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ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

July 24, 2025

CONFIDENTIAL CORRESPONDENCE
ATTORNEY-CLIENT PRIVILEGE

Mayor Fischer and City Council
City of Novi
45175 Ten Mile Road
Novi, MI 48375

RE: Request from Oakland County Resource Commissioner (WRC) to Convert Existing
County Drain Facilities into Chapter 20 and Chapter 21 Drains

Dear Mayor and Council Members:

Sanitary sewage from the homes and businesses in the City of Novi collected by the City into City-owned and -maintained system is ultimately discharged into sanitary sewage facilities that are owned by Oakland County. City Council might remember from the *Nofar v City of Novi* litigation concluded last year that about 2/3 of the City's sanitary sewage is discharged into Oakland County's Huron-Rouge Sewage Disposal System (HRSDS). The HRSDS then discharges to the Rouge Valley Sewage Disposal System (RVSDS), which is owned, operated, and maintained by Wayne County. The City pays Oakland County, and Oakland County in turn pays Wayne County, for the right to make that discharge.

The largest portion of Oakland County's HRSDS drain is in the City of Novi (serving essentially everything south of I-96); however, the County does own and maintain a portion of the sanitary sewer system in Wayne County in the City of Northville.

Oakland County provides this sewage disposal service under what is known as "Act 342" authority, and it basically amounts to an agreement between the City and Oakland County. In practice, the County monitors and maintains its sanitary sewer facilities on behalf of the City, and makes appropriate improvements as and when necessary—and then charges the City for those improvements. The City pays Oakland County "rates," just like property owners in the City pay the City rates/user fees based upon how much sewage is discharged in the City's system.

WRC has approached the City and asked the City to consider changing the legal basis for this arrangement between Oakland County and Novi—though not necessarily to change anything about how the arrangement works on a day-to-day basis. More specifically, WRC has asked the City to agree to convert the current Act 342 system to what are known as a "Chapter 20" drain and a "Chapter 21" drain (these terms are references to chapters in the State Drain Code). The Chapter 20 drain designation would apply to all of the facilities within the City of Novi and Oakland

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County; the Chapter 21 designation would apply to the portion of the drain in Wayne County/City of Northville. Essentially, a Chapter 20 drain is intracounty, while a Chapter 21 drain is an intercounty arrangement.

We are attaching copies of the Petitions that the County would like the City to authorize to commence the conversion process to the Chapter 20/21 drains, as well as Resolutions that the County has prepared for the City to adopt as to each area and visual depictions of the areas affected.

As part of this process, City administration asked the County to put together an explanation as to why the Chapter 20/Chapter 21 drain would be better than the Act 342 system. We are attaching a document prepared by WRC that lists a number of bullet points in that regard. (There are also some comments in the draft Resolutions on the benefits.) As a general proposition, however, the biggest difference is that a Chapter 20/Chapter 21 drain is essentially governed by a public body—a “Drainage Board” comprised of elected officials—whereas under the current system, administration at the WRC level (i.e., County administrative officials) make most of the decisions with regard to the drain. If the current drain system were converted to a Chapter 20/Chapter 21 system, there would be regularly scheduled open meetings and formal approvals of actions by the Drain Board in connection with improvements.

The drainage district becomes essentially a separate legal entity that is responsible for the system under the Drain Code (as opposed to Act 342). There are also additional options for financing improvements and collecting fees and assessments.

Conversion to a Chapter 20/21 drain arrangement would obviously be a significant change, but the County strongly believes that the conversion would be in the best interests of both the City and the County/WRC. The City Engineer/Department of Public Works is not opposed to the conversion, under the assumption—to be further discussed with the County—that it is not expected that there would be any change in how the County drain has been maintained and improved over the years, just the change in governance and potentially financing.

The County/WRC would like an opportunity to present the proposal to the City Council to make its “pitch.” This letter is therefore intended to introduce the subject, to indicate that from the City Administration’s perspective it is a subject worth discussing with the County, since the County/WRC is intricate to the City’s ability to collect and discharge sanitary sewage on behalf of its residents and businesses, and to ask the City Council to set aside some time to hear from Oakland County on this issue.

