



Audit Committee

Friday, April 24, 2020 at 8:00 a.m.

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

Conference Call Dial-In: Call 866-528-2256 Access Code 9169911

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. March 27, 2020 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
 - A. Water Residential Assistance Program Evaluation Redesign & Request (Page 5)
for Proposal Process
 - B. GLWA Fraud & Ethics Hotline Update (Page 26)
7. NEW BUSINESS
 - A. Budget Amendment Policy (Page 30)
8. REPORTS
 - A. CFO Update (Page 35)
 - B. Special Report: Operations & Maintenance Budget Impacts of (Page 40)
COVID-19; FY 2020 Contingency & Continuity Resources
 - C. Monthly Financial Report for January 2020 (Page 44)
 - D. Fiscal Year 2018 Shared Services True-Up Update, FY 2019 and (Page 45)
Beyond
 - E. Quarterly Water Residential Assistance Program Report (Page 51)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for April 2020 (Page 58)
10. LOOK AHEAD
 - Next Audit Committee Meetings
 - A. Regular Meeting May 15, 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

Friday, March 27, 2020

8:00 AM

Meeting will be held Telephonically:

Call in Number: 1-866-528-2256

Access Code: 9169911

Rescheduled from March 20, 2020

1. Call To Order

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

2. Quorum Call

Present: 2 - Chairperson Brian Baker, and Director Gary Brown

3. Approval of Agenda

Chairperson Baker requested a Motion to approve the Agenda.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2020-120](#) Audit Committee Meeting Minutes of February 12, 2020

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A GLWA Audit Committee Meeting Minutes - February 12, 2020](#)

Chairperson Baker requested a Motion to approve the February 12, 2020 Audit Committee Meeting Minutes.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

B. [2020-121](#) Audit Committee Meeting Minutes of February 21, 2020

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4B Audit Committee Meeting Minutes - February 21, 2020](#)

Chairperson Baker requested a Motion to approve the February 21, 2020 Audit Committee Meeting Minutes.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

None

7. New Business**A.** [2020-122](#) Proposed Contract Extension - GLWA CS-010 Water Residential Assistance Program

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 Proposed Change Order No. 3 Contract No. GLWA-CS-010 WRAP](#)
[7A2 Board Letter- Proposed Change Order No. 3 Contract No. GLWA-CS-010 WRAP](#)
[7A3 Attachment 1 WRAP Revenue Allocation FY 2021](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

Note: This item was approved pursuant to Resolution 2020-114 adopted on March 20, 2020 regarding "Delegation of Additional Authority to CEO During COVID-19 Emergency"

8. Reports

A. [2020-123](#) CFO Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A CFO Update 3.27.2020](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2020-124](#) Monthly Financial Report for December 2019

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B GLWA Monthly Financial Report December 2019](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2020-125](#) FY 2020 Q2 Construction Work-in-Progress Report through December 31, 2019

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C Quarterly Construction Work in Progress Report](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications**A.** [2020-126](#) Rating Agency Upgrades

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A Bond Rating Upgrades](#)

Motion By: Gary Brown,

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2020-127](#) The Procurement Pipeline for March/April 2020

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Special Edition - March.April 2020 Procurement Pipeline_4.6.2020](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

10. Look Ahead

A. The next Audit Committee Meeting is scheduled to be held Friday, April 17, 2020 at 8:00 a.m.

11. Other Matters

None

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:07 a.m.



Financial Services Audit Committee Communication

Date: April 24, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program Evaluation/Redesign & Request for Proposal Process

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 2020 funding level of \$4.9 million combined for water and sewer services.

The scope of funding uses includes a) payment assistance and b) water audit and water conservation measures. Eligible residential customers with a past due bill and/or who are in active shut off can receive assistance with paying down arrears and receive \$25 toward monthly bill payment assistance annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services of an average \$1,500 per household. To participate in WRAP, an applicant must have household gross incomes at or below 200% of the federal poverty income thresholds. Customers with water usage at or above 120% of the average residential usage are eligible to participate in a water audit and install water conservation measures. WRAP participants are also encouraged to participate in both financial coaching and water conservation workshops as well as other support services. The program is administered by Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency.

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 19,700 qualified WRAP participants. WRAP has the potential to serve over 100 communities within the GLWA service area, but in order to assist qualified households, each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro. To date, 77 communities have opted into WRAP.

Analysis: The current contract for Water Residential Assistance Program Third Party Administrator (CS-010) with Wayne Metro will expire on December 31, 2020. There are two

key tasks to accomplish prior to the expiration of that contract. Both tasks rely heavily on stakeholder engagement.

Task 1 - Program Evaluation and Redesign

Conduct an evaluation of the current program to evaluate redesign of some elements to a) strengthen program effectiveness, b) develop scope and performance criteria for WRAP program provider performance, and c) better define and conduct program evaluation.

Now that we have four years of experience with WRAP, expanded program evaluation is an area of desired enhancement to the management of WRAP. This will rely upon a consultant with experience in this unique area of expertise. There are several Michigan based firms that provide this service. To illustrate the concept behind this approach, we have provided an article from The Pew Charitable Trust, *Targeted Evaluations Can Help Policymakers Set Priorities; A policymaker's guide to building evaluation capacity* (attached).

Task 2 – Conduct Structured Request for Proposal Process for Core WRAP Administration

The objective is to secure WRAP provider(s) with a scope and performance criteria informed by Task 1.

Timeline

See attached timeline for both tasks.

Budget Impact: None.

Proposed Action: Receive and file the report.

Great Lakes Water Authority
Water Residential Assistance Program
Project Timeline as of April 23, 2020

	<u>Week of:</u>
Task 1 - Program Evaluation and Redesign (Invitation to Quote)	
Phase 0 - Pre-Procurement	4/27/2020
Phase 1 - Solicitation Development	4/27/2020
Phase 2 - Advertisement	5/4/2020
Phase 3 - Evaluation	5/25/2020
Phase 4 - Contract Development	6/1/2020
Phase 5 - Board Requirements	n/a
Phase 6 - Start Work	6/15/2020
Task 2 – Core WRAP Administration (Structured Request for Proposal Process)	
Phase 0 - Pre-Procurement	
Develop RFP Background	5/11/2020
Focus Group: Board	6/22/2020
Focus Group: Member Partners	6/22/2020
Focus Group: Others	6/29/2020
Program Design Report to Stakeholders	7/20/2020
Phase 1 - Solicitation Development	
Draft 1 - Front End/Background	7/6/2020
Draft 2 - post Stakeholder Report	7/27/2020
Phase 2 - Advertisement	
Finalize RFP	8/10/2020
Advertise date for RFP	8/10/2020
Questions due	8/24/2020
Pre-proposal conference	8/31/2020
Proposals due	9/14/2020
Phase 3 - Evaluation	
Minimum qualifications verified	9/14/2020
Evaluations due	9/21/2020
Oral interviews	9/28/2020
Additional questions compiled	9/28/2020
Responses from proposers	9/28/2020
Responses distributed to Eval Team	9/28/2020
Evaluation Team final selection	10/5/2020
Phase 4 - Contract Development	
Negotiation	10/5/2020
Preliminary Draft	10/5/2020
Final Draft	10/19/2020
Phase 5 - Board Requirements	
Prepare summary documents	10/5/2020
Audit Committee Review	10/16/2020
Board review/requested approval	10/28/2020
Contract award	
Phase 6 - Project Execution and Management	
Contract execution	11/2/2020
Start work	11/16/2020

Targeted Evaluations Can Help Policymakers Set Priorities

A policymaker's guide to building evaluation capacity

ISSUE
BRIEF

March 9, 2018

Topics: [Fiscal & Economic Policy](#) & [U.S. State Policy](#)
[Local policy](#)

Read time: 19 min

Projects: [Results First](#)

Tags:

Editor's note: This brief is one in a series about the five key components of evidence-based policymaking as identified in “[Evidence-Based Policymaking: A Guide for Effective Government](#),” a 2014 report by the [Pew-MacArthur Results First Initiative](#). The other components are [program assessment](#), [budget development](#), [implementation oversight](#), and [outcome monitoring](#).

Overview

State and local leaders allocate millions of dollars each year to programs designed to deliver services to their constituents, but often the results go unmeasured. Without data on the effect, if any, that programs are having on participants and communities, policymakers are unable to discern which ones work, which don't, and how best to distribute limited public resources.

Governments have a range of evaluation tools to gauge the effectiveness and efficiency of public programs. One type they can employ is called an impact evaluation, which is a targeted study of how a particular program or intervention affects specific outcomes. These evaluations allow governments to isolate the effect of a program or initiative on a group, similar to the way that medical researchers test the effectiveness of a treatment or drug on a population. When conducted correctly, impact evaluations can help policymakers decide when to scale up programs that work, when to scale back or eliminate those that don't work, how to reallocate resources to better use, and when to improve those that show potential.

But states and counties face real challenges in conducting impact evaluations, and typically don't have the resources, time, or ability to evaluate every program. Recent innovations in techniques, increased access to data, and expanded partnerships between governments and researchers have made it easier for governments to rigorously assess the effectiveness of

their programs, and they can remain judicious with their limited capacity and target evaluations carefully.

This brief provides options for government leaders to build their capacity to conduct these targeted studies by:

1. Hiring or training staff to facilitate impact evaluations.
2. Building partnerships with external research entities to leverage expertise.
3. Making better use of existing administrative data systems to reduce costs.
4. Aligning data policies and funding to support impact evaluation.

The brief also includes examples of how state and local governments have used impact evaluations to assess their programmatic investments, and details when such an assessment is worthwhile.

What Is an Impact Evaluation and How Is It Different From Outcome Monitoring?

Impact evaluations use a randomized controlled trial (RCT) design or quasi-experimental design (QED) to rigorously assess effectiveness. Both RCTs and QEDs use treatment (program participants) and comparison (nonparticipants) groups to evaluate outcomes against what would have occurred without the program. When done well, these evaluations provide policymakers with evidence of a program's effectiveness, helping inform their programmatic, policy, and funding decisions.

Impact evaluations provide different information and answer different questions than outcome monitoring systems that many state and local governments operate. Those systems track performance data that can be used to illustrate trends in the program's outcomes and compare that performance to prior years or other benchmarks, but this information cannot show what is driving those results.

For example, consider a state that implements a summer program to help students who are reading below grade level. Performance data show that participants scored significantly higher on English language arts exams their senior year of high school than students who were similarly struggling to read at grade level but did not participate in the program. Is the summer reading program the reason the test scores went up? More

importantly for state policymakers, is this a program the state should expand in order to improve student learning? Outcome monitoring can't answer those questions. But impact evaluations can isolate the effects of the program and control for other factors that could influence student test scores, thus revealing more details about possible linkages.

How impact evaluation can support more effective government programs

Government leaders have a lot to gain from impact evaluations. They can use information from these studies, alongside performance data, to decide when to:

Scale up what works. Policymakers in Chicago relied on evidence from impact evaluations when deciding whether to scale up an intervention aimed at reducing violent crime. They turned to the University of Chicago Urban Labs,¹ which helps governments and nonprofit organizations test programs across public safety, education, health, poverty, energy, and environment areas, to conduct multiple impact evaluations of the city's Becoming a Man² program, which targets at-risk youth. Results from a 2016 impact evaluation showed that people who participated in the program had up to 50 percent fewer arrests for violent crime and increased their on-time graduation rates by up to 19 percent compared with a similar group of individuals who did not participate.³ Because of the program's success, the city expanded the program later that year to serve an additional 1,300 youths.⁴

Improve programs that show promise. The New York City Mayor's Office for Economic Opportunity (NYC Opportunity) regularly conducts impact evaluations to test local anti-poverty programs and uses the findings to make needed improvements. For instance, the office's Justice Corps⁵ initiative has undergone multiple modifications since its inception in 2008, driven by findings from internal performance monitoring and evaluations, including an RCT study.⁶ The findings showed positive impacts on participants' employment rates and wages but no effect on educational attainment or recidivism. This led to several programmatic adjustments, such as an expansion of youth development training for staff and implementation of a new risk-needs assessment and case management toolkit, which further evaluation showed improved outcomes.⁷

Scale back or replace programs that don't work. The Iowa Department of Corrections decided to scale back a community-based domestic violence intervention after impact evaluations in other states did not show the desired results. The department redirected resources to an alternative intervention⁸ and contracted with a local university to test its effect on reducing the number of persons who reoffend. The impact evaluation demonstrated positive effects, including a significantly lower recidivism rate than another

domestic violence program operating in the state.⁹ This evaluation showed Iowa policymakers that the funds redirected from the old program to the new one (\$4.85 million dedicated since fiscal year 2011) were not wasted.¹⁰

Is an Impact Evaluation Always the Right Tool?

Before state and local governments spend limited funds and staff time on an impact study, it is important that they understand the questions being asked—and that they match the questions with the appropriate type of evaluation.

The table below shows four types of evaluations commonly used to answer policymakers' questions, the basic questions each study best addresses, and how each can help policymakers make informed choices. For instance, an outcome study could show policymakers whether participants in a college access program reported increased understanding of college readiness resources available to them after completing the program. An impact study, on the other hand, would show policymakers whether the program, as opposed to other factors, contributed to the increased understanding of college readiness resources.

Evaluation type	What the evaluation can answer	What the evaluation does for policymakers
Process	• Has the program been implemented as intended? • What types of implementation issues have emerged and how can they be addressed? • What new ideas are emerging that can be tried out and tested?	• Demonstrates whether programs are being delivered with fidelity to the program model
Outcome	• Did participants report desired changes after completing the program? • For whom did the program work best?	• Shows whether desired intermediate outcomes are being achieved
Impact	• Is the program effective at achieving desired outcomes? • How did program participants do in achieving desired outcomes compared with nonparticipants?	• Provides rigorous evidence on a program's impact
Cost-benefit Analysis	• Do the program's benefits outweigh its costs? • Is the program more cost-beneficial than other programs addressing the same problem?	• Compares the expected return on investment of multiple programs that address the same problem

Sources: Centers for Disease Control and Prevention, "Types of Evaluation," accessed July 28, 2017, [https://www.cdc.gov/std/Program/pupestd/Types of Evaluation.pdf](https://www.cdc.gov/std/Program/pupestd/Types%20of%20Evaluation.pdf); The University of Minnesota; "Different Types of Evaluation," accessed July 28, 2017, <https://cyfar.org/different-types-evaluation#Formative>; Permanency Innovations Initiative, "Family Search and Engagement (FSE) Program Manual" (2016), https://www.acf.hhs.gov/sites/default/files/cb/pii_fse_program_manual.pdf; Kathryn E. Newcomer, Harry P. Hatry and Joseph S. Wholey, eds., Handbook of Practical Program Evaluation, 4th ed., (New Jersey: John Wiley & Sons, Inc., 2015), 27–29; Michael Q. Patton, Utilization-Focused Evaluation, 4th ed., (Thousand Oaks, CA: Sage Publications, 2008)

How to build impact evaluation capacity

To leverage the benefits of impact evaluations, governments need to build their capacity—expertise, data, and funding—to conduct them effectively. Building this capacity can be challenging, even to officials who understand the importance of these studies. But government officials can choose an approach that best fits their available resources. These include: developing internal staff; building partnerships with external research entities;

making better use of administrative data systems that enable researchers to use existing data to conduct impact evaluations; and aligning data policies and funding to support evaluations.

Hire or train staff to facilitate impact evaluations

In order to effectively and more frequently complete impact evaluations, governments can either hire research staff with the requisite skills to conduct these studies, or hire new or train existing staff to manage impact evaluation contracts. Governments can develop staff capacity in individual agencies and offices, as well as in centralized offices such as the office of a mayor, county commissioner, governor, or legislature.

Some states have hired staff with the requisite skills to conduct impact studies. For example, the Washington Department of Social and Health Services' Research and Data Analysis (RDA) office has about 70 full-time employees who perform a range of analytical and data management tasks, including impact evaluations. About 70 percent of these staff are funded through time-limited grants and projects, and 30 percent are supported by legislative appropriation. RDA has evaluated innovative pilot programs as well as long-standing projects that had not previously been studied. These evaluations have significantly affected policy and program decisions in the state, such as a 2009 study of a chronic care management practice that led to a scaling up of two of the state's health projects.¹¹

While Results First researchers found few offices in the 50 states, other than RDA, that regularly conduct impact evaluations, they did identify several offices that conduct other types of evaluations. For example, some legislative audit and research offices, as well as some agency research divisions, perform outcome evaluations that aim to measure the results of state programs or policies but are unable to control for external factors likely to influence those outcomes. Policymakers could work with these offices to identify opportunities to conduct impact evaluations, particularly on high dollar programs, or programs being considered for expansion.

Even where governments contract out impact studies to universities or external evaluation firms—a viable option for jurisdictions with limited resources—Results First researchers found that maintaining a small level of staff knowledgeable in evaluation has substantial benefits. Such staff can, for instance, help select external evaluators, manage evaluation contracts, collaborate on choosing study designs, and assist with data access. These staff may also have a deeper understanding of the data and issues relevant to a program than external evaluators do, and can help facilitate communication and knowledge transfer between external evaluators and program staff.¹² Michael Martinez-Schiferl, research and evaluation supervisor at the Colorado Department of Human Services, noted, "Program knowledge is very important to the research aspect. Having internal research staff embedded

with program staff promotes collaboration on research and provides opportunities for research staff to develop some program expertise, as there are so many nuances about the program that they couldn't understand from an outside perspective.”¹³

NYC Opportunity contracts out its evaluations while maintaining staff to oversee the work. The staff members manage the contracts of the independent evaluation firms, oversee impact studies of the anti-poverty programs and key mayoral initiatives, and work in partnership with city agencies to use the evaluation results to inform decisions to expand, improve, or discontinue programs.¹⁴ NYC Opportunity has a dedicated fund from the city to support its staff and external evaluations, but also seeks funding from federal grants and philanthropy to supplement this work.¹⁵

In the past 10 years, the organization has launched more than 70 programs, most of which have undergone an evaluation and some of which have become a national model for success.¹⁶ One example is the City University of New York's Accelerated Study in Associate Programs, which provides extensive financial, academic, and personal support to working adults who are pursuing an associate's degree. The program's first impact evaluation, done in partnership with a research organization, showed promising early results on academic outcomes, including lower drop-out rates and higher total credits accumulated, and a subsequent study demonstrated increased graduation rates.¹⁷ Following these successful evaluations, the program is expanding from 4,000 students in fiscal 2014 to 25,000 students in fiscal 2019, and has been replicated in other parts of the country.¹⁸

Build partnerships with external research entities to leverage expertise

Governments can help fill evaluation capacity gaps by creating long-term partnerships with external research entities, such as local universities, to perform an evaluation in its entirety or provide technical assistance or training. For example, Brian Clapier, former associate commissioner at the City of New York's Administration for Children's Services (ACS), attributed some of his office's most successful evaluations to partnerships with universities.¹⁹

“Based on my experience the research-to-policy gap is a real challenge. One key strategy is to bring in the research partners (often from universities), and have these partners conduct the evaluations. Once the evaluation has occurred, strategically placed public agency staff can bridge the findings of the evaluation to program staff responsible for the policy development.”

This approach proved successful when, in 2012, ACS contracted with Chapin Hall at the University of Chicago to implement and test a pilot child welfare program to promote healthy families and child well-being. The study found that two of the program's interventions—KEEP (Keeping Foster and Kin Parents Supported and Trained) and Parenting Through Change—were 11 percent more likely than a comparison group to achieve permanency.²⁰ Based on the results, ACS continued funding both programs.

Results First researchers identified several government-university partnerships—some that perform impact evaluations for programs spanning a range of policy areas and others that evaluate the same program over a period of time. For instance, state and county agencies in Wisconsin frequently partner with the University of Wisconsin Population Health Institute to perform evaluations on a range of human services programs, including behavioral health, child welfare, juvenile justice, and health.²¹ The New York State Office of Children and Family Services, on the other hand, has partnered with the Center for Human Services Research at the University of Albany since 1995 to perform multiple evaluations—including impact studies—of one child welfare program, Healthy Families New York.²²

Several jurisdictions have joined forces with policy labs—typically housed in universities—to help them design and test the effectiveness of government programs. For example, the Colorado Evaluation and Action Lab is a new government-research partnership that will help state officials to evaluate public programs and policies.²³

Government leaders also partner with individual researchers, rather than a research organization, whose interests and skills align with a particular policy or program they want to evaluate. South Carolina's Department of Health and Human Services, with the help of the Abdul Latif Jameel Poverty Action Lab (J-PAL), a research center at the Massachusetts Institute of Technology, paired up with health-focused researchers at Northwestern University to develop a randomized evaluation of assignment to Medicaid managed care plans.²⁴

Policymakers should pair these research partners with trained government staff in the offices that operate (or oversee providers who operate) the programs being evaluated.

Make better use of existing administrative data systems to reduce impact evaluation costs

Most governments maintain reporting systems that collect administrative data, such as criminal arrest or education records, which could be used to help conduct impact evaluations at a lower cost than collecting this information from scratch.²⁵ For example, New Mexico's Department of Corrections conducted a quasi-experimental design (QED) study of a

substance use disorder program using administrative data from three state correctional offices. With a small evaluation budget, the department was able to successfully answer policymakers' questions about whether a program affected recidivism or substance use disorder relapse rates.²⁶

Some states, such as Washington and South Carolina, have built sophisticated data warehouses that link data across multiple agencies and can be used for performing evaluations. For example, the South Carolina Revenue and Fiscal Affairs Office (RFA) operates an integrated data warehouse that receives copies of agency databases used for program administration and research.²⁷ While the originating agencies maintain control over the use of the data, the RFA provides guidance on sharing and usage agreements to help researchers access the information to evaluate programs.²⁸ A new Pay for Success project focused on expanding an evidence-based family support and coaching program in the state will use data from the warehouse to evaluate the program's impact and calculate its return on investment.²⁹

Washington state's RDA also uses administrative data for most of its impact evaluations, which enables the agency to conduct more frequent evaluations on a wide range of programs. "We can knock out a quasi-experimental evaluation, assuming there's no new data to collect, in a relatively short time and at a fraction of the cost of doing an external evaluation," said health economist David Mancuso.³⁰

Both federal and private entities are creating funding opportunities to support state and local governments in using administrative data to support low-cost RCTs. (See Appendix A for a list of funding sources.)

Align data policies and funding to support evaluation

Two key obstacles to conducting impact evaluations are accessing the data necessary for the study and finding the resources to fund it. Yet state and county officials have found creative ways to mitigate these seemingly formidable challenges.

To generate new evidence on what works, researchers need access to government data, but service providers and government agencies may be hesitant to share data due to privacy issues or concerns over how the data might be used. Government leaders can alleviate these sensitivities and facilitate information access by developing sharing and usage agreements that outline the purpose of the data sharing, how it will be shared with the public, and privacy protections.³¹

For example, the Colorado Department of Education established a data-sharing and usage agreement with Mathematica Policy Research to allow Mathematica to access the

department's administrative data to conduct an impact evaluation of a new charter school program's effects on education achievement.³² The agreement outlines the types of data to be shared, as well as the responsibility of the requestor to use the data only for the purposes outlined in the agreement (in other words, the impact study), to secure and later destroy the shared data, and to share analyses with the department prior to publication. Because of the shared data, Mathematica could perform an impact evaluation that showed state officials that taxpayer investments in the program had positive impacts on reading and math skills at the elementary, middle school, and high school grade levels.³³

States and localities can finance impact evaluations by setting aside internal funding for the studies, allowing governments to select programs in most need of an evaluation rather than being subject to the priorities of external funders. Results First researchers identified several ways governments are setting aside funding for rigorous evaluations, including through legislation, grants, and budget allocations.

For example, California passed a law in 2014 that sets aside funds to award contracts to recipients who agree to partner with an independent evaluator to assess the effectiveness of programs funded through the contracts.³⁴ Three counties received \$1.25 million to \$2 million in 2016 to implement and evaluate selected social services programs.³⁵ Though the law does not require recipients to conduct an impact evaluation, Alameda County is performing an RCT of a life coaching and mentoring services program aimed at reducing recidivism and increasing employment.³⁶

Some state and local governments dedicate funds to support staff who oversee or conduct impact evaluations. Washington state's RDA receives approximately 30 percent of its funding from a legislative appropriation that includes support for research staff who manage evaluations.³⁷ RDA supplements this funding with federal grants, including Medicaid and a Substance Abuse and Mental Health Block Grant.

