



KAREGNONDI WATER AUTHORITY
Meeting of Authority Board
March 18, 2024, 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. Minutes: August 21, 2023
2. Reports: Treasurer's Report
3. Communication: 2023 Audit
4. Consent Agenda: None
5. Public Comment – Agenda Items Only
6. New Business
 - (a) Revisions to Bylaws
 - (b) Closed Session pursuant to MCL 15.268(e) to discuss settlement of KWA v LCRC, Case No. 19-052947-CZ
7. Board Comment
8. Adjournment



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

MINUTES OF MEETING

August 21, 2023

Approved: _____

Meeting Convened: 9:48 a.m.
The Pledge of Allegiance was recited.

Roll Call:

Board Members Present: Ted Henry; Joseph Suma; Doug Sweet; Mike Womack

Board Members Absent: Sheldon Neeley

Also Present:

Jeff Wright, CEO
Kevin Kilby, Corporation Counsel
Trudy Bower, Treasurer

New Business:

- ❖ Motion to Nominate Scott Bennett as Chairman by *Ted Henry*; Supported by *Joseph Suma*;
- ❖ Motion to Nominate Duane Haskins as Vice Chairman by *Doug Sweet*; Supported by *Joseph Suma*;
- ❖ Motion to Nominate Trudy Bower as Treasurer by *Joseph Suma*; Supported by *Doug Sweet*
- ❖ Motion to Nominate Janis Wells as Secretary by *Ted Henry*; Supported by *Joseph Suma*;

Motions Passed by Unanimous Voice Vote

Public Comment:

None

Meeting Adjourned 9:52 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 Incorporating Board Meeting of August 21, 2023, adopted by the Karegnondi Water Authority Incorporating 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



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

MINUTES OF MEETING
August 21, 2023

Approved: _____

Meeting Convened: 10:01 a.m.
The Pledge of Allegiance was recited.
Invocation given by Kevin Kilby.

Roll Call:

Board Members Present: Larry Green; Tim Sneller; Terry Peck; Ted Henry; Ellen Ellenburg; Joseph Suma; Doug Sweet; Duane Haskins; Mike Womack; Adam Zettel; Scott Bennett

Board Members Absent: Allie Herkenroder; Sheldon Neeley; Dr. Ladel Lewis; Judy Priestley

Also Present:

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

Public Hearing on Proposed 2024 Budget:

- ❖ Public Hearing Opened by Chairman Scott Bennett
 - Presentation by Karl Kramer and John F. O'Brien on Proposed 2024 Budget
 - No Public Comment.
- ❖ Motion to Close Public Hearing by *Mike Womack*; Supported by *Ted Henry*

Minutes

- ❖ Motion to Approve the Minutes from the April 17, 2023 Meeting as Presented by *Ted Henry*; Supported by *Tim Sneller*; Voice Vote – Motion Passed Unanimously

Reports

- Deputy Treasurer Karl Kramer provided a brief overview of the most current Treasurer's Report (through July 31, 2023)

New Business:

- ❖ Motion to Amend the Agenda to add Item 3A for Board Appointments by *Mike Womack*; Supported by *Ted Henry*; Motion Passed by Unanimous Voice Vote
 - The Incorporating Board nominated the slate of officers for the upcoming year, with Scott Bennett as Chairman, Duane Haskins as Vice Chairman, Trudy Bowers as Treasurer, and Janis Wells as Secretary
- ❖ Motion to Approve the Slate as presented by the Incorporating Board by *Joseph Suma*; Supported by *Ted Henry*; Motion Passed by Unanimous Roll Call Vote

Roll Call Vote:

Larry Green	-	Yes
Tim Sneller	-	Yes
Terry Peck	-	Yes
Ted Henry	-	Yes
Ellen Ellenburg	-	Yes
Joseph Suma	-	Yes
Doug Sweet	-	Yes
Duane Haskins	-	Yes
Mike Womack	-	Yes
Adam Zettel	-	Yes
Scott Bennett	-	Yes

Oath of Office Given:

Scott Bennett	-	Chairman
Duane Haskins	-	Vice Chairman
Trudy Bowers	-	Treasurer
Janis M. Wells	-	Secretary
Ellen Ellenburg	-	New Board Member
Mike Womack	-	New Board Member
Terry Peck	-	New Board Member

Communication: None

Consent Agenda: None

Public Comment: None

New Business:

Resolution 2023-02 Resolution to Establish a General Appropriations Act

- ❖ Motion to Approve Resolution 2022-02 Establishing a General Appropriations Act by *Ted Henry*; Supported by *Ellen Ellenburg*; Discussion Ensued; Roll Call Vote – Motion Passed Unanimously

Roll Call Vote:

Tim Sneller – Yes
Terry Peck – Yes
Ted Henry – Yes
Ellenellenburg – Yes
Joseph Suma – Yes
Doug Sweet – Yes

Duane Haskins – Yes
Mike Womack – Yes
Adam Zettel – Yes
Larry Green – Yes
Scott Bennett - Yes

Resolution 2022-03 Resolution Establishing the Water Transmission Fee

- ❖ Motion to Approve Resolution 2023-02 Establishing the Water Transmission Fee by *Ted Henry*; Supported by *Ellen Ellenburg*; Discussed Ensued; Roll Call Vote – Motion Passed Unanimously

Roll Call Vote:

Tim Sneller - Yes
Terry Peck – Yes
Ted Henry – Yes
Ellen Ellenburg – Yes
Joseph Suma – Yes
Doug Sweet – Yes
Duane Haskins – Yes
Mike Womack – Yes
Adam Zettel – Yes
Larry Green – Yes
Scott Bennett - Yes

Resolution 2022-04 Resolution Establishing Regular Meeting Dates

- ❖ Motion to Approve Resolution 2022-04 Establishing Regular Meeting Dates by *Terry Peck*; Seconded by *Ted Henry*; Discussion Ensued; Roll Call Vote – Motion Passed Unanimously

Roll Call Vote:

Terry Peck – Yes
Ted Henry – Yes
Ellen Ellenburg – Yes
Joseph Suma – Yes
Doug Sweet – Yes
Duane Haskins – Yes
Mike Womack – Yes
Adam Zettel – Yes
Larry Green – Yes
Tim Sneller - Yes
Scott Bennett - Yes

CEO Comment: Jeff Wright gave comment on our new relationship with DTE indicating that our energy costs should be cut by 1/3. Our commodity charge has been cut by 2/3 over the last 7 years, which has allowed the same rate to be charged to the customers, without any increases.

CEO Wright indicated we are waiting on generators to be delivered to the WTP and the Lake Huron Pump Station, which should be available in November. All the groundwork has been done. The new generators should allow for the provision of viable water to people of Genesee County and the City of Flint in an emergency situation for up to six months.

We are refinancing two different projects. The first one is for the \$30+ million borrowed to put in the intake to Lake Huron. The result of that refinancing was an approximate \$4.1 million savings in interest payments over the life of the contract. The second is for the \$220 million borrowed for the pipeline project. It has been approved by the Board of Commissioners, and at this time still needs to go before the City of Flint for approval. This refi has the potential to save \$25 to \$30 million over the length of the project.

A bill package has been introduced in the Michigan Senate addressing water rates. The bill package, which is currently in draft form, would implement a \$2 fee for each household to be sent to the State. The money would be used to assist residents that need help paying their water bills. The package of bills would require at least five to six months' passage before a disconnect of a resident's water for nonpayment of their bill, and would require inspections so that notifications can be provided to residents when there is a spike in their usage to determine a possible water leakage.

Board Comment:

Each Board member was invited to give comment.

Adjournment:

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

Meeting Adjourned 10:41 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 August 21, 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

**Restated
Karegnondi
Water Authority®**

**AUTHORITY BOARD
BYLAWS**

**Originally Adopted: October 26, 2010
As Modified By KWA Resolution No. 2013-07 on September 23, 2013
Restatement Date:**

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SECTION I – DEFINITIONS

- Section 1.1** **Act.** The Act shall be defined as 1955 PA 233, being MCL § 124.281 *et seq.*
- Section 1.2** **Articles of Incorporation.** The Articles of Incorporation shall be defined as the Articles of Incorporation of Karegnondi Water Authority, as amended.
- Section 1.3** **Authority.** The Authority is defined as the Karegnondi Water Authority.
- Section 1.4** **Authority Board.** The Authority Board is defined as the Board as set forth in Article VII of the Articles of Incorporation, MCL § 141.421 *et seq.*
- Section 1.5** **CEO or Chief Executive Officer.** The Chief Executive Officer shall be the individual appointed pursuant to Article XX of the Articles of Incorporation. In the absence of the CEO, the Deputy CEO or, in the absence of the Deputy CEO, the CEO's designee shall have the authority to serve in his or her stead.
- Section 1.6** **City of Flint or Flint.** The City of Flint is defined as the City of Flint, Genesee County, Michigan.
- Section 1.7** **City of Lapeer.** The City of Lapeer is defined as the City of Lapeer, Lapeer County, Michigan.
- Section 1.8** **Constituent Municipality.** A Constituent Municipality means a Constituent municipality as defined by Section 1(b) of the Act.
- Section 1.9** **County of Genesee or Genesee.** The County of Genesee is defined as the County of Genesee, Michigan.
- Section 1.10** **County of Lapeer.** The County of Lapeer is defined as the County of Lapeer, Michigan.
- Section 1.11** **County of Sanilac or Sanilac.** The County of Sanilac is defined as the County of Sanilac, Michigan.
- Section 1.12** **Good Standing.** Good Standing is defined as a municipality that has no outstanding debts or obligations to the Authority more than thirty (30) days delinquent.
- Section 1.13** **Incorporating Board.** The Incorporating Board is defined as the Incorporating Board as set forth in Article VII of the Articles of Incorporation.

