Audit Committee

Friday, June 16, 2017 at 8:00 a.m.

5th Floor Board Room, Water Board Building
735 Randolph Street, Detroit, Michigan 48226
GLWater.org

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
   A. May 15, 2017 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
   A. Update: FY 2016 Audit
   B. Closeout Report: Final FY 2018 Wholesale Service Charges (Page 5)
7. NEW BUSINESS
   A. FY 2016 and FY 2017 Budget to Actual Report (Addendum)
   B. Trust Receipts and Disbursements Report - 3rd Quarter FY 2017 (Page 10)
   C. Procurement Policy Review (Addendum)
8. REPORTS
   A. Quarterly Investment Report through March 31, 2017 (Page 14)
   B. Monthly Revenue & Collections Report for June 2017 (Page 48)
   C. Treasury Report - Cash Transfers to DWSD through June 1, 2017 (Page 73)
   D. CFO Update (Page 75)
9. LOOK AHEAD
   Next Audit Committee Meeting – July 14, 2017 at 8 am Regular Meeting
10. INFORMATION
    A. None
11. OTHER MATTERS
12. ADJOURNMENT

Great Lakes Water Authority

735 Randolph Street
Detroit, Michigan 48226
https://glwater.legistar.com

Meeting Minutes

Friday, May 19, 2017

8:00 AM

Water Board Building 5th Floor

Audit Committee

1. Call To Order

Chairman Baker called the meeting to order at 8:03 a.m.

2 Roll Call

Present: 3 - Chairman Brian Baker, Director Robert Daddow, and Director Abe Munfakh

3. Approval of Agenda

Chairman Baker requested a Motion to approve the Agenda.

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Approved
The motion carried by a unanimous vote.

4. Approval of Minutes

A. 2017-256 Approval of Minutes - April 26, 2017

Indexes: Finance

Attachments: April 26, 2017 Special Audit Committee Meeting Minutes

Chairman Baker requested a Motion to approve the April 26, 2017 Meeting Minutes.

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Approved
The motion carried by a unanimous vote.

5. Public Comment

None

6. Old Business

A. 2017-257 Update: FY 2016 Audit

Indexes: Finance

Attachments: GLWA FY 2016 Audit Extension thru 6.30.2017

Addendum Binder 5.19.2017 Audit Committee

Motion by Director Munfakh, Support by Director Daddow to affirm the recommendation of the management team to proceed with funding an independent audit for the Detroit Water and Sewerage Department audit through December 2015.
Action: Approved
The motion carried by a unanimous vote.

7. New Business

A. 2017-258 Action Item: State Revolving Fund (SRF) Project Plans

Indexes: Finance

Attachments: Audit Committee Memo- SRF Project Plans 5.19.2017_nnb5.16.17

GLWA Resolution 2017-XXX_Project Plan DRI Rehabilitation_nnb5.16.17

GLWA Resolution 2017-XXX_Project Plan COF Rehabilitation_nnb5.16.17

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Approved
The motion carried by a unanimous vote.

(Public Hearing Notices and Project Plans online at http://www.glwater.org/category/news/hearing-notices)

B. 2017-264 FY 2018-2022 Financial Planning Cycle

Indexes: Finance

Attachments: FY 2018-2022 Financial Planning Cycle

Addendum Binder 5.19.2017 Audit Committee

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Received and Filed
The motion carried by a unanimous vote.

C. 2017-259 Action Item: Proposed Contract Extension - The Foster Group

Indexes: Finance

Attachments: CS1558 Status Report Proposal 050517

CS1558 The Foster Group Contract Proposal 05162017

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Recommended for Approval to the Board of Directors Agenda June 14, 2017
The motion carried by a unanimous vote.

8. Reports

A. 2017-260 Monthly Revenue & Collections Report for May 2017

Attachments: Monthly Revenue and Collections Report 05.19.2017

AR Aging W-S-IWC-PS_04.30.17

Motion By: Abe Munfakh, Support By: Robert Daddow
Action: Received and Filed
The motion carried by a unanimous vote.

B. 2017-261 Treasury Report - Cash Transfers to DWSD through May 1, 2017

Indexes: Finance

Attachments: GLWA Audit Committee Memo DWSD Cash Transfers May 2017

Audit Committee - Monthly Transfers to DWSD May 2017

Audit Committee - Monthly Transfers to GLWA May 2017

Motion By: Abe Munfakh, Support By: Robert Daddow
Action: Received and Filed
The motion carried by a unanimous vote.

C. 2017-262 Quarterly Investment Report through December 31, 2016

Indexes: Finance

Attachments: GLWA Audit Committee Memo Investment Reporting 5.2017

Investment Report 12.31.16

Motion By: Robert Daddow, Support By: Abe Munfakh
Action: Received and Filed
The motion carried by a unanimous vote.

D. CFO Update (Verbal)

Nicolette Bateson, Chief Financial Officer/Treasurer, gave a staffing update.

9. Look Ahead

Next Audit Committee Meeting – June 16, 2017 at 8 a.m. Regular Meeting

10. Information

None

11. Other Matters

There were no other matters.

12. Adjournment

Chairman Baker requested a motion to adjourn.

Motion By: Abe Munfakh, Support By: Robert Daddow
Action: Approved
The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 10:25 a.m.

THE FOSTER GROUP

P.O. BOX 26282
LEAWOOD, KS 66225
TEL: (913) 345-1410
FAX: (913) 345-1640

THE FOSTER GROUP, LLC
BART FOSTER, PRESIDENT
CELL: (913) 530-6240
BFOSTER@FOSTERGROUPLLC.COM

MEMORANDUM

Final FY 2018 Wholesale Service Charges June 14, 2017

To: Nickie Bateson

From: Bart Foster

On Wednesday, June 7 the GLWA Board of Directors approved the recommended wholesale water and sewer charges for FY 2018, and the corresponding annual water and sewer revenue requirements allocable to the Detroit customer class. *See attached exhibits.* The recommendations are set forth in our memorandum of June 6, which serves to update the original proposals documented in our memorandum of February 12. This document has been prepared to provide a high level summary of the final recommendations.

Water Charges Highlights

- Overall FY 2018 BUDGET is approximately 1% ***lower*** than the FY 2017 BUDGET
- Progress in long-term service agreement discussions with the City of Flint and Genesee County relieves pressure on revenues
- Resolution of financial items that were estimated in original proposals provides a better estimate of actual performance
- Water charges for wholesale customers will increase by an average of 2 percent, rather than the 4 percent originally proposed in January

Sewer Charges Highlights

- Overall FY 2018 BUDGET reflects an increase of 0.3% from the FY 2017 BUDGET
- The full technical recommendation regarding SHARE updates is reflected, resulting in a revenue requirement reallocation from Detroit to Suburban Customers of approximately $12 million, but with an equal two-year phase-in thereby reducing the year one impact by 50%;
- Improvement in Highland Park payments which lowered the bad debt charge to wholesale customers
- Resolution of financial items that were estimated in original proposals provides a better estimate of actual performance
- Sewer charges for wholesale customers will increase by an average of 1.9 percent, rather than the 4.7 percent originally proposed in January

Great Lakes Water Authority
Calculation of Final Proposed FY 2018 Wholesale Water Service Charges

	Originally Proposed		*Final*	Adjusted Proposal	
	Fixed Mo	Commodity	*Adjustment*	Fixed Mo	Commodity
Community	*$/mo*	*$/Mcf*	***-2.0%***	*$/mo*	*$/Mcf*
Allen Park	118,700	7.01		116,400	6.87
Almont Village	11,100	9.91		10,900	9.72
Ash Township	38,000	7.56		37,300	7.41
Belleville	15,800	8.81		15,500	8.64
Berlin Township	36,600	10.10		35,900	9.90
Brownstown Township	174,300	10.07		170,900	9.87
Bruce Twp	8,800	67.88		8,600	66.55
Canton Township	663,900	15.83		650,900	15.52
Center Line	24,200	5.94		23,700	5.82
Chesterfield Township	195,300	9.56		191,500	9.37
Clinton Township	400,500	7.93		392,600	7.77
Commerce Township	252,300	20.64		247,400	20.24
Dearborn	482,600	6.23		473,100	6.11
Dearborn Heights	194,300	7.33		190,500	7.19
Eastpointe	82,500	5.79		80,900	5.68
Ecorse	72,800	3.90		71,400	3.82
Farmington	50,000	8.44		49,000	8.27
Farmington Hills	455,800	9.96		446,900	9.76
Ferndale	50,100	5.91		49,100	5.79
Flat Rock	61,000	7.63		59,800	7.48
Fraser	66,500	8.36		65,200	8.20
Garden City	83,900	7.49		82,300	7.34
Gibraltar	23,900	11.05		23,400	10.83
Grosse Ile Township	65,200	12.62		63,900	12.37
Grosse Pt. Park	72,800	9.53		71,400	9.34
Grosse Pt. Shores	31,600	12.82		31,000	12.57
Grosse Pt. Woods	74,600	8.29		73,100	8.13
Hamtramck	34,800	4.72		34,100	4.63
Harper Woods	44,500	6.21		43,600	6.09
Harrison Township	73,100	6.32		71,700	6.20
Hazel Park	35,700	5.56		35,000	5.45
Huron Township	72,100	9.42		70,700	9.24
Imlay City	50,600	10.75		49,600	10.54
Imlay Twp	700	70.00		700	68.63
Inkster	93,800	7.68		92,000	7.53
Keego Harbor	15,500	11.90		15,200	11.67
Lapeer	70,600	10.05		69,200	9.85
Lenox Township	14,900	6.84		14,600	6.71
Lincoln Park	113,100	6.34		110,900	6.22
Livonia	695,800	11.28		682,200	11.06
Macomb Township	545,300	14.02		534,600	13.75
Madison Heights	103,300	5.87		101,300	5.75
Mayfield Twp	1,700	24.00		1,700	23.53

Great Lakes Water Authority
Calculation of Final Proposed FY 2018 Wholesale Water Service Charges

	Originally Proposed		*Final*	Adjusted Proposal	
	Fixed Mo	Commodity	*Adjustment*	Fixed Mo	Commodity
Community	*$/mo*	*$/Mcf*	***-2.0%***	*$/mo*	*$/Mcf*
Melvindale	34,000	6.08		33,300	5.96
New Haven, Village of	17,900	10.06		17,500	9.86
N O C W A	1,189,200	10.22		1,165,900	10.02
Northville	38,300	9.54		37,500	9.35
Northville Township	310,300	18.68		304,200	18.31
Novi	453,600	13.25		444,700	12.99
Oak Park	67,900	5.43		66,600	5.32
Oakland Co. Drain Comm.	3,300	3.02		3,200	2.96
Plymouth	51,800	9.88		50,800	9.69
Plymouth Township	218,400	10.28		214,100	10.08
Redford Township	173,900	8.06		170,500	7.90
River Rouge	35,500	5.35		34,800	5.25
Riverview	46,700	8.36		45,800	8.20
Rockwood	15,200	11.43		14,900	11.21
Romeo	12,700	16.95		12,500	16.62
Romulus	188,400	7.69		184,700	7.54
Roseville	135,400	5.44		132,700	5.33
Royal Oak Township	11,400	7.69		11,200	7.54
S O C W A	1,167,900	7.24		1,145,000	7.10
Shelby Township	692,500	13.87		678,900	13.60
South Rockwood	5,200	8.06		5,100	7.90
Southgate	110,900	7.18		108,700	7.04
St. Clair County-Burtchville Twp	14,900	14.74		14,600	14.45
St. Clair County-Greenwood	20,300	14.23		19,900	13.95
St. Clair Shores	158,500	6.12		155,400	6.00
Sterling Heights	813,200	10.56		797,300	10.35
Sumpter Township	32,700	9.00		32,100	8.82
Sylvan Lake	12,000	14.30		11,800	14.02
Taylor	247,000	7.02		242,200	6.88
Trenton	108,400	9.62		106,300	9.43
Troy	686,800	12.04		673,300	11.80
Utica	30,200	9.94		29,600	9.75
Van Buren Township	148,000	9.21		145,100	9.03
Walled Lake	46,500	12.07		45,600	11.83
Warren	517,000	6.05		506,900	5.93
Washington Township	107,900	12.24		105,800	12.00
Wayne	141,500	11.94		138,700	11.71
West Bloomfield Township	492,200	14.94		482,500	14.65
Westland	307,800	7.76		301,800	7.61
Wixom	123,900	14.36		121,500	14.08
Woodhaven	104,400	13.43		102,400	13.17
Ypsilanti Comm Util Auth	553,800	8.96		542,900	8.78

Comparison of Original and Final FY 2018 Sewage Disposal System Schedule of Wholesale Monthly Charges *
and Total Revenue Requirement for the Detroit Retail Class

		Original Proposals			Final Proposals			Variance		
		Annual Rev Req't	Fixed Monthly Chg	Charge Adjustment	Annual Rev Req't	Fixed Monthly Chg	Charge Adjustment	Annual Rev Req't	Fixed Monthly Chg	Charge Adjustment
	Suburban Wholesale									
1	OMID	76,012,600	6,334,300	9.2%	72,815,900	6,068,000	4.6%	(3,196,700)	(266,300)	-4.6%
2	Rouge Valley	55,332,100	4,611,100	-0.3%	55,022,300	4,585,200	-0.8%	(309,800)	(25,900)	-0.6%
3	Oakland GWK	46,209,100	3,850,800	1.2%	45,751,500	3,812,600	0.2%	(457,600)	(38,200)	-1.0%
4	Evergreen Farmington	35,483,300	2,957,000	10.3%	33,733,200	2,811,100	4.8%	(1,750,100)	(145,900)	-5.4%
5	NE Wayne Co	25,379,000	2,114,900	5.2%	24,637,000	2,053,100	2.1%	(742,000)	(61,800)	-3.1%
6	Dearborn	20,325,500	1,693,700	3.7%	19,628,400	1,635,700	0.1%	(697,100)	(58,000)	-3.6%
7	Grosse Pointe Farms	2,756,200	229,700	3.3%	2,696,100	224,700	1.1%	(60,100)	(5,000)	-2.3%
8	Grosse Pointe Park	1,854,400	154,500	14.0%	1,739,500	145,000	7.0%	(114,900)	(9,500)	-7.1%
9	Melvindale	1,556,100	129,700	12.7%	1,468,200	122,300	6.3%	(87,900)	(7,400)	-6.4%
10	Farmington	1,171,900	97,700	5.6%	1,138,100	94,900	2.5%	(33,800)	(2,800)	-3.0%
11	Ceenter Line	1,045,900	87,300	12.9%	986,200	82,200	6.5%	(59,700)	(5,100)	-6.4%
12	Allen Park	866,600	72,100	29.0%	771,000	64,300	14.7%	(95,600)	(7,800)	-14.2%
13	Highland Park	5,627,600	469,000	-3.3%	5,641,700	470,200	-3.0%	14,100	1,200	0.2%
14	Hamtramck	3,949,800	329,100	-3.3%	3,958,800	329,900	-3.1%	9,000	800	0.2%
15	Grosse Pointe	904,900	75,400	-3.9%	909,500	75,800	-3.5%	4,600	400	0.5%
16	Harper Woods	229,500	19,200	-4.4%	231,700	19,300	-3.5%	2,200	100	0.9%
17	Redford Township	255,200	21,300	-2.0%	254,700	21,200	-2.2%	(500)	(100)	-0.2%
18	Wayne County #3	45,700	3,900	-2.4%	45,500	3,800	-2.8%	(200)	(100)	-0.4%
19	Suburban Wholesale Total	279,005,400	23,250,700	4.7%	271,429,300	22,619,300	1.9%	**(7,576,100)**	(631,400)	-2.8%
20	Allocated Detroit Wholesale	179,295,600		-3.8%	178,969,200		-3.9%	(326,400)		-0.2%
21	Industrial Specific	19,651,300		0.6%	19,551,700		0.1%	(99,600)		-0.5%
22	Total GLWA Wholesale Service	477,952,300		1.0%	469,950,200		-0.6%	(8,002,100)		-1.6%
	Allocated Detroit Revenue Req't *(a)*									
23	GLWA Wholesale Service	179,295,600			178,969,200			(326,400)		
24	Bad Debt True-Up	4,172,600			0			(4,172,600)		
25	Subtotal	183,468,200			178,969,200			(4,499,000)		
26	Local Debt Service - *Pre Bifurcation*	22,567,400			27,392,500			4,825,100		
27	Local Debt Service - *Post Bifurcation*	0			0			0		
28	Other Indirect Retail Revenue Req'ts	9,188,100			6,534,100			(2,654,000)		
29	Subtotal Detroit Wholesale and Indirect	215,223,700			212,895,800			**(2,327,900)**		

(a) Excludes Direct O&M, etc.

Great Lakes Water Authority
Proposed FY 2018 Sewage Disposal System Service Charge Schedule
Industrial Waste Control Charges and Pollutant Surcharges
Effective July 1, 2017

Industrial Waste Control Charges

Meter Size - inches	Charge $/mo
5/8	5.68
3/4	8.52
1	14.20
1-1/2	31.24
2	45.44
3	82.36
4	113.60
6	170.40
8	284.00
10	397.60
12	454.40
14	568.00
16	681.60
18	795.20
20	908.80
24	1,022.40
30	1,136.00
36	1,249.60
48	1,363.20

Pollutant Surcharges

Pollutant	Charge $/lb
BIOCHEMICAL OXYGEN DEMAND (BOD)	
for concentrations > 275 mg/l	0.487
TOTAL SUSPENDED SOLIDS (TSS)	
for concentrations > 350 mg/l	0.494
PHOSPHORUS (P)	
for concentrations > 12 mg/l	7.282
FATS, OIL AND GREASE (FOG)	
for concentrations > 100 mg/l	0.469
SEPTAGE DISPOSAL FEE	
$ per 500 gallons of disposal	47.00

TFG
THE FOSTER GROUP

P.O. BOX 26282
LEAWOOD, KS 66225
TEL: (913) 345-1410
FAX: (913) 345-1640

THE FOSTER GROUP, LLC
BART FOSTER, PRESIDENT
CELL: (913) 530-6240
BFOSTER@FOSTERGROUPLLC.COM

PRELIMINARY

MEMORANDUM

Trust Receipts and Disbursements Report — June 14, 2017
3rd Quarter FY 2017

To: Nickie Bateson

From: Bart Foster

Submitted herewith for your review and consideration is the third "Trust Receipts and Disbursements Report" that reflects our review of cash activity since the launch of GLWA. This report reflects activity through the third quarter of Fiscal Year 2017, and updates information and analyses set forth in prior reports issued on November 1, 2016 and January 17, 2017. The general intent of this report is to facilitate tracking and management of monthly cash receipts and disbursements in alignment with the requirements of the Trust Agreement, the Master Bond Ordinance(s), the Lease(s), and the Water and Sewer Services Agreement (collectively, "the Agreements" for purposes of this discussion.) Those documents each address the basic flow of funds requirements in a consistent manner, with varying degrees of specificity.

As noted in prior commentary on this matter, our analytical tools designed to review and monitor ongoing cash receipts and disbursements provide specific detailed disbursement information to each element set forth in the Agreements. The original version of this report contained 15 pages of exhibits, and the full comprehensive report contains even more detail[1]. Our January submittal attempted to establish an Executive Summary reporting format to be used on an ongoing basis.

This version of the analysis is the first to track specific cash disbursements as reported by GLWA Treasury in submittals to the Audit Committee. Prior versions simply assumed that disbursements were being made in alignment with originally budgeted amounts. Events during FY 2017, including the refinancing of bonds last fall, provide an opportunity to refine the analysis and to align with other published reports.

As we near the end of FY 2017, it occurs that several developments may impact final cash disbursement requirements for the various MBO categories and perhaps even between funds. For instance, there have been recent discussions regarding allocation of debt service and ER&R Fund requirements. In addition, final developments of the 12/31/2015 and 6/30/2016 audited financial statements may impact how cash should be reflected in this report. As a

[1] Stakeholders are encouraged to review the prior reports for more commentary on the approach to this analysis.

result, we've opted to simplify the depiction of disbursements by reporting them in total, rather than separating the various disbursement requirements between Water and Sewer. We've also not represented the allocation of regional system disbursement requirements between the Detroit Retail and Suburban Wholesale customer classes in this summary report,

The attached exhibit compares budgeted and *estimated* actual receipts and disbursements for the 15 month period that started with the Effective Date of the GLWA / DWSD separation through March of 2017. Lines 1 through 12 compare budgeted and actual reported receipts for the Detroit Retail and Suburban Wholesale customer classes. Lines 13 through 23 compare budgeted and actual reported disbursements in each of the major MBO categories. These "fixed" amounts are deducted from total receipts to result in a "balance available prior to I&E Funding". This amount is tracked and accumulated to illustrate amounts compared to budget that are indicated to be available for transfer to the Regional and Local I&E Accounts of the I&E Fund.

Executive Summary Observations:
Herewith commentary based on our review of the receipts and disbursements for the first 15 months of the "bifurcated" existence of separate GLWA and DWSD organizations.

- Reported combined Water and Sewer receipts from the Detroit Retail Customer Class continue to indicate a positive variance compared to budgeted expectations.
    - *The entirety of the positive results is contained within the reported Water receipts as the Sewer receipts produce a moderate negative balance.*
- The cumulative receipt performance of the Suburban Wholesale Customer Class is also positive with respect to budget expectations.
    - *The positive variances are approximately $28 million and approximately $3.7 million for the Water and Sewer Systems, respectively.*
- The reported non-operating revenue (primarily investment income) has been lower than budgeted figures.
    - *We note that these figures are very preliminary pending additional review.*
- As a result, the consolidated reported actual receipts also reflect a positive variance – approximately $36.4 million in total.
- As should be expected, most of the reported disbursements are identical to budget expectations, since the terms of the Agreements dictate equivalent monthly transfers of budgeted amounts.
    - *The primary variance is related to the transfers to the Bond and Interest Redemption Funds and represents the results of refinancing savings in December 2015 (which were not reflected in the original FY 2016 Budget) and October 2016 (which were not reflected in the FY 2017 Budget).*

PRELIMINARY

- *Similarly, a small variance exists in the Regional System O&M transfers. As part of the bifurcated budget for FY 2016 certain modifications were made that were not reflected in charges to customers.*

- Receipts remaining after accounting for the specific "fixed" disbursements are available to transfer to the I&E Fund, as shown on Line 24. Our preliminary analysis indicates that for the first 15 months subsequent to the Effective Date, an approximate $50 million positive variance in these "funds available" results from the reported receipts and disbursements.

We continue to stress that these observations are based on our review of preliminary, unaudited information and do not reflect any activity prior to January 1, 2016. We also note that they are based on our understanding of the theoretical disposition of monies as stipulated by the Agreements, and do not reflect any adjustments that may occur as beginning positions and FY 2016 audit procedures are finalized.

We are prepared to discuss this matter at your convenience.

PRELIMINARY

Cash Flow Receipts and Disbursements Analysis
15 Month Summary Comparison (*Jan 2016 - Mar 2017*)

		Budget *(a)*	Estimated Actual *(b)* *unaudited*	Variance	% Variance
	Detroit Retail Customer Class				
1	Water System	118,493,400	134,707,500	16,214,100	13.7%
2	Sewer System	315,859,200	309,392,700	(6,466,500)	-2.0%
3	Subtotal Detroit Retail Customers	434,352,600	444,100,200	9,747,600	2.2%
	Suburban Wholesale Customer Class				
4	Water System	380,294,000	408,411,300	28,117,300	7.4%
5	Sewer System	343,976,100	347,634,400	3,658,300	1.1%
6	Subtotal Detroit Retail Customers	724,270,100	756,045,700	31,775,600	4.4%
	Estimated Non-Operating Revenue				
7	Water System	2,960,700	*980,500*	(1,980,200)	-66.9%
8	Sewer System	4,228,800	*1,042,700*	(3,186,100)	-75.3%
9	Subtotal Detroit Retail Customers	7,189,500	2,023,200	(5,166,300)	-71.9%
	Total Receipts				
10	Water System	501,748,100	544,099,300	42,351,200	8.4%
11	Sewer System	664,064,100	658,069,800	(5,994,300)	-0.9%
12	TOTAL	1,165,812,200	1,202,169,100	36,356,900	3.1%
	Disbursements (*Combined Water & Sewer*)				
13	Regional System O&M Account	354,139,600	358,764,600	4,625,000	1.3%
14	Local System O&M Account	95,742,700	95,743,200	500	0.0%
15	Regional System O&M Acct - Pens Reimb	21,094,700	21,094,500	(200)	0.0%
16	Local System O&M Acct - Pens Reimb	8,905,600	8,905,500	(100)	0.0%
17	Bond & Interest Redemption Funds	537,866,700	519,998,100	(17,868,600)	-3.3%
18	Pension Obligation Payment Fund	30,405,000	30,404,400	(600)	0.0%
19	WRAP Fund	6,136,300	5,802,300	(334,000)	-5.4%
20	Budget Stabilization Fund	6,220,000	6,220,200	200	0.0%
21	Extraordinary Repair & Replacement Fund	0	0	0	0.0%
22	Lease Payment to Local System I&E Acct *(c)*	***51,341,000***	51,341,100	100	0.0%
23	Subtotal Disbursements	1,111,851,600	1,098,273,900	(13,577,700)	-1.2%
24	Subtotal Balance Available *prior to I&E Funding*	53,960,600	103,895,200	49,934,600	92.5%

(a) Reflects initial BUDGET established for Customer Charges for FY 2016 and FY 2017. After approval of the FY 2016 Budget and Charges, the GLWA/DWSD Bifurcation resulted in modifications.

(b) Preliminary - based on review of actual cash receipts and disbursement reports. Impacts of bond refinancing and other ongoing allocation analyses will impact disbursements. Excludes certain initial funding requirements in January and February, which were effectively funded from monies on hand at the Effective Date.

(c) Budgeted Sewer Lease Payment for FY 2016 is net of incremental Detroit Customer Class allocated responsibility.

PRELIMINARY

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Quarterly Investment Report through March 31, 2017 (Unaudited)

Background: As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through March 31, 2017 (unaudited).

Analysis: The Quarterly Investment Report through March 31, 2017 is in compliance with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. GLWA's investment follows a passive investment strategy. The majority of the funds are invested in cash and money market accounts. All securities in the portfolio are in compliance with the GLWA investment policy. The portfolio performance as of March 31, 2017 is below the benchmark due to the very high liquidity levels. The high liquidity level is an outcome of staff's focus on complex treasury activities related to implementation of the lease agreement between GLWA and its retail collection agent (Detroit Water & Sewerage Department) and resolution of financial matters related to the opening balance sheet. Sufficient clarity has occurred in the past 60 days that allows GLWA to pursue cash management activities that are more consistent with steady state. Key metrics are provided below with additional commentary in the attached report.

- Yield to Market at Cost compared to benchmark:
  - As of March 31, 2017: 0.54% vs benchmark 0.71% (3-Month Treasury Index)
  - As of December 31, 2016: 0.38% vs benchmark 0.43% (3-Month Treasury Index)

- Portfolio Allocation in Cash/Money Market Securities
  - As of March 31, 2017: 78%
  - As of December 31, 2016: 89%

GLWA continues to work with PFM Asset Management LLC to identify strategies to maximize investment returns while meeting GLWA standards for safety and liquidity.

Proposed Action: Receive and file report.

Great Lakes Water Authority

Investment Performance Report – March 2017

GLWA
Great Lakes Water Authority

Table of Contents

I. Executive Summary

II. Investment Strategy

III. Investment Progression

IV. Market Overview and Outlook

V. Portfolio Snapshot

- Security Type
- Credit Quality
- Account Purpose
- Maturity Distribution
- Issuer Allocation
- Yield at Cost and Market
- Investment Income
- Portfolio Holdings

VI. Appendix

- Security Purchases, Sales, & Maturities
- Upcoming Cash Flows
- Economic Update

Great Lakes Water Authority
Executive Summary

PORTFOLIO RECAP

- Safety – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, Federal Agencies, commercial paper, SEC-registered money market funds, and a local government investment pool. The overall credit profile of the pool is strong with over 95% of the assets invested in bank deposits or securities that are rated within the two highest short-term and long-term rating classifications as established by Standard & Poor's.
- Liquidity – The portfolio is heavily weighted to overnight funds (79% of total assets), which impacts the return of the portfolio.
- Return – The overall yield increased to 0.56% as of March 31, 2017 versus 0.39% at December 31, 2016. The Authority has earned $2,611,826 in investment income fiscal year-to-date. Based on the current interest rate environment, the investment income earned for the month of March, and assuming that the Authority maintains the same investable balances for the remainder of the fiscal year, we are projecting the Authority will earn around $3.95 million in investment income for fiscal year 2017.
- Compliance – The total overall portfolio is in compliance with the Authority's investment policy and Michigan Public Act 20.

