



* Berkley * Beverly Hills * Bingham Farms * Birmingham
 * Clawson * Huntington Woods * Lathrup Village * Pleasant Ridge
 * Royal Oak * Southfield * Southfield Township

QUARTERLY REPORT April 2018

BOARD OF TRUSTEES	
Representative	Municipality
D. Schueller	City of Berkley
C. Wilson	Village of Beverly Hills
K. Jones	Village of Bingham Farms
P. T. O'Meara	City of Birmingham
H. Drinkwine	City of Clawson
R. Fortura	City of Huntington Woods
K. Marten	City of Lathrup Village
S. Pietrzak	City of Pleasant Ridge
G. Rassel	City of Royal Oak
L. Schultz	City of Southfield
R. Walsh	Township of Southfield

OFFICERS	
Chairman:	H. Drinkwine
Vice Chairman:	G. Rassel
Secretary:	C. Wilson
Advisory Committee:	H. Drinkwine, S. Pietrzak, G. Rassel, C. Wilson

J. A. McKeen	General Manager
R. Jackovich	Operations Manager

The following is the record of SOCWA water sales for the period July 1, 2017 to March 31, 2018. The nine month record shows a decrease in water sales of 1.1% during the current fiscal year compared with the same period of the previous fiscal year. While summer period water sales were significantly lower than last year, fall water sales increased due to the warm, dry fall and water sales also increased for the January to March period.

WATER CONSUMPTION – DAILY AVERAGE (MGD)						
JULY 1 THROUGH MARCH 31						
Month	13/14	14/15	15/16	16/17	17/18	Over or Under 16/17
July	35.92	36.61	34.59	45.77	40.71	- 5.06
August	38.34	32.91	37.06	41.54	38.40	- 3.14
September	32.31	28.27	33.86	32.96	33.87	+ 0.88
October	24.58	23.09	25.69	23.82	25.37	+ 1.55
November	21.63	21.76	21.19	20.80	20.50	- 0.30
December	21.89	21.24	20.66	21.42	20.85	- 0.57
January	23.81	22.37	21.57	21.26	22.44	+ 1.18
February	24.19	22.92	21.33	20.75	21.42	+ 0.67
March	23.51	23.04	20.90	20.73	21.34	+ 0.61
Million Gals./Day	27.39	25.74	26.34	27.65	27.27	- 0.38
Variance	-8.4%	-6.0%	+2.3%	+5.0%	-1.1%	

The following is the precipitation record, as recorded at the Webster Station:

PRECIPITATION – INCHES					
Month	13/14	14/15	15/16	16/17	17/18
July	3.00	2.70	1.30	2.85	1.10
August	3.30	7.20	2.10	2.80	2.30
September	2.00	2.20	1.30	4.49	0.70
October	3.10	1.70	1.80	1.80	5.70
November	2.40	2.40	1.30	1.35	4.30
December	3.60	1.20	1.50	1.70	1.50
January	1.30	2.60	0.90	2.30	1.43
February	0.70	1.20	0.70	2.00	3.25
March	<u>0.80</u>	<u>0.40</u>	<u>2.50</u>	<u>2.80</u>	<u>2.01</u>
Total:	20.20	21.60	13.40	22.09	22.29

MAJOR PROJECTS

GLWA WATER RATES

In late January, GLWA announced a proposed rate increase for SOCWA of 3.5% for 2018/19. As of the beginning of April, the GLWA Board has not approved the rates for 2018/19. SOCWA is projecting a 2.5% increase in the rates charged to both the SOCWA member communities and to Bloomfield Hills and Bloomfield Twp. This increase is entirely due to the proposed rate increase from GLWA. The GLWA rate increase is due to a 2% GLWA budget increase, several reallocations of costs among customers which shifted some costs to SOCWA and lower GLWA water sales including the loss of Genesee County as a GLWA water customer.

