



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640 ♦ 989.837.3300 * 989-835-2717 FAX ♦ www.cityofmidlandmi.gov

REGULAR MEETING OF THE MIDLAND CITY COUNCIL

November 21, 2022

7:00 PM

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL - Steve Arnosky
Diane Brown Wilhelm
Maureen Donker
Tim Soler
Marty A. Wazbinski

CONFLICT OF INTEREST DISCLOSURE STATEMENT

CONSIDERATION OF ADOPTING CONSENT AGENDA ITEMS:

All resolutions marked with an asterisk are considered to be routine and will be enacted by one motion. There will be no separate consideration of these items unless a Council member or citizen so requests during the discussion stage of the "Motion to adopt the Consent Agenda as indicated." If there is even a single request the item will be removed from the consent agenda without further motion and considered in its listed sequence in regular fashion.

APPROVAL OF MINUTES:

1. * Approve minutes of the November 14 regular City Council meeting. TODD

PROCLAMATIONS, AWARDS, RECOGNITIONS, PRESENTATIONS:

2. Midland 2022 Flood Reduction Project Report. DRISCOLL

PUBLIC COMMENTS, IF ANY, BEFORE CITY COUNCIL. This is an opportunity for people to address the City Council on issues that are relevant to Council business but are not on the agenda.

RESOLUTIONS:

3. Request from the Michigan Baseball Foundation to provide additional feedback to the Michigan Department of Transportation regarding the redesign of Buttles and Indian Streets. KAIN

- 4. Storm Water Ordinance Overview. LEMON
- 5. * Cable Access Advisory Commission Annual Report 2021/22. RICHARDSON
- 6. * Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Annual Report. SCHWARZ
- 7. * Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Financial Statements. SCHWARZ

Considering purchases and contracts:

- 8. * Michigan Department of Transportation (MDOT) Contract No. 22-5376. LEMON
- 9. * Increase purchase order to Michigan CAT for purchase of Landfill gas-to-energy maintenance parts. MURPHY
- 10. * Landfill Skidsteer Vehicle replacement. MURPHY
- 11. * Poseyville Riverfront Restoration design and oversight for Phase II. MURPHY

Setting a public hearing:

- 12. * Set public hearing for consideration of an application to the State of Michigan's Spark Grant program for gutter replacement and plumbing repairs at Plymouth Pool. MURPHY

NEW BUSINESS:

TO CONTACT THE CITY WITH QUESTIONS OR FOR ADDITIONAL INFORMATION

Citizen Comment Line:	837-3400
City of Midland website address:	www.cityofmidlandmi.gov
City of Midland email address:	cityhall@midland-mi.org
Government Information Center:	located near the reference desk at the Grace A. Dow Memorial Library

To provide written comment to City Council regarding items on this agenda, please e-mail: CityHall@midland-mi.org. These communications will be shared with members of the public body. Comments are accepted until 4 p.m. on the day of the meeting. Comment can also be made during the public comment portion of the agenda.

File Attachments for Item:

1. * Approve minutes of the November 14 regular City Council meeting. TODD

November 14, 2022

A regular meeting of the City Council was held on Monday, November 14, 2022, at 7:00 p.m. in the Council Chambers of City Hall. Lacey Todd, City Clerk opened the council meeting. The Pledge of Allegiance to the Flag was recited in unison.

The roll of those elected to the office of Councilman in each of the City's wards was then called:

Ward I	Tim Soler – present
Ward II	Maureen Donker - present
Ward III	Steve Arnosky – present
Ward IV	Diane Brown Wilhelm – absent
Ward V	Marty A. Wazbinski – present

Lacey Todd then administered the Oath of Office to the Councilmen.

SELECTION PROCESS OF MAYOR AND MAYOR PRO TEM

Per City Charter the Council at its first regular meeting following each regular biennial city election shall select one of its members to serve as Mayor and one of its members to serve as Mayor Pro Tem. The Mayor shall be recognized as the executive head of the city and has an equal voice and vote in the proceedings of the Council. The Mayor Pro Tem shall perform the duties of the Mayor when, on account of absence from the city, disability, or otherwise, the Mayor is temporarily unable to perform the duties of his office. The Mayor Pro Tem shall preside over the meetings of the Council at the call of the Mayor.

Lacey Todd, City Clerk, instructed that a written but public ballot could be used to elect the Mayor and Mayor Pro Tem, if Council so desired, or the appointment could be made by a motion of one Councilman and seconded by another. The newly-elected Council agreed that the election of Mayor and Mayor Pro Tem would be made by a motion.

MAYOR SELECTION

The role of the Mayor was summarized and the selection of the Councilman to that position was considered. Councilman Wazbinski moved, seconded by Councilman Arnosky, that Councilman Donker be selected as Mayor. The following resolution was then presented for consideration:

RESOLVED, that Councilman Donker is hereby selected to serve as Mayor of the City of Midland for the 2022-2024 term. (Motion ADOPTED.)

MAYOR PRO TEM SELECTION

The selection of the Mayor Pro Tem was then considered. Councilman Arnosky moved, seconded by Councilman Donker, that Councilman Wazbinski be named as Mayor Pro Tem. The following resolution was then presented for consideration:

RESOLVED, that Councilman Wazbinski is hereby selected to serve as Mayor Pro Tem of the City of Midland for the 2022-2024 term. (Motion ADOPTED.)

Mayor Maureen Donker, selected by her peers to serve as Mayor, accepted the gavel from Lacey Todd, City Clerk.

ROBERT'S RULES OF ORDER

City Manager C. Bradley Kaye presented information on the Robert's Rules of Order. The following resolution was then offered by Councilman Wazbinski and seconded by Councilman Soler:

RESOLVED, that Robert's Rules of Order Newly Revised edition, or as may be amended, be and are hereby adopted as a guide to govern, during the current term, the proceedings of the Midland City Council. (Motion ADOPTED.)

RULES IN RECOGNITION OF THE PROVISIONS OF THE OPEN MEETINGS ACT

City Manager C. Bradley Kaye presented information on the Open Meetings Act. The following resolution was then offered by Councilman Arnosky and seconded by Councilman Soler:

RESOLVED, that this resolution shall supercede the City Council resolution dated November 9, 2020, and Sections 7 and 8 of the Open Meetings Act as found in Public Act 267 of 1976 as amended shall govern any proposed closed session of the City Council; and

RESOLVED FURTHER, that the following rules in recognition of the provisions of the Open Meetings Act are hereby adopted:

1. Addressing Council Meetings: Any person in attendance at a meeting of the City Council may address the Council any time his remarks are germane to the agenda item being discussed by the Council upon being recognized by the presiding officer.

The agenda of every regular council meeting of the City shall include one agenda item described as either "public comment" or "new business". The presiding officer shall recognize any person in attendance at the meeting under the provisions of these rules to speak under this agenda item on any subject upon which the Council may properly and lawfully take action.

The presiding officer shall recognize members of the public for reasonable periods and under such conditions as the presiding officer may prescribe to prevent disruption of the business of the Council.

The presiding officer shall not permit members of the public to discuss matters not germane to the agenda item being discussed nor shall the presiding officer permit obscene or insulting comments, actions or printed material.

No person shall be permitted to address the Council unless recognized by the presiding officer and, upon such recognition, the person recognized shall speak at the microphone provided, if any, and give his name and address and disclose upon whose behalf he desires to address the Council if he is appearing in a representative capacity.

2. Meeting Notices: The City Clerk is hereby authorized and directed to make a reasonable estimate of the yearly cost of reproducing and mailing notices of all meetings of the City Council and, on an individual yearly basis, meeting notices for any board, commission, or committee of the City created by the ordinances of the City or resolution of the City Council. Such reasonable estimated costs shall be filed in the office of the Clerk and shall be the charge made to a party making a written request for the same as provided in Section 6 (1) of the Open Meetings Act. However, no charge shall be made to any newspaper or radio and television station requesting such notices nor shall a charge be made to any party requesting meeting notices of the Council or of any single board, commission or committee. A charge shall be made to a party, other than the news media, requesting annual notice for multiple types of meetings.

3. Agendas: Agendas published in advance and furnished to the City Clerk shall be provided to parties entitled to notice of public meetings pursuant to Sections 6 (1) and (2) of the Open Meetings Act and under the same provisions as part 2 above.

4. Minutes: The City Clerk shall determine the reasonable estimated cost of reproducing minutes of the City Council's meetings and the minutes of any board, commission and committee created by the ordinances of the City of resolutions of the City Council. Such

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reasonable estimates of cost, based on ten (10) cents per page double-sided plus the time required of the lowest paid, permanent, full-time clerical employee of the Clerk's Office to retrieve and reproduce the requested minutes, calculated to the nearest one-sixth of the hourly wage rate, shall be filed in the Clerk's Office. There will be no charge for minutes when the cost is five dollars (\$5.00) or less. If the request for copies of minutes exceeds a total cost of five dollars (\$5.00), the actual costs shall constitute the charge made pursuant to Section 9 of the Open Meetings Act. (Motion ADOPTED.)

RULES - RECOGNITION OF THE PROVISIONS OF THE FREEDOM OF INFORMATION ACT

City Manager C. Bradley Kaye presented information on the Freedom of Information Act. The following resolution was then offered by Councilman Wazbinski and seconded by Councilman Soler:

WHEREAS, subsection 6(1) of the Freedom of Information Act (the "Act"), MCL 15.231, et seq. provides that a public body that is a city shall designate an individual as its Freedom of Information Act Coordinator; and

WHEREAS, subsection 4(3) of the Act requires a public body to establish and publish procedures and guidelines to implement the assessing of costs under said Act; and

WHEREAS, section 10 of the Act provides for the establishment of appeals from denials; now therefore

RESOLVED, that the City of Midland hereby adopts Public Act 442 of 1976, being MCL 15.231, et seq.; and

RESOLVED FURTHER, that the City Attorney is hereby designated as the City of Midland's Freedom of Information Act Coordinator; and

RESOLVED FURTHER, that the City Council of the City of Midland hereby adopts and establishes procedures and guidelines pursuant to the Freedom of Information Act and more specifically set out in the City of Midland Freedom of Information Act Procedures and Guidelines with an effective date of July 1, 2015 and can be found on the City of Midland's website at www.cityofmidlandmi.gov, at City Hall, the Grace A. Dow Memorial Library, Law Enforcement Center and Department of Public Services. Procedures for processing a request shall be established by the Freedom of Information Act Coordinator, made available to the public, and updated as necessary. (Motion ADOPTED.)

MBS INTERNATIONAL AIRPORT COMMISSION APPOINTMENT

City Manager C. Bradley Kaye presented information on the MBS International Airport Commission. Councilman Wazbinski then moved, seconded by Councilman Donker, to appoint Councilman Arnosky to the MBS International Airport Commission. The following resolution was then presented for consideration:

RESOLVED, that Councilman Arnosky be designated and is appointed as the City Council's representative for the duration of their current term of office to the Board of the MBS International Airport Commission. (Motion ADOPTED.)

EMERGENCY MEDICAL SERVICES ADVISORY BOARD APPOINTMENT

City Manager C. Bradley Kaye presented information on the Emergency Medical Services Advisory Board. Councilman Donker moved, seconded by Councilman Arnosky, to appoint Councilman Soler to the Emergency Medical Services Advisory Board. The following resolution was then presented for consideration:

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RESOLVED, that Councilman Soler be designated and is appointed as the City Council's representative for the duration of their current term of office to the Midland Area Emergency Medical Board. (Motion ADOPTED.)

MIDLAND'S LEGISLATIVE DIRECTOR APPOINTMENT

City Manager C. Bradley Kaye presented information on the City of Midland Legislative Director appointment. Councilman Wazbinski moved, seconded by Councilman Soler, to appoint Councilman Brown Wilhelm as the City of Midland's Legislative Director. The following resolution was then presented for consideration:

RESOLVED, that Councilman Brown Wilhelm be designated and is appointed as the City Council's representative for the duration of their current term of office as the City of Midland's Legislative Director. (Motion ADOPTED.)

MINUTES

Approval of the minutes of the October 24, 2022 regular meeting was offered by Councilman Wazbinski and seconded by Councilman Arnosky. (Motion ADOPTED.)

CONDITIONAL USE PERMIT NO. 79

Director of Planning and Community Development Jacob Kain presented information on Conditional Use Permit No. 79. A public hearing opened at 7:30 p.m., hearing no public comments, the public hearing closed at 7:31 p.m. The following resolution was then offered by Councilman Arnosky and seconded by Councilman Wazbinski.

WHEREAS, Elaine Zielinski submitted a request for a conditional land use to permit a single family dwelling addition located at 4215 Stonegate Drive; and
WHEREAS, City Planning Department staff notified property owners and occupants within three hundred (300) feet of the subject property by transmitting notice on September 9, 2022 and publishing said notice on September 10, 2022 of the public hearing on September 27, 2022; and
WHEREAS, the City Planning Commission has conducted a public hearing in accord with Section 28.02(A) of the Zoning Ordinance of the City of Midland on said conditional use; and
WHEREAS, the Planning Commission has submitted its recommendation to approve the permit, in accord with Section 28.02(B) of the Zoning Ordinance of the City of Midland; now therefore
RESOLVED, that the City Council finds the request for the conditional use to be in accord with Section 28.03 of the Zoning Ordinance of the City of Midland, and hereby approves Conditional Use Permit No. 79, in accord with documents provided and submitted at the meeting of November 14, 2022. (Motion ADOPTED.)

ZONING PETITION NO. 644

Director of Planning and Community Development Jacob Kain presented information on Zoning Petition No. 644. A public hearing opened at 7:35 p.m., hearing no public comments, the public hearing closed at 7:36 p.m. The following resolution was then offered by Councilman Arnosky and seconded by Councilman Wazbinski.

ORDINANCE NO. 1870

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING

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BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING MAP TO PROVIDE RA-1 SINGLE FAMILY RESIDENTIAL WHERE TOWNSHIP ZONING PRESENTLY EXIST.

The City of Midland Ordains:

Section 1. That the Zoning Map of Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

THE NORTH 28 FEET OF THE FOLLOWING DESCRIBED PARCEL: A PART OF THE SOUTHWEST 1/4 OF SECTION 31, T15N, R2E, DESCRIBED AS: BEGINNING SOUTH 00°00'00" WEST ALONG THE NORTH-SOUTH 1/4 LINE, 968.20 FEET AND NORTH 89°11'59" WEST 320 FEET FROM THE INTERIOR 1/4 CORNER OF SAID SECTION 31; THENCE NORTH 89°11'59" WEST 98 FEET; THENCE NORTH 00°00'00" EAST 200.2 FEET; THENCE SOUTH 89°11'59" EAST 98 FEET; THENCE SOUTH 00°00'00" WEST 200.2 FEET BACK TO THE PLACE OF BEGINNING.

CONTAINING 0.06 ACRES, MORE OR LESS, AND BEING SUBJECT TO RESTRICTIONS, RESERVATIONS, EASEMENTS, RIGHT-OF-WAYS, ZONING, GOVERNMENT REGULATIONS, AND MATTERS VISIBLE, IF ANY, UPON AFFECTING SAID LANDS

AND

PART OF THE SOUTHWEST 1/4 OF SECTION 31, T15N, R2E, DESCRIBED AS: BEGINNING SOUTH 00°00'00" WEST, ALONG THE NORTH-SOUTH 1/4 LINE, 318.00 FEET FROM THE INTERIOR 1/4 CORNER OF SAID SECTION 31; THENCE CONTINUING SOUTH 00°00'00" WEST, ALONG SAID NORTH-SOUTH 1/4 LINE, 28.00 FEET; THENCE NORTH 89°11'59" WEST, PARALLEL TO THE SOUTH 1/8 LINE, 250.00 FEET; THENCE NORTH 00°00'00" EAST, PARALLEL TO SAID NORTH-SOUTH 1/4 LINE, 28.00 FEET; THENCE SOUTH 89°11'59" EAST PARALLEL TO SAID SOUTH 1/8 LINE, 250.00 FEET BACK TO THE PLACE OF BEGINNING.

CONTAINING 0.16 ACRES, MORE OR LESS, AND BEING SUBJECT TO RESTRICTIONS, RESERVATIONS, EASEMENTS, RIGHT-OF-WAYS, ZONING, GOVERNMENT REGULATIONS, AND MATTERS VISIBLE, IF ANY, UPON AFFECTING SAID LANDS.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect upon publication. (Ordinance ADOPTED.)

ZONING PETITION NO. 645

Director of Planning and Community Development Jacob Kain presented information on Zoning Petition No. 645. A public hearing opened at 7:54 p.m., Nick Seehafer 1618 Sullivan Dr., Saginaw MI and Kurt Yockey 110 E. Main Street Apt 402, Midland, MI spoke on the Zoning Petition, the public hearing closed at 8:00 p.m. The following resolution was then offered by Councilman Wazbinski and seconded by Councilman Soler.

ORDINANCE NO. 1871

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE

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VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING MAP TO PROVIDE D DOWNTOWN ZONING WHERE D DOWNTOWN AND D-O DOWNTOWN OVERLAY ZONING PRESENTLY EXIST.

The City of Midland Ordains:

Section 1. That the Zoning Map of Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

LOTS 7,8, SW 5 FT OF LOT 1, SW 5 FT OF SE 40 FT OF LOT 2, LOTS 5 & 6 EXC NE 21 FT & EXC BEG AT W COR OF LOT 5, NE 46.6 FT, SE 62.65 FT, SW TO SW LN OF BLK 12 NW TO BEG, ALL IN BLK 12 ORIGINAL PLAT OF MIDLAND & 1/2 VAC ANN ST ADJ & NW 4FT OF MCDONALD ST ADJ, EXC BEG 10 FT NW OF INT OF CL OF VAC ANN ST & NW LN OF MCDONALD ST, SE 14 FT, NE 1.5 FT, NW TO BEG.

AND

BEG AT W COR OF LOT 5 BLK 12 ORIGINAL PLAT OF MIDLAND NE 46.6 FT, SE 62.65 FT, SW TO SW LN OF BLK 12 NW TO BEG, & 1/2 VAC ANN ST ADJ.

AND

SWLY 1/2 OF VAC ANN ST BETWEEN ASHMAN ST & MCDONALD.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect upon publication. (Motion ADOPTED.)

PUBLIC COMMENTS

No public comments were made.

ZONING BOARD OF APPEALS APPOINTMENTS

The following resolution was offered by Councilman Wazbinski and seconded by Councilman Arnosky.

RESOLVED, that City Council hereby appoints Ted Sajbel as a regular member to the Zoning Board of Appeals to fill a three-year term ending June 30, 2025; and

RESOLVED FURTHER, that City Council hereby appoints David Griffus as an alternate member to the Zoning Board of Appeals to fill a three-year term ending June 30, 2023. (Motion ADOPTED.)

CONSUMERS ENERGY STREET LIGHT CONTRACT

The following resolution was offered by Councilman Wazbinski and seconded by Councilman Arnosky.

RESOLVED, that it is hereby deemed advisable to authorize Consumers Energy Company to make changes in the lighting service as provided in the Standard Lighting Contract between the Company and the City of MIDLAND, dated 8/1/2021, in accordance with the Authorization for Change in Standard Lighting Contract dated n/a, heretofore submitted to and considered by this council; and

RESOLVED, further, that the Clerk be and are authorized to execute such authorization for change on behalf of the City.

STATE OF MICHIGAN

COUNTY OF MIDLAND (Motion ADOPTED.)

SURETY BOND FOR LANDFILL

The following resolution was offered by Councilman Wazbinski and seconded by Councilman Arnosky.

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WHEREAS, the Michigan Department of Environment, Great Lakes and Energy (EGLE) requires the City of Midland Sanitary Landfill to maintain bonding for 30 years following the closure of its pre-existing waste disposal unit to meet post-closure care expenses associated with the oldest portion of the Landfill; and

WHEREAS, Council authorized the Mayor to execute a Surety Bond through The Huntington National Bank at its October 24 meeting; and

WHEREAS, Huntington's paperwork requirement has changed to also require formal authorization for the Mayor to execute the General Indemnity Agreement through Huntington's affiliate, Philadelphia Indemnity Insurance Company; and

WHEREAS, Philadelphia Indemnity Insurance Company is willing to offer a Surety Bond to satisfy the EGLE requirement at the necessary face value of \$642,000; and

WHEREAS, the City Attorney has reviewed and approved the General Indemnity Agreement and Bond to be executed by the City of Midland, Michigan in favor of Philadelphia Indemnity Insurance Company; now therefore

RESOLVED, that the General Indemnity Agreement and Bond by and between Philadelphia Indemnity Insurance Company and the City of Midland, Michigan is hereby approved and the Mayor and City Clerk are authorized to execute same, as approved by the City Attorney. (Motion ADOPTED.)

SET PUBLIC HEARING TO APPROVE ZONING TEXT AMENDMENT NO. 163

The following resolution was offered by Councilman Wazbinski and seconded by Councilman Arnosky.

WHEREAS, a public hearing was held by the Planning Commission on Tuesday, October 25, 2022 to consider the advisability of amending the list of permitted uses in Article 15.00; now therefore

RESOLVED, that notice is hereby given that a public hearing will be held by the City Council on Monday, December 5, 2022, at 7:00 p.m. in the Council Chambers, City Hall, for the purpose of considering the advisability of amending the Zoning Ordinance of the City of Midland, as set forth in the following proposed Ordinance; and

RESOLVED FURTHER, that the City Clerk is hereby directed to publish said notice on or before November 18, 2022.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND ORDINANCE NO. 1585, BEING AN ORDINANCE TO REGULATE AND RESTRICT THE LOCATION OF TRADES AND INDUSTRIES AND THE LOCATION OF BUILDINGS DESIGNED FOR SPECIFIC USES, TO REGULATE AND LIMIT THE HEIGHT AND BULK OF BUILDINGS HEREAFTER ERECTED OR ALTERED, TO REGULATE AND DETERMINE THE AREA OF YARDS, COURTS, AND OTHER OPEN SPACES SURROUNDING BUILDINGS, TO REGULATE AND LIMIT THE DENSITY OF POPULATION, AND FOR SAID PURPOSES, TO DIVIDE THE CITY INTO DISTRICTS AND PRESCRIBE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS BY AMENDING THE ZONING ORDINANCE TO AMEND ARTICLE 15.00 RESIDENTIAL B DISTRICT BY ADDING SINGLE FAMILY DWELLINGS AS A PRINCIPAL USE AND REMOVING SINGLE FAMILY DWELLINGS AS A CONDITIONAL LAND USE.

The City of Midland Ordains:

Section 1. That Ordinance No. 1585, being the Zoning Ordinance of the City of Midland, is hereby amended as follows:

Section 15.02 – RESIDENTIAL B PERMITTED USES AND STRUCTURES

A. Principal Uses and Structures

In all areas zoned Residential B, no buildings shall be erected, used, or structurally altered, nor shall the land or premises be used in whole or in part, except for one or more of the following principal permitted uses:

1. Fire Stations.
2. Schools.
3. Parks.
4. Social Service Agencies.
5. SINGLE FAMILY DWELLINGS.

B. Accessory Uses and Structures

The following uses and structures accessory to principal uses and structures in the Residential B District shall be permitted, subject to the provisions in Section 3.03:

1. Home occupations, subject to the provisions in Section 3.06.
2. Signs, subject to the provisions in Article 8.00.
3. Off-street parking, subject to the provisions in Article 5.00.
4. Uses and structures incidental to the primary use.
5. Small Wind Energy Systems.

C. Permitted Uses with Special Standards

In all areas zoned Residential B District, the following uses are permitted, subject to the conditions specified for each use as set forth in Article 9.00.

1. Multiple family dwellings, subject to the provisions in Section 9.03 A.
2. Two family dwellings, subject to the provisions in Section 9.03 A.
3. Recreation Facilities such as parks, playgrounds, campgrounds, and swim clubs, subject to the requirements in Section 9.02 M.
6. Senior apartments and elderly housing complexes, as defined in "Housing for the Elderly" in Section 2.02, subject to the provisions in Section 9.03 A.
7. Congregate housing and dependent housing facilities, as defined in "Housing for the Elderly" in Section 2.02, subject to the provisions in Section 9.02 I.
8. Residential Inpatient Treatment subject to the provisions in Section 9.02 I.

D. Conditional Land Uses

The following uses may be permitted by the City Council, upon recommendation from the Planning Commission, subject to the conditions specified for each use; review and approval of the site plan by the City Council; any special conditions imposed by the City Council that are necessary to fulfill the purposes of this Ordinance; and the procedures and requirements set forth in Article 28.00.

1. Bed and breakfasts.
2. Public and private libraries.
3. Places of worship.
4. Adult foster care family home, as defined in "Residential Care Facilities" in Section 2.02.
5. Adult foster care facility, as defined in "Residential Care Facilities" in Section 2.02.
6. Adult foster care large group home, as defined in "Residential Care Facilities" in Section 2.02.
7. Adult foster care small group home, as defined in "Residential Care Facilities" in Section 2.02.
8. Child care centers, as defined in "Residential Care Facilities" in Section 2.02.
9. Family day care, as defined in "Residential Care Facilities" in Section 2.02.
10. Foster family group home, as defined in "Residential Care Facilities" in Section 2.02.
11. Foster family home, as defined in "Residential Care Facilities" in Section 2.02.

UNAPPROVED

12. Golf courses. Golf courses located in the Multiple Family Residential zoning district may include golf driving ranges as an accessory use.
13. Group day care home, as defined in "Residential Care Facilities" in Section 2.02 and operating before 7:00am and after 6pm.
14. Off street parking lots, subject to the provisions of Section 9.02 N.
15. Transitional housing.
16. Day Shelters.
17. Private and nonprofit social service agencies.
- ~~18. Single family dwellings.~~
- ~~19.~~ 18. Wireless Reception Facilities, subject to the provisions in Section 3.16.
- ~~20.~~ 19. Public Utility Facilities, subject to the provisions in Section 9.02, subsection K.
- ~~21.~~ 20. Housing for clients and ancillary offices of private, nonprofit social service agencies.
- ~~22.~~ 21. Clubs and Fraternal Organizations.

Section 2. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3. This Ordinance shall take effect seven (7) days after publication. (Motion ADOPTED.)

Being no further business the meeting adjourned at 8:08 p.m.

Lacey Todd, City Clerk

File Attachments for Item:

2. Midland 2022 Flood Reduction Project Report. DRISCOLL

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Midland 2022 Flood Reduction Project Report

INITIATED BY: MBA Advisory Committee on Infrastructure

RESOLUTION

SUMMARY: This resolution offers City Council support in principle of the concepts outlined in the Midland 2022 Flood Reduction Project Report submitted to the Midland Business Alliance Advisory Committee on Infrastructure by Spicer Group.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution
3. MBA Advisory Committee on Infrastructure Midland Flood Reduction Plan
4. Spicer Group Midland Flood Reduction Plan

COUNCIL ACTION:

1. 3/5 vote required to approve resolution.

Jared Driscoll
Director of Wastewater Services



Utilities Department • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • (989) 837-3341 • CitizenCommentsWater@midland-mi.org

November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

The United States Army Corps of Engineers (USACE) is currently working on updating hydrology and hydraulic models for the Tittabawassee River along with other tributaries within Midland County. This is a large project with an extended timeline, the results of which will not be known for many months.

In addition to the ongoing USACE study, Spicer Group, on behalf of the Midland Business Advisory Committee on Infrastructure, has been contracted to review potential flood reduction projects that might positively impact flooding levels in Midland. Included in that review was an evaluation of the tributaries to the Tittabawassee River, such as Snake and Sturgeon Creeks. Based on work completed to date, the attached Engineering Report has been authored by Spicer Group covering the conceptual aspects of what is being referred to as the Midland 2022 Flood Reduction Project.

Tony Stamas, President and CEO of the Midland Business Alliance, and J.W. Fisher, Chair of the MBA Advisory Committee on Infrastructure, will be present at the November 21, 2022 meeting of Midland City Council to present an overview of the work done to date by Spicer Group and a conceptual flood response initiative that has been identified. They will request a resolution from City Council expressing support for the project so that funding opportunities that might become available can be fully pursued.

From the perspective of City Staff, the proposed flood response initiative is very early in the process. There are numerous questions and current concerns that immediately come to mind, all of which would need to be thoroughly reviewed and answered before any firm decision to move forward with the proposed project could be presented to Council for formal action. That said, there is certainly potential in the proposed project and continued evaluation of it would be appropriate.

