

**STAND-BY WATER SUPPLY SERVICE CONTRACT
BETWEEN
GREAT LAKES WATER AUTHORITY
AND
CITY OF GROSSE POINTE FARMS**

This Stand-By Water Supply Service Contract (“Contract”) is made between the Great Lakes Water Authority, a Michigan municipal authority (“GLWA”), and the City of Grosse Pointe Farms, a Michigan municipal corporation (“Customer”). GLWA and Customer may be referred to individually as a “Party” or collectively as the “Parties.”

Recitals

- A. GLWA leases, operates and maintains a public water supply system owned by the City of Detroit (the “Regional System”);
- B. Customer maintains its own water supply system separate from the Regional System;
- C. Customer desires to obtain from GLWA, and GLWA can provide to Customer, stand-by water supply services;
- D. The purpose of this Contract is to establish the terms and conditions regarding the provision of stand-by water supply services by GLWA to Customer; and now

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

1. Contract Term. The term of this Contract shall be for a period of ten (10) years from the effective date of this Contract (the “Initial Term”) and any renewal terms (collectively the “Contract Term”). This Contract shall automatically renew at the conclusion of the Initial Term for successive ten (10)-year terms, unless a Party provides written notification to the other Party stating its intent not to renew this Contract prior to the conclusion of the Initial Term or any renewal term. The effective date of this Contract shall be the date that this Contract is approved by Customer’s governing body or GLWA, whichever is later. This Contract replaces and supersedes any prior water supply service contracts between Customer, GLWA and/or the City of Detroit.
2. Stand-By Service. GLWA shall supply occasional, temporary water supply services to Customer for use by Customer during periods of planned maintenance, Customer system repairs, Customer system outages, loss of power supply, contamination, or other mutually acceptable reasons (each, an “Event”). The duration of the water supply services shall be reasonable in relation to the Event and shall not extend beyond the time reasonably necessary to resolve the Event. Unless otherwise agreed by the Parties, the amount of water to be supplied by GLWA shall be as available without impairing other GLWA contracts. Customer shall, if requested by GLWA, implement mandatory irrigation restrictions for the duration of the temporary supply of water.
3. Notice. Except in cases of emergency, Customer shall, as soon as the need for water supply services is known but with at least seven (7) calendar days’ notice, notify GLWA of its need for water supply services and the estimated daily volume of water necessary for the Event. In cases of emergency, Customer shall provide as much advance notice of the specific need and scope of the emergency as is practicable under the circumstances and GLWA shall endeavor

to timely meet the needs of Customer as soon as possible and, to the greatest extent possible, shall continue to supply water for the duration of the emergency. After Customer notifies GLWA that it requires water supply services, the Parties shall take all steps necessary to supply and receive the water in accordance with Exhibit B, Valve Opening and Closing Protocol, attached and fully incorporated by reference.

4. Water Distribution Points. During any period of water supply service, GLWA shall deliver water to Customer at the water distribution points set forth below. Gate book maps depicting the valve locations are set forth in Exhibit C, Gate Books, attached a fully incorporated by reference.
 - at or near the intersection of Moross Road and Mack Avenue, Grosse Pointe Farms
 - at or near the intersection of Mack Avenue and Cadieux Road, Grosse Pointe
5. Usage Estimate. For billing purposes, GLWA shall estimate Customer's daily water demand during any period of water supply service by averaging the daily demand of Customer's documented water production for the 7 days prior to receiving water from GLWA and the 7 days after having ceased receiving water from GLWA. If the resulting value is not less than ninety percent (90%) nor greater than one hundred ten percent (110%) of Customer's historical daily average water demand for the identical period for the immediately preceding two years, then the value shall be used by GLWA to bill Customer. If the resulting value is not within the margin set forth above, then Customer's historical daily average water demand for the identical period for the immediately preceding two years shall be used by GLWA to bill Customer provided, however, if the foregoing analysis does not adequately estimate the use of water due to the unique circumstances of the Event, the Parties may agree upon another method to reasonably estimate the water usage. Whatever method is used, the resulting value shall be final and shall be used for billing purposes.
6. Charges. Customer shall pay for all water supplied by GLWA at such charges as GLWA may establish. The process and necessary data for determining the charges shall be as set forth in Exhibit A, Charges Methodology, attached and fully incorporated by reference.
7. Invoicing. One bill shall be rendered to Customer at the conclusion of each period of water supply service. The bill shall be due and payable within forty-five calendar days from the date shown on the bill. Any portion of the charges that are not paid by the due date shall be subject to a finance charge at a rate of 1.5% per month for each month that they remain unpaid. Any portion of the total bill, plus any finance charges applied to the bill which are not paid by the next billing date, shall be shown on the next bill as arrears.
8. No Liability. GLWA shall not be held liable or accountable for any bursting, leakage, breakage, damage or accident of any kind that may occur to Customer's water works system, or any damages of any kind or nature, including, but not limited to, injury to persons or damage to property, resulting from such bursting, leakage, breakage, damage or accident that may occur to water mains or pipes located within Customer's distribution system during any period of water supply service or related thereto.
9. Force Majeure. No failure or delay in performance of this Contract, by either Party, shall be deemed to be a breach thereof when such failure or delay is caused by a force majeure event

