



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

February 27, 2019

The Honorable
Board of Directors
Great Lakes Water Authority

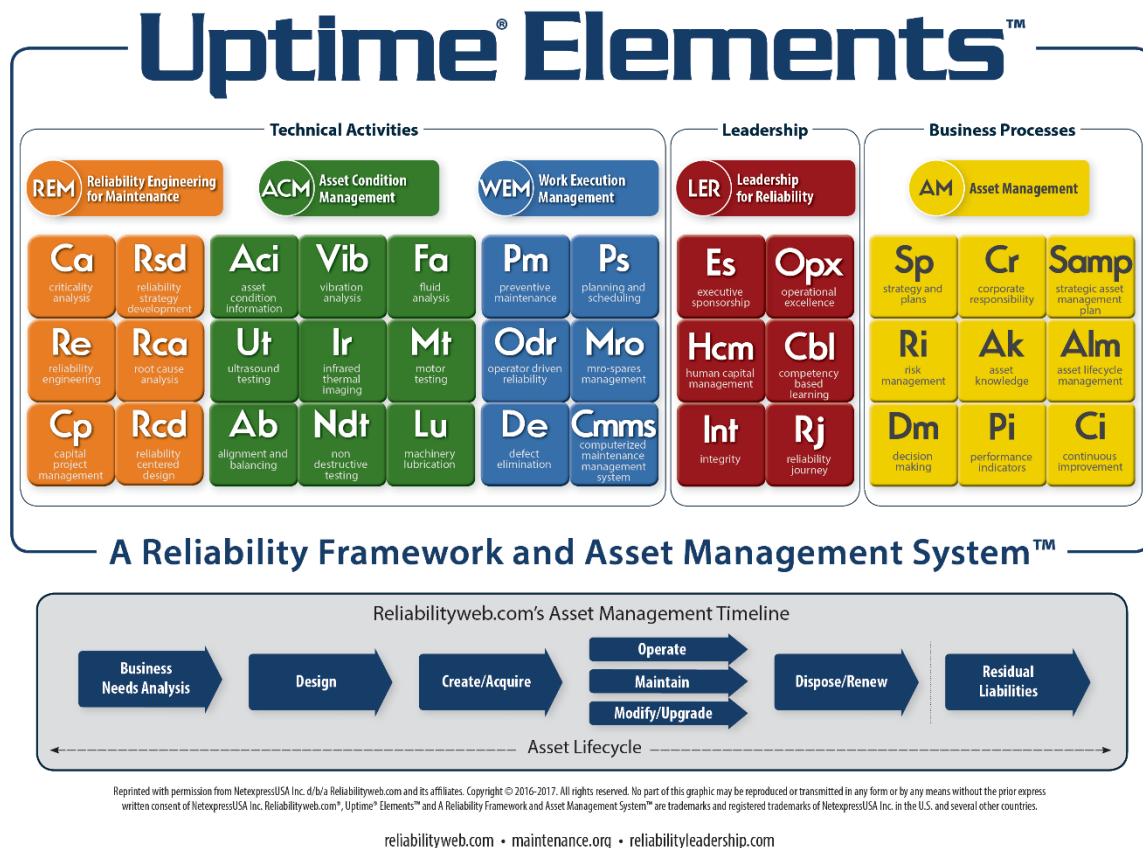
Dear Chairman Baker and Directors:

Regarding: CEO's Report – February, 2019

As you know, GLWA's focus this past month has been in large part devoted to discussion of our proposed biennial budget for Fiscal Year 2020 and Fiscal Year 2021 and the proposed charges for Fiscal Year 2020 that support the budgeted activities. At today's meeting the Board holds its public hearings on the budget and charges. These hearings are the culmination of GLWA's engagement process related to our budget, charges, and Capital Improvement Plan that was begun last year in 2018 with our most recent Member Partner meeting taking place last week on February 21, 2019. Thank you to our Board, Member Partners, and to the GLWA team for their contributions to this important endeavor.

Two initiatives which impact our proposed budget and our future operations are GLWA's Strategic Asset Management and Capital Program Management Initiatives.

As part of the Strategic Asset Management Plan (SAMP, CS-198), GLWA recently held a two-day Certified Reliability Leader training from Reliability Web. This training was focused on the Uptime Elements framework for reliability. 44 GLWA team members from across the organization participated in the training and sat for the exam to become a Certified Reliability Leader. We anticipate training another 50 team members in the Uptime Elements framework in the summer of 2019. The graphic below illustrates the material covered in the training.



The GLWA team has been focused on improving our delivery for projects contained in our Capital Improvement Plan (CIP). Given the size and complexity of GLWA's CIP, we are proposing to retain a consultant for assistance in delivery of our capital projects. A proposed contract, CS-272 "Capital Improvement Program Delivery," will come to the Board for approval at today's, February 27, 2019, meeting.

I am also pleased to report positive progress in GLWA's River Rouge Outfall (RRO) initiative. On December 30th, the WRRF team began commissioning the RRO's new disinfection facility. To accommodate the commissioning process, the operations team through extensive coordination revised the hydraulic flow path of the facility through modulation of gates. On January 1st the facility experienced a wet weather event, the discharging water has to flow through the reduced aperture from the modulated gates, the reduced aperture increases the velocity within the channel scouring the sediment in the discharge channel, the sedimented solids introduced available cyanide above the GLWA WRRF permit limit. All samples taken since the incident have been in compliance.

GLWA's initiative is an example of how GLWA and the Michigan Department of Environmental Quality (MDEQ) partnered to find an alternative which supports the regulatory requirements of our National Pollutant Discharge Elimination System Permit (NPDES) with full compliance, protections for the environments and decreased expenses for our Member Partners.

This type of creative partnering is especially important as we continue the process of securing our NPDES Permit Renewal. We have recently been advised by MDEQ that we have received the United States Environmental Protection Administration's (EPA) comments on the proposed Permit. We look forward to reviewing those comments with the MDEQ and EPA and recognize that this is another step towards completing the Permit renewal process. I will continue to update you as we to move forward towards completion.

