



October 28, 2015

The Honorable
Board of Water Commissioners
City of Detroit, Michigan

Dear Chairman Fausone and Commissioners:

Regarding: Director's Report – October, 2015

Staff continues to focus on completion of the conditions precedent to the effective date of Lease Agreements between the City of Detroit and the Great Lakes Water Authority no later than January 1, 2016. Final review meetings on the agreement that outlines how GLWA and DWSD will exchange services, to assure operating continuity as well as minimize costs conclude this week. The agreement will come forward for review by the GLWA Operations and Resource Committee in early November.

The assignment of customer contracts to GLWA is substantially complete. Sewer contracts are now 100% assigned and 94% of the water contracts have been assigned, noting a slight change from the October 22nd report attached, with the action by Harrison Township after close of business this past Monday. Four (4) of the remaining five (5) unassigned water contracts are scheduled for action by those customer communities. A detailed report on the assignments is attached.

All conditions precedent to the effective date remain in 'green light' status.

OD began hand delivery of offers of employment to current DWSD staff on October 14, 2015. Informational meetings were conducted throughout the organization last week and this week with representatives from the City of Detroit General Retirement System, Financial Advisors and Organizational Development staff participating to assist employees in assessing their options. FAQs have been made available and continue to be updated as new questions arise. As of October 27th, 678 current DWSD employees have accepted offers of employment with GLWA effective January 1, 2016.

With the approval of the nine (9) month emergency service agreement by the DWSD Board of Water Commissioners earlier this month, I am pleased to report that the City of Flint is back in service with DWSD. DWSD collaboratively worked with Flint and the Genesee County Drain Commission (GCDC) to reconnect Flint to DWSD's water system. Service commenced on October 15, 2015.

We held our monthly compliance call with MDEQ on October 20th, with no substantial items to report. We will meet next month in Detroit on November 20th with tours of Green Infrastructure in the City of Detroit and the Biosolids Dryer Facility on the agenda.



SYSTEMS PLANNING

The objectives and structure of this new functional area continues to be refined and rolled out to customers through the customer outreach program. Initial staff estimates indicate that there will be a staff of 20-30 people. Staff members will be tasked with assuring the long term sustainability of the organization's high quality water services through a focus on careful management of assets, improving utilization of the system and increasing the use of sustainable practices. Filling of these positions will likely occur over the next 24 months.

The Asset Management program implementation is continuing to make significant progress with multiple groups from all areas of the organization attending meetings. This effort is being coordinated by consultant EMA who is working with the groups to gather information, give structure to the implementation process, identify gaps and prepare a plan to ensure a successful implementation.

The five-year Capital Improvement Plan for FY2017 is well under development. Draft preliminary plans have been circulated to management and Directors, Engineers and other key staff members for review. Staff members from the areas of Finance, Planning and Operations are meeting in small groups to conduct detailed reviews of the projects. It is anticipated that preliminary plans will be circulated for initial comments by customers next week with presentations at Board and customer Rates Roll-Out meetings in November.

The Wastewater Master Plan initiative continues to make progress with the formation of a steering team comprised of a mix of wholesale customer representatives, MDEQ representatives and key DWSD staff members and a scheduled kick-off meeting this week.

The Customer Outreach program continues to hold regular meetings and is working closely with the Financial Services Group to schedule Rate Roll-Out Meetings for the FY2017 budget process.

The structure of the Energy Management Program has been developed. It will be comprised primarily of a Certified Energy Manager as its lead, an Energy Management Leadership Team and an Employee Suggestion Program. The contest to select the name of the program has concluded and a program roll-out plan is being implemented. Roll out is expected to occur in November and December.

WATER OPERATIONS

2014 Center for Disease Control Water Fluoridation Quality Award

The Michigan Department of Health and Human Services announced that DWSD has been awarded a Water Fluoridation Quality Award from the U.S. Centers for Disease Control and Prevention (CDC). Fluoridation is the adjustment of fluoride in drinking water to a level that is effective in preventing tooth decay. The award recognizes those communities that achieved excellence in community water fluoridation by maintaining a consistent level of fluoride in drinking water throughout 2014.



