



WATER RESOURCES COMMISSIONER

John P. McCulloch

2008 Annual Report



Oakland County, Michigan



Executive Summary

John P. McCulloch
Water Resources Commissioner



To: The Citizens of Oakland County

It gives me great pleasure to submit this, the executive summary of the 2008 Annual Report. I began 2008 as your Oakland County Drain Commissioner and finished the year as your Oakland County Water Resources Commissioner. With a change in state law and the approval of the Oakland County Board of Commissioners, the new name became official on November 5, 2008. It is designed to more accurately reflect the duties and responsibilities of the office.

Considering how the duties have changed since the nineteenth century when lawmakers established the position of a county drain commissioner, the name change makes sense. Back then, the drain commissioner just dealt with drainage issues. Today, the office has grown to encompass a much greater array of responsibilities including water treatment and distribution, wastewater collection and treatment, storm water drainage, lake level controls and a wide variety of water quality issues.

I invite you to read about two national awards we won from the National Association of Clean Water Agencies (NACWA). The Commerce Township Wastewater Treatment Plant and the Walled Lake-Novis Wastewater Treatment Plant each won top performance awards. In previous years, these two facilities have received either gold or silver awards. This year, as they did last year, both came home with the gold. It is a testament to their conscientious dedication to the environment in general and clean water in particular.

I continue to be proud of the conscientious men and women whose teamwork and dedication to excellence are beyond reproach. We've accomplished a great deal during 2008. Still, there always is room for improvement. In fact, continuous improvement is our mantra. Those aren't just empty words. Once again, we earned recertification for both our ISO 9000 quality system and ISO 14000 environmental management system. Our environmental management system represents our never-ending commitment to being responsible stewards of our planet.

Finally, I'd like to hear from you. If you have any helpful suggestions for improvement that you'd like to share, please let us know.

Very truly yours,

A handwritten signature in blue ink that reads "JP McCulloch". The signature is written in a cursive style with a large, stylized initial "J".

John P. McCulloch

Exploring the World's Best Water Technology Solutions Technion City, Haifa, Israel

The Michigan Water and Wastewater Center of Excellence is seeking to partner with Israeli companies and universities to identify promising technologies in both countries, install them in "real world" applications and quickly transform them into profitable businesses with a presence in both the United States and Israel.

The Center of Excellence will leverage the operational knowledge of operating water and wastewater utilities from both countries. Research capabilities of Michigan and Israeli universities and business support services will be utilized in a manner that is comprehensive but not duplicative. Public utilities in Michigan will provide access to operations and highly skilled professionals to identify, prototype, test, verify and ultimately purchase developing technology. These technology developers will have access to business support services already available through non-profit entities that focus on workforce and business development initiatives.

Matching promising technologies with existing high tech providers is a proven method to drive down capital costs while improving reliability.

The Center of Excellence is well suited to address the gaps and opportunities for improving and protecting water quality.



Michigan Governor Jennifer Granholm teams with Commissioner John McCulloch discuss critical water technology with an official in Israel

Walnut Lake Pump Station Wins Project of the Year Award



The Walnut Lake #1 Pump Station won the 2008 Outstanding Civil Engineering Achievement Award for the State of Michigan. The award was presented at a ceremony in Kalamazoo by the American Society of Civil Engineers.

The award follows one received last May by the facility which captured the "Project of the Year" award for southeastern Michigan. Both awards recognize the pump station for its role in eliminating some two million gallons of sanitary sewer overflow to the Franklin Branch of the Rouge River.

The pump station maintains a connection to the Farmington Interceptor and the Evergreen Interceptor to create a "flow swapping" arrangement that enables the facility to deliver flows to the two different interceptors at half the cost of a traditional storage tank solution.

This pump station was built at a cost of \$11 million and has saved the communities served by the Evergreen-Farmington system about \$240 million.

The traditional approach would have been to simply build another tank to hold the excess wastewater until it could be properly treated. With the pump station's ability to send flow in any direction, it can utilize existing storage capacity in the system.

The holistic approach serves as a model for reusing, recycling and enhancing existing facilities rather than building new and expensive infrastructure.

We're extremely pleased that this facility has been honored by this award. Not only does it represent a huge savings in terms of real dollars, it also means that the river will be afforded renewed and continuous protection from pollution.



Enterprise Funds

Enterprise Funds are funds that include salaries and contracted services as well as materials, water and sewer services from the City of Detroit and a host of other expenses. Consequently, Enterprise Funds represent the largest single expenditure category in our annual budget.

