



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

November 28, 2018

The Honorable
Board of Directors
Great Lakes Water Authority

Dear Chairman Hendrix and Directors:

Regarding: CEO's Report – November, 2018

With Thanksgiving just behind us, I begin my November CEO report on the note of thanks.

Thank you to all GLWA team members for your continued commitment to our daily success in service to our member partners and each other. Only through your efforts can we assure that we deliver water of unquestionable quality, overachieve our water quality objectives, continue to add new value for our members, and look to the future to assure that these critical services are sustainable long after we have handed the reins over to others. I am truly grateful for Team GLWA.

Thank you to all GLWA member partners for your continued collaboration with us and with each other through the Outreach process and many other initiatives. Together we continue to find new ways that our partnership can strengthen the whole for the region as well as provide greater value for each member. This year we heard of your interest in participating in GLWA procurements and in our team member development offerings. With a new purchasing policy in place and the One Water Institute ready to launch, these will be realities in 2019. We are on the precipice of imagining new ways that we can maximize the value of the regions investment in wastewater infrastructure for achieving water quality improvements. We appreciate your feedback through the annual survey and while you gave us high marks again this year (thank you!), we will continue to focus on the opportunities for improvement in our efforts together.

I have a personal opportunity that I am thankful for. Since my last report, I was appointed to and attended the first two meetings of Michigan's first Water Asset Management Council (WAMC). I was honored to be elected Chair of the WAMC, and the election provided the opportunity for a represented seat on Michigan's newly created Michigan Infrastructure Council. Early in the standup of GLWA our first Partnering Agreement embodied our regional commitment to cross sector, cross agency coordination of infrastructure improvements for the greatest public benefit. While these efforts will not alone solve the funding needs for renewing Michigan's water infrastructure needs, or that of other public infrastructure such as roads, telecom, electric and gas utilities, etc, putting systems in place to assure best use of public investment is key to public support for what is needed. Together we among the first and together with the State of Michigan, we lead the nation.

PLANNING SERVICES

Asset Management and CIP Group

A baseline assessment is a key part of GLWA's Strategic Asset Management Planning Project. Jacobs (our consulting partner) kicked off the project by conducting an in-depth assessment of the state of asset management at GLWA. A large part of this assessment has been conducted using the WSAA (Water Service Association of Australia) asset management and customer value (AMCV) benchmarking assessment. The WSAA AMCV assessment is an all-encompassing assessment of the processes and practices an organization uses to manage the life cycle of its assets, and how it delivers value to its customers. All Australian water utilities are required to complete the assessment every four years (many US and international utilities choose to use) to benchmark the process and practices of a utility against other like utilities. This assessment will provide an understanding of where GLWA is on the journey to world class asset management and allow us to measure progress toward best-in-class asset management practices.

A special thank you to those 41 Team Members throughout GLWA that have participated in the WSAA baseline asset management assessment over the past several months. In addition, 18 and 36 Team Members participated in individual interviews and field visits, respectively.



It is anticipated that the 2020 – 2024 Capital Improvement Plan, Version 2 will be presented at both the AM/CIP Committee Work Group meeting and the GLWA CIP Committee meeting on December 18, 2018. Questions and comments that were received by November 19, 2018 will be addressed in the next draft, as well as, other modifications made to the prior draft. We welcome your input and questions into the CIP to better clarify the information or to continuously improve future versions of the CIP.

FY2020 - 2024 CIP SCHEDULE (Revised 10/24/18)

Completed	Date	Meeting Type	Notes
✓	8/20/2018	NA	Distribute & Train Business Case Evaluation Database
✓	9/26/2018	NA	BCE's Due
✓	10/1/2018	Water Review Committee Meeting	Review existing project priorities, identify new project priorities and potentially adjust schedules for projects in order to align with overall CIP projected expenditures previously approved
✓	10/3/2018	Wastewater Review Committee Meeting	
✓	10/18/2018	Executive Leadership Team review of BCEs and Modifications to CIP	Review of New BCEs & CIP Modifications
✓	10/25/2018	Charges Roll-Out Mtg #1 - CIP @ AM/CIP Work Group	1st Member Partner Review of CIP - Version 1.0
✓	10/29/2018	GLWA CIP Committee	1st CIP Committee Review of CIP - Version 1.0
✓	11/19/2018	NA	Member Partner & Board Comments Due
	11/30/2018	GLWA CIP Committee	
	12/18/2018	AM/CIP Committee Work Group Meeting	2nd Member Partner Review of CIP - Version 2.0
	12/18/2018	GLWA CIP Committee	2nd CIP Committee Review of CIP - Version 2.0

PLANNING SERVICES (continued)

Systems Planning Group

The One Water Partnership meeting will be held on December 13, 2018 at the Wyndham Garden Conference Center in Sterling Heights located at 34911 Van Dyke Ave. from 10:00 a.m. to 2:00 p.m. A link to RSVP for the event was sent out on November 2, 2018. We ask that all members RSVP by December 3, 2018. An agenda will be provided closer to the meeting date, but topics will include the Member Outreach Scorecard 2.0 Results and One Water Partnership By-laws.