WATER OPERATIONS (continued)

Community water fluoridation has been recognized by CDC as one of 10 great public health achievements of the 20th Century. Currently, nearly three-quarters (74.6 percent) – or 210 million people – served by community water systems have access to optimally fluoridated tap water. CDC recommends water fluoridation as a safe, effective, and inexpensive method of preventing tooth decay.

On October 1, Lake Huron team members, Safety, and Security welcomed Chief Smith and his delegation of fire fighters from Fort Gratiot for a plant tour. We welcomed the opportunity to meet our local responders.

The Source Water Intake Protection Plan (SWIPP) grant plans were submitted to the Department of Environmental Quality (DEQ) for approval and reimbursement on October 2, 2015. The grant supported DWSD's preparation of a source water protection plan. Three separate plans (one for each intake) were developed as part of the master plan. The plan's seven elements include: following roles and duties of governmental units, defining source water protection areas, identification of contaminant sources within the source water protection area, management approaches for source water protection, contingency plans, siting for new water sources, and public participation. Accolades have been extended to the team members and the outreach organizations who have worked together to create these plans.

A tour was conducted with representatives of Washington's U.S. Government Accountability Office on Monday, September 21, to assess challenges in managing and financing drinking water and wastewater infrastructure in communities with declining populations. In particular, they were interested in learning more about the funding and management strategies, communities with declining populations currently use to address their water infrastructure needs, the extent federal programs are used to support their efforts, and the overall successes and challenges of approaches being used.

WASTEWATER OPERATIONS

The annual report on the status of implementation of an asset management program at the WWTP was submitted on October 1, as required by the National Pollutant Discharge Elimination System (NPDES) permit. The consolidated annual report for the wet weather program was submitted on October 1, as required by the NPDES permit.

The WWTP was compliant with the NPDES permit for the month of September with the exception of three (3) minor deviations; carbonaceous biochemical oxygen demand (CBOD) concentration was 41 with a limit 40, detectable PCBs (polychlorinated biphenyl) at the Detroit River outfall caused both a deviation in concentration and loading.



WASTEWATER OPERATIONS (continued)

On October 1, the Wastewater Treatment Plant hosted an international delegation from India. A total of 15 were in attendance that were representatives from India, U.S. Department of Commerce and the Michigan Department of Environmental Quality. The purpose of the tour was to promote the United States businesses as providers of water and wastewater treatment design, equipment and facilities and to connect the availability of clean water to economic development.

Work continues to start-up and test DWSD's new Biosolids Dryer Facility under Contract PC-792. Field performance testing has been completed for all 4 dewatering – drying trains. Demonstration testing is underway. Successful completion of demonstration testing requires each train to operate continuously for five (5) days, followed by five (5) days concurrent operation of three (3) trains, followed by 10 days of operation with the fourth train in service. Throughout this period, the Contractor has been working to adjust its operations to better process WWTP's sludge. Mechanical and control issues are being addressed as they arise. Substantial completion is not expected prior to December.

The WWTP received stipulated penalties under the Administrative Consent Order for failure to comply with requirements contained under paragraph 3.1 of the Order. Specifically, fecal coliform during a wet weather event was over the limit at a Combined Sewer Overflow (CSO) basin outfall and a prohibited bypass at Outfall 054 occurred during a wet weather event. The stipulated penalty was \$5,000.00 for each occurrence for a total of \$10,000.00.

CUSTOMER SERVICE

The Department continues to increase its collection efforts on past due commercial accounts and accounts suspected of illegal usage.

For the period of January 2015 to October 26, 2015, there were 651 commercial shut offs. For the same time period, 46,516 accounts were checked for possible illegal usage, and 16,078 of those accounts were found on illegally and were re-shut.

Since May 11, 2015, the Department has posted 49,824 door hangers notifying customers of pending shut off of services. A total of 27,172 of those customers have either paid their bills, or entered into a Payment Plan Agreement. There is an overall total of 42,541 active payment plan agreements, with a total combined balance of \$ 36,779,119.00.

Funds remain available through the Detroit Water Fund to assist eligible customers with bill payment assistance.

