



**Audit Committee**

**Friday, March 27, 2020 at 8:00 a.m.**

**Telephonic Meeting**

Call: 1-866-528-2256

Access Code: 9169911

**AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
  - A. February 12, 2020 (Page 1)
  - B. February 21, 2020 (Page 4)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
  - A. Proposed Contract Extension- GLWA CS-010 Water Residential (Page 10) Assistance Program
8. REPORTS
  - A. CFO Update (Binder 2)
  - B. Monthly Financial Report for December 2019 (Page 15)
  - C. FY 2020 Q2 Construction Work-in-Progress Report through (Page 16) December 31, 2019
9. COMMUNICATIONS
  - A. Rating Agency Upgrades (Binder 2)
  - B. *The Procurement Pipeline* for March 2020 (Binder 2)
10. LOOK AHEAD
  - Next Audit Committee Meetings
    - A. Regular Meeting April 17, 2020 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



# Great Lakes Water Authority

735 Randolph Street  
Detroit, Michigan 48226  
glwater.legistar.com

## Meeting Minutes - Draft

### Audit Committee

---

Wednesday, February 12, 2020

10:00 AM

Water Board Building 5th Floor

---

#### Special Meeting

#### 1. Call To Order

Chairperson Baker called the meeting to order at 10:06 a.m.

#### 2. Quorum Call

**Present:** 3 - Chairperson Brian Baker, Director Gary Brown, and Director Abe Munfakh

Director Brown joined the meeting at 10:15 a.m. under Item 7A.

#### 3. Approval of Agenda

Chairman Baker requested a Motion to approve the Agenda.

**Motion By:** Brian Baker

**Support By:** Abe Munfakh

**Action:** Approved

The motion carried by a unanimous vote.

#### 4. Approval of Minutes

None

#### 5. Public Comment

There were no public comments.

#### 6. Old Business

None

#### 7. New Business

- A.**     [2020-062](#)     Review of Draft Feasibility Consultant Report- 2020 Water and Sewer Bond Transactions
- Sponsors:**   Nicolette Bateson
- Indexes:**    Finance
- Attachments:** [7A1 Audit Committee Memo-Prelim Feas Rpt 02.12.2020](#)  
                              [7A2 Prelim Feas Rpt 021220pw](#)
- Motion By:** Gary Brown  
                  **Support By:** Abe Munfakh  
                  **Action:** Received and Filed  
                  The motion carried by a unanimous vote.
- B.**     [2020-063](#)     Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in an Amount Not to Exceed \$515,000,000
- Sponsors:**   Nicolette Bateson
- Indexes:**    Finance
- Attachments:** [7B1 Audit Committee Memo- Water Revenue and Revenue Refunding Series Ordinance 02.12.2020](#)  
                              [7B2 Board Letter- Water Revenue and Revenue Refunding Series Ordinance 2.12.2020](#)  
                              [7B3 Water Revenue and Revenue Refunding Series Ordinance FINAL 2.12.2020](#)  
                              [7B4 Resolution- Approval of Water Revenue and Revenue Refunding Series Ordinance FINAL 2.12.2020](#)
- Motion By:** Abe Munfakh  
                  **Support By:** Gary Brown  
                  **Action:** Recommended for Approval to the Board of Directors Workshop Meeting Agenda of February 12, 2020  
                  The motion carried by a unanimous vote.

- C.      [2020-064](#)      Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Refunding Bonds in an Amount Not to Exceed \$800,000,000

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7C1 Audit Committee Memo- Sewer Revenue Refunding Series Ordinance 02.12.2020](#)  
[7C2 Board Letter- Sewer Revenue Refunding Series Ordinance 02.12.2020](#)  
[7C3 Sewer Revenue Refunding Series Ordinance FINAL 2.12.2020](#)  
[7C4 Resolution- Approval of Sewer Revenue Refunding Series Ordinance FINAL 2.12.2020](#)

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Recommended for Approval to the Board of Directors Workshop Meeting  
Agenda of February 12, 2020

The motion carried by a unanimous vote.

## 8. Reports

None

## 9. Look Ahead

The next Audit Committee Meeting will be held Friday, February 21, 2020 at 8:00 a.m.

## 10. Information

None

## 11. Other Matters

None

## 12. Adjournment

Chairman Baker requested a Motion to Adjourn.

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 10:56 a.m.



# Great Lakes Water Authority

735 Randolph Street  
Detroit, Michigan 48226  
glwater.legistar.com

## Meeting Minutes - Draft

### Audit Committee

---

Friday, February 21, 2020

8:00 AM

Water Board Building 5th Floor

---

#### 1. Call To Order

Chairperson Baker called the meeting to order at 8:00 a.m.

#### 2. Quorum Call

**Present:** 3 - Chairperson Brian Baker, Director Gary Brown, and Director Abe Munfakh

**Note:** Director Brown attendance via teleconference.

#### 3. Approval of Agenda

Chairperson Baker requested a Motion to approve the Agenda.

**Motion By:** Abe Munfakh

**Support:** Gary Brown

**Action:** Approved

The motion carried unanimously.

#### 4. Approval of Minutes

[2020-069](#) Approval of Minutes of January 27, 2020

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [4A Audit Committee Meeting Minutes - January 27, 2020](#)

Chairperson Baker requested a Motion to approve the January 27, 2020 Audit Committee Meeting Minutes.

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Approved

The motion carried by a unanimous vote.

#### 5. Public Comment

There were no public comments.

**6. Old Business****A.     [2020-070](#)     Water Residential Assistance Program Reallocation Request for Uncommitted FY 2019 Funds**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6A1 Audit Committee Memo- WRAP Reallocation of FY 2019 Funds](#)

[6A1a 2020-066 Board Letter Water Residential Assistance Program Reallocation Request for Uncommitted FY 2019 Funds](#)

[6A2 2020-066 Attachment 1](#)

[6A2 2020-066 Attachment 2](#)

[6A2 2020-066 Attachment 3](#)

[6A2 2020-066 Attachment 4](#)

[6A3 Wayne Metro Reallocation Req. Letter 1.10.20v2](#)

[6A4 WRAP Reallocation Request & Program Change presentation FINAL](#)

Chairperson Baker made a Motion, Supported by Director Munfakh, to recommend approval to the Board, subject to Board vote after Item 6B (Proposed Water Residential Assistance Program Changes for FY 2021) and the budget adoption.

Motion By: Brian Baker

Support By: Abe Munfakh

Action: Recommended for Approval to the Board of Directors

Agenda of February 26, 2020

The motion carried by a unanimous vote.

**B.     [2020-071](#)     Proposed Water Residential Assistance Program Changes for FY 2021**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6B1 WRAP Program Changes for FY 2021 2.21.2020](#)

[6B2 Wayne Metro Program plan design recommended changes FINAL](#)

[6B3 GLWA Board Resolution 2020-037](#)

[6B4 ALICE Report for Southeast Michigan](#)

Motion By: Brian Baker

Support By: Abe Munfakh

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2020-072](#) Industrial Pretreatment Program Financial Analysis & Charges Update

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6C IPP Financial Analysis & Charges Update](#)

[B 6C01 Continued Review - Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Financial Plan](#)

[B1 FY 2021 Budget Highlights Presentation-02.21](#)

[C DRAFT FY 2020.2021 Budget Resolution BOARD LETTER](#)

[D 2020-xxx DRAFT FY 2021 & FY 2022 Biennial Budget Resolution](#)

[E 2021 Charges Board Communication and Resolution](#)

[F Proposed FY 2021 Water and Sewer Charges](#)

**Motion By: Abe Munfakh**

**Support By: Gary Brown**

**Action: Received and Filed**

**The motion carried by a unanimous vote.**

D. [2020-073](#) Continued Review - Proposed FY 2021 & FY 2022 Biennial Budget & Five-Year Financial Plan

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6D1 Continued Review - Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Financial Plan](#)

[6D2](#)

[FY-2021-and-FY-2022-Proposed-Biennial-Budget-and-FY-2021-Proposed-Schedule-of-Charges-1.24.2020](#)

**Motion By: Abe Munfakh**

**Support By: Gary Brown**

**Action: Received and Filed**

**The motion carried by a unanimous vote.**

7. New Business

- A. [2020-074](#) Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [7A1 Notice of Intent to Issue Sewer Revenue Bonds](#)  
[7A2 Board Letter- Notice of Intent to Issue Sewer Revenue Bonds 2.26.2020](#)  
[7A3 Resolution Regarding Publication of Notice of Intent to Issue Bonds \(Sewer\) 2020](#)
- Motion By:** Abe Munfakh  
**Support By:** Gary Brown  
**Action:** Recommended for Approval to the Board of Directors  
**Agenda of February 26, 2020**  
The motion carried by a unanimous vote.
- B. [2020-075](#) Authorizing Publication of Notice of Intent to Issue Water Supply System Revenue Bonds
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [7B1 Notice of Intent to Issue Water Revenue Bonds](#)  
[7B2 Board Letter- Notice of Intent to Issue Water Revenue Bonds 2.26.2020](#)  
[7B3 Resolution Regarding Publication of Notice of Intent to Issue Bonds \(Water\) 2020](#)
- Motion By:** Abe Munfakh  
**Support By:** Gary Brown  
**Action:** Recommended for Approval to the Board of Directors  
**Agenda of February 26, 2020**  
The motion carried by a unanimous vote.
- C. [2020-076](#) Water Residential Assistance Program Contract CS-010 Update
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [7C1 WRAP Contract CS-010 Status Update](#)
- Motion By:** Abe Munfakh  
**Support By:** Gary Brown  
**Action:** Received and Filed  
The motion carried by a unanimous vote.

## 8. Reports



A. [2020-077](#) Monthly Financial Report for November 2019

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8A GLWA Monthly Financial Report November 2019](#)

**Motion By:** Gary Brown

**Support By:** Abe Munfakh

**Action:** Received and Filed

The motion carried by a unanimous vote.

B. [2020-078](#) Quarterly Investment Report

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8B1 Quarterly Investment Report Cover Memo December 2019](#)  
[Investment Report](#)  
[8B2 GLWA Quarterly Report December 2019](#)

**Motion By:** Gary Brown

**Support By:** Abe Munfakh

**Action:** Received and Filed

The motion carried by a unanimous vote.

C. [2020-079](#) Quarterly Construction Work in Progress Report

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8C 20190930 Quarterly CWIP](#)

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Received and Filed

The motion carried by a unanimous vote.

## 9. Communications

A. [2020-080](#) The Procurement Pipeline for February 2020

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [9A Feb 2020 Procurement Pipeline 2.19.20](#)

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Received and Filed

The motion carried by a unanimous vote.

**B.**     [2020-081](#)     Government Finance Officers Association Budget Award

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [9B1 GFOA Budget Award FY 2019](#)

[9B2 GFOA Budget Award 2019](#)

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Received and Filed

The motion carried by a unanimous vote.

**10. Look Ahead**

The next Audit Committee Meeting will be held on Friday, March 20, 2020 at 8:00 a.m.

**11. Other Matters**

Director Baker made an inquiry regarding Arbitration impact on the Budget, and an inquiry on the Bond Sale.

**12. Adjournment**

Chairperson Baker requested a Motion to Adjourn.

**Motion By:** Abe Munfakh

**Support By:** Gary Brown

**Action:** Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 10:02 a.m.



## Financial Services Audit Committee Communication

**Date:** March 27, 2020

**To:** Great Lakes Water Authority Audit Committee

**From:** Jon Wheatley, Public Finance Manager

**Re:** Proposed Change Order 3 – GLWA CS-010 Water Residential Assistance Program

**Background:** The current contract with Wayne Metropolitan Communication Action Agency (GLWA CS-010) expires on June 30, 2020.

**Analysis:** It is recommended that the contract with Wayne Metropolitan Communication Action Agency be extended for six months to provide time for stakeholder input into program design before issuing a request for proposal for these services in accordance with the Great Lakes Water Authority (GLWA) procurement policy. The recommended contract extension (Change Order 3) would be for six months in the amount of \$276,550.00, for a total cost not-to-exceed \$2,532,450.00, and a time extension of six months for a total contract duration of fifty-nine months.

Attached is a draft Great Lakes Water Authority (“GLWA”) Board letter. Typically, this matter would be brought to the Board at their meeting on April 22, 2020. Given the COVID-19 impact on meetings scheduled, it is recommended that the Chief Executive Officer (CEO) proceed with executing this change order in accordance with Resolution 2020-114 adopted on March 20, 2020 regarding “Delegation of Additional Authority to CEO During COVID-19 Emergency”. This will also allow staff to begin the change order and then focus on the stakeholder engagement work plan.

**Proposed Action:** The Audit Committee recommends that the CEO executes Change Order 3 of Contract No. GLWA CS-010, “Water Residential Assistance Program (WRAP)” with Wayne Metropolitan Communication Action Agency, at a cost increase of \$276,550.00, for a total cost not-to-exceed \$2,532,450.00, and a time extension of six months for a total contract duration of fifty-nine months. Said action to be reported to the Great Lakes Water Authority Board at their next regular meeting. Said action is consistent with Resolution 2020-114 adopted on March 20, 2020 regarding “Delegation of Additional Authority to CEO During COVID-19 Emergency”.

**..Title**

**Proposed Change Order No. 3 - GLWA CS-010 Water Residential Assistance Program**

**..Body**

Agenda of: To Be Determined

Item No.: **2020-117**

|         |                              |                      |
|---------|------------------------------|----------------------|
| Amount: | Original Contract:           | \$ 825,000.00        |
|         | Change Order No. 1:          | \$ 480,000.00        |
|         | Change Order No. 2:          | \$ 950,000.00        |
|         | Proposed Change Order No. 3: | <u>\$ 276,550.00</u> |
|         | Total Revised Contract:      | \$2,532,450.00       |

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** March 27, 2020

**RE: Proposed Change Order No. 3 - GLWA CS-010 Water Residential Assistance Program**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **ratify the action of the Chief Executive Officer to execute Change Order 3 for Contract No. GLWA CS-010, “Water Residential Assistance Program (WRAP)” with Wayne Metropolitan Communication Action Agency, at a cost increase of \$276,550.00, for a total cost not-to-exceed \$2,532,450.00, and a time extension of six months for a total contract duration of fifty-nine months, as authorized by Resolution 2020-114 adopted on March 20, 2020 regarding “Delegation of Additional Authority to CEO During**

**COVID-19 Emergency”** and authorizes the Chief Executive Officer or Chief Financial Officer to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) customers. The program is currently funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2021 funding level of \$6.1 million combined for water and sewer services.

The WRAP began providing assistance to residents in the GLWA service area on March 1, 2016 and as of October 31, 2019 has committed over \$14.2 million in assistance and conservation funds to over 19,000 qualified WRAP participants. Wayne Metro has been the WRAP program administrator for GLWA since the program’s inception.

The current contract with Wayne Metro (GLWA CS-010) expires on June 30, 2020 and has been in place for nearly four and a half years. GLWA is recommending that the contract for the WRAP program administrator be bid out again through a competitive procurement process before the end of the current contract. If a new vendor is selected, the current contract with Wayne Metro will need to be extended in order to transition responsibilities to the new vendor. Therefore, GLWA is recommending the extension of the current contract (GLWA CS-010) through December 31, 2020 through a contract amendment (Change Order 3). The current status of GLWA CS-010 is summarized below:

### **PROJECT MANAGEMENT STATUS**

|  |                   |
|--|-------------------|
| Original Start Work Date:                  | February 22, 2016 |
| Original Contract End Date:                | February 21, 2018 |
| Change Order 1 Contract End Date:          | June 30, 2018     |
| Change Order 2 Contract End Date:          | June 30, 2020     |
| Proposed Change Order 3 Contract End Date: | December 31, 2020 |

### **Contract Estimate**

|                              |                     |
|------------------------------|---------------------|
| Original Contract Price:     | \$825,000.00        |
| Change Order No. 1:          | \$480,900.00        |
| Change Order No. 2:          | <u>\$950,000.00</u> |
| Contract Total:              | \$2,255,900.00      |
| Proposed Change Order No. 3  | <b>\$276,550.00</b> |
| Proposed New Contract Total: | \$2,532,450.00      |

### **JUSTIFICATION**

The contract with Wayne Metro specifies the not-to-exceed administrative fee amount based on the anticipated allocation of assistance dollars to each county. Change Order 3 extends the GLWA CS-010 contract six months to December 31, 2020 increasing the contract amount based on the total budgeted WRAP funding amounts. (See Table 1- FY 2021 WRAP Budget Attachment 1). This extension of time will provide for stakeholder input into program design before issuing a request for proposal for these services.

### **BUDGET IMPACT**

The funding of the proposed administration fees for WRAP are paid from the 0.5% of the budgeted WRAP funds each year and do not impact the FY 2021 Budget.

### **COMMITTEE REVIEW**

This matter was reviewed by the GLWA Audit Committee at its meeting on March 27, 2020. The Audit Committee [3/26/2020 pending action: *recommended that the CEO executes Change Order 3 of Contract No. GLWA CS-010, "Water Residential Assistance Program (WRAP)" with Wayne Metropolitan Communication Action Agency, at a cost increase of \$276,550.00, for a total cost not-to-exceed \$2,532,450.00, and a time extension of six months for a total contract duration of fifty-nine months. Said action to be reported to the Great Lakes Water Authority Board at their next regular meeting. Said action is consistent with in accordance with Resolution 2020-114 adopted on March 20, 2020 regarding "Delegation of Additional Authority to CEO During COVID-19 Emergency".*]

Table 1 - FY 2021 WRAP Budget

| Community                  | Budgeted Direct Assistance | Budgeted Conservation Assistance | Budgeted Administration Costs | Total Budgeted Revenue | Allocation     |
|----------------------------|----------------------------|----------------------------------|-------------------------------|------------------------|----------------|
| <b>CITY OF DETROIT</b>     |                            |                                  |                               |                        |                |
| SHARE OF WHOLESALE FUNDING | \$776,087                  | \$194,022                        | \$116,400                     | \$1,086,509            | 26.60%         |
| LOCAL WRAP FUNDING         | 1,431,440                  | 357,860                          | 214,700                       | 2,004,000 (1)          |                |
| <b>TOTAL DETROIT</b>       | <b>\$2,207,527</b>         | <b>\$551,882</b>                 | <b>\$331,100</b>              | <b>\$3,090,509 (2)</b> | <b>26.60%</b>  |
| <b>WAYNE COUNTY</b>        | 736,129                    | 184,032                          | 73,600                        | 993,761                | 24.33%         |
| <b>OAKLAND COUNTY</b>      | 851,554                    | 212,889                          | 85,200                        | 1,149,643              | 28.15%         |
| <b>MACOMB COUNTY</b>       | 551,503                    | 137,876                          | 55,100                        | 744,479                | 18.23%         |
| <b>GENESEE COUNTY</b>      | 18,150                     | 4,538                            | 1,800                         | 24,488                 | 0.60%          |
| <b>WASHTENAW COUNTY</b>    | 40,932                     | 10,233                           | 4,100                         | 55,265                 | 1.35%          |
| <b>LAPEER COUNTY</b>       | 12,891                     | 3,223                            | 1,300                         | 17,414                 | 0.43%          |
| <b>MONROE COUNTY</b>       | 6,536                      | 1,634                            | 600                           | 8,771                  | 0.21%          |
| <b>ST. CLAIR COUNTY</b>    | 3,097                      | 774                              | 300                           | 4,171                  | 0.10%          |
| <b>FY 2021 TOTAL</b>       | <b>\$4,428,320</b>         | <b>\$1,107,080</b>               | <b>\$553,100 (3)</b>          | <b>\$6,088,500</b>     | <b>100.00%</b> |
| <b>FY 2020 TOTAL</b>       | <b>\$3,528,422</b>         | <b>\$882,105</b>                 | <b>\$457,573</b>              | <b>\$4,868,100</b>     | <b>100.00%</b> |

(1) Includes Local WRAP of 1.0% of Budgeted Base Revenues

(2) Total allocated FY 2020 WRAP funding for Detroit was \$1,968,243

(3) Based on FY 2021 Budgeted WRAP Funding of:

|                          |                  |
|--------------------------|------------------|
| Wholesale Funding        | \$4,084,500      |
| Detroit Local Funding    | <u>2,004,000</u> |
| Total WRAP Funding       | \$6,088,500      |
| 50% Administration Fees: | \$276,550        |

**GLWA**

*Great Lakes Water Authority*



# **Monthly Financial Report Binder**

**December 2019**

**Presented to the  
Great Lakes Water Authority  
Audit Committee on March 27, 2020**



## TABLE OF CONTENTS

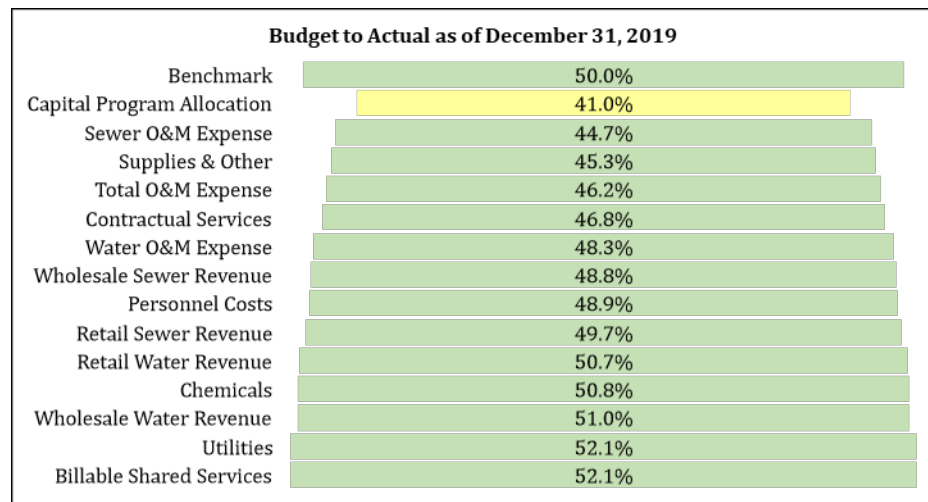
|   |     |
|---|-----|
| Executive Summary Dashboard .....                       | 1   |
| Budget to Actual Analysis.....                          | 2   |
| Basic Financial Statements .....                        | 8   |
| Financial Activity Charts.....                          | 16  |
| Financial Operations Key Performance Indicator.....     | 19  |
| Budget to Financial Statements Crosswalk.....           | 20  |
| Construction Work in Progress Summary .....             | 24  |
| Master Bond Ordinance Transfers .....                   | 26  |
| Cash and Investment.....                                | 31  |
| Retail Revenues, Receivables, & Collections .....       | 35  |
| Wholesale Billings, Receivables, & Collections.....     | 39  |
| Trust Receipts and Disbursements .....                  | 45  |
| Appendix  |     |
| Aged Accounts Receivable Report.....                    | A-1 |
| Highland Park Life-to-Date Billings & Collections ..... | B-1 |

### Revenue and Expense Budget to Actual<sup>1</sup> – Pro-rata Benchmark of 50%

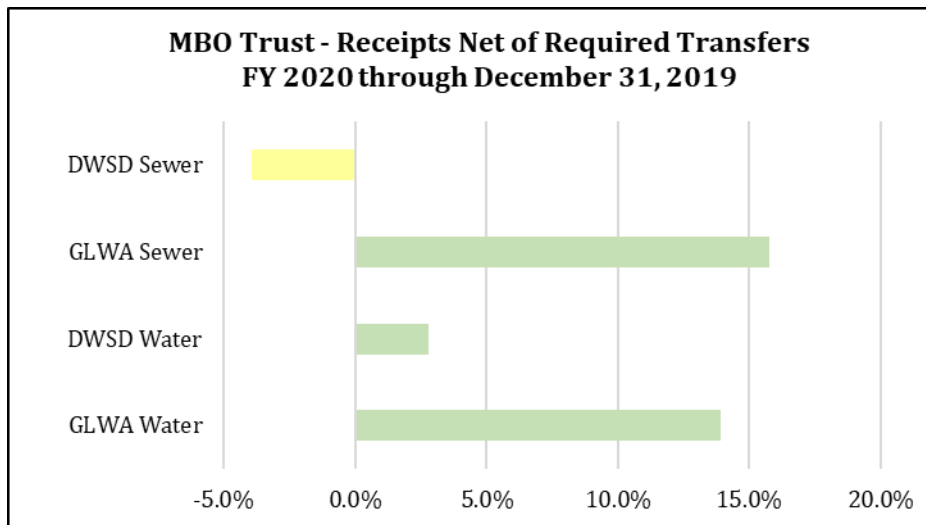
Most revenue and expense reporting categories fall within 7.5% of the pro-rata budget to actual benchmark.

The Capital Program Allocation variation is due to two reasons. Through December 31, 2019, GLWA team member hours posted to projects is 10% less than the prior

year due to increased focus on large maintenance projects versus capital projects. The remaining difference is due to a new element this year which is the AECOM Capital Program Management project. To date, no fees have been incurred that have been identified for capitalization.



### Master Bond Ordinance (MBO) Trust Net Receipts



Net cash flow (receipts) is positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded to date – and that positive cash flow is available for additional capital program funding in

subsequent year(s). DWSD Water and Sewer also report positive cash flows through December. DWSD Sewer reported positive net receipts of \$5.4 million for December 2019 decreasing the cumulative FY 2020 DWSD Sewer shortfall to \$5.3 million. Looking ahead, this shortfall is remedied by the end of February 2020 with cash replenishment transfers to GLWA; the DWSD Operations & Maintenance budgeted transfer request was reduced by \$1 million for March 2020 to hedge any future cashflow timing issues.

**Questions?** Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

<sup>1</sup> All amounts are GLWA entity-wide unless noted as water, sewer, and/or retail.

The Monthly Budget to Actual Analysis report includes the following three sections.

1. Revenue Requirement Budget Basis Analysis
2. Operations & Maintenance Budget – Major Budget Categories
3. Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

## Revenue Requirement Budget Basis Analysis

GLWA's annual revenue requirement represents the basis for calculating Member Partner charges and aligns with the Master Bond Ordinance flow of funds categories. The budget basis is not the same as the full accrual basis used for financial reporting although the revenues and operations and maintenance expense are largely reported on an accrual basis. The primary difference between the revenue requirement budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirement Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

**Table 1A – Water Revenue Requirement Budget** and **Table 1B – Sewer Revenue Requirement Budget** presents a year-over-year budget to actual performance report. The revenue requirement budget is accounted for in the operations and maintenance fund for each system. Since this report is for December 2019, the pro-rata benchmark is 50.0% (6 of 12 months of the fiscal year).

Items noted below are highlighted in gold on Tables 1A (Water) and 1B (Sewer).

1. **Revenues:** For *both* systems, FY 2020 revenues are either at or above target and are consistent with the prior year (FY 2019) at the same time. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
2. **Investment Earnings:** For *both* systems, investment earnings are below target for FY 2020. July 2019 includes the reversal of the market adjustment from FY 2019 of \$1.6 million for the *water* system and \$0.6 million for the *sewer* system. Without these adjustments both systems would be above target for FY 2020. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.

4. **Operations & Maintenance Expense:** Actual expenses<sup>1</sup> for *both* systems have variances from the pro-rata benchmark. The *water* system is slightly under the pro-rata benchmark for FY 2020 at 48.3%. The *sewer* system O&M expenses, at 44.7%, is less than the pro-rata benchmark.
5. **Debt Service:** *Both* systems are less than the pro-rata benchmark for FY 2020; the *water* system is at 47.4%; while the *sewer* system is at 48.4%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down. In addition, the monies invested in FY 2019 realized a higher return than projected. This gain was applied to the debt requirements which reduced the payments for July and August.
6. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.<sup>2</sup> Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2019, DWSD *sewer* had a shortfall through December 31, 2018, of \$4.1 million (FY 2019 ended with a small surplus). In order to achieve the goal of positive, net cash flows for FY 2019, DWSD reduced its *sewer* system O&M transfers in May and June. The transfers reduced were \$5,676,792 each for a total of \$11,353,584. For FY 2020, the DWSD *water* system has budgetary surplus of \$1.4 million and the DWSD *sewer* system has a budgetary shortfall of \$5.3 million through December 31, 2019. Looking ahead, this shortfall is remedied by the end of February 2020 with cash replenishment transfers to GLWA; the DWSD Operations & Maintenance budgeted transfer request was reduced by \$1 million for March 2020 to hedge any future cashflow timing issues.
7. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions or betterment of the Water System. Transfers to the I&E Fund from net revenues are now completed monthly.
8. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12<sup>th</sup> basis each month in accordance with the Master Bond Ordinance.
9. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

---

<sup>1</sup>The tables in this analysis reflect actual amounts spent. If this analysis was on a master bond ordinance (MBO) basis, like that used for calculating debt service coverage, O&M “expense” would equal the pro-rata budget because 1/12 of the O&M budget is transferred monthly outside the MBO trust to an O&M bank account.

<sup>2</sup> As a reminder, the monthly O&M transfer for MBO purposes are at 1/12 of the budget to a DWSD O&M bank account outside the trust. Actual budget may be less than that amount providing an actual positive variance for DWSD.

**Table 1A – Water Revenue Requirement Budget (year-over-year) – (\$000)**

|   | FY2019<br>AMENDED<br>BUDGET | FY 2019<br>THRU<br>12/31/2018 | Percent<br>Year-to-<br>Date | FY 2020<br>BOARD<br>ADOPTED<br>BUDGET | FY 2020<br>AMENDED<br>BUDGET | FY 2020<br>THRU<br>12/31/2019 | Percent<br>Year-to-<br>Date |
|---|-----------------------------|-------------------------------|-----------------------------|---------------------------------------|------------------------------|-------------------------------|-----------------------------|
| <b>Water System</b>                               |                             |                               |                             |                                       |                              |                               |                             |
| <b>Revenues</b>                                   |                             |                               |                             |                                       |                              |                               |                             |
| Suburban Wholesale Customer Charges               | \$ 307,383                  | \$ 161,170                    | 52.4%                       | \$ 309,285                            | \$ 309,285                   | \$ 158,158                    | 51.1%                       |
| Retail Service Charges                            | 20,181                      | 10,163                        | 50.4%                       | 21,296                                | 21,296                       | 10,648                        | 50.0%                       |
| Investment Earnings                               | 9,425                       | 4,631                         | 49.1%                       | 9,084                                 | 9,084                        | 3,198                         | 35.2%                       |
| Other Revenues                                    | -                           | 25                            | 0.0%                        | -                                     | -                            | -                             | 0.0%                        |
| <b>Total Revenues</b>                             | <b>\$ 336,989</b>           | <b>\$ 175,989</b>             | <b>52.2%</b>                | <b>\$ 339,664</b>                     | <b>\$ 339,664</b>            | <b>\$ 172,004</b>             | <b>50.6%</b>                |
| <b>Revenue Requirements</b>                       |                             |                               |                             |                                       |                              |                               |                             |
| Operations & Maintenance Expense                  | \$ 121,563                  | \$ 58,671                     | 48.3%                       | \$ 131,491                            | \$ 131,491                   | \$ 63,539                     | 48.3%                       |
| General Retirement System Legacy Pension          | 6,048                       | 3,024                         | 50.0%                       | 6,048                                 | 6,048                        | 3,024                         | 50.0%                       |
| Debt Service                                      | 131,242                     | 65,610                        | 50.0%                       | 137,558                               | 137,558                      | 65,180                        | 47.4%                       |
| General Retirement System Accelerated Pension     | 6,268                       | 3,134                         | 50.0%                       | 6,268                                 | 6,268                        | 3,134                         | 50.0%                       |
| Extraordinary Repair & Replacement Deposit        | -                           | -                             | 0.0%                        | -                                     | -                            | -                             | 0.0%                        |
| Water Residential Assistance Program Contribution | 1,673                       | 837                           | 50.0%                       | 1,698                                 | 1,698                        | 849                           | 50.0%                       |
| Lease Payment                                     | 22,500                      | 11,250                        | 50.0%                       | 22,500                                | 22,500                       | 11,250                        | 50.0%                       |
| Operating Reserve Deposit                         | -                           | -                             | 0.0%                        | 3,976                                 | 3,976                        | 1,988                         | 50.0%                       |
| Improvement & Extension Fund Transfer Pending     | 47,695                      | 23,848                        | 50.0%                       | 30,126                                | 30,126                       | 15,063                        | 50.0%                       |
| <b>Total Revenue Requirements</b>                 | <b>\$ 336,989</b>           | <b>\$ 166,373</b>             | <b>49.4%</b>                | <b>\$ 339,664</b>                     | <b>\$ 339,664</b>            | <b>\$ 164,026</b>             | <b>48.3%</b>                |
| <b>Net Difference</b>                             |                             | <b>\$ 9,617</b>               |                             |                                       |                              | <b>\$ 7,978</b>               |                             |
| <i>Recap of Net Positive Variance</i>             |                             |                               |                             |                                       |                              |                               |                             |
| Revenue Variance                                  |                             | \$ 7,495                      |                             |                                       |                              | \$ 2,172                      |                             |
| Revenue Requirement Variance                      |                             | 2,122                         |                             |                                       |                              | 5,806                         |                             |
| Overall Variance                                  |                             | <b>\$ 9,617</b>               |                             |                                       |                              | <b>\$ 7,978</b>               |                             |

**Table 1B – Sewer Revenue Requirement Budget (year-over-year) – (\$000)**

|   | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>THRU<br>12/31/2018 | Percent<br>Year-to-<br>Date | FY 2020<br>BOARD<br>ADOPTED<br>BUDGET | FY 2020<br>AMENDED<br>BUDGET | FY 2020<br>THRU<br>12/31/2019 | Percent<br>Year-to-<br>Date |
|---|------------------------------|-------------------------------|-----------------------------|---------------------------------------|------------------------------|-------------------------------|-----------------------------|
| <b>Sewer System</b>                               |                              |                               |                             |                                       |                              |                               |                             |
| <b>Revenues</b>                                   |                              |                               |                             |                                       |                              |                               |                             |
| Suburban Wholesale Customer Charges               | \$ 271,296                   | \$ 137,477                    | 50.7%                       | \$ 272,324                            | \$ 272,324                   | \$ 134,205                    | 49.3%                       |
| Retail Service Charges                            | 181,159                      | 91,504                        | 50.5%                       | 185,807                               | 185,807                      | 92,904                        | 50.0%                       |
| Industrial Waste Control Charges                  | 15,001                       | 4,608                         | 30.7%                       | 13,744                                | 13,744                       | 4,186                         | 30.5%                       |
| Pollutant Surcharges                              | -                            | 3,012                         | 0.0%                        | -                                     | -                            | 3,057                         | 0.0%                        |
| Investment Earnings                               | 6,879                        | 4,358                         | 63.4%                       | 8,731                                 | 8,731                        | 4,141                         | 47.4%                       |
| Other Revenues                                    | -                            | 267                           | 0.0%                        | -                                     | -                            | 247                           | 0.0%                        |
| <b>Total Revenues</b>                             | <b>\$ 474,335</b>            | <b>\$ 241,225</b>             | <b>50.9%</b>                | <b>\$ 480,605</b>                     | <b>\$ 480,605</b>            | <b>\$ 238,740</b>             | <b>49.7%</b>                |
| <b>Revenue Requirements</b>                       |                              |                               |                             |                                       |                              |                               |                             |
| Operations & Maintenance Expense                  | \$ 191,079                   | \$ 85,870                     | 44.9%                       | \$ 187,057                            | \$ 187,057                   | \$ 83,639                     | 44.7%                       |
| General Retirement System Legacy Pension          | 10,824                       | 5,412                         | 50.0%                       | 10,824                                | 10,824                       | 5,412                         | 50.0%                       |
| Debt Service                                      | 208,389                      | 101,995                       | 48.9%                       | 215,739                               | 215,739                      | 104,497                       | 48.4%                       |
| General Retirement System Accelerated Pension     | 11,621                       | 5,810                         | 50.0%                       | 11,621                                | 11,621                       | 5,810                         | 50.0%                       |
| Extraordinary Repair & Replacement Deposit        | -                            | -                             | 0.0%                        | -                                     | -                            | -                             | 0.0%                        |
| Water Residential Assistance Program Contribution | 2,374                        | 1,187                         | 50.0%                       | 2,403                                 | 2,403                        | 1,202                         | 50.0%                       |
| Lease Payment                                     | 27,500                       | 13,750                        | 50.0%                       | 27,500                                | 27,500                       | 13,750                        | 50.0%                       |
| Operating Reserve Deposit                         | -                            | -                             | 0.0%                        | -                                     | -                            | -                             | 0.0%                        |
| DWSD Budget Shortfall Pending                     | -                            | 4,129                         | 0.0%                        | -                                     | -                            | 5,337                         | 0.0%                        |
| Improvement & Extension Fund Transfer Pending     | 22,548                       | 11,274                        | 50.0%                       | 25,462                                | 25,462                       | 12,731                        | 50.0%                       |
| <b>Total Revenue Requirements</b>                 | <b>\$ 474,335</b>            | <b>\$ 229,428</b>             | <b>48.4%</b>                | <b>\$ 480,605</b>                     | <b>\$ 480,605</b>            | <b>\$ 232,378</b>             | <b>48.4%</b>                |
| <b>Net Difference</b>                             |                              | <b>\$ 11,797</b>              |                             |                                       |                              | <b>\$ 6,362</b>               |                             |
| <i>Recap of Net Positive Variance</i>             |                              |                               |                             |                                       |                              |                               |                             |
| Revenue Variance                                  |                              | \$ 4,058                      |                             |                                       |                              | \$ (1,563)                    |                             |
| Revenue Requirement Variance                      |                              | 7,740                         |                             |                                       |                              | 7,925                         |                             |
| Overall Variance                                  |                              | <b>\$ 11,797</b>              |                             |                                       |                              | <b>\$ 6,362</b>               |                             |

## Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of December 31, 2019, is 50.0% (six months). When comparing FY 2020 to FY 2019 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, it appears that overall spending is consistent.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown in the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on January 1 each year) as well as managing risk as the program is partially self-insured. An analysis of the benefits is currently being conducted using updated benefit information. A budget amendment may be needed to increase the budget for the FY 2020 employee benefits.