PLANNING SERVICES

CIP Group

Projects in the proposed CIP have been added to the GIS viewers located within the Greater Detroit Regional Sanitary Sewer System (GDRSS) and the Water Automated Meter Reading (WAMR) portals. Member Partners that would like access to either the GDRSS or the WAMR portals, can email wamr@glwater.org or gdrss@glwater.org to request access.

Systems Planning Group

The Member Outreach Team has been busy working on ways to better meet our members' needs. Several work groups have spent time planning for 2019 and some restructuring of work groups is occurring.

<u>NEW STRUCTURE!</u>	<u>NEW SCHEDULE!</u>
Going forward, the Asset Management/Capital Improvement Plan work group will focus solely on the Capital Improvement Plan (CIP). Asset management content will be shared in the Water Analytical Work Group, the Wastewater Analytics Task Force and special workshops. The first CIP Work Group meeting is planned to take place on Tuesday, March 12, 2019 from 9:00 a.m. – 11:30 a.m. at the Lathrup Village Community Center.	The Water Quality Work Group will now meet on a quarterly basis. The group met on February 8, 2019 and discussed consecutive sampling, GLWA's Water Supply Advisory Council and to hear an update regarding the Lead and Copper Rule legal challenge from GLWA's General Counsel Randal Brown. The group also spent time discussing the concerns their residents have regarding water quality issues. The next work group meeting is scheduled for May 9, 2019 at 1:30 p.m.

The Water Analytical Work Group (AWG) identified key 2019 topics which include: Units of Service and Water Audit next steps; asset management efforts such as condition assessments and risk prioritization; power quality; energy management efforts; WAMR; metering updates; and projects regarding the Northeast Water Treatment Plant repurposing.

PLANNING SERVICES (continued)

The Communications Work Group dedicated their first work group meeting of the year to media training. GLWA's communications/marketing partner, Fleishman Hillard, conducted the training for the work group attendees on February 14, 2019. The training focused on emergency communications and key message development.

The co-chairs plan to meet in February to prepare for the March 21, 2019 One Water Partnership, as well as discuss other current topics of interest. The official invitation for the March 21, 2019 One Water Partnership (OWP) meeting has been sent. As with the last OWP, members are asked to sign up via a digital link and download a meeting notice. The main topic of the day will be to vote on the One Water Partnership Bylaws that were presented at the December 2018 OWP. For more information, or if you need help registering for the event, please contact Member Outreach at outreach@glwater.org or call 313-964-9301.

January Member Outreach Meeting Attendance	
Meeting	# Attended
Charges Rollout #3 (1/10)	83
Water Analytical Work Group (1/15)	28
Wastewater Master Plan Steering Team (1/18)	35
Charges Rollout #4 (1/24)	94
Wastewater Best Practices Work Group (1/30)	36

The final two Fiscal Year 2020 Charges Roll Out meetings occurred in January. Charges Roll Out Meeting #3 occurred on January 10, 2019 and focused on the proposed Fiscal Year 2020 Revenue Requirements. This was followed by the Charges Roll Out Meeting #4, which occurred on January 24, 2019 and focused on the Fiscal Year 2020 Service Charges.

The water and wastewater special Charges Work Group meetings were held on February 21, 2019 which allowed the groups to gain a better understanding of the details of the proposed charges.

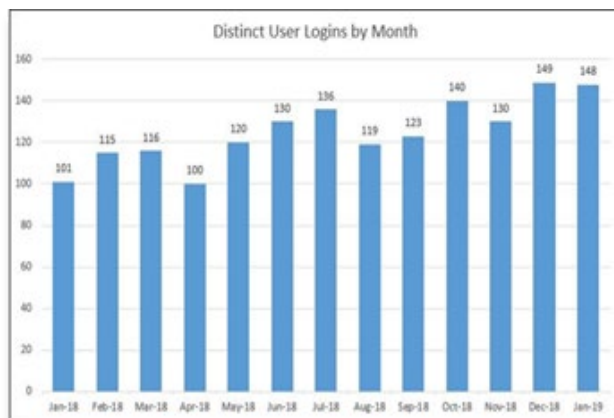
The Wastewater Master Plan (WWMP) team will begin focusing on completion of a Regional Operating Plan. A group of members with knowledge of retention treatment basins will meet on a regular basis to develop the plan, which will include several procedures, guidelines and tools.

The annual flow balance was reviewed at the Wastewater Analytics Task Force meeting on February 1, 2019. Several refinements were requested and will be discussed at a later meeting. A revised purpose statement for this work group will be discussed at the March 1, 2019 meeting to be held at SEMCOG in Detroit.

PLANNING SERVICES (continued)

A summary of draft conclusions from CDM Smith regarding Strength of Flow sampling was presented at the February 1, 2019 Sewer SHAREs work group meeting. This group continues to gain a better understanding of the existing system and charges by reviewing plant processes and cost allocations. Future meetings will begin discussions of the D+ metered area, how peaking is currently considered and may be considered in the future, and a revised Strength of Flow sampling plan.

System Analytics and Meter Operations Group (SA&MO)



The SA&MO group has received positive feedback from Member Partners since rolling out the modernized Wholesale Automatic Meter Reading (WAMR) Portal. The WAMR Portal continues to be widely used by our member partners. Since January 2018, the portal averages 124 distinct users per month. The number of distinct users increased to 142 per month since October 2018. Improvements continue to be made to the portal to provide more value and functionality.

The West Side Modeling and Monitoring project team has completed their model calibration. The modeling approach for the Design Storm and 10-Year Continuous Model Simulation was established and discussed with Michigan Department of Environmental Quality (MDEQ) to receive their input and approval. A series of meetings will be scheduled in March to discuss the results with MDEQ, GLWA operational groups, and member partners.

WASTEWATER OPERATING SERVICES

Wastewater Operations Group

Water Resource Recovery Facility (WRRF) operations were in compliance with the Water Quality Standards for the month of January 2019.

