



KAREGNONDI WATER AUTHORITY

**G-4610 Beecher Road
Flint, Michigan 48532
(810) 732-7870**

Notice of Incorporating Board Meeting

There will be a meeting of the Incorporating Board of the Karegnondi Water Authority, on Monday, **August 21, 2023**, at **9:45 a.m.**, local time.

Notice of Authority Board Meeting and Public Hearing on Fiscal Year 2023/2024 Budget

The meeting of the Authority Board of the Karegnondi Water Authority will be held on Monday, **August 21, 2023**, at **10:00 a.m.**, local time, which will include a public hearing on the FY 2022/2023 Budget. The location of the meeting will be at the Genesee County Water Treatment Plant, located at 4414 Stanley Road, Columbiaville, MI 48421.

All citizens wishing to express opinions or make statements during this meeting are invited to attend.

Janis M. Wells
Secretary



KAREGNONDI WATER AUTHORITY
Meeting of Authority Board
August 21, 2023, at 10 a.m.

Genesee County Water Treatment Plant
4414 Stanley Road
Columbiaville, Michigan 48421
(810) 732-7870

A G E N D A

Pledge of Allegiance
Prayer
Roll Call

1. Public Hearing on the proposed 2024 Budget
 - Motion to Open
 - Motion to Close
2. Minutes: April 17, 2023
3. Reports: Treasurer's Report
4. Communication: None
5. Consent Agenda: None
6. Public Comment: Agenda Items Only
7. New Business: Resolution 2023-02 Resolution to Establish a General Appropriations Act
Resolution 2023-03 Resolution Establishing the Water Transmission Fee
Resolution 2023-04 Resolution Establishing Regular Meeting Dates
8. CEO Comment
9. Board Comment
10. Adjournment



KAREGNONDI WATER AUTHORITY
Authority Board Meeting
Genesee County Water Treatment Plant
4144 Stanley Road
Columbiaville, MI 48421
(810) 732-7870

MINUTES OF MEETING
April 17, 2023

Approved: _____

Meeting Convened: 10:16 a.m.
The Pledge of Allegiance was recited.
Invocation given by Scott Bennett.

Roll Call:

Board Members Present: Doug Sweet; Adam Zettel; Lisa Anderson; Joseph Sums; Duane Haskins; Scott Bennett; Ted Henry; Kevin Sylvester (Proxy Terry Peck)

Also Present:

Jeff Wright, CEO
Trudy Bowers, Treasurer
John O'Brien, Deputy CEO
Kevin Kilby, Corporation Counsel
Steven Frank, KWA Bond Counsel

Agenda:

- ❖ Motion to Approve the Minutes from the November 21, 2022 Meeting (Incorporating Board and Authority Board) as Presented by *Ted Henry*; Supported by *Lisa Anderson*; Voice Vote – Motion Passed Unanimously

Reports:

- Deputy Treasurer Karl Kramer provided a brief overview of the most current Treasurer's Report.
- The audit document and an independent report was passed out to Board members. The report does indicate there were no issues with the audit.

Public Comment:

- None.

New Business:

- **KWA Bond Refinancing, Karegnondi Water Pipeline, Series 2014A**

John O'Brien and Steve Frank explained the process for refinancing of the bonds. There are parameters/limits in place: the maturity date will remain the same, which is November 1, 2043; refinancing must have a savings of at least 3%; and the refinance cannot exceed \$190 million. The existing financing contract will continue to govern the relationship and the operations of the parties with respect to refunding bonds the same way that they apply now with respect to the 2014 Bonds. The first step is getting the Resolution passed. It then has to be approved by the City of Flint and the Genesee County Board of Commissioners. The process will be used to pay off the 2014 Bonds and to pay the transaction costs associated with the refunding. The resolution will allow the CEO to proceed with the process necessary to refund the 2014 Bonds. Thereafter, once we have secured the approvals, we will proceed with bond refinance, through PFM, the municipal adviser, for the best possible time at the market. A re-financing of the bond has the potential to save up to \$25,000,000 over the next 20 years in interest.

