



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

June 26, 2019

The Honorable
Board of Directors
Great Lakes Water Authority

Dear Chairman Baker and Directors:

Regarding: CEO's Report – June, 2019

During the month of June, I completed our now annual tour of each of GLWA's facilities, meeting with team members throughout the plants and other facilities and then presenting our 2018 Year in Review. It's a great pleasure for me to see team members in each area of the organization and hear personally what's on their minds as we continue to move GLWA forward.

There were common themes in the conversations. I heard that the Apprenticeships were sorely needed and appreciated - and we need additional ones. I announced that the Electrician Apprenticeship will start this fall. I heard that an operators Apprenticeship should be next for both water and wastewater operations. We will evaluate if those can be developed concurrently. I heard that team members in those same classifications want the ability to participate in some aspects of the programs and potentially earn the certification. We will evaluate the possibilities.

I was encouraged by the interest of team members in many areas to seek additional education and was asked about whether we can provide flexibility to attend classes. I am interested in supporting continued team development and will discuss with GLWA leadership how we can offer flexibility. I also had coffee with team members from each facility and heard more localized stories unique to those facilities and sometimes to individual team members. These require a different type of follow up to occur, but that will happen as well.

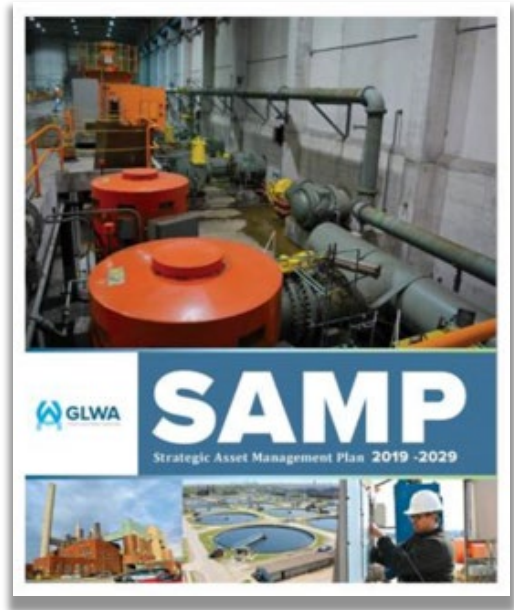
Thank you to all GLWA team members for your participation, your feedback, and your continued dedication to our success. Everything I heard was about how we make GLWA better together.

Congratulations to the team at GLWA's Water Works Park Treatment Plant and all of Water Operations! Water Works Park has been recognized for its outstanding achievement to receive the Director's Award for successfully completing phase III (Self-Assessment Project) of the American Water Works Association Partnership for Safe Water Program. The Partnership for Safe Water Program is an unprecedented alliance of six prestigious drinking water organizations and more than 300 utilities. Although a voluntary effort, the Partnership's mission is to improve the quality of water delivered to customers by optimizing water system operations. The Partnership offers self-assessment and optimization programs so that operators, managers and administrators have the tools to improve performance above and beyond proposed regulatory levels. GLWA now has 4 out of 5 water treatment plants acknowledged for this achievement.

PLANNING SERVICES

Asset Management

Team Development of the Strategic Asset Management Plan (SAMP) continues. The preliminary draft is scheduled to be circulated internally in late June. The SAMP will include an asset management roadmap that contains improvement initiatives and an implementation plan. The SAMP defines the asset management strategy and the roadmap determines priorities and anticipates schedules. The SAMP also proposes an Asset Management Policy and identifies resources necessary to continually improve GLWA's asset management practices consistent with that policy. The GLWA Board of Directors will receive a high-level presentation of the SAMP and the Asset Management Policy at their July 24, 2019 regularly scheduled board meeting.



CIP

The CIP group conducted the first of two-capital planning update training sessions on June 5th. The training was attended by 19 GLWA team members who regularly contribute to the updates of the annual capital improvement plan. The training consisted of a review of our business process, changes made this year and financial and procurement requirements regarding capital projects.

Current Changes to CIP

2021 CIP BCE Form

GLWA FY 2021-2025 CIP

Current User Name: ggarrell-wlr

Access Level: User

Find CIP

111001 CIP#

Lake Huron Water Treatment Plant, Low-Lift, High Lift and Filter Backwash Pumping System Improvements

Project Summary Detailed Project Information Project Scoring Project Changes Project Documents Project Phases

Project Title: Lake Huron Water Treatment Plant, Low-Lift, High Lift and Filter Backwash Pumping System Improvements

Project Status: ☒ Project New To Database ☐ Project Created From Program or Allowance

Save and Refresh Form Data

Project Key Areas of Interest

☒ Innovation

☒ Master Plan Right Sizing

☒ System Redundancy - Reliability

☐ NE WTP Repurposing

Project Engineer/Manager: Eric Kramp

Director: Grant Gartrell

Managing Department: Water Eng

Date Original Business Case Prepared: 3/3/2010

Year Project Added to CIP: 2010

CIP Type: Project

CIP Budget: Water

Project Class Level 1: Water

Project Class Level 2: Treatment Plants and Facilities

Project Class Level 3: Lake Huron

Fund and Cost Center: Water - 5519-882111

Project Jurisdiction: Saint Clair County

Lookup Location: Lake Huron WTP

Log Current User Out of Database

Close Database

Add a New Blank Project

Prior Yr Actuals	FY20	FY21	FY22	FY23	FY24	FY25	FY26 and Beyond	Total
401	1,611	3,169	4,450	10,000	32,757			52,388

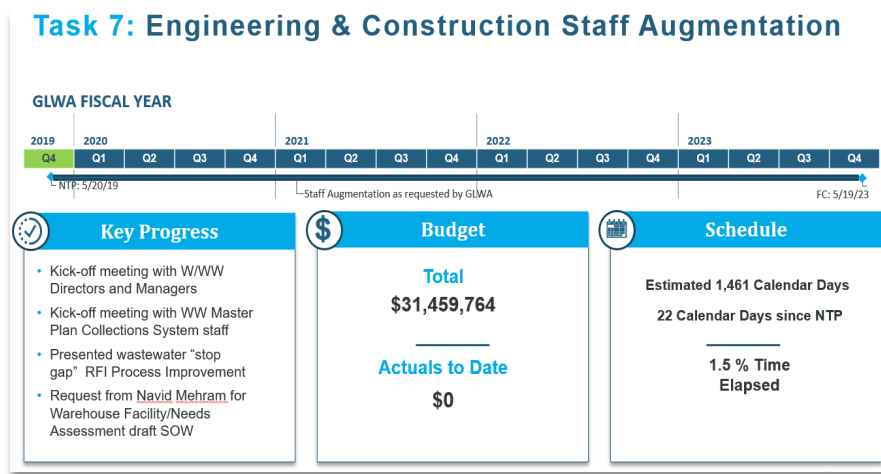
Project Total Expenses By FY (in \$1,000's)

Save and Refresh Totals

Records: 14 of 77

PLANNING SERVICES (continued)

With the Program Delivery project underway, the CIP team has been working diligently to set up multiple meetings, workshops, and data collection necessary to manage the project. A project milestone report template for each task has been established and will be updated as we move forward. The information below, is an example of one of the project tasks.



