



# Great Lakes Water Authority

735 Randolph Street  
Detroit, Michigan 48226  
glwater.legistar.com

## Meeting Minutes - Final

### Board of Directors

---

Wednesday, June 20, 2018

12:30 PM

Water Board Building 5th Floor

---

**Special Meeting and Continued Public Hearings  
Proposed FY 2019 Schedule of Revenues and Charges and  
FY 2019 and FY 2020 Biennial Budget Request**

#### 1. Call to Order

Chairman Hendrix called the meeting to order at 12:37p.m.

#### 2. Quorum Call

**Present:** 6 - Chairman Freman Hendrix, Vice Chairman Brian Baker, Secretary Abe Munfakh, Director Gary Brown, Director Robert Daddow, and Director Craig Hupy

#### 3. Approval of Agenda

Chairman Hendrix requested a Motion to approve the Agenda.

**Motion By:** Craig Hupy  
**Support By:** Gary Brown  
**Action:** Approved  
The motion carried by a unanimous vote.

#### 4. Approval of Minutes

##### A. [2018-788](#) **May 23, 2018 Board of Directors Meeting Minutes.Draft**

**Attachments:** [May 23, 2018 Board of Directors Meeting Minutes](#)

Chairman Hendrix requested a Motion to approve the May 23, 2018 Board of Directors Meeting Minutes.

**Motion By:** Abe Munfakh  
**Support By:** Brian Baker  
**Action:** Approved  
The motion carried by a unanimous vote.

#### 5. Public Comment

Jim Capizzo came before the Board to request that Board meetings are held in a larger meeting room.

**6. Continued Public Hearings**

**A. [2018-789](#) Continued Public Hearings on Proposed FY 2019 Schedule of Revenues and Charges and FY 2019 & FY 2020 Biennial Budget Request**

**Sponsors:** Nicolette Bateson

**Attachments:** [GLWA Budget Presentation](#)  
[Cindy Darrah Public Hearing Comment](#)

Chairman Hendrix opened the Public Hearings regarding Proposed FY 2019 Schedule of Revenues and Charges and FY 2019 and FY 2020 Biennial Budget Request at 12:41 p.m., with a presentation by Nicolette Bateson, Chief Financial Officer/Treasurer.

Following the presentation, Chairman Hendrix asked if there was anyone in the audience that would like to make comments regarding the Budget and/or Revenues and Charges.

There being no comments, Chairman Hendrix closed the Public Hearing at 1:00 p.m.

**7. Communications**

**A. [2018-781](#) Receipt of Correspondence**

**Attachments:** [June 13, 2018 Public Hearing Minutes.FY 2019 SRF Project Plan](#)

Motion By: Abe Munfakh  
Support By: Brian Baker  
Action: Received and Filed  
The motion carried by a unanimous vote.

**8. Old Business**

None

**9. New Business**

**A. [2018-790](#) Resolution Adopting the FY 2019 & FY 2020 Biennial Budget**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [GLWA Board Budget Letter Presentation 061718 Final](#)  
[Resolution Adopting the FY 2019 FY 2020 Budget final at 1%](#)  
Master

Vice Chairman Baker made a Motion, Supported by Secretary Munfakh, to amend the resolution to lower the revenue for charges to a 0% increase and reduce the O & M based on administration coming back with a more detailed plan, no further change in contributions to the reserves, and I & E remains the same as proposed, based on the following:

- 1) FY17 \$100 million combined between revenue and expenses, performance better than budget;
- 2) FY18 \$40 million combined revenue and expenses, estimated, better than performance through May;
- 3) I & E construction funds are not being spent at predicted rates, we have \$600 million in cash;
- 4) \$200 million CIP, which is on pace to spend only \$80 million, which may mean we don't need to fund as much in reserves; and savings that are included in the budget;
- 5) \$60 million estimated in bond and financing that may be \$3 to \$4 million annual savings for next year and going forward;
- 6) \$9 million savings in the DRI Project that came under-budget when the contract was awarded, which will help the long-term financial plan when it comes to how much money to set aside; and
- 7) Close to 100 vacant positions, when filled, will help offset some of the contractual spending.

Chairman Hendrix requested a Roll Call Vote regarding adoption of Resolution 2018-790 as amended to a 0% increase.

Motion By: Brian Baker  
Support By: Abe Munfakh  
Action: Denied

The motion failed by the following vote:

Aye: 2 - Vice Chairman Baker, and Secretary Munfakh

Nay: 4 - Chairman Hendrix, Director Brown, Director Daddow, and Director Hupy

CEO McCormick proposed amending Resolution 2018-790 to reduce the 1.7% and 1.8% to 1% for both water and sewer.

