



**KAREGNONDI WATER AUTHORITY**  
**Meeting of Authority Board**  
**August 16, 2021, at 10 a.m.**

**Genesee County Water Treatment Plant**  
**4414 Stanley Road**  
**Columbiaville, Michigan 48421**  
**(810) 732-7870**

**A G E N D A**

Pledge of Allegiance  
Prayer  
Roll Call

1. Swear in New Board Members
  - Chairman – Dale Kerbyson
  - Vice Chairman – Scott Bennett
  - Sanilac County Drain Commissioner – Doug Sweet
  - Swartz Creek City Manager – Adam Zettel
2. Public Hearing on the proposed 2022 Budget
  - Motion to Open
  - Motion to Close
3. Minutes: December 14, 2020
  - Incorporating Board
  - Authority board
4. Reports: Treasurer's Report
5. Communication: None
6. Consent Agenda: None
7. Public Comment: Agenda Items Only
8. New Business: Resolution 2021-01 Resolution to Establish a General Appropriations Act  
Resolution 2021-02 Resolution Establishing the Water Transmission Fee  
Resolution 2021-03 Resolution Establishing Regular Meeting Dates  
Resolution 2021-04 Resolution Adjusting the 2020-2021 Budget for Construction Activity
9. Closed Session: Closed Session pursuant to MCL 15.268(e) to discuss settlement or trial strategy of the following cases:
  - LCRC v KWA, LDS, and LCD, Case No. 15-049218-CK
  - KWA v LCRC v Zito, Case No. 19-052947-CZ
  - GCDC v LCRC v LDS, Case No. 20-054112-CZ(H)
10. Board Comment
11. Adjournment



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

**MINUTES OF MEETING**  
**December 14, 2020**

**Approved:** \_\_\_\_\_

Meeting Convened: 10:15 a.m.  
The Pledge of Allegiance was recited.  
Invocation given by Greg Alexander.

**Roll Call:**

**Board Members Present via Zoom:** Dale Kerbyson, representing the City of Lapeer, calling from Florida

**Board Members Present:** Joseph Suma; Ted Henry, Greg Alexander

**Board Members Absent:** Sheldon Neeley

**Also Present:**

John F. O'Brien, Deputy CEO  
Kevin Kilby, Corporation Counsel

**Minutes:**

- ❖ Motion to Accept the August 17, 2020 Minutes by *Joseph Suma*; Supported by *Dale Kerbyson*; Voice Vote – Motion Passed Unanimously

**Public Comment:** None.

**New Business:**

- ❖ Motion to Nominate Joseph Suma as President and Scott Bennett as Vice President by *Ted Henry*;
- ❖ Motion to Nominate Dale Kerbyson as Chairperson and Scott Bennett as Vice Chairman;
- ❖ Motion to Close Nominations and Cast Unanimous Ballot for Dale Kerbyson for Chairperson and Scott Bennett for Vice Chairperson by *Ted Henry*; Supported by *Joseph Suma*; Motion Passed by Unanimous Roll Call Vote

**Roll Call Vote:**

Joseph Suma	Yes
Ted Henry	Yes
Dale Kerbyson	Yes
Greg Alexander	Yes

- ❖ Motion to Nominate Janis Wells as Secretary and Trudy Bowers as Treasurer by *Ted Henry*;
- ❖ Motion to Close Nominations and Cast Unanimous Ballot by *Ted Henry*; Supported by *Dale Kerbyson*; Motion Passed by Unanimous Roll Call Vote

**Roll Call Vote:**

Ted Henry	Yes
Joseph Suma	Yes
Dale Kerbyson	Yes
Greg Alexander	Yes

**Board Comment:**

Board members thanked Greg Alexander for his years of service and role as Chairman.

Meeting Adjourned 10:24 a.m.

STATE OF MICHIGAN     )  
                                  ) ss:  
COUNTY OF GENESEE    )

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of the Incorporating Board Meeting of December 14, 2020, adopted by the Karegnondi Water Authority Incorporating Board at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
JANIS M. WELLS, Secretary



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

**MINUTES OF MEETING**  
**December 14, 2020**

**Approved:** \_\_\_\_\_

Meeting Convened: 10:35 a.m.  
The Pledge of Allegiance was recited.  
Invocation given by Greg Alexander.

**Roll Call:**

**Board Members Present via Zoom:** Scott Bennett, representing Genesee County, calling from Grand Blanc Township; Dale Kerbyson, representing the City of Lapeer, calling from the State of Florida; Tim Sneller, on behalf of Genesee County, calling from Burton, Michigan; Paula Zelenko, representing Genesee County, calling from the State of Washington; Monica Galloway, representing the City of Flint, calling from Grand Blanc, Michigan; Allen Griggs, representing the City of Flint, calling from Flint, Michigan

**Board Members Present:** Larry Green; Dan Potter; Joseph Suma; Brian Ross; Ted Henry; Greg Alexander

**Board Members Absent:** Sheldon Neeley; Kate Fields

**Also Present:**

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

**Minutes:**

- ❖ Motion to Accept the August 17, 2020 Minutes by *Ted Henry*; Supported by *Joseph Suma*; Roll Call Vote – Motion Passed Unanimously

**Roll Call Vote:**

Larry Green - Yes  
Dan Potter – Yes  
Scott Bennett – Yes  
Dale Kerbyson – Yes  
Joseph Suma – Yes  
Tim Sneller – Yes  
Brian Ross – Yes  
Paula Zelenko – Yes  
Ted Henry – Yes  
Monica Galloway – Yes  
Allen Griggs – Yes  
Greg Alexander - Yes

**Reports:**

Deputy Treasurer Karl Kramer indicated the next Financial Report would be available at the end of December. The Auditor, Plante Moran, is in the process of wrapping up the financial statements at this time. An Audit Report should be available by mid-January 2021.