AVAILABLE FUNDS

Type	Financial Institution	$ Amount	YTM @ Market *(as of 3/31/17)*
Deposit Account	Comerica	$16,568,276	0.25%
Deposit Account	First Independence	$17,263,076	0.05%
Deposit Account	Chase	$308,924,516	0.31%
LGIP	GovMIC	$136,868,270	0.83%
Managed Funds	Chase	$16,974,800	1.08%
Managed Funds	PFM	$223,018,560	1.04%
Trust MMF	U.S. Bank	$388,583,332	0.42%
TOTAL		***$1,108,200,828***	***0.56%***

The accounts at Comerica Bank get an earnings credit to offset bank fees. The earnings in the accounts at First Independence Bank is credited to the contractors and not the Authority. In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017. "LGIP" stands for Local Government Investment Pool and "MMF" stands for Money Market Fund.

Great Lakes Water Authority
Investment Strategy

GLWA INVESTMENT STRATEGY

- To date, the Authority has utilized a passive investment strategy for its funds with the majority of assets (79%) invested in cash and money market accounts to ensure sufficient liquidity.
- The aggregate portfolio was yielding less than its benchmark, the Bank of America/Merrill Lynch 3-Month U.S. Treasury Bill Index (0.56% versus 0.71%) at the end of March as a result of the very high liquidity levels.
- The Authority continues to implement a disciplined investment plan to provide improved safety and diversification and putting every dollar to work.
- FY 2017 fourth quarter steps include:
  - Diversification of JP Morgan Chase deposits into a Blackrock government money market fund (this will reduce bank fees, increase diversification, and also increase return from 0.31% to 0.70%*)
  - Cash flows for major funds are being developed to allow for investing out on the yield curve
- The Authority will continue to work with its investment advisor to identify strategies to maximize future investment income while meeting the standards for safety and liquidity.
- Assuming that the Authority maintains the same investable balances for FY 2018 and FY 2019 and the interest rate environment remains in a similar range, we conservatively expect to earn approximately $4.8 million in interest income in FY 2018 and over $5 million in FY 2019.

** Current 7-day yield as of June 9, 2017.*

Great Lakes Water Authority
Investment Progression

➢ ***Putting money to work safely***

Step 1 – Completed

JP Morgan Chase Earnings Credit Rate ("ECR") and Interest Rate Negotiation

- ECR of 35 bps
- Interest of 31 bps

Step 2

Utilization of money market funds for short-term needs

- Fee reduction (FDIC)
- Interest of +50 bps
- Reduce credit exposure
- Invest in government and LGIP funds*

Step 3

Investment of operating/construction funds based on cash flow needs

- Diversified investment portfolio matched to cash flow needs
- Potential for higher returns by investing out a bit longer

Investment Goals – Safety, Liquidity, Yield ("SLY")

1) Safety through diversification and reduced credit exposure
2) Reduction of bank concentration risk and fees through use of government money market funds and LGIP*
3) Where cash flows allow, invest out on the yield curve to pick up return and actively manage
4) Put every dollar to work and optimize investment platform to provide above mandates (no dollar left behind)

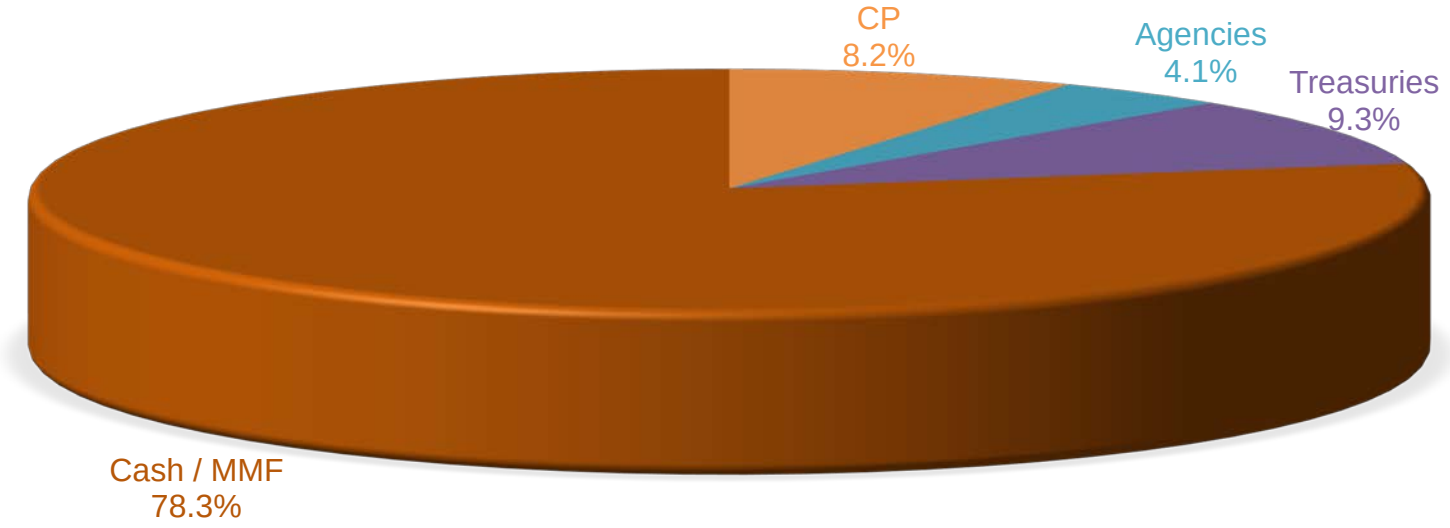
** LGIP – Local Government Investment Pool is currently rated "AAAm" by Standard & Poor's rating agency.*

Great Lakes Water Authority
Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Key drivers of market conditions in the 1st quarter included: (i) Federal Reserve policy; (ii) the inauguration of President Trump and the early roll-out of various policies with varying degrees of success; (iii) continued improvement in consumer confidence; and (iv) further stock market appreciation.
- Yields remained within a narrow range through the first couple months before rising strongly in anticipation of the March Federal Open Market Committee ("FOMC") rate hike as Fed officials made a concerted effort to telegraph expectations. Yields on the short-end of the curve ended the quarter higher, reflecting the rate hike, while long-term yields declined alongside future inflation expectations.
- Once a March rate hike became imminent, rates rose quickly. Although the Fed raised rates, market yields actually fell after the meeting, as the Fed's accompanying statement implied a more gradual tightening path than was anticipated at the time.
- Federal Agency yield spreads remained near historical tights throughout the quarter as demand continued to outpace supply.
- Leading up to the effective date of significant money market fund reforms last October, yields on commercial paper ("CP") rose sharply in the second half of 2016. Although spreads narrowed somewhat after the March Federal Reserve interest rate hike, short term credit instruments, like CP, continued to offer excellent incremental yield opportunities.
- Geopolitical turmoil took center stage in April, with markets closely watching military action in Syria, nuclear development efforts in North Korea and the consolidation of power by the Turkish president. The events triggered a mid-month move by investors in all markets to reduce risk, with equity prices and Treasury yields moving lower and credit spreads widening.
- We expect the Fed to remain on track to make two additional rate hikes in 2017, matching the three hikes projected for 2017 by the Committee's "dot plot." In addition, a potential reduction in the size of the Fed's balance sheet later in the year could have significant implications for the markets.
- As the market awaits clarity on policies proposed and enacted by the Trump administration, financial markets (both bonds and equities) may become more range bound. Since yields are currently stable, we will continue to revisit our investment portfolio positioning regularly, especially in light of the potential for higher yields later in the year.
- Agency yield spreads over Treasuries continue to remain historically narrow. As a result, our strategy will generally favor U.S. Treasuries over Agencies, unless specific issues offer identifiable value.
- Our strategy favors broad allocation to various credit sectors, including commercial paper. Yields on commercial paper continue to offer significant yield pickup relative to short-term government securities.
- We will continue to monitor incoming economic data, Fed policy, and sector relationships to identify market opportunities. This will include assessing the impact of additional polices put forth by the Trump administration.

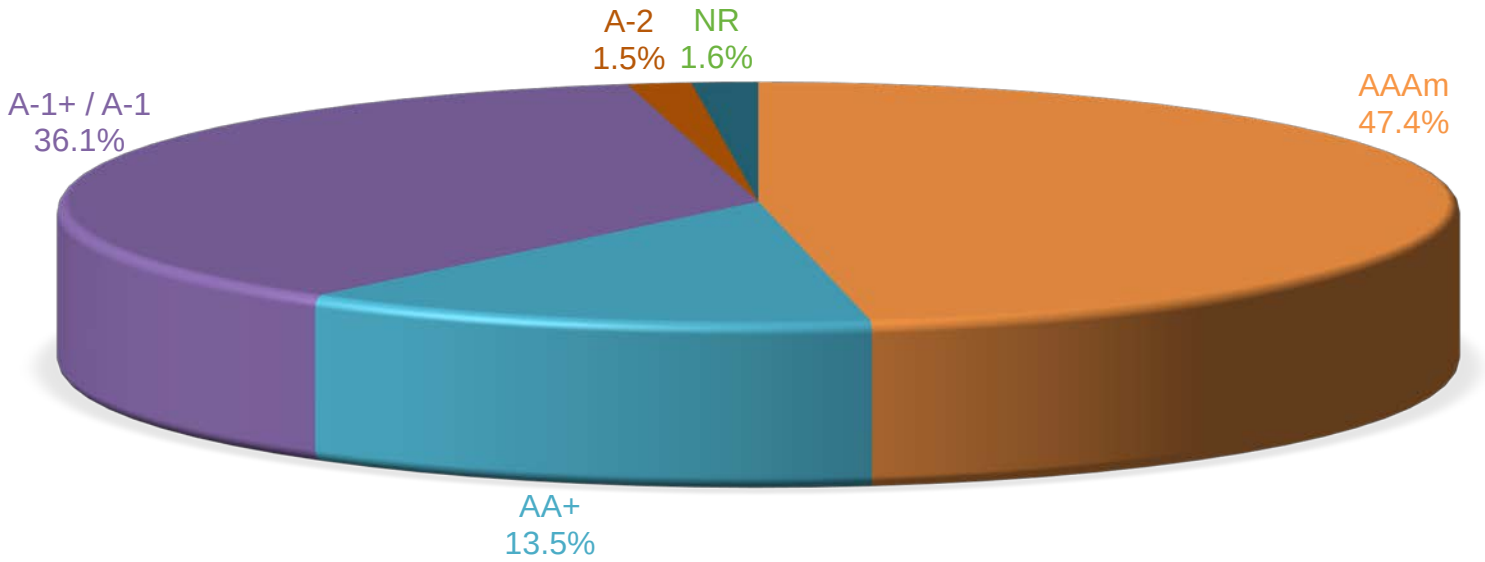
Great Lakes Water Authority
Investments – By Security Type
As of March 31, 2017



Security Type	Market Value	Asset Allocation
Commercial Paper	90,933,479	8.2%
Federal Agency Bonds	45,492,242	4.1%
U.S. Treasuries	103,567,638	9.3%
Cash / MMF	868,207,468	78.3%
Total	**$ 1,108,200,828**	**100.0%**

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

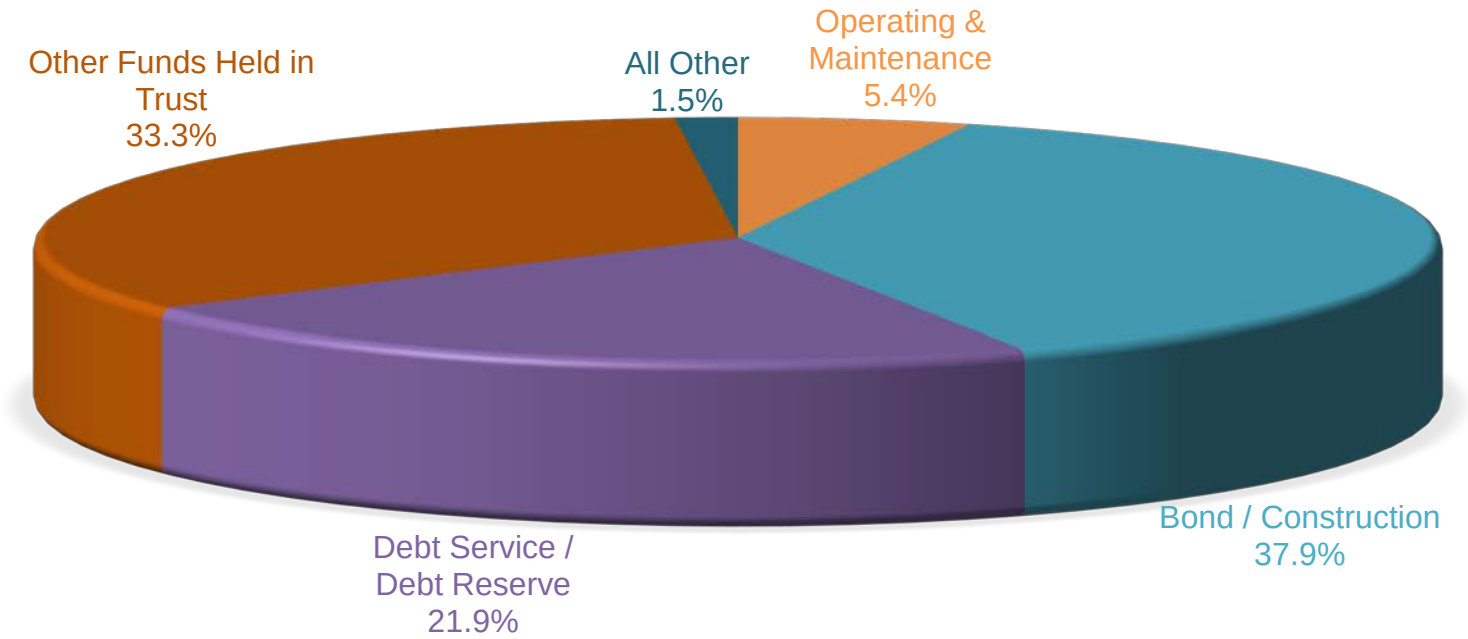
Great Lakes Water Authority
Investments – By Credit Quality
As of March 31, 2017



Credit Quality	Market Value	Asset Allocation
Ratings		
AAAm	525,451,601	47.4%
AA+	149,059,881	13.5%
A-1+ / A-1	399,857,995	36.1%
A-2	16,568,276	1.5%
NR	17,263,076	1.6%
Totals	**1,108,200,828**	**100.0%**

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Great Lakes Water Authority
Investment Analysis – By Account Purpose
As of March 31, 2017

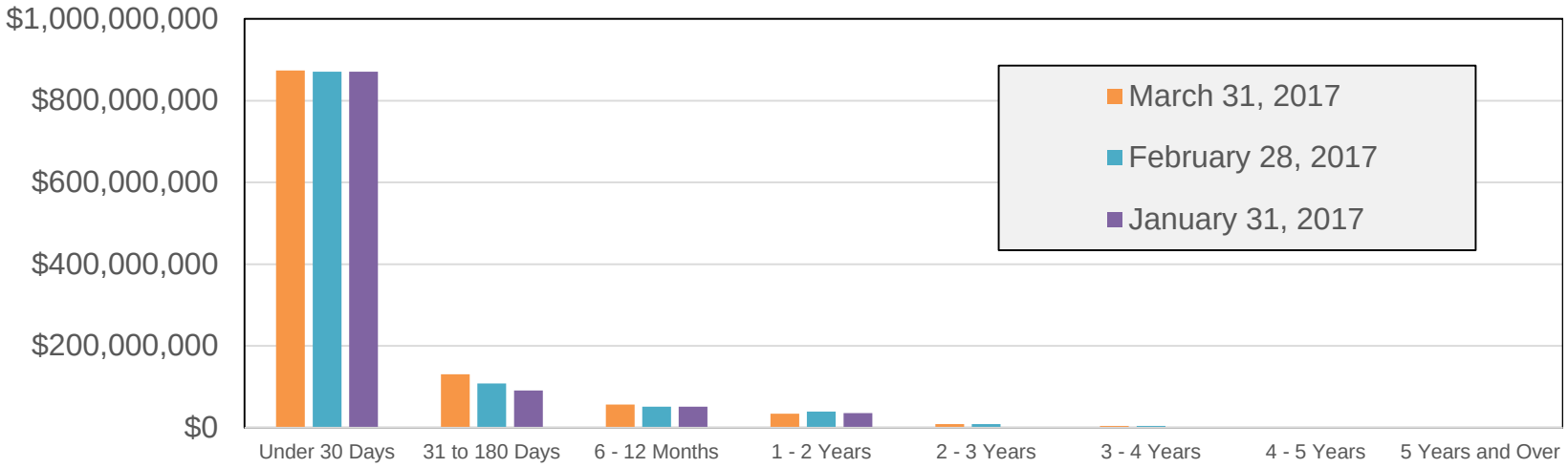


Account Purpose		Market Value	% Allocation
Operating & Maintenance	$	60,236,449	5.4%
Bond / Construction	$	420,102,008	37.9%
Debt Service / Debt Reserve	$	242,288,139	21.9%
Other Funds Held in Trust	$	369,376,440	33.3%
All Other	$	16,197,792	1.5%
Total	**$**	**1,108,200,828**	**100.0%**

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017. "Other Funds Held in Trust" includes restricted funds for Improvement & Extension, WRAP, Pension, Budget Stabilization, etc. "All Other" funds includes restricted funds held for Pension O&M, Water Affordability held on behalf of DWSD, etc.

Great Lakes Water Authority
Investment Analysis – By Maturity

Maturity Distribution	March 31, 2017	%	February 28, 2017	%	January 31, 2017	%
Under 30 Days	$ 873,352,129.31	78.8%	$ 870,348,858.92	80.4%	$ 870,723,664.13	83.0%
31 to 180 Days	130,800,148.84	11.8%	107,921,646.39	10.0%	91,052,945.92	8.7%
6 - 12 Months	56,377,035.26	5.1%	51,433,319.49	4.8%	51,428,653.53	4.9%
1 - 2 Years	34,496,999.13	3.1%	39,514,783.93	3.7%	36,083,489.58	3.4%
2 - 3 Years	8,605,771.66	0.8%	8,608,447.80	0.8%	-	0.0%
3 - 4 Years	4,568,743.30	0.4%	4,571,062.32	0.4%	-	0.0%
4 - 5 Years	-	0.0%	-	0.0%	-	0.0%
5 Years and Over	-	0.0%	-	0.0%	-	0.0%
Totals	**$ 1,108,200,827.50**	**100.0%**	**$ 1,082,398,118.85**	**100.0%**	**$ 1,049,288,753.16**	**100.0%**



In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Great Lakes Water Authority
Short-Term Funds and Investments – Issuer Allocation (as of March 31, 2017)

	Credit Ratings S&P	Market Value	% of Total
Bank Deposits			
Comerica	A-2	16,568,275.58	1.5%
First Independence	NR	17,263,075.52	1.6%
JP Morgan Chase	A-1	308,924,515.52	27.9%
Sub-Total Bank Deposits		**342,755,866.62**	**30.9%**
Money Market Funds / LGIPs			
GovMIC	AAAm	136,868,269.53	12.4%
U.S. Bank - First American MMF	AAAm	388,583,331.78	35.1%
Sub-Total MMF / LGIP		**525,451,601.31**	**47.4%**
Commercial Paper			
Bank of Montreal	A-1	10,972,280.00	1.0%
Bank of Tokyo	A-1	7,979,840.00	0.7%
BNP Paribas	A-1	9,751,364.48	0.9%
Canadian Imperial Bank	A-1	5,270,094.25	0.5%
Cooperative Rabobank	A-1	10,038,638.72	0.9%
Credit Agricole	A-1	11,036,441.90	1.0%
GE Capital	A-1+	9,974,800.00	0.9%
JP Morgan Securities	A-1	7,957,339.70	0.7%
Swedbank	A-1+	9,972,600.00	0.9%
Toyota Motor Credit	A-1+	7,980,080.00	0.7%
Sub-Total Commercial Paper		**90,933,479.05**	**8.2%**
Federal Agencies			
Fannie Mae	AA+	14,956,400.00	1.3%
Federal Farm Credit Bank	AA+	11,995,800.00	1.1%
Federal Home Loan Bank	AA+	17,225,267.96	1.6%
Freddie Mac	AA+	1,314,774.27	0.1%
Sub-Total Federal Agencies		**45,492,242.23**	**4.1%**
U.S. Treasuries			
Treasury Note	AA+	103,567,638.29	9.3%
Sub-Total U.S. Treasuries		**103,567,638.29**	**9.3%**
Grand Total		**$ 1,108,200,827.50**	**100.0%**

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Great Lakes Water Authority
Investment Accounts – Yield at Cost & Market
As of March 31, 2017

The portfolio is in compliance with the Authority's investment policy.

	As of March 31, 2017		As of December 31, 2016	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
Bank Deposits				
Comerica	0.25%	0.25%	0.25%	0.25%
First Indepedence	0.05%	0.05%	0.05%	0.05%
JP Morgan Chase	0.31%	0.31%	0.25%	0.25%
Sub-Total Bank Deposits	**0.29%**	**0.29%**	**0.24%**	**0.24%**
Money Market Funds / LGIPs				
GovMIC	0.83%	0.83%	0.68%	0.68%
U.S. Bank - First American MMF	0.42%	0.42%	0.25%	0.25%
Sub-Total MMF / LGIPs	**0.53%**	**0.53%**	**0.36%**	**0.36%**
Investment Portfolios				
Sewage - Construction Bond 5421	1.10%	1.08%	1.10%	0.70%
Sewage SR Debt Serv 5403	0.90%	0.94%	1.04%	1.05%
Sewage SR Res 5400	0.82%	1.11%	0.72%	0.88%
Sew 2nd Debt Serv 5403	0.95%	0.96%	1.14%	1.10%
Sewage 2nd Res 5481	0.84%	1.06%	0.75%	0.95%
Water SR Debt Ser 5503	0.97%	0.97%	1.03%	1.04%
Water SR Reserve 5500	1.12%	1.26%	0.96%	1.20%
Water 2nd Debt Serv 5503	0.87%	0.92%	1.02%	1.05%
Water 2nd Res 5581	0.68%	1.03%	0.68%	0.92%
Sub-Total Investment Portfolios	**0.92%**	**1.02%**	**0.86%**	**0.94%**
Grand Total	***0.54%***	***0.56%***	***0.38%***	***0.39%***
Short-Term Benchmark				
BoA / ML 3-Month Treasury Index		0.71%		0.43%

The accounts at Comerica Bank get an earnings credit to offset bank fees. The earnings in the accounts at First Independence Bank is credited to the contractors and not the Authority. The yields shown for December 31, 2016 have been restated to include the earnings credit rate being received for the various bank deposits. The Bank of America / Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking the on-the-run Treasury Bill. The index is produced and maintained by Bank of America / Merrill Lynch & Co. YTM @ Cost is the expected return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis. YTM @ Market is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.

Great Lakes Water Authority
Investment Income (by Book Value)
As of March 31, 2017

INVESTMENT INCOME BY MONTH

Month	Interest Earned During Period	Realized Gain / Loss	Investment Income
July 2016	$129,152.49	$6,784.84	$135,937.33
August 2016	$198,977.68	$3,892.77	$202,870.45
September 2016	$207,898.47	$1,852.12	$209,750.59
October 2016	$212,406.05	$10,053.69	$222,459.74
November 2016	$292,990.32	$0.00	$292,990.32
December 2016	$335,037.12	$4.98	$335,042.10
January 2017	$363,417.30	$0.00	$363,417.30
February 2017	$404,315.13	$131.72	$404,446.85
March 2017	$444,910.88	$0.00	$444,910.88
FY 2017 Y-T-D	***$2,589,105.44***	***$22,720.12***	***$2,611,825.56***

The above figures are based upon actual interest earned and posted to the Authority's various accounts and does not include any earnings credit rate tied to the Authority's bank deposits.

Great Lakes Water Authority
Portfolio Holdings
As of March 31, 2017

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE	AMORTIZED COST	TOTAL VALUE
Short-Term Bank Deposits / MMF / LGIP										
COMERICA BANK		$ 16,568,276	-	4/1/2017	3/31/2017	0.25%	$ 16,568,276	$ 16,568,276	$ 16,568,276	
FIRST INDEPENDENCE BANK		17,263,076	-	4/1/2017	3/31/2017	0.05%	17,263,076	17,263,076	17,263,076	
JP MORGAN CHASE		308,924,516	-	4/1/2017	3/31/2017	0.31%	308,924,516	308,924,516	308,924,516	
GovMIC		136,868,270		4/1/2017	3/31/2017	0.83%	136,868,270	136,868,270	136,868,270	
U.S. BANK - FIRST AMERICAN MMF		388,583,332	-	4/1/2017	3/31/2017	0.42%	388,583,332	388,583,332	388,583,332	
										$ 868,207,467.93
Sewage - Construction Bond 5421										
FEDERAL FARM CREDIT BANK	3133EC5A8	$ 12,000,000	0.870	11/27/2017	2/1/2016	1.00%	$ 11,972,880	$ 11,995,800	$ 11,990,172	
FANNIE MAE	3136G05Y3	5,000,000	1.000	2/28/2018	2/1/2016	1.35%	4,964,650	4,979,000	4,984,424	
										$ 16,974,800.00
GLWA Sewage SR Debt Serv 5403										
JP MORGAN SECURITIES LLC COMM PAPER	46640PR70	$ 2,147,000	-	4/7/2017	7/12/2016	1.05%	$ 2,130,315	$ 2,146,764	$ 2,146,628	
CANADIAN IMPERIAL HOLDING COMM PAPER	13607ES59	2,150,000	-	5/5/2017	8/11/2016	1.26%	2,130,068	2,148,001	2,147,462	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GTN6	546,000	-	6/22/2017	1/17/2017	1.11%	543,397	544,640	545,650	
GE CAPITAL TREASURY LLC COMM PAPER	36164JTP9	3,763,000	-	6/23/2017	2/15/2017	0.87%	3,751,360	3,753,517	3,760,999	
JP MORGAN SECURITIES LLC COMM PAPER	46640PTP8	1,225,000	-	6/23/2017	10/26/2016	1.11%	1,216,017	1,221,913	1,224,177	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GTP4	3,455,000	-	6/23/2017	3/8/2017	0.90%	3,445,758	3,446,293	3,453,100	
BANK TOKYO-MIT UFJ NY COMM PAPER	06538BTP8	3,200,000	-	6/23/2017	1/13/2017	1.23%	3,182,540	3,191,936	3,197,614	
BNP PARIBAS NY BRANCH COMM PAPER	09659BTP5	3,350,000	-	6/23/2017	1/13/2017	1.19%	3,332,321	3,341,558	3,347,584	
BNP PARIBAS NY BRANCH COMM PAPER	09659BTP5	798,000	-	6/23/2017	2/15/2017	1.07%	794,964	795,989	797,478	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	1,195,000	-	6/23/2017	11/21/2016	1.07%	1,187,470	1,191,989	1,194,226	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	2,250,000	-	6/23/2017	2/15/2017	1.04%	2,241,680	2,244,330	2,248,570	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTP1	3,200,000	-	6/23/2017	1/13/2017	1.22%	3,182,684	3,191,936	3,197,634	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTW6	1,680,000	-	6/30/2017	3/8/2017	1.01%	1,674,627	1,675,397	1,678,633	
FED HOME LN DISCOUNT NT	313385HN9	5,450,000	-	6/30/2017	3/8/2017	0.80%	5,436,193	5,440,027	5,446,488	
US TREASURY NOTES	912828XJ4	13,795,000	0.625	6/30/2017	1/13/2017	0.59%	13,797,155	13,788,516	13,795,372	
US TREASURY NOTES	912828TB6	1,060,000	0.750	6/30/2017	2/15/2017	0.60%	1,060,580	1,059,756	1,060,125	
SWEDBANK NY COMM PAPER	87019RTW6	2,820,000	-	6/30/2017	2/15/2017	1.00%	2,809,425	2,812,273	2,817,728	
US TREASURY NOTES	912828XJ4	1,212,000	0.625	6/30/2017	7/12/2016	0.54%	1,212,947	1,211,430	1,212,079	
										$ 53,206,265.48
GLWA Sewage SR Res 5400										
US TREASURY NOTES	912828TS9	$ 17,600,000	0.625	9/30/2017	10/26/2016	0.67%	$ 17,592,438	$ 17,575,184	$ 17,597,308	
FEDERAL HOME LOAN BANKS AGCY	3130A8BD4	3,025,000	0.875	6/29/2018	10/31/2016	0.88%	3,024,577	3,013,324	3,024,729	
US TREASURY NOTES	912828RH5	7,805,000	1.375	9/30/2018	10/26/2016	0.87%	7,879,696	7,827,869	7,856,671	
US TREASURY NOTES	912828WS5	2,450,000	1.625	6/30/2019	2/27/2017	1.27%	2,470,002	2,465,974	2,467,819	
US TREASURY NOTES	912828XH8	4,565,000	1.625	6/30/2020	2/27/2017	1.53%	4,578,374	4,568,743	4,577,379	
										$ 35,451,093.45

