



Office of the Chief Executive

735 Randolph Street, Suite 1900
Detroit, Michigan 48226

July 27, 2022

The Honorable
Board of Directors
Great Lakes Water Authority

RE: CEO Report – July, 2022

Dear Chairperson Quadrozzi and Directors:

I believe it is important to begin my report this month with an update on the status of claims related to the unprecedented rain events that occurred during the summer of 2021. On Tuesday, July 19, GLWA announced that it is denying all claims submitted to the Authority related to the historic rain events that took place in the summer of 2021. GLWA made this decision based on two factors.

The first factor is the findings of the [independent investigation](#) conducted on last Summer's historic rain events, which determined that 1) widespread basement flooding was inevitable due to the unprecedented amount and intensity of the rainfall that occurred on June 25-26, 2021; and 2) even if every piece of piping and equipment in the regional system worked in an ideal manner on June 25-26, basement backups and surface flooding would still have occurred in GLWA's system, or any other collection system designed to today's standard. The second factor is that under Michigan's Governmental Liability for Negligence Act, a public entity such as GLWA can only be liable for a sewage disposal system event (a basement backup) if a defect in its sewage disposal system was the substantial proximate cause (50 percent or more of the cause) of the event and property damage or physical injury.

These unprecedented rain events are a real-life example of the devastating impacts that climate change can have on our communities. While it is not possible to eliminate the chance of flooding given these circumstances, it is critical for us to build resiliency in the regional system. Even before the release of the final report from the Independent Investigators, GLWA began working to [implement key infrastructure and process improvements](#) to help address the stresses put on an infrastructure system not built for these increasingly significant rain events. We remain committed to doing everything within our power, and to working closely with our infrastructure partners in southeast Michigan to help mitigate the impacts of climate change.

My next update is related to the ongoing matter with Highland Park. While the litigation with the city of Highland Park continues, I felt it important to inform you that the Wayne County Circuit Court Judge ordered GLWA and Highland Park to participate in a confidential mediation process. The confidential mediation is being guided by former Federal Judge Gerald Rosen.

I am certain that the impacts of inflation are not new to anyone on this Board. I think it is important that you know that throughout the last month, our Capital Improvement Planning (CIP) Team has worked with the Water and Wastewater teams to better define the magnitude of challenges related to market cost escalation and its impacts on the approved FY 23-27 CIP. Updates will be provided to this Board's Capital Improvement Planning Committee.

With my appointment as Chief Executive Officer, there are two executive leadership team positions that I am focused on filling. Recently we posted recruitments for our Chief Organizational Development Officer and Chief Planning Officer positions. Organizational Development (OD) recently refreshed the posting style for GLWA recruitments and are already seeing good candidate response, including these opportunities. It is anticipated that the selection of candidates for interviews will be made in August, with interviews to be conducted in September 2022. As has been done in the past, I would like to invite interested members of the Board to participate in the interview process as we select individuals to fill these important positions. We will have more information for you on this invitation in the weeks to come.

Staying in the OD area, I am happy to share with you that GLWA launched its first-ever internship program earlier this summer, and it is in full swing with a class of eight interns. Our inaugural class includes interns working with the Office of the General Counsel; Energy, Research and Innovation; and Water/Wastewater Engineering. An interactive Microsoft Teams channel, TheHUB, was launched to encourage intern engagement and to provide learning and networking opportunities for the interns. We are so excited to have these talented young professionals on the team – and hopefully we can convince some that a career in the water sector is the best option for them.

As I like to do in all of my reports to the Board, I will end by sharing team member recognitions. First, I want to acknowledge the impressive amount of collaboration that has been exhibited by team members throughout GLWA to complete our Water and Wastewater Asset Management Plans and continue moving us forward in our Asset Management journey. There are too many to thank individually, but please know that your efforts have not gone unnoticed and your contributions are valued!

Next, I want to give a shout out to Infrastructure Administrator, Zaki Shalhout and Operations Manager, Chris VanPoppelen for their work to deploy new algorithms that automated key elements of secondary treatment control at the WRRF. Since full deployment, the two algorithms have substantially reduced variation in both dissolved oxygen concentration and in mixed-liquor elevation and have produced a 30 percent reduction in the average volume of oxygen supplied to the aeration basins each hour. WRRF provided an annual savings of \$1.01 million dollars per year based on 2019 rates. However since 2017, the usage of oxygen has reduced year-over-year. The supplier has increased the unit price of the oxygen per CCF for the facility, diminishing the savings to approximately \$870K when compared to the use prior to the project.

Finally, I would like to congratulate the Financial Services Area team on receiving the Government Finance Officers Association's Distinguished Budget Presentation Award for the fourth consecutive year. Great recognition for such a hard-working team!

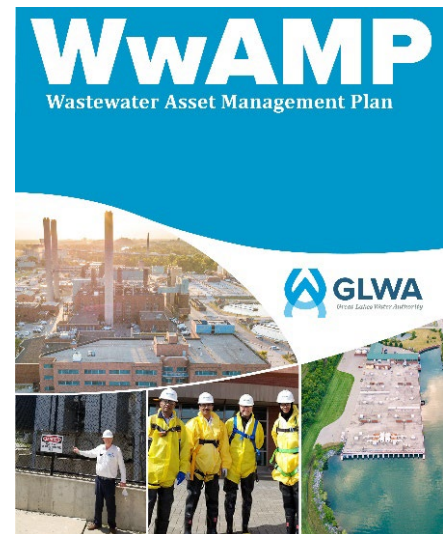
PLANNING SERVICES

Asset Management Group (AMG)

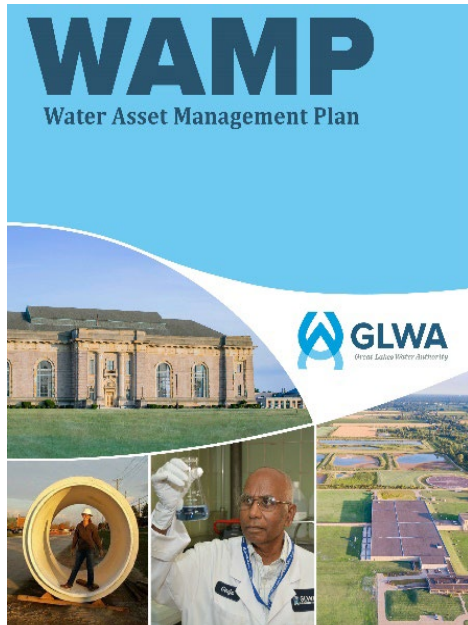
The Asset Management Group has completed both the Water Asset Management Plan (WAMP) and the Wastewater Asset Management Plan (WwAMP). These plans were the final task required within the Asset Management Planning contract with our consulting partners, Jacobs. A primary objective with these plans was to record the existing Asset Management Strategies at GLWA and develop tactical recommendations that prioritize initiatives planned to occur over the three-year life of the plan. Our team will facilitate progress on these initiatives, through the established Water and Wastewater Asset Management Teams.

With the closing of this contract, it is important to reflect on GLWA's Asset Management progress over the past six years. Some of the noteworthy accomplishments are listed below.

- Formalization of GLWA's Asset Management Strategic Organization (AMSO) internal governance structure
- Completion of the first Strategic Asset Management Plan
- Completion of the WAMP and WwAMP
- Certified Reliability Leadership Training of approximately 100 team members
- Institute of Asset Management training of approximately 75 team members
- Hosted a Blue Ribbon Panel of world-wide Asset Management professionals



PLANNING SERVICES (continued)



While this list is impressive, what is truly impressive is the collaboration it took from hundreds of team members throughout GLWA to get to this point in our asset management journey. The GLWA team has grown our understanding and application of asset management with the development of these cornerstone documents and set us on a path for continuous improvement. Thank you all GLWA team members for your time and dedication to the process. While our work is not done, this marks a great milestone on our asset management journey!

With the completion of these asset management plans and the ultimate close-out of Jacobs contract, GLWA now embarks on the next phase of our asset management journey which will be to continuously improve asset management with the implementation of the SAMP improvement initiatives and the AMP tactical recommendations

Capital Improvement Planning Group (CIP)

In June, the CIP Team worked with the Water and Wastewater teams to better define the magnitude of challenges related to market cost escalation and its impacts on approved FY 23-27 CIP. The CIP team held two training sessions for the project managers. The objective of the two trainings were to provide a refresher for the team on the portal and to roll out a few enhancements to the CIP process including scoring portal improvements, cost and schedule updates, and CIP project number setup.

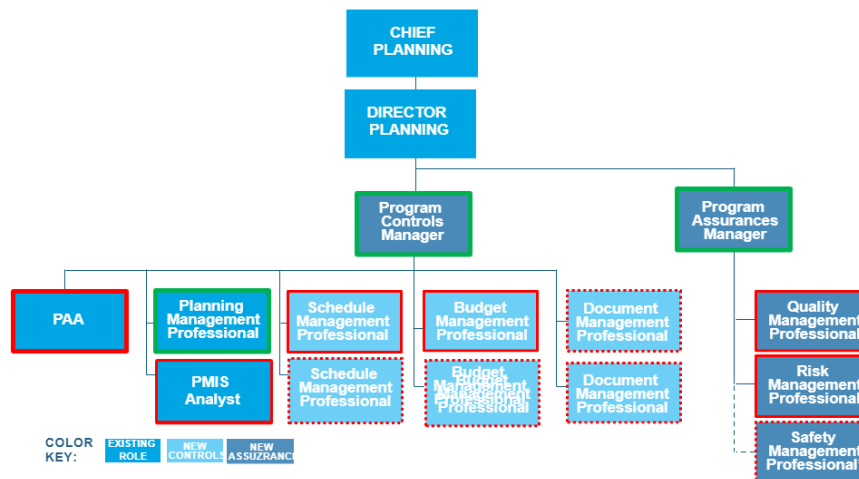
Criteria	Previous Year	Score	Score Criteria	Comment
Condition	5	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="checkbox"/> A. Asset has exceeded its design service life <input type="checkbox"/> B. Excessive maint. levels for the equipment/process area <input checked="" type="checkbox"/> C. High risk of breakdown or imminent failure with serious impact on performance <input checked="" type="checkbox"/> D. Immediate replacement or rehabilitation required <input type="checkbox"/> E. Could initiate immediate funding request b/c "Urgent Necessity" in near term <input checked="" type="checkbox"/> F. Replace, or major rehab needed immediately	Score carried over from previous year

Over the past month, the CIP and IT teams have continued negotiations with the Project Management Information System (PMIS) selected vendor, Kahua.

