

**GREAT LAKES WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**ORGANIZATIONAL MEETING**  
**DECEMBER 12, 2014**  
**MINUTES**

**A. Organizational Matters**

1. Call to Order

William Wolfson, Chief Administrative and Compliance Officer/General Counsel called the meeting to order at 1:30 P.M.

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2. Administration of Oath of Office

**Attachment A2**

The Honorable Sean Cox, U.S. District Court Judge swore in members of the Great Lakes Water Authority Board of Directors

Brian Baker, Gary Brown, Robert Daddow, and Isaiah McKinnon

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3. Quorum Call

Brian Baker, Gary Brown, Robert Daddow, and Isaiah McKinnon

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4. Nomination of Interim Chairperson of the Authority

MOTION BY:           GARY BROWN

To nominate Robert Daddow as the Interim Chairperson

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Election of Interim Chairperson

**Attachment A4**

MOTION BY:           GARY BROWN

To elect Robert Daddow as the Interim Chairperson

SUPPORT:            BRIAN BAKER

ACTION:              APPROVED

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5. Nomination of Interim Secretary of the Authority

MOTION BY: BRIAN BAKER

To nominate Gary Brown as Interim Secretary

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Election of Interim Secretary of the Authority

**Attachment A5**

MOTION BY: BRIAN BAKER

To elect Gary Brown as the Interim Secretary

SUPPORT: ISAIAH MCKINNON

ACTION: APPROVED

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6. Adoption of Roberts Rules of Order as Parliamentary Rules for the Authority

MOTION BY: GARY BROWN

**Attachment A6**

SUPPORT: ISAIAH MCKINNON

ACTION: APPROVED

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7. Approval of Agenda

**Attachment A7**

MOTION BY: GARY BROWN

SUPPORT: BRIAN BAKER

ACTION: APPROVED

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8. Adoption of Interim Rules for Public Comment

**Attachment A8**

MOTION BY: GARY BROWN

SUPPORT: ISAIAH MCKINNON

ACTION: APPROVED

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**B. Old Business**

9. None

### **C. Public Comment**

- 10 a. Ms. Sharon Elizabeth Sexton came before the Board with an on-going meter issue. She presented health concerns related to the smart meter. Ms. Sexton's refusal of the automated meter is causing estimated reads and fines. Ms. Sexton was referred to DWSD's Customer Service Officer.
- b. Ms. Cindy Darrah came before the Board to express her concern about the Wastewater Treatment Plant (WWTP) Dryer Facility.
- c. Mr. Jeff McKeen, General Manager of Southeastern Oakland County Water Authority (SOCWA) came before the Board to welcome the new roles of the GLWA Board Members and to request that the transparent relationship between DWSD and its customers continue under the GLWA, and that all meetings should be open, publicized and conducted pursuant to the published agenda and that SOCWA is pleased that wholesale suburban customers have been invited to participate in the stand-up process.

### **D. New Business**

#### 11. Presentation of an Interim Purchasing Policy for GLWA

**Attachment D11**

William Wolfson, CACO/General Counsel provided a brief overview of the interim procurement policy modeled after Oakland County's policy and that the CF Funding obtained from the State of Michigan procurement standards has to be followed.

Section 1000 General Overview

Section 1200 Purchasing Policy

Section 2000 Goods and Services

Section 2200.1 Construction Contracts with Authority

Section 2200.3 Vendor relationship with Employees/Board Members

Section 2200.4 Conflict of Interest

Section 2300 Bidding

Section 2300.2 Vendor List

Section 2300.3 Establish Procedures

Section 2300.4 Insurance Requirements

Section 2300.5 Process for Engineers and Architects

- Section 2300.6 Performance of Bid Bonds
- Section 2300.7 Performance of Bid Bonds at \$50K by Project
- Section 2300.10 Process of Purchases over \$1,500
- Section 2300.12 Qualifications for RFQ's
- Section 2300.14 Bid Procedures
- Section 2300.16 Bid Tabs
- Section 2300.19 Confidential Information
- Section 2300.21 Bid Protest
- Section 2400 Contract Administrators
- Section 2400.8 Definitions of Contracts
- Section 2400.10 Standards for Vendor Performance
- Section 2600 Special Cases
- Section 2600.1 Emergency Purchases
- Section 2600.2 Grant Funded Contracts
- Section 3000 Other Policies related to Government Funding
- Section 3000.4 Freedom of Information Act
- Section 3000.11 Standard Intergovernmental Purchases

