



Audit Committee

Friday, October 23, 2020 at 8:00 a.m.

www.GLWater.org

Join by Microsoft Teams

Dial-In: 313-771-3116 Conference ID: 868 434 344#

Link to Join Virtually: [GLWA Audit Committee Meeting](#)

* Indicates items where Audit Committee action may result in forwarding to the Board of Directors

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. September 25, 2020 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
 - A. Water Residential Assistance Program Evaluation Draft Report* (Page 6)
 - B. Annual Financial Audit Update (Page 69)
7. NEW BUSINESS
 - A. First Quarter FY 2021 Budget Amendments * (Page 71)
 - B. Proposed Procurement Policy Amendment Related to Business (Page 100)
Inclusion & Diversity (BID) Program
 - C. Proposed Change Order No. 4- CS-010 WRAP Administrator Contract *
(Page 139)
8. REPORTS
 - A. CFO Report (Page 142)
 - i. FY 2021+ Budget Document
 - B. Monthly Financial Report for July 2020 (Page 147)
 - C. FY 2022 Charges Rollout Schedule (Page 148)
 - D. System Max Day Report for 2020 (Page 149)
 - E. Quarterly Construction Work In Progress (CWIP) Report for FY 2020 Q4
(Page 151)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for October 2020 (Page 172)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: November 20, 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, September 25, 2020

8:00 AM

Telephonic Meeting
Call-In Number: 1-313-771-3116
Conference ID: 50197058

Telephonic Meeting

Call-In Number: 1-313-771-3116 Conference ID: 50197058

1. Call To Order

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

2. Quorum Call

Present: 3 - Chairperson Brian Baker, Director Gary Brown, and Director John J. Zech

3. Approval of Agenda

Nicolette Bateson, Chief Financial Officer/Treasurer, requested to move Item 7B. (Water Residential Assistance Program - Discussion of Temporary Program Change Related to Participant Removal due to COVID-19) to Item 7A., and Item 8C. (Quarterly WRAP Report) to Item 7B.

Chairperson Baker requested a Motion to approve the Agenda as Amended.

Motion By: Gary Brown

Support By: John J. Zech

Action: Approved as Amended

The motion carried by a unanimous vote.

4. Approval of Minutes

[2020-334](#) Approval of Minutes of August 21, 2020

Sponsors: Nicolette Bateson

Indexes: Finance

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

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

Motion By: John J. Zech

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

A. [2020-335](#) Water Residential Assistance Program Evaluation/Redesign & Request for Proposal Process Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A1 Update WRAP RFP Process and Proposed Schedule v2](#)
[6A2 PSC Memo WRAP Advisor Budget Update](#)

Motion By: Gary Brown

Support By: John J. Zech

Action: Received and Filed

The motion carried by a unanimous vote.

7. New Business

B. [2020-337](#) Water Residential Assistance Program - Discussion of Temporary Program Change Related to Participant Removal due to COVID-19

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B1 WRAP Temporary Program Change- Participant Removal](#)
 [7B2 Executive Order 2020-144](#)
 [7B3 Wayne Metro Support Letter for Temporary Program Change](#)

Director Brown made a motion, supported by Director Zech, to recommend the approval of Wayne Metro's recommendation to temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19; furthermore, participants will still be eligible to receive monthly bill credits and arrears payments if applicable during this temporary period; and to refer this matter to the Operations and Resources Committee with a recommendation for approval.

Motion By: Gary Brown

Support By: John J. Zech

Action: Recommended for Approval to the Operations and Resources Committee

Agenda of October 15, 2020

The motion carried by a unanimous vote.

8.C. [2020-340](#) Quarterly WRAP Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C1 Quarterly WRAP Report as of 6.30.2020](#)
 [8C2 Wayne Metro Report 6.30.2020](#)

Motion By: Gary Brown

Support By: John J. Zech

Action: Received and Filed

The motion carried by a unanimous vote.

A. [2020-336](#) Proposed Changes to Annual Charges Rollout Schedule

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 Charges Roll Out Calendar](#)
 [7A2 Process and Calendar FY 2022 and FY 2023 Biennial Budget](#)

Motion By: John J. Zech

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports

A. [2020-338](#) CFO Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A1 CFO Update 9.25.2020](#)
[8A2 GFOA 2019 6 - Press Release](#)
[8A3 GFOA 2019 5 - Certificate](#)

Motion By: Gary Brown
Support By: John J. Zech
Action: Received and Filed
The motion carried by a unanimous vote.

B. [2020-339](#) Monthly Financial Report for June 2020

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B June 2020 Financial Report - Tagetik](#)

Motion By: Gary Brown
Support By: John J. Zech
Action: Received and Filed
The motion carried by a unanimous vote.

9. Communications

[2020-341](#) The Procurement Pipeline for September 2020

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A September 2020 Procurement Pipeline](#)

Motion By: Gary Brown
Support By: John J. Zech
Action: Received and Filed
The motion carried by a unanimous vote.

10. Look Ahead

The next Audit Committee Meeting is scheduled for Friday, October 16, 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: John J. Zech

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:55 a.m.



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program Draft Evaluation Report

Background: 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: evaluation of the current program and solicitation of proposals for program continuation. Both tasks rely heavily on stakeholder engagement.

Before developing the request for proposals for the WRAP Administrator, GLWA first solicited quotations for a WRAP Advisor to evaluate the current program. The purpose of the WRAP Advisor engagement is to a) strengthen program effectiveness, b) develop scope and performance criteria for WRAP program provider performance, and c) better define and conduct program evaluation.

To evaluate the current program, GLWA engaged Public Sector Consultants (PSC) to serve as the WRAP Advisor. PSC is an objective, nonpartisan research and consulting firm based in Lansing and Detroit. They have been conducting program evaluations for more than 20 years and are well versed in a variety of process and impact evaluation methods, including developing theories of change and logic models, qualitative and quantitative data collection using tools such as focus groups and multimode surveys, in-depth informant interviews, cost-effectiveness analyses, and comprehensive data analyses to yield deep insights and actionable findings.

PSC began work on July 6, 2020 and since that time has completed meetings with GLWA's Chief Financial Officer and Finance staff, Detroit Water and Sewerage Department's (DWSD) Chief Financial Officer and Finance staff, Wayne Metro, GLWA's Chief Executive Officer and DWSD's Director and their General Counsel, individual GLWA Board Members and a focus group for GLWA Member Partners. These meetings, and the feedback gathered, were the basis for PSC's draft report and recommendations which is being presented to the Audit Committee on October 23, 2020. PSC's draft report, and an accompanying presentation, are attached to this memo.

Analysis: Following is a summary of the key finding from the draft report.

Key Findings - *Program Successes*

- Provides essential financial support to low-income households, reaching over 22,000 households since 2016.
- Combines monthly assistance, arrearage payments, and conservation services is seen as impactful for customers.
- Allows flexibility in requirements for income and eligibility and makes accessing assistance easy.
- Evolves through periodic program changes/ updates to better serve customers.

Key Findings – *Opportunities for Improvement*

- Program should be available to all residential customers served by GLWA whether their municipalities have opted in or not.
- Program structure may not be suitable for addressing all various forms of household need.
- Program reporting is not sufficient to determine progress on desired outcomes.
- Program uptake and adoption has been limited in some communities.
- More can be done to support program expansion, administration, and reporting.

Next Steps: Pending feedback from the Audit Committee, the next step proposed is to present the draft report to the GLWA Board of Directors for discussion at their meeting on October 28, 2020. Staff envisions several outcomes from those discussions that balance the following considerations.

- ✓ Given the challenges of the COVID-19 operating environment as well as minimizing the impact on current WRAP operations and clients, the effort for GLWA to issue, and for the resource-constrained nonprofit/vendor community to respond to, a request for proposal does not appear to be the best course of action at this time.
- ✓ Instead, an emerging recommendation for next steps is to focus on piloting quick wins of WRAP delivery improvements identified in PSC's report to constituents across the GLWA service area. This would expeditiously address urgent stakeholder concerns – particularly where participation has been low but where need exists.
- ✓ Concurrently, map out program delivery model improvements and lessons learned from the above pilot to rollout an improved WRAP in calendar year 2021.
- ✓ Amend the current WRAP Administrator contract (CS-010) to provide for the piloting of program delivery model improvements and amend the expiration date to June 30, 2021 to transition beyond what we hope well past is the peak of COVID-19 demands

and better align the revised program delivery model with the beginning of a fiscal year.

Budget Impact: None.

Proposed Action: Receive and file the report and forward to Board of Directors for discussion.

Water Residential Assistance Program Evaluation: Program Successes and Opportunities for Improvement

Maggie Pallone and Eric Pardini

Public Sector Consultants

Great Lakes Water Authority Audit Committee

Friday, October 23, 2020

About Public Sector Consultants

- Nonpartisan research and public policy consulting firm
- Mission: Improve the quality of life for residents of Michigan and beyond through the development and implementation of innovative, actionable public policies



Project Overview

Goal: Strengthen the Water Residential Assistance Program's effectiveness by assessing operations and considering delivery improvements

- **Outcomes assessment**
 - Analyzed annual program reporting data
 - Compared available data to establish goals and performance measures
 - Summarized program performance relative to goals, identified data collection and reporting improvements, and documented key findings
- **Process evaluation**
 - Reviewed program documentation and solicited feedback from key stakeholders
 - Developed evaluation framework and corresponding discussion guide for stakeholder engagement
 - Identified program success and opportunities for improvement

Key Findings—Program Successes

- The program provides essential financial support to households with low incomes, reaching more than 22,000 households since 2016.
- Customers stated that combining monthly assistance, arrearage payments, and conservation services is impactful.
 - Incentivizes on-time bill payment
 - Helps customers struggling with large past-due balances
 - Reduces in-home water consumption
- Requirements for income and eligibility are flexible and make accessing assistance easy.
- Periodic program changes/updates have helped better serve customers.

Key Findings—Opportunities for Improvement

- Program uptake and adoption has been limited in some communities.
 - A one-size-fits-all approach to service delivery does not meet customer need.
 - There is limited program participation in Oakland and Macomb Counties as well as limited program awareness.
 - Local oversight of program administration and delivery can help achieve program goals by providing tailored solutions for community engagement, marketing, and outreach.

Key Findings—Opportunities for Improvement

- The program should be available to all Great Lakes Water Authority customers whether municipalities have opted in or not.
 - There is need in every community.
 - GLWA should investigate a direct services model for the program.

Key Findings—Opportunities for Improvement

- Program structure may not be suitable for addressing all various forms of household need.
 - The program provides a fixed monthly amount that may be insufficient for households with limited or no income.
 - Additionally, the structure does not offer options to serve households that may have an immediate crisis or shorter-term need.
 - GLWA should work with stakeholders to determine whether program changes are necessary to meet a wider range of household needs.

Key Findings—Opportunities for Improvement

- Program reporting is insufficient to determine progress on desired outcomes.
 - Current reporting is predominantly process related and does not necessarily demonstrate program effectiveness or impact.
 - Lack of benchmarks for program performance further complicates the process for determining program success.
 - Program reporting requirements should be based on desired performance measures and established benchmarks.

Key Findings—Opportunities for Improvement

- More can be done to support program expansion, administration, and reporting
 - GLWA can play a bigger role in program administration by:
 - Providing ongoing support to member partner communities (recruitment and retention)
 - Providing ongoing program performance monitoring
 - Developing stronger internal processes for reporting and oversight
 - Overseeing the implementation of program changes

Next Steps

- Review draft evaluation report with the GLWA Board of Directors
- Prioritize changes that should be incorporated into program design
- Develop a workplan to implement recommendations, including expected costs and timeline
- Develop a revised scope of work for program administration

Questions?



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Water Residential Assistance Program Evaluation

Program Successes and Opportunities for Improvement

October 2020





**PUBLIC SECTOR
CONSULTANTS**

Prepared by

Public Sector Consultants
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Prepared for

Great Lakes Water Authority
www.glwater.org

DRAFT

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Executive Summary

Water is the most essential utility delivered to homes each day. It meets the drinking and sanitation needs for millions of Michiganders and provides vital assistance to other sectors, from fire protection to irrigation. However, as the cost demands on the treatment and delivery of water continue to rise, paying water bills can be a challenge for many with low to moderate incomes, including those in Southeast Michigan. The ramifications for unpaid bills can impact households and utilities alike, leading to health and economic concerns and—in some cases—water shutoffs, which generate other worries for individuals and families.

While the federal government has created assistance programs to help households with low incomes and older adults afford energy and telecommunication services, there are no federally supported programs for water and sewerage services (Pierce 2020). The State of Michigan makes funding available for water and sewer assistance, but these funds are only available for emergencies and have not been widely used (MDHHS n.d.). In the absence of any national or broadly available state programs to protect consumers with low incomes, the Great Lakes Water Authority (GLWA) created the Water Residential Assistance Program (WRAP), which provides a long-term, sustainable funding source to provide relief for qualifying residents in GLWA member communities. For these residents, the program is critical to keeping the water flowing and supporting self-sufficiency. Though WRAP provides an important lifeline for households in need the program cannot, on its own, address the full breadth of need and must be part of more comprehensive solutions.

WRAP has provided essential assistance across GLWA's service area, combining bill payment, arrearage forgiveness, and conservation measures, including minor plumbing repairs and replacement, with educational and wraparound services. This program is an important component of GLWA's mission to provide its member communities and their customers with water of unquestionable quality and excellent treatment service. Now in its fifth year, GLWA has set out to assess the program's success and identify opportunities for improvement. To support this effort, GLWA engaged Public Sector Consultants (PSC) to evaluate how effectively the program has met its goals and what changes are necessary to improve its delivery and impact.

PSC conducted a thorough assessment of WRAP, relying on an analysis of program reporting data, key stakeholder feedback, and a review of other relevant documents. Through this effort, PSC identified a number of successes and opportunities for improvement. In terms of program success, overall, stakeholders viewed WRAP as providing an important resource for low- to moderate-income households. Stakeholders also highlighted that the program's structure helps promote on-time bill payment and water conservation. From the customer experience perspective, the program's income and eligibility requirements provide flexibility, enabling households to access assistance more easily. Additionally, modifications adopted in the last few years have helped expand access to assistance and better meet customers' needs.

While the WRAP has demonstrated success, there are several opportunities for improvement. A review of program reporting data highlighted limited use of defined and existing performance measures—as outlined in the *2015 WRAP Program Design Report*—and a lack of established benchmarks for program measurement. Most reporting relates to process measures, focusing on measuring program operations and service delivery instead of outcomes-oriented measures that would address impact.

In addition to updating performance reporting, the evaluation demonstrated opportunities to improve program administration. One of the perceived strengths of the current administration was the ability to serve households throughout GLWA's service territory; however, program uptake and adoption has been limited in some communities. More needs to be done to expand program reach, including establishing community-specific performance benchmarks, amplifying marketing and communications efforts, and leveraging other community resources and partnerships.

Program design also presents barriers. For example, some GLWA customers cannot enroll in WRAP because their community has not opted into the program, while others might not achieve success because their income is too low to make necessary payments toward their monthly bill. These design elements produce gaps for households who might be in need. By including options for customers to receive assistance directly from the program administrator or by creating more tailored assistance options, GLWA can work to ensure a more inclusive program.

Improving WRAP will require additional support to implement and oversee program changes on behalf of GLWA. By taking a more involved role with program oversight, GLWA can support the development and monitoring of established performance measures, support outreach to member partner communities, and facilitate ongoing program evaluation.

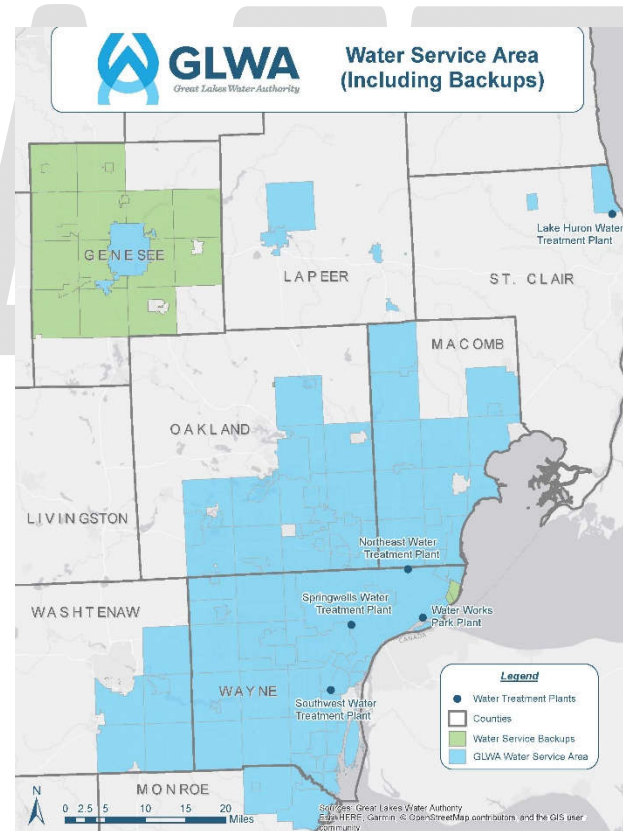
The following evaluation report provides a deeper exploration of findings related to WRAP.

Background

WRAP provides sustainable funding for qualifying households with low incomes throughout GLWA's participating member partner communities. The GLWA funds the program at an amount equal to 0.5 percent of budgeted revenues, with the budgeted fiscal year 2021 funding level of \$6.1 million combined for water and sewer services (GLWA April 2020).

Since the program's creation in 2016, the Wayne Metropolitan Community Action Agency (Wayne Metro) has administered WRAP. Wayne Metro—a nonprofit agency headquartered in Detroit—provides access to a host of programs to support residents with low incomes throughout Wayne County. To better serve the entirety of GLWA's service area in Southeast Michigan, the Wayne Metro has partnered with Macomb Community Action (MCA), the Oakland Livingston Human Services Agency (OLHSA), the Genesee County Community Action Resource Department (GCCARD), and the Monroe County Opportunity Program (MCOP) to deliver WRAP in all eight counties served by GLWA.

The program provides eligible households with monthly bill payment and arrearage assistance as well as home water audits and conservation services. To become eligible, customers must demonstrate their household income is below 200 percent of the federal poverty line (FPL).¹ Bill payment assistance of \$25 per month is available for eligible renters and homeowners for up to two years as long as they continue to make on-time utility bill payments. Households can also receive up to \$700 per year in assistance payments toward past due balances. A recent program change enabled qualifying older adults with low incomes and persons with disabilities to remain on the program after the original two-year period. High-volume water users—defined as households that consume 120 percent more than the average household—can also receive a home water use audit and water conservation services, including minor plumbing repairs and replacement of kitchen and bath fixtures. The cap on conservation services is \$2,000 per household and the average conservation assistance per household must not exceed \$1,500. Another program change put in place in recent years, allowed renters to take advantage of conservation services in cases where they are responsible for the water bill. In addition to direct forms of assistance, WRAP participants can take advantage of financial coaching and water conservation workshops as well as other support services provided through Wayne Metro and other community action agency partners serving GLWA service area.



¹ Prior to January 2019, income eligibility for the WRAP was set at 150 percent FPL, which aligns with other utility assistance programs.

WRAP began providing assistance on March 1, 2016. As of June 30, 2020, it has committed more than \$16.8 million in assistance and conservation funds to more than 21,187 qualified participants. To be eligible, each member partner community must opt-in to the program before customers can receive assistance. To date, 77 communities have opted into WRAP (see Appendix A).

Methodology

GLWA engaged Public Sector Consultants to conduct an evaluation of WRAP, with the goal of strengthening the program's effectiveness and informing potential design changes. In service of that, this evaluation assesses program operations and considers delivery improvements to achieve key program objectives. To this end, PSC's evaluation was conducted in two parts—an outcomes assessment and process evaluation.

Outcome Assessment

The PSC team collected and analyzed available data pertaining to the program's outcomes and specified goals. WRAP administrator—the Wayne Metro—provides data to GLWA staff through annual program summary reports. The reports also include a breakdown of program data across partner community action agencies. This information is compiled in a way that reports include data from previous years rolled up into the current year's data instead of annual reports with data from the prior year only. For example, the June 2017 report covers program activity from March 1, 2016, through June 30, 2017, while the June 2018 report included data from March 1, 2016, through June 30, 2018. To enable year-to-year comparisons, PSC used the provided program summary data to calculate annual program summary data for the four years reports were provided.² In total, four program summary reports were provided, which covered the following program years:

- 2017 program year: March 1, 2016, to June 30, 2017
- 2018 program year: March 1, 2016, to June 30, 2018
- 2019 program year: March 1, 2016, to June 30, 2019
- 2020 program year: March 1, 2016, to June 30, 2020

PSC reviewed the data against the *2015 WRAP Program Design Report's* goals and performance measures. Where possible, PSC analyzed how WRAP has performed in relation to articulated goals. In cases where necessary data were not provided, PSC mentions the data required to adequately assess these goals or performance measures, ways to improve data collection and reporting, and considerations for making more outcome-oriented data.

Process Evaluation

The second component of this evaluation focused on assessing WRAP's current administration and understanding GLWA member partner communities' perspectives to define program successes and

² In some cases, conversion of year-to-date data to annual data yielded a negative value (e.g., a negative number of shutoffs avoided), indicating a data entry error. PSC reviewed these calculations thoroughly to identify potential issues with data processing. In situations where data errors could not be rectified, PSC used year-to-date data. As such, data are labeled cumulative when the metric is presented as it appears in the year-to-date reports and annual when calculations were successful.

opportunities for improvement. PSC structured this work as a series of stakeholder interviews and focus group discussions, which took place from August to October with GLWA Board of Directors, its CEO, the Director of the Detroit Water and Sewerage Department (DWSD), member partner communities, community action agencies responsible for program administration, and other stakeholders with program knowledge.

Prior to conducting interviews and focus groups, PSC developed an evaluation framework and discussion guide based on existing program documents. Through these discussions, PSC sought to understand WRAP's essential elements, such as planning and administrative roles, target populations, enrollment processes, terms of participation, outreach and engagement, provision of conservation services, and program sustainability. PSC captured and carefully reviewed these sentiments to identify successful aspects of WRAP and opportunities where it can be improved. Commonly expressed themes are provided with appropriate emphasis to denote strong support. Where conflicting sentiments were recorded, PSC has contextualized these points for further consideration.

Outcomes Assessment

In October 2015, a group of stakeholders from Southeast Michigan presented their Program Design Report for WRAP to GLWA Board of Directors. This report outlined WRAP's establishment as well as a foundation for the program's enduring impact for thousands of households. The report included the following five goals to measure the program's effectiveness.

- **Goal one:** Assist low-income individuals and families with their water and sewer bills
- **Goal two:** Avoid water utility disconnection and reduce account arrearages
- **Goal three:** Assist customers in increasing self-sufficiency, in part through the provision of water conservation measures
- **Goal four:** Promote collaboration on program outreach to consumers and the public via multi-media and multi-lingual information sources.
- **Goal five:** Foster collaboration to advance partnerships for developing and leveraging funding opportunities to deliver assistance (GLWA October 2015).

Additionally, the report included a series of performance measures that enable ongoing assessment of program outcomes relative to goals (a complete inventory of program performance measures is provided in Appendix B).

Using these goals and performance measures as the framework for assessing WRAP's outcomes, PSC reviewed annual program reporting provided by the Wayne Metro to determine whether WRAP's articulated goals are being achieved. The following analysis details the program's performance to date.

Goal One: Assist Low-income Individuals and Families with Their Water and Sewer Bills

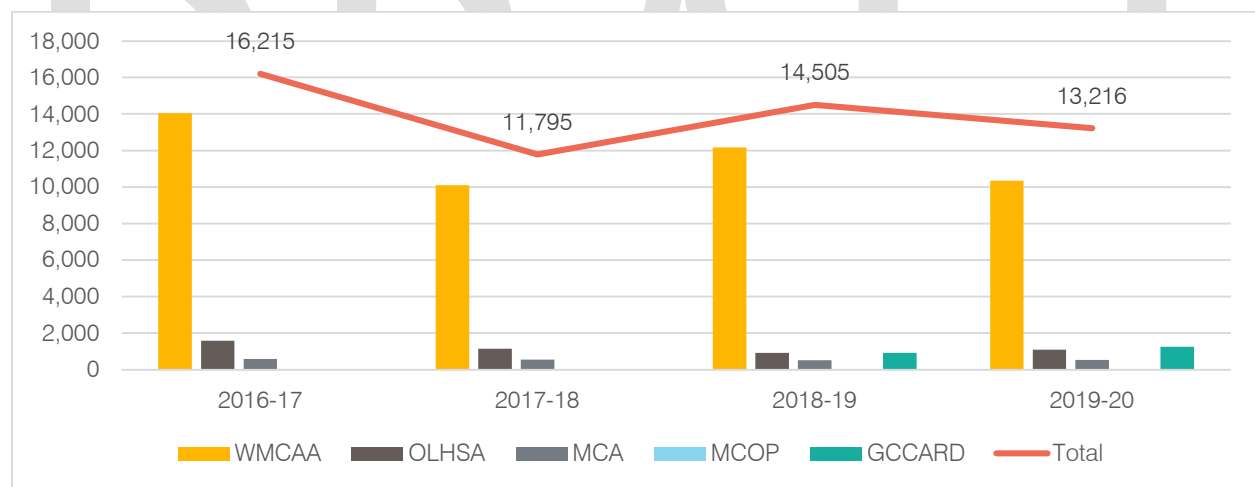
The first goal in the *2015 WRAP Program Design Report* captures the program's essential function: providing bill payment assistance to residents with low incomes who need help with their water and sewer bills. In support of measuring progress toward this goal, eight performance measures were identified. While there are generally enough data reported to assess the program's outcomes in relation to

performance measures for goal one, many of these metrics appear more process focused (e.g., money paid out and applications received) and less outcomes oriented (e.g., water/sewer bills and backlog pre- and postprogram participation).

Performance Measure 1.1: Number of Completed Applications

Annual program reporting includes the number of enrollment appointments and completed preapplications. From the data, all scheduled appointments result in completed preapplications for WRAP. From March 2016 to June 2020, 55,731 households completed preapplications. On average, the number of preapplications completed annually for Wayne Metro was 11,664; for OLHSA, it was 1,185; for MCA, 544; GCCARD, 718; and the average number of yearly preapplications completed was 13,933. MCOP only reported two appointments and applications during the four-year period. The number of applications received annually for the program's first four years indicates a consistent need for WRAP. Exhibit 1 portrays the number of completed applications over time.

EXHIBIT 1. Number of Completed Preapplications

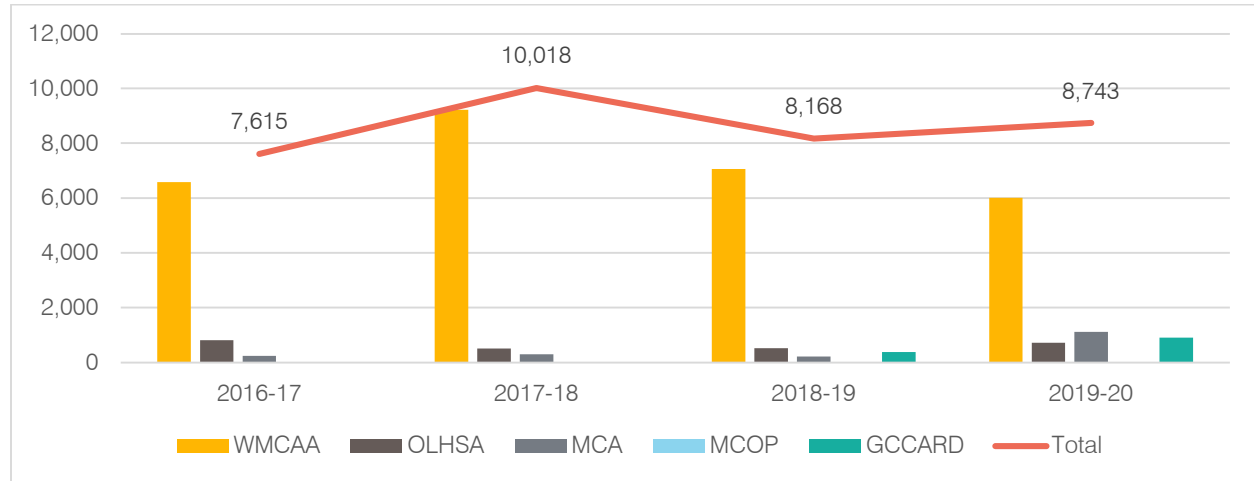


Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro.

Performance Measure 1.2: Number of Applicants Ineligible for Participation

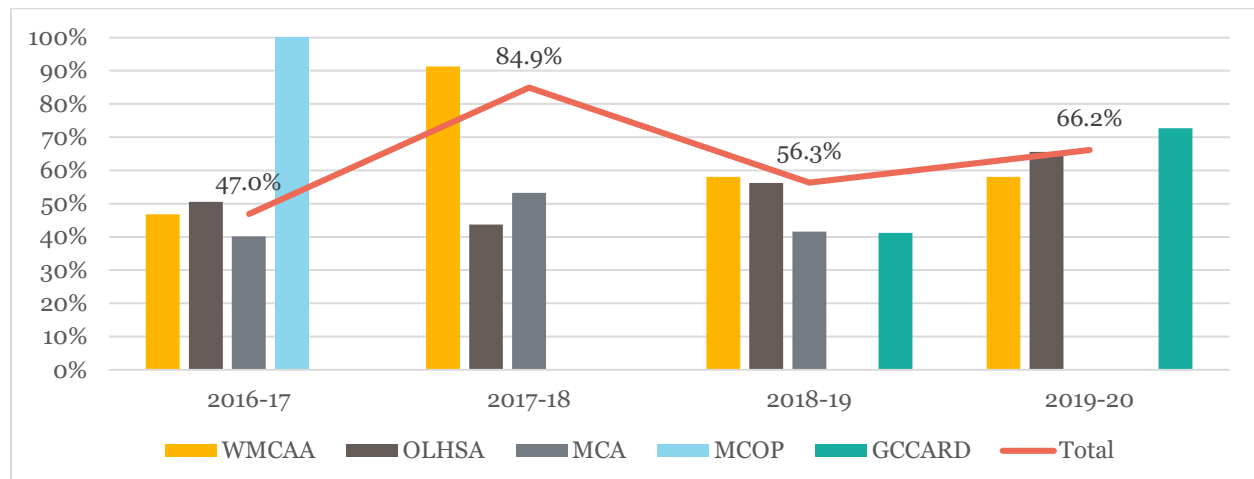
Program reporting provides the number of unenrolled applicants, including supplemental funds, which appears to be the closest corollary to applicants determined ineligible for participation.³ The average number of unenrolled applicants per year for the Wayne Metro was 7,220; for OLHSA, the number was 634; for MCA, 463; GCCARD, 426; and the average number of yearly preapplications completed was 8,636. The two completed applications for the MCOP were both unenrolled in the program's first year.

³ It is possible the number of unenrolled households provided in program reports contains other households than those who were simply ineligible for the program at enrollment, such as households that enrolled in the program but were later removed.

EXHIBIT 2. Number of Unenrolled Applicants

Source: Analysis of Annual WRAP Program Summaries provided by the Wayne Metro.

By comparing the number of completed preapplications to the number of unenrolled applicants, PSC was able to calculate the percentage of applicants unenrolled annually. The percentage of households applying for the program that were unenrolled ranged from 47 percent in 2016 to nearly 85 percent in 2017. This increase appears to be driven by a sharp rise in unenrollment from the Wayne Metro, which reported 91.3 percent, or 9,225, of the 10,102 completed preapplications received from July 1, 2017, to June 30, 2018, resulted in an unenrolled households. The percentage of unenrolled households remained relatively static in subsequent years but rose to 66 percent in the most recent year. In total, for the first four years of WRAP, 62 percent of completed preapplications resulted in unenrollment (Exhibit 3).

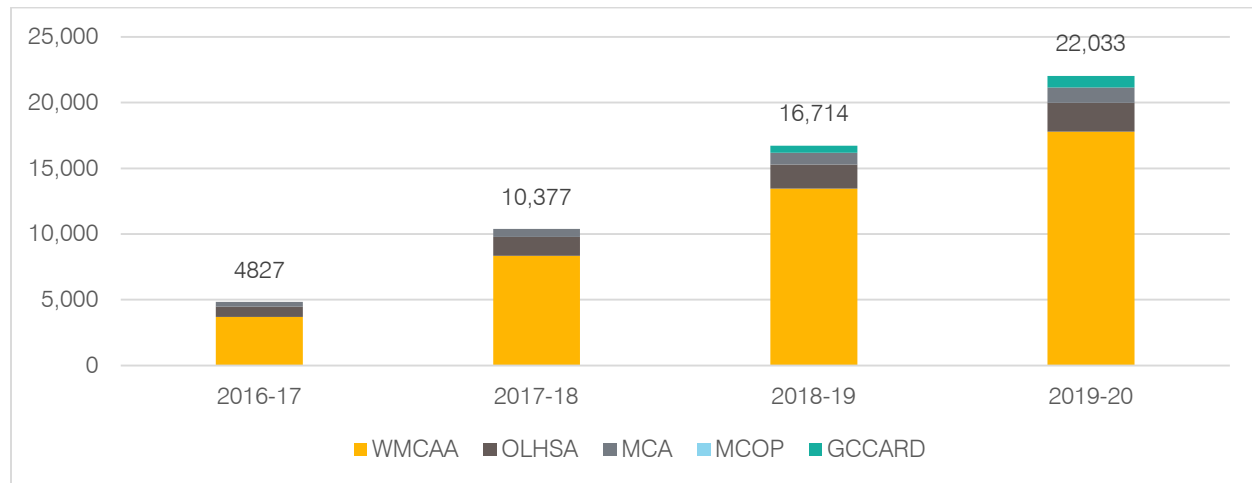
EXHIBIT 3. Percentage of Completed Preapplications Unenrolled in the Program

Source: Analysis of Annual WRAP Program Summaries provided by the Wayne Metro.

Performance Measure 1.3: Number of Households Assisted

Determining the number of households assisted is straightforward. Annual program reports include the number of households enrolled in WRAP since its inception. Since 2016, more than 22,033 households have been enrolled. Of those, the Wayne Metro has served 80 percent, OLHSA has served 10 percent, the GCCARD has served 4 percent, and MCA has served just over 5 percent.

EXHIBIT 4. Cumulative Households Enrolled in WRAP, March 1, 2016, through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by the Wayne Metro.

On average, 5,297 new households have been enrolled in the program each year. The majority of these enrollments come from the Wayne Metro, which averaged 4,445 households. The OLHSA added an average of 552 new households per year, while MCA and the GCCARD added a little more than 290.

The majority of households enrolled in the program come from Wayne County, representing 80 percent of all WRAP households. Of this population, 79 percent were from Detroit. The Wayne Metro also provides services to participating communities in Washtenaw County, though few households have been enrolled. Oakland County has the next highest number of households served at 2,177. The OLHSA was previously tasked with providing WRAP to customers in Washtenaw and Genesee Counties, but other entities (Wayne Metro and GCCARD) have taken on this role since July 2018. After Oakland County, Macomb County has the third-largest population of households enrolled in WRAP with 1,172. MCA, which services Macomb County, also services Lapeer and St. Clair Counties; however, no households have been enrolled from these areas. The GCCARD began servicing Flint in July 2018 and has since enrolled 875 customers. A complete breakdown of household enrollment by community is provided in Exhibit 5.

EXHIBIT 5. Households Enrolled by Community Served, March 1, 2016, Through June 30, 2020

Service Provider	Community Served	Households Enrolled	Percentage of Households Enrolled
Wayne Metro	City of Detroit	14,059	79.1%
	Out-Wayne County	3,661	20.6%

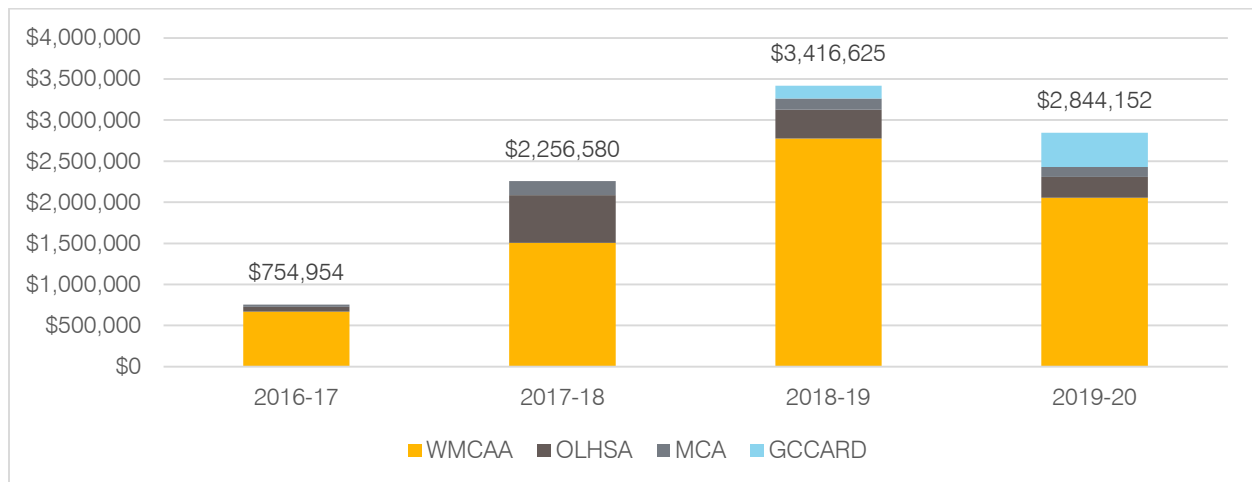
	Washtenaw County (after June 30, 2018)	59	0.3%
	Subtotal	17,779	80.7%
OLHSA	Oakland County	2,177	98.6%
	Washtenaw County (before July 1, 2018)	30	1.4%
	Genesee County (before July 1, 2018)	0	0.0%
	Subtotal	2,207	10.0%
GCCARD	City of Flint (after June 30, 2018)	875	4.0%
MCA	Macomb County	1,172	100.0%
	St. Clair County	0	0.0%
	Lapeer County	0	0.0%
	Subtotal	1,172	5.3%
MCOP	Monroe County	0	0.0%
Total		22,033	

Source: Analysis of Annual WRAP Program Summaries provided by the Wayne Metro.

Performance Measure 1.4: Amount of Assistance Provided Total and Average per Household

Program reporting provides sufficient data to assess the amount of assistance provided and average amounts per household. Assistance provided through WRAP is used for monthly bill payments and/ or paying down past-due bills. Total assistance funding paid out through June 30, 2020, was \$9,272,311.71. The average level of assistance paid out per year was more than \$2.3 million. Over two-thirds of assistance provided was delivered by the Wayne Metro to households in Wayne County. A full breakdown of assistance funding is provided in Exhibit 6.

EXHIBIT 6. Total Bill Payment and Arrearage Assistance Paid Out, March 1, 2016, Through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

In addition to the assessing the funds paid out in each year of the program, assistance data is also available showing the amount of funds committed to assistance for enrolled households. This information captures the funding allocated for future bill payment and arrearage payments that households would receive given continued participation in WRAP. Since March 1, 2016 a total of \$13.7 million has been committed to assistance with 67.5 percent of committed funds having been paid out to date. Wayne Metro has the lowest proportion of paid out to committed assistance funds ratio with 36 percent of assistance funds having yet to be paid out. The remaining service providers all have less than 20 percent of their committed funds reserved. A breakdown of funding for assistance is provided below in Exhibit 7.

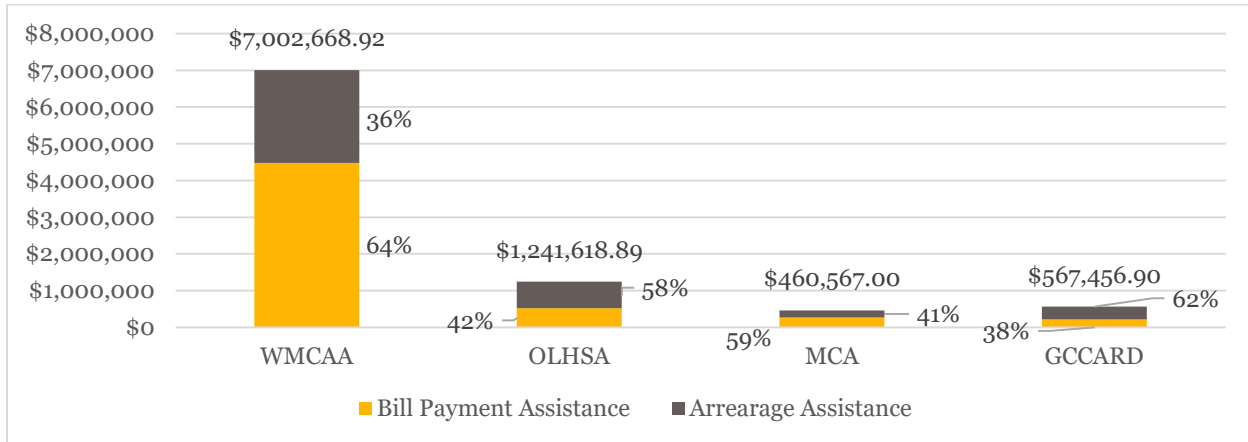
Exhibit 7. Bill Payment and Arrearage Assistance Funds, March 1, 2016 through June 30, 2020

	Assistance Committed	Assistance Paid Out		Remaining Committed Funds	
Wayne Metro	\$11,023,494.39	\$7,002,668.92	63.5%	\$4,020,825.47	36.5%
OLHSA	\$1,484,391.66	\$1,241,618.89	83.6%	\$242,772.77	16.4%
MCA	\$513,163.94	\$460,567.00	89.8%	\$52,596.94	10.2%
GCCARD	\$706,295.26	\$567,456.90	80.3%	\$138,838.36	19.7%
Total	\$13,727,345.25	\$9,272,311.71	67.5%	\$4,455,033.54	32.5%

Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Assistance payments provided through WRAP can also be analyzed based on the proportion spent on bill payment assistance in comparison to arrearage forgiveness. Since the program's initiation 59 percent of all assistance funding paid out has been used for bill payment and the remaining 41 percent has gone toward customer arrearage balances. Wayne Metro spent the highest proportion of its funding on bill payment assistance at 64 percent, followed by MCA at 59 percent. OLHSA and GCCARD both spent more of their assistance funding on arrears than bill payment assistance with 42 and 38 percent of funds going to bill payment, respectively. Exhibit 8 provides a breakdown of assistance payments by type of assistance and service provider.

