

Legislation Text

File #: 2018-572, Version: 1

Proposed First Amended and Restated Water Service Contract with City of Plymouth

Agenda of: January 24, 2018

Item No.: **2018-572**

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 First Amended and Restated Water Service Contract with City of Plymouth

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 the 30-year First Amended and Restated Water Service Contract with City of Plymouth;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On January 2, 2018, the Plymouth ("Customer") City Commission agreed to the terms of the First Amended and Restated Water Service Contract with GLWA ("Amendment"). While the standard wholesale 30-year water service contracts require review of certain values (the pressure range at directly metered locations and the maximum day and peak hour values (collectively, the "Values")) at specified intervals, Customer has been in the unique position of not having experienced the changes in usage that the vast majority of GLWA's other wholesale customers have experienced. Consequently, Customer has not previously had the desire to modify its contract. Since the execution of Customer's contract in 2008, the model contract has undergone substantive changes to its terms and conditions (eleven individual sections and the entirety of Article 5). Customer recently contacted GLWA to review its contract terms and, after a productive meeting, elected accept the changes to the model contract terms in their entirety. This Amendment accomplishes the following:

1. Makes the terms of Customer's contract identical to GLWA's other model contract customers;
2. Continues the existing Values for calendar years 2018 to 2022, as set forth in the attached Exhibit B;
3. Modifies the projected annual volume for fiscal years 2019 to 2023, as set forth in the attached Exhibit B (note that while the projected annual volume ("Volume") is no longer determined by the contract for charge purposes, GLWA requests that customers affirm or modify Volume for system planning purposes); and
4. Updates 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, 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.