of discussion included the wet weather flow exceedances identified in Ecorse and Lincoln Park. Wayne O'Neal (Ecorse) summarized some of the City's remedial efforts that are underway to reduce wet weather flows. Mr. Hinshon noted that there has been no recent activity on the NPDES Permit, and MDEQ has not responded to the objections that were filed in 2014 over the proposed restrictions on wet weather flow blending and the requirement to develop and implement a State-approved Asset Management Plan.

c. Status update from Finance Committee re: Development/Approval of FY17 Rate Package

Committee Chair Beth Bialy reported that the Finance Committee has not met, but indicated that she was able to obtain some financial information on the County's finances from the State of Michigan website. She stated that Wayne County staff recently began working on the FY17 Rate Package, and it is expected that the Finance Committee will meet next month to review the proposed rates. It is unclear to what extent the County will include costs relating to employee pension and OPEB funding in the proposed new rates for the System.

7. Treasurer's Report

Treasurer Doug Drysdale (Riverview) reported that the invoices approved for payment last month were paid and, as a result, there is only about \$2,200 remaining in DUWA's bank account. He indicated that he is awaiting payment from many Communities for the new assessment based on 1% of base flow. Several Community Representatives reported that they have recently gotten, or

are about to get, local approval so that they can begin to pay the new assessment.

Mr. Drysdale noted that three new invoices have been received, and they were included in the pre-meeting packet (Attachments 6, 7 and 8). These include statements from both Plante & Moran and HEC for work performed in March, as well as the final invoice from John Day for legal work performed through December, 2015. Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelly (Southgate) to authorize the Treasurer to issue payment for the three invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

8. Other Business

No items were presented for discussion under "Other Business".

9. .Next Meeting Date

Chairman Sollars reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday May 12, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:05 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
April 18, 2016

Attachments

1. Meeting Agenda
2. March 10, 2016 Board Meeting Minutes
3. Contract for Legal Services between DUWA/Fausone Bohn dated March 11, 2016
4. March 23, 2016 Letter of Intent from DUWA to Wayne County
5. April 12, 2016 response to Letter of Intent from Wayne County to DUWA
6. Invoice from Hinshon Environmental Consulting dated April 7, 2016 for technical consulting services rendered in March 2016
7. Invoice from Plante & Moran dated March 28, 2016 for financial consulting services rendered in March, 2016
8. Invoice from DiPietro & Day dated March 24, 2016 for financial consulting services work through December, 2015

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, APRIL 14, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from March 10, 2016 Board Meeting
4. Introduction of new DUWA Attorney Jim Fausone
5. Report from DUWA Negotiating Committee
 - a. Wayne Co response to 3/23/16 Letter of Intent
 - b. Update on discussions with Veolia re: revised costs for 20 Year Operating Agreement
 - c. Next Steps:
 - Retain Bond Counsel and Financial Advisor; confirm feasibility of DUWA Bond Sale
 - Revise Letter of Intent if necessary (depending on County response to 3/23 letter)
 - Prepare formal Transfer Agreement with Wayne County
6. Downriver System Management Issues
 - a. Resumption of JMC Meetings: Thursday April 21, 2016 (9 AM; Taylor City Hall)
 - b. Status Update from Technical Committee re: April 5 Committee Meeting
 - c. Status Update from Finance Committee re: development/approval of FY17 Rate Package
7. Treasurer's Report
 - a. Update on Community approvals of new monthly assessment (based on 1% of base flow)
 - b. Account balance
 - c. Pending invoices
8. Other Business
9. Next Meeting Date: **May 12, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
MAY 12, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chair Rick Sollars called the meeting to order at 9:15 a.m., and asked for the Roll Call to be taken. At the time of the Roll Call, Representatives were in attendance from nine (9) member communities (Allen Park, Brownstown Township, Ecorse, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Ecorse was represented for the first time by its new Interim City Administrator Dave Flaten. Chairman Sollars announced that a quorum (more than seven members) was present. The Representatives from Dearborn Heights, Lincoln Park and River Rouge arrived during the discussion of Agenda Item 3. There was no Representative from Belleville in attendance at the meeting.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate), to approve the Agenda as presented. Motion passed unanimously.

3. Approval of Minutes from April 14, 2016 Board Meeting

Copies of the meeting minutes from the March 10, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Bryce Kelley (Southgate) supported by Mark Gahry (Brownstown Township) to approve the April 14, 2016 meeting minutes. Motion passed unanimously.

4. Report from the Negotiating Committee

Attorney Jim Fausone indicated that the Negotiating Team met with Wayne County staff on May 2 to discuss the County's response to DUWA's Letter of Intent. At that meeting, the County provided an explanation for the proposed terms and conditions of the Transfer, and substantial progress was made with regard to finding mutually acceptable solutions to several controversial items.

Mr. Fausone distributed copies of a revised "Letter Of Intent" signed by Chairman Sollars on May 11, 2016 (Attachment 3) and noted that the new LOI sets forth proposed terms and conditions which reflect the tentative agreements reached at the May 2 Wayne County meeting and some subsequent discussions with County staff. It is expected that the May 11 LOI will be acceptable to Wayne County, although the County has not yet indicated its agreement.

Mr. Fausone noted that the County's proposal to transfer jurisdictional authority for several satellite facilities in the Downriver Service Area has been rejected by DUWA for technical, financial and legal reasons. Since the County has expressed interest in eliminating its involvement with these satellite systems, it has been suggested that the County deal directly with the individual communities and discuss whether those communities are interested in assuming responsibility for

the facilities that serve them. There are three specific satellite facilities which the County has targeted for transfer to the local communities. These include the Southgate Wyandotte Relief Drains Drainage District (a Chapter 20 Drain under the Drain Code serving Southgate and Wyandotte), the Ecorse Creek Pollution Abatement Drain No. 1 (a Chapter 20 Drain under the Drain Code serving Dearborn Heights, Taylor, Allen Park and Lincoln Park), and the River Rouge CSO Retention/Treatment Basin (serving the City of River Rouge). DUWA has informed the local communities of the County's interest in transferring jurisdictional responsibility, and this issue has been removed from the LOI. Based on some preliminary discussions with community representatives, it appears that the two Chapter 20 Drains face significant legal and financial obstacles which will need to be surmounted in order to effectuate a jurisdictional transfer.

Other major changes to the LOI include a clarification of DUWA's obligations relating to current County employees, and modifications to the indemnification provisions. With regard to the employees, DUWA and its contract operator (Veolia) will need to interview current staff as part of the transfer. However, the decision as to whether or not to hire current Wayne County staff rests with DUWA and its contract operator. With regard to indemnification, the LOI establishes parameters for consideration as part of the final "Definitive Agreement" after additional information is obtained regarding pending liabilities and claims.

Assuming that the May 11 LOI is acceptable to Wayne County, a number of significant work items will need to be undertaken. Mr. Fausone presented his May 5, 2016 memo (Attachment 4) which recommends that DUWA retain Dykema Gossett as Bond Counsel to assist with the transaction. He noted that Dykema Gossett had been involved in the financial organization of the Great Lakes Regional Water Authority and had experience in infrastructure financing. Several Board Members inquired as to the cost that would be incurred for this work and Attorney Fausone noted that the charges would be based on a negotiated percentage of the amount being financed. Currently we do not have enough information about how the outstanding System debt will be handled to be able to determine the cost of the work to be performed by Bond Counsel. Motion by Linda Combs (Van Buren Township) supported by Mike Bowdler (River Rouge) to authorize the Chairman to execute a contract with Dykema Gossett to retain them as Bond Counsel for the Authority. Motion passed unanimously.

Attorney Fausone and Secretary Hinshon reported on recent discussions with Veolia representatives regarding potential assistance to DUWA with respect to a Due Diligence evaluation of the System as a precursor to the actual transfer. Veolia has agreed to prepare a scope of work and budget for this assistance. It is anticipated that the effort will include a review of equipment, spare parts, vehicles, etc. as well as a condition assessment of critical above ground assets. This work is expected to be done independent of the proposed long term contract for operation and maintenance of the facilities after the transfer is completed. The Negotiating Team will be conferring with Wayne County within the next two weeks, at which time the process and timetable for the Due Diligence evaluation is expected to be worked out.

Secretary Hinshon reported that progress is also being made with Veolia regarding the revised cost proposal based on a 20 year contract term. The estimates provided to date reflect the additional knowledge and information garnered by Veolia staff since the original 5 year cost proposal was developed in October, 2015. Mr. Hinshon indicated that he plans to revise and circulate a new Financial Strategy analysis based on Veolia's 20 year cost proposal and the soon to be released Wayne County FY17 Budget for the System. He expressed cautious optimism that the analysis would continue to show that the Authority can generate funds to cover the initial \$54 million purchase price in a way that is "Rate Neutral". He agreed to distribute the revised Financial Strategy report prior to the June DUWA Board Meeting.

Mr. Hinshon noted that it will be important for DUWA to come to agreement on the allocation of the purchase price assuming that Wayne County accepts the LOI that was recently submitted. He noted that the DUWA Articles of Incorporation include voting percentages for each of the 13 member communities based on Judge Feikens' 1994 Financing Order which was derived from the 1962 Service Agreement purchase capacities. However, the sum of the individual purchase capacities from the 1962 Service Agreement significantly exceeds the actual firm secondary treatment capacity of the System. In addition, the communities who utilize the wet weather tunnel have had their capacities further constrained by the maximum 96 hour wet weather flow volume that would be generated from the "Design Storm" event. The most recent capital improvement projects have been financed based on average flows contributed over the past 5 years rather than relying on purchase capacity to apportion costs.

Mr. Hinshon suggested that it would be appropriate for DUWA to name a Subcommittee to analyze options for allocating costs, and to report back to the Board with a recommendation on how to proceed. He proposed that the Subcommittee consist of at least two representatives from communities who are tributary to the wet weather tunnel, and at least two representatives from communities served by the Riverdrive Interceptor. After discussion, it was agreed that a Cost Allocation Subcommittee should be established for the purpose of evaluating alternative apportionment methodologies and then preparing a recommendation to the Board on how to allocate the purchase price. The Subcommittee Members include: Bill Matakas (Allen Park), Matt Copley (Lincoln Park), Mark Kowalewski (Wyandotte), Keith Boc (Romulus) and Doug Drysdale (Riverview). Dick Hinshon and Beth Bialy will serve as staff to the Subcommittee to provide technical and financial information for consideration. At the request of Mark Kowalewski, Mr. Hinshon agreed to circulate the report that was prepared for the Downriver Technical Committee in 2013 for the draft Service Agreement.

Secretary Hinshon noted that the revised LOI references the NPDES Permit and includes a provision that the current permit be transferred to DUWA as a condition of the purchase. He reminded the Board that the current NPDES Permit has expired, although it remains in effect. MDEQ prepared a new draft NPDES Permit in 2014 which included several new requirements including provisions which

would restrict wet weather flow blending if placed into effect. It is estimated that the proposed wet weather flow blending restrictions would necessitate a major capital investment on the order of \$50 million. This would potentially undermine the acquisition of the System since the communities would have difficulty financing both the purchase of the System as well as a major capital improvement to deal with flow blending. If Wayne County accepts the LOI, DUWA will contact MDEQ to request a transfer of the current permit, at which time it is likely that the unresolved issues relating to wet weather flow blending may resurface.

There was a general discussion among DUWA Board Members about the transfer of the System and all of the related activities. It was agreed that the Negotiating Committee should move forward with the proposed activities to consummate the transfer assuming that Wayne County accepts and executes the revised LOI.

5. Downriver System Management Issues

a. Finance Committee discussions re: FY17 Rate Package

Finance Committee Chair Beth Bialy reported that the County has scheduled a Finance Committee meeting for Friday, May 20 at Taylor City Hall and that she expects the County will present the proposed FY17 Rate Package for review and comment at that time. She noted that in past years, the Finance Committee has typically met twice with the County to work on the Rate Package, it appears likely that there may only be a single meeting this year since the new rates will go into effect in July. She has also asked the County to provide updated information on the financial condition of the System including a Budget to Actual report and a status update on the System Cash Reserves. She urged the community finance directors to attend and participate in the meeting given the importance of the issues being discussed.

b. Resumption of JMC Meetings

JMC Chariman Dan Paletko (Dearborn Heights) reported that Wayne County has sent an email (Attachment 5) confirming that the next Joint Management Committee meeting will be held on Thursday, May 26 in the Taylor City Hall. There was general agreement among the community representatives that the meeting was long overdue, and that it is important for the JMC to hear from the County regarding the overall condition of the System.