FINANCE

The Financial Services Group (FSG) continues to be focused on many GLWA/DWSD-R stand-up activities including bondholder consent matters, technical accounting issues, financial system selection, policy and procedures development and implementation, bifurcating and realigning staff assignments, onboarding new team members, and payroll system implementation.



FINANCE

This is in addition to FY 2015 year-end close and process improvement initiatives. Other specific updates within the FSG group include the following:

Financial Planning and Analysis

The six-month “stub year” budgets for Great Lakes Water Authority (GLWA) and the new retail focused City of Detroit Water and Sewerage Department (DWSD-R) bifurcated budget, along with its underlying assumptions, were presented to the BOWC’s Finance Committee and the GLWA’s Audit Committee. The DWSD stub year budget is scheduled for approval today. The GLWA stub year budget approval is scheduled for November.

Progress is being made in the account set-up for the GLWA and DWSD-R general ledgers for January 1, 2016 within the existing Oracle EBS (“DRMS”). These new segments will also streamline the accounting activity and ability to analyze data.

Procurement

The Procurement Unit recognized a total cost savings of \$70,000 annually for phosphoric acid and unneeded construction requirements. A \$50,000 cost savings on phosphoric acid was achieved through negotiations after winning the bid. The cost per ton was negotiated down, resulting in savings for the overall contract cost.

The \$20,000 cost savings on unneeded construction requirements was achieved after engineers reviewed the contract and determined a portion of the work was unnecessary. This portion was removed from the scope of work.

Risk Management

In mid-October, risk management worked collaboratively with both Environmental Health & Safety and Security, to draft a document titled "*Security Risks Related to the Transportation of Hazardous Materials*." This document is mandatory per the Department of Transportation, Federal Railroad Administration considering DWSD receives in-commerce hazardous materials (primarily Liquid chlorine and sulfur dioxide).

A stand-up task is underway for GLWA's third-party administrator (TPA) for workers' compensation. A contract is in the process of finalization and anticipated approval by early November. This timing will allow approximately 60 days for the new TPA to implement their program by the targeted operational effectiveness date of the new Authority by January 1, 2016.

A separate report from the Finance Committee will be distributed.



INFORMATION TECHNOLOGY

As part of the ongoing preparation for the DWSD bifurcation as well as the GLWA's Office 365 rollout, ITS' Security and Infrastructure teams have now removed over 1,200 obsolete user accounts from the DWSD Active Directory domain, the glwater.org active directory server has been brought online, and a project plan for migrating GLWA staff to Office365 by the end of the year has been developed, reviewed and approved.

The Security Event Threat Analysis (SETA) collector was installed on October 27, 2015. The SETA program is a service hosted by AT&T that gathers data from the DWSD network for threat analysis. This will strengthen the security controls we have on the DWSD network, by notifying DWSD ITS personnel in the event of a cyberattack or suspicious network activity.

The new AT&T managed local network was successfully completed at CSF. The Water Board Building was completed the week of October 19th, the newly implemented AT&T network is scheduled for installation for the Water Board Building and CSF the week of October 22nd. AT&T local network migration has started at the Wastewater Treatment Plant with a November 30th target completion date joining the new AT&T managed network.

The Ceridian Human Resources, Payroll and Timekeeping project is now past the initial configuration phase and into the preliminary testing phase, called "Sandbox 1". The new Ceridian time clocks have been received, the "make ready" work necessary for their installation completed, and the time clocks are now being installed in work areas across the organization.

The project team met several times with their City of Detroit counterparts to plan out the steps necessary to separate approximately 700 employees from the City's systems while keeping them active in core applications.

Benefits Express has been contracted to provide a secure website for GLWA Open Enrollment beginning on November 2nd, and to do the initial employee data feeds to GLWA's insurance carriers during early December.

ICMA-RC and the project team held a kickoff meeting on Tuesday October 20th to get the process for capturing GLWA employee retirement plan contributions underway.

GLWA and DWSD-R staff received a proposal from AST and Ernst & Young for implementing two variants of the City of Detroit's Oracle Cloud ERP installation that addresses both the GLWA and DWSD-R financial system's needs. GLWA's evaluation team is reviewing this proposal with Plante and Moran, and will make a recommendation as to path forward in the next few weeks.