On December 30th, the WRRF team began commissioning the Rouge River Outfall new disinfection facility. To accommodate the commissioning process, the operations team through extensive coordination revised the hydraulic flow path of the facility through modulation of gates. On January 1st the facility experienced a wet weather event, the discharging water has to flow through the reduced aperture from the modulated gates, the reduced aperture increases the velocity within the channel scouring the sediment in the discharge channel, the sedimented solids introduced available cyanide above the GLWA WRRF permit limit. All samples taken since the incident have been in compliance.

WASTEWATER OPERATING SERVICES (continued)

Maintenance Group

The Maintenance Team has been busy repairing various leaks throughout the WRRF due to record breaking low temperatures.



4" water main repair under floor of the maintenance building.

The Maintenance Team also continues to focus its efforts on performing preventative work orders in addition to the corrective maintenance that is required to support operations.



Fully ragged sludge flow control valve

Industrial Waste Control (IWC) Group

IWC operations relocated to the WRRF on January 11, 2019. Staff has been unpacking and re-establishing operations at their new location while simultaneously maintaining the regulatory compliance program.

Several discussions occurred with the State, GLWA General Counsel, and MDOT to transfer possession of the Livernois Center property to the State and finalize relocation costs resulting from the relocation. We hope to have a final list of expenses and costs incurred by the end of February 2019 and will be able to close out this issue.

WASTEWATER OPERATING SERVICES (continued)

Engineering & Construction Groups

Design Engineering

The Design Engineering Team continues to develop new project scopes and coordinate with procurement for design, service, and repair contracts for assorted projects around the WRRF. Some highlighted projects are:

Capital Projects:

- Rehabilitate the PS No.1 Ferric Chloride Feed System and Complex B sludge lines.

Operations and Maintenance Projects:

- Prepare an RFB for the landfill service for the lime stabilized sludge service contract which is expiring soon.
- Replace the hot water boilers for the rectangular tank scum system in the Primary Process area.

The Design Engineering Team is working diligently to clean out the space slated for the soon to be relocated Analytical Lab. Each team member is spending at least five hours a week in preparation for the construction award.

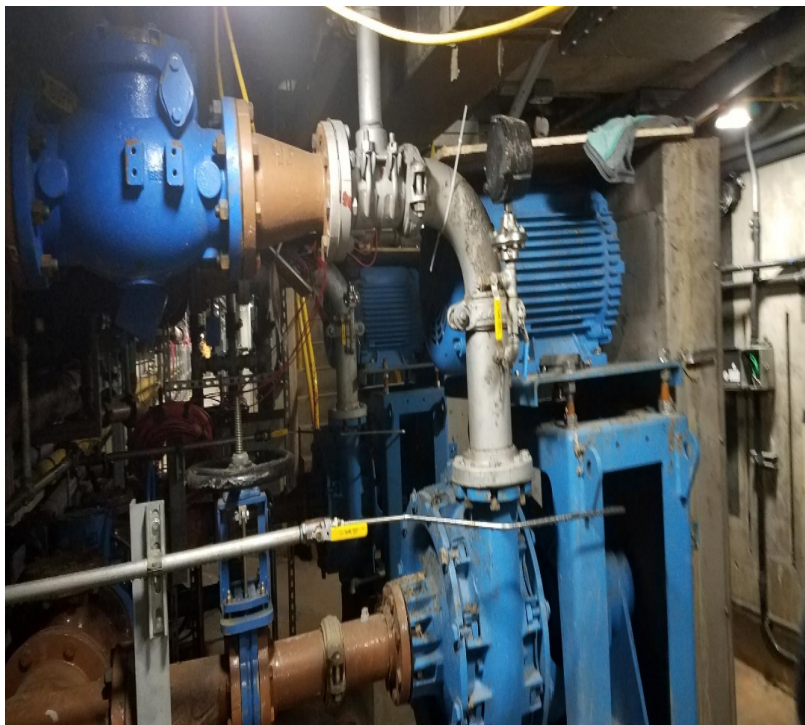
Construction Engineering

The construction of the Rehabilitation of Rectangular Primary Clarifiers project is currently underway with a project final completion date of May 18, 2020. This project consists of the following elements: the rehabilitation of all twelve rectangular primary clarifiers, the rehabilitation of the electrical/mechanical buildings and the pipe gallery, and the replacement of the rake arms assembly for circular primary clarifiers 15 and 16.

In the pipe gallery, sludge pumps 5 through 8 are being replaced along with pump seal water piping and 56 influent gate valves. The replacement of the sludge piping (upper and lower headers) is currently underway along with associated valves and tie-ins to the sludge lines leading to the sludge thickeners.

WASTEWATER OPERATING SERVICES (continued)

The cleaning of the rectangular primary clarifiers 5 through 8 is complete. The concrete work inside the clarifiers, such as crack injections and spalling repair, is underway. The demolition of existing equipment in clarifiers 7 and 8 is complete. The installation of new scum conveyance systems inside the clarifiers such as EVOQUA mechanical sludge and scum collection equipment, including shaft sprockets, chains, flight rails, brackets and supports, is ongoing. Outside the clarifiers, the longitudinal and cross collection drives and motors installation and electrical wiring is being performed.



PIPE GALLERY: New Sludge Pump No. 9 Servicing Rectangular Primary Clarifier No. 9

Construction of the Aeration System Improvements project, modification to Incinerator Sludge Feed System in Complex 2 project, and the Rouge River Outfall Disinfection project are progressing.

