



Legislation Details (With Text)

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Title: Request to Transfer a 24-Inch Watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
9/23/2020	1	Board of Directors	Approved	Pass
9/23/2020	1	Legal Committee	Recommended for Approval	Pass

..Title

Request to Transfer a 24-Inch Watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane

Agenda of: September 23, 2020

Item No.: **2020-343**

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: September 23, 2020

RE: Request to Transfer a 24-Inch Watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane

MOTION

Upon recommendation of 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) to execute a Bill of Sale or any other related documents to transfer a 24-inch watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane; and
- 2) Authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Through the GLWA/DWSD water main arbitration negotiations, the parties' technical teams identified a 24" watermain located under Charlevoix Avenue as a candidate for decommissioning. The Charlevoix watermain starts at Conner Lane in the City of Detroit, goes east and ends at the border of the City of Grosse Pointe. The starting point of the main falls within FCA, US LLC's (commonly known as Fiat-Chrysler) plant grounds.

As the Board was considering the Arbitration Settlement Agreement, FCA approached GLWA about putting a structure on top of the 24" watermain within its plant grounds. GLWA objected.

After further discussions between GLWA, DWSD and FCA, it was determined that the watermain within FCA's plant grounds could be transferred to FCA.

GLWA conducted an internal valuation of the watermain to be transferred. The cast iron watermain was put in service in 1919. Although the useful life is 125 years, given the desire to decommission the entire length of the watermain and the length of the pipe to be transferred, approximately 1650 feet, the transfer price is \$1.00. It should be noted that this length of watermain has had a watermain break, so avoiding the future costs of the main has its benefits as well.

If the Fieldwork Verification, as outlined in the Arbitration Settlement Agreement, confirms that the 24" watermain from the FCA plant's boundary line and heading east can be decommissioned, then FCA would connect to the local system mains running along Conner Lane and Conner Avenue.

Based on information and belief, DWSD is supportive of the transfer. It has agreed to the language of the Bill of Sale and would maintain an access agreement to investigate, among other things, whether FCA has added additional connections before the local system meter.

JUSTIFICATION

GLWA does not need this section of watermain to support the Regional Water Supply System.

BUDGET IMPACT

The budget impact of this Agreement does not adversely impact the GLWA's ability to perform its current and proposed financial plan and/or provides revenue to the GLWA.

COMMITTEE REVIEW

This item was discussed with the Legal Committee at its September 23, 2020 meeting. The Legal

Committee unanimously recommended the transfer for approval.

SHARED SERVICES IMPACT

This item does not impact the Shared Services Agreement between GLWA and DWSD.