



GREAT LAKES WATER AUTHORITY

BOARD OF DIRECTORS **July 29, 2015, 2:00pm MEETING** **AGENDA**

1. **Call to Order**

Call to Order

2. **Quorum Call**

Quorum Call

3. **Approval of Agenda**

Approval of Agenda

4. **Approval of Minutes**

A) Approval of minutes of July 8, 2015 Workshop Meeting

5. **Public Comment**

Public Comment (3 minutes per speaker)

6. **Communications**

A) 2015-07 -08 Motion to Receive and File.

7. **Old Business**

NONE

8. New Business

- A) 2015 - 07 - 09 Resolution regarding GLWA By-Laws
- B) 2015 – 07 – 10 Resolution regarding CS-011 Legistar.
- C) 2015 -07 -11 Resolution regarding additional authority for Search Committee.
- D) 2015 -07 -12 Resolution regarding assigned water customers.
- E) 2015 -07 -13 Resolution regarding assigned sewer customers.
- F) Presentation of *Making History: Building the Great Lakes Water Authority*
- G) Update regarding the activities of the PMO.
- H) Such other Matters.

9. Remarks

- A) Chairperson's Remarks.
- B) Board Members' Remarks.

10. Interim CEO's Report

11. Adjournment

- A) Motion to Adjourn.

Great Lakes Water Authority
Resolution 2015 - 07 - 08
RE: Receipt of Correspondence

By Board Member: _____

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) is in receipt of correspondence,

Now, Therefore Be It:

Resolved That the correspondence received by the Board shall be received and placed on file.

Adopted by the Great Lakes Water Authority Board on: _____

Great Lakes Water Authority
Resolution 2015- 07 -09
RE: GLWA By-Laws

By Board Member: _____

Whereas Article 9(D) of the Articles of Incorporation of the Great Lakes Water Authority (GLWA) requires that Board of Directors of the GLWA (Board) adopt By-Laws “governing its procedures and regulating the affairs of the Authority which are not in conflict with the terms of the Act, any other statute, or these Articles[;]” and

Whereas On May 6, 2015, draft By-Laws were submitted, discussed, and referred to the Board’s Legal Committee for review; and

Whereas The By-Laws have been revised by Interim General Counsel and reviewed with each of the members of Legal Committee,

Now, Therefore Be It:

Resolved The Board approves the attached *By-Laws for the Great Lakes Water Authority Board of Directors* (By-Laws); **And Be It Further**

Resolved The By-Laws shall be posted on the GLWA website as soon as practicable; **And Be It Finally**

Resolved That the Interim Chief Executive Officer is authorized to take such other action as is necessary to accomplish the intent of this vote.

Adopted by the Great Lakes Water Authority Board on: _____



**GREAT LAKES
WATER AUTHORITY**

INTERIM COUNSEL

July 23, 2015

HONORABLE BOARD OF DIRECTORS:

RE: 2015 – 07 - 09 GLWA BY Laws

MOTION

Consistent with Article 9(D) of the Articles of Incorporation (Articles) of the Great Lakes Water Authority (GLWA), the attached proposed *By-Laws for the Great Lakes Water Authority Board of Directors* (By-Laws) are submitted for your review and consideration.

Interim General Counsel is recommending the consideration of the following actions with respect to the By-Laws:

- 1) Approve the attached By-Laws.
- 2) Post the By-Laws on the GLWA website as soon as practicable following approval;
and
- 3) Authorize the Interim Chief Executive Officer to take such other action as is necessary to accomplish the intent of your vote

BACKGROUND

Draft By-Laws were originally submitted to the Board at its May 6, 2015, Meeting and were referred to the Legal Committee. There are two primary changes to these By-Laws from the version previously submitted to you on May 6, 2015:

- 1) The addition of Article X, Section 5, which specifically references the ability of a member of the GLWA Board of Directors (Board) to participate, including but not

limited to satisfying a quorum requirement, in a Board meeting by video conferencing or by conference telephone. This addition is consistent with the Michigan Court of Appeals in *Goode v Dep't of Social Services*, 143 Mich App 756; 373 NW2d 210 (1985), where the Court found that the Michigan Open Meetings Act allowed participation in an Public Meeting by conference telephone. The addition is also consistent with OAG, 1995-1996, No. 6835, p. 10 (January 13, 1995) where the Michigan Attorney General extended electronic participation to video conferencing based on *Goode*. While it is not absolutely necessary to include these provision as they simply reflect the state of the law, it is in keeping with this Board's commitment to transparency.

- 2) The second significant change in the current draft By-Laws is Article XVI which has been substantially reworked to provide for necessary indemnification and protection for GLWA Board Members, Officers, Appointees, or Employees. Section 1 of Article XVI makes clear that GLWA Board Members, Officers, Appointees, or Employees are immune from personal liability when acting in good faith and within the scope of their authority or when liability is inferred on account of the GLWA. Section 2 of Article XVI establishes the duty and the scope of the duty of the GLWA to indemnify and defend GLWA Board Members, Officers, Appointees, or Employees. This Section also specifically allows the GLWA to manage the responsibility by procuring appropriate insurance. Section 3 of Article XVI makes clear that the defense and indemnification for covered acts continues after a GLWA Board Members, Officers, Appointees, or Employee has separated from the Authority and provides protection for a GLWA Board Members, Officers, Appointees, or Employee's family and estate in the event an action or claim is pending at the time of their death. This is type of coverage is consistent with the scope of indemnity provided by other public and private sector organizations in Michigan. It is permitted by Article 4 B and Article 7 of the GLWA Articles of Incorporation and is especially appropriate for the GLWA where Board Members serve without salary.

The remainder of the By-Laws in large part track the GLWA Articles and the existing By-Laws of the Board of Water Commissioners; includes provisions mandated by the Open Meetings Act as well as 1955 PA 233; the Act under which the GLWA was formed.

