



CITY of NOVI CITY COUNCIL

Agenda Item J
September 14, 2015

SUBJECT: Approval of a Memorandum of Understanding with the City of Walled Lake and Oakland County Water Resources Commissioner regarding the use of Stormwater, Asset Management, and Wastewater (SAW) Grant funds for the development of Asset Management Plans for the sewerage disposal systems tributary to the Walled Lake-Novu Wastewater Treatment Plant.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *BTC RFA*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

The Oakland County Water Resource Commissioner's Office (OCWRC) worked with the City of Novi and the City of Walled Lake to obtain a Stormwater, Asset Management, and Wastewater (SAW) Grant from Michigan Department of Environmental Quality (DEQ). The attached agreement authorizes OCWRC to utilize the \$675,000 awarded to the City of Novi to develop an asset management plan for the portion of the City of Novi wastewater collection system that is operated and maintained by OCWRC and is tributary to the Walled Lake-Novu Wastewater Treatment Plant. A similar plan will be developed simultaneously by OCWRC for the City of Walled Lake system using SAW grant funds awarded to the City of Walled Lake.

The scope of the work under the SAW grant is similar to the asset management activities that the City has completed elsewhere in the City for the areas that are tributary to Wayne County. These activities include cleaning and televising the sanitary sewers, inspecting the sanitary manholes, pump stations and forcemains to determine existing condition, and identifying any improvements that are necessary.

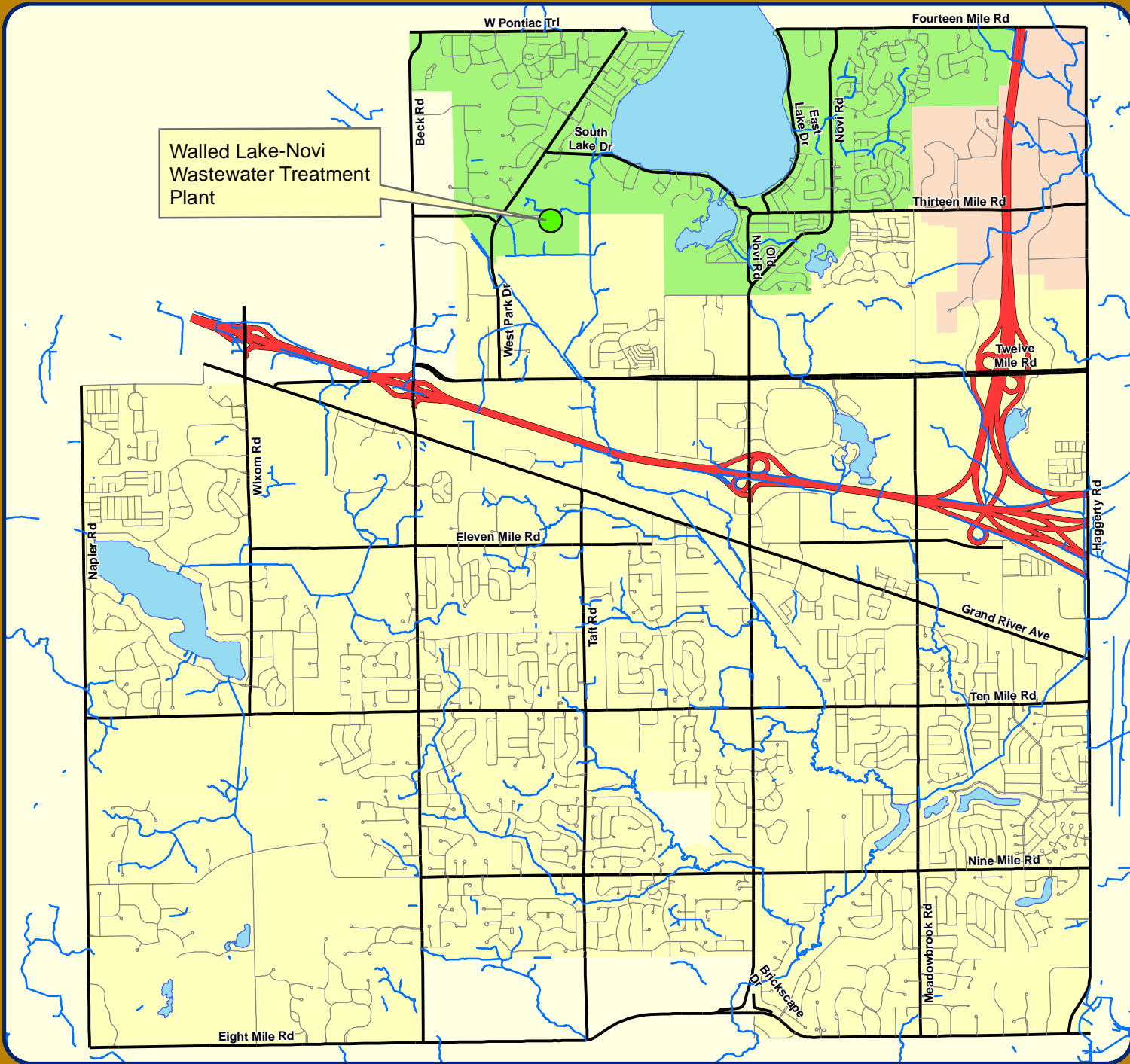
Novi's portion of the grant funding will be available in October 2015 and the work will take place over the next several years.

