

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

NOTICE

Article VII of the Articles of Incorporation provides as follows:

"The Board shall meet on the second Wednesday in July of each year at 3:00 p.m. at the place of holding the meetings of the Board for the purpose of organization."

The Organization Meeting of the Board of Trustees of the Water Authority is therefore scheduled to be held Wednesday, July 14, 2010 at 3:00 p.m. at the Royal Oak Senior Community 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 14, 2010 - 3:00 p.m.

Royal Oak Senior Community Center, 3500 Marais

1. Meeting Called to Order
2. Roll Call
3. Representatives & Alternates – 2010/11
4. Notification of Votes - 2010/11
5. Election of Officers
6. Banks

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY  
PROPOSED RESOLUTION

(Representatives & Alternates)

2010/11

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	B. Jerome	D. Sabuda
Beverly Hills	C. Wilson	B. Wiszowaty
Bingham Farms	D. Ketai	K. Hagaman
Birmingham	P. T. O'Meara	T. M. Markus
Clawson	H. Drinkwine	M. Pollock
Huntington Woods	C. Galed	J. Mader
Lathrup Village	J. Mueller	M. Baumgarten
Pleasant Ridge	S. Pietrzak	S. W. Ball
Royal Oak	G. Rassel	J. Pierce
Southfield	G. Mekjian	M. Habowski
Southfield Twp.	R. N. Holloway	R. Wiszowaty

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 2010/11.

Board of Trustees  
Southeastern Oakland County Water Authority

Subject: Votes - Fiscal Year 2010/11

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 2010/11.

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 2009/10 and votes entitled to each municipality for the fiscal year beginning July 1, 2010 in accordance with the conditions of Article IX of the Articles of Incorporation.

<b>Municipality</b>	<b>Gallons</b>	<b>Number of Votes</b>	<b>Change</b>
Berkley	416,278,600	2	-
Beverly Hills	344,699,200	1	-
Bingham Farms	86,564,350	1	-
Birmingham	877,741,670	4	-
Clawson	299,042,710	1	-
Huntington Woods	191,779,820	1	-
Lathrup Village	120,335,060	1	-
Pleasant Ridge	88,876,570	1	-
Royal Oak	1,977,809,040	8	-
Southfield	3,708,294,800	15	-
Southfield Township	<u>0</u>	<u>1</u>	-
<b>Total:</b>	<b>8,111,421,820</b>	<b>36</b>	<b>-</b>

Attached hereto is a proposed resolution establishing the number of votes for each municipality for the fiscal year 2010/11.

Respectfully submitted,

Jeffrey A. McKeen, P.E.  
General Manager

JAM/ksh  
Attach.

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

SUMMARY OF VOTES

10 YEAR PERIOD

<u>Municipality</u>	<u>2001</u> <u>/02</u>	<u>2002</u> <u>/03</u>	<u>2003</u> <u>/04</u>	<u>2004</u> <u>/05</u>	<u>2005</u> <u>/06</u>	<u>2006</u> <u>/07</u>	<u>2007</u> <u>/08</u>	<u>2008</u> <u>/09</u>	<u>2009</u> <u>/10</u>	<u>2010</u> <u>/11</u>
Berkley	2	2	2	2	2	2	2	2	2	2
Beverly Hills	2	2	2	2	2	2	2	2	1	1
Bingham Farms	1	1	1	1	1	1	1	1	1	1
Birmingham	4	4	4	4	4	4	4	4	4	4
Clawson	2	2	2	2	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	10	10	10	10	9	9	9	9	8	8
Southfield	19	20	19	18	18	18	17	17	15	15
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>
<b>TOTAL:</b>	44	45	44	43	41	41	40	40	36	36

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

PROPOSED RESOLUTION

Votes – 2010/11

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 2009/10,

NOW THEREFORE BE IT RESOLVED, that the number of votes for each constituent member for the fiscal year beginning July 1, 2010, 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	8
Southfield	15
Southfield Township	<u>1</u>
TOTAL:	36

July 1, 2010

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 14, 2010.

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

It is recommended that the slate of candidates for the various offices be approved.

