

**AMENDMENT #1 to the
WASTEWATER DISPOSAL SERVICES CONTRACT BETWEEN
THE GREAT LAKES WATER AUTHORITY, AS ASSIGNEE OF THE CITY OF DETROIT, AND
OAKLAND-MACOMB INTERCEPTOR DRAIN DRAINAGE DISTRICT**

This Amendment to the Wastewater Disposal Services Contract (“Amendment”) is made this __ day of March 2019, by and between the Great Lakes Water Authority, a Michigan municipal Authority and public body corporate (“GLWA”), whose address is 735 Randolph, Detroit, Michigan, 48226, and Oakland-Macomb Interceptor Drain Drainage District, a public body corporate (“Customer”), whose address is c/o Office of the Oakland County Water Resources Commissioner, 1 Public Works Drive, Building 95-West, Waterford, Michigan, 48328. GLWA and Customer may be referred to individually as “Party” or collectively as the “Parties.”

WHEREAS, GLWA is a Michigan municipal Authority and public body corporate organized pursuant to the provisions of Act 233, Public Acts of Michigan, 1955, as amended, MCL 124.281 et seq. (“Act 233”), and is authorized, among other things, to acquire, finance, construct, improve, operate, maintain, and repair sewage disposal systems; and,

WHEREAS, Customer is a Michigan public body corporate established in accordance with Chapter 21 of Act 40 of the Public Acts of 1956, as amended, MCL 280.511 et. seq., under the jurisdiction of a statutory drainage board; and,

WHEREAS, Customer is an intercounty drain established in 2009 to acquire, finance, improve, operate and maintain certain sanitary sewer interceptors, pump stations, meters and appurtenant facilities originally constructed and owned by the City of Detroit to provide wastewater transportation and disposal services to approximately 850,000 residents located in Oakland and Macomb counties; and,

WHEREAS, GLWA operates a regional wastewater conveyance and treatment system owned by the City under a Regional Sewage Disposal System Lease dated June 12, 2015 (“Lease”); and,

WHEREAS, pursuant to the Lease, the City of Detroit assigned the Wastewater Disposal Services Contract between the City of Detroit and Customer, effective September 1, 2009 (“2009 Wastewater Contract”) to GLWA; and,

WHEREAS, GLWA provides wastewater transportation and disposal services to Customer pursuant to 2009 Wastewater Contract; and,

WHEREAS, the 2009 Wastewater Contract, among other things, authorizes GLWA to establish and impose rates and charges on Customer for the collection, transportation, and treatment of wastewater delivered by Customer from its Service Area to the System, as necessary in order to preserve the Regional Sewer System in good repair and working order; and,

WHEREAS, the 2009 Wastewater Contract provides that Customer has the option, in its sole discretion, to finance additional maintenance, repairs, or improvements to the Northeast Sewer Pump Station (“NESPS”); however, Customer has indicated that additional

contractual language is necessary to allow the Customer to finance improvements through issuance of bonds for the NESPS and portions of the North Interceptor East Arm (“NIEA”)(See Exhibit G, Legal Descriptions) and,

WHEREAS, the Parties have determined that it is in their respective best interests to have the Customer assume responsibility to maintain, repair and improve the NESPS and the NIEA, subject to and upon the terms and conditions set forth herein; and,

WHEREAS, GLWA would retain exclusive operational control of the NESPS, subject to and upon the terms and conditions set forth herein; and,

WHEREAS, neither GLWA nor Customer shall have an ownership interest in any maintenance, repairs and improvements completed pursuant to the 2009 Wastewater Contract, this Amendment and/or the Construction Agreement (dated January 18, 2012) and subsequent amendments.

NOW THEREFORE, in consideration of the mutual promises, representations, warranties and agreements set forth in this Contract, the Parties hereby agree as follows:

ACCORDINGLY, THE PARTIES AGREE TO AMEND THE 2009 WASTEWATER CONTRACT AS FOLLOWS:

1. Throughout the entire 2009 Wastewater Contract, GLWA is substituted for the City and DWSD, except in the following sections: the “Whereas” Recitals, the Definitions of “City” and “DWSD.” In addition, GLWA’s Board of Directors is substituted for the Board of Water Commissioners and the Detroit City Council, except in the following sections: the “Whereas” Recitals, the Definition of “Detroit City Council.” Finally, WRRF replaces WWTP.

2. Article 1, Definitions, is modified to add the following Definitions:

“Applicable Laws” means all laws, rules, regulations, ordinances, permit and license requirements, and orders of courts, governmental officials and agencies of competent jurisdiction with respect to Interceptor PCI-5, NESPS and NIEA or which generally relate to wastewater facilities.

“Fiscal Year” means the period starting July 1st of a year and ending June 30th of year immediately following.

“Improvement” means any project that repairs, replaces, restores or improves Interceptor PCI-5, NESPS and NIEA or a component thereof, that improves or enhances their overall value; or, increases their useful life.

“Improvement Plan” a plan, which is updated annually to reflect Improvement schedules. A comprehensive update to the plan will occur every 5 years in conjunction with an asset condition assessment.

“Interceptor PCI-5, NESPS and NIEA” means the facilities described in Exhibit G, and all equipment, personal property, including but not limited to all plans, specifications, maintenance records, operations and maintenance manuals, engineering reports, spare parts and any other items that will be needed to operate, maintain, repair and/or improve the facilities.

“Maintenance & Repairs” include all maintenance, repair and/or

replacement as necessary to keep Interceptor PCI-5, NESPS and NIEA in good condition and repair. This includes recurring activities such as housekeeping, inspections, cleaning, testing, and replacing parts.

“Maintenance & Repairs Plan” a plan, which is updated annually to reflect Maintenance & Repair schedules for the upcoming Fiscal Year.

“Operations” all activities, elements, tasks or subtasks that control or manage the performance, functioning or operation of the Regional Sewer System as may be necessary or desirable to ensure that the Regional Sewer System performs and provides and delivers sewerage service as required by the Regional Sewer System Lease and the Performance Standards.

“Performance Standards” means the level of performance necessary to operate, improve, maintain and repair Interceptor PCI-5, NESPS and NIEA in accordance with Applicable Laws and Prudent Utility Practices.

“Prudent Utility Practices” means those practices, methods, techniques, standards and acts engaged in or approved by a significant portion of the regulated water and sewer utility industry in the United States or any of the practices, methods, techniques, standards and acts which, in the exercise of reasonable judgment in light of the facts known (or which a qualified and prudent operator could reasonably be expected to have known) at the time a decision is made, would have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition, in each case related to the operation, maintenance and improvement of similar systems at utility franchises of the same or similar size and type as Interceptor PCI-5, NESPS and NIEA .