In response to the request from the Advisory Committee on infrastructure, City Staff recommends City Council approve the attached resolution supporting the concept in principle subject to further technical analysis and detail. A 3/5 vote is required to approve the resolution.

Sincerely,



Utilities Department • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • (989) 837-3341 • CitizenCommentsWater@midland-mi.org

Jared Driscoll
Director of Wastewater Services



City Hall • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • 989.837.3300 • 989.835.2717 Fax • www.cityofmidlandmi.gov

BY COUNCILMAN

WHEREAS, the Midland Business Alliance Advisory Committee on Infrastructure has enlisted the services of Spicer Group as technical advisor to evaluate flood reduction measures; and

WHEREAS, Spicer Group has generated conceptual plans for flood reduction projects outlined in the Midland 2022 Flood Reduction Project Report; and

WHEREAS, City of Midland has reviewed the Midland 2022 Flood Reduction Project Report; now therefore

RESOLVED, that the City Council express their support in principle of the Midland Flood Reduction Plan presented by the Midland Business Alliance Advisory Committee on Infrastructure subject to continued technical analysis and further detail.

YEAS:

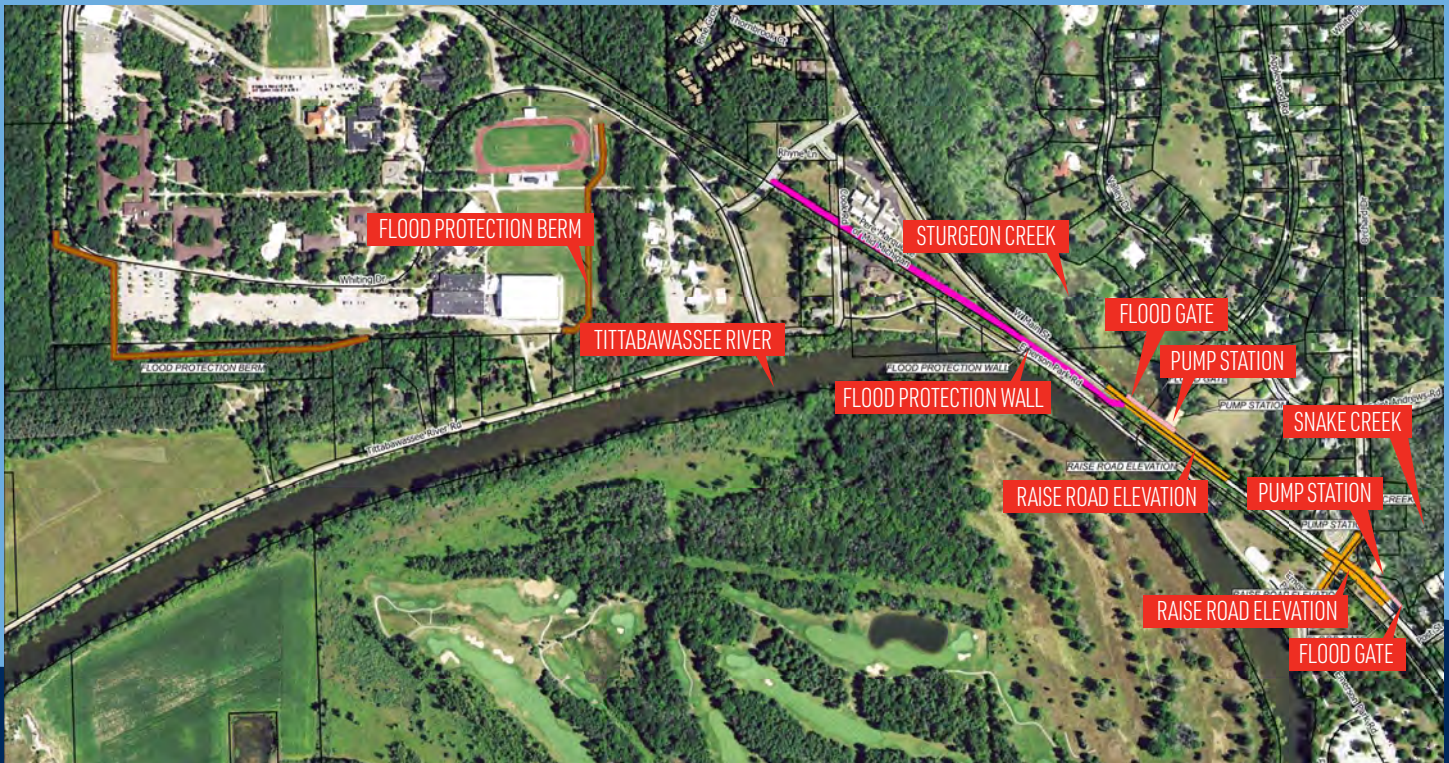
NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

MIDLAND FLOOD REDUCTION PLAN



Overview

The Tittabawassee River is the largest of the Saginaw River system's four main tributaries. Flooding in Midland typically occurs three out of five years, and major flooding impacted the city and surrounding areas in 1986, 2013, 2017, and 2020. Continued flooding occurs in the west portion of the city near Sturgeon and Snake Creeks, which connect with the Tittabawassee. Flooding extends up these creeks significantly, encompassing more than 800 acres for a 100-year event. Much of this flooding is the result of Tittabawassee River floodwaters backing up the creeks and overflowing their banks.

Flood Protection

The purpose of these projects is to reduce the impact of river flooding and protect residents and businesses in Midland. Engineering concepts and planning-level cost estimates are provided by Spicer Group, Inc.

Recent flood events have resulted in significant inundation and damage in the areas adjacent to Sturgeon Creek, Snake Creek, and the Inman Drain. These projects address this flooding by using a system of flood protection walls, berms, flood gates, and pump stations in this area.

Engineering design:

- Floodwalls/berms set to 0.3 feet below 100-year flood elevation
- Homes/businesses protected from floodwater levels similar to the 2017 flood event
- Level of design protects against majority of recent flood events without reducing the current 100-year floodplain storage volume
- Flood gates sized to maintain outgoing stream flow of Sturgeon and Snake Creeks
- When Tittabawassee floodwaters start to peak, flood gates close to prevent these waters from backing up into the creeks
- Pump stations on both creeks then start to pump outgoing stream flows while flood gates are closed
- Final hydrologic/hydraulic modeling from the U.S. Army Corps of Engineers (study currently underway) will be used to finalize design specifications



MIDLAND BUSINESS ALLIANCE

**ADVISORY COMMITTEE
ON INFRASTRUCTURE**

19 Sturgeon Creek Flood Gates/Pump Station

To prevent floodwaters from backing up Sturgeon Creek, this portion of the project would include the addition of flood gates at the mouth of Sturgeon Creek, upstream of Main Street. Open most of the time, the gates would be closed during high-water stages on the Tittabawassee River. Modifications to the culverts crossing under Main Street would be required to connect to the flood gate system. A pump station would be located near the Main Street crossing to provide an outlet for stream flow when flood gates are closed.

Rail Trail Area Floodwall

To prevent Tittabawassee River floodwaters from extending overland, an added floodwall would extend northwest of Sturgeon Creek along the Pere Marquette Rail Trail. Made from steel sheet piling, the floodwall would extend from higher ground at University Avenue to the southeast past the mouth of Sturgeon Creek (~2,500 feet total distance). The sheet piling would extend up to ~4 feet above the ground surface and be driven into the ground for sufficient stability. Ends of the floodwall would tie into adequately high features, such as the Main Street embankment. Because the elevation of Main Street south of the crossing is close to that required to protect from the floodwaters, its elevation would be raised for just ~800 feet of roadway.

Flood Reduction Berm

Flooding of Northwood University occurs due to direct overbank flooding from the Tittabawassee River. A series of surrounding berms would intercept this flow and prevent it from inundating this area. Approximately 3,500 feet of earthen berms, averaging 3 feet high, would be constructed on the east, south, and west sides of campus and would terminate into adjacent high ground.

Snake Creek Flood Gates/Pump Station

Flood gates would be located near Snake Creek's crossing with Main Street. The pump station could be located in the northwest quadrant of the crossing.

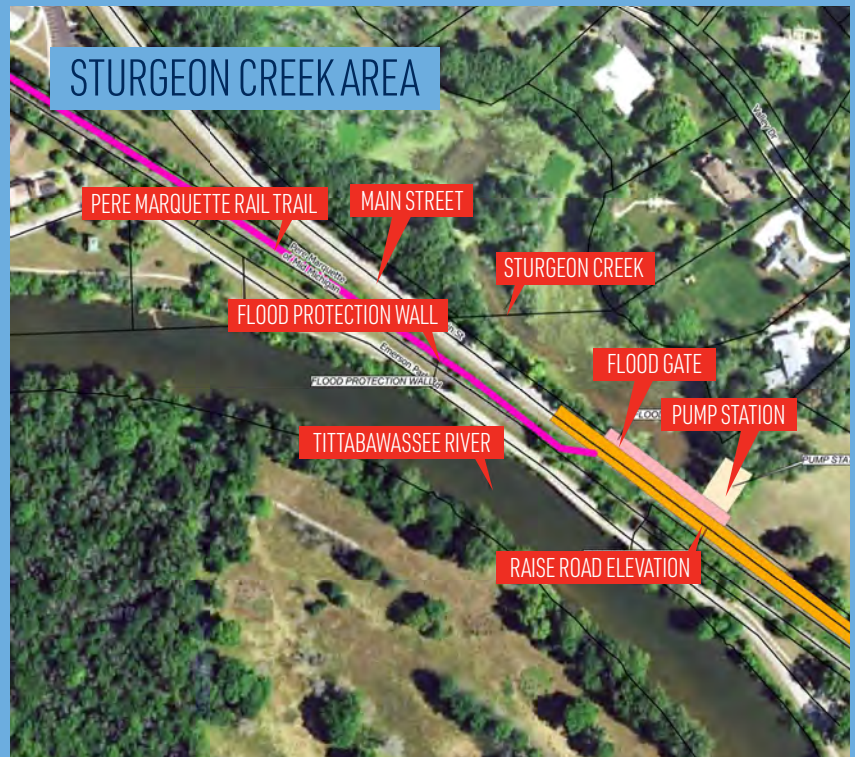
Main Street Elevation Raised

As Main Street is largely situated above flood level, except for a sag near Snake Creek, floodwalls are not included here. Rather, Main Street would be raised for ~400 feet. Reconstruction of the Orchard Drive/Emerson Park Road intersection would be necessary due to the change in grade of Main Street.

mbami.org/floodstudy

300 Rodd Street, Midland, MI 48640

mba@MBAmi.org | 989.839.9522



Projects	Project Cost	Estimated Structures Protected*	
		Residential	Commercial
Sturgeon Creek Area	\$73,000,000	340	30
Snake Creek Area	\$34,000,000	260	20
Regional Flood Reduction Plan	\$10,000,000	To be determined	
TOTAL	\$117,000,000	600	50

*Estimated from City of Midland GIS structure data

October 5, 2022

J.W. Fisher & Lee Ann Keller
Co-Chairs – Advisory Committee on Infrastructure
Midland Business Alliance
300 Rodd Street, Suite 101
Midland, MI 48640

RE: Midland 2022 Flood Reduction Project

Mr. Fisher & Ms. Keller:

As you are aware, Midland has experienced significant flooding in recent years and the community desires to develop and implement projects and practices that will result in flood reduction. Initial steps towards this objective are already in motion, including river model updates, community discussion on flood reduction projects and scoping of flood reduction studies. Implementing the desired flood reduction measures in Midland will require extensive effort and funding to implement.

The USACE is currently sponsored by Midland County, for which they are actively working to update hydrology and hydraulic models for the Tittabawassee River and select tributaries in Midland County. The USACE effort is anticipated to progress into an evaluation of regional flood reduction measures.

Also, the Midland Business Advisory Committee on Infrastructure has engaged Spicer Group as a technical advisor to consult with the USACE effort and with the community effort, including screening potential flood reduction projects and project planning.

Spicer Group has received input from the Committee and the community regarding potential flood reduction approaches. This letter outlines a flood reduction project concept that is supported by the MBA and appears feasible. The flood reduction project focuses on the Sturgeon and Snake Creeks, which are tributaries of Tittabawassee River. This letter also outlines the need for a comprehensive regional study with a focus on long-term planning for flood reduction, as it is understood that flood reduction will require a regional planning effort.

INTRODUCTION

The Tittabawassee River is the largest of the four main tributaries of the Saginaw River system. It, like the other rivers in the region, has a history of flooding. Major flooding of the Tittabawassee River has impacted Midland and the surrounding area recently in 1986, 2013, 2017, and 2020. As many as 600 structures are located within the 50-year floodplain and 1,200 structures are located within the 100-year floodplain in the Midland area.

Based on a prior USACE study, the most damaging floods typically occur as a result of snow melt coupled with protracted spring rains and occasionally ice jams. Floods occur about 3 years out of 5, with 75% occurring prior to May 15. This USACE study considered a project for local flood protection, by channel improvement, levee construction, and related work, as authorized by the Flood Control Act of 1958. Various structural alternatives were investigated by the USACE, but were ultimately rejected in favor of a non-structural alternative. The selected plan, as detailed in the USACE's *Final Environmental Impact Statement*, dated July 1980, called for permanent evacuation of the floodplain, with associated floodplain regulation and recreational development. It is our understanding that this initiative was completed in the 1980s.

Since, continued flooding occurs in the west portion of the City of Midland near the Sturgeon and Snake Creeks. The USACE study mentioned flood reduction options for this area, but nothing was implemented. The MBA asked this area be reviewed again and a concept for a flood reduction project be revisited, to improve reliability and confidence for residents and businesses and to reduce damage and loss during floods.

Note that flooding can occur from both high river levels, as well as high precipitation that overwhelms storm drain and sanitary sewer systems. The flood reduction project summarized in this letter is to address river flooding. Flooding that occurred as the result of the Edenville and Sanford Dam failures in 2020 was a special case. This project is intended to provide protection against natural flooding, not catastrophic dam failure. This project is intended to be a local infrastructure project that would not remove structures from the 100-year floodplain, rather provide a level of flood protection for smaller and more frequent flood events.

PROJECT OVERVIEW AND LEVEL OF SERVICE

Recent flood events have resulted in significant inundation and damage in the western Main Street area adjacent to the Sturgeon Creek and the Snake Creek. Flood maps show the extent of flooding (i.e floodplains) extend significantly up those creeks, extending outward in the relatively low areas, encompassing over 800 acres for the 100-yr event. While some flooding could be attributed to overwhelmed drainage systems and localized high stream flows of the creeks themselves, much of this flooding is the result of Tittabawassee River floodwaters backing up the Creeks and overflowing their banks.

This project will reduce the frequency of river flooding by constructing a system of flood protection walls, berms, flood gates, and pump stations for the Sturgeon Creek area (including Northwood University) and the Snake Creek area.

The floodwalls and flood protection berms included in the conceptual engineering have elevations set to 0.3 feet below the 100-year flood elevation, protecting homes and businesses from floodwaters for water depths above the 50-year flood yet below the 100-year flood. Flood elevations were obtained from the most recent Federal Emergency Management Agency (FEMA) flood insurance study. Currently, the USACE is updating hydraulic models, and the final design elevations for this project will be adjusted to incorporate their findings.

The current published 100-year flood elevations range from 615.0 to 615.4 feet in the vicinity of the Sturgeon and Snake Creeks. For historical comparison, the 1986 flood stage was measured as 1.8 feet above the expected 100-year flood stage at the USGS gage in Midland and the 2017 crested approximately at the 100-yr elevation. It is estimated that this project will provide flood protection for a large portion of the flood events that have been experienced in recent history but currently would not provide protection for the 100-year flood.

The level of service outlined in this letter was initially selected based on “affordability and expediency”. Should this flood reduction project move forward, additional analysis of an increased level of service and coordination with EGLE regarding floodplains, must be completed.

Stream flow of Sturgeon and Snake Creeks would be conveyed through new flood gates. The new flood gates would be installed near the mouth of the Creeks and flood gates would be in the open position when Tittabawassee River is not flooding. Flood gates included in the conceptual engineering were sized to pass 100-year flows of the Creeks, which are 1,900 cubic feet per second (cfs) and 1,100 cfs for Sturgeon and Snake, respectively, based on hydrologic data available from the State of Michigan.

When Tittabawassee River is flooding, the flood gates would be closed, and stream flow would be conveyed by new pumps. Typically, the 100-year stream flow in the Creeks will not occur at the same time as the 100-year peak flow in the river. These specific peak elevations and flows will be determined with further modeling. Initially, stream flows in the range of the 10- to 25-year events are assumed for pump station sizing for

conceptual purposes. The 10- and 25-year flows of Sturgeon Creek are 1,100 and 1,400 cfs, respectively. For Snake Creek, the 10-year flow is 400 cfs and the 25-year flow is 700 cfs. Stream flows used in the development of this concept are based on data obtained from the Michigan Department of Environment, Great Lakes, and Energy *Flood Discharge Database*. The USACE is currently performing more detailed hydrologic and hydraulic modeling of the Tittabawassee River in the Midland area, which will be incorporated as the project develops.

As more detailed engineering and modeling is completed, the capacities of the flood gates and the pump stations would be updated to reflect optimized hydraulic capacities based on a cost-benefit analysis centered around the modeling results. Similarly, flood protection wall and berm elevations would be revised, as well.

ENGINEERING SUMMARY

1. **Sturgeon Creek Area:** To prevent floodwaters from backing up Sturgeon Creek, this portion of the project includes flood gates situated at the mouth of Sturgeon Creek, upstream of Main Street. The gates would remain open much of the time and be closed during high water stages on the Tittabawassee River following large storm events. Modifications to the culverts crossing under Main Street will be required to connect to the floodgate system. A pump station will be located near the Main Street crossing to provide an outlet for stream flow while floodgates are closed. The capacity of the pump station must be sufficient to handle flows occurring in the creek at the time that the Tittabawassee River is peaking and the flood gate is closed.

The concept plans include a floodwall extending northwest along the Pere Marquette Rail Trail to prevent floodwaters from extending from the river overland. The flood wall would be steel sheet piling extending from higher ground at University Avenue southeast past the mouth of Sturgeon Creek, for a total distance of about 2,500 feet. The sheet piling would extend up to about 4 feet above the ground surface and driven into the ground for sufficient stability. Ends of the floodwall would tie into adequately high features, such as the Main Street embankment. Because the elevation of Main Street south of the crossing is close to that required to protect from the floodwaters, its elevation would be raised for approximately 800 feet of roadway, in lieu of using a sheet pile floodwall.

Flooding of the low areas around Northwood University occurs due to direct overbank flooding from the Tittabawassee River, instead of backwater from Sturgeon Creek. A series of surrounding berms would intercept this flow and prevent it from inundating the university property. Approximately 3,500 feet of earthen berms averaging 3 feet high would be constructed on the east, south and west sides of campus. The berms will be terminated into adjacent high ground.

Other ancillary items will be required for the project, including land acquisition, soil erosion and sediment control (SESC) measures, utility coordination and relocation, clearing, and restoration, as well as permitting, engineering, and program management costs.

2. **Snake Creek Area:** Mitigation measures on Snake Creek will be similar to those for Sturgeon Creek. Flood gates would be located near its crossing with Main Street along with a pump station. The pump station could be located in the northwest quadrant of the crossing.

As Main Street is largely situated above flood level, except for a sag near the creek, flood walls are not included here. Rather, Main Street would be raised for approximately 400 feet to act as a flood barrier. Reconstruction of the Orchard Drive/Emerson Park Road intersection would be necessary due to the change in grade of Main Street. Land acquisition, clearing, SESC, restoration, culvert modifications, and utility adjustments would also be required. Permitting, engineering and program management efforts would be required as well.

CONSTRUCTION COSTS AND STRUCTURES PROTECTED

Construction costs are estimated based on recent bid prices for similar work. Total costs shown include construction, land acquisition, engineering, and permitting costs, along with a contingency. Construction costs include required restoration and utility relocations. The structural, mechanical, and electrical aspects of the proposed flood gate and pump stations would require on-going operation and maintenance costs. These ongoing maintenance costs are not included in our preliminary estimate of construction costs.

The number of structures protected in each area is estimated based on City of Midland GIS structure data, differentiated by land use, and reflects a count of structures within the protection area that would otherwise be within the bounds of the floodplain.

Also, a regional/watershed study to identify feasible flood reduction improvement projects and practices for the Tittabawassee River watershed is needed for long term regional flood reduction planning and long-term sustainability. This regional study would identify and provide planning level estimates for feasible projects and practices that can be implemented over a period of several years as future funding allows. Funding to develop this regional watershed study and flood reduction capital improvement plan is included as a project cost in the table below.

Project Component	Project Cost	Estimated Structures Protected	
		Residential	Commercial
Sturgeon Creek Area	\$73,000,000	340	30
Snake Creek	\$34,000,000	260	20
Regional Flood Reduction Study	\$10,000,000	To be determined	
Total Project Cost	\$117,000,000		

To conclude, flood protection projects at the Sturgeon and Snake Creeks appear technically feasible and possible to design, permit, and construct in a reasonable timeframe. Also, a regional study to identify feasible flood reduction improvement projects and practices for the Tittabawassee River watershed is needed for long term regional flood reduction planning.

We expect that this information meets your needs at this time. Please let us know if you have any questions or need additional information.

Sincerely,



Nils W. Lindwall, P.E.
Senior Project Manager



Nicholas D. Czerwinski, P.E.
Senior Associate

SPICER GROUP, INC.

230 S. Washington Avenue
Saginaw, MI 48607
Office: (989) 754-4717
Cell: (231) 758-2893

Attachments:

Flood Protection Concept Maps
Planning Level Estimates of Cost

**PLANNING LEVEL ESTIMATE OF COST
TITTABAWASSEE RIVER FLOOD PROTECTION
PREPARED FOR MIDLAND BUSINESS ALLIANCE**

September 30, 2022

Item No.	Estimated Quantity	Unit	Description	Unit Price	Total Amount
<u>STURGEON CREEK AREA</u>					
1.	2,500.00	Lin. Ft.	Flood Protection Wall Construction Steel Sheetpile Wall Estimated Elevation set at 0.3' Below 100 HGL	\$580.00	\$1,450,000.00
2.	3,500.00	Lin. Ft.	Flood Protection Berm Construction 15' Wide Top, 2.5 to 1 Side Slopes Estimated Elevation set at 0.3' Below 100 HGL	\$150.00	\$525,000.00
3.	1.00	Lump Sum	Stormwater Pump Station 25-Year Storm ~ 1400 cfs	Lump Sum	\$35,000,000.00
4.	1.00	Lump Sum	Flood Gate System 100-Year Storm ~ 1900 cfs	Lump Sum	\$5,000,000.00
5.	1.00	Lump Sum	Bridge Modifications on Main Street/Rail Trail	Lump Sum	\$1,000,000.00
6.	800.00	Lin. Ft.	Road Modification on Main Street	\$650.00	\$520,000.00
7.	20.00	Acre	Site Clearing	\$12,000.00	\$240,000.00
8.	1.00	Lump Sum	Storm Drain System Modifications	Lump Sum	\$50,000.00
9.	40.00	Acre	Restoration	\$50,000.00	\$2,000,000.00
10.	1.00	Lump Sum	SESC Measures	Lump Sum	\$200,000.00
11.	4.00	Acre	Wetland Mitigation	\$150,000.00	\$600,000.00
12.	5.00	Acre	Land Acquisition	\$25,000.00	\$125,000.00
13.	1.00	Lump Sum	Utility Relocation	Lump Sum	\$1,200,000.00
14.	1.00	Lump Sum	Power Service	Lump Sum	\$100,000.00
15.	1.00	Lump Sum	Traffic Control	Lump Sum	\$100,000.00
16.	1.00	Lump Sum	Mobilization	Lump Sum	\$4,500,000.00
SUB TOTAL CONSTRUCTION COST-----					\$52,610,000.00
Survey, Engineering, and Design (8%)-----					\$4,208,800.00
Permitting-----					\$75,000.00
Construction Administration and Staking (7%)-----					\$3,682,700.00
Program Management (5%)-----					\$2,630,500.00
SUB TOTAL -----					\$63,207,000.00
Contingency (15%+/-)-----					\$9,793,000.00
TOTAL CONSTRUCTION ESTIMATE OF COST -----					\$73,000,000.00

**PLANNING LEVEL ESTIMATE OF COST
TITTABAWASSEE RIVER FLOOD PROTECTION
PREPARED FOR MIDLAND BUSINESS ALLIANCE**

September 30, 2022

Item No.	Estimated Quantity	Unit	Description	Unit Price	Total Amount
<u>SNAKE CREEK AREA</u>					
1.	1	Lump Sum	Stormwater Pump Station 25-Year Storm ~ 700 cfs	Lump Sum	\$18,000,000.00
2.	1	Lump Sum	Flood Gate System 100-Year Storm ~ 1100 cfs	Lump Sum	\$3,000,000.00
3.	1	Lump Sum	Bridge Revision on Main Street/Rail Trail	Lump Sum	\$500,000.00
4.	500	Lin. Ft.	Road Modication on Main Street/Orchard	\$650.00	\$325,000.00
5.	2	Acre	Site Clearing	\$10,000.00	\$20,000.00
6.	4	Acre	Restoration	\$15,000.00	\$60,000.00
7.	1	Lump Sum	SESC Measures	Lump Sum	\$60,000.00
8.	1	Acre	Wetland Mitigation	\$150,000.00	\$150,000.00
9.	4	Acre	Land Acquisition	\$25,000.00	\$100,000.00
10.	1	Lump Sum	Utility Relocation	Lump Sum	\$25,000.00
11.	1	Lump Sum	Power Service	Lump Sum	\$50,000.00
12.	1	Lump Sum	Traffic Control	Lump Sum	\$25,000.00
13.	1	Lump Sum	Mobilization	Lump Sum	\$2,000,000.00
SUB TOTAL CONSTRUCTION COST-----					\$24,315,000.00
Survey, Engineering, and Design (8%)-----					\$1,945,200.00
Permitting-----					\$50,000.00
Construction Administration and Staking (7%)-----					\$1,702,050.00
Program Management (5%)-----					\$1,215,750.00
SUB TOTAL -----					\$29,228,000.00
Contingency (15%+/-)-----					\$4,772,000.00
TOTAL CONSTRUCTION ESTIMATE OF COST -----					\$34,000,000.00

File Attachments for Item:

3. Request from the Michigan Baseball Foundation to provide additional feedback to the Michigan Department of Transportation regarding the redesign of Buttles and Indian Streets. KAIN

SUMMARY REPORT TO CITY MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Buttles and Indian Street Redesign

INITIATED BY: Michigan Baseball Foundation

RESOLUTION

SUMMARY: This resolution directs staff to work with MDOT staff and Michigan Baseball Foundation representatives to explore the potential of additional design alternatives for the redesign of Buttles and Indian Streets.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution
3. Correspondence from Michigan Baseball Foundation
4. Conceptual plans (excerpt) from July 2022 presentation by MDOT

CITY COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Jacob Kain, AICP
Director of Planning & Community Development



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

In January 2021, Midland City Council passed a resolution to support the redesign of the Buttles Street corridor from Jerome Street/M-20 to State Street from three vehicular travel lanes to a two-lane profile. This action followed an 18-month trial study from May 2018 to December 2019 conducted by the Michigan Department of Transportation (MDOT) that temporarily reduced Buttles Street from three lanes to two lanes.

The future goals for the Buttles corridor developed jointly by the City of Midland and MDOT include:

- Improve safety for motorized and non-motorized transportation users
- Encourage economic development in the corridor
- Improve inter-neighborhood connectivity and mobility
- Develop a corridor that better reflects current roadway design standards and best practices for both motorized and non-motorized uses

David Ramaker, President of the Michigan Baseball Foundation (MBF), has requested that the City provide additional feedback to MDOT regarding the redesign of Buttles and Indian Streets. Specifically, Mr. Ramaker has noted that at a recent meeting, the MBF Board of Directors discussed the current conceptual drawings for the redesigned corridor and questioned what role the City has played in providing input and direction on those designs. He further noted a desire for the City to support the following design elements:

1. Reduction of Indian Street from 3 to 2 travel lanes; and
2. Adjustment of the roadway alignment of both Buttles and Indian Streets closer to the centerline of their respective rights-of-way to provide additional space behind the curb along both the north and south sides of each reconstructed street.

MDOT presented the most recent conceptual plans for Buttles and Indian Streets at a public open house event held on July 20, 2022. Excerpts from the conceptual plans presented in July are attached. City Council will note that these conceptual plans do not depict either of the design elements identified by Mr. Ramaker as desired by the MBF.

