



Department of Public Services
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Working together to Increase efficiency and contain water service costs for Northern Oakland County Communities

October 28, 2016

Sue McCormick, Director
Great Lakes Water Authority
735 Randolph
Detroit, MI 48226

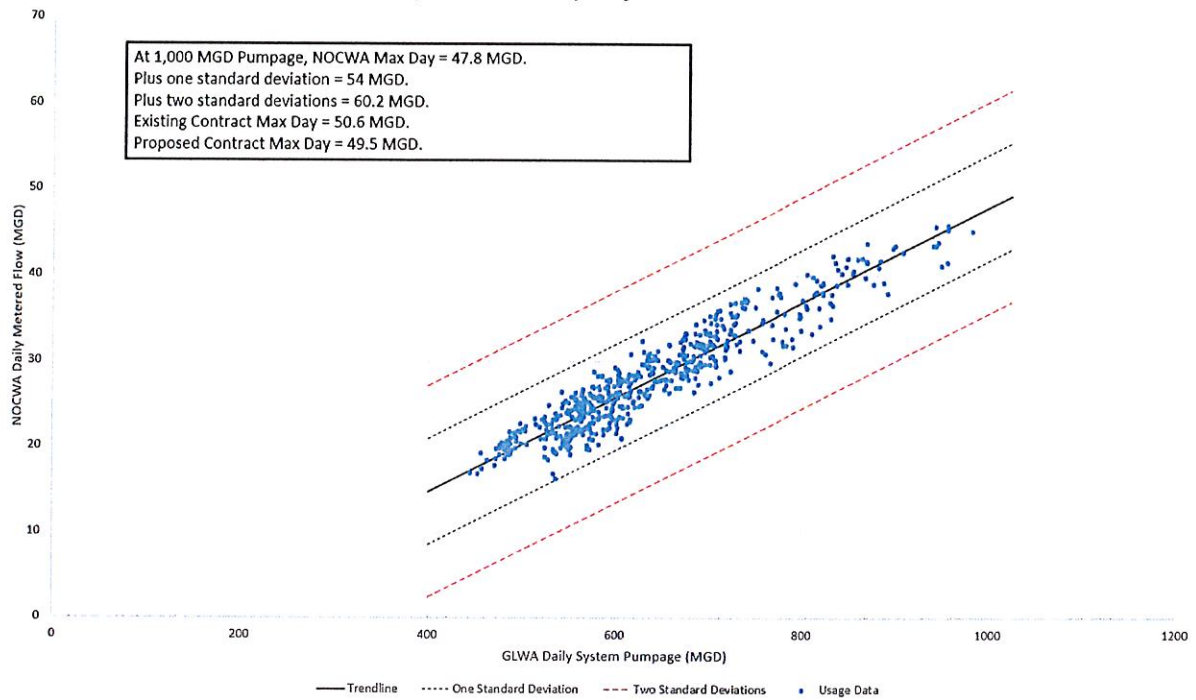
RE: NOCWA Contract Re-opener

Dear Ms. McCormick:

NOCWA is pleased to present the following information in regards to our scheduled contract re-opener which will be in place for the next three fiscal years. We request that our next contract utilize a maximum day rate of 49.5 MGD and a peak hour rate of 52.5 MGD. Our requested maximum day rate is a reduction from our existing contract of 50.6 MGD, while our requested peak hour rate remains unchanged.

NOCWA's overall water usage has been consistently decreasing for the past several years, partly due to the reduction in non-revenue water the members have achieved through improvements to their system. Considering NOCWA as a whole, a maximum day contract rate of 49.5 MGD is appropriate when looking at summer demand data going back to 2011. The figure below shows NOCWA's summer daily demands compared to GLWA's total system pumpage going back to 2011. A projection is made out to a GLWA production of 1,000 MGD. A contract maximum day of 49.5 MGD would be in between the straight line projection and one standard deviation.

NOCWA Full Systems Max Day Projection - Summers 2011-2016



For the peak hour, NOCWA members believe the existing contract rate of 52.5 MGD is appropriate. The communities with storage have demonstrated that they have adequate control of their systems allowing them to reduce their demand during peak hours. For portions of NOCWA without storage, lawn watering restrictions have been enacted that limit automatic sprinkler systems to run during GLWA's exclusionary period. Through continued effective use of storage and public education, NOCWA believes that their peak hour contract rate can be maintained at 52.5 MGD.

Please let me know of any follow up questions or comments. We look forward to meeting with you soon to discuss our contract re-opener. Thank you.

Sincerely,

Ronald J. Melchert
Chairperson, NOCWA

Cc: Laurie Koester, GLWA
Teresa Weed-Newman, Project Innovations
Bill Ireland, Orion Township
Tracey Balint, City of Rochester Hills
Carrie Cox, OCWRC
Vicki Putala, P.E., OHM Advisors