12. Resolution Adopting Interim GLWA Purchasing Policy

**Attachment D12**

MOTION BY: GARY BROWN

To adopt the Interim Purchasing Policy and Procedures for the Authority

SUPPORT: ISAIAH MCKINNON

ACTION: APPROVED

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13. Overview of the Open Meetings Act, Freedom of Information Act and Mediation Orders entered into regarding the City of Detroit

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Open Meetings Act

Mr. Wolfson stated that this Act is a Michigan State Law that prescribes how public bodies are to do business. It applies to meetings and not to advisory and study committees or to meetings of less than a quorum on a subcommittee. It requires notice to the public meetings, Mr. Wolfson stated that the GLWA Board will be asked to adopt a schedule of meetings and requires a 10-day notice after this first meeting and any changes to the schedule be posted within 3-days of the change. He also stated that the rescheduling of a meeting or a special meeting requires an 18-hour notice. Mr. Wolfson indicated that the GLWA Board will be required, at their next meeting in January, to set a schedule of regular meetings for the 2015 year. The 18-hour posting under the law must provide the public access to the posting. He also noted that members of a public body are prohibited from emailing and texting regarding matters that are presented before the body.

There are some exceptions to the Open Meetings Act that are called Closed Sessions. Some issues held in closed sessions are: employee discipline and employee staff evaluations (if requested by employee), strategies or negotiations of collective bargaining unit (if either party makes a request), purchase or lease of real property, pending litigation with attorney (strategy or settlement), but only where a public discussion is detrimental impact on the litigating on settlement of the public body, review applications for employment (if an employee request in closed session review), and all interviews must be held in open session. The Freedom of Information Act (FOIA) exempts from disclosure of attorney-client communications. It allows you to meet with counsel in closed session to review a written attorney-client communication. There may be other court-order issues that will require closed session discussion. A closed session has to be called as part of an otherwise open meeting and requires 2/3 affirmative roll call vote of the members present, and any decision that may arise from the closed session must be made in open session.

The minutes under the Open Meetings Act require that they indicate the date, time, place, the members present, the decisions made in the meeting, including all roll calls, and the purpose of a closed session. The Act does allow a member to participate by full duplex speaker phone, as the by-laws and rules of procedure allow.

Freedom of Information Act (FOIA)

Mr. Wolfson stated that this Act sets out the procedures to deal with public records. All records of government are available to the public unless the law says otherwise.

Some exemptions are: personal information that would constitute an unwarranted invasion of property, law enforcement records, material that is exempted from disclosure by other statutes, trade secrets or confidential information submitted to you for policy-making purposes. There is an exemption for attorney-client privilege communication, pending bids, appraisals of real property, preliminary internal communications within the organization such as they are other than purely factual in nature and that requires a balancing test between the need of the organization for frank internal communication and public rights to know. Some other exemptions are: records related to security measures and anti-terrorism activities. He also mentioned exemptions for discovery in civil actions and social security numbers.

Mediation Orders

Mr. Wolfson stated that there was mediation ordered by Judge Rhodes and State of Michigan, Macomb County, Oakland County, and Wayne County during the City of Detroit Bankruptcy related to the formation of the regional authority. The GLWA Board will be asked to be considered a party of that mediation. The mediation continues and Judge Cox has jurisdiction and has the discretion going forth to require the parties to go into that mediation subject to confidentiality order as issues may arise.

14. Overview of City of Detroit Mediation, Mediation Advisory Work Groups, Transitional issues and expenses

Mr. Eric Rothstein of Galardi Rothstein Group serves as the GLWA Implementation Planning and Programming Manager located on the 11th Floor of the Water Board Building and includes representatives of OHM Advisors and Project Innovations who work as support for GLWA implementation planning process. Mr. Rothstein stated that the structure of the coordination group is comprised of members of each of the incorporated municipalities, four major study groups that deal with human resources, finance, operations and stakeholders' engagement issues. The study groups anticipate moving forward with information and recommendations for transitional expense items on the GLWA operations and financial arrangements.