Even when state and local governments build impact evaluation staff or set aside funds to support these studies, additional federal and private funding can help fill remaining capacity and funding gaps.

The federal government has provided several competitive and formula grant opportunities. For example, the Institute of Education Sciences released a request for applications in 2017 for low-cost RCTs or QEDs of education interventions.³⁸ The U.S. Department of Health and Human Services has also provided grants that included funding to evaluate child welfare and teen pregnancy interventions.³⁹ While these opportunities provide substantial support for impact evaluations, they should not be a substitute for using existing government resources

to support this work; many are one-time grants that limit support to one study, and some target programs or policies that might not be an area of need in a particular jurisdiction.

Even jurisdictions that have never completed an impact evaluation have opportunities to start building this capacity through external sources. For instance, in 2016 J-PAL launched the State and Local Innovation Initiative to help jurisdictions perform randomized studies of social programs,⁴⁰ with eight jurisdictions chosen to participate in the first two rounds.⁴¹ In addition to funding, each will receive technical support and custom trainings to expand the internal capacity to create, use, and share rigorous evidence. (See Appendix A for more information on funding opportunities.)

How to select programs for an impact evaluation

While state and local governments have demonstrated the value of impact studies to assess programmatic investments, it is not practical (or even necessary) to rigorously evaluate every program. Decision-makers can identify and prioritize which programs to study by considering four key questions:

1. **Does the program have an evidence base?** To identify programs that could benefit from an impact evaluation, governments can inventory the programs they fund and determine which ones have evidence supporting their effectiveness. National research clearinghouses—which review and aggregate impact evaluations in order to rate programs by their level of evidence of effectiveness—can help determine if local programs have existing evidence. Governments can prioritize evaluations for programs that do not have strong evidence of their effectiveness.
2. **Has the program been properly implemented?** Poorly implemented programs are less likely to achieve the outcomes that leaders and residents expect, which would impair the results of an impact assessment.
3. **Are the right data available for an impact study?** To conduct an impact study, evaluators need access to the right kinds of data. If the data are owned by other parties (e.g., another agency or program provider) or do not exist, governments should consider the feasibility of getting the data, which could entail developing data-sharing agreements or spending additional funds and time to collect new data.
4. **Does the program serve a significant number of people and/or is it a large budget item?** Programs that have a higher number of clients and/or are costlier typically have a larger impact on a government's budget than those that are less prescribed or less costly, and may be more attractive options for an impact evaluation.

Decision-makers may find that some of their untested programs are not good candidates for an impact evaluation. In that case, they can take other steps to ensure these programs are generating positive results, such as tracking outcomes of participants and reviewing implementation to identify any issues with operation and delivery. Decisionmakers can review these programs again at a later time to determine if they have become evaluation-ready.

Conclusion

Policymakers care about funding what works, and impact evaluations are an important tool that can be used to inform better, data-driven decisions. Impact evaluations provide critical information on program effectiveness, which policymakers can consider when making decisions about when to scale up, scale back, or make adjustments to a particular program or initiative.

By building their jurisdiction's capacity to evaluate untested programs, policymakers can hold themselves accountable to the public, and ensure that the state's public dollars are directed to those programs that yield positive results. While challenges still exist for governments seeking to regularly evaluate their programs, new technology and opportunities to leverage impact evaluation expertise through partnerships or grants have made it more feasible than ever for state and local governments to conduct rigorous evaluations of local programs. By carefully prioritizing which programs are ripe for impact evaluations, governments can make the most of their resources and fill in gaps about which programs are working and which are not.

Appendix A: Impact evaluation resources

General impact evaluation resources:

- Actionable Intelligence for Social Policy's Technical Assistance and Training Program, <https://www.aisp.upenn.edu/resources/training-technical-assistance/>
- American Evaluation Association, Find an Evaluator, <http://www.eval.org/p/cm/ld/fid=108>
- Kathryn E. Newcomer, Harry P. Hatry and Joseph S. Wholey, eds., *Handbook of Practical Program Evaluation*, 4th ed., (New Jersey: John Wiley & Sons, Inc., 2015)
- Laura and John Arnold Foundation, "Key Items to Get Right When Conducting Randomized Controlled Trials of Social Programs" (2016), <http://www.arnoldfoundation.org/wp-content/uploads/Key-Items-to-Get-Right-When-Conducting-Randomized-Controlled-Trials-of-Social-Programs.pdf>

- Office of Juvenile Justice and Delinquency Prevention, “Evaluability Assessment: Examining the Readiness of a Program for Evaluation” (2003), <http://www.jrsa.org/pubs/juv-justice/evaluability-assessment.pdf>
- Paul J. Gertler et al., *Impact Evaluation in Practice*, Second Edition (2016), <https://openknowledge.worldbank.org/handle/10986/25030>
- Social Innovation Fund, “Introducing the Impact Evaluability Assessment Tool” (2014), https://www.nationalservice.gov/sites/default/files/resource/SIF_Impact_Evaluability_Assessment_Tool_Final_Draft_for_Distribution.pdf

Impact evaluation funding resources:

- Abdul Latif Jameel Poverty Action Lab, State and Local Innovation Initiative, <https://www.povertyactionlab.org/stateandlocal/apply>
- Federal grants, <https://www.grants.gov>
- Harvard Kennedy School Government Performance Lab, <https://govlab.hks.harvard.edu/apply>
- Institute of Education Sciences, <https://ies.ed.gov/funding/>
- Laura and John Arnold Foundation, <http://www.arnoldfoundation.org/request-for-proposals/>

Sample of national research clearinghouses*:

- California Evidence-Based Clearinghouse for Child Welfare, <http://www.cebc4cw.org>
- Penn State’s Clearinghouse for Military Family Readiness, <https://militaryfamilies.psu.edu/programs-review/>
- Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute’s What Works for Health, <http://www.countyhealthrankings.org/roadmaps/what-works-for-health>
- U.S. Department of Education’s What Works Clearinghouse, <https://ies.ed.gov/ncee/wwc/>
- National Cancer Institute’s Research-Tested Intervention Programs, <https://rtips.cancer.gov/rtips/index.do>
- U.S. Department of Justice’s CrimeSolutions.gov, <https://www.crimesolutions.gov/>

**This is not an exhaustive list; readers can find additional clearinghouses in:*

- The Bridgespan Group and Results for America, “The What Works Marketplace, Helping Leaders Use Evidence to Make Smarter Choices” (2015), Appendix 3, <http://results4america.org/wp-content/uploads/2015/04/WhatWorksMarketplace-vF-1.pdf>
- Corporation for National and Community Service, “Clearinghouses and Evidence Reviews for Social Benefit Programs” (2016), https://www.nationalservice.gov/sites/default/files/documents/Clearinghouses_and_Evidence_Reviews.pdf

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Financial Services Audit Committee Communication

Date: April 24, 2020

To: Great Lakes Water Authority Audit Committee

From: Dana Bierer-Casinelli, Management Professional Consultant
Internal Audit & Data Integrity Team

Re: GLWA Fraud and Ethics Hotline Update

Background: The Great Lakes Water Authority (GLWA) executed a contract with Calls Plus on January 30, 2020. The services, at a minimum, include the following.

1. A live call center available 24 hours a day, 7 days a week, and 365 days a year with a GLWA dedicated toll-free telephone number
2. An internet-based complaint reporting system
3. A case management system that allows anonymity of callers

Analysis: The GLWA Fraud and Ethics Hotline implementation includes two phases.

Phase 1 involves implementation of a live call center available 24 hours a day, 7 days a week, and 365 days a year with a GLWA dedicated toll-free telephone number.

The toll-free telephone number was launched on Monday, April 20, 2020 for GLWA team members. The toll-free telephone number to file a report is (888) 882- 4592 (GLWA). The GLWA Fraud and Ethics Hotline are posted on GLWA's internal website and posted at all facilities. Brochures and posters are also being distributed (see attached).

Phase 2 continues with the addition of an internet-complaint reporting system and a case management system. These systems are under development and on target to be operational in May 2020. Expanded announcement of the program outside of GLWA will occur at that time.

Proposed Action: Receive and file this report.

Examples of Illegal or Unethical Activity

- Accounting or Auditing Irregularities
- Vandalism of Property
- Discrimination
- Theft of Cash, Goods or Services
- Falsification of Records
- Sale or Use of Illegal Drugs
- Crimes and Threats
- Conflicts of Interest
- Bullying or Harassment
- Violation of Policy
- Sexual Harassment

What to Expect When You Contact the Fraud & Ethics Hotline

1. You will be given the option to remain anonymous.
A professional interviewer will help document your concern in detail.
2. Your information will be relayed to GLWA for investigation or other appropriate follow-up.
3. You may be asked to check back to provide additional information or answer questions which may arise during the investigation.
4. Reports submitted to the Hotline are handled promptly and discreetly, without retaliation.



**SPEAK UP
SPEAK OUT**
GLWA's Fraud and
Ethics Hotline

 **24 HOURS**
(888) 882-GLWA (4592)

Anytime, From Any Location
You DO NOT Have to Give Your Name



Our Commitment

GLWA is committed to the elimination of all forms of ethics violations, misconduct, fraud, abuse and wrongdoing.

Why Should I File a Report?

Illegal and/or unethical activities deprive us of fundamental growth opportunities and the chance for progress and advancement.

When you speak out against unethical or illegal behavior, you are telling the world that you believe in and want to maintain ethics and honesty in our workplace. By calling our Hotline, you can make a difference with one phone call, even if you choose to remain anonymous.

How Do I Know I Am Doing the Right Thing?

Do you suspect any of the following?

- Is the activity illegal?
- Is the action or wrongdoing a violation of the company's policies or standards?
- Is there a potential for loss of health, danger to the public, GLWA, or organizations which do business with us?

If you answered "YES" to any of these questions, call the Hotline. If you're not sure, please call the Hotline. Each allegation will be reviewed and investigated.



How to File a Report

If you see or suspect something illegal or unethical, say something. If you don't feel comfortable with a Team Leader, there are other ways to let us know about the concern. GLWA has implemented an independent Fraud & Ethics Hotline service, with whom you can share your concerns anonymously and confidentially via telephone, (888) 882- GLWA (4592) anytime, day or night.

Protect Yourself, Your Colleagues & Your Community

The power rests with you. Your call may make all the difference and put a stop to wrongdoing, illegal and/or unethical activity.



SPEAK UP SPEAK OUT

GLWA Fraud and Ethics Hotline

Great Lakes Water Authority (GLWA) is committed to transparency in all aspects of its operations and counts on its team members to help ensure that we live up to this high level of accountability.

GLWA relies on you to do the right thing and speak up when you see or suspect illegal or unethical activities occurring in the workplace. If you see something, say something!

It is critical that you report your concerns. To assist in ensuring that all concerns are taken seriously and investigated, GLWA has engaged CALLS PLUS, an independent, round-the-clock report intake service. They can be contacted with complete privacy, 24 hours a day, seven days a week, 365 days a year. There is also an option to make your report anonymously.



AN ILLEGAL DEED IS ALWAYS UNETHICAL WHILE AN UNETHICAL ACTION MAY OR MAY NOT BE ILLEGAL

Common situations of illegal, unethical or unsafe behavior include, but are not limited to:

- Accounting or Audit Irregularities
- Vandalism of Property
- Discrimination
- Theft of Cash, Goods or Services
- Falsification of Records
- Sale or Use of Illegal Drugs
- Crimes and Threats
- Conflicts of Interest
- Bullying or Harassment
- Violation of Policy
- Sexual Harassment

SEE SOMETHING, SAY SOMETHING

Call toll-free:

 24 hours a day - 7 days a week

(888) 882-GLWA (4592)

If you see or suspect illegal or unethical actions, violations, or something you think is morally or legally wrong, please call to report your concerns. Your identity will remain confidential, or you may wish to report anonymously. You have the option to remain anonymous when you contact CALLS PLUS. CALLS PLUS then forwards only the information necessary to GLWA for investigation and follow-up. All reports are handled in a prompt and discreet fashion, without retaliation of any kind.



Financial Services Audit Committee Communication

Date: April 24, 2020

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA
Chief Financial Officer & Treasurer

Re: Proposed Budget Amendment Policy

Background: The founding legal documents for the Great Lakes Water Authority (GLWA) provide a structure for budget preparation, adoption, and amendment.

Analysis: The complexity of GLWA's financial oversight and management give cause to a defined Board of Directors policy as it relates to budget amendments. A draft policy is attached.

Proposed Action: Receive and provide feedback of the draft policy with further review at the May 2020 Audit Committee meeting after reviewing budget amendment report examples as defined in the draft policy.



DISCUSSION DRAFT - BUDGET AMENDMENT POLICY

Purpose

The purpose of this budget amendment policy is to define the purpose, reporting, and authorization of budget amendments for the Great Lakes Water Authority (GLWA).

Definitions

Line Item	The highest level of detail in the accounting system which is assigned a budget amount and is used for management of an operational budget. The line item is a four segment general ledger string which includes fund, cost center, account, and function.
Administrative Budget Amendment	A line item level amendment to budgeted amounts which is within the legal spending level authorized by a budget resolution for a given fiscal year.
Account Type	Primary classification of operations and maintenance expenses that is used for budgeting and financial reporting. Identifies the purpose for use of financial resources. Examples include personnel, contractual services, utilities, chemicals, supplies and other expenses, capital program allocation, shared services allocation, centralized services allocation, administrative services allocation, capital outlay, and unallocated reserve.
Appropriation Categories	The purpose for which a spending level authorized by a budget resolution.
Appropriation Level	The legal spending level authorized by a budget resolution.
Board Budget Amendment	An amendment to the annual budget which alters the legal spending level authorized by a budget resolution for a given fiscal year.
Core Purpose	A grouping of line items that describes the core purpose of financial resources that aligns with the revenue charges methodology. Examples include water direct operations, wastewater direct operations, centralized services, and administrative services.
Fiscal Year	The twelve-month period ended June 30th.



Policy

1. **Budget Adoption:** The Board of Directors adopts a biennial budget by resolution which specifies appropriation amounts by the following categories and with reference to supporting schedules that include these categories which may be modified annually.

Fund Type for both Water and Sewer Systems	Appropriation Category
General Operating	Revenue Requirement
General Operating	Revenues from Charges
General Operating	Non-operating Revenue
General Operating	Operations & Maintenance Expense
General Operating	Operations & Maintenance Expense – Legacy Pension
General Operating	Debt Service (principal, interest, and required reserves)
General Operating	Accelerated Legacy Pension Allocation
General Operating	Water Residential Assistance Program
General Operating	Lease Payment
General Operating	Improvement & Extension Fund Contribution
General Operating	Operating Reserve Deposit
General Operating	Extraordinary Repair & Replacement Deposit
Improvement & Extension	Revenue Financed Capital Transfers-In
Improvement & Extension	Capital Outlay
Improvement & Extension	Use of Revenue Financed Capital
Construction Bond	Bond Proceeds
Construction Bond	Earnings on Investments
Construction Bond	Grant Revenues
Construction Bond	Contributions in Aid of Construction
Construction Bond	Project Expenditures

2. **Board Budget Amendment:** To the extent that there is a proposed amendment of the budget among the appropriation categories, the matter is brought to the Audit



Committee for review and consideration of a recommendation to the Board of Directors for their consideration for approval. Board Budget Amendments should be brought to the Audit Committee when identified and no less than quarterly.

3. **Reporting:** Transparency and accountability are foundational to GLWA’s mission. A quarterly budget amendment report will include the following analysis.

- a. Board Budget Amendments by System and Fund

Appropriation Category	Quarter 1 Budget Amendment through September 30 th	Quarter 2 Budget Amendment through December 31 st	Quarter 3 Budget Amendment Through March 31 st	Quarter 4 Budget Amendment Through May 31 st	Total Amended Budget
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- b. Administrative Budget Amendments by Account Type

Appropriation Category	Quarter 1 Budget Amendment through September 30 th	Quarter 2 Budget Amendment through December 31 st	Quarter 3 Budget Amendment Through March 31 st	Quarter 4 Budget Amendment Through May 31 st	Total Amended Budget
------------------------	---	--	---	---	----------------------

- c. Administrative Budget Amendments by Core Group

Appropriation Category	Quarter 1 Budget Amendment through September 30 th	Quarter 2 Budget Amendment through December 31 st	Quarter 3 Budget Amendment Through March 31 st	Quarter 4 Budget Amendment Through May 31 st	Total Amended Budget
------------------------	---	--	---	---	----------------------

4. This policy may be modified as needed pursuant to Audit Committee review and consideration with a recommended action to the Board of Directors for their consideration for approval.





Nicolette N. Bateson, CPA
Chief Financial Officer/Treasurer
735 Randolph Street, Suite 1608
Detroit, Michigan 48226
Phone: 313-964-9201

Date: April 21, 2020

To: Board of Directors

From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

CC: Sue F. McCormick, Chief Executive Officer

RE: COVID-19 Pandemic - Financial Update

The COVID-19 pandemic has impacted or created several financial matters. The purpose of this memo is to brief you on those items and what we are doing to mitigate those impacts.

1. *FY 2020 Operations & Maintenance Budget - Revenues and Expenses*
2. *FY 2021 Operations & Maintenance Budget - Revenues and Expenses*
3. Wholesale Cash Collections
4. DWSD Retail Cash Collections/Budget Shortfall
5. 2020 Bond Transaction
6. Member Partner Procurement Cooperative

1. GLWA FY 2020 Budget - Revenues and Expenses

On the next page, *Table 1 - GLWA FY 2020 Operations & Maintenance Budget Impacts of COVID-19*, presents a summary of the budget strategies being put into place to address a) increased costs as a result of COVID-19, b) reductions in forecasted revenue due to a decline in demand for water service, c) reductions in investment income as a result of economic changes, and d) reductions across all expense categories and operating areas to overcome the revenue shortfall and ensure resources for continuity of operations.

The FY 2020 wholesale water system forecasted revenue shortfall is \$7.4 million, which is offset by net cost containments of \$7.415 million in expense reductions. The FY 2020 sewer system revenue shortfall is limited to \$1.0 million in investment income while net cost containments identified equal \$9.92 million. The expense reductions and deferrals include the allocation of centralized and administrative services.

Further discussion of the FY 2020 Budget is on Friday's Audit Committee meeting agenda.

Table 1 – GLWA FY 2020 Operations & Maintenance Budget Impacts of COVID-19

Great Lakes Water Authority Operations & Maintenance Budget Impacts of COVID-19 FY 2020 Contingency & Continuity Resources As of April 21, 2020				
Line #	Category	Water	Sewer	Total
1	<i>Vacant Positions</i>			98
2	<i>Salary As originally budgeted for those vacant positions</i>			\$ 5,914,000
3	Vacant Salary - As adjusted earlier in FY 2020 within line item versus use of contingency for merit, progression, and market	\$ 1,340,000	\$ 1,517,000	\$ 2,857,000
4	Vacant Fringes based on Line 3 above	352,000	354,000	706,000
5	Cashflow - pause on start/defer project	409,000	613,000	1,022,000
6	Cashflow - slower project pace	354,000	1,256,000	1,610,000
7	Budget - Other (cancel; amend; reduction or positive cost variance)	2,010,000	3,047,000	5,057,000
8	Cashflow - Capital Program Management progress	(312,000)	(288,000)	(600,000)
9	Increased expenses as a result of COVID-19	(721,000)	(1,079,000)	(1,800,000)
10	Designate Use of Unallocated Reserve as of January 31, 2020	3,983,000	4,500,000	8,483,000
11	Subtotal - Expenses	7,415,000	9,920,000	17,335,000
12	Wholesale Water Revenue Variance through March 2020	(4,600,000)	-	(4,600,000)
13	Wholesale Water Revenue Variance estimated April through June 2020	(1,800,000)	-	(1,800,000)
14	Investment Income	(1,000,000)	(1,000,000)	(2,000,000)
15	Subtotal - Revenues	(7,400,000)	(1,000,000)	(8,400,000)
16	FY 2020 Contingency & Continuity Resources After Adjustments	\$ 15,000	\$ 8,920,000	\$ 8,935,000

2. GLWA FY 2021 Operations & Maintenance Budget - Revenues and Expenses

It is expected that the next 30 days will provide greater insight into the operational impacts of COVID-19 and related modifications to the FY 2021 Budget. Presently, the driver of those modifications is expected to be a potential decline in water revenues. On today's agenda is a proposed delay in the effective date of the approved FY 2021 charges until October 1, 2020. Part of the rationale is that GLWA is able to defer some expenses (and related cashflow demands). This proposal will provide budget relief to our Member Partner communities while they also address the challenges brought on by COVID-19. The budget impact of this proposal is estimated at \$3 million for the water fund and \$2.65 million for the sewer fund. Given that this is a question that we are often asked, the impact of this proposal provides charge relief to DWSD for approximately \$315,000 for water and \$1,075,000 for sewer for a total of \$1.39 million. The charge relief to the City of Flint would be approximately \$83,000 for water.

GLWA Procurement team members and leadership in the GLWA operating areas are working through scenario planning as it relates to COVID-19 related supplies and service expenses through the next twelve months. The range of expense forecasts, as of this date, appear to be able to be addressed within the budgeted unallocated reserve.

3. GLWA Wholesale Cash Collections

Times of uncertainty, increased unemployment, and decline in commerce combined with a pause on traditional water utility collection methods such as discontinuing service for non-payment, have resulted in a decline in collection at many municipal utilities across the country. For GLWA however, the wholesale cash collections have remained steady to date. The largest challenge has been that most wholesale Member Partners pay by check and rely on U.S. Mail delivery. This has resulted in additional steps (and delays) in picking up mail from a PO Box and making deposits into the wholesale lockbox. A communication is being prepared to encourage Member Partners to participate in some form of electronic payment.

To better understand collection challenges that Member Partners may be experiencing, a brief six question online survey was distributed to water system communities. The scope was water system Member Partners with an FY 2021 revenue requirement greater than \$1.5 million. The initial survey responses were received on Monday. There are no clear patterns yet. One item of note is that some organizations bill on monthly, bi-monthly, or quarterly basis so trends may take longer to identify. We will continue to monitor the responses and report back to the Audit Committee.

4. DWSD Retail Cash Collections/Budget Shortfall

On March 9, 2020, the City of Detroit enacted a Coronavirus Water Restart Plan to ensure that all City of Detroit residents have access to water in their homes. Key provisions include:

- ✓ For first 30 days, the State of Michigan will cover costs to reconnect water service for residents who were experiencing, or at risk of experiencing, a water service interruption due to non-payment.
- ✓ After 30 days, for \$25 per month, residents without water can have it restored; those at risk and not in a current plan can avoid service interruption.

On March 23, 2020, Governor Whitmer signed “Stay Home, Stay Safe” Executive Order, directing all non-critical businesses to temporarily close and all Michiganders to stay home or six feet away from others during COVID-19 crisis.

The combined impact of the above two actions, in addition to the related overall impact of COVID-19 on the U.S. economy, have resulted in a material decline in DWSD retail water and sewer system collections. The local retail water system’s cash collections decreased 15% for March 2020 and 36% for April through the 20th of the month compared to the prior year. The local sewer system’s cash collections decreased 13% for March 2020 and 31% for April through the 20th of the month compared to the prior year. See *Table 2 – DWSD Water System Retail Cash Log* and *Table 3 – DWSD Sewer System Retail Cash Log*.

The GLWA CEO and DWSD Director, in addition to the General Counsels, Chief Administrative Officers and CFOs for both organizations, have met to discuss this shortfall on April 8, 16, and 21. These meetings are in addition to weekly meetings with the two CFOs and the exchange of additional cash collection reports between DWSD and GLWA team members starting at the end of March. A regular Reconciliation Committee meeting is also scheduled for April 23, 2020.

Presently, DWSD is working to better understand the retail customer base. They are also developing a 12-month cashflow forecast. In addition to other mitigating budgetary actions DWSD has and/or may take, it appears that DWSD will request a shortfall note – with timing and amount to be determined. This matter will be brought to the Audit Committee and then the full Board as it will require an amendment to GLWA’s budget.

