



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

February 28, 2018

The Honorable
Board of Directors
Great Lakes Water Authority

Dear Chairman Hendrix and Directors:

Regarding: CEO's Report – February, 2018

As everyone is aware, this winter has been an especially challenging one for the region. On the heels of the last major snow event came the pronouncement that our region has experienced the 4th highest cumulative seasonal snowfall on record. Both GLWA and our member partners have faced challenges from the many cycles of freeze and thaw as well as rain and snow.

February 19th was a particularly challenging one with daily flood warnings and frequent rains. The news was filled with stories of growing potholes disrupting traffic and even causing major roadways to close. I want to complement GLWA's team members for their actions and efforts during this period. While we were not without challenges, our system operations excelled in meeting the demands of this prolonged rain event.

Probably our most notable challenge was the main break we sustained in western Wayne County. When the break occurred, GLWA field crews were quickly on the scene and within just a few hours had isolated the main. We worked in coordination with our member partner, who out of an abundance of caution decided to issue a boil water alert for its residents. After confirmation that their system was maintaining sufficient pressures by flow through an alternative connection to GLWA, they were able to confirm water quality and lifted the advisory this past Sunday.

The main has now been repaired, flushing and chlorination are underway. These activities will be followed closely by the required water quality testing necessary before the main is restored to service.

Our efforts continue to focus on discussions regarding the proposed Budget, Capital Improvement Plan and Charges for FY 19. We will continue our efforts to respond to questions from our member partners, and evaluate potential adjustments as we move forward in the coming weeks through the process of Board consideration and adoption.

PLANNING SERVICES

Asset Management and CIP Group

Version 2 of the Draft 2019 – 2023 Capital Improvement Plan (CIP) has been presented to the GLWA CIP Committee and to the Asset Management/CIP Member Outreach Work Group. This plan has also been presented to the GLWA Audit Committee and introduced at the February 14, 2018 Board meeting. A copy of the 2019-2023 CIP (Version 2), can be found at: <http://www.glwater.org/about-us/capital-improvement-planning-committee/>. Project engineers have made a significant effort since Version 1 to review and modify projects to ensure appropriate project sequencing, to ensure their ability for project delivery and to review and reduce many of the allowances that previously existed within the CIP. A special “thank you” to all project managers and project engineers responsible for capital delivery for their hard work and effort to continue to improve the GLWA 2019-2023 CIP process and plan!

Over the last six months, Enterprise Asset Management has partnered with Field Services to implement an asset management program related to fire hydrants within the fences of GLWA’s facilities. Following the completion of the hydrant asset management plan development and the corresponding field efforts to survey, inspect, and winterize the hydrants last fall, the collected data has been processed and summarized for use in maintaining, repairing and replacing the hydrants this spring. The data was collected by Field Services using an Esri collector application developed by GLWA’s GIS team. This data was reviewed and analyzed by Enterprise Asset Management to provide a summary of the current status and develop an action plan for each hydrant ranging from painting to complete replacement. Once the renewal work is completed, each hydrant will be in operable condition to serve their purpose.



The next Asset Management/CIP Member Outreach Work Group meeting is scheduled for March 27, 2018 where a robust conversation about the future strategic planning for the work group will occur.

Systems Planning Group

Bridgeport Consulting is transitioning into the role of GLWA’s new third-party facilitator. Members have had a chance to meet the new facilitators at various work group meetings and at several transition meetings that have recently occurred. In addition, Bridgeport will facilitate the One Water Partnership meeting scheduled for March 15, 2018.

PLANNING SERVICES (continued)

In January, the co-chairs spent their first meeting of the year brainstorming current hot topics, as well as integrating Bridgeport Consulting into the group. Many of the Member Outreach Work Groups are in the process of establishing their goals for 2018. If you are interested in participating in a work group, please contact outreach@glwater.org.



Salem Township advised GLWA of their intention to use recently awarded grant funding to connect to the GLWA water system.

In response to a request from Grosse Pointe Farms, Sue McCormick attended their February Council meeting to explain the difference between DWSD and GLWA and to discuss current GLWA initiatives and respond to questions related to sewer charges.