Charges Rollout Meeting #1 was held on October 25, 2018, where Jody Caldwell introduced the first draft of the FY2020-2024 Capital Improvement Plan and walked through note-worthy differences from years past. The Water and Wastewater Engineering teams shared some of the highlighted projects. The overall CIP document can be found on the Member Outreach Portal homepage.

- ◆ Charges Rollout #2 is scheduled for November 29, 2018 and will focus on Water Units of Service.
- ◆ Charges Rollout #3 is scheduled for January 10, 2019 and will focus on Revenue Requirements.
- ◆ Charges Rollout #4 is scheduled for January 24, 2019 and will focus on Service Charges.

The Water Analytical Work Group (AWG) met on November 1, 2018 to review contract exceedances for 2018. The City of Northville and Village of New Haven shared the background behind their exceedance and the work group was given an opportunity to ask questions. The work group agreed with GLWA's recommendation for both member partners. David Sayers of Black and Veatch provided a status update for Phase 2 of Units of Service, which focuses on improving data with field measurement. The Draft Phase 2 report is planned to be distributed and discussed on November 29, 2018 at the Charges Roll Out #2 meeting. Two additional AWG meetings have been scheduled for December 11, 2018 and December 17, 2018 to provide additional opportunities for questions and feedback on the report.

The Communications Work Group had their quarterly meeting on November 8, 2018. The group spent time debriefing the two water quality-related workshops (described below). The feedback was positive, and member partners appreciated the opportunities provided. Michelle Zdrodowski shared that a media training opportunity will be provided at the first work group meeting of 2019.

In partnership with the Michigan Department of Environmental Quality (MDEQ) and GLWA Water Quality, the Member Outreach Team hosted and facilitated workshops on the revised Lead and Copper Rule for Member Partners. In order to provide member partners with ample opportunity to attend, two different dates at different times and locations were selected. The workshops were intended to provide a forum for Member Partners to ask questions about the new rule, and for MDEQ to share important information, such as:

- updates on the Lead and Copper rule change,
- information on proper sampling site selection,
- sampling pool requirements

PLANNING SERVICES (continued)

Systems Planning Group (continued)

As requested in discussions at the Water Management Best Practices and Communication Work



Groups, a Site Sampling Station Workshop was hosted on November 5, 2018 at the Troy Community Center. The focus was for member partners to learn and share experiences. These stations are an alternative to accessing residents' homes to acquire certain water samples. Connie Sims and Charlie Moore from the Oakland County Water Resources Commissioner's office shared their experience, challenges, best practices, and brought a sampling station for display. Paul Trosper, City of Troy, shared his design for a site sampling station that he made and now uses throughout the City of Troy.

Those in attendance said that the workshop helped answer the questions they had as they face the challenge of increased sampling requirements.

In the November Wastewater Master Plan (WWMP) Steering Team meeting, a number of topics were discussed. Phil Argiroff of MDEQ discussed an initiative to offer a Collection System Permit. Also, the WWMP team provided updates on receiving water quality monitoring and modeling efforts and results from the Member Partner Survey that was distributed in May 2018. The purpose of the survey was to ask Member Partners to look forward to what the collection system in their community may look like through 2060. The information obtained will be used as the WWMP looks at future alternatives for GLWA's collection system.

The Sewer Charges Methodology Work Group continues to meet approximately every two weeks. Meetings continue to focus on increasing member understanding on cost allocation and wastewater charge development. Recent topics include an explanation of how electricity costs are recorded, a review of the charge calculation sheets, a detailed review of the original WRRF charge methodology, and a discussion regarding the materiality of changes in strength of flow assumptions and related costs.

The Sewer SHAREs Work Group is working on a strength of flow sampling plan. At present, the draft plan includes a review of national research and sampling of certain flow components. Noteworthy conclusions of the work group thus far include, not to sample individual communities' flow, the inclusion of analysis of nitrogen in any samples taken, and not to analyze samples for grit or fats, oils and grease. Topics on the horizon are the consideration of peak flows and metering in the D+ area. This work group continues to meet every two weeks.

PLANNING SERVICES (continued)

System Analytics and Meter Operations Group (SA&MO)

The “Units of Service for Non-Master Metered Customers” and System Water Audit project team continues to meet weekly with the non-master metered customers to plan and execute Phase 2 activities of the study. As planned, two district metered areas (DMAs) in the City of Dearborn were conducted and the data analysis is complete. Four DMAs were planned for the City of Detroit.

