Legislation Details (With Text)

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Attachments:	1. Southgate Water Contract Am 3 EX B 2018				

Date	Ver.	Action By	Action	Result
8/8/2018	1	Board of Directors Workshop Meeting	Approved	Pass

Proposed Amendment No. 3 to Water Service Contract with City of Southgate

Agenda of: August 8, 2018
Item No.: **2018-861**
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: July 30, 2018

RE: Proposed Amendment No. 3 to Water Service Contract with City of Southgate

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") to execute Amendment No. 3 to the 30-year water service contract with City of Southgate;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On 4/18/2018, the Southgate ("Member Partner") City Council agreed to the terms of Amendment No. 3 ("Amendment") to the Water Service Contract with GLWA. This Amendment is one of several regularly occurring amendments as mandated by the terms of the standard 30-year water service contracts with GLWA's member partners.

Additionally, through the One Water Partnership, GLWA member partners requested that GLWA undertake an effort to place all member partners on the same periodic contract review schedule ("Reopener Schedule") to assist in reducing, as much as practicable, volatility in member partner charges. GLWA agreed to devise a contract alignment process ("CAP") which would result in all model contracts being reopened on a four-year schedule beginning in calendar year 2022 and every four years thereafter. The CAP requires that, regardless of the Member Partner's current Reopener Schedule, that the Member Partner's contract be amended in calendar year 2018. As a result of the CAP, Section 5.07 of the Member Partner's contract requires modification to allow for the change to the now universal Reopener Schedule.

In this Amendment, Section 5.07 of the Member Partner's contract has been modified to establish the universal Reopener Schedule. Additionally, as set forth in the attached Exhibit B, GLWA and the Member Partner have agreed to affirm or modify (i) the pressure range at directly metered locations for calendar years 2019 to 2022, (ii) the maximum day and peak hour values for calendar years 2019 to 2022, and (iii) the projected annual volume for system planning purposes for fiscal years 2020 to 2023.

Lastly, this Amendment updates Exhibit A of the contract, which establishes the Member Partner's service area boundaries, meter locations, emergency connections, those retail customers outside of the Member Partner's corporate limits, and each party's respective ownership and maintenance responsibilities. Exhibit A is not attached for homeland security reasons.

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 2019-2020 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.