Systems Planning

The Wastewater Best Practices Work Group met on May 15th in Oakland County for an in-depth discussion of the Wastewater Master Plan and the regional operation (ROP) efforts. Carl Johnson of CDM Smith shared the results and key findings from modeling the March 30th dewatering event. Carl also shared information regarding national research on street sweeping and grit that was obtained through wastewater master planning efforts. National data indicated though considered a best practice, observed data is that plants see a nominal reduction in grit associated with street sweeping. Pete Trombley and Steve Rozycki of Macomb County's Chapaton Basin shared their experience with a real-time total residual chlorine (TRC) pilot. The commercial device will collect TRC data as the basin is filling that allows operators to quickly respond to changing needs. Macomb County will pilot a second commercial device for real-time TRC monitoring and will share their experience at a future meeting.

The One Water Co-Chairs held their quarterly meeting on May 30th and had candid discussion around various initiatives and projects, such as the Units of Service & System Water Audit and Sewer SHAREs efforts. The group also planned for the June 20th One Water Partnership meeting which provided an update on the Regional Wastewater Master Plan and hosted the Erb Family Foundation in the "Member Spotlight" portion of the agenda.

PLANNING SERVICES (continued)

The Water Analytical Work Group met on June 4th at the Lathrup Village Community Center with Todd King, Director of Field Services kicking off the meeting by sharing an update regarding the 14 Mile Inspection Pilot. Todd recapped the work that was done during the pilot, the challenges overcome in the



process, and shared the preliminary results. The full report and results will be shared with members when they are available. Todd King also shared the progress that has been made to date regarding valve exercising and blow-off valve inspection. Chandan Sood, System Analytics & Meter Operations Manager provided an update on the Units of Service & System Water Audit by providing the group with some background of how the scope of the original contract was developed and what has been completed in each phase. Chandan proposed a small subgroup be formed to develop and review the scope for Phase 3 of the project. Participants agreed with the approach and provided additional comments and points for consideration. The meeting concluded with participants reviewing the updated 2019 work group schedule of topics and clarification around the framework for the Northeast Water Treatment Plant Repurposing cost-benefit analysis. The next Water Analytical Work Group meeting is scheduled for July 16th at the Lathrup Village Community Center. Contact outreach@glwater.org for more information.



The Public Education Workgroup met at GLWA's Biosolids Dryer Facility on June 6th and concluded with a tour of the facility given by Sanjay Patel, Wastewater Operations Team Leader. The workgroup discussed the ongoing One Water Regional Education campaign sponsored by SEMCOG, GLWA and Cranbrook, as well as reviewed various public education materials around PFAS and flushables that will be shared with the full membership soon!

The Water Quality, Public Education and Communication Work Groups support consolidation of their meetings because they cover similar topics. The co-chairs, support the idea to combine these meetings. A pilot of the combined meeting will be scheduled later this year. Stay tuned for more information! Questions or concerns? Email Member Outreach at outreach@glwater.org or call 313-964-9301 to speak to Lori Byron, the third-party facilitator for these work groups, at Lori@bridgeportllc.com.

PLANNING SERVICES (continued)

May Member Outreach Meeting Attendance	
Meeting	# Attended
Sewer SHAREs (5/3)	41
Wastewater Analytics Task Force (5/3)	27
Water Quality Work Group (5/9)	33
Wastewater Best Practices Work Group (5/15)	24
Communications Work Group (5/16)	14
Wastewater Master Plan Steering Team (5/17)	31
Sewer SHAREs (5/31)	31

The June Wastewater Master Plan (WWMP) Steering Team meeting continued discussion on alternatives and initial key findings. Colleen Hughes, CDM Smith, described expected recommendations from the WWMP, including member best practices for capacity management, operations and maintenance (CMOM) and a regional water quality monitoring program. Chris Nastally, Combined Sewer Overflow Manager at GLWA, teamed up with Jim Broz from CDM Smith to provide findings and recommendations from a site visit to the Cleveland area to view disposable netting technology, to capture debris, that may be recommended for some outfalls.