MOTION BY: GARY BROWN

15. A resolution to add the GLWA as a party to the mediation regarding the City of Detroit relative to the formation of a Regional Water Authority **Attachment D15**

SUPPORT: BRIAN BAKER  
ACTION: APPROVED

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MOTION BY: BRIAN BAKER

16. Resolution requesting that Mediation Advisory Work Groups provide periodic advice and presentations to the GLWA Attachment D16

SUPPORT: GARY BROWN  
ACTION: APPROVED

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MOTION BY: GARY BROWN

17. Resolution requesting that the State of Michigan add GLWA as a co-awardee for the CGAP grant awarded to Oakland County to assist with the costs of services provided relative to the establishment of GLWA Attachment D17

SUPPORT: ISAIAH MCKINNON  
ACTION: APPROVED

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MOTION BY: GARY BROWN

18. Resolution requesting the City of Detroit, Water and Sewerage Department and its Board of Water Commissioners assist in the establishment of the GLWA by providing a conduit for advancing payment of certain expenses of the authority to be reimbursed through the CGAP grant and to the extent the CGAP Funds or other funds are not available be treated as a "common to all" expense of the system Attachment D18

SUPPORT: ISAIAH MCKINNON  
ACTION: APPROVED

MOTION BY: BRIAN BAKER

19. Resolution requesting that DWSD staff provide interim staff support to the GLWA Attachment D19

SUPPORT: GARY BROWN  
ACTION: APPROVED

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20. Presentation of Intergovernmental Agreement with the State of Michigan

Mr. Wolfson stated that this agreement would allow the Governor to move forward and appoint the sixth member of the Authority.

MOTION BY: GARY BROWN

21. Resolution approving Intergovernmental Agreement

**Attachment D21**

SUPPORT: ISAIAH MCKINNON  
ACTION: APPROVED

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MOTION BY: BRIAN BAKER

22. Resolution establishing date of the next meeting and a schedule of regular meetings for the GLWA Board of Directors

**Attachment D22**

Mr. Wolfson provided a calendar for the GLWA Board for January through June 2015 with two meetings per month. The workshop would include topics generated by the BOWC Chairperson. A workshop Wednesday, January 7 and the second, a regular meeting Thursday, January 22; Wednesday, February 4; Wednesday, February 18; Thursday, March 5; and Thursday, March 19. The remaining months of April through June would commence on the 1<sup>st</sup> and 3<sup>rd</sup> Wednesdays. Exception for June date is the 24<sup>th</sup> (4<sup>th</sup> Wednesday).

SUPPORT: GARY BROWN  
ACTION: APPROVED as amended

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Chairman Fausone introduced the Board of Water Commissioners Mary E. Blackmon, Linda D. Forte, J. Bryan Williams and Fred W. Barnes. Commissioners Bradley Kenoyer and Conrad L. Mallett Jr., were not in attendance.

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23. Discussion regarding formation of the Audit Committee and establishing the first meeting of that Committee

Mr. Wolfson stated that the Articles of Incorporation requires that the Audit Committee hold its first meeting within 60-days of today's meeting (By Mid-February)



