

July 26, 2023

The Honorable
Board of Directors
Great Lakes Water Authority

RE: CEO Report – July 26, 2023

Chairperson Hendrix and Directors,

I am pleased to begin my report to the Board by sharing with you our [*2022 Year in Review*](#) report, which gives us the opportunity to reflect on the significant events of the last year, while showing gratitude to our stakeholders and celebrating our accomplishments.

In my opinion, 2022 really was a year of learning and progress, despite a broad range of internal and external factors that have challenged our resiliency as an organization and a regional system. I am so proud of how our team came together in support of each other and the people of southeast Michigan – no matter the situation that was thrown at them. There is absolutely no other group of people I'd rather work alongside.

I hope you can take a moment to enjoy the report.

Staying with the resiliency theme, GLWA is embarking on an organization-wide initiative to develop an Environmental, Social and Governance (ESG) framework. ESG is a term that is becoming increasingly common in the bond market as investors seek out organizations for their investments portfolios that demonstrate, and report on a commitment to environmental and socially conscious behaviors. There are various ESG designations, criteria, and ratings that can impact the cost of borrowing positively or negatively for an organization. Many aspects of GLWA inherently support the tenants of ESG, so it is of benefit for us to implement a process for informing, documenting, measuring, and reporting on the ways in which we approach these aspects of our work. The ESG framework has many positive outcomes including increased demand for GLWA bonds which may lower interest rates on debt issuances in the future as well as strengthening credit ratings. You can find more information about our initiative in the Financial Services area of this report on Page 34.



I am also pleased to share with you that GLWA recently convened its second Human Resources Roundtable that included HR representatives from a broad cross-section of our member partners in southeast Michigan. The goal of this second meeting was to continue to advance the shared regional goal of increasing awareness of careers in the water sector. During the roundtable, participants refined messaging, reviewed an array of existing career materials, and developed a robust list of ideas to promote water-related careers to K-12 students. I want to thank Chief Organizational Development Officer Jordie Kramer for her leadership in this effort!

Speaking of careers in the water sector, I am happy to report that GLWA has a strong group of interns on-board with us this year. There are 14 interns working with our teams in the General Counsel's Office, Water Affordability and Assistance, the Office of the Deputy Chief Financial Officer, Industrial Waste Control, Security and Integrity and Energy, Research and Innovation. It's my goal to meet them all before the end of their internships and put a good word in for a career at GLWA.

I will end my report as I always do by giving a shout out to those GLWA team members who have received recognitions or made significant achievements in their professions. First, I am very proud to announce that Eric Griffin, our Director of Energy and Resiliency has been named one of Crain's Detroit Business' Notable Leaders in Energy. Eric's innovative ideas and drive to improve energy usage within our regional system are critical to moving our resiliency efforts forward, and we are excited that his contributions are being recognized!

Finally, it gives me great pleasure to share that Alicia Schwartz, our Grants and Intergovernmental Relations Manager, has been appointed President of the professional organization Michigan Women in Finance. Congrats, Alicia!

PLANNING SERVICES

Asset Management Group (AMG)

GLWA's Asset Management Group has been actively working on developing standards to support GLWA's new Enterprise Asset Management software NEXGEN. The AMG has been busy developing data standards for asset location hierarchy, asset class hierarchy, and base asset data.

These data standards allow for:

- Effective management of new assets as they are onboarded;
- Improved reporting and analytics;
- Consistency in training; and
- Improved succession resilience.

PLANNING SERVICES (continued)

These standards will be used to improve the NEXGEN data set and facilitate asset audits, improving the granularity and accuracy of GLWA's asset inventory.

Asset Details	
A-0003235 1, Bridge, Crane, Infrastructure, Oakwood CSO	
Description Crane, #1 Bridge: 5 Ton, Tcontrolled, Storm Pump Room, CSO-QKW	39 Life, 0.00 ASR, 2.00 ACI
Status Active	
Area Wastewater Operating Services	Team WRRF Combined Sewer Overflow
Location Infrastructure	Class Bridge
Purchase Date 06/01/2012	Install Date 06/01/2012
Warranty Expires	Purchase Cost \$
Book Value \$	Replace Cost \$ 153,781.67
LOTO	
Notes Breaker Number: 442	

Example screenshot of NEXGEN asset data. Blue highlighted fields have had standards actively developed in the past month

Capital Improvement Planning Group (CIP)

The CIP team dedicated a significant portion of June to closely collaborate with the water and wastewater teams to complete the project scoring phase for the FY 25-29 CIP development. During this period, the CIP team conducted two review committee scoring sessions specifically focused on water and wastewater projects, intending to finalize the project scores.

We would like to express our sincere appreciation to all the members of the scoring committee, including the GLWA team members and our esteemed partner community representatives, namely Ed Haapala from West Bloomfield Township and Mark Gaworecki from the City of Dearborn. Their valuable contributions, insights, and active participation were instrumental in ensuring a thorough and fair assessment, enabling the CIP team members to effectively prioritize and plan projects. We are grateful for the time and effort invested by the committee and CIP delivery teams in this process, as it plays a vital role in shaping the future of our water and wastewater infrastructure.

WASTEWATER REVIEW COMMITTEE

◆ David Mehram	◆ Tim Khuns	◆ Todd King
◆ Chris Nastally	◆ Majid Khan	◆ Ed Haapala*, West Bloomfield Township
◆ Phil Kora	◆ Steve Dutschke	◆ Kashmira Patel**
◆ Sherri Gee	◆ Sal Salim	◆ Greg Marker**

WATER REVIEW COMMITTEE

◆ Cheryl Porter	◆ Terry Daniel	◆ Mark Gaworecki, City of Dearborn*
◆ Tim Kuhns	◆ Steve Dutschke	◆ Eric Kramp**
◆ Pete Fromm	◆ Biren Saparia	◆ Mike Dunn**
◆ Chandan Sood	◆ Todd King	

*Member Partners Representative

** Alternate Members

PLANNING SERVICES (continued)

The CIP team is pleased to announce the expansion of the Controls Team with the addition of a new member. Dr. Hany Elsayah has joined as the Schedule Management Professional. Dr. Elsayah officially became a part of our team in June and brings a wealth of valuable experience in project controls and construction management. We are confident that his expertise will significantly contribute to our efforts in managing schedules and optimizing CIP delivery processes. Additionally, during June, the CIP Team successfully conducted multiple interviews for the Budget Management Professional position. After careful consideration, we extended an offer to a highly qualified candidate who we believe will be an asset to our team. We are excited about the prospect of welcoming this candidate and their abilities to support the budget management process.

The recent growth of the CIP Team signifies our commitment to continuously improving our capabilities in project controls, schedule management, and budget management. We believe that by strengthening our team with skilled professionals like Dr. Elsayah and the newly recruited Budget Management Professional, we will be better equipped to drive successful outcomes for CIP delivery.

We are pleased to provide an update on the ongoing collaboration between the CIP Team and AECOM in change management. With support from AECOM, we have made significant progress in developing implementation plans for new CIP delivery roles and the Program Management Plan (PMP). In particular, AECOM and the CIP team have been diligently working on the release of PMP training videos. These videos will serve as essential resources for our team members, providing them with comprehensive guidance on the PMP. By offering these training materials, we aim to ensure a consistent understanding of the PMP and foster effective project management practices across our organization. Furthermore, we are excited to announce the upcoming launch of "Change Leaders" sessions. These sessions, conducted jointly by AECOM and the CIP team, will play a crucial role in promoting change management expertise within our teams. Over the next six months, we will organize these sessions to empower individuals and teams to become change leaders, capable of driving successful transformations and adapting to evolving project management requirements.

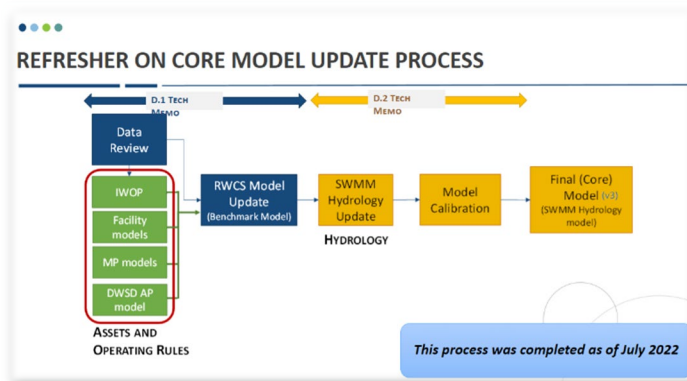
Systems Planning Group

On June 7, the Wastewater Best Practices Work Group met to discuss best practices in spill response and to tour the Oakland County George W. Kuhn Retention Treatment Basin.

PLANNING SERVICES (continued)

On June 8, the Wastewater Analytics Task Force met to learn about improvements being made to Pump Station #1 at GLWA's Water Resource Recovery Facility, as well as the progress and status of the Long-Term Control Plan.

GLWA convened the second Human Resources Roundtable on June 15 to continue to advance the shared regional goal of increasing awareness of careers in the water sector. Members refined messaging, reviewed an array of existing career materials, and developed a robust list of ideas to promote water-related careers to K-12 students. The group plans to meet again in approximately three months.



Purpose of the Emergency Plan

- ◆ Capture the GLWA typical operations
- ◆ List out the most impacted scenarios for the member partners by GLWA assets and operations
- ◆ Provide expected ranges of pressures under the emergency conditions
- ◆ Provide emergency actions by GLWA and expected timeframes



The Water Analytical Work Group (AWG) met virtually on June 27 to learn about GLWA's process for collaborating with Member Partners to develop emergency response plans for each community, energy use and costs per million gallons of finished water produced, and technologies being piloted on the 14 Mile transmission main to monitor and assess its condition.

