



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

January 24, 2018

The Honorable
Board of Directors
Great Lakes Water Authority

Dear Chairman Hendrix and Directors:

Regarding: CEO's Report – January, 2018

This CEO report is being presented in the City of Westland. This location for today's meeting reflects commitment to a goal for 2018 to hold Board meetings once a quarter in our member communities. We would like to thank the City of Westland for hosting our first member community Board meeting. As we seek to take the Board meeting to our partnering members, it's appropriate to note what we have accomplished in GLWA's second year of operations. In year two, leadership and staff shifted focus from the standup of the Authority to establishing steady and stable operations. By all accounts, our second year was a strong year for GLWA.

As we did in 2016, we will be publishing a *Year in Review* booklet to share with our member communities a recap of 2017, detailing not just a list of accomplishments, but also taking a deeper dive into who we are as a regional authority. For our second year in review, our report will be presented in three meaningful sections. Here are just a few highlights:

One Water: Our system and operations

- *AMWA Gold Award* – GLWA was honored to receive the prestigious Gold Award for Exceptional Utility Performance from the Association of Metropolitan Water Agencies (AMWA). AMWA is an organization representing the largest publicly owned drinking water agencies in the U.S. It was a tremendous accomplishment to be one of only three recipients of the award in the country. GLWA's winning application showcased how the Authority is leading the nation in its efforts toward sustainability through innovative management practices, executive leadership and team member engagement.
- *Five-Year Financial Plan* - GLWA established a five-year financial plan to communicate its stewardship of the system's assets and commitment to cost control, transparency and strong financial management. The five-year plan, which is updated annually as part of the budget process, provides the Authority and its member communities with a roadmap for the future and lessens the risk of events beyond the organization's control. Looking forward the plan will be extended to 10 years for even greater benefit.

- *Sewer Shares Reallocation* – The Authority, working with its member partners, revisited the sewer shares allocation to update system strength of flow (SOF) and individual member community flow with more current data. Based on data collected, dry weather I&I and wet weather flows are much less costly to treat than previously expected. Thus member communities that have more wet weather and/or more dry weather I&I flows *relative* to their sanitary flow saw their charges reduced for FY18. These SOF changes are phasing in over two years to manage charge volatility for those communities with higher proportions of sanitary flow.

One Team: Collaboration with our team members, member partners and other stakeholders

- *One Water Partnership Agreement* – In October 2017, GLWA and its member communities signed the first *One Water Partnership Agreement*, which outlines GLWA’s and its member partners’ mutual commitments to working together for the greater good of the region and outlines the responsibilities of all parties. In conjunction with this partnering agreement, GLWA’s commitment to its member partners is now being measured by a scorecard that will evaluate the success of the partnership by metrics derived specifically from the voice of our customer.
- *Apprenticeship Program* – GLWA’s Organizational Development Group implemented the Authority’s inaugural Apprenticeship Program to hire and train Electrical Instrumentation Control Technicians (EICT) through a partnership with Focus: Hope and Henry Ford College. The program provides on-the-job training and education for up to 20 apprentices, who work one-on-one with a GLWA Journey Worker mentor, as well as attend customized courses designed specifically by GLWA Journey Workers at Henry Ford College. At the completion of the program, apprentices will obtain an EICT-I certification and a U.S. Department of Labor Journeyman Card, resulting in full-time employment with GLWA.
- *Communications Work Group* – This new work group was established to improve communication processes between GLWA and our member communities. Member community participation has been strong, and their input has assisted GLWA not only in developing Boil Water Advisory templates and FAQs that can be used by all member communities, but also in creating communication process tables that outline communication responsibilities and timing for GLWA and its member communities throughout a variety of crisis and non-crisis events.
- *14 Mile Main Break* – Although this main break in October was the largest that GLWA has experienced, working in partnership with our member communities, the Authority was able to restore service as quickly as possible to affected communities. Through the assistance of many, the impacts were minimized to the extent possible and through thorough and consistent communication in the area impacted, our member communities were kept advised of our activities and the precautions they should take. The experience put an exclamation point on the importance of our ongoing focus on reliability, redundancy and resiliency.

