



Legislation Details (With Text)

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File created:	6/14/2021	In control:		Board of Directors	
On agenda:	6/23/2021	Final action:		6/23/2021	
Title:	Resolution to Adopt the 96-inch Water Transmission Main (WTM) Relocation Project FY 2022 Drinking Water Revolving Fund (DWSRF) Project Plan				
Sponsors:	Nicolette Bateson				
Indexes:	Finance				
Code sections:					
Attachments:	1. 7B3 Resolution - Resolution to Adopt 96-inch Water Transmission Main Project Plan, 2. 7B4 96-inch Water Transmission Main Project Plan Summary Handout				

Date	Ver.	Action By	Action	Result
6/23/2021	1	Board of Directors	Approved	Pass

Resolution to Adopt the 96-inch Water Transmission Main (WTM) Relocation Project FY 2022 Drinking Water Revolving Fund (DWSRF) Project Plan

Agenda of: June 23, 2021

Item No.: **2021-240**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer

DATE: June 23, 2021

RE: Resolution to Adopt the 96-inch Water Transmission Main (WTM) Relocation Project FY 2022 Drinking Water Revolving Fund (DWSRF) Project Plan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, and Cheryl Porter, Chief Operating Officer-Water & Field Services, the Board of Directors of the Great Lakes Water Authority, **approves the attached Resolution to Adopt the 96-inch Water Transmission Main**

(WTM) Relocation Project FY 2022 Drinking Water Revolving Fund (DWSRF) Project Plan; and authorizes the CEO to take such action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The existing 96-inch WTM is part of GLWA's overall drinking water transmission system that conveys treated water from the Lake Huron Water Treatment Plant (LHWTP) to several member partner communities in Lapeer, Macomb, and Oakland Counties. The 96-inch WTM was constructed in the mid-1960s and was placed into service in December 1967. It is over 32 miles long and is constructed of prestressed concrete cylinder pipe (PCCP). The main purpose of the project is to relocate the portion of the existing 96-inch WTM that is currently located within the closed G&H Industrial Landfill property near the intersection of 23 Mile Road and Ryan Road. The Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch WTM under the landfill. The total cost of this project is currently estimated at \$170,361,000.

GLWA wishes to utilize loans available under the State of Michigan Drinking Water Revolving Fund (DWSRF) for this project. A public hearing on the project plan was held on June 23, 2021, at 2:00 pm. The attached Resolution approves the project plan, directs GLWA staff to address all public comments, prepare a responsiveness summary, and publish the final Project Plan; authorizes GLWA's CEO to transmit the final FY 2022 DWSRF Project Plan to the Michigan Department of Environment, Great Lakes, and Energy (EGLE); and to secure a DWSRF loan for the project.

JUSTIFICATION

The presence of the 96-inch WTM through the Landfill prevents possible containment at the site. To protect water quality and help alleviate ongoing environmental impacts, GLWA plans to relocate the 96-inch WTM to outside the Landfill boundary. GLWA is seeking low interest loan assistance through the DWSRF program for these projects. Although the 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 \$170 million, GLWA could save an estimated \$66 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 offer savings to both GLWA and its members.

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 June 21, 2021 meeting. The Audit Committee unanimously recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the 96-inch Water Transmission Main Relocation Project - FY 2022 Drinking Water State Revolving Fund Project Plan at its regularly scheduled meeting on June 23, 2021.

SHARED SERVICES IMPACT

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