On June 28th, the Water Management Best Practices work group met to debrief the May Water Career Exploration Day events, focusing on efforts to expand the event to reach more students at future sessions. Members also reviewed procedures for Boil Water Advisories, discussing Member Partners' responsibilities in emergency events. The group also provided input into a proposed Fall 2023 workshop to identify best practices in developing and executing a distribution system flushing program.



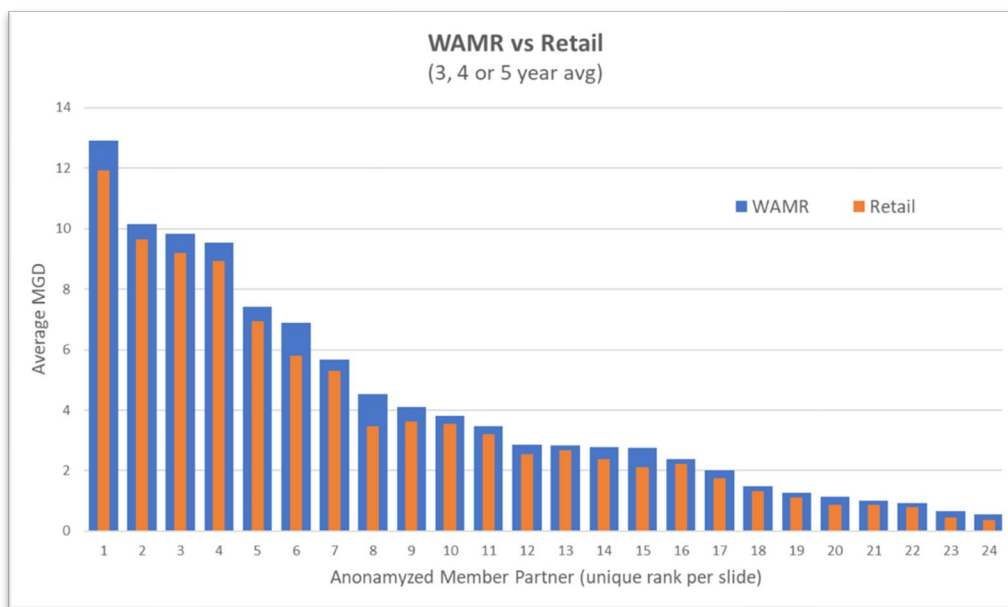
Water Career Days

PLANNING SERVICES (continued)

The Water Charge Methodology Review Subgroup met on June 2 to review and provide feedback on a member-proposed alternative to the current charge methodology. The group met again on June 29 to discuss additional detail regarding the alternative, including possible benefits for the regional system.

System Analytics & Meter Operations (SAMO)

The Group conducted the annual Wholesale versus Retail water volume analysis. This is a high-level, voluntary audit to identify inconsistencies. This year's analysis included 24 unique Member Partners. The data received corresponds to 40% of wholesale master meters and 38% of the total wholesale flow for master metered Member Partners. At the AWG meeting on June 27, the results of the analysis were presented to the Member Partners. Please see the chart below:



2023 Wholesale vs Retail volume comparison (3-to-5-year daily average)

Key Takeaways:

- No Member Partner has a negative or zero Non-Revenue Water (NRW).
- Two Member Partners have high NRW – under investigation
- Two Member Partners with low NRW – under investigation
- GLWA is using ongoing analytics to find consumption abnormalities

The Group also presented on the other initiatives for validation of wholesale meters including virtual zones. A virtual zone is a similar concept to a district-metered area, where input volume is compared to the sum of consumption through downstream wholesale meters. Here is an illustration of a virtual zone for Adams and Franklin pump stations. (Graph shown below). There are 34 wholesale meters in this zone. The analysis shows no significant NRW in the zone.

PLANNING SERVICES (continued)

Figure 2: Adams & Franklin virtual zone (2)

WASTEWATER OPERATING SERVICES

Wastewater Operations

The Water Resource Recovery Facility (WRRF) operations complied with the Water Quality Standards for the month of July, except that the required quarterly sampling for the Baby Creek Screening and Disinfection Facility (SDF) was not done during the April-June quarter. Details of what occurred with the missing of a sampling event are included below.

Team members, Joe Rowland and Erica Moore initiated the novel idea to car wash all the WRRF and CSO vehicles as part of the Annual Spring Cleanup. All team members and leadership,



(Left Photo) Chief Operating Officer - Wastewater Operations Navid Mehram assisting with cleaning of a vactor truck. (Center Photo) Team Leader (TL) Ned Yeager, Navid Mehram, TL and creator of the idea, Joseph Rowland. (Right Photo) TL Erica Moore power washing an Industrial Waste Control vehicle

WASTEWATER OPERATING SERVICES (continued)

including the Chief Operating Officer – Wastewater Operations participated in this great team building effort.

Laboratory

The Laboratory team welcomes ***Bailey Sorrentino***, who is joining as a chemist this month.

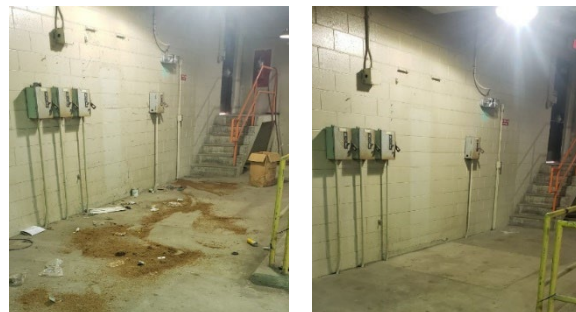
The team is preparing for the start-up of the new Pump Station 1 (PS1) Ferric System. The team is adding labels to the piping, and pump skids (see photo). With the new system, pumps for Pump Station 1 (PS1) and Pump Station 2 (PS2) are now located in the same room at PS2. Three chemical storage tanks servicing both PS1 and PS2 ferric feed are also located at PS2 now.



Ferric Pump Room at Pump Station 2

Maintenance

The 4th Annual Spring Clean-Up Week at the Water Resource Recovery Facility was another massive success! The teams worked together to make great improvements to the overall habitability, aesthetics, and safety condition of the WRRF. With this being the 4th Spring Clean-Up, deeper cleaning efforts were able to be accomplished instead of decluttering major areas. The WRRF becomes cleaner every year and the whole team is looking forward to the next annual Spring Clean-Up.



The walkway to EB-11 was able to be deep-cleaned during Spring Clean-Up



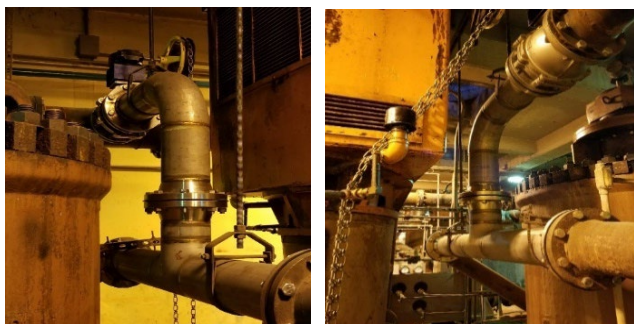
The Primary team was able to de-junk the area outside surrounding the Scum Concentrator building

WASTEWATER OPERATING SERVICES (continued)

The Central Maintenance team performed light fixture replacements on the catwalks to the tall stacks. The tall stacks are the highest areas at the WRRF and having adequate lighting is a significant safety concern. These new Light Emitting Diode (LED) light fixtures provide better and much more reliable lighting for personnel who need to go to the tall stacks. In addition to improving the safety condition of the WRRF, the installation of LED light fixtures allows GLWA to receive a rebate from DTE for electricity usage.



New light fixtures installed on the catwalks to the tall stacks at WRRF

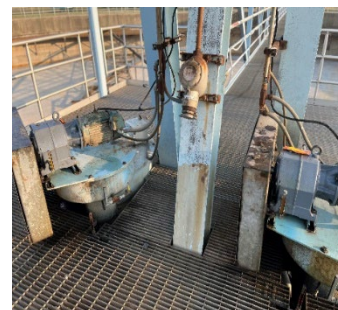


The new backwash line installed for the #7 SFE pump

The #7 Screened Final Effluent (SFE) pump's backwash line began leaking. The Central Maintenance team assessed the piping and determined all piping needed to be replaced due to the condition and age of the piping. The Central Maintenance team performed an entire fabrication and replacement of the piping for the backwash line for #7 SFE pump. Having this highly skilled team of fabricators allows the ability to perform some of the larger

projects in-house, saving money and avoiding contracting the work to perform this task.

As the Construction Engineering team is performing a structural evaluation of Primary Clarifier 17 (PC-17), the Primary team utilized the opportunity to proactively change the gear reducers for the PC-17 center-drive. These replacements were conducted based on the results of our vibration monitoring and oil analysis programs. This is another example of the proactive approach that maintenance teams take to address possible equipment issues prior to catastrophic failure.



The new gear reducers installed for PC-17

WASTEWATER OPERATING SERVICES (continued)

Process Automation & Control System Team (PACS)

Electrical Power Improvements at Complex A Dewatering and Chlorination

It is critical for the WRRF to have enough process equipment available to treat the wastewater that enters the facility. A key component to having high equipment availability is to ensure a reliable power source.

The WRRF provides redundant power feeds to the electrical distribution system to ensure process equipment such as pumps, clarifiers and incinerations have power. The control system is also configured to accept redundant power feeds.