GLWA ISSUES

Customer Partnership Agreement

A new “One Water” Customer Partnership Agreement was adopted by GLWA and its customers at a customer meeting on September 28. The signed version of this agreement is attached. This new agreement replaces two separate agreements, one for the water system that dated to 2003 and one for the sewer system that dated to the late 1990’s. This agreement will serve as the guide for the relationship between GLWA and its customers in the future. While I signed this agreement on behalf of SOCWA, the agreement has also been endorsed by the SOCWA Board.

GLWA Customer Outreach

I have been serving as one of five elected customer co-chairs of the Technical Advisory Committee that guides GLWA’s Customer Outreach process. Significant progress has been made in improving the level of communication and understanding between GLWA and its customers through this process, which will be a continuing effort. SOCWA continues to be a strong proponent of GLWA’s customer partnering process.

A number of customers, including me, have been working with GLWA staff to plan for the forthcoming retirement of Project Innovations personnel that have served as the third party facilitators which are a critical component of the Customer Outreach process. This group assisted GLWA with an RFP process to select a new third party facilitator. The committee that reviewed the RFP responses was composed of six GLWA customer representatives and three GLWA representatives. Bridgeport Consulting was selected as the new facilitator and this selection was approved by the GLWA Board. Bridgeport began their work on January 1, 2018. A transition plan is being followed that will result in Bridgeport and Project Innovations working together until Project Innovations personnel retire in May of 2018. The transition plan has been very effective thus far in preparing Bridgeport for this important assignment. The GLWA customer group will be closely monitoring this project due to its importance to the relationship between GLWA and its customers.

Flint

Flint finally signed their long term agreement with GLWA on November 21, 2017. The agreement calls for Flint to post a security deposit equivalent to 3 months of water bills with GLWA for a minimum of 2 years. It is expected that the Governor will appoint a Flint resident to the GLWA Board seat that represents the areas served by GLWA outside of Wayne, Oakland and Macomb Counties.

GLWA Board of Directors

Mr. Freman Hendrix, one of the two GLWA Directors representing Detroit was elected Board Chair for 2018. Mr. Hendrix replaces Mr. Bob Daddow, the Oakland County representative, who had been Board Chair since the formation of GLWA.

Highland Park

Highland Park continues to owe GLWA approximately \$5.5 million in unpaid water bills and \$32 million in unpaid sewer bills. Highland Park continues to make partial payments to GLWA but these payments are not large enough to keep the total balance owed from continuing to grow. Highland Park has recently reached an agreement with the State of Michigan that results in the State paying \$1,000,000 to Highland Park for storm drainage fees for runoff from State highways inside of Highland Park. The State has also agreed to pay a portion of Highland Park's future storm drainage fees. This should result in increased payments from Highland Park to GLWA. GLWA is continuing to pursue collection of the unpaid amounts.

GLWA Website

The GLWA website, www.glwater.org, is a great source of information regarding GLWA. The agendas and minutes for all Board and Board Committee meetings are posted along with procurement information about all projects being performed by GLWA.

PENSION FUNDING

The Board continued to take additional steps to address the underfunded status of SOCWA's pension plans by contributing additional funding to both the salaried and union pension plans. SOCWA has been contributing substantially above the actuarially required amounts to the salaried pension plan for six years and the unfunded liability for that plan has been significantly reduced. The 2017 incremental contribution to the Union plan was the second year we have made an incremental contribution. MERS will complete their actuarial study to determine the funding status of the pension plans before June 2018.

COOLIDGE WATER MAIN REHABILITATION PROJECT

SOCWA is working on the rehabilitation of a one mile section of 16" ductile iron water main in Coolidge between 13 Mile and 14 Mile by installing a polyethylene or composite plastic liner. We worked with HRC to develop a bid package for this project, which was completed in February of 2018. The best proposal, which was also the lowest cost proposal, was from Murphy Pipelines for the insertion of 16" polyethylene pipe inside of the existing 16" ductile iron water main. This construction method requires only a few excavations which will minimize the traffic disruption on Coolidge. This is the first time that this technology has been used in large diameter water mains in Michigan. This project is scheduled to start immediately after Labor Day and will cost approximately \$1.4 million and will be funded through retained earnings.

