

KAREGNONDI WATER AUTHORITY
Meeting of Authority Board
January 11, 2011, at 10 a.m.
60 West Sanilac Avenue
Sandusky, MI
(810) 732-7870

A G E N D A

Pledge of Allegiance
Prayer
Roll Call

1. Minutes: 11/23/10
2. Reports: None
 - a. CEO - Purchasing Policy
 - b. CEO – Check Signing Authority
 - c. Next Meeting – March 8, 2011 – Lapeer City or Lapeer County
3. Communication
 - a. Request for Membership
4. Consent Agenda: None
5. Public Comment – Agenda Items Only
6. Old Business: Resolution 2010-04 which is now 2011-01
7. New Business: Request for Qualifications for Professional Services
8. Second Public Comment
9. Board Comment
10. Adjournment



KAREGNONDI WATER AUTHORITY
Public Board Meeting
Genesee County Water & Waste Services
(810) 732-7870

MINUTES OF MEETING
November 23, 2010, at 10 a.m.

Meeting Convened 10 a.m.

The Pledge of Allegiance was recited.

Moment of Silence and Reflection

Roll call –

All Members Present:

Dayne Walling, Delrico Loyd, Jamie Curtis, Jeff Wright, John Cosens, Greg Alexander, Amy Planck, Dale Kerbyson

Minutes:

⊕ Motion for Approval of Minutes by *Jamie Curtis*; Supported by *John Cosens*; No Discussion; Voice Vote – Motion Passed Unanimously

Reports: None

Communication: Received Letter from Legal Counsel thanking Authority for Appointment.

Consent Agenda: None.

Public Comment – Agenda Items Only: None.

Public Hearing FY 10/11 Budget: CEO presented the Budget. Discussion Ensued. No Public Comment.
Public Comment Opened 10:15 a.m. – Closed 10:15 a.m.

Old Business:

Resolution 2010-04 – Resolution Adopting a Model Capacity Contract for the Karegnondi Water Authority
Discussion Ensued.

⊕ Motion to Postpone Consideration of Model Contract Until Next Meeting by *Jamie Curtis*; Supported by *John Cosens*; No Further Discussion; Roll Call Vote – Motion Passed Unanimously

Resolution 2010-07 – Resolution Adopting an Official Seal for the Karegnondi Water Authority
Discussion Ensued. One Correction on the Seal.

⊕ Motion to Adopt Official Seal for the Karegnondi Water Authority with Correct Spelling by *Jamie Curtis*; Supported by *John Cosens*; No Further Discussion; Roll Call Vote – Motion Passed Unanimously

New Business:

Resolution 2010-08 – Resolution to Establish the General Appropriations Act for the Karegnondi Water Authority; to Define the Powers and Duties of the Karegnondi Water Authority Officer in Relation to the Administration of the Budget; and to Provide Remedies for Refusal or Neglect to Comply with the Requirements of this Resolution
Discussion Ensued.

⊕ Motion to Adopt the Budget in Resolution 2010-08 by *Jamie Curtis*; Supported by *John Cosens*; No Further Discussion; Roll Call Vote – Motion Passed Unanimously

Second Public Comment: One Member from the Public Commented.

Board Comment: Each Board Member was given an opportunity to comment. All were laudatory comments. Chairman requested Legal Counsel to meet with representatives in December over the Model Contract. Resubmit updated version for consideration in January, 2011.

Recommended Next meeting be hosted in Sanilac County in the second week of January, 2011.

Chairman Adjourned Meeting at 10:47 a.m.



Karegnondi Water Authority®

G-4610 Beecher Road Flint, Michigan 48532-2617
Phone (810) 732-7870 Fax (810) 732-9773

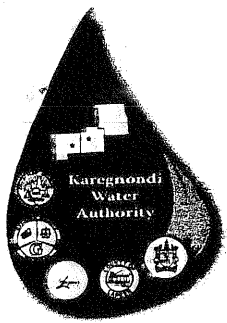
MEMORANDUM

DATE: January 5, 2011
TO: Dayne Walling, Chairman, KWA Board
FROM: Jeff Wright, CEO *JW*
SUBJECT: Design Process
CC: Board Members

Find enclosed our first Request for Qualifications for engineering services for the KWA water supply service. A list of the engineering firms that are being sent the RFQ is also enclosed. This is for your records and to keep you abreast of our progress. While the contracts for supply to the customers have not been signed, it is important to maintain our parallel track to meet our goal of being operational in 2014.

