



GREAT LAKES WATER AUTHORITY

BOARD OF DIRECTORS **MARCH 5, 2015 MONTHLY MEETING** **MINUTES**

1. Call to Order

Chairman Daddow called the meeting to order at 1:00 P.M.

2. Quorum Call

Chairman Robert Daddow, Vice Chairman Gary Brown, Secretary Isaiah McKinnon and Board members Brian Baker, Edward Hood, and Joseph Nardone

3. Approval of Agenda

Chairman Daddow requested approval of the agenda.

MOTION BY:	GARY BROWN
SUPPORT:	JOSEPH NARDONE
ACTION:	APPROVED

4. Approval of Minutes

Chairman Daddow requested approval of the minutes from the meeting of February 5, 2015.

MOTION BY:	BRIAN BAKER
SUPPORT:	ISIAH MCKINNON
ACTION:	APPROVED

5. Public Comment

None

6. Communications

MOTION BY: GARY BROWN

A) 2015-03-01 Receive and File Correspondence. **Attachment 6A**

SUPPORT: BRIAN BAKER
ACTION: APPROVED

7. Old Business

A) Review of 2015-01-06 Resolution establishing 2015 Meeting Schedule; amended January 22, 2015. **Attachment 7A**

MOTION BY: EDWARD HOOD

To amend the meeting schedule to reflect the day and date changes.

<u>From Wednesdays</u>	<u>To Tuesdays</u>
April 15, 2015	April 14, 2015
May 20, 2015	May 19, 2015
June 17, 2015	June 16, 2015
August 19, 2015	August 18, 2015
September 16, 2015	September 15, 2015

SUPPORT: ISAIAH MCKINNON
ACTION: APPROVED as amended

8. New Business

MOTION BY: GARY BROWN

A) 2015-03-02 Resolution waiving conflicts for Interim Bond Counsel **Attachment 8A**

SUPPORT: BRIAN BAKER
ACTION: APPROVED

MOTION BY: EDWARD HOOD

B) 2015-03-03 Regarding Interim Public Relations Services to the GLWA. **Attachment 8B**

SUPPORT: GARY BROWN
ACTION: APPROVED

C) Such Other Matters

None

9. Remarks

A) Chairperson's Remarks – None

B) Board Members' Remarks

Board member Baker asked if the Board committee appointments and revised descriptions be discussed at the next regular meeting. Mr. Wolfson replied yes. Mr. Baker also asked if there was an update on Plante Moran's study feasibility forecast. Mr. Rothstein replied that there have been discussion meetings and Plante Moran is preparing the basic structure of the model. Mr. Baker asked when the first draft will be available. Mr. Rothstein replied in about a month. Mr. Baker asked when the audit financial statements will be released. Chairman Daddow replied that the City's audit report is expected in Mid-May with DWSD's audit report in late May. Mr. Baker asked would the plan of adjustment revisions delay Plante Moran's ability to provide the model. Mr. Rothstein replied that the Program Management Office (PMO) is restructuring the Ghant chart and master program schedules to reflect some of the timing differences and have anticipated the need to have functionality in place. Mr. Baker asked will Plante Moran review the final audit financial statements in a timely manner. Mr. Rothstein replied the PMO will restructure its schedule to keep within the timeframe. Provisions and accommodations will be made if more time is needed.

10. Workshop

A) History of DWSD Rate Development - Presentation by Bart Foster of The Foster Group LLC **Attachment 10A**


B) IT Overview presented by Daniel Rainey, Director of Information Systems **Attachment 10B**


C) Update regarding the activities of the PMO. Mr. Eric Rothstein of the Galardi Rothstein Group reported that the lease negotiation team, study groups and the HR study group are all in process. Mr. Rothstein also reported that a kick-off for the standup of the DWSD-R took place and a master program schedule will be provided in the coming weeks.

11. Adjournment

MOTION BY:	GARY BROWN
SUPPORT:	ISAIAH MCKINNON
ACTION:	APPROVED

There being no further business, the meeting adjourned at 3:25 P.M.