- ❖ Motion to Accept the Treasurer's Report by *Ted Henry*; Supported by *Larry Green*; Roll Call Vote – Motion Passed Unanimously

Roll Call Vote:

Brian Ross – Yes  
Scott Bennett – Yes  
Dale Kerbyson – Yes  
Joseph Suma – Yes  
Tim Sneller – Yes  
Dan Potter – Yes  
Paula Zelenko – Yes  
Ted Henry – Yes  
Monica Galloway – Yes  
Allen Griggs – Yes  
Larry Green – Yes  
Greg Alexander – Yes

Communication: None

Consent Agenda: None

Public Comment: None

Old Business: None

New Business:

The Incorporating Board met, and the order of nominations were:

Chairperson - Dale Kerbyson

Vice Chairperson – Scott Bennett

Secretary – Janis Well

Treasurer – Trudy Bowers

- ❖ Motion to Accept the Nominating Committee's Recommendations by *Ted Henry*; Supported by *Scott Bennett*; Roll Call Vote – Motion Passed Unanimously

Roll Call Vote:

Scott Bennett – Yes  
Dale Kerbyson – Yes  
Joseph Suma – Yes  
Tim Sneller – Yes  
Dan Potter – Yes  
Paula Zelenko – Yes  
Ted Henry – Yes  
Monica Galloway – Yes  
Allen Griggs – Yes  
Larry Green – Yes  
Brian Ross – Yes  
Greg Alexander – Yes

Deputy CEO John O'Brien administered the Oath of Office.

**Board Comment:**

Each Board member was invited to give comment. Outgoing Board Members were thanked for their years of excellent service. All were wished a Safe, Healthy, and Happy Holiday Season.

**Adjournment:**

Meeting Adjourned 10:51 a.m.

STATE OF MICHIGAN     )  
                                  ) ss:  
COUNTY OF GENESEE    )

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of the Meeting of December 14, 2020, adopted by the Karegnondi Water Authority Board at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
JANIS M. WELLS, Secretary



# Karegnondi Water Authority®

4610 Beecher Road • Flint, Michigan 48532-2617

Phone: 810.732.7870 • Fax: 810.732.9773

## MEMORANDUM

To: Jeff Wright, CEO

From: John F. O'Brien, PE, Deputy CEO

Re: 2022 Proposed Budget

Date: July 23, 2021

Find attached the proposed budget for KWA for the period from October 1, 2021, through September 30, 2022, commonly referred to as Fiscal Year 2022.

The proposed budget includes an increase in volume sales, as requested by Genesee County, going from 11.5 to 12.0 million gallons a day. The proposed budget is an 11% decrease from our previous year's budget. The main reductions are in Repair and Maintenance, Infrastructure, and Reserves. Our electrical costs are expected to be 9% higher due to volume of water produced and electrical rates.

We are also recommending a reduction in the current Commodity Rate for Fiscal Year 2022.

Our beginning total unrestricted net position as of September 2020, was \$10.3 million, and our projected yearend balance as of September 2021 is \$10.9 million. Of these amounts, our reserves for Repair and Maintenance were \$1.7 million at the end of fiscal year 2020 and is projected to be at least \$1.9 million by September 2021. Based on our recommended reduction in the Commodity Rate from \$3.50 to \$3.00 per thousand cubic feet (MCF) in fiscal year 2022, we expect our total unrestricted net position and reserves for Repair and Maintenance to remain near their projected September 2021 levels.

In addition, we also maintain a bond reserve fund. We are required to maintain approximately \$19.6 million. We are projected to have \$21.2 million at the end of 2021 and \$21.6 million at the end of 2022 fiscal year.

Without objection, I would like to forward the budget to the Finance Committee, and thereafter, if there are no objections, to move it to the full Board.

I have attached Resolution No. 2021-01 and Resolution No. 2021-02 for your consideration.