- Section 1.14** **Majority Vote.** A Majority Vote is defined as a vote of a majority of the members present and voting of a quorum of the Authority Board.
- Section 1.15** **Malfeasance.** Malfeasance is defined as a wrongful act which the actor has no legal right to do, or any wrongful conduct which affects, interrupts, or interferes with performance of official duty, or an act for which there is no authority or warrant of law or which a person ought not to do at all, or the unjust performance of some act, which party performing it has no right, or has contracted not, to do.
- Section 1.16** **Misfeasance.** Misfeasance is defined as the improper doing of an act which an individual is required to do.
- Section 1.17** **Nonfeasance.** Nonfeasance is defined as the omission of an act which a person is obligated or has the responsibility to perform, or the omission to perform a required duty at all, or the total neglect of duty.
- Section 1.18** **Officer.** An Officer is an individual that holds the position of the Chair of the Board, Vice-Chair, Secretary, or Treasurer of the Authority Board.
- Section 1.19** **Resolution.** A Resolution is defined as a written document or an oral motion that is acted upon and approved by a Majority Vote of the Authority Board.
- Section 1.20** **Vacancy.** A Vacancy is defined as an Officer that is permanently unable to fulfill their duties or resigns during the term in which they are serving. A Vacancy for temporary absence or disability shall be filled as set forth in Article VIII of the Articles of Incorporation.

SECTION II – DUTIES

In addition to the duties explicit in the statement of purpose set forth in ARTICLE III of the Articles of Incorporation, the Authority's duties shall include, but not be limited to, the following:

- Section 2.1** To operate, administer, manage and maintain a water supply system, or any other system permitted by the Act, in conjunction with the Counties of Lapeer, Genesee, and Sanilac, the Cities of Lapeer and Flint, and any other municipalities or agencies that have entered into a capacity contract with the Authority.
- Section 2.2** To cause a water supply system, or any other system permitted by the Act, to be planned and instituted that will adequately and efficiently serve the residents of Genesee, Sanilac, and Lapeer Counties, the Cities of Lapeer and Flint and any other municipalities or agencies that have entered into a capacity contract with the Authority.

- Section 2.3** To hire and maintain employees, contractors, and other professionals as necessary to fulfill the purposes of the Authority.
- Section 2.4** To engage in any other necessary and attendant involvement, including planning, construction, or other functions necessary to maintain continuing water supply system, or any other system permitted by the Act, to the Counties of Lapeer, Genesee, and Sanilac, the Cities of Lapeer and Flint, or any other municipalities or agencies that have entered into a capacity contract with the Authority.
- Section 2.5** Any other purpose that the Authority Board determines is consistent with the intent of the Act.

SECTION III – COMMITTEES

The committees of the Authority shall be created by Resolution of the Authority upon the recommendation of the Chair of the Board or the CEO. The Authority Board shall appoint such committees as may be deemed necessary, including standing, ad hoc, or special committees.

SECTION IV - OFFICERS AND DUTIES

The Authority Board shall have the following Officers:

- Section 4.1** Chair of the Board. The Chair of the Board shall preside at all meetings. The Chair shall be responsible for timely, fair and reasonable conduct of the meeting's business. The Chair shall sign on the behalf of the Authority all documents and instruments required to be signed by the Chair of the Authority. The Chair shall assign duties to officers, committees and subcommittees of the Authority.
- Section 4.2** Vice-Chair. The Vice Chair shall act in the place of the Chair in the event of an absence, inability to act or improper refusal to act, and shall exercise and discharge such other duties as may be required of the Chair of the Board.
- Section 4.3** Secretary. The Secretary, who need not be a member of the Authority Board, and may be a governmental or privately retained person or entity, shall record the votes and keep the minutes of all meetings and proceedings of the Authority Board and of the members; serve notice of meetings of the Authority Board and of the members; keep appropriate current records showing the members of the Authority Board together with their addresses; provide agendas prepared by the CEO, and shall perform such other duties as required by the Authority Board. The Secretary shall furnish such bonds, the cost of which shall be paid by the Authority as may be required by law or by Resolution of the Authority Board for the faithful performance of official duties of the Officers of the Authority Board. The Secretary shall co-sign all documents as required by the Authority Board.

