



May 25, 2016

The Honorable  
Board of Directors  
Great Lakes Water Authority

Dear Chairman Daddow and Directors:

**Regarding: CEO's Report – May, 2016**

While May in Michigan brought us snow, sleet, rain and temperatures over 80 degrees within a 10 day period, GLWA operations continued in full compliance with SDWA, NPDES and MDEQ Water Quality permits.

GLWA has received a response from the Governor's staff with regards to our letter about Highland Park, and within the last week we received a payment of \$160,000 from Highland Park.

Discussions continued with the GLWA Audit Committee in preparation for Board consideration of the first GLWA Biennial Budget and Charges and Capital Improvement Plans. Earlier this month, the Board approved the Sewer Charges for FY17, and today's agenda seeks action on the remaining items to wrap up the Budget and Charges efforts.

GLWA Directors toured the Bio-solids Dryer Facility (BDF) and the Wastewater Treatment Plant yesterday and viewed the substantial progress being made on fire remediation efforts. We continue to work well with our insurance carrier who has advanced us \$4,000,000 to date as we work toward settlement. We continue to prioritize solids processing through the BDF to minimize operation of C-1 Incinerators. Milestones for the restoration effort include returning the C-2 incinerator complex to operations. We have set an aggressive schedule that anticipates four C-2 incinerators to be available late fall with the remaining four to be in service by the end of calendar year 2016. Additional detail on the fire remediation ongoing efforts can be found herein.

I am pleased to report that our recruitment efforts are being very successful in adding talent to the GLWA team. I attended our first new employee orientation session last week and welcomed many of our new recruits. I am happy to announce that one of the new recruits is William Creal, former Chief of the Water Resources Division for the Michigan Department of Environmental Quality, who is GLWA's first Director of Research and Innovation.

Bill will lead the charge in this area, continuing our existing partnerships with world-class universities and building new relationships with others that will allow the Authority to further improve efficiencies and continue to uphold our roles as stewards of public health and the environment.

In May I had the pleasure of representing GLWA with a presentation to the SEMCOG Executive Committee, participating as a panelist at the Michigan Infrastructure Conference and joining the Oakland County Association of Townships for their May luncheon meeting.

## **PLANNING SERVICES**

### ***Asset Management and CIP Group***

The Asset Management and CIP Customer Outreach Work Group occurred on May 24<sup>th</sup> to continue discussions on CIP prioritization and the progress of our Asset Management Program. The Work Group meeting hosted several presentations from area engineering and financial consultants providing their approach, case studies and lessons learned relating to the development and implementation of Asset Management and Capital Improvement Programs. Work has continued internally to detail the new prioritization methodology for both water and wastewater projects and an update of the results were presented and reviewed with the Work Group.

Our team is continuing to assist with the Work and Asset Management (WAM) split project as necessary. A Town Hall style meeting was held on April 27<sup>th</sup> that brought together WAM stakeholders from across the organization to discuss challenges and issues with the current system, governance, communication and processes currently in place. Much very useful information was learned and a follow-up activity was sent to the group to further detail their identified Strengths, Weakness, Opportunities and Threats (SWOT analysis) relating to the WAM program. The results of this information will drive the structure and organization of future phases of WAM. A follow-up Town Hall meeting is anticipated after the information is received and evaluated.

Progress continues to be made to advance the CIP Program Management support solicitation. It is anticipated that this solicitation will be released soon.

Our team is working with the Wastewater Engineering team to complete the Wastewater System (wastewater treatment plant, combined sewer overflow facilities, pumping stations, interceptors, etc.) needs assessment project by October 1, 2016. Coordination with the Wastewater Asset Management group is also occurring to ensure that the project, not only provides the wastewater system needs, but also provides updated and validated asset information.

### ***Systems Planning Group***

The new Water Quality Work Group had its third meeting on May 10<sup>th</sup> and continued discussions regarding finalizing public educational material related to water quality report messaging, water system diagram and typical lead and copper rule questions and answers.

**PLANNING SERVICES** (continued)

The second phase of the wastewater system modeling on the west side of the sewage collection system termed the West Side Monitoring and Modeling Project continues. To support GLWA and DWSD in this effort, a program team has been assembled. This team has been specifically selected to collaborate and provide timely service with an appropriate level of quality assurance and quality control review. The primary consultants will be Wade Trim and Applied Science, Inc. Additional support will likely be provided by PCI and ADS. It is expected that data related to the Green Infrastructure efforts will be provided by Tetra Tech, Inc. This significant effort has been advanced ahead of the wastewater master plan effort to collect as much data as possible in preparation of an update to our Long Term CSO Control Program in the Upper Main Rouge River area.