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Great Lakes Water Authority
Portfolio Holdings
As of March 31, 2017

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE	AMORTIZED COST	TOTAL VALUE
GLWA Sew 2nd Debt Serv 5403										
JP MORGAN SECURITIES LLC COMM PAPER	46640PR70	$ 542,000	-	4/7/2017	7/12/2016	1.05%	$ 537,788	$ 541,940	$ 541,906	
CANADIAN IMPERIAL HOLDING COMM PAPER	13607ES59	543,000	-	5/5/2017	8/11/2016	1.26%	537,966	542,495	542,359	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GTN6	1,085,000	-	6/22/2017	1/17/2017	1.11%	1,079,828	1,082,298	1,084,304	
GE CAPITAL TREASURY LLC COMM PAPER	36164JTP9	1,734,000	-	6/23/2017	2/15/2017	0.87%	1,728,636	1,729,630	1,733,078	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GTP4	1,715,000	-	6/23/2017	3/8/2017	0.90%	1,710,412	1,710,678	1,714,057	
BANK TOKYO-MIT UFJ NY COMM PAPER	06538BTP8	800,000	-	6/23/2017	1/13/2017	1.23%	795,635	797,984	799,404	
BNP PARIBAS NY BRANCH COMM PAPER	09659BTP5	950,000	-	6/23/2017	1/13/2017	1.19%	944,987	947,606	949,315	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	257,000	-	6/23/2017	11/21/2016	1.07%	255,381	256,352	256,834	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTP1	800,000	-	6/23/2017	1/13/2017	1.22%	795,671	797,984	799,408	
FED HOME LN DISCOUNT NT	313385HN9	2,055,000	-	6/30/2017	3/8/2017	0.80%	2,049,794	2,051,239	2,053,676	
US TREASURY NOTES	912828XJ4	2,035,000	0.625	6/30/2017	1/13/2017	0.59%	2,035,318	2,034,044	2,035,055	
SWEDBANK NY COMM PAPER	87019RTW6	1,948,000	-	6/30/2017	2/15/2017	1.00%	1,940,695	1,942,662	1,946,431	
										$ 14,434,914.00
GLWA Sewage 2nd Res 5481										
US TREASURY NOTES	912828TS9	$ 15,490,000	0.625	9/30/2017	10/26/2016	0.67%	$ 15,483,344	$ 15,468,159	$ 15,487,630	
US TREASURY NOTES	912828RH5	10,220,000	1.375	9/30/2018	10/26/2016	0.87%	10,317,809	10,249,945	10,287,658	
US TREASURY NOTES	912828WS5	4,475,000	1.625	6/30/2019	2/10/2017	1.32%	4,506,989	4,504,177	4,502,947	
										$ 30,222,280.70
GLWA Water SR Debt Ser 5503										
JP MORGAN SECURITIES LLC COMM PAPER	46640PR70	$ 2,240,000	-	4/7/2017	7/12/2016	1.05%	$ 2,222,593	$ 2,239,754	$ 2,239,612	
CANADIAN IMPERIAL HOLDING COMM PAPER	13607ES59	2,582,000	-	5/5/2017	8/11/2016	1.26%	2,558,063	2,579,599	2,578,952	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GTN6	6,256,000	-	6/22/2017	1/17/2017	1.11%	6,226,180	6,240,423	6,251,986	
GE CAPITAL TREASURY LLC COMM PAPER	36164JTP9	3,764,000	-	6/23/2017	2/15/2017	0.87%	3,752,357	3,754,515	3,761,999	
JP MORGAN SECURITIES LLC COMM PAPER	46640PTP8	1,345,000	-	6/23/2017	10/26/2016	1.11%	1,335,137	1,341,611	1,344,096	
FHLMC DISCO NOTES	313397HF1	1,317,000	-	6/23/2017	7/12/2016	0.53%	1,310,291	1,314,774	1,316,573	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GTP4	5,183,000	-	6/23/2017	3/8/2017	0.90%	5,169,135	5,169,939	5,180,149	
BANK TOKYO-MIT UFJ NY COMM PAPER	06538BTP8	3,600,000	-	6/23/2017	1/13/2017	1.23%	3,580,358	3,590,928	3,597,316	
BNP PARIBAS NY BRANCH COMM PAPER	09659BTP5	3,700,000	-	6/23/2017	1/13/2017	1.19%	3,680,474	3,690,676	3,697,332	
BNP PARIBAS NY BRANCH COMM PAPER	09659BTP5	978,000	-	6/23/2017	2/15/2017	1.07%	974,279	975,535	977,361	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	1,358,000	-	6/23/2017	11/21/2016	1.07%	1,349,443	1,354,578	1,357,120	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	2,120,000	-	6/23/2017	1/13/2017	1.08%	2,109,855	2,114,658	2,118,614	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	2,250,000	-	6/23/2017	2/15/2017	1.04%	2,241,680	2,244,330	2,248,570	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTP1	3,600,000	-	6/23/2017	1/13/2017	1.22%	3,580,519	3,590,928	3,597,338	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTW6	1,385,000	-	6/30/2017	3/8/2017	1.01%	1,380,570	1,381,205	1,383,873	
FED HOME LN DISCOUNT NT	313385HN9	4,340,000	-	6/30/2017	3/8/2017	0.80%	4,329,005	4,332,058	4,337,203	
US TREASURY NOTES	912828XJ4	6,915,000	0.625	6/30/2017	1/13/2017	0.59%	6,916,080	6,911,750	6,915,187	
US TREASURY NOTES	912828TB6	1,555,000	0.750	6/30/2017	2/15/2017	0.60%	1,555,850	1,554,642	1,555,183	
SWEDBANK NY COMM PAPER	87019RTW6	2,820,000	-	6/30/2017	2/15/2017	1.00%	2,809,425	2,812,273	2,817,728	
US TREASURY NOTES	912828XJ4	349,000	0.625	6/30/2017	7/12/2016	0.54%	349,273	348,836	349,023	
										$ 57,543,010.58

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Great Lakes Water Authority
Portfolio Holdings
As of March 31, 2017

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE	AMORTIZED COST	TOTAL VALUE
GLWA Water SR Reserve 5500										
US TREASURY N/B	912828R93	$ 3,450,000	0.625	6/30/2018	2/27/2017	0.98%	$ 3,433,693	$ 3,428,438	$ 3,436,842	
FNMA NOTES (CALLABLE)	3136G1KL2	10,000,000	1.150	10/30/2018	5/2/2013	1.15%	10,000,000	9,977,400	10,000,000	
US TREASURY NOTES	912828WS5	1,625,000	1.625	6/30/2019	2/27/2017	1.27%	1,638,267	1,635,595	1,636,819	
										$ 15,041,432.50
GLWA Water 2nd Debt Serv 5503										
JP MORGAN SECURITIES LLC COMM PAPER	46640PR70	$ 221,000	-	4/7/2017	7/12/2016	1.05%	$ 219,283	$ 220,976	$ 220,962	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GTN6	113,000	-	6/22/2017	1/17/2017	1.11%	112,461	112,719	112,927	
GE CAPITAL TREASURY LLC COMM PAPER	36164JTP9	739,000	-	6/23/2017	2/15/2017	0.87%	736,714	737,138	738,607	
JP MORGAN SECURITIES LLC COMM PAPER	46640PTP8	245,000	-	6/23/2017	10/26/2016	1.11%	243,203	244,383	244,835	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GTP4	647,000	-	6/23/2017	3/8/2017	0.90%	645,269	645,370	646,644	
BANK TOKYO-MIT UFJ NY COMM PAPER	06538BTP8	400,000	-	6/23/2017	1/13/2017	1.23%	397,818	398,992	399,702	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687ATP8	634,000	-	6/23/2017	11/21/2016	1.07%	630,005	632,402	633,589	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TTP1	400,000	-	6/23/2017	1/13/2017	1.22%	397,835	398,992	399,704	
FED HOME LN DISCOUNT NT	313385HN9	2,393,000	-	6/30/2017	3/8/2017	0.80%	2,386,938	2,388,621	2,391,458	
US TREASURY NOTES	912828XJ4	118,000	0.625	6/30/2017	11/21/2016	0.67%	117,968	117,945	117,996	
SWEDBANK NY COMM PAPER	87019RTW6	2,412,000	-	6/30/2017	2/15/2017	1.00%	2,402,955	2,405,391	2,410,057	
US TREASURY NOTES	912828XJ4	24,000	0.625	6/30/2017	7/12/2016	0.54%	24,019	23,989	24,002	
US TREASURY NOTES	912828XJ4	2,435,000	0.625	6/30/2017	1/13/2017	0.59%	2,435,380	2,433,856	2,435,066	
										$ 10,760,771.26
GLWA Water 2nd Res 5581										
US TREASURY NOTES	912828N55	$ 6,360,000	1.000	12/31/2017	7/22/2016	0.68%	$ 6,388,819	$ 6,358,792	$ 6,371,642	
										$ 6,358,791.60
										$ 1,108,200,827.50

In addition to the totals listed above, there also exists surety bonds in the amount of $330,914,580 as of March 31, 2017.

Appendix I:
Security Purchases, Sales, & Maturities

Great Lakes Water Authority
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Sewage SR Debt Serv 5403							
912828XJ4	US TREASURY NOTES	13,795,000.00	0.63	6/30/2017	1/13/2017	0.59	13,800,251.72
912828TB6	US TREASURY NOTES	1,060,000.00	0.75	6/30/2017	2/15/2017	0.60	1,061,589.91
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	5,150,000.00	-	12/30/2016	10/25/2016	0.71	5,143,390.83
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	5,150,000.00	-	12/30/2016	10/25/2016	0.53	5,145,090.33
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	5,150,000.00	-	12/30/2016	10/25/2016	0.55	5,144,901.50
30229AMW6	EXXON MOBIL CORP COMM PAPER	6,290,000.00	-	12/30/2016	10/25/2016	0.51	6,284,234.17
09659BMW7	BNP PARIBAS NY BRANCH COMM PAPER	3,720,000.00	-	12/30/2016	10/25/2016	0.56	3,716,249.00
46640PTP8	JP MORGAN SECURITIES LLC COMM PAPER	1,225,000.00	-	6/23/2017	10/26/2016	1.12	1,216,016.67
313384U49	FEDERAL HOME LOAN BANKS DISC NOTE	2,874,000.00	-	12/23/2016	11/21/2016	0.31	2,873,208.05
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	1,195,000.00	-	6/23/2017	11/21/2016	1.08	1,187,470.17
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,125,000.00	-	12/23/2016	11/21/2016	0.45	4,123,386.67
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	2,750,000.00	-	12/23/2016	11/21/2016	0.46	2,748,900.00
06538BQX4	BANK OF TOKYO MITSUBISHI COMM PAPER	254,000.00	-	3/31/2017	1/13/2017	0.91	253,511.05
06538BTP8	BANK TOKYO-MIT UFJ NY COMM PAPER	3,200,000.00	-	6/23/2017	1/13/2017	1.24	3,182,540.44
09659BTP5	BNP PARIBAS NY BRANCH COMM PAPER	3,350,000.00	-	6/23/2017	1/13/2017	1.20	3,332,321.31
22533TTP1	CREDIT AGRICOLE CIB NY COMM PAPER	3,200,000.00	-	6/23/2017	1/13/2017	1.23	3,182,683.56
89233GTN6	TOYOTA MOTOR CREDIT CORP COMM PAPER	546,000.00	-	6/22/2017	1/17/2017	1.12	543,397.40
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	2,250,000.00	-	6/23/2017	2/15/2017	1.06	2,241,680.00
09659BTP5	BNP PARIBAS NY BRANCH COMM PAPER	798,000.00	-	6/23/2017	2/15/2017	1.09	794,964.05
36164JTP9	GE CAPITAL TREASURY LLC COMM PAPER	3,763,000.00	-	6/23/2017	2/15/2017	0.88	3,751,359.79
87019RTW6	SWEDBANK NY COMM PAPER	2,820,000.00	-	6/30/2017	2/15/2017	1.02	2,809,425.00
06366GTP4	**BANK OF MONTREAL CHICAGO COMM PAPER**	**3,455,000.00**	**-**	**6/23/2017**	**3/8/2017**	**0.91**	**3,445,757.88**
06538BQX4	**BANK OF TOKYO MITSUBISHI COMM PAPER**	**506,000.00**	**-**	**3/31/2017**	**3/8/2017**	**0.79**	**505,747.84**
22533TTW6	**CREDIT AGRICOLE CIB NY COMM PAPER**	**1,680,000.00**	**-**	**6/30/2017**	**3/8/2017**	**1.03**	**1,674,626.80**
313385HN9	**FED HOME LN DISCOUNT NT**	**5,450,000.00**	**-**	**6/30/2017**	**3/8/2017**	**0.81**	**5,436,193.33**
GLWA Sewage SR Res 5400							
912828RH5	US TREASURY NOTES	7,805,000.00	1.375	9/30/2018	10/26/2016	0.873	7,887,361.92
912828TS9	US TREASURY NOTES	17,600,000.00	0.625	9/30/2017	10/26/2016	0.671	17,600,294.64
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	3,025,000.00	0.875	6/29/2018	10/31/2016	0.883	3,033,546.47
912828XJ4	US TREASURY NOTES	7,000,000.00	0.625	6/30/2017	10/31/2016	0.584	7,016,537.02
912828WS5	US TREASURY NOTES	2,450,000.00	1.625	6/30/2019	2/27/2017	1.270	2,476,380.75
912828XH8	US TREASURY NOTES	4,565,000.00	1.625	6/30/2020	2/27/2017	1.535	4,590,259.41

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Sew 2nd Debt Serv 5403							
912828XJ4	US TREASURY NOTES	2,035,000.00	0.625	6/30/2017	1/13/2017	0.591	2,035,774.72
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	1,325,000.00	0.000	12/30/2016	10/25/2016	0.711	1,323,299.58
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	1,325,000.00	0.000	12/30/2016	10/25/2016	0.528	1,323,736.83
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	1,325,000.00	0.000	12/30/2016	10/25/2016	0.548	1,323,688.25
30229AMW6	EXXON MOBIL CORP COMM PAPER	1,550,000.00	0.000	12/30/2016	10/25/2016	0.507	1,548,579.17
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	257,000.00	0.000	6/23/2017	11/21/2016	1.081	255,380.61
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	3,565,000.00	0.000	12/23/2016	11/21/2016	0.456	3,563,574.00
06538BTP8	BANK TOKYO-MIT UFJ NY COMM PAPER	800,000.00	0.000	6/23/2017	1/13/2017	1.244	795,635.11
09659BTP5	BNP PARIBAS NY BRANCH COMM PAPER	950,000.00	0.000	6/23/2017	1/13/2017	1.203	944,986.64
22533TTP1	CREDIT AGRICOLE CIB NY COMM PAPER	800,000.00	0.000	6/23/2017	1/13/2017	1.234	795,670.89
89233GTN6	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,085,000.00	0.000	6/22/2017	1/17/2017	1.121	1,079,828.17
36164JTP9	GE CAPITAL TREASURY LLC COMM PAPER	1,734,000.00	0.000	6/23/2017	2/15/2017	0.885	1,728,636.16
87019RTW6	SWEDBANK NY COMM PAPER	1,948,000.00	0.000	6/30/2017	2/15/2017	1.018	1,940,695.00
06366GTP4	**BANK OF MONTREAL CHICAGO COMM PAPER**	**1,715,000.00**	**0.000**	**6/23/2017**	**3/8/2017**	**0.915**	**1,710,412.38**
313385HN9	**FED HOME LN DISCOUNT NT**	**2,055,000.00**	**0.000**	**6/30/2017**	**3/8/2017**	**0.813**	**2,049,794.00**
GLWA Sewage 2nd Res 5481							
912828RH5	US TREASURY NOTES	10,220,000.00	1.375	9/30/2018	10/26/2016	0.873	10,327,846.09
912828TS9	US TREASURY NOTES	15,490,000.00	0.625	9/30/2017	10/26/2016	0.671	15,490,259.32
912828WS5	US TREASURY NOTES	4,475,000.00	1.625	6/30/2019	2/10/2017	1.320	4,515,225.36

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Water SR Debt Ser 5503							
912828XJ4	US TREASURY NOTES	6,915,000.00	0.625	6/30/2017	1/13/2017	0.591	6,917,632.52
912828TB6	US TREASURY NOTES	1,555,000.00	0.750	6/30/2017	2/15/2017	0.603	1,557,332.37
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	4,675,000.00	0.000	12/30/2016	10/25/2016	0.711	4,669,000.42
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	4,675,000.00	0.000	12/30/2016	10/25/2016	0.528	4,670,543.17
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	4,675,000.00	0.000	12/30/2016	10/25/2016	0.548	4,670,371.75
30229AMW6	EXXON MOBIL CORP COMM PAPER	4,160,000.00	0.000	12/30/2016	10/25/2016	0.507	4,156,186.67
46640PTP8	JP MORGAN SECURITIES LLC COMM PAPER	1,345,000.00	0.000	6/23/2017	10/26/2016	1.122	1,335,136.67
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	1,358,000.00	0.000	6/23/2017	11/21/2016	1.081	1,349,443.09
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,125,000.00	0.000	12/23/2016	11/21/2016	0.446	4,123,386.67
313384U49	FEDERAL HOME LOAN BANKS DISC NOTE	2,962,000.00	0.000	12/23/2016	11/21/2016	0.314	2,961,183.80
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	2,757,000.00	0.000	12/23/2016	11/21/2016	0.456	2,755,897.20
06538BTP8	BANK TOKYO-MIT UFJ NY COMM PAPER	3,600,000.00	0.000	6/23/2017	1/13/2017	1.244	3,580,358.00
09659BTP5	BNP PARIBAS NY BRANCH COMM PAPER	3,700,000.00	0.000	6/23/2017	1/13/2017	1.203	3,680,474.28
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	2,120,000.00	0.000	6/23/2017	1/13/2017	1.090	2,109,855.21
22533TTP1	CREDIT AGRICOLE CIB NY COMM PAPER	3,600,000.00	0.000	6/23/2017	1/13/2017	1.234	3,580,519.00
89233GTN6	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,256,000.00	0.000	6/22/2017	1/17/2017	1.121	6,226,179.73
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	2,250,000.00	0.000	6/23/2017	2/15/2017	1.058	2,241,680.00
09659BTP5	BNP PARIBAS NY BRANCH COMM PAPER	978,000.00	0.000	6/23/2017	2/15/2017	1.089	974,279.25
36164JTP9	GE CAPITAL TREASURY LLC COMM PAPER	3,764,000.00	0.000	6/23/2017	2/15/2017	0.885	3,752,356.69
87019RTW6	SWEDBANK NY COMM PAPER	2,820,000.00	0.000	6/30/2017	2/15/2017	1.018	2,809,425.00
06366GTP4	**BANK OF MONTREAL CHICAGO COMM PAPER**	**5,183,000.00**	**0.000**	**6/23/2017**	**3/8/2017**	**0.915**	**5,169,135.48**
22533TTW6	**CREDIT AGRICOLE CIB NY COMM PAPER**	**1,385,000.00**	**0.000**	**6/30/2017**	**3/8/2017**	**1.027**	**1,380,570.31**
313385HN9	**FED HOME LN DISCOUNT NT**	**4,340,000.00**	**0.000**	**6/30/2017**	**3/8/2017**	**0.813**	**4,329,005.33**
GLWA Water SR Reserve 5500							
912828R93	US TREASURY N/B	3,450,000.00	0.625	6/30/2018	2/27/2017	0.981	
912828WS5	US TREASURY NOTES	1,625,000.00	1.625	6/30/2019	2/27/2017	1.270	

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Water 2nd Debt Serv 5503							
912828XJ4	US TREASURY NOTES	118,000.00	0.625	6/30/2017	11/21/2016	0.670	118,256.32
912828XJ4	US TREASURY NOTES	2,435,000.00	0.625	6/30/2017	1/13/2017	0.591	2,435,927.00
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	850,000.00	0.000	12/30/2016	10/25/2016	0.711	848,909.17
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	850,000.00	0.000	12/30/2016	10/25/2016	0.528	849,189.67
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	850,000.00	0.000	12/30/2016	10/25/2016	0.548	849,158.50
09659BMW7	BNP PARIBAS NY BRANCH COMM PAPER	550,000.00	0.000	12/30/2016	10/25/2016	0.558	549,445.42
46640PTP8	JP MORGAN SECURITIES LLC COMM PAPER	245,000.00	0.000	6/23/2017	10/26/2016	1.122	243,203.33
21687ATP8	COOPERATIEVE RABOBANK U.A. COMM PAPER	634,000.00	0.000	6/23/2017	11/21/2016	1.081	630,005.10
313384V30	FHLB DISC NOTE	1,027,000.00	0.000	12/30/2016	11/21/2016	0.391	1,026,571.66
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	1,428,000.00	0.000	12/23/2016	11/21/2016	0.456	1,427,428.80
06538BTP8	BANK TOKYO-MIT UFJ NY COMM PAPER	400,000.00	0.000	6/23/2017	1/13/2017	1.244	397,817.56
22533TTP1	CREDIT AGRICOLE CIB NY COMM PAPER	400,000.00	0.000	6/23/2017	1/13/2017	1.234	397,835.44
89233GTN6	TOYOTA MOTOR CREDIT CORP COMM PAPER	113,000.00	0.000	6/22/2017	1/17/2017	1.121	112,461.37
36164JTP9	GE CAPITAL TREASURY LLC COMM PAPER	739,000.00	0.000	6/23/2017	2/15/2017	0.885	736,714.03
87019RTW6	SWEDBANK NY COMM PAPER	2,412,000.00	0.000	6/30/2017	2/15/2017	1.018	2,402,955.00
06366GTP4	**BANK OF MONTREAL CHICAGO COMM PAPER**	**647,000.00**	**0.000**	**6/23/2017**	**3/8/2017**	**0.915**	**645,269.28**
313385HN9	**FED HOME LN DISCOUNT NT**	**2,393,000.00**	**0.000**	**6/30/2017**	**3/8/2017**	**0.813**	**2,386,937.73**
GLWA Water 2nd Res 5581							

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Sewage SR Debt Serv 5403							
912828TB6	US TREASURY NOTES	1,211,000.00	0.75	6/30/2017	10/26/2016	0.60	1,215,142.25
GLWA Sewage SR Res 5400							
912828XJ4	US TREASURY NOTES	7,000,000.00	0.63	6/30/2017	2/27/2017	0.58	7,008,103.42
GLWA Sew 2nd Debt Serv 5403							
06366GMP1	BANK OF MONTREAL CHICAGO COMM PAPER	1,196,000.00	-	12/23/2016	12/22/2016	0.71	1,195,976.74
GLWA Sewage 2nd Res 5481							
912828RX0	US TREASURY NOTES	22,270,000.00	0.88	12/31/2016	10/26/2016	0.35	22,353,361.21
GLWA Water SR Debt Ser 5503							
912828TB6	US TREASURY NOTES	359,000.00	0.75	6/30/2017	10/26/2016	0.60	360,227.97
912828WP1	US TREASURY NOTES	971,000.00	0.88	6/15/2017	10/26/2016	0.58	975,908.07
GLWA Water SR Reserve 5500							
912828XJ4	US TREASURY NOTES	7,000,000.00	0.63	6/30/2017	10/24/2016	0.58	7,015,978.26
912828XJ4	US TREASURY NOTES	5,000,000.00	0.63	6/30/2017	2/27/2017	0.58	5,005,788.16
GLWA Water 2nd Debt Serv 5503							
912828TB6	US TREASURY NOTES	24,000.00	0.75	6/30/2017	10/26/2016	0.60	24,082.09
912828WP1	US TREASURY NOTES	218,000.00	0.88	6/15/2017	10/26/2016	0.58	219,101.91
GLWA Water 2nd Res 5581							
912828N55	US TREASURY NOTES	3,910,000.00	1.00	12/31/2017		0.73	3,934,543.75
912828RX0	US TREASURY NOTES	2,135,000.00	0.88	12/31/2016		0.32	2,143,057.01
21687AMP5	RABOBANK NEDERLAND NV NY COMM PAPER	850,000.00	-	12/23/2016		0.66	849,079.17
46640PMP5	JP MORGAN SECURITIES LLC COMM PAPER	850,000.00	-	12/23/2016		0.78	848,909.17
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	850,000.00	-	12/23/2016		0.65	849,093.33

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Sewage SR Debt Serv 5403							
06366GMP1	BANK OF MONTREAL CHICAGO COMM PAPER	2,910,000.00	-	12/23/2016	12/23/2016	0.00	2,910,000.00
09659BMP2	BNP PARIBAS NY BRANCH COMM PAPER	3,265,000.00	-	12/23/2016	12/23/2016	0.00	3,265,000.00
313384U49	FEDERAL HOME LOAN BANKS DISC NOTE	2,874,000.00	-	12/23/2016	12/23/2016	0.00	2,874,000.00
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	2,750,000.00	-	12/23/2016	12/23/2016	0.00	2,750,000.00
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	356,000.00	-	12/23/2016	12/23/2016	0.00	356,000.00
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,125,000.00	-	12/23/2016	12/23/2016	0.00	4,125,000.00
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	5,150,000.00	-	12/30/2016	12/30/2016	0.00	5,150,000.00
09659BMW7	BNP PARIBAS NY BRANCH COMM PAPER	3,720,000.00	-	12/30/2016	12/30/2016	0.00	3,720,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	1,067,000.00	-	12/30/2016	12/30/2016	0.00	1,067,000.00
21687AMW0	COOPERATIEVE RABOBANK U.A. COMM PAPER	1,067,000.00	-	12/30/2016	12/30/2016	0.00	1,067,000.00
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	5,150,000.00	-	12/30/2016	12/30/2016	0.00	5,150,000.00
30229AMW6	EXXON MOBIL CORP COMM PAPER	6,290,000.00	-	12/30/2016	12/30/2016	0.00	6,290,000.00
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	5,150,000.00	-	12/30/2016	12/30/2016	0.00	5,150,000.00
06538BQX4	**BANK OF TOKYO MITSUBISHI COMM PAPER**	**254,000.00**	**-**	**3/31/2017**	**3/31/2017**	**0.00**	**254,000.00**
06538BQX4	**BANK OF TOKYO MITSUBISHI COMM PAPER**	**506,000.00**	**-**	**3/31/2017**	**3/31/2017**	**0.00**	**506,000.00**
GLWA Sewage SR Res 5400							
3134G43H9	FHLMC NOTES (CALLED OMD 04/30/18)	10,000,000.00	1.06	10/30/2016	10/30/2016	0.00	10,000,000.00
GLWA Sew 2nd Debt Serv 5403							
09659BMP2	BNP PARIBAS NY BRANCH COMM PAPER	1,195,000.00	-	12/23/2016	12/23/2016	0.00	1,195,000.00
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	3,565,000.00	-	12/23/2016	12/23/2016	0.00	3,565,000.00
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	1,325,000.00	-	12/30/2016	12/30/2016	0.00	1,325,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	575,000.00	-	12/30/2016	12/30/2016	0.00	575,000.00
21687AMW0	COOPERATIEVE RABOBANK U.A. COMM PAPER	575,000.00	-	12/30/2016	12/30/2016	0.00	575,000.00
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	1,325,000.00	-	12/30/2016	12/30/2016	0.00	1,325,000.00
30229AMW6	EXXON MOBIL CORP COMM PAPER	1,550,000.00	-	12/30/2016	12/30/2016	0.00	1,550,000.00
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	1,325,000.00	-	12/30/2016	12/30/2016	0.00	1,325,000.00
GLWA Sewage 2nd Res 5481							
21687AMP5	RABOBANK NEDERLAND NV NY COMM PAPER	1,500,000.00	-	12/23/2016	12/23/2016	0.00	1,500,000.00
46640PMP5	JP MORGAN SECURITIES LLC COMM PAPER	1,500,000.00	-	12/23/2016	12/23/2016	0.00	1,500,000.00
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,500,000.00	-	12/23/2016	12/23/2016	0.00	1,500,000.00