Section 4.4

Treasurer. The Treasurer, who need not be a member of the Authority Board, and may be a governmental or privately retained person or entity, shall receive and deposit in appropriate bank or credit union accounts all monies of the Authority and shall disburse such funds as directed by Resolution of the Authority Board provided, however, that a Resolution of the Authority Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Authority Board; shall sign all checks and promissory notes of the Authority; prepare a Treasurer's Report as directed by the Authority Board; and keep proper books of account. The Treasurer shall assist in the preparation of the Annual Budget and Audit of the accounts of the Authority. The Treasurer shall advise the Authority Board regarding control systems and procedures regarding consistency with generally accepted accounting practices, principles, and governmental finance practices. The Treasurer shall recommend depositories for the Authority's funds based upon rates of return and other relevant considerations. The Treasurer shall assist in the preparation of all bond sales.

SECTION V - ELECTION AND TERM OF OFFICERS

The Officers of the Authority Board that are currently elected and serving shall remain as the Officers of the Authority Board. Such Officers shall serve until such time as: (i) the Officer's successor is sworn and seated; (ii) the Officer is removed for malfeasance, misfeasance, or nonfeasance; (iii) the Officer resigns; (iv) the Officer is no longer the representative appointed to serve on behalf of a municipality; or (v) the Officer receives a vote of no confidence by a Majority Vote of the Authority Board.

Section 5.1

A representative of a municipality may not be elected or appointed as an Officer unless the municipality is in Good Standing.

Section 5.2

Nominations for election by the Authority Board shall be made by the nominating committee that shall consist of the representatives of the Incorporating Municipalities as defined by ARTICLE II of the Articles of Incorporation. The nominating committee shall make as many nominations for election by the Authority Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The nominating committee's decision shall be final and not subject to appeal.

Section 5.3

The Authority Board shall either accept or reject the nominations set forth by the nominating committee. The Authority Board shall not offer other names for consideration.

Section 5.4

Election of the Officers to the Authority Board shall be by roll call vote. At such election, the Authority Board members may cast their vote(s) pursuant to ARTICLE IX of the Articles of Incorporation.

Section 5.5 The persons receiving the Majority Vote for each office shall be elected.

Section 5.6 All newly appointed Officers of the Authority Board shall take office immediately.

Section 5.7 No person shall simultaneously hold more than one office.

SECTION VI – OFFICER VACANCY

In the event of a Vacancy of an Officer of the Authority Board, the Incorporating Board shall meet within thirty (30) days or such other time as a quorum can meet and determine a nominee to present to the Authority Board for election in a manner consistent with Section V, above.

SECTION VII - RESIGNATION AND REMOVAL

Section 7.1 Any member of the Authority Board may resign from the Authority Board at any time by providing written notification to the Chair of the Board and the Secretary.

Section 7.2 Any Officer of the Authority Board may resign from their office at any time by giving written notice to the Authority Board, the Chair of the Board, or the Secretary. A resignation from the Authority Board or by an Officer shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.3 Any member of the Authority Board may be removed for Malfeasance, Misfeasance, or Nonfeasance from the Authority Board by a Majority Vote of the Authority Board after notice to the individual and a hearing by both the Authority Board and Incorporating Board.

Section 7.4 A member of the Authority Board may be removed by the entity appointing that member.

SECTION VIII - AGENDA CONTENTS AND NOTICE

Section 8.1 An agenda shall be prepared for each meeting of the Authority Board.

Section 8.2 The agenda for each meeting of the Authority Board shall be prepared by the CEO, subject to approval of the Chair of the Board. If the Authority Board has not appointed an individual to the position of Chief Executive Officer or the position of CEO is Vacant, the agenda shall then be prepared by the Chair of the Board.