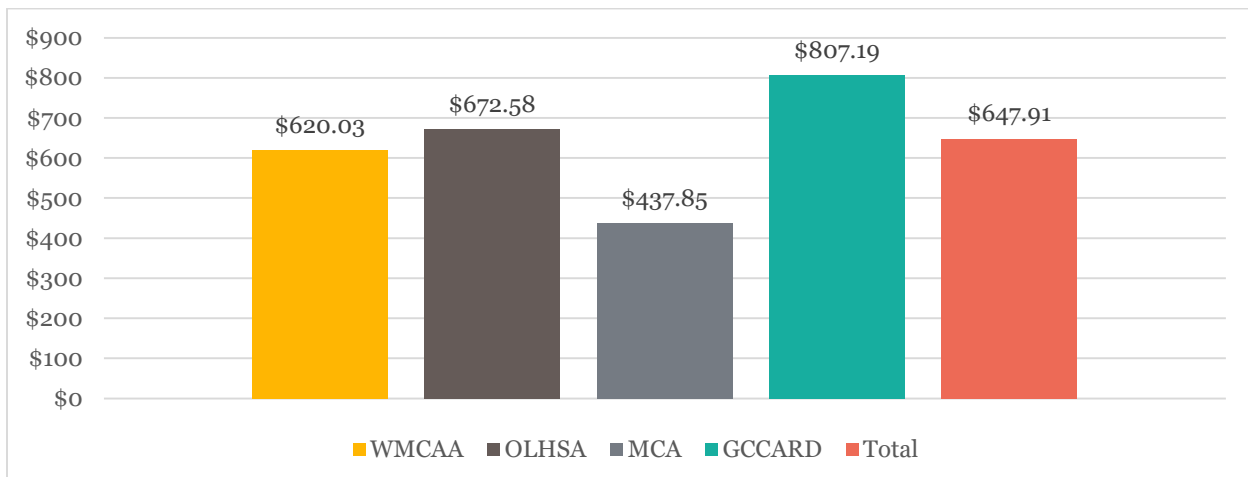
Exhibit 8. Bill Payment and Arrearage Assistance as a Percent of Total Assistance Paid Out, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Annual program reports provide the average assistance per household which is calculated by dividing the total bill payment and arrearage assistance funds committed by the number of enrolled households. This information is not calculated for each year of the program. Instead it appears that the cumulative number of households enrolled and assistance provided have been used to determine average assistance amounts. For the period of March 1, 2016 to June 30, 2020, the program wide average assistance amount was \$647.91. GCCARD had the highest average assistance amount per household at \$807.19. OLHSA and Wayne Metro were second and third highest in terms of average assistance at \$672.58 and \$620.03 per household respectively. MCA had the lowest average assistance amount of \$437.85. This information is illustrated in Exhibit 8.

Exhibit 8. Average Assistance Committed per Household, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

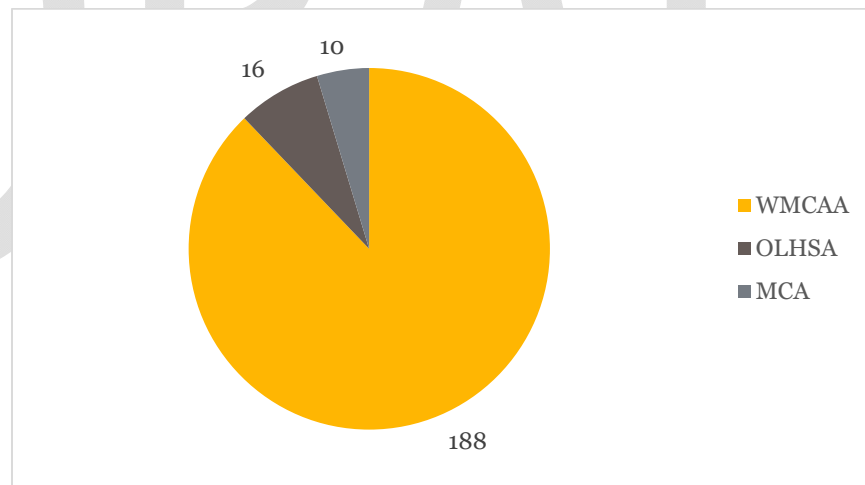
Performance Measure 1.5: Number of Payments that Meet or Exceed the Estimates Provided

The program summary reports provided by Wayne Metro do not include data for the number of payments that meet or exceed estimates provided. Additionally, it is not clear from the 2015 WRAP Program Design Report whether this metric is referring to assistance payments made by service providers on behalf of customers or bill payments made by customers toward their accounts. Assuming that this performance metric seeks to inform how well WRAP is able to accurately forecast needed assistance funds, future reporting could include a count of the incidences where service providers have had to exceed the level of funds committed at the time of enrollment and the amount of funding that exceeded original commitments. PSC would also suggest, including a field for the reason payments exceeded original estimates to allow for additional understanding of circumstances behind these incidences.

Performance Measure 1.6: Number of Repeat Applicants and Participants

The reported number of repeat applicants was only reported in the 2016-2017 program year. During this period Wayne Metro, OLHSA, and MCA reported a total of 214 repeat applications. It is not clear whether there were no repeat applicants in subsequent years or whether the data was no longer reported for other reasons. Exhibit 9 details the breakdown of repeat applications by service provider.

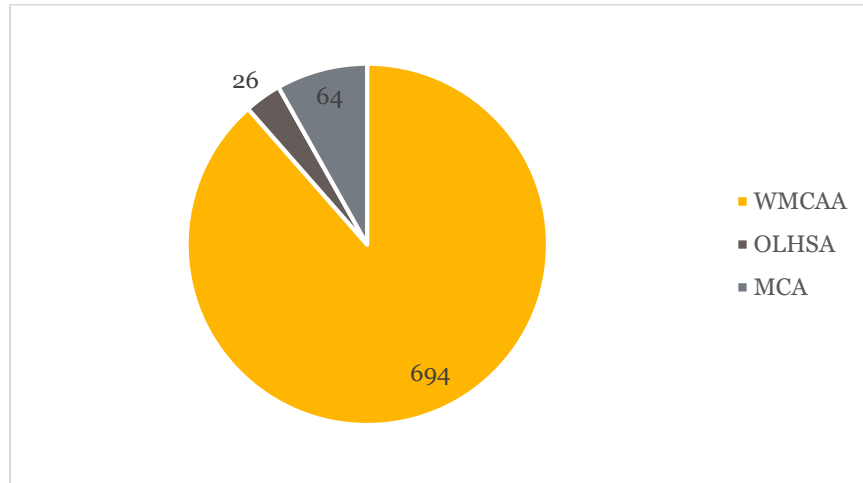
Exhibit 9. Repeat Applicants, March 1, 2016 through June 30, 2017



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

WRAP was originally designed as a two-year program where upon completion customers exit the program for one year before being eligible for the program again. In January 2019, GLWA's Board of Directors approved changes to WRAP design to allow eligible low-income senior citizens and disabled persons to remain enrolled in the program after the original two-year period. Since the eligibility was extended beyond two years, 784 households have been enrolled in WRAP for a third year. Of these households 88 percent are from Wayne County with Oakland and Macomb County making up the remainder of enrolled households, shown in Exhibit 10.

Exhibit 10. Households Enrolled in WRAP for a Third Year, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

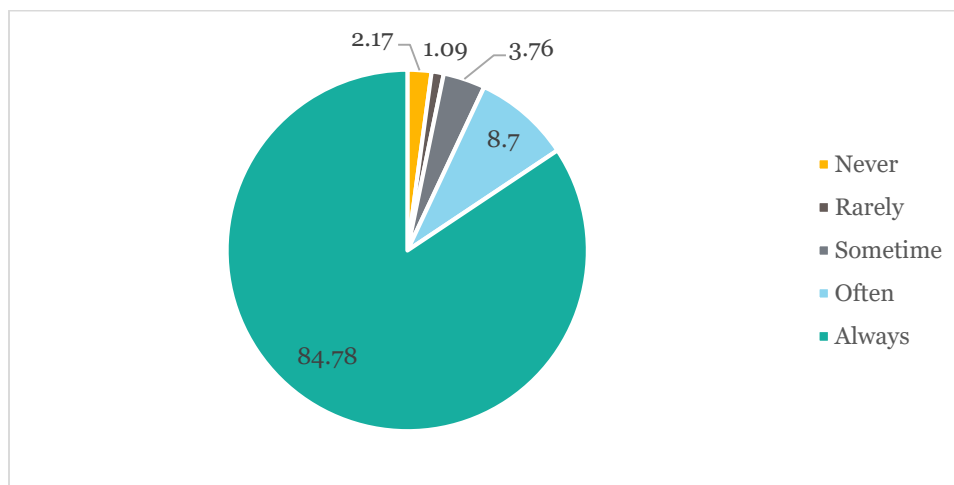
There are other potential ways to interpret the performance measure for repeat program participants, such as customers who joined the program in 2016, completed their two-year enrollment in 2018, and have reenrolled in the program following the established waiting period; however, the data provided by Wayne Metro does not indicate that they have tracked these customers.

Performance Measure 1.7: Randomized client satisfaction surveys

The data reported in annual WRAP program summaries is predominantly financial in nature and does not provide insight into other efforts to assess the programs operation. It appears that Wayne Metro conducts customer satisfaction surveys as they have previously presented excerpted results from these surveys in correspondence with GLWA's Audit Committee and Board of Directors. In a January 23, 2019 presentation to the Board of Directors, Wayne Metro provided the following responses from a customer satisfaction survey.

When asked if a customer would recommend Wayne Metro to a friend or family member, over 92 percent they would recommend Wayne Metro "often" or "always". Only 3 percent of respondents indicated they would "never" or "rarely" recommend Wayne Metro. The breakdown of responses is provided below in Exhibit 11.

Exhibit 11. Would you Recommend Wayne Metro to a Friend or Family Member?



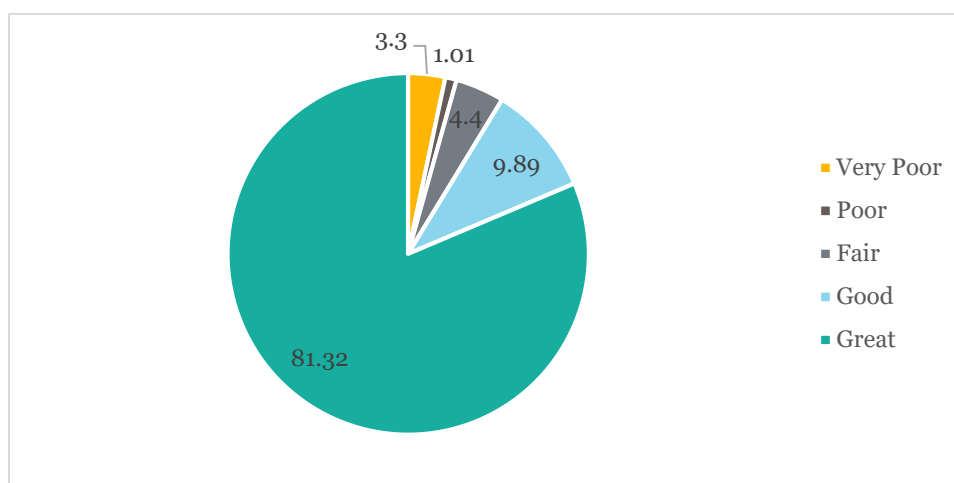
Source: Wayne Metro Community Action Agency. January 23, 2019. *WRAP Workgroup Discussion*.
<https://glwater.legistar.com/View.ashx?M=F&ID=6987014&GUID=F9627A5D-848D-488A-A315-9FFDB0546188>

When asked what Wayne Metro is good at, open ended responses provided were;

- “Assisting people in need with the economy and water crisis especially in Flint Area.”
- “Helping to find solutions to utility problems whether it be financial help or informative help.”
- “Jobs, helping people find homes, gaining confidence, resumes and interviewing skills, so much more.”

When asked how well Wayne Metro has met their needs, 91 percent responded “good” or “great”. Four percent of respondents answered that Wayne Metro was “poor” or “very poor” in terms of meeting their needs. The responses to this question are provided in Exhibit 12.

Exhibit 12. Overall, how well as Wayne Metro met your needs?



Source: Wayne Metro Community Action Agency. January 23, 2019. *WRAP Workgroup Discussion*.
<https://glwater.registar.com/View.ashx?M=F&ID=6987014&GUID=F9627A5D-848D-488A-A315-9FFDB0546188>

When asked what could Wayne Metro do better, respondents provided the following answers.

- “Negotiate better grace periods with the water company.”
- “Be more lenient with clients in regard to second chance reschedules.”
- “Maybe they could keep a list of good plumbers so you would know who to trust. And help pay to fix the problem when it comes to bad plumbing.”

Overall, this customer satisfaction feedback indicates that Wayne Metro is meeting customer needs, however the questions and responses provided are not specific to the operation of WRAP. As such, PSC has limited ability to assess customer satisfaction as it relates to the program. Where possible, Wayne Metro should provide GLWA with customer satisfaction information specific to WRAP.

Performance Measure 1.8: Application and payment processing timelines

Program reporting data does not include information pertaining to the timeline for application and payment processing. The 2015 WRAP Program Design Report provides benchmarks for these timelines indicating that applications should be processed within five to seven business days from being completed and payments to retail service providers should be made in an average of 30 business days. PSC is unable to determine if Wayne Metro is meeting these objectives with the current reporting. Anecdotal observations from other presentations provided by Wayne Metro and one on one discussion with Wayne Metro staff indicate that there have been consistent efforts made over the past four years to streamline the enrollment process by allowing digital applications through an online services portal. Wayne Metro reports that they are able to get customers enrolled in approximately 30 minutes. More can be done to further validate Wayne Metro assertions and to track processing timelines to ensure customers have access to vital assistance in a timely manner.

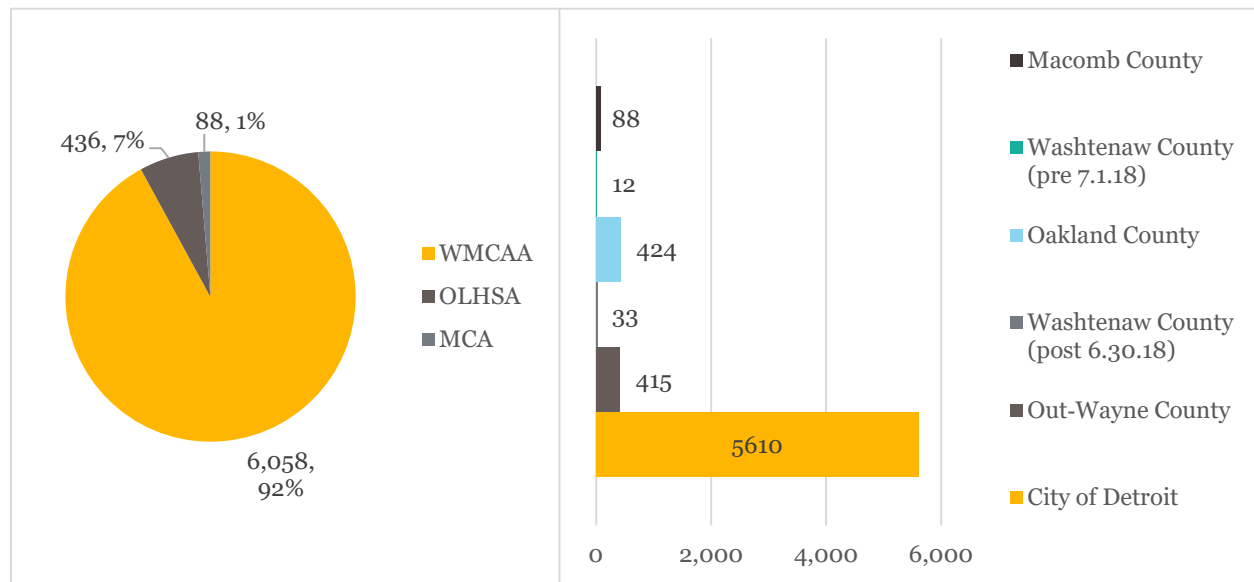
Goal Two: Avoid Water Utility Disconnection and Reduce Account Arrearages

The second goal for WRAP focuses on ensuring customers do not lose access to their water service and can pay down past due bills. The 2015 WRAP Program Design Report included three performance measures related to assessing the program’s impact related to this goal. PSC determined that the data provided was fairly sufficient for calculating these metrics, however, it was not possible to determine the number of customers for whom arrearages were eliminated or the total amount of arrearages eliminated.

Performance Measure 2.1: Number of Shutoffs Avoided

Determining the amount of service disconnections (shutoffs) avoided as a result of assistance offered through WRAP is a relatively straightforward exercise. Given that customers are not required to be under risk of service disconnection to enroll in the program, not all customers who apply for WRAP can be assumed to have avoided service disconnection. Instead, the annual program summary reports account for households that have successfully avoided service disconnection through their participation in WRAP. Since the program’s inception, 6,582 households have been able to avoid service disconnection, representing close to 30 percent of all households enrolled. Nearly 92 percent of households that avoided service disconnection were from Wayne County and of those 85 percent were from the City of Detroit. A complete breakdown of this data is provided in Exhibit 13.

Exhibit 13. Number of Service Disconnections Avoided, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

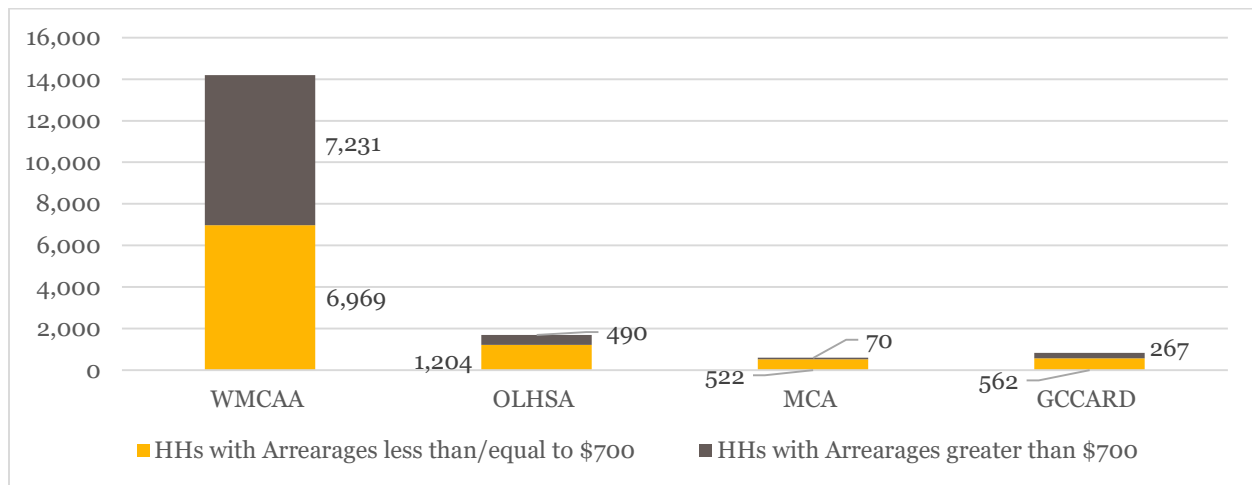
PSC attempted to calculate the number service disconnections avoided on an annual basis to determine how WRAP has performed over time, unfortunately the data did not lend itself to annual comparison. For example, during the March 1, 2016-June 30, 2017 program year Wayne Metro reported 2,591 customers avoided service disconnection. In the following year's program report for March 1, 2016-June 30, 2018 only Wayne Metro only reported 2,020 avoided service disconnections despite having doubled the number of households enrolled in the program over this time period. This discrepancy could be due to an inaccuracy in the data. The other potential explanation considered by PSC was that over 500 of the households that had avoided service disconnection in the previous program year were subsequently disconnected during from July 2017 through June 2018. Similarly, data provided for GCCARD showed that 64 customers avoided service disconnection during the March 1, 2016 to June 30, 2019 reporting period, but in the following year's report there were zero customers shown to have avoided service disconnection.

Performance Measure 2.2: Amount of Arrearages Eliminated

While annual program reporting does provide data related to the amount of arrearage assistance provided and average household arrearages, there is not enough information to assess the number of households for whom arrearages have been completely eliminated upon completion of the program. Due to the program's structure, customers who enter the program with more than \$1,400 in arrearages could successfully complete the two-year program and still have arrearages on their bill. Annual reporting data includes the number of households that have more than or less than \$700 in arrearages when they enter the program. Theoretically, upon completing the program, all of these households with less than \$700 in arrearages would have a zero account balance, by nature of the program requiring on time bill payment for two years and providing up to \$700 of arrearage assistance per year. Despite this theoretical possibility, program reporting does not definitively document households whose arrears have been eliminated.

According to available data, 53 percent of households that have an arrearage balance on their bill owe less than or equal to \$700. Assuming that all of these households complete the program, it is possible that 9,257 households have been able to successfully pay off these past due balances with support from WRAP. For many of the remaining households, under current program design, the assistance provided would not be enough to fully address past due balances and additional interventions may be required. This could be especially challenging for the nearly 30 percent of households that owe more than \$1,050 in arrears (Wayne Metro January 2019). Exhibit 14 shows the number of households with arrears above and below the \$700 threshold.

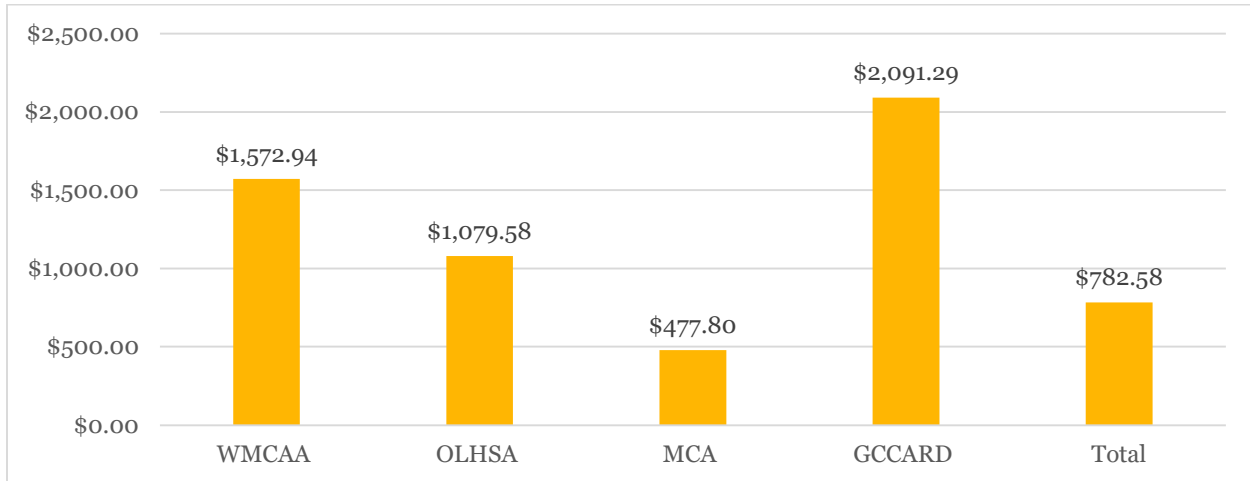
Exhibit 14. Households with Arrearages, by Amount Owed, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Average arrearage balances vary by region across GLWA's service territory. The City of Flint served by GCCARD has the highest average arrearage balance at more than \$2,000 per household. For communities served by Wayne Metro the average arrearage balance was \$1,573 per household, while households in the City of Detroit had average arrearages in excess of \$1,600. Oakland county also had an average household arrearage balance of more than \$1,000. Average arrearage balances in Macomb County were significantly lower than other areas, as shown in Exhibit 15.

Exhibit 15. Average Households Arrearage Amount Owed, March 1, 2016 through June 30, 2020



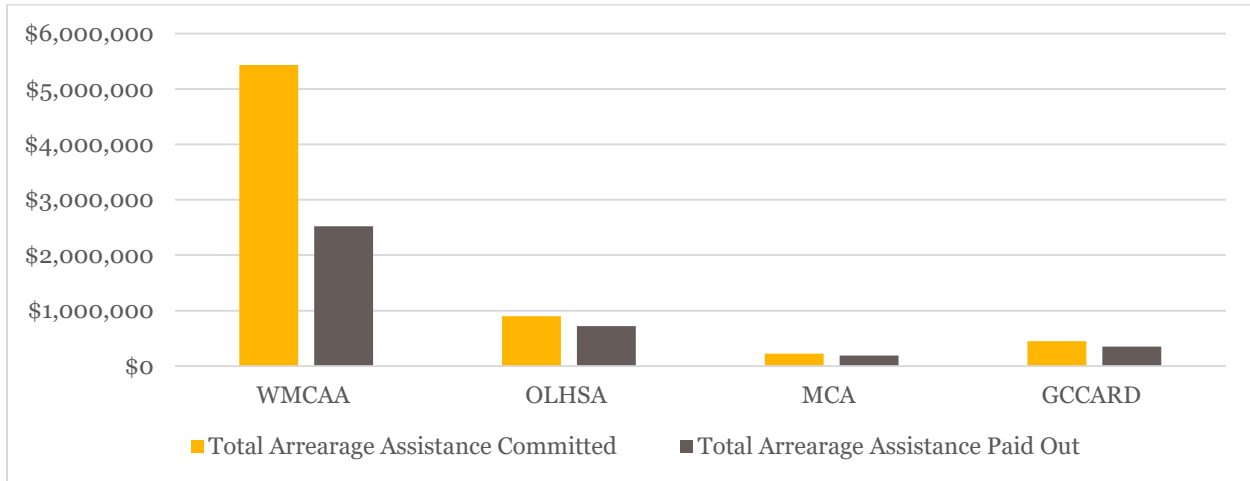
Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

There is an issue with consistency in the arrearage data provided in annual program reporting. PSC was unable to reconcile the data provided for of “Households with Arrearages” and separate counts for “Households with Arrearages less than/ equal to \$700” and “Households with Arrearages greater than \$700”. While this information was provided in the same table, there were 2,300 fewer households with arrears listed for Wayne Metro than sum of households with arrears greater than and less than/ equal to \$700. This discrepancy only occurs in the program report for March 1, 2016 through June 30, 2020.

Performance Measure 2.3: Amount of Arrearages Paid (Total and Average)

The data necessary to report the total dollar amount of arrearages paid and average amount per household are provided in annual program summaries. Since March 1, 2016, more than \$7 million in assistance funding has been committed to paying households’ arrears. Of these committed funds, only \$3.7 million or 54 percent have yet to be paid out. Given that the majority of customers with arrears are served by Wayne Metro, it is not surprising that majority of funding for arrearage assistance is also committed to Wayne Metro. Despite having the largest share of arrearage assistance funding and the greatest need, Wayne Metro has paid out the lowest proportion of committed funds—totaling 46 percent of funds committed through June 30, 2020. The other three service providers have all paid out over three-quarters of their committed funds for arrearage assistance. This raises questions related to program completion rates for households and whether customers in Wayne Metro’s territory are meeting program requirements necessary to receive full arrearage assistance.

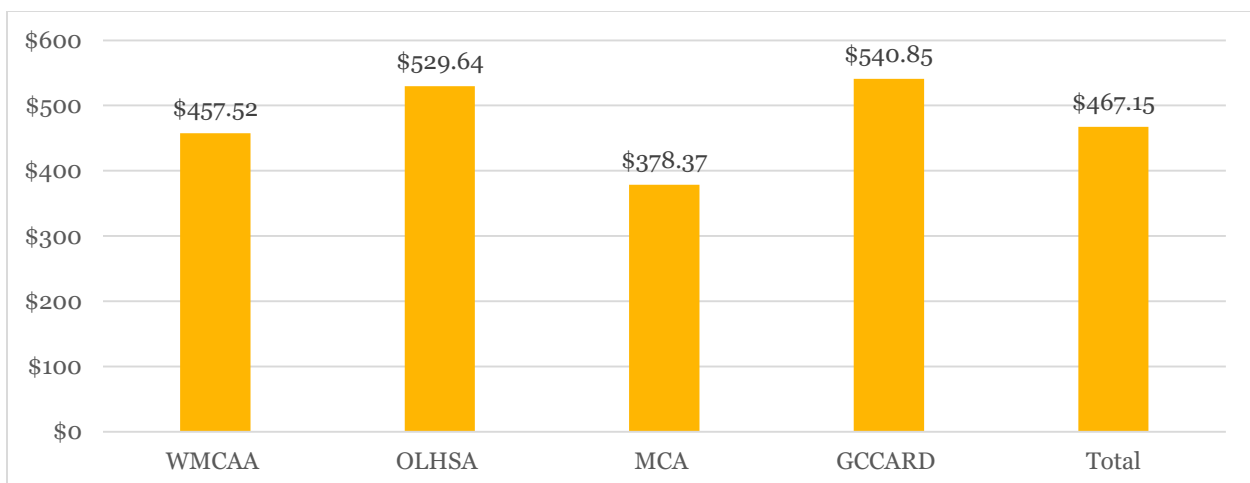
Exhibit 15. Total Arrearage Assistance Committed and Paid Out, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

The average arrearage assistance amount provided per household was relatively consistent across service providers, averaging \$467 for the period of March 1, 2016 through June 30, 2020. Despite having the highest funding commitment, the greatest number of households in need of arrearage assistance, and the second highest average household arrearage balance; Wayne Metro's average arrearage assistance provided was less than the overall average for all service territories. GCCARD and OLHSA had the highest average arrears amount at \$541 and \$530, respectively. Only MCA provided a smaller amount of arrearage assistance. When compared to the average household arrearage balance, Wayne Metro, OLHSA, and GCCARD provided less than half of the average households' arrearage assistance required to address the need. Exhibit 16 provides a breakdown of average arrearage assistance levels.

Exhibit 16. Average Household Arrearage Assistance Paid Out, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

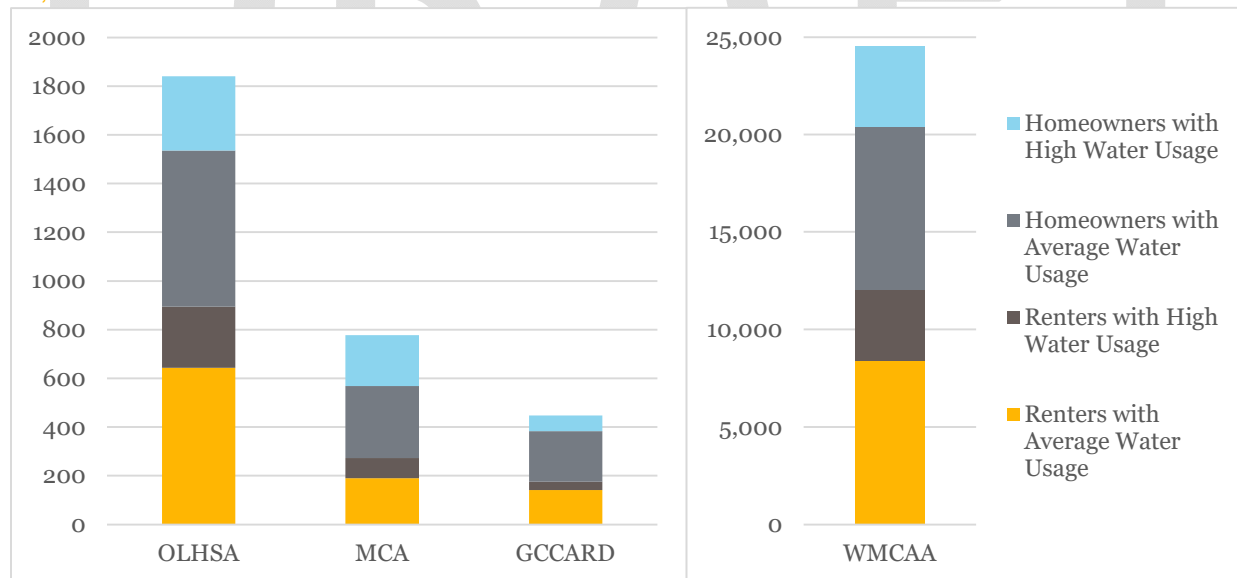
Goal Three: Assist Clients in Increasing Self-sufficiency, in part through the Provision of Water Conservation Measures

Another key component of WRAP is the provision of water conservation services to help households reduce their water consumption and lower overall bills. Goal three sets out that WRAP should help households toward self-sufficiency through water conservation measures. The 2015 WRAP Program Design Report provides five additional performance measures for assessing whether this goal is being achieved.

Performance Measure 3.1: Number of High Water Users vs Average Water Users Assisted

Annual program reporting provides the information necessary to determine the number of high water users compared to average water users. Under WRAP, high water use is defined as a household whose average consumption is 120 percent above the average when controlling for the number of people living in a household. Of the 27,609 households that have received assistance since the program's inception, 31.6 percent were reported as having high water use. The proportion of high water users who are renters compared to homeowners is approximately equal at 15 and 17 percent, respectively.

Exhibit 17. Number of High and Average Water Users, by Housing Status, March 1, 2016 through June 30, 2016

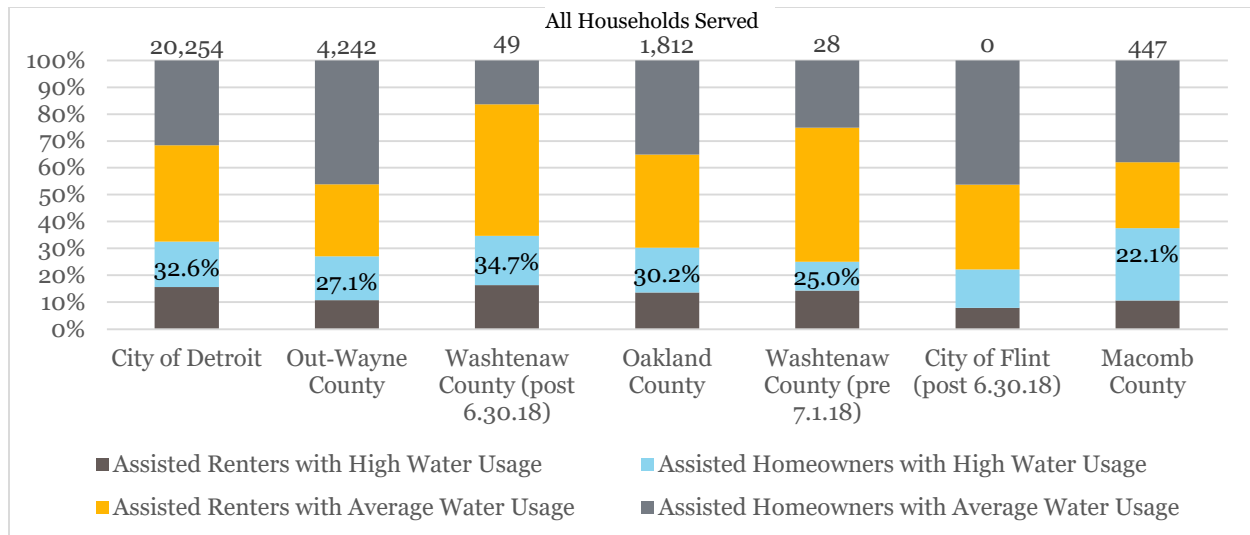


Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

As Wayne Metro serves the most households out of any WRAP service provider, it makes sense that it also serves the largest share of high water users. However, Wayne Metro does not report a greater proportion of high water users than WRAP overall. On average, high water users for Wayne Metro make up 32.6 percent of households served. MCA reports the highest proportion of households with high water use at 37.6 percent of households served. GCCARD has the lowest proportion of high water users with just 22

percent of households meeting this threshold. Additional examination of program reporting data illustrates the variability of high water use by community served, as shown in Exhibit 18.

Exhibit 18. Proportion of High and Average Water Users, by Housing Status, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Performance Measure 3.2: Number of Households that Turned Down vs Attended Conservation Classes

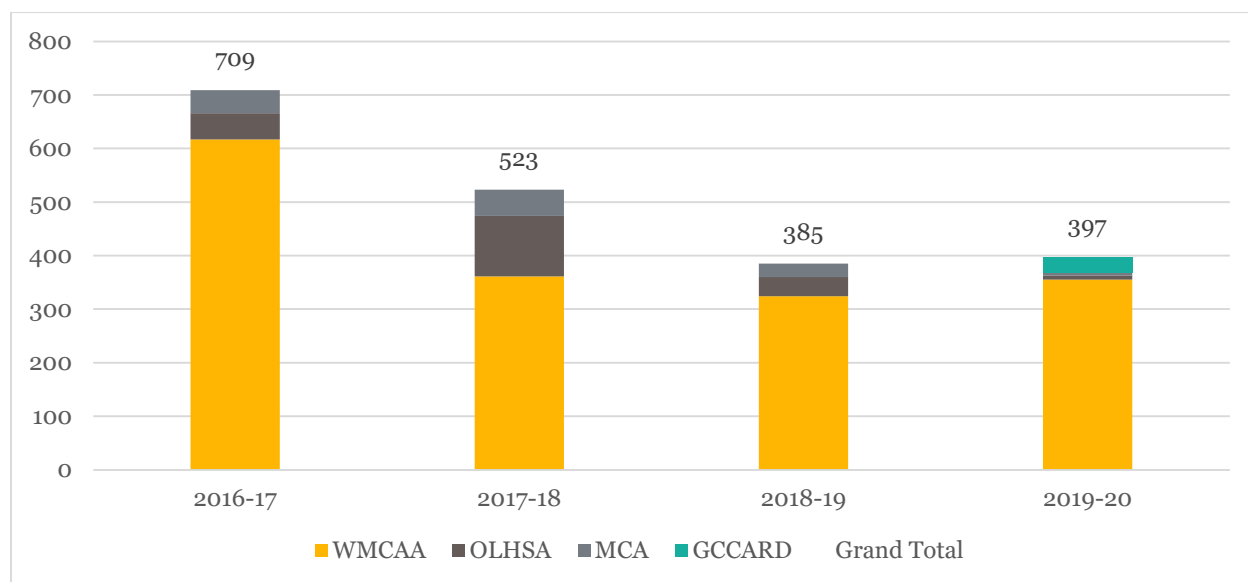
One aspect of WRAP's conservation assistance is providing education to households on behavioral changes that can help reduce water consumption. Service providers often provide conservation education using a variety of methods, such as in person home usage audits, flyers or other educational materials, and conservation classes including Wayne Metro's LIVE SMART Workshops. While the available data documents the number of households with high usage that receive referrals for services, information related to attendance at conservation classes is not recorded. Through direct communication with Wayne Metro, PSC has learned that conservation education is provided to all WRAP enrollees as part of overall wrap around services, but this still leaves questions about the function and impact of conservation classes. To successfully report on this performance measure, program administrators should document the number of conservation classes conducted and participation in these classes. Should GLWA wish to determine if these classes are impacting households' knowledge of conservation practices, efforts could be made to collect post participation surveys for all conservation classes. Feedback received from these surveys would help inform future conservation courses and educational plans.

Performance Measure 3.3: Number of Repairs Performed (including the Average Cost of Repairs per Household) and Impact on Bill Size and Timeliness of Payments

The third conservation performance measure includes three distinct components. In addition to the number of repairs performed and the associated cost, this measure seeks to determine whether repairs have impacted customers' bills and on-time bill payment. The first aspect of this performance measures is

relatively straightforward to report from the data provided. All of the owner-occupied households that were found to have high usage were referred for conservation audits and/ or minor repairs. During the period of March 1, 2016 through June 30, 2020, 4,711 households were referred through this process. Of these households 3,276 (69.5 percent) received a home usage audit and 2,014 (42.8 percent) received minor repairs. The program has provided an average of 505 households per year with minor repairs. The average number of households receiving repairs per year was 414 for Wayne Metro, 52 for OLHSA, and 31 for MCA. GCCARD only reported performing repairs in one year (2019-20) for a total of 29 repairs. The number of repairs per year has declined since the first two years of the program and was just under 400 per year in the July 2019-June 2020 program year. 82.2 percent of the households receiving minor repairs were within Wayne Metro's service territory. Annual household repairs are shown in Exhibit 19.