Approximately 126 desktop upgrades were completed during the month of October servicing employees at Port Huron, Central Services, West Yard, Water Board Building and the Wastewater Treatment Plant.



INFORMATION TECHNOLOGY (continued)

The upgrade will provide desktop and monitor warranty support coverage for the next five (5) years.

In preparation for Office 365 go-live, Service Delivery identified 190 desktops running Office 2007 and upgraded 110 of them to Office 2013. If you are running Office 2007 you may log into the IT Service portal to download and install Office 2013 on your desktop computer or you may contact the Service Desk.

SECURITY

Security Chief W. Barnett Jones, Lt. Wesley Slaughter, Investigator Dale Romeo and Security Specialist Taylor Williams, traveled to Atlanta, GA and visited with Atlanta's water security detail in September to exchange ideas and share details of how each city keeps its water infrastructure safe. It is anticipated that Atlanta may come to Detroit in 2016.

The Security Division held staff training for "Responding to Violent Encounters".

Security Staff is scheduled for several training sessions throughout the month of November as follows: FEMA Training for Critical Asset Risk Management - November 17 – 18, and Advanced Critical Infrastructure Protection - November 19.

ORGANIZATIONAL DEVELOPMENT

To date, approximately 1120 employees have been placed in new classifications. Labor leadership has been advised where separations are planned for employees who have not been placed

Significant efforts have focused on development of GLWA offers of employment and developing the associated informational materials, conducting informational meetings across the organization and tracking responses. In addition, advance preparation of materials have been completed for benefit open enrollment for those employees who have accepted offers of employment with GLWA. OD will open the enrollment process on November 2nd. The City of Detroit is coordinating the process for employees who remain with DWSD as of Jan 1st. We have not received notification when the City's open enrollment will begin.

LEGAL

The General Counsel's October Report is attached to this Director's report.



Training and Staff Development

Annie Philips and Nellie Sahakian, Northeast Water Treatment Plant Chemists, participated in the American Water Works Association (AWWA) Regional meeting held in Livonia on October 6, 2015.

The training was an excellent source of information related to drinking water topics with a distribution system focus on topics that included the importance of proper distribution system sampling, AWWA updates, Michigan Department of Environmental Quality (MDEQ) updates, water storage tank winder maintenance, and advantages in tank and pipe line coating. Each employee received .05 CECs in the Drinking Water “Technical” category for license renewal.

Congratulations to Sunny Jacob, Todd King, Mathew Mangatt, Biren Saparia, and Mary Lynn S Annie Philips and Nellie Sahakian, Northeast Water Treatment Plant Chemists, participated in the American Water Works Association (AWWA) Regional meeting held in Livonia on October 6, 2015. The training was an excellent source of information related to drinking water topics with a distribution system focus on topics that included the importance of proper distribution system sampling, AWWA updates, Michigan Department of Environmental Quality (MDEQ) updates, water storage tank winder maintenance, and advantages in tank and pipe line coating. Each employee received .05 CECs in the Drinking Water “Technical” category for license renewal.

Congratulations to Sunny Jacob, Todd King, Mathew Mangatt, Biren Saparia, and Mary Lynn Semegen for successfully completing the Lean Six Sigma Green Belt certification course. Each have earned the professional designation of Lean Six Sigma Green Belt and nine (9) continuing educational credits (CECs), equivalent to 85 professional development units.

Kudos to LaShone Bedford, Terry Daniel, Grant Gartrell, Eric Kramp, and Balvinder Sehgal for successfully completing the next level of Lean Six Sigma after Green Belt, the Black Belt certification course. We look forward to them completing their Black Belt certifications upon completion of their project.

Balvinder Sehgal, Water Works Park (WWP) Plant Manager, presented the Six Sigma Green Belt project for WWP during the Lean Wave1 Kickoff Event on Monday, October 5. The project, WWP’s Clean Water Costs, is based on Lean Six Sigma methodology. The focus of the project is to reduce production costs at WWP while maintaining the same level of water quality. It is anticipated that some of the solutions implemented at WWP will provide benefits to other sites. This project started in late August 2015 and is expected to be completed by mid-January 2016.

