



**Office of the Chief Executive**

735 Randolph Street, Suite 1900  
Detroit, Michigan 48226

August 28, 2019

The Honorable  
Board of Directors  
Great Lakes Water Authority

Dear Chairman Baker and Directors:

**Regarding: CEO's Report – August, 2019**

The Michigan Water Asset Council (WAMC) met last week and took two actions of significant importance to Michigan Water Utilities. The first action approved the template to be used for the first asset management reporting requirements that will occur in 2020. The second action was to approve the methodology that will be used to identify the first 1/3 of Michigan water utilities that will be required to report in the first reporting period. The methodology mirrors that used by the Transportation Asset Management Council. The water utilities are listed in alphabetical order and then counted off 1,2,3. Utilities assigned #1 will report first in 2020, those numbered 2 in 2021 and so forth. These decisions meet the statutory requirements outlined for WAMC that were to be completed by October 1, 2019. EGLE is in the process of finalizing the listing of water utilities that meet the statutory requirements for asset management reporting.

There has been substantial discussion in the news recently regarding cyber security and the associated with cyber-attacks, malware and ransomware. Most recently, this discussion has been focused on units of local government in Florida and Texas that were hit with ransomware attacks.

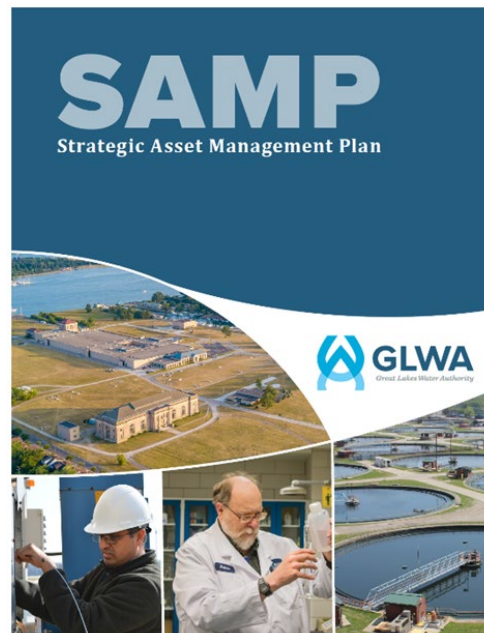
While the risk of cyber-attack can never be eliminated, GLWA is proactively striving to manage this risk. This month GLWA's IT Security team has proactively blocked or thwarted 14,349 spam messages, 2,172 spoofed messages and 31 viruses. There have been 414 phishing attempts that were caught, and 276 malware attempts blocked. In addition, we continue to provide monthly cyber-security training to our team members through our Security Mentor program and report our results to the Board as a monthly KPI. We are also conducting a cyber security audit, utilizing the resources of Marsh Consulting and recently conducted a focused internal review of certain potential risks identified through this process and our operational responsive actions should any of those risks occur.

## **PLANNING SERVICES**

### ***Asset Management***

The final draft of GLWA's Strategic Asset Management Plan (SAMP) is nearly complete. A high-level presentation related to the overall SAMP process, outcomes, policy and Member Partner engagement will be provided at the One Water Partnership meeting on September 19, 2019. It is anticipated that an Asset Management workshop will be held in the first quarter of calendar year 2020 to discuss the SAMP and the related improvement initiatives.

Our 2<sup>nd</sup> Annual All Asset Management Strategic Organization (AMSO) meeting will occur on September 5, 2019. Recall that AMSO is our internal asset management governance structure that includes representation of more than 50 people throughout the organization. This year the focus will be on the roll-out of the SAMP, and a workshop related to the Enterprise Asset Management system best practices.



The Enterprise Asset Management Group has been excited to host two summer interns who have been entering assets into the Oracle Work and Asset Management system. The interns have been working with the Springwells team to ensure that our operations and maintenance (O&M) team members have electronic access to O&M manuals, training materials, drawings and can capture critical work and reliability data associated with assets. Thank you, Matthew Render, and Fadel Farhat for your effort!

### ***CIP***

In anticipation of the deadline for updating the business case evaluations for next year's Capital Improvement Plan update, the CIP Group has scheduled four cross-functional meetings: Financial Alignment Committee, Review Committee (one for water and one for sewer) and Project Alignment.

The CIP Group continues to work closely with the AECOM Program Management delivery team to address immediate staff augmentation and business process related needs. Recently the construction engineering team at the WRRF requested assistance in developing a short term solution for construction administration services. The team was able to participate in a series of meetings with the Engineering group to start us off in the right direction. The work produced the following:

- Development of an as-is business process that reflects current contractual obligations;
- Provided a software solution that meets many needs including but not limited to:

## **PLANNING SERVICES** (continued)

- Automates our construction administration process
- Provides automated log of construction documents
- Provides a central location for all parties (contractor, design consultant, and owner) to upload and comment on documentation
- Provides a repository for tracking each of the parties' contractual obligations, and the like.

### ***Systems Planning***

The Member Outreach Team has been preparing for the September 19, 2019 One Water Partnership (OWP) meeting and met with co-chairs to finalize the agenda and welcome new co-chairs Russ Miller and Rob Bincsik to the group, [click here to RSVP for the OWP meeting](#). Below is a summary of work group activity this past month, from discussions on recruitment, retention and succession planning in the water industry, to testing out a new combined work group, it has been an exciting month!

July 2019 Member Outreach Meeting Attendance	
Meeting	# Attended
<a href="#">Sewer SHARES (7/26)</a>	35
<a href="#">Wastewater Analytics Task Force (7/26)</a>	26
<a href="#">Water Management Best Practices (7/31)</a>	18

The Water Management Best Practices met on July 31, 2019 and had great participation as the group dedicated the meeting to discussing the challenges the water industry faces in terms of recruitment, retention and succession planning.

The discussion will continue at future work group meetings, with the next work group meeting scheduled for October 23, 2019. The work group is also the host of the upcoming Emergency Preparedness Best Practices Workshop scheduled for September 16, 2019 at Summit on the Park in Canton Township. [Click here](#) to register for the workshop or email [outreach@glwater.org](mailto:outreach@glwater.org) for more information.

The Units of Service and System Water Audit Subgroup is continuing to meet to draft the scope for Phase 3 Units of Service and System Water Audit. Members can expect an update at the September 24, 2019 Water Analytical Work Group Meeting at the Troy Community Center. See the ***System Analytics & Meter Operations*** section of this report for more details.

