

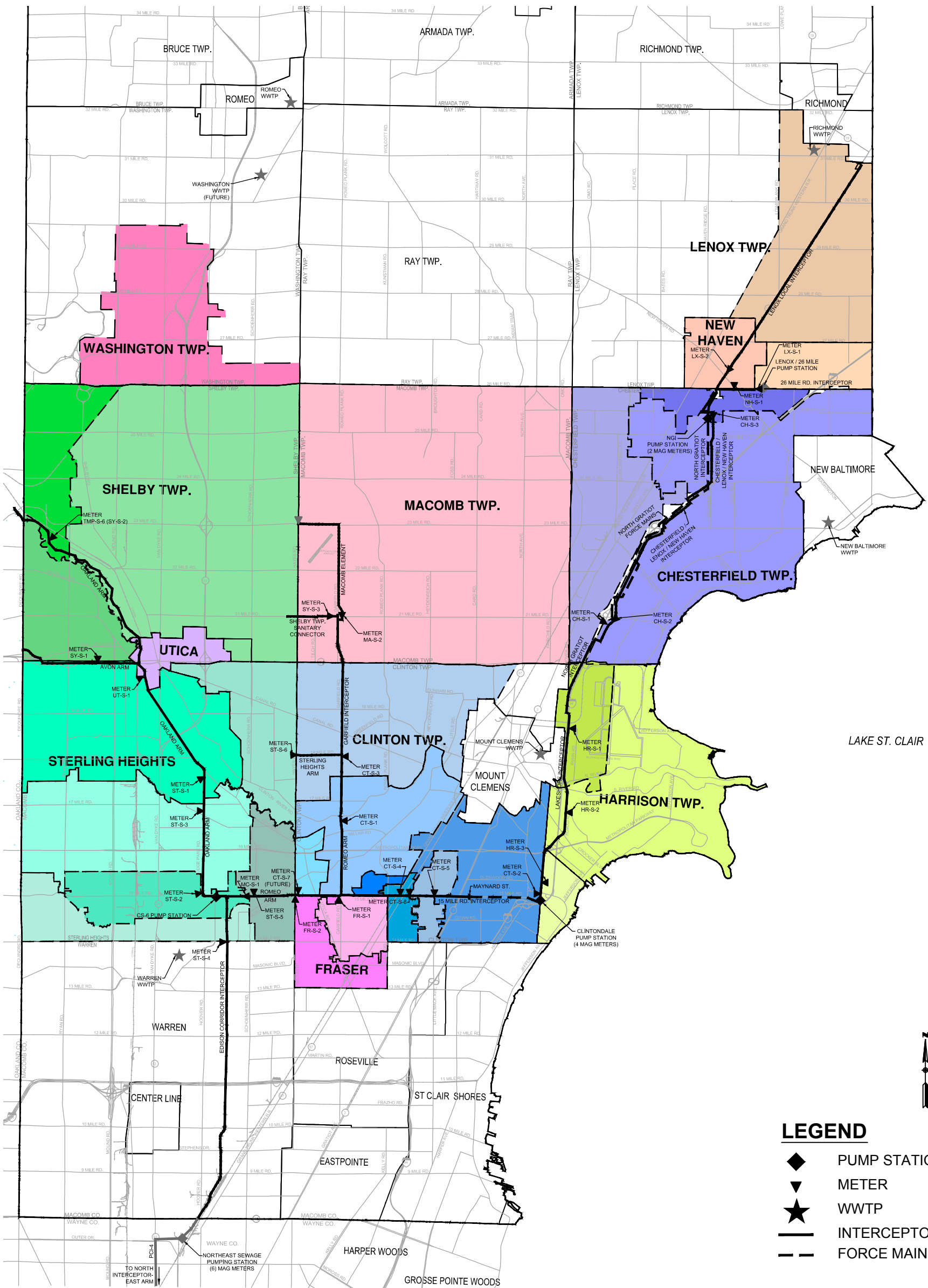
MACOMB INTERCEPTOR DRAIN
INTRA-COUNTY DRAINAGE BOARD
AUGUST 14, 2023
10:45 A.M.
AGENDA

**NOTE: THIS MEETING WILL BE HELD IN PERSON WITH TELECONFERENCE
OPTION FOR PUBLIC**

**Call in Number: 1-224-990-0182
Access Code: 927 405 823**

	Page
1. Call of meeting to order and roll call	
2. Approval of Agenda for August 14, 2023	
3. Approval of Minutes for July 10, 2023	3
4. Public Participation	
5. Project Updates – Stephen Downing/Vince Astorino	6
6. GLWA Highland Park Credit \$134,279 – Bruce Manning	34
Motion: To approve passing on the GLWA credit to the MIDD communities in the amount of \$134,279 based on the attached allocation.	
7. Phase 4 COVID Wastewater Monitoring - 100% State Grant Funded - Vince Astorino	56
Motion: To award the proposal for Phase 4 Covid Wastewater Monitoring to Aquasite for \$729,873 and authorization to execute the State grant agreement totaling \$765,375.	
8. Consideration for approval of invoices (see attached)	80
9. Financial Report – Bruce Manning	82
10. Adjourn	

MACOMB INTERCEPTOR DRAIN DRAINAGE DISTRICT



LEGEND

- ◆ PUMP STATION
- ▼ METER
- ★ WWTP
- INTERCEPTOR
- - - FORCE MAIN



Candice S. Miller

MACOMB COUNTY PUBLIC WORKS COMMISSIONER

frch

UPDATED: FEBRUARY 2017

An adjourned meeting of the Intra-County Drainage Board for the **MACOMB INTERCEPTOR DRAIN** was held in the Office of the Macomb County Public Works Commissioner, 21777 Dunham Clinton Township, Michigan on July 10, 2023, at 10:20 A.M.

PRESENT: Candice S. Miller, Chair
Don VanSyckel, Member
Bryan Santo, Member

ALSO PRESENT: Daniel Acciavatti, Deputy Government Relations; Vince Astorino, Operations & Flow Manager; Brian Baker, Chief Deputy; Stephen Downing, Construction and Maintenance Manager; Norb Franz, Communications Manager; Bruce Manning, Finance Manager; Pam Sonnenberg, Administrative Assistant

PRESENT VIA TELECONFERENCE: Mary Shepherd, Environmental and Safety Services Supervisor City of Sterling Heights

The meeting was called to order by the Chair, Candice S. Miller. A motion was made by Mr. Santo, supported by Mr. VanSyckel to approve the agenda as presented.

Adopted: YEAS: 3
NAYS: 0

Minutes of the meeting of June 12, 2023, were presented. A motion was made by Mr. VanSyckel, supported by Mr. Santo to approve the minutes as presented.

Adopted: YEAS: 3
NAYS: 0

The meeting was opened to public participation, then closed, there being no comments from the public.

Mr. Downing presented on Segment 5. The spray-lining of the 8-foot diameter pipe is making good progress and they are close to finishing. They should be done in July. The pump station is also moving along nicely. We ran the pump station for the first time on Friday. Mr. Astorino said that we came up with a controlled dewatering sequence that will happen everyday at 5:00am. We went through the sequence on Friday, and everything went well.

Mr. Downing presented photos of the sediment removal equipment and explained how it worked. We are just waiting on the contractor to provide an emergency evacuation plan for the equipment and then we are hoping they can start next week after we approve that plan.

Mr. Downing showed more photos of the demolition of the temporary flume bulkhead, drop-pipe casing at Southwest discharge, the drop-pipe installation, and the dry fitting of the temporary downstream gate.

Mr. Downing said that they continue to clean the 11-foot pipe at CS-2 and CS-3 for the Segment 6 Rehabilitation. Mr. Baker asked if they were getting a lot of sediment out and Mr. Downing said that we are still coming in under contract quantities.

Mr. Downing presented pictures of the jack and bore that went under 15-Mile Road next to CS-3. Then he showed photos of the installation of the bollards at CS-13 control cabinet. Since this report was completed, they completed the curb and the gutter on 15 Mile Road as well the lining shaft. We are working to get some of 15 Mile Road opened up and are coordinating with the Department of Roads.

Mr. Astorino said that the Garfield Interceptor Lining project is complete and traffic flow was restored on June 29th. Everything went well. The work performed in the past month include a geocrete/ concrete type liner inside the pipe, and everything above the flow line was an epoxy liner. This will extend the life of the pipe. As they were prepping the Northwest corner, where the Shelby flow comes in, they noticed severe hydrogen sulfide damage as seen in the photos presented. We fixed those areas and restored the concrete. It is now complete.

Mr. Astorino updated on the 2020 Interceptor Inspection Program and stated that the final pay application has been submitted and the project is now closed out. When we finish going through the final reports, we will put in plans for the next phases. There will be Drop Shaft repairs that are already budgeted, as well as miscellaneous pipe lining and pipe repairs.

Mr. Downing said there was nothing to report on the Phase II Grouting this month.

Mr. Downing presented on the four Odor and Corrosion Control Facilities and presented photos. We are finishing up the building at the NGI Pump Station site, installing the hydrant and the flushing tap for our maintenance crews. They put in a new access gate. The Clintondale Pump Station location is idle this month. They started site clearing to prepare for the building foundation at the 21 Mile Road and Garfield site. They finished drilling at the Fraser site and started to install the upper TERS rib and lagging. They found a small amount of low level contaminated soil.

A motion was made by Mr. VanSyckel, supported by Mr. Santo to receive and file the project updates.

Adopted: YEAS: 3
NAYS: 0

Mr. Downing presented Segment 6 Change Order No. 3 and Work Directive No. 2. This change order includes partial settlement of the Builders Risk Claim related to the repairs of the damaged HOBAS and the addition of safety grating in CS-13 as described in Work Order No. 2. The net cost to the MIDD related to the Builder's Risk Policy claim at this time is \$75,000 toward the deductible in accordance with the contract documents. This contribution is factored into the table attached that summarize the current financial summary. Mr. Santo and Mr. Downing discussed the Claim Summary and agreed to change the language and revisit Change Order No. 3 at a later date.

A motion was made by Mr. Santo, supported by Mr. VanSyckel to approve the amount for the Work Change Directive No. 2 for CS-13 safety grating for \$20,489.66.

Adopted: YEAS: 3
NAYS: 0

The Chair presented the invoices totaling \$6,823,715.52 to the board for review and approval.

A motion was made by Mr. Santo, supported by Mr. VanSyckel to approve the invoices as presented.

Adopted: YEAS: 3
NAYS: 0

A motion to receive and file the financial report given by Mr. Manning was made by Mr. VanSyckel and supported by Mr. Santo.

Adopted: YEAS: 3
NAYS: 0

There being no further business, it was moved by Mr. Santo, supported by Mr. VanSyckel that the meeting of the Macomb Interceptor Drain Board be adjourned.

Adopted: YEAS: 3
NAYS: 0

The meeting was adjourned at 11:01 A.M.



Candice S. Miller, Chair
Macomb County Public Works Commissioner

STATE OF MICHIGAN
COUNTY OF MACOMB

I certify that the foregoing is a true and correct copy of proceedings taken by the Intra-County Drainage Board for the Drainage District shown on the attached set of minutes, on July 10, 2023, the original of which is on file in the Public Works Commissioner's Office. Public notice of the meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1975, including, in the case of a special or rescheduled meeting or a meeting secured for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.



Candice S. Miller, Chair
Macomb County Public Works Commissioner

DATED: 7/10/23



Candice S. Miller

Public Works Commissioner
Macomb County

To: Macomb Interceptor Drain Drainage District Board Members

CC: File

From: Stephen Downing, Construction & Maintenance Manager
Vincent Astorino, Operations Director

Date: August 14, 2023

Subject: Construction Projects Status Updates for August 2023 Board Meeting

The following provides a status update for construction work performed within the Macomb Interceptor Drain Drainage District for the previous month.

Segment 5 Rehabilitation

Contractor: Oscar Renda

Engineering Consultant: FK Engineering

Project Description:

The Segment 5 reach of the Romeo Arm Interceptor is approximately 8,300 linear feet; it runs along 15 Mile Road starting at the ITC Corridor and extends east to approximately Hayes Road. The first 7,000 linear feet is 11-foot diameter non-reinforced concrete pipe, and the next 1,300 linear feet is 8-foot diameter steel reinforced concrete pipe. The rehabilitation consists of debris removal, cleaning, and inspection of the pipe's invert. Next, HOBAS pipe will be used to slip line 7,000 linear feet of the 11-foot diameter sewer and the 1,300 linear feet section of 8-foot diameter pipe will be coated with a corrosion resistant geo-polymer spray applied coating. To facilitate this work, a new control structure and access shaft is under construction in the ITC Corridor. The new control structure will provide the contractor access to the sewer to facilitate the work and will also serve as a dewatering pump station to draw down the upstream water level in the sewer.

Significant project tasks that have occurred over the past month:

1. Continued development, review, and approval of the required construction submittals.
2. Ground dewatering well maintenance and monitoring.
 - FKE developed a de-commissioning plan for the dewatering system now that the CS-12 structure and drop-pipes installation is completed. There was minor infiltration detected

at the downstream drop connections which must be sealed prior to de-commissioning the system.

3. Completed spray-lining the 8-foot diameter interceptor (PCI-37) – 1300 Linear feet total
 - o The last remaining section for spray-lining is the transition taper to the HOBAS which will occur once the HOBAS is installed.
4. CS-12 Pump Station and Control structure progress, which includes:
 - o MCPWO personnel continue the operation of the pump station and make adjustments to maximize the efficiency of the pump station for the Contractor to perform their work.
5. Sediment and Debris Removal
 - o Started debris/sediment removal with a skid-steer that has a modified bucket.
 - o The debris/sediment is a sandy material which is decanting very quickly – this allows the material to be hauled off site regularly.
 - o Approximately 145 cubic yards of material has been removed – this equates to approximately 185 tons of material.
6. Manhole Rehab & Spray-Lining
 - o Started the rehabilitation of manholes along 15 Mile, including removal of the ladder rungs and concrete patch repair.
7. HOBAS Pipe
 - o HOBAS pipe delivery started this month – a total of 238 pipe sections have been delivered and staged in the ITC corridor.

Construction Costs:

	Date	
Original Contract Amount	10/21/2020	\$28,807,500.00
Current Contract Amount	7/31/2023	\$32,052,534.88
Total Spent to Date	7/31/2023	\$20,808,580.67
Remaining Budget	7/31/2023	\$11,243,954.21