*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
GLWA Water SR Debt Ser 5503							
06366GMP1	BANK OF MONTREAL CHICAGO COMM PAPER	2,919,000.00	-	12/23/2016	12/23/2016	0.00	2,919,000.00
09659BMP2	BNP PARIBAS NY BRANCH COMM PAPER	3,300,000.00	-	12/23/2016	12/23/2016	0.00	3,300,000.00
313384U49	FEDERAL HOME LOAN BANKS DISC NOTE	2,962,000.00	-	12/23/2016	12/23/2016	0.00	2,962,000.00
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	2,757,000.00	-	12/23/2016	12/23/2016	0.00	2,757,000.00
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	381,000.00	-	12/23/2016	12/23/2016	0.00	381,000.00
89233GMP8	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,125,000.00	-	12/23/2016	12/23/2016	0.00	4,125,000.00
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	4,675,000.00	-	12/30/2016	12/30/2016	0.00	4,675,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	1,647,000.00	-	12/30/2016	12/30/2016	0.00	1,647,000.00
21687AMW0	COOPERATIEVE RABOBANK U.A. COMM PAPER	1,647,000.00	-	12/30/2016	12/30/2016	0.00	1,647,000.00
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	4,675,000.00	-	12/30/2016	12/30/2016	0.00	4,675,000.00
30229AMW6	EXXON MOBIL CORP COMM PAPER	4,160,000.00	-	12/30/2016	12/30/2016	0.00	4,160,000.00
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	4,675,000.00	-	12/30/2016	12/30/2016	0.00	4,675,000.00
GLWA Water SR Reserve 5500							
14912DKD0	CATERPILLAR FIN SERV CRP COMM PAPER	5,325,000.00	-	10/13/2016	10/13/2016	0.00	5,325,000.00
02665JKR0	AMERICAN HONDA FINANCE COMM PAPER	2,030,000.00	-	10/25/2016	10/25/2016	0.00	2,030,000.00
GLWA Water 2nd Debt Serv 5503							
06366GMP1	BANK OF MONTREAL CHICAGO COMM PAPER	475,000.00	-	12/23/2016	12/23/2016	0.00	475,000.00
09659BMP2	BNP PARIBAS NY BRANCH COMM PAPER	475,000.00	-	12/23/2016	12/23/2016	0.00	475,000.00
74433GMP8	PRUDENTIAL FUNDING LLC COMM PAPER	1,428,000.00	-	12/23/2016	12/23/2016	0.00	1,428,000.00
06538BMW0	BANK OF TOKYO MITSUBISHI COMM PAPER	850,000.00	-	12/30/2016	12/30/2016	0.00	850,000.00
09659BMW7	BNP PARIBAS NY BRANCH COMM PAPER	550,000.00	-	12/30/2016	12/30/2016	0.00	550,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	826,000.00	-	12/30/2016	12/30/2016	0.00	826,000.00
21687AMW0	COOPERATIEVE RABOBANK U.A. COMM PAPER	826,000.00	-	12/30/2016	12/30/2016	0.00	826,000.00
22533TMW3	CREDIT AGRICOLE CIB NY COMM PAPER	850,000.00	-	12/30/2016	12/30/2016	0.00	850,000.00
313384V30	FHLB DISC NOTE	1,027,000.00	-	12/30/2016	12/30/2016	0.00	1,027,000.00
36960LMW2	GENERAL ELECTRIC CO COMM PAPER	850,000.00	-	12/30/2016	12/30/2016	0.00	850,000.00
GLWA Water 2nd Res 5581							
14912DKD0	CATERPILLAR FIN SERV CRP COMM PAPER	2,175,000.00	-	10/13/2016	10/13/2016	0.00	2,175,000.00

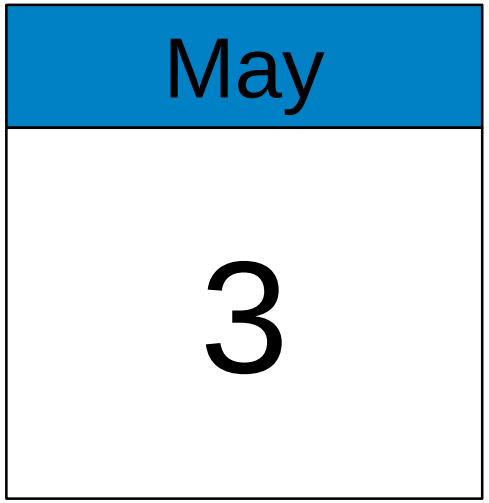
*Securities highlighted in **blue font** denote trades executed during the current month.*

Great Lakes Water Authority
Upcoming Transaction Cash Flows
Next 30 Days

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE	PRINCIPAL	INTEREST	TOTAL
04/07/17	MATURITY	46640PR70	JP MORGAN SECURITIES LLC COMM PAPER	0.000	04/07/17	2,240,000.00	2,222,592.71	17,407.29	2,240,000.00
04/07/17	MATURITY	46640PR70	JP MORGAN SECURITIES LLC COMM PAPER	0.000	04/07/17	221,000.00	219,282.58	1,717.42	221,000.00
04/07/17	MATURITY	46640PR70	JP MORGAN SECURITIES LLC COMM PAPER	0.000	04/07/17	2,147,000.00	2,130,315.43	16,684.57	2,147,000.00
04/07/17	MATURITY	46640PR70	JP MORGAN SECURITIES LLC COMM PAPER	0.000	04/07/17	542,000.00	537,788.06	4,211.94	542,000.00

Appendix II: Economic Update

FOMC Statement Highlights

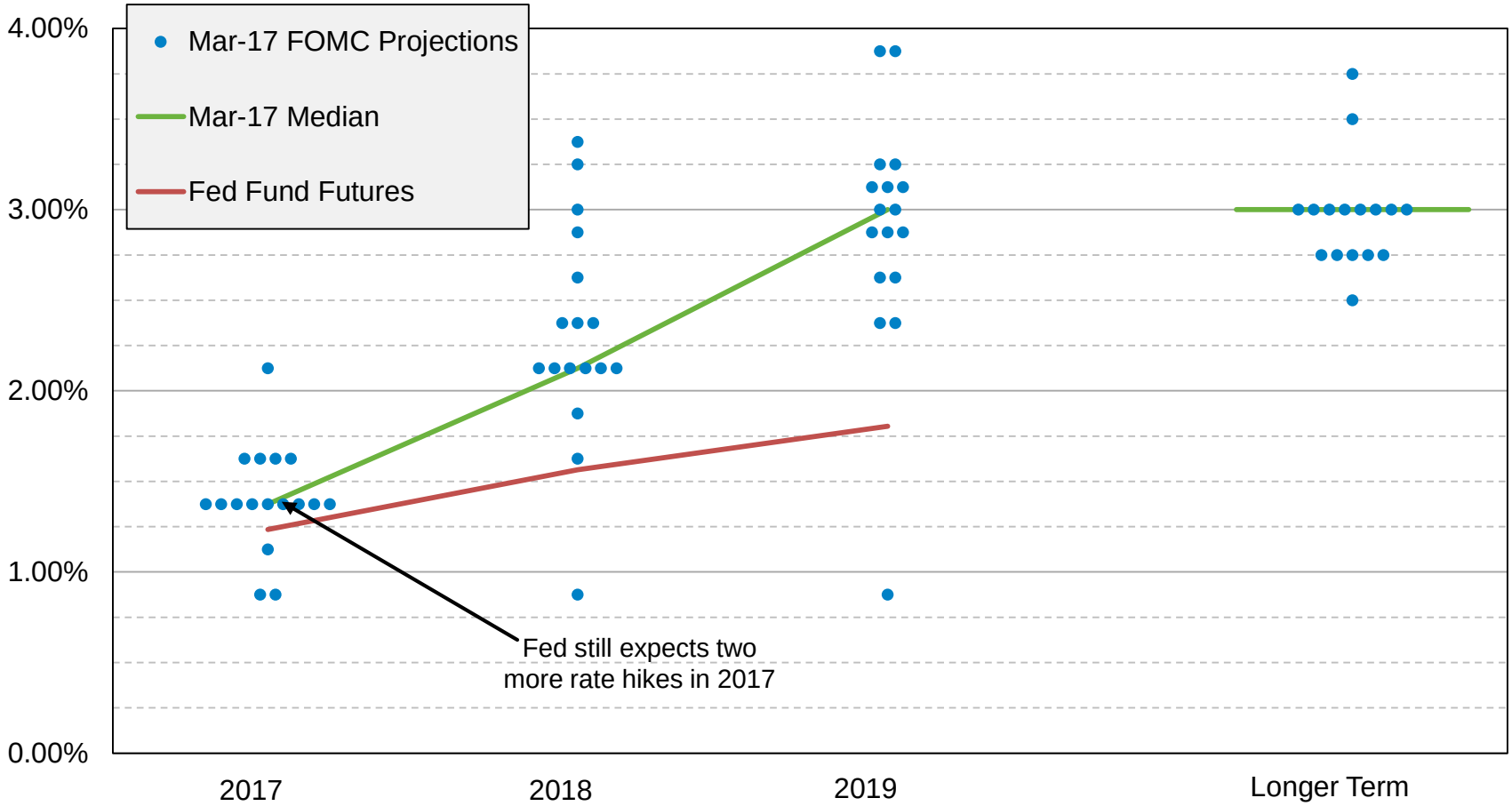


- Information received since the FOMC met in March indicates that the labor market has continued to strengthen even as growth in economic activity has slowed…the Committee views the slowing in growth during the quarter as likely to be transitory…
- Job gains were solid, on average, in recent months, and the unemployment rate declined.
- Inflation measured on a 12-month basis recently has been running close to the Committee's 2.0% longer-run objective. Excluding energy and food prices, consumer prices declined in March and inflation continued to run somewhat below 2.0%.

- In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the Federal Funds rate at 0.75% – 1.00%.
- The Committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the Federal Funds rate.
- All nine voting members of the FOMC supported the monetary policy action.

Source: Federal Reserve. Fed Governor Daniel Tarullo stepped down in April, leaving only nine voting members.

FOMC "Dot Plot"

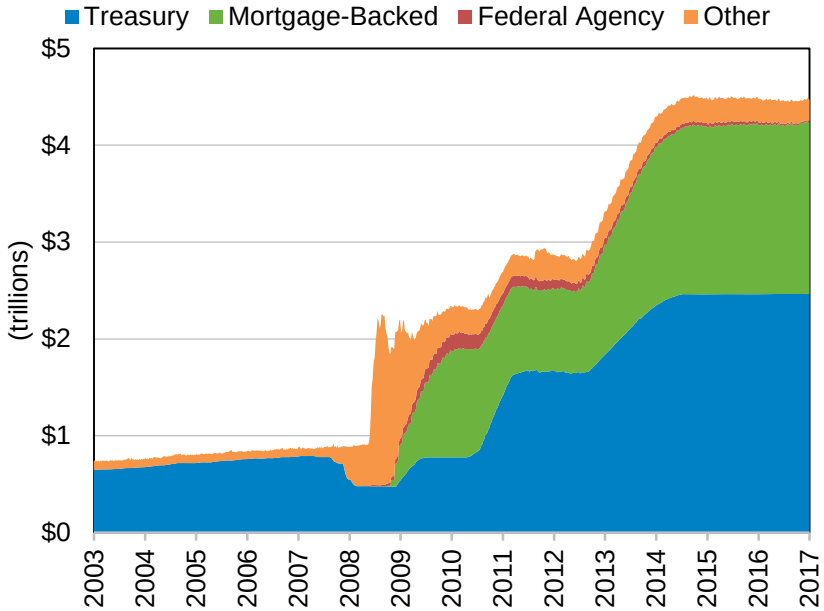


Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed Fund futures as of 04/30/17.

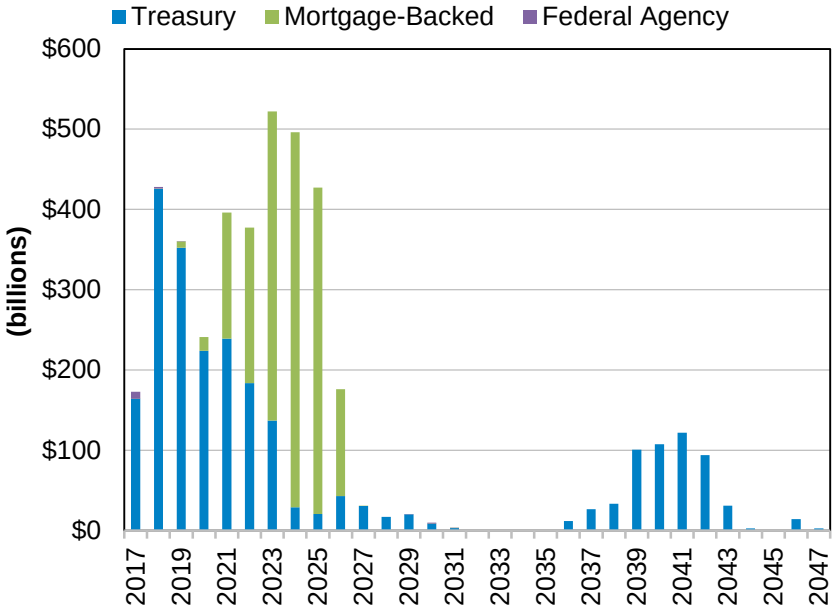
Fed's Next Area of Focus: Size of Balance Sheet

- After multiple rounds of quantitative easing, the Federal Reserve's balance sheet has swelled to nearly $4.5 trillion.
- The Fed is now evaluating the strategy and timing to start trimming the size of its balance sheet as part of the monetary policy normalization process. Most officials have expressed a preference for a gradual phasing out of reinvestments of both Treasury and Agency MBS securities, and anticipate this change to be announced in late 2017 or early 2018.

Total Balance Sheet Assets of the Federal Reserve



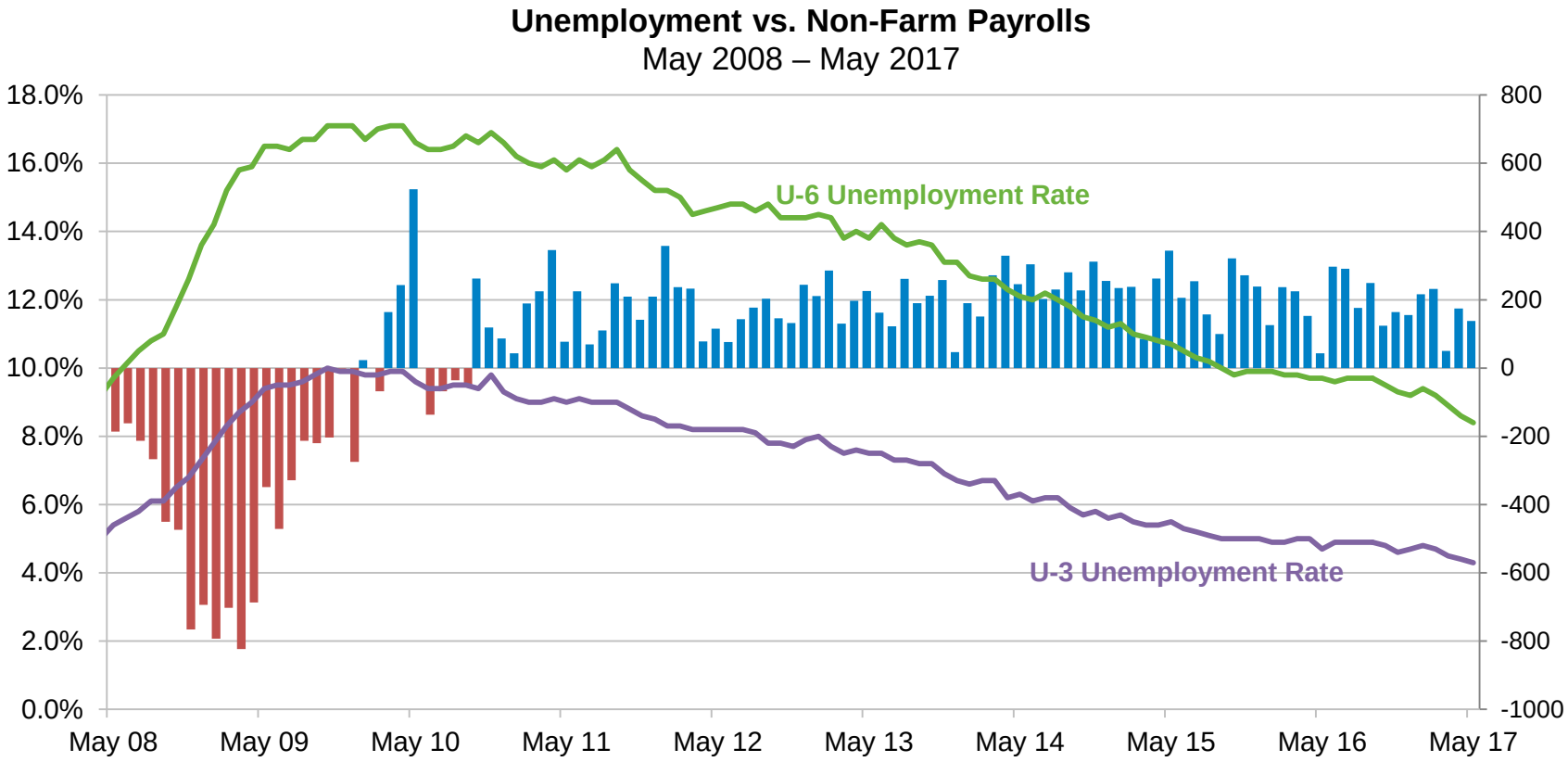
Distribution of Balance Sheet Assets by Maturity / Average Life



Source: The Federal Reserve, FRB of St. Louis, as of 04/26/17. MBS maturity distribution based on weighted average life, from Bloomberg as of 04/07/17. Mortgage securities pay down over time. Weighted average life measures the average length of time an issues is expected to be outstanding.

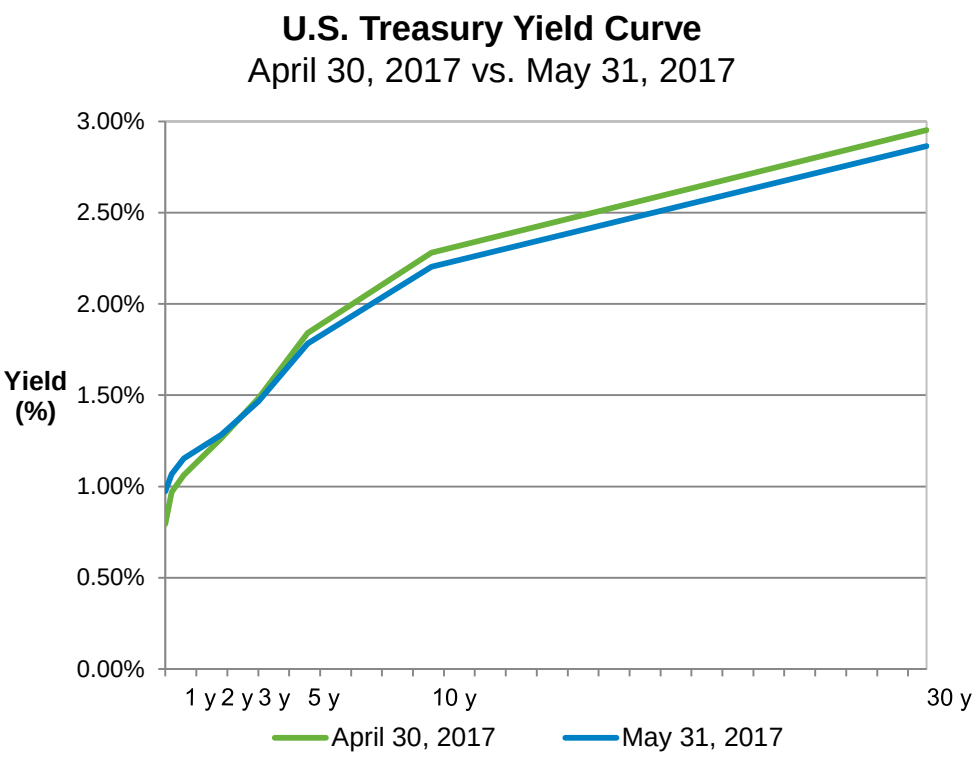
U.S. Labor Market

- The U.S. labor market added 138,000 jobs in May, short of the 182,000 expectation.
- The unemployment rate declined to 4.3%, the lowest level in 16 years.



Source: Bloomberg

U.S Treasury Yields



	4/30/2017	5/31/2017	Change
3 month	0.80%	0.97%	0.17%
6 month	0.97%	1.07%	0.10%
1 year	1.06%	1.15%	0.09%
2 year	1.26%	1.28%	0.02%
3 year	1.48%	1.47%	-0.01%
5 year	1.84%	1.78%	-0.06%
10 year	2.28%	2.20%	-0.08%
30 year	2.95%	2.86%	-0.09%

Source: Bloomberg

Disclosure

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Monthly Revenue & Collections Report for June 2017

The *Monthly Revenue & Collections Report* includes the following.

1. FY 2017 Retail and Wholesale Sewer Revenue
2. FY 2017 Retail and Wholesale Water Revenue
3. City of Highland Park Billings and Collections
4. City of Flint Billings and Collections
5. Water & Sewer System Wholesale Accounts Receivable Aging Report

Note: Wholesale customer revenues are billed by the Great Lakes Water Authority (GLWA). Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority, the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All revenues collected by both GLWA and DWSD are deposited in a trust account in accordance with the GLWA Master Bond Ordinance.

1. FY 2017 Retail and Wholesale Sewer Revenue Report

Table 1 summarizes the unaudited FY 2017 billed revenues through April 30, 2017 and do not reflect collections of those revenues. It should also be noted that the revenues are shown in the month that the billed flow was accrued and not the following month when the bills are usually sent out to customers.

Table 1 – Combined DWSD and GLWA Wholesale FY 2017 Sewer Revenue

RETAIL SEWER CUSTOMERS

	FY 2017 - Budget		FY 2017 - Actual		Variance	
Month	Volume	Revenue	Volume	Revenue	Volume	Revenue
	Mcf	*$*	*Mcf*	*$*	*Mcf*	*$*
July	270,300	25,613,200	251,821	24,419,060	(18,479)	(1,194,140)
August	263,000	25,233,200	257,478	24,729,771	(5,522)	(503,429)
September	242,400	24,161,000	225,712	23,257,189	(16,688)	(903,811)
October	225,500	23,281,300	199,901	23,743,488	(25,599)	462,188
November	204,800	22,203,900	186,365	23,074,289	(18,435)	870,389
December	222,200	23,109,500	201,554	23,981,301	(20,646)	871,801
January	229,200	23,473,900	198,567	23,814,137	(30,633)	340,237
February	221,600	23,078,300	183,305	23,731,656	(38,295)	653,356
March	221,900	23,093,900	206,905	24,914,478	(14,995)	1,820,578
April	208,500	22,396,500	198,011	24,244,848	(10,489)	1,848,348
May	233,800	23,713,300	-	-		
June	256,800	24,910,500	-	-		
Total	2,800,000	284,268,500	2,109,618	239,910,218	(199,782)	4,265,518
Subtotals ytd	*2,309,400*	*235,644,700*	*2,109,618*	*239,910,218*	*(199,782)*	*4,265,518*
Achievement of Budget			*91.35%*	*101.81%*		

WHOLESALE SEWER CUSTOMERS

	FY 2017 - Budget		FY 2017 - Actual		Variance	
Month	Volume	Revenue	Volume	Revenue	Volume	Revenue
	Mcf	*$*	*Mcf*	*$*	*Mcf*	*$*
July	N/A	22,206,400	N/A	22,206,400	N/A	-
August	N/A	22,206,400	N/A	22,206,400	N/A	-
September	N/A	22,206,400	N/A	22,206,400	N/A	-
October	N/A	22,206,400	N/A	22,206,400	N/A	-
November	N/A	22,206,400	N/A	22,206,400	N/A	-
December	N/A	22,206,400	N/A	22,206,400	N/A	-
January	N/A	22,206,400	N/A	22,206,400	N/A	-
February	N/A	22,206,400	N/A	22,206,400	N/A	-
March	N/A	22,206,400	N/A	22,206,400	N/A	-
April	N/A	22,206,400	N/A	22,206,400	N/A	-
May	N/A	22,206,400	N/A	-	N/A	-
June	N/A	22,206,400	N/A	-	N/A	-
Total		266,476,800		222,064,000		-
Subtotals ytd		*222,064,000*		*222,064,000*		-
Achievement of Budget				*100.00%*		

TOTAL - ALL CUSTOMERS

	FY 2017 - Budget		FY 2017 - Actual		Variance	
Month	Volume	Revenue	Volume	Revenue	Volume	Revenue
	Mcf	*$*	*Mcf*	*$*	*Mcf*	*$*
July	270,300	47,819,600	251,821	46,625,460	(18,479)	(1,194,140)
August	263,000	47,439,600	257,478	46,936,171	(5,522)	(503,429)
September	242,400	46,367,400	225,712	45,463,589	(16,688)	(903,811)
October	225,500	45,487,700	199,901	45,949,888	(25,599)	462,188
November	204,800	44,410,300	186,365	45,280,689	(18,435)	870,389
December	222,200	45,315,900	201,554	46,187,701	(20,646)	871,801
January	229,200	45,680,300	198,567	46,020,537	(30,633)	340,237
February	221,600	45,284,700	183,305	45,938,056	(38,295)	653,356
March	221,900	45,300,300	206,905	47,120,878	(14,995)	1,820,578
April	208,500	44,602,900	198,011	46,451,248	(10,489)	1,848,348
May	233,800	45,919,700	-	-	-	-
June	256,800	47,116,900	-	-	-	-
Total	2,800,000	550,745,300	2,109,618	461,974,218	(199,782)	4,265,518
Subtotals ytd	*2,309,400*	*457,708,700*	*2,109,618*	*461,974,218*	*(199,782)*	*4,265,518*
Achievement of Budget			*91.35%*	*100.93%*		

DWSD Retail Billings: Table 1 shows the FY 2017 sewer billed usage and billed revenue which are provided by DWSD staff. As of April 30, 2017, the DWSD usage was at 91.35% of budget and billed revenue was at 101.81% of budget.

GLWA Wholesale Customer Billings: Table 1 shows the FY 2017 sewer billed revenue. As a result of the sewer rate simplification which provides a more stable revenue stream, the wholesale sewer customers are billed a fixed monthly fee. The results of this effort can be seen as the billed revenue is at 100.0% of budget through April 30, 2017.

Total System Billings: Table 1 shows the FY 2017 combined DWSD and GLWA Wholesale sewer billed usage and billed revenue. Based on the combined billings, the GLWA Sewer System had billed revenues of 100.93% of budget based upon the most current information available as of this report.

2. FY 2017 Retail and Wholesale Water Revenue Report

Table 2 summarizes the unaudited FY 2017 wholesale customer water revenues billed by GLWA and the retail water revenues billed by DWSD. Please note these are billed revenues and do not reflect collections of those revenues. It should also be noted that the revenues are shown in the month that the billed flow was accrued and not the following month when the bills are usually sent out.

