



Item Number: 15



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: July 16, 2024

TO: Mark Washington, City Manager

COMMITTEE: Community Development Committee

LIAISON: Mary Kate Berens, Deputy City Manager

FROM: Tim Burkman, City Engineer
Engineering

SUBJECT: **Resolution approving a Construction Letter Agreement, approving a Financing Agreement in an amount not to exceed \$2,650,000, and accepting Public Utility Easements for Walker Water Main Looping Project**

On June 21, 2022 (Proceeding No. 91803), the City Commission approved a Financing Agreement with the City of Walker (Walker), in connection with design of the Walker Water Main Looping Project (Project). The Financing Agreement set forth the financial responsibilities of the parties and the conditions under which the design work was to be performed. It is now necessary to bring forth a Financing Agreement for the construction of the water main related to the aforesaid Project.

The attached resolution provides for the approval of a Construction Letter Agreement and a Financing Agreement with the City of Walker (Walker), and the acceptance of three Public Utility Easements to facilitate the construction of public water main in connection with the construction of the Water Main in O'Brien Road, Four Mile Road, and Leonard Street. Walker is proposing to construct a public water main to complete system looping in these streets and to provide an emergency interconnect between the Grand Rapids water system and the Plainfield Township water system in Alpine Township. This water main will be constructed under contract with Walker and will be paid for by the City of Grand Rapids (Grand Rapids) with the financed portion not to exceed \$2,650,000 as set forth in a Financing Agreement between the Grand Rapids and Walker. The cost of this water main will be recouped by Grand Rapids through the Walker rate structure.

The public water main will be maintained by Grand Rapids in accordance with the current customer community service agreement. The Public Utility Easements give the City rights to maintain said public utilities.

Recommended herein is a Construction Letter Agreement that provides for the construction to be performed in accordance with Grand Rapids' Standard Construction

Prepared by Jack Stegehuis, Assistant Project Manager and Cindy Irving, Assistant City Engineer

Specifications 2021 and any revisions thereto, including insurance requirements. Field inspection will be done by a Consultant of Walker's choosing, on behalf of Walker. The public water main will be constructed by a contractor prequalified to do such work under contract with Walker. Grand Rapids will be reimbursed the cost of services (plan review, administration, etc.) associated with the project in accordance with the Construction Letter Agreement.

The Financing Agreement sets forth the financial responsibilities of the parties and the conditions under which the construction work will be performed. The resolution also authorizes the Mayor to execute the agreement contingent upon approval as to form by the City Attorney.

This project will be financed by the Water System Fund.

This project is in 4 Mile Road, O'Brien Road, and Leonard Street, in the Utility Service District of Walker and has been previously approved in concept by staff.

cc: Molly Clarin
Wayne Jernberg

#22045

Your COMMUNITY DEVELOPMENT COMMITTEE recommends the adoption of the following Resolution approving a Construction Letter Agreement and a Financing Agreement between the City of Grand Rapids and the City of Walker; and accepting Public Utility Easements to facilitate the construction of public water main in connection with Water Main in O'Brien Road, Four Mile Road, and Leonard Street (Walker Water Main Looping Project).

WHEREAS, it is necessary to approve a Construction Letter Agreement and a Financing Agreement, and accept three Public Utility Easements for the construction of public water main facilities in connection with Water Main in O'Brien Road, Four Mile Road, and Leonard Street (Walker Water Main Looping Project); therefore

RESOLVED:

1. That the aforesaid Construction Letter Agreement and Financing Agreement between the City of Grand Rapids and the City of Walker in an amount not-to-exceed \$2,650,000 (for construction) be approved and that, upon approval as to form by the City Attorney, the Mayor and City Clerk be authorized to execute said Agreement on behalf of the City.
2. That the City accept three Public Utility Easements for the construction and maintenance of public utilities from the following property owners, with the location of the aforesaid Easements indicated and for the nominal considerations as noted, which were paid by the developer:

Easement 1

Steven R. Glemboski and Michelle A. Glemboski \$1.00
3610 4 Mile Road NW
Grand Rapids, MI 49544

3610 4 Mile Road NW, Parcel No. 41-13-05-126-002

Total of Easement Area: 5,253 Square Feet

Easement 2

Consumers Energy Company \$1.00
One Energy Plaza
Jackson, MI 49201

3480 4 Mile Road NW, Parcel No. 41-13-05-200-001

Total of Easement Area: 1,300 Square Feet

Easement 3

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Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

\$1.00

3172 4 Mile Road NW, Parcel No. 41-13-04-101-031

Total of Easement Area: 1,198 Square Feet

CORRECT IN FORM

DEPARTMENT OF LAW