

Memorandum of Understanding

Between

The City of Flint (City)

and

The State of Michigan (State)

Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish the State's responsibilities in the construction of a 36-inch water line that will deliver raw water from the Karegnondi Water Authority (KWA) system to a connection point with the Flint Water Treatment Plant (FWTP). The 36-inch connector is a necessary step to deliver raw water from the KWA system to the FWTP. This connector, when complete, will be owned by the City.

State's Responsibilities

The State will oversee construction of the 36-inch connector and secure the City's interest in obtaining a fully-functioning and complete connector that is built according to approved engineering specifications as outlined in an approved and properly-permitted design. To ensure completion of the 36-inch connector, the State will undertake the following activities:

- The State will enter into agreements for engineering, construction, and other similar services.
- The State will confirm the construction project meets all permitted and approved engineering specifications including on-site State inspection.
- The State will consult with the City or with the City's designated consulting engineer on any changes to the specifications during construction and will reimburse the City for services from the consulting engineer for work associated with this project.
- The State will keep the City informed of construction progress.

Contractor Responsibilities

All contracts for the construction of the 36-inch connector entered by the County must be approved by the State prior to final authorization by the County. The contracts must include general indemnification language as follows:

Contractor must defend, indemnify and hold the State and City, their departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's

employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

Approval of Expenditures

The City and the State will jointly approve all expenditures for the project.

Reporting

The State and the City will each designate a primary contact for this project and the State will report to the City contact on a mutually approved schedule.

Funding

The initial \$4.2 million in construction costs will be funded through allocated state grant funds. The State and GCDC will exercise best efforts to complete the project for a cost that will obviate the need for borrowing and the state will diligently pursue other funding sources to avoid the need for the City to borrow money for this project. However, the borrowing component will remain in place in the event it is needed to complete the project.

Effective Date and Duration

This MOU shall become effective upon signature by the authorized officials from the City and the State. It may be modified only by mutual written consent of authorized officials from the City and the State. It will remain in effect until modified by mutual consent of the City and State, terminated by either the City or the State, or the construction of the 36-inch connector is complete and ownership of the connector is transferred the City.

Contact Information

All correspondence regarding this MOU shall be directed to the following:

Name Mark Adas
City of Flint
Position City Engineer
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Rich Baird
Governor's Executive Office
Senior Advisor
Position Transformation Manager
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Email BairdR@michigan.gov

Name Larry Steckelberg, Michigan Department of Treasury
State of Michigan
Position Senior Policy Executive
Address 430 West Allegan Street Lansing, Michigan 48922
Telephone 517-974-3495
E-mail Steckelbergl@michigan.gov

Karen W. Weaver
Dr. Karen W. Weaver
City of Flint, Mayor

Date: 1-6-17

Rich Baird
Rich Baird
State of Michigan

Date: 1-6-17

Larry Steckelberg
Larry Steckelberg, Senior Policy Executive
State of Michigan

Date: 1-6-17

Notary: Victoria Cooper-Wasserman
State of Michigan
County of Genesee

On Jan 6, 2017, before me, Victoria Cooper-Wasserman
personally appeared, Dr. Karen W. Weaver, Rich Baird, and Larry Steckelberg.