- **Resolution 2023-01 Resolution Authorizing the Issuance of Water Supply System Refunding Bonds Not to Exceed \$190,000,000 (Karegnondi Water Pipeline)**
- ❖ Motion to Approve Resolution 2023-01 Authorizing the Issuance of Water Supply System Refunding Bonds Not to Exceed \$190,000,000 (Karegnondi Water Pipeline) by *Ted Henry*; Supported by *Adam Zettel*; Roll Call Vote – Motion Passed Unanimously

Incorporating Board Roll Call Vote:

Doug Sweet – Yes
 Joseph Suma – Yes
 Ted Henry – Yes

Authority Board Roll Call Vote:

Adam Zettel – Yes
 Lisa Anderson - Yes
 Joseph Suma – Yes
 Duane Haskins – Yes
 Scott Bennett – Yes
 Ted Henry – Yes
 Kevin Sylvester – Yes
 Doug Sweet - Yes

Board Comment:

CEO Wright thanked the Board for approving the resolution. He also discussed the GLWA water outage due to the broken water line, and how if not for KWA, both the City of Flint and Genesee County would have been without water for 67 days.

Each Board member was invited to give comment.

Next Meeting is August 21, 2023. There will be a separate Incorporating Board meeting prior to the Authority Board meeting to appoint a new Chairperson as Dale Kerbyson has stepped down.

Adjournment:

- ❖ Motion to Adjourn Meeting by *Joseph Suma*; Supported by *Doug Sweet*; Voice Vote – Motion Passed Unanimously

Meeting Adjourned 11:00 a.m.

STATE OF MICHIGAN)
) ss:
 COUNTY OF GENESEE)

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of the Meeting of April 17, 2023, adopted by the Karegnondi Water Authority Board at a meeting held on the _____ day of _____, 2023, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, 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 this ____ day of _____, 2023.

 JANIS M. WELLS, Secretary



GENESEE COUNTY DRAIN COMMISSIONER'S OFFICE

- DIVISION OF -

WATER & WASTE SERVICES

G-4610 BEECHER ROAD - FLINT, MICHIGAN 48532-2617

PHONE (810) 732-7870 - FAX (810) 732-9773

JEFFREY WRIGHT
COMMISSIONER

MEMORANDUM

To: Jeff Wright
CEO

From: John F. O'Brien, PE
Deputy CEO

Re: 2024 Proposed Budget

Date: July 20, 2023

Find attached the proposed budget for KWA for the period from October 1, 2023 through September 30, 2024, commonly referred to as Fiscal Year 2024.

The proposed budget is based on volume sales at 12.0 mgd, as requested by Genesee County.

We are recommending a reduction in the current Commodity Rate for Fiscal Year 2024.

At \$2.75 per thousand cubic feet (mcf), the Authority anticipates over \$800,000 in additional revenue for our fiscal year ending on September 2023. This will bring our unrestricted reserves up to over \$11 million or 5 plus years of operating costs. Based on our recommended reduction in the Commodity Rate from \$2.75 to \$2.20 per thousand cubic feet (mcf) in fiscal year 2023, we project a balanced budget with no gain or loss for 2024.

In addition to our unrestricted reserves, we also have a bond reserve fund. We are required to maintain this fund through the life of the bond sufficient for one annual payment of our debt. This is currently at \$19.6 million. Interest earned on these funds is returned to the original capacity owners in the form of a monthly credit on their billings.

Without objection, I would like to forward the budget to the full board for public hearing and final approval.

I have attached Resolution No. 2023-02 and Resolution No. 2023-03 for your consideration.

JFO/JMW

Enclosures

cc: Trudy M. Bowers
Karl Kramer

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

RESOLUTION NO. 2023-02

**A RESOLUTION TO ESTABLISH A GENERAL APPROPRIATIONS ACT
FOR THE KAREGNONDI WATER AUTHORITY; TO DEFINE THE
POWERS AND DUTIES OF THE KAREGNONDI WATER AUTHORITY
OFFICERS IN RELATION TO THE ADMINISTRATION OF THE BUDGET;
AND TO PROVIDE REMEDIES FOR REFUSAL OR NEGLECT TO
COMPLY WITH THE REQUIREMENTS OF THIS RESOLUTION**

At a regular meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 21, 2023, at 10 a.m., local time.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____, and seconded by _____.