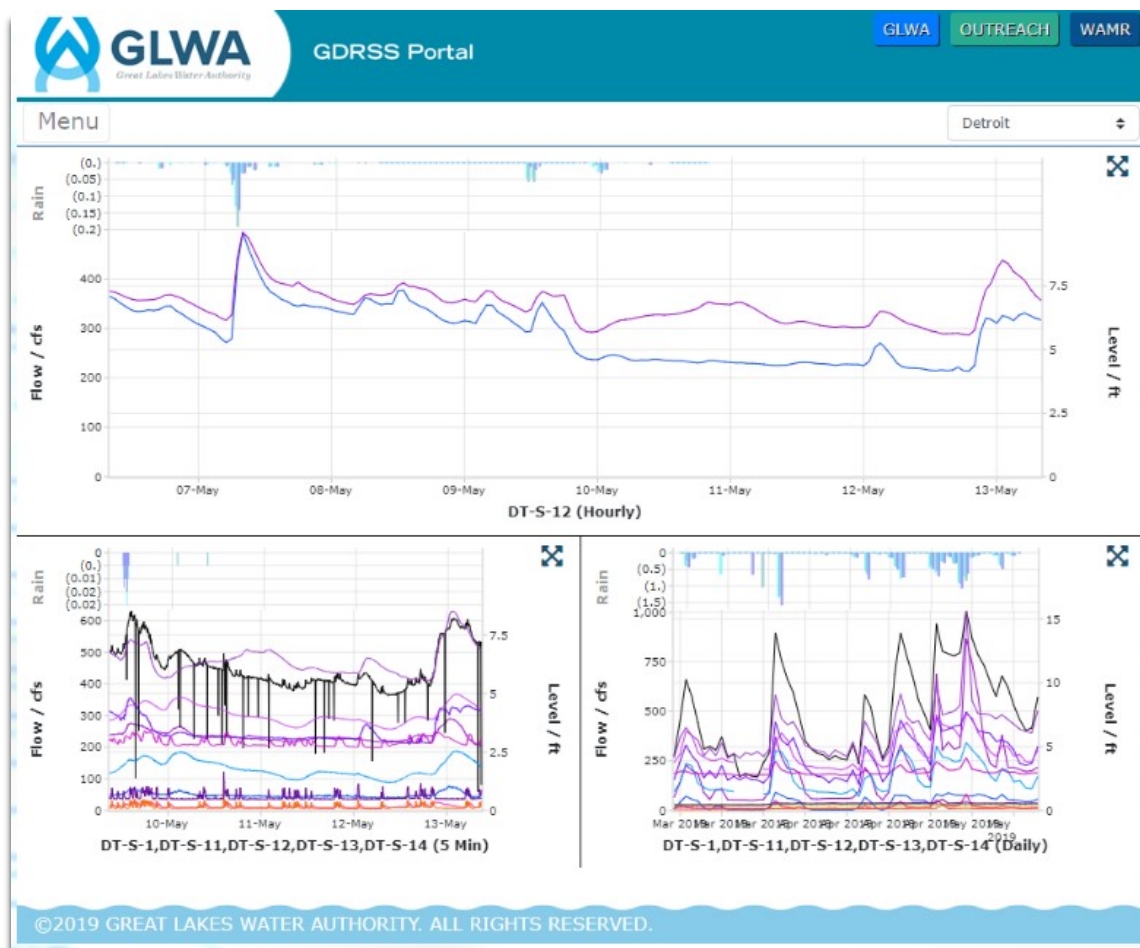


The two most recent Sewer SHAREs meetings May 31 and June 14 both focused on a plan to use data from the D+ metering area. The D+ Metering project started in August 2018 to improve understanding and quantification of common-to-all inflow/infiltration flows in the regional wastewater collection system. The D+ area is comprised of Detroit plus communities partially or completely interconnected with Detroit without direct meters. The prime objectives of the project are: Increase percentage of direct metering within the City of Detroit, reduce uncertainty in areas not directly metered by using developed extrapolations, leverage existing data sources, and reduce/eliminate assumptions used in calculating the Sewer Shares in 2016. The group did not reach consensus on use of the data and will continue discussions at their next meeting on June 28.

PLANNING SERVICES (continued)

This meeting will include a report-out from Raftelis, a consultant hired to review the sewer cost of service methodology. Raftelis has met with several member partners and will provide a list of key concerns from those members and a suggested path forward.

The Greater Detroit Regional Sewer System (GDRSS) portal was originally developed in 2010 to replace and enhance a Microsoft Access based application. In 2018, the System Analytics & Meter Operations group began overhauling the front-end framework, the TIBCO middleware, and the backend Oracle database procedures in order to improve every facet of the application and data review process. The new GDRSS portal application was deployed in April and can now be accessed by users. The recent upgrade has moved the web application to a more modern and flexible framework. It loads quicker, can be accessed by mobile devices, and improves the performance of exported data, graphing, uploading and classification of data. In addition, a monthly flow balance comparison has been added. Discrepancies that were previously identified manually are now auto detected and brought to the reviewer's attention.



PLANNING SERVICES (continued)

SA&MO completed installation and testing of a Wholesale Automated Meter Reading (WAMR) remote headend radio at the Lake Huron Water Treatment Plant (LHWTP). The new headend allows the capture of five-minute water meter and pressure data more reliably. This benefits the following northern member partners: Flint, Lapeer, Mayfield, Imlay City, Imlay Township, St. Clair County, Burtchville and Almont. We are now able to capture over 99% of five-minute data for these metering locations. We will continue to evaluate if additional remote headend radios will improve meter reporting in other geographical areas of the system

WASTEWATER OPERATING SERVICES

Wastewater Operations

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

On May 10, 2019, Majid Khan - Director of Operations spoke at the Michigan Cleaner Lake Erie through Action and Research (MI CLEAR) committee meeting in Monroe on the progress of the GLWA, in commissioning of the Rouge River Outfall disinfection project. The presentation also highlighted the beneficial impacts to the Rouge River water quality.

Luther Blackburn, Operations Manager in working with our Research and Development team attended a meeting with Michigan Air Quality officials in Lansing, along with Carmuese Kilns and NEFCO to evaluate a possibility of using biosolids as an alternative fuel for Carmueses kilns.

Maintenance

This month the Maintenance Team at the WRRF would like to feature the work of the Central Maintenance Team. Last month the Central Maintenance Team replaced two air dryers in the Air Compressor Facility. These dryers remove moisture from the air supply lines for the entire WRRF



NEW AIR DRYERS INSTALLED

WASTEWATER OPERATING SERVICES (continued)

The Central Maintenance Team also repaired a broken stem on sluice gate #7. Sluice gate #7 is utilized to stop the incoming flow to rectangular primary tanks 9 and 10.



NEW VFD INSTALLED

Process Control Center (PCC)

The PCC Group has completed work on the following projects among others:

- Assisted in restoring the Miller Gate functionality.
- Provided Ovation Training for Engineering.
- Authorized inspection of the WRRF fire alarm system.

Industrial Waste Control (IWC)

A conference call is scheduled for June 26th with the State regarding the GLWA (Pretreatment) Rules and Pretreatment Program. GLWA has modified the rules package to include changes required by EGLE/(formerly MDEQ). Additionally, we have incorporated comments received from industrial sources received after adoption. Under the enabling legislation that created the Authority, any rule adoption requires (i) approval by the GLWA Board, (ii) resolution from City of Detroit, and (iii) resolution from Counties and all communities contracting with the counties. Following completion of this process, the document must be published and made effective 30 days after publication.

We presented our PFAS (Per-and-polyfluoroalkyl substances) Identification activities at the NACWA (National Association of Clean Water Agencies) 2019 Pretreatment Coordinators Workshop held in Tacoma, Washington in May. The presentation was well received, and we have been asked to participate in a future Webinar on this subject.

WASTEWATER OPERATING SERVICES (continued)

Engineering & Construction

Design Engineering

The team worked with operations and maintenance to evaluate and right size the scope of CON-238 Chlorination and Dechlorination Process Equipment Improvements. The team with the assistance of our procurement partners were able to successfully negotiate a savings of \$1,662,816 for the system. Additionally, the team successfully kicked off design for two CIP projects:

- GLWA CS-102 Rehabilitation of PS-1 Improvements
- GLWA Contract #1802543 - Rehabilitation of Ferric Chloride Feed Systems at PS-1 and Complex B Sludge Lines

Construction Engineering

GLWA Contract PC-796, Aeration System Improvements at WRRF, is complete. The contract was awarded to Weiss Construction Group, LLC for a total price of \$15,985,000. The final contract amount ended up being \$13,841,282 after total credits of \$2,143,718. The contract started on September 21, 2016 and had a final completion date of June 21, 2019. This project:

- replaced different sluice gates and actuators at Intermediate Lift Pump (ILP) station No. 2 and aeration basin Nos. 1 and 2 inlets,
- replaced the 72-inch diameter RAS valve west of Electrical Building EB-11
- replaced LEL (lower explosive limit sensors on aeration basin Nos. 2, 3, and 4
- replaced vent gas analyzers at aeration basin Nos. 2, 3, and 4
- modified electrical and instrument and control (I&C) panels,
- replaced Variable Frequency Drives (VFDs) of ILPs 3, 4, and 7
- replaced process piping and valves within basement areas of Electrical Buildings EB 9, 10, and 11
- and, most importantly, added redundancy and flexibility to the operation of the aeration system.

