



Legislation Text

File #: 15-0204, **Version:** 1

Resolution Authorizing Payment to Scio Township for the City's Share of the Liberty Road Sanitary Lift Station Rehabilitation Project (\$160,000.00)

You are requested to authorize payment to Scio Township (Scio) for the City of Ann Arbor's share of capital expenses for the Liberty Road Sanitary Sewer Lift Station (Liberty LS) Rehabilitation Project in an amount up to \$160,000.00.

Liberty LS is located in Scio and receives sanitary sewer flow from both the City and the Township. Both parties continue to be involved and impacted by the operation and maintenance (O&M) of Liberty LS, which was constructed by the Washtenaw Intermediate School District under an agreement, dated January 29, 1974.

On November 8, 2012, Council approved a Memorandum of Understanding (MOU) agreement between the City and Scio for the continued O&M and improvement of Liberty LS, and to define the maintenance and cost sharing arrangement for these purposes. The MOU stipulates that Scio pays 90% and the City pays 10% of the costs associated with the routine O&M of Liberty LS, which is the City's responsibility. Scio reimburses the City for its portion of these O&M costs. Further, the MOU states that Scio pays 85% and the City pays 15% of the costs that are capital in nature. Scio undertook the Liberty LS Rehabilitation Project, and consistent with the terms of the MOU, you are asked to authorize the City to reimburse Scio for 15% of the costs for this project based on invoices submitted by Scio to the City.

The most recent draft cash flow schedule for the Liberty LS Rehabilitation Project as developed by Scio's consultant engineer estimates the City's costs to be \$142,500.00 for this project. This estimate does not include a project contingency, which City staff would typically include for construction work involving underground utilities and keeping a facility in service during rehabilitation and replacement of equipment. Consequently, you are requested to approve payments to Scio up to \$160,000.00 for the City's share of the Liberty LS Rehabilitation Project.

Funding for this project is available in the approved Sanitary Sewer Fund Capital Budget.

Prepared by: Earl J. Kenzie, P.E., Manager, WWTSU

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City and the Scio Township (Scio) continue to be involved and impacted by the operation and maintenance (O&M) of the Liberty Road Sanitary Sewer Lift Station (Liberty LS);

Whereas, On December 19, 2012, the City and Scio entered into a Memorandum of Understanding (MOU) agreement for the continued O&M and improvement of Liberty LS, and to define the maintenance and cost sharing arrangement for these purposes;

Whereas, The MOU states that the City will reimburse Scio for 15% of the capital costs associated with Liberty LS, and Scio undertook the Liberty LS Rehabilitation Project to ensure the ongoing

function of the station; and

Whereas, Funding for this project is available in the approved Sanitary Sewer Fund Capital Budget;

RESOLVED, That the City Administrator be authorized to approve payment of the City's share of capital costs associated with the Liberty LS Rehabilitation Project consistent with the terms of the MOU up to a total amount of \$160,000.00;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds; and

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