



Legislation Details (With Text)

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Sponsors: William Wolfson
Indexes: Administration & Compliance, General Counsel, Wastewater Operations, Water Operations
Code sections:
Attachments: 1. Settlement Agreement and Exhibits.2.14.24

Date	Ver.	Action By	Action	Result
2/14/2024	1	Board of Directors Workshop Meeting	Approved	Pass

Highland Park Settlement Agreement

Agenda of: February 14, 2024

Item No.: **2024-016**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 12, 2024

RE: **Highland Park Settlement Agreement**

MOTION

Upon recommendation of William M. Wolfson, Chief Administrative and Compliance Officer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

1) **Approves the attached Settlement Agreement and Mutual Release, (Settlement Agreement) between and among the City of Highland Park, the State of Michigan, and GLWA, including exhibits;**

2) **Authorizes the Chief Executive Officer (CEO) and counsel to GLWA to finalize and execute on behalf of GLWA, the Settlement Agreement for the purposes of effectuating the overall agreement**

described in the Term Sheet signed by the parties and dated **October 18, 2023**;

3) **The CEO and counsel shall keep the Board advised of the progress of finalizing the Settlement Agreement;** and

4) Authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On October 18, 2023, representatives of GLWA, Highland Park, and the State of Michigan (collectively, the “Parties”) entered into a Term Sheet to provide for amicable resolution of their differences, long-term water, and sewer services to Highland Park from GLWA, the methodology for payment for those services, and other matters of concern to the parties. On October 25, 2023, GLWA’s Board adopted Resolution 2023-385 approving this Term Sheet.

Immediately after approval of the Term Sheet, the Parties began work on the Settlement Agreement to effectuate and codify their common understanding. While there were many agreements between the Parties necessary to effectuate the settlement, the parties recognized the necessary interrelationship between these agreements and agreed that they should all become parts of a single Settlement Agreement. The Settlement Agreement consists of the document itself and several related documents that are attached to and incorporated into that Agreement as exhibits. The attached exhibits include a water services contract between GLWA and Highland Park, a sewer services contract between GLWA and Highland Park, a trust agreement between, GLWA, Highland Park, and Comerica Bank, and an administrative compliance agreement between the State of Michigan and Highland Park.

As of the date of this writing, the Settlement Agreement has not yet been presented to the Highland Park City Council. However, given the limited time before the February 15, 2024 deadline, this matter is being presented to the Board for consideration as a part of today’s Agenda.

JUSTIFICATION

The Parties have engaged in various litigation matters and settlement discussions for the better part of the last decade. In adopting Resolution 2023-385 approving the Term Sheet, the Board expressed its desire to see the litigation resolved, a plan put in place to provide for both water and sewer services to the residents of Highland Park, and for the timely and full payment of those services. While counsel for the Parties have worked diligently to negotiate documents necessary to implement the Term Sheet and finalize the attached Settlement Agreement, there may continue to be minor adjustments necessary to finalize the documents. This resolution authorizes the CEO to make these changes and advise the Board as may be necessary.

BUDGET IMPACT

The proposed Settlement Agreement is consistent with GLWA's current FY24 budget and was considered in the adoption of the budget and charges for FY25.

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors.

SHARED SERVICES IMPACT

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