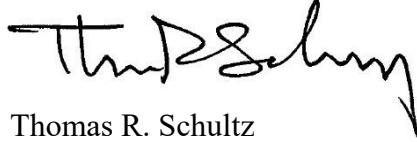
Unless we hear otherwise, the expectation is that the City Administration would arrange some dates with the Council and the County to allow time for a presentation by the County about the reasons for the proposal and its expected merits.

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If you have any questions in the meantime, please do not hesitate to call.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

A handwritten signature in black ink, appearing to read "Th R Schultz", written in a cursive style.

Thomas R. Schultz

TRS/jah
Enclosures

cc: Victor Cardenas, City Manager
Cortney Hanson, City Clerk
Jeff Herczeg, Department of Public Works

**RESOLUTION AUTHORIZING THE FILING OF A
PETITION TO LOCATE, ESTABLISH, AND CONSTRUCT AN INTERCOUNTY DRAIN
PURSUANT TO CHAPTER 21 OF PUBLIC ACT 40 OF 1956, AS AMENDED**

ROUGE VALLEY SANITARY INTERCOUNTY DRAIN

At a regular meeting of the City Council of the City of Novi, Oakland County, Michigan, held at _____ on _____, 2025, at _____, local time.

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____.

WHEREAS, the City Council has determined that the location, establishment, and construction of the proposed Rouge Valley Sanitary Intercounty Drain is necessary for the public health of the City; and

WHEREAS, the conversion of the Huron Rouge Sewage Disposal System to a Chapter 21 drain provides substantial benefit to the City including:

- Governance composed of three (3) elected officials from the County Board of Commissioner's Office and the Water Resource Commissioner;
- Improved transparency and communication through regularly scheduled open public meetings, formal minutes, and formal approval of invoices and contracts by the Drain Board; and
- The ability to conduct public hearings to solicit comments from the communities and the public for all future bond financed projects; and

WHEREAS, the City desires to file a petition with the Director of the Michigan Department of Agriculture and Rural Development pursuant to Chapter 21 of Public Act 40 of 1956, as amended ("Drain Code"), for the location, establishment, and construction of the proposed Rouge Valley Sanitary Intercounty Drain, to be located and established in the City of Novi, Oakland County, and City of Northville, Wayne County, Michigan.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Novi, as follows:

1. The Mayor and City Clerk are hereby authorized and directed to execute and file the petition substantially in the form attached to the Michigan Department of Agriculture and Rural Development by certified mail.
2. The Mayor and City Clerk are further hereby authorized and directed to enter into an agreement related to the project contemplated by the Petition and to file the same with the Oakland County Water Resources Commissioner.
3. The City Council hereby consents to the assessment of its share of the entire cost of the location, establishment, and construction of the Rouge Valley Sanitary Intercounty Drain levied against the City.
4. The City agrees that it will pay its share of the costs incurred by the Oakland County Water Resources Commissioner or the Drainage District in the event that the Drain is not constructed.

5. The City acknowledges that the County of Oakland, its Board of Commissioners, the Oakland County Water Resources Commissioner, the County of Wayne, its Board of Commissioners, and the Wayne County Drain Commissioner will not contribute to the cost of the location, establishment, and construction of the Drain or its operation and maintenance except to the extent that Oakland County or Wayne County may be assessed for the cost of the Rouge Valley Sanitary Intercounty Drain or may agree to contribute to the cost of the location, establishment, and construction of the Rouge Valley Sanitary Intercounty Drain in accordance with the provisions of Chapter 21 of Public Act 40 of 1956, as amended.
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