**Table 2 – Operations & Maintenance Budget – Major Budget Categories – (\$000)**

| Major Budget Categories     | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>ACTIVITY<br>THRU<br>12/31/2018 | Percent<br>Year-to-<br>Date | FY 2020<br>BOARD<br>ADOPTED<br>BUDGET | FY 2020<br>AMENDED<br>BUDGET | FY 2020<br>ACTIVITY<br>THRU<br>12/31/2019 | Percent<br>Year-to-<br>Date |
|-----------------------------|------------------------------|---|-----------------------------|---------------------------------------|------------------------------|---|-----------------------------|
| Water                       | \$ 66,596                    | \$ 34,552                                 | 51.9%                       | \$ 66,021                             | \$ 66,021                    | \$ 34,780                                 | 52.7%                       |
| Sewer                       | 118,319                      | 54,265                                    | 45.9%                       | 115,985                               | 115,985                      | 53,139                                    | 45.8%                       |
| Centralized                 | 99,045                       | 44,250                                    | 44.7%                       | 106,914                               | 106,914                      | 45,836                                    | 42.9%                       |
| Administrative              | 28,683                       | 12,716                                    | 44.3%                       | 29,628                                | 29,628                       | 14,178                                    | 47.9%                       |
| Employee Benefits           | -                            | (1,242)                                   | 0.0%                        | -                                     | -                            | (756)                                     | 0.0%                        |
| <b>Total O&amp;M Budget</b> | <b>\$ 312,642</b>            | <b>\$ 144,541</b>                         | <b>46.2%</b>                | <b>\$ 318,548</b>                     | <b>\$ 318,548</b>            | <b>\$ 147,178</b>                         | <b>46.2%</b>                |

## Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

The purpose of **Table 3 – Operations & Maintenance Expense Variance Analysis** is to evaluate whether the actual spend rate within a natural cost category is in alignment with the budget. Given the effort to develop an accurate budget, a variance is a red flag of a *potential* budget amendment or misalignment of priorities.

**Total:** In total, the O&M expenses are at 46.2% which is reasonably within the pro-rata benchmark of 50.0%. This positive variance equates to a dollar amount of \$12.1 million. The expense category commentary is provided below for items highlighted on Table 3.

**Personnel Costs:** The overall category is on target with the pro-rata benchmark; coming in at 48.9% through December 2019.



**Utilities:** The overall category is higher than the benchmark; coming in at 52.1% through December 2019. This variance is not unexpected as usage varies throughout the year.

- **Electric** is higher than the benchmark, coming in at 54.7%. This increase is primarily due to the pumps being required to run longer than normal as a result of the wet weather that Michigan has been experiencing. In addition, the first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 40.3%. While this is lower than the benchmark of 50.0%, it is consistent with the prior year (FY 2019). A review of the accounts has confirmed that the usage is variable throughout the year. It is anticipated that actuals will come in at the anticipated budgeted amount for FY 2020.
- **Water service** is lower than the benchmark, coming in at 45.1%. While usage does vary throughout the year, a review of the accounts has shown that the water service bills are coming in lower for Wastewater Operations. Processing efficiencies through the use of the new chemical building has reduced the use of potable water during wet weather events.

**Chemicals:** This category is on target with the pro-rata benchmark; coming in at 50.8% through December 2019.

**Supplies & Other:** This category is lower than the benchmark; coming in at 45.3% through December 2019. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, this variance is not a concern at this time.

**Contractual Services:** The overall category is lower than the benchmark; coming in at 46.8% through December 2019. Variances in this category are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments will be processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

**Capital Program Allocation:** This category is lower than the benchmark; coming in at 41.0% through November 2019. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget. A new element this year is the addition of contracted AECOM Capital Program Management services. The variance is due to two primary reasons. First, through December 31, 2019, GLWA team member hours posted to projects is 10% less than the prior year. This is due to increased focus on large maintenance projects versus capital projects. Second, no AECOM fees have been incurred that have been identified for capitalization.

**Shared Services:** This category is higher than the benchmark; coming in at 52.1% through December 2019. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to more accurately reflect the forecasted activity for FY 2020. A budget amendment was entered in December 2019 to adjust the shared services budget to this revised FY 2020 forecast.

**Table 3 – Operations & Maintenance Expense Variance Analysis – (\$000)**

| Expense Categories         | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>ACTIVITY<br>THRU<br>12/31/2018 | Percent<br>Year-to-<br>Date at<br>12/31/2018 | FY 2019<br>ACTIVITY<br>THRU<br>6/30/2019 | Percent<br>Year-to-<br>Date at<br>6/30/2019 | FY 2020<br>AMENDED<br>BUDGET | FY 2020<br>PRORATED<br>AMENDED<br>BUDGET<br>(6 MONTHS) | FY 2020<br>ACTIVITY<br>THRU<br>12/31/2019 | Percent<br>Year-to-<br>Date | PRORATED<br>BUDGET<br>LESS<br>FY 2020<br>ACTIVITY |
|----------------------------|------------------------------|---|--|--|---|------------------------------|--|---|-----------------------------|---|
| Entity-wide                |                              |   |  |  |   |                              |  |   |                             |   |
| Salaries & Wages           | \$ 63,631                    | \$ 30,025                                 | 47.2%  | \$ 59,922                                | 50.1%                                       | \$ 68,233                    | \$ 34,116  | \$ 32,257                                 | 47.3%                       | \$ 1,859  |
| Workforce Development      | 751                          | 368                                       | 49.0%  | 794                                      | 46.3%                                       | 1,001                        | 501  | 456                                       | 45.5%                       | 45  |
| Overtime                   | 7,612                        | 3,761                                     | 49.4%  | 7,554                                    | 49.8%                                       | 6,153                        | 3,077  | 3,691                                     | 60.0%                       | (614)   |
| Employee Benefits          | 23,656                       | 12,481                                    | 52.8%  | 21,998                                   | 56.7%                                       | 22,957                       | 11,479   | 12,697                                    | 55.3%                       | (1,218)   |
| Transition Services        | 8,572                        | 3,723                                     | 43.4%  | 8,322                                    | 44.7%                                       | 6,048                        | 3,024  | 2,677                                     | 44.3%                       | 347   |
| Employee Benefits Fund     | -                            | (1,242)                                   | 0.0%   | -  | 0.0%  | -                            | -  | (756)                                     | 0.0%                        | 756   |
| Personnel Costs            | 104,221                      | 49,118                                    | 47.1%  | 98,589                                   | 49.8%                                       | 104,392                      | 52,196   | 51,022                                    | 48.9%                       | 1,174   |
| Electric                   | 39,019                       | 20,953                                    | 53.7%  | 39,103                                   | 53.6%                                       | 38,386                       | 19,193   | 20,994                                    | 54.7%                       | (1,801)   |
| Gas                        | 6,631                        | 2,700                                     | 40.7%  | 6,568                                    | 41.1%                                       | 6,451                        | 3,225  | 2,597                                     | 40.3%                       | 628   |
| Sewage Service             | 2,491                        | 1,036                                     | 41.6%  | 2,094                                    | 49.5%                                       | 1,847                        | 923  | 996                                       | 54.0%                       | (73)  |
| Water Service              | 3,648                        | 2,085                                     | 57.2%  | 3,631                                    | 57.4%                                       | 3,658                        | 1,829  | 1,651                                     | 45.1%                       | 178   |
| Utilities                  | 51,789                       | 26,774                                    | 51.7%  | 51,396                                   | 52.1%                                       | 50,341                       | 25,170   | 26,238                                    | 52.1%                       | (1,068)   |
| Chemicals                  | 13,385                       | 6,712                                     | 50.1%  | 13,276                                   | 50.6%                                       | 13,899                       | 6,949  | 7,066                                     | 50.8%                       | (117)   |
| Supplies & Other           | 36,226                       | 14,231                                    | 39.3%  | 37,121                                   | 38.3%                                       | 37,263                       | 18,631   | 16,890                                    | 45.3%                       | 1,742   |
| Contractual Services       | 100,856                      | 53,815                                    | 53.4%  | 101,873                                  | 52.8%                                       | 107,012                      | 53,506   | 50,055                                    | 46.8%                       | 3,451   |
| Capital Program Allocation | (3,356)                      | (1,571)                                   | 46.8%  | (3,381)                                  | 46.5%                                       | (3,515)                      | (1,758)  | (1,442)                                   | 41.0%                       | (315)   |
| Shared Services            | (9,005)                      | (4,538)                                   | 50.4%  | (7,139)                                  | 63.6%                                       | (5,089)                      | (2,545)  | (2,651)                                   | 52.1%                       | 106   |
| Unallocated Reserve        | 18,524                       | -   | 0.0%   | -  | 0.0%  | 14,246                       | 7,123  | -   | 0.0%                        | 7,123   |
| Total Expenses             | \$ 312,642                   | \$ 144,541                                | 46.2%  | \$ 291,734                               | 49.5%                                       | \$ 318,548                   | \$ 159,274   | \$ 147,178                                | 46.2%                       | \$ 12,096   |



The Basic Financial Statements report includes the following four tables.

1. Statement of Net Position - All Funds Combined
2. Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined
3. Supplemental Schedule of Operations & Maintenance Expenses -All Funds Combined
4. Supplemental Schedule of Nonoperating Expenses – All Funds Combined

At a macro level GLWA has two primary funds for financial reporting purposes: *Water Fund* and *Sewage Disposal Fund*. These funds represent the combined total of four sub-funds for each system that are used internally to properly account for sources and uses of funds. Those sub-funds for each system are: *Operations & Maintenance Fund, Improvement & Extension Fund, Construction Fund, and Capital Asset Fund*.

The Comparative June 2019 basic financial statements are presented based on final audited figures.

### Statement of Net Position – All Funds Combined

Explanatory notes follow the Statement of Net Position shown in Table 1 below.

**Table 1 – Statement of Net Position - All Funds Combined**  
**As of December 31, 2019**  
**(\$000)**

|                                     | Water              | Sewage Disposal     | Total Business-type Activities | Comparative<br>June 30, 2019 |
|-------------------------------------|--------------------|---------------------|--------------------------------|------------------------------|
| <b>Assets</b>                       |                    |                     |                                |                              |
| Cash - unrestricted (a)             | \$ 109,035         | \$ 142,060          | \$ 251,095                     | \$ 309,016                   |
| Cash - restricted (a)               | 90,251             | 113,799             | 204,050                        | 261,999                      |
| Investments - unrestricted (a)      | 276,986            | 137,601             | 414,587                        | 274,246                      |
| Investments - restricted (a)        | 82,052             | 126,015             | 208,067                        | 185,831                      |
| Accounts Receivable                 | 85,652             | 77,602              | 163,254                        | 208,914                      |
| Due from (to) Other Funds (b)       | (707)              | 707                 | -                              | 2,890                        |
| Other Assets (c)                    | 592,025            | 449,729             | 1,041,754                      | 1,046,518                    |
| Cash Held FBO DWSD Advance (d)      | -                  | 4,714               | 4,714                          |                              |
| Capital Assets, net of Depreciation | 1,356,476          | 2,278,847           | 3,635,323                      | 3,747,784                    |
| Land                                | 292,799            | 124,858             | 417,657                        | 417,657                      |
| Construction Work in Process (e)    | 172,900            | 222,162             | 395,063                        | 368,748                      |
| <b>Total assets</b>                 | <b>3,057,470</b>   | <b>3,678,095</b>    | <b>6,735,564</b>               | <b>6,823,603</b>             |
| <b>Deferred Outflows (f)</b>        | <b>91,800</b>      | <b>174,703</b>      | <b>266,503</b>                 | <b>273,596</b>               |
| <b>Liabilities</b>                  |                    |                     |                                |                              |
| Liabilities - Short-Term (g)        | 137,228            | 169,582             | 306,810                        | 321,270                      |
| Due to (from) Other Funds (b)       | -                  | -                   | -                              | 2,890                        |
| Other Liabilities (h)               | 2,707              | 6,275               | 8,982                          | 9,097                        |
| Cash Held FBO DWSD (d)              | 3,611              | -                   | 3,611                          | 2,807                        |
| Liabilities - Long-Term (i)         | 3,030,429          | 3,740,351           | 6,770,780                      | 6,853,419                    |
| <b>Total liabilities</b>            | <b>3,173,975</b>   | <b>3,916,208</b>    | <b>7,090,182</b>               | <b>7,189,483</b>             |
| <b>Deferred Inflows (j)</b>         | <b>58,374</b>      | <b>52,556</b>       | <b>110,930</b>                 | <b>108,541</b>               |
| <b>Total net position (j)</b>       | <b>\$ (83,079)</b> | <b>\$ (115,967)</b> | <b>\$ (199,045)</b>            | <b>\$ (200,825)</b>          |

Totals may be off due to rounding

In general, the Statement of Net Position - Draft reflects a mature organization with no unexpected trends. Cash balances as of December 31, 2019 are lower when compared to June 30, 2019 (highlighted in gold on Table 1). This is because of the high liquidity needs at June 30, 2019 to meet annual debt and interest payments, legacy pension obligation payments, and annual operational requirements whereas more funds are being invested as of December 31, 2019.

An ongoing challenge is the Net Position Deficit. The underlying causes took years to build (largely heavy use of debt to finance capital asset investment versus a strategic blend of debt, state revolving funds, and cash). The effect is reflected in GLWA's high debt interest expense. The GLWA is regularly updating the FY 2030 forecast which helps to provide a pathway to a positive Net Position in the future.

### Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2019 are reported at market value. The December 31, 2019 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from (to) Other Funds* and *Due to (from) Other Funds* is shown at the gross level for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but are only adjusted on an interim basis if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities - Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation

expense as a result of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

## Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the December 2019 Financial Report Binder. Prior year ending balances are provided in the June 30, 2019 column as a reference for comparative purposes. Explanatory notes follow this statement.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position  
– All Funds Combined  
For the Six Months ended December 31, 2019  
(\$000)**

|   | Water              | Percent<br>of<br>Revenue | Sewage<br>Disposal  | Percent<br>of<br>Revenue | Total<br>Business-<br>type<br>Activities | Comparative<br>June 30,<br>2019 |
|---|--------------------|--------------------------|---------------------|--------------------------|--|---------------------------------|
| <b>Revenue</b>                              |                    |                          |                     |                          |  |                                 |
| Wholesale customer charges                  | \$ 161,484         | 93.8%                    | \$ 134,205          | 57.2%                    | \$ 295,689                               | \$ 584,172                      |
| Local system charges                        | 10,648             | 6.2%                     | 92,904              | 39.6%                    | 103,551                                  | 201,341                         |
| Industrial waste charges                    | -                  | 0.0%                     | 4,186               | 1.8%                     | 4,186                                    | 9,106                           |
| Pollutant surcharges                        | -                  | 0.0%                     | 3,057               | 1.3%                     | 3,057                                    | 5,933                           |
| Other revenues                              |                    | 0.0%                     | 247                 | 0.1%                     | 247                                      | 528                             |
| <b>Total Revenues</b>                       | <b>\$ 172,132</b>  | <b>100%</b>              | <b>\$ 234,599</b>   | <b>100%</b>              | <b>\$ 406,731</b>                        | <b>\$ 801,079</b>               |
| <b>Operating expenses</b>                   |                    |                          |                     |                          |  |                                 |
| Operations and Maintenance                  | 63,677             | 37.0%                    | 84,387              | 36.0%                    | 148,064                                  | 293,863                         |
| Depreciation                                | 68,186             | 39.6%                    | 80,577              | 34.3%                    | 148,763                                  | 309,115                         |
| <b>Total operating expenses</b>             | <b>131,862</b>     | <b>76.6%</b>             | <b>164,964</b>      | <b>70.3%</b>             | <b>296,827</b>                           | <b>602,978</b>                  |
| <b>Operating income</b>                     | <b>40,270</b>      | <b>23.4%</b>             | <b>69,634</b>       | <b>29.7%</b>             | <b>109,904</b>                           | <b>198,101</b>                  |
| <b>Total Nonoperating (revenue) expense</b> | <b>46,467</b>      | <b>27.0%</b>             | <b>61,658</b>       | <b>26.3%</b>             | <b>108,125</b>                           | <b>220,170</b>                  |
| Increase/(Decrease) in Net Position         | <b>(6,197)</b>     | <b>-3.6%</b>             | <b>7,976</b>        | <b>3.4%</b>              | <b>1,779</b>                             | <b>(22,070)</b>                 |
| Net position (deficit), beginning of year   | (76,882)           |                          | (123,943)           |                          | (200,825)                                | (178,755)                       |
| <b>Net position (deficit), end of year</b>  | <b>\$ (83,079)</b> |                          | <b>\$ (115,967)</b> |                          | <b>\$ (199,045)</b>                      | <b>\$ (200,825)</b>             |

Totals may be off due to rounding

## Water Fund

- ✓ The decrease in Water Fund Net Position is \$6.2 million.
- ✓ Wholesale water customer charges of \$161.5 million account for 93.8% of Water System revenues.
- ✓ Operating expenses of \$131.9 million represent 76.6% of total operating revenue. Depreciation is the largest operating expense at \$68.2 million or 51.7% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$40.3 million or 23.4% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$44.6 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

## Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$8.0 million.
- ✓ Wholesale customer charges of \$134.2 million account for 57.2% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$92.9 million account for 39.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$165.0 million represent 70.3% of total operating revenue. Depreciation is the largest operating expense at \$80.6 million or 48.8% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$69.6 million or 29.7% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$57.9 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

## Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the December 2019 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses  
– All Funds Combined  
For the Six Months ended December 31, 2019  
(\$000)**

|  | Water                   | Percent<br>of Total  | Sewage<br>Disposal      | Percent<br>of Total  | Total<br>Business-<br>type<br>Activities | Percent<br>of Total  |
|--|-------------------------|----------------------|-------------------------|----------------------|--|----------------------|
| <b>Operating expenses</b>                  |                         |                      |                         |                      |  |                      |
| Personnel                                  |                         |                      |                         |                      |  |                      |
| Salaries & Wages                           | 11,685                  | 18.4%                | 23,705                  | 28.1%                | 35,390                                   | 23.9%                |
| Overtime                                   | 2,179                   | 3.4%                 | 1,512                   | 1.8%                 | 3,691                                    | 2.5%                 |
| Benefits                                   | 7,322                   | 11.5%                | 4,619                   | 5.5%                 | 11,941                                   | 8.1%                 |
| Total Personnel                            | <u>\$ 21,186</u>        | <u>33.3%</u>         | <u>\$ 29,836</u>        | <u>35.4%</u>         | <u>\$ 51,022</u>                         | <u>34.5%</u>         |
| <b>Utilities</b>                           |                         |                      |                         |                      |  |                      |
| Electric                                   | 13,662                  | 21.5%                | 7,332                   | 8.7%                 | 20,994                                   | 14.2%                |
| Gas  | 407                     | 0.6%                 | 2,190                   | 2.6%                 | 2,597                                    | 1.8%                 |
| Sewage                                     | 154                     | 0.2%                 | 843                     | 1.0%                 | 996                                      | 0.7%                 |
| Water                                      | 1                       | 0.0%                 | 1,650                   | 2.0%                 | 1,651                                    | 1.1%                 |
| Total Utilities                            | <u>\$ 14,222</u>        | <u>22.3%</u>         | <u>\$ 12,015</u>        | <u>14.2%</u>         | <u>\$ 26,238</u>                         | <u>17.7%</u>         |
| Chemicals                                  | 2,668                   | 4.2%                 | 4,397                   | 5.2%                 | 7,066                                    | 4.8%                 |
| Supplies and other                         | 5,886                   | 9.2%                 | 11,005                  | 13.0%                | 16,890                                   | 11.4%                |
| Contractual services                       | 23,141                  | 36.3%                | 27,801                  | 32.9%                | 50,942                                   | 34.4%                |
| Capital Adjustment                         | -                       | 0.0%                 | -                       | 0.0%                 | -  | 0.0%                 |
| Capital program allocation                 | (942)                   | -1.5%                | (500)                   | -0.6%                | (1,442)                                  | -1.0%                |
| Shared services allocation                 | <u>(2,485)</u>          | <u>-3.9%</u>         | <u>(166)</u>            | <u>-0.2%</u>         | <u>(2,651)</u>                           | <u>-1.8%</u>         |
| <b>Operations and Maintenance Expenses</b> | <u><b>\$ 63,677</b></u> | <u><b>100.0%</b></u> | <u><b>\$ 84,387</b></u> | <u><b>100.0%</b></u> | <u><b>\$ 148,064</b></u>                 | <u><b>100.0%</b></u> |

Totals may be off due to rounding.

- ✓ Core expenses for water and sewage disposal systems are utilities (17.7% of total O&M expenses) and chemicals (4.8%).
- ✓ Personnel costs (34.5% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (34.4%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$3.6 million);
  - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$7.5 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.

## Supplemental Schedule of Nonoperating Expenses – All Funds Combined

The Supplemental Schedule of Nonoperating Expenses – All Funds Combined is shown in Table 4. Explanatory notes follow this schedule.

**Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined**  
**For the Six Months ended December 31, 2019**  
**(\$000)**

|   | Water            | Sewage Disposal  | Total Business-type Activities | Comparative June 30, 2019 |
|---|------------------|------------------|--------------------------------|---------------------------|
| <b>Nonoperating (Revenue)/Expense</b>       |                  |                  |                                |                           |
| Interest income contractual obligation      | \$ (11,176)      | \$ (9,097)       | \$ (20,273)                    | \$ (40,673)               |
| Interest income DWSD Shortfall              | -                | (731)            | (731)                          | (1,104)                   |
| Investment earnings                         | (4,009)          | (4,170)          | (8,179)                        | (26,518)                  |
| Other nonoperating revenue                  | (11)             | (6)              | (17)                           | (420)                     |
| Interest expense                            |                  |                  |                                | -                         |
| Bonded debt                                 | 55,753           | 66,998           | 122,751                        | 250,966                   |
| Lease obligation                            | 8,758            | 10,704           | 19,462                         | 39,264                    |
| Other obligations                           | 2,428            | 786              | 3,215                          | 6,368                     |
| Total interest expense                      | 66,939           | 78,489           | 145,428                        | 296,597                   |
| Other non-capital expense                   | -                | -                | -                              | -                         |
| Memorandum of Understanding                 | -                | -                | -                              | 6,527                     |
| Capital Contribution                        | -                | (5,960)          | (5,960)                        | -                         |
| Amortization, issuance costs, debt          | (8,068)          | 927              | (7,141)                        | (3,995)                   |
| Amortization, raw water rights              | 1,783            | -                | 1,783                          | 3,567                     |
| (Gain) loss on disposal of capital assets   | (1)              | 815              | 814                            | (81)                      |
| Loss on impairment of capital assets        | -                | -                | -                              | 1,025                     |
| Water Residential Assistance Program        | 1,010            | 1,392            | 2,402                          | 2,024                     |
| Legacy pension expense                      | -                | -                | -                              | (16,778)                  |
| <b>Total Nonoperating (Revenue)/Expense</b> | <b>\$ 46,467</b> | <b>\$ 61,658</b> | <b>\$ 108,125</b>              | <b>\$ 220,170</b>         |

Totals may be off due to rounding.

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU).
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest and reversal of the market adjustment from

FY 2019. FY 2019 market value adjustments for Water and Sewer totaled of \$1.6 million and \$600 thousand, respectively.

- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.

*FY 2019 Items of note:*

- ✓ Legacy Pension expense is reflected as income due to changes in actuarial assumptions and rates from the June 30, 2018 City of Detroit General Retirement System Component II audited financial statement.
- ✓ Sewer Other Non-operating expense includes the 2018 MOU Item 8a from June 27, 2018 for a final sewer lookback adjustment for DWSD of \$6.5 million.

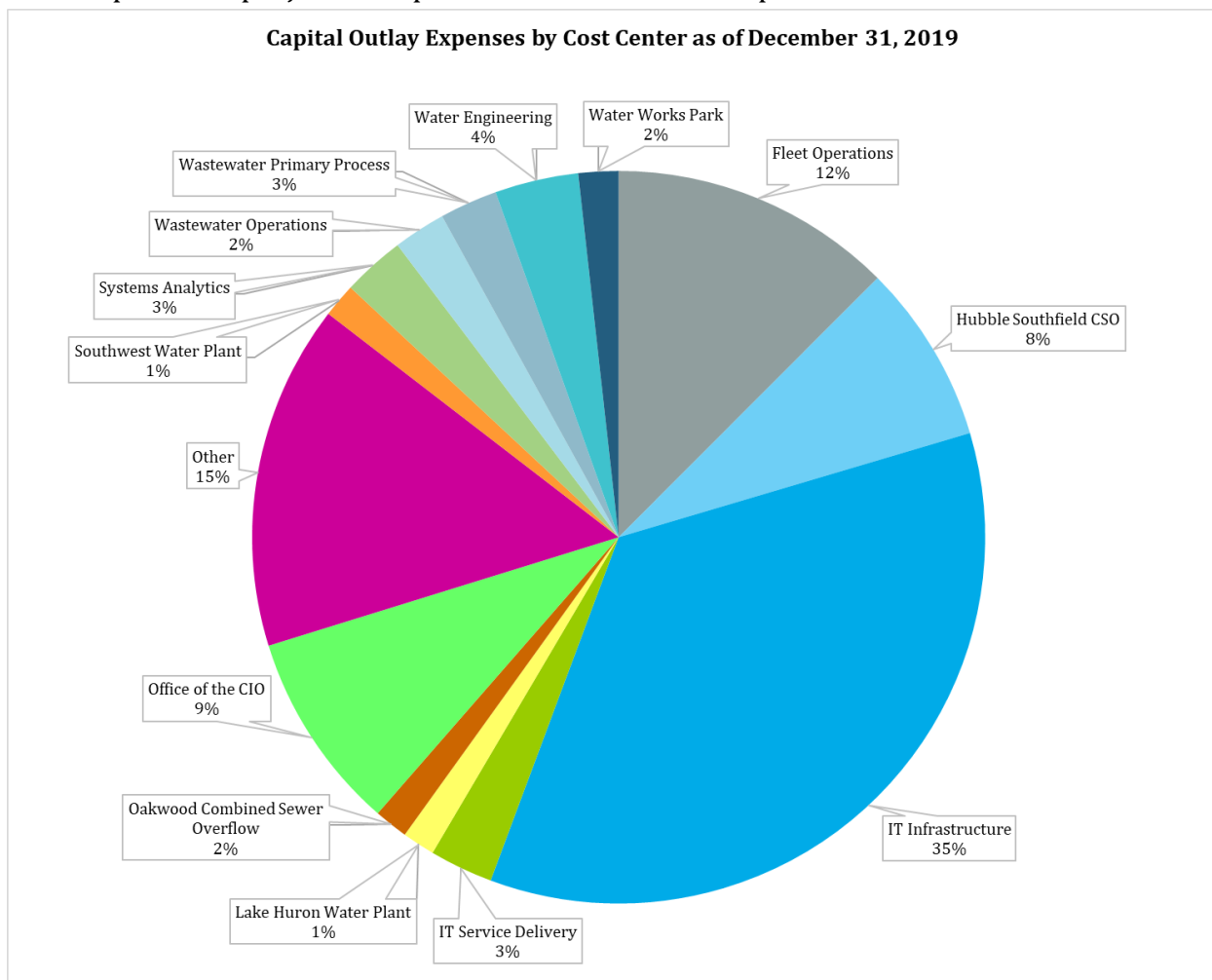


## Financial Activity Charts

### Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA’s capitalization policy.

Through December 31, 2019, total capital outlay spend is \$6.8 million. Following this chart is a sample list of projects and purchases from the total spend of \$6.8 million:



**Note:** Due to rounding totals may not equal 100%.

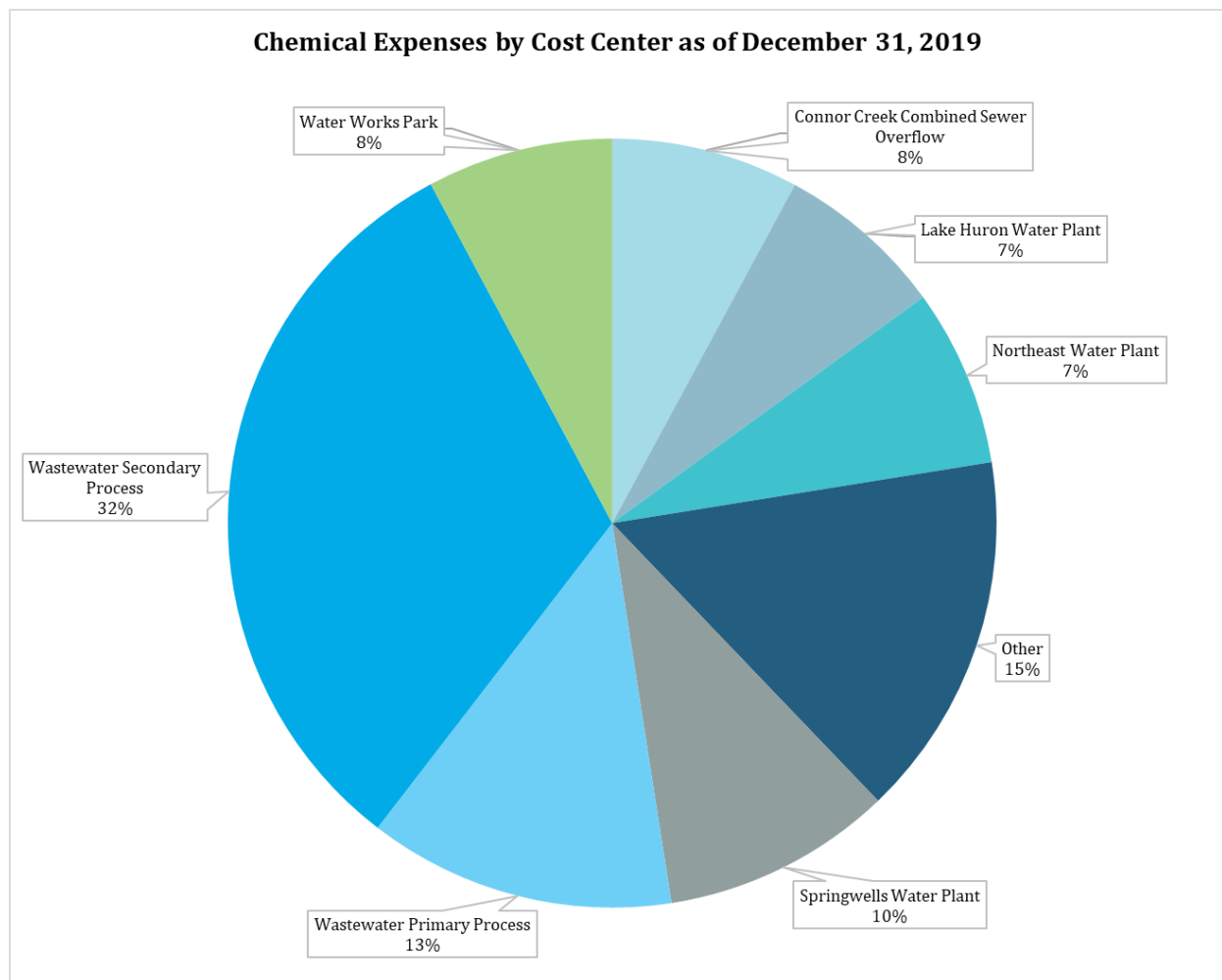
**Water Operations:** Trucks (\$225k); Water Works Park South garage renovation (\$170k); various water location building improvements (\$80k); Turbid meters (\$53k) and skid steer loader (\$88k) under ‘other’ for the Southwest Water Plant.

