



**Office of the Chief Executive**

735 Randolph Street, Suite 1900

Detroit, Michigan 48226

March 28, 2018

The Honorable  
Board of Directors  
Great Lakes Water Authority

Dear Chairman Hendrix and Directors:

**Regarding: CEO's Report – March, 2018**

GLWA's *2017 Year in Review*, the Authority's recap of its successful second year of operations, is being officially released in conjunction with the Board of Directors' second community meeting in Sterling Heights on Wednesday, March 28, 2017. The report highlights how GLWA moved from a stand-up organization to one focused on establishing steady and sustainable operations. The 2017 Report is presented around three key themes: 1) ***One Water***: Our system and operations; 2) ***One Team***: Collaboration between our team members, member partners and other stakeholders; 3) ***One Mission***: Water of unquestionable quality and effective and efficient services. These three themes represent the pillars around which our organization operates, and throughout the report readers will find a list of our accomplishments in 2017, a deeper dive into who we are as a regional authority, as well as comments from our member partners, team members and other key stakeholders.

I want to offer my personal thanks to our GLWA team members for your continued dedication and hard work that allowed our second year of operation to be so successful. Additional thanks to all of our Member Partners and others for your continued participation in the Member Outreach efforts. Your suggestions and feedback are invaluable in our ongoing improvements.

The *2017 Year in Review* is being made available via both print and online editions, and will be posted on the GLWA website. We will once again be taking the report to GLWA's team members by hosting our second round of Town Hall Meetings at each of our facilities. These meetings begin on April 2 and will run through mid-May.

On Friday, March 23, 2018, representatives of GLWA, DWSD, and the MDEQ met for a conceptual discussion of issues pertaining to combined sewer overflow control facilities (CSOs), Green Infrastructure, and the requirements for the renewal of the proposed National Pollutant Discharge Elimination System (NPDES) Permit for GLWA and DWSD. The discussion centered on the balance between the need for adaptive management flexibility, to continue to optimize the system throughout the Permit life and the protection of our water resources. The dialogue was helpful to all parties and, in particular, to the State as they approach drafting efforts for this permit.

## PLANNING SERVICES

### *Asset Management and CIP Group*

It is anticipated that the three-year, Asset Management Planning (CS-198) project will be kicked off in April. This project includes the development of a Strategic Asset Management Plan, significant updates to the Water and Wastewater Asset Management Plans (including tactical asset management plans by business unit) and the development of overall enterprise-wide programs. These programs will provide streamlined and consistent processes to manage and analyze asset data to support asset management initiatives at GLWA. The programs to be developed are: Condition Assessment Program – Vertical and Building Assets, Condition Assessment Program – Linear Assets, Risk and Criticality Assessment Program, Asset Audits Program, Asset Salvage Program, Asset Replacement and Retirement Program, Scheduled Replacement Program, and Strategic Maintenance and Reliability Program. These programs will be standardized for use across all asset types to ensure consistency of how assets are managed throughout GLWA and to allow for comparison of assets across business units to improve level of service while reducing capital, maintenance and operations costs. Overall this project will establish a solid foundation and the systematic advancement of asset management at GLWA. This project will result in meaningful and actionable deliverables which will drive how GLWA manages its assets for the next 10 years and beyond.

On March 27, 2018, the Asset Management/CIP Member Outreach Work Group met to develop the goals for 2018 and to reshape the work group to optimize the effectiveness for our member partners. Information received from this meeting and the results from a brief survey taken at the One Water Partnership Meeting will be processed over the next month and a recommendation will be made at the following Asset Management/CIP meeting scheduled for April 27, 2018.

### *Systems Planning Group*

The quarterly One Water Partnership Meeting was hosted in Canton Township on Thursday, March 15, 2018 and had a great number of participants. This meeting also acted as the official handoff between Project Innovations and Bridgeport Consulting. The Bridgeport team began taking a lead role in Outreach facilitation during the March meetings. Project Innovations will continue to be involved and support the Outreach through the end of May 2018.

### One Water Partnership Meeting Agenda Topics

- ◆ Joint Infrastructure Planning and Execution
- ◆ Charges Update
- ◆ Regional Training Academy (One Water Institute)
- ◆ Regulatory Update



Representatives from the State of Michigan and SEMCOG presented on joint infrastructure planning and execution.

The next One Water Partnership meeting will be held on June 21, 2018.

**PLANNING SERVICES** (continued)

The Water Management Best Practices Work Group is planning a Water Storages Best Practices Seminar on May 7, 2018. If you are interested in participating, please email [outreach@glwater.org](mailto:outreach@glwater.org).

A Wastewater Charges Symposium is planned for May 1, 2018 through May 2, 2018 and will be held in Canton. Day one of this two-day event will host panelists from around the Country to describe their wastewater charge methodologies. Day two will provide time for members to discuss what they heard and begin to coalesce around potential concepts for future wastewater charge methodology considerations for GLWA.