It is staff's understanding that MDOT is currently working on updated plans for this project and that those plans will be complete in the first quarter of 2023.

A resolution directing staff to work with MDOT staff and MBF representatives to explore the potential of these design alternatives is attached for City Council consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jacob Kain", with a stylized flourish at the end.

Jacob Kain, AICP
Director of Planning & Community Development



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

BY COUNCILMAN

WHEREAS, the Michigan Department of Transportation (MDOT) has been reviewing design options for the reconstruction of the US-10 Business Route corridor in Midland since 2015; and

WHEREAS, the City of Midland is an active partner in the review process that will ultimately culminate in the reconstruction of that corridor, which includes Buttles and Indian Streets; and

WHEREAS, on January 25, 2021 City Council supported converting the three-lane vehicular traffic cross-section of Buttles Street into two lanes of vehicular traffic between Jerome Street and State Street; and

WHEREAS, on January 25, 2021 City Council further directed that City staff work with MDOT staff to address and incorporate design concerns expressed by local officials and the public, including but not limited to vehicular turning radii, intersection safety and design, turning flares/lanes, pedestrian connectivity and context sensitive design; and

WHEREAS, on November 2, 2022 David Ramaker, President of the Michigan Baseball Foundation (MBF), submitted correspondence requesting that the City of Midland provide feedback to MDOT regarding the current conceptual designs for Buttles and Indian Streets, specifically requesting that the City inquire with MDOT regarding the potential to convert the three-lane vehicular traffic cross-section of Indian Street into two lanes of vehicular traffic and to realign both Buttles and Indian Streets closer to the centerline of their respective rights-of-way;

RESOLVED, that City staff are directed to work with MDOT staff and representatives of MBF to explore the potential of these design alternatives.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

Kain, Jacob

From: Kaye, Brad
Sent: Thursday, November 10, 2022 11:25 AM
To: Ramaker, David
Cc: Kain, Jacob
Subject: RE: Buttles and Indian

Follow Up Flag: Follow up
Flag Status: Flagged

David,

I realized this morning I had not confirmed a date for this discussion with Council. We are intending to go to their meeting on November 21st. This will be the first “normal” meeting after they are sworn in on the 14th. If for any reason that causes you problems, please let me know.

C. Bradley Kaye, ICMA-CM AICP CFM

City Manager
 City of Midland
www.cityofmidlandmi.gov

From: Ramaker, David [mailto:Ramaker@loons.com]
Sent: Wednesday, November 2, 2022 10:20 AM
To: Kaye, Brad <bkaye@midland-mi.org>
Subject: Buttles and Indian

Brad

MDOT has published a number of options for the redesign of Buttles from 3 lanes to 2. The Michigan Baseball Foundation during our recent board meeting discussed those designs and their origins. Has the city participated in the process and provided input on the designs? Has the council designated a preference?

In addition, we are struggling with the lack of change on Indian. The same issues of connectivity, safety and future economic development are just as important with Indian as it was with Buttles. While the trial only occurred on Buttles the same traffic data was collected on Indian. The comparison of the two data points should be more than enough to justify the reduction of the lanes on Indian.

In our opinion, the city has a tremendous opportunity to create a sense of place and destination with the moving of the road bed. In conversations with representatives of Dow, both of our entities are prepared to support a design that accomplishes that goal.

Look forward to your response.

David

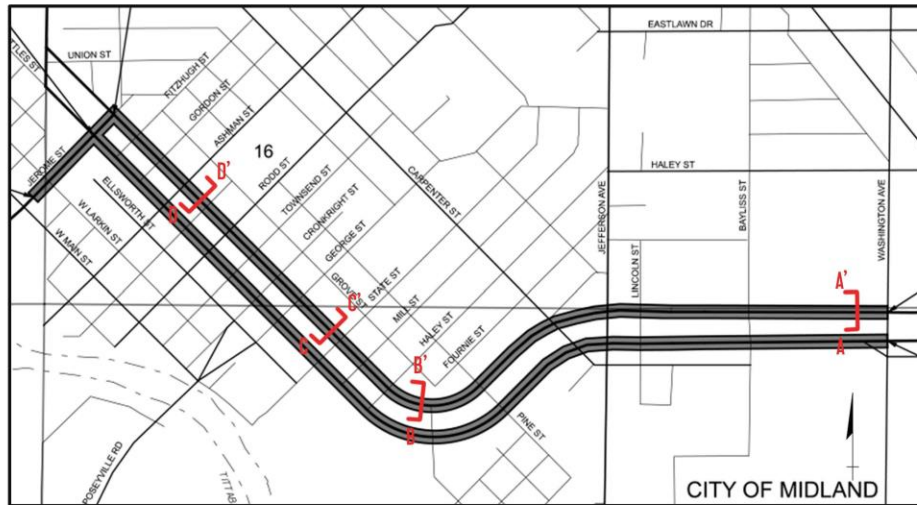


DAVID B. RAMAKER
PRESIDENT

✉ ramaker@loons.com

☎ 989.837.6121 📍 825 E. Main St. Midland, MI 48640

CROSS SECTION VIEWS FROM E INDIAN ST



SECTION B-B': View from Loons Rd to Haley Rd



SECTION C-C': View from State St to George St



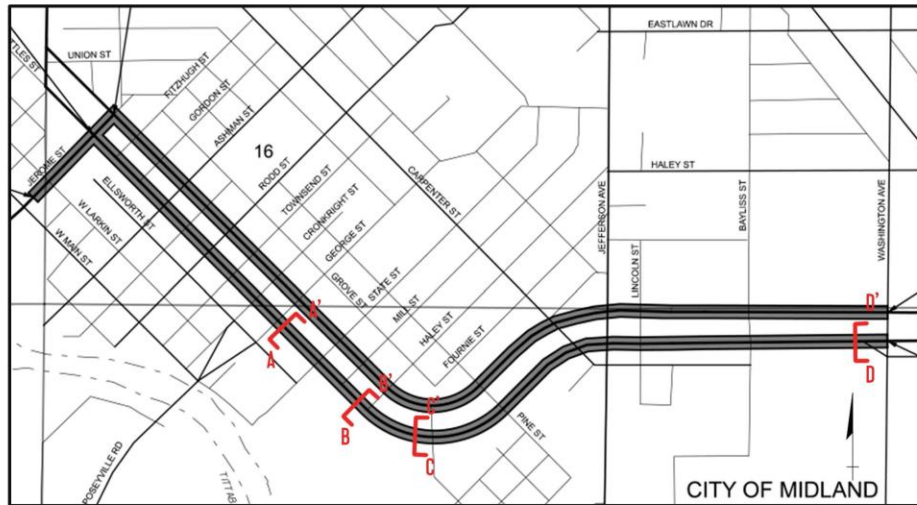
SECTION D-D': View from McDonald St to Ashman St



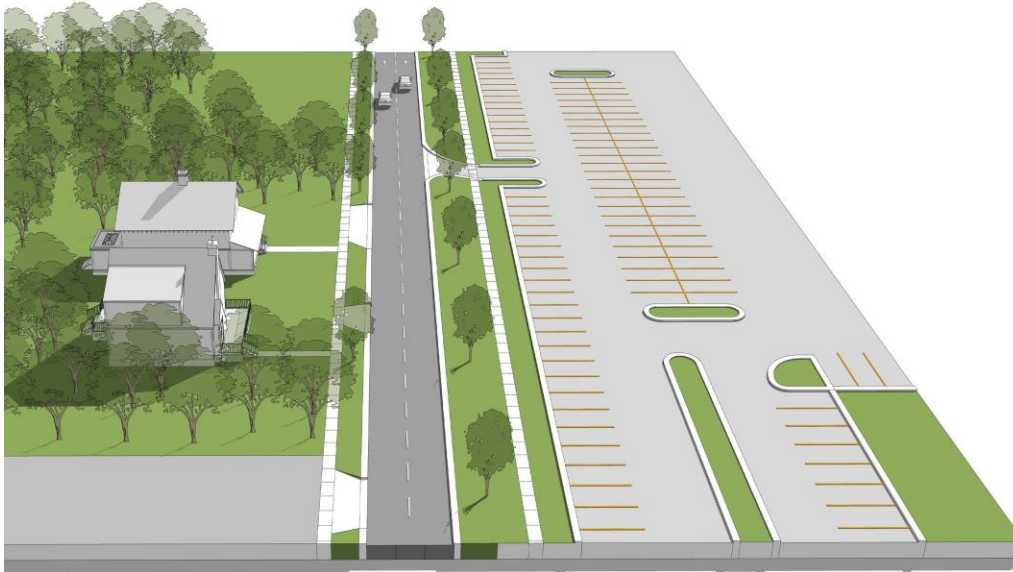
SECTION A-A': View from Washington Ave to Bayliss St



CROSS SECTION VIEWS FROM BUTTLES ST



SECTION A-A': View from George St to State St



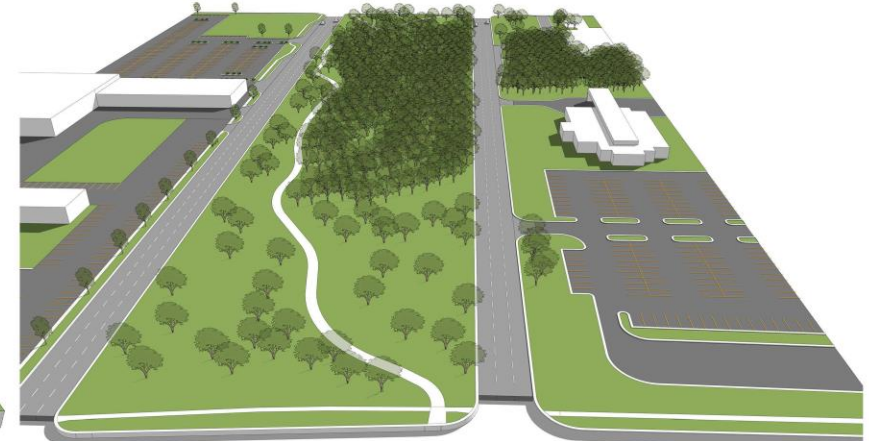
SECTION B-B': View from Mill St to Haley St

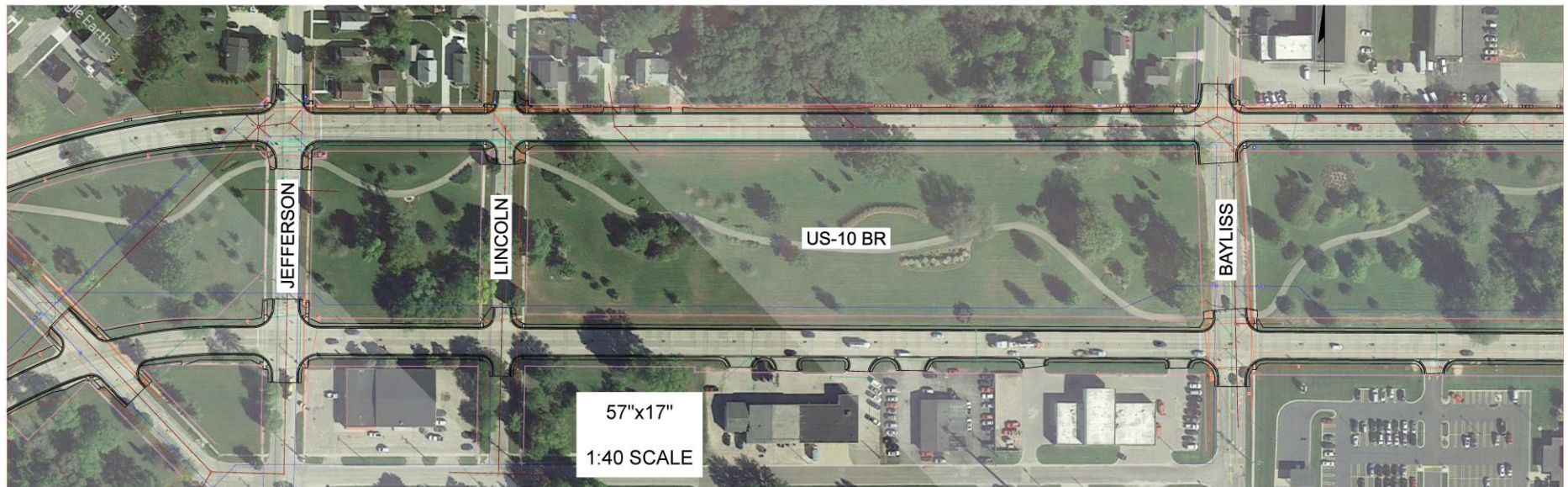


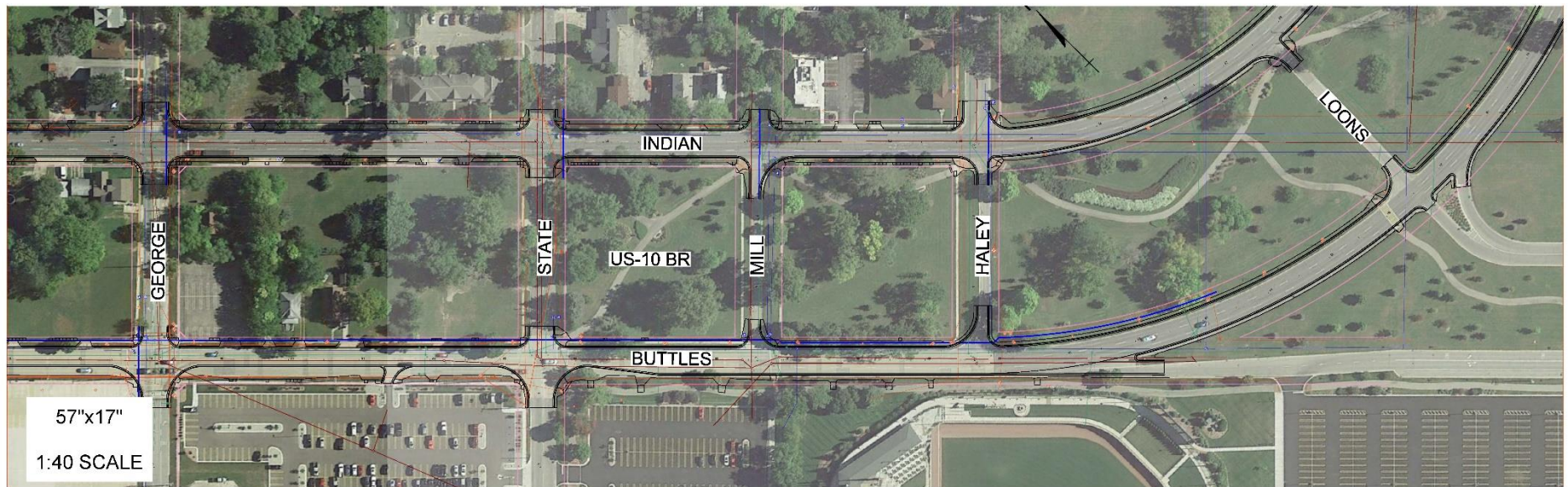
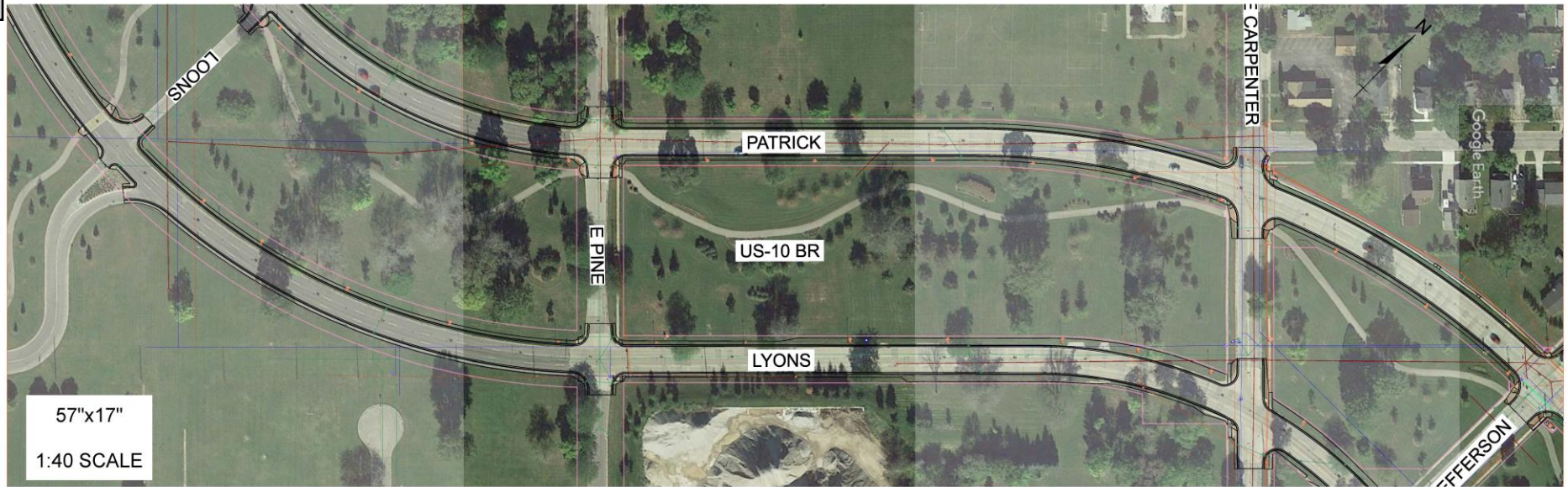
SECTION C-C': View from Haley St to Loons Rd

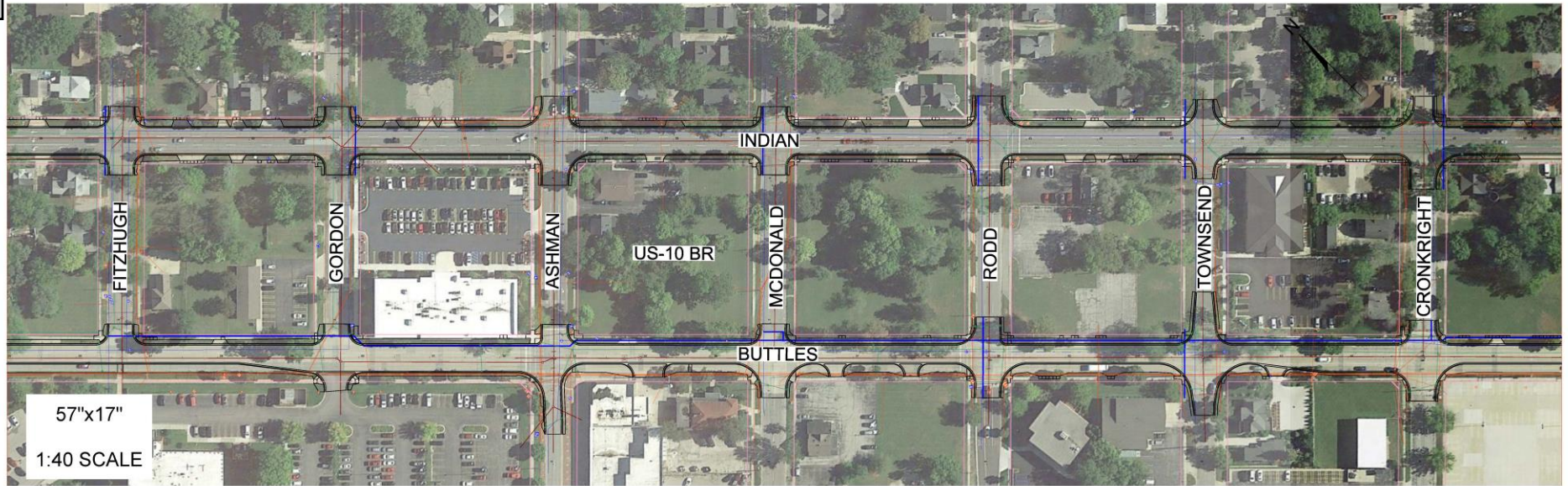


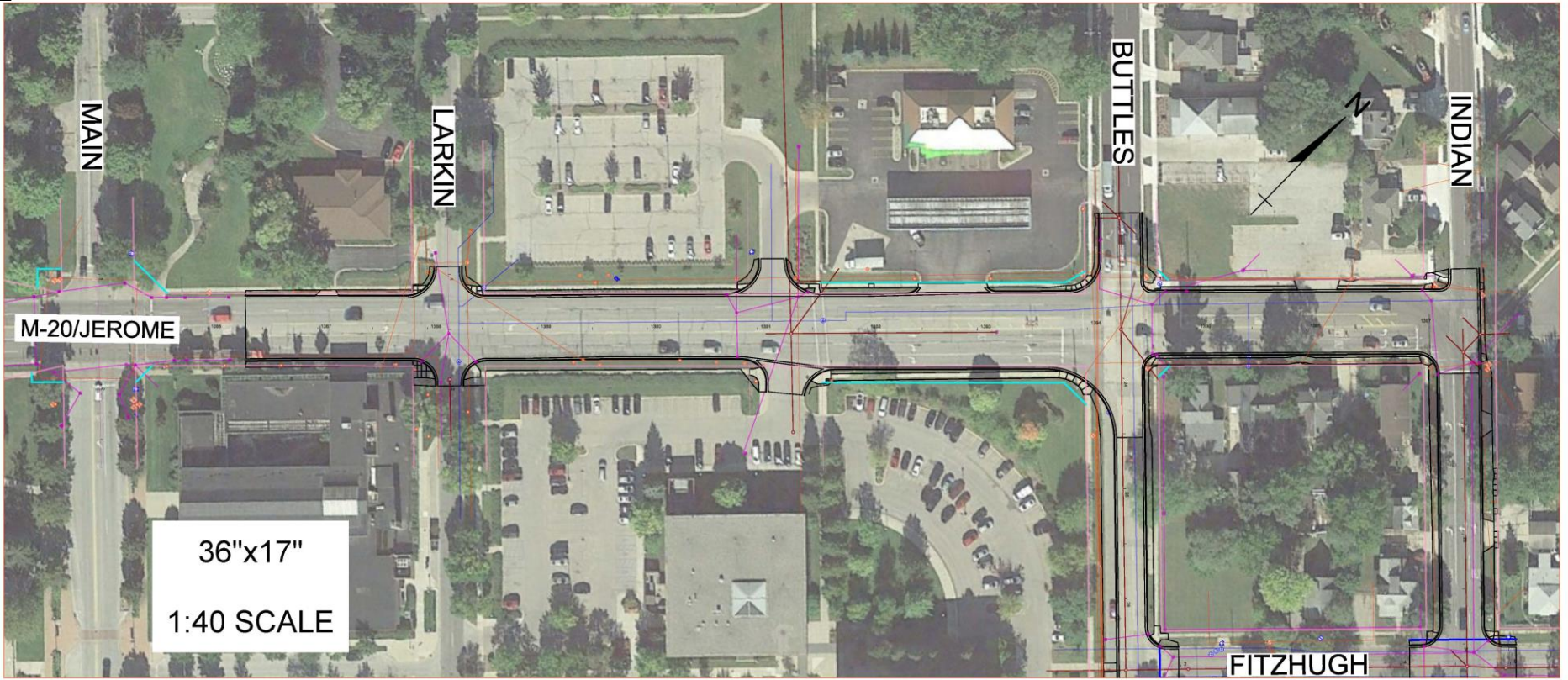
SECTION D-D': View from Bayliss St to Washington Ave











File Attachments for Item:

4. Storm Water Ordinance Overview. LEMON

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Storm Water Ordinance Overview

INITIATED BY: City of Midland Engineering Department

RESOLUTION

SUMMARY: This resolution receives the overview and presentation regarding the current City of Midland storm water ordinance.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Matt Lemon, P.E.
City Engineer



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

In light of the recent flooding issues within the City of Midland and an increased focus on the potential impacts of further development to our community, the City Council has asked staff to undertake a review of the current storm water practices in the City. In accordance with that direction, joint discussions have been held between the Engineering, Planning, Wastewater and Community Affairs departments, focusing on the current storm water ordinance, conditions and challenges across the City, and potential paths forward.

Based on those discussions, staff has determined that an establishment of a factual baseline is most beneficial at this point. The goal is to ensure all participants in the discussions fully understand the concepts of storm water and the importance and methods of handling it, in addition to understanding the current ordinance in place and what it requires within the City.

The City of Midland currently does account for storm water and has standards in place for addressing storm water in any new construction or redevelopment, with few minor exceptions. This is important due to the fact that adding impervious surface area as part of a development reduces the available space for storm water to infiltrate into the ground, and increases the amount running over the surface.

Currently, the City's ordinance requires storm water detention based on the total drainage area of a proposed development site. The volume of detention is based on engineering calculations taking into account many factors, and is based on the amount of runoff received from a five-inch rainfall within a 24-hour period. That amount of water over the drainage area is required to be detained, and can be released at a rate no greater than 0.2 cubic feet of water per second, per acre of drainage area.

A presentation will be made to City Council detailing items such as why storm water management is important, how it is typically managed, what the City's current ordinance requires, and options for potential updates to the ordinance. Based on this presentation and discussions with and among Council, the current goal is to obtain direction from Council on desired paths forward with the City's storm water ordinance. Upon receiving that direction, progress will continue over the early part of the winter to identify and present recommended regulatory changes to the ordinance within a reasonable timeframe.

Sincerely,

A handwritten signature in dark ink that reads "Matthew J. Lemon". The script is cursive and fluid, with the first name "Matthew" and last name "Lemon" clearly legible.

Matt Lemon, P.E.
City Engineer



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BY COUNCILMAN

WHEREAS, the City Engineering Department has submitted an overview and presentation of storm water processes and workings of the currently-in-place storm water ordinance in the City of Midland and of potential options for updates to said ordinance; now therefore

RESOLVED, that the overview and presentation is hereby received and filed.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

File Attachments for Item:

5. * Cable Access Advisory Commission Annual Report 2021/22. RICHARDSON

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Cable Access Advisory Commission Annual Report 2021/22

INITIATED BY: Matthew Richardson, MCTV

RESOLUTION

SUMMARY: This resolution accepts the Annual Report to City Council submitted by the Cable Access Advisory Commission for fiscal year 2021/22.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution
3. Cable Access Advisory Commission Annual Report 2021/22

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Matthew Richardson, MCTV
Manager of MCTV & Library Communications



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye,

On November 9, 2022 the Cable Access Advisory Commission (CAAC) in compliance with the duties listed in the ordinance establishing the CAAC approved the annual report for City Council. Attached please find the CAAC annual report containing details and information on the activities of the Commission during fiscal year 2021/22.

Respectfully submitted,

Matthew Richardson
Manager, MCTV Network



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BY COUNCILMAN

WHEREAS, the Cable Access Advisory Commission has submitted an annual report for fiscal year 2021/22 in accord with Article I of Chapter 15 of the Midland Code of Ordinances; and

WHEREAS, a report was submitted containing details and information on the activities of the Cable Access Advisory Commission; and

WHEREAS, the Cable Access Advisory Commission has identified in the annual report activities that are in compliance with the duties defined in the ordinance; now therefore

RESOLVED, that the 2021/22 Annual Report of the Cable Access Advisory Commission be accepted.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

**City of Midland Cable Access Advisory Commission
Annual Report FY 2021/22**

GOALS FOR 2021/22

The Commission developed and approved the following goals for the fiscal year:

- Quarterly receive a report on the status of the Cable Communications Fund.
- Quarterly receive a report on status of video franchising laws and legislation.
- Inform access users and public about the challenges and opportunities facing MCTV.
- Participate in MCTV's "Honors Night 2021."

OUTCOMES (See Addendum for Details)

- I. In the 2021/22 fiscal year, Commissioners were updated on the status of the Cable Communications Fund, including MCTV budget updates.
- II. Presentations were made showcasing the various public, school, and City of Midland video and podcast programs on the MCTV Network.
- III. The commission members were updated on the orders of the FCC, the Protecting Community Television Act (HR 6219/S 3361) and other legislative items of concern that could impact PEG Access.
- IV. Commissioners were updated on changes to MCTV services, new educational offerings, and inclusion initiatives at MCTV.

COMMISSION MEMBERS

Roy Green served as chair. Cheryl Wizda served as vice-chair. One Access User position remained vacant. Dave Dziedzic represented the Midland Public Schools. Roy Green and Cheryl Wizda represented MCTV Members on the Commission. Brandon Guiles served as an At-Large member.