CSO Control Program Team

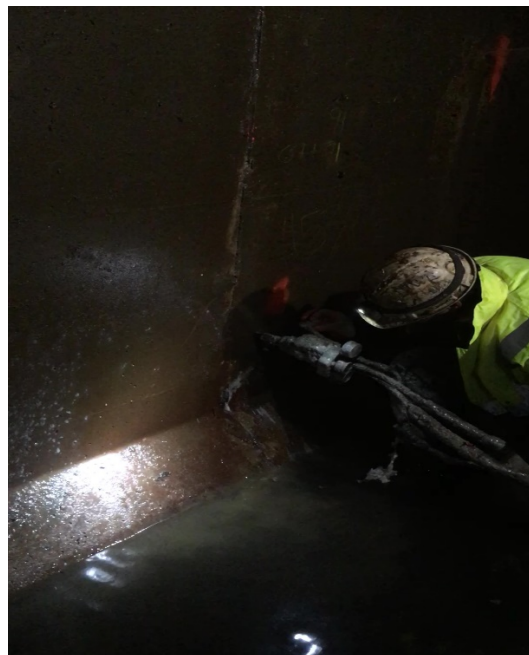
Leak repairs to the St. Aubin outfall are completed. The outfall is scheduled for a six-month follow-up that will include re-inspection and sealing any new leaks that resurface after this effort. Before and after photos of a major leak are shown on Page 9.

WASTEWATER OPERATING SERVICES (continued)

Structural repairs were scheduled for the first part of February. Upon completion of the structural repairs, Atwater Street will be re-opened.



Before



After

The CSO Team is currently working to conduct small design/study projects focused on the following: screen upgrades at Leib and St. Aubin; chemical system improvements at St. Aubin; the addition of an operator interface terminal to the Leib outfall; a reliability centered maintenance study at Baby Creek; HVAC improvements for Baby Creek and Oakwood; drainage improvements at Leib and Puritan-Fenkell; and various other small O&M funded tasks aimed at making quick improvements to various CSO facilities. We are currently working to develop contracts for these projects.

The CSO Team is also beginning discussions with several entities involved in the Wastewater Master Plan Project regarding logjams in the Rouge River and their impacts on the west-side CSO outfalls (untreated and treated outfalls). Furthermore, we are also beginning discussions with GLWA team members from Systems Control, Field Services, and WRRF to evaluate long term CSO control plans and how they relate to possible recommendations from the Wastewater Master Plan project.

Kickoff meetings were held for the roof replacement at Puritan-Fenkell and electrical improvement projects at Leib. Both projects are expected to get underway in the coming months after submittal phases are completed. Furthermore, we are preparing to bid out construction contracts for cleaning out the Seven Mile shunt channel, replacing level and meter instrumentation for Puritan-Fenkell and Seven Mile, and HVAC improvements to Leib screening and disinfection facilities.

WASTEWATER OPERATING SERVICES (continued)

The Baby Creek makeup air unit replacement project is being awarded, and we anticipate construction will begin within the next two months.

Inspections of chemical tanks for the Leib and St. Aubin facilities were recently completed and are under evaluation. One of the tanks requires repairs to fix a leak. We are currently engaging a myriad of vendors to determine the best fix for the tanks that would yield the longest service life. Given their age and frequent use, these tanks were inspected ahead of our upcoming RFP for tank inspection.

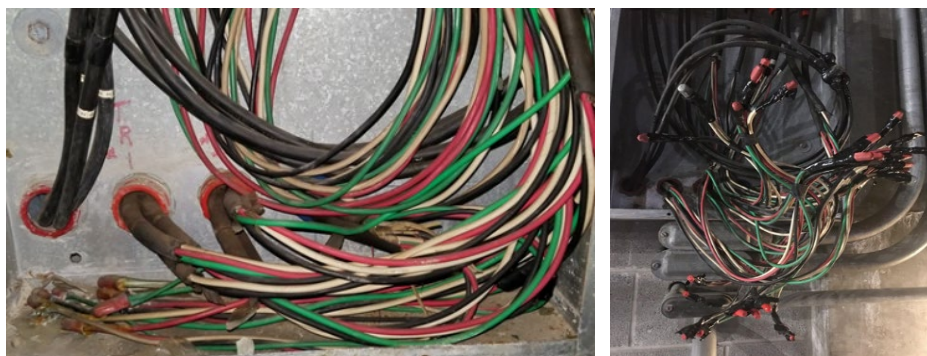
The CSO Team is working to develop a Request for Expressed Interest (RFEI) in coordination with the procurement team to solicit comments and interest from the contracting community on actuator and switchgear maintenance contracts. We plan to incorporate knowledge gained in the RFEI process from the ultimate solicitations into these maintenance contracts.

WATER OPERATIONS

Lake Huron Water Treatment Plant

The Lake Huron Water Treatment Plant (LHWTP) team successfully operated the plant on only the emergency diesel generators. This task was completed to support GLWA-CON-288, Rehabilitation of the Electrical Tunnel, in order to replace both main transformer (T1 & T2) control cables. The control cables meet in a junction box that showed a great deal of corrosion; thus, the decision was made to rewire the cables. The process involved in this task was extremely complicated due to the seriousness of the transformers that the cables are connected to and the operational and safety concerns a failure in this area would create.

The Lake Huron team worked hard to put together the detailed plan needed to shutdown both main transformers and to rely only on the emergency diesel generators to supply the electrical power required to operate the plant and successfully rewire the control cables.



Corrosion in the T1&T2 control cables and rewired junction box

The LHWTP treats the water generated from filter backwashing activities and sends this water directly back into the environment (specifically, Lake Huron).

WATER OPERATIONS (continued)

Accordingly, the Michigan Department of Environmental Quality (MDEQ) has issued LHWTP a National Pollutant Discharge Elimination System (NPDES) permit authorizing daily discharge of up to 9 MGD of filter backwash water. To protect the environment and lake wildlife, the discharged water is first treated to safely return it to the environment.

MDEQ conducted a full NPDES compliance audit of LHWTP. MDEQ staff was impressed by the lab practices, record keeping, and maintenance of the monitoring instruments. The LHWTP team is glad to report that no violations were found, and no corrective action required to comply with the permit. Therefore, we are proud to congratulate the entire LHWTP team including chemists, water techs, maintenance techs, and leadership team who collectively worked hard to attain this achievement.



Water Quality

Water Quality has been tasked with meeting the new demands placed on GLWA and our member partners by the United States Environmental Protection Agency (EPA). The EPA rescinded the consecutive system sampling allowance that GLWA and our member partners have been working under for more than 25 years. MDEQ, GLWA, and our member partners have been working to phase in the 3 to 4 - fold sampling increases. Thus, Water Quality has been steadily increasing staff resources to meet those requirements.