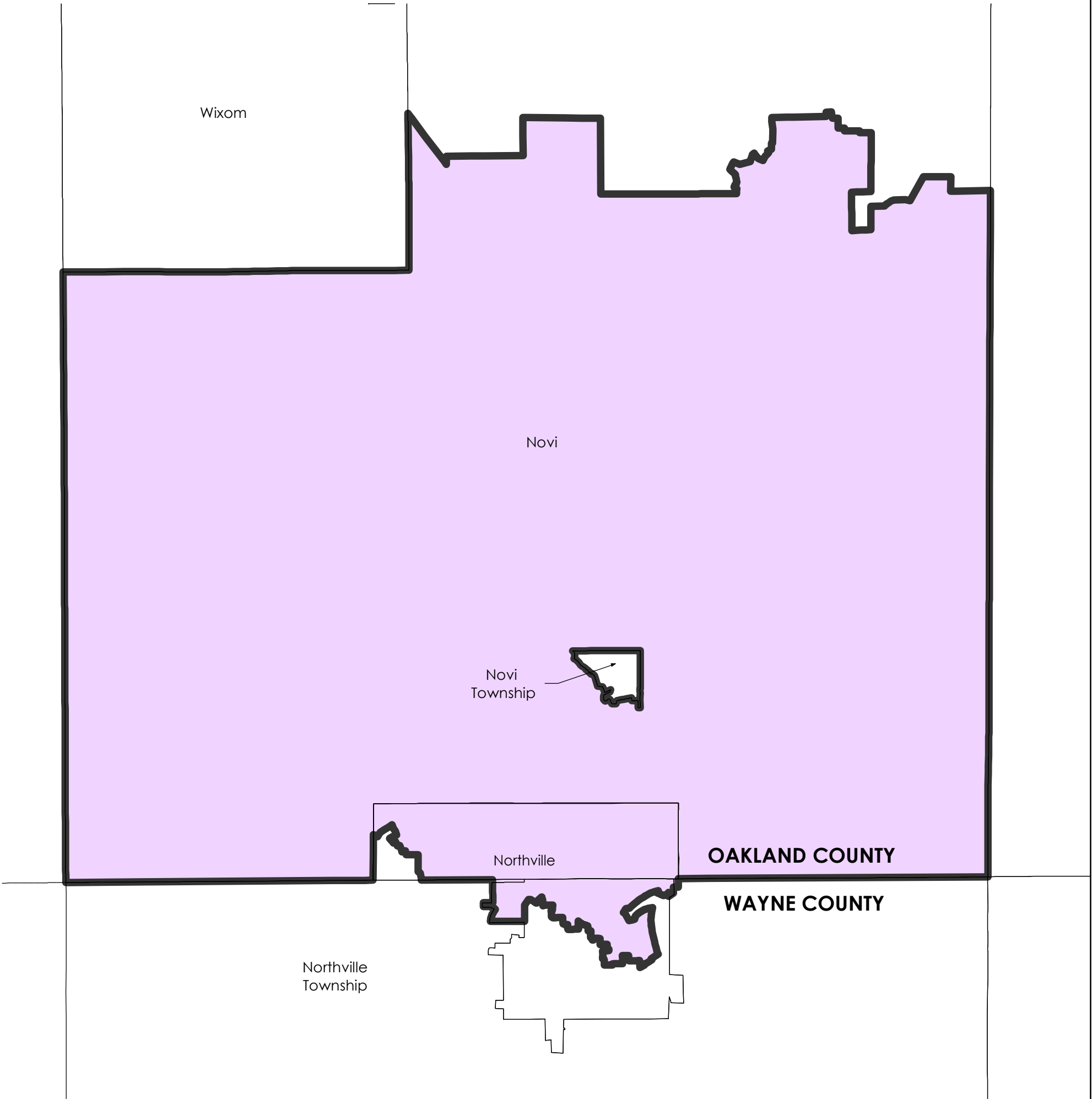
I, the undersigned, the duly qualified and acting Clerk of the City of Novi, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting on the City Council on the ____ day of _____, 2025.

