

MEMORANDUM OF UNDERSTANDING WITH REGARD TO THE
LIBERTY ROAD SANITARY LIFT STATION

Whereas, both the City of Ann Arbor and the Township of Scio have been and continue to be involved and both parties are directly impacted by the maintenance and operation of a sanitary sewer lift station on Liberty Road in the Township of Scio, which was constructed by the Washtenaw Intermediate School District under an agreement dated January 29, 1974, and which has been to date maintained and operated primarily by the City of Ann Arbor.

Whereas, the January 29, 1974, agreement allows the parties thereto to enter into agreements among themselves that do not conflict with the parties' obligations under that agreement.

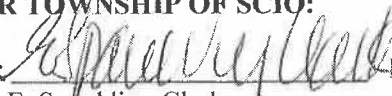
Whereas, the City of Ann Arbor and the Township of Scio now desire to formalize an arrangement for the continued operation, maintenance and improvement of said lift station, and to delineate a maintenance and cost sharing arrangement with regard thereto. The parties have conducted a review and have estimated the flows attributable to each party's jurisdiction during wet and dry weather, and based upon said flows, have determined an allocation of the financial and operational responsibilities of the lift station as set forth herein.

Therefore, the parties agree to continue to jointly use said facility under the following terms and conditions:

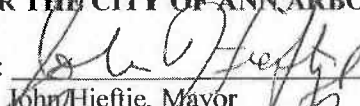
1. The Township of Scio shall be deemed the owner of the Liberty Road lift station.
2. The Liberty Road lift station shall in accordance with the terms hereof, continue to be used by both the City of Ann Arbor and the Township of Scio.
3. The maintenance and operation of the existing lift station shall be the responsibility of the City of Ann Arbor.
4. The parties have identified the dry and wet weather flows from the lift station, and based upon those data and percentages, agree to share the expenses of the operation and maintenance of the existing lift station as follows:
 - a. Costs associated with the routine operation and maintenance of the lift station shall be shared in accordance with the following percentages:
Scio Township: 90%; Ann Arbor: 10%

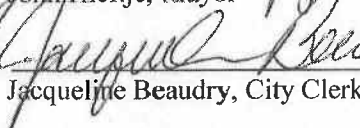
- b. Costs that are capital in nature shall be shared in accordance with the following percentages:
Scio Township: 85%; Ann Arbor: 15%
 - c. The City of Ann Arbor shall on a semi annually basis invoice the Township of Scio for the Township's share of the costs of operating and maintaining the lift station. Capital costs shall be billed periodically as those expenses occur.
 - d. The parties shall meet periodically to assess and agree on the maintenance and capital needs of the facility.
 - e. The parties further agree that the Township of Scio shall reimburse the City of Ann Arbor for its costs associated with the routine operation and maintenance of the lift station and for capital costs, in accordance with subparagraphs a and b herein, for the period from July 1, 2005 to the effective date of this agreement.
 - f. If the parties determine to either rehabilitate or replace the existing lift station and the City of Ann Arbor shall continue to maintain and operate the lift station and the Township of Scio will reimburse the City of Ann Arbor, all in accordance with paragraphs 4.a and 4.b herein. If the Township undertakes the replacement of the lift station the City of Ann Arbor will reimburse the Township of Scio for its share of capital costs as set forth in paragraph 4.b.
5. Notwithstanding any other provisions in this agreement, the parties further agree that with regard to a proposed replacement or rehabilitation of the existing lift station, ~~that the Township of Scio will assume the responsibility for the project.~~ *(See proposed time line attached.)* The parties shall jointly approve the final design for the station, its cost and any financing arrangements. The cost sharing of the project shall be in accordance with the cost sharing percentage set forth in paragraph 4 (b) hereof and the payment arrangement set forth in subparagraph c of paragraph 4.
6. This Memorandum of Understanding shall become effective upon the execution hereof by both parties.

FOR TOWNSHIP OF SCIO:

BY:  DATED: 12/4/12
E. Spaulding Clark,
Supervisor of Scio Township

FOR THE CITY OF ANN ARBOR:


BY:  DATED: 12/19/12
John Hiestje, Mayor

BY:  DATED: 12/21/12
Jacqueline Beaudry, City Clerk

Approved as to Substance

BY:  DATED: 12/17/12
Steven D. Powers, City Administrator

Approved as to form and content

BY:  DATED: _____
Stephen K. Postema, City Attorney