Figure 1 – Debris/Sediment Removal – Modified Skid-Steer

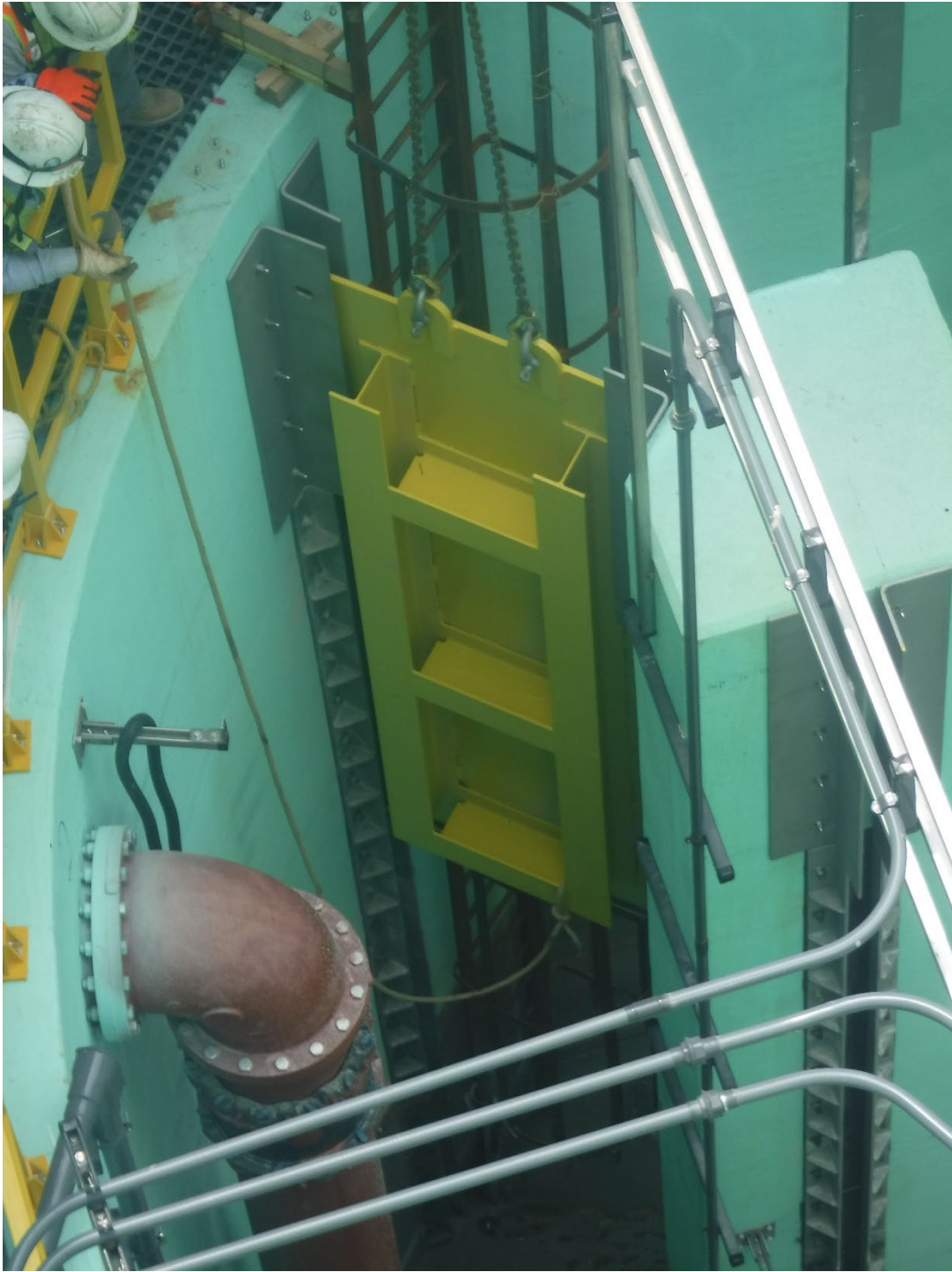


Figure 2 – Installation of Small Stop Log in CS-12

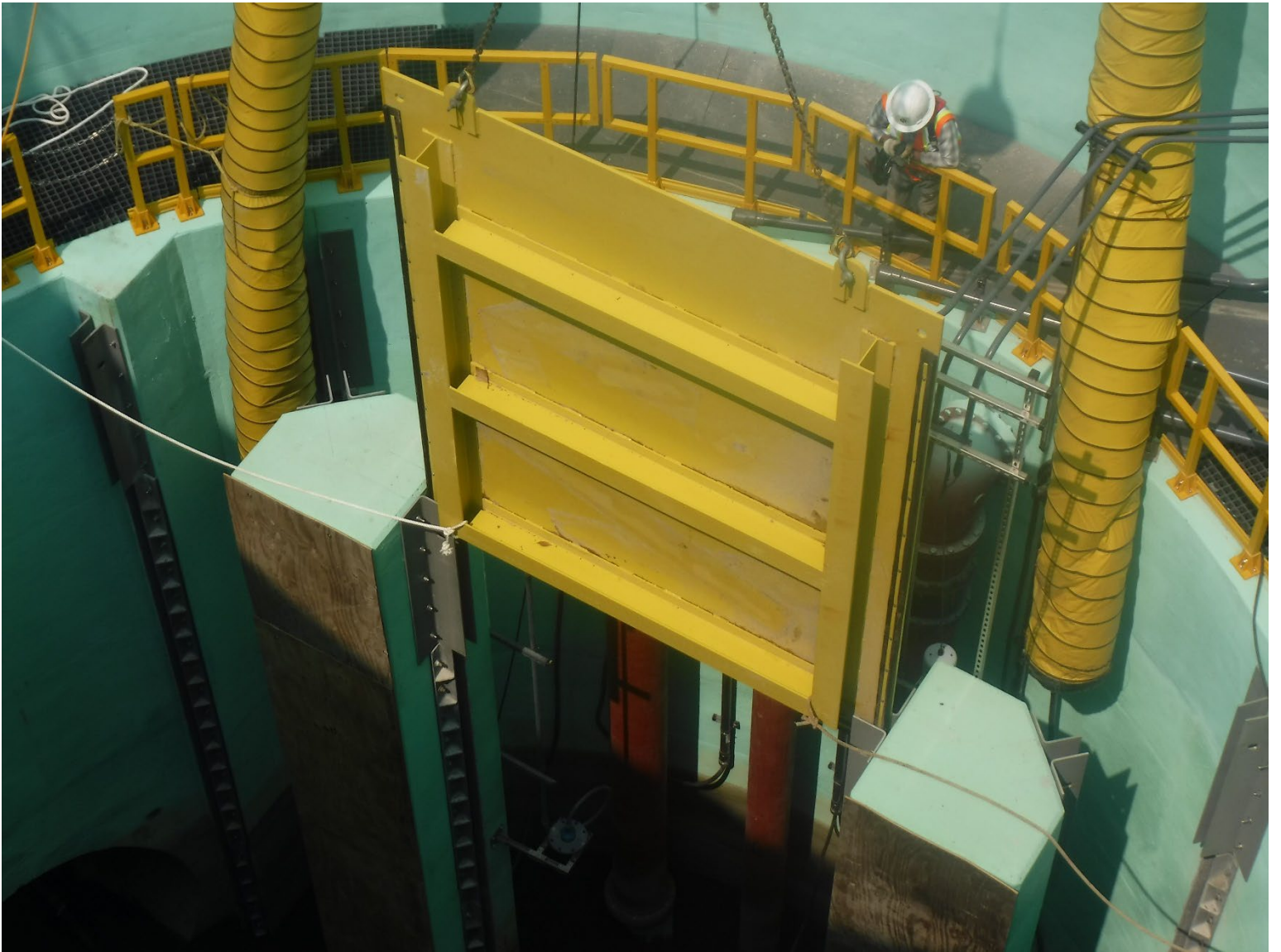


Figure 3 –Installation of the Large Stop Log in CS-12

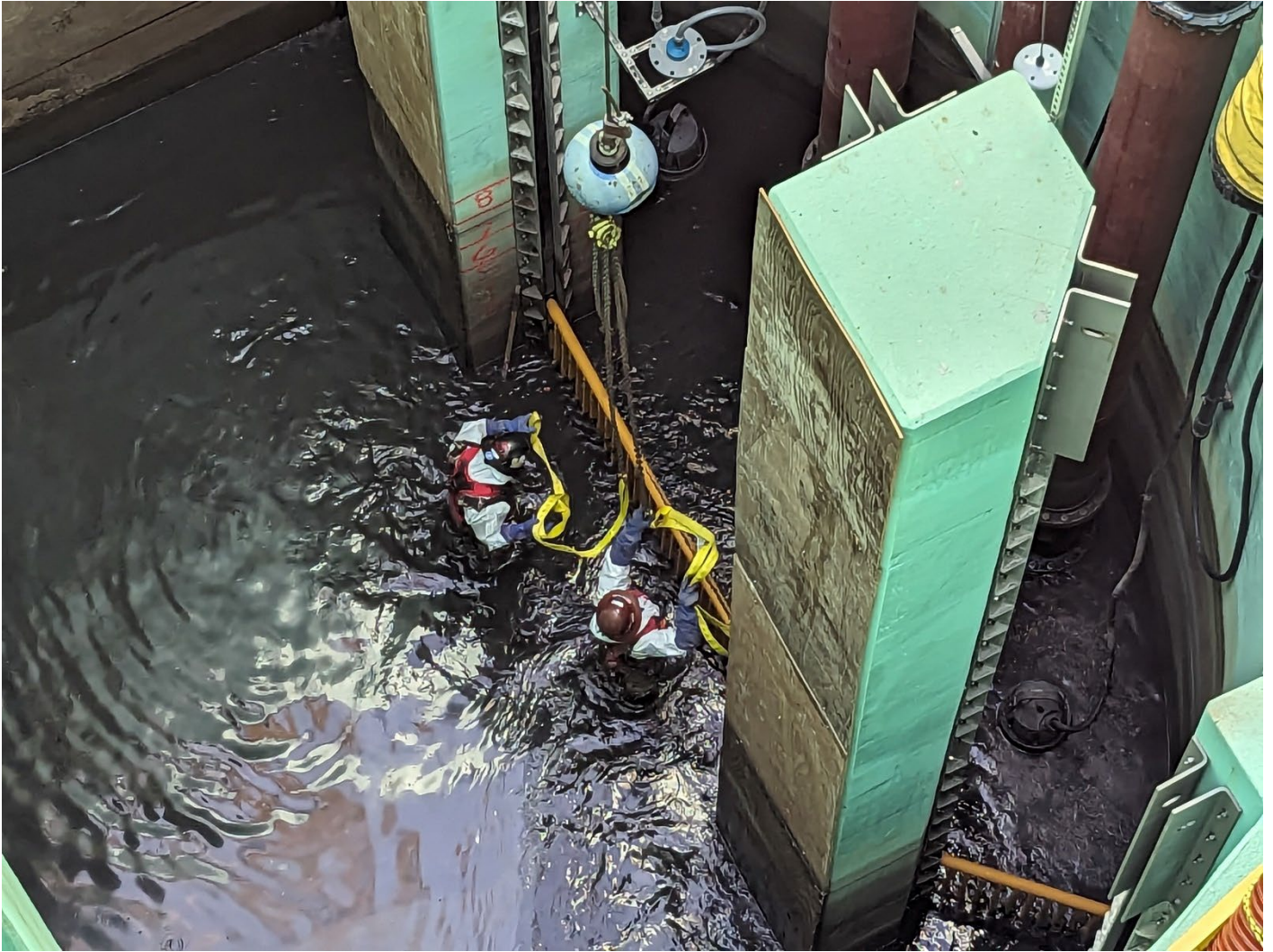


Figure 4 – Installation of Bar Racks in CS-12



Figure 5 – HOBAS Pipe



Figure 6 – HOBAS Pipe Delivery

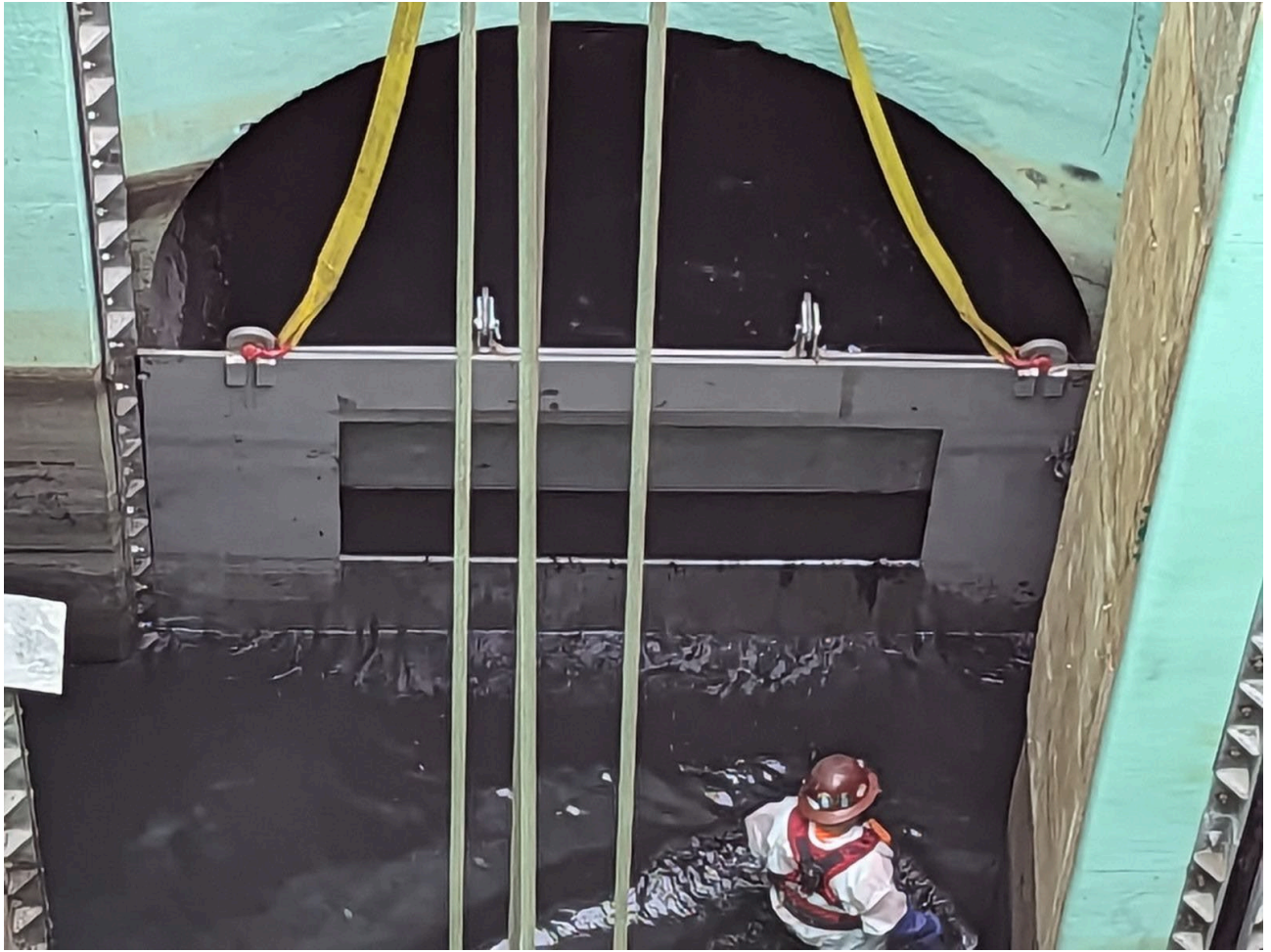


Figure 7 – CS-12 Downstream Flap Gate

Segment 6 Rehabilitation

Contractor: Ric-Man Construction

Engineering Consultant: FK Engineering

Project Description:

The Segment 6 Rehab project includes the rehabilitation of these main elements:

1. Cleaning and slip-lining (Hobas) of the 5-foot diameter 15 Mile Interceptor from MH-01 at Garfield Road and 15 Mile to MH-04 approximately 2200 feet east along 15 Mile.
2. Cleaning and slip-lining (Hobas) the 1400 linear feet 11-foot diameter Romeo Arm Interceptor sewer between CS-3 on 15 Mile Road and CS-2 on Garfield north of 15 Mile Road.
3. Rehabilitation of the Meter Facility FR-S-1 on Garfield south of 15 Mile Road.
4. Rehabilitation and spray-lining of the CS-2 and CS-3 control structure facilities. These concrete structures have been damaged by H2S damage over time and need repair.
5. Installation of an air-jumper to be incorporated into the existing Biofilter facility. This is being done to address the high level of odor issues that have resulted over the years from the intersection of 15 Mile and Garfield.
6. Installation of a new gate control structure on the 15 Mile Interceptor. This will allow for the rehabilitation of the MH-01 structure and provide future storage options within that interceptor.

The project started in September 2021 and is scheduled to be completed in September 2023.

Significant project tasks that have occurred over the past month:

1. The Contractor continues to develop and submit the required submittals to the Engineer.
2. Contractor obtained the permit to perform the open-cut installation of the FAD line beneath Garfield Road on 8-7-2023. The implementation of the traffic control devices started immediately, this work is expected to be completed by 9-1-2023.
3. Continued the debris/sediment removal between CS-2 and CS-3.
 - o Progress was slow this month due to several issues including:
 - Maintenance & Weather days,
 - Equipment Issues – Dewatering Pumps & Cleaning Equipment
 - Loss of the hydraulic cylinder at CS-13 – CS-13 was returned to service on 8-4-2023 with a temporary cylinder.
4. Concrete placement at CS-13 and Lining Shaft in the roadway.
5. Started manhole epoxy lining along 15 Mile Road

Construction Costs:

	Date (if applicable)	
Original Contract Amount	5/1/2021	\$13,541,545.00
Change Order No. 1	8/1/2021	\$132,664.70
Total Contract Amount	7/31/2023	\$13,674,209.70
Total Spent to Date	7/31/2023	\$9,128,263.51
Remaining Budget	7/31/2023	\$4,545,946.19