The wastewater master plan solicitation document is in near final form with modifications made to include the coordination and integration with the West Side Monitoring and Modeling Project. The Wastewater Steering Committee provided final review comments of the document on May 18<sup>th</sup>. Based upon discussion with the Procurement Group, the release of the RFP to the public is anticipated for June 1, 2016.

Staff continues to work actively with three prospective water customers.

***System Analytics Group and Meter Operations Group***

The request for proposal for a consultant to reevaluate “Units of Service for Non-Master Metered Customers of GLWA and System Water Audit” was finalized and submitted to the Procurement Group for their review and advertisement. As is prescribed in the Water and Sewer Services Agreement, the work is required to be performed by an independent consultant. It is expected that the solicitation will be advertised in the next few weeks.

The System Analytics and Meter Operations Team has deployed updates to the Wholesale Automatic Metering Reading System (WAMR) Portal which has improved the charting performance, export data functionality, added meter locations on a map and improved the billing screen for the water customers.

In our effort to continuously improve customer service, the Meter Operations Team is testing a prototype to automatically generate an email to notify customer communities regarding the work order dispatched for their respective meter pits.

The team has integrated the Mobile Work Force Management System (ServiceLink) with the WAMR Portal to enable this new feature. This feature will be configured to send an email to multiple people per community for GLWA events notification.

**PLANNING SERVICES** (continued)

The project update for sewer shares is ongoing. The next meeting is June 9<sup>th</sup>.

Meter Operations continues to make progress on a wholesale water meter upgrade program.

***Energy Management Group***

Responses have been received for the investment grade energy audit of the Wastewater Treatment Plant. Consideration of responses is ongoing.

Electrical and natural gas service contracts with DTE Energy have been transferred effective May 1, 2016.

The bifurcation of all utility bills is nearing completion and Financial Services has put a system in place for utility bill approval for electric and natural gas.

A completed detailed fixture count for the lighting renovation of two facilities that have safety issues has been completed.

We are preparing a request for proposals for a system wide lighting replacement contract. This project will replace fixtures with newer and more energy efficient units.

The natural gas prices are being continuously monitored to see if the prices drop low enough to make it worthwhile for GLWA to take advantage of the Customer Choice Gas Program.

**WATER OPERATIONS**

Water Operations continues to monitoring potential changes in Lead and Copper regulations. On May 6, 2016, Mary Lynn Semegen, Water Quality Manager, attended the Michigan American Water Works Association (MI-AWWA) Lead Workshop in Bath, Michigan. The presentation included Lead and Copper regulatory requirements for past, present and future regulations.

Changes made to the rule in 2000, 2004 and 2007 were also reviewed. There was discussion regarding communities that have had lead issues or problems related to changes in treatment, sampling protocol, corrosion control optimization and administrative issues. Information was also presented regarding the discussion of rule changes that are coming in 2017.

Richard Benzie from MDEQ discussed changes being made to the Michigan Lead and Copper rule and how the changes may affect Michigan utilities.

## **WATER OPERATIONS** (continued)

Finally, a panel discussion was held between the audience and four utility representatives; presentations and discussions involved utility successes. The topics included corrosion control treatment, full lead service line replacement, school testing and public outreach.

Mary Lynn presented information about GLWA's successful corrosion control treatment, testing Detroit Public Schools, and the work being accomplished by the GLWA Water Quality Work Group.

The following tours took place at Water Works Park during the month of April:

- On April 4, a tour of Water Works Park (WWP) Water Treatment plant was given by Cheryl Porter, Chief Operating Officer, to a Journalism Workshop team of 15 - 20 people. This tour was sponsored by the Institute for Journalism and Natural Resources. Following the tour, a panel discussion was held with Ms. Porter.
- On April 6, the Detroit Public Television (DPT) TV crew toured the WWP plant on April 6, 2016. Additionally, DPT took pictures of WWP's Operations Laboratory, Low Lift, Flocculation, and Filter areas.
- On April 7, four (4) students and one (1) adult from Vernon Chapel church visited the plant.
- On April 15, seventeen (17) students and a faculty member from Lawrence Tech University toured the plant including the pilot plant.
- On April 19, twenty (20) members of the Livonia Ski Club toured the plant.
- The Organizational Development team organized a tour of the WWP facility with the New Technical Employees on April 22, 2016. The tour included a slide presentation on water treatment and discussions.

