

**SETTLEMENT AND RELEASE AGREEMENT
BETWEEN
CITY OF SOUTHGATE AND GREAT LAKES WATER AUTHORITY**

This Settlement and Release Agreement (“Agreement”) is made between the City of Southgate, a Michigan municipal corporation (“City”), and the Great Lakes Water Authority, a Michigan municipal authority (“GLWA”). The City and GLWA may be collectively referenced as the “Parties” or a “Party”.

Recitals

A. The City and GLWA entered into a water service agreement dated March 17, 2009 (“Contract”); and

B. Paragraph 11.02 of the Contract provides that, except to the extent that GLWA is the proximate cause, GLWA shall not be liable for damage to the City’s water works system; and

C. On August 16 and 17, 2018, the City alleges that it experienced a total of seven water main breaks within its water works system; and

D. On August 19 through 22, 2018, the City alleges that it experienced a total of five water main breaks within its water works system; and

E. The Parties find it in their best interest to complete a settlement and release of the claims set forth in this Agreement; and

Accordingly, the Parties agree as follows:

1. GLWA shall provide, and the City shall accept, a credit to the City’s wholesale water account in the amount of Twenty-Two Thousand Two Hundred Twenty-Five Dollars and 24/100 Cents (\$22,225.24) (the “Credit”). The Credit shall, after satisfaction of the conditions precedent stated in Paragraph 3 below, be applied by GLWA to the billing period subsequent to the Effective Date of this Agreement. The Credit is intended to resolve in their entirety the claims set forth in the Recitals and Paragraph 2 below and represents the full and final settlement and satisfaction of the claims set forth therein.

2. The City (including its past, present and future directors, appointees, employees, agents, and representatives) shall release and forever discharge GLWA and its directors, appointees, employees, agents, and representatives (past, present and future) from all manner of claims, actions, causes of action, demands, damages, lawsuits, debts, disputes, sums of money, promises, liabilities, obligations, losses, costs, expenses and compensation of every kind, name and nature, known or unknown, in law or equity, which it has or may have against GLWA relating in any way to, arising out of, or resulting from any and all water main breaks that may have occurred in the City prior to 12:01 a.m. on August 23, 2018.

3. As a condition precedent to GLWA's obligations specified in Paragraph 1 above:

a. The City shall obtain by resolution the approval of the Southgate City Council of the terms of this Agreement and thereafter have the Agreement executed by an Authorized Representative (as defined in Paragraph 8) of the City and return this Agreement to GLWA; and

b. Then, GLWA shall obtain by resolution the approval of the GLWA Board of Directors and thereafter have the Agreement executed by an Authorized Representative of GLWA and return a copy of the fully executed Agreement to the City.

4. Upon full execution of this Agreement, it shall be binding upon the Parties (the "Effective Date").

5. Any and all other claims of the Parties related to the provision of water service by GLWA to the City and the payment for water services by the City to GLWA are not waived by this Agreement but are preserved.

6. This Agreement is made with reference to and shall be governed in accordance with the laws of the State of Michigan.

7. The terms set forth in this Agreement represent the compromise of a dispute and shall not be construed as an admission of negligence or fault on the part of either Party.

8. The individuals signing this Agreement warrant and represent that they have actual authority to execute this Agreement on behalf of the entities they represent and that it binds each of their directors, officers, agents, employees, successors and assigns ("Authorized Representative").

9. All agreements and understandings between the Parties are expressed in this Agreement and its terms are contractual.

10. Each of the Parties has participated in the drafting of this Agreement and, as a result, the rule that ambiguities are construed against the drafter shall not apply in the event of a dispute arising out of this Agreement.

11. This Agreement and each of its terms and conditions shall be applied to the benefit of and be binding upon the Parties, their respective successors and assigns.


(Signatures appear on next page)

The Parties fully understand and agree to be bound by the foregoing terms as evidenced by the signatures of its duly Authorized Representatives below:

City of Southgate:

By: 

Joseph G. Kuspa
Mayor

By: 

Janice M. Ferencz
City Clerk

APPROVED BY
SOUTHGATE CITY COUNCIL ON:

JANUARY 2, 2019

Date

Great Lakes Water Authority:

By: _____
Sue F. McCormick
Chief Executive Officer

APPROVED BY
GLWA BOARD OF DIRECTORS ON:

Date

APPROVED AS TO FORM BY
GLWA GENERAL COUNSEL:

Signature Date