



## Legislation Text

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File #: 2019-004, Version: 1

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### **PUBLIC HEARINGS ON PROPOSED FY 2020 SCHEDULE OF REVENUES AND CHARGES AND FY 2020 AND FY 2021 BIENNIAL BUDGET REQUEST**

Agenda of: January 9, 2019

Item No.: **2019-004**

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 9, 2019

**RE: Public Hearings on Proposed FY 2020 Schedule of Revenues and Charges and FY 2020  
& FY 2021 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), **schedules a Public Hearing on Proposed FY 2020 Schedule of Revenues and Charges and a Public Hearing on the FY 2020 & FY 2021 Biennial Budget Request to be held at a Meeting of the Great Lakes Water Authority Board on February 27, 2019, at 2 pm, in the Board Room, 735 Randolph, 5th Floor, Detroit, Michigan 48226, directs that notice of these Public Hearings be published in a daily newspaper of general circulation, and directs that notice of these Public Hearings be mailed to GLWA customer communities on or before January 29, 2019;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### **BACKGROUND**

Both Michigan Law, MCL 141.434 and Section 7.02 of the GLWA Model Water Contract require a Public Hearing prior to adoption of the FY 2020 & FY 2021 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.”

### **JUSTIFICATION**

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, counsel has advised that GLWA should continue to abide by the notice requirements of Act 279 as the most faithful interpretation of the contract requirements.

### **BUDGET IMPACT**

Public Hearings on a Proposed FY 2020 Schedule of Charges and FY 2020 & FY 2021 Biennial Budget Request are necessary for the establishment of a current budget and schedule of charges effective July 1, 2019.

### **COMMITTEE REVIEW**

A discussion draft budget was presented to the Audit Committee on December 21, 2018, with discussions to be held at subsequent Audit Committee meetings. In addition, the draft budget will be presented to the entire GLWA Board on January 9, 2019. No action has been sought by either the Audit Committee or GLWA Board at this time.