6. Treasurer's Report

Treasurer Doug Drysdale presented a table listing the status of payments that have been received from each community since the new assessment was adopted by the Board (Attachment 6). He noted that no payments have been received from five (5) communities, and asked that the community representative follow up with their respective finance people in order to ensure that payments are being made. He also presented a report on the DUWA Account Balance and noted that cash on hand (approximately \$4,600) was not sufficient to cover the pending invoices (approximately \$20,000).

Mr. Drysdale noted that two new invoices have been received, and they were included in the pre-meeting packet (Attachments 8 and 9). These include

statements from Fausone Bohn for work performed in March, as well as an invoice from Hinshon Environmental Consulting for technical assistance provided in April, 2016. Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate) to authorize the Treasurer to issue payment for the two invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

7. Other Business

Mark Kowalewski (Wyandotte) asked the Veolia representatives in attendance to briefly discuss their company and the scope of services expected to be provided to DUWA. Mark Sanderson, Veolia Vice President for Major Project Development, introduced himself and presented a summary of Veolia's corporate profile. He indicated that Veolila is the largest contract operations firm in the world and that the company has assisted numerous other municipalities in similar situations. He expressed confidence in the firm's ability to assist DUWA in making a successful, seamless transition to private operation while maintaining compliance and improving overall System performance.

No other items were presented for discussion under "Other Business".

8. .Next Meeting Date

Chairman Sollars reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday June 9, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:40 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
May 19, 2016

Attachments

1. Meeting Agenda
2. April 14, 2016 Board Meeting Minutes
3. May 11, 2016 Letter of Intent re: Purchase of the Downriver System by DUWA
4. May 5, 2016 Recommendation from Attorney Jim Fausone re: Bond Counsel
5. Email message from Wayne County dated May 3, 2016 re: JMC Meeting Date
6. DUWA Treasurer's status update re: Community payments
7. DUWA Account Balance as of May 31, 2016
8. Invoice from Fausone Bohn dated April 1, 2016 for legal services rendered in March, 2016
9. Invoice from Hinshon Environmental Consulting dated May 3, 2016 for technical consulting services rendered in April 2016

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, MAY 12, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from April 14, 2016 Board Meeting
4. Report from DUWA Negotiating Committee
 - a. Summary of Discussions with Wayne Co re: Terms & Conditions for System Transfer
 - b. Next Steps:
 - Execute revised Letter of Intent with mutually agreeable terms, conditions
 - Retain Bond Counsel and prepare to finance purchase
 - Contract with Veolia to conduct "Due Diligence" evaluation of condition of System Assets
 - Determine responsibility for 3 tributary facilities: Southgate Wyandotte Drainage District; Ecorse Creek Pollution Abatement Drain; River Rouge CSO Basin
 - Determine cost apportionment among Communities for Purchase Price
 - Begin work on Transfer Agreement between DUWA/Wayne County
 - Engage MDEQ in discussions re: NPDES Permit transfer
 - Meet with Veolia to finalize Cost Proposal for 20 Year Operating Agreement
 - Negotiate Operating Agreement with Veolia and establish Transition Plan
5. Downriver System Management Issues
 - a. Finance Committee discussions re: FY 17 Rate Package: May 20
 - b. Resumption of JMC Meetings: target date: Thursday, May 26
6. Treasurer's Report
 - a. Update on Community approvals of new monthly assessment (based on 1% of base flow)
 - b. Account balance
 - c. Pending invoices
7. Other Business
8. Next Meeting Date: **June 9, 2016** (9:00 AM; Taylor City Hall)
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JUNE 9, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Vice Chairman Bill Matakas called the meeting to order at 9:10 a.m., and asked for the Roll Call to be taken. At the time of the Roll Call, voting Representatives were in attendance from eight (8) member communities (Allen Park, Brownstown Township, Dearborn Heights, Lincoln Park, Riverview, Romulus, Southgate, and Van Buren Township). Attending on behalf of Wyandotte as a non-voting representative was Jesus Plasencia, Assistant City Engineer. Vice Chairman Matakas announced that a quorum (at least seven members) was present. The Representatives from Belleville and River Rouge arrived after the Roll Call during the discussion of Agenda Item 4. There was no Representative from Ecorse or Taylor in attendance at the meeting.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Vice Chair Matakas noted that it is customary to include "Public Comment" as a scheduled item on the Agenda for most public bodies, and he suggested that this be added onto the Agenda under Item 8 "Other Business". Motion by Mark Gahry (Brownstown Township) supported by Linda Combs (Van Buren Township), to approve the Agenda with that revision. Motion passed unanimously.

3. Approval of Minutes from May 12, 2016 Board Meeting

Copies of the meeting minutes from the May 12, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Doug Drysdale (Riverview) to approve the May 12, 2016 meeting minutes as presented. Motion passed unanimously.

4. Report from the Negotiating Committee

a. Press Release re: Agreement to Purchase the Downriver System

DUWA Attorney Jim Fausone summarized the Joint Press Release that was issued on May 31 to announce that the County had accepted DUWA's Letter of Intent (Attachment 3). Several Community Representatives noted that they did not see the Press Release until they received the DUWA Pre-Meeting packet which was sent out late in the evening of June 2, and this was after the Release had already been printed in the newspaper. The failure to distribute the Press Release prior to its publication was problematic for several Communities since local elected officials had been assured that they would be kept apprised of developments relating to acquisition of the system as they occurred, rather than having to read about it in the paper after the fact. DUWA Secretary Dick Hinshon apologized for the situation and indicated that, given the importance of the press release, it is clear that this document should have been distributed in advance of the Pre-Meeting packet. Bryce Kelley (Southgate) suggested that DUWA

designate an individual who would be responsible for handling these types of situations and coordinating internally with Community Representatives.

b. Bond Counsel Presentation

Attorney Fausone reported that, based on the Board's authorization at the May 12 Board Meeting, a contract has been negotiated with Dykema Gossett to retain the firm as DUWA's Bond Counsel. He introduced Ann Fillingham of the Dykema firm who summarized the scope of work and the approximate timetable for providing this assistance. Ms. Fillingham emphasized that it will be critical to work closely with both the County and the State of Michigan to move forward with the necessary bond sale. It was pointed out that the Consent Agreement between Wayne County and the State of Michigan includes a provision requiring approval from the State for the sale of large assets such as the wastewater system. Work is underway to obtain detailed information on the status of existing debt including both the Judgment Levy from the 1994 Consent Judgment as well as the more recent debt issuances which were financed as Revenue Bonds under the SRF Loan Program. She noted that the Dykema firm has been providing similar assistance as part of the creation of the new Great Lakes Water Authority, and is experienced in handling issues involving wastewater infrastructure financing.

Ms. Fillingham presented the proposed Reimbursement Resolution (Attachment 4) for Board consideration, and pointed out that approval of this Resolution will help ensure that the costs associated with the bond sale and transfer of existing debt can be funded with bond proceeds. Several Board Members commented that the premise of the acquisition is that the purchase can be achieved without increasing rates to cover the transfer of the System to DUWA. In addition, some of the Downriver Communities are collecting revenue to retire Judgment Levy debt through millage assessments pursuant to Judge Feikens' 1994 Financing Order. It will be imperative that this revenue source be maintained since transferring the debt onto the sewer rates would necessitate a major rate increase for some communities.

Ms. Fillingham pointed out that approving the proposed Reimbursement Resolution does not obligate DUWA to paying anything. Rather the document preserves the ability to treat certain expenses as reimbursable from future bond proceeds. She also indicated that Dykema will not be invoicing DUWA for payment until after the bond sale has been completed or terminated. Motion by Mark Gahry (Brownstown Townshipp) supported by Kerreen Conley (Belleville) to approve the Reimbursement Resolution as presented. Motion passed unanimously.

c. Financial Advisor Recommendation

Attorney Fausone distributed a copy of the proposal letter dated June 6, 2016 from the PFM Group (Attachment 5) for the services which the firm would undertake if retained by DUWA to serve as the Authority's Financial Advisor. Mr. Fausone noted that he had also received responses from two other firms who expressed interest in serving as DUWA's Financial Advisor including Bendzinski & Co. and R W Baird & Co. After reviewing all three submittals and evaluating the

experience and capability of each firm, Mr. Fausone is recommending that DUWA retain the PFM Group to serve as the Authority's Financial Advisor. He noted that Kari Blanchett will be serving as PFM's lead person for the scope of work.

Several Community Representatives expressed support for the recommendation and it was noted that Ms. Blanchett is already providing similar assistance to the neighboring South Huron Valley Utility Authority which includes membership from two of the 13 DUWA Communities. In addition, Ms. Blanchett previously prepared information about financing issues that was provided to the Communities in 2009 when consideration was first being given to the establishment of a new utility authority for the Downriver System under Act 233, 1955.

Mr. Fausone pointed out that the PFM Group proposal includes a fee schedule tied to the amount of the bond sale, which would equate to about \$74,000 plus travel and expenses for a \$56 million sale. Motion by Linda Combs (Van Buren Township) supported by Kerreen Conley (Belleville) to authorize the Chairman to enter into an agreement with PFM Group to serve as the Authority's Financial Advisor consistent with the proposal letter dated June 6, 2016. Motion passed unanimously. Mr. Fausone indicated he would notify Ms. Blanchett of the Board's action and work with Chairman Sollars to get the agreement executed.

d. Veolia Due Diligence Contract Recommendation

Secretary Hinshon summarized the May 19, 2016 proposal (Attachment 6) from Veolia for undertaking the "Due Diligence" evaluation of the Downriver System. He noted that this document was included as part of the Pre-Meeting packet that was emailed to Board Members prior to the meeting. Veolia's proposal identifies various levels of effort for the evaluation, and these are labeled as "Option 1 - Minimal Requirements" (\$97,200); "Option 2 - Comprehensive Effort" (\$321,500); and "Option 3 - Balanced" (\$188,200). After discussing Veolia's proposal with the Negotiating Committee, Mr. Hinshon recommended that the Authority authorize the work and approve the "Option 3 - Balanced" level of effort. He noted that Veolia's proposal includes a timetable for completing the work that is compatible with the July 31 target deadline as set forth in the Letter of Intent, and that the Due Diligence evaluation is a critical undertaking to identify what assets are being acquired and to assess the condition of critical assets.

Several Board Members questioned whether the Downriver Technical Committee has reviewed Veolia's proposal, and it was generally agreed that the Committee members should have an opportunity to do so prior to initiating the work. In addition, it would be advisable to have Veolia's Due Diligence Evaluation Report presented to the Technical Committee when it is completed so that it can be reviewed before it is given to the Board. Secretary Hinshon noted that Veolia's May 19 proposal includes Terms and Conditions, and that DUWA's Attorney (Paul Bohn) is engaged in discussions with Veolia's Attorney regarding proposed changes and revisions. Mr. Hinshon suggested that if the Authority approves the proposal, that the approval be contingent upon receipt of the Attorney's concurrence as to the acceptability of the modified Terms and Conditions.

Motion by Mark Gahry (Brownstown Township) supported by Keith Boc (Romulus) to authorize the Chairman to engage Veolia to undertake the “Due Diligence” evaluation under “Option 3 – Balanced” as set forth in the May 19, 2016 proposal letter, contingent upon receipt of the Attorney’s concurrence as to the acceptability of the revised Terms and Conditions for the work, and further contingent upon the distribution of the proposal to the Downriver Technical Committee for review and comment. In addition, Veolia’s final report from the Due Diligence evaluation is to be provided to the Downriver Technical Committee for review and comment upon completion. Matt Coppler (Lincoln Park) indicated that he was unable to support the motion inasmuch as this is a “no-bid” contract with Veolia, and the City has a practice of not approving “no-bid” contracts. Mr. Hinshon summarized the rationale for using Veolia to do the Due Diligence evaluation based on their future role as the Operators of the System for the Authority and their expertise and qualifications to complete the Scope of Work. Motion passed by a vote of 9 – 1 with Lincoln Park voting “No”.

e. Outreach to MDEQ re: Transfer of NPDES Permit

Secretary Hinshon reported that he has contacted MDEQ staff to inform the State that the Authority is moving forward with acquisition of the System and that the NPDES discharge permit will need to be transferred from Wayne County to DUWA. A meeting with representatives from Wayne County (Kelly Cave and Dan Alford) and MDEQ (Phil Argiroff and Dan Beauchamp) is being arranged.