- Section 8.3** Information received after the day and time established by the CEO for the preparation of the agenda shall not be included on the agenda unless approved by the Chair of the Board.
- Section 8.4** Members of the Authority Board shall receive written notice of the time and place of each meeting of the Authority Board by e-mail, or other method approved by the Authority Board, at least eighteen (18) hours prior to the time of such meeting. All Authority Board members shall provide the Authority Board Secretary with an e-mail address. Any exceptions to this notice provision shall be approved by the CEO.
- Section 8.5** Any Authority Board member shall have the right to add items to the agenda upon concurrence from the Authority Board at any regular meeting of the Authority Board or in the event of a special meeting of the Authority Board, all members appointed and serving shall be present at the meeting.

SECTION IX – MEETINGS

- Section 9.1** Regular meetings of the Authority Board shall be held at such time and place as shall be prescribed by Resolution of the Authority Board.
- Section 9.2** Special meetings of the Authority Board may be called by the CEO, the Chair of the Board, or any three (3) Authority Board members by written request filed with the Secretary requesting a meeting of the Authority Board. In such case, the Chair of the Board shall schedule a meeting of the Authority Board within one (1) week from the date the Secretary received the notice or such other date where a quorum of the Authority Board is available to meet.
- Section 9.3** Any regular or special meeting of the Authority Board may be cancelled by the CEO or the Chair of the Board.
- Section 9.4** A simple majority of the members of the Authority Board shall be necessary for a quorum.
- Section 9.5** Attendance at an Authority Board meeting is a privilege conferred upon the Authority Board member. It carries with it the responsibility to participate in Authority Board activities and represent the residents of his or her municipality. Attendance at Authority Board meetings is critical to fulfilling this responsibility. The Board shall act by Resolution.
- Section 9.6** The Authority Board may excuse absences for cause. If an Authority Board member has more than three unexcused absences from Authority Board meetings, the Authority Board may direct the CEO or Secretary to send a letter to the absent Authority Board member's appointing Municipality requesting a letter of confirmation prior to the next regular Authority Board meeting that the absent Authority Board member is still appointed to the

Authority Board. If the Authority Board receives the confirmation letter that the absent Authority Board member is still appointed to the Authority Board and the absent Authority Board member is unexcused for another two meeting, then the Authority Board may enact a Resolution of reprimand and require the Secretary to serve a copy of the Resolution upon the absent Board member and the offices of the Authority Board member's appointing Municipality. In the event that the Authority Board member's unexcused absences continue for more than three additional regular or special meetings of the Authority Board, the Authority Board may send a letter to the appointing Municipality requesting that the Authority Board member be removed for cause.

Section 9.7 Decisions of the Chair of the Board are final on questions of procedure, except that any ruling may be appealed to a vote of the Authority Board. If a ruling of the Chair is overruled by the Authority Board, the Chair shall amend it's ruling to reflect the will of the Authority Board.

Section 9.8 The Secretary shall provide and distribute copies of the minutes of each Authority Board meeting to the Authority Board members and make available to the general public consistent with Section 1976 PA 267 (EXCERPT). Copies shall be e-mailed to all of the Authority Board members. Additional copies may be e-mailed to any municipally requesting in writing a copy of the minutes. If, however, a municipality requests a written copy of the minutes to be sent by any other method than email, the request by the municipality shall be treated as a subscription pursuant to Section 3 of Act 442 of the Michigan Public Acts of 1976, as amended.

SECTION X – VOTING

Section 10.1 All votes shall be calculated pursuant to Article IX of the Articles of Incorporation.

Section 10.2 All votes shall be cast as voice votes. If the voice vote is not unanimous, a roll call vote shall then be taken.

Section 10.3 Election to a deliberative body carries with it the obligation to vote.

Section 10.3.1 Authority Board members present at an Authority Board meeting shall vote on every matter before the body, unless otherwise excused or prohibited from voting by law.

Section 10.3.2 An Authority Board member who is present and does not respond to a roll call vote, shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise prohibited by law from voting.

Section 10.4 Except as otherwise provided in the Articles of Incorporation, a Majority Vote of the Authority Board shall be required for passage of any action; provided, however, in addition to a Majority Vote of the Authority Board, the following actions require a majority vote of the Incorporating Members as set forth in Article IX of the Articles of Incorporation:

- The approval of Capacity Contracts;
- The expansion of any system of the Authority;
- The issuance of any bonds or the incurrence of any debt; and
- The distribution of Authority assets in the event of dissolution under Article V of the Articles of Incorporation.