JFO/JMW

Enclosure

cc: Trudy M. Bowers  
Karl Kramer



MGD = 11.50 12.00 MCF = 561,124 585,572																	
Fund	Dept	Account	Name	Classification	Actuals	Year-end	2018	2019	11.50	11.50	8.08	% of Budget Used To Date	Remaining Encumbrances	2021	2021	Projected Year-End	Fiscal Budget
Revenues	1000	00 - Revenues	Water Transmission Fee GDCD Interest	Commodity Interest	\$3,484,073 \$10,654	\$2,242,678 \$133,272	598,051 2018	560,670 2020	561,124	561,124	394,120	80.3%	\$0 \$0	\$387,241 (\$31,020)	2021	\$1,963,934 \$40,000	\$1,756,572 \$10,000
Expenses	1000	10 - Board Functions			\$3,494,727	\$2,375,951			\$1,963,722	\$1,963,722	\$1,612,001	81.9%	\$0	\$356,221		\$2,003,934	\$1,766,572
1000	20 - General Operations	745.00	Printing & Publishing	Permits, Print.	\$1,411	\$688			\$1,000	\$1,000	\$75	7.5%	\$0	\$925		\$800	\$1,200
		760.01	Insurance Board & Officers	Insurances	\$3,786	\$4,200			\$4,700	\$4,700	\$4,296	91.4%	\$0	\$404		\$4,296	\$4,700
		801.01	Professional Services - Legal	Prof. Services	\$107,438	\$7,693			\$120,000	\$120,000	\$93,684	78.1%	\$0	\$26,316		\$120,000	\$105,000
		801.10	Professional Services - Technical	Prof. Services	\$380	\$698			\$1,000	\$1,000	\$0	0.0%	\$0	\$1,000		\$600	\$1,200
1000	20 - General Operations	726.00	Office Supplies	Supplies	\$49	\$0			\$1,000	\$1,000	\$195	19.5%	\$0	\$805		\$250	\$1,000
		727.99	Operating Supplies - General	Supplies	\$0	\$0			\$1,000	\$1,000	\$0	0.0%	\$0	\$1,000		\$0	\$1,000
		760.02	Insurance General Liability	Insurances	\$80,418	\$9,627			\$60,000	\$60,000	\$25,396	42.8%	\$0	\$33,504		\$25,396	\$25,000
		765.00	Banking Charges & Fees	Insurances	\$0	\$214			\$50	\$50	\$478	63.8%	\$0	\$272		\$750	\$800
		801.02	Professional Services - Engineering	Prof. Services	\$0	\$11,703			\$20,000	\$20,000	\$0	0.0%	\$0	\$20,000		\$0	\$10,000
		801.03	Professional Services - Financial	Prof. Services	\$43,774	\$36,395			\$50,000	\$50,000	\$43,240	93.6%	\$0	\$3,560		\$50,000	\$55,000
		801.06	Professional Services - GIS	Prof. Services	\$4,800	\$3,000			\$30,000	\$30,000	\$400	73.3%	\$0	\$21,600		\$22,000	\$22,000
		802.00	Administration Expense	Administration	\$323,472	\$323,472			\$323,472	\$323,472	\$269,560	100.0%	\$0	\$53,912		\$323,472	\$323,472
		805.00	Permits	Permits, Print.	\$600	\$500			\$1,000	\$1,000	\$500	50.0%	\$0	\$500		\$500	\$1,000
		845.01	Repairs & Maint. - Infrastructure	Rep. & Maint.	\$43,455	\$71,391			\$100,000	\$100,000	\$0	0.0%	\$0	\$34,000		\$25,000	\$30,000
		845.06	Repairs & Maint. - Software	Rep. & Maint.	\$9,750	\$10,350			\$30,000	\$30,000	\$6,785	22.6%	\$0	\$23,215		\$6,785	\$30,000
		845.09	Repairs & Maint. - Scada	Rep. & Maint.	\$0	\$0			\$0	\$0	\$10,000	100.0%	\$0	\$0		\$10,000	\$0
		845.10	Repairs & Maint. - Reserves	Rep. & Maint.	\$0	\$0			\$159,000	\$159,000	\$0	0.0%	\$0	\$159,000		\$0	\$0
		856.01	Utilities - Electric	Utilities	\$0	\$1,076			\$600	\$600	\$1,374	85.9%	\$0	\$226		\$1,600	\$600
1000	30 - Lake Huron Pump Station	728.04	Chemicals - Chlorine	Chemicals	\$27,769	\$53,197			\$57,500	\$57,500	\$38,692	67.3%	\$0	\$12,808		\$50,000	\$50,000
		728.20	Chemicals - Miscellaneous	Chemicals	\$0	\$0			\$2,500	\$2,500	\$1,397	54.9%	\$0	\$1,003		\$1,437	\$2,500
		845.01	Repairs & Maint. - Infrastructure	Rep. & Maint.	\$0	\$19,270			\$0	\$0	\$0	0.0%	\$0	\$0		\$0	\$0
