



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 8/8

**PREPARED BY:** R. Corey Almas, Director of Public Services

**AGENDA ITEM CONTENT:** DPS - GLWA Contract Reopener

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:** N/A

**FUNDS REQUESTED:** N/A

**FUND:** N/A

**EXECUTIVE SUMMARY:**

The current agreement between the Great Lakes Water Authority (GLWA) and the City of Madison Heights calls for a contract reopener every four years to evaluate Maximum Day Usage trends, Peak Hour trends, and contract terms generally. Information such as meter locations and emergency connections are also reviewed. Presented for Council's consideration is Amendment 4 to the Water Service Contract between GLWA and the City of Madison Heights.

**RECOMMENDATION:**

Please see attached. Staff recommends that Council approve Amendment 4 to the Water Service Contract between GLWA and the City of Madison Heights, and authorize the Mayor, City Manager, and City Clerk to sign on behalf of the City.

## ***MEMORANDUM***

**DATE:** July 27, 2022

**TO:** Melissa R. Marsh, City Manager

**FROM:** Sean P. Ballantine, Public Works Supervisor  
R. Corey Almas, Director of Public Services

**SUBJECT:** Report – GLWA Contract Reopener

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The current agreement between the Great Lakes Water Authority (GLWA) and the City of Madison Heights calls for a contract reopener every four years to evaluate Maximum Day Usage trends, Peak Hour trends, and contract terms generally. Information such as meter locations and emergency connections are also reviewed. As a well-established water system, it is a very rare occurrence that the latter would require any modifications. The contract was last reopened in 2018, resulting in the presentation and adoption of Amendment 3.

Amendment 4 as presented includes the following changes to the contract:

- Removal of Section 5.06. This relates to the former minimum “take or pay” clause (essentially a minimum bill), which was made irrelevant with GLWA changing their billing methodology. This is a housekeeping issue related to contract language.
- Exhibit A, specifically the drawing of meter site MH-01, was changed to reflect the relocation of a meter bypass related to the Wolverine Pump Station removal in 2008. This is a housekeeping issue related to accuracy of the prints.
- All other contract terms and amendments continue as written.

After an analysis of current trends, which took into account potential data irregularities related to COVID-19, and the resulting economic shutdowns, Staff did not recommend changing the Maximum Day or Peak Hour usage amounts. GLWA was amenable to keeping these values at their existing numbers, which were last established with the contract reopener in 2018.

Staff recommends that Council approve Amendment 4 to the Water Service Contract between GLWA and the City of Madison Heights, and authorize the Mayor, City Manager, and City Clerk to sign on behalf of the City.

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**Department of Public Services**

City of Madison Heights

801 Ajax Drive

Madison Heights, Michigan 48071

p (248) 589-2294 | f (248) 589-2679

**AMENDMENT NO. 4 TO WATER SERVICE CONTRACT  
BETWEEN  
GREAT LAKES WATER AUTHORITY  
AND  
CITY OF MADISON HEIGHTS**

This Amendment No. 4 (“Amendment”) is made between the Great Lakes Water Authority, a municipal authority and public body corporate (“GLWA”), and the City of Madison Heights, a municipal corporation (“Member Partner”). GLWA and Member Partner are collectively referred to as the “Parties”.

**RECITALS**

- A. GLWA leases, operates, and maintains the public water supply system owned by the City of Detroit (“System”); and
- B. On September 15, 2009, the Parties entered a Water Service Contract (“Contract”) reflecting the terms and conditions governing the delivery and purchase of potable water, as subsequently amended and assigned; and
- C. GLWA has determined that its charge methodology renders irrelevant the “minimum take or pay” terms of Section 5.06 of the Contract; and
- D. Article 15 of the Contract permits the Parties to amend the Contract by mutual agreement; and
- E. In consideration of the mutual undertakings of the Parties and for the benefit of the public, it is the mutual desire of the Parties to enter this Amendment to amend the Contract as set forth in detail in the following sections.

**ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:**

- 1. Section 5.06 of the Contract is deleted in its entirety.
- 2. Exhibit A of the Contract is amended by deleting in its entirety the existing Exhibit A and substituting the attached Exhibit A in its place.
- 3. Exhibit B of the Contract is amended by deleting in its entirety the existing Exhibit B and substituting the attached Exhibit B in its place.
- 4. Except for the provisions of the Contract specifically contained in this Amendment, all other terms, conditions, and covenants contained in the Contract shall remain in full force and effect and as set forth in the Contract.
- 5. This Amendment to the Contract shall be effective and binding upon the Parties when it is signed and acknowledged by the duly authorized representatives of both Parties and is approved by Member Partner’s governing body and the GLWA Board of Directors.

