



Legislation Text

File #: 2020-015, Version: 1

Public Hearings on Proposed FY 2021 Schedule of Revenues and Charges and FY 2021 & FY 2022 Biennial Budget Request

Agenda of: January 22, 2020

Item No.: **2020-015**

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 22, 2020

RE: Public Hearings on Proposed FY 2021 Schedule of Revenues and Charges and FY 2021 & FY 2022 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 2021 Schedule of Revenues and Charges and a Public Hearing on the FY 2021 & FY 2022 Biennial Budget Request to be held at a Meeting of the Great Lakes Water Authority Board on February 26, 2020, 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 member partner communities on or before January 28, 2020;** 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 2021 & FY 2022 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 2021 Schedule of Charges and FY 2021 & FY 2022 Biennial Budget Request are necessary for the establishment of a current budget and schedule of charges effective July 1, 2020.

COMMITTEE REVIEW

A discussion draft budget was presented to the Audit Committee on December 19, 2019, with further discussion scheduled for January 24, 2020. In addition, the draft budget was presented to the entire GLWA Board on January 8, 2020. No action has been sought by either the Audit Committee or GLWA Board at this time.