

South County Sewer & Water Authority

(Serving the Townships of Brady, Pavilion & Schoolcraft)
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Submitted for approval on: 1/28/25

Authority Regular Meeting Minutes of Tues. Nov. 26, 2024, 9:30 a.m.

Regular Meeting was called to order at 9:28 a.m. by Board Chair John Speeter. In attendance were Member Randy Smith (Brady Charter Township Supervisor) and Secretary/Treasurer Don Ulsh (Schoolcraft Township Supervisor). Also in attendance were SCSWA Executive Director Frank LaPierre and Attorney Rob Thall.

Review and Set Agenda-

Today's meeting agenda was presented for review. Motioned by Smith, seconded by Ulsh to approve the agenda as presented. **Motion carried.**

Review Minutes of Closed Session: Motioned by Ulsh, seconded by Smith to approve the minutes of the Oct. 22, 2024 closed session as reviewed and presented. **Motion carried.**

Review of Minutes

The draft minutes of the Oct. 22, 2024 regular meeting were presented for review. Motioned by Ulsh, seconded by Speeter to approve the draft minutes as presented. **Motion carried.**

Hear those present – Tim Culver, representative for Matt Hall, the new Speaker of the Michigan House of Representative reported that the new state session will begin with expected challenges among the parties. Tim predicated that it will take 1-2 years for progress to occur at the state level.

General Correspondence- N/A

Active Project Status-

- Village of Schoolcraft Update- LaPierre updated that Doug Kuhlman has signed, first rights of refusals for 2 properties, 1 expected to provide a location for a new water well for Lockport's water system expansion. The other property is expected to be for a new WWT Plant.

New Business-

- Andy Campbell and Aricca Thelen of Bendzinski presented their CIP Bond Funding proposal. Campbell reviewed the current Project Timetable and forecasted that the bond sale would occur around 3/20/25 and the closing would occur around 4/6/25. Campbell updated that the public, bond market is stable and highlighted the overall process to apply with the state.
- Campbell then provided highlights of the key elements of the Revenue Bond that SCSWA will apply for. Since SCSWA would have unilateral, (unsecured) authority to pay for the bond principal and interest, there are 3 key covenants that are required of unilateral revenue bonds:

1) Rate Covenant: It is required that SCSWA demonstrate consistent ability to realize annual revenue/debt. ratio of 120%+. 2) Addtl. Debt Buffer of 120% of current and future revenue/debt. ratio of 120%. 3) Establish and maintain a continuous Reserve Account of 1 year of Debt. Principal and Interest payment. This can be funded out of Year 1 cash flow or borrowed. Campbell recommends that SCSWA should fund the reserve out of cash flow, to avoid interest. LaPierre asked Campbell for his overall perspective on the SCSWA bond funding scenarios based on comparisons to other municipalities that he works with. Campbell noted that SCSWA forecast of cash flow equating to 12 months of expenses, is "realistic and comfortable". Campbell commented that SCSWA is "on the right track" and that projected rates are slightly higher but not near the top. Thall agreed. LaPierre added that our financial and rate model is "dynamic" and can be adjusted, each year based on Cash Flow. LaPierre also added that GLSWA ability to maintain sound Asset Management practices will allow SCSWA to fund R/R out of cash flow, not bond funding. A Resolution for the Bendzinski Proposal was presented. Motioned by Smith, Seconded by Ulsh to approve. **Unanimous Approval.**

- Thall presented the Notice of Intent Resolution to Secure Bond Funding. Motioned by Speeter, Seconded by Ulsh to approve. **Unanimous Approval.**
- LaPierre presented the Wightman CIP Services Proposal. Motioned by Speeter, seconded by Ulsh to approve. **Motion carried.**
- Rob Thall updated that he presented his revisions to the standard, GLSWA Interlocal Agreement to GLSWA legal counsel. Thall recommended the waiver of approval for emergency expenses and that there be mutual indemnity and SCSWA be added as an additional insured. Motioned by Speeter, seconded by Ulsh to approve the agreement and recommendations from Thall and the SCSWA insurance agent. **Motion carried.**

Old Business-

- Maintenance Update- The October GLSWA 2024 O/M reports were included for Board review.

Financial Review- The Revised 2024-25 Budget and the General Operating and Payroll Expenses were presented as of Nov. 15th, 2024. The SCSWA financial reports for Oct. 2024 were presented. Motioned by Ulsh, seconded by Speeter to approve the operating and payroll expenses and accept the financials as presented. **Motion carried.**

Closing Comments: Motioned by Speeter, seconded by Ulsh to approve Randy Smith as the Vice Chair. **Motion Carried.**

Meeting Adjourned- The meeting was adjourned at 10:23 a.m. Motioned by Ulsh, seconded by Speeter to adjourn the meeting. **Motion carried.**

The next meeting is tentatively scheduled for Jan. 28th, 2024⁵ at 9:30 a.m. at Pavilion Township.

Submitted for approval on: 01-28-25, 2024 Approved by: Don Ulsh
2025 Don Ulsh / Secretary