

SENATE BILL No. 1005

February 19, 2004, Introduced by Senator SWITALSKI and referred to the Committee on Local, Urban and State Affairs.

A bill to provide for an authority to manage and operate certain city and village water and sewer systems; and to provide for the appointment of members to the authority.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Authority" means an authority created under this act.

3 (b) "City" means a city chartered under the home rule city
4 act, 1909 PA 279, MCL 117.1 to 117.38.

5 (c) "Qualified city" means a city with a population of
6 750,000 or more that is a member of an authority created under
7 this act.

8 (d) "Qualified county" means a county with a population of
9 750,000 or more that is a member of an authority created under
10 this act.

11 (e) "Village" means a village incorporated under the home

1 rule village act, 1909 PA 278, MCL 78.1 to 78.26.

2 (f) "Water or sewer system" or "system" means a water supply
3 facility or sewerage services facility, or both, that provides
4 water or sewerage service to more than 20% of the population of
5 this state.

6 Sec. 2. (1) A city or village that owns a water or sewer
7 system shall establish an authority to provide review and
8 oversight of the management and operation of the system as
9 provided under this act.

10 (2) Not more than 30 days after the effective date of this
11 act, each qualified county and city or village that is a member
12 of an authority shall make appointments to the authority as
13 provided under this section.

14 (3) The authority created under this act shall consist of the
15 following members:

16 (a) Four persons shall be appointed to represent the city or
17 village that owns and operates the water or sewer system. The
18 appointment under this subsection shall be made by the mayor of
19 the city, with the advice and consent of the city's governing
20 body.

21 (b) One person shall be appointed to represent each qualified
22 county that does not have a qualified city located within the
23 county. The appointment under this subsection shall be made by
24 the elected county executive. If the county does not have an
25 elected county executive, the appointment under this subsection
26 shall be made by the county board of commissioners.

27 (c) If a qualified county has a qualified city within the

1 county, 1 person who does not live or work within the qualified
2 city shall be appointed to represent the county. The appointment
3 under this subsection shall be made by the majority vote of the
4 serving members on the county board of commissioners who do not
5 live or work within the qualified city.

6 (4) A person appointed under this section shall serve for a
7 term of 4 years, or until a successor is appointed, whichever is
8 later. A successor to a member shall be appointed in the same
9 manner and shall serve for a term of 4 years, or until a
10 successor is appointed, whichever is later. A person may be
11 reappointed to the authority. A person appointed to the
12 authority may be replaced by the appointing member at any time.

13 Sec. 3. (1) A majority of members of the authority
14 constitute a quorum for the transaction of business.

15 (2) The person appointed to the authority shall have 1 vote.

16 (3) The first meeting of the authority shall be held not more
17 than 45 days after the effective date of this act.

18 (4) The authority shall elect a chairperson and other
19 officers as the authority considers necessary. The authority
20 shall adopt bylaws and rules to govern the operation of the
21 authority.

22 (5) After its first meeting, the authority shall meet not
23 less than quarterly and at such other times as determined by the
24 authority.

25 Sec. 4. (1) Persons appointed to the authority are public
26 servants under 1968 PA 317, MCL 15.321 to 15.330, and are subject
27 to any other applicable law with respect to conflicts of

1 interest.

2 (2) An authority shall establish policies and procedures
3 requiring periodic disclosure by persons appointed to the
4 authority of relationships which may give rise to conflicts of
5 interest.

6 Sec. 5. (1) An authority shall establish an ethics manual
7 governing the conducting of system business and the conduct of
8 employees of the system.

9 (2) An authority shall establish policies under this section
10 that are no less stringent than those provided for public
11 officers and employees by 1973 PA 196, MCL 15.341 to 15.348. The
12 policies established under this section shall include compliance
13 by each member of the authority and employees of the system who
14 regularly exercise significant discretion over the award and
15 management of authority procurements with policies governing all
16 of the following:

17 (a) Immediate disclosure of the existence and nature of any
18 financial interest that would reasonably be expected to create a
19 conflict of interest.

20 (b) Withdrawal by a member or employee from participation in,
21 discussion of, or evaluation of any recommendation or decision
22 involving procurement involving the water or sewer system that
23 would reasonably be expected to create a conflict of interest for
24 that member or employee.