Mr. Hinshon noted that the current NPDES Permit has been expired since 2012, although it is still legally in effect. In the past, MDEQ has been unwilling to transfer an expired permit to a new permittee, so it is likely that MDEQ will want to re-issue the Permit to DUWA. This may entail a discussion about several new requirements originally proposed by MDEQ in 2014 including restrictions on wet weather flow blending, development of an Asset Management Program acceptable to MDEQ, and new effluent limits for Phosphorus and Mercury. Some of these requirements may have significant cost ramifications, so it will be important to determine what, if any, costs will need to be incurred to comply with the re-issued permit before the acquisition process can be completed.

f. Next Steps and Pending Activities

Attorney Fausone and Secretary Hinshon briefly described several additional activities that are or soon will be underway as part of the System acquisition.

These included:

- Working with Wayne County to address other Due Diligence issues such as real estate and property transfers; contracts and professional service agreement transfers; details on employees and service records; etc.
- Establishing a cloud-based document transfer system to facilitate the acquisition process and exchange information;
- Identifying all existing outstanding System debt and any constraints or limitations relating to transfer or defeasance;
- Preparing a draft of the “Definitive Agreement” that is described in the Letter of Intent as the document to effectuate the transfer of the System;

- Preparing a new Service Agreement between DUWA and the 13 Communities to establish the rights and responsibilities of the parties;
- Negotiating a 20 Year contract with Veolia for the Operation and Maintenance of the System and establishing a Transition Plan to ensure a seamless turnover from Wayne County;
- Developing a staffing plan for the Authority to hire management and administrative personnel to run the utility and oversee the contract operator.

Motion by Bryce Kelley (Southgate) supported by Mark Gahry (Brownstown Township) to receive and file the reports presented under items 4.e and 4.f. of the Agenda. Motion passed unanimously.

5. Report from Cost Allocation Committee re: June 2 Meeting

Secretary Hinshon reported that the Cost Allocation Committee met on June 2 to discuss alternatives for apportioning the \$54 million initial purchase price for the System. The Committee Meeting Summary was included with the packet of information distributed by email prior to the Board Meeting (Attachment 7). The initial meeting of the Committee included presentations on the methodologies used to allocate costs for prior expenditures, including the 1994 Consent Judgment and the Revenue Bonds that have been sold to finance more recent capital improvements. DUWA's Bond Counsel and Financial Advisor will be attending the next Committee meeting to offer input on the issues that may arise as part of a bond sale to cover the purchase price for the System.

Mr. Hinshon noted that the issuance of a bond by DUWA will likely be dependent on demonstrating that the Authority has the legal ability to collect revenue from the 13 Communities to pay for wastewater services. For that reason, it is expected that the Authority will need to have a new Service Agreement in place between DUWA and the 13 Communities. He indicated that the Cost Allocation Committee is willing to prepare a first draft of a new Service Agreement in conjunction with making a recommendation on the cost apportionment. After discussion, it was generally agreed by the Community Representatives that it would be beneficial to have the Committee take on this additional work. Motion by Bryce Kelley (Southgate) supported by Doug Drysdale (Riverview) to receive and file the report on Cost Allocation Committee. Motion passed unanimously.

6. Proposed FY17 Rates and Updated Cost Analysis

Secretary Hinshon reported that the pre-meeting packet included the proposed FY17 Downriver System Rate Package (Attachment 8) and a table showing the estimated annual cost savings expected to be realized after the transfer (Attachment 9). The proposed commodity rate increase for FY 17 is 4.04%, in part because of the addition of \$500,000 as a new line item to cover one-time transfer costs expected to be incurred by DUWA as part of the acquisition.

Mr. Hinshon pointed out that the updated cost analysis indicates that the Authority is expected to save an estimated \$4 million/year based on reduced operating costs from Veolia as compared to Wayne County and by hiring its own staff to

handle management of the System and administrative matters. The cost analysis assumes that DUWA will hire 5 full time staff members including a System Director, Chief Engineer, Chief Financial Officer, Assistant Engineer and Accounting Clerk. The estimate also assumes costs for renting office space and other associated expenses.

Dan Paletko (Dearborn Heights) emphasized the importance of being able to complete the acquisition of the System in a "Rate Neutral" manner such that the customers will not have to absorb a rate increase to cover the cost of purchasing the System. Jim Taylor (Van Buren Township) suggested that it would be in DUWA's best interest to develop a "Plan B" to specify how it will defray the cost of acquisition in the event that the actual annual savings are less than the projected \$4 million/year. Motion by Keith Boc (Romulus) supported by Doug Drysdale (Riverview) to receive and file the report on FY17 Rates and the updated cost analysis. Motion passed unanimously.

7. Treasurer's Report

Treasurer Doug Drysdale presented a table listing the status of payments that have been received from each community since the new assessment was adopted by the Board (Attachment 10). He noted that some communities have still not issued payments, and asked that the community representative follow up with their respective finance people in order to get a check issued for the amounts due. He also presented a report on the DUWA Account Balance (Attachment 11) and noted that cash on hand was not sufficient to cover the pending invoices. However, he reported that he has processed payment for an invoice from HEC in the amount of \$7,810.00.

Mr. Drysdale noted that three new invoices have been received, and they were included in the pre-meeting packet (Attachments 12, 13 and 14). These include statements from Fausone Bohn for legal assistance, as well as an invoice from Plante & Moran for financial consulting assistance, and an invoice from Hinshon Environmental Consulting for technical assistance. Motion by Mark Gahry (Brownstown Township) supported by Bryce Kelley (Southgate) to authorize the Treasurer to issue payment for the three invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

7. Other Business/Public Comment

Vice Chairman Matakas noted that the amended Agenda includes opportunity for members of the public to address the Board, and asked if anyone in attendance wished to do so. None of the attendees indicated an interest in making a statement to the Board.

No other items were presented for discussion under "Other Business".

8. Next Meeting Date

Vice Chairman Matakas reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday July 14, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 11:00 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
June 20, 2016

Attachments

1. Meeting Agenda
2. April 14, 2016 Board Meeting Minutes
3. Press Release from Wayne County and DUWA issued June 1, 2016
4. Declaration of Intent to reimburse Bond Counsel from Revenue Bond proceeds
5. PFM Group Proposal dated June 6, 2016 for Financial Advisor services to DUWA
6. Veolia Proposal dated May 19, 2016 for Due Diligence evaluation for DUWA
7. Summary of June Cost Allocation Committee Meeting
8. Proposed FY17 Downriver System Rate Package
9. Updated estimate of annual cost savings dated May 31, 2016
10. DUWA Treasurer's status update re: Community payments
11. DUWA Account Balance as of May 31, 2016
12. Invoice from Fausone Bohn dated May 1, 2016 for legal services
13. Invoice from Plante & Moran dated May 5, 2016 for financial consulting assistance
14. Invoice from HEC dated June 2, 2016 for technical consulting assistance

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, JUNE 9, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from May 12, 2016 Board Meeting
4. Report from DUWA Negotiating Committee; System Transfer discussions with Wayne Co.
 - a. Press Release re: Agreement to Purchase Downriver System
 - b. Bond Counsel Presentation
 - Cost & Timing
 - Contract
 - Reimbursement Resolution
 - c. Financial Advisor Recommendation
 - d. Veolia Due Diligence Contract Recommendation
 - e. Outreach to MDEQ re: Transfer of NPDES Permit
 - f. Next Steps:
 - Due Diligence from Wayne County
 - Prepare to sell bond to finance purchase price and defease outstanding debt
 - Draft Definitive Agreement between DUWA/Wayne County
 - Develop new Service Agreement between DUWA and Member Communities
 - Negotiate 20 Year Operating Agreement with Veolia
 - Develop staffing plan; interview and hire DUWA management staff
5. Report from Cost Allocation Committee re: June 2 meeting on apportionment alternatives
6. Proposed FY17 Rates and Updated Analysis of Wayne Co rates and Veolia Operating Cost
7. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
8. Other Business
9. Next Meeting Date: **July 14, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
JULY 14, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:08 a.m., and asked for the Roll Call to be taken. Voting Representatives were in attendance from ten (10) member communities (Allen Park, Dearborn Heights, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Chairman Sollars announced that a quorum (at least seven members) was present. There were no Representatives in attendance from Belleville, Brownstown Township or Ecorse at the meeting.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Motion by Bill Matakas (Allen Park), supported by Bryce Kelley (Southgate), to approve the Agenda as presented. Motion passed unanimously.

3. Approval of Minutes from June 9, 2016 Board Meeting

Copies of the meeting minutes from the June 9, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Bryce Kelley (Southgate) supported by Michael Bowdler (River Rouge) to approve the June 9, 2016 meeting minutes as presented. Motion passed unanimously.

4. Report from the Negotiating Committee on the Status of System Transfer

a. Bond Counsel/Financial Advisor report on Bond Sale issues/timetable

DUWA Attorney Jim Fausone updated the Board on the status of the bond sale and other financial issues in the absence of Bond Counsel Ann Fillingham who could not attend due to an unanticipated schedule conflict. He noted that discussions have been held with Wayne County and its bond counsel (Dickinson) and additional discussions are being scheduled with state officials to coordinate the transfer of SRF debt. In addition, Bond Counsel and the Financial Advisor (Kri Blanchett of the PFM Group) are working on a strategy to allow the Judgement Levy debt to be transferred with provisions to retain the millage assessments currently in place. This may entail securing a decision from Federal Court to support the continuance of the 1994 Financing Order issued by Judge Feikens.

Discussions are also underway with the Rating Agencies to alert them to the upcoming proposed bond sale to be undertaken by DUWA, and to coordinate the issuance of a rating to the Authority. Efforts are being made to focus the attention of the Rating Agencies on the Authority and its revenue stream rather than the financial condition of the individual member Communities. Mr. Fausone noted that it will be necessary for DUWA to enter into a new Service Agreement with the member Communities in order to assure the Rating Agencies that there is a sound legal basis to collect revenue based on rates and charges to be established

by the Authority. He noted that both the Bond Counsel and Financial Advisor are well aware of the Board's insistence that the transaction be accomplished in a "rate neutral" manner.

b. Report on June 28 MDEQ Meeting re: NPDES Permit transfer to DUWA

Secretary Dick Hinshon reported that he and two representatives from Wayne County (Kelly Cave and Dan Alford) met with MDEQ staff on June 28 to discuss the upcoming transfer of the NPDES Permit. A summary of the meeting was included in the pre-meeting packet (Attachment 3). MDEQ staff advised that it will be necessary for the state to prepare and issue a new NPDES Permit since the current permit is expired. Since it appears that the transfer to DUWA will require several months, MDEQ proposed to proceed to issue a new Permit to Wayne County, with the understanding that the new Permit can be transferred to DUWA as a minor modification once the effective date of the transfer is established.

Mr. Hinshon reported that there are several concerns and issues relating to MDEQ's proposed permit terms and conditions, and these will need to be resolved in order for the new permit to go into effect. These include proposed new restrictions on wet weather flow blending, new effluent limits for Mercury and Phosphorus, and a new requirement to prepare and submit a formal Asset Management Plan. Based on the discussion with MDEQ, it appears that the most troublesome issue is the proposed restriction of wet weather flow blending. By contrast, the effluent limit and Asset Management provisions appear to be items that may be resolvable with some continued negotiation. He noted, however, that the new Phosphorus limit may necessitate increased chemical usage which would potentially affect the projected operating cost savings that can be achieved by Veolia.