Honorable GLWA Board

Re: GLWA By- Laws

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JUSTIFICATION

Article 9(D) of the GLWA Articles of Incorporation requires that Board adopt By-Laws “governing its procedures and regulating the affairs of the Authority which are not in conflict with the terms of the Act, any other statute, or these Articles.” The attached By-Laws are consistent with this and other provisions of the GLWA Articles.

Respectfully Submitted,

William M. Wolfson

William M. Wolfson
Interim General Counsel
GLWA

BY-LAWS
FOR THE
GREAT LAKES WATER AUTHORITY
BOARD OF DIRECTORS

Preamble: The Great Lakes Water Authority (GLWA) was created pursuant to Michigan Public Act 233 of 1955, as amended (being MCL 124.281 *et seq.* (the “Act”). The GLWA was formed pursuant to the Memorandum of Understanding executed among the Mayor of the City of Detroit, the County Executives from Macomb, Oakland and Wayne Counties, and the Governor of the State of Michigan, dated September 9, 2014, and the adoption of the Articles of Incorporation for the GLWA by the legislative bodies of the City of Detroit and the Counties of Macomb, Oakland, and Wayne in October of 2014. The State of Michigan became a member of the GLWA upon the approval of an intergovernmental agreement between the GLWA and the State of Michigan. The GLWA operates under the direction of a six member Board of Directors. Under the direction of the Board, the GLWA supplies water, drainage, and sewerage services within the region of Southeast Michigan.

ARTICLE 1
General Powers and Duties

Section 1. The GLWA shall be a public body corporate with the power to sue and be sued in its own name. The GLWA shall possess all powers now or later granted by the Act, the State of Michigan Constitution, as may be amended, and by any other applicable statute or law and by the Articles of Incorporation. The powers granted to the GLWA include those powers incident to the enumerated powers as well those powers necessary to carry out its purposes and all powers incident thereto. These powers include, but are not limited to: entering into such contracts, to make such purchases of goods and services, to obtain financing, and to hire, maintain and develop human resources as it may deem necessary or appropriate in order to conduct the business of the GLWA; establishing such administrative rules, policies and procedures as shall be necessary to conduct its business; and periodically establishing and fixing a schedule of rates, fees and other charges for use of, or services provided with respect to, any water supply system or sewage disposal system, including a storm water collection and treatment system or a combination of such systems, operated by the GLWA and providing for the collection and enforcement of those rates, fees or other charges.

Section 2. The GLWA shall not have the power to impose or levy a tax.

ARTICLE II
Principal Address

Section 1. The principal address of the Great Lakes Water Authority shall be 735 Randolph, Detroit, Michigan 48226.

Section 2. The principal address of the GLWA may be changed by a vote of the Board of Directors.

ARTICLE III

Appointment, Qualifications, Compensation, and Tenure

Section 1. The members of the Board of Directors shall be appointed in the following manner and for the following terms of office:

- (a) Two members of the Board shall be residents of the City of Detroit and shall be appointed by the Mayor of the City of Detroit. The initial term for these members shall be for three (3) years and all subsequent terms shall be for four (4) years.
- (b) One member shall be appointed by each of the Incorporating Counties and that member shall be a resident of the county from which he or she is appointed. The appointment shall be made by the person designated with appointing authority within the respective county's Charter or 1973 PA 139. The initial term of office for the two counties with the largest and second largest populations shall be for two (2) years, while the initial term of office for any other county appointee shall be for one (1) year. All subsequent terms after the initial appointment term shall be for four (4) years.
- (c) One member shall be a resident of an area served by the Great Lakes Water Authority, but shall not be a resident of any County with appointing authority under Section (1)(b) of this Article. This member shall be appointed by the Governor of the State of Michigan and shall serve for an initial term of four (4) years. All subsequent terms shall also be for four (4) years.

Section 2. All members appointed under Section 1 of this Article shall serve at the pleasure of the respective appointing authority.

Section 3. Any vacancy in office shall be filled by the respective appointing authority for the remainder of the unexpired term.

Section 4. If an Incorporating Municipality withdraws from the GLWA, the Governor shall appoint a replacement Board member who shall be a resident of the withdrawing municipality. Such a member shall serve at the pleasure of the Governor and shall maintain the terms of office originally assigned to that office.

Section 5. All members appointed under Section 1 of this Article shall have at least seven years of experience in a regulated industry, a utility, engineering, finance, accounting or law.

Section 6. Board members may be compensated within limits established by the affirmative vote of at least five (5) members of the Board and approved by the Mayor of the City of Detroit and the County Executives of each County with appointing authority under Section 1(b) of this Article, consistent with the practices of other large public utilities.

Section 7. Board members may be reimbursed for actual and necessary expenses incurred while attending Board meetings or performing other authorized official business of the GLWA.

Section 8. An individual who has been convicted of, pled guilty or no contest to, or forfeited bail concerning a felony under state or federal law shall not be appointed to or remain a member of the

Board. Such a person may be removed by the appointing authority or shall be removed for cause by the Board in accordance with the provisions of the Articles of Incorporation and these By-laws.

ARTICLE IV
Officers

Section 1. The Board shall elect from among its members a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. The Board shall elect or appoint a Treasurer, who shall not be a member of the Board and who shall serve as the Chief Financial Officer of the GLWA. The Treasurer shall be custodian of the funds of the GLWA and shall provide a bond conditioned upon the faithful performance of the duties of his or her office

Section 3. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board.

Section 4. The Board may elect other officers as the Board considers necessary.

Section 5. The Board shall elect its officers annually at its first regularly scheduled meeting to be held in December of each calendar year.