February Outreach Meeting Attendance	
Meeting	# Attended
Public Education Work Group (2/1)	20
Wastewater Analytics Task Force (2/2)	24
Water Management Best Practices (2/7)	10
Asset Management/CIP Work Group (2/8)	39
Communication Work Group (2/8)	22
Wastewater Master Plan Steering Team (2/9)	36
Water Quality Work Group (2/27)	39

The Wastewater Master Plan Steering Team heard case studies from around the country regarding best practices in regional regulatory compliance and operating strategies. The Regional Collaboration Group, a subgroup of the Steering Team, participated in a two-day retreat to discuss regional strategies, develop plans to implement the strategies, and develop plans to continue regional collaboration with agencies such as MDOT and SEMCOG.

***System Analytics and Meter Operations Group***

The Wastewater Analytics Task Force (WATF) met on March 2, 2018 and the customers endorsed a plan to improve metering within the City of Detroit in what is known as the D+ area.

A subgroup was established to evaluate how the results of the metering will be used for developing estimations of flow for the unmetered portions of the City. The next WATF meeting is scheduled on April 20, 2018 with a meeting of the subgroup on D+ flows following.



## **WASTEWATER OPERATING SERVICES**

### ***Wastewater Operations Group***

The Water Resource Recovery Facility (WRRF) was in compliance with all National Pollutant Discharge Elimination System (NPDES) and Michigan Department of Environmental Quality (MDEQ) water quality permits in February 2018.

### ***Engineering & Maintenance Groups***

#### ***Construction Engineering***

The construction of Rouge River Outfall Disinfection Project is progressing on schedule with a targeted construction completion date of April 1, 2019, as required by the NPDES permit. Current work efforts include the construction of the new hypo building and the installation of the chlorine piping for the secondary diffusers. WRRF Engineering is evaluating “green” parking lot improvements that if selected will be incorporated into the rebuilding of the parking lot in front of the New Administration Building.



**Hypo Building Construction**

#### ***Design Engineering***

The WRRF Design Engineering Team continues to work on making the relocation of our Industrial Waste Control Group (IWC) and Analytical Lab to the WRRF a reality. A big step toward the relocation effort, 100% design documents, was completed this month.

## **WASTEWATER OPERATING SERVICES** (continued)

This project consolidates the existing plant Operations Lab with the Analytical Lab and IWC making efficient use of space and synergy between the groups.

To accommodate the additional IWC staff the Design Engineering Group will relocate to the 4<sup>th</sup> floor of the administration building next to the Construction Engineering Group.

### *Maintenance*

The WRRF Maintenance Team partnership with the GLWA Transformation Team continues to execute a 5-S Lean Program for Pump Station #1. The current effort focuses on many items: the control room heating and ventilation systems, pump motor and influent valve painting, and removal of temporary structures from the area.

Another area incorporating a 5-S Lean Program is an area called “the old machine shop” which located near the incineration complex. The plan for this area is to provide a work space for the Incineration Process Team’s Electrical Instrumentation and Controls Technicians. This will allow for more effective and efficient operations and maintenance. The rooms are now being cleaned and painted.

The Maintenance Team along with our contractors have had several underground water and sewer leaks to deal with this last month on the WRRF grounds. All leaks have been repaired with minimal amount of down time and loss of water.

The Maintenance Staff continues to install seagull deterrent equipment. Installation has begun on the roof of Pump Station #1 and the grounds of the former Detroit Marine Terminal property.

### *Industrial Waste Control (IWC)*

Phase II of the Pretreatment Information Management System (PIMS) software implementation project was initiated on February 27, 2018 in combination with the final phase of the Laboratory Information Management System (LIMS) program. This phase will allow sample scheduling from PIMS through LIMS (and back again) as well as field Chain of Custody and recordkeeping for sample collection staff. Phase II completion and full implementation is scheduled for March 31, 2018. Training for the new LIMS system was held February 13, 2018 through February 15, 2018. Training was successfully performed at both the Analytical Laboratory and WRRF Operations Laboratory to accommodate staff and work requirements. The LIMS program was initiated on February 27, 2018 at both the Analytical and Operations Labs. Sample, analytical, and other data are being entered and program issues addressed as they are found. A thirty-day period is needed to fully verify and implement the features of the new LIMS system.

## WASTEWATER OPERATING SERVICES (continued)

### *CSO Control Program*

The GLWA CSO Control Program Team continues to meet regularly with the CSO Operations Team to identify, prioritize, and address facility maintenance, equipment, and logistics issues. As such, various CSO projects are underway. A kickoff meeting was held to start a partial structural condition assessment for the development of a solicitation document aimed at making structural repairs to CSO Facilities. The Baby Creek influent chamber improvements project is underway in a submittal phase. The Conner Creek discharge gate project bids were received and is currently in the award phase, with anticipated construction starting in May/June of this year. The Oakwood drain vault improvements project is out for bids. A CSO Facility roof inspection project will kick off in April. Lastly, various other projects, aimed at improving equipment reliability and facility operations, are in various stages of scope development at this time. Many of these projects are relatively short term in nature, with a very specific focus on a piece of equipment or part of a facility.