Respectfully submitted,

Cable Access Advisory Commission, 2021 – 2022

Dave Dziedzic, MPS Representative

Brandon Guiles, At-Large

Cheryl Wizda, Vice-Chair, Access User

Roy Green, Chair, Access User

**City of Midland Cable Access Advisory Commission
Annual Report 2021/22**

- I.** In the 2021/22 fiscal year, Commissioners were updated on the status of the Cable Communications Fund, including MCTV budget updates.

At each CAAC meeting, commissioners are updated on the status of the Cable Communications Fund which includes the franchise fee proceeds from Charter Communications and AT&T. Franchise fees are 5% of a video service provider's gross revenue from cable TV service and is paid to the City of Midland for use of the public right-of-way.

Cable Communications Fund 2021/22 (100% Fiscal Year End, UNAUDITED)

Revenue	Budget	YTD	PCT.
Franchise Fee	650,000	614,062	94%
Taping Fees	500	395	79%
Workshops	1,000	775	78%
Access Fees	3,000	2,670	89%
Video On-Line	1,000	1,060	106%
Contributions	500	5,010	5,010%
Sponsorships	500	0	0%
Investment Earnings	1,100	-	-%
TOTAL	657,600	623,972	95%
Expenses	Budget	Year End	PCT.
TOTAL	631,645	642,804	91%

For reference, here are the unaudited numbers from 2020/21:

Cable Communications Fund 2020/21 (100% Fiscal Year End, UNAUDITED)

Revenue	Budget	YTD	PCT.
Franchise Fee	650,000	616,953	95%
Taping Fees	1,000	1,030	103%
Workshops	1,500	100	7%
Access Fees	3,000	225	8%
Video On-Line	1,500	790	53%
Contributions	500	601	120%
Sponsorships	500	0	0%
Investment Earnings	15,000	1,081	7%
TOTAL	673,000	620,780	92%
Expenses	Budget	Year End	PCT.
TOTAL	631,645	573,269	91%

II. Presentations were made showcasing the various public, school, and City of Midland video and podcast programs on the MCTV Network.

During the year, the commission learned about the variety of community produced and staff led productions that were produced for the MCTV Network. This media content is from all areas of PEG Access (Public, Education, and Government) and represents many hours of community volunteerism and staff support. Viewership and usage statistics are included in this presentation.

Selection of community content in FY 2020/21:

Kevin Davis Show - Windmill Construction	News from Midland's University
Northwood vs SVSU Women's Basketball 2/5/22	Tunes By The Tridge: The Resonators
Public Arts Midland Presents - Growing Midland	Home To Stay-Point In Time Count
Shelterhouse Is More	Suicide and Mental Health
Northwood Replay 9/30/21	Women At Risk
From A to Zig: "G" Gun Violence	Army Band Parkapalooza 9-12-21
Advance Care Planning - Making Your Medical Wishes Known	Homeless and Mental Health
Canstruction 2021	Men of Music Going for the Gold
Shining Stars Talent Show 2022	Nonviolent Peaceforce Day of Peace Pt 1
Abundant Living: Larry Fogel	USA Softball 40th Hall of Fame
Human Trafficking - Local Law Enforcement	Community Health Improvement Plan 2022
DAR Good Citizen 2021	Midland County Search & Rescue Hug-A-Tree Program
Safe and Sound Art and Advocacy 2022	Keyboard Fest 2022
Mid-Michigan Brass Band Autumn 2021	Great Lakes One Water for Life
Midland Santa Parade 2021	Broadcasts of 9 City Boards & Commissions
Flights over Little Swamp Sanctuary	Chemical City Band 6/22/22
Healthy Habitz - Understanding your Lungs	Midland Concert Band Halloween Concert 2021
Break The Chain - What you need to know	Senior Services - Embrace Your Age
Hopewell Ranch	Project Blue Light 2021
What Helps, What Hurts - Surviving a Death to Suicide	Community Hymn Sing September 2021

MCTV Network service statistics for fiscal year 2021/22:

Community Voices YouTube

74 Videos (21 LIVE Streams)
22.4k + Views
834 Subscribers

Midland Government YouTube

67 Videos
118.8k + Views
1220 Subscribers

Community Voices Podcasts

74 New Episodes
236 Total Episodes
4803 Plays

Midland Government Affairs Podcasts

57 New Episodes
141 Total Episodes
985 Plays

Community Voices on TV & Video On Demand (VOD)

161 First Run Shows
1332 VOD Views

Midland Government on TV & VOD

166 First Run Programs
95 Public Meetings Televised
20,903 VOD Views

Midland Public Schools TV

33 First Run Shows
1434 VOD Views
13 Sports
14 MPS Board of Ed

Midland Public Schools YouTube

Only MCTV Staff led Productions
3,519 Views (MCTV Sports)

Workshop Attendees

32 Graduates
16 Video Campers

Membership

1974 Hours Volunteered
38 Volunteers
139 Active Users & Organizations

III. The commission members were updated on the Federal Communications Commission (FCC) and other federal/state items of concern that could impact Public Education Governmental (PEG) Access.

The pandemic and election season caused a quiet period at the federal and state level in regards to any bills/measures that could impact the operation of PEG facilities. The new administration has different priorities than the previous regarding FCC's oversight of cable operations and rules regarding franchise fees. The FCC is currently undergoing changes to the commission that may impact PEG facilities in the coming months or years.

The **Protecting Community Television Act (HR 6219/S 3361)** was re-introduced into congress and is supported by the National Alliance for Community Media.

Why this Legislation is Needed

The FCC's 2019 Franchise Fee Order redefines the federal Cable Act's 5% franchise fee to include the value of most non-monetary franchise obligations as franchise fees. This change allows cable companies to reduce what they pay for the use of public property and rights-of-way. The Protecting Community Television Act (HR 6219/S 3361) corrects this error by clarifying franchise fees are only monetary.

Background

The Cable Act protects the rights of a local community to charge cable companies a five (5%) percent franchise fee and to meet community needs and interests, such as providing public, educational and governmental channel capacity. Contrary to industry practices that date to the 1980s, the FCC's actions could result in reducing cable operators' monetary compensation to towns and municipalities that wish to communicate with residents through community television. The FCC Order could force communities to choose between franchise fees or communicating with residents through community media that provide Americans with local civic, public safety and public health content.

The Protecting Community Television Act ((HR 6219/S 3361) clarifies that only monetary payments, not non-monetary franchise obligations, qualify as Cable Act franchise fees and are subject to a fee cap. Without it, a cable operator could create fees to drain away municipal revenues and pressure municipalities to give up or de-staff channels.

The bill is authored by Senators Ed Markey (MA) and Tammy Baldwin (WI). Rep. Anna Eshoo (CA) and Pete DeFazio (OR) are the House authors. As of March 21, the bill has 15 co-sponsors in the Senate and 33 co-sponsors in the House.

IV. Commissioners were updated on changes to MCTV services and new educational offerings.

MCTV underwent a number of technological advancements, including the addition of an Amazon Fire TV app for Over the Top streaming and the Cablecast Community Media mobile app for streaming on iOS and Android mobile devices. This is in addition to the live streaming and video-on-demand on ROKU, Apple TV, and through MCTV's website.

MCTV applied for and received a \$5000 grant from Mary Currie as an inclusion and equity grant for the use of MCTV services. The intent is to remove financial barriers to the use of MCTV to help foster a more diverse and robust community media in Midland. The \$25 access user fee, \$20 workshop fee and \$10 YouTube or podcast fee can all be covered by this grant money. The grant program will officially begin on July 1, 2022.

At the end of the fiscal year, MCTV purchased brand new camcorders, editing computers and shared network storage for community producers.

Highlights presented to the CAAC:

- Community Voices App for 24/7, live & on-demand access to MCTV programming now available on ROKU, Apple TV, Amazon Fire Stick & Fire TV devices.
- MCTV releases Cablecast community Media app for mobile devices
- Staff host week long media creation camp for Midland residents 12 – 17 years old. Campers learn all aspects of creating digital media in this camp. MCTV partners with the Library, Dow Gardens, and Whiting Forest staff to participate in this program.
- Staff hosts Sports Broadcasting Camp for teens. This was a weeklong camp that teaches campers how to produce live coverage of sporting events. Week included training, interviews, tours and lessons from ESPN commentators, Dow Diamond video staff, coaches and others. Camp culminated in campers creating a LIVE broadcast of a Great Lakes Loons baseball game.
- MCTV Staff & Volunteers are recognized in a regional video competition hosted by the Central States Alliance for Community Media. Among the award winners:
 - ▶ **Sports Coverage – Professional Division Winner**
MCTV Volunteers & Staff - “MCTV Sports: MHS vs DOW Hockey”
 - ▶ **Sports Entertainment & Talk Show – Professional Division Finalist**
MCTV Volunteers & Staff – “Northwood Replay: Coach Talk”
- Within Covid-19 measures, MCTV made facilities, services, and workshops available to the public. The cable commission was updated regularly on changes to hours or operations.
- CAAC: Roy Green served as chair. Cheryl Wizda served as vice-chair. One Access User position remained vacant. Dave Dziedzic represented the Midland Public Schools. Roy Green and Cheryl Wizda represented MCTV Members on the Commission. Brandon Guiles was served as an At-Large member.

File Attachments for Item:

6. * Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Annual Report. SCHWARZ

SUMMARY REPORT TO MANAGER
For City Council Meeting of November 21, 2022

SUBJECT: Saginaw-Midland Municipal Water Supply Corporation 2021-2022
Annual Report

INITIATED BY: Water Department

RESOLUTION

SUMMARY: This resolution receives and files the 2021-2022 Annual Report for the
Saginaw-Midland Municipal Water Supply Corporation.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution
3. 2021-2022 Annual Report – Saginaw-Midland Municipal Water Supply
Corporation

COUNCIL ACTION:

1. 3/5 vote required to approve resolution.

Peter Schwarz
Director of Water Services



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:


The annual report received by the City reflects operations and financial data of the Saginaw-Midland Municipal Water Supply Corporation (SMMWSC) for the fiscal year beginning July 1, 2021, and ending June 30, 2022.

The Saginaw-Midland Municipal Water Supply Corporation was formed and began operations in 1948, operating as a non-profit entity pursuant to Act No. 233 of Michigan Public Acts of 1955, as amended. The Corporation was established to be a supplier of bulk Lake Huron water to its owners, the City of Saginaw and the City of Midland, as well as to other communities along the pipeline route. A board of equal representation from the cities of Saginaw and Midland governs the Corporation.

Corporate Highlights in the report include History, Financial Data, Water Testing, Operations, and Legislation, Research and Development, with supporting data on pages 1 through 20 providing further insight into the operations of the Corporation.

A 3/5 vote of approval is required to receive and file the report with the City Clerk.

Sincerely,



Peter Schwarz
Director of Water Services



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BY COUNCILMAN

RESOLVED, that the Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Annual Report be received and filed in the office of the City Clerk.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

2021-2022

ANNUAL REPORT



- Plant Locations -

JUNCTION PUMPING
PLANT
Bay City

PINCONNING PUMPING
PLANT
Pinconning

WHITESTONE PUMPING
PLANT
AuGres

Saginaw-Midland Municipal Water Supply Corporation

BOARD OF TRUSTEES

CHAIRMAN
CARL Coons
Midland

VICE-CHAIRMAN
THOMAS DARNELL
Saginaw

TRUSTEES

PAUL REINSCH
Saginaw

BRAD KAYE
Midland

TIM MORALES
Saginaw

WILLIAM LAUDERBACH
Midland

I N D E X

Corporate Highlights

OPERATIONS

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Improvement and Emergency Repair Fund	20

2021-2022 ANNUAL REPORT

CORPORATE HIGHLIGHTS

HISTORY

The Saginaw-Midland Municipal Water Supply Corporation (Corporation) was organized in 1946 under Michigan Public Act 130 of 1945 and operates under Act 233 of Michigan Public Acts of 1955, as a non-profit municipal corporation providing raw Lake Huron water to its owners: the City of Saginaw and the City of Midland. The Corporation is classified as a Michigan "Type I Public Water Supply" and is therefore required to operate within the rules and regulations set forth under Michigan's Safe Drinking Water Act 399 P.A. 1976, as amended. The Corporation, with its trained professional staff, who has been tested and licensed by the Michigan Department of Environment, Great Lakes and Energy, provides limited treatment and basic disinfection of the lake water in preparation for transmission to its owners. Municipal raw water service is provided to seven (7) cities or communities along Saginaw-Midland's main pipeline routes who have entered into long-term wholesale contracts with the Corporation. The Corporation has been providing dependable and reliable high-quality raw water service to its owners and customers for over seventy-one (72) years under a successful "partnership-for-the-common-good" philosophy.

FINANCIAL

Income from water sales to the Corporation's commercial wholesale raw water customers, which include Linwood, Standish, Omer, Au Gres, Sims-Whitney Water Authority, the Saginaw Chippewa Indian Tribe-Saganing and Bay County, amounted to \$682,463 during 2021-2022, and was credited to the Cities of Saginaw and Midland. The total volume of water sales to these customers aggregated 3046.84 million gallons. A Wholesale Water Rate Study was performed in 2021. Raw water rates were increased to \$0.68 per 1,000 gallons. Agreements with all wholesale water customers are in force and remain up-to-date.

The Cities of Saginaw and Midland continued to contribute to the Corporation's Improvement & Emergency Repair Fund (I&ER) at a funding level of \$0.03 per thousand gallons delivered. The I&ER fund had an end of year balance of \$2,945,734.

The Corporation engaged the services of Yeo & Yeo, Inc., Certified Public Accountants, to provide its 2021-2022 annual audit. In their opinion, the audit report presents fairly, in all material respects, the financial position of the Corporation and the results of its operations and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States. The audit included a Management Discussion and Analysis section. Copies of the audit are available upon written request.

In 2006 the Corporation established a trust to address current and future retiree health care costs and to reduce its accrued retiree health care liability. The trust provides a method of accumulating assets for retiree health care benefits and allows the assets to be invested in a broad range of equity markets. In 2020, the Corporation hired the firm of CBiz Benefits & Insurance Services, Inc. to provide an updated Post Retirement Health Care Actuarial Valuation. The valuation showed that the funding ratio has favorably increased. The report also provided the Corporation with updated annual contribution rates, which took effect in July of 2020. The Corporation continues to fund the trust as recommended in the valuation.

WATER TESTING

Results of continuing raw-water testing programs by the Saginaw-Midland Municipal Water Supply Corporation and the Michigan Department of Environmental Quality indicate that the raw water quality remains very high and well within the standards as established by the

Michigan Safe Drinking Water Act 399, P.A. 1976 as amended. The State laboratory tested for metals, volatile organic substances, trihalomethanes, and a variety of automated partial chemistries.

Chlorine was used as the raw water disinfectant during 2021-2022 with 183,290 pounds of chlorine added to 17,738.69 million gallons of water. Overall, the average chlorine application rate was 1.25 ppm. An approved DPD Colorimetric method was used to determine the free chlorine residual. Saginaw-Midland personnel also conducted regular turbidity measurements of incoming raw water. The average water turbidity for 2021-2022 was 0.83 NTUs with a maximum turbidity level recorded being 86.6 NTUs. Automated raw water analytical instruments were also operational and they provided data on temperature, pH, and conductivity.

Laboratory analysis of both raw and chlorinated water was conducted at the Whitestone Point facility on a daily basis. Taste and odor evaluations were undertaken once per day. Alkalinity testing was also performed daily in the laboratory using titration methodology. Raw and chlorinated samples were sent via courier to Saginaw's laboratory each weekday for bacteriological analysis. Total organic carbon (TOC) sampling and testing occurred on a quarterly basis. The TOC testing is coordinated with both the City of Saginaw and City of Midland so they can test similar water once it arrives at their plants a few days later.

OPERATIONS

Employment levels remained at 13 employees. In 2020 a labor contract was negotiated with the Corporation's unionized employees that operate the Whitestone Plant. The agreement reached with the Employee's Union is a three-year contract covering 2021 through 2023 calendar years. The contract positions the Corporation to meet both its short-term and long term financial goals, while maintaining a competitive compensation and benefit package.

LEGISLATION, RESEARCH & DEVELOPMENT

The twelve (12) member Water Advisory Committee (WAC), a group of technically competent, interested individuals from the community, industry, academia and water-related municipal management, was formed by and reports to the Corporation's Board. The purpose of this committee is to take under consideration, in an organized way, various subjects of interest or concern to the partner cities in the field of water supply. The Committee meets monthly and is in its 46th year of providing this valuable volunteer service to the Corporation. The Water Advisory Committee's projects include the studying of the raw water quality at the Lake Huron source, evaluating promulgated legislation and its effect on the Corporation, researching the treatability of the Lake Huron water supply through the use of a variety of pilot filter and processing plants along the Corporation's pipeline routes.

ANNUAL PUMPAGE

	<u>MG to</u> <u>Saginaw</u>	<u>% Water</u> <u>Pumped</u>	<u>MG to</u> <u>Midland</u>	<u>% Water</u> <u>Pumped</u>	<u>Combined</u> <u>MG (S&M)</u>
1949	4,391.31	54.07%	3,730.70	45.93%	8,122.01
1950	4,458.40	51.85%	4,139.89	48.15%	8,598.29
1951	4,570.58	48.11%	4,930.54	51.89%	9,501.12
1952	4,902.18	50.81%	4,745.25	49.19%	9,647.44
1953	5,533.76	53.61%	4,788.28	46.39%	10,322.04
1954	5,736.30	55.16%	4,662.44	44.84%	10,398.74
1955	6,052.89	54.13%	5,129.01	45.87%	11,181.90
1956	5,707.81	51.40%	5,396.10	48.60%	11,103.91
1957	5,586.44	51.58%	5,243.71	48.42%	10,830.15
1958	5,967.68	53.41%	5,204.81	46.59%	11,172.49
1959	6,479.00	52.20%	5,931.71	47.80%	12,410.71
1960	6,818.98	53.56%	5,911.90	46.44%	12,730.88
1961	5,574.79	49.29%	5,734.73	50.71%	11,309.52
1962	6,088.87	50.19%	6,042.82	49.81%	12,131.69
1963	7,061.87	52.60%	6,364.02	47.40%	13,425.89
1964	7,442.35	51.61%	6,978.80	48.39%	14,421.15
1965	8,052.60	53.19%	7,086.60	46.81%	15,139.20
1966	8,480.87	53.69%	7,313.87	46.31%	15,794.74
1967	8,910.55	53.49%	7,746.65	46.51%	16,657.20
1968	9,267.75	52.57%	8,362.85	47.43%	17,630.60
1969	9,628.70	53.91%	8,230.45	46.09%	17,859.15
1970	9,633.80	53.76%	8,255.50	46.07%	17,919.30
1971	10,921.10	57.65%	8,023.50	42.35%	18,944.60
1972	10,646.15	57.26%	7,945.75	42.74%	18,591.90
1973	10,773.97	56.27%	8,373.97	43.73%	19,147.94
1974	10,097.46	56.10%	7,900.87	43.90%	17,998.33
1975	10,857.10	59.60%	7,360.06	40.40%	18,217.16
1976	11,366.24	58.69%	8,000.33	41.31%	19,366.57
1977	11,514.91	58.98%	8,008.23	41.02%	19,523.14
1978	11,662.95	60.44%	7,633.31	39.56%	19,296.26
1979	11,617.41	60.12%	7,704.87	39.88%	19,322.28
1980	10,598.80	60.14%	7,025.47	39.86%	17,624.27
1981	10,630.96	59.72%	7,169.76	40.28%	17,800.72
1982	10,380.19	61.37%	6,533.47	38.63%	16,913.66
1983	10,196.40	61.11%	6,489.94	38.89%	16,686.34
1984	10,644.95	61.89%	6,555.62	38.11%	17,200.57
1985	11,103.36	62.88%	6,554.31	37.12%	17,657.67
1986	10,904.35	61.69%	6,771.81	38.31%	17,676.16
1987	11,390.03	61.65%	7,085.37	38.35%	18,475.40
1988	11,494.14	60.94%	7,367.44	39.06%	18,861.58
1989	10,473.13	59.07%	7,257.58	40.93%	17,730.71
1990	10,085.77	55.84%	7,977.37	44.16%	18,063.14
1991	9,945.24	56.10%	7,782.82	43.90%	17,728.06
1992	9,600.24	56.03%	7,534.92	43.97%	17,135.16
1993	9,831.01	57.31%	7,322.74	42.69%	17,153.75
1994	10,243.89	57.27%	7,643.40	42.73%	17,887.29
1995	10,044.13	55.15%	8,167.64	44.85%	18,211.77

ANNUAL PUMPAGE

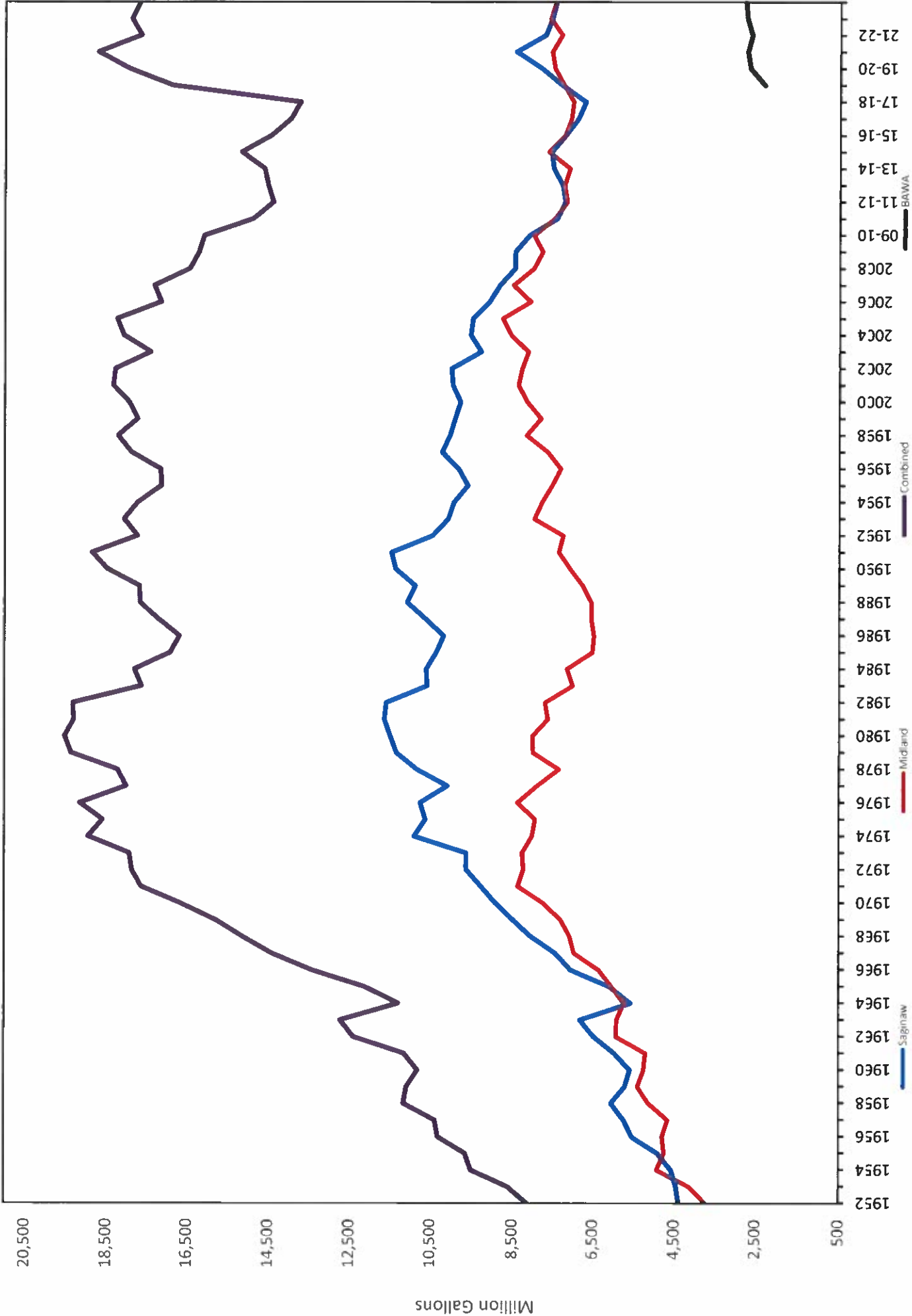
	<u>MG to</u> <u>Saginaw</u>	<u>% Water</u> <u>Pumped</u>	<u>MG to</u> <u>Midland</u>	<u>% Water</u> <u>Pumped</u>	<u>Combined</u> <u>MG (S&M)</u>
1996	9,918.50	55.94%	7,812.47	44.06%	17,730.97
1997	9,787.32	54.57%	8,147.99	45.43%	17,935.31
1998	9,974.71	54.40%	8,362.50	45.60%	18,337.21
1999	10,009.24	54.74%	8,275.84	45.26%	18,285.08
2000	9,270.59	53.28%	8,127.87	46.72%	17,398.46
2001	9,531.43	52.74%	8,541.14	47.26%	18,072.57
2002	9,480.55	51.99%	8,756.14	48.01%	18,236.69
2003	9,079.48	52.95%	8,068.08	47.05%	17,147.56
2004	8,829.22	50.99%	8,486.82	49.01%	17,316.04
2005	8,456.40	51.41%	7,991.34	48.59%	16,447.74
2006	8,448.97	52.09%	7,772.30	47.91%	16,221.27
2007	8,104.77	50.35%	7,993.44	49.65%	16,098.21
2008	7,419.01	49.81%	7,476.60	50.19%	14,895.61
2009	7,224.34	50.16%	7,178.63	49.84%	14,402.97
09-10	7,291.35	50.17%	7,241.54	49.83%	14,532.89
10-11	7,510.65	51.36%	7,111.81	48.64%	14,622.46
11-12	7,559.11	49.77%	7,628.53	50.23%	15,187.64
12-13	7,217.45	49.93%	7,236.78	50.07%	14,454.23
13-14	6,894.42	49.35%	7,074.83	50.65%	13,969.25
14-15	6,712.91	48.88%	7,020.86	51.12%	13,733.77
15-16	7,305.20	50.16%	7,258.66	49.84%	14,563.86
16-17	7,808.92	51.07%	7,482.44	48.93%	15,291.36
17-18	8,425.26	52.72%	7,556.77	47.28%	15,982.03
18-19	7,717.14	51.37%	7,304.25	48.63%	15,021.39
19-20	7,551.22	49.87%	7,591.08	50.13%	15,142.30
20-21	7,445.06	49.96%	7,458.36	50.04%	14,903.42
21-22	7,420.51	50.51%	7,271.34	49.49%	14,691.85

% Share of Pumpage as per Ownership Ratio:

53.49%

46.51%

Saginaw-Midland Municipal Water Supply Corporation
Annual Flows



DAILY PUMPING RECORD

	MG to Saginaw		MG to Midland		MG to BAWA		Recorded at Meter Vaults	
	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>
1949	12.03	17.07	10.22	12.47			22.25	28.49
1950	12.22	17.88	11.34	14.39			23.56	31.50
1951	12.52	19.35	13.51	19.10			26.03	35.30
1952	13.43	23.63	13.00	17.47			26.43	39.70
1953	15.16	23.62	13.12	18.96			28.28	42.33
1954	15.72	26.33	12.77	19.66			28.49	42.29
1955	16.59	25.25	14.05	20.38			30.64	42.54
1956	15.64	22.33	14.78	20.13			30.42	42.11
1957	15.30	23.33	14.37	19.66			29.67	41.60
1958	16.35	23.70	14.26	20.24			30.61	43.94
1959	17.75	28.09	16.25	21.59			34.00	49.68
1960	18.68	27.72	16.20	22.10			34.88	49.44
1961	15.27	25.39	15.71	20.76			30.98	46.15
1962	16.68	24.83	16.56	24.18			33.24	49.41
1963	19.34	28.00	17.44	23.87			36.78	49.70
1964	20.33	28.32	19.07	23.80			39.51	50.55
1965	22.06	28.55	19.42	24.40			41.48	50.70
1966	23.23	28.20	20.04	24.05			43.27	50.27
1967	24.41	36.90	21.22	32.05			45.64	65.90
1968	25.32	37.10	22.85	30.10			48.30	67.20
1969	26.38	39.00	22.55	31.05			48.93	69.60
1970	26.48	44.60	22.62	31.40			49.09	73.60
1971	29.92	43.80	21.98	33.30			51.90	72.70
1972	29.07	43.40	21.72	33.20			50.94	75.80
1973	29.52	46.08	22.94	35.59			52.46	78.71
1974	27.66	47.87	21.65	39.80			49.31	67.72
1975	29.75	45.51	20.16	32.74			49.91	76.33
1976	31.05	45.83	21.86	33.96			53.06	76.24
1977	31.55	44.89	21.94	33.82			53.49	74.96
1978	31.95	46.53	20.91	30.45			52.87	76.51
1979	31.83	46.20	21.10	30.31			52.94	76.51
1980	28.95	43.14	19.19	27.98			48.29	69.74
1981	29.12	43.80	19.62	29.56			48.77	70.15
1982	28.46	45.95	17.89	35.27			46.34	64.58
1983	27.92	43.60	17.63	29.73			45.72	67.23
1984	29.06	44.83	17.90	29.21			47.12	74.04
1985	30.40	47.59	17.95	29.83			48.38	76.23
1986	29.85	40.72	18.53	27.72			48.43	61.38
1987	31.18	46.02	19.39	38.32			50.62	80.27
1988	31.49	51.25	20.18	40.42			51.68	90.39
1989	28.69	45.46	19.88	34.16			48.58	78.04
1990	27.63	40.90	21.86	35.57			49.49	73.22
1991	27.23	47.21	21.31	37.23			48.57	76.00
1992	26.28	39.28	20.62	36.37			46.95	72.67
1993	26.85	39.78	20.00	32.41			47.00	72.09
1994	28.07	44.11	21.10	33.15			49.01	75.73
1995	27.50	49.30	22.36	39.03			49.90	85.49
1996	27.08	44.75	21.34	36.91			48.58	80.96
1997	26.82	48.92	22.31	40.76			49.14	82.43