Exhibit 19. Households Receiving Minor Repairs, March 1, 2016 through June 30, 2020

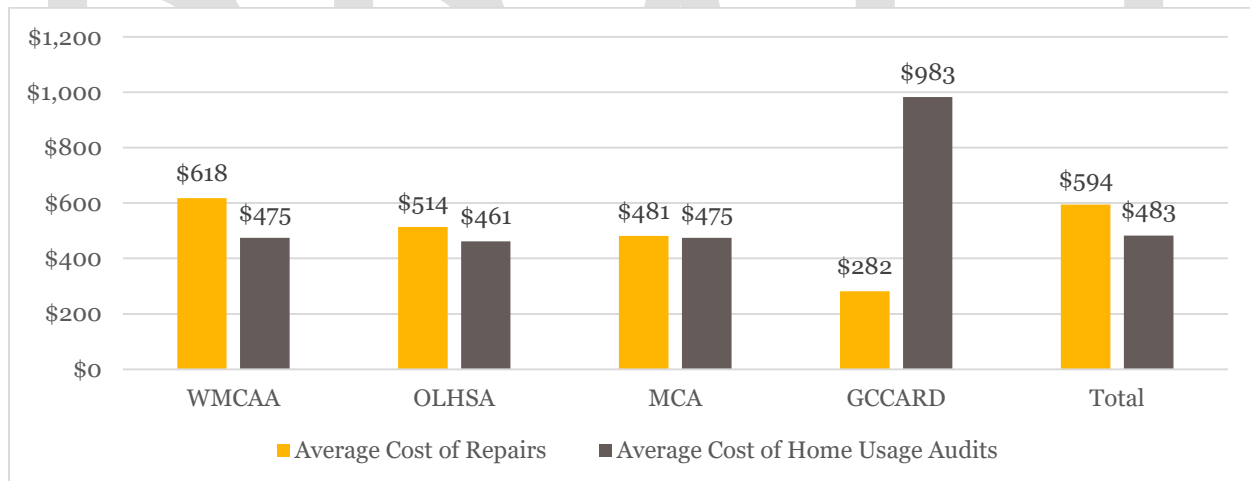


Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Through January 2019, only owner-occupied households were eligible to receive conservation services through WRAP. The GLWA Board of Directors adopted a series of changes to WRAP in January 2019 including allowing renters that are responsible for paying their water utilities to access conservation funding. Program reporting provided through June 30, 2020 does not indicate whether households receiving conservation services are owner occupied or renter occupied. However, review of data shows that the number of households that received referrals for conservation services was equal to the number of homeowners that were identified as having high consumption, which could be interpreted as meaning all households that received home use audits and minor repairs were owner occupied. The latest program reporting for the period ending June 30, 2020 includes a new line item detailing funding for “Renter Conservation Supplies”. In total \$350,000 was provided to renter households, but this does not include the number of households served or an indication of how these services differ from those provided to homeowners. Future program reporting should differentiate between renters and homeowners when reporting the delivery of conservation services.

Utilizing the data provided, PSC was able to calculate the average cost per household for minor repairs and home usage audits. In line with the \$1,000 per household cap on conservation services that was in effect until March 2020, the average combined conservation funding provided from March 1, 2016 through June 30, 2020 was \$1,077.16 per household. In March 2020, GLWA's Board of Directors adopted changes to WRAP which increased the cap on conservation and plumbing repairs per household to an average of \$1,500 with a cap of \$2,000 (GLWA March 2020). The average cost of home usage audits was relatively consistent across service providers and averaged \$483 per household. The exception to this is GCCARD which reports that home usage audits had an average cost of \$983. As Wayne Metro is the sole provider of home usage audits it makes sense that there would be consistency across the entire population. Additional investigation would be required to determine what the cause of GCCARD's substantially higher cost for home audits. The average amount spent on conservation related repairs was \$594. Again, the funding amounts were relatively consistent across the entire service area with GCCARD as the only outlier. Wayne Metro had the highest average repair costs at \$618. A full comparison of conservation costs by service provider is provided in Exhibit 20.

Exhibit 20. Average Cost of Conservation Services, per Household, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

While the first two components of this performance measure were possible to report, the data for assessing whether these services have any impact on reducing customers' bills or promoting on time payments is not available. Similar to the customer satisfaction measures reported in performance measure 1.7, Wayne Metro has provided some relevant information to GLWA in periodic presentations. In a slide titled "2018 Water Conservation Impact" Wayne Metro shares that the average customer saved \$420 per year on their water bill for a total of \$293,160 in annual savings. This information is based on pre-post water bill sample analysis. Without the ability to examine these findings in further detail, it is not possible to validate these savings. As Wayne Metro is already conducting the relevant analysis to determine bill savings from conservation, PSC recommends that these data be provided to GLWA in annual program reports. Separate analysis conducted by DWSD reports that 76 percent of Detroit households that received conservation services were able to see a reduction in water consumption.

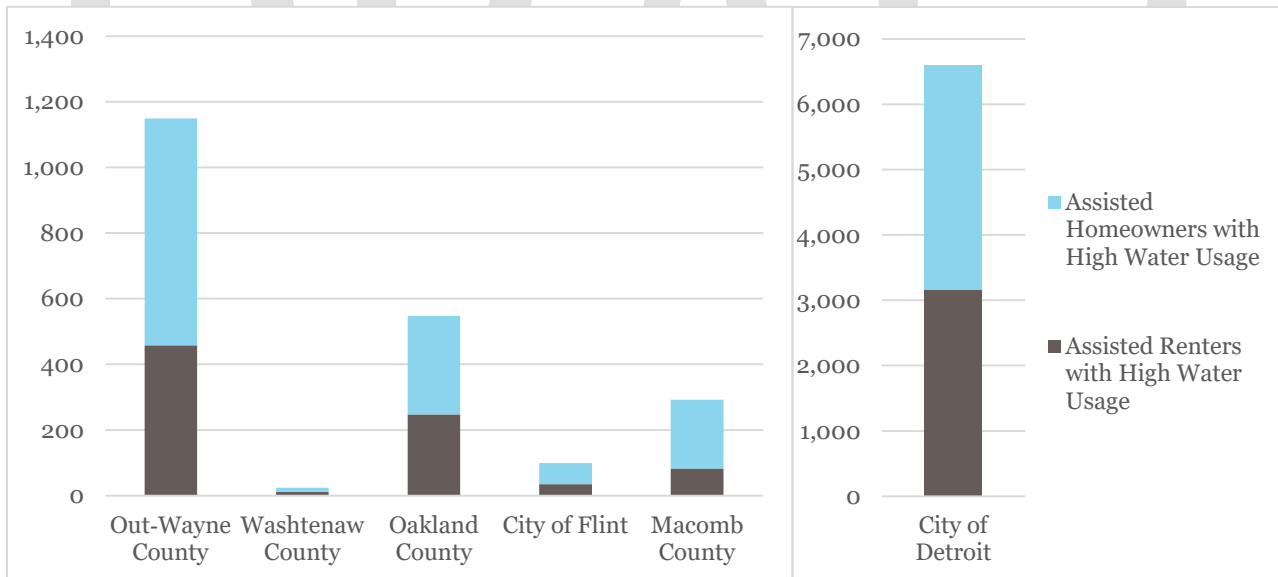
Additionally, there is no reporting for whether households that receive conservation services have more success keeping up with their monthly bills than households that didn't receive these services. Though

continued participation in the program is an indicator of on time bill payment. PSC recommends that Wayne Metro provide program completion rates for customers that have received conservation services and those that have not. This will allow comparison between the two populations and can be used to determine if further evaluation may be required.

Performance Measure 3.4: Location of Households with High Water Usage

Program reporting provides the number of households with high water usage by service provider and community served. For example, Wayne Metro provides service to the City of Detroit, Wayne County, and Washtenaw County.⁴ This enables the location of households with high water usage to be reported at the community level, provided in Exhibit 21. While the data provided can demonstrate the number of households enrolled in WRAP with high water usage, it is not possible to report the total population of high water users across member partner communities. Without information related to the overall population of households with high usage, it is difficult to determine the overall need for conservation services. To effectively measure households with high usage would require working individually with member partner communities to review customer consumption data. This may prove administratively burdensome and, as such, more consideration should be given to the need for this information.

Exhibit 21. Location of Households with High Water Usage, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Performance Measure 3.5: Number/Percentage of Households Receiving Both Forms of Assistance

The phrasing of performance measure 3.5 is somewhat ambiguous. PSC's interpretation, based on the context of other performance measures for goal three, is that "both forms of assistance" refers to customers that have completed conservation education classes and received other conservation related services. As mentioned above, PSC is unable to determine the level of participation in conservation classes

⁴ WMCAA has served Washtenaw County since June 30, 2018.

from data provided. It is possible to assess the number and percentage of households that have received conservation services in the form of home usage audits and minor repairs. The portion of annual program reporting pertaining to conservation services indicates that 27,609 households have received assistance since March 1, 2016. This number is higher than the total enrolled households for the same period indicating that customers may have received assistance and completed or been removed from the program. Of these households, 32 percent were identified as having high usage. Just over 53 percent of households with high usage were referred for additional conservation services (likely renters that were excluded until the program was modified in January 2019).

Goal Four: Promote Collaboration on Program Outreach to Consumers and the Public

Very little data is collected outlining engagement with other agencies or community organizations, and what engagement is reported only comes from one organization (Wayne Metro). Referrals from outside organizations is definitely a metric that should be better tracked if the program aims to better understand how it most effectively recruits new participants and increases visibility and awareness.

Performance Measure 4.1: Number of Agencies and Community Organizations Engaged

Wayne Metro reported engaging with three entities in each year of the program. PSC assumes these are the same organizations listed as providing supplemental assistance to WRAP—the City of Detroit, the Michigan Health Endowment Fund, and the Detroit Water and Sewerage Department Fund. As the program administrator, Wayne Metro also partnered with other community action agencies in southeast Michigan. From this data, it was unclear what Wayne Metro’s specific engagement with other entities accomplished. If no other entities were engaged, then there appears to be an opportunity to strengthen partnerships in communities served to expand the program’s reach.

Performance Measure 4.2: Number of Client Referrals from Regional Agencies and Community Organizations

The data to report the number of client referrals received is not provided in annual program reporting for WRAP. Though reporting does indicate that WRAP service providers engage with other community organizations in the form of supplemental program funding, it does not appear that additional efforts to quantify the impact partnerships have had on applications or enrollments. Leveraging community networks and strategic partnerships is an important success measure and will help to promote awareness and uptake of WRAP across GLWA’s member partner communities.

Performance Measure 4.3: Effectiveness in Public and Consumer Outreach

Wayne Metro has identified that increasing awareness for WRAP among residents of member partner communities continues to be a challenge (Wayne Metro January 2019). Though this challenge has been stated and recommendations to expand outreach and marketing have been approved, there is limited data to effectively assess the impact of such efforts on public and consumer awareness. Funding for outreach and marketing activities was detailed in the most recent program summary report for March 1, 2016 through June 30, 2020. For GLWA to determine whether the \$700,761 allocated for these purposes is having the desired impact, there needs to be a structure effort to define additional performance measures and reporting requirements.

Goal Five: Foster Collaboration to Advance Partnerships for Developing and Leveraging Funding Opportunities to Deliver Assistance

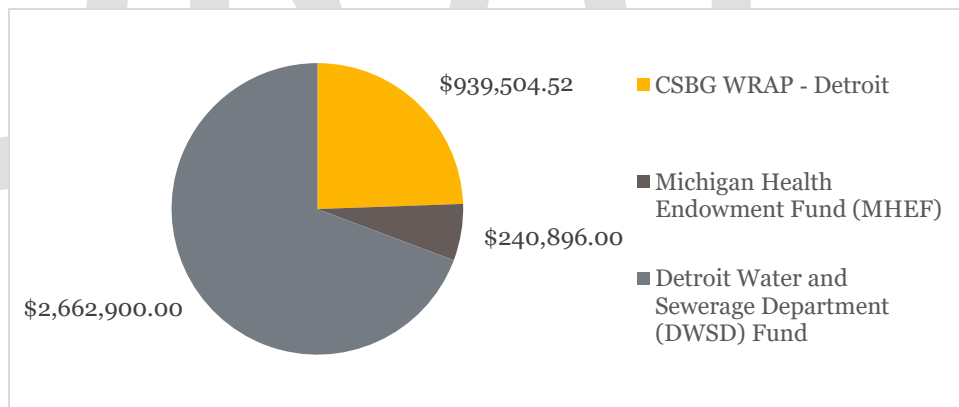
Ensuring collaboration and partnership in providing assistance continues to be an important goal for WRAP. Given the need for assistance outpaces the available funding, WRAP must leverage other efforts and sources of funding to successfully reach as many households as it can. The data provided in annual program reporting was mostly sufficient to determine the amount of supplemental funding and funding partnerships that have been leveraged over time. However, the reporting does not provide sufficient visibility into how WRAP service providers are able to build strong partnerships around water utility assistance.

Performance Measure 5.1: Number of Partner Agencies Providing Supplemental Funding/Assistance

Wayne Metro was the only organization that reported receiving supplemental funding/assistance from partner organizations. Wayne Metro provided supplemental funding support from Community Services Block Grant for the City of Detroit, the Michigan Health Endowment Fund, and the Detroit Water and Sewerage Department Fund. Combined these sources provided \$3.5 million in assistance, as shown in Exhibit 22.

Performance Measure 5.2: Supplemental Funding Made Available

Exhibit 22. Supplemental Funding, March 1, 2016 through June 30, 2020



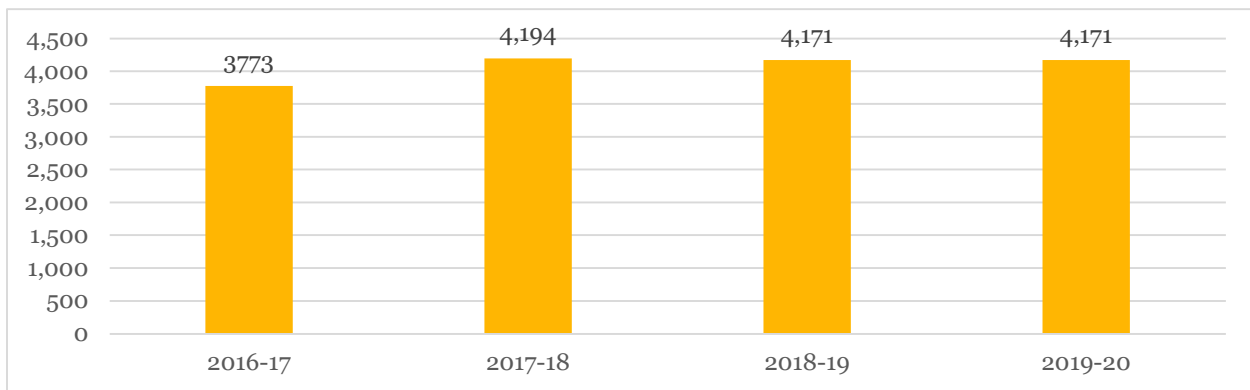
Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

The amount of supplemental funding reported from year to year showed some variance. Initially \$3.2 million was reported. Then in subsequent years the funding reported increased to \$4.1 million before decreasing to \$3.5 million by the June 30, 2020 report. It is unclear why the supplemental funding made available for WRAP participants decreased. While this information provides information about other direct funding sources used, more information could be provided as to how WRAP service providers are able to leverage other forms of assistance for households participating in WRAP. Currently it does not appear that service providers track whether WRAP enrolled households are receiving other forms of assistance.

Performance Measure 5.3: Program Participants Served Through Supplemental Funding

Wayne Metro was the only organization that served some of its program participants with supplemental funding. Wayne Metro served 4,171 participants from March 1, 2016 through June 30, 2020. Exhibit 23 shows, this number ranged from 3,773 participants in 2016-17 to 4,194 participants in 2017-18. There was a small decline in participants served using supplemental funding from June 2018 to June 2019. It is unclear what resulted in this decline.

Exhibit 23. Program Participants Served Through Supplemental Funding, March 1, 2016 through June 30, 2020



Source: Analysis of Annual WRAP Program Summaries provided by Wayne Metro

Performance Measure 5.4: Additional Forms of Assistance Provided via Supplemental Funding (e.g., home water audits, conservation kits, leak repaired)

The data provided does not detail what types of services were provided via supplemental funding.

Data Discussion and Conclusions

Reviewing WRAP design documentation and the above analysis of available program data revealed three key takeaways: data related to performance measures are not consistently collected and reported; performance measures are primarily focused on indicators related to the process of administering the program instead of the desired outcomes and impacts of the program; and without designated benchmarks or goals for performance measures, it is difficult to assess the success of WRAP.

Data Collection and Reporting

As noted in the analysis, there are additional performance measures that were identified in WRAP design documentation that are not currently monitored or reported on as data is not collected and/or reported in relation to these measures to GLWA, though per the program design report, each participating organization is required to report on all identified performance measures, as well as financial performance of their program, on a no less than quarterly basis. While much of the financial information appears to be reported consistently, as demonstrated in the analysis above, reporting on specific performance measures is not currently happening. Additionally, the current format for program reporting

which provides all program summary data as cumulative since March 1, 2016 makes it difficult to compare annual data without performing additional calculations.

Recommendation

Consistent and regular data collection as part of a continuous monitoring and evaluation of a program can help lead to quality improvement and compliance with program goals and objectives, ensuring that WRAP is accountable to its goals and objectives, and demonstrates success. To improve program monitoring going forward, PSC recommends that GLWA require program reporting be framed in terms of specified performance measures. There is also an opportunity to review the current performance measures and update them to ensure they support the program's objectives. In cases where data is not currently being collected, the program administrator should work to identify the feasibility of collecting and reporting desired data and where possible update data reporting processes to reflect the requisite data. PSC understands the need to limit the administrative burden that program reporting places on available funding and staff resources, as such updated WRAP reporting requirements should be reviewed by GLWA and the program administrator before being put into effect.

Moving forward with WRAP, we encourage the program administrator, stakeholders, funders, and participating communities to consider data collection efforts using the Credible, Actionable, Responsible, and Transportable (CART) data collection principles as a guide, specifically focusing on the “actionable” and “responsible” principles.⁵ The actionable principle encourages organizations to only collect data that they will use or act upon, while the responsible principle ensures the benefits of data collection outweigh the costs. Technology and other resources have made data collection, storage, and management easier and more cost-effective than ever before. While this increased access to data is a contributor to helping organizations make data-driven decisions, it can also lead to an overwhelming amount of data that can hinder effective analysis and reporting, leading to poor decision-making or decision-making that does not factor in the data altogether. By weighing the costs and benefits of data collection activities and intentionally limiting data collection to performance measures that can be acted upon, organizations can ensure that the resources they are putting into data collection and reporting are efficient and useful.

Process vs. Outcome Measures

Many of the identified performance measures are process-related, meaning they focus on evaluating and measuring the program's operations and service delivery. While these types of measures are important and helpful in demonstrating fidelity to the program's model, they do not necessarily show the effectiveness and the impacts the program has on the communities and households it serves.

Recommendation

By including performance measures related to the desired outcomes of the program in the data collection and reporting cycle, WRAP can begin to understand the impact that the program is having on the participating communities and households and communicate those results with potential funders, communities, and other stakeholders as a means to encourage and secure future participation and funding for the program long term.

⁵ Cart Principles. Innovations for Poverty Action. 2018. <https://www.poverty-action.org/right-fit-evidence/principles#:~:text=Collect%20high%20quality%20data%20and%20analyze%20the%20data%20accurately&text=For%20data%20to%20measure%20accurately,organizations%20are%20seeking%20to%20measure.>

Performance Benchmarks

Without identified benchmarks, it is difficult to know whether the program is operating as intended and leading to the outcomes and impacts desired. For example, without identifying a desired goal for number of households assisted per year, the program administrator, stakeholders, funders, and participating communities cannot know whether the actual reported number of households served is above or below (i.e. is the program achieving its desired goal), and if modifications to service delivery or communications and outreach are working or not working.

Recommendation

To avoid this and ensure that WRAP is functioning as planned and achieving its desired outcomes, benchmarks should be identified for each of the performance measures. This could happen at the individual participating organization level to account for differences in relative population sizes, community needs, and available resources for each organization or at a more macro-level for WRAP overall.

Process Evaluation

Expanding on the review of annual program reporting data and outcomes assessment, PSC developed a process evaluation framework that enabled further review of WRAP. An integral part of this evaluation is understanding how program success is defined and identifying opportunities for improving program delivery. To fully capture the diversity of stakeholders that have had a role in WRAP since its inception, PSC's developed a model of direct engagement with key stakeholders to capture their feedback. Working with GLWA, PSC identified the following people and groups to engage:

- GLWA's Board of Directors,
- The CEO of GLWA,
- The Director of the DWSD,
- Member partner communities,
- Community action agencies responsible for program administration, and
- Other stakeholders with knowledge of the program.

PSC conducted a series of focus group discussions and one on one interviews with stakeholders over the course of three months (August to October 2020). The following analysis provides findings from these interactions, program successes, and recommendations for improving WRAP.

Program Successes

WRAP provides essential support to households in need across southeast Michigan and stakeholders overwhelmingly support the program. Though much of the conversations with stakeholders focused on how to improve the program, there were a number of program successes identified that are important to document.

- Member communities appreciate that WRAP provides an incentive structure that rewards customers for paying their bill on time as this supports long term self-sufficiency.
- Stakeholders highlighted that the combination of monthly bill payment, arrearage assistance, and conservation is strength of the program as helps address several factors affecting affordability.

- Program administrators expressed that the income and eligibility determination requirements for WRAP are flexible and make enrolling households easy.
- Stakeholders noted that the program doesn't require customers to wait until they are in crisis to seek help because customers can enroll in the program before they are at risk of being disconnected or already disconnected. This enables households seek assistance earlier and avoid potential fees or penalties.
- There was wide praise expressed for GLWA's willingness to introduce changes to the program over the years to make the program more accessible. Specifically, stakeholders highlighted the following successes;
 - Raising income eligibility threshold from to 200 percent FPL.
 - Allowing renters to participate in the program and received conservation services if they can prove the water bill is in their name.
 - Increasing the cap on conservation spending from \$1,000 to \$2,000 as long as the average payment does not exceed \$1,500.
 - Enabling low-income seniors and disabled customers to participate in the program for a longer period of time.

Opportunities for Improvement

Program Administration

WRAP is administered by Wayne Metro with support in surrounding counties from partner community action agencies. This partnership has been in place since the program's inception. As the primary program administrator, Wayne Metro is responsible for the day to day management of the program, including coordinating with partner organizations, scheduling all enrollment appointments, delivering conservation services, directly serving residents in Wayne and Washtenaw Counties, engaging with member communities, marketing and outreach activities, and behind the scenes program operations. PSC was not seeking specific feedback on the performance of Wayne Metro or its partner organizations, instead the evaluation was focused on whether current program administration could be improved to better serve customers' needs.

Leveraging Other Forms of Assistance

Many stakeholders see community action agencies as an ideal partner for WRAP as these organizations have a well-established presence in communities they serve and they already provide access to other programs for income qualified residents (e.g. housing, food, energy, and other types of assistance offerings). Stakeholders claimed that WRAP alone cannot meet the need of customers in member partner communities as water affordability continues to be a challenge. Because of the existing role community action agencies play they are able to provide wrap around services to residents and potentially leverage other resources that can address other household needs. Despite community action agencies position to leverage other forms of assistance, stakeholders reflected that there is limited reporting that demonstrates the extent that customers that have enrolled in WRAP are receiving other forms of assistance and/ or wrap around services. Additionally, stakeholders questioned whether there is more that can be done to leverage other forms of assistance from corporate partners or through fundraising efforts.

Recommendation

GLWA should consult with program administrators to assess the ability to provide data on the number of households that received additional forms of assistance while enrolled in WRAP. Documentation could be limited to indicating the type of wrap around services provided and the number of other assistance programs that a customer was able to access through their interactions with a community action agency. This data can be used to determine whether customers receiving assistance through WRAP are dealing with extenuating circumstances or if the problem is limited to water bills.

GLWA and the program administrator should partner in efforts to engage other potential funding partners to support water assistance needs through southeast Michigan. These efforts should highlight the success of the program to date and demonstrate the potential impact corporate, philanthropic, or public sector funding support can have for households in need.

Program Adoption and Uptake

A consistent concern raised by stakeholders was that WRAP has seen limited uptake in Oakland and Macomb Counties. On the surface it makes sense that the greatest uptake for the program would occur in Wayne County which has the highest poverty rate out of the counties served by GLWA. At 23.1 percent Wayne County's poverty rate is 12 percent higher than Macomb County and 14 percent higher than Oakland County (U.S. Census Bureau December 2019). Though the need in Oakland and Macomb Counties may not be as pronounced as Wayne or Genesee Counties, stakeholders reflected that program administrators have not done enough to get the word out about the program and drive participation.

One of the concerns highlighted was that the number to call for WRAP enrollment appointments has a 313 area code, which was seen as a barrier for residents from outside Wayne County. Additionally, several stakeholders expressed that the current administrative structure does not provide local service providers the ability to take on roles that would be better suited to a local partner, such as serving as the liaison with member partner communities and playing a direct role in outreach and engagement with potential program participants. Stakeholders stressed that a strength of the community action agency partnership is that it can leverage specific strengths across the service territory but there is currently limited ability to take on these roles that have previously been performed by Wayne Metro.

Recommendation

GLWA should consider restructuring the community action agency partnership model to allow local service providers to play a larger role in the administration of WRAP for the communities they serve. This could include allowing service providers to perform enrollments without utilizing the centralized scheduling service, GLWA contracting with entities in each county completing removing the role of a centralized third-party program administrator, formalizing the role of member partner community liaison, partnering to provide conservation services, and providing greater local control over program marketing and outreach. Expanding the services provided by local service providers will require shifting administrative funding to cover the increased costs, but there is not likely to be a substantial increase in program administration costs due to such realignment. This recommendation does not rule out the potential benefits of having a single entity as the primary program administrator and instead suggests more localized administration could help drive the desired program uptake in underperforming jurisdictions.

Program Communication and Marketing

Despite WRAP having served over 20,000 households in the past four years, stakeholders report that overall awareness of the program remains low. This problem is especially pronounced outside of Wayne County where stakeholders cite insufficient marketing and outreach as a driver behind program participation being consistently low. Prior to July 2019, it does not appear that outreach and marketing activities for WRAP received dedicated funding. Beginning in the annual program report ending June 30, 2020, \$700,000 of outreach and marketing funds were reported. Stakeholders did not address whether the sudden influx of funding has improved program awareness or led to a dramatic change in outreach strategies, however, stakeholders made clear that a one size fits all approach to marketing and outreach would not suffice. Stakeholders emphasized the need for intentional marketing that can be tailored to individual communities.

Recommendation

Stakeholders reflected a consistent desire to see program awareness improve in all communities served by WRAP. To promote increased awareness, GLWA should continue to support funding for direct outreach and marketing. GLWA should also consider the benefit of having local community action agencies lead marketing and outreach activities within their service territories and ensure efforts are coordinated with member partner communities and other local entities to amplify reach.

Enhance Program Oversight

The need for enhanced program reporting and accountability for WRAP was expressed by several stakeholders. Currently program reporting is provided by Wayne Metro to GLWA on a quarterly basis with annual reporting provided at the close of each fiscal year. This information is not disseminated widely, nor would it be particularly useful to most stakeholders in its current format. As detailed in the outcomes assessment above, program reporting does not directly address the program's established goals and performance measures. Additionally, stakeholders cited that there are periodic issues with enforcement of program rules that may necessitate ongoing program monitoring. Though GLWA oversees WRAP, GLWA staff play a limited role in supporting the program's day to day administration.

Recommendation

GLWA should consider expanding its capability to take a more active oversight role with WRAP. Given the programs size and potential for growth, there is an ongoing need for staff to ensure the program operates effectively. Potential areas where GLWA could take on more responsibility include; recruiting new member communities to the program, troubleshooting data and reporting issues, providing ongoing program performance monitoring, developing stronger internal processes for reporting and oversight, and overseeing the implementation of program changes.

Program Design

Continuous improvement of WRAP should continue to be a priority for GLWA. GLWA and Wayne Metro have consistently looked for ways to improve the design and operation of WRAP over the past four years. As discussed elsewhere in this report, many of these changes have resulted in greater access to assistance services for households in need. Stakeholders raised several potential program design considerations during this process that should be explored.

Reaching Customers with the Greatest Need

For many households, monthly bill payment assistance can help make a water bill more affordable, but this only works if that household has enough resources to pay the remainder of their bill. WRAP provides a fixed \$25 per month for up to two years which means that customers can still be responsible for upwards of \$80 a month in communities with the highest water rates.⁶ Depending on a household's income the monthly assistance amount might not be enough to make the difference. Stakeholders consistently expressed that WRAP on its own cannot ensure long term affordability and that the program doesn't work for households that are in the greatest need.

Recommendation

GLWA has already expanded program eligibility to help low-income seniors and disabled persons to remain in the program indefinitely. This change will go a long way in helping customers with chronic need and/ or fixed incomes by providing ongoing support. Just like program accommodations were necessary to meet the needs of senior and disabled populations, WRAP as it is currently designed may not work for the lowest income households for whom monthly water bills can represent a substantial burden. In its current form WRAP does not allow for the level of benefit provided to customers to be income or needs based. GLWA should begin evaluating the feasibility of introducing an income or needs based payment amount.

Recognizing this program design change could present legal, fiscal, and programmatic barriers, PSC recommends that GLWA begin collecting data necessary to build the business case for this change. Current program reporting does not track program success by income level, so it is not possible to determine whether households with the lowest incomes have different success rates than other program participants. At minimum, GLWA should require program reporting to detail the success rates for customers at different income levels. This information can be provided in an aggregated format to ensure no identifying information is shared. By expanding reporting requirements to include this information, GLWA can begin to determine if action is warranted.

This potential change will introduce an additional programmatic element that could create additional administrative burden for program administrators and member partner communities. The current program is administratively efficient from the perspective that each customer's monthly payment amount is the same. Introducing a benefit structure where there are several different benefit amounts or each customer's assistance payment is different will likely face resistance. Prior to the introduction of a revised benefit structure, GLWA should consult with program administrators, member communities, and other stakeholders to assess the receptiveness to a significant program design change.

Addressing Immediate Crisis

WRAP provides households with monthly bill payment assistance to help build a pattern of successful, on-time payment and promote self-sufficiency. This program structure is well suited to many customers but may not be ideal for households that present in need of short-term assistance in the case of an immediate crisis. Unlike in energy assistance where there are a number of different programs that customers can access depending on their circumstances, WRAP is the primary, if not sole, source of assistance funding for many customers. As such, WRAP is put in a position of needing to respond to a variety of different circumstances. Stakeholder noted that the absence of other funding sources for water assistance makes it

⁶ Based on the average bill for a City of Flint resident of approximately \$110 dollars per month.

difficult to serve customers who may not need to enroll in a two-year program but could use temporary support.

Recommendation

GLWA should consider whether WRAP assistance can be made available to households that need short-term assistance or crisis intervention. This option could be available to households that meet the program's eligibility requirements and can demonstrate a history of on-time payment but do not have a high arrearage balance and self-identify as needing short term relief. In these circumstances, client intake specialists could be empowered to lay out available assistance options and allow the customer to select the option that best fits their needs.

Maintaining Administrative Efficiency

The design of WRAP must take into consideration the reality that up to 105 communities will be responsible for administering payments on behalf of enrolled households and many communities' water departments have limited staff capacity to take on additional duties. Stakeholders consistently cited the administrative burden placed on member partner communities as the main obstacle for getting communities to opt-in to the program. While more than 70 communities are already participating in the program, increasing administrative requirements could potentially jeopardize ongoing engagement.

Recommendation

As GLWA considers future program changes, proposed changes should be assessed to determine the anticipated impact on member communities. Where possible, GLWA should work to minimize the administrative workload required of member communities. If proposed programmatic changes would result in increased administrative burden for communities, GLWA could consider piloting these changes with select communities to better streamline processes and identify challenges before changes are rolled out for all communities. Additionally, GLWA and program administrators could consider providing ongoing technical support to communities to support the deployment of programmatic changes.

Establishing a Direct Service Option

Improving outreach to member partner communities and prioritizing administrative efficiency may not be enough to get all 105 communities to opt-in to WRAP. As such, stakeholders expressed an interest in exploring assistance delivery models that would allow all eligible households receive assistance, even in cases where a member partner community has not opted in.

Recommendation

The challenge with a direct services model is that without administrative cooperation from a community's water department the current program design doesn't work. WRAP requires coordination between the program administrator and water utility to verify households continue to make required payments and apply assistance funds to customer accounts. GLWA should evaluate models for an effective and efficient direct service option for eligible customers. A direct service option should avoid or minimize interactions with non-participating communities, while upholding the program's established goals. One way to potentially address this obstacle would be to allow customers to, in essence, self-certify by providing confirmation that they have paid their utility bill on time. Then the program administrator could reimburse the customer or make a payment on their behalf to the local water utility. These work arounds, while possible could create additional challenges if implemented at scale considering individual checks would need to be processed instead.

Serving Customers with High Arrearages

Households enrolled in WRAP who make their bill payments on time each month are eligible to receive up to \$700 in arrearage assistance per year to pay down past due balances. Should a household complete two years of WRAP and receive the maximum assistance benefit per year, the household would receive \$1,400 in arrearage assistance in addition to \$600 in monthly bill payment assistance. Though this benefit would be sufficient to erase the arrearages for over 70 percent of enrolled households, there are still households that could emerge from the program after two years and still owe an arrearage balance. Stakeholders commented that this reality for some households raises the question of whether households should be allowed to complete the program when they still have a balance on their account.

Recommendation

There are several potential ways to address issues of customers with high arrearage balances. One possible solution would be to allow an individual household to receive more than \$1,000 per year in combined assistance. This change could be structured similar to the recent change in the cap for conservation funds, allowing for individual customers to receive a higher benefit as long as the average benefit amount provided does not exceed \$1,000. A second option would be to allow customers that have an arrearage balance at the end of the two-year commitment to enroll for a third year. This solution could support those households with more than \$2,000 in arrears. In cases where arrears exceed \$2,000, GLWA could consider providing additional assistance dollars through WRAP, however these balances might be better suited to being written off by the water utility. This would recognize the likely very low probability that a customer with such high arrears balance would be able to repay the amount and allow limited assistance funding to be used to support other households in need.

Simplify Eligibility Determination

Overall, stakeholders expressed that WRAP's eligibility requirements are flexible and not overly burdensome. Unlike other forms of assistance which have statutory requirements for eligibility that cannot be easily modified, WRAP is governed by GLWA Board of Directors who have historically been receptive to simplifying and expanding program eligibility. Stakeholders suggested that GLWA could further ease the burden of eligibility determination for households by adopting a broad-based categorical eligibility policy. This policy would allow a customer that already receives another form of income qualified assistance such as Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Low-income Home Energy Assistance Program (LIHEAP) to automatically qualify for WRAP assistance.

Recommendation

Given that GLWA has broad discretion to update eligibility requirements this policy could be designed to include any number of income-based programs. GLWA should consider the feasibility of allowing broad based categorical eligibility for WRAP.

Prioritize Direct Conservation Investments and Repairs

Conservation services are integral to WRAP's goal of promoting self-sufficiency for participating households because these measures can help to reduce water consumption and in turn lower bills. Funding for conservation is currently used to provide home usage audits and minor home repairs. On average, 45 percent of conservation funding, or \$483 per household, is spent on audits. Stakeholders raised concern about the cost of audits and whether these services are actually having an impact on customer consumption. Current reporting does not provide detailed analysis for the savings achieved

through conservation measures and it is not possible to compare savings for households that received an audit to households that received an audit in addition to minor repairs. Stakeholders suggested that even in households that are able to demonstrate a reduction in consumption the payback period for conservation services is too long.

Recommendation

GLWA should work with program administrators and member partner communities to assess the impact of the conservation services currently being provided through WRAP with the goal of differentiating between audits and repairs. Based on this analysis, GLWA can develop a strategy to realign water conservation funding to support measures that can provide the highest return on investment for customers. If as suggested by stakeholders, home usage audits are not as effective at reducing household consumption then this funding should be dedicated to measure that can demonstrate higher impact on consumption. Additional research should be conducted to determine the types of water conservation measures that are deployable at scale and have proven impact on savings. Such an approach could potentially enable WRAP to purchase equipment directly benefitting from economies of scale. Stakeholders highlighted DWSD's toilet replacement program as an example of an effective and proven conservation strategy that can be deployed at scale. While the general consensus was to focus conservation services on repairs and upgrading fixtures, stakeholders added that a focus on conservation education and behavioral change should be maintained.

GLWA should also consider how WRAP can leverage other forms of assistance to support the program's conservation goals. The state of Michigan has recently announced funding for low-income households available through the end of 2020. This program is being administered through community action agencies and should be used to complement WRAP services. While this funding is temporary, it provides an example of how WRAP can utilize its existing processes and demonstrate success to leverage other funding sources.

Other Challenges

Property Tax Loophole

Stakeholders identified two primary barriers to getting member partner communities engaged in WRAP. The biggest obstacle was the administrative requirements for operating the program. The other challenge cited was communities' ability to transfer unpaid water bills to property taxes. From the community perspective this function is administratively efficient and effective as unpaid taxes result in a municipal lien against the property that can be collected. From the perspective of WRAP, this option may reduce how communities perceive the need for assistance within their customer base and contribute to lower participation rates. In addition, households that cannot pay water bills could face further financial impacts as a result and even risk losing their property or being evicted (Pierce October 2020). In recognition of the downstream challenges this creates, some communities have halted the practice of transferring past due utilities to property tax rolls.

Recommendation

It may not be GLWA's role to try to change communities longstanding practice of transferring past due utility bills to property tax rolls, however GLWA and program administrators can work to provide communities with an understanding of the potential downside for households this practice presents. WRAP can provide meaningful assistance to households in need and more needs to be done to help

communities recognize that helping customers reduce their past due balances by building a track record of on time payment can be a long term benefit.

Quantifying Eligible Populations

Stakeholders noted that there is a need to determine how many households are eligible for WRAP. In some communities there is a sense that there may not be a lot of need for WRAP and this explains the limited adoption. This topic was also raised in relation to measuring the programs impact as a proportion of need to determine whether communities are underserved.

Recommendation

Census data can provide necessary information to quantify the number of people at different income levels and can be broken down to provide information for each member partner community. GLWA should work to collect this information as a way to begin quantifying the need across its service territory. This information can be used to recruit non-participating communities by helping to demonstrate the population that may be eligible for assistance. Also, this data can facilitate the development of community specific goals related to assistance provided. PSC has collected some of this information which is provided in Appendix C.

Increasing Program Funding

A consistent theme that emerged from discussions with stakeholders was that the current WRAP funding is not enough to meet the need in many communities. Though stakeholders generally found the program to be successful, communities such as Flint and Detroit have many more customers that could potentially benefit from the program if funding were increased. Efforts to increase the amount of funding allocated to the program have been ongoing in recent years. In early 2020, GLWA's Board of Directors reviewed a proposal that would double the program's funding. While this proposal was not adopted a modified version of the proposal that would allow the city of Detroit to increase the amount of funding it provides to the program was approved.

Recommendation

Before additional funding is added to the program, participation rates in Oakland and Macomb Counties will likely need to increase. Adding new revenues to the program when the current funding allocation is not being utilized will likely face heavy scrutiny, just as with the proposal earlier this year. GLWA should strive to establish the business case for new revenues by working with program administrators to demonstrate the need for assistance funding in every member partner community and improve enrollment numbers.

Conclusion

PSC has provided a number of recommended changes for GLWA to consider to improve the delivery, oversight and administration of WRAP. These changes change from simple administrative changes to decision that GLWA's Board of Directors will need to consider. The program already has a strong foundation, and through the reissuance of Request for Proposals for WRAP program administrator, GLWA is presented with the opportunity to build upon that foundation.

Appendix A. GLWA Member Partner Communities

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

Wayne	Westland	X			
Wayne	Woodhaven		X		
Oakland	Auburn Hills				X
Oakland	Berkley	X			
Oakland	Beverly Hills	X			
Oakland	Bingham Farms	X			
Oakland	Birmingham	X			
Oakland	Bloomfield Hills	X			
Oakland	Bloomfield Township				X
Oakland	Clawson	X			
Oakland	Commerce Township	X			
Oakland	Farmington	X			
Oakland	Farmington Hills	X			
Oakland	Ferndale	X			
Oakland	Hazel Park		X		
Oakland	Huntington Woods	X			
Oakland	Keego Harbor	X			
Oakland	Lake Orion	X			
Oakland	Lathrup Village	X			
Oakland	Madison Heights	X			
Oakland	Novi				X
Oakland	Oak Park		X		
Oakland	Orchard Lake	X			
Oakland	Orion Township	X			
Oakland	Oxford	X			
Oakland	Pleasant Ridge	X			
Oakland	Pontiac	X			
Oakland	Rochester Hills				X
Oakland	Royal Oak	X			
Oakland	Royal Oak Township	X			
Oakland	Southfield	X			
Oakland	Sylvan Lake				X
Oakland	Troy				X
Oakland	Walled Lake			X	
Oakland	Waterford Township			X	
Oakland	West Bloomfield Twp.				
Oakland	Wixom				
Macomb	Centerline	X			
Macomb	Chesterfield Township	X			
Macomb	Clinton Township		X		
Macomb	Eastpointe	X			
Macomb	Fraser	X			
Macomb	Harrison Township			X	

Macomb	Lenox Township		X
Macomb	Macomb Township	X	
Macomb	New Haven	X	
Macomb	Roseville		X
Macomb	Shelby Township	X	
Macomb	St. Clair Shores	X	
Macomb	Sterling Heights	X	
Macomb	Utica	X	
Macomb	Warren	X	
Macomb	Washington Township		X
Washtenaw	Augusta Township	X	
Washtenaw	Pittsfield Township	X	
Washtenaw	Superior Township	X	
Washtenaw	Ypsilanti	X	
Washtenaw	Ypsilanti Township	X	
Lapeer	Almont		X
Lapeer	Imlay City		X
Lapeer	Lapeer	X	
Genesee	Flint	X	
St. Clair	Burtchville Twp.		X
Monroe	Ash Township	X	
Monroe	Berlin Township		X
Monroe	South Rockwood		X

Appendix B. 2015 Program Performance Measures

Goal 1: Assist low-income individuals and families with their water and sewer bills;

- Number of completed applications
- Number of applicants not eligible for participation
- Number of households assisted
- Amount (\$) of assistance provided total and average per household
- Number of payments that meet or exceed the estimates provided
- Number of repeat applicants / participants
- Randomized client satisfaction surveys
- Application and payment processing timelines

Goal 2: Avoid water utility disconnection and reduce account arrearages;

- Number of shutoffs avoided
- Amount of arrearages paid (eliminated)
- Amount of arrearages paid (total and average)

Goal 3: Assist clients in increasing self-sufficiency, in part through the provision of water conservation measures;

- The number of high water users vs. average water users who were assisted
- The number of households that turned down vs. attended conservation classes
- The number of repairs performed (include the average cost of repairs per household) and impact on bill size and timeliness of payments
- Location of households with high water usage
- Number/percentage of households receiving both forms of assistance

Goal 4: Promote collaboration on program outreach to consumers and the public; and

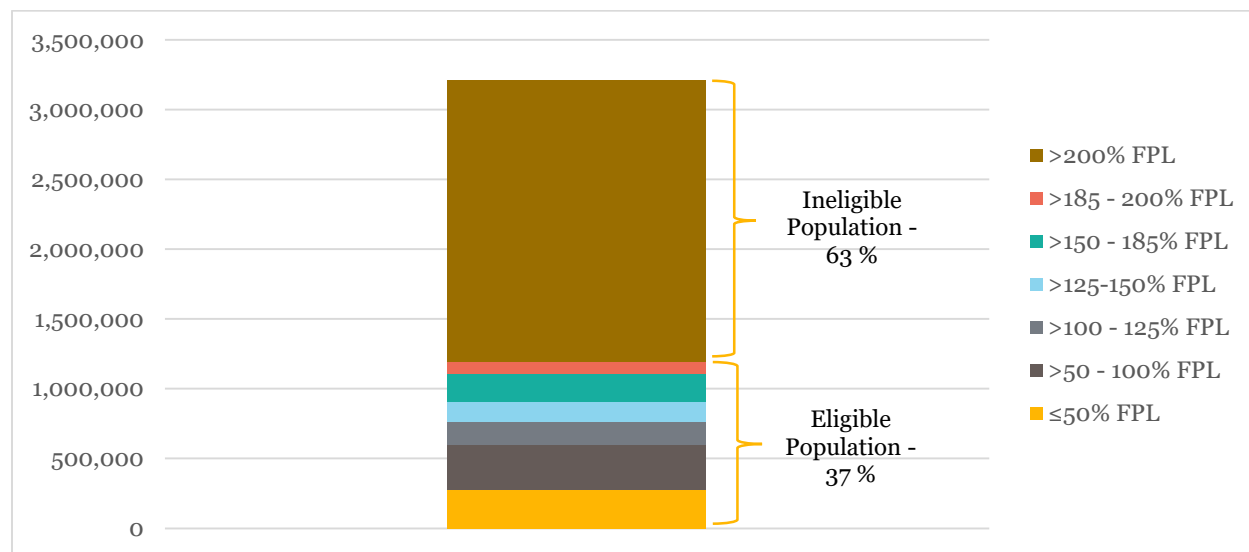
- Number of agencies and community organizations engaged
- Number of client referrals from regional agencies and community organizations
- WRAP effectiveness in public and consumer outreach/education will be measured by surveying agencies and community organizations to assess the effectiveness of communication strategies and the extent of regional participation/regional impact.