With regard to wet weather flow blending, Mr. Hinshon noted that MDEQ is likely to insist on a significant reduction in the frequency of blending events even though the System performance over the past 15 years has far exceeded the requirements established by the Consent Judgment. MDEQ has proposed that the Secondary Treatment capacity be expanded by 25 MGD, and this requirement has been vigorously opposed due to the high cost (approximately \$50 million) and the fact that the new facilities would only be used 8 or 9 times a year. MDEQ staff indicated they would consider less costly alternatives for reducing flow blending, but noted that the state will not accept the "status quo" (i.e. continuing to authorize wet weather flow blending whenever influent flows exceed 125 MGD).

The flow blending issue was the focus of substantial discussion by the Board, and it was generally agreed that this is a major issue to be resolved as part of the proposed transfer. Attorney Fausone pointed out that the Rating Agencies may be reluctant to issue DUWA an investment grade rating if there is a major capital expenditure requirement in the permit, or if the Authority is engaged in a lengthy Contested Case dispute over the new permit provisions. Mr. Hinshon indicated that he intends to discuss the blending issue with the Technical Committee after he receives the draft Permit from MDEQ. The objective will be to develop a less

costly option for reducing blending, and to attempt to substitute that option into the new Permit assuming it is acceptable to MDEQ.

c. Report on June 24 meeting with Wayne Co. Employees

Secretary Dick Hinshon reported that he attended a meeting with Wayne County employees at the wastewater plant on June 24 along with staff from the County's Human Resources and Retirement departments. Four representatives from Veolia participated in the meeting. A copy of the meeting summary was included in the pre-meeting packets (Attachment 4).

In general the meeting went very well, and Veolia utilized the session as an opportunity to impress upon the County employees that they are welcome to come to work for the Company after the transfer is completed. Veolia staff provided information about the Company and its wages and benefits, as well as encouraging current employees to pursue employment with the firm.

Several County employees with 20 or more years of service expressed concern about the potential impact of leaving the County to work for Veolia since it appears that that could significantly delay their ability to draw on their County pension. According to County Retirement staff, departing employees would be classified as on a "deferred pension" status, under which the employee would not be eligible to collect his/her pension until age 65. Efforts are underway to discuss this issue with County staff to see if some accommodation can be made to eliminate this disincentive. Mark Sanderson (Veolia) noted that the Company's proposal to DUWA assumes that many existing Wayne County staff will accept employment with the firm, and noted that recruitment of new staff will be challenging particularly since the Great Lakes Water Authority is similarly attempting to hire a number of wastewater professionals.

The meeting concluded with the understanding that there will be additional meetings in the future as the transfer takes shape. Veolia promised to meet again with prospective staff and indicated that spouses and significant others would similarly be welcome to participate in future discussions about employment opportunities with the firm.

d. Update on Veolia's Due Diligence evaluation of the System

Secretary Hinshon reported that Veolia initiated the Due Diligence evaluation of the Downriver plant on June 27 in accordance with the Scope of Work approved by the DUWA Board at the June Board meeting. Veolia has obtained the County's master asset list from the CMMS (Computerized Maintenance Management System), and has done an initial screening of all assets. The 3,000+ items have been trimmed to approximately 1,700 assets which will receive further evaluation. Each asset will be rated to assess factors such as frequency, severity, likelihood and customer impact.

Upcoming scheduled work includes corrosion probe and structural testing, along with SCADA and IT evaluation the week of July 18. Vibration analysis, thermographic and ultrasonic evaluation is also to be performed the week of July

18. Electrical equipment and future capital improvements will be addressed the week of July 25. The overall report is expected to be available in August.

e. Development of the draft “Definitive Agreement”

Attorney Fausone reported that he presented the first draft of the Definitive Agreement to the Legal Committee on July 8. Based on input received from the local attorneys, he is working to revise the draft and intends to deliver it to the County prior to the July 16 deadline established in the Letter of Intent. He has also communicated with the County Corp Counsel and provided detailed information on the schedules that will need to be prepared as exhibits to the Definitive Agreement.

He noted that the County staff was apparently unaware of the existence of the detailed asset list maintained by the plant personnel on the CMMS and he expressed optimism that the CMMS would provide the necessary information to complete the asset inventory. In addition, work is underway on the development of a number of other schedules including real estate, contracts, debt, etc. In recognition of the amount of information that needs to be compiled, the draft Definitive Agreement proposes an 18 month window to complete the process and effectuate the transfer.

5. Report from Cost Allocation Committee re: June 20 Meeting

Secretary Hinshon reported that the Cost Allocation Committee met on June 20 and a copy of the meeting summary was distributed with the pre-meeting packet (Attachment 5). He noted that the Committee is recommending that the initial purchase price for the System transfer be covered out of revenue to be collected by DUWA. This approach is supported by the Bond Counsel and Financial Advisor since it focuses the attention of the Rating Agencies on the Authority and its revenue stream rather than the financial strength of each individual member Community. Since several DUWA Member Communities are financially stressed, there is potential for the Rating Agencies to be skittish about the upcoming bond sale if the costs are allocated to each individual Member Community. Furthermore, by covering the costs from revenue, this is consistent with the objective of maintaining a “rate neutral” transaction. Under any other allocation scheme, it is likely that some Communities would see a rate increase since their share might not match their billable flow usage.

After discussion, it was generally agreed that the recommendation from the Cost Allocation Committee would be acceptable. Motion by Keith Boc (Romulus) supported by Bill Matakas (Allen Park) to accept the Cost Allocation Committee recommendation to finance the initial purchase price for the System out of rates and charges. Motion passed unanimously.

Mr. Hinshon indicated that the financing plan makes it imperative that a new Service Agreement between DUWA and the 13 Communities be developed and approved as quickly as possible. The Financial Advisor has indicated that the Rating Agencies will be reluctant to issue a rating to the Authority until the new

Service Agreement is in place since that document establishes DUWA's legal ability to secure revenue to retire the debt. Mr. Hinshon reported that the Cost Allocation Committee is preparing a draft Service Agreement based on the document prepared at the end of 2014 with Wayne County. Many of the proposed provisions will be modified to delete references to the County and the new "Joint Management Board", but much of the rest of the document will be retained. Once the Committee has completed work on a draft Agreement, it will be circulated for review and comment. The final Agreement will need to be officially approved by all 13 Communities and the Authority in order to take effect.

6. Treasurer's Report

Treasurer Doug Drysdale presented a table listing the status of payments that have been received from each community since the new assessment was adopted by the Board (Attachment 6). He noted that some communities have still not issued payments, and asked that the community representative follow up with their respective finance people in order to get a check issued for the amounts due. He also presented a report on the DUWA Account Balance (Attachment 7) and noted that cash on hand was not sufficient to cover the pending invoices. However, he reported that the Wayne County Commission recently approved the Technical Coordinator contract amendment which includes funding for HEC and Plante & Moran through June 30, 2016. Mr. Hinshon indicated that he will reimburse DUWA for all work paid by DUWA through June 30 upon receipt of payment from Wayne County. It is not known how quickly the County will process payment and issue a check, although a turnaround time of 60 days has been customary in the past.

Mr. Drysdale noted that three new invoices have been received, and they were included in the pre-meeting packet (Attachments 8, 9, and 10). These include statements from Fausone Bohn for legal assistance, as well as an invoice from Plante & Moran for financial consulting assistance, and an invoice from Hinshon Environmental Consulting for technical assistance. Motion by Bryce Kelley (Southgate) supported by Jim Taylor (Van Buren Township) to authorize the Treasurer to issue payment for the three invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

7. Public Comment

Chairman Sollars noted that the Agenda includes opportunity for members of the public to address the Board, and asked if anyone in attendance wished to do so. None of the attendees indicated an interest in making a statement to the Board.

8. Other Business

Mayor Dan Paletko (Dearborn Heights) requested that the Board be provided with information about Veolia's response to the recent lawsuit from Attorney General Bill Schuette regarding the firm's alleged contributions to the lead contamination problem in Flint. Attorney Fausone noted that he has been in touch with Veolia in regard to this matter and has also read Veolia's report to Flint which was the document mentioned by AG Schuette in his press release on the lawsuit. Mr.

Fausone agreed to work with Veolia to obtain information on the issue and distribute it to the Board.

Keith Boc (Romulus) questioned the advisability of continuing to incur costs for consultants and attorneys given the uncertainty as to whether the System transfer will go through recognizing the NPDES Permit and debt issuance concerns discussed earlier. He suggested that DUWA proceed cautiously and take steps to curtail expenditures if it appears that the System transfer will be stymied.

9. Next Meeting Date

Chairman Sollars reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday August 11, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:17 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
July 18, 2016

Attachments

1. Meeting Agenda
2. June 9, 2016 Board Meeting Minutes
3. Summary of June 28 Meeting with MDEQ staff re: NPDES Permit Transfer
4. Summary of June 24 Meeting with Wayne County Employees
5. Cost Allocation Committee June 20 Meeting Summary and Recommendation
6. DUWA Treasurer's status update re: Community payments
7. DUWA Account Balance as of June 30, 2016
8. Invoice from Fausone Bohn dated 6/1/2016 for legal services
9. Invoice from Plante & Moran dated 7/1/2016 for financial consulting assistance
10. Invoice from HEC dated 7/5/2016 for technical consulting assistance

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, JULY 14, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from June 9, 2016 Board Meeting
4. Report from DUWA Negotiating Committee: Status Update on System Transfer.
 - a. Bond Counsel/Financial Advisor report re: Bond Sale issues/timetable
 - b. Report on June 28 MDEQ Meeting re: NPDES Permit transfer to DUWA
 - c. Report on June 24 meeting w/Wayne Co employees
 - d. Update on status of Veolia's Due Diligence evaluation of the System
 - e. Development of the draft "Definitive Agreement"
5. Report from Cost Allocation Committee re: June 2 meeting on apportionment alternatives
 - a. June 20 Meeting Summary/Recommendation re: Purchase Price cost apportionment
 - b. Update on development of new Service Agreement
6. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
7. Other Business
8. Next Meeting Date: **August 11, 2016** (9:00 AM; Taylor City Hall)
9. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
AUGUST 11, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:12 a.m., and asked for the Roll Call to be taken. Voting Representatives were in attendance from eight (8) member communities (Allen Park, Dearborn Heights, Lincoln Park, Riverview, Romulus, Taylor, Van Buren Township and Wyandotte). Chairman Sollars announced that a quorum (at least seven members) was present. There were no Representatives in attendance from Belleville, Brownstown Township, Ecorse, River Rouge or Southgate at the meeting.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Motion by Bill Matakas (Allen Park), supported by Jim Taylor (Van Buren Township), to approve the Agenda as presented. Motion passed unanimously.

3. Approval of Minutes from July 14, 2016 Board Meeting

Copies of the meeting minutes from the July 14, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Jim Taylor (Van Buren Township), supported by Doug Drysdale (Riverview) to approve the July 14, 2016 meeting minutes as presented. Motion passed unanimously.

4. Negotiating Committee Report re: Status Update on System Transfer

a. Bond Counsel/Financial Advisor report on Bond Sale issues/timetable

Bond Counsel Ann Fillingham reported that she and Financial Advisor Kari Blanchett have been working with County and State officials regarding the transfer of outstanding debt to the Authority, including both the Judgment Levy debt and the SRF debt. It is recommended that the Authority pursue financing under Act 94 as a Revenue Bond since this approach will limit the need for the Rating Agencies to evaluate the financial strength of the individual member Communities. The Act 94 Revenue Bond would be reliant on the Authority's demonstrated ability to capture funds from customer communities, and this revenue stream would arguably be secure. It was noted, however, that the Rating Agencies will require that DUWA have a new Service Agreement in effect, and a new NPDES Permit issued which does not require significant new capital expenditures.

Ms. Fillingham acknowledged the concerns expressed previously by the DUWA Communities regarding the need to preserve the ability to collect revenue from millage assessments to retire the Judgment Levy portion of the debt on the System. Work is underway to develop a process for handling this issue.

Kari Blanchett noted that an Investment Grade rating is being pursued, but it is recognized that Wayne County's current rating is below Investment Grade so the

Authority may actually be more credit worthy than the County if the Investment Grade rating can be secured.