		845.03	Repairs & Maint. - Equipment	Rep. & Maint.	\$9,857	\$133,916			\$158,000	\$158,000	\$62,496	80.7%	\$0	\$30,444		\$127,557	\$137,600
		845.08	Repairs & Maint. - Grounds Care	Rep. & Maint.	\$2,221	\$1,419			\$3,000	\$3,000	\$1,255	76.0%	\$0	\$1,026		\$2,500	\$9,000
		845.09	Repairs & Maint. - SCADA	Rep. & Maint.	\$0	\$0			\$0	\$0	\$0	0.0%	\$0	\$0		\$0	\$20,000
		877.00	Outside Inspection and Testing	Rep. & Maint.	\$0	\$180			\$45,000	\$44,720	\$280	15.1%	\$0	\$6,493		\$7,500	\$45,000
		856.01	Utilities - Electric	Utilities	\$712,974	\$652,393			\$739,400	\$721,400	\$521,304	72.3%	\$0	\$199,820		\$650,000	\$780,000
		856.02	Utilities - Gas	Utilities	\$2,424	\$2,439			\$4,000	\$4,000	\$3,265	81.6%	\$0	\$735		\$3,500	\$4,000
		856.03	Utilities - Water & Sewer	Utilities	\$21,590	\$3,448			\$2,500	\$2,500	\$844	96.0%	\$0	\$100		\$2,500	\$4,000
		856.04	Utilities - Communications	Utilities	\$4,247	\$4,397			\$5,000	\$5,000	\$3,852	88.2%	\$0	\$590		\$4,500	\$5,000
1000	40 - Intermediate Pump Station	728.04	Chemicals - Chlorine	Chemicals	\$0	\$0			\$20,000	\$20,000	\$2,390	11.9%	\$0	\$17,610		\$2,390	\$1,000
		845.02	Repairs & Maint. - Building	Rep. & Maint.	\$0	\$0			\$8,704	\$8,704	\$8,704	100.0%	\$0	\$1		\$8,704	\$5,000
		845.03	Repairs & Maint. - Equipment	Rep. & Maint.	\$18,113	\$21,545			\$20,000	\$11,296	\$1,351	21.8%	\$0	\$8,838		\$4,000	\$20,000
		845.08	Repairs & Maint. - Grounds Care	Rep. & Maint.	\$2,325	\$1,250			\$3,000	\$3,000	\$720	74.4%	\$0	\$769		\$2,300	\$6,000
		845.09	Repairs & Maint. - SCADA	Rep. & Maint.	\$0	\$0			\$0	\$0	\$0	0.0%	\$0	\$0		\$0	\$20,000
		877.00	Outside Inspection and Testing	Rep. & Maint.	\$0	\$280			\$0	\$0	\$0	100.0%	\$0	\$0		\$280	\$0
		856.01	Utilities - Electric	Utilities	\$124,818	\$97,460			\$50,000	\$67,000	\$56,718	85.1%	\$0	\$276		\$65,000	\$55,000
		856.04	Utilities - Communications	Utilities	\$3,105	\$3,142			\$5,000	\$5,000	\$2,621	66.6%	\$0	\$709		\$3,500	\$5,000
		856.05	Utilities - Diesel	Utilities	\$0	\$606			\$2,000	\$2,000	\$425	21.2%	\$0	\$1,575		\$425	\$2,000
					\$1,543,914	\$1,528,320			\$1,963,722	\$1,963,722	\$1,152,576	67.2%	\$0	\$643,700		\$1,502,541	\$1,756,572
			Professional Services		\$151,592	\$112,067			\$221,000	\$221,000	\$137,324	73.5%	\$0	\$58,516		\$192,600	\$193,700
			Insurances		\$84,204	\$13,541			\$64,750	\$64,750	\$30,170	46.6%	\$0	\$34,580		\$30,442	\$30,500
			Administration		\$323,472	\$323,472			\$323,472	\$323,472	\$53,912	100.0%	\$0	\$53,912		\$323,472	\$323,472
			Chemicals		\$77,769	\$17,841			\$80,000	\$80,000	\$42,479	53.2%	\$0	\$37,421		\$53,837	\$53,500
			Utilities		\$869,158	\$763,856			\$808,500	\$808,500	\$590,403	73.4%	\$0	\$3,376		\$731,025	\$884,100
			Supplies		\$49	\$0			\$2,000	\$2,000	\$195	9.8%	\$0	\$1,805		\$250	\$2,000
			Permits, Print / Publications		\$2,011	\$921			\$2,000	\$2,000	\$575	28.8%	\$0	\$1,425		\$1,300	\$2,200
			Repairs and Maintenance		\$85,720	\$295,620			\$462,000	\$462,000	\$81,870	36.2%	\$0	\$85,198		\$169,626	\$317,600
			Total Expenses =		\$1,543,914	\$1,528,320			\$1,963,722	\$1,963,722	\$1,152,576	67.2%	\$0	\$643,700		\$1,502,541	\$1,756,572
			\$5 per MCF to recover Budgeted or Actual Expenses Above =		\$2.75	\$2.72			\$3.50	\$3.50	\$2.05		\$0.30	\$1.15		\$3.50	\$3.00
			Net Income =		\$1,950,812.77	\$1,323,154.67			\$4,500.00	\$4,500.00	\$459,425.06					\$501,393.28	\$10,000.00
			Budget - Fiscal 2022 8/5/2021														