“Regional Sewer System” means sewer system operated and maintained by GLWA.

“WRRF” means the Water Resource Recovery Facility, formerly known as the Wastewater Treatment Plant.

3. Article 4, Service Area; Acceptance of Flow, is deleted in its entirety and replaced as follows:

4.01 **Service Area.** The area for which GLWA agrees to provide Services shall be as shown in Amended Exhibit A (the "Service Area"). Customer shall not deliver to the System any Flow originating in any area outside of the specified Service Area without the written consent of GLWA. A temporary delivery of Flow from outside the Service Area may be authorized by a memorandum of understanding between Customer and GLWA.

4.02 **Acceptance of Flow.** GLWA will accept Flow from Customer, as limited by the terms of this Contract, at the point at which Interceptor PCI-5 crosses the boundary between the City of Warren and the City of Detroit. GLWA shall have no responsibility for operating and maintaining any portions of the wastewater collection system upstream of the point of connection. The City owns that part of Interceptor PCI-5 that is between the City of

Warren/City of Detroit boundary and the NESPS. GLWA and Customer have entered into a long-term operating agreement, set forth in Article 22. Article 22 also sets forth the manner in which the NESPS will be operated and maintained to handle Customer's Flow.

4.03 Change in Service Area. The boundaries of the Service Area may be changed only by the express written agreement of GLWA and Customer and shall be embodied in an amendment to this Contract.

4. Article 7, Contract Term and Termination, is deleted in its entirety and replaced as follows:

7.01 Term. GLWA shall provide Services to Customer in accordance with the terms and conditions of the 2009 Wastewater Contract and this Amendment for a period that ends December 31, 2045 (collectively the "Contract Term"). The Effective Date of this Amendment shall be July 1, 2019 or the date that this Amendment is approved by the Parties' governing bodies and fully executed by the Parties' duly authorized representatives, whichever is later. The Contract and this Amendment replace and supersede any prior wastewater disposal services contracts between the Parties.

7.02 Renewal. This Contract shall automatically renew at the conclusion of the Contract Term for an additional ten-year term, unless a Party provides written notification to the other Party in accordance with Article 16 on or before December 31, 2040, stating its intent not to renew this Contract. Thereafter, this Contract shall automatically renew every ten years for an additional ten-year term, unless a Party provides written notification to the other Party in accordance with Article 16 on or before the conclusion of the fifth year of the then current ten-year term stating its intent not to renew this Contract. The automatic renewals of this Contract shall not preclude a review of its terms and the Parties are encouraged to reaffirm or amend its terms as necessary. The Parties may, in writing, mutually agree upon a longer renewal term.

7.03 Customer's obligations under Article 6, if any, shall survive the expiration or termination of this Contract and continue until such obligations are satisfied.

5. Article 16, Notices, is deleted in its entirety and replaced as follows:

16.01 Except as otherwise specified in the Contract or this Amendment, all notices, consents, approvals, requests and other communications (collectively, "Notices") required or permitted under this Contract shall be given in writing and mailed by first class mail, addressed as follows:

a. For the purposes of exchange of technical information, access, inspection of inspection and testing and coordination of work:

<p>GLWA's Technical Representative will be:</p> <p>Biren Saparia 6425 Huber Street Detroit, MI 48211 Biren.saparia@glwater.org 313-267-8977(O) 313-999-0235 (C)</p>	<p>Customer's Technical Representative will be:</p> <p>Sid Lockhart, P.E., Special Projects Engineer Oakland County Water Resources Commissioner's Office 1 Public Works Drive Waterford, MI 48238 Lockharts@oakgov.com 248-858-0958(O) 248-431-3814(C)</p>
--	--

b. For the purpose all written notices or requests required under this Amendment:

<p>For GLWA:</p> <p>Sue McCormick Chief Executive Officer 735 Randolph, Suite 1900 Detroit, MI 48226 313-964-9501 Sue.Mccormick@glwater.org</p>	<p>For Customer:</p> <p>Jim Nash OCWRC Commissioner Secretary for the Customer 1 Public Works Drive Waterford, Michigan 48328 nashj@oakgov.com 248-858-0958</p>
--	---

16.02 All Notices shall be deemed given on the day of post-marked mailing. Any Notice given by a Party hereunder must be signed by an authorized representative of such Party.

16.03 Notwithstanding the requirement above as to the use of first-class mail, change of address notices, termination notices, and other Notices of a legal nature, shall be sent by certified first-class mail, postage prepaid, return receipt requested.

16.04 Each Party agrees to notify of the other Party, of any changes in personnel that affects the notice required in this section, which shall not require approval or amendment of either Party to this Amendment

6. Section 19.08 is deleted in its entirety.

7. The title of Article 22 is renamed as follows: **Operations, Maintenance & Repairs and/or Improvements to Interceptor PCI-5, NESPS, and NIEA**. Further, the text of Article 22 is deleted in its entirety and replaced as follows:

22.01 Responsibilities of the Parties, Generally. Through this Amendment and consistent with Performance Standards, the Parties agree to the following:

(i) Customer shall be responsible for operating Interceptor PCI-5.

(ii) Customer shall be responsible for the maintaining, repairing and improving Interceptor PCI-5, NESPS and NIEA, except for the GLWA's Supervisory Control and Data Acquisition ("SCADA") data.

(iii) GLWA shall be responsible for operating NESPS and NIEA, except for Pump #4 and the sump dewatering pump.

(iv) Customer shall be responsible for operating Pump #4 and the sump dewatering pump.

Details of each Party's responsibility are outlined in the Subsections below and in the attached Exhibits.

22.02 Operation of Interceptor PCI-5 by Customer. Consistent with Performance Standards, Customer shall operate Interceptor PCI-5 within the City of Detroit at its own expense.

22.03 Maintenance & Repairs and Improvements to Interceptor PCI-5, NESPS and NIEA by Customer. Consistent with Performance Standards, Customer shall maintain, repair and improve Interceptor PCI-5, NESPS and NIEA, at its own expense. Customer shall provide GLWA a Maintenance & Repairs Plan and an Improvement Plan, consistent with the requirements outlined in the Exhibits.

