



## GREAT LAKES WATER AUTHORITY

May 18, 2015

The Honorable  
Board of Directors  
Great Lakes Water Authority

Dear Chairman Daddow and Directors:

**Regarding: Interim CEO's Report – May, 2015**

Staff efforts in support of the transition planning are nearing completion. Discussions with MDEQ have reached substantial conclusion. Additional financial analyses are underway to support the lease feasibility and bifurcation effort. Matters related to the stand-up of the authority are the highest priority. Staff is assembling a program for the implementation of the upcoming lease.

We are making significant progress in advancing our efforts on energy cost reductions. Since last month's report, we have retained Linda Rasor, a Certified Energy Manager, who has developed a near term strategies to optimize energy including analysis of DWSD's current utility commodity rates and contracts and utility billings by facility to ensure utility rate applications are to our maximum advantage. An analysis of pending DTE rate changes is also underway which may provide an opportunity to reset peak demands and demand charges. The water facilities energy project identification session with Siemens is scheduled this week to determine the potential scope for a successful initiative to bring forward for approval in June.

A number of milestones in the independent standup of DWSD occurred in the past few weeks which are directly transferable and beneficial to the standup of GLWA. This includes the selection of an employee benefits broker/consultant, property and casualty broker, and a cloud based payroll/human resource information system.

Final FY 2014 audit testing and financial report proofing are underway for the DWSD water and sewer systems.

As of this writing, 751 staff placements have been completed and 148 are in progress.

Last week I attended the Great Lakes Water Quality Board Meeting in Buffalo, New York. As a member of this Board, which advises the International Joint Commission on Great Lakes Water Quality issues, we were advised that our workplan was approved by the International Joint Commission (IJC). That workplan includes efforts to address legacy and emerging issues, public engagement and indicators for tracking water quality changes throughout the Great Lakes. The WQB is now turning attention to implementation of the plan.



## **ORGANIZATIONAL DEVELOPMENT**

Thirteen job announcements have been posted to fill FY16 budgeted vacancies in various units.

Contract negotiations continue with SAAA and AFSCME 207

Efforts to bring resolution to AFSCME grievances that occurred prior to the City's bankruptcy filing continue.

## **FINANCIAL SERVICES**

The job design rollout has resulted in a number of placements including new members of the team. This effort addresses several of the vacancies in the new Financial Services organization.

- Manager of Risk Management Michael Tilley, CPA (most recently on assignment at DWSD with Experis to establish an independent risk management function for DWSD)
- Billing Transformation Manager Brian Vella, CPA (most recently on assignment at DWSD with Experis to address a number of billing system data, process, training, and technology matters)
- Procurement Manager James Glavin (extensive procurement experience in both the public and private sector)
- Financial Management Professional Monica Daniels (most recently on assignment at DWSD with Experis; previously with a CPA firm that oversaw the management and compliance of a \$1.8 billion capital program for a public entity)
- Financial Management Professional Jo Arnold (most recently on assignment at DWSD with Experis; previous cost accounting experience)

Internal placements include the following promotions:

- Dan Edwards promoted to Construction and Contract Services Procurement Manager (expands Mr. Edwards' knowledge of procuring and managing high dollar contracts)
- Syed Ali, P.E. to Owner's Representative Engineer in the Procurement Group (expands Mr. Ali's role in capital planning to strengthen the entire capital and fiscal project management life cycle from project proposal through closeout)

With the placement of the management team nearly complete, we have begun placements in other job design categories. There are three (3) remaining manager positions open. One has a pending offer. The search process continues for the other two positions.



### **FINANCIAL SERVICES** (continued)

This week marks the beginning of "Sprint 2" in the fast track implementation of the citywide Oracle Fusion system. This requires participation by a high number of financial services group team members. Consistent with many other projects in process, the team's consideration include implementation matters through the lens of DWSD as it is today, GLWA in the future, and DWSD-R in the future.

