



Legislation Text

File #: 2018-555, **Version:** 1

Proposed Amendment No. 3 to Water Service Contract with Charter Township of Commerce

Agenda of: January 24, 2018
Item No.: **2018-555**
Amount: Revenue Contract

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: January 12, 2018

RE: Proposed Amendment No. 3 to Water Service Contract with Charter Township of Commerce

MOTION

Upon recommendation of Randal Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes the Chief Executive Officer (CEO), upon approval and execution by the wholesale water customer, to execute Amendment No. 3 to the 30-year water service contract with Charter Township of Commerce;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On December 12, 2017, the Commerce Township ("Customer") Board agreed to the terms of Amendment No. 3 ("Amendment") to the Water Service Contract with GLWA. This Amendment was initiated by Customer because of the completion of a new water storage facility which will allow Customer to reduce its demand on the GLWA system. In this Amendment, Customer has agreed to modify its maximum day and peak hour flow rates for calendar years 2018 and 2019, as set forth in the attached Exhibit B. While the projected annual volume ("Volume") is no longer determined by the contract for charge purposes, Customer has also agreed to modify the Volume for fiscal years 2019 to 2020, as set forth in the attached Exhibit B.

Also in this Amendment, Exhibit A of the contract, which establishes Customer's service area boundaries, meter locations, emergency connections, those retail customers outside of Customer's corporate limits, and each party's respective ownership and maintenance responsibilities, has been updated to reflect the most current information. Exhibit A is not attached for homeland security reasons.

This Amendment will modify the terms of the existing water service contract between GLWA and Customer.

JUSTIFICATION

Approval of this Amendment provides a mutually beneficial, stable, long-term framework for interactions between GLWA

and Customer and incorporates annual system planning volumes, pressures, and maximum day and peak hour values that better reflect future Customer usage.

BUDGET IMPACT

The revenues expected to result from this Amendment are reflected in the FY 2018-2019 schedule of charges.

COMMITTEE REVIEW

This matter is being presented directly to the full Board of Directors for consideration and approval.

SHARED SERVICES IMPACT

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