Table 2 – DWSD Water System Retail Cash Log

<u>DWSD Water System Cash Log Receipts - Weekly Analysis</u>				
	2019	2020	Difference	Variance
March 1-7	2,855,457	3,493,555	638,098	22%
March 8-14	2,078,951	2,183,016	104,065	5%
March 15-21	2,494,822	1,175,608	(1,319,213)	-53%
March 22-28	1,436,964	761,985	(674,978)	-47%
March 29-31	458,908	303,423	(155,485)	-34%
March Total	9,325,101	7,917,587	(1,407,514)	-15%
April 1-4	1,854,689	793,536	(1,061,153)	-57%
April 5-11	2,597,922	1,203,140	(1,394,782)	-54%
April 12-18	2,384,998	2,157,967	(227,031)	-10%
April 19-20	127,286	270,076	142,790	112%
April to Date	6,964,895	4,424,719	(2,540,176)	-36%

Table 3 – DWSD Sewer System Retail Cash Log

<u>DWSD Sewer System Cash Log Receipts - Weekly Analysis</u>				
	2019	2020	Difference	Variance
March 1-7	5,919,603	7,591,669	1,672,067	28%
March 8-14	4,291,732	5,069,028	777,296	18%
March 15-21	5,660,020	3,455,685	(2,204,335)	-39%
March 22-28	4,390,574	1,887,509	(2,503,065)	-57%
March 29-31	1,204,724	708,195	(496,529)	-41%
March Total	21,466,652	18,712,086	(2,754,566)	-13%
April 1-4	4,070,370	2,012,914	(2,057,456)	-51%
April 5-11	5,141,021	2,973,404	(2,167,617)	-42%
April 12-18	5,962,369	4,940,489	(1,021,880)	-17%
April 19-20	307,636	707,418	399,782	130%
April to Date	15,481,396	10,634,225	(4,847,171)	-31%

5. 2020 Bond Transaction

We continue to monitor the market for refunding opportunities and the new money request by DWSD for its water system improvements.

Financial criteria for some rating agencies and analysts are increasingly focused on the strength of Member Partners' financial position. For this reason, we are currently working on a project where we are assembling key metrics from audited financial statements into a database. It is expected that this will be completed in early May 2020.

6. Member Partner Procurement Cooperative

On Monday, April 20, 2020 an email was sent to Member Partners to understand the need and interest in cooperative procurement. The questions addressed short-term needs (such as COVID-19 related supplies) and long-term interests. We will continue to monitor the responses and report back to the Audit Committee related to next steps.



Financial Services Audit Committee Communication

Date: April 22, 2020

To: Great Lakes Water Authority Audit Committee

From: Lisa L Mancini, Financial Planning & Analysis Manager

Re: Operations & Maintenance Budget Impacts of COVID-19 FY 2020 Contingency & Continuity Resources

Background: A memo from Nicolette N. Bateson, GLWA's Chief Financial Officer & Treasurer, regarding the COVID-19 Pandemic – Financial Update was presented at the GLWA Board of Directors meeting on April 22, 2020. Included in this memo was a table titled "GLWA FY 2020 Operations & Maintenance Budget Impacts of COVID-19" which presents a summary of the budget strategies that GLWA is putting into place to address the following.

- Increased costs as a result of COVID-19
- Reductions in forecasted revenue due to a decline in demand for water service
- Reductions in investment income as a result of economic changes
- Reductions across all expense categories and operating areas to overcome the revenue shortfall and to ensure resources for the continuity of operations.

The purpose of this memo is to provide additional details on the reductions and deferrals of budgeted expenses that have been identified for FY 2020.

Analysis: On the next page is a list of the key items that are included in the expense reductions and deferrals that are referenced on Line Numbers 5, 6, and 7 of the *GLWA FY 2020 Operations & Maintenance Budget Impacts of COVID-19* table which can be found on the following page. The categories of Water and Sewer presented in this table includes the allocation of centralized and administrative services.

GLWA FY 2020 Operations & Maintenance Budget Impacts of COVID-19

Great Lakes Water Authority Operations & Maintenance Budget Impacts of COVID-19 FY 2020 Contingency & Continuity Resources As of April 21, 2020				
Line #	Category	Water	Sewer	Total
1	Vacant Positions			98
2	Salary As originally budgeted for those vacant positions			\$ 5,914,000
3	Vacant Salary - As adjusted earlier in FY 2020 within line item versus use of contingency for merit, progression, and market	\$ 1,340,000	\$ 1,517,000	\$ 2,857,000
4	Vacant Fringes based on Line 3 above	352,000	354,000	706,000
5	Cashflow - pause on start/defer project	409,000	613,000	1,022,000
6	Cashflow - slower project pace	354,000	1,256,000	1,610,000
7	Budget - Other (cancel; amend; reduction or positive cost variance)	2,010,000	3,047,000	5,057,000
8	Cashflow - Capital Program Management progress	(312,000)	(288,000)	(600,000)
9	Increased expenses as a result of COVID-19	(721,000)	(1,079,000)	(1,800,000)
10	Designate Use of Unallocated Reserve as of January 31, 2020	3,983,000	4,500,000	8,483,000
11	Subtotal - Expenses	7,415,000	9,920,000	17,335,000
12	Wholesale Water Revenue Variance through March 2020	(4,600,000)	-	(4,600,000)
13	Wholesale Water Revenue Variance estimated April through June 2020	(1,800,000)	-	(1,800,000)
14	Investment Income	(1,000,000)	(1,000,000)	(2,000,000)
15	Subtotal - Revenues	(7,400,000)	(1,000,000)	(8,400,000)
16	FY 2020 Contingency & Continuity Resources After Adjustments	\$ 15,000	\$ 8,920,000	\$ 8,935,000

Line # 5 – Cashflow – pause on start/defer project: The start date for the following projects have either been put on hold or have been deferred to FY 2021. The result is a positive budget to actual variance as well a positive effect on cashflow.

- Resealing of aeration decks (Wastewater Secondary Process – cost center 892224; Sewer): Sealing of the concrete coverings of the WRRF aeration tanks. The scope for this project is under development. This project will be deferred to FY 2021.
- Repair of COPA screens (Leib Combined Sewer Overflow – cost center 892274; Sewer): The parts for this project are manufactured overseas (Italy) and at this time are unavailable. This project has temporarily been put on hold until the parts can be received (FY 2021).
- ITSM Subscription (Information Technology Service Delivery – cost center 883321; Centralized Service): ITSM (Information Technology Service Management system) is the new ticketing system that will replace the Dell Kace system that is currently being used by GLWA. This subscription will cover licenses for our Service Delivery team to manage the user trouble tickets and service requests. This subscription will be deferred until FY 2021.
- GIS Strategic Services (Information Technology Business Productivity Systems – cost center 883341; Centralized Services): The GIS Support Services project will support the strategic management of GLWA's assets through the application of GIS using

geographic data, mapping, analysis and reporting as a core technology platform. This project will be deferred to FY 2021.

- GLWA Brand Awareness Campaign (Public Affairs – cost center 881101; Administrative Services): This project will be deferred to FY 2021.

Line # 6 – Cashflow – slower project pace: The following projects are progressing at a pace that is slower than was anticipated when the FY 2020 budget was developed. This is resulting in a positive budget to actual variance as well as having a positive effect on cashflow.

- Portable radios system replacement (Wastewater Process Control – cost center 892222; Sewer): The scope for this project is under development. This project was budgeted to begin in FY 2020 but will not begin until FY 2021.
- Wade Trim – Expert Services for Wastewater Management and Design for GLWA (Chief Operating Officer Wastewater – cost center 892001; Sewer): This contract is utilized on an as needed basis. As such variances can occur between what is included in the budget and what is expended in that year. In FY 2020 this contract was not utilized as anticipated at the time that the FY 2020 budget was developed. This contract will continue to be utilized in FY 2021.
- Asset Management Planning (Asset Management – cost center 886201; Centralized Services): Phase II of this project is progressing at a slower pace than what was anticipated during the development of the FY 2020 budget. This project will continue into FY 2021.
- Environmental Health & Safety Compliance Services (Enterprise Risk Management and Safety – cost center 883401; Administrative Services): This contract is utilized on an as needed basis. The need for these services will be reduced due to number of GLWA team members working from home in response to COVID-19.

Line # 7 – Budget – Other (cancel; amended; reduction or positive cost variance):

- Utilities (various cost centers; Sewer): There is a positive variance in budget to actual for FY 2020.
- LCG (Lakeshore Global) – Skilled labor contract (Wastewater Operations – cost center 892221; Sewer): The reduction in the number of contractors performing “non-essential” duties at WRRF will result in a positive variance in budget to actual for FY 2020.
- Valve Exercising Water Main System Transmission Main (Field Service Operations – cost center 882431; Centralized Services): This project, which has been completed, has come in under budget for FY 2020.
- West Coast Labor Systems (Systems Analytics – cost center 886401; Centralized Services): The actual number of licenses needed came in less than the number

included in the budget for FY 2020. This software enables GLWA team members to read remote meters and schedule maintenance tasks.

- Applied Science Dye Testing (Systems Analytics – cost center 886401; Centralized Services): The amount of testing conducted in FY 2020 is less than what was planned for in the FY 2020 budget. Testing will continue and is included in the budget for FY 2021.
- Red Hat Licensing (Information Technology Infrastructure – cost center 883331; Centralized Services): The number of licenses required was less than the number that was included in the FY 2020 budget.
- Microsoft Operating Licenses (Information Technology Service Delivery – cost center 883321; Centralized Service): These licenses, previously purchased separately, are now incorporated into the Microsoft Enterprise License Agreement. This change has resulted in a positive budget variance for FY 2020.
- Contractual Operating Services (Organizational Development – cost center 883201; Administrative Services): The need for these services will be reduced in FY 2020 due to number of GLWA team members working from home in response to COVID-19.

The review and analysis of budget to actual variances is ongoing as well as the tracking of the expenses being incurred by GLWA in response to the COVID-19 emergency. Based on current information, it appears that the additional costs related to COVID-19 supplies and service expenses will be absorbed within the budgeted Operation & Maintenance unallocated reserve.

Proposed Action: Receive and file this report.



Monthly Financial Report Binder

January 2020

**Presented to the
Great Lakes Water Authority
Audit Committee on April 24, 2020**

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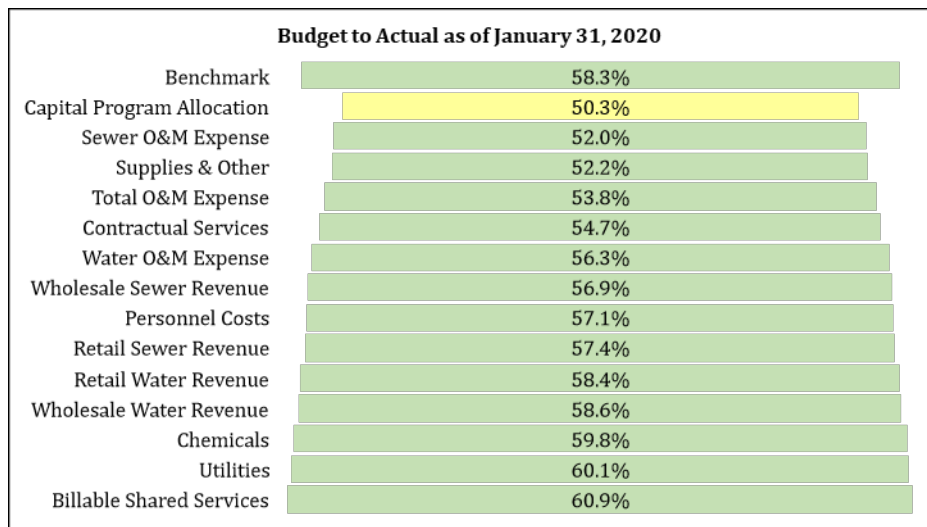
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Revenue and Expense Budget to Actual¹ – Pro-rata Benchmark of 58.3%

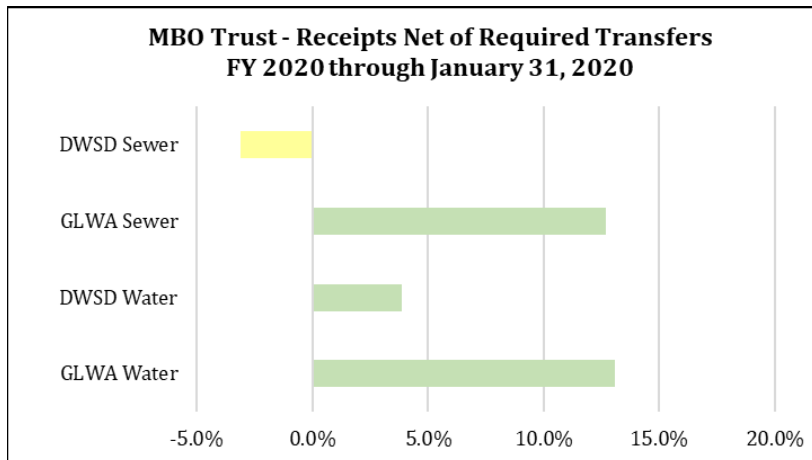
Most revenue and expense reporting categories fall within 7.5% of the pro-rata budget to actual benchmark.

The Capital Program Allocation variation is due to two reasons. Through January 31, 2020, 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. An additional budget amendment may be necessary to realign this category.

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 for

January. DWSD Sewer reported positive net receipts of \$382 thousand for January 2020 decreasing the cumulative FY 2020 DWSD Sewer shortfall to \$5 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.

Prospective COVID-19 financial impacts are being monitored closely and are addressed in the monthly CFO Report section of the April 24, 2020 Audit Committee binder.

Questions? Contact the Office of the Chief Financial Officer at CFO@glwater.org

¹ 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 January 2020, the pro-rata benchmark is 58.3% (7 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 expenses¹ for *both* systems have variances from the pro-rata benchmark. The *water* system is slightly under the pro-rata benchmark for FY 2020 at 56.3%. The *sewer* system O&M expenses, at 52.0%, 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 55.8%; while the *sewer* system is at 56.9%. 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.² 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 January 31, 2019, of \$6.5 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 \$2.3 million and the DWSD *sewer* system has a budgetary shortfall of \$5.0 million through January 31, 2020. 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 1/12th basis each month in accordance with the Master Bond Ordinance.
9. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

¹The 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.

² 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 AMENDED BUDGET	FY 2019 THRU 1/31/2019	Percent Year-to- Date	FY 2020 BOARD ADOPTED BUDGET	FY 2020 AMENDED BUDGET	FY 2020 THRU 1/31/2020	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 307,383	\$ 186,009	60.5%	\$ 309,285	\$ 309,285	\$ 181,973	58.8%
Retail Service Charges	20,181	11,857	58.8%	21,296	21,296	12,422	58.3%
Investment Earnings	9,425	5,502	58.4%	9,084	9,084	3,954	43.5%
Other Revenues	-	25	0.0%	-	-	2	0.0%
Total Revenues	\$ 336,989	\$ 203,393	60.4%	\$ 339,664	\$ 339,664	\$ 198,351	58.4%
Revenue Requirements							
Operations & Maintenance Expense	\$ 121,563	\$ 70,124	57.7%	\$ 131,491	\$ 131,491	\$ 74,022	56.3%
General Retirement System Legacy Pension	6,048	3,528	58.3%	6,048	6,048	3,528	58.3%
Debt Service	131,242	76,218	58.1%	137,558	137,558	76,742	55.8%
General Retirement System Accelerated Pension	6,268	3,657	58.3%	6,268	6,268	3,657	58.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,673	976	58.3%	1,698	1,698	991	58.3%
Lease Payment	22,500	13,125	58.3%	22,500	22,500	13,125	58.3%
Operating Reserve Deposit	-	-	0.0%	3,976	3,976	2,319	58.3%
Improvement & Extension Fund Transfer Pending	47,695	27,822	58.3%	30,126	30,126	17,573	58.3%
Total Revenue Requirements	\$ 336,989	\$ 195,449	58.0%	\$ 339,664	\$ 339,664	\$ 191,957	56.5%
Net Difference		\$ 7,944				\$ 6,394	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 6,816				\$ 213	
Revenue Requirement Variance		1,128				6,181	
Overall Variance		\$ 7,944				\$ 6,394	

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

	FY 2019 AMENDED BUDGET	FY 2019 THRU 1/31/2019	Percent Year-to- Date	FY 2020 BOARD ADOPTED BUDGET	FY 2020 AMENDED BUDGET	FY 2020 THRU 1/31/2020	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 271,296	\$ 160,390	59.1%	\$ 272,324	\$ 272,324	\$ 156,535	57.5%
Retail Service Charges	181,159	106,754	58.9%	185,807	185,807	108,388	58.3%
Industrial Waste Control Charges	15,001	5,356	35.7%	13,744	13,744	4,842	35.2%
Pollutant Surcharges	-	3,399	0.0%	-	-	3,523	0.0%
Investment Earnings	6,879	5,068	73.7%	8,731	8,731	4,857	55.6%
Other Revenues	-	299	0.0%	-	-	271	0.0%
Total Revenues	\$ 474,335	\$ 281,266	59.3%	\$ 480,605	\$ 480,605	\$ 278,414	57.9%
Revenue Requirements							
Operations & Maintenance Expense	\$ 191,079	\$ 100,276	52.5%	\$ 187,057	\$ 187,057	\$ 97,344	52.0%
General Retirement System Legacy Pension	10,824	6,314	58.3%	10,824	10,824	6,314	58.3%
Debt Service	208,389	119,705	57.4%	215,739	215,739	122,656	56.9%
General Retirement System Accelerated Pension	11,621	6,779	58.3%	11,621	11,621	6,779	58.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,374	1,385	58.3%	2,403	2,403	1,402	58.3%
Lease Payment	27,500	16,042	58.3%	27,500	27,500	16,042	58.3%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	6,501	0.0%	-	-	4,954	0.0%
Improvement & Extension Fund Transfer Pending	22,548	13,153	58.3%	25,462	25,462	14,853	58.3%
Total Revenue Requirements	\$ 474,335	\$ 270,153	57.0%	\$ 480,605	\$ 480,605	\$ 270,344	56.3%
Net Difference		\$ 11,113				\$ 8,071	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 4,570				\$ (1,939)	
Revenue Requirement Variance		6,542				10,010	
Overall Variance		\$ 11,113				\$ 8,071	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of January 31, 2020, is 58.3% (seven 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 AMENDED BUDGET	FY 2019 ACTIVITY THRU 1/31/2019	Percent Year-to- Date	FY 2020 BOARD ADOPTED BUDGET	FY 2020 AMENDED BUDGET	FY 2020 ACTIVITY THRU 1/31/2020	Percent Year-to- Date
Water	\$ 66,596	\$ 43,059	64.7%	\$ 66,021	\$ 66,021	\$ 40,850	61.9%
Sewer	118,319	63,167	53.4%	115,985	115,985	61,477	53.0%
Centralized	99,045	50,826	51.3%	106,914	106,914	53,807	50.3%
Administrative	28,683	14,771	51.5%	29,628	29,628	16,195	54.7%
Employee Benefits	-	(1,424)	0.0%	-	-	(962)	0.0%
Total O&M Budget	\$ 312,642	\$ 170,400	54.5%	\$ 318,548	\$ 318,548	\$ 171,366	53.8%

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 53.8% which is reasonably within the pro-rata benchmark of 58.3%. This positive variance equates to a dollar amount of \$14.5 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 57.1% through January 2020.

Utilities: The overall category is higher than the benchmark; coming in at 60.1% through January 2020. This variance is not unexpected as usage varies throughout the year.

- **Electric** is higher than the benchmark, coming in at 63.4%. 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 43.1% which is lower than the benchmark of 58.3%. 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 53.0%. 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 using 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 59.8% through January 2020.

Supplies & Other: This category is lower than the benchmark; coming in at 52.2% through January 2020. 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 54.7% through January 2020. 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 50.3% through January 2020. 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 January 31, 2020, GLWA team member hours posted to projects is 7% 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 60.9% through January 2020. 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 AMENDED BUDGET	FY 2019 ACTIVITY THRU 1/31/2019	Percent Year-to- Date at 1/31/2019	FY 2019 ACTIVITY THRU 6/30/2019	Percent Year-to- Date at 6/30/2019	FY 2020 AMENDED BUDGET	FY 2020 PRORATED AMENDED BUDGET (7 MONTHS)	FY 2020 ACTIVITY THRU 1/31/2020	Percent Year-to- Date	PRORATED BUDGET LESS FY 2020 ACTIVITY
Entity-wide										
Salaries & Wages	\$ 63,631	\$ 35,100	55.2%	\$ 59,922	58.6%	\$ 68,233	\$ 39,802	\$ 37,605	55.1%	\$ 2,198
Workforce Development	751	435	57.9%	794	54.8%	1,001	584	554	55.3%	30
Overtime	7,612	4,503	59.2%	7,554	59.6%	6,153	3,589	4,458	72.5%	(869)
Employee Benefits	23,656	14,488	61.2%	21,998	65.9%	22,957	13,392	14,823	64.6%	(1,431)
Transition Services	8,572	4,696	54.8%	8,322	56.4%	6,048	3,528	3,167	52.4%	361
Employee Benefits Fund	-	(1,424)	0.0%	-	0.0%	-	-	(962)	0.0%	962
<i>Personnel Costs</i>	<u>104,221</u>	<u>57,799</u>	<u>55.5%</u>	<u>98,589</u>	<u>58.6%</u>	<u>104,392</u>	<u>60,896</u>	<u>59,645</u>	<u>57.1%</u>	<u>1,251</u>
Electric	39,019	24,673	63.2%	39,103	63.1%	38,386	22,392	24,333	63.4%	(1,941)
Gas	6,631	3,491	52.6%	6,568	53.1%	6,451	3,763	2,778	43.1%	985
Sewage Service	2,491	1,312	52.7%	2,094	62.7%	1,847	1,077	1,181	63.9%	(104)
Water Service	3,648	2,356	64.6%	3,631	64.9%	3,658	2,134	1,938	53.0%	195
<i>Utilities</i>	<u>51,789</u>	<u>31,831</u>	<u>61.5%</u>	<u>51,396</u>	<u>61.9%</u>	<u>50,341</u>	<u>29,365</u>	<u>30,230</u>	<u>60.1%</u>	<u>(865)</u>
Chemicals	13,385	7,467	55.8%	13,276	56.2%	13,899	8,108	8,317	59.8%	(210)
Supplies & Other	36,226	17,172	47.4%	37,121	46.3%	37,263	21,737	19,470	52.2%	2,267
Contractual Services	100,856	63,228	62.7%	101,873	62.1%	107,012	62,424	58,571	54.7%	3,853
Capital Program Allocation	(3,356)	(1,791)	53.4%	(3,381)	53.0%	(3,515)	(2,051)	(1,770)	50.3%	(281)
Shared Services	(9,005)	(5,305)	58.9%	(7,139)	74.3%	(5,089)	(2,969)	(3,097)	60.9%	128
Unallocated Reserve	18,524	-	0.0%	-	0.0%	14,246	8,310	-	0.0%	8,310
Total Expenses	<u>\$ 312,642</u>	<u>\$ 170,400</u>	<u>54.5%</u>	<u>\$ 291,734</u>	<u>58.4%</u>	<u>\$ 318,548</u>	<u>\$ 185,819</u>	<u>\$ 171,366</u>	<u>53.8%</u>	<u>\$ 14,454</u>

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 January 31, 2020
(\$000)

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2019
Assets				
Cash - unrestricted (a)	\$ 107,813	\$ 152,088	\$ 259,901	\$ 309,016
Cash - restricted (a)	57,296	68,991	126,287	261,999
Investments - unrestricted (a)	277,911	138,837	416,748	274,246
Investments - restricted (a)	88,488	146,559	235,046	185,831
Accounts Receivable	82,235	80,522	162,757	208,914
Due from (to) Other Funds (b)	2,351	(2,351)		2,890
Other Assets (c)	599,082	449,743	1,048,825	1,046,518
Cash Held FBO DWSD Advance (d)	-	4,332	4,332	
Capital Assets, net of Depreciation	1,346,760	2,284,761	3,631,521	3,747,784
Land	292,799	123,846	416,645	417,657
Construction Work in Process (e)	177,346	209,254	386,601	368,748
Total assets	3,032,082	3,656,580	6,688,662	6,823,603
Deferred Outflows (f)	91,454	173,867	265,321	273,596
Liabilities				
Liabilities - Short-Term (g)	108,726	146,246	254,972	321,270
Due to (from) Other Funds (b)	-	-	-	2,890
Other Liabilities (h)	2,730	6,315	9,046	9,097
Cash Held FBO DWSD (d)	4,484	-	4,484	2,807
Liabilities - Long-Term (i)	3,034,168	3,740,532	6,774,699	6,853,419
Total liabilities	3,150,107	3,893,093	7,043,201	7,189,483
Deferred Inflows (j)	58,038	52,298	110,335	108,541
Total net position (j)	\$ (84,609)	\$ (114,943)	\$ (199,552)	\$ (200,825)

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 January 31, 2020 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 January 31, 2020.