22.04 Operation of NESPS and NIEA by GLWA. Consistent with Performance Standards, GLWA will operate the NESPS and NIEA, except for Pump #4 and the sump dewatering pump, to provide instantaneous pumping rates as required to handle flow up to Customer's Maximum Allowable Flow Limit (423 CFS). GLWA will maintain upper wet well levels at or below an elevation of 532.00 Mean Sea Level so that storage capacity in the Edison Corridor, beyond that associated with wet well levels at that elevation will not be utilized in wet weather events or other events without advance written authorization from Customer, or unless conditions warrant such action in order to protect public health, safety, welfare or the environment or the integrity of the Regional Sewer System. Customer shall have the right to receive real-time and historical SCADA data on Interceptor PCI-5, NESPS, NIEA and will bear any costs of establishing access to the SCADA data. The Parties agree to reopen the provisions of this Section 22.04 at the conclusion of GLWA's Wastewater Master Planning process, to address financial consideration to Customer, if any, for GLWA's use of storage capacity within the Edison Corridor.

22.05 GLWA's Charges to Customer for Interceptor PCI-5, NESPS and NIEA. In connection with Customer's assumption of the Maintenance & Repairs and Improvement of Interceptor PCI-5, NESPS and NIEA, Customer shall be responsible for directly assuming and directly paying the costs associated with using, repairing, maintaining, replacing, enlarging, extending, improving, financing and refinancing of said facilities. As part of the consideration between the Parties:

Customer agrees to pay GLWA, monthly, 1/12 of the annual flat fee in accordance with the "OMID Cost Elements Summary" for Fiscal Years 2020, 2021, 2022, 2023, and 2024 dated January 14, 2019 and attached hereto as Schedule 22.05, for GLWA's retained Operations responsibilities under this Section. For Fiscal Year 2020, the annual flat fee is \$1,341,400. The Line Item 2 set forth in Schedule 22.05, shall be adjusted upward 4% annually, for each Fiscal Year from 2021 through 2024. It is anticipated that the Maintenance & Repairs and Improvements to the NESPS will result in certain efficiencies related to GLWA's retained Operations responsibilities, accordingly, for Fiscal Year 2025, the Parties shall re-open and adjust the charges identified herein in order to determine and reflect any changes in GLWA's Operations and costs related thereto.

Within one hundred eighty days (180) days of the Effective Date, Customer shall pay to GLWA a one-time contribution in aid of capital in the amount of \$11,920,000, which generally reflects GLWA's determination of net book value of the assets as of the effective date related to the NESPS. In exchange for the flat fee identified herein, and one-time contribution in aid of capital, GLWA agrees to eliminate all allocated costs and charges currently charged by GLWA to Customer that GLWA maintains are attributable to Operation, Maintenance & Repairs and Improvements of the Interceptor PCI-5, NESPS and NIEA. Except as otherwise provided herein, future allocations of capital financing (i.e. debt service, revenue financed capital or other capital related expenses) will not be assigned to the Interceptor PCI-5, NESPS and NIEA.

All utilities to the NESPS will be separately metered and charged to the NESPS. However, if the Parties agree that it is to their mutual benefit to take utilities for both the NESPS and the Northeast Water Treatment Plant. Customer shall receive a copy of meter readings and utility invoices when billings are submitted from GLWA to Customer. GLWA shall not markup the cost of utility services consumed at the NESPS, and such charges shall be a direct pass through charge.

The Parties acknowledge that a change in Applicable Laws, unforeseen emergencies, metering improvements, SCADA improvement and/or Customer's failure to meet its responsibilities under this Section, may require GLWA to directly pay for Maintenance & Repair and Improvements to Interceptor PCI-5, NESPS, and/or NIEA. If this occurs then GLWA and Customer shall meet and confer to discuss how Customer shall reimburse

GLWA for these additional costs.

22.06 Notice to Terminate its Responsibilities under this Section by Customer. With twelve (12) months' written notice, Customer may request that GLWA operate, maintain, repair and improve Interceptor PCI-5, NESPS and NIEA. Should Customer decide to relinquish its responsibilities under this Amendment and GLWA assumes responsibility to maintain, repair and improve NESPS and NIEA, GLWA and Customer shall meet and confer within ninety (90) days of the notice regarding the additional charges to the Customer. Notwithstanding the foregoing, however, in no event shall such charge methodology described herein or as subsequently modified, include any cost allocation associated with Customer's contribution in aid of capital (as defined in this Amendment) or Customer's capital improvements to the Interceptor PCI-5, NESPS and NIEA. During the period between the notice and GLWA's assumption of maintenance, repair and improvement responsibility, GLWA shall charge Customer in accordance with section 22.05.

22.07 NESPS Pumping Capacity. NESPS presently has total pump capacity of 550 CFS and firm capacity (largest pump not in service) of 400 CFS. Customer shall maintain the pump station firm pumping capacity at a level sufficient to handle Customer's Maximum Allowable Flow Limit during the Contract Term. In the event Customer determines that pumping capacity change is required, makes a written request to the GLWA to modify firm pumping capacity and GLWA approves the request, Customer may undertake the improvements to modify pumping capacity as requested by Customer or as otherwise agreed upon by the Parties at Customer's expense.

22.08 Financing Maintenance, Repairs and Improvements by Customer. Customer may finance Maintenance and Repairs and/or Improvements to Interceptor PCI-5, NESPS, and NIEA. Customer shall not finance improvements requiring installment payments that exceed the Contract Term without GLWA Board approval. (Ex. Customer shall not incur bond debt for improvements in 2030 that would require installment payments past December 31, 2045 without GLWA's Board approval). Customer's financing shall not encumber the Interceptor PCI-5, NESPS, and NIEA with liens or any other property interests. It is understood that Customer's financing or issuance of debt for Improvements shall comply with the requirements of Chapter 21 of the Michigan Drain Code.

22.09 City Ownership of Maintenance, Repairs and Improvements. Once accepted by GLWA, Maintenance & Repairs and Improvements by GLWA and Customer to Interceptor PCI-5, NESPS, and NIEA, regardless of the form of financing, shall be owned by the City of Detroit. While under construction and prior to acceptance by GLWA, if financed by Customer, the work in progress relating to any Maintenance & Repairs and Improvements to Interceptor PCI-5, NESPS, will be under the control and responsibility of Customer, including liability for such work in progress.