including, but not limited to, any Act of God, strikes, lockouts, wars, acts of terrorism, riots, epidemics, explosions, sabotage, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of a Party, except that no cause or contingency shall relieve Customer of its obligation to make payment for water supplied by GLWA.

10. Service Stoppage. In the event the public health, safety and welfare requires GLWA to discontinue all or part of the supply of water to Customer, no claims for damages of any kind or nature for such discontinuance shall be made by Customer against GLWA.
11. Contamination. For the protection of the health of all consumers supplied with water from the Regional System, Customer agrees to guard carefully against all forms of contamination. Should contamination occur, the area or areas affected shall immediately be shut off and isolated, and shall remain so until such conditions shall have been abated, and the water declared safe and fit for human consumption by the properly constituted governmental health agencies having jurisdiction of the area affected. Each Party shall immediately notify the other Party of any emergency or condition that may affect the quality of water in either Party's system.
12. Water Quality. Each Party shall endeavor to remain in compliance with all applicable Michigan and federal laws, rules and regulations regarding drinking water quality.
13. Assignment. This Contract shall not be assigned, in whole or in part, by either Party without the prior written consent of the other Party. Consent to an assignment by either Party shall not be unreasonably withheld.
14. Amendment. The Parties may periodically consider it in their best interests to modify the terms and conditions of this Contract. Any modification that is mutually agreed upon by the Parties shall be incorporated in a written amendment to this Contract. No amendment to this Contract shall be effective and binding upon the Parties unless it expressly refers to this Contract, is in writing, is signed and acknowledged by the duly authorized representatives of both Parties and is approved by Customer's governing body and the GLWA Board of Directors.
15. Addresses for Notices. Notices required under this Contract shall be given in writing and may be sent by e-mail or mailed by first class mail as indicated below provided, however, that notices for opening and closing valves shall be given in accordance with Exhibit B.

If to GLWA:	U.S. mail to: Chief Operating Officer – Water and Field Services Great Lakes Water Authority 735 Randolph Detroit, Michigan 48226
	E-mail to: scc@glwater.org field@glwater.org

If to Customer: U.S. mail to: City Manager
City of Grosse Pointe Farms
90 Kerby Road
Grosse Pointe Farms, Michigan 48236

E-mail to: sreeside@grossepointefarms.org
shomminga@grossepointefarms.org
wburgess@dickinson-wright.com

16. Merger. This Contract contains the entire agreement between the Parties and all prior negotiations and agreements are merged into this Contract. Neither Party has made any representations except those expressly set forth in this Contract, and no rights or remedies are, or shall be, acquired by either Party by implication or otherwise unless expressly set forth in this Contract.
17. Waiver. Neither Party shall be deemed to have waived any of its rights under this Contract unless such waiver is in writing and signed by the other Party. No delay or omission on the part of a Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a waiver of any right on any future occasion.
18. Beneficiaries. There are no third-party beneficiaries to this Contract and this Contract shall not be construed to benefit any persons other than GLWA and Customer.
19. Rights and Remedies. The rights and remedies set forth in this Contract are not exclusive and are in addition to any of the rights or remedies provided by law or equity.
20. Severability. If any provision of this Contract or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Contract shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.
21. Counterparts. This Contract may be executed in any number of originals, any one of which shall be deemed an accurate representation of this Contract.