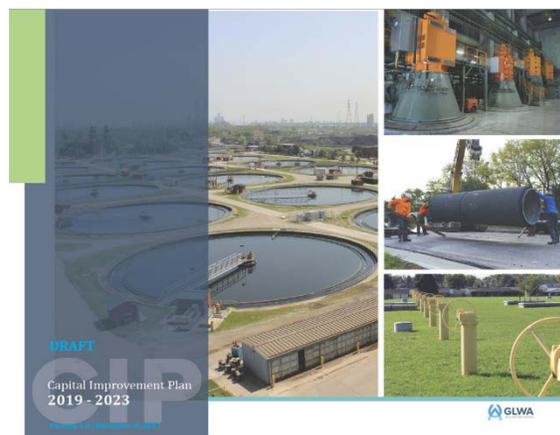
One Mission: Water of unquestionable quality and effective and efficient services

- *WRAP Program Enhancements* – Although WRAP has been extremely successful since its inception, to make the program more user-friendly for member communities that are already enrolled and to recruit new communities, communities can now chose which WRAP financial assistance features meet the specific needs of their community. All options include home water audits for households above 120 percent average water used and minor plumbing repairs, including replacement of bathroom and kitchen faucets that predate the lead free plumbing code changes.
- *Wastewater Master Plan* – Work began in earnest on the Wastewater Master Plan, with a regional steering team in place and meetings underway. The comprehensive study will chart the course for GLWA’s wet weather control program, as well as provide a roadmap for the continued transformation of the Wastewater Treatment Plant into a Water Resource Recovery Facility.

PLANNING SERVICES

Asset Management and CIP Group

In December 2017, the first version of the draft 2019 – 2023 Capital Improvement Plan (CIP) was presented to the GLWA CIP Committee and to the Asset Management/CIP Customer Outreach Work Group. Board members, customers and stakeholders were encouraged to provide feedback by January 5, 2018. At this time we are still taking comments and expect to produce a full version of the CIP in the next few weeks. A copy of the most current draft CIP, can be found at: <http://www.glwater.org/about-us/capital-improvement-planning-committee/>



It is anticipated that the contract award for Request for Proposal GLWA-CS-198, Asset Management Planning date of award will be March 2018. All involved are anxious to kick-off this project that will help define the strategic direction of asset management within GLWA.

Systems Planning Group

The new third-party facilitators from Bridgeport Consulting were introduced at the One Water Partnership meeting on December 20, 2017. Members will begin to see the Bridgeport team at Outreach work group meetings in January.

PLANNING SERVICES (continued)

GLWA’s Public Affairs members have been attending Outreach meetings to take pictures. The Outreach team is preparing a directory with members’ pictures and contact information to assist members and the new third-party facilitators to connect.



Kerry Sheldon



Brittany Galisdorfer



Anica Madeo



Lori Byron

The topic of bringing in national experts to discuss best practices in charge methodology has been brought up in several work groups.

GLWA is working on a Charges Symposium where we plan to invite a panel of peers with similar circumstances to discuss their experiences. Additional information will be sent from the Outreach once the date and time have been confirmed.

The Charges Roll Out meetings began in December with a presentation on the Units of Service project, followed by information on the status of the Capital Improvement Plan. Two additional meetings are scheduled in January to cover revenue requirements and service charges.

December Customer Outreach Meeting Attendance	
<u>Meeting</u>	<u># Attended</u>
Wastewater Analytics Task Force (12/1)	28
Water Management Best Practices (12/6)	11
Public Education Work Group (12/7)	12
Wastewater Master Plan Steering Team (12/8)	29
Charges Work Group (12/12)	58
Asset Management/Capital Improvement Plan (12/19)	56
One Water Partnership (12/20)	81

