



FINAL

SPECIAL MEETING MINUTES

A Special meeting of the Farmington City Council was held on September 15, 2014, in Maxfield Education Center, 32789 Ten Mile Rd, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:00 PM by Mayor William Galvin.

1. ROLL CALL

Attendee Name	Title	Status	Arrived
Greg Cowley	Councilmember	Present	
William Galvin	Mayor	Present	
JoAnne McShane	Councilmember	Present	
Steve Schneemann	Mayor Pro Tem	Present	
Jeff Scott	Councilmember	Present	

City Administration Present

Superintendent Eudy
Director Christiansen
City Clerk Halberstadt
Attorney Saarela
Treasurer Weber

2. APPROVAL OF AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Greg Cowley, Councilmember
SECONDER:	Steve Schneemann, Mayor Pro Tem
AYES:	Cowley, Galvin, McShane, Schneemann, Scott

3. PUBLIC COMMENT

No public comment was heard.

4. REVIEW OF MASTER SEWER CONTRACT WITH DWSD

A. Review of Detroit Water and Sewer Department (DWSD) Master Sewer Contract

Attorney Saarela discussed a 30-year Detroit Water and Sewer contract that ties

the City into a 7.9 cubic feet per second (CFS) maximum flow limit. She stated this limit was based on historical volume calculated over the past ten-year period. She advised it is a standard contract where there is nothing unusual that the City Attorney would advise against.

Saarela briefly discussed a proposed Regional Water Authority. She stated it should not change the terms of the sewer contract, but will change how the rates are applied.

Eudy discussed the City's desire to turn 850' of sewer line back to DWSD which would make anything east of the flow meter Detroit's responsibility. He stated the City is looking at the cost to line that portion of the sewer.

Cowley questioned how future redevelopment might impact the agreement and the maximum flow limit.

Saarela advised the DWSD will review usage every three years and make adjustments accordingly. She further advised mid-contract adjustments could be considered if major redevelopment projects make it necessary.

Responding to a question from Cowley, Eudy stated the city considered the increased usage resulting from planned redevelopment projects and determined the flow would still not reach the maximum limit. He noted the City's maximum peak flow of 5.7 CFS is well under the 7.9 allowed.

Saarela discussed standards that would need to be met in a review of usage due to redevelopment.

Responding to a question from Schneemann, Eudy stated DWSD has expressed a willingness to take over the 850' line if it can be cleaned and lined.

Schneemann questioned whether there would be any harm in waiting to approve the contract.

Saarela responded that based on the work that has been done to develop the contract there is little opportunity to change it; much of the contract is set in stone by the court.

Cowley stated there is no reason to delay approval of the contract.

Responding to a question from McShane, Saarela pointed out most cities contract with Oakland County for water and sewer.

McShane expressed concern regarding Detroit's pension obligation and possible impact on DWSD costs.

Saarela stated the new authority may do a one-time bond sale of \$300 million to cover DWSD's pension obligation.

McShane expressed concern regarding how much the city is supporting the

delinquencies of other cities and the possible cost of improvements to DWSD's infrastructure.

Saarela pointed out the contract assigns the right to pursue those delinquencies to the customers.

Saarela advised some of the annual \$50 million lease payment must be applied to DWSD infrastructure improvements.

McShane asked if there is any risk to the city by waiting to approve the contract until there is more information available on the new regional authority.

Saarela did not see a huge downside to waiting.

Scott also expressed concern regarding the delinquency exposure and questioned how the simplified cost pools would work.

Saarela responded the DWSD intends to allocate \$4.5 million to provide assistance to indigent customers. She stated no detail has been provided in how this will be administered. With regard to delinquencies, she noted a large scale collection of delinquencies could force first tier communities into bankruptcy. She stated the city's exposure is other suburban first tier customers.

Discussion followed regarding the advantages or disadvantages to delaying approval of the contract.

Cowley stated it would be a good idea to contact Oakland County for more information on this issue.

Council concurred to wait a couple of weeks to approve the contract.

5. CITY COUNCIL CHAMBER UPDATE

A. City Council Chamber Update

City Clerk Halberstadt, Treasurer Weber, and Council members, Schneemann and McShane provided an update on the City Council Chamber renovations.

6. OTHER BUSINESS

No other business was heard.

7. COUNCIL COMMENT

No council comment was heard.

8. ADJOURNMENT

1. Motion to adjourn the meeting.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Greg Cowley, Councilmember
SECONDER: JoAnne McShane, Councilmember
AYES: Cowley, Galvin, McShane, Schneemann, Scott

The meeting adjourned at 6:51 p.m.

William E. Galvin, Mayor

Susan K. Halberstadt, City Clerk

Approval Date: _____