**Wastewater Operations:** Accusonic flow meters (\$540k); transformer C structure at Water Resource Recovery Facility (\$99k); chemical feed pump (\$96k); Flygt pump (\$78k); water heater for Scum building (\$76k); HVAC controls upgrade (\$52k); boilers (\$50k); Rotork actuators (\$49k); belt cooker (\$45k) and loaders (\$44k).

**Centralized & Administrative Facilities:** Low voltage wiring services (\$1.8m); IT & 17<sup>th</sup> floor renovation and furniture (\$583k); trucks and vehicles (\$527k); IT software (\$310k); transmitters (\$118k); IT premium hardware support (\$74k); Sewer meter support (\$66k); IT computers (\$61k); 2<sup>nd</sup> floor furniture at CSF (\$49k); 'Other' category expenses include: bathroom renovation (\$75k) for the Logistics and Materials team.

### Chart 2 – Chemical Spend – Water and Sewer System Combined

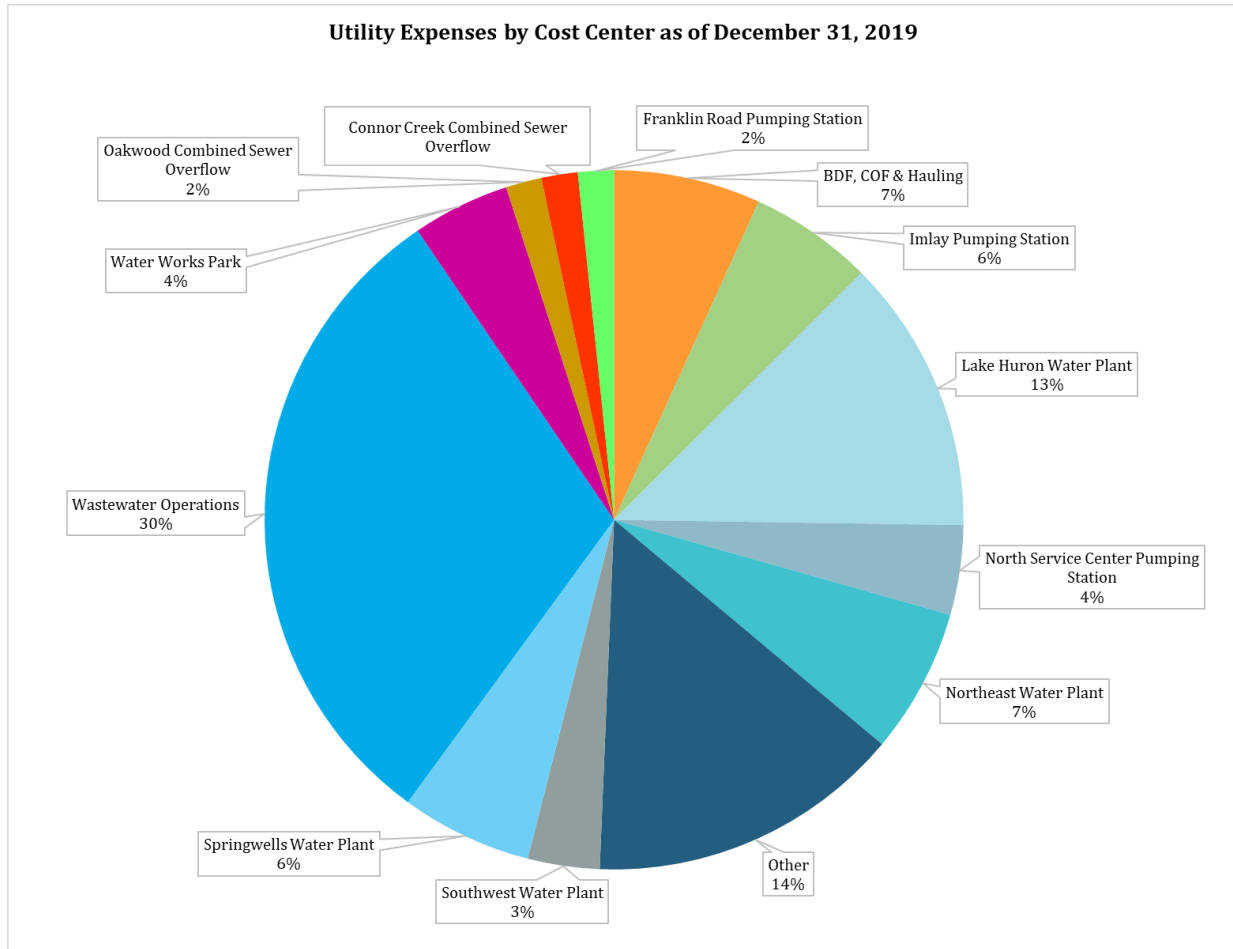
Chemical spend is \$7.0 million through December 31, 2019. The allocation is shown in the chart below and remains consistent with prior periods.



**Note:** "Other" includes Combined Sewer Overflow (CSO), portions of the Wastewater process and two departments from Water. Due to rounding totals may not equal 100%.

### Chart 3 – Utility Spend – Water and Sewer System Combined

Utility spend is \$26.2 million through December 31, 2019. The allocation is shown in the chart below and consistent with prior periods.



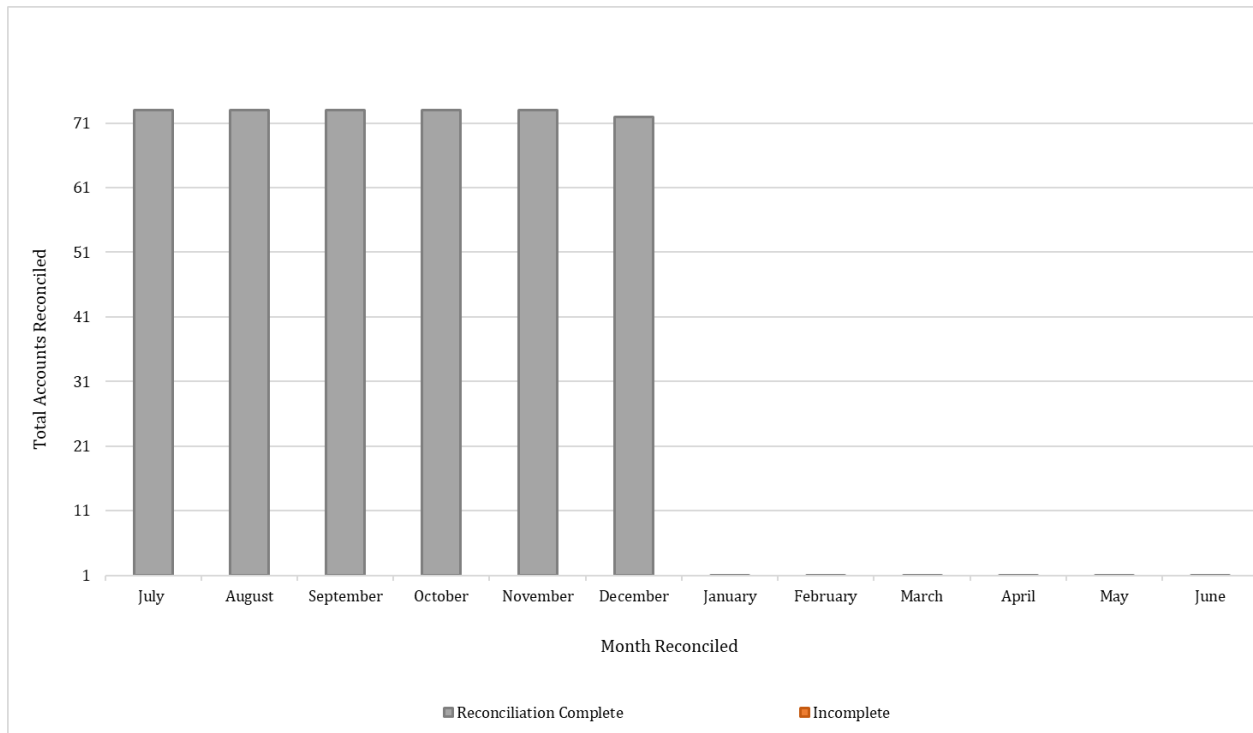
**Note:** Due to rounding totals may not equal 100%.

## Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end.

There were no changes in accounts from November 2019.

**Chart 1 – Bank Reconciliation Completion Status**



**Table 1 – Fiscal Year 2020 GL Cash Account Rollforward**

|  |                  |
|--|------------------|
| Total GL Cash accounts as of July 1, 2019      | 71               |
| New GL Cash accounts                           | 2                |
| Inactivated GL Cash accounts                   | <u>(1)</u>       |
| Total GL Cash accounts as of December 31, 2019 | <u><u>72</u></u> |

All AP checks are being processed from a new checking account. The old AP checking account was closed in December 2019 after all checks had finally cleared.

The monthly Budget to Financial Statements Crosswalk includes the following.

1. Crosswalk Budget Basis to Financial Reporting Basis
2. Explanatory Notes for Crosswalk

**Purpose for Crosswalk:** The Great Lakes Water Authority establishes a “Revenue Requirements” budget for the purposes of establishing charges for services. The financial report is prepared in accordance with Generally Accepted Accounting Policies for enterprise funds of a local government. Because the budget and the financial statements are prepared using different basis of accounting, the crosswalk reconciles the “Net Revenue Requirement Basis” from the Budget to Actual Analysis (Table 1A and Table 1B) to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in the monthly Financial Report.

The Authority has a Water Master Bond Ordinance and a Sewer Master Bond Ordinance (MBO). The Ordinances provide additional security for payment of the bonds. All revenues of the system are deposited into Revenue Receipts Funds which are held in trust by a trustee. The cash is moved to multiple bank accounts monthly based on 1/12<sup>th</sup> of the budget as defined in the MBO (“the flow of funds”) for all revenue requirements except for the Debt Service monthly transfer. The Debt Service monthly requirement is computed by the trustee, U.S. Bank. The cash transfer for debt is net of investment earnings that remain in the debt service accounts to be used for debt service.

The budget is prepared on a modified cash basis. The revenue requirements are determined based upon the cash needed to meet the financial commitments as required by the Master Bond Ordinance.

- Operation & Maintenance (O&M) expenses based on an accrual basis
- O&M Legacy Pension Allocation (includes administrative fee) and Accelerated Legacy Pension Allocation (includes B&C notes obligation) based on a cash basis
- Debt Service Allocation based on a cash set aside basis to provide the cash for the debt payments on the due dates
- Lease payments based on a cash basis
- Water Residential Assistance Program based on a percentage of budgeted revenue
- Regional System Improvement & Extension Fund Allocation on a cash basis

**Budget:** In Table 1A and Table 1B of the Budget to Actual Analysis the ‘Revenues’ section is the accrual basis revenues that are available to meet the ‘Revenue Requirements’. The “Revenue Requirements’ section budget column indicates the annual cash transfers to be made.

**Financial Reporting:** The Authority's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority maintains its records on the accrual basis of accounting to conform to GAAP. Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) are recorded when incurred.

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis** provides a reconciliation of the “Net Difference” in Table 1A and Table 1B in the Budget to Actual Analysis report to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in this monthly Financial Report. Explanatory notes follow the Crosswalk shown in Table 1 below.

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)**  
**For the Five Months Ended December 31, 2019**

|  | Water             | Sewer           | Total           |
|--|-------------------|-----------------|-----------------|
| <b>Net Revenue Requirement Budget Variance (a)</b>                   | \$ 7,978          | \$ 6,362        | \$ 14,340       |
| <b>Budgetary categories adjustments to financial reporting basis</b> |                   |                 |                 |
| Pension delayed accounting election adjustments                      |                   |                 |                 |
| Current year pension transfers/payments recorded as deferral (c)     | 5,720             | 10,238          | 15,958          |
| Prior year pension contribution accounted for in current year (d)    | -                 | -               | -               |
| Administrative prepaid adjustment (e)                                | -                 | -               | -               |
| Debt service (f)   | 20,603            | 46,596          | 67,199          |
| Accelerated pension B&C notes obligation portion (g)                 | 88                | 199             | 287             |
| Lease payment (h)  | 2,492             | 3,046           | 5,538           |
| WRAP (i)   | (161)             | (190)           | (351)           |
| DWSD short term allocation (j)                                       | -                 | 5,337           | 5,337           |
| Operating Reserve Deposit (j)  | 1,988             | -               | 1,988           |
| Improvement & Extension Fund (j)                                     | 14,925            | 11,983          | 26,908          |
| <b>Nonbudgeted financial reporting categories adjustments</b>        |                   |                 |                 |
| Depreciation (k)   | (68,186)          | (80,577)        | (148,763)       |
| Amortization (k)   | 6,285             | (927)           | 5,358           |
| Other nonoperating income (k)  | 10                | 4               | 14              |
| Other nonoperating expense (k)                                       | -                 | -               | -               |
| Gain(loss) on disposal of capital assets (k)                         | 1                 | (815)           | (814)           |
| Raw water rights (l)   | 1,248             | -               | 1,248           |
| Investment earnings construction fund (m)                            | 812               | 760             | 1,572           |
| Capital contribution (n)   | -                 | 5,960           | 5,960           |
| <b>Net Position Increase/(Decrease) per Financial Statements (b)</b> | <b>\$ (6,197)</b> | <b>\$ 7,976</b> | <b>\$ 1,779</b> |

**Table 2- Explanatory Notes for Crosswalk**

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Binder
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Binder
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.

- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) The accelerated pension payment includes the obligation payable for the B&C notes. The pension portion is included in item (c) above. This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) The lease payment is included as an expense for budget and includes both principal and interest payments. Most of the adjustment relates to the principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense which is recorded on an accrual basis for financial reporting which is different from the cash basis.
- (i) WRAP is shown as an expense for budget purposes. For financial reporting purposes the expense is not recognized until the funds have been transferred to the WRAP administrator. The adjustment shown is the amount of current year transfers that have not been transferred to the WRAP administrator. Note that there are funds from the prior year that have not been transferred to the WRAP administrator.
- (j) The DWSD short term allocation, Operating Reserve Deposit, and Improvement & Extension Fund transfers are shown as an expense for budget purposes but not for financial reporting purposes. For FY 2020, the Sewer Improvement and Extension Fund adjustments also reflect \$748 thousand in Sewer Improvement and Extension Fund expenses relating to repairs paid for through the Sewer Improvement and Extension Fund. The Water Improvement and Extension Fund

also reflects \$138 thousand in Water Improvement and Extension expenses relating to repairs paid for through the Water Improvement and Extension Fund. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.

- (k) Certain nonoperating income and expenses are reported in financial statements only.
- (l) The water service contract with Flint includes a license for raw water rights which has been recorded as an asset and liability by the Authority. The contract provides a credit to Flint as Flint satisfies its monthly bond payment obligation to KWA. This KWA credit is treated as a noncash payment of principal and interest on the liability recorded for the raw water rights. For budget, wholesale customer charges are net of the anticipated KWA credits to Flint as that is the cash that will be received and available to meet the budgeted revenue requirements. For financial reporting basis the Flint wholesale charges are recorded at the total amount billed. When the KWA credit is issued, the receivable from Flint is reduced and the principal and interest payments on the liability for the raw water rights are recorded as a noncash transaction. Most of the adjustment shown relates to the principal reduction made for the credits applied which are not an expense for financial reporting basis.
- (m) Investment earnings from the construction fund are not shown as revenue in the budget and are shown as revenue in the financial statements. Construction fund investment earnings are excluded from the definition of revenue for budget purposes as they are used for construction costs and are not used to meet the revenue requirements in the budget.
- (n) The capital contribution is a one-time payment made to GLWA by the Oakland Macomb Interceptor Drainage District (OMIDD) as part of a contract amendment to the OMIDD Wastewater Disposal Services Contract.



The Monthly Construction Work in Progress (CWIP) Summary includes the following.

1. Water System Construction Work in Progress costs incurred to date
2. Sewer System Construction Work in Progress costs incurred to date

## **Construction Work in Progress**

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors adopts a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

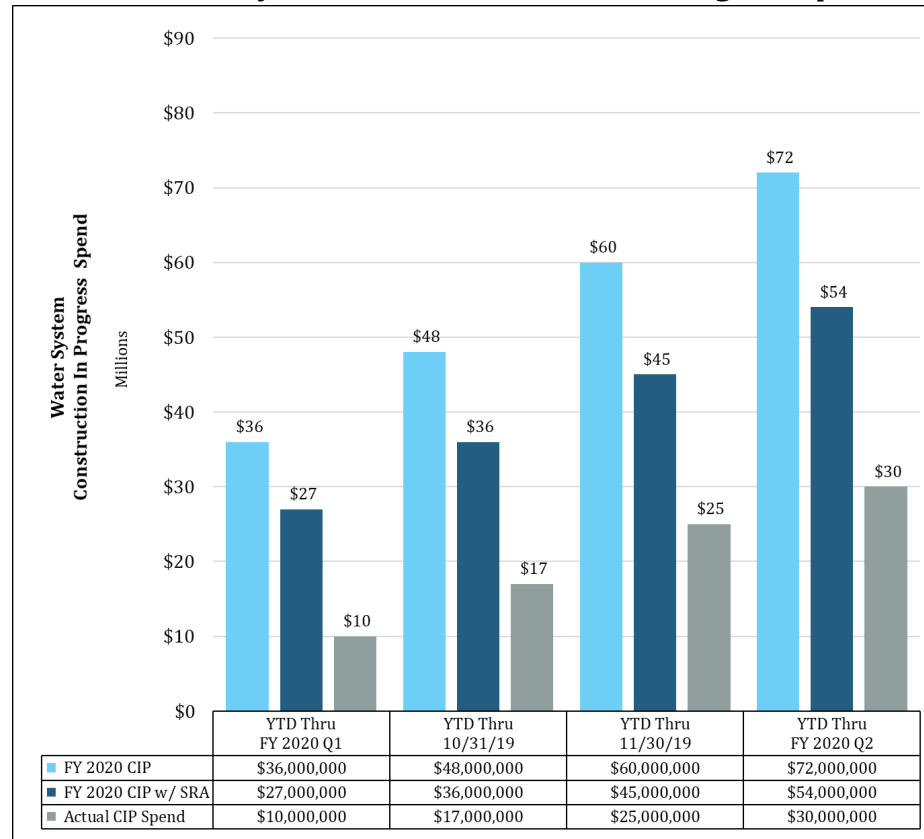
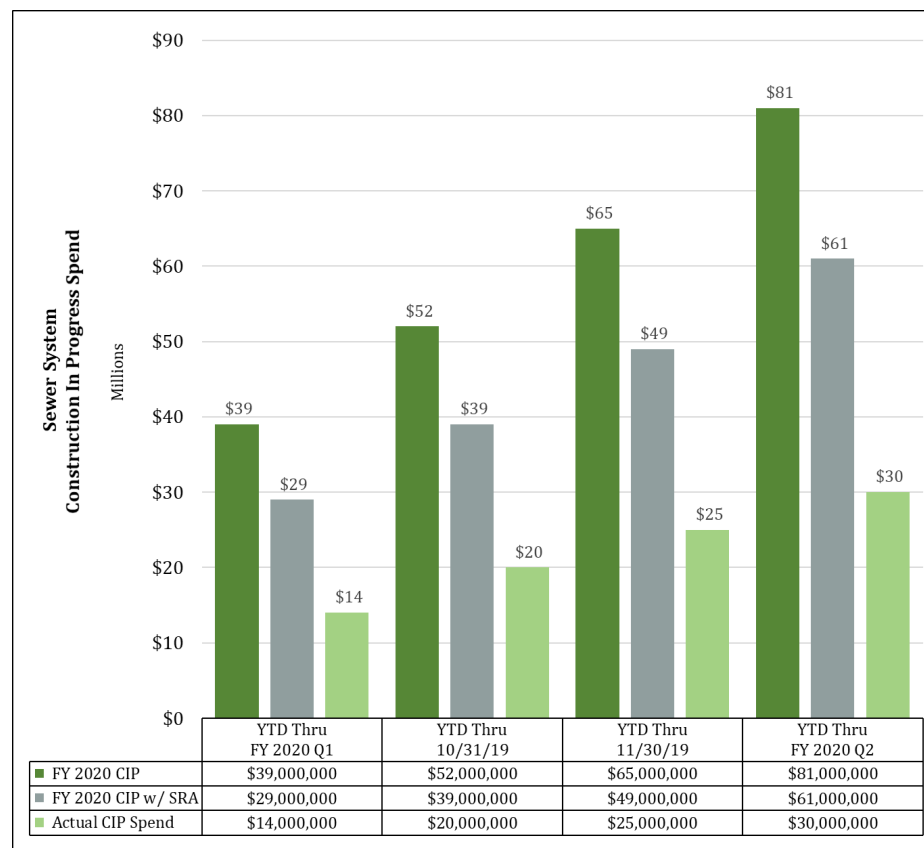
This report presents quarterly and monthly CWIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2020 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

### **Chart 1 – Water System Construction in Work in Progress Spend**

As of December 2019, the Water system incurred nearly \$30 million of construction costs to date. This is 42% of the fiscal year 2020 prorated CIP through December and 56% of the financial plan. It is anticipated that the gap will be reduced by the end of the fiscal year.

### **Chart 2 – Sewer System Construction in Work in Progress Spend**

As of December 2019, the Sewer system incurred nearly \$30 million of construction costs to date. This is 37% of the fiscal year 2020 prorated CIP through December and 49% of the financial plan. It is anticipated that the gap will be reduced by the end of the fiscal year.

**Chart 1 – Water System Construction Work in Progress Spend**

**Chart 2 – Sewer System Construction Work in Progress Spend**


This report includes the following.

1. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by GLWA
2. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by DWSD

## **MBO Transfers to Accounts Held by GLWA**

**GLWA Transfers:** The Treasury team completes required MBO transfers on the first business day of each month. These transfers are completed in accordance with the Great Lakes Water Authority (GLWA) and Detroit Water & Sewerage Department (DWSD) budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually.

Monthly transfers for Operations & Maintenance (O&M), Pension, and Water Residential Assistance Program (WRAP) are one-twelfth of the annual, budgeted amount. Budget stabilization should not require additional funding due to new, baseline funding levels established as part of the June 2018 Memorandum of Understanding but is included to reflect historical activity. Transfers to the Extraordinary Repair & Replacement (ER&R) fund are completed annually based on budget and year-end fund status.

***Table 1 – GLWA FY 2020 Water MBO Transfers*** reflects the required transfers for FY 2020 completed through December 2, 2019. MBO transfers for water totaling \$75.1 million have been transferred to GLWA accounts.

***Table 2 – GLWA FY 2020 Sewer MBO Transfers*** reflects the required transfers for FY 2020 completed through December 2, 2019. MBO transfers for sewer totaling \$107.7 million have been transferred to GLWA accounts.

***Table 3 – GLWA MBO Transfer History*** reflects historical transfers for FY 2016 through FY 2020 to date.

**Table 1 – GLWA FY 2020 Water MBO Transfers**

| WATER                |                          |                     |                    |                  |  |   |                     |
|----------------------|--------------------------|---------------------|--------------------|------------------|--|---|---------------------|
|                      | Operations & Maintenance | Pension Sub Account | Pension Obligation | WRAP             | Budget Stabilization (For Benefit of DWSD) | Extraordinary Repair & Replacement (ER&R) | Total Water         |
| <b>FY 2020</b>       |                          |                     |                    |                  |  |   |                     |
| July 2019            | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| August 2019          | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| September 2019       | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| October 2019         | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| November 2019        | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| December 2019        | 10,957,542               | 504,000             | 891,308            | 165,067          | -  | -   | 12,517,917          |
| <b>Total FY 2020</b> | <b>\$65,745,252</b>      | <b>\$3,024,000</b>  | <b>\$5,347,848</b> | <b>\$990,402</b> | <b>\$0</b>                                 | <b>\$0</b>                                | <b>\$75,107,502</b> |

**Table 2 – GLWA FY 2020 Sewer MBO Transfers**

| SEWER                |                          |                     |                    |                    |  |   |                      |
|----------------------|--------------------------|---------------------|--------------------|--------------------|--|---|----------------------|
|                      | Operations & Maintenance | Pension Sub Account | Pension Obligation | WRAP               | Budget Stabilization (For Benefit of DWSD) | Extraordinary Repair & Replacement (ER&R) | Total Sewer          |
| <b>FY 2020</b>       |                          |                     |                    |                    |  |   |                      |
| July 2019            | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| August 2019          | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| September 2019       | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| October 2019         | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| November 2019        | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| December 2019        | 15,588,100               | 902,000             | 1,223,959          | 240,608            | -  | -   | 17,954,667           |
| <b>Total FY 2020</b> | <b>\$93,528,600</b>      | <b>\$5,412,000</b>  | <b>\$7,343,754</b> | <b>\$1,443,648</b> | <b>\$0</b>                                 | <b>\$0</b>                                | <b>\$107,728,002</b> |

**Table 3 – GLWA MBO Transfer History**

| GLWA MBO Transfer History |                          |                     |                     |                     |  |   |                      |
|---------------------------|--------------------------|---------------------|---------------------|---------------------|--|---|----------------------|
| WATER                     |                          |                     |                     |                     |  |   |                      |
|                           | Operations & Maintenance | Pension Sub Account | Pension Obligation  | WRAP                | Budget Stabilization (For Benefit of DWSD) | Extraordinary Repair & Replacement (ER&R) | Total Water          |
| Total FY 2016             | \$71,052,000             | \$6,037,100         | \$10,297,200        | \$1,983,300         | \$2,326,900                                | \$606,000                                 | \$92,302,500         |
| Total FY 2017             | 111,879,600              | 6,037,200           | 10,297,200          | 2,077,200           | 360,000                                    | -   | 130,651,200          |
| Total FY 2018             | 121,562,604              | 6,048,000           | 10,695,696          | 2,159,400           | -  | -   | 140,465,700          |
| Total FY 2019             | 121,562,604              | 6,048,000           | 10,695,696          | 2,061,000           | -  | -   | 140,367,300          |
| Total FY 2020 (6 months)  | 65,745,252               | 3,024,000           | 5,347,848           | 990,402             | -  | -   | 75,107,502           |
| <b>Life to Date</b>       | <b>\$491,802,060</b>     | <b>\$27,194,300</b> | <b>\$47,333,640</b> | <b>\$9,271,302</b>  | <b>\$2,686,900</b>                         | <b>\$606,000</b>                          | <b>\$578,894,202</b> |
| SEWER                     |                          |                     |                     |                     |  |   |                      |
|                           | Operations & Maintenance | Pension Sub Account | Pension Obligation  | WRAP                | Budget Stabilization (For Benefit of DWSD) | Extraordinary Repair & Replacement (ER&R) | Total Sewer          |
| Total FY 2016             | \$100,865,600            | \$10,838,400        | \$14,025,800        | \$2,523,400         | \$5,591,700                                | \$779,600                                 | \$134,624,500        |
| Total FY 2017             | 175,858,800              | 10,838,400          | 14,026,800          | 2,654,400           | 2,654,400                                  | -   | 206,032,800          |
| Total FY 2018             | 191,079,396              | 10,824,000          | 14,687,496          | 2,760,804           | -  | -   | 219,351,696          |
| Total FY 2019             | 191,079,396              | 10,824,000          | 14,687,496          | 2,870,992           | -  | -   | 219,461,884          |
| Total FY 2020 (6 months)  | 93,528,600               | 5,412,000           | 7,343,754           | 1,443,648           | -  | -   | 107,728,002          |
| <b>Life to Date</b>       | <b>\$752,411,792</b>     | <b>\$48,736,800</b> | <b>\$64,771,346</b> | <b>\$12,253,244</b> | <b>\$8,246,100</b>                         | <b>\$779,600</b>                          | <b>\$887,198,882</b> |

## **MBO Required and Lease Payment Transfers to DWSD**

**DWSD Transfers:** The GLWA Treasury team completes the required MBO transfers on the first business day of each month. These transfers are completed in accordance with the GLWA and DWSD budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually. Transfers are coordinated with other areas of GLWA Financial Services in advance of the first business day of each month. GLWA Treasury sends confirmation of transfers made to DWSD Treasury.

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water & Sewer Lease Agreements, is \$22,500,000 for Water and \$27,500,000 for Sewer. The monthly lease transfer is one-twelfth of the amount as stated in the Lease agreements unless otherwise designated by DWSD. 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.

**Table 4 – DWSD FY 2020 Water MBO Transfers** reflects the required transfers for FY 2020 completed through December 2, 2019. MBO transfers for Water totaling \$28.9 million have been transferred to accounts held by DWSD. For FY 2020, DWSD has requested that \$3,548,000 of the lease payment be utilized to offset a portion of debt service of which one-twelfth is applied monthly.

**Table 5 – DWSD FY 2020 Sewer MBO Transfers** reflects the required transfers for FY 2020 completed through December 2, 2019. MBO transfers for Sewer totaling \$46.3 million have been transferred to accounts held by DWSD. For FY 2020, DWSD has requested that \$5,032,700 of the lease payment be utilized to offset a portion of debt service of which one-twelfth is applied monthly. DWSD has also requested that for December 2019 – June 2020, \$1 million be withheld each month from the Operations & Maintenance transfer to address FY 2020 projected shortfall in retail revenue collections.

**Table 6 – DWSD MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2020 to date.

**Table 4 – DWSD FY 2020 Water MBO Transfers**

| <b>WATER</b>         |                                     |                     |                                     |                      |
|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension</u>      | <u>Lease Payment (I&amp;E Fund)</u> | <u>Total Water</u>   |
| <b>FY 2020</b>       |                                     |                     |                                     |                      |
| July 2019            | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | \$ 4,823,866         |
| August 2019          | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | 4,823,866            |
| September 2019       | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | 4,823,866            |
| October 2019         | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | 4,823,866            |
| November 2019        | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | 4,823,866            |
| December 2019        | \$ 2,888,533                        | \$ 356,000          | \$ 1,579,333                        | 4,823,866            |
| <b>Total FY 2020</b> | <b>\$ 17,331,198</b>                | <b>\$ 2,136,000</b> | <b>\$ 9,475,998</b>                 | <b>\$ 28,943,196</b> |

**Table 5 – DWSD FY 2020 Sewer MBO Transfers**

| <b>SEWER</b>         |                                     |                     |                                     |                      |
|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension</u>      | <u>Lease Payment (I&amp;E Fund)</u> | <u>Total Sewer</u>   |
| <b>FY 2020</b>       |                                     |                     |                                     |                      |
| July 2019            | \$ 5,778,625                        | \$ 238,000          | \$ 1,872,275                        | \$ 7,888,900         |
| August 2019          | \$ 5,778,625                        | \$ 238,000          | \$ 1,872,275                        | 7,888,900            |
| September 2019       | \$ 5,778,625                        | \$ 238,000          | \$ 1,872,275                        | 7,888,900            |
| October 2019         | \$ 5,778,625                        | \$ 238,000          | \$ 1,872,275                        | 7,888,900            |
| November 2019        | \$ 5,778,625                        | \$ 238,000          | \$ 1,872,275                        | 7,888,900            |
| December 2019        | \$ 4,778,625                        | \$ 238,000          | \$ 1,872,275                        | 6,888,900            |
| <b>Total FY 2020</b> | <b>\$ 33,671,750</b>                | <b>\$ 1,428,000</b> | <b>\$ 11,233,650</b>                | <b>\$ 46,333,400</b> |

**Table 6 – DWSD MBO and Lease Payment Transfer History**

| Transfers to DWSD         |                          |                                  |                          |                       |
|---------------------------|--------------------------|----------------------------------|--------------------------|-----------------------|
| WATER                     |                          |                                  |                          |                       |
|                           | Operations & Maintenance | Operations & Maintenance Pension | Lease Payment (I&E Fund) | Total Water           |
| <b>FY 2016 *</b>          |                          |                                  |                          |                       |
| MBO/Lease Requirement     | \$ 26,185,600            | \$ 4,262,700                     | \$ 22,500,000            | \$ 52,948,300         |
| Offset to Debt Service    | -                        | -                                | (2,326,900)              | (2,326,900)           |
| Net MBO Transfer          | 26,185,600               | 4,262,700                        | 20,173,100               | 50,621,400            |
| <b>FY 2017</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 33,596,400               | 4,262,400                        | 22,500,000               | 60,358,800            |
| Offset to Debt Service    | -                        | -                                | -                        | -                     |
| Net MBO Transfer          | 33,596,400               | 4,262,400                        | 22,500,000               | 60,358,800            |
| <b>FY 2018</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 35,059,704               | 4,272,000                        | 22,500,000               | 61,831,704            |
| Offset to Debt Service    | -                        | -                                | (1,875,000)              | (1,875,000)           |
| Net MBO Transfer          | 35,059,704               | 4,272,000                        | 20,625,000               | 59,956,704            |
| <b>FY 2019</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 35,484,300               | 4,272,000                        | 22,500,000               | 62,256,300            |
| Offset to Debt Service    | -                        | -                                | (3,972,200)              | (3,972,200)           |
| Net MBO Transfer          | 35,484,300               | 4,272,000                        | 18,527,800               | 58,284,100            |
| <b>FY 2020 (6 months)</b> |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 17,331,198               | 2,136,000                        | 11,250,000               | 30,717,198            |
| Offset to Debt Service    | -                        | -                                | (1,774,002)              | (1,774,002)           |
| Net MBO Transfer          | 17,331,198               | 2,136,000                        | 9,475,998                | 28,943,196            |
| <b>Life-to-Date</b>       |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 147,657,202              | 19,205,100                       | 101,250,000              | 268,112,302           |
| Offset to Debt Service    | -                        | -                                | (9,948,102)              | (9,948,102)           |
| <b>Total Water</b>        | <b>\$ 147,657,202</b>    | <b>\$ 19,205,100</b>             | <b>\$ 91,301,898</b>     | <b>\$ 258,164,200</b> |
| SEWER                     |                          |                                  |                          |                       |
|                           | Operations & Maintenance | Operations & Maintenance Pension | Lease Payment (I&E Fund) | Total Sewer           |
| <b>FY 2016 *</b>          |                          |                                  |                          |                       |
| MBO/Lease Requirement     | \$ 19,774,300            | \$ 2,861,800                     | \$ 27,500,000            | \$ 50,136,100         |
| Offset to Debt Service    | -                        | -                                | (19,991,500)             | (19,991,500)          |
| Total MBO Transfer        | 19,774,300               | 2,861,800                        | 7,508,500                | 30,144,600            |
| <b>FY 2017</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 41,535,600               | 2,862,000                        | 27,500,000               | 71,897,600            |
| Offset to Debt Service    | -                        | -                                | -                        | -                     |
| Total MBO Transfer        | 41,535,600               | 2,862,000                        | 27,500,000               | 71,897,600            |
| <b>FY 2018</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 60,517,992               | 2,856,000                        | 27,500,000               | 90,873,992            |
| Offset to Debt Service    | -                        | -                                | (9,166,664)              | (9,166,664)           |
| Total MBO Transfer        | 60,517,992               | 2,856,000                        | 18,333,336               | 81,707,328            |
| <b>FY 2019</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 56,767,920               | 2,856,000                        | 27,500,000               | 87,123,920            |
| Offset to Debt Service    | -                        | -                                | (4,415,000)              | (4,415,000)           |
| Total MBO Transfer        | 56,767,920               | 2,856,000                        | 23,085,000               | 82,708,920            |
| <b>FY 2020 (6 months)</b> |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 33,671,750               | 1,428,000                        | 13,750,000               | 48,849,750            |
| Offset to Debt Service    | -                        | -                                | (2,516,350)              | (2,516,350)           |
| Total MBO Transfer        | 33,671,750               | 1,428,000                        | 11,233,650               | 46,333,400            |
| <b>Life-to-Date</b>       |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 212,267,562              | 12,863,800                       | 123,750,000              | 348,881,362           |
| Offset to Debt Service    | -                        | -                                | (36,089,514)             | (36,089,514)          |
| <b>Total Sewer</b>        | <b>\$ 212,267,562</b>    | <b>\$ 12,863,800</b>             | <b>\$ 87,660,486</b>     | <b>\$ 312,791,848</b> |

\* Note: FY 2016 lease transfer amounts shown do not include prepayment on the lease amount for the 6 months period before bifurcation.