The request does not obligate the Authority to any expenditures but allows us to be able to begin design as soon as the Water Supply Agreements are signed.

Should you have any questions or if you would like to suggest additional engineering firms, do not hesitate to contact this office.



Karegnondi Water Authority®

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Phone (810) 732-7870 Fax (810) 732-9773

REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL SERVICES

Design and Construction
65 Miles of Transmission Mains, Pump Stations, and Lake Intake

Due Date: February 15, 2011

Karegnondi Water Authority
East Central Michigan

January 2011

General Information and Requirements

A. Purpose

The purpose of this Request for Qualifications (RFQ) is to solicit professional firms (hereinafter called "Consultants") to perform design and construction service for water supply to serve the Karegnondi Water Authority. This effort will be undertaken by the Karegnondi Water Authority and will use a quality based selection process for evaluating the submissions. The Consultants will be rated on the basis of their responses to the RFQ by the Authority.

B. Background

October of 2010, the Karegnondi Water Authority (KWA) was formed. The Authority is made up of three counties: Genesee, Lapeer, and Sanilac and two cities: Flint and Lapeer. In September 2009, this group completed the Lake Huron Water Supply – Karegnondi Water Authority – Preliminary Engineering Report. A permit for withdrawal of 85 million gallons a day from Lake Huron has been secured.

It is anticipated that by May 2011, the Authority will have water supply contracts in hand for delivery of raw water to the local communities. It is currently estimated that the Authority will design and construct a water supply system to deliver 85 million gallons a day. In addition to the report, the Authority has performed soil corings in Lake Huron along the proposed route for raw water intake. It is the intent of the Authority to be operational no later than May 2014. The KWA shall be responsible for delivery of untreated (raw) water to each of the contracting members. The members will be responsible for treatment and distribution of the water.

C. Issuing Office

The Karegnondi Water Authority, c/o Genesee County Drain Commissioner's Office, G-4610 Beecher Road, Flint, Michigan 48532.

Copies of the preliminary engineering and the soil corings reports may be obtained by requesting copies from the above named office.

D. Scope of Services

General

The selected Consultant will be required to provide qualified, experienced staff to provide technical and professional services to the KWA. The Consultant will be required to provide all labor, equipment, materials, and supplies needed to complete the design, construction administration, and representation in an effective, efficient, and timely manner.

The selected Consultant will need to become familiar with the current studies, their assumptions, alternative development, costing methodology, and long-term financial analysis. It is anticipated that this familiarization effort will provide the foundation for the proposals.

Work Product

The KWA would like to enter into agreements for professional services for the design and construction of approximately 65 miles of transmission mains, pump stations, and lake intake.

The areas of expertise that we are seeking are as follows:

- a. Project Management
- b. Large Diameter Pipeline Design
- c. Open Reservoir Design
- d. Lake Intake Design
- e. Pump Station Design (both in-line and booster)
- f. Hydraulic Modeling
- g. Electrical – Power Supply
- h. Survey
- i. Control and Data Acquisition System
- j. Scheduling
- k. Specification
- l. Water Quality Treatment (Zebra Mussels, algae, etc.)
- m. Value Engineering

The Authority envisions the following construction contracts:

- 5+ pipeline contracts
- 2 to 3 pump station contracts
- 1 intake contract
- 1 open reservoir contract

The Authority may, at its discretion, combine areas of expertise into single work assignments. As example: project management may also include scheduling, hydraulic modeling, and a pipeline segment. The Authority will select and negotiate the project management services first and then the individual design elements with the assistance of the project management team.

