



CITY OF GROSSE POINTE WOODS

MEMORANDUM

Date: May 6, 2022

To: Mayor and Council

From: Frank Schulte, City Administrator *F.S.*

Subject: Highland Park's Nonpayment of Water and Sewer Charges

Currently, Great Lakes Water Authority (GLWA) is in dispute with Highland Park over non-payment of drinking water since 2012 and sewer charges since 2008. Please see attached supporting documentation.

Highland Park has only paid a fraction of what it owes for water and sewer services to GLWA. Unknown to the city and all other GLWA member communities is that GLWA has been charging a share of Highland Park's unpaid debt to those communities in their water and sewer rates.

To date, the city has paid GLWA through the Southeast Macomb Sanitary District (SEMSD) \$266,711.08 for sewage and \$42,500.00 for drinking water for Highland Park's unpaid invoices.

The city is a direct customer with GLWA for drinking water and pays them directly for that service.

The city is an indirect customer with GLWA with regards to sewage costs. The city's sewage flows through the SEMSD and pays them directly for sewage charges. SEMSD is withholding and escrowing all future shares of Highland Park's unpaid debt sewage charges until the debit issues is resolved.

It is administration's recommendation to city council to escrow all future costs of the Highland Park debt dispute with GLWA in the amount of \$375.00 per month as well as escrow all future costs of the Highland Park debt dispute to SEMSD in the amount of \$2,413.74 per month until the issue has been resolved.

Attachments

Southeast Macomb Sanitary District Highland Park Bad Debt Apportionment				
Community	Apportionment (per FY22 Rates)	Highland Park Bad Debt (FY08 Thru FY22) \$4,132,000.00	Highland Park Bad Debt (FY23) \$503,400.00	Highland Park Bad Debt (FY08 thru FY23) \$4,635,400.00
Grosse Pte. Shores	2.89%	\$ 119,587.65	\$ 14,569.32	\$ 134,156.97
Grosse Pte. Woods	5.75%	\$ 237,746.52	\$ 28,964.57	\$ 266,711.08
Harper Woods	4.23%	\$ 174,665.06	\$ 21,279.38	\$ 195,944.44
Milk River Drainage District	8.29%	\$ 342,481.92	\$ 41,724.44	\$ 384,206.37
SEMSD Communities	78.84%	\$ 3,257,518.85	\$ 396,862.29	\$ 3,654,381.14
Total to SEMSD	100.00%	\$ 4,132,000.00	\$ 503,400.00	\$ 4,635,400.00
SEMSD Direct Communities				
St. Clair Shores				
Roseville	38.74%	\$ 1,261,853.11	\$ 153,731.09	\$ 1,415,584.19
Eastpointe	31.88%	\$ 1,038,505.74	\$ 126,520.76	\$ 1,165,026.51
	29.38%	\$ 957,160.00	\$ 116,610.44	\$ 1,073,770.44
Total	100.00%	\$ 3,257,518.85	\$ 396,862.29	\$ 3,654,381.14

Frank Schulte

From: Nicholas Fedewa <nicholas.fedewa@glwater.org>
Sent: Friday, April 22, 2022 10:18 AM
To: Kyle Seidel
Cc: Kim Garland; Outreach; Susan Como; Frank Schulte
Subject: RE: Highland Park Bad Debt - Grosse Pointe Woods Share

CAUTION: External Email

Hi Kyle

Please find the following responses to your questions:

1. What is the Grosse Pointe Woods share of the water system Highland Park Bad Debt for FY23?
\$4,500
2. What is the total Grosse Pointe Woods share of the water system Highland Park Bad Debt prior to FY23?
\$42,500

Let me know if you have any other questions.

Thanks

Nick

Nicholas Fedewa, CPA
Management Professional

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From: Kyle Seidel <kseidel@aewinc.com>

Sent: Friday, April 22, 2022 7:46 AM

To: Outreach <Outreach@glwater.org>

Cc: Sue Como (scomo@qpwmj.us) <scomo@qpwmj.us>; Frank Schulte (fschulte@qpwmj.us) <fschulte@qpwmj.us>

Subject: Highland Park Bad Debt - Grosse Pointe Woods Share
GLWA Outreach-

I was hoping that you could provide us the following information.

3. What is the Grosse Pointe Woods share of the water system Highland Park Bad Debt for FY23?
4. What is the total Grosse Pointe Woods share of the water system Highland Park Bad Debt prior to FY23?

Thanks.

Kyle M. Seidel, PE

Water Resources Group Lead / Project Manager

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