The 23rd Annual Michigan Public Service Institute (MPSI) was held the week of September 20, in Mt. Pleasant, Michigan. This institute is an annual educational program that focuses on the development of supervisory and leadership skills for the public works sector. Sponsors included the Michigan Chapter of the American Water Works Association, Michigan Rural Water Association, Michigan Water Environment Association, American Public Works Association, and Central Michigan University – Global Campus.



Training and Staff Development (continued)

The MPSI program consists of three (3) one week interactive seminars with each year focusing on one of the following concentrations: Delivering Service Excellence, Focus on Leadership, and Supervising for Excellence. Each weeklong seminar consists of more than 33.75 hours of instruction and hours of networking with other fellow public works leaders.

This year's MPSI program was focused on Supervising for Excellence, which consisted of the follow topics: Effective Supervision in Public Works, Legal Aspects of HR Best Practices, Generational Differences, Michigan Right to Work, Workplace Safety and Personal Safety, Creating an Effective Performance Appraisal, Keys to Employee Development, How to Build Dynamic Team Cohesiveness, and Accountability in the Workplace.

This year, DWSD sent 11 staff members consisting of Team Leaders, Managers, and Directors from both Water Operations and Field Services. The DWSD staff completed the following levels:

- MPSI Basic 1 (First Year) was completed by Philip Curry, Clemon Beverly, Kenneth Miller, Joseph Richardson, and Wayne Thomas of Field Services, as well as, Lashone Bedford, Ronald Hayes, JoLisa McDay, and Yao Kouassi of Water Operations.
- Basic 2 (Second Year) was completed by Kieyona Jackson of Field Services.
- Basic 3 (Third Year / Graduated from Institute) was completed by Michael Olson, also of Field Services.

Field Services Director – Michael Olson is pleased to state that DWSD was well represented by numbers and active participation. Other municipalities were enthusiastic to see and hear of the progress that is being made at DWSD. He feels that DWSD left a prosperous and positive impact with our peers.

Staff Kudos and Customer Accolades

The Department received a very pleasant email from Mr. Aamir Farooqui from Banyan Investments, LLC acknowledging exceptional customer service received from Customer Service Manager, Constance Williams-Levy. Mr. Farooqi thanked Ms. Levy for her positive attitude, and for diligently assisting his colleagues and taking the time to listen to their concerns. He added, the attributes were greatly received. Job well done Constance, keep up the good work!

Respectfully submitted,

Sue F. McCormick
Director



General Counsel worked on the following matters:

1) Contract matters

Contracts reviewed as to form: General Counsel reviewed 19 contracts as to form and execution.

Contracts drafted or revised: General Counsel drafted or revised 8 contracts.

Wholesale Customer Contracts: A meeting was held with City of Lapeer, City of Imlay, City and Mayfield Township regarding proposal to install booster chlorination stations to continue supply through the 72" main upon departure of Genesee County.

Only four (4) customers remain who have not assigned their contracts to GLWA.

General Counsel is working and meeting weekly with the Finance Group to support the Finance transformation efforts.

2) Subpoenas / Information Requests:

General Counsel received 21 subpoenas/ information requests and responded to 13 subpoenas/ information requests.

3) New Cases:

A) Shavers v DWSD. This a defective roadway complaint. DWSD will answer and defend the action.

B) Bankruptcy Claims. The City's Law Department has forwarded to DWSD additional sewer back-up claims filed in the City's bankruptcy.

4) Cases Closed;

A) Ralston v DWSD. This was an administrative appeal to Circuit Court from the disposition of a customer billing dispute. Plaintiff's Complaint was dismissed with prejudice.

5) St. Martins Cooperative v DWSD: St. Martins Cooperative v DWSD: Plaintiffs have retained new counsel. At the last court ordered status conference, DWSD's expert and Plaintiff's expert agreed to review the charges to narrow the issues in need of resolution.



