



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2010-0464

TO: Mayor and City Council Members
FROM: Paul M. Davis, P.E., Acting DPS Director
DATE: November 22, 2010
SUBJECT: DWSD Water Service Contract, Amendment No. 1
City File #E10-040

REQUEST:

The Department of Public Services recommends that Amendment No. 1 of the Water Service Contract provided by the Detroit Water & Sewerage Department (DWSD) be accepted and that City Council authorize the Mayor and Clerk to execute the updated contract on behalf of the City.

BACKGROUND:

City representatives recently met with DWSD to discuss the Water Service Contract. The existing water service contract was approved by all parties in July 2009. The new thirty-year contract permitted a re-opener within two years of signing the contract, the second re-opener is three years later and then every five years after that until thirty-years. Furthermore, the contract can be re-opened if a significant change is made to the City's water distribution system.

The attached amendment summarizes the changes proposed for this re-opener as approved by the DWSD / Community Representative Technical Advisory Committee.

As part of finalizing Exhibit A for the new contract, Rochester Hills was asked to determine an annual water usage. City staff and the members of the Water and Sewer Technical Review Committee agreed upon 410,000 units as being reasonable at the November 2, 2010 meeting. It is estimated that this will result in a 2011-2013 water rate of approximately \$20.08. DWSD also informed the City that the peak hour value was lowered to 37.4 from 51.91 (existing contract) in this amended contract. The City's peak hour demand occurred at 4 am in 2009 and 2010 during DWSD's max day.

Exhibit B of the proposed amendment shows the pressures at RC1, RC2 and RC4 unchanged through 2013. Per the existing contract, the pressures were supposed to increase at three feeds by 3 – 15 psi in 2011. The DWSD has a few water improvement projects on hold due to budget constraints and it is their hope that by 2014 the projects will be underway and that the pressures can be increased at that time. The Department of Public Services will continue to monitor the status of the projects and the anticipated pressure increases.

RECOMMENDATION:

The Department of Public Services recommends that Amendment No. 1 of the Water Service Contract provided by the Detroit Water & Sewerage Department (DWSD) be accepted and that City Council authorize the Mayor and Clerk to execute the updated contract on behalf of the City.

Attachments: Existing DWSD Water Service Contract
Amendment No. 1

| APPROVALS: | SIGNATURE | DATE |
|-----------------------------|------------------|-------------|
| Department Review | | |
| Department Director | | |
| Mayor | | |
| City Council Liaison | | |