In 2008, Enterprise Funds expenditures came in at nearly \$139 million. It included the 14 communities in the George W. Kuhn Drainage District. It also included the 15 communities in the Evergreen-Farmington Sewage Disposal System and the 12 municipalities in the Clinton-Oakland System. The Huron-Rouge System which serves the City of Novi and a portion of the City of Northville also was included.

Construction Funds

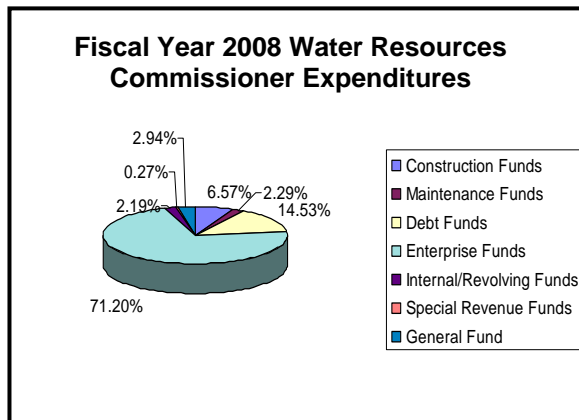
Construction expenditures were a distant second in terms of expenditures for the Water Resources Commissioner's Office in 2008. With nearly \$13 million being spent in this category, construction expenditures represented 6.57 percent of our budget.

Debt Funds

There were about \$28 million in the Debt Funds category. Debt Funds, which represent money set aside to meet current and future obligations, were 14.54 percent of our annual budget.

Maintenance Funds, Internal/Revolving Funds

Maintenance Funds and Internal/Revolving Funds, at approximately \$4.5 million and \$4.3 million respectively, accounted for about 4.5 percent of the budget.



General Fund

The General Fund is the chief operating fund for Oakland County and represents only a small portion of our total operating budget, less than three percent, or approximately \$5.7 million. That means that the majority of our funding came from water and/or sewer rate payers in communities with systems that we operate and maintain.

Special Revenue Funds

The Special Revenue Funds represent the amount of pollution control grants in our spending plan. It amounted to approximately \$535,000 in 2008.

Fiscal Year 2008 Water Resources Commissioner Expenditures by the Numbers

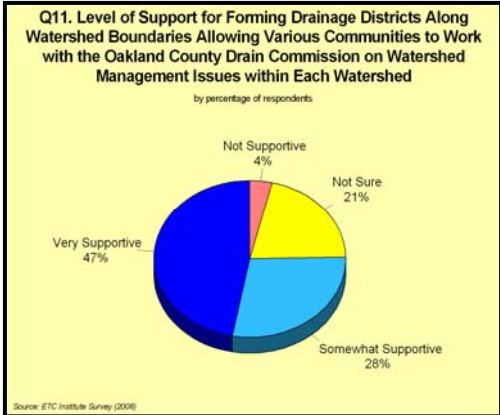
Category	Expenditures	Revenues	Income (Loss)	% of Expenditures
Construction Funds	\$12,820,889.42	\$10,193,040.06	(\$2,627,849.36)	6.57%
Maintenance Funds	\$4,473,303.86	\$4,459,410.48	(\$13,893.38)	2.29%
Debt Funds	\$28,364,519.26	\$28,538,835.20	\$174,315.94	14.53%
Enterprise Funds	\$139,002,755.33	\$139,754,306.35	\$751,551.02	71.20%
Internal/Revolving Funds	\$4,278,949.15	\$4,416,120.39	\$137,171.24	2.19%
Special Revenue Funds	\$535,296.24	\$409,345.02	(\$125,951.22)	0.27%
General Fund	\$5,739,665.96	\$1,794,973.22	(\$3,944,692.74)	2.94%
Total	\$195,215,379.22	\$189,566,030.72	(\$5,649,348.50)	100.00%

Gauging Oakland County's Attitudes About Water Quality

A Community Attitude and Interest Survey was conducted during the spring of 2008 to help establish priorities regarding storm water, wastewater, drinking water, sewage and environmental issues within Oakland County. The survey, which is available on our Web site, was designed to obtain statistically valid results from households throughout Oakland County.

The ETC Institute of Olathe, Kansas conducted the survey polling more than 800 Oakland County residents to determine how they felt about storm water, wastewater, drinking water and other environmental issues.

The results are important because now, through the use of statistically valid results from households throughout Oakland County, community leaders and elected officials are better equipped to establish priorities in dealing with water-related issues.