Prepared by: 
Marian King-Bell, Board Secretary
DWSD Board of Water Commissioners

Approved by: 
Isaiah McKinnon, Board Secretary
Great Lakes Water Authority Board of Directors

Great Lakes Water Authority
Resolution 2015 - 03 - 01
RE: Receipt of Correspondence

By Board Member: Gary Brown

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 at its March 5, 2015, shall be received and placed on file.

Adopted by the Great Lakes Water Authority Board on: March 5, 2015

Great Lakes Water Authority
Resolution 2015 - 01 - 06
RE: Schedule of 2015 Meetings

By Board Member: Edward Hood

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) wishes to establish an annual schedule of meetings for 2015 as required by the Michigan Open Meetings Act and to allow future customers and the public-at-large to be aware of and have the opportunity to participate in GLWA meetings; and

Whereas The Board wishes to amend this schedule by canceling the meetings previously scheduled for April 15, 2015, May 20, 2015, June 17, 2015, August 19, 2015, September 16, 2015 and replace them with meetings scheduled on April 14, 2015, May 19, 2015, June 16, 2015, August 18, 2015, September 15, 2015; and

Whereas As a part of its regularly scheduled meetings, the Board wishes to schedule Workshop presentations on relevant topics as a part of its regular meeting schedule; and

Whereas The Board is required by its Articles of Incorporation to meet on at least a quarterly basis; and

Whereas The Board is also aware that in addition to these regularly scheduled meetings the GLWA may from time-to-time require additional special meetings and it is the intent of the Board to make future customers and the public-at-large aware of those meetings as required by the Michigan Open Meetings Act and other applicable laws,

Now, Therefore Be It:

Resolved That the following schedule of meetings for the GLWA is adopted:

Wednesday January 7, 2015, 1pm Workshop Meeting

Friday January 9, 2015, 10am Special Meeting (Waterworks Park)

Thursday January 22, 2015 2pm Monthly Meeting

Thursday February 5, 2015, 1pm Workshop Meeting

~~Thursday February 19, 2015 2pm Monthly Meeting~~ **Canceled**

Thursday March 5, 2015, 1pm Workshop Meeting
Thursday March 19, 2015 2pm Monthly Meeting
Wednesday April 1, 2015, 1pm Workshop Meeting
~~Wednesday April 15, 2015 2pm Monthly meeting Canceled~~
Tuesday April 14, 2015 2pm Monthly Meeting
Wednesday May 6, 2015, 1pm Workshop Meeting
~~Wednesday May 20, 2015 2pm Monthly Meeting Canceled~~
Tuesday May 19, 2015 2pm Monthly Meeting
Wednesday June 3, 2015, 1pm Workshop Meeting
~~Wednesday June 17, 2015 2pm Monthly Meeting Canceled~~
Tuesday June 16, 2015 2pm Monthly Meeting
Wednesday July 8, 2015, 1pm Workshop Meeting
Wednesday July 29, 2015 2pm Monthly meeting
Wednesday August 5, 2015, 1pm Workshop Meeting
~~Wednesday August 19, 2015 2pm Monthly Meeting Canceled~~
Tuesday August 18, 2015 2pm Monthly Meeting
Wednesday September 2, 2015, 1pm Workshop Meeting
~~Wednesday September 16, 2015 2pm Monthly Meeting Canceled~~
Tuesday September 15, 2015 2pm Monthly Meeting
Wednesday October 7, 2015, 1pm Workshop Meeting
Wednesday October 21, 2015 2pm Monthly Meeting
Thursday November 5, 2015, 1pm Workshop Meeting
Thursday November 19, 2015 2pm Monthly Meeting

Wednesday December 9, 2015, 1pm Workshop Meeting

Wednesday December 17, 2015 2pm Monthly Meeting, **And Be It Further**

Resolved That, unless otherwise indicated, meetings of the Board shall be held in the Board Room, 5th Floor, 735 Randolph, Detroit, Michigan, **And Be It Further**

Resolved That, meetings of the Board shall be posted as required by the Michigan Open Meetings Act, **And Be It Finally**

Resolved That, this schedule of meetings may be amended at any time by a majority vote of the Board.

Adopted by the Great Lakes Water Authority Board on: January 7, 2015

Amended January 22, 2015, Amended March 5, 2015.