Accordingly, GLWA and Member Partner, by and through their duly authorized officers and representatives, have executed this Amendment.

**City of Madison Heights:**

By: \_\_\_\_\_  
Roslyn Grafstein  
Mayor

By: \_\_\_\_\_  
Melissa R. Marsh  
City Manager

By: \_\_\_\_\_  
Cheryl E. Rottmann  
City Clerk

APPROVED BY  
MADISON HEIGHTS CITY COUNCIL ON: \_\_\_\_\_  
Date

**Great Lakes Water Authority:**

By: \_\_\_\_\_  
Suzanne R. Coffey, P.E.  
Chief Executive Officer

Dated: \_\_\_\_\_

APPROVED BY  
GLWA BOARD OF DIRECTORS ON: \_\_\_\_\_  
Date

APPROVED AS TO FORM BY  
GLWA GENERAL COUNSEL ON: \_\_\_\_\_  
Signature/Date

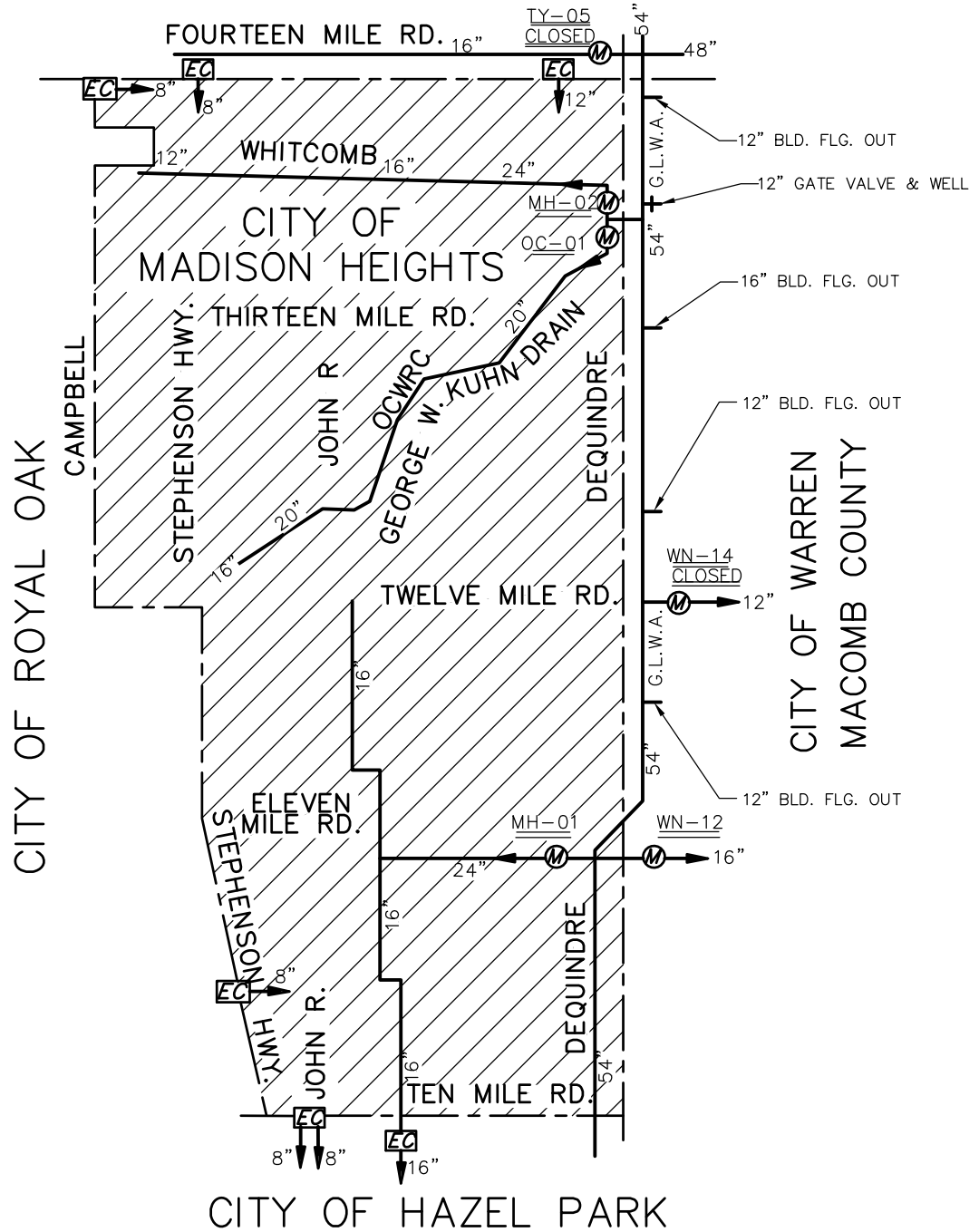
## EXHIBIT A

### Customer's Water Distribution Points

This Exhibit contains the following information:

1. The corporate limits of Customer;
2. The agreed upon water Service Area of Customer which (a) may or may not be entirely within the corporate limits of Customer and (b) which may or may not include the entire area within the Customer's corporate limits;
3. The specific location of the Water Distribution Points, including any Board approved emergency connections;
4. The designation of appurtenances to be maintained by Customer and those to be maintained by the Board; and
5. A list of any closed meter locations.

# CITY OF TROY



## LEGEND

SYMBOL	DESCRIPTION
	COMM METER PIT
	GLWA METER PIT
	SERVICE AREA
	MUNICIPAL BOUNDARY
	EMERGENCY CONNECTION



NOTE:  
WATER DISTRIBUTION POINTS  
ARE METER PITS MH-01 AND MH-02

EXHIBIT-A

SERVICE AREA LOCATION MAP  
CITY OF  
MADISON HEIGHTS

## **EXHIBIT A**

### **City of Madison Heights Emergency Connections:**

#### Connection to City of Royal Oak

8" At I-75 south of Hudson

8" At the intersection of 14 Mile and Campbell

#### Connection to City of Hazel Park

16" GV&W at the intersection of Ten Mile Road and Battelle

8" GV at John R and Ten Mile Road (east side)

8" GV at John R and Ten Mile Road (west side)

#### Connection to City of Troy

12" GV at 1200 E. 14 Mile Rd

8" GV at NB Stephenson and W. 14 Mile Rd

### **City of Madison Heights Water Customers Outside Municipal Limits:**

#### City of Royal Oak:

1716 North Stephenson Hwy

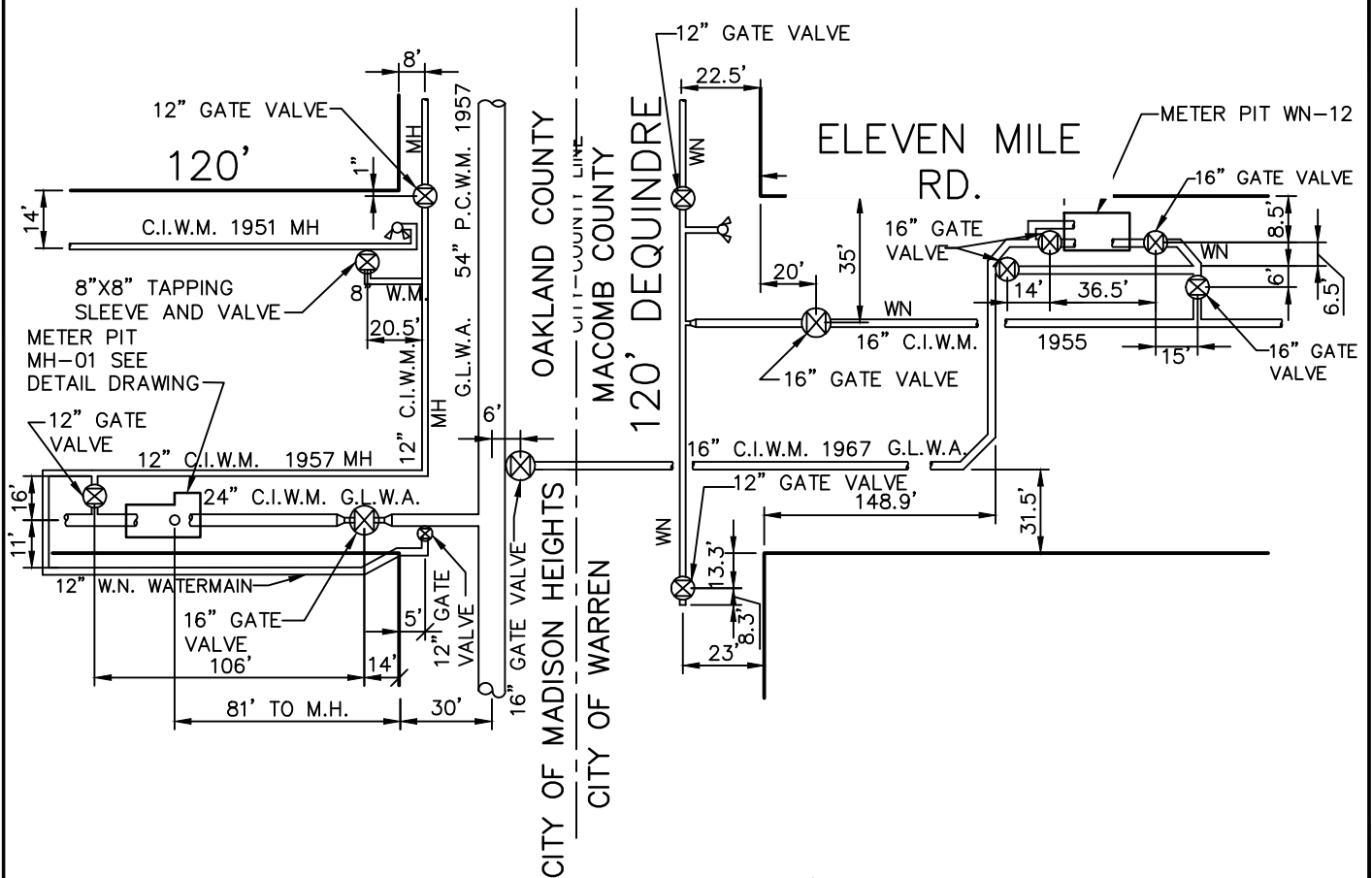
### **City of Madison Heights Master Meters Not In Service:**