The Public Education, Communications and Water Quality Work Groups came together for a combined work group meeting on August 15, 2019.

## **PLANNING SERVICES** (continued)

Member Outreach proposed the idea earlier this spring to test out combining the work groups due to similar topics being discussed across the three work groups. With nearly 40 participants, the group discussed water quality topics and brainstormed public educational resources that are needed in the region. The meeting closed with participants sharing their reactions to the work group combination and suggestions for improvement. Feel free to share your reactions or thoughts by emailing [outreach@glwater.org](mailto:outreach@glwater.org) as we strive for continuous improvement.



The Wastewater Master Plan subgroup, referred to as the Regional Collaboration Group, has spent a considerable amount of time reviewing and discussing potential recommendations for the wastewater collection system. The Wastewater Master Plan Steering Team meetings have been suspended until October 18, 2019, to give the Regional Collaboration group time to consider the recommendations. Because the Wastewater Master Plan is intended to be a living plan, we will continue talking about the recommendations and projects as part of the Wastewater Analytics Task Force.

Continued progress is being made on the Sewer SHAREs update project. The term Sewer SHAREs is used for the method by which GLWA develops charges for wastewater services. Sewer SHAREs were last updated in a collaborative analytical effort in 2016 for FY2018 charges. The complex analytical effort included sampling to better define strength of flow parameters. The goal at that time was to improve the analytics for the next SHAREs update for FY2021. That effort has been ongoing with consideration of strength of flow parameters, metering in what is called the D+ area and consideration of peak flow inclusion.

Also, a broader look at the charge methodology has been undertaken by our Financial Services Area. Several groups have been tasked with focusing on various aspects of the multifaceted effort.

We are encouraged by the progress the groups have made, and optimistic that member partners will coalesce around a simplified and stable approach to SHAREs for FY2021 charges.

### ***System Analytics & Meter Operations***

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 comprises 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, make use and leverage existing data sources, and reduce/eliminate assumptions that were used in calculating Sewer SHAREs in year 2016.

## **PLANNING SERVICES** (continued)

The project team presented the methodology, analysis, and initial findings of the D+ Metering data on August 15, 2019 to a subgroup of the Sewer SHARES work group.

Systems Analytics & Meter Operations group is working on wholesale water meter vault rehabilitation and meter replacement program. The construction work for the first fifty (50) meter pits with metering concerns and/or meter pit condition concerns is in progress under contract CON-285. This work is scheduled to be completed by September 2021. The team is coordinating with member partners for planning, scheduling, and field coordination. We had a number of meetings with Allen Park, Eastpointe, Garden City, Livonia, Pontiac, Rochester, and Saint Clair Shores. We will continue to coordinate with member partners as this project progress. Work was completed at three (3) meter vault locations. Meter pit rehabilitation work is underway at seven (7) locations. The meters at these locations will be upgraded after the peak season, in the fall of 2019.

Units of Service and System Water Audit phase 3 scope development team, a subgroup of the Water Analytical Work Group, has met three times since June to draft a scope for phase 3 of the project. The team is comprised of representatives from DWSD, Dearborn, SOCWA, Livonia, OCWRC, as well as GLWA team members from System Analytics & Meter Operations, Field Services, and Systems Planning. The team has made significant progress. Member Partners can expect an update at the September 24, 2019 Water Analytical Work Group Meeting. The scope is intended to be included in a proposed amendment to Black & Veatch's Units of Service contract and taken to the Board of Directors for consideration in September.

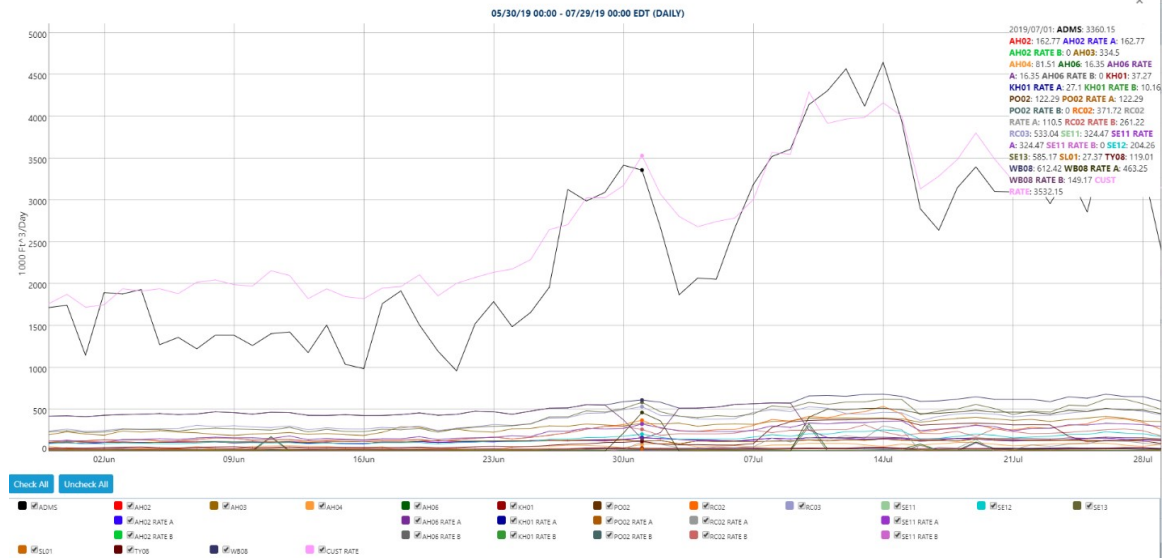
Although the efforts of the Water Units of Service project have been ongoing for the past few years, our Systems Analytics & Meter Operations Group in collaboration with our Member Partners, have put structure to GLWA's larger effort to reduce non-revenue water. The effort has been named the GLWA Water Balance Program. The structure recognizes the ongoing work of GLWA team members from Field Services, the Water Treatment Plants and System Analytics & Meter Operations in their pursuit of accounting for all water (from production to Member Partner points of service).

