



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2014-0553

TO: Mayor and City Council Members

FROM: Allan E. Schneck, Director, Department of Public Services

DATE: December 8, 2014

SUBJECT: NOCWA / DWSD Water Service Contract, 2015
City File #E13-006

REQUEST:

The Department of Public Services recommends that the Water Service Contract provided by the Detroit Water and Sewerage Department (DWSD) be accepted and that the City Council authorizes the Mayor to execute the updated contract on behalf of the City.

REASON FOR PURCHASE:

On September 22, 2014, City Council approved the North Oakland County Water Authority (NOCWA) agreement. NOCWA consists of the City of Rochester Hills, the City of Auburn Hills, Orion Township and the Oakland County Water Resources Commissioner (representing the City of Pontiac).

The purpose of NOCWA is to provide better water service to the four communities, maximize the utilization of existing underutilized assets (for example, Pontiac water storage tanks) and to increase overall efficiency by operation as a small regional district instead of four individual communities.

This will create an economic benefit by sustaining water rates, sharing best management practices with neighboring communities, improving water system pressures for some customers during high water demand, maximizing existing infrastructure and reducing future capital expenditures.

NOCWA representatives recently met with DWSD to discuss the new Water Service Contract that will go into effect on July 1, 2015. This contract replaces and supersedes Rochester Hills prior water service contract with DWSD. The new thirty-year contract permitted will be automatically renewed for an additional ten years unless DWSD is notified. Furthermore, the contract can be re-opened if any significant change are made to the NOCWA.

The proposed DWSD contract is similar to previous contracts between the City of Rochester Hills and DWSD. The proposed pressures as shown in Exhibit B are currently 'TBD'. DWSD will perform an analysis June-August 2015 to determine if pressures at AH-03 (Auburn Hills) and OT-01 can be slightly increased. If so, this will have a slight increase on the pressure at RC-02 as well.

The City of Rochester Hills is the Fiduciary for NOCWA. All DWSD bills will be submitted to the City for payment to DWSD. The City will collect two months of average DWSD fees prior to commencement of the agreement to ensure suitable funds are in the account.

RECOMMENDATION:

The Department of Public Services recommends that the Water Service Contract provided by the Detroit Water and Sewerage Department (DWSD) be accepted and that the City Council authorizes the Mayor to execute the updated contract on behalf of the City.

Attachments: North Oakland County Water Authority Water Contract rev 11.14.14.pdf
Comparison 11.5.14.pdf

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

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