

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

NOTICE

The Organization Meeting of the Board of Trustees of the Water Authority is scheduled to be held Wednesday, July 13, 2016 at 8:30 a.m. at the Royal Oak Senior Center, 3500 Marais.

Note: The Regular Meeting of the Board of Trustees will follow the Organization Meeting.

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

ORGANIZATION MEETING

AGENDA

Wednesday, July 13, 2016 - 8:30 a.m.

Royal Oak Senior Center, 3500 Marais

1. Meeting Called to Order
2. Roll Call
3. Representatives & Alternates – 2016/17
4. Notification of Votes - 2016/17
5. Election of Officers
6. Banks

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
PROPOSED RESOLUTION

(Representatives & Alternates)

2016/17

WHEREAS, this Board has received notice of the appointment of representatives and alternates to the Board, as follows:

<u>Municipality</u>	<u>Representative</u>	<u>Alternate</u>
Berkley	D. Schueller	M. Baumgarten
Beverly Hills	C. Wilson	E. Marshall
Bingham Farms	D. Warren	K. Hagaman
Birmingham	P.T. O'Meara	A. Fletcher
Clawson	H. Drinkwine	M. Pollock
Huntington Woods	C. Galed	J. Mader
Lathrup Village	K. Marten	Arron Carlton
Pleasant Ridge	S. Pietrzak	D. Humphreys
Royal Oak	G. Rassel	J. Pierce
Southfield	L. Schultz	J. Michrina
Southfield Twp.	R. Walsh	D. Nelson

NOW THEREFORE BE IT RESOLVED that the above names be acknowledged as the official representatives and alternates for the Southeastern Oakland County Water Authority for the fiscal year 2016/17.

Board of Trustees
Southeastern Oakland County Water Authority

Subject: Votes - Fiscal Year 2016/17

Board Members:

Article IX of the Articles of Incorporation of the Water Authority provides for an adjustment of votes entitled each representative of the Board of Trustees for the fiscal year 2016/17.

ARTICLE IX

"When the Authority shall have operated its water supply system for a complete fiscal year, then thereafter such representative on the Board of Trustees shall be entitled to one vote for each 250 million gallons, or a major fraction thereof, of water delivered during the preceding fiscal year by the Authority to the municipality which he represents; provided, that each such representative shall have at least one vote."

The following is a tabulation of water delivered to each municipality during the fiscal year 2015/16 and votes entitled to each municipality for the fiscal year beginning July 1, 2016 in accordance with the conditions of Article IX of the Articles of Incorporation.

Municipality	Gallons	Number of Votes	Change
Berkley	385,941,440	2	+1
Beverly Hills	314,994,130	1	-
Bingham Farms	86,384,070	1	-
Birmingham	885,754,780	4	+1
Clawson	277,733,760	1	-
Huntington Woods	176,486,690	1	-
Lathrup Village	142,539,430	1	-
Pleasant Ridge	88,450,930	1	-
Royal Oak	1,846,541,230	7	-
Southfield	3,321,392,120	13	-
Southfield Township	<u>0</u>	<u>1</u>	-
Total:	7,526,218,580	33	+2

Attached hereto is a proposed resolution establishing the number of votes for each municipality for the fiscal year 2016/17.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager

JAM/kb
Attach.

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

SUMMARY OF VOTES

10 YEAR PERIOD

Municipality	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17
Berkley	2	2	2	2	2	2	2	1	1	2
Beverly Hills	2	2	1	1	1	2	1	1	1	1
Bingham Farms	1	1	1	1	1	1	1	1	1	1
Birmingham	4	4	4	4	4	4	4	4	3	4
Clawson	1	1	1	1	1	1	1	1	1	1
Huntington Woods	1	1	1	1	1	1	1	1	1	1
Lathrup Village	1	1	1	1	1	1	1	1	1	1
Pleasant Ridge	1	1	1	1	1	1	1	1	1	1
Royal Oak	9	9	8	8	8	8	8	7	7	7
Southfield	17	17	15	15	15	15	15	14	13	13
Southfield Twp.	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL:	40	40	36	36	36	37	36	33	31	33

July 5, 2016

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

PROPOSED RESOLUTION

Votes – 2016/17

WHEREAS, Article IX of the Articles of Incorporation provides for an adjustment in the number of votes entitled each municipality (one vote for each 250 million gallons or major fraction thereof), and

WHEREAS, the General Manager has submitted a report on the water consumption for each member municipality during the fiscal year 2015/16,

NOW THEREFORE BE IT RESOLVED, that the number of votes for each constituent member for the fiscal year beginning July 1, 2016, be established as follows:

<u>Municipality</u>	<u>No. of Votes</u>
Berkley	2
Beverly Hills	1
Bingham Farms	1
Birmingham	4
Clawson	1
Huntington Woods	1
Lathrup Village	1
Pleasant Ridge	1
Royal Oak	7
Southfield	13
Southfield Township	<u>1</u>
TOTAL:	33

July 5, 2016

Board of Trustees
Southeastern Oakland County Water Authority

Subject: Election of Officers

Board Members:

The Articles of Incorporation provide for the election of officers at the Organization Meeting of the Board of Trustees to be held Wednesday, July 13, 2016.