E. Schedule

The qualification packages are due on Tuesday, February 15, 2011 at 5:00 p.m. The Authority anticipates all design contracts to be selected, negotiated and awarded by May 31, 2011. Construction is to be completed 36 months after the award. Proposals must include sufficient staff to complete all necessary work by May 31, 2014.

F. Completeness of the Proposal

1. The qualification packages may be submitted by a team or individual firm. You may submit an individual package based on specific areas of expertise or on the entire package. The proposal shall identify each individual area of expertise.

2. The proposal shall identify the individual members of the firm assigned to each area/task. The key members of the team should have individual direct experience in the area(s) that are proposed in the proposal.
3. The proposal shall be submitted in the following format:
 - a. Introduction
 - b. Areas of expertise
 - c. Proposed scope for each area identified / Proposed team members for each area identified
 - d. Resumes
 - e. Relative projects with construction costs (original and final) and professional fees (preferably projects that are complete)
 - f. Why your firm should be chosen (no greater than one page)
 - g. Large project experience within the past 5 years, nature of the project, and the number and cost of change orders to the project.

G. Schedule Dates

The following is an anticipated schedule for the RFQ process. The KWA Selection Committee reserves the right to modify any part of this schedule.

- | | |
|----------------------------------|----------------------------|
| 1. Request for Proposal Issued: | January 4, 2011 |
| 2. Proposal Due: | February 15, 2011 |
| 3. Presentations: (if necessary) | March 2011 |
| 4. Consultant Selected: | No later than May 31, 2011 |
| 5. Negotiated Scope of Work: | No later than May 31, 2011 |
| 6. Compensation: | No later than May 31, 2011 |
| 7. Contract Signing: | No later than May 31, 2011 |

H. Responses

To be considered, six (6) copies of the Proposal must be submitted to the KWA not later than 5:00 P.M. on Tuesday, January 31, 2011, and should be addressed as follows:

Karegnondi Water Authority
 Attn: John O'Brien, Deputy CEO
 G-4610 Beecher Road
 Flint, Michigan 48532

Consultants mailing the Proposal should allow normal mail delivery time to assure timely receipt. Copies of proposals shall be in a single package marked "KWA Consultant Proposals".

In review of the Proposal, the KWA will place the most weight on the proposed personnel and the proposed plan. Secondly, the Authority will consider local involvement. Due to the number of government entities involved and the tight timeframe for design and construction, each firm proposing must evaluate its potential for conflict of interest. A discussion should be held with their current clients and proper disclosures shall be included within the Proposal.

On a final note, each customer of the KWA shall be required to design and build their own water treatment facility. Water treatment is not part of the KWA project. Each customer will seek out engineering services for its individual project. The project manager for KWA shall coordinate

construction and scheduling with that member. Working for KWA and individual customers may create timing and personnel conflict. KWA will not accommodate any conflict that would negatively affect its time table.

Should you have any questions, do not hesitate to contact Jeff Wright or John O'Brien.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. O'Brien", written in a cursive style.