Great Lakes Water Authority
Resolution 2015- 03 -15
RE: Approval of Conflict Waivers for Interim Bond Counsel

By Board Member: Gary Brown

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) anticipates the need to establish a master bond ordinance and other protocols related to future bond offerings by the GLWA related to the water and wastewater system (System); and

Whereas Consistent with this desire, the Board adopted resolution 2015-01-15 appointing the firms of Miller Canfield Paddock and Stone, Dykema, and Dickinson Wright to serve as interim bond counsel; and

Whereas Resolution 2015-01-15 required in part that Interim Bond Counsel to obtain any necessary conflict waivers; and

Whereas The Board already approved and authorized its Chairman to execute a conflict waiver for Dickinson Wright; and

Whereas The firms of Miller Canfield Paddock and Stone and Dykema have also provided executed conflict waivers which are attached to this Resolution.

Now, Therefore Be It:

Resolved That the Board approves and authorizes its Chairman to execute the attached conflict waivers on behalf of the GLWA; **And Be It Finally**

Resolved That the Chairperson, 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: March 5, 2015

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

AMANDA VAN DUSEN
TEL (313) 496-7512
FAX (313) 496-8450
E-MAIL vandusen@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
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MEXICO: Monterrey

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February 3, 2015

Board of Directors
Great Lakes Water Authority
735 Randolph
Detroit, Michigan 48226

Mr. William M. Wolfson
General Counsel
Detroit Water and Sewerage Department
735 Randolph, Room 701
Detroit, Michigan 48226

Ms. Zenna Elhasan
Wayne County Corporation Counsel
The Guardian Building
500 Griswold Street
Detroit, Michigan 48226

Gentlemen and Ms. Elhasan:

We very much appreciate the appointment last week by the Board of the Great Lakes Water Authority of Miller Canfield as co-interim bond counsel, with Dickinson Wright and Dykema, to the Authority.

Our collective engagement is to work collaboratively to develop the master bond documents which the Authority will need to put in place as part of the anticipated transfer of the regional assets and operational control of the regional portions of the Detroit water and sewer systems to the Authority. Separately, but related to this engagement, a key element of the transfer will involve the continued flow of system revenues, both regional and local, through the Authority so as to maintain the integrity of the enterprise and the ability of the City of Detroit to be able to continue to borrow through the Authority to finance capital improvements to its local water and sewer systems. It is in the collective

Mr. Melvin Butch Hollowell
City of Detroit - Law Department
Coleman A. Young Municipal Center
2 Woodward Avenue, Fifth Floor
Detroit, Michigan 48226-3535

Mr. John Schapka
Corporation Counsel
Macomb County Administration Building
One South Main, 8th Floor
Mount Clemens, Michigan 48043

and individual best interests of all members of the Authority and customers of the systems that the ordinances and other agreements under which the Authority borrows to finance improvements to regional and local components of the systems be crafted to minimize the cost of such borrowing to all constituents and to maintain flexibility in structuring such financings.

As each of you is aware, our Firm has in the past or is currently representing each of the members of the Authority, in matters both related and unrelated to the Authority. We are representing the City of Detroit in connection with many aspects of its restructuring and revitalization efforts, and will be representing the City in the development of the lease and other agreements related to the transfer of the regional system assets and the future operation of the local assets. We also represent the Detroit Water and Sewerage Department in connection with various federal tax compliance matters associated with the DWSD's outstanding bonds and in connection with pending litigation against Kwame Kilpatrick and others. Finally, in unrelated matters we represent the Michigan Finance Authority. Each of the other firms you have appointed for purposes of this engagement has similar client relationships with members of the Authority and/or DWSD, and each represent the Michigan Finance Authority.

In many ways, the representation of a new authority constitutes a joint representation of all of the members pursuing their common interests. Under the Michigan Rules of Professional Conduct which govern lawyers, we may seek client consent to undertake a common representation or a representation of a client (the Authority) in matters adverse to another client only if we believe that the common representation will not adversely affect our relationship with any of the clients. Conflicts of these types can be waived by the clients involved after consultation. In the present matter, we believe that our representation of Authority will neither be adversely affected by, nor adversely affect, our representation of any of you in other matters.