**KAREGNONDI WATER AUTHORITY  
ACTING IN LAPEER COUNTY, MICHIGAN**

**RESOLUTION NO. 2021-01**

A RESOLUTION TO ESTABLISH A GENERAL APPROPRIATIONS ACT  
FOR THE KAREGNONDI WATER AUTHORITY; TO DEFINE THE  
POWERS AND DUTIES OF THE KAREGNONDI WATER AUTHORITY  
OFFICERS IN RELATION TO THE ADMINISTRATION OF THE BUDGET;  
AND TO PROVIDE REMEDIES FOR REFUSAL OR NEGLECT TO  
COMPLY WITH THE REQUIREMENTS OF THIS RESOLUTION

At a regular meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 16, 2021, at 10 a.m., local time.

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_  
\_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_,  
and seconded by \_\_\_\_\_.

**Section 1: Title**

This resolution shall be known as the Karegnondi Water Authority General Appropriations Act.

**Section 2: Chief Administrative Officer**

The Chief Executive Officer is designated as the Chief Administrative Officer under the Uniform Budgeting and Accounting Act and is the responsible party for the administration of the Karegnondi Water Authority budget.

**Section 3: Fiscal Officer**

The Treasurer shall be the Fiscal Officer and shall perform the duties of the Fiscal Officer enumerated in this resolution.

**Section 4: Public Hearings on the Budget**

Pursuant to MCL § 141.412; MCL § 141.413 notice of the public hearing on the proposed budget was published in The Flint Journal on July 29, 2021; The Sandusky Tribune Recorder on July 28, 2021; and The View Newspaper (formerly the Lapeer County Press) on July 29, 2021; all newspapers of general circulation; the proposed budget has been available for public inspection in advance of the hearing, and a public hearing on the proposed budget was held on August 16, 2021, at 10 a.m., local time.

## **Section 5: Estimated Revenues and Expenditures**

Be it resolved, the expenditures for the fiscal year commencing October 1, 2021, and ending September 30, 2022, are hereby appropriated on a departmental and activity basis as follows:

### **Expenditures**

Professional Services .....	\$193,200
Insurances .....	\$30,500
Administration .....	\$323,472
Chemicals .....	\$53,500
Utilities .....	\$834,100
Supplies .....	\$2,000
Permits, Print, Publications.....	\$2,200
<u>Repairs and Maintenance.....</u>	<u>\$317,600</u>

**TOTAL EXPENDITURES .....\$1,756,572**

And be it further resolved, revenues for the 2019 fiscal year are estimated as follows:

### **Revenues**

Commodity Charge.....	\$1,756,572
<u>Interest Income .....</u>	<u>\$10,000</u>

**TOTAL REVENUE.....\$1,766,572**

## **Section 6: Millage Levy**

The Karegnondi Water Authority SHALL NOT cause any millage to be levied or collected on real or personal property within the district boundaries of the Karegnondi Water Authority.

## **Section 7: Adoption of Budget by Reference**

The budget of the Karegnondi Water Authority is hereby adopted by reference, with revenues and activity expenditures as indicated in Section 5 of this Resolution.

## **Section 8: Adoption of Budget by Activity/Department**

The Board of the Karegnondi Water Authority adopts the 2022 fiscal year budget by Activity/Department. The Karegnondi Water Authority officials responsible for the expenditures authorized in the budget may expend Karegnondi Water Authority funds up to, but not to exceed, the total appropriation authorized for each Activity/Department, and may transfer among the various line items contained in the Activity/Department appropriation.

## **Section 9: Appropriation not a Mandate to Spend**

Appropriations will be deemed maximum authorizations to incur expenditures. The fiscal officer shall exercise supervision and control to ensure that expenditures are within appropriations, and shall not issue any order for expenditures that exceed appropriations.

#### **Section 10: Transfer Authority**

The Chief Administrative Officer shall have the authority to make transfers among the various Activities/Departments without prior board approval, if the amount to be transferred does not exceed fifty percent (50%) of the appropriation item from which the transfer is to be made. The Board shall be notified at its next meeting of any such transfers made, and reserves the right to modify, amend, or nullify any such transfers made. Under no circumstances may the total budget be changed without prior approval from the Karegnondi Water Authority Board.

#### **Section 11: Periodic Fiscal Reports**

The Chief Administrative Officer with assistance from the Treasurer shall transmit to the Karegnondi Water Authority Board at the end of each quarter a report of financial operations, including, but not limited to:

- a. A cash balance report showing the amount of funds available in each of the various accounts.
- b. A revenue and expenditure report which shows for each Activity/Department in the various funds the original, the amended budget, and the year-to-date actual amounts.

#### **Section 12: Limit on Obligations and Payments**

No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation, and sufficient funds are or will be available to meet the obligation.

#### **Section 13: Budget Monitoring**

Whenever it appears to the Chief Administrative Officer or the Karegnondi Water Authority Board that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures shall exceed an appropriation, the Chief Administrative Officer shall present to the Karegnondi Water Authority Board recommendations to prevent expenditures from exceeding available revenues or appropriations for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

#### **Section 14: Payment of Bills**

All claims (bills) against the Karegnondi Water Authority that are budgeted and within the limitations of the appropriated amount budgeted in the Activity/Department in which the expense is budgeted are pre-approved for payment by the Authority Board. The Karegnondi Water Authority Treasurer and Secretary may pay these bills prior to approval by the Karegnondi Water Authority Board. The Karegnondi Water Authority Board shall receive a list of claims (bills) that were budgeted and within the limitations of each Activity/Department in which the expense is budgeted that have been paid by the Karegnondi Water Authority Treasurer and Secretary. This list shall be approved at the next regular meeting of the Karegnondi Water Authority Board. For any claims (bills) against the Karegnondi Water Authority that were not budgeted or that are in excess of the limitations of the appropriated amount budgeted in the Activity/Department in which the expense is budgeted, the

Karegnondi Water Authority Board shall approve the claim (bills) prior to being paid.

**Section 15: Authorized Salary, hourly and per diem rates**

Included in the various Activities/Departments are amounts of the salary, hourly and per diem rates for the officials and employees of the Karegnondi Water Authority as follows:

Per Diem – No individual shall receive a per diem rate to attend any meeting of the Karegnondi Water Authority.

CEO – Rate established by Contract, if applicable.

Deputy CEO - Rate established by Contract, if applicable.

Secretary - Rate established by Contract, if applicable.

Deputy Secretary - Rate established by Contract, if applicable.

