



Legislation Details (With Text)

File #: 2021-192 **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 In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. 7C1 Memo- Conveyance Project Plan Approval, 2. 7C3 Resolution for the Conveyance Project Plan, 3. 7C4 Conveyance SRF Project Plan Summary Handout

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

Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Agenda of: May 26, 2021

Item No.: **2021-192**

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 In-System Storage Device and Dam Remote and Valve Remote Evaluation and 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 Operations, the Board of Directors of the Great Lakes Water

Authority authorizes the CEO approves the attached resolution for the **In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project - FY2021 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

This project is comprised of the evaluation and rehabilitation of twenty-nine (29) of the In-System Storage Devices (ISD), Dam Remote (DR), and Valve Remote (VR) sites within the City of Detroit. These sites, which average 20 years in age, have undergone only minor repairs since the original construction. Maintaining reliable ISDs, DRs, and VRs are a key factor in maintaining the GLWA wastewater conveyance system and major component of mitigating historical problems such as CSO discharges to the Detroit River and Rouge River and residential basement flooding. The total cost of this project is currently estimated at \$10,597,000.

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 accepts 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 DY 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 significantly provide upgrades and improve reliability of the ISD, DR, and VR sites. 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 \$10.6 million, GLWA could save an estimated \$4.5 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 Directors approve the attached Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and 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.