Now ILP No. 7 can be used as a swing pump capable of feeding all four aeration basins. All construction activities have been completed, and the close out documentation is being submitted by the Contractor.

WASTEWATER OPERATING SERVICES (continued)



**NEW EGRESS STAIRS INSTALLED FOR
ROOF ACCESS, EB-10**



NEW VFD INSTALLED

CSO Control Program

The CSO Team recently worked to get a GLWA Task Order Engineering Request for Proposal (RFP) advertised and hosted a pre-bid meeting to over 20 consulting firms. We are working with members of WRRF Construction to finalize contract language for the Job Order Contract (JOC) which was advertised earlier this year for construction and maintenance related services by contractors for all of Wastewater.

Other RFP/RFBs recently completed or led by the CSO Team include the following:

- An Above-ground Storage Tank (AST) Inspection for a two-year Request for Bid (RFB) for all ASTs at the CSO facilities and WRRF.
- Actuator Maintenance two-part Request for Information (RFI) and RFB for the maintenance of all actuators at the WRRF and CSO facilities.
- Switchgear Maintenance two-part RFI for the maintenance of all switchgears at the WRRF and CSO facilities.
- Site improvements to the Seven Mile CSO facility, HVAC improvements to the Leib CSO facility, roof replacement at the Seven Mile CSO facility, and instrumentation improvements for Puritan-Fenkell and Seven Mile CSO facilities.

The CSO Team is currently working on the following RFP/RFBs:

- The GLWA Generator Maintenance contract: This RFB will span all GLWA facilities and cover approximately 100 generators at GLWA facilities including pump stations, treatment plants, the WRRF, and CSO facilities.
- A Lighting Materials contract which will provide a means of obtaining high-efficiency lighting products from a competitively bid contract to utilize at the WRRF and CSO facilities to improve lighting and increase safety with proper lighting.

WASTEWATER OPERATING SERVICES (continued)

Other notable construction/design projects aimed at making improvements to CSO facilities include:

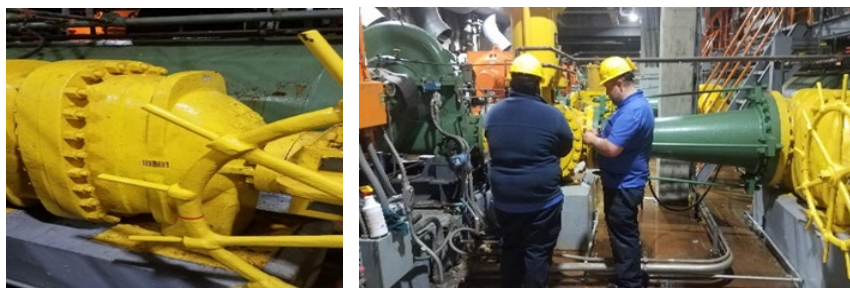
Construction Improvements - Leib electrical, Oakwood drain vault, Conner Creek effluent gate, Baby Creek make-up air replacement of units that are at failure, replacement of the CSO facilities fire alarm systems, and replacement of the roof at Puritan-Fenkell.

Design/Study - Baby Creek facility HVAC improvements to the Headworks and Electrical Rooms, evaluation of the Puritan-Fenkell and Seven Mile CSO facilities' hydraulics and operations, chemical system replacement improvements at St. Aubin, and chemical system reliability centered maintenance study at Baby Creek, Puritan-Fenkell and Leib CSO facility site improvements, and replacement of influent meters for the Conner Creek CSO facility.

WATER OPERATIONS

Field Services

At the Adams Road Station, Field Services began barcoding assets. The focus is on the work execution management, a portion of asset management, prioritizing preventative maintenance, and looking to become more efficient on our planning and scheduling of PMs. (See photos below of field personnel conducting barcoding task at Adams Road Station).



Pictured left: Bar code on gate valve.

Pictured right: Mark Droste and Desian Samuel placing bar code on gate valve.

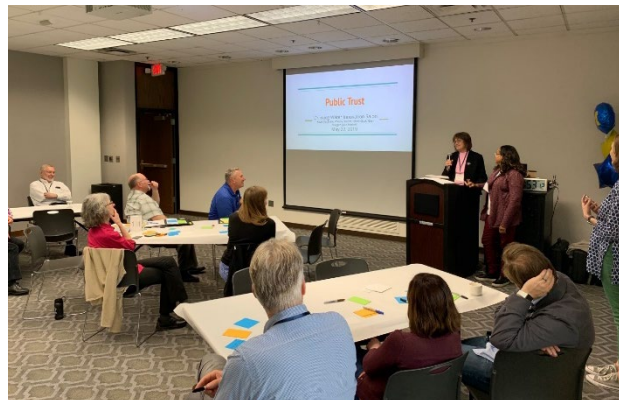
Energy, Research & Innovation

John Norton, Andrea Busch, Wendy Barrott, and Chris Steary attended and participated in a University of Michigan workshop on “water-focused” innovation and research. The invitation-only workshop included approximately 15 faculty and university researchers from Michigan, Michigan State University, Wayne State University, University of Akron, University of Toledo, Northeastern University, and about 25 utility representatives from around the state. Attendees formed teams that brainstormed problems, developed potential solutions, and then “pitched” those solutions to the rest of the attendees. Interested researchers and utility representatives then connected to discuss collaboration on potential future projects.

