

Confidential Position Profile



GREAT LAKES WATER AUTHORITY

Title: Chief Executive Officer

ORGANIZATION

The [Great Lakes Water Authority \(GLWA\)](#) is a newly formed wholesale regional water and sewer authority responsible for serving wholesale water and sewer customers that deliver retail services to approximately four million residents throughout Southeast Michigan. The GLWA was established through an historic regional governance agreement between the City of Detroit, Wayne, Oakland, and Macomb counties, and the State of Michigan. A Memorandum of Understanding outlining the terms of this agreement was signed on September 9, 2014 and Articles of Incorporation were filed with the State of Michigan on November 25, 2014. These agreements provide for a six-member GLWA Board comprised of two members appointed by the City of Detroit, one member appointed by each of the three County Executives, and one member appointed by the Governor of the State of Michigan. A super-majority vote is required for several key actions including the approvals of budgets, rates and capital improvement programs as well as the hiring of a Chief Executive Officer (CEO).

On June 12, 2015, leases of the regional water and sewerage facilities between the City of Detroit and the GLWA were approved and executed. GLWA will assume management and operational responsibility for the current Detroit Water and Sewerage Department (DWSD) regional system upon the completion of a number of condition precedents to the GLWA's Effective Date. Detroit will lease to GLWA approximately 400 miles of regional water mains and 360 miles of regional sewer pipes, five water filtration plants, the Jefferson Avenue Sewage Treatment Plant, and a number of retention basins and pump stations. In exchange, GLWA will allocate \$50 million per year of GLWA system revenue requirements to a fund to be used by the City of Detroit to pay for Detroit local system improvements, for debt service on bonds issued to fund Detroit local system improvements, or for the City's share of debt service incurred to fund regional system improvements

As part of this agreement, the Detroit Water and Sewerage Department (DWSD) will retain responsibility for retail water and sewer service delivery in Detroit and serve as the GLWA's Agent

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for Detroit retail rate setting, customer billing and collections. Similarly, GLWA's wholesale customers will retain responsibility for managing and operating their own local water/sewer systems and the billing and collections systems for their residents.

DWSD employs approximately 1,400 people today and it is anticipated that some of these people will stay with DWSD and others will be offered employment with GLWA. In this context, it is noteworthy that recent DWSD leadership has reduced staffing levels from 2,102 in 2011 to 1,358 in 2015 as part of a continuing optimization program. Staffing reductions, effected largely through attrition, have been accomplished with implementation of revised job classifications and requirements, staff training, and revised work rules. DWSD has executed Collective bargaining Agreements with nine (9) bargaining units; the minority of remaining represented employees work under City Employment Terms (CETs).

GLWA will be assigned approximately \$5.8 billion of outstanding indebtedness of which approximately \$ 0.5 billion are State Revolving Fund loans. The remaining senior and subordinate revenue bond debt is currently rated: BBB+ by S&P, Ba2 by Moody's, and BBB-/BB+ by Fitch. One of the condition precedents to the Effective Date of the Authority is a ratings confirmation at levels at least as high as those of the current DWSD bonds.

DWSD had an extensive history of regulatory non-compliance, litigation, and financial challenges. Issues related to regulatory noncompliance involved 37 years of federal district court oversight due to alleged violations of the Clean Water Act. Litigation included challenges to DWSD's water and sewer rates charged to wholesale customers. Financial challenges have included, among other things, significant write-offs due to troubled capital projects and financial transactions. In 2011, these challenges precipitated federal district court orders to establish DWSD's Purchasing, Human Resource, Law and Finance divisions, independent from the City of Detroit.

Since 2011, the Department's performance with respect to these most acute challenges has improved markedly. Regulatory compliance is now a fundamental part of DWSD operations. Further improvements are anticipated with the completion in 2016 of a biosolids management facility under a design-build-operate contract. The Department has a successful wholesale customer outreach program through which capital planning; budgeting and rate setting are accomplished through a collaborative process, setting aside years of acrimonious litigation. Independent projections of financial performance, conducted in conjunction with the GLWA lease negotiation process, indicate the GLWA will have adequate resources to meet its all its obligations, including those required under the GLWA –City of Detroit lease and arising out of the City's bankruptcy Plan of Adjustment.