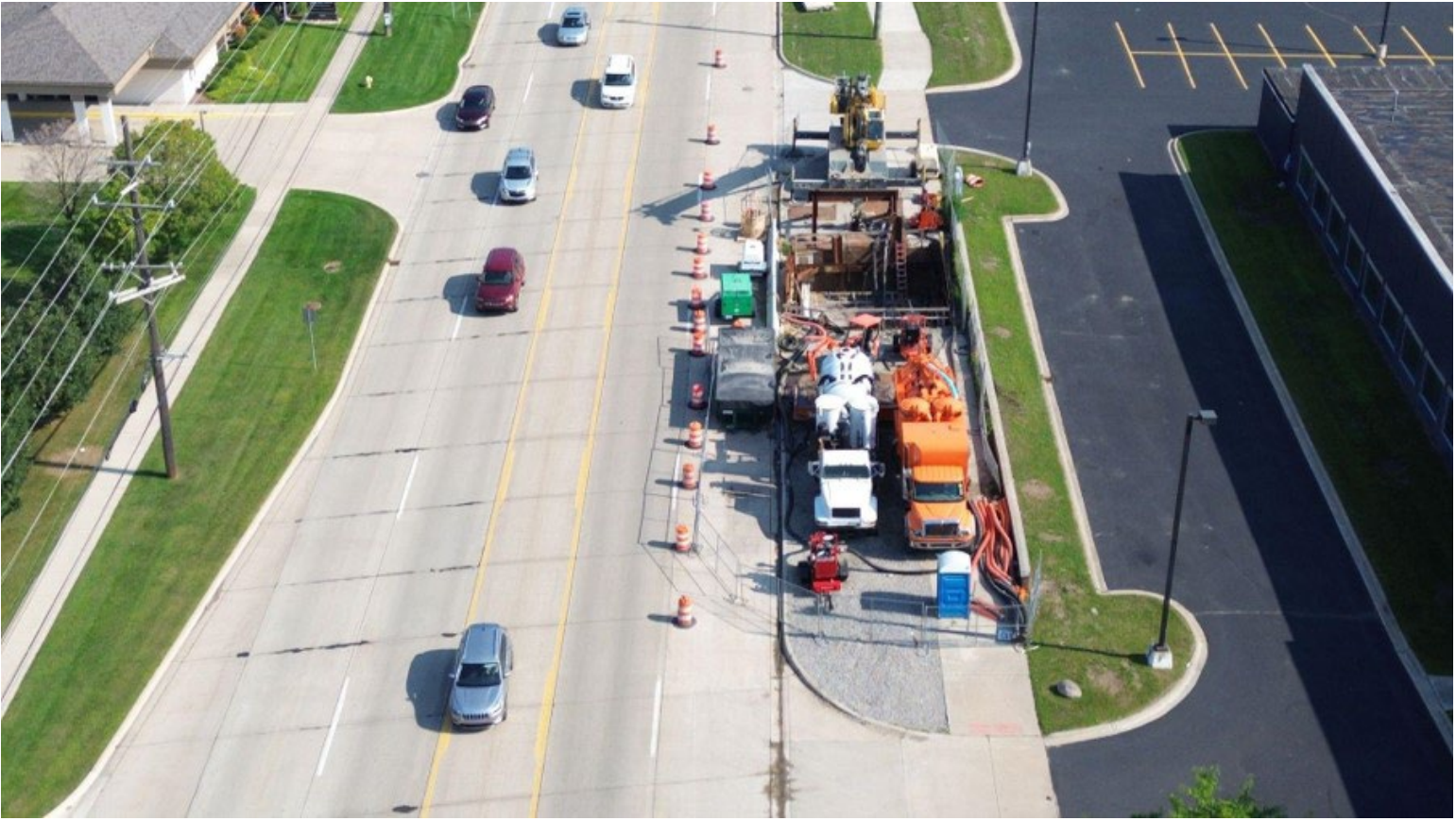


Figure 8 – Sediment/Debris Removal Equipment at CS-2



Figure 9 – Sediment/Debris Removal Ventilation Equipment at RAI-MH-10



Figure 10 – 15 Mile Road Pavement Restoration at CS-13



Figure 11 – Re-installation of the Hydraulic Cylinder at CS-13



Figure 12 – Drone View of HOBAS along 15 Mile Road



Figure 13 – 15 Mile Interceptor MH-04 – During Epoxy Coating



Figure 14 – 15 Mile Interceptor MH-04 – Post Epoxy Coating

Garfield Interceptor Lining Project

Contractor: SAK Construction, LLC

Engineering Consultant: AEW

Project Description: MCPWO identified 755 feet of 7-foot diameter pipe within the Garfield Interceptor that has been aggressively attacked with Hydrogen Sulfide damage. This stretch of pipe was immediately labeled as an immediate repair and MCPWO underwent an analysis of options for repairs. The selected option was a Spiral Wound PVC liner which has been installed around the world but is the first time being installed within Michigan. This product has a guaranteed useful life of 50-years and is being treated as a pilot project within the MID system.

Significant project tasks that have occurred over the past month:

- Restoration work is mostly completed.
- Working on project closeout.

Construction Costs:

	Date (if applicable)	
Original Contract Amount	8/25/2022	\$2,394,385.00
Change Order No. 1	3/14/23	\$510,160.00
Total Contract Amount	3/14/23	\$2,904,545.00
Total Spent to Date	6/26/23	\$2,713,976.88
Remaining Budget	6/26/23	\$190,568.12

2023 Interceptor Inspection Program

Contractor: Taplin

Engineering Consultant: NTH

Project Description:

The 2023 sewer inspection program was awarded to Taplin in March 2023. The inspection program includes inspection of approximately 24 miles of sanitary sewer ranging from 2-feet to 12-feet in diameter and 152 manholes across the MIDDD and 8.5 Mile Districts.

As part of the MIDDD inspection, sonar and laser scanning will be performed within the interceptors. This data will be used to not only correlate laser scan data to the 2017 inspection, but the sonar data will be used to develop design drawings to remove the sediment within the MIDDD interceptors.

The inspection interval for the entire system is based on a 3-year cycle, where non-reinforced concrete pipe is inspected every 3 years and reinforced concrete pipe is inspected every 6 years.

Significant project tasks that have occurred over the past month:

1. The MIDDD portion of the inspection is scheduled to begin near the end of August.

Construction Costs:

	Date (if applicable)	
Original Contract Amount	4/10/23	\$591,319.40
Total Spent to Date		\$0.00
Remaining Budget		\$591,319.40

***This Table reflects the MIDDD costs only.**

Phase II Grouting

Contractor: Doetsch Environmental Services, Inc.

Engineering Consultant: AEW

Project Description:

The Phase II Grouting project was awarded to Doetsch Environmental during summer 2020. The work includes chemical grouting of the sewer and manholes where infiltration is present. The work is planned in all reaches of the system not included in the Segment 5 or portion of the Romeo Arm rehabilitated during the 2016 Interceptor Collapse. The main areas of work include the Romeo Arm along Garfield Road between 15 Mile and Clinton River Roads, the Garfield Interceptor between Clinton River and 21 Mile Roads, and the Lakeshore Interceptor between the Clintondale Pump Station at 15 Mile and Union Lake and Joy Boulevard in Harrison Township. The chemical grouting is aimed to stop all active infiltration within the system in advance of future rehabilitation and maintenance projects.

Significant project tasks that have occurred over the past month:

1. The crew has not worked since late July 2022.
2. The critical area grouting is complete, grouting operations will resume in non-critical areas when daily flow control operations allow.

Construction Costs:

	Date	
Original Contract Amount	6/24/2020	\$3,000,000.00
Change Order No. 1	3/14/2022	\$3,000,000.00
Current Contract Amount	7/31/2023	\$6,000,000.00
Total Spent to Date	7/31/2023	\$4,432,736.20
Remaining Budget	7/31/2023	\$1,567,263.80

Odor & Corrosion Control Facilities

Contractor: L. D’Agostini & Sons

Engineering Consultant: Tetra Tech

Project Description:

The Macomb Interceptor Drain completed a system-wide odor and corrosion study to evaluate the need for additional odor and corrosion control facilities to mitigate corrosion induced degradation of the interceptor and nuisance odors emitting from the interceptor near homes, businesses and public spaces. This effort is concentrated on extending the useful life of the interceptor and reducing nuisance odors emitting from the interceptor.

The study identified the need to construct three new odor and corrosion control facilities. Additionally, it was determined that the existing open-bed woodchip media type Fraser Bio-Filter would be more efficient and effective if converted to an enclosed bio-filter with an engineered media. The locations of the new facilities were determined through analysis and computer modeling using data that was collected in the field during the study phase. The facilities are intended to complement one another to reduce hydrogen sulfide induced corrosion.

The facilities are summarized in the Table below:

Facility	Location	Filter Type	Media Type
Fraser	15 Mile & Garfield	Bio-Filter	Engineered
Macomb Township	21 Mile & Garfield	Bio-Filter	Engineered
Clintondale PS	Union Lake & Sorrentino	Carbon Filter	Carbon
NGI Pump Station	Gratiot & Concordia	Chemical Injection	Calcium Nitrate

The construction contract was awarded to L. D’Agostini & Sons in October of 2022 and the contractual Notice to Proceed was issued with an effective date of December 2, 2022. The number of days to achieve substantial completion is 630 days, resulting in a contractually required substantial completion date of August 23, 2024.

The construction work commenced in January of 2023 and is estimated to be completed by the summer of 2024. The estimated schedule for each site is summarized in the table below:

Facility	Location	Start Date	Finish Date
Fraser	15 Mile & Garfield	March – 2023	January – 2024
Macomb Township	21 Mile & Garfield	April – 2023	April – 2024
Clintondale Pump Station	Union Lake & Sorrentino	September – 2023	May – 2024
NGI Pump Station	Gratiot & Concordia	January – 2023	October – 2023

*The dates are based on the Construction schedule dated February 7, 2023

Significant project tasks that have occurred over the past month:

1. The Contractor is developing and submitting the required submittals to the Engineer & Owner for review.
2. NGI PS Site:
 - a. Mechanical, Plumbing and Electrical work is ongoing
 - b. Installation of new building doors
3. Clintondale PS Site:
 - a. Idle
4. 21 Mile & Garfield Site
 - a. Started excavation for building foundation and driving sheet piles for the TERS
5. Fraser Site
 - a. Started installation of the upper TERS rib and lagging
 - b. Completed excavation for sub-structure
 - c. Installation of rebar for foundations
 - d. Started concrete placement for foundations

Construction Costs:

	Date	
Original Contract Amount	12/2/2022	\$11,799,678.78
Current Contract Amount	7/31/2023	\$11,799,678.78
Total Spent to Date	7/31/2023	\$2,762,663.31
Remaining Budget	7/31/2023	\$9,037,015.47



Figure 15 – NGI PS Odor & Corrosion Equipment Building – Prep for Concrete Stoops



Figure 16 – Foundation Wall Rebar Installation at Fraser Site



Figure 17 – Foundation Wall Rebar Installation at Fraser Site



Figure 18 – Formwork Installation for Foundation Wall at Fraser Site



Figure 19 – Excavation & Sheet piling at 21 Mile & Garfield



Figure 20 – Sheet piling Installation at 21 Mile & Garfield



Candice S. Miller
Public Works Commissioner
Macomb County

TO: Macomb Interceptor Drain Drainage District Board
FROM: Bruce Manning, Financial Manager MCPWO
SUBJECT: GLWA Highland Park Bad Debt Recovery Credits Allocation
DATE: August 14, 2023

The City of Highland Park currently owes GLWA \$55 million in unpaid water and sewer bills dating back nearly 15 years. GLWA recently recovered \$1 million from the City of Highland Park as part of mediation with the State of Michigan. GLWA member partners have been charged by GLWA a share of bad debt associated with Highland Park unpaid bills. On June 28, 2023, GLWA approved applying the \$1 million recovered as a credit to member partners' water and sewer bills based on a pro-rata share methodology. GLWA plans to process future recovered amounts using the same methodology. OMID's portion is \$202,900 of the \$1,000,000 recovered.

On July 19th the Oakland-Macomb Interceptor Drain Drainage District (OMID) board passed a resolution to divide the bad debt credit using 66.18% for Macomb County and 33.82% for Oakland County. Using this allocation, the total amount to be shared amongst the MIDD communities is \$134,279. Included in this package is a spreadsheet which lists the credit per MIDD community based on the FY2024 charges. The credit will be applied to the September MIDD bills.

The GLWA resolution along with supporting documentation is also included.

Recommended Action #1: We recommend the board approve passing on this credit to the MIDD communities. Attached is the proposed allocation of the credit for the MIDD communities.

2023 GLWA Highland Park Bad Debt Recovery

Community	FY 2024 %	Amount of Recovery
Chesterfield Township	7.4416%	\$9,993
Clinton Township	20.9117%	\$28,080
Fraser	4.2007%	\$5,641
Harrison Township	6.2625%	\$8,409
Lenox Township	1.1700%	\$1,571
Macomb Township	14.1489%	\$18,999
New Haven	0.8391%	\$1,127
Shelby Township	9.7883%	\$13,144
Sterling Heights	30.8805%	\$41,465
Utica	1.6392%	\$2,201
Washington Township	2.7176%	\$3,649
Total	100.00%	\$134,279

MIDD GLWA Highland Park Bad Debt Recovery Amount \$134,279

Title

Resolution Regarding Approval of the Highland Park Bad Debt Recovery Credits Methodology and Approval of Schedule of Member Partner Bad Debt Recovery Credits #2023-1 Totaling \$1,000,000

Body

Agenda of: June 28, 2023
Item No.: **2023-234**
Amount: \$1,000,000

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: June 28, 2023

RE: Resolution Regarding Approval of the Highland Park Bad Debt Recovery Credits Methodology and Approval of Schedule of Member Partner Bad Debt Recovery Credits #2023-1 Totaling \$1,000,000

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer & Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), adopts Resolution #2023-234 to:

1. **Approve the Highland Park Bad Debt Recovery Credits Methodology;**
2. **Authorize staff to apply credits totaling \$1 million in the first quarter of FY 2024 as outlined in the above methodology and related Schedule of Member Partner Bad Debt Recovery Credits #2023-1; and**
3. **Authorize the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

In accordance with contractual terms for service, Member Partner communities are responsible funding bad debt expense. Over an extended period of time, Member Partner communities have been charged for bad debt expense related to partial non-payment by the City of Highland Park. Simultaneously, litigation with Highland Park has occurred as it relates to water, sewer, and industrial waste control service charges. Extensive writings and communications are available related to these matters. The purpose of this memo is to focus on positive recent developments between the City of Highland Park and GLWA where both parties entered into an "Interim Agreement" which includes the following excerpted provisions:

- "Highland Park agrees to pay and deliver to GLWA \$1,000,000 by June 9, 2023, subject to city council approval at the Highland Park city council meeting on June 5, 2023. This amount will be applied to the Judgment in the 2014 Case or to a settlement if one is reached by October 1, 2023."

- "The Parties understand the State intends to file a position statement with the Court in the 2014 Case stating its support for the stay of proceedings and explaining why the State is involved and intends to participate in the efforts to resolve this matter and reach a resolution. The Parties will work in good faith toward a comprehensive solution to all issues."

JUSTIFICATION

The City of Highland Park made the \$1,000,000 payment on June 9, 2023 as agreed. Given that this payment is in relation to aged balances for which Member Partner communities funded via a bad debt expense line item in the service charges calculation, it is appropriate to credit their accounts in a consistent manner. Further, it is anticipated that resolution of this matter may result in additional payments. For this reason, a Highland Park Bad Debt Recovery Credits Methodology and a Schedule of Member Partner Bad Debt Recovery Credits #2023-1 have been prepared for consideration by the Board of Directors.

Highland Park Bad Debt Recovery Credits Methodology

Last year, GLWA asked its charges and financial consultant from The Foster Group to document an analysis of amounts that had been directly included in Water and Sewer Charges to GLWA's first-tier Member Partners related to Highland Park bad debt. That information was subsequently utilized to inform all first-tier Member Partners of such amounts. The framework established by that analysis was widely shared and reviewed with Member Partner communities. It was also anticipated at the time that allocation of future bad debt recovery for payments related to Highland Park services would align with that analysis. See attached memo from The Foster Group which provides further details.

The overall allocation is 87.4% Sewer System and 12.6% Water System based on a proportional share of what was included in previous years' charges for services to first-

tier Member Partners. Also attached to that memo was a schedule which identifies a percentage for each Member Partner community. It is recommended that these percentages be established as a key element of a “Highland Park Bad Debt Recovery Credits Methodology” to expedite the handling of future credits, acknowledging that the actual credits would not be applied without Board Member approval due to the budget impact and that it is considered a charge setting decision requiring five affirmative votes for approval.

Schedule of Member Partner Bad Debt Recovery Credits #2023-1

Consistent with the methodology described above, a schedule of “Member Partner Bad Debt Expense Recovery Credits #2023-1” is recommended to be applied to the August 2023 bills for July 2023 services. This timing will allow for setting up this credit mechanism in the billing system and communication and engagement with Member Partners.

BUDGET IMPACT

The financial impact of reimbursing Member Partners for recovery of bad debt is largely neutral for GLWA. The budget impact spans multiple fiscal years of bad debt accumulation whereas the bad debt recovery credit is in future years. The annual budget impact is manageable and will be reflected in budget amendments for the first quarter of FY 2024.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on June 26, 2023. The Audit Committee unanimously recommended that the Great Lakes Water Authority Board of Directors adopt the proposed Resolution #2023-234 to:

1. Establish the Highland Park Bad Debt Recovery Credits Methodology;
2. Authorize staff to apply credits totaling \$1 million in the first quarter of FY 2024 as outlined in the above methodology and related Schedule of Member Partner Bad Debt Recovery Credits #2023-1; and
3. Authorize the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.



Financial Services Audit Committee Communication

Date: June 26, 2023

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

Re: Proposed Resolution 2023-234 - Highland Park Bad Debt Recovery Credits
Methodology and Authorization to Apply Bad Debt Expense Recovery Credits to FY
2024 Charges

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter.

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board of Directors approve the proposed Resolution #2023-234 to:

1. Establish the Highland Park Bad Debt Recovery Credit Methodology;
2. Authorize staff to apply credits to Member Partner accounts totaling \$1 million in the first quarter of FY 2024 as outlined in the above methodology and related Schedule of Member Partner Bad Debt Recovery Credits #2023-1; and
3. Authorize the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

TFG
THE FOSTER GROUP

THE FOSTER GROUP, LLC
12719 WENONGA LANE
LEAWOOD, KS 66209

BART FOSTER, PRESIDENT
CELL: (913) 530-6240
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MEMORANDUM

Highland Park Bad Debt Recovery Credit

June 20, 2023

To: Randal Brown, Nicolette Bateson

From: Bart Foster

You have asked for recommendations regarding potential application of a specific recent payment GLWA has received from Highland Park. It is my understanding that GLWA has received an initial payment of \$1 million to be applied for potential settlement of past due amounts. It is my further understanding that GLWA intends to apply this \$1 million as credits to individual Member Partner Water and Sewer bills early in FY 2024, effectively to refund a portion of the amounts included in past charges for Highland Park bad debt expense. The question at hand is how to assign the relative credits to the individual customers.