John F. O'Brien, P.E., Deputy CEO
Karegnondi Water Authority

Proposed Invitation List

MICHAEL H. WINEGARD, P.E.
AECOM
303 E. WACKER DRIVE, SUITE 600
CHICAGO, IL 60601-5276

MICHAEL L. PETERS, P.E.
FISHBECK, THOMPSON, CARR & HUBER, INC.
1515 ARBORETUM DRIVE, SE
GRAND RAPIDS, MI 49546

LAURENCE ZIMMERMANN, P.E.
GANNETT FLEMING
P.O. BOX 67100
HARRISBURG, PA 17106-7100

VICTOR LUKASAVITZ, PS
FLEIS & VANDENBRINK ENGINEERING
2040 E. MAPLE ROAD
FLINT, MI 48507

GEORGE HUBBELL
HUBBELL, ROTH AND CLARK, INC.
P.O. BOX 824
BLOOMFIELD HILLS, MI 48303-0824

STEVEN WORDELMAN, P.E.
JONES AND HENRY ENGINEERS LTD.
2000 W. CENTRAL AVENUE
TOLEDO, OH 43606

WARREN GREEN
LOCKWOOD, ANDREWS, AND NEWNAN
1104 LAUREL LANE
NAPERVILLE, IL 60540

JOHN MATONICH
ROWE, INC.
P.O. BOX 3748
FLINT, MI 48502

ISHWAR NAIK, P.E., PRINCIPAL
STANTEC CONSULTING
3959 RESEARCH PARK DRIVE
ANN ARBOR, MI 48108-2216

JAN HAUSER, P.E.
URS CORPORATION
34555 WEST 12 MILE ROAD
FARMINGTON HILLS, MI 48331-5627

MARK COLEMAN, P.E.
WADE-TRIM
400 MONROE, SUITE 310
DETROIT, MI 48226

RICHARD E. GELL, P.E.
O'BRIEN & GERE
8201 CORPORATE DRIVE, SUITE 1000
LANDOVER, MD 20785

AL LAWRENCE
LAWRENCE ENGINEERING
1545 N. LEROY STREET
FENTON, MI 48430

ROY ROSE, PE
ANDERSON, ECKSTEIN & WESTRICK, INC.
51301 SCHOENHERR ROAD
SHELBY TOWNSHIP, MI 48315

MICHAEL R. PIFER, P.E.
KRAFT ENGINEERING & SURVEYING, INC.
409 W. SEVENTH STREET
FLINT, MI 48503

JOHN O'MALIA, P.E.
O'MALIA CONSULTANTS
101 E. GRAND RIVER
WILLIAMSTON, MI 48895

VICKI PATULA, P.E.
ORCHARD, HILTZ, AND MCCLIMENT, INC.
34000 PLYMOUTH ROAD
LIVONIA, MI 48150

VYTO KAUNELIS, PE
OHM ENGINEERING ADVISORS
34000 PLYMOUTH ROAD
LIVONIA, MI 48150

JASON KENYON
WADE TRIM
555 S. SAGINAW STREET, SUITE 201
FLINT, MI 48502

SAMIR MATTA
WILCOX ENGINEERING
111 W. EDGEWOOD, SUITE 7
LANSING, MI 48911

ROBERT GREEN
HAZEN & SAWYER ENVIRONMENTAL
500 GRISWOLD STREET, SUITE 3300
DETROIT, MI 48226

KEVIN COOK
CHMP
5198 TERRITORIAL ROAD
GRAND BLANC, MI 48439

FRED SHALTZ
DELTA LAND SURVEYING & ENGINEERING
6060 TORREY ROAD, SUITE 1
FLINT, MI 48507

GENE LAZAR
E & D ENGINEERING, INC.
12751 S. SAGINAW
GRAND BLANC, MI 48439-2467

TONY BROWN
C.T.I.
51331 W. PONTIAC TRAIL
WIXOM, MI 48393

Karegnondi Water Authority

Purchasing Policy

PRELIMINARY

General Policy

This policy outlines the procedures to be followed by all Authority board members or delegates of any kind engaged in a purchasing transactions.

The intent of this policy is to act in accordance with State of Michigan and Federal laws; within Government Accounting Standards and that those engaged in purchasing for the Authority seek to realize the maximum value of every dollar expended. The Authority is committed to both the adequacy of internal control over transactions and reduction of the administrative costs of acquiring goods and services.

The actions of the Treasurer and his/her agents directly influence the public perception and image of the Authority. Therefore, the highest possible standards of business ethics, professional courtesy and competence are required.

Authority for Purchasing

The approval to purchase is based on verification that all allocations are approved and budgeted in the current fiscal year.

All funds, regardless of their source, are considered to be Authority funds and are to be expended according to Authority policies and procedures. No individual may make a purchase directly by letter, telephone, fax or any other means. Purchases made without the proper approvals and procedures may become the personal obligation of the person originating such purchases.