At its core, the Water Balance Program seeks to identify and reduce non-revenue water. Though the effort is already being made, recognizing it as a program and giving it structure allows for tracking progress of the various elements of this multi-faceted initiative. Institutionalized as a program recognizes it as an ongoing effort, which is best practice, and provides a platform to have clarity and meaningful conversation on each specific facet. The water balance is intended to be updated annually. Annual updating allows for year over year comparisons of the results which inform decisions on the next areas of focus. The program is run by GLWA's System Analytics & Meter Operations Group, and program updates will be provided to member partners in the Water Analytical Work Group.

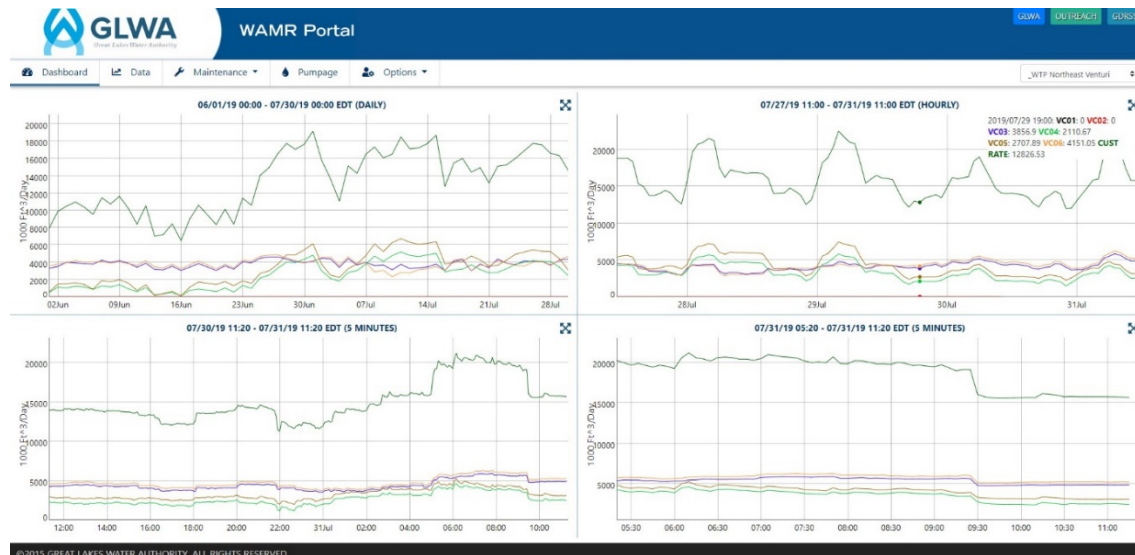
To advance the GLWA Water Balance Program, the following two new analytical tools were added to the wholesale automatic meter reading (WAMR) portal:



- Created virtual zones for the following pump stations: Adams, Ford, Franklin, Joy, North Service Center, Wick, and West Service Center. This allows for comparison between pump stations meter data and the related master meters data.



- Added the newly refurbished production meters' data from Northeast Water Treatment Plant



## **WASTEWATER OPERATING SERVICES**

### ***Wastewater Operations***

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

### ***Maintenance***

This month the WRRF Maintenance Team would like to feature a coordination of efforts between the Dewatering Team, Facilities Team and Central Maintenance Team. The Dewatering Team coordinated a yearly thickening tank cleaning with the Facilities Team while inventory was low. When the tank cleaning was finished it gave the Central Maintenance Team the perfect opportunity to replace bent stabilizer arms resulting from years of wear and tear.



Rehabilitated primary sludge thickener rake/mechanism

### ***Process Control Center (PCC)***

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

- Four network switches were upgraded with new switches in the Secondary Process area.

## **WASTEWATER OPERATING SERVICES** (continued)

- Wall mount process control monitors were installed in the Incineration Complex and in the Sludge Thickening Complex A control rooms.
- A Multilin motor protection relay was installed and commissioned at Pump Station #1.
- Planning for the EDS (Enterprise Data Solutions) upgrade and OPH (Ovation Process Historian) upgrade was performed.

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

IWC has been diligently working to identify sources of PFAS (Per-and polyfluoroalkyl substances) compounds. Based on our March 31, 2019 report, we identified 52 “Significant Sources” of PFOS (Perfluorooctane sulfonic acid) and/or PFOA (Perfluorooctanoic acid) within our service area. As of July 31, 2019, the following status is reported:

BMP = Best Management Practices	
BMP Approved & Incorporated into Enforceable Permit or Compliance Agreement	39
Facilities Reclassified to “Not a Source”	5
BMP Negotiations Open	3
BMP Extension to Submit	2
Significant Sources Completed or Terminated Discharge	2
Failed to Respond - Enforcement	1
<b>Total</b>	<b>52</b>

The re-issued NPDES Permit includes a new provision for a PFOA/PFOS Minimization Program. The IWC Group will take the lead to develop a draft program for submission on or before the October 1, 2019 due date.

### ***Engineering & Construction***

The Construction of Pump Station No. 2 Pumping Improvements project (PC-795) is currently underway. The scope of work includes providing new suction piping for pumps 11 and 14, a redesigned impeller for both pumps, and replacement of existing magnetic flowmeters associated with these pumps. Installation of Pump No. 11 is completed but start up issues are being investigated/addressed by the pump manufacturer (Flowserve) and the Contractor (Tooless) before starting a 60-day performance test.



## **WASTEWATER OPERATING SERVICES** (continued)



New Flowmeter for Pump No. 11



New Suction Elbow for Pump No.



Pump No. 11 installation

Construction of the sludge conveyance improvements project (CON-197), and rehabilitation of rectangular primary clarifiers project (PC-757) are progressing. Construction of the Dewatering Complex 2 roof replacement has achieved substantial completion.

The construction of the Rouge River Outfall (RRO) Disinfection project has been completed and the facility was placed into full operation on March 29, 2019, to achieve final effluent limits specified in the NPDES Permit. Currently the contractor is working on the deficiencies/punch list items. All the outstanding items including the 30-day demonstration test are expected to be completed before the final completion date of December 31, 2019.

### ***CSO Control Program***

The CSO Team completed evaluations of the Task Order Engineering Services RFP submissions with our Water and Wastewater partners and selected six vendors to provide services to GLWA under this contract.