## WATER OPERATIONS

### *Systems Control*

#### *CSO Notification Rule Change*

GLWA staff met with MDEQ officials on March 6<sup>th</sup> to discuss new rule changes regarding CSO notification process. The new rule requires initial CSO discharge notification within four (4) hours (originally 24 hours) and final notification within seven (7) days (from 30 days). In addition, this rule requires a sign at each discharge point. The rule goes in effect November 2018. Systems Control Center (SCC) will take the lead on installation of the signs at CSO Outfall sites. SCC has aligned operations to meet regulatory changes.

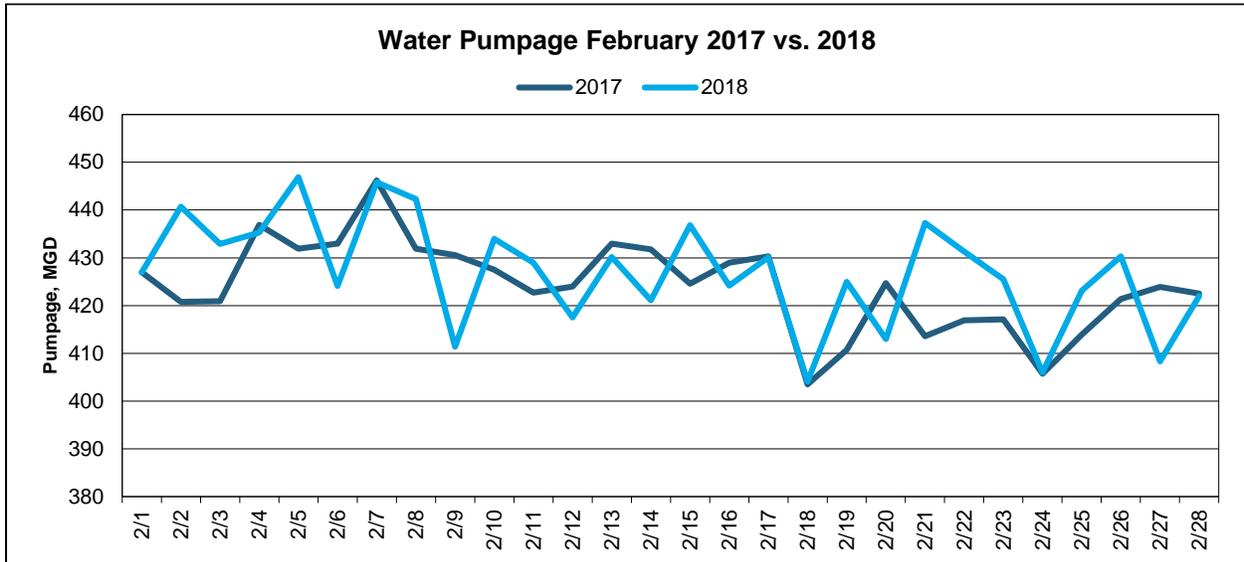
On March 5, 2018, the Michigan Oral Health Program presented Water Operations with its 2016 State Water Fluoridation Award. This award is jointly given by the American Dental Association (ADA), Association of State and Territorial Dental Directors (ASTDD), and Centers for Disease Control and Prevention (CDC) to recognize states that uphold the quality of fluoridation and maintain recommended fluoride levels.



## WATER OPERATIONS (continued)

### February 2018 Pumpage

February 2018 pumpage was 0.6% higher than February 2017. The daily average pumpage was 426 MGD.



### *Lead and Copper Rule Proposed Revisions*

GLWA is part of a coalition of agencies that prepared public comments in response to the Environmental Protection Agency (EPA) and Michigan Department of Environmental Quality (MDEQ) Supplying Water regarding Lead and Copper Rules. This collaborative partnership also includes the Southeastern Michigan Council of Governments (SEMCOG), Detroit Water and Sewerage Department (DWSD), Oakland County Water Resources Commissioner, Michigan Section of American Water Works Association (MI-AWWA), Michigan Municipal League and Michigan Townships Association. The purpose of the coalition is to develop responses to proposed changes and key messages, as well as provide key information to our member partners, whereas, the following activities have taken place:

- Webinar held on February 27, 2018
- Comment letter template for EPA distributed on March 7, 2018
- Completed SEMCOG survey on lead service line replacement costs on March 8, 2018
- Comments made by GLWA Chief Executive Officer to EPA on March 8, 2018
- LCR Comment Packet in response to the MDEQ's Supplying Water to the Public Draft Rules (Lead and Copper Rules) discussed with member partners at One Water Partnering Meeting held on March 15, 2018 and was distributed to them via email on March 16, whereas, members were encouraged to draft their own letters to the MDEQ and may use information from the packet in part or in whole in their effort to do so

## **WATER OPERATIONS** (continued)

### ***GLWA Total Coliform Rule (TCR) Consecutive Sampling Changes***

GLWA's timeline for total coliform consecutive sampling implementation has been moved up. Staff is diligently working to implement the regulatory changes in collaboration with other member partners.