WATER OPERATIONS



Chris Steary pitching his team's solution to "Aging Infrastructure"

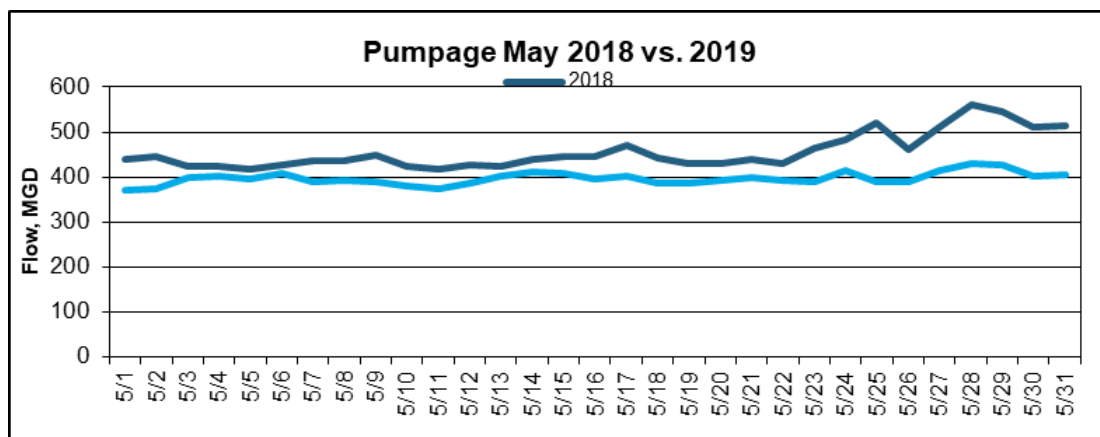


Wendy Barrott pitching her team's solution to "Public Trust"

Systems Control Center

May 2019 Pumpage

May 2019 Pumpage was 11.3% lower than May 2018



INFORMATION TECHNOLOGY

The IT Group has added a new highly qualified and experienced IT Infrastructure Manager, Nigel Adkins. Nigel brings more than 20 years of Information Technology experience and will lead the IT efforts in Data Center Management, Disaster Recovery, and Voice over IP (VoIP) along with many other initiatives and day-to-day operations.

The IT Enterprise Asset Management Systems team in conjunction with the DWSD GIS team and City of Detroit IT has successfully completed the bifurcation of geographic information systems (GIS) data applications with the shared service (ITS-006) officially ending on June 30, 2019.

INFORMATION TECHNOLOGY (continued)

GLWA's GIS has remained on GLWA servers and ArcGIS Online platform while DWSD's GIS has moved to the City of Detroit's servers and ArcGIS Online platform.

The IT Group has also collaborated with DWSD IT in the bifurcation of AMR data and applications with this shared service (ITS-001) also officially ending June 30, 2019.

The IT Business Productivity Systems team is working with the Financial Services Area (FSA) to implement a financial performance management solution that will reduce manual processes, streamlining month-end reporting, budgeting, and reporting.

The project kicked off in May and Joint Application Development (JAD) sessions are being conducted this month and next, to ensure that the vendor understands GLWA's requirements for the system.

The IT Business Productivity Systems team also worked with FSA to launch "Built for Teams", a cloud-based software that allows finance to easily map job positions, both filled and unfilled, to cost-centers for planning and tracking purposes.

The IT Service Delivery team has implemented a new enterprise cloud printing solution. Printer Logic was rolled out to IT team members on June 10th as a pilot and is scheduled to be rolled out to the rest of the utility on June 24th. The implementation will be seamless to all team members and will provide increased printing functionality. This new solution has many benefits related to improved efficiency and ability to better measure our printing costs. Another benefit is that we were able to retire the old on-premise print server environment, which is running on an older, unsupported Windows server software that potentially poses security risk.

The IT Enterprise Asset Management Systems team recently completed development of a Strategic GIS Support Services request for proposals. This RFP will result in a contract to assist the Enterprise GIS Program team with technical expertise and support to bring the GIS technology to a next level of maturity and further the use of spatial information as a 'visual canvas' for our linear network assets to better inform decision-making and operations at GLWA.

The IT Security and Enterprise Risk Management teams are conducting a cyber security analysis with Marsh, GLWA's insurance broker.

The first workshop for this effort was held on June 19, 2019 and included representation from Water Services, Wastewater Services, Systems Control, Finance, Enterprise Risk Management, and the Information Technology Leadership teams. This security analysis will not only help to identify strengths and weaknesses in GLWA's cybersecurity program, but will also help to mitigate risk, and establish appropriate parameters for a Cyber Insurance policy.

This month, the IT PMO is managing 28 active projects, processing five project requests, and closed two projects.

PUBLIC AFFAIRS

Drinking Water Week Photo Contest

Last month, GLWA celebrated National Drinking Water Week by hosting its third annual Drinking Water Week Photo Contest for team members. This year, over a dozen photos were submitted from team members throughout the organization, illustrating the various ways they enjoy water.

The first-place winner of this year's contest is Financial Services Management Professional Nick Dillon.



Nick submitted a photo taken of himself and his loveable pooch, Pumba, watching the sunrise over Lake Huron at Light House Park near Harbor Beach, Michigan.

PUBLIC AFFAIRS (continued)

The runner-up was Planning Services Management Professional Madison Merzlyakov. In her photo, Madison is making her way down the Martha Brae River in Jamaica on a bamboo raft.



Thank you to everyone who participated in this year's contest, and don't forget to keep your camera close. You never know when that perfect photo op will happen!

GLWA's New Young Professionals Network

On Thursday, May 16, GLWA hosted its first Young Professionals (YP) event – a kickoff event for GLWA team members interested in joining a Young Professionals Network. The YP Network was created by Public Affairs Specialists Stephanie Geiger and Curtis Burris-White. 23 GLWA YPs attended the event. The group's objective is to identify areas of interest for professional development and provide opportunities for professional growth through networking, team building, volunteering and guest speakers. The next meeting will take place in July and will feature guest speaker, GLWA Planning Services Management Professional and American Water Works Association's Michigan Section (MI-AWWA) Chair Bill Fritz.

PUBLIC AFFAIRS (continued)

Bill will share his story of how being a part of professional organizations such as AWWA has provided support throughout his career and share how others can join. If interested in attending an upcoming YP event, contact Stephanie Geiger at (313) 964-9575.

GLWA Welcomes New Mascot, Splash, to the Family!

GLWA has a new mascot, and its name is Splash! The professionally crafted, loveable water drop character was named after hundreds of suggestions were submitted by a cross-section of GLWA team members from throughout the utility, as well as their families and guests (who attended our first annual Open House in May). Splash is excited to be a part of the GLWA family! Public Affairs is working on a system for member communities to request Splash's presence at their community events.



SECURITY AND INTEGRITY

During the month of May, the Security and Integrity Team provided the following:

The Hazmat Unit coordinated and completed a total of 137.5 hours of training during the month.

Security and Integrity Officers Agee and Delta continued the second phase of K-9 training.

SECURITY AND INTEGRITY (continued)

The Emergency Response Plan has been distributed throughout the organization.

Security and Integrity has assisted with the Grand Prix on Belle Isle, and has also completed planning for tabletop exercises with Dearborn, Detroit and Wayne County Emergency Management with the exercises to be held June 20, 2019.