ARTICLE V
Chairperson

Section 1. The Chairperson of the Board shall be its presiding officer. Unless otherwise provided within the Articles of Incorporation, the Chairperson shall not have any executive or administrative functions other than as a member of the Board.

ARTICLE VI
Vice-Chairperson

Section 1. In the absence or disability of the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson.

ARTICLE VII
Board Secretary

Section 1. The Secretary of the Board shall be the recording officer of the Board. The Board may delegate some or all of the duties of Board Secretary to staff, as the Board deems appropriate.

Section 2. The Secretary of the Board shall be present at all meetings of the Board and shall keep an accurate record of the minutes of the proceedings of such meetings. The records shall be open at all reasonable times to the inspection of any Board member.

Section 3. The Secretary shall be responsible for providing public notices of all meetings of the Board in accordance with the requirements of these By-Laws and other applicable laws.

Section 4. The Board Secretary shall call the roll at each Board meeting and record the names of the Board members absent from the meeting.

Section 5. In the absence of the Board Secretary at any meeting, the Board may designate a Secretary pro tem, who shall record the proceedings of such meeting.

ARTICLE VIII **Staffing**

Section 1: The Board shall appoint and fix the compensation of a Chief Executive Officer for the GLWA, who shall serve at the pleasure of the Board.

Section 2. The Chief Executive Officer shall supervise and be responsible for the day-to-day operation of the GLWA, including the control, supervision, management, and oversight of a water supply system or sewage disposal system (including a storm water collection and treatment system, or a combination of such systems), the issuance of bonds, notes and other evidence of indebtedness approved by the Board, the negotiation and establishment of compensation and other terms and conditions of employment for any employees of the GLWA, the negotiation, supervision, and enforcement of contracts entered into by the GLWA and approved by the Board, and the supervision of contractors of the GLWA in the performance of their duties. The Board may delegate to the Chief Executive Officer of the GLWA the power and responsibility to execute and deliver, and sign for, contracts, leases, obligations, and other instruments as have been approved by the Board.

Section 3. The Chief Executive Officer of the GLWA shall have all powers as are incident to the performance of his or her duties that are prescribed by the Act, the Articles of Incorporation, these By-laws, or by the Board. All actions of the Chief Executive Officer shall be in accordance with policies adopted by the Board and in compliance with applicable law.

Section 4. The Chief Executive Officer cannot do any of the following:

- (a) Appoint a successor;
- (b) Approve a contract that is not authorized by the Procurement policy;
- (c) Appoint or hire legal counsel for the Board without Board approval; or
- (d) Prescribe ethical standards for the Board or the GLWA's employees without Board approval.

Section 5. The Board shall require the Chief Executive Officer and the Treasurer of the GLWA to post a suitable bond of not less than \$50,000.00 issued by a responsible bonding entity, with the cost of the premium of the bond paid by the GLWA.

Section 6. The Board shall have the power to hire independent Board employees to assist the Board in the execution of Board functions and to fix the compensation for those employees.

ARTICLE IX
Duties of Board Members

Section 1. With respect to the management of the affairs of the GLWA, a Board member shall exercise the duties of a fiduciary toward the GLWA and shall discharge the duties of his or her position in a nonpartisan manner, in good faith, and with the degree of diligence, care and skill that an ordinarily prudent person would exercise under similar circumstances in a like position.

Section 2. In discharging his or her duties, a Board member, when acting in good faith, may rely upon the opinion of counsel for the GLWA and other experts or advisors retained by the GLWA, the report of an independent appraiser selected by the Board, financial statements of the GLWA represented to the Board member to be correct by the person having charge of the GLWA's books of account or stated in a written report by a certified public accountant or a firm of certified accountants, to reflect the financial condition of the GLWA.

ARTICLE X
Meetings and Voting

Section 1. The Board shall conduct regular meetings as needed and shall meet not less than once during each quarter of the year. The business of the Board shall be conducted at a public meeting of the Board held in compliance with the Michigan Open Meetings Act.

Section 2. The Board shall adopt a schedule of regular meetings and adopt a regular meeting date, place, and time, no later than January tenth of each calendar year.

Section 3. Special meetings may be called by the Chairperson of the Board or by any three Board members. Notice of a special meeting shall be given in the manner required by the Open Meetings Act.

Section 4. At any meeting of the Board, four or more members of the Board shall constitute a quorum for the transaction of business. When a quorum is present, a majority of all members of the board shall decide any question brought before such a meeting unless a super-majority vote is required, consistent with the Act, the Articles of Incorporation, these by-laws, or other applicable law. A member may be deemed present for a meeting if participating by conference call, video-conference, or other electronic means whereby the member can hear the proceedings and participate in the deliberations and votes. Participation in a meeting in this manner constitutes presence in person at the meeting for all purpose including determination of a quorum.

Section 5. The following actions may not be approved by the Board unless adopted by a super-majority affirmative vote of at least five (5) members of the Board and otherwise comply with the requirements of the Act:

- (a) Setting or approving rates and/or charges for the provision of water and sewer services, including storm water collection and treatment services, or for a combination of such services;
- (b) Establishing and adopting the GLWA's operating budget;

- (c) Establishing and annually approving a five-year capital improvement program;
- (d) Establishing and adopting procurement rules and regulations which are consistent with the Articles and the Act;
- (e) Selecting a Chief Executive Officer;
- (f) Authorizing the issuance of debt;
- (g) Removing a Board member for cause; or
- (h) Approving or modifying the lease of DWSD assets with the City of Detroit.

Section 6. A vote to amend the Articles of Incorporation for the GLWA shall require a unanimous vote of the Board as well as compliance with Section 6 of the Act, including the approval of the amendment by the legislative bodies of each Incorporating Municipality.

Section 7. Beginning with Fiscal Year 2017, the Board shall formally adopt a two year operating budget. Consistent with Section 5 of this Article, the two-year operating budget shall require the affirmative vote of five members.