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 January 31, 2020 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 January 2020 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 Seven Months ended January 31, 2020
(\$000)**

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- type Activities	Comparative June 30, 2019
Revenue						
Wholesale customer charges	\$ 185,853	93.7%	\$ 156,535	57.2%	\$ 342,388	\$ 584,172
Local system charges	12,422	6.3%	108,388	39.6%	120,810	201,341
Industrial waste charges	-	0.0%	4,842	1.8%	4,842	9,106
Pollutant surcharges	-	0.0%	3,523	1.3%	3,523	5,933
Other revenues	2	0.0%	271	0.1%	274	528
Total Revenues	\$ 198,278	100%	\$ 273,559	100%	\$ 471,836	\$ 801,079
Operating expenses						
Operations and Maintenance	74,160	37.4%	98,304	35.9%	172,464	293,863
Depreciation	78,012	39.3%	92,425	33.8%	170,437	309,115
Total operating expenses	152,171	76.7%	190,729	69.7%	342,901	602,978
Operating income	46,106	23.3%	82,829	30.3%	128,936	198,101
Total Nonoperating (revenue) expense	53,834	27.2%	73,830	27.0%	127,664	220,170
Increase/(Decrease) in Net Position	(7,728)	-3.9%	9,000	3.3%	1,272	(22,070)
Net position (deficit), beginning of year	(76,882)		(123,943)		(200,825)	(178,755)
Net position (deficit), end of year	\$ (84,609)		\$ (114,943)		\$ (199,552)	\$ (200,825)

Totals may be off due to rounding

Water Fund

- ✓ The decrease in Water Fund Net Position is \$7.7 million.
- ✓ Wholesale water customer charges of \$185.8 million account for 93.7% of Water System revenues.
- ✓ Operating expenses of \$152.1 million represent 76.7% of total operating revenue. Depreciation is the largest operating expense at \$78.0 million or 51.3% of operating expense.
- ✓ Monthly depreciation expense decreased \$1.6 million from December 2019. The reduction is attributed to fully depreciated assets at December 31, 2019.
- ✓ Operating income after operating expenses (including depreciation) equals \$46.1 million or 23.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$52.0 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 \$9.0 million.
- ✓ Wholesale customer charges of \$156.5 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 \$108.4 million account for 39.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$190.7 million represent 69.7% of total operating revenue. Depreciation is the largest operating expense at \$92.4 million or 48.5% of total operating expense.
- ✓ Monthly depreciation expense decreased \$1.6 million from December 2019. The reduction is attributed to fully depreciated assets at December 31, 2019.
- ✓ Operating income after operating expenses (including depreciation) equals \$82.8 million or 30.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$68.4 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 January 2020 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Seven Months ended January 31, 2020
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- type Activities	Percent of Total
Operating expenses						
Personnel						
Salaries & Wages	13,619	18.4%	27,706	28.2%	41,325	24.0%
Overtime	2,585	3.5%	1,874	1.9%	4,458	2.6%
Benefits	8,478	11.4%	5,384	5.5%	13,861	8.0%
Total Personnel	\$ 24,681	33.3%	\$ 34,963	35.6%	\$ 59,645	34.6%
Utilities						
Electric	15,633	21.1%	8,700	8.8%	24,333	14.1%
Gas	489	0.7%	2,289	2.3%	2,778	1.6%
Sewage	229	0.3%	952	1.0%	1,181	0.7%
Water	1	0.0%	1,937	2.0%	1,938	1.1%
Total Utilities	\$ 16,353	22.1%	\$ 13,877	14.1%	\$ 30,230	17.5%
Chemicals	3,156	4.3%	5,161	5.2%	8,317	4.8%
Supplies and other	6,836	9.2%	12,635	12.9%	19,471	11.3%
Contractual services	27,125	36.6%	32,543	33.1%	59,668	34.6%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(1,088)	-1.5%	(681)	-0.7%	(1,770)	-1.0%
Shared services allocation	(2,904)	-3.9%	(193)	-0.2%	(3,097)	-1.8%
Operations and Maintenance Expenses	\$ 74,160	100.0%	\$ 98,304	100.0%	\$ 172,464	100.0%

Totals may be off due to rounding.

- ✓ Core expenses for water and sewage disposal systems are utilities (17.5% of total O&M expenses) and chemicals (4.8%).
- ✓ Personnel costs (34.6% 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 (34.6%) includes:
 - o Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$5.0 million);
 - o Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$8.8 million); and
 - o 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 Seven Months ended January 31, 2020
(\$000)

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2019
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (13,040)	\$ (10,612)	\$ (23,652)	\$ (40,673)
Interest income DWSD Shortfall	-	(837)	(837)	(1,104)
Investment earnings	(4,876)	(4,870)	(9,746)	(26,518)
Other nonoperating revenue	(11)	(8)	(18)	(420)
Interest expense				-
Bonded debt	65,045	79,065	144,110	250,966
Lease obligation	10,213	12,482	22,694	39,264
Other obligations	2,830	918	3,748	6,368
Total interest expense	78,088	92,464	170,553	296,597
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	6,527
Capital Contribution	-	(5,960)	(5,960)	-
Amortization, issuance costs, debt	(9,417)	1,081	(8,336)	(3,995)
Amortization, raw water rights	2,081	-	2,081	3,567
(Gain) loss on disposal of capital assets	(1)	1,179	1,178	(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)
Total Nonoperating (Revenue)/Expense	\$ 53,834	\$ 73,830	\$ 127,664	\$ 220,170

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:
 - o Bonded debt;
 - o Lease obligation for the regional assets from the City of Detroit; and
 - o 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:

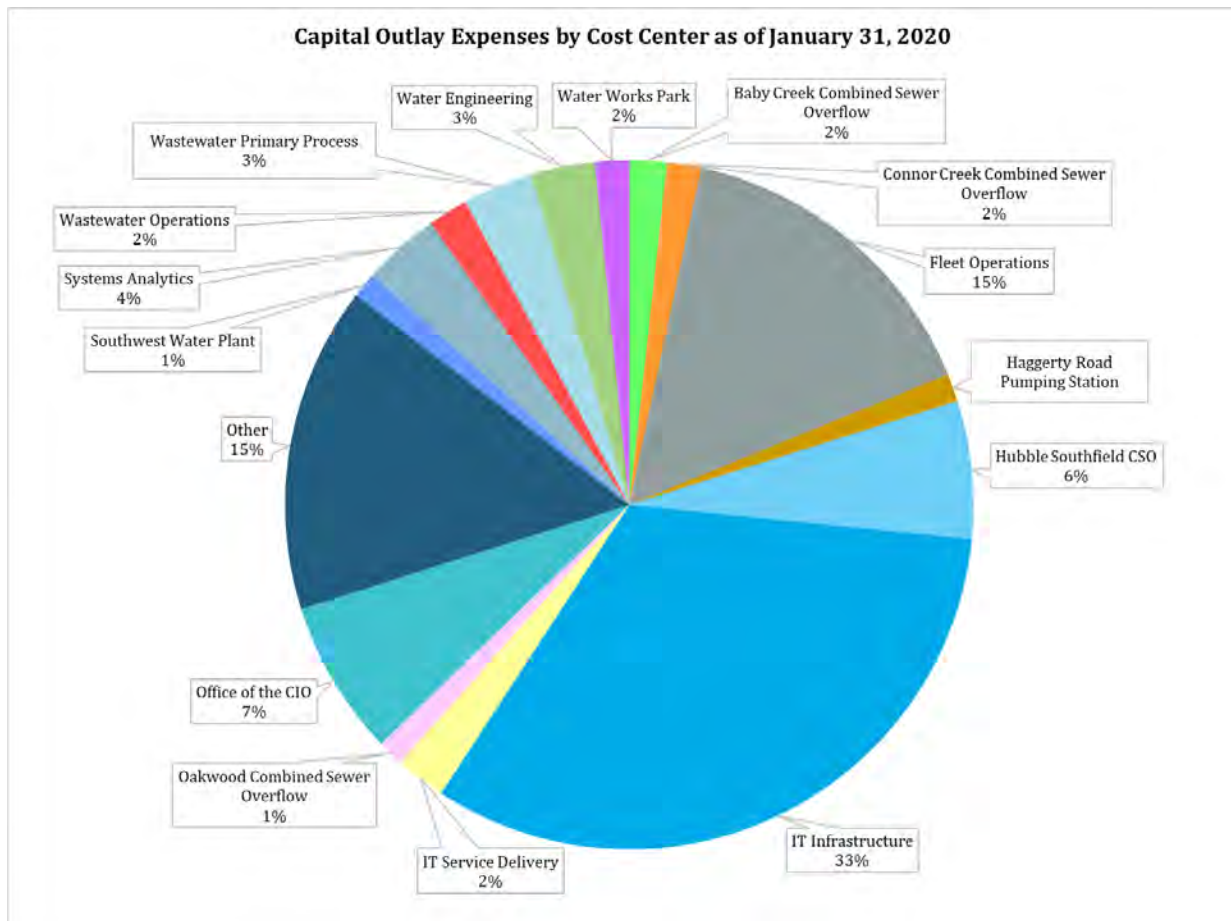
- ✓ Legacy Pension expense is reflected as income due to changes in actuarial assumptions and rates from the June 30, 2018 City of Detroit General Retirement System Component II audited financial statement.
- ✓ Sewer Other Non-operating expense includes the 2018 MOU Item 8a from June 27, 2018 for a final 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 January 31, 2020, total capital outlay spend is \$8.3 million. Following this chart is a sample list of projects and purchases from the total spend of \$8.3 million:



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

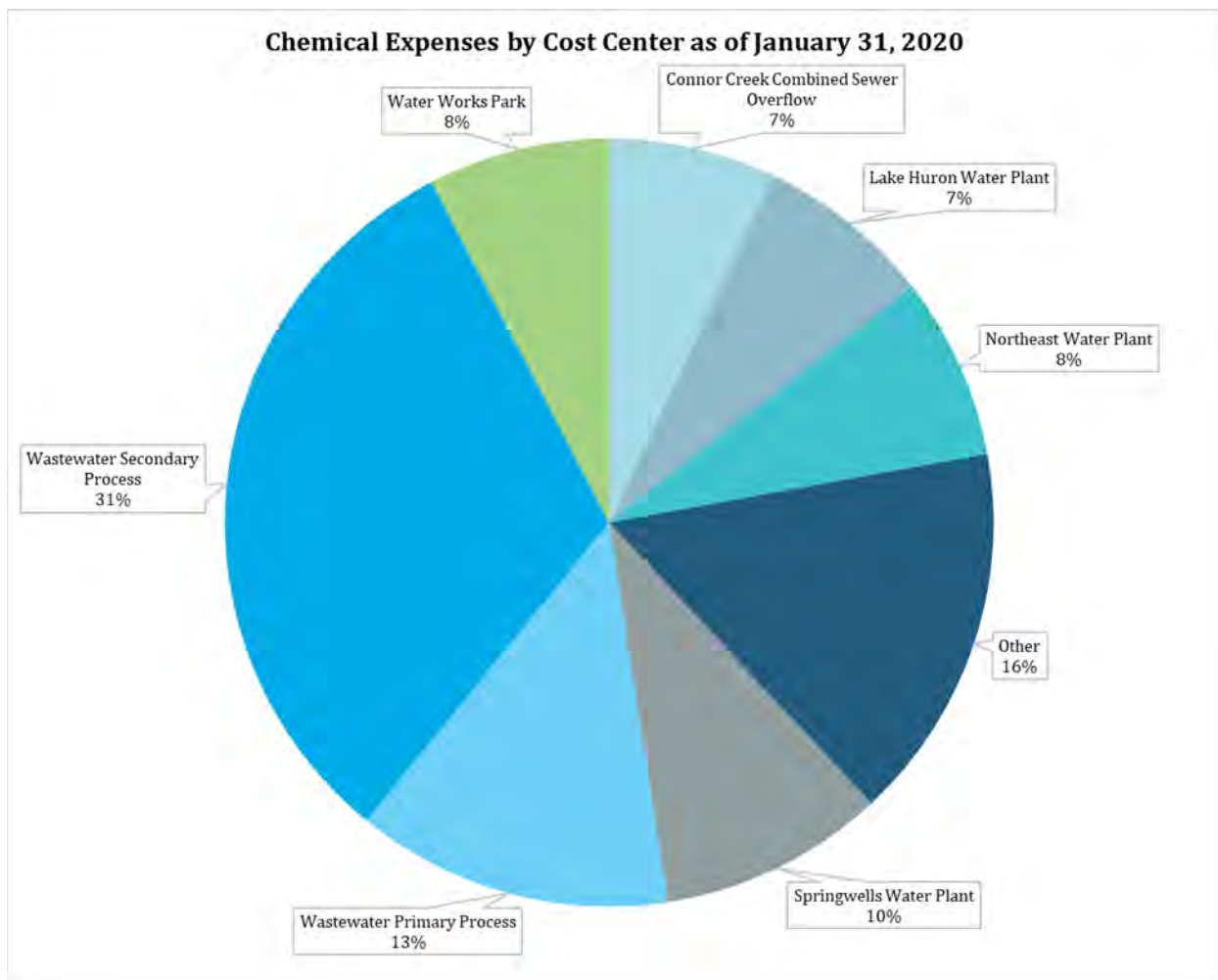
Water Operations: Water Works Park South Garage renovation (\$170k); actuators (\$108k); various Water location building improvements (\$80k); skid steer loader (\$44k); and turbid meters (\$53k) under ‘other’ for the Imlay Pumping Station.

Wastewater Operations: Accusonic flow meters (\$540k); pumps at various CSO's (\$253k); boilers (\$131k); Transformer C structure at Water Resource Recovery Facility (\$99k); chemical feed pump (\$96k); Flygt pump (\$78k); water heater for Scum building (\$76k); Rotork Actuators (\$49k); pumps at WRRF (\$48k) and skid steer loader (\$44k).

Centralized & Administrative Facilities: Low voltage wiring services (\$2.1m); trucks and vehicles (\$1.2m); IT & 17th floor renovation and furniture (\$593k); IT software (\$310k); Sewer meter support (\$179k); transmitters (\$118k); IT computers (\$90k); IT premium hardware support (\$74k); 2nd Floor furniture at CSF (\$49k); 'other' category expenses include: bathroom renovation (\$76k) for the Logistics and Materials team.

Chart 2 – Chemical Spend – Water and Sewer System Combined

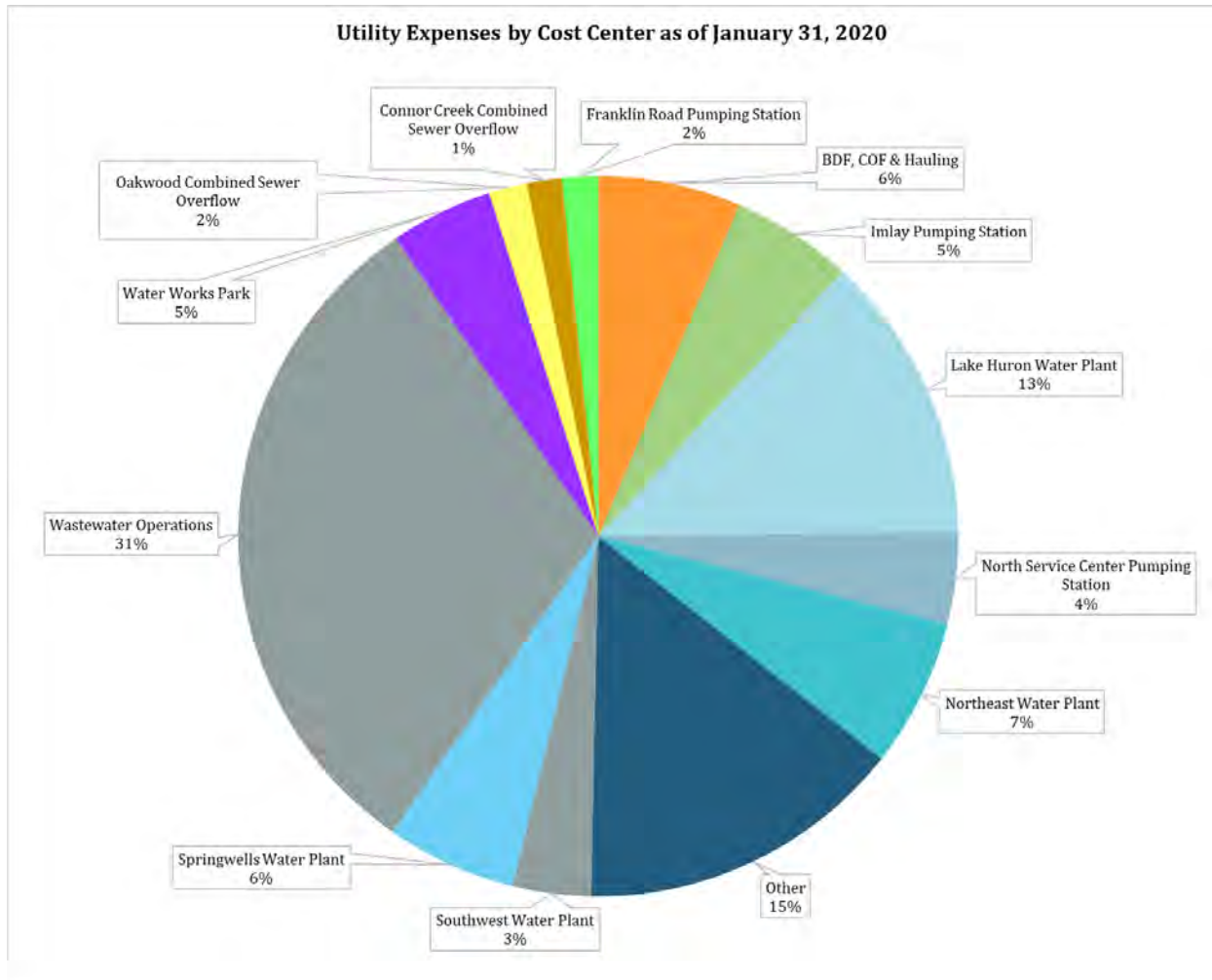
Chemical spend is \$8.3 million through January 31, 2020. The allocation is shown in the chart below and remains consistent with prior periods.



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 \$30.2 million through January 31, 2020. 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 December 2019.

Chart 1 – Bank Reconciliation Completion Status

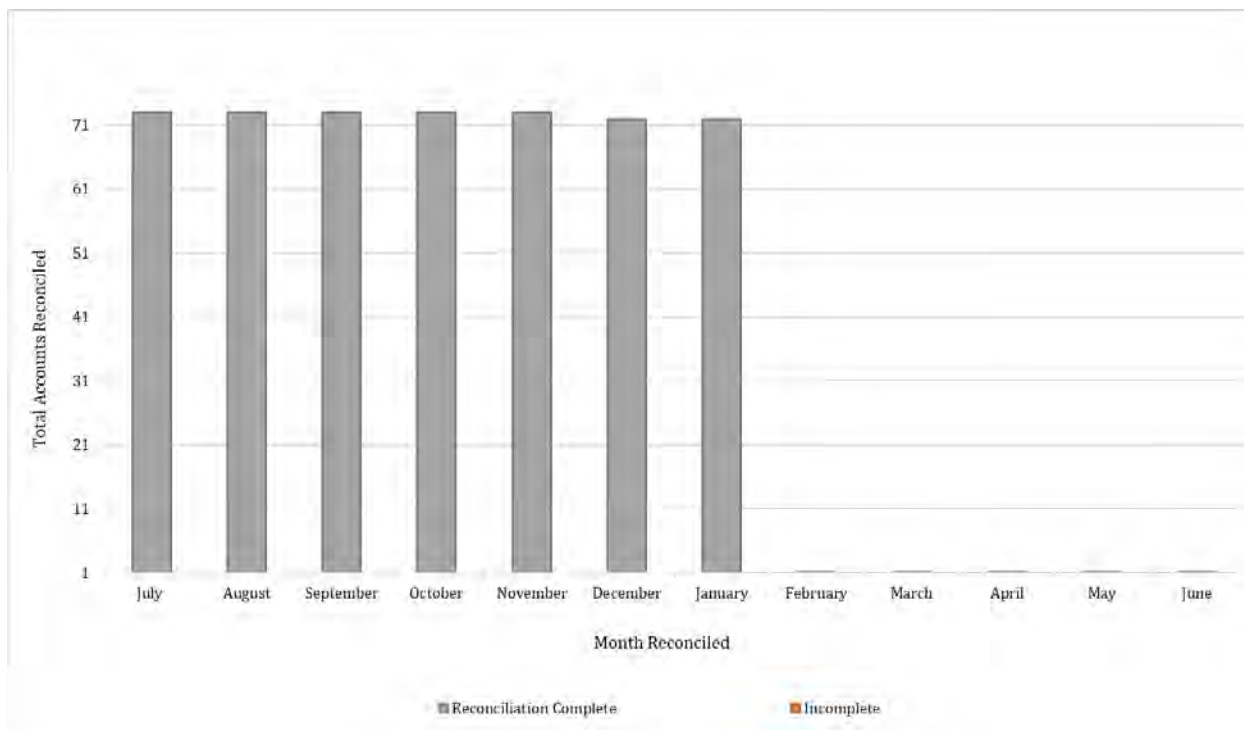


Table 1 – Fiscal Year 2020 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2019	71
New GL Cash accounts	2
Inactivated GL Cash accounts	(1)
Total GL Cash accounts as of January 31, 2020	<u>72</u>

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 1/12th 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 Seven Months Ended January 31, 2020

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 6,394	\$ 8,071	\$ 14,465
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	6,674	11,944	18,618
Prior year pension contribution accounted for in current year (d)	-	-	-
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	24,737	54,203	78,940
Accelerated pension B&C notes obligation portion (g)	103	231	334
Lease payment (h)	2,912	3,560	6,472
WRAP (i)	(19)	10	(9)
DWSD short term allocation (j)	-	4,954	4,954
Operating Reserve Deposit (j)	2,319	-	2,319
Improvement & Extension Fund (j)	17,435	13,894	31,329
Nonbudgeted financial reporting categories adjustments			
Depreciation (k)	(78,012)	(92,425)	(170,437)
Amortization (k)	7,336	(1,081)	6,255
Other nonoperating income (k)	11	8	19
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	1	(1,179)	(1,178)
Raw water rights (l)	1,459	-	1,459
Investment earnings construction fund (m)	922	850	1,772
Capital contribution (n)	-	5,960	5,960
Net Position Increase/(Decrease) per Financial Statements (b)	\$ (7,728)	\$ 9,000	\$ 1,272

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 \$959 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.