This report includes the following:

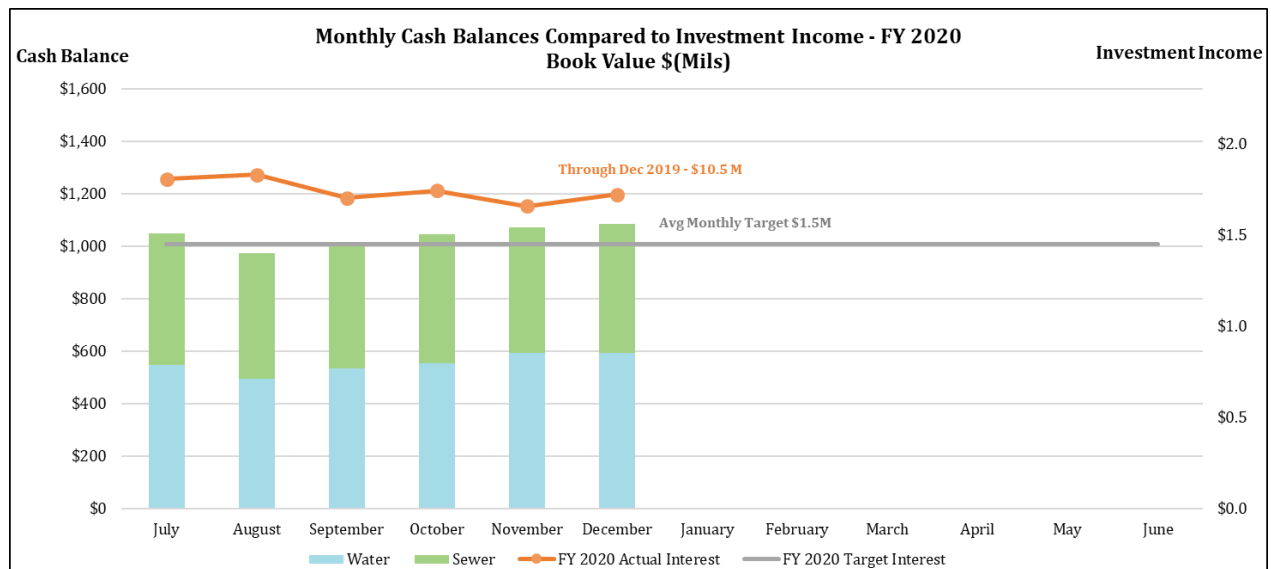
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

## Monthly Cash Balances Compared to Investment Income

GLWA's investment holdings comply with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. The cash balances shown in this report include bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper.

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. The cumulative investment earnings through December 2019 of \$10.5 million is 60% of the FY 2020 target of \$17.4 million. As the market environment fluctuates, GLWA will continue to monitor the FY 2020 target.

**Chart 1 – Monthly Cash Balances Compared to Investment Income – Through December 2019**



| \$(Mils)          | July    | August | September | October | November | December | January | February | March | April | May | June |
|-------------------|---------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|
| Water             | \$549   | \$494  | \$536     | \$555   | 594      | 592      |         |          |       |       |     |      |
| Sewer             | \$501   | \$479  | \$464     | \$489   | 479      | 493      |         |          |       |       |     |      |
| Total             | \$1,050 | \$973  | \$1,000   | \$1,044 | \$1,073  | \$1,085  |         |          |       |       |     |      |
| Investment Income | \$1.4   | \$1.8  | \$1.7     | \$1.7   | \$1.7    | \$1.7    |         |          |       |       |     |      |



## Cash Balance Detail

**Funds Held By GLWA:** GLWA cash balances are held in accounts as defined by the Master Bond Ordinance. The accounts are funded by monthly transfers, as stipulated in the MBO, on the first business day of each month. The “operations and maintenance” (O&M) fund transfer amounts are based upon the annual O&M budget approved by the GLWA Board of Directors for the regional systems and by the Board of Water Commissioners for the Detroit Water & Sewerage Department (DWSD) local system budgets. The water and sewer funds held by GLWA and their purpose, as defined by the MBO, are listed below.

### ***Funds Held Within Trust:***

- Receiving – all retail and wholesale revenues collected which are distributed in subsequent month(s)
- Debt Service – funds set aside for debt service and debt reserve requirements
- Pension Obligation – funds set aside to meet GLWA’s annual funding requirements for the legacy General Retirement System Pension Plan
- Water Residential Assistance Program (WRAP) – funds set aside to be used to provide financial assistance to qualified residents throughout the local and regional water system as directed by program guidelines
- Budget Stabilization – funds held by GLWA on behalf of DWSD that can be applied against shortfalls in retail revenues
- Emergency Repair & Replacement (ER&R) – funds set aside to pay the costs for major unanticipated repairs and replacements of the local and regional systems
- Improvement & Extension (I&E) – funds set aside to be used for the improvements, enlargements and extensions of the regional system

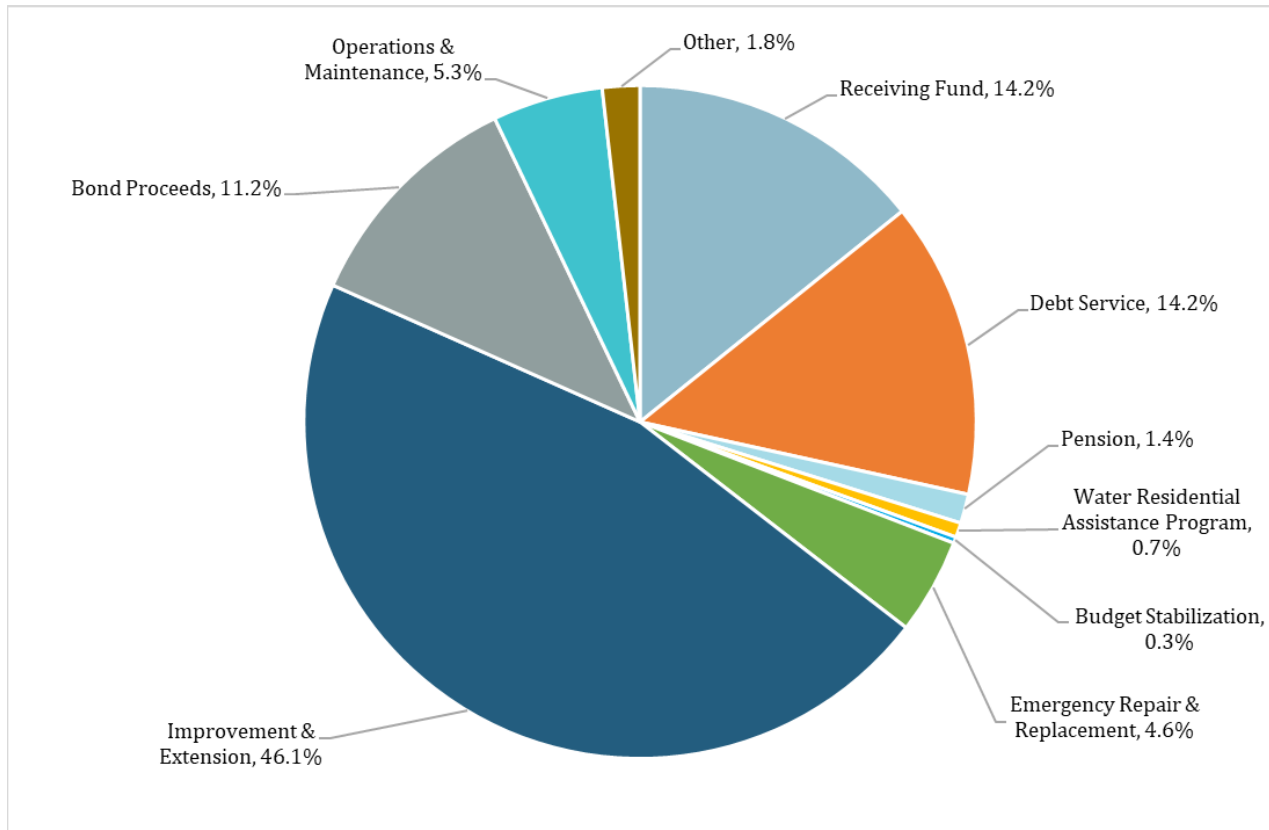
### ***Funds Held Outside Trust:***

- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint

A [chart](#) depicting the follow of funds is online at [glwater.org](http://glwater.org) as well as the [MBO](#) documents.

**Chart 2 – Cash Balances - Water Funds as of December 31, 2019** - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of December 31, 2019 is \$592 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA’s commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

**Chart 2 – Cash Balances - Water Funds as of December 31, 2019**

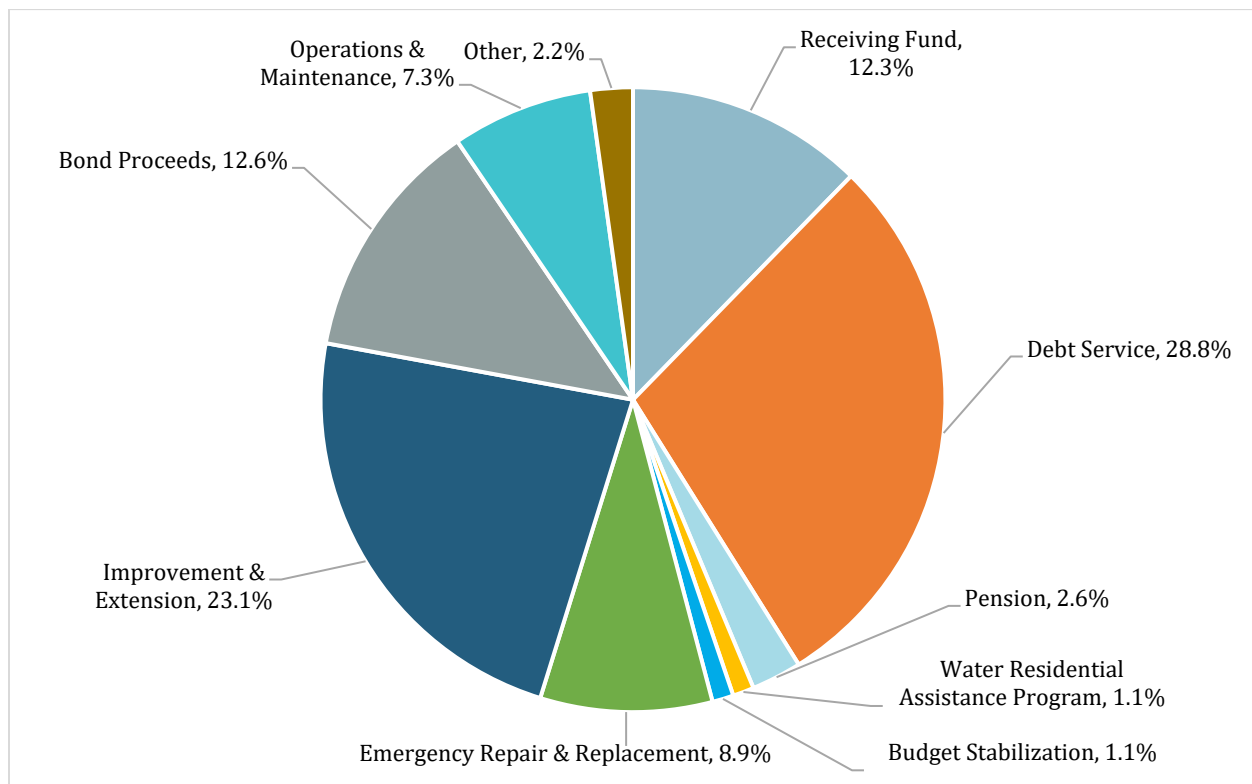


**Note:** Due to rounding totals may not equal 100%.

**Chart 3 – Cash Balances - Sewer Funds as of December 31, 2019** - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of December 31, 2019 is \$493 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA’s commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

The pace for Sewer Funds I&E deposits has been less than budget to address a budget shortfall over multiple years by DWSD. Beginning in February 2019, DWSD began making payments which will replenish the I&E Fund.

**Chart 3 – Cash Balances - Sewer Funds as of December 31, 2019**



**Note:** Due to rounding totals may not equal 100%.

**Retail Revenues, Receivables, and Collections:** Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority (GLWA), the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All water and sewer service collections from DWSD customers are deposited in a trust account and are administered in accordance with the GLWA Master Bond Ordinance.

The Monthly Retail Revenues, Receivables, & Collections Report includes the following.

1. DWSD Retail Water Revenue Billings and Collections
2. DWSD Retail Sewer Revenue Billings and Collections
3. DWSD Retail Water & Sewer System Accounts Receivable Aging Report

**Note:** Wholesale customer revenues are billed by the Great Lakes Water Authority.

## **DWSD Retail Water Billings and Collections**

**Retail Billing Basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 1 - DWSD Retail Billings** shows the FY 2020 water usage and billed revenue which are provided by DWSD staff. As of December 31, 2019, the DWSD usage was at 92.48% of the budget and billed revenue was at 98.85% of budget.

**DWSD Retail Water Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 2 - Retail Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Table 1 – FY 2020 DWSD Retail Water Billings Report**

| RETAIL WATER CUSTOMERS       |                       |                    |              |                  |                   |              |                    |                  |
|------------------------------|-----------------------|--------------------|--------------|------------------|-------------------|--------------|--------------------|------------------|
| Month (1)                    | FY 2020 - Budget/Goal |                    |              | FY 2020 - Actual |                   |              | FY 2020 - Variance |                  |
|                              | Volume                | Revenue            | Unit Revenue | Volume           | Revenue (2)       | Unit Revenue | Volume             | Revenue          |
|                              | Mcf                   | \$                 | \$/Mcf       | Mcf              | \$                | \$/Mcf       | Mcf                | \$               |
| July                         | 286,871               | 9,909,302          | 34.54        | 267,054          | 9,802,572         | 36.71        | (19,817)           | (106,730)        |
| August                       | 288,810               | 9,698,584          | 33.58        | 259,489          | 9,601,097         | 37.00        | (29,321)           | (97,487)         |
| September                    | 246,846               | 9,159,992          | 37.11        | 228,961          | 8,828,511         | 38.56        | (17,885)           | (331,481)        |
| October                      | 228,814               | 8,288,490          | 36.22        | 217,031          | 8,578,738         | 39.53        | (11,783)           | 290,248          |
| November                     | 218,154               | 8,078,402          | 37.03        | 200,432          | 7,879,694         | 39.31        | (17,722)           | (198,708)        |
| December                     | 216,372               | 7,975,070          | 36.86        | 201,225          | 7,811,106         | 38.82        | (15,147)           | (163,964)        |
| January                      | 228,259               | 8,282,968          | 36.29        |                  |                   |              |                    |                  |
| February                     | 225,150               | 8,294,177          | 36.84        |                  |                   |              |                    |                  |
| March                        | 222,601               | 8,159,386          | 36.65        |                  |                   |              |                    |                  |
| April                        | 215,049               | 8,120,879          | 37.76        |                  |                   |              |                    |                  |
| May                          | 230,957               | 8,499,721          | 36.80        |                  |                   |              |                    |                  |
| June                         | 254,554               | 9,084,129          | 35.69        |                  |                   |              |                    |                  |
| <b>Total</b>                 | <b>2,862,437</b>      | <b>103,551,100</b> | <b>36.18</b> | <b>1,374,192</b> | <b>52,501,718</b> | <b>38.21</b> | <b>(111,675)</b>   | <b>(608,122)</b> |
| <i>Subtotals ytd</i>         | <i>1,485,867</i>      | <i>53,109,840</i>  | <i>35.74</i> | <i>1,374,192</i> | <i>52,501,718</i> | <i>38.21</i> | <i>(111,675)</i>   | <i>(608,122)</i> |
| <i>Achievement of Budget</i> |                       |                    |              | <i>92.48%</i>    | <i>98.85%</i>     |              |                    |                  |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 2 – DWSD Retail Water Collections**

| Water                            |                   |                   |             |         |
|----------------------------------|-------------------|-------------------|-------------|---------|
| Month                            | Current Year      | Prior Year        | Variance    | Ratio   |
| January                          | 8,158,817         | 8,066,448         | 92,369      | 1.15%   |
| February                         | 7,927,299         | 6,432,245         | 1,495,054   | 23.24%  |
| March                            | 8,707,578         | 8,280,635         | 426,943     | 5.16%   |
| April                            | 8,475,657         | 9,226,675         | (751,018)   | -8.14%  |
| May                              | 8,415,767         | 8,969,019         | (553,252)   | -6.17%  |
| June                             | 7,554,457         | 7,940,939         | (386,482)   | -4.87%  |
| July                             | 8,093,394         | 7,858,272         | 235,122     | 2.99%   |
| August                           | 8,671,848         | 8,692,784         | (20,936)    | -0.24%  |
| September                        | 8,610,801         | 9,766,449         | (1,155,648) | -11.83% |
| October                          | 9,619,977         | 9,015,400         | 604,577     | 6.71%   |
| November                         | 7,067,667         | 7,938,517         | (870,850)   | -10.97% |
| December                         | 8,597,558         | 7,297,698         | 1,299,860   | 17.81%  |
| <b>Rolling, 12-Month Total</b>   | <b>99,900,820</b> | <b>99,485,081</b> |             |         |
| <b>Rolling, 12-Month Average</b> | <b>8,325,068</b>  | <b>8,290,423</b>  |             |         |

## DWSD Retail Sewer Billings and Collections

**Retail billing basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 3 - DWSD Retail Sewer Billings** shows the FY 2020 sewer billed revenue which are provided by DWSD staff. As of December 31, 2019, the DWSD usage was at 94.33% of the budget and billed revenue was at 98.72% of budget.

**DWSD Retail Sewer Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 4 - DWSD Retail Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Table 3 – FY 2020 DWSD Retail Sewer Billings Report**

| RETAIL SEWER CUSTOMERS            |                       |             |                  |             |                    |             |
|-----------------------------------|-----------------------|-------------|------------------|-------------|--------------------|-------------|
| Month (1)                         | FY 2020 - Budget/Goal |             | FY 2020 - Actual |             | FY 2020 - Variance |             |
|                                   | Volume                | Revenue     | Volume           | Revenue (2) | Volume             | Revenue     |
|                                   | Mcf                   | \$          | Mcf              | \$          | Mcf                | \$          |
| July                              | 251,738               | 28,535,420  | 244,810          | 28,049,587  | (6,928)            | (485,833)   |
| August                            | 258,984               | 28,327,270  | 246,989          | 28,076,624  | (11,995)           | (250,646)   |
| September                         | 255,527               | 26,788,442  | 215,119          | 26,430,692  | (40,408)           | (357,750)   |
| October                           | 227,141               | 26,444,548  | 238,202          | 27,549,768  | 11,061             | 1,105,220   |
| November                          | 211,617               | 25,759,684  | 188,779          | 24,726,066  | (22,838)           | (1,033,618) |
| December                          | 195,192               | 25,905,017  | 186,917          | 24,853,335  | (8,275)            | (1,051,682) |
| January                           | 197,099               | 26,341,264  |                  |             |                    |             |
| February                          | 206,164               | 26,312,394  |                  |             |                    |             |
| March                             | 200,672               | 26,467,728  |                  |             |                    |             |
| April                             | 204,606               | 25,894,612  |                  |             |                    |             |
| May                               | 203,480               | 27,185,600  |                  |             |                    |             |
| June                              | 218,340               | 27,376,921  |                  |             |                    |             |
| <b>Total</b>                      | 2,630,560             | 321,338,900 | 1,320,816        | 159,686,072 | (79,383)           | (2,074,309) |
| <b>Subtotals ytd</b>              | 1,400,199             | 161,760,381 | 1,320,816        | 159,686,072 | (79,383)           | (2,074,309) |
| <b>Achievement of Budget/Goal</b> |                       |             | 94.33%           | 98.72%      |                    |             |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 4 – DWSD Retail Sewer Collections**

| Sewer                            |                    |                    |             |         |
|----------------------------------|--------------------|--------------------|-------------|---------|
| Month                            | Current Year       | Prior Year         | Variance    | Ratio   |
| January                          | 21,140,835         | 18,308,458         | 2,832,377   | 15.47%  |
| February                         | 20,758,852         | 17,495,563         | 3,263,289   | 18.65%  |
| March                            | 22,111,691         | 23,015,525         | (903,834)   | -3.93%  |
| April                            | 20,930,511         | 16,159,844         | 4,770,667   | 29.52%  |
| May                              | 22,807,283         | 18,341,298         | 4,465,985   | 24.35%  |
| June                             | 20,426,151         | 21,461,926         | (1,035,775) | -4.83%  |
| July                             | 20,940,157         | 27,332,605         | (6,392,448) | -23.39% |
| August                           | 23,175,643         | 21,746,714         | 1,428,929   | 6.57%   |
| September                        | 21,972,754         | 23,727,505         | (1,754,751) | -7.40%  |
| October                          | 26,321,010         | 23,938,933         | 2,382,077   | 9.95%   |
| November                         | 17,546,180         | 20,624,039         | (3,077,859) | -14.92% |
| December                         | 25,889,823         | 19,612,154         | 6,277,669   | 32.01%  |
| <b>Rolling 12-Month Total</b>    | <b>264,020,890</b> | <b>251,764,564</b> |             |         |
| <b>Rolling, 12-Month Average</b> | <b>22,001,741</b>  | <b>20,980,380</b>  |             |         |

## DWSD Retail Water and Sewer Accounts Receivable Aging Report

The DWSD detailed accounts receivable aging is categorized by customer category.

**Table 5** is a summary of the total, current and non-current Water and Sewer receivables by category as of December 31, 2019 with comparative totals from December 31, 2018.

**Table 5 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined**

| Sales Class                                       | # of Accounts  | Avg. Balance     | Current                | > 30 Days             | > 60 Days              | > 180 Days              | Accounts Receivable Balance |
|---|----------------|------------------|------------------------|-----------------------|------------------------|-------------------------|-----------------------------|
| Residential                                       | 286,984        | \$ 338.01        | \$ 13,625,950<br>14.0% | \$ 7,406,461<br>7.6%  | \$ 18,733,875<br>19.3% | \$ 57,236,064<br>59.0%  | \$ 97,002,349<br>100.0%     |
| Commercial  | 28,484         | 1,452.70         | 8,535,389<br>20.6%     | 2,948,723<br>7.1%     | 7,931,291<br>19.2%     | 21,963,259<br>53.1%     | 41,378,663<br>100.0%        |
| Industrial  | 4,838          | 4,051.53         | 4,599,582<br>23.5%     | 1,540,408<br>7.9%     | 2,833,221<br>14.5%     | 10,628,094<br>54.2%     | 19,601,305<br>100.0%        |
| Tax Exempt Entities                               | 7,997          | 1,775.95         | 1,813,757<br>12.8%     | 1,146,317<br>8.1%     | 2,362,633<br>16.6%     | 8,879,571<br>62.5%      | 14,202,278<br>100.0%        |
| Government Entities                               | 3,118          | 1,975.81         | 1,125,669<br>18.3%     | 324,638<br>5.3%       | 1,041,259<br>16.9%     | 3,669,002<br>59.6%      | 6,160,568<br>100.0%         |
| Subtotal - Active Accounts                        | 331,421        | \$ 538.12        | \$ 29,700,348<br>16.7% | \$ 13,366,547<br>7.5% | \$ 32,902,279<br>18.4% | \$ 102,375,990<br>57.4% | \$ 178,345,163<br>100.0%    |
| Inactive Accounts                                 | 274,885        | 87.68            | 120,499<br>0.5%        | 213,935<br>0.9%       | (115,660)<br>(0.5%)    | 23,884,153<br>99.1%     | 24,102,928<br>100.0%        |
| <b>Total</b>                                      | <b>606,306</b> | <b>\$ 333.90</b> | <b>\$ 29,820,847</b>   | <b>\$ 13,580,482</b>  | <b>\$ 32,786,619</b>   | <b>\$ 126,260,143</b>   | <b>\$ 202,448,091</b>       |
| % of Total A/R                                    |                |                  | 14.7%                  | 6.7%                  | 16.2%                  | 62.4%                   | 100.0%                      |
| Water Fund  | 230,913        | 171.26           | \$ 6,783,000           | \$ 2,949,000          | \$ 4,779,000           | \$ 25,035,000           | \$ 39,546,000               |
| Sewer Fund  | 288,653        | 564.35           | \$ 23,037,000          | \$ 10,632,000         | \$ 28,007,000          | \$ 101,225,000          | \$ 162,902,000              |
| <b>Total December 31, 2019</b>                    | <b>606,306</b> | <b>333.90</b>    | <b>\$ 29,821,000</b>   | <b>\$ 13,580,000</b>  | <b>\$ 32,787,000</b>   | <b>\$ 126,260,000</b>   | <b>\$ 202,448,000</b>       |
| Water Fund- Allowance                             |                |                  |                        |                       |                        |                         | \$ (28,136,000)             |
| Sewer Fund- Allowance                             |                |                  |                        |                       |                        |                         | \$ (98,640,000)             |
| <b>Total December 31, 2019 Bad Debt Allowance</b> |                |                  |                        |                       |                        |                         | <b>\$ (126,776,000)</b>     |
| Comparative Totals from December 31, 2018         | 585,755        | 322.66           | \$ 30,802,000          | \$ 14,012,000         | \$ 34,098,000          | \$ 110,085,000          | \$ 188,998,000              |



The Monthly Wholesale Billings, Receivables, & Collections Report includes the following.

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. City of Highland Park Billings and Collections
4. Wholesale Water & Sewer Accounts Receivable Aging Report

## Wholesale Water Billings and Collections

**Wholesale Water Contracts:** Great Lakes Water Authority (GLWA) provides wholesale water service to 87 member-partners through a variety of service arrangements.

### Service Arrangement Type

|                 |           |
|-----------------|-----------|
| Model Contract  | 82        |
| Emergency       | 1         |
| Older Contracts | 4         |
| Total           | <u>87</u> |

**Note:** Services are provided to the Detroit Water & Sewerage Department (DWSD) via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of this monthly report.

**Wholesale Water Billing Basis:** Beginning with FY 2016, wholesale water charges were restructured to create a more stable revenue stream by using a historical rolling average to project customer volumes which accounts for 40% of the monthly charges and 60% of the annual customer revenue requirement as a monthly fixed charge.

**Table 1 - Wholesale Water Billings** shows the FY 2020 water billed usage and revenues. As of December 31, 2019, the billed usage was at 94.64% of budget and billed revenue at 97.76% of budget. Billings and usage from the City of Flint are included as they were assumed in the FY 2020 Budget.

**Wholesale Water Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

**Table 2 - Wholesale Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. The difference in rolling average from current year to prior year reflects the gentle downward trend in water usage over time.



**Table 1 –FY 2020 Wholesale Water Billings Report**

| WHOLESALE WATER CUSTOMERS |                       |                    |              |                  |                    |              |                    |                    |
|---------------------------|-----------------------|--------------------|--------------|------------------|--------------------|--------------|--------------------|--------------------|
| Month (1)                 | FY 2020 - Budget/Goal |                    |              | FY 2020 - Actual |                    |              | FY 2020 - Variance |                    |
|                           | Volume                | Revenue            | Unit         | Volume           | Revenue            | Unit         | Volume             | Revenue            |
|                           | Mcf                   | \$                 | \$/Mcf       | Mcf              | \$                 | \$/Mcf       | Mcf                | \$                 |
| 1 July                    | 1,777,138             | 32,544,400         | 18.31        | 1,545,631        | 30,356,570         | 19.64        | (231,507)          | (2,187,830)        |
| 2 August                  | 1,549,587             | 30,383,100         | 19.61        | 1,554,426        | 30,501,606         | 19.62        | 4,839              | 118,506            |
| 3 September               | 1,368,496             | 28,270,400         | 20.66        | 1,257,111        | 27,278,750         | 21.70        | (111,385)          | (991,650)          |
| 4 October                 | 1,066,653             | 25,351,200         | 23.77        | 1,026,086        | 25,007,145         | 24.37        | (40,567)           | (344,055)          |
| 5 November                | 917,034               | 24,049,100         | 26.22        | 905,016          | 23,933,012         | 26.44        | (12,018)           | (116,088)          |
| 6 December                | 1,004,420             | 24,714,000         | 24.61        | 983,589          | 24,535,948         | 24.95        | (20,831)           | (178,052)          |
| 7 January                 | 1,018,192             | 24,861,000         | 24.42        |                  |                    |              |                    |                    |
| 8 February                | 893,007               | 23,780,800         | 26.63        |                  |                    |              |                    |                    |
| 9 March                   | 1,008,766             | 24,753,300         | 24.54        |                  |                    |              |                    |                    |
| 10 April                  | 948,751               | 24,262,000         | 25.57        |                  |                    |              |                    |                    |
| 11 May                    | 1,073,966             | 25,549,300         | 23.79        |                  |                    |              |                    |                    |
| 12 June                   | 1,383,200             | 28,595,300         | 20.67        |                  |                    |              |                    |                    |
| <b>Total</b>              | 14,009,210            | 317,113,900        | 22.64        | 7,271,859        | 161,613,031        | 22.22        | (411,469)          | (3,699,169)        |
| <b>Subtotals ytd</b>      | <b>7,683,328</b>      | <b>165,312,200</b> | <b>21.52</b> | <b>7,271,859</b> | <b>161,613,031</b> | <b>22.22</b> | <b>(411,469)</b>   | <b>(3,699,169)</b> |
| Achievement of Budget     |                       |                    |              | 94.64%           | 97.76%             |              |                    |                    |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

**Table 2 - Wholesale Water Collections**

| Water                            |                    |                    |             |         |
|----------------------------------|--------------------|--------------------|-------------|---------|
| Month                            | Current Year       | Prior Year         | Variance    | Ratio   |
| January                          | 23,430,974         | 32,002,334         | (8,571,360) | -26.78% |
| February                         | 26,147,082         | 21,352,903         | 4,794,179   | 22.45%  |
| March                            | 24,967,335         | 27,715,696         | (2,748,361) | -9.92%  |
| April                            | 23,045,654         | 18,489,754         | 4,555,900   | 24.64%  |
| May                              | 20,755,103         | 30,447,581         | (9,692,478) | -31.83% |
| June                             | 25,676,458         | 21,815,013         | 3,861,445   | 17.70%  |
| July                             | 23,212,979         | 21,923,590         | 1,289,389   | 5.88%   |
| August                           | 28,808,254         | 31,920,586         | (3,112,332) | -9.75%  |
| September                        | 28,336,152         | 26,037,313         | 2,298,839   | 8.83%   |
| October                          | 25,786,774         | 27,827,722         | (2,040,948) | -7.33%  |
| November                         | 29,245,969         | 29,238,260         | 7,709       | 0.03%   |
| December                         | 23,292,382         | 27,720,646         | (4,428,264) | -15.97% |
| <b>Rolling 12-Month Total</b>    | <b>302,705,116</b> | <b>316,491,398</b> |             |         |
| <b>Rolling, 12-Month Average</b> | <b>25,225,426</b>  | <b>26,374,283</b>  |             |         |

## Wholesale Sewer Billings and Collections

**Wholesale Sewer Contracts:** GLWA provides wholesale sewer service to 18 member-partners via multiple service arrangements.

Service Arrangement Type

|                 |           |
|-----------------|-----------|
| Model Contract  | 11        |
| Emergency       | 0         |
| Older Contracts | 7         |
| Total           | <u>18</u> |

**Note:** Services are provided to the Detroit Water & Sewerage Department via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of the monthly report.

**Wholesale Sewer Billing Basis:** Beginning in FY 2015, the “sewer rate simplification” initiative was applied which provides for a stable revenue stream and predictability for our member partners. Wholesale sewer customers are billed a fixed monthly fee based upon the annual revenue requirement.

**Table 3 - Wholesale Sewer Billings** shows the FY 2020 sewer billed revenues. As of December 31, 2019, the billed revenue is at 99.72% of budget.

Activity to date has been adjusted to reflect the results of the March 2019 Oakland Macomb Interceptor Drainage District contract amendment with terms effective July 1, 2019.

**Wholesale Sewer Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

**Table 4 - Wholesale Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. The year-over-year rolling average from FY 2019 to FY 2020 remains consistent.

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month.