Due to challenges in the field, only two DMAs in Detroit were completed. Data analysis is in process. The project team is scheduled to provide an update and release the draft report at the Charges Rollout meeting on November 29, 2018.

The System Analytics & Meter Operations (SA&MO) Group replaced wholesale water meters for the City of Belleville and South Oakland County Water Authority, upgrading them to a newer and more accurate meter technology. The meter upgrade work was performed by in-house staff. Since the standup of GLWA, the group has upgraded 23 of the total 290 wholesale water meters. This brings the total number of magnetic meters, GLWA’s preferred technology, to 112 magnetic meters. The group is moving ahead with 50 water meter upgrades under contract CON-285. This work will be completed in the next three years.

The SA&MO Group continues working on dye dilution testing of sewer meters, which is an integral step in the ongoing meter accuracy verification program. The dye dilution test results for 21 sewer meters were presented at the most recent Wastewater Analytics Task Force (WATF) meetings. WATF accepted 19 results as per the recommendations; two were rejected due to poor test conditions or uncertainty. The test for the two sites will be rescheduled.

The Group is collaborating with Detroit Water and Sewer Department (DWSD) to collect and analyze water usage data from the DWSD Automated Meter Reading (AMR) system. DWSD has a powerful AMR system that provides insight into water usage throughout the City and can be geo-coded to better understand the distribution of water usage. This information is needed as input to the Wastewater Master Plan to update the Greater Detroit Regional Sewerage System (GDRSS) model. It will also be leveraged for the Annual Flow balance that is prepared by CDM Smith and is a key input into the SHAREs analysis. Geo-coded water data will also be used in the analysis of the D+ metering district analysis.

Modeling efforts that are being undertaken include modeling and analysis for the Ypsilanti pump station upgrade project and calibration work on the water hydraulic model so as to have the model calibrated for maximum day, average day, minimum day, and peak hour demand scenarios.

The GDRSS portal update is nearing completion. This transition will update the functionality of the site and provide flexibility for enhancements. It is planned to be released to beta testers this month.

WASTEWATER OPERATING SERVICES

Wastewater Operations Group

The Water Resource Recovery Facility (WRRF) operations was in compliance with the Water Quality and Air Quality Standards for the month of October 2018.

The Operations Group continues to coordinate with the Construction Engineering Group on major projects such as the:

- Primary process area tanks rehabilitation,
- Pump Station 1 preliminary treatment rehabilitation, and
- Rouge River Outfall (RRO) Disinfection Project, which will be an entirely new operation at the WRRF.

The Operations Group has developed training pocket guides for operations and distributed them to new and existing Plant Technicians and Chemists. Plant tours are also provided to new onboarding GLWA employees.

The Process Control Center (PCC) has completed the Chlorination and Dechlorination gas detection improvements. This project included an instrumentation upgrade of scrubber sensor and graphic enhancements to display the values of all sensors at the facilities both locally and remotely. Incineration workstations were relocated to a remote secure climate-controlled enclosure, with user interface extended to the operator console.

Maintenance Group

The WRRF Maintenance Team has been working on stop log rehabilitation for Pump Station No. 1. These stop logs are required for isolation of the wet well to allow access for inspection, maintenance activities and the assessment necessary to accommodate Project CS-102 Pump Station No. 1 improvements. Recent activity includes the cleaning of incinerator hearths to remove built up ash and inspection and repair of any deficiencies discovered.

The Maintenance Team continues to work alongside the Operations Team to optimize equipment uptime and plant efficiency.



Existing wooden stop logs tacked and waiting for rehabilitation

WASTEWATER OPERATING SERVICES (continued)

Industrial Waste Control (IWC) Group

Construction of the replacement facilities for IWC at the WRRF is ongoing and is anticipated to be completed in December 2018. Relocation of people, equipment, and miscellaneous operational inventory is tentatively targeted for late January 2019. In conjunction with GLWA Information Technology partners, all record documents are digitized and coordinated for secure disposal. To date, 1.2 million pages of documents have been released for scanning, and an estimated 600,000 documents remain to be scanned. Once scanned, the documents are destroyed, thereby reducing storage requirements at the relocation site.

Meetings are ongoing regarding the review and validation of equipment requirements necessary for the relocation of the Analytical Lab to the WRRF in 2020.

With an MDEQ's directive on PFAS (Per-fluoroalkyl substances), the IWC Group has been diligently working to identify sources of PFAS compounds. A report was submitted to MDEQ in October 2018 along with an extension request to complete sampling and analysis by March 2019. MDEQ has approved our request for a time extension. The additional time is needed because:

- MDEQ has a *Landfill Initiative* which is not scheduled for completion until late February 2019. Information from this study is needed to complete our responsibilities.
- Analytical work is being performed by a contract laboratory, and due to the limited number of qualified facilities in Michigan, there are delays of four to six weeks to obtain results. Additionally, there are special sampling protocols to follow in order to collect representative samples from our sources, and this requires additional time to complete the list of users. At this time, we have 70 additional sites requiring sampling.