The guidelines the Authority's purchasing process will include the following:

- (1) Requisitions are the first step in the purchasing process and must be initiated by the one of the members of the authority or an agent of the authority prior to any commitment for goods or services by outside vendors. All requisitions shall constitute reasonable and necessary operating expenses.
- (2) All requisitions will be approved by the Chief Executive Officer or the Deputy Chief Executive Officer, the CEO and DCEO respectively. Prior to any purchases being committed for goods or services either the CEO or DCEO must approve through the electronic requisitioning system.
 - a. Bids/Quotes for goods or services are generally required when the requested purchase exceeds \$10,000.
 - b. Sealed bids are requested when the purchase exceeds \$15,000.
- (3) Once bids have been obtained (if necessary), reviewed and approved a purchase order will be issued by the purchasing agent or initiator.

- (4) Vendors are instructed to send all original invoices to the accounts payable agent of the authority.
- (5) The accounts payable agent will review all invoices and determine proper charge account. All utility invoices shall be directly processed. For all other invoices, a copy is made of the invoice by the payable agent and sent to the person who initiated the requisition for the purchase order.
- (6) All approved invoices in a "Approval Hold" report will be reviewed prior to payment by the CEO or DCEO. This report will require an approval signature by the authorized agent of the authority.

Vendor Selection

Vendors shall be selected based on their ability to service the needs of the Authority in the most economical and efficient manner. It is the policy of the Authority to provide equal opportunity to all vendors.

Buying shall be competitive with a select number of vendors being allowed to bid.

The requisitioning department may indicate suggested vendors.

Emergency Orders

In the event services or supplies are needed in an emergency, the Deputy Treasurer will notify the Deputy Chief Executive Officer by phone or email of the urgency of the item. Purchasing will assign a PO number and expedite the purchase, if approved via phone or email. This process will be allowed only on an exception basis and can be used only at the discretion of the he CEO or DCEO.

C.O.D.

The Authority does not pay cash on delivery (COD) for purchases.

Sales Tax

The Authority is exempt from Michigan State Sales and Use Tax. The tax exempt number is stated on the Purchase Order. Upon request, the Treasurer and his/her agents will furnish a tax exemption statement on Authority letterhead.

Unallowable Expenditures

In accordance with Authority policy, the following expenditures are NOT considered legitimate charges against the Authority budget:

- Office refreshments, including coffee makers and supplies
- Flowers, greeting cards, personal gifts
- Holiday decorations

- Personal ornamental items for offices
- Personal expenditures of any type
- Any expenditure not supported by a valid invoice from the person selling such goods and services

Code of Ethics

1. Give first consideration to the objectives and policies of this authority.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permits.
4. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
5. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement or a sample of the product.
6. Receive consent of the originator of proprietary ideas and designs before using them for competitive purchasing purposes.
7. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier, and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of this institution permit.
8. Accord a prompt and courteous reception, insofar as conditions permit, to all who call on legitimate business missions.
9. Cooperate with trade, industrial and professional associations and with governmental and private agencies for the purpose of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.

**Check-Signing Policy and Procedures
for the Karegnondi Water Authority**

PRELIMINARY

Check-Signing Authority

1. The Chief Executive Officer (CEO) and Deputy Chief Executive Officer (DCEO) are authorized to sign checks. These individuals shall be bonded. Signature may be in the form of a stamp that is held by a senior staff member that is not directly involved in the requisition process.
2. All checks require the signature of the CEO or DCEO.

(2) Check Signing and Withdrawal of Funds

Accounts

The Authority shall maintain its accounts in financial institutions that are federally insured. All funds received by Authority shall be deposited at a minimum on a weekly basis. All nonproductive funds shall be invested in accordance with the investment policy established by the board.

Authority To Sign

Orders of withdrawal shall bear the signature of one of the following officers or staff members:

1. Chief Executive Officer
2. Deputy Chief Executive Officer

In addition, the CEO shall submit a report of all disbursements to the Treasurer on a monthly basis for review. The Authority allows checks to be signed with a signature stamp. The stamp must be registered with the financial institution, kept in a locked safe and only assessable to agents with proper authorization.