(Signatures appear on next page)

Accordingly, GLWA and Customer, by and through their duly authorized representatives, have executed this Contract as set forth below.

City of Grosse Pointe Farms:

By: _____
Signature

Print Name

Its: _____
Title

Dated: _____

Great Lakes Water Authority:

By: _____
Sue F. McCormick

Its: Chief Executive Officer

Dated: _____

APPROVED AS TO FORM BY
GLWA GENERAL COUNSEL:

Signature Date

APPROVED BY GLWA
BOARD OF DIRECTORS: Not applicable

Date

EXHIBIT A

Charges Methodology

1. Charges for water supply services shall be established for and upon the conclusion of each request for service. Charges shall be based on the approved wholesale water service charges methodology for the fiscal year in which the service is provided, utilizing the information provided by Customer as described below.
2. For any year in which water supply service is requested:
 - a. Within 2 weeks of Customer's request for service, GLWA shall provide Customer with the date of the Regional System's maximum day ("MD") and the time of the peak hour ("PH") for the 3 years preceding the request for service.
 - b. Within 2 weeks of receipt of the information provided by GLWA in paragraph 2(a), Customer shall provide to GLWA its 3-year annual volume and 3-year MD and PH demands coincident with the Regional System's MD and PH.
 - c. Any other Customer data requested by GLWA that may reasonably be required to determine charges for water supply service.

(End Exhibit A)

EXHIBIT B

Valve Opening and Closing Protocol

Valve Opening Protocol

Notice. Notice for non-emergency water supply service shall be given as soon as the need for water supply service is known but with at least seven (7) calendar days' notice. Notice for emergency water supply service shall be given as soon as practicable.

Contact. GLWA System Control Center ("SCC") shall be the singular point of contact to initiate either emergency or non-emergency service. In either case, Customer shall contact GLWA SCC by both e-mail and phone as follows:

GLWA SCC E-mail: scc@glwater.org

GLWA SCC Phone: 313-267-9000

Information Required. Customer shall provide the following information to GLWA SCC:

1. Whether the service is an emergency or non-emergency;
2. If a non-emergency, the date that service is required;
3. If a non-emergency, the estimated length of time service is required; and
4. Contact information of the Customer representative in charge of coordinating the service request with GLWA, including:
 - Name
 - Cell phone number
 - 24/7 contact number
 - E-mail address

Process.

1. GLWA SCC team leader shall immediately notify the GLWA Field Services ("FS") team leader by e-mail and phone of the nature (emergency or non-emergency) and timing of the service request.
2. GLWA FS team leader shall promptly assess GLWA FS staff availability and coordinate the timing of valve opening with Customer and GLWA SCC by e-mail and phone. GLWA FS shall promptly notify DWSD FS that the valves are being opened.
3. Upon valve opening, GLWA FS shall immediately communicate by both e-mail and phone with Customer and GLWA SCC that valves are open.
4. GLWA SCC will immediately, and in any event within 24 hours, inform GLWA WAMR and Finance teams of the valves opening to the following emails:

WAMR@glwater.org

wamrbilling@glwater.org

waterops@glwater.org

field@glwater.org

5. All communication during the period of service shall continue through use of both e-mail and phone by and between the Customer representative, GLWA SCC and GLWA FS.

Valve Closing Protocol

Contact. The Customer representative shall, with a minimum of 3 calendar days' notice, contact GLWA SCC by e-mail and phone when service (emergency or non-emergency) is no longer required and the requested date upon which the service may be disconnected, subject to GLWA FS staffing availability.

Process.

1. GLWA SCC team leader shall immediately notify GLWA FS team leader by e-mail that service may be discontinued and the requested date upon which the service may be disconnected.
2. GLWA FS team leader shall promptly assess GLWA FS staff availability and coordinate the timing of valve closing with Customer and GLWA SCC by e-mail.
3. Upon valve closing, GLWA FS shall immediately communicate by e-mail with Customer, DWSD FS and GLWA SCC that the valves are closed.
4. GLWA SCC will immediately, and in any event within 24 hours, inform GLWA WAMR and Finance teams of the valve closing to the following emails:

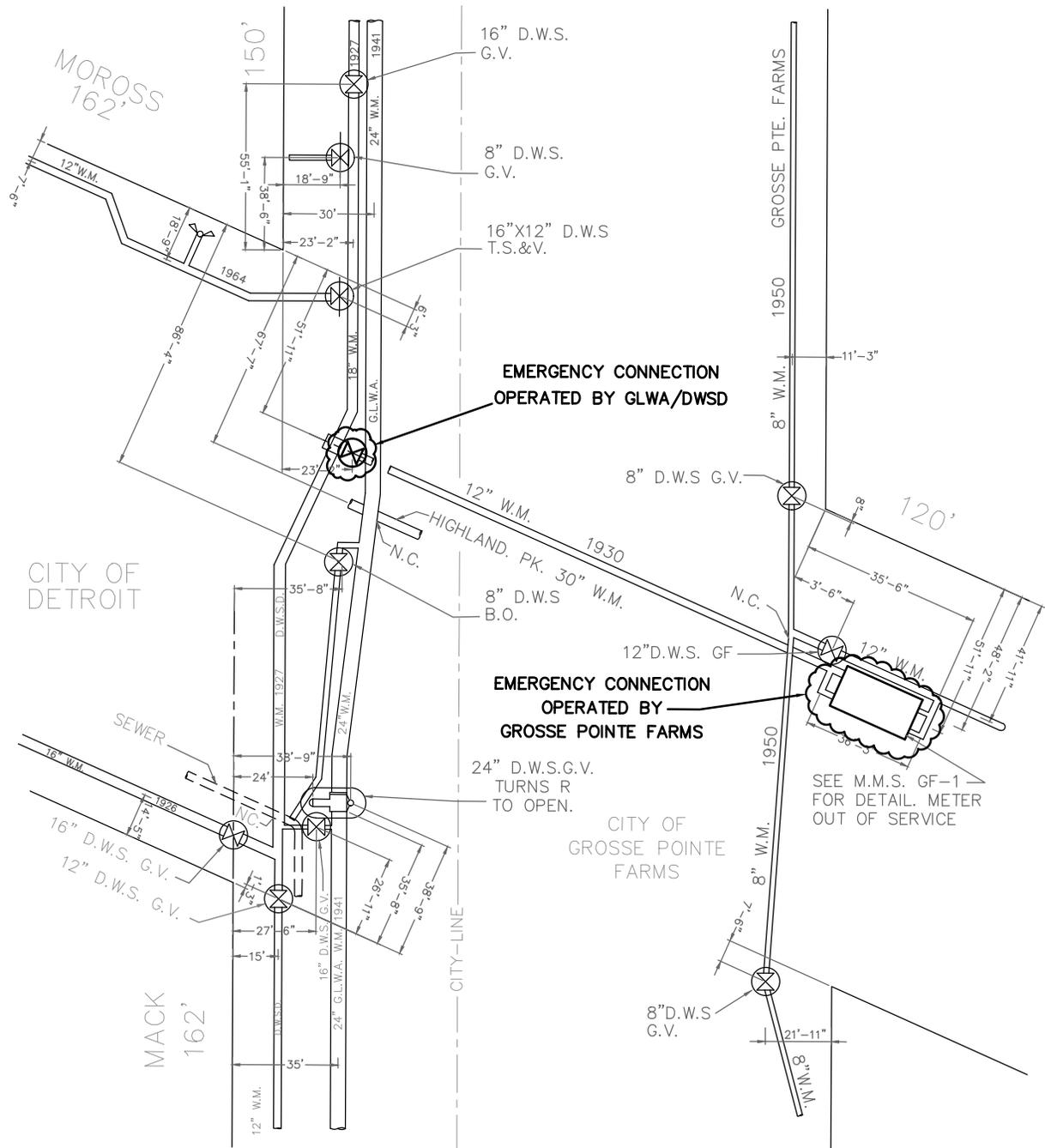
WAMR@glwater.org
wamrbilling@glwater.org
waterops@glwater.org
field@glwater.org

(End Exhibit B)