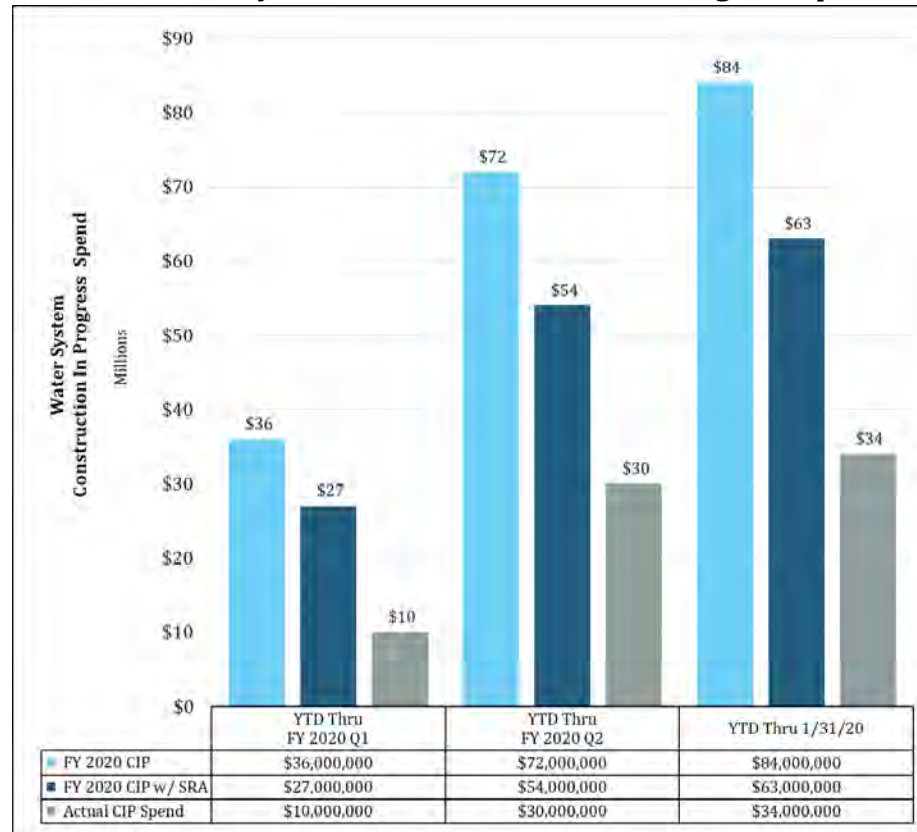
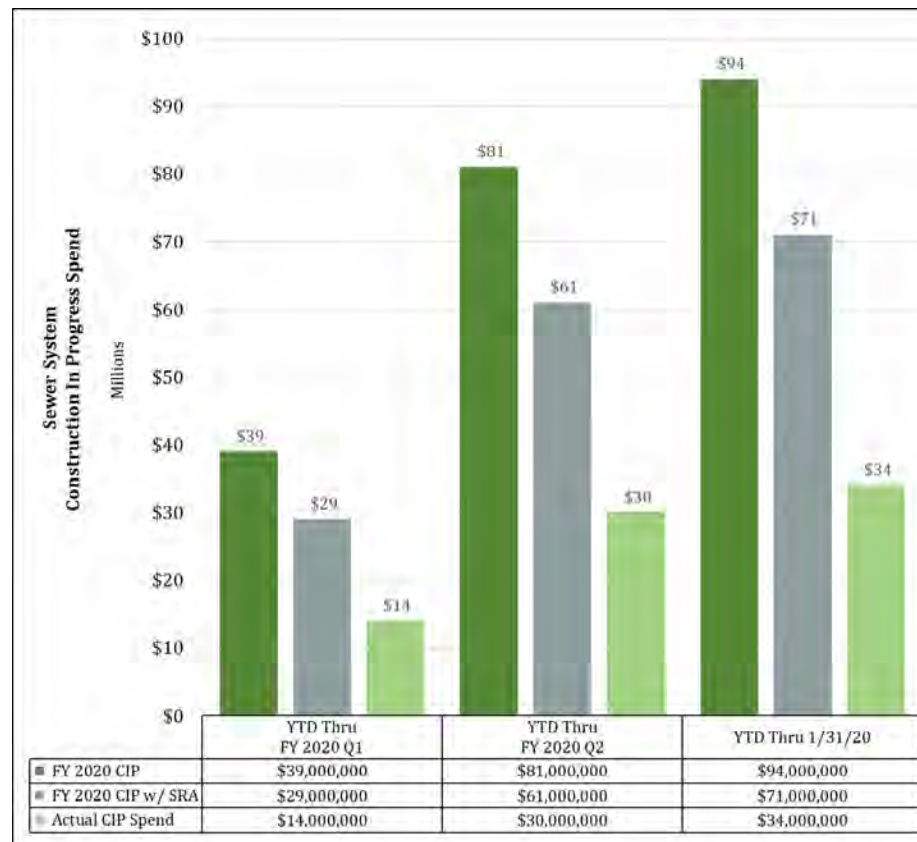
This report presents quarterly and monthly CWIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2020 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes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

Chart 1 – Water System Construction in Work in Progress Spend

As of January 2020, the Water system incurred nearly \$34 million of construction costs to date. This is 40% of the fiscal year 2020 prorated CIP through January and 54% 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 January 2020, the Sewer system incurred over \$34 million of construction costs to date. This is 36% of the fiscal year 2020 prorated CIP through January and 48% 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 January 1, 2020. MBO transfers for water totaling \$87.6 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2020 Sewer MBO Transfers reflects the required transfers for FY 2020 completed through January 1, 2020. MBO transfers for sewer totaling \$125.7 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
FY 2020							
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
January 2020	10,957,542	504,000	891,308	165,067	-	-	12,517,917
Total FY 2020	\$76,702,794	\$3,528,000	\$6,239,156	\$1,155,469	\$0	\$0	\$87,625,419

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
FY 2020							
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
January 2020	15,588,100	902,000	1,223,959	240,608	-	-	17,954,667
Total FY 2020	\$109,116,700	\$6,314,000	\$8,567,713	\$1,684,256	\$0	\$0	\$125,682,669

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 (7 months)	76,702,794	3,528,000	6,239,156	1,155,469	-	-	87,625,419
Life to Date	\$502,759,602	\$27,698,300	\$48,224,948	\$9,436,369	\$2,686,900	\$606,000	\$591,412,119
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 (7 months)	109,116,700	6,314,000	8,567,713	1,684,256	-	-	125,682,669
Life to Date	\$767,999,892	\$49,638,800	\$65,995,305	\$12,493,852	\$8,246,100	\$779,600	\$905,153,549

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 January 1, 2020. MBO transfers for Water totaling \$33.8 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 January 1, 2020. MBO transfers for Sewer totaling \$53.2 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. Lastly, in December 2019, DWSD returned \$2,600,000 of the Operations & Maintenance transfers to provide additional funds to address FY 2020 projected shortfall. This return of funds adjusts the total MBO transfers through January 1, 2020 to \$50.6 million.

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

	WATER			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2020				
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
January 2020	\$ 2,888,533	\$ 356,000	\$ 1,579,333	4,823,866
Total FY 2020	\$ 20,219,731	\$ 2,492,000	\$ 11,055,331	\$ 33,767,062

Table 5 – DWSD FY 2020 Sewer MBO Transfers

	SEWER			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2020				
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
January 2020	4,778,625	238,000	1,872,275	6,888,900
February 2020				-
March 2020				-
April 2020				-
May 2020				-
June 2020				-
Total MBO Transfers	38,450,375	1,666,000	13,105,925	53,222,300
<u>Adjustment to MBO Transfers</u>				
December 2019	(2,600,000)	-	-	(2,600,000)
Total FY 2020	\$35,850,375	\$1,666,000	\$13,105,925	\$50,622,300

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
FY 2016 *				
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
FY 2017				
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
FY 2018				
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
FY 2019				
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
FY 2020 (7 months)				
MBO/Lease Requirement	20,219,731	2,492,000	13,125,000	35,836,731
Offset to Debt Service	-	-	(2,069,669)	(2,069,669)
Net MBO Transfer	20,219,731	2,492,000	11,055,331	33,767,062
Life-to-Date				
MBO/Lease Requirement	150,545,735	19,561,100	103,125,000	273,231,835
Offset to Debt Service	-	-	(10,243,769)	(10,243,769)
Total Water	\$150,545,735	\$19,561,100	\$92,881,231	\$262,988,066
SEWER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
FY 2016 *				
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
FY 2017				
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
FY 2018				
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
FY 2019				
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
FY 2020 (7 months)				
MBO/Lease Requirement	38,450,375	1,666,000	16,041,667	56,158,042
Offset to address shortfall	(2,600,000)	-	-	(2,600,000)
Offset to Debt Service	-	-	(2,935,742)	(2,935,742)
Total MBO Transfer	35,850,375	1,666,000	13,105,925	50,622,300
Life-to-Date				
MBO/Lease Requirement	217,046,187	13,101,800	126,041,667	356,189,654
Offset to Debt Service	-	-	(36,508,906)	(36,508,906)
Total Sewer	\$214,446,187	\$13,101,800	\$89,532,761	\$317,080,748

* 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:

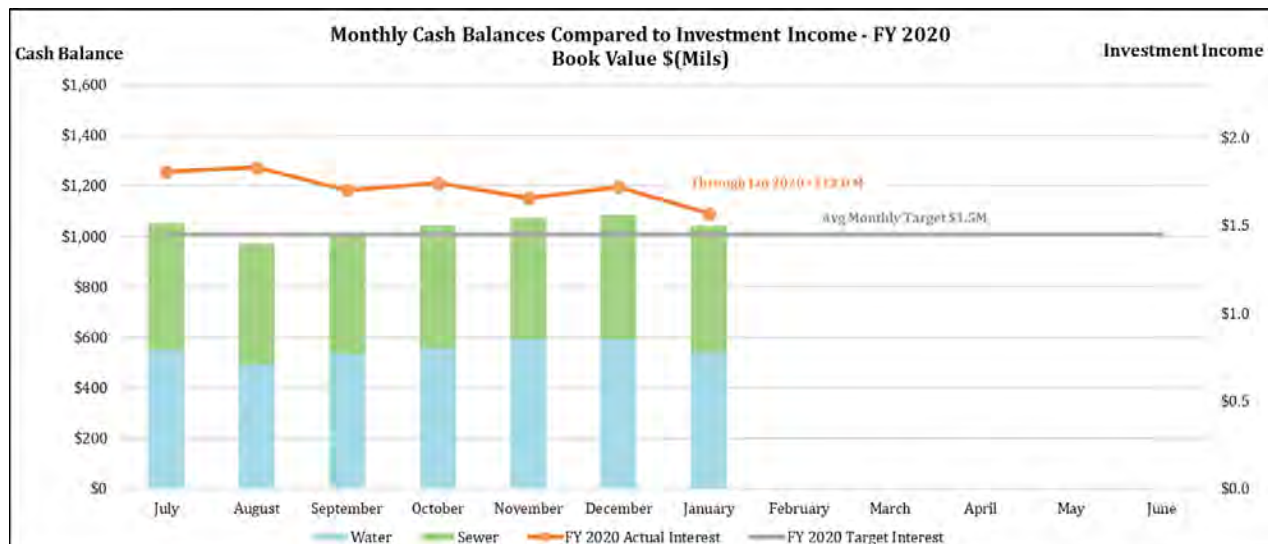
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 January 2020 of \$12.0 million is 69% 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 January 2020



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$549	\$494	\$536	\$555	594	592	541					
Sewer	\$501	\$479	\$464	\$489	479	493	498					
Total	\$1,050	\$973	\$1,000	\$1,044	\$1,073	\$1,085	\$1,039					
Investment Income	\$1.8	\$1.8	\$1.7	\$1.7	\$1.7	\$1.7	\$1.6					

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

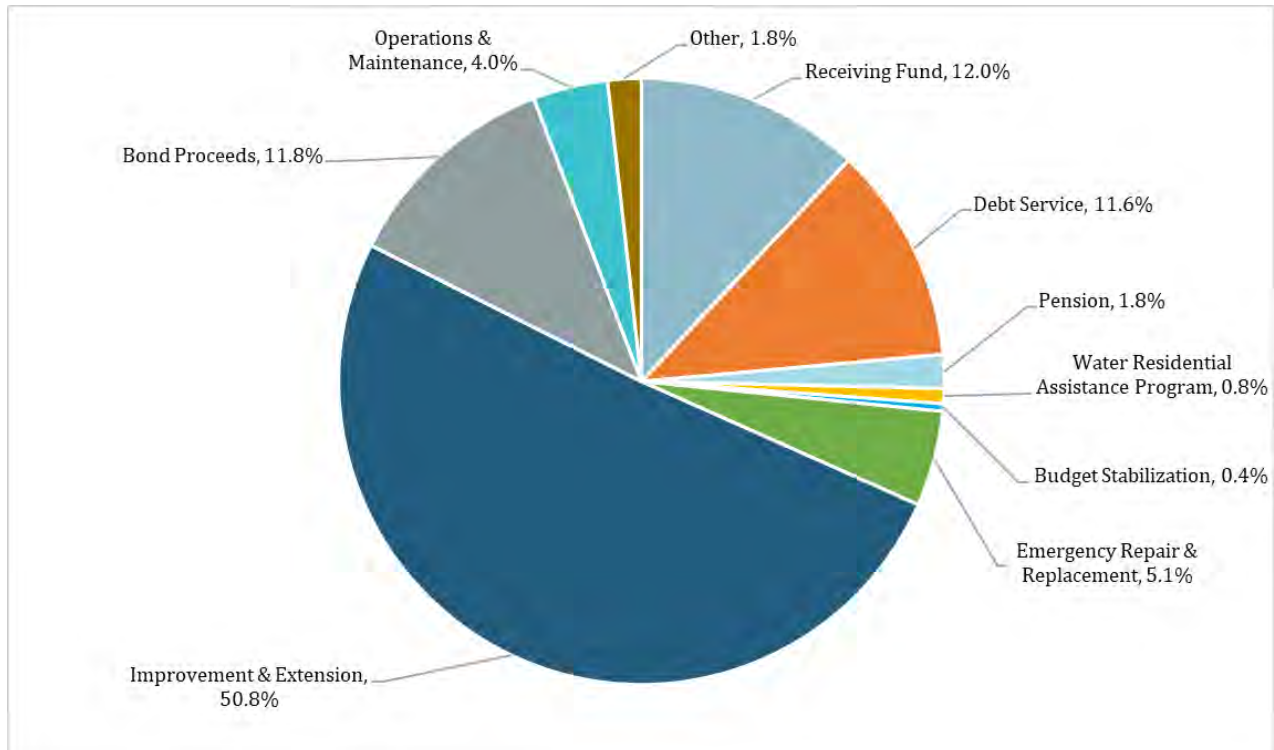
Funds Held Outside Trust:

- 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 as well as the [MBO](#) documents.

Chart 2 – Cash Balances - Water Funds as of January 31, 2020 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of January 31, 2020 is \$541 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 January 31, 2020

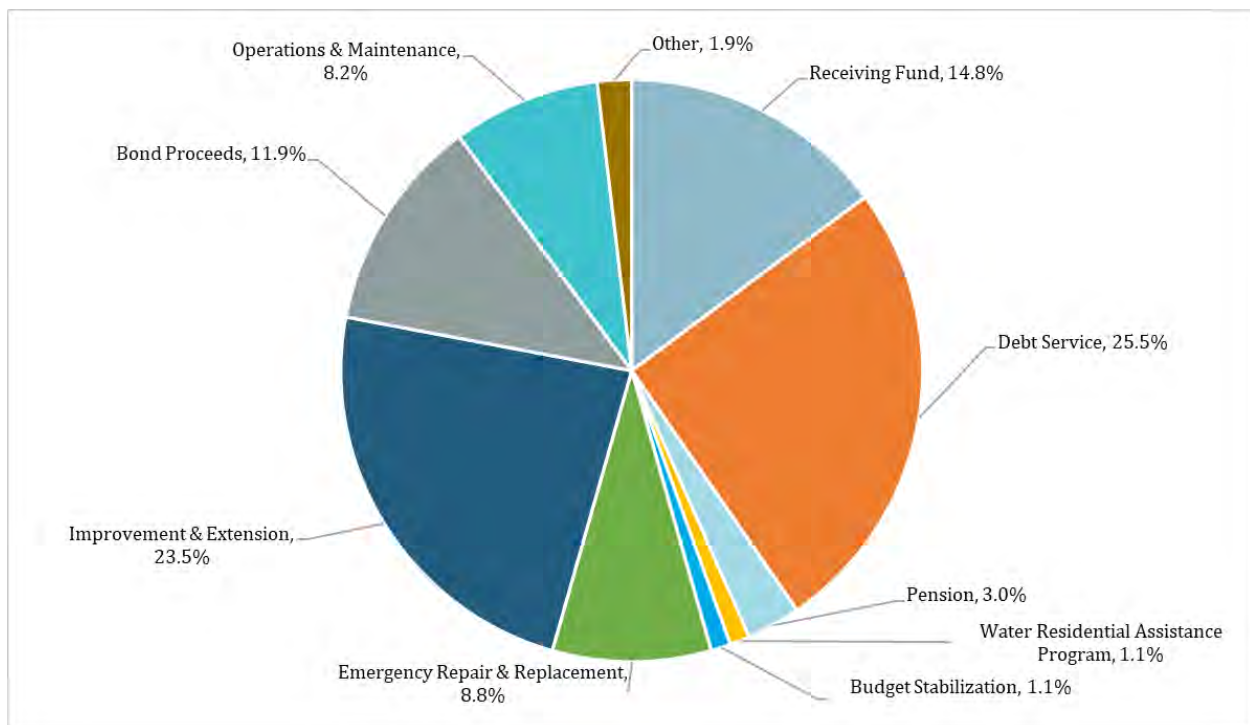


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of January 31, 2020 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of January 31, 2020 is \$498 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 January 31, 2020



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 January 31, 2020, the DWSD usage was at 92.19% of the budget and billed revenue was at 98.49% 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	Volume	Revenue (2)	Unit	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	8,811,834	38.49	(17,885)	(348,158)
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	205,993	7,981,382	38.75	(22,266)	(301,586)
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					
Total	2,862,437	103,551,100	36.18	1,580,185	60,466,423	38.27	(133,941)	(926,385)
<i>Subtotals ytd</i>	<i>1,714,126</i>	<i>61,392,808</i>	<i>35.82</i>	<i>1,580,185</i>	<i>60,466,423</i>	<i>38.27</i>	<i>(133,941)</i>	<i>(926,385)</i>
<i>Achievement of Budget</i>				<i>92.19%</i>	<i>98.49%</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
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%
January	9,076,091	8,158,817	917,274	11.24%
Rolling, 12-Month Total	100,818,094	99,577,450		
Rolling, 12-Month Average	8,401,508	8,298,121		

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 January 31, 2020, the DWSD usage was at 94.60% of the budget and billed revenue was at 98.11% 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	28,049,707	(6,928)	(485,713)
August	258,984	28,327,270	246,989	28,076,649	(11,995)	(250,621)
September	255,527	26,788,442	215,119	26,430,710	(40,408)	(357,732)
October	227,141	26,444,548	238,202	27,549,787	11,061	1,105,239
November	211,617	25,759,684	188,779	24,726,161	(22,838)	(1,033,523)
December	195,192	25,905,017	186,917	24,853,335	(8,275)	(1,051,682)
January	197,099	26,341,264	190,230	24,857,510	(6,869)	(1,483,754)
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				
Total	2,630,560	321,338,900	1,511,046	184,543,859	(86,252)	(3,557,786)
Subtotals ytd	1,597,298	188,101,645	1,511,046	184,543,859	(86,252)	(3,557,786)
Achievement of Budget/Goal			94.60%	98.11%		

(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
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%
January	23,512,702	21,140,835	2,371,867	11.22%
Rolling 12-Month Total	266,392,757	254,596,941		
Rolling, 12-Month Average	22,199,396	21,216,412		

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 January 31, 2020 with comparative totals from January 31, 2019.

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	286,306	\$ 340.58	\$ 13,180,871 13.5%	\$ 7,069,506 7.2%	\$ 18,959,204 19.4%	\$ 58,301,171 59.8%	\$ 97,510,752 100.0%
Commercial	28,354	1,462.54	8,086,444 19.5%	2,968,132 7.2%	7,222,404 17.4%	23,191,879 55.9%	41,468,860 100.0%
Industrial	4,805	3,827.06	4,407,188 24.0%	1,162,691 6.3%	2,673,646 14.5%	10,145,482 55.2%	18,389,008 100.0%
Tax Exempt Entities	7,969	1,774.69	1,783,237 12.6%	921,572 6.5%	2,462,885 17.4%	8,974,801 63.5%	14,142,494 100.0%
Government Entities	3,093	2,084.88	1,281,030 19.9%	399,462 6.2%	963,010 14.9%	3,805,039 59.0%	6,448,541 100.0%
Subtotal - Active Accounts	330,527	\$ 538.41	\$ 28,738,770 16.1%	\$ 12,521,364 7.0%	\$ 32,281,150 18.1%	\$ 104,418,372 58.7%	\$ 177,959,655 100.0%
Inactive Accounts	276,972	96.73	207,997 0.8%	170,883 0.6%	1,429,931 5.3%	24,982,599 93.2%	26,791,410 100.0%
Total	607,499	\$ 337.04	\$ 28,946,767	\$ 12,692,247	\$ 33,711,081	\$ 129,401,971	\$ 204,751,065
% of Total A/R			14.1%	6.2%	16.5%	63.2%	100.0%
Water Fund	225,395	179.72	\$ 6,378,000	\$ 2,441,000	\$ 6,351,000	\$ 25,336,000	\$ 40,507,000
Sewer Fund	280,059	586.46	\$ 22,568,000	\$ 10,251,000	\$ 27,360,000	\$ 104,065,000	\$ 164,244,000
Total January 31, 2020	607,499	337.04	\$ 28,947,000	\$ 12,692,000	\$ 33,711,000	\$ 129,401,000	\$ 204,751,000
Water Fund- Allowance							\$ (30,161,000)
Sewer Fund- Allowance							\$ (101,107,000)
Total January 31, 2020 Bad Debt Allowance							\$ (131,268,000)
Comparative Totals - January 31, 2019	586,849	299.68	\$ 27,207,000	\$ 13,142,000	\$ 34,127,000	\$ 101,388,000	\$ 175,864,000

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 January 31, 2020, the billed usage was at 94.44% of budget and billed revenue at 97.73% 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	\$
July	1,777,138	32,544,400	18.31	1,545,631	30,356,570	19.64	(231,507)	(2,187,830)
August	1,549,587	30,383,100	19.61	1,554,426	30,501,606	19.62	4,839	118,506
September	1,368,496	28,270,400	20.66	1,257,111	27,278,750	21.70	(111,385)	(991,650)
October	1,066,653	25,351,200	23.77	1,026,086	25,007,145	24.37	(40,567)	(344,055)
November	917,034	24,049,100	26.22	905,016	23,933,012	26.44	(12,018)	(116,088)
December	1,004,420	24,714,000	24.61	983,589	24,535,948	24.95	(20,831)	(178,052)
January	1,018,192	24,861,000	24.42	945,874	24,246,312	25.63	(72,318)	(614,688)
February	893,007	23,780,800	26.63					
March	1,008,766	24,753,300	24.54					
April	948,751	24,262,000	25.57					
May	1,073,966	25,549,300	23.79					
June	1,383,200	28,595,300	20.67					
Total	14,009,210	317,113,900	22.64	8,217,733	185,859,343	22.62	(483,787)	(4,313,857)
<i>Subtotals ytd</i>	<i>8,701,520</i>	<i>190,173,200</i>	<i>21.86</i>	<i>8,217,733</i>	<i>185,859,343</i>	<i>22.62</i>	<i>(483,787)</i>	<i>(4,313,857)</i>
Achievement of Budget				94.44%	97.73%			

(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
February	26,147,082	21,352,903	4,794,179	22.45%
March	24,967,265	27,715,696	(2,748,431)	-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%
January	25,470,795	23,430,974	2,039,821	8.71%
Rolling 12-Month Total	304,744,867	307,920,038		
Rolling 12-Month Average	25,395,406	25,660,003		

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	<u>7</u>
Total	<u><u>18</u></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 January 31, 2020, the billed revenue is at 100% 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	22,323,183	N/A	22,323,183	N/A	-
August	N/A	22,323,183	N/A	22,323,183	N/A	-
September	N/A	22,323,183	N/A	22,323,183	N/A	-
October	N/A	22,323,183	N/A	22,323,183	N/A	-
November	N/A	22,323,183	N/A	22,323,183	N/A	-
December	N/A	22,323,183	N/A	22,323,183	N/A	-
January	N/A	22,323,183	N/A	22,323,183	N/A	-
February	N/A	22,323,183	N/A		N/A	
March	N/A	22,323,183	N/A		N/A	
April	N/A	22,323,183	N/A		N/A	
May	N/A	22,323,183	N/A		N/A	
June	N/A	22,323,183	N/A		N/A	
Total		267,878,196		156,262,281		-
<i>Subtotals ytd</i>		156,262,281		156,262,281		-
<i>Achievement of Budget</i>				100.00%		

(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	
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%	
January	17,121,812	26,874,927	(9,753,115)	-36.29%	
Rolling 12-Month Total	269,003,210	281,087,961			
Rolling, 12-Month Average	22,416,934	23,423,997			

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 January 31, 2020, Highland Park had a delinquent balance of \$42.3 million, including \$32.5 million for wastewater treatment services, \$1.7 million for industrial waste control services, and \$8.1 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 January 31, 2020. 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
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	41,586,881
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	42,170,736
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	42,748,187
December 2019 Billing	98,501	472,500	3,845	574,846
December 2019 Payments	-	-	-	-
December 31, 2019 Balance	7,977,318	33,646,587	1,699,128	43,323,033
January 2020 Billing	85,342	472,500	3,853	561,695
January 2020 Payments	-	(1,561,812)	-	(1,561,812)
January 31, 2020 Balance	8,062,660	32,557,274	1,702,981	42,322,916

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 January 31, 2020.