DAILY PUMPING RECORD

	MG to Saginaw		MG to Midland		MG to BAWA		Recorded at Meter Vaults	
	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>	<u>Avg. Day</u>	<u>Max. Day</u>
1998	27.30	44.35	22.89	40.25			50.24	81.65
1999	27.41	39.67	22.65	37.75			50.10	74.32
2000	25.32	41.94	22.20	37.10			47.67	76.21
2001	26.14	45.14	23.37	40.84			49.51	82.50
2002	25.95	41.76	23.97	38.79			49.96	70.95
2003	24.88	39.00	22.10	37.05			46.98	70.44
2004	24.46	35.39	23.45	37.44			47.44	70.83
2005	23.50	34.88	22.14	41.63			45.06	74.98
2006	23.12	35.67	21.27	42.26			44.44	75.32
2007	22.19	40.48	21.90	42.99			44.10	80.49
2008	20.27	29.04	20.42	38.02			40.81	64.38
2009	18.94	30.14	17.89	33.32			39.46	63.46
09-10	19.62	28.55	18.59	37.37			39.82	64.01
10-11	20.53	34.10	19.45	36.16			40.06	67.82
11-12	20.36	38.40	20.61	35.45			41.50	75.24
12-13	19.77	38.44	19.83	41.61			39.60	75.45
13-14	18.89	30.02	19.38	36.82			38.27	65.11
14-15	18.92	26.34	19.24	34.51			38.16	57.11
15-16	19.95	33.68	19.84	39.55	6.90	12.70	46.69	80.49
16-17	21.39	34.72	20.50	40.38	7.30	13.40	49.19	83.51
17-18	23.08	37.33	20.70	38.09	7.49	13.10	51.27	79.54
18-19	21.14	36.48	20.01	36.72	7.19	13.00	48.34	79.59
19-20	20.63	36.00	20.74	38.80	7.50	15.00	48.87	80.54
20-21	20.40	33.87	20.43	38.85	7.60	14.00	48.43	79.69
21-22	20.33	35.29	19.92	36.48	7.72	12.00	47.97	75.03

* Reflects January - June Flows

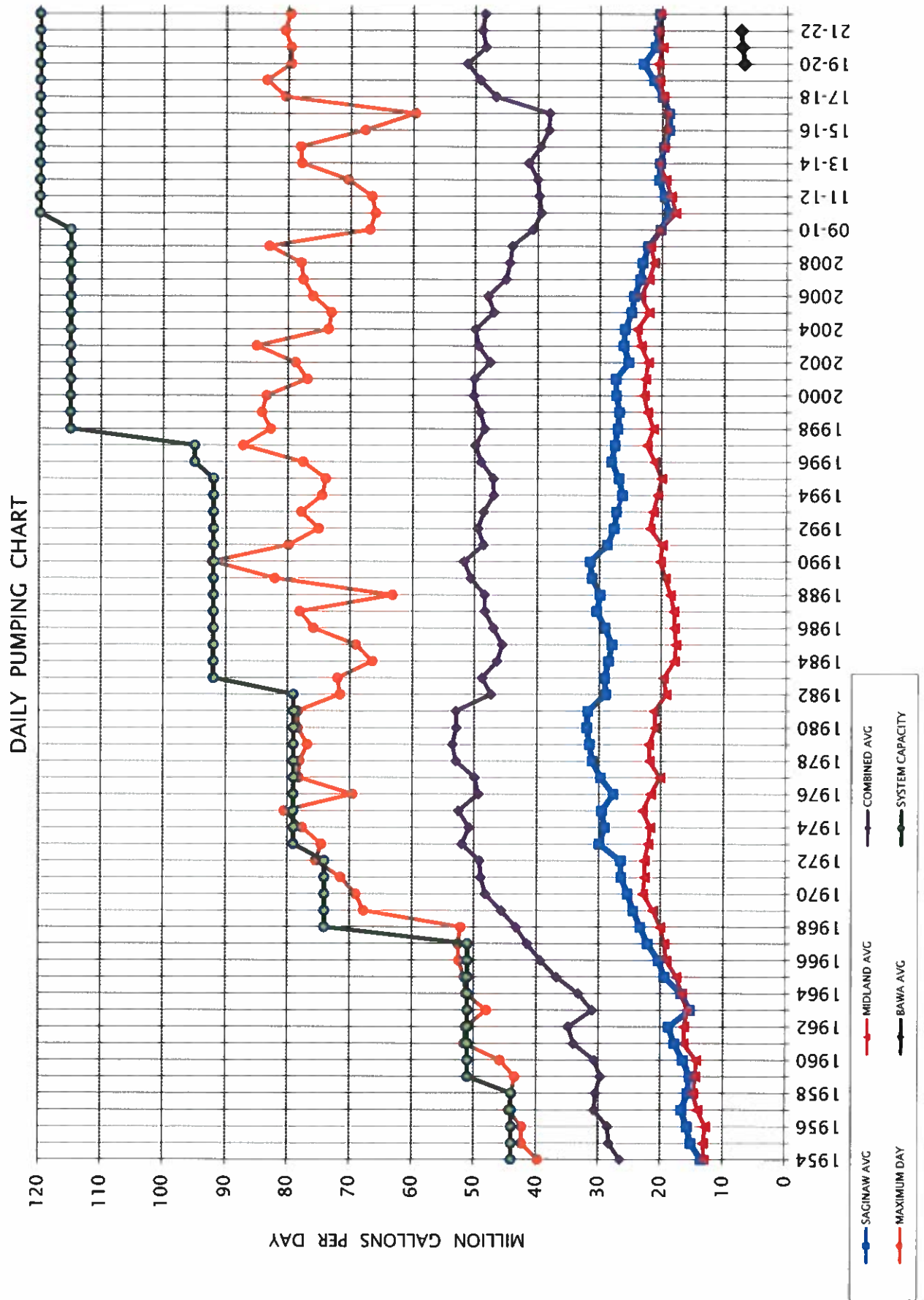
Maximum Day pumpage records do not include water pumped from raw water reservoirs at Saginaw and Midland required to meet maximum day's requirements. The maximum day does include Bay County, but not the other wholesale customers.

MONTHLY AVERAGE

DAILY CONSUMPTION AS METERED AT JUNCTION STATION

2021-2022 FISCAL YEAR

	<u>AVERAGE DAILY USE</u>				<u>MAXIMUM DAILY USE</u>			
	<u>Saginaw</u>	<u>Midland</u>	<u>BAWA</u>	<u>Meter Vaults</u>	<u>Saginaw</u>	<u>Midland</u>	<u>BAWA</u>	<u>Meter Vaults</u>
July	25.74	23.52	8.94	58.20	35.29	35.46	11.00	75.03
August	24.17	23.47	9.55	57.19	29.79	34.19	12.00	68.22
September	20.60	19.43	8.27	48.29	24.08	34.40	11.00	64.85
October	18.58	18.28	7.23	44.09	21.74	29.52	10.00	58.26
November	17.21	18.17	6.83	42.21	18.77	29.29	9.00	53.90
December	17.29	18.09	6.77	42.15	19.26	29.32	8.00	53.72
January	18.35	20.06	7.03	45.44	21.17	28.69	8.00	54.46
February	18.54	19.06	7.04	44.63	20.82	28.67	8.00	54.16
March	17.94	18.29	7.00	43.22	19.83	28.77	8.00	54.08
April	19.02	17.95	6.87	43.84	23.61	28.64	8.00	53.88
May	21.07	19.14	8.00	48.21	25.69	32.60	11.00	62.75
June	25.32	23.49	9.07	57.88	29.21	36.48	12.00	73.39



MILLION GALLONS METERED

2021-2022 FISCAL YEAR

	<u>Saginaw</u>	<u>Midland</u>	<u>Total Sag & Mid</u>	<u>Small Wholesale Customers</u>	<u>Bay County</u>	<u>Metered W.S. Station</u>
July	797.98	729.13	1,527.11	24.65	277.00	1,828.76
August	749.29	727.65	1,476.94	22.36	296.00	1,795.30
September	617.92	582.87	1,200.79	19.22	248.00	1,468.01
October	576.09	566.76	1,142.85	16.37	224.00	1,383.22
November	516.16	545.17	1,061.33	16.75	205.00	1,283.08
December	535.95	560.82	1,096.77	17.75	210.00	1,324.52
January	568.79	621.79	1,190.58	14.55	218.00	1,423.13
February	519.04	533.70	1,052.74	17.84	197.00	1,267.58
March	556.00	566.86	1,122.86	16.77	217.00	1,356.63
April	570.63	538.46	1,109.09	17.41	206.00	1,332.50
May	653.12	593.34	1,246.46	20.07	248.00	1,514.53
June	<u>759.54</u>	<u>704.79</u>	<u>1,464.33</u>	<u>25.10</u>	<u>272.00</u>	<u>1,761.43</u>
TOTALS	7,420.51	7,271.34	14,691.85	228.84	2,818.00	17,738.69
Average Day	20.33	19.92			7.72	47.97

WATER SOLD TO WHOLESALE CUSTOMERS

2021-2022 FISCAL YEAR

MILLION GALLONS

	<u>SIMS</u>	<u>LINWOOD</u>	<u>STANDISH</u>	<u>OMER</u>	<u>AUGRES</u>	<u>SAGANING</u>	<u>BAY CTY</u>	<u>TOTAL</u>	<u>REVENUE</u>
July	8.802	2.280	6.925	0.960	4.631	1.047	277.000	301.645	\$66,179
August	7.652	2.140	6.579	0.950	4.024	1.010	296.000	318.355	\$67,731
September	6.163	1.650	6.105	0.810	3.511	0.978	248.000	267.217	\$58,011
October	4.487	1.490	5.672	0.690	3.048	0.987	224.000	240.374	\$52,323
November	3.789	1.710	6.493	0.740	2.981	1.033	205.000	221.746	\$49,525
December	4.176	1.680	7.075	0.610	3.114	1.091	210.000	227.746	\$50,975
January	2.911	1.460	5.995	0.500	2.685	0.997	218.000	232.548	\$50,176
February	4.727	2.420	6.130	0.580	2.973	1.007	197.000	214.837	\$48,954
March	3.292	2.300	5.995	0.560	3.579	1.048	217.000	233.774	\$51,463
April	3.872	1.730	6.346	0.620	3.685	1.157	206.000	223.410	\$53,729
May	5.926	2.330	6.460	0.880	3.389	1.089	248.000	268.074	\$62,891
June	8.943	2.740	7.134	1.180	3.908	1.192	272.000	297.097	\$70,506
TOTALS	64.740	23.930	76.909	9.080	41.528	12.636	2818.000	3046.840	\$682,463
Revenue	\$44,004	\$17,118	\$52,909	\$7,342	\$28,683	\$10,637	\$521,770		
Cost Per 1,000 Gallons	0.680	0.715	0.688	0.809	0.691	0.842	0.185		

SAGINAW-MIDLAND WATER SUPPLY SYSTEM

2021-2022 POWER USE AND COST

	<u>Whitestone</u>	<u>KWH CONSUMED</u>		<u>TOTAL</u>	<u>MG Sold</u>	<u>Power Cost</u>	<u>Cost M.G.</u>	<u>Cost KWH</u>
		<u>Junction</u>	<u>Pinconning</u>					
July	1,379,200	4,800	4,800	1,388,800	1,828.76	\$139,535	\$76.30	0.100
August	1,465,600	9,600	4,800	1,480,000	1,795.30	\$107,191	\$59.71	0.072
September	1,260,800	4,800	4,800	1,270,400	1,468.01	\$95,770	\$65.24	0.075
October	1,017,600	9,600	4,800	1,032,000	1,383.22	\$111,061	\$80.29	0.108
November	793,600	4,800	4,800	803,200	1,283.08	\$96,534	\$75.24	0.120
December	764,800	14,400	4,800	784,000	1,324.52	\$50,145	\$37.86	0.064
January	899,200	4,800	9,600	913,600	1,423.13	\$105,759	\$74.31	0.116
February	848,000	9,600	4,800	862,400	1,267.58	\$75,944	\$59.91	0.088
March	832,000	4,800	9,600	846,400	1,356.63	\$91,908	\$67.75	0.109
April	876,800	9,600	4,800	891,200	1,332.50	\$82,946	\$62.25	0.093
May	857,600	9,600	0	867,200	1,514.53	\$104,063	\$68.71	0.120
June	<u>1,129,600</u>	<u>4,800</u>	<u>4,800</u>	<u>1,139,200</u>	<u>1,761.43</u>	<u>\$100,228</u>	<u>\$56.90</u>	<u>0.088</u>
TOTAL	12,124,800	91,200	62,400	12,278,400	17,738.69	\$1,161,083	\$65.45	0.095

**SAGINAW-MIDLAND WATER SUPPLY SYSTEM
POWER USE**

	2018-2019			2019-2020			2020-2021			2021-2022		
	MG SOLD	KWH USED	GALLONS PER KWH	MG SOLD	KWH USED	GALLONS PER KWH	MG SOLD	KWH USED	GALLONS PER KWH	MG SOLD	KWH USED	GALLONS PER KWH
July	1,829	1,922,400	951	1,805	1,652,400	1,092	2,159	2,092,800	1,032	1,829	1,388,800	1,317
August	1,795	1,414,800	1,269	1,645	1,754,400	938	1,963	1,643,200	1,194	1,795	1,480,000	1,213
September	1,468	1,242,716	1,181	1,271	1,142,400	1,113	1,520	1,478,400	1,028	1,468	1,270,400	1,156
October	1,383	843,600	1,640	1,112	964,800	1,152	1,345	979,200	1,374	1,383	1,032,000	1,340
November	1,283	470,400	2,728	1,052	583,200	1,804	1,257	745,600	1,686	1,283	803,200	1,597
December	1,325	651,600	2,033	1,061	536,400	1,979	1,277	755,200	1,691	1,325	784,000	1,689
January	1,357	853,200	1,590	1,088	728,400	1,493	1,301	788,800	1,649	1,423	913,600	1,558
February	1,276	848,400	1,504	1,020	944,400	1,080	1,220	777,600	1,568	1,268	862,400	1,470
March	1,367	866,400	1,578	1,037	884,800	1,172	1,251	737,600	1,696	1,357	846,400	1,603
April	1,298	813,600	1,595	1,132	851,200	1,330	1,346	846,400	1,590	1,333	891,200	1,495
May	1,425	920,400	1,548	1,295	824,000	1,571	1,565	883,200	1,772	1,515	867,200	1,746
June	1,683	1,126,800	1,494	1,385	1,030,400	1,344	1,697	1,480,000	1,147	1,761	1,139,200	1,546
TOTALS	17,489	11,974,316	1,461	14,903	11,896,800	1,253	17,900	13,208,000	1,355	17,739	12,278,400	1,445

SAGINAW-MIDLAND WATER SUPPLY SYSTEM

Summary of Yearly Power Cost and Use

YEAR	MG SOLD	KWH PURCHASED	NET COST	COST PER KWH	GALLONS PER KWH
1949	8,123	8,409,600	\$75,398	0.00897	966
1950	8,598	9,190,400	\$81,487	0.00887	936
1951	9,501	11,350,400	\$98,057	0.00864	837
1952	9,647	11,644,800	\$106,968	0.00919	828
1953	10,322	13,289,800	\$140,287	0.01056	777
1954	10,438	13,739,800	\$142,318	0.01036	760
1955	11,224	15,892,000	\$159,403	0.01004	706
1956	11,148	15,430,600	\$160,112	0.01038	722
1957	10,883	15,232,000	\$162,040	0.01064	714
1958	11,235	15,462,400	\$165,826	0.01072	727
1959	12,482	19,726,000	\$205,477	0.01042	633
1960	12,798	22,063,600	\$224,821	0.01019	580
1961	11,379	16,928,000	\$178,768	0.01056	672
1962	12,197	19,907,000	\$205,819	0.01034	613
1963	13,493	25,444,000	\$250,080	0.00983	530
1964	14,501	29,206,400	\$288,911	0.00989	497
1965	15,219	32,649,600	\$310,884	0.00952	466
1966	15,879	38,032,400	\$360,104	0.00947	418
1967	16,751	33,996,200	\$320,504	0.00943	493
1968	17,785	37,238,400	\$347,399	0.00933	478
1969	18,016	38,296,000	\$365,488	0.00954	470
1970	18,087	38,945,400	\$386,161	0.00992	464
1971	19,146	43,174,800	\$479,596	0.01111	443
1972	18,804	40,215,600	\$455,906	0.01134	468
1973	19,374	37,794,000	\$448,243	0.01186	513
1974	18,227	31,755,600	\$444,519	0.01401	574
1975	18,441	31,193,200	\$623,924	0.02001	591
1976	19,601	37,341,600	\$891,548	0.02387	525
1977	19,780	38,347,600	\$1,094,954	0.02855	516
1978	19,524	37,151,200	\$1,286,989	0.03464	526
1979	19,538	37,135,000	\$1,180,054	0.03177	526
1980	17,799	30,127,200	\$1,102,649	0.03659	591
1981	17,960	27,938,500	\$1,251,148	0.04478	643
1982	17,100	18,283,202	\$794,160	0.04344	935
1983	16,900	15,891,600	\$675,719	0.04252	1063
1984	17,393	16,641,552	\$722,864	0.04343	1045
1985	17,837	17,694,000	\$731,645	0.04134	1008
1986	17,837	16,795,200	\$763,876	0.04548	1062
1987	18,659	19,573,200	\$855,531	0.04371	953
1988	19,042	20,763,600	\$998,290	0.04808	917
1989	17,910	18,088,800	\$810,022	0.04478	990
1990	18,263	18,331,200	\$870,286	0.04748	996

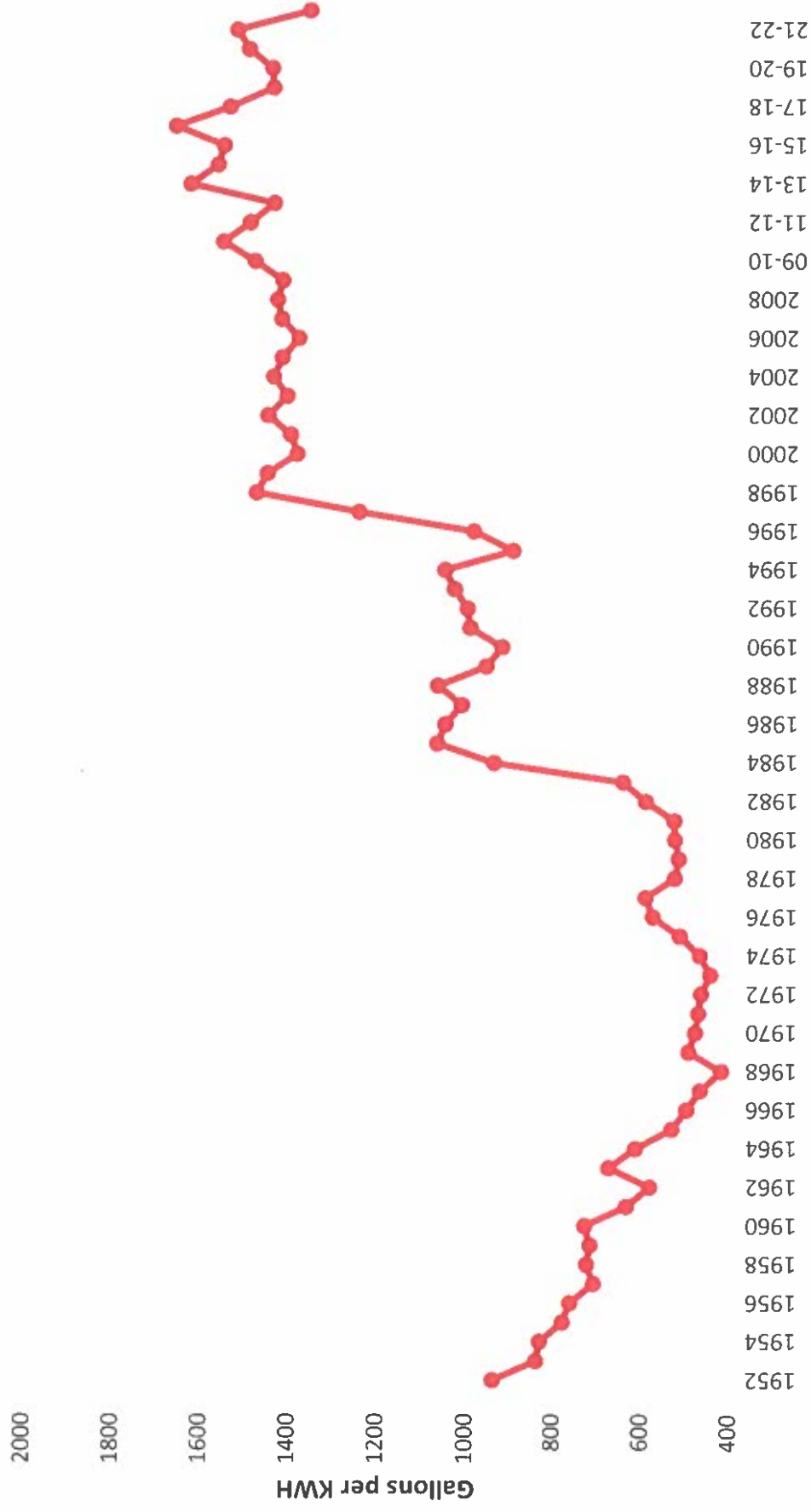
SAGINAW-MIDLAND WATER SUPPLY SYSTEM

Summary of Yearly Power Cost and Use

YEAR	MG SOLD	KWH PURCHASED	NET COST	COST PER KWH	GALLONS PER KWH
1991	17,936	17,498,400	\$831,268	0.04751	1025
1992	17,331	16,558,200	\$707,968	0.04276	1047
1993	15,112	16,932,400	\$760,372	0.04491	892
1994	18,139	18,473,000	\$890,123	0.04819	982
1995	18,462	14,873,400	\$823,044	0.05534	1241
1996	17,948	12,174,000	\$703,660	0.05780	1474
1997	18,148	12,516,800	\$663,877	0.05304	1450
1998	18,570	13,434,000	\$704,139	0.05241	1382
1999	18,509	13,249,200	\$699,687	0.05241	1397
2000	17,632	12,169,200	\$651,683	0.05355	1449
2001	18,321	13,034,400	\$716,027	0.05493	1406
2002	18,480	12,866,400	\$684,262	0.05318	1436
2003	17,379	12,267,600	\$627,820	0.05118	1417
2004	17,539	12,723,600	\$678,867	0.05335	1378
2005	16,677	11,758,800	\$609,240	0.05181	1418
2006	16,449	11,522,400	\$654,882	0.05684	1428
2007	16,325	11,529,600	\$734,850	0.06374	1416
2008	15,112	10,219,200	\$653,147	0.06391	1479
2009	6,773	4,368,000	\$298,731	0.06839	1551
09-10	14,724	9,882,000	\$668,298	0.06763	1490
10-11	14,805	10,314,000	\$781,351	0.07576	1435
11-12	15,373	9,466,800	\$794,261	0.08390	1624
12-13	14,643	9,370,800	\$823,387	0.08787	1563
13-14	14,158	9,139,200	\$787,420	0.08616	1549
14-15	13,926	8,398,800	\$735,284	0.08755	1658
15-16	17,062	11,108,400	\$891,172	0.08023	1536
16-17	18,132	12,612,509	\$1,015,225	0.08049	1438
17-18	18,900	13,118,400	\$1,079,311	0.08227	1441
18-19	17,874	11,974,316	\$1,145,723	0.09568	1493
19-20	18,088	11,896,800	\$1,058,428	0.08897	1520
20-21	17,900	13,208,000	\$1,196,044	0.09055	1355
21-22	17,739	12,278,400	\$1,161,083	0.09456	1445

* 2009 reflects January - June Flows

ENERGY EFFICIENCY INDEX GALLONS PER KWH DELIVERED



Saginaw-Midland Municipal Water Supply Corporation
HOURS OF OPERATION
2020-2021

Whitestone Station

Pump Number	#1	#2	#3	#4	#5	#6	#7	#8
1948-June 30, 2021	273,157	29,274	208,025	47,172	98,120	45,955	132,506	190,296
June 30, 2022	6,756	7,277	1,186	2,350	26,226	0	88	5,087
Total to Date	279,913	36,551	209,211	49,522	124,346	45,955	132,594	195,383

Pinconning Station

Pump Number	#1	#2	#3	#4	#5
1948-June 30, 2022	63,375	55,650	65,502	101,020	31,422
Total to Date	63,375	55,650	65,502	101,020	31,422

Junction Station

Pump Number	#1	#2	#3	#4
1948-June 30, 2022	5,472	19,623	26,125	22,529
Total to Date	5,472	19,623	26,125	22,529

NOTES:

- ¹ New #1 pump at Junction & #4 pump at Whitestone put in service 3-1-57 & 4-1-67
- ² New #5 pumps at Whitestone & Pinconning put into service 5-1-67
- ³ New #6 & #7 pumps at Whitestone put into service on 3-29-82
- ⁴ New #8 pump at Whitestone put into service on 5-17-95
- ⁵ Pump #5 at Whitestone rebuilt - put into service on 11-19-03
- ⁶ Pump #3 at Whitestone - motor rebuilt and placed into service on 11-22-06
- ⁷ Pump #1 at Whitestone - motor rebuilt and placed into service on 08-28-08
- ⁸ Pump #2 at Whitestone - motor rebuilt and placed into service on 09-01-10
- ⁹ Pumps #1 & #2 at Whitestone - VFD installed on motors and placed into service on 09-20-11
- ¹⁰ Pumps #4 & #5 at Whitestone - VFD installed on motors and placed into service on 08-10-15
- ¹¹ Pumps #8 at Whitestone - VFD installed on motors and placed into service on 11-01-17

