



Kalamazoo Lake Sewer & Water Authority
Workshop Commission Meeting
Wednesday, December 3, 2025, at 5:00 p.m.
KLSWA Offices
6449 Old Allegan Rd, Saugatuck, MI 49453

- 1) Call to Order**
- 2) Roll Call**
- 3) Approval of Agenda**
- 4) Public Comments**

The Commission requests that speakers respect the three-minute time limit for individual comments and the five-minute time limit for an individual speaking on behalf of a group. This is not a question-and-answer session, it is an opportunity to voice your thoughts with the Authority Commission.

5) Consent Agenda

Consent Agendas are considered routine by the Commission and will be enacted by one motion. There will be no separate discussion of these items. If discussion of an item is required, it will be removed from the consent agenda and considered separately.

1. Approval of Minutes

- a) November 17th, Regular Meeting Minutes

6) New Business

1. Authority Structure

7) Old Business

1. By Laws Review

8) Adjourn



**Kalamazoo Lake Sewer & Water Authority
Regular Commission Meeting
Monday, November 17, 2025 at 10:00 A.M.
KLSWA Office
Meeting held in person**

- 1) **Call to Order:** 9:59am

- 2) **Roll Call:**
Present: DeFranco, Ludwick, Freeman, Clark, Johnson
Absent: none
Also Present: Interim Manager Fink, Secretary Vink

- 3) **Approval of Agenda**
A Motion was made by Johnson to approve the agenda as amended. Supported by DeFranco.
Discussion: addition of item 10 to portray commissioner comments
Motion carried unanimously via voice vote.

- 4) **Public Comment:** None
The Board requests that speakers respect the three-minute time limit for individual comments and the five-minute limit for those speaking on behalf of a group. This is not a question-and-answer session, but an opportunity to share your thoughts with the Board.

- 5) **Consent Agenda**
Consent agendas are considered routine by the Board and will be enacted with a single motion. There will be no separate discussion of these items. If discussion is needed on any item, it will be removed from the consent agenda and considered separately.
A Motion was made by Ludwick to approve the consent agenda as presented. Supported by DeFranco.
Discussion: None.
Motion carried unanimously via voice vote.

- 6) **Reports**
 - a) **Manager Report**

- 7) **New Business**
 - a) **By Laws Review**
A Motion was made by Johnson to table bylaw reviews for next workshop on 12/3/2025 at 5:00pm.
Supported by Ludwick.
Discussion: None.
Motion carried unanimously via voice vote.
 - b) **Credit Card Policy**



A Motion was made by DeFranco to adopt resolution 2025-01. Supported by Ludwick.

Discussion: None.

Motion carried unanimously via roll call vote.

c) Bendzinski and Company engagement

A Motion was made by Ludwick to approve 10/31/2025 contract. Supported by Freeman.

Discussion:

Motion carried unanimously via voice vote.

8) Closed Session

9) Old Business

None

10) Commissioner Comments

None

11.) Adjourn:

A motion was made by Ludwick to adjourn. Supported by Freeman.

Discussion:

Motion carried unanimously via voice vote.

Meeting Schedule – The next regular meeting, held on the third Monday of each month, is scheduled for December 15, 2025 at 10:00 A.M.

KALAMAZOO LAKE SEWER AND WATER AUTHORITY

AUTHORITY COMMISSION

BYLAWS AND RULES OF PROCEDURE

Section 1. Authority.

These Bylaws and Rules of Procedure (the “Bylaws”) are adopted in accordance with Act 233, Public Acts of Michigan, 1955, as amended (“Act 233”), and the Amended and Restated Articles of Incorporation of the Kalamazoo Lake Sewer and Water Authority (the “Authority”) for the Authority’s Commission (the “Commission”).

Section 2. Commissioners.

(a) **Membership and Appointment.** Authority Commissioners shall be appointed to and serve on the Commission in accordance with the Authority’s Articles of Incorporation. Terms of office for Commissioners shall be as provided in the Authority’s Articles of Incorporation

(b) **Bylaws and Rules.** Commissioners shall comply with these Bylaws.

(c) **Attendance.** Commissioners shall attend regular and special meetings of the Authority Commission. If any Commissioner is unable to attend a regular or special meeting, the Commission shall attempt to notify the Commission’s Chairperson prior to the meeting.

(d) **Participation.** Commissioners shall give their best efforts toward participation at Commission meetings. Commissioners are expected to review any written materials submitted to the Commissioners prior to a meeting and to be prepared for each meeting.

Section 3. Duties and Responsibilities.

The members of the Authority Commission shall have the following principal duties and responsibilities, among others:

(a) To administer and manage the sewage disposal and water supply systems currently existing or hereinafter established in the Constituent Municipalities (collectively, the “System”) in accordance with contractual agreements between the Authority, the Constituent municipalities and applicable non-constituent municipalities including the County of Allegan.

(b) To exercise the duties of a fiduciary toward the Authority and 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.

(c) To review, revise and set rates, charges and fees necessary for the support of the annual budget and operations of the Authority, including rates, charges and fees necessary to make necessary repairs, improvements, and extensions to the System.

(d) To review and approve necessary contracts for the proper operation of the Authority in accordance with Act 233, the Articles and any policies adopted by the Commission.

(e) To adopt rules and regulations for proper operation and management of the System in accordance with Act 233.

(f) To carry out other duties and responsibilities provided by law including, but not limited to, Act 233.

Section 4. Conflicts of Interest.

(a) If a Commissioner has a personal interest, whether direct or indirect, in any matter before the Authority that constitutes a potential conflict of interest, the Commissioner shall disclose the potential conflict of interest to other Authority members prior to the Authority Commission taking any action regarding the matter and the disclosure shall become part of the official record of the meeting.

(b) Subject to the relevant provisions of State law, the Authority shall develop policies and procedures with the objective of precluding the opportunity for the occurrence of transactions by the Authority that would create a conflict of interest involving Commissioners and Authority officers and employees. At a minimum, the Authority shall require compliance by each member of the Authority Commission, its officers, and/or employees who regularly exercise discretion over the award and management of Authority contracts, contractors, purchases or projects with the following:

(1) Immediate disclosure of the existence and nature of any business or financial interest of an individual or immediate family member, a family member's involvement in an application or request before the Commission or a business or financial interest in the outcome of a matter at issue or a financial interest in the company, association or entity of an applicant that would reasonably be expected to create a conflict of interest.

(2) Withdrawal by any member of the Authority Commission, Officers and/or employees from participation in or discussion or evaluation of any recommendation, or decision involving an Authority contract, purchase or project that would reasonably be expected to create a conflict of interest for that individual.

(c) In the case of an apparent conflict of interest, the Authority Commission may by majority vote of those present and voting declare a conflict of interest on the part of a Commission member. The member who has the apparent conflict shall not vote on the question of whether to declare a conflict of interest. If the vote of the voting Commission members results in a declaration of a conflict of interest, the member having the conflict shall not participate in or vote upon the matter at issue.