Engineering & Construction Groups

Construction Engineering

Construction of the Rouge River Outfall Disinfection Project is continuing. The Contractor has completed the 42" line tap work for providing potable water to the hypo building. Field testing of equipment is scheduled to begin in November. Restoration of the administration building parking area along with green infrastructure work is also expected to be completed in November. The first phase of construction (commissioning of the Hypo building with fully functional sodium bi-sulphate and sodium hypochlorite systems) is currently planned for December 2018.



Completed 42" water main tap on W. Jefferson Avenue for the Hypo building.

WASTEWATER OPERATING SERVICES (continued)

Construction of the Rehabilitation of Rectangular Primary Clarifiers project, Aeration System Improvements project, Sludge Conveyance Improvements project, and relocation of the Industrial Waste Control Division project are progressing as well.

Design Engineering

WRRF Design Engineering Group (DEG) has been working diligently to execute 100% of the 2019 approved CIP. In addition to assisting plant staff with regular O&M projects and managing several existing CIP projects, the DEG has been able to successfully develop future RFP's, convert existing RFP's to consultant services contracts and convert designs into construction contracts.

The table below summarizes the status of the 2019 CIP projects progress.

CIP No.	Project Description	Contract No.	Project Phase
212004	Chlorination and Dechlorination Process Equipment Improvements at WRRF	CON-238	Construction Bid
211008	Rehabilitation of Ferric Chloride Feed System at PS-1 and Complex B Sludge Lines	RFP-1802543	Design Bid
216004	Rehabilitation of Various Sampling Sites and Pump Station (PS) No. 2 Ferric Chloride System at WRRF	CON-222A	Construction Negotiations
211006	Professional Engineering Services for Water Resource Recovery Facility Rehabilitation of Pump Station No. 1 Improvements	CS-102	Design Negotiations
260300	WRRF Roof Replacement Program	NA	Future - Draft RFP Complete
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	NA	Future - Draft RFP Complete
216006	Assessment and Rehabilitation of WRRF yard piping and underground utilities	NA	Future - Drafting RFP
213008	WRRF Rehabilitation of the Ash Handling Systems	NA	Future - Draft RFP Complete

CSO Control Program Team

The CSO Team hosted representatives from 14 different vendors for the CS-299 CSO Assessment Project pre-bid. Total attendance was approximately 50 consultants. We are excited at the prospective teams, and their interest in our CSO Facilities. All CSO Facilities were toured where the Operations and Maintenance team did an excellent job communicating to the vendors the challenges and issues at our CSO Facilities.

WASTEWATER OPERATING SERVICES (continued)



**David McCord – CSO Team Leader at Hubbell meeting with Vendors
Southfield Flushing Area**

The CSO Team hosted a pre-bid meeting at the Leib SDF for replacement of electrical conduits and gear. Four contractors attended the pre-bid. Bids are due in late November. We recently received bids back for our Puritan-Fenkell Roof replacement and are currently evaluating the bids, and plan to negotiate with the lowest responsible bidder in the coming weeks.

The CSO Team continues to work on developing service solicitations for maintenance of our switchgear, level instruments, flow meters, valve actuators, chemical storage tanks, and our Accusonic flow meters. We are exploring other critical equipment at the CSO Facilities and evaluating the need for maintenance contracts to ensure our critical equipment and systems remain in service and reliably operate when needed. The CSO Team is leading efforts to develop solicitations for task-order engineering and maintenance work at the WRRF and the CSO Facilities.

In coordination with Systems Control, Field Services, Planning, and the GLWA Masterplan Team the CSO Team is beginning to examine requirements for a Long Term CSO Control Plan

WATER OPERATIONS

Water Works Park - One Water One Team Helping each Other

Water Works Park (WWP) began its 2018 continuing education efforts by working as a team to complete the Sacramento Water Operations Volume I – Sixth (6th) Edition training manual program. The purpose of the program is to learn, train, study and grow together as a team. The program will ensure employees utilize the tools that were provided to help them reach a Michigan Department of Environmental Quality (MDEQ) certification level.

Moreover, this program along with the Water Operators Prep Exam booklet will ensure the employees at WWP continue to thrive and grow in the water service sector.