22.10 Part 41 Permits. If necessary, GLWA designates Customer as its agent for the purposes of applying for sewerage system construction permits under Part 41 of Act 451 of 1994, MCL 324.4101 et seq. ("Part 41") for repairs, replacements and improvements of Interceptor PCI-5, NESPS and NIEA. GLWA authorizes Customer to file plans and specifications with the Michigan Department of Environmental Quality ("MDEQ") for all such projects. GLWA shall furnish Customer with a letter authorizing the filing of plans and specifications with the MDEQ for all such projects, on a project specific basis.

22.11 City of Detroit Permits. GLWA shall reasonably assist Customer to obtain any permit required from the City of Detroit for permission or authorization to use streets, highways, alleys and/or easement within the City of Detroit for purposes of maintaining, repairing and/or improving Interceptor PCI-5, NESPS and NIEA. Customer shall comply with any City of Detroit ordinances that apply to construction and related activities within the City of Detroit. Customer shall restore all existing facilities, structures and/or improvements laying in the right-of-way of construction to as good a condition as before construction took place and as otherwise required by the City of Detroit.

22.12 Records. Either Party shall have access to all records in other Party's possession regarding their respective responsibilities with Interceptor PCI-5, NESPS and NIEA during normal business hours and within five (5) business days written notice. All records shall be retained in accordance with the State of Michigan's General Schedules for Local Government.

22.13 Communication. There shall be an open and direct line of communication established and maintained between the Parties in order to promote the handling of both routine and emergency situations in a timely and cooperative manner according to the circumstances as they exist or become known. As set forth in Section 16.01(a), each Party has designated one or more Technical Representatives for such purposes, and will notify the other Party in writing if such designee(s) change in the future. The Technical Representatives shall also be used for purposes of communicating and coordinating specific needs, plans, instructions, issues, concerns and other matters relating to the Operation, Maintenance & Repairs or Improvement of Interceptor PCI-5, NESPS, and NIEA.

The Parties shall develop a communication and coordination procedure for operation of control gates in the Customer's system and for any modification of equipment, including temporary shutdown of equipment, affecting NESPS operations. In addition, the Parties shall list appropriate contacts from the other on their emergency notification lists.

Each Party agrees to ensure that the other Party's employees, contractors, consultants and agents will cooperate with each Party's respective supervisory staff in the Maintenance & Repairs and Improvements to Interceptor PCI-5, NESPS, and NIEA authorized by this Amendment.

22.14 Party's Agents and Customer's Contractors. Each Party shall solely control, direct, and supervise all its employees, agents, contractors or consultants (Party's Agents) with respect to all of the Party's responsibilities under this Amendment. Each Party shall be solely responsible for and fully liable for the conduct and supervision of its Agents. The Party's Agents shall wear and display appropriate identification provided by GLWA, at all times while working at or on Interceptor PCI-5, NESPS and NIEA. Upon request, Customer shall receive from GLWA, monthly reports identifying persons accessing Interceptor PCI-5, NESPS and NIEA. Customer shall report to GLWA's Security and Integrity Team any person that fails to display appropriate identification.

Customer shall select its contractors to fulfill its responsibilities under this Amendment, utilizing Customer's Procurement Policy and Procedures. However, Customer shall not retain contractors that are debarred by GLWA for procurement opportunities pursuant to GLWA's Procurement Policy regarding debarment. Further, GLWA shall have the right to deny entry or access of a Customer's employee or a contractor's employee who GLWA has precluded from GLWA's Leased Facilities. Prior to GLWA providing access to GLWA's Leased Facilities to Customer's employees, its contractors, and contractor's employees, they shall be subject to a criminal background check and receive identification badges issued by GLWA's Security and Integrity Team.

22.15 Responsibility for Damages and Claims. Each party is responsible for any and all damages and claims, including administrative sanctions, penalties, and/or claims for damages to person or property associated with any action or inactions related to the Party's respective responsibilities under this Section. If it appears that both Parties may be responsible, the Parties shall endeavor to allocate responsibility between the Parties and, present a common defense.

Examples:

- Customer shall be responsible for paying administrative sanctions regarding the failure to maintain the NESPS.
- GLWA shall be responsible for paying claims associated with improper operations of the NESPS.
- Both Parties shall be responsible for damages where the failure to maintain and improper operations caused damages to property and shall attempt to allocate responsibility amongst each other and present a common defense.

22.16 Insurance. From and after the Effective Date, GLWA shall, for the Contract Term, and at its own expense, procure and maintain insurance as required by Section 5.2 of the Lease.

From and after the Effective Date, Customer shall, for the Contract

Term and at its own expense, procure and maintain insurance for Customer's responsibilities to Interceptor PCI-5, NESPS, and NIEA, in the minimum amounts set forth in **Schedule 22.16**, but only if such insurance is commercially available.

The provisions requiring the Parties to carry the insurance required shall not be construed in any manner as waiving or restricting the liability of each Party under the 2009 Wastewater Contract and this Amendment.

To the extent that a loss or damage is covered by insurance, each Party's insurance carrier waives any right of subrogation that the insurance carrier may have against the other Party. The waiver of subrogation does not apply to losses or damages caused by contractors or subcontractors performing Maintenance & Repairs and Improvements on behalf of any Party.

22.17 Damage/Destruction of Interceptor PCI-5, NESPS and NIEA.

If during the Contract Term, any portion of Interceptor PCI-5, NESPS and NIEA is damaged or destroyed by fire or other casualty, Customer shall repair, restore, rebuild or replace the damaged or destroyed portion of Interceptor PCI-5, NESPS and NIEA and complete the same as soon as reasonably possible (subject to the adjustment and receipt of insurance proceeds, if any), to at least the condition Interceptor PCI-5, NESPS and NIEA were in prior to such damage or destruction, except for obsolescent facilities or changes in design or materials as may then be necessary to comply with the operating standards for the Interceptor PCI-5, NESPS and NIEA.

22.18 Waste Prohibition. Customer shall not cause or permit any waste, damage or injury to Interceptor PCI-5, NESPS and NIEA nor adversely impact GLWA's operation of same, and shall keep Interceptor PCI-5, NESPS and NIEA in good condition and repair in accordance with the Performance Standards.

8. Mutual Waiver of Claims. Customer and GLWA waive any claims related to the terms and conditions set forth in original Article 22 as set forth in the 2009 Wastewater Contract (now deleted and replaced as part of this Amendment) that one Party has or may have against the other Party prior to the Effective Date of this Agreement.

9. Construction Agreement. The relevant provisions of the Construction Agreement and its Amendments, between the City of Detroit, as assigned to GLWA, and Customer remain in effect until such time the Parties terminate the Construction Agreement and its Amendments.