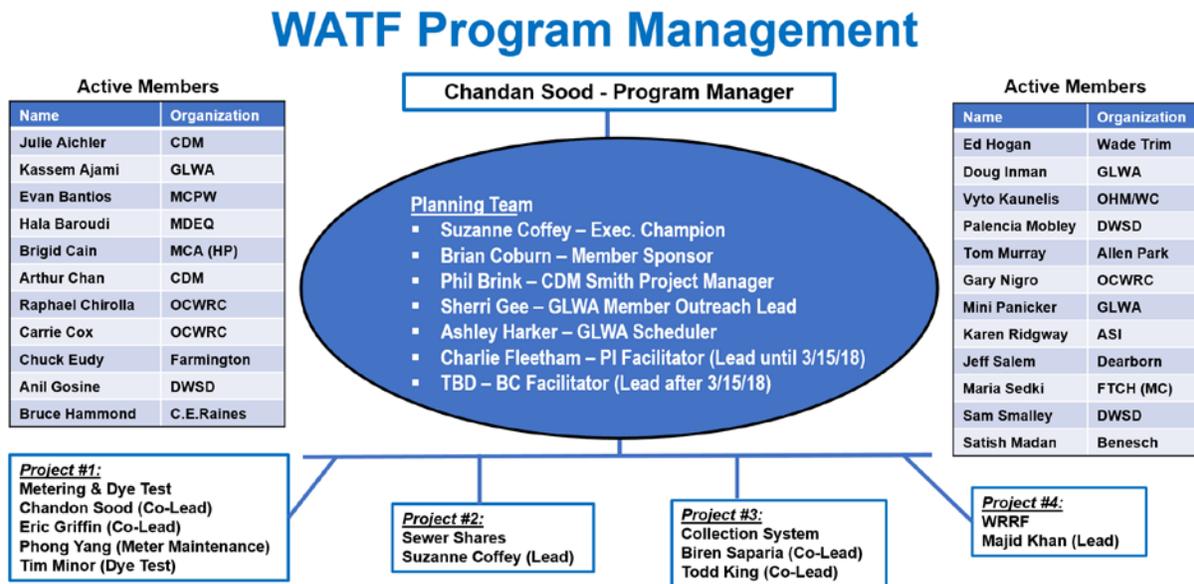
The wastewater master plan team is beginning to discuss key directional issues in the area of wastewater management. These directional discussions will continue throughout 2018.

PLANNING SERVICES (continued)

System Analytics and Meter Operations Group

In the One Water Partnership meeting on December 20, 2017, the group achieved consensus on the technical recommendation of consultants Black & Veatch for Phase I of the “Units of Service for Non-Master Metered Customers and System Water Audit”. The Phase I results included the recommendations for Units of Service including average day, max day, peak hour, distance, and elevation for the City of Dearborn, City of Detroit, and City of Highland Park. Phase II is in planning and will include multiple District Metering Analysis (DMA) districts within City of Detroit and City of Dearborn.

The Wastewater Analytics Task Force (WATF) met on January 5, 2018 and rolled out the Program Management approach that the group will use going forward. The program currently consists of four Projects – Metering & Dye Test; Sewer Shares; Collection System, and Wastewater Resource Recovery Facility (WRRF). Brian Coburn from Oakland County accepted the role of Customer Sponsor. The next meeting is scheduled for February 2, 2018.



The SA&MO Group worked with Information Technology’s GIS group to geocode the information from the Detroit Regional I/I Partners (DRIP) study conducted in 2005. The information gathered in the DRIP study can help the WATF’s D+ Metering subgroup determine areas of Detroit that may be metered to improve the metering in D+ service area. The group is working with WATF to finalize the D+ metering plan.

The Group is continuing to make progress on upgrading the legacy head-end communication system for Wholesale Automated Meter Reading (WAMR) system.

PLANNING SERVICES (continued)

The team is developing and testing software to replace and enhance current system functionality to communicate with field devices over the radio network infrastructure. The switch to the new system was completed on January 12, 2018, and the old Windows Intellution Server was shut down on January 17, 2018. The team is concurrently developing a user interface to integrate the new head-end system into the WAMR Portal. At the conclusion of the project, the WAMR system data collection should be more secure, reliable, and robust.

The West Side Sewer Modeling and Monitoring Program is ongoing. There were two data review sessions in the past month. A workshop was held December 7, 2017 to discuss recent data analyses and a workshop was held January 22, 2018. The information and analyses generated by this effort will be used to validate and update the combined sewer overflow outfall frequency and volume calculations. This program is planned to be ongoing for the next two to three years.

SA&MO and IT are making progress on the Paperless Work Order process for maintaining and repairing the Greater Detroit Regional Sewerage System (GDRSS) meters. The sewer meter assets in GLWA's Work Asset Management (WAM) system have been audited, added, and corrected as necessary. Each asset has also had a specification sheet added and data entered for the meter and site parameters. The work flows are now being developed so the field personnel can complete the work orders from a laptop or tablet.