Cortney Hanson, City Clerk

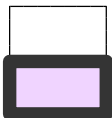
EXHIBIT A



Not To Scale



LEGEND



MUNICIPAL DISTRICT
CHAPTER 21 SANITARY DRAIN

CHAPTER 21
CUSTOMER SERVICE AREA



Disclaimer: The information provided in this system has been compiled from recorded deeds, plats, tax maps, surveys and other public records and data. It is not a legally recorded map or survey and is not intended to be used as one. Users of this data are hereby notified that the information sources mentioned above should be consulted for verification of the information.

**PETITION TO LOCATE, ESTABLISH, AND CONSTRUCT A COUNTY DRAIN
PURSUANT TO CHAPTER 21 OF PUBLIC ACT 40 OF 1956, AS AMENDED**

ROUGE VALLEY SANITARY INTERCOUNTY DRAIN

TO THE DIRECTOR OF THE MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT:

The undersigned public corporation is the City of Novi and hereby petitions for the location, establishment, and construction of a county drain to be known as the Rouge Valley Sanitary Intercounty Drain, located in the City of Novi in the County of Oakland, State of Michigan, and the City of Northville in the County of Oakland and County of Wayne, State of Michigan.

The route and course of the proposed Rouge Valley Sanitary Intercounty Drain is described in the attached Exhibit A.

The location, establishment, and construction of the proposed Rouge Valley Sanitary Intercounty Drain is necessary for the public health of the City of Novi.

It is understood that the cost of the location, establishment, and construction of the proposed Rouge Valley Sanitary Intercounty Drain, including litigation costs and the amount of any judgment, arbitration award or settlement, to the extent such costs are payable by the Drainage District, is to be wholly assessed against public corporations, including the City of Novi. The City Council hereby consents to the assessment of its share of the entire cost of the proposed Rouge Valley Sanitary Intercounty Drain levied against the City. The City also agrees to pay its share of the costs incurred by the Oakland County Water Resources Commissioner or Drainage District in the event that the Drain is not constructed.

The issuance of bonds to finance the location, establishment, and construction of the proposed Rouge Valley Sanitary Intercounty Drain is contingent upon the public corporations and Drainage District entering into an agreement as provided by law setting forth the services and operations of the proposed Rouge Valley Sanitary Intercounty Drain and to provide for methods of addressing and apportioning future improvements to the proposed Rouge Valley Sanitary Intercounty Drain.

This petition is filed pursuant to the provisions of Chapter 21 of Public Act 40 of 1956, as amended. A certified copy of the resolution of the City Council of the City of Novi authorizing the execution of the petition is attached.