Complex A HMI



Chlorination ATS

The PACS team replaced the Human Machine Interface (HMI) for the Tie Breaker in the electrical switchgear located at Sludge Thickening Complex A. The HMI is used to monitor the status of the main breakers and tie breaker that powers this facility.

The team also added redundant feeds to the control system at the chlorination facility. Two 120-volt circuits from receptacle panel RP-A were wired to the main control panel. Automatic Transfer Switches (ATS) were

installed with the Uninterruptable Power Supplies (UPS) feed being one of the power sources and the divergent power source from receptacle panel.

Influent Pump Station 2 Calculated Flows & Alarming

The PACS team created logic and graphics to compute and display flows for the WRRF's PS2 raw sewage pumps. The calculated flows are based on manufacturer curves scaled to the most recently available dye test results. The calculated flows supplement the existing flowmeter values and provide a useful reference during flowmeter downtime.

The calculated flow logic provides additional alarming capabilities for PS2. Alarms can be configured to alert operators to large deviations between calculated and measured flows. In addition, alarms have been added to capture disagreement between a pump's run status and manually inputted flow values during meter maintenance.

WASTEWATER OPERATING SERVICES (continued)

Industrial Waste Control (IWC)

Melvindale Per-and polyfluoroalkyl substances (PFAS) Matter: A Unilateral Administrative Order was issued on December 4, 2020, to businesses and landowners residing within the City of Melvindale and designated as the source(s) of PFAS compound contamination. Marathon Oil Corporation submitted a re-application request to continue operation of the pilot system for an additional 18-month period. This longer timeframe is necessary due to the dry conditions and rain event frequency needed to design a full-scale system. A draft permit has been issued and we are awaiting comments. No issues or problems at start-up.

Engineering and Construction

Wastewater Projects in Design or Misc.:

Capital Improvement Planning (CIP) Design:

CIP 211005.2, Contract No. 2103338 – Pump Station 2 VFD Replacement

The scope change letter is in preparation for Board Approval. The 60 percent drawings are in development and will include additional scope identified during the preliminary design and bi-weekly progress meetings have resumed.

CIP 211005.3, Contract No. 2104082 – Pump Station 2 Mag Meter Replacement

This project is being advertised and the pre-bid meeting will take place in mid-July with bids due in early August.

CIP 211007, Contract No. 1904337 – Pump Station 2 Bar Rack & Grit System Improvements

The 100 percent design submittal was submitted in June. Meetings with the Michigan Department of Environment, Great Lakes, and Energy (EGLE) are being planned by the design team. The design documents will be transmitted to Procurement, and the CIP plan is being adjusted for new engineers estimates of construction cost.

CIP 211008, Contract No. 2101915 –WRRF Sludge Dewatering Pumps System Improvements

Existing data for this project is being reviewed, the technical memorandums 1 and 2 drafts have been submitted, and employee interviews have been held to gather operation and maintenance feedback to identify issues.

CIP 212008, Contract No. 2102926 – Aeration Deck 1 and 2 Modifications (WRRF)

The evaluation of the proposals is complete. Negotiation with the winning proposer will be scheduled in the middle of July while the assessment of the CIP impacts is under way.

WASTEWATER OPERATING SERVICES (continued)

CIP 260210, Contract No. 2201041 – Design for Rehab of Ashland Relief, Linwood, Lonyo, Second Avenue and Shiawassee Sewers (ALL2S)

This project focuses on inspection and rehabilitation of the above-named sewers. The project has finished inspections of all sewers and the initial draft of plans for the basis of design report are beginning.

CIP 260903, Contract No. 2201744 – WRRF Front Entrance Rehabilitation

This project was approved by the Board at the June 28 Board of Director's meeting. The anticipated notice to proceed is expected during August.

CIP 260904, Contract No. 2200545 - Professional Services for 3rd Floor Renovation at WRRF NAB

The 50 percent construction development documents and specifications have been submitted for review. A workshop is scheduled for the second week of July to review the 50 percent design documents.

CIP 273001, Contract No. 2103225 – Hubbell-Southfield CSO Facility Improvements

The cost and scope have been negotiated with the vendor and the Board letter was prepared. This contract is going for Board approval in July.

CIP 277001, Contract 1902908 – Baby Creek Outfall Improvements Project

The contractor had some minor difficulties in obtaining an approved waste profile from Waste Management, which, along with the tight working conditions onsite, caused a short shutdown in the debris removal process. However, the contractor has obtained the waste profile and has begun removing waste from the site. Once the remainder of the waste has been hauled offsite, the debris removal process will resume.

CIP Nos. 260617, 270005, 270006, Contract 2200061, Design Services of CSO Facilities Improvements

The project is currently in the study phase. The design consultant is currently evaluating alternatives focused on optimizing the disinfectant chemical mixing system at St. Aubin Screening and Disinfection Facility (SDF) with the goal of achieving comparable mixing efficiencies with a lower number of mixing units and/or reduced overall installed horsepower.

Non-CIP Design; Task Order Engineering Services (TOES):

TOES 35T, Contract No. 2202034 – Sludge Pumps 21 through 24 Motor/Drive Improvements.

The 90 percent design workshop was held, and 100 percent drawings are expected in mid-July. The project is planned to be advertised in August.

TOES 38T, Contract No. 2203014 – Complex II Conveyor System Fire Protection Improvements – Pilot System.

The 90 percent Design Deliverables are currently under review. The 90 percent Design Review Workshop is scheduled on July 11, 2023.

WASTEWATER OPERATING SERVICES (continued)

TOES 39T, Contract 2201974 – Secondary Clarifiers and B House Improvements & Flowmeter Replacement.

The structural evaluation for this project has been completed. The 30 percent drawings will be submitted by Arcadis by the end of July. It is to include details for concrete repair and pipe penetrations. The 60 percent submittal is due by the end of September. Coordination will be required with CIP-261001, which is the rehabilitation of all Secondary Clarifiers and B-Houses.

TOES T2-02, Contract No. 23000191 - Professional Services for Incineration C-II Building Outside Freight Elevator

The consultant has begun field verification of the location of the freight elevator and structural evaluation for the preliminary design.

CIP 270010, Contract No. 2300183 – HVAC Improvements at Puritan-Fenkell and Seven Mile Combined Sewer Overflow (CSO) Facilities

This project was recently switched to TOES due to the overall cost and the documents were transmitted to Procurement.

Wastewater Projects in Construction:

CIP Construction:

CIP 211002, PC 795 – Pump Station 2 Pumping Improvements:

A new impeller for Pump 14 has been installed. A 10-day performance test is being conducted for Pump 14. The testing is expected to be completed by July 10, 2023 for data analysis.

CIP 211006, Contract 2103350 – PS No.1 Improvements (WRRF)

The draft Rev 0 project schedule and Schedule of Values were reviewed, and comments were provided to Weiss. The revised Office of General Counsel email on June 23, 2023, additional federal funding requirements need to be incorporated into this project. An amendment will be processed based on the response from Weiss. Wade Trim has a full-time Resident Project Representative (RPR) and an inspector onsite and will continue to provide construction assistance services.



Project signs installed are shown above

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 (WRRF)

The Contractor has completed operations and maintenance training. A second phase of Thickened Waste Activated Sludge (TWAS) line chemical cleaning is now in progress. During ferric pumps testing, GLWA operators were unable to safely reach valves that had been installed very high on the pump skids. The contractor is reinstalling the valves at a lower elevation, in preparation for operational demonstration testing. After the first phase of this testing, ferric chloride will be fed to the Oakwood interceptor while existing piping to feed ferric chloride to the Detroit River interceptor is being replaced. After this replacement, testing will proceed for the full system.



Vivianite Remaining in TWAS Line after Initial Chemical Cleaning



New Concrete West of Chemical Building



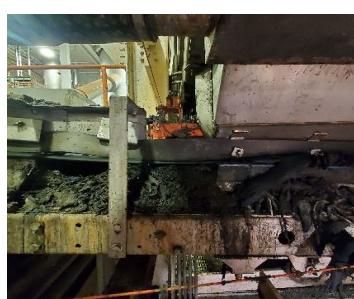
Unreachable Valves at Ferric Chloride Pump Skids

CIP 213007, Contract CON-197 – WRRF Modification to Incineration Sludge Feed Systems at Complex II (WRRF)

The CON-197 contractor is addressing the deficiencies identified during the 30-day performance testing. After fabrication and installation of the modifications, the operational demonstration testing will be restarted. A change directive has been issued to install more abrasion resistant High Density Polyethylene (HDPE) strainer backwash piping to replace prior piping and valves that have been subject to significant interior abrasion and leaks. A change directive is also in the approval process to address conveyor drip pan cleaning problems and overspray by replacing the previous spray nozzles and adding four new spray headers.



Failed Conveyor Drive Pulley



Conveyor Sludge Spillage



Drip Pan Spray Nozzles

WASTEWATER OPERATING SERVICES (continued)

CIP 216004, Contract 1802410 – Rehabilitation of various Sampling Sites and PS#2 Ferric Chloride System (WRRF)

The thirty-day operational demonstration test was successfully completed for Contract 1802410 on June 8, 2023, and a certificate of Substantial Completion for this contract is now in the approval process. The work continues with minor punch list items. The Contractor is also working to complete close-out items including as-built drawings, final Operations and Maintenance (O&M) manuals, and spare parts turnover to GLWA. The Contractor has serviced the Hach phosphorus analyzers, and they now appear to be operating properly. GLWA has also revised ferric chloride piping to optimize the feed location at the PS2 discharge channel.



