



Legislation Text

File #: 12-0853, **Version:** 1

Resolution to Approve Agreement with Scio Township Regarding Cost Allocation for the West High Services Pump Station Project

This memorandum and resolution requests your approval of an Agreement with Scio Township regarding cost allocation for the West High Service Pump Station Project.

The West High Service Pump Station project is included as a high priority project for 2012 through 2014 in the City's approved Capital Improvement Plan. This project includes construction of a new pump station to feed the west side of Ann Arbor as well as Scio Township. In the City's water services agreement with Scio Township these pumps were scheduled to be upgraded once Scio Township reached a daily demand of 2.5 million gallons per day. This target was reached several years ago. Since that time the City has been working with Scio Township on cost allocation, financing and schedule for this work.

The cost allocation agreement is a result of negotiations between City staff and Scio Township officials based on the City's Water Services Agreement with Scio Township from 1994 and an evaluation of the realized benefit to each party of the improvements.

The total project cost is estimated to be \$11,122,438.00. The project will be financed by the City through a low interest loan and green funding through the State of Michigan's Drinking Water Revolving Fund Program. The green funding results in \$1,690,000.00 of loan forgiveness.

Scio Township's estimated portion of these costs is \$4,465,630.00. The City's estimated portion of these costs is \$4,966,808.00. The actual cost share will be calculated upon receipt of a final schedule of values from the General Contractor.

Prepared by: Brian Steglitz, P.E., Sr. Utilities Engineer, WTP

Reviewed by: Craig Hupy, Interim Public Services Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, It is necessary to complete the West High Service Pump Improvements Project to meet existing water demands for Scio Township and the west side of Ann Arbor;

Whereas, This project is included as part of the Drinking Water Revolving Loan Fund (DWRF) application made by the City for a select number of water system projects and was accepted for funding through this program;

Whereas, the City received Green Funding for this project in the amount of \$1,690,000.00 through the State of Michigan DWRF Program;

Whereas, the City and Scio Township have reached an agreement on cost sharing for the balance of the project cost after deducting the Green Funding; and

Whereas, Council approved this project and associated funding during the FY13 Capital Budget

process.

RESOLVED, That Council approve the Agreement between the City and Scio Township Regarding Cost Allocation for the West High Service Pump Station Project;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

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