### ***GLWA Water Quality Sampling and Monitoring Survey***

During the February 27, 2018 GLWA Water Quality Work Group Meeting, several options were presented for sampling and analytical services for lead and copper, water quality parameter, and the Total Coliform Rule.

On March 26, 2018, GLWA distributed a survey to its member partners requesting the completion of a brief survey that has been designed to gather member feedback on these options where the responses will be used to help shape possible changes to GLWA services. We asked our member partners to complete the survey by March 30<sup>th</sup>. Once the survey has been completed, GLWA will hold an in-person session to discuss the findings and options for moving forward.

## **INFORMATION TECHNOLOGY**

In January, the IT Group conducted an IT Performance Survey with GLWA's leadership team. The results were shared with the IT Steering Committee at its March 1<sup>st</sup> meeting. The survey results reveal that GLWA's IT Group has a 73% satisfaction and is seen as a "trusted operator", which is an average result across industries. The IT Group is now meeting with areas and groups to discuss in-depth results and to collaboratively plan improvements. The IT Group's goal is to achieve the status of "business partner" in 2019, which requires a satisfaction score of 80% or higher.

The IT Group has successfully completed five projects since the last report and the IT PMO is currently managing 26 active projects and is analyzing 15 project requests.

The IT Security and Service Delivery teams have successfully completed a project to encrypt end-user computers across the Great Lakes Water Authority. Encryption offers strong protection of GLWA's information and is a significant enhancement of our cybersecurity efforts.

The IT Group has collaborated with Risk Management to roll-out a cloud based and location specific electronic safety data sheet system. This initiative enables users to access the most recent version of all safety data information online and brings GLWA into full compliance with OSHA regulations.

The IT Line of Business Applications Team and Project Management Office (PMO), working with Industrial Waste Control (IWC), have completed the implementation of the Laboratory Information Management System (LIMS) and the Pre-Treatment Information Management System (PIMS).

## **INFORMATION TECHNOLOGY** (continued)

The successful implementation of these two systems will enable GLWA to decommission the current outdated and unsupported versions of these applications. The enhanced functionality of the new LIMS and PIMS provides a more effective and efficient laboratory system, eliminating the risk of falling out of compliance for federal and state reporting.

The IT Service Delivery Team has completed implementation of Office 2016 to all GLWA users. The updated applications enhance collaboration capabilities and provide a more seamless interface to the Office 365 online suite.

The IT Infrastructure Team has improved the responsiveness of both our external website (glwater.org) and Intranet portal by analyzing the results from recently implemented monitoring tools.

## **PUBLIC AFFAIRS GROUP**

In response to input from team members last year, rollout of the *2017 Year in Review* will include a walk through at each facility to engage team members in their work areas before CEO McCormick's presentation and Q&A session.



An accompanying video has been created that will be shared at the beginning of each town hall meeting. The theme of the video is "Thank You," because we could not have had such a successful year without the hard work and dedication of the entire GLWA team. One Water One Team!

Public Affairs has released the third video in its ongoing public education collaboration series. The new video is titled, "The Value of Water Towers," and uses the city of Farmington's water tower as the example for why these storage tanks are important to GLWA member partners and their residents. The video is on GLWA's YouTube site, and can be viewed by clicking on: <https://www.youtube.com/watch?v=5zhGrrugHcU>.

Finally, GLWA Chief Public Affairs Officer Michelle Zrodowski has been appointed to the Public Affairs Council of the American Water Works Association, an international, nonprofit, scientific and educational society dedicated to providing total water solutions assuring the effective management of water. Founded in 1881, the Association is the largest organization of water supply professionals in the world.

The Public Affairs Council works to publicly position AWWA as an effective advocate for the drinking water profession. She is one of only 15 people chosen from across the U.S. for membership on this council, and will serve a three-year term.

## **SECURITY AND INTEGRITY**

During the month of February and March, the Security and Integrity Group began FEMA 100, 200, 700 and 800 Incident Command System (ICS) training for Water Plant managers. The Group continues HazMat team training for HazMat officers.

Security and Integrity is currently updating the Main Office Building's Evacuation Plan.

## **ORGANIZATIONAL DEVELOPMENT**

### ***Talent Management***

On February 23<sup>rd</sup>, Governor Rick Snyder announced his **Marshall Plan for Talent**. The program will incentivize school districts and universities to offer more work-based learning programs, through both state grants and bringing on private sector businesses as partners.

