




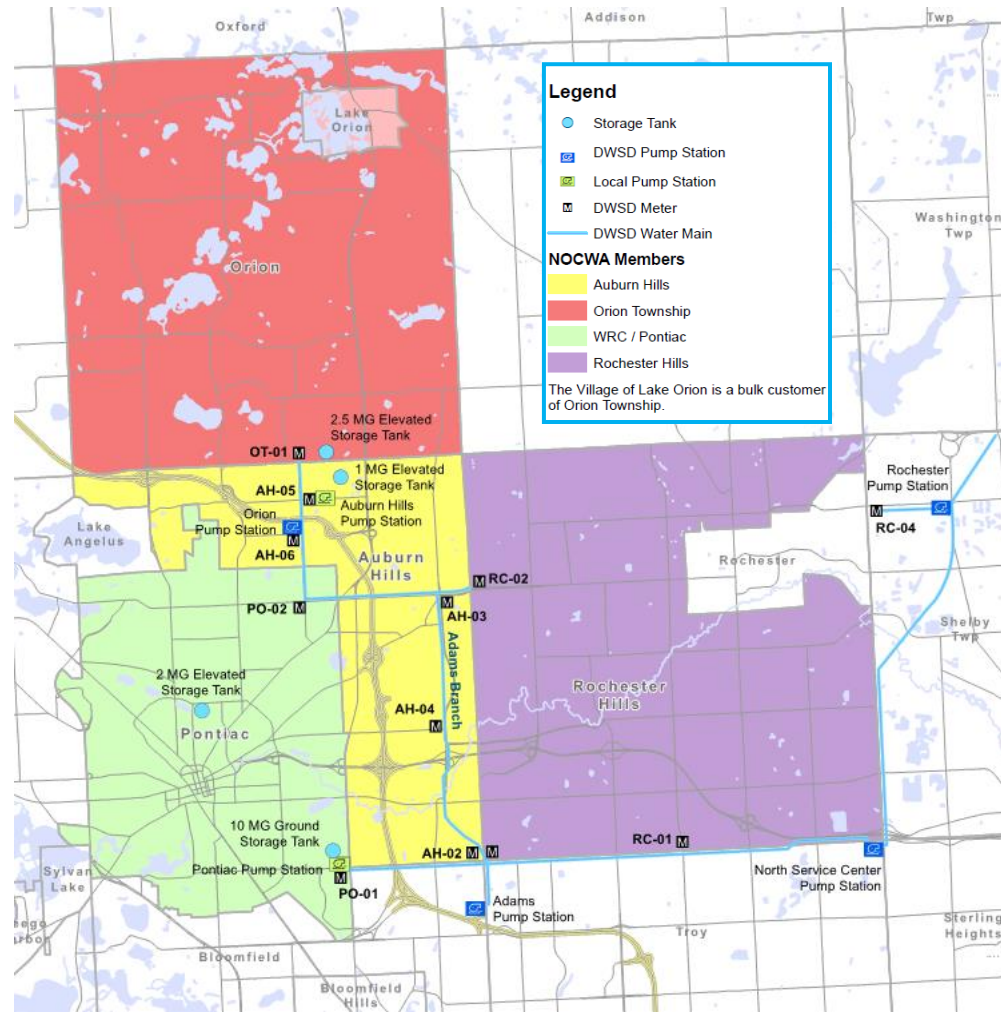
WHAT IS NOCWA?

- Regional water authority comprised of Auburn Hills, Rochester Hills, Orion Township, Pontiac and the Oakland County Water Resources Commissioner's Office
 - Created out of concern regarding water system reliability, decreased water pressure, rising Detroit Water and Sewerage Department (DWSD) water supplier rates and overall operating expenses
 - Instead of each community entering into a water contract with DWSD individually, the four communities share a single contract which allows them to optimize the use of their infrastructure and negotiate a better water rate
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NOCWA MEMBERS




PARTNERS




PROJECT BACKGROUND

- DWSD charges customers a Revenue Requirement for the purchase of water. This includes two components: a fixed cost and a commodity cost (based on usage)
- The NOCWA communities will realize increased water pressure during high use periods through effective management of the region's peak hour water demand
- DWSD provides an incentive to customers in the form of a reduced Revenue Requirement if the peak hour water demand can be reduced