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). GLWA received a final agreement from Wayne County in late February to effectuate a transfer retroactive to July 1, 2018 and is working to process credits as required by the end of April 2020.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 38,071,906.66	\$ 30,297,945.77	\$ 200,579.27	\$ 213,199.91	\$ 7,360,181.71
Sewer	\$ 45,737,007.82	\$ 13,652,233.58	\$ 472,500.00	\$ 472,500.00	\$ 31,139,774.24
IWC	\$ 3,616,611.90	\$ 649,376.36	\$ 38,526.93	\$ -	\$ 2,928,708.61
Pollutant Surcharge	\$ 876,932.82	\$ 766,617.35	\$ 15,663.42	\$ 35,686.72	\$ 58,965.33
Total	\$ 88,302,459.20	\$ 45,366,173.06	\$ 727,269.62	\$ 721,386.63	\$ 41,487,629.89
	100.00%	51.38%	0.82%	0.82%	46.98%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 30,009,246.77	\$ 30,009,246.77	\$ -	\$ -	\$ -
Sewer	\$ 13,179,733.58	\$ 13,179,733.58	\$ -	\$ -	\$ -
IWC	\$ 1,913,630.45	\$ 641,678.41	\$ 34,579.09	\$ -	\$ 1,237,372.95
Pollutant Surcharge	\$ 876,932.82	\$ 766,617.35	\$ 15,663.42	\$ 35,686.72	\$ 58,965.33
Total	\$ 45,979,543.62	\$ 44,597,276.11	\$ 50,242.51	\$ 35,686.72	\$ 1,296,338.28
	100.00%	96.99%	0.11%	0.08%	2.82%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 30,009,246.77	\$ 30,009,246.77	\$ -	\$ -	\$ -
Sewer	\$ 13,179,733.58	\$ 13,179,733.58	\$ -	\$ -	\$ -
IWC	\$ 572,520.23	\$ 572,520.23	\$ -	\$ -	\$ -
Pollutant Surcharge	\$ 876,932.82	\$ 766,617.35	\$ 15,663.42	\$ 35,686.72	\$ 58,965.33
Total	\$ 44,638,433.40	\$ 44,528,117.93	\$ 15,663.42	\$ 35,686.72	\$ 58,965.33
	100.00%	99.75%	0.04%	0.08%	0.13%

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 seven months of activity to date.

Water fund activity exceeded required MBO disbursements by 15% through January 31, 2020 with a historical ratio of cash receipts exceeding MBO disbursements by 15% since January 1, 2016.

Sewer fund cash receipts exceeded disbursements by 15% through January 31, 2020 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.

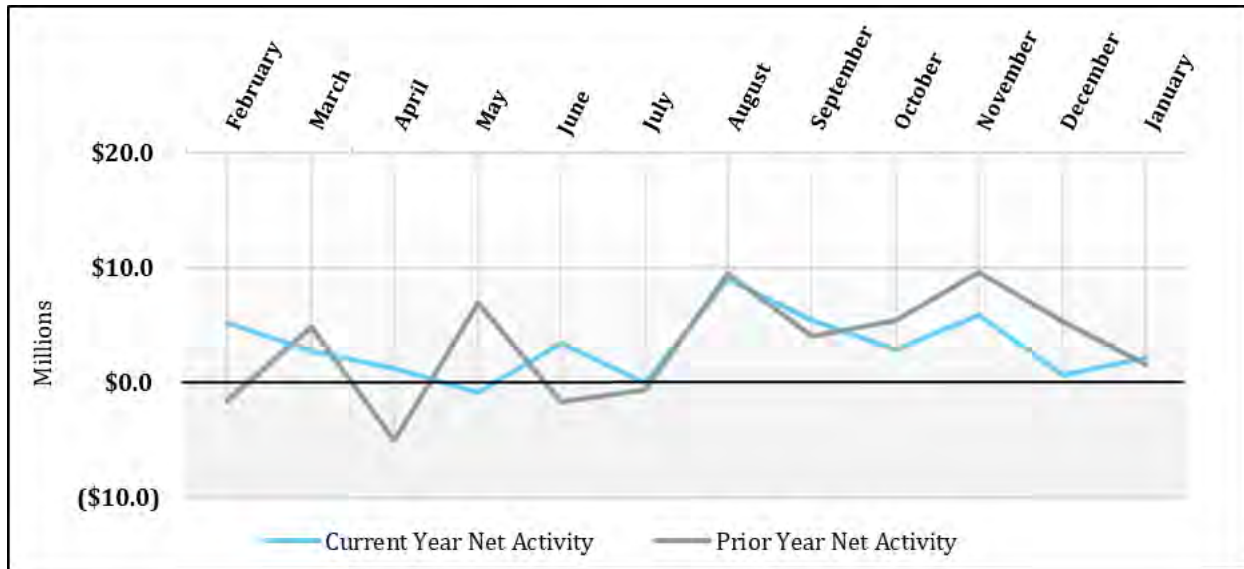
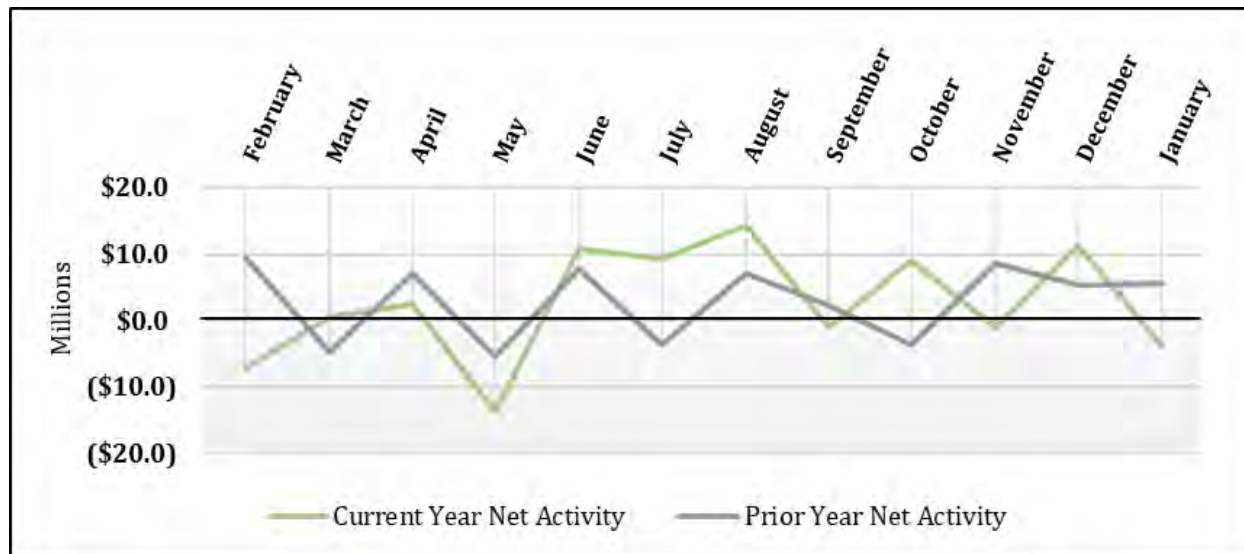
Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

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
Water						
1 Receipts	\$ 149,688,711	\$ 352,941,909	\$ 338,452,001	\$ 336,594,234	\$ 201,059,324	\$1,378,736,179
2 MOU Adjustments	-	-	-	-	-	-
3 Adjusted Receipts	149,688,711	352,941,909	338,452,001	336,594,234	201,059,324	1,378,736,179
4 Disbursements	(146,256,185)	(288,777,985)	(297,064,810)	(289,230,481)	(174,744,899)	(1,196,074,360)
5 Receipts Net of Required Transfers	3,432,526	64,163,924	41,387,191	47,363,753	26,314,425	182,661,819
6 I&E Transfer	-	-	(25,739,700)	(47,695,000)	(17,572,917)	(91,007,617)
7 Net Receipts	\$ 3,432,526	\$ 64,163,924	\$ 15,647,491	\$ (331,247)	\$ 8,741,508	\$ 91,654,202
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	102%	122%	114%	116%	115%	115%
Sewer						
9 Receipts	\$ 232,377,715	\$ 469,788,882	\$ 476,269,761	\$ 467,743,744	\$ 300,430,637	\$1,946,610,739
10 MOU Adjustments	-	-	-	-	-	-
11 Adjusted Receipts	232,377,715	469,788,882	476,269,761	467,743,744	300,430,637	1,946,610,739
12 Disbursements	(219,538,325)	(441,443,340)	(458,903,335)	(453,406,636)	(262,308,755)	(1,835,600,391)
13 Receipts Net of Required Transfers	12,839,390	28,345,542	17,366,426	14,337,108	38,121,882	111,010,348
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(14,852,600)	(60,098,400)
15 DWSD Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	(53,413,034)
16 Shortfall Repayment (principal)	-	-	-	9,367,355	10,153,988	19,521,343
17 Net Receipts	\$ 11,553,924	\$ 331,008	\$ (29,444,708)	\$ 1,156,763	\$ 33,423,270	\$ 17,020,257
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	106%	106%	104%	103%	115%	106%
Combined						
19 Receipts	\$ 382,066,426	\$ 822,730,791	\$ 814,721,762	\$ 804,337,978	\$ 501,489,961	\$3,325,346,918
20 MOU Adjustments	-	-	-	-	-	-
21 Adjusted Receipts	382,066,426	822,730,791	814,721,762	804,337,978	501,489,961	3,325,346,918
22 Disbursements	(365,794,510)	(730,221,325)	(755,968,145)	(742,637,117)	(437,053,654)	(3,031,674,751)
23 Receipts Net of Required Transfers	16,271,916	92,509,466	58,753,617	61,700,861	64,436,307	293,672,167
24 I&E Transfer	-	-	(48,437,800)	(70,242,700)	(32,425,517)	(151,106,017)
25 Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	(53,413,034)
26 Shortfall Repayment	-	-	-	9,367,355	10,153,988	19,521,343
27 Net Receipts	\$ 14,986,450	\$ 64,494,932	\$ (13,797,217)	\$ 825,516	\$ 42,164,778	\$ 108,674,459
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	104%	113%	108%	108%	115%	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 seven months of activity to date.

Water fund cash receipts exceeded required MBO disbursements by 4% through January 31, 2020 with a historical ratio of 3% since January 1, 2016.

Sewer fund cash receipts fell short of required MBO disbursements by 3% through January 31, 2020 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
Water						
1 Receipts	\$ 26,201,881	\$ 96,451,105	\$ 101,233,147	\$ 99,868,219	\$ 59,758,115	\$ 383,512,467
2 MOU Adjustments	18,446,100	-	-	-	-	18,446,100
3 Adjusted Receipts	44,647,981	96,451,105	101,233,147	99,868,219	59,758,115	401,958,567
4 Disbursements	(47,809,552)	(93,066,144)	(93,049,457)	(97,694,600)	(57,459,787)	(389,079,540)
5 Receipts Net of Required Transfers	(3,161,571)	3,384,961	8,183,690	2,173,619	2,298,328	12,879,027
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)	\$ 2,298,328	\$ 4,471,947
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	93%	104%	109%	102%	104%	103%
Sewer						
9 Receipts	\$ 65,256,734	\$ 233,723,367	\$ 242,104,791	\$ 265,339,797	\$ 159,375,923	\$ 965,800,612
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	159,375,923	1,028,082,912
12 Disbursements	(122,297,300)	(261,963,973)	(266,217,825)	(271,018,306)	(164,330,384)	(1,085,827,788)
13 Receipts Net of Required Transfers	(1,285,466)	(28,240,606)	(24,113,034)	848,691	(4,954,461)	(57,744,876)
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	\$ (4,954,461)	\$ (4,331,842)
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	99%	89%	91%	100%	97%	95%
Combined						
18 Receipts	\$ 91,458,615	\$ 330,174,472	\$ 343,337,938	\$ 365,208,016	\$ 219,134,038	\$1,349,313,079
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	219,134,038	1,430,041,479
21 Disbursements	(170,106,852)	(355,030,117)	(359,267,282)	(368,712,906)	(221,790,171)	(1,474,907,328)
22 Receipts Net of Required Transfers	(4,447,037)	(24,855,645)	(15,929,344)	3,022,310	(2,656,133)	(44,865,849)
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)	\$ (2,656,133)	\$ 140,105
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	97%	93%	96%	101%	99%	97%

(a) The \$226,072 difference in FY 2017 is due to the June IWC payment from DWSD that was not past due at yearend and the \$12,272 rounding difference on the loan receivable.

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
1/6/2020	Loan Receivable Payment (for the month of January)	814,769	14,287,545
		15,012,455	14,287,545

Table 4 – FY 2017 DWSD Loan Receivable Payments - Sewer

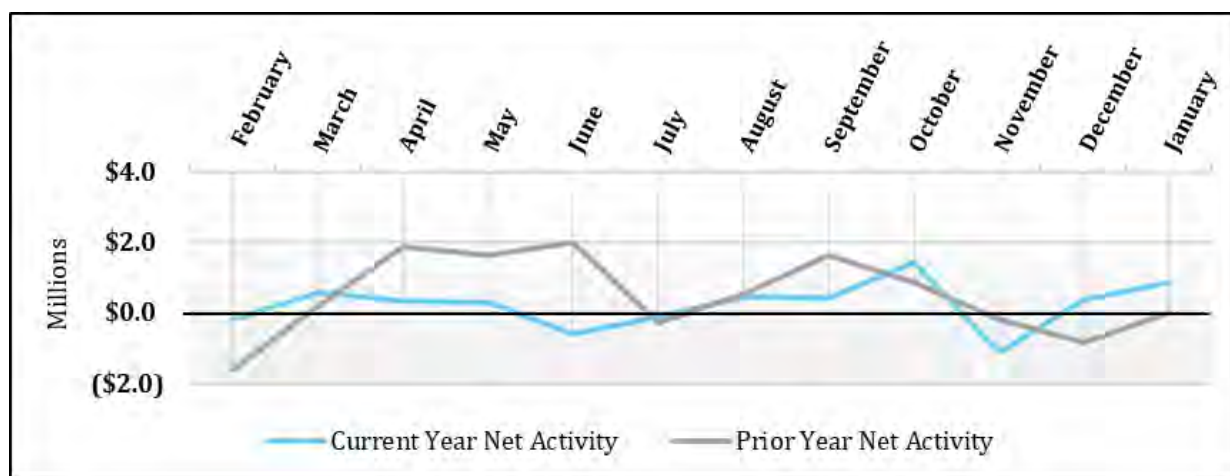
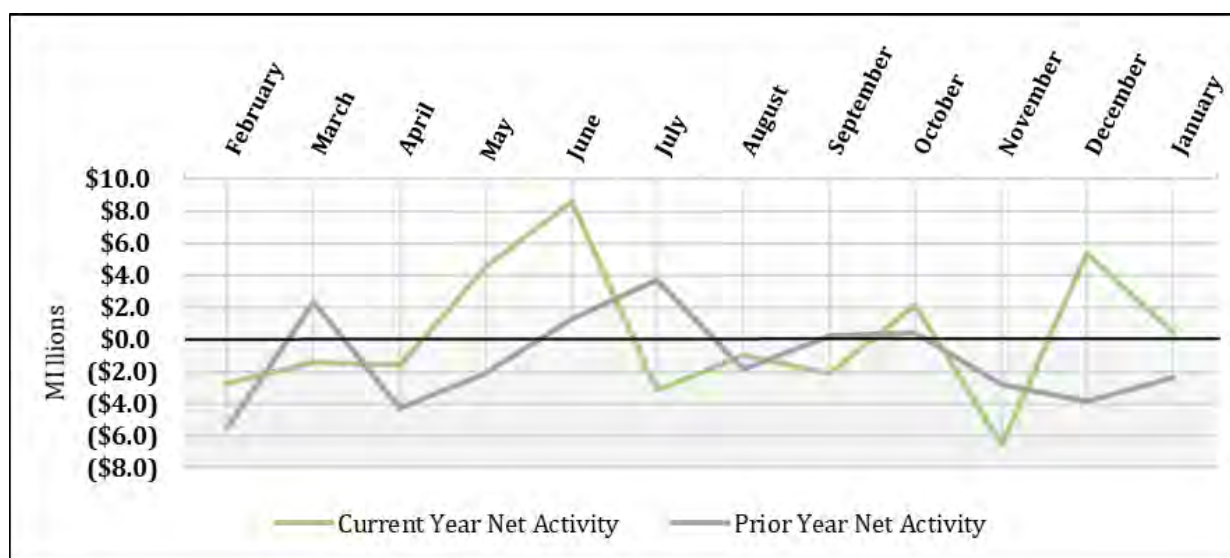
Date	Transaction	Principal	Interest	Total Paid
2/8/2019	Loan Receivable Payment (for the months of Jul - Dec)	4,635,462	564,636	5,200,098
2/22/2019	Loan Receivable Payment (for the months of Jan - Mar)	2,353,768	246,280	2,600,049
4/15/2019	Loan Receivable Payment (for the month of Apr)	789,990	76,693	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
1/6/2020	Loan Receivable Payment (for the month of January)	814,769	51,914	866,683
		15,012,455	1,454,520	16,466,976

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
1/6/2020	Loan Receivable Payment (for the month of January)	649,299	19,604,146
		4,508,888	19,604,146

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
1/6/2020	Loan Receivable Payment (for the month of January)	649,299	54,161	703,460
		4,508,888	415,332	4,924,220

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 seven months of activity to date.

Water fund cash receipts exceeded required MBO disbursements by 12% through January 31, 2020 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 8% through January 31, 2020 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
Water						
1 Receipts	\$ 175,890,592	\$ 449,393,014	\$ 439,685,148	\$ 436,462,453	\$ 260,817,439	\$1,762,248,646
2 MOU Adjustments	18,446,100	-	-	-	-	18,446,100
3 Adjusted Receipts	194,336,692	449,393,014	439,685,148	436,462,453	260,817,439	1,780,694,746
4 Disbursements	(194,065,737)	(381,844,129)	(390,114,267)	(386,925,081)	(232,204,686)	(1,585,153,900)
5 Receipts Net of Required Transfers	270,955	67,548,885	49,570,881	49,537,372	28,612,753	195,540,846
6 I&E Transfer	-	-	(25,739,700)	(56,102,080)	(17,572,917)	(99,414,697)
7 Net Receipts	\$ 270,955	\$ 67,548,885	\$ 23,831,181	\$ (6,564,708)	\$ 11,039,836	\$ 96,126,149
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	100%	118%	113%	113%	112%	112%
Sewer						
9 Receipts	\$ 297,634,449	\$ 703,512,249	\$ 718,374,552	\$ 733,083,541	\$ 459,806,560	\$2,912,411,351
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	459,806,560	2,974,693,651
12 Disbursements	(341,835,625)	(703,407,313)	(725,121,160)	(724,424,942)	(426,639,139)	(2,921,428,179)
13 Receipts Net of Required Transfers	11,553,924	104,936	(6,746,608)	15,185,799	33,167,421	53,265,472
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(14,852,600)	(60,098,400)
15 Shortfall Advance	-	-	-	-	-	-
16 Shortfall Repayment (principal)	-	-	-	9,367,355	10,153,988	19,521,343
17 Net Receipts	\$ 11,553,924	\$ 104,936	\$ (29,444,708)	\$ (7,361,901)	\$ 28,468,809	\$ 12,688,416
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	103%	100%	99%	102%	108%	102%
Combined						
19 Receipts	\$ 473,525,041	\$1,152,905,263	\$1,158,059,700	\$1,169,545,994	\$ 720,623,999	\$4,674,659,997
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	720,623,999	4,755,388,397
22 Disbursements	(535,901,362)	(1,085,251,442)	(1,115,235,427)	(1,111,350,023)	(658,843,825)	(4,506,582,079)
23 Receipts Net of Required Transfers	11,824,879	67,653,821	42,824,273	64,723,171	61,780,174	248,806,318
24 I&E Transfer	-	-	(48,437,800)	(78,649,780)	(32,425,517)	(159,513,097)
25 Shortfall Advance	-	-	-	-	-	-
26 Shortfall Repayment	-	-	-	9,367,355	10,153,988	19,521,343
27 Net Receipts	\$ 11,824,879	\$ 67,653,821	\$ (5,613,527)	\$ (4,559,254)	\$ 39,508,645	\$ 108,814,565
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	102%	106%	104%	106%	109%	106%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$187,176.53	\$187,176.53	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$67,137.70	\$67,137.70	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$26,112.42	\$26,112.42	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$57,510.35	\$57,510.35	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$284,910.89	\$284,910.89	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$24,028.90	\$24,028.90	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$24,197.46	\$24,197.46	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$795,099.76	\$795,099.76	\$0.00	\$0.00	\$0.00
CENTER LINE	\$39,095.07	\$39,095.07	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$326,949.25	\$326,949.25	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$598,655.84	\$598,655.84	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$266,150.27	\$266,150.27	\$0.00	\$0.00	\$0.00
DEARBORN	\$1,722,563.51	\$1,722,563.51	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$296,011.37	\$296,011.37	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$256,711.22	\$256,711.22	\$0.00	\$0.00	\$0.00
ECORSE	\$120,605.31	\$120,605.31	\$0.00	\$0.00	\$0.00
FARMINGTON	\$80,325.54	\$80,325.54	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$680,650.40	\$680,650.40	\$0.00	\$0.00	\$0.00
FERNDAL	\$83,778.22	\$83,778.22	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$209,338.77	\$209,338.77	\$0.00	\$0.00	\$0.00
FLINT	\$295,951.76	\$295,951.76	\$0.00	\$0.00	\$0.00
FRASER	\$98,544.96	\$98,544.96	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$134,818.73	\$134,818.73	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GIBALTAR	\$28,543.02	\$28,543.02	\$0.00	\$0.00	\$0.00
GREENWOOD TOWNSHIP	\$22,614.90	\$22,614.90	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$87,038.02	\$87,038.02	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$233,834.21	\$233,834.21	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$45,199.54	\$45,199.54	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$114,886.65	\$114,886.65	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$66,584.36	\$66,584.36	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$64,984.65	\$64,984.65	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$123,672.63	\$123,672.63	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$119,651.74	\$119,651.74	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$8,062,659.89	\$288,699.00	\$200,579.27	\$213,199.91	\$7,360,181.71
HURON TOWNSHIP	\$116,688.34	\$116,688.34	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$86,662.23	\$86,662.23	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,142.59	\$1,142.59	\$0.00	\$0.00	\$0.00
INKSTER	\$200,167.75	\$200,167.75	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$24,207.36	\$24,207.36	\$0.00	\$0.00	\$0.00
LAPEER	\$123,397.22	\$123,397.22	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$46,352.84	\$46,352.84	\$0.00	\$0.00	\$0.00
LINCOLN PARK	\$197,884.45	\$197,884.45	\$0.00	\$0.00	\$0.00
LIVONIA	\$898,576.51	\$898,576.51	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$948,646.67	\$948,646.67	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$152,469.15	\$152,469.15	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MAYFIELD TOWNSHIP	\$3,277.88	\$3,277.88	\$0.00	\$0.00	\$0.00
MELVINDALE	\$103,664.96	\$103,664.96	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$29,067.96	\$29,067.96	\$0.00	\$0.00	\$0.00
NOCWA	\$1,701,246.46	\$1,701,246.46	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$68,718.41	\$68,718.41	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$418,408.31	\$418,408.31	\$0.00	\$0.00	\$0.00
NOVI	\$1,331,538.09	\$1,331,538.09	\$0.00	\$0.00	\$0.00
OAK PARK	\$116,248.11	\$116,248.11	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$5,647.20	\$5,647.20	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$89,068.28	\$89,068.28	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$336,873.38	\$336,873.38	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$258,397.92	\$258,397.92	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$61,728.27	\$61,728.27	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$142,777.73	\$142,777.73	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$22,572.98	\$22,572.98	\$0.00	\$0.00	\$0.00
ROMEO	\$19,003.53	\$19,003.53	\$0.00	\$0.00	\$0.00
ROMULUS	\$345,390.16	\$345,390.16	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$213,591.05	\$213,591.05	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$16,354.06	\$16,354.06	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$2,051,220.28	\$2,051,220.28	\$0.00	\$0.00	\$0.00
SOCWA	\$3,533,763.31	\$3,533,763.31	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$9,268.19	\$9,268.19	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ST. CLAIR SHORES	\$258,671.35	\$258,671.35	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$2,319,213.57	\$2,319,213.57	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$54,499.07	\$54,499.07	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$18,458.61	\$18,458.61	\$0.00	\$0.00	\$0.00
TAYLOR	\$380,321.29	\$380,321.29	\$0.00	\$0.00	\$0.00
TRENTON	\$275,348.09	\$275,348.09	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTICA	\$44,363.94	\$44,363.94	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$298,182.54	\$298,182.54	\$0.00	\$0.00	\$0.00
VILLAGE OF ALMONT	\$18,834.70	\$18,834.70	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$63,022.87	\$63,022.87	\$0.00	\$0.00	\$0.00
WARREN	\$825,940.79	\$825,940.79	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$168,692.69	\$168,692.69	\$0.00	\$0.00	\$0.00
WAYNE	\$276,935.75	\$276,935.75	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,575,151.65	\$1,575,151.65	\$0.00	\$0.00	\$0.00
WESTLAND	\$965,794.61	\$965,794.61	\$0.00	\$0.00	\$0.00
WIXOM	\$189,586.67	\$189,586.67	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$132,473.18	\$132,473.18	\$0.00	\$0.00	\$0.00
YCUA	\$886,399.82	\$886,399.82	\$0.00	\$0.00	\$0.00
TOTAL WATER ACCOUNTS	\$38,071,906.66	\$30,297,945.77	\$200,579.27	\$213,199.91	\$7,360,181.71