Goal 5: Foster collaboration to advance partnerships for developing and leveraging funding opportunities to deliver assistance.

- Number of partner agencies providing supplemental funding / assistance
- Supplemental funding made available
- Program participants served through supplemental funding
- Additional Forms of Assistance provided via supplemental funding (e.g. home water audits, conservation kits, leaks repaired)

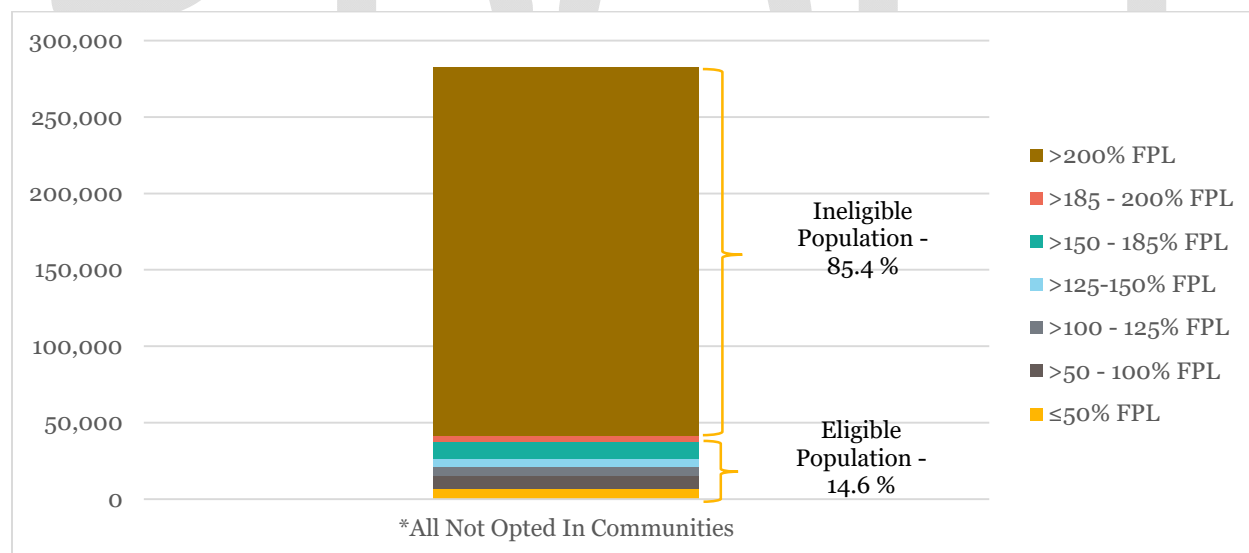
Appendix C. Member Partner Communities Income Eligible Population

Exhibit C.1. Poverty Ratios for All Individuals for Whom Poverty Status is Determined, Participating Member Partner Communities



Source: U.S. Census Bureau. December 19, 2020. American Community Survey 2014-2018 5-Year Estimates. "Ratio of Income to Poverty Level in the Past 12 Months". <https://data.census.gov/cedsci/>

Exhibit C.1. Poverty Ratios for All Individuals for Whom Poverty Status is Determined, Non-participating Member Partner Communities



Source: U.S. Census Bureau. December 19, 2020. American Community Survey 2014-2018 5-Year Estimates. "Ratio of Income to Poverty Level in the Past 12 Months". <https://data.census.gov/cedsci/>

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Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2020 Yearend Financial Audit Update

Background: Annually, the Great Lakes Water Authority (GLWA) prepares a Comprehensive Annual Financial Report (CAFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly Virchow Krause LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards. Baker Tilly's appointment as GLWA's auditors includes the fiscal years ending in 2019, 2020 and 2021.

Analysis: GLWA Financial Services area is currently working with Baker Tilly to wrap up fieldwork for the FY 2020 audit. We remain on target with the FY 2020 audit timeline to file the audit in December 2020 as referenced in the attached memo from Baker Tilly.

Proposed Action: Receive and file this report.



Memo

To: Great Lakes Water Authority Audit Committee

From: Gwen Zech, Manager (Baker Tilly)

c.c. Jodi Dobson, Partner (Baker Tilly), Dustin Kratcha, Senior Associate (Baker Tilly)

Date: Updated October 16, 2020

Subject: Great Lakes Water Authority Audit Status and Comprehensive Annual Financial Report (CAFR)

We have prepared this memo to communicate to the audit committee our expectations regarding the timing of fieldwork, review, draft reports and issuance of the CAFR. The schedule below summarizes expected milestone dates to meet a deadline of issuance on December 18, 2020.

	Due Date Friday, December 18, 2020
All audit workpapers uploaded to portal for audit	Friday, October 2, 2020 - ON TRACK
End of Fieldwork (Including first review)	Friday, October 16, 2020 - ON TRACK
Manager level financial statement review	Friday, October 23, 2020 - ON TRACK
Draft to Jodi Dobson, Partner	Monday, October 26, 2020
Draft to concurring partner for technical review	Monday, October 26, 2020
Comments returned from GLWA management to Baker Tilly	Friday, November 6, 2020
Draft back from detail check by Baker Tilly	Wednesday, November 11, 2020
Presentation of draft to Audit Committee (Proposed)	Friday, November 20, 2020
Preparation of separate CAFRs'	Monday, November 30, 2020
Presentation of draft to full Board of Directors	Thursday, December 17, 2020
Issuance of the CAFRs'	Friday, December 18, 2020

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly US, LLP



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Lisa L Mancini, Financial Planning & Analysis Manager

Re: FY 2021 First Quarter Budget Amendments through September 30, 2020 and Proposed Budget Amendment Resolution

Background: In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee will review the proposed budget amendments and forward to the Board of Directors with a recommendation.

Analysis: The budget amendment report is organized in the following manner.

1. Appropriation Level - Revenue Requirement - Water and Sewer Systems

- a. Supplemental Information - Fund Level - Water System and Sewer System*
- b. Supplemental Information - Enterprise-wide Core Groups*
- c. Supplemental Information - Enterprise-wide Operations & Maintenance Account Type*
- d. Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (see Addendum)*

2. Appropriation Level – Improvement & Extension Fund – Water and Sewer Systems

3. Appropriation Level – Construction Bond Fund – Water and Sewer Systems

A budget amendment resolution reflecting the budget amendments is also attached.

Proposed Action: The Audit Committee recommends that the Board of Directors for the Great Lakes Water Authority adopt the proposed budget resolution for the first quarter FY 2021 budget amendments.



Quarterly Budget Amendment Report FY 2021 Ending September 30, 2020

Appropriation Level - Revenue Requirement – Water System General Operating

Water System	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020 *	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 7/31/2020
Revenues						
Suburban Wholesale Customer Charges	\$ 314,252,200	\$ (2,901,400)	\$ 1,782,800	\$ (1,118,600)	\$ 313,133,600	\$ 32,891,135
Retail Service Charges	22,555,400	(315,200)	(314,700)	(629,900)	21,925,500	1,853,350
Investment Earnings	4,834,400	-	(3,564,800)	(3,564,800)	1,269,600	472,923
Other Revenues	-	-	-	-	-	-
Total Revenues	\$ 341,642,000	\$ (3,216,600)	\$ (2,096,700)	\$ (5,313,300)	\$ 336,328,700	\$ 35,217,408
Revenue Requirements						
Operations & Maintenance Expense	\$ 137,127,300	\$ (3,000,000)	\$ -	\$ (3,000,000)	\$ 134,127,300	\$ 10,035,603
General Retirement System Legacy Pension	6,048,000	-	-	-	6,048,000	504,000
Debt Service	143,189,900	-	(5,753,900)	(5,753,900)	137,436,000	11,477,400
General Retirement System Accelerated Pension	6,268,300	-	-	-	6,268,300	522,358
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	1,669,400	-	-	-	1,669,400	137,775
Lease Payment	22,500,000	-	-	-	22,500,000	1,875,000
Operating Reserve Deposit	876,600	-	(876,600)	(876,600)	-	-
DWSD Budget Shortfall Pending Improvement & Extension Fund	-	-	-	-	-	416,728
Transfer Pending	23,962,500	(216,600)	4,533,800	4,317,200	28,279,700	1,996,875
Total Revenue Requirements	\$ 341,642,000	\$ (3,216,600)	\$ (2,096,700)	\$ (5,313,300)	\$ 336,328,700	\$ 26,965,739

(*) Information in this column is based on the 'Proposed FY 2021 Budget Reductions' report which was presented at the June 19, 2020 Audit Committee and subsequently the June 24, 2020 GLWA Board meeting. The information presented in the June report was an approximation, based on information available at the time that the report was created. The information has been adjusted by approximately \$200,000 based upon analysis of revenue trends.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>The reduction to this category is due to the deferral of the effective date for the FY 2021 Schedule of Service Charges from July 1, 2020 to January 1, 2021. This reduction has been offset by the first quarter positive variance due to the increase in water demand usage during the summer months. At this time, an amendment is proposed for the cumulative revenue shortfall forecast of approximately \$1.1 million.</i>
Retail Services Charges	<i>As noted above, this reduction is the companion retail system amendment due to the deferral of the effective date for the FY 2021 Schedule of Service Charges.</i>
Investment Earnings	<i>Decrease in earnings due to market conditions since declaration of COVID-19 pandemic emergency.</i>
Other Revenues	<i>No budget amendment is required.</i>
Revenue Requirements (Expenditures)	
Operations & Maintenance Expense	<i>Expenses were reduced to align with charge revenue reductions. Additional information related to the details of how this was accomplished is provided in this report.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>Decrease largely due to May 2020 refunding transaction savings and timing of SRF draws.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Lease Payment	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
Operating Reserve Deposit	<i>Based on further review and analysis, this operating reserve is no longer required.</i>
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time. Represents budget shortfall attributable to decline in collections since declaration of COVID-19 pandemic emergency. The 2018 Memorandum of Understanding provides guidance related to repayment to the extent that the shortfall is not cured by other means before June 30th of the subsequent year. Communication with DWSD Management indicates that plans are cautiously optimistic that the shortfall will be cured by year-end.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to investment earnings, debt service, and the Operating Reserve Deposit affect this line item.</i>



Quarterly Budget Amendment Report FY 2021 Ending September 30, 2020

Appropriation Level - Revenue Requirement – Sewer System

Sewer System	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020 *	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 7/31/2020
Revenues						
Suburban Wholesale Customer Charges	\$ 277,011,800	\$ (1,479,300)	\$ (1,479,000)	\$ (2,958,300)	\$ 274,053,500	\$ 22,391,866
Retail Service Charges	190,112,100	(1,076,200)	(1,076,200)	(2,152,400)	187,959,700	15,752,992
Industrial Waste Control Charges	8,775,400	(46,000)	(46,100)	(92,100)	8,683,300	658,870
Pollutant Surcharges	5,262,800	(27,600)	(27,600)	(55,200)	5,207,600	452,394
Investment Earnings	5,589,200	-	(4,602,300)	(4,602,300)	986,900	322,214
Other Revenues	-	-	-	-	-	33,039
Total Revenues	\$ 486,751,300	\$ (2,629,100)	\$ (7,231,200)	\$ (9,860,300)	\$ 476,891,000	\$ 39,611,375
Revenue Requirements						
Operations & Maintenance Expense	\$ 184,946,100	\$ (2,650,100)	\$ -	\$ (2,650,100)	\$ 182,296,000	\$ 13,198,434
General Retirement System Legacy Pension	10,824,000	-	-	-	10,824,000	902,000
Debt Service	209,739,900	-	(7,959,500)	(7,959,500)	201,780,400	16,936,709
General Retirement System Accelerated Pension	11,620,700	-	-	-	11,620,700	968,392
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	2,415,100	-	-	-	2,415,100	200,167
Lease Payment	27,500,000	-	-	-	27,500,000	2,291,667
Operating Reserve Deposit	-	-	-	-	-	-
DWSD Budget Shortfall Pending	-	-	-	-	-	4,127,058
Improvement & Extension Fund Transfer Pending	39,705,500	21,000	728,300	749,300	40,454,800	3,308,792
Total Revenue Requirements	\$ 486,751,300	\$ (2,629,100)	\$ (7,231,200)	\$ (9,860,300)	\$ 476,891,000	\$ 41,933,219

(*) Information in this column is based on the 'Proposed FY 2021 budget reductions' report which was presented at the June 19, 2020 Audit Committee and subsequently the June 24, 2020 GLWA Board meeting. The information presented in the June report was an approximation, based on information available at the time that the report was created. The information has been adjusted by approximately \$30,000 based upon further analysis.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>The reduction to this category is due to the deferral of the effective date for the Schedule of Service Charges from July 1, 2020 to January 1, 2021.</i>
Retail Services Charges	<i>As noted above, this reduction is due to the deferral of the effective date for the Schedule of Service Charges.</i>
Industrial Waste Control Charges	<i>See explanation for Retail Service Charges.</i>
Pollutant Surcharges	<i>See explanation for Industrial Waste Control Charges.</i>
Investment Earnings	<i>Decrease in earnings due to market conditions since declaration of COVID-19 pandemic emergency.</i>
Other Revenues	<i>No budget amendment is required.</i>
Revenue Requirements (Expenditures)	
Operations & Maintenance Expense	<i>Enterprise-wide centralized services and administrative expenses were reduced to achieve corresponding revenue charge revenue reductions for the water system. Additional information related to the details of how this was accomplished is provided in this report.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>Decrease largely due to forecast versus actual timing of state revolving fund loan draws, interest for a new money bond issue that was deferred, and an adjustment for a variable rate debt.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Extraordinary Repair & Replacement	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Lease Payment	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
Operating Reserve Deposit	<i>Based on further review and analysis, this operating reserve is no longer required.</i>
DWSD Budget Shortfall Pending	<i>Represents budget shortfall attributable to decline in collections since declaration of COVID-19 pandemic emergency. The 2018 Memorandum of Understanding provides guidance related to repayment to the extent that the shortfall is not cured by other means before June 30th of the subsequent year. Communication with DWSD Management indicates that plans are cautiously optimistic that the shortfall will be cured by year-end.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to investment earnings and debt service affect this line item.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Supplemental Information – Operating Fund Level - Water System and Sewer System

System	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 7/31/2020
Water System Operations	\$ 137,127,300	\$ (3,000,000)	\$ -	\$ (3,000,000)	\$ 134,127,300	\$ 10,035,603
Wastewater System Operations	184,946,100	(2,650,100)	-	(2,650,100)	182,296,000	13,198,433
Total	\$ 322,073,400	\$ (5,650,100)	\$ -	\$ (5,650,100)	\$ 316,423,300	\$ 23,234,036

As shown in the table above, there are no budget amendments for transfers of resources between the water and sewer funds. It is unforeseen that such an amendment would occur as each system is accounted for as a stand-alone entity. The purpose of this table is to transparently report that funds from one system do not provide budget support to the other system.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Supplemental Information - Enterprise-wide Core Groups

O&M Major Budget Categories (Core Groups)	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 7/31/2020
A Water System Operations	\$ 71,966,400	\$ (1,146,600)	\$ -	\$ (1,146,600)	\$ 70,819,800	\$ 5,820,822
B Wastewater System Operations	115,676,400	(701,300)	-	(701,300)	114,975,100	8,309,491
C Centralized Services	102,721,300	(2,382,900)	-	(2,382,900)	100,338,400	7,235,111
D Administrative & Other Service	31,709,300	(1,419,200)	-	(1,419,200)	30,290,100	1,868,612
Total	\$ 322,073,400	\$ (5,650,000)	\$ -	\$ (5,650,000)	\$ 316,423,400	\$ 23,234,036

A subset of the operating funds are core groups that account for A) direct cost of water operations, B) direct cost of sewer operations, C) centralized services (e.g. field services, security, information technology, facilities, and fleet), D) administrative services (e.g. finance, public affairs, general counsel, and organizational development). The costs of the latter two categories are allocated to the water and sewer systems based upon an internal cost allocation plan that is performed on an annual basis. Through the first quarter FY 2021, there are no amendments that cross the core groups. For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Supplemental Information - Enterprise-wide Operations & Maintenance Account Type

O&M Expense Categories (Account Type)	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 7/31/2020
Personnel Costs	\$ 110,333,100	\$ (1,527,100)	\$ -	\$ (1,527,100)	\$ 108,806,000	\$ 8,991,690
Utilities	51,937,000	-	-	-	\$ 51,937,000	4,868,157
Chemicals	13,419,800	-	-	-	\$ 13,419,800	1,403,069
Supplies & Other	38,620,800	(600,000)	1,000,000	400,000	\$ 39,020,800	1,802,493
Contractual Services	106,154,600	(1,372,200)	-	(1,372,200)	\$ 104,782,400	6,781,819
Capital Program Allocation	(3,447,700)	-	-	-	\$ (3,447,700)	(242,096)
Shared Services	(3,412,900)	-	-	-	\$ (3,412,900)	(371,096)
Unallocated Reserve	8,468,700	(2,150,800)	(1,000,000)	(3,150,800)	\$ 5,317,900	-
Total	\$ 322,073,400	\$ (5,650,100)	\$ -	\$ (5,650,100)	\$ 316,423,300	\$ 23,234,036

The table above presents the Operations & Maintenance budget by the major expense categories (account type).

For additional detail and the explanation of the key changes to the FY 2021 budget within these categories, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.

For an additional view of the Operations & Maintenance budget by expense category (account type) and by departmental level, see *Supplemental Information - Enterprise-wide Operations & Maintenance Account Type and Departmental Level Amendments (Addendum 2)*.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Supplemental Information - Unallocated Reserve by Core Group

O&M Unallocated Reserves	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	FY 2021 Amended Budget
Water System Operations	\$ 1,729,300	\$ (436,900)	\$ -	\$ (436,900)	\$ 1,292,400
Wastewater System Operations	4,603,900	(701,300)	(1,000,000)	(1,701,300)	2,902,600
Centralized Services	1,637,200	(642,900)	-	(642,900)	994,300
Administrative & Other Services	498,300	(369,700)	-	(369,700)	128,600
Total	\$ 8,468,700	\$ (2,150,800)	\$ (1,000,000)	\$ (3,150,800)	\$ 5,317,900

An Unallocated Reserve account is established for each of the four core groups. Budget is assigned to these accounts to cover expenditures not known at the time the budget is developed (merit increases, fluctuations within maintenance contracts and usage of utilities and chemicals, projects and initiatives not planned at the time the initial budget was developed, etc.). It is GLWA's internal budget directive for each area, group, and team to manage their needs to an amount within the initial budget. If required, an amendment is made from the unallocated reserve. If an area does not require as much funding as was established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased.

As stated above, wage and benefit adjustments related to merit increases are included within the Operations & Maintenance contingency accounts (Unallocated Reserves) of the financial plan. The reduction to the Unallocated Reserves of \$2.2 million (Deferral 1 through September 30, 2020) represents the elimination of the estimated FY 2021 wage adjustment thus holding the Salaries & Wages at the current FY 2020 rates. The reduction to the Wastewater System Operations Unallocated Reserves of \$1 million relates to the fire that occurred on September 20, 2020, in the Complex II building located at the Water Resource Recovery Facility.

For additional information on the FY 2021 changes to the unallocated reserve, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Improvement & Extension Fund – Water System

Water Improvement & Extension Fund	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	FY 2021 Amended Budget	Total 1st Quarter FY 2021 Amendments	FY 2021 Activity Thru 7/31/2020
Revenues						
Transfers In from General Operating	\$ 23,962,500	\$ (216,600)	\$ 4,533,800	\$ 4,317,200	\$ 28,279,700	\$ -
Earnings on Investments	-	-	-	-	-	409,011
Net Use of Reserves	68,929,500	216,600	(4,533,800)	(4,317,200)	64,612,300	-
Total Revenues	\$ 92,892,000	\$ -	\$ -	\$ -	\$ 92,892,000	\$ 409,011
Expenditures						
Water System Revenue Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,765
Capital Improvement Plan-I&E Funded	-	-	-	-	-	2,474
Capital Outlay	17,892,000	-	-	-	17,892,000	125,260
Revenue Financed Capital - Operating Transfer to Construction Fund	75,000,000	-	-	-	75,000,000	-
Total Expenditures	\$ 92,892,000	\$ -	\$ -	\$ -	\$ 92,892,000	\$ 537,500

Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation

Revenues	
Water System Revenue Transfers In	<i>To match the amount available for transfer from FY 2021 revenue requirement based upon general operating fund performance. The increase is largely due to the May 2020 refunding savings and timing of SRF draws.</i>
Earnings on Investments	<i>Is budgeted at zero as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenses. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
Expenditures	
Water System Revenue Transfers Out (Earnings on Investments)	<i>Is budgeted at zero as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E Fund is zero). Amendment is for estimated amount. Amount offsets Earnings on Investments. Any variance between the two line items represents a timing difference.</i>
Capital Improvement Plan Projects – I&E Funded	<i>No budget amendment is required. Represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>No budget amendment is required.</i>
Revenue Financed Capital – Transfer to Construction Fund	<i>No budget amendment is required.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level - Improvement & Extension Fund – Sewer System

Sewer Improvement & Extension Fund	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	FY 2021 Amended Budget	Total 1st Quarter FY 2021 Amendments	FY 2021 Activity Thru 7/31/2020
Revenues						
Transfers In from General Operating	\$ 39,705,500	\$ 21,000	\$ 728,300	\$ 749,300	\$ 40,454,800	\$ -
Receipt of DWSD Shortfall Loan	19,288,300	-	-	-	19,288,300	1,570,143
Earnings on Investments	-	-	-	-	-	162,017
Net Use of Reserves	3,987,300	(21,000)	(728,300)	(749,300)	3,238,000	-
Total Revenues	\$ 62,981,100	\$ -	\$ -	\$ -	\$ 62,981,100	\$ 1,732,160
Expenditures						
Sewer System Revenue Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,551
Capital Improvement Plan-I&E Funded	-	-	-	-	-	547
Capital Outlay	20,481,100	-	-	-	20,481,100	\$ 246,101
Revenue Financed Capital - Operating Transfer to Construction Fund	42,500,000	-	-	-	42,500,000	-
Total Expenditures	\$ 62,981,100	\$ -	\$ -	\$ -	\$ 62,981,100	\$ 478,199

Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations

Revenues

Sewer System Revenue Transfers In	<i>To match the amount available for transfer from FY 2020 revenue requirement based upon general operating fund performance. The increase is largely due to the May 2020 refunding savings and timing of SRF draws.</i>
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Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
Earnings on Investments	<i>Has not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. An amendment will be prepared for the second quarter FY 2021.</i>
Net Use of Revenues	<i>This amount represents the net amount of revenues less expenditures. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
Expenditures	
Water System Revenue Transfers Out (Earnings on Investments)	<i>Has not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E Fund is zero). Amendment is for estimated amount. Amount offsets Earnings on Investments. Any variance between the two line items represents a timing difference. An amendment will be prepared for the second quarter FY 2021.</i>
Capital Outlay	<i>No budget amendment is required.</i>
Revenue Financed Capital – Transfer to Construction Fund	<i>No budget amendment is required.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Construction Bond Fund – Water System

Water Construction Bond Fund	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	FY 2021 Amended Budget	Total 1st Quarter FY 2021 Amendments	FY 2021 Activity Thru 7/31/2020
Revenues						
Transfer from Improvement & Extension Fund	\$ 75,000,000	\$ -	\$ -	\$ -	\$ 75,000,000	\$ -
Bond Proceeds	-	-	-	-	-	-
Grant Revenues (SRF Loans)	12,365,800	-	-	-	12,365,800	425,413
Earnings on Investments	820,400	-	(639,900)	(639,900)	180,500	9,679
Net Use of Reserves	22,486,800	-	639,900	639,900	23,126,700	-
Total Revenues	\$ 110,673,000	\$ -	\$ -	\$ -	\$ 110,673,000	\$ 435,092
Expenditures						
Capital Improvement Plan	\$ 147,564,000	\$ -	\$ -	\$ -	\$ 147,564,000	\$ 5,998,246
Capital Spend Rate Adjustment	(36,891,000)	-	-	-	(36,891,000)	-
Total Expenditures	\$ 110,673,000	\$ -	\$ -	\$ -	\$ 110,673,000	\$ 5,998,246

Appropriation Level – Construction Bond Fund – Water System Budget Amendment Explanations

Revenues	
Transfers from Improvement & Extension Fund	<i>No budget amendment is required.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Grant Revenues (State Revolving Fund Loans)	<i>No budget amendment is required. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the August 2020 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Earnings on Investments	<i>Decrease in earnings due to market conditions since declaration of COVID-19 pandemic emergency.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Construction Bond Fund – Water System Budget Amendment Explanations	
Net Use of Revenues	<i>This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. The amount has been amended to offset the reduction to the Earnings on Investments.</i>
Expenditures	
Capital Improvement Plan	<i>No budget amendment is required. After contracts are awarded at amounts variant from the CIP plan and more reliable anticipated spend data becomes available, the amended budget for the current fiscal year may increase or decrease by way of “Capital Reserve” budget amendments.</i>
Capital Spend Rate Assumption Adjustment	<i>No budget amendment is required. 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. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the September 2020 Audit Committee binder.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Construction Bond Fund – Sewer System

Sewer Construction Bond Fund	FY 2021 Board Adopted Budget	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	FY 2021 Amended Budget	Total 1st Quarter FY 2021 Amendments	FY 2021 Activity Thru 7/31/2020
Revenues						
Transfer from Improvement & Extension Fund	\$ 42,500,000	\$ -	\$ -	\$ -	\$ 42,500,000	\$ -
Bond Proceeds	-	-	-	-	-	-
Grant Revenues (SRF Loans)	33,200,000	-	-	-	33,200,000	950,375
Earnings on Investments	497,700	-	(388,200)	(388,200)	109,500	10,186
Net Use of Reserves	6,781,300	-	388,200	388,200	7,169,500	-
Total Revenues	\$ 82,979,000	\$ -	\$ -	\$ -	\$ 82,979,000	\$ 960,561
Expenditures						
Capital Improvement Plan	\$ 110,638,000	\$ -	\$ -	\$ -	\$ 110,638,000	\$ 5,191,462
Capital Spend Rate Adjustment	(27,659,000)	-	-	-	(27,659,000)	-
Total Expenditures	\$ 82,979,000	\$ -	\$ -	\$ -	\$ 82,979,000	\$ 5,191,462

Appropriation Level – Construction Bond Fund – Sewer System Budget Amendment Explanations

Revenues	
Transfers from Improvement & Extension Fund	<i>No budget amendment is required.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Grant Revenues (State Revolving Fund Loans)	<i>No budget amendment is required. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the August 2020 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

Appropriation Level – Construction Bond Fund – Sewer System Budget Amendment Explanations	
Earnings on Investments	<i>Decrease in earnings due to market conditions since declaration of COVID-19 pandemic emergency.</i>
Net Use of Revenues	<i>This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. The amount has been amended to offset the reduction to the Earnings on Investments.</i>
<i>Expenditures</i>	
Capital Improvement Plan	<i>No budget amendment is required. After contracts are awarded at amounts variant from the CIP plan and more reliable anticipated spend data becomes available, the amended budget for the current fiscal year may increase or decrease by way of “Capital Reserve” budget amendments.</i>
Capital Spend Rate Adjustment	<i>No budget amendment is required. 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. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the September 2020 Audit Committee binder.</i>



ADDENDUM 1

Supplemental Information –

Enterprise-wide Operations & Maintenance Department and Account Level Amendments

The summary of budget amendments for operations & maintenance department and account level amendments are organized by the four core groups. The net FY 2021 first quarter budget amendments result in a reduction to all categories: A - Water System Operations (\$1.1 million), B - Sewer System Operations (\$701,300), C – Centralized Services (\$2.4 million), and D – Administrative & Other Services (\$1.4 million).

GLWA’s internal budget directive is for each area, group, and team to manage their needs to an amount within the initial budget. To the extent that is not possible, an amendment is made from the unallocated reserve. If savings are incurred, or an area appears to not require as much funding as established in the original budget, that department’s budgeted expenses are reduced, and the unallocated reserve is increased. In administering the budget, there are several refinements to departments and account categories. An explanation of key items is included in the table in Addendum 1.

FY 2021 Charges Adjustment “Deferral 1” Column Notes through September 30, 2020

- **Personnel Costs:** A review of the FY 2021 staffing plan showed that there was a total of 21 positions that would either not be filled in FY 2021 or would be filled later in the fiscal year than what was originally included in the plan. This is largely due to the COVID-19 alternate operating scenario in many areas. This resulted in a reduction to the Personnel Costs (Salaries & Wages, Fringe Benefits, and Contractual Transition Services) of \$1,527,100.
- **Unallocated Reserves:** An estimate for wage and benefit adjustments related to merit increases are included within the Operations & Maintenance contingency accounts (Unallocated Reserve) of the financial plan. Holding the Salaries & Wages at the current FY 2020 rates will result in a reduction of \$2,150,800 to the FY 2021 financial plan.

FY 2021 Charges Adjustment “Deferral 2” Column Notes through December 31, 2020

- On September 20, 2020 GLWA experienced a fire on the fifth floor of the Complex II building located at the Water Resourced Recovery Facility. It is believed that the fire started on conveyor belt “N” that supplies other conveyors that transport dewatered sludge “cake” to the multiple hearth incinerators 11 through 14. The fire damage includes the conveyor system, adjacent electrical, control conduit and wiring, and



some of the nearby steel structure. Additionally, soot adhered to a large portion of the building's ceiling steel members. GLWA is taking a two-phase approach for the restoration. Phase 1 is to restore the conveyance system as quickly as possible in order to safely resume incineration operations. Phase 2 is to procure a design/builder to complete a more detailed condition assessment of the area and to rehabilitate the remaining damaged assets that were not restored in phase 1. This will also include the removal of the soot from the steel structure. At this point the cost of the total restoration is unknown. The expected total cost for the restoration of the fire damage is between \$2 to \$3 million. At this time, we do not anticipate any improvements that would be outside of the insurance coverage. A budget amendment, in the amount of \$1,000,000, will be created to move budget from the Wastewater System Operations Unallocated Reserve to the Wastewater Fire Damage cost center to cover the deductible and anticipating that these costs will be operating in nature.



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

ADDENDUM 1
Enterprise-wide Operations & Maintenance
Department and Account Level Amendments

Departmental and Account Level Amendments	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments	Explanation of Key Items
A Water System Operations	(1,146,600)		(1,146,600)	
Northeast Water Plant	(405,600)		(405,600)	
Contractual Services	(405,600)		(405,600)	Reduction due to the review of the history and plans for usage of various contracts in FY 2021. Contracts included in this section are Mobile Dredging, "As Needed" Specialty contracts, and Testing and Inspection services.
Springwells Water Plant	(304,100)		(304,100)	
Contractual Services	(304,100)		(304,100)	Same explanation as for Northeast Water Plant above.
Unallocated Reserve - Water System Operations	(436,900)		(436,900)	
Unallocated Reserve	(436,900)		(436,900)	
B Wastewater System Operations	(701,300)	0	(701,300)	
Unallocated Reserve - Wastewater System Operation	(701,300)	(1,000,000)	(1,701,300)	See explanations for both Deferral 1 and 2 in the introduction section of Addendum 1.
Unallocated Reserve	(701,300)	(1,000,000)	(1,701,300)	
Wastewater Fire Damage		1,000,000	1,000,000	
Supplies & Other		1,000,000	1,000,000	
C Centralized Services	(2,382,900)		(2,382,900)	
Asset Management	(539,300)		(539,300)	
Contractual Services	(312,500)		(312,500)	The start date of the Water Transmission System Pipe Integrity Program was delayed due to COVID-19.
Personnel Costs	(226,800)		(226,800)	
Info Technology Infrastructure	(350,000)		(350,000)	
Supplies & Other	(350,000)		(350,000)	The SQL Server Licenses, previously purchased separately, are now incorporated into the Microsoft Enterprise License Agreement which has resulted in a decrease to the FY 2021 budget. In addition a decommissioning of servers has resulted in a reduced number of required Red Hat licenses.
Info Technology Service Delivery	(250,000)		(250,000)	
Supplies & Other	(250,000)		(250,000)	The Microsoft Desktop Operating Licenses, previously purchased separately, are now incorporated into the Microsoft Enterprise License Agreement which has resulted in a decrease to the FY 2021 budget.
Systems Analytics	(439,400)		(439,400)	
Personnel Costs	(439,400)		(439,400)	
Systems Planning	(161,300)		(161,300)	
Personnel Costs	(161,300)		(161,300)	
Unallocated Reserve - Centralized Services	(642,900)		(642,900)	
Unallocated Reserve	(642,900)		(642,900)	



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

ADDENDUM 1 (continued)
Enterprise-wide Operations & Maintenance
Department and Account Level Amendments

D Administrative & Other Services	(1,419,200)	(1,419,200)	
Chief Administrative Officer	(39,900)	(39,900)	
Personnel Costs	(39,900)	(39,900)	
Data Analytics & Internal Audit	(83,000)	(83,000)	
Personnel Costs	(83,000)	(83,000)	
Enterprise Risk Management and Safety	(418,500)	(418,500)	
Contractual Services	(250,000)	(250,000)	The Environmental Health & Safety Compliance Services contract is utilized on an as needed basis. The need for these services will be reduced in FY 2021 due to the number of GLWA team members working from home in response to COVID-19.
Personnel Costs	(168,500)	(168,500)	
Financial Planning & Analysis	(63,000)	(63,000)	
Personnel Costs	(63,000)	(63,000)	
General Counsel	(100,000)	(100,000)	
Contractual Services	(100,000)	(100,000)	
Public Affairs	(45,100)	(45,100)	
Personnel Costs	(45,100)	(45,100)	
Transformation	(300,000)	(300,000)	
Personnel Costs	(300,000)	(300,000)	
Unallocated Reserve - Administrative Services	(369,700)	(369,700)	
Unallocated Reserve	(369,700)	(369,700)	
Grand Total	(5,650,000)	0	(5,650,000)

Totals may be off due to rounding



Quarterly Budget Amendment Report
FY 2021 Ending September 30, 2020

ADDENDUM 2

Supplemental Information –

Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments

The table in Addendum 2 summarizes the FY 2021 budget amendments for operations & maintenance by the major expense categories (account type). The explanations for the larger items can be found in Addendum 1.

Expense Categories and Departmental Level Amendments	Deferral 1 through 9/30/2020	Deferral 2 through 12/31/2020	Total 1st Quarter FY 2021 Amendments
Contractual Services	(1,372,200)		(1,372,200)
Asset Management	(312,500)		(312,500)
Enterprise Risk Management and Safety	(250,000)		(250,000)
General Counsel	(100,000)		(100,000)
Northeast Water Plant	(405,600)		(405,600)
Springwells Water Plant	(304,100)		(304,100)
Personnel Costs	(1,527,000)		(1,527,000)
Asset Management	(226,800)		(226,800)
Chief Administrative Officer	(39,900)		(39,900)
Data Analytics & Internal Audit	(83,000)		(83,000)
Enterprise Risk Management and Safety	(168,500)		(168,500)
Financial Planning & Analysis	(63,000)		(63,000)
Public Affairs	(45,100)		(45,100)
Systems Analytics	(439,400)		(439,400)
Systems Planning	(161,300)		(161,300)
Transformation	(300,000)		(300,000)
Supplies & Other	(600,000)	1,000,000	400,000
Info Technology Infrastructure	(350,000)		(350,000)
Info Technology Service Delivery	(250,000)		(250,000)
Wastewater Fire Damage		1,000,000	1,000,000
Unallocated Reserve	(2,150,800)	(1,000,000)	(3,150,800)
Unallocated Reserve - Administrative Services	(369,700)		(369,700)
Unallocated Reserve - Centralized Services	(642,900)		(642,900)
Unallocated Reserve - Wastewater System Operations	(701,300)	(1,000,000)	(1,701,300)
Unallocated Reserve - Water System Operations	(436,900)		(436,900)
Grand Total	(5,650,000)	0	(5,650,000)

Totals may be off due to rounding

..Title

Resolution to Approve the Proposed FY 2021 Budget Reductions

..Body

Agenda of: October 28, 2020

Item No.:

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: October 23, 2020

RE: Proposed FY 2021 First Quarter Budget Amendments

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) **Proposed FY 2021 First Quarter Budget Amendments as presented**; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On March 11, 2020, the Board adopted [Resolution 2020-083, “Resolution Regarding Approval of FY 2021 Schedule of Service Charges”](#) (the Charges). Since the Board took that action, the COVID-19 pandemic afflicted the United States, causing President Donald Trump to declare a national emergency and Michigan Governor Gretchen Whitmer to declare a state of emergency in Michigan. Further, Governor Whitmer issued Stay Home/ Stay Safe Orders, which currently run through April 30, 2020. In addition, Governor Whitmer issued orders preventing local utilities from discontinuing water service during the declared State of Emergency.

In response to the COVID-19 pandemic, the recommendation to change the effective date for the implementation of 2020-083 “Resolution Regarding Approval of FY 2021 Schedule of Service Charges,” from July 1, 2020 to October 1, 2020 was presented to the Board of

Directors (Board) of the Great Lakes Water Authority (GLWA) at the GLWA board meeting on April 22, 2020. The plan for an operational and budget reduction was presented to the Board at its meeting on June 24, 2020.

While Michigan has seen positive results from its efforts to slow the spread of the COVID-19 virus, the ultimate duration and impact of the virus continue to remain unclear. Similarly, the duration and effects of the COVID-19 pandemic on the national economy, Michigan economy, and local economies within the GLWA service area remains unknown. In response, on September 23, 2020, the GLWA Board of Directors approved the deferral of the effective date for the FY 2021 Schedule of Service Charges from October 1, 2020 to January 1, 2021.

JUSTIFICATION

By delaying the effective date of its adjustment to the Charges by one half of the fiscal year, GLWA member partners will experience a 50% percent decrease in the increase to their wholesale water and/or sewer costs for FY 2021. This decrease will allow the member-partner utilities to have the flexibility to adjust their operations and cash flows in order to better provide service to their customers and account for any potential lag in collections. Similarly, GLWA is able to make necessary spending and/or budget adjustments as the impact of the current COVID-19 pandemic is better understood. Based on what we know to date, the proposed budget amendments for the first quarter FY 2021 have been prepared (a) reflecting the impact of the COVID-19 pandemic on GLWA's operations and revenues and (b) allowing GLWA to continue to operate in a fiscally prudent manner with a balanced budget. Attached is a communication to the Audit Committee dated October 23, 2020 which proposes the budget amendments for the first quarter of FY 2021.

