



## Legislation Text

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File #: 2020-343, Version: 1

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### ..Title

### **Request to Transfer a 24-Inch Watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane**

Agenda of: September 23, 2020

Item No.: **2020-343**

Amount: N/A

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

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

**DATE:** September 23, 2020

**RE: Request to Transfer a 24-Inch Watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane**

### **MOTION**

Upon recommendation of Randal M. Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

- 1) Authorizes GLWA's Chief Executive Officer (CEO) to execute a Bill of Sale or any other related documents to transfer a 24-inch watermain to FCA, US, LLC on Charlevoix Avenue between Conner Avenue and Conner Lane; and
- 2) Authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

Through the GLWA/DWSD water main arbitration negotiations, the parties' technical teams identified a 24" watermain located under Charlevoix Avenue as a candidate for decommissioning. The Charlevoix watermain starts at Conner Lane in the City of Detroit, goes east and ends at the border

of the City of Grosse Pointe. The starting point of the main falls within FCA, US LLC's (commonly known as Fiat-Chrysler) plant grounds.

As the Board was considering the Arbitration Settlement Agreement, FCA approached GLWA about putting a structure on top of the 24" watermain within its plant grounds. GLWA objected.

After further discussions between GLWA, DWSD and FCA, it was determined that the watermain within FCA's plant grounds could be transferred to FCA.

GLWA conducted an internal valuation of the watermain to be transferred. The cast iron watermain was put in service in 1919. Although the useful life is 125 years, given the desire to decommission the entire length of the watermain and the length of the pipe to be transferred, approximately 1650 feet, the transfer price is \$1.00. It should be noted that this length of watermain has had a watermain break, so avoiding the future costs of the main has its benefits as well.

If the Fieldwork Verification, as outlined in the Arbitration Settlement Agreement, confirms that the 24" watermain from the FCA plant's boundary line and heading east can be decommissioned, then FCA would connect to the local system mains running along Conner Lane and Conner Avenue.

Based on information and belief, DWSD is supportive of the transfer. It has agreed to the language of the Bill of Sale and would maintain an access agreement to investigate, among other things, whether FCA has added additional connections before the local system meter.

### **JUSTIFICATION**

GLWA does not need this section of watermain to support the Regional Water Supply System.

### **BUDGET IMPACT**

The budget impact of this Agreement does not adversely impact the GLWA's ability to perform its current and proposed financial plan and/or provides revenue to the GLWA.

### **COMMITTEE REVIEW**

This item was discussed with the Legal Committee at its September 23, 2020 meeting. The Legal Committee unanimously recommended the transfer for approval.

### **SHARED SERVICES IMPACT**

This item does not impact the Shared Services Agreement between GLWA and DWSD.