



## Background

On October 8, 2019 the Great Lakes Water Authority Board of Directors approved an Industrial Pretreatment Program (IPP) Agreement ('Agreement') between GLWA and the City of Pontiac Wastewater Treatment Facility Drainage District (COPWTFDD) and the Clinton River Water Resource Recovery Facility Drainage District (CRWRRFDD).

Oakland County has a wastewater interceptor system known as the Clinton-Oakland Sewage Disposal System (COSDS). This system collects wastewater from municipalities in the central and eastern portion of Oakland County and delivers it to both above referenced Drainage Districts and the Oakland Macomb Interceptor Drain Drainage District (OMIDDD).

The OMIDDD has an agreement with GLWA for wastewater services. This includes conveyance to, and treatment at, GLWA's Water Resource Recovery Facility (WRRF) which allows for a portion of the wastewater flow in the COSDS interceptor that is diverted, such that it is delivered to the WRRF in Pontiac and the remaining flow travels downstream to the OMIDDD to the GLWA collection system and is delivered to GLWA's WRRF. It should be noted that at the diversion point, most of the flow is diverted to the WRRF in Pontiac.

This flow diversion results in overlapping service areas and creates a geographic area that is governed by two IPPs with differing requirements and IPP rules. This Agreement addresses that overlap by dividing the IPP program into an administrative component (for reporting and oversight functions) and field work-only component (mainly sampling and testing).

## FY 2020 Budget Impact

The GLWA Financial Services Area (FSA) in coordination with the Industrial Waste Control (IWC) team and The Foster Group (TFG) reviewed the costs associated with the each of the two components of the IPP. A detailed analysis of historical costs and budgeted expenses led to a conclusion that 25% of current IWC charges relate to administrative cost components and 75% relate to field work components.

Industrial Waste Control customers that fall within the geographical area defined in this Agreement will therefore be invoiced for 25% of the current GLWA IWC charges monthly and 75% by the relevant Drainage District monthly.

Effective **TBD**, an FY 2020 amended schedule of charges will be in place that references the Agreement and the current Administrative-Only allocation for the affected IWC customer meters for each of the six, member partner communities impacted (the specific meters impacted will be identified with the help of the member communities as part of the process rollout).

For FY 2020, it is anticipated that less than **\$XXX,XXX** or **X%** of GLWA's overall IWC annual revenues will be impacted by this change when implemented.

## Future Years' Charges Impact

Moving forward, the annual allocation will be revisited as part of the cost of service study. The maximum exposure to a reallocation of fixed costs, based on the FY 2020 budget and charges, is expected to be less than **\$XXX,XXX** or **X%** of GLWA's overall IWC annual revenues.