



Great Lakes Water Authority

Frequently Asked Questions

What does it mean for Oakland County?

For more information, go to Oakgov.com and click on the link for the Great Lakes Water Authority. If you do not have a computer, you may direct your questions to the Oakland County Executive Office at 248-858-1048.

Will my tax dollars go to the proposed Great Lakes Water Authority (GLWA)?

No. Your Oakland County tax dollars will not be used to fund the regional water and sewer authority. The GLWA's revenues will come only from water and sewer services billed to the local communities providing services to you.

Will my water rates subsidize Detroit general operations?

No. The City of Detroit will operate and manage its own local water and sewer system for its residents only. Among other responsibilities, Detroit will bill, collect and fund bad debts associated with its residential and business water and sewer customers. At no time will delinquencies and bad debts from Detroit's local operations be the responsibility of the GLWA.

What about the \$50 million annual lease payment to the City of Detroit? How does that work?

The GLWA will make a lease payment of \$50 million a year to a capital improvements fund held by the GLWA for the purpose of operating, maintaining and remediating issues associated with the water and sewer pipes and other infrastructure in the city. The \$50 million will come from existing revenue within the water and sewer system that is funded by both city and suburban customers in roughly the same way it is today. It will not be used to pay for any other city services or programs.

What area will be covered by the Great Lakes Water Authority?

The GLWA will operate and manage all wholesale water and sewer lines in the suburbs that are currently part of the Detroit Water & Sewerage Department and 'common-to-all' assets such as the filtration and water plants, pumping stations and other assets providing joint functions for the benefit of all ratepayers. The City of Detroit will operate and manage all water and sewer lines within city limits and further EPS and MEDQ regulations.

How will the formation of the proposed regional water authority impact my water and sewer rates?

The GLWA board will cap annual increases in water and sewer billings at four percent a year for 10 years. The actual amounts billed to residents and businesses may also vary by community depending upon local operating, maintenance and local capital needs incurred by that local system.

Will there be help if I have trouble paying my water bill?

Yes. For the first time, customers who have trouble paying their water and sewer bills will be able to apply for means-tested assistance. Each year, the GLWA will set aside .5 percent of its operating revenues (presently estimated at \$4.5 million for fiscal year 2015) from budgeted revenues to fund this assistance. The program will be called the Water Residential Affordability Program or WRAP. The criteria will be developed by the GLWA board upon its launch. The amount is based on a national standard for major metropolitan water systems.

Will Oakland County be able to protect its water ratepayers' interests in the Great Lakes Water Authority?

Yes. There will be six members of the GLWA board. One from Oakland County, one from Macomb County, one from Wayne County, one from the State of Michigan and two from the City of Detroit. Major decisions will require a super majority vote of five out of six members to set rates; budget; annually adopt a rolling 5 year capital improvement plan; issue debt, which must be revenue backed debt; procurement policies; hiring an executive director; setting compensation of board members and removing a board member for cause.

That means that if there is an issue before the GLWA board that is unfair to suburban customers, Oakland County only needs to partner with one other member such as Macomb County or the State of Michigan to block it.

How will the Great Lakes Water Authority be accountable to me?

Oakland County's representative on the GLWA board will be appointed by the elected Oakland County Executive and serve at the executive's pleasure. Oakland County ratepayers who are concerned about the actions or conduct of their water authority board member may let their elected county officials know who then can determine the best course of action.

Will the Great Lakes Water Authority honor the contract my city/township currently has with the Detroit Water & Sewerage Department?

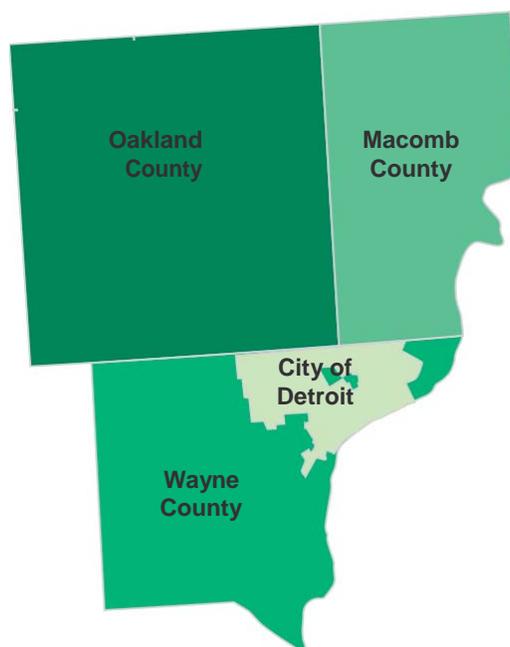
Yes. The GLWA will honor all current contracts between suburban communities and the City of Detroit. The regional water authority will also honor all current collective bargaining agreements as is required by Michigan law.

What's next?

The articles of incorporation forming the GLWA will go before the Oakland County Board of Commissioners for consideration as well as the legislative bodies of the City of Detroit and other counties. All parties have until Oct. 10 to determine whether they want to participate in the GLWA. As soon as one of the county boards of commissioners and the Detroit City Council vote in favor of the articles of incorporation, the GLWA will start to exist. The GLWA will begin operations 200 days later.

What if my county does not vote in favor of the articles of incorporation?

For any county that does not pass the articles of incorporation, the governor will appoint a representative for the water and sewer customers in that county. Also, state law will permit the GLWA board the option of setting rates **higher** for any county that opts not to participate in the GLWA.



Direct link to learn more about the GLWA

http://www.oakgov.com/exec/Pages/great_lakes_water.aspx