Several Board Members questioned whether the debt to be issued by DUWA will have any carryover implications to the individual Communities, some of whom are in the process of proceeding to issue their own debt for other projects. Ms. Blanchett noted that because the Authority's new debt will be incurred under Act 94 as a Revenue Bond, there should be no adverse impact or constraint on local bond sales by the member Communities. DUWA's debt will not count toward a Community's debt ceiling.

b. Summary of the draft NPDES Permit and Next Steps

Secretary Dick Hinshon reported that a Draft NPDES Permit was released by MDEQ on July 21, and a copy of that document was included in the pre-meeting packet (Attachment 3). Four issues have been identified as problematic and these include:

- Proposed new restrictions on Wet Weather Flow Blending (i.e. requirement to build an additional 25 MGD Secondary Treatment capacity);
- Requirement to prepare and submit a formal Asset Management Plan with specific provisions as to the content and level of detail;
- More restrictive effluent limit for Phosphorus;
- More restrictive effluent limit for Mercury.

Mr. Hinshon noted that the most significant issue is the proposed restriction on wet weather flow blending. A preliminary review indicates that construction of the additional 25 MGD Secondary Treatment capacity could cost \$50 million, and the new facilities would be very difficult to fit onto the treatment plant property. Plus, the new facilities would only be used 8 times per year on average, usually for periods less than 24 hours. He indicated that work is underway to develop one or more alternative measures which could achieve a similar reduction in the frequency of wet weather flow blending at much lower cost. MDEQ has indicated that it will consider alternative measures as part of the permit issuance process. The proposed alternatives will be presented to the Technical Committee on August 25, and then they will be discussed with MDEQ staff.

Mr. Hinshon cautioned that MDEQ's draft NPDES Permit also includes language which would concede that the state has the authority to further restrict and regulate wet weather flow blending as part of future NPDES Permits. This provision is a major concern since the authorization to utilize flow blending in response to wet weather events was sanctioned by both MDEQ and U.S. EPA as part of the Consent Judgment, and no new laws or regulations restricting flow blending have been adopted since then. Mr. Hinshon cautioned the Authority to not concede legal authority to MDEQ to curtail blending as part of the permit negotiations.

Mr. Hinshon briefly summarized the other three issues relating to Asset Management and effluent limits. He indicated that he was optimistic that these

three issues could be satisfactorily resolved with some further discussion with MDEQ staff so that they do not become obstacles to permit issuance.

c. Dan Alford departure; Firooz Fath-Azam as Interim replacement

Secretary Dick Hinshon reported that the Downriver Wastewater Plant Superintendent Dan Alford has announced his resignation as of August 12 to take a position with the Great Lakes Water Authority. The new position apparently comes with a significant pay increase, improved benefits and promotional opportunities for Mr. Alford. The County has arranged to retain former plant Superintendent Firooz Fath-Azam on a part-time basis to help fill the void. Mr. Fath-Azam will be coordinating with Veolia on the Due Diligence evaluation, and will be fulfilling the NPDES Permit requirement to have a Class A licensed operator overseeing the facility. Wayne County is pursuing full time employment with other Class A licensed individuals but has not as yet hired anyone.

Several Board Members suggested that DUWA contact the County to suggest that efforts be made to retain Mr. Alford recognizing his importance to the ongoing operation of the facility and the relatively nominal cost of a single person in the context of the system operation. Chairman Sollars indicated that he has already raised that concern with Deputy County Executive Rick Kaufman, but is under the impression that Mr. Alford will not reconsider his decision to leave.

d. Update on Veolia's Due Diligence evaluation of the System

Secretary Hinshon reported that Veolia is actively engaged in the Due Diligence evaluation as authorized by the Board at the June 9 Board Meeting. Weekly conference calls are being held to monitor progress and Veolia reports that the Wayne County staff have been cooperative and helpful.

No major surprises or unanticipated problems have surfaced so far, although work is still underway. A final report is expected in September after Veolia's subconsultant completes the vibration analysis, thermographic assessment and ultrasonic testing of various equipment items. Veolia will be attending the August 25 Technical Committee meeting to present the results of their evaluation to date.

e. Development of the draft "Definitive Agreement"

Attorney Fausone reported that he has met with Wayne County staff including both inside and outside Legal Counsel regarding the draft Definitive Agreement that was transmitted to the County for review on July 15. The County is working to provide detailed information relating to real estate, asset inventory, existing contracts, outstanding System debt, employees and labor agreements, and other key information that will be referenced in the Definitive Agreement.

5. Report from Cost Allocation Committee re: draft DUWA Service Agreement

Secretary Hinshon reported that the Cost Allocation Committee met on July 14 to discuss the Draft DUWA Service Agreement. The Committee reached consensus on a Draft Service Agreement and agreed to distribute that document to the DUWA Board for consideration (Attachment 4). Because it is a lengthy document, the Committee agreed to prepare and circulate a Summary of Key Issues

(Attachment 5) including a discussion of the roles and responsibilities of “Owners” as compared to “Customers”.

Mr. Hinshon presented the Key Issues document and noted several important topics including preservation of the existing rate methodology for at least 5 years, voting provisions based on the DUWA Articles of Incorporation, Maximum Allowable Flow Limits, Dispute Resolution Procedures, and debt obligations. He also summarized the differences between “Owner Communities” and “Customer Communities” and noted that Communities will need to decide if they wish to withdraw from DUWA and become a Customer to the System.

Several Board Members noted that the Owner/Customer issue is a difficult question, and Communities may need substantial time and supplemental information in order to make that decision. In particular, questions were raised about the legal authority of DUWA to assess a Surcharge to Customers over and above the rate being charged to Owners. Also, Communities requested information as to the surcharge percentage since this is likely to be a key factor which may influence the Owner/Customer decision.

Mr. Hinshon presented a proposed Timetable (Attachment 6) for finalizing and approving the new Service Agreement. He noted that the Service Agreement will need to be in place before the Rating Agencies will issue a rating to the Authority, so this is a critical step in the overall schedule to acquire the System. Several Board Members suggested that the Owner/Customer decision be separated from the Service Agreement review/approval process since it is unlikely that Communities can come to resolution on the Owner/Customer issue quickly.

Mr. Hinshon agreed to revise the proposed Timetable to allow more time to consider the Owner/Customer issue, and to provide supplemental information relating to the legal authority to assess surcharges and information about what other water and wastewater utilities in the area are using for Customer surcharges.

6. Treasurer’s Report

Treasurer Doug Drysdale presented a table listing the status of payments that have been received from each community since the new assessment was adopted by the Board (Attachment 7). He noted that some communities have still not issued payments, and asked that the community representative follow up with their respective finance people in order to get a check issued for the amounts due. He also presented a report on the DUWA Account Balance (Attachment 8) and noted that cash on hand was not sufficient to cover the pending invoices. However, the Wayne County Commission recently approved the Technical Coordinator contract amendment which includes funding for HEC and Plante & Moran through June 30, 2016, so it is anticipated that the Authority will be reimbursed for prior payments to HEC and Plante & Moran in the near future.

Mr. Drysdale noted that three new invoices have been received, and they were included in the pre-meeting packet (Attachments 9, 10 and 11). These include

statements from Fausone Bohn for legal assistance, as well as an invoice from Hinshon Environmental Consulting for technical assistance, and an invoice from Plante & Moran for financial consulting assistance. Motion by Jim Taylor (Van Buren Township) supported by Doug Drysdale (Riverview) to authorize the Treasurer to issue payment for the three invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

7. Public Comment

Chairman Sollars noted that the Agenda includes opportunity for members of the public to address the Board, and asked if anyone in attendance wished to do so. None of the attendees indicated an interest in making a statement to the Board.

8. Other Business

No items were presented for discussion as "Other Business".

9. Next Meeting Date

Chairman Sollars reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday September 8, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:40 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
August 15, 2016

Attachments

1. Meeting Agenda
2. July 14, 2016 Board Meeting Minutes
3. Draft NPDES Permit from MDEQ dated July 21, 2016
4. Draft Service Agreement dated August 4, 2016
5. Summary of "Key Issues" for the draft DUWA Service Agreement including a summary of Owner and Customer responsibilities
6. Proposed Timetable to approve the Service Agreement
7. DUWA Treasurer's status update re: Community payments
8. DUWA Account Balance as of August 4, 2016
9. Invoice from Fausone Bohn dated 7/1/2016 for legal services
10. Invoice from HEC dated 8/2/2016 for technical consulting assistance
11. Invoice from Plante & Moran dated 8/3/2016 for financial consulting assistance

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, AUGUST 11, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from July 14, 2016 Board Meeting
4. Report from DUWA Negotiating Committee: Status Update on System Transfer.
 - a. Bond Counsel/Financial Advisor report re: Bond Sale issues/timetable
 - b. Summary of draft NPDES Permit from MDEQ; Next Steps for resolving issues
 - c. Update on departure of WWTP Superintendent Dan Alford and hiring of Firooz Fath-Azam as the interim replacement
 - d. Update on status of Veolia's Due Diligence evaluation of the System
 - e. Development of the draft "Definitive Agreement" and accompanying Schedules
5. Report from Cost Allocation Committee re: draft Service Agreement
 - a. Overview of Key Issues as set forth in the August 4 draft Service Agreement
 - b. Process/timetable for adopting a Service Agreement
6. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
7. Public Comment
8. Other Business
9. Next Meeting Date: **September 8, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
SEPTEMBER 8, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:10 a.m., and asked for the Roll Call to be taken. Voting Representatives were in attendance from eleven (12) member communities (Allen Park, Belleville, Brownstown Township, Ecorse, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township and Wyandotte). Chairman Sollars announced that a quorum (at least seven members) was present. The Representative from Dearborn Heights arrived during the discussion of Agenda Item 4.

2. Approval of the Agenda

Copies of the Agenda were made available prior to the meeting (Attachment 1). Motion by Bill Matakas (Allen Park), supported by Leroy Burcroff (Romulus), to approve the Agenda as presented. Motion passed unanimously.

3. Approval of Minutes from August 11, 2016 Board Meeting

Copies of the meeting minutes from the August 11, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Mark Gahry (Brownstown Township) supported by Jim Taylor (Van Buren Township) to approve the August 11, 2016 meeting minutes as presented. Motion passed unanimously.

4. Status Update on System Transfer

a. Summary of August 25 Technical Committee Meeting

• NPDES Permit update

DUWA Secretary Dick Hinshon reported that the Technical Committee met on August 25, and the meeting included participation from Wayne County (Kelly Cave and Firooz Fath-Azam). The group reached consensus on a list of low cost alternative measures which could be undertaken in lieu of constructing an additional 25 MGD Secondary Treatment capacity as proposed by MDEQ in the latest draft NPDES Permit. He noted that a summary of those alternatives along with preliminary cost estimates and a blending impact assessment was included as part of the DUWA Pre-Meeting packet (Attachment 3). Based on the input received from the Technical Committee, he is now preparing a response to MDEQ transmitting proposed NPDES Permit language which, if accepted, would incorporate the alternative remedial measures as the mechanism to reduce the frequency of wet weather flow blending. The response to MDEQ will also strike out the proposed new permit language which authorizes the state to further restrict blending at its discretion.

The Committee also discussed the permit requirement to complete and submit an Asset Management Plan, and came to agreement on substitute permit

language which eliminates much of the onerous detail proposed by MDEQ. The response to MDEQ will also modify the proposed permit language which currently gives the state the ability to require certain rate adjustments to increase funding for rehabilitation and replacement of assets based on the analysis of assets and their expected useful life.

Secretary Hinshon indicated that he would circulate copies of the response to MDEQ to the DUWA Members when it goes out. Since Wayne County is the current named Permittee, Wayne County will take the lead on transmitting the response to MDEQ.

- **Status Report re: Veolia's Due Diligence Evaluation**

Secretary Dick Hinshon reported that Veolia is making good progress in completing the Due Diligence evaluation consistent with the Scope of Work that was approved by the Board at the June Board Meeting. He referenced the update (Attachment 4) included in the Pre-Meeting packet, and noted that Veolia presented the update to the Technical Committee at the August 25 meeting. Veolia has not identified any major/costly deficiencies that will need to be remedied prior to the System Transfer. A final report from Veolia will be prepared in October after their subcontractor completes a few remaining tasks.