We are expanding our model of partnering with schools for more work-based learning programs, at the high school and community college level to be poised to participate heavily in the governor's plan once it is approved in the 2019 budget.

The first expansion of our model is with the **Detroit Public Schools Community District (DPSCD)** Student Work-Based Learning (WBL) Program. In partnership with **Detroit Employment Solutions Corp (DESC)**, the school district has obtained a grant to pay students \$9.50 /hr. to combine classroom instruction with paid work-based learning experiences. The Work-Based Learning Internship Program is designed to provide high school students with exposure to professional careers and an opportunity to develop and refine their 21st Century skills. The goals of the 6-week program are to provide students the opportunity to apply skills learned in academic and technical courses, develop workplace skills, connect students to professional contacts and explore career choices.

GLWA is participating by taking on five (5) high school Juniors and Seniors from Cass Technical High School and Randolph Career Technical Center to expose the students to careers within GLWA. The Randolph students will work between March 12 and April 27, 2018 and Cass Tech students will participate March 19 – May 4, 2018. Students will work 15-20 hours weekly at the Water Board Building and Central Services Facility. The program will culminate with student presentations highlighting their internship experience.

Two (2) Cass Tech HS students and one (1) Business student from Randolph Career Technical Center will be assigned to OD this round to ensure that we evaluate the program and make recommendations for success if we expand it. Additionally, two (2) Randolph Career Technical Center students will be assigned to GLWA Water and Field Services.

### ***EICT-I Apprenticeship Program***

GLWA received a check for \$18,000 in incentive funds during week of February 26<sup>th</sup> from Automation Alley /Apprenticeship USA, bringing our total received to date to \$34,000.

## **ORGANIZATIONAL DEVELOPMENT** (continued)

### ***Benefits***

- OD benefits will launch discount goods and services for team members from the provider Beneplace on March 29.
- The Broker/Consultant RFP has been issued. The face-to-face Q & A with a group of respondents has been completed, and Benefits has responded to written questions submitted by respondents. Formal responses are due the week of March 26<sup>th</sup>.

### ***Recruiting***

We have launched a nationwide search for a new Chief Operating Officer for Water Resource and Recovery Operations. The position has been posted on the GLWA Careers Opportunities page, a sponsored job on LinkedIn, MWEA, and WaterDistrictJobs.com. The position will be posted on other industry related sites (American Water Works Association, Careers in Government, American Water Resources Association, Water Environment Federation) including resume search and social media.

Headcount March 2017 was **814** and as of March 26, 2018 is **970 resulting in a 19% increase.**

January 1, 2018 to date we have already hired 69 new team members.

During the same period last year, GLWA had only hired 31 new team members.

### ***Training***

Over 8,875 hours of Training and Development have been logged and monitored since January 1, 2018. We are continuing to add additional enhancements to our LMS structure that will allow the Training area to deliver e-learning by adding progression training for Leadership Team Members, building curriculum for each Job Classification and adding Certification to users' transcripts for automatic recertification notifications. Tool talks have been added for our Technical Team Members and MS Office Suite 2016 Online Courses were added to support the GLWA upgrade.

## **ENTERPRISE RISK MANAGEMENT**

GLWA is participating in the mediation/evaluation process permitted under its insurance policy to resolve remaining claim issues regarding the March, 2016 fire at the WRRF.

The mediator representing our insurance carrier is scheduled for an on-site tour of Complex II at the Water Resource Recovery Facility (WRRF) on March 27; this tour marks the next step toward finalizing negotiations regarding recoverable insurance proceeds.

## **ENTERPRISE RISK MANAGEMENT** (continued)

A MIOSHA matter involving an allegation of a failure to provide clean drinking water at the WRRF was successfully challenged by GLWA. As a result of GLWA staff's efforts, the initial proposed fine was reduced to \$0.

Safety Management Professional, Mr. Keiano Vanzant, successfully completed MIOSHA Training Institutes 6-day, Level 2, Safety & Health Management Systems Boot Camp.

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## **FINANCIAL SERVICES GROUP**

The Financial Services Group Report is an attachment to the Chief Executive Officer's Report.

## **LEGAL**

General Counsel's March Report is an attachment to the Chief Executive Officer's Report.

Respectfully submitted,



Sue F. McCormick  
Chief Executive Officer

SFM/dlr

## **FINANCIAL SERVICES GROUP**

### ***Audit Committee Activities***

Each month the Audit Committee receives several reports related to GLWA's financial final operations. The complete meeting binders are available at:

<http://www.glwater.org/finances/audit-committee-documents/>

Given the timing of last month's CEO Report, highlights from the February and March meetings are presented below.