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 the month of December 2017.

Industrial Waste Control (IWC)

The Analytical Lab participates in several audits with outside agencies each year. A Wastewater Performance Analysis Audit was completed through the NSI Laboratory Proficiency Testing Program. The Lab was successful in completing analyses in accordance with approved Environmental Protection Agency (EPA) Standard Methods and demonstrated analytical skills within acceptable limits.

CSO Control Program

With the start of the year, we created a three-member engineering support team for CSO Operations. The Team is called the CSO Control Program Team. The two Teams have started meeting regularly to identify, prioritize, and address facility maintenance, equipment, and logistic concerns. At this time, there are various CSO projects underway.

WASTEWATER OPERATING SERVICES (continued)

One project for Baby Creek influent chamber improvements will soon be in construction phase, while another project focusing on basin draining improvements at Oakwood is nearing completion of the design phase. Lastly, several other projects focused at various CSO Facility improvements are in a scope development phase at this time.

WATER OPERATIONS

Springwells Water Treatment Plant – Stories on Maintenance

The Springwells Maintenance Team's top priority is to ensure all pumps and motors are maintained; meeting compliance and safety standards based on the Michigan Department of Environmental Quality (MDEQ) requirements.

To maintain this high priority level, the 2500 HP electric motor was removed from service for a complete overhaul/reconditioning upgrade process to be performed by Birclar Electric. The process includes the re-winding of the stator (the outer casing wiring of the rotor), to improve efficiency and effectively service our water system and customers.

Lake Huron Water Treatment Plant

Being prepared is not a choice. Our customers rely on the professionals of GLWA to be ready to respond to any emergency. Whether a natural or manmade disaster, we must ensure and maintain the critical services we deliver.

In an effort to stay trained and to appreciate the complexity of running a real life emergency response, Christopher Steary and Wallace Mencavage traveled to Lansing to participate in the Michigan Water/Wastewater Agency Response Network (MI WARN) functional exercise at the Michigan State Police Headquarters State Emergency Operations Center. This state of the art facility was our classroom for the day where we participated in conducting this massive exercise. Many communities were represented from Ann Arbor to Lansing and there was also participation from the Michigan Department of Environmental Quality (MDEQ), American Water Works Association (AWWA), Michigan Water Environment Association (MWEA), and the Environmental Protection Agency (EPA).

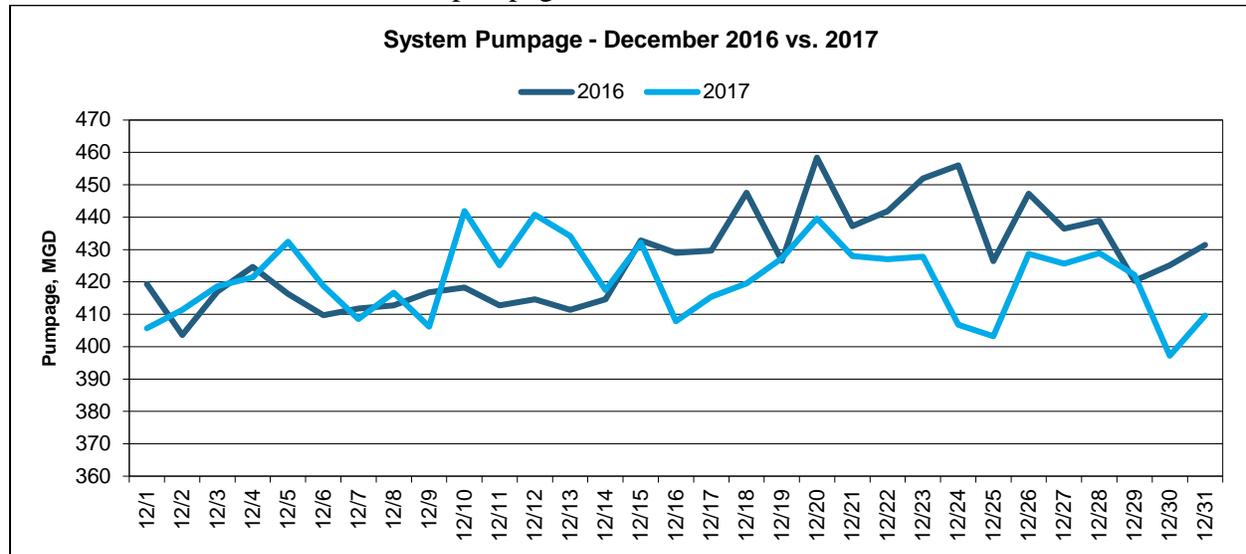


WATER OPERATIONS (continued)