- **Staffing Issues: Veolia/Wayne County contract negotiations**

Secretary Hinshon reported that staffing at the wastewater treatment plant remains a problem as more individuals pursue work opportunities at other facilities (most notably the new Great Lakes Water Authority). To deal with this problem, the County has engaged in contract negotiations with Veolia to take on responsibility for operating the plant in the interim until the System Transfer can be completed. Carol Symes from Veolia summarized the negotiations that have taken place to date, and noted that the base contract being discussed with Wayne County is the same contract that was previously provided to DUWA by Veolia.

Beth Bialy noted that the Authority will need to ensure that the cost of services to be provided by Veolia are consistent with the revenue being derived from the approved FY17 Rates Package. It was suggested by some attendees that DUWA participate in the contract negotiation process between the County and Veolia. It was further suggested that the County be invited to attend a future DUWA Board Meeting to update the Board on the current conditions at the plant and the staffing situation. DUWA Attorney Jim Fausone indicated he would take those suggestions under advisement.

b. Update re: Bond Sale issues and timetable

DUWA Attorney Jim Fausone reported that the Bond Counsel and Financial Advisor are continuing their work on development of a strategy for the Authority to move forward with a Revenue Bond Sale. This has included discussions with state officials from the Municipal Finance Authority as well as the County's Bond Counsel and Financial Advisors. He noted that the Authority needs to secure a rating from the Credit Agencies, but this step is currently on hold pending

finalization and approval of the new Service Agreement by the Communities. Since the Service Agreement establishes DUWA's legal authority to collect revenue, it is an essential element that must be in place before a credit rating can be issued.

c. Development of the “Definitive Agreement” and schedules

Jim Fausone briefed the Board on the status of the “Definitive Agreement” which is the document that will, when approved, officially transfer the System from the County to the Authority. He noted that the County is making slow progress in developing the necessary information about real estate, contracts, outstanding debt, asset inventory and other items. The County is currently reviewing the draft Agreement that was sent by DUWA in July. Based on discussions with County Corporation Counsel Zenna Elhasan, it is anticipated that a response to the draft Agreement will be received in the near future. Mr. Fausone indicated that he would circulate the County's response to DUWA Members when he receives it.

5. Report from Cost Allocation Committee re: draft DUWA Service Agreement

a. Adoption of FY17 Rates; accessing \$500,000 for DUWA transfer costs

Secretary Hinshon reported that the new FY17 Rate Package was approved by the County Commission and is now in effect. Discussions are underway with Wayne County staff to establish a process and timetable for accessing the \$500,000 budgeted for DUWA's transition expenses as part of the FY17 rates.

b. Revised Timetable for Finalizing/Approving the Service Agreement

Secretary Hinshon summarized the revised timetable for finalizing and approving the Service Agreement, and pointed out that the schedule was included in the Pre-Meeting packet (Attachment 5). As drafted, the new timetable proposes that the Communities review and respond to the draft Agreement by September 30 so that a final document can be prepared and distributed on October 6 as part of the Pre-Meeting packet prior to the October 13 DUWA Board Meeting. It is anticipated that the Board would consider the final Service Agreement at that meeting. If approved by the Board, the Service Agreement would then be circulated to each of the 13 Communities for approval. Mr. Hinshon has proposed that the Communities schedule consideration of the document by their respective Councils and Boards with the intent of securing complete approval by November 10. He noted that this is an extremely aggressive schedule, but a quick turnaround is necessary since the Agreement needs to be in place before the Authority can secure a credit rating.

c. Process/Timetable for Community Decision re: “Owner” or “Customer”

Secretary Hinshon pointed out that the revised timetable deliberately defers the deadline for Community decision on the “Owner”/“Customer” issue until the Definitive Agreement has been finalized (presumably in 2017). The delay is intended to provide additional time for Communities to consider the advantages and disadvantages of being an Owner, and for the Authority to provide additional information about the surcharge which would be imposed

on Customer Communities. He noted that a revised Owner/Customer write up was included with the Pre-Meeting packet (Attachment 6). He pointed out that the Service Agreement includes provisions for both Owners and Customers, and Communities will be able to select whichever is deemed to be in their best interest. There was general agreement among the Board Members that the time delay for this decision is warranted, although some Community representatives expressed concern about the reasonableness and advisability of approving the Service Agreement without knowing how much will be assessed as a surcharge to a Customer Community.

d. Surcharge Information

Secretary Hinshon noted that supplemental information about Customer surcharges was included in the Pre-Meeting packet (Attachment 7). This includes a memo from Attorney Fausone citing the legal basis for assessing a surcharge, and a summary from Plante & Moran regarding the surcharges that are typically being collected by other utilities in the area. He reported that a 25% surcharge is fairly common, but that some systems are charging as much as 50%. Some Community representatives questioned the reasonableness of a surcharge, and questioned what costs would be expected to be incurred by Owners as distinct from Customers. Mr. Hinshon indicated that he would work with the financial consultants to provide additional information on this issue in the future.

6. Treasurer's Report

Treasurer Doug Drysdale presented a table listing the status of payments that have been received from each community since the new assessment was adopted by the Board (Attachment 8). He noted that Allen Park and Van Buren Township have not as yet remitted any payments, and he has been in contact with both Communities in an attempt to address this issue. He also presented a report on the DUWA Account Balance (Attachment 9) and noted that the cash currently on hand is less than the amount shown due to the release of payments for several invoices just after the balance sheet was prepared. He noted that DUWA has received reimbursement from Hinshon Environmental Consulting for work previously paid by the Authority which was subsequently covered by a payment from Wayne County under the Amended Technical Coordinator contract. Mr. Drysdale reminded the Board that the Wayne County payment only covered technical and financial assistance through June, 2016 and that DUWA will need to cover all future costs on its own. However, it is expected that the Authority will be receiving the \$500,000 in Downriver funds which was a line item expenditure in the FY17 Rate Package that recently went into effect. Discussions are underway between DUWA representatives and Wayne County staff to arrange for the release of the \$500,000.

Mr. Drysdale noted that two new invoices have been received, and they were distributed by email as a supplement to the pre-meeting packet (Attachments 10 and 11). These include statements from Fausone Bohn for legal assistance, and an invoice from Hinshon Environmental Consulting for technical assistance. Motion by Leroy Burcroff (Romulus) supported by Mark Gahry (Brownstown

Township) to authorize the Treasurer to issue payment for the two invoices at such time as sufficient funds are on deposit to cover the cost. Motion passed unanimously.

7. Public Comment

Chairman Sollars noted that the Agenda includes opportunity for members of the public to address the Board, and asked if anyone in attendance wished to do so. None of the attendees indicated an interest in making a statement to the Board.

8. Other Business

Mark Gahry reminded the Board that September 12 will be his last day working for Brownstown Township, and reported that Bill Turner has been hired to replace him. He anticipated that Mr. Turner would be the Township's designated Representative to DUWA once he comes on board.

Chairman Sollars reminded the Board Members that a luncheon for Downriver Elected Officials will be held at the Lakes of Taylor Golf Course starting at 11:30 AM. The purpose of the luncheon is to build support for expedited consideration of the Service Agreement, and to update the Mayors/Supervisors about the pending System Transfer.

9. Next Meeting Date

Chairman Sollars reminded the Board Members that the next regularly scheduled DUWA Board meeting is set for 9:00 a.m. on Thursday October 13, 2016 at the Taylor City Hall.

There being no other business, the meeting adjourned at 10:36 a.m.

Meeting Minutes Prepared by:
Richard T Hinshon, DUWA Secretary
September 12, 2016

Attachments

1. Meeting Agenda
2. August 11, 2016 Board Meeting Minutes
3. Summary of Alternative Measures to reduce Wet Weather Flow Blending
4. Progress Report from Veolia dated 8/25/16 re: status of Due Diligence Evaluation
5. Revised Timetable for review and approval of the new Service Agreement
6. Revised Summary of "Owner" and "Customer" Considerations
7. Supplemental Information re: Surcharges
8. DUWA Treasurer's status update re: Community payments
9. DUWA Account Balance as of August 4, 2016
10. Invoice from Fausone Bohn dated 8/1/2016 for legal services
11. Invoice from HEC dated 9/6/2016 for technical consulting assistance

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, SEPTEMBER 8, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from August 11, 2016 Board Meeting
4. Status Update on System Transfer.
 - a. Summary of August 25 Technical Committee Meeting:
 - NPDES Permit update
 - Status report re: Veolia's Due Diligence Evaluation
 - Staffing issues; Veolia/Wayne Co. contract negotiations
 - b. Update re: Bond Sale issues and timetable
 - c. Development of the draft "Definitive Agreement" and accompanying Schedules
5. Report from Cost Allocation Committee re: draft Service Agreement
 - a. Adoption of FY17 Rates; accessing \$500,000 for DUWA transfer costs
 - b. Revised Timetable for Finalizing and Approving the Service Agreement
 - c. Process/Timetable for Community Decision Making re: "Owner" or "Customer" status
 - d. Surcharge information

Reminder: Elected Officials' luncheon at Lakes of Taylor (11:30 AM; Sept. 8)
6. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
7. Public Comment
8. Other Business
9. Next Meeting Date: **October 13, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
OCTOBER 13, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:03 AM, and asked for the roll call to be taken. Voting representatives were in attendance from 9 communities: Allen Park, Brownstown Township, Ecorse, Lincoln Park, River Rouge, Riverview, Romulus, Taylor and Wyandotte. Chairman Sollars announced that a quorum (at least 7 members) was present. The Dearborn Heights representative arrived at the meeting at 9:22 AM during discussions on the Service Agreement. There was no representative in attendance from Belleville, Southgate or Van Buren Township at the meeting.

2. Approval of Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by Bill Matakas (Allen Park) and seconded by Doug Drysdale (Riverview) to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from September 8, 2016 Board Meeting

Copies of the meeting minutes from the September 8, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Bill Matakas (Allen Park) and seconded by Romulus (Roberto Scappaticci) to approve the September 8, 2016 Board meeting minutes as presented. Motion passed unanimously.

4. Status Update on System Transfer

DUWA Attorney Jim Fausone indicated that Wayne County has not yet provided on the draft Definitive Agreement. Attorney Fausone also reported that Wayne County has provided proposed new language to MDEQ for the NPDES Permit, but no response has been received from the state as to those comments. The proposed new permit language was developed as a collaborative effort between DUWA and Wayne County.

Veolia's due diligence has been completed and a final report is expected to be provided to DUWA by month's end. The report will likely show that there are no show-stoppers, but there are some maintenance items which need to be done and are of a magnitude such that they will not require any major capital improvements. In addition, it was noted that Wayne County is still facing full staffing challenges and that Veolia has been in discussions with Wayne County to take over the interim operations, but no arrangement has yet been finalized.

Last, Attorney Fausone commented on the status of a future bond sale. He indicated that Wayne County and DUWA have been in discussions with the State Treasurer and the Municipal Finance Authority, meeting most recently on October 5th. The challenge will be to make everyone comfortable that there will be quality in the credit rating as a part of the transaction. Although the State is generally supportive, it would like to see what DUWA's credit rating will be once the Service Agreement is finalized and agreed to by all 13 communities. A credit rating of A- investment grade is the DUWA target.

5. Proposed New Service Agreement

Mr. Fausone provided some background on the development of the Service Agreement (Attachment 3). He noted that the document reflects changes made in response to comments from several communities, and these changes are discussed in the document which accompanies the Service Agreement (Attachment 4). He gave an overview of the various articles of the proposed Service Agreement noting that the document has been reviewed and endorsed by the Technical Committee. He pointed out certain items which the Agreement does not cover as well as certain items which will have to be finalized after the Service Agreement is concluded and agreed upon such as the Sewer Use Regulations, FOIA policy, etc. While it was recognized that those documents will also have to be negotiated and agreed upon, there is a need to have a formal Service Agreement first for purposes of obtaining a bond rating to establish a revenue basis for payment on the bonds. He indicated that the Agreement clearly indicates that DUWA and not the individual communities are owners of the System.

As to the origin of the Service Agreement, Mr. Fausone indicated that the document is largely based on the 2014 Agreement between Wayne County and the 13 Communities, which was previously approved by 11 of the 13 Communities. He then summarized several important provisions in the draft Service Agreement and the exhibits including Article 2 (Delivery of Flow), Article 3 (Maximum Allowable Flow), Article 4 (Non Compliance), Article 6 (DUWA Board Powers), Article 7 (Term), Article 10 (Dispute Resolution), and Article 12 (Amendment).