Section 8. The Board shall provide for a public comment period at its meetings, consistent with the requirements of the Open Meetings Act. The Board may adopt a policy to implement this subsection of the By-laws.

ARTICLE XI **Committees**

Section 1. The Board shall appoint an Audit Committee consisting of three (3) members. The Audit Committee shall have all of the powers and duties provided within the Articles as well as any additional duties designated by the Board, consistent with the Articles and these By-Laws.

Section 2. The Board may appoint such other advisory committees as it may deem expedient for the purposes of conducting Board business. Either the Board or the Chief Executive Officer may refer an item to a committee for its review and/or recommendation.

Section 3. Any item referred to a Board committee shall be returned to the Board within thirty days of that referral with one of the following statements: “recommended for approval”, “not recommended for approval”, or “returned without recommendation”.

Section 4. With the exception of the hiring of an independent auditor as specified within the Articles, a committee of the Board shall not have any authority to bind the Board or the GLWA with respect to any matter brought before that committee.

ARTICLE XII **Records and Reports**

Section 1. The Board shall keep a written record of its proceedings and shall make those records available to the public in a manner that is consistent with the Michigan Freedom of Information Act, the Act, and the Articles of Incorporation.

Section 2. The Board shall obtain an annual audit of the GLWA's Financial Statements by an independent certified public accountant and report on the audit and auditing procedures in accordance with state law and generally accepted government auditing standards, as well as federal grant compliance audit requirements. The Board shall furnish at least two copies of the annual audit to each Incorporating Municipality. The audited financial statements shall be posted on the GLWA's website. In addition, the audited financial statements shall be filed with the Michigan Department of Treasury upon approval of the GLWA Board.

Section 3. The Chief Executive Officer shall present to the Board year-to-date budget reports on no less than a quarterly basis, including explanations for significant variances in the budget.

Section 4. The GLWA shall prepare an annual report detailing all contracts entered into by the GLWA during the immediately preceding fiscal year. This report shall be posted on the GLWA's website and shall be otherwise made available to the public pursuant the Michigan Freedom of Information Act.

ARTICLE XIII **Conflicts of Interest**

Section 1. The Board shall establish an Ethics policy that is consistent with the Articles of Incorporation. The policy shall, at a minimum, include language prohibiting conflicts of interest for board members, consistent with Article 7 of the Articles of Incorporation.

Section 2. The Board shall adopt a Procurement Policy, consistent with the requirements of the Articles and these By-Laws, which prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively reflects on the person's business integrity.

ARTICLE XIV **Amendments**

Section 1. These By-Laws may be amended at any meeting by a vote of at least four (4) members provided that all Board members are provided with at least twenty-four (24) hours advance notice of the language proposed to be amended within the By-Laws and the intent to vote on such an amendment.

ARTICLE XV **Governance and Rules of Procedure**

Section 1. The Board shall be governed by the Act, the Articles of Incorporation and these By-Laws.

Section 2. The Board may adopt rules of procedure with respect to the conduct of its meetings as well as the meetings of its committees. In the absence of its own rules of procedure, the rules of Parliamentary Procedure comprised in the then current version of "Robert's Rules of Order Newly Revised" shall govern the board.

ARTICLE XVI
Immunity and Indemnification

Section 1. A Board Member or an officer, appointee, or employee of the GLWA shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of the liability of the GLWA.

Section 2. Unless otherwise specified by contract or other written document, the GLWA shall indemnify and defend or may procure insurance indemnifying and/or providing for the defense of GLWA officers, appointees, employees, and Board Members from personal loss or accountability, for liability (including but not limited to judgments, attorney fees, penalties, fines and amounts paid in settlement) asserted by a person with regard to bonds or other obligations of the GLWA, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations of the GLWA or by reason of any other action taken or the failure to act by the GLWA.

Section 3. The indemnity and defense described in Section 2, above, shall continue as to an individual who has ceased to be a Board Member or an officer, appointee, or employee of the GLWA and shall inure to the benefit of such indemnitee's heirs, executors and administrators. Unless otherwise waived as a part of a written contract or agreement, the right to indemnification conferred under this Section 3 shall be a contract right.

Great Lakes Water Authority
Resolution 2015- 07 -10
RE: GLWA CS-011 Legistar

By Board Member: _____

Whereas Legistar is an Agenda management Software solution provided by Granicus, Inc. is a cloud-based software application used to support the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department (DWSD) and the City Clerk’s Office; and

Whereas This software’s main function is to store and publish documents in a standard, consistent format while providing transparency; and

Whereas Staff has recommended entering into a Consulting Services contract with Granicus Inc. for the use of the Legistar System by the Great Lakes Water Authority (GLWA) and the Board of Directors of the GLWA (Board); and

Whereas Staff has provided the attached memorandum regarding the proposed procurement,

Now, Therefore Be It:

Resolved The Board authorizes the Interim CEO to enter into Contract No. GLWA-CS-011, “Implementation, Installation, Training, Deployment and Ongoing Maintenance of Legistar for the Great Lakes Water Authority” with Granicus, Inc. (Consultant), at an annual cost not to exceed \$33,060.00 for a duration of one (1) year with two (2) one-year options to renew; **And Be It Finally**

Resolved That the Chairperson, the Interim Chief Executive Officer, the Detroit Water and Sewerage Department, including but not limited to its Board of Water Commissioner and/or its Director, are authorized to take such other action as is necessary to accomplish the intent of this vote.