Fleet and Facilities

Work on the underground fuel tank replacement project is currently focused at the Water Resource Recovery Facility (WRRF), where concrete saw cutting has been completed, along with the removal of existing pavement. As of Thursday, February 14, one of the two existing underground fuel tanks have been removed and staged for disposal. An area around the fuel island has been barricaded off to allow room for contractor equipment and material staging. Existing concrete and underground fuel tanks will be removed in the next few days.

WATER OPERATIONS (continued)

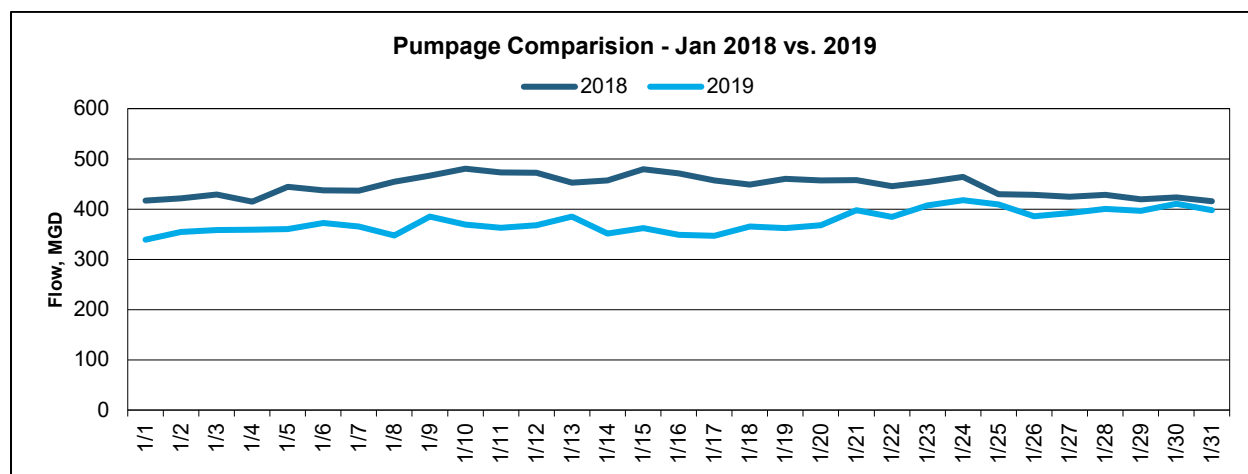
WRRF Fuel Tank Installation Progress



Systems Control Center

January 2019 Pumpage

January 2019 pumpage was 18% less than January 2018



Contingency Planning for Rochester Hills

In our efforts to support collaboration with our member partners, the City of Rochester Hills requested GLWA to evaluate water emergency scenarios as they consider updating their plans. GLWA staff created a memorandum to the City of Rochester Hills regarding the scenario evaluations by using historical demand/usage data, hydraulic model (average day) and emergency assumptions to run seven different scenarios. Based on the results, the city will plan their emergency response further.

WATER OPERATIONS (continued)

Detroit River Interceptor (DRI) Combined Sewer Outfall Rehabilitation

CS-168 “Design for Rehabilitation of GLWA Conveyance System, Interceptors and Trunk Sewers” is going well. The following shows the progress made so far on the rehabilitation of the DRI outfalls:

Phase 1	CON-260
Phase 2	100%
Phase 3	30%
Phase 4	In process

Energy, Research & Innovation

The Erie Hack Advisory Board met with participation from the Energy, Research & Innovation (ERI) team. The program aims at addressing key challenges facing Lake Erie with innovative tech solutions focusing on water. The challenges identified include stewardship, infrastructure, social awareness and water equity.

The ERI team held a call with the Fostering Innovation team lead for an overview of the project and future direction. GLWA has been participating in the first phase of the project and will hold a workshop on *Innovation Strategy and Challenge Development* in the second phase that will lay out a detailed Innovation Plan and address its implementation at GLWA.

Also, the ERI team met with Yongli Zhang from Wayne State University (WSU) to discuss her ongoing research that in part involves work at the Water Works Park pilot plant, GLWA supported projects and proposed work. Dr. Zhang and her team from WSU have submitted a proposal to study the fate of microplastics through the GLWA water and wastewater systems.

Wendy Barrott presented the award-winning Leaders Innovation Forum for Technology (LIFT) “Open Storm Detroit Dynamics” submission. The project, showcased at the 2018 WEFTEC, won first place for its innovative approach to reduce combined sewer outfall events as part of the “Dynamic Collection System Control” project.

A team was established to guide the installation of four real-time monitoring units at the WRRF. The group also discussed the scope of the second phase of the bioreactor characterization work done by the University of Michigan. The Dynamic Collection System Control team will be providing a dashboard for operators, a final report and technical documentation.

The ERI team participated in the Lab Practices Committee Meeting and an update call for the Water Research Foundation Project #4907 “Leading Water and Wastewater Utility Innovation”.

INFORMATION TECHNOLOGY

David Manor, GLWA's IT Director for Security and Risk, presented at the Joint Expo & Operators Day event at Lansing Center on February 6th, in conjunction with the American Water Works Association (AWWA). This is the third cyber security seminar that David has conducted on behalf of AWWA.

The IT Business Productivity Systems team, in conjunction with Organizational Development and the Financial Services Area, kicked off the reimplementation project of our Human Resource Information System (HRIS) with the vendor and internal resources.

The IT Business Productivity Systems team, in conjunction with Financial Services team, upgraded the BS&A Financial System on February 7, 2019. In addition to the benefits of being on the most current release of this Enterprise System, other benefits include improvements/fixes to the Accounts Payable module, the Fixed Assets module.

The IT Enterprise Asset Management Systems team, in conjunction with Planning Service's Enterprise Asset Management group, kicked off the Enterprise Asset Management Advisory Services project in January. These teams are gathering requirements and assessing high-level business processes as the first steps in the selection and implementation of the next generation Enterprise Asset Management System for GLWA.