None.

# EXHIBIT-A

## MH-01

### ELEVEN MILE RD. W. OF DEQUINDRE CITY OF MADISON HEIGHTS



**SITE PLAN**  
NOT TO SCALE



MH—CITY OF MADISON HEIGHTS  
OWNERSHIP AND MAINTENANCE

WN—CITY OF WARREN  
OWNERSHIP AND MAINTENANCE

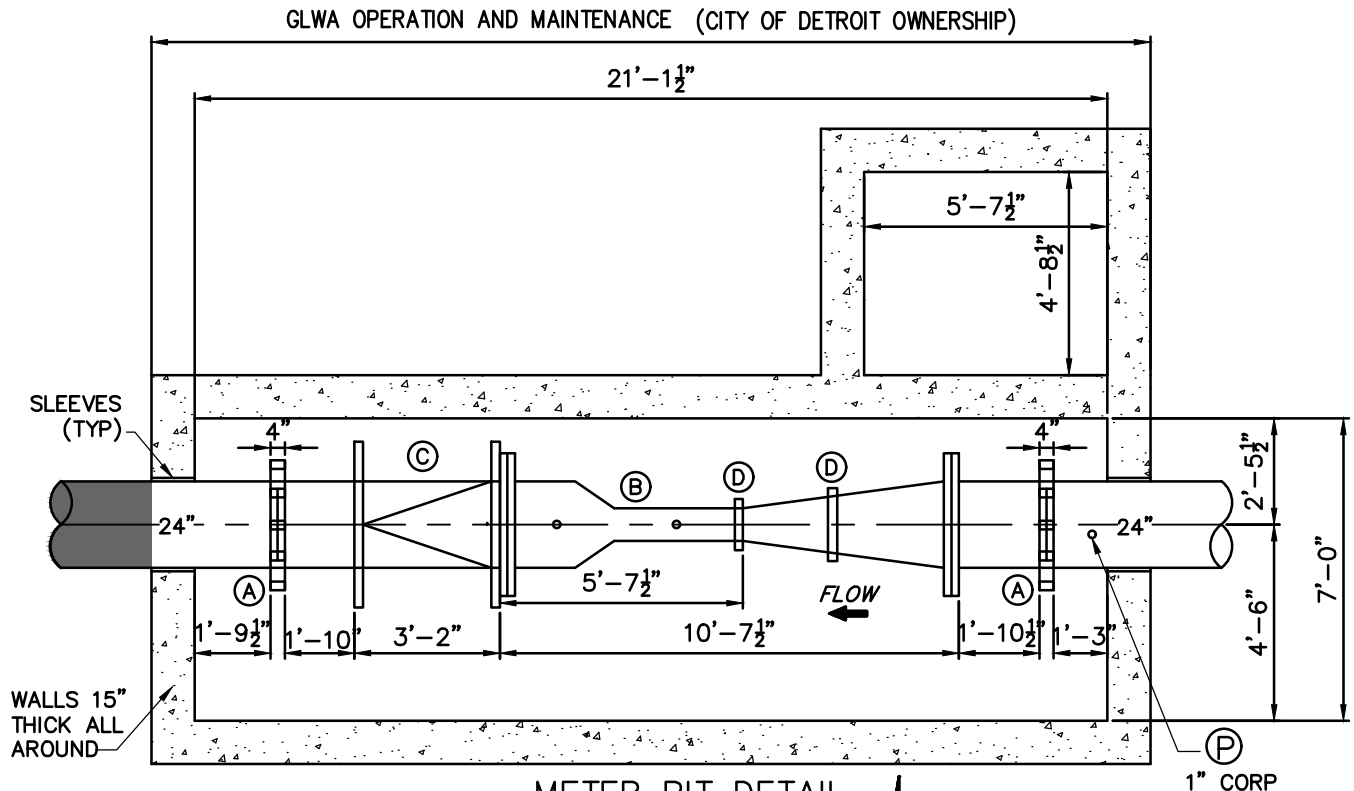
GLWA— GREAT LAKES WATER AUTHORITY  
OPERATION AND MAINTENANCE  
(CITY OF DETROIT OWNERSHIP)