Last year, I documented the results of my analysis of amounts that had been directly included in Water and Sewer Charges to GLWA's first tier Member Partners. That documentation was subsequently utilized to inform all Member Partners of such amounts. I believe the framework established by that analysis provides the appropriate mechanism for crediting customers for this initial recovery, and for any subsequent amounts that GLWA opts to return to Member Partners.

Over many of the past several years GLWA has directly included amounts totaling approximately \$41 million in wholesale sewer and water charges designed to address Highland Park's bad debt expense. Such amounts are summarized in the first column below.

	Amounts Included in Charges	Relative Allocation	Initial Recovery Credit
Total	\$40,808,900		\$1,000,000
Allocable to Sewer	\$35,656,400	87.4%	\$874,000
Allocable to Water	\$5,152,500	12.6%	\$126,000

The Water figures reflect amounts included in charges from FY 2019 through FY 2022. The Sewer figures reflect amounts dating back to FY 2008, which continued intermittently through

FY 2022¹. The documentation from last year indicated how much of these totals had been included in Water and Sewer Charges to each Member Partner community. I recommend that GLWA establish individual Member Partner credits that are equal to their “share” of amounts paid in (based on the originally approved service charge schedules). By this approach, \$874,000 of the initial \$1 million recovery credit will be applied to Sewer Member Partner communities and the remaining \$126,000 will be applied to Water Member Partner communities.

Each customer community’s individual share of the initial credit is set forth in the accompanying exhibits.

I am prepared to discuss this matter at your convenience.

¹ The originally approved FY 2023 Water and Sewer Charges contained additional amounts. These amounts were subsequently removed from the final FY 2023 Water and Sewer Charges by the GLWA Board.

Highland Park Bad Debt Synopsis

Allocation of Initial Recovery Credit to **Water and Sewer** Member Partners

	(1)	(2)	(3)
	Cumulative Amount in Charges <u>thru FY 2022</u> <i>(a)</i>	Relative Share of Highland Park Bad <u>Debt</u>	Initial Recovery <u>Credit</u>
<u>Water Charges</u>			
Macomb	\$1,127,700	21.9%	\$27,400
Oakland	1,471,900	28.6%	36,100
Wayne <i>(excl. Detroit)</i>	1,516,100	29.4%	36,900
Other	394,600	7.7%	9,700
Detroit	642,200	12.5%	15,900
Total	\$5,152,500	100.0%	\$126,000
<u>Sewer Charges</u>			
Macomb <i>(b)</i>	\$8,565,900	24.0%	\$209,900
Oakland <i>(c)</i>	14,419,900	40.4%	353,500
Wayne <i>(excl. Detroit)</i>	12,670,600	35.5%	310,600
Other	NA	NA	NA
Detroit	NA	NA	NA
Total	\$35,656,400	100.0%	\$874,000
<u>Combined Water and Sewer Charges</u>			
Macomb <i>(b)</i>	\$9,693,600	23.8%	\$237,300
Oakland <i>(c)</i>	15,891,800	38.9%	389,600
Wayne <i>(excl. Detroit)</i>	14,186,700	34.8%	347,500
Other	394,600	1.0%	9,700
Detroit	642,200	1.6%	15,900
Total	\$40,808,900	100.0%	\$1,000,000
Industrial Waste Control *			0
			\$1,000,000

* Highland Park IWC Bad Debt was not directly included in charges to any customer

(a) Reflects different historical time frames for Water and Sewer Charges.

(b) Includes 60% of Sewer amounts for the Oakland Macomb Interceptor Drain District

(c) Includes 40% of Sewer amounts for the Oakland Macomb Interceptor Drain District

Highland Park Bad Debt Synopsis

Table 1 - Allocation of Initial Recovery Credit to Water Member Partners

	(1)	(2)	(3)
	Cumulative Amount in Charges FY 2019 thru <u>FY 2022</u> <i>(a)</i>	Relative Share of Highland Park Bad <u>Debt</u> <i>(b)</i>	Initial Recovery <u>Credit</u> <i>(b)</i>
1 Allen Park	\$33,900	0.66%	\$800
2 Almont Village	3,300	0.06%	100
3 Ash Township	11,700	0.23%	300
4 Belleville	4,300	0.08%	100
5 Berlin Township	10,600	0.21%	300
6 Brownstown Township	52,500	1.02%	1,300
7 Bruce Township	3,900	0.08%	100
8 Burtchville Township	4,700	0.09%	100
9 Canton Township	147,400	2.86%	3,600
10 Center Line	6,500	0.13%	200
11 Chesterfield Township	59,900	1.16%	1,500
12 Clinton Township	112,000	2.17%	2,700
13 Commerce Township	52,300	1.02%	1,300
14 Dearborn	159,100	3.09%	3,900
15 Dearborn Heights	52,600	1.02%	1,300
16 Eastpointe	21,900	0.43%	500
17 Ecorse	21,500	0.42%	500
18 Farmington	14,700	0.29%	400
19 Farmington Hills	129,600	2.52%	3,200
20 Ferndale	14,300	0.28%	300
21 Flat Rock	19,500	0.38%	500
22 Flint *	162,600	3.16%	4,000
23 Fraser	17,500	0.34%	400
24 Garden City	24,400	0.47%	600
25 Gibraltar	5,400	0.10%	100
26 Greenwood Township (DTE)	7,700	0.15%	200
27 Grosse Ile Township	16,900	0.33%	400
28 Grosse Pt. Park	20,900	0.41%	500
29 Grosse Pt. Shores	9,400	0.18%	200
30 Grosse Pt. Woods	20,200	0.39%	500
31 Hamtramck	10,600	0.21%	300
32 Harper Woods	12,200	0.24%	300
33 Harrison Township	22,200	0.43%	500
34 Hazel Park	10,300	0.20%	300
35 Highland Park <i>(c)</i>	0	0.00%	0
36 Huron Township	21,300	0.41%	500
37 Imlay City	19,500	0.38%	500
38 Imlay Township (Single User)	100	0.00%	0
39 Inkster	20,400	0.40%	500
40 Keego Harbor	4,300	0.08%	100
41 Lapeer	21,900	0.43%	500
42 Lenox Township	4,000	0.08%	100
43 Lincoln Park	32,000	0.62%	800
44 Livonia	177,500	3.44%	4,300
45 Macomb Township	177,700	3.45%	4,300
46 Madison Heights	28,200	0.55%	700
47 Mayfield Township (KAMAX)	500	0.01%	0
48 Melvindale	9,200	0.18%	200
49 New Haven, Village of	5,700	0.11%	100
50 NOCWA	326,400	6.33%	8,000
51 Northville	11,800	0.23%	300
52 Northville Township	81,900	1.59%	2,000
53 Novi	131,200	2.55%	3,200

Highland Park Bad Debt Synopsis

Table 1 - Allocation of Initial Recovery Credit to Water Member Partners

	(1)	(2)	(3)
	Cumulative Amount in Charges FY 2019 thru <u>FY 2022</u> <i>(a)</i>	Relative Share of Highland Park Bad <u>Debt</u>	Initial Recovery <u>Credit</u> <i>(b)</i>
54 Oak Park	19,800	0.38%	500
55 Oakland GWK Drain District	1,000	0.02%	0
56 Plymouth	15,400	0.30%	400
57 Plymouth Township	65,000	1.26%	1,600
58 Redford Township	45,700	0.89%	1,100
59 River Rouge	9,800	0.19%	200
60 Riverview	12,400	0.24%	300
61 Rockwood	4,100	0.08%	100
62 Romeo	3,600	0.07%	100
63 Romulus	58,600	1.14%	1,400
64 Roseville	37,900	0.74%	900
65 Royal Oak Township	3,000	0.06%	100
66 Shelby Township	204,300	3.97%	5,000
67 SOCWA	335,500	6.51%	8,200
68 South Rockwood	1,600	0.03%	0
69 Southgate	32,100	0.62%	800
70 St. Clair Shores	43,200	0.84%	1,100
71 Sterling Heights	218,300	4.24%	5,300
72 Sumpter Township	9,600	0.19%	200
73 Sylvan Lake	3,400	0.07%	100
74 Taylor	67,000	1.30%	1,600
75 Trenton	25,800	0.50%	600
76 Troy	197,700	3.84%	4,800
77 Utica	8,100	0.16%	200
78 Van Buren Township	48,700	0.95%	1,200
79 Walled Lake	12,200	0.24%	300
80 Warren	148,200	2.88%	3,600
81 Washington Township	32,800	0.64%	800
82 Wayne	43,500	0.84%	1,100
83 West Bloomfield Township	151,800	2.95%	3,700
84 Westland	89,300	1.73%	2,200
85 Wixom	36,200	0.70%	900
86 Woodhaven	24,200	0.47%	600
87 Ypsilanti Comm Util Auth	150,400	2.92%	3,700
88 Total Suburban Wholesale	4,510,300	87.54%	110,100
89 Detroit	642,200	12.46%	15,900
90 TOTAL	\$5,152,500	100.00%	\$126,000
<u>Summary by County</u>			
Macomb	\$1,127,700	21.89%	\$27,400
Oakland	1,471,900	28.57%	36,100
Wayne (excl. Detroit)	1,516,100	29.42%	36,900
Other	394,600	7.66%	9,700
Detroit	642,200	12.46%	15,900
Total	\$5,152,500	100.00%	\$126,000

(a) Based on amounts allocated in approved charges. Does not reflect impacts of variances in actual purchased volumes.

(b) Allocation of initial \$1 million combined Water / Sewer recovery payment.

(c) Highland Park is NOT allocated responsibility for, NOR charged, an amount related to the Water debt they create - as they have never made a payment.

Highland Park Bad Debt Synopsis

Table 2 - Allocation of Initial Recovery Credit to **Sewer** Member Partners

	(1)	(2)	(3)	
	Cumulative Amount in Charges FY 2008 thru <u>FY 2022</u> <i>(a)</i>	Relative Share of Highland Park Bad <u>Debt</u>	Initial Recovery <u>Credit</u> <i>(b)</i>	
1	OMID	\$8,281,000	23.22%	\$202,900
2	Rouge Valley	7,420,000	20.81%	181,900
3	Oakland GWK	6,495,000	18.22%	159,200
4	Evergreen Farmington	4,459,200	12.51%	109,300
5	SE Macomb San Dist	3,471,100	9.73%	85,100
6	Dearborn	2,769,000	7.77%	67,900
7	Grosse Pointe Farms	368,300	1.03%	9,000
8	Grosse Pointe Park	241,300	0.68%	5,900
9	Melvindale	192,600	0.54%	4,700
10	Farmington	153,300	0.43%	3,800
11	Center Line	126,200	0.35%	3,100
12	Allen Park	98,200	0.28%	2,400
13	Highland Park <i>(c)</i>	753,700	2.11%	18,500
14	Hamtramck	616,200	1.73%	15,100
15	Grosse Pointe	145,500	0.41%	3,600
16	Harper Woods	37,500	0.11%	900
17	Redford Township	24,300	0.07%	600
18	Wayne County #3	4,000	0.01%	100
19	Total	\$35,656,400	100.00%	\$874,000
<u>Summary by County</u>				
	Macomb	\$8,565,900	24.02%	\$209,900
	Oakland	14,419,900	40.44%	353,500
	Wayne <i>(excl. Detroit)</i>	12,670,600	35.54%	310,600
	Other	NA	NA	NA
	Detroit	NA	NA	NA
	Total	\$35,656,400	100.00%	\$874,000

(a) Based on amounts allocated in approved charges. Does not reflect impacts of variances in actual contributed wastewater volumes.

(b) Allocation of initial \$1 million combined Water / Sewer recovery payment.

(c) Yes, Highland Park is allocated responsibility for, and charged, an amount related to the Sewer bad debt they create - reflecting the partial payments they have made.

Great Lakes Water Authority

Resolution 2023-234

**RE: Approval of the Highland Park Bad Debt Recovery Credits Methodology and
Approval of Schedule of Member Partner Bad Debt Recovery Credits #2023-1
totaling \$1 Million**

By Board Member: _____

- Whereas** The City of Highland Park and the Great Lakes Water Authority (“GLWA”) entered into an “Interim Agreement” in June 2023; and
- Whereas** A provision of the Interim Agreement states: “Highland Park agrees to pay and deliver to GLWA \$1,000,000 by June 9, 2023, subject to city council approval at the Highland Park city council meeting on June 5, 2023. This amount will be applied to the Judgment in the 2014 Case or to a settlement if one is reached by October 1, 2023.”; and
- Whereas** An additional provision of the Interim Agreement states: “the Parties understand the State intends to file a position statement with the Court in the 2014 Case stating its support for the stay of proceedings and explaining why the State is involved and intends to participate in the efforts to resolve this matter and reach a resolution. The Parties will work in good faith toward a comprehensive solution to all issues.”; and
- Whereas** The City of Highland Park made the \$1,000,000 payment on June 9, 2023 as agreed; and
- Whereas** This payment is in relation to aged balances for which Member Partner communities funded via a bad debt expense line item in the service charges calculation, it is appropriate to credit individual Member Partner accounts in a consistent manner; and
- Whereas** The comprehensive solution of all issues may result in additional payments and it is desirable to have a clear and consistent methodology for calculating credits to Member Partner accounts; and
- Whereas** GLWA’s charges and financial consultant from The Foster Group prepared a Highland Park Bad Debt Analysis dated June 20, 2023 of amounts that had been directly included in Water and Sewer Charges to GLWA’s first-tier Member Partners related to Highland Park bad debt; and

Whereas The Highland Park Bad Debt Analysis determined that the overall allocation is 87.4% Sewer System and 12.6% Water System, based on a proportional share of what was included in previous years' charges for services to first-tier Member Partners; and

Whereas The Highland Park Bad Debt Analysis identified a proportional share for each first-tier Member Partner is shown on Attachment 1 - Highland Park Bad Debt Recovery Shares.

NOW THEREFORE BE IT:

RESOLVED The Bad Debt Recovery Credits Methodology is established whereby payments related to recovery of Highland Park Bad debt expense funded by Member Partners is allocated 87.4% Sewer System and 12.6% Water System; and

RESOLVED Within the allocation to sewer or water system, each Member Partner's share has been identified and reported on Attachment 1 - Highland Park Bad Debt Analysis shares for use in calculating any credits; and

RESOLVED Utilizing the allocation percentage and shares, authorize GLWA administration to apply credits totaling \$1 million in the first quarter of FY 2024 as outlined in the above methodology and as specifically identified in the related Schedule of Member Partner Bad Debt Recovery Credits #2023-1 for the \$1,000,000 payment made by Highland Park on June 9, 2023; and

RESOLVED That the Chief Executive Officer is authorized to take such other action as may be necessary to accomplish the intent of this vote.

