Legislation Text

File #: 2021-008, **Version:** 1

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.