

Wayne County Commission



Edward A. Boike, Jr.
Chairman

John Pfeiffer
Director

OFFICE OF POLICY RESEARCH & ANALYSIS

COMMITTEE MEMBERS

Tim Killeen (Chair)
Joseph Palamara (Vice-Chair)
Jewel Ware

June 18, 2010

NOTICE OF MEETING

OF THE

COMMITTEE ON ENVIRONMENT, DRAINS AND SEWERS

Tuesday, June 22, 2010 – 9:00 a.m.

Hearing Room 704, Guardian Building, 500 Griswold, Detroit, MI 48226

Commissioner Tim Killeen, Chairman of the Committee on Environment, Drains and Sewers has scheduled the meeting of the Committee on **Tuesday, June 22, 2010 at 9:00 a.m.** in Hearing Room 704, Guardian Building, 500 Griswold, Detroit, MI 48226 to consider the following:

- A. Roll Call.
- B. Approval of the minutes from the June 8, 2010 meeting.
- C. Old Business
- D. New Business
1. Communication dated March 29, 2010 (received June 9th) requesting Commission approval of an Inter-Agency Agreement with the City of Wyandotte not to exceed \$270,000 to provide fuel for vehicles operating out of the Downriver Wastewater Treatment Facility; the CEO advises that the City's fueling station is located within one mile of the DWTF and the cost of fuel is significantly below market and below the County facilities that are not in close proximity; the City provides key cards to each employee to allow monitoring and tracking of fuel usage, and the close proximity provides efficiencies for fuel cost and labor time by using their facility; this agreement is effective upon Commission approval and will terminate September 30, 2012; the cost of the agreement will be charged to Account No. 590 54003 747000 (Downriver Sewage Disp.Sys). (2010-70-010)

Notes: This meeting is called in accordance with provisions of the "Open Meetings Act", Act No. 267, Public Acts of 1976.

The County of Wayne will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of recorded materials being considered at the meeting to individuals with disabilities at the Commission meeting upon five days notice to the Clerk of the Commission. Individuals with disabilities requiring auxiliary aids or services should contact the Wayne County Commission by writing or calling to the address and number listed below or TDD (1-800-649-3777).

500 GRISWOLD STREET, DETROIT, MICHIGAN 48226 • TELEPHONE: (313) 224-6000 • FAX: (313) 224-7484



Firm: City of Wyandotte
Address: 3131 Biddle Avenue, Wyandotte, MI 48192
Contact: None Listed

- E. Such other matters as may be properly submitted before the Committee.
- F. Public Comments.
- G. Adjournment.

Respectfully submitted,
Julian Rainwater, Legislative Research Analyst (224-0856)
Darcel Brown, Legislative Research Assistant (224-0848)

Note :In accordance with the provisions of Rule 3, "The Chairperson of a Committee, when requested in advance of any given meeting, may permit a person making such request to address the Committee on any matter on the Agenda. Such address shall not be longer than the time allotted by the Chairperson, subject to the approval of the Committee".

COMMITTEE ON ENVIRONMENT, DRAINS AND SEWERS

June 22, 2010

C. Approval of minutes from the June 8, 2010 Meeting.

MINUTES
COMMITTEE ON ENVIRONMENT, DRAINS AND SEWERS
Tuesday, June 8, 2010 – 9:00 a.m.
Hearing Room 704, Guardian Building, 500 Griswold, Detroit, MI 48226

A. Roll Call – 9:03 a.m.

Tim Killeen (C) – Present
Joseph Palamara (VC) –Present
Jewel Ware – Present

Others- See Sign-In Sheet

B. Minutes

Ware/Killeen **Approved** – Minutes from the May 11, 2010 meeting.
Motion Carried.

C. Old Business

D. New Business

Ware/Palamara Public Hearing was opened at 9:00 am.

Palamara/Ware Public Hearing was closed at 9:01 am.

1. Ware/Palamara **Approved.** A resolution adopting the proposed sewage disposal rates for the Northeast System. (2010-70-017) Motion Carried.