### ***Field Services***

The Lenox Township air valve repair was performed on one of two leaking gaskets the evening of May 19, 2016 into the morning of May 20. The repair performed by Field Services was successful. Field Engineering was onsite throughout the repair and was a liaison between Field Services, Chesterfield, and Lenox Township staff that was onsite monitoring and adjusting their systems through the shutdown and turn on to ensure their networks maintained correct pressures. Overall, the work was a collaboration of over 40 people from five different agencies to ensure the success of the repair.



## **WATER OPERATIONS** (continued)

### ***Fleet and Facilities***

GLWA facility site visits are currently underway by Fleet and Facilities Manager Paula Anderson to assess conditions and identify items requiring attention.

Staff one-on-one discussions are in process. Also, staff was invited to discuss their individual job skills, strengths, weaknesses, achievements, training needs, work order, and maintenance history.

A meeting was held with Supply Chain Operations, resulting in a request for Fleet and Facilities staff to develop a list of warehouse needs. The list is currently under review.

On May 11, a meeting was held with ThyssenKrupp to discuss the status of the elevators under contract. Paula Anderson is reviewing the contract and will work with staff regarding repairs or replacements out of contract. Follow-up with Premier Group to discuss their Grounds Maintenance contract and observed damages is scheduled.

## **WASTEWATER OPERATIONS**

### ***Fire Remediation Update***

Wiring replacement has been completed for Centrifuge No. 3 and is in progress for ID Fans No. 12 and No. 14. In addition, based on coordination with the lighting designer, lighting conduit is being reworked for use with the upgraded lighting design which is scheduled to be issued next week. Shoring has been completed for emergency stabilization of roof steel where inspections revealed failed connections. Installation of perimeter scaffolding walkways continues. Bids were evaluated for the critical path cleaning and painting work. A purchase order and contract has been issued to the selected firm and the firm is making the necessary preparations to begin cleaning and painting work; work is scheduled to begin May 31<sup>st</sup>. The formal structural evaluation has been received for roof steel, siding, concrete roof deck, and roofing. Also, revised scoping packages have been received for southside conveyors rehabilitation, elevator replacement, and door replacements. Walsh will use the various scoping packages to develop procurement packages for conveyor rehabilitation, elevator replacement, steel replacement, wall panels, and doors by May 27<sup>th</sup> for final GLWA review, so that these packages can be released for bidding the week of May 31<sup>st</sup>. Die-penetrant testing of the monorail steel is planned for late next week. A scoping package for non-fire outage work is also in progress and is to be submitted by May 25<sup>th</sup>.

## **WASTEWATER OPERATIONS** (continued)

### ***Rouge River Outfall (RRO-2) Disinfection Project Update***

Engineering is reviewing the overall channel-sediment removal plan, pricing and scope submitted to GLWA by the contractor on April 29<sup>th</sup>. The disinfection workshop was conducted on April 27, 2016. The design will include utilizing sodium hypochlorite for wet weather Primary Effluent, and sodium bisulfite for Dechlorination of Rouge River wet weather effluent.

The hydraulic testing of the model was completed and the hydraulic workshop was conducted on May 11<sup>th</sup>. CDM Smith submitted the Basis of Design (BOD) draft on May 16, 2016 and a workshop was conducted on May 19<sup>th</sup>. The final BOD is expected to be submitted to MDEQ on or before June 1<sup>st</sup> as required by the NPDES permit

### ***Bio-Solids Dryer Facility Update***

Three trains are in service, and the failed gearbox for the fourth train (Train 2) has been replaced. However, Train 2 remains out of service awaiting a replacement trunnion, with its return to service now anticipated by May 26<sup>th</sup>. Last week through May 18<sup>th</sup>, the BDF processed an average of 259 dry tons per day as compared with 310 requested by GLWA. Work continues on a new “pantleg” to increase throughput on a continuing basis, with completion for the first train scheduled for August 9<sup>th</sup>, and with all four trains by early November. Fabrication for the “pantleg” is in process with shop drawing reviews occurring. Collection and evaluation of SO<sub>2</sub> stack data from Continuous Emissions Monitoring System (CEMS) continues. Pricing has begun on treatment options to reduce SO<sub>2</sub> emissions, including packed tower scrubbers, or alternatively, the addition of ferric chloride with the blended sludge to reduce the sulfides. Depending on the SO<sub>2</sub> treatment option, a full scale pilot evaluation will be performed on one Dryer Train. Following the pilot, all trains will be retrofitted with the confirmed treatment option.