If a Commission member believes that there may be an appearance of a conflict of interest, the member shall state the nature of the possible conflict to the other members of the Commission, and shall also state whether he or she believes that he or she can nevertheless impartially consider and vote upon the application or request before the Commission. The other members of the Commission may then determine, by affirmative majority vote of those present and voting, whether a conflict of interest exists; if the Commission members thus determine that there is a conflict, the members shall not participate in or vote upon the matter at issue.

(d) If a Commission member has disclosed a conflict of interest, or if the Commission has determined by majority vote that a member has a conflict of interest, the Commission member shall depart from the table and shall not participate in any way in the matter.

Section 5. Removal.

A member of the Authority Commission may be removed from office in accordance with the Authority's Articles of Incorporation.

Section 6. Officers.

(a) **Officers of the Authority Commission.** The officers of the Commission shall be the Chairperson, the Vice-Chairperson and the Secretary-Treasurer. The officers shall be elected by affirmative majority vote of the Commission members present and voting. The Commission may by majority vote establish other officers in its discretion.

(b) **Term and Election.** The term of office of each officer shall be one year and until the officer's successor is elected and qualifies. Officers shall be elected at the first meeting of the calendar year or at the earliest convenient meeting thereafter.

(c) **Chairperson.** The Chairperson shall preside at meetings of the Commission (the "Presiding Officer") and shall speak and vote at such meetings as any other Commissioner. The Chairperson shall nominate persons to serve on committees or advisory committees, subject to confirmation by majority vote of the Commission members present and voting. Unless otherwise provided by law or the Authority's Articles of Incorporation, the Chairperson shall not have any executive or administrative functions other than as a member of the Commission.

(d) **Vice-Chairperson.** The Vice-Chairperson serve as the Presiding Officer at meetings of the Commission in the absence of the Chairperson. If for any reason the Chairperson is unable to discharge the duties of the office, the duties of the Chairperson shall be carried out by the Vice-Chairperson for the period during which the Chairperson is unable to discharge such duties. If the office of Chairperson becomes vacant, the Vice-Chairperson shall serve in that capacity until a new Chairperson is elected.

(e) **Secretary-Treasurer.** The Secretary-Treasurer shall keep an accurate record of the minutes of the proceedings of all Commission meetings and sign the minutes, after the minutes are approved by the Commission.

(f) **Recording Secretary.** The Commission may employ and appoint a Recording Secretary for the purpose of taking minutes of the Commission's regular and special meetings. In the absence of a Recording Secretary, the Secretary-Treasurer shall prepare such meeting minutes.

Section 7. Commission Meetings.

(a) **Schedule of Meetings.** Regular meetings of the Commission shall be held at least quarterly on a day and at a time to be determined by the Commission at its first meeting of the Authority's fiscal year.

(b) **Special Meetings.** A special meeting may be called by the Chair or any two (2) Commissioners by serving written notice of the time, place and purpose thereof upon each Commissioner personally, or by leaving it at a Commissioner's place of residence, at least eighteen (18) hours prior to the time of such meeting. Special meetings of the Commission at which all members are present or of which all absent members receive notice shall be deemed to be valid even though no written notice thereof may be given as above specified.

(c) **Meetings to be Public.** All meetings of the Commission shall be public meetings, held in compliance with the provisions of the Michigan's Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended (the "Open Meetings Act").

(d) **Notices.** Notices of all Commission meetings and public hearings shall be prepared and posted in compliance with the applicable provisions of the Open Meetings Act.

(e) **Quorum.** A quorum for the conduct of business shall consist of at least a majority of the members of the Commission. If a quorum is not present, no official action may be taken, though the Commissioners present may discuss relevant Authority matters if they desire to do so. The Commission shall act by motion, resolution or ordinance. A vote of a majority of a quorum shall be required for passage of any Commission action, unless a greater vote is required by law or these Bylaws.

(f) **Remote Attendance.**

(1) Commission members may be connected by means of a two-way communication device for the purpose of participating in any regular or special Commission meeting provided a quorum is physically present at the posted meeting place and the communication equipment allows everyone participating in the meeting to hear each other. All votes taken during the meeting shall be by roll call. Remote participation shall not be considered attendance for the purpose of establishing a quorum, receiving per diem, or for voting purposes. Such participation shall be approved in advance by the Chairperson and generally should be limited to avoid disruption to Commission business.

(2) Notwithstanding the provisions of Section 7(f)(1) above, in the event the President, Governor or County Emergency Management Coordinator (acting pursuant to the Emergency Management Act, Act 390 of the Public Acts of Michigan of 1976, as amended, or its successor or similar statute) has declared a state of emergency or disaster and it is not possible for the Commission to meet at a physical location, the Commission may conduct regular or special meetings by means of a two-way communication device without the physical presence of any members

of the Commission, so long as the communication equipment allows everyone participating in the meeting, including members of the public participating remotely, to hear each other and the remote meeting is conducted in accordance with the Open Meetings Act. All votes taken during the meeting shall be by roll call.

(g) **Closed Sessions.** The Authority Commission may meet in closed session only for the purposes specified in Section 8 of the Open Meetings Act.

(h) **Agenda.** A written agenda shall be prepared for each regular or special meeting. The order of business shall generally be as follows:

- (1) Call to order
- (2) Roll call
- (3) Review and approval of minutes of previous meeting
- (4) Review and approval of agenda for current meeting
- (5) Pay bills
- (6) Public comment
- (7) Authority Administrator's Report
- (8) Old business
- (9) New business
- (10) Adjournment

The Commission may use a "Consent Agenda" for more routine agenda items. The Commission Chairperson, in consultation with the Authority Administrator, shall determine which routine items (e.g., meeting minutes, payment of routine invoices, reports, etc.) should be included on the Consent Agenda. Any Commissioner may remove an item from the Consent Agenda up to Approval of the Agenda during the Commission meeting.

A Commissioner shall make a motion to approve the Consent Agenda and identify the items on the Consent Agenda to be approved. Those items which are not announced by the Commissioner Trustee and not included in the motion shall be considered separately under "New Business."

There shall be no discussion of any item on the Consent Agenda. If a request for discussion or a question is raised concerning a Consent Agenda item before the vote, that item shall be removed from the Consent Agenda and voted on separately.

A roll call vote shall be taken on the motion to approve the Consent Agenda.

(i) **Inclusion of Matters in Agenda.**

(1) The Authority Administrator shall be responsible for preparing and distributing the Commission's agenda for any regular or special meeting. Items to be included on the Commission's printed agenda shall be provided to the Administrator not less than five days prior to the date of the Commission meeting. Items not provided within that time frame may be added to a meeting agenda by vote of the Commission at the meeting.