2. Ware/Palamara **Approved.** A resolution adopting the proposed sewage disposal rates for the Rouge Valley System at a rate of \$10.52 per thousand cubic feet (MCF) (the same rate from the previous period), and the monthly fixed charge inclusive of debt is increased from \$384,903 to \$675,031, effective July 1, 2010. (2010-70-018)

3. Ware/Palamara **Approved.** A resolution adopting the proposed sewage disposal rates for the Downriver System at a rate of \$5.94 per thousand cubic feet (MCF. (2010-70-016) Motion Carried.

4. Ware/Palamara **Approved.** A resolution authorizing the submittal of the Project Plan for the Rouge River Watershed Wastewater Facilities to the Clean Water State

Revolving Loan Program administered by Michigan Department of Natural Resources and Environment (MDNRE), formerly the Department of Environmental Quality; the CEO advises that the Project Plan was approved by the Commission in 2009, however, the MDNRE rejected the Project Plan because the Commission resolution was approved prior to the public hearing the Project Plan identifies, evaluates, and recommends the construction of improvements to the Rouge River Watershed Wastewater Facilities over the next 20 years, and designates the Director of the Department of Environment as the authorized representative for all activities association with the Project Plan implementation; the projects recommended for construction during the first five years total \$11,364,000, and application will be made to the State Revolving Fund to provide loans for the design and construction of the Priority 1 Projects. (2010-70-019)

- 5. Palamara/Killeen **Approved.** A resolution authorizing the submittal of the Project Plan for the Northeast Sewage Disposal System (NSDS) (including the Milk River System) to the Clean Water State Revolving Loan Program administered by the Michigan Department of Natural Resources and Environment (MDNRE), formerly the Department of Environmental Quality. (2010-70-020) Motion Carried.
- E. Such other matters as may be properly submitted before the Committee.
- F. Public Comments
- G. Ware/Killeen Adjournment – 9:15 a.m.

Respectfully Submitted,

Darcel Brown
Legislative Research Assistant

H:/Darcel/EDSmin2010.May11.doc

Wayne County Commission



Edward A. Boike, Jr.
Chairman

John Pfeiffer
Director

OFFICE OF POLICY RESEARCH & ANALYSIS

COMMITTEE MEMBERS

June 4, 2010

Tim Killeen (Chair)
Joseph Palamara (Vice-Chair)
Jewel Ware

NOTICE OF MEETING OF THE

COMMITTEE ON ENVIRONMENT, DRAINS AND SEWERS

Tuesday, June 8, 2010 – 9:00 a.m.

Hearing Room 704, Guardian Building, 500 Griswold, Detroit, MI 48226

Commissioner Tim Killeen, Chairman of the Committee on Environment, Drains and Sewers has scheduled the meeting of the Committee on **Tuesday, June 8, 2010 at 9:00 a.m.** in Hearing Room 704, Guardian Building, 500 Griswold, Detroit, MI 48226 to consider the following:

- A. Roll Call.
- B. Approval of the minutes from the May 11, 2010 meeting.
- C. Old Business
- D. New Business
1. Communication dated May 11, 2010 (received May 19th) requesting Commission approval of a resolution adopting the proposed sewage disposal rates for the Northeast System; the proposed rate for the Northeast System sewage disposal is \$9.06 per thousand cubic feet (MCF), a decrease from the previous rate of \$9.13 and the monthly fixed charge is increased from \$401,345.91 to \$551,796.58, effective July 1, 2010; the net imputed sewage rate is 8.6%; the Department of Public Services Environmental Services Group reviewed the proposed rates at scheduled meetings with the local customer communities during the month of April, 2010. (2010-70-017)

Public Hearing is scheduled for June 8, 2010 at 9:00 a.m.

Notes: This meeting is called in accordance with provisions of the "Open Meetings Act", Act No. 267, Public Acts of 1976.

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2. Communication dated May 11, 2010 (received May 19th) requesting Commission approval of a resolution adopting the proposed sewage disposal rates for the Rouge Valley System at a rate of \$10.52 per thousand cubic feet (MCF) (the same rate from the previous period), and the monthly fixed charge inclusive of debt is increased from \$384,903 to \$675,031, effective July 1, 2010; the net imputed sewage rate is 8.95%; the Department of Public Services Environmental Services Group reviewed the proposed rates at scheduled meetings with the local customer communities during the month of April, 2010. (2010-70-018)

Public Hearing is scheduled for June 8, 2010 at 9:00 a.m.