### ***February 2018***

- ✓ FY 2018 Budget to Actual Report through December 31, 2017 – Overall positive variances based on a modified cash basis of reporting. This report also included budget amendments, overtime reporting, staffing budget to actual, and use of unallocated reserves.

Two topics emerged from this discussion:

- 1) The need for a Board level policy establishing criteria and dollar amounts for when budget amendments require Board approval. For now, all budget amendments were reported to the Audit Committee to demonstrate internal business process and volume.
  - 2) Timing for full-accrual monthly financial reports. The first internal full-accrual statements are expected for the April 20<sup>th</sup> meeting through December 31, 2017.
- ✓ Schedule of 2018 release dates for the Quarterly Construction Work-in-Progress (CWIP) through the Audit Committee (FY 2018: Q2 on April 20<sup>th</sup>, Q3 on June 15<sup>th</sup>, Q4 on September 21<sup>st</sup>).
  - ✓ Special Report from The Foster Group related to calculating debt service coverage for GLWA as it encompasses both GLWA and DWSD "cash receipts" as the revenue proxy.

**March 2018**

- ✓ A credit rating benchmarking analysis from PFM Financial Advisors was reviewed. As expected, GLWA has made progress as it works toward improving its credit rating (currently A3, A-, and A from Moody's, Standard & Poor's, and Fitch, respectively), but still has significant room for improvement.

There are two key metrics where GLWA needs to improve:

1) Debt Service Coverage: For example, where GLWA's Water System has a 1.4x debt coverage, benchmarks have a higher coverage ratio. This includes Atlanta (1.9x), Chicago (2.6x), DC Water (1.8x), Miami-Dade (2.6x). This will be a topic of ongoing discussion as well as daylight the need to revisit the debt service coverage as outlined in GLWA's debt policy.

2) Debt Service as a % of Operating Revenues: For GLWA the five-year average of this ratio is 48% compared to the average of peer utilities at 32%.

An area of improvement is that has occurred, however, is in days cash on hand.

- ✓ The request to extend the filing of the FY 2017 Audit to April 20, 2018 was granted by the State Treasurer. The reason for the request is to be able to address, in that report, any outcome of clarifications via a Memorandum of Understanding (MOU) between the GLWA and DWSD related to the leases.
- ✓ An update was presented related to the Water Residential Assistance Program (WRAP). The program administrator (Wayne Metro Community Action Agency) will provide recommendations to the GLWA Board on April 11<sup>th</sup> related to funding reallocations and program modifications as well as address questions from the Audit Committee.
- ✓ A request for Public Hearing on April 11<sup>th</sup> for Drinking Water Revolving Fund submittals was approved.
- ✓ The Foster Group provided an update on the development of a "Charge Stability Adjustment" program related to specific customer cost pools. This is an initiative that advances charge stability and equity. A further update will be provided at the April 20<sup>th</sup> Audit Committee meeting.



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- ✓ The Quarterly Investment Report through December 31, 2017 was presented. PFM Investment Advisors was present to review the progress that has been made in moving GLWA's fund from a passive to active investment approach while maintaining the pillars of safety, liquidity, return, and compliance.

As of December 31, 2017, the aggregate portfolio is yielding 1.36% compared to the 1.25% yield of the Bank of America / Merrill Lynch 3-Month U.S. Treasury Bill Index as of that same date. The increase in assets under active management will further improve performance in subsequent quarters.

- ✓ The Quarterly Construction Work-in-Progress Report through September 30, 2017 was presented. The next report, through December 31, 2017, will be presented at the Audit Committee on April 20<sup>th</sup>.

***Financial Planning & Analysis***

The FP&A team, along with other members of the Financial Services Area team, are continuing to work on the creation of the detailed FY 2019 & FY 2020 Biennial Budget and Five-Year Plan document. This document will provide a look at the various aspects of the financial plan in greater detail including, but not limited to, Revenue Requirements, Debt Service Coverage Calculations, the Operations & Expense Budget, Personnel Costs, Improvement & Extension and Construction Bond Funds, Capital Investments and Customer Charges & Revenues. Once further direction is provided, partially on hold for the MOU outcome, the draft document will be distributed.

***Financial Reporting and Accounting***

The following numbers represent the Accounts Payable team activity for the month of January.

<b>January 2018 - Accounts Payable Activity</b>	
Checks Issued	596
Vendors Paid	335
Dollar Amount Paid	\$ 17,546,747.76
Average # of Invoices Processed Per Day	74





***Internal Audit & Data Analytics***

The Internal Audit & Data Analytics team is assisting Shared Services in the final stages of the “true up” calculations for FY 2016 for both billings to DWSD and billings from DWSD. The calculations for the “true up” billings to DWSD for FY 2017 are continuing. Shared Services processes are being developed and documented for FY 2018 and forward. In addition, efforts are being coordinated with the areas in Financial Services to update procedures for processes that have recently changed.