CITY OF NOVI

Date: _____

By: _____
Justin Fischer, Mayor

Date: _____

By: _____
Cortney Hanson, Clerk

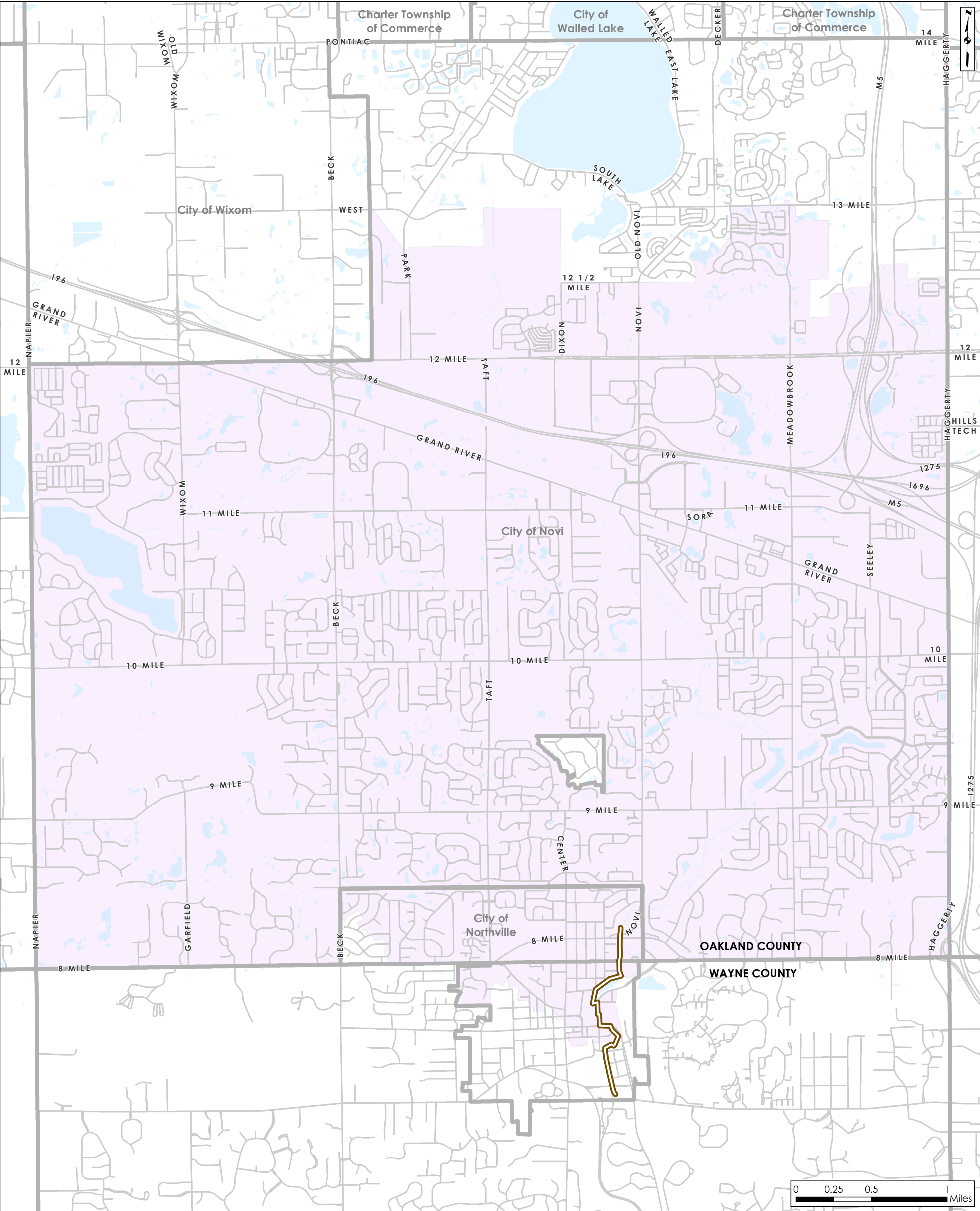


Exhibit A

Chapter 21 Huron Rouge Sanitary Drain Route and Course

-  HRSD Gravity Interceptor
-  HRSD Linear Storage
-  Chapter 21 HRSD District

**RESOLUTION AUTHORIZING THE FILING OF A
PETITION TO LOCATE, ESTABLISH, AND CONSTRUCT A COUNTY DRAIN
PURSUANT TO CHAPTER 20 OF PUBLIC ACT 40 OF 1956, AS AMENDED**

HURON ROUGE SANITARY DRAIN

At a regular meeting of the City Council of the City of Novi, Oakland County, Michigan,
held at _____ on _____, 2025, at _____, local
time.

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____.

WHEREAS, the City Council has determined that the location, establishment, and construction of the proposed Huron Rouge Sanitary Drain is necessary for the public health of the City; and

WHEREAS, the conversion of the Huron Rouge Sewage Disposal System to a Chapter 20 drain provides substantial benefit to the City including:

- Governance composed of three (3) elected officials from the County Board of Commissioner's Office and the Water Resource Commissioner;
- Improved transparency and communication through regularly scheduled open public meetings, formal minutes, and formal approval of invoices and contracts by the Drain Board; and
- The ability to conduct public hearings to solicit comments from the communities and the public for all future bond financed projects; and

WHEREAS, the City desires to file a petition with the Oakland County Water Resources Commissioner pursuant to Chapter 20 of Public Act 40 of 1956, as amended ("Drain Code"), for the location, establishment, and construction of the proposed Huron Rouge Sanitary Drain, to be located and established in the City of Novi, Oakland County, Michigan.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Novi, as follows:

1. The Mayor and City Clerk are hereby authorized and directed to execute and file the petition substantially in the form attached to the Oakland County Water Resources Commissioner by certified mail.
2. The Mayor and City Clerk are further hereby authorized and directed to enter into an agreement related to the project contemplated by the Petition and to file the same with the Oakland County Water Resources Commissioner.