3. Communication dated May 11, 2010 (received May 25th) requesting Commission approval of a resolution adopting the proposed sewage disposal rates for the Downriver System at a rate of \$5.94 per thousand cubic feet (MCF); this rate reflects a 2.95% increase from the previous year, and the monthly fixed O&M charge is \$414,787; the monthly capital debt payment provided for from System revenues is \$364,840; the all-inclusive sewage rate increases from \$7.06 to \$7.61 (a 7.8% increase) for the 2011 rate year, effective July 1, 2010; the Department of Public Services Environmental Services Group reviewed the proposed rates at scheduled meetings with the local customer communities during the month of April, 2010; the Downriver Joint Management Committee approved the rates at their meeting held April 15, 2010. (2010-70-016)

Public Hearing is scheduled for June 8, 2010 at 9:00 a.m.

- E. Such other matters as may be properly submitted before the Committee.
- F. Public Comments.
- G. Adjournment.

Respectfully submitted,
Julian Rainwater, Legislative Research Analyst (224-0856)
Darcel Brown, Legislative Research Assistant (224-0848)

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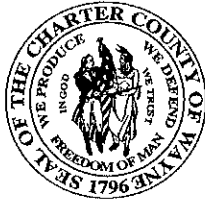
COMMITTEE ON ENVIRONMENT, DRAINS AND SEWERS

June 22, 2010

**D. 1. - City of Wyandotte
(2010-70-010)**

*Wayne County Commission
Office of Research and Analysis*

Chairman
Edward A. Boike, Jr.



Referral Analysis (06-17-10)

AN IGA WITH THE CITY OF WYANDOTTE TO PROVIDE FUEL FOR VEHICLES OPERATING OUT OF THE DOWNRIVER WASTEWATER TREATMENT FACILITY (2010-70-010)

CONTENT

The Commission is requested to approve an Inter-Agency Agreement with the City of Wyandotte not to exceed \$270,000 to provide fuel for vehicles operating out of the Downriver Wastewater Treatment Facility.

The term of this agreement will commence upon Commission approval and terminate on September 30, 2012.

The County will purchase a maximum of 60,000 gallons of Diesel and Unleaded Gasoline and the City will invoice the fuel at the delivered monthly per gallon bulk price (excluding all taxes), plus a service fee of \$0.24 per gallon. The maximum unit price per gallon cannot exceed \$4.50.

The CEO advises that the City of Wyandotte provides fuel to various governmental and non-profit entities. The Downriver facility is located within one mile of Wyandotte's fueling station located at 4201 Thirteenth Street. To manage the dispensing of fuel the City provides key cards to authorized personnel that serve to monitor and track fuel usage. Furthermore the CEO indicates that by using Wyandotte's facility the Department anticipates realizing efficiencies associated with fuel cost savings and labor time because of the close proximity of the City's facility. The cost of fuel is significantly below market and below the County facilities that are not in close proximity.

The Facilities Management Division is requesting the approval of this agreement due to its practicality, price and controls. The Department indicates that this agreement is in the best interest of the County and the customer communities within the Downriver Sewage Treatment System.

BACKGROUND

A search of the Commission's Resolutions index going back to 2005 shows no prior agreements with the City of Wyandotte to provide fuel to the County.

Other Supplier(s) of Fuel to the DOE

RES. NO.	VENDOR	DESCRIPTION	AMOUNT
2009-032	Chapp & Bushey Oil Company (of New Boston)	a retroactive to provide diesel fuel to the Dearborn Heights Combined Sewer Overflow (CSO) Basin. (2009-37-042)	\$7,889.59

DOCUMENTS INCLUDED IN PACKET

NAME OF DOCUMENT	YES	NO	Not Applicable
DAF Completed to Date?	X		
Certificate of Awardability or FEP Form?			X
Ethics in Contracting Vendor Form?			X
Designation of Sub-Contractor Form?			X
List of Sub-Contractors			X
Copy of the Contract?	X		
Contract contained audit clause?			X

PAPERWORK TIMELINE

DOCUMENT	DATE	SIGNED BY & DEPARTMENT
Letter from Department to Commission Chair	03-29-10	Butler Benton - DPS
DAF First Signature	03-29-10	Butler Benton - DPS
DAF Last Signature	06-09-10	Mat Schenk – CEO's Office
Contract Packet Received by Commission	06-09-10	OPRA
Number of days it took the contract to reach the Commission after the date of the DAF First Signature	68 Days	

Preliminary Concerns

What is the current price of fuel from Wyandotte?