Discussion of the proposed Service Agreement ensued, with several DUWA representatives and audience members making comments and asking questions. After concluding these discussions, Mr. Fausone indicated that it was his hope that all communities could review and approve and execute the Service Agreement no later than November or December in order to allow bond counsel to seek a credit rating in early January. He indicated that any community that wanted to have a presentation on matters related to the Service Agreement to let him know. He indicated that Mr. Hinshon and Mr. Bohn have already met with several communities, and are prepared to do that with any other communities who may have questions.

A discussion then ensued with regard to the draft template resolution for each community to review and adopt relative to approval of the Service Agreement Attachment 5). Mr. Bohn requested that before any resolutions are presented to communities that copies be sent to him to make sure they are compliant with the necessary requirements.

The final item to be discussed under paragraph 5d of the Agenda was the DUWA Board Resolution of the Service Agreement (Attachment 6). A motion was made by the Mark Kowalewsky (Wyandotte) and seconded by Bill Matakas (Allen Park) to approve the draft DUWA resolution. On a voice vote, the resolution was approved with Lincoln Park voting no. A roll call vote was then requested.

Before the roll call was taken, Dan Paletko (Dearborn Heights) made a motion that Mr. Hinshon and Mr. Bohn work within the next 30 days with both Lincoln Park and Ecorse to address their concerns. The motion was supported by Mark Kowalewski (Wyandotte) and was approved unanimously.

At that point a roll call was taken with all communities present voting in favor of the DUWA Board Resolution adopting the Service Agreement with Ecorse and Lincoln Park voting no. The motion to adopt the Resolution carried.

6. Treasurer's Report

Treasurer Drysdale had previously provided to the Member Representatives his report which included a balance sheet, status of payment of monthly assessments, revenue and expenditure report and invoices received from Hinshon Environmental Consulting, Fausone and Bohn, LLP and Plante Moran (Attachments 7, 8, 9, 10 and 11). Motion by Dave Flaten (Ecorse) and supported by Roberto Scappaticci (Romulus) to pay the invoices submitted to DUWA when money is in hand. Motion passed unanimously.

7. Public Comment

There was no public comment.

8. Other Business

There was no other business.

9. Next Meeting Date

Chairman Sollars reminded the Board that the next regularly scheduled DUWA Board Meeting is November 10, 2016 (9:00 a.m. Taylor City Hall)

There being no other business, Chairman Sollars announced that a motion to adjourn would be in order. Motion by Bill Matakas (Allen Park), supported by Doug Drysdale (Riverview) to adjourn the meeting. Motion passed unanimously at 10:25 AM.

Meeting Minutes Prepared by:
Patrick B. McCauley
Chairman, Downriver Legal Committee
Downriver Utility Wastewater Authority
October 14, 2016

Attachments

1. Meeting Agenda
2. September 8, 2016 Board Meeting Minutes
3. DUWA Service Agreement
4. Summary of Revisions to August 4, 2016 DUWA draft Service Agreement
5. Service Agreement Approval Resolution for Cities/Townships
6. DUWA Resolution Approving Service Agreement
7. DUWA Balance Sheet
8. Status Report re: Payments from Communities
9. DUWA Revenue and Expenditure Report
10. Invoice dated October 3, 2016 from Hinshon Environmental Consulting
11. Invoice dated September 1, 2016 from Fausone Bohn LLP
12. Invoice dated September 15, 2016 from Plante & Moran

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, OCTOBER 13, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from September 8, 2016 Board Meeting
4. Status Update on System Transfer.
 - a. Update on the "Definitive Agreement"
 - b. Update on NPDES Permit Re-Issuance
 - c. Update on Veolia's Due Diligence Evaluation
 - d. Update on the proposed interim Operating Agreement between Wayne Co/Veolia
 - e. Update on preparations for a future Bond Sale by the Authority
5. Proposed new Service Agreement
 - a. Presentation of Final Service Agreement; Summary of Changes based on Community Review of the August 4 Draft
 - b. DUWA Board discussion and approval of Service Agreement
 - c. Schedule for Community Consideration/Approval of Service Agreement
6. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
7. Public Comment
8. Other Business
9. Next Meeting Date: **November 10, 2016** (9:00 AM; Taylor City Hall)
10. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
NOVEMBER 10, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:10 AM, and asked for the roll call to be taken. Voting representatives were in attendance from 9 communities: Allen Park, Brownstown Township, Dearborn Heights, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor and Wyandotte. Chairman Sollars announced that a quorum (at least 7 members) was present. There was no representative in attendance from Belleville, River Rouge or Van Buren Township at the meeting.

2. Approval of Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by John Zech (Southgate) and seconded by Roberto Scappaticci (Romulus) to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from October 13, 2016 Board Meeting

Copies of the meeting minutes from the October 13, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Dave Flaten (Ecorse) and seconded by Doug Drysdale (Riverview) to approve the October 13, 2016 Board meeting minutes as presented. Motion passed unanimously.

4. Status Update on System Transfer

DUWA Attorney Jim Fausone gave an update on the status of activities relating to the transfer of the System from Wayne County to DUWA. He indicated that Wayne County has not yet responded in writing to the draft "Definitive Agreement" which was submitted by DUWA in July. However, there have been several discussions and telephone conversations regarding the Definitive Agreement, and it is expected that the County will be providing a written response in the near future. County officials have noted that the negotiation of a contract with Veolia to take over operation of the System has taken precedence due to the difficulties that have been encountered in hiring and retaining staff to run the Downriver System. Negotiations with Veolia are in progress, and the County is anticipating that the firm will start operating the plant early in 2017 after a contract has been negotiated and approved.

Mr. Fausone noted that the DUWA Financial Team including Bond Counsel (Ann Fillingham) and the Financial Advisor (Kari Blanchett) have been meeting with County and State officials to develop a strategy for transferring existing Downriver System debt to DUWA, and to secure a rating from the Credit Agencies in anticipation of a Revenue Bond sale to cover the purchase of the System. Some Downriver

communities are using millage assessments to pay for a portion of the outstanding debt, and preserving the millage assessments is an important objective for the Finance Team. Consideration is being given to having the County retain some debt (the “Judgment Levy” debt) after the transfer in order to ensure that the millage revenue can be retained. If the Judgment Levy debt is transferred to DUWA, it may be necessary to secure an Order from Judge Cox to authorize the communities to continue to collect the millage assessments.

The Finance Team has also indicated that the Rating Agencies will likely review the history of payments from the 13 communities since this is the revenue stream that will be relied on to cover the debt service on a future Revenue Bond to be issued by DUWA. Wayne County has reported that several communities are behind on their payments, as evidenced by the “Accounts Receivable” report dated September 30, 2016 (Attachment 3). Mr. Fausone distributed a memo dated November 7 addressing this concern (Attachment 4), and urged the DUWA communities to stay current on their payments since overdue payments may adversely affect DUWA’s future credit rating.

Mr. Fausone reported that he has been in contact with Wayne County staff recently to try to obtain payment to DUWA in the amount of \$500,000 to cover one-time transition expenses. This amount is included in the approved FY17 Rate Package, but the County has yet to release the funds to DUWA. Finance Committee Chair Beth Bialy indicated that she has also discussed this issue with County personnel, who have advised that the payment is in the process of being released. It appears that the funds will likely be paid to DUWA in the next 30 days.

5. Issues from the Technical Committee

a. Recommendation re: Adoption of DUWA Sewer Use Regulations

DUWA Secretary Dick Hinshon reported the Downriver Technical Committee met on November 3, and the Committee has recommended that the DUWA Board officially adopt the new DUWA Sewer Use Regulations (Attachment 5). A proposed resolution approving these Regulations was included in the Board Packet (Attachment 6).

Mr. Hinshon noted that the Sewer Use Regulations are referenced in the Service Agreement which is now in the process of being adopted, so it is important that the Regulations be approved concurrently. The DUWA Sewer Use Regulations mirror the Wayne County Sewer Use Ordinance which is currently in effect, and the only substantive change is the elimination of the section dealing with storm sewers and stormwater management (since DUWA does not have any oversight or control of storm sewers or stormwater).

Motion by Mark Kowalewski (Wyandotte) supported by John Zech (Southgate) to approve the Sewer Use Regulation as recommended by the Technical

Committee, and to have the Regulation take effect in conjunction with the transfer of the Downriver System from Wayne County to DUWA. Motion passed unanimously.

b. Presentation of Veolia’s “Due Diligence” evaluation report

Mr. Hinshon summarized Veolia’s “Condition Assessment” report dated October 7, 2016 (Attachment 7). This document was presented and discussed at the November 3 Technical Committee meeting. Veolia has indicated that the wastewater treatment plant is generally in good condition, especially considering its age. The report documents a number of issues and problems, most of which are minor, already known, or in the process of being addressed as part of ongoing improvements.

The Technical Committee discussion focused on two key concerns. First, it was noted that the currently the SCADA and CMMS systems for all Wayne County sewer systems and facilities are housed at the Downriver plant and a single, integrated system is being used to manage all of the facilities. With the pending transfer of the Downriver System to DUWA, some action is needed to segregate the SCADA and CMMS systems for non-DSDS facilities so they can continue to be operated and maintained after the transfer. Kelly Cave has indicated that this problem has been known to Wayne County for some time, but as yet no specific program has been undertaken to resolve the problem. Veolia has agreed to expand the Condition Assessment report to more fully describe this issue, and to provide a menu of options and a preliminary cost estimate for various solutions.

Secondly, the Technical Committee inquired about the relatively limited information in the report about the condition of the Downriver Interceptor System. It was noted that Veolia’s Scope of Work deliberately excluded cleaning and inspection of underground pipes because of the high cost and time required. Funds have been budgeted for future inspection of Interceptors as part of the regular System Operation & Maintenance, but this is not a task that needs to be completed prior to system transfer as part of the “due diligence” evaluation.

c. Update on NPDES Permit/MDEQ response to Blending, Asset Management

Mr. Hinshon noted that the long awaited response from MDEQ regarding proposed new NPDES Permit language for Blending and Asset Management was received on November 4 (Attachment 8). He indicated that MDEQ has accepted most, but not all, of the language proposed by DUWA and Wayne County. He summarized the remaining unresolved issues relating to both topics, and indicated that he expects to coordinate with Wayne County to arrange further discussions with MDEQ in an attempt to resolve these items. Based on MDEQ’s response, it appears that the System will not have to undertake extremely costly new capital improvements to reduce the frequency of wet weather flow blending.

6. Service Agreement: Status Update on Community Approvals

Secretary Hinshon distributed a table showing the current status of Community approvals for the DUWA Service Agreement (Attachment 9). He noted that one Community (Belleville) has approved the Agreement, and that several other Communities are scheduled to consider the Agreement over the next few weeks. He requested that the remaining Communities take steps to place the Agreement on a future City Counsel/Township Board agenda for consideration. It is hoped that approvals can be obtained by all 13 Communities by the end of the year. Once the Agreement has been approved, the Authority can then pursue a credit rating from the credit agencies.

7. Treasurer's Report

Treasurer Drysdale had previously provided to the Member Representatives his report which included a balance sheet, status of payment of monthly assessments, revenue and expenditure report and invoices received from Hinshon Environmental Consulting, Fausone and Bohn, LLP and Plante Moran (Attachments 10, 11, 12, 13, and 14). Motion by Dave Flaten (Ecorse) and supported by Roberto Scappaticci (Romulus) to pay the invoices submitted to DUWA when money is in hand. Motion passed unanimously.

8. Public Comment

There was no public comment.

9. Other Business

There was no other business.

10. Next Meeting Date

Chairman Sollars reminded the Board that the next regularly scheduled DUWA Board Meeting is December 8, 2016 (9:00 a.m. Taylor City Hall)

There being no other business, Chairman Sollars announced that a motion to adjourn would be in order. Motion by Bill Matakas (Allen Park), supported by John Zech (Southgate) to adjourn the meeting. Motion passed unanimously at 10:15 AM.