Saginaw-Midland Municipal Water Supply Corporation
BALANCE SHEET
June 30, 2022

	Operating Fund	Other Funding	Plant & Equipment	Bond	Combined
<u>ASSETS</u>					
Cash on Hand	\$100				\$100
Cash in Bank	(\$26,608)	\$1,501,804			\$1,475,196
Cash Investments - Restricted	\$0	\$1,400,000			\$1,400,000
2013 Bond Redemption Fund	\$0			\$204,897	\$204,897
Accounts Receivable - Saginaw	\$81,303	\$23,497			\$104,801
Accounts Receivable - Midland	\$78,636	\$20,433			\$99,069
Accounts Receivable - Others	\$17,906				\$17,906
Accounts Receivable - BAWA	\$52,850			\$26,694	\$79,544
Capital Charge A/R - BAWA	\$102,408				\$102,408
Inventory	\$109,299				\$109,299
Fixed Systems	\$60,345,366		\$3,684,190		\$64,029,556
Fixed Systems - VFD Project	\$1,052,812				\$1,052,812
Fixed Systems - Generator Proj	\$1,419,651				\$1,419,651
Furniture and Fixtures	\$14,925				\$14,925
Machinery and Equipment	\$640,245				\$640,245
Vehicles	\$158,446				\$158,446
Accumulated Depreciation	(\$32,703,468)		(\$3,952,709)		(\$36,656,177)
Prepaid Expenses	\$105,249				\$105,249
TOTAL ASSETS	\$31,449,121	\$2,945,734	(\$268,519)	\$231,591	\$34,357,927
<u>LIABILITIES AND EQUITY</u>					
Emp Flexible Spending Plan	(\$650)				(\$650)
Accrued Board Fees	\$160				\$160
Accrued Vacation & Sick Time	\$210,229				\$210,229
Accrued Interest	\$43,336				\$43,336
Net OPEB Liability	(\$188,361)				(\$188,361)
Accrued Power	\$111,854				\$111,854
Net Pension Liability	\$1,259,011				\$1,259,011
Deferred Pension Contribution	(\$184,182)				(\$184,182)
Deferred Inflows - Pension	\$129,336				\$129,336
Deferred Inflows - OPEB	\$372,294				\$372,294
Deferred Outflows - OPEB	(\$15,533)				(\$15,533)
Bonds Payable - 2013			\$3,110,000		\$3,110,000
Bond Discount - 2013			(\$14,088)		(\$14,088)
Fund Equity - Saginaw	\$15,736,625	\$1,575,834	(\$1,236,447)		\$16,076,011
Fund Equity - Midland	\$13,645,002	\$1,369,900	(\$1,075,170)		\$13,939,732
Cash Equity - Saginaw	\$176,512				\$176,512
Cash Equity - Midland	\$153,488				\$153,488
YTD Excess Rev over Expense			(\$1,137,660)	\$316,436	(\$821,223)
TOTAL LIABILITIES AND EQUITY	\$31,449,121	\$2,945,734	(\$353,364)	\$316,436	\$34,357,927

**STATEMENT OF INCOME AND EXPENSES
OPERATING AND OTHER FUNDS**

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
INCOME				
Capital Credit-City of Saginaw	(\$636,711)	(\$632,537)	(\$630,288)	(\$644,266)
Capital Credit-City of Midland	(\$553,662)	(\$550,033)	(\$548,076)	(\$560,231)
Water Sales-City of Saginaw	\$1,349,498	\$1,295,005	\$1,383,966	\$1,401,201
Water Sales-City of Midland	\$1,278,252	\$1,317,919	\$1,382,895	\$1,374,791
Water Sales-Others	\$131,407	\$142,898	\$162,354	\$160,692
Water Sales - BAWA	\$478,091	\$512,014	\$559,728	\$521,770
Capital Charge - BAWA	\$1,190,373	\$1,182,570	\$1,178,364	\$1,204,497
Other Income	\$4,791	\$3,986	\$3,664	\$3,734
Interest Income	\$1,125	\$1,111	\$231	\$867
Non-operating revenue (IER)	\$375,535	\$454,266		
TOTAL INCOME	\$3,618,699	\$3,727,198	\$3,492,838	\$3,463,055
EXPENSES				
Wages - Production	\$319,378	\$333,714	\$344,734	\$345,947
Wages-Officers/Administration	\$207,883	\$174,376	\$173,765	\$179,071
Wages - Maint. & Distribution	\$295,850	\$326,430	\$331,136	\$347,225
Retirement Costs	\$69,190	\$0	\$0	\$0
Board Expense	\$620	\$280	\$470	\$360
Social Security	\$64,142	\$62,146	\$63,302	\$64,852
Pension Expense - MERS	\$302,435	\$374,140	\$425,826	\$332,584
Regulatory Compliance	\$12,303	\$12,813	\$12,379	\$28,306
Health & Safety	\$6,143	\$7,248	\$4,802	\$5,544
Energy - Electrical	\$1,145,723	\$1,058,428	\$1,196,044	\$1,161,083
Energy - Natural Gas	\$6,240	\$7,659	\$6,569	\$11,056
Communications	\$12,806	\$17,097	\$14,896	\$11,315
Data Link	\$3,597	\$0	\$0	\$0
Purchased Water - W.S.	\$528	\$576	\$663	\$698
Generator	\$14,841	\$10,564	\$8,208	\$7,289
Repairs & Maintenance	\$60,567	\$59,047	\$56,714	\$65,630
Imp & Emerg. Repair Fund	\$375,535	\$454,266	\$447,103	\$440,755
Water Treatment Supplies	\$27,900	\$40,645	\$42,677	\$91,000
Plant Maintenance Supplies	\$10,676	\$6,808	\$8,740	\$11,906
Office Expense	\$13,603	\$14,299	\$9,140	\$11,879
Insurance - Business	\$96,678	\$106,524	\$110,470	\$118,880
Insurance - Health Care	\$172,300	\$174,005	\$181,895	\$194,462
Retirement Health Care Benefit	\$270,408	\$305,316	\$395,424	\$325,581
Insurance - Misc. Employee	\$23,676	\$24,629	\$24,490	\$24,338
Professional Fees	\$48,785	\$36,850	\$25,958	\$33,899
Right-of-Way	\$13,504	\$13,469	\$14,035	\$14,101
Equipment Purchases	\$16,811	\$83,377	\$22,031	\$42,068
Vehicle Operating Expense	\$14,635	\$14,466	\$15,855	\$23,431
Travel & Auto Allowance	\$6,248	\$3,995	\$1,061	\$6,788
Research & Development	\$5,691	\$4,033	\$1,553	\$3,760
TOTAL EXPENSES	\$3,618,699	\$3,727,198	\$3,939,940	\$3,903,810

Corporation Bonds

2021-2022

INTEREST AND AMORTIZATION

Interest and Amortization costs of the jointly owned Systems are shown as expense and credit items on the monthly bills to Saginaw and Midland, since the Cities each pay their ownership share of such costs. Amounts involved are as follows:

2013 Bond Issue (\$4,100,000)-Interest and Amortization Costs Payable over 19 years

	<u>Saginaw Share</u>	<u>Midland Share</u>	<u>Total</u>
Total Bond Issue	**	**	\$6,148,776.39
Payments thru June 30, 2021			\$1,868,138.89
2021-2022			<u>\$313,562.50</u>
Balance of 2013 Bond Issue			<u>\$3,967,075.00</u>
**Bay County Road Commission to Pay Bonds in Full			

**Saginaw-Midland Municipal Water Supply Corporation
Bond Payment Schedules**

2013

<u>Pay Date</u>	<u>Bond Payment</u>	<u>Bay Cnty RC Pay</u>
9/1/2021	\$250,900.00	\$250,900.00
3/1/2022	\$62,662.50	\$62,662.50
9/1/2022	\$257,662.50	\$257,662.50
3/1/2023	\$59,250.00	\$59,250.00
9/1/2023	\$264,250.00	\$264,250.00
3/1/2024	\$55,662.50	\$55,662.50
9/1/2024	\$270,662.50	\$270,662.50
3/1/2025	\$51,900.00	\$51,900.00
9/1/2025	\$276,900.00	\$276,900.00
3/1/2026	\$47,400.00	\$47,400.00
9/1/2026	\$282,400.00	\$282,400.00
3/1/2027	\$42,700.00	\$42,700.00
9/1/2027	\$292,700.00	\$292,700.00
3/1/2028	\$37,700.00	\$37,700.00
9/1/2028	\$297,700.00	\$297,700.00
3/1/2029	\$32,500.00	\$32,500.00
9/1/2029	\$307,500.00	\$307,500.00
3/1/2030	\$27,000.00	\$27,000.00
9/1/2030	\$317,000.00	\$317,000.00
3/1/2031	\$21,018.75	\$21,018.75
9/1/2031	\$326,018.75	\$326,018.75
3/1/2032	\$14,537.50	\$14,537.50
9/1/2032	\$334,537.50	\$334,537.50
3/1/2033	\$7,537.50	\$7,537.50
9/1/2033	\$342,537.50	\$342,537.50
3/1/2034		
	\$4,280,637.50	\$4,280,637.50

OPERATING EXPENSES

2021-2022

	<u>Salaries Labor & Fees</u>	<u>Power</u>	<u>Other Funding</u>	<u>Other Expenses</u>	<u>Less Misc. Income</u>	<u>Int. & Amort. Absorbed</u>	<u>Total</u>
July	\$99,783	\$139,535	\$1,035	\$148,217	(\$166,138)	\$0	\$222,432
August	\$62,185	\$107,191	\$543	\$150,928	(\$167,689)	\$0	\$153,158
September	\$94,226	\$95,770	\$494	\$157,778	(\$158,051)	\$0	\$190,217
October	\$62,474	\$111,061	\$34,286	\$131,880	(\$152,316)	\$0	\$187,384
November	\$63,120	\$96,534	\$31,840	\$105,946	(\$149,593)	\$0	\$147,846
December	\$71,098	\$50,145	\$32,903	\$132,887	(\$151,044)	\$0	\$135,990
January	\$65,225	\$105,759	\$35,717	\$107,299	(\$150,308)	\$0	\$163,692
February	\$64,177	\$75,944	\$31,582	\$109,449	(\$149,548)	\$0	\$131,604
March	\$96,108	\$91,908	\$33,686	\$92,693	(\$151,514)	\$0	\$162,880
April	\$64,324	\$82,946	\$33,273	\$127,774	(\$156,503)	\$0	\$151,813
May	\$65,140	\$104,063	\$37,394	\$120,369	(\$165,602)	\$0	\$161,364
June	\$64,386	\$100,228	\$43,930	\$168,579	(\$173,253)	\$0	\$203,869
TOTALS	\$872,244	\$1,161,083	\$316,682	\$1,553,800	(\$1,891,560)	\$0	\$2,012,250
Cost per 1,000 Gal.							
2020-2021	0.04747	0.06682	0.01718	0.08864	-0.10639	0.00240	0.13612
2021-2022	0.04917	0.06545	0.01785	0.08759	-0.10663	0.00000	0.11343

IMPROVEMENT AND EMERGENCY REPAIR FUND

	<u>City of Saginaw</u>	<u>City of Midland</u>	<u>Combined</u>
Balance June 30, 2021	\$1,785,197	\$1,551,955	\$3,337,152
<u>DEPOSITS</u>			
Funding @ .03 per 1,000 Gallons	\$235,753	\$205,003	\$440,756
Interest on Investments	\$998	\$868	\$1,866
Consumers rebate check	\$2,674	\$2,326	\$5,000
TOTAL INCOME	\$239,425	\$208,196	\$447,621
<u>WITHDRAWALS</u>			
Maintenance Garage	(\$154,627)	(\$134,458)	(\$289,086)
Pump #5	(\$195,556)	(\$170,049)	(\$365,606)
Linwood Cathodic	(\$7,358)	(\$6,398)	(\$13,756)
Whitestone Electrical project	(\$2,324)	(\$2,021)	(\$4,345)
Whitestone Surge Vault	(\$12,436)	(\$10,814)	(\$23,249)
Whitestone & Pinconning Roof Repair	(\$65,970)	(\$57,365)	(\$123,335)
Junction emergency leak	(\$963)	(\$837)	(\$1,800)
Solomon repair investigation	(\$2,618)	(\$2,277)	(\$4,895)
Valve Gear	(\$6,936)	(\$6,032)	(\$12,968)
TOTAL WITHDRAWALS	<u>(\$448,789)</u>	<u>(\$390,251)</u>	<u>(\$839,040)</u>
Balance June 30, 2022	<u>\$1,575,834</u>	<u>\$1,369,900</u>	<u>\$2,945,734</u>

File Attachments for Item:

7. * Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Financial Statements.
SCHWARZ

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Saginaw-Midland Municipal Water Supply Corporation 2021-2022
Financial Statements

INITIATED BY: Water Department

RESOLUTION

SUMMARY: This resolution receives and files the 2021-2022 Financial Statements, including Independent Auditors' Report, dated June 30, 2022 with comparative figures for June 30, 2021 for the Saginaw-Midland Municipal Water Supply Corporation.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution
3. 2021-2022 Annual Financial Statements – Saginaw-Midland Municipal Water Supply Corporation

COUNCIL ACTION:

1. 3/5 vote required to approve resolution.

Peter Schwarz
Director of Water Services



City Hall • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • 989.837.3300 • 989.835.2717 Fax • www.cityofmidlandmi.gov

November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

The Saginaw-Midland Municipal Water Supply Corporation (SMMWSC) was formed and began operations in 1948, operating as a non-profit entity pursuant to Act No. 233 of Michigan Public Acts of 1955, as amended. The Corporation was established to be the supplier of bulk Lake Huron water to its owners, the City of Saginaw and the City of Midland, as well as to other communities along the pipeline route. A board of equal representation from the cities of Saginaw and Midland governs the Corporation.

An annual financial audit is required each year in accord with the original operating agreement of the SMMWSC. The audit is presented to the SMMWSC Board of Directors and is forwarded to each member city.

The Annual Financial Statements and Auditors' Report received by the City for the fiscal year ending June 30, 2022 reflects the following sections and financial statements comparing each to the prior year ending June 30, 2021:

- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

The Independent Auditors' Report, Notes to Financial Statements, Required Supplementary Information, Schedule of Employers' Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net Pension Liability, Schedule for Indebtedness, and Schedule of Financial Highlights provides further insight into the SMMWSC operations.

A 3/5 vote of approval is required to receive and file the report with the City Clerk.

Sincerely,

Peter Schwarz
Director of Water Services



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BY COUNCILMAN

RESOLVED, that the Saginaw-Midland Municipal Water Supply Corporation 2021-2022 Annual Financial Statements and Auditor's Report dated June 30, 2022, with comparative figures for June 30, 2021 be received and filed in the office of the City Clerk.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

October 6, 2022

Management and the Board of Trustees
Saginaw-Midland Municipal Water Supply Corporation
Bay City, Michigan

We have audited the financial statements of the major fund, and the aggregate remaining fund information of Saginaw-Midland Municipal Water Supply Corporation (the Corporation) as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

We discussed these matters with various personnel in the Corporation during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in the footnotes of the financial statements. The Corporation has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2021:

- Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement.
- Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability

of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

We noted no transactions entered into by the Corporation during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Corporation's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net other postemployment benefits (OPEB) asset, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Disclosures in the financial statements are neutral, consistent and clear.

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas.

- Management override of controls
- Improper revenue recognition
- Implementation of new accounting standard – GASB 87

Accounting Standards

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no known misstatements detected as a result of audit procedures that were more than trivial.

There were no known uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Report on Other Supplementary Information

We were engaged to report on other supplementary information as described in the table of contents of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Yeo & Yeo, P.C.

Saginaw, Michigan

Saginaw-Midland Municipal Water Supply Corporation

Financial Statements

June 30, 2022 and 2021



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Independent Auditors' Report

Management and the Board of Trustees
Saginaw-Midland Municipal Water Supply Corporation
Bay City, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund, and the aggregate remaining fund information of Saginaw-Midland Municipal Water Supply Corporation (the Corporation), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Corporation, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, municipal employees' retirement system schedules and other postemployment benefit schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Saginaw, Michigan
October 6, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Saginaw-Midland Municipal Water Supply Corporation (the Corporation) is presenting the following management discussion and analysis in order to provide an overall review of the Corporation's financial activities for the fiscal year ending June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Corporation's financial statements and notes included with same to enhance their understanding of the Corporation's financial performance.

BACKGROUND

The Corporation for more than 72 years has been reliably providing a high-quality source of Lake Huron drinking water to its owners and customers. The Corporation's annual production has neared 18 billion gallons with peak days climbing close to 100 million gallons. The Corporation operates with three plants and is a bulk supplier of high-quality raw water to its owners and customers eventually resulting in service to over 260,000 residents in 30 cities or communities in seven (7) Michigan counties. The Corporation's water supply efforts are an illustration of cooperation between two communities for the common good.

The Corporation is the primary government reporting entity even though two (2) municipalities, the City of Saginaw and the City of Midland, jointly own it. Ownership of the system is as follows:

City of Saginaw	53.48837 percent
City of Midland	46.51163 percent

The Corporation is a non-profit municipal corporation operating under Act 233, Michigan Public Acts of 1955.

FINANCIAL HIGHLIGHTS

- The Corporation's income from water sales to seven (7) wholesale raw water customers had a total volume of water sales that aggregated 3046.84 MG with wholesale water sales revenue totaling \$682,463 for the year.
- The Corporation's total assets decreased \$1,441,231 while total liabilities decreased \$547,896 resulting in a \$650,021 decrease in the total net position. The majority of the decrease was due to capital assets being down.
- The Corporation's operating expenses in 2022 were \$325,196 higher than 2021 expenses. This increase was due to an overall increase in operating expenses.
- The 2022 net nonoperating revenues (expenses) decreased from the previous year due to higher Improvement and Emergency Fund (I&ER) expenses.
- Funds are transferred into a MERS Retiree Health Funding Vehicle, which is a trust set-up to specifically address future retiree health care costs. The Corporation continues to meet its Annual Required Contribution.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual audit report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Corporation. The financial statements also include notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The Corporation's financial statements report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Corporation's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Corporation's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Corporation and assessing the liquidity and financial flexibility of the Corporation.

All of the current years' revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Corporation's operations over the past year and can be used to determine whether the Corporation has successfully recovered all its costs. The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to the origins of income, its uses and changes in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE CORPORATION

A summary of the Corporation's Statement of Net Position is presented below:

	2022	2021	Dollar Change	Percent Change
Assets				
Current assets	\$ 574,345	\$ 581,373	\$ (7,028)	-1.21%
Restricted assets	3,150,631	3,538,246	(387,615)	-10.96%
Capital assets, net	30,718,891	31,668,555	(949,664)	-3.00%
Net OPEB asset	91,437	188,361	(96,924)	100.00%
Total assets	<u>34,535,304</u>	<u>35,976,535</u>	<u>(1,441,231)</u>	
Deferred Outflows of Resources				
Deferred amount relating to net pension liability	133,122	184,182	(51,060)	-27.72%
Deferred amount relating to net OPEB asset	140,010	15,533	124,477	100.00%
Total deferred outflows of resources	<u>273,132</u>	<u>199,715</u>	<u>73,417</u>	
Liabilities				
Current liabilities	415,854	407,304	8,550	2.10%
Noncurrent liabilities	3,072,655	3,271,142	(198,487)	-6.07%
Net pension liability	901,052	1,259,011	(357,959)	-28.43%
Total liabilities	<u>4,389,561</u>	<u>4,937,457</u>	<u>(547,896)</u>	
Deferred Inflows of Resources				
Deferred amount relating to net pension liability	313,959	129,336	184,623	100.00%
Deferred amount relating to net OPEB asset	17,774	372,294	(354,520)	100.00%
	<u>331,733</u>	<u>501,630</u>	<u>(169,897)</u>	
Net Position				
Net investment in capital assets	27,622,978	28,388,867	(765,889)	-2.70%
Restricted for 2013 bond project	204,897	201,093	3,804	1.89%
Restricted for improvement and emergency repair	2,901,804	3,295,596	(393,792)	-11.95%
Unrestricted (deficit)	(642,537)	(1,148,393)	505,856	-44.05%
Total net position	<u>\$ 30,087,142</u>	<u>\$ 30,737,163</u>	<u>\$ (650,021)</u>	

Total assets decreased \$1,441,231 to \$34,535,304 in fiscal year 2022 from \$35,976,535 in fiscal year 2021. The Corporation met its Annual Required Contribution for the Post Retiree Health Cost Trust. Expenses from the Improvement & Emergency Repair (I&ER) Fund during 2022 totaled \$839,287. These expenses included the following: Maintenance garage, Rehabilitate Pump #5 project, Whitestone surge vault, Valve gear, Whitestone & Pinconning roof repair, and Junction emergency leak repair. The owner cities contributed to the I&ER fund at a level of \$0.03 per 1000 gallons delivered.

A summary of the Corporation's Statement of Revenues, Expenses and Changes in Fund Net Position is presented below:

	2022	2021	Dollar Change	Percent Change
Operating revenues - water sales	\$ 2,571,638	\$ 3,024,742	\$ (453,104)	-14.98%
Operating expenses	<u>3,927,724</u>	<u>3,602,528</u>	<u>325,196</u>	9.03%
Operating loss	(1,356,086)	(577,786)	(778,300)	
Net nonoperating revenue (expenses)	<u>706,065</u>	<u>1,238,861</u>	<u>(532,796)</u>	-43.01%
Change in net position	(650,021)	661,075	(1,311,096)	
Net position - beginning of year	<u>30,737,163</u>	<u>30,076,088</u>	<u>661,075</u>	
Net position - end of year	<u>\$ 30,087,142</u>	<u>\$ 30,737,163</u>	<u>\$ (650,021)</u>	

While the summary of the Statement of Net Position shows the change in financial net position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes. The Corporation operates with an enterprise fund on a full accrual basis of accounting similar to private sector companies as well as a fiduciary fund for other employee benefits. The income is recognized when earned and the expense is recognized when incurred. Operating revenues are directly related to operating expenses. The Corporation closes its books at the end of each month and prepares financial reports and billings to its owners and customers such that all costs are covered. As can be seen in the summary of the Statement of Revenues, Expenses and Changes in Fund Net Position, operating expenses increased in 2022 by \$325,195, due to overall increase in Chlorine and other Operating expenses. The 2022 net non-operating revenues (expenses) decreased by (\$532,796) from the previous year due to higher Improvement and Emergency Fund (I&ER) expenses.

BUDGETARY HIGHLIGHTS

The Corporation adopts an annual Operating Budget following review by the Board of Trustees. The Operating Budget includes proposed expenses and anticipated water sales. Each quarter, the Manager provides a Budget Position Statement for the Board's review where actual expenditures are compared to budgeted funds for each account. The Corporation's operating budget remains in effect the entire year. The Corporation maintains a philosophy of only spending funds that are regarded as necessary. A budget comparison and analysis is presented below.

Budget Comparison and Analysis

Year	Budgeted Expense	Actual Expense	Amount (Over) Under Budget	Percent (Over) Under Budget
2022	\$ 4,322,294	\$ 3,903,810	\$ 418,484	9.68%
2021	4,554,600	4,340,865	213,735	4.94%
2020	4,360,374	4,145,048	215,326	4.94%
2019	4,160,105	4,048,549	111,556	2.68%
2018	5,727,008	5,885,328	(158,320)	(-2.76%)

The Board of Trustees and management of the Corporation consider many factors when setting the fiscal year budget. In 2022, the non-operating revenue variance is actual investment income under budget. During 2022, the water sold was under budget by 1.45 percent, while operating expenses were under budget by 9.68 percent.

CAPITAL ASSETS

At the end of the 2022 fiscal year, the Corporation had \$30,718,891 in Net Capital Assets including the Water System (Whitestone Pumping Station, Pinconning Booster Station, Junction Booster Station, and complete underground distribution system), as well as other assets as shown in the table below.

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Capital assets being depreciated				
Infrastructure	\$ 66,502,018	\$ 66,502,018	\$ -	0.00%
Furniture and fixtures	14,925	14,925	-	0.00%
Vehicles	155,352	158,447	(3,095)	-1.95%
Machinery and equipment	671,567	640,245	31,322	4.89%
Total capital assets being depreciated	67,343,862	67,315,635	28,227	0.04%
Less: accumulated depreciation	(36,624,971)	(35,647,080)	(977,891)	2.74%
Net capital assets	<u>\$ 30,718,891</u>	<u>\$ 31,668,555</u>	<u>\$ (949,664)</u>	-3.00%

The Corporation's five-year Capital Plan includes:

- Replace SCADA data control panels at Junction and Whitestone
- Replace the chlorine disinfection system at Whitestone
- Convert Whitestone pump station to 4160V
- Upgrade one pump at Whitestone to high-capacity non-VFD pump for peak demand season
- Rehabilitate sections of the 48-inch Pipeline
- Replace outdoor crane rail at Whitestone Chlorine Room
- Rehabilitate surge relief vault at Whitestone

DEBT ADMINISTRATION

General obligation indebtedness outstanding at June 30, 2022 amounted to \$3,095,913. Interest on these bonds is payable semi-annually. More detailed information about the Corporation's long-term liabilities is presented in Note 6 of the financial statements.

WATER RATES

Wholesale Water

The Corporation evaluates water rates charged to its seven (7) municipal customers. The most recent rate study was undertaken in 2021. As a result of the study, the rates were increased to \$0.68 per 1,000 gallons. The water rate design was developed on the "utility basis" of rate making as recommended in the American Water Works Association's Manual of Water Supply Practices M-1, entitled "*Principles of Water Rates, Fees, and Charges*," Fifth Edition, 2000. Details of the water rate design are based on the *Modified Base-Extra Capacity Method*, which most appropriately assigns equitable charges to recover the full cost of water service to the Corporation.

Owner City Costs

The owners of the Corporation purchase their water each month on a cost basis. The real test of the effectiveness of management and the efficiency of the operation is a review of the cost per 1000 gallons of water delivered to the owner cities. The cost of water includes operating expense, improvement and emergency repair expense, bond interest, loss on early retirement of debt, and depreciation less other income. The net expense for raw water delivered has been computed as shown in the table below.

Millions of Gallons Pumped					
	2022	2021	2020	2019	2018
City of Saginaw	7,420.51	7,445.06	7,551.22	7,717.14	8,425.26
City of Midland	7,271.34	7,458.36	7,591.08	7,304.25	7,556.77
	<u>14,691.85</u>	<u>14,903.42</u>	<u>15,142.30</u>	<u>15,021.39</u>	<u>15,982.03</u>
Expense per 1000 Gallons Pumped					
	2022	2021	2020	2019	2018
Net expenses	\$ 0.1841	\$ 0.1815	\$ 0.1808	\$ 0.1616	\$ 0.0016

CORPORATION CONTACT INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact: Daniel Stickel, Manager, Saginaw-Midland Municipal Water Supply Corporation, 4678 S. Three Mile Road, Bay City, MI 48706 or by phone at 989-684-2220 or by email at office@sagmid.com.