3. The City Council hereby consents to the assessment of its share of the entire cost of the location, establishment, and construction of the Huron Rouge Sanitary Drain levied against the City.
4. The City agrees that it will pay its share of the costs incurred by the Oakland County Water Resources Commissioner or the Drainage District in the event that the Drain is not constructed.
5. The City acknowledges that the County of Oakland, its Board of Commissioners, and the Oakland County Water Resources Commissioner will not contribute to the cost of the location, establishment, and construction of the Drain or its operation and maintenance except to the extent that Oakland County may be assessed for the cost of the Huron Rouge Sanitary Drain or may agree to contribute to the cost of the location, establishment, and construction of the Huron Rouge Sanitary Drain in accordance with the provisions of Chapter 20 of Public Act 40 of 1956, as amended.
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

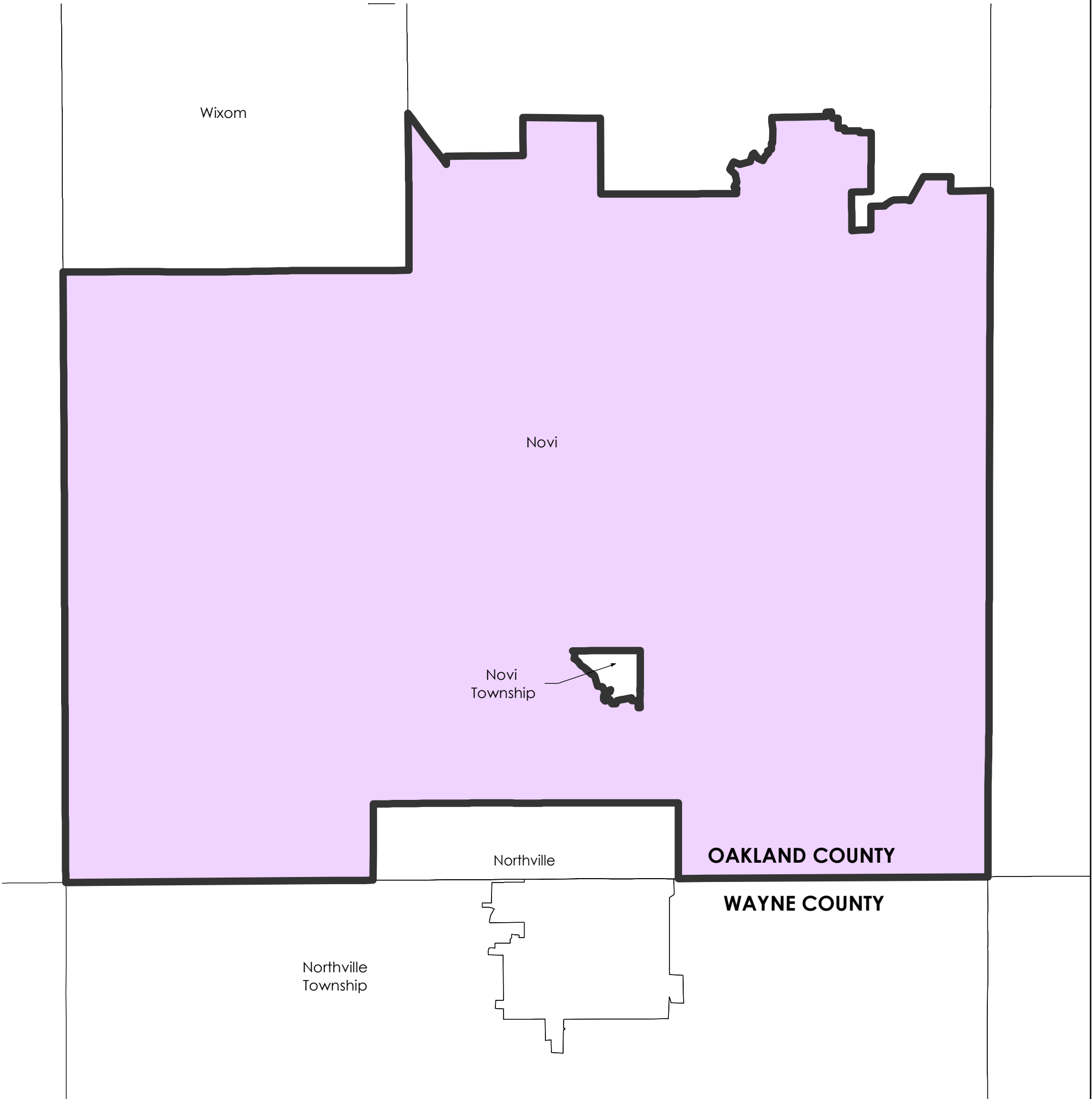
I, the undersigned, the duly qualified and acting Clerk of the City of Novi, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting on the City Council on the ____ day of _____, 2025.