PROPOSED LEAD AND COPPER SAMPLING REQUIREMENTS

The MDEQ has proposed a series of changes to the State's rules for testing water systems for lead and copper. The EPA has also started a rule making process that could result in changes to these same rules. The changes proposed by the MDEQ could greatly increase our water sampling costs without providing any increased protections to our customers. GLWA and SEMCOG coordinated a consortium of water

suppliers that provided substantial comments to the MDEQ. SOCWA also provided additional comments to both the EPA and to the MDEQ.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager



2017 GLWA “ONE WATER” PARTNERSHIP - 09/28/17

<p><i>City of Allen Park</i></p> <p><i>Village of Almont</i></p> <p><i>Ash Township</i></p> <p><i>City of Belleville</i></p> <p><i>Berlin Charter Township</i></p> <p><i>Brownstown Township</i></p> <p><i>Bruce Township</i></p> <p><i>Burtchville Township</i></p> <p><i>Canton Township</i></p> <p><i>City of Center Line</i></p> <p><i>Chesterfield Township</i></p> <p><i>Clinton Township</i></p> <p><i>Commerce Township</i></p> <p><i>City of Dearborn</i></p> <p><i>City of Dearborn Heights</i></p>	<p align="center">1. PURPOSE</p> <p>1.1 The Great Lakes Water Authority (“GLWA”) and its undersigned members, as defined below, enter into this commitment for the purpose of continuing, strengthening and improving a long-term partnership based on the critical success factors of mutual trust, collaboration, respect, and open and honest communication for the benefit of the public and all signatories to this commitment.</p> <p align="center">2. MEMBERSHIP</p> <p>2.1 The members of this partnership include GLWA, its staff and Board of Directors, and all GLWA wholesale customers (“Customers”), the City of Detroit (“Detroit”), the Michigan Department of Environmental Quality (“MDEQ”), the Southeast Michigan Council of Governments (“SEMCOG”), and consultants representing any of the foregoing members (collectively, “Members”).</p> <p align="center">3. MISSION STATEMENT</p> <p>3.1 To collaboratively ensure a One Water system approach to our regional water and wastewater system that will be economically, socially and environmentally responsible and sustainable.</p> <p align="center">4. MEMBER RESPONSIBILITIES</p> <p>4.1 Members are responsible for providing information generated by and through this partnership to community and organizational stakeholders and clients, as appropriate.</p> <p>4.2 Members are responsible for making contributions to work groups and the timely completion of assignments that they have agreed to accept.</p> <p>Members will abide by and actively support the following rules of collaboration:</p> <ol style="list-style-type: none"> a. Show mutual respect for each Members’ point of view. b. Balance the needs of your individual community or entity with the interests of the system as a whole. c. Work toward consensus on each issue. “Consensus” means an opinion held by all or most of the partnership and/or work group, which is supported by a show of hands. 	<p><i>City of Detroit</i></p> <p><i>City of Eastpointe</i></p> <p><i>City of Ecorse</i></p> <p><i>City of Farmington</i></p> <p><i>City of Farmington Hills</i></p> <p><i>City of Ferndale</i></p> <p><i>City of Flat Rock</i></p> <p><i>City of Fraser</i></p> <p><i>City of Garden City</i></p> <p><i>City of Gibraltar</i></p> <p><i>GLWA</i></p> <p><i>Grosse Ile Township</i></p> <p><i>City of Grosse Pointe</i></p> <p><i>City of Grosse Pointe Farms</i></p> <p><i>City of Grosse Pointe Park</i></p> <p><i>Village of Grosse Pointe Shores</i></p>
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2017 GLWA “ONE WATER” PARTNERSHIP - 09/28/17