(2) A written agenda for each meeting, together with any supporting materials and other information, shall be delivered to the residence of each Commissioner (and electronically if so requested), at least eighteen (18) hours in advance of each regularly scheduled or special meeting.

(j) **Rules of Order.** All meetings of the Commission shall be conducted in accordance with these Bylaws. The latest edition of Robert's Rules of Order may be consulted and used as a guide for the Commission in cases to which they may be deemed applicable, provided they are not in conflict with these Bylaws, Commission ordinances or applicable State statutes.

(1) The Presiding Officer shall preserve order and decorum and may speak to points or order in preference to other Commission Members. The Presiding Officer shall decide all parliamentary questions arising during a Commission meeting, subject to appeal and reversal by a majority of the Commission Members present.

(2) Any Commission Member may appeal the ruling of the Presiding Officer to the Commission. If the appeal is seconded, the Commission member making the appeal may briefly state the reason for the appeal and the Presiding Officer may briefly state the ruling. There shall be no debate on the appeal, and no other Commission Member shall participate in the discussion. The question shall be: "whether to sustain the decision of the Presiding Officer?" The decision of the Presiding Officer be sustained if the majority of the Commission Members present vote "yea" on the question, the ruling of the Presiding Officer is sustained; if the majority votes "no," the Presiding Officer's decision is overruled.

(3) During Commission discussion and debate, no Commission Member shall speak until recognized for that purpose by the Presiding Officer. After such recognition, the Commission Member shall confine discussion to the question at hand and to its merits and shall not be interrupted except by a point of order or privilege raised by another Commission Member. Speakers should address their remarks to the Presiding Officer, maintain a courteous tone and avoid interjecting a personal note into the debate. The Presiding Officer, at his or her discretion and subject to the appeal process mentioned herein, may permit any person to address the Commission during its deliberations.

(k) **Voting.**

(1) Appointment to a deliberative body carries with it the obligation to vote. Commissioners present at a Commission meeting shall vote on every matter before the Commission, unless otherwise excused by a majority of the Members present based on a determination of a conflict of interest (in accordance with Section 4 of these Bylaws) or if prohibited from voting by law. A vote may be tabled by a majority vote of a quorum of the Commission, if necessary, to

obtain the opinion of the Commission Attorney, to provide time to gather additional input or information on the matter, or other similar reason.

(2) A Commission Member who is present and abstains or does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise excused or prohibited by law from voting.

(3) The right to vote is limited to Members physically present at the time the vote is taken, unless remote participation is permitted by law and these Bylaws.

(4) Voting shall ordinarily be by voice vote; provided, however, that a roll call vote shall be taken if called for by the Chairperson, if requested by any member, or if required by law.

(5) When a roll call vote is taken the names of the Commission Members voting and their vote shall be entered into the minutes as such, provided, however, that where the vote is unanimous, it shall only be necessary to so state in the minutes. In all roll call votes the names of the Commission Members shall be called in the following order:

- i. The Commissioner who made the motion.
- ii. The Commissioner who seconded the motion.
- iii. All other Commissioners in any order.

(6) Except as otherwise stated in this Section or provided by law, an affirmative vote of a majority of the Authority Commission members present and voting shall be required for the approval of any motion, resolution or other action or decision.

(7) **Results of Voting.** In all cases where a vote is taken, the Presiding Officer shall declare the result. It shall be in order for any Commissioner voting in the majority to move for reconsideration of the vote on any question at the meeting or at the next succeeding meeting of the Commission. When a motion to reconsider fails, it cannot be renewed.

Section 8. Conduct at Commission Meetings.

(a) Each member of the public desiring to address the Authority Commission during the public comment period on the Authority agenda shall be given an opportunity to speak for a period not to exceed three (3) minutes, unless otherwise extended by the Commission. All written statements should be given to the Secretary-Treasurer or Administrator prior to the commencement of the meeting. All written statements and documents presented to the Authority Commission by an individual are considered public documents and shall be retained in the public record of the meeting.

(b) Members of the public wishing to address the Authority Commission shall first be recognized by the Chairperson, and each person who speaks shall address the entire Commission.

(c) **Disorderly Conduct at Meetings.** Individuals addressing the Authority Commission should take into consideration the rules of common courtesy. The public comment portion of the meeting cannot be used to make personal attacks against Authority Commissioners or Authority officers, employees, or volunteers. If the comments constitute a complaint or charge brought against an Authority officer, employee, or volunteer, that individual has the right to request a closed session. The Chairperson may call to order any person who is being disorderly by speaking or otherwise disrupting the meeting (e.g., failing to be germane, speaking longer than the allotted time, yelling or shouting). Such person shall thereupon be seated until the Chairperson determines whether the person is in order. If a person is called out of order, he or she shall not be permitted to continue to speak at the same meeting, except by a majority vote of the Authority Commissioners' members present. If the person continues to be disorderly to the extent that the Authority Commission cannot continue to conduct business, the Chairperson shall consider the person to be in breach of the peace and may request the assistance of a law enforcement officer to remove the person from the meeting. The Authority Commission shall have the right to adjourn the meeting if it is interrupted due to the disorderly conduct of any person. No person shall be removed from a public meeting, except for an actual breach of the peace committed at the meeting.

Section 9. Minutes.

(a) Minutes of Commission meetings shall be prepared by the Secretary-Treasurer and, after approval, shall be signed by the Secretary-Treasurer. The Commission may engage a person other than a member of the Commission and other than the Secretary-Treasurer to act as a recording secretary for the Commission, in which case the minutes shall be signed by both the recording secretary and the Secretary-Treasurer.

(b) The minutes shall contain a brief synopsis of the meeting, including a statement of all motions, who moved and who seconded, the reasons given (if stated), and the outcome, with voice and roll call votes, as the case may be, recorded. If all Commissioners vote "yes" or "no," the minutes may then reflect that the motion was carried or defeated by a unanimous vote. The minutes shall list the Commission members in attendance and those who are absent.

(c) Tentative minutes shall be available for public examination in the Authority office not more than eight days after the meeting. Approved minutes shall be available for public examination in the Authority office not more than five days after the meeting at which they are approved.

(d) The Secretary-Treasurer or other authorized Authority employee shall maintain copies of all minutes at the Authority office. Approved meeting minutes shall serve as the official record of Commission meetings.

Section 10. Administrator.

(a) The Commission shall appoint and fix the compensation of an Administrator for the Authority, who shall serve at the pleasure of the Commission.

(b) The Administrator shall supervise and be responsible for the day-to-day operation of the Authority, including: the control, supervision, management, and oversight of the System; the issuance of bonds, notes and other evidence of indebtedness approved by the Commission; the

negotiation and establishment of compensation and other terms and conditions of employment for any employees of the Authority; the negotiation, supervision, and enforcement of contracts entered into by the Authority and approved by the Commission; and the supervision of contractors of the Authority in the performance of their duties. The Commission may delegate to the Administrator of the Authority the power and responsibility to execute and deliver, and sign for, contracts, leases, obligations, and other instruments as have been approved by the Commission.