All votes cast by the Authority Board shall also be tallied independently as an Incorporating Board vote where a vote of the Incorporating Board is required. As part of the Authority Board vote, if a majority of the Incorporating Board members vote to approve the motion, the motion shall thereafter be deemed approved by the Incorporating Board. At any time, an Incorporating Board member may request a separate vote be taken of just the Incorporating Board. This voting procedure shall be for all current and past votes of the Authority and Incorporating Board.¹

Section 10.5 A sale or transfer of capacity from an Incorporator or a Constituent Municipality to any other party shall require passage by a Majority Vote of the Authority Board and the Incorporating Board.

Section 10.6 Conflict of interest, as defined by law, shall be the sole reason for an Authority Board member to abstain from voting.

Section 10.6.1 The opinion of the attorney of the Authority shall be binding on the Authority Board with respect to the existence of a conflict of interest.

Section 10.6.2 A vote may be tabled, if necessary, to obtain the opinion of the attorney of the Authority as to whether a conflict of interest exists.

Section 10.7 Only if an Authority Board member meets the qualifications to remotely participate in an Authority Board meeting as set forth in 1976 PA 267 (EXCERPT), being MCL 15.261 *et. seq.*, commonly known as the Michigan Open Meetings Act or other public act that allows for remote participation in public meetings, the Authority Board member may participate remotely.

Section 10.8 Alternate Authority Board members and designated individual. Voting by an alternate authority board member or designated individual is permitted only in the following manner:

¹ This paragraph was added to the KWA Bylaws by KWA Resolution No. 2013-07, adopted on September 23, 2013.

Section 10.8.1 In order for a vote by an alternate authority board member or a designated individual to be effective, the Authority Board member casting the votes shall present to the Authority Board the following:

1. A letter executed by the appointing entity stating that the representative is unable to attend the meeting and the Authority Board member presenting the letter has the authority to vote in the place of the absent representative. The letter set forth in this section shall include the following in order to be valid:
 - a. Prepared on official letterhead of the entity and signed by a representative of the entity; and
 - b. The letter must include the date prepared.
2. The original letter shall be provided to the Secretary of the Authority Board prior to the start of the Authority Board Meeting.
3. The letter shall only be valid for one (1) meeting. Therefore, the authority for an Authority Board member to vote another Authority Board member's votes shall be eliminated at the conclusion of the meeting where the letter was presented and deemed valid.

Section 10.8.2 The Authority Board shall act on the letter immediately after roll call at a regular or special meeting. If a letter determined by the Authority Board as meeting all of the requirements necessary for an Authority Board's representative's votes to be cast is later found to be invalid by the Authority Board or a court of competent jurisdiction, the votes cast at the meeting the Authority Board determined the letter satisfied the requires shall not be invalidated.

Section 10.9 All votes must be held and determined in public; no secret ballots are permitted.

Section 10.10 In all cases, the Secretary shall declare the result.

Section 10.11 Any Authority Board Member voting in the majority may move for a reconsideration of the vote on any question at the next succeeding meeting of the Authority Board. When a motion to reconsider fails, it cannot be renewed.

SECTION XI - FUNDS AND BUDGETS

- Section 11.1** All monies accruing to the Authority Board through any source and all surplus funds of the Authority shall be invested in accordance with 1943 PA 20 or other public act, regulation, rule, or law either federal or state that allows for the investment of funds by an authority.
- Section 11.2** All checks or other forms of withdrawal of Authority Board funds shall be signed by the Treasurer and one other officer of the Authority Board. Except for disbursements made in the ordinary course of business conducted within the limits of the budget adopted by the Authority Board, requests for payment shall be approved by the Authority Board at a meeting of the Authority Board that conforms to the notice requirements set forth in the Articles of Incorporation, these Bylaws, and The Open Meetings Act, being Act 1976 PA 267.
- Section 11.3** A petty cash fund in an amount determined by the Authority Board by Resolution shall be available for the Chairperson or Chief Executive Officer's use, reimbursable upon submittal of a statement of expenses.
- Section 11.4** The CEO shall prepare a proposed budget for submission to the Authority Board by August 1 of each year; which shall be consistent with 1968 PA 2. If the Authority Board has not appointed an individual to the position of Chief Executive Officer or the position of CEO is vacant, the proposed budget shall then be prepared by the Chair of the Board and the Treasurer.
- Section 11.5** The Authority Board shall adopt a budget for the upcoming fiscal year or years. If the Authority Board adopts a budget for multiple years, the budget shall include an accounting for each fiscal year. The Authority Board shall present the budget for public inspection no later than September 15th of each calendar year.
- Section 11.6** The Authority shall cause an annual audit to be made of its financial transactions by a certified public accountant and shall furnish at least one (1) copy thereof to each Authority Board member. Each Authority Board member has the right to request additional copies of the annual audit.