BUDGET IMPACT

The delay of the effective date of the FY 2021 Schedule of Service Charges and the reduction in Investment Earnings will reduce the revenue available for water operations by approximately \$5,313,300 and for sewer operations by \$9,860,300. The plan for the proposed FY 2021 budget reductions, attached, fully addresses this revenue reduction for the combined total of \$15,173,600.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on October 23, 2020. The Audit Committee ***[insert action after Audit Committee]*** the proposed FY 2021 budget reductions as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

Great Lakes Water Authority

Resolution 2021 - XXX

Resolution Adopting the Budget Amendments through the First Quarter of FY 2021

By Board Member:

WHEREAS The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

WHEREAS In accordance with the by-laws of the GLWA, further defined by its budget amendment policy, the Board shall amend the budget as needed based upon a quarterly report from the Chief Financial Officer; and

WHEREAS The GLWA Board adopted the FY 2021 budget on March 11, 2020 for the twelve-month fiscal year beginning July 1, 2020;

WHEREAS Following a review of the budget amendment report through the FY 2021 First Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer systems are amended as shown in the table below;

General Operating Appropriation Category	Water System		Sewer System	
Revenues	Adopted	Amended	Adopted	Amended
Suburban Wholesale Customer Charges	\$ 314,252,200	\$ 313,133,600	\$ 277,011,800	\$ 274,053,500
Retail Service Charges	22,555,400	21,925,500	190,112,100	187,959,700
Industrial Waste Control Charges	-	-	8,775,400	8,683,300
Pollutant Surcharges	-	-	5,262,800	5,207,600
Investment Earnings	4,834,400	1,269,600	5,589,200	986,900
Other Revenues	-	-	-	-
Total Revenues	<u>\$ 341,642,000</u>	<u>\$ 336,328,700</u>	<u>\$ 486,751,300</u>	<u>\$ 476,891,000</u>
Revenue Requirements				
Operations & Maintenance Expense	\$ 137,127,300	\$ 134,127,300	\$ 184,946,100	\$ 182,296,000
General Retirement System Legacy Pension	6,048,000	No Change	10,824,000	No Change
Debt Service	143,189,900	137,436,000	209,739,900	201,780,400
General Retirement System Accelerated Pension	6,268,300	No Change	11,620,700	No Change
Extraordinary Repair & Replacement Deposit	-	-	-	-
Water Residential Assistance Program Contributi	1,669,400	No Change	2,415,100	No Change
Lease Payment	22,500,000	No Change	27,500,000	No Change
Operating Reserve Deposit	876,600	-	-	-
DWSD Budget Shortfall Pending	-	-	-	-
Improvement & Extension Fund Transfer	23,962,500	28,279,700	39,705,500	40,454,800
Total Revenue Requirements	<u>\$ 341,642,000</u>	<u>\$ 336,328,700</u>	<u>\$ 486,751,300</u>	<u>\$ 476,891,000</u>

WHEREAS Following a review of the budget amendment report through the FY 2021 First Quarter, the appropriations established with the adoption of the improvement and

extension fund budget for the water system and the sewer systems are amended as shown in the table below;

Improvement & Extension Fund				
Appropriation Category	Water System		Sewer System	
Revenues	Adopted	Amended	Adopted	Amended
Transfers In from General Operating	\$ 23,962,500	\$ 28,279,700	\$ 39,705,500	\$ 40,454,800
Receipt of DWSD Shortfall Loan	-	-	19,288,300	No Change
Earnings on Investments	-	-	-	-
Net Use of Reserves	68,929,500	64,612,300	3,987,300	3,238,000
Total Revenues	<u>\$ 92,892,000</u>	<u>\$ 92,892,000</u>	<u>\$ 62,981,100</u>	<u>\$ 62,981,100</u>
Expenditures				
Water System Revenue Transfers Out	\$ -	\$ -	\$ -	\$ -
Capital Improvement Plan-I&E Funded	-	-	-	-
Capital Outlay	17,892,000	No Change	20,481,100	No Change
Revenue Financed Capital - Opoerating				
Transfer to Construction Fund	75,000,000	No Change	42,500,000	No Change
Total Expenditures	<u>\$ 92,892,000</u>	<u>\$ 92,892,000</u>	<u>\$ 62,981,100</u>	<u>\$ 62,981,100</u>

WHEREAS Following a review of the budget amendment report through the FY 2021 First Quarter, the appropriations established with the adoption of the construction bond fund budget for the water system and the sewer systems are amended as shown in the table below;

Construction Bond Fund				
Appropriation Category	Water System		Sewer System	
Revenues	Adopted	Amended	Adopted	Amended
Transfer from Improvement & Extension Fund	\$ 75,000,000	No Change	\$ 42,500,000	No Change
Bond Proceeds	-	-	-	-
Grant Revenues (SRF Loans)	12,365,800	No Change	33,200,000	No Change
Earnings on Investments	820,400	180,500	497,700	109,500
Net Use of Reserves	22,486,800	23,126,700	6,781,300	7,169,500
Total Revenues	<u>\$ 110,673,000</u>	<u>\$ 110,673,000</u>	<u>\$ 82,979,000</u>	<u>\$ 82,979,000</u>
Expenditures				
Project Expenditures	\$ 110,673,000	No Change	\$ 82,979,000	No Change
Total Expenditures	<u>\$ 110,673,000</u>	<u>\$ 110,673,000</u>	<u>\$ 82,979,000</u>	<u>\$ 82,979,000</u>

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meetings on October 23, 2020; and

WHEREAS An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board approves the FY 2021 First Quarter Budget Amendments; and be it finally

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

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

Re: Proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program

Background: Recently, the GLWA Board of Directors approved an amendment to the Chief Executive Officer's contract which included provisions to strengthen GLWA's commitment to Affordability, Equity, and Inclusion. An excerpt is provided below as it relates to GLWA's procurement efforts [emphasis added].

I. Affordability, Equity, and Inclusion

Section II of this Attachment C below indicates that GLWA's CEO, "[S]hall utilize the principles of Effective Utility Management (EUM) to carry out her responsibilities for the general supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA's mission and values." Equally important to the Board is that in carrying out these duties the CEO be similarly guided by the principles of affordability, equity, and inclusion. While always present as guidestones, the principles of affordability, equity, and inclusion are especially important to the Board because of the national pandemic and its impact on individuals, families, businesses, and member-partner communities located within GLWA's territory area.

GLWA was founded upon a principle of affordability with the 4% promise contained in the initial Memorandum of Understanding that lead to GLWA's establishment. It is especially important in this time of economic uncertainty that GLWA look at strategies to contain costs while providing water of unquestionable quality to the region.

Similarly, GLWA has an opportunity and a responsibility to provide opportunities to businesses located within its service area. Historically many of those businesses have faced obstacles to participation in procurements on a competitive basis. The Board will consider revisions to the Procurement Policy, however, under the existing Policy or an amended Policy, the CEO should strive to **present opportunities for small and disadvantaged business within its service area to effectively compete and do business**

with GLWA. Over the long-term, this allows GLWA to expand its pool of skilled resources, support economic development throughout the region, and provide competitive pricing in its procurements.

The Board also believes that having a team within GLWA that is reflective of the GLWA's territory area with a diversity of perspectives is important to its long-term success. This focus on workforce recruitment, development, and retention should not be limited to existing team members. GLWA should continue and expand its outreach to the region it serves to promote opportunities through, apprenticeship programs, or other partnerships with stakeholders such as member-partners, labor unions, educational institutions, and trade groups that are focused on technical and leadership opportunities within the water service sector.

Analysis: In carrying out the Board's request, staff has drafted proposed amendments to the GLWA Procurement Policy to address the above objectives. Attached are the following.

1. Presentation which highlights the proposed amendments and related next steps for implementation.
2. Mark-up version of the Procurement Policy with the above proposed changes.

Proposed Action: The GLWA Audit Committee recommends that the proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program be reviewed by the Board of Directors to initiate the approval of an amended Procurement Policy.

Proposed Procurement Policy Update

Business Inclusion & Diversity (BID) Program

Presented to Audit Committee

October 23, 2020



Background



Business Inclusion & Diversity (BID) Program Objectives

- ✓ Key: Board Level Support
- ✓ Requested by Board through recently approved CEO contract amendment
- ✓ Excerpt (emphasis added):
GLWA has an opportunity and a responsibility to provide opportunities to businesses located within its service area. Historically many of those businesses have faced obstacles to participation in procurements on a competitive basis. The Board will consider revisions to the Procurement Policy, however, under the existing Policy or an amended Policy, the CEO should strive to **present opportunities for small and disadvantaged business within its service area to effectively compete and do business with GLWA. Over the long-term, this allows GLWA to expand its pool of skilled resources, support economic development throughout the region, and provide competitive pricing in its procurements.**

Proposed Procurement Policy Revisions



Definitions Added

u) Socially and Economically Disadvantaged Business Enterprise (DBE) –

A business owned, operated, and controlled by African Americans, Hispanics, Native Americans, Asian-Pacific and Asian Subcontinent Asian Americans, women, or disabled individuals. Proof of DBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.

v) Economically Disadvantaged Territory Area Business Enterprise (EDTAE) – A business which is:

- i. Located in the GLWA Territory Area; and
- ii. Located in a municipality designated as having one of the five lowest median household incomes in that respective county as defined by the decennial census.

Definitions Added *(continued)*

TBD #) Minority Business Enterprise (MBE) – A business that is at least 51% minority-owned operated and controlled. Proof of MBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.

TBD #) Small Business Enterprise (SBE)- A business that meets the size standards as defined by the U.S. Small Business Administration. Proof of SBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.

TBD #) Woman-owned Business Enterprise (WBE)- A business that is at least 51% woman-owned operated and controlled. Proof of WBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.

Section Added – Business Inclusion & Diversity Plan

4.5 Business Inclusion & Diversity Plan

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.

- In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.
- The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information.

Section Added – Economic Equity and Development

4.6 Economic Equity and Development

As a regional water authority, GLWA is committed to providing economic development opportunities to the state of Michigan and Territory Area and in both services provided and as a partner to the business community.

- a. To foster economic development, for all solicitations; solicitation scoring scales will include the following for a business presence:
 - i. State of Michigan 1%
 - ii. Territory Area 1%, with a cumulative total of 2% for Territory Area and state business presence
 - iii. Disadvantaged GLWA Territory business enterprise 1%, with a cumulative total of 3% for Territory Area, state, and disadvantaged business presence within Territory area.
- b. State business presence is defined as those businesses that pay Michigan Single Business Tax.

Language Removed

- **SECTION 5 – SOLICITATION DEVELOPMENT**

- **Solicitation Development and Advertisement**

Solicitations shall be developed in a manner that allows and promotes open competition. ~~To the extent allowable by law, GLWA will use its best efforts within the competitive solicitation requirements to achieve fairness in the number and value of contracts for Goods and Services with (1) with Potential Vendors from the Territory Area; and (2) try to meet the needs of the small business community by providing opportunities, when economically feasible, that may include, but are not limited to, unbundling large contracts, pre-qualification of vendors, and cooperative procurement.~~

Next Steps



Next Steps

1. Month 1 (October 2020) Audit Committee: Obtain Audit Committee recommendation to Board of Directors for review of Procurement Policy revisions
2. Month 1 (October 2020) Board: Initiate Board approval of Procurement Policy revisions
3. Month After Approval - Audit Committee: Present rollout plan to implement approved policy revisions as it relates to the three elements of a program implementation: people, process, technology
4. Month After Approval - Board: Provide progress update
5. Month 2 after Approval - Audit Committee:
 - Present Phase I (communication plan and quick start process improvements for certifications and solicitation scoring)
 - Phase II (comprehensive program rollout)
6. Month 2 after Approval - Board: Provide progress update
7. Month 3 after Approval : Launch Phase I (Communication and Quick Start)
8. Month 6 after Approval : Launch Phase II (Comprehensive Program addressing people, process, and technology)

GLWA

Great Lakes Water Authority



PROCUREMENT POLICY

Working Draft

October 23, 2020

***Audit Committee Discussion of
Business Inclusion & Diversity (BID) Program***



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SECTION 1 - INTRODUCTION

1.1 Purpose

This Policy shall be known as the Great Lakes Water Authority (GLWA) Procurement Policy. The purpose of this Policy is to define the parameters for procurement of, and contracting for, Goods and Services.

1.2 Scope

This Policy shall govern all GLWA procurement activities and encompass all phases of the procurement process. This Policy is implemented through Procedures. If there are additional procurement requirements for federal or state funded projects or initiatives, then those additional provisions shall also apply. This Policy applies to all current Vendors and Potential Vendors. If the Vendor uses Subcontractors, this Policy applies to them as well. This Policy shall not apply to matters involving the procurement of Goods or Services that are specifically excluded or exempted within this Policy.

1.3 Exclusions

Exclusions to this Policy include (a) the selection of an independent certified public accounting firm to perform financial audits¹ and (b) the following Board adopted policies: (i) Investment Policy, (ii) Debt Management Policy, (iii) Settlement Policy, (iv) Asset Disposal Policy, and (v) any other Board adopted policy which states that it is excluded from this Policy.

1.4 Responsibility

The CEO, CFO, and the CPO are responsible for guaranteeing the effective implementation of this Policy. The CEO is responsible for enforcing this Policy by taking all necessary measures to guarantee its purpose is accomplished. The CPO is responsible for establishing Procedures in accordance with this Policy and training Representatives on both the Policy and Procedures. The CPO is a role defined by this Policy that is assigned to a Representative by the CEO based upon a recommendation from the CFO.

1.5 Review and Revisions

This Policy may be amended from time-to-time, as is necessary, to meet GLWA's Procurement needs. No later than five (5) years after the Board's approval of this Policy, GLWA administration shall conduct a comprehensive review of this Policy, report to the Board on the results of that review, and if necessary, recommend amendments or revisions to the Policy to the Board for its review and approval.

Policy revisions, if any, will be made available to the public. A history of Policy revisions, comprised of Board approved dates and a generalized reason for the same, shall be maintained by the CPO.

¹ See Articles of Incorporation, Article 7(J).
GLWA Procurement Policy rev. 11.14.18



1.6 Ethics and Code of Conduct

At every phase of procurement, this Policy and its Procedures shall insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices.

1.6.1 Representatives

Representatives shall be free from real or perceived Conflicts of Interest that could adversely impact their judgment, objectivity, or fiduciary responsibilities to GLWA and the public or otherwise adversely impact GLWA's reputation. All procurements shall be conducted in compliance with the Articles of Incorporation, this Policy and its related Procedures, and other GLWA policies and procedures, and applicable laws.

Representatives shall immediately report their own and others' real or perceived Conflict of Interest to their supervisor, the CPO, or the Executive Leadership.

Each December, the Board, the Executive Leadership, the CPO, and all procurement personnel shall complete a Conflict of Interest form. The CPO shall maintain the form in the CPO's official records.

1.6.2 Board Members

For Solicitations or for Solicitations which the Board member has been advised or believes will be solicited within the next sixty (60) days, the Board member is discouraged from having any contact with Potential Vendors related to the Solicitation. In the event contact is made, the Board member shall, as soon as possible, report that contact at the next regularly scheduled Board meeting. In addition, Board members shall not participate in the development of Solicitations and shall not participate as an Evaluator for any Solicitation, except for the selection of an independent certified public accounting firm to conduct annual financial audits.

1.6.3 Vendors

For a Solicitation or for Solicitations which a current or Potential Vendor has been advised or believes will be solicited within the next sixty (60) days, all Vendor contact relative to that Solicitation shall solely be with the Buyer. Potential Vendors that contact Representatives, other than the Buyer identified in the Solicitation, relative to the Solicitation prior to award could be subject to disciplinary action, that could include the disqualification from the Solicitation, termination of existing Contracts or Assumed Contracts, debarment and/or suspension.

1.7 Competency

The CPO shall ensure that Representatives are competent, as well as know and understand this Policy and its related Procedures to implement procurement activities efficiently, objectively, and accurately.



1.8 Definitions

- a) Articles of Incorporation – The GLWA Articles of Incorporation.
- b) Assumed Contract – A contract or purchase order with a vendor that was originally executed by the Detroit Water & Sewerage Department and assumed by GLWA on the operational effective date of GLWA on January 1, 2016. Amendments, extensions, and renewals of assumed contracts are subject to the approval levels established by this Policy.
- c) Best Value - A procurement method that emphasizes value over price by assessing the return that can be achieved based on the total life cycle cost of the item. This may include an analysis of the functionality of the item and/or cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- d) Blanket Purchase Orders - A blanket purchase order allows for multiple delivery dates over a pre-determined period of time with negotiated standardized pricing. Blanket purchase orders are used where there is a recurring need or for emergency procurements.
- e) Board – the Board of Directors of GLWA and the governing body to which the CEO and the CPO are accountable for establishing, maintaining and monitoring procurement functions within the parameters of this Policy.
- f) Buyer – Representative authorized by the CPO to purchase, or contract for Goods and Services.
- g) CACO – The Chief Administrative and Compliance Officer of GLWA.
- h) CEO – The Chief Executive Officer of GLWA.
- i) CFO - The Chief Financial Officer/Treasurer of GLWA.
- j) Chief Security and Integrity Officer - The Chief Security and Integrity Officer of GLWA.
- k) Competitive Bids or Bidding – A transparent procurement method by which Potential Vendors are invited to bid in an open solicitation of the scope, specifications, Evaluation Criteria, and terms and conditions of a proposed Contract. Bids are sealed until after the posted due date and time.
- l) Competitive Quotations – A procurement method in which pricing is requested from several Potential Vendors and the most responsive one is chosen. Competitive quotations are generally used for Small Purchases as an Invitation to Quote (ITQ).
- m) Concentration Risk Evaluation – An evaluation of operational risk when a Vendor provides too great a percentage of a Good or Service that could negatively impact GLWA operations if that Vendor encountered a failure to deliver a Good or Service.
- n) Conflict of Interest – A potential situation that may undermine the impartiality of a person because of the possibility of a divergence between the person's self-interest as well as their professional and public interest.



- o) Contract – A written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction. A Purchase Order is an acceptable form of Contract.
- p) Contract Amendment – A modification to the Contract terms and conditions.
- q) Contract Extension– An action to extend a Contract expiration date pursuant to a provision in the original Contract and upon written agreement by GLWA and the Vendor.
- r) Contract Renewal – The exercise of a Contract renewal option where continuation of existing Goods or Services from the Vendor is desirable for purposes of continuity or compatibility.
- s) Cooperative Procurement – The use of a purchasing program, in which GLWA is extended or extends the same pricing and terms of a contract for the purchase of Goods or Services.
- t) CPO - The Chief Procurement Officer of GLWA.

Note: subsequent definitions would be renumbered.

- u) **Socially and Economically Disadvantaged Business Enterprise (DBE) – A business owned, operated, and controlled by African Americans, Hispanics, Native Americans, Asian-Pacific and Asian Subcontinent Asian Americans, women, or disabled individuals. Proof of DBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.**
- v) **Economically Disadvantaged Territory Area Business Enterprise (EDTABE) – A business which is:**
 - i. **Located in the GLWA Territory Area; and**
 - ii. **Located in a municipality designated as having one of the five lowest median household incomes in that respective county as defined by the decennial census.**
- w) Economically Feasible - The benefit of a course of action outweighs the cost of that action.
- x) Emergency Procurement – A procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- y) Enterprise Risk Management – GLWA's operating group within the Administrative & Compliance Services Area.
- z) Evaluation Criteria - Qualitative factors that Evaluators will use to evaluate and score a proposal to select the most-qualified Vendor. The factors may include: past performance, references, management and technical capability, price, quality, and performance requirements.



- aa) Evaluator - A member of a committee established to conduct the evaluation of proposals, interviews, and negotiations during the Solicitation process for a Good or Service.
- bb) Executive Leadership – The CEO, CFO, CACO, Chief Security and Integrity Officer, General Counsel, Chief Operating Officer - Water and Field Services, Chief Operating Officer- Wastewater, Chief Planning Officer, Chief Organizational Development Officer, Chief Public Affairs Officer, and Chief Information Officer of GLWA.
- aa) General Counsel – The General Counsel of GLWA.
- bb) GLWA – The Great Lakes Water Authority.
- cc) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature provided to GLWA.
- dd) Initial Term – The original, approved length of the Contract excluding renewals and/or extensions.
- ee) Intergovernmental Agreement – An agreement between GLWA and another governmental entity or entities.
- ff) Job Order Contract - A Contract for a specified time period for Goods or Services based the subsequent issuance of defined, written orders based upon previously bid or negotiated fees and unit prices.
- gg) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.
- hh) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- ii) **Minority Business Enterprise (MBE) – A business that is at least 51% minority-owned operated and controlled. Proof of MBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.**
- ii) Notice of Intent to Award – Notification by GLWA to a Vendor of its intended contract award. The Contract still has to be formally approved.
- jj) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- kk) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- ll) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- mm) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- nn) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance.



Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.

- oo) Purchase Order (PO) - A short form of Contract indicating types, quantities, payment terms and prices for Goods or Services.
- pp) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- qq) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- rr) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- ss) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- tt) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers, contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
- uu) Request for Proposal (RFP) – The Solicitation document used in the competitive proposal process in which the proposals are evaluated based on their technical standards and other criteria. Negotiations with Potential Vendors, prior to final selection and award of a contract, is permissible.
- vv) Request for Qualifications (RFQ) – The Solicitation document used to obtain qualifications from Potential Vendors in advance of the issuance of an RFB or an RFP.
- ww) Requestor – The GLWA area, group, team, or stakeholder group for whom the Buyer collaborates with in procuring requested goods or services for use in carrying out the Requestor's functional responsibilities.
- xx) Scope of Work – Initiated by the Requestor and is a written description of the entity's needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation.
- yy) Services – The performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. Services include Professional Services, utilities, insurance, printing, information technology, janitorial, fleet



management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.

- xx) **Small Business Enterprise (SBE)- A business that meets the size standards as defined by the U.S. Small Business Administration. Proof of SBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.**
- zz) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished through informal quotations, benchmarking, or Specialized Procurement. Procurement requirements shall not be artificially divided to constitute a Small Purchase. ITQ and telephone calls, which are documented, are acceptable methods of soliciting quotations.
- aaa) Solicitation - A RFB, RFI, RFP, RFQ and competitive quotation requests for Small Purchases or any document used by the Buyer to obtain competitive bids or proposals for the purpose of entering into a Contract.
- bbb) Specialized Procurement – A procurement in which there may be multiple sources of supply, but one Vendor possesses the unique ability or capability to meet the particular requirements of the Solicitation and/or where a unique expertise is provided by a Vendor that is unattainable in the market in a competitive environment. Specialized Procurements require written justification by the Requestor and must be approved by the CEO, CEO's designee, or the CPO and must take into consideration Best Value. This decision to designate a procurement as a Specialized Procurement may be based on lack of competition, monopoly market, proprietary product or technology, licensing, copyright, standardization, warranty, or a supplier's unique capability.
- ccc) Subcontractor– A person or business which has a contract with a Vendor to provide some portion of the Goods or Services and which does not hold a suspended or debarred status.
- ddd) Territory Area – The municipalities where GLWA provides water supply and sewage disposal services.
- eee) **Women Business Enterprise (WBE)- A business that is at least 51% woman-owned operated and controlled. Proof of WBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.**
- eee) Vendor – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or Services.
 - i. Potential Vendor – A person or entity that submits a response to a Solicitation.
 - ii. Qualified Vendor – A Vendor that a) meets, or exceeds, the specifications prescribed in the Solicitation, b) has not defaulted on a previous Contract or Assumed Contract, c) has not been suspended or disbarred as defined in Section 12, and d) is not excluded pursuant to GLWA By-Laws, Article XIII – Conflicts of Interest, Section 2, which “prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively



reflects on the person's business integrity.”

- iii. Responsible Vendor – A status achieved when a Potential Vendor meets every minimum qualification, or other requirement, in the applicable Solicitation and does not hold a status of suspended or debarred.
 - iv. Responsive Vendor – A status achieved when a Potential Vendor timely submits bid, proposal or response conforms to all material requirements of the Solicitation.
- fff) Vendor Debarment – See Section 13.1.2
- ggg) Vendor Suspension – See Section 13.1.1



SECTION 2 - AUTHORITY

2.1 Contracting Authority

The Board shall approve all Contracts where; (a) the total compensation, including change orders, exceeds 1,000,000 dollars or (b) the term, including Contract Extensions or change orders, exceeds 5 years, prior to the CEO or the CEO's designee executing the Contract. Without Board approval, the CEO or the CEO's designee may execute Contracts, which do not exceed the total compensation and/or term referenced above. The CEO or the CEO's designee shall not purposefully divide Contracts to avoid Board approval.

Contract approvals by the Board contemplate all Contract Extensions.

2.2 Management of Procurement

The CPO shall manage the procurement of Goods or Services. Except for Emergency Procurements, oral agreements are expressly prohibited and unenforceable against GLWA. Except for Emergency Procurements, GLWA only becomes financially and legally responsible when the Contract is fully executed. Work shall not begin until a Notice to Proceed is provided to the Qualified Vendor.

2.3 Delegation of Authority

The CEO delegates his/her authority to the CPO to manage the procurement of Goods and Services. The CEO's delegation of authority to the CPO can be revoked at any time. The CEO shall advise the Board of the revocation as a written communication.

SECTION 3 – EMERGENCY PROCUREMENTS

3.1 Waiver of Competitive Procurement

GLWA shall not be required to use competitive procurement for an Emergency Procurement. However, in the event of an Emergency Procurement, competitive procedures, as practicable, should be used to procure the Goods and/or Services.

3.2 Documentation of Emergency Procurement

- a. In the event of an emergency requiring use of an Emergency Procurement, the Buyer authorizing an Emergency Procurement shall, as soon as possible but no later than 24 hours following that authorization, provide written notice to the CPO and CEO of the basis for the determination to utilize an Emergency Procurement.
- b. If a Vendor is supplying Goods and/or Services pursuant to an Emergency Procurement, the Vendor shall as quickly as possible be given an authorized Letter of Intent from the CPO stating the Emergency Procurement and that a Contract will be issued as soon as circumstances allow. GLWA is not financially, or otherwise responsible, for Goods and/or Services, unless authorized by the CPO.
- c. Blanket Purchase Orders may be used for Emergency Procurements.



3.3 Report to Board

The CEO or the CEO's designee shall generate a report to include details surrounding the emergency procurement and budgetary impact for submittal to the Board at or before the next regularly scheduled Board Meeting.

SECTION 4 – COMPETITIVE BIDDING

4.1 Procurement of Goods and Services

Procurement shall be performed using financially responsible methods, ethics, fair and best business practices to promote competitiveness and provide the public with outstanding services and products, and which efficiently and effectively meet the needs of GLWA.

Unless an exception applies, all procurements shall use competitive transparent procurement methods to secure the best value for GLWA. Exceptions to Competitive Bidding shall follow all other provisions to this Policy.

4.2 Exceptions to Competitive Bidding

Exceptions to Competitive Bidding include: (a) Specialized Procurements, (b) Emergency Procurements, and (c) Intergovernmental Agreements and Cooperative Procurements.

Specialized Procurements and Emergency Procurements require the written approval of the CEO, the CEO's designee, or the CPO. Information technology and legal Services are considered Specialized Procurements.

4.3 Funding Sources

Prior to the initiation of the procurement, the funding source must be established within an approved budget and approved by the CFO or the CFO's designee. Funding sources may include Operation & Maintenance funds, bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

4.4 Pre-Qualification of Vendors

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.



4.5 Business Inclusion & Diversity Plan

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.

- a. **In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.**
- b. **The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information.**

4.6 Economic Equity and Development

As a regional water authority, GLWA provides economic development opportunities to the Territory As a regional water authority, GLWA is committed to providing economic development opportunities to the state of Michigan and Territory Area and in both services provided and as a partner to the business community.

- a. **To foster economic development, for all solicitations, solicitation scoring scales will include the following for a business presence:**
 - i. **State of Michigan 1%**
 - ii. **Territory Area 1%, with a cumulative total of 2% for Territory Area and state business presence**
 - iii. **Disadvantaged GLWA Territory business enterprise 1%, with a cumulative total of 3% for Territory Area, state, and disadvantaged business presence within Territory area.**
- b. **State business presence is defined as those businesses that pay Michigan Single Business Tax.**



4.5 Intergovernmental Agreements and Cooperative Procurements

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct or administer a Cooperative Procurement program.

SECTION 5 – SOLICITATION DEVELOPMENT

5.1 Solicitation Development and Advertisement

Solicitations shall be developed in a manner that allows and promotes open competition. ~~To the extent allowable by law, GLWA will use its best efforts within the competitive solicitation requirements to achieve fairness in the number and value of contracts for Goods and Services (1) with Potential Vendors from the Territory Area; and (2) try to meet the needs of the small business community by providing opportunities, when economically feasible, that may include, but are not limited to, unbundling large contracts, pre-qualification of vendors, and cooperative procurement.~~

The Buyer's role is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.

5.2 Methods of Solicitation

Unless there is an exclusion or exception applies, GLWA shall procure all Goods and Services using the Solicitations as outlined in this Policy.

5.3 Vendor Involvement in Preparing the Solicitation

Vendors engaged or contracted to prepare the Solicitation, including the scope of work, shall be precluded from bidding on the Solicitation as a Vendor or as a Subcontractor.

5.4 Professional Services

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services, including legal, accounting, and actuarial services, shall be in accordance with a Best Value method of procurement.



5.5 Capital Program Methods and Alternatives

The capital investment intensive nature of GLWA's operations necessitates the procurement process to provide for contracting methods and alternatives that should be identified in the Solicitation to foster innovation and best practices in the delivery of the capital program.

5.5.1 Traditional Project Delivery Methods

Traditional contracting methods may include design-bid-build or design-build.

5.5.2 Alternative Technical Proposals (ATP)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors are encouraged (where specified in the solicitation) to provide an alternative proposal(s) that may better meet the needs of GLWA. The alternative proposal may include evolving technology not contemplated in the Solicitation, but still meets the overall scope of the project.

5.5.3 Value Engineering (VE)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors may also submit an alternative proposal that provides a more economical, efficient, and/or effective approach to the scope of work specified in the solicitation. Any cost savings should be clearly identified.

5.5.4 Alternative Project Delivery Methods (APDM)

Non-traditional contracting methods (Alternative Project Delivery Methods) provide for the Potential Vendor to participate in or advise on the design or may be entirely responsible for the design. The Potential Vendor's selection is based on qualifications or best value and may include construction management or an alliance between two or more entities to deliver the project.

5.6 Risk Management

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, and bonding requirements through the Contract terms and conditions. Deviations to risk responsibility will not be accepted without specific approval by the General Counsel in appropriate consultation with Enterprise Risk Management, prior to Contract award.

Prior to issuance, the Solicitation should consider the likelihood of Concentration Risk and strategies to mitigate that risk.



5.7 Insurance

Contract insurance requirements will be detailed in each Solicitation. To be considered a Responsible Vendor, the Potential Vendor shall possess and maintain the required insurances which meets or exceeds the Contract's terms and conditions for each insurance policy during the term of the contract at its sole expense. In some instances, a Vendor must also maintain specified insurance policies after the conclusion of a Contract for the duration specified in the Contract. GLWA shall be named insured on such policies.

Deviations to the insurance requirement will not be accepted without specific approval from Enterprise Risk Management, in writing, prior to Contract award.

5.8 Bonds

Bonds may be required to protect GLWA from Potential Vendors withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract; failure to perform; failing to pay Subcontractors; or providing faulty workmanship/materials. The type of bond required (bid, warranty, performance or payment) is based upon a recommendation from the Enterprise Risk Management and will be indicated in the Solicitation.

SECTION 6 – PUBLIC SOLICITATION

6.1 Advertisement

Solicitations shall be advertised electronically, and/or using other media as determined by GLWA that promotes vendor participation and fair competition.

6.2 Right to Amend, Withdraw or Cancel

GLWA reserves the right to amend, withdraw or cancel a Solicitation, without any financial or legal obligation to a Potential Vendor, prior to Contract or reject any or all bids if it is determined that such action is in the best interests of GLWA.

GLWA may allow a Vendor to withdraw a bid/submittal if requested at any time prior to the Solicitation opening.

SECTION 7 – VENDOR RESPONSE

7.1 Response to Solicitation

To participate in the Solicitation process, Potential Vendors shall submit a response to the Solicitation in the method, format, and time frame specified. The response shall be signed by an individual that has the authority to bind the Potential Vendor to a Contract.

7.2 Responses Submitted After Due Date and Time

Potential Vendor's responses submitted after the due date and time shall be immediately rejected. The rejected response will not be opened, considered for award of contract, or evaluated.



SECTION 8 – VENDOR SELECTION

GLWA shall assess Solicitation responses to determine, in its sole discretion, the most Responsive and Responsible Vendor(s) that will meet or exceed the requirements of the Solicitation while obtaining the most value for GLWA.

8.1 Evaluation Methods

There are three major scoring methods that may be used under this Policy:

- 1) Low Bid – A RFB award based on the lowest, Qualified, Responsive, and Responsible Vendor.
- 2) QBS – An award for A/E Professional Services based on demonstrated qualifications, competence through the QBS process. After the Potential Vendor has been selected using the QBS process, the fee proposal will be analyzed for competitiveness and may be negotiated. GLWA shall have the right to exclude a Potential Vendor from consideration if the parties cannot agree to a fair and reasonable price.
- 3) All Factors – A RFP award based on predetermined evaluation factors and weights. These factors and weights shall be tailored to each procurement and include only those factors that will have an impact on the source selection decision. These factors and weights are identified in the Solicitation.

8.2 Evaluation Team

Prior to issuance of the Solicitation, the Requestor shall nominate Evaluators who will be presented to the CPO for approval. Where applicable, the Requestor will also be responsible to recruit Evaluators from its member partner community. Evaluators shall be technically proficient in the field that is the subject of the procurement and/or end users of the procurement. To participate in the evaluation of proposals, each nominated Evaluator shall sign an Ethics and Confidentiality agreement for each evaluation team for which they are nominated. Solicitation drafters may be Evaluators.

8.3 Protest

A Potential Vendor, who has submitted a response to a Solicitation and is not awarded a Contract after participating in the Solicitation, may protest the award of the Contract by filing a written notice of protest with the CPO within seven (7) business days after the Notice of Intent to Award. The written notice of protest shall reference the Solicitation number and the detailed reason for the protest.

- a) Upon receiving a protest, the CPO shall immediately suspend the Contract award process until the protest has been resolved.
- b) The protest shall be reviewed by the CPO in an expeditious manner. The CPO shall determine to either accept or reject the protest within seven (7) business days after the date the protest was received.



- c) If the CPO accepts the protest, he/she shall act accordingly. If the CPO rejects the protest, he/she shall notify the Potential Vendor of the decision and inform the Potential Vendor of their right to appeal to the CACO. The protestor will have three (3) business days from the notification of the protest decision to appeal by email notification.
- d) Upon receiving an appeal of a protest decision made by the CPO, the CACO shall review the appeal and determine to either accept or reject the protest within fourteen (14) business days after the date the appeal was received. If the CACO accepts the protest, he shall notify the protester and the CPO of that decision, and the CPO shall act in accordance with the CACO's findings. If the CACO rejects the protest, he/she shall notify the protestor of the decision. The CACO's determination shall be final.
- e) Items excluded from Protests and Appeals include:
 - i. Small Purchases;
 - ii. Emergency Procurements;
 - iii. Cooperative Procurements;
 - iv. Specialized Procurements;
 - v. Intergovernmental Agreements;
 - vi. Failure of a Vendor or Potential Vendor to submit a response to a Solicitation by the date and time specified;
 - vii. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
 - viii. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
 - ix. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
 - x. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
 - xi. A Vendor or Potential Vendor who has a performance rating of unacceptable; and
 - xii. A Vendor or Potential Vendor who has a status of debarred or suspended during any stage of the Solicitation through the Contract award or at the time of the bid protest.

SECTION 9 – CONTRACT DEVELOPMENT

9.1 Required Documents

The Vendor shall produce all required documents including, but not limited to, performance bonds, insurance, and licenses. If the Vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA reserves the right to rescind and/or revoke the award without financial or legal obligation to the Vendor.



9.2 Contract Length and Renewals

The CEO or CPO is not obligated to exercise Contract renewal options referenced in the Contract or Assumed Contract. Prior to exercising a renewal option, the CEO or CPO shall consider the Vendor's performance in complying with the Contract. A Vendor must have GLWA written approval before providing Goods or Services for a renewal option. Unless the Contract term exceeds five years, GLWA's exercise of a renewal option shall not require Board approval.

Contracts in which the initial term is equivalent to, or exceeds three (3) years, shall be reviewed every year by the CPO to ensure Contract compliance. All approved procurements from the preceding fiscal year, shall be made available to the public and posted to the GLWA website.

9.3 Vendor Performance

Contracts may not be executed if a Vendor or Potential Vendor has a history of non-performance with GLWA, another governmental entity, or utility. Communication of Vendor performance will be documented by Requestors with a form provided by the CPO. The CPO will maintain a centralized vendor performance file.

9.4 Assumed Contracts

GLWA form of contracts will be executed when Assumed Contracts are eligible for renewal or extension.

SECTION 10 – CONTRACT APPROVAL

Contract approvals shall comply with the Approval Requirement Table. In the absence of appropriate approval, no agreement exists between GLWA and any Vendor. Prior to the request for approval, all Contracts shall be evaluated by the Enterprise Risk Management for insurance requirements. In addition, the Contract shall be approved as to form by the General Counsel for other terms and conditions.

10.1 Approval Requirements

All procurements shall be recognized as "Authorized" when approval requirements have been met. Amounts in the Approval Requirement Table 10.3 represent the total value for the initial Contract duration, renewal options, and change orders. Contracts shall not be artificially divided or fragmented to constitute a Small Purchase or to circumvent the Approval Requirements in this Policy. All Contract terms shall be defined.

10.2 Unauthorized Purchases

GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.



10.3 Approval Requirement Table

Description	Total value including contract renewals and change orders	Authority to Encumber funds
Initial Contract for no more than five (5) years of which the Initial term cannot exceed three (3) years for Goods or Services.	Less than \$ 25,000	Procurement Specialist
Initial Contract having for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$25,000 & \$99,999	Procurement Management Professional
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$100,000 & \$299,999	Procurement Manager
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$1 & \$499,999	CPO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$300,000 & \$499,999	CPO
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$500,000 & \$999,999	CEO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$500,000 & \$999,999	CEO
Contracts for Goods or Services, personal property, leases of Real Estate or personal property	\$1,000,000 or more	Board
Purchase or the disposal of Real Estate.	Unlimited	Board
Contracts which exceed a total term of five (5) years or where the initial term exceeds three (3) years, including renewal options.	Unlimited	Board
Contract renewals For approved Contracts where prior approval included renewal options.	Unlimited	CPO or CEO
Emergency Procurements	Unlimited- The Requestor of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting.	CEO or CPO



SECTION 11 – CONTRACT ADMINISTRATION

11.1 Contract Administration

The CPO shall supervise, administer, and oversee every GLWA approved Contract. The CPO is authorized to adopt systems, procedures, standards, performance evaluation tools, and reporting of Vendors.

Each procurement may be monitored to assure execution of the Contract within the approved budget and scope within the terms of the procurement, the Articles of Incorporation as well as federal and state procurement law.

11.2 Change Orders

11.2.1 Term Change Orders (Only Extending Time)

Change orders or amendments that extend the term of a Contract require re-authorization. Change orders that shorten the term of a Contract do not require re-authorization.

11.2.2 Monetary Change Orders

In circumstances where there are increased costs for Goods or Services under a Contract, a change order or Contract amendment shall be issued to the Vendor prior to payment. Unless a Letter of Intent has been issued for an Emergency Procurement, GLWA shall not be responsible for Goods or Services provided outside of an approved change order or Contract amendment. Change orders or Contract amendments that increase the initially approved monetary value of a Contract may require reauthorization as well. Change orders or Contract amendments that reduce the monetary value or reallocates funds within the monetary value of a Contract, including any previously approved change orders and Contract amendments, do not require reauthorization.

11.3 Construction Change Directive (CCD)

A CCD is a written order generated by the project manager directing a change in the project and stating a proposed basis for adjustment. All CCDs must be approved by the CPO prior to the start of work.

11.4 Liquidated Damages

Where Liquidated Damages are specified and/or sought out, they shall only be imposed by the CPO or the CEO.



SECTION 12 – CONTRACT COMPLIANCE

12.1 Contract Compliance

A Vendor shall supply Goods and Services conforming to the specifications and performance requirements of the award. Failure to perform within the specification and performance requirements may result in Contract termination at any time by the CEO or CPO.

12.2 Federal Uniform Guidance Procurement Standards

All projects funded in full, or in part, by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Procurement Standards CFR 200.318 – 200.326 or as may be amended). The CPO shall establish procedures to incorporate the required federal provisions for federally funded projects, regardless of the amount of funding.

SECTION 13 – VENDOR SUSPENSION/DEBARMENT

13.1 Imposing Suspension/Debarment

GLWA shall solicit responses from, award Contracts to, and consent to the use of Subcontractor who are Responsible Vendors and comply with this Policy. GLWA may suspend or debar Vendors², at GLWA's discretion, for purposes related to: the good of the public interest; maintaining the integrity of the bidding, contracting and procurement processes; and protecting public trust and confidence in GLWA's operations. Suspensions and debarments will not be arbitrarily imposed. GLWA may suspend or debar a Vendor based on a finding that the Vendor is not a Responsible Vendor and shall report said finding to the Legal Committee in writing. The CEO and the CPO have the authority to suspend or debar a Vendor, with suspension being the first step to debarment. Causes which may result in a finding that a Vendor is not a Responsible Vendor include:

- a) An indictment or conviction of the Vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the Vendor under any federal, state or local law for any serious criminal offense that affects the Vendor's responsibility as a Vendor;
- c) Judgment of civil liability entered against the Vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;

² For purposes of this section, a Vendor includes (1) the business or individual providing the Good or Service, (2) the business' executive leadership and (3) the business' employees and Subcontractors that interact with Representatives.



- d) Results or preliminary findings of an investigation of the Vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Results or a preliminary finding of an investigation of the Vendor using of an unauthorized Subcontractor;
- f) A preliminary finding of an investigation that the Vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a Contract or Assumed Contract;
- g) A preliminary finding of an investigation that the Vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a Contract or Assumed Contract;
- h) Refusal by the Vendor to reasonably cooperate with the GLWA in connection with an investigation related to a Contract or Assumed Contract;
- i) Failure by the Vendor to report to the Buyer any activity by elected officials, employees, or persons acting on their behalf related to a Contract or Assumed Contract that the Vendor reasonably suspects to be improper, unethical or illegal;
- j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status by the Vendor.
- k) Unlawful restraint or limitation on competition by the Vendor;
- l) Violation of a material term by the Vendor of a Contract or Assumed Contract;
- m) History of documented unsatisfactory performance by the Vendor;
- n) Violation of any local, state or federal statute by the Vendor;
- o) Violation of any applicable ethics standards, including the ethical standards set forth in the profession for which a Vendor is licensed and/or certified b; and
- p) Any other conduct or activity by the Vendor that has a harmful impact upon the integrity of procurement process or public trust and confidence in the GLWA operations.