Adopted by the Great Lakes Water Authority Board on: _____



Agenda of July 29, 2015

Proposed Contract No. GLWA-CS-011

Project Length: One (1) Year

Amount: \$33,060.00

TO: The Honorable Board of Directors

FROM: Sue F. McCormick, Interim CEO
Great Lakes Water Authority

**RE: GLWA Resolution 2015-07-10
Proposed Contract No. GLWA-CS-011
Implementation, Installation, Training, Deployment
and Ongoing Maintenance of Legistar for the Great
Lakes Water Authority”**

MOTION

The following action is recommended by William M. Wolfson, Interim General Counsel:

The Board of Directors for the Great Lakes Water Authority authorizes the Interim CEO to enter into Contract No. GLWA-CS-011, “Implementation, Installation, Training, Deployment and Ongoing Maintenance of Legistar for the Great Lakes Water Authority” with Granicus, Inc. (Consultant), at a cost not to exceed \$33,060.00 for a duration of one (1) year with two (2) one-year options to renew.

JUSTIFICATION

The Legistar System Software provided by Granicus, Inc. is a cloud-based software application used to support the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department (DWSD) and the City Clerk’s Office under DWSD Contract No. CS-1544. This software’s main function is to store and publish documents in a standard, consistent format while providing transparency. The system is user friendly and affords a seamless transfer of process and procedures over to the Great Lakes Water Authority (GLWA) from the Detroit Water and Sewerage Department (DWSD). This single source recommendation of Granicus, Inc. is recommended to the GLWA because of the effectiveness of the software and to provide continuity between DWSD and GLWA for information sharing of public documents.

GLWA will save \$1,465.00 monthly over the price currently charged to DWSD because of the established relationship between DWSD and Granicus. GLWA under GLWA-CS-011 will be paying \$980.00 per month, whereas DWSD currently pays \$2,445.00 per month. If GLWA were to come onboard without leveraging the DWSD relationship, GLWA would pay between \$2,000.00 and \$2,666.66 monthly.



BACKGROUND

Detroit Water and Sewerage (DWSD) has successfully utilized the Granicus Legistar System for two (2) years and has proven to be effective and efficient. This contract will provide continuity of process and procedure as DWSD transitions to the GLWA.

PROJECT TASKS/COSTS

Software as a Service

Name	Quantity	Unit (Monthly)	Total (Year)
Legislative Management Suite	12	\$980.00	<u>\$11,760.00</u>
Total Software Monthly Cost:			<u>\$11,760.00</u>

Professional Services Training & Installation

Name	Quantity	Unit (Upfront)	Total (Upfront)
Professional Services Hourly	12	\$200.00	\$2,400.00
Legislative Management Suite- Administrator Training Package	1	\$1,700.00	\$1,700.00
ATS Package – Legislative Management Suite	12	\$212.50	\$2,550.00
ATS Package – Legislative Management Suite	4	\$212.50	\$850.00
Workflow Configuration – Legislative Management Suite	1	\$1,900.00	\$1,900.00
Deployment Services – Legislative Management Suite	4	\$1,700.00	\$6,800.00
Onsite Training Day – Legislative Management Suite	3	\$1,700.00	<u>\$5,100.00</u>
Total Training Upfront:			<u>\$21,300.00</u>

Software as a Service (12 x \$980.00)	\$11,760.00
Professional Services Training & Installation	<u>\$21,300.00</u>
Total Project Fees	<u>\$33,060.00</u>

PROJECT SCHEDULE/STATUS:

- A. Start Work Date: To be established contingent upon Board of Directors approval.
- B. Final Completion Date: One (1) year following the Start Work Date with two (2) one-year options to renew.
- C. Total Contract Cost: \$33,060.00

This item was presented to the GLWA Operations Committee on July 9, 2015.

Great Lakes Water Authority
Resolution 2015-07-11
RE: Search Committee Authority

By Board Member: _____

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) is conducting a search for the position of GLWA Chief Executive Officer (CEO); and

Whereas On June 12, 2015, through Resolution 2015-06-09, the Board appointed Eric Rothstein and Richard Baird to serve as the Search Committee for the CEO position; and

Whereas The Board authorized the Search Committee to work with a search firm in identifying potential candidates for the CEO position and exercising the ministerial function of determining whether applicants for the position meet the required and preferred qualifications set forth in the CEO Job Description adopted by the Board through Resolution 2015-06-02 on June 3, 2015; and

Whereas The CEO position was posted on July 15, 2015 and will remain posted for 45 days; and

Whereas Based on initial expressions of interest, it is possible that more than five candidates may meet the required and preferred qualifications for the position;

Now, Therefore Be It:

Resolved That the Board requests that the search committee review and consider the applications of all candidates meeting the required and preferred qualifications for the CEO position and propose a list of no fewer than two (2) and no more than five (5) candidates for consideration by the Board.

Be It Further Resolved That the Board directs the Search Committee to comply with the Open Meetings Act when conducting its review and consideration of the qualified candidates.

Be It Further Resolved That the Board does not delegate to the Search Committee the authority to decide on any qualified candidate; all qualified candidates will remain as candidates until the Board makes a decision to eliminate candidates from the pool.

Be It Further Resolved That the Board will determine how many candidates, and which candidates will be interviewed. All Board interviews will be held in public in compliance with the Open Meetings Act.

Be It Finally Resolved That an affirmative vote of a majority of the Board Members appointed and serving is required for approval of this Resolution.