Prepared By: Julian Rainwater, Analyst

This analysis was prepared by Commission staff for use by Commission members in their deliberations, and does not constitute an official statement of legislative intent.

H: 2010-70-010-ana-r

Wayne County Commission
500 Griswold, 8th Floor
Detroit, Michigan 48226



Dwayne B. Seals
Chief Fiscal Advisor
Phone: (313) 224-0875

Office of Fiscal Agency

FISCAL ASSESSMENT

FISCAL SUMMARY

This resolution would approve a multi-year inter-agency agreement between the County of Wayne and the City of Wyandotte in the amount not to exceed \$270,000. Of the \$270,000, \$60,000 has been allocated to FY 09-10.

The agreement will commence upon Commission approval and will continue through September 30, 2012.

- The City of Wyandotte is to provide fuel for vehicles operating out of the Downriver Wastewater Treatment Facility.
- The City of Wyandotte provides fuel to various governmental and non-profit entities.
- The Downriver facility is located within one mile of the City's fueling station.
- The City provides key cards to each employee to allow monitoring and tracking of fuel usage.
- The close proximity of the fueling station provides efficiencies for fuel cost and labor time by using their facility.
- The cost of fuel is significantly below market and below the County facilities that are not in close proximity.

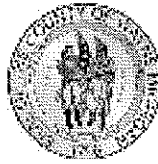
The County shall purchase fuel from the City as follows:

Fuel Quantities and Rates				
Maximum Quantity	Unit	Description	Maximum Unit Price	Maximum Total Cost
60,000	Gallons	Diesel & Unleaded Gasoline	\$4.50	\$270,000.00

- The City will invoice fuel at the delivered monthly per gallon bulk price (excluding all taxes), plus a service fee of \$0.24 per gallon. Maximum unit price per gallon shall not exceed \$4.50.
- The invoice must certify the quantities and cost of fuel for that billing period and the total cost of fuel rendered to date.

FISCAL ANALYSIS

For FY 09-10, \$30,846,443 in expenditures has been budgeted in the Downriver business unit. As of June 17, 2010, \$18,920,038 has been expended. If the Commission approves this contract, the available balance in the Downriver business unit will be \$11,723,005 (Downriver Sewage Disposal System Fund).



Office of Fiscal Agency

Downriver Business Unit						
	Budget Amount	Before Contract Actual Amount	Variance	Budget Amount	After Contract Actual Amount	Variance
Contract Amount				→	60,000	
Revenues	30,846,443	9,684,756	(21,161,687)	30,846,443	9,684,756	(21,161,687)
Intra Fund		0	0	0	0	0
Expenditures	30,703,043	18,920,038	11,783,005	30,703,043	18,980,038	11,723,005
Surplus/(Deficit)	143,400	(9,235,282)		143,400	(9,295,282)	

IMPACT ON FUTURE FISCAL YEARS

Approval of this contract will impact future fiscal years 2010-11 & 2011-12 by approximately \$105,000 per fiscal year.

FISCAL COMMENT

None

FISCAL QUESTIONS/CONCERNS

1. **Why is there a balance in business unit #54003 of \$143,400 under budgeted dollars?**
The business unit is out of balance, but the fund (590) is in balance. When M&B Budget needed to create allotments of budgets for each line, the other BU's in the fund had some negative amounts. This was due to the accounting treatment of the capitalization of assets. A line item adjustment was processed between BU's 54003, 55869 and 55871 to correct the line items and keep the fund in balance.

2. **Have we ever had a contract like this before?**
Wayne County had a previous agreement with Wyandotte for the purchase of gasoline for the Wyandotte Wastewater Treatment Plant, DAF #2003-70-060, 12/17/03 to 12/16/04.

Senior Fiscal Analyst: Mary A. Rachwal

2010-70-010 City of Wyandotte