



Legislation Details (With Text)

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Title: Proposed Amendment No. 3 to Water Service Contract with Mayfield Township

Sponsors: Randal Brown

Indexes: General Counsel

Code sections:

Attachments: 1. Mayfield Twp Water Contract Am 3 Ex B 2022

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------------|--------------------------|--------|
| 6/22/2022 | 1 | Board of Directors | Approved | Pass |
| 6/22/2022 | 1 | Legal Committee | Recommended for Approval | Pass |

Proposed Amendment No. 3 to Water Service Contract with Mayfield Township

Agenda of: June 22, 2022
Item No.: **2022-255**
Amount: Revenue Contract

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: June 22, 2022

RE: Proposed Amendment No. 3 to Water Service Contract with Mayfield Township

MOTION

Upon recommendation of Randal Brown, General Counsel, the Board of Directors (“Board”) of the Great Lakes Water Authority (“GLWA”), **authorizes the Interim Chief Executive Officer (“ICEO”) to execute Amendment No. 3 to the 30-year water service contract with Mayfield Township;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On 4/11/2022, the Mayfield Township (“Member Partner”) Board agreed to the terms of Amendment No. 3 (“Amendment”) to its water service contract with GLWA. This Amendment is one of several regularly occurring amendments required by the terms of GLWA’s model 30-year water service contract.

This Amendment incorporates the following changes:

Section 3.06 is added. This new section provides that if, for the duration of the contract, the Member Partner maintains only one retail account within its service area (in this case, the KAMAX manufacturing facility), and that business closes or moves its operations outside the Member Partner’s service area, then the Member Partner has the right to terminate the contract upon payment of all outstanding charges. Previously, on January 26, 2022, this Honorable Body agreed to the insertion of this clause into contracts where appropriate.

Section 5.06 is deleted. Section 5.06 was known as the “minimum take or pay” clause. Previously, on January 26, 2022, this Honorable Body agreed to the removal of this clause from all member partner contracts because the 60% fixed cost component of the GLWA charge structure eliminates its need.

Exhibit B, attached, is affirmed and/or modified regarding (a) the pressure range at directly metered locations for calendar years 2023 to 2026, (b) the maximum day and peak hour values for calendar years 2023 to 2026, and (c) the projected annual volume for system planning purposes for fiscal years 2024 to 2027.

JUSTIFICATION

Approval of this Amendment provides a mutually beneficial, stable, long-term framework for interactions between GLWA and the Member Partner and incorporates annual system planning volumes, pressures, and maximum day and peak hour values that better reflect future Member Partner usage.

BUDGET IMPACT

The revenues expected to result from this Amendment will be reflected in the FY 2023-2024 schedule of charges.

COMMITTEE REVIEW

This matter was presented to the Legal Committee at its meeting on June 22, 2022. The Legal Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.