

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
MAY 9, 2016 – 6:00PM

The Study Session meeting of the Farmington Hills City Council was called to order by Mayor Massey at 6:00pm.

Council Members Present: Bridges, Bruce, Knol (arrived at 6:20pm), Lerner, Massey, Rich and Steckloff

Council Members Absent: None

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian, and City Attorney Joppich

DISCUSSION ON WATER AND SEWER RATES

Deputy Director of Public Services Mondora explained that Sue Coffey, Chief Planning Officer for the Water Resource Commission (WRC) was also present to provide a brief update on the Great Lakes Water Authority (GLWA).

Great Lakes Water Authority:

Sue Coffey, GLWA Chief Planning Officer, provided an update on the Great Lakes Water Authority (GLWA), which is a regional governing body created to operate and manage the sewer and water lines that serve the suburbs and that are part of the Detroit Sewer and Water District (DWSD) assets that are common to all communities. She mentioned that while GLWA is an independent body and as of March, 2016 has its own independent financial system, there is a shared services agreement with DWSD for certain items where it would be more economical. She distributed the organizational chart for GLWA to Council and discussed the assets and shared buildings with DWSD.

Councilmember Lerner inquired if there would be a Capital Improvement Plan for GLWA. Ms. Coffey responded that they are required to do a 5-year CIP and the planning group will most likely also develop a 20-year CIP. She stated that she does not have that with her this evening but the reports will be available on-line.

Councilmember Bridges inquired about shared services with DWSD and if it is anticipated there will be further water loss from DWSD.

Ms. Coffey stated that there are some shared services where it made sense, and she stated that the City of Detroit has agreed to rehabilitate some of its assets with the lease payment they are receiving from GLWA and to determine what their “going forward” plan will look like.

Councilmember Steckloff asked if WRC is working with other states on the Asian carp issue.

Water Resources Commissioner Nash stated that it was his understanding that the Asian carp were coming up through Mississippi and not yet affecting this area.

Ms. Coffey mentioned the robust customer service outreach program of GLWA and the many work groups for both sewer and water.

(Mayor Pro-Tem Knol arrived at the meeting)

Jon Wheatley, GLWA Public Finance Manager, provided information on WRAP (Water Residential Assistance Program) that was designed to provide assistance (\$25 per month) to qualifying residents to pay their water bills. He noted that Farmington Hills has opted in the program and they currently have 19 communities participating.

Councilmember Lerner inquired where the funding comes from for the program. Mr. Wheatley responded that it comes from revenues from the wholesale customers and Detroit City customers.

Councilmember Bridges inquired how residents were notified of this program.

Mr. Wheatley stated that they have been reaching out to the wholesale customers and provide the information upon request.

Deputy DPS Director Mondora added that the city works with Oakland County to get information out on water bills and will post information to the website.

Mayor Massey inquired if there was an estimate of how many Farmington Hills rate payers were delinquent on their payments. Mr. Wheatley responded that he could not refine the figures for one community, but they have analyzed information by county.

Mayor Pro-Tem Knol inquired if the .5% of revenue is coming from customers of GLWA, are other communities subsidizing the City of Detroit.

Mr. Wheatley explained that the budget was set up by county so that the .5% of the revenue from your county is going into that county's fund to be expended, with the caveat that if funds are not being used in certain areas that they could be distributed elsewhere. He added that they will review needs on an on-going basis.

Water Resource Commissioner Nash mentioned that he was working with OSHA and it was determined that 1,320 households could be provided assistance under the terms of the program. He added that to qualify a resident would have to be at or below 150% of the poverty rate but they do not have to be in arrears to qualify. He feels the program can really help low income families. He stated that 30 people are participating in the program in Pontiac and they are providing more information to people on this program along with shut-off notices that are being sent out so that hopefully this will help some of those families.

Water and Sewer Rates

Tim Prince, WRC, reviewed the basic rate calculation formula for sewer and water rates, the percentage of televised footage over the past 50 years as part of their maintenance program and how that helps to maintain the system, and the proposed lining and repair projects for 2016/17.

Raphael Chirolla, WRC, discussed the forecast of sewer and water sales and summary of sales for both that would result in an estimated percentage increase of 5.4% for water and 7.4% for sewer for the average customer.

Raphael commented that people are being more efficient in their water usage so water use is down. He noted that most of the rate increase is coming from the reduction of sales.

Discussion was held on the Middlebelt Road tunnel project and other potential Sanitary Sewer Overflow (SSO) projects and how those may affect water and sewer rates.

Mayor and Council expressed concern that they are asking residents to be more conservative with water usage and then the rates are going up because of that.

Commissioner Nash stated that they are fixed rates that must be charged to all customers.

Mr. Prince added that GLWA has not approved their rates to date so it is possible there could be a slight decrease from what is presented this evening; but they have confirmed that their rates would not increase.

Mayor Pro-Tem Knol requested an electronic copy of the power point being shown this evening. Clerk Smith stated that she had a copy and would e-mail that to the Mayor and Council.

Councilmember Rich inquired what the City could do to decrease sewer rates.

Commissioner Nash stated that the part of the increase is due to the debt for the Middlebelt Road tunnel project, which will not continue to increase each year.

Raphael added that communities may see a slight increase in WRC operating and maintenance costs and GLWA fees are limited but they have the ability under the agreement to increase costs to customers by 4% each year.

Mr. Prince stated that they are doing what they can to minimize leaks in the system but feels that there will be increases long term as there will be a need for maintenance due to the aging infrastructure.

Mayor Massey commented that he would hope to hear about a cap on the rates at some point.

Commissioner Nash added that the logic behind the \$50,000 lease to the City of Detroit was to improve the system.

BOARDS AND COMMISSIONS REVIEW

Due to time constraints, Mayor Massey suggested moving this item to the next study session meeting.

ADJOURNMENT:

The study session meeting adjourned at 7:14pm.

Respectfully submitted,



Pamela B. Smith, City Clerk