Saginaw-Midland Municipal Water Supply Corporation
Proprietary Fund
Statement of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 32,699
Due from other units of government	359,797	337,768
Inventories	109,299	109,299
Prepaid items	105,249	101,607
Total current assets	<u>574,345</u>	<u>581,373</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents		
2013 bond project	204,897	201,093
Improvement and emergency repair	2,901,804	3,295,596
Due from other units of government		
Improvement and emergency repair	43,930	41,557
Capital assets, net of accumulated depreciation	30,718,891	31,668,555
Net OPEB asset	91,437	188,361
Total noncurrent assets	<u>33,960,959</u>	<u>35,395,162</u>
Total assets	<u>34,535,304</u>	<u>35,976,535</u>
Deferred Outflows of Resources		
Deferred amount relating to net pension liability	133,122	184,182
Deferred amount relating to net OPEB asset	140,010	15,533
Total deferred outflows of resources	<u>273,132</u>	<u>199,715</u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Proprietary Fund
Statement of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 111,854	\$ 145,023
Accrued and other liabilities	40,717	43,506
Checks written against future deposits	26,508	-
Current portion of noncurrent liabilities	<u>236,775</u>	<u>218,775</u>
Total current liabilities	<u>415,854</u>	<u>407,304</u>
Noncurrent liabilities		
Net pension liability	901,052	1,259,011
Long-term debt, net of current portion	<u>3,072,655</u>	<u>3,271,142</u>
Total noncurrent liabilities	<u>3,973,707</u>	<u>4,530,153</u>
Total liabilities	<u>4,389,561</u>	<u>4,937,457</u>
Deferred Inflows of Resources		
Deferred amount relating to net pension liability	313,959	129,336
Deferred amount relating to net OPEB asset	<u>17,774</u>	<u>372,294</u>
Total deferred inflows of resources	<u>331,733</u>	<u>501,630</u>
Net Position		
Net investment in capital assets	27,622,978	28,388,867
Restricted for		
2013 bond project	204,897	201,093
Improvement and emergency repair	2,901,804	3,295,596
Unrestricted (deficit)	<u>(642,537)</u>	<u>(1,148,393)</u>
Total net position	<u>\$ 30,087,142</u>	<u>\$ 30,737,163</u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue		
Water sales	<u>\$ 2,571,638</u>	<u>\$ 3,024,742</u>
Operating expenses		
Water supply	<u>2,919,993</u>	2,593,431
Depreciation	<u>1,007,731</u>	1,009,097
Total operating expenses	<u>3,927,724</u>	<u>3,602,528</u>
Operating loss	<u>(1,356,086)</u>	<u>(577,786)</u>
Nonoperating revenue (expenses)		
Capital charge	<u>1,204,497</u>	1,178,364
Improvement and emergency repair revenue	<u>447,869</u>	470,527
Interest income	<u>912</u>	299
Miscellaneous income	<u>3,734</u>	3,664
Gain on sale of assets	<u>16,000</u>	15,000
Loss on refunding	<u>-</u>	(54,487)
Interest expense	<u>(127,660)</u>	(102,252)
Improvement and emergency repair expense	<u>(839,287)</u>	(272,254)
Total nonoperating revenues (expenses)	<u>706,065</u>	<u>1,238,861</u>
Change in net position	<u>(650,021)</u>	661,075
Net position - beginning of year	<u>30,737,163</u>	<u>30,076,088</u>
Net position - end of year	<u>\$ 30,087,142</u>	<u>\$ 30,737,163</u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Proprietary Fund
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Receipts from customers	\$ 2,505,679	\$ 3,072,909
Payments to suppliers	(2,077,699)	(1,693,632)
Payments to employees	(1,270,960)	(1,738,103)
Net cash used by operating activities	<u>(842,980)</u>	<u>(358,826)</u>
Cash flows from noncapital financing activities		
Capital charge	1,204,497	1,178,364
Proceeds from salvage	<u>3,734</u>	<u>3,664</u>
Net cash provided by noncapital financing activities	<u>1,208,231</u>	<u>1,182,028</u>
Cash flows from capital and related financing activities		
Improvement and emergency repair funding	403,939	428,970
Improvement and emergency repair use	(839,287)	(272,254)
Purchases/construction of capital assets	(58,067)	(30,914)
Principal and interest paid on long-term debt	(311,435)	(759,214)
Proceeds from sale of capital assets	<u>16,000</u>	<u>15,000</u>
Net cash used by capital and related financing activities	<u>(788,850)</u>	<u>(618,412)</u>
Cash flows from investing activities		
Interest received	<u>912</u>	<u>299</u>
Net change in cash and cash equivalents	(422,687)	205,089
Cash and cash equivalents - beginning of year	<u>3,529,388</u>	<u>3,324,299</u>
Cash and cash equivalents - end of year	<u><u>\$ 3,106,701</u></u>	<u><u>\$ 3,529,388</u></u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Proprietary Fund
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation to the statement of net position		
Cash and cash equivalents	\$ -	\$ 32,699
Restricted assets		
Cash and cash equivalents		
2013 bond project	204,897	201,093
Improvement and emergency repair	<u>2,901,804</u>	<u>3,295,596</u>
Cash and cash equivalents - end of year	<u>\$ 3,106,701</u>	<u>\$ 3,529,388</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (1,356,086)	\$ (577,786)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	1,007,731	1,009,097
Changes in assets and liabilities		
Due from other units of government	(65,959)	48,167
Prepaid items	(3,642)	(10,425)
Accounts payable	(33,169)	6,564
Checks written against future deposits	26,508	-
Accrued and other liabilities	(2,139)	(5,563)
Net pension liability and related deferrals	(122,276)	(436,098)
Net OPEB liability and related deferrals	(297,236)	(451,934)
Deferred loss on refunding	-	54,487
Compensated absences	<u>3,288</u>	<u>4,665</u>
Net cash used by operating activities	<u>\$ (842,980)</u>	<u>\$ (358,826)</u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
	Other Employee Benefit Trust Fund	Other Employee Benefit Trust Fund
Assets		
Investments		
Interest in pooled investments	\$ 2,586,956	\$ 2,683,401
Net Position		
Restricted for:		
Postemployment benefits other than pension	\$ 2,586,956	\$ 2,683,401

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
	<u>Other Employee Benefit Trust Fund</u>	<u>Other Employee Benefit Trust Fund</u>
Additions		
Contributions		
Employer	\$ <u>325,581</u>	\$ <u>395,424</u>
Investment earnings		
Net increase (decrease) in fair value of investments	(232,639)	568,133
Less investment costs	<u>4,951</u>	<u>4,193</u>
Net investment earnings	<u>(237,590)</u>	<u>563,940</u>
Total additions	87,991	959,364
Deductions		
Benefits paid to participants or beneficiaries	<u>184,436</u>	<u>207,264</u>
Change in net position	(96,445)	752,100
Net position - beginning of year	<u>2,683,401</u>	<u>1,931,301</u>
Net position - end of year	<u><u>\$ 2,586,956</u></u>	<u><u>\$ 2,683,401</u></u>

See Accompanying Notes to the Financial Statements

Saginaw-Midland Municipal Water Supply Corporation

Notes to the Financial Statements

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Saginaw-Midland Municipal Water Supply Corporation (the Corporation) is an authority created by the City of Saginaw and City of Midland under Act 233, Public Acts of Michigan, 1955. The Corporation was created in 1964 for the purpose of acquiring and operating a new water supply system to supplement the existing joint system that had been in existence since 1946. On May 16, 1985, the Corporation, the City of Saginaw, the City of Midland and the Board of Water Commissioners of the Saginaw-Midland Water Supply System entered into an agreement to consolidate the operation of the joint water system under the Corporation effective June 30, 1985. The agreement provides that ownership shall remain as 23/43rds for the City of Saginaw and 20/43rds for the City of Midland.

The Corporation is considered a joint venture with equity interest belonging to the City of Saginaw and the City of Midland. Both cities appoint three board members to the Corporation's Board of Trustees.

Fund Financial Statements

Separate financial statements are provided for the proprietary fund and the fiduciary fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Corporation reports the following major proprietary fund:

The Water Supply System Fund accounts for the operations of the water supply system that the Corporation maintains.

Additionally, the Corporation reports the following:

The Other Employee Benefit Trust Fund account for the accumulation of resources to be used for certain healthcare costs to eligible employees.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Supply System Fund are charges to customers for sales and services. The Corporation also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Water Supply System Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – All trade receivables are shown as net of allowance for uncollectible amounts. The Corporation considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Restricted assets – The Corporation has restricted cash and cash equivalents and due from other governmental units for improvements and emergency repairs, which are classified as restricted assets as well.

Capital assets – Capital assets, which include property, plant and equipment, are reported on the proprietary fund statement of net position. Capital assets are defined by the Corporation as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the Corporation values these capital assets at the estimated fair value of the item at the date of its donation.

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the Corporation that is applicable to a future reporting period. The Corporation reports deferred outflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The Corporation also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce net pension liability in the following year. Deferred amounts on bond refundings are included in the proprietary fund statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt.

Compensated absences – It is the Corporation's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Corporation does not have a policy to pay any amounts when employees separate from service with the Corporation. All vacation pay is accrued when incurred in the proprietary fund financial statements.

Long-term obligations – In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported to MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Corporation's OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the Corporation that is applicable to a future reporting period. The Corporation reports deferred inflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6)

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

Upcoming Accounting and Reporting Changes

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

The Corporation is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Deficit Net Position

The Corporation has an accumulated unrestricted deficit in the major proprietary fund of \$642,537 as of June 30, 2022. The deficit does not require a deficit elimination plan to be submitted to the Michigan Department of Treasury per Numbered Letter 2016-1 guidelines.

Note 3 - Deposits and Investments

At year end the City's deposits and investments were reported in the financial statements in the following categories:

2022				
	Restricted Cash and Cash			
	Equivalents	Investments	Total	
Proprietary Fund	\$ 3,106,701	\$ -	\$ 3,106,701	
Fiduciary Fund	-	2,586,956	2,586,956	
Total	<u>\$ 3,106,701</u>	<u>\$ 2,586,956</u>	<u>\$ 5,693,657</u>	
2021				
	Restricted Cash and Cash			
	Cash and Cash Equivalents	Equivalents	Investments	Total
Proprietary Fund	\$ 32,699	\$ 3,496,689	\$ -	\$ 3,529,388
Fiduciary Fund	-	-	2,683,401	2,683,401
Total	<u>\$ 32,699</u>	<u>\$ 3,496,689</u>	<u>\$ 2,683,401</u>	<u>\$ 6,212,789</u>

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

The breakdown between deposits and investments is as follows:

2022			
	Primary Government	Fiduciary Fund	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 3,106,601	\$ -	\$ 3,106,601
Investments in securities, mutual funds and similar vehicles	-	2,586,956	2,586,956
Petty cash and cash on hand	100	-	100
	<u>\$ 3,106,701</u>	<u>\$ 2,586,956</u>	<u>\$ 5,693,657</u>
2021			
	Primary Government	Fiduciary Fund	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 3,529,288	\$ -	\$ 3,529,288
Investments in securities, mutual funds and similar vehicles	-	2,683,401	2,683,401
Petty cash and cash on hand	100	-	100
	<u>\$ 3,529,388</u>	<u>\$ 2,683,401</u>	<u>\$ 6,212,789</u>

Interest rate risk – The Corporation does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates.

Credit risk – State statutes and the Corporation's investment policy authorize the Corporation to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for

direct investment by local units of government in Michigan. The investment policy adopted by the Board of Trustees, in accordance with Public Act 196 of 1997, is in accordance with statutory authority.

Concentration of credit risk – The Corporation has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. The Corporation does not have a policy for custodial credit risk. As of year end, \$2,757,125 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Corporation does not have a policy for investment custodial credit risk. However, while uninsured and unregistered, the Corporation's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the Corporation's name.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Note 4 - Fair Value Measurements

The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Corporation has the following recurring fair value measurements:

- The interest in pooled investments for June 30, 2022 and 2021 were \$2,586,956 and \$2,683,401, respectively, is measured at net asset value (NAV) and is invested in MERS Retiree Health Funding Vehicle's MERS Total Market Portfolio. The fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities. The objective is to provide current income and appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

Note 5 - Capital Assets

Capital assets activity of the Corporation for fiscal year June 30, 2022 and 2021 is as follows:

2022				
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Infrastructure	\$ 66,502,018	\$ -	\$ -	\$ 66,502,018
Furniture and fixtures	14,925	-	-	14,925
Vehicles	158,447	26,745	29,840	155,352
Machinery and equipment	640,245	31,322	-	671,567
Total capital assets being depreciated	67,315,635	58,067	29,840	67,343,862
Less accumulated depreciation for				
Infrastructure	34,984,965	964,837	-	35,949,802
Furniture and fixtures	14,925	-	-	14,925
Vehicles	75,254	27,034	29,840	72,448
Machinery and equipment	571,936	15,860	-	587,796
Total accumulated depreciation	35,647,080	1,007,731	29,840	36,624,971
Net capital assets being depreciated	31,668,555	(949,664)	-	30,718,891
Net capital assets	\$ 31,668,555	\$ (949,664)	\$ -	\$ 30,718,891

2021				
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Infrastructure	\$ 66,502,018	\$ -	\$ -	\$ 66,502,018
Furniture and fixtures	14,925	-	-	14,925
Vehicles	149,364	30,914	21,831	158,447
Machinery and equipment	640,245	-	-	640,245
Total capital assets being depreciated	67,306,552	30,914	21,831	67,315,635
Less accumulated depreciation for				
Infrastructure	34,020,126	964,839	-	34,984,965
Furniture and fixtures	14,925	-	-	14,925
Vehicles	69,003	28,082	21,831	75,254
Machinery and equipment	555,760	16,176	-	571,936
Total accumulated depreciation	34,659,814	1,009,097	21,831	35,647,080
Net capital assets being depreciated	32,646,738	(978,183)	-	31,668,555
Net capital assets	\$ 32,646,738	\$ (978,183)	\$ -	\$ 31,668,555

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Note 6 - Long-Term Debt

The Corporation issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the Corporation. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the proprietary fund. Long-term obligation activity is summarized as follows:

2022									
	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Water Supply System Revenue Refunding Bonds Series 2013	\$ 4,100,000	2034	1.125 - 4.500%	\$175,000 - \$335,000	\$ 3,295,000	\$ -	\$ 185,000	\$ 3,110,000	\$ 195,000
Less deferred amounts									
For issuance discounts on refunding					(15,312)	-	(1,225)	(14,087)	(1,225)
Total					3,279,688	-	183,775	3,095,913	193,775
Compensated absences					210,229	46,230	42,942	213,517	43,000
Total business-type activities					<u>\$ 3,489,917</u>	<u>\$ 46,230</u>	<u>\$ 226,717</u>	<u>\$ 3,309,430</u>	<u>\$ 236,775</u>
2021									
	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Water Supply System Revenue Refunding Bonds Series 2012	\$ 7,490,000	2022	0.00%	\$0	\$ 395,000	\$ -	\$ 395,000	\$ -	\$ -
Water Supply System Revenue Refunding Bonds Series 2013	4,100,000	2034	1.125 - 4.500%	175,000 - 335,000	3,470,000	-	175,000	3,295,000	185,000
Less deferred amounts									
For issuance premiums on refunding					33,700	-	33,700	-	-
For issuance discounts on refunding					(16,537)	-	(1,225)	(15,312)	(1,225)
Total					3,882,163	-	602,475	3,279,688	183,775
Compensated absences					205,564	39,582	34,917	210,229	35,000
Total business-type activities					<u>\$ 4,087,727</u>	<u>\$ 39,582</u>	<u>\$ 637,392</u>	<u>\$ 3,489,917</u>	<u>\$ 218,775</u>

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending June 30,	Proprietary Fund	
	Bonds	
	Principal	Interest
2023	\$ 195,000	\$ 121,913
2024	205,000	114,913
2025	215,000	107,563
2026	225,000	99,300
2027	235,000	90,100
2028 - 2032	1,380,000	293,676
2033 - 2034	655,000	29,614
	<u>\$ 3,110,000</u>	<u>\$ 857,079</u>

Note 7 - Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2022 and 2021, was as follows:

	2022	2021
Capital assets		
Capital assets, net of accumulated depreciation	<u>\$ 30,718,891</u>	<u>\$ 31,668,555</u>
Related debt		
General obligation bonds	3,110,000	3,295,000
Unamortized bond discounts	<u>(14,087)</u>	<u>(15,312)</u>
Total related debt	<u>3,095,913</u>	<u>3,279,690</u>
Net investment in capital assets	<u>\$ 27,622,978</u>	<u>\$ 28,388,867</u>

Note 8 - Risk Management

The Corporation is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Corporation has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 9 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The Corporation participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the Corporation. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging from 2.25% to 2.50%. Vesting period is 6 years. Normal retirement age is 60 with early retirement at 50 with 25 years of service or 55 with 15 years of service. Final average compensation is calculated based on 5 years. Member contributions range from 3.00% to 5.00%.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Employees covered by benefit terms – At the December 31, 2021 and 2020 valuation dates (which correspond to fiscal years June 30, 2022 and 2021, respectively), the following employees were covered by benefit terms:

2022	
Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to, but not yet receiving benefits	2
Active employees	<u>3</u>
	<u>18</u>
2021	
Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to, but not yet receiving benefits	2
Active employees	<u>3</u>
	<u>19</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions are 3.00% for union employees and 5.00% for general employees of gross wages. Both divisions are closed to new hires.

Net pension liability – The employer's net pension liability was measured as of December 31, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of those dates.

Actuarial assumptions – The total pension liability in the December 31, 2021 and 2020 annual actuarial valuations was determined using the following actuarial assumptions, included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.75% in the long-term; 3) Investment rate of return of 7.75%, net of investment expense, including inflation and 1) Inflation 2.50%; 2) Salary increases 3.00% in

the long-term; 3) Investment rate of return of 7.35%, net of investment expense, including inflation, respectively.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates used were based on the 2014 Group Annuity Mortality Table of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table for the fiscal years June 30, 2022 and 2021:

Asset Class	Target Allocation	Target Gross Rate Of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	2022	2021
Changes in Net Pension Liability		
Total Pension Liability		
Service cost	\$ 16,852	\$ 17,586
Interest on the total pension liability	384,497	396,223
Experience differences	(51,333)	(236,265)
Changes in actuarial assumptions	172,495	70,488
Benefit payments and refunds	<u>(395,979)</u>	<u>(407,934)</u>
Net change in total pension liability	126,532	(159,902)
Total pension liability - beginning	<u>5,248,730</u>	<u>5,408,632</u>
Total pension liability - ending (a)	<u>\$ 5,375,262</u>	<u>\$ 5,248,730</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 317,304	\$ 339,840
Employee contributions	7,212	7,224
Pension plan net investment income	562,409	458,608
Benefit payments and refunds	(395,979)	(407,934)
Pension plan administrative expense	<u>(6,455)</u>	<u>(7,228)</u>
Net change in plan fiduciary net position	484,491	390,510
Plan fiduciary net position - beginning	<u>3,989,719</u>	<u>3,599,209</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,474,210</u>	<u>\$ 3,989,719</u>
Net pension liability (a-b)	<u>\$ 901,052</u>	<u>\$ 1,259,011</u>
Plan fiduciary net position as a percentage of total pension liability	83.24%	76.01%
Covered employee payroll	\$ 190,650	\$ 192,500
Net pension liability as a percentage of covered employee payroll	472.62%	654.03%

Saginaw-Midland Municipal Water Supply Corporation
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Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (6.60%) or 1% higher (8.60%) than the current rate.

2022		
	Current Discount	
1% Decrease	Rate	1% Increase
\$ 1,449,738	\$ 901,052	\$ 431,789
2021		
	Current Discount	
1% Decrease	Rate	1% Increase
\$ 1,791,863	\$ 1,259,011	\$ 803,527

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the years ended June 30, 2022 and 2021, the employer recognized pension expense of \$143,968 and (\$67,734), respectively. The employer reported deferred outflows of resources related to pensions from the following sources:

2022			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ -	\$ (313,959)	\$ (313,959)
Contributions subsequent to the measurement date*	133,122	-	-
Total	<u>\$ 133,122</u>	<u>\$ (313,959)</u>	<u>\$ (313,959)</u>
2021			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ -	\$ (129,336)	\$ (129,336)
Contributions subsequent to the measurement date*	184,182	-	-
Total	<u>\$ 184,182</u>	<u>\$ (129,336)</u>	<u>\$ (129,336)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
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Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2023	\$ (44,715)
2024	(126,851)
2025	(89,962)
2026	(52,431)
	<u>\$ (313,959)</u>

Note 10 - Other Postemployment Benefits

Plan Description

Plan administration – The Municipal Employees Retirement System administers the Corporation’s Retiree Healthcare Funding Vehicle – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for continuation of health coverage under its Blue Cross insurance plan to all salary employees and their qualified spouse hired prior to September 30, 1998. In addition, the Corporation provides post-retirement health coverage to the Manager and qualified spouse of the Corporation hired in fiscal year 2004. Union Employees hired prior to January 1, 2006 have post-retirement health care coverage. The Board of Trustees has the authority to amend this plan.

Plan membership – The December 2020 valuation covers 2021 and 2022 dates (which correspond to fiscal years June 30, 2022 and 2021, respectively), the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Active employees	<u>6</u>
	<u>34</u>

The Plan is closed to new members.

Benefits provided – The Plan provides healthcare benefits for the retirees described above. This coverage becomes supplemental to Medicare coverage when the retired employee becomes eligible for Medicare. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The Board of Trustees has the authority to amend the benefit terms.

Contributions – The Board of Trustees has the authority to establish and amend the contribution requirements of the Corporation and plan members. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2022, the Corporation’s average contribution rate was 72.27 percent of covered payroll. Plan members are not required to contribute to the plan.

Investment policy – The Plans policy in regard to the allocation of invested assets is established and may be amended by the Employees Retirement System Board by a majority vote of its members. It is the policy of the Retirement System Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plans investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimate of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2022 and 2021 are summarized below along with the Boards adopted asset allocation policy:

Asset Class	Target Allocation	Real Rate of		Total Investment
		Return	Inflation Rate	Rate of Return
Global Equity	60%	4.50%	2.50%	7.00%
Global Fixed Income	20%	2.00%	2.50%	7.00%
Private Investments	20%	7.00%	2.50%	7.00%

Rate of return – For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on investments, net of investment expense, was (8.45%) and 28.18%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB Asset – The net OPEB asset was measured as of June 30, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The components of the net OPEB asset and liability as of June 30, 2022 and 2021 are as follows:

2022	
Total OPEB liability	\$ 2,495,519
Plan fiduciary net position	<u>2,586,956</u>
Net OPEB asset	<u>\$ (91,437)</u>

2021	
Total OPEB liability	\$ 2,495,040
Plan fiduciary net position	<u>2,683,401</u>
Net OPEB asset	<u>\$ (188,361)</u>

Plan fiduciary net position as a percentage of the total OPEB liability for fiscal years June 30, 2022 and 2021 is 103.66% and 107.55%, respectively.

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2020 (which correspond to fiscal years June 30, 2022 and 2021, respectively), using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	10
Asset valuation method	None
Inflation	2.50%
Healthcare cost trend rates	8.50% initial, decreasing 0.25% per year to an ultimate rate of 4.50%
Salary increases	3.75%
Investment rate of return	7.00%
Retirement age	60
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2022 and December 31, 2020 valuation was based on the Uniform Assumptions released by the Michigan Department of Treasury under Public Act 202 of 2017.

Discount rate – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Corporation contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	<u>2022</u>	<u>2021</u>
Changes in Net OPEB Asset		
Total OPEB Liability		
Service cost	\$ 13,845	\$ 12,041
Interest	169,007	180,070
Differences between expected and actual experience	(13,345)	22,459
Changes in actuarial assumptions	6,135	(201,303)
Other changes	9,273	40,482
Benefit payments	<u>(184,436)</u>	<u>(207,264)</u>
Net change in total OPEB liability	479	(153,515)
Total OPEB liability - beginning	<u>2,495,040</u>	<u>2,648,555</u>
Total OPEB liability - ending (a)	<u>\$ 2,495,519</u>	<u>\$ 2,495,040</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 325,581	\$ 395,424
Net investment income (loss)	(232,639)	568,133
Benefit payments	(184,436)	(207,264)
Administrative expense	<u>(4,951)</u>	<u>(4,193)</u>
Net change in plan fiduciary net position	(96,445)	752,100
Plan fiduciary net position - beginning	<u>2,683,401</u>	<u>1,931,301</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,586,956</u>	<u>\$ 2,683,401</u>
Net OPEB asset (a-b)	<u>\$ (91,437)</u>	<u>\$ (188,361)</u>
Plan fiduciary net position as a percentage of total OPEB asset	103.66%	107.55%
Covered employee payroll	\$ 389,955	\$ 435,320
Net OPEB asset as a percentage of covered employee payroll	(23.45%)	(43.27%)

Saginaw-Midland Municipal Water Supply Corporation
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Sensitivity of the net OPEB asset to changes in the discount rate – The following presents the net OPEB asset of the Corporation, as well as what the Corporation's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current discount rate.

2022

1% Decrease	Current Discount Rate	1% Increase
\$ 483,021	\$ (91,437)	\$ (21,627)

2021

1% Decrease	Current Discount Rate	1% Increase
\$ 89,644	\$ (188,361)	\$ (422,161)

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates – The following presents the net OPEB asset of the Corporation, as well as what the Corporation's net OPEB asset would be if were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates:

2022

Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$ (58,429)	\$ (91,437)	\$ 526,723

2021

Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$ (434,865)	\$ (188,361)	\$ 104,416

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the years ended June 30, 2022 and 2021, the employer recognized OPEB expense of (\$56,492) and (\$49,598), respectively. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

2022

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 1,171	\$ (7,279)	\$ (6,108)
Differences in assumptions	3,346	(10,495)	(7,149)
Net difference between projected and actual earning on plan investments	135,493	-	135,493
Total	<u>\$ 140,010</u>	<u>\$ (17,774)</u>	<u>\$ 122,236</u>

2021

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 11,815	\$ (5,188)	\$ 6,627
Differences in assumptions	3,718	(105,899)	(102,181)
Net difference between projected and actual earning on plan investments	-	(261,207)	(261,207)
Total	<u>\$ 15,533</u>	<u>\$ (372,294)</u>	<u>\$ (356,761)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	\$ 19,587
2024	17,851
2025	(250)
2026	85,048
	<u>\$ 122,236</u>

Saginaw-Midland Municipal Water Supply Corporation
Notes to the Financial Statements
June 30, 2022 and 2021

Note 11 - Economic Dependency

The Corporation was created to supply water to the Cities of Saginaw and Midland. In 2016, the Corporation also began serving the Bay Area. The water requirements of the Cities and Bay Area are directly related to those of the larger area businesses, which are subject to the general economy of the area. The Corporation's sales to the Cities and Bay Area for the years ended June 30, 2022 and 2021 were \$4,059,199 and \$4,089,929, respectively. These represent 96% of the total operating revenue for both years. The Corporation's receivables from the Cities and Bay Area at June 30, 2022 and 2021 were \$320,640 and \$341,891, respectively. These represent 95% of the total receivable balance for both years.

Saginaw-Midland Municipal Water Supply Corporation
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2022

Fiscal year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 16,852	\$ 17,586	\$ 16,872	\$ 16,758	\$ 56,206	\$ 51,581	\$ 61,261	\$ 58,812
Interest on the total pension liability	384,497	396,223	399,938	380,451	370,099	354,248	323,677	313,502
Experience differences	(51,333)	(236,265)	47,561	253,672	65,040	85,798	43,058	-
Changes in actuarial assumptions	172,495	70,488	170,965	-	-	-	221,457	-
Other changes	-	-	-	-	-	-	10,115	9,797
Benefit payments and refunds	(395,979)	(407,934)	(434,994)	(379,711)	(304,711)	(286,916)	(258,250)	(254,052)
Net change in total pension liability	126,532	(159,902)	200,342	271,170	186,634	204,711	401,318	128,059
Total pension liability - beginning	5,248,730	5,408,632	5,208,290	4,937,120	4,750,486	4,545,775	4,144,457	4,016,398
Total pension liability - ending (a)	<u>\$ 5,375,262</u>	<u>\$ 5,248,730</u>	<u>\$ 5,408,632</u>	<u>\$ 5,208,290</u>	<u>\$ 4,937,120</u>	<u>\$ 4,750,486</u>	<u>\$ 4,545,775</u>	<u>\$ 4,144,457</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 317,304	\$ 339,840	\$ 292,506	\$ 259,690	\$ 227,772	\$ 189,486	\$ 163,116	\$ 139,264
Employee contributions	7,212	7,224	6,952	107,326	21,820	27,178	26,572	27,878
Pension plan net investment income (loss)	562,409	458,608	442,690	(135,108)	410,046	324,206	(44,364)	181,946
Benefit payments and refunds	(395,979)	(407,934)	(434,994)	(379,711)	(304,711)	(286,916)	(258,250)	(254,052)
Pension plan administrative expense	(6,455)	(7,228)	(7,621)	(6,690)	(6,490)	(6,400)	(6,503)	(6,671)
Net change in plan fiduciary net position	484,491	390,510	299,533	(154,493)	348,437	247,554	(119,429)	88,365
Plan fiduciary net position - beginning	3,989,719	3,599,209	3,299,676	3,454,169	3,105,732	2,858,178	2,977,607	2,889,242
Plan fiduciary net position - ending (b)	<u>\$ 4,474,210</u>	<u>\$ 3,989,719</u>	<u>\$ 3,599,209</u>	<u>\$ 3,299,676</u>	<u>\$ 3,454,169</u>	<u>\$ 3,105,732</u>	<u>\$ 2,858,178</u>	<u>\$ 2,977,607</u>
Net pension liability (a-b)	<u>\$ 901,052</u>	<u>\$ 1,259,011</u>	<u>\$ 1,809,423</u>	<u>\$ 1,908,614</u>	<u>\$ 1,482,951</u>	<u>\$ 1,644,754</u>	<u>\$ 1,687,597</u>	<u>\$ 1,166,850</u>
Plan fiduciary net position as a percentage of total pension liability	83.24%	76.01%	66.55%	63.35%	69.96%	65.38%	62.88%	71.85%
Covered payroll	\$ 190,650	\$ 192,500	\$ 184,242	\$ 178,296	\$ 539,645	\$ 504,338	\$ 593,807	\$ 570,946
Net pension liability as a percentage of covered payroll	472.62%	654.03%	982.09%	1,070.47%	274.80%	326.12%	284.20%	204.37%

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

Saginaw-Midland Municipal Water Supply Corporation
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
June 30, 2022

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 170,112	\$ 170,112	\$ 593,807	28.65%
2017	208,860	208,860	509,736	40.97%
2018	240,684	240,684	522,487	46.07%
2019	136,848	136,848	365,957	37.39%
2020	311,316	311,316	199,613	155.96%
2021	368,364	368,364	203,880	180.68%
2022	206,244	206,244	207,560	99.37%

Notes: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution (ADC) included in this schedule is calculated as the normal cost payment plus the amortized portion of the unfunded actuarial accrued liability.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement age	60
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

Saginaw-Midland Municipal Water Supply Corporation
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2022

Fiscal year ended June 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 13,845	\$ 12,041	\$ 11,311	\$ 21,574	\$ 22,160
Interest	169,007	180,070	175,401	185,113	171,439
Differences between expected and actual experience	(13,345)	22,459	-	(134,896)	-
Changes in assumptions	6,135	(201,303)	73,099	14,884	-
Benefit payments	(184,436)	(207,264)	(222,651)	(205,711)	(154,290)
Other	9,273	40,482	-	(6,111)	(6,361)
Net change in total OPEB liability	479	(153,515)	37,160	(125,147)	32,948
Total OPEB liability - beginning	2,495,040	2,648,555	2,611,395	2,736,542	2,703,594
Total OPEB liability - ending (a)	<u>\$ 2,495,519</u>	<u>\$ 2,495,040</u>	<u>\$ 2,648,555</u>	<u>\$ 2,611,395</u>	<u>\$ 2,736,542</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 325,581	\$ 395,424	\$ 305,316	\$ 270,408	\$ 270,408
Net investment income (loss)	(232,639)	568,133	44,163	52,354	117,099
Benefit payments and refunds	(184,436)	(207,264)	(222,651)	(205,711)	(154,290)
Administrative expense	(4,951)	(4,193)	(3,390)	(3,637)	(3,857)
Net change in plan fiduciary net position	(96,445)	752,100	123,438	113,414	229,360
Plan fiduciary net position - beginning	2,683,401	1,931,301	1,807,863	1,694,449	1,465,089
Plan fiduciary net position - ending (b)	<u>\$ 2,586,956</u>	<u>\$ 2,683,401</u>	<u>\$ 1,931,301</u>	<u>\$ 1,807,863</u>	<u>\$ 1,694,449</u>
Net OPEB (asset) liability (a-b)	<u>\$ (91,437)</u>	<u>\$ (188,361)</u>	<u>\$ 717,254</u>	<u>\$ 803,532</u>	<u>\$ 1,042,093</u>
Plan fiduciary net position as a percentage of total OPEB liability	103.66%	107.55%	72.92%	69.23%	61.92%
Covered payroll	\$ 389,955	\$ 435,320	\$ 880,778	\$ 730,702	\$ 608,459
Net OPEB (asset) liability as a percentage of covered payroll	(23.45%)	(43.27%)	81.43%	109.97%	171.27%

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018
Data will be added as information is available until 10 years of such data is available.