(c) The Administrator of the Authority 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 Commission. All actions of the Administrator shall be in accordance with policies adopted by the Commission and in compliance with applicable law.

Section 11. Immunity and Indemnification.

(a) A Commissioner or an officer, appointee, or employee of the Authority 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 Authority. Unless otherwise specified by contract or other written document, the Authority shall indemnify and defend or may procure insurance indemnifying and/or providing for the defense of Authority officers, appointees, employees, and Commissioners 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 Authority, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations of the Authority or by reason of any other action taken or the failure to act by the Authority.

(b) The indemnity and defense described in subsection (a), above, shall continue as to an individual who has ceased to be a Commissioner or an officer, appointee, or employee of the Authority and shall inure to the benefit of such indemnitee's heirs, executors and administrators.

(c) Unless otherwise waived as a part of a written contract or agreement, the right to indemnification conferred under this Section 11 shall be a contract right.

Section 12. Amendments.

(a) These Bylaws may be amended by concurring vote of a majority of the Commission members present at a public meeting.

(b) If an amendment to these Bylaws is proposed, it shall be submitted in writing by mail or personal delivery to all members of the Commission at least five days before the meeting at which the amendment is to be introduced.

THESE BYLAWS AND RULES OF PROCEDURE WERE ADOPTED BY THE AUTHORITY COMMISSION ON _____, 2025.

Secretary-Treasurer

KALAMAZOO LAKE SEWER AND WATER AUTHORITY

AUTHORITY COMMISSION

BYLAWS AND RULES OF PROCEDURE

Section 1. Authority.

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(b) **Bylaws and Rules.** Commissioners shall comply with these Bylaws.

(c) **Attendance.** Commissioners shall attend regular and special meetings of the Authority Commission. If any Commissioner is unable to attend a regular or special meeting, the Commission shall attempt to notify the Commission’s ~~Secretary-Treasurer~~Chairperson prior to the meeting.

(d) **Participation.** Commissioners shall give their best efforts toward participation at Commission meetings. Commissioners are expected to review any written materials submitted to the Commissioners prior to a meeting and to be prepared for each meeting.

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(2) Withdrawal by any member of the Authority Commission, Officers and/or employees from participation in or discussion or evaluation of any recommendation, or decision involving an Authority contract, purchase or project that would reasonably be expected to create a conflict of interest for that individual.

(c) In the case of an apparent conflict of interest, the Authority Commission may by majority vote of those present and voting declare a conflict of interest on the part of a Commission

member. The member who has the apparent conflict shall not vote on the question of whether to declare a conflict of interest. If the vote of the voting Commission members results in a declaration of a conflict of interest, the member having the conflict shall not participate in or vote upon the matter at issue.

If a Commission member believes that there may be an appearance of a conflict of interest, the member shall state the nature of the possible conflict to the other members of the Commission, and shall also state whether he or she believes that he or she can nevertheless impartially consider and vote upon the application or request before the Commission. The other members of the Commission may then determine, by affirmative majority vote of those present and voting, whether a conflict of interest exists; if the Commission members thus determine that there is a conflict, the members shall not participate in or vote upon the matter at issue.

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(d) **Vice-Chairperson.** The Vice-Chairperson ~~shall preside~~serve as the Presiding Officer at meetings of the Commission in the absence of the Chairperson. If for any reason the Chairperson is unable to discharge the duties of the office, the duties of the Chairperson shall be carried out by the Vice-Chairperson for the period during which the Chairperson is unable to discharge such duties. If the office of Chairperson becomes vacant, the Vice-Chairperson shall serve in that capacity until a new Chairperson is elected.

(e) **Secretary-Treasurer.** The Secretary-Treasurer shall keep an accurate record of the minutes of the proceedings of all Commission meetings and sign the minutes, after the minutes are approved by the Commission. ~~In the absence of the Secretary-Treasurer at any meeting, the Commission may designate a “secretary pro tempore,” who shall record the proceedings of such meeting.~~

(f) **Recording Secretary.** The Commission may employ and appoint a Recording Secretary for the purpose of taking minutes of the Commission’s regular and special meetings. In the absence of a Recording Secretary, the Secretary-Treasurer shall prepare such meeting minutes.

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(e) **Quorum.** A quorum for the ~~conducting~~conduct of business shall consist of at least a majority of the members of the Commission. If a quorum is not present, no official action may be taken, though the Commissioners present may discuss relevant Authority matters if they desire to do so. The Commission shall act by motion, resolution or ordinance. A vote of a majority of a quorum shall be required for passage of any Commission action~~;~~ , unless a greater vote is required by law or these Bylaws.

(f) **Remote Attendance.**

(1) Commission members may be connected by means of a two-way communication device for the purpose of participating in any regular or special Commission meeting provided a quorum is physically present at the posted meeting place and the communication equipment allows everyone participating in the meeting to hear each other. All votes taken during the meeting shall be by roll call. Remote participation shall not be considered attendance for the purpose of establishing a quorum ~~or,~~ receiving per diem, or for voting purposes. Such participation shall be approved in advance by the Chairperson and generally should be

limited to ~~no more than two (2) consecutive meetings or a total of three (3) meeting in any calendar year.~~ avoid disruption to Commission business.

(2) Notwithstanding the provisions of Section 7(f)(1) above, in the event the President, Governor or County Emergency Management Coordinator (acting pursuant to the Emergency Management Act, Act 390 of the Public Acts of Michigan of 1976, as amended, or its successor or similar statute) has declared a state of emergency or disaster and it is not possible for the Commission to meet at a physical location, the Commission may conduct regular or special meetings by means of a two-way communication device without the physical presence of any members of the Commission, so long as the communication equipment allows everyone participating in the meeting, including members of the public participating remotely, to hear each other: and the remote meeting is conducted in accordance with the Open Meetings Act. All votes taken during the meeting shall be by roll call. ~~The Commission shall ensure that such electronic meeting is otherwise held in accordance with the Open Meetings Act.~~

(g) **Closed Sessions.** The Authority Commission may meet in closed session only for the purposes specified in Section 8 of the Open Meetings Act.

(h) **Agenda.** A written agenda shall be prepared for each regular or special meeting. The order of business shall generally be as follows:

- (1) Call to order
- (2) Roll call
- (3) Review and approval of minutes of previous meeting
- (4) Review and approval of agenda for current meeting
- (5) Pay bills
- (6) Public comment
- (7) ~~Manager's~~ Authority Administrator's Report
- (8) Old business
- (9) New business
- (10) Adjournment

The Commission may use a "Consent Agenda" for more routine agenda items. The Commission Chairperson, in consultation with the Authority Administrator, shall determine which routine items (e.g., meeting minutes, payment of routine invoices, reports, etc.) should be included on the Consent Agenda. Any Commissioner may remove an item from the Consent Agenda up to Approval of the Agenda during the Commission meeting.