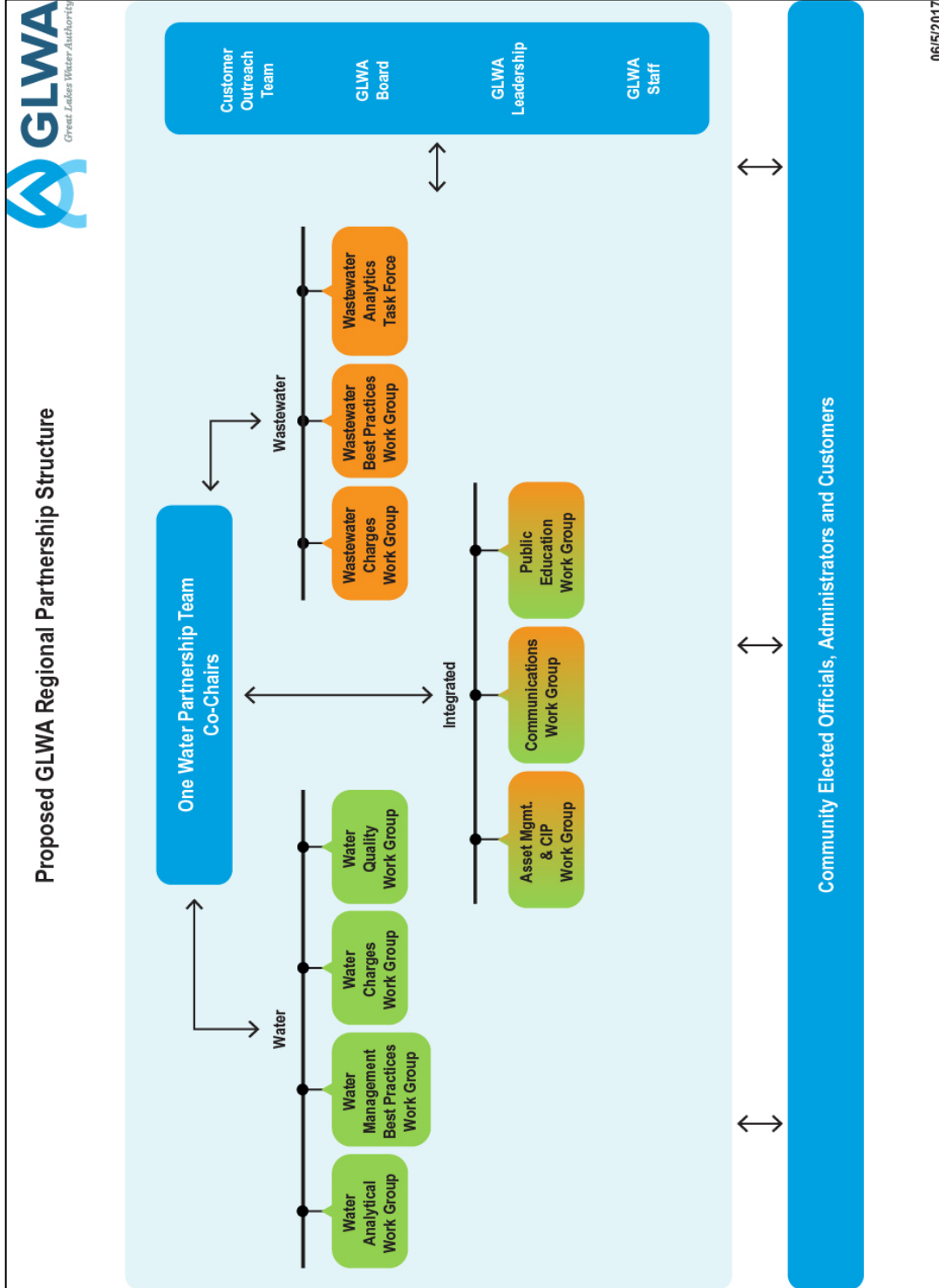
<p><i>City of Grosse Pointe Woods</i></p> <p><i>City of Hamtramck</i></p> <p><i>City of Harper Woods</i></p> <p><i>Harrison Township</i></p> <p><i>City of Hazel Park</i></p> <p><i>City of Highland Park</i></p> <p><i>Huron Township</i></p> <p><i>City of Imlay</i></p> <p><i>Imlay Township</i></p> <p><i>City of Inkster</i></p> <p><i>City of Keego Harbor</i></p> <p><i>City of Lapeer</i></p> <p><i>Lenox Township</i></p> <p><i>City of Lincoln Park</i></p> <p><i>City of Livonia</i></p> <p><i>Macomb Township</i></p>	<p>d. Enter each meeting with a willingness to acknowledge your own personal bias to encourage and maintain a collaborative working environment.</p> <p>e. Respect individual concerns and needs as each Member is unique.</p> <p>f. Be proactive and take initiative in raising issues and providing recommendations prior to, during, and after meetings.</p> <p align="center">5. CUSTOMER OUTREACH</p> <p>5.1 To facilitate the effective conduct of the partnership, GLWA will maintain and manage a Customer Outreach program. This program will include a contracted third-party facilitator responsible for ensuring and sustaining the rules of collaboration within the partnership and furthering the transparent exchange of financial, programmatic, and technical information between GLWA and its Members. The third-party facilitator will have access to all Members of the partnership including GLWA leadership, staff and its Board of Directors, as appropriate.</p> <p align="center">6. PARTNERSHIP ORGANIZATION AND PROCESS</p> <p>6.1 The One Water Partnership (formally known as the water Technical Advisory Committee and wastewater Steering Committee) will conduct facilitated quarterly meetings.</p> <p>6.2 The One Water Partnership co-chairs shall be selected or elected in accordance with the partnership bylaws.</p> <p>6.3 The co-chairs will develop the agenda for each quarterly meeting, in collaboration with the GLWA customer outreach program, GLWA executive staff, and the third-party facilitator.</p> <p>6.4 Each work group will communicate progress updates, recommendations and requests to GLWA leadership, staff and its Board of Directors to enable communication between all Members.</p> <p>6.5 Members will identify and organize work groups to further the mission of the partnership. The work groups existing as of September 28, 2017, are identified in the attached Exhibit A.</p>	<p><i>City of Madison Heights</i></p> <p><i>Mayfield Township</i></p> <p><i>MDEQ</i></p> <p><i>MDOT</i></p> <p><i>City of Melvindale</i></p> <p><i>Village of New Haven</i></p> <p><i>NOCWA</i></p> <p><i>City of Northville</i></p> <p><i>Northville Township</i></p> <p><i>City of Novi</i></p> <p><i>City of Oak Park</i></p> <p><i>Oakland County</i></p> <p><i>Oakland-Macomb Interceptor District</i></p> <p><i>City of Plymouth</i></p> <p><i>Plymouth Township</i></p>
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2017 GLWA “ONE WATER” PARTNERSHIP - 09/28/17