**Table 3 – FY 2020 Wholesale Sewer Billings Report**

| WHOLESALE SEWER CUSTOMERS |                       |                    |                  |                    |                    |                  |
|---------------------------|-----------------------|--------------------|------------------|--------------------|--------------------|------------------|
| Month (1)                 | FY 2020 - Budget/Goal |                    | FY 2020 - Actual |                    | FY 2020 - Variance |                  |
|                           | Volume (2)            | Revenue            | Volume (2)       | Revenue            | Volume (2)         | Revenue          |
|                           | Mcf                   | \$                 | Mcf              | \$                 | Mcf                | \$               |
| July                      | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| August                    | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| September                 | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| October                   | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| November                  | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| December                  | N/A                   | 22,385,833         | N/A              | 22,323,183         | N/A                | (62,650.00)      |
| January                   | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| February                  | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| March                     | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| April                     | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| May                       | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| June                      | N/A                   | 22,385,833         | N/A              |                    | N/A                |                  |
| <b>Total</b>              |                       | 268,629,996        |                  | 133,939,098        |                    | (375,900)        |
| <i>Subtotals ytd</i>      |                       | <i>134,314,998</i> |                  | <i>133,939,098</i> |                    | <i>(375,900)</i> |
| Achievement of Budget     |                       |                    |                  | 99.72%             |                    |                  |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Not tracked as part of the wholesale sewer charges.

**Table 4 - Wholesale Sewer Collections**

| Sewer                            |              |             |              |         |
|----------------------------------|--------------|-------------|--------------|---------|
| Month                            | Current Year | Prior Year  | Variance     | Ratio   |
| January                          | 26,874,927   | 22,057,972  | 4,816,955    | 21.84%  |
| February                         | 13,895,100   | 30,280,800  | (16,385,700) | -54.11% |
| March                            | 22,388,600   | 15,552,000  | 6,836,600    | 43.96%  |
| April                            | 23,203,703   | 27,812,417  | (4,608,714)  | -16.57% |
| May                              | 9,284,000    | 15,342,700  | (6,058,700)  | -39.49% |
| June                             | 32,639,436   | 28,810,500  | 3,828,936    | 13.29%  |
| July                             | 27,222,400   | 16,179,117  | 11,043,283   | 68.26%  |
| August                           | 35,153,500   | 28,384,600  | 6,768,900    | 23.85%  |
| September                        | 18,833,257   | 22,672,400  | (3,839,143)  | -16.93% |
| October                          | 29,833,760   | 16,105,200  | 13,728,560   | 85.24%  |
| November                         | 19,428,000   | 28,633,300  | (9,205,300)  | -32.15% |
| December                         | 19,999,642   | 24,440,000  | (4,440,358)  | -18.17% |
| <b>Rolling 12-Month Total</b>    | 278,756,326  | 276,271,006 |              |         |
| <b>Rolling, 12-Month Average</b> | 23,229,694   | 23,022,584  |              |         |

## City of Highland Park Billings and Collections

The City of Highland Park is provided water service pursuant to an emergency service basis. Sewer service is provided pursuant to a 1982 amended contract which indicates that the parties are guided in their legal relationship by a Michigan Supreme Court decision from 1949.

As of December 31, 2019, Highland Park had a delinquent balance of \$43.3 million, including \$33.6 million for wastewater treatment services, \$1.7 million for industrial waste control services, and \$8.0 million for water supply services.

**Table 5 - City of Highland Park Billings and Collections** provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2020 through December 31, 2019. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

**Table 5 - City of Highland Park Billings and Collections**

|                            | Water     | Sewer       | IWC       | Total       |
|----------------------------|-----------|-------------|-----------|-------------|
| January 31, 2019 Balance   | 6,853,926 | 31,629,183  | 1,655,435 | 40,138,544  |
| February 2019 Billing      | 98,898    | 467,900     | 3,932     | 570,731     |
| February 2019 Payments     | -         | -           | -         | -           |
| February 28, 2019 Balance  | 6,952,824 | 32,097,083  | 1,659,368 | 40,709,275  |
| March 2019 Billing         | 98,353    | 467,900     | 3,881     | 570,134     |
| March 2019 Payments        | -         | -           | -         | -           |
| March 31, 2019 Balance     | 7,051,177 | 32,564,983  | 1,663,248 | 41,279,409  |
| April 2019 Billing         | 99,879    | 467,900     | 4,101     | 571,880     |
| April 2019 Payments        | -         | (1,089,003) | -         | (1,089,003) |
| April 30, 2019 Balance     | 7,151,056 | 31,943,880  | 1,667,350 | 40,762,286  |
| May 2019 Billing           | 98,118    | 467,900     | 3,963     | 569,981     |
| May 2019 Payments          | -         | -           | -         | -           |
| May 31, 2019 Balance       | 7,249,174 | 32,411,780  | 1,671,312 | 41,332,267  |
| June 2019 Billing          | 101,871   | 467,900     | 3,931     | 573,702     |
| June 2019 Payments         | -         | (1,406,836) | -         | (1,406,836) |
| June 30, 2019 Balance      | 7,351,045 | 31,472,844  | 1,675,243 | 40,499,132  |
| July 2019 Billing          | 104,702   | 467,900     | 4,121     | 576,722     |
| July 2019 Payments         | -         | -           | -         | -           |
| July 31, 2019 Balance      | 7,455,747 | 31,940,744  | 1,679,363 | 41,075,854  |
| August 2019 Billing        | 106,638   | 472,500     | 4,026     | 583,164     |
| August 2019 Payments       | -         | -           | -         | -           |
| August 31, 2019 Balance    | 7,562,385 | 32,413,244  | 1,683,389 | 41,659,018  |
| September 2019 Billing     | 108,007   | 472,500     | 4,014     | 584,521     |
| September 2019 Payments    | -         | (656,657)   | -         | (656,657)   |
| September 30, 2019 Balance | 7,670,392 | 32,229,087  | 1,687,403 | 41,586,882  |
| October 2019 Billing       | 107,422   | 472,500     | 3,933     | 583,855     |
| October 2019 Payments      | -         | -           | -         | -           |
| October 31, 2019 Balance   | 7,777,814 | 32,701,587  | 1,691,336 | 42,170,737  |
| November 2019 Billing      | 101,003   | 472,500     | 3,948     | 577,451     |
| November 2019 Payments     | -         | -           | -         | -           |
| November 30, 2019 Balance  | 7,878,817 | 33,174,087  | 1,695,284 | 42,748,188  |
| December 2019 Billing      | 98,501    | 472,500     | 3,845     | 574,846     |
| December 2019 Payments     | -         | -           | -         | -           |
| December 31, 2019 Balance  | 7,977,318 | 33,646,587  | 1,699,129 | 43,323,034  |

## Wholesale Water & Sewer Accounts Receivable Aging Report

The detailed accounts receivable aging is in the Appendix to this monthly report. This report reflects the wholesale receivables only and does not include DWSD.

**Table 6 - Wholesale Accounts Receivable Aging Report Summary** is a summary of the total, current and non-current receivables by category as of December 31, 2019.

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park** is the same summary *without* the past due balances for the City of Highland Park. The small past due balance for Water is due to a payment not received from the City of Dearborn until January 10, 2020.

**Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and WTUA** is a summary *without* the past due balances for the City of Highland Park and net of pending credits for certain Western Township Utilities Authority (WTUA). Credits for billed services are pending receipt of a final agreement from Wayne County to effectuate a transfer retroactive to July 1, 2018.

**Table 6 - Wholesale Accounts Receivable Aging Report Summary**

|                     | Total                   | Current                 | 46-74 Days             | 75-104 Days          | >105 Days               |
|---------------------|-------------------------|-------------------------|------------------------|----------------------|-------------------------|
| Water               | \$ 39,561,082.94        | \$ 30,630,285.66        | \$ 1,260,405.87        | \$ 108,007.06        | \$ 7,562,384.35         |
| Sewer               | \$ 40,466,286.23        | \$ 7,292,199.50         | \$ 472,500.00          | \$ 472,500.00        | \$ 32,229,086.73        |
| IWC                 | \$ 3,631,210.22         | \$ 668,162.50           | \$ 72,850.83           | \$ -                 | \$ 2,890,196.89         |
| Pollutant Surcharge | \$ 820,734.45           | \$ 684,105.38           | \$ 74,227.45           | \$ 13,518.95         | \$ 48,882.67            |
| <b>Total</b>        | <b>\$ 84,479,313.84</b> | <b>\$ 39,274,753.04</b> | <b>\$ 1,879,984.15</b> | <b>\$ 594,026.01</b> | <b>\$ 42,730,550.64</b> |
|                     | 100.00%                 | 46.49%                  | 2.23%                  | 0.70%                | 50.58%                  |

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park**

|                     | Total                   | Current                 | 46-74 Days             | 75-104 Days         | >105 Days              |
|---------------------|-------------------------|-------------------------|------------------------|---------------------|------------------------|
| Water               | \$ 31,583,764.87        | \$ 30,430,781.42        | \$ 1,152,983.45        | \$ -                | \$ -                   |
| Sewer               | \$ 6,819,699.50         | \$ 6,819,699.50         | \$ -                   | \$ -                | \$ -                   |
| IWC                 | \$ 1,932,081.97         | \$ 660,369.91           | \$ 68,918.20           | \$ -                | \$ 1,202,793.86        |
| Pollutant Surcharge | \$ 820,734.45           | \$ 684,105.38           | \$ 74,227.45           | \$ 13,518.95        | \$ 48,882.67           |
| <b>Total</b>        | <b>\$ 41,156,280.79</b> | <b>\$ 38,594,956.21</b> | <b>\$ 1,296,129.10</b> | <b>\$ 13,518.95</b> | <b>\$ 1,251,676.53</b> |
|                     | 100.00%                 | 93.78%                  | 3.15%                  | 0.03%               | 3.04%                  |

**Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and WTUA**

|                     | Total                   | Current                 | 46-74 Days             | 75-104 Days         | >105 Days           |
|---------------------|-------------------------|-------------------------|------------------------|---------------------|---------------------|
| Water               | \$ 31,583,764.87        | \$ 30,430,781.42        | \$ 1,152,983.45        | \$ -                | \$ -                |
| Sewer               | \$ 6,819,699.50         | \$ 6,819,699.50         | \$ -                   | \$ -                | \$ -                |
| IWC                 | \$ 625,550.84           | \$ 591,211.73           | \$ 34,339.11           | \$ -                | \$ -                |
| Pollutant Surcharge | \$ 820,734.45           | \$ 684,105.38           | \$ 74,227.45           | \$ 13,518.95        | \$ 48,882.67        |
| <b>Total</b>        | <b>\$ 39,849,749.66</b> | <b>\$ 38,525,798.03</b> | <b>\$ 1,261,550.01</b> | <b>\$ 13,518.95</b> | <b>\$ 48,882.67</b> |
|                     | 100.00%                 | 96.68%                  | 3.17%                  | 0.03%               | 0.12%               |

**Note:** percentages vary from 100% due to rounding.

The Monthly Trust Receipts & Disbursements Report includes the following.

1. GLWA Trust Receipts & Disbursements – Net Cash Flows and Receipts
2. DWSD Trust Receipts & Disbursements – Net Cash Flows, Receipts & Loan Receivable
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

## GLWA Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2020 reflects six months of activity to date.

Water fund activity exceeded required MBO disbursements by 16% through December 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements by 15% since January 1, 2016.

Sewer fund cash receipts exceeded disbursements by 19% through December 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements by 6% since January 1, 2016. Strong receipts in December was due in part to a one-time capital contribution of \$11.9 million by the Oakland Macomb Interceptor Drainage District as part of a recent contract amendment.

**Chart 1 – GLWA 12-Month Net Receipts – Water** outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

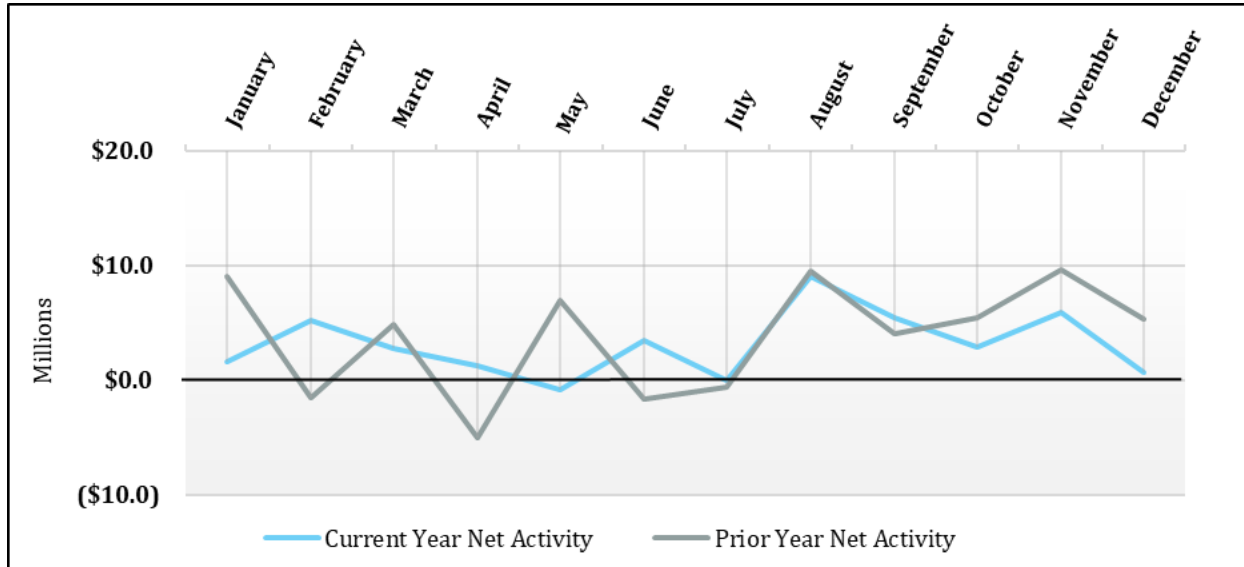
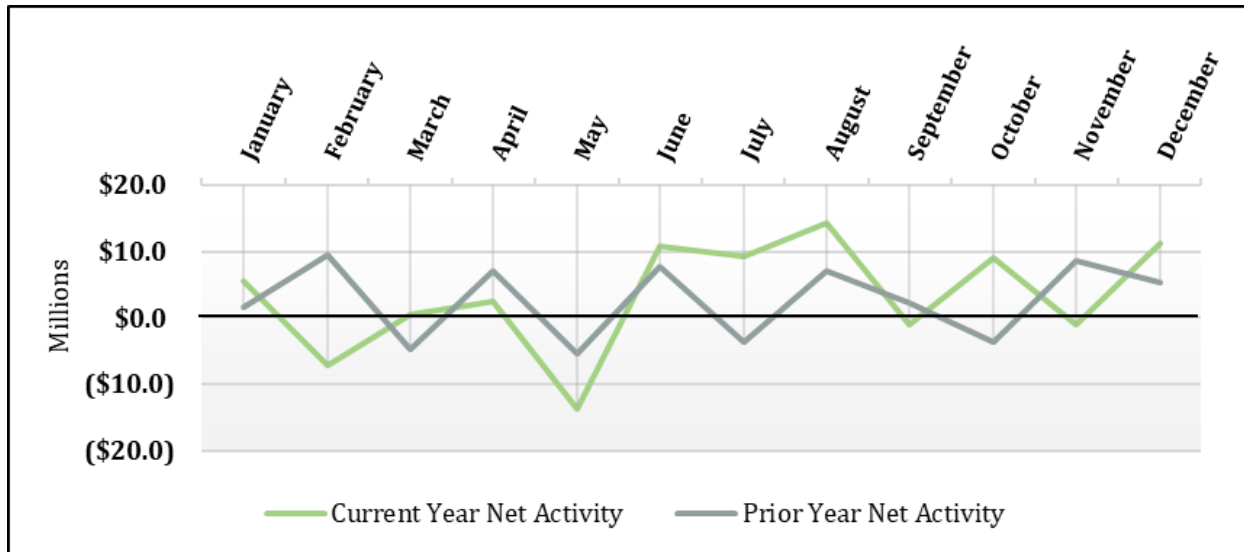


**Chart 2 – GLWA 12-Month Net Receipts – Sewer** outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements**

|  | FY 2016        | FY 2017        | FY 2018         | FY 2019        | FY 2020 to Date | Life-to-Date Total |
|--|----------------|----------------|-----------------|----------------|-----------------|--------------------|
| <b>Water</b>   |                |                |                 |                |                 |                    |
| 1 Receipts   | \$ 149,688,711 | \$ 352,941,909 | \$ 338,452,001  | \$ 336,594,234 | \$ 173,319,301  | \$ 1,350,996,156   |
| 2 MOU Adjustments  | -              | -              | -               | -              | -               | -                  |
| 3 Adjusted Receipts  | 149,688,711    | 352,941,909    | 338,452,001     | 336,594,234    | 173,319,301     | 1,350,996,156      |
| 4 Disbursements  | (146,256,185)  | (288,777,985)  | (297,064,810)   | (289,230,481)  | (149,182,120)   | (1,170,511,581)    |
| 5 Receipts Net of Required Transfers                             | 3,432,526      | 64,163,924     | 41,387,191      | 47,363,753     | 24,137,181      | 180,484,575        |
| 6 I&E Transfer   | -              | -              | (25,739,700)    | (47,695,000)   | (15,062,500)    | (88,497,200)       |
| 7 Net Receipts   | \$ 3,432,526   | \$ 64,163,924  | \$ 15,647,491   | \$ (331,247)   | \$ 9,074,681    | \$ 91,987,375      |
| 8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)    | 102%           | 122%           | 114%            | 116%           | 116%            | 115%               |
| <b>Sewer</b>   |                |                |                 |                |                 |                    |
| 9 Receipts   | \$ 232,377,715 | \$ 469,788,882 | \$ 476,269,761  | \$ 467,743,744 | \$ 266,102,855  | \$ 1,912,282,957   |
| 10 MOU Adjustments   | -              | -              | -               | -              | -               | -                  |
| 11 Adjusted Receipts   | 232,377,715    | 469,788,882    | 476,269,761     | 467,743,744    | 266,102,855     | 1,912,282,957      |
| 12 Disbursements   | (219,538,325)  | (441,443,340)  | (458,903,335)   | (453,406,636)  | (224,199,199)   | (1,797,490,835)    |
| 13 Receipts Net of Required Transfers                            | 12,839,390     | 28,345,542     | 17,366,426      | 14,337,108     | 41,903,656      | 114,792,122        |
| 14 I&E Transfer  | -              | -              | (22,698,100)    | (22,547,700)   | (12,730,800)    | (57,976,600)       |
| 15 DWSD Shortfall Advance  | (1,285,466)    | (28,014,534)   | (24,113,034)    | -              | -               | (53,413,034)       |
| 16 Shortfall Repayment (principal)                               | -              | -              | -               | 9,367,355      | 8,689,920       | 18,057,275         |
| 17 Net Receipts  | \$ 11,553,924  | \$ 331,008     | \$ (29,444,708) | \$ 1,156,763   | \$ 37,862,776   | \$ 21,459,763      |
| 18 Ratio of Receipts to Required Disbursements (Line 11/Line 12) | 106%           | 106%           | 104%            | 103%           | 119%            | 106%               |
| <b>Combined</b>  |                |                |                 |                |                 |                    |
| 19 Receipts  | \$ 382,066,426 | \$ 822,730,791 | \$ 814,721,762  | \$ 804,337,978 | \$ 439,422,156  | \$ 3,263,279,113   |
| 20 MOU Adjustments   | -              | -              | -               | -              | -               | -                  |
| 21 Adjusted Receipts   | 382,066,426    | 822,730,791    | 814,721,762     | 804,337,978    | 439,422,156     | 3,263,279,113      |
| 22 Disbursements   | (365,794,510)  | (730,221,325)  | (755,968,145)   | (742,637,117)  | (373,381,319)   | (2,968,002,416)    |
| 23 Receipts Net of Required Transfers                            | 16,271,916     | 92,509,466     | 58,753,617      | 61,700,861     | 66,040,837      | 295,276,697        |
| 24 I&E Transfer  | -              | -              | (48,437,800)    | (70,242,700)   | (27,793,300)    | (146,473,800)      |
| 25 Shortfall Advance   | (1,285,466)    | (28,014,534)   | (24,113,034)    | -              | -               | (53,413,034)       |
| 26 Shortfall Repayment   | -              | -              | -               | 9,367,355      | 8,689,920       | 18,057,275         |
| 27 Net Receipts  | \$ 14,986,450  | \$ 64,494,932  | \$ (13,797,217) | \$ 825,516     | \$ 46,937,457   | \$ 113,447,138     |
| 28 Ratio of Receipts to Required Disbursements (Line 21/Line 22) | 104%           | 113%           | 108%            | 108%           | 118%            | 110%               |

MOU Adjustments applies to DWSD and is shown here for consistency.

**Chart 1 – GLWA 12-Month Net Receipts - Water**

**Chart 2 – GLWA 12-Month Net Receipts – Sewer**




## DWSD Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for DWSD since inception at January 1, 2016. Fiscal year 2020 reflects six months of activity to date.

Water fund cash receipts exceeded required MBO disbursements by 3% through December 31, 2019 with a historical ratio of 3% since January 1, 2016.

Sewer fund cash receipts fell short of required MBO disbursements by 4% through December 31, 2019 with a historic shortfall of 5% since January 1, 2016. DWSD has recognized this issue and proactively implemented plans in December 2019 to resolve the current shortfall.

On December 3, DWSD transferred \$2.6 million from Sewer Operations & Maintenance back to the Sewer Receiving Fund. The remaining current year shortfall will be remedied by the end of February 2020 with an additional \$4.5 million cash replenishment transfer to GLWA; the DWSD Operations & Maintenance budgeted transfer request was reduced by \$1 million for March 2020 to hedge any future cashflow timing issues.

**Table 3 – FY 2017 DWSD Loan Receivable - Sewer** provides an activity summary of loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2016 and FY 2017.

**Table 4 – FY 2017 DWSD Loan Receivable Payments - Sewer** provides an activity summary of loan receivable payments to date on the FY 2017 Sewer Loan Receivable including the interest on the loan. This payment is transferred directly to GLWA Sewer Improvement & Extension fund monthly.

The Reconciliation Committee monitors this balance and repayment progress as part of its quarterly meetings.

**Table 5 – FY 2018 DWSD Loan Receivable** - Sewer provides an activity summary of loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2018.

**Table 6 – FY 2018 DWSD Loan Receivable Payments - Sewer** provides an activity summary of loan receivable payments to date on the FY 2018 Sewer Loan Receivable including the interest on the loan. This payment is transferred directly to GLWA Sewer Improvement & Extension fund monthly.

The Reconciliation Committee monitors this balance and repayment progress as part of its quarterly meetings.

**Chart 3 – DWSD 12-Month Net Receipts – Water** outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**Chart 4 – DWSD 12-Month Net Receipts – Sewer** outlines monthly activity trends across two points of reference for the local sewer system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements**

|   | FY 2016        | FY 2017        | FY 2018        | FY 2019        | FY 2020 to Date | Life-to-Date Total |
|---|----------------|----------------|----------------|----------------|-----------------|--------------------|
| <b>Water</b>  |                |                |                |                |                 |                    |
| 1 Receipts  | \$ 26,201,881  | \$ 96,451,105  | \$ 101,233,147 | \$ 99,868,219  | \$ 50,678,567   | \$ 374,432,919     |
| 2 MOU Adjustments   | 18,446,100     | -              | -              | -              | -               | 18,446,100         |
| 3 Adjusted Receipts   | 44,647,981     | 96,451,105     | 101,233,147    | 99,868,219     | 50,678,567      | 392,879,019        |
| 4 Disbursements   | (47,809,552)   | (93,066,144)   | (93,049,457)   | (97,694,600)   | (49,251,246)    | (380,870,999)      |
| 5 Receipts Net of Required Transfers                                    | (3,161,571)    | 3,384,961      | 8,183,690      | 2,173,619      | 1,427,321       | 12,008,020         |
| 6 I&E Transfer  | -              | -              | -              | (8,407,080)    | -               | (8,407,080)        |
| 7 Net Receipts  | \$ (3,161,571) | \$ 3,384,961   | \$ 8,183,690   | \$ (6,233,461) | \$ 1,427,321    | \$ 3,600,940       |
| 8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>    | 93%            | 104%           | 109%           | 102%           | 103%            | 103%               |
| <b>Sewer</b>  |                |                |                |                |                 |                    |
| 9 Receipts  | \$ 65,256,734  | \$ 233,723,367 | \$ 242,104,791 | \$ 265,339,797 | \$ 135,862,928  | \$ 942,287,617     |
| 10 MOU Adjustments  | 55,755,100     | -              | -              | 6,527,200      | -               | 62,282,300         |
| 11 Adjusted Receipts  | 121,011,834    | 233,723,367    | 242,104,791    | 271,866,997    | 135,862,928     | 1,004,569,917      |
| 12 Disbursements  | (122,297,300)  | (261,963,973)  | (266,217,825)  | (271,018,306)  | (141,199,944)   | (1,062,697,348)    |
| 13 Receipts Net of Required Transfers                                   | (1,285,466)    | (28,240,606)   | (24,113,034)   | 848,691        | (5,337,016)     | (58,127,431)       |
| 14 I&E Transfer   | -              | -              | -              | -              | -               | -                  |
| 15 Shortfall Advance from GLWA  | 1,285,466      | 28,014,534     | 24,113,034     | -              | -               | 53,413,034         |
| 16 Net Receipts (a)   | \$ -           | \$ (226,072)   | \$ -           | \$ 848,691     | \$ (5,337,016)  | \$ (4,714,397)     |
| 17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i> | 99%            | 89%            | 91%            | 100%           | 96%             | 95%                |
| <b>Combined</b>   |                |                |                |                |                 |                    |
| 18 Receipts   | \$ 91,458,615  | \$ 330,174,472 | \$ 343,337,938 | \$ 365,208,016 | \$ 186,541,495  | \$1,316,720,536    |
| 19 MOU Adjustments  | 74,201,200     | -              | -              | 6,527,200      | -               | 80,728,400         |
| 20 Adjusted Receipts  | 165,659,815    | 330,174,472    | 343,337,938    | 371,735,216    | 186,541,495     | 1,397,448,936      |
| 21 Disbursements  | (170,106,852)  | (355,030,117)  | (359,267,282)  | (368,712,906)  | (190,451,190)   | (1,443,568,347)    |
| 22 Receipts Net of Required Transfers                                   | (4,447,037)    | (24,855,645)   | (15,929,344)   | 3,022,310      | (3,909,695)     | (46,119,411)       |
| 23 I&E Transfer   | -              | -              | -              | (8,407,080)    | -               | (8,407,080)        |
| 24 Shortfall Advance from GLWA  | 1,285,466      | 28,014,534     | 24,113,034     | -              | -               | 53,413,034         |
| 25 Net Receipts   | \$ (3,161,571) | \$ 3,158,889   | \$ 8,183,690   | \$ (5,384,770) | \$ (3,909,695)  | \$ (1,113,457)     |
| 26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i> | 97%            | 93%            | 96%            | 101%           | 98%             | 97%                |

**Note 1:** The \$29,300,000 for the DWSD loan receivable balance is calculated as follows.

|              |                             |
|--------------|-----------------------------|
| (1,285,466)  | FY 2016 Shortfall           |
| (28,240,606) | FY 2017 Shortfall           |
| (29,526,072) | Subtotal                    |
| 238,264      | June IWC not due until July |
| (29,287,808) | FY 2017 Shortfall-to-Date   |

**29,300,000 FY 2017 Shortfall-to-Date, Rounded**

**Table 3 – FY 2017 DWSD Loan Receivable - Sewer**

| Date      | Transaction   | Amount            | Balance           |
|-----------|---|-------------------|-------------------|
| 6/30/2019 | Record FY 16 and FY 17 Loan Receivable                |                   | 29,300,000        |
| 2/8/2019  | Loan Receivable Payment (for the months of Jul - Dec) | 4,635,462         | 24,664,538        |
| 2/22/2019 | Loan Receivable Payment (for the months of Jan - Mar) | 2,353,768         | 22,310,770        |
| 4/15/2019 | Loan Receivable Payment (for the month of Apr)        | 789,990           | 21,520,780        |
| 5/8/2019  | Loan Receivable Payment (for the month of May)        | 792,705           | 20,728,075        |
| 6/7/2019  | Loan Receivable Payment (for the month of June)       | 795,430           | 19,932,645        |
| 7/5/2019  | Loan Receivable Payment (for the month of July)       | 798,164           | 19,134,480        |
| 8/8/2019  | Loan Receivable Payment (for the month of August)     | 800,908           | 18,333,572        |
| 9/6/2019  | Loan Receivable Payment (for the month of September)  | 803,661           | 17,529,911        |
| 10/2/2019 | Loan Receivable Payment (for the month of October)    | 806,424           | 16,723,487        |
| 11/4/2019 | Loan Receivable Payment (for the month of November)   | 809,196           | 15,914,291        |
| 12/3/2019 | Loan Receivable Payment (for the month of December)   | 811,978           | 15,102,314        |
|           |   | <b>14,197,686</b> | <b>15,102,314</b> |

**Table 4 – FY 2017 DWSD Loan Receivable Payments - Sewer**

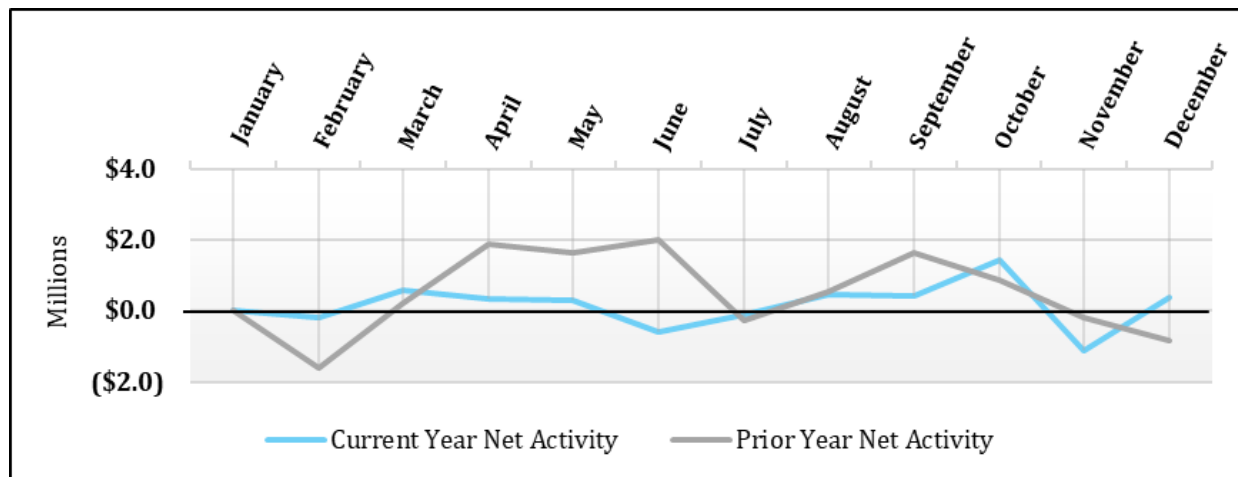
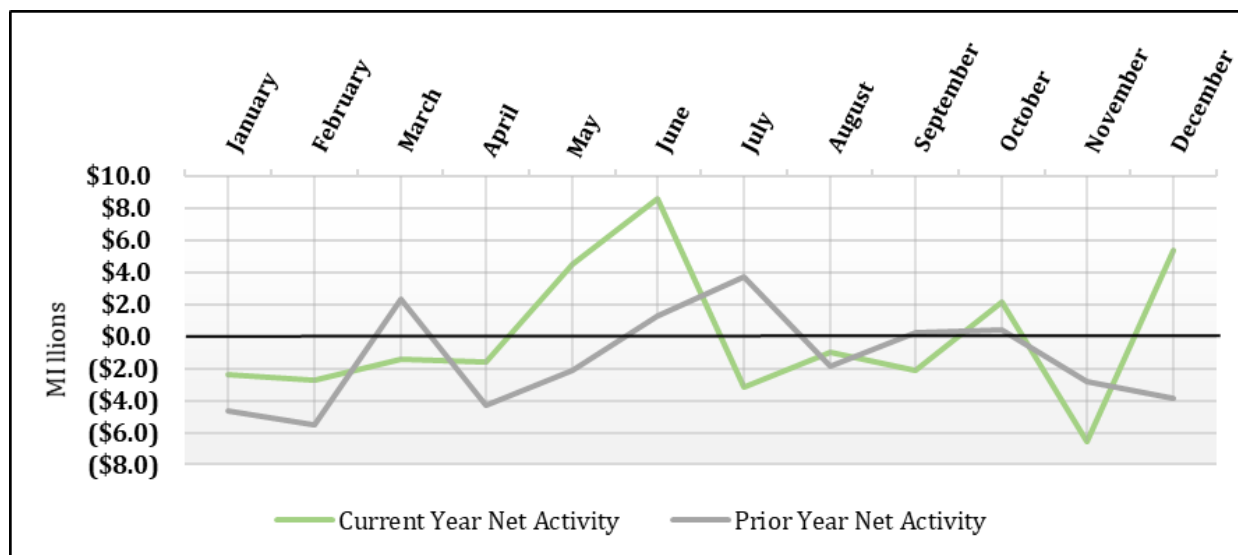
| Date      | Transaction   | Principal         | Interest         | Total Paid        |
|-----------|---|-------------------|------------------|-------------------|
| 2/8/2019  | Loan Receivable Payment (for the months of Jul - Dec) | 4,635,462         | 564,636          | 5,200,098         |
| 2/22/2019 | Loan Receivable Payment (for the months of Jan - Mar) | 2,353,768         | 246,280          | 2,600,049         |
| 4/15/2019 | Loan Receivable Payment (for the month of Apr)        | 789,990           | 76,693           | 866,683           |
| 5/8/2019  | Loan Receivable Payment (for the month of May)        | 792,705           | 73,978           | 866,683           |
| 6/7/2019  | Loan Receivable Payment (for the month of June)       | 795,430           | 71,253           | 866,683           |
| 7/5/2019  | Loan Receivable Payment (for the month of July)       | 798,164           | 68,518           | 866,683           |
| 8/8/2019  | Loan Receivable Payment (for the month of August)     | 800,908           | 65,775           | 866,683           |
| 9/6/2019  | Loan Receivable Payment (for the month of September)  | 803,661           | 63,022           | 866,683           |
| 10/2/2019 | Loan Receivable Payment (for the month of October)    | 806,424           | 60,259           | 866,683           |
| 11/4/2019 | Loan Receivable Payment (for the month of November)   | 809,196           | 57,487           | 866,683           |
| 12/3/2019 | Loan Receivable Payment (for the month of December)   | 811,978           | 54,705           | 866,683           |
|           |   | <b>14,197,687</b> | <b>1,402,606</b> | <b>15,600,293</b> |

**Table 5 – FY 2018 DWSD Loan Receivable - Sewer**

| Date      | Transaction  | Amount           | Balance           |
|-----------|--|------------------|-------------------|
| 6/30/2019 | Record FY 18 Loan Receivable                         |                  | 24,113,034        |
| 7/15/2019 | Loan Receivable Payment (for the month of July)      | 638,978          | 23,474,056        |
| 8/8/2019  | Loan Receivable Payment (for the month of August)    | 640,686          | 22,833,370        |
| 9/6/2019  | Loan Receivable Payment (for the month of September) | 642,400          | 22,190,970        |
| 10/2/2019 | Loan Receivable Payment (for the month of October)   | 644,118          | 21,546,852        |
| 11/4/2019 | Loan Receivable Payment (for the month of November)  | 645,840          | 20,901,012        |
| 12/3/2019 | Loan Receivable Payment (for the month of December)  | 647,567          | 20,253,445        |
|           |  | <b>3,859,589</b> | <b>20,253,445</b> |

**Table 6 – FY 2018 DWSD Loan Receivable Payments - Sewer**

| Date      | Transaction  | Principal        | Interest       | Total Paid       |
|-----------|--|------------------|----------------|------------------|
| 7/15/2019 | Loan Receivable Payment (for the month of July)      | 638,978          | 64,482         | 703,460          |
| 8/8/2019  | Loan Receivable Payment (for the month of August)    | 640,686          | 62,774         | 703,460          |
| 9/6/2019  | Loan Receivable Payment (for the month of September) | 642,400          | 61,060         | 703,460          |
| 10/2/2019 | Loan Receivable Payment (for the month of October)   | 644,118          | 59,342         | 703,460          |
| 11/4/2019 | Loan Receivable Payment (for the month of November)  | 645,840          | 57,620         | 703,460          |
| 12/3/2019 | Loan Receivable Payment (for the month of December)  | 647,567          | 55,893         | 703,460          |
|           |  | <b>3,859,589</b> | <b>361,171</b> | <b>4,220,760</b> |

**Chart 3 – DWSD 12-Month Net Receipts - Water**

**Chart 4 – DWSD 12-Month Net Receipts – Sewer**


## Combined System Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

***Table 7 – Combined Net Cash Flows from Trust Receipts & Disbursements*** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2020 reflects six months of activity to date.