### ***Industrial Waste Control (IWC) Section Update***

No audit report or response has been received from the onsite audit conducted by the U.S. Environmental Protection Agency during the week of April 11.

The IWC staff is completing a response to the December 2015 MDEQ audit sent on April 8. The response is due by May 30, 2016.

### **WASTEWATER OPERATIONS** (continued)

IWC has worked with IT and Procurement on RFPs for the LIMS (Laboratory Information Management System) and PIMS (Pretreatment Information Management System) systems through MITN (Michigan Inter-governmental Trade Network). Responses are due from vendors by May 31.

We have a National Pollutant Discharge Elimination System (NPDES) permit requirement to re-evaluate our local pollutant discharge limitations. The work has been completed and has been submitted for management review. The report is due on June 1, 2016.

### **FINANCIAL SERVICES GROUP**

The Financial Services Group is reaching a number of milestones which include the following:

- Completion of Detroit Water and Sewerage Department year ended June 30, 2015 Audited Financial Report by May 31, 2016
- Looking forward to anticipated release of FY2017-18 budget process
- Launch of the OnBase Document Management info system which includes; 1) storage and retrieval of 60+ bank accounts for 5 years for compliance purposes and; 2) initial phase of electronic management of construction and contract services documents.
- GLWA Procurement is hosting a Vendor Outreach Event on Tuesday, June 14, 2016 Event registration is now closed as we reached the maximum number of 300 participants (*see attached flyer*). After the event, presentation materials from the event will be posted at [glwater.org](http://glwater.org). Staff is planning a second vendor outreach event for later this year.

### **INFORMATION TECHNOLOGY**

#### ***Applications Delivery Update:***

The WAM 2 Plant Split and Upgrade is entering the final stretch with integrated User Acceptance Testing occurring between WAM Plant 1 (DWSD) and Oracle Cloud, and WAM Plant 2 (GLWA) and BS&A. Besides testing the two ERP integrations, staff is also testing the nuances of having two WAM plants while implementing a WAM upgrade. The GLWA, DWSD and City staff will need to continue to improve their communication, coordination and release management skills so that successful orchestration of upgrades to the 11 or so systems that dance with WAM can be accomplished without causing unintended service issues.



**INFORMATION TECHNOLOGY** (continued)

***IT Risk and Security Update***

The GLWA IT Security and Risk Management team, in partnership with AT&T, has implemented AT&T's Security Event Threat Analysis (SETA) system which correlates events, both inside and outside of the GLWA/DWSD network, to identify potential security risks and notifies appropriate personnel when trouble pops up. The team also implemented a distributed denial of service (DDOS) protection architecture which protects against a certain type of internet-based network attack where malicious parties attempt to flood a corporate network with millions of requests. These new managed security services, as is the case with all of the AT&T Managed Security services, are protecting both the DWSD and GLWA networks.

***Service Delivery Update***

During the month of May, the Service Desk deployed Microsoft security updates to over 95% of the 1,291 GLWA and DWSD devices supported. Updates included patching vulnerabilities that would allow for the remote control code execution in Microsoft Windows, Microsoft Office and Internet Explorer by unauthorized users.

During the month of May, Devine Owens, GLWA's electronic recycling partner, picked up 8,200 pounds of obsolete IT equipment marked for disposal. If you have equipment for disposal, please contact the Service Desk for the next pickup scheduled for June 2016.

***Infrastructure***

Finally! A new corporate wireless network was launched which provides authorized users access to wireless networking with just their windows user ID and password. New professional grade wireless access points have been installed in the GLWA's Executive Suite on the 19<sup>th</sup> floor of the Water Board Building. New wireless access points will be installed next in the GLWA Conference Room and then in all conference rooms across both utilities.

**LEGAL**

The General Counsel's May Report is attached to this Chief Executive Officer's report.

Respectfully submitted,



Sue F. McCormick  
Chief Executive Officer

SFM/dlr  
Attachments (2)