***Procurement***

The following numbers represent the Construction & Contract Services activity for 2018 through February.

<b>2018 YTD - Contracts Executed</b>			
<b>(in 000's)</b>			
<b>Category</b>	<b>January</b>	<b>February</b>	<b>YTD Total</b>
<b>Quantity</b>			
<b>Construction</b>	7	5	<b>12</b>
<b>Consultant</b>	10	4	<b>14</b>
<b>Design/Build</b>	1	3	<b>4</b>
<b>Legal Services</b>	2	0	<b>2</b>
<b>Grand Total</b>	<b>20</b>	<b>12</b>	<b>32</b>
<b>Value</b>			
<b>Construction*</b>	\$ (1,905.7)	\$ 7,117.5	<b>\$ 91,950.1</b>
<b>Consultant</b>	12,629.9	7,796.3	<b>\$ 126,023.7</b>
<b>Design/Build</b>	0.0	218.6	<b>\$ 3,139.5</b>
<b>Legal Services</b>	500.0	0.0	<b>\$ 3,520.0</b>
<b>Grand Total</b>	<b>\$ 11,224.2</b>	<b>\$ 15,132.4</b>	<b>\$ 224,633.3</b>





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<b>January 2018 - Contracts in Process (in 000's)</b>	
<b>Quantity</b>	<b>Value</b>
51	\$ 106,529.68
47	\$ 28,485.34
10	\$ 33,841.61
4	\$ 78.00
1	\$ 300.00
2	\$ -
<b>115</b>	<b>\$ 169,234.63</b>

*\*Denotes a negative change order.*

***Small Business Recruitment Program***

New initiative! Procurement is launching a Small Business Recruitment Program. The co-leads on this effort are Ian Thompson, PE, and Susan Kopinski (who developed a similar program for the City of St. Louis in conjunction with the University of Missouri Minority Advisory Council).

The goal is to increase the number of respondents for GLWA procurements and expand the number of firms with water and sewer expertise in the region. In addition to a significant expansion of the vendor outreach and engagement effort, the program entails facilitation of larger firms and smaller firms working together as well as being clearer in our RFx documents when the work does not need to be completed by a general contractor.

The GLWA team has reached out to several potential partner organizations including the Small Business Administration (State/City Offices), Michigan Minority Supplier Development Council, Minority Business Development Agency, and Association of General Contractors.

Organizations and events that we recently joined were pleased to see GLWA's interest and as well as participation by Procurement, Engineering, and Operations' staff at events. Those organizations, events, and other vendor recruitment activities over the next 90 days include the following.

- ✓ Construction Association of Michigan (GLWA joined in 2017)
- ✓ National Association of Women in Construction (NAWIC) (GLWA joined March 2018) (NAWIC's regional conference is in is Detroit on April 17<sup>th</sup> and 18<sup>th</sup>. GLWA will have a booth staffed at the trade show as well as conference participants)
- ✓ Construction Financial Management Association (GLWA joined in 2017)





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- ✓ MPPOA Reverse Trade Fair – April 27, 2018 in Novi
- ✓ Michigan Minority Procurement Conference – May 8–10, 2018, at Cobo Hall in Detroit
- ✓ GLWA Vendor Outreach (featuring Bonfire rollout) – Date to be determined in the Spring. This will include a breakout session where larger businesses network with smaller businesses.
- ✓ GLWA Member Outreach – Our Members are likely to know who the businesses are in their communities and how we can reach them. Discuss at a customer outreach meeting.
- ✓ Network with other large, public entities. Identify how we can collectively expand the vendor base and learn from their outreach programs. This occurred last week when Ian Thompson, PE and Sonya Collins attended the 2018 Design-Build for Water/Wastewater Conference sponsored by the Design-Build Institute of America (DBIA), the Water Design-Build Council (WDBC), the American Water Works Association (AWWA) and the Water Environment Federation (WEF).
- ✓ Engaging the GLWA Public Affairs Group and the many subject matter experts in Engineering and Operations to identify and communicate the areas of need.

### *Treasury*

Effective March 1, 2018, the Financial Services Area announced the implementation of a new Travel, Training and Local Transportation process for all GLWA employees. The Treasury Group lead a cross-function team to develop this new standardized process. The new procedures and guidelines provide employees with a clear understanding of rules surrounding travel, training and local transportation. It also provides a single source for policy, procedures and forms while supporting a close alignment of travel costs with the budget. In addition to these benefits, we anticipate seeing a streamline of the reimbursement process to our team members.

### *WRAP Update*

The Water Residential Assistance Program (“WRAP”) began accepting applications for residential customer assistance on March 2, 2016, with the first community to opt into WRAP being the City of Detroit. Subsequently, outreach meetings were held in Wayne, Oakland and Macomb Counties to educate GLWA customer communities on details on the WRAP and what was required to “opt-in” to the program. Since those meetings, Wayne Metro, along with the Community Action Alliance partners, have been working with individual communities to get them opted into the WRAP. As of February 28, 2018, 72 communities have opted into the program.