13.1.1 Vendor Suspension

Vendors are immediately prohibited from participating in any GLWA procurement activity pending completion of an investigation initiated by the CPO.

If it is determined that there was a violation, a suspension shall be imposed for no less than thirty (30) days and nor more than twelve (12) months from the date of said determination.



13.1.2 Vendor Debarment

A Vendor that has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with GLWA or a local government, state or federal governmental entity or with a Vendor who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the Vendor's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws shall be precluded from entering into a procurement with GLWA for all time.

For any other reason, not listed in the preceding paragraph, the debarment period shall be for no less than one (1) year and no more than five (5) years. During this time, a Vendor is not eligible to participate in any GLWA procurement activity.

13.1.3 Suspension or Debarment Protest

A Vendor who has been suspended or debarred may file a written notice of protest with the CPO within seven (7) business days after the date of the suspension or debarment. The written notice of protest shall reference the notice and the basis for the protest.

The protest shall be reviewed by a third-party hearing officer selected by the CEO in an expeditious manner. The decision of the third-party hearing officer shall be final.



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Proposed Change Order No. 4- Contract No. GLWA-CS-010 Water Residential Assistance Program Administrator

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

The WRAP began providing assistance to residents in the GLWA service area on March 1, 2016 and as of June 30, 2020 has committed over \$16.9 million in assistance and conservation funds to over 21,000 qualified WRAP participants. During that time, Wayne Metro has been the WRAP program administrator for GLWA.

The current contract with Wayne Metro (GLWA CS-010) expires on December 31, 2020 and has been in place nearly five years. Since the last contract change order in March 2020, GLWA has engaged Public Sector Consultants (PSC) to evaluate WRAP through a series of one on one meetings and focus groups with various GLWA stakeholder groups. The draft report from PSC has been completed and depending on the GLWA Board’s acceptance of the recommendations within it, may require a change in the delivery model for WRAP and the development of a workplan that will extend the timeline beyond the current contract expiration date of December 31, 2020.

In order to accommodate the additional time needed to execute the proposed recommendations from the PSC report, GLWA is recommending the extension of the current contract (GLWA CS-010) through June 30, 2021 through a contract amendment (Change Order #4). The current project management status of GLWA CS-010 is below:

PROJECT MANAGEMENT STATUS

Original Start Work Date:	February 22, 2016
Original Contract End Date:	February 21, 2018
Change Order No. 1 Contract End Date:	June 30, 2018
Change Order No. 2 Contract End Date:	June 30, 2020
Change Order No. 3 Contract End Date:	December 31, 2020
Proposed Change Order No. 4 Contract End Date:	June 30, 2021

Justification: The contract with Wayne Metro specifies the not-to-exceed administrative fee amount based on the anticipated allocation of assistance dollars to each county. Change Order #4 extends the GLWA CS-010 contract six months to June 30, 2021 and it increases the contract amount based on the total budgeted WRAP funding amounts from the table below.

FY 2021 WRAP Budget

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

Administration Fees Change Order No. 3	\$276,550
Administration Fees Change Order No. 4	\$276,550
Total FY 2021 Administration Fees	\$553,100

Based on the budgeted FY 2021 WRAP funding and the proposed allocation of WRAP funds to the City of Detroit and participating counties, the administration fees for FY 2021 total \$553,100. Since the recommended extension on the contract is six months, the increase in the contract amount is \$276,550.

PROJECT ESTIMATE

Original Contract Price	\$825,000.00
Change Order No. 1	\$480,900.00
Change Order No. 2	\$950,000.00
Change Order No. 3	\$276,550.00
Proposed Change Order No. 4	<u>\$276,550.00</u>
New Contract Total	\$2,809,000.00

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

Proposed Action: The Audit Committee recommends the Great Lakes Water Authority Board approve a resolution to enter into Change Order No. 4 of Contract No. GLWA-CS-010, "Water Residential Assistance Program (WRAP)" with Wayne Metropolitan Community Action Agency, a cost increase of \$276,550.00, for a total cost not to exceed \$2,809,000.00, and a time extension of six months for a total contract duration of sixty-four months through June 30, 2021.



Financial Services Audit Committee Communication

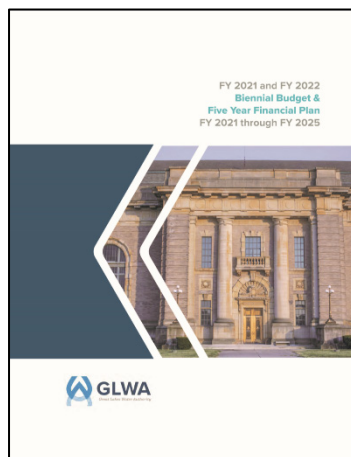
Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

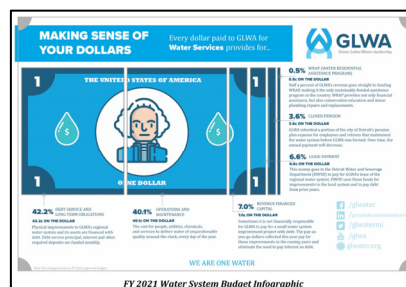
From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

Re: Monthly CFO Update

Quarterly Reconciliation Meeting – At the time of writing this memo, we are preparing for the DWSD/GLWA quarterly reconciliation meeting scheduled for Thursday, October 22, 2020. From my perspective, the nature of these meetings is now beginning to focus on current collective challenges (such as COVID-19) as well as future plans as complex start-up era matters are being resolved. A verbal update will be provided at the Audit Committee meeting.



Comprehensive Budget Available [Online](#) – Given our remote work arrangement, we have not printed the biennial budget and five year financial plan (copies will be printed and distributed upon request). A big thank you to the Financial Planning & Analysis Team, technical reviewer Cindy Cezat, CFO Executive Assistant Phyllis Walsh for their efforts to continue to improve this excellent resource that transparently charts our financial course. A rollout video will be released in the next 30 days.



FY 2022+ Financial Plan Calendar – Attached is a working draft of the financial planning calendar for the upcoming fiscal year. A major remaining item are Board meeting dates in January 2021. Before that scheduling is determined, we seek your input when we review this item at the Audit Committee meeting.

Proposed Action: Receive and file this report.

Financial Plan Calendar

FY 2022 and 2023 Biennial Budget & Five-Year Financial Planning Cycle

(Draft as of October 21, 2020 - Dates may be modified when Calendar Year 2021 Board and Committee Dates are Established in Late Calendar Year 2020)

The Great Lakes Water Authority (GLWA) Financial Planning Cycle includes:

1. FY 2022 and 2023 Biennial Budget
2. FY 2022 through FY 2026 Five-Year Financial Plan
3. FY 2022 through FY 2026 Five-Year Capital Improvement Plan
4. FY 2022 Schedule of Revenues and Charges

The schedule below reflects planning for the comprehensive GLWA Financial Plan.

Date	Activity
Thursday, October 29, 2020	Analytical Work Group – Exceedances (exceedances to notified to communities by October 1st, meet by November 1 st and AWG by December 1st)
<i>Tuesday, November 10, 2020</i>	<i>Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Version 1.0</i>
<i>Thursday, November 19, 2020</i>	<i>Charges Rollout Meeting #2 – Units of Service Update</i>
Tuesday, December 1, 2020	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
TBD, 2020	GLWA Board Workshop – Review of FY 2022 Goals & Objectives
Friday, December 18, 2020	GLWA Audit Committee Meeting – Revenue Requirement & Charges Status Report
Friday, January 1, 2021	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)
Wednesday, January 6, 2021 (Tentative Date)	GLWA Special Board Workshop – Review of Proposed FY 2022 and 2023 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2022 Charges

Date	Activity
<i>Thursday, January 7, 2021</i>	<i>Charges Rollout Meeting #3 – Proposed FY 2022 Revenue Requirement and Charges</i>
Wednesday, January 13, 2021	GLWA Regular Board Workshop
Friday, January 15, 2021	GLWA Audit Committee Meeting – Regular Meeting
Wednesday, January 20, 2021 (Tentative Date)	GLWA Special Board Meeting – Continued Review Proposed FY 2022 and 2023 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2022 Charges
<i>Thursday, January 21, 2021</i>	<i>Charges Rollout Meeting #4 – Feedback and Review of Proposed FY 2022 Revenue Requirements and Service Charges</i>
Friday, January 22, 2021 (Note: 30 days before is Monday, January 25, 2021)	Mail Notice to Member Partners of Public Hearing to be held on February 24, 2021 (minimum 30 days prior to Act 279 Public Hearing) (D)
Wednesday, January 27, 2021	GLWA Regular Board Meeting
Monday, February 1, 2021	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Friday, February 5, 2021	Publish notice of the hearing by publication in a newspaper of general circulation (B)
Wednesday, February 24, 2021	GLWA Board Meeting – Public Hearing FY 2022 & FY 2023 Biennial Budget (A, D) and Possible Adoption of FY 2022 & FY 2023 Biennial Budget
Wednesday, February 24, 2021	GLWA Board Meeting – Public Hearing FY 2022 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C) and Possible Adoption of FY 2022 Schedule of Revenues and Charges
Wednesday, February 24, 2021	GLWA Board Meeting – Proposed Approval of the FY 2022 & FY 2023 Biennial Budget (A)
Wednesday, February 24, 2021	GLWA Board Meeting – Proposed Approval of FY 2022–2026 Capital Improvement Plan
Wednesday, February 24, 2021	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2022 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Monday, March 1, 2021	Mail Notice to Member Partners of Approved Charges
Tuesday, March 23, 2021	DWSD – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)

Date	Activity
Saturday, May 1, 2021	DWSD – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Thursday, July 1, 2021	GLWA – Effective date of FY 2022 and FY 2023 Biennial Budget, FY 2022 Schedule of Charges, and FY 2022-2026 Capital Improvement Plan

(A) thru (D) - The above schedule is designed to meet applicable statutory and contractual requirements with excerpts shown below.

- A. **Uniform Budgeting and Accounting Act, Act 2 of 1968, Section 141.434**, “Before final passage of a general appropriations act by the legislative body, a public hearing shall be held as required by 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, and the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.” (For purposes of Public Act 2, the GLWA Board is the legislative body.)
- B. **Budget Hearings of Local Governments, Act 43 of 1963 (2nd Ex. Sess.), Section 141.412**, “The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing.” (For purposes of Public Act 2, the GLWA Board is a local unit.)
- C. **Home Rule City Act, Act 279 of 1909, Section 117.5e**, “Municipal water or sewage system; annual audit; public hearing before proposed rate increase. A municipal water or sewage system established by a city incorporated under this act which serves more than 40% of the population of the state shall:(b) Hold at least 1 public hearing at least 120 days before a proposed rate increase is scheduled to take effect. Each hearing shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Notice of the time, date, and place of each hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, shall be prominently printed in a daily newspaper of general circulation within the area, and shall be mailed to each city, village, or township served by the system not less than 30 days before each hearing. A final vote by the governing body of the city to implement a proposed rate increase shall not be taken until the hearings provided for in this subdivision are concluded and the results of those hearings are considered by the city's governing body.” (Emphasis added)

It should be noted that the Home Rule City Act does not apply to GLWA. It is relevant to GLWA’s planning cycle, however, as it is referenced in the *Wholesale Customer Model*

Water Contract as noted below.

- D. **GLWA Wholesale Customer Model Water Contract Section 7.02** provides: “Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.” (Emphasis added; Act 279 is the Home Rule City Act noted above.) As a result of the model contract language, the result is that the Public Hearing should be scheduled no later than March 3rd of each year.

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

July 2020

**Presented to the
Great Lakes Water Authority
Audit Committee on October 23, 2020**

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Key Financial Metrics - July 2020

Financial Risk of a Budget Shortfall by Year-end

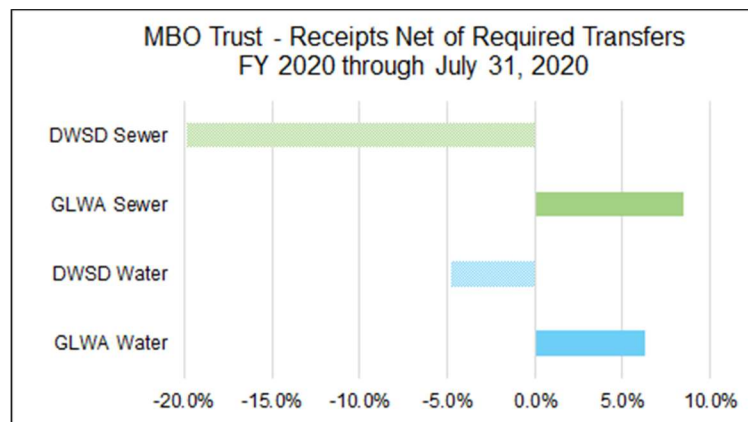
No risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information.

As of July 31, 2020				
Metric	FY 2021 Budget	FY 2021 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$31.2	\$33.6	8%	45
Wholesale Water Billed Usage (mcf)	1,639,000	1,863,000	14%	
Wholesale Sewer Billed Revenue (\$M)	\$22.3	\$22.3	0%	47
Wholesale Water Operations & Maintenance (\$M)	\$11.4	\$10.0	-12%	6
Wholesale Sewer Operations & Maintenance (\$M)	\$15.4	\$13.2	-14%	
Investment Income (\$M)	\$0.9	\$0.8	-8%	35
Water Prorated Capital Spend w/SRA* (\$M)	\$9.0	\$6.0	-33%	27
Sewer Prorated Capital Spend w/SRA* (\$M)	\$7.0	\$5.0	-29%	28

*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

Master Bond Ordinance (MBO) Trust Net Receipts (page 50)



Net cash flow receipts are 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 net receipt shortfalls are \$0.4 million and \$4.1 million

respectively for July 2020 attributed to the impact of the COVID-19 pandemic. GLWA and DWSD staff meet regularly to discuss steps to mitigate this shortfall as outlined in the 2018 MOU. Looking ahead, DWSD Management a) expects a material distribution of state of Michigan CARES Act funding to support these past due balances; b) will be implementing tax liens on commercial and industrial properties; and c) anticipates a positive operating budget variance.

The current DWSD loan receivable balance for fiscal years 2017 and 2018 is \$25.0 million. Monthly payments to GLWA continue to be made timely and in accordance with the agreed upon amortization schedule.

Budget to Actual Analysis (page 3)

- FY 2021 information reflects the budget as it was approved by the GLWA Board on March 11, 2020.
- The total Revenue Requirements are on target through July 2020.

Basic Financial Statements (page 10)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for July 2020 is \$14.9 million for the Water fund (42.3% of total revenues) and \$13.3 million for the Sewer fund (33.9% of total revenues).
- Water Net Position increased \$2.6 million and Sewer Net Position increased \$815 thousand for the year to date through July 2020.

Construction Work in Progress Summary (page 26)

- Both the Water and Wastewater systems fall within the 75% Capital Spend Ratio.

Master Bond Ordinance Transfers (page 29)

- Transfers of \$12.7 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Transfers of \$4.5 million and \$8.2 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 35)

- Total cash & investments are \$464 million in the Water fund and \$403 in the Sewer fund.
- The total combined investment income for FY 2021 through July was \$0.8 million.

DWSD Retail Revenues, Receivables & Collections (page 39)

- Water usage through July 31, 2020 is at 97.11% of budget and revenues at 96.51% of budget.
- Sewer usage through July 31, 2020 is at 100.09% of budget and revenues at 100.64% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$35 million over the prior year.
- Past due balances over 180 days make up 65% of the total accounts receivable balance. The current bad debt allowance covers 97% of past due balances over 180 days.

GLWA Wholesale Billing, Receivables & Collections (page 44)

- GLWA accounts receivable past due balances in total (net of Highland Park) are less than one percent of the total balance due.
- The Highland Park past due balance is \$44 million, which includes \$33.7 million for wastewater treatment services, \$1.7 million for industrial waste control services, and \$8.6 million for water supply services. Looking ahead, Highland Park has made three payments totaling \$1.78 million in FY 2021 as of September 30, 2020.

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

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

The FY 2021 information presented in these sections reflects the budget as it was approved by the GLWA Board on March 11, 2020. Proposed first quarter budget amendments are not reflected in this report.

Adjustments related to the fiscal year end 2020 audit will affect the FY 2020 columns of the tables in the Budget to Actual Analysis report. This includes the final amendment of the budget to allocate the administrative and centralized budget categories to the *water* and *sewer* categories.

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 July 2020, the pro-rata benchmark is 8.3% (1 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 2021 revenues are either at or above target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through July 31, 2020 these payments total \$554 thousand for FY 2021.

2. **Investment Earnings:** Investment earnings for *both* systems have variances from the pro-rata benchmark for FY 2021. The *water* system is above the pro-rata benchmark for FY 2021 at 9.8%. The *sewer* system, at 5.8%, is less than the pro-

rata benchmark. The market adjustment, previously reported in this section, has been removed. These annual entries are recorded for financial reporting purposes and are not a part of the revenue requirements reporting. 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 2021 at 7.3%. The *sewer* system O&M expenses, at 7.1%, is less than the pro-rata benchmark.
5. **Debt Service:** *Both* systems are on target with the pro-rata benchmark for FY 2021; the *water* system is at 8.0%; while the *sewer* system is at 8.1%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA is required by the Master Bond Ordinance (“MBO”) to maintain at least 60 days of budgeted O&M expenditures in the O&M fund. GLWA has established a target balance in the Fund of 120 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding was in place in FY 2020 to meet this requirement, therefore, additional transfers to this reserve was not required in FY 2020.
7. **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 2020, DWSD *sewer* ended the year with a budgetary shortfall through June 30, 2020, of \$10.8 million. The DWSD *water* system experienced a \$937 thousand budgetary shortfall through June 30, 2020. For FY 2021, the DWSD *water* system has a budgetary shortfall of \$417 thousand and the DWSD *sewer* system has a budgetary shortfall of \$4.1 million through July 31, 2020. GLWA and DWSD staff are meeting regularly to discuss steps to mitigate this shortfall as outlined in the 2018 MOU.

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 is 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.

8. **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. Final, yearend transfers are held until yearend balancing is complete. The final, budgeted I&E transfers for FY 2020 were completed in August 2020.
9. **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.
10. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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

	FY2020 AMENDED BUDGET	FY 2020 THRU 7/31/2019	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 7/31/2020	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 304,634	\$ 29,825	9.8%	\$ 314,252	\$ 314,252	\$ 32,891	10.5%
Retail Service Charges	21,296	1,775	8.3%	22,555	22,555	1,853	8.2%
Investment Earnings	8,084	826	10.2%	4,834	4,834	473	9.8%
Other Revenues	2	-	0.0%	-	-	-	0.0%
Total Revenues	\$ 334,016	\$ 32,425	9.7%	\$ 341,642	\$ 341,642	\$ 35,217	10.3%
Revenue Requirements							
Operations & Maintenance Expense	\$ 126,840	\$ 10,066,664	7.9%	\$ 137,127	\$ 137,127	\$ 10,036	7.3%
General Retirement System Legacy Pension	6,048	504	8.3%	6,048	6,048	504	8.3%
Debt Service	135,999	11,313	8.3%	143,190	143,190	11,477	8.0%
General Retirement System Accelerated Pension	6,268	522	8.3%	6,268	6,268	522	8.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,698	142	8.3%	1,669	1,669	138	8.3%
Lease Payment	22,500	1,579	7.0%	22,500	22,500	1,875	8.3%
Operating Reserve Deposit	3,976	-	0.0%	877	877	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	1,230	113	0.0%	-	-	417	0.0%
	29,456	2,455	8.3%	23,963	23,963	1,997	8.3%
Total Revenue Requirements	\$ 334,016	\$ 26,695	8.0%	\$ 341,642	\$ 341,642	\$ 26,966	7.9%
Net Difference		\$ 5,730				\$ 8,252	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 4,590				\$ 6,747	
Revenue Requirement Variance		1,140				1,504	
Overall Variance		\$ 5,730				\$ 8,252	

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

	FY 2020 AMENDED BUDGET	FY 2020 THRU 7/31/2019	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 7/31/2020	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 272,324	\$ 22,883	8.4%	\$ 277,012	\$ 277,012	\$ 22,392	8.1%
Retail Service Charges	185,807	15,484	8.3%	190,112	190,112	15,753	8.3%
Industrial Waste Control Charges	7,834	722	9.2%	8,775	8,775	659	7.5%
Pollutant Surcharges	5,910	460	0.0%	5,263	5,263	452	8.6%
Investment Earnings	7,731	657	8.5%	5,589	5,589	322	5.8%
Other Revenues	400	46	0.0%	-	-	33	0.0%
Total Revenues	\$ 480,005	\$ 40,251	8.4%	\$ 486,751	\$ 486,751	\$ 39,611	8.1%
Revenue Requirements							
Operations & Maintenance Expense	\$ 181,926	\$ 13,768	7.6%	\$ 184,946	\$ 184,946	\$ 13,198	7.1%
General Retirement System Legacy Pension	10,824	902	8.3%	10,824	10,824	902	8.3%
Debt Service	214,691	14,987	7.0%	209,740	209,740	16,937	8.1%
General Retirement System Accelerated Pension	11,621	968	8.3%	11,621	11,621	968	8.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,403	200	8.3%	2,415	2,415	200	8.3%
Lease Payment	27,500	2,292	8.3%	27,500	27,500	2,292	8.3%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	10,244	3,196	0.0%	-	-	4,127	0.0%
	20,798	1,733	8.3%	39,705,500	39,705,500	3,308,792	8.3%
Total Revenue Requirements	\$ 480,005	\$ 38,047	7.9%	\$ 486,751	\$ 486,751	\$ 41,933	8.6%
Net Difference		\$ 2,204				\$ (2,322)	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 250				\$ (951)	
Revenue Requirement Variance		1,954				(1,371)	
Overall Variance		\$ 2,204				\$ (2,322)	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of July 31, 2020, is 8.3% (one month). When comparing FY 2021 to FY 2020 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.

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

Major Budget Categories	FY 2020 AMENDED BUDGET	FY 2020 ACTIVITY THRU 7/31/2019	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 ACTIVITY THRU 7/31/2020	Percent Year-to- Date
Water	\$ 66,021	5,794	8.8%	\$ 71,966	\$ 71,966	\$ 5,942	8.3%
Sewer	115,985	8,916	7.7%	115,677	115,677	8,309	7.2%
Centralized	97,732	7,368	7.5%	102,722	102,722	7,235	7.0%
Administrative	29,028	1,919	6.6%	31,709	31,709	1,869	5.9%
Employee Benefits	-	(163)	0.0%	-	-	(121)	0.0%
Total O&M Budget	\$ 308,767	\$ 23,835	7.7%	\$ 322,075	\$ 322,075	\$ 23,234	7.2%

Totals may be off due to rounding

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 7.2% which is reasonably within the pro-rata benchmark of 8.3%. This positive variance equates to a dollar amount of \$3.6 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 8.1% through July 2020.

Utilities: The overall category is higher than the pro-rata benchmark; coming in at 9.4% through July 2020. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is higher than the benchmark, coming in at 10.5%. 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 5.5% which is lower than the benchmark of 8.3%. A review of the accounts has confirmed that the usage is variable throughout the year.
- **Sewage service** is lower than the benchmark, coming in at 6.4%. A review of this category is being conducted.
- **Water service** is lower than the benchmark, coming in at 6.3%. 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. Utilization of the new chemical building has required changes to the operational processes which has resulted in the reduction of the use of potable water.

Chemicals: This category is higher than the pro-rate benchmark; coming in at 10.5% through July 2020. Variances within this category are not unexpected as usage varies throughout the year. While this category is being reviewed, this variance is not a concern at this time.

Supplies & Other: This category is lower than the benchmark; coming in at 4.7% through July 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. A review of this category is being conducted.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 6.4% through July 2020. Variances in this category, when they occur, 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 slightly lower than the benchmark; coming in at 7.0% through July 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.

Shared Services: This category is higher than the benchmark; coming in at 10.9% through July 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 2021. A budget amendment will be entered to adjust the shared services budget to this revised FY 2021 forecast. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount.

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

Expense Categories	FY 2020 AMENDED BUDGET	FY 2020 ACTIVITY THRU 7/31/2019	Percent Year-to-Date at 7/31/2019	FY 2020 ACTIVITY THRU 6/30/2020	Percent Year-to-Date at 6/30/2020	FY 2021 AMENDED BUDGET	FY 2021 PRORATED AMENDED BUDGET (1 MONTH)	FY 2021 ACTIVITY THRU 7/31/2021	Percent Year-to-Date	PRORATED BUDGET LESS FY 2021 ACTIVITY
Entity-wide										
Salaries & Wages	\$ 64,703	\$ 5,354	8.3%	\$ 64,190	8.3%	\$ 70,761	\$ 5,897	\$ 5,745	8.1%	\$ 152
Workforce Development	1,271	72	5.7%	1,252	5.8%	948	79	80	8.5%	(1)
Overtime	7,191	653	9.1%	7,494	8.7%	6,988	582	715	10.2%	(132)
Employee Benefits	22,466	2,113	9.4%	25,001	8.5%	24,475	2,040	2,132	8.7%	(92)
Transition Services	5,872	697	11.9%	6,330	11.0%	7,160	597	441	6.2%	155
Employee Benefits Fund	-	(163)	0.0%	-	0.0%	-	-	(121)	0.0%	121
Personnel Costs	101,503	8,727	8.6%	104,266	8.4%	110,333	9,194	8,992	8.1%	203
Electric	39,549	4,131	10.4%	40,669	10.2%	39,240	3,270	4,120	10.5%	(850)
Gas	5,332	366	6.9%	5,186	7.1%	6,629	552	365	5.5%	188
Sewage Service	1,988	145	7.3%	2,109	6.9%	2,120	177	136	6.4%	40
Water Service	3,662	327	8.9%	3,178	10.3%	3,948	329	247	6.3%	82
Utilities	50,531	4,968	9.8%	51,153	9.7%	51,937	4,328	4,868	9.4%	(540)
Chemicals	14,019	1,418	10.1%	14,242	10.0%	13,420	1,118	1,403	10.5%	(285)
Supplies & Other	34,124	2,799	8.2%	33,653	8.3%	38,622	3,218	1,802	4.7%	1,416
Contractual Services	103,975	6,568	6.3%	106,372	6.2%	106,155	8,846	6,782	6.4%	2,064
Capital Program Allocation	(3,122)	(191)	6.1%	(3,347)	5.7%	(3,448)	(287)	(242)	7.0%	(45)
Shared Services	(4,895)	(453)	9.1%	(1,734)	26.1%	(3,413)	(284)	(371)	10.9%	87
Unallocated Reserves	12,731		0.0%		0.0%	8,469	706		0.0%	706
Total Expenses	\$ 308,767	\$ 23,835	7.7%	\$ 304,605	7.8%	\$ 322,075	\$ 26,840	\$ 23,234	7.2%	\$ 3,606
Totals may be off due to rounding										



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 Bond Fund*, and *Capital Asset Fund*.

The June 2020 comparative values shown in the tables below are presented in a draft format. Adjustments related to fiscal year end 2020 audit affect the basic financial statements. The results of these adjustments will be presented in the audited CAFR.

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 July 31, 2020
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2020
Assets				
Cash - unrestricted (a)	\$ 80,088	\$ 118,699	\$ 198,787	\$ 208,357
Cash - restricted (a)	33,911	40,170	74,081	114,415
Investments - unrestricted (a)	302,529	166,407	468,936	473,549
Investments - restricted (a)	31,234	87,100	118,335	157,786
Accounts Receivable	105,238	82,311	187,549	192,592
Due from (to) Other Funds (b)	4,863	(4,863)	-	-
Other Assets (c)	676,904	436,501	1,113,405	1,115,357
Cash Held FBO DWSD Advance (d)	20	14,322	14,343	-
Capital Assets, net of Depreciation	1,379,808	2,286,375	3,666,183	3,689,047
Land	292,799	123,846	416,645	416,645
Construction Work in Process (e)	132,324	182,248	314,571	303,220
Total assets	3,039,719	3,533,116	6,572,835	6,670,969
Deferred Outflows (f)	62,434	153,758	216,192	217,097
Liabilities				
Liabilities - Short-Term (g)	116,727	134,830	251,558	303,848
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,816	6,531	9,347	9,179
Cash Held FBO DWSD (d)	850	-	850	1,250
Liabilities - Long-Term (i)	3,019,556	3,614,854	6,634,409	6,683,741
Total liabilities	3,139,949	3,756,215	6,896,164	6,998,018
Deferred Inflows (f)	56,018	53,263	109,281	109,876
Total net position (j)	\$ (93,815)	\$ (122,603)	\$ (216,418)	\$ (219,828)

Totals may be off due to rounding

In general, the Statement of Net Position reflects a mature organization with no unexpected trends. Cash balances as of July 31, 2020 are lower when compared to June 30, 2020 (highlighted in gold on Table 1). This is because of the high liquidity needs at June 30, 2020 to meet annual debt and interest payments, legacy pension obligation payments, and annual operational requirements whereas more funds are being invested as of July 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, 2020 are reported at market value. The July 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 Other Funds* and *Due to Other Funds* are shown at gross 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 mainly 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 only adjusted in the interim 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 because 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 July 2020 Financial Report Binder. Prior year ending balances are provided in the June 30, 2020 column as a reference for comparative purposes. Explanatory notes follow this statement.

Water revenues presented below in Table 2 differ from those presented in *Table 1A – Water Revenue Requirement Budget* found in the *Budget to Actual Analysis* section of this report because water revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position
– All Funds Combined
For the One Month ended July 31, 2020
(\$000)**

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2020
Revenue						
Wholesale customer charges	\$ 33,445	94.7%	\$ 22,392	57.0%	\$ 55,837	\$ 578,705
Local system charges	1,853	5.3%	15,753	40.1%	17,606	207,103
Industrial waste charges		0.0%	659	1.7%	659	7,855
Pollutant surcharges		0.0%	452	1.2%	452	6,449
Other revenue		0.0%	33	0.1%	33	2,270
Total Revenues	35,299	100.0%	39,289	100.0%	74,588	802,381
Operating expenses						
Operations and Maintenance	10,036	28.4%	13,412	34.1%	23,447	307,732
Depreciation	10,321	29.2%	12,543	31.9%	22,864	280,104
Total operating expenses	20,357	57.7%	25,955	66.1%	46,311	587,836
Operating Income	14,942	42.3%	13,335	33.9%	28,277	214,544
Total Nonoperating (revenue) expense	12,347	35.0%	12,520	31.9%	24,867	233,547
Increase/(Decrease) in Net Position	2,595	7.4%	815	2.1%	3,410	(19,003)
Net Position (deficit), beginning of year	(96,410)		(123,418)		(219,828)	(200,825)
Net position (deficit), end of year	\$ (93,815)		\$ (122,603)		\$ (216,418)	\$ (219,828)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$2.6 million.
- ✓ Wholesale water customer charges of \$33.4 million account for 94.7% of Water System revenues.
- ✓ Operating expenses of \$20.4 million represent 57.7% of total operating revenue. Depreciation is the largest operating expense at \$10.3 million or 50.7% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$14.9 million or 42.3 % of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$7.0 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 \$815 thousand.
- ✓ Wholesale customer charges of \$22.4 million account for 57.0% 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 \$15.8 million account for 40.1% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$26.0 million represent 66.1% of total operating revenue. Depreciation is the largest operating expense at \$12.5 million or 48.3% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$13.3 million or 33.9 % of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$8.3 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 July 2020 Financial Report Binder. Explanatory notes follow this schedule.

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

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	2,241	22.3%	4,026	30.0%	6,266	26.7%
Overtime	433	4.3%	282	2.1%	715	3.0%
Benefits	1,273	12.7%	738	5.5%	2,011	8.6%
Total Personnel	<u>\$ 3,946</u>	<u>39.3%</u>	<u>\$ 5,046</u>	<u>37.6%</u>	<u>\$ 8,992</u>	<u>38.3%</u>
Utilities						
Electric	2,894	28.8%	1,226	9.1%	4,120	17.6%
Gas	14	0.1%	350	2.6%	365	1.6%
Sewage	17	0.2%	119	0.9%	136	0.6%
Water		0.0%	247	1.8%	247	1.1%
Total Utilities	<u>\$ 2,926</u>	<u>29.2%</u>	<u>\$ 1,943</u>	<u>14.5%</u>	<u>\$ 4,868</u>	<u>20.8%</u>
Chemicals	570	5.7%	833	6.2%	1,403	6.0%
Supplies and other	589	5.9%	1,213	9.0%	1,802	7.7%
Contractual services	2,499	24.9%	4,496	33.5%	6,995	29.8%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(151)	-1.5%	(91)	-0.7%	(242)	-1.0%
Shared services allocation	(343)	-3.4%	(28)	-0.2%	(371)	-1.6%
Operations and Maintenance Expenses	<u>\$ 10,036</u>	<u>100.0%</u>	<u>\$ 13,412</u>	<u>100.0%</u>	<u>\$ 23,447</u>	<u>100.0%</u>

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (20.8 % of total O&M expenses) and chemicals (6.0% of total O&M expenses).
- ✓ Personnel costs (38.3% 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 (29.8%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$398 thousand);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately\$ 1.3 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.

Supplemental Schedule of Nonoperating Expenses – All Funds Combined

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

Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined
For the One Month ended July 31, 2020
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2020
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (2,205)	\$ (1,468)	\$ (3,673)	\$ (41,136)
Interest income DWSD Shortfall	-	(79)	(79)	(1,299)
Investment earnings	4,462	3,005	7,467	(25,417)
Other nonoperating revenue	-	-	-	(1,061)
Interest Expense				
Bonded debt	9,210	9,762	18,972	243,745
Lease obligation	1,446	1,767	3,213	38,808
Other obligations	397	129	527	6,395
Total interest expense	11,053	11,659	22,712	288,948
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	-	-	(5,960)
Amortization, issuance costs, debt	(1,260)	(597)	(1,857)	(10,303)
Amortization, raw water rights	297	-	297	3,567
(Gain) loss on disposal of capital assets	-	-	-	1,317
Loss on impairment of capital assets	-	-	-	1,432
Water Residential Assistance Program	-	-	-	3,315
Legacy pension expense	-	-	-	20,144
Total Nonoperating (Revenue)/Expense	\$ 12,347	\$ 12,520	\$ 24,867	\$ 233,547

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 related market adjustments for FY 2020 and FY 2021. FY 2021 market value adjustments for Water and Sewer totaled \$1.6 million and \$600 thousand, respectively. FY 2020 market value adjustments for Water and Sewer totaled \$4.9 million and \$3.3 million, respectively.

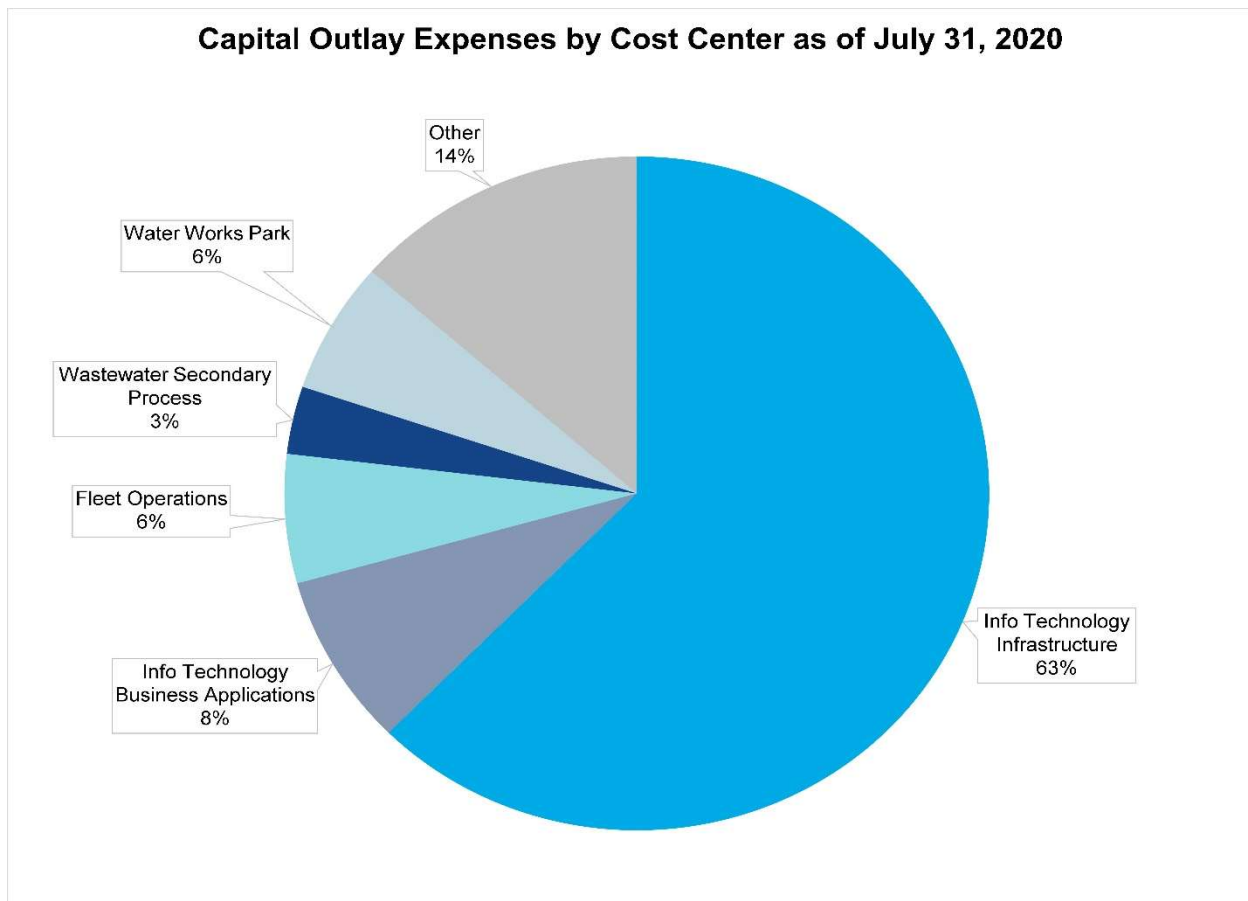
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to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

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 July 31, 2020, total capital outlay spend is \$0.7 million. Following this chart is a sample list of projects and purchases from the total spend of \$0.7 million:



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

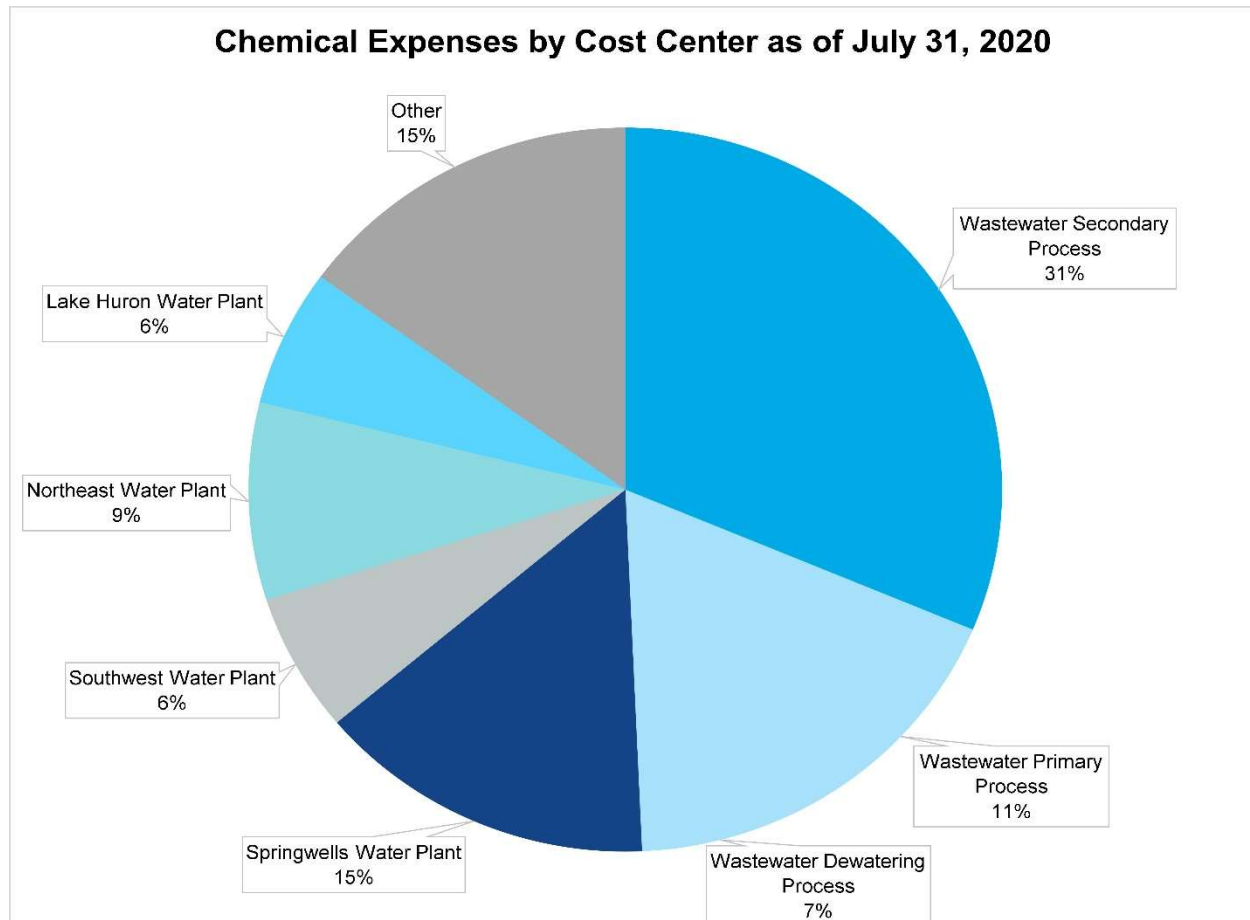
Water Operations: Generator (\$44k) and vacuum regulator (\$20k).

