



**Office of the Chief Executive**

735 Randolph Street, Suite 1900

Detroit, Michigan 48226

April 6, 2018

Dear Member Partners,

The Great Lakes Water Authority has *great* news!

On April 3, 2018, the GLWA Board of Directors approved a Term Sheet for a Memorandum of Understanding (MOU) with the City of Detroit Water and Sewerage Department (DWSD). The next day, on April 4, 2018, the Term Sheet was also approved by the DWSD Board of Water Commissioners. This document clarifies the Leases and Water and Sewer Services agreement between GLWA and DWSD.

As many of you know from our published materials and outreach meetings, the Leases, Service Agreements and related documents reflect a historic transaction. Discussions regarding operational, financial and legal matters have been progressing since early 2016. The MOU Term Sheet reflects a common understanding of the Leases borne from the passage of time and the experience that comes with implementing such a complex set of agreements.

The approval of the MOU Term Sheet is significant because we now have clarity to complete open items that impact the final GLWA FY 2017 audited financial report, as well as the budget for FY 2019 and beyond. Under the MOU there are some impacts to the proposed budget and revenue requirement for DWSD; however, *the FY 2019 charges for other member partners are not impacted.*

We look forward to reviewing the highlights of the MOU with you. This agreement provides benefits to all parties and strengthens long-term collaboration. A review of the MOU will be a topic at the next One Water Partnership meeting on June 21, 2018, and at a Charges Work Group meeting scheduled on May 24, 2018.

Sincerely,

Sue F. McCormick  
Chief Executive Officer