The IT Service Delivery team is actively working on two projects that will change the look and feel of printing and faxing, increase efficiencies, retire the existing outdated, unsupported, and nonsecure faxing and print server systems, and introduce cost savings. Both projects are expected to go-live at the beginning of the second quarter 2019.

The IT Infrastructure team, in partnership with ATT, is planning the rollout of Voice Over IP (VOIP) phone service to GLWA locations in 2019. VOIP will replace the existing Fujitsu PBX system, and will include a suite of advanced features.

Currently, the IT PMO is managing 26 active projects and is processing new five project requests.

PUBLIC AFFAIRS

Public Affairs is in the midst of conducting its third annual Internal Communications Survey with research partner Fleishman Hillard. In addition to the print/online survey that is conducted in February of each year, focus groups are added to the mix every second year in order to explore team members thoughts and concerns in a more personal manner. A series of four focus group sessions were conducted January 29 and 30 at Water Works Park, WRRF and the Water Board Building, and included more than 60 team members from across the Authority. The results of the focus groups will assist us in updating the print/online survey, as well as shape our internal communications strategy. The print/online survey began February 25 and be in the field for 2-3 weeks.

PUBLIC AFFAIRS (continued)

On the heels of the successful water/sewer charges infographics produced in 2018, Public Affairs is partnering with Financial Services to produce an infographic that will assist stakeholders in understanding how GLWA's budget is spent. The new concept will segment a dollar bill based on the major budget spend categories. We expect this to be complete in March.

The first GLWA Team Member Open House and Tour is scheduled to take place at Water Works Park on Saturday, May 11, 2019. GLWA team members will have the opportunity to bring up to five family members to take the WWP facility tour which explains how water is treated. Other family-friendly activities will also be available on site that day. Three tours an hour will be offered. Stand by for more specific details!

To complement its Community Outreach efforts, Public Affairs is working with a mascot design/build company to create an official GLWA mascot in the shape of a water drop. The first designs are in and the team is very excited to have the mascot ready for its debut at the May 11 Team Member Open House and Tour at WWP. Public Affairs will be conducting a contest to have a GLWA team member name the new mascot.

SECURITY AND INTEGRITY

During the month of February, the Security and Integrity Team has finalized the Water Buffalo Project which was presented to the Community Outreach Team. This project assists in transporting emergency water to communities during a water emergency event.

The Hazmat Unit has coordinated and completed a total of 271.5 hours of training during the month.

A secondary Emergency Response drill was conducted at the Systems Control Center, and the Team is continuing to update the Emergency Response Plan due in May 2019.

Evacuation planning for both Southwest and Springwells Water Treatment Plants are complete.

The Security and Integrity Team has researched Ready-Op (an advanced concept for communication between mobile and/or fixed based staff across multiple responder agencies) for utilization by GLWA for mass communication needs.

Security and Integrity continues its planning for table top exercises with Dearborn, Detroit and Wayne County Emergency Management with the exercises will be held June 20, 2019.

ORGANIZATIONAL DEVELOPMENT

Apprenticeship and Talent Pipeline Programs

GLWA staff recruiters attended the AWWA Joint Expo on February 5-6th in Lansing to bring awareness to AWWA members about our current career opportunities and encourage referrals.

Organizational Wellness conducted a survey to identify the most effective sources for recruitment and to encourage GLWA team members to refer qualified candidates in their own network. The survey resulted in a 23% response rate and yielded over a dozen referrals of candidates for current and future opportunities. Team Members identified PTO time as the number one incentive to referring candidates to join GLWA.

Benefits & Wellness

One Water Wellness launched Financial February which highlighted discounts for team members through the GLWA Saves program and a series of seminars on topics like Nearing Retirement and Understanding Social Security and Medicare.

Training

Between January 1, 2019, and January 31, 2019, GLWA:

- Provided over 1783 hours of training and development.
- Provided training and development to 227 GLWA team members (more than two courses per team member).
- Facilitated 13 courses, in Safety, Water Operations, Wastewater Operations, and Technology.

Staffing

Since the last CEO report, January 2019, three (3) new contractors have become GLWA team members. The table below provides a breakdown of GLWA Team Members to date:

Total Staffing - Regular FTEs	982
Number of Hires - 2019 YTD	28
Total Number of Contractors (FTEs)	119

ORGANIZATIONAL DEVELOPMENT (continued)

One Water Institute (OWI) Brief Overview

One Water Institute registration opened in January as we kick off the 6-months pilot of the Institute. OWI opened to all GLWA team members, with the potential to serve in one of six academies, all 900+ team members. In addition, there are currently 150 member partner team members who have access to the Learning Management System and can register for classes and 360Water (online Water and Wastewater courses) offerings. In the month of February, the Safety Academy courses began and in the month of April, the Leadership Development Academy courses will begin.

FINANCIAL SERVICES

February 2019 Audit Committee Recap

This month the Audit Committee reviewed additional information related to the FY 2019 and 2020 Proposed Budget and related Proposed Schedule of FY 2020 Charges in anticipation of the upcoming Public Hearings on February 27, 2019.

Staff also reviewed a draft workplan for the year that encompasses entity-wide initiatives as well as upcoming key procurements for the Financial Services Area (FSA).

The 185 page binder is available online at <https://www.glwater.org/wp-content/uploads/2019/02/Audit-Committee-Binder-combined-Legistar-2.15.2019.pdf>

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, 2018, 76 communities have opted into the program.

Below is a summary of committed and spent WRAP funds as well as home audits and home repairs performed through December 31, 2018 for the City of Detroit and Suburban participants. Please note that the uncommitted funds included in the table below now includes the budgeted WRAP funds for bill assistance, arrearage assistance, home audits and repairs of \$4.5 million for FY 2019. The table below also reflects the reallocation of uncommitted FY 2017 WRAP funds to Detroit and Flint, based on the Board’s action on August 22, 2018.