Section 1: Title

This resolution shall be known as the Karegnondi Water Authority General Appropriations Act.

Section 2: Chief Administrative Officer

The Chief Executive Officer is designated as the Chief Administrative Officer under the Uniform Budgeting and Accounting Act and is the responsible party for the administration of the Karegnondi Water Authority budget.

Section 3: Fiscal Officer

The Treasurer shall be the Fiscal Officer and shall perform the duties of the Fiscal Officer enumerated in this resolution.

Section 4: Public Hearings on the Budget

Pursuant to MCL § 141.412; MCL § 141.413 notice of the public hearing on the proposed budget was published in The Flint Journal on July 25, 2023; The Sandusky Tribune Recorder on July 26, 2023; and The View Newspaper (formerly the Lapeer County Press) on July 27, 2023; all newspapers of general circulation; the proposed budget has been available for public inspection in advance of the hearing, and a public hearing on the proposed budget was held on August 21, 2023, at 10 a.m., local time.

Section 5: Estimated Revenues and Expenditures

Be it resolved, the expenditures for the fiscal year commencing October 1, 2023, and ending September 30, 2024, are hereby appropriated on a departmental and activity basis as follows:

| | |
|-------------------------------------|--------------------|
| Expenditures | |
| Professional Services | \$275,600 |
| Insurances..... | \$36,200 |
| Administration | \$323,472 |
| Chemicals | \$61,000 |
| Utilities..... | \$696,680 |
| Supplies | \$2,000 |
| Other Services and Charges..... | \$2,000 |
| Permits, Print, Publications | \$2,200 |
| <u>Repairs and Maintenance.....</u> | <u>\$369,000</u> |
| TOTAL EXPENDITURES..... | \$1,768,152 |

And be it further resolved, revenues for the 2023 fiscal year are estimated as follows:

| | |
|------------------------------|--------------------|
| Revenues | |
| Commodity Charge | \$1,288,152 |
| <u>Interest Income</u> | <u>\$480,000</u> |
| TOTAL REVENUE..... | \$1,768,152 |

Section 6: Millage Levy

The Karegnondi Water Authority SHALL NOT cause any millage to be levied or collected on real or personal property within the district boundaries of the Karegnondi Water Authority.

Section 7: Adoption of Budget by Reference

The budget of the Karegnondi Water Authority is hereby adopted by reference, with revenues and activity expenditures as indicated in Section 5 of this Resolution.

Section 8: Adoption of Budget by Activity/Department

The Board of the Karegnondi Water Authority adopts the 2024 fiscal year budget by Activity/Department. The Karegnondi Water Authority officials responsible for the expenditures authorized in the budget may expend Karegnondi Water Authority funds up to, but not to exceed, the total appropriation authorized for each Activity/Department, and may transfer among the various line items contained in the Activity/Department appropriation.

Section 9: Appropriation not a Mandate to Spend

Appropriations will be deemed maximum authorizations to incur expenditures. The fiscal officer shall exercise supervision and control to ensure that expenditures are within appropriations, and shall not issue any order for expenditures that exceed appropriations.

Section 10: Transfer Authority

The Chief Administrative Officer shall have the authority to make transfers among the various Activities/Departments without prior board approval, if the amount to be transferred does not exceed fifty percent (50%) of the appropriation item from which the transfer is to be made. The Board shall be notified at its next meeting of any such transfers made, and reserves the right to modify, amend, or nullify any such transfers made. Under

no circumstances may the total expenditures budget be changed without prior approval from the Karegnondi Water Authority Board.

Section 11: Periodic Fiscal Reports

The Chief Administrative Officer with assistance from the Treasurer shall transmit to the Karegnondi Water Authority Board at the end of each quarter a report of financial operations, including, but not limited to:

- a. A cash balance report showing the amount of funds available in each of the various accounts.
- b. A revenue and expenditure report which shows for each Activity/Department in the various funds the original, the amended budget, and the year-to-date actual amounts.