GLWA has initiated conversations with DTE Energy to build this relationship and increase DTE’s understanding of our needs. Water Analytical Work Group members have expressed interest in participating in these meetings.

On January 9, 2018, GLWA hosted an after-action meeting for member communities impacted by the October water main break in Farmington Hills. After GLWA walked through the details of the week-long event, members were asked to comment on things they thought went well and areas needed for improvement. There were a number of ideas and action items coming out of the meeting, many of which were already being acted upon by GLWA.

January Outreach Meeting Attendance	
<u>Meeting</u>	<u># Attended</u>
Wastewater Analytics Task Force (1/5)	31
Joint Water & Wastewater Charges Rollout #3 (1/11)	91
Water Analytical Work Group (1/16)	33
Water Management Best Practices (1/17)	39
Water Charges Rollout #4 (1/24)	80
Wastewater Charges Rollout #4 (1/25)	45

The January Wastewater Master Plan Steering Team meeting was cancelled due to the threat of a major ice storm in the area. In addition, the February meeting, due to the prediction of a substantial snowstorm, was held via an online Skype meeting. The successful on-line meeting hosted approximately 49 participants with presenters in both Michigan and Pennsylvania. Although the dynamic face-to-face discussion was missed, we were able to capture comments and respond to questions during the online meeting.

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 January 2018.

Engineering & Maintenance Groups

Construction Engineering

The construction of the future Hypo Building as part of the Rouge River Outfall Disinfection Project is progressing with the installation of the liquid chemical storage tanks and the erection of the structural steel. Construction completion is targeted for April 1, 2019, as required by the NPDES permit.



Hypo building construction in progress

The emission testing for the Bio-Solids Dryer Facility (BDF) was conducted with passing results on January 9 - 11, 2018 and the official test report was submitted to MDEQ on January 26, 2018. The BDF is now officially substantially completed.

The American Council of Engineering Companies (ACEC) of Michigan has selected GLWA's Biosolids Dryer Facility project to win a design award at the Engineering and Surveying Excellence Awards Gala in Grand Rapids on March 10, 2018. Mr. Philip Kora, P.E. (WRRF Construction Engineering Manager) will represent GLWA in receiving this award.

Design Engineering

The WRRF Design Engineering Team continues to support the WRRF Operations and Maintenance Teams on many projects such as: eliminating occasional basement flooding in Complex A, optimizing primary sludge feed pumps, and designing field piping used for wastewater sampling.

Progress continues to be made on various capital projects. These projects include: Pump Station 1 pumping and ferric chloride feed rehabilitation projects, Central Offload Facility project; and the relocation of the Industrial Waste Control (IWC) Division and Analytical Labs to the WRRF.

WASTEWATER OPERATING SERVICES (continued)

Maintenance

The Maintenance Team at the WRRF has repurposed the under-utilized Waste Activated Sludge Building. The building has been cleaned, modified and painted to transform it into the new on-site GLWA training facility. Due to the buildings location, layout, and built-in manhole covers, the building acts as a perfect all weather training environment for classes such as: confined space and lockout-tagout. Please see photos below of portions of the training area.



The Maintenance Manager at the WRRF, Mark Ragsdale, was elected to the American Public Works Association, Downriver Chapter Board of Directors. Mark is very excited and honored to have been elected and is looking forward to serving as an ambassador for the Great Lakes Water Authority during this six year commitment.

The WRRF Maintenance Team continues to complete regularly scheduled preventative and corrective maintenance work orders with efforts that are surpassing this year's goal.

Industrial Waste Control (IWC)

IWC met with the Michigan Department of Transportation (MDOT) to discuss the progress in relocating the IWC Group to the WRRF due to the impending construction of the Gordie Howe International Bridge. The following items were discussed: the Livernois Center building, where IWC is located, is to be vacated by the end of January 2019. Engineering is ramping up its design efforts to meet the aggressive January 2019 date and has reported that work on the Analytical Lab has been paused in order to prioritize relocation of the IWC Group. MDOT has requested information on the building contents and drawings of the Livernois Center, which will be provided. The MDEQ performs a site inspection as part of its Certification for Drinking Water Testing Laboratories program. The certification period is for three (3) years. The MDEQ site inspection is scheduled for March 16, 2018.