Water fund cash receipts exceeded required MBO disbursements by 13% through December 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements by 12% since January 1, 2016.

Sewer fund cash receipts exceeded required MBO disbursements by 10% through December 31, 2019 and with a historical ratio of cash receipts exceeding MBO disbursements by 2% since January 1, 2016.



**Table 7 – Combined Net Cash Flows from Trust Receipts & Disbursements**

|   | FY 2016        | FY 2017          | FY 2018          | FY 2019          | FY 2020 to Date | Life-to-Date Total |
|---|----------------|------------------|------------------|------------------|-----------------|--------------------|
| <b>Water</b>  |                |                  |                  |                  |                 |                    |
| 1 Receipts  | \$ 175,890,592 | \$ 449,393,014   | \$ 439,685,148   | \$ 436,462,453   | \$ 223,997,868  | \$ 1,725,429,075   |
| 2 MOU Adjustments   | 18,446,100     | -                | -                | -                | -               | 18,446,100         |
| 3 Adjusted Receipts   | 194,336,692    | 449,393,014      | 439,685,148      | 436,462,453      | 223,997,868     | 1,743,875,175      |
| 4 Disbursements   | (194,065,737)  | (381,844,129)    | (390,114,267)    | (386,925,081)    | (198,433,366)   | (1,551,382,580)    |
| 5 Receipts Net of Required Transfers                                    | 270,955        | 67,548,885       | 49,570,881       | 49,537,372       | 25,564,502      | 192,492,595        |
| 6 I&E Transfer  | -              | -                | (25,739,700)     | (56,102,080)     | (15,062,500)    | (96,904,280)       |
| 7 Net Receipts  | \$ 270,955     | \$ 67,548,885    | \$ 23,831,181    | \$ (6,564,708)   | \$ 10,502,002   | \$ 95,588,315      |
| 8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>    | 100%           | 118%             | 113%             | 113%             | 113%            | 112%               |
| <b>Sewer</b>  |                |                  |                  |                  |                 |                    |
| 9 Receipts  | \$ 297,634,449 | \$ 703,512,249   | \$ 718,374,552   | \$ 733,083,541   | \$ 401,965,783  | \$ 2,854,570,574   |
| 10 MOU Adjustments  | 55,755,100     | -                | -                | 6,527,200        | -               | 62,282,300         |
| 11 Adjusted Receipts  | 353,389,549    | 703,512,249      | 718,374,552      | 739,610,741      | 401,965,783     | 2,916,852,874      |
| 12 Disbursements  | (341,835,625)  | (703,407,313)    | (725,121,160)    | (724,424,942)    | (365,399,143)   | (2,860,188,183)    |
| 13 Receipts Net of Required Transfers                                   | 11,553,924     | 104,936          | (6,746,608)      | 15,185,799       | 36,566,640      | 56,664,691         |
| 14 I&E Transfer   | -              | -                | (22,698,100)     | (22,547,700)     | (12,730,800)    | (57,976,600)       |
| 15 Shortfall Advance  | -              | -                | -                | -                | -               | -                  |
| 16 Shortfall Repayment (principal)                                      | -              | -                | -                | 9,367,355        | 8,689,920       | 18,057,275         |
| 17 Net Receipts   | \$ 11,553,924  | \$ 104,936       | \$ (29,444,708)  | \$ (7,361,901)   | \$ 32,525,760   | \$ 16,745,367      |
| 18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i> | 103%           | 100%             | 99%              | 102%             | 110%            | 102%               |
| <b>Combined</b>   |                |                  |                  |                  |                 |                    |
| 19 Receipts   | \$ 473,525,041 | \$ 1,152,905,263 | \$ 1,158,059,700 | \$ 1,169,545,994 | \$ 625,963,651  | \$ 4,579,999,649   |
| 20 MOU Adjustments  | 74,201,200     | -                | -                | 6,527,200        | -               | 80,728,400         |
| 21 Adjusted Receipts  | 547,726,241    | 1,152,905,263    | 1,158,059,700    | 1,176,073,194    | 625,963,651     | 4,660,728,049      |
| 22 Disbursements  | (535,901,362)  | (1,085,251,442)  | (1,115,235,427)  | (1,111,350,023)  | (563,832,509)   | (4,411,570,763)    |
| 23 Receipts Net of Required Transfers                                   | 11,824,879     | 67,653,821       | 42,824,273       | 64,723,171       | 62,131,142      | 249,157,286        |
| 24 I&E Transfer   | -              | -                | (48,437,800)     | (78,649,780)     | (27,793,300)    | (154,880,880)      |
| 25 Shortfall Advance  | -              | -                | -                | -                | -               | -                  |
| 26 Shortfall Repayment  | -              | -                | -                | 9,367,355        | 8,689,920       | 18,057,275         |
| 27 Net Receipts   | \$ 11,824,879  | \$ 67,653,821    | \$ (5,613,527)   | \$ (4,559,254)   | \$ 43,027,762   | \$ 112,333,682     |
| 28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i> | 102%           | 106%             | 104%             | 106%             | 111%            | 106%               |

## APPENDIX



## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 12/31/19

| Customer Name         | Total Due      | Current        | 46 - 74 Days   | 75 - 104 Days | >105 Days |
|-----------------------|----------------|----------------|----------------|---------------|-----------|
| ALLEN PARK            | \$186,585.70   | \$186,585.70   | \$0.00         | \$0.00        | \$0.00    |
| ASH TOWNSHIP          | \$66,659.12    | \$66,659.12    | \$0.00         | \$0.00        | \$0.00    |
| BELLEVILLE            | \$27,625.15    | \$27,625.15    | \$0.00         | \$0.00        | \$0.00    |
| BERLIN TOWNSHIP       | \$56,745.31    | \$56,745.31    | \$0.00         | \$0.00        | \$0.00    |
| BROWNSTOWN TOWNSHIP   | \$277,983.55   | \$277,983.55   | \$0.00         | \$0.00        | \$0.00    |
| BRUCE TOWNSHIP        | \$25,045.16    | \$25,045.16    | \$0.00         | \$0.00        | \$0.00    |
| BURTCHVILLE TOWNSHIP  | \$23,583.16    | \$23,583.16    | \$0.00         | \$0.00        | \$0.00    |
| CANTON TOWNSHIP       | \$795,067.62   | \$795,067.62   | \$0.00         | \$0.00        | \$0.00    |
| CENTER LINE           | \$38,451.83    | \$38,451.83    | \$0.00         | \$0.00        | \$0.00    |
| CHESTERFIELD TOWNSHIP | \$646,441.08   | \$646,441.08   | \$0.00         | \$0.00        | \$0.00    |
| CLINTON TOWNSHIP      | \$581,971.68   | \$581,971.68   | \$0.00         | \$0.00        | \$0.00    |
| COMMERCE TOWNSHIP     | \$264,571.37   | \$264,571.37   | \$0.00         | \$0.00        | \$0.00    |
| DEARBORN              | \$2,798,394.80 | \$1,645,411.35 | \$1,152,983.45 | \$0.00        | \$0.00    |
| DEARBORN HEIGHTS      | \$294,673.08   | \$294,673.08   | \$0.00         | \$0.00        | \$0.00    |
| EASTPOINTE            | \$255,470.88   | \$255,470.88   | \$0.00         | \$0.00        | \$0.00    |
| ECORSE                | \$119,141.29   | \$119,141.29   | \$0.00         | \$0.00        | \$0.00    |
| FARMINGTON            | \$79,165.12    | \$79,165.12    | \$0.00         | \$0.00        | \$0.00    |
| FARMINGTON HILLS      | \$684,032.89   | \$684,032.89   | \$0.00         | \$0.00        | \$0.00    |
| FERNDAL               | \$159,748.28   | \$159,748.28   | \$0.00         | \$0.00        | \$0.00    |
| FLAT ROCK             | \$212,693.75   | \$212,693.75   | \$0.00         | \$0.00        | \$0.00    |
| FLINT                 | \$328,644.94   | \$328,644.94   | \$0.00         | \$0.00        | \$0.00    |
| FRASER                | \$96,768.19    | \$96,768.19    | \$0.00         | \$0.00        | \$0.00    |
| GARDEN CITY           | \$141,590.85   | \$141,590.85   | \$0.00         | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 12/31/19

| Customer Name        | Total Due      | Current        | 46 - 74 Days | 75 - 104 Days | >105 Days      |
|----------------------|----------------|----------------|--------------|---------------|----------------|
| GIBRALTAR            | \$27,551.35    | \$27,551.35    | \$0.00       | \$0.00        | \$0.00         |
| GREENWOOD TOWNSHIP   | \$ (21,039.13) | \$ (21,039.13) | \$0.00       | \$0.00        | \$0.00         |
| GROSSE ILE TOWNSHIP  | \$171,136.73   | \$171,136.73   | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE PARK   | \$117,279.73   | \$117,279.73   | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE SHORES | \$44,784.38    | \$44,784.38    | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE WOODS  | \$113,845.85   | \$113,845.85   | \$0.00       | \$0.00        | \$0.00         |
| HAMTRAMCK            | \$65,600.59    | \$65,600.59    | \$0.00       | \$0.00        | \$0.00         |
| HARPER WOODS         | \$152,470.80   | \$152,470.80   | \$0.00       | \$0.00        | \$0.00         |
| HARRISON TWP         | \$120,634.87   | \$120,634.87   | \$0.00       | \$0.00        | \$0.00         |
| HAZEL PARK           | \$59,263.01    | \$59,263.01    | \$0.00       | \$0.00        | \$0.00         |
| HIGHLAND PARK        | \$7,977,318.07 | \$199,504.24   | \$107,422.42 | \$108,007.06  | \$7,562,384.35 |
| HURON TOWNSHIP       | \$118,661.66   | \$118,661.66   | \$0.00       | \$0.00        | \$0.00         |
| IMLAY CITY           | \$131,221.48   | \$131,221.48   | \$0.00       | \$0.00        | \$0.00         |
| IMLAY TOWNSHIP       | \$1,061.45     | \$1,061.45     | \$0.00       | \$0.00        | \$0.00         |
| INKSTER              | \$100,004.91   | \$100,004.91   | \$0.00       | \$0.00        | \$0.00         |
| KEEGO HARBOR         | \$23,425.95    | \$23,425.95    | \$0.00       | \$0.00        | \$0.00         |
| LAPEER               | \$251,977.62   | \$251,977.62   | \$0.00       | \$0.00        | \$0.00         |
| LENOX TOWNSHIP       | \$41,101.05    | \$41,101.05    | \$0.00       | \$0.00        | \$0.00         |
| LINCOLN PARK         | \$197,287.18   | \$197,287.18   | \$0.00       | \$0.00        | \$0.00         |
| LIVONIA              | \$878,967.44   | \$878,967.44   | \$0.00       | \$0.00        | \$0.00         |
| MACOMB TWP           | \$924,591.91   | \$924,591.91   | \$0.00       | \$0.00        | \$0.00         |
| MADISON HEIGHTS      | \$153,799.99   | \$153,799.99   | \$0.00       | \$0.00        | \$0.00         |

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 12/31/19

| Customer Name       | Total Due      | Current        | 46 - 74 Days | 75 - 104 Days | >105 Days |
|---------------------|----------------|----------------|--------------|---------------|-----------|
| MAYFIELD TOWNSHIP   | \$3,073.42     | \$3,073.42     | \$0.00       | \$0.00        | \$0.00    |
| MELVINDALE          | \$102,357.39   | \$102,357.39   | \$0.00       | \$0.00        | \$0.00    |
| NEW HAVEN           | \$28,683.15    | \$28,683.15    | \$0.00       | \$0.00        | \$0.00    |
| NOCWA               | \$1,687,692.64 | \$1,687,692.64 | \$0.00       | \$0.00        | \$0.00    |
| NORTHVILLE          | \$137,694.92   | \$137,694.92   | \$0.00       | \$0.00        | \$0.00    |
| NORTHVILLE TOWNSHIP | \$838,190.38   | \$838,190.38   | \$0.00       | \$0.00        | \$0.00    |
| NOVI                | \$664,461.01   | \$664,461.01   | \$0.00       | \$0.00        | \$0.00    |
| OAK PARK            | \$113,355.22   | \$113,355.22   | \$0.00       | \$0.00        | \$0.00    |
| OAKLAND CO DR COM   | \$5,497.43     | \$5,497.43     | \$0.00       | \$0.00        | \$0.00    |
| PLYMOUTH            | \$87,113.03    | \$87,113.03    | \$0.00       | \$0.00        | \$0.00    |
| PLYMOUTH TOWNSHIP   | \$337,529.73   | \$337,529.73   | \$0.00       | \$0.00        | \$0.00    |
| REDFORD TOWNSHIP    | \$255,201.13   | \$255,201.13   | \$0.00       | \$0.00        | \$0.00    |
| RIVER ROUGE         | \$60,647.28    | \$60,647.28    | \$0.00       | \$0.00        | \$0.00    |
| RIVERVIEW           | \$70,750.75    | \$70,750.75    | \$0.00       | \$0.00        | \$0.00    |
| ROCKWOOD            | \$22,198.81    | \$22,198.81    | \$0.00       | \$0.00        | \$0.00    |
| ROMEO               | \$19,822.08    | \$19,822.08    | \$0.00       | \$0.00        | \$0.00    |
| ROMULUS             | \$330,197.00   | \$330,197.00   | \$0.00       | \$0.00        | \$0.00    |
| ROSEVILLE           | \$216,278.00   | \$216,278.00   | \$0.00       | \$0.00        | \$0.00    |
| ROYAL OAK TOWNSHIP  | \$16,293.25    | \$16,293.25    | \$0.00       | \$0.00        | \$0.00    |
| SHELBY TOWNSHIP     | \$1,013,541.01 | \$1,013,541.01 | \$0.00       | \$0.00        | \$0.00    |
| SOCWA               | \$3,601,117.54 | \$3,601,117.54 | \$0.00       | \$0.00        | \$0.00    |
| SOUTH ROCKWOOD      | \$9,113.38     | \$9,113.38     | \$0.00       | \$0.00        | \$0.00    |
| SOUTHGATE           | \$184,812.80   | \$184,812.80   | \$0.00       | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 12/31/19

| Customer Name               | Total Due              | Current                | 46 - 74 Days          | 75 - 104 Days       | >105 Days             |
|-----------------------------|------------------------|------------------------|-----------------------|---------------------|-----------------------|
| ST. CLAIR SHORES            | \$508,475.69           | \$508,475.69           | \$0.00                | \$0.00              | \$0.00                |
| STERLING HEIGHTS            | \$1,165,630.88         | \$1,165,630.88         | \$0.00                | \$0.00              | \$0.00                |
| SUMPTER TOWNSHIP            | \$55,082.66            | \$55,082.66            | \$0.00                | \$0.00              | \$0.00                |
| SYLVAN LAKE                 | \$18,105.93            | \$18,105.93            | \$0.00                | \$0.00              | \$0.00                |
| TAYLOR                      | \$749,943.07           | \$749,943.07           | \$0.00                | \$0.00              | \$0.00                |
| TRENTON                     | \$135,029.82           | \$135,029.82           | \$0.00                | \$0.00              | \$0.00                |
| TROY (SEOC)                 | \$1,035,300.65         | \$1,035,300.65         | \$0.00                | \$0.00              | \$0.00                |
| UTICA                       | \$89,397.66            | \$89,397.66            | \$0.00                | \$0.00              | \$0.00                |
| VAN BUREN TOWNSHIP          | \$294,454.36           | \$294,454.36           | \$0.00                | \$0.00              | \$0.00                |
| VILLAGE OF ALMONT           | \$18,661.35            | \$18,661.35            | \$0.00                | \$0.00              | \$0.00                |
| WALLED LAKE                 | \$62,748.11            | \$62,748.11            | \$0.00                | \$0.00              | \$0.00                |
| WARREN                      | \$817,518.25           | \$817,518.25           | \$0.00                | \$0.00              | \$0.00                |
| WASHINGTON TOWNSHIP         | \$162,545.74           | \$162,545.74           | \$0.00                | \$0.00              | \$0.00                |
| WAYNE                       | \$337,213.59           | \$337,213.59           | \$0.00                | \$0.00              | \$0.00                |
| WEST BLOOMFIELD TWP (C-O)   | \$1,585,313.25         | \$1,585,313.25         | \$0.00                | \$0.00              | \$0.00                |
| WESTLAND                    | \$968,093.39           | \$968,093.39           | \$0.00                | \$0.00              | \$0.00                |
| WIXOM                       | \$186,757.15           | \$186,757.15           | \$0.00                | \$0.00              | \$0.00                |
| WOODHAVEN                   | \$130,692.20           | \$130,692.20           | \$0.00                | \$0.00              | \$0.00                |
| YCUA                        | \$1,622,496.15         | \$1,622,496.15         | \$0.00                | \$0.00              | \$0.00                |
| <b>TOTAL WATER ACCOUNTS</b> | <b>\$39,561,082.94</b> | <b>\$30,630,285.66</b> | <b>\$1,260,405.87</b> | <b>\$108,007.06</b> | <b>\$7,562,384.35</b> |

## GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 12/31/19

| 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                 | \$86,099.50            | \$86,099.50           | \$0.00              | \$0.00              | \$0.00                 |
| DEARBORN                    | \$0.00                 | \$0.00                | \$0.00              | \$0.00              | \$0.00                 |
| EVERGREEN-FARMINGTON        | \$0.00                 | \$0.00                | \$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          | \$0.00                 | \$0.00                | \$0.00              | \$0.00              | \$0.00                 |
| HAMTRAMCK                   | \$0.00                 | \$0.00                | \$0.00              | \$0.00              | \$0.00                 |
| HARPER WOODS                | \$18,300.00            | \$18,300.00           | \$0.00              | \$0.00              | \$0.00                 |
| HIGHLAND PARK               | \$33,646,586.73        | \$472,500.00          | \$472,500.00        | \$472,500.00        | \$32,229,086.73        |
| MELVINDALE                  | \$127,800.00           | \$127,800.00          | \$0.00              | \$0.00              | \$0.00                 |
| OAKLAND COUNTY GWK DD       | \$0.00                 | \$0.00                | \$0.00              | \$0.00              | \$0.00                 |
| REDFORD TOWNSHIP            | \$0.00                 | \$0.00                | \$0.00              | \$0.00              | \$0.00                 |
| ROUGE VALLEY                | \$4,513,500.00         | \$4,513,500.00        | \$0.00              | \$0.00              | \$0.00                 |
| WAYNE COUNTY N.E.           | \$2,069,800.00         | \$2,069,800.00        | \$0.00              | \$0.00              | \$0.00                 |
| WAYNE COUNTY-AREA #3        | \$4,200.00             | \$4,200.00            | \$0.00              | \$0.00              | \$0.00                 |
| <b>TOTAL SEWER ACCOUNTS</b> | <b>\$40,466,286.23</b> | <b>\$7,292,199.50</b> | <b>\$472,500.00</b> | <b>\$472,500.00</b> | <b>\$32,229,086.73</b> |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 12/31/19

| Customer Name            | Total Due    | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days    |
|--------------------------|--------------|-------------|--------------|---------------|--------------|
| ALLEN PARK               | \$1,532.83   | \$1,532.83  | \$0.00       | \$0.00        | \$0.00       |
| AUBURN HILLS (C-O)       | \$10,787.27  | \$10,787.27 | \$0.00       | \$0.00        | \$0.00       |
| AUBURN HILLS (E-F)       | \$348.14     | \$348.14    | \$0.00       | \$0.00        | \$0.00       |
| AUBURN HILLS (C-O) ADMIN | \$1,969.62   | \$1,969.62  | \$0.00       | \$0.00        | \$0.00       |
| BLOOMFIELD HILLS         | \$1,570.01   | \$1,570.01  | \$0.00       | \$0.00        | \$0.00       |
| BLOOMFIELD TOWNSHIP      | \$7,197.71   | \$7,197.71  | \$0.00       | \$0.00        | \$0.00       |
| CANTON TOWNSHIP          | \$684,837.98 | \$36,253.88 | \$18,126.94  | \$0.00        | \$630,457.16 |
| DETROIT METRO WC AIRPORT | \$101.40     | \$101.40    | \$0.00       | \$0.00        | \$0.00       |
| CENTER LINE              | \$3,501.68   | \$3,501.68  | \$0.00       | \$0.00        | \$0.00       |
| CHESTERFIELD TOWNSHIP    | \$23,156.38  | \$23,156.38 | \$0.00       | \$0.00        | \$0.00       |
| CLINTON TOWNSHIP         | \$24,303.89  | \$24,303.89 | \$0.00       | \$0.00        | \$0.00       |
| DEARBORN                 | \$105,440.79 | \$70,293.86 | \$35,146.93  | \$0.00        | \$0.00       |
| DEARBORN HEIGHTS         | \$8,688.29   | \$8,688.29  | \$0.00       | \$0.00        | \$0.00       |
| EASTPOINTE               | \$12,272.78  | \$12,272.78 | \$0.00       | \$0.00        | \$0.00       |
| FARMINGTON               | \$3,837.99   | \$3,837.99  | \$0.00       | \$0.00        | \$0.00       |
| FARMINGTON HILLS         | \$23,142.86  | \$23,142.86 | \$0.00       | \$0.00        | \$0.00       |
| CITY OF FARMINGTON (E-F) | \$190.97     | \$190.97    | \$0.00       | \$0.00        | \$0.00       |
| CITY OF FERNDAL          | \$8,466.90   | \$8,466.90  | \$0.00       | \$0.00        | \$0.00       |
| FRASER                   | \$4,715.20   | \$4,715.20  | \$0.00       | \$0.00        | \$0.00       |
| GARDEN CITY              | \$5,803.46   | \$5,803.46  | \$0.00       | \$0.00        | \$0.00       |
| GROSSE POINTE PARK       | \$1,123.85   | \$1,123.85  | \$0.00       | \$0.00        | \$0.00       |
| GROSSE POINTE SHORES     | \$302.51     | \$302.51    | \$0.00       | \$0.00        | \$0.00       |
| GROSSE POINTE WOODS      | \$2,458.95   | \$2,458.95  | \$0.00       | \$0.00        | \$0.00       |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 12/31/19

| Customer Name              | Total Due    | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days    |
|----------------------------|--------------|-------------|--------------|---------------|--------------|
| GROSSE POINTE              | \$1,502.41   | \$1,502.41  | \$0.00       | \$0.00        | \$0.00       |
| GROSSE POINTE FARMS        | \$1,985.75   | \$1,985.75  | \$0.00       | \$0.00        | \$0.00       |
| HAMTRAMCK                  | \$3,968.12   | \$3,968.12  | \$0.00       | \$0.00        | \$0.00       |
| HARPER WOODS               | \$1,884.35   | \$1,884.35  | \$0.00       | \$0.00        | \$0.00       |
| HARRISON TWP               | \$3,009.89   | \$3,009.89  | \$0.00       | \$0.00        | \$0.00       |
| HAZEL PARK                 | \$3,063.97   | \$3,063.97  | \$0.00       | \$0.00        | \$0.00       |
| INKSTER                    | \$5,286.32   | \$5,286.32  | \$0.00       | \$0.00        | \$0.00       |
| KEEGO HARBOR               | \$664.17     | \$664.17    | \$0.00       | \$0.00        | \$0.00       |
| LENOX TOWNSHIP             | \$618.54     | \$618.54    | \$0.00       | \$0.00        | \$0.00       |
| LIVONIA                    | \$38,731.42  | \$38,731.42 | \$0.00       | \$0.00        | \$0.00       |
| MACOMB TWP                 | \$196.04     | \$196.04    | \$0.00       | \$0.00        | \$0.00       |
| MADISON HEIGHTS            | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| MELVINDALE                 | \$6,901.96   | \$6,901.96  | \$0.00       | \$0.00        | \$0.00       |
| NEW HAVEN                  | \$584.74     | \$584.74    | \$0.00       | \$0.00        | \$0.00       |
| NORTHVILLE                 | \$3,954.60   | \$3,883.62  | \$70.98      | \$0.00        | \$0.00       |
| NORTHVILLE TOWNSHIP        | \$164,318.05 | \$8,696.74  | \$4,348.37   | \$0.00        | \$151,272.94 |
| NOVI                       | \$16,512.99  | \$16,512.99 | \$0.00       | \$0.00        | \$0.00       |
| OAK PARK                   | \$6,465.94   | \$6,465.94  | \$0.00       | \$0.00        | \$0.00       |
| ORION TOWNSHIP (C-O)       | \$3,472.95   | \$3,472.95  | \$0.00       | \$0.00        | \$0.00       |
| ORION TOWNSHIP (C-O) ADMIN | \$441.69     | \$441.69    | \$0.00       | \$0.00        | \$0.00       |
| PLYMOUTH                   | \$3,707.86   | \$3,707.86  | \$0.00       | \$0.00        | \$0.00       |
| PLYMOUTH TOWNSHIP          | \$457,375.10 | \$24,207.56 | \$12,103.78  | \$0.00        | \$421,063.76 |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|-------------|-------------|--------------|---------------|-----------|
| REDFORD TOWNSHIP             | \$10,433.31 | \$10,433.31 | \$0.00       | \$0.00        | \$0.00    |
| ROCHESTER HILLS              | \$17,515.16 | \$17,515.16 | \$0.00       | \$0.00        | \$0.00    |
| SHELBY TOWNSHIP              | \$11,963.51 | \$11,963.51 | \$0.00       | \$0.00        | \$0.00    |
| LAKE ORION                   | \$763.88    | \$763.88    | \$0.00       | \$0.00        | \$0.00    |
| ROSEVILLE                    | \$14,054.04 | \$14,054.04 | \$0.00       | \$0.00        | \$0.00    |
| ROYAL OAK TOWNSHIP           | \$ (887.25) | \$0.00      | \$ (887.25)  | \$0.00        | \$0.00    |
| ROYAL OAK                    | \$13,102.57 | \$13,102.57 | \$0.00       | \$0.00        | \$0.00    |
| ST. CLAIR SHORES             | \$11,471.72 | \$11,471.72 | \$0.00       | \$0.00        | \$0.00    |
| STERLING HEIGHTS             | \$29,934.97 | \$29,934.97 | \$0.00       | \$0.00        | \$0.00    |
| TROY (SEOC)                  | \$35,464.65 | \$35,464.65 | \$0.00       | \$0.00        | \$0.00    |
| TROY (E-F)                   | \$365.04    | \$365.04    | \$0.00       | \$0.00        | \$0.00    |
| UTICA                        | \$5,717.27  | \$5,717.27  | \$0.00       | \$0.00        | \$0.00    |
| VAN BUREN TOWNSHIP           | \$1,755.91  | \$1,755.91  | \$0.00       | \$0.00        | \$0.00    |
| WEST BLOOMFIELD TWP (C-O)    | \$1,804.92  | \$1,804.92  | \$0.00       | \$0.00        | \$0.00    |
| WEST BLOOMFIELD TWP. (C-O) F | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| WEST BLOOMFIELD TWP (E-F)    | \$12,097.02 | \$12,097.02 | \$0.00       | \$0.00        | \$0.00    |
| WASHINGTON TOWNSHIP          | \$2,682.03  | \$2,682.03  | \$0.00       | \$0.00        | \$0.00    |
| WAYNE                        | \$4,770.87  | \$4,770.87  | \$0.00       | \$0.00        | \$0.00    |
| WESTLAND                     | \$21,569.47 | \$21,569.47 | \$0.00       | \$0.00        | \$0.00    |
| BERKLEY                      | \$3,004.82  | \$3,004.82  | \$0.00       | \$0.00        | \$0.00    |
| BEVERLY HILLS                | \$949.78    | \$949.78    | \$0.00       | \$0.00        | \$0.00    |
| BINGHAM FARMS                | \$1,008.93  | \$1,008.93  | \$0.00       | \$0.00        | \$0.00    |
| BIRMINGHAM (SEOC)            | \$10,645.31 | \$10,636.86 | \$8.45       | \$0.00        | \$0.00    |



## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due      | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days      |
|------------------------------|----------------|-------------|--------------|---------------|----------------|
| BIRMINGHAM (E-F)             | \$2,315.30     | \$2,315.30  | \$0.00       | \$0.00        | \$0.00         |
| CLARKSTON                    | \$263.64       | \$263.64    | \$0.00       | \$0.00        | \$0.00         |
| CLARKSTON (C-O) ADMIN        | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| CLAWSON                      | \$2,626.26     | \$2,626.26  | \$0.00       | \$0.00        | \$0.00         |
| HIGHLAND PARK                | \$1,699,128.25 | \$7,792.59  | \$3,932.63   | \$0.00        | \$1,687,403.03 |
| HUNTINGTON WOODS             | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| CHARTER TOWNSHIP OF INDEPENI | \$4,650.88     | \$4,650.88  | \$0.00       | \$0.00        | \$0.00         |
| INDEPENDENCE (C-O) ADMIN     | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| LATHRUP                      | \$1,336.79     | \$1,336.79  | \$0.00       | \$0.00        | \$0.00         |
| OAKLAND TOWNSHIP             | \$410.67       | \$410.67    | \$0.00       | \$0.00        | \$0.00         |
| ORCHARD LAKE VILLAGE         | \$381.94       | \$381.94    | \$0.00       | \$0.00        | \$0.00         |
| OXFORD TOWNSHIP              | \$961.61       | \$961.61    | \$0.00       | \$0.00        | \$0.00         |
| OXFORD VILLAGE               | \$1,196.52     | \$1,196.52  | \$0.00       | \$0.00        | \$0.00         |
| PLEASANT RIDGE               | \$260.26       | \$260.26    | \$0.00       | \$0.00        | \$0.00         |
| CITY OF ROCHESTER            | \$3,540.55     | \$3,540.55  | \$0.00       | \$0.00        | \$0.00         |
| SOUTHFIELD (E-F)             | \$27,065.35    | \$27,065.35 | \$0.00       | \$0.00        | \$0.00         |
| SOUTHFIELD (SEOC)            | \$3,711.24     | \$3,711.24  | \$0.00       | \$0.00        | \$0.00         |
| VILLAGE OF FRANKLIN          | \$62.53        | \$62.53     | \$0.00       | \$0.00        | \$0.00         |
| WATERFORD TOWNSHIP DPW       | \$11,831.69    | \$11,831.69 | \$0.00       | \$0.00        | \$0.00         |
| WATERFORD TOWNSHIP DPW (ADMI | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| ROMULUS                      | \$880.49       | \$880.49    | \$0.00       | \$0.00        | \$0.00         |

