

Outline of Terms

The following outlines terms for a proposed settlement between the Great Lakes Water Authority (GLWA) and the City of Dearborn (Dearborn). The terms are subject to approval by the GLWA Board of Directors and the Dearborn City Council.

1. On or before June 30, 2026, Dearborn signs the GLWA model contract. After full execution of that contract which will also incorporate this Outline of Terms and the metering plan for Dearborn, Dearborn's operational buffer on its max day and peak hour contract demands will be reduced to 10% with the next monthly billing cycle. The parties acknowledge and agree that a new methodology or revisions to the existing methodology for determining the operational buffer are possible in future years. Once the escrow funds referenced in paragraph 2 below are remitted to GLWA, and until Dearborn's meters are fully installed, GLWA agrees it will assign Dearborn's operational buffer consistently with how GLWA assigns Detroit's buffer. Thereafter, the terms of paragraph 3, below, shall apply.
2. On or before the earlier of full execution of the model contract for Dearborn or June 30, 2026, Dearborn will remit all but \$750,000 of its escrow funds to GLWA. Within 60 days of signing this Outline of Terms, Dearborn will supply GLWA with documentation of the escrow balance. Once the escrowed funds are remitted to GLWA, then:
 - A. After Dearborn signs the model contract, GLWA will begin the process of designing and installing the transmission main meters (See Exhibit A outlining the meter locations).
 - i. Meter T-01 will be installed by GLWA at the Ford Road Pump Station using a clamp-on ultrasonic flowmeter.
 - ii. Meters T-10 & T-11 will not be installed by GLWA, and these connections will need to be closed.
 - B. GLWA will perform condition assessment and/or leak detection ("Investigation") of the six water transmission mains within the Dearborn right-of-way previously identified by Dearborn, in its correspondence dated April 29, 2025, as priorities. The Investigation shall be completed on or before July 1, 2034, and all of the assessment findings shall be shared and provided with Dearborn.
3. On or before June 30, 2026, Dearborn will provide GLWA all available hourly AMR data and will continue to provide such data on an ongoing monthly basis. As outlined in subsections A-E, below, this data together with available transmission meter data will be used to develop future charges to be phased in gradually starting in FY2035 (July 1, 2034 - June 30, 2035):
 - A. Year 1 (FY 2035, July 1, 2034 - June 30, 2035): Use 66.67% of the then current units of service and 33.33% of demonstrated units of service;

- B. Year 2 (FY 2036, July 1, 2035 – June 30,2036): Use 33.33% of the then current units of service and 67.33% of demonstrated units of service;
- C. Year 3 (FY 2037, July 1, 2036 – June 30, 2037): Use 100% of demonstrated units of service; and
- D. Thereafter, these units of service will remain fixed until the next planned contract reopener year consistent with other Member Partners.
- E. If a dispute of any kind arises between the Parties concerning the future charges to be phased in beginning FY 2035, then the following procedure shall be utilized to resolve the dispute after providing written notice to the other Party. To facilitate this understanding, the following will be included in the model contract to cover all disputes including but not limited to any dispute regarding future meter charges to be phased in beginning FY 2035:

The dispute may first be submitted to an alternative dispute resolution process. An alternative dispute resolution process may include, but is not limited to, facilitation, binding arbitration, or non-binding arbitration. Each Party shall be responsible for its own costs and fees (including expert witness fees and attorney fees), unless otherwise agreed to in writing. The Parties shall agree upon the form and procedures for the agreed upon alternative dispute resolution process. This Article shall not prohibit a Party from seeking relief directly from a court of competent jurisdiction at any time.

- F. After all meters are placed in service and acceptable data is being received, GLWA will begin billing the monthly commodity portion of the bill wholly based on the metered data.
- 4. Within 30 days following full execution of the model contract, Dearborn will transfer to GLWA two mains (a 36-inch and a 54-inch depicted in the attached Exhibit B) that convey water to Member Partners for \$1.
 - 5. Both GLWA and Dearborn will use their best efforts to expeditiously gain necessary approvals for the terms outlined above and to finalize and execute documents necessary to effectuate their agreement.

(End Outline of Terms)

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES ON FOLLOWING PAGE]*

CITY OF DEARBORN:

Authorized Signature
C.R. No.:

Printed Signature

Date

GLWA

Authorized Signature

Printed Signature

Date