Bonding

Each officer or designated signatory with authority to withdraw funds shall be bonded. The cost associated with securing the aforementioned coverage shall be that of the Authority. The amount of insurance coverage will be reviewed annually by the finance committee.



Karegnondi Water Authority®

G-4610 Beecher Road Flint, Michigan 48532-2617
Phone (810) 732-7870 Fax (810) 732-9773

MEMORANDUM

DATE: January 7, 2011
TO: Jeff Wright, CEO
FROM: John F. O'Brien, Deputy CEO *JFO*
SUBJECT: Request for Membership
Saint Clair County

On January 5, 2011, the County Board of Saint Clair County requested membership to Karegnondi Water Authority. Prior to considering the request for membership, we need Saint Clair County to submit an estimated water use plan for the next 25 years. This will allow a proper evaluation of their potential impact on the Authority.

Should you have any questions, do not hesitate to contact me.

RESOLUTION 11-01
RESOLUTION REGARDING THE KAREGNONDI WATER AUTHORITY

Commissioner _____ moved passage of the following resolution:

WHEREAS, the Karegnondi Water Authority (the "Authority") has been established pursuant to Michigan law, by Genesee County, Lapeer County, Sanilac County, the City of Flint and the City of Lapeer; and

WHEREAS the purpose of the Authority is to acquire, own, improve, enlarge, extend, operate and maintain a water supply system; and

WHEREAS the water supply system proposed by the Authority will be partially located in St. Clair County and will have the ability to provide water to various municipalities located in St. Clair County; and

WHEREAS if St. Clair County is added to the Authority as an Incorporating Municipality it will provide St. Clair County with a vote on the Incorporating Board of the Authority.

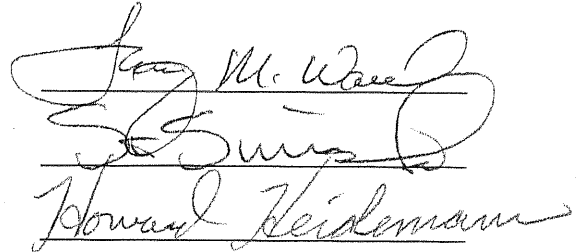
NOW, THEREFORE, BE IT RESOLVED the St. Clair County Board of Commissioners requests the Authority prepare amended Articles of Incorporation to include St. Clair County as an Incorporating Municipality and include St. Clair County on the Incorporating Board of the Authority; provided, St. Clair County's participation in the Authority is subject to review of the amended Articles of Incorporation by corporation counsel for St. Clair County as well as final approval by a vote of the St. Clair County Board of Commissioners. Be it further resolved, St. Clair County does not agree to be liable for any expenses incurred by the Authority unless expressly the obligation to fund such expenses is expressly approved by the St. Clair County Board of Commissioners.

DATED: January 5, 2011

Reviewed and Approved as to form by:



GARY A. FLETCHER
Corporation Counsel
522 Michigan Street
Port Huron, Michigan



Two handwritten signatures are present. The first signature is "Greg M. Ware" and the second signature is "Howard Heidemann".

**KAREGNONDI WATER AUTHORITY
ACTING IN GENESEE COUNTY, MICHIGAN**

RESOLUTION NO. 2011-01

A RESOLUTION ADOPTING A MODEL CAPACITY CONTRACT FOR THE
KAREGNONDI WATER AUTHORITY

At a special meeting of the Karegnondi Water Authority Board, acting in Genesee County, Michigan, held on January 11, 2011 at 10:00 a.m., local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by _____
and seconded by _____:

PREAMBLE

WHEREAS, ARTICLE VII of the Articles of Incorporation of the Karegnondi Water Authority ("KWA") require the members of the Incorporating Board of the KWA to adopt a Capacity Contract to be executed with any entity or entities wishing to acquire capacity from the KWA.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Incorporating Board hereby approves the attached Capacity Contract to be executed with any entity or entities wishing to acquire capacity from the KWA.

as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on January 11, 2011.

Printed Name: Amy Planck
Its: Secretary