The purpose of the ethics rules is to assure a client of undivided loyalty, and to assure that our representation of the Authority will not be materially limited by responsibilities we owe to other clients or by our own interests. In this instance, as described above, all of you have aligned interests in the development of the Authority's bond documents and, to the extent there are any differences in perspective, having three firms at the table during this interim period will assure that all points of view are represented. You should be aware, however, that while our duty to maintain confidences in connection with the development of the master bond documents will apply as to third parties, this will not be the case as between the Authority and its members. Of course

MILLER, CANFIELD, PADDOCK AND STONE, P.L.L.C.

Board of Directors, GLWA, *et al*

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February 3, 2015

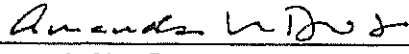
this treatment is consistent with the common interest agreement entered into by each of you with respect to the transition to the Authority.

Please confirm your waiver of the conflict identified above by acknowledging receipt of this letter, the adequacy of the disclosures made, and the waiver of the conflict created by the matters described above by signing and returning a copy of this letter.

Thank you for your consideration.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.L.C.

By: 
Amanda Van Dusen

AVD//gpc

ACCEPTED AND AGREED TO:

Great Lakes Water Authority

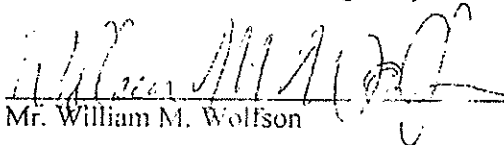
City of Detroit

Mr. Robert J. Daddow

Mr. Melvin Butch Hollowell

Detroit Water and Sewerage Department

Macomb County


Mr. William M. Wolfson

Mr. John Schapka

Wayne County

Ms. Zenna Elhasan

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Board of Directors, GLWA, *et al.*

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February 3, 2015

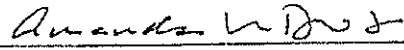
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Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: 
Amanda Van Dusen

AVD//gpe

ACCEPTED AND AGREED TO:

Great Lakes Water Authority


City of Detroit

Mr. Robert J. Daddow
Detroit Water and Sewerage Department

Mr. Melvin Butch Hollowell
Macomb County

Mr. William M. Wolfson
Wayne County

Mr. John Schapka


Ms. Zenna Elhasan

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Board of Directors, GLWA, *et al.*

-3-

February 3, 2015

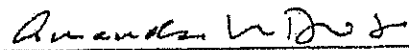
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Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: 
Amanda Van Dusen

AVD//gpe

ACCEPTED AND AGREED TO:

Great Lakes Water Authority

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Mr. Robert J. Daddow

Mr. Melvin Butch Hollowell

Detroit Water and Sewerage Department

Macomb County

Mr. William M. Wolfson

Mr. John Schapka

Wayne County

Ms. Zenna Elhasan

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2/3/15

Van Dusen, Amanda

From: John Schapka <john.schapka@macombgov.org>
Sent: Monday, February 09, 2015 12:51 PM
To: Van Dusen, Amanda
Subject: Re: Conflict Waiver Letter - GLWA

Amanda,

I do not see a conflict with Macomb County arising from your role negotiating a lease with the Authority on behalf of the City.

John

On Mon, Feb 9, 2015 at 12:28 PM, Van Dusen, Amanda <VanDusen@millercanfield.com> wrote:

John—Just covering all the bases because our firm does some work for Macomb and you and often Melissa are at the table and I want to make sure we have no issue in the future. If you don't believe there is a conflict with Macomb and no waiver is required then I will just file your email and we can be done. Agree that the Authority still needs to waive. Thank you, Amanda

From: John Schapka [<mailto:john.schapka@macombgov.org>]
Sent: Monday, February 09, 2015 11:29 AM
To: Van Dusen, Amanda
Cc: William Wolfson; dmassaron@gmail.com; zelhasan@co.wayne.mi.us; Melvin Hollowell
Subject: Re: Conflict Waiver Letter - GLWA

Amanda,

I have a problem with executing this waiver - not concerning the disclosure or whether there is or is not a conflict, but rather whether my signature means anything.

The lease negotiations concern the City and the Authority. The individual counties have only loaned man power to assist in the process, but they are not involved as parties.

