



Legislation Text

File #: 14-1455, **Version:** 1

Resolution to Approve New Wastewater Treatment Agreement with Scio Township

Scio Township has purchased sanitary sewage services from the City of Ann Arbor since 1984. The contract was for 2.05 million gallons per day (mgd). Scio Township constructed sanitary sewers within the City of Ann Arbor to create the capacity necessary within the City's collection system. Scio Township also paid the City for purchase of capacity in the City's collection system and at the wastewater treatment plant.

After 30 years of service, Scio Township continues to maintain the sewers that were built within the city. Currently, the Township is using 1.03 mgd of the 2.05 mgd of capacity that the Township has purchased. At this time, the City and Scio Township agree that the wastewater treatment agreement between the City and the Township should be revised and restated to define the relationships, rights and obligations of the City and Scio Township going forward.

Scio Township plans to eventually use the capacity that it has purchased. The Township desires to "smooth" out the boundaries of the areas within the Township that are and will be served by the City's sanitary sewage system and wastewater treatment plant. These boundary adjustments also will account for areas where sewer lines have been built outside the original boundaries of the areas.

Scio Township has a strong desire to continue its contractual relationship with the City of Ann Arbor for sanitary sewage disposal and treatment, and to maximize the investment the Township has already made within the frame work of the existing contract. However, the Township also has secured a site to construct its own wastewater treatment plant.

The City's Wastewater Treatment Plant was partially funded with a federal grant that requires regional service. As a result, Scio Township has an allocation of capacity at the City's Wastewater Treatment Plant.

The proposed Wastewater Treatment Agreement would have the Township continue to pay for sanitary sewer services at a rate of 103% of the current average unit cost recovery charged to City customers. If the Township were to leave the City's sewage disposal and treatment system, the loss of revenue to the City would be approximately 8%.

Staff recommends approval of the proposed Wastewater Treatment Agreement, which will extend sanitary sewage service through December 31, 2024, and adjust the boundaries of the areas to be served. The agreement also provides for successive ten year terms through December 31, 2044.

Prepared by: Craig Hupy, Public Services Area Administrator

Reviewed by: Abigail Elias, Chief Assistant City Attorney

Approved by: Steven D. Powers, City Administrator

Whereas, Scio Township contracted with the City of Ann Arbor for sanitary sewer service since 1984;

Whereas, Scio caused capacity to be constructed or purchased capacity within the Ann Arbor

sanitary sewer collection and treatment system for 2.05 million gallons per day (mgd);

Whereas, After 30 years, the actual usage of the contract capacity is at 1.03 mgd, or approximately 50% of the contractual amount;

Whereas, Scio Township desires to eventually use the full capacity in which they have invested;

Whereas, Scio Township desires to smooth out the boundaries of the areas within the Township that discharge and will discharge sanitary sewage to the City's sewer collection system and wastewater treatment plant; and

Whereas, The City desires to retain Scio Township as a customer;

RESOLVED, That City Council approves the proposed Wastewater Treatment Agreement with Scio Township until December 31 2024, for the area delineated in the contract, with options to extend the Agreement for successive ten year terms through December 31, 2044;

RESOLVED, That the Mayor and City Clerk are authorized and directed to sign the Wastewater Treatment Agreement with Scio Township after approval as to substance by the City Administrator and after approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized and directed to take the necessary administrative actions to implement this resolution.