LOCATIONS SUBJECT TO  
VERIFICATION IN THE FIELD.

MH  
01



# EXHIBIT-A MH-01 ELEVEN MILE RD. W. OF DEQUINDRE CITY OF MADISON HEIGHTS



CITY OF MADISON HEIGHTS  
OWNERSHIP AND MAINTENANCE

LEGEND			
TAG	QTY	DESCRIPTION	SIZE
A	2	VICTAULIC COUPLING	3.5"
B	1	SIMPLEX VENTURI TUBE	24"x9.626"
C	1	CHECK VALVE	24"
D	2	PRESSURE RING	-

TYPICAL PRESSURE LOSS THRU METER	
METER TYPE	P.S.I. LOSS
VENTURI	1 - 2
MAG	0
TURBINE	4 - 6

Ⓟ-UPSTREAM PRESSURE TRANSMITTER,  
G.L.W.A. OPERATION & MAINTENANCE  
(CITY OF DETROIT OWNERSHIP)

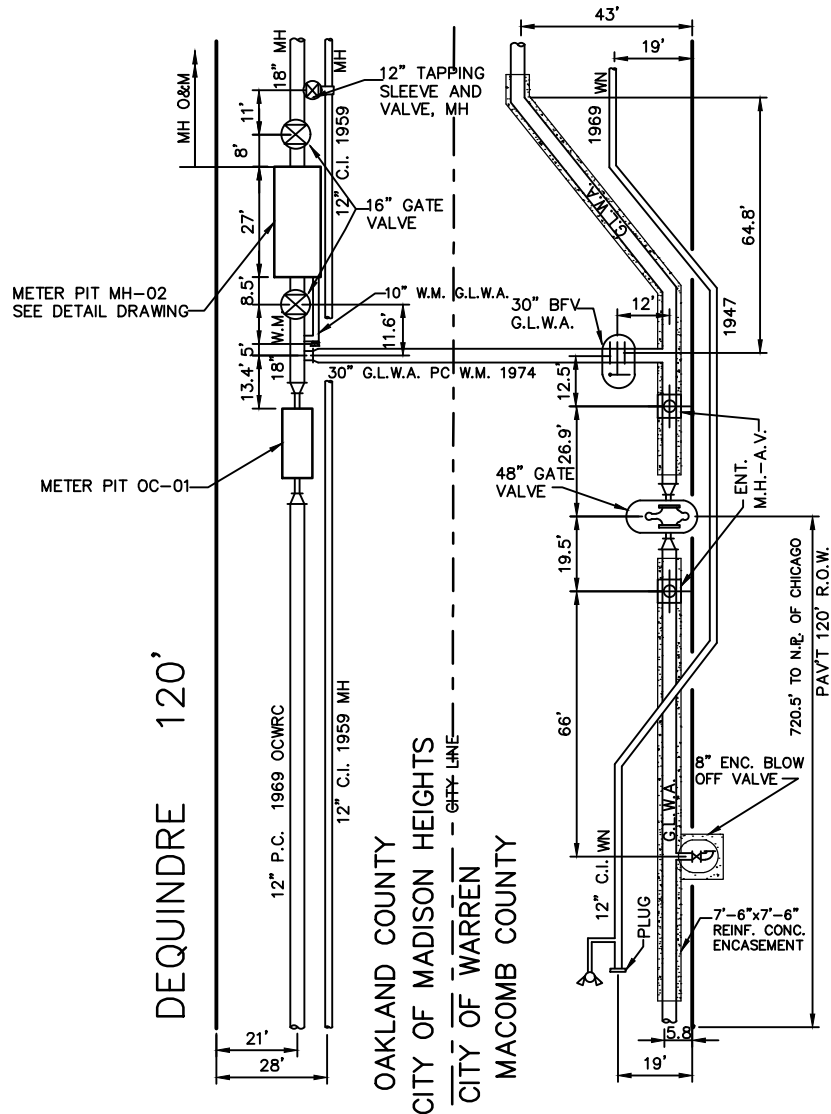
ADDRESS.....1822 ELEVEN MILE ROAD  
FEED TO.....CITY OF MADISON HEIGHTS  
FEED FROM.....G.L.W.A. TRANS. MAIN  
TYPE OF METER.....SIMPLEX VENTURI  
SIZE OF METER.....24" X 9.626"  
METER NUMBER.....2464110855  
DATE METER SET.....10/15/1957  
METER PIT CONST & SIZE.....REINF. CONC. 21'-1.5" X 6'-11.5" I.D.  
GATE BOOK No.....1045  
REMARKS.....-