Accordingly, I believe the waiver must come from the Authority via resolution approved by a simple majority of the six commissioners.

This warrants discussion at tomorrow morning's meeting.

John

On Thu, Feb 5, 2015 at 12:03 PM, Van Dusen, Amanda <VanDusen@millercanfield.com> wrote:

All-- In connection with our roles as interim co-bond counsel (with Dickinson Wright and Dykema) to the Great Lakes Water Authority and counsel to the City in connection with the lease negotiation with the Authority, we of course need to confirm (really a reconfirmation) your agreement (which we understand all parties have signed off on) to our engagement. Accordingly, enclosed is our letter seeking that confirmation. Please let me know if you have any questions. Since these efforts are about to launch in earnest, we would appreciate your prompt response. Thank you all. We are looking forward to a successful completion of the effort. Amanda

Amanda Van Dusen | Principal and Group Leader, Public Law
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vandusen@millercanfield.com | <http://millercanfield.com/AmandaVanDusen>

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Lansing, MI 48933
WWW.DYKEMA.COM
Tel: (517) 374-9100
Fax: (517) 374-9191

February 18, 2015

Board of Water Commissioners
Detroit Water and Sewerage Department
735 Randolph
Detroit, MI 48226

Board of Directors
Great Lakes Water Authority
735 Randolph, 11th Floor
Detroit, Michigan

Re: Conflict Waiver Confirmation Request

Ladies and Gentlemen:

I write to request that the Detroit Water and Sewerage Department (“DWSD”) and the Great Lakes Water Authority (“GLWA”) each confirm its waiver of any claim of conflict of interest it may have in connection with our representation of GLWA as co-interim bond counsel and our continued representation of DWSD in various financing and environmental matters.

Our firm’s representation of each of you gives rise to an ethical requirement that we obtain your respective consents to our representations as described above, and that each of you waive any claim of conflict of interest and any objection that you might otherwise be able to raise in any connection with the representation. We request confirmation of your continued consent subject to the understanding that consent is conditioned on the requirement that Dykema attorneys will not represent either of you in any future litigation against the other. Accordingly, pursuant to the policies and procedures established by each of you for these circumstances, and subject to the foregoing understandings, we request that each of you confirm your consent and waiver with respect to our firm’s separate and ongoing representations of each of you.

Please confirm the foregoing consent and waiver by signing the enclosed acknowledgment copy of this letter and returning the signed copy to me.

Sincerely,

DYKEMA GOSSETT PLLC

Ann D. Fillingham

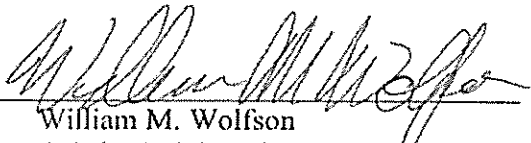
DyKEMA

February 18, 2015

Page 2

ACKNOWLEDGED AND AGREED:

DETROIT WATER AND SEWERAGE DEPARTMENT

By: 
William M. Wolfson
Chief Administrative and Compliance Officer/
General Counsel

Date: _____

GREAT LAKES WATER AUTHORITY

By: _____
Robert J. Daddow
Chairman

Date: _____

Great Lakes Water Authority
Resolution 2015- 03 -03
RE: Interim Public Relations Services to the GLWA

By Board Member: Edward Hood

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) wishes to retain Finn Partners to provide transitional public relations services to the GLWA; and

Whereas This potential engagement has been reviewed with the GLWA Coordinating Study Group,

Now, Therefore Be It:

Resolved That the Board of Directors of the Great Lakes Water Authority (GLWA) authorizes a Professional Services Contract, in a form acceptable to Interim Counsel, with the firm of Finn Partners, Inc., in an amount not to exceed \$95,000.00, to be paid from CGAP funds awarded to Oakland County for certain transitional expenses related to the formation of the GLWA, for a term ending June 30, 2016, to perform actuarial services for the GLWA: **And Be It Further**

Resolved That the Chairperson is authorized, as may be necessary, to execute this Contract on behalf of GLWA; **And Be It Finally**

Resolved That the Chairperson, 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: March 5, 2015