Systems Control

December 2017 – Pumpage

December 2017 pumpage volume was 1.4% lower than 2016



SCC Relocation Drill – Being Prepared for an Emergency

On Wednesday, December 13, 2017, the Security and Integrity Group and Water Systems Operations conducted an Emergency Response Drill to test and assess the Systems Control Center’s ability to relocate from the primary site to the secondary location.

The drill started at 1:00 p.m. and concluded at 2:03 p.m. Activation began with a telephone call to the SCC manager, Biren Saparia. Participants in the drill included Water Operations Director Terry Daniel, SCC Manager Biren Saparia, Team Leader Adrian Taylor, Ahmad Abdallah; James Atkins, Security Specialist Charnele Sanders, and Critical Infrastructure Manager Walter Davis.

The Backup Control Center (BCC) was active at 1:23 p.m. The normal drive time from Central Services Facility (CSF) to the Water Board Building is 15 minutes; however, the roads and travel conditions were snow covered which required greater travel time.

Genesee County Drain Commissioner (GCDC) Switch Over

GCDC completed a water supply switchover from GLWA to the GCDC plant on December 15, 2017, at 11:30 p.m. All of the flow through FL-01 now goes to the City of Flint only. See daily GCDC plus Flint flow trend for last sixty days (below).

WATER OPERATIONS (continued)



Engineering

American Public Works Association Downriver Branch 2017 Project of the Year: Wick Road Project - 48" Main Installation

GLWA received recognition for the “Wick Road Reconstruction and 48” Water Main Installation, Vining Road Resurfacing” as 2017 Project of the Year from the American Public Works Association (APWA) Downriver Branch. The APWA Michigan Chapter Public Works Project of the Year Award was established to promote excellence in the management and administration of public works projects by recognizing the alliance between the managing agency, the consultant/architect/engineer, and the contractor who, working together, complete public works projects. This Wick Road Reconstruction project is an example of collaboration and scheduling between GLWA and its customer community, the City of Romulus, which allowed for the successful completion of over one half mile of road reconstruction, a quarter mile of road resurfacing, and nearly 4,000 linear feet of large diameter transmission water main.



The City of Romulus had the option of doing the road project without coordinating with the GLWA. GLWA would have then been required to replace the impacted portion of the road when the water main project was completed which would have resulted in multiple disruptions to the corridor and would have been poor planning and an unnecessary waste of public funds. Instead, the City of Romulus engaged GLWA and entered into an intergovernmental agreement to complete the water main installation as part of the road project.

Cooperative projects such as this eliminated redundant disruption to the project area, and most importantly, exemplify the agencies' commitment to public service and efficient use of funds.

INFORMATION TECHNOLOGY

The IT Group has achieved a greater than 95% patch compliance across all GLWA and DWSD Windows workstations and servers for December 2017. We continue to apply the latest patches released by Microsoft, including the 'Spectre' and 'Meltdown' patches, which was rolled out on January 22, 2018.

The IT Business Application team completed an upgrade of the BS&A Financial System. The following modules all received new features as a result of this upgrade: Accounts Payable, Cash Receipt, Fixed Asset, General Ledger, Purchasing and Miscellaneous Receivables.

The IT Business Applications team in conjunction with Organizational Development completed open enrollment processing, year-end and auditing activities and an upgrade to a new version of Ceridian Dayforce without any significant issues.

The IT PMO team is currently managing 25 in-flight projects and 16 in-process project intake requests.