Section 12: Limit on Obligations and Payments

No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation, and sufficient funds are or will be available to meet the obligation.

Section 13: Budget Monitoring

Whenever it appears to the Chief Administrative Officer or the Karegnondi Water Authority Board that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures shall exceed an appropriation, the Chief Administrative Officer shall present to the Karegnondi Water Authority Board recommendations to prevent expenditures from exceeding available revenues or appropriations for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

Section 14: Payment of Bills

All claims (bills) against the Karegnondi Water Authority that are budgeted and within the limitations of the appropriated amount budgeted in the Activity/Department in which the expense is budgeted are pre-approved for payment by the Authority Board. The Karegnondi Water Authority Treasurer and Secretary may pay these bills prior to approval by the Karegnondi Water Authority Board. The Karegnondi Water Authority Board shall receive a list of claims (bills) that were budgeted and within the limitations of each Activity/Department in which the expense is budgeted that have been paid by the Karegnondi Water Authority Treasurer and Secretary. This list shall be approved at the next regular meeting of the Karegnondi Water Authority Board. For any claims (bills) against the Karegnondi Water Authority that were not budgeted or that are in excess of the limitations of the appropriated amount budgeted in the Activity/Department in which the expense is budgeted, the Karegnondi Water Authority Board shall approve the claim (bills) prior to being paid.

Section 15: Authorized Salary, hourly and per diem rates

Included in the various Activities/Departments are amounts of the salary, hourly and per diem rates for the officials and employees of the Karegnondi Water Authority as follows:

Per Diem – No individual shall receive a per diem rate to attend any meeting of the Karegnondi Water Authority.

- CEO – Rate established by Contract, if applicable.
- Deputy CEO - Rate established by Contract, if applicable.
- Secretary - Rate established by Contract, if applicable.
- Deputy Secretary - Rate established by Contract, if applicable.
- Treasurer - Rate established by Contract, if applicable.
- Deputy Treasurer - Rate established by Contract, if applicable.

Pursuant to Article VII of the Articles of Incorporation of the Karegnondi Water Authority, the members of the Karegnondi Water Authority Board may receive payment for actual expenditures incurred in connection with the business of the Authority.

Section 16: Violations of This Resolution

Any obligation incurred or payment authorized in violation of this Resolution shall be void and shall subject any responsible official(s) or employee(s) to disciplinary action as outlined in P.A. 621 (1978).

VOICE VOTE:

RESOLUTION 2023-02 DECLARED ADOPTED.

, Chairman
Karegnondi Water Authority

Janis M. Wells, Secretary
Karegnondi Water Authority

STATE OF MICHIGAN }
 } ss
COUNTY OF GENESEE }

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of Resolution 2023-02 adopted by the Karegnondi Water Authority Board, acting in Lapeer County, at a regular meeting held on August 21, 2023, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, 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 this 21st day of August, 2023.

Janis M. Wells, Secretary
Karegnondi Water Authority

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

RESOLUTION NO. 2023-03

**A RESOLUTION ESTABLISHING THE WATER TRANSMISSION FEE
FOR THE KAREGNONDI WATER AUTHORITY**

At a meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 21, 2023, at 10 a.m., local time.

PRESENT:

ABSENT:

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

PREAMBLE

WHEREAS, the Karegnondi Water Authority ("KWA") was created pursuant to Act 233 of the Michigan Public Acts of 1955, as amended;

WHEREAS, the Genesee County Drain Commissioner's Office - Division of Water & Waste Services, as County Agency, pursuant to 1939 PA 342 ("GCDC") executed a WATER PURCHASE CONTRACT with the KWA.

