



## Legislation Details (With Text)

**File #:** 2022-014      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 1/7/2022      **In control:** Board of Directors  
**On agenda:** 1/26/2022      **Final action:** 1/26/2022  
**Title:** Approval of Cost Sharing Agreement and Exhibit A-1 between the City of Detroit, Water and Sewerage Department, and GLWA  
**Sponsors:** Randal Brown  
**Indexes:** General Counsel  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
1/26/2022	1	Board of Directors	Approved	Pass
1/12/2022	1	Operations and Resources Committee	Recommended for Approval	Pass

### Approval of Cost Sharing Agreement and Exhibit A-1 between the City of Detroit, Water and Sewerage Department, and GLWA

Agenda of: January 26, 2022

Item No.: **2022-014**

Amount:

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Suzanne R. Coffey, P.E.  
Interim Chief Executive Officer  
Great Lakes Water Authority

**DATE:** January 7, 2022

**RE: Approval of Cost Sharing Agreement and Exhibit A-1 between the City of Detroit, Water and Sewerage Department, and GLWA**

### MOTION

Upon recommendation and opinion of Suzanne R. Coffey, Interim Chief Executive Officer. and Randal M. Brown, General Counsel, the Board of Directors for the Great Lakes Water Authority (GLWA):

- 1) Approves the execution of the Cost Sharing Agreement between the City of Detroit, Water and Sewerage Department and GLWA; and
- 2) Approves the reimbursement of costs outlined Exhibit A-1 with a 10% allowance above the estimated costs; and
- 3) Authorizes the Interim Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

### **JUSTIFICATION**

Through regular communication between DWSD and GLWA's administrations, the parties identified opportunities to share costs associated with projects that benefit both DWSD and GLWA. In order to track these opportunities and standardize the paperwork associated with these projects, the parties desire to enter into a Cost Sharing Agreement. With an underlying agreement in place, the parties would amend the Agreement through the completion of the Exhibit A-# template. Exhibit A will be sequentially numbered, A-1, A-2, A-3...A-10, to reflect a new project and the terms of the cost sharing between the parties.

If the underlying Agreement is approved, "Exhibit A-#" would be presented to the Board of Water Commissioners or GLWA Board of Directors, consistent with contract authorization policies of the two organizations. For example, and consistent with GLWA's Procurement Policy, GLWA would present an "Exhibit A-#" to the Board if the amount of GLWA's cost sharing reimbursement to DWSD exceeded \$1 million or the project would last more than 5 years.

Here, Exhibit A-1 meets the Board approval requirements for both organizations and therefore is being presented to the Board of Water Commissioners and GLWA's Board of Directors. Exhibit A-1 relates to design work associated with replacement and rehabilitation of the aggregate utilities along E. Jefferson, which has been a discussion point for the last few years due to the expected pavement replacement work along the full reach of E. Jefferson Avenue. The upcoming pavement work is an opportunity to renew and replace the underground utilities along East Jefferson, including regional and local water mains. The allocation of costs, per design task, is as follows:

**Design Task #1: West of Water Works Park**

**Description:** Installation of new 12-inch mains along Jefferson Ave to replace existing distribution mains

**Allocation:** 100% DWSD

**Estimated DWSD (\$):** 843,601

**Estimated GLWA (\$):** 0

**Estimated Extended Total (\$):** 843,601

**Design Task #2: East of Water Works Park**

**Description:** Replacement or rehabilitation of existing 16-inch, 12-inch, and 8-inch distribution mains from WWP to Gray Street and other select locations along Jefferson

**Allocation:** 100% DWSD

**Estimated DWSD (\$):** 287,447

**Estimated GLWA:** 0

**Estimated Extended Total (\$):** 287,447

**Design Task #3: West of Water Works Park**

**Description:** Replacement of 48-inch GLWA main from WWP to Downtown, meter vaults and pressure reducing valve vaults, retirement of one existing 42-inch GLWA main and one 42-inch DWSD main.

**Allocation:** 20% DWSD 80% GLWA

**Estimated DWSD (\$):** 426,181

**Estimated GLWA (\$):** 1,683,621

**Estimated Extended Total (\$):** 2,109,802

**Design Task #4:** East of Water Works Park

**Description:** Replacement of the existing 8-inch main along Jefferson from Dickerson Avenue to Alter with 16-inch main

**Allocation:** 100% DWSD

**Estimated DWSD (\$):** 126,750

**Estimated GLWA (\$):** 0

**Estimated Extended Total (\$):** 126,750

**Design Task #5:** Hydraulic Modelling

**Allocation:** 100% GLWA

**Estimated DWSD (\$):** 0

**Estimated GLWA (\$):** 23,875

**Estimated Extended Total (\$):** 23,875

**Design Task #6:** Geotechnical Investigation

**Allocation:** 53% DWSD 47% GLWA

**Estimated DWSD (\$):** 134,086

**Estimated GLWA (\$):** 121,193

**Estimated Extended Total (\$):** 255,279

**Design Task #7:** Subsurface Utility Engineering (SUE) Allowance

**Allocation:** 100% GLWA

**Estimated DWSD (\$):** 0

**Estimated GLWA (\$):** 185,643

**Estimated Extended Total (\$):** 185,643

**Design Task #8:** Potholing Allowance

**Allocation:** 100% GLWA

**Estimated DWSD (\$):** 0

**Estimated GLWA (\$):** 207,627

**Estimated Extended Total (\$):** 207,627

**Total Estimated Project Costs**

**Estimated DWSD (\$):** 1,818,065

**Estimated GLWA (\$):** 2,221,959

**Estimated Extended Project Costs Total:** 4,040,024

#### **FINANCIAL PLAN IMPACT**

**Summary:** Sufficient funds are provided in the financial plan for this project.

**Funding Source:** Water Construction Fund

**Cost Center:** Water Field Engineering

**Expense Type:** Construction (5519-882411.000-617950-122019)

**Estimated Cost by Year and Related Estimating Variance:** See table below.

Fiscal Year

FY 2022 Plan	\$ 613,000.00
FY 2023 Plan	782,000.00
FY 2024 Plan	686,000.00
FY 2025 Plan	684,000.00
FY 2026 Plan	684,000.00
FY 2027 Plan	28,000.00
Financial Plan Estimate	\$ 3,477,000.00
Proposed Contract Award	2,221,959.00
Balance reserved for services during construction	\$ 1,255,041.00

Plan amounts above as per Draft 2 of the FY 2023 - 2027 CIP Plan.

**COMMITTEE REVIEW**

This matter was presented to the Operations and Resources Committee on January 12, 2022. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

**SHARED SERVICES IMPACT**

This request does not impact the Shared Services Agreement.