The following Officers are to be elected at this Organization Meeting:

*Chairman

*Vice Chairman

*Secretary

*Advisory Committee (Chairman and Three Board Members)

Accountant/Treasurer

Finance Director

The Nominating Committee of Greg Rassel, Derrick Schueller and Harry Drinkwine has made its selection of Candidates to the various offices. Attached is the list of the Committee's nominations.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager

JAM/kb
Attach.

*Note: Must be members of the Board

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

Position	Duties	Position Presently Held By	Selection
*Chair	Presiding Officer	H. Drinkwine	H. Drinkwine
*Vice Chair	Performs the duties of Chair in absence of Chair	G. Rassel	G. Rassel
*Secretary	Recording Officer of the Board	C. Galed	C. Wilson
*Advisory Committee (Chair & Three Board Members)	To advise the General Manager in the administration of the Authority and to act as Audit Committee	H. Drinkwine (Chair) C. Galed S. Pietrzak G. Rassel	H. Drinkwine (Chair) C. Wilson S. Pietrzak G. Rassel
Finance Director	Chief Accounting Officer	J. A. McKeen	J. A. McKeen
Accountant/Treasurer	Custodian of the funds of the Authority	K. Mallender	K. Mallender

*Must be Board Member

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
 BOARD OF TRUSTEES
MEMBERS AND OFFICERS

Name	Date Appointed to Board	Chair	Vice Chair	Secretary	Advisory Committee
S. Pietrzak	7-12-00	2006/07 2007/08	9-14-05/06	2004/05	2004/05 2005/06 2006/07 2007/08 2008/09 2009/10 2011/12 2012/13 2013/14 2014/15 2015/16
H. Drinkwine	12-13-00	2008/09 2009/10 2010/11 2011/12 2012/13 2013/14 2014/15 2015/16	2006/07 2007/08	9-14-05/06	9-14-05/06 2006/07 2007/08 2008/09 2009/10 2011/12 2012/13 2013/14 2014/15 2015/16
G. Rassel	6-14-06		2011/12 2012/13 2013/14 2014/15 2015/16		2012/13 2013/14 2014/15 2015/16
C. Galed	6-12-02/03 7-8-09			2011/12 2012/13 2013/14 2014/15 2015/16	2013/14 2014/15 2015/16
C. Wilson	8-13-08				
P. T. O'Meara	5-15-09				
R. Walsh	2-08-11				
D. Schueller	8-10-11				
D. Warren	9-23-13				
L. Schultz	7-1-14				
K. Marten	6-1-16				

July 5, 2016

Board of Trustees
Southeastern Oakland County Water Authority

Subject: Banks

Board Members:

SOCWA's current banking relationships are displayed in the table below, which includes the amount of money on deposit, the amount of insured deposits and the amount of uninsured deposits with each institution. We continue to use Flagstar for our day-to-day banking needs with the other institutions being used to invest our working capital.

Bank	6/30/2016 Balance	Amount Insured	Amount Uninsured
Flagstar-CDARS	\$1,513,000	Full balance	\$0
Flagstar-Savings	\$ 250,000	\$250,000	\$0
Flagstar-Checking	\$1,844,000	\$250,000	\$1,594,000
Michigan First Credit Union	\$ 641,000	\$500,000	\$ 141,000
Michigan First Credit Union-CD	\$ 517,000	\$0	\$ 517,000
Comerica	\$ 223,000	\$250,000	\$0
Oakland County Pool	\$ 977,000	\$0	\$ 977,000
PNC Bank	\$ 243,000	\$250,000	\$0
TOTAL	\$6,208,000	\$3,013,000	\$3,229,000

All of the listed institutions have been previously approved by the Board. The only limitation on deposits is a \$1 million limit placed on the Oakland County Pool.

CDARS (Certificate of Deposit Account Registry Service) is a way of obtaining full FDIC insurance protection for amounts greater than the current FDIC coverage limits. Under the CDARS program, we have deposited funds with Flagstar, which breaks that amount down into smaller amounts that are under the current FDIC coverage limits, and then deposits those into CDs at other banks that are members of the CDARS network. The result is a series of CDs, all of which are fully FDIC insured, that earn competitive interest rates and is reported on one statement from Flagstar. The CDs are structured so that they expire on a periodic basis in order to provide some liquidity while we obtain the higher interest rates typically paid on longer term CDs.

I am proposing to continue the banking relationships identified above under the previously approved Board resolutions and consistent with the requirements of SOCWA's Investment Policy except that I am proposing that the limitation on the funds in the Oakland County Pool be increased from \$1 million to \$2 million. During the summer and fall months, we are taking in substantially more revenue than our expenses due to the fixed/variable pricing from GLWA. This situation reverses itself in the winter months when our revenue is less than our expenses. The Oakland County Pool usually pays a significantly higher rate of interest than any of our other institutions and it has proved very easy to move funds into and out of the Pool. Increasing the limit on funds in the Pool will result in a higher level of interest income.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager

Suggested Resolution: "That the banking relationships with Flagstar, Comerica, Michigan First Credit Union, PNC Bank and the Oakland County Local Government Investment Pool be continued under the previously approved Board resolutions and consistent with the requirements of the Authority's Investment Policy, except that the limit on funds in the Oakland County Pool be increase to \$2 million".