Treasurer - Rate established by Contract, if applicable.

Deputy Treasurer - Rate established by Contract, if applicable.

Pursuant to Article VII of the Articles of Incorporation of the Karegnondi Water Authority, the members of the Karegnondi Water Authority Board may receive payment for actual expenditures incurred in connection with the business of the Authority.

**Section 16: Violations of This Resolution**

Any obligation incurred or payment authorized in violation of this Resolution shall be void and shall subject any responsible official(s) or employee(s) to disciplinary action as outlined in P.A. 621 (1978).

**Section 17: Board Adoption**

The foregoing resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

**VOICE VOTE:**

**RESOLUTION 2021-01 DECLARED ADOPTED.**

\_\_\_\_\_  
Dale Kerbyson, Chairman  
Karegnondi Water Authority

\_\_\_\_\_  
Janis M. Wells, Secretary  
Karegnondi Water Authority

STATE OF MICHIGAN     }  
  } ss  
COUNTY OF GENESEE    }

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of Resolution 2021-01 adopted by the Karegnondi Water Authority Board, acting in Lapeer County, at a regular meeting held on August 16, 2021, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Janis M. Wells, Secretary  
Karegnondi Water Authority

**KAREGNONDI WATER AUTHORITY  
ACTING IN LAPEER COUNTY, MICHIGAN**

**RESOLUTION NO. 2021-02**

**A RESOLUTION ESTABLISHING THE WATER TRANSMISSION FEE  
FOR THE KAREGNONDI WATER AUTHORITY**

At a meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 16, 2021, at 10 a.m., local time.

PRESENT: \_\_\_\_\_

\_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_  
and seconded by \_\_\_\_\_

**PREAMBLE**

**WHEREAS**, the Karegnondi Water Authority ("KWA") was created pursuant to Act 233 of the Michigan Public Acts of 1955, as amended;

**WHEREAS**, the Genesee County Drain Commissioner's Office – Division of Water & Waste Services, as County Agency, pursuant to 1939 PA 342 ("GCDC") executed a WATER PURCHASE CONTRACT with the KWA.

**WHEREAS**, Section 5.02 of the WATER PURCHASE CONTRACT provides for the KWA to establish a Water Transmission Fee to transmit the water from Lake Huron to the GCDC designated point of delivery set forth in Exhibit A of the WATER PURCHASE CONTRACT;

**WHEREAS**, the City of Flint executed a RAW WATER SUPPLY CONTRACT with the KWA;

**WHEREAS**, Section 5.02 of the RAW WATER SUPPLY CONTRACT provides for the KWA to establish a Water Transmission Fee to transmit the water from Lake Huron to the City of Flint designated point of delivery set forth in Exhibit A of the RAW WATER SUPPLY CONTRACT;

**WHEREAS**, the Water Transmission Fee is required to be in an amount sufficient to allow the KWA to cover all costs of transmitting water from Lake Huron to the various points of delivery, regardless of any fluctuation in the volume of water delivered; now,

**THEREFORE, BE IT RESOLVED THAT:** All of the matters stated in the recitals of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as though fully set forth in their entirety herein.

**NOW, THEREFORE, BE IT FURTHER RESOLVED THAT:** The Water Transmission Fee shall be reduced from \$3.50 per/1,000 cubic feet to \$3.00 per/1,000 cubic feet, or such other rate as determined by the KWA Board after October 1, 2020, until such time as it is revised by the KWA Board.

**Board Adoption**

The following resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

Roll Call Vote:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RESOLUTION 2020-02 DECLARED ADOPTED.**

\_\_\_\_\_  
Printed Name: Dale Kerbyson  
Its: Chairperson

\_\_\_\_\_  
Printed Name: Janis M. Wells  
Its: Secretary

STATE OF MICHIGAN                    }  
  } ss  
COUNTY OF GENESEE                }

I, Janis M. Wells, Deputy Secretary of the Karegnondi Water Authority Board, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Karegnondi Water Authority Board and Incorporating Board, acting in Lapeer County, at a meeting held on August 16, 2021, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Printed Name: Janis M. Wells  
Its: Secretary



**KAREGNONDI WATER AUTHORITY  
ACTING IN LAPEER COUNTY, MICHIGAN**

**RESOLUTION NO. 2021-03**

**A RESOLUTION ESTABLISHING REGULAR MEETING DATES  
OF THE KAREGNONDI WATER AUTHORITY**

At a meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 16, 2021, at 10 a.m., local time.

PRESENT: \_\_\_\_\_

\_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_  
and seconded by \_\_\_\_\_:

**PREAMBLE**

**WHEREAS**, Section 5(2) of Act 267 of the Michigan Public Acts of 1976, as amended, requires a public body to post within ten (10) days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.