THE GLWA CEO position represents a unique opportunity to advance the economic recovery of the southeastern Michigan region by helping provide effective, efficient water and sewerage services, now under a new regional governance structure.



LOCATION

Headquarters in Detroit, Michigan

REPORTING RELATIONSHIP

The Chief Executive Officer (CEO) will report to the six-member GLWA Board of Directors.

RESPONSIBILITIES

GLWA is seeking a top-tier executive to lead the newly formed organization. The CEO will be responsible for executing policy goals and objectives established by the GLWA Board of Directors, and communicating with elected officials, outside consumer groups, other government entities, regulatory agencies, utility leadership and labor unions, and the media.

The ongoing responsibilities include the following:

- Leading the efficient, effective, and regulatory compliant operations and maintenance of GLWA's leased regional facilities consistent with the terms and conditions of the applicable lease and shared services agreements between GLWA and the City of Detroit.
- Selecting, managing, and leading the GLWA executive staff. Developing, supervising, and administering GLWA staff and programs and leading negotiation of collective bargaining agreements with applicable local bargaining units. Providing oversight to process of screening employee compensation packages and presenting options / recommendations for GLWA Board consideration.
- Ensuring development, implementation, and financing of the GLWA capital improvement programs and representing GLWA before municipal credit rating agencies and the investor community.
- Leading the preparation of GLWA's strategic and business plans and water resource system master plans based on policy direction from the Board of Directors.
- Ensuring GLWA's operations comply with local, state, and federal water quality and related environmental and safety standards.
- Ensuring legal compliance with all indentures, rate covenants, lease requirements and municipal authority laws.
- Directing water and sewer service contracting efforts, including contract negotiations.
- Representing the GLWA in local, regional and state initiatives to advance regional collaboration, economic development and utility system optimization.
- Representing the GLWA in activities of relevant professional societies and organizations.



QUALIFICATIONS

The successful candidate will have the necessary work experience to have gained extensive knowledge and practical experience with the principles, practices, and techniques of organizational leadership, administration, management, and public relations and issues management required to effectively lead an organization of GLWA's size and complexity.

The final candidate will have many of the following experiences, skills, and personal attributes.

- Demonstrated knowledge of water and sewer systems engineering, construction, repair, and operations including the applicable laws, rules, regulations, and ordinances related to water and sewer systems.
- Proven ability to work collaboratively with an active governing board in establishing and implementing policy goals and objectives and to maintain effective working relationships with the GLWA Board, regulatory agencies, customer communications, and other municipal officials.
- Demonstrated experience working collaboratively with staff, suppliers, outside consultants, contractors, the media, and the general public.
- Considerable knowledge of relevant labor agreements and personnel policies and procedures.
- Proven ability to supervise and motivate a large and varied staff operating on a 24-hour basis in a unionized work environment.
- Demonstrated knowledge of government budgeting, accounting, finance, and procurement practices.
- Confirmed ability to identify potential opportunities to realize cost savings in utility operations and capital project delivery.
- Proven experience in organizational restructuring, achieving cost savings and efficiencies, and effecting organizational culture change is strongly preferred.
- A valid Michigan Motor Vehicle Operator's License, or the ability to acquire such license within one month of commencing employment, is required.

EDUCATION/CERTIFICATIONS

- A Bachelor's degree with a minimum of five years of experience in management and leadership roles of public entities, water/wastewater utilities, and/or business or public entities subject to environmental regulation, or acceptable combination of education and experience is required. A Master's degree in a related field is preferred.



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COMPENSATION

An attractive compensation package will be offered consisting of a base salary, performance bonus, and benefits package to include health, dental, short-term disability, long-term disability, savings plan, and paid vacation time will also be provided.

CONTACT INFORMATION

For additional information, to make a recommendation, or to be considered confidentially, contact:

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