FINANCIAL SERVICES (continued)

WRAP Funding Status As of December 31, 2018			
	<u>Detroit</u>	<u>Suburban</u>	<u>Total</u>
Scheduled Appointments	18,276	7,212	25,488
Completed Pre-Applications	18,056	7,207	25,263
Households Assisted	5,580	4,393	9,973
Shutoffs Avoided	3,554	868	4,422
Home Audits	1,583	717	2,300
Number of Home Repairs	965	356	1,321
Amount of Home Repairs	574,327	\$195,298	\$769,625
Average Cost of Home Repair	\$595	\$549	\$583
Total Bill Assistance Committed	2,099,785	\$1,252,686	3,352,471
Total Arrearage Assistance Committed	<u>1,706,778</u>	<u>\$1,276,713</u>	<u>2,983,490</u>
Total Assistance Committed	\$3,806,562	\$2,529,399	\$6,335,961
FY 2016-2019 WRAP Funds Uncommitted	\$ 1,309,807	\$ 7,331,657	\$8,641,465
FY 2016 Uncommitted Funds Reallocated to Detroit	\$ 1,664,833	\$ (1,664,833)	\$0
FY 2017 Uncommitted Funds Reallocated to Detroit	<u>\$ 786,981</u>	<u>\$ (786,981)</u>	<u>\$0</u>
Net FY 2016-2019 Funds Uncommitted	\$ 3,761,621	\$ 4,879,844	\$8,641,465
Total Bill and Arrearage Assistance Paid to Date:	\$2,056,124	\$1,503,734	\$3,559,857

Attached to the Chief Executive Officer's Report, is the Financial Services Area's One-Pager Executive Summary Dashboard Financial Report ending November 30, 2018, and the Procurement Pipeline (a monthly newsletter designed to provide information updates on doing business with GLWA).

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

Attachments

Revenue and Expense Budget to Actual – Pro-rata Benchmark of 41.7%

Most revenue and expense areas are within 5% of the pro-rata benchmark.

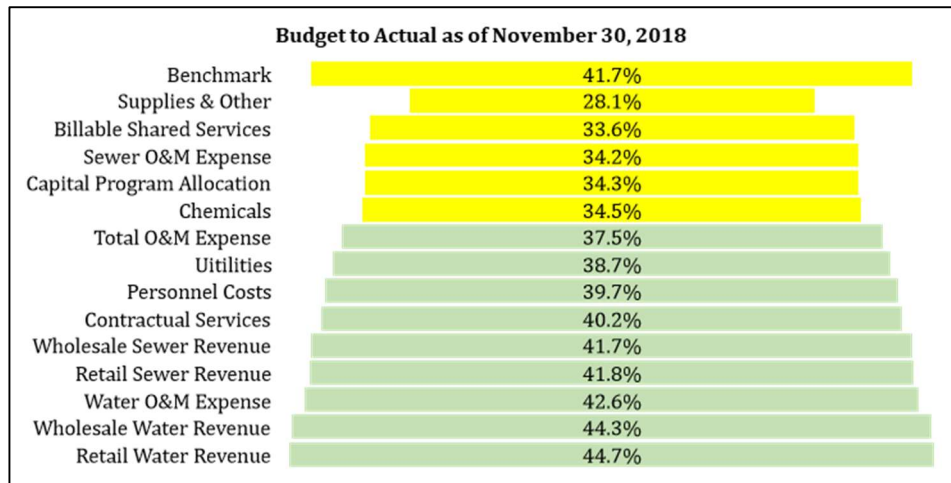
Supplies & Other: Due to timing of one-time or annual expenses.

Billable Shared Services: Ongoing analysis has supported a need to decrease the budget for Shared Services billings. December budget amendments will address this variance.

Sewer O&M: A refined centralized administrative cost allocation analysis reduced expenses (offset by an increase to Water O&M).

Capital Program Allocation: Ongoing analysis is in process to better understand the extent of variance is due to non-capitalizable maintenance programs versus capitalizable projects.

Chemicals: Expected variance as usage does not follow a 1/12th monthly budget pattern.

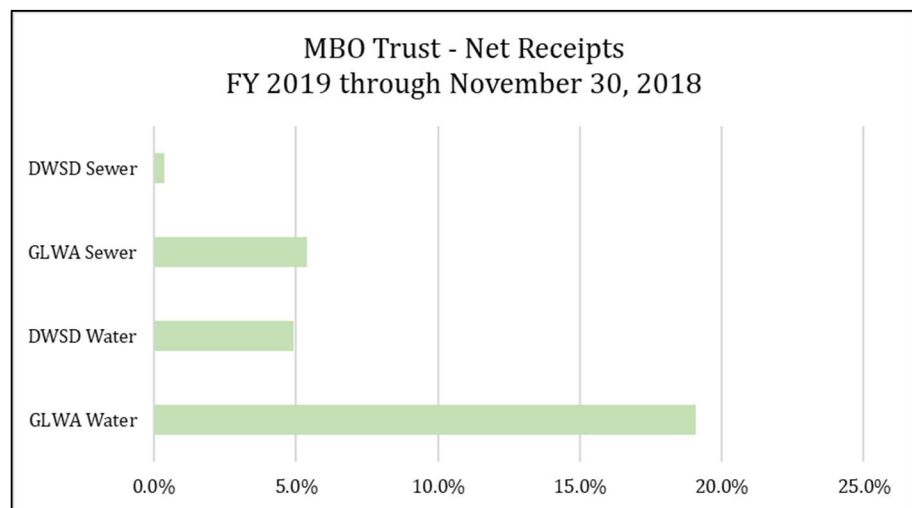


Master Bond Ordinance Budgetary Net Receipts

Overall cash flow for both GLWA and DWSD is positive.²

Other Topics

Highland Park's total receivable balance is \$41.1 million. FY 2019 cash receipts equal \$629,000 through November 30, 2019, although a \$2.1 million payment has been subsequently received.