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$71,200.00	\$71,200.00	\$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	\$151,000.00	\$151,000.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$332,900.00	\$332,900.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$32,557,274.24	\$472,500.00	\$472,500.00	\$472,500.00	\$31,139,774.24
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
OMID	\$5,823,234.08	\$5,823,234.08	\$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
TOTAL SEWER ACCOUNTS	\$45,737,007.82	\$13,652,233.58	\$472,500.00	\$472,500.00	\$31,139,774.24

GLWA Aged Accounts Receivable- IWC

Balances as of 01/31/20

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)	\$10,657.14	\$10,657.14	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$1,883.00	\$1,883.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$366.73	\$366.73	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,004.82	\$3,004.82	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$1,008.93	\$1,008.93	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$2,315.30	\$2,315.30	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,318.43	\$5,318.43	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$1,570.01	\$1,570.01	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$7,136.87	\$7,136.87	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$702,964.92	\$36,253.88	\$18,126.94	\$0.00	\$648,584.10
CENTER LINE	\$3,501.68	\$3,501.68	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$11,541.01	\$11,541.01	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$190.97	\$190.97	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$16,933.80	\$16,933.80	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$3,540.55	\$3,540.55	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$65.94	\$65.94	\$0.00	\$0.00	\$0.00
CLAWSON	\$2,626.26	\$2,626.26	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$24,347.83	\$24,347.83	\$0.00	\$0.00	\$0.00
DEARBORN	\$70,293.86	\$70,293.86	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$8,958.69	\$8,958.69	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$101.40	\$101.40	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EASTPOINTE	\$6,136.39	\$6,136.39	\$0.00	\$0.00	\$0.00
FARMINGTON	\$3,829.54	\$3,829.54	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$23,073.57	\$23,073.57	\$0.00	\$0.00	\$0.00
FRASER	\$4,715.10	\$4,715.10	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$5,803.46	\$5,803.46	\$0.00	\$0.00	\$0.00
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
GROSSE POINTE PARK	\$2,247.70	\$2,247.70	\$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
HAMTRAMCK	\$3,968.12	\$3,968.12	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,715.35	\$1,715.35	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$6,045.13	\$6,045.13	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$6,121.18	\$6,121.18	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,702,981.45	\$7,697.95	\$3,947.84	\$0.00	\$1,691,335.66
HUNTINGTON WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,162.93	\$1,162.93	\$0.00	\$0.00	\$0.00
INKSTER	\$10,572.64	\$10,572.64	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$660.79	\$660.79	\$0.00	\$0.00	\$0.00
LAKE ORION	\$763.88	\$763.88	\$0.00	\$0.00	\$0.00
LATHRUP	\$1,336.79	\$1,336.79	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$309.27	\$309.27	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIVONIA	\$38,173.72	\$38,173.72	\$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	\$ (294.06)	\$ (294.06)	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$168,666.42	\$8,696.74	\$4,348.37	\$0.00	\$155,621.31
NOVI	\$33,053.02	\$33,053.02	\$0.00	\$0.00	\$0.00
OAK PARK	\$6,403.41	\$6,403.41	\$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
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
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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$3,707.86	\$3,707.86	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$469,478.88	\$24,207.56	\$12,103.78	\$0.00	\$433,167.54
REDFORD TOWNSHIP	\$10,460.35	\$10,460.35	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$17,508.40	\$17,508.40	\$0.00	\$0.00	\$0.00
ROMULUS	\$880.49	\$880.49	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$13,984.75	\$13,984.75	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,062.01	\$13,062.01	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROYAL OAK TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$23,954.06	\$23,954.06	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$27,073.80	\$27,073.80	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$3,711.24	\$3,711.24	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$11,471.72	\$11,471.72	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$30,070.17	\$30,070.17	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTICA	\$2,854.41	\$2,854.41	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$1,755.91	\$1,755.91	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$62.53	\$62.53	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,358.76	\$1,358.76	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADMI	\$2,961.90	\$2,961.90	\$0.00	\$0.00	\$0.00
WAYNE	\$4,770.87	\$4,770.87	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,048.51	\$6,048.51	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) A	\$225.63	\$225.63	\$0.00	\$0.00	\$0.00
WESTLAND	\$43,105.14	\$43,105.14	\$0.00	\$0.00	\$0.00
TOTAL IWC	\$3,616,611.90	\$649,376.36	\$38,526.93	\$0.00	\$2,928,708.61

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY	\$3,469.06	\$3,469.06	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$3,756.77	\$3,756.77	\$0.00	\$0.00	\$0.00
AACTRON	\$91.23	\$91.23	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$61.30	\$61.30	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$32,749.12	\$21,800.29	\$10,948.83	\$0.00	\$0.00
ALEXANDER & HORNING	\$6,668.54	\$6,668.54	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNING	\$20,966.52	\$20,966.52	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNING	\$1,162.25	\$1,162.25	\$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	\$259.94	\$259.94	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$5,727.70	\$5,727.70	\$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	\$0.00	\$121.80	\$348.65
BARON INDUSTRIES	\$848.59	\$848.59	\$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 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BAYS MICHIGAN CORPORATION	\$6.43	\$6.43	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BETTER MADE SNACK FOOD	\$12,812.71	\$12,812.71	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$61.25	\$0.00
BOZEK'S MARKET	\$59.77	\$59.77	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$3,887.23	\$3,887.23	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$25.62	\$25.62	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$108.06	\$0.00	\$0.00	\$108.06	\$0.00
BROWN IRON BREWHOUSE	\$59.87	\$0.00	\$0.00	\$59.87	\$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	\$3.02	\$1.51	\$1.51	\$0.00	\$0.00
CF BURGER CREAMERY	\$16,028.75	\$16,028.75	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,610.87	\$51.47	\$83.64	\$48.26	\$1,427.50
CINTAS CORP. - MACOMB TWP.	\$55,122.56	\$55,122.56	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$25,212.44	\$25,212.44	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$11,572.49	\$11,572.49	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$8.28	\$8.28	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$7.65	\$7.65	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$1,540.47	\$1,540.47	\$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 01/31/20

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	\$0.00	\$3,341.59	\$3,962.40	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$912.13	\$912.13	\$0.00	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$10,149.80	\$10,149.80	\$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 CO.	\$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	\$8.54	\$8.54	\$0.00	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$28.63	\$28.63	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$18,724.71	\$18,724.71	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$108.62	\$108.62	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$1,732.93	\$1,732.93	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$692.86	\$692.86	\$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.	\$4,422.53	\$4,422.53	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ENVIROSOLIDS, L.L.C.	\$51,009.74	\$23,565.68	\$0.00	\$27,444.06	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ DETROIT, INC.	\$2,746.57	\$2,746.57	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$10,328.68	\$10,328.68	\$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	\$0.00	\$ (0.10)
EXTRUDE HONE CORPORATION	\$206.56	\$206.56	\$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.	\$10,241.10	\$10,241.10	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$518.36	\$518.36	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$40.47	\$40.47	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G2O ENERGY, LLC	\$264.71	\$264.71	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$9,797.47	\$9,797.47	\$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	\$0.00	\$ (100.13)	\$0.00
GRANITE CITY FOOD & BREWERY	\$53.43	\$0.00	\$0.00	\$53.43	\$0.00
GRANITE CITY FOOD & BREWERY	\$185.02	\$0.00	\$0.00	\$90.90	\$94.12
GREAT BARABOO BREWING CO.	\$110.25	\$0.00	\$0.00	\$110.25	\$0.00
HACIENDA MEXICAN FOODS	\$3,208.89	\$1,006.76	\$629.58	\$524.65	\$1,047.90
HENKEL CORPORATION	\$348.13	\$127.92	\$220.21	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOME STYLE FOOD INC.	\$3,777.78	\$3,777.78	\$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.	\$182.85	\$182.85	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$162.07	\$162.07	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$2,659.67	\$2,659.67	\$0.00	\$0.00	\$0.00
HUNTINGTON CLEANERS	\$495.21	\$495.21	\$0.00	\$0.00	\$0.00
IDP, INC.	\$271.66	\$271.66	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$619.98	\$619.98	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$762.98	\$762.98	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$6.44	\$6.44	\$0.00	\$0.00	\$0.00
J & G FOOD PRODUCTS, INC.	\$8.54	\$8.54	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$40.38	\$0.00	\$0.00	\$40.38	\$0.00
KAR NUT PRODUCTS	\$927.08	\$927.08	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$822.27	\$822.27	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$1,344.22	\$1,344.22	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$93.58	\$93.58	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$3,351.60	\$3,351.60	\$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.	\$4,177.56	\$4,177.56	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$10,372.76	\$411.32	\$357.55	\$470.46	\$9,133.43

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 01/31/20

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	\$85.38	\$85.38	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$709.36	\$709.36	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$161.84	\$161.84	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$73,866.93	\$73,866.93	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$603.58	\$603.58	\$0.00	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$693.98	\$693.98	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$3,062.94	\$3,062.94	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$42.08	\$7.33	\$2.09	\$2.78	\$29.88
MOTOR CITY BREWING WORKS	\$1,135.06	\$0.00	\$0.00	\$178.07	\$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 & MEA	\$31.28	\$31.28	\$0.00	\$0.00	\$0.00
OAKWOOD BAKERY	\$163.29	\$163.29	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$3,016.33	\$3,016.33	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$56,437.41	\$56,437.41	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$90.05	\$90.05	\$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 01/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
PINE TREE ACRES, INC.	\$30,127.81	\$30,127.81	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$1,736.81	\$1,736.81	\$0.00	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$202.76	\$202.76	\$0.00	\$0.00	\$0.00
QUALA SERVICES, LLC	\$1,292.82	\$1,292.82	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$56.08	\$56.08	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$9.84	\$9.84	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$511.26	\$511.26	\$0.00	\$0.00	\$0.00
ROAK BREWING CO. LLC	\$757.25	\$0.00	\$0.00	\$757.25	\$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	\$0.00	\$1,543.04	\$0.00
ROYAL OAK BREWERY	\$ (1,031.09)	\$0.00	\$0.00	\$0.00	\$ (1,031.09)
RTT	\$27,772.36	\$0.00	\$0.00	\$0.00	\$27,772.36
SEAFARE FOODS, INC.	\$85.08	\$85.08	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$934.47	\$0.00	\$0.00	\$100.35	\$834.12
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$21.03	\$21.03	\$0.00	\$0.00	\$0.00
SUPERNATURAL SPIRITS & BREWI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$1,949.54	\$159.74	\$78.42	\$88.59	\$1,622.79
THE CROWN GROUP-LIVONIA PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRAFFIC JAM & SNUG	\$41.66	\$0.00	\$0.00	\$21.00	\$20.66

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 01/31/20

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	\$198,259.49	\$198,259.49	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$1,320.81	\$1,320.81	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$53,480.47	\$53,480.47	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$1,803.68	\$1,803.68	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$11.22	\$11.22	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$305.25	\$305.25	\$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	\$337.61	\$337.61	\$0.00	\$0.00	\$0.00
US ECOLOGY ROMULUS, INC.	\$4,691.75	\$4,691.75	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$2,193.66	\$2,193.66	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$1,329.17	\$1,329.17	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$8,420.17	\$8,420.17	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$3,107.40	\$3,107.40	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$ (36.26)	\$0.00	\$0.00	\$0.00	\$ (36.26)
WIGLEY'S MEAT PROCESS	\$614.72	\$614.72	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$794.01	\$794.01	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$133.76	\$133.76	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$6,732.65	\$6,732.65	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$3,099.19	\$3,099.19	\$0.00	\$0.00	\$0.00

Balances as of 01/31/20

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	\$876,932.82	\$766,617.35	\$15,663.42	\$35,686.72	\$58,965.33

City of Highland Park Billings and Collections

	<u>Water</u>	<u>Sewer</u>	<u>IWC</u>	<u>Cumulative 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 (7 Months)	711,615	3,302,900	27,738	4,042,253
FY 2020 Payments (7 Months)	<u>-</u>	<u>(2,218,470)</u>	<u>-</u>	<u>(2,218,470)</u>
				-
Balance as of January 31, 2020	<u>\$ 8,062,660</u>	<u>\$ 32,557,274</u>	<u>\$ 1,702,981</u>	<u>\$ 42,322,914</u>



Financial Services Audit Committee Communication

Date: April 24, 2020

To: Great Lakes Water Authority Audit Committee

From: Alicia Haskin, Management Professional – Intergovernmental Relations

Re: Fiscal Year 2018 Shared Services True-Up Update, FY 2019 and Beyond

Background: The Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD) are parties to a Shared Services Agreement (the Agreement) dated December 1, 2015. This agreement provides the framework for shared services for the efficient operation of both entities.

On a monthly basis, an invoice is prepared. While the intent is for the monthly invoice to represent actual costs, the reality is that the timing of certain vendor invoices and accumulation of internal charges requires a “True-up” process. Furthermore, the intent is to condense the True-up timeline each fiscal year.

The Shared Service Agreement (Section 5.1) states that:

“Each invoice, whether for Services provided regularly or “as-needed,” shall itemize the costs and charges by Services provided under each Service Delivery Schedule and shall provide sufficient detail to the Subscribing Party to identify the Services performed and the basis for the charges. A Performing Party may only charge the Service Costs for Services provided.”

In addition, the parties have come to realize that in most cases an exact itemization generates a level of detailed analysis that is not cost effective to produce. The data and experience garnered from the first three years of the program are leading a more efficient method of calculating costs while staying true to the intent of Section 5.1 above.

Analysis: The following is a summary of billings and payments to date as well as an update on the FY 2018 True-Up, FY 2019 True-Up Analysis, and activity beyond that point.

Summary of Shared Services Billings and Payments

GLWA and DWSD have been exchanging invoices for services since January 1, 2016, the start of the Agreement. A history of this activity and applicable payments is summarized in two tables. **Table 1 – GLWA as a Service Provider** reflects activity in which GLWA is the provider

and is billing DWSD for services and **Table 2 – DWSD as a Service Provider** reflects activity in which DWSD is the provider and is billing GLWA for services.

The Shared Service Agreement (Section 5.2) states that:

“Payments for Services shall be payable monthly. Unless other specified in a Service Delivery Schedule, payment of each invoice shall be due no later than thirty (30) days after the date of delivery of the Invoice...”.

This provision has not been followed to date due to significant efforts to implement the Shared Services agreement and related business processes and operating protocols.

Table 1 reflects the FY 2018 True Up amounts that have been presented to DWSD at this time. **Table 1** and **Table 2** also reflects billing activity for FY 2020 through December 2019.

Table 1 – GLWA as Service Provider (FY 2020 Billings through December 2019)

Summary of Shared Services Billings and Payments				
Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 4,781,194	\$ 3,311,838	\$ 8,093,032	\$ -
FY2017	\$ 9,378,922	\$ 3,076,854	\$ 12,455,776	\$ -
FY2018	\$ 7,483,000	\$ 395,365	\$ -	\$ 7,878,365
FY2019	\$ 8,924,209	\$ -	\$ -	\$ 8,924,209
FY2020	\$ 2,699,441	\$ -	\$ -	\$ 2,699,441
Subtotals	\$ 33,266,766	\$ 6,784,057	\$ 20,548,809	\$ 19,502,015

Table 2 – DWSD as Service Provider (FY 2020 Billings through December 2019)

Summary of Shared Services Billings and Payments				
Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 2,543,735	\$ 5,003,644	\$ 7,547,379	\$ -
FY2017	\$ 4,722,364	\$ (1,077,584)	\$ 3,644,780	\$ -
FY2018	\$ 5,255,347	\$ -	\$ -	\$ 5,255,347
FY2019*	\$ 3,319,306	\$ -	\$ -	\$ 3,319,306
FY2020*	\$ 2,013,230	\$ -	\$ -	\$ 2,013,230
	\$ 17,853,982	\$ 3,926,060	\$ 11,192,159	\$ 10,587,883

*These are estimates made by GLWA Shared Service Team because DWSD has not provided complete monthly billings at this time.

FY 2018 True-Up Status Update

The FY 2018 True-Up process has begun for both GLWA and DWSD Shared Services teams. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. Currently, DWSD is developing a methodology to complete their True-Up analysis. This proposed methodology will then undergo review by the GLWA CFO, Nickie Bateson, along with the GLWA Shared Services Team before being implemented.

Table 3 – FY 2018 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA’s staff analysis. True-Ups are provided to DWSD as they are completed. As of March 6, 2020, GLWA has completed True-Up analysis for all services.

The update in **Table 3** represents the progress that GLWA has made on the True-Ups related to GLWA-provided services. DWSD and GLWA Shared Service Teams will continue to meet and work on a timeline for the completion of the FY 2018 True-Up. Meetings are held regularly to discuss the status of the completion and resolution of the True-Ups.

Table 4 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD. As of March 16, 2020, DWSD has not provided True-Up information for their Shared Services provided to GLWA.

Table 3 – FY 2018 GLWA as Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-002 Miss Dig		
OPS-004 Water Quality	3	8/9/2019
OPS-005 Security	3	8/5/2019
OPS-005 Security Training	3	8/5/2019
OPS-006 Facilities		
OPS-008 Systems Control Center	3	11/15/2019
ITS-001 Retail AMR	3	10/29/2019
ITS-002 Customer Service Tech Suite	3	10/29/2019
ITS-003 See Click Fix	3	10/29/2019
ITS-004 WAM	3	10/29/2019
ITS-005 Mobile Work Force	3	11/6/2019
ITS-006 ESRI-GIS	3	10/29/2019
ITS-007 DADS	3	10/29/2019
ITS-008 TIBCO	3	10/29/2019
ITS-009 IT Infrastructure	3	11/6/2019
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	3	8/9/2019

Other items to bill not a defined shared service code		
DWSD-R Staff Training by GLWA	3	11/6/2019
Bank Fees	3	8/9/2019
Public Finance	3	11/4/2019

Progress status:

True-Up calculation not completed by Shared Services team.

True-Up calculation completed by Shared Services team;
under review by Executive Leadership team.

True-Up calculation provided to subscriber.

1
2
3

Table 4 – FY 2018 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (4-9)
OPS-001 Fleet	4
OPS-002 Miss Dig	4
OPS-003 As Needed Field Services	4
OPS-006 Facilities	4
DoIT-001 Financial Information Services	N/A
DoIT-002 Radios	N/A
DoIT-003 Customer Service Technology Suite	4

Other items to bill not a defined shared service code	
Fuel	4
WAM Invoices	4

Progress status:

True-Up not yet reviewed by Shared Services team.	4
Shared Service not active at this time.	N/A

Fiscal Year 2019 and Beyond Update

The GLWA Shared Service Team is currently working through the Fiscal Year 2019 True-Up analysis. At this time there are three True-Ups completed. Twelve True-Ups are awaiting review by Executive Leadership Team members and one has not yet been started at this time.

Table 5 – Shared Services Terminations and Updated Scope of Service lists the scope of each Shared Service based upon GLWA’s analysis. There have been five Shared Services terminated and another five for which GLWA awaiting termination notices.

Table 5 – Shared Service Terminations and Updated Scope of Service

Shared Service	Description	Provider	Scope of Service
ITS-004	WAM	GLWA	**Termination TBD
ITS-005	Mobile Workforce Management	GLWA	**Termination TBD
ITS-007	DADS	GLWA	**Termination TBD
ITS-008	Tibco	GLWA	**Termination TBD
ITS-009	Infrastructure	GLWA	**Partial 3/1/19; Final TBD
OPS-005	Security and Integrity	GLWA	*Badging and Fusion Center
OPS-001	Fleet	DWSD	To terminate on 6/30/2020
OPS-002	MISS DIG	DWSD	No changes
OPS-003	As Needed Field Service	DWSD	No changes
OPS-006	Facilities	DWSD	No changes
OPS-008	Systems Control	GLWA	No changes
DoIT-001	Financial Information System	City of Detroit	No changes
DoIT-002	Radios	City of Detroit	No changes
DoIT-003	Customer Service Tech Suite	City of Detroit	No changes
Training	Training	GLWA	No changes
LS-001 - LS-003	Legal Services	Both	No changes
ITS-002	Customer Service Tech Suite	GLWA	Terminated on 10/1/18
ITS-001	Retail AMR	GLWA	Terminated on 6/30/19
ITS-003	See Click Fix	GLWA	Terminated on 12/31/18
ITS-006	ESRI-GIS	GLWA	Terminated on 6/30/19
OPS-004	Water Quality	GLWA	Terminated on 6/30/19
OPS-007	WWTP IWC Underground Storage Tank	N/A – not needed	
PRO-001	Applications Analyst	N/A – not needed	

*OPS-005 Terminated on 6/30/17. However, Badging and Fusion Center costs continue to be provided.

**Formal termination notice has not been received.

Proposed Action: Receive and file this report.

The Quarterly WRAP Report includes the following:

1. Community Participation
2. Approved Program Changes
3. Current Year Budget Allocations
4. Current & Historical Activity
5. Reallocation Activity

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 funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2020 funding level of \$4.9 million combined for water and sewer services.

The scope of funding uses includes a) payment assistance and b) water audit and water conservation measures. Eligible residential customers with a past due bill and/or who are in active shut off can receive assistance with paying down arrears and receive \$25 toward monthly bill payment assistance annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services of an average \$1,500 per household. To participate in WRAP, an applicant must have household gross incomes at or below 200% of the federal poverty income thresholds. Customers with water usage at or above 120% of the average residential usage are eligible to participate in a water audit and install water conservation measures. WRAP participants are also encouraged to participate in both financial coaching and water conservation workshops as well as other support services. The program is administered by Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency.

The WRAP began assisting residents in the GLWA service area on March 1, 2016 and to date has committed over \$15.1 million in assistance and conservation funds to qualified WRAP participants. WRAP has the potential to serve over 100 communities within the GLWA service area, but to assist qualified households, each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro.

Community Participation

A community participating in WRAP must receive water and/or sewer service from GLWA. Eligible communities must formally opt into the program by signing a memorandum of agreement with Wayne Metro. To date, 77 communities have opted into WRAP. A list of current participating communities is presented in **Table 1 – WRAP Participating Communities**.

Table 1 – WRAP Participating Communities

This table identifies the level of participation that each community has chosen. Option 1 includes bill assistance, arrearage assistance and conservation. Option 2 includes bill assistance and conservation and Option 3 includes conservation only.