WATER OPERATIONS (continued)

Water Quality

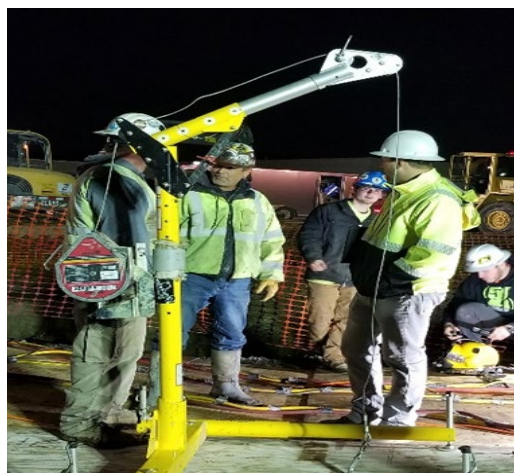
GLWA continues to offer state-certified classes for GLWA team members.

Twenty-five (25) employees throughout GLWA attended the Microbiology Methods class for water treatment plant operators. Participants came from the five water treatment plants and the water resource recovery facility to learn the approved EPA methods used for culturing and identifying total coliforms; inclusive of *E. coli* and heterotrophic bacteria in drinking water. Bacteriological methods were reviewed including the advantages and disadvantages for each method. In addition, the Revised Total Coliform Rule was discussed including sampling requirements, proper bacteriological sampling protocols, quality assurance and quality control procedures needed to maintain drinking water laboratory certification. Moreover, this class is used to prepare GLWA water operators and chemists for the F and S license exam offered twice a year (May and November). The most recent scheduled exam was November 7, 2018.

Southwest Water Treatment Plant

We are happy to announce that the GLWA-CON-247 Raw Water Sample Upgrade project is moving right along. On October 29, the Z-Contractors began the work inside the raw water tunnel, which entails installing a sample line inside the tunnel. Divers were on site for four to five days for the installation. The project's purpose is for the plant to obtain needed raw water samples that are not influenced by recycled wash water and residuals decant. This installation update will allow the efficient operation and treatment of source water while understanding the impact on additions to the source water.

Throughout the installation, the dive team arrived daily at 8:00 p.m. and worked in the raw water tunnel from approximately 9:00 p.m. to 4:00 a.m. Additionally, the task required low-lift shut downs, lockout-tagout of major equipment and valves.



WATER OPERATIONS (continued)

Field Operations

A GLWA Field Services team member was injured onsite October 22 while conducting work at the Blue Hill Pump Station. The injury occurred while conducting his work and falling from the upper level of the station. The team member is currently in recovery and is reported to be doing well regarding his injury.

GLWA Field Services is in the process of assuring mandatory safety training courses are being attended as well as implementing additional preventative safety measures to keep such incidents as this from happening moving forward. We all wish our team member well and a speedy recovery!

On October 25, GLWA team members received training on the new hydrant thawing truck. There was productive discussion related to equipment operation, and the GLWA Field Services team was able to have the contractor modify the plumbing on the steam generator to better accommodate extreme freezing operating temperatures. This resource will allow proper maintenance of 194 hydrants at all our facilities.

Systems Control

Emergency Management Course

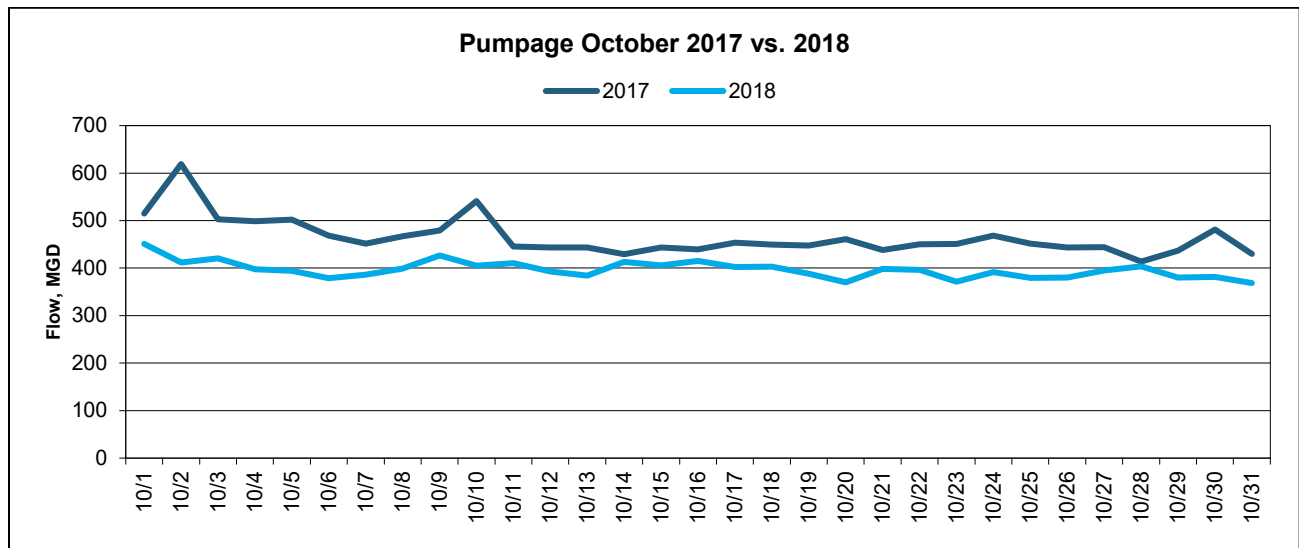
Systems Control Center staff attended the course *Disaster Management for Water and Wastewater Utilities* in Waterford, Michigan. This course provided students with information about the Environmental Protection Agency's (EPA) Response Protocol Toolbox covering necessary steps to be taking during the response and recovery Water and Wastewater Utilities facilities. Participants cover the various issues concerning preparing for, responding to, and recovering from incidents affecting water and/or wastewater facilities. Also, the course introduces various natural and man-made (accidental or intentional) hazards to which water and wastewater systems may be vulnerable and the potential effects the hazards may induce.