10. No Waiver of Governmental Immunity. Notwithstanding the foregoing,

or any other provision of the 2009 Wastewater Contract and this Amendment, the Parties do not waive their governmental immunity defenses. The Parties retain all other privileges, immunities and rights as provided by law.

11. With the exception of the provisions of the 2009 Wastewater Contract specifically contained in this Amendment, all other terms, conditions and covenants contained in the 2009 Wastewater Contract shall remain in full force and effect and as set forth in the 2009 Wastewater Contract.

12. This Amendment to the 2009 Wastewater Contract shall be effective and binding upon the Parties when it is signed and acknowledged by the duly authorized representatives of both Parties and is approved by Customer's governing body and GLWA's Board.

In **Witness Whereof**, GLWA and Customer, by and through their duly authorized officers and representatives, have executed this Contract.

GREAT LAKES WATER AUTHORITY

**CUSTOMER
OAKLAND-MACOMB INTERCEPTOR
DRAIN DRAINAGE DISTRICT**

By: _____
Sue. F. McCormick
Its: Chief Executive Officer

By: _____
Its: Chairperson, Oakland-Macomb
County Interceptor Drain Drainage Board

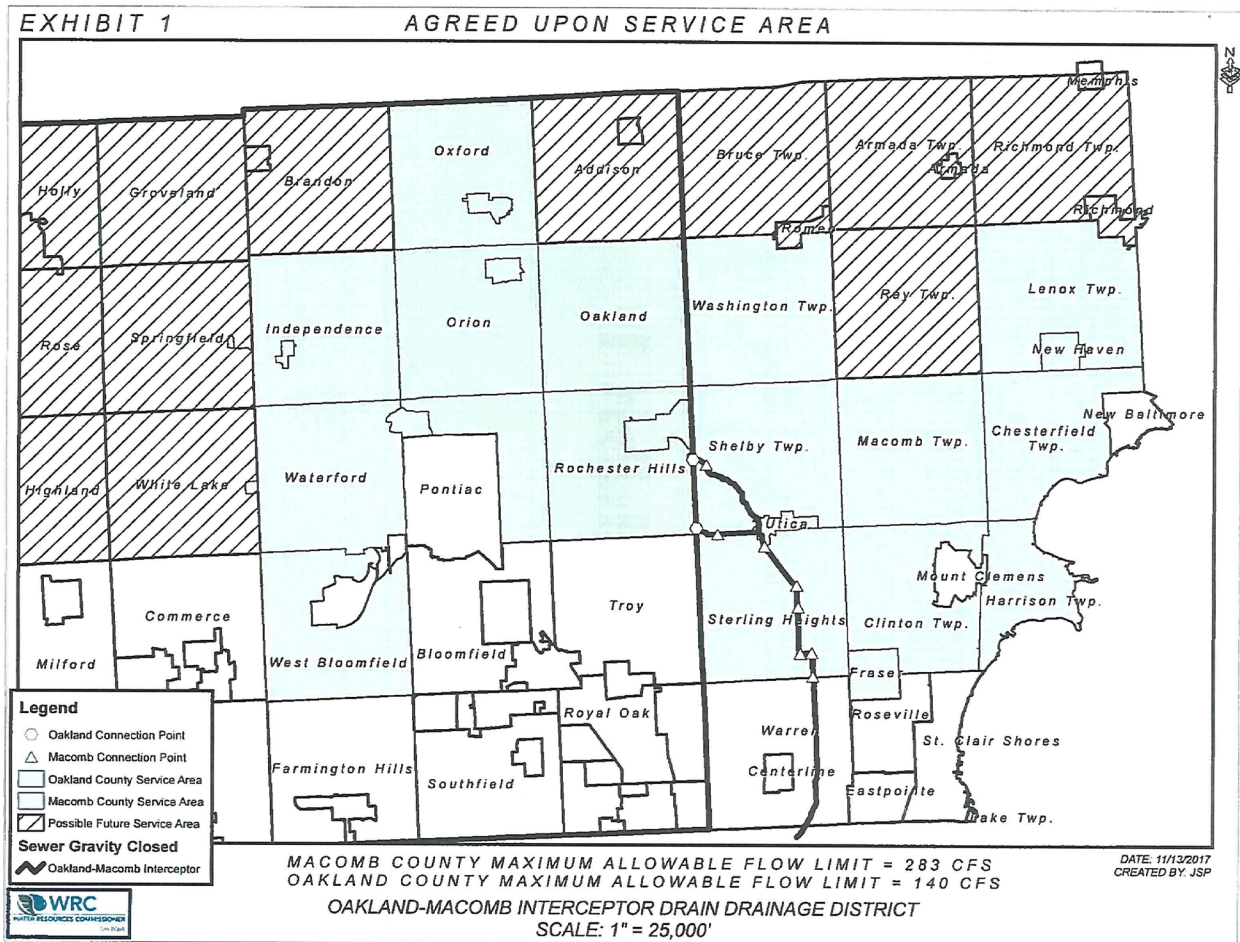
GLWA Board Resolution # _____
Approved as to form:

Customer's Board Resolution # _____
Approved as to form:

Randal M. Brown
GLWA General Counsel

Joseph W. Colaianne
Customer's Counsel

AMENDED EXHIBIT A: SERVICE AREA



The Service Area is comprised of the following municipalities and subareas:

Oakland County	Macomb County
<p style="text-align: center;">City of Auburn Hills, Independence Township (including the City of Clarkston), City of Lake Angelus, City of Rochester, City of Rochester Hills, Oakland Township, Orion Township, Oxford Township, Village of Lake Orion, Village of Oxford, Waterford Township, West Bloomfield</p> <p style="text-align: center;">Springfield Township (subarea) White Lake Township (subarea-- Softwater Lake Development and White Lake Oaks County Park and Golf Course)</p>	<p style="text-align: center;">Chesterfield Township, City of Fraser, City of Sterling Heights, City of Utica, Clinton Township, Harrison Township, Lenox Township, Macomb Township (including Washington Township), Shelby Township, and Village of New Haven</p>

EXHIBIT G: LEGAL DESCRIPTIONS

NESPS and NIEA consist of sanitary sewer interceptors, a sewage pumping station and ancillary wastewater facilities. The NIEA is a sewer interceptor constructed under City, Detroit Water and Sewerage Department ("DWSD") Contracts PCI-4, PCI-18 and PCI-19, consisting of 33,900 lineal feet interceptor sewer (located between PCI-4 and Meldrum Road, in the City of Detroit). NESPS and NIEA are the downstream terminus for the Customer, which conveys wastewater from approximately 850,000 residents and property owners located within Oakland and Macomb counties.