Adopted by the Great Lakes Water Authority Board on: _____

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Great Lakes Water Authority
Resolution 2015- 07 -12
RE: Assigned Water Customers

By Board Member: _____

Whereas On June 12, 2015 this Board adopted Resolution 2015-06-06 which, amongst other things, approved the Regional Water Supply System Lease (the Lease) between the GLWA and the City of Detroit; and

Whereas Section 4.1(a)(i) of the Lease states: “in connection with the execution and delivery of this Lease, and as of the Effective Date, the City hereby assigns and the Authority hereby assumes all of the City’s rights and obligations in the following: All DWSD wholesale customer contracts related to the Regional Water System . . .”; and

Whereas The assignment process has been completed for the following wholesale customer communities:

- Detroit
- SOCWA
- NOCWA
- GCDC
- Canton Township
- Novi
- YUCA
- Macomb Township
- West Bloomfield
- Dearborn
- Farmington Hills
- Northville Township
- Commerce Township
- Redford Township
- Brownstown Township
- Greater Lapeer County Utility Authority
- Wayne
- Wixom
- Allen Park
- Southgate
- Trenton
- Woodhaven
- Inkster
- Ecorse
- Grosse Pointe Park

Huron Township
Oak Park
Grosse Ile Township
Highland Park
Flat Rock
Riverview
Ferndale
Walled Lake
Harper Woods
Northville
Ash Township
Berlin Township
River Rouge
Hamtramck
Hazel Park
Sumpter Township
St. Clair County – Greenwood
Grosse Pointe Shores
Gibraltar
Belleville
Keego Harbor
Romeo
Almont
South Rockwood
Oakland County DC

Now, Therefore Be It:

Resolved Notice of the above-referenced assignments is acknowledged; **And Be It Further**

Resolved That the Interim Chief Executive Officer is authorized to take such other action relative to the assignment process as is necessary to accomplish the intent of this vote.

Adopted by the Great Lakes Water Authority Board on: _____

Great Lakes Water Authority
Resolution 2015- 07 -13
RE: Assigned Sewer Customers

By Board Member: _____

Whereas On June 12, 2015 this Board adopted Resolution 2015-06-06 which, amongst other things, approved the Regional Sewage Disposal System Lease (the Lease) between the GLWA and the City of Detroit; and

Whereas Section 4.1(a) (i) of the Lease states: “in connection with the execution and delivery of this Lease, and as of the Effective Date, the City hereby assigns and the Authority hereby assumes all of the City’s rights and obligations in the following: All DWSD wholesale customer contracts related to the Regional Sewer System . . .”; and

Whereas The assignment process has been completed for the following wholesale customer communities:

- Detroit
- Rouge Valley
- Oakland George W. Kuhn
- Evergreen Farmington
- NE Wayne County
- Dearborn
- Grosse Pointe Farms
- Grosse Pointe
- Harper Woods
- Highland Park
- Wayne County #3

Now, Therefore Be It:

Resolved Notice of the above-referenced assignments is acknowledged; **And Be It Further**

Resolved That the Interim Chief Executive Officer is authorized to take such other action as relative to the assignment process as is necessary to accomplish the intent of this vote.

Adopted by the Great Lakes Water Authority Board on: _____



Great Lakes Water Authority

PMO Update

**GLWA Board Meeting
July 29, 2015**

PMO – Post Lease Execution

- **Conditions Precedent support**
 - Wholesale Contract Assignments outreach
 - Video production
 - FAQ, Fact Sheet, Agreement summary
 - Bondholder Consents
 - Rating agency meetings
 - Pension reporting agreement facilitation
 - **Shared services support**
- **DWSD- R support**
- WRAP program design / RFP development
- **Blue Ribbon Panel on Affordability**

Shared Services

- **Subgroup review of all Shared Service Templates (PIT/PMO)**
 - Confirm needs are covered...what's missing?
 - Finalize Costing methodology & change process
- **Develop Operational Protocols**
 - Who is responsible?
- **Shared Services Agreement – October 1**
- **Operational Protocols Draft– November**

DWSD-R Stand-up

- **Workshop with DWSD-R Leaders**
 - Confirm Vision
 - Finalize Management Team
- **Master Program Schedule (Smartsheet)**
 - Day 1 Critical Tasks
 - 18 Month Transition
 - Beyond
- **Weekly DWSD-R Management Meetings**



**Great Lakes Water Authority
Detroit Water and Sewerage Department**

Low Income Assistance and Affordability Considerations

**GLWA Board Meeting
July 29, 2015**

Presentation Outline

- **Fundamental Principles**
- **National Experience**
- **GLWA – DWSD Options**
- **Affordability Blue Ribbon Panel**