MH  
01

# EXHIBIT-A

## MH-02

### DEQUINDRE SOUTH OF WHITCOMB CITY OF MADISON HEIGHTS



MH-CITY OF MADISON HEIGHTS  
OWNERSHIP AND MAINTENANCE

WN-CITY OF WARREN  
OWNERSHIP AND MAINTENANCE

OCWRC-OAKLAND COUNTY WATER RESOURCES COMMISSIONER  
OWNERSHIP AND MAINTENANCE

GLWA- GREAT LAKES WATER AUTHORITY  
OPERATION AND MAINTENANCE  
(CITY OF DETROIT OWNERSHIP)

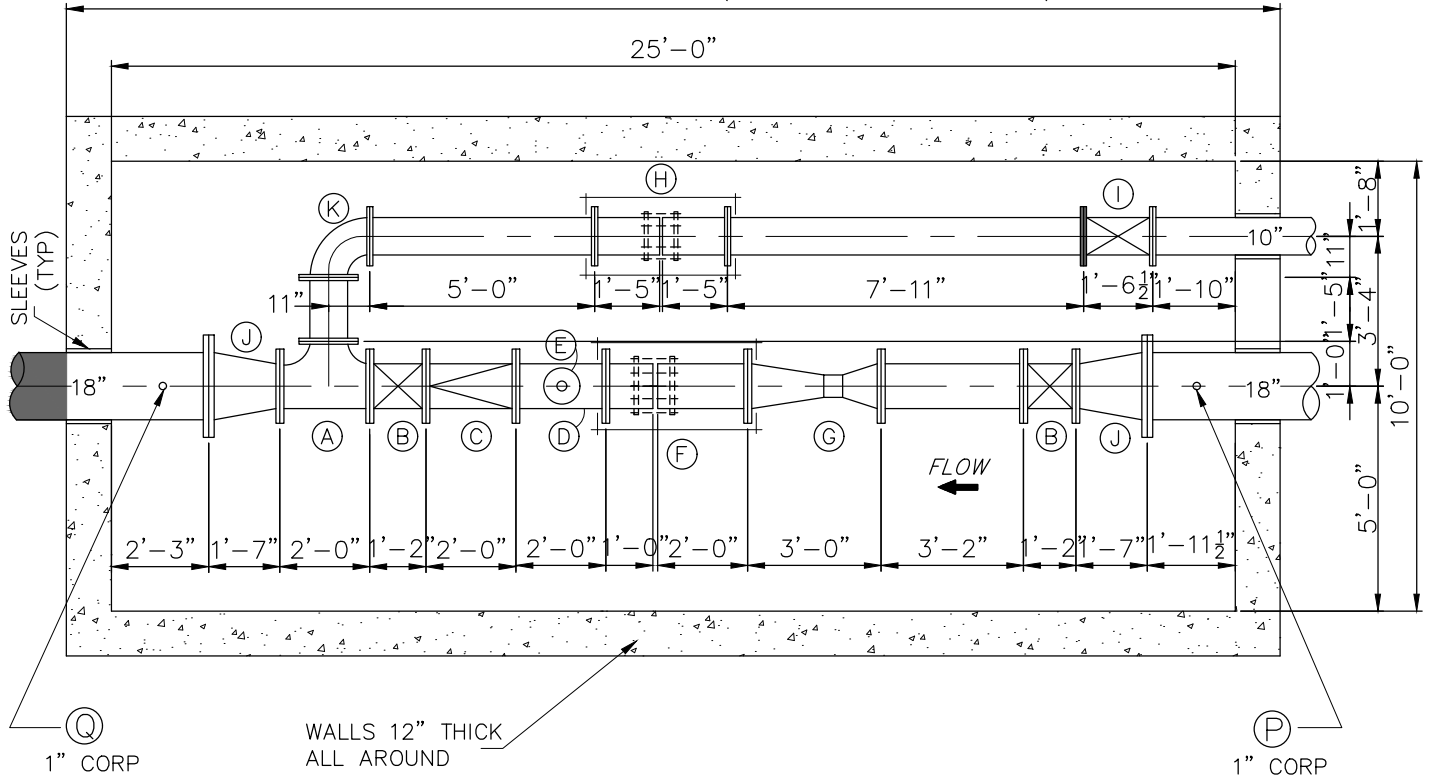
LOCATIONS SUBJECT TO  
VERIFICATION IN THE FIELD.

