



Legislation Details (With Text)

File #: 2021-191 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 5/19/2021 **In control:** Board of Directors

On agenda: 5/26/2021 **Final action:** 5/26/2021

Title: Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. 7B1 Memo- Connors Creek Project Plan Approval, 2. 7B3 Resolution for the Connors Creek Sewer System Project Plan, 3. 7B4 CCSS SRF Project Plan Summary Handout

Date	Ver.	Action By	Action	Result
5/26/2021	1	Board of Directors	Approved	Pass

Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Agenda of: May 26, 2021
Item No.: **2021-191**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer

DATE: May 26, 2021

RE: Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, and Navid Mehram, Chief Operating Officer-Wastewater, the Board of Directors of the Great Lakes Water Authority, **approves the attached Resolution to Adopt the Connors Creek Sewer System (CCSS)**

Rehabilitation Project - FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan; and authorizes the CEO to take such action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. This project is comprised of the rehabilitation of the CCSS, which is one of the primary combined sewers in Detroit metropolitan area. The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. Construction will include in-place rehabilitation of sewers and adding new access manhole structures. Right-of-way restoration will be performed on any disrupted areas. The impact of the project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. The total cost of this project is currently estimated at \$36,809,760.

GLWA wishes to utilize loans available under the State of Michigan Clean Water State Revolving Fund (CWSRF) for this project and a public hearing on the project plan was scheduled for 2:00 p.m. on May 26, 2021. The attached Resolution approves the project, directs GLWA staff to address all public comments, prepare responsiveness summary, and publish the final Project Plan; and authorizes GLWA's CEO to transmit the final FY 2022 CWSRF Project Plan to the Michigan Department of Environment, Great Lakes, and Energy and to secure a CWSRF loan for the project.

JUSTIFICATION

The project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$36.8 million, GLWA could save an estimated \$16.2 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

BUDGET IMPACT

Debt service is anticipated to begin in FY 2023 for this project and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 21, 2021 meeting. The Audit

Committee unanimously recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project - FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.

SHARED SERVICES IMPACT

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