

Office of the Water Department Director – Damon L. Garrett, PE

Metro Consulting Associates, LLC

February 22, 2023

Suzanne R. Coffey, PE, Chief Executive Officer Great Lakes Water Authority Board 735 Randolph, Suite 1900 Detroit, Michigan 48226

RE: February 22, 2023 Public Hearing on Proposed FY 2024 and 2025 Biennial Budget

Dear Ms. Coffey,

After 10 years of litigation, Highland Parks position remains the same regarding enforcing new rates and increases that do not comply with the fixed rates and means and methods for adjustments outlined in the existing contracts, which have not been amended, revised, or terminated. GLWA continues to allege that Highland Park owes money charged more than the fixed rates established in the current existing 1996 contract.

In the proposed FY 2024 and 2025 Budget, Highland Parks charges have been removed from the other wholesale customer accounts. This is the way it should have been done all along, as Highland Park should have never been charged like the other wholesale customers who have other contractual agreements.

How is Highland Park's fixed rate any different from Wayne County's fixed rate that was in place from 1996 to 2005? How is Highland Park's fixed rate any different from Macomb County's fixed rate that was put in place after January 1, 1980 for three hundred sixty (360) months and to remain effective for 30 years?

The difference is that both contracts above were either mutually terminated, renegotiated or new contracts were established with new terms, which has not happened in Highland Park. Therefore, Highland Park unilaterally objects to any rate increase that does comply with our existing contracts.

Sincerely,

Damon L. Garrett, PE

Director

attachments

Cc:

Glenda McDonald, Mayor Delphia Burton, City Attorney Cathy Square, City Administrator Eleanor Williamson, City Finance Director



## Office of the Water Department

Director – Damon L. Garrett, PE Metro Consulting Associates, LLC

Freman Hendrix, Board Chair; Board Representative for The City of Detroit
Brian Baker; Board Vice Chair; Board Representative for Macomb County
Beverly Walker-Griffea, Ph.D.; Board Secretary; Board Representative for the State of Michigan
John J. Zech, Board Representative for Wayne County
Jaye Quadrozzi, Board Representative for Oakland County
Gary A. Brown; Board Representative for the City of Detroit

D. WHEREAS, the City denied all of the above allegations and alleged that the Rates are fair and reasonable, in accordance with generally accepted ratemaking principles, consistent with the service contracts, consistent with the Settlement Agreement approved by the Court in the Order of Dismissal Re Rate Challenges, dated September 18, 1978 (the \*Prior Settlement Agreement\*), and in accord with the federal Clean Water Act and applicable rules and regulations of EPA; and

E. WHEREAS, the parties hereto, having engaged in extensive settlement negotiations, desire to avoid the expense, delays and uncertainties attendant with further litigation and to resolve and settle their differences by amicable agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1.4

## RATE ADJUSTMENTS

- treatment rates, stormwater revenue requirements, and stormwater charges set forth on Exhibit "A", Parts I. and II., attached hereto shall be effective on all bills rendered on and after january 1, 1980, by DWSD for sewage treatment services, and, except as otherwise provided by law, no other rates shall be adopted for purposes of any bills to be rendered at any time prior to July 1, 1981.
- 2. Special Provisions Applicable to Macomb Regarding hayes-15
  Mile Road Interceptor Collapse.
- (a) The rate to Macomb shall be \$4.26 per thousand cubic feet of metered sewage for billings rendered from January I, 1980, as set forth on Exhibit "A", Part 1.8.4., plus the sum of \$82,497.20 per month for three hundred sixty (360) months (30 years) effective on billings rendered on and after January I, 1980.