**WHEREAS**, Section 4(b) of Act 267 of the Michigan Public Acts of 1976, as amended, requires public notices of a public body to be posed at the principal office and any other locations considered appropriate by the public body, including cable television.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

The regular meetings of the Karegnondi Water Authority Board shall be held on the following dates, times, and locations, set forth below:

- November 22, 2021 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI
- March 21, 2022 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI
- August 15, 2022 @ 10 a.m. - GCDC WTP, 4414 Stanley Rd., Columbiaville, MI

**NOW, THEREFORE, BE IT RESOLVED THAT:**

A meeting of the Karegnondi Water Authority Incorporating Board shall be held on:

- November 22, 2021 @ 10 a.m. – GCDC WTP, 4414 Stanley Rd., Columbiaville, MI

**NOW, THEREFORE, BE IT RESOLVED THAT:**

A public hearing on the 2022 Budget shall be held on:

- August 15, 2022 @ 10 a.m. – GCDC WTP, 4414 Stanley Rd., Columbiaville, MI

**NOW, THEREFORE, BE IT RESOLVED THAT:**

The Karegnondi Water Authority Board hereby directs the Chief Executive Officer with the assistance of the Secretary to ensure that a public notice stating the dates, times, and places of the Board's regular meetings is posted within ten (10) days of this first meeting of this Board.

**NOW, THEREFORE, BE IT FURTHER RESOLVED THAT:**

The Chief Executive Officer with assistance from the Secretary shall ensure that the notice of the dates, times, and places of the regular meetings of the Board are posted at the following locations:

1. G-4610 Beecher Road, Flint, Michigan 48532-2017
2. 4414 Stanley Rd., Columbiaville, MI 48421
3. 576 Liberty Park, Lapeer, Michigan 48446
4. 255 Clay Street, Lapeer, Michigan 48446
5. 60 West Sanilac Avenue, Sandusky, Michigan 48471
6. 1101 Beach Street, Harris Auditorium, Flint, Michigan 48502
7. 111 South Saginaw Street, Flint, Michigan 48502

**BOARD ADOPTION:**

The foregoing resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

**VOICE VOTE:**

**RESOLUTION 2021-03 DECLARED ADOPTED**

\_\_\_\_\_  
Dale Kerbyson, Chairman  
Karegnondi Water Authority

\_\_\_\_\_  
Janis M. Wells, Secretary  
Karegnondi Water Authority

STATE OF MICHIGAN     }  
                                      } ss:  
COUNTY OF GENESEE    }

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of Resolution 2021-03 adopted by the Karegnondi Water Authority Board, acting in Lapeer County, at a meeting held on August 16, 2021, 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 the \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Janis M. Wells, Secretary  
Karegnondi Water Authority



# Karegnondi Water Authority®

4610 Beecher Road • Flint, Michigan 48532-2617

Phone: 810.732.7870 • Fax: 810.732.9773

## MEMORANDUM

To: Jeff Wright, CEO

From: John F. O'Brien, PE, Deputy CEO *JFO*

Re: Construction Activity

Date: August 3, 2021

---

Find enclosed our financial spreadsheet for the KWA Construction Activity. The Construction Activity was established in 2014 for the construction of the system. Over the course of the project, \$261,464,250 of the bond proceeds were placed into the account as revenue.

The project is near completion. All construction is complete. Projects 4000, 4001, 4002, 4003, and 4004 are closed out. Projects 4005, 4006, and 4007 are complete but are in litigation with the Lapeer County Road Commission.

Currently construction costs are expected to be \$261,944,817 or \$480,565 above original deposit into the account.

We currently have \$34,082.52 in the account. We have additional obligations of \$514,650.49. These obligations are retainage owed to the contractors on closeout of the construction project. This liability is \$200,000.50 for contract 4005, \$313,649.99 for Contract 4006, and \$1,000.00 for Contract 4007.

We have enclosed a proposed resolution to cover the cost to close out the construction. The resolution would authorize the KWA CEO to move \$480,565 from Reserves to the Construction Activity. In simple terms, we are moving money from our savings account to our checkbook.

This project is just below \$262,000,000, along with GCDC's intake project, brings the total to approximately \$290,728,000. The project came in at 97% of the original authorization (below budget) and on time.

Should you have any questions, do not hesitate to let me know.