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. Various identified CSO projects are underway. A kickoff meeting was held to start construction on the Baby Creek influent chamber improvements. The Oakwood drain vault improvements project will be advertised in early February for construction bids. Several other projects, aimed at improving equipment reliability and facility operations, are in various stages of scope development. Many of these projects are relatively short-term in nature, with a focus on a specific piece of equipment or part of a facility.

WATER OPERATIONS

Northeast Laboratory has received the “Certificate of Excellence” in recognition of the quality of the laboratory in proficiency testing for WS-257 study from the Environmental Resource Associates (ERA). The Laboratory has been recognized as a Laboratory of Excellence for achieving 100% acceptable data in this study which included 101 participating laboratories. This is the 5th consecutive year Northeast’s laboratory has received this recognition, which is a demonstration of the desire to maintain the highest water quality standards.

Field Services

GLWA’s Incident Report for the 14 Mile Water Transmission Main Break of October 23, 2017 was completed and submitted to the Michigan Department of Environmental Quality (MDEQ) and customers on February 16, 2018. The report is also available on our website at <http://www.glwater.org/water-system/water-quality-matters/>. The Report will be presented to the GLWA Board of Directors at the Board’s March workshop meeting.

Energy Management, Research & Innovation

The inaugural University Partners Steering Team meeting was held January 16, 2018. The objective of the meeting was to obtain input from representatives of GLWA’s current university partners (University of Michigan, Wayne State University, and Michigan State University) regarding the draft goals and draft areas of research in terms of relevance, timing and scope. The meeting was very positive, and the Research & Innovation (R&I) team received positive feedback regarding the proposed structure of GLWA’s research and innovation program. R&I has structured the research program to support the following three goals:

1. Conduct/coordinate research that moves the Water Resource Recovery Facility to a Utility of the Future (UTOF),
2. Conduct/coordinate investigation of leading edge technology to implement aspects of “Smart Water” (SW), including technology for the wastewater collection system and the drinking water distribution system to improve service delivery and

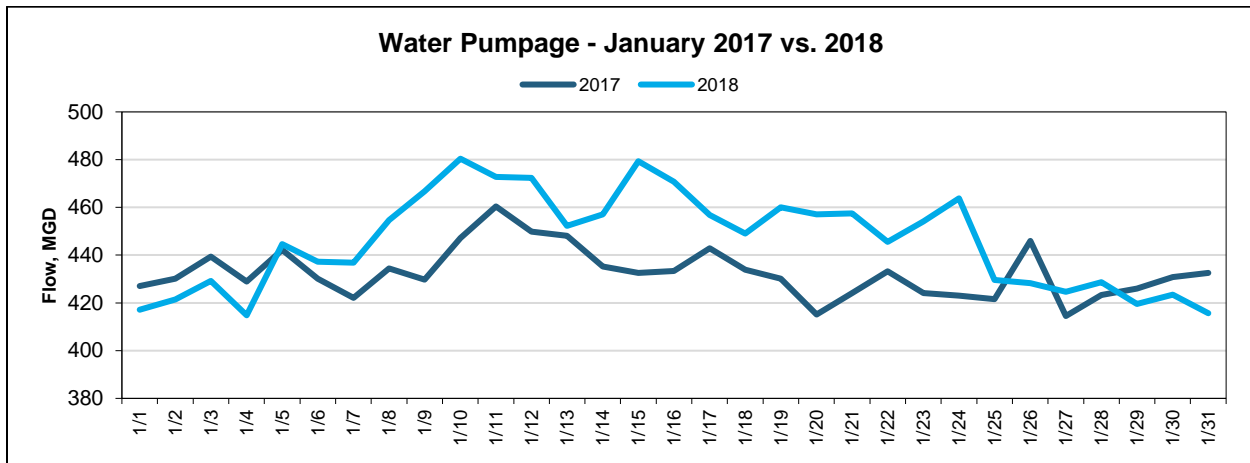
WATER OPERATIONS (continued)

- Participate in projects related to investigation into emerging contaminants and contaminants of concern, endocrine disruptors, micro plastics, and disinfection byproducts for source water, drinking water treatment, corrosion protection and wastewater treatment (Contaminants of Emerging Concern).