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response	Not Opted In
Wayne County						
Allen Park	X					
Belleville						X
Brownstown Township	X					
Canton Township	X					
Dearborn	X					
Dearborn Heights	X					
Detroit	X					
Ecorse	X					
Flat Rock	X					
Garden City	X					
Gibraltar		X				
Grosse Ile						X
Grosse Pointe						X
Grosse Pointe Farms						X
Grosse Pointe Park						X
Grosse Pointe Shores	X					
Grosse Pointe Woods						X
Hamtramck	X					
Harper Woods		X				
Huron Township						X
Inkster		X				
Lincoln Park		X				
Livonia	X					
Melvindale	X					
Northville	X					
Northville Township						X
Plymouth		X				
Plymouth Township						X
Redford Township	X					
River Rouge	X					
Riverview						X
Rockwood						X
Romulus		X				
Southgate	X					
Sumpter Township						X
Taylor		X				
Trenton	X					
Van Buren Township	X					
Wayne	X					
Westland	X					
Woodhaven		X				

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response	Not Opted In
Oakland County						
Auburn Hills					X	
Berkley	X					
Beverly Hills	X					
Bingham Farms	X					
Birmingham	X					
Bloomfield Hills	X					
Bloomfield Township						X
Clawson	X					
Commerce Township	X					
Farmington	X					
Farmington Hills	X					
Ferndale	X					
Hazel Park		X				
Huntington Woods	X					
Keego Harbor	X					
Lake Orion	X					
Lathrup Village	X					
Madison Heights	X					
Novi						X
Oak Park		X				
Orchard Lake	X					
Orion Township	X					
Oxford	X					
Pleasant Ridge	X					
Pontiac	X					
Rochester Hills						X
Royal Oak	X					
Royal Oak Township	X					
Southfield	X					
Sylvan Lake						X
Troy					X	
Walled Lake				X		
Waterford Township				X		
West Bloomfield Twp.						
Wixom						

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
Macomb County					
Centerline	X				
Chesterfield Township	X				
Clinton Township		X			
Eastpointe	X				
Fraser	X				
Harrison Township				X	
Lenox Township				X	
Macomb Township	X				
New Haven	X				
Roseville					X
Shelby Township	X				
St. Clair Shores	X				
Sterling Heights	X				
Utica	X				
Warren	X				
Washington Township		X			

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
Washtenaw County					
Augusta Township	X				
Pittsfield Township	X				
Superior Township	X				
Ypsilanti	X				
Ypsilanti Township	X				

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
Lapeer County					
Almont		X			
Imlay City					X
Lapeer	X				

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
Genesee County					
Flint	X				

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
St. Clair County					
Burtchville Twp.					X

Member Partner	Option #1	Option #2	Option #3	In Progress	No Response
Monroe County					
Ash Township	X				
Berlin Township					X
South Rockwood					X

Approved Program Changes

As a first-of-its-kind assistance program in the state of Michigan, changes to WRAP may be required as the program matures. Following is a summary of program changes made to WRAP since 2016, as approved by the GLWA Board of Directors.

November 30, 2016:

Allow customer communities to opt into program features that best meet the needs of their community. This is captured in the three options below:

Option 1

- Assistance up to \$300 per year in the form of \$25 monthly bill credits. (Applicable if client continues to pay all current monthly/quarterly charges).
- Up to \$700 in arrearage assistance to be paid 50% (up to \$350) after six months in the program, and 50% (up to \$350) after one year. Enrollees are eligible for a second-year arrearage assistance totaling \$700.
- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

Option 2

- Assistance up to \$300 per year in the form of \$25 monthly bill credits. (Applicable if client continues to pay all current monthly/quarterly charges).
- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

Option 3

- One-time home water audit for households above 120% of average usage.
- Home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage (finding and fixing leaks, upgrading water using fixtures) and/or minor lead replacement assistance.

August 22, 2018:

Removal of the 120% usage requirement for the lead fixture replacement for in-home faucets that pre-date the lead-free plumbing code change.

January 23, 2019:

Extend the 2-year time limitation to provide monthly bill assistance to senior citizens and disabled citizens.

March 11, 2020:

- Increase eligibility for residential customers from 150% to 200% or less of federal poverty level;
- Increase conservation and plumbing repairs spending per household from \$1,000 to an average of \$1,500 and a cap of \$2,000 per customer for eligible residential customers; and
- Allow eligible residential customers that are renters to take advantage of conservation and plumbing repairs to reduce their water consumption, upon landlord executing an agreement not to raise rents for one year.

Current Budget and Allocations

Consistent with the previous fiscal years funding allocation for WRAP, the FY 2020 budgeted allocation is based on the proportionality of the revenues derived from each county and the City of Detroit, based on the approved FY 2020 water and sewer service charges and budget.

Table 2 - FY 2020 WRAP Budget and Allocations

This table shows the allocation of the FY 2020 budgeted WRAP funds, which is reflective of the approved FY 2020 budget of \$4.9 million.

Community	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Allocation
WAYNE COUNTY					
CITY OF DETROIT	\$1,405,874	\$351,469	\$210,900	\$1,968,243	40.43%
SUBURBAN	685,847	171,462	102,900	960,209	19.72%
TOTAL WAYNE COUNTY	\$2,091,722	\$522,930	\$313,800	\$2,928,452	62.86%
OAKLAND COUNTY	825,138	206,285	82,600	1,114,023	22.88%
MACOMB COUNTY	533,093	133,273	53,320	719,687	14.78%
GENESEE COUNTY	17,528	4,382	1,753	23,663	0.49%
WASHTENAW COUNTY	39,556	9,889	3,960	53,405	1.10%
LAPEER COUNTY	12,225	3,056	1,223	16,504	0.34%
MONROE COUNTY	6,262	1,565	627	8,454	0.17%
ST. CLAIR COUNTY	2,897	724	290	3,912	0.08%
TOTAL	\$3,528,422	\$882,105	\$457,573	\$4,868,100	100.00%

Current & Historical Activity

Monies are transferred from GLWA to Wayne Metro as needed to fund the program and support the WRAP Assistance and Conservation efforts. Wayne Metro maintains records of this activity which are reviewed and monitored by GLWA. Following are summaries of this activity FY 2020 and prior fiscal years.

Table 3 – WRAP Activity for FY 2020

This table summarizes the budgeted assistance and conservation funds for the City of Detroit and the participating counties within the GLWA service area for FY 2020 as well as the program activity over the same time period. As of February 29, 2020, there is \$2,082,505 in assistance funds and \$613,502 in conservation funds that remain uncommitted.

County/City	FY 2020 Funds Committed Through 2.29.2020					
	Budgeted Direct Assistance	Committed Direct Assistance	Balance Remaining	Budgeted Conservation	Committed Conservation	Balance Remaining
Wayne County						
City of Detroit	1,405,874	937,249	468,625	351,469	234,313	117,156
Out Wayne	685,847	202,259	483,588	171,462	19,696	151,766
Total Wayne County	2,091,721	1,139,508	952,213	522,931	254,009	268,922
Oakland County	825,138	165,777	659,361	206,285	7,775	198,510
Macomb County	533,093	110,494	422,599	133,273	6,344	126,929
Genesee County	-	-	-	-	-	-
City of Flint	17,528	17,528	-	4,382	-	4,382
Washtenaw County	39,556	12,608	26,948	9,889	475	9,414
Lapeer County	12,225	-	12,225	3,056	-	3,056
Monroe County	6,262	-	6,262	1,565	-	1,565
St. Clair County	2,897	-	2,897	724	-	724
Total	3,528,420	1,445,915	2,082,505	882,105	268,603	613,502

Table 4 – WRAP Activity March 2, 2016 through February 29, 2020

This table shows the WRAP cashflow of budgeted and committed funds in total and for each of the participating counties and the City of Detroit as of February 29, 2020. From March 1, 2016 to February 29, 2020, \$21.3 million (including FY 2020 allocations) was budgeted for WRAP bill assistance and conservation assistance and \$15.1 million was utilized by WRAP participants during that time. As of February 29, 2020, the suburban counties still had uncommitted funds (combined assistance and conservation) of over \$2.9 million. The City of Detroit had uncommitted funds of \$2.5 million and the City of Flint had uncommitted funds of almost \$700,000. The uncommitted amounts include the FY 2019 reallocated funds approved by the GLWA Board on February 26, 2020.

Table 4

TOTAL Activity March 1, 2016 to February 29, 2020

Sources (Net Revenues)	Detroit	Out-Wayne County	Oakland County	Macomb County	Washtenaw County	St. Clair County	Lapeer County	Monroe County	Genesee County	City of Flint	Total
FY 2016 Assistance Budget Allocation	\$ 1,238,736	\$ 748,629	\$ 740,155	\$ 379,764	\$ 35,419	\$ 3,051	\$ 10,080	\$ 5,093	\$ 63,842	\$ -	\$ 3,224,769
Bill and Arrearage Assistance	288,022	174,066	172,096	88,300	8,235	709	2,344	1,184	14,500	-	749,457
Home Audit and Repairs	\$ 1,526,759	\$ 922,695	\$ 912,250	\$ 468,064	\$ 43,654	\$ 3,760	\$ 12,424	\$ 6,277	\$ 78,342	\$ -	\$ 3,974,226
Total FY 2016 Assistance Budget Allocation											
FY 2017 Assistance Budget Allocation	\$ 1,278,103	\$ 806,833	\$ 774,825	\$ 400,804	\$ 37,998	\$ 2,431	\$ 10,059	\$ 5,561	\$ -	\$ -	\$ 3,316,615
Bill and Arrearage Assistance	297,856	188,029	180,570	93,406	8,855	578	2,344	1,296	-	-	772,934
Home Audit and Repairs	\$ 1,575,960	\$ 994,862	\$ 955,395	\$ 494,209	\$ 46,853	\$ 3,009	\$ 12,403	\$ 6,858	\$ -	\$ -	\$ 4,089,549
Total FY 2017 Assistance Budget Allocation											
FY 2018 Assistance Budget Allocation	\$ 1,303,229	\$ 848,677	\$ 827,662	\$ 429,388	\$ 40,961	\$ 2,604	\$ 9,970	\$ 5,908	\$ 28,679	\$ -	\$ 3,497,078
Bill and Arrearage Assistance	303,712	197,780	192,883	100,067	9,546	607	2,323	1,377	6,684	-	814,979
Home Audit and Repairs	\$ 1,606,941	\$ 1,046,457	\$ 1,020,545	\$ 529,455	\$ 50,507	\$ 3,211	\$ 12,294	\$ 7,285	\$ 35,363	\$ -	\$ 4,312,057
Total FY 2018 Assistance Budget Allocation											
FY 2019 Assistance Budget Allocation	\$ 1,405,432	\$ 818,952	\$ 866,319	\$ 452,003	\$ 39,783	\$ 2,862	\$ 11,131	\$ 6,392	\$ -	\$ 17,202	\$ 3,620,075
Bill and Arrearage Assistance	327,530	190,853	201,892	105,337	9,271	667	2,594	1,490	-	4,009	843,643
Home Audit and Repairs	\$ 1,732,962	\$ 1,009,805	\$ 1,068,211	\$ 557,340	\$ 49,054	\$ 3,529	\$ 13,725	\$ 7,882	\$ -	\$ 21,211	\$ 4,463,718
Total FY 2019 Assistance Budget Allocation											
FY 2020 Assistance Budget Allocation	\$ 1,405,874	\$ 685,847	\$ 825,138	\$ 533,093	\$ 39,556	\$ 2,897	\$ 12,225	\$ 6,262	\$ -	\$ 17,528	\$ 3,528,422
Bill and Arrearage Assistance	351,469	171,462	206,285	133,273	9,889	724	3,056	1,565	-	4,382	882,105
Home Audit and Repairs	\$ 1,757,343	\$ 857,309	\$ 1,031,423	\$ 666,367	\$ 49,445	\$ 3,622	\$ 15,281	\$ 7,827	\$ -	\$ 21,910	\$ 4,410,527
Total FY 2020 Assistance Budget Allocation											
FY 2016-2020 Assistance Available	\$ 8,199,964	\$ 4,831,128	\$ 4,987,824	\$ 2,715,435	\$ 239,513	\$ 17,130	\$ 66,127	\$ 36,129	\$ 113,705	\$ 43,121	\$ 21,250,077
Reallocation of Uncommitted Funds											
Reallocation of Uncommitted Funds from FY 2016 (1)											
Bill and Arrearage Assistance Reallocated to Detroit	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncommitted FY 2016 Conservation Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bill and Arrearage Assistance Reallocated to Flint	\$ -	\$ -	\$ -	\$ -	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
Total Reallocation of Uncommitted Funds from FY 2016	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
Reallocation of Uncommitted Funds from FY 2017 (2)											
FY 2017 Reallocation of Assistance Funds	\$ 549,784	\$ (486,355)	\$ (268,078)	\$ (262,634)	\$ (28,401)	\$ (2,431)	\$ (10,059)	\$ (5,561)	\$ -	\$ 307,535	\$ (206,200)
FY 2017 Reallocation of Conservation Funds	237,197	(71,911)	(62,120)	(6,248)	(5,866)	(405)	(1,641)	(907)	-	118,100	206,200
Total Reallocation of Uncommitted Funds from FY 2017	\$ 786,981	\$ (558,266)	\$ (330,198)	\$ (268,882)	\$ (34,267)	\$ (2,836)	\$ (11,700)	\$ (6,468)	\$ -	\$ 425,635	\$ -
Reallocation of Uncommitted Funds from FY 2018 (3)											
FY 2018 Reallocation of Assistance Funds	\$ 438,750	\$ (298,775)	\$ (313,067)	\$ (241,763)	\$ (28,966)	\$ (2,604)	\$ (9,970)	\$ (5,908)	\$ (28,679)	\$ 236,250	\$ (254,732)
FY 2018 Reallocation of Conservation Funds	355,650	(96,982)	(116,197)	(59,108)	(9,145)	(607)	(2,323)	(1,377)	(6,684)	191,505	254,732
Total Reallocation of Uncommitted Funds from FY 2018	\$ 794,400	\$ (395,757)	\$ (429,264)	\$ (300,871)	\$ (38,111)	\$ (3,211)	\$ (12,293)	\$ (7,285)	\$ (35,363)	\$ 427,755	\$ -
Reallocation of Uncommitted Funds from FY 2019 (4)											
FY 2019 Reallocation of Assistance Funds	\$ 690,100	\$ (402,612)	\$ (819,323)	\$ (408,874)	\$ (29,386)	\$ (2,862)	\$ (11,131)	\$ (6,392)	\$ -	\$ 371,562	\$ (618,918)
FY 2019 Reallocation of Conservation Funds	\$ 5,264,398	\$ (118,134)	\$ (160,454)	\$ (47,806)	\$ (21,911)	\$ (667)	\$ (2,594)	\$ (1,490)	\$ 100,000	\$ 299,157	\$ 359,761
FY 2019 Reallocation for Outreach	-	60,961	172,328	98,642	3,947	289	1,220	625	-	21,749	359,761
Total Reallocation of Uncommitted Funds from FY 2019	\$ 1,182,593	\$ (459,785)	\$ (807,449)	\$ (358,038)	\$ (27,631)	\$ (3,240)	\$ (12,505)	\$ (7,257)	\$ (99,205)	\$ 493,311	\$ -
Total Reallocation of Uncommitted Funds	\$ 4,428,806	\$ (2,132,161)	\$ (2,158,074)	\$ (1,283,107)	\$ (135,428)	\$ (12,337)	\$ (46,578)	\$ (26,103)	\$ (99,205)	\$ 1,464,186	\$ -
NET FY 2016-2020 Assistance Available	\$ 12,628,770	\$ 2,698,968	\$ 2,829,750	\$ 1,432,328	\$ 104,086	\$ 4,793	\$ 19,549	\$ 10,026	\$ 14,500	\$ 1,507,307	\$ 21,250,077
Uses 3/01/2016 to 2/29/2020											
Home Audits and Repair Paid to Date	1,790,301	294,527	234,112	172,521	3,917	-	-	-	-	122,275	2,617,654
Bill Assistance and Arrearages Paid to Date	5,264,398	812,662	1,224,105	431,416	31,394	-	-	-	-	495,343	8,259,318
Total Uses 3/01/2016 to 2/29/2020	\$ 7,054,699	\$ 1,107,189	\$ 1,458,217	\$ 603,936	\$ 35,311	\$ -	\$ -	\$ -	\$ -	\$ 617,618	\$ 10,876,972
Less: Committed Funds 3/01/2016 to 2/29/2020											
Future Bill Assistance	\$ 701,709	\$ 256,236	\$ 52,977	\$ 16,775	\$ 5,055	\$ -	\$ -	\$ -	\$ -	\$ 79,772	\$ 1,112,524
Future Arrearage Assistance	2,414,389	458,922	80,760	57,161	8,635	-	-	-	-	110,129	3,129,995
Total Committed Funds 3/01/2016 to 2/29/2020	\$ 3,116,097	\$ 715,158	\$ 133,738	\$ 73,936	\$ 13,690	\$ -	\$ -	\$ -	\$ -	\$ 189,900	\$ 4,242,519
Total Expenditures/Committed Funds	\$ 10,170,797	\$ 1,822,347	\$ 1,591,955	\$ 677,873	\$ 49,001	\$ -	\$ -	\$ -	\$ -	\$ 807,519	\$ 15,119,491
Uncommitted Funds as of 2/29/2020 (line 40 - line 49)	\$ 2,457,974	\$ 876,620	\$ 1,237,796	\$ 754,456	\$ 55,084	\$ 4,793	\$ 19,549	\$ 10,026	\$ 14,500	\$ 699,788	\$ 6,130,586
Summary of Uncommitted Funds 2/29/2020											
Uncommitted Conservation	\$ 863,628	\$ 340,637	\$ 380,842	\$ 234,700	\$ 24,677	\$ 1,606	\$ 6,104	\$ 3,139	\$ 14,500	\$ 295,721	\$ 2,165,554
Uncommitted Assistance	1,594,345	475,023	684,626	421,113	26,460	2,897	12,225	6,262	-	382,319	3,605,271
Outreach Allocation	-	60,961	172,328	98,642	3,947	289	1,220	625	-	21,749	359,761
Total Uncommitted Funds as of 2/29/2020	\$ 2,457,974	\$ 876,620	\$ 1,237,796	\$ 754,456	\$ 55,084	\$ 4,793	\$ 19,549	\$ 10,026	\$ 14,500	\$ 699,788	\$ 6,130,586

(1) Based on April 26, 2017 Board of Directors action
(2) Based on August 22, 2018 Board of Directors action
(3) Based on June 26, 2019 Board of Directors action
(4) Based on February 26, 2020 Board of Directors action

Reallocation Activity

After the completion of each fiscal year, Wayne Metro recommends to the GLWA Board of Directors the reallocation of uncommitted assistance and conservation funds to those member partners that have fully committed their annual budgeted funds due to the increased need within their community.

Table 5 – Total WRAP Reallocation of Uncommitted Funds

This table summarizes the Board authorized reallocation of uncommitted FY 2016 to FY 2019 WRAP funds to the City of Detroit and the City of Flint. To date, \$4.4 million has been reallocated to Detroit and \$1.4 million to the City of Flint from the other counties within GLWA.

Reallocated Funds	Detroit	Flint	Total
FY 2016	\$1,664,833	\$117,485	\$1,782,318
FY 2017	786,981	425,635	1,212,616
FY 2018	794,400	427,755	1,222,155
FY 2019	1,182,593	471,562	1,654,155
Total Reallocation	\$4,428,807	\$1,442,437	\$5,871,244

Procurement Pipeline



Great Lakes Water Authority (313) 964-9157 www.glwater.org

April 2020 -Volume 14

Welcome to the April edition of *The Procurement Pipeline*, a monthly newsletter designed to bring you informative updates on doing business with the Great Lakes Water Authority (GLWA). This edition of the Pipeline focuses on providing helpful resources and information for our small business vendor community as you navigate the Coronavirus (COVID-19) pandemic.

COVID-19 UPDATE: Face Coverings Now Required at all GLWA sites - All GLWA vendors and vendor representatives (including vendor employees, contractors, consultants, agents, authorized personnel, and subcontractors) are now required to wear a face covering while in or around GLWA facilities or in the field working on GLWA projects. A few notes about these measures:

- ✓ They are based upon the Centers for Disease Control and Prevention (CDC) guidelines which recommend a basic cloth or fabric face covering for all individuals in public settings where social distancing measures are otherwise difficult to maintain;
- ✓ The face covering should securely cover the nose and mouth, and remain free from any offensive words, pictures, cartoons, terms, logos, or phrases. Vendor business logos are permissible;
- ✓ Any individual not wearing a face covering will be asked to leave immediately and may only return when wearing an appropriate face covering;
- ✓ These operational changes will remain in effect until June 10, 2020;
- ✓ For more information on making a face covering and the proper way to wear one, please visit the [CDC's website](https://www.cdc.gov).

What's Coming Down the Pipe?

Current Solicitations: Be sure to register in [Bonfire](#) to monitor new solicitations and contract awards.

Upcoming Procurements: Next Three to Nine Months - See page 2

Resources for Small Businesses

At GLWA, we are committed to ensuring that our small business vendor community has access to the resources you need to get through the COVID-19 pandemic. To this end, we have gathered a variety of resources to connect you with our partners in the administration of federal and state relief and assistance programs, as well as other helpful information for running your small business during these difficult times.

U.S. Small Business Administration (SBA) COVID-19 Small Business Guidance and Loan Resource: a hub for funding options, local and federal, as well as guidance for businesses on everything from workforce capacity to changing market demands. For more info [click here](#).

Michigan Economic Development Corporation (MEDC) Pure Michigan Business Connect: a repository of links to business relief programs administered through local nonprofits and federal programs, as well as information for both employers and employees regarding unemployment benefits. For more info [click here](#).

Michigan Department of Transportation (MDOT): small business owners can apply for Disadvantaged Business Enterprise (DBE) certification through MDOT to ensure that you have opportunities to participate in federally funded MDOT contracts. For more info [click here](#).

Michigan Paycheck Protection Program (MiPPP): MiPPP provides up to eight weeks of forgivable loans for payroll costs (including benefits) as well as interest on mortgages, rent, and utilities. For more info [click here](#).

County Covid-19 Small Business Resources: resources, information economic relief options, webinars, and individual business counselling for small businesses in [Flint & Genesee County](#), [Macomb County](#), [Oakland County](#), and [Wayne County](#).

Visit GLWA online! See the Vendors page at www.glwater.org or contact us via email at procurement@glwater.org.

Upcoming Solicitations April 2020

Category	Description	Budget Estimate
Water System (next three months)		
Design Build	Southwest Water Treatment Plant Chlorine Scrubber and Raw Water Screen Replacement (CIP #113006)	\$6,000,000
Construction	2001456 SPWTP 1958 Settled Water Conduit and Loading Dock Concrete – Springwells Water Treatment Plant (CIP #114016)	\$1,652,000
Construction	200832 Lake Huron Water Treatment Plant Filter, Flow Instrumentation and Control Improvements (CIP #111006)	\$16,000,000
Maintenance Services	5-Year Sludge Removal and Disposal Services at Northeast, Springwell's & Southwest Water Plants	\$55,000,000
Engineering	2000279 – Flocculator Drive Replacement – Springwells Water Treatment Plant (CIP #114017)	\$1,852,000
Construction	2000610 – Water Works Park Yard Piping, Valves and Venturi Meters Replacement (CIP #115001)	\$69,500,000
Construction	1904231 – Flocculator Improvements – Northeast Water Treatment Plant (CIP #112006)	\$2,700,000
Wastewater System (next three months)		
Design	Oakwood HVAC Improvements	TBD
Water System (next four to nine months)		
Design Build	7 Mile/Nevada Water Transmission Main Rehab and Flow Control Station (CIP #122017)	\$5,000,000
Engineering	North Service Center Pumping Station Improvements (CIP #132016)	\$10,000,000
Construction	Springwells Water Treatment Plant Medium Voltage Electrical System Replacement (CIP #114002 Project B)	\$30,000,000
Wastewater System (next four to nine months)		
Progressive Design Build	Baby Creek Outfall Improvements Projects (CIP #277001)	TBD
Design	St. Aubin Chemical Disinfection & Screening Improvements	TBD
Design	Control System Upgrade – St. Aubin, Lieb, and 7 Mile CSO Facilities	TBD
Maintenance	Crane Services	TBD
Services	Actuator Maintenance	TBD
Maintenance	UPS Maintenance and Repair Services (CSO/WRRF)	TBD
Enterprise (next four to nine months)		
IT	Project Management Information System	TBD
Facilities	HVAC Repairs and Maintenance	TBD

Vendors should continue to monitor [Bonfire](#) for solicitation updates.

Acronyms – Facilities	
WRRF	Water Resource Recovery Facility
CSO	Combined Sewer Overflow