*PS-2 Ferric Chloride
Pump Skids*



Hach Phosphorus Analyzers



*PS-2 Discharge Channel
Ferric Chloride Feed*

CIP 216006, Contract 1903601 and 1903598 – Assessment and Rehabilitation of WRRF Yard Piping and Underground Utilities (WRRF)

For this project, 10 of the 18 improvements are submitting 90 percent plans right now. Eight of the improvements are prepared to submit 75 percent plans for GLWA review. GLWA has received 75 percent cost estimates on the improvements, which shows that the improvements are approximately \$18 million instead of the budgeted \$14 million. A full accounting with actual bid prices and recommendations is expected by October for presentation at the December or January 2024 Board meeting. Wastewater Engineering is processing a \$5 Million dollar Change Order on the August Board agenda for the Construction Manager at Risk (CMAR) contract to secure enough funding to start the construction in October by ordering some of the longer lead time items and beginning the asbestos abatement in the tunnels under the administration building.

CIP 216011, Contract No. 2100239 – WRRF Facilities Structural Improvements

The Contractor completed an assessment of the Main Plant Influent (MPI)-1 building, the secondary head office building, the interior of Sludge Thickener Tank (STT) 14, STT 3, and Primary Clarifier No. 17. The contractor completed leak repairs on STT 14. Assessment of Primary Clarifier 17 effluent channel is estimated to be completed by June 28, 2023. Construction Change Directive-C (CCD-C) is in the process of approval to provide assessment for additional areas at the WRRF such as damaged steel framing at Pump Station No. 1 Rack & Grit basement, deteriorated concrete on the exterior of rectangular tanks 9 and 10, specific areas in Complex 1 Incinerator basement and boiler room, primary clarifiers 13 to 16 handrails.

WASTEWATER OPERATING SERVICES (continued)



STT-14 Leak Repairs



Primary Clarifier 17 Assessment

CIP260204, Contract No. 2103688 – Rehabilitation of Connors Creek Sewer Systems (RWCS)

This project is continuing to perform grouting, rebar coating, and spot repairs under the airport. Debris removal has begun in the double barrel south of Harper and Conner streets. Debris is being hauled to the Pine Tree Waste Management facility. Debris removal work between Conner CSO and Conner Pump Station (PS) is going to begin right after the July 4th holiday. Slip lining between 6 and 7 Mile is scheduled to begin this fall. An Engineering amendment is on the August Board agenda to secure additional funds for additional work and additional inspection as the project moves into a phase where it has four simultaneous operations.

CIP260206 - 2202757 - Joy Brush Bates Rehabilitation (RWCS)

The submittals for work plans and products are being approved and ordered to begin work in July.

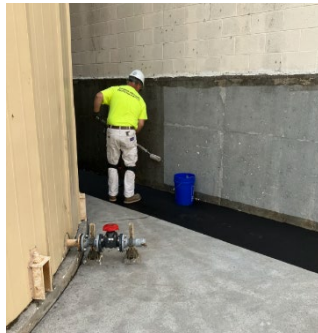
CIP 260207, Contract No. 2004082 – Rehabilitation of the Woodward Sewer (RWCS)

This month the Contractor is expected to enter in front of the Russell Industrial Center. The road closures in that area will have more stakeholder impact than when the work was done in the neighborhoods between I-75 and Woodward. This area has heavy trucking, industrial, and entertainment as well as the Detroit Department of Transportation (DDOT), which will all be affected by the work. An Engineering amendment is on the August Board agenda to secure additional funds for additional work and additional inspection as the project moves past its completion dates.

CIP 260614, Contract No. 1902224 – CSO Facilities Structural Improvements (CSO)

82 percent of the structural improvements are projected to be completed at all CSO facilities, including additional repairs through Change Order No.1 by the end of June. All repairs have been completed at St. Aubin, Oakwood, and Belle Isle. Repairs at Hubbell-Southfield will be completed by June 30, 2023. The Contractor is working at Puritan-Fenkell, Leib, 7 Mile, and Conner to perform the remaining repairs. The Contractor submitted a plan to perform basin floor repairs at Conner, considering Design Build-226 Contract, utilizing the basin every day. The plan is to start repairs by July 17, 2023.

WASTEWATER OPERATING SERVICES (continued)



Chem Containment Coating at CON



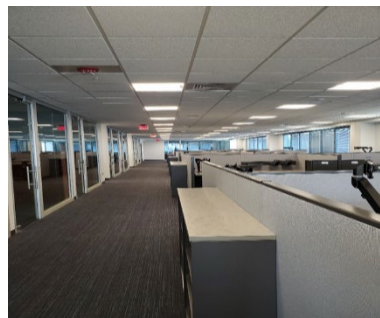
Spall repairs at HS Basin

CIP 260901, Contract No. 2101878 – WRRF Hazmat Building Rehabilitation

The shop drawing submittals and review is on-going, along with pre-construction photos and videos. Regular progress meetings are being scheduled now that the project has kicked off. On-site construction has not yet begun.

CIP 260902, Contract No. 2101879 – Renovation of the 4th floor at the WRRF

Construction activities are approximately 90 percent complete. The Contractor is in the process of resolving construction deficiencies. Other items which remain to be completed are installation of the glass lobby double doors and glass wall, GLWA Logo sign, completion of access door hardware, testing and integration of the HVAC system.



WRRF 4th floor renovation nearing completion.

CIP 260905, Contract No. 2203675 – WRRF Plumbing Shop Improvements

This project provides improvements to the WRRF Plumbing Shop. Improvements will include the building exterior, building roof, establishing a rain garden, and contractor laydown areas adjacent to the plumbing shop building. The building will house materials for the logistics and materials team and allow more proper organization of stored materials, and easier access to them. The contractor was recently awarded the project and the Notice To Proceed letter is drafted with a start date of July 10.

WASTEWATER OPERATING SERVICES (continued)

CIP 276002, Contract No. 2104157 - Replace Makeup Air Unit No. 2 at Conner Creek CSO

The installation and startup/testing of the new makeup air unit No.2 has been completed along with controls and integration with the building management system. The Contract achieved Substantial Completion on March 23, 2023, and Final Completion on June 12, 2023.

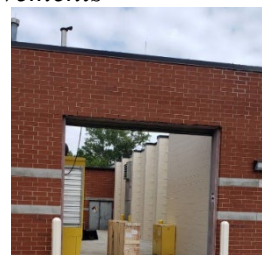


The newly installed makeup air unit-2 is shown in the left and right

Non-CIP Construction:

JOC 56 - Contract No. 2100576 - Puritan Fenkell Courtyard Access Improvements

The scope includes demolition of existing stairs, exterior block and brick wall for new man door, installation of new railing and stairs for the existing hatch opening, pilasters to support existing wall, new man door, a new sidewalk and providing card reader and associated electrical work for a new courtyard door. The project achieved its Substantial Completion on November 10, 2023. Since then, the Final Change Order has been processed and the project achieved its Final Completion on June 30, 2023.



Exterior block and brick wall for new man door

JOC Task 70 – Contract No. 2002464 – Complex A Gallery SFP-2 Pump Replacement

Installation of the new Sludge Filter Feed Pump SFP-2 Pump/Motor is completed. Power wiring installation is completed. The final installation of control wiring is 95 percent complete. The New Sludge Filter Feed Pump 2 (SFP-2) should be ready for testing during the second week of July 2023. The WRRF made an emergency request to have Wastewater Engineering replace an aging equalization valve for Sludge Storage Tanks No. 1 and 2. The work was completed, and the new equalization valve is operational.



Task 70 Complex A Gallery SFP-2 Pump Replacement

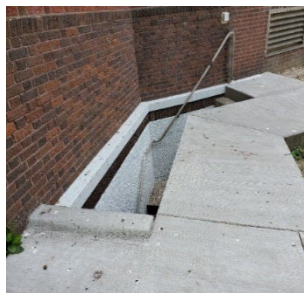


Task 70 SST No. 1 and 3 Equalization Valve

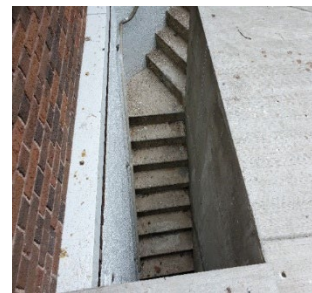
WASTEWATER OPERATING SERVICES (continued)

JOC Task J2-01 Contract 2202079 – Pump Station 1 Upper Wet Well Stairwell Repairs

The scope of this project includes repairing PS 1's gate room stairwell that has been damaged or poses a safety threat. The base contract work is 90 percent completed. It is expected that the contractor will complete their work by August.



Task J2-01 Upper Wet Well Stairwell



Task 2J-01 Upper Wet Well Stairwell

JOC Task J2-05 Contract No. 2203378 – Emergency Replacement of Aeration Deck Panels for Deck 4

The Contractor has completed the replacement of the seven identified concrete planks on the roof of Aeration Deck No. 4. The project has achieved substantial completion. The final change order will be processed soon to close out this contract.



Newly installed planks under task J2-05

Contract No. 2001370 – Effluent Channel Stop-Logs, Storage Racks and Lifting Devices at Conner Creek CSO Facility

This project has achieved Final Completion on May 31, 2023. The Final Change Order was approved, and the contract is being closed out.

Contract No. 2100136 – Pipe Hanger Replacement at Hubbell-Southfield Creek CSO Facility

This project achieved substantial completion on March 20, 2023. The Final Change Order is being processed.

Contract No. 2201101 – Complex II Incinerator 11 Rehabilitation.