Wastewater Operations: Valve (\$23k) and actuator (\$18k).

Centralized & Administrative Facilities: Datacenter modernization (\$320k); IT software (\$121k); trucks and vehicles (\$43k) and bleacher design (\$21k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

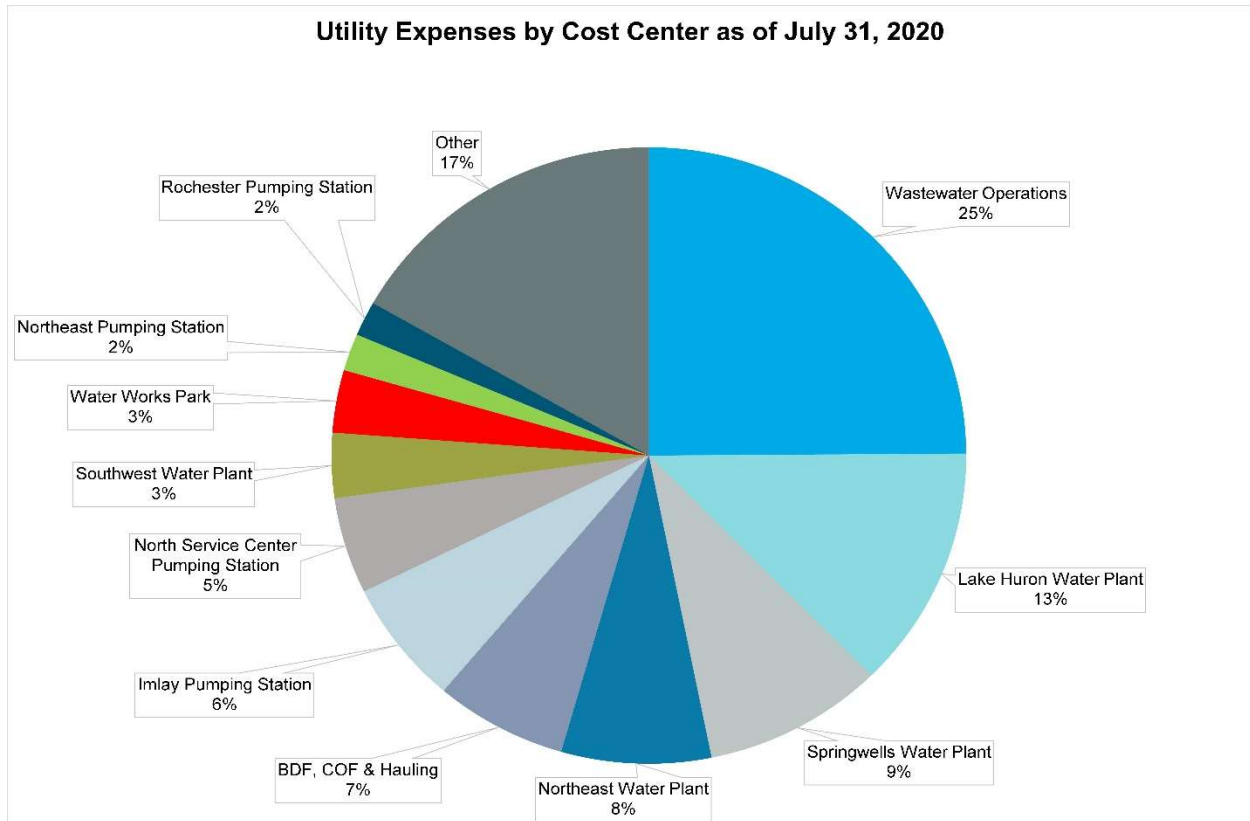
Chemical expenses are \$1.4 million through July 31, 2020. The allocation is shown in the chart below and remains consistent with prior periods.



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 Expenses – Water and Sewer System Combined

Utility expenses are \$4.9 million through July 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. Through July 31, 2020 all reconciliations are up-to-date and complete.

There were no new accounts from June 2020.

Chart 1 – Bank Reconciliation Completion Status

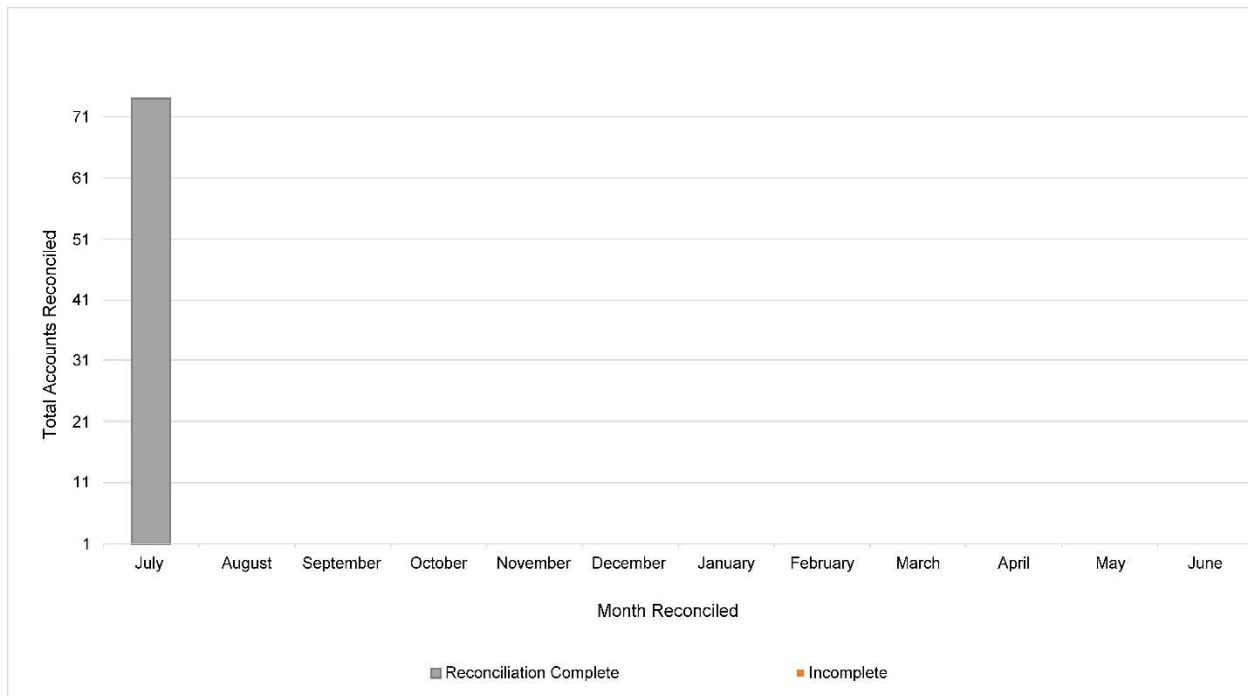


Table 1 – Fiscal Year 2021 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2020	74
New GL Cash accounts	0
Inactivated GL Cash accounts	0
Total GL Cash accounts as of July 31, 2020	<u>74</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 One Month Ended July 31, 2020

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 8,252	\$ (2,322)	\$ 5,930
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	953	1,706	2,659
Prior year pension contribution accounted for in current year (d)	-	-	-
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	4,472	8,643	13,115
Accelerated pension B&C notes obligation portion (g)	(267)	35	(232)
Lease payment (h)	429	525	954
WRAP (i)	138	200	338
DWSD short term allocation (j)	417	4,127	4,544
Operating Reserve Deposit (j)	-	-	-
Improvement & Extension Fund (j)	1,997	3,095	5,092
Nonbudgeted financial reporting categories adjustments			
Depreciation (k)	(10,321)	(12,543)	(22,864)
Amortization (k)	963	597	1,560
Other nonoperating income (k)	-	-	-
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	-	-	-
Raw water rights (l)	497	-	497
Investment earnings construction fund & WRAP (m)	11	13	24
Investment earnings DWSD note receivable (m)	-	79	79
Investment earnings unrealized gain/loss (m)	(4,946)	(3,340)	(8,286)
Capital contribution (n)	-	-	-
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 2,595	\$ 815	\$ 3,410

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 2021, the Sewer Improvement and Extension Fund adjustments also reflect \$214 thousand in Sewer Improvement and Extension Fund expenses relating to repairs paid for through the Sewer 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. WRAP account earnings are also excluded from the definition of revenue for budget purposes and are not used to meet the revenue requirements in the budget. Interest on the DWSD note receivable is budgeted as part of the Sewer improvement and extension fund and is transferred directly to that fund as payments are made. Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.
- (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 2021 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 July 2020, the Water system incurred over \$ 6 million of construction costs to date. This is 50% of the fiscal year 2020 prorated CIP through July and 67% of the financial plan which is labeled as the FY 2020 CIP w/SRA in the chart below.

Chart 2 – Sewer System Construction in Work in Progress Spend

As of July 2020 the Sewer system incurred over \$ 5 million of construction costs to date. This is 56% of the fiscal year 2020 prorated CIP through July and 71% of the financial plan which is labeled as the FY 2020 CIP w/SRA in the chart below.

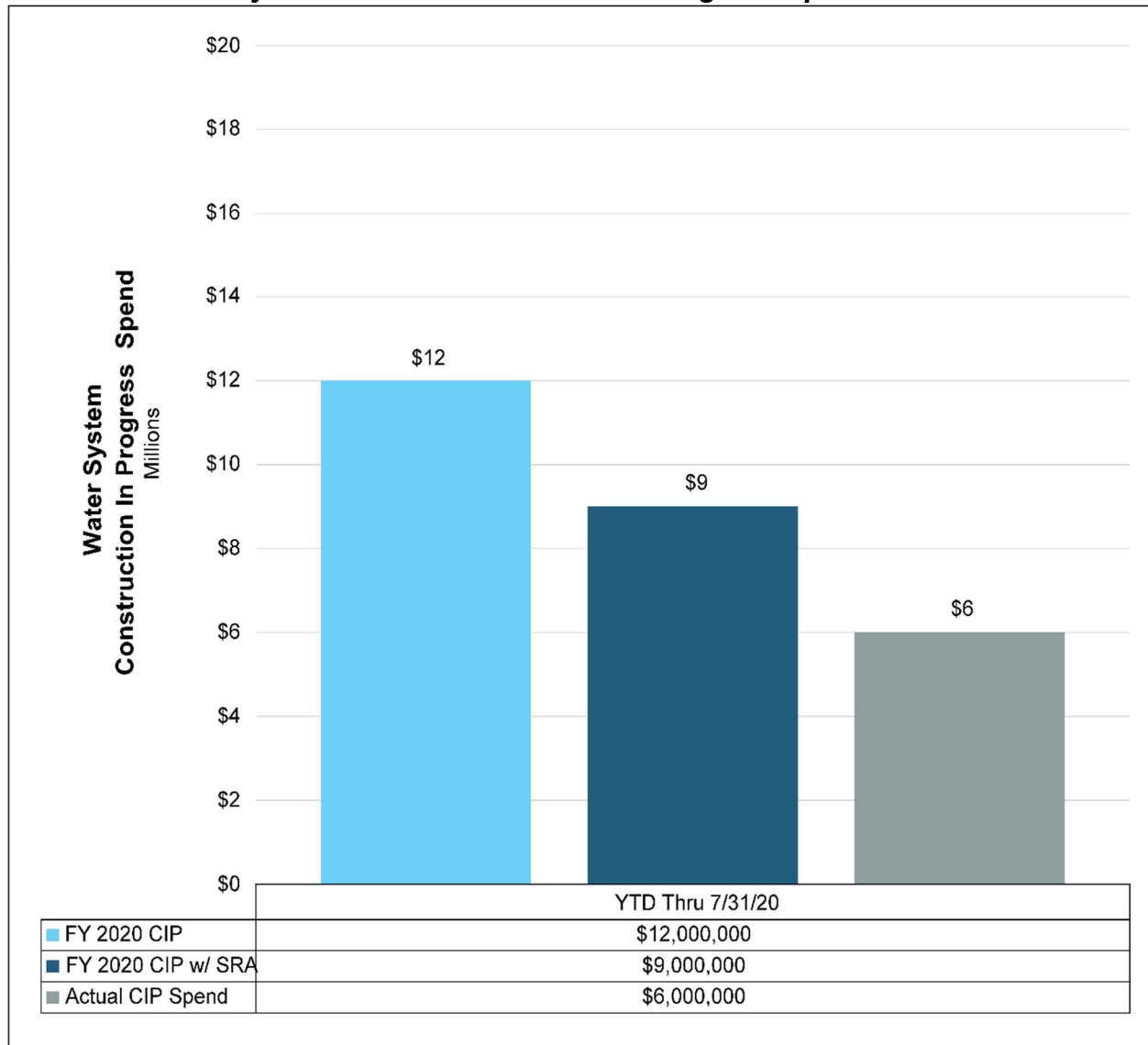
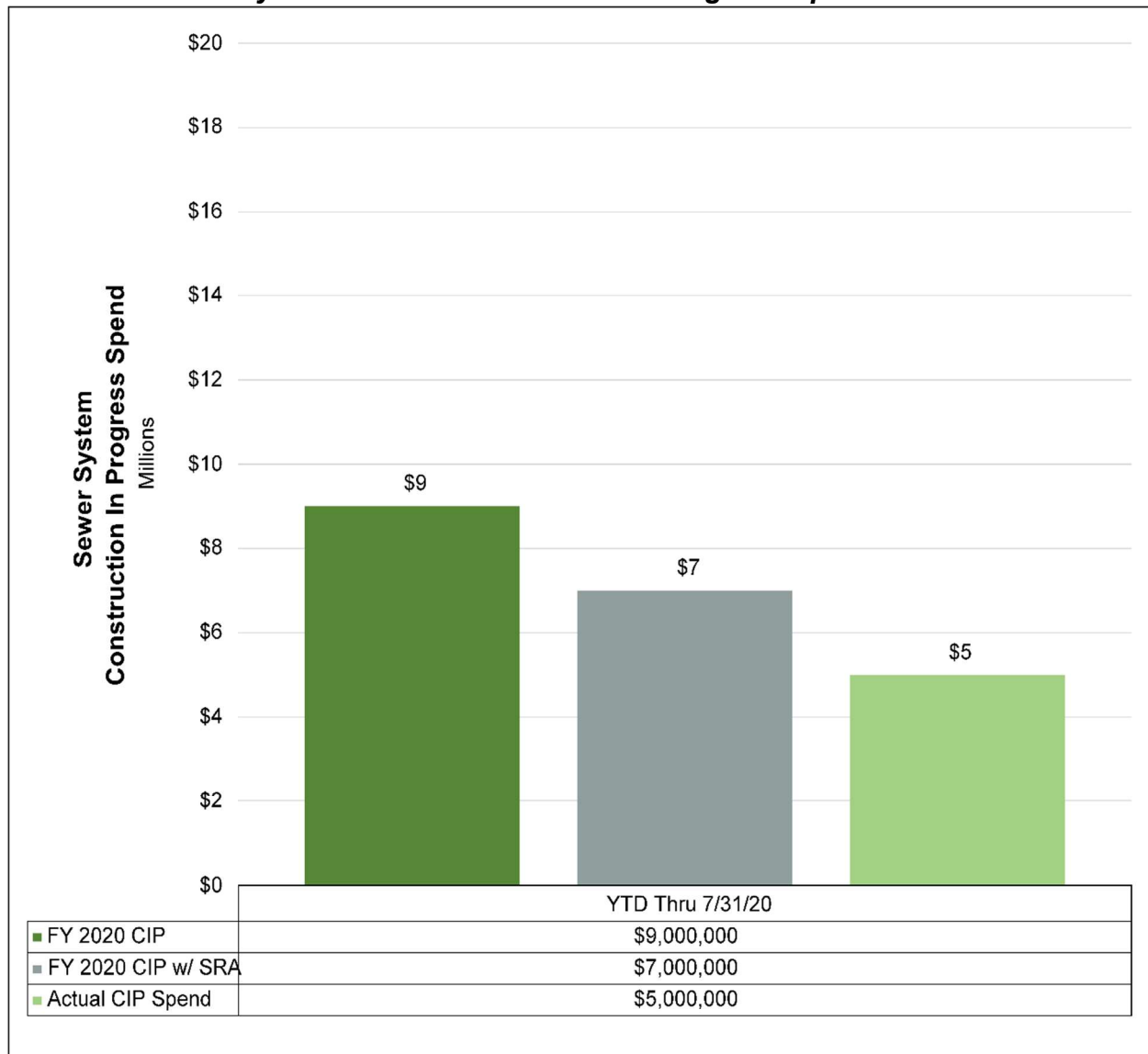
Chart 1 – Water System Construction Work in Progress Spend


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 2021 Water MBO Transfers reflects the required transfers for FY 2021 completed through July 1, 2020. MBO transfers for water totaling \$12.7 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through July 1, 2020. MBO transfers for sewer totaling \$17.6 million have been transferred to GLWA accounts.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 1 – GLWA FY 2021 Water MBO Transfers

WATER							
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Water</u>
FY 2021							
July 2020	\$ 11,160,517	\$504,000	\$891,308	\$192,608	-	-	\$12,748,433
Total FY 2021	\$ 11,160,517	\$ 504,000	\$ 891,308	\$ 192,608	\$ -	\$ -	\$ 12,748,433

Table 2 – GLWA FY 2021 Sewer MBO Transfers

SEWER							
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Sewer</u>
FY 2021							
July 2020	\$ 15,194,175	\$902,000	\$1,223,950	\$313,500	-	-	\$17,633,625
Total FY 2021	\$15,194,175	\$902,000	\$1,223,950	\$313,500	\$ -	\$ -	\$17,633,625

Table 3 – GLWA MBO Transfer History

GLWA MBO Transfer History							
WATER							
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Water</u>
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	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021 (1 month)	11,160,517	504,000	891,308	192,608	-	-	12,748,433
Life to Date	\$564,057,529	\$30,722,300	\$53,572,783	\$10,454,312	\$2,686,900	\$606,000	\$662,099,824
SEWER							
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Sewer</u>
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	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021 (1 month)	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
Life to Date	\$856,003,167	\$55,050,800	\$73,339,059	\$14,010,396	\$8,246,100	\$779,600	\$1,007,429,122

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 2021 Water MBO Transfers reflects the required transfers for FY 2021 completed through July 1, 2020. MBO transfers for Water totaling \$4.5 million have been transferred to accounts held by DWSD. For FY 2021, DWSD has requested that \$8,822,300 of the lease payment be utilized to offset a portion of debt service.

Table 5 – DWSD FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through July 1, 2020. MBO transfers for Sewer totaling \$8.2 million have been transferred to accounts held by DWSD. For FY 2021, DWSD has requested that \$2,191,800 of the lease payment be utilized to offset a portion of debt service.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 4 – DWSD FY 2021 Water MBO Transfers

WATER				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment (I&E Fund)	<u>Total Water</u>
FY 2021				
July 2020	\$2,986,158	\$356,000	\$1,139,808	\$4,481,966
Total FY 2021	\$2,986,158	\$356,000	\$1,139,808	\$4,481,966

Table 5 – DWSD FY 2021 Sewer MBO Transfers

SEWER				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment (I&E Fund)	<u>Total Sewer</u>
FY 2021				
July 2020	\$5,826,308	\$238,000	\$2,109,017	\$8,173,325
Total FY 2021	\$5,826,308	\$238,000	\$2,109,017	\$8,173,325

Table 6 – DWSD Water 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				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
Net MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
FY 2021 (1 month)				
MBO/Lease Requirement	2,986,158	356,000	1,875,000	5,217,158
Offset to Debt Service	-	-	(735,192)	(735,192)
Net MBO Transfer	2,986,158	356,000	1,139,808	4,481,966
Life-to-Date				
MBO/Lease Requirement	167,974,562	21,697,100	114,375,000	304,046,662
Offsets	-	-	(12,457,292)	(12,457,292)
Total Water	167,974,562	21,697,100	101,917,708	291,589,370

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

Transfers to DWSD				
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				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
FY 2021 (1 month)				
MBO/Lease Requirement	5,826,308	238,000	2,291,667	8,355,975
Offset to Debt Service	-	-	(182,650)	(182,650)
Total MBO Transfer	5,826,308	238,000	2,109,017	8,173,325
Life-to-Date				
MBO/Lease Requirement	246,765,620	14,529,800	139,791,667	401,087,087
Offsets	(7,100,000)	-	(38,788,514)	(45,888,514)
Total Sewer	239,665,620	14,529,800	101,003,153	355,198,573

* 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:

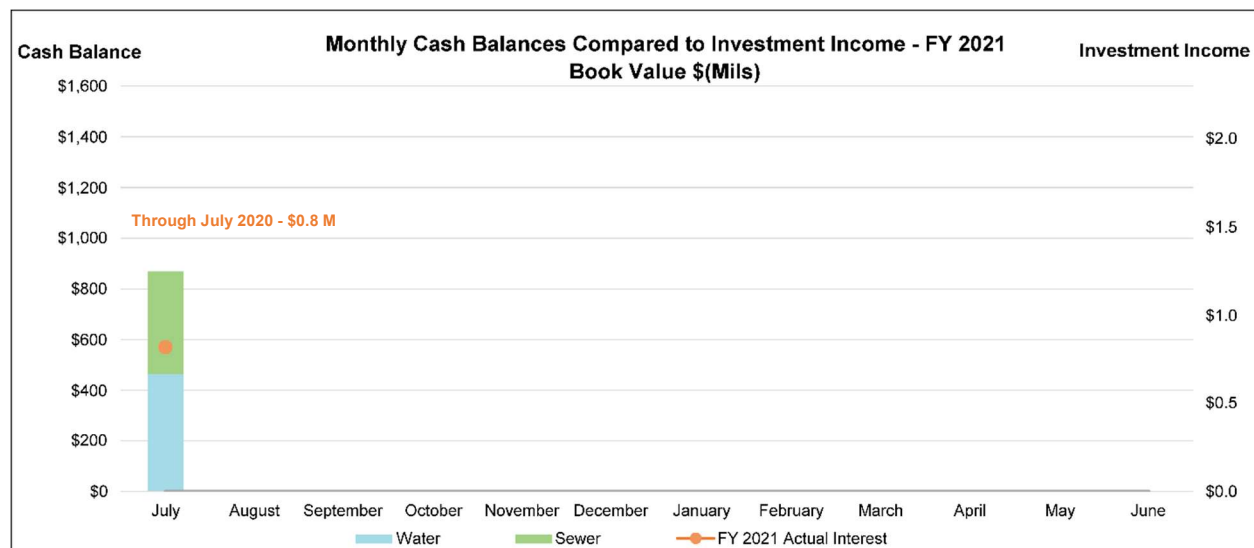
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 total cumulative investment income for July 2020 is \$0.8 million. This total investment income includes earnings from revenue requirement funds as well as construction bond funds.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through July 2020



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$464											
Sewer	\$403											
Total	\$867											
Investment Income	\$0.8											

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

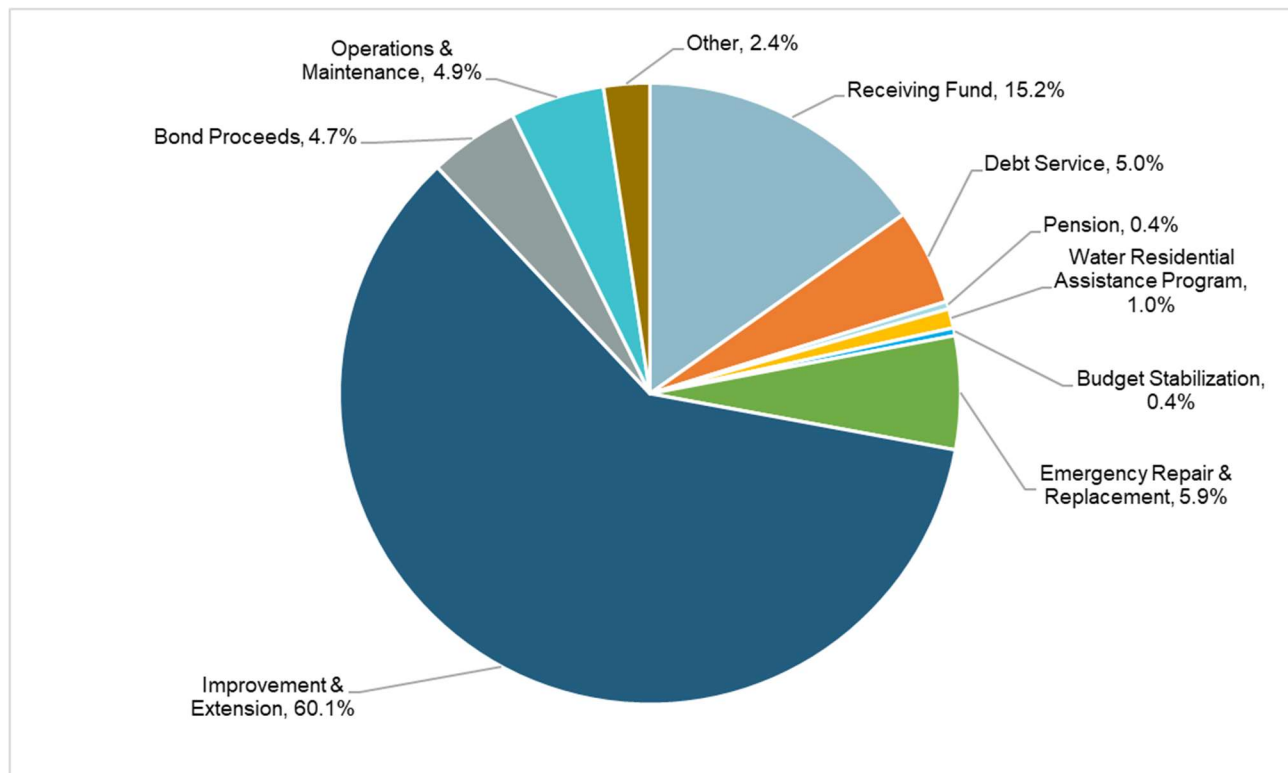
Funds Held Outside Trust:

- 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 July 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 July 31, 2020 is \$464 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 July 31, 2020

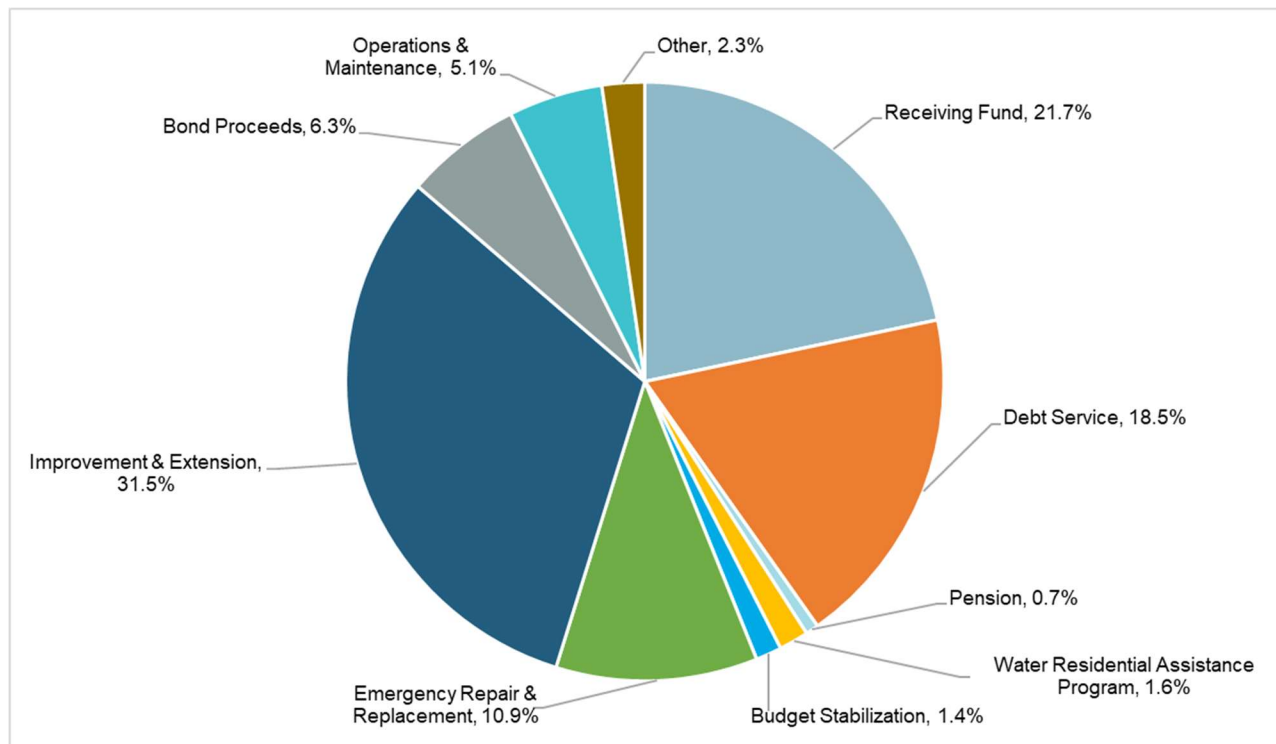


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of July 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 July 31, 2020 is \$403 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 I&E deposits has been less than anticipated due to 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 July 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 2021 water usage and billed revenue which are provided by DWSD staff. As of July 31, 2020, the DWSD usage was at 97.11% of the budget and billed revenue was at 96.51% 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 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2021 - Budget/Goal			FY 2021 - Actual			FY 2021 - Variance	
	Volume	Revenue	Unit	Volume	Revenue (2)	Unit	Volume	Revenue
	Mcf	\$	\$/Mcf	Mcf	\$	\$/Mcf	Mcf	\$
July	273,700	10,099,621	36.90	265,796	9,747,518	36.67	(7,904)	(352,103)
August	263,300	9,828,389	37.33					
September	239,800	9,215,509	38.43					
October	228,800	8,928,629	39.02					
November	208,200	8,391,381	40.30					
December	208,900	8,409,637	40.26					
January	210,200	8,443,541	40.17					
February	214,600	8,558,293	39.88					
March	216,500	8,607,845	39.76					
April	211,700	8,482,661	40.07					
May	221,300	8,733,029	39.46					
June	261,800	9,789,269	37.39					
Total	2,758,800	107,487,800	38.96	265,796	9,747,518	36.67	(7,904)	(352,103)
Subtotals ytd	273,700	10,099,621	36.90	265,796	9,747,518	36.67	(7,904)	(352,103)
Achievement of Budget				97.11%	96.51%			

(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
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%
February	8,281,985	7,927,299	354,686	4.47%
March	6,948,308	8,707,578	(1,759,270)	-20.20%
April	5,956,105	8,475,657	(2,519,552)	-29.73%
May	8,109,469	8,415,767	(306,298)	-3.64%
June	7,821,791	7,554,457	267,334	3.54%
July	8,017,490	8,093,394	(75,904)	-0.94%
Rolling, 12-Month Total	96,779,090	100,043,817		
Rolling, 12-Month Average	8,064,924	8,336,985		

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 2021 sewer billed revenue which are provided by DWSD staff. As of July 31, 2020, the DWSD usage was at 100.09% of the budget and billed revenue was at 100.64% 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 - DWSD Retail Sewer Billings

RETAIL SEWER CUSTOMERS						
Month (1)	FY 2021 - Budget/Goal		FY 2021 - Actual		FY 2021 - Variance	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$
July	252,700	29,612,070	252,929	29,802,377	229	190,307
August	252,900	29,748,644				
September	219,800	27,859,958				
October	245,700	29,337,812				
November	192,400	26,296,514				
December	192,600	26,307,926				
January	195,700	26,484,812				
February	195,300	26,461,988				
March	192,100	26,279,396				
April	188,900	26,096,804				
May	195,300	26,461,988				
June	245,560	29,329,824				
Total	2,568,960	330,277,738	252,929	29,802,377	229	190,307
<i>Subtotals ytd</i>	252,700	29,612,070	252,929	29,802,377	229	190,307
<i>Achievement of Budget/Goal</i>			100.09%	100.64%		

(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
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	19,612,154	3,900,548	19.89%
February	22,682,982	20,624,039	2,058,943	9.98%
March	19,325,377	22,111,691	(2,786,314)	-12.60%
April	17,105,146	20,930,511	(3,825,365)	-18.28%
May	23,639,652	22,807,283	832,369	3.65%
June	22,558,827	20,426,151	2,132,676	10.44%
July	20,652,159	20,940,157	(287,998)	-1.38%
Rolling 12-Month Total	264,382,255	257,101,331		
Rolling, 12-Month Average	22,031,855	21,425,111		

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 July 31, 2020 with comparative totals from July 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	Balance
Residential	204,260	\$ 461.60	\$ 14,626,000	\$ 6,579,000	\$ 16,807,000	\$ 56,273,000	\$ 94,285,000
			15.5%	7.0%	17.8%	59.7%	100.0%
Commercial	20,611	1,694.12	7,596,000	2,812,000	5,417,000	19,092,000	34,918,000
			21.8%	8.1%	15.5%	54.7%	100.0%
Industrial	2,139	6,147.46	3,472,000	707,000	2,485,000	6,486,000	13,149,000
			26.4%	5.4%	18.9%	49.3%	100.0%
Tax Exempt	3,448	877.23	457,000	139,000	465,000	1,964,000	3,025,000
			15.1%	4.6%	15.4%	64.9%	100.0%
Government	66,052	281.55	3,492,000	1,413,000	2,682,000	11,011,000	18,597,000
			18.8%	7.6%	14.4%	59.2%	100.0%
Drainage	33,751	845.73	1,971,000	1,394,000	4,000,000	21,179,000	28,544,000
			6.9%	4.9%	14.0%	74.2%	100.0%
Subtotal - Active Accounts	330,261	\$ 582.93	\$ 31,614,000	\$ 13,043,000	\$ 31,856,000	\$ 116,005,000	\$ 192,519,000
			16.4%	6.8%	16.5%	60.3%	100.0%
Inactive Accounts	285,473	97.81	34,000	30,000	496,000	27,362,000	27,923,000
			0.1%	0.1%	1.8%	98.0%	100.0%
Total	615,734	\$ 358.01	\$ 31,648,000	\$ 13,073,000	\$ 32,352,000	\$ 143,367,000	\$ 220,441,000
% of Total A/R			14.4%	5.9%	14.7%	65.0%	100.0%
Water Fund	225,989	181.14	\$ 6,772,000	\$ 2,359,000	\$ 5,472,000	\$ 26,334,000	\$ 40,936,000
Sewer Fund	278,220	645.19	\$ 24,877,000	\$ 10,714,000	\$ 26,881,000	\$ 117,033,000	\$ 179,505,000
Total July 31, 2020 (a)	615,734	358.01	\$ 31,648,000	\$ 13,073,000	\$ 32,352,000	\$ 143,367,000	\$ 220,441,000
Water Fund- Allowance							\$ (32,334,000)
Sewer Fund- Allowance							\$ (106,585,000)
Total Bad Debt Allowance							\$ (138,919,000)
Comparative - July 2019 (b)	595,917	310.87	\$ 30,962,000	\$ 12,240,000	\$ 32,250,000	\$ 109,803,000	\$ 185,255,000
Difference (a) - (b)	19,817	47.14	\$ 687,000	\$ 833,000	\$ 103,000	\$ 33,564,000	\$ 35,186,000



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 2021 water billed usage and revenues. As of July 31, 2020, the billed usage was at 113.64% of budget and billed revenue at 107.64% of budget. Billings and usage from the City of Flint are included as they were assumed in the FY 2021 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 CHARGES								
Month (1)	FY 2021 - Budget/Goal			FY 2021 - Actual			FY 2021 - Variance	
	Volume	Revenue	Unit	Volume	Revenue	Unit	Volume	Revenue
	Mcf	\$	\$/Mcf	Mcf	\$	\$/Mcf	Mcf	\$
July	1,639,220	31,200,300	19.03	1,862,791	33,583,619	18.03	223,571	2,383,319
August	1,491,209	29,822,200	20.00					
September	1,331,364	27,852,100	20.92					
October	1,033,853	25,773,900	24.93					
November	901,197	24,557,700	27.25					
December	980,114	25,189,000	25.70					
January	984,816	25,260,100	25.65					
February	883,785	24,344,600	27.55					
March	983,469	25,208,400	25.63					
April	912,079	24,593,900	26.96					
May	1,032,713	25,895,100	25.07					
June	1,379,070	29,502,100	21.39					
Total	13,552,890	319,199,400	23.55	1,862,791	33,583,619	18.03	223,571	2,383,319
Subtotals ytd	1,639,220	31,200,300	19.03	1,862,791	33,583,619	18.03	223,571	2,383,319
Achievement of Budget				113.64%	107.64%			

(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
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%
February	24,629,768	26,147,082	(1,517,314)	-5.80%
March	25,017,989	24,967,264	50,725	0.20%
April	17,856,644	23,045,654	(5,189,010)	-22.52%
May	24,811,582	20,749,943	4,061,639	19.57%
June	27,098,783	25,676,458	1,422,325	5.54%
July	25,080,575	23,212,979	1,867,596	8.05%
Rolling 12-Month Total	305,435,667	309,974,881		
Rolling, 12-Month Average	25,452,972	25,831,240		

Wholesale Sewer Billings and Collections

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

Service Arrangement Type

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

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

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

Table 3 - Wholesale Sewer Billings shows the FY 2021 sewer billed revenue. As of July 31, 2020 the billed revenue is at 100.00% of budget.

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 2020 to FY 2021 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 CHARGES						
Month (1)	FY 2021 - Budget/Goal		FY 2021 - Actual		FY 2021 - 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		N/A	
September	N/A	22,323,183	N/A		N/A	
October	N/A	23,005,800	N/A		N/A	
November	N/A	23,005,800	N/A		N/A	
December	N/A	23,005,800	N/A		N/A	
January	N/A	23,005,800	N/A		N/A	
February	N/A	23,005,800	N/A		N/A	
March	N/A	23,005,800	N/A		N/A	
April	N/A	23,005,800	N/A		N/A	
May	N/A	23,005,800	N/A		N/A	
June	N/A	23,005,800	N/A		N/A	
Total		274,021,749		22,323,183		-
<i>Subtotals ytd</i>		22,323,183		22,323,183		-
<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
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%
February	23,284,737	13,895,100	9,389,637	67.58%
March	21,108,100	22,388,600	(1,280,500)	-5.72%
April	10,024,575	23,203,703	(13,179,128)	-56.80%
May	21,189,047	9,284,000	11,905,047	128.23%
June	28,598,467	32,639,436	(4,040,969)	-12.38%
July	22,297,737	27,222,400	(4,924,663)	-18.09%
Rolling 12-Month Total	266,872,634	275,743,666		
Rolling, 12-Month Average	22,239,386	22,978,639		

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 July 31, 2020, Highland Park had a delinquent balance of \$44.0 million, including \$33.7 million for wastewater treatment services, \$1.7 million for industrial waste control services, and \$8.6 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 2021 through July 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
August 31, 2019 Balance	7,562,384	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	7,670,391	32,229,087	1,687,403	41,586,882
October 2019 Billing	107,422	472,500	3,933	583,855
October 2019 Payments	-	-	-	-
October 31, 2019 Balance	7,777,814	32,701,587	1,691,336	42,170,737
November 2019 Billing	101,003	472,500	3,948	577,451
November 2019 Payments	-	-	-	-
November 30, 2019 Balance	7,878,817	33,174,087	1,695,284	42,748,188
December 2019 Billing	98,501	472,500	3,845	574,846
December 2019 Payments	-	-	-	-
December 31, 2019 Balance	7,977,318	33,646,587	1,699,129	43,323,034
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	32,557,275	1,702,982	42,322,917
February 2020 Billing	93,589	472,500	3,892	569,981
February 2020 Payments	-	-	-	-
February 28, 2020 Balance	8,156,249	33,029,775	1,706,874	42,892,898
March 2020 Billing	92,950	472,500	3,906	569,356
March 2020 Payments	-	-	-	-
March 31, 2020 Balance	8,249,199	33,502,275	1,710,780	43,462,254
April 2020 Billing	94,738	472,500	3,905	571,143
April 2020 Payments	-	-	-	-
April 30, 2020 Balance	8,343,937	33,974,775	1,714,685	44,033,397
May 2020 Billing	92,674	472,500	3,824	568,998
May 2020 Payments	-	(807,648)	-	(807,648)
May 31, 2020 Balance	8,436,611	33,639,627	1,718,509	43,794,747
June 2020 Billing	97,073	472,500	3,831	573,404
June 2020 Payments	-	-	-	-
June 30, 2020 Balance	8,533,684	34,112,127	1,722,340	44,368,151
July 2020 Billing	100,390	472,500	3,831	576,721
July 2020 Payments	-	(926,053)	-	(926,053)
July 31, 2020 Balance	8,634,074	33,658,574	1,726,171	44,018,819

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 July 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 water and sewer past due balances of \$7 thousand and \$108 relate to incorrect payment amounts. The water past due balance was paid in full in early September and we are still awaiting payment on the small sewer balance outstanding.