Below is a summary of committed and spent WRAP funds as well as home audits and home repairs performed through February 28, 2018 for the City of Detroit and Suburban participants. Please note that the uncommitted funds included in the table below now includes the budgeted WRAP funds for bill assistance, arrearage assistance, home audits and repairs of \$4.3 million for FY 2018.



**Financial Services Group**

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**WRAP Funding Status  
As of February 28, 2018**

	Detroit	Suburban	Total
Scheduled Appointments	16,418	3,570	19,988
Completed Pre-Applications	14,552	5,169	19,721
Households Assisted	4,097	2,955	7,052
Shutoffs Avoided	1,661	615	2,276
Home Audits	1,347	426	1,773
Number of Home Repairs	827	212	1,039
Amount of Home Repairs	518,445	\$129,381	\$647,826
Average Cost of Home Repair	\$627	\$610	\$624
Total Bill Assistance Committed	1,187,561	\$864,730	2,052,291
Total Arrearage Assistance Committed	2,166,555	\$917,570	3,084,125
Total Assistance Committed	\$3,354,116	\$1,782,300	\$5,136,417
FY 2016, 2017 & 2018 WRAP Funds Uncommitted	\$ 197,273	\$ 5,552,140	\$5,749,413
FY 2016 Uncommitted Funds Reallocated to Detroit	\$1,664,833	(\$1,664,833)	\$0
Net FY 2016, 2017 & 2018 Funds Uncommitted	\$1,862,106	\$3,887,307	\$5,749,413
Total Bill and Arrearage Assistance Paid to Date:	\$1,806,798	\$822,951	\$2,629,749

**Office of the General Counsel – March, 2018**

- ***NPDES Permit Renewal and ACO Dismissal:*** The Office continues to support this initiative and has retained an expert to assist in this endeavor. The Office prepared and submitted the renewal application for the Permit and materials on financial capability. GLWA continues to work with the State on these matters.
- ***Legislative Updates:*** The Office continues to support HB 4806 which contains amendments to the exception to governmental immunity, regarding liability for sewer back up claims.
- ***Gordie Howe International Bridge:*** Pursuant to the Uniform Relocation Act, MDOT has requested a meeting to discuss its requirement to offer advisory relocation services to GLWA, e.g. the benefits that GLWA is entitled to and the services MDOT can provide; to push MDOT's demand for a January 1, 2019 possession date, including whether this may require a double relocation; and to secure access to the site for testing. MDOT and GLWA continue to work together to discuss the relocation. Recently, the parties are working together to negotiate a utility easement.
- ***Water Contract Reopener Negotiations:*** The model water contract prescribes specified periods at which the parties are encouraged to renegotiate the contract max day and peak hour values. At the December One Water Partnership meeting, the customer membership voted to move all contracts to the same reopener schedule. Beginning in March 2018, GLWA will embark on negotiations with 55 customers over an 8-month period to effectuate this request. Customers who did not have a reopener this past Fall were divided into roughly 8 regional groups and randomly assigned a negotiation month between March and October.
- ***Environmental and Workplace Safety Compliance:*** The Office continues to work with the COO and team leaders from both the water and sewer systems to comply with regulations and to respond to any alleged violations.
- ***Record Retention Policy:*** The Office is drafting a record retention policy for GLWA.
- ***Industrial Pretreatment Program:*** The Office continued to work with the Industrial Waste Control Group and external stakeholders on finalizing and implementing an updated IPP.
- ***Member Outreach:*** The Office continues to be an active participant in Member Outreach sessions.

- **Main Relocations:** The Office continues to support water operations in its discussions with community stakeholders regarding water main relocations.
- **Third Feed to WRRF:** The Office continues to work with DTE and Conrail to identify the most cost-effective method to construct and operate a third feed to WRRF. The Office is negotiating terms to purchase property from Conrail.
- **Civil Litigation:** GLWA continues to vigorously defend actions against GLWA. In addition, GLWA continues to pursue its action against Highland Park for the collection of unpaid water and sewer invoices. Since the last report, GLWA was named as a defendant in one civil action.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Arbitration:** The Office is preparing for arbitrations pursuant to the Leases.
- **Conferences and Seminars attended:** Michigan Manufacturers Association Meeting and DRI Women’s Law Conference.
- **Northeast Pump Station:** GLWA will work with OMIDDD to begin drafting an operating agreement between the parties.
- **Procurement:** The Office continues to assist GLWA’s Procurement Team negotiate contracts, change orders and amendments and interpret contractual provisions.
- **Past Month’s Statistics:**

Contracts reviewed as to form:	14
Contracts drafted or revised:	17
Subpoenas/Information requests received:	7
Subpoenas/Information responded to:	8