SITE PLAN  
NOT TO SCALE



# EXHIBIT-A MH-02 DEQUINDRE AND SOUTH OF WHITCOMB CITY OF MADISON HEIGHTS

GLWA OPERATION AND MAINTENANCE (CITY OF DETROIT OWNERSHIP)



**METER PIT DETAIL** Z+  
NOT TO SCALE

CITY OF MADISON HEIGHTS  
OWNERSHIP AND MAINTENANCE

LEGEND			
TAG	QTY	DESCRIPTION	SIZE
A	1	FLGD. REDUCING TEE, D.I., 12" C-F	12"x10"
B	2	FLGD. GATE VALVE	12"
C	1	FLGD. CHECK VALVE	12"
D	1	FLGD. TEST TEE, D.I., 12" C-F	8"
E	1	TEST TEE ASSEMBLY	-
F	1	DRESSER STYLE PIPE COUPLING	12"
G	1	FLGD. VENTURI METER, 36.625" F-F	12"x6"
H	1	DRESSER STYLE PIPE COUPLING	10"
I	1	GATE VALVE	10"
J	2	FLGD. CONCENTRIC REDUCERS, D.I.	18"x12"
K	1	FLGD. 90 DEGREE BEND, D.I.	10"

TYPICAL PRESSURE LOSS THRU METER	
METER TYPE	P.S.I. LOSS
VENTURI	1 - 2
MAG	0
TURBINE	4 - 6

- (P) UPSTREAM PRESSURE TRANSMITTER,  
G.L.W.A. OPERATION & MAINTENANCE  
(CITY OF DETROIT OWNERSHIP)
- (Q) DOWNSTREAM PRESSURE TRANSMITTER,  
G.L.W.A. OPERATION & MAINTENANCE  
(CITY OF DETROIT OWNERSHIP)

ADDRESS \_\_\_\_\_ 31583 DEQUINDRE  
FEED TO \_\_\_\_\_ CITY OF MADISON HEIGHTS  
FEED FROM \_\_\_\_\_ G.L.W.A. TRANS. MAIN  
TYPE OF METER \_\_\_\_\_ BIF VENTURI  
SIZE OF METER \_\_\_\_\_ 12" X 6"  
METER NUMBER \_\_\_\_\_ 5148-3  
DATE METER SET \_\_\_\_\_ 1/2/2000  
METER PIT CONST & SIZE \_\_\_\_\_ REINF. CONC. 10'-0" X 25'-0" I.D.  
GATE BOOK No \_\_\_\_\_ E-1055  
REMARKS \_\_\_\_\_

MH  
02

## EXHIBIT B

Projected Annual Volume and Minimum Annual Volume (Table 1)

Pressure Range and Maximum Flow Rate (Table 2)

Flow Split Assumptions (Table 3)

Addresses for Notice (Table 4)

Table 1 and Table 2 set forth the agreed upon Projected Annual Volumes, Minimum Annual Volumes, Pressure Ranges and Maximum Flow Rates for the term of this Contract provided that figures in bold type face are immediately enforceable pursuant to the terms of Section 5.07 and italicized figures are contained for planning purposes only but will become effective absent the negotiated replacements anticipated in Section 5.07.

The approximate rate of flow by individual meter set forth in Table 3 is the assumption upon which the Pressure Range commitments established in Table 2 have been devised. Should Customer deviate from these assumptions at any meter(s), the Board may be unable to meet the stated Pressure Range commitments in this Contract or in the contract of another customer of the Board and Section 5.08 of this Contract may be invoked.