The IWC past dues relate to one past due member partner that was able to catch up in October 2020 as well as adjustments made as part of the WTUA credit rebill processing. The past dues associated with WTUA were paid in full in August 2020. One past due Pollutant Surcharge customer accounts for \$75 thousand of the total past due for that category and is associated with a change in ownership. That past due balance was paid in full in October 2020.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 44,130,365.73	\$ 35,686,977.37	\$ 99,451.35	\$ 94,738.07	\$ 8,249,198.94
Sewer	\$ 53,324,163.03	\$ 20,137,981.45	\$ 472,608.16	\$ 472,500.00	\$ 32,241,073.42
IWC	\$ 2,147,023.20	\$ 414,205.02	\$ 9,653.40	\$ -	\$ 1,723,164.78
Pollutant Surcharge	\$ 1,034,609.77	\$ 896,583.15	\$ 34,386.33	\$ 18,436.71	\$ 85,203.58
Total	\$ 100,636,161.73	\$ 57,135,746.99	\$ 616,099.24	\$ 585,674.78	\$ 42,298,640.72
	100.00%	56.77%	0.61%	0.58%	42.03%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 35,496,291.13	\$ 35,489,514.11	\$ 6,777.02	\$ -	\$ -
Sewer	\$ 19,665,589.61	\$ 19,665,481.45	\$ 108.16	\$ -	\$ -
IWC	\$ 420,851.57	\$ 406,542.56	\$ 5,828.93	\$ -	\$ 8,480.08
Pollutant Surcharge	\$ 1,034,609.77	\$ 896,583.15	\$ 34,386.33	\$ 18,436.71	\$ 85,203.58
Total	\$ 56,617,342.08	\$ 56,458,121.27	\$ 47,100.44	\$ 18,436.71	\$ 93,683.66
	100.00%	99.72%	0.08%	0.03%	0.17%

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 2021 reflects one month of activity to date.

Water fund receipts exceeded required disbursements by 7% through July 31, 2020 with a historical ratio of receipts exceeding required disbursements by 14% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 9% through July 31, 2020 with a historical ratio of receipts exceeding required disbursements by 6% since January 1, 2016.

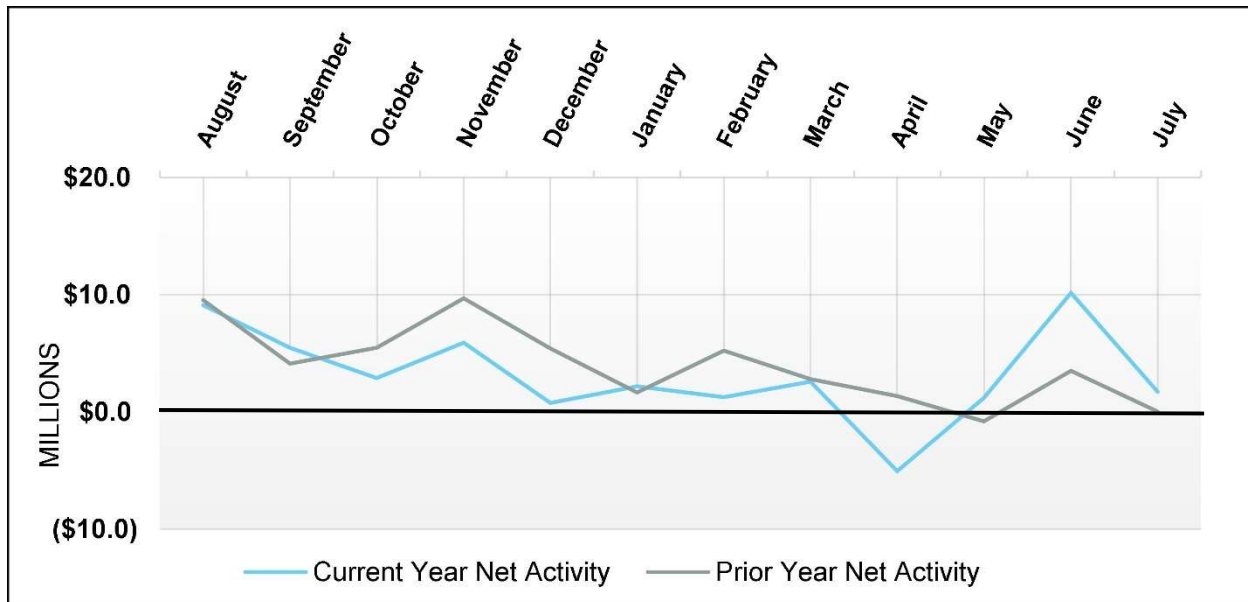
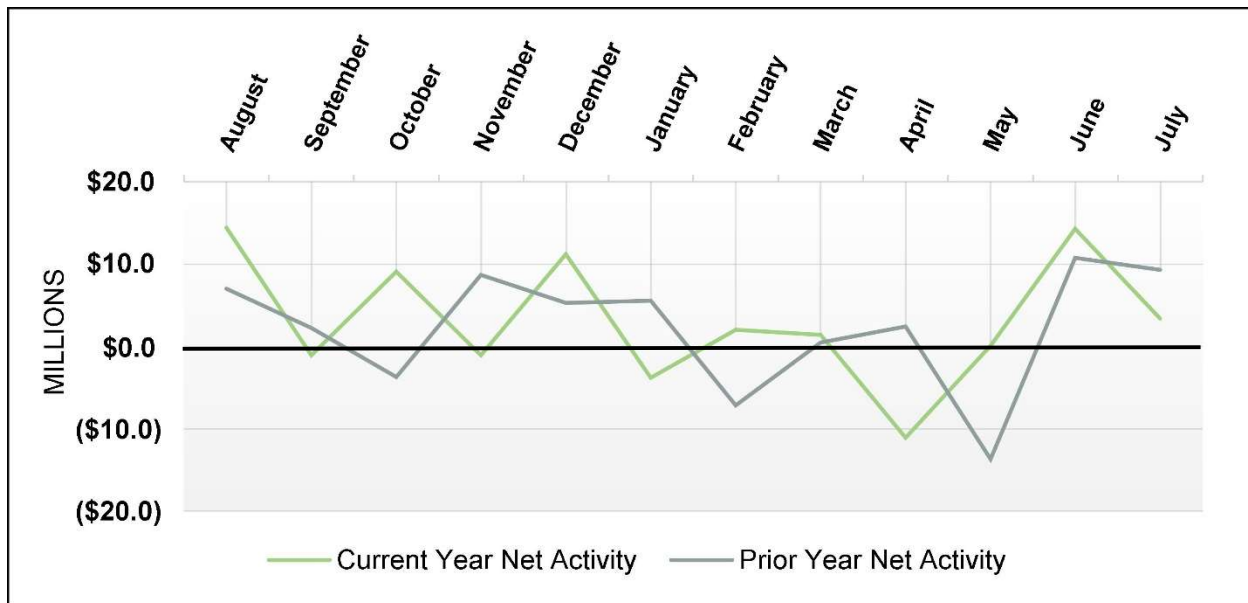
Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

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 (Prelim)	FY 2021 Thru July 31	Life-to-Date Total
Water							
1 Receipts	\$ 149,688,711	\$ 352,941,909	\$ 338,452,001	\$ 336,594,234	\$ 332,606,196	\$ 27,386,251	\$1,537,669,302
2 MOU Adjustments	-	-	-	-	-	-	-
3 Adjusted Receipts	149,688,711	352,941,909	338,452,001	336,594,234	332,606,196	27,386,251	1,537,669,302
4 Disbursements	(146,256,185)	(288,777,985)	(297,064,810)	(289,230,481)	(296,190,425)	(25,677,050)	(1,343,196,936)
5 Receipts Net of Required	3,432,526	64,163,924	41,387,191	47,363,753	36,415,771	1,709,201	194,472,366
6 I&E Transfer	-	-	(25,739,700)	(47,695,000)	(25,719,751)	-	(99,154,451)
7 Net Receipts	\$ 3,432,526	\$ 64,163,924	\$ 15,647,491	\$ (331,247)	\$ 10,696,020	\$ 1,709,201	\$ 95,317,915
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	102%	122%	114%	116%	112%	107%	114%
Sewer							
9 Receipts	\$ 232,377,715	\$ 469,788,882	\$ 476,269,761	\$ 467,743,744	\$ 490,461,356	\$ 39,870,430	\$2,176,511,888
10 MOU Adjustments	-	-	-	-	-	-	-
11 Adjusted Receipts	232,377,715	469,788,882	476,269,761	467,743,744	490,461,356	39,870,430	2,176,511,888
12 Disbursements	(219,538,325)	(441,443,340)	(458,903,335)	(453,406,636)	(445,604,952)	(36,493,110)	(2,055,389,698)
13 Receipts Net of Required	12,839,390	28,345,542	17,366,426	14,337,108	44,856,404	3,377,320	121,122,190
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	-	(64,342,000)
15 DWSD Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	-	(53,413,034)
16 Shortfall Repayment (principal)	-	-	-	9,367,355	17,542,669	1,491,505	28,401,529
17 Net Receipts	\$ 11,553,924	\$ 331,008	\$ (29,444,708)	\$ 1,156,763	\$ 43,302,873	\$ 4,868,825	\$ 31,768,685
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	106%	106%	104%	103%	110%	109%	106%
Combined							
19 Receipts	\$ 382,066,426	\$ 822,730,791	\$ 814,721,762	\$ 804,337,978	\$ 823,067,552	\$ 67,256,681	\$3,714,181,190
20 MOU Adjustments	-	-	-	-	-	-	-
21 Adjusted Receipts	382,066,426	822,730,791	814,721,762	804,337,978	823,067,552	67,256,681	3,714,181,190
22 Disbursements	(365,794,510)	(730,221,325)	(755,968,145)	(742,637,117)	(741,795,377)	(62,170,160)	(3,398,586,634)
23 Receipts Net of Required	16,271,916	92,509,466	58,753,617	61,700,861	81,272,175	5,086,521	315,594,556
24 I&E Transfer	-	-	(48,437,800)	(70,242,700)	(44,815,951)	-	(163,496,451)
25 Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	-	(53,413,034)
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	1,491,505	28,401,529
27 Net Receipts	\$ 14,986,450	\$ 64,494,932	\$ (13,797,217)	\$ 825,516	\$ 53,998,893	\$ 6,578,026	\$ 127,086,600
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	104%	113%	108%	108%	111%	108%	109%

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 2021 reflects one month of activity to date.

Water fund receipts fell short of required disbursements by 5% through July 31, 2020 with a historical ratio of net receipts exceeding required disbursements by 2% since January 1, 2016.

Sewer fund receipts fell short of required disbursements by 17% through July 31, 2020 with a historic ratio of receipts falling short of required disbursements by 6% since January 1, 2016.

Both DWSD Water and Sewer funds closed fiscal year 2020 with shortfalls. However, agreed-upon terms under the April 2018 Memorandum of Understanding (MOU) state that DWSD has until June 30, 2021 to resolve this shortfall prior to establishment of a loan receivable with GLWA. This topic is discussed with executive leadership at quarterly Reconciliation Committee meetings and at regularly scheduled internal DWSD and GLWA management meetings. DWSD is working to address this shortfall resulting largely from this unforeseen COVID-19 pandemic using tax liens on commercial and industrial past due balances and the distribution of CARES Act funding from the State of Michigan.

Table 3 – FY 2017 DWSD Loan Receivable - Sewer provides an activity summary of the 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 the 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.

Table 7 – Total DWSD Loan Receivable Balance – Sewer provides a summary of the FY 2017 and FY 2018 loan receivable balances in a combined total.

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 (Prelim)	FY 2021 Thru July 31	Life-to-Date Total
Water							
1 Receipts	\$ 26,201,881	\$ 96,451,105	\$ 101,233,147	\$ 99,868,219	\$ 96,885,723	\$ 8,017,721	\$ 428,657,796
2 MOU Adjustments	18,446,100	-	-	-	-	-	18,446,100
3 Adjusted Receipts	44,647,981	96,451,105	101,233,147	99,868,219	96,885,723	8,017,721	447,103,896
4 Disbursements	(47,809,552)	(93,066,144)	(93,049,457)	(97,694,600)	(97,823,097)	(8,434,449)	(437,877,299)
5 Receipts Net of Required	(3,161,571)	3,384,961	8,183,690	2,173,619	(937,374)	(416,728)	9,226,597
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)	\$ (937,374)	\$ (416,728)	\$ 819,517
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	93%	104%	109%	102%	99%	95%	102%
Sewer							
9 Receipts	\$ 65,256,734	\$ 233,723,367	\$ 242,104,791	\$ 265,339,797	\$ 264,689,559	\$ 20,652,166	\$1,091,766,414
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	264,689,559	20,652,166	1,154,048,714
12 Disbursements	(122,297,300)	(261,963,973)	(266,217,825)	(271,018,306)	(275,507,374)	(24,779,223)	(1,221,784,001)
13 Receipts Net of Required	(1,285,466)	(28,240,606)	(24,113,034)	848,691	(10,817,815)	(4,127,057)	(67,735,287)
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	\$ (10,817,815)	\$ (4,127,057)	\$ (14,322,253)
17 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	99%	89%	91%	100%	96%	83%	94%
Combined							
18 Receipts	\$ 91,458,615	\$ 330,174,472	\$ 343,337,938	\$ 365,208,016	\$ 361,575,282	\$ 28,669,887	\$1,520,424,210
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	361,575,282	28,669,887	1,601,152,610
21 Disbursements	(170,106,852)	(355,030,117)	(359,267,282)	(368,712,906)	(373,330,471)	(33,213,672)	(1,659,661,300)
22 Receipts Net of Required	(4,447,037)	(24,855,645)	(15,929,344)	3,022,310	(11,755,189)	(4,543,785)	(58,508,690)
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)	\$ (11,755,189)	\$ (4,543,785)	\$ (13,502,736)
26 Ratio of Receipts to Required Disbursements (Line 20/Line 21)	97%	93%	96%	101%	97%	86%	96%

(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
06-30-18	Record Loan Receivable		29,300,000
02-08-19	Payment for July - Dec 2018	4,635,462	24,664,538
02-22-19	Payment for Jan - Mar 2019	2,353,768	22,310,770
04-15-19	Payment for the Apr 2019	789,990	21,520,780
05-08-19	Payment for May 2019	792,705	20,728,075
06-07-19	Payment for June 2019	795,430	19,932,645
07-05-19	Payment for July 2019	798,164	19,134,480
08-08-19	Payment for August 2019	800,908	18,333,572
09-06-19	Payment for September 2019	803,661	17,529,911
10-02-19	Payment for October 2019	806,424	16,723,487
11-04-19	Payment for November 2019	809,196	15,914,291
12-03-19	Payment for December 2019	811,978	15,102,314
01-06-20	Payment for January 2020	814,769	14,287,545
02-04-20	Payment for February 2020	817,570	13,469,975
03-03-20	Payment for March 2020	820,380	12,649,595
04-15-20	Payment for April 2020	823,200	11,826,395
05-06-20	Payment for May 2020	826,030	11,000,366
06-02-20	Payment for June 2020	828,869	10,171,497
07-07-20	Payment for July 2020	831,718	9,339,778
		19,960,222	9,339,778

Table 4 – FY 2017 DWSD Loan Receivable Payments – Sewer

Date	Transaction	Principal	Interest	Total Paid
02-08-19	Payment for July - Dec 2018	4,635,462	564,636	5,200,098
02-22-19	Payment for Jan - Mar 2019	2,353,768	246,280	2,600,049
04-15-19	Payment for the Apr 2019	789,990	76,693	866,683
05-08-19	Payment for May 2019	792,705	73,978	866,683
06-07-19	Payment for June 2019	795,430	71,253	866,683
07-05-19	Payment for July 2019	798,164	68,518	866,683
08-08-19	Payment for August 2019	800,908	65,775	866,683
09-06-19	Payment for September 2019	803,661	63,022	866,683
10-02-19	Payment for October 2019	806,424	60,259	866,683
11-04-19	Payment for November 2019	809,196	57,487	866,683
12-03-19	Payment for December 2019	811,978	54,705	866,683
01-06-20	Payment for January 2020	814,769	51,914	866,683
02-04-20	Payment for February 2020	817,570	49,113	866,683
03-03-20	Payment for March 2020	820,380	46,303	866,683
04-15-20	Payment for April 2020	823,200	43,483	866,683
05-06-20	Payment for May 2020	826,030	40,653	866,683
06-02-20	Payment for June 2020	820,380	46,303	866,683
07-07-20	Payment for July 2020	831,718	34,965	866,683
		19,951,733	1,715,341	21,667,073

Table 5 – FY 2018 DWSD Loan Receivable – Sewer

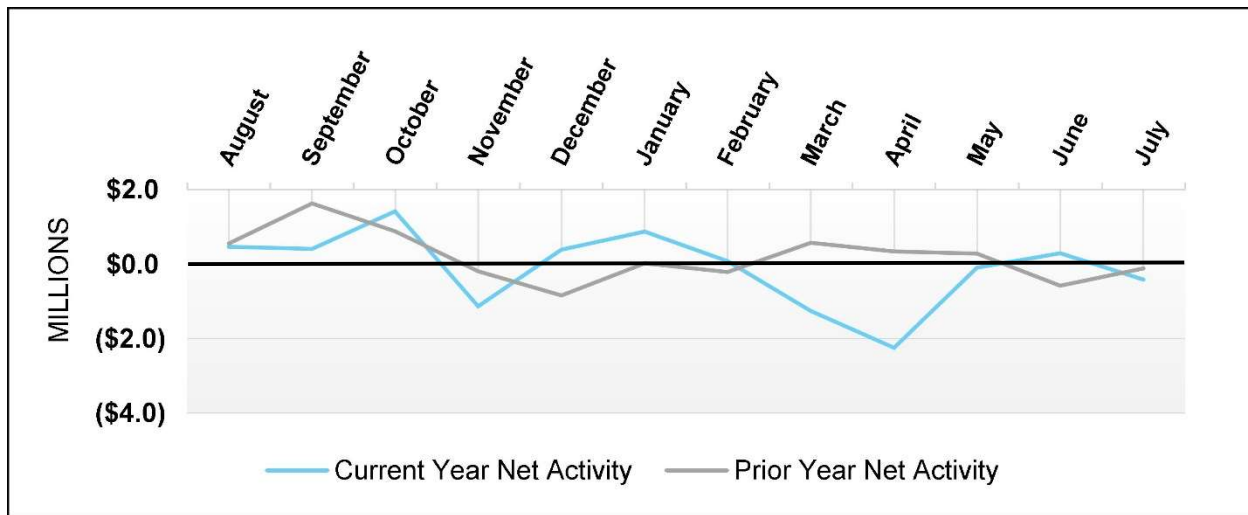
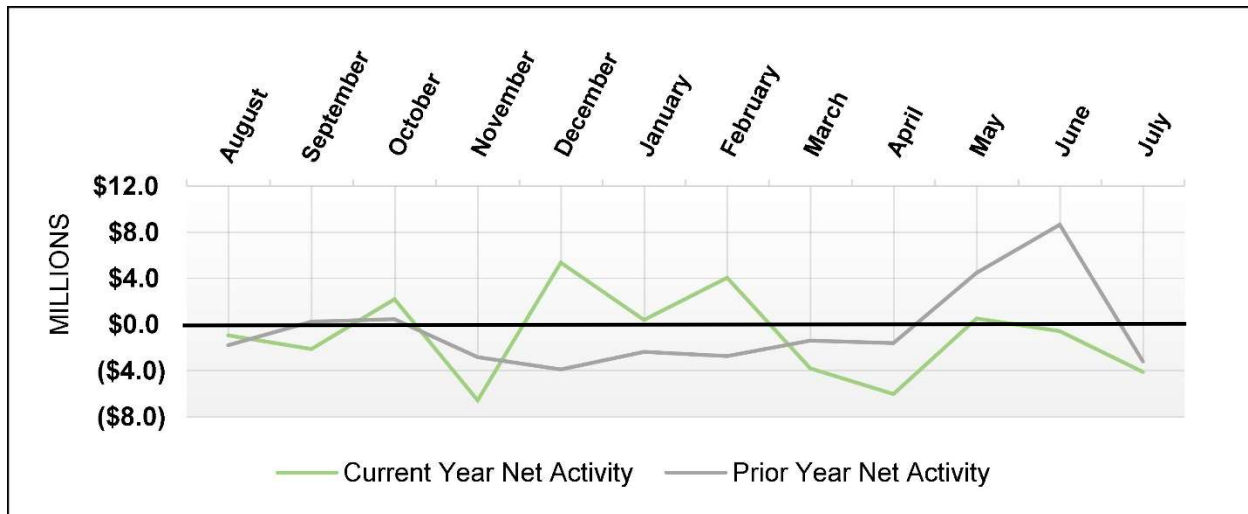
Date	Transaction	Amount	Balance
06-30-19	Record Loan Receivable		24,113,034
07-15-19	Payment for July 2019	638,978	23,474,056
08-08-19	Payment for August 2019	640,686	22,833,370
09-06-19	Payment for September 2019	642,400	22,190,970
10-02-19	Payment for October 2019	644,118	21,546,852
11-04-19	Payment for November 2019	645,840	20,901,012
12-03-19	Payment for December 2019	647,567	20,253,445
01-06-20	Payment for January 2020	649,299	19,604,146
02-04-20	Payment for February 2020	651,035	18,953,111
03-03-20	Payment for March 2020	652,776	18,300,335
04-15-20	Payment for April 2020	654,522	17,645,813
05-06-20	Payment for May 2020	656,272	16,989,541
06-02-20	Payment for June 2020	658,027	16,331,514
07-07-20	Payment for July 2020	659,787	15,671,727
		8,441,307	15,671,727

Table 6 – FY 2018 DWSD Loan Receivable Payments – Sewer

Date	Transaction	Principal	Interest	Total Paid
07-15-19	Payment for July 2019	638,978	64,482	703,460
08-08-19	Payment for August 2019	640,686	62,774	703,460
09-06-19	Payment for September 2019	642,400	61,060	703,460
10-02-19	Payment for October 2019	644,118	59,342	703,460
11-04-19	Payment for November 2019	645,840	57,620	703,460
12-03-19	Payment for December 2019	647,567	55,893	703,460
01-06-20	Payment for January 2020	649,299	54,161	703,460
02-04-20	Payment for February 2020	651,035	52,425	703,460
03-03-20	Payment for March 2020	652,776	50,684	703,460
04-15-20	Payment for April 2020	654,522	48,938	703,460
05-06-20	Payment for May 2020	656,272	47,188	703,460
06-02-20	Payment for June 2020	658,027	45,433	703,460
07-07-20	Payment for July 2020	659,787	43,673	703,460
		8,441,307	703,673	9,144,980

Table 7 – Total DWSD Loan Receivable Balance – Sewer

Date	FY17 Loan Balance	FY18 Loan Balance	Total
06-30-18	29,300,000	-	29,300,000
07-31-18	29,300,000	-	29,300,000
08-31-18	29,300,000	-	29,300,000
09-30-18	29,300,000	-	29,300,000
10-31-18	29,300,000	-	29,300,000
11-30-18	29,300,000	-	29,300,000
12-31-18	29,300,000	-	29,300,000
01-31-19	29,300,000	-	29,300,000
02-28-19	24,664,538	-	24,664,538
03-31-19	22,310,770	-	22,310,770
04-30-19	21,520,780	-	21,520,780
05-31-19	20,728,075	-	20,728,075
06-30-19	19,932,645	24,113,034	44,045,679
07-31-19	19,134,480	23,474,056	42,608,537
08-31-19	18,333,572	22,833,370	41,166,942
09-30-19	17,529,911	22,190,970	39,720,881
10-31-19	16,723,487	21,546,852	38,270,340
11-30-19	15,914,291	20,901,012	36,815,303
12-31-19	15,102,314	20,253,445	35,355,759
01-31-20	14,287,545	19,604,146	33,891,691
02-29-20	13,469,975	18,953,111	32,423,086
03-31-20	12,649,595	18,300,335	30,949,930
04-30-20	11,826,395	17,645,813	29,472,208
05-31-20	11,000,366	16,989,541	27,989,906
06-30-20	10,171,497	16,331,514	26,503,010
07-31-20	9,339,778	15,671,727	25,011,505

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 8 – 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 2021 reflects one month of activity to date.

Water fund net receipts exceeded required disbursements by 4% through July 31, 2020 with a historical ratio of receipts exceeding required disbursements by 11% since January 1, 2016.

Sewer fund receipts fell short of required disbursements by 1% through July 31, 2020 and with a historical ratio of receipts exceeding required disbursements by 2% since January 1, 2016.

Table 8 – Combined Net Cash Flows from Trust Receipts & Disbursements

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Prelim)	FY 2021 Thru July 31	Life-to-Date Total
Water							
1 Receipts	\$ 175,890,592	\$ 449,393,014	\$ 439,685,148	\$ 436,462,453	\$ 429,491,919	\$ 35,403,972	\$1,966,327,098
2 MOU Adjustments	18,446,100	-	-	-	-	-	18,446,100
3 Adjusted Receipts	194,336,692	449,393,014	439,685,148	436,462,453	429,491,919	35,403,972	1,984,773,198
4 Disbursements	(194,065,737)	(381,844,129)	(390,114,267)	(386,925,081)	(394,013,522)	(34,111,499)	(1,781,074,235)
5 Receipts Net of Required	270,955	67,548,885	49,570,881	49,537,372	35,478,397	1,292,473	203,698,963
6 I&E Transfer	-	-	(25,739,700)	(56,102,080)	(25,719,751)	-	(107,561,531)
7 Net Receipts	\$ 270,955	\$ 67,548,885	\$ 23,831,181	\$ (6,564,708)	\$ 9,758,646	\$ 1,292,473	\$ 96,137,432
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	100%	118%	113%	113%	109%	104%	111%
Sewer							
9 Receipts	\$ 297,634,449	\$ 703,512,249	\$ 718,374,552	\$ 733,083,541	\$ 755,150,915	\$ 60,522,596	\$3,268,278,302
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	755,150,915	60,522,596	3,330,560,602
12 Disbursements	(341,835,625)	(703,407,313)	(725,121,160)	(724,424,942)	(721,112,326)	(61,272,333)	(3,277,173,699)
13 Receipts Net of Required	11,553,924	104,936	(6,746,608)	15,185,799	34,038,589	(749,737)	53,386,903
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	-	(64,342,000)
15 Shortfall Advance	-	-	-	-	-	-	-
16 Shortfall Repayment (principal)	-	-	-	9,367,355	17,542,669	1,491,505	28,401,529
17 Net Receipts	\$ 11,553,924	\$ 104,936	\$ (29,444,708)	\$ (7,361,901)	\$ 32,485,058	\$ 741,768	\$ 17,446,433
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	103%	100%	99%	102%	105%	99%	102%
Combined							
19 Receipts	\$ 473,525,041	\$1,152,905,263	\$1,158,059,700	\$1,169,545,994	\$1,184,642,834	\$ 95,926,568	\$5,234,605,400
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	1,184,642,834	95,926,568	5,315,333,800
22 Disbursements	(535,901,362)	(1,085,251,442)	(1,115,235,427)	(1,111,350,023)	(1,115,125,848)	(95,383,832)	(5,058,247,934)
23 Receipts Net of Required	11,824,879	67,653,821	42,824,273	64,723,171	69,516,986	542,736	257,085,866
24 I&E Transfer	-	-	(48,437,800)	(78,649,780)	(44,815,951)	-	(171,903,531)
25 Shortfall Advance	-	-	-	-	-	-	-
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	1,491,505	28,401,529
27 Net Receipts	\$ 11,824,879	\$ 67,653,821	\$ (5,613,527)	\$ (4,559,254)	\$ 42,243,704	\$ 2,034,241	\$ 113,583,865
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	102%	106%	104%	106%	106%	101%	105%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$229,488.94	\$229,488.94	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$77,286.82	\$77,286.82	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$31,786.85	\$31,786.85	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$71,319.46	\$71,319.46	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$359,372.92	\$359,372.92	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$60,312.75	\$60,312.75	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$37,474.78	\$37,474.78	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$1,109,282.66	\$1,109,282.66	\$0.00	\$0.00	\$0.00
CENTER LINE	\$42,090.13	\$42,090.13	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$410,232.05	\$410,232.05	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$738,069.65	\$738,069.65	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$670,679.75	\$670,679.75	\$0.00	\$0.00	\$0.00
DEARBORN	\$947,005.63	\$947,005.63	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$338,703.40	\$338,703.40	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$136,029.89	\$136,029.89	\$0.00	\$0.00	\$0.00
ECORSE	\$117,416.09	\$117,416.09	\$0.00	\$0.00	\$0.00
FARMINGTON	\$96,609.48	\$96,609.48	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,594,007.66	\$1,594,007.66	\$0.00	\$0.00	\$0.00
FERNDAL	\$186,672.27	\$179,895.25	\$6,777.02	\$0.00	\$0.00
FLAT ROCK	\$128,077.14	\$128,077.14	\$0.00	\$0.00	\$0.00
FLINT	\$281,138.03	\$281,138.03	\$0.00	\$0.00	\$0.00
FRASER	\$116,591.61	\$116,591.61	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$153,514.68	\$153,514.68	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GIBRALTAR	\$29,909.39	\$29,909.39	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$106,780.41	\$106,780.41	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$149,774.81	\$149,774.81	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$69,633.14	\$69,633.14	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$147,907.21	\$147,907.21	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$69,450.74	\$69,450.74	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$69,516.96	\$69,516.96	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$150,840.54	\$150,840.54	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$69,183.97	\$69,183.97	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$8,634,074.60	\$197,463.26	\$92,674.33	\$94,738.07	\$8,249,198.94
HURON TOWNSHIP	\$145,330.20	\$145,330.20	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$139,774.90	\$139,774.90	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$2,356.02	\$2,356.02	\$0.00	\$0.00	\$0.00
INKSTER	\$204,560.01	\$204,560.01	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$53,155.70	\$53,155.70	\$0.00	\$0.00	\$0.00
LAPEER	\$137,070.71	\$137,070.71	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$47,552.87	\$47,552.87	\$0.00	\$0.00	\$0.00
LINCOLN PARK	\$205,826.48	\$205,826.48	\$0.00	\$0.00	\$0.00
LIVONIA	\$337,906.75	\$337,906.75	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$1,401,060.67	\$1,401,060.67	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MAYFIELD TOWNSHIP	\$5,795.90	\$5,795.90	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MELVINDALE	\$107,911.09	\$107,911.09	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$33,062.98	\$33,062.98	\$0.00	\$0.00	\$0.00
NOCWA	\$2,211,997.49	\$2,211,997.49	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$159,548.18	\$159,548.18	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$638,607.47	\$638,607.47	\$0.00	\$0.00	\$0.00
NOVI	\$1,652,455.55	\$1,652,455.55	\$0.00	\$0.00	\$0.00
OAK PARK	\$125,298.53	\$125,298.53	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$12,424.29	\$12,424.29	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$104,241.00	\$104,241.00	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$466,151.67	\$466,151.67	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$559,328.45	\$559,328.45	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$52,820.81	\$52,820.81	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$82,289.03	\$82,289.03	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$50,216.01	\$50,216.01	\$0.00	\$0.00	\$0.00
ROMEO	\$24,715.26	\$24,715.26	\$0.00	\$0.00	\$0.00
ROMULUS	\$414,783.10	\$414,783.10	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$234,810.68	\$234,810.68	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$32,799.88	\$32,799.88	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$1,710,650.15	\$1,710,650.15	\$0.00	\$0.00	\$0.00
SOCWA	\$4,116,546.28	\$4,116,546.28	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$20,079.83	\$20,079.83	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$193,949.87	\$193,949.87	\$0.00	\$0.00	\$0.00
ST. CLAIR COUNTY-GREENWOOD T	\$64,908.72	\$64,908.72	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ST. CLAIR SHORES	\$298,899.19	\$298,899.19	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$1,591,014.14	\$1,591,014.14	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$64,164.29	\$64,164.29	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$22,859.98	\$22,859.98	\$0.00	\$0.00	\$0.00
TAYLOR	\$431,237.00	\$431,237.00	\$0.00	\$0.00	\$0.00
TRENTON	\$161,940.72	\$161,940.72	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,440,109.03	\$1,440,109.03	\$0.00	\$0.00	\$0.00
UTICA	\$52,303.87	\$52,303.87	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$641,670.64	\$641,670.64	\$0.00	\$0.00	\$0.00
VILLAGE OF ALMONT	\$21,258.36	\$21,258.36	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$137,203.05	\$137,203.05	\$0.00	\$0.00	\$0.00
WARREN	\$952,605.90	\$952,605.90	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$285,329.74	\$285,329.74	\$0.00	\$0.00	\$0.00
WAYNE	\$283,746.83	\$283,746.83	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,891,143.18	\$1,891,143.18	\$0.00	\$0.00	\$0.00
WESTLAND	\$1,081,044.04	\$1,081,044.04	\$0.00	\$0.00	\$0.00
WIXOM	\$450,380.62	\$450,380.62	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$162,371.61	\$162,371.61	\$0.00	\$0.00	\$0.00
YCUA	\$980,862.60	\$980,862.60	\$0.00	\$0.00	\$0.00
TOTAL WATER ACCOUNTS	\$44,130,365.73	\$35,686,977.37	\$99,451.35	\$94,738.07	\$8,249,198.94

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$86,099.50	\$86,099.50	\$0.00	\$0.00	\$0.00
DEARBORN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$2,903,300.00	\$2,903,300.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$332,900.00	\$332,900.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$18,300.00	\$18,300.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$33,658,573.42	\$472,500.00	\$472,500.00	\$472,500.00	\$32,241,073.42
MELVINDALE	\$127,908.16	\$127,800.00	\$108.16	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,772,000.00	\$3,772,000.00	\$0.00	\$0.00	\$0.00
OMID	\$5,815,681.95	\$5,815,681.95	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$21,900.00	\$21,900.00	\$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	\$53,324,163.03	\$20,137,981.45	\$472,608.16	\$472,500.00	\$32,241,073.42

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/20

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)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,004.82	\$3,004.82	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$949.78	\$949.78	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$3,496.80	\$324.48	\$0.00	\$0.00	\$3,172.32
CENTER LINE	\$3,501.68	\$3,501.68	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$11,770.85	\$11,770.85	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$16,933.80	\$16,933.80	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$65.94	\$65.94	\$0.00	\$0.00	\$0.00
CLAWSON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$24,704.42	\$24,704.42	\$0.00	\$0.00	\$0.00
DEARBORN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$9,235.85	\$9,235.85	\$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 ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EASTPOINTE	\$6,146.53	\$6,146.53	\$0.00	\$0.00	\$0.00
FARMINGTON	\$3,829.54	\$3,829.54	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRASER	\$9,430.20	\$9,430.20	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$1,123.85	\$1,123.85	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$7,936.24	\$7,936.24	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$3,599.70	\$3,599.70	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$3,035.24	\$3,035.24	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,140.02	\$3,140.02	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,726,171.63	\$7,662.46	\$3,824.47	\$0.00	\$1,714,684.70
HUNTINGTON WOODS	\$272.09	\$272.09	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$2,334.73	\$2,334.73	\$0.00	\$0.00	\$0.00
INKSTER	\$15,858.96	\$10,572.64	\$5,286.32	\$0.00	\$0.00
KEEGO HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LAKE ORION	\$763.88	\$763.88	\$0.00	\$0.00	\$0.00
LATHRUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$309.27	\$309.27	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIVONIA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$17,731.48	\$17,731.48	\$0.00	\$0.00	\$0.00
MELVINDALE	\$6,577.48	\$6,577.48	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,216.80	\$1,216.80	\$0.00	\$0.00	\$0.00
NOVI	\$16,769.87	\$16,769.87	\$0.00	\$0.00	\$0.00
OAK PARK	\$6,433.83	\$6,433.83	\$0.00	\$0.00	\$0.00
OAKLAND TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORCHARD LAKE VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O)	\$3,630.12	\$3,630.12	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$459.00	\$459.00	\$0.00	\$0.00	\$0.00
OXFORD TOWNSHIP	\$961.61	\$961.61	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$5,828.28	\$520.52	\$0.00	\$0.00	\$5,307.76
REDFORD TOWNSHIP	\$24,300.63	\$23,758.02	\$542.61	\$0.00	\$0.00
ROCHESTER HILLS	\$17,591.21	\$17,591.21	\$0.00	\$0.00	\$0.00
ROMULUS	\$1,760.98	\$1,760.98	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$13,822.51	\$13,822.51	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,187.07	\$13,187.07	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SHELBY TOWNSHIP	\$12,032.80	\$12,032.80	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$54,201.68	\$54,201.68	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,422.48	\$7,422.48	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$11,431.16	\$11,431.16	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$30,283.11	\$30,283.11	\$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	\$3,511.82	\$3,511.82	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADM)	\$2,959.37	\$2,959.37	\$0.00	\$0.00	\$0.00
WAYNE	\$4,770.87	\$4,770.87	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,121.18	\$6,121.18	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) P	\$225.63	\$225.63	\$0.00	\$0.00	\$0.00
WESTLAND	\$21,687.77	\$21,687.77	\$0.00	\$0.00	\$0.00
TOTAL IWC ACCOUNTS	\$2,147,023.20	\$414,205.02	\$9,653.40	\$0.00	\$1,723,164.78

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY	\$2,639.80	\$2,639.80	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$4,368.80	\$4,368.80	\$0.00	\$0.00	\$0.00
AACTRON	\$187.41	\$91.23	\$96.18	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$44.95	\$44.95	\$0.00	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$28,963.38	\$15,519.80	\$13,443.58	\$0.00	\$0.00
ALEXANDER & HORNING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$384.00	\$155.57	\$0.00	\$228.43	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$25,322.80	\$25,322.80	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$17.84	\$17.84	\$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	\$0.88	\$0.88	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$628.04	\$628.04	\$0.00	\$0.00	\$0.00
BARON INDUSTRIES	\$743.39	\$743.39	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BASTONE BREWERY	\$25.18	\$25.18	\$0.00	\$0.00	\$0.00
BATCH BREWING COMPANY	\$369.60	\$369.60	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$43.43	\$43.43	\$0.00	\$0.00	\$0.00
BETTER MADE SNACK FOOD	\$21,938.71	\$21,938.71	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$91.08	\$91.08	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$5,573.11	\$5,573.11	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$ (26.00)	\$0.00	\$0.00	\$0.00	\$ (26.00)
BROOKS BREWING, LLC.	\$65.63	\$65.63	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$34.27	\$34.27	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$62.33	\$62.33	\$0.00	\$0.00	\$0.00
CANTON BREW WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL REPRODUCTIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CF BURGER CREAMERY	\$20,491.67	\$20,491.67	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,733.11	\$30.56	\$20.91	\$17.69	\$1,663.95
CINTAS CORP. - MACOMB TWP.	\$28,311.25	\$28,311.25	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$19,739.27	\$19,739.27	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$10,953.87	\$10,953.87	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$ (17.42)	\$0.00	\$ (17.42)	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$12.02	\$5.22	\$0.00	\$6.80	\$0.00
COCA-COLA REFRESHMENTS USA,	\$1,214.39	\$1,214.39	\$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 07/31/20

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.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$2,244.56	\$335.34	\$862.95	\$0.00	\$1,046.27
DARLING INGREDIENTS, INC.	\$4,352.30	\$4,352.30	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$56.81	\$56.81	\$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.	\$205.18	\$205.18	\$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	\$3,105.49	\$3,105.49	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$17.10	\$8.55	\$2.85	\$5.70	\$0.00
DETRONIC INDUSTRIES, INC.	\$188.51	\$101.65	\$22.43	\$15.75	\$48.68
DIFCO LABORATORIES, INC.	\$101,787.74	\$26,532.35	\$15,683.45	\$10,812.19	\$48,759.75
DIVERSIFIED CHEM TECH. INC.	\$73.53	\$73.53	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$1,370.51	\$1,370.51	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$545.16	\$545.16	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$63.00	\$63.00	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$3,136.19	\$3,136.19	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$414.14	\$232.59	\$0.00	\$0.00	\$181.55
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ DETROIT, INC.	\$2,794.13	\$2,794.13	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$19,101.43	\$19,101.43	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$450.82	\$450.82	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.37	\$0.37	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLF	\$4,058.94	\$4,058.94	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$112.67	\$112.67	\$0.00	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$36.16	\$36.16	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$25,907.68	\$25,907.68	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$455.40	\$455.40	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$62.46	\$62.46	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$296.43	\$296.43	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G2O ENERGY, LLC	\$2,916.41	\$2,916.41	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$3,346.72	\$3,346.72	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$61.41	\$61.41	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$53.43	\$0.00	\$0.00	\$0.00	\$53.43
GRANITE CITY FOOD & BREWERY	\$13.49	\$13.49	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$140.01	\$140.01	\$0.00	\$0.00	\$0.00
HACIENDA MEXICAN FOODS	\$2,128.39	\$1,293.18	\$635.25	\$199.96	\$0.00
HENKEL CORPORATION	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOME STYLE FOOD INC.	\$762.38	\$762.38	\$0.00	\$0.00	\$0.00
HOMEGROWN BREWING COMPANY	\$107.77	\$107.77	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$1,126.21	\$1,126.21	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$344.93	\$344.93	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$5,227.92	\$5,227.92	\$0.00	\$0.00	\$0.00
HUNTINGTON CLEANERS	\$463.71	\$463.71	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$570.45	\$570.45	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$1,546.46	\$1,546.46	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$3.22	\$3.22	\$0.00	\$0.00	\$0.00
J & G FOOD PRODUCTS, INC.	\$17.08	\$17.08	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$76.56	\$76.56	\$0.00	\$0.00	\$0.00
KAR NUT PRODUCTS	\$1,477.67	\$1,477.67	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$2,187.91	\$2,187.91	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$214.94	\$214.94	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$467.93	\$467.93	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$42.54	\$42.54	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$795.43	\$795.43	\$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	\$70.00	\$70.00	\$0.00	\$0.00	\$0.00
MACDERMID, INC.	\$8,392.58	\$3,858.29	\$1,708.11	\$2,826.18	\$0.00
MCCLURE'S PICKLES	\$983.94	\$983.94	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MCNICHOLS POLISHING & ANODIZ	\$19.09	\$19.09	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$369.98	\$170.76	\$56.92	\$56.92	\$85.38
METROPOLITAN BAKERY	\$961.90	\$961.90	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$594.22	\$288.25	\$150.03	\$81.51	\$74.43
MICHIGAN DAIRY	\$93,065.82	\$93,065.82	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$3,225.53	\$964.96	\$0.00	\$2,260.57	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$328.97	\$328.97	\$0.00