A Commissioner shall make a motion to approve the Consent Agenda and identify the items on the Consent Agenda to be approved. Those items which are not announced by the Commissioner Trustee and not included in the motion shall be considered separately under “New Business.”

There shall be no discussion of any item on the Consent Agenda. If a request for discussion or a question is raised concerning a Consent Agenda item before the vote, that item shall be removed from the Consent Agenda and voted on separately.

A roll call vote shall be taken on the motion to approve the Consent Agenda.

(i) **Inclusion of Matters in Agenda.**

(1) The ~~Manager~~Authority Administrator shall be responsible for preparing and distributing the Commission’s agenda for any regular or special meeting. Items to be included on the Commission’s printed agenda shall be provided to the ~~Manager~~Administrator not less than ~~one week~~five days prior to the date of the Commission meeting. Items not provided within that time frame may be added to a meeting agenda by vote of the Commission at the meeting.

(2) A written agenda for each meeting, together with any supporting materials and other information, shall be delivered to the residence of each Commissioner (and electronically if so requested), at least eighteen (18) hours in advance of each regularly scheduled or special meeting.

(j) **Rules of Order.** All meetings of the Commission shall be conducted in accordance with these Bylaws. The latest edition of Robert's Rules of Order may be consulted and used as a guide for the Commission in cases to which they may be deemed applicable, provided they are not in conflict with these Bylaws, Commission ordinances or applicable State statutes.

(1) The Presiding Officer shall preserve order and decorum and may speak to points or order in preference to other Commission Members. The Presiding Officer shall decide all parliamentary questions arising during a Commission meeting, subject to appeal and reversal by a majority of the Commission Members present.

(2) Any Commission Member may appeal ~~at~~the ruling of the Presiding Officer to the Commission. If the appeal is seconded, the Commission member making the appeal may briefly state the reason for the appeal and the Presiding Officer may briefly state the ruling. There shall be no debate on the appeal, and no other Commission Member shall participate in the discussion. The question shall be: “whether to sustain the decision of the Presiding Officer.^{22?}” The decision of the Presiding Officer be sustained if the majority of the Commission Members present vote “yea” on the question, the ruling of the Presiding Officer is sustained; if the majority votes “no,” the Presiding Officer’s decision is overruled.

(3) During Commission discussion and debate, no Commission Member shall speak until recognized for that purpose by the Presiding Officer. After such recognition, the Commission Member shall confine discussion to the question at hand and to its merits and shall not be interrupted except by a point of order or privilege raised by another Commission Member.

Speakers should address their remarks to the Presiding Officer, maintain a courteous tone and avoid interjecting a personal note into the debate. The Presiding Officer, at his or her discretion and subject to the appeal process mentioned herein, may permit any person to address the Commission during its deliberations.

(k) **Voting.**

(1) Appointment to a deliberative body carries with it the obligation to vote. Commissioners present at a Commission meeting shall vote on every matter before the ~~body~~Commission, unless otherwise excused by a majority of the Members present based on a determination of a conflict of interest (in accordance with Section 4 of these Bylaws) or if prohibited from voting by law. A vote may be tabled by a majority vote of a quorum of the Commission, if necessary, to obtain the opinion of the Commission Attorney, to provide time to gather additional input or information on the matter, or other similar reason.

(2) A Commission Member who is present and abstains or does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise excused or prohibited by law from voting.

(3) The right to vote is limited to Members physically ~~or electronically~~ present at the time the vote is taken, unless remote participation is permitted by law and these Bylaws.

(4) Voting shall ordinarily be by voice vote; provided, however, that a roll call vote shall be taken if called for by the Chairperson, if requested by any member, or if required by law.

(5) When a roll call vote is taken the names of the Commission Members voting and their vote shall be entered into the minutes as such, provided, however, that where the vote is unanimous, it shall only be necessary to so state in the minutes. In all roll call votes the names of the Commission Members shall be called in the following order:

- i. The Commissioner who made the motion.
- ii. The Commissioner who seconded the motion.
- iii. All other Commissioners in any order.

(6) Except as otherwise stated in this Section or provided by law, an affirmative vote of a majority of the Authority Commission members present and voting shall be required for the approval of any motion, resolution or other action or decision.

(7) **Results of Voting.** In all cases where a vote is taken, the Presiding Officer shall declare the result. It shall be in order for any Commissioner voting in the majority to move for reconsideration of the vote on any question at the meeting or at the next succeeding meeting of the Commission. When a motion to reconsider fails, it cannot be renewed.

Section 8. Conduct at Commission Meetings.

(a) Each member of the public desiring to address the Authority Commission during the public comment period on the Authority agenda shall be given an opportunity to speak for a period not to exceed three (3) minutes, unless otherwise extended by the Commission. All written statements should be given to the Secretary-Treasurer or ~~Manager~~Administrator prior to the commencement of the meeting. All written statements and documents presented to the Authority Commission by an individual are considered public documents and shall be retained in the public record of the meeting.

(b) Members of the public wishing to address the Authority Commission shall first be recognized by the Chairperson, and each person who speaks shall address the entire Commission.

(c) **Disorderly Conduct at Meetings.** Individuals addressing the Authority Commission should take into consideration the rules of common courtesy. The public comment portion of the meeting cannot be used to make personal attacks against Authority Commissioners or Authority officers, employees, or volunteers. If the comments constitute a complaint or charge brought against an Authority officer, employee, or volunteer, that individual has the right to request a closed session. The Chairperson may call to order any person who is being disorderly by speaking or otherwise disrupting the meeting, (e.g., failing to be germane, speaking longer than the allotted time, yelling, or shouting ~~or speaking vulgarities.~~). Such person shall thereupon be seated until the Chairperson determines whether the person is in order. If a person is called out of order, he or she shall not be permitted to continue to speak at the same meeting, except by a majority vote of the Authority ~~Commissioners~~Commissioners' members present. If the person continues to be disorderly to the extent that the Authority Commission cannot continue to conduct business, the Chairperson shall consider the person to be in breach of the peace and may request the assistance of a law enforcement officer to remove the person from the meeting. The Authority Commission shall have the right to adjourn the meeting if it is interrupted due to the disorderly conduct of any person. No person shall be removed from a public meeting, except for an actual breach of the peace committed at the meeting.

Section 9. Minutes.

(a) Minutes of Commission meetings shall be prepared by the Secretary-Treasurer and, after approval, shall be signed by the Secretary-Treasurer. The Commission may engage a person other than a member of the Commission and other than the Secretary-Treasurer to act as a recording secretary for the Commission, in which case the minutes shall be signed by both the recording secretary and the Secretary-Treasurer.