WHEREAS, Section 5.02 of the WATER PURCHASE CONTRACT provides for the KWA to establish a Water Transmission Fee to transmit the water from Lake Huron to the GCDC designated point of delivery set forth in Exhibit A of the WATER PURCHASE CONTRACT;

WHEREAS, the City of Flint executed a RAW WATER SUPPLY CONTRACT with the KWA;

WHEREAS, Section 5.02 of the RAW WATER SUPPLY CONTRACT provides for the KWA to establish a Water Transmission Fee to transmit the water from Lake Huron to the City of Flint designated point of delivery set forth in Exhibit A of the RAW WATER SUPPLY CONTRACT;

WHEREAS, the Water Transmission Fee is required to be in an amount sufficient to allow the KWA to cover all costs of transmitting water from Lake Huron to the various points of delivery, regardless of any fluctuation in the volume of water delivered; now,

THEREFORE, BE IT RESOLVED THAT: All of the matters stated in the recitals of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as though fully set forth in their entirety herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT: The Water Transmission Fee shall be reduced from \$2.75 per/1,000 cubic feet to \$2.20 per/1,000 cubic feet, or such other rate as determined by the KWA Board after October 1, 2023, until such time as it is revised by the KWA Board.

VOICE VOTE:

RESOLUTION 2023-03 DECLARED ADOPTED.

Printed Name:
Its: Chairperson

Printed Name: Janis M. Wells
Its: Secretary

STATE OF MICHIGAN }
 } ss
COUNTY OF GENESEE }

I, Janis M. Wells, Deputy Secretary of the Karegnondi Water Authority Board, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Karegnondi Water Authority Board and Incorporating Board, acting in Lapeer County, at a meeting held on August 21, 2023, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, 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 this 21st day of August, 2023.

Printed Name: Janis M. Wells
Its: Secretary

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

RESOLUTION NO. 2023-04

**A RESOLUTION ESTABLISHING REGULAR MEETING DATES
OF THE KAREGNONDI WATER AUTHORITY**

At a meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 21, 2023, at 10 a.m., local time.

PRESENT:

ABSENT:

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

PREAMBLE

WHEREAS, Section 5(2) of Act 267 of the Michigan Public Acts of 1976, as amended, requires a public body to post within ten (10) days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.

WHEREAS, Section 4(b) of Act 267 of the Michigan Public Acts of 1976, as amended, requires public notices of a public body to be posted at the principal office and any other locations considered appropriate by the public body, including cable television.

NOW, THEREFORE, BE IT RESOLVED THAT:

The regular meetings of the Karegnondi Water Authority Board shall be held on the following dates, times, and locations, set forth below:

- November 20, 2023 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI
- March 18, 2024 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI
- August 19, 2024 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville,

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT:

A meeting of the Karegnondi Water Authority Incorporating Board shall be held on:

- November 20, 2023 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT:

A public hearing on the 2024 Budget shall be held on:

- August 19, 2024 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI

NOW, THEREFORE, BE IT RESOLVED THAT:

The Karegnondi Water Authority Board hereby directs the Chief Executive Officer with the assistance of the Secretary to ensure that a public notice stating the dates, times, and places of the Board’s regular meetings is posted within ten (10) days of this first meeting of this Board.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT:

The Chief Executive Officer with assistance from the Secretary shall ensure that the notice of the dates, times, and places of the regular meetings of the Board are posted at the following locations:

1. G-4610 Beecher Road, Flint, Michigan 48532-2017
2. 4414 Stanley Rd., Columbiaville, MI 48421
3. 576 Liberty Park, Lapeer, Michigan 48446
4. 255 Clay Street, Lapeer, Michigan 48446
5. 60 West Sanilac Avenue, Sandusky, Michigan 48471
6. 1101 Beach Street, Harris Auditorium, Flint, Michigan 48502
7. 111 South Saginaw Street, Flint, Michigan 48502

VOICE VOTE:

RESOLUTION 2023-04 DECLARED ADOPTED

 , Chairman
 Karegnondi Water Authority

 Janis M. Wells, Secretary
 Karegnondi Water Authority

STATE OF MICHIGAN }
 } ss:
 COUNTY OF GENESEE }

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of Resolution 2023-04 adopted by the Karegnondi Water Authority Board, acting in Lapeer County, at a meeting held on August 21, 2023, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, 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 the 21st day of August, 2023.

 Janis M. Wells, Secretary
 Karegnondi Water Authority