Attachment 1 - Highland Park Bad Debt Recovery Shares

Sewer System - 87.4% of total Bad Debt Expense Recovery
Payments allocated in the following manner (relative share)

1	OMID	23.22%
2	Rouge Valley	20.81%
3	Oakland GWK	18.22%
4	Evergreen Farmington	12.51%
5	SE Macomb San Dist	9.73%
6	Dearborn	7.77%
7	Grosse Pointe Farms	1.03%
8	Grosse Pointe Park	0.68%
9	Melvindale	0.54%
10	Farmington	0.43%
11	Center Line	0.35%
12	Allen Park	0.28%
13	Highland Park	2.11%
14	Hamtramck	1.73%
15	Grosse Pointe	0.41%
16	Harper Woods	0.11%
17	Redford Township	0.07%
18	Wayne County #3	0.01%
19	Total	<u>100.00%</u>

Attachment 1 - Highland Park Bad Debt Recovery Shares

Water System - 12.6% of total Bad Debt Expense Recovery
Payments allocated in the following manner (relative share)

1	Allen Park	0.66%
2	Almont Village	0.06%
3	Ash Township	0.23%
4	Belleville	0.08%
5	Berlin Township	0.21%
6	Brownstown Township	1.02%
7	Bruce Township	0.08%
8	Burtchville Township	0.09%
9	Canton Township	2.86%
10	Center Line	0.13%
11	Chesterfield Township	1.16%
12	Clinton Township	2.17%
13	Commerce Township	1.02%
14	Dearborn	3.09%
15	Dearborn Heights	1.02%
16	Eastpointe	0.43%
17	Ecorse	0.42%
18	Farmington	0.29%
19	Farmington Hills	2.52%
20	Ferndale	0.28%
21	Flat Rock	0.38%
22	Flint	3.16%
23	Fraser	0.34%
24	Garden City	0.47%
25	Gibraltar	0.10%
26	Greenwood Township (DTE)	0.15%
27	Grosse Ile Township	0.33%
28	Grosse Pt. Park	0.41%
29	Grosse Pt. Shores	0.18%
30	Grosse Pt. Woods	0.39%
31	Hamtramck	0.21%
32	Harper Woods	0.24%
33	Harrison Township	0.43%
34	Hazel Park	0.20%
35	Highland Park	0.00%
36	Huron Township	0.41%
37	Imlay City	0.38%

Attachment 1 - Highland Park Bad Debt Recovery Shares

Water System - 12.6% of total Bad Debt Expense Recovery
 Payments allocated in the following manner (relative share)

38	Imlay Township (Single User)	0.00%
39	Inkster	0.40%
40	Keego Harbor	0.08%
41	Lapeer	0.43%
42	Lenox Township	0.08%
43	Lincoln Park	0.62%
44	Livonia	3.44%
45	Macomb Township	3.45%
46	Madison Heights	0.55%
47	Mayfield Township (KAMAX)	0.01%
48	Melvindale	0.18%
49	New Haven, Village of	0.11%
50	NOCWA	6.33%
51	Northville	0.23%
52	Northville Township	1.59%
53	Novi	2.55%
54	Oak Park	0.38%
55	Oakland GWK Drain District	0.02%
56	Plymouth	0.30%
57	Plymouth Township	1.26%
58	Redford Township	0.89%
59	River Rouge	0.19%
60	Riverview	0.24%
61	Rockwood	0.08%
62	Romeo	0.07%
63	Romulus	1.14%
64	Roseville	0.74%
65	Royal Oak Township	0.06%
66	Shelby Township	3.97%
67	SOCWA	6.51%
68	South Rockwood	0.03%
69	Southgate	0.62%
70	St. Clair Shores	0.84%
71	Sterling Heights	4.24%
72	Sumpter Township	0.19%
73	Sylvan Lake	0.07%
74	Taylor	1.30%

Attachment 1 - Highland Park Bad Debt Recovery Shares

Water System - 12.6% of total Bad Debt Expense Recovery
Payments allocated in the following manner (relative share)

75	Trenton	0.50%
76	Troy	3.84%
77	Utica	0.16%
78	Van Buren Township	0.95%
79	Walled Lake	0.24%
80	Warren	2.88%
81	Washington Township	0.64%
82	Wayne	0.84%
83	West Bloomfield Township	2.95%
84	Westland	1.73%
85	Wixom	0.70%
86	Woodhaven	0.47%
87	Ypsilanti Comm Util Auth	2.92%
88	Total Suburban Wholesale	<u>87.54%</u>
89	Detroit	<u>12.46%</u>
90	TOTAL	<u><u>100.00%</u></u>

**Bad Debt Recovery Credits #2023-1
Sewer System by Member Partner
For Credit to July 2023 Billing**

Payment Received		June 9, 2023	\$ 1,000,000
Basis for Sewer / Water Spilt			
	Amount Included in <u>Charges</u>	Relative Allocation	Recovery Credit
Total Sewer and Water	\$ 40,808,900	100.0%	\$ 1,000,000
Allocable to Sewer	35,656,400	87.4%	874,000
Allocable to Water	5,152,500	12.6%	126,000
Allocation Among Member Partners			
	Cumulative Amount in Charges FY 2008 thru <u>FY 2022</u> (a)	Relative Share of Highland Park Bad <u>Debt</u>	#2023-1 Recovery Credit
1 OMID	\$8,281,000	23.22%	\$202,900
2 Rouge Valley	7,420,000	20.81%	181,900
3 Oakland GWK	6,495,000	18.22%	159,200
4 Evergreen Farmington	4,459,200	12.51%	109,300
5 SE Macomb San Dist	3,471,100	9.73%	85,100
6 Dearborn	2,769,000	7.77%	67,900
7 Grosse Pointe Farms	368,300	1.03%	9,000
8 Grosse Pointe Park	241,300	0.68%	5,900
9 Melvindale	192,600	0.54%	4,700
10 Farmington	153,300	0.43%	3,800
11 Center Line	126,200	0.35%	3,100
12 Allen Park	98,200	0.28%	2,400
13 Highland Park (c)	753,700	2.11%	18,500
14 Hamtramck	616,200	1.73%	15,100
15 Grosse Pointe	145,500	0.41%	3,600
16 Harper Woods	37,500	0.11%	900
17 Redford Township	24,300	0.07%	600
18 Wayne County #3	4,000	0.01%	100
19 Total	<u>\$35,656,400</u>	100.00%	<u>\$874,000</u>
<u>Summary by County</u>			
Macomb	\$8,565,900	24.02%	\$209,900
Oakland	14,419,900	40.44%	353,500
Wayne (excl. Detroit)	12,670,600	35.54%	310,600
Other	NA	NA	NA
Detroit	<u>NA</u>	<u>NA</u>	<u>NA</u>
Total	<u>\$35,656,400</u>	100.00%	<u>\$874,000</u>
(a) Based on amounts allocated in approved charges. Does not reflect impacts of variances in actual contributed wastewater volumes.			
(b) Highland Park was allocated responsibility for, and charged, an amount related to the <u>Sewer</u> bad debt - reflecting the partial payments they have made.			

Bad Debt Recovery Credits #2023-1
Water System by Member Partner
For Credit to July 2023 Billing

Payment Received		June 9, 2023	\$ 1,000,000
Basis for Sewer / Water Spilt			
	Amount		
	<u>Included in</u>	<u>Relative</u>	<u>Recovery</u>
	<u>Charges</u>	<u>Allocation</u>	<u>Credit</u>
Total Sewer and Water	\$ 40,808,900	100.0%	\$ 1,000,000
Allocable to Sewer	35,656,400	87.4%	874,000
Allocable to Water	5,152,500	12.6%	126,000
Allocation Among Member Partners			
	Cumulative	Relative	
	Amount in	Share of	
	Charges	Highland	
	FY 2019 thru	Park Bad	#2023-1
	<u>FY 2022</u>	<u>Debt</u>	<u>Recovery</u>
	(a)		<u>Credit</u>
1 Allen Park	\$33,900	0.66%	\$800
2 Almont Village	3,300	0.06%	100
3 Ash Township	11,700	0.23%	300
4 Belleville	4,300	0.08%	100
5 Berlin Township	10,600	0.21%	300
6 Brownstown Township	52,500	1.02%	1,300
7 Bruce Township	3,900	0.08%	100
8 Burtchville Township	4,700	0.09%	100
9 Canton Township	147,400	2.86%	3,600
10 Center Line	6,500	0.13%	200
11 Chesterfield Township	59,900	1.16%	1,500
12 Clinton Township	112,000	2.17%	2,700
13 Commerce Township	52,300	1.02%	1,300
14 Dearborn	159,100	3.09%	3,900
15 Dearborn Heights	52,600	1.02%	1,300
16 Eastpointe	21,900	0.43%	500
17 Ecorse	21,500	0.42%	500
18 Farmington	14,700	0.29%	400
19 Farmington Hills	129,600	2.52%	3,200
20 Ferndale	14,300	0.28%	300
21 Flat Rock	19,500	0.38%	500
22 Flint *	162,600	3.16%	4,000
23 Fraser	17,500	0.34%	400
24 Garden City	24,400	0.47%	600
25 Gibraltar	5,400	0.10%	100
26 Greenwood Township (DTE)	7,700	0.15%	200
27 Grosse Ile Township	16,900	0.33%	400
28 Grosse Pt. Park	20,900	0.41%	500
29 Grosse Pt. Shores	9,400	0.18%	200
30 Grosse Pt. Woods	20,200	0.39%	500
31 Hamtramck	10,600	0.21%	300

Allocation Among Member Partners

	Cumulative Amount in Charges FY 2019 thru <u>FY 2022</u> (a)	Relative Share of Highland Park Bad <u>Debt</u>	#2023-1 Recovery <u>Credit</u>
32 Harper Woods	12,200	0.24%	300
33 Harrison Township	22,200	0.43%	500
34 Hazel Park	10,300	0.20%	300
35 Highland Park	0	0.00%	0
36 Huron Township	21,300	0.41%	500
37 Imlay City	19,500	0.38%	500
38 Imlay Township (Single User)	100	0.00%	0
39 Inkster	20,400	0.40%	500
40 Keego Harbor	4,300	0.08%	100
41 Lapeer	21,900	0.43%	500
42 Lenox Township	4,000	0.08%	100
43 Lincoln Park	32,000	0.62%	800
44 Livonia	177,500	3.44%	4,300
45 Macomb Township	177,700	3.45%	4,300
46 Madison Heights	28,200	0.55%	700
47 Mayfield Township (KAMAX)	500	0.01%	0
48 Melvindale	9,200	0.18%	200
49 New Haven, Village of	5,700	0.11%	100
50 NOCWA	326,400	6.33%	8,000
51 Northville	11,800	0.23%	300
52 Northville Township	81,900	1.59%	2,000
53 Novi	131,200	2.55%	3,200
54 Oak Park	19,800	0.38%	500
55 Oakland GWK Drain District	1,000	0.02%	0
56 Plymouth	15,400	0.30%	400
57 Plymouth Township	65,000	1.26%	1,600
58 Redford Township	45,700	0.89%	1,100
59 River Rouge	9,800	0.19%	200
60 Riverview	12,400	0.24%	300
61 Rockwood	4,100	0.08%	100
62 Romeo	3,600	0.07%	100
63 Romulus	58,600	1.14%	1,400
64 Roseville	37,900	0.74%	900
65 Royal Oak Township	3,000	0.06%	100
66 Shelby Township	204,300	3.97%	5,000
67 SOCWA	335,500	6.51%	8,200
68 South Rockwood	1,600	0.03%	0
69 Southgate	32,100	0.62%	800
70 St. Clair Shores	43,200	0.84%	1,100
71 Sterling Heights	218,300	4.24%	5,300
72 Sumpter Township	9,600	0.19%	200
73 Sylvan Lake	3,400	0.07%	100
74 Taylor	67,000	1.30%	1,600
75 Trenton	25,800	0.50%	600
76 Troy	197,700	3.84%	4,800
77 Utica	8,100	0.16%	200

Allocation Among Member Partners

	Cumulative Amount in Charges FY 2019 thru <u>FY 2022</u> (a)	Relative Share of Highland Park Bad <u>Debt</u>	#2023-1 Recovery Credit
78 Van Buren Township	48,700	0.95%	1,200
79 Walled Lake	12,200	0.24%	300
80 Warren	148,200	2.88%	3,600
81 Washington Township	32,800	0.64%	800
82 Wayne	43,500	0.84%	1,100
83 West Bloomfield Township	151,800	2.95%	3,700
84 Westland	89,300	1.73%	2,200
85 Wixom	36,200	0.70%	900
86 Woodhaven	24,200	0.47%	600
87 Ypsilanti Comm Util Auth	150,400	2.92%	3,700
88 Total Suburban Wholesale	4,510,300	87.54%	110,100
89 Detroit	<u>642,200</u>	<u>12.46%</u>	<u>15,900</u>
90 TOTAL	<u>\$5,152,500</u>	<u>100.00%</u>	<u>\$126,000</u>
<u>Summary by County</u>			
Macomb	\$1,127,700	21.89%	\$27,400
Oakland	1,471,900	28.57%	36,100
Wayne (excl. Detroit)	1,516,100	29.42%	36,900
Other	394,600	7.66%	9,700
Detroit	<u>642,200</u>	<u>12.46%</u>	<u>15,900</u>
Total	<u>\$5,152,500</u>	<u>100.00%</u>	<u>\$126,000</u>

(a) Based on amounts allocated in approved charges. Does not reflect impacts of variances in actual purchased volumes.



Candice S. Miller

Public Works Commissioner
Macomb County

To: Macomb Interceptor Drain Drainage District Board Members

CC: File

From: Vincent Astorino, Operations Director

Date: August 14, 2023

Subject: State Grant for COVID Wastewater Monitoring – Aquasight Phase 4 Recommendation

The Macomb County Public Works Office (MCPWO) has been working with the Michigan Department of Health and Human Services (MDHHS) to monitor COVID within the wastewater systems throughout Macomb County. In May of 2021, MCPWO received a grant from MDHHS broken out in four phases that are 100% funded. The four phases are funded as follows:

	Dollar Amount	Time Range
Phase 1	\$578,683	6/1/21 to 9/30/21
Phase 2	\$1,366,943	10/1/21 to 9/30/22
Phase 3	\$800,669	10/1/22 to 9/30/23
Phase 4	\$765,375	10/1/23 to 7/31/24
Total Amount	\$3,439,181	

MCPWO is currently nearing the end of the Phase 3 grant and has been working with the Macomb County Health Department, Aquasight, Hesco, and Oakland University. This program has been successful to this point and with this program there are a total of 17 sites around Macomb County. These sites are currently being tested once per week. The data to this point has typically been ahead of clinical testing by 7-10 days which can help our health department make informed decisions in advance.

The State has sent out the Phase 4 applications which for the Macomb County program is slated at \$765,375 and will run from October 1, 2023 to July 31, 2024. MCPWO reached out to the Macomb County Health Department to see if they wanted to continue the program as ultimately it is for their benefit. They do want to continue the program and would also like to test for Influenza from September through the end of March. After working with the team, we are able to add that testing within the proposed budget by the State.

MCPWO is recommending to continue this testing with Aquasight. Attached is the proposal for Aquasight in the amount of \$729,873. MCPWO has also built in \$35,502 to cover administrative expenses that will be incurred during the duration of the Phase 4 testing. This entire amount is 100% covered by the MDHHS grant. **This Phase 4 contract conforms to the MIDD contract structure and MCPWO is recommending that the board approve Aquasight in the amount of \$729,873 and approval to sign the Phase 4 contract with MDHHS in the total amount of \$765,375.**

ORDER FORM AND SCOPE OF SERVICES

1. OWNER: **MACOMB INTERCEPTOR DRAIN
DRAINAGE DISTRICT
21777 Dunham Road
Clinton Township, MI 48036**

2. Program: **CEWS
COVID-19 Early Warning System
(Appendix A, B, D)**

3. Term: **August 1st, 2023, to July 31th 2024**

4. Fees: **\$729,873
(Appendix C)**

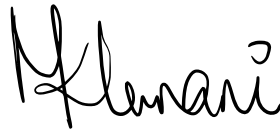
5. “CEWS” Program Details
 - Scope of Work (Appendix A)
 - Project Plan (Appendix B)
 - Project Costs (Appendix C)
 - Monitoring Sites (Appendix D)

6. Terms & Conditions:
 - Project will start Aug 1st, 2023, and end July 31th, 2024.
 - Influenza will be tested at Clinton Township sites from Oct 2023 onwards.
 - Fees will be invoiced as defined in the schedule in Appendix E and is payable within 30 days.
 - General terms and conditions are attached in Appendix F and is approved by MIDD and applied on existing on-going contracts
 - Terms and Conditions as per existing MIDD Contract number WWS-2019-007 will apply for this program
 - Sample preparation and lab testing will be performed by OU labs as per protocols defined by the lab

- WW based COVID-19 testing is a rapidly evolving science, and standards, testing and interpretation are being developed. MSU/OU experts assigned will make best efforts to ensure latest available best practice protocols will be utilized for the pilot program
- ACE platform will be used for flow data

**OWNER: MACOMB INTERCEPTOR
DRAIN DRAINAGE DISTRICT**

PROVIDER:



By: Candice S. Miller
Its: Public Works Commissioner

By: Mahesh Lunani
Its: CEO

A. Scope of Work

Project Management and Coordination: Overall project management and coordination for the sewage surveillance program at sites described in Appendix D and across six different agencies and local health departments. This includes development of schedule, creation of work plan, engineering & installation of composite samplers, sampling dates, sampling kit preparation, pre-paid shipment packages, chain of custody forms, on-ground logistics management, lab coordination, results review, issue management, LHD coordination and project meetings.

Sampling Infrastructure Design and Installation: Optimal site identification, site feasibility analysis, selection of the right sampler, purchase samplers, composite samplers, hardware installation, perform flow testing and troubleshooting, and determine optimal sampling aliquot and time window.

Weekly Sample Logistics and Delivery: Establish the schedule for on-site sample pick up and drop off, crew of two to three people preparing samplers, picking up samples and delivering samples to lab. For sites that are shipping the samples, pre-paid shipping labels as well as sample kits including cool packs will be provided to ensure sample is well preserved for testing and minimal lift on WWTP teams' operator's time.

Lab Testing, Variants Analysis and Raw ddPCR Data Quality Checks: Molecular quantification of SARS-CoV-2 virus is conducted using CDC qPCR detection method. The SARS CoV-2 target is amplified by ddPCR using CDC recommended primer and probe sets (N1 and N2). The percent recovery for each sample is analyzed by spiking the sample with Phi6 bacteriophage. Quality assurance and control measures (QA/QC) are performed for all samples. A minimum of 10,000 droplets are required that pass droplet formation QA/QC before a sample can be considered for further analysis. Positive and negative ddPCR controls are run concurrently with all samples for ddPCR analysis. For variant analysis, we will use a strategy developed by GT Molecular, LLC that allows us to assess the relative abundance of the UK, South Africa, and Brazilian variants.

Data Analytics, Reporting & Communication: meta data on sampling site, quality checks on lab data outputs, data conversion, calibration, and normalization. Create analytics and trending, variant analysis, heat maps, on-line dashboard updates, use of clinical case data, correlation and statistical analysis, rapid and instant communication with LHDs and reporting agencies, set up of automated notification system of results availability, follow up on actions.

Training and Access to Surveillance System: Train on how to access the reporting tool, review lab data, interpret the normalization information, read trends, analytics and heat map, when and what actions to take and closely coordinate with LHD and decision-making authorities.