ORGANIZATIONAL DEVELOPMENT

Recruiting and Career Pathways

Organizational Development is reviewing curriculum from potential related training partners and working with the Department of Labor to finalize the standards for the EICT-E Apprenticeship Program. The goal is to start the next program in the fall 2019.

For the second year in a row, GLWA will be participating in the Wolverine Pathways Scholar Internship Program for Summer 2019 with the University of Michigan. The program begins Tuesday, July 9, 2019 and ends on Friday, August 2, 2019. Two Scholars from Cass Tech Detroit and Advance Technology Academy Dearborn will be assigned to Water Quality to do limited wet chemistry.

Janina Gilbert, HRG/Recruiter has been selected to attend the 2019 SHRM Foundation Veterans at Work: Activating Veteran Employment best practices session. It is a one-day event on Saturday, June 22nd at the SHRM Conference and Exposition in Las Vegas. She will be one of 50 attendees and one of the few who were awarded a travel scholarship.

Benefits & Wellness

Movement

Saturday, July 26th - Gift of Life MOTTEP Walk/Run (Belle Isle State Park)

Sunday, Sept 8th - ADA's Tour de Cure Michigan Bike. Run. Walk (Belle Isle State Park)

Financial

June – ICMA-RC is being scheduled for WBB and WRRF to introduce new ICMA Retirement Plans Specialist, April Rose.

ORGANIZATIONAL DEVELOPMENT (continued)

Staffing

Since the last CEO report, 2 new contractors have become GLWA team members. The table below provides a breakdown of GLWA Team Members to date:

Total Staffing - Regular FTEs	1034
Number of Hires - 2019 YTD	106
Total Number of Contractors (FTEs)	137

Training

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

- Provided over 12,091 hours of training and development.
- Provided training and development to 1,725 GLWA team members
- Facilitated 82 courses, in Safety, Water Operations, Wastewater Operations, and Technology

FINANCIAL SERVICES AREA

May 2019 Audit Committee Recap

The most recent GLWA Audit Committee meeting was held on June 21, 2019 and included:

- ✓ A recommendation for reallocation of unspent WRAP funds from prior years to member partner communities in need of additional support. This item will be presented to the Board of Directors on June 26, 2019.
- ✓ Presentation Monthly Financial Report Binder which includes the **attached** Executive Summary of the financial report on activity through March 31, 2019. Two key takeaways are 1) consistent, positive budget performance and 2) overall positive cash flow. It should be noted that the DWSD Sewer Fund has a shortfall of approximately \$10 million as of that date. Subsequently, DWSD adjusted the monthly O&M Budget transfer requests for May and June of \$11.6 million in total. With these adjustments, it is anticipated that the DWSD Sewer Fund will end FY 2019 with a net positive cash flow for FY 2019 – which is very good news.
- ✓ GLWA's investment advisor provided an update on current economic and political environment, which has caused a shift in the capital markets. Changes in the forecast for U.S. economic growth, the global growth outlook, and trade tensions has moved the market to project that the federal reserve will cut rates. The impact to GLWA is a decrease in investment earnings from prior projections.
- ✓ The next regularly scheduled Audit Committee meeting will be held on Friday, July 19, 2019 at 8:00 a.m. in the Board Room of the Water Board Building.

FINANCIAL SERVICES AREA (continued)

Reconciliation Committee

A DWSD and GLWA Reconciliation Committee meeting was held on June 21, 2019. Updates were presented related to year-end cash position and arbitration status related to services and transmission line responsibilities.

The Procurement Pipeline

The June 2019 edition is **attached**. This month's Pipeline includes a section in response to a question posed by the vendor community at the annual Vendor Outreach Event.

Vendor Outreach and Small Business Initiatives

The Vendor Outreach team is busy this time of year. GLWA's 4th Annual Vendor Outreach event was held on May 16, 2019 in Livonia. The focus was "Doing Business with GLWA" and networking. By all accounts, the event was successful thanks to 193 participating companies, a 15% increase from 2018. This was the first year the GLWA engaged an outside event planner to assist with the effort. We are meeting with the event planner this week for a debrief as we begin planning future events.

In addition, GLWA was recently represented at several other outreach events in the region as listed below.

June 6, 2019 - Macomb County: Commercial Contracting Corporation (CCC) 2019 Supplier Diversity Outreach – Met with almost 50 potential subcontractors.

June 13, 2019 - Wayne County: Schoolcraft College Procurement Technical Assistance Center's (PTAC) Meet the Buyer – Met with almost 200 local small businesses regarding procurement opportunities at GLWA.

June 19, 2019 - City of Flint: Flint/Genesee County PTAC Meet the Buyer – First time that GLWA participated by meeting with almost 100 small businesses that are interested in being a GLWA vendor.

Transformation Team Update

Transformation has been working diligently with operations training and launching 5S projects.

Water Operations - The Lake Huron team has been trained on 5S and will be launching a 5S program in three areas throughout their facility. Under the leadership of plant manager Christopher Steary, 5S workplace organization will launch in the main conference room, in the lab operations area, and two safety closets will be combined into one location.

FINANCIAL SERVICES AREA (continued)

The Water Works Park maintenance and operations team members were recently trained on 5S and will be selecting an area to launch soon. Plant Manager, Andrae Savage, will be leading this effort.

Wastewater Resource Recovery Facility (WRRF) - Primary Pump Station #1 is getting a facelift by implementing the powerful Lean tool of Visual Management. Visual Management, also known as “Management At A Glance”, is a systematic approach to quickly understand the status and/or condition about a system, process, or area. Visual controls are put in place to communicate information nonverbally by using colors, signs, banners, symbols, etc. The goal is to allow recognition of information at a glance, in order to increase safety, efficiency and clarity.

Continuing the Roles, Responsibilities & Expectations efforts, Transformation began conducting Kaizen blitz events to capture the various processes within the Financial Services Area’s Reporting & Compliance Group.

Transformation has partnered with Safety to ensure that signage throughout GLWA facilities is consistent and in keeping with any required OSHA and MIOSHA standards. The pilot of this initiative is beginning with fire extinguishers at WRRF in Pump Station 1 and is being supported through the Executive Sponsorship of Bill Wolfson.

The Group led a Root Cause Analysis (RCA) learning and development workshop with the O&M leadership at WRRF with the support of Chief Operating Officer Navid Mehram. This will help drive continuous improvement efforts in ensuring that when problems arise we understand the true causes of the concerns and are able to implement robust and effective corrective actions to prevent future recurrences.

Implementing RCA will help our organization:

- Identify barriers and the causes of problems, so that *permanent solutions* can be found.
- Develop a logical approach to problem-solving, using data that already exists in the organization.
- Identify current and future needs for organizational improvement.
- Establish repeatable, step-by-step processes, in which one process can confirm the results of another.