Fundamental Principles

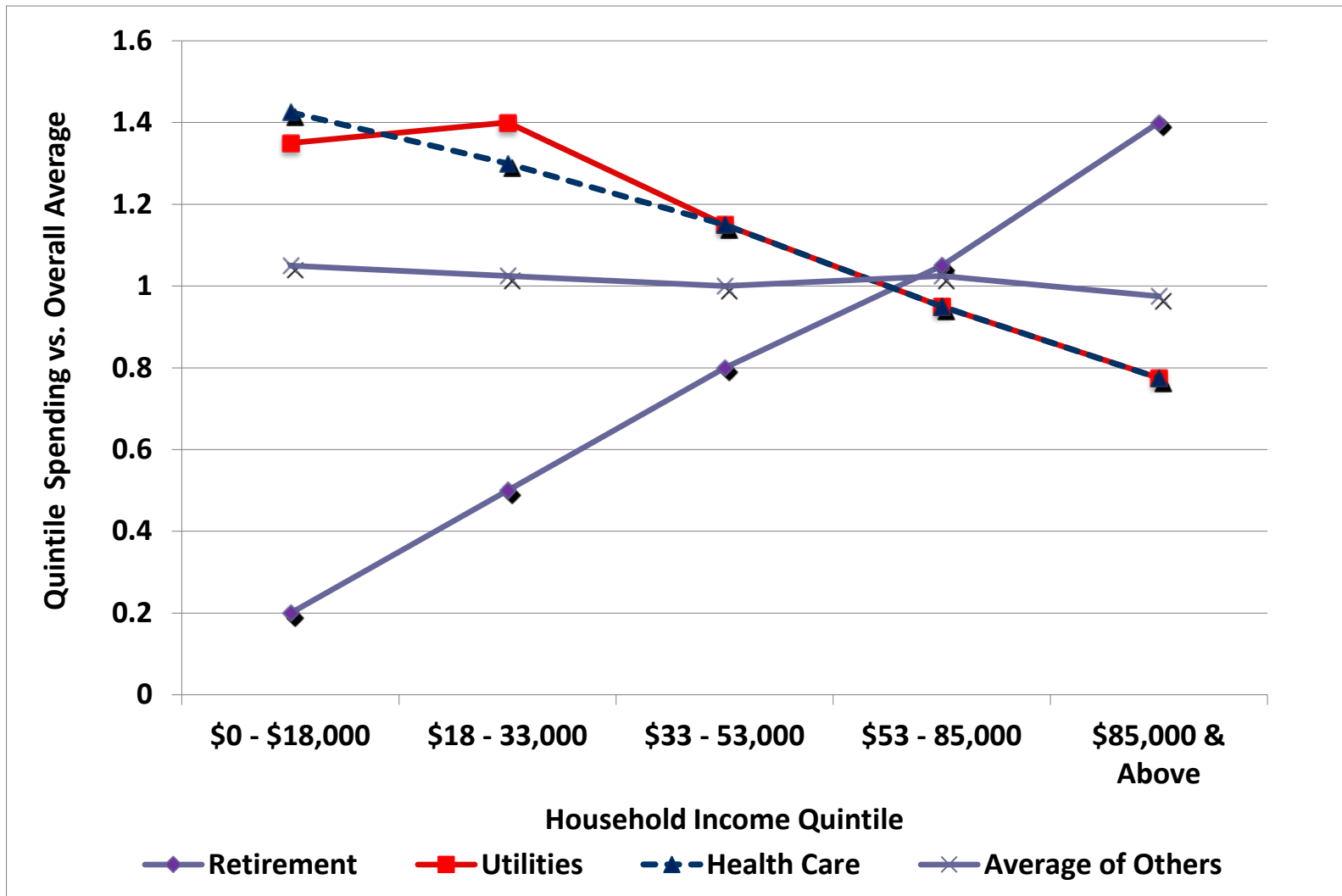
Endemic Poverty in Detroit

			Persons Below Poverty	
	Population (2013)	Median Household Income (\$2013)	Percentage	Number
Detroit	688,701	\$26,325	39.3%	270,659
Macomb County	854,769	\$53,451	13.4%	114,539
Oakland County	1,231,640	\$65,594	10.2%	125,627
Wayne County*	1,775,273	\$41,184	25.1%	445,594
State of Michigan	9,895,622	\$48,411	17.0%	1,682,256

* Includes City of Detroit

Fundamental Principles

Utilities burden low-income customers



Source: US Census data reported by Jeff Rexhausen, Economics Center for Education & Research, University of Cincinnati

Affordability lexicon



■ Assistance

- The provision of various forms of assistance (e.g. bill payment, water conservation) to help qualifying customers pay their bills, avoid service terminations, manage water use

■ Affordability

- **In Detroit** – Water Affordability Plan refers to 2006 proposed income-indexed rate plan
- **In General** - Ability of individuals, most notably low-income ratepayers, to pay costs of utility services within prevailing budget constraints

■ Financial capability

- Ability of a community to finance required capital improvements & support utility operations

Fundamental Principles

EPA Financial Capability Assessment

Permittee Financial Capability Indicators Score	Residential Indicator (Cost Per Household as a Percentage of Median Household Income)		
	Low (Below 1.0%)	Median (Between 1.0% and 2.0%)	High (Above 2.0%)
Weak (Below 1.5)	Medium Burden	High Burden	High Burden
Mid-Range (Between 1.5 and 2.5)	Low Burden	Medium Burden	High Burden
Strong (Above 2.5)	Low Burden	Low Burden	Medium Burden

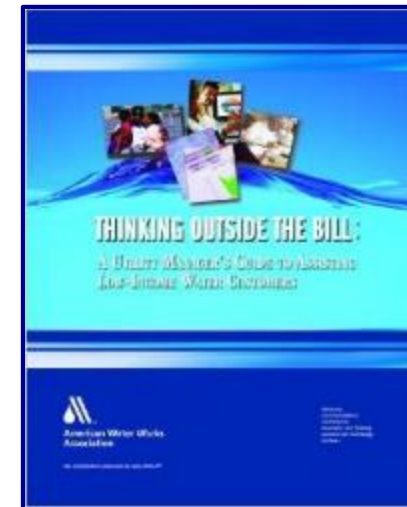
Michigan Legal Framework



- Bolt v. City of Lansing establishes 3-part test for legitimate user charges
 - Fee must serve a *regulatory purpose*, rather than a revenue raising purpose.
 - User fee must be *proportionate* to the necessary costs of the service.
 - User fee must be *voluntary* – users must be able to refuse or limit their use of the commodity or service.
- Failure of the test means fee in question is a **tax**, not a user charge

Implementation Challenges

- Non-payment by economically capable inequitably transfers costs
 - Water shutoff moratoria problematic
- Imperfect correlation between low volume and low income usage
- Programmatic measures typically involve partnering with social service agencies
- Legal constraints on income qualified rates and provision of utility-funded billing assistance



Assistance business case

- Help ensure that low-income customers remain connected and are able to pay future bills
- Reduce administrative costs of collections
 - Disconnecting service
 - Placing liens on properties
- Reduce overall bad debt expenses
- Enhance utilities' image and community engagement agenda
- Help meet water conservation related regulatory requirements or overall resource efficiency objectives