(b) The minutes shall contain a brief synopsis of the meeting, including a statement of all motions, who moved and who seconded, the reasons given (if stated), and the outcome, with voice and roll call votes, as the case may be, recorded. If all Commissioners vote "yes" or "no," the minutes may then reflect that the motion was carried or defeated by a unanimous vote. The minutes shall list the Commission members in attendance and those who are absent.

(c) Tentative minutes shall be available for public examination in the Authority office not more than eight days after the meeting. Approved minutes shall be available for public examination in the Authority office not more than five days after the meeting at which they are approved.

(d) The Secretary-Treasurer or other authorized Authority employee shall maintain copies of all minutes at the Authority office. Approved meeting minutes shall serve as the official record of Commission meetings.

Section 10. ~~Manager~~Administrator.

(a) The Commission shall appoint and fix the compensation of a ~~Manager~~Administrator for the Authority, who shall serve at the pleasure of the Commission.

(b) The ~~Manager~~Administrator shall supervise and be responsible for the day-to-day operation of the Authority, including: the control, supervision, management, and oversight of the System; the issuance of bonds, notes and other evidence of indebtedness approved by the Commission; the negotiation and establishment of compensation and other terms and conditions of employment for any employees of the Authority; the negotiation, supervision, and enforcement of contracts entered into by the Authority and approved by the Commission; and the supervision of contractors of the Authority in the performance of their duties. The Commission may delegate to the ~~Manager~~Administrator of the Authority the power and responsibility to execute and deliver, and sign for, contracts, leases, obligations, and other instruments as have been approved by the Commission.

(c) The ~~Manager~~Administrator of the Authority 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 Commission. All actions of the ~~Manager~~Administrator shall be in accordance with policies adopted by the Commission and in compliance with applicable law.

Section 11. Immunity and Indemnification.

(a) A Commissioner or an officer, appointee, or employee of the Authority 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 Authority. Unless otherwise specified by contract or other written document, the Authority shall indemnify and defend or may procure insurance indemnifying and/or providing for the defense of Authority officers, appointees, employees, and Commissioners 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 Authority, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations of the Authority or by reason of any other action taken or the failure to act by the Authority.

(b) The indemnity and defense described in subsection (a), above, shall continue as to an individual who has ceased to be a Commissioner or an officer, appointee, or employee of the Authority and shall inure to the benefit of such indemnitee's heirs, executors and administrators.

(c) Unless otherwise waived as a part of a written contract or agreement, the right to indemnification conferred under this Section 11 shall be a contract right.

Section 12. Amendments.

(a) These Bylaws may be amended by concurring vote of a majority of the Commission members present at a public meeting.

(b) If an amendment to these Bylaws is proposed, it shall be submitted in writing by mail or personal delivery to all members of the Commission at least ~~three~~five days before the meeting at which the amendment is to be introduced.

THESE BYLAWS AND RULES OF PROCEDURE WERE ADOPTED BY THE AUTHORITY COMMISSION ON _____, ~~2020~~2025.

Secretary-Treasurer

Full Authority Approach

Should we move to a full authority approach where the Authority is responsible for

Any concerns related to using one engineering firm? Should Prein & Newhof/Fleis

Any concerns about the Authority Board controlling all decisions related to repla

Should we continue to have sewer capacity limits by community?

Should we create water capacity limits by community?

If we get rid of capacity limits, do you like the approach of taking a 3-year flow his

Should Saugatuck Township be reimbursed for the purchase of the future well si

Should there be an initial service area platted to say that the Authority Board has

Should service expansions outside of the platted service area be allowed? If so, i

Is there anything you can think of that the Authority Manager should not have cor

Is there anything you can think of that the Authority Board should not have contrc

Should Laketown Township be billed on a flow basis with no voting rights on the /

What should the Authority Board make up be in terms of number of respresentat

Who should be responsible for approving construction plans?

Who should be responsible for monitoring contractors for new connections?

Who should be responsible for the GIS mapping of the system? If a full authority

Replacement of Assets

Who should be responsible for planning, engineering and constructing **replacem**

Who should be responsible for paying for **replacements** of **local** assets?

Who should be responsible for planning, engineering and constructing **replacem**

Who should be responsible for paying for **replacements** of **shared** assets?

What happens if one community has a lot more **replacement** projects? Is that a

Should the Authority Board have full control on timing of **replacements**?

What happens if the **replacement** of an asset affects the tourist season?

What happens if the **replacement** of an asset affects the roads, sidewalks or oth

User Rates

If we move to a full authority, should all customers be charged the same user rat

One possibility to address the above is that the same user rates would be charge

cement of assets? Should we have a sunset period where the capital performed is only the

history at time of contract signing compared to future 3-year flow history to allocate system ex

full rights to expand the system within the service area? Any restrictions? Majority vote by /

ives by unit? If a seven member board, how should the seventh member be chosen?

method is chosen, should the Authority handle all aspects of GIS (communication with eng

es? Expand on whether your community thinks user rates should be the same now, same ir

rd to all customers for O,M,R and cash-funded replacements. Debt issued to pay for local a

projects as agreed upon (other than emergencies) so that your community doesn't see sign

Engineers, communication with contractors, communication with potential new connections,

in the future after a sunset period, never the same because of different capital costs, etc.

Assets or shared assets would be allocated to those customers only. Do you like this idea?

significant changes to the replacement schedule in the sunset period?

KLSWA

Water & Sewer Contract

Discussions

September 4, 2024

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A MICHIGAN FIRM, WORKING FOR MICHIGAN.

Definitions

- Commons Assets – “CA”
- Shared Assets – “SA”
- Local Assets – “LA”
- Douglas City – “DC”
- Saugatuck City – “SC”
- Saugatuck Township – “ST”
- Laketown Township – “LT”
- Constituent Municipality – “CM”
- Meter Equivalent Unit – “MEU”



Overall Goals

- Same contract style for both water and sewer
- All units know responsibilities for “repair” and “replacement”
- All units are accountable to each other for new construction, ongoing maintenance and repairs
- Understanding of the capital improvement plan costs and importance
 - Very limited grant possibilities
 - Median Household Incomes in each community over thresholds
- Authority Board is a representation of the communities and their interests
- Contract terms are agreeable for the length of the contract
- Community security for the length of the contract



Who currently pays for sewer assets?