LEGAL

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

Respectfully submitted,



Sue F. McCormick
Chief Executive Officer

SFM/dlr

Attachments (3)

Revenue and Expense Budget to Actual¹ – Pro-rata Benchmark of 75%

Most categories are within 5% of the pro-rata benchmark.

Chemicals:

Expected variance as usage does not follow a consistent monthly budget pattern.

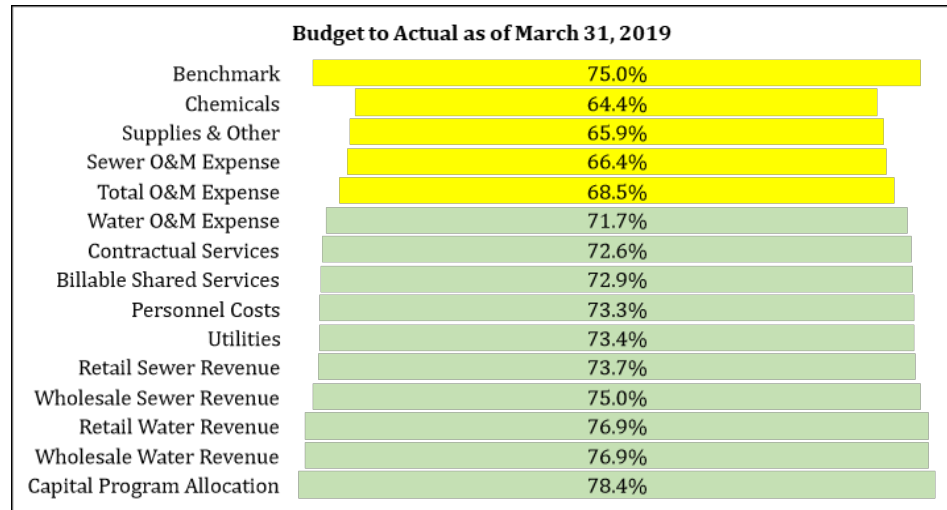
Supplies & Other:

Due to timing of one-time or annual

purchases in this category, expenses will not occur evenly throughout the fiscal year.

Sewer Operations & Maintenance (O&M) Expense: The positive variances in Supplies & Other and Chemicals, noted above, also positively impact the overall Sewer O&M Expense.

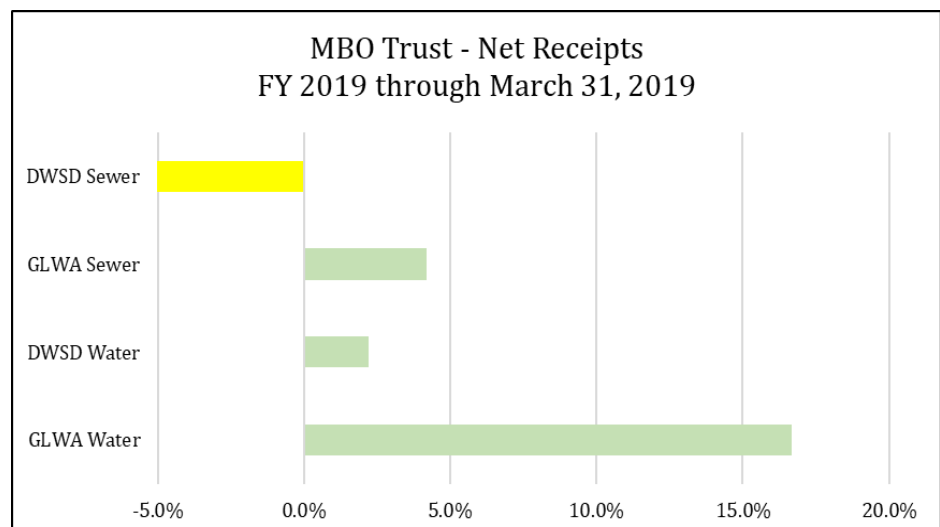
Total Operations & Maintenance (O&M) Expense: The positive variances in Sewer O&M and the close management of Water O&M Expense is contributing to an overall positive variance to Total O&M Expense.



Master Bond Ordinance (MBO) Trust Net Receipts

Overall net cash flow (receipts) is positive. This means that all legal commitments of the MBO Trust and the lease payment are fully funded to date. The net positive variance contributes to an improving financial position. As of June 1, 2019, DWSD has reduced

Sewer O&M transfers in May and June to support the goal of a positive, net cash flow for FY 2019.



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.

Summer is here and so is the June edition of **The Procurement Pipeline**, a monthly newsletter designed to bring you informative updates on doing business with GLWA.

Tip of the Month: Commodity Codes

Selecting the correct [Commodity Codes](#) is fundamental to connecting buyers with vendors. It is also the key to getting solicitations delivered directly to your email inbox. In [Bonfire](#), you can update the commodity codes that best match the goods and/or services that your firm provides on the Global Vendor Record setup tab.

Global Vendor Record

After you complete or update your commodity codes, make sure the box below is checked so that you receive relevant solicitation notifications and updates.

☒ **Notify me of any opportunities that match my commodity codes**

New Security Procedures: Meetings and Site Tours

Effective immediately, a valid driver's license or government issued identification is required to attend procurement-related activities at all GLWA facilities, including the Water Board Building. Detailed information on these new procedures can be found within each solicitation on Bonfire and will be coordinated by the Buyer. Attendees will be required to send a copy of their identification in advance and will be verified at the time of the meeting. Note that this procedure is in effect for all pre-bid and pre-proposal meetings; pre-bid site tours; proposal negotiations; and any other type of meetings.

4th Annual Vendor Outreach

GLWA's Annual Vendor Outreach event was held on May 16, 2019. Many heartfelt thanks to the 193 companies that joined us this year! New features such as the panel discussions were heavily attended and gave us great opportunity for dialog. And, we heard your requests to expand that feature next year! Not able to attend?



That's ok - the handouts are online - see [event presentations](#) on the GLWA Vendors page.

Tariffs

The uncertainty regarding the implementation of international tariffs can be a daily struggle for affected businesses. In particular, many construction vendors wonder if they should include a tariff on goods in their bids. *Procurement's Advice:*

- *If there is a tariff in place* at the time of the bid due date, a vendor's pricing must include all applicable tariffs.

- *If there is no tariff in place*, but there is talk of one, the vendor's pricing should not include the cost of the potential tariff.

- *If a tariff is imposed after the bid due date* but before contract execution, the selected vendor shall update its pricing.

- *After contract execution* and pursuant to the contract, the selected vendor shall timely alert GLWA to the imposed tariff. If alerted timely, the selected vendor's pricing will be increased by the tariff amount.