The IT Enterprise Applications team, in partnership with System Analytics & Meter Operations (SAMO), completed work on the Detroit Regional Inflow/Infiltration Partners (DRIP) Project for GIS. The project goal was to enhance GIS data so Detroit can better determine sewer performance for future preventative maintenance projects. As a result of the project, the GIS team has digitized the study data into MyGEOShare which now shows the following feature classes and layers:

- DRIP District Boundaries,
- DRIP Sub District Boundaries,
- DRIP Meter Locations,
- DRIP Ground Water Gauge Locations,
- DRIP Rain Gauge Locations.

The IT Service Delivery team installed 21 new Dell all-in-one desktops at the Livernois Center site housing for Wastewater Operating Services team members. The desktop refresh replaced unsupported equipment.

The IT Service Delivery team purchased two new mobile PA systems including speakers, wireless hand-held and lavalier microphones. The new system will be used for meetings hosting larger audiences, and will improve voice projections of presentations.

PUBLIC AFFAIRS GROUP

Public Affairs is in the initial stages of developing a "Faces of GLWA" campaign that will highlight GLWA team members and the roles that they play in helping the Authority achieve its mission of becoming the provider of choice in southeast Michigan.

The idea is to capture photos of team members as they do their jobs, and then also get a quote from them about why their role is important and/or why they like working at GLWA.

PUBLIC AFFAIRS GROUP (continued)

These would then be shared on our social media channels (our most successful posts feature our team members and their activities at work or in the community), in our team member publications, and would also be used in our recruitment efforts with the spotlights being placed on our Glassdoor and LinkedIn profile pages, and also pushed out to those who have signed up to receive job posting notifications through GovDelivery. Public Affairs is also considering the creation of an annual "Faces of GLWA" calendar that would feature a different group of GLWA team members for each month.

PA's Visual Storyteller, who also is a talented graphic designer, worked in partnership with Organizational Development to design a logo for the Authority's new One Wellness program (See below).



The logo incorporates the One Water One Team watery number one graphic with water drops for each area of wellness that will be focused on - movement, healthy living and preventive care. The logo is being used on all internal wellness communications, and assists GLWA in promoting its brand with all team members.

SECURITY AND INTEGRITY

During the month of December and January, the Security and Integrity Group held a Systems Control Response Drill for GLWA staff. In addition, the Group held FEMA: CBRNE (Chemical, biological, radiological, nuclear and explosive) training for the security staff, and MI Coordinated Incident Management System (CIMS) training, and Incident Command System (ICS) training for GLWA's Executive Management Team. Both training sessions are valuable incident management tools for managing emergency situations.

GLWA's Security and Integrity Group has confirmed that Washtenaw County will host a Security and Integrity Forum in 2018, but a date has not been confirmed.

ENTERPRISE RISK MANAGEMENT

Since the GLWA negotiations with its property insurer failed to achieve an acceptable resolution with respect to total recoverable proceeds on the WRRF Complex II fire, we have elected to pursue an option which is allowed under our property insurance policy. That option involves both parties selecting an independent adjuster to evaluate all disputed items. Our property insurer has been placed on notice with respect to this option. We do not believe this matter will be resolved before Spring 2018.

The Safety group has **increased** its oversight on contractors and their subs with respect to their adherence to safety. Recently, one sub-contractor was issued a letter announcing the termination of their work due to a fatality involving one of their employees at a GLWA project. Risk Management has been in discussions with Procurement regarding specific safety-related language in future construction contracts.

Risk Management and Safety were both actively involved in the Security-sponsored table top exercise involving a mock hazardous chemical release emergency. We were involved not only during the months-long planning process but also during the exercise itself for the purpose of judging the event and offering feedback afterward. The goal of the exercise was to streamline and strengthen the response protocols amongst various GLWA subject matter experts and our colleagues from a variety of local, state, and federal authorities.

The Risk Manager attended Delta College's half-day seminar on November 28 addressing active shooter scenarios. The program is designed to help participants understand vulnerabilities to violent threats, litigation exposures and strategies to review and enhance their existing health and safety program capabilities and preparedness.

In order to maintain compliance with Michigan's Right to Know Act, an initiative to automate the GLWA's safety data sheets (SDS) across the Enterprise began earlier this fall with support provided by the Information Technology group. The new cloud-based solution became operational on December 15.

Insurance policy renewal activities have concluded for a variety of coverages most of which were set to expire before the end of this calendar year. A summary of that renewal activity is shown in the table below. GLWA was successful in renewing all expiring policies at favorable rates; the grand total increase is less than 1.0%.

