



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

**1000 Rochester Hills Dr.
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Legislative File No: 2009-0209

TO: Mayor and City Council Members
FROM: Roger Rousse, Director, Department of Public Services
DATE: May 13, 2009
SUBJECT: DWSD Water Service Contract
City File No. E06-028

REQUEST:

The Department of Public Services recommends the Water Service Contract as submitted to the City by the Detroit Water & Sewerage Department (DWSD) on May 12, 2009 be accepted by City Council and authorize the Mayor and Clerk to execute a contract on behalf of the City.

BACKGROUND:

City representatives have been meeting with DWSD for several months to discuss the proposed Water Service Contract. Through contract negotiations, the City requested adjustment factors for its max day and peak hour flow rates based on the following rationale:

1. Rochester Hills City Council passed a new outdoor water restriction ordinance on August 18, 2008 restricting outdoor underground sprinkling systems to be allowed to operate from midnight - 5:00 am only.
2. An administrative practice controlling municipal irrigation in all public areas to adhere to the same restrictions as the new outdoor water restriction ordinance is in place.
3. An informational memo has been mailed to all permitted irrigation system owners (commercial, industrial and residential) regarding peak hour water use and an explanation of the new outdoor water restriction ordinance.
4. The City of Rochester Hills water system utilizes a comprehensive Supervisory Control and Data Acquisition (SCADA) system that can assist in managing peak flows more successfully.
5. The City of Rochester Hills residents have shown an interest in resource recovery. A Citywide recycling program has been established and well received by the community, which demonstrates the City's interest in sustainable practices such as efficient water usage.
6. The City of Rochester Hills has implemented an Automatic Meter Reading (AMR) project coupled with a proposed progressive water rate structure intended to encourage water conservation.

The City of Rochester Hills committed to implementing and/or continuing the aforementioned actions to insure that we meet the contract flow limits. These efforts allowed the City of Rochester Hills to negotiate a 6% reduction in flow limits, ultimately reducing the proposed rate increase as originally submitted by DWSD.

The Water Service Contract is for a period of thirty years, effective from the date in which all parties have signed the contract. However, the City will meet with DWSD in two years in order to review whether or not conditions have changed significantly within the water system. Keep in mind that the ordinance passed in August 2008, limiting irrigation during the hours of midnight and 5:00 am, was only in place for a short period of time prior to the City negotiating a contract with DWSD. When the City meets with DWSD next year, there may be additional data showing how well the irrigation limits are working, thus permitting additional reductions. The City is also going to look into the possibility of constructing water reservoirs to help reduce costs.

RECOMMENDATION:

The Department of Public Services recommends the Water Service Contract as submitted to the City by the Detroit Water & Sewerage Department (DWSD) on May 12, 2009 be accepted by City Council and authorize the Mayor and Clerk to execute a contract on behalf of the City

Attachment: Proposed DWSD Water Service Contract

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

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