LHD and/or Stakeholder Timely Decision-Making Integration: Frequent touchpoints will be established with decision making and LHD as and when required. Twice a week when the system goes live with new insights so decisions can be made on additional testing and/or isolation or enhanced social distancing activities. This communication along with access by LHD for the reporting system has been made available to severely cut down communication time.

B. Project Plan

Activity(ies)	Responsible Individual(s)	Timeline		Deliverable(s)
		Start By	End By	
Clinton Twp Sampling				
Continued logistics management	David Inman, Dave Burkel	10/1/23		
Scheduled sampling continues	Dave Burkel, Vince Astorino	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS
MCHD Sampling				
Continued logistics management	David Inman, Dave Burkel	10/1/23		
Scheduled sampling continues	Dave Burkel, Vince Astorino	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS
Mt Clemens WWTP Sampling				
Shipping labels and sample kits supplied	David Inman	10/1/23		
Scheduled sampling continues	Lenny Bertrand, WWTP staff	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS
Richmond WWTP Sampling				
Sample pickups scheduled and sample kits supplied	David Inman	10/1/23		
Scheduled sampling continues	Beth Eldridge, WWTP staff	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS
Warren WWTP Sample Monitoring				
Continued logistics management	David Inman	10/1/23		
Scheduled sampling continues	Warren WWTP/IPP	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS
Objective Warren Senior Community Sampling				
Continued logistics management	David Inman	10/1/23		
Scheduled sampling continues	Warren WWTP/IPP	10/1/23		
Scheduled ddPCR analysis continues	Dave Szlag	10/1/23		
Data posted to CEWS	Parna Bandyopadhyay	10/1/23		
As-needed communication with MCHD	Mahesh Lunani, David Inman	10/1/23		
Caseload/Spread review	Parna Bandyopadhyay		7/31/24	Data shared with MDHHS

C. Project Costs

Category	Oct 2023 to July 2024
Project Management, Set Up New Sites, Planning and Day to Day Program Execution, LHD Integration, Site Meta Data	\$ 99,000
Site Review, Sampling Infrastructure Design & Installation, Flow Testing and Optimization	
Weekly Sampling Kits, Sample Pick Up and Drop Off Logistics, Shipment & Delivery via UPS, Chain of Custody, Schedule Management	\$ 155,320
Lab Testing Kits, Variant Analysis, ddPCR Data Quality Checks, System & Data Management	\$ 347,776
Sewage Surveillance Analytics & Reporting, Surveillance System, Notification and Communication, Clinical Case Data and Correlations	\$ 130,416
Total Phase IV Program	\$ 732,512
Aug 2023 & Sept 2023 Program Costs	\$ 8,605
Net Reduction of 3 Sites	\$ (84,744)
Net Addition of Influenza Sewage Testing for 7 Clinton Twp Sites Sept 2023 to March 2024	\$ 73,500
Total Budget	\$ 729,873

D. Monitoring Sites

Site	Type of Facility	Latitude	Longitude	Street Address or Location	Phase 4 Status	Covid-19 Frequency/week (yr1/yr2)	# of Covid weeks/yr to be samples	Influenza Frequency/Week Testing	Influenza Weeks/year to be sampled	Sample Type	Logistics
Clinton Twp Sewer Shed #1	SS	42.5771919	-82.952047	38201 Garfield @ old DPW yard	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #2	SS	42.5550366	-82.864661	35115 Union Lake Rd @ Clintondale Pump Station	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #3	SS	42.5979398	-82.952243	20696 15 Mile Rd @ Little Mack	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #4	SS	42.5540382	-82.934368	18275 15 Mile Rd @ Simon	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #5	SS	42.5545934	-82.910564	19655 15 Mile Rd @ Beaconsfield	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #6	SS	42.5544519	-82.920615	20696 15 Mile Rd @ Little Mack	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Clinton Twp Sewer Shed #7	SS	42.5532286	-82.969713	15 Mile @ Hayes	Yes	1x	52	1x	30	8hr Peak Composite	Pick Up
Macomb Correctional Facility	CF	42.7201688	-82.780188	32989 26 Mile Rd	Yes	1x	52	0	0	24hr Composite	Pick Up
Macomb County Jail	CF	42.6169129	-82.890981	43565 Elizabeth Rd, Mt Clemens, MI 48043	Yes	1x	52	0	0	24hr Composite	Pick Up
Martha T Berry Medical Care Facility	LTC	42.6153036	-82.892079	43533 Elizabeth St, Mt Clemens, MI 48043	Yes	1x	52	0	0	24hr Composite	Pick Up
Mt Clemens WWTP	WWTP	42.6016637	-82.866985	1750 Clara St, Mt Clemens, MI 48043	Yes	1x	52	0	0	24hr Composite	Shipped
Richmond WWTP	WWTP	42.7953059	-82.757897	35653 31 Mile Rd, Richmond, MI 48062	Yes	1x	52	0	0	24hr Composite	Shipped
Stillwell Manor-Joseph Coach Manor Residential Deduct	Senior Living Deduct	42.488632	-83.011369	Carrier Ave and Burg Ave	Yes	1x	52	0	0	24hr Composite	Drop-Off
Stillwell Manor-Joseph Coach Manor	Senior Living Community	42.489995	-83.012793	26600 Burg Rd, Warren, MI 48089	Yes	1x	52	0	0	24hr Composite	Drop-Off
Tivoli Manor	Senior Living Community	42.502845	-83.005686	28103 Imperial Dr, Warren, MI 48093	Yes	1x	52	0	0	24hr Composite	Drop-Off
Warren WWRF	WWTP	42.5330963	-83.024306	32360 Warkop Ave, Warren, MI 48093	Yes	2x	52	0	0	24hr Composite	Drop-Off

E. Invoicing Schedule

Invoice Month	Invoice Amount
Nov-23	\$ 81,890
Dec-23	\$ 76,097
Jan-24	\$ 67,492
Feb-24	\$ 81,890
Mar-24	\$ 67,492
Apr-24	\$ 67,492
May-24	\$ 81,890
Jun-24	\$ 67,492
Jul-24	\$ 67,492
Aug-24	\$ 70,646

F. Terms and Conditions

SOFTWARE SERVICE PROVIDER SERVICES AGREEMENT

This Software Service Provider Services Agreement (“Contract”) is made this ___ day of May, 2019 between the MACOMB INTERCEPTOR DRAIN DRAINAGE DISTRICT (“OWNER”), and AQUASIGHT (“Provider”). In this Contract, Provider or the OWNER may also be referred to individually as a “Party” or jointly as the “Parties”.

In consideration of the mutual promises, obligations, representations, and assurances in this Contract, the Parties agree to the following:

§1. CONTRACT DOCUMENTS AND DEFINITIONS

The following words and expressions shall be defined as follows:

- 1.1. “Claims and Liabilities” means any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, administrative or governmental actions or proceedings, judgments, deficiencies, liabilities, fines, penalties, costs, and expenses of any kind or nature (including, but not limited to, reasonable attorney fees, litigation expenses, and court costs) which are imposed on, incurred by, or asserted against the OWNER, or for which the OWNER may become legally and/or contractually obligated to pay or defend against, whether direct, indirect, or consequential, whether based upon any alleged violation of the federal or state constitutions or any federal, state, or local statute, ordinance, rule, regulation, or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
- 1.2. “Confidential Information” means all information that the OWNER is required or permitted by law to keep confidential and any information that may be subject to attorney-client, work product, or other privilege.
- 1.3. “Contract Administrator” means the individual designated by the OWNER to act as a liaison between the OWNER and the Provider. Any questions or problems the Provider may have concerning the work under this Contract should be directed to this individual.
- 1.4. “Contract Documents” means the following documents which are included and fully incorporated into this Contract:
 - 1.4.1. Exhibit I: Provider Insurance Requirements
 - 1.4.2. Exhibit II: Order Form and Scope of Services
 - 1.4.3. Exhibit III: Rate Schedule

- 1.5. “Data” means information, content, and other data that may be exchanged electronically between OWNER and Aquasight.
- 1.6. “Documentation” means the user manuals and/or technical publications as applicable, supplied in connection with Software relating to the installation, use, and administration of Software.
- 1.7. “OWNER Agent” means all OWNER board members, officials, employees (including employees shared with Macomb County), representatives, and/or any such persons’ successor(s). “OWNER Agent” shall include any person who is or was an “OWNER Agent” anytime during the term of this Contract.
- 1.8. “Provider Employee” means without limitation, any officers, directors, managers, employees, and representatives of Provider, and also includes any Provider subcontractors, consultants, independent contractors, or suppliers. “Provider Employee” shall include any person who is or was a Provider Employee at any time during the term of this Contract.
- 1.9. “E-Verify” is an internet-based system operated by the Department of Homeland Security (DHS) in partnership with the Social Security Administration (SSA) that allows participating employers to electronically verify the employment eligibility of their new hired employees. For more information and to register visit <https://e-verify.uscis.gov/enroll/>.
- 1.10. “Intellectual Property” means any developments, improvements, designs, innovation, and materials that may be the subject of a trademark/servicemark, copyright or patent, trade secrets, or Proprietary Information.
- 1.11. “Proprietary Information” means ideas, concepts, inventions, and processes related to the development and operation of computer software and systems such as source code, object code, security procedures, and passwords.
- 1.12. “Services” means on-boarding, implementation, initial deployment, maintenance, administration, subscription, technical, training, consulting, support and other professional services provided by Aquasight in connection with or otherwise associated with Software as described in the Order Form.

- 1.13. “Software” means the proprietary software and platform employed by Aquasight to deliver Services and its associated technology (if applicable), and any modified versions and copies of, and upgrades, updates and additions to Software, provided to OWNER by Aquasight, including Software and access thereto provided on a Software as a Service (SaaS) basis.
- 1.14. “Working Day” means any calendar day except Saturday, Sunday, and OWNER legal holidays.
- 1.15. “Written Notice” means a communication in writing delivered in person, by first class mail, or by overnight delivery by a reputable national delivery service to the Party’s address identified in Section 10.27 hereof.

§2. CONTRACT EFFECTIVE DATE, TERM, AND TERMINATION

- 2.1. The effective date of this Contract shall be stated on the first page of this Contract. Notwithstanding the above, under no circumstances shall this Contract be effective and binding and no payments to the Provider shall be due or owing for any Provider services until and unless:
- 2.1.1. This Contract is signed by an employee of Provider, legally authorized to bind the Provider.
- 2.1.2. Any and all Provider Certificates of Insurance and any other conditions precedent to the Contract have been submitted and accepted by the OWNER.
- 2.1.3. The OWNER Board has approved the retention of Provider.
- 2.2. The term of this Contract shall begin on the Effective Date for a period of three (3) years (the “Initial Term”). The Contract may be renewed for successive three (3) year terms (each a “Renewal Term”) upon the written agreement of both Parties, executed not less than sixty (60) days prior to the expiration of the Initial Term or Renewal Term, as applicable.
- 2.3. Right to Terminate.
- 2.3.1. Owner’s Right to Terminate for Any Reason.
- a. During the On-Boarding Phase. The OWNER may terminate and/or cancel this Contract at any time during the onboarding phase of this project, upon seven (7) days Written Notice to the Provider, for any reason, with or without cause, including a termination for the convenience of the OWNER, without incurring obligation or penalty of any kind. The OWNER’s sole obligation in the event of termination is for payment for actual services rendered by the Provider before the effective date of termination
- b. During the Subscription Phase. The OWNER may terminate and/or cancel this Contract at any time during the subscription phase of this project, upon thirty (30) days Written Notice to the Provider, for any reason, including a termination for the convenience of the OWNER. In the event of early termination pursuant to this

paragraph 2.3.1.b., OWNER's sole obligation to Provider will be to pay the remainder of the subscription fee, as specified in Exhibit II, for the current annual subscription term.

2.3.2. Parties' Right to Terminate for Breach. If either Party (the Non-Breaching Party) believes that the other Party (the "Breaching Party") materially breached one or more of its obligations under this Contract, then the Non-Breaching Party may deliver Written Notice of such material breach to the Breaching Party specifying the nature of the alleged breach in reasonable detail (a "Default Notice"). Thereafter, the Non-Breaching Party shall have the right to terminate this Agreement if the breach asserted in such Default Notice has not been cured within thirty (30) days after such Default Notice. If OWNER terminates this Contract pursuant to this paragraph 2.3.2, OWNER shall be entitled to a pro-rated refund of the unused portion of the subscription fee for the remainder of the current annual subscription term.

2.4. The OWNER shall not under any circumstances, in the event of termination or otherwise, be liable to the Provider for consequential damages of any kind, including but not limited to loss of income, lost profits, or any loss of business opportunities, revenues, or any other economic benefit.

2.5. Effect of Termination or Expiration. Promptly upon termination or expiration of this Agreement for any reason, OWNER shall cease using and accessing the Software. Termination of this Agreement shall be in addition to and not in limitation of any other rights and remedies to which either Party is or may become entitled. In the event of termination or expiration of this Agreement for any reason, Aquasight will provide all OWNER generated clean Data (i.e. raw Data that has been corrected and auto-filled by the Software), to OWNER pursuant to a separate Statement of Work to be mutually agreed to by the Parties, but such production shall be no later than 45 days after termination or expiration. Aquasight will retain a copy of OWNER raw Data for a period of one year after termination or expiration of this Agreement. After the expiration of the one-year period, Aquasight shall have the right to delete and destroy all OWNER raw Data with notice to OWNER.

§3. SCOPE OF PROVIDER'S SERVICES AND CHANGE ORDER PROCESS

3.1. The Provider shall perform all work identified and itemized in Exhibit II: "Order Form and Scope of Provider's Services" and this Contract.

3.2. Hosting and Software Services. Aquasight agrees to provide the hosting services described herein and as may be set forth in more detail in the applicable Order Form, including the right of OWNER to access, view, download, transmit, and use all data transmitted by OWNER or OWNER's systems and facilities to Aquasight ("OWNER Data"). Aquasight hereby grants OWNER a non-exclusive, non-transferable, worldwide right to use and access the Software solely for OWNER's own internal business purposes, subject to the terms and conditions of this Agreement. Only employees of OWNER properly authorized by OWNER for the performance of their job responsibility for OWNER ("Authorized Users") shall be entitled to access and use the Software. Only the number of Authorized Users indicated on the Order Form are permitted to access and use the Software. The Software may be hosted on hardware owned,

operated, and managed by Aquasight's third party service providers. Upon OWNER's request, Aquasight shall provide reasonable information to OWNER with respect to Aquasight's third party hosting services provider. Aquasight shall have the right to modify the Software in its sole discretion, provided that Aquasight shall not materially diminish the performance or functionality of the Software without OWNER's prior written consent.

3.3. Change Order Process.

3.3.1. Contract Change Orders, which must be in writing and executed by OWNER to be effective and binding, shall be used to reflect additions to, reductions in, or changes to the Order Form and Scope of Services (Exhibit II), Rate Schedule (Exhibit III), Contract price, or any other changes to the Contract.

3.3.2. Any change order request submitted by Provider shall indicate the reason for the addition, reduction, or change, the cost impact, the new proposed total Contract price, and any effect on the Software or Services provided under this Contract.

§4. OWNER PAYMENT OBLIGATIONS FOR PROVIDER'S SERVICES

4.1. Except as otherwise expressly provided for in this Contract, the OWNER's sole financial obligation to the Provider for any services under this Contract shall be as follows:

4.1.1. The Provider shall submit an invoice to the OWNER which shall itemize all amounts due and/or owing by the OWNER under this Contract, as the date of the invoice. The invoices shall be submitted in the form and according to the schedule approved by the OWNER. The OWNER shall have no obligation to make payment until a proper invoice is submitted and approved by the Contract Administrator or designated OWNER Agent. Once an invoice is approved, the OWNER will pay the invoice within forty-five (45) days. The OWNER reserves the right to make partial payments on any invoice in an amount the OWNER, in its discretion, deems to be commensurate with the actual progress of the services performed. Provider shall be compensated in accordance with the Rate Schedule attached as Exhibit III.

4.1.2. Under no circumstances shall the OWNER be obligated to pay the Provider for any services rendered which have not been invoiced, as required herein, within sixty (60) days of the date such services were actually rendered pursuant to this Contract.

4.2. Final payment for the work performed under this Contract shall not be made until all work is satisfactorily performed and accepted by the Contract Administrator or designated OWNER Agent.

4.3. Under no circumstances shall the OWNER be responsible for any cost, fee, fine, penalty, or damages incurred or suffered by Provider in connection with or resulting from the Provider's provisions of Services under this Contract.

4.4. The OWNER has the right to offset any amounts due and owing to the Provider should the OWNER incur any cost associated with this Contract that is the obligation of Provider under this Contract.

