

Charter Township of Canton
Special Meeting Board Proceedings – September 16, 2014

A regular study meeting of the Board of Trustees of the Charter Township of Canton was held Tuesday, September 16, 2014 at 1150 Canton Center S., Canton, Michigan. Supervisor LaJoy called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance to the Flag. **Roll Call** Members Present: Anthony, Bennett, LaJoy, McLaughlin, Sneideman, Williams, Yack Members Absent: None Staff Present: Director Faas, Bob Belair, Bill Serchak, Wendy Trumbull Guest: Vicki Putala, OHM Advisors; Jim Fausone, Chair – DWSD Board; Sue McCormack, Director - DWSD; Cheryl Porter, CEO - DWSD; Grant Curtell, Engineering Manager **Adoption of Agenda** Motion by Bennett, supported by Anthony to approve the agenda as presented. Motion carried unanimously. **STUDY SESSION TOPIC: Water Storage Update** The Board was presented an update on the water distribution storage design for the Township. In October 2011, the Board received a presentation on “Managing Peak Water Usage” which identified building storage as an option for the Township to consider in the future. In October 2013, the Board awarded a contract to OHM Advisors to commence the design of a storage basin with the intent of first trying to negotiate an agreement with the Detroit Water & Sewerage Department (DWSD) for joint use of existing facilities within the community. Director Faas presented the following power-point presentation for the update. **Recap of Feasibility Study – Slide #2 Locations Recommended:** Morton Taylor @ Joy Roads (at or near DWSD’s existing Joy Road Station) Beck @ Joy Roads (at the PCEP campus) Elevated vs. Ground Storage Options: Life-cycle cost/energy Aesthetics Alternative to purchase or lease part of DWSD’s existing Joy Road Station which consists of two 5-Mgal ground storage finished water reservoirs. Director Faas explained ground was preferred over elevated storage. **Recap of Feasibility Study – Slide #3. Potential Savings** Estimated DWSD revenue requirement reduction of \$2.9 million/year Costs dependent upon alternative selected Timeframe Approximately two years for implementation after alternative selection The feasibility study projected a potential savings of about 33% using the current rate calculation. The savings is dependent upon the alternative selected. It also depends upon what is ultimately designed, implemented, and future rate calculation methods. The time frame for completion is projected to be about 2 ½ years. The contract was awarded to OHM Advisors in October 2013. **October 2013 – Awarded Contract to OHM Advisors – Slide #4** **Six Tasks:** Assistance with DWSD pump station and storage analysis Update existing water model Model analysis Booster station and connection preliminary engineering design – If needed. Final design engineering Bidding phase – Preparing the Bid Documents. Sue McCormack and Jim Fausone presented and reviewed the following topics. **Tasks – Slide #5 Schedule** First five tasks could be completed within six months, once a decision is made by DWSD for joint use of existing facility Bids would be let for the capital improvements Construction, start-up and operations would be completed in about two years following award Need a solid summer of water demands to negotiate new contract terms with DWSD via a contract “re-opener”. This is a very important component of our negotiations. **Tasks - #6 DWSD** has been reviewing Canton’s request for DWSD to consider selling or leasing part of the DWSD Joy Road Station to Canton DWSD Master Plan Update Phase 1 completed March 2014 Phase 2 expected June 2015 Storage tanks part of Phase 2, DWSD considered this option early to facilitate the project needs – this has been moved to the first phase. **Basic Principles of an Agreement with DWSD– Slide #7** Selling or leasing of a DWSD asset to a wholesale customer must follow the following basic principles: The sale or lease must have benefits to all system customers whether it is reducing O&M costs, improved reliability, or both The sale or lease cannot adversely affect DWSD’s ability to operate and maintain the existing asset(s) retained The agreement must be flexible so that during emergency situations both systems can use the facilities to meet system demands The division between DWSD and Canton Township assets must be clear so there is no question as to responsibilities. Ms. McCormack stated DWSD would be willing consider a joint responsibility agreement so that the consultant would have obligations to DWSD as well as Canton Township so this would be a mutual interest discussion. They are interested in an accountability timeline so both parties have a reasonable expectation of completion deadlines. Supervisor LaJoy commented the township is interested in a win – win situation for both parties. **Next Steps – Slide #8** With initial technical feasibility determined, proceeding to a next level technical evaluation to address potential facility requirements and operating arrangements makes sense Multiple operating arrangements/facility configurations are possible Propose a project team representing DWSD & Canton: RFP for a consulting engineer to detail Scenarios: including capital and operating costs Preliminary negotiations for the selected alternative(s) Agreement Terms and Conditions Recommendations to Governance Boards **ADDITIONAL PUBLIC COMMENT:** None **OTHER: None** **ADJOURN:** Motion by Bennett, supported by Williams to adjourn at 7:50 p.m. Motion carried unanimously. – Philip LaJoy, Supervisor – Terry G. Bennett, Clerk –

Copies of the complete text of the Board Minutes are available at the Clerk’s office of the Charter Township of Canton, 1150 S. Canton Center Rd, Canton, MI 48188, 734-394-5120, during regular business hours and can also be accessed through our web site www.canton-mi.org after Board Approval.

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