Small Business Initiative (SBI)

We were pleased to see and hear from many of our small businesses during the Vendor Outreach event. Whether it was asking questions during the breakout panels or visiting our Resource & Networking, we knew you were there representing our local businesses.

What's Coming Down the Pipe?

Current Solicitations: Available on [Bonfire](#)

Next Nine Months: See reverse side

Keeping Up With GLWA

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

Where to Meet GLWA

GLWA participates in many outreach events throughout southeast Michigan. We welcome you to visit us at the following events. Note: event sponsors may require pre-registration and/or a fee.

- 💧 [Schoolcraft College Meet the Buyer](#) June 13
- 💧 [Flint-Genesee County Meet the Buyer](#) June 19
- 💧 GLWA Small Business Initiative Advisory Meeting
August 8 – Schoolcraft College, Livonia, Michigan

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

June 2019

Upcoming Procurements

Category	Description	Budget Estimate
Water System (next three months)		
Construction	Reservoir Rehab Imlay Station, Lake Huron Water Treatment Plant, Springwells Water Treatment Plant and Southwest Water Treatment Plant (CIP #170800)	\$17,200,000
Construction	Northeast Water Treatment Plant Hatch Cover Replacements (CIP #112005)	\$800,000
Construction	Schoolcraft Road 48" Water Transmission Main (CIP #122005)	\$13,800,000
Design	Newburgh Road Booster Station Improvements (CIP #132015)	\$4,000,000
Design	Asset Management of the Drinking Water Transmission System	\$300,000
Design Build	Lake Huron Water Treatment Plant - Two New High Lift Pumps, Flow Meter, and Yard Improvements (CIP #111009)	\$26,000,000
Services	Heating, Ventilation and Air Conditioning Controls Upgrade	\$202,000
Services	Abatement of Mold, Asbestos, Materials and third party testing of samples for one year	\$50,000
Services	Wireless Power Monitoring	\$90,000
Services	Dual Channel Permanent Flowmeter (West Service Center)	\$90,000
Services	Pump Repair for Five Water Plant for a One Year Period (1)	\$300,000
Services	Pump Repair for Five Water Plant for a One Year Period (2)	\$300,000
Services	Integration that will Assist with Enabling AURA for Partnering Communities	\$250,000
Maintenance	5-Year Sludge Removal and Disposal Services at Northeast, Springwells & Southwest Water Plants	\$20,000,000
Maintenance	Switchgear Repair and Maintenance	\$1,000,000
Wastewater System (next three months)		
Services	Thickener 1 Bull Gear Repair at Water Resource Recovery Facility	\$70,000
Services	Flygt Pump; Oakwood CSO	\$80,000
Maintenance	Above-Ground Storage Tank Inspection & Maintenance(WRRF & CSO Facilities)	TBD
Maintenance	Generator Maintenance (all of GLWA)	TBD
Construction	Site Improvements to Puritan Fenkell and Leib CSO Facilities (CIP #260600)	\$1,000,000
Construction	Towards Treatment Sewer Improvements for Baby Creek CSO Facility (CIP #260600)	\$500,000
Construction	7 Mile Parking Lot Improvements (CIP #260600)	\$400,000
Construction	Site Remediation at 9125 West Jefferson	\$500,000
Supplies	Lighting Supplies at (WRRF & CSO Facilities)	\$550,000
Water System (next four to nine months)		
Construction	Water Works Park Process Areas Ventilation System Improvements (CIP #115005)	\$5,100,000
Design Build	7 Mile/Nevada Water Transmission Main Rehab and Flow Control Station (CIP #122017)	\$20,500,000
Design	North Service Center Pumping Station Improvements (CIP #132016)	\$6,000,000
Design	Water Works Park Process Areas Ventilation System Improvements (CIP #115005)	\$650,000
Design	Adams Road Booster Pumping Station Improvements	\$5,000,000
Wastewater System (next four to nine months)		
Design	Pump Station #2 Bar Racks Replacement and Grit Collection System (CIP #211007)	\$1,600,000
Design	Assessment and Rehabilitation of Yard Piping and Underground Utilities (CIP #216006)	\$25,000,000
Construction	HVAC Improvements at BC CSO Facility (CIP #260600)	\$500,000
Construction	Chemical Containment Sump Improvements at PF, 7M, BLI	TBD
Study	Long Term CSO Plan	TBD
Enterprise Services		
Services	GIS Strategic Support Services	\$2,200,000

Office of the General Counsel – June, 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. A Public Hearing on the permit occurred April 18, 2019. It is anticipated that the NPDES Permit will be issued in July or August 2019.
- ***Legislative Updates:*** The Office continues to support HB 4806 which contains amendments to the exception to governmental immunity, regarding liability for sewer backup claims. GLWA continues to cooperate with member partners on the Lead and Copper Rules as well as attend webinars on the subject. The Office is also monitoring a biosolids bill.
- ***Gordie Howe International Bridge:*** The IWC program vacated 303 Livernois and relocated to WWRF, however, GLWA's reimbursable relocation costs remain an open item.
- ***Trenton Water Main:*** The Office is negotiating the transfer of the 24-inch water main to GLWA. GLWA retained a survey company to survey the entire easement area for the transfer documents.
- ***Water Contract Negotiations:*** The Office continues discussions with the City of Dearborn on a model contract. The most recent meeting occurred on May 24, 2019. A follow-up meeting is being scheduled.
- ***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").
- ***Detroit River Interceptor:*** The Office is supporting operations by drafting access agreements and easements for improvements to the Interceptor.

- **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 closing date was moved, but the closing should occur this fiscal year. GLWA has orders granting possession of all easements necessary for the project. The Agreements between DTE and GLWA are fully executed.
- **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. GLWA is a plaintiff in the lawsuit against the State related to the Lead and Copper Rules. The State's Motion for Summary Disposition Hearing was scheduled for July 8th. The Office received notices of claims for sewer back-ups for a recent rain event. The claims are being investigated.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Arbitration:** The City and GLWA will conduct an expedited arbitration pursuant to the Leases and the Water and Sewer Services Agreement related to GLWA's water usage at one of the Leased Facilities. The arbitrators, including the neutral has been identified. The arbitration is set for August 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's Procedures and updating GLWA's template contracts, including a Job Order Contract.
- **Addition to the Office of the General Counsel:** In late May, Sarah Ahn, Esq. joined the Office as an Associate General Counsel.
- **Seminars Attended:** The Office participated in the "ABA-Ethical 'Red-Flags' for Public Lawyers: Responsibilities & Conflicts" webinar and EGLE's "Managing Contaminated Sites in Your Community" webinar.
- **Past Month's Statistics:**

Contracts reviewed as to form:	37
Contracts drafted or revised:	76
Subpoenas/Information requests received:	8
Subpoenas/Information responded to:	7