- Common Assets – Plant
 - Repair – Authority pays out of Authority charged user rates
 - Replacement – Authority pays out of Authority charged user rates
- Shared Assets – Assets that 2 or 3 CM's/LT use
 - Repair – Authority pays out of Authority charged user rates
 - This method isn't working as CM's/LT repairs are subsidized by other unit's ratepayers
 - Replacement – ?
- Local Assets – Assets that only 1 CM/LT use
 - Repair – Authority pays out of Authority charged user rates
 - This method isn't working as CM's/LT repairs are subsidized by other unit's ratepayers
 - Replacement –
 - DC does not currently have a sewer surcharge
 - SC does not currently have a sewer surcharge
 - ST charges sewer surcharge of \$8/REU (also to LT)



Proposal for who pays for sewer assets

- Common Assets – Plant, public lift/pump stations, force mains going into and out of plant, Dunes Interceptor
 - Repair – Authority pays out of Authority charged user rates
 - Replacement – Authority pays out of Authority charged user rates
- Shared Assets – Assets that 2 or 3 CM's/LT use
 - Repair – Authority makes repair, charges full cost to respective units on MEU basis
 - Replacement – CM where asset is physically located is responsible for this, charges other CM/LT for their portion of costs on MEU basis
- Local Assets – Assets that only 1 CM/LT use
 - Repair – Authority makes repair, charges full cost to respective unit
 - Replacement – CM where asset is physically located is responsible for this



Who currently pays for water assets?

- Common Assets – None
- Shared Assets – Assets that 2 or 3 CM's/LT use
 - Repair – Authority pays out of Authority charged user rates
 - This method isn't working as CM's/LT repairs are subsidized by other unit's ratepayers
 - Replacement – ?
- Local Assets – Assets that only 1 CM/LT use
 - Repair – Authority pays out of Authority charged user rates
 - This method isn't working as CM's/LT repairs are subsidized by other unit's ratepayers
 - Replacement –
 - DC instituted water surcharge in ____, 2024
 - SC instituted water surcharge in July, 2024
 - ST charges water surcharge of \$8/REU (also to LT)



Proposal for who pays for water assets

- Common Assets – Wells (including treatment in DC), storage reservoirs (current and any new), boosters
 - Repair – Authority pays out of Authority charged user rates
 - Replacement – Authority pays out of Authority charged user rates
 - Current Authority contract draft only includes new wells and current storage reservoir
- Shared Assets – Assets that 2 or 3 CM's/LT use
 - Repair – Authority makes repair, charges full cost to respective units on MEU basis
 - Replacement – CM where asset is physically located is responsible for this, charges other CM/LT for their portion of costs on MEU basis
- Local Assets – Assets that only 1 CM/LT use
 - Repair – Authority makes repair, charges full cost to respective unit
 - Replacement – CM where asset is physically located is responsible for this



Why have the Authority control the wells, storage reservoir(s) and boosters?

- Authority is handling all day-to-day operations, maintenance and repair of these assets currently
- Wells are a critical health and safety asset of a water system that need to be fully controlled by the day-to-day operator
- Having different CM's installing new wells that are used and effect other CM's is not good policy
- The water system is fully integrated and looped between all CM's/LT. Decisions made by one, effect all.
- Authority is best positioned to understand well and storage placement needs
- Moving these to CA puts Authority in charge of replacement, which is needed and important to overall operations of system
- Does ST get reimbursed for property cost of new well location?



Water Reliability & Security

- Wells – Should Authority take them over?
 - Uniform Repair and Replacement methods
 - EGLE will be much happier to see the Authority responsible for these key health and safety assets
 - Authority will continue to pay for Repairs, now also Replacements, from Authority user rates which are charged to all CM ratepayers
- Storage Reservoir
- Public Booster Stations



Surcharges and the “Pot” System

- Not included in current Authority contract draft
- All CM’s/LT should expect water and sewer surcharges to have to be raised over the next few years
 - Repairs and replacements are not being tracked well and capital improvement plans have been put on hold for a long time since revenues aren’t there to pay for it
- To account for this, and making sure that each community is paying for their own shared/local assets, the proposal is to establish a “pot” system at the Authority for each community to account for their respective surcharges
 - Each CM/LT would have a water surcharge pot (bank account) and sewer surcharge pot
 - All surcharge revenue Authority receives deposited into respective pot
 - CM’s/LT can request remittance of pot funds (all or part) in writing
 - CM’s/LT shall make pots whole (if below zero) within 90 days
 - Shared (respective percentage allocation of total) and local repair costs would be deducted from these pots as expenses are incurred
 - Process: Authority responds to needed repair, Authority fixes asset, Authority pays costs out of CM/LT pot, Authority sends CM/LT invoice showing total costs incurred matching pot deduction



Budgeting

- Operations – Authority shall budget yearly for and perform all operations of the water and sewer system assets, payable from Authority charged user rates
- Maintenance – Authority shall budget yearly for and perform all maintenance of the water and sewer system assets, payable from Authority charged user rates
- Repair - Authority shall budget yearly for and perform all repairs of the water and sewer system assets, payable from the Authority charged user rates for CA, payable from the CM/LT pots for SA and LA
- Replacement - Authority shall budget yearly for all CA replacements of the water and sewer system assets, Authority shall perform replacements on CA



Budgeting (cont'd)

- CM's/LT shall budget yearly for replacement of SA and LA and perform replacements, payable from CM/LT surcharges and/or connection fees
 - This will help other CM's/LT understand potential costs they will incur
 - CM/LT controls timing and bidding processes
 - CM/LT or third-party (option to hire Authority) oversees construction process



Capital Improvement Planning

- Authority shall create 5+ year plan for anticipated replacements of all CA, updated yearly
- Authority shall create 5+ year plan for anticipated replacements of all recommended SA and LA, updated yearly
- CM's/LT shall create 5+ year plan for anticipated replacements of all SA and LA, updated yearly



Sewer Capacity

- Goals:
 - All Goal – All units know everyone’s capacity allocations, now and into the future
 - ST Goal – ST obtains/buys additional capacity for future growth
- 2022 F&V Capacity Report

	City of Saugatuck Flow (MGD)	City of Douglas Flow (MGD)	Saugatuck Twp Flow (MGD)	Laketown Twp Flow (MGD)
January 2022	0.103	0.126	0.034	0.006
February 2022	0.132	0.153	0.039	0.008
March 2022	0.133	0.174	0.032	0.008
April 2022	0.186	0.203	0.035	0.018
May 2022	0.191	0.206	0.044	0.014
June 2022	0.189	0.191	0.050	0.007
July 2022	0.224	0.217	0.048	0.008
August 2022	0.188	0.187	0.051	0.007
September 2022	0.153	0.164	0.041	0.006
October 2022	0.138	0.157	0.039	0.006
November 2022	0.108	0.134	0.030	0.006
December 2022	0.107	0.136	0.028	0.006

MGD= Million Gallons per Day

- 2023 F&V Capacity Report

	City of Saugatuck Flow (MGD)	City of Douglas Flow (MGD)	Saugatuck Twp Flow (MGD)	Laketown Twp Flow (MGD)
January 2023	0.114	0.144	0.011**	0.007
February 2023	0.141	0.181	0.011**	0.009
March 2023	0.162	0.204	0.011**	0.016
April 2023	0.183	0.207	0.008**	0.021
May 2023	0.159	0.169	0.004**	0.008
June 2023	0.176	0.178	0.024**	0.007
July 2023	0.218	0.223	0.037**	0.008
August 2023	0.191	0.201	0.039**	0.007
September 2023	0.146	0.165	0.024**	0.006
October 2023	0.118	0.156	0.031**	0.006
November 2023	0.092	0.138	0.010**	0.006
December 2023	0.096	0.132	0.019**	0.006