### **WATER SUPPLY OPERATIONS**

Reservoir #3 at Southwest Plant was inspected and is currently being cleaned. This is part of the initiative started under DWS-874 Reservoir Rehabilitation contract. DWS-874 is a program management service contract that will inspect, repair, rehabilitate, and upgrade booster pumping stations within a six-year and four month period. There are a total of 31 reservoirs and 19 booster stations within DWSD. To date, 19 reservoirs have had internal inspections, and all 31 have had exterior inspections. Southwest reservoir #3 will be chlorinated and returned to service next week.

In celebration of Drinking Water Week, JoLisa McDay, Plant Manager of Lake Huron Water Treatment Plant read to the third graders at Keewahdin Elementary School in Fort Gratiot, [Thursday, May 7, 2015](#). Ms. McDay shared with the students how the process at Lake Huron Water Treatment Plant turns water into drinking water. This is part of Water Operations commitment in community outreach and collaboration.

The Water Master Plan workshop was held at Water Works Park Water Treatment Plant on Friday, May 8, 2015. This workshop provided an overview of the Service Management Plan. The Service Management Plan provided a high level view of what the system will look like in 2035, and it addressed the starting points and steps that will be needed to implement the plan. This workshop is part of the Department's on-going effort to educate and gain valuable feedback from internal and external customers about the forward direction of the Department and its impact on the region.

### **FIELD SERVICES**

#### **Field Engineering**

Water Main Replacement Contracts:

- WS-681, the construction for the 42" water main in 24 Mile Rd is in progress and on schedule. The final completion date is October 9, 2016.
- WS-691, the installation of the 24" segment of water main has been completed ahead of schedule.
- WS-684, 36" Water Main Replacement project on Telegraph Road, bids were opened on 5/5/2015. L. D'Agostini & Sons, Inc. is the lowest Bidder.



## FIELD SERVICES (continued)

### Sewer Interceptor Work:

- CS-1490, Task 27 is for the inspection of a portion of the North Interceptor East Arm (NIEA) to be performed by NTH. Work will start as soon as permits are secured.