- 6) DWSD v Highland Park: The parties are continuing to meet as a part of a confidential court ordered facilitation process. The parties are in the process of mediating issues related to the accuracy of the estimated volume attributed to Highland Park by DWSD. There has been a great deal of difficulty getting accurate readings due to infrastructure issues.
- 7) Flint Water Services Contract: DWSD has received the \$10 million dollar estimated prepayment called for by this agreement.
- 8) Bormans v DWSD: This case involves a challenge to DWSD's bills for a commercial property in Detroit by the seller, and a request to perform the property transfer by the buyer. A status conference with the court was scheduled last week. DWSD will meet with Plaintiff Mullins to discuss his plans for future storm water retention on the property.
- 9) United House of Prayer v DWSD: This is a class action case challenging DWSD's fire line charges pursuant to the Headlee Amendment. Plaintiff's counsel is also handling the Borman case discussed above.
- 10) Michigan Warehouse v DWSD: This case involves a class action headless challenge to DWSD's drainage fees. DWSD has removed the case to Federal District Court and filed a Motion to Dismiss the Complaint.
- 11) Meyers v Reynolds: DWSD has filed a Motion for Summary Disposition as to the employee Defendant.
- 12) I-94 Industrial Park Easement: General Counsel finalized easement agreement for water and sewer lines under a new development being built in the I-94 industrial park.
- 13) Drainage Issues: General Counsel worked with the drainage steering team for presentation to stakeholder focus groups.
- 14) US v Detroit, et al: On October 12, 2015, the City of Detroit and DWSD filed a Joint Request For Indicative Ruling Under Rule 62.1(a)(3) on their Joint Motion for Relief Under Rule 60(b)(6) of the Federal Rules of Civil Procedure. This Joint Motion sought an Order clarifying the applicability of the Court's previous Orders to the City's retail water and sewer operations following the Effective Date in the Leases. A proposed Order was attached to the Request, which if granted would address several operational issues and dispose of the City's appeal upon the Effective Date of the Leases.



On October 14, 2015, Judge Cox entered an Order concluding that Joint Request “raises a substantial issue such that remand to this Court is appropriate and necessary at this time.” The trial court went on to state; “Having considered the matter, it appears that at least a portion of the requested relief in connection with the Rule 60(b) Motion should be granted, and that it should be granted without delay.” Based upon the trial court’s order quoted above, on October 16, 2015, the City of Detroit filed an Emergency Motion in the Court of Appeals to remand the case to the trial court while retaining jurisdiction as permitted Rule 12.1 of the Federal Rules of Appellate Procedure. The Court of Appeals has not yet acted upon this motion.

