



GREAT LAKES WATER AUTHORITY

April 14, 2015

The Honorable
Board of Directors
Great Lakes Water Authority

Dear Chairman Daddow and Directors:

Regarding: Interim CEO's Report – April, 2015

Major efforts continue to focus on transition planning for standup of the GLWA and the locally focused DWSD. Discussions with MDEQ personnel on a variety of issues continue to yield progress. In addition to the many work groups working on transition planning, the teams are now working cross functionally to integrate their recommendations. Significant efforts this week focus on preliminary identification of allocated budgeted resources for first year operations, and creating the preliminary organizational chart. Task lists and assignments are being created to account for and address items requiring closure throughout the balance of the transition effort. A schedule for coordinating upcoming BOWC and GLWA actions is under development.

A copy of the DWSD Finance Committee packet is attached. The packet provides unaudited financial results for FY15 and status reporting on other financial items of interest.

A communications team consisting of cross-functional employees is assisting in the development of the first monthly newsletter planned for May.

Letters to Customer Communities with current contracts have been mailed as the final communication step in concluding the process for changes in monthly and unit charges for Fiscal Year 2016. Billing system changes and testing are ongoing for implementation of these changes that will be effective July 9, 2015. Recommendations to the DWSD Board of Water Commissioners for charges applicable to the remaining customers will occur in May. We are supporting Ernst and Young with development of the Detroit retail rates.

On April 6th, Lapeer City Council voted to enter into contract negotiations with GLWA for a long term water supply contract. Staff continues to work with Lapeer on contract details.

Other significant efforts include moving forward optimization efforts through staff placements, and procurement and energy optimization efforts.

- As of this writing, 708 staff placements have been completed and 149 are in process.
- Implementation of twelve vending machines to manage/track high value, high turn, and expendable materials is starting this week in various plant and yard locations.

- The janitorial service contract approved by the BOWC in March was implemented last week with annual savings projected at \$1.2 million.
- Siemens is on site advancing the evaluation of energy improvement opportunities at various water treatment facilities. Preliminary findings estimated annual energy savings of \$300,000 - \$600,000. A meeting to review detailed findings and discuss a potential project scope is scheduled later this month.

WATER SUPPLY OPERATIONS

On March 18, 2015, Field Services reported a leak of a 96" main between 27 Mile and 28 Mile Roads. The leak is on an air valve south of wholesale meters RM-01 and WG-01. The only isolation valve on the 96" main between the Imlay City Water Booster Station and North Service Center Booster Station is at Dorsey and Dickenson Streets. There are 18.3 miles from the Imlay City Water Booster Station to Dorsey and Dickenson Streets, and 14 miles from Dorsey and Dickenson Streets to the North Service Center Water Booster Station. The repair affected the Village of Romeo, Washington Township, City of Rochester, Shelby Township, and Rochester Hills. Extensive coordination occurred with the impacted communities about this repair effort. At the request of the communities, notification was placed in the *Macomb Daily* on Sunday, April 5th, indicating our recommendation to issue a precautionary boil water alert for the communities affected by the repair due to reduced pressures. The repair took approximately 21 hours with normal operations resuming on April 6th at 3:00 p.m. Because pressure was never below 40 psi during the repair, a boil water alert was not required. Bacteriological testing was also not required because pressure was never 20 psi or below, but samples were taken as a precautionary measure. The test results confirmed that there were no water quality issues during the repair. Coordination among the customer communities assisted greatly in the way this repair was executed with positive results.

The Water Master Planning effort remains on schedule. The Infrastructure and Service Management Plan was submitted on April 2, 2015 and is currently under review. This plan analyzed requirements for pumping, storage, transmission, and distribution facilities to meet the level of service goals for customers and customer communities.

WASTEWATER OPERATIONS

The Streamlined Reliability Centered Maintenance (SRCM) analysis of all assets identified to the MDEQ as being critical is completed with notification to MDEQ prior to the March 15, 2015 deadline stipulated in the Administrative Consent Order.