7. PARTNERSHIP GOALS		
<p><i>Redford Township</i></p> <p><i>City of River Rouge</i></p> <p><i>City of Riverview</i></p> <p><i>City of Rockwood</i></p> <p><i>City of Romeo</i></p> <p><i>City of Romulus</i></p> <p><i>City of Roseville</i></p> <p><i>Royal Oak Township</i></p> <p><i>SEMCOG</i></p> <p><i>Shelby Township</i></p> <p><i>SOCWA</i></p> <p><i>Southgate</i></p> <p><i>Village of South Rockwood</i></p> <p><i>City of St. Clair Shores</i></p> <p><i>City of Sterling Heights</i></p> <p><i>Sumpter Township</i></p> <p><i>City of Sylvan Lake</i></p>	<p>7.1 To protect the public health, safety and welfare of the public served by the regional system.</p> <p>7.2 To participate in the optimization of critical GLWA business processes such as asset management, capital improvement project identification and planning, continuing education, procurement, public relations, strategic planning, and training.</p> <p>7.3 To identify and further business and technical innovations with the potential to make effective and efficient contributions to the partnership such as cooperative purchasing, joint economic development, regional training, and piloting new technologies.</p> <p>7.4 To actively participate in the development and roll out of water and wastewater charges to minimize controversy.</p> <p>7.5 To expand partnership participation to those Members who do not regularly engage in partnership activities.</p> <p>7.6 To identify and cultivate utility leaders of the future.</p> <p>7.7 To develop a multi-jurisdictional, multi-agency approach to infrastructure renewal and development.</p>	<p><i>City of Taylor</i></p> <p><i>City of Trenton</i></p> <p><i>City of Troy</i></p> <p><i>City of Utica</i></p> <p><i>Van Buren Township</i></p> <p><i>City of Walled Lake</i></p> <p><i>City of Warren</i></p> <p><i>Washington Township</i></p> <p><i>City of Wayne</i></p> <p><i>Wayne County</i></p> <p><i>West Bloomfield Township</i></p> <p><i>City of Westland</i></p> <p><i>City of Wixom</i></p> <p><i>City of Woodhaven</i></p> <p><i>YCUA</i></p>
8. WORK GROUP GOALS		
	<p>8.1 Work group goals shall be established annually in consultation with co-chairs and the GLWA Customer Outreach program.</p> <p>8.2 Goal progress will be tracked by the third-party facilitator and progress updates will be provided to the Members at quarterly partnership meetings.</p>	
9. PARTNERSHIP EVALUATION PROCESS		
	<p>9.1 Co-chairs shall, in consultation with each work group, prepare a scorecard to evaluate GLWA performance and present it to GLWA leadership at prescribed intervals.</p> <p>9.2 The Customer Outreach program shall provide written status reports to co-chairs, GLWA leadership and its Board of Directors on quarterly basis, to include an evaluation of the partnership activities.</p>	




