



Legislation Text

File #: 2023-195, **Version:** 1

Approval of the Local System Capital Contribution Agreement between Detroit Water and Sewerage Department and GLWA

Agenda of: May 24, 2023

Item No.: **2023-195**

Amount: \$31,557,845

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: May 22, 2023

RE: Approval of the Local System Capital Contribution Agreement between Detroit Water and Sewerage Department and GLWA

MOTION

Upon recommendation and opinion of Suzanne R. Coffey, P.E., Chief Executive Officer, and Randal M. Brown, Deputy Chief Administrative and Compliance Officer/General Counsel, the Board of Directors (Board) for the Great Lakes Water Authority (GLWA):

(1) approves the Local System Capital Contribution Agreement between the Detroit Water and Sewerage Department (DWSD) and GLWA; and

(2) authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote, including the execution of the Memorandum of Understanding.

JUSTIFICATION

Both Evergreen Farmington Sanitary District and DWSD are member partners of the Regional Sewer System. EFSD has requirements relative to compliance with its Administrative Consent Order 04995, dated August 14, 2019, (the ACO) as agreed to with the Michigan Department of Environmental Quality, now known as the Michigan Department of Environment, Great Lakes, and Energy (EGLE) and, consequently, desires a higher maximum rate of discharge to the Regional Sewer System. DWSD and GLWA are co-permittees on the National Pollutant Discharge Elimination System Permit MI 002282 (NPDES Permit), issued by EGLE. GLWA has requirements in the NPDES Permit to address untreated combined sewer overflows. DWSD is obligated to implement a green infrastructure program to remove storm water from the Local Sewer System pursuant to Part I. Section A.15.d.5.a and b. of the NPDES Permit with an approximate annual expenditure of \$3,000,000.00.

GLWA's Wastewater Master Plan identifies collaborative approaches for regional solutions for the mutual benefit of member partners of the Regional Sewer System.

DWSD identified a green infrastructure project that, if implemented, would remove storm water from approximately 225 acres of a residential neighborhood immediately west of the Rouge River and north of West Warren Avenue in the City of Detroit (the West Warren Green Infrastructure Project). GLWA has identified Outfall B054 for improvements that, if improved, would reduce the combined sewer overflow discharge frequency and volume from the West Warren Outfall (the West Warren Outfall Project, and together with the West Warren Green Infrastructure Project, the West Warren Sewer Projects). Within the past 6 months, EFSD agreed to make a local system and regional system capital contribution to receive a higher maximum rate of discharge by EFSD to the Regional Sewer System. EFSD understood that DWSD and GLWA will use the funds for the design, construction assistance, and estimated construction costs based on competitive procurements for the West Warren Sewer Projects. The estimated costs of the West Warren Sewer Projects are approximately \$35,000,000.

Upon receipt of the aforementioned capital contribution for a higher maximum rate of discharge to the Regional System and pursuant to the Local Capital Contribution Agreement, GLWA agrees to disburse the EFSD Local System Capital Contribution to DWSD for its design, construction assistance and estimated construction costs based on competitive procurements for the West Warren Green Infrastructure Project in an amount not to exceed \$31,557,845.00. The Parties will use their best efforts to secure EGLE's concurrence that the capital contribution made by EFSD for the West Warren Green Infrastructure Project for the benefit of an increased maximum rate of discharge constitutes a part of DWSD's obligation to spend approximately \$3,000,000.00 annually on Green Infrastructure Projects under the NPDES Permit.

BUDGET IMPACT

GLWA is holding the EFSD local contribution for the benefit of DWSD and will disperse those funds to DWSD as costs are incurred.

COMMITTEE REVIEW

This matter was presented to the Legal Committee at its meeting on May 24, 2023. The Legal Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

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