Cortney Hanson, City Clerk

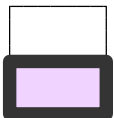
EXHIBIT A



Not To Scale



LEGEND



MUNICIPAL DISTRICT
CHAPTER 20 SANITARY DRAIN

CHAPTER 20
CUSTOMER SERVICE AREA

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**PETITION TO LOCATE, ESTABLISH, AND CONSTRUCT A COUNTY DRAIN
PURSUANT TO CHAPTER 20 OF PUBLIC ACT 40 OF 1956, AS AMENDED**

HURON ROUGE SANITARY DRAIN

TO THE OAKLAND COUNTY WATER RESOURCES COMMISSIONER:

The undersigned public corporation is the City of Novi and hereby petitions for the location, establishment, and construction of a county drain to be known as the Huron Rouge Sanitary Drain, located in the City of Novi in the County of Oakland, State of Michigan.

The route and course of the proposed Huron Rouge Sanitary Drain is described in the attached Exhibit A.

The location, establishment, and construction of the proposed Huron Rouge Sanitary Drain is necessary for the public health of the City of Novi.

It is understood that the entire cost of the location, establishment, and construction of the proposed Huron Rouge Sanitary Drain, including litigation costs and the amount of any judgment, arbitration award or settlement, to the extent such costs are payable by the Drainage District, is to be wholly assessed against public corporations, including the City of Novi. The City Council hereby consents to the assessment of its share of the entire cost of the proposed Huron Rouge Sanitary Drain levied against the City. The City also agrees to pay its share of the costs incurred by the Oakland County Water Resources Commissioner or Drainage District in the event that the Drain is not constructed.

The issuance of bonds to finance the location, establishment, and construction of the proposed Huron Rouge Sanitary Drain is contingent upon the public corporations and Drainage District entering into an agreement as provided by law setting forth the services and operations of the proposed Huron Rouge Sanitary Drain and to provide for methods of addressing and apportioning future improvements to the proposed Huron Rouge Sanitary Drain.

This petition is filed pursuant to the provisions of Chapter 20 of Public Act 40 of 1956, as amended. A certified copy of the resolution of the City Council of the City of Novi authorizing the execution of the petition is attached.