Questions? Contact the Office of the Chief Financial Officer at CFO@glwater.org

¹ All amounts are GLWA entity-wide unless noted as water, sewer, and/or retail.

² The MBO Trust – Net Receipts table differs from the Trust Receipts and Disbursements section of this Financial Report because the MBO Trust – Net Receipts table reflects the impact of a \$6,527,200 adjustment completed in December 2018 for the final bad debt lookback adjustment.

Welcome to the first edition of The Procurement Pipeline, a monthly newsletter designed to bring you informative updates on doing business with GLWA. As requested by our vendor community, we will begin publishing upcoming procurements.

The Procurement Pipeline #1 Tip: Bonfire! Want to learn about opportunities at GLWA? It's as easy as registering, for free via [GLWA Vendors](#) page.

All open solicitations and related documents are on [Bonfire](#). Registered users receive automatic notifications based on the commodity codes they select. Bonfire also allows for communication between vendors and the buyer for each solicitation. Please don't hesitate to [contact us](#) if you need assistance.

New! Amended Board Procurement Policy

The GLWA Board of Directors approved an amended [Procurement Policy](#) on November 14, 2018. It is important for all Vendors to read the Policy, whether you have done business with us in the past, or if you want to begin doing business with us. Not only does the Policy explain the procurement process, but it also clarifies the roles and responsibilities of GLWA representatives as well as vendors.

Small Business Initiative

GLWA's Small Business Initiative (SBI) was launched in April 2018 to recruit local small businesses to bid on the available opportunities. GLWA is committed to hosting four small business meetings per year where we provide information about doing business with GLWA, introduce resources and provide networking opportunities. In November 2018, GLWA entered into a partnership with the U.S. Small Business Administration – further strengthening resources to engage the small business community.

Keeping Up With GLWA

Our [CEO's monthly report](#) provides a wealth of information and news about important initiatives.

Visit us online!

See the Vendors page at www.glwater.org or contact us via procurement@glwater.org.

Where to Meet GLWA

We participate in many outreach events throughout southeast Michigan in addition to hosting our own Vendor Outreach event, which is scheduled for May 2019 (event details later this month). We welcome you to stop by the GLWA table at the following events

Note: event sponsors may require pre-registration and/or a fee.

- ♦ [MDOT's DBE Annual Small Business Development Conference](#) on March 18, 2019
- ♦ [Public Sector Construction Forum's 2019 Small Business Industry Day](#) on April 10, 2019
- ♦ [Michigan Public Purchasing Officers' Association Reverse Trade Fair](#) on April 12, 2019

What's Coming Down the Pipe?

Current Solicitations: Available on [Bonfire](#).

Major Procurements for Next Three Months: Listed below (dates and projects subject to change) with the [capital improvement plan](#) (CIP) project number from the most current CIP presented to the Board.

- ♦ New Restroom at WRRF Warehouse (Construction) Estimate: \$200,000
- ♦ Safety Equipment (multiple years) Estimate: \$3,000,000
- ♦ Tools (multiple years) Estimate: \$217,000
- ♦ Oils and Lubricants (multiple years) Estimate: \$4,400,000
- ♦ Transmission Loop to the Downriver System CIP# 122016
- ♦ Schoolcraft Road 48" Water Transmission Main CIP #122005
- ♦ West Service Center Pump Station-Duval Rd. Valve Upgrades (Design Build) CIP# 132010
- ♦ Roof Replacements at Various Water Facilities (Design Build) CIP# 171500
- ♦ Wick Rd. 48" Water Main (Construction) CIP# 122006
- ♦ Two New High Lift Pumps, Flow Meter & Yard Improvements (Design Build) CIP# 111009

Thank you! to Walbridge who provided meeting space and speakers from their successful diversity program at the recent GLWA SBI meeting.



Office of the General Counsel – January, 2019

- ***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:*** The IWC program has vacated 303 Livernois and relocated to WWRF, however, GLWA's reimbursable relocation costs remain an open item.
- ***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 embarked on negotiations with 55 customers over an 8-month period to effectuate this request. All contract amendments have been approved by the member partners but for one, the City of Flat Rock. The City is attempting to secure a letter from Ford that will commit Ford to managing its flows during the summer peak. The parties hope to have the letter in hand by January 18. Without the letter, the City's contract will not be amended.
- ***Water Contract Negotiations:*** The Office continues discussions with the City of Dearborn on a model contract. The Cities of Trenton and Grosse Ile Township have agreed to the model 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. Conrail and GLWA signed the purchase agreement and are scheduling a closing date. GLWA has orders granting possession of all easements necessary for the project.
- **Civil Litigation:** The Office continues to vigorously defend actions against GLWA, including 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, Highland Park filed an amended complaint against GLWA. In the past month, GLWA was named in three lawsuits.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Restrictive Covenant:** The Office assisted in the negotiations of a restrictive covenant for a riverfront development in Detroit.
- **Arbitration:** The Office filed a notice for arbitration pursuant to the Leases.
- **Northeast Pump Station:** GLWA and OMIDDD are negotiating an amendment to the services contract to allow OMIDDD to fund maintenance, repairs and capital improvements to the facility.
- **Water Main Breaks:** GLWA is investigating water main break claims within member-partners distribution systems. On December 20, 2018, settlement offers were made to the City of Southgate (partial payment; claimed \$39,733.19, offered \$22,225.24), Village of South Rockwood (payment in full for \$2,868.71) and City of Taylor (payment in full for \$18,865.32). The City of Taylor acknowledged receipt of the offer and indicated they would seek appropriate signatures. The Village of South Rockwood's Council approved the Settlement and Release Agreement as requested. The South Rockwood Agreement will appear on the GLWA Board's agenda for February 13, 2019.
- **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.
- **Seminars Attended:** Michigan Defense Trial Counsel Meeting; 2018 Annual Ethics Meeting and Defense Research Institute Training regarding litigation and insurance matters.

- **Past Month's Statistics:**

Contracts reviewed as to form:	31
Contracts drafted or revised:	24
Subpoenas/Information requests received:	4
Subpoenas/Information responded to:	4