Respectfully submitted,

Jeffrey A. McKeen, P.E.  
General Manager

JAM/ksh  
Attach.

\*Note: Must be members of the Board

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

<b>Position</b>	<b>Duties</b>	<b>Position Presently Held By</b>	<b>Selection</b>
*Chair	Presiding Officer	H. Drinkwine	H. Drinkwine
*Vice Chair	Performs the duties of Chair in absence of Chair	R. N. Holloway	R. N. Holloway
*Secretary	Recording Officer of the Board	B. Jerome	B. Jerome
*Advisory Committee (Chair & Three Board Members)	To advise the General Manager in the administration of the Authority	H. Drinkwine R. N. Holloway S. Pietrzak J. Mueller	H. Drinkwine R. N. Holloway S. Pietrzak J. Mueller
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	Chairman	Vice Chairman	Secretary	Advisory Committee
J. Mueller	7-10-96	2004/05 2005/06	2002/03 2003/04	2000/01 2001/02	1998/99 1999/00 2000/01 2001/02 2002/03 2003/04 2004/05 2005/06 2006/07 2007/08 2009/10
R. N. Holloway	7-9-97		2009/10	2002/03 2003/04 2008/09	5-9-01/01 2001/02 2002/03 2003/04 2008/09 2009/10
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
H. Drinkwine	12-13-00	2008/09 2009/10	2006/07 2007/08	9-14-05/06	9-14-05/06 2006/07 2007/08 2008/09 2009/10
B. Jerome	7-14-04			2009/10	
G. Rassel	6-14-06				
G. Mekjian	7-12-06				
C. Galed	6-12-02/03 7-8-09				
C. Wilson	8-13-08				
P. T. O'Meara	5-15-09				
D. Ketai	10-14-09				

Board of Trustees  
Southeastern Oakland County Water Authority

Subject: Banks

Board Members:

SOCWA currently has the following banking relationships, which have been previously approved by the Board:

1. Flagstar Bank is used for our primary checking accounts and for cash that is not required for immediate needs. Amounts on deposit with Flagstar are limited in order to receive 100% FDIC coverage.
2. Michigan First Credit Union is used to deposit up to \$500,000 in a savings account, which is insured up to \$500,000.
3. PNC Bank will be used to deposit up to \$250,000, which is fully insured by the FDIC.
4. Comerica is used to deposit funds not required for immediate needs including the bond reserve and maintenance reserve required by our bond covenant. We also use Comerica to process our payroll checks. Until June 30, these funds were 100% insured by the FDIC. As of July 1, Comerica is no longer participating in the expanded FDIC insurance program, so the FDIC insurance coverage is limited to \$250,000. As of July 1, we have approximately \$1,000,000 in funds at Comerica that are not FDIC insured.
5. Ambassador Capital Management, which has been approved by the Board, does not currently hold any SOCWA funds due to the low interest rates being paid.

The Authority staff has investigated other alternatives for investing a portion of the money currently on deposit with Comerica that is not FDIC insured. We are recommending that the Board approve investing the bond reserve funds, which must be at least \$698,000, into a CDARS program at Flagstar.

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 would deposit our bond reserve funds with Flagstar, which breaks that amount down into smaller amounts, which 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 can be 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. Plante & Moran has approved using a CDARS account to hold the funds required for our bond reserve. Berkley, Royal Oak and Southfield currently have funds on deposit in CDARS accounts through Flagstar.

We are asking for approval to enter into a CDARS agreement with Flagstar and to deposit our bond reserve (\$698,000) into CDs that expire periodically with CD terms not to exceed 12 months. This will allow us to minimize our assets at Comerica that are not fully insured by the FDIC.

Respectfully submitted,

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Jeffrey A. McKeen, P.E.  
General Manager

Suggested Resolution: "That the banking relationships with Flagstar, Comerica, Michigan First Credit Union and PNC Bank be continued under the previously approved Board resolutions and consistent with the requirements of the Authority's Investment Policy" and "The General Manager is authorized to execute a CDARS agreement with Flagstar Bank and to invest the Authority's bond reserve into a CDARS account."