Table 2 – Combined DWSD and GLWA Wholesale FY 2017 Water Revenue Report

RETAIL WATER CUSTOMERS

	FY 2017 - Budget			FY 2017 - Actual			Variance	
Month	Volume	Revenue	Unit Revenue	Volume	Revenue	Unit Revenue	Volume	Revenue
	Mcf	*$*	*$/Mcf*	*Mcf*	*$*	*$/Mcf*	*Mcf*	*$*
July	287,000	9,203,000	32.07	286,452	9,248,558	32.29	(548)	45,558
August	291,300	9,069,000	31.13	294,876	9,415,124	31.93	3,576	346,124
September	252,800	8,450,500	33.43	260,282	8,619,218	33.11	7,482	168,718
October	247,100	8,156,500	33.01	224,211	7,769,846	34.65	(22,889)	(386,654)
November	220,200	7,545,000	34.26	213,455	7,514,457	35.20	(6,745)	(30,543)
December	238,400	8,095,300	33.96	233,948	8,010,628	34.24	(4,452)	(84,672)
January	235,800	8,250,600	34.99	222,510	7,760,925	34.88	(13,290)	(489,675)
February	237,700	8,015,400	33.72	208,483	7,448,922	35.73	(29,217)	(566,478)
March	242,500	8,163,500	33.66	233,060	8,021,779	34.42	(9,440)	(141,721)
April	224,500	7,796,700	34.73	221,229	7,713,262	34.87	(3,271)	(83,438)
May	266,000	8,452,800	31.78	-	-		-	-
June	290,700	8,946,700	30.78	-	-		-	-
Total	3,034,000	100,145,000	33.01	2,398,506	81,522,718	33.99	(78,794)	(1,222,782)
Subtotals ytd	*2,477,300*	*82,745,500*	*33.40*	*2,398,506*	*81,522,718*	*33.99*	*(78,794)*	*(1,222,782)*
Achievement of Budget				*96.8%*	*98.5%*			

WHOLESALE WATER CUSTOMERS*

	FY 2017 - Budget			FY 2017 - Actual			Variance	
Month	Volume	Revenue	Unit Revenue	Volume	Revenue	Unit Revenue	Volume	Revenue
	Mcf	*$*	*$/Mcf*	*Mcf*	*$*	*$/Mcf*	*Mcf*	*$*
July	1,460,300	28,995,300	19.86	1,876,004	33,846,550	18.04	415,704	4,851,250
August	1,446,500	28,870,800	19.96	1,641,782	31,604,507	19.25	195,282	2,733,707
September	1,305,800	27,601,300	21.14	1,357,967	28,334,832	20.87	52,167	733,532
October	1,095,200	25,701,100	23.47	1,053,703	25,311,628	24.02	(41,497)	(389,472)
November	947,400	24,367,500	25.72	904,264	24,043,057	26.59	(43,136)	(324,443)
December	1,021,500	25,036,100	24.51	994,161	24,673,766	24.82	(27,339)	(362,334)
January	1,063,000	25,410,600	23.90	982,270	24,629,916	25.07	(80,730)	(780,684)
February	966,200	24,537,200	25.40	852,593	23,531,569	27.60	(113,607)	(1,005,631)
March	1,072,900	25,499,900	23.77	984,638	24,653,545	25.04	(88,262)	(846,355)
April	990,800	24,759,100	24.99	939,934	24,254,270	25.80	(50,866)	(504,830)
May	1,115,500	25,884,300	23.20	-	-		-	-
June	1,421,500	28,645,300	20.15	-	-		-	-
Total	13,906,600	315,308,500	22.67	11,587,316	264,883,639	22.86	217,716	4,104,739
Subtotals ytd	*11,369,600*	*260,778,900*	*22.94*	*11,587,316*	*264,883,639*	*22.86*	*217,716*	*4,104,739*
Achievement of Budget				*101.9%*	*101.6%*			

** Does Not Include Revenues and Usage from the City of Flint as they were not Included in the FY 2017 Budget.*

TOTAL - ALL CUSTOMERS

	FY 2017 - Budget			FY 2017 - Actual			Variance	
Month	Volume	Revenue	Unit Revenue	Volume	Revenue	Unit Revenue	Volume	Revenue
	Mcf	*$*	*$/Mcf*	*Mcf*	*$*	*$/Mcf*	*Mcf*	*$*
July	1,747,300	38,198,300	21.86	2,162,456	43,095,108	19.93	415,156	4,896,808
August	1,737,800	37,939,800	21.83	1,936,658	41,019,630	21.18	198,858	3,079,830
September	1,558,600	36,051,800	23.13	1,618,249	36,954,050	22.84	59,649	902,250
October	1,342,300	33,857,600	25.22	1,277,914	33,081,474	25.89	(64,386)	(776,126)
November	1,167,600	31,912,500	27.33	1,117,719	31,557,514	28.23	(49,881)	(354,986)
December	1,259,900	33,131,400	26.30	1,228,109	32,684,394	26.61	(31,791)	(447,006)
January	1,298,800	33,661,200	25.92	1,204,780	32,390,841	26.89	(94,020)	(1,270,359)
February	1,203,900	32,552,600	27.04	1,061,076	30,980,491	29.20	(142,824)	(1,572,109)
March	1,315,400	33,663,400	25.59	1,217,698	32,675,323	26.83	(97,702)	(988,077)
April	1,215,300	32,555,800	26.79	1,161,163	31,967,531	27.53	(54,137)	(588,269)
May	1,381,500	34,337,100	24.85	-	-		-	-
June	1,712,200	37,592,000	21.96	-	-		-	-
Total	16,940,600	415,453,500	24.52	13,985,822	346,406,357	24.77	138,922	2,881,957
Subtotals ytd	*13,846,900*	*343,524,400*	*24.81*	*13,985,822*	*346,406,357*	*24.77*	*138,922*	*2,881,957*
Achievement of Budget				*101.0%*	*100.8%*			

DWSD Retail Billings: Table 2 shows the FY 2017 water billed usage and billed revenue which are provided by DWSD staff. As of April 30, 2017, the DWSD usage was at 96.8% of budget and billed revenue was at 98.5% of budget.

GLWA Wholesale Customer Billings: Table 2 shows the FY 2017 water billed usage and billed revenues. Starting FY 2016, wholesale water charges were re-structured to create a more stable revenue stream by using a historical two year rolling average to project customer volumes and allocating 60% of the customer revenue requirement to the monthly fixed charge. As of April 30, 2017, the billed usage was at 101.9% of budget and billed revenue at 101.6% of budget. As noted in **Table 2**, revenues and usage from the City of Flint are not included as they were not assumed in the FY 2017 Budget.

Total System Billings: Table 2 shows the FY 2017 combined DWSD and GLWA Wholesale water billed usage and billed revenue. Based on the combined Retail and Wholesale Water billings, the GLWA Water System had billed usage of 101.0% of budget and billed revenues of 100.8% of budget based upon the most current information available as of this report.

3. City of Highland Park Billings and Collections

As of May 31, 2017, Highland Park had a delinquent balance of $35.3 million, including $29.1 million for wastewater treatment services, $1.5 million for industrial waste control services, and over $4.7 million for water supply services. **Table 3** provides a summary of the billing and collection history for Highland Park from June 30, 2012 to May 31, 2017 in the table below. Please note the numbers below reflect the month the invoice was sent and not the month the service was provided.

There were no payments received from the City of Highland Park during the month of May 2017.

Table 3 - City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	$ -	$ 10,207,956	$ 852,987	$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	(65,652)	(2,206,211)	-	(2,271,863)
				-
June 30, 2013 Balance	$ 420,235	$ 12,989,380	$ 1,007,431	$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	-	(1,612,633)	-	(1,612,633)
				-
June 30, 2014 Balance	$ 1,424,592	$ 18,357,189	$ 1,169,382	$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	-	(1,444,623)	-	(1,444,623)
				-
June 30, 2015 Balance	$ 2,432,625	$ 22,465,689	$ 1,335,121	$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	-	(2,022,335)	-	(2,022,335)
				-
June 30, 2016 Balance	$ 3,589,803	$ 26,055,521	$ 1,441,551	$ 31,086,875
FY 2017 Billings (11 Months)	1,142,086	5,317,100	94,899	6,554,085
FY 2017 Payments (11 Months)	-	(2,309,186)	-	(2,309,186)
				-
Balance as of May 31, 2017	**$ 4,731,889**	**$ 29,063,435**	**$ 1,536,450**	**$ 35,331,774**

4. City of Flint Billings and Collections

On July 11, 2016, the City of Flint signed a Letter of Agreement with GLWA to extend water services until June 30, 2017. Per this agreement, two transfers are to be deposited into a prepayment fund. The first transfer of $5.9 million, net of a carryover prepayment of $501,964.92, was received on July 13, 2016. The next scheduled deposit of $3.9 million was received on October 11, 2016. In a subsequent Letter Agreement dated October 15, 2016, which was further amended on January 13, 2017, the final payment of $2,465,700 was received on February 13, 2017. **Table 4** shows the balance of the prepayment fund through May 31, 2017.

On May 31, 2017, GLWA sent a letter agreement to the City of Flint to extend service on a short term basis through September 30, 2017. As part of the letter agreement, two additional deposits of $1,802,750 to the prepayment fund will be required. As of the date of this report, no payments to the fund have been received.

Table 4 - City of Flint Billings and Collections

Invoice Month	Usage	Commodity Charge	Fixed Charge	Total Invoice	Prepayment Fund Deposits	Prepayment Fund Balance
October 2015 Prepayment Deposit	-	$ -	$ -	$ -	$ 10,000,000.00	$ 10,000,000.00
November 2015	26,875.0	$ 8.93	$ 341,729.00	$ 581,722.75	$ -	$ 9,418,277.25
December 2015	47,576.9	$ 8.93	$ 662,100.00	$ 1,086,961.72	$ -	$ 8,331,315.53
January 2016	48,067.4	$ 8.93	$ 662,100.00	$ 1,091,341.88	$ -	$ 7,239,973.65
February 2016	52,606.4	$ 8.93	$ 662,100.00	$ 1,131,875.15	$ -	$ 6,108,098.50
March 2016	51,787.4	$ 8.93	$ 662,100.00	$ 1,124,561.84	$ -	$ 4,983,536.66
April 2016	51,490.5	$ 8.93	$ 662,100.00	$ 1,121,910.52	$ -	$ 3,861,626.14
May 2016	48,496.8	$ 8.93	$ 662,100.00	$ 1,095,176.07	$ -	$ 2,766,450.07
June 2016	51,410.7	$ 8.93	$ 662,100.00	$ 1,121,197.82	$ -	$ 1,645,252.25
July 2016 Prepayment Deposit	-	$ -	$ -	$ -	$ 5,900,000.00	$ 7,545,252.25
July 2016	53,884.4	$ 8.93	$ 662,100.00	$ 1,143,287.33	$ -	$ 6,401,964.92
August 2016	56,368.7	$ 8.93	$ 662,100.00	$ 1,165,472.22	$ -	$ 5,236,492.69
September 2016	57,283.3	$ 8.93	$ 662,100.00	$ 1,173,640.05	$ -	$ 4,062,852.65
October 2016 Prepayment Deposit	-	$ -	$ -	$ -	$ 3,900,000.00	$ 7,962,852.65
October 2016	49,587.3	$ 8.93	$ 662,100.00	$ 1,104,914.86	$ -	$ 6,857,937.79
November 2016	52,665.3	$ 8.93	$ 662,100.00	$ 1,132,401.31	$ -	$ 5,725,536.48
December 2016	43,857.1	$ 8.93	$ 662,100.00	$ 1,053,743.99	$ -	$ 4,671,792.49
January 2017	47,101.3	$ 8.93	$ 662,100.00	$ 1,082,714.34	$ -	$ 3,589,078.15
February 2017 Prepayment Deposit	-	$ -	$ -	$ -	$ 2,465,700.00	$ 6,054,778.15
February 2017	52,183.1	$ 8.93	$ 662,100.00	$ 1,128,095.44	$ -	$ 4,926,682.71
March 2017	45,690.3	$ 8.93	$ 662,100.00	$ 1,070,114.11	$ -	$ 3,856,568.60
April 2017	48,707.3	$ 8.93	$ 662,100.00	$ 1,097,056.28	$ -	$ 2,759,512.32
May 2017	45,658.1	$ 8.93	$ 662,100.00	$ 1,069,826.48		$ 1,689,685.84
Total				$ 20,576,014.16	$ 22,265,700.00	

5. Water & Sewer System Wholesale Accounts Receivable Aging Report

Table 5 is a summary of the total, current and non-current receivables by category as of May 31, 2017. **Table 6** is the same summary without the past due balances for the City of Highland Park. The detailed accounts receivable aging is attached to this report. This report reflects the wholesale receivables only and do not include DWSD. (Note: percentages vary from 100% due to rounding.)

As shown in the tables below and in the attached receivable report, the 46-74 Days has an increase from the prior month. This is due to amounts owed by the City of Dearborn as of May 31, 2017. On June 2, 2017, Dearborn's payments were received which brought their account to current.

Table 5 - Wholesale Accounts Receivable Aging Report

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	$ 33,930,744.49	$ 28,800,058.11	$ 696,796.89	$ 99,476.59	$ 4,334,412.90
Sewer	$ 48,341,535.03	$ 19,762,999.50	$ 484,900.00	$ 484,900.00	$ 27,608,735.53
IWC	$ 2,428,275.34	$ 910,593.45	$ (1,471.85)	$ 17,296.20	$ 1,501,857.54
Pollutant Surcharge	$ 786,077.82	$ 563,172.38	$ 7,911.94	$ 8,516.00	$ 206,477.50
Total	$ 85,486,632.68	$ 50,036,823.44	$ 1,188,136.98	$ 610,188.79	$ 33,651,483.47
	100.0%	58.5%	1.4%	0.7%	39.4%

Table 6 - Wholesale Accounts Receivable Aging Report, Net of Highland Park

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	$ 29,198,854.98	$ 28,600,855.61	$ 597,999.37	$ -	$ -
Sewer	$ 19,278,099.50	$ 19,278,099.50	$ -	$ -	$ -
IWC	$ 891,825.40	$ 893,297.25	$ (1,471.85)	$ -	$ -
Pollutant Surcharge	$ 786,077.82	$ 563,172.38	$ 7,911.94	$ 8,516.00	$ 206,477.50
Total	$ 50,154,857.70	$ 49,335,424.74	$ 604,439.46	$ 8,516.00	$ 206,477.50
	100.0%	98.4%	1.2%	0.0%	0.4%

GLWA Aged Accounts Receivable- Water Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	$169,951.62	$169,951.62	$0.00	$0.00	$0.00
ASH TOWNSHIP	$59,613.74	$59,613.74	$0.00	$0.00	$0.00
BELLEVILLE	$23,025.63	$23,025.63	$0.00	$0.00	$0.00
BERLIN TOWNSHIP	$53,821.58	$53,821.58	$0.00	$0.00	$0.00
BROWNSTOWN TOWNSHIP	$258,602.04	$258,602.04	$0.00	$0.00	$0.00
BRUCE TOWNSHIP	$5,474.09	$5,474.09	$0.00	$0.00	$0.00
BURTCHVILLE TOWNSHIP	$(2,416.17)	$(2,416.17)	$0.00	$0.00	$0.00
CANTON TOWNSHIP	$1,031,587.73	$1,031,587.73	$0.00	$0.00	$0.00
CENTER LINE	$36,540.99	$36,540.99	$0.00	$0.00	$0.00
CHESTERFIELD TOWNSHIP	$291,353.89	$291,353.89	$0.00	$0.00	$0.00
CLINTON TOWNSHIP	$586,592.21	$586,592.21	$0.00	$0.00	$0.00
COMMERCE TOWNSHIP	$374,388.43	$374,388.43	$0.00	$0.00	$0.00
DEARBORN	$2,156,703.56	$1,558,704.19	$597,999.37	$0.00	$0.00
DEARBORN HEIGHTS	$293,026.49	$293,026.49	$0.00	$0.00	$0.00
EASTPOINTE	$250,516.72	$250,516.72	$0.00	$0.00	$0.00
ECORSE	$112,845.90	$112,845.90	$0.00	$0.00	$0.00
FARMINGTON	$74,116.52	$74,116.52	$0.00	$0.00	$0.00
FARMINGTON HILLS	$654,606.47	$654,606.47	$0.00	$0.00	$0.00
FERNDALE	$76,049.96	$76,049.96	$0.00	$0.00	$0.00
FLAT ROCK	$96,403.15	$96,403.15	$0.00	$0.00	$0.00
FLINT	$(1,689,685.84)	$(1,689,685.84)	$0.00	$0.00	$0.00
FRASER	$97,933.66	$97,933.66	$0.00	$0.00	$0.00
GARDEN CITY	$130,169.61	$130,169.61	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Water Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GENESEE COUNTY DRAIN COMM	$1,457,255.26	$1,457,255.26	$0.00	$0.00	$0.00
GIBRALTAR	$37,476.21	$37,476.21	$0.00	$0.00	$0.00
GREENWOOD TOWNSHIP	$70,064.49	$70,064.49	$0.00	$0.00	$0.00
GROSSE ILE TOWNSHIP	$99,242.54	$99,242.54	$0.00	$0.00	$0.00
GROSSE POINTE PARK	$102,817.15	$102,817.15	$0.00	$0.00	$0.00
GROSSE POINTE SHORES	$39,637.27	$39,637.27	$0.00	$0.00	$0.00
GROSSE POINTE WOODS	$93,283.01	$93,283.01	$0.00	$0.00	$0.00
HAMTRAMCK	$56,532.62	$56,532.62	$0.00	$0.00	$0.00
HARPER WOODS	$68,427.13	$68,427.13	$0.00	$0.00	$0.00
HARRISON TWP	$0.00	$0.00	$0.00	$0.00	$0.00
HAZEL PARK	$56,310.90	$56,310.90	$0.00	$0.00	$0.00
HIGHLAND PARK	$4,731,889.51	$199,202.50	$98,797.52	$99,476.59	$4,334,412.90
HURON TOWNSHIP	$111,498.08	$111,498.08	$0.00	$0.00	$0.00
IMLAY CITY	$89,686.65	$89,686.65	$0.00	$0.00	$0.00
IMLAY TOWNSHIP	$282.53	$282.53	$0.00	$0.00	$0.00
INKSTER	$278,373.49	$278,373.49	$0.00	$0.00	$0.00
KEEGO HARBOR	$23,141.09	$23,141.09	$0.00	$0.00	$0.00
LAPEER	$110,577.93	$110,577.93	$0.00	$0.00	$0.00
LENOX TOWNSHIP	$41,670.98	$41,670.98	$0.00	$0.00	$0.00
LINCOLN PARK	$178,612.75	$178,612.75	$0.00	$0.00	$0.00
LIVONIA	$971,532.18	$971,532.18	$0.00	$0.00	$0.00
MACOMB TWP	$782,842.53	$782,842.53	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Water Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MADISON HEIGHTS	$148,591.80	$148,591.80	$0.00	$0.00	$0.00
MAYFIELD TOWNSHIP	$310.08	$310.08	$0.00	$0.00	$0.00
MELVINDALE	$51,630.26	$51,630.26	$0.00	$0.00	$0.00
NEW HAVEN	$27,897.27	$27,897.27	$0.00	$0.00	$0.00
NOCWA	$1,716,059.22	$1,716,059.22	$0.00	$0.00	$0.00
NORTHVILLE	$54,751.18	$54,751.18	$0.00	$0.00	$0.00
NORTHVILLE TOWNSHIP	$932,525.53	$932,525.53	$0.00	$0.00	$0.00
NOVI	$664,492.99	$664,492.99	$0.00	$0.00	$0.00
OAK PARK	$100,454.67	$100,454.67	$0.00	$0.00	$0.00
OAKLAND CO DR COM	$7,070.67	$7,070.67	$0.00	$0.00	$0.00
PLYMOUTH	$77,794.62	$77,794.62	$0.00	$0.00	$0.00
PLYMOUTH TOWNSHIP	$303,402.06	$303,402.06	$0.00	$0.00	$0.00
REDFORD TOWNSHIP	$268,301.29	$268,301.29	$0.00	$0.00	$0.00
RIVER ROUGE	$52,326.12	$52,326.12	$0.00	$0.00	$0.00
RIVERVIEW	$68,001.16	$68,001.16	$0.00	$0.00	$0.00
ROCKWOOD	$22,781.35	$22,781.35	$0.00	$0.00	$0.00
ROMEO	$19,328.80	$19,328.80	$0.00	$0.00	$0.00
ROMULUS	$286,173.82	$286,173.82	$0.00	$0.00	$0.00
ROSEVILLE	$198,790.88	$198,790.88	$0.00	$0.00	$0.00
ROYAL OAK TOWNSHIP	$18,439.92	$18,439.92	$0.00	$0.00	$0.00
SHELBY TOWNSHIP	$965,480.11	$965,480.11	$0.00	$0.00	$0.00
SOCWA	$3,355,524.14	$3,355,524.14	$0.00	$0.00	$0.00
SOUTH ROCKWOOD	$8,039.70	$8,039.70	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Water Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOUTHGATE	$165,673.57	$165,673.57	$0.00	$0.00	$0.00
ST. CLAIR SHORES	$232,740.96	$232,740.96	$0.00	$0.00	$0.00
STERLING HEIGHTS	$1,136,668.24	$1,136,668.24	$0.00	$0.00	$0.00
SUMPTER TOWNSHIP	$47,866.14	$47,866.14	$0.00	$0.00	$0.00
SYLVAN LAKE	$17,654.43	$17,654.43	$0.00	$0.00	$0.00
TAYLOR	$753,961.86	$753,961.86	$0.00	$0.00	$0.00
TRENTON	$158,317.91	$158,317.91	$0.00	$0.00	$0.00
TROY (SEOC)	$1,014,496.32	$1,014,496.32	$0.00	$0.00	$0.00
UTICA	$46,959.53	$46,959.53	$0.00	$0.00	$0.00
VAN BUREN TOWNSHIP	$423,568.68	$423,568.68	$0.00	$0.00	$0.00
VILLAGE OF ALMONT	$16,888.96	$16,888.96	$0.00	$0.00	$0.00
WALLED LAKE	$144,727.25	$144,727.25	$0.00	$0.00	$0.00
WARREN	$742,884.54	$742,884.54	$0.00	$0.00	$0.00
WASHINGTON TOWNSHIP	$217,100.35	$217,100.35	$0.00	$0.00	$0.00
WAYNE	$219,292.64	$219,292.64	$0.00	$0.00	$0.00
WEST BLOOMFIELD TWP (C-O)	$1,561,193.95	$1,561,193.95	$0.00	$0.00	$0.00
WESTLAND	$953,038.17	$953,038.17	$0.00	$0.00	$0.00
WIXOM	$355,016.06	$355,016.06	$0.00	$0.00	$0.00
WOODHAVEN	$148,738.48	$148,738.48	$0.00	$0.00	$0.00
YCUA	$1,683,412.53	$1,683,412.53	$0.00	$0.00	$0.00
TOTAL Water Accounts	**$33,930,744.49**	**$28,800,058.11**	**$696,796.89**	**$99,476.59**	**$4,334,412.90**

GLWA Aged Accounts Receivable- Sewer Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	$0.00	$0.00	$0.00	$0.00	$0.00
CENTER LINE	$77,199.50	$77,199.50	$0.00	$0.00	$0.00
DEARBORN	$0.00	$0.00	$0.00	$0.00	$0.00
EVERGREEN-FARMINGTON	$2,681,600.00	$2,681,600.00	$0.00	$0.00	$0.00
FARMINGTON	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE FARMS	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE PARK	$135,500.00	$135,500.00	$0.00	$0.00	$0.00
HAMTRAMCK	$0.00	$0.00	$0.00	$0.00	$0.00
HARPER WOODS	$0.00	$0.00	$0.00	$0.00	$0.00
HIGHLAND PARK	$29,063,435.53	$484,900.00	$484,900.00	$484,900.00	$27,608,735.53
MELVINDALE	$115,100.00	$115,100.00	$0.00	$0.00	$0.00
OAKLAND COUNTY GWK DD	$3,806,900.00	$3,806,900.00	$0.00	$0.00	$0.00
OMID	$5,802,300.00	$5,802,300.00	$0.00	$0.00	$0.00
REDFORD TOWNSHIP	$21,700.00	$21,700.00	$0.00	$0.00	$0.00
ROUGE VALLEY	$4,623,900.00	$4,623,900.00	$0.00	$0.00	$0.00
WAYNE COUNTY N.E.	$2,010,000.00	$2,010,000.00	$0.00	$0.00	$0.00
WAYNE COUNTY-AREA #3	$3,900.00	$3,900.00	$0.00	$0.00	$0.00
TOTAL Sewer Accounts	$48,341,535.03	$19,762,999.50	$484,900.00	$484,900.00	$27,608,735.53

GLWA Aged Accounts Receivable- IWC Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	$2,562.43	$2,562.43	$0.00	$0.00	$0.00
AUBURN HILLS (C-O)	$29,356.78	$29,356.78	$0.00	$0.00	$0.00
AUBURN HILLS (E-F)	$567.95	$567.95	$0.00	$0.00	$0.00
BERKLEY	$4,609.21	$4,609.21	$0.00	$0.00	$0.00
BEVERLY HILLS	$1,587.92	$1,587.92	$0.00	$0.00	$0.00
BINGHAM FARMS	$1,695.07	$1,695.07	$0.00	$0.00	$0.00
BIRMINGHAM (E-F)	$3,802.94	$3,802.94	$0.00	$0.00	$0.00
BIRMINGHAM (SEOC)	$17,223.26	$17,223.26	$0.00	$0.00	$0.00
BLOOMFIELD HILLS	$2,401.37	$2,401.37	$0.00	$0.00	$0.00
BLOOMFIELD TOWNSHIP	$0.00	$0.00	$0.00	$0.00	$0.00
CANTON TOWNSHIP	$30,302.38	$30,302.38	$0.00	$0.00	$0.00
CENTER LINE	$5,854.18	$5,854.18	$0.00	$0.00	$0.00
CHESTERFIELD TOWNSHIP	$18,879.44	$18,879.44	$0.00	$0.00	$0.00
CITY OF FARMINGTON (E-F)	$443.60	$443.60	$0.00	$0.00	$0.00
CITY OF ROCHESTER	$5,919.69	$5,919.69	$0.00	$0.00	$0.00
CLARKSTON	$488.89	$488.89	$0.00	$0.00	$0.00
CLAWSON	$0.00	$0.00	$0.00	$0.00	$0.00
CLINTON TOWNSHIP	$39,867.71	$39,867.71	$0.00	$0.00	$0.00
DEARBORN	$116,197.94	$116,197.94	$0.00	$0.00	$0.00
DEARBORN HEIGHTS	$0.00	$0.00	$0.00	$0.00	$0.00
DETROIT METRO WC AIRPORT	$169.50	$169.50	$0.00	$0.00	$0.00
EASTPOINTE	$10,115.73	$10,115.73	$0.00	$0.00	$0.00
FARMINGTON	$5,251.53	$5,251.53	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- IWC Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
FARMINGTON HILLS	$37,445.76	$37,445.76	$0.00	$0.00	$0.00
FERNDALE	$14,154.87	$14,154.87	$0.00	$0.00	$0.00
FRASER	$7,883.66	$7,883.66	$0.00	$0.00	$0.00
GARDEN CITY	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE FARMS	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE PARK	$(0.35)	$(0.35)	$0.00	$0.00	$0.00
GROSSE POINTE SHORES	$0.00	$0.00	$0.00	$0.00	$0.00
GROSSE POINTE WOODS	$0.00	$0.00	$0.00	$0.00	$0.00
HAMTRAMCK	$7,069.93	$7,069.93	$0.00	$0.00	$0.00
HARPER WOODS	$0.00	$0.00	$0.00	$0.00	$0.00
HARRISON TWP	$4,987.38	$4,987.38	$0.00	$0.00	$0.00
HAZEL PARK	$5,204.33	$5,204.33	$0.00	$0.00	$0.00
HIGHLAND PARK	$1,536,449.94	$17,296.20	$0.00	$17,296.20	$1,501,857.54
HUNTINGTON WOODS	$454.88	$454.88	$0.00	$0.00	$0.00
INDEPENDENCE	$7,303.70	$7,303.70	$0.00	$0.00	$0.00
INKSTER	$8,837.55	$8,837.55	$0.00	$0.00	$0.00
KEEGO HARBOR	$1,090.57	$1,090.57	$0.00	$0.00	$0.00
LAKE ORION	$1,206.45	$1,206.45	$0.00	$0.00	$0.00
LATHRUP	$2,235.33	$2,235.33	$0.00	$0.00	$0.00
LENOX TOWNSHIP	$565.00	$565.00	$0.00	$0.00	$0.00
LIVONIA	$63,089.30	$63,089.30	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- IWC Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MACOMB TWP	$327.83	$327.83	$0.00	$0.00	$0.00
MADISON HEIGHTS	$0.00	$0.00	$0.00	$0.00	$0.00
MELVINDALE	$5,769.33	$5,769.33	$0.00	$0.00	$0.00
NEW HAVEN	$635.86	$635.86	$0.00	$0.00	$0.00
NORTHVILLE	$2,808.37	$2,808.37	$0.00	$0.00	$0.00
NORTHVILLE TOWNSHIP	$7,269.19	$7,269.19	$0.00	$0.00	$0.00
NOVI	$27,189.35	$27,189.35	$0.00	$0.00	$0.00
OAK PARK	$10,072.68	$10,072.68	$0.00	$0.00	$0.00
OAKLAND TOWNSHIP	$723.25	$723.25	$0.00	$0.00	$0.00
ORCHARD LAKE VILLAGE	$644.16	$644.16	$0.00	$0.00	$0.00
ORION TOWNSHIP (C-O)	$8,529.44	$8,529.44	$0.00	$0.00	$0.00
OXFORD TOWNSHIP	$1,553.88	$1,553.88	$0.00	$0.00	$0.00
OXFORD VILLAGE	$0.00	$0.00	$0.00	$0.00	$0.00
PLEASANT RIDGE	$0.00	$0.00	$0.00	$0.00	$0.00
PLYMOUTH	$0.00	$0.00	$0.00	$0.00	$0.00
PLYMOUTH TOWNSHIP	$0.00	$0.00	$0.00	$0.00	$0.00
REDFORD TOWNSHIP	$24,375.68	$24,375.68	$0.00	$0.00	$0.00
ROCHESTER HILLS	$28,572.12	$28,572.12	$0.00	$0.00	$0.00
ROMULUS	$1,471.85	$2,943.70	$(1,471.85)	$0.00	$0.00
ROSEVILLE	$22,700.13	$22,700.13	$0.00	$0.00	$0.00
ROYAL OAK	$(1,238.38)	$(1,238.38)	$0.00	$0.00	$0.00
ROYAL OAK TOWNSHIP	$1,539.78	$1,539.78	$0.00	$0.00	$0.00
SHELBY TOWNSHIP	$18,399.88	$18,399.88	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- IWC Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOUTHFIELD (E-F)	$44,458.46	$44,458.46	$0.00	$0.00	$0.00
SOUTHFIELD (SEOC)	$5,611.13	$5,611.13	$0.00	$0.00	$0.00
ST. CLAIR SHORES	$38,042.88	$38,042.88	$0.00	$0.00	$0.00
STERLING HEIGHTS	$49,290.10	$49,290.10	$0.00	$0.00	$0.00
TROY (E-F)	$610.31	$610.31	$0.00	$0.00	$0.00
TROY (SEOC)	$58,263.40	$58,263.40	$0.00	$0.00	$0.00
UTICA	$4,616.46	$4,616.46	$0.00	$0.00	$0.00
VAN BUREN TOWNSHIP	$548.13	$548.13	$0.00	$0.00	$0.00
VILLAGE OF FRANKLIN	$104.53	$104.53	$0.00	$0.00	$0.00
WASHINGTON TOWNSHIP	$2,226.35	$2,226.35	$0.00	$0.00	$0.00
WATERFORD TOWNSHIP	$19,545.54	$19,545.54	$0.00	$0.00	$0.00
WAYNE	$0.00	$0.00	$0.00	$0.00	$0.00
WEST BLOOMFIELD TWP (C-O)	$1,486.13	$1,486.13	$0.00	$0.00	$0.00
WEST BLOOMFIELD TWP (E-F)	$10,004.59	$10,004.59	$0.00	$0.00	$0.00
WESTLAND	$36,847.11	$36,847.11	$0.00	$0.00	$0.00
TOTAL IWC Accounts	$2,428,275.34	$910,593.45	$(1,471.85)	$17,296.20	$1,501,857.54