MGD= Million Gallons per Day



Sewer Capacity (cont'd)

- Current capacity allocations:
 - DC: 0.496 MGD
 - SC: 0.364 MGD
 - ST: 0.090 MGD
 - LT: 0.050 MGD
 - Total: 1.000 MGD
- Solving the Goals:
 - Authority Board (by majority) controls all capacity allocation buys/sells
 - Cancel right of first refusal to SC and DC related to capacity buys/sells
 - ST acquires 0.076 MGD from DC, 0.014 MGD from SC
 - New potential capacity allocations:
 - DC: 0.420 MGD
 - SC: 0.350 MGD
 - ST: 0.180 MGD
 - LT: 0.050 MGD
 - Total: 1.000 MGD
 - Leaves both DC and SC with approximately 2x peak flows from 2022



Water Capacity

- Goals:
 - Contract language and allocations set similarly to sewer method
 - Set conservative, but realistic capacity allocations for future use related to new wells and storage needs
 - New wells and storage can be caused by existing system needs or new development needs, we need to be able to allocate new development need costs to the CM/LT driving those costs
- Current well capacity
 - DC – Well 1 (1955) – 450 gpm & Well 2 (1955) – 450 gpm
 - Limited by Iron Removal Plant (IRP) (1994) capacity of 600 gpm
 - Both nearing end of useful life
 - SC – Well 4 (1975) – 500 gpm & Well 5 (1974) – 300 gpm
 - Well 4 is nearing end of useful life, Well 5 in good shape
 - ST – Well 6 (1997) – 400 gpm & Well 7 (1997) – 1,000 gpm
 - Both wells in good shape



Water Capacity (cont'd)

- Solving the Goals:
 - Authority Board (by majority) controls all capacity allocation buys/sells
 - New potential capacity allocations:
 - DC:
 - SC:
 - ST:
 - LT:
 - Total:



New Construction

- Adopt Holland BPW construction standards
 - Do we need to make any changes to these?
- CM's/LT controls the new construction process from start to finish
 - Does Authority need/want to inspect connections before covering?
 - Site plan reviews sent to Authority Board for 60-day comment period
 - CM/LT does not have to modify plans based on Authority feedback
- CM's/LT set and collect their own connection fees to recover local costs and equity buy-in, also collect Authority connection fees and remit to Authority (if applicable)
- All unites shall have access to GIS system at Authority plant location (cost included in Authority budget) and can make read only copy at any time to be stored in secure location at CM
 - All updates to GIS shall be provided by CM/LT to Authority for update into master file
- CM/LT responsible for utility location, street cut permits, monitoring correct utility construction procedures, etc.



Billing

- Authority currently bills all customers, and it will remain the same in the future
- CM's/LT agree to lien delinquent properties
- Authority agrees to deposit surcharge revenue into CM's/LT pots on a monthly or quarterly basis



Laketown Township Considerations

- ST will remit \$_____ to LT for collected surcharge revenues to date, but in turn, LT will assume responsibilities for all repairs and replacements of its LA
- ST will remit \$_____ to LT for connection fees owed on 136th Avenue sewer main
 - ST agrees to continue to remit \$_____ connection fee to LT in future
- Removal of new construction restriction east of I-196
 - Allowed to build within capacity restrictions



Other

- Ordinance updates
 - CM's/LT will most likely have to modify to account for new construction procedure requirements
 - Confirm that service lines from curb stop/right-of-way line to main are considered public



Questions?



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KLSWA

Water & Sewer Contract

Discussions

September 15, 2025

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- Understanding of the capital improvement plan costs and importance
 - Very limited grant possibilities
 - Median Household Incomes in each community over thresholds
- Authority Board is a representation of the communities and their interests
- Contract terms are agreeable for the length of the contract
- Community security for the length of the contract



“Full Authority” – What is it?

- No one option, still comes down to negotiations
- Authority bills communities (O,M,R&R of plants and major assets only)
 - Great Lakes Water Authority (GLWA)
 - GRSD Sewer Authority
 - Southern Clinton County Municipal Utility Authority
- Authority bills customers directly (O,M,R&R of all assets)
 - Gull Lake Sewer Authority
 - Houghton Lake Sewer Authority
 - Lake Mitchell Sewer Authority
 - Lakewood Wastewater Authority



Biggest Hurdles

- Control
 - Authority system set up like Gull Lake and Houghton would leave all O,M,R&R decisions up to the Authority Board (and Manager)
 - Are the City Councils/Township Board ok with this?
- Financial
 - Should all users have the same rates (get rid of surcharges)?
 - What happens when one community has a lot more replacement needs than the others?
- Capacity and Extensions
 - Who controls this?
 - Are there capacity rights?
 - Do extensions get paid by user rates, special assessments or Authority Board discretion?



Biggest Hurdles (cont'd)

- Engineering Team
 - Split duties or use one company? Maybe split between plant and distribution/collection systems?
- Manager Discretion
 - How much power does the Manager have?
- Board Discretion
 - Majority or super majority on decisions
- Capital Improvements
 - Making sure a 5+ year forecast is given to everyone and consistently updated
 - What happens when projects affect tourist season?
 - What happens when projects affect roads and other assets (not funded by the project)?
- What happens to Laketown Township?



What should Authority control?

- Plant
- Tower/Storage
- Public Lift/Pump Stations
- Water Distribution System
- Sewer Collection System



GRSD Sewer Authority

- Started as separate community systems, then joined into one sewer plant
- All collection system decisions and finances maintained at the community level
- No capacity allocations (used to have these, but phased out)
- Authority bills communities based on 3-year average plant flow for each
- Authority Board controls all O,M,R&R decisions for plant footprint only
- Has contracting township relationship with Weesaw Township
 - Model for how Laketown Township is treated?



Gull Lake Sewer Authority

- Established as an Authority from the start
- Extensions of the system are specially assessed to the property owners for all costs to connect
- No capacity allocations
- All customers have the same user rates, billed and collected by the Authority
- Authority Board controls all O,M,R&R decisions



Houghton Lake Sewer Authority

- Previously separate township systems with lagoons, joined up as an Authority in the 1970s
- Extensions of the system are specially assessed to the property owners for all costs to connect
- No capacity allocations
- All customers have the same user rates, billed and collected by the Authority
- Authority Board controls all O,M,R&R decisions



Next Steps

- CWSRF Bond Issuance (Authority)
- Control decisions
- User rate decisions
- Asset ownership and management decisions



Questions?



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