§5. PROVIDER'S ASSURANCES AND WARRANTIES

- 5.1. Provider Statements. The Provider certifies that all statements, assurances, records, and materials submitted to OWNER in connection with securing this Contract are truthful, complete, and accurate in all respects.
- 5.2. Service Warranty. The Provider warrants that all Services performed hereunder will be performed timely and in a manner that complies with all applicable laws, statutes, regulations, ordinances, and professional standards.
- 5.3. Warranty of Function. The Provider warrants that the Software documentation and representations regarding the Software's functionality provided by Aquasight to OWNER accurately describe the function and operational characteristics of the Software, and that the Software will operate according to the functional specifications, documentation, and representations provided to OWNER and in accordance with the Scope of Services. Further, the Software will be free from defects, viruses, and other malware. Provider will not be responsible for functionality failures resulting solely due to general Internet outages.
- 5.4. Ownership of Software. The Provider represents and warrants that it is the legal owner of all intellectual property rights of the Software, or has received all intellectual property licenses or rights necessary to provide the Software and Services without further consent from any third party. The Provider warrants that the Software does not infringe any patent or copyright of a third party.
- 5.5. Data Security. The Provider will maintain and enforce information and data privacy and security procedures with respect to its access, use, and storage of all OWNER Data that (a) are at least equal to industry standards, taking into consideration the sensitivity of the relevant OWNER Data, (b) comply with all applicable international, foreign, federal, state and local laws, statutes, rules, orders and regulations, and (c) provide all reasonably appropriate administrative, technical, and physical safeguards to protect against accidental or unlawful destruction, loss, alteration, or unauthorized disclosure, access or use of OWNER Data.
- 5.6. Business and Professional Licenses. The Provider will maintain at all times during the term of this Contract all applicable business and professional licenses necessary to provide the contracted services.
- 5.7. Equipment and Supplies. The Provider is responsible for providing equipment and supplies required to complete the specified Services under the Contract unless otherwise expressly set forth in the Contract.
- 5.8. Taxes. The Provider shall pay its own local, state, and federal taxes, including without limitation, social security taxes, and unemployment compensation taxes. The OWNER shall not be liable to or be required to reimburse the Provider for any federal, state, and local taxes or fees of any kind. OWNER will provide tax exempt documentation.
- 5.9. Provider's Incidental Expenses. Except as otherwise expressly provided in this Contract, the Provider shall be solely responsible and liable for all costs and expenses incident to the performance of all Services for the OWNER.
- 5.10. Provider Employees.
 - 5.10.1. The Provider shall employ and assign qualified Provider Employees as necessary and appropriate to provide the Services under this Contract. Provider shall ensure all Provider Employees have the necessary knowledge, skill,

and qualifications to perform the required Services and possess any necessary licenses, permits, certifications, and governmental authorizations as may be required by law.

- 5.10.2. The Provider shall solely control, direct, and supervise all Provider Employees with respect to all Provider obligations under this Contract. The Provider will be solely responsible for and fully liable for the work, conduct, and supervision of any Provider Employee.
- 5.10.3. If requested by the OWNER, all Provider Employees shall wear and display appropriate OWNER-provided identification at all times while working on OWNER premises. The Provider shall promptly return all OWNER-provided identification.
- 5.10.4. All Provider Employees assigned to work under this Contract may, at the OWNER's discretion, be subject to a security check and clearance by the OWNER.
- 5.11. E-Verify. Provider shall register with, participate in, and utilize the E-Verify Program (or any successor program implemented by the federal Department of Homeland Security and Social Security Administration) when hiring their employees. Unless otherwise exempted, Provider agrees to certify they have registered with, will participate in, and continue to utilize, once registered, the E-Verify Program (or any successor program implemented by the federal government or its departments or agencies) to verify the work authorization status of all newly hired employees employed by the Provider. Breach of this term or conditions is considered a material breach of this Contract.
- 5.12. Provider Employee-Related Expenses. All Provider Employees shall be employed at the Provider's sole expense (including employment-related taxes and insurance) and the Provider warrants that all Provider Employees shall fully comply with and adhere to all of the terms of this Contract. The Provider shall be solely and completely liable for any and all applicable Provider Employee's federal, state, or local payment withholdings or contributions and/or any and all Provider Employee related pension or welfare benefits plan contribution under federal or state law. The Provider shall indemnify, defend, and hold the OWNER and OWNER Agents harmless for and against any and all Claims brought against the OWNER or OWNER Agents by any Provider Employee.
- 5.13. Full Knowledge of Service Expectations and Attendant Circumstances. The Provider warrants that before submitting its bid, it had a full opportunity to review all OWNER requirements and expectations under this Contract. The Provider understands and confirms that it will be able to timely perform all obligations under the Contract as specified herein.
- 5.14. Independent Contractor. The Provider's relationship to the OWNER is that of an independent contractor. All Provider Employees assigned to provide Services under this Contract by the Provider shall, in all cases, be deemed employees, agents, or subcontractors of the Provider and not employees, agents, or sub-contractors of the OWNER.
- 5.15. Disclaimer. Except as expressly provided in this Contract, the software and the services are provided to OWNER in their then-existing condition, as is, where is and with all faults. Except for the foregoing warranties, Provider expressly disclaims all other warranties, express or implied, including merchantability, satisfactory quality, or fitness for a particular purpose.

§6. **OWNER RESPONSIBILITIES**

- 6.1. **Compliance with Laws.** OWNER is responsible for all activity occurring under any applicable user accounts while users are in performance of their job responsibilities, and OWNER shall abide by all applicable local, state, federal and foreign laws, treaties and regulations in connection with OWNER's use of the Services and Software, including those related to data privacy, international communications, and the transmission of technical or personal data.
- 6.2. **OWNER Data.**
 - 6.2.1. OWNER represents that it has the right and authority to provide all OWNER Data to be hosted by Aquasight hereunder, and to the best of OWNER's knowledge all such OWNER Data will be free from viruses, spyware, and other similar harmful and destructive code.
 - 6.2.2. OWNER is solely responsible for the quality of the Data transmitted to Aquasight or otherwise processed by the Software. OWNER acknowledges that the quality of the results and analytics provided by the Software is a function of the quality of OWNER's Data, and that inaccurate or erroneous Data can lead to inaccurate or erroneous results. Aquasight cannot and does not guarantee the quality of any Data provided by OWNER. Aquasight retains all historical and real-time collected and analyzed data for the life of the Subscription Term.
- 6.3. **OWNER Equipment and Connectivity.** OWNER is solely responsible for the equipment used by OWNER in connection with the Software, including without limitation the calibration of all sensors and equipment data being collected. Aquasight will not be liable or responsible for any delays, inaccuracies, or unavailable Data resulting from a disruption or interruption of connectivity and Data communication to the Aquasight system and Software due to a connectivity problem that is the fault of OWNER's equipment.
- 6.4. **Use of the Software and Results.** OWNER acknowledges and agrees (a) it will verify and validate with its engineering staff any changes that OWNER proposes to make to its systems or facilities based on intelligence from the Aquasight system and Software, and (b) the Aquasight system and Software does not control OWNER's systems or facilities, but rather assists OWNER with the efficiencies associated with the operation of OWNER's system and facilities.
- 6.5. **Design Information and Configuration.** OWNER acknowledges and agrees that the Aquasight system and Software are configured based on the preliminary design information provided by OWNER. In the event of any changes or modifications to the design information relating to OWNER's systems or facilities, OWNER will promptly notify Aquasight of such changes or modifications. Aquasight will adapt the configuration of the Aquasight system and Software to the new design conditions pursuant to a separate Statement of Work to be mutually agreed to in writing by the Parties.
- 6.6. **License to Use OWNER Data.** OWNER grants Aquasight (i) a non-exclusive, non-transferable (except as permitted herein), royalty-free, license to use, reproduce, modify and transmit Data provided by OWNER during the term of this Contract for the purpose of performing the Services only, and (ii) a non-exclusive, non-transferable (except as permitted herein), royalty-free, license to use, reproduce, display, modify, create derivative works of, and disclose and

distribute any usage Data derived by Aquasight from the provision of Services to OWNER (“Usage Data”) during the term of this Contract for the purpose of performing the Services only, provided that the Usage Data is disclosed in an aggregate form.

§7. SOFTWARE AND DATA OWNERSHIP

- 7.1. Aquasight IP. All right, title, and interest in and to the Software and all portions thereof, including the look and feel of the Software, visualizations displayed by the Software, and all other intellectual property rights therein, including all applicable rights to: (i) copyrights, including all rights incident to copyright ownership, such as all rights of publication, registration and rights to create derivative works; (ii) patents; (iii) trademarks; and (iv) trade secrets (including all know-how, ideas, logic, formulas and confidential information embodied in or reflected in Software) are and shall remain with Aquasight and its suppliers.
- 7.2. OWNER IP. All right, title, and interest in and to Data provided by OWNER, related analyzed/generated clean Data, and all related information provided to and accessed by Aquasight, including all intellectual property rights therein and all rights incident thereto, are and shall remain with OWNER.

§8. PROVIDER PROVIDED INDEMNIFICATION AND INSURANCE

- 8.1. Indemnification. To the maximum extent permitted by law, Provider agrees to protect, defend, indemnify and hold the OWNER and the OWNER Agents free and harmless from and against any and all Claims and Liabilities of any kind arising from any action or omission by Provider or any Provider Employee related to or arising out of the performance of Provider’s Services under this Agreement. This indemnification provision shall be construed in all respects to comply with MCL 691.991 and shall not be construed to: (a) indemnify the OWNER or the OWNER Agents for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the OWNER or OWNER Agents or (b) require Provider to assume any liability or indemnity obligation for any amount greater than the degree of fault of the Provider and Provider Employees.
- 8.2. Provider Provided Insurance. At all times during this Contract, including renewals or extensions, Provider shall obtain and maintain insurance according to the specifications indicated in Exhibit I: Provider Insurance Requirements.

§9. Limitation of Liability

- 9.1. Neither party shall be liable to the other party for any lost profits resulting from any claim or cause of action based on breach of warranty, breach of contract, negligence (including strict liability), or any other legal theory.

§10. ADDITIONAL TERMS AND CONDITIONS

- 10.1. Immunity. In undertaking the obligations of this Contract, OWNER is engaging in a governmental function. The activities undertaken herein are not proprietary and specifically are not for pecuniary profit. Nothing in this Contract is intended to, or shall be construed as, in any way diminishing the immunity OWNER enjoys under applicable law.

10.2. Notification and Access to OWNER Facilities.

10.1.1. To the extent the Provider requires access to OWNER facilities for performances of its Services, the Provider must provide notice to the OWNER and obtain prior permission from the OWNER to obtain such access.

10.1.2. If applicable to the Services rendered hereunder, the OWNER shall have full access to the work site and full access to any off-site preparation and fabrication facilities.

10.3. Use of OWNER's Premises. To the extent applicable to the Services rendered hereunder, Provider shall confine its equipment, apparatus, materials and products, and operations of Provider Employees to the limits indicated by law, ordinances, permits, or directions of the OWNER and shall not unnecessarily encumber the work site or OWNER premises with its materials, products, or equipment.

10.4. Damage to OWNER Property and Premises. The Provider shall be responsible for any damage to the OWNER premises or property and the work site, if applicable, that is caused by the Provider or Provider Employees. Should damage occur as a result of the Provider's actions or the actions of the Provider Employees, the Provider is responsible for the repair and/or replacement of the damage. If the Provider fails to repair or replace the damage, the OWNER shall repair and/or replace the damaged area and charge the Provider or deduct the amount from the Provider's payment, at the OWNER's option.

10.5. Cleaning. To the extent applicable to the Services rendered hereunder, the Provider shall at all times keep the OWNER's property and premises free of rubbish related to Provider's Services hereunder.

10.6. OWNER Right to Complete Work. In addition to all remedies the OWNER has at law or in equity, in the event the Provider shall fail, neglect, or refuse to perform any or all of his duties under this Contract, the OWNER, after giving the Provider seven (7) calendar days' notice in writing, may perform or employ another entity to perform such duties under the Contract and charge the Provider or deduct the amount from the Provider's payment due under this Contract, at the OWNER's option.

10.7. Cumulative Remedies. The OWNER's exercise of any remedy shall not preclude the exercise of any other remedies, all of which shall be cumulative. The OWNER shall have the right, in its sole discretion, to determine which remedies are to be exercised and in which order.

10.8. Survival of Terms and Conditions. All terms and conditions which by their nature extend beyond termination of this Contract shall survive and continue in full force beyond the termination and/or cancellation of this Contract, including without limitations Provider's assurances and warranties in Section 5 and insurance and indemnification obligations in Section 8.

10.9. OWNER Right to Suspend Services. Upon written notice, the OWNER may suspend performance of this Contract if Provider has failed to comply with federal, state, or local laws, or any requirements contained in this Contract. The right to suspend services is in addition to the OWNER's right to terminate and/or cancel this Contract. The OWNER shall incur no penalty, expense, or liability to Provider if the OWNER suspends services under this Section.

- 10.10. No Third-Party Beneficiaries.** Except as expressly set forth herein, this Contract does not and is not intended to create any obligation, duty, promise, contractual right, or benefit in favor of any other person or entity.
- 10.11. Compliance with Laws.** Provider shall comply with all federal, state, and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract.
- 10.12. Permits and Licenses.** Provider shall be responsible for obtaining and maintaining throughout the term of this Contract all licenses, permits, certificates, and governmental authorizations necessary to perform all of its obligations under this Contract and to conduct business under this Contract. Upon request by the OWNER, Provider shall furnish copies of any permit, license, certificate, or governmental authorizations necessary to provide services under this Contract. The Provider shall deliver all certificates of inspection to the OWNER, if applicable.
- 10.13. Discrimination.** Provider shall not discriminate against any employee or applicant for employment because of sex, race, religion, color, national origin, or disability in violation of State or Federal law.
- 10.13.1.** Provider shall promptly notify the OWNER of any complaint or charge filed and/or determination by any Court or administrative agency of illegal discrimination by Provider.
- 10.13.2.** The OWNER, in its discretion, may consider any illegal discrimination described above as a breach of this Contract and may terminate or cancel this Contract immediately.
- 10.14. Reservation of Rights.** This Contract does not, and is not intended to, impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the OWNER.
- 10.15 Assignment.** OWNER shall not assign this Contract or any rights or obligations hereunder, without the express written consent of Aquasight, which consent shall not be unreasonably withheld. Any assignment or transfer in violation of the foregoing will be null and void. Aquasight shall not assign this Contract to any affiliate or any entity in connection with the sale, combination, or transfer of all or substantially all of the assets or capital stock or from any other corporate form of reorganization by or of Aquasight without the express written consent of the OWNER, which consent shall not be unreasonably withheld. Subject to all the terms and conditions hereof, the Contract inures to the benefit of and is binding upon the Parties hereto and their successors and assigns.
- 10.16. Force Majeure.** Notwithstanding any other term or provision of this Contract, neither Party shall be liable to the other for any failure of performance hereunder if such failure is due to acts of God, natural disasters, fire, explosion, vandalism, national emergencies, insurrections, riots, wars, strikes, lockouts, or work stoppages. Reasonable Written Notice shall be given to the affected Party of any such event and the other Party's reliance on this provision. If such event persists for sixty (60) days or more, either Party may terminate this Contract without penalty upon Written Notice to the other Party.
- 10.17. Conflict of Interest.** To avoid any real or perceived conflict of interest, Provider shall identify any Provider Employee or relative of Provider's Employees who are presently employed by the OWNER or Macomb County.
- 10.18. Grant Compliance.** If any part of this Contract is supported or paid for with any state or federal funds granted to the OWNER, the Provider shall comply with all applicable grant requirements.

- 10.19. Project Managers.** Each Party shall designate an employee or agent to act as a Project Manager. The Project Manager shall serve as a contact point for all matters related to the services to be performed under this Contract. The Provider's Project Manager shall coordinate with the OWNER's Project Manager. The Provider shall provide the name and qualifications of its Project Manager and an alternate.
- 10.20. Contract Administrator.** The OWNER may appoint a Contract Administrator to be responsible for such activities as monitoring deliverables and funding, addressing the quality of services provided by the Provider, reviewing invoices, and submitting requests to the OWNER board or authorized representative for any contract modification in accordance with this Contract.
- 10.21. Access and Records.** Provider will maintain accurate books and records in connection with the services provided under this Contract for thirty-six (36) months after the end of this Contract and provide the OWNER with reasonable access to such books and records.
- 10.22. Audit.** At the OWNER's request, Provider shall allow an auditor identified by the OWNER to perform finance compliance audits with the authority to access all pertinent records and interview any Provider Employee throughout the term of this Contract and for a period of three (3) years after final payment.
- 10.23. Delegation/Subcontract/Assignment.**
- 10.23.1.** The Provider shall not assign, delegate, or subcontract any part of this Contract without the prior written consent of the OWNER. With respect to permitted assignments, delegations, and subcontracts:
- a.** The rights and obligations under this Contract shall not be diminished in any manner by assignment, delegation, or subcontract.
 - b.** Any assignment, delegation, or subcontract by Provider must include a requirement that the assignee, delegee, or subcontractor will comply with this Contract.
 - c.** The Provider shall remain primarily liable for all work performed by any subcontractor. The Provider shall remain liable to the OWNER for any obligations under the Contract not completely performed or incorrectly performed by any Provider, delegee, or subcontractor.
 - d.** If any part of the Provider's services depends upon the work of any other Provider or subcontractor, the Provider shall inspect and promptly report to the OWNER any defects in such work that shall render it unsuitable.
- 10.24. Non-Exclusive Contract.** This Contract is a non-exclusive agreement and the OWNER may freely engage other persons to perform the same or similar work that the Provider performs. Except as provided in this Contract, this Contract shall not be construed to guarantee the Provider or any Provider Employee any certain quantity of hours or services to be rendered to the OWNER.
- 10.25. No Waiver.** No term or condition of this Contract may be waived in the absence of a written waiver. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any right or remedy under this Contract shall constitute

a waiver of those rights. Any waiver shall be limited to the specific instance for which it is given, and no waiver by either Party shall subsequently affect its right to require strict performance of this Contract.