## EXHIBIT B

Table 1  
Projected Annual Volume and Minimum Annual Volume

Fiscal Year Ending June 30	Projected Annual Volume (Mcf)	Minimum Annual Volume (Mcf)
2009	<b>200,000</b>	<b>100,000</b>
2010	<b>200,000</b>	<b>100,000</b>
2011	<b>159,200</b>	<b>79,600</b>
2012	<b>167,200</b>	<b>83,600</b>
2013	<b>175,600</b>	<b>87,800</b>
2014	<b>175,600</b>	<b>87,800</b>
2015	<b>156,000</b>	<b>78,000</b>
2016	<b>155,000</b>	<b>77,500</b>
2017	<b>154,000</b>	<b>77,000</b>
2018	<b>153,000</b>	<b>76,500</b>
2019	<b>152,000</b>	<b>76,000</b>
2020	<b>135,700</b>	<b>67,850</b>
2021	<b>135,700</b>	<b>67,850</b>
2022	<b>135,700</b>	<b>67,850</b>
2023	<b>135,700</b>	<b>67,850</b>
2024	<b>135,700</b>	<b>67,850</b>
2025	<b>135,700</b>	<b>67,850</b>
2026	<b>135,700</b>	<b>67,850</b>
2027	<b>135,700</b>	<b>67,850</b>
2028	<i>135,700</i>	<i>67,850</i>
2029	<i>135,700</i>	<i>67,850</i>
2030	<i>135,700</i>	<i>67,850</i>
2031	<i>135,700</i>	<i>67,850</i>
2032	<i>135,700</i>	<i>67,850</i>
2033	<i>135,700</i>	<i>67,850</i>
2034	<i>135,700</i>	<i>67,850</i>
2035	<i>135,700</i>	<i>67,850</i>
2036	<i>135,700</i>	<i>67,850</i>
2037	<i>135,700</i>	<i>67,850</i>
2038	<i>135,700</i>	<i>67,850</i>
2039	<i>135,700</i>	<i>67,850</i>

# EXHIBIT B

Table 2  
Pressure Range and Maximum Flow Rate

Calendar Year (Reopener Schedule in bold type)	Pressure Range (psi) Meter MH-01		Pressure Range (psi) Meter MH-02		Maximum Flow Rate (mgd)	
	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Max Day</u>	<u>Peak Hour</u>
2009	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>6.61</b>	<b>8.76</b>
2010	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>6.61</b>	<b>8.76</b>
2011	<b>51</b>	<b>78</b>	<b>53</b>	<b>80</b>	<b>5.65</b>	<b>7.15</b>
2012	<b>51</b>	<b>78</b>	<b>53</b>	<b>80</b>	<b>5.65</b>	<b>7.15</b>
2013	<b>51</b>	<b>78</b>	<b>53</b>	<b>80</b>	<b>5.65</b>	<b>7.15</b>
2014	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>5.50</b>	<b>7.05</b>
2015	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>5.45</b>	<b>7.00</b>
2016	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>5.45</b>	<b>6.95</b>
2017	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>5.40</b>	<b>6.90</b>
<b>2018</b>	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>5.35</b>	<b>6.85</b>
2019	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2020	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2021	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
<b>2022</b>	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2023	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2024	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2025	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
<b>2026</b>	<b>56</b>	<b>78</b>	<b>58</b>	<b>80</b>	<b>4.75</b>	<b>6.50</b>
2027	56	78	58	80	4.75	6.50
2028	56	78	58	80	4.75	6.50
2029	56	78	58	80	4.75	6.50
<b>2030</b>	56	78	58	80	4.75	6.50
2031	56	78	58	80	4.75	6.50
2032	56	78	58	80	4.75	6.50
2033	56	78	58	80	4.75	6.50
<b>2034</b>	56	78	58	80	4.75	6.50
2035	56	78	58	80	4.75	6.50
2036	56	78	58	80	4.75	6.50
2037	56	78	58	80	4.75	6.50
<b>2038</b>	56	78	58	80	4.75	6.50

## EXHIBIT B

Table 3  
Flow Split Assumptions

<b>Meter</b>	<b>Assumed Flow Split (2023-2026)</b>
MH-01	30 – 70 %
MH-02	30 – 70 %

Table 4  
Addresses for Notice

<b>If to the Board:</b>  General Counsel Great Lakes Water Authority 735 Randolph, Suite 1901 Detroit, Michigan 48226	<b>If to Customer:</b>  City Clerk City of Madison Heights 300 W. Thirteen Mile Road Madison Heights, MI 48071-1899  Cc: Director of Public Services
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