NESPS PROPERTY DESCRIPTION

Land in the City of Detroit, County of Wayne, State of Michigan, and described as follows: All that part of the West $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 3, T.1N., R.12E., more particularly described as follows: Beginning at a point on the North and South $\frac{1}{4}$ line of said Section 3; Distant $S01^{\circ}10'34''W$; 2,599.30 ft. from its North $\frac{1}{4}$ corner; thence $S88^{\circ}59'43''E$; 72.65 ft.; thence $N02^{\circ}38'29''E$; 75.95 ft.; thence $N11^{\circ}08'36''E$; 65.31 ft.; thence $N23^{\circ}49'49''W$; 55.88 ft.; thence $S86^{\circ}16'40''E$; 78.01 ft.; thence $N46^{\circ}18'09''E$; 137.70 ft.; thence $N15^{\circ}20'56''E$; 27.37 ft.; $N14^{\circ}07'17''E$; 29.53 ft.; thence $N74^{\circ}40'40''W$; 49.71 ft.; thence $N29^{\circ}59'37''W$; 32.85 ft.; thence $N14^{\circ}38'19''E$; 124.66 ft.; $S86^{\circ}10'54''E$; 353.34 ft.; $N49^{\circ}11'58''E$; 63.77 ft.; thence $S85^{\circ}01'42''E$; 58.83 ft.; $S58^{\circ}38'42''E$; 145.26 ft.; to the Northwesterly line of the Grand Trunk Western Railway (499 ft. wide); thence $S31^{\circ}48'33''W$; 592.22 ft. along said Northwesterly line to its intersection with the East and West $\frac{1}{4}$ line of said Section 33; thence $N88^{\circ}59'43''W$; 497.82 ft. to the center post of said Section 3; thence extending $N88^{\circ}39'34''W$; 901.86 ft. along the East and West $\frac{1}{4}$ line to the Easterly line of Conner Avenue (66 ft. wide) as now established; thence $N21^{\circ}10'34''W$; 64.95 ft. along said Easterly right of way line; thence $S88^{\circ}39'34''E$; 926.56 ft. to the point of beginning of this description containing 7.912 acres more or less.

NIEA ROUTE DESCRIPTION

Beginning at a point on the southwest side of the Northeast Sewage Pumping Station building located within the above-described property. Thence southwesterly approximately 235 ft. to a point located in State Fair Road right of way; thence westerly approximately 2,700 ft. to a point located in Outer Drive Road right of way; thence southwesterly approximately 400 ft. to a point located in Van Dyke Road right of way; thence southerly in Van Dyke Road right of way approximately 18,700 ft. to a point; thence continuing southeasterly in Van Dyke Road right of way 4,400 ft. to a point in Gratiot Road right of way; thence southwesterly in Gratiot Road right of way approximately 5,200 ft. to a point of intersection with Meldrum Street also being the point of ending.

**EXHIBIT H: MAINTENANCE & REPAIRS PLAN AND IMPROVEMENT PLAN
REQUIREMENTS**

Timeline for Drafting the Maintenance & Repairs Plans

By February 1st of each year, Customer shall draft a Maintenance & Repairs Plan for the upcoming Fiscal Year and provide a copy of the draft to GLWA. By March 1st of each year, GLWA Technical Representative shall provide comments to Customer’s draft Maintenance & Repairs Plan. By June 30th of each year, Customer shall incorporate GLWA’s comments and finalize the Maintenance & Repairs Plan for the upcoming Fiscal Year. The Parties’ Authorized Representatives shall review, approve and execute the final Maintenance & Repair Plan for the Fiscal Year.

Maintenance & Repair Approval Requirements

Customer does not need any further approvals from GLWA to commence the Maintenance & Repairs listed in the Maintenance & Repairs Plan. However, Customer shall communicate with GLWA prior to the commencement of any Maintenance & Repair project.

Any Maintenance & Repair project that is not listed in the Maintenance & Repair Plan requires GLWA’s CEO’s approval prior to the commencement of the project

Maintenance & Repairs Projects

Maintenance & Repairs including, but are not limited to:

- Housekeeping
- Landscaping and grounds maintenance of NESPS
- Obligations from equipment maintenance manuals
- Inspections
- Tests
- Preventative Maintenance
- Any maintenance obligated by law, regulations or permits
- Examples of specific Maintenance & Repairs include:

Maintenance Activity	Inspection Frequency
Review pump run hours	D
Review totalized flow (Check wet well levels, check for debris, turbulence or unusual noise)	D
Check alarms	D
Ensure that all mechanical switches, controls and valves are in the correct position	D
Pick up litter, general housekeeping	D
Ensure all Electrical breakers	D

Maintenance Activity	Inspection Frequency
are on	
Ensure that all electrical switches and controls are in the correct position	D
Check for pump vibrations, unusual noise, and excessive heat	W
Lube and grease equipment (as required by manufacture)	W
Check, clean and maintain property	W
Check back up generator	M
Check air release valves	SA
Exercise check valves	SA
Check floats/bubbler system (clean and/or replace)	SA
Check operation of building heat and fans	SA
Remove grease build up	A

Key

D=Daily

A= Annually

M=Monthly

Q=Quarterly

SA=Semi-Annually

Maintenance & Repairs Plan Requirements

For each Maintenance & Repair project identified in the Maintenance & Repairs Plan, Customer shall identify:

1. The names of all Contractors and subcontractors used to complete the Maintenance and Repair
 - a. Customer must provide written notice of any change in the contractor or subcontractor used to complete the Maintenance & Repair
2. The anticipated commencement and end date of any the Maintenance & Repair project

3. The frequency of the Maintenance & Repair (i.e. daily, monthly, annually)
4. Anticipated costs of the Maintenance & Repair
5. Any known impact on the GLWA's operations of the Regional Sewer System
 - a. The Parties shall meet and confer at least once to resolve GLWA's position that Customer's proposed Maintenance & Repair adversely affect the operations of the Regional Sewer System. If the Parties cannot resolve the matter, Customer may request a technical arbitration of the matter following the process set forth in Exhibit I.