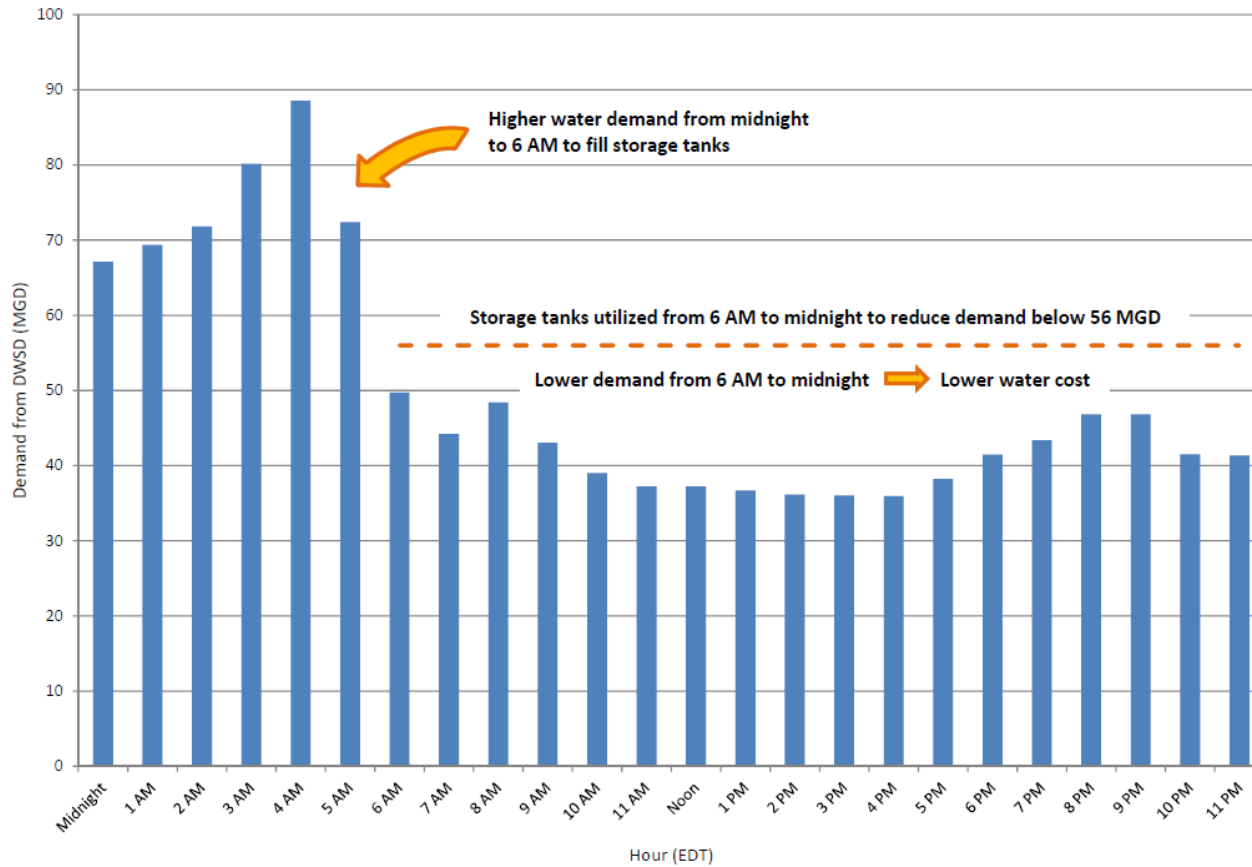
NOCWA ORGANIZATIONAL STRUCTURE

- Simple organizational structure
 - Infrastructure ownership and operations/maintenance reside with the individual communities
 - NOCWA has no direct employees
 - NOCWA's authority to enter into contracts is limited to contracts with DWSD for water supply and for consulting services such as legal, financial and engineering
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HOW NOCWA WORKS

- Existing storage facilities are used to reduce the peak hour water demand draw from DWSD
 - A collaborative NOCWA Operations Plan is put into action during hot, high water use days
 - NOCWA members monitor overall system demand and coordinate with each other to effectively reduce their community's peak water demand during the critical morning period
 - Communication, collaboration and trust form the foundation of NCOWA
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NOCWA WATER DEMAND



ADVANTAGES OF NOCWA

- Community Collaboration
 - Sharing of best management practices
 - Enhances communication
- Economic Benefit
 - Approximately \$3,800,000 annual savings to NOCWA members, enabling sustainable water rates and enhancing community economic development and growth
- Enhanced Level of Service
 - Better management of peak hour demands resulting in an approximately 5 to 7 PSI pressure increase during high water demand periods
- Sustainable Construction
 - Maximizes the effectiveness of existing infrastructure
 - Reduces future capital expenditures
- System Reliability
 - Emergency connection mapping with system pressures aid in emergency operations

ECONOMIC BENEFIT

	RR as Individual Community	RR as NOCWA Member	Savings
Auburn Hills	\$5,163,916	\$4,660,350	\$503,566
Orion Township	\$3,954,188	\$3,568,590	\$385,598
Pontiac	\$5,512,436	\$3,681,865	\$1,830,571
Rochester Hills	\$11,830,569	\$10,676,895	\$1,153,674
Total	\$26,461,109	\$22,587,700	\$3,873,409

*RR = Revenue Requirement

- Cost of creating NOCWA: \$80,000
- With savings of more than \$3.8M, the return on investment is less than 10 days!

HOW TO REPLICATE

- Communities interested in working together to achieve cost savings and improved service levels, much like NOCWA, must have contiguous borders
 - Communities must trust each other and communicate extensively
 - Each community must focus on the win-win for all involved
 - Fairness is critical
 - NOCWA adopted a simple governance approach concerning organizational structure, infrastructure ownership, revenue requirement allocation, etc.
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