The shop drawings submittal and review is on-going. Initial Requests for Information (RFI) have been submitted and responded to. The on-site work will begin after appropriate approval. The scope of work for this project involves four separate tasks including refractory repair as identified by the Incinerator Inspection undertaken in 2020; a new emergency bypass damper on top of the emergency bypass stack that opens and closes (po-top damper) replacing the leaky, maintenance-intensive dual leaf damper in the body of the stack; enhancement of sludge drop holes on Hearths 1 and 2; and repair on the breech (exhaust from the furnace).

WASTEWATER OPERATING SERVICES (continued)

Combined Sewer Overflow (CSO) Control Program

Compliance Issues

The required quarterly sampling for the Baby Creek Screening and Disinfection Facility (SDF) was not done during the April-June quarter. The sample was not collected when the facility discharged in April, and there were no further discharge events during the quarter. This will result in 12 non-report violations (four for individual parameters to be tested from the missed sample, four for the monthly averages of the parameters, and four for the monthly maximum values of the parameters) being retroactively added for April. The CSO team has several new team members that led to missing the additional sample. The operations team has placed additional training strategies in place to avoid missing the sample in the future.

CSO Operations

Operations captured and treated incoming Combined Sewer Overflow (CSO), with one discharge at the end of the month. The Conner Creek facility discharged a total volume of 31.6 MG. There were only captures at the other facilities.

The technicians at Hubbell-Southfield are completing extensive cleaning in the basin, using skid steers as well as the flushing system. Although the flushing system is not ideal, it does not remove large piles or heavy blanketed sludge/grit, the team is able to use it after skid steer is used to remove large piles and after smaller captures. The newly replaced flushing strainer (2022) also aids in the system working better.



Basin 2, looking down through the equipment lowering hatch at Hubbell-Southfield.

CSO Maintenance

HESCO, along with GLWA staff, made another visit to the Chene regulator gate (related to St. Aubin). The hydraulic cylinder was pulled and sent for repair since the new cylinder has a long lead time. The fastest route was to repair the current unit to restore gate operations. There are plans to purchase a new cylinder. All three regulator gates are believed to have different sized cylinders; thus, three different units will need to be purchased.

WASTEWATER OPERATING SERVICES (continued)



Shunt bypass emergency gates at Hubbell-Southfield



Maintenance of the hydraulic gates at Hubbell-Southfield has begun. The team will need to install stop logs at the river to fully open and close the gates. The hydraulic gates at the river are for bypassing flow through the shunt channel when the facility or upstream of the facility is hydraulically overloaded.

A tank lining failure occurred for the chemical tanks at the Baby Creek

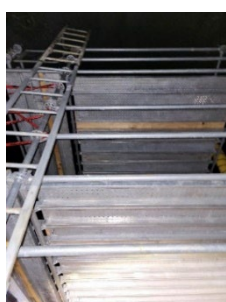
Screening and Disinfection Facility. During the monthly recirculation of sodium hypochlorite, the WRRF lab notified the CSO team that an issue was present with the sample. The team investigated by pulling multiple samples, which finally led to draining and opening the tank for further inspection. The stored chemical seems to have eaten away at the liner, exposing the metal tanks to what remains of the diluted hypo.

Leadership, Procurement, and Engineering worked to obtain emergency services to inspect all tanks as well as make repairs to at least one for the facility to restore disinfection operations. The primary contractor for the tank rehab, as well as subcontractors were notified of the failed tank lining and are in communication for restoration. CSO Leadership is waiting for a formal report from the emergency procured tank inspection service. Repair lining is ongoing for tank number two currently.

The CSO, WRRF team members along with labor contractors have performed cleaning and will assist the tank lining company with building scaffolding inside the tank and removing cleaning material residual. GLWA also sent samples of the failed lining material for analysis.



Scaffolding inside of Tank #2 at Baby Creek



Tank #2 lining - Bubbled gasket lining



The discolor of NaOCl shows chemical is behind the liner

The CSO team would like to congratulate **Simone Peterson** (Plant Technician 2) on obtaining the Municipal Wastewater C license. Mrs. Peterson has over 20 years of wastewater and CSO facilities operations service combined. We would also like to acknowledge **Lynda Kostrzewski** (Management Professional – Laboratory Operations) for a rapid notification of the low concentration of the chemical storage sample as well as the discoloration of the collected sample.

WATER OPERATIONS

Northeast and Southwest Water Treatment Plants

The Northeast Water Treatment Plant (NEWTP) completed the Job Order Contract task related to the Loss of Head and Flow Measurement Systems for Filters at NEWTP. This was identified during the Sanitary Survey 2021 of the NEWTP, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) identified the need for this project.

The contracting work consisted of providing and installing of new “Rate of Flow” and “Loss of Head” transmitters with the associated piping, valves, supports and hardware for connecting to existing Filter control panels. The plant has 88 filters, and the new transmitters provide improved measuring and digital displaying the rate of each of the filter’s flow rate and loss of head locally and remotely.

The upgrade provides critical measurements for the accurate and efficient monitoring of the plant’s filtration process and thereby complying, meeting and exceeding EGLE’s filtration regulatory monitoring and backwash mandates.



NEWTP old loss of head meter



NEWTP new loss of head meter (Typical 1 of 88)

At the Southwest Water Treatment Plant (SWWTP), under Contract SW 2002193, the raw water screens replacement was duly needed. The contract provided for the replacement of all screens and a booster pump to provide adequate cleaning of the screens during operation along with local and remote operation. The contract also replaced the antiquated, outdated chlorine scrubber system.

The new system provides alarms, chlorine sensor monitors, chlorine sensor monitor displays which can be seen locally and throughout the plant’s main corridor providing safe, effective, and efficient emergency chlorine responses.

WATER OPERATIONS (continued)



SWWTP new scrubber



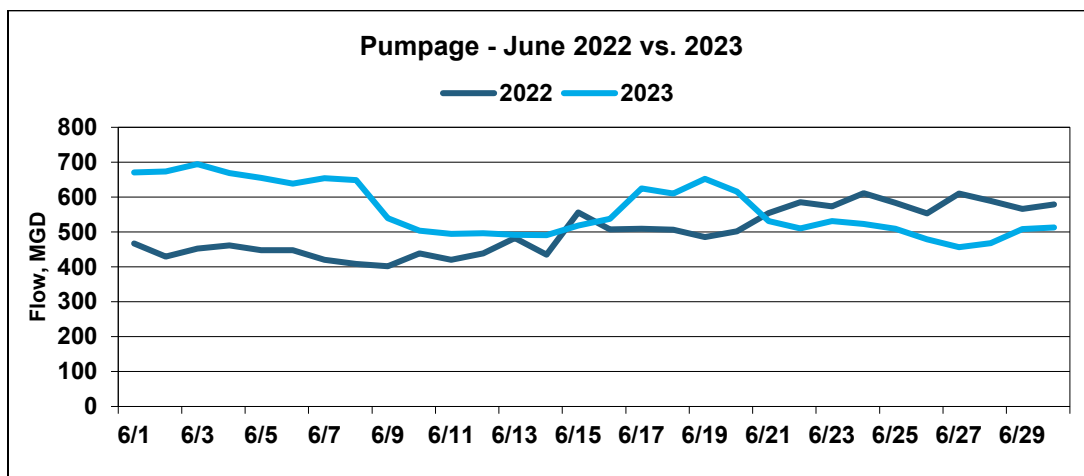
SWWTP old and new scrubber side by side



SWWTP raw water screen booster pumps

Systems Control Center (SCC)

June 2023 pumpage was 11.8 percent higher than June 2022



WATER OPERATIONS (continued)

Engineering

Project Spotlights

Contract No. 2000610 – Yard Piping, Valves and Venturi Meters Replacement at Water Works Park

The Contractor, LGC Global Inc. (LGC), has been advancing the work on the eastern portion of the yard piping, valves, and venturi meters at Water Works Park (WWP). To date, the new steel pipe ranging in size from 30” to 72” in diameter has been installed. This includes welding of pipe segments, connecting the cathodic protection, backfilling with controlled low-strength material, and burying with native soil. The eleven associated isolation valves have also been installed into their underground vaults along with two venturi meters.

The electrical and instrumentation wiring has been run to these vaults, as well. Air release valves, blow off valves, and access manholes have also been installed.

The installed pipe has passed the pressure test and is currently undergoing disinfection. Once the sample results come back negative, the new pipe will be ready to make connections to the two existing high lift pumping station headers and six existing water mains that leave the WWP site. This work will involve installing short pipe segments between the new and old water mains.



Duct bank installation near venturi meter M-06



4-inch temporary main for pressure testing



Formwork for valve vault V-06



Air release valve foundation formwork

WATER OPERATIONS (continued)



*Aerial view of WWP High Lift Pumping Station
mid-construction of eastern portion*

Contract No. GLWA-CON-252 – Springwells Water Treatment Plant Steam, Condensate Return and Compressed Air Piping Improvements

The remaining work for CON-252 includes installation of three new Clayton steam generators at Springwells Water Treatment Plant. The new steam generators were delivered in April and May 2023. Demolition has been completed and the new steam generators have been placed onto the equipment pad that reflects the final location these will be installed.

The remaining key submittal for the stress analysis that reflects steam and condensate piping changes to connect to the new steam generators is expected by the end of July 2023 for Engineer review and approval. Overall construction is on track to have the steam generators installed and fully commissioned by the end of October 2023.