Chairman Hendrix requested a Motion and Roll Call Vote to adopt Resolution 2018-790 as amended to 1% for both water and sewer.

Motion By: Abe Munfakh

**Support By:** Craig Hupy

**Action:** Adopted

**The motion carried by the following vote:**

**Aye:** 5 - Chairman Hendrix, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

**Nay:** 1 - Vice Chairman Baker

**B. [2018-791](#) Resolution Regarding Approval of FY 2019 Schedule of Water Service Charges**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [Approved GLWA FY 2019 Water and Sewer Charges](#)

Resolution 2018-791 was amended to make appropriate pro rata adjustments consistent with the Board's action on the Biennial Budget (Resolution 2018-790).

Chairman Hendrix requested a Motion and Roll Call Vote regarding approval of FY 2019 Schedule of Water Service Charges, as amended.

**Motion By:** Craig Hupy

**Support By:** Gary Brown

**Action:** Approved

**The motion carried by the following vote:**

**Aye:** 5 - Chairman Hendrix, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

**Nay:** 1 - Vice Chairman Baker

**C. [2018-792](#) Five Year Capital Improvement Plan (CIP) For Fiscal Years 2019 Through 2023**

**Sponsors:** Nicolette Bateson and Suzanne Coffey (WRRF)

**Attachments:** [CIP Resolution 2018 - 792](#)

[Capital Improvement Plan Summary FY 2019-2023 as of 6.15.2018](#)

[GLWA 2019-2023 CIP 20180131 v2.0](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix A](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix B](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix C](#)

Chairman Hendrix requested a Motion and Roll Call Vote regarding Resolution 2018-792 (Five Year Capital Improvement Plan for Fiscal Years 2019 Through 2023).

**Motion By:** Robert Daddow

**Support By:** Brian Baker

**Action:** Approved

**The motion carried by the following vote:**

**Aye:** 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

**D. [2018-795](#) Approval of the 2018 Memorandum of Understanding (“2018 MOU”) between the Detroit Water and Sewerage Department and the Great Lakes Water Authority**

**Sponsors:** Nicolette Bateson and Randal Brown

**Attachments:** [2018 MOU final.pdf](#)

Chairman Hendrix requested a Motion and Roll Call Vote regarding Resolution 2018-795 (Approval of the 2018 Memorandum of Understanding (“2018 MOU”) between the Detroit Water and Sewerage Department and the Great Lakes Water Authority.

**Motion By:** Robert Daddow

**Support By:** Gary Brown

**Action:** Approved

The motion carried by the following vote:

**Aye:** 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

**E. [2018-785](#) Resolution Regarding Acceptance and Filing of Pump Station No. 1 (PS-1) Ferric Chloride System Rehabilitation and Struvite Removal Project, FY 2019 State Revolving Fund (SRF) Project Plan**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [Resolution -SRF Project Plan Approval- Ferric Chloride Handout- GLWA PS-1 Ferric Chloride System Rehab and Struvite Removal 061318](#)

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Approved

The motion carried by a unanimous vote.

**F. [2018-812](#) Resolution Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Bonds in an Amount not to Exceed \$45,000,000 (Ordinance 2018-01)**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [BLOOMFIELD-#2096264-1-Resolution Approving 2018 SRF Series Ordinance](#)  
[BLOOMFIELD-#2096114-1-Series Ordinance 2018 SRF](#)

**Motion By: Brian Baker**

**Support By: Abe Munfakh**

**Action: Approved**

**The motion carried by the following vote:**

**Aye:** 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

**G. [2018-809](#) Approval of FY2016 Shared Services and Transition Costs True-up between the Detroit Water and Sewerage Department and the Great Lakes Water Authority**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [Shared Services and Transition Costs True-Up Agreement 6.15.18](#)

**Motion By: Robert Daddow**

**Support By: Craig Hupy**

**Action: Approved**

**The motion carried by a unanimous vote.**

**H. [2018-811](#) Proposed Procurement Policy Amendment for Compliance with the Code of Federal Regulations**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [Proposed Amendment](#)

**Motion By: Abe Munfakh**

**Support By: Gary Brown**

**Action: Approved**

**The motion carried by a unanimous vote.**

I. [2018-813](#) **Contract No. GLWA-CS-290 Updated Proposals for Potential Refunding and New Money Bond Transactions**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [Attachments A&B](#)  
[GLWA-CS-290 Procurement Report 6-13-18](#)

**Motion By:** Gary Brown  
**Support By:** Craig Hupy  
**Action:** Approved  
The motion carried by a unanimous vote.

J. [2018-763](#) **Request to Negotiate the Sale of Goodland Twp, MI Property**

**Sponsors:** Randal Brown

**Indexes:** General Counsel

**Motion By:** Abe Munfakh  
**Support By:** Craig Hupy  
**Action:** Approved  
The motion carried by a unanimous vote.

K. [2018-794](#) **Request to Authorize GLWA's CEO to Execute Easements to Access Leased Water and Sewer Facilities**

**Sponsors:** Randal Brown

**Motion By:** Abe Munfakh  
**Support By:** Robert Daddow  
**Action:** Approved  
The motion carried by a unanimous vote.

