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Regular Meeting Minutes – February 16, 2022

The Board meeting was called to order by Chairman Tim Neighbors at 10:00 am at the Brownstown Township Hall.

Roll Call: Brownstown – Absent Flat Rock – Justin Danosky
 Gibraltar – Scott Denison Huron – Jim Lancaster
 Van Buren - Todd Saums Woodhaven – Tim Neighbors
 S. Rockwood – Absent

Also present: Firooz Fath-Azam, System Manager Randy Pentiuk, Attorney
 Sean Bellingham, Van Buren Andy Mechel, Jacobs
 Noah Bednar, HRC Tim Sullivan, HRC
 Nathan Callison, Jacobs Mark Houle, Jacobs
 Stacey Reeves, Plante Moran Scott Mangold, Jacobs
 Kevin Dahl, Jacobs Kerry Morgan, PCK
 Michael Landis, Gibraltar

Agenda: As presented.

Minutes:

Motion by Gibraltar, second by Flat Rock, to approve the Meeting Minutes from January 19, 2022, Monthly Board Meeting. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously.

Expenditures:

Motion by Huron, second by Van Buren, to approve the January 2022 expenditures of **\$5,727,864.68**. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously.

Jacobs Report:

Mark Houle reported that the Outfall inspection went well once it was up and running.

Nathan Callison reported that in January, all NPDES limits were met. On the 4th and 20th, stormwater inspections were completed with no issues. On January 31st, spill prevention control and countermeasure inspection were completed with no problems. PFAS was below water quality standards. Flow data was submitted on February 8th to CDM Smith. DMR, along with more data, was submitted on February 11th. The Area received an average of 0.13” of rain. The EQ Basin was not utilized. Jacobs had been running on two Biodecks from January 27th until today, where the plant is now running on three Biodecks. The 12-hour coverage has continued with no issues. The laboratory results were all under NPDES limits. TSS and Ammonia have continued to be monitored in-house. Received equipment for C-BOD monitoring which should be completed in March. Regarding Industrial Pretreatment, Ford Flat Rock was inspected. Clean-up efforts continue at Ford Flat Rock. January was a good month for chemical usage. Energy usage was a bit high due to being on three Biodecks. Jacobs continues to dewater and will do so if necessary. Mr. Houle added that the final budget numbers for 2021 are reflected in the table in the attached Board meeting packet. Jacobs deliberately decreased spending due to the high need for Biosolid removal.

Firooz Fath-Azam inquired about Molybdenum. Mr. Houle noted that the last result was 29, an excellent number compared to the limit of 75.

Andy Mechel reported waiting on the collection system, interceptors, and outfall report. Trenton Arm pump station is being cleaned and organized for an upcoming tour. Odette was doing well until a few days ago, but nothing major has occurred. Maintenance activities include cleaning and painting the influent piping in the basement. Training has been taking place for the new maintenance technicians. We started moving major things around for the new generator pad. CMMS is moving along smoothly. Working with HRC, Heaney, and Lystek to make sure their projects are moving along. This upcoming month, filter changes, cross-connection, and finishing equipment moving are planned. The level transmitter at Odette will be replaced as well. An SFE pipe broke yesterday, which will need to be repaired. Staff training is ongoing, and the staff is submitting their applications for testing this May.

Mr. Fath-Azam inquired how the implementation of the new phone system was coming along. Mr. Mechel noted that the programming had been completed, and they are just waiting on installing the new phones.

Mr. Fath-Azam also inquired about chemical costs and how Jacobs is doing with unit prices for chemicals. Mr. Houle added that Jacobs is doing well other than the boiler chemicals. They are looking into alternate chemicals and vendors.

Mr. Fath-Azam suggested that the savings regarding all the lab tests now are being performed in-house should be shared between Jacobs and the Authority. Perhaps the Authority's saving share in the form of a check could be presented to the Authority at the annual plant picnic. Kevin Dahl agreed with Mr. Fath-Azam's suggestion.