National Experience

Programs and Rates



Programs

- **Bill assistance**
 - Bill discounts
 - Write-offs
 - Crisis vouchers
- **Water efficiency options**
 - Education
 - Low-cost device installation
 - Leak detection / repair
- **Other measures**
 - Payment plans
 - Financial counseling
 - Related assistance referrals

Rates

- **Affordability / “Lifeline” rates**
- **Rate designs**
 - Tiered pricing

Program and rate options governed, in part, by constraints of state law

National Experience

Assistance Programs



National Experience Philadelphia Water



- Typical rate schedule
- Several low-income assistance programs
- **Recent code amendment for income-based bill structure for qualifying customers**

USAGE:

Quantity Charges

MONTHLY WATER USAGE	WATER USAGE CHARGE PER MCF	MONTHLY WATER USAGE	WASTEWATER USAGE CHARGE PER MCF
First 2 Mcf	\$39.05	All billable water usage	\$28.07
Next 98 Mcf	\$31.54	1 Mcf = 1,000 cubic feet = 7,480 gallons mg/l = milligrams per liter	
Next 1900 Mcf	\$28.95		
Next 2000 Mcf	\$21.98		

Wastewater surcharges

Biochemical Oxygen Demand =

\$0.350 per pound of Biochemical Oxygen Demand in excess of 250 mg/l

Suspended Solids =

\$0.332 per pound of suspended solids in excess of 350 mg/l

SERVICE:

Monthly Charges

METER SIZE (INCHES)	METER CODE	MONTHLY WATER CHARGE	MONTHLY SEWER CHARGE*	COMBINED MONTHLY CHARGE*
5/8	R	\$6.46	\$6.55	\$13.01
3/4	Z	\$7.49	\$8.04	\$15.53
1	Q	\$9.98	\$11.39	\$21.37
1-1/2	P	\$15.56	\$19.24	\$34.80
2	X	\$23.05	\$29.31	\$52.36
3	O	\$39.64	\$52.07	\$91.71
4	W	\$69.00	\$89.15	\$158.15
6	N	\$133.60	\$174.77	\$308.37
8	V	\$208.47	\$275.38	\$483.85
10	E	\$302.43	\$398.07	\$700.50
12	T	\$530.00	\$715.77	\$1245.77

* Does not include Stormwater Charges

SERVICE:

Information for homes with residential fire sprinkler systems

Water service charges for customers with residential fire services are \$1.95 higher for all meter sizes although the sewer service charges are the same as a residential customer with a 5/8 inch meter without a fire service. Please see the chart below if you have a residential fire service.

Monthly Service Charges for Customers with Residential Fire Service

METER SIZE (INCHES)	METER CODE	MONTHLY WATER CHARGE	MONTHLY SEWER CHARGE*	COMBINED MONTHLY CHARGE*
3/4	Z	\$9.44	\$6.55	\$15.99
1	Q	\$11.93	\$6.55	\$18.48
1-1/2	P	\$17.51	\$6.55	\$24.06
2	X	\$25.00	\$6.55	\$31.55

National Experience

“Affordability” Rate Structures

■ Affordability Rate



2012-2016 rates

2012-2016 rate schedule

	Base charge	Cleveland		Suburbs	
		Regular	Affordability/ Homestead ?	Regular	Affordability/ Homestead ?
2012	\$5.85	\$49.55	\$29.75	\$52.55	\$31.75
2013	\$6.30	\$55.45	\$33.35	\$58.15	\$35.15
2014	\$6.60	\$62.15	\$37.35	\$64.55	\$38.95
2015	\$6.90	\$69.65	\$41.85	\$71.75	\$43.25
2016	\$7.20	\$78.05	\$46.85	\$79.85	\$48.05
			<u>Affordability program income limits</u>		<u>Affordability program income limits</u>
			<u>Homestead program</u>		<u>Homestead program</u>

The Northeast Ohio Regional Sewer District calculates your quarterly sewer charges by multiplying your actual water consumption (measured in MCF, or 7,480 gallons) by the appropriate sewer rate. The base charge (perhaps denoted on your bill as a Cost-Recovery Charge) is then added to that total.

Details about the new Wastewater Affordability Program and Crisis Assistance Program are available on our [Cost Saving Programs page](#). If you have any questions about our rates or saving programs, please [email us](#) or call (216) 881-8247.

National Experience

System or Residential Class Rate Design

- **Applicable to all residential customers**
 - Not income qualified
- **Reduced pricing of initial volumes**
 - Minimum requirements associated with human health and sanitary needs
 - Requires balancing with cost-of-service considerations



GLWA – DWSD Options **DWSD Initiatives**



**Payment
Plans**

**External
Funded
Assistance**

**Customer
Outreach**

**Rules &
Procedure
Review**

Income-indexed water affordability rate structure is anticipated to be subject to legal challenge and would present acute implementation challenges

GLWA Opportunities

Great Lake Water Authority

\$50M lease payment will fund improvements that impact future retail system costs

Water Residential Assistance Program

- \$4.5 M available to all retail users
- water conservation component

New Initiatives for GLWA /DWSD?

- **Blue Ribbon Panel:**

- Consistent with City Council action approving water and sewer rate adjustments for FY 2015-16
- Develop findings and recommendations for consideration by the GLWA Board, DWSD Board of Water Commissioners and Detroit City Council
- Include members with specific experience and expertise in:
 - Designing and implementing utility low-income assistance programs and/or
 - Experience in rendering assistance in the southeastern Michigan region

Scope of Inquiry

- Evaluate the available information sources to characterize the extent of low-income needs and identify future research needs
- Assess programs available to Detroit residents, and identify options for modifying or complementing them
- Evaluate the viability of assistance programs and other measures employed by other utilities in the U.S.
- Identify options to enhance funding of available assistance programs through private donations and related fund-raising activities
- Assess the barriers to, and options for, implementation of an income-indexed assistance program or rate structure