Systems Control

January 2018 Pumpage

January 2018 pumpage was 2.9% higher than January 2017



INFORMATION TECHNOLOGY

The IT Group has conducted the first annual IT Performance Survey. The survey measured satisfaction and perceived importance for 12 core service areas. The results of the survey will be shared throughout the organization and serve as the basis for focused improvement efforts.

Public Affairs and Information Technology are collaborating on a project to implement a new glwater.org website with an improved website visitor experience. The project kicked off in January and will be completed in June. The new design will support GLWA's brand house pillars of transparency and regional collaboration. Improvements include:

- Fresh dynamic look
- Added flexibility and control for Public Affairs team to manage content
- Outreach Portal consolidation and feature enhancements
- Ease of use
- Less clicks to find relevant information

INFORMATION TECHNOLOGY (continued)

The IT Group successfully completed two major projects in the month of January. Those were the Tibco Migration, which placed GLWA's data interchange engine on a robust and recoverable platform, and WAM Enterprise Reporting, which provided graphical reports for WAM users.

The Procurement Group, in conjunction with the IT PMO, has selected Bonfire as the sourcing tool and contract repository for Construction and Contract Services (C&CS). This addresses a major pain point for the C&CS team, replacing disparate manual processes with a single tool that addresses the procurement process from inception. Bonfire is a Software as a Service (SaaS) product and will be fully rolled out by mid-April.

The IT PMO is currently managing 31 active projects and is analyzing 11 project requests.

The IT Business Applications Team is implementing the following system enhancements and data improvements:

- GLWA - Development is underway for the Paperless Work Orders for Wholesale Sewer Meters. In joint development sessions with the System Analytics and Meter Operations (SAMO) team and the Information Technology (IT) team, the mobile workflows were configured in Service-link. A complete solution demo is scheduled for key users next week, with User Acceptance Testing and implementation at the end of the month.
- DWSD/GLWA – 2,869 hydrant records were removed from WAM. These hydrants needed to be deactivated to allow WAM to stay in sync with GIS.

The IT Group, led by the Infrastructure team, continued remediation efforts to safeguard our information by doubling storage capacity (from 100TB to 200TB). This will allow GLWA to retire legacy storage area network (SAN), which is unsupported and had experienced hardware failures.

PUBLIC AFFAIRS GROUP

In early February, Public Affairs sent out a team produced video on the effects of flushable wipes to GLWA member partners with a request to share the video with residents. So far, the video has had over 1,700 views on YouTube, over 600 social media shares and several of our member partners have requested a broadcast version of the video to be run on local cable channels. So far the video is running on community cable in Livonia, Hazel Park, Westland, Madison Heights, Riverview, Farmington and Clinton Township.

Public Affairs is continuing in its efforts to raise GLWA's brand awareness in the region by seeking out opportunities to nominate GLWA team members for awards and recognitions. Several worthy candidates have been identified and nominations are in process.

For the last eight months, GLWA has utilized GovDelivery, a digital communication platform, to share information and announcements with team members.

PUBLIC AFFAIRS GROUP (continued)

During this time, Public Affairs has collected data about our communication methods, and used the information to drive our decision making. Through this process, we have discovered that the average engagement with our communications has increased from 42.5 percent to 49.8 percent (an increase of 7.3 percent). Individual communication announcements, such as the monthly GLWA CEO Reports, have increased by over five percent. Through GovDelivery, we continue to track engagement, identify communication strategies that are most effective for sharing information and create new and engaging ways to tell our stories. @FunFact: The communication campaign with the highest level of engagement is the New Hire Announcements with an average of 53.5 percent!

SECURITY AND INTEGRITY

During the month of January and February, the Security and Integrity Group rolled out Incident Command System (ICS) training and MI Coordinated Incident Management System (CIMS) training for Water Plant managers and GLWA's Executive Management Team. The first phase of ICS has been completed and the second phase is ongoing.

Staff has on-boarded new HazMat team officers, and began their Hazmat training.

ORGANIZATIONAL DEVELOPMENT

Talent Management

GLWA has 42 job postings for positions across the organization. The open positions are posted on our external website. As of February 19th, our staff count is 954. GLWA hired 223 new team members in 2017. Since January 1, 2018, we have hired 42 new team members.

