



Legislation Details (With Text)

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Title: Approval of the 2018 Memorandum of Understanding ("2018 MOU") between the Detroit Water and Sewerage Department and the Great Lakes Water Authority
Sponsors: Nicolette Bateson, Randal Brown
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Attachments: 1. 2018 MOU final.pdf

Date	Ver.	Action By	Action	Result
6/20/2018	1	Board of Directors	Approved	Pass

Approval of the 2018 Memorandum of Understanding ("2018 MOU") between the Detroit Water and Sewerage Department and the Great Lakes Water Authority

Agenda of: June 20, 2018
Item No.: **2018-795**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 11, 2018

RE: Approval of the 2018 Memorandum of Understanding ("2018 MOU") between the Detroit Water and Sewerage Department and the Great Lakes Water Authority
MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer (CFO), and Randal M. Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

- 1) Authorizes GLWA's Chief Executive Officer (CEO), CFO and General Counsel to finalize, and the CEO execute on behalf of the GLWA, the 2018 Memorandum of Understanding ("MOU") between the Detroit Water and Sewerage Department (DWSD) and the GLWA;**

2) Notes that five (5) votes are necessary for approval of this Resolution;

3) GLWA and DWSD shall create at a minimum four (4) binders, including the 2018 MOU and supporting documentation. The binders shall be retained by both parties' CFOs and General Counsel and kept in their permanent storage; and

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

BACKGROUND

The concept of formation of a regional water authority arose as a part of the City of Detroit's Chapter 9 Bankruptcy. The formation of GLWA was discussed during mediation proceedings held as a part of the bankruptcy case. On June, 12, 2015, the City of Detroit and GLWA entered into a Regional Water Supply Lease, a Regional Sewage Disposal Lease (collectively the "Leases") and a Water and Sewer Services Agreement ("WSSA"). On January 1, 2016, the Leases and WSSA became effective and govern the relationship between GLWA and DWSD. In the course of operations, GLWA and DWSD determined that it would be in their mutual interest to clarify certain matters pertaining to the operation of the Leases and WSSA and began discussions regarding creation of the 2018 MOU to accomplish that goal. The intent of the 2018 MOU, is to (a) provide clarification of specific sections of the Leases, WSSA and MBO, (b) make adjustments contemplated by the Leases and the WSSA and (c) address the liquidation of specific liabilities.

JUSTIFICATION

The 2018 MOU will clarify specific sections of the Leases and WSSA including the liquidation of specific liabilities. The 2018 MOU is consistent with the intent of the Leases and WSSA to further a long-term collaborative relationship between DWSD and GLWA.

BUDGET IMPACT

The budget impact of the 2018 MOU is outlined in the document. The 2018 MOU does not adversely impact GLWA's ability to perform its current and proposed financial plan.

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.