An example of a survey question.



Once Again, a Pair of Gold Medals

Once again, the Commerce Township Wastewater Treatment Plant and the Walled Lake-Novı Wastewater Treatment Plant have won top performance awards from the National Association of Clean Water Agencies (NACWA).

For the second year in a row, both facilities were awarded the prestigious Gold Peak Performance Award. The award recognizes compliance excellence and complete compliance with the National Pollutant Discharge Elimination System Permit.

The award is powerful evidence of the level of conscientious professionalism displayed by the staff working at these two facilities.

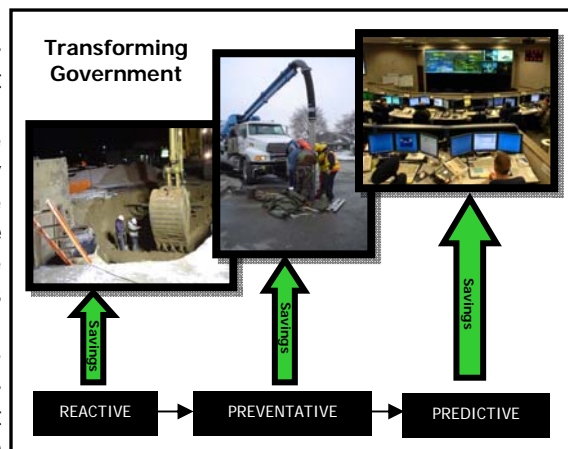
This marks the fifth year that the Walled Lake-Novı plant and fourth year that the Commerce Township plant have been cited for top honors. In previous years these two facilities have received either gold or silver awards.

CAMS Provides 'One-Stop Shop' for Communities Managing Assets

Kicking off the New Year, the Oakland County Board of Commissioners used its first meeting of 2008 to approve the \$6.6 million Collaborative Asset Management System (CAMS).

CAMS is a standardized, countywide infrastructure management system that will allow Oakland County and its local units of government to proactively manage assets and mitigate long-term costs associated with the operation and maintenance of critical infrastructure such as water systems, wastewater and storm drains and even roads.

It is projected that CAMS will save communities millions of dollars over the life of the system precisely because it is a computerized maintenance management system that offers "real time" applications that improve evaluations, inspections and complaint correction while providing a "one-stop shop" for water resource-related activities. It also mitigates long-term costs associated with the operation and maintenance of critical infrastructure such as water, wastewater and roads.



Promoting Environmental Message is a Year-Round Activity

I am very proud of all the wonderfully talented young artists and their teachers who participated in our 2009 Kids' Clean Water Calendar Contest. The drawings keep getting better and better. I appreciate how they portrayed several diverse and important environmental messages with such artistic flair. I continue to be amazed that we have so many remarkably talented youngsters here in Oakland County.

My staff and I are committed to working with residents of all ages in our quest to spread the message about the importance of protecting

and preserving our most precious natural resource – clean, fresh water. The messages contained in the students' artwork displayed in the 2009 calendar provide year-round testimony that our young people play an important role in making a difference in water quality.

The frog pictured above with the important message about keeping water clean was one of nearly 1,800 entries in this year's calendar contest. It was selected as this year's winner.



Soccer Fields Put Treatment Facility Property to Good Use



In October, we celebrated the grand opening of the Red Oaks Youth Soccer Facility in Madison Heights. Beneath the nine soccer fields, the George W. Kuhn (GWK) combined sewer treatment facility, continues to serve its communities. Some \$144 million in water quality improvements were recently completed.

The soccer facility is home to the Madison Heights Youth Soccer Association and is open to teams from the 14 communities served by the treatment facility. Also included is a park shelter, pavilion and concession stand.

The Oakland County Parks and Recreation Commission contributed \$250,000 for the addition of playground equipment, while Lowe's, a nationwide chain of home improvement superstores, generously donated \$150,000 toward that effort.