CDM Smith Billable Flow Report for January

Motion by Gibraltar, second by Flat Rock, to receive the CDM Smith Billable Flow Report for January. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously.

System Manager Report

Lystek Final Change Order

Firooz Fath-Azam reminded the Board that liquidated damages were investigated since the Lystek system would not be completed on time. Noah Bednar and Tim Sullivan worked on documents to present to Lystek. On February 7th Mr. Sullivan and Mr. Fath-Azam had a telephone conversation with Mike Beswick, the Vice President in charge of the SHVUA project, to discuss liquidated damages. During the call, Mr. Beswick listed several issues not in their control, including Covid-19 supply chain issues, unforeseen conditions, and a late Michigan EGLE Permit issuance that affected the completion of the project. He argued that even if they were ready on the contract completion, Heaney has delayed the project so much that they would not be able to start the system. Mr. Fath-Azam explained that based on the Lystek contract, the liquidated damages are capped at \$200,000. Instead of that, Lystek offered three concessions during the discussion that add to approximately \$200,000. They include three years of free support; at an estimated cost of 35,000 per year, forgoing an estimated \$100,000 worth of claims for extras not included in the contract; and finally, a rebate of \$0.50 per ton for the Lystegro in the form of an annual check of up to \$75,000 per year. Mr. Fath-Azam added that he believes this is a good resolution but noted that since the Lystek system is not completed, Board action is not needed until the project is finalized.

Mr. Sullivan added that Mr. Fath-Azam was very effective in these discussions, and Lystek has many good arguments for why liquid damages should not be applied. Still, in the end, he believes this is an excellent settlement.

HRC Report

Priority 1 & 2 Plant Improvement Project

Noah Bednar added that HRC is still performing administration work with Heaney, submittals, etc. An unexpected crack was found when digging a drain line. Mr. Bednar noted that they would figure out a solution. Additional requests for information were made. The focus will now change to the bypasses that will take place around the site, specifically the headworks. Back to having regular biweekly meetings. Still having issues finalizing the project schedule due to unknown delivery dates. Construction within cells 1 and 2 of the Haag tanks are complete.

Lystek Process Completion

Mr. Bednar continued to report that HRC sent a letter to Lystek asking them to list all problematic items. Lystek is still weeks behind schedule. HRC will continue to work with Lystek into the Spring. HRC does not have a definitive date yet for Odette. Mr. Fath-Azam added that since the Technical Committee meeting is tomorrow, he believes this is an excellent time to tour the Lystek facilities as it is very close to completion. Mr. Bednar agreed. The final completion date for Heaney is August 2023.

Attorney Comments

Selection/Hiring of a New System Manager Process Update

The packet includes the RFP that Randy Pentiuik and the committee have worked on. Any interested candidates have an opportunity to come in on March 21st to visit the plant. Interested candidates have until April 13th to submit proposals, and interviews will be conducted around May 11th. The contract should be then awarded on July 20th. The start date would be September 1st, with the idea that the incoming System Manager would work with Mr. Fath-Azam for some time before they fully take over.

Other Business

No other business was presented at this time.

Motion by Huron, second by Van Buren to go into closed session to discuss the Suez Pending Litigation. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously at 10:44 am.

Closed Session regarding Suez Pending Litigation

Motion by Woodhaven, second by Flat Rock, to go out of closed and back to the regular meeting at 11:09 am. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously.

Motion by Huron, second by Van Buren to concur with the recommendation of legal counsel regarding the SHVUA v Suez litigation as set forth in the minutes of the closed session today. All Communities are present besides Brownstown and S. Rockwood. Motion carried unanimously.

Adjournment:

There being no further business to come before the Authority, the meeting was adjourned at 11:10 am.

Respectfully submitted,



Firooz Fath-Azam
System Manager

Attachments:

- a. Minutes from January 19, 2022, SHVUA Board Meeting
- b. Expenditures for January 2022
- c. Jacobs Monthly Operating Report for January 2022
- d. CDM Smith Billable Flow Report for January 2022
- e. HRC Report