ENTERPRISE RISK MANAGEMENT (continued)

Policy Type	Expiring Premium	Renewal Premium	% Change	Policy Term	Comments
Property – All Risk	\$1,620,000	\$1,620,000	0%	12/31/2017-12/31/2018	Renewed flat; GLWA has a 3-year rate guarantee 2017-2018-2019
Property – Terrorism	50,000	50,000	0%	12/31/2017-12/31/2018	Renewed flat
Public Officials/EPLI	361,794	366,852	1.4%	12/10/2017-12/10/2018	Slight increase following flat renewal last year; market shows 3%-5% increases
General Liability	101,404	101,404	0%	01/01/2018-01/01/2019	Flat renewal in spite a 17% increase in payroll and Beasley class action suit
Automobile (3 rd party)	188,528	187,576	-0.5%	01/01/2018-01/01/2019	Modest decrease given slight decline in vehicle inventory
Excess Workers' Compensation	221,706	245,147	10.5%	01/01/2018-01/01/2019	Rate reduction of 5.8% offset by 17% increase in payroll
Excess Liability	80,298	78,779	-1.9%	01/01/2018-01/01/2019	Modest decline due to flat premiums on GL and Auto
Pollution Legal Liability	184,996	184,996	0%	01/01/2018-01/01/2019	Rate guarantee for 3-years; 2016-2017-2018
Excess Pollution	142,175	142,175	0%	01/01/2018-01/01/2019	Rate guarantee for 3-years; 2016-2017-2018
TOTAL ALL PREMIUMS	\$2,950,901	\$2,976,929	0.9%		
Network Security/Cyber (new)	n/a	35,000	n/a	01/01/2018-01/01/2019	\$5 million limit, \$50,000 deductible. Presentation made to CIO and select others.

ENTERPRISE RISK MANAGEMENT (continued)

GLWA's current broker contract expires April 30, 2018. Consequently, an RFP was advertised on December 8 for a qualified insurance broker (CS-235) which will become effective May 1, 2018. The new contract will be for three (3) years with two one (1) year renewals. The current broker is eligible to re-bid.

In January 2018, the \$50,000 performance bonds for both the CEO as well as the CFO will renew at an expected cost of less than \$200 each.

FINANCIAL SERVICES AREA

Financial Planning and Analysis

The Financial Planning & Analysis (FP&A) team are excited to officially welcome Jay Oswalt and Ashlee Gravley to our team! Jay has been working with the FP&A team as a contractor since July 2017. He joins the GLWA FP&A team in the role of Management Professional. Ashlee joins the GLWA FP&A team as our new Professional Administrative Analyst which is a new role for the team.

The Biennial Budget and Five-Year Plan was presented at the January 5, 2018, Audit Committee meeting. In addition to the operations & maintenance expense, the presentation also included capital outlay. The team is in the process of creating the plan document which tells the GLWA story, including the CIP and Charges.

Financial Reporting and Accounting

The following numbers represent the Accounts Payable team activity for the month of December:

December 2017 - Accounts Payable Activity	
Checks Issued	634
Vendors Paid	328
Dollar Amount Paid	\$ 23,355,583.44
Average # of Invoices Processed Per Day	77

Internal Audit & Data Analytics

The Internal Audit & Data Analytics (IADA) team continues to assist Shared Services in the "true up" calculations that are under review for the year ended June 30, 2016 as well as calculating the "true up" billings for the year ended June 30, 2017. Updates are underway to the Finance procedures for the Shared Services processes and to the new sub-recipient processes with DWSD as the processes are developed.

FINANCIAL SERVICES AREA (continued)

Procurement

The following numbers represent the Construction & Contract Services activity through the month of December.