SECTION XII - ADMINISTRATIVE STAFF OF THE AUTHORITY

- Section 12.1** Administration. The Authority may enter into an Administrative Services agreement with an individual or entity to perform various administrative services, including the positions of Treasurer, Deputy Treasurer, Secretary, and Deputy Secretary. The CEO, Deputy CEO, Treasurer, Deputy Treasurer, Secretary, and Deputy Secretary may be compensated in an amount determined by the Authority Board or as set forth in an administrative services agreement. All insurance coverage related to any contract for

administrative services shall be provided by the person or entity providing the services. The day-to-day administrative duties of the person or entity providing the administrative services of the Authority shall be under the authority and direction of the CEO.

Section 12.2 Chief Executive Officer

Section 12.2.1 Appointment. The CEO shall be appointed by a majority vote of the Incorporating Board as set forth in Article XX of the Articles of Incorporation.

Section 12.2.2 Removal. The CEO shall serve at the pleasure of the Incorporating Board and may be removed without cause by the Incorporating Board at any time. The Action of the Incorporating Board in removing the CEO shall be final.

Section 12.1.3 Duties. The CEO shall be the chief administrative officer of the Authority and shall be responsible for the efficient management, execution and administration of all of the business and affairs of the Authority authorized and directed by the Authority Board or the Incorporating Board. Without limiting the generality of the preceding sentence, the CEO shall specifically have the power and duty to:

1. Recommend policies, plans and procedures for the administration, organization and operation of the Authority;
2. Recommend policies, plans and procedures for the development, implementation and administration of Authority facilities;
3. Recommend such administrative and operating policies, programs, resolutions, rules, regulations, procedures and orders as may be deemed necessary and appropriate for the benefit of the Authority and the accomplishment of the goals and objectives of the Authority as established by the Authority Board;
4. Subject to budgetary approval, the CEO has the authority to hire personnel to fill positions or vacancies on the Authority's administrative staff. Additionally, the CEO has the authority to discharge or retire members of such staff in accordance with administrative rules and procedures established by the Authority Board and as otherwise required by law;
5. Supervise all administrative staff and consultants of the Authority;

6. Purchase materials and services according to administrative rules and procedures established by the Board and as otherwise required by law;
7. Execute all contracts and other documents and instruments duly authorized to be signed on behalf of the Authority, except such contracts, documents or instruments as may be required to be signed by the Chair of the Board or by some other officer of the Authority;
8. Prepare the agenda for all Authority Board and Incorporating Board meetings;
9. Attend all Authority Board meetings unless excused therefrom;
10. Prepare and recommend, not later than 60 days before the start of each fiscal year of the Authority, a combined annual budget and appropriation Resolution for the Authority; and
11. Enforce the regulations of the Authority.
12. Assist the Treasurer with preparing any financial or investment documents as may be necessary or required by the Authority Board.

Section 12.1.4 Compensation. The CEO may be paid compensation to perform the duties and responsibilities of that position. Said compensation shall be approved by the Authority Board.

Section 12.2 Other Personnel. Any and all supervisory, administrative and operating employees approved by the Authority Board, including those included in an administrative services agreement shall be under the supervision and direction of the CEO.

Section 12.3 Unless an administrative services agreement containing deputy positions has been executed by the Authority, the Authority Board may direct the CEO to appoint the following deputies to ensure that the essential duties of the Authority continue without delay, unless set forth in an administrative services agreement:

Section 12.3.1 Deputy Secretary. The Deputy Secretary shall serve at the pleasure of the CEO. The Deputy Secretary may be paid compensation as determined by the Authority Board. The Deputy Secretary need not be a member of the Authority Board and may be a governmental or privately retained person or entity. The deputy Secretary in case of absence, sickness, death, or other disability of the Secretary, shall possess the powers and perform the duties of

the Secretary, except the Deputy Secretary shall not have a vote on the Authority Board. The Deputy Secretary shall exercise and discharge such other duties as may be required of the Secretary.

Section 12.3.2 Deputy Treasurer. The Deputy Treasurer shall serve at the pleasure of the CEO. The Deputy Treasurer may be paid compensation as determined by the Authority Board. The Deputy Treasurer need not be a member of the Authority Board and may be a governmental or privately retained person or entity. The Deputy Treasurer in case of absence, sickness, death, or other disability of the Treasurer, shall possess the powers and perform the duties of the Treasurer, except the Deputy Treasurer shall not have a vote on the Authority Board. The Deputy Treasurer shall exercise and discharge such other duties as may be required of the Treasurer.