Timeline for Drafting the Improvement Plans

Initial Improvement Plan. Customer shall complete an asset condition assessment of NESPS, NIEA and Interceptor PCI-5 performed by an outside engineering firm acceptable to GLWA, at Customer's expense. The first assessment shall be completed by Customer prior to the Effective Date of this Amendment. Based on the assessment, Customer shall draft an Improvement Plan. The initial Improvement Plan shall incorporate the Capital Improvement Projects for Interceptor PCI-5, NESPS and NIEA that exist in GLWA's 2020-2024 Capital Improvement Plan. A draft of the initial Improvement Plan and the condition assessment report shall be submitted to GLWA for its review and comments. Customer shall incorporate GLWA's comments and finalize the Improvement Plan. The Parties' Authorized Representatives shall review, approve and execute the final Improvement Plan.

Improvement Plan Updates. Prior to the start of each Fiscal Year, Customer shall submit updates on the status of the projects listed in the Improvement Plan and identify any additional Improvement Projects. GLWA shall review the updated Improvement Plan and provide comments. Customer shall incorporate GLWA's comments in the updated Improvement Plan. The Parties' Authorized Representatives shall review, approve and execute the final Improvement Plan.

Future Asset Condition Assessments. In five-year intervals and by July 1st of the five-year interval year, Customer shall produce an updated condition assessment report by an outside engineering firm acceptable to GLWA, at Customer's expense. Based on the findings of that report, Customer shall update the Improvement Plan, using the process outlined above, and provide GLWA a copy of the asset condition assessment.

Improvement Approval Requirements

Customer does not need any further approvals from GLWA to commence the Improvements listed in the Improvement Plan. However, Customer shall communicate with GLWA prior to the commencement of any Improvement project and provide monthly updates on the status of the Improvement Project.

Any Improvement project that is not listed in the Improvement Plan requires GLWA's CEO's approval prior to the commencement of the project.

Improvements Plan Requirements

For each Improvement project identified in the Improvement Plan, Customer shall identify:

1. The names of all Contractors and subcontractors used to complete the Improvement
 - a. Customer must provide written notice of any change in the contractor or subcontractor used to complete the Improvement
2. The anticipated commencement and end date of any the Improvement
3. Anticipated costs of the Improvement
4. Any known impact on the GLWA's operations of the Regional Sewer System
 - a. The Parties shall meet and confer at least once to resolve GLWA's position that Customer's proposed Improvement adversely affects the operations of the Regional Sewer System. If the Parties cannot resolve the matter, Customer may request a technical arbitration of the matter following the process set forth in Exhibit I.

EXHIBIT I, ADVERSE IMPACT DISPUTES

If the Parties cannot reach an agreement on whether the Customer's Operations, Maintenance & Repairs, and/or Improvement will adversely affect the Regional Sewer System, the Parties will arbitrate the matter with an Engineer Panel. **Only claims of adverse impacts on the Regional Sewer System are subject to dispute resolution format.** Adverse impact does not include financial impact of Customer's assumption of the Operations, Maintenance & Repairs, and/or Improvements and the with respect to revenue requirements of the Regional Sewer System.

Selection of the Engineer Panelists: The Parties shall select a panel of 3 engineers with experience in the design, construction, or operation and maintenance of a sewer system (each an "Engineering Panelist"). Each party shall appoint an Engineer Panelist, obtain its Engineer Panelist's acceptance of such appointment and deliver written notification of such appointment and acceptance to the other Party within 15 days after delivery of a notice of arbitration. The two Engineer Panelists appointed by Customer and GLWA shall jointly appoint the third (who shall be the chairperson), obtain the acceptance of such appointment and deliver written notification of such appointment within 15 days after their appointment and acceptance. If either Customer or GLWA fails to appoint its arbitrator within 15 days after delivery of a notice of arbitration, or if the two Engineer Panelists appointed cannot agree upon the third Engineer Panelist within 15 days after appointment of the second Engineer Panelist, then the required Engineer Panelist(s) shall be appointed by the American Arbitration Association or as otherwise agreed by Customer and GLWA.

Technical Position Notice: The Engineer Panel shall be designated to consider and decide the claims of adverse impacts on the Regional Sewer System. The Engineer Panel shall be designated not later than the third day following the expiration of the second 15-day period described above, such designation to become effective on the third day following such designation. Within 10 days after the designation of the Engineer Panel, GLWA and Customer shall each submit to the Engineer Panel a notice (a "Technical Position Notice") setting forth in detail the Party's position. The Technical Position Notice shall include supporting documentation, if appropriate.

Proceedings: The Engineer Panel shall complete all proceedings and issue its decision with regard to the adverse impact claim as promptly as reasonably possible, but in any event not later than 10 days after the date on which both Technical Position Notices are submitted, unless the Engineer Panel reasonably determines that additional time is required in order to give adequate consideration to the Parties' Technical Position Notices. In such case, the Engineer Panel shall state in writing in its execution copy reasons for believing that additional time is needed and shall specify the additional period required, which period shall not exceed 10 days without the Customer's and GLWA's agreement. In resolving the dispute contained in the Parties' technical position notices, the Engineer Panel shall consider all facts and circumstances the Engineer Panel deems reasonable.

The Decision: The Engineer Panel shall choose either Customer's position or GLWA's position as set forth in their respective Technical Position Notices or shall choose from each Party's Technical Position Notices the portions that the Engineer Panel find to be technically correct. If the Engineer Panel determines that the position set forth in Customer's Technical

Position Notice is correct, the Engineer Panel shall so state and shall state the appropriate actions to be taken by GLWA. In such case, GLWA shall promptly take such actions. If the Engineer Panel determines that the position set forth in GLWA's Technical Position Notice is correct, the Engineer Panel shall so state and shall state the appropriate actions to be taken by Customer. In such case, Customer shall promptly take such actions. If the Engineer Panel determines that a portion of Customer's Technical Position Notice is correct and a portion of GLWA's Technical Position Notice is correct, the Engineer Panel shall so state and shall state the appropriate actions to be taken by each Party. In such case, the respective Party shall promptly take such actions.

The decision of the Engineer Panel shall be final and non-appealable; provided that, any such decision may be treated as an arbitration award for purposes of enforcement.

GLWA and Customer shall each bear the out-of-pocket costs and expenses of their respective engineer, attorneys and witnesses, and they shall each bear one-half of the out-of-pocket costs and expenses of the chairperson of the Engineer Panel and all administrative support for the arbitration.

Customer and GLWA may enforce the Engineer Panel's decision pursuant to Section 22 of Act 371 (MCL 691.1702). The Engineer Panel's decision shall be the sole and exclusive remedy of the Parties in determining Customer's Operations, Maintenance & Repairs and/or Improvements shall adversely affect the operations of the Regional Sewer System.