- 10.26. Severability.** If a court of competent jurisdiction finds a term, condition, or provision of this Contract to be illegal or invalid, then the term, condition, or provision shall be deemed severed from this Contract. All other terms, conditions, and provisions of this Contract shall remain in full force and effect.
- 10.27. Written Notices.** Written Notices given under this Contract shall be sent as follows:
- 10.27.1.** If notice is sent to the Provider, it shall be addressed to: AQUASIGHT LLC, 1650 Big Beaver Road, Suite 101, Troy, MI 48084, ATT: CEO.
- 10.27.2.** If notice is sent to the OWNER, it shall be addressed to: 21777 Dunham Road, Clinton Township, Michigan 48036, ATT: Chief Deputy Public Works Commissioner, with a required copy to: Joseph E. Viviano, Esq., Kienbaum Hardy Viviano Pelton & Forrest, P.L.C., 48 S. Main St., Ste. 2, Mt. Clemens, Michigan 48043.
- 10.27.3.** Either Party may change the address or individual to which notice is sent by notifying the other party in writing of the change.
- 10.28. Contract Modifications or Amendments.** Any modifications, amendments, rescissions, waivers, or releases to this Contract must be in writing and agreed to by an authorized representative of both Parties.
- 10.29. Precedence of Documents.** In the event of a conflict between the terms and conditions in any of the documents comprising this Contract, the terms and conditions in this Contract document shall prevail and take precedence over any allegedly conflicting provisions in all other Exhibits and documents.
- 10.30. Governing Law.** This Contract is made and entered into in the County of Macomb, State of Michigan, and shall be governed, interpreted, and enforced by the laws of the State of Michigan. Provider acknowledges and stipulates that it conducts business in Macomb County for purposes of MCL 600.1621 or any successor statute.
- 10.31. Provider Use of Confidential Information.** The Provider and/or Provider Employees shall not reproduce, provide, or disclose Confidential Information to any third party, or to any Provider Employee not having a legitimate need to know any such information and data, and shall not use the Confidential Information for any purpose other than performing its services under this Contract. Notwithstanding the foregoing, Provider may disclose the Confidential Information if required by law, statute, or other legal process, provided that Provider (i) gives OWNER prompt written notice of an impending disclosure prior to make the disclosure, (ii) provides reasonable assistance to OWNER in opposing or limiting the disclosure, and (iii) makes only such disclosure as is compelled or required.
- 10.32. Entire Contract.** This Contract represents the entire Contract and understanding between the Parties. This Contract supersedes all other prior or contemporaneous oral or written understandings, communications, agreements, or contracts between the Parties related to the subject matter hereof. The language of this Contract shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

EXHIBIT I

1. At all times during this Contract, including renewals or extensions, Provider shall obtain and maintain insurance according to the following specifications:
 - a. Commercial General Liability – with the following minimum requirements:
 - \$1,000,000 for each occurrence of bodily injury and personal injury with an annual aggregate of not less than \$2,000,000.
 - Occurrence Form Policy
 - Broad Form Property Damage
 - Premises/Operations
 - Independent Providers
 - Products and Completed Operations
 - (Blanket) Broad Form Contractual
 - Additional Insured – The Macomb Interceptor Drain Drainage District (“OWNER”) and Macomb Interceptor Drain Drainage District board members, officials, employees (including employees shared with Macomb County), and representatives (“OWNER Agents”)**
 - b. Workers’ Compensation – as required by law and Employer’s Liability Insurance with minimum limits of \$500,000 each accident, \$500,000 bodily injury by disease policy limit, \$500,000 bodily injury by disease each employee;
 - c. Automobile Liability and Property Damage - \$1,000,000 each occurrence, including coverage for all owned, hired, and non-owned vehicles including No Fault coverage as required by law;
 - d. Professional Liability/Errors & Omissions Insurance (as applicable) – with minimum limits of \$1,000,000 per claim and \$2,000,000 aggregate.
2. General Certificates of Insurance:
 - a. All Certificates of Insurance shall be sent as provided in Section 10.27.
 - b. The insurance carrier(s) must have an A.M. Best rating of no less than an A-, VII.

- c. The OWNER and OWNER Agents shall be named additional insured on all policies (excluding Worker's Compensation and Professional Liability/Errors & Omissions Insurance) and the underwriters will have no right of recovery or subrogation against the OWNER or OWNER Agents.
- d. The insurance company(s) issuing the policy or policies will have no recourse against the OWNER for payment of any premiums or for assessments under any form of policy.
- e. The Provider will assume any and all deductible in the above-described insurance policies.
- f. All Certificates are to provide thirty (30) days written notice of material change, cancellation, or non-renewal. Certificates of Insurance or insurance binders must be provided no less than ten (10) working days before commencement of work. Insurance carriers are subject to the approval of the OWNER.

MACOMB INTERCEPTOR DRAINAGE DISTRICT
07/05/2023 - 08/08/2023

<u>Funding Source</u>	<u>Apportionment</u>	<u>Manager</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice Detail</u>	<u>Project Summary</u>	<u>Project Balance</u>	
Macomb Interceptor Drain	Chapter 20							
	Chesterfield – 7.4212%							
	Clinton – 21.2122%							
	Fraser – 4.1667%							
	Harrison – 6.3461%							
	Lenox – 1.1179%							
	Macomb – 14.0617%							
	New Haven – 0.8255%							
	Shelby – 9.7911%							
	Sterling Heights – 30.6812%							
	Utica – 1.6170%							
	Washington – 2.7596%							
			Baker	Aloia & Associates	\$ 1,837.25	Invoice #29233 - 07.03.23	Sale of 45345 Garfield Road	
			Astorino	Aquasight	\$ 69,789.00	Invoice #783 - 08.01.23	Covid 19 Monitoring - Grant	\$ 69,792.00
			Manning	The ASU Group	\$ 649.30	Invoice #MD00163784 - 07.31.23	Insurance Administration Fee - 04.26.23 - 09.30.23	
			Manning	The ASU Group	\$ 850.70	Invoice #MD00163784 - 07.31.23	Insurance Administration Fee - 10.01.23 - 04.25.24	
			Astorino	City of Mt. Clemens	\$ 15,344.62	Invoice #28006311 - 07.07.23	Monthly Sewage - May 2023	
			Astorino	Department of Roads	\$ 1,664.60	Invoice #302470 - 06.16.23	Fleet Fuel - May 2023	
			Downing	FK Engineering Associates	\$ 87,095.24	Invoice #20-058-037 - 07.10.23	Segment 6 CCA - 06.04.23 - 07.08.23	\$ 97,053.51
			Downing	FK Engineering Associates	\$ 74,632.34	Invoice #20-152-031 - 07.10.23	Segment 5 CCA - 06.04.23 - 07.08.23	\$ (490,188.93)
		Astorino	HESCO	\$ 5,724.61	Invoice #231658 - 07.25.23	CS-3 Preventative Maintenance		
		Baker	Kienbaum Hardy Viviano Pelton	\$ 925.00	Invoice #49825 - 07.01.23	General Matters - June 2023		
		Downing	L D'Agostini & Sons, Inc	\$ 580,793.84	Invoice #WWS-2022-001 App #5 - 08.04.23	Odor & Corrosion Improvements through 07.20.23	\$ 9,037,015.47	
		Downing	Meadowbrook Insurance	\$ 50,440.00	Invoice #11751 - 07.17.23	OCIP Construction Safety Consultant - (3 of 4)		
		Astorino	METCO Consulting Services	\$ 14,040.45	Invoice #2206A-06 - 07.03.23	Flow Control Assistance	\$ 46,316.17	
		Astorino	METCO Consulting Services	\$ 2,887.77	Invoice #2206B-06 - 07.03.23	CPS Electrical Room AC Upgrades Project	\$ 39,249.47	
		Astorino	NTH Consultants, Ltd	\$ 960.00	Invoice #633251 - 07.07.23	2023 Interceptor Inspection Program - Design	\$ 58,239.00	
		Downing	Oscar Renda Contracting	\$ 3,494,114.04	Invoice #WO19024 Est #35 - 08.04.23	Segment 5 Lining Services through 07.31.23	\$ 11,243,954.21	
		Astorino	Q-Mation	\$ 7,621.32	Invoice #105587 - 07.13.23	Wonderware Renewal - 10.01.23 - 09.30.24		
		Downing	Ric-Man Construction	\$ 38,250.00	Invoice #WO23003 Est #23 - 08.04.23	Segment 6 Services - 06.21.23 - 07.20.23	\$ 4,545,946.19	
		Downing	Tetra Tech, Inc.	\$ 23,730.82	Invoice #52091515 - 07.06.23	Odor & Corrosion CCA through 06.30.23	\$ 744,798.50	
		Astorino	VCP Insurance	\$ 4,200.00	Invoice #23-411 - 06.01.23	OCIP Review - Alan P. Chandler		
		Astorino	Verizon	\$ 1,393.21	Invoice #9937986984 - 06.23.23	Monthly Cellular - 05.24.23 - 06.23.23 (Eq. Fund)		
		Astorino	Verizon	\$ 1,808.40	Invoice #9937986984 - 06.23.23	Monthly Cellular - 05.24.23 - 06.23.23		

MACOMB INTERCEPTOR DRAINAGE DISTRICT
07/05/2023 - 08/08/2023

<u>Funding Source</u>	<u>Apportionment</u>	<u>Manager</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice Detail</u>	<u>Project Summary</u>	<u>Project Balance</u>
BIOFILTER		Astorino	Colville Electric	\$ 882.93	Invoice #23387 - 07.30.23	Sump Pump #1 Repair	
CPS		Astorino	Access Customer Support	\$ 872.50	Invoice #6830 - 06.07.23	VRC Unit Repair	
		Astorino	Clinton Township Treasurer	\$ 3,130.19	Invoice #23-422 - 07.03.23	Monthly Water - June 2023	
		Astorino	Cummins Sales & Service	\$ 1,155.79	Invoice #S6-10002 - 07.10.23	Generator Repair	
		Astorino	De-Cal Inc	\$ 2,181.20	Invoice #WO90023091-2 - 07.12.23	2nd Quarter HVAC Preventative Maintenance	
		Astorino	De-Cal Inc	\$ 92,460.00	Invoice #APP 3 - 07.25.23	PS AC Upgrades - 07/01/23-07/31/23	\$ 98,000.00
		Astorino	De-Cal Inc	\$ 26,700.00	Invoice #123002-1 - 07.25.23	Sluice Gate Stem	
		Astorino	DTE Energy	\$ 17,239.85	Invoice #23-427 - 07.07.23	Monthly Electric - 06.02.23 - 07.04.23	
		Astorino	Home Depot	\$ 525.35	Invoice #619650 - 06.01.23	Supplies	
15 Mile		Manning	Huntington National Bank	\$ 500.00	Invoice #52929 - 05.01.23	Annual Bond Fee - 07.01.23 - 06.30.24	
METERS		Astorino	HESCO	\$ 9,790.00	Invoice #App 4 - 07.11.23	Meter Maintenance - 06.01.23 - 06.30.23	\$ 428,970.00
NGI		Astorino	Chesterfield Township	\$ 5,642.31	Invoice #23-468 - 07.19.23	Hydrant Operation, Meter Install, Water Usage - Pigging	
		Astorino	Colville Electric	\$ 2,318.91	Invoice #23373 - 07.30.23	Cabinet AC Repairs	
		Astorino	De-Cal	\$ 1,061.20	Invoice #WO9221888 - 07.07.23	Pig Flush	
		Astorino	DTE Energy	\$ 1,164.91	Invoice #23-418 - 07.03.23	Monthly Electric - 06.01.23 - 06.29.23	
		Astorino	Fishbeck	\$ 2,059.00	Invoice #425324 - 07.12.23	Inspection Program thru 07.07.23	\$ 17,896.13
		Astorino	Flowmore Services	\$ 15,064.47	Invoice #30115 - 06.22.23	22" Pipe Cleaning - Pigging	
		Astorino	National Industrial Maintenance	\$ 950.00	Invoice #45572 - 07.19.23	Jet Vac - Pigging	
OMID		Manning	Oakland County Treasurer	\$ 4,364,430.08	Invoice #CI021982 - 06.30.23	Sewer Disposal - June 2023	
		Downing	Oakland County Treasurer	\$ 4,471,317.83	Invoice #CI023697 July 2023	Sewer Disposal - July 2023	
		Astorino	Q-Mation	\$ 1,240.68	Invoice #105587 - 07.13.23	Wonderware Renewal - 10.01.23 - 09.30.24	
Total				\$ 13,499,439.71			

Budget to Actual
MIDDD
As of July 31, 2023 = 8%

DESCRIPTION	2024 FINAL BUDGET	ENCUMBERED	ACTUAL	REMAINING BUDGET	PCT UTILIZED
REVENUE ACCOUNTS					
GLWA-OMID	49,276,790		4,107,020	45,169,770	8.3%
OMID O&M	4,379,020		364,918	4,014,102	8.3%
Settlement	100,000			100,000	0.0%
Reimbursements	150,000		59,542	90,458	39.7%
PY Revenue-Fund Balance	20,907,890			20,907,890	0.0%
Reimb-Local Communities	17,717,200		1,476,433	16,240,767	8.3%
State Grant-ARPA Seg 5 & 6	-			-	0.0%
COVID Grant	345,630		143,497	202,133	0.0%
Interest	400,000			400,000	0.0%
Total Revenue Accounts	93,276,530	-	6,151,411	87,125,119	6.6%
EXPENSE ACCOUNTS					
GLWA-OMID	49,276,790		4,107,020	45,169,770	8.3%
OMID O&M	4,379,020		364,918	4,014,102	8.3%
Public Works Wastewater Disposal Division	1,984,020			1,984,020	0.0%
Office Operations/Insurance	406,450		2,700	403,750	0.7%
SCADA	117,260		2,712	114,548	2.3%
Engineering					
Replenish reserve from CPS refunding	618,680			618,680	0.0%
As Needed Engineering	200,000			200,000	0.0%
Annual Meter Dye Testing	50,000			50,000	0.0%
Data Review-Aquasight	100,000			100,000	0.0%
Odor and Corrosion Construction/CCA	811,040			811,040	0.0%
Covid Testing 2023-Grant Funded	340,630			340,630	0.0%
General Construction/Engineering Contingency-All projects	2,650,000			2,650,000	0.0%
SY-S-1, SY-S-2, & WA-S-1 Meter Const Admin/Rehab	75,000			75,000	0.0%
Level Sensors/Pressure/H2S-Meters	261,200			261,200	0.0%
2023 Drop Shaft Rehab Design, Construction, & CCA	2,400,000			2,400,000	0.0%
Odor and Control-Construction	8,333,780			8,333,780	0.0%
Segment 6 Construction Administration (ARPA)				-	
Segment 6 Construction/CCA (ARPA)				-	
Segment 5 Construction Admin (ARPA)				-	
Segment 5 Construction (ARPA)				-	
COVID Grant			143,497		
Legal Services	75,000			75,000	0.0%
Clintondale PS O&M	786,890		5,834	781,056	0.7%
NGI O&M	88,500		2,172	86,328	2.5%
Meters O&M	189,400		1,453	187,947	0.8%
Control Structures and Pump Station O&M	178,930		15,037	163,893	8.4%
Biofilter O&M	19,800		82	19,718	0.4%
Contribution Life Cycle Reserve	184,300			184,300	0.0%
Interceptor O&M	18,614,210			18,614,210	0.0%
Stormwater Pump Stations	50,000		4,167	45,833	8.3%
Sewage Disposal Charges - Mt. Clemens	410,000			410,000	0.0%
Debt Service - Revenue Bonds	675,630			675,630	0.0%
Total Expense Accounts	93,276,530	-	4,649,592	88,770,435	5.0%

	O&M Balance 6/30/2023	O&M	Total 7/31/2023
Cash - Operating	59,727,429	1,501,819	61,229,248
Accounts Receivable			0
Assets			0
Liabilities			0
Revenues		6,151,411	6,151,411
Expenditures		4,649,592	4,649,592
			0
Equity*	59,727,429		61,229,248

Detail of 2023 Equity*

Reserve at 6/30/2023	20,862,516	PLC Equipment Replacement	100,000
Life Cycle Reserve	1,237,460	Improvement to Hydraulic Cylinder	120,333
General Construction/Engineering Contingency-All projects	450,000	Grouting	3,926,770
SY-S-1, SY-S-2, & WA-S-1 Meter Const Admin/Rehab	75,000	Interceptor Inspections	1,714,481
Level Sensors/Pressure/H2S-Meters	256,230	Intercept Clean/Sediment Removal	3,550,000
Drop Shaft Rehab Design	2,400,000	Segment 5	14,064,063
Odor and Corrosion Construction/CCA	7,803,213	Segment 6	3,003,560
CPS Electrical Room AC	63,803	Drain Valve For Force Main	100,000