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
A & R PACKING CO., LLC	$3,869.59	$3,869.59	$0.00	$0.00	$0.00
AACTRON	$2,139.08	$813.69	$0.00	$1,325.39	$0.00
ACADEMY PACKING CO.	$0.00	$0.00	$0.00	$0.00	$0.00
ACME RUSTPROOF	$74.59	$74.58	$0.01	$0.00	$0.00
ADVANCED RESOURCE RECOVERY	$547.54	$547.54	$0.00	$0.00	$0.00
AEVITAS SPECIALITY SERVICES	$15,494.29	$15,494.29	$0.00	$0.00	$0.00
ALEXANDER & HORNUNG	$6,090.68	$6,090.68	$0.00	$0.00	$0.00
ALEXANDER & HORNUNG	$21,061.44	$21,061.44	$0.00	$0.00	$0.00
ALEXANDER & HORNUNG	$1,731.15	$1,731.15	$0.00	$0.00	$0.00
ALGAL SCIENTIFIC CORPORATION	$745.44	$745.44	$0.00	$0.00	$0.00
ALL CHEM CORP, LLC.	$58.09	$58.09	$0.00	$0.00	$0.00
ALPHA STAMPING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
AMERICAN WASTE TECH INC.	$1,393.97	$0.00	$0.00	$0.00	$1,393.97
ATWATER BREWERY	$473.05	$473.05	$0.00	$0.00	$0.00
ATWATER BREWERY	$2,834.11	$2,834.11	$0.00	$0.00	$0.00
AUTOMOTIVE FINISH	$0.00	$0.00	$0.00	$0.00	$0.00
AXLE BREWING COMPANY, LLC	$0.00	$0.00	$0.00	$0.00	$0.00
BAFFIN BREWING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
BARABOO BREWING COMPANY	$549.08	$549.08	$0.00	$0.00	$0.00
BARON INDUSTRIES	$2,101.60	$995.86	$0.00	$1,105.74	$0.00
BARTZ BAKERY	$0.00	$0.00	$0.00	$0.00	$0.00
BATCH BREWING COMPANY	$236.53	$236.53	$0.00	$0.00	$0.00
BATSTONE BREWERY	$0.00	$0.00	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BAYS MICHIGAN CORPORATION	$540.46	$540.46	$0.00	$0.00	$0.00
BEIRUT BAKERY, INC.	$305.11	$0.00	$64.34	$0.00	$240.77
BETTER MADE SNACK FOOD	$17,724.35	$17,724.35	$0.00	$0.00	$0.00
BLACK LOTUS BREWING CO.	$422.37	$0.00	$422.37	$0.00	$0.00
BOZEK'S MARKET	$0.00	$0.00	$0.00	$0.00	$0.00
BREW DETROIT	$4,168.79	$4,168.79	$0.00	$0.00	$0.00
BROADWAY MKT CORNED BEEF	$14.22	$14.22	$0.00	$0.00	$0.00
BROOKS BREWING, LLC.	$0.00	$0.00	$0.00	$0.00	$0.00
CANTON BREW WORKS	$0.00	$0.00	$0.00	$0.00	$0.00
CAPITAL REPRODUCTIONS	$3.44	$1.38	$0.00	$2.06	$0.00
CF BURGER CREAMERY	$12,357.98	$12,357.98	$0.00	$0.00	$0.00
CHILANGO'S BAKERY	$1,885.87	$0.00	$0.00	$0.00	$1,885.87
CINTAS CORP. - MACOMB TWP.	$48,287.53	$48,287.53	$0.00	$0.00	$0.00
CINTAS CORPORATION	$22,668.41	$22,668.41	$0.00	$0.00	$0.00
CINTAS CORPORATION	$9,446.31	$9,446.31	$0.00	$0.00	$0.00
CITY LAUNDRY, INC.	$27.44	$18.59	$8.85	$0.00	$0.00
CLASSIC CONTAINER CORP.	$0.00	$0.00	$0.00	$0.00	$0.00
COCA-COLA REFRESHMENTS USA,	$7,196.35	$4,981.22	$2,215.13	$0.00	$0.00
COTSCO WHOLESALE STORE	$2,180.25	$2,180.25	$0.00	$0.00	$0.00
COTSCO WHOLESALE STORE	$551.29	$551.29	$0.00	$0.00	$0.00
COTSCO WHOLESALE STORE	$2,493.11	$2,493.11	$0.00	$0.00	$0.00
COTSCO WHOLESALE STORE	$0.00	$0.00	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COUNTRY FRESH DAIRY CO.	$12,775.23	$12,775.23	$0.00	$0.00	$0.00
CROSS CHEMICAL COMPANY, INC.	$2,338.45	$1,600.70	$0.00	$737.75	$0.00
DARLING INGREDIENTS, INC.	$11,169.52	$11,169.52	$0.00	$0.00	$0.00
DAVE'S SAUSAGE FACTORY 2	$0.00	$0.00	$0.00	$0.00	$0.00
DEARBORN BREWING	$0.00	$0.00	$0.00	$0.00	$0.00
DEARBORN SAUSAGE	$0.00	$0.00	$0.00	$0.00	$0.00
DEARBORN SAUSAGE CO., INC.	$0.00	$0.00	$0.00	$0.00	$0.00
DETROIT BEER	$0.00	$0.00	$0.00	$0.00	$0.00
DETROIT LINEN SERVICE	$0.00	$0.00	$0.00	$0.00	$0.00
DETROIT METRO WC AIRPORT	$(0.06)	$0.00	$0.00	$0.00	$(0.06)
DETROIT SAUSAGES CO INC	$48.33	$19.90	$8.53	$8.53	$11.37
DETRONIC INDUSTRIES, INC.	$0.00	$0.00	$0.00	$0.00	$0.00
DIFCO LABORATORIES, INC.	$27,460.58	$27,460.58	$0.00	$0.00	$0.00
DIVERSIFIED CHEM TECH. INC.	$177.01	$177.01	$0.00	$0.00	$0.00
DOMESTIC UNIFORM RENTAL	$1,027.42	$1,027.42	$0.00	$0.00	$0.00
DOMESTIC UNIFORM RENTAL	$1,621.03	$1,621.03	$0.00	$0.00	$0.00
E.W. GROBBEL'S SONS, INC.	$2,226.64	$2,226.64	$0.00	$0.00	$0.00
EAGLE OTTAWA ROCHESTER HILLS	$5,592.75	$5,592.75	$0.00	$0.00	$0.00
ENVIROSOLIDS, L.L.C.	$30,707.31	$30,707.31	$0.00	$0.00	$0.00
EQ DETROIT, INC.	$8,748.63	$8,748.63	$0.00	$0.00	$0.00
EQ DETROIT, INC.	$17,046.48	$17,046.48	$0.00	$0.00	$0.00
EQ DETROIT, INC.	$(599.41)	$(599.41)	$0.00	$0.00	$0.00
EQ DETROIT, INC.	$0.00	$0.00	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ RESOURCES RECOVERY, INC.	$4,615.37	$4,615.37	$0.00	$0.00	$0.00
ETON ST BREWERY- GRIFFIN CLA	$(5,629.33)	$0.00	$(5,629.33)	$0.00	$0.00
EXTRUDE HONE CORPORATION	$85.26	$85.26	$0.00	$0.00	$0.00
EXTRUDEHODE	$0.00	$0.00	$0.00	$0.00	$0.00
FARMINGTON BREWING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
FAYGO BEVERAGES, INC.	$22,918.14	$22,918.14	$0.00	$0.00	$0.00
FITZGERALD FINISHING LLC	$0.00	$0.00	$0.00	$0.00	$0.00
FORD NEW MODEL PROGRAM	$195.64	$195.64	$0.00	$0.00	$0.00
FRESH-PAK	$912.08	$912.08	$0.00	$0.00	$0.00
FRESH-PAK	$3,116.87	$3,116.87	$0.00	$0.00	$0.00
GENERAL LINEN SUPPLY CO.	$11,748.52	$7,636.27	$3,342.38	$769.87	$0.00
GLOBAL TITANIUM, INC.	$48.00	$48.00	$0.00	$0.00	$0.00
GLOBAL TITANIUM, INC.	$139.08	$139.08	$0.00	$0.00	$0.00
GRANITE CITY FOOD & BREWERY	$0.00	$0.00	$0.00	$0.00	$0.00
GRANITE CITY FOOD & BREWERY	$0.00	$0.00	$0.00	$0.00	$0.00
GRANITE CITY FOOD & BREWERY	$0.00	$0.00	$0.00	$0.00	$0.00
HACIENDA MEXICAN FOODS	$7,871.56	$1,168.02	$612.36	$530.15	$5,561.03
HENKEL CORPORATION	$328.98	$98.43	$0.00	$145.53	$85.02
HOME STYLE FOOD INC.	$2,217.35	$2,217.35	$0.00	$0.00	$0.00
HOOD CLEANERS	$144.76	$20.67	$9.84	$13.78	$100.47
HOUGHTON INTERNATIONAL INC.	$1,911.50	$1,911.50	$0.00	$0.00	$0.00
HOUGHTON INTERNATIONAL INC.	$1,896.32	$1,896.32	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOUGHTON INTERNATIONAL INC.	$948.16	$948.16	$0.00	$0.00	$0.00
HUNTINGTON CLEANERS	$0.00	$0.00	$0.00	$0.00	$0.00
INDUSTRIAL METAL COATING	$0.00	$0.00	$0.00	$0.00	$0.00
ISLAMIC SLAUGHTER HOUSE	$2,901.85	$2,451.47	$450.38	$0.00	$0.00
ITALIAN BUTTER BREAD STICKS	$11.26	$11.26	$0.00	$0.00	$0.00
J & G FOOD PRODUCTS, INC.	$110.91	$110.91	$0.00	$0.00	$0.00
KAR NUT PRODUCTS	$4,942.44	$2,680.94	$0.00	$2,261.50	$0.00
KOWALSKI SAUSAGES, CO.	$617.09	$617.09	$0.00	$0.00	$0.00
LA MICHOACANA FLOUR TORTILLA	$421.78	$421.78	$0.00	$0.00	$0.00
LA MICHOACANA FLOUR TORTILLA	$62.37	$62.37	$0.00	$0.00	$0.00
LIBERTY STREET PROD. BREWERY	$0.00	$0.00	$0.00	$0.00	$0.00
LILY'S SEAFOOD GRILL & BREWE	$0.00	$0.00	$0.00	$0.00	$0.00
MACDERMID, INC.	$2,333.39	$2,333.39	$0.00	$0.00	$0.00
MCNICHOLS POLISHING & ANODIZ	$163.18	$0.00	$22.00	$0.00	$141.18
MELLO MEATS INC, - KUBISCH S	$142.19	$142.19	$0.00	$0.00	$0.00
METROPOLITAN BAKERY	$0.00	$0.00	$0.00	$0.00	$0.00
MIBA HYDRAMECHANICA CORP.	$0.00	$0.00	$0.00	$0.00	$0.00
MICHIGAN DAIRY	$87,491.24	$87,491.24	$0.00	$0.00	$0.00
MICHIGAN PROD. MACHINING	$2,346.80	$2,346.80	$0.00	$0.00	$0.00
MICHIGAN SOY PRODUCTS CO.	$0.00	$0.00	$0.00	$0.00	$0.00
MIDWEST WIRE PRODUCTS, INC.	$4.71	$4.71	$0.00	$0.00	$0.00
MILANO BAKERY	$1,441.90	$1,441.90	$0.00	$0.00	$0.00
MILTON CHILI CO.	$96.39	$45.36	$0.00	$51.03	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MINNIE MARIE BAKERS, INC	$932.49	$932.49	$0.00	$0.00	$0.00
MISTER UNIFORM & MAT RENTALS	$107.97	$69.66	$38.31	$0.00	$0.00
MOTOR CITY BREWING WORKS	$(213.00)	$(213.00)	$0.00	$0.00	$0.00
NATIONAL CHILI COMPANY	$425.61	$425.61	$0.00	$0.00	$0.00
NATIONAL CHILI COMPANY	$116.08	$116.08	$0.00	$0.00	$0.00
NORTH CENTER BREWING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
NORTHERN LAKES SEAFOOD & MEA	$48.62	$48.62	$0.00	$0.00	$0.00
OAKWOOD BAKERY	$190.44	$190.44	$0.00	$0.00	$0.00
PELLERITO FOODS INC.	$1,093.77	$1,093.77	$0.00	$0.00	$0.00
PEPSI COLA, INC.	$18,074.68	$18,074.68	$0.00	$0.00	$0.00
PERSONAL UNIFORM SERVICE, IN	$49.60	$49.60	$0.00	$0.00	$0.00
PETRO ENVIRON TECH, INC.	$185,454.35	$0.00	$0.00	$0.00	$185,454.35
PINE TREE ACRES, INC.	$0.00	$0.00	$0.00	$0.00	$0.00
PLATING SPEC	$0.00	$0.00	$0.00	$0.00	$0.00
POWER VAC OF MICHIGAN, INC.	$0.00	$0.00	$0.00	$0.00	$0.00
PRODUCTION SPRING, LLC.	$0.00	$0.00	$0.00	$0.00	$0.00
QUALA SERVICES, LLC	$121.00	$121.00	$0.00	$0.00	$0.00
RAY'S ICE CREAM CO.	$0.00	$0.00	$0.00	$0.00	$0.00
RED SPOT PAINT #409139	$50.33	$26.61	$0.00	$23.72	$0.00
RIVER ROUGE BREWING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
ROAK BREWING CO. LLC	$0.00	$0.00	$0.00	$0.00	$0.00
ROCHESTER MILLS BREWERY	$3,471.87	$1,824.64	$684.23	$963.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROCHESTER MILLS BREWING COMI	$4,929.06	$0.00	$3,645.06	$0.00	$1,284.00
RTT	$13,110.29	$2,261.84	$1,332.19	$0.00	$9,516.26
SEAFARE FOODS, INC.	$68.04	$68.04	$0.00	$0.00	$0.00
SHERWOOD BREWING COMPANY	$0.00	$0.00	$0.00	$0.00	$0.00
SPRAYTEK, INC.	$3,186.70	$1,120.19	$685.29	$577.95	$803.27
SWEETHEART BAKERY, INC.	$71.16	$71.16	$0.00	$0.00	$0.00
THE CROWN GROUP-LIVONIA PLAN	$0.00	$0.00	$0.00	$0.00	$0.00
THE ROYAL OAK BREWERY	$(2,741.19)	$(2,741.19)	$0.00	$0.00	$0.00
TOM LAUNDRY CLEANERS	$0.00	$0.00	$0.00	$0.00	$0.00
TURRI'S ITALIAN FOODS	$0.00	$0.00	$0.00	$0.00	$0.00
TURRI'S ITALIAN FOODS	$0.00	$0.00	$0.00	$0.00	$0.00
U-METCO, INC.	$1,458.17	$1,458.17	$0.00	$0.00	$0.00
UNCLE RAYS SNACKS, LLC	$62,316.99	$62,316.99	$0.00	$0.00	$0.00
UNCLE RAYS SNACKS, LLC	$2,270.33	$2,270.33	$0.00	$0.00	$0.00
UNIQUE LINEN SERVICES, INC.	$83.36	$83.36	$0.00	$0.00	$0.00
UNITED FISH DISTRIBUTORS	$8.56	$8.56	$0.00	$0.00	$0.00
UNITED LINEN SERVICE, LLC.	$0.00	$0.00	$0.00	$0.00	$0.00
UNITED MEAT & DELI	$491.96	$491.96	$0.00	$0.00	$0.00
US ECOLOGY MICHIGAN	$7,192.79	$7,192.79	$0.00	$0.00	$0.00
USHER OIL SERVICES	$4,331.15	$4,331.15	$0.00	$0.00	$0.00
VERN DALE PRODUCTS, INC.	$167.98	$167.98	$0.00	$0.00	$0.00
VERNE DALE PRODUCTS	$10,907.83	$10,907.83	$0.00	$0.00	$0.00
VERNOR FOOD PRODUCTS	$36.86	$36.86	$0.00	$0.00	$0.00

GLWA Aged Accounts Receivable- Pollutant Surcharge Accounts

Balances as of 5/31/2017

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
WIGLEY'S MEAT PROCESS	$432.24	$432.24	$0.00	$0.00	$0.00
WINTER SAUSAGE MFG. CO.	$1,086.30	$1,086.30	$0.00	$0.00	$0.00
WINTER SAUSAGE MFG. CO.	$176.25	$176.25	$0.00	$0.00	$0.00
WOLVERINE PACKING CO	$0.00	$0.00	$0.00	$0.00	$0.00
WOLVERINE PACKING CO.	$0.00	$0.00	$0.00	$0.00	$0.00
WOODWARD AVENUE BREWERS	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL Pollutant Surcharge Accounts	$786,077.82	$563,172.38	$7,911.94	$8,516.00	$206,477.50

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Master Bond Ordinance Monthly Cash Transfers to Detroit Water & Sewerage Department (DWSD) and Great Lakes Water Authority (GLWA)

Background: The attached documents summarize the monthly cash transfers to DWSD and GLWA as stipulated by the Master Bond Ordinance for the period January 2016 – June 2017.

Proposed Action: Receive and File Report

Great Lakes Water Authority
Funds Transferred to DWSD per Master Bond Ordinance
Through June 1, 2017

DWSD Water

FY 2016	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Water	
January 2016	$ 3,740,800	$ 2,486,700	$ 11,767,600	$ 17,995,100	1)
February 2016	3,740,800	355,200	1,681,100	5,777,100	
February 2016	3,740,800	-	-	3,740,800	2)
March 2016	3,740,800	355,200	1,681,100	5,777,100	
April 2016	3,740,800	355,200	1,681,100	5,777,100	
May 2016	3,740,800	355,200	1,681,100	5,777,100	
June 2016	3,740,800	355,200	1,681,100	5,777,100	
Total FY 2016	***$ 26,185,600***	***$ 4,262,700***	***$ 20,173,100***	***$ 50,621,400***	
FY 2017					
July 2016	$ 2,799,700	$ 355,200	$ 1,875,000	$ 5,029,900	
August 2016	2,799,700	355,200	1,875,000	5,029,900	
September 2016	2,799,700	355,200	1,875,000	5,029,900	
October 2016	2,799,700	355,200	1,875,000	5,029,900	
November 2016	2,799,700	355,200	1,875,000	5,029,900	
December 2016	2,799,700	355,200	1,875,000	5,029,900	
January 2017	2,799,700	355,200	1,875,000	5,029,900	
February 2017	2,799,700	355,200	1,875,000	5,029,900	
March 2017	2,799,700	355,200	1,875,000	5,029,900	
April 2017	2,799,700	355,200	1,875,000	5,029,900	
May 2017	2,799,700	355,200	1,875,000	5,029,900	
June 2017	2,799,700	355,200	1,875,000	5,029,900	
Total FY 2017	***$ 33,596,400***	***$ 4,262,400***	***$ 22,500,000***	***$ 60,358,800***	
FY 2016 & FY 2017 Total Water	***$ 59,782,000***	***$ 8,525,100***	***$ 42,673,100***	***$ 110,980,200***	

DWSD Sewer

FY 2016	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Sewer	
January 2016	$ 2,824,900	$ 1,669,300	$ 4,380,000	$ 8,874,200	1)
February 2016	2,824,900	238,500	625,700	3,689,100	
February 2016	2,824,900	-	-	2,824,900	2)
March 2016	2,824,900	238,500	625,700	3,689,100	
April 2016	2,824,900	238,500	625,700	3,689,100	
May 2016	2,824,900	238,500	625,700	3,689,100	
June 2016	2,824,900	238,500	625,700	3,689,100	
Total FY 2016	***$ 19,774,300***	***$ 2,861,800***	***$ 7,508,500***	***$ 30,144,600***	
FY 2017					
July 2016	$ 3,461,300	$ 238,500	$ 2,291,700	$ 5,991,500	
August 2016	3,461,300	238,500	2,291,700	5,991,500	
September 2016	3,461,300	238,500	2,291,700	5,991,500	
October 2016	3,461,300	238,500	2,291,700	5,991,500	
November 2016	3,461,300	238,500	2,291,700	5,991,500	
December 2016	3,461,300	238,500	2,291,700	5,991,500	
January 2017	3,461,300	238,500	2,291,700	5,991,500	
February 2017	3,461,300	238,500	2,291,700	5,991,500	
March 2017	3,461,300	238,500	2,291,700	5,991,500	
April 2017	3,461,300	238,500	2,291,700	5,991,500	
May 2017	3,461,300	238,500	2,291,700	5,991,500	
June 2017	3,461,300	238,500	2,291,300	5,991,100	3)
Total FY 2017	***$ 41,535,600***	***$ 2,862,000***	***$ 27,500,000***	***$ 71,897,600***	
FY 2016 & FY 2017 Total Sewer	***$ 61,309,900***	***$ 5,723,800***	***$ 35,008,500***	***$ 102,042,200***	
Total FY 2016 Water & Sewer	***$ 45,959,900***	***$ 7,124,500***	***$ 27,681,600***	***$ 80,766,000***	
Total FY 2017 Water & Sewer	***$ 75,132,000***	***$ 7,124,400***	***$ 50,000,000***	***$ 132,256,400***	

Note 1: Per Section 3.5 of the Lease, the Lease Payment may be used for:
(a) bond principal and interest for Local System Improvements,
(b) bond principal and interest for the City's share of common-to-all System Improvements, and
(c) Local System improvements paid from the lease payment deposited to the Improvement & Extension (I&E) Fund.

Note 2: For FY 2016, $22,318,500 million of the lease payment was directed by the City of Detroit to offset a portion of its FY 2016 water and sewer debt service in lieu of a cash transfer.

1) Lease and pension transfers are for 7 months (July - January)
2) Extra one month of O&M per Lease 4.4(a)(ii)
3) Final Lease transfer adjusted so total annual transfers meet requirements per Lease 3.4(a)

Financial Services Area Staffing Status Report
As of 6.9.2017

Staff Recruitment Efforts

	Pre 12.1.2015	New FTE filled 12.1.2015 through 6.9.2017 (net) Post 12.1.2015	Vacant	Grand Total
Chief Financial Officer	2			2
Data Analytics & Internal Audit	1	**1**	1	3
Financial Planning & Analysis		**5**	2	7
Financial Reporting & Accounting	4	**9**	1	14
Financial Reporting & Accounting - Accounts Payable		**6**		6
Financial Reporting & Accounting - Construction		**4**		4
Financial Reporting & Accounting - Payroll	1	**2**		3
Procurement	2	**1**	13	16
Procurement - Construction & Contract Services	4	**5**		9
Procurement - Logistics & Materials	10	**7**		17
Procurement - Owners Rep		**2**		2
Procurement - Supply Chain Operations	8	**5**		13
Public Finance	4	**2**	2	8
Transformation	3	**1**	2	6
Treasury	1	**2**		3
Grand Total	**40**	**52**	**21**	**113**

Staffing Allocation

	Employee	Contract	Vacant	Grand Total
Chief Financial Officer	2			2
Data Analytics & Internal Audit	1	1	1	3
Financial Planning & Analysis	5		2	7
Financial Reporting & Accounting	9	4	1	14
Financial Reporting & Accounting - Accounts Payable	4	2		6
Financial Reporting & Accounting - Construction	2	2		4
Financial Reporting & Accounting - Payroll	3			3
Procurement	2	1	13	16
Procurement - Construction & Contract Services	7	2		9
Procurement - Logistics & Materials	17			17
Procurement - Owners Rep	2			2
Procurement - Supply Chain Operations	12	1		13
Public Finance	5	1	2	8
Transformation		4	2	6
Treasury	2	1		3
Grand Total	**73**	**19**	**21**	**113**

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

ADDENDUM #1 TO MEETING BINDER for Friday, June 16, 2017 at 8:00 a.m.

Agenda Item #6A Update: FY 2016 Audit

6A1 - Memo Update: FY 2016 Audit

6A2 - Engagement Letter Rehmann Robson LLC

Agenda Item # 7C - Procurement Policy Review

7C1 - Memo Discussion: Procurement Policy Review and Related Services

7C2 - Great Lakes Water Authority NIGP Consulting Proposal

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA, Chief Financial Officer/Treasurer

Re: Update: FY 2016 Audit

Background: The inaugural audit for the Great Lakes Water Authority for fiscal year FY 2016 is in process. This audit includes the opening Statement of Net Assets as of January 1, 2016 which is the date that GLWA assumed operations for the regional water and sewer systems. Concurrently, staff has been working with the City of Detroit's personnel and auditors for the June 30, 2016 Audit and related City of Detroit Water & Sewerage Department (DWSD) Statements for the year ended June 30, 2016 with the interaction being limited to pre-bifurcation activities through December 31, 2015.

Attached to this report is the engagement letter with Rehmann. It is required that it be presented to the Board and defines the auditor's responsibilities in conducting an audit.

Analysis: Present status of the GLWA FY 2016 Audit and related matters.

1. **City of Detroit FY 2016 Audit:** City of Detroit's FY 2016 Comprehensive Annual Financial Report was issued by May 31, 2017 and is available online at http://www.detroitmi.gov/Portals/0/docs/finance/cafr/FY16%20City%20of%20Detroit%20CAFR.pdf

2. **DWSD FY 2016 Audits:** The separate audited financial statements for the City's DWSD Water Fund and Sewer Fund have not been issued to date. It is expected that those reports will be issued the week of June 19, 2017.