L. [2018-814](#) **Contract No. CS-1705, Change Order No. 2 Employee Benefits Broker**

**Sponsors:** Terri Conerway

**Indexes:** Organizational Development

**Motion By:** Abe Munfakh  
**Support By:** Robert Daddow  
**Action:** Approved  
The motion carried by a unanimous vote.

- M.**     [2018-780](#)     **Contract No. 6898**  
                  **Commercial Janitorial Services**
- Sponsors: Cheryl Porter
- Indexes: Water Operations
- Attachments: [RFP# 48845 - Commercial Janitorial Services Project Overview](#)
- Motion By: Robert Daddow**  
                  **Support By: Gary Brown**  
                  **Action: Approved**  
                  **The motion carried by a unanimous vote.**
- N.**     [2018-782](#)     **Contract No.: RFB 1127**  
                  **Hauling and Disposal of Ash and Grit**
- Sponsors: Suzanne Coffey (WRRF)
- Indexes: Wastewater Operations
- Attachments: [Procurement Board Summary Hauling Ash and Grit](#)  
                              [RFB 1127 Bid Tab](#)
- Motion By: Abe Munfakh**  
                  **Support By: Gary Brown**  
                  **Action: Approved**  
                  **The motion carried by a unanimous vote.**
- O.**     [2018-783](#)     **Contract No.: GLWA CON-279**  
                  **Rehabilitation of Central Offload Facility at WRRF**
- Sponsors: Suzanne Coffey (WRRF)
- Indexes: Wastewater Operations
- Attachments: [GLWA-CON-279 Bidtab](#)  
                              [CIP 213002 WRRF COF Rehab](#)  
                              [GLWA-CON-279-Procurement Report](#)
- Motion By: Brian Baker**  
                  **Support By: Craig Hupy**  
                  **Action: Approved**  
                  **The motion carried by a unanimous vote.**

**P.**     [2018-784](#)**Contract No.: RFB 1163  
Sodium Bisulfite****Sponsors:** Suzanne Coffey (WRRF)**Indexes:** Wastewater Operations**Attachments:** [RFB 1163 Bid Tab](#)  
[Procurement Board Summary Sodium Bisulfite nnb edits](#)  
[RFB 1163 Vendor Response Form Sodium Bisulfite](#)  
[FRED 5 year](#)**Motion By: Brian Baker**  
**Support By: Abe Munfakh**  
**Action: Approved**  
The motion carried by a unanimous vote.**Q.**     [2018-787](#)**CEO's KPI Report****Sponsors:** Sue F. McCormick and William Wolfson**Attachments:** [6-20 Red, Yellow Green Report](#)  
[Reso 2018 -787 Explanation of CEO Red and Yellow Report May, 2018](#)  
[Key Metrics Dashboard for GLWA Board 06.20.18-FINAL2](#)**Motion By: Craig Hupy**  
**Support By: Abe Munfakh**  
**Action: Received and Filed**  
The motion carried by a unanimous vote.**The Board will also discuss such other matters.****10. Reports**

None

**11. Remarks**

## A. Chairperson's Remarks

**Chairman Hendrix expressed his appreciation to Member Munfakh for his leadership and willingness to compromise during the adoption of the Biennial Budget.**

## B. Board Members' Remarks

**Vice Chairman Baker inquired about the status of the Reconciliation Committee members selection, and the Model Water Contract, the revenue declines, the Dearborn adjustments and how they're paid for in the Budget that was adopted.**

**12. Other Matters**

William M. Wolfson, Chief Administrative and Compliance Officer, extended a thank you to GLWA's and DWSD's Information Technology and Facilities teams for the quick work they've done with improving the sound, lighting, and television screens in the Board Room.

Mr. Wolfson also recommended to the Board that the June 27, 2018 Board of Directors Meeting be cancelled, as the Board has covered that business today. That being said, the June 27, 2018 Board of Directors meeting is cancelled.

**13. Adjournment**

Chairman Hendrix requested a Motion to Adjourn.

Motion By: Abe Munfakh

Support By: Craig Hupy

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 2:52 p.m.