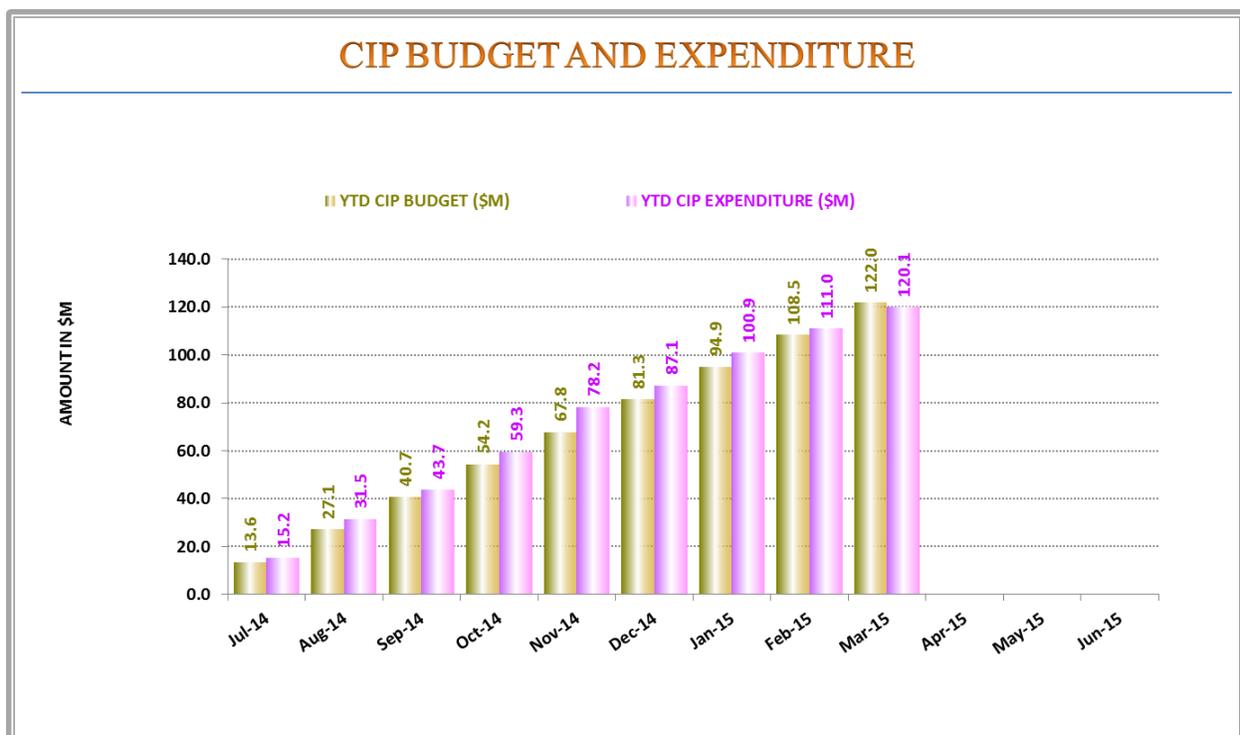
## **Maintenance and Repair**

Maintenance and Repair (M&R) crews responded to a possible water main break (slow leak) on a 36" transmission line located at Telegraph and Warren. M&R's initial investigation has shown the water is coming from outside the vault of the 36" transmission main. DWSD in collaboration with Dearborn Heights is to verify if the leak is coming from DWSD's 36" transmission main or Dearborn Height's 12" distribution main located near the vault.

DWSD is in discussions with the City of Dearborn regarding a combined sewer project the City is looking to construct. The scope of the project will cross under three (3) of DWSD's transmission lines (two 54" water mains and a 66" water main). The discussions will center on the protection of transmission lines during the construction phase of the project.

## WASTEWATER OPERATIONS

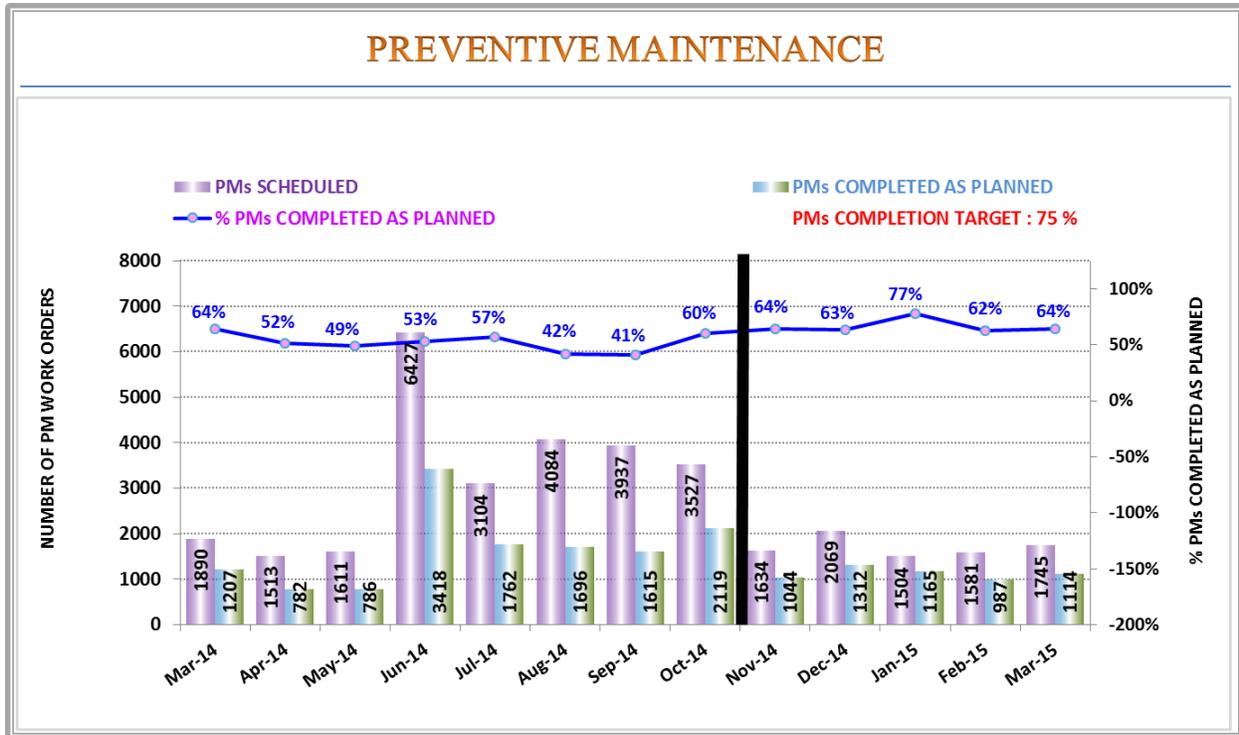
The Wastewater Treatment Plant (WWTP) prepared and submitted the monthly key performance indicators (KPIs) to the MDEQ.





