

Legislation Text

File #: 2018-733, **Version:** 1

Proposed Water Service Contract with City of Gibraltar

Agenda of: May 9, 2018
Item No.: **2018-733**
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: **May 9, 2018**

RE: Proposed Water Service Contract with City of Gibraltar

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) to execute a 30-year water service contract with City of Gibraltar;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On April 23, 2018, the Gibraltar (Customer) City Council approved the terms of a new Water Service Contract (Contract) with GLWA. The Customer has been receiving water services through a 35-year agreement with the City of Detroit dated May 12, 1986. This Contract is based upon the model water contract, as subsequently amended, developed in partnership with the Technical Advisory Committee. The Contract has a thirty-year term and provides for, in part, pressure commitments by GLWA; maximum day and peak hour commitments by the Customer; the establishment of the Technical Advisory Committee (now, the One Water Partnership) for a thirty-year period; notification and payment of charges; maintenance responsibilities of the Customer and GLWA; and water quality commitments by the Customer and GLWA.

Additionally, Exhibit A of the Contract establishes the Customer's service area boundaries, meter locations, emergency connections, retail customers served by the Customer outside of Customer's corporate limits, and each party's respective ownership and maintenance responsibilities. Exhibit A is not attached for homeland security reasons.

JUSTIFICATION

Approval of this Contract provides a mutually beneficial, stable, long-term framework for interactions between GLWA and the Customer and incorporates estimated volumes for system planning purposes, pressures, and maximum day and peak hour values that better reflect future Customer usage.

BUDGET IMPACT

The revenues expected to result from this Contract 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.