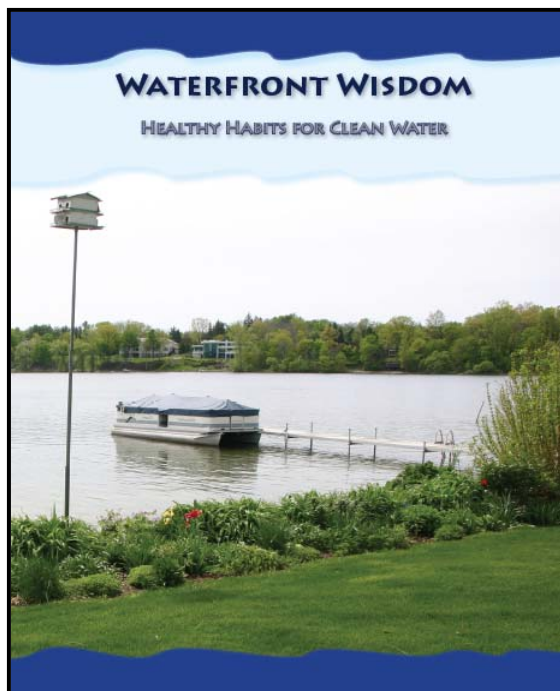
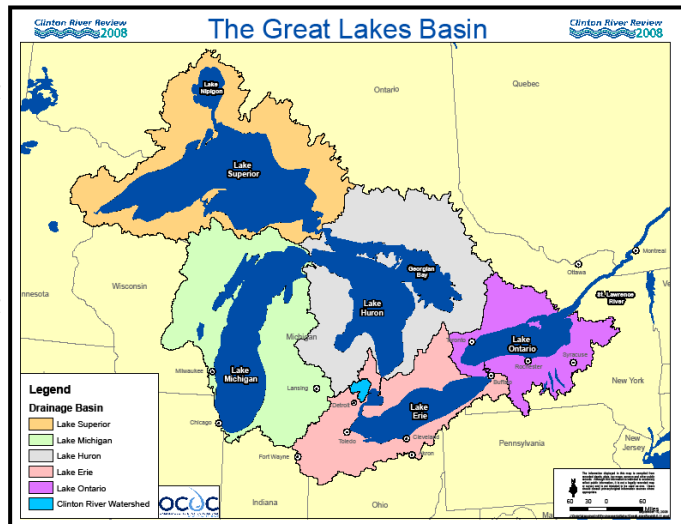
Fifth Annual Clinton River Review at Oakland University

Each year, for the past five years, the Oakland County Water Resources Commissioner's Office (formerly the Drain Commissioner's Office) teams with Oakland University in Rochester Hills to sponsor the Clinton River Review.

The Clinton River Review is a free, half-day event where local officials, watershed stakeholders, students and the public learn about the progress and challenges associated with protecting and restoring the Clinton River and its watershed.

The Clinton River Watershed, and its more than 1,000 miles of waterways, is Michigan's most populous watershed. Its 760 square miles provide a beautiful, natural setting that is called home by a variety of wildlife.

The Clinton River Review is divided into three main components. There is a technical portion where comprehensive summaries of a few of our more exciting programs are highlighted. That's followed by the keynote address which is the core of the program. The keynote address typically focuses on Great Lakes issues. The final portion of the Clinton River Review is dedicated to our elected Washington delegation to provide their insight and guidance.



Helping Lakefront Residents Protect the Environment

There are more than 1,400 lakes and numerous tributary streams and rivers that flow throughout Oakland County. That means each waterfront property owner must play an important role in water resource protection.

With the help of a federal grant from the Rouge River National Wet Weather Demonstration Project, the Oakland County Water Resources Commissioner's Environmental Team produced a comprehensive booklet to help lakefront property owners be good environmental stewards.

The booklet provides helpful tips on lawn and garden care. It explains how carefully fertilizing yards and properly maintaining boats and other water craft will help keep pollutants such as sediment, nutrients, bacteria, grease, oil and pesticides from entering our waterways.

If you would like a copy of the booklet, please contact our Environmental Team or download a copy from our Web site at: www.oakgov.com/riparian.

Improving Our Commitment To Better Customer Service

As part of our on-going commitment to increased customer service, we increased the hours we're open for business from the traditional 8:30 a.m. to 5 p.m. to 7:30 a.m. to 6 p.m. each weekday. By opening a full hour earlier and staying open for business a full hour later, we make it more convenient for our customers to pay their water bills or stop by to conduct other business.



To meet the expanded service hours, several employees have chosen to work four, 10-hour days as a way to improve customer service.

At the same time, employees save 20 percent on their commuting costs. It's a win-win situation, especially during periods of high gasoline prices. Additionally, with fewer cars on the road during peak periods, rush hour should see less traffic congestion.

But the real key is improving customer service. To that end, we've incorporated automatic bill payment options where customers can have their payment amounts automatically deducted from their checking or savings accounts. New this year is on-line bill payments. In addition to the convenience of making payments from the comfort of home, customers can check their account balances and view a graphical history of water consumption.



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