Balances as of 12/31/19

| Customer Name      | Total Due      | Current      | 46 - 74 Days | 75 - 104 Days | >105 Days      |
|--------------------|----------------|--------------|--------------|---------------|----------------|
| TOTAL IWC ACCOUNTS | \$3,631,210.22 | \$668,162.50 | \$72,850.83  | \$0.00        | \$2,890,196.89 |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days   |
|------------------------------|-------------|-------------|--------------|---------------|-------------|
| 3M COMPANY                   | \$4,519.46  | \$4,519.46  | \$0.00       | \$0.00        | \$0.00      |
| A & R PACKING CO., LLC       | \$9,568.58  | \$9,568.58  | \$0.00       | \$0.00        | \$0.00      |
| AACTRON                      | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ACADEMY PACKING CO.          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ACME RUSTPROOF               | \$68.27     | \$68.27     | \$0.00       | \$0.00        | \$0.00      |
| AEVITAS SPECIALITY SERVICES  | \$21,655.92 | \$21,655.92 | \$0.00       | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALGAL SCIENTIFIC CORPORATION | \$16,533.05 | \$0.00      | \$0.00       | \$0.00        | \$16,533.05 |
| ALL CHEM CORP, LLC.          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALPHA STAMPING COMPANY       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AMERICAN WASTE TECH INC.     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AMERITI MFG. CO.             | \$11,263.62 | \$11,263.62 | \$0.00       | \$0.00        | \$0.00      |
| ATWATER IN THE PARK          | \$0.00      | \$0.00      | \$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      |
| B. NEKTAR MEADERY            | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BAFFIN BREWING COMPANY       | \$470.45    | \$0.00      | \$121.80     | \$0.00        | \$348.65    |
| BARON INDUSTRIES             | \$1,671.46  | \$1,671.46  | \$0.00       | \$0.00        | \$0.00      |
| BARTZ BAKERY                 | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BASTONE BREWERY              | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BATCH BREWING COMPANY        | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days  |
|------------------------------|-------------|-------------|--------------|---------------|------------|
| BAYS MICHIGAN CORPORATION    | \$4.83      | \$4.83      | \$0.00       | \$0.00        | \$0.00     |
| BEIRUT BAKERY, INC.          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| BETTER MADE SNACK FOOD       | \$13,788.26 | \$13,788.26 | \$0.00       | \$0.00        | \$0.00     |
| BLACK LOTUS BREWING CO.      | \$61.25     | \$0.00      | \$61.25      | \$0.00        | \$0.00     |
| BOZEK'S MARKET               | \$74.00     | \$74.00     | \$0.00       | \$0.00        | \$0.00     |
| BREW DETROIT                 | \$5,843.53  | \$5,843.53  | \$0.00       | \$0.00        | \$0.00     |
| BROADWAY MKT CORNED BEEF     | \$17.08     | \$17.08     | \$0.00       | \$0.00        | \$0.00     |
| BROOKS BREWING, LLC.         | \$108.06    | \$0.00      | \$108.06     | \$0.00        | \$0.00     |
| BROWN IRON BREWHOUSE         | \$59.87     | \$0.00      | \$59.87      | \$0.00        | \$0.00     |
| CADILLAC STRAITS BREWING CO. | \$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        | \$3.13      | \$1.51      | \$0.00       | \$0.00        | \$1.62     |
| CF BURGER CREAMERY           | \$18,348.07 | \$18,348.07 | \$0.00       | \$0.00        | \$0.00     |
| CHILANGO'S BAKERY            | \$1,589.96  | \$114.20    | \$48.26      | \$25.74       | \$1,401.76 |
| CINTAS CORP. - MACOMB TWP.   | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| CINTAS CORPORATION           | \$23,776.86 | \$23,776.86 | \$0.00       | \$0.00        | \$0.00     |
| CINTAS CORPORATION           | \$11,924.54 | \$11,924.54 | \$0.00       | \$0.00        | \$0.00     |
| CITY LAUNDRY, INC.           | \$1.20      | \$1.20      | \$0.00       | \$0.00        | \$0.00     |
| CLASSIC CONTAINER CORP.      | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| COCA-COLA REFRESHMENTS USA,  | \$1,967.75  | \$1,967.75  | \$0.00       | \$0.00        | \$0.00     |
| COSTCO WHOLESALE STORE       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| COSTCO WHOLESALE STORE       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|-------------|-------------|--------------|---------------|-----------|
| COSTCO WHOLESALE STORE       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| COSTCO WHOLESALE STORE       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| COUNTRY FRESH DAIRY CO.      | \$7,303.99  | \$3,341.59  | \$3,962.40   | \$0.00        | \$0.00    |
| CROSS CHEMICAL COMPANY, INC. | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| DARLING INGREDIENTS, INC.    | \$19,866.86 | \$19,866.86 | \$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     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| DETROIT RIVERTOWN BREWERY CC | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| DETROIT SAUSAGES CO INC      | \$39.84     | \$25.61     | \$14.23      | \$0.00        | \$0.00    |
| DETRONIC INDUSTRIES, INC.    | \$75.88     | \$75.88     | \$0.00       | \$0.00        | \$0.00    |
| DIFCO LABORATORIES, INC.     | \$21,498.54 | \$21,498.54 | \$0.00       | \$0.00        | \$0.00    |
| DIVERSIFIED CHEM TECH. INC.  | \$140.37    | \$140.37    | \$0.00       | \$0.00        | \$0.00    |
| DOMESTIC UNIFORM RENTAL      | \$1,792.32  | \$1,792.32  | \$0.00       | \$0.00        | \$0.00    |
| DOMESTIC UNIFORM RENTAL      | \$706.57    | \$706.57    | \$0.00       | \$0.00        | \$0.00    |
| DOWNEY BREWING COMPANY       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| E.W. GROBBEL'S SONS, INC.    | \$4,462.38  | \$4,462.38  | \$0.00       | \$0.00        | \$0.00    |
| EASTERN MARKET BREWING COMPF | \$180.65    | \$0.00      | \$180.65     | \$0.00        | \$0.00    |
| ENVIROSOLIDS, L.L.C.         | \$27,444.06 | \$0.00      | \$27,444.06  | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|-------------|-------------|--------------|---------------|-----------|
| EQ DETROIT, INC.             | \$1,553.73  | \$1,553.73  | \$0.00       | \$0.00        | \$0.00    |
| EQ DETROIT, INC.             | \$19,907.60 | \$19,907.60 | \$0.00       | \$0.00        | \$0.00    |
| EQ DETROIT, INC.             | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| EQ DETROIT, INC.             | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| ETON ST BREWERY- GRIFFIN CLF | \$ (0.10)   | \$0.00      | \$0.00       | \$ (0.10)     | \$0.00    |
| EXTRUDE HONE CORPORATION     | \$186.07    | \$186.07    | \$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.        | \$15,008.99 | \$15,008.99 | \$0.00       | \$0.00        | \$0.00    |
| FORD NEW MODEL PROGRAM       | \$497.99    | \$497.99    | \$0.00       | \$0.00        | \$0.00    |
| FOUNDERS BREWING COMPANY     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| FRESH-PAK                    | \$ (62.83)  | \$ (62.83)  | \$0.00       | \$0.00        | \$0.00    |
| FRESH-PAK                    | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| G2O ENERGY, LLC              | \$1,961.84  | \$1,961.84  | \$0.00       | \$0.00        | \$0.00    |
| GENERAL LINEN SUPPLY CO.     | \$16,084.96 | \$16,084.96 | \$0.00       | \$0.00        | \$0.00    |
| GLOBAL TITANIUM, INC.        | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| GRANITE CITY FOOD & BREWERY  | \$ (100.13) | \$0.00      | \$ (100.13)  | \$0.00        | \$0.00    |
| GRANITE CITY FOOD & BREWERY  | \$53.43     | \$0.00      | \$53.43      | \$0.00        | \$0.00    |
| GRANITE CITY FOOD & BREWERY  | \$185.02    | \$0.00      | \$90.90      | \$0.00        | \$94.12   |
| GREAT BARABOO BREWING CO.    | \$110.25    | \$0.00      | \$110.25     | \$0.00        | \$0.00    |
| HACIENDA MEXICAN FOODS       | \$2,732.45  | \$1,159.90  | \$524.65     | \$847.94      | \$199.96  |
| HENKEL CORPORATION           | \$220.21    | \$220.21    | \$0.00       | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current    | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|-------------|------------|--------------|---------------|-----------|
| HOME STYLE FOOD INC.         | \$6,042.16  | \$6,042.16 | \$0.00       | \$0.00        | \$0.00    |
| HOMEGROWN BREWING COMPANY    | \$0.00      | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| HOODS CLEANERS               | \$211.33    | \$0.00     | \$0.00       | \$0.00        | \$211.33  |
| HOUGHTON INTERNATIONAL INC.  | \$203.63    | \$203.63   | \$0.00       | \$0.00        | \$0.00    |
| HOUGHTON INTERNATIONAL INC.  | \$128.83    | \$128.83   | \$0.00       | \$0.00        | \$0.00    |
| HOUGHTON INTERNATIONAL INC.  | \$2,169.30  | \$2,169.30 | \$0.00       | \$0.00        | \$0.00    |
| HUNTINGTON CLEANERS          | \$0.00      | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| IDP, INC.                    | \$169.79    | \$169.79   | \$0.00       | \$0.00        | \$0.00    |
| INDUSTRIAL METAL COATING     | \$673.64    | \$673.64   | \$0.00       | \$0.00        | \$0.00    |
| ISLAMIC SLAUGHTER HOUSE      | \$793.71    | \$793.71   | \$0.00       | \$0.00        | \$0.00    |
| ITALIAN BUTTER BREAD STICKS  | \$11.26     | \$11.26    | \$0.00       | \$0.00        | \$0.00    |
| J & G FOOD PRODUCTS, INC.    | \$2.85      | \$2.85     | \$0.00       | \$0.00        | \$0.00    |
| JAMEX BREWING CO.            | \$40.38     | \$0.00     | \$40.38      | \$0.00        | \$0.00    |
| KAR NUT PRODUCTS             | \$0.00      | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| KOWALSKI SAUSAGES, CO.       | \$860.88    | \$860.88   | \$0.00       | \$0.00        | \$0.00    |
| KUHNHENN BREWING             | \$0.00      | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| LA MICHOACANA FLOUR TORTILLA | \$1,415.12  | \$1,415.12 | \$0.00       | \$0.00        | \$0.00    |
| LA MICHOACANA FLOUR TORTILLA | \$69.98     | \$69.98    | \$0.00       | \$0.00        | \$0.00    |
| LEAR CORPORATION DBA EAGLE C | \$4,714.62  | \$4,714.62 | \$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.              | \$2,094.92  | \$2,094.92 | \$0.00       | \$0.00        | \$0.00    |
| MCCLURE'S PICKLES            | \$13,624.62 | \$586.06   | \$470.46     | \$12,568.10   | \$0.00    |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due    | Current      | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|--------------|--------------|--------------|---------------|-----------|
| MCNICHOLS POLISHING & ANODIZ | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| MELLO MEATS INC, - KUBISCH S | \$56.92      | \$56.92      | \$0.00       | \$0.00        | \$0.00    |
| METROPOLITAN BAKERY          | \$677.19     | \$677.19     | \$0.00       | \$0.00        | \$0.00    |
| MIBA HYDRAMECHANICA CORP.    | \$183.11     | \$183.11     | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN DAIRY               | \$191,717.76 | \$191,717.76 | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN PROD. MACHINING     | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN SOY PRODUCTS CO.    | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| MIDWEST WIRE PRODUCTS, INC.  | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| MILANO BAKERY                | \$707.60     | \$707.60     | \$0.00       | \$0.00        | \$0.00    |
| MILTON CHILI CO.             | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| MINNIE MARIE BAKERS, INC     | \$5,835.43   | \$5,835.43   | \$0.00       | \$0.00        | \$0.00    |
| MISTER UNIFORM & MAT RENTALS | \$36.15      | \$3.49       | \$2.78       | \$1.75        | \$28.13   |
| MOTOR CITY BREWING WORKS     | \$1,135.06   | \$0.00       | \$178.07     | \$0.00        | \$956.99  |
| NATIONAL CHILI COMPANY       | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| NORTH CENTER BREWING COMPANY | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| NORTHERN LAKES SEAFOOD & MEZ | \$38.44      | \$38.44      | \$0.00       | \$0.00        | \$0.00    |
| OAKWOOD BAKERY               | \$312.96     | \$312.96     | \$0.00       | \$0.00        | \$0.00    |
| PARKER'S HILLTOP BREWER & SE | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| PELLERITO FOODS INC.         | \$2,379.19   | \$2,379.19   | \$0.00       | \$0.00        | \$0.00    |
| PEPSI COLA, INC.             | \$108,136.55 | \$69,790.70  | \$38,345.85  | \$0.00        | \$0.00    |
| PERSONAL UNIFORM SERVICE, IN | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |
| PETRO ENVIRON TECH, INC.     | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00    |



## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due     | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days     |
|------------------------------|---------------|-------------|--------------|---------------|---------------|
| PINE TREE ACRES, INC.        | \$62,854.49   | \$62,854.49 | \$0.00       | \$0.00        | \$0.00        |
| PLATING SPEC                 | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| POWER VAC OF MICHIGAN, INC.  | \$170.59      | \$170.59    | \$0.00       | \$0.00        | \$0.00        |
| PREMIER PLATING, LLC         | \$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          | \$1,256.25    | \$1,256.25  | \$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       | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| RIVER ROUGE BREWING COMPANY  | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| ROAK BREWING CO. LLC         | \$757.25      | \$0.00      | \$757.25     | \$0.00        | \$0.00        |
| ROCHESTER MILLS BEER COMPANY | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| ROCHESTER MILLS PROD BREWERY | \$1,543.04    | \$0.00      | \$1,543.04   | \$0.00        | \$0.00        |
| RTT                          | \$27,772.36   | \$0.00      | \$0.00       | \$0.00        | \$27,772.36   |
| SEAFARE FOODS, INC.          | \$87.91       | \$87.91     | \$0.00       | \$0.00        | \$0.00        |
| SHERWOOD BREWING COMPANY     | \$934.47      | \$0.00      | \$100.35     | \$0.00        | \$834.12      |
| SMITH-WATKINS, LLC           | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| SPRAYTEK, INC.               | \$30.96       | \$30.96     | \$0.00       | \$0.00        | \$0.00        |
| SUPERNATURAL SPIRITS & BREWI | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| SWEETHEART BAKERY, INC.      | \$1,869.67    | \$158.29    | \$88.59      | \$75.52       | \$1,547.27    |
| THE CROWN GROUP-LIVONIA PLAN | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| THE ROYAL OAK BREWERY        | \$ (1,031.09) | \$0.00      | \$0.00       | \$0.00        | \$ (1,031.09) |
| TOM LAUNDRY CLEANERS         | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| TRAFFIC JAM & SNUG           | \$41.66       | \$0.00      | \$21.00      | \$0.00        | \$20.66       |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 12/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days  |
|------------------------------|-------------|-------------|--------------|---------------|------------|
| 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.                | \$1,180.80  | \$1,180.80  | \$0.00       | \$0.00        | \$0.00     |
| UNCLE RAYS SNACKS, LLC       | \$58,507.87 | \$58,507.87 | \$0.00       | \$0.00        | \$0.00     |
| UNCLE RAYS SNACKS, LLC       | \$1,964.01  | \$1,964.01  | \$0.00       | \$0.00        | \$0.00     |
| UNIQUE LINEN SERVICES, INC.  | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| UNITED FISH DISTRIBUTORS     | \$9.44      | \$9.44      | \$0.00       | \$0.00        | \$0.00     |
| UNITED LINEN SERVICE, LLC.   | \$277.79    | \$277.79    | \$0.00       | \$0.00        | \$0.00     |
| UNITED MEAT & DELI           | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| URBANREST BREWING COMPANY    | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| US ECOLOGY MICHIGAN          | \$712.21    | \$712.21    | \$0.00       | \$0.00        | \$0.00     |
| US ECOLOGY ROMULUS, INC.     | \$3,557.03  | \$3,557.03  | \$0.00       | \$0.00        | \$0.00     |
| USHER OIL SERVICES           | \$4,536.53  | \$4,536.53  | \$0.00       | \$0.00        | \$0.00     |
| VALICOR ENVIROMENTAL SERVICE | \$702.28    | \$702.28    | \$0.00       | \$0.00        | \$0.00     |
| VERNDALE PRODUCTS            | \$9,028.37  | \$9,028.37  | \$0.00       | \$0.00        | \$0.00     |
| VERNDALE PRODUCTS, INC.      | \$241.38    | \$241.38    | \$0.00       | \$0.00        | \$0.00     |
| VERNOR FOOD PRODUCTS         | \$ (36.26)  | \$0.00      | \$0.00       | \$0.00        | \$ (36.26) |
| WIGLEY'S MEAT PROCESS        | \$637.48    | \$637.48    | \$0.00       | \$0.00        | \$0.00     |
| WINTER SAUSAGE MFG. CO.      | \$887.92    | \$887.92    | \$0.00       | \$0.00        | \$0.00     |
| WINTER SAUSAGE MFG. CO.      | \$145.14    | \$145.14    | \$0.00       | \$0.00        | \$0.00     |
| WOLVERINE PACKING CO         | \$9,336.65  | \$9,336.65  | \$0.00       | \$0.00        | \$0.00     |
| WOLVERINE PACKING CO.        | \$3,144.73  | \$3,144.73  | \$0.00       | \$0.00        | \$0.00     |

Balances as of 12/31/19

| Customer Name                      | Total Due    | Current      | 46 - 74 Days | 75 - 104 Days | >105 Days   |
|------------------------------------|--------------|--------------|--------------|---------------|-------------|
| WOODWARD AVENUE BREWERS            | \$0.00       | \$0.00       | \$0.00       | \$0.00        | \$0.00      |
| TOTAL POLLUTANT SURCHARGE ACCOUNTS | \$820,734.45 | \$684,105.38 | \$74,227.45  | \$13,518.95   | \$48,882.67 |

## City of Highland Park Billings and Collections

|  | <u>Water</u>               | <u>Sewer</u>                | <u>IWC</u>                 | <u>Cumulative<br/>Total</u> |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|
| 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                       | <u>(65,652)</u>            | <u>(2,206,211)</u>          | <u>-</u>                   | <u>(2,271,863)</u>          |
|  |                            |                             |                            | -                           |
| 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                       | <u>-</u>                   | <u>(1,612,633)</u>          | <u>-</u>                   | <u>(1,612,633)</u>          |
|  |                            |                             |                            | -                           |
| 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                       | <u>-</u>                   | <u>(1,444,623)</u>          | <u>-</u>                   | <u>(1,444,623)</u>          |
|  |                            |                             |                            | -                           |
| 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                       | <u>-</u>                   | <u>(2,022,335)</u>          | <u>-</u>                   | <u>(2,022,335)</u>          |
|  |                            |                             |                            | -                           |
| June 30, 2016 Balance                  | \$ 3,589,803               | \$ 26,055,521               | \$ 1,441,551               | \$ 31,086,875               |
| FY 2017 Billings                       | 1,245,267                  | 5,802,000                   | 101,999                    | 7,149,265                   |
| FY 2017 Payments                       | <u>-</u>                   | <u>(2,309,186)</u>          | <u>-</u>                   | <u>(2,309,186)</u>          |
|  |                            |                             |                            | -                           |
| June 30, 2017 Balance                  | \$ 4,835,070               | \$ 29,548,335               | \$ 1,543,550               | \$ 35,926,954               |
| FY 2018 Billings                       | 1,277,179                  | 5,657,101                   | 80,472                     | 7,014,752                   |
| FY 2018 Payments                       | <u>-</u>                   | <u>(4,108,108)</u>          | <u>-</u>                   | <u>(4,108,108)</u>          |
|  |                            |                             |                            | -                           |
| June 30, 2018 Balance                  | \$ 6,112,248               | \$ 31,097,327               | \$ 1,624,022               | \$ 38,833,597               |
| FY 2019 Billings (12 Months)           | 1,238,797                  | 5,617,100                   | 51,220                     | 6,907,117                   |
| FY 2019 Payments (12 Months)           | <u>-</u>                   | <u>(5,241,583)</u>          | <u>-</u>                   | <u>(5,241,583)</u>          |
|  |                            |                             |                            | -                           |
| June 30, 2019 Balance                  | \$ 7,351,045               | \$ 31,472,844               | \$ 1,675,243               | \$ 40,499,132               |
| FY 2020 Billings (6 Months)            | 626,273                    | 2,830,400                   | 23,886                     | 3,480,559                   |
| FY 2020 Payments (6 Months)            | <u>-</u>                   | <u>(656,657)</u>            | <u>-</u>                   | <u>(656,657)</u>            |
|  |                            |                             |                            | -                           |
| <b>Balance as of December 31, 2019</b> | <b><u>\$ 7,977,318</u></b> | <b><u>\$ 33,646,587</u></b> | <b><u>\$ 1,699,129</u></b> | <b><u>\$ 43,323,034</u></b> |



## **Financial Services Audit Committee Communication**

**Date:** March 27, 2020

**To:** Great Lakes Water Authority Audit Committee

**From:** Andrew Sosnoski, Manager, Construction Accounting & Financial Reporting

**Re:** FY 2020 Q2 Construction Work-in-Progress Report through December 31, 2019  
(Unaudited)

**Background:** The quarterly construction work-in-progress (CWIP) provides information and analysis related to the execution of the Great Lakes Water Authority capital improvement program (CIP).

**Analysis:** The attached documents summarize the FY 2020 Q2 CWIP activity and provides a detailed snapshot to inform decision makers and stakeholders.

**Proposed Action:** Receive and file this report.



**Construction Work-in-Progress Quarterly Report  
(Unaudited)**

**As of December 31, 2019**

**For questions, please contact:**

**Andrew Sosnoski**

**Construction Accounting and Financial Reporting Manager**

**Phone: 313.999.2585**

**Email: [Andrew.Sosnoski@glwater.org](mailto:Andrew.Sosnoski@glwater.org)**

**Issued 3.20.2020**

## **Table of Contents**

|  |           |
|--|-----------|
| <b>Introduction.....</b>                       | <b>1</b>  |
| <b>Water system .....</b>                      | <b>3</b>  |
| Executive Summary .....                        | 3         |
| Construction Work-in-Progress Rollforward..... | 4         |
| FY 2020 Project Amendment Summary.....         | 9         |
| <b>Wastewater system .....</b>                 | <b>11</b> |
| Executive Summary .....                        | 11        |
| Construction Work-in-Progress Rollforward..... | 12        |
| FY 2020 Project Amendment Summary.....         | 17        |

**December 20, 2019****To Our Stakeholders:**

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of December 31, 2019. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2020–2024 Capital Improvement Plan (CIP) and look to inform decision makers as we finalize the FY 2021–2025 CIP.

As we continue to refine this report to better communicate pertinent information to inform decision makers and stakeholders, content and formatting may be changed. With the summary of active projects now regularly being reported to the Capital Planning Committee the project highlights previously being reported have been removed from this report.

**Report Contents and Organization**

This report is divided into two sections: one for the Water System and one for the Wastewater System as identified in the table of contents. Each section includes analysis and reporting of the following:

*Executive Summary:* Presentation of spend information is necessary to report our progress on CIP projects.

*Construction Work-in-Progress Rollforward:* This table provides a list of all projects in the CIP along with financial activity. This table may be used to revisit priorities, workload, and phasing.

*Project Amendment Summary:* The award of CIP contracts and the related execution thereof may result in deviations from the amount and timing of project activity. Project amendments are prepared to fund the related increase or decrease with either an adjustment to Capital Reserve or Program / Allowance accounts to amend the board approved fiscal year CIP accordingly and to inform decision makers in the development of future Capital Improvement Plans.



## Financial Information

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through December 31, 2019. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

## Budget vs. Plan

Generally, GLWA's CIP projects span two or more fiscal years. The GLWA Board of Directors adopts a biennial "budget" and a five-year capital improvement "plan".

- ✓ The adopted **budget** relates to operations and maintenance expense, annual fixed commitments such as debt service, and incremental adjustments to reserves. The budget provides authority to spend within defined amounts. The budget is also referred to as the "revenue requirement" for the utility.
- ✓ After contracts are awarded at amounts variant from the CIP plan and more reliable anticipated spend data becomes available, the amended budget for the current fiscal year may increase or decrease by way of "Capital Reserve" budget amendments.
- ✓ The five-year capital improvement **plan** is a rolling plan that is updated at an administrative tracking level as projects move from estimated to actual bid numbers. An updated mid-cycle CIP would be presented to the Board for approval if the prioritization strategy was revised and/or the plan was in need of material revisions.
- ✓ In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

## WATER SYSTEM

### Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2020-2024 and related CIP Plan for FY 2020 were based on anticipation of FY 2020 activity resulting in 75% of planned spend. The Water System spend for the period ending December 31, 2019 is 41.7% of the FY 2020 prorated board approved CIP, 46.4% of the FY 2020 prorated board approved CIP with project amendments, and 55.6% of the FY 2020 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2020 Board Approved CIP was amended from \$143,247,000 to \$ 128,871,025 is provided in the subsequent Project Amendment Summary section of this report.

| Water System Projects                              |    | FY 2019 CIP | FY 2019 Activity | FY 2019 Percentage | FY 2020 CIP    | FY 2020 Prorated (Six Months) | FY 2020 Activity (Unaudited) | FY 2020 Percentage |
|--|----|-------------|------------------|--------------------|----------------|-------------------------------|------------------------------|--------------------|
| FY 2019 Board Approved CIP                         | \$ | 66,038,000  | \$               | 61,583,574         | 93.3%          |                               |                              |                    |
| FY 2019 Board Approved CIP With Project Amendments |    | 72,348,044  |                  | 61,583,574         | 85.1%          |                               |                              |                    |
| FY 2020 Board Approved CIP                         |    |             |                  |                    | \$ 143,247,000 | \$ 71,623,500                 | \$ 29,887,218                | 41.7%              |
| FY 2020 Board Approved CIP With Project Amendments |    |             |                  |                    | 128,871,025    | \$ 64,435,513                 | 29,887,218                   | 46.4%              |
| FY 2020 Capital Spend Rate Assumption (SRA)        |    |             |                  |                    | 107,435,250    | \$ 53,717,625                 | 29,887,218                   | 55.6%              |

## Construction Work-in-Progress Rollforward

The purpose of the construction work-in-progress (CWIP) rollforward is to analyze the current year activity for each project in relation to the overall capital improvement program as well as the project portfolio overall.

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2020 2nd quarter for the following projects:

| <u>Project</u> | <u>Contract</u> | <u>Description</u>  |
|----------------|-----------------|---|
| 122001         | WS-681          | 42-Inch Parallel Water Main   |
| 122009         | WS-691          | Water System Improvements in Joy Road from Southfield Road to Trinity |

**\$171.6** million is in CWIP as of December 31, 2019 as shown in the table beginning on the next page.

The order of the report on the subsequent pages is in ascending order by CIP project number.

Great Lakes Water Authority  
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

# Water System Construction Work-in-Progress Quarterly Report

As of December 31, 2019

| Project | Project Name   | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31,<br>2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|---------|--|---|------------------------------|----------------------------------|--|--|---|--------------------------------------|--|---|
| 111001  | Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements      | \$ 52,388,000   | \$ 14,083                    | \$ 401,000                       | \$ 493,500   | \$ 20,498  | \$ -  | \$ 34,581                            | \$ 34,581  | 0%  |
| 111002  | LHWTP Backflow Replacement   | 8,324,000   | 6,836,980                    | 1,882,000                        | 1,882,000  | 1,443,750  | 155,348   | 8,280,730                            | 8,436,078  | 101%  |
| 111004  | Electrical Tunnel Rehabilitation at Lake Huron WTP                                     | 4,749,000   | 2,768,607                    | 4,296,000                        | 1,275,214  | 1,056,798  | -   | 3,825,405                            | 3,825,405  | 81%   |
| 111006  | Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake | 10,789,000  | 777,960                      | 3,333,000                        | 3,333,000  | 262,882  | -   | 1,040,842                            | 1,040,842  | 10%   |
| 111007  | Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements         | 9,799,000   | 639,986                      | 4,660,000                        | 3,738,368  | 2,117,689  | -   | 2,757,675                            | 2,757,675  | 28%   |
| 111008  | LHWTP Architectural Programming - Lab  | 300,000   | -                            | -                                | -  | 110  | -   | 110                                  | 110  | 0%  |
| 111009  | Lake Huron WTP-35 MGD HLP, Flow Meters   | 26,106,000  | 35,864                       | 9,030,000                        | 9,030,000  | 44,180   | -   | 80,044                               | 80,044   | 0%  |
| 112002  | Low Lift Pumping Plant Caisson Rehabilitation at Northeast WTP                         | 1,565,000   | 1,134,767                    | 203,000                          | 203,000  | 21,786   | -   | 1,156,553                            | 1,156,553  | 74%   |
| 112003  | NE WTP High Lift Pumping Electrical  | 62,234,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 112005  | Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits     | 813,000   | 13,356                       | 166,000                          | 310,000  | 2,022  | -   | 15,378                               | 15,378   | 2%  |
| 112006  | Northeast Water Treatment Plant Flocculator Replacements                               | 2,718,000   | 2,891                        | 1,356,000                        | 1,356,000  | 28,643   | -   | 31,534                               | 31,534   | 1%  |
| 113002  | High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP                  | 5,432,000   | 2,479,490                    | 2,876,000                        | 3,028,000  | 1,826,843  | -   | 4,306,334                            | 4,306,334  | 79%   |
| 113003  | Replacement of Butterfly Valves  | 148,286,000   | -                            | -                                | -  | 110  | -   | 110                                  | 110  | 0%  |
| 113004  | Residual Handling Facility's Decant Flow Modifications at Southwest WTP                | 898,000   | -                            | 380,000                          | 380,000  | 1,822  | 853,219   | 1,822                                | 855,041  | 95%   |
| 113006  | SW WTP Chloring Scrubber   | 7,032,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 113007  | Architectural and Building Mechanical  | 37,336,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 114001  | Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities  | 97,288,000  | 73,955,623                   | -                                | 1,255,609  | 3,550,074  | 22,738,455  | 77,505,698                           | 100,244,153  | 103%  |
| 114002  | Springwells Water Treatment Plant - Low Lift and High Lift Pump Station                | 114,816,000   | 2,080,861                    | 5,985,000                        | 6,308,877  | 725,873  | -   | 2,806,735                            | 2,806,735  | 2%  |
| 114003  | Water Production Flow Metering Improvements at NE, SW, and SPW WTP                     | 7,105,000   | 6,331,921                    | 80,000                           | 713,282  | 891,578  | -   | 7,223,499                            | 7,223,499  | 102%  |
| 114005  | Springwells WTP Admin Building Improvements  | 8,125,000   | 10,555                       | 413,000                          | 527,664  | 437,705  | -   | 448,260                              | 448,260  | 6%  |
| 114006  | Replacement of Rapid Mix Units at Springwells WTP 1958 Process Train                   | 1,124,000   | 0                            | 61,000                           | 61,000   | 9,390  | 1,021,039   | 9,390                                | 1,030,429  | 92%   |
| 114007  | Powder Activated Carbon Systems  | 3,938,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 114008  | 1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP | 17,125,000  | 195,644                      | 4,153,000                        | 2,185,000  | 615,597  | -   | 811,240                              | 811,240  | 5%  |
| 114009  | Springwells Water Treatment Plant Service Area Redundancy Study                        | 311,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 114010  | Yard Piping Improvements   | 110,650,000   | 3,947                        | -                                | -  | 8,434  | -   | 12,380                               | 12,380   | 0%  |

Great Lakes Water Authority  
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

# Water System Construction Work-in-Progress Quarterly Report

As of December 31, 2019

| Project | Project Name  | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31,<br>2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|---------|---|---|------------------------------|----------------------------------|--|--|---|--------------------------------------|--|---|
| 114011  | Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP         | 24,989,000  | 2,373,087                    | 5,392,000                        | 5,453,373  | 4,320,279  | -   | 6,693,366                            | 6,693,366  | 27%   |
| 114012  | Springwells Water Treatment Plant 1930 Filter Building-Roof Replacement                     | 3,912,000   | -                            | -                                | -  | -  | 3,911,148   | -                                    | 3,911,148  | 100%  |
| 114013  | Springwells Reservoir Fill Line Improvements  | 4,732,000   | 2,829,864                    | 1,551,000                        | 1,551,000  | 542,116  | -   | 3,371,981                            | 3,371,981  | 71%   |
| 114015  | Emergency Grating Replacement at Springwells WTP  | 3,466,000   | -                            | -                                | -  | -  | 3,365,903   | -                                    | 3,365,903  | 97%   |
| 114016  | Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement | 862,000   | 802                          | 206,000                          | 206,000  | 2,271  | -   | 3,072                                | 3,072  | 0%  |
| 114017  | Springwells Water Treatment Plant Flocculator Drive Replacement                             | 2,328,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 115001  | Yard Piping, Valves and Venturi Meters Replacement at Water Works Park                      | 53,580,000  | 1,758,683                    | 17,333,000                       | 17,333,000   | 475,213  | -   | 2,233,897                            | 2,233,897  | 4%  |
| 115003  | Comprehensive Condition Assessment at Waterworks Park WTP                                   | 855,000   | 513,538                      | 153,000                          | 153,000  | 55,898   | -   | 569,437                              | 569,437  | 67%   |
| 115004  | ater Works Park WTP Chlorine System Upgrade   | 8,771,000   | 6,685,754                    | 2,047,000                        | 2,047,000  | 207,182  | -   | 6,892,936                            | 6,892,936  | 79%   |
| 115005  | WWP WTP Building Ventilation Improvements   | 5,071,000   | -                            | 507,000                          | 507,000  | 517  | -   | 517                                  | 517  | 0%  |
| 116002  | Pennsylvania, Springwells and Northeast Raw Water Supply Tunnel Improvements based on       | 30,090,000  | 10,200,085                   | 5,467,000                        | 5,467,000  | 118,489  | -   | 10,318,574                           | 10,318,574   | 34%   |
| 122001  | Parallel 42-Inch Main in 24 Mile Road from Rochester Station to Romeo Plank Road            | 33,566,000  | 33,241,721                   | -                                | -  | -  | 33,241,721  | -                                    | 33,241,721   | 99%   |
| 122002  | Replacement of Five (5) PRV Pits of Treated Water Transmission System                       | 2,648,000   | -                            | -                                | -  | -  | 2,785,001   | -                                    | 2,785,001  | 105%  |
| 122003  | New Waterworks Park to Northeast Transmission Main  | 133,272,000   | 2,615,193                    | 871,000                          | 658,233  | 901,588  | -   | 3,516,781                            | 3,516,781  | 3%  |
| 122004  | 96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main              | 132,666,000   | 1,787,389                    | 5,000,000                        | 5,000,000  | 13,133   | -   | 1,800,523                            | 1,800,523  | 1%  |
| 122005  | Replacement Schoolcraft Watermain   | 18,062,000  | 141,171                      | 8,100,000                        | 2,328,644  | 10,589   | -   | 151,760                              | 151,760  | 1%  |
| 122006  | Transmission System Water Main Work-Wick Road Parallel Water Main                           | 31,918,000  | 416,882                      | 18,028,000                       | 8,401,361  | 754,646  | -   | 1,171,527                            | 1,171,527  | 4%  |
| 122007  | Design and Construction of a new Newburgh Road 24" Main along Newburgh Road between Ch      | 5,239,000   | 783                          | -                                | -  | 802  | -   | 1,585                                | 1,585  | 0%  |
| 122009  | Water System Improvements in Joy Road from Southfield Road to Trinity                       | 107,000   | 106,881                      | -                                | -  | -  | 106,881   | -                                    | 106,881  | 100%  |
| 122011  | Park-Merriman Water Main-Final Phase  | 8,203,000   | 986,024                      | 4,737,000                        | 3,937,000  | 799,486  | -   | 1,785,510                            | 1,785,510  | 22%   |
| 122012  | 36-inch Water Main in Telegraph Road  | 9,573,000   | -                            | -                                | -  | -  | 9,986,284   | -                                    | 9,986,284  | 104%  |
| 122013  | Lyon Township Transmission Main Extension Project   | 54,426,000  | 637,635                      | 751,000                          | 2,628,978  | 1,799,085  | -   | 2,436,720                            | 2,436,720  | 4%  |
| 122016  | Downriver Transmission Loop   | 37,197,000  | 24,251                       | 297,000                          | 820,965  | 7,729  | -   | 31,980                               | 31,980   | 0%  |