3. **DWSD Six Months Ended December 31, 2015 (Six Months) Audit:** At last month's Audit Committee meeting on May 19,2017, the Committee concurred with staff that obtaining a separate audit of DWSD Water Fund and Sewer Fund as of, and for the six months ended, December 31, 2015 was prudent. The City's leadership concurred. GLWA staff is

presently working with the City's auditors for completion of the additional audit reports. These reports are expected to be issued the week of June 26, 2017.

4. **GLWA FY 2016 Audit:** For the GLWA's FY 2016 Audit by Rehmann, there are several complex areas require additional time.

    a. Debt Valuation: While this is largely complete, PFM (GLWA's financial advisor) was engaged to perform a debt valuation at January 1, 2016. Similarly, Rehmann included additional expertise on their team to review PFM's work and participated in calls to confirm their understanding of the methodology employed for auditing purposes.

    b. Capital Asset Valuation: Rehmann has similarly included a valuation expert on their team for the audit of the capital asset valuation by Duff & Phelps. Given the materiality of the potential write-up in asset value, the auditors have additional inquiries that may require additional work by the valuation firm to facilitate the audit testing. Until this matter is resolved, capital assets and related depreciation cannot be recorded.

    c. Reconciliation of GLWA to DWSD Audited Financial Statements at June 30, 2016: Given that the Memorandum of Understanding to clarify certain financial matters related to the lease between DWSD and GLWA has not been completed, estimates by management of certain bifurcated assets and liabilities may not agree as of June 30, 2016. GLWA has been asked by Rehmann to provide an analysis of those differences when the DWSD statements are issued.

    d. For purposes of official statements and credit analysis, a decision was made to have one entity-wide CAFR in addition to separate statements for the water fund and sewer fund resulting in three financial statements.

    e. The GLWA team is very pleased with the efforts by Rehmann in what is certainly one of the more technical accounting and auditing scenarios in the public sector. For this reason, it is most important that the collective GLWA and Rehmann teams be efficient, but not rush the final deliverables.

    f. On June 14, 2017, GLWA and Rehmann met to discuss the above open items, interdependencies, and impact on completion of the audit by June 30, 2017. Based on analysis of open tasks and related hours to complete the audit, with an unknown additional scope of procedures by Duff & Phelps, it is apparent that the June 30, 2017 audit timeline is not reasonable. Until the additional scope by Duff & Phelps, if any, is known, an exact date cannot be predicted. If there was resolution within the

next week, and GLWA could proceed with recording capital assets, then a completion date of July 20, 2017 is feasible. This would require an extension from the State Treasurer. Once we have better clarity of the capital asset valuation effort, a request for extension will be submitted before the due date of June 30, 2017.

Proposed Action: Receive and file report.

Governmental Engagement Letter - Single Audit

February 3, 2017

Ms. Nicolette Bateson, CFO/Treasurer
Great Lakes Water GLWA
735 Randolph Street
Suite 1900
Detroit, MI 48226

Enclosed is the engagement letter for the ***Great Lakes Water Authority*** for the year ended June 30, 2016. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to the Board of Directors. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to the Board of Directors.

Therefore, please make copies of the attached engagement letter and forward the copies to Board of Directors.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

February 3, 2017

Great Lakes Water GLWA
735 Randolph Street
Suite 1900
Detroit, MI 48226

This engagement letter pertains to the contract, *GLWA-CS-132 External Auditor Professional Services Contract*, between the Great Lakes Water GLWA (GLWA) and Rehmann Robson LLC. Should there be any inconsistencies between this engagement letter and the aforementioned contract, the contract takes precedence.

We are pleased to confirm our understanding of the services we are to provide GLWA for the year ended June 30, 2016. We will audit the financial statements of the business-type activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the GLWA as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement the GLWA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the GLWA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules Required by GASB 68 - Pension Plan
3. Schedules of Funding Progress and Employer Contributions - OPEB Plan

We have also been engaged to report on supplementary information other than RSI, such as combining and individual fund financial statements, that accompanies the GLWA's basic financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Introductory section of the comprehensive annual financial report
2. Statistical section of the comprehensive annual financial report

In addition to the basic financial statements, as described above, we will also issue separate financial statements for the water and sewage disposal funds, each with a direct opinion and emphasis of a matter to regarding fund financial statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether the GLWA's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit of the GLWA's financial statements does not relieve management or those charged with governance of their responsibilities. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and with the Uniform Guidance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We will issue a written report upon completion of our audit of the GLWA's financial statements. Our report will be addressed to the Board of Directors of the GLWA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our audit report. If our opinions on the financial statements or the Single Audit compliance opinion are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the GLWA's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware

that information provided by the GLWA is incorrect, incomplete, or otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote. For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting and financial reporting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including internal controls over compliance, and for ongoing monitoring activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the GLWA's financial statements is accounting principles generally accepted in the United States of America (GAAP).

Management is also responsible for making all financial records and related information available to us, and for ensuring that financial information is reliable and properly recorded. Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the GLWA from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that management will provide us with such information required for our audit, including a reasonably adjusted trial balance, and that management is responsible for the accuracy and completeness of that information. Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

We will advise management and the Audit Committee, as necessary, about appropriate accounting principles and their application and may assist in the preparation of the GLWA's financial statements, but the responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the GLWA's financial statements. Management is responsible for

reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the GLWA's internal control over financial reporting. Further, the GLWA is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the GLWA complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of fieldwork.

Management is responsible for preparation of the schedule of expenditures of federal awards in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that management believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the supplementary information in accordance with GAAP; (b) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us

corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

During the course of our engagement, we will request information and explanations from management regarding the GLWA's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the GLWA or to acts by management or employees acting on behalf of the GLWA. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the GLWA's attorneys as part of the engagement, and they may bill the GLWA for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

We have advised the GLWA of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets) not withstanding our obligations per the Single Audit Amendments of 1996 and the Uniform Guidance. We can, as a separate engagement, perform extended procedures specifically designed to potentially

detect defalcations. Management acknowledges that the GLWA has not engaged us to do so and does not wish us to do so at this time.

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance. As part of the audit, we will assist with preparation of the GLWA's financial statements, schedule of expenditures of federal awards, and related notes. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that management has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of these or other nonattest services performed by our Firm; and understand and accept responsibility for the results of such services.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the GLWA and its business environment, including internal control over financial reporting sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures that are appropriate in the circumstances. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and the Uniform Guidance. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the GLWA's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of

identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the GLWA's attention by us.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the GLWA's compliance with provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the GLWA's major programs. The purpose of those procedures will be to express an opinion on the GLWA's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Fees

Our fee for the audit services for the year ended June 30, 2016 will be $333,600. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

This fee is based on the scope and deliverables defined in the GLWA fully executed contract number GLWA-CS-132.

Engagement Administration, and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our reports for the GLWA to include with the reporting package the GLWA will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to GLWA given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through GLWA. If we are aware that a federal awarding agency, pass-through GLWA, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement and our responsibility as auditors ends on delivery of our audit report to the Board of Directors at the Regular or Special Board meeting. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we provide the GLWA with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2014 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the GLWA. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.

[Rehmann Robson LLC Signature Stamp]

Mark T. Kettner, CPA, CGFM
Principal
Executive responsible for supervising the
engagement and signing our report

ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of ***Great Lakes Water Authority***.

Nicolette N. Bateson
Officer Signature

Nicolette N. Bateson, CPA
Printed Name

Chief Financial Officer / Treasurer
Title

6/1/17
Date

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA, Chief Financial Officer/Treasurer

Re: Discussion: Procurement Policy Review and Related Services

Background: The Great Lakes Water Authority adopted its Procurement Policy on October 23, 2015. That policy provides for periodic review as shown in the excerpt below.

> **1.5 Review**
> No later than December 31, 2017 and two years thereafter, the GLWA administration and GLWA Audit Committee shall review the content of the purchasing policies and affirm or revise the policies based on the GLWA conditions then present involving the financial policies, procedures and such other matters that may be pertinent under the circumstance impacting GLWA's procurement needs.

Analysis: GLWA's policy has been in effect for 18+ months. Like any new policy, there are some areas that bear additional clarity and/or other topics that should be addressed. Staff has begun the review process but also recommends third party engagement to facilitate the next steps given the nature of the policy.

Last year, staff reached out to the National Institute of Governmental Purchasing (NIGP), a professional procurement organization, to seek subject matter experts to inform and assist in the policy review. Attached is a draft proposal which we would like to use a "strawman" for the Audit Committee to provide input into topics that they would like to see addressed. From recent GLWA Board meeting discussions, the following topics were noted some of which are not necessarily policy related, but may be worthy of addressing in this effort or in development of the Procurement Group's workplan for FY 2018.

- ✓ How to achieve a greater number of RFx/bid respondents

- ✓ Variance from engineer's estimate
- ✓ Effectiveness of current e-procurement site
- ✓ Evaluation team selection
- ✓ Use of Qualifications Based Selection
- ✓ GLWA sponsored purchasing cooperative
- ✓ Payment terms

Staff would also like NIGP to expand the number of benchmarking utilities in their scope.

It should be noted that the initial policy was developed with the lead procurement officials from the City of Detroit, Counties of Wayne, Oakland, and Macomb, and other regional subject matter experts and facilitated by Project Innovations. It is recommended that the regional procurement leadership team be engaged to review the proposed changes as they have a first-hand understanding of challenges and opportunities unique to the region served by GLWA.

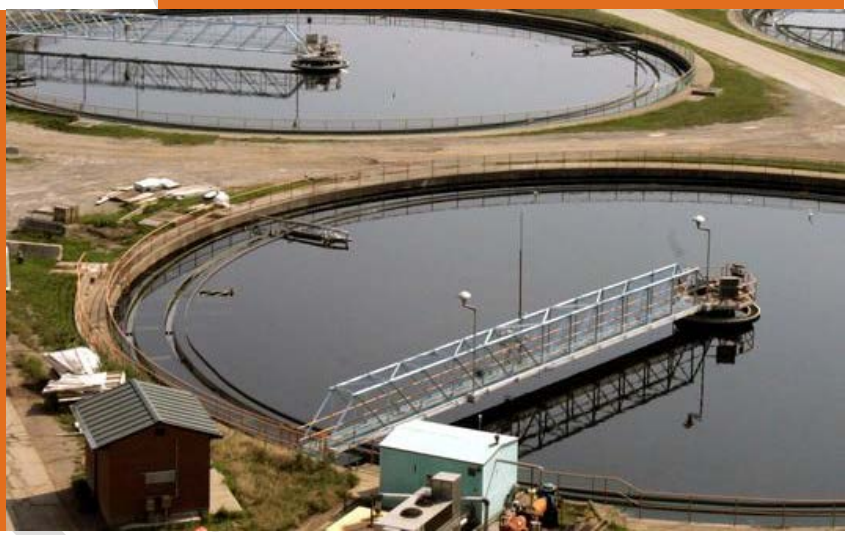
The timeline for the project would be completion no later than November for Audit Committee review and presentation to the GLWA Board in December.

Lastly, the GLWA Procurement Team is scheduled for an interactive session at the Analytical Work Group meeting on July 18, 2017. Materials were distributed through the customer outreach portal in mid-May 2017.

Based on the estimated dollar amount of a potential contract with NIGP and their affiliate, the proposal award is not required to be approved by the GLWA Board. Staff does seek concurrence of the Audit Committee to proceed as outlined above or as may be amended by the Audit Committee.

Proposed Action: Audit Committee supports the engagement of a third party to facilitate the review of the procurement policy.

Draft – for Discussion Purposes Only



Great Lakes Water Authority

NIGP Consulting Proposal

PROCUREMENT TASK FORCE AND PROCUREMENT PRACTICES AND POLICIES REVIEW

7/17/2016

Submitted by:

NIGP Consulting
POWERED BY Periscope
211 East 7h Street, Suite 1100
Austin, TX 78701
(512) 472-9062

TABLE OF CONTENTS

TABLE OF CONTENTS 2
COVER LETTER 3
PROJECT APPROACH 5
FIRM QUALIFICATIONS AND EXPERIENCE 9
KEY PERSONNEL 13
REFERENCES 20
UNDERSTANDING THE PROJECT'S CHALLENGES AND SPECIAL CONCERNS 21
PRICING PROPOSAL 22
Signature ..... **Error! Bookmark not defined.**

DRAFT

COVER LETTER

7/17/2016

Great Lakes Water Authority
Nicolette Bateson, Chief Financial Officer
735 Randolph, Suite 1608
Detroit, MI 48226

Re: PROCUREMENT TASK FORCE AND PROCUREMENT PRACTICES AND POLICIES REVIEW

Dear Ms. Bateson,

NIGP Consulting is pleased to submit this proposal to the Great Lakes Water Authority's ("GLWA"). In partnership with the National Institute of Governmental Purchasing ("NIGP"), Periscope Holdings, Inc. ("Periscope") is the exclusive program manager of the NIGP Consulting program, which was originally initiated in 1995. Together, Periscope and the NIGP Consulting team have immense experience and knowledge within the procurement industry across North America. Our client base spans states, counties, cities, school systems, airport authorities, and higher education institutions. Importantly, our work experience includes previous engagements that have been very similar in scope as the one outlined by your team. We look forward to the opportunity to leverage our experience and to work with your team on this important procurement policy and procedure review.

Our partner in this program, NIGP, is a membership-based non-profit organization that provides support to North American professionals in public sector purchasing. Organized in 1944, the Institute is an educational and technical organization of public purchasing agencies, comprised of 77 affiliate chapters and one student chapter, and more than 2,600 agency members representing federal, state, provincial and local government levels, school districts and utility districts throughout the United States and Canada. These agencies represent over 16,000 individuals serving the public procurement community. In serving the public procurement profession, NIGP has teamed with Periscope (focused solely on solutions for public sector procurement) to offer organizations like the Great Lakes Water Authority the highest quality public procurement services available at a fair market price.

Our NIGP Consulting team possesses a wide array of procurement review experience during its 20 year history and has recently completed similar types of engagements for a number of organizations, including City of Pittsburgh, PA; City of El Paso, TX; City of Hollywood, FL; City of Fort Lauderdale, FL; City of Dallas, TX; State of Maryland; Hillsborough County Aviation Authority, Tampa International Airport, FL; Raleigh-Durham Airport Authority, NC; City of Palo Alto, CA; and the San Antonio Water System, TX. For the conduct of this project, we are proposing an extremely seasoned and well-qualified consulting team overseen by a highly-credentialed (FNIGP, CPPO, C.P.M) public procurement practitioner as

DRAFT

Program/Project Director with recent procurement organization, policy development, and process review experience.

The NIGP Consulting team consists of dedicated professionals who will not require a public procurement "learning curve." NIGP industry acumen ensures that the consultants hit the ground running and easily hit project deadlines. We firmly believe that with our proven methodology and experienced team members we can deliver an unparalleled procurement process study, provide truly unique perspective, and make value-adding recommendations for GLWA. To be successful, we recognize it is critical for Periscope to build a true partnership with GLWA. We look forward to developing this relationship and thank you for giving us the opportunity to earn GLWA's business.

Sincerely,

Jean Clark, FNIGP, CPPO, CPPB, C.P.M, CPM
President, NIGP Code and Consulting Services
jclark@nigp.com
(512) 298-0106

DRAFT

PROJECT APPROACH

Introduction

The procurement function in public sector organizations has advanced to a mission critical operation over the past several decades. Once perceived as a "rule maker" or "gatekeeper," procurement is now transitioning to be more of a strategic player that works with its client departments to provide high quality products and services in an efficient and effective manner. Today's procurement professionals work diligently to be a partner with its client departments and to measure accomplishments with appropriate performance metrics. A large part of becoming a more strategic partner within an organization is regular monitoring and implementation of best practices and continuous improvement of policies, processes, and programs.

An NIGP Consultant will provide an active role in assisting the Great Lakes Water Authority (GLWA) to facilitate the formation of a procurement Task Force and provide recommendations for the team to ensure current GLWA Procurement Policies and Procedures are up-to-date "best practices", based on the Model Procurement Code.

Project Methodology

Each NIGP Consulting engagement is grounded in a comprehensive understanding of the principles of public procurement and recognizes that each public procurement organization possesses a unique organizational culture with its own set of attributes and challenges. Our proven, four-phased methodology will allow us to work hand-in-hand with GLWA to meet, address and assist GLWA with an update to its Procurement Policy with the goal of improving value to GLWA and the stakeholders of GLWA's services.

I. NIGP Consulting's "Four-Phase Methodology"

A. **Preparation**: Our first phase starts with the coordination between the NIGP Lead Consultant and GLWA's Project Manager to obtain the relevant documents for review and identify the appropriate procurement staff to be involved in the engagement. During this period, our Consultant will review legislation, county and city ordinances, and GLWA's current Procurement Policy and Procedures to gain a solid understanding of GLWA's current practices. Additionally, during this phase we will jointly determine key authorities to use for any potential benchmarking or reference purposes.

B. **Data Collection/Formation of the Task Force:** The second phase consists of phone calls and an on-site meeting (2 days duration) between the GLWA and the Consultant to discuss the scope of the project and facilitate the input of the Procurement Task Force. These discussions play an important part in providing a thorough understanding of GLWA's current environment, and key goals and objectives in the development of the desired end state. This phase will encompass

the review and interview of Task Force members, forming the foundation of the team and ensuring the current procurement environment is established and understood by all members. NIGP Consulting will provide active assistance throughout this phase and the interview process. The timeline and proposed meetings can be adjusted based on GLWA priorities.

C. **Analysis/Revision:** The third phase involves assessing and evaluating all data collected and defining areas for improvement for the policy revision. Applicable best practices are identified at this point that may help the Authority in their daily procurement strategies and practices. At this point, these best practices are incorporated into the NIGP's recommendations. This is also the point where available benchmarking data is reviewed and incorporated, as applicable. Upon establishment of the best practices recommendations, the Consultant will be on-site for 2 days to facilitate review with the Procurement Task Force and to follow-up with Procurement.

D. **Report/Deliverable Generation:** This final phase will be comprised of preparation of a draft for a revised Procurement Policy. The Draft Procurement Policy will incorporate current procurement principles, practices and "best practices." We will provide an initial draft of the Procurement Policy to GLWA, and ask that all comments be provided back to us within 14 days. We will then incorporate GLWA's feedback and make any additional edits to the document, and deliver the final deliverable in a timely manner. The Consultant will be on-site to present the Draft Procurement Policy (1 day) and again to present the Final Procurement Policy (1 day).

Targeted Scope of Work Areas to be addressed:

An NIGP Consultant will work with the Great Lakes Water Authority (GLWA) to establish a procurement Task Force and facilitate discussions and recommendations to the team during the review and revisal of current procurement policies. In this process and the formation of the Task Force NIGP Consulting will address the following areas:

- Conduct the interview process for each board member
- Provide recommendations for the Task Force during the process review
- Facilitate review of current policies titled "GLWA Procurement Policy FINAL" from October 23, 2015.
- Revisit policy to develop an up-to-date "best practices" based Procurement Policy with a focus on the following areas:
    - Review of state, county, and local procurement laws which impact GLWA's policies and practices
    - Review of the Authority's Procurement Policy dated October 23, 2015. Research of two (2) water authorities agreed upon between the client and Consultant for use as models for applicable policies, procedures and practices for the key areas of focus
    - Review use of qualifications based selection
    - Development of an updated Procurement Policy, in support of the entire procurement process, with

DRAFT

particularly focus on the following areas:

- Procurement Organizational Structure and Functions including Policy and Procedures. Training to support knowledge transfer, delegation of authority, and recommended roles and responsibilities
- Invitation to Bid and Request for Proposal evaluation processes; including evaluation criteria weighting, evaluation team responsibilities, selection and interview process, intent for award, and documentation to support "best practices" procurement and performance
- Protests and Debarments for proper due diligence and due process for all parties involved in the GLWA's procurement process
- Records Retention to support audit requirements and transparency of the procurement process
- General review, quality review, and revision of: definitions, sole source, emergency procurements, centralization, and electronic procurement transactions.

The Consultants and Client will hold a Project Kick-Off Call and subsequent project update calls every (2) weeks throughout the engagement. Proposed on-site meetings are outlined in the following timeline.

DRAFT

Project Schedule and Deliverables

We anticipate the services beginning mid-August, 2016. The total project duration, based on the scope of work, is anticipated to be approximately 12 weeks, by November, 2016. Completion by this date is based on the assumptions that GLWA will adhere to the outlined schedule, provide necessary documents in a timely manner, and be available for calls/meetings as needed. The project will commence after execution of contract or issuance of purchase order.

- Initial Preparation Phase – document request and review (2 weeks)
- Data Collection/Formation of the Task Force – phone calls, meetings, interviews, benchmark data gathering (2 weeks)
- Analysis Phase for the Revision – review and analysis of all data gathered (3 weeks)
- Revised Procurement Policy Phase – preparation and issuance of a Draft Procurement Policy (2 weeks) and review by Client (2 weeks). Preparation of the Final Procurement Policy based upon Client comments, discussions and revisions (1 week).

The NIGP Consultants will anticipate assistance from GLWA in receiving copies of existing policies and procedures, desired Procurement Policy format and structure parameters, and key organization information, as may be needed.

Estimated Project Timeline

Week	1	2	3	4	5	6	7	8	9	10	11	12
Task Name												
1. Notice to Proceed												
2. Preparation Phase												
Data/Document Collection & On-site Logistics												
Review of Documentation												
3. On-Site Phase – 2 days												
Meetings with Procurement Staff and Task Force												
Meetings with Key Department Clients												
Procurement Operations/Processes Review												
4. Analysis Phase – On-site 2 days												
Analyze All Data												
Request Additional Data or Clarifications												
Task Force Meeting – Review Analysis												
5. Deliverable Generation												
Draft Procurement Policy – **On-site 1 day**												
Client Draft Deliverables Review												
Final Procurement Deliverables – **On-site 1 day**												

DRAFT

FIRM QUALIFICATIONS AND EXPERIENCE

Corporate Experience and Capability

Periscope Holdings, Inc. is a private corporation that has been entrusted by NIGP, Inc. with the custodianship and management of the NIGP Consulting program. Periscope was incorporated in 2001 and now has over 120 employees serving its customers across the country. Periscope's principal place of business is 211 East 7th Street, Suite 1100, Austin, TX 78701. In addition to managing the NIGP Consulting program, Periscope is the sole custodian of the NIGP Commodity/Services Code, provides BuySpeed, a full web-based eProcurement platform for public sector, and offers BidSync a public sector sourcing and contract management tool. Periscope is considered the subject matter expert when it comes to public procurement processes and transformation.

With our experience and role in support of the NIGP Consulting Program, we qualify, support, and manage a team of professional public procurement experts; Certified Public Procurement Officers (CPPO) to conduct procurement reviews, policy and procedure development, and process improvement engagements for public sector entities across North America.

In contrast to others in the market, NIGP Consulting offers a deep bench of dedicated resources that continually develop solid work product. Our strength in numbers ensures we produce analysis and reports in a timely fashion, hitting all deadlines. Our staff includes Project Managers, Consultants, Technologists, and Business Analysts who possess a thorough understanding of public procurement. Any contract executed with GLWA would be between GLWA and Periscope Holdings, Inc.

Currently, Periscope Holdings/NIGP Consulting is engaged with a variety of clients for procurement consulting services with a bench of highly-qualified resources available to ensure attainment of GLWA's project requirements.

True Public Procurement Experts

A hallmark of the NIGP Consulting program is the unmatched level of expertise in the public procurement industry among our team members. The NIGP Consulting program, being in existence since 1995 has conducted procurement analyses and reviews for over 75 public sector clients. Additionally, our team of professionals possesses an abundance of knowledge and leadership experience through their direct roles in public procurement. This directly facilitates a thorough understanding of GLWA's unique circumstances and raises the bar on our effectiveness.

Our deep understanding of public procurement helps to ensure that we minimize "ramp-up time" to increase efficiency in the execution of our project approach on your project. Our NIGP consultants:

- Are certified public procurement professionals;
- Have served as Manager, Director or Purchasing Agent of at least one public purchasing agency;
- Provide an average of 25 years of experience;

- Have "In the Trenches" experience with federal, state, county, city government; as well as school districts, universities, utilities and special authorities;
- Understand the importance of "best practices" based procurement policies and procedures to deliver quality procurement services in an effective and efficient manner;
- Are skilled in assessing purchasing system/technology preparedness;
- Understand fully the important relationships among solicitation processes, buying roles, and the contract administration function;
- Experienced in organizational dynamics and procurement transformation;
- Possess strong project management skills;
- Hold a current Certified Public Purchasing Officer (CPPO) designation.

Relevant Experience

The NIGP Consulting program is truly unique in its single-minded purpose and tight focus on the advancement of public sector procurement. All of our clients are public procurement organizations and each of our consultants has hands-on experience performing critical procurement and contracting functions within public sector organizations – across a broad spectrum of governmental entities. With a public sector focus, NIGP Consulting is accustomed to the complexities of reviewing procurement legislation and adhering to the policies in place.

The specific consultant team that we have assembled for this project has comprehensive knowledge of and experience with public organizations. The experience level of the NIGP Consulting team members exceeds twenty years in public procurement or in other upper management positions responsible for the procurement and contracting functions within the agency. These high-level credentials are critical in order to understand the fundamental requirements and complexities of both the public sector and, specifically, public procurement.

A key to our success is our understanding that every public organization has a unique culture. As a consulting team, we gather information on the goals of the organization or key sponsor for the engagement as well as the culture of the organization. From this assessment, we are able to provide specific best practice procurement and contracting recommendations for the organization to assist in their transformation. Whether working with a State such as Arkansas or Maryland; a County such as Arlington, Sarasota or Contra Costa; a City such as Palo Alto or Dallas; an aviation authority such as Raleigh-Durham or Hillsborough County; or a special district such as Imperial Irrigation District, there always has to be a balance with the needs, legal framework, maturity, and desire of the organization in providing recommendations.

Our experience with over 75 different agency procurement reviews range from highly sensitive political environments encountered during the review (information being leaked to the press, reassignments of staff, p-card program fraud/abuse) to recognizing the basic need of standard tools and templates to ensure consistency throughout complex procurement and contracting functions. These help to highlight the sensitive nature of our work and the need to maintain confidentiality and close client relationships throughout these engagements.

Additionally, our previous NIGP Consulting work represents a wide variety of complexities, media interest, reorganizations, politically sensitive environments, extreme pressure from upper management

and elected official involvement. Regardless of the type of organization, the environment or organizational culture, our proposed consultant team members have consistently met the challenges at hand and provided recommendations that helped organizations achieve their goals. The team that NIGP Consulting is offering to GLWA represents the best of the best nationally and is a group that consistently provides high quality consulting services, regardless of the internal and external pressures surrounding them.

Sample Clients with Relevant Experience

Hillsborough County Aviation Authority – Tampa, FL – Procurement Performance Review – March, 2014 (4 months). Returned in June-August, 2015 for Performance Metrics Development

NIGP Consulting performed a comprehensive review of the procurement organization and processes to assist in movement towards industry best practices for public sector organizations. The engagement included a review of policies and procedures, procurement transaction analysis, spend analysis, workload metrics and procurement technology. Over 100 recommendations were made addressing delegation of procurement authority, Pcard program, staff resources, and contract administration. The Delegation of Authority recommendation potentially eliminated up to 87% of all transactions through purchasing for administrative savings. Lead a follow-on initiative for the development of key procurement performance metrics to support the continued transformation and communication of quality procurement services.

Contact Information: Edward R. Haines, Director of Procurement
(813) 870-8796; EHaines@TampaAirport.com

Raleigh Durham Airport Authority – ***Decentralized to Centralized Procurement – August, 2012 (4 months); Returned for follow-on engagement May - August, 2015 for Policy Development, Templates and Training***

NIGP Consulting assisted the Authority in the transition from a "de-centralized" procurement model to a "centralized" procurement model. Conducted of a procurement process assessment and organizational review was completed to examine the current practices, processes, and procurement experiences. Based on the data gathering and interviews, NIPG Consulting provided recommendations that balanced "center-led" procurement practices with client tactical procurement actions for increased efficiency and maximization of staff resources. Recommendations included expanded use of the Purchasing Card and Direct Pay procedures for small dollar type transactions, adjustments to existing procurement position responsibilities and new job descriptions, and procurement training for procurement staff and client departments. Continued on-site assistance and guidance throughout implementation of the new model was provided. NIGP Consulting was requested to return to assist with further transformation efforts in May, 2015 to assist in the development of an updated Procurement Policy, Standard Procurement Templates, and Policy and Procedures Training.