Installation of three new steam generators in progress



Aerial view of installation of 3 new steam

INFORMATION TECHNOLOGY

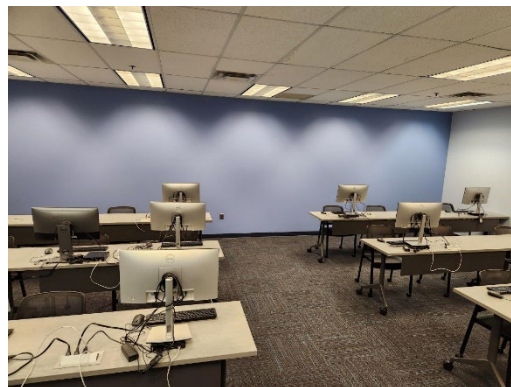
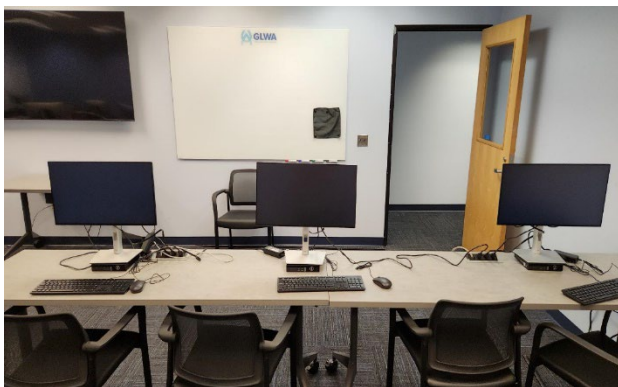
In the past month, the IT Security team has proactively blocked or thwarted 77,787 spam messages, 16,665 spoofed messages and 9 viruses. Additionally, 5,921 phishing attempts have been caught and 2,747 malware attempts have been blocked.

The IT Business Productivity Team, in conjunction with Organizational Development and the Financial Services Area, continues to make good progress on our Workday implementation, which will replace our BS&A financial (FINS) system and the Ceridian human resource management (HCM) system. The HCM/payroll team is conducting end-to-end testing, evaluating business processes from start to finish to ensure they are correctly configured. The FINS team is wrapping up configuration testing and preparing for end-to-end testing. Both teams are also working on needed integrations with other systems.

The IT Infrastructure Team in collaboration with the IT Customer Service Delivery Team successfully implemented a new Password Reset Self-Service tool. This new tool allows team members to reset their network Active Directory (AD) password whether they are working onsite, remote, or hybrid without the need to physically connect to the network or be connected to the Virtual Private Network (VPN). This new solution also allows team members to reset their password whether their account is locked, or their password has or has not expired thereby increasing the level of service we provide to our team members while decreasing account access issues and tickets.

The IT Customer Service Delivery Team and the IT Infrastructure Team in partnership with the Facilities Team and the Organizational Development Team successfully completed the buildout of a new training area at our Central Services Facility (CSF).

The new training area was equipped with all new office furniture and IT equipment. This new training facility will serve to meet the growing needs of OD's Training Team. (Photos below).

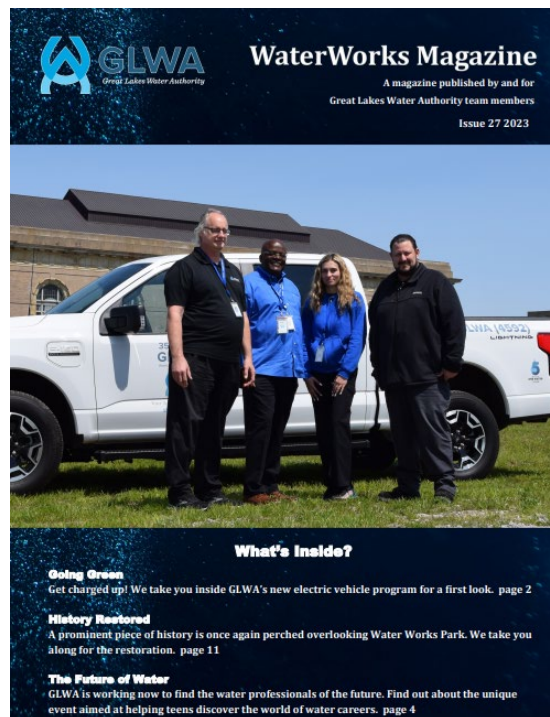


Currently, the IT PMO is managing 16 active projects and is processing 2 project requests.

PUBLIC AFFAIRS

WaterWorks Magazine Issue 27

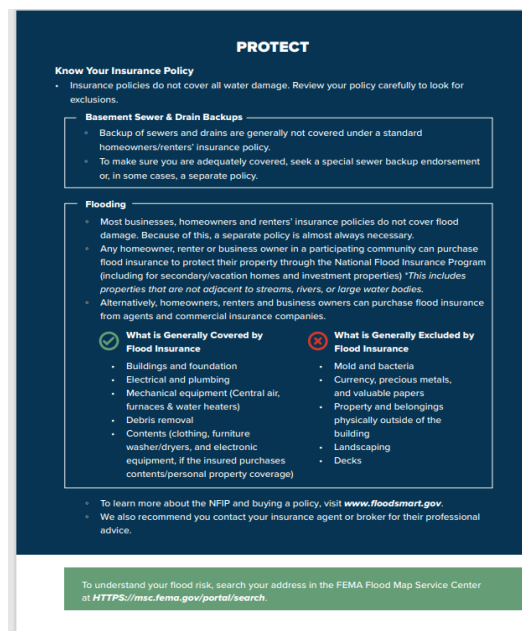
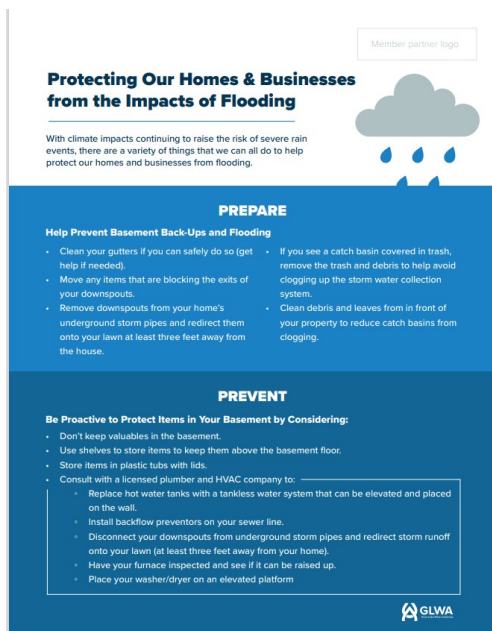
Public Affairs has published WaterWorks Magazine Issue 27. The magazine written by team members for team members, covers a variety of topics. This edition features GLWA's new electric vehicle (EV) program, shows how GLWA is working to find the water professionals of the future, follows one team member's daughter as she becomes Miss Michigan and much more!



Flood Mitigation Public Information Resource For Member Partners

Public Affairs has created an informational one-pager to provide homeowners and businesses tips on preparing for wet weather events. It gives helpful information in three categories: prepare, prevent, and protect. The protect section, specifically gives information on knowing your insurance policy, as well as the National Flood Insurance Program. To increase the one-pager's usability by our Member Partners, there is also a place in the upper right corner of the document for member partners to place their logos before distributing to their communities.

PUBLIC AFFAIRS (continued)



One Water News Drop-Hurlbut Memorial Gate Restoration

Public Affairs has produced a new One Water News Drop video following the restoration of the iconic stone eagle statue on the Hurlbut Memorial Gate. Lightning shattered the eagle back in 2019. The video follows the work done from the damaging crack of lightning to the eagle sitting back atop its perch, watching guard over Water Works Park.



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

Severe Weather Alerts Continue

In partnership with Wastewater Operations, Public Affairs continues to issue severe weather alerts when conditions dictate to inform and forewarn the public about potential inclement weather.

SECURITY AND INTEGRITY

The Hazmat Unit coordinated and completed a total of 266 hours of training during the month.

Security and Integrity has scheduled the security interns to visit the Detroit Emergency Operations Center. The interns also completed a judicial process day in Judge Larry D. Williams' court with Bill Wolfson, CACO.

Lastly, Security and Integrity Hazmat, responded to a high-level chemical exposure at Water Resource Recovery Facility. The contractor was provided oxygen and refused to be transported by EMS.

ORGANIZATIONAL DEVELOPMENT

Performance Team

Performance

The annual merit process was completed this month with over 880 team members receiving merit. Merit adjustments are effective July 10, 2023 and are scheduled to be in team members' pay on July 28, 2023.

Apprenticeships

GLWA currently has four active apprenticeship programs with a total of 40 apprentices:

Apprenticeship	# of Apprentices
Electricians (EICT-E)	16
Maintenance Technicians	2
Water Technicians	16
Mechatronics Technicians (EICT-I)	6
Total	40

Internship

GLWA has 14 summer interns assisting with project completion as they learn GLWA's culture and processes. Interns are working in the following areas:

- Office of General Counsel
- Financial Services: Water Affordability & Assistance
- Financial Services: Office of Deputy Chief Financial Officer
- Industrial Waste Control
- Security and Integrity
- Energy, Research & Innovation

ORGANIZATIONAL DEVELOPMENT (continued)

Certification Training – International Society of Automation (ISA)

The Performance Team partnered with the One Water Institute (OWI) Training Team to provide in-person Certified Control Systems Technician (CCST) Level 1 training, which is being delivered by the International Society of Automation (ISA). The CCST Level 1 certification is required for team members to progress to the next level. In preparation for the training, OWI offered Math Boot Camp training to refresh team members' math skills.

There are 26 GLWA Electrical Instrumentation Control Technicians-Instrumentation (EICT-I) and Supervisory Control and Data Acquisition (SCADA) Technicians that have completed the online CCST preparation course and will begin their four-week CCST in-person training in July. This hands-on training will be completed over a six-month period, allowing team members to apply and reinforce what they learned in class. The training culminates with a week-long review and certification examination.

