



Legislation Text

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Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

Agenda of: May 26, 2021

Item No.: **2021-193**

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: May 26, 2021

RE: Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

MOTION

Upon recommendation of Sue McCormick, Chief Executive Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the Scheduling of Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for June 23, 2021 at 2:00 pm**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (the "GLWA") has identified three water system projects in the FY 2022 to FY 2026 Capital Improvement Plan (CIP) for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the State Revolving Fund financing program for funding in the state's 2022 fiscal year. The deadline for submitting all Drinking Water State Revolving Fund (DWSRF) project plans to EGLE is July 1, 2021, but prior to

submitting the project plans, GLWA must hold a public hearing to present the project plans, which will be scheduled for June 23, 2021 at 2:00 pm.

The FY 2022 DWSRF project plans and public hearing notices for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project have been posted on the GLWA website and can be found at <https://www.glwater.org/>. A summary of each project plan will be presented at the public hearings. After the public hearings are closed, a resolution for each project will be scheduled for action by the GLWA Board of Directors at its regularly scheduled meeting also on June 23, 2021. The resolution must be approved and signed to ensure that the finalized project plans are assembled, printed, and submitted to the EGLE by the deadline of July 1, 2021.

The Projects:

96-inch Water Transmission Main (Relocation Project) - (CIP# 122004): The project is comprised of the relocation of approximately 2.4 miles of 96-inch WTM around the closed G&H industrial landfill (Landfill) located south of 23 Mile Road and west of Ryan Road. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch WTM under the landfill. This project is necessary since the Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The total cost of this project is currently estimated at \$170,361,000.

Downriver Transmission Main Loop-(CIP# 122016): The project involves the construction of a new transmission main along Inkster Road from Wick Road to Pennsylvania Road, a parallel transmission main along Allen Road and Dixie Highway from Pennsylvania Road to Ready Road, modifications at Trenton Service Meters TN-01 and TN-03, and the removal of two reservoirs at the Electric Avenue Pump Station. A single transmission main serves the Downriver Communities' population. A break anywhere along the Allen Road transmission main would result in several communities losing pressure and result in boil water advisories until a repair could be made. The project will increase the redundancy and reliability in the Downriver portion of the GLWA water system. It was determined the transmission main loop on Inkster Road and the parallel transmission main would significantly reduce the Downriver Communities' risk of boil water advisories or complete water service loss in the future. The total cost of this project is currently estimated at \$60,900,000.

Ypsilanti Pumping Station Improvements-(CIP# 132012): The project is comprised of the evaluation, design, and construction of the full replacement of the Ypsilanti Pumping Station (YPS). The existing YPS is an in-line booster pumping station located in Van Buren Township adjacent to the Willow Run Airport. It was constructed in the mid 1980's to replace an older temporary pumping station to boost the pressure of water supplied from the Wick Road Pumping Station. In the mid-1990's the City of Ypsilanti decommissioned their aging water treatment plant and switched to what is now the GLWA water system. During this time, a connection to a transmission main supplied by the Joy Road Pump Station was added to the YPS to provide a continuous supply of water to the YPS service area. This project is necessary to ensure the GLWA can maintain supplying drinking water with high reliability and efficiency to the City of Ypsilanti, Ypsilanti Township, Augusta Township, Pittsfield Township, and Superior Township. The proposed project will construct a new pump station. The existing pump station will be decommissioned and demolished. The total cost of this project is currently estimated at \$35,500,000.

JUSTIFICATION

GLWA is seeking low interest loan assistance through the DWSRF program for these projects. Although the EGLE interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the combined project amounts of \$266.8 million, GLWA could save an estimated \$104 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will offer savings

to both GLWA and its members.

BUDGET IMPACT

Debt service for all projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on May 21, 2021. The Audit Committee unanimously approved the Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for June 23, 2021 at 2:00 pm pending receipt of a clarification memo regarding wording in the public hearing notice related to cost allocation prior to the Board meeting.