The Biosolids Dryer Project is focused on the control system programming, the computerized maintenance management system and operational safety plan. NEFCO is currently recruiting for operations and maintenance staff. The project remains forecasted as seven (7) months ahead of schedule with an anticipated August 2015 startup.

The air emissions upgrades for incinerators 7 & 8 have been completed, and the incinerators will be tested for compliance this week. The next two incinerators 9 & 10 will be released for upgrades after the emission testing is completed.

WASTEWATER OPERATIONS (continued)

On April 9, 2015 at 2:45 p.m., the WWTP experienced a power outage to all process areas (except pump station-1 and the old administration building) due to a 120 KVA cable fault feeding transformer B at the WWTP on the Detroit Edison side. Electricians were able to switch overloads to transformer A, one process area at a time. Intermediate Lift Pumps (secondary treatment) were started around 3:30 p.m. to be fully functional by 4:30 p.m. Next, influent pumps were started; and finally all process areas were back in service by 7:30 p.m. During this power outage, approximately 3.6 MG of primary treated wastewater (PE) was discharged into the Detroit River, which is 0.7 MG over the 2.9 MG which is allowed during the dry weather.

Collections

Staff continues to work with the City of Detroit Administration to improve the effectiveness of the available residential water affordability assistance programs, and to improve overall collections.

Current efforts focus on collection of overdue commercial accounts. On site tagging for shut off notices on commercial accounts begins this week. Once posted, commercial customers have ten (10) days to pay in full, or make arrangements to pay their past due balances prior to services being discontinued.

DWSD has received a payment of \$500,000.00 from the Detroit Public Schools and is working with the schools to finalize a mutually acceptable plan to retire the arrearage while making full and timely payments on future bills.

DWSD was in the process of negotiating a Consent Judgment in its suit against the City of Inkster, when it was able to reach a tentative amicable resolution of the entire matter which will be presented to the Board of Water Commissioners for approval.

DWSD has filed a Motion for Issuance of a Transcript of Judgment in its litigation with the City of Highland Park. This is a necessary step before placing a judgment levy on the tax rolls for Highland Park.

INFORMATION TECHNOLOGY

Cyber Security

- Draft IT incident response plan is in process, in conjunction with AT&T
- We are on track for the network access control (NAC) device installation at CSF, along with the intrusion detection system/intrusion prevention system (IDS/IPS) equipment within the next two weeks

Service Delivery

- Developed internal Service Desk ticketed process to recover cellular devices from separated employees.

INFORMATION TECHNOLOGY (cont.)

- Configured new mobile device deployment process for Android devices via Dell Mobile Management Platform. This will streamline application provisioning and setup to the Department's mobile devices.
- Remotely upgraded Adobe Flash and Adobe Reader XI on approximately 800 computers by utilizing Dell Kace "Zero Touch" Technology.
- Imaged and deployed new Dell 9020 Desktops in Public Affairs using Dell Kace.
- Two (2) Service Delivery team members completed 18 hours of Desktop Authority training.

Applications Delivery

- Configuring NeoGov for performance management - launch date June 1, 2015
- Minor fixes deployed for WAM - DRMS
- Configured WAM and Service Link Work Orders for Fire Hydrant inspections

Administration

- Completed contracts
- AT&T amendments (2)
- Waterfield (ACD)

Project Updates

- ACD: possible delay to May 27th
- IVR: On Track for May 11th
- Invoice Cloud: On Track for May 11th

Met with AST (8 hours over three (3) days) to discuss WAM to Cloud ERP interfaces, and to scope requirements, and then get quotes for stand-alone Oracle Cloud ERP for GLWA. Identified seven schedules for GLWA/DWSD-R Shared Services for IT
The mobile application, "Improve Detroit" launched on April 9th with DWSD internal SLAs released to the Mayor's Office

GIS

- Configured ESRI services for Fire Hydrant Editor and View
- Contacted GIS Inc. and developed personal services scope using Oakland County contract as purchasing vehicle
- Met with DFD to review business processes for fire hydrant inspections, and modified GIS layer to accommodate changes in data layout

Respectfully submitted,



Sue F. McCormick
Interim CEO

SFM:dlr

Attachments (1)