Benefits and Wellness

Blue Cross Blue Shield Wellness Wednesday Meditations

GLWA team members had the benefit of Blue Cross Blue Shield (BCBS) meditations that helped them focus on relaxation during the month of June. Topics included:

- Birds and Birdsong for Relaxation
- Being Still
- Mindful Walking
- Body Scan for Cultivating Compassion for the Body

Blue Cross Blue Shield Drop 5 Virtual Weight-Loss Community

The Blue Cross Blue Shield Drop 5 Virtual Weight-Loss Community showed GLWA team members proactive wellness topics for June that included:

- Learn to Ruck for Men's Health Month
- Dr. Jennifer Wulff Speaks on Falls, Safety and Prevention
- Two Women in Kayaks Go Fishing for Well-Being
- Celebrate Your Age
- How to Avoid Procrastinating When It Comes to Your Healthy Habits



ORGANIZATIONAL DEVELOPMENT (continued)

GLWA's Newest Women's Health Initiative: Support for Working Mothers

Team members attended the second virtual event for our GLWA Support for Working Mothers initiative. Patricia Butler, Organizational Development Manager, Performance, Progression, and Apprenticeship and Internship, presented the topic: *How Do I Grow at GLWA?* Topics included goal setting, GLWA performance, and progression processes.



Team members shared the importance of, and their desire for, mentorship within GLWA, as well as best practices for improvement related to career growth.

MissionSquare Lunch and Learn Education Sessions



All GLWA team members were able to meet with MissionSquare retirement plan specialists virtually June 5, 2023. MissionSquare was also on-site for a lunch and learn education session at Springwells Water Treatment Plant, June 13, 2023. For both dates, team members were able to review their retirement goals and portfolio performance during one-on-one consultations.

Training

During the month of June, **371** GLWA team members completed **32** safety courses and **19** non-safety courses for a total of **321** instructor-led training hours. Also, nine GLWA team members and one Member Partner completed **30**, 360Water online courses.

Staffing

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

Number of New Hires	19
Number of Separations	7
Total Staffing - Regular FTEs (YTD)	1022

FINANCIAL SERVICES AREA

June 2023 Audit Committee Recap

The most recent regular monthly Audit Committee meeting was held on Monday, June 26, 2023. The GLWA Audit Committee binders are publicly available at www.glwater.org/financials/. The meeting included the following topics.

- ✓ Introduction of FY 2023 4th Quarter Budget Amendments for consideration and support of the committee to present to the GLWA Board of Directors. The amendments were subsequently approved by the Board on June 28, 2023.
- ✓ A discussion regarding the Bad Debt Recovery Credit Program proposed to address the initial settlement payment made by Highland Park towards their past due balance and a methodology to support the application of future payments.
- ✓ Review of the March 2023 Monthly Financial Report (Executive Summary attached).
- ✓ Monthly updates on the Business Inclusion and Diversity (B.I.D.) program, Charges Outreach and Modeling team efforts, and Affordability & Assistance team initiatives.
- ✓ Review of the Quarterly Construction Work in Progress report as well as the Semi-Annual Debt Report through March 31, 2023.
- ✓ Presentation of the Annual Pension Report and the status of the legacy pension liability recognized by GLWA and Detroit Water and Sewerage Department (DWSD) as part of the City of Detroit General Retirement System.
- ✓ An update recognizing the latest efforts of the Economic Outlook Task Force to obtain insight and perspective from national experts regarding current macroeconomic trends in Southeastern Michigan and the possible impacts on GLWA operating and capital budgets.
- ✓ Circulation of the latest Procurement Pipeline edition for June 2023 (attached).

Grant Team Specialization Certification

Congratulations to Grants Management team members Alicia Schwartz and Nicholas Simms who successfully completed a one-day certification course through the Institute for Public Procurements regarding the use of federal grant funds. The course focused on providing a framework to understand the conditions of properly expending federal grant funds and continues to build the expertise of the FSA Grants Management team.



FINANCIAL SERVICES AREA (continued)

Michigan Women in Finance Appointment

On June 13, 2023, GLWA Grants & Intergovernmental Relations Manager Alicia Schwartz was appointed President of the professional organization Michigan Women in Finance (MWIF). The mission of MWIF is to bring together issuers, bankers, legal counsel, trust officers, underwriters, analysts, and others to provide an opportunity to gain insight into the marketplace while expanding their professional network. Alicia will serve a one-



year term leading the MWIF Board of Directors as well as overseeing planning for the organizations Fall Networking event and Annual Spring Conference.



Affordability & Assistance Update



Affordability & Assistance Team Members, Madison Merzlyakov and Haran Stanley attended the Michigan Environmental Justice Conference hosted by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 21st and 22nd. The conference provided the team an opportunity to connect with water advocates and community leaders. Topics varied from existing environmental justice screening tools, to building resiliency throughout the state, and listening to personal stories of impacted communities.

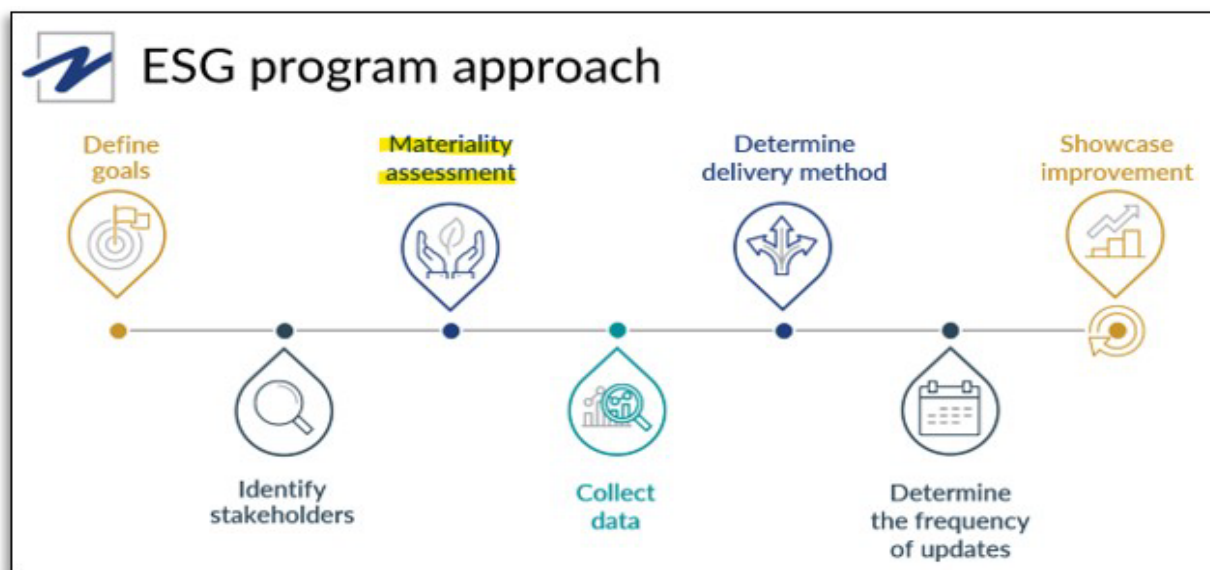
On June 26th, Affordability & Assistance Manager Madison Merzlyakov participated in a roundtable discussion hosted by the University of Michigan regarding the Low-Income Household Water Assistance Program (LIHWAP). LIHWAP is a federally funded, temporary program administered by the Michigan Department of Health and Human Services (MDHHS) in partnership with community action agencies. The roundtable was well attended, with representatives from community action agencies, MDHHS, water advocacy groups, utilities, Michigan Section of the American Water Works Association, and U.S. Representative Debbie Dingell. The discussion focused on what is working well with LIHWAP and what improvements would need to be made should the program be extended or made permanent.

FINANCIAL SERVICES AREA (continued)

Environmental, Social and Governance (ESG) Initiative

This year, GLWA is embarking on an organization-wide initiative to develop an ESG program. ESG is a term that is becoming increasingly common in the bond market as investors seek out organizations for their investments portfolios that exhibit socially conscious behaviors. There are various ESG designations, criteria, and ratings that can impact the cost of borrowing positively or negatively for an organization. Many aspects of GLWA inherently support the tenants of ESG so it is of benefit for GLWA to implement a process for documenting, measuring, and reporting on the ways in which our organization approaches these aspects of our work. This process could lead to improve credit ratings and lower interest rates on debt issuances in the future.

The current focus of this initiative is on a materiality assessment, which involves gathering input from various stakeholder groups to help the project team document the areas of ESG most relevant to GLWA. This input will then become the basis for future phase data collection and



reporting. The project team has held several meetings with GLWA team members across the organization over the past month as well as one with member partner group. The next series of meetings will focus on external vendor stakeholders.

Procurement Pipeline

Attached is the June Procurement Pipeline. This month's edition includes the Procurement Tip of the Month "What to Expect During an Oral Interview Meeting." Additionally, this issue includes a Procurement Process Update as well as a reminder for Renewal Certificates of Insurance (COI) submission, virtual vendor introduction meetings, staying informed about GLWA, and a schedule of forthcoming solicitations.