Great Lakes Water Authority  
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

# Water System Construction Work-in-Progress Quarterly Report

As of December 31, 2019

| Project | Project Name  | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31,<br>2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|---------|---|---|------------------------------|----------------------------------|--|--|---|--------------------------------------|--|---|
| 122017  | 7 Mile/Nevada Transmission Main Rehab and<br>Carrie/Nevada Flow Control Station           | 20,500,000  | -                            | 1,040,000                        | 1,040,000  | -  | -   | -                                    | -  | 0%  |
| 132001  | Wick Road Station Rehabilitation  | 165,000   | 135,073                      | -                                | -  | -  | -   | 135,073                              | 135,073  | 82%   |
| 132003  | Isolation Gate Valves for Line Pumps for West<br>Service Center Pumping Station           | 1,814,000   | 247,754                      | 490,000                          | 1,522,316  | 771,218  | -   | 1,018,972                            | 1,018,972  | 56%   |
| 132004  | Hydraulic Surge Control for North Service<br>Center Pumping Station                       | 215,000   | 214,771                      | -                                | -  | -  | -   | 214,771                              | 214,771  | 100%  |
| 132006  | Pressure and Control Improvements at the<br>Electric, Ford Road, Michigan, and West Chica | 2,929,000   | 289,594                      | 2,515,000                        | 2,399,138  | 296,487  | -   | 586,081                              | 586,081  | 20%   |
| 132007  | Energy Management: Freeze Protection<br>Pump Installation at Imlay Pumping Station        | 2,160,000   | 97,185                       | 592,000                          | 592,000  | 19,837   | -   | 117,022                              | 117,022  | 5%  |
| 132008  | Needs Assessment Study for all Water<br>Booster Pumping Stations                          | 1,677,000   | 1,838,406                    | -                                | -  | 1,881  | -   | 1,840,287                            | 1,840,287  | 110%  |
| 132010  | West Service Center/Duval Rd Division Valve<br>Upgrades                                   | 37,136,000  | 607,504                      | 2,620,000                        | 2,620,000  | 13,688   | -   | 621,192                              | 621,192  | 2%  |
| 132012  | Ypsilanti PS Improvements   | 9,861,000   | 20,539                       | 585,000                          | 510,490  | 3,374  | -   | 23,913                               | 23,913   | 0%  |
| 132014  | Adams Road Booster Pumping Improvements   | 5,674,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132015  | Newburgh BPS  | 12,169,000  | 2,811                        | 16,000                           | 458,245  | 1,726  | -   | 4,537                                | 4,537  | 0%  |
| 132016  | North Service Center BPS Improvements   | 24,920,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132017  | North Service Center BPS - On-Site & Off  | 5,076,000   | -                            | 6,000                            | 6,000  | -  | -   | -                                    | -  | 0%  |
| 132018  | Schoolcraft BPS   | 10,564,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132019  | Wick Road BPS - Switchgear  | 5,569,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132020  | Franklin BPS - Isolation Gate Valves  | 10,109,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132021  | Imlay BPS - Replace VFDs, Pumps & Motors  | 12,109,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132022  | Joy Road BPS - Replace Reservoir Pumps  | 6,109,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 132025  | Northwest Booster Station Yard Piping<br>Improvements                                     | 5,500,000   | 971                          | -                                | -  | -  | -   | 971                                  | 971  | 0%  |
| 170100  | Allowance: WTP/Pump Station   | 39,811,000  | -                            | 3,000,000                        | 3,000,000  | -  | -   | -                                    | -  | 0%  |
| 170102  | Water Production Plant Flow Metering<br>Improvements at NE, SP & SW WTP                   | -   | 359,259                      | -                                | -  | 6,302  | -   | 365,561                              | 365,561  | 100%  |
| 170103  | Belle Isle Water Supply Intake and Ice Boom<br>Improvements                               | -   | 3,278                        | -                                | -  | -  | 286,596   | 3,278                                | 289,874  | 100%  |
| 170104  | Orion and Newburgh Pumping Stations<br>Improvements                                       | -   | 170,664                      | -                                | -  | 7,104  | 1,907,825   | 177,768                              | 2,085,593  | 100%  |
| 170109  | Inspection of Raw Water Intakes and Tunnels   | -   | 3,102,765                    | -                                | -  | 38,396   | -   | 3,141,161                            | 3,141,161  | 100%  |
| 170110  | Raw Water Sampling Improvements   | -   | 2,926                        | -                                | -  | -  | -   | 2,926                                | 2,926  | 100%  |
| 170121  | Franklin PS Valve Rehab   | -   | 38,681                       | -                                | -  | 416,786  | -   | 455,467                              | 455,467  | 100%  |
| 170122  | Meter Pit at Brownstown Township  | -   | 133,306                      | -                                | -  | 71,090   | -   | 204,396                              | 204,396  | 100%  |
| 170200  | As Needed Construction Materials,<br>Environmental Media and Special Allowance            | 1,618,000   | -                            | 572,000                          | 572,000  | -  | -   | -                                    | -  | 0%  |
| 170201  | Construction & Environmental Testing  | -   | 63,443                       | -                                | -  | (24,045)   | -   | 39,397                               | 39,397   | 100%  |

Great Lakes Water Authority  
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

# Water System Construction Work-in-Progress Quarterly Report

As of December 31, 2019

| Project            | Project Name  | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31,<br>2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|--------------------|---|---|------------------------------|----------------------------------|--|--|---|--------------------------------------|--|---|
| 170300             | Water Treatment Plant Automation Program  | 7,740,000   | -                            | 1,561,000                        | 1,561,000  | -  | -   | -                                    | -  | 0%  |
| 170301             | Water Plant Automation  | -   | 1,657,645                    | -                                | -  | 97,497   | -   | 1,755,142                            | 1,755,142  | 100%  |
| 170400             | Water Transmission Improvement Program  | 110,656,000   | -                            | 1,500,000                        | 1,500,000  | -  | -   | -                                    | -  | 0%  |
| 170401             | Emergency Bypass Around Ypsilanti Station   | -   | 1,643,165                    | -                                | -  | 15,800   | -   | 1,658,965                            | 1,658,965  | 100%  |
| 170500             | Transmission System Valve Assessment and<br>Rehabilitation/Replacement Program  | 36,704,000  | -                            | 4,000,000                        | 4,000,000  | -  | -   | -                                    | -  | 0%  |
| 170502             | Transmission System Valve Assessment and<br>Rehabilitation/Replaceme  | -   | 0                            | -                                | -  | 1,288,209  | 6,029,544   | 1,288,209                            | 7,317,753  | 100%  |
| 170600             | Water Transmission Main Asset Assessment<br>Program   | 48,500,000  | -                            | 3,000,000                        | 3,000,000  | -  | -   | -                                    | -  | 0%  |
| 170800             | Reservoir Inspection, Design and<br>Rehabilitation Program  | 59,164,000  | -                            | 5,128,000                        | 632,000  | -  | -   | -                                    | -  | 0%  |
| 170801             | Reservoir Inspection, Design and<br>Rehabilitation  | -   | 456,574                      | -                                | 4,513,500  | 556,363  | -   | 1,012,938                            | 1,012,938  | 100%  |
| 170900             | Suburban Water Meter Pit Rehabilitation and<br>Meter Replacement Program  | 43,797,000  | -                            | 4,000,000                        | 925,000  | -  | -   | -                                    | -  | 0%  |
| 170901             | Suburban Water Meter Pit Rehabilitation and<br>Meter Replacement  | -   | 1,237,565                    | -                                | 3,075,000  | 1,171,576  | -   | 2,409,140                            | 2,409,140  | 100%  |
| 171400             | Energy Management Program   | 5,787,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 171500             | Roof Replacement - Var Facilities Program   | 6,707,000   | -                            | 2,657,000                        | -  | -  | -   | -                                    | -  | 0%  |
| 171501             | Roof Replacement - Var Facilities Program   | -   | 119,283                      | -                                | 2,948,089  | 1,142,543  | -   | 1,261,826                            | 1,261,826  | 100%  |
| 331001             | Roof Replacement - Var Water Facilities   | 5,425,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 341001             | Security Infrastructure Improvements  | -   | 962,673                      | -                                | 1,173,179  | 916,122  | -   | 1,878,795                            | 1,878,795  | 100%  |
| 351001             | Water Facility Lighting Renovations   | 500,000   | 6,211                        | 250,000                          | 250,000  | 457  | -   | 6,667                                | 6,667  | 1%  |
| 361002             | Data Center Reliability/Availability<br>Improvements  | -   | 16,080                       | -                                | -  | -  | -   | 16,080                               | 16,080   | 100%  |
| 380600             | General Engineering Services Allowance  | 95,000  | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 380601             | General Engineering Services Allowance  | -   | 674                          | -                                | -  | -  | -   | 674                                  | 674  | 100%  |
| 380700             | As-needed Engineering Services for Concrete<br>Testing, Geotechnical Soil Borings, other<br>Testing Services, and Related Services<br>Allowance | 620,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| 381000             | Energy Management: Electric Metering<br>Improvement Program   | 2,500,000   | -                            | -                                | -  | -  | -   | -                                    | -  | 0%  |
| <b>Grand Total</b> |   | <b>\$ 1,888,664,000</b>                                   | <b>\$ 175,031,084</b>        | <b>\$ 143,247,000</b>            | <b>\$ 128,871,025</b>  | <b>\$ 29,887,218</b>                             | <b>\$ 118,844,199</b>   | <b>\$ 171,569,699</b>                | <b>\$ 290,413,898</b>                                    | <b>15%</b>  |
|                    |   | <b>Project Amendments \$ (14,375,975)</b>                 |                              |                                  |  |  |   |                                      |  |   |

## **FY 2020 Project Amendment Summary**

The purpose of the Project Amendment Summary is to illustrate the amendments to the current fiscal year board approved CIP for each project with an amendment resulting from the use of allowance and program funding for a specific amount necessitated by contract award.

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2020 Capital Improvement Plan.

\$14.4 million of Capital Reserve project amendments have been prepared as of December 31, 2019 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

The order of the report on the subsequent page is in ascending order by CIP project number.



**Great Lakes Water Authority**  
**Water System Project Amendment Summary**  
**Unaudited Activity For the Fiscal Year Ended December 31, 2019**

| Project            | Project  | Program /<br>Allowance | Capital Reserve        | Grand Total            |
|--------------------|--|------------------------|------------------------|------------------------|
| 111001             | Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements      | \$                     | 92,500                 | \$ 92,500              |
| 111004             | Electrical Tunnel Rehabilitation at Lake Huron WTP                                     |                        | (3,020,786)            | (3,020,786)            |
| 111007             | Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements         |                        | (921,633)              | (921,633)              |
| 112005             | Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits     |                        | 144,000                | 144,000                |
| 113002             | High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP                  |                        | 152,000                | 152,000                |
| 114001             | Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities  |                        | 1,255,609              | 1,255,609              |
| 114002             | Springwells Water Treatment Plant - Low Lift and High Lift Pump Station                |                        | 323,877                | 323,877                |
| 114003             | Water Production Flow Metering Improvements at NE, SW, and SPW WTP                     |                        | 633,282                | 633,282                |
| 114005             | Springwells WTP Admin Building Improvements  |                        | 114,664                | 114,664                |
| 114008             | 1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP |                        | (1,968,000)            | (1,968,000)            |
| 114011             | Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP    |                        | 61,373                 | 61,373                 |
| 122003             | New Waterworks Park to Northeast Transmission Main                                     |                        | (212,767)              | (212,767)              |
| 122005             | Replacement Schoolcraft Watermain  |                        | (5,771,356)            | (5,771,356)            |
| 122006             | Transmission System Water Main Work-Wick Road Parallel Water Main                      | \$                     | (9,626,639)            | \$ (9,626,639)         |
| 122011             | Park-Merriman Water Main-Final Phase   |                        | (800,000)              | (800,000)              |
| 122013             | Lyon Township Transmission Main Extension Project                                      |                        | 1,877,978              | 1,877,978              |
| 122016             | Downriver Transmission Loop  |                        | 523,965                | 523,965                |
| 132003             | Isolation Gate Valves for Line Pumps for West Service Center Pumping Station           |                        | 1,032,316              | 1,032,316              |
| 132006             | Pressure and Control Improvements at the Electric, Ford Road, Michigan, and West Chica |                        | (115,862)              | (115,862)              |
| 132012             | Ypsilanti PS Improvements  | \$                     | (74,510)               | \$ (74,510)            |
| 132015             | Newburgh BPS   |                        | 442,245                | 442,245                |
| 170800             | Reservoir Inspection, Design and Rehabilitation Program                                | (4,496,000)            |                        | (4,496,000)            |
| 170801             | Reservoir Inspection, Design and Rehabilitation  | 4,496,000              | 17,500                 | 4,513,500              |
| 170900             | Suburban Water Meter Pit Rehabilitation and Meter Replacement Program                  | (3,075,000)            |                        | (3,075,000)            |
| 170901             | Suburban Water Meter Pit Rehabilitation and Meter Replacement                          | 3,075,000              |                        | 3,075,000              |
| 171500             | Roof Replacement - Var Water Facilities Program  |                        | (2,657,000)            | (2,657,000)            |
| 171501             | Roof Replacement - Var Water Facilities  |                        | 2,948,089              | 2,948,089              |
| 341001             | Security Infrastructure Improvements   | \$                     | 1,173,179              | \$ 1,173,179           |
| <b>Grand Total</b> |  | <b>\$ -</b>            | <b>\$ (14,375,974)</b> | <b>\$ (14,375,974)</b> |

## WASTEWATER SYSTEM

### Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2020-2024 and related CIP Plan for FY 2020 were based on anticipation of FY 2020 activity resulting in 75% of planned spend. The Water System spend for the period ending December 31, 2019 is 37.1% of the FY 2020 prorated board approved CIP, 38.2% of the FY 2020 prorated board approved CIP with project amendments, and 49.4% of the FY 2020 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2020 Board Approved CIP was amended from \$161,480,000 to \$ 156,584,005 is provided in the subsequent Project Amendment Summary section of this report.

| Wastewater System Projects                         |    | FY 2019 CIP | FY 2019 Activity | FY 2019 Percentage | FY 2020 CIP    | FY 2020 Prorated (Six Months) | FY 2020 Activity (Unaudited) | FY 2020 Percentage |
|--|----|-------------|------------------|--------------------|----------------|-------------------------------|------------------------------|--------------------|
| FY 2019 Board Approved CIP                         | \$ | 105,183,000 | 82,133,532       | 78.1%              |                |                               |                              |                    |
| FY 2019 Board Approved CIP With Project Amendments |    | 100,264,934 | 82,133,532       | 81.9%              |                |                               |                              |                    |
| FY 2020 Board Approved CIP                         |    |             |                  |                    | \$ 161,480,000 | 80,740,000                    | 29,924,759                   | 37.1%              |
| FY 2020 Board Approved CIP With Project Amendments |    |             |                  |                    | 156,584,005    | 78,292,003                    | 29,924,759                   | 38.2%              |
| FY 2020 Capital Spend Rate Assumption (SRA)        |    |             |                  |                    | 121,110,000    | 60,555,000                    | 29,924,759                   | 49.4%              |

### Construction Work-in-Progress Rollforward

The purpose of the construction work-in-progress (CWIP) rollforward is to analyze the current year activity for each project in relation to the overall capital improvement program as well as the project portfolio overall.

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2020 2nd quarter for the following projects:

| <u>Project</u> | <u>Contract</u> | <u>Description</u>                     |
|----------------|-----------------|--|
| 213005         | CON-229         | Complex I Incineration Heating         |
| 260606         | 1802791         | Puritan Fenkell Roof Replacement       |
| 331002         | 1803227         | Dewatering Complex II Roof Replacement |

**\$186.7** million is in CWIP as of December 31, 2019 as shown in the table beginning on the next page.

The order of the report on the subsequent pages is in ascending order by CIP project number.

Great Lakes Water Authority  
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

**Wastewater System**  
**Construction Work-in-Progress Quarterly Report**  
As of December 31, 2019

| Project | Project Name   | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31, 2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|---------|--|---|------------------------------|----------------------------------|--|--|---|-----------------------------------|--|---|
| 171501  | Roof Replacement - Var Facilities Program  | \$ -  | \$ -                         | \$ -                             | \$ 83,000  | \$ 83,000  | \$ -  | \$ 83,000                         | \$ 83,000  | 100%  |
| 211001  | Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery | 54,858,000  | 45,368,717                   | 7,982,000                        | 7,982,000  | 5,645,273  | -   | 51,013,990                        | 51,013,990   | 93%   |
| 211002  | Pump Station No. 2 Pumping Improvments   | 3,812,000   | 1,911,850                    | 1,222,000                        | 1,222,000  | 51,227   | -   | 1,963,077                         | 1,963,077  | 51%   |
| 211004  | Pump Station 1 Rack & Grit and MPI Sampling Station 1 Improvements   | 27,198,000  | 26,502,582                   | 869,000                          | 869,000  | 809,970  | -   | 27,312,552                        | 27,312,552   | 100%  |
| 211005  | Pump Station No. 2 Improvements  | 21,599,000  | 1,002                        | -                                | -  | (1,002)  | -   | 0                                 | 0  | 0%  |
| 211006  | Pump Station No. 1 Improvements  | 22,315,000  | 6,307                        | 1,803,000                        | 1,803,000  | 833,334  | -   | 839,641                           | 839,641  | 4%  |
| 211007  | Replacement of Bar Racks and Grit Collection System at Pump Station No. 2  | 17,836,000  | 628                          | 269,000                          | 269,000  | 133  | -   | 761                               | 761  | 0%  |
| 211008  | Rehabilitation of Ferric Chloride Feed systems at the Pump Station - 1 and Complex B Sludge Lines                    | 10,566,000  | 200,048                      | 2,950,000                        | 3,950,000  | 876,828  | -   | 1,076,877                         | 1,076,877  | 10%   |
| 211009  | Rehabilitation of the Circular Primary Clarifier Scum Removal System   | 11,394,000  | 30                           | -                                | -  | -  | -   | 30                                | 30   | 0%  |
| 212002  | Study, Design, & Construction, Management Services for Modified Detroit River Outfall No. 2 - WRRF                   | -   | 10,821,153                   | -                                | -  | (1,853)  | -   | 10,819,300                        | 10,819,300   | 100%  |
| 212003  | Aeration System Improvements   | 16,682,000  | 16,356,789                   | -                                | -  | 162,620  | -   | 16,519,409                        | 16,519,409   | 99%   |
| 212004  | Project Chlorination/Dechlorination Process Equipment Improvements   | 5,045,000   | 192,917                      | 2,345,000                        | 2,903,000  | 87,859   | -   | 280,776                           | 280,776  | 6%  |
| 212006  | PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract                           | 48,033,000  | 41,691,377                   | 4,583,000                        | 4,731,155  | 1,013,560  | -   | 42,704,937                        | 42,704,937   | 89%   |
| 212007  | Rehabilitation of the Secondary Clarifiers   | 30,118,000  | -                            | -                                | -  | -  | -   | -                                 | -  | 0%  |
| 212008  | WRRF Rehabilitation of Intermediate Lift   | 20,833,000  | -                            | 229,000                          | 229,000  | -  | -   | -                                 | -  | 0%  |
| 213002  | Rehabilitation of Central Offload Facility   | 16,179,000  | -                            | 7,696,000                        | 7,696,000  | -  | -   | -                                 | -  | 0%  |
| 213005  | Complex I Incinerators Decommissioning and Reusability   | 4,452,000   | 369,648                      | -                                | -  | 22   | 369,671   | -                                 | 369,671  | 8%  |

Great Lakes Water Authority  
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

**Wastewater System**  
**Construction Work-in-Progress Quarterly Report**  
As of December 31, 2019

| Project | Project Name  | Total Project Plan Estimate From FY 2020 - 2024 CIP | CWIP Balance July 1, 2019 | FY 2020 Board Approved CIP | FY 2020 Board Approved CIP With Project Amendments | FY 2020 Activity through December 31, 2019 | Life to Date Capitalization Through December 31, 2019 | CWIP Balance December 31, 2019 | Life to Date Activity through December 31, 2019 | Life to Date Activity / Total Project Plan |
|---------|---|---|---------------------------|----------------------------|--|--|---|--------------------------------|---|--|
| 213006  | Improvements to Sludge Feed Pumps at Dewatering Facilities                                  | 3,726,000   | 4,856                     | -                          | -  | -  | -   | 4,856                          | 4,856   | 0%   |
| 213007  | Construction of the Improved Sludge Conveyance and Lighting System at the WWTP              | 20,049,000  | 10,809,195                | 8,711,000                  | 8,711,000  | 3,350,805                                  | -   | 14,160,000                     | 14,160,000                                      | 71%  |
| 213008  | Rehabilitation of the Wet and Dry Ash Handling Systems                                      | 18,505,000  | 85                        | 111,000                    | 111,000  | 31,192                                     | -   | 31,276                         | 31,276  | 0%   |
| 213009  | Phosphorous Recovery Facility at the WWRF   | -   | (99)                      | -                          | -  | 99   | -   | -                              | -   | 100%                                       |
| 214001  | Relocation of Industrial Waste Division and Analytical Laboratory Operations                | 10,968,000  | 17,017                    | 7,567,000                  | 8,367,000  | 926,845                                    | 2,282,260   | 943,863                        | 3,226,122                                       | 29%  |
| 216004  | Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP           | 5,576,000   | 814,368                   | 3,921,000                  | 3,921,000  | 416,868                                    | -   | 1,231,236                      | 1,231,236                                       | 22%  |
| 216006  | Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System | 24,853,000  | 17,581                    | 323,000                    | 323,000  | 16,951                                     | -   | 34,532                         | 34,532  | 0%   |
| 216007  | DTE Primary Electric 3rd Feed Supply Line to the WRRF                                       | 7,447,000   | 2,194,169                 | 1,381,000                  | 1,381,000  | -  | 543,500   | 2,194,169                      | 2,737,669                                       | 37%  |
| 216008  | Rehabilitation of Screened Final Effluent (SFE) Pump Station                                | 24,948,000  | -                         | 1,091,000                  | 1,091,000  | -  | -   | -                              | -   | 0%   |
| 216009  | Logistics & Material Facility   | -   | -                         | -                          | -  | 2,951                                      | -   | 2,951                          | 2,951   | 100%                                       |
| 222001  | Intercommunity Relief Sewer Modifications in Detroit Oakwood District                       | 38,031,000  | -                         | -                          | -  | -  | -   | -                              | -   | 0%   |
| 222002  | Detroit River Interceptor Evaluation and Rehabilitation                                     | 49,071,000  | 10,611,644                | 10,000,000                 | 4,049,445  | 5,997,970                                  | -   | 16,609,614                     | 16,609,614                                      | 34%  |
| 222003  | North Interceptor East Arm (NIEA) Evaluation and Rehabilitation                             | 30,000,000  | -                         | 15,000,000                 | 15,000,000   | -  | -   | -                              | -   | 0%   |
| 222004  | Collection System Valve Remote Operation Structures Improvements                            | 87,033,000  | 4,246                     | 3,500,000                  | 3,500,000  | 23,863                                     | -   | 28,109                         | 28,109  | 0%   |
| 232001  | Fairview Pumping Station - Replace Four Sanitary Pumps                                      | 30,442,000  | 3,475,448                 | 18,000,000                 | 16,265,405   | 1,943,244                                  | -   | 5,418,692                      | 5,418,692                                       | 18%  |
| 232002  | Freud and Connor Creek Pump Station Improvements  | 162,429,000   | 5,573,334                 | 17,029,000                 | 17,229,000   | 318,622                                    | 57,734  | 5,891,956                      | 5,949,691                                       | 4%   |
| 232003  | Northeast Pump Station Improvements   | 31,500,000  | -                         | 7,000,000                  | 7,000,000  | -  | -   | -                              | -   | 0%   |
| 233002  | Collection System In System Storage Devices(ISDs) Improvements                              | -   | 235                       | -                          | -  | -  | -   | 235                            | 235   | 100%                                       |
| 251002  | Wastewater System Wide Instrumentation & Controls Software and Hardware Upgrade             | -   | 71                        | -                          | -  | -  | -   | 71                             | 71  | 100%                                       |

Great Lakes Water Authority  
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

**Wastewater System**  
**Construction Work-in-Progress Quarterly Report**  
As of December 31, 2019

| Project | Project Name   | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31, 2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|---------|--|---|------------------------------|----------------------------------|--|--|---|-----------------------------------|--|---|
| 260100  | Water Resource Recovery Facility (WRRF), Lift Station & Wastewater Collection System Allowance | 34,038,000  | -                            | 1,100,000                        | 1,100,000  | -  | -   | -                                 | -  | 0%  |
| 260200  | Sewer and Interceptor Evaluation and Rehabilitation Program                                    | 192,164,000   | -                            | 15,000,000                       | 6,550,048  | -  | -   | -                                 | -  | 0%  |
| 260201  | Conveyance System Interceptor Rehab  | -   | 4,810,116                    | -                                | 7,400,000  | 3,388,808  | 9,176,553   | 8,198,924                         | 17,375,476   | 100%  |
| 260202  | Conveyance System Interceptor Rehab  | -   | 17,031                       | -                                | -  | 2,420  | -   | 19,451                            | 19,451   | 100%  |
| 260203  | Conveyance System Interceptor Rehab  | -   | 4,642,133                    | -                                | -  | -  | -   | 4,642,133                         | 4,642,133  | 100%  |
| 260204  | Energy Services for Rehabilitation of Conveyance Sewer System                                  | -   | 133                          | -                                | 1,049,952  | 144,555  | -   | 144,688                           | 144,688  | 100%  |
| 260500  | CSO Outfall Rehab  | 89,188,000  | -                            | 15,102,000                       | 10,302,925   | -  | -   | -                                 | -  | 0%  |
| 260503  | Collection System Backwater Gates  | -   | 760                          | -                                | -  | -  | -   | 760                               | 760  | 100%  |
| 260504  | Rehabilitation of Outfalls - Phase II  | -   | -                            | -                                | 3,000,000  | 252,114  | -   | 252,114                           | 252,114  | 100%  |
| 260505  | Rehabilitation of Outfalls - Phase IV  | -   | -                            | -                                | 1,799,075  | -  | -   | -                                 | -  | 100%  |
| 260600  | CSO Facilities Improvements  | 63,591,000  | -                            | 5,604,000                        | 3,421,000  | -  | -   | -                                 | -  | 0%  |
| 260601  | Oakwood Drain Valve Improvements   | -   | 539,857                      | -                                | 33,000   | 75,429   | -   | 615,286                           | 615,286  | 100%  |
| 260602  | CSO Fire Alarm System Improvements   | -   | 812,407                      | -                                | -  | 176,946  | -   | 989,353                           | 989,353  | 100%  |
| 260603  | Conner Creek CSO Basin Rehab   | -   | 4,404,704                    | -                                | 775,000  | 1,299,834  | -   | 5,704,538                         | 5,704,538  | 100%  |
| 260605  | CSO Facilities CA  | -   | 16,914                       | -                                | -  | (16,914)   | -   | -                                 | -  | 100%  |
| 260606  | Puritan Fenkell Roof Replacement   | -   | 1,944                        | -                                | -  | 344,596  | 346,540   | -                                 | 346,540  | 100%  |
| 260607  | Lieb SDF Electrical Improvements   | -   | 241,513                      | -                                | 450,000  | 753,668  | -   | 995,181                           | 995,181  | 100%  |
| 260608  | Seven Mile RTB - Roof Replacement  | -   | 12,451                       | -                                | 300,000  | 375,548  | -   | 387,999                           | 387,999  | 100%  |
| 260609  | Seven Mile RTB - Parking Lot / Sitework  | -   | 23,197                       | -                                | 400,000  | 15,554   | -   | 38,751                            | 38,751   | 100%  |
| 260610  | Baby Creek MAU Replacement   | -   | 1,773                        | -                                | -  | 245,699  | -   | 247,473                           | 247,473  | 100%  |
| 260611  | HVAC Improvements At Lieb SDF  | -   | 5,283                        | -                                | 225,000  | 13,381   | -   | 18,665                            | 18,665   | 100%  |
| 260613  | Baby Creek HVAC Improvements   | -   | 76                           | -                                | -  | 403  | -   | 479                               | 479  | 100%  |
| 260614  | CSO Facilities Structural Improvements   | -   | 335,143                      | -                                | -  | (109,570)  | -   | 225,573                           | 225,573  | 100%  |
| 260615  | PF & Lieb CSO Facilities Site & Drainage Improvements  | -   | -                            | -                                | -  | 1,520  | -   | 1,520                             | 1,520  | 100%  |
| 260617  | St. Aubin Chemical Disinfection Improvements   | -   | -                            | -                                | -  | 49,800   | -   | 49,800                            | 49,800   | 100%  |

Great Lakes Water Authority  
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended December 31, 2019

**Wastewater System**  
**Construction Work-in-Progress Quarterly Report**  
As of December 31, 2019

| Project            | Project Name   | Total Project Plan<br>Estimate From<br>FY 2020 - 2024 CIP | CWIP Balance<br>July 1, 2019 | FY 2020<br>Board<br>Approved CIP | FY 2020<br>Board<br>Approved CIP<br>With Project<br>Amendments | FY 2020<br>Activity through<br>December 31, 2019 | Life to Date<br>Capitalization<br>Through<br>December 31,<br>2019 | CWIP Balance<br>December 31, 2019 | Life to Date<br>Activity through<br>December 31,<br>2019 | Life to Date<br>Activity /<br>Total<br>Project Plan |
|--------------------|--|---|------------------------------|----------------------------------|--|--|---|-----------------------------------|--|---|
| 331002             | Roofing Systems Replacement at<br>GLWA Wastewater Treatment<br>Plant, CSO Retention Treatment<br>Basins (RTB) and Screening<br>Disinfection Facilities (SDF) | 9,709,000   | 802,470                      | 1,092,000                        | 1,092,000  | 320,586  | 1,123,056   | -                                 | 1,123,056  | 12%   |
| 341001             | Security Infrastructure<br>Improvements  | -   | 102,924                      | -                                | -  | -  | -   | 102,924                           | 102,924  | 100%  |
| 380600             | General Engineering Services<br>Allowance  | 1,000   | -                            | -                                | -  | -  | -   | -                                 | -  | 0%  |
| 380601             | General Engineering Services<br>Allowance  | -   | 632                          | -                                | -  | -  | -   | 632                               | 632  | 100%  |
| 381000             | Energy Management: Electric<br>Metering Improvement Program  | 2,500,000   | -                            | -                                | -  | -  | -   | -                                 | -  | 0%  |
| <b>Grand Total</b> |  | <b>\$ 1,246,689,000</b>                                   | <b>\$ 193,716,659</b>        | <b>\$ 161,480,000</b>            | <b>\$ 156,584,005</b>  | <b>\$ 29,924,759</b>                             | <b>\$ 190,362,461</b>   | <b>\$ 221,802,152</b>             | <b>\$ 412,164,613</b>                                    | <b>33%</b>  |
|                    |  | <b>Project Amendments</b>                                 |                              |                                  |  | <b>\$ (4,895,995)</b>                            |   |                                   |  |   |

**FY 2020 Project Amendment Summary**

The purpose of the Project Amendment Summary is to illustrate the amendments to the current fiscal year board approved CIP for each project with an amendment resulting from the use of allowance and program funding for a specific amount necessitated by contract award.

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2020 Capital Improvement Plan.

\$4.9 million of Capital Reserve project amendments have been prepared as of December 31, 2019 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

The order of the report on the subsequent page is in ascending order by CIP project number.



**Great Lakes Water Authority**  
**Wastewater System Project Amendment Summary**  
**Unaudited Activity For the Fiscal Year Ended December 31, 2019**

| Project            | Project  | Program /<br>Allowance | Capital Reserve       | Grand Total           |
|--------------------|--|------------------------|-----------------------|-----------------------|
| 171501             | Roof Replacement - Var Water Facilities  |                        | 83,000                | 83,000                |
| 211008             | Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines |                        | 1,000,000             | 1,000,000             |
| 212004             | Chlorination/Dechlorination Process Equipment Improvements                                       |                        | 558,000               | 558,000               |
| 212006             | PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract       | \$                     | 148,155               | \$ 148,155            |
| 214001             | Relocation of Industrial Waste Division and Analytical Laboratory Operations                     | \$                     | 800,000               | \$ 800,000            |
| 222002             | Detroit River Interceptor Evaluation and Rehabilitation  | \$                     | (5,950,555)           | \$ (5,950,555)        |
| 232001             | Fairview Pumping Station - Replace Four Sanitary Pumps   | \$                     | (1,734,595)           | \$ (1,734,595)        |
| 232002             | Freud and Connor Creek Pump Station Improvements   | \$                     | 200,000               | \$ 200,000            |
| 260200             | Sewer and Interceptor Evaluation and Rehabilitation Program                                      | (8,449,952)            |                       | (8,449,952)           |
| 260201             | Conveyance System Interceptor Rehab  | 7,400,000              |                       | 7,400,000             |
| 260204             | Energy Services for Rehabilitation of Conveyance Sewer System                                    | 1,049,952              |                       | 1,049,952             |
| 260500             | CSO Outfall Rehab  | (4,799,075)            |                       | (4,799,075)           |
| 260504             | Rehabilitation of Outfalls - Phase II  | 3,000,000              |                       | 3,000,000             |
| 260505             | Rehabilitation of Outfalls - Phase IV  | \$ 1,799,075           |                       | \$ 1,799,075          |
| 260600             | CSO Facilities Improvements  | \$ (2,183,000)         |                       | \$ (2,183,000)        |
| 260601             | Oakwood Drain Valve Improvements   | \$ 33,000              |                       | \$ 33,000             |
| 260603             | Conner Creek CSO Basin Rehab   | \$ 775,000             |                       | \$ 775,000            |
| 260607             | Lieb SDF Electrical Improvements   | \$ 450,000             |                       | \$ 450,000            |
| 260608             | Seven Mile RTB - Roof Replacement  | \$ 300,000             |                       | \$ 300,000            |
| 260609             | Seven Mile RTB - Parking Lot / Sitework  | \$ 400,000             |                       | \$ 400,000            |
| 260611             | HVAC Improvements At Lieb SDF  | \$ 225,000             |                       | \$ 225,000            |
| <b>Grand Total</b> |  | <b>\$ -</b>            | <b>\$ (4,895,995)</b> | <b>\$ (4,895,995)</b> |