Progression Assessments for team members in classifications with levels will commence beginning the first week in March. The first phase included notices to employees in classifications with levels. Training for Leadership Team Members on the process is scheduled to begin during the first week in March.

Training

There were 64 training sessions conducted since January 1, 2018. A math assessment in the Learning Management System (LMS) has been implemented that will be completed by new hires during team member onboarding that will focus on current math proficiency. This assessment will help identify placement for math courses and test preparation opportunities for licensure and certification for Wastewater and Water Operations' Team Members. Current Team Members will have an opportunity to take the assessment as well and participate in math skill development opportunities.

ORGANIZATIONAL DEVELOPMENT (continued)

Apprenticeship Program

- GLWA received another incentive payment from Apprenticeship/USA Automation Alley in the amount of \$3,000.00. GLWA receives these incentive payments as the Apprentices continue to meet established milestones of on the job – training hours and completion of Related Training college courses.
- Focus: HOPE was awarded a Grant to continue offering Pre-Apprentice Plus+ training in large part to the success of GLWA’s EICT-IA program. Plus+ training can be extended to provide training and certification to Journey workers involved in an Apprenticeship program. Focus: HOPE is in negotiations with ISA to use grant money to train GLWA EICT-I Journey workers in preparation for ISA Certification in 2018.

One Water Wellness Program

- Organizational Development (OD) jumpstarted 2018 with a GLWA One Water Wellness with Metro Detroit YMCA discount – six (6) GLWA Team members took advantage of the discount and promotion in January.
- GLWA is preparing to launch an RFP for a Benefits/Advisor/Partner. It is anticipated that the RFP will be released in March.
- OD is currently evaluating a proposal to conduct Annual Wellness Services that include mobile units that will conduct screening tests and services.
- We are in discussion with DWSD to explore partnering on specific wellness initiatives.

ENTERPRISE RISK MANAGEMENT

GLWA negotiations with its property insurer regarding recoverable proceeds related to the Water Resource Recovery Facility (WRRF) Complex II fire are still in-process.

Both parties have selected their respective mediators, and both mediators have agreed on an umpire whose decision on the remaining negotiations will be final. We expect the mediation to take place in March 2018.

GLWA’s current property and casualty broker’s three-year contract expires April 30, 2018. A request for proposals (GLWA-CS-235) was advertised in December for a qualified insurance broker which will become effective May 1, 2018. The evaluation and selection process is well underway with expectation that a successful bidder will be named in March 2018.

Enterprise Risk Management worked closely with General Counsel on the matter involving the commutation of GLWA’s casualty insurance policies for prior periods. At the Board Workshop on February 14th, the Board authorized staff to negotiate a resolution which would be in the best interest of the Authority.

ENTERPRISE RISK MANAGEMENT (continued)

A MIOSHA matter involving an allegation of a failure to provide clean drinking water at the WRRF was challenged by our Safety Management Professional at a formal conference in Lansing on February 12th. We believe GLWA's practices are appropriate and await the outcome of that hearing.

FINANCIAL SERVICES AREA

The Financial Services Area Report will follow as an attachment to the Chief Executive Officer's Report.

LEGAL

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

Respectfully submitted,



Sue F. McCormick
Chief Executive Officer

SFM/dlr

Office of the General Counsel – February, 2018

- ***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 eight (8) roughly regional groups and randomly assigned a negotiation month between March and October. The negotiation team has already begun preparations for the March meetings with Ecorse, Lincoln Park, Melvindale, River Rouge, Romeo, Shelby Township and Southgate.
- ***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.
- **14 Mile Water Main Break:** The Office assisted in the investigation into the cause of the water break. The report was submitted to the State.
- **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 has not been named in any new civil actions.
- **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:** MDEQ’s Michigan Air Emissions Reporting System (MAERS) webinar, GLWA’s Quarterly Leadership Team Meeting.
- **Grand Prix Access Agreement:** The Office negotiated an access agreement for parking at Waterworks Park during the Detroit Grand Prix.
- **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:	21
Contracts drafted or revised:	15
Subpoenas/Information requests received:	10
Subpoenas/Information responded to:	10