RECOMMENDED ACTION: Approval of a Memorandum of Understanding with the City of Walled Lake and Oakland County Water Resources Commissioner regarding the use of Stormwater, Asset Management, and Wastewater (SAW) Grant funds for the development of Asset Management Plans for the sewerage disposal systems tributary to the Walled Lake-Novu Wastewater Treatment Plant.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				

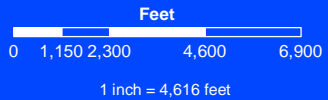
Sanitary Sewer Service Districts



Walled Lake-Novı
Wastewater Treatment
Plant

Map Legend

- Sanitary Service District**
- Commerce Township WWTP
 - Wayne County (Huron-Rouge)
 - Walled Lake-Novı WWTP



City of Novi
Engineering Division
Department of Public Services
26300 Lee BeGole Drive
Novı, MI 48375
cityofnovi.org

Map Author: Brian Coburn
Date: 9/4/15
Project:
Version #:

Amended By:
Date:
Department:

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



JOHNSON ROSATI SCHULTZ JOPPICH PC

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Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.jrsjlaw.com

July 23, 2015

Rob Hayes, Public Services Director
CITY OF NOVI
45175 Ten Mile Road
Novi, Michigan 48375

RE: Huron-Rouge Sewage Disposal System – Walled Lake-Novı Wastewater Treatment Plant
– 2014 Retention Basin and Capacity Improvements Contract

Dear Mr. Hayes:

We have received and reviewed an updated version of the Huron-Rouge Sewage Disposal System – Walled Lake-Novı Wastewater Treatment Plant – 2014 Retention Basin and Capacity Improvements Contract from the Oakland County Water Resource Commissioner’s Office (WRC) since the version reviewed and approved on April 10, 2015. The OCWRC’s counsel has added a sentence to Paragraph 4.6 to clarify that any match funds required in accordance with the SAW Grant will be deducted from the Walled Lake-Novı Wastewater Treatment Plant Major Maintenance Reserve Program Fund. All other terms of the Contract remain unchanged. We have no objection to the revision as it does not substantively change the terms of the MOU.

As previously indicated in our April 10, 2015 Review Report, the MOU was prepared by the OCWRC’s office, with revisions by our office to reflect the understanding between the parties regarding the OCWRC’s management and administration of the Asset Management Plan for the WLNWTP. The MOU includes a proposal for Asset Management Plan activities to be completed by OCWRC and/or its contractors using SAW Grant funds to be provided by the State of Michigan and the required local match amounts. OCWRC will expend funds from the WLNWWTP Reserve fund to pay for the activities. The cities of Novi and Walled Lake will reimburse the WLNWWTP fund when the SAW Grant funds are deposited by the State. Amounts expended may not exceed the SAW Grant amount and corresponding local match.

The City of Walled Lake has been awarded a \$603,810 SAW Grant. The City of Novi has applied for a \$675,000 SAW Grant that has not yet been approved. Although the MOU will be signed and returned to OCWRC, will not become effective with respect to Novi unless and until Novi’s SAW Grant application is approved.

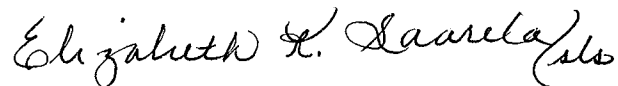
Rob Hayes, Public Services Director
July 23, 2015
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The MOU is acceptable for the purpose provided and may be placed on an upcoming City Council Agenda for approval.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.