## 24. Discussion of DWSD current activities and transactional issues

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James Fausone, BOWC Chairman, discussed what would occur over the next six months while the BOWC continues to operate. The BOWC are proud of the Department's progress of the last 31/2 years including the hiring of the Department's Director Sue F. McCormick and her hiring of Chief Financial Officer, Chief Informational Officer, and General Counsel. The BOWC has established committees in Finance, Human Resources, Operations, and Law that have allowed the BOWC to take a more active role on issues before they are presented at a regular meeting for action. The BOWC are proud of the re-organizational efforts that Director McCormick and her team have taken to review job classifications and make organizational management changes in the Department. One project referenced earlier in the agenda is the biosolids dryer facility contract for the (WWTP's) handling of municipal sludge that is a significant cost issue to the BOWC and with the Director's guidance, has set a process that would save considerable dollars for the system and is being built on time and on budget in advance of the federal government's March of 2016 new air quality regulations. The BOWC has had some audits of on-going construction projects that the restructure of the Board looked into. Other activities that have taken place were the ending of Federal Court oversight in Spring of 2013, the recent issuance of the National Permit Discharges and Elimination System (NPDES) permit for the WWTP, the BOWC favorable regional authority approach embarked on a Water Master Plan Update, Asset Management Plan and the WWTP received the Silver Award from the United States Environmental Pollution Agency (USEPA) in 2012 and 2013, and several financial structures were established by the Chief Financial Officer, to include a positive impact on cash flow, credit ratings and annual savings. The BOWC through the Director's efforts have supported sewer rate simplification. The BOWC are currently embarked on a water rate simplification thought process that would ultimately be transitioned to the GLWA. Mr. Fausone stated he was here to pledge the BOWC cooperation in assisting both the authority and the retail operations of the City of Detroit during this transition period and the BOWC is committed to the standup of a solid foundation.

Over the next six months the BOWC will embark upon certain required items to include updating and improving a capital improvement plan (CIP), a budget for 2015-16, rates to wholesale customers, and setting the revenue requirements that the authority would inherit. The BOWC encourage the GLWA to participate in the process.

The BOWC has established a schedule consist with the GLWA calendar dates. The BOWC will discuss a preliminary review of the CIP and a status report on the Budget at a special meeting on December 17, 2014 at 1:00 P.M. The Finance Committee of the BOWC will review the proposed budget on January 12, 2015, the BOWC will discuss the CIP and proposed budget at a workshop on January 14, 2015, the BOWC will hold its public hearing on proposed budget and CIP on January 28, 2015.

The BOWC workshop will discuss the proposed rates on February 11, 2015. The Finance Committee will discuss rate development on February 19, 2015. The BOWC will hold a public hearing on rates on February 25, 2015. There will be a special meeting on March 4, 2015 to approve the (CIP, budget and rates). The BOWC will set the revenue requirements and will be addressed to the Detroit City Council in April 2015.

Director McCormick stated that the purpose of the joint meeting is to provide an opportunity for the two boards to share their aspirations and concerns during this transition period. It will also provide a knowledgeable transfer between the two boards on mission, vision, value and critical priorities experienced by the current BOWC.

25. Resolution regarding joint meeting with the City of Detroit Board of Water Commissioners  
**Attachment D25**

Chairman Fausone stated that administration would coordinate an early January date between the respective bodies. No action taken.

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MOTION BY: BRIAN BAKER

26. Resolution establishing dates for the nomination and election of Officers of the Great Lakes Water Authority scheduled for January 22, 2015.  
**Attachment D26**

SUPPORT: ISAIAH MCKINNON

ACTION: APPROVED

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27. Discussion of parameters and procedures for selection of an Executive Director for the Authority

Mr. Eric Rothstein of Galardi Rothstein Group stated the need for a tremendous amount of work to be done and the need for an executive director is acute. Getting clarity about the leadership of the GLWA will be extremely helpful in making important decisions going forward.

Chairman Daddow suggests that discussion of the Executive Director be held over until the January 7, 2015 meeting with a detailed discussion at the January 22, 2015.

28. Such other business


Councilman Michael Canty of the City of Inkster announced his candidacy for the County Appointment for the GLWA Board and looks forward to working with the Board, if selected.

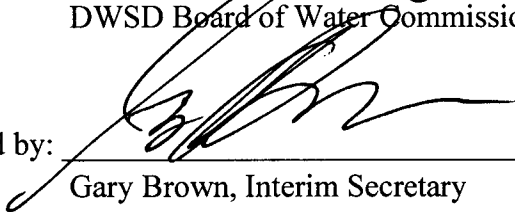
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**E. Adjournment**

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

29. There being no further business, the meeting was adjourned at 2:50 P.M.

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

Approved by:   
Gary Brown, Interim Secretary  
Great Lakes Water Authority Board of Directors