
CITY OF ROCHESTER HILLS

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Julie Jenuwine, Finance Director

DATE: March 3, 2006

TO: Financial Services Committee

RE: DWSD–Water Service Contract

There has been established a “Technical Advisory Committee (TAC)” made-up of Detroit Water & Sewer Department (DWSD) staff, volunteer wholesale customers, and local consulting groups, in an effort to improve the relationship between DWSD and its wholesale customers by addressing contemporaneous concerns of all parties involved.

One of the subcommittees created by the TAC is a ‘Contract Subcommittee’ to establish a new (improved) contract between Detroit Water and Sewer Department and its wholesale customers (including City of Rochester Hills). This memo intends to serve as an initial communication regarding the current discussions of the Contracts Subcommittee, as it relates to a new Water Service Contract.

Last month, the TAC rolled out a *draft* Water Service Contract. The subcommittee is calling it “80% complete”. The TAC is requesting wholesale customer feedback, in all areas of the contract, prior to rolling out a more complete draft later this year.

The subcommittee believes some of the larger issues being discussed in the draft contract are as follows:

- 35 year duration of the service contract
- contracted minimum volume
- growth pays for growth
- contracted system pressure
- rate based on maximum flow *
- maintenance and ownership of meters and other equipment
- co-mingling of water sources - emergency exceptions
- construction standards

I have forwarded this *draft* contract to the City Attorney and the City Engineer for review/comments. Please feel free to contact me, should you wish to be involved with the draft contract review process.

*TAC has a Rates Subcommittee currently studying the water rate methodology for possible changes.

Cc: Mayor Somerville