A handwritten signature in cursive script that reads "Elizabeth Kudla Saarela". The signature is written in black ink and is positioned above the printed name.

Elizabeth Kudla Saarela

EKS

Enclosure

C: Maryanne Cornelius, Clerk (w/Enclosure)
Peter Auger, City Manager (w/Enclosure)
Victor Cardenas, Assistant City Manager (w/Enclosure)
Timothy Kuhns, P.E., Water and Sewer Manager (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into this _____ day of _____, 2015 by Oakland County, a Michigan county corporation, and its County Agency the Oakland County Water Resources Commissioner (“OCWRC”), the City of Walled Lake (“Walled Lake”), an Oakland County Michigan municipal corporation, and the City of Novi (“Novi”), also an Oakland County Michigan municipal corporation. OCWRC, Walled Lake and Novi may be collectively referred to as the “parties.”

MUTUAL UNDERSTANDINGS

- A. The Walled Lake Sewerage Disposal System is a tributary to the Walled Lake-Novı Wastewater Treatment Plant (“WLNWWTP”). The Walled Lake Sewerage Disposal System is owned by Walled Lake but operated and maintained by the OCWRC with the cost expensed to the WLNWWTP fund.
- B. The Novi Sewerage Disposal System is a tributary to the WLNWWTP. The Novi Sewerage System is owned, operated, and maintained by Novi, except the northern 1/3 of the System, which is operated and maintained by the OCWRC. The cost and expense of operating and maintaining the northern 1/3 of the System is charged by the OCWRC to the WLNWWTP fund.
- C. The WLNWWTP is owned, operated and maintained by the OCWRC.
- D. Walled Lake, pursuant to a Resolution of its City Council on November 19, 2013, authorized the submission of an application for a Stormwater, Asset Management, and Wastewater (“SAW”) Grant, in accordance with provisions of 2012 PA 511 from the Michigan Department of Environmental Quality (“MDEQ”) in the amount of \$603,810.
- E. Novi, pursuant to a Resolution of its City Council on October 28, 2013 also authorized the submission of a SAW Grant application from the MDEQ in the amount of \$675,000, in accordance with provisions of 2012 PA 511 from the Michigan Department of Environmental Quality (“MDEQ”).
- F. The OCWRC will utilize the funds obtained through Walled Lake’s SAW Grant for Walled Lake’s collection system Asset Management Plan and Novi’s SAW Grant for Novi’s collection system Asset Management Plan, once each respective application is granted by the MDEQ.
- G. The OCWRC seeks to be consistent and equitable in its application of the SAW Grant funds among Walled Lake and Novi.
- H. Through this MOU, Walled Lake and Novi seek to authorize the OCWRC to execute the SAW Grant conditions as detailed in their respective applications.

THEREFORE, in consideration of the above mutual understandings, the parties agree as follows:

AGREEMENT

§1. Scope of Work.

- 1.1 The SAW Grant funds shall be used for preparation of Asset Management Plans for the sewerage disposal systems tributary to the WLNWWTP as set forth in the Walled Lake and Novi SAW Grant applications.
- 1.2 The Asset Management Plan Activity tables, included in the SAW Grant applications for both Walled Lake and Novi, set forth the scope of work and are attached hereto as Exhibit A and B for Walled Lake and Novi respectively.

§2. Permissions.

- 2.1 The OCWRC is hereby authorized to perform the work contemplated in Exhibits A and B, on the Walled Lake and Novi Sewerage Disposal Systems tributary to the WLNWWTP. The OCWRC will use its own employees, agents, and/or contractors to complete the work.

§3. Grant Conditions.

- 3.1 The OCWRC will act on behalf of Walled Lake and Novi to ensure that the SAW Grant requirements are satisfied.

§4. Grant Draw Requests.

- 4.1 Walled Lake and Novi agree to the cost estimates for the work as set forth in Exhibits A and B.
- 4.2 Upon completion of the work items by OCWRC or its designated contractors, OCWRC will make all required payments to contractors and/or complete reimbursements to OCWRC for the work from the WLNWWTP Major Maintenance Reserve.
- 4.3 OCWRC will submit grant draw requests to the MDEQ on behalf of Walled Lake and Novi for reimbursement of expenses incurred in completing the work as set forth in Exhibits A and B in accordance with each party's respective SAW Grant. Costs within the individual line items may deviate from the grant application, however they shall not exceed the grand total Grant amount plus the corresponding match amount.
- 4.4 Walled Lake and Novi will review and approve grant draw requests in accordance with Exhibits A and B made by the OCWRC on their behalf and will provide any assistance and cooperation necessary for the grant draw request process.
- 4.5- Once a grant draw request is approved and processed by the MDEQ, reimbursement of expenses will be paid directly to Walled Lake or Novi.

