

The Village of Lexington Common Council held a Special Council Meeting Wednesday, October 14, 2020 at the Lexington Village Theatre 7318 Huron Avenue, Lexington, MI 48450

Call to Order Regular Council Meeting at 7:02 p.m. by President Kristen Kaatz

Pledge of Allegiance led by President Kristen Kaatz

Roll call taken by Clerk Beth Grohman

Present: Jarosz, Adams, Muoio, Fulton, Schultz, Kaatz

Absent: None

Others present: Tatman and Chris Heiden and one citizen

Public Comment – None offered

BUSINESS

ADMINISTRATION

A. LETTER OF INTENT PORT SANILAC WATER-Tatman and Heiden working on contract for Port Sanilac to connect to water. Port Sanilac will meet on October 20th to address the letter of intent to be sure the Village of Lexington wants to be their water supplier. Letter of intent is not the final agreement. Contract is currently being drafted.

Heiden – Village of Port Sanilac is under a DEQ (EGLE) administrative consent order. The Village would have to partner up with Sanilac Township to use their water main as a transmission main from Lexington. Heiden and Tatman have been working with Sanilac Township on the fees for tap in fees from Port Sanilac. In the letter is a number of line items with cost estimates.

Village of Port Sanilac estimated usage is 38,000,000 gallons per year. Currently Lexington uses about 45,000,000 gallons per year, Worth Township uses about 47,000,000 gallons per year and Sanilac Township uses about 15,000,000 gallons per year. Port Sanilac would participate about 13% of repair cost for the plant and the Village would drop to 40%. Village of Port Sanilac requested a capacity purchase from the Village of 325,000 per day. Average daily usage is approximately 100,000 per day. Based on the cost that is charged to other wholesale customers, for 325,000 gallons will be approximately \$812,000 paid to the Village, second charge is the debt service charge off the original intake to help pay off the bond issue, is \$264,000 paid to the Village.

Port Sanilac has discussed the possibility of contracting with Village to run the water system. Basically same operation the Village currently has with Sanilac Township.

Base rate was taken from the language from the Sanilac Township's contract and use this as a base template for Port Sanilac contract. Basically total production annually, total consumption of customers and the percentage for the usage for the year is the percentage of the annual budget.

Heiden anticipates that cost to Village residents (once project is complete) could go down approximately \$1.00. Heiden also stated instead of raising rates to help pay for the upgrades, that extra \$1.00 per thousand gallons or \$45,000 a year and put it towards the bond payment and keep the rates lower.

Motion by Jarosz, seconded by Muoio, authorize the Village President to sign the letter of intent with the Village of Port Sanilac to purchase water.

Roll Call

Ayes- Jarosz, Muoio, Adams, Fulton, Schultz, Kaatz

Nays- None

Motion carried

PUBLIC COMMENT

None offered

COUNCIL PERSONS COMMENTS

Jarosz - Good job Chris and Holly

Muoio - Good job

Kaatz – Commented on the negative posts on Facebook attacking the Village Manager and staff. Staff is handling it well and continuing to do their jobs and it appreciated.

Heiden responds - Council deserves credit, we couldn't be doing what we are doing without a progressive council. Behalf of me and my staff Holly has our utmost respect. Holly has done things that have been sat on for years.

Adams – Best response is not response. Don't engage because that is what the people spreading negativity wants.

Tatman responds regarding the RBV Contract - Village is on a national website called MiTN. So all bids are posted on their website. I reached out to the ACOE – Keith- handles our harbor and thought it may be an Army Corp issue. What is the best plan. Keith worked with RBV on a former job, in turn Keith reached out the RBV engineer, John, who helped design that plan that was sent to Heiden. Looked it over, it made sense, and it past the specs for the Army Corp of Engineers. DNR and Keith signed off. There was no charge for the design from the ACOE. Heiden put together the bid proposal and sent it out to all the local contractors and it was also put out on MiTN. Five responses. Heiden contacted Worth Township DPW Supervisor about the work done by Boddy Construction. They had a couple issues in Worth Township on the sewer job but got them straightened out. Heiden worked with Boddy Construction or RBV Construction before and never had any problems.

Heiden stated the Village has not always taken the lowest bids.

Tatman stated – for the record, "my husband never came into Lexington pertaining to the job, never laid a hand on the job. Was either on his way to or from Iowa doing work for the RBV Contracting. Yes my husband does work for RBV but had no involvement or do we discuss work. Contrary to what social media says, my husband had no involvement." Also stated she didn't even make a recommendation to Council on that decision.

ADJOURNMENT – Motion by Jarosz, seconded by Muoio, to adjourn the meeting 7:49 p.m.

All Ayes

Motion carried

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Respectfully Submitted
Beth Grohman

APPROVED