## **WASTEWATER OPERATING SERVICES** (continued)

We anticipate presenting a contract for these services to the Board in September 2019. In addition, the following RFP/RFBs were recently completed by the CSO Team:

- Lighting materials RFB - This RFB came back with two bids. We are presently working to award the work to the lowest responsible bidder. This RFB for materials will supply materials to all GLWA facilities as necessary.
- Above-ground Storage Tank (AST) RFB - This RFB came back with several respondents. Evaluations were made, and we are presently working to award the work to the lowest responsible bidder. This RFB will cover ASTs at the WRRF and CSO facilities.
- Baby Creek HVAC Improvements Project - Only one bid was received for this project. The CSO Team is currently evaluating the bid and options for this project.

The CSO Team is working on several GLWA-wide maintenance contracts to address various parts of our infrastructure. We have partnered with teams from Water, Wastewater, Field Services, and Systems Control to work on these various initiatives.

Below is a brief summary of each initiative and where it stands. The RFBs will be transmitted to Procurement in September or October of 2019 for advertisement.

- GLWA Generator Maintenance Contract - This RFB will span all GLWA facilities and cover approximately 100 generators at GLWA facilities including Pump Stations, Treatment Plants, WRRF, and CSO facilities.
- GLWA Switchgear Maintenance Contract - This RFB will span all GLWA facilities including the areas listed above.
- GLWA Actuator Maintenance Contract - This RFB will span all GLWA service areas.

Below are initiatives that the CSO Team has been engaged in and aimed at making improvements to the CSO facilities only:

- Kickoff of CS-299, CSO Facilities Assessment Project, was held at the beginning of July. Recently a pilot asset audit for Baby Creek was completed and the results are currently being evaluated and set up for import to WAM.
- Puritan-Fenkell and Leib Site Improvements Project was transmitted to Procurement for advertisement this month. It focuses on making improvements to site drainage and safety issues at each facility and on making pavement/sidewalk improvements at each facility to meet ADA (Americans with Disabilities Act) requirements.

## **WASTEWATER OPERATING SERVICES** (continued)

In addition, to highlight a couple of key notable projects which the CSO Team is currently engaged in aimed at making improvements to our facilities:

- Leib Electrical Improvements Project - focused on restoring electrical power to actuators and lighting and lighting improvements in the basement area at Leib.
- Evaluation of the Puritan-Fenkell and Seven Mile CSO facilities hydraulics and operations is completed.
- The final model was transmitted to the Wastewater Master Plan Team, and the final report received mid-August. The elements of this will be incorporated into CS-299 and the Long Term CSO Control Plan.
- The CSO Team, in coordination with our CSO Operations and Maintenance team, recently presented the WAM work hours report to the Wastewater leadership team. The CSO Team has led the development of this WAM report and is planning to roll it out to Wastewater in the near future.
- We have been actively engaged in improving power-reliability of generator and utility power at Hubbell-Southfield. We have completed several utility shut-downs to simulate full-power loss to demonstrate that the generator and switchgear are functioning properly, and we are presently working to set up power quality monitoring to understand where recent power loss issues are originating from.

## **WATER OPERATIONS**

### ***Administration***

Laboratory Team Leaders and Special Projects Manager Balvinder Sehgal completed the internal inspections of water treatment laboratories during the monthly Lab Team Leaders meetings (March - July 2019). This process has prepared the labs for the actual audit, which is due in August 2019 for the Water Works Park, Southwest, Springwells, and Lake Huron plants, and in April 2020 for the Northeast plant. The deficiencies found by the team will be corrected before the audit by Michigan Department of Environment, Great Lakes, and Energy (EGLE).

### ***Lake Huron Water Treatment Plant***

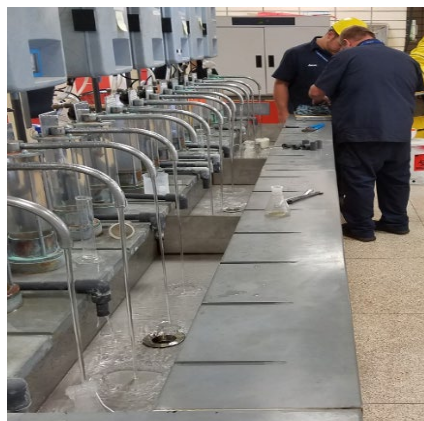
The Lake Huron Water Treatment Plant laboratory received a certificate of excellence in recognition of the quality of the plant's laboratory in proficiency testing for WS-273, a study done during the period April 8, 2019 to May 23, 2019.

This certificate of achievement was issued by Environmental Resource Associates (ERA), a Waters Company. The laboratory has been recognized as a Laboratory of Excellence for achieving 100% acceptable data in this study which included 744 participating laboratories. This achievement is a demonstration of the superior quality of the laboratory in evaluation of the standards testing methodologies.

## **WATER OPERATIONS** (continued)

Congratulations to Water Operations and the Lake Huron Water Treatment Plant laboratory for this great achievement.

The Lake Huron maintenance team completed installation of a new stainless-steel sink insert for the laboratory water quality sampling station. The old sink was cracked and in serious need of repair. The Lake Huron team found a local small business to design and build this unique solution. The maintenance team did a great job working with the chemist team to get this fix in place while maintaining regular sampling and testing operations for quality assurance.



### ***Water Quality***

The Water Quality team has completed its first month of monitoring in the third phase of the EGLE rescission of GLWA's modified consecutive system sampling. The GLWA Water Quality team currently collects and analyzes total coliform rule (TCR) samples for 85 of its member partners. Since January 2019, the increase in total coliform rule (TCR) sampling has gone from 742 TCR samples per month to the current amount in this third phase of 1,654 (223% increase).



*Zachary Velasco, Water Quality Chemist  
reading bacteriological TCR sample results.*

The Water Quality team has been involved in this process by reviewing member partner sampling sites to ensure the sites have adequate fixtures, access for sampling and is continuing to work on preparing for Phase 4. Phase 4, *the final phase*, will begin October 2019 and will bring the total number of TCR samples to 2,860 sample per month (385% increase). This additional service is provided to our member partners included in their annual water service charges.