WHOLESALE AND RETAIL WATER CUSTOMERS*

	Volume mcf	Annual Revenue Requirement		Volume mcf	Annual Revenue Requirement
DETROIT	4,751,900	\$94,641,200	EASTPOINTE	110,000	\$1,475,900
SOCWA	1,308,000	\$22,789,800	GROSSE PT WOODS	80,000	\$1,330,100
NOCWA	943,000	\$22,586,740	HARRISON TWP	97,000	\$1,315,100
GENESEE CO DC (1)	607,000	\$18,000,000	GROSSE PT PARK (2)	61,000	\$1,294,290
STERLING HEIGHTS	614,000	\$14,500,800	HURON TWP	60,000	\$1,291,400
SHELBY TWP	396,000	\$12,435,200	OAK PARK	109,000	\$1,249,800
LIVONIA	480,000	\$12,415,700	FRASER	67,000	\$1,196,300
TROY	448,000	\$12,053,000	GROSSE ILE TWP (2)	43,000	\$1,168,210
CANTON TWP	319,000	\$11,885,400	HIGHLAND PARK (1)	110,000	\$1,167,600
NOVI	264,000	\$11,212,000	FLAT ROCK	59,000	\$1,083,700
WARREN	725,000	\$10,352,300	RIVERVIEW (2)	47,000	\$1,001,640
YCUA	504,000	\$9,987,100	PLYMOUTH	43,000	\$942,400
MACOMB TWP	303,000	\$9,679,100	FARMINGTON	49,000	\$904,300
WEST BLOOMFIELD	272,000	\$9,308,700	FERNDAL	65,000	\$888,600
DEARBORN (2)	650,000	\$9,021,900	WALLED LAKE	32,000	\$850,100
FARMINGTON HILLS	374,000	\$8,192,900	HARPER WOODS	59,000	\$799,500
CLINTON TWP	400,000	\$7,121,800	NORTHVILLE	32,000	\$687,900
NORTHVILLE TWP	133,000	\$5,950,900	ASH TWP	39,000	\$680,900
WESTLAND	316,000	\$5,540,600	BERLIN TWP	29,000	\$660,600
COMMERCE TWP	93,000	\$4,555,900	RIVER ROUGE	59,000	\$651,400
TAYLOR	288,000	\$4,443,400	HAMTRAMCK	61,000	\$650,800
PLYMOUTH TWP	165,000	\$3,885,500	HAZEL PARK	50,000	\$641,600
CHESTERFIELD TWP	165,000	\$3,615,500	MELVINDALE	46,000	\$612,800
DEARBORN HTS	214,000	\$3,488,700	SUMPTER TWP	30,000	\$595,800
ROMULUS	198,000	\$3,390,300	ST. CLAIR CO.- GREENWOOD (2)	13,000	\$591,800
REDFORD TWP	177,000	\$3,131,800	GROSSE PT SHORES	17,000	\$556,700
BROWNSTOWN TWP	140,000	\$3,062,000	UTICA	23,000	\$539,900
ST. CLAIR SHORES	217,000	\$2,842,600	CENTER LINE	35,000	\$439,700
WASHINGTON TWP.	64,000	\$2,794,000	GIBRALTAR (2)	17,000	\$428,330
VAN BUREN TWP	133,000	\$2,665,800	NEW HAVEN	14,000	\$320,400
GREATER LAPEER CUA (2)	104,000	\$2,629,440	BELLEVILLE	17,000	\$294,700
WAYNE	103,000	\$2,520,100	KEEGO HARBOR	11,000	\$285,600
ROSEVILLE	212,000	\$2,463,000	LENOX TWP	19,000	\$276,600
WIXOM	67,000	\$2,204,600	ROCKWOOD	11,000	\$273,800
LINCOLN PARK	144,000	\$2,150,000	ST. CLAIR CO.- BURTCHVILLE	8,000	\$268,400
ALLEN PARK	137,000	\$2,130,500	ROMEO	7,000	\$242,800
SOUTHGATE	123,000	\$1,986,900	SYLVAN LAKE	7,000	\$218,200
TRENTON (2)	94,000	\$1,951,400	ALMONT	11,000	\$212,900
MADISON HTS	148,000	\$1,887,200	ROYAL OAK TWP	12,000	\$205,500
WOODHAVEN	62,000	\$1,865,100	SOUTH ROCKWOOD	5,000	\$94,500
INKSTER (2)	100,000	\$1,682,200	OAKLAND CO. DC	10,000	\$63,000
GARDEN CITY	92,000	\$1,519,900	BRUCE TWP	850	\$44,200
ECORSE	150,000	\$1,486,000			

= Contract Assignments

WITH DETROIT

	TOTAL	ASSIGNED AMOUNT	PERCENTAGE COMPLETE
TOTAL NUMBER OF CUSTOMERS:	85	79	92.94%
TOTAL ASSIGNED BY REVENUE:	\$400,524,750	\$369,932,650	92.36%

ASSIGNMENTS BY COUNTY

	Total	Assigned	PERCENTAGE COMPLETE
Wayne	42	42	100.00%
Oakland	17	17	100.00%
Macomb	18	11	61.11%
Other	8	8	100.00%
Total	85	78	

(1) Non Contract Customers. No Consent Required.

(2) Non Model Customer. No Consent Required.