The Office of General Counsel's July Report is an attachment to the Chief Executive Officer's Report

Respectfully submitted,



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

SRC/dlr
Attachments

- March 2023 Executive Summary
- June 2023 Procurement Pipeline
- Office of General Counsel 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)

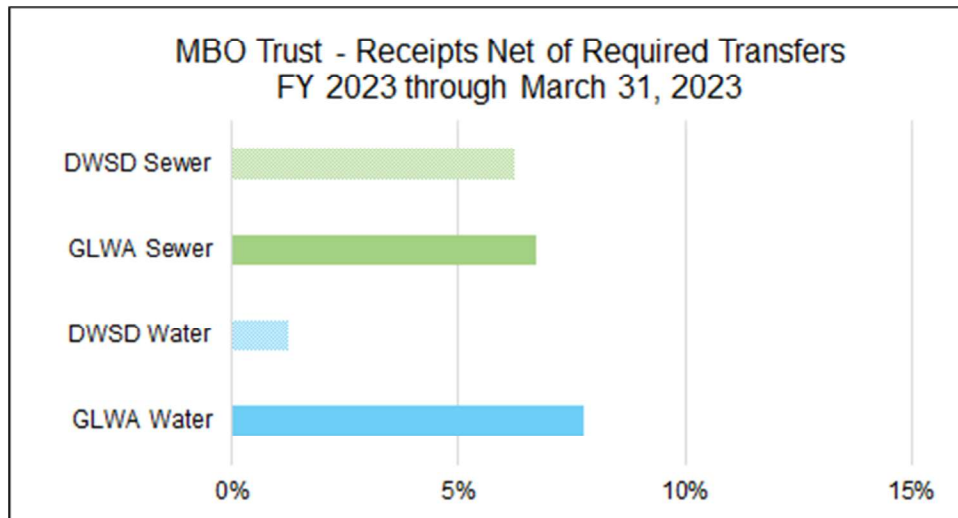
Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available. This report reflects second quarter budget amendments approved by the GLWA Board of Directors on April 26, 2023.

For the current period, investment income, water capital spend, and sewer capital spend all reflect variances to budget outside the normal range. Investment income earned continues to increase monthly and is anticipated to achieve budget expectations by yearend. GLWA staff will continue to monitor capital spend to determine if additional budget amendments will be necessary.

As of March 31, 2023					
Metric	FY 2023 Budget	FY 2023 Amended Budget	FY 2023 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$252.9	\$252.9	\$254.6	1%	48
Wholesale Water Billed Usage (mcf)	10,049,000	10,049,000	10,153,000	1%	
Wholesale Sewer Billed Revenue (\$M)	\$206.0	\$206.0	\$206.0	0%	50
Wholesale Water Operations & Maintenance (\$M)	\$108.6	\$111.9	\$113.1	1%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$138.0	\$152.4	\$148.6	-2%	
Investment Income (\$M)	\$1.7	\$24.4	\$22.0	-10%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$116.6	\$169.3	\$154.0	-9%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$94.4	\$104.6	\$74.0	-29%	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 \$1.1 million and DWSD Sewer reports a surplus of \$14.2 million of net receipts over disbursements through March 2023.

Budget to Actual Analysis (page 3)

- FY 2023 information includes the second quarter budget amendments which were approved by the GLWA Board of Directors on April 26, 2023. Budget amendments were not required for the third quarter FY 2023.
- The total Revenue Requirements are on target through March 2023.
- The total overall Operations & Maintenance expenses are at 74.3% of budget through March 2023 which is slightly below the pro-rata benchmark of 75.0%. This positive variance equates to a dollar amount of \$2.5 million.

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 2023 is \$60.5 million for the Water fund (22.2% of total revenues) and \$86.2 million for the Sewer fund (23.8 % of total revenues).
- Water Net Position increased by \$ 11.0 million, and Sewage Disposal Net Position increased by \$ 21.8 million for the year to date through March 2023.

Capital Improvement Plan Financial Summary (page 27)

- The Water system is below the amended 116.2% Capital Spend Ratio assumption.
- The Sewer system is also below the amended 110.7% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 30)

- For March, transfers of \$13.7 million and \$19.0 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for March, transfers of \$6.0 million and \$6.0 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 37)

- Total cash & investments are \$582 million for Water and \$655 million in the Sewer fund.
- Total, combined, cumulative, FY 2023 investment income through March is \$22.0 million.

DWSD Retail Revenues, Receivables & Collections (page 41)

- Water usage through March 31, 2023 is 110.03% and revenues are 106.82% of budget.
- Sewer usage through March 31, 2023 is 104.04% and revenues are 100.71% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$45.1 million over the prior year.
- Past dues over 180 days make up of 67.7% the total accounts receivable balance. The current bad debt allowance covers 102.5% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 47)

- GLWA accounts receivable past due balance net of Highland Park is 8.91% 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 \$54.7 million. It includes \$40.9 million for wastewater treatment services, \$1.9 million for industrial waste control services, and \$11.9 million for water supply services. Highland Park made a catch-up payment of \$1.7 million on June 3, 2022 and has continued to make additional, monthly payments since that time totaling \$3.9 million as of March 31, 2023.

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

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

Procurement Tip of the Month: What to Expect During an Oral Interview Meeting

After all the submitted proposals have been scored during the solicitation evaluation process, the GLWA Evaluation Team may conclude that an Oral Interview meeting is required to determine the most responsive and responsible Vendor. The purpose of an Oral Interview meeting is for Vendors to provide clarification on the written proposal submitted for a project.

Oral Interview meetings include the GLWA Buyer, Evaluation Team members, and the Potential Vendor team. During the meeting, Vendors may expect the following.

- ✓ An interactive discussion between the Evaluation Team and the potential Vendor;
- ✓ A means for the Evaluation Team to ask questions and obtain additional details on the Vendor's written proposal; and
- ✓ An opportunity for the potential Vendor to explain the methods referred to in their written proposal and to clarify any unusual or significant responses.

Oral Interview meetings are typically used for Request for Proposal (RFP) solicitations, where a Qualification Based Selection (QBS) method is used. This means that vendors are selected for award based on their qualifications and competence in relation to the scope and needs of a particular project, rather than based on price alone.

If an Oral Interview is required, the GLWA Buyer will establish a meeting time and date with Vendors. GLWA's final award recommendation will encompass both evaluation of the written proposal as well as the Oral Interview.

Please note that Oral Interview meetings are not an opportunity to submit new information, discuss other proposals, or discuss GLWA projects in development. If you have any additional questions

about Oral Interview meetings, please contact the GLWA Buyer of Record for the specific solicitation.

Procurement Process Update: Submitting Renewal Certificates of Insurance (COIs)

The [March 2023 Procurement Pipeline](#) featured an article on fulfilling GLWA's standard insurance requirements, including how renewal Certificates of Insurance (COIs) must be submitted on an annual basis until all work on a contract is completed.

To provide improvements in GLWA's processing and tracking of Vendor COIs, vendors must now submit their renewal COIs directly to COI@GLWater.org. Note that this process update is only for renewal COIs. COIs for new contracts or Purchase Orders (POs) must still be submitted to the GLWA Buyer of Record.

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 any GLWA solicitation.

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 May 2023 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 June 2023

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
N/A			
Wastewater Systems (next four to nine months)			
Construction	211005.2	WRRF Pump Station 2 VFD Replacements	\$12,000,000
Construction	211007	Pump Station No. 2 Bar Racks Replacement and Grit Collection System Improvements	\$96,000,000
Water System (next three months)			
N/A			
Wastewater (next three months)			
Construction	260209	Emergency and Urgent Sewer Repair II	\$12,400,000
Construction	232002	Freud & Connor Creek Pump Station Improvements	\$125,000,000
Design-Bid-Build	261001	WRRF Rehabilitation of Secondary Clarifiers	\$6,000,000
Information Technology (next three months)			
Professional Services	N/A	800MHz Radio Assessment and Solution Implementation	\$3,500,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)			
Professional Services	O&M	CSO Facility Accusonic Meter Maintenance	\$3,000,000
Professional Services	O&M	Grounds Maintenance Services	\$4,600,000
Professional Services	O&M	Overhead Door Preventative Maintenance and Repairs	\$892,000
Professional Services	O&M	Snow Removal and De-icing Services	\$2,158,106
Construction	170802	Reservoir Rehabilitation Construction Services Phase II at Waterworks Park, Northeast, and Booster Stations.	\$35,972,000

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

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Office of the General Counsel – July 26, 2023

- **Legislative Updates:** The Office is also monitoring infrastructure spending bills at the federal and state level.
- **Gordie Howe International Bridge:** GLWA filed a notice of claim with the Court of Claims related to its relocation claim.
- **June and July Rain Events:** The Office is providing legal support in response to the significant rain events in June and July. Recently, the trial court dismissed most of the lawsuits against GLWA based on governmental immunity. The Plaintiffs are appealing the decision. Another lawsuit related to the rain events was filed against GLWA.
- **Trenton Water Main:** The Office is negotiating the transfer of the 24-inch water main to GLWA.
- **Contract Negotiations:** Office staff completed the Designated Management Agreement with SEMCOG. The Office is negotiating 30-year wastewater disposal services contracts with sewer member partners that do not have a 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.
- **Record Retention Policy:** The Office submitted GLWA's record retention policy to the State.
- **Industrial Pretreatment Program ("IPP"):** The Office also continues to provide assistance on PFAS and PFOS matters, including comments on the new drinking water regulations.
- **Real Estate:** The Office is working to secure easements and acquire properties related to various water and sewer projects. Each real estate transaction will be presented to the Board for approval when they are fully negotiated.
- **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. The collection actions

against Highland Park are on stay until October 1, 2023, pursuant to the Interim Agreement between the parties.

- ***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 and 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. The Office continues to provide advice on federal grant compliance.

Statistics:

Contracts approved as to form:	
Contracts drafted or revised:	113
Subpoenas/Information requests received:	11
Subpoenas/Information responded to:	11