Planning for and managing incidents are discussed, as well as disaster mitigation, response and recovery specific to drinking water and wastewater systems. The course was sponsored by Homeland Security and FEMA (Federal Emergency Management Agency) through TEEX (Texas A&M Engineering Extension Services).

WATER OPERATIONS (continued)

October System Pumpage

October 2018 pumpage was 12.8% less than October 2017.



INFORMATION TECHNOLOGY

Three new projects have been approved by the IT Steering Committee. They are as follows:

- Remote Safety Inspections - which will allow the safety team to record safety violations, including pictures, using mobile devices, in lieu of using paper at the site and performing data entry later. The streamlined process will save time and increase accuracy.
- Record Retention, Storage and Removal Compliance Program - which will consist of several projects. The first project will be to select and launch a system for records management and set up records management for Financial Services. Subsequent projects will set up records management for the other Areas. This program is needed to comply with State of Michigan records retention requirements.
- Ovation/WAM Interface - which will establish an interface between GLWA's SCADA software and WAM's run time hours module. This interface will streamline the entry of data into the run time log to allow scheduling of preventive maintenance work orders based on run hours.

In the past month, the following projects have been successfully completed:

- Matter Management - which will be used by General Counsel to manage matters electronically, in a centralized system.

INFORMATION TECHNOLOGY (continued)

- WAM Document Attachments - which extends the functionality previously enabled in the requisition module to the rest of the applicable WAM modules, enabling documents pertinent to asset management to be stored directly with asset records in WAM.
- WAM Approval Routes and Titles Reconfiguration - which streamlines approval routing, implements segregation of duties between requisitioners and approvers, and conforms the routes to FSA's requirements.

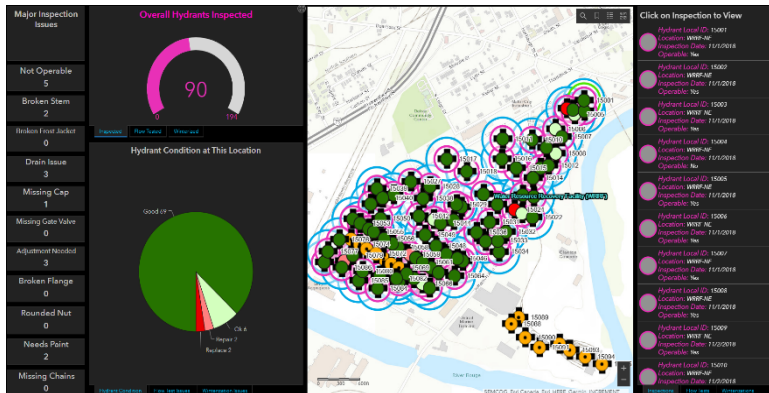
The Project Management Office (PMO) is currently managing 21 active projects and is processing eight project requests.

GLWA's Information Technology Group Leadership Team members Jennifer Payne, IT Manager – Business Productivity Systems, and Angela Stevenson, IT Manager – Administrative Services became members of the Macomb County Community College Information Technology (IT) Advisory Board. At the November 2018 IT Advisory Board meeting, Jennifer and Angela were involved in activities related to improving graduates' readiness for transition into professional roles, advising on the relevance of prospective course curricula, and reviewing current IT equipment standards for devices used in computer labs and classrooms. Ongoing participation in the IT Advisory Board will allow the IT Leadership Team members to offer support to the college's IT program, assist in the development of new learning plans, and share real world best practice standards, as well as to receive information and exchange ideas with peers and other external contacts in the field.

The Business Productivity Systems team partnered with the Organizational Development team to implement GLWA Performance Evaluations and Baselines electronically using our Learning Management System (LMS), Cornerstone Performance Module. This implementation took the organization from a manual paper process to an electronic automated process. GLWA Leadership Team Members began their training the week of November 5. GLWA Team Members began their training the week of November 12. Team Members and Leadership Team Members now can upload comments throughout the performance period directly to their evaluation, along with any supporting documentation. Moving to an electronic process allows for automated reminders when items are due and will improve turnaround time on baselines and performance evaluations.