EXHIBIT C

Gate Books

EXHIBIT-C MACK AND MOROSS EMERGENCY CONNECTION FOR CITY OF GROSSE POINTE FARMS



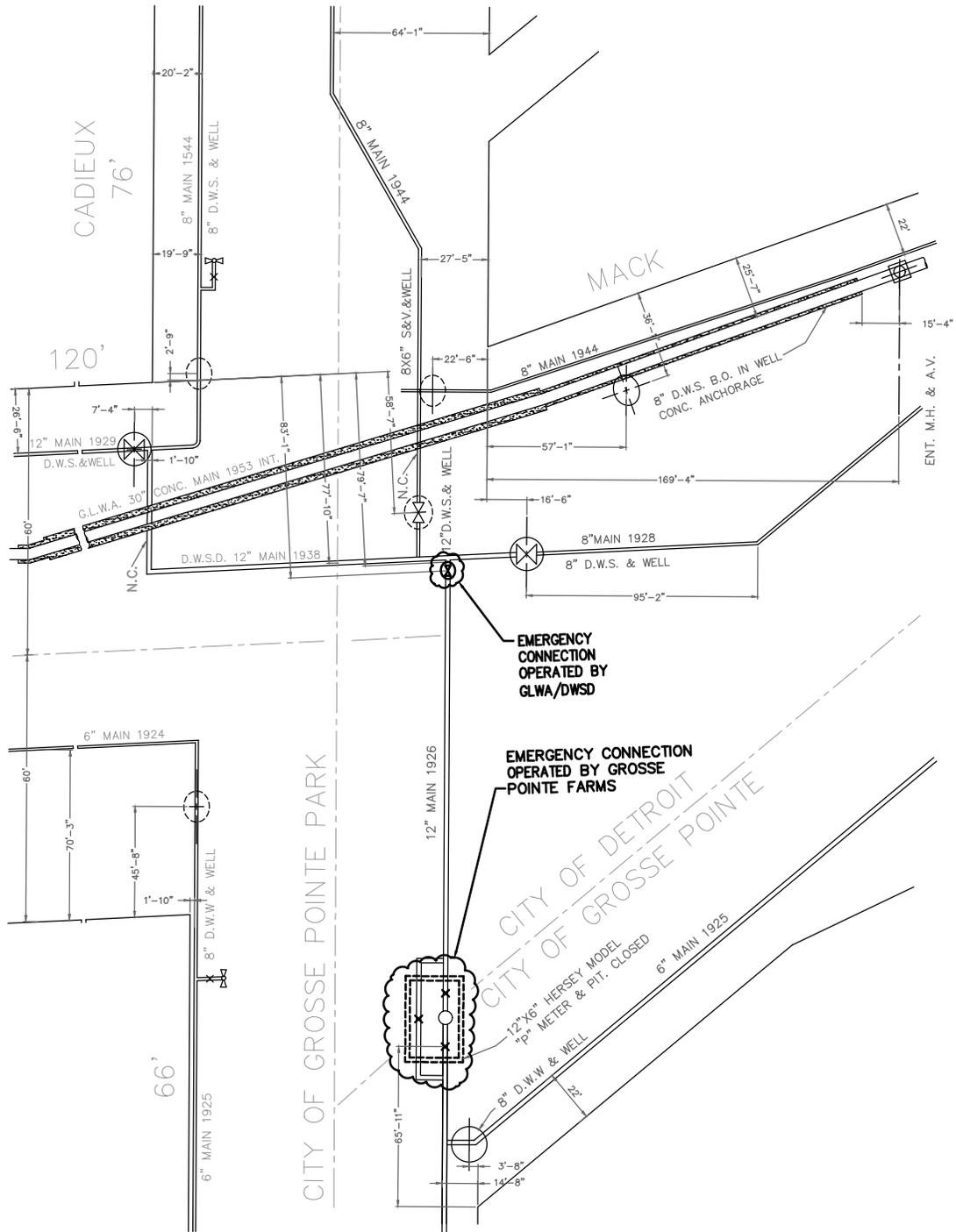
LOCATIONS SUBJECT TO VERIFICATION IN THE FIELD.

SITE PLAN
NOT TO SCALE



NOTE: MUST CONSIDER WATER QUALITY ISSUES WHEN OPERATING BOTH EMERGENCY CONNECTIONS.

EXHIBIT-C MACK AND CADIEUX EMERGENCY CONNECTION FOR CITY OF GROSSE POINTE FARMS



LOCATIONS SUBJECT TO VERIFICATION IN THE FIELD.

SITE PLAN
NOT TO SCALE



NOTE: MUST CONSIDER WATER QUALITY ISSUES WHEN OPERATING BOTH EMERGENCY CONNECTIONS.