Contact Information: John Robinson, Director of Procurement

(919) 840-7794; John.robinson@rdu.com

Additional Experience (5-7 years)

To further demonstrate our level of experience in public sector with procurement consulting, below please find additional client engagements conducted over the last 5-7 years. While the project engagements do not mirror the exact scope of GLWA's RFQ, each project had similarities and further proves NIGP Consulting's breadth of knowledge, experience, and capability to deliver superior consulting service in public sector.

- Anchorage School District, AK
- Arlington County, VA
- Atlanta Housing Authority, GA
- Austin School District, TX
- CalOptima Integrated Health Services, CA
- Cecil County, MD
- City of Annapolis, MD
- City of Austin, TX
- City of Dallas, TX
- City of Gainesville, FL
- City of Hamilton, ON
- City of Kirkwood, MO
- City of Miami Beach, FL
- City of North Miami Beach, FL
- City of Orlando, FL
- City of Palo Alto, CA
- City of Pittsburgh, PA
- City of San Antonio, TX
- San Antonio Water System
- Contra Costa County, CA
- DC Public Schools
- Fairbanks North Star Borough, AK
- Houston Community College
- Howard County, MD
- Imperial Irrigation District, CA
- Lee County, FL
- Loudon County, VA
- Manatee County, FL
- Maricopa County, AZ
- Milwaukee County, WI
- Montgomery County, OH
- Norfolk Public Schools, VA
- Orange County, CA
- Prince George County, MD
- Sarasota County, FL
- Seminole County, FL
- Snohomish County, WA
- St. Louis County, MO
- St. Mary's Metropolitan County Commission, MD
- State of Illinois Capital Improvement Board
- State of Maryland
- State of Michigan
- State of Washington
- Town of Hollywood, FL

CRITICAL SUCCESS FACTORS

There are 3 key critical success factors for any project; scope, time and budget. As NIGP Consulting prides itself on consistently delivering projects on-time and on-budget, a high degree of our project management is focused on each of these key areas. A critical aspect of our project management is communication among the project team members, project management, and the client. Therefore, an aspect of the success is the availability and responsiveness of GLWA resources to assist the project team in staying on-time and on-budget. To achieve the end goal of quality deliverables, delivered on-time, the coordinated efforts must continue throughout the project. Our past project experience has demonstrated our strong knowledge and abilities to make this happen.

Periscope is committed to nurturing relationships and establishing a strong partnership, to cooperatively work together to successfully complete the project.

DRAFT

KEY PERSONNEL

Staffing/Project Team

Periscope/NIGP Consulting is proposing to GLWA a highly proven model of project management, project methodology and approach, and project staffing based on our proven track record of over 75 various procurement reviews delivering quality projects, on-time, and to the clients' satisfaction. While all experienced consultants and professionals in today's business climate face multiple demands on time, the NIGP Consulting program, since its inception, has been extremely successful at ensuring dedicated time for our clients, successful on-time delivery of our engagements, and team members who accept consulting assignments only when they can commit to the client as their primary focus during the engagement. As such, each of the proposed Consultants has confirmed her availability and interest in supporting the execution and delivery of GLWA's project. Our proposed team members for GLWA's project are as follows:

1. **Jean Clark, FNIGP, CPPO, C.P.M, CPPB, CPM**

Ms. Clark currently serves in the position of Director of Procurement Transformation Services with Periscope Holdings, Inc. and is responsible for the oversight and management of the NIGP Consulting program. Ms. Clark possesses over 30 years of public procurement experience at the state and local level. Prior to joining Periscope, Ms. Clark served as the Arizona State Procurement Administrator where she was instrumental in leading the implementation of eProcurement technology statewide, development of statewide training and compliance programs, development of comprehensive enterprise performance metrics, and legislative procurement reform. Throughout the engagement Ms. Clark will serve as the Project Director and will work closely to support the project team to ensure delivery of a successful engagement. Additionally, Ms. Clark has conducted prior consulting engagements for Hillsborough County Aviation Authority, Tampa International Airport and Raleigh Durham Airport Authority with a focus on process improvements, organization and staffing assessments, technology utilization, policies and procedures, and performance metrics.

Ms. Clark will serve as the Project Director for the engagement and will be a point of escalation for the City, if needed.

2. **Maria de Loudes-Coss, MPA, CPPO**

María de Lourdes Coss has over 27 years of public procurement experience, 20 of which have been in executive leadership roles with the City of Houston, City of Chicago, Cook County, University of Illinois at Chicago, and the Public Building Commission of Chicago. Throughout her career, Lourdes has had many accomplishments including in excess of $100MM in cost savings and operational efficiencies, which resulted from the successful implementation of various procurement transformation initiatives and effective change management strategies. Most recently, her leadership resulted in the achievement of the 2015 NPI Excellence in Procurement Award and 2015 NIGP Measure Up Award for the City of Houston.

DRAFT

Lourdes developed and implemented public policy, many of which were institutionalized and are still in use in the organizations that she served. Some of these policies include but are not limited to the financial rating for construction contractors, evaluation procedures, protest procedures, negotiation benchmarks, Quick Reference Guide series, and vendor performance evaluations. She also had a leadership role in drafting changes to the procurement law, which were adopted by the governing bodies of Cook County and the City of Houston during her tenure.

As part of transformation processes led, Lourdes implemented professional development programs for staff resulting in the significant enhancement of the knowledge base, at least 50% increase in professional certifications, and a return on investment in less than one year. She also implemented technology reducing manual processes by at least 40% and enabling the redeployment of resources in areas of need, therefore, minimizing the need for additional staff.

While at the Public Building Commission, she was appointment to the Power Alliance Board of Directors, an organization that leveraged energy demand of public agencies in the Chicago area. At the University of Illinois, Lourdes co-chaired the green purchasing sub-committee initiating a collaborative effort with other government agencies to make green products affordable to the University. She was appointed by the Illinois Governor to serve on the Business Enterprise Program Council on behalf of Illinois Higher Education's 13 campuses and her efforts resulted in greater awareness and enhanced the minority and women enterprise participation in public universities. Ms. Lourdes also has experience in working with small, minority, and women-owned business development programs.

Lourdes holds a BSS (magna cum laude) from the University of Puerto Rico and an MPA from Florida State University. She is also a Certified Public Purchasing Officer. She served on the National Institute of Government Purchasing Board from 2009 through 2013.

Ms. Coss is proposed as the Procurement Consultant for the engagement and will be the primary point of contact for the project, working closely with the GLWA's assigned Project Manager.

DRAFT

JEAN A. CLARK, FNIGP, CPPO, C.P.M, CPPB, CPM

Phone: (512) 298-0106 **jclark@nigp.com**

SUMMARY

Chief Procurement Officer with expertise in procurement organizational performance, staff training and development, procurement legislation, and legislative lobbying. Possess a solid foundation in continuous process improvement and procurement automation implementation. Experience in written and oral communication with elected officials, leadership, personnel, and customers. Reputation for being ethical and the "go-to" person for procurement to make sound and logical decisions while achieving outcomes.

KEY QUALIFICATIONS

· Organizational Development
· Procurement Legislation
· Process Improvement
· Leadership
· Training and Compliance
· Performance Metrics
· Contract Administration
· Procurement Automation
· Strategic Sourcing

PROFESSIONAL EXPERIENCE

Periscope Holdings, Inc., Austin, Texas **2014-present**
DIRECTOR, PROCUREMENT TRANSFORMATION SERVICES

Responsible for the coordination, development, deployment, and management of consulting services offered to public procurement entities; NIGP Consulting Program. Responsible for: program enhancement and promotion, consultant development and evaluation, and overall quality assurance, and financial management. Serve as Lead Consultant and participate in project preparation and scoping, consultant assignment, and program marketing.

State of Arizona, Phoenix, Arizona
ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT ADMINISTRATOR/ASSISTANT DIRECTOR **2004 –2014**

Successfully provided the administration and oversight of approximately $4B in state spend in support of 120 state agencies and 550 political subdivisions, with an annual operating budget of over $4M and a professional staff of 40. Served as Chief Procurement Officer and registered procurement lobbyist for the state. Evaluated and determined appropriate procurement strategies based upon interpretation of the Arizona Procurement Code and potential risks and legal implications. Responsible for the implementation of progressive procurement innovations such as:

- Statewide e-Procurement System (ROI realized in 2.5 years, average contract savings of 23%),
- Strategic sourcing realizing over $250M in savings,
- Cooperative procurement program expansion realizing over $3M in revenue,
- Training/certification and compliance program with an overall class satisfaction level of 92%,
- Statewide procurement performance metrics (protests upheld 99%),
- Enhanced classification and compensation strategies for procurement professionals.

DRAFT

National Institute of Governmental Purchasing, Herndon, Virginia **2009 – 2012**
LEAD CONSULTANT/CONSULTANT

Effectively conducted procurement organization and process reviews for clients. Projects consisted of analysis of the organization's legal procurement framework, policies and procedures, benchmarking, organizational structure, staff competencies, procurement processes, and automation.

- Raleigh Durham Airport Authority, Raleigh, North Carolina, 2012-Consultant - movement from decentralized to centralized procurement structure; including, system transaction processing, position descriptions and organizational structure.
- Imperial Irrigation Water District, Imperial, California, 2011 – Lead Consultant – project and consultant management in the development of the district's procurement policies and procedures; interviews with procurement personnel and customers for development of policy and procedures.
- Austin Public Schools, Austin, Texas, 2010 – Consultant – organizational assessment; including, customer surveys, organizational benchmarking, policy and procedures, and training.
- City of Hamilton, Ontario Canada, 2010 – Consultant – organizational assessment; including, customer/vendor surveys, organizational benchmarking, procurement transaction and contract review, policy and procedures, and training.
- Contra Costa County, California, 2009 - Consultant – organizational assessment; including, customer/procurement staff surveys, organizational benchmarking, procurement contract reviews, and policy and procedures.

EDUCATION

Master's in Public Administration - Western International University, Phoenix, Arizona
Bachelor's of Science, Business Administration –Arizona State University, Tempe, Arizona

CERTIFICATIONS

· Fellow of NIGP (FNIGP)
· Certified Purchasing Manager (C.P.M)
· Certified Public Manager (CPM)
· Certified Public Procurement Officer (CPPO)
· Certified Public Buyer (CPPB)

AWARDS

Platinum Team of the Year, Procurement Reform/Procurement Fairs, ADOA – 2013
Government Public Policy Leader of the Year – 2012
Albert H. Hall Award, NIGP – 2011
Innovation Award, NIGP and ADOA – 2011

PROFESSIONAL AFFILIATIONS

Universal Public Procurement Certification Council - Treasurer
Board of Directors, NIGP - Past President
Board of Directors, National Electronic Commerce Council - Past President
Board of Directors, National Association of State Procurement Officials

DRAFT

MARIA DE LOURDES COSS, MPA, CPPO

Phone: (312) 927-3490 Lourdes.Coss1@gmail.com

SUMMARY

Chief Procurement Officer with 25+ years of extensive multi-faceted procurement and organizational development experience in state and local government. Known as a visionary leader and results-driven strategist with uncompromising integrity. Expert at implementing processes that improve operational efficiency by optimizing resources, reducing cost, and creating a collaborative environment driven to achieve excellence.

KEY QUALIFICATIONS

Leadership	Procurement Legislation	Change Management
Strategic Planning	Organizational Development	Training
Process Improvement	Lean Six Sigma	Performance Metrics
Financial Analysis	Contract Administration	Procurement Automation

PROFESSIONAL EXPERIENCE

City of Houston, Houston, Texas **2013 – 2015**
Chief Procurement Officer, Strategic Procurement Division, Finance Department

Responsible for implementing citywide transformative changes that resulted in consistent and transparent procurement processes. Provided procurement oversight that supported 26 City Departments with an annual contract spend of approx. $1.6B with a group of professional staff of 50 and a budget of $5.6MM. Notable achievements include:

- Collaboratively negotiated $66MM in savings
- Drafted the City's first Procurement Code approved by City Council
- Implemented the City's first Annual Procurement Plan
- Led P2P Project and related efforts

CEDA, Inc., Chicago, Illinois **2013**
Director of Procurement, Procurement Department

Successfully led the procurement operation for one of the largest government-funded, non-for-profit agency with a budget of approximately $250MM serving more than 500,000 residents under different programs, including the second largest weatherization program in the country. Notable achievements include:

- Streamlined the procurement and contracting process reducing cycle time by approx. 30%.
- Developed strategy to implement Job Order Contracts for the Weatherization Program enabling the agency to more rapidly award jobs to qualified contractors.

DRAFT

Cook County, Chicago, Illinois **2011 - 2012**
Chief Procurement Officer, Office of the Chief Procurement Officer, Bureau of Finance

Successfully implemented transformative changes while supporting ongoing procurement needs of departments in excess of 70, some of which were under the administration and the others under the 12 separately elected officials' agencies. Responsible for spend in excess of $600MM with oversight of professional procurement staff of approximately 20. Some notable accomplishments include:

- Achieved cost savings of $77MM plus approximately $10MM in operational efficiencies.
- Successfully implemented strategic sourcing and job order contracting.
- Secured elected official support for a new Procurement Code and led the implementation of the Code for the County.
- Implemented online catalogue reducing manual processes by approximately 40% and reducing onsite inventory needs.

University of Illinois at Chicago (UIC), Chicago, Illinois **2006 – 2011**
Director of Purchasing, Purchasing Department, Office of Business & Financial Services

Successfully implemented transformative changes transitioning to a value-added organization compliant with a statewide ethics reform. Responsible for campus contract spend of $500MM, including the University's Medical Center, with a professional procurement staff of 28. Notable achievements include:

- Implemented a professional development program resulting in 88% staff professional certification.
- Identified $20MM in cost savings through strategic sourcing and contract negotiations
- Successfully implemented technology reducing hard copy documents by 30%

City of Chicago, Chicago, Illinois **2005 - 2006**
Managing Deputy Procurement Officer, Department of Procurement Services

Successfully managed the Contract Administration Division, the central contracting arm of the City serving all City departments, with a total contract spend of $2B per year plus $1.5B in special airport projects supported by professional and administrative staff of 80+. Successfully led the Department's Process Improvement Strategic Team. Actively participated in the Department's budget preparation. Notable achievements include:

- Orchestrated the electronic submission of the Economic Disclosure Statement
- Implemented a vendor report card for greater vendor accountability

Public Building Commission of Chicago, Chicago, Illinois **2000 – 2005**
Director of Procurement, Procurement Department

Successfully led the procurement function for the agency consisting primarily of vertical design and construction of new public facilities in the City of Chicago. Reviewed contract disputes and presented analysis and recommendation to the Executive Director. Led contract negotiations on complex projects. Notable achievements include:

- Instituted financial rating system leading to contracts with financially capable vendors

DRAFT

- Automated routine manual processes for greater efficiency reducing paper copies by 60%

City of Chicago, Chicago, Illinois **1998 – 2000**
Deputy Purchasing Agent - Infrastructure and Social Services Contracts
Department of Purchases, Contracts & Supplies

Successfully provided oversight for the procurement and contract administration of infrastructure projects and social services. Reviewed disputes and protests for infrastructure projects and recommended a course of action to the City's Purchasing Agent. Notable achievements include:

- Developed and implemented written protest procedures for the City, securing funding agency approval.
- Standardized construction and A&E contracts terms and conditions.
- Developed and implemented a streamlined A&E pre-qualification process improving award cycle by 30%

City of Chicago, Chicago, Illinois (Several Departments) **1986 - 1998**
Positions: Various – Procurement and Financial Analysis

Successfully performed various procurement and financial roles. Actively participated in the development of public policy and implementation of improvement strategies. Some notable achievements include:

- Established standard negotiation parameters for design contracts reducing overall cost
- Reduced sewer construction cost by 20% by strategically timing procurement
- Created and implemented written qualitative RFP evaluations procedures
- Developed model RFQ and professional service agreement implemented citywide
- Designed and implemented annual financial rating for construction contractors

EDUCATION

Master's in Public Administration, Financial Management & Budget - Florida State University, Tallahassee, Florida
Bachelor's in Secretarial Sciences-Business *(Magna Cum Laude)* - University of Puerto Rico, Río Piedras, Puerto Rico

CERTIFICATIONS

Certified Public Purchasing Officer (CPPO) Candidate

Lean Six Sigma – Yellow Belt and Green Belt

PROFESSIONAL AFFILIATION AND AWARDS

- Member NIGP
- NIGP Measure Up Award | 2015
- NPI Excellence in Procurement Award | 2015

DRAFT

REFERENCES

Hillsborough County Aviation Authority, Tampa International Airport and Raleigh-Durham Airport Authority referenced in Firms Qualifications and Experience: Similar Projects may both be contacted as references. Additionally, please find below three references for similar projects that we have successfully completed.

1) *City of Palo Alto, CA. – Procurement Performance Review - January, 2014 (3 months)*

NIGP Consulting was engaged to perform a comprehensive procurement performance review to enhance operational efficiency of the Procurement function with a focus of transitioning to a strategic, high performance operation. Recommendations were made for modifications to the Municipal Code to enable greater flexibility for the delegation of authority, increased procurement thresholds, and enhanced contract administration oversight. Additionally, recommendations for performance metrics, effective term contracts, increased Pcard usage and the implementation of direct pay procedures were proposed to enhance service and reduce costs. The Pcard and Direct Payment Process recommendations identified potentially $40,000 in combined administrative savings. Examination of the procurement organizational structure, staff resources, knowledge, skills and abilities was also conducted with proposed modifications.

Contact Information: David Ramberg, Assistant Director, Administrative Services
(650) 329-2634; David.Ramberg@CityofPaloAlto.org

2) *Manatee County, FL- Procurement Process Review – Bradenton, FL - May, 2015 (4 months)*

NIGP Consulting was engaged by the County to review the established procurement processes, and procurement organization and provide a program analysis and for potential improvements. In particular, a review of the procurement policies and procedures was conducted to identify possible impediments to the procurement processes. A review of the procurement technology was conducted to assess the degree to which it was being maximized to support the existing purchasing program.
Additionally, the cycle times for recent RFPs were examined to provide recommendations for improved processing time and benchmark time frames for each component of the RFP process based on industry standards and/or best practices and to serve as goals for future RFP procurements.

Contact Information: Jan Brewer, Finance Director
(941) 745-3726; jan.brewer@mymanatee.org

3) *City of Hollywood, FL – Policy Manual Review – April, 2015 (2 months)*

NIGP Consulting was engaged to provide a review of the City's procurement policies, procedures, and ordinances, as well as any legislation that may impede the City's procurement processes. The goal of the review was to develop recommendations to improve the procurement program based on best practices. Based upon the review and best practices analysis recommendations were provided to enhance the existing Procurement Guide and to more clearly define the authority of the Procurement Services Director.

Contact Information: Joel Wasserman, Director Procurement Services
(954)921-3290; JWasserman@hollywoodfl.org

DRAFT

UNDERSTANDING THE PROJECT'S CHALLENGES AND SPECIAL CONCERNS

A sound, well-organized procurement program rests on a base or foundation of procurement policies, regulations and procedures. Procurement policies, regulations and procedures form the basis for maintaining a procurement program that is fully transparent, so that all stakeholders possessing an interest in the program are aware of the approach for spending taxpayer funds and the processes involved across all types and methods of procurements.

As such, a large part of becoming a more strategic partner within an organization is ongoing monitoring of best practices and continuous improvement of policies, programs, and processes. Understanding of the need for procurement to have a strategic focus and customer centric service delivery, NIGP Consulting comes prepared to meet GLWA's requirements. Our certified public procurement practitioners, leaders in the field of public procurement, have also lived and executed in these new times. It is with this "hands-on" and educated background of skills, abilities and knowledge that we fully comprehend the needs and goals of GLWA based upon the scope of services.

In review of the statement of goals and outlined services to be performed, NIGP Consulting does not recognize any special concerns or project challenges at this time.

DRAFT

PRICING PROPOSAL

Procurement Practices Facilitation and Policy Review	$25,590
Estimated Travel Expenses	$ 4,140
Total Project Fees & Expense	**$29,730**

The estimated hours for this project are __**131**___

The standard hourly billing rates for the assigned consultants are listed below**:**

Jean Clark, Project Manager **$210 per hour**

Maria De Lourdes Coss, Procurement Consultant **$195 per hour**

Billing

GLWA will be billed for 25% of the Project Fees upon completion of the first on-site visit and actual travel expenses, 25% of the Project Fees and actual travel expenses for the analysis/summary phase, 25% of the Project Fees upon completion of the Draft Procurement Policy and actual travel expenses, and 25% of the Project Fees upon completion and delivery of the Final Procurement Policy and actual travel expenses. Billing will be based on deliverable completion without client sign-off of each deliverable – billed as fixed fee. Terms for all invoicing will be Due Upon Receipt.

A project plan will be agreed upon prior to kickoff and Periscope, subsequently, will allocate resources in order to successfully meet the project deadlines and to control costs. The Customer is expected to meet project deadlines as well. If actions (or inactions) on the part of the Customer result in a project delay, and it becomes necessary for Periscope to reschedule or reallocate resources, the cost of the project might escalate requiring a change order. Further, it is Periscope's expectation that the Customer agrees to performance completion for the entire consulting engagement as outlined in the scope of work.

SIGNATURE

An authorized signature below indicates acceptance of this Proposal.

Agreed:

By:	By:
_____	_____
Periscope Holdings, Inc.	Great Lakes Water Authority
_____	_____
Print Name	Print Name
_____	_____
Title	Title

DRAFT

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

ADDENDUM #2 TO MEETING BINDER for Friday, June 16, 2017 at 8:00 a.m.

Agenda Item #7A FY 2016 and FY 2017 Budget to Actual Report

7A1 - FY 2016 and FY 2017 O&M Budget Update

7A2 - FY 2017 Budget Amendments to O&M Unallocated Reserves through May 31, 2017

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA, Chief Financial Officer/Treasurer

Re: FY 2016 and FY 2017 O&M Budget Update

Background: The focus of the past year has been the stand-up of the Great Lakes Water Authority (GLWA) and executing a significant bond refunding. While we are close to winding down Phase I, we can begin transitioning to stead state activities. A quarterly budget report is one of those items. In the interim, below is a snapshot of the GLWA's Operations & Maintenance budget for FY 2016 and FY 2017.

Table 1 - Cost Pool Allocation

FY 2016 O&M Budget to Actual	FY 2016 Original Budget	FYE June 30, 2016 (unaudited)	$ Variance	% Difference
A Water System Operations	$ 30,065,050	$ 28,076,451	$ 1,988,599	7%
B Wastewater System Operations	57,922,190	52,142,261	5,779,929	10%
C Centralized Services	33,677,310	34,527,836	(850,526)	-3%
D Administrative & Other Services	21,296,350	18,529,146	2,767,204	13%
Total	**$ 142,960,900**	**$ 133,275,693**	**$ 9,685,207**	**7%**

Table 2 Allocation of costs

Analysis: The good news is, that revenues continue to be steady and expenses are controlled.

FY 2017 O&M Budget to Actual	FY 2017 Adopted	FY 2017 Adjsuted for Nine Months	FY 2017 Activity through March 31, 2017	$ Variance	% Difference
A Water System Operations	$ 64,904,000	$ 48,678,000	$ 39,372,600	$ 9,305,400	19%
B Wastewater System Operations	121,911,800	91,433,850	81,554,200	9,879,650	11%
C Centralized Services	73,701,100	55,275,825	43,715,400	11,560,425	21%
D Administrative Services	27,220,000	20,415,000	15,013,500	5,401,500	26%
Total	$ 287,736,900	$ 215,802,675	$ 179,655,700	$ 36,146,975	20%

Proposed Action: Receive and file report.

GLWA
Great Lakes Water Authority

Financial Services Group
Audit Committee Communication

Date: June 16, 2017

To: Great Lakes Water Authority Audit Committee

From: Lisa Mancini, Interim Financial Planning & Analysis Manager

Re: FY 2017 Budget Amendments to O&M Unallocated Reserves through May 31, 2017

This is the first fiscal year budget analysis presented to the Audit Committee since implementation of GLWA's financial system and recent stand-up of the Financial Planning & Analysis team. As a new entity, this is in interim step toward implementing a fiscal notes structure as we progress through FY 2018. The emphasis of FY 2017 has been largely making sure that expenses are in the correct cost center and account since the purchase order coding, carried forward from the prior legacy system, had many errors.

The Great Lakes Water Authority's FY 2017 Operations and Maintenance (O&M) budget was developed within the first month of the effective date of the new entity in January 2016. This meant that the budget was prepared by new or interim staff both in finance and in operations. In addition, reliance on the City's legacy financial system was challenging because a limited number of GLWA team members had system access.

Now, more than a year later, and on the heels of GLWA adopting its second biennial budget, we have new financial systems, are building staff capacity, and have filled two executive level positions that were vacant at the time of the FY 2017 budget development, namely the Chief Information Officer (CIO) and Chief Public Affairs Officer (CPAO). Both individuals identified the strategic need of their areas of responsibility during FY 2017 which have resulted in the two areas of budget amendments. Further, the review of every transaction to correct prior errors identified a material misalignment in expense allocations for information technology (IT) services. In those instances, the contracts were either underbudgeted, omitted, or charged to the Improvement & Extension fund when it should have been operations and maintenance.

Most budget amendments during the year have been reclassifications within a cost center or operating area. The purpose of this report is to review areas that required an increase to their

budget, either through unallocated reserve and/or an offset to positive entity-wide budget variances.

The table below identifies four categories of unallocated reserve by the four primary budget areas and the amounts in the approved FY 2017 budget as well as the net effect of the budget amendments as described below.

GL String	Description	2016-17 BOARD ADOPTED BUDGET	2016-17 AMENDED BUDGET	2016-17 Increase/(Decrease) BUDGET
5910-887600.000-832000-WS7310	Unallocated Reserve - Water	2,500,000	2,500,000	-
5910-887600.000-832000-WS7900	Unallocated Reserve - Administrative Services	674,721	395,312	(279,409)
5910-887600.000-832000-WS7930	Unallocated Reserve - Centralized Services	674,720	(23,577,585)	(24,252,305)
5960-897600.000-832000-SD8050	Unallocated Reserve - Wastewater	6,716,900	6,716,900	-
	Total Unallocated Reserve	$ 10,566,341.00	($13,965,373.00)	($24,531,714.00)

Unallocated Reserve – Administrative Services

- At the time the FY 2017 budget was developed, the Chief Public Affairs Officer position was vacant. Now that the position has been filled, the CPAO developed a strategic communications plan to meet GLWA's objectives that requires additional resources.
    - ✓ $43,000 – Internal Communications Baseline Research project (FleishmanHillard)
    - ✓ $25,000 – Rolling out the new brand: Promotional items for community engagement events and staff
    - ✓ $211,400 – Renewal of FleishmanHillard contract to cover time needed by CPAO to put new processes into place.

Unallocated Reserve – Centralized Services

At the time the FY 2017 budget was developed, the Chief Information Officer position was vacant. Since the time this position had been filled, the new leadership has reviewed existing contracts, identified deficiencies in the amounts of the existing budget, discovered items erroneously left off the budget, and prioritized new purchases that will benefit the operation of a new IT organization that supports the Great Lakes Water Authority and extensive shared services for the Detroit Water & Sewerage Department.

- The following are key items that were either understated or left out of the FY 2017 budget.
    - ✓ $259,600 - Symantec CCS License Renewal: Vulnerability scanning on the network

- ✓ $439,200 – Motorola XT Series Subscriber Radio Maintenance & Support
- ✓ $850,000 – WAM Support and enhancement services (HP Enterprise)

- $12 million - The AT&T contract, and the understanding of the impact of the bifurcation on this contract, has been evaluated. A determination has been made that the contract amount was understated in the FY 2017 budget.
- $7.5 million – Items that were previously identified as Capital Purchases have been moved to the O&M budget.
  - ✓ $2.7 million – Various Software Licenses (I.e., Sequel, Adobe Suite, Enterprise Apps)
  - ✓ $1.6 million – Desktop & Notebook Computers, Tablets, and Enterprise Multi-function printers
  - ✓ $1.5 million – Low Voltage Wiring
  - ✓ $945,000 – Enterprise Wireless Access Points & Controller and Backup Devices
  - ✓ $800,000 – Disaster Recovery services
- New purchases include the following
  - ✓ $1.4 million – Various hardware
  - ✓ $157,200 – Avamar-DPS Single Site support and maintenance will replace an unsupported backup and recovery system
  - ✓ $24,900 – GovDelivery Communication Cloud software

Proposed Action: Receive and file report.