Customer and GLWA agree not to bring, or cause to be brought, in a court of law any action, proceeding or cause of action whatsoever with respect to adverse impacts on the operations of the Regional Sewer System, other than as necessary to enforce the award or decision of the Engineer Panel. The decision of the Engineer Panel will be binding for the Contract Term.

SCHEDULE 22.05

GLWA's Charges to Customer for Interceptor PCI-5, NESPS and NIEA

DRAFT

Summary of OMID Cost Elements - Initial 5-year Contract Amendment Period
FY 2020 to FY 2024

	Baseline Amount	Annual Index after FY 2020	Initial 5-year Agreement Period Cost Responsibility					Total	Basis
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
1 Utility Charges For NEPS	750,000	NA - pass thru	750,000	750,000	750,000	750,000	750,000	3,750,000	Estimated direct pass through - Budget includes utilities only
2 GLWA Operating Expense	756,700	4.0%	756,700	787,000	818,500	851,200	885,200	4,098,600	Limited to proportional operational support activities - 25% of operating expenses allocated to lift stations
3 GLWA Legacy Pension Obligation	392,800	0.0%	392,800	392,800	392,800	392,800	392,800	1,964,000	Estimated Personnel cost allocation from legacy period - 1.75% of assigned sewer operating and non-operating pension obligations.
4 Transfer to WRAP Fund	10,400		10,400	10,600	10,700	10,900	11,000	53,600	0.5% applied to annual elements
5 Lease Payment	181,500	0.0%	181,500	181,500	181,500	181,500	181,500	907,500	6/30/18 asset review - NESPS = 0.66% of Sewer capital assets.
6 Subtotal "Annual" Elements	2,091,400		2,091,400	2,121,900	2,153,500	2,186,400	2,220,500	10,773,700	
7 Capital Contribution	11,920,000	NA - pass thru	11,920,000					11,920,000	6/30/2019 Net Book Value of NESPS Assets
8 TOTAL	14,011,400		14,011,400	2,121,900	2,153,500	2,186,400	2,220,500	22,693,700	
9 Total less Pass thru Utility Charges	13,261,400		13,261,400	1,371,900	1,403,500	1,436,400	1,470,500	18,943,700	

Dated: January 14, 2019

**Schedule 22.16
Customer Provided Insurance**

Customer shall obtain and maintain insurance according to the following minimum specifications but only if such insurance is commercially available:

Named Insured on Certificate	Policies:	Limits:	Additional Insured - Certificate Holder
OMIDD	Public Entity Policy- General Liability	\$1,000,000 each occurrence/ \$2,000,000 aggregate	GLWA/City of Detroit
OMIDD	Public Entity Policy- Errors & Omissions Liability	\$1,000,000 each occurrence/ \$2,000,000 aggregate	GLWA/City of Detroit
OMIDD	Excess Liability (1 st layer)	\$10,000,000 excess over \$1,000,000 / \$10,000,000 aggregate	GLWA/City of Detroit
OMIDD	Excess Liability (2 nd layer)	\$10,000,000 excess over \$10,000,000, excess over \$1,000,000 / \$10,000,000 aggregate	GLWA/City of Detroit
OMIDD	Pollution Liability	\$10,000,000 each pollution event/ \$10,000,000 aggregate	GLWA/City of Detroit
Oakland County/Macomb County/Contractor as applicable ¹	Auto Liability	\$1,000,000 each occurrence, including coverage for all owned, hired and non-owned vehicles; including No Fault coverage as required by law	N/A

¹ It is understood that the Customer (Oakland-Macomb Interceptor Drain Drainage District) does not have any direct employees, but may utilize employees from the Office of the Oakland County Water Resources Commissioner or the Macomb County Public Works Commissioner. In such case, it is understood the employee of the respective county is insured under the county of employ for both Auto Liability and Workers' Compensation. Customer's contractors will be required to provide and maintain Auto Liability and Workers' Compensation, as required by this Section 22.16.

Named Insured on Certificate	Policies:	Limits:	Additional Insured – Certificate Holder
Oakland County/Macomb County/Contractor as applicable ² OMIDD	Workers Compensation and Employers’ Liability “All risks” Personal and Real Property- <i>NESPS only</i> (providing coverage for direct physical loss, including machinery breakdown, subject to the terms and conditions and exclusions in the policy)	As required by law and \$1,000,000 Employer’s Liability Replacement cost basis with a loss limit of \$149 million with sub-limits of insurance and deductibles as agreed by the Parties	None GLWA/City of Detroit

1. Customer shall name GLWA, the City of Detroit, and their respective elected officials, officers, employees, agents and volunteers, as additional insureds.
2. The “All Risks” Property policy and general liability policy shall provide, and the umbrella/excess liability policy shall be endorsed to provide that Customer’s insurance is primary and non-contributory to any insurance already carried by GLWA.
3. Customer shall be responsible for payment of any and all deductibles and/or self-insured retentions contained in any insurance required under the 2009 Wastewater Contract and this Amendment.
4. The foregoing coverage and policies shall not be materially modified or terminate without at least thirty (30) days’ prior written notice to the GLWA, unless comparable coverage is provided under the modified policy or in a replacement policy.
5. Upon the GLWA’s request no more frequently than once a year, Customer shall provide GLWA with copies of certificates of insurance showing the premiums fully paid and copies of the policies, including any endorsements.
6. If during the Contract Term changed conditions or other pertinent factors should, in the reasonable judgment of GLWA, render inadequate the foregoing insurance limits, the Parties shall meet and confer to discuss such additional coverage or types of coverage as may reasonably be required under the circumstances.
7. Certificates of insurance evidencing the coverage required by the 2009 Wastewater Contract and this Amendment shall be, in a form acceptable to GLWA (ACORD 25 form preferred), be submitted to GLWA prior to the Effective Date of the Amendment and at least fifteen (15) days prior to the expiration dates of expiring policies.
8. The insurance required of the Customer by the 2009 Wastewater Contract and

² See footnote 1.

this Amendment in the amounts, with coverage and other features herein required, may be supplied by a fully funded self-insurance program of the Customer or a self-insurance pool which the Customer is a participant; provided that such self-insurance pool will provide the coverage required herein.

9. If any Maintenance, Repairs and Improvements are subcontracted in connection with the 2009 Wastewater Contract and this Amendment, Customer shall require each subcontractor to effect and maintain the types and limits of insurance set forth above and shall require documentation of same, copies of which shall be promptly furnished to GLWA upon request.