INFORMATION TECHNOLOGY (continued)

The Enterprise Asset Management Systems team has completed improvements to the mobile application used to conduct annual hydrant inspection, flow testing, and winterization. These updates included streamlining several data entry fields, providing visual status indicators for tracking progress, and providing a map-based operational dashboard for real-time status of the field work and hydrant condition (pictured to the right). The mobile field application is used each year in October and November to capture conditions of GLWA's facility hydrants and log annual winterization to protect the hydrants from freezing.



The GLWA IT Team continues to implement the ATT Secure Email Gateway (SEG) service, which is provided through the ProofPoint ATT partner. This service should be fully implemented by December 15, 2018, at which point all incoming and outgoing email messages will be scanned for malware, malicious links, and phishing attempts. Email messages that are deemed to be a risk will be blocked, and not delivered to the intended recipient. This will greatly increase the security of the GLWA network.

PUBLIC AFFAIRS GROUP

In conjunction with ongoing brand awareness efforts Public Affairs continues to seek proactive opportunities to highlight GLWA and its team members. We are pleased to report that these efforts results in Cheryl Porter, Chief Operating Officer-Water & Field Services, being selected for the *Women in Leadership* feature in the Monday, November 12, 2018 edition of Crain's Detroit Business. The feature, which contained a photo of Cheryl on the cover of the print publication, as well as inside with the story, included an interview with Cheryl that covers a variety of topics (how she achieved her position, as well as the challenges the water sector faces). GLWA is using this feature of Cheryl on its website, and also across its social media channels. Here is the link: <https://www.crainsdetroit.com/women-business/great-lakes-water-authoritys-cheryl-porter-rewards-career-water>.

PUBLIC AFFAIRS GROUP (continued)



Ali Lapetina for Crain's

Cheryl Porter is the COO of water and field services for the Detroit-based Great Lakes Water Authority.

In addition, GLWA's Water Residential Affordability Program (WRAP) was the lead into a national story on water affordability in the October edition of Water Finance & Management. The article talked about WRAP's unique model and its goal of putting households on the path to self-sufficiency. Here is the link: <https://waterfm.com/countering-affordability-challenge/>.

GLWA will once again partner with The Children's Center (TCC) for our annual holiday giving initiative. GLWA is collecting donations of toys and winter warmth items for families from throughout Southeast Michigan that are assisted by TCC. Once again this year, we will also include a volunteering opportunity at the TCC Holiday Shoppe for GLWA team members. Due to last year's overwhelming success, we have added a second day of volunteer opportunities at the TCC. We will be collecting donations through Friday, November 30. Please see anyone in Public Affairs with questions.

SECURITY AND INTEGRITY

During the month of October, the Security and Integrity Group has completed “Active Shooter Training” for GLWA team members throughout various locations. To date, 752 employees have completed the training. In January 2019, training will begin at the Central Services Facility and Systems Control Center.

The Hazmat Unit has coordinated and completed a total of 251 hours of training during the month.

Security and Integrity has completed an evacuation drill at Water Works Park which was approved by the Detroit Fire Department. Evacuation plans for GLWA’s Southwest and Springwells Water Treatment Plants will be conducted in early spring 2019.

ENTERPRISE RISK MANAGEMENT

The mediation process regarding insurance proceeds related to the March 2016 fire at Complex II Incineration concluded on October 24th. A final wire transfer of just under \$3 million was received in the first week of November.

Prior to the start of mediation the insurance carrier’s last offer stood at \$16.2 million. GLWA’s demand was \$17.4 million. The umpire’s award, which is final and non-modifiable, puts the final total at \$16.8 million resulting in a \$600,000 favorable variance, relative to the carrier’s last offer, as a benefit of GLWA’s decision to pursue arbitration.

Other October activities centered around GLWA’s annual insurance policy renewals for: Property, Public Officials and Employment Practices Liability, Pollution Legal Liability, and Casualty (General Liability, Automobile, and Workers’ Compensation) all of which expire on or before December 31, 2018. A summary of all insurance renewals will be prepared for the December Board Meeting.

ORGANIZATIONAL DEVELOPMENT

Benefits

Open Enrollment (OE) at GLWA was extended to November 26th, giving team members more time to understand the changes in our benefits plans and make a more informed decision. Over 200 GLWA team members at seven (7) locations attended Open Enrollment/Wellness Fairs to talk with representatives from our health and wellness partners, become better informed about our health and wellness benefits and obtain on-the-spot assistance in their Open Enrollment selections. Over 30% of team members have completed their enrollments at the half-way point of the period.