4.6 Upon receipt of grant funds from the MDEQ, Novi and Walled Lake shall transfer reimbursement amounts into the WLNWWTP Major Maintenance Reserve Fund in reimbursement of amounts paid to OCWRC and its contractors for the work completed. Novi and Walled Lake shall match grant funds in accordance with and as may be required by the terms of their respective grants. Any fund matching obligations arising under Walled Lake's and/or Novi's respective grants shall be paid and funded out of the OCWRC's WLNWWTP Major Maintenance Reserve Program Fund.

§5. **Payment to OCWRC.**

5.1 Walled Lake and Novi must reimburse the OCWRC for any and all amounts expended in accordance with Exhibits A and B, which shall not exceed the Grant awarded by the MDEQ plus the respective match amounts. All amounts due to the OCWRC shall be deposited to the WLNWWTP Major Maintenance Reserve Program.

5.2 The reimbursement to the OCWRC must be made within thirty (30) days of the date on which the municipality receives the SAW Grant funds from the MDEQ.

5.3 Any costs incurred by the OCWRC for the work performed on behalf of Walled Lake and Novi in excess of amounts reimbursed by the MDEQ SAW Grant shall be paid out of the OCWRC's WLNWWTP Major Maintenance Reserve Program. Walled Lake and Novi shall review and approve all requested reimbursements from the WLNWWTP Major Maintenance Reserve Program for consistency with the Work set forth in Exhibits A and B, in accordance with section 4.3

§6. **Sub-Contracting.**

6.1 The OCWRC may, but shall not be required to, sub-contract work to be performed using SAW Grant funds pursuant to this MOU. Contractors shall be required to provide insurance naming OCWRC, Walled Lake and Novi as additional insureds with respect to the Work to be performed.

§7. **Completed Work.**

7.1 OCWRC shall ensure that data collection completed pursuant to Exhibit B is compatible with Novi GIS and works systems. OCWRC shall provide Novi and Walled Lake full access to all GIS data collected pursuant to this Agreement, at no additional cost.

§8. **Commencement Date and Condition Precedent.**

8.1 This MOU shall be binding upon Walled Lake at the time of signature as Walled Lake's SAW Grant application is currently approved by the MDEQ. See approval attached hereto as Exhibit C.

8.2 This MOU shall become binding upon Novi at the time its SAW Grant application is approved by the MDEQ, which is expected for MDEQ FY2016.

8.2.1 If Novi's SAW Grant application is not approved by the MDEQ, this MOU shall continue to be binding with respect to Walled Lake.

8.2.2 If Novi's SAW Grant application is not approved by the MDEQ, Novi shall provide reasonable and necessary cooperation to the OCWRC with respect to the work performed on behalf of Walled Lake pursuant to Walled Lake's approved SAW Grant application.

§9. **General Provisions.**

9.1 This MOU may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

9.2 This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by an authorized representative of each party.

IN CONSIDERATION OF THE FOREGOING, the parties acknowledge and represent that they are authorized to execute this MOU and agree to and accept its terms and conditions.

[signatures on following page]

OAKLAND COUNTY,
a Michigan county corporation

By: _____
Jim Nash, Oakland County Water
Resources Commissioner
Its: Authorized Agent

Date: _____

CITY OF WALLED LAKE,
a Michigan municipal corporation

By: _____
Linda Ackley
Its: Mayor

Date: _____

By: _____
L. Dennis Whitt
Its: Clerk

Date: _____

CITY OF NOVI,
a Michigan municipal corporation

By: _____
Robert J. Gatt
Its: Mayor

Date: _____

By: _____
Maryanne Cornelius
Its: Clerk

Date: _____

3180510

Exhibit A

Engineer's Estimate of Cost Breakdown:

Asset Management Plan Activity	Estimated Hours ¹	Estimated Total Cost ¹	Included in Item E Table Heading
Asset Management Project Initiation			
• SAW Grant Application	70	\$7,000	Other
• Project organization, personnel, meetings	130	\$13,000	Other
• Level of Service and Key Performance Indicators	150	\$15,000	Level of Service
Asset Management Software, Hardware & Training			
• Asset Management Hardware	NA	\$0	Asset Management Hardware
• Asset Management Software	NA	\$0	Asset Management Software
• Asset Management Training	NA	\$0	Asset Management Training
Asset Inventory and Data Collection			
• Digitize existing records	300	\$30,000	Inventory
• Determine inventory needs/scope			
• Perform field inventory of facility assets within jurisdiction as required to determine/verify asset data			
• Input assets into AMP software			
Condition Assessment			
• Cleaning and televising of sanitary sewers, and rating with PACP system	To be bid	\$290,700 (Estimated Construction Costs)	Cleaning and Televising
• PACP and MACP training for staff		\$0	PACP/MACP Training
• Manhole Inspections with MACP ratings	602	\$60,200	Condition Assessment (excluding televising)
• Pump Station and Forcemain Inspections	700	\$70,000	
• Engineering Assessment	500	\$50,000	
• FOG Program	100	\$10,000	
Asset Criticality and Risk			
• Assessment of Criticality & Risk Capital planning and operation optimization	750	\$75,000	Other
Rate Structure			
• Life cycle costing	500	\$50,000	Rate Structure Development Costs
• Funding review			
• Financial review and analysis			
• GRAND TOTAL =		\$670,900	

¹Total costs include estimated billable time for consultants and contractor costs. Estimated hours are included for reference only and were based on an aggregate rate of \$100/hour to represent a combined rate for consultant fees. No force account costs are proposed for this AMP due to staffing limitations at the City. However, the City would like to reserve the right to apply force account costs in the future should staffing become available.

Exhibit A

*Cleaning and Televising of Sewer Cost Breakdown

Clean (medium to heavy) and Televising with PACP reporting for 96,900 lft of 8" to 12" dia. sanitary sewers @ approximately \$3/lft complete	<u>\$290,700</u>
Total Estimated Cleaning and Televising Costs:	\$290,700

Note that the prices given above are Engineer's estimates based on quotes from Pipeline Management for these services (attached). Prices were also received from several other contractors (attached) which were similar in scope. The intent of the application is to spend the full amount requested on this phase of condition assessment. If actual bid prices are lower or higher than the estimate above, the quantity of sewer being assessed will be adjusted (increased or reduced) as required to keep the budget for this phase of work at the approximate cost indicated above. The following units were used:

Pipeline Management Quote – Med – Heavy Clean and CCTV 8" – 12"	\$3.00/lft
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Exhibit B

Engineer's Estimated Consultant/Contractor Cost Breakdown:

Asset Management Plan Activity	Estimated Hours ¹	Estimated Total Cost ¹	Included in Item E Table Heading
Asset Management Project Initiation			
• SAW Grant Application	65	\$6,500	Other
• Project organization, personnel, meetings	95	\$9,450	Other
• Level of Service and Key Performance Indicators	100	\$9,928	Level of Service
Asset Management Software, Hardware & Training			
• Asset Management Hardware	NA	\$0	Asset Management Hardware
• Asset Management Software	NA	\$0	Asset Management Software
• Asset Management Training	NA	\$0	Asset Management Training
Asset Inventory and Data Collection			
• Digitize existing records • Determine inventory needs/scope • Perform field inventory of facility assets within jurisdiction as required to determine/verify asset data • Input assets into AMP software	240	\$24,715	Inventory
Condition Assessment			
• Cleaning and televising of combined sewers and manholes, and rating with PACP system	All Construction Costs (Admin under Eng assessment)	\$330,256 ² (Admin and Estimated Construction Costs)	Cleaning and Televising
• PACP and MACP training for staff		\$0	PACP/MACP Training
• Manhole Inspections with MACP Rating	950	\$94,600	Condition Assessment (excluding televising)
• Pump Station and Forcemain Inspections	350	\$34,400	
• Engineering Assessment	430	\$43,000	
• FOG Program	86	\$8,483	
Asset Criticality and Risk			
• Assessment of Criticality & Risk Capital planning and operation optimization	690	\$68,906	Other
Rate Structure			
• Life cycle costing • Funding review • Financial review and analysis	450	\$44,928	Rate Structure Development Costs
• GRAND TOTAL =		\$675,166	

¹Total costs include estimated billable time for applicant staff and consultants, course fees for training, software and hardware purchase costs, and contractor costs. Applicant staff time includes administration of consultants and contractors for eligible grant-related work. Estimated hours are included for reference only and were based on an aggregate rate of \$90/hour to \$110/hour to represent based on the attached rate table of consultant fees.

