



Legislation Details (With Text)

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Title: Proposed Amendment No. 4 to Water Service Contract with Township of Bruce

Sponsors: Randal Brown

Indexes: General Counsel

Code sections:

Attachments: 1. Bruce Twp Water Contract Am 4 2017

Date	Ver.	Action By	Action	Result
1/24/2018	1	Board of Directors	Approved	Pass

Proposed Amendment No. 4 to Water Service Contract with Township of Bruce

Agenda of: January 24, 2018
Item No.: **2018-566**
Amount: Revenue Contract

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: January 12, 2018

RE: Proposed Amendment No. 4 to Water Service Contract with Township of Bruce

MOTION

Upon recommendation of Randal Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes the Chief Executive Officer (CEO), upon approval and execution by the wholesale water customer, to execute Amendment No. 4 to the 30-year water service contract with Township of Bruce;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On January 8, 2018, the Bruce Township (“Customer”) Board agreed to the terms of Amendment No. 4 (“Amendment”) to the Water Service Contract with GLWA. Customer has a relatively new and growing retail water system which continues to undergo changes in usage which has resulted in increased sales and exceedances of its maximum flow rates. For this reason, on January 25, 2017, Customer’s contract was amended to require an annual review of its usage until December 31, 2019. During summer 2017, Customer continued to have exceedances of its contractual maximum flow rate and the parties met in December, 2017 to discuss how best Customer can manage its usage to its contract limits. In this

Amendment, Customer has agreed to modify its maximum day for calendar years 2018 and 2019, as set forth in the attached Exhibit B. While the projected annual volume ("Volume") is no longer determined by the contract for charge purposes, in this Amendment Customer has also agreed to modify the Volume for fiscal years 2019 and 2020, as set forth in the attached Exhibit B.

Additionally, Exhibit A of the contract, which establishes Customer's service area boundaries, meter locations, emergency connections, those retail customers outside of Customer's corporate limits, and each party's respective ownership and maintenance responsibilities, has been updated to reflect the most current information. Exhibit A is not attached for homeland security reasons.

This Amendment will modify the terms of the existing water service contract between GLWA and Customer.

JUSTIFICATION

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

BUDGET IMPACT

The revenues expected to result from this Amendment are reflected in the FY 2018-2019 schedule of charges.

COMMITTEE REVIEW

This matter is being presented directly to the full Board of Directors for consideration and approval.

SHARED SERVICES IMPACT

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