ORGANIZATIONAL DEVELOPMENT (continued)

Staffing

Since the last CEO report, October 2018, no new contractors have become GLWA team members. The table below provides a breakdown of GLWA Team Members to date:

Total Staffing - Regular FTEs	985
Number of Hires - 2018 YTD	191
Total Number of Contractors (FTEs)	122

Training

Between January 1, 2018, and October 31, 2018, GLWA:

- Provided over 25,530 hours of training and development.
- Provided training and development to 4214 GLWA team members (more than two courses per team member).
- Facilitated 139 courses, in Safety, Water Operations, Wastewater Operations, and Technology.

FINANCIAL SERVICES GROUP

This month's Audit Committee was held on November 16, 2018. The entire 183 page binder of financial and strategic planning materials is available online at <https://www.glwater.org/wp-content/uploads/2018/11/Audit-Committee-Binder-11.16.18combined.pdf>

Below are a few noteworthy items in addition to the reports that the Board will receive at its November 28, 2018 Board meeting today related to our improved investment strategy and budget policy related to the capital improvement program.

- The external auditors provided an update on the FY 2018 Audit. Fieldwork has been completed and a draft report will be sent to Audit Committee members for review prior to the end of November. GLWA is on track to file the audit in advance of the December 31, 2018 deadline.
- Continuing our discussions of shaping a financially sustainable future for GLWA, The Foster Group presented a live scenario modeling of the FY 2030 financial plan. Board members are encouraged to reach out to Nicolette Bateson, CFO and Treasurer, if they would like to participate in one-on-one demonstrations and discussions.

FINANCIAL SERVICES GROUP (continued)

- The Great Lakes Water Authority' (GLWA) has made efforts to maximize its use of the state of Michigan's State Revolving Fund (SRF) program as a lower cost alternative to finance its water and sewer capital programs. Since GLWA's (and formerly the Detroit Water and Sewerage Department) level of participation in the SRF program has grown to over twenty percent (20%) of the entire SRF loan pool portfolio, GLWA was asked by the State of Michigan Finance Authority to obtain an inaugural rating on GLWA's outstanding water and sewer *junior lien bonds* that were issued through the SRF program. We are pleased to announce that GLWA received a rating on November 13, 2018 from S&P Global Ratings (S&P of 'A' has been assigned to GLWA's outstanding sewage disposal system junior-lien SRF bonds and an 'A+' rating has been assigned to GLWA's outstanding water supply system junior-lien SRF bonds. A copy of the ratings report is in the Audit Committee binder.

LEGAL

General Counsel's November 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 – November, 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 received the draft Permit and provided comments to the MDEQ.
- ***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. GLWA continues to cooperate with member partners on the Lead and Copper Rules as well and attend webinars on the subject.
- ***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. 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 2017 One Water Partnership meeting, the customer membership voted to move all contracts to the same reopener schedule. Beginning March 2018, GLWA embarked 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 8 roughly regional groups and randomly assigned a negotiation month between March and October. In October, the team met with Almont, Bruce Township, Flint, Imlay City, Lapeer, Mayfield Township, and Riverview and the amended contracts are targeted for approval by January 11, 2019.
- ***Water Contract Negotiations:*** The Office has begun discussions with the cities of Dearborn, Trenton and Grosse Ile Township related to a model water contract.
- ***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. The Office is also assisting on GLWA's property remediation efforts.
- ***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 (“IWC”) Group and external stakeholders on finalizing and implementing an updated IPP and overseeing the current program. The Office is also coordinating the transfer of a portion of GLWA’s IPP to the Oakland County Water Resource Commissioner (“OCWRC”).
- **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 negotiated terms to purchase property from Conrail and has filed condemnation actions. GLWA has orders granting possession of all easements necessary for the project. GLWA will likely close on the transaction with Conrail in the next 30 days.
- **Civil Litigation:** The Office continues to vigorously defend actions against GLWA, including a recently filed class action lawsuit regarding IWC charges. GLWA continues to pursue its action against Highland Park for the collection of unpaid water and sewer invoices. Recently, the federal trial court judge dismissed the City of Highland Park’s two lawsuits against GLWA.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Arbitration:** The Office filed a notice for arbitration pursuant to the Leases.
- **Northeast Pump Station:** GLWA is working with OMIDDD to identify the proper legal agreement to allow OMIDDD the opportunity to fund capital improvements.
- **Water Main Breaks:** GLWA is investigating water main break claims within member-partners distribution systems.
- **Procurement:** The Office continues to assist GLWA’s Procurement Team negotiate contracts, change orders and amendments and interpret contractual provisions. The Office is also assisting with the Procurement Policy and Procedures and updating GLWA’s template contracts.
- **Past Month’s Statistics:**

Contracts reviewed as to form:	17
Contracts drafted or revised:	37
Subpoenas/Information requests received:	3
Subpoenas/Information responded to:	4