

FY2016 SHARED SERVICES AND TRANSITION COSTS TRUE-UP AGREEMENT

THIS Fiscal Year 2016 (FY2016) SHARED SERVICES AND TRANSITION COSTS TRUE-UP AGREEMENT (“Agreement”) entered into on _____, 2018, by and between the DETROIT WATER AND SEWERAGE DEPARTMENT (“DWSD”), a department of the City of Detroit (the “City”), and the GREAT LAKES WATER AUTHORITY (“GLWA”) and, a municipal authority and public body corporate organized and existing under and pursuant to the provisions of Act No. 233, Public Acts of Michigan, 1955, as amended (“Act 233”) (DWSD and GLWA together are the “Parties”).

WITNESSETH:

WHEREAS, the City owns a Water Supply System (the “Water System”) and a Sewage Disposal System (the “Sewer System”); and

WHEREAS, the City and GLWA entered into a Shared Services Agreement (the “SSA”) dated as of December 1, 2015 relating to the provision of services by the City to the GLWA with respect to the Regional Water System and the Regional Sewer System, and the provision of services by the GLWA to the City with respect to the operation and management of the Detroit Local Water Facilities and the Detroit Local Sewer Facilities for a term that runs concurrently with the Regional Water Supply System Lease, dated June 12, 2015 (as Schedules have been amended, the “Water Lease”), and (ii) the Regional Sewage Disposal System Lease, dated June 12, 2015 (as Schedules have been amended, the “Sewer Lease” and together with the Water Lease, the “Leases”). The Leases have an initial term of forty (40) years; and

WHEREAS, pursuant to the SSA and for FY2016, GLWA provided specific Services to the DWSD and DWSD provided specific Services to GLWA (“Shared Services”), which are reflected in Schedule A to this Agreement; and

WHEREAS, for FY2016, there were transition costs incurred by both Parties that were not captured in the Schedules attached to the SSA, which are reflected in Schedule B to this Agreement and

WHEREAS, for FY2016, DWSD’s Chief Financial Officer and GLWA’s Chief Financial Officer negotiated a settlement of these Shared Services and transition costs; and

WHEREAS, for FY2016, the Parties seek to true-up the amounts owed between them for any and all, known and unknown, Shared Services and transition costs, which are reflected in Schedule A and B.

In consideration for the mutual agreements described herein, the Parties agree to the following settlement of FY2016 Shared Services and transition costs as described below:

1. On or before June 30, 2018, DWSD shall pay GLWA \$8,093,032 and GLWA shall pay DWSD \$7,548,000 as the true-up of all FY2016 Shared Services and transition costs performed by the Parties.

2. Said monetary payment represents a reviewed and agreed upon settlement between the Parties and fully resolves any and all of the Parties, known and unknown Shared Services and transition costs for FY2016.
3. The Parties expressly agree that they cannot demand payment for any other FY2016 Shared Services and transition costs.
4. The Parties mutually agree that this Agreement supersedes any and all requirements under Article 5 of the SSA regarding invoices, payment terms and invoice disputes for FY2016.
5. The Parties mutually agree that this Agreement does not impact in any way the Parties' rights and obligations under the SSA for any other Fiscal Year.

IN WITNESS WHEREOF, the DETROIT WATER AND SEWERAGE DEPARTMENT and the GREAT LAKES WATER AUTHORITY have executed this Agreement by their duly authorized officers as of the day and year first above written.

DETROIT WATER AND SEWERAGE DEPARTMENT

By: _____

Its: Director

GREAT LAKES WATER AUTHORITY

By: _____

Its: Chief Executive Officer

Schedule A - Shared Services

GLWA Provider Shared Service Description	GLWA Total Billings to DWSD	DWSD/City of Detroit Provider Shared Service Description	DWSD Total Billings to GLWA
OPS-002 Miss Dig	\$ 109,338	OPS-001 Fleet	\$ 471,000
OPS-004 Water Quality	112,085	OPS-002 Miss Dig	15,000
OPS-005 Security	1,142,217	OPS-003 As Needed Field Services	140,000
OPS-005 Security Training	4,732	OPS-006 Facilities	688,000
OPS-006 Facilities	58,234	DoIT-001 Financial Information Services	75,000
OPS-008 Systems Control Center	620,000	DoIT-002 Radios	75,000
ITS-001 Retail AMR	355,962	DoIT-003 Customer Service Technology Suite	22,000
ITS-002 Customer Service Tech Suite	59,208	OCFO-001 Support for Financial Services	-
ITS-003 See Click Fix	91,988		
ITS-004 WAM	577,009		
ITS-005 Mobile Work Force	140,940		
ITS-006 ESRI-GIS	666,402		
ITS-007 DADS	54,081		
ITS-008 TIBCO	95,372		
ITS-009 IT Infrastructure	2,001,645		
PRO-001 Application Analyst	19,700		
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	73,586		
Subtotals	6,182,500	Subtotals	\$ 1,486,000

Schedule B - Transition Costs

Other items to bill not a defined shared service code		Other items to bill not a defined shared service code	
DWSD-R Staff Training by GLWA	\$ 2,325	Fuel	\$ 35,000
DWSD-R Bills paid by GLWA	186,346	Employee Termination Payouts	5,699,000
Bank Fees	373,831	WAM Invoices	328,000
P-Card	29,742		-
Lakeshore Invoices	1,291,699		-
Public Finance	26,590		
Subtotal	1,910,533	Subtotal	6,062,000
Grand Total	\$ 8,093,032	Grand Total	\$ 7,548,000