Saginaw-Midland Municipal Water Supply Corporation
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions
June 30, 2022

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 164,764	\$ 154,290	\$ 10,474	\$ 608,459	25.36%
2019	165,579	205,711	(40,132)	589,715	34.88%
2020	130,092	222,651	(92,559)	393,711	56.55%
2021	130,531	207,264	(76,733)	406,638	50.97%
2022	31,178	184,436	(153,258)	411,973	44.77%

Notes to Schedule of Contributions

Valuation date:

December 31, 2020

Notes:

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution (ADC) included in this schedule is calculated as the normal cost payment plus the amortized portion of the unfunded actuarial accrued liability.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	13
Asset valuation method	None
Inflation	2.50%
Healthcare cost trend rates	8.50% initial, decreasing 0.25% per year to an ultimate rate of 4.50%
Salary increases	3.75%
Investment rate of return	7.00%
Retirement age	60
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

Saginaw-Midland Municipal Water Supply Corporation
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2018	7.37%
2019	16.57%
2020	2.21%
2021	28.11%
2022	-8.69%

* Annual money-weighted rate of return, net of investment expenses

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retroactive implementation.
 Data will be added as information is available until 10 years of such data is available.

Saginaw-Midland Municipal Water Supply Corporation
Other Supplementary Information
Schedule of Indebtedness
June 30, 2022

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest	Interest
Proprietary Fund					
Water Supply System Refunding Bonds Series 2013	3.00 - 4.50%	9/1/2034			
		2023	\$ 195,000	\$ 62,663	\$ 59,250
		2024	205,000	59,250	55,663
		2025	215,000	55,663	51,900
		2026	225,000	51,900	47,400
		2027	235,000	47,400	42,700
		2028	250,000	42,700	37,700
		2029	260,000	37,700	32,500
		2030	275,000	32,500	27,000
		2031	290,000	27,000	21,019
		2032	305,000	21,019	14,538
		2033	320,000	14,538	7,538
		2034	335,000	7,538	-
			<u>\$ 3,110,000</u>	<u>\$ 459,871</u>	<u>\$ 397,208</u>

Saginaw-Midland Municipal Water Supply Corporation
Other Supplementary Information
Schedule of Financial Highlights (Unaudited)

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Millions of Gallons Pumped					
City of Saginaw	7,240.51	7,445.06	7,551.22	7,717.14	8,425.26
City of Midland	7,271.34	7,458.36	7,591.08	7,304.25	7,808.92
	<u>14,511.85</u>	<u>14,903.42</u>	<u>15,142.30</u>	<u>15,021.39</u>	<u>16,234.18</u>
Expenses					
Operating expenses	\$ 2,919,993	\$ 2,593,431	\$ 3,104,025	\$ 5,513,424	\$ 3,000,420
Improvement and emergency repair expenses	839,287	272,254	181,448	-	238,960
Bond interest	127,660	102,252	173,934	229,912	157,075
Loss on early retirement of debt	-	54,487	54,487	54,487	54,487
Depreciation	1,007,731	1,009,097	1,008,035	2,016,828	993,686
Total expenses	4,894,671	4,031,521	4,521,929	7,814,651	4,444,628
Less other income	2,673,155	2,703,174	2,736,898	2,520,383	4,418,465
Net expenses	<u>\$ 2,221,516</u>	<u>\$ 1,328,347</u>	<u>\$ 1,785,031</u>	<u>\$ 5,294,268</u>	<u>\$ 26,163</u>
Expense Per 1,000 Gallons Pumped					
Operating expenses	\$ 0.2012	\$ 0.1740	\$ 0.2050	\$ 0.2053	\$ 0.1848
Improvement and emergency repair expenses	0.0578	0.0183	0.0120	0.0441	0.0147
Bond interest	0.0088	0.0069	0.0115	0.0094	0.0097
Loss on early retirement of debt	-	0.0037	0.0036	0.0036	0.0034
Depreciation	0.0694	0.0677	0.0666	0.0670	0.0612
Total expenses	0.3372	0.2706	0.2987	0.3294	0.2738
Less other income	0.1531	0.0891	0.1179	0.1678	0.2722
Net expenses	<u>\$ 0.1841</u>	<u>\$ 0.1815</u>	<u>\$ 0.1808</u>	<u>\$ 0.1616</u>	<u>\$ 0.0016</u>

File Attachments for Item:

8. * Michigan Department of Transportation (MDOT) Contract No. 22-5376. LEMON

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Michigan Department of Transportation (MDOT) Contract No. 22-5376

INITIATED BY: City of Midland Engineering Department

RESOLUTION

SUMMARY: This resolution authorizes the Mayor and City Clerk to execute Contract 22-5376 with MDOT regarding the construction of intersection improvements at the intersection of US-10BR (Eastman Avenue) and Wackerly Road upon approval of the contract by the City Attorney.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Matthew Lemon
Engineering Department



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

It has previously been identified that roadway improvements are necessary at the intersection of Eastman Avenue and Wackerly Road, including widening along Wackerly Road for future expansion. Through City participation in the Midland Area Transportation Study (MATS), federal funding is available through the Michigan Department of Transportation (MDOT) to cost share the construction of improvements at this intersection in conjunction with their scheduled improvements along Eastman Avenue.

The construction work for this project includes roadway preparation and construction, lane construction, drainage improvements, concrete curb and gutter and pavement markings. It is anticipated that construction will occur next summer.

MDOT has provided the cost share amounts for the construction work based on the total construction estimate. The Federal cost share will be up to \$1,274,900. The City of Midland is responsible for the remaining portion of the cost. Based on the total construction estimate of \$1,707,100, the City share amounts to \$432,200. The City share was included in the budget for the Major Street Fund.

The cost sharing requirements are outlined in MDOT Contract No. 22-5376 and are to be reviewed by the City Attorney. Their contracts contain standard language developed by MDOT for use on local road agency road construction projects and are consistent from year to year.

Acceptance of the attached resolution would approve entering into the cost share agreement between the City and MDOT for the improvements, subject to contract review and approval by the City Attorney.

We recommend that the project cost share agreement be accepted, pending approval of the City Attorney, in the best interest of the City.

Respectfully submitted,

Matthew Lemon
City Engineer

Christina Evans
Accounting Manager



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BY COUNCILMAN

WHEREAS, the City of Midland desires to construct roadway improvements at the intersection of US-10BR (Eastman Avenue) and Wackerly Road; and

WHEREAS, the City of Midland is a member of the Midland Area Transportation Study (MATS), through which funding is available from the Michigan Department of Transportation (MDOT) to cost share street reconstruction; and

WHEREAS, Contract No. 22-5376, prepared by MDOT and to be reviewed by the City Attorney, specifies a cost sharing agreement to be used for the project; and

WHEREAS, funding available for construction through MDOT is \$1,274,900; and

WHEREAS, the City of Midland is responsible for the balance of the construction project cost, based on current estimate to be \$432,200; and

WHEREAS, the funding for the City share is available in the Major Street Fund; now therefore

RESOLVED, that City Council authorizes the Mayor and City Clerk to sign and execute the MDOT project cost share agreement, Contract No. 22-5376, once approved by the City Attorney.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

File Attachments for Item:

9. * Increase purchase order to Michigan CAT for purchase of Landfill gas-to-energy maintenance parts.
MURPHY

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Landfill – Purchase Order Increase Authorization for Gas-To-Energy Parts

INITIATED BY: Department of Public Services

RESOLUTION SUMMARY: This resolution waives sealed proposals as impractical, in accord with Sec. 2-18 of the Code of Ordinances, and authorizes an increase to Purchase Order #2023-00000102 in the amount of \$105,000 for Michigan Cat, Inc. of Detroit, Michigan for gas-to-energy parts for the remainder of FY 2022-23.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution

COUNCIL ACTION:

1. 4/5 vote required to approve resolution.

Karen Murphy
City of Midland Department of Public Services



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

The City of Midland owns and operates a renewable gas-to-energy system (GTE) that utilizes two 20-cylinder Caterpillar 3520 generators to convert landfill and wastewater gas into electricity that is sold to local industrial consumers.

At the start of FY 2022-23, staff administratively authorized a blanket purchase order to Michigan Cat, Inc. of Detroit, Michigan in the amount of \$35,000 for various routine repair and maintenance parts as well as core deposits for the fiscal year. Due to typical wear, significant parts purchases are necessary and this will require an increase to the existing purchase order.

Parts availability has become a challenge, with a current pressing need for 20 remanufactured cylinder heads. The previous order for heads took over five months to arrive. Staff sought aftermarket parts to rebuild our used heads locally as an alternate to purchasing remanufactured heads, but found out that parts availability is the reason heads are backordered. Therefore the heads are a sole source purchase at this time and staff needs to get them on order now given the extended lead time so the parts are on hand when the replacement cycle comes due.

Funding is included for GTE parts in the FY 2022-23 Landfill Enterprise Fund's operating budget. Staff therefore recommends that bids be waived as impractical due to sole source availability, in accord with Section 2-18 of the Code of Ordinances for the City of Midland, and authorization be given for a purchase order increase of \$105,000 to Michigan Cat, Inc. of Detroit, Michigan to allow for the purchase of the heads at this time. The increase will bring the total purchase order amount to \$140,000 which will provide adequate funding to purchase the 20 heads at this time, as well as provide funding for additional parts that will be needed yet this fiscal year.

Respectfully submitted,

Karen Murphy
Director of Public Services

Christina Evans
Accounting Manager



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BY COUNCILMAN

WHEREAS, the City of Midland owns and operates a renewable gas-to-energy system that utilizes two 20-cylinder Caterpillar 3520 generators that convert landfill and wastewater gas into electricity that is sold to local industrial consumers; and

WHEREAS, at the start of FY 2022-23, staff administratively authorized a blanket purchase order to Michigan Cat, Inc. of Detroit, Michigan in the amount of \$35,000 for routine parts for the fiscal year; and

WHEREAS, due to typical wear significant parts purchases are necessary annually, requiring an increase to the purchase order with funding included for this purpose in the FY 2022-23 Landfill Enterprise Fund's operating budget; and

WHEREAS, parts availability has led to delays in delivery and has limited staff to securing heads for the generators directly from Michigan Cat, Inc. as the sole source for replacement parts at this time; now therefore

RESOLVED, that in accord with Section 2-18 of the Code of Ordinances, the requirement for sealed competitive proposals is hereby waived as impractical, and a purchase order increase of \$105,000 is authorized to Michigan Cat, Inc. bringing the purchase order to a total amount of \$140,000 for GTE parts and core deposits for the balance of FY 2022-23.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

File Attachments for Item:

10. * Landfill Skidsteer vehicle replacement. MURPHY

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Landfill – Bobcat Compact Track Loader Purchase Order Authorization

INITIATED BY: Department of Public Services

RESOLUTION SUMMARY: This resolution authorizes a purchase order in the amount of \$59,687 to Clark Equipment Company dba Bobcat Company of West Fargo, North Dakota for the replacement of the Landfill's Bobcat compact track loader through the Michigan State Contract – 071B7700088, using the City's Insurance Fund to pay as a claims expense, and also recognizes insurance reimbursement of the cash value of the destroyed unit in the amount of \$59,437.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution

COUNCIL ACTION:

1. 3/5 vote required to approve resolution.

Karen Murphy
City of Midland Department of Public Services



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

The City of Midland's Landfill owns and operates a Bobcat T550 compact track loader. It serves a wide range of purposes on the site including hillside mowing, cleaning behind the residential dumpsters and moving materials onsite.

On September 28, 2022 Landfill staff was operating the Bobcat with its brush hog mowing attachment, clearing the side of Cell 16 hill. The operator identified the smell of smoke, confirmed visually that the unit's engine was on fire, and exited the unit unharmed. The City's Fire Department responded but fire had rapidly engulfed the unit.

The City has received interpretation from its insurance carrier, the Michigan Municipal League Liability & Property Pool on the extent of damage. They have deemed the unit a total loss, coverable under the City's Property Blanket policy for full replacement cost with a \$250 deductible.

Staff has evaluated replacement units and identified the Bobcat T62, the current model on the market that is equivalent to the destroyed T550, as best meeting the needs of the Landfill. The Bobcat T62 is offered through the Michigan State Contract – 071B7700088 with the equivalent specifications to the burned unit at a cost of \$59,687 through the State's selected vendor, Clark Equipment Company dba Bobcat Company of West Fargo, North Dakota.

The attached resolution authorizes a purchase order for the replacement of the Landfill's Bobcat T550 compact track loader with a new Bobcat T62 through the Michigan State Contract – 071B7700088, using the City's Insurance Fund to pay as a claims expense, and also recognizes the insurance reimbursement for the cash value of the destroyed unit, less the City's \$250 deductible, for a total reimbursement of \$59,437.

Respectfully submitted,

Karen Murphy
Director of Public Services

Christina Evans
Accounting Manager



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BY COUNCILMAN

WHEREAS, the City of Midland's Landfill owns and operates a Bobcat T550 compact track loader which serves a wide range of purposes on the site including hillside mowing, cleaning behind the residential dumpsters and moving materials onsite; and

WHEREAS, on September 28, 2022 Landfill staff was operating the Bobcat when the operator identified an engine fire and exited the unit unharmed; and

WHEREAS, the City has received interpretation from its insurance carrier, the Michigan Municipal League Liability & Property Pool, that the Bobcat is deemed a total loss, coverable under the City's Property Blanket policy for full replacement cost with a \$250 deductible to be paid by the City; and

WHEREAS, staff has evaluated replacement units and identified the Bobcat T62, the current model equivalent to the destroyed T550, as best meeting the Landfill's needs, and this unit is available through the Michigan State Contract – 071B7700088 at a cost of \$59,687 through the State's selected vendor, Clark Equipment Company dba Bobcat Company of West Fargo, North Dakota; now therefore

RESOLVED, that a purchase order to Clark Equipment Company dba Bobcat Company of West Fargo, North Dakota is authorized in the amount of \$59,687 for the replacement of the Landfill's Bobcat T550 compact track loader with a new Bobcat T62 through the Michigan State Contract – 071B7700088, using the City's Insurance Fund to pay as a claims expense; and

RESOLVED FURTHER, that the insurance reimbursement of the cash value of the destroyed unit less the City's \$250 deductible is recognized, for a total insurance reimbursement of \$59,437.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

File Attachments for Item:

11. * Poseyville Riverfront Restoration design and oversight for Phase II. MURPHY

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Design, Bid and Construction Management Services for Phase II of Poseyville South Riverfront Renovations

INITIATED BY: Department of Public Services

RESOLUTION SUMMARY: This resolution authorizes professions service agreement under Section 2-19 of the Code of Ordinances for the City of Midland and approves a contract with PMBlough, Inc. of Grand Haven, Michigan not to exceed \$100,000 for design, bid and construction management services for phase II of the Poseyville South Riverfront renovations.

ITEMS ATTACHED:

1. Letter of Transmittal
2. PMBlough, Inc. Proposal
3. Resolution

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Karen Murphy
City of Midland Department of Public Services



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November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

The City of Midland has been actively working over the past several years to acquire and redevelop the site of the former 4D/Oldcastle concrete block manufacturing facility on the south side of the Tittabawassee River. An early partnership with FEMA provided funding sufficient to acquire the property, demolish and remove the former industrial facilities, and level the site. FEMA funding, however, was not sufficient to allow restoration of the site.

As a prominently located and highly visible site in Midland, this property greets every motorist coming into Midland via Poseyville Road. The current state of the site does not extend the welcoming we would like, nor are the hard surface and weeds covering the site consistent with the vision and the image we would like for our community. For this reason, the continued restoration of this site and the transformation of it into an asset for Midland and our residents is a very high priority for the City. Unfortunately, the City is also faced with many financial challenges and partnerships are crucial to us pursuing and completing projects such as this.

Recognizing that the City was unable financially to continue advancing the restoration of this site, the Michigan Baseball Foundation (MBF) reached out to see if a partnership could be formed that would help advance this important project. The City eagerly embraced that partnership and has been actively working with MBF ever since. MBF continues to manage the fundraising component of the project while the City is responsible for project management. The project will be constructed in multiple phases. Phase I of the project involves site reclamation that will convert the current vacant industrial site into a vibrant greenway wetland park with accessible pathways, river overlooks, fishing piers and restored riparian ecosystems along the water's edge. Phase II of the project includes construction of a pavilion and a pedestrian bridge over the river to provide ready access from the east end of downtown to this wonderful new passive recreational space along the riverfront. The final phase will also include installing wetland and grassland vegetation throughout the site.

I am happy to report that construction on Phase I is well underway and the project team is ready to move forward with the final design for Phase II. Adequate funds have been raised to date from outside sources, including local foundations and philanthropic families, to allow Phase II design work to move forward at this time. The current funding status for the entire project is as follows:

C. Bradley Kaye
November 16, 2022
Page Two

	Budgetary Cost Estimate	Funds Raised to Date
Phase I – Park Development	\$ 3,075,000	\$ 3,075,000
Phase II – Pedestrian Bridge/Pavilion	\$ 6,092,688	\$ 2,440,000
Construction Contingency	\$ 840,000	
TOTAL COST	\$ 10,007,688	\$ 5,515,000

When the City took over project management, PMBlough, Inc. of Grand Haven, Michigan was selected as the design firm to lead the project through to completion. PMBlough has been utilized by the City for multiple projects along the riverfront, including the design and installation of the canoe/kayak launch at Farmers Market, the river overlooks between M20 and Currie Parkway bridges, and the upper Emerson Park plaza/overlook/boardwalk project. Their staff is very knowledgeable of the soil types along the riverfront and the requirements of working within the floodplain, and City staff have been very satisfied with their project management skills that result in excellent project outcomes.

PMBlough has successfully completed design modifications, specification development and construction oversight to date on Phase I of the project. The project team is ready to move forward with similar services for Phase II of the project. PMBlough has submitted a proposal not to exceed \$100,000 for these services. This proposal can be accepted under Section 2-19 of the Code of Ordinances for the City of Midland which states that sealed proposals are not required for professional services.

Funds donated for the project are held in a project account at the Midland Area Community Foundation (MACF). Invoices for work completed are reviewed and approved by City staff then submitted to MACF for payment. As such, a formal purchase order through the City will not be required however City Council approval of the attached proposal will be needed to comply with the City's purchasing ordinance.

Sincerely,



Karen Murphy
Department of Public Services



Christina Evans
Accounting Manager



November 7, 2022

Ms. Karen Murphy, Director
Department of Public Services
4811 N. Saginaw Rd.
Midland, MI 48640

RE: Proposal for Additional Professional Services for Poseyville Riverfront Restoration Project

Dear Ms. Murphy:

In follow up to our discussions, this proposal is for services to continued assistance to the City with the development of the new Poseyville Park located on the south side of the Tittabawassee River. In addition to the continued coordination and oversight of the first phases of the park development, PMB will oversee the design and implementation of continued phases. These phases include oversight of the elevated walkway, pavilion, and wetlands. Design elements include design of the park mound and pavilion in coordination with the elevated walkway, design of the north pedestrian connection, continued coordination with the project contractor and coordination of the remaining permitting concerns. Services are expected to continue through 2024 with the expected project completion.

1. Continue to provide overall Project Management and team coordination for the project.
2. Continue to coordinate EGLE and other required permits.
3. Coordinate and develop documents as required to continue the construction process with the Contractors.
4. Coordinate and prepare needed documents for financial approval.
5. Provide and/or develop information as needed for potential additional funding applications.
6. Provide construction administration services related to the project that may include the following services. Assistance in submittal review from the Contractor, site visits, meeting agendas, facilitation of progress meetings, review of payment applications, change orders, development and coordination of punch lists, and project closeout.
7. Assist as needed with any project warranty items.
8. Complete other services as requested by the City.

Proposed Fee

Services will be invoiced on an hourly basis for actual services to be provided. Fees will be invoiced monthly based on actual work completed in the previous month. Hourly rates include all time, materials, and general expenses. Only fees required based on needed work tasks will be invoiced, any time not required will not be invoiced to the City.

Total Not to Exceed Fees for Additional Services \$100,000

**Limitation of Liability**

To the fullest extent permitted by law, PM Blough, Inc. total liability to the City for any cause or combination of causes, which arise out of claims based upon professional liability errors or omissions, whether based upon contract, warranty, negligence, strict liability or otherwise is, in the aggregate, limited to the amount of \$75,000.

Thank you for requesting this proposal. If there is any way we can better meet the desires of the City of Midland, please do not hesitate to allow us to modify this proposal.

We look forward to continuing to serve the beautiful City of Midland.

P.M. Blough, Inc.

A handwritten signature in black ink that reads "Pamela Blough". The signature is written in a cursive, flowing style.

Pamela Blough, LLA, FASLA
President

Authorized to Proceed:
City of Midland

Karen Murphy, Director Date
Director of Public Services



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BY COUNCILMAN

WHEREAS, the City of Midland in partnership with the Michigan Baseball Foundation have worked together to bring forward a project to renovate the site of the old 4D/Oldcastle concrete block manufacturing facility on the south side of the Tittabawassee River; and

WHEREAS, adequate funds have been raised and are available in a project fund at the Midland Area Community Foundation to move forward with design work for Phase II of the Poseyville South Riverfront restoration project; and

WHEREAS, the City of Midland has worked to date with PMBlough, Inc. of Grand Haven, Michigan on Phase I design, bidding and construction oversight with great success; and

WHEREAS, PMBlough, Inc. has submitted a proposal for the remaining design, bid and construction management oversight services for this next phase of the project not to exceed \$100,000; and

WHEREAS, Section 2-19 of the Code of Ordinances for the City of Midland states that sealed proposals are not required for professional services; now therefore

RESOLVED, that City Council authorizes staff to approve and execute a contract with PMBlough, Inc. for Phase II of the project with a cost not to exceed \$100,000 for design, bid and construction management services.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk

File Attachments for Item:

12. * Set public hearing for consideration of an application to the State of Michigan's Spark Grant program for gutter replacement and plumbing repairs at Plymouth Pool. MURPHY

SUMMARY REPORT TO MANAGER
for City Council Meeting of November 21, 2022

SUBJECT: Set a public hearing for review of a grant application to the State of Michigan's Spark grant program for the Plymouth Pool Restoration Project.

INITIATED BY: Department of Public Services

RESOLUTION SUMMARY: This resolution sets a public hearing for December 5, 2022 at 7:00 p.m. in City Council Chambers of City Hall to review a grant request to the State of Michigan's Spark grant program toward the Plymouth Pool Restoration Project.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Karen Murphy
City of Midland Department of Public Services



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

November 16, 2022

C. Bradley Kaye, ICMA-CM AICP CFM
City Manager
City of Midland
Midland, Michigan

Dear Mr. Kaye:

Plymouth Pool was evaluated this spring by a pool consultant to address concerns staff had with undetermined water loss from the pool. It was found that water is leaking from the backside of the gutters into the surrounding soil with potential water leaking from underground plumbing lines as well. The stainless steel gutters have reached the end of life and repairs to the gutters are no longer effective in preventing this water loss, with unknown additional leaking from piping located under the pool deck. As such, the City has hired an aquatics engineering firm, Counsilman-Hunsaker of St. Louis, Missouri, to fully diagnose the issue and provide a bid package for replacement of the gutter system along with associated underground plumbing to stop the water loss. The current estimated cost for the project is \$2.5MM. Staff is awaiting a more detailed budgetary estimate from Counsilman-Hunsaker based on their specific investigation of the pool in a report that is scheduled for delivery to the City in early December.

The City has not budgeted for replacement of the gutters nor the underground plumbing repairs that are needed and therefore will be seeking funding for this project from both internal sources and external grant opportunities. Due to the degree of water loss this work is deemed a rather emergent need, and staff has been advised that completion of the repair work should be scheduled for September 2023 to prevent any further damage to the pool's infrastructure. If the work cannot be completed within the next year, the pool consultant has warned that the pool structure itself could experience undermining from the water loss that could lead to the need for a complete replacement of the pool which would cost around \$6MM.

The State of Michigan is offering a new grant opportunity called the Spark grant that utilizes State American Rescue Plan funding. According to www.michigan.gov, Spark grants are designed to "help local communities that want to create, renovate or redevelop public opportunities for residents and visitors" and the restoration work needed at Plymouth Pool certainly fits this purpose. The first round of applications for the Spark grant program are due December 19. Two additional rounds of Spark funding are anticipated for 2023 as well. The City's grant coordinator is applying on behalf of the Parks & Recreation Department for a grant of \$1MM to support the work that needs to be done at the pool.

C. Bradley Kaye
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One of the requirements for the grant application is the inclusion of a resolution from the highest governing body of the municipality in support of the grant application that includes an opportunity for public input on the grant request. In addition to supporting the grant request, the resolution that will be brought forward for consideration following the public hearing will also state that the local entity will provide any additional funding needed for completion of the project. The resolution before Council tonight sets a public hearing for December 5, 2022 at 7:00 p.m. to receive public input on the grant request.

Sincerely,

A handwritten signature in blue ink that reads "Karen Murphy". The signature is stylized, with the first name "Karen" written in a cursive-like script and the last name "Murphy" written in a more blocky, capital-letter style. There are some loops and flourishes at the end of the signature.

Karen Murphy
Department of Public Services



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BY COUNCILMAN

RESOLVED, that in accord with Section 11.6 of the Charter of the City of Midland, the City Council hereby schedules a public hearing for Monday, December 5, 2022 at 7:00 p.m. in the City Council Chambers of City Hall on a grant application to the State of Michigan's Spark grant program for the Plymouth Pool Restoration Project; and

RESOLVED FURTHER, that the City Clerk is hereby directed to give notice as provided in Section 5.11 of the Charter of the City of Midland.

YEAS:

NAYS:

ABSENT:

I, Lacey Todd, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, November 21, 2022.

Lacey Todd, City Clerk