2017 YTD - Contracts Executed (in 000's)													
Category	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Quantity													
Construction	1	-	2	1	7	2	2	6	5	5	2	5	38
Consultant	9	8	7	2	6	14	4	11	7	10	5	8	91
Design/Build	1	-	1	1	1	0	1	0	0	1	0	0	6
Legal Services	2	1	1	-	-	2	6	2	0	2	0	0	16
Grand Total	13	9	11	4	14	18	13	19	12	18	7	13	151
Value													
Construction	\$ 995.0	\$ -	\$ 654.4	\$ 1,636.7	\$ 37,651.8	\$ 10,092.8	\$ 7,173.3	\$ 6,691.0	\$ 9,839.9	\$ 6,398.1	\$ 192.3	\$ 6,408.0	\$ 87,733.2
Consultant	2,512.1	1,773.5	3,213.6	68.5	8,637.1	20,380.4	29,425	13,541	2,382	15,792	441	\$ 11,717.0	\$ 109,883.2
Design/Build	3,590.0	-	320.9	-	100.0	-	2,500	-	-	-	-	\$ -	\$ 6,510.9
Legal Services	750.0	250.0	50.0	-	-	350.0	1,495	300	-	825	-	\$ -	\$ 4,020.0
Grand Total	\$7,847.1	\$2,023.5	\$4,238.9	\$1,705.2	\$46,389.0	\$30,823.2	\$40,593.3	\$20,532.4	\$12,221.7	\$23,015.3	\$ 632.8	\$18,125.0	\$ 208,147.3

December 2017 - Contracts in Process (in 000's)	
Quantity	Value
32	\$ 95,340.62
24	\$ 38,433.89
6	\$ 66,901.32
2	\$ 78.00
2	\$ 800.00
3	\$ 208.90
69	\$201,762.73

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 December 31, 2017, 67 communities have opted into the program.

FINANCIAL SERVICES AREA (continued)

Below is a summary of committed and spend WRAP funds as well as home audits and home repairs performed through December 31, 2017 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 of FY 2018.

WRAP Funding Status As of December 31, 2017			
	<u>Detroit</u>	<u>Suburban</u>	<u>Total</u>
Scheduled Appointments	16,418	4,858	21,276
Completed Pre-Applications	15,749	4,725	20,474
Households Assisted	3,875	2,725	6,600
Shutoffs Avoided	3,540	612	4,152
Home Audits	1,293	387	1,680
Number of Home Repairs	816	202	1,018
Amount of Home Repairs	509,788	\$124,538	\$634,326
Average Cost of Home Repair	\$625	\$617	\$623
Total Bill Assistance Committed	1,122,112	\$801,061	1,923,173
Total Arrearage Assistance Committed	2,055,796	\$894,725	2,950,520
Total Assistance Committed	<u>\$3,177,908</u>	<u>\$1,695,786</u>	<u>\$4,873,693</u>
FY 2016, 2017 & 2018 WRAP Funds Uncommitted*	\$ 407,789	\$ 5,662,023	\$6,069,811
FY 2016 Uncommitted Funds Reallocated to Detroit	<u>\$1,664,833</u>	<u>(\$1,664,833)</u>	<u>\$0</u>
Net FY 2016, 2017 & 2018 Funds Uncommitted	\$2,072,621	\$3,997,190	\$6,069,811
Total Bill and Arrearage Assistance Paid to Date:	\$1,314,035	\$651,699	\$1,965,733

* Includes breakage amounts returned to funding allocation.

LEGAL

General Counsel's January 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 – January, 2018

- ***Flint:*** The parties are finalizing the Master Agreement and its Exhibits and the escrow arrangement to close on this transaction. As such, the Booster Chlorination Stations in Goodland and Mayfield Townships will be reevaluated for their necessity.
- ***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.
- ***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. This fall, 29 Members have scheduled contract reopeners, 1 Member requested an "out-of-sequence" reopener to take its new storage facility into consideration, and 3 Members were required to meet with the GLWA negotiation team to discuss the exceedance of their contract max day and/or peak hour values this past summer. The negotiation team met with the aforementioned Members and drafted the amendments. All of the amendments were approved by the Members' legislative bodies.
- ***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 and has engaged an appraiser.
- **14 Mile Water Main Break:** The Office is managing the investigation into the cause of the water break. This matter is still under investigation. The Office participated in after action meetings with Member communities and stakeholders.
- **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, one new civil action was filed.
- **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:** Defense Research Institute Seminar on issues related to insurance, risk management and attorney ethics and MDEQ's Michigan Waste and Materials Management Conference.

Past Month's Statistics:

Contracts reviewed as to form:	17
Contracts drafted or revised:	15
Subpoenas/Information requests received:	11
Subpoenas/Information responded to:	7