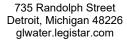
Great Lakes Water Authority





Legislation Text

File #: 2021-030, Version: 1

Proposed Amendment No. 4 to Water Service Contract with Charter Township of Shelby

Agenda of: January 27, 2021

Item No.: 2021-030

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 27, 2021

RE: Proposed Amendment No. 4 to Water Service Contract with Charter Township of Shelby

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 Amendment No. 4 to the 30-year water service contract with Charter Township of Shelby; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On 12/1/2020, the Shelby Township ("Member Partner") Board agreed to the terms of Amendment No. 4 ("Amendment") to the Water Service Contract with GLWA.

During the summer of 2020, Member Partner experienced exceedances of its contractual peak hour flow rate. As a result, the parties discussed how Member Partner can best manage its usage to the contract limits. In this Amendment, Member Partner has agreed to the modification of certain terms and conditions of the contract to provide for more oversight and management of Member Partner's peak hour flow rate, including annual meetings with GLWA to review usage for calendar years 2021 and 2022, and, if necessary, beyond. Member Partner also agreed to a corrective action plan in which an irrigation ordinance meant to achieve compliance with the contract peak hour value will be enacted by March 1, 2021.

Moreover, as set forth in the attached Exhibit B, GLWA and the Member Partner agreed to increase

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the peak hour value for calendar year 2021 and beyond. No other contract values are modified by this Amendment.

JUSTIFICATION

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

BUDGET IMPACT

The revenues expected to result from this Amendment will be reflected in the FY 2021-2022 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.