Meeting Minutes Prepared by:
Richard Hinshon
DUWA Secretary
November 14, 2016

Attachments

1. Meeting Agenda
2. September 8, 2016 Board Meeting Minutes
3. Wayne County "Schedule of Outstanding Receivables" as of 9/30/16
4. Memo dated 11/7/16 from J. Fausone re: DSDS Payment History
5. DUWA Sewer Use Regulations
6. Suggested Resolution of Approval for DUWA Sewer Use Regulations
7. Veolia's "Condition Assessment Report" dated 10/7/16
8. Proposed new NPDES Permit language from MDEQ for Blending, Asset Management
9. Scoreboard dated 11/9/16 showing the status of Community approvals for the new DUWA Service Agreement
10. Status Report re: Payments from Communities
11. DUWA Balance Sheet
12. Invoice dated October 1, 2016 from Fausone Bohn LLP
13. Invoice dated October 5, 2016 from Plante & Moran
14. Invoice dated November 3, 2016 from Hinshon Environmental Consulting

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, NOVEMBER 10, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from October 13, 2016 Board Meeting
4. Status Update on System Transfer.
 - a. Update re: the "Definitive Agreement"
 - b. Update re: Bond Sale and transfer of outstanding debt
 - c. Status of Fund Transfer (\$500,000) from Wayne County
 - d. Update re: County negotiations with Veolia re: Interim Contract for O & M
5. Issues from the Technical Committee
 - a. Recommendation re: Adoption of DUWA Sewer Use Regulations
 - b. Presentation of Veolia's "Due Diligence" evaluation report
 - c. Update on NPDES Permit/MDEQ response to Blending, Asset Mgmt provisions
6. Service Agreement: Status Update on Community Approvals
7. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
8. Public Comment
9. Other Business
10. Next Meeting Date: **December 8, 2016** (9:00 AM; Taylor City Hall)
11. Adjournment

**DOWNRIVER UTILITY WASTEWATER AUTHORITY
DECEMBER 8, 2016 MEETING MINUTES**

Taylor City Hall City Council Chambers

1. Roll Call and Introductions

DUWA Chairman Rick Sollars called the meeting to order at 9:07AM, and asked for the roll call to be taken. Voting representatives were in attendance from 10 communities: Allen Park, Brownstown Township, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor, Wyandotte and Van Buren Township. Chairman Sollars announced that a quorum (at least 7 members) was present. The Representative from Dearborn Heights arrived during the discussion of Agenda item 4. There was no representative in attendance from Belleville or River Rouge at the meeting.

2. Approval of Agenda

Copies of the agenda were made available prior to the meeting (Attachment 1). Motion by John Zech (Southgate) and seconded by Doug Drysdale (Riverview) to approve the agenda as presented. Motion passed unanimously.

3. Approval of Minutes from November 10, 2016 Board Meeting

Copies of the meeting minutes from the November 10, 2016 Board Meeting were distributed by email prior to the meeting (Attachment 2). Motion by Doug Drysdale (Riverview) and seconded by Roberto Scappaticci (Romulus) to approve the November 10, 2016 Board meeting minutes as presented. Motion passed unanimously.

4. Status Update on System Transfer

DUWA Attorney Jim Fausone reported that he and other members of the DUWA finance team have been holding bi-weekly calls with Wayne County representatives to work on multiple issues relating to the system transfer, including the draft Definitive Agreement, the transfer of outstanding debt, the sale of a Revenue Bond to cover the purchase price for the System, and the transfer of \$500,000 to DUWA from system operating revenue to cover transition expenses.

Mr. Fausone indicated that Wayne County has been meeting with Veolia to negotiate a contract to operate the Downriver System on an interim basis prior to the transfer, and that Corporation Counsel Zenna Elhasan is present to update the Board on the status of those negotiations.

Ms. Elhasan indicated that the County is committed to moving forward with the transaction, but that the process is a difficult one which will take some time to complete. She stated that the County has not yet responded in writing to the draft Definitive Agreement, in part because the terms of the Agreement are somewhat

dependent on unresolved issues such as the handling of outstanding debt and the pending contract negotiations with Veolia to assume responsibility for operation and maintenance of the System on an interim basis prior to the effective date of the transfer. She noted that if the Veolia contract is approved, it may not be necessary to address the Wayne County employees as part of the Definitive Agreement.

With regard to the Veolia contract for interim O&M services, Ms. Elhasan indicated that negotiations are underway and the County is hoping to have a draft Agreement to distribute for review by the end of the calendar year. In response to questions from the Board, Ms. Elhasan agreed that the draft Agreement will be made available to DUWA for review and comment before it is finalized and taken to the County Commission for approval.

Secretary Hinshon noted that the proposed contract with Veolia has triggered questions from the Technical Committee on how the SCADA and CMMS systems for non-Downriver facilities will be handled. Veolia's "Condition Assessment" (Due Diligence) report states that separating the current consolidated SCADA system to allow independent management of non-Downriver facilities is an expensive and complex task. Mr. Hinshon asked if Wayne County wants or needs involvement from DUWA in addressing the SCADA and CMMS issues as part of the interim O&M contract transition. Ms. Elhasan stated that she was aware of the issue based on discussions with Kelly Cave, but indicated that Ms. Cave would be the person to respond to that concern.

DUWA financial consultant Beth Bialy asked if the cost of the interim Veolia contract is consistent with the current Wayne County budget for the System such that the Communities should expect no cost increase as a result of the contract. Mark Sanderson from Veolia noted that the costs proposed by Veolia are the same as what was proposed to DUWA in April, 2016 and noted that the cost proposal is expected to generate significant savings in operational expenses as compared to current Wayne County charges.

Mr. Fausone and Bond Counsel Ann Fillingham noted that consideration is being given to leaving a portion of the outstanding debt for the System intact so as to ensure that the Financing Order authorizing the use of millage to retire Judgment Levy debt remains in place. Financial advisors have questioned whether this debt can be transferred to the Authority without obtaining a new court order to preserve the millage assessments. No decision has yet been reached on how to handle this issue, but Wayne County's financial advisors are aware of the issue and are considering this option.

DUWA financial consultant Beth Bialy reported that she and Treasurer Drysdale have been in contact with Wayne County regarding the transfer of \$500,000 from system

revenue to cover DUWA's transition costs. Based on recent discussions, it is expected that these funds will be released no later than December 16, 2016.

5. Technical Issues

a. Update on NPDES Permit

DUWA Secretary Dick Hinshon reported that considerable progress has been and is being made with MDEQ in the development of mutually acceptable permit language relating to Wet Weather Flow Blending and the new Asset Management Program. DUWA and Wayne County representatives have recently transmitted suggested revisions to parts of the Permit as shown in Attachment 3. A meeting is scheduled to be held with MDEQ on December 20 and that meeting should determine if agreement can be reached on the remaining unresolved issues.

b. Proposed DUWA Policy on wet weather storage facilities

Mr. Hinshon noted that the pre-meeting packet included a draft Policy regarding dewatering of the 7 wet weather storage facilities served by the Downriver System (Attachment 4). This Policy was developed in response to a request from Lincoln Park to preserve the current verbal authorization to initiate dewatering of their EQ Basin after a storm event. The draft Policy has been circulated to the individual Communities with wet weather storage facilities, who have indicated it is acceptable. The draft Policy has also been circulated to the Technical Committee for review, and no objections or concerns have been raised. Motion by Dan Paletko (Dearborn Heights) supported by Jim Taylor (Van Buren Township) to approve the Policy on wet weather storage facilities as presented. Motion passed unanimously.

6. Service Agreement: Status Update on Community Approvals

Secretary Hinshon distributed a table showing the current status of Community approvals for the DUWA Service Agreement (Attachment 5). Mr. Hinshon noted that he is working with staff and consultants for the City of Allen Park to reconcile an overpayment issue which has recently been identified. City Council action on the new DUWA Service Agreement is temporarily on hold so that the overpayment issue can be addressed.

7. Treasurer's Report

Treasurer Drysdale had previously provided to the Member Representatives his report which included a balance sheet, status of payment of monthly assessments, revenue and expenditure report and invoices received from Fausone and Bohn, LLP, Plante & Moran, and Hinshon Environmental Consulting (Attachments 6, 7, 8, 9 and 10). Motion by Dan Paletko (Dearborn Heights) and supported by Doug Drysdale (Riverview) to pay the invoices submitted to DUWA when money is in hand. Motion passed unanimously.

8. DUWA Board Meeting Schedule for 2017

Secretary Hinshon noted that the pre-meeting packet included the proposed 2017 Meeting Schedule for the DUWA Board (Attachment 11). He indicated that the schedule calls for monthly meetings on the 2nd Thursday of the month at 9:00 AM in the Taylor City Hall Council Chambers (if available). Motion by Dan Paletko (Dearborn Heights) supported by Doug Drysdale (Riverview) to approve the meeting schedule as proposed. Motion passed unanimously.

9. Public Comment

There was no public comment.

10. Other Business

Dan Paletko inquired as to the ramifications of draft legislation under consideration in Lansing which, if adopted and placed into effect, would establish new limits on public employee retirement benefits. Attorney Fausone noted that the proposed legislation is apparently not going to be taken up as part of the “lame duck” legislative session so there will be time to assess the impact on DUWA, if any. Further, it is DUWA’s intent to contract with Veolia to provide employees to operate and maintain the Downriver System, and as such, these would not be public employees.

11. Next Meeting Date

Chairman Sollars reminded the Board that the next regularly scheduled DUWA Board Meeting is January 12, 2017 (9:00 a.m. Taylor City Hall) and noted that, in accordance with the Authority’s Articles of Incorporation, the Agenda for the January meeting will include the annual election of officers.

There being no other business, Chairman Sollars announced that a motion to adjourn would be in order. Motion by Jim Taylor (Van Buren Township), supported by Dan Paletko (Dearborn Heights) to adjourn the meeting. Motion passed unanimously at 10:15 AM.

Meeting Minutes Prepared by:
Richard Hinshon
DUWA Secretary
December 28, 2016

Attachments

1. Meeting Agenda
2. November 10, 2016 Board Meeting Minutes
3. Proposed NPDES Permit language for blending and asset management
4. Draft DUWA Policy on wet weather storage facilities dated 11/22/16
5. Scoreboard dated 11/23/16 re: Community approvals of the DUWA Service Agreement
6. Status Report re: Payments from Communities
7. DUWA Balance Sheet
8. Invoice dated December 1, 2016 from Fausone Bohn LLP
9. Invoice dated December 2, 2016 from Plante & Moran
10. Invoice dated December 5, 2016 from Hinshon Environmental Consulting
11. Proposed DUWA Meeting Schedule for 2017

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	<h1 style="text-align: center;">Downriver Utility Wastewater Authority</h1> <p style="text-align: center;">25605 Northline Road • Taylor, Michigan 48180</p>	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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DOWNRIVER UTILITY WASTEWATER AUTHORITY
9:00 AM; THURSDAY, DECEMBER 8, 2016
TAYLOR CITY HALL COUNCIL CHAMBERS

AGENDA

1. Roll Call and Introductions
2. Approval of Agenda
3. Approval of Minutes from November 10, 2016 Board Meeting
4. Status Update on System Transfer.
 - a. Update from Wayne County (Z Elhasan) re: Veolia interim O&M contract negotiations
 - b. Update re:the "Definitive Agreement"
 - c. Update re: Bond Sale and transfer of outstanding debt
 - d. Status of Fund Transfer (\$500,000) from Wayne County
5. Technical Issues
 - a. Update on NPDES Permit/MDEQ response to Blending, Asset Mgmt provisions
 - b. Proposed DUWA Dewatering Policy for wet weather storage facilities
6. Service Agreement: Status Update on Community Approvals
7. Treasurer's Report
 - a. Update on Community payments of monthly assessment
 - b. Account balance
 - c. Pending invoices
8. DUWA Board Meeting Schedule for 2017
9. Public Comment
10. Other Business
11. Next Meeting Date: **January 12, 2017** (9:00 AM; Taylor City Hall)
Reminder: Pursuant to Article VII of the DUWA Articles of Incorporation, the election of officers (Chairman, Vice Chairman, Secretary and Treasury) will be conducted at the January 12, 2017 Board Meeting.
12. Adjournment