*AS OF OCTOBER 22, 2015

WHOLESALE AND RETAIL SEWER CUSTOMERS*

	Annual Revenue Requirement
OMID	\$69,082,300
Rouge Valley (1)	\$51,803,200
Oakland GWK (1)	\$42,821,300
Evergreen Farmington (1)	\$30,189,000
NE Wayne County (1)	\$23,001,900
Allen Park	\$656,800
Center Line	\$885,200
Dearborn	\$18,374,200
Farmington	\$1,051,400
Grosse Pointe Park	\$1,492,000
Melvindale	\$1,314,400
Grosse Pointe Farms (1)	\$2,486,900
Grosse Pointe	\$847,400
Hamtramck	\$3,933,200
Harper Woods	\$251,200
Highland Park (1)	\$5,617,600
Redford Township	\$248,400
Wayne County #3 (1)	\$57,600
Detroit	\$254,643,600

 = Contract Assignments

WITH DETROIT

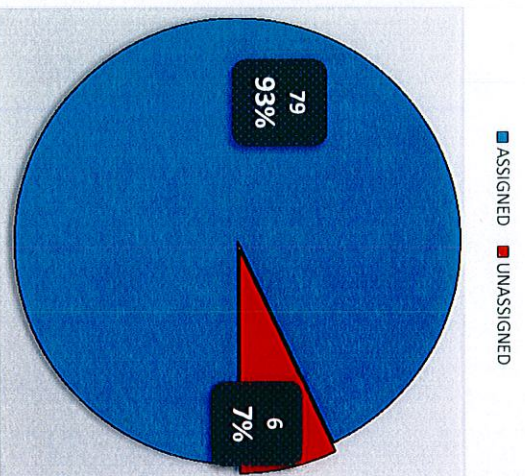
	TOTAL	ASSIGNED AMOUNT	PERCENTAGE COMPLETE
TOTAL NUMBER OF CUSTOMERS:	19	19	100.00%
TOTAL ASSIGNED BY REVENUE:	\$508,757,600	\$508,757,600	100.00%

(1) Non Model Customer. No Consent Required.

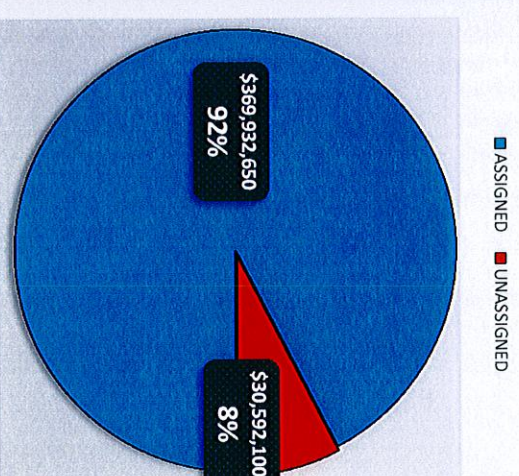
*AS OF OCTOBER 22, 2015

As of October 22, 2015

WATER CUSTOMER CONTRACTS ASSIGNMENT PROGRESS NUMBER OF CUSTOMERS

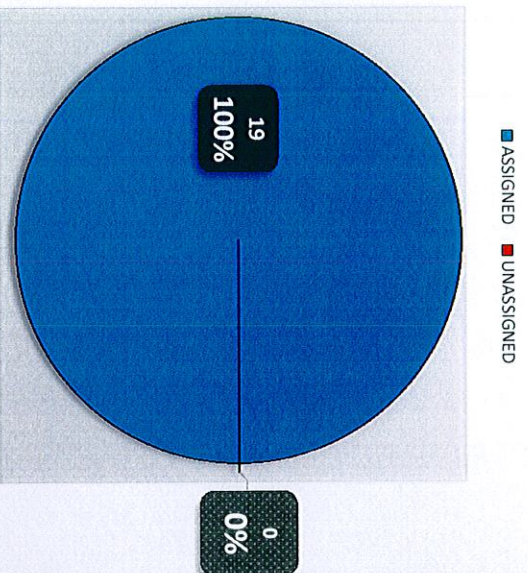


WATER CUSTOMER CONTRACTS ASSIGNMENT PROGRESS BY REVENUE



As of October 22, 2015

SEWER CUSTOMER CONTRACTS ASSIGNMENT PROGRESS NUMBER OF CUSTOMERS



SEWER CUSTOMER CONTRACTS ASSIGNMENT PROGRESS BY REVENUE