Section 12.3.3 Deputy Chief Executive Officer. The Deputy CEO shall serve at the pleasure of the CEO. The Deputy CEO may be paid compensation as determined by the Authority Board. The Deputy CEO shall not be a member of the Authority Board and may be a governmental or privately retained person or entity. The Deputy CEO in case of absence, sickness, death, or other disability of the CEO, shall possess the powers and perform the duties of the CEO, except the Deputy CEO shall not have a vote on the Authority Board. The Deputy CEO shall exercise and discharge such other duties as may be required of the CEO.

SECTION XIII - LEGAL COUNSEL FOR THE AUTHORITY

Section 13.1 Legal Counsel. The Authority Board shall retain legal counsel to advise the Authority Board in the proper performance of its duties. If the CEO determines it necessary, the CEO may authorize legal counsel to employ the services of Special Legal Counsel.

Section 13.2 Appointment. The Legal Counsel shall be appointed by the Authority Board. The Legal Counsel shall be appointed for an indefinite term and solely on the basis of demonstrated legal ability and qualifications, with special weight given to actual training and experience in and knowledge of local government law and practice. No member of the Authority Board shall receive an appointment as Legal Counsel during his or her term or within one year after the expiration of such term.

Section 13.3 Removal. The Legal Counsel shall serve at the pleasure of the Authority Board and may be removed without cause by the Authority Board at any time. The action of the Authority Board in removing the Legal Counsel shall be final.

Section 13.4

Duties. The Legal Counsel shall be the chief legal officer of the Authority and the principal legal advisor to the Authority Board, CEO, and staff of the Authority. Without limiting the generality of the preceding sentence, the Legal Counsel shall specifically have the power and duty to:

1. Provide legal advice to the Authority Board and its administrative staff relating to the development and implementation of its plans to finance, build and operate and maintain a waterworks system or any system allowed under the Act;
2. Prepare and draft ordinances, resolutions, contracts and other legal documents and instruments related to Authority business and affairs;
3. Render legal opinions when requested by the Chair of the Board, the CEO or the Authority Board on matters related to the Authority's business and affairs;
4. Attend all Authority Board meetings, unless excused therefrom;
5. Attend Authority committee and subcommittee meetings when requested by the Chair of the Board or the CEO;
6. Make reports from time to time and otherwise perform such other duties and special services as the Chair of the Board, the Authority Board, or the CEO may require;
7. Represent the Authority in all litigation, negotiations and other legal matters except in cases where Special Legal Counsel has been appointed by the Authority Board;
8. Recommend the retention of Special Legal Counsel to represent or to assist the Legal Counsel in matter requiring special expertise or additional resources and, if requested and approved by the Authority Board, oversee matters handled by such Special Legal Counsel.

SECTION XIV – RULES

If any matter of meeting procedure arises that is not expressly governed by the Articles of Incorporation or these Bylaws, the Authority Board by a Majority Vote shall resolve the issue.

SECTION XV – INSURANCE

The Authority shall maintain a liability insurance policy in connection with its activities to cover injuries to persons and damages to property, in an amount as determined by the Authority Board with a deductible of not less than an amount determined by the Authority Board. An insurance policy shall include all necessary riders to the insurance policy to ensure that all Authority Board

members have adequate errors and omission coverage. Additionally, the insurance policy shall cover all Authority staff members acting on the behalf of the Authority. The Authority Board shall furnish written proof of such insurance coverage to any member of the Authority Board within fourteen (14) days of receiving the Authority Board member's written request.

SECTION XVI – CONFLICT

If any conflict between any word, sentence, or provision of these bylaws and the Articles of Incorporation, the word, sentence or provision of the Articles of Incorporation shall control.

SECTION XVII – AMENDMENTS

These Bylaws may be amended or altered at any regular meeting by a Majority Vote of the members of the Authority Board present and voting, if the proposed changes have been read at a preceding meeting and the changes were incorporated in the minutes of that meeting. The Bylaws may not be amended to conflict with the Articles of Incorporation.

I certify these Bylaws of the Karegnondi Water Authority, was adopted on October 26, 2010, at a regular meeting of the Karegnondi Water Authority Board and where thereafter amended on September 23, 2013, by Karegnondi Water Authority Resolution 2013-07.

Chair of the Board

Secretary of the Board