## **WATER OPERATIONS** (continued)

### ***Energy, Research & Innovation***

#### WEF Nutrients Symposium

Dr. John Norton, Director of Energy, Research & Innovation, was invited to speak on innovation at the opening session of the Water Environment Federation (WEF) Nutrients Symposium 2019, held in Minneapolis, Minnesota. Specifically, Dr. Norton was asked to discuss innovative strategies used by utilities to keep ahead of wastewater treatment permit requirements. In his talk, Dr. Norton discussed how GLWA is using direct research investments with universities, collaborative research efforts through the Water Research Foundation, and technology screening through both Leaders Innovation Forum for Technology (LIFT) and Isle Utilities, to identify, evaluate, and study, new and emerging treatment technologies. Water Resource Recovery Facility (WRRF) team members Sanjay Patel, Luther Blackburn, and Sajit George were extremely helpful in providing data and understanding for the presentation and were acknowledged during the presentation.



The Energy, Research & Innovation team met with Shawn McElmurry from Wayne State University (WSU) and one of his students to discuss the progress of the GLWA-supported Water & Health, Infrastructure, Resilience & Learning (WHIRL) project. The project aims to better understand interdependencies between drinking water and public health systems in order to enhance resilience and prevent drinking water-related public health crises.

As part of this effort GLWA is sponsoring, along with WSU, the US EPA, and the US Center for Disease Control, an upcoming “Public Health, and Healthcare Coordination Workshop” in Detroit on September 16, 2019.

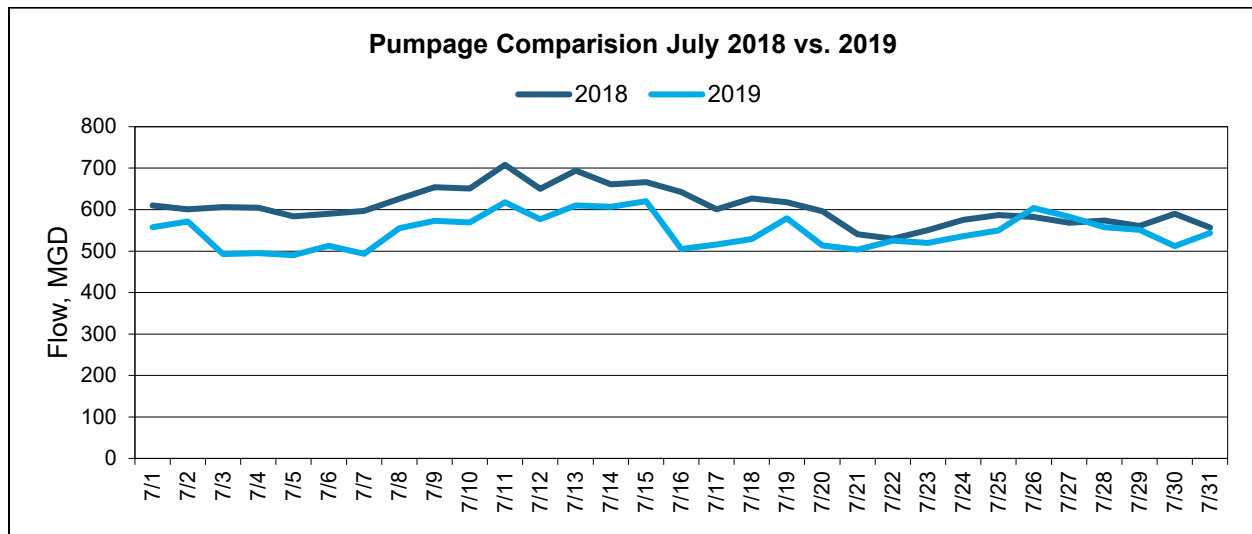


## **WATER OPERATIONS** (continued)

### *Systems Control Center*

#### *July 2019 Pumpage*

July 2019 pumpage was 9.7% lower than July 2018

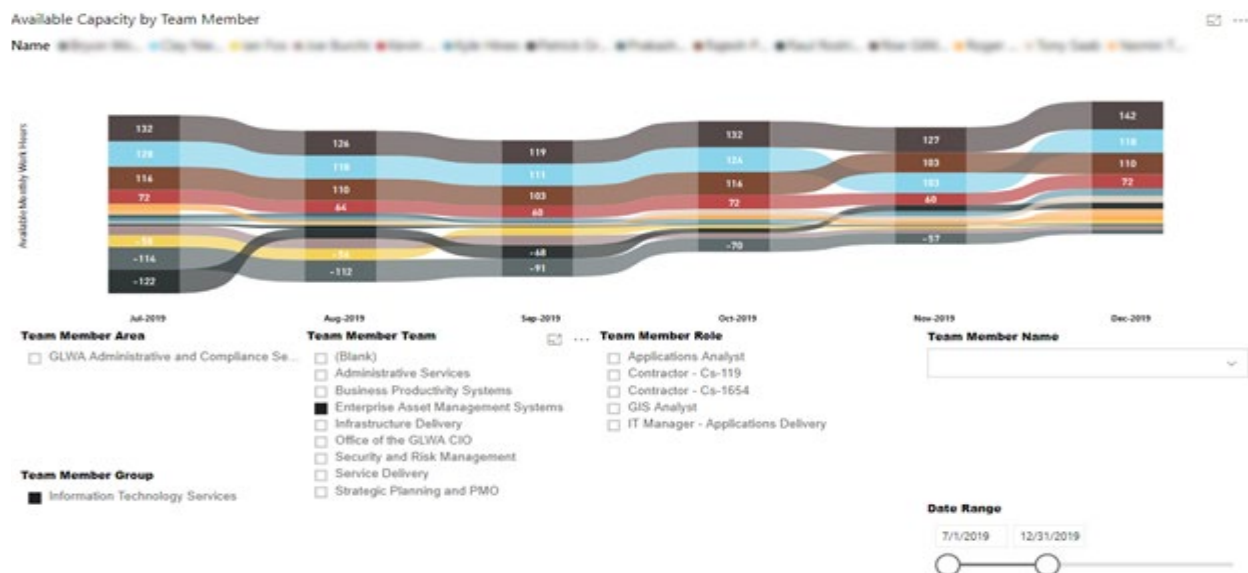


## **INFORMATION TECHNOLOGY**

The IT Infrastructure Team has completed the effort to create backup processes for our IT infrastructure. The team conducted a failure over test using a secondary circuit from GLWA's Water Board Building to the AT&T network to verify connectivity in the case of a failure of the primary network circuit. At this time, all geographical redundancy testing has been completed successfully.

The IT Enterprise Asset Management Systems team completed a series of dashboards to assist in project capacity planning for GLWA team members. GLWA combined SharePoint forms and lists with Power BI Dashboards to bring an elevated view of team member available project capacity to leadership and team members themselves. This allows for more strategic and in-depth planning of projects, especially those with competing priorities and resources. Project Managers can see who may be available with what general skillset by team member role to support their projects. IT and GLWA leadership can review and see where there may be resource gaps and where either strategic hires or staff augmentation may lend a hand in successfully completing projects.

## INFORMATION TECHNOLOGY (continued)



The IT Customer Service Delivery team is 55% complete with the Windows 7 operating system upgrade/replacement project. The purpose of this project is to protect GLWA's security, business, and process networks by ensuring all GLWA devices are on Windows 10 by January 14, 2020 at which time Microsoft will no longer provide support, patching, or security updates for any devices running Windows 7.

The IT Security team has begun evaluation of dual factor authentication and anticipates beginning deployment by the end of calendar year 2019. Dual factor authentication will further enhance GLWA's cyber security posture.

Currently, the IT Project Management Office is managing 21 active projects and is processing 12 project requests.

## PUBLIC AFFAIRS

### *Young Professionals Network*

Public Affairs hosted its second Young Professional (YP) Network event on Thursday, July 25, 2019. The event featured guest speakers from the American Water Works Association Michigan Section chair (and GLWA team member) Bill Fritz, as well as MI-AWWA Membership Council Representative Matt Parks. Attendees had the opportunity to learn more about opportunities for YPs through AWWA and the importance of joining professional organizations.

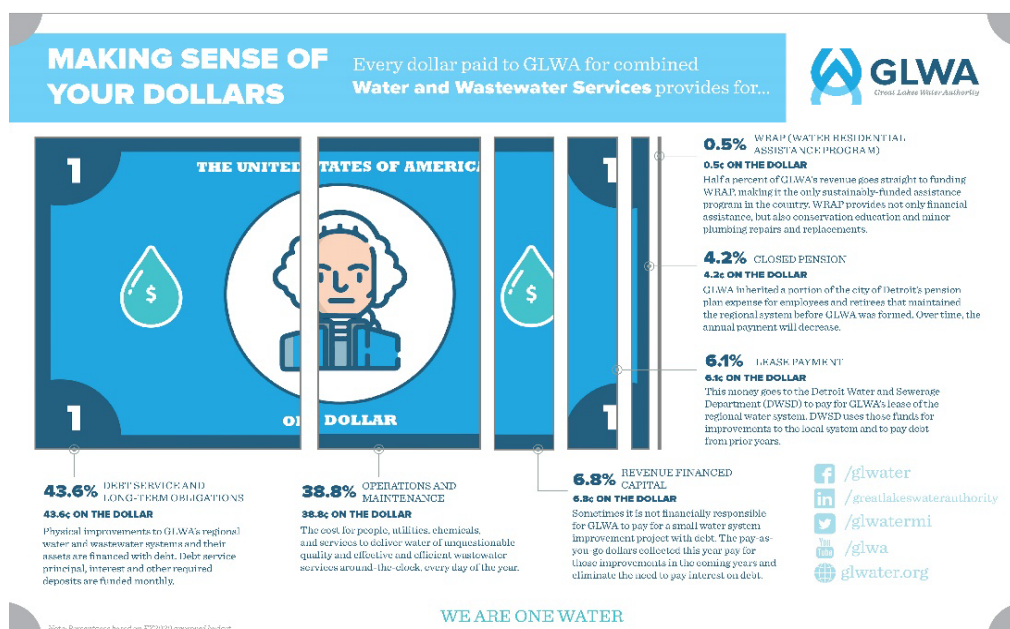
Public Affairs supported CEO Sue McCormick in another successful year of "Coffee with Sue" sessions. Ten "Coffee with Sue" events were held with team members across the organization. An additional "Coffee with Sue" was requested by GLWA's Young Professionals Network. In response, Sue will host a special "Evening with Sue" featuring informal conversation with the YP group on Thursday, September 19th at Water Works Park.

## **PUBLIC AFFAIRS** (continued)

### ***Transparency Efforts***

Underlying all GLWA's brand pillars is a commitment to transparency throughout our operations. To further our financial transparency efforts, Public Affairs worked in partnership with the Financial Services Area to create a series of three dollar bill graphics (water system, wastewater system and the combined system) that provide a visual representation of how GLWA funds are spent by both percentage of each dollar, as well as cents on the dollar. These graphics will be used on GLWA's website, social media channel and provided to our member partners for their use.

Here's an example:



## **SECURITY AND INTEGRITY**

The Hazmat Unit coordinated and completed a total of 191 hours of training during the month.

Security and Integrity attended the Michigan State Police (MSP) and U.S. Homeland Security "Risk and Assessment" planning meeting in Lansing, MI, in preparation for GLWA'S threat and vulnerability assessment of the Northeast Water Treatment Plant Facility.

## **ORGANIZATIONAL DEVELOPMENT**

### ***One Water Wellness***

The 2020 Benefits Strategy sessions have been concluded with the Executive Leadership Team. Final recommendations and messaging to team members for Open Enrollment are being prepared.

Driven by a high incidence of pre-diabetic and diabetic conditions, we are working to implement two wellness solutions via Blue Cross Blue Shield of Michigan to address both pre-diabetic and diabetic conditions in GLWA team members and their families.

We are also working to implement a new voluntary life insurance with a long-term care rider benefit that is a guaranteed issue, portable, and allows the team member to convert the policy for full available value for either life insurance or long-term care.

Saturday, August 28<sup>th</sup> – Workout Wednesdays Grand Finale at (Campus Martius Park)

Sunday, September 8<sup>th</sup> – American Diabetes Association’s Tour de Cure Michigan Bike, Run, Walk (Belle Isle State Park)

### ***Apprenticeship / Pipeline to Employment***

On Thursday, August 15, 2019, the OD Team Members and Kevin Green, Focus:HOPE, held informational sessions regarding the EICT-E apprenticeships, scheduled to begin in the fall, at two (2) facilities. The facilities were: Northeast Facility (8 attendees) and Water Resource Recovery Facility (19 attendees). GLWA team members were given an opportunity to ask questions about TABE (Test of Adult Basic Education) testing, Pre-Apprenticeship course class dates, and the GLWA selection process.

An FAQ regarding this new apprenticeship program is being developed.

Veteran outreach: We are currently working with third-party organizations to assist with Veteran recruitments, including Hiring Our Heroes.

GLWA “Now Hiring” Banners and Vehicle magnets for GLWA trucks are underway for six locations: Springwells, Southwest, Water Resource Recovery Facility, Northeast, Lake Huron, and Water Works Park. Banners will be in English, Spanish and Arabic.

Since the last CEO report, no new contractors have become GLWA team members.

### ***Training and Development***

As a part of the ONE WATER INSTITUTE – “Leadership” and “Leader in Me” Academies are launching. Look for classes beginning in September.

## **FINANCIAL SERVICES AREA**

### ***August 2019 Audit Committee Recap***

The August 2019 Audit Committee was cancelled. An Audit Committee Binder was, however, prepared and is posted at [www.glwater.org](http://www.glwater.org). The following information from the binder will be reviewed at the next meeting on Friday, September 20, 2019.

- ✓ The Quarterly Investment Report which highlights the improvements in GLWA investment earnings over time due to long-term planning and portfolio management. Despite these efforts, the recent economic downturn in interest rates is causing an ongoing review of FY 2020 investment income projections and strategies to lessen the impact.
- ✓ The May 2019 Monthly Financial Report Binder (Executive Summary attached) which presents positive budget performance for the GLWA regional system and continued reduction of the DWSD local system sewer shortfall for FY 2019.
- ✓ An update related to closing out FY 2018 and FY 2019 Shared Services activity by the end of FY 2020.

### ***New Technology Training***

A cross-section of Financial Services Area (FSA) team members (pictured below) participated in a four-day power user training to obtain hands on experience with a new business intelligence program, Tagetik, that will soon begin implementation at GLWA. Tagetik will 1) improve report preparation, 2) enable forecasting, 3) expand analysis across many data sources, and 4) provide workflow for key financial processes such as month-end close. The implementation of Tagetik over the next year will place GLWA in a best in class category for utilizing this technology.





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

### ***Small Business Initiative***

The Vendor Outreach Team was invited to the Detroit Chapter's monthly meeting of the National Association of Black Women in Construction (NABWIC) on July 24, 2019. NABWIC's members were most interested in how to do business with GLWA and appreciate GLWA's vendor outreach initiatives. It was our pleasure to provide information and answer their questions.



### ***The Procurement Pipeline***

The August 2019 edition is attached.

## **LEGAL**

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

Respectfully submitted,

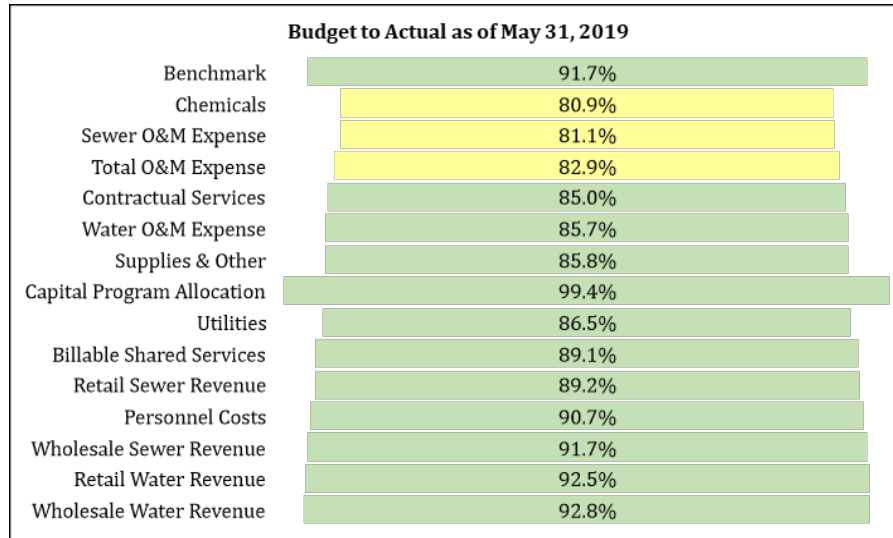
A handwritten signature in blue ink, reading 'Sue F. McCormick', is positioned above the printed name.

Sue F. McCormick  
Chief Executive Officer

SFM/dlr

Attachments (3)

## Revenue and Expense Budget to Actual<sup>1</sup> – Pro-rata Benchmark of 91.7%



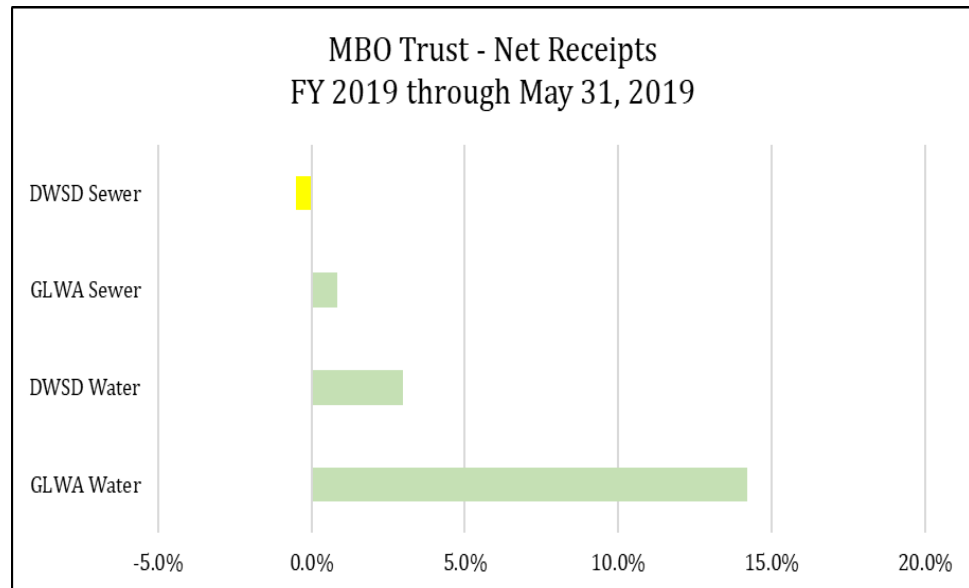
While a few categories are falling outside the revised 7.5% of the pro-rata benchmark these are expected to be more closely aligned with the amended budget in June with the close of the fiscal year.

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

*Operations & Maintenance (O&M) Expense:* Sewer and Total O&M Expense positive variances are a result of the cumulative, positive variances in the categories of Capital Program Allocation, Supplies & Other, Capital Program Allocation and Chemicals.

## 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. DWSD continues to reduce the Sewer fund shortfall and remains on track to meet the goal of a positive, net cash flow for FY 2019.



**Capital Spending Ratio** The Water system incurred nearly \$57 million of construction costs to date which is 93% of the FY 2019 prorated, Board-approved spend. The Sewer system spent \$73 million which is 76% of the FY 2019 prorated, Board-approved spend.

Questions? Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

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

Welcome to the August edition of *The Procurement Pipeline*, a monthly newsletter designed to bring you informative updates on doing business with GLWA.

### **Tip of the Month: Viewing GLWA Contracts**

Reviewing existing or prior contracts can be helpful in preparing proposal and bid responses. As a leader in transparency, all current and prior GLWA contracts are online via GLWA's [Bonfire contract portal](#).

### **GLWA Direct to You!**

Beginning in June 2019, Great Lakes Water Authority partnered with Comerica Bank to offer vendors ACH-Direct Deposit through the **GLWA Direct to YOU!** program. Currently, 67 vendors have enrolled and are enjoying improved cash flows by eliminating mail delivery time! To register your organization, contact [AccountsPayable@glwater.org](mailto:AccountsPayable@glwater.org) today!

**Lunch with CFO/Treasurer Nickie Bateson**  
Ron Eisbrenner from Yates Industries was randomly selected from the Vendor Outreach survey responses for lunch at GLWA. Ron's guest was Dennis Buda. (3<sup>rd</sup> & 4<sup>th</sup> from the left in the picture). There was no shortage of conversation with Ron and Dennis providing improvement ideas. It was wonderful getting to know one of our valued vendors.



### **New Procurement Forms**

GLWA's Procurement quotes, proposals and bid templates will change slightly this month to streamline the GLWA evaluation process. If you have any questions, please contact the Buyer on the solicitation or post your questions to Bonfire for that solicitation.

### **Small Business Initiative (SBI)**

GLWA's Small Business Initiative Advisory meeting was held on August 8, 2019 at Schoolcraft College. Approximately 70 people attended to learn how to be a subcontractor to any one of the six GLWA vendors that took the time to speak. We would like to thank Commercial Contracting Corporation, Wade Trim, Kokosing Industrial, Grainger, Walsh Construction, and Arcadis Consulting for their invaluable information.



### **What's Coming Down the Pipe?**

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

*Next Nine Months:* See reverse side

### **Keeping Up With GLWA**

Our [CEO's 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.

- ♣ [Macomb County PTAC Meet the Buyer - August 22, 2019](#)
- ♣ [Michigan Contractors' Association - September 6, 2019](#)
- ♣ [Event: GLWA Capital Improvement Plan - 3 Year Outlook - September 17, 2019](#)

**Visit us online!** See the Vendors page at [www.glwater.org](http://www.glwater.org) or contact us via [procurement@glwater.org](mailto:procurement@glwater.org).

Great Lakes Water Authority  
Upcoming Procurements  
August 2019

Category	Description	Budget Estimate
<b>Water System (next three months)</b>		
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	Abatement of Mold, Asbestos, Materials and third party testing of samples for one year	\$50,000
Services	HVAC Contract Service for Springwells Water Treatment Plant	\$250,000
Maintenance	5-Year Sludge Removal and Disposal Services at Northeast, Springwells & Southwest Water Plants	\$55,000,000
<b>Wastewater System (next three months)</b>		
Maintenance	Generator Maintenance (all of GLWA)	TBD
Construction	Site Improvements to Puritan Fenkell and Leib CSO Facilities (CIP #260600)	\$1,000,000
Construction	Treatment Sewer Improvements for Baby Creek CSO Facility (CIP #260600)	\$875,000
<b>Water System (next four to nine months)</b>		
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
<b>Wastewater System (next four to nine months)</b>		
Design Build	CSO-Facilities Structural Improvements Projects	\$12,000,000
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
Study	Long Term CSO Plan	TBD

**Office of the General Counsel – August, 2019**

- ***NPDES ACO Dismissal:*** The Office will assist in preparing documents to have the ACO dismissed.
- ***Legislative Updates:*** The Office continues to support HB 4806 which contains amendments to the exception to governmental immunity, regarding liability for sewer back up claims. GLWA continues to cooperate with member partners on the Lead and Copper Rules as well and attend webinars on the subject. The Office is also monitoring a bio-solids 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. GLWA attempts to secure long term contracts with the other communities that are not on the model contract.
- ***Environmental and Workplace Safety Compliance:*** The Office continues to work with the COO and team leaders from both the water and sewer systems to comply with regulations and to respond to any alleged violations. The Office is also assisting on GLWA's property remediation efforts.
- ***Record Retention Policy:*** The Office is drafting a record retention policy for GLWA.
- ***Industrial Pretreatment Program:*** The Office continued to work with the Industrial Waste Control ("IWC") Group and external stakeholders on finalizing and implementing an updated IPP and overseeing the current program. The Office is also coordinating the transfer of a portion of GLWA's IPP to the Oakland County Water Resource Commissioner ("OCWRC"). The Office is also providing assistance on PFAS and PFOS matters.
- ***Hydrofest Boat Races:*** The Office negotiated an Agreement for the annual boat race to use GLWA property for the event.
- ***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:** On August 22, 2019, GLWA and DTE had a kick-off meeting for the design and construction of the Third Feed. GLWA also received a Baseline Environmental Assessment for the Conrail property.
- **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. Recently, the Court granted the State's Motion for Summary Disposition. GLWA joined the other plaintiffs in filing a Motion for Reconsideration.
- **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. On August 26, 2019, the parties agreed to postpone the arbitration so that the parties can achieve a global settlement of outstanding issues.
- **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.
- **Seminars Attended:** EGLE Webinar "Making Changes to Your Renewable Operating Permit"
- **Past Month's Statistics:**

Contracts reviewed as to form:	15
Contracts drafted or revised:	19
Subpoenas/Information requests received:	14
Subpoenas/Information responded to:	9