Exhibit A



September 28, 2017 – One Water Partnering Agreement

NAME	ORGANIZATION
Cheryl Foster	GLWA
Christopher A. DuBay Pat Williams	City of Hazel Park CANTON TOWNSHIP
Robert A. Blum II	CANTON TWP.
J. Selmi	REDFORD TWP.
Stephanie J. Kushi	Village of Almont.
Mimi Mondrow	City of Farmington Hills
Ed Queen	City of WAYNE
Paul E. Mith II	SHELBY TOWNSHIP
Nicole Delais	Hubbell, Roth & Clark, Inc.
Mark Michely	NOCWA
Maria Scott	Fishbeck, Thompson, Carr & Huber
Pat Gillett	CE Raine Co.
Tonymy	city of Allen park
Glen Rogien	city of Taylor.
James Greenhouse	ENGINEERING Society of Detroit
Cheryl King	City of Farmington
D. S. Cetera	CHARTER TOWNSHIP OF HARRISON

September 28, 2017 – One Water Partnering Agreement

NAME	ORGANIZATION
Jocelynne Lewis	GLWA
Mark Miller	Socwa
Nikki Botson	GLWA
Suzanne Coffey	GLWA
Jim Price	Oakland County
Jeri J. Cury	GLWA
Jana Taylor	Van Buren Township
	CITY OF INGLIS CITY
1-1-17	City of Detroit/DWSD
	Northville Township
	CANTON TWP.
Ther Puelker	CITY OF WARREN
EWWA	DEARBORN
John Miller	City of Livonia
Daryl Allen	Shelby Twp DPW
Dany Mor	Westland
Jennifer J. Moin	Applied Science, Inc.
William Mac	Browns town Twp.

September 28, 2017 – One Water Partnering Agreement

NAME	ORGANIZATION
[Signature]	GLWA
[Signature]	GLWA
[Signature]	SEMCOG
[Signature]	CHESTERFIELD TOWNSHIP
[Signature]	LIVONIA
[Signature]	Anderson, Eckstein & Westrick
[Signature]	Clinton Township
[Signature]	WADE TRIM ASSOCIATES
[Signature]	OCWRC
[Signature]	WADE TRIM ASSOCIATES
[Signature]	GLWA