



## Legislation Details (With Text)

**File #:** 2021-008      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 1/8/2021      **In control:** Board of Directors  
**On agenda:** 1/27/2021      **Final action:** 1/27/2021  
**Title:** Public Hearings on Proposed FY 2022 Schedule of Revenues and Charges and FY 2022 & FY 2023 Biennial Budget Request  
**Sponsors:** Nicolette Bateson  
**Indexes:** Finance  
**Code sections:**  
**Attachments:** 1. Notice of Public Hearing for GLWA FY 2022 Charges on 2.24.2021, 2. Notice of Public Hearing for GLWA Proposed Biennial Budget

Date	Ver.	Action By	Action	Result
1/27/2021	1	Board of Directors	Approved	Pass
1/13/2021	1	Operations and Resources Committee	Recommended for Approval	Pass

### Public Hearings on Proposed FY 2022 Schedule of Revenues and Charges and FY 2022 & FY 2023 Biennial Budget Request

**Agenda of:** January 13, 2021  
**Item No.:** **2021-008**  
**Amount:** N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** January 13, 2021

**RE:** Public Hearings on Proposed FY 2022 Schedule of Revenues and Charges and FY 2022 & FY 2023 Biennial Budget Request

### MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the

Great Lakes Water Authority (GLWA), **authorizes staff to schedule a Public Hearing on Proposed FY 2022 Schedule of Revenues and Charges and a Public Hearing on the FY 2022 & FY 2023 Biennial Budget Request to be held at a Meeting of the Great Lakes Water Authority Board on February 24, 2021, at 2 pm, via Zoom, directs that notice of these Public Hearings (attached) be published in a daily newspaper of general circulation, and directs that notice of these Public Hearings be mailed to GLWA member partner communities on or before January 25, 2021;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

## **BACKGROUND**

The timing of the proposed public hearings is guided largely by contractual commitments as well as following general practice in the public sector.

### **Contractual Commitments**

Section 7.02 of the GLWA Model Water Contract requires a Public Hearing prior to adoption of the FY 2022 & FY 2023 Biennial Budget. Section 7.02 provides:

“Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.”

The GLWA Model Sewer contract has the similar wording in Section 20.02 of that contract.

“Notification of Rates. As soon as possible in the ratemaking process, DWSD *[now GLWA]* shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, DWSD *[now GLWA]* shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. DWSD *[now GLWA]* shall meet with Customer to review the rate and the data.” *[Note that the contracts still reference DWSD; italics noted to infer GLWA.]*

### **General Practice in the Public Sector**

Michigan Public Act 279 provides that a water or sewerage system which serves more than 40% of the population must hold at least one public hearing at least 120 days before a proposed rate increase is scheduled to take effect. The hearing(s) must be conducted in compliance with the Open Meetings Act (OMA). Notice of the time, date and place of each hearing must be in compliance with the OMA and must be mailed to each city, village or township served by the system not less than 30 days before each hearing.

Although Act 279 does not currently apply to GLWA operations as the population served is close to, but less than, 40%, counsel has been in agreement that GLWA should continue to abide by the notice requirements of Act 279 as the most faithful interpretation of the contract requirements.

## **JUSTIFICATION**

The timing of the proposed public hearings aligns with the annual financial planning and charge development cycle in process.

**BUDGET IMPACT**

Public Hearings on a Proposed FY 2022 Schedule of Charges and FY 2022 & FY 2023 Biennial Budget Request are necessary for the establishment of a current budget and schedule of charges effective July 1, 2021.

**COMMITTEE REVIEW**

The request to schedule the requested public hearing was approved by the Operations and Resources Committee on January 13, 2021 and by the Audit Committee on January 15, 2021.