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Gary Wall Township Supervisor

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January 22, 2018

Chairman Freman Hendrix Great Lakes Water Authority 735 Randolph, Suite 1900 Detroit, MI 48226

Re: Class Action Settlements Potentially Impacting GLWA Rates

Dear Chairman Hendrix:

I want to express my profound concern about the settlement of the *Michigan Warehousing LLC v City of Detroit* and *United House of Prayer* lawsuits and their impact on Waterford Township. I understand that the GLWA administration participated in mediation for settlement of the *Michigan Warehousing LLC* class action lawsuit and agreed, without the Board's knowledge, to GLWA paying 50 percent of the \$29.5 million settlement. Prior to that, the GLWA administration agreed to pay \$4 million of the settlement costs for the *United House of Prayer* class action without the Board ever being apprised of the matter. How these settlement liabilities are allocated will greatly impact the water and sewer rates the residents of Waterford pay.

I understand the Board has resolved to go to arbitration to determine several issues, one of which is the allocation, but I strongly urge you to take action to allocate these liabilities exclusively to DWSD-R as, for example, in the *Michigan Warehousing LLC* matter this liability is due to the drainage charges paid by customers of the City of Detroit. This liability cannot be allocated to "common-to-all" due to the very definition in the lease agreements. In short, no benefit to the suburban customers exists.

Please feel free to contact me to discuss my request further. I can be reached at 248-674-6201.

Sincerely,

Gary Wall

Waterford Township Supervisor

cc: Sue F. McCormick, GLWA CEO

With us there are no boundaries