## WASTEWATER OPERATIONS (continued)

The March 2015 KPIs show good performance with CIP projected spending indicating capital programs are on track and improvement needed in PM completion rate. The Administrative Consent Order (ACO) quarterly report was submitted. The WWTP is in full compliance with the terms of the ACO.



The WWTP is beginning the NPDES permit renewal cycle beginning with a complete application due not later than April 1, 2017. An engineering review of the plant process capabilities is launching next fiscal year to prepare strategically for permit discussions likely to include long term CSO controls.

A meeting was held with representatives of MDEQ to discuss the Part 41 (construction permits) permits and the legal requirements of the IPP (Industrial Pretreatment Program) for the operational transition to GLWA. MDEQ was generally receptive, and a sub-team will draft the steps involved in automating the application process for Part 41, and conceptually all agreed that DWSD would contract with GLWA to provide the IPP services.

WWTP and Industrial Waste Control met with representatives of the Wayne County Airport Authority to discuss issues related to high strength waste discharge early this year.



## CUSTOMER SERVICE

- There are 33,497 active payment plan agreements with a total balance of \$27,938,921.21.
- Door hangers noticing shut off for delinquent residential customers will begin this week
- Assistance is available through DWF and WAVE
- THAW will announce a new assistance program in the upcoming weeks
- DWSD, along with the Fire Dept. and the City, will be announcing a new computerized system to increase the accuracy and response time to fire hydrants out of service or needing repair
- With mass media's attention to the water shut-off program, an increase in customer visits to service centers is ongoing and expected
- The Customer Service Core Technology Project launched in production on Saturday, May 9<sup>th</sup>. The primary reason for this project, the first of three Customer Service technology Improvement projects, was to implement the new electronic bill presentment and payment processor service, Invoice Cloud. Invoice Cloud is necessary in order for DWSD to implement the Selectron IVR (Interactive Voice Response), which provides customers the means to pay with a credit card over the telephone, using only their keypad and without the aid of a customer service specialist. The Selectron IVR, the second Customer Service technology Improvement project, is scheduled to go live on Tuesday, May 19<sup>th</sup>.

## LEGAL

Interim General Counsel worked on the following matters:

### *Contract matters*

Interim General Counsel prepared forms of contract for Interim Labor Counsel and Independent Board Financing Counsel

***DWSD v Inkster:*** DWSD and Inkster's counsel have agreed to an amicable resolution of this dispute, subject to approval by the Board of Water Commissioners at today's meeting.

***DWSD v Highland Park:*** DWSD has obtained a judgment for approximately \$20 million in this matter. On May 15, 2015, the Court heard and denied Highland Park's Motions for Relief from Judgment and to Stay Judgment. Both Motions were denied. The Court said that while its injunction on termination of water service remains in place for now, DWSD was free to pursue collection of this judgment through a judgment levy.

***Samberg v DWSD:*** This was an action challenging DWSD's 2014 bond transaction. The Court dismissed the Complaint.

***IWC/ Pollutant Surcharge Issues:*** Discussions continue with the MDEQ regarding issues related to this program and the GLWA.



## 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.
- 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

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 9<sup>th</sup> with DWSD internal Service Level Agreements (SLAs) released to the Mayor's Office.

Respectfully submitted,

Sue F. McCormick  
Interim CEO

SFM:dlr