CITY OF NOVI

Date: _____

By: _____
Justin Fischer, Mayor

Date: _____

By: _____
Cortney Hanson, Clerk

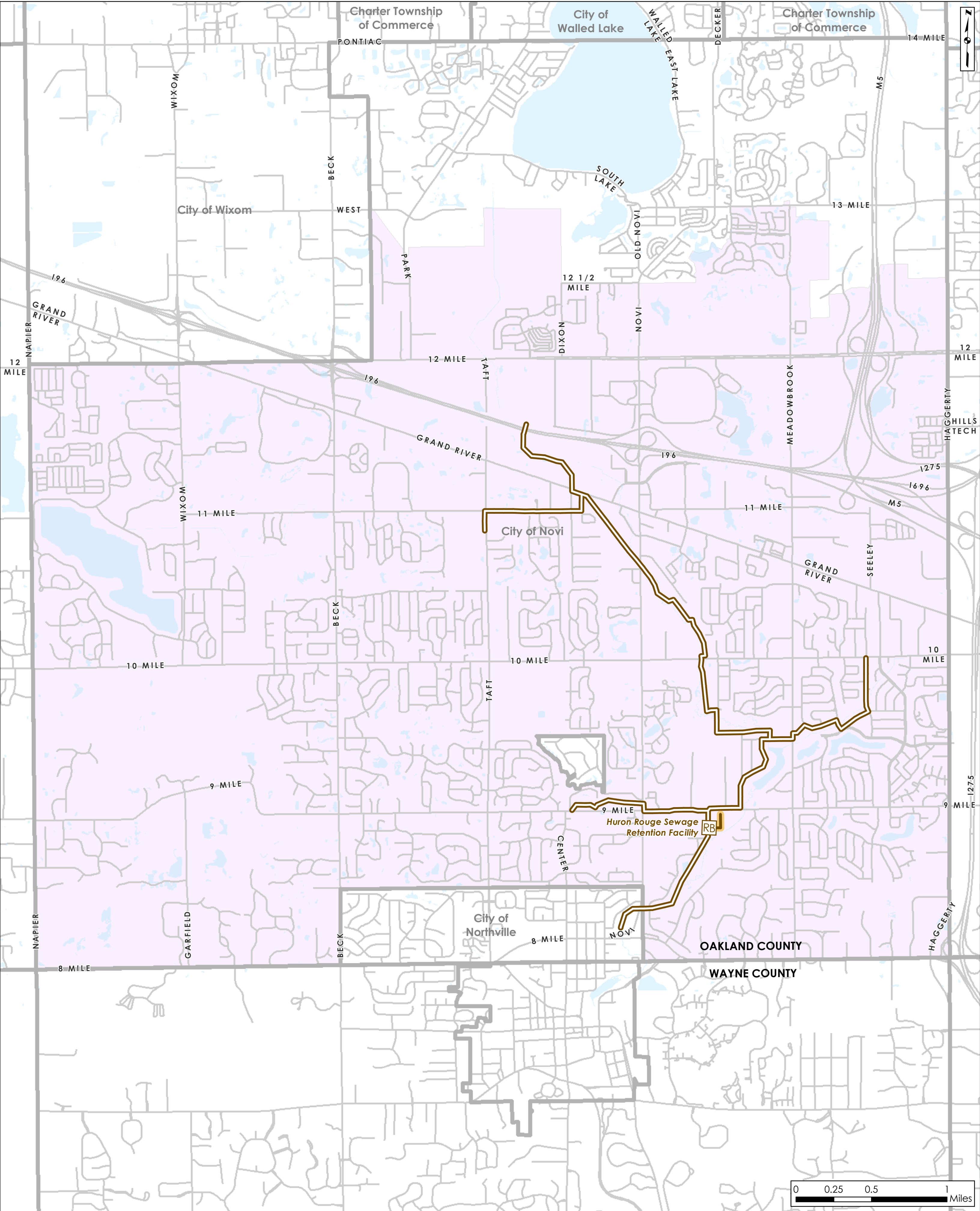


Exhibit A

Chapter 20 Huron Rouge Sanitary Drain Route and Course

- Sanitary Retention Basin
- HRSD Gravity Interceptor
- HRSD Linear Storage
- Chapter 20 HRSD District