



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

MINUTES OF MEETING
September 19, 2012, at 2:00 p.m.

Meeting Convened 2:00 p.m.

The Pledge of Allegiance was recited.

Invocation was given by Jamie Curtis.

Roll Call –

All Members Present:

Jamie Curtis, John Freeman, Greg Alexander, John Postulka (representing City of Flint)

All Members Absent:

Dale Kerbyson

Also Present:

Jeff Wright, CEO; Kevin Kilby, Corporation Counsel

Minutes:

- ❖ Motion for Approval of May 16, 2012 Minutes by *Jamie Curtis*; Supported by *John Freeman*; No Discussion; Voice Vote – Motion Pass Unanimously

Reports: None.

Communication:

- ❖ CEO Wright stated that the Division of Water & Waste has taken a parallel track with the KWA in that the Division has continued to move the project forward with the design and construction of the new water supply system until such time as the other four partner communities are prepared to proceed by determining their capacity requirements and sign the contract. One of the reasons that the capacity decision has been delayed is the fact that the City of Flint is in a state ordered Emergency Finance Manager (EFM) situation for the second time in the last year. Mike Brown could no longer serve as EFM. The State of Michigan has appointed Ed Kurtz as the EFM for the City of Flint under Act 72. Ed Kurtz was the original EM for the City of Flint some years ago, and during his tenure he authorized the first \$150,000 to be put out for the original study of the KWA, which was approved by City Council. CEO Wright strongly believes that City Council approval of the City's KWA capacity contract is necessary to eliminate possible challenges down the road. Jamie Curtis indicated that the City of Flint is currently operating under PA 72, which gives a limited role to the City Council. After November 6, if the public votes for Act 4, the City Council will have no authority, however, anything over a \$50,000 commitment has to be approved by the treasury department under either Act.
- ❖ CEO Wright informed the Board that a couple dozen financial institutions have contacted him wanting to fund the project with rates from a 1.7% short term to 3.7% to 4% long term.
- ❖ CEO Wright indicated that Rowe Engineering, a Flint firm, has been chosen to complete the design of the intake for the project. The design has been approved by the MDEQ, and a permit was provided. Plans have been submitted to the Army Corps of Engineers and should be approved within the next couple of weeks. When the permits are available, a bid date for the construction of the intake pipe will be set. CEO Wright further indicated that the intake pipe diameter sizing will not change no matter who the partners are. The permit allows for the withdrawal of 85 millions of water per day from Lake Huron. The pipe will be built to accommodate that. The remainder of the pipe to the communities will be built to accommodate each community's capacity purchase. CEO Wright would like to start the construction of the intake early to mid winter. The other elements of the project can then be designed and construction of the pipeline can be bid in time for construction to begin next year.

- ❖ Mr. Wright continued and informed the Board that at a Genesee County Water Advisory Board meeting a unanimous vote was given to set a bid date for the construction of the intake of the pipeline, as well as appointing a Program Management Consultant, Wade Trim, another Flint firm. The program management consultant will be responsible for overseeing that the multiple engineering firms and surveying firms are all using the same standards as well as a variety of other technical considerations. When community partners decide to purchase capacity in the system, at that point the KWA will take direct charge of the project. Approximately \$2.5 million has been spent to date on design of the intake, land acquisition, plans, reports, soil boring, and legal counsel. Each partner community will be responsible for the expended monies based on the percentage of capacity that is bought in the system.
- ❖ CEO Wright believes that Detroit is ready to sell the existing pipeline from Imlay City to KWA. If Flint stays on with Detroit, the City of Detroit probably would not go through with the deal.
- ❖ Corporate Counsel Kevin Kilby provided an Opinion to the question of, "Whether a simple majority or a super majority vote of the Authority Board and/or Incorporating Board is required for the approval of the Water Purchase Contract." He summarized the legal opinion analysis stating if there are units available and bonds have not been sold, a simple majority vote is required. If bonds have been sold, then a super majority vote is required.

Consent Agenda: None.

Old Business:

- ❖ Resolution No. 2012-01 with attachment
 - Motion to Remove Resolution 2012-01 with attachment from the table by *Jamie Curtis*; Supported by *John Freeman*; No Discussion; Voice Vote – Motion Passed Unanimously
 - Motion to Pass Resolution 2012-01 with attachment by *Jamie Curtis*; Support by *John Freeman*; Discussion ensued; Voice Vote – Motion Passed Unanimously

New Business: None.

Second Public Comment: None

Board Comment:

- ❖ CEO Wright thanked everyone for their attendance at the meeting. He also thanked John Freeman for his help on the KWA Board and introduced Joe Suma, who could be Lapeer's representative the first of the year.
- ❖ Jamie Curtis applauded CEO Wright for his report.
- ❖ Greg Alexander thanked everyone for their attendance. He also thanked John Freeman for the relationship and work done. He also welcomed Joe Suma.

Adjournment

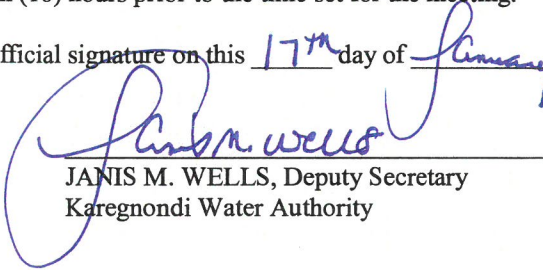
Vice Chairman Adjourned Meeting 2:32 p.m.

MEETING MINUTES DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss:
 COUNTY OF GENESEE)

I, Janis M. Wells, Deputy Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of Meeting on September 19, 2012, adopted by the Karegnondi Water Authority Board, acting in Genesee County, at a meeting held on January 17, 2013, 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 17th day of January, 2013.



 JANIS M. WELLS, Deputy Secretary
 Karegnondi Water Authority