JFO/JMW

Attachments

cc: Dale Kerbyson, Chairman  
Karl Kramer, Deputy Treasurer



## KWA Total Cost Projections

	Final Contract or Projected Amount	Remaining Contract or Projected Amount
<b>2400-00 Interest Revenue &amp; 2400-05 Bond Issuance Costs:</b>		
<b>Total Miscellaneous Costs:</b>	<b>\$2,606,230.74</b>	<b>\$0.00</b>
<b>2400-60-600 Miscellaneous:</b>		
<b>Total Miscellaneous Costs:</b>	<b>\$149,864.33</b>	<b>\$0.00</b>
<b>2400-61-610 Program Management:</b>		
<b>Total Program Management Costs:</b>	<b>\$17,934,439.86</b>	<b>\$0.00</b>
<b>2400-63-630 Pipelines - General:</b>		
<b>Total Pipeline - General Costs:</b>	<b>\$1,384,703.08</b>	<b>\$0.00</b>
<b>2400-63-631 Pipelines - S.4002 LHPS to Bricker Rd (66"):</b>		
<b>Total S.4002 LHPS to Bricker Rd Pipeline Costs:</b>	<b>\$34,279,731.83</b>	<b>\$0.00</b>
<b>2400-63-632 Pipelines - S.4003 Bricker Rd to IPS (66"):</b>		
<b>Total S.4003 Bricker Rd to IPS Pipeline Costs:</b>	<b>\$37,134,305.90</b>	<b>\$0.00</b>
<b>2400-63-633 Pipelines - S.4005 IPS to Jefferson Rd:</b>		
<b>Total S.4005 IPS to Jefferson Rd Pipeline Costs:</b>	<b>\$44,019,292.44</b>	<b>\$200,000.50</b>
<b>2400-63-634 Pipelines - S.4006 Jefferson Rd to WTP:</b>		
<b>Total S.4006 Jefferson Rd to WTP Pipeline Costs:</b>	<b>\$41,116,143.95</b>	<b>\$313,649.99</b>
<b>2400-63-635 Pipelines - S.4007 WTP to Flint TP:</b>		
<b>Total S.4007 WTP to Flint TP Pipeline Costs:</b>	<b>\$23,278,292.02</b>	<b>\$1,000.00</b>
<b>2400-63-636 Pipelines - S.5004 KWA 1 Mile 36" Raw WTP to 4007:</b>		
<b>Total S.5004 KWA Portion 1 Mile 36" Raw WTP to 4007 Costs:</b>	<b>\$3,346,002.62</b>	<b>\$0.00</b>
<b>2400-64-641 S.4001 Lake Huron Pump Station &amp; Wet Well:</b>		
<b>Total S.4001 Lake Huron Pump Station Costs:</b>	<b>\$23,160,556.34</b>	<b>\$0.00</b>
<b>2400-64-642 S.4004 Intermediate Pump Station:</b>		
<b>Total S.4004 Intermediate Pump Station Costs:</b>	<b>\$19,249,221.58</b>	<b>\$0.00</b>
<b>2400-64-643 S.5001 KWA West Side Pump Station at WTP:</b>		
<b>Total S.5001 KWA West Side Pump Station at WTP Costs:</b>	<b>\$14,000,000.00</b>	<b>\$0.00</b>
<b>2400-65-650 Telemetry:</b>		
<b>Total Miscellaneous Costs:</b>	<b>\$286,030.04</b>	<b>\$0.00</b>
<b>Total KWA Costs (excludes the Intake):</b>	<b>\$261,944,814.73</b>	<b>\$514,650.49</b>
<b>S.4000 Intake:</b>		
<b>Total Intake Costs:</b>	<b>\$28,783,812.18</b>	<b>\$0.00</b>
<b>Total Project Costs including the Intake:</b>	<b>\$290,728,626.91</b>	<b>\$514,650.49</b>
<b>Total Project Costs including the Intake:</b>	<b>\$290,728,626.91</b>	
Less KWA Series 2018 Bond Proceeds	<b>(\$3,573,747.51)</b>	
Less KWA Series 2016 Bond Proceeds	<b>(\$62,536,900.18)</b>	
Less KWA Series 2014 Bond Proceeds	<b>(\$188,795,742.49)</b>	
Less GCDC 2013 Intake Bond Proceeds	<b>(\$35,341,671.76)</b>	
<b>= Estimated KWA Net Proceeds Still Required:</b>	<b>\$480,564.93</b>	

**KAREGNONDI WATER AUTHORITY  
ACTING IN LAPEER COUNTY, MICHIGAN**

**RESOLUTION NO. 2021-04**

**A RESOLUTION ADJUSTING THE 2020-2021 BUDGET  
FOR CONSTRUCTION ACTIVITY**

At a meeting of the Karegnondi Water Authority Board, acting in Lapeer County, Michigan, held on August 16, 2021, at 10:00 a.m., local time.

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_  
\_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_  
and seconded by \_\_\_\_\_:

**PREAMBLE**

**WHEREAS**, the Karegnondi Water Authority ("KWA") adopted a 2020-2021 Operations Fund budget; and

**WHEREAS**, there are two funds where money is allocated and expended, the Operations Fund and a Construction Fund; and

**WHEREAS**, the Operations Fund has a positive fund balance; and

**WHEREAS**, the Construction Fund has a balance of \$34,085.52, and KWA owes it contractors \$514,650.49 in current obligations owed to contractors for necessary expenses, which results in the Construction Fund having a net negative balance of \$480,574.97; and

**WHEREAS**, the KWA staff is recommending that the KWA Board approve a transfer from the Operations Fund (currently with a balance of \$10.9 million) to the Construction Fund in the amount of \$486,565 to balance the Construction Fund and allow KWA to pay its contractors for necessary business expenses incurred; and

**NOW, THEREFORE, BE IT RESOLVED THAT:**

The KWA Board hereby authorizes the following Operations Fund budget adjustment to the 2020-2021 fiscal year budget, and the allocation of these same funds to the Construction Fund:

The transfer of \$480,565.00 from the Operations Fund to the Construction Fund, with a corresponding debit to 1000-13-999 Transfer Out and a credit to 2400-13-699 Transfer In. This will result in a \$480,565.00 decrease in 1000-395 Unrestricted Net Position, and a corresponding increase to 2400-395 Unrestricted Net Position.

Roll Call Vote:

\_\_\_\_\_  
\_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

\_\_\_\_\_  
Printed Name: Dale Kerbyson  
Its: Chairperson

\_\_\_\_\_  
Printed Name: Janis M. Wells  
Its: Secretary



STATE OF MICHIGAN    }  
                                      } ss  
COUNTY OF GENESEE }

I, Janis M. Wells, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of a resolution adopted by the Karegnondi Water Authority Board, acting in Lapeer County, at a meeting held on August 16, 2021, 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 August 16, 2021.

---

Printed Name: Janis M. Wells  
Its: Secretary