²Cleaning and Televising Costs are included in this number. Please see below for construction costs. Some rounding was done to keep numbers consistent.

Exhibit B

Force Account Costs:

Asset Management Plan Activity	Estimated Hours ¹	Estimated Total Cost ¹	Included in Item E Table Heading
Asset Management Project Initiation			
• SAW Grant Application	10	\$500	Other
• Project organization, personnel, meetings	70	\$3,550	Other
• Level of Service and Key Performance Indicators	100	\$5,072	Level of Service
Asset Management Software, Hardware & Training			
• Asset Management Hardware	NA	\$0	Asset Management Hardware
• Asset Management Software	NA	\$0	Asset Management Software
• Asset Management Training	NA	\$0	Asset Management Training
Asset Inventory and Data Collection			
• Digitize existing records • Determine inventory needs/scope • Perform field inventory of facility assets within jurisdiction as required to determine/verify asset data • Input assets into AMP software	80	\$5,285	Inventory
Condition Assessment			
• Cleaning and televising of combined sewers and manholes, and rating with PACP/MACP system.	512 (Contract Admin and Field Assistance)	\$19,744 (City Staff Time Only related to Construction)	Cleaning and Televising
• PACP and MACP training for staff		\$0	PACP/MACP Training
• Manhole Inspections	366	\$15,046	Condition Assessment (excluding televising)
• Pump Station and Forcemain Inspections	160	\$6,578	
• Engineering Assessment	160	\$6,578	
• FOG Program	32	\$1,315	
Asset Criticality and Risk			
• Assessment of Criticality & Risk Capital planning and operation optimization	120	\$6,094	Other
Rate Structure			
• Life cycle costing • Funding review Financial review and analysis	100	\$5,072	Rate Structure Development Costs
• GRAND TOTAL =		\$74,834	

¹The Force Account Costs for the City of Novi are detailed on the attached spreadsheet. Please note that the numbers have been rounded up slightly. All hours are based on estimates and may be increased or decreased based on available staff time at time that grant funding is available. These costs may also change based on any future hourly rate adjustments. The fringe rate has been capped at 40% for all classifications.

TOTAL PROJECT COSTS – ENGINEER’S ESTIMATE + FORCE ACCOUNT = \$750,000

Exhibit B

*Cleaning and Televising of Sewer Cost Breakdown

Clean and televise with PACP reporting for 110,000 lft of 8" to 12" dia. sanitary sewers @ approximately \$3/lft complete	<u>\$330,000</u>
Total Estimated Cleaning and Televising Costs:	\$330,000

Note that the prices given above are Engineer's estimates based on a quote from Pipeline Management for these services (attached). The intent of the application is to spend the full amount requested on this phase of condition assessment. If actual bid prices are lower or higher than the estimate above, the quantity of sewer being assessed will be adjusted (increased or reduced) as required to keep the budget for this phase of work at the approximate cost indicated above. The following units were used:

Pipeline Management Quote – Med – Heavy Clean and CCTV 8" – 12" \$3/lft



RICK SNYDER
GOVERNOR

Exhibit C
STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

June 24, 2014

Mr. L. Dennis Whitt, City Manager
City of Walled Lake
1499 East West Maple Road
Walled Lake, Michigan 48390

Dear Mr. Whitt:

SUBJECT: Budget Period Extension Request
City of Walled Lake
Wastewater Asset Management Plan
Grant Project Number 1288-01

We have reviewed your request to extend the budget period for the referenced SAW Grant project and have determined that your request is approved as submitted. The new grant budget period is from January 2013 to May 2017.

Please retain this information for your file records. If you need further assistance on this matter, contact your project manager, Ms. Karen Nickols, by phone at 517-284-5414 or by mail at DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741; or you may contact me.

Sincerely,

Sonya T. Butler, Chief
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5433

cc: Mr. Tom Maxwell, Oakland County Water Resources Commission
Ms. Lisa McGill, City of Walled Lake
Ms. Karyn Stickel, Hubbell Roth & Clark, Bloomfield Hills
Mr. Joe Fielek, Executive Director, Michigan Finance Authority
Mr. Dennis Ryan, DEQ-Water Resources Division, Southeast Michigan District Office
Ms. Karen Nickols, DEQ