The CIP team completed interviews for its Controls Manager position last month and is excited to announce a new team member will be joining the team in July, Grinnell Longstreet.

PLANNING SERVICES (continued)

Grinnell has over 15 years of experience in project controls, has a bachelor's degree in Business Administration, and is certified in Project Management Professional (PMP) and Project Management Institute, Scheduling Professional (PMI-SP). Also a new intern, Brandon Flaherty, joined the CIP team in June. Brandon is pursuing an Applied Engineering Major from MSU and expects to graduate in April 2023. The CIP team is looking forward to improving CIP planning with the support of Grinnell and Brandon and will continue to fill current vacancies in the program as shown below.



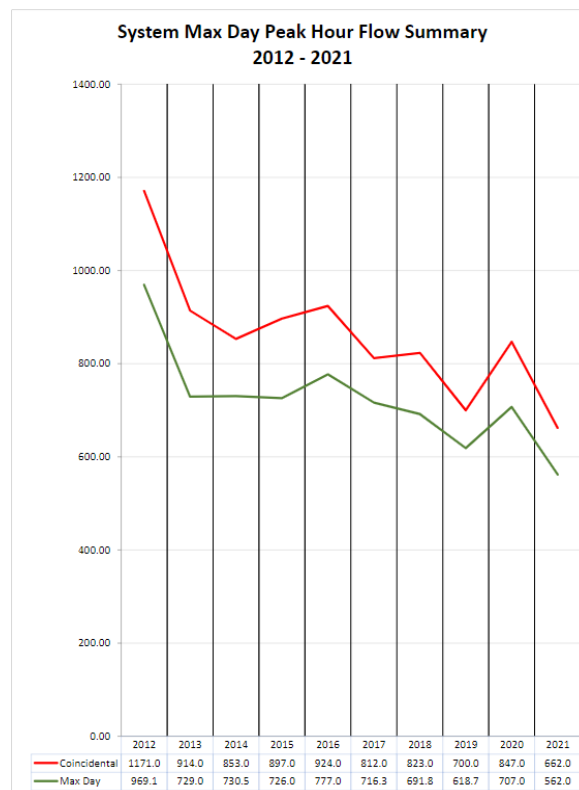
Systems Planning Group

Water Analytical Work Group (AWG)

At the June 7th AWG meeting, project team members provided an update on the 96-inch Transmission Main Relocation project, which will be executed in two phases over the next four years. The group also surfaced questions for a future panel on Advanced Metering Infrastructure (AMI), heard an update on a Satellite Leak Detection Pilot project and reviewed historical demand data featuring Coincidental Max Day and Peak Hour for all master-metered Member Partners, for the years 2012-2021, as well as system totals for the same period.

Watershed Hub Work Group & Webinar

On June 22nd, the Watershed Hub Work Group met to see a demo of the Watershed Hub datamart and mapper, a tool being designed by GLWA on behalf of the group to house and visualize regional water quality data. Members can email outreach@glwater.org to get access to the tool.



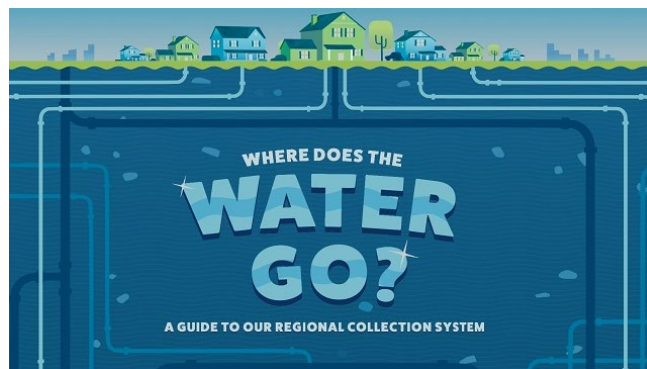
PLANNING SERVICES (continued)

The Watershed Hub Stakeholder Webinar was held on June 29 and focused on celebrating and learning from local and national water quality success stories, including the following:

- Raul Gonzales, from Hampton Roads Sanitation District, described their DNA Source Tracking Program,
- Joel Kohn, from Oakland County, discussed their Water Quality Monitoring Program and how it can integrate with the Regional Investigational Grab Sampling Program and,
- Annette DeMaria, from the Alliance of Rouge Communities (ARC), spoke about the ARC's Collaborative Illicit Discharge Elimination Program and how it can integrate with the Regional Investigational Grab Sampling Program

Communications & Education Work Group

The Communications & Education Work Group met on June 23, welcoming Madison Merzlyakov, Affordability & Assistance Manager for GLWA, who provided an update on changes to the Water Residential Assistance Program (WRAP) to simplify the program, increase participation and emphasize water affordability. GLWA's Public Affairs team shared a new video that provides a comprehensive overview of the regional wastewater collection system, as well as a new recruiting video, intended as the first in a series. To close the meeting, Water Quality Manager, Mary Lynn Semegen, updated the group on Surface Water Intake Protection Program (SWIPP) grant-funded activities.



Water Charge Methodology Review Subgroup

The Water Charge Methodology Review Subgroup kicked off on June 29 and met again on June 30 to refine the guiding principles for the methodology review and deepen understanding of the current methodology. This group will continue meeting approximately twice monthly for the next 18 months to develop recommended changes to the methodology.

At the July 21, 2022 Wastewater Analytics Task Force meeting, the group presented an update on Dry Weather Inflow/Infiltration (DWII) in the Detroit Plus area. The flow balance identifies various elements of wastewater flows including sanitary, DWII, and wet weather flow. The SHARES calculation puts both DWII and wet weather flow in the same “non-sanitary” charges category, but the evaluation of the DWII can be an indication of overall system health. DWII is the component of the sewer flow that can be addressed and reduced.

PLANNING SERVICES (continued)

System Analytics & Meter Operations (SAMO)

This evaluation provides member partners and GLWA a glimpse of data trends and allows them to consider actions if unexpected flows or anomalies are noted. The key takeaways from the evaluation of 11 years (FY2011 to FY2021) of DWII are:

- DWII flows are impacted by precipitation depths, potable water losses, and river levels
- DWII flows are an inevitable part of the combined sewer systems
- DWII constituted 40% of the total flows at WRRF for FY2021
 - 45% in FY2012 – highest year
 - 38% in FY2018 – lowest year
- Significant reductions in DWII levels have been realized in the Detroit Plus areas of GLWA. Approximately 40 MGD reduction over the last four fiscal years. Please see figure 1 below.
- This can be attributed to work completed by DWSD and GLWA on reducing potable water loss and active adjustments of outfall dam levels was performed to reduce the potential of river inflow due to high river levels.
- DWII reduction over the last four fiscal years in the Detroit Plus area with similar precipitation when compared to previous years. Please see figure 2 below:

KUDOS! - DWSD and GLWA – Field Services and Systems Controls teams!

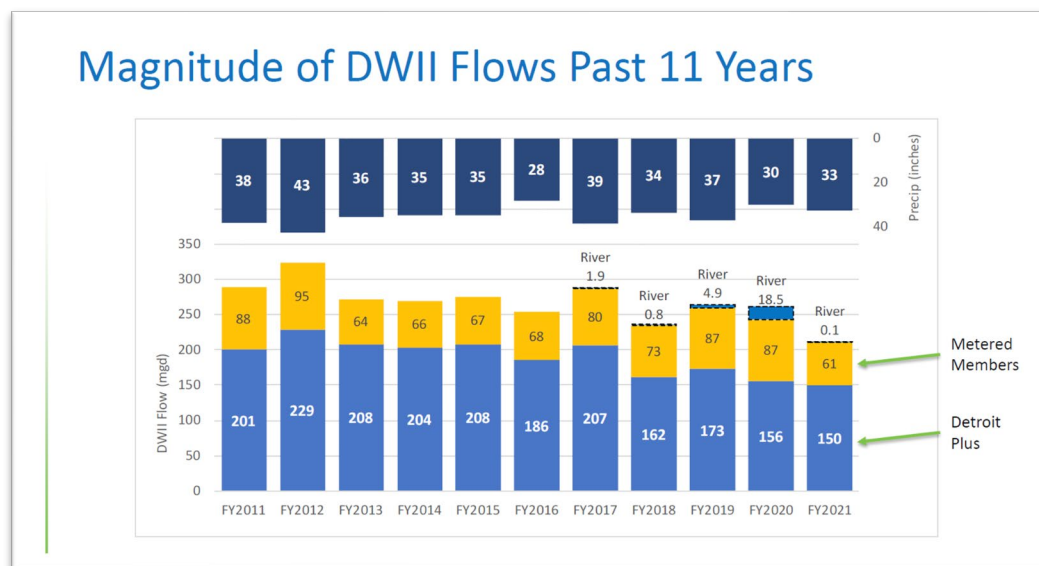


Figure 1: Magnitude of DWII for the Past 11 Years (FY2011-FY2021)

PLANNING SERVICES (continued)

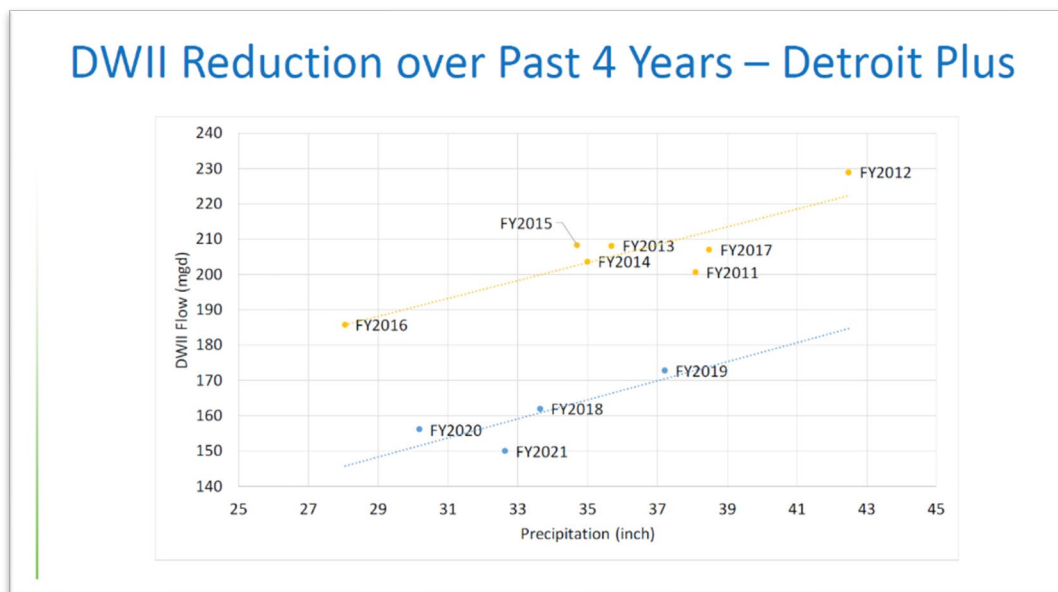


Figure 2: DWII vs Precipitation in Detroit Plus area

The SAMO Group continues progress on the wholesale water meter pit rehabilitation and meter replacement program. The first project of this program started in November 2018. The scope of work includes construction work at 59-meter pits that have metering and/or meter pit condition concerns. Last month, coordination meetings were held with the City of Melvindale, and the City of Southgate. The planned work has been completed at 51 of the meter pit locations and is underway at another five locations. The group is working with the CIP and procurement groups to solicit bids for the second contract of the program. This contract will provide metering and instrumentation upgrades and complete meter pit rehabilitation at 60 additional meter pit facilities. This contract will also provide as needed corrective and emergency maintenance for the remaining metering facilities.

The SAMO Group continues making progress on the sewer meter upgrade program. In June 2022, new meters were installed at sewer site DN-S-8, which serves City of Dearborn and sewer site BC-S-2, which serves Baby Creek district of the Detroit Plus area. The Greater Detroit Regional Sewer System is receiving real-time data from the newly commissioned meters.

WASTEWATER OPERATING SERVICES

Wastewater Operations

Water Resource Recovery Facility (WRRF) operations complied with the Water Quality Standards for June 2022 with one exception. The Leib Screening and Disinfection facility experienced an exceedance of fecal coliform on June 7, 2022. The measured effluent was 516/100 ml, above the limit of 400/100 ml. This exceedance is believed to be related to a power disruption the facility experienced during the event.

WASTEWATER OPERATING SERVICES (continued)

GLWA Design of Oxygen Use Reduction in Secondary Treatment Through Automation

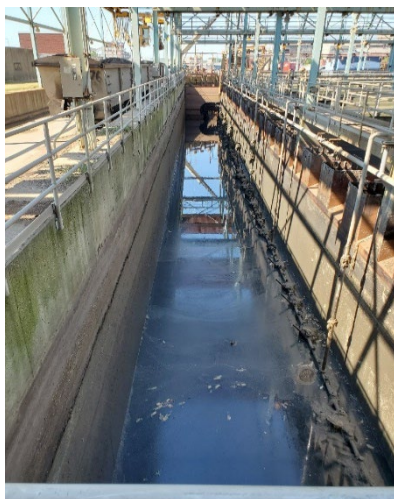
In early 2021, the Process Automation and Control System team (Project Lead: Zaki Shalhout (Infrastructure Administrator), Team Lead: Chris VanPoppelen (PACS team manager)) completed the deployment of new algorithms that automated key elements of secondary treatment control at the WRRF. The algorithms were the product of a controls-optimization campaign that began in late 2019 with a comprehensive review of historical process data. The review identified the aeration basin mixed-liquor elevations and the aeration basin dissolved oxygen (D.O.) concentrations as prime targets for control automation due to their high degree of moment-to-moment variation (an indicator of suboptimal control).

Both mixed-liquor elevation and D.O. concentration are closely linked to the volume of oxygen used during secondary treatment. An unsteady mixed-liquor elevation results in poor oxygen utilization efficiency while D.O. concentrations that are too high or too low may indicate an improper flow of oxygen to the aeration basins.

After several months of algorithm design, testing, and tuning, the new controls were brought into service in two stages: elevation control automation in March 2020 followed by D.O. control automation in January 2021. Since full deployment, the two algorithms have substantially reduced variation in both D.O. concentration and in mixed-liquor elevation and have produced a 30% reduction in the average volume of oxygen supplied to the aeration basins each hour (compared to a 2011 to 2019 baseline).

The reduction in oxygen used during secondary treatment at the WRRF represents an annual savings of \$1.01 million per year. An overview of this work was the subject of a well-received presentation by Zaki Shalhout at the 2022 MWEA Annual Conference.

Maintenance



The PS-2 effluent channel drained and ready to be inspected.

For this month the Maintenance team is highlighting several projects completed or underway in the Primary Processing Areas of the WRRF. To support of the Pump Station 2 (PS-2) Rack and Grit Improvements design project, the designer scope includes the assessment of the structural condition of the PS-2 effluent channel. The maintenance, operations, and engineering teams made a collaborative effort to get this channel drained enough to perform the needed inspection. The draining of the effluent channel required a complete shutdown of PS-2, this isolation was very complicated and required significant coordination. To isolate the channel the team utilized stop logs and sluice gates and used portable hydraulic pumps to empty the channel. The design team was able to collect the data required to perform their structural analysis of the effluent channel.

WASTEWATER OPERATING SERVICES (continued)

Additionally, to maximize the PS-2 shutdown, an effort was also coordinated to clean the pump discharge channel and influent grit channel for the facility. This effort consisted of de-ragging aeration equipment and using a Vactor truck and front loaders to clean the grit out of a channel that is very infrequently drained. To preclude the channels from getting this filled with grit, operations and maintenance are developing a cleaning schedule to implement in the future.



Before and after images of the cleaning effort in the PS-2 northside pump discharge channel

The Primary team also replaced Sludge Pump #23 that serviced the liquid drive. The replacement of this equipment was identified as a need based on the results of our vibration monitoring efforts. This is a demonstration of the value for performing routine predictive maintenance measures to avoid catastrophic failures. This pump provides operations staff more flexibility and redundancy when operating Circular Primary Clarifiers 17 and 18 and improving our overall ability to operate the plant in accordance with all regulations and NPDES permit requirements.



WASTEWATER OPERATING SERVICES (continued)

Process Control Center (PCC)

Incineration Quarterly Calibration Countdown Alerts

The Process Automation and Control System (PACS) Team has developed a triggered email alert report for the Management Team at the WRRF to inform them when an incineration quarterly calibration is due.

The Incinerators at the WRRF have a sophisticated Continuous Emission Monitoring (CEM) system as required by the Environmental Protection Agency (EPA) 503 regulations. The CEM monitors the Total Hydrocarbon (THC) emitted at each incinerator's stack. The control system monitors the system to ensure that the entire flow path remains above the required temperature and corrects the raw hydrocarbon measurement for oxygen and humidity to calculate the THC emitted.

The CEM automatically performs this task daily. However, In addition to the daily calibration, a quarterly calibration of the system is required. The quarterly calibration is manually initiated and performed by the WRRF Instrumentation staff. This quarterly calibration includes testing the instrument's response.

The PACS Team has created a triggered report to inform management when a quarterly calibration is due or past due. The triggers for the report include an incinerator in quarterly calibration countdown that falls below 15, 10, 5, and 0 days. When a trigger is reached a group email is sent to team leaders and management staff. The email includes an attached report indicating the current quarterly calibration status for the facility.

Laboratory

The Laboratory team like to highlight the following accomplishments for this month.

- Completed entry of all laboratory assets and preventive maintenance reminders in WAM.
- Established training classes for chemists on how to navigate LIMS more effectively.
- Set up a weekly procedure for tuning GC-MS (Gas Chromatography-Mass Spectrometry) instruments to enhance performance and calibration.
- Supported R&I (Research and Innovation) on projects, including PFAS (Per-and poly-fluoroalkyl substances) collection and jar testing for ferric chloride dosing.

WASTEWATER OPERATING SERVICES (continued)

Engineering & Construction

Design Engineering

The Design Engineering Team is working on the following projects:

JOC 54, Contract 2001401 - Complex B TWAS Header Reconfiguration. All major construction work is complete. Once painting of piping and pipe ID is done, the project will be substantially complete and close out shortly thereafter.

JOC 58, Contract 2100910 - Complex II Incineration Building Grating Repair. All such work is now complete, and a change order is in progress to add additional funds and extension of time for additional work.

Contract GLWA-CON-197 (Mar 2018) – Dewatered Sludge Cake Conveyance Improvements. This contract involved the replacement of belt conveyors resulting from the 2016 fire event and feed conveying modifications at the incinerators. All eight new screw feeders have been installed. However, several problems were noted, and initial fixes have been made on the first set of four feeders. Unfortunately, sludge cannot be conveyed efficiently and fully, and the conveyance system frequently experience dead spaces where sludge gets stuck which dries over time. This dry sludge is a source of fire which has introduce catastrophic failure in the past.

One feeder on MHI #7 (Feeder #7A) was fitted with a shroud to guide the sludge movement, but while the situation improved, it did not eliminate the problem completely. GLWA continues to work with the contractor to correct the issues. The contractor was scheduled to deliver some retrofit on feeders to #7 through #10 by June 22, 2022. Once completed, the performance of this latest modifications will be monitored, and next steps will be coordinated with the contractor.

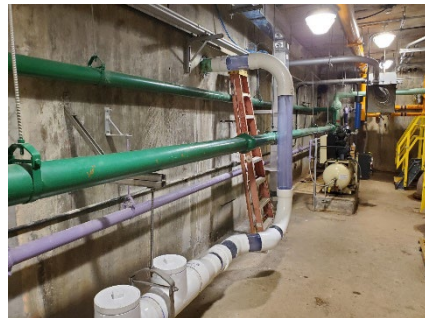
Construction Engineering

The Construction Engineering Team is working on the following projects:

CIP 213007, Contract CON-197 – WRRF Modification to Incineration Sludge Feed Systems at Complex II. The work under this contract is more than 98% complete. All belt conveyors, screw conveyors, strainers, and electrical components have been installed. Incinerators #13 and #14 are currently being re-started to establish sludge feeds prior to the July 18, 2022, regulatory emissions testing milestone. Sludge feed equipment for Incinerators #13 and #14 will be operational on June 29, 2022. The minor owner requested changes to the belt guards, catwalks, and handrails remain for completion. The contractor is addressing performance issues associated with the newly furnished and installed screw feeders and belt conveyors, which are tentatively planned to take place in late July to early August 2022. Notice of defective work was issued to the contractor and the issue is being corrected currently by the contractor.

WASTEWATER OPERATING SERVICES (continued)

CIP 211008, Contract 2002190 – Rehabilitation of Ferric Chloride Feed System at Pump Station-1(PS-1) and Complex B Sludge Lines. The work under this contract is 30% complete. The contractor has completed 95% of lighting replacement within Pump Station-2 (PS-2) and is continuing the preparation of the chemical feed room for painting, process piping, and pump skids. The new overhead gantry crane for the feed skids is installed. The contractor is 100% complete with the yard piping between PS-2 and the primary clarifier pipe gallery and back to PS-1, with chemical feed piping 100% complete within the primary clarifier pipe gallery. The picture shows the new ferric chloride chemical feed line through the primary pipe gallery and the chemical line exiting the gallery near PS-1.



The only remaining chemical feed piping is located within the main structure of PS-1 to the application point at the DRI. The contractor anticipates the #3 bulk storage tank to arrive in early July 2022 for installation. New chemical feed skids are being completed for factory testing and are expected to arrive in mid-July 2022 for installation at WRRF. Ovation control panels (Remote I/O, Remote Operator Station) are being fabricated by PCI off-site for delivery to WRRF once programming and testing are completed.

CIP 216006, Contract 1903601 and 1903598 – Assessment and Rehabilitation of WRRF Yard Piping and Underground Utilities. GLWA retained CDM Smith (Engineer) and the Christman Company (Construction Manager) under two separate contracts for engineering and construction management services for the assessment and rehabilitation of the underground utilities at the WRRF. The project focused on the plant's nine utilities: potable water, secondary water, screened final effluent, natural gas, compressed air, steam, sewer, and electrical conduits (high voltage, low voltage).

With the investigation phase (study phase) completed, the Engineer submitted a detailed basis of design report (BODR) describing recommended improvements. The report was further summarized in 96 recommendations to repair, replace, or rehabilitate underground utilities. GLWA is currently reviewing all the recommended repairs based on priority to ensure the resiliency of the facility.

WASTEWATER OPERATING SERVICES (continued)

So far GLWA has reviewed 21 of the 96 recommendations and approved 8 repairs to proceed which are outlined in the table below:

System	Description
SFE-3	Replace one 48-inch valve extension at location SF-L-40.
ST-2	Replace 220 feet of 4-inch steam and 220 feet of 2-inch condensate (buried 5 feet deep) coated carbon steel pipe between Pump Station No. 1 & Rectangular Primary Tanks Pipe Gallery.
ST-4	Replace approximately 700 feet of 6-inch steam and 1250 feet of 2-inch condensate carbon steel pipe, including supports, insulation, and steam traps in the Incineration Complexes I & II and tunnels between Incineration Complex I, Pump Station No. 1 & Admin Building.
NG-1	Install 32 valve(s), meter tags
NG-2	Replace approximately 4500 feet 1-inch to 4-inch of pipe (buried ~4 feet deep) North of Circular Primary Tanks No. 13 to 16 & West of Pickled Liquor Building.
NG-3	Install 50 feet of 3-inch (buried ~6 feet deep) & 50 feet of new 3-inch exposed coated carbon steel pipe South of Incineration Complexes I & II.
CA-2	Install 200 feet of new 3-inch stainless steel pipe (Buried 4 feet deep) & 250 feet of new 3-inch SS exposed pipe between the primary tank pipe gallery and pump station no. 2
CA-3	Replace 360 feet of 3-inch stainless steel pipe (buried 5 feet deep) between Pump Station No. 1 & Rectangular Primary Tanks Pipe Gallery.

The contract is currently in the preliminary design phase where the eight selected items will be designed by CDM with the support of the Construction Manager. The Construction Manager will perform the constructability review and provide probable opinion construction costs so the construction (for the selected and yet-to-be selected items) remains within the contract budgeted amount.

The Construction Engineering Team is also working on several CSO projects and other Job Order Contract Task Orders that are in the construction phase.

CSO Control Program

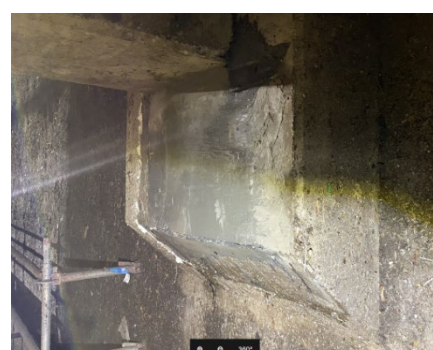
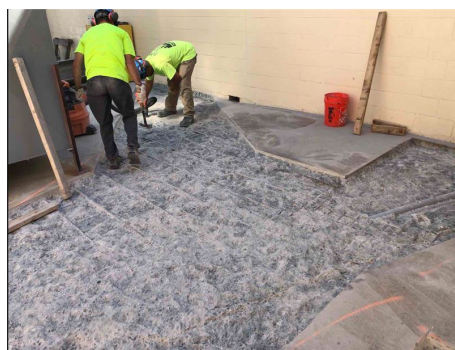
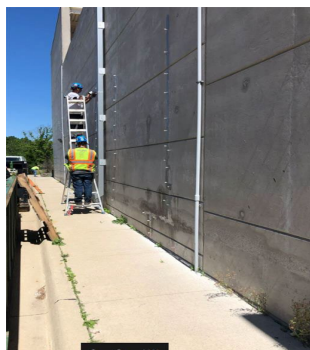
The CSO team is working on the following projects:

CIP 260614, Contract 1902224 – CSO Facilities Structural Improvements Program. Construction is occurring at Baby Creek, Seven Mile, Hubbell Southfield, Conner Creek, and Oakwood CSO facilities. At Hubbell, the contractor is working on east basin roof joint sealants, west basin roof repairs, and trip hazard repairs at the headwork building door areas.

WASTEWATER OPERATING SERVICES (continued)

At Seven Mile, carbon fiber for structural repairs has been ordered, and partial depth concrete repairs started in late June 2022. At Conner Creek, very urgent corbel repairs have been completed. At Baby Creek, sludge removal from the influent channel continues as weather permits.

The design team performed the inspection in the influent channel at the end of June 2022 in the cleaned areas and determined that a small number of repairs would be performed in the influent area. At Oakwood, the contractor has nearly completed basin exterior wall cracks injection, and 29 of 33 priority-one (high-priority repairs) items have been completed. See progress photos below:



Oakwood - crack injection Seven Mile - partial depth repairs in the courtyard area

Conner Creek - corbel repairs

CIP 260618, Contract 2003330 – Oakwood HVAC Improvements. Construction work continues on this project. To date, most of the critical work has been completed. There will likely be a change order processed soon for some unanticipated conditions determined after the construction award to replace other HVAC equipment.

This change would likely come before the August 2022 Board for approval and will likely result in an extension to the contract to facilitate the work, with all other work being completed by the original end of the contract date. See progress photos below:



WASTEWATER OPERATING SERVICES (continued)

CIP 260612, Contract 2004666 – Conner Creek Dike Improvements. This project has been completed. A final change order for the construction contract will be before the July 2022 Board for approval.

CIP 260623, Contract 2102618 – Baby Creek CSO Facility Screen Rehabilitation. The kickoff for this project was held in June 2022, and the contractor is currently procuring the necessary parts for the screen rehabilitation.

CIP 270004, Contract 2011475 - Oakwood and Leib CSO Facilities Improvements. The negotiation phase is completed. This project was bumped to the August 2022 Board for approval due to additional negotiations that occurred in the middle of June. We anticipate a mid-September 2022 notice to proceed with this project. Based on the Board approved dates in the current CIP schedule, we will be ahead by approximately 45 days.

CIP 270006, Contract 2200061 – CSO Facilities Improvements II. A pre-proposal meeting was held, and major components and goals of the project were communicated. RFP responses are due to GLWA at the end of July 2022.

CS-299 – CSO Facilities Assessment Project – This project is transitioning to a support phase with some of the quick-win tasks being managed and other major portions of the project already being completed. We are also working with the Consultant to ensure all data for this project is turned over.

Contract No. 2100136 – Hubbell-Southfield Hanger Replacement. Hanger replacement is ongoing. There have been some delays in progress due to wet weather that the contractor is working around. The project appears to be on schedule at this time.

WATER OPERATIONS

Springwells Water Treatment Plant

Raw Water Tunnel

Upgrades at Springwells includes the 1930s Plant Raw Water installation of new gates that provide both convenience of operation as well as a tight seal when an area needs to be isolated. The controls provide an image of the gate and its position which is important when wanting to throttle it to a certain position. These upgrades continue to enhance the capabilities of the water technicians and their ability to operate the plant efficiently.



WATER OPERATIONS (continued)

Field Services

Field Services has been improving work order processing through an innovative approach of combining SmartSheets and QR codes to improve data integrity and data quality for preventative maintenance and corrective maintenance work orders. This process has resulted in higher completion rates and close out of work orders which has improved the relevant KPIs.

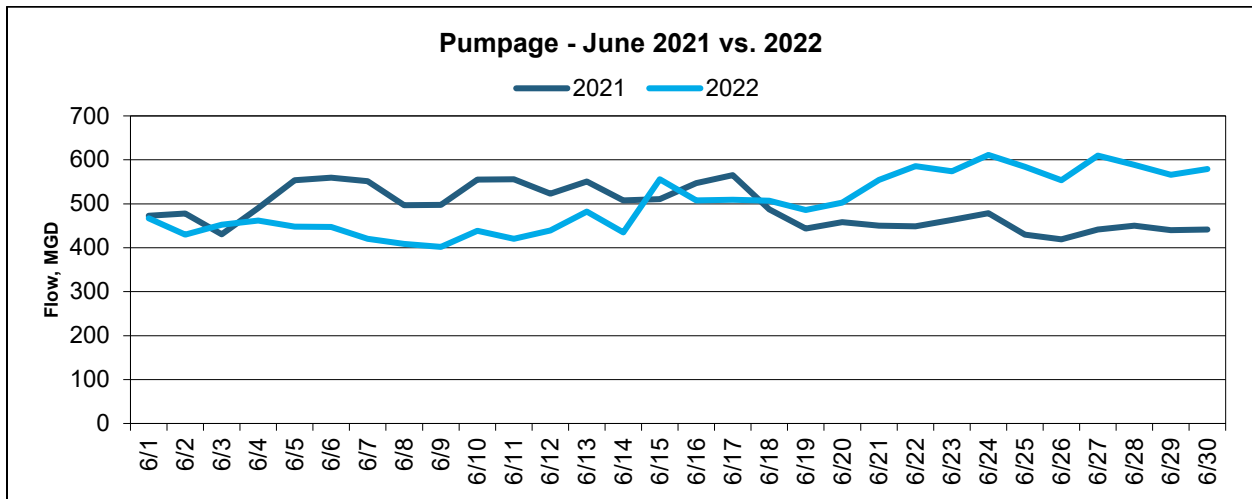
Staff is increasing their response rates and are becoming more effective and efficient in reporting work orders. This is improving morale and employee engagement and enhancing an asset management focus for the groups. In addition, this allows staff to focus on planning and scheduling as opposed to reactive maintenance used historically.

Pictured right is an example of the QR codes used by employees using GLWA issued smart phones that allow these process and maintenance improvements to occur. Congratulations to Katherine (Kathy) Miracle, Field Services Team Leader, for spearheading this initiative and promoting best practices for asset management and meeting GLWA KPIs critical to providing water of unquestionable quality.



Systems Control Center (SCC)

June 2022 pumpage was 2.2% higher than June 2021



WATER OPERATIONS (continued)

Engineering

Contract No. 1803312

“West Service Center Reservoir, Pump House and Division Valve Replacement”

Project Manager: Mike Garrett

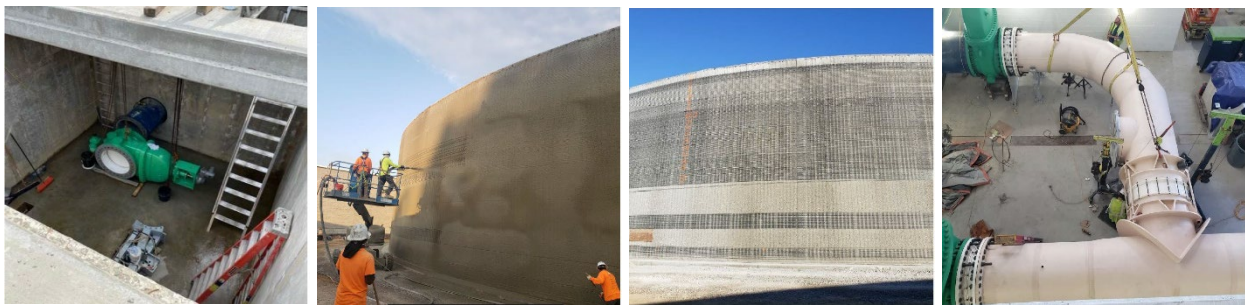
The masonry contractors are continuing with the installation of the face brick veneer on the exterior of the newly constructed reservoir pump station. On the interior, the formwork for the trench drain is in place and the assembly of the 42-inch and 48-inch floor piping install is in progress.

Electricians are continuing with installation of conduit, electrical wiring, and light fixture installation in the pump station.

Mechanical contractors in the process of ductwork installation in the pump station.

The construction of the two new reservoirs is progressing. The base foundations and wall assemblies are completed. The exterior of Reservoir #1 is being coated with the Shotcrete application and wrapped with the pre-stressed wire winding. They are also forming the edge work for the roof deck. On the interior of Reservoirs #1 and #2, the roof deck shoring is being erected.

Delivery of two 30-inch gate valves for Valve Well #3 has taken place and the valve sole plate has been installed.



Pictured left to right:

- 1. Valve Well #3 30-inch gate valve installation in progress*
- 2. Coating the exterior of the new reservoirs with an application of Shotcrete*
- 3. Pre-stressed wire being installed on exterior of Reservoir #1*
- 4. Installation of new piping inside of the Pump House*

WATER OPERATIONS (continued)



Pictured left to right:

- 5. HVAC exhaust fan sleeves inside of the Pump House*
- 6. Erection is underway for the roof supports for the reservoir roof decking*
- 7. WSC Pump House and Divisional Valve Replacement Project view from Pump House northeast corner*

INFORMATION TECHNOLOGY

In the past month, the IT Security Team has proactively blocked or thwarted 13,544 spam messages, 8,278 spoofed messages. Additionally, 556 phishing attempts have been caught and 388 malware attempts have been blocked.

The IT Security Team in conjunction with the IT Customer Service Delivery Team completed the deployment of Multifactor Authentication for O365. This will strengthen our security posture against phishing attacks through our online mail service.

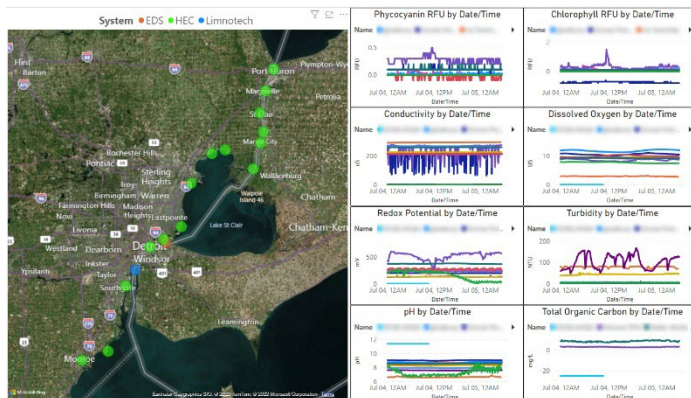
The IT Business Productivity Team, in collaboration with the Financial Services Area and the Organizational Development Group, has kicked off the Workday Enterprise Resource Planning (ERP) implementation project. Workday will replace BS&A and Ceridian as a unified ERP solution that allows for greater process automation and improved cross-functional reporting. The project kicked off on June 14.

Since then, the project team has made progress in defining the foundational data model that will drive the Workday system configuration, and 12 workstreams covering the breadth of this future system have been initiated.

Multifactor Authentication for Ceridian administrators has been enabled, increasing the cyber security of the sensitive data contained in this Human Resource Information System (HRIS).

INFORMATION TECHNOLOGY (continued)

The IT Enterprise Asset Management Systems Team, in conjunction with the Water and Field Services Operations Area completed a project to correlate raw water quality data from a variety of sources. The project deliverables included near-real time data collection from over a dozen source locations including the Detroit River Water Quality Buoy as well as a dashboard to display and analyze more than two dozen parameters. The dashboard allows the Water and Field Services Operations team members to preemptively understand and react to any changes in source water quality.



The IT Enterprise Asset Management Systems Team, in conjunction with the IT Customer Service Delivery Team completed the last phase of an automated employee and contractor IT onboarding and offboarding process. This phase allows team members or leadership team members to update their detailed work location (building, floor and room) themselves in the IT ticket system. This information automatically populates downstream systems such as the Team Member Directory and Microsoft Teams/Outlook with the updated and useful location information.

Currently, the IT PMO is managing 19 active projects and is processing nine project requests.

PUBLIC AFFAIRS

2021 Year In Review

GLWA's 2021 Year In Review booklet has been published in both print and digital editions. The 63-page booklet recognizes the progress made in 2021, as well as the many and varied accomplishments of the GLWA team. Contents are laid out in three sections: One Water, One Team, and One Mission. This is GLWA's sixth year in review, detailing our efforts to live up to our vision of being the provider of choice for water and wastewater services in the region, and also being an example of regional collaboration.



PUBLIC AFFAIRS (continued)

“Workers Wanted” Recruiting Partnership with WXYZ-TV Continues

Given the success of the pilot partnership with WXYZ and their “Workers Wanted” campaign, GLWA has chosen to extend the partnership, this time highlighting team members from our Wastewater Operations team. These new segments began airing June 30 and will run each Wednesday over the course of eight weeks (June 30 - August 24).



On the days scheduled, the segments air on WXYZ-TV 7 during their 6:00 AM and 5:00 PM newscasts along with the 10:00 PM newscast on TV20 Detroit. The partnership involves live-air reads by station anchors accompanied by on-screen graphics stating the position being sought and key GLWA benefits offered. The on-air reads are immediately followed by a 30-second promotional video featuring GLWA Wastewater Operations team members talking about how GLWA is a great place to build a career and the variety of interesting work they do on a daily basis. A special thanks to Zanetta Stewart, Jonah Steenbergh and Joseph Rowland for their participation as our GLWA ambassadors!

You can watch the videos by clicking the links below:

[Video 1](#) [Video 2](#) [Video 3](#)

New CEO Team Member Outreach

As a part of Sue Coffey’s team member outreach immediately following her appointment as the utility’s permanent CEO by the GLWA Board, Public Affairs worked with her to produce a video message for GLWA team members. In the video she expressed that one of her top priorities is to continue her strong partnership with team members through collaboration and open lines of communication.

PUBLIC AFFAIRS (continued)

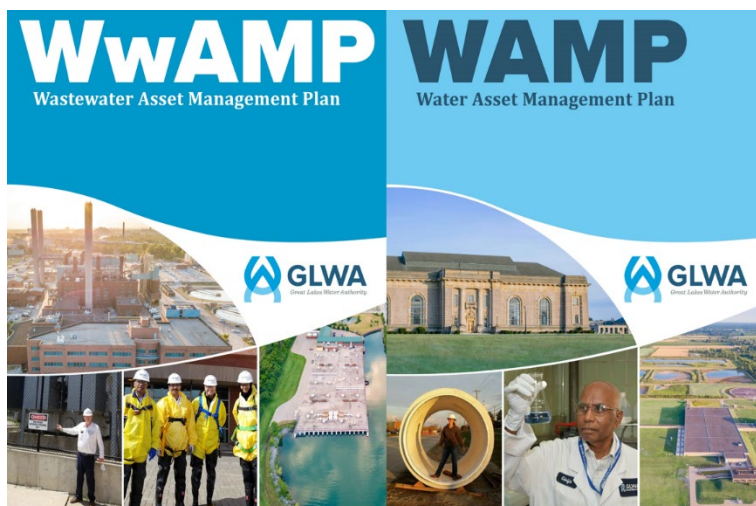
In the video, Sue shares a little about her new role, her top priorities for GLWA and the importance of our work together as One Water, One Team!

You can watch the video by clicking [HERE](#).



Asset Management Plan Covers

Public Affairs worked with the Asset Management Group to create a Water and Wastewater Asset Management Plan cover, also noted in the Planning Services section of the report. The goal of this project was to make the everyday asset management cover into something attractive and appealing to those who would be picking them up. Public Affairs accomplished that by creating an inviting design utilizing GLWA employees and facilities.



SECURITY AND INTEGRITY

The Hazmat Unit coordinated and completed a total of 113 hours of training during the month.

The Security and Integrity Group continues to participate in the regular Emergency Operations Center's ongoing COVID-19 Pandemic briefings.

SECURITY AND INTEGRITY (continued)

The Group has conducted an after-action review and improvement plan for the Water Resource Recovery Facility's table-top exercise.

Lastly, the group conducted several Ready-Op emergency notification drills.

ORGANIZATIONAL DEVELOPMENT

GLWA recently posted recruitments for its Chief Organizational Development Officer and Chief System Planning Officer positions and has begun to receive candidate responses. We have recently refreshed our posting style for GLWA recruitments and are already seeing good candidate response, including for these opportunities. It is anticipated that the selection of candidates for interviews will be made in August, with interviews to be conducted in September 2022. As has been done in the past, I would like to invite interested members of the Board to participate in the interview process as we select individuals to fill these important GLWA positions. We will have more information for you on this invitation in the weeks to come.

Performance

The Final Review Performance Evaluations were launched at the end of May for FY22, for union and non-union team members. Over 95% of final reviews are complete. The baseline goal planning process has been launched for team members for FY23.

Apprenticeships

EICT-E: Apprentices continued their Related Training Instruction through Detroit Electrical Industry Training Center. Apprentices are in the process of renewing their annual electrician apprentice registration with the City of Detroit or the State of Michigan, depending upon their resident status. This registration is required by August 31.

Maintenance Technicians: Apprentices are in the final rotation for on-the-job learning. They will complete their final related training instruction classes at Henry Ford College and as a visiting student at Macomb Community College.

Water Technicians: Current apprentices have completed GLWA's Math Boot Camp to prepare for their Macomb Community College math course. One new water technician apprentice was onboarded.

ORGANIZATIONAL DEVELOPMENT (continued)

Internship

The internship program is in full swing with seven interns currently employed at GLWA and one intern scheduled to onboard. By the end of July, GLWA will have:

- 2 Legal Interns
- 1 Environmental Science Intern
- 4 Engineering Interns
- 1 Construction Engineering Intern

An interactive Microsoft Teams channel, TheHUB, was launched to encourage intern engagement and to provide learning and networking opportunities for the interns.

Talent Management

Staffing

The table below provides a breakdown of GLWA Team Members since the last CEO report:

Number of New Hires	15
Number of Separations	12
Total Staffing - Regular FTEs (YTD)	964

Wellness and Prevention



Transformation Thursdays Drop 5 Virtual Weight-loss Community

The One Water Wellness team continued Transformation Thursdays supported by the Blue Cross Blue Shield of Michigan (BCBSM) Drop 5 Virtual Weight-loss Community. The Drop 5 Community provides health-related resources to team members and celebrates scale and non-scale victories. July topics included: Foods that Boost Brain Health; Bladder Control for Seniors; Navigating the Menopause Journey; and Fall Prevention for Seniors.

ORGANIZATIONAL DEVELOPMENT (continued)

Wellness Wednesdays Meditations also continued for GLWA Team Members. July topics to promote emotional and mental well-being were: Practice Positivity on the Michigan State University Campus; Breathe Away Stress; Connecting and Being Present with Your Pet; Positive Affirmations to Become More Confident During Pregnancy.



Livongo Diabetes Management has enrolled 67 GLWA Team Members. The current scorecard shows 92% engaged with device monitoring. With 38% of team members enrolled with controlled diabetes (HbA1c<7%) at baseline, currently, team members now report 59% with controlled diabetes (HbA1c<7%).

Financial Wellness

MissionSquare Retirement Plan Specialists hosted education sessions on-site and virtually at the Lake Huron and Northeast Water Plants. Retirement Plan Specialists also held one-on-one consultations with team members to review their individual goals and portfolio performance.



FINANCIAL SERVICES AREA

July 2022 Audit Committee Recap

The most recent Audit Committee meeting was held on Monday, July 25, 2022. The GLWA Audit Committee binders are publicly available at www.glwater.org. The meeting included the following topics.

- ✓ Presentation of a 10-year forecast update and 2022 bond transaction briefing.
- ✓ Requests for approval of expanded authorization on debt policy provisions and series ordinances in support of the upcoming bond transaction.
- ✓ A request to approve the publication of an intent to issue bonds in support of upcoming State Revolving Fund loan applications and possible federal infrastructure funding.
- ✓ Introduction of a series ordinance authorizing the issuance of a DWSD Clean Water State Revolving Fund loan.

FINANCIAL SERVICES AREA (continued)

- ✓ An update on the annual external audit engagement letter and June 30, 2022 external audit timeline.
- ✓ Review of the March 31, 2022 and April 30, 2022 Monthly Financial Reports (Executive Summaries attached).
- ✓ A monthly update on the Business Inclusion and Diversity (B.I.D.) program.
- ✓ Discussion regarding the Quarterly Construction Work in Progress (CWIP) report and Quarterly Debt report through March 31, 2021.
- ✓ Review of the Quarterly Gifts, Grants & Other Resources report through May 31, 2022.
- ✓ Circulation of the latest Procurement Pipeline.

Procurement Team Recognition



Last month, one of GLWA's Procurement Team Leads, Tina Clinkscales, attained her NIGP-CPP (National Institute for Governmental Purchasing-Certified Public Professional) certification. The NIGP-CPP is a challenging competency-based certification that expands beyond public procurement's technical aspects and assesses the more holistic competencies needed to be a successful leader within a public entity, embracing elements of leadership, business principles, and procurement strategy. Tina is one of 13 Michigan NIGP-

CPPs and one of 896 NIGP-CPP leaders throughout North America, representing 44 U.S. states and 5 Canadian provinces.

The NIGP is an international association established in 1944 that develops, supports, and promotes the public procurement profession. Serving as the trusted advisor to more than 3,000 public procurement agencies, including GLWA, the NIGP counts more than 16,000 public procurement professionals throughout North America as members. Please join the GLWA Procurement Team in congratulating Tina on her achievement!

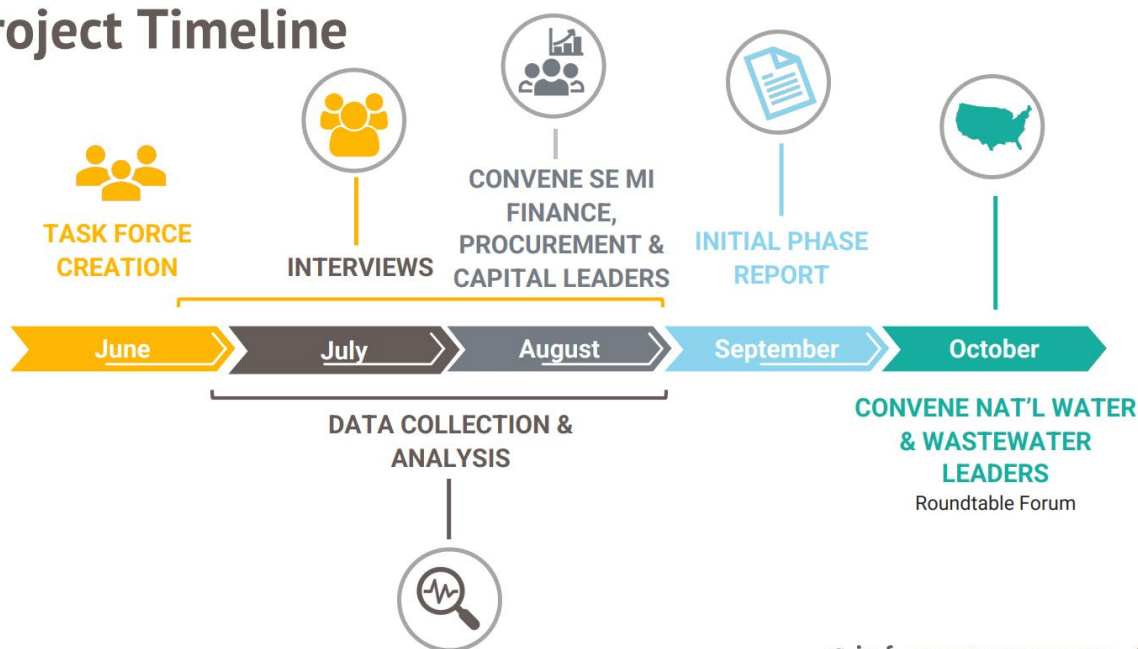
FINANCIAL SERVICES AREA (continued)

Economic Outlook Task Force (EOTF)

This summer, GLWA Financial Services along with the Capital Improvement Planning team initiated the formation of a special task force made up of GLWA experts, external consultants, and peer utilities to review current supply constraints and sharp increases in demand that are resulting in unprecedented cost increases for most organizations across the country. The goal of this group is to assist GLWA in better understanding the current situation for GLWA's capital and operations & maintenance spending as well as recommend approaches to mitigate these trends.

The task force has broken this project into several phases with their first major deliverable a regional meeting with finance, procurement and capital leaders on Wednesday, August 8, culminating with a roundtable with national water and wastewater leaders in the fall.

Project Timeline



FINANCIAL SERVICES AREA (continued)

CFO Services Team Member Appointment



This month, Kim Garland, Director & Financial Services Area Chief of Staff, was re-appointed as Vice President/Secretary of the Michigan Government Finance Officers Association and will begin a second term as President in September. The MGFOA is a professional association of public officials and finance professionals, established in 1938, striving



to promote excellence in government finance. Kim had previously served on the MGFOA Board from October 2016 to October 2021.

Procurement Pipeline

The July Procurement Pipeline edition is attached. This month features helpful tips on types of GLWA solicitations, vendor masking updates, who to contact to schedule a virtual vendor introduction with GLWA, a reminder of the information available in the monthly CEO Report, and a listing of upcoming solicitations.

The General Counsel's July 2022 Report is an attachment to the Chief Executive Officer's Report.

Respectfully submitted,



Suzanne R. Coffey, P.E.
Chief Executive Officer

SFM/dlr
Attachments

- March, April Financial Reports (Executive Summaries)
- July Procurement Pipeline
- General Counsel July Report

Key Financial Metrics

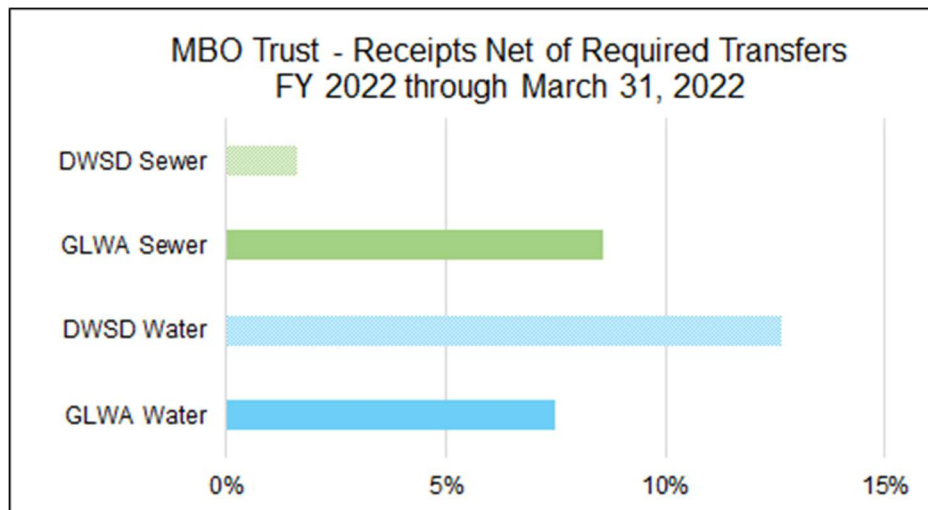
The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows: No Risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information. To address the wholesale water revenue shortfall, a first quarter budget amendment was approved for \$2.4 million. Capital spend is less than the total Capital Improvement Plan (CIP); an amendment is under consideration.

As of March 31, 2022					
Metric	FY 2022 Budget	FY 2022 Amended Budget	FY 2022 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$247.1	\$244.7	\$242.8	-1%	48
Wholesale Water Billed Usage (mcf)	10,242,000	10,022,000	9,814,000	-2%	
Wholesale Sewer Billed Revenue (\$M)	\$203.5	\$203.5	\$203.5	0%	50
Wholesale Water Operations & Maintenance (\$M)	\$108.0	\$108.0	\$97.5	-10%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$136.0	\$136.0	\$140.6	3%	
Investment Income (\$M)	\$2.3	\$2.9	\$2.7	-5%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$101.0	\$101.0	\$118.0	17%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$62.3	\$60.0	\$48.6	-19%	29

*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

Master Bond Ordinance (MBO) Trust Net Receipts (page 53)



Net cash flow receipts remain positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded – and that positive cash flow is available for additional capital

program funding in subsequent year(s). DWSD Water reports a surplus of \$9.8 million and DWSD Sewer reports a surplus of \$3.5 million of net receipts over disbursements through March 2022. On August 26, 2021, the DWSD Board of Water Commissioners proactively adopted budget amendments to address potential shortfalls for FY 2022. These budget amendments are reflected in this March 2022 report.

The current DWSD loan receivable balance for fiscal year 2018 is \$2.1 million.

Budget to Actual Analysis (page 3)

- FY 2022 information includes the second quarter budget amendments which were approved by the GLWA Board on April 27, 2022, but not the proposed third quarter budget amendments.
- The total Revenue Requirements are on target through March 2022.
- The total overall Operations & Maintenance expenses are at 73.2% of budget through March 2022 which is reasonable within the pro-rata benchmark of 75.0%. The sewer system O&M expenses, however, are at 77.6%, which is higher than the benchmark. The water system O&M expenses are at 67.7%.

Basic Financial Statements (page 9)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for March 2022 is \$64.9 million for the Water fund (25.1% of total revenues) and \$96.2 million for the Sewer fund (27.0 % of total revenues).
- Water Net Position decreased by \$ 3.7 million, and Sewage Disposal Net Position decreased by \$ 0.7 million for the year to date through March 2022.

Capital Improvement Plan Financial Summary (page 27)

- Water systems exceed the 75% Capital Spend Ratio assumption.
- Sewer systems also exceed the 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 30)

- For March, transfers of \$13.6 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for March, transfers of \$3.2 million and \$7.4 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 36)

- Total cash & investments are \$440 million in the Water fund and \$463 million in the Sewer fund.
- Total, combined, cumulative, FY 2022 investment income through March is \$2.7 million.

DWSD Retail Revenues, Receivables & Collections (page 41)

- Water usage through March 31, 2022 is at 110.02% and revenues at 100.94% of budget.
- Sewer usage through March 31, 2022 is at 105.28% and revenues at 100.36% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$41.9 million over the prior year.
- Past dues over 180 days make up 68.9% of the total accounts receivable balance. The current bad debt allowance covers 102.3% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 47)

- GLWA accounts receivable past due balance net of Highland Park is 9.47% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$53.5 million. It includes \$41.1 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$10.6 million for water supply services. Highland Park recently made a payment of \$1.7 million on June 3.

Questions? Contact the Office of the Chief Financial Officer at CFO@glwater.org

Key Financial Metrics

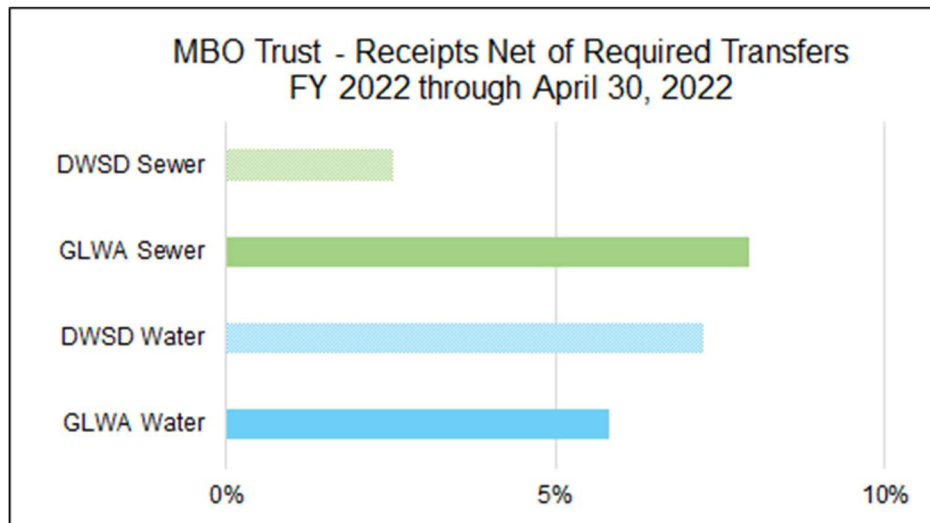
The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows: No Risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information. To address the wholesale water revenue shortfall, a first quarter budget amendment was approved for \$2.4 million. Capital spend is less than the total Capital Improvement Plan (CIP); an amendment is under consideration.

As of April 30, 2022					
Metric	FY 2022 Budget	FY 2022 Amended Budget	FY 2022 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$272.2	\$269.8	\$267.4	-1%	48
Wholesale Water Billed Usage (mcf)	11,156,000	10,936,000	10,661,000	-3%	
Wholesale Sewer Billed Revenue (\$M)	\$226.2	\$226.2	\$226.2	0%	50
Wholesale Water Operations & Maintenance (\$M)	\$119.9	\$119.9	\$105.5	-12%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$151.1	\$159.9	\$155.9	-3%	
Investment Income (\$M)	\$2.5	\$3.2	\$3.0	-5%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$112.5	\$112.5	\$132.7	18%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$88.0	\$66.0	\$54.5	-17%	29

*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

Master Bond Ordinance (MBO) Trust Net Receipts (page 53)



Net cash flow receipts remain positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in

subsequent year(s). DWSD Water reports a surplus of \$6.2 million and DWSD Sewer also reports a surplus of \$6.2 million of net receipts over disbursements through April 2022. On August 26, 2021, the DWSD Board of Water Commissioners proactively adopted budget amendments to address potential shortfalls for FY 2022. These budget amendments are reflected in this April 2022 report.

The current DWSD loan receivable balance for fiscal year 2018 is \$1.4 million.

Budget to Actual Analysis (page 3)

- FY 2022 information includes the fourth quarter budget amendments which were approved by the GLWA Board on June 22, 2022.
- The total Revenue Requirements are on target through April 2022.
- The total overall Operations & Maintenance expenses are at 77.8% of budget through April 2022 which is reasonable within the pro-rata benchmark of 83.3%.

Basic Financial Statements (page 9)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for April 2022 is \$73.0 million for the Water fund (25.5% of total revenues) and \$107.0 million for the Sewer fund (27.1 % of total revenues).
- Water Net Position decreased by \$ 2.6 million, and Sewage Disposal Net Position increased by \$ 0.4 million for the year to date through April 2022.

Capital Improvement Plan Financial Summary (page 27)

- Water systems exceed the 75% Capital Spend Ratio assumption.
- Sewer systems also exceed the 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 30)

- For April, transfers of \$13.6 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for April, transfers of \$7.2 million and \$2.8 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 36)

- Total cash & investments are \$423 million in the Water fund and \$488 million in the Sewer fund.
- Total, combined, cumulative, FY 2022 investment income through April is \$3.0 million.

DWSD Retail Revenues, Receivables & Collections (page 41)

- Water usage through April 30, 2022 is at 108.15% and revenues at 100.03% of budget.
- Sewer usage through April 30, 2022 is at 103.72% and revenues at 99.74% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$42.7 million over the prior year.
- Past dues over 180 days make up 68.7% of the total accounts receivable balance. The current bad debt allowance covers 102.8% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 47)

- GLWA accounts receivable past due balance net of Highland Park is 13.52% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$54.1 million. It includes \$41.5 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$10.7 million for water supply services. Highland Park recently made two payments totaling \$1.8 million in June 2022.

Questions? Contact the Office of the Chief Financial Officer at CFO@glwater.org

Welcome to the July edition of *The Procurement Pipeline*, a monthly newsletter designed to provide updates on doing business with the Great Lakes Water Authority (GLWA).

Types of GLWA Solicitations Part II – Request for Information (RFI) and Request for Qualification (RFQ)

GLWA routinely issues different types of solicitations in the [Bonfire Procurement Portal](#). A solicitation is a document used by a Buyer to obtain competitive bids or proposals for the purpose of entering a contract with qualified vendor(s). In the [June 2022 Procurement Pipeline](#), we reviewed some of the most common types of GLWA solicitations, including Requests for Bid (RFBs), Requests for Proposal (RFPs), and Invitations to Quote (ITQs). In this month's *Procurement Pipeline*, we provide an overview of two additional types of GLWA solicitations: Requests for Information (RFIs) and Requests for Qualifications (RFQs).

Request for Information (RFI)

This type of solicitation is used to obtain general information and feedback from potential vendors regarding goods and/or services. In an RFI, the scope of work is not fully defined, and this solicitation method is often used to help determine a scope of work prior to issuing a competitive solicitation. Information requested may include best practices, industry standards, and technology issues. Generally, price or cost information is not required for an RFI, and this method is not binding to either the vendor or GLWA. RFIs are publicly solicited in GLWA's Bonfire Portal.

Request for Qualification (RFQ)

This type of solicitation is used to obtain qualification information from potential vendors in advance of the issuance of a Request for Bid (RFB) or a Request for Proposal (RFP). The RFQ selects the most qualified Vendor(s) or pre-qualifies potential Vendors for a possible subsequent direct award. Cost information may or may not be requested. RFQs are publicly solicited in GLWA's Bonfire Portal.

Coronavirus Update #167: GLWA Mask Mandate Lifted at all GLWA Facilities & Project Worksites

On June 21, 2022 GLWA issued [Coronavirus Update #167](#) to the Vendor Community, indicating all the counties where staffed GLWA facilities or project worksites were "GREEN" on the Centers for Disease Control and Prevention (CDC) [Community Levels](#) list. As stated previously in [Coronavirus Update #159](#), this means that ***the wearing of face masks is optional for GLWA Vendors providing onsite services at GLWA facilities or project worksites regardless of their location until further notice.*** Questions regarding this matter, or GLWA's COVID-19 Visitor Access Requirements, should be directed to [Michael Lasley](#) and [Megan Savage](#).

Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a virtual vendor introduction meeting. Topics include information on submitting a competitive bid or proposal to a GLWA solicitation, as well as the requirements for GLWA's Business Inclusion and Diversity (B.I.D.) Program.

Keeping up with GLWA

Our Chief Executive Officer (CEO) Monthly Report provides a wealth of information and news about important initiatives within GLWA's service territory that impact GLWA, its member partners, and the public. To read the June 2022 Monthly Report, please [click here](#).

What's Coming Down the Pipe?

Current Solicitations: Register in GLWA's [Bonfire Procurement Portal](#) for new solicitations and contract award information.

Upcoming Procurements: Next Three to Nine Months—See newsletter page 2.

Visit GLWA online!

To see the GLWA Vendor homepage, please visit www.glwater.org or contact us via email at procurement@glwater.org.

Upcoming Solicitations July 2022

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	170802	Reservoir Rehabilitation Construction Services Phase II at Waterworks Park, Northeast, and Booster Stations.	\$35,972,000
Construction	114002C	Springwells WTP Low and High Lift Pumping Station Improvements	\$133,000,000
Wastewater Systems (next four to nine months)			
Construction	260802	WRRF Roofing Improvements	\$4,300,000
Construction	232002	Freud Pump Station Improvements	\$75,000,000
Design	270001	Pilot Netting Facility	\$1,500,000
Design-Build	261001	WRRF Rehabilitation of Secondary Clarifiers	\$6,000,000
Water System (next three months)			
Construction	114017	Springwells WTP 1958 Flocculator Replacements	\$22,000,000
Materials & Equipment	114002E-G	Springwells WTP Pumping Unit Procurement Package (Contract E thru G)	\$57,000,000
Materials & Equipment	114002H-J	Springwells WTP Process Valve Procurement Package (Contract H thru J)	\$14,000,000
Wastewater (next three months)			
Construction	260903	WRRF Front Entrance Rehabilitation	\$3,300,000
Construction	260206	Rehabilitation of Joy Rd Sewer & Brush/Bates Sewer	\$16,000,000
Design	273001	Hubbell Southfield CSO Facility Improvements	\$8,554,480
Construction	O&M	Plumbing Shop Rehabilitation	\$1,500,000
Design	213006	Improvements to Sludge Feed Pumps @ Dewatering (re-advertisement)	\$1,500,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)			
Professional Services	O&M	SCADA System Professional Services	\$5,500,000
Engineering Services	260210	Rehabilitation of GLWA Sewers; Ashland Relief, Linwood, Lonyo, Second Avenue, and Shiawassee	\$6,900,000
Construction	211006	Pump Station #1 Screenings Building HVAC Improvements	\$1,200,000
Design-Build	212008	Aeration Decks 1 & 2 RFP (invite to RFQ selected teams only)	\$74,000,000
Construction	O&M	Incinerator #11 Rehabilitation	\$3,000,000

Vendors should continue to monitor [Bonfire](#) for solicitation updates.

Acronyms		
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow	WTP: Water Treatment Plant

Office of the General Counsel – July, 2022

- ***COVID-19:*** The Office supports GLWA's response to the COVID-19 pandemic, including participating in GLWA's COVID-19 Task Force, review of COVID-19 related laws, rules and public health orders
- ***Legislative Updates:*** The Office is also monitoring infrastructure spending bills at the federal and state level.
- ***Gordie Howe International Bridge:*** GLWA submitted its relocation reimbursement request to MDOT and received MDOT's response. GLWA is appealing MDOT's decision.
- ***June and July Rain Events:*** The Office is providing legal support in response to the significant rain events in June and July. To date, 13 lawsuits were filed against GLWA related to the rain events.
- ***Trenton Water Main:*** The Office is negotiating the transfer of the 24-inch water main to GLWA.
- ***Contract Negotiations:*** GLWA will attempt to secure long term contracts with all communities that are not on the model contract. The Office is working with member partners to draft a new model sewer contract. Office staff completed the Designated Management Agreement with SEMCOG. The water contract negotiation team has started the 2022 contract alignment/reopener process for all 84 member partners plus Detroit. Negotiations started successfully on March 17, 2022 and continue through October.
- ***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.
- ***Record Retention Policy:*** The Office is drafting a record retention policy for GLWA.
- ***Industrial Pretreatment Program:*** The Office continues to work with the Industrial Waste Control ("IWC") Group and external stakeholders on finalizing and implementing an updated IPP. To date, 99% of the communities have passed a concurring resolution and GLWA made a presentation to the City of Highland Park's City Council, which is the only community that has not passed a concurring resolution. GLWA filed a Complaint for Declaratory and Injunctive Relief to require Highland Park to adopt the concurring resolution. The Office also continues to provide assistance on PFAS and PFOS matters.
- ***Real Estate:*** The Office is negotiating easements related to support the Baby Creek CSO infrastructure improvement project. The Office is negotiating the acquisition of property for the Newburgh pump station. The Office is negotiating easements related to 96" watermain

relocation and the Woodward Sewer Project. GLWA closed on the purchase of a new parcel to support a new Ypsilanti Pump Station. GLWA also closed on the purchase of parcels related to Freud Pump Station, Ashland and Fox Creek Interceptor improvements.

- **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.
- **Civil Litigation and Arbitrations:** The Office continues to vigorously defend actions against GLWA, including a class action lawsuit regarding IWC charges. GLWA received a favorable ruling against Highland Park in the 2020 litigation. Highland Park made monthly payments pursuant to the recent decision in the 2020 litigation in June 2022. The hearing date on the 2014 appeal is scheduled for August 10th.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Procurement:** The Office continues to assist GLWA's Procurement Team negotiate contracts, change orders, amendments and interpret contractual provisions. The Office is also assisting with the Procurement Policy's Procedures and updating GLWA's template contracts. The Office is part of a cross-functional team working to complete significant revisions to the GLWA construction contract, including consideration of using an entirely new contract format.
- **Awards:** Kirsten Silwanowicz received the Detroit Bar Association Barristers President's Award, which "recognizes a young attorney whose early career has exhibited high standards of service to the profession, his or her clients, and the public."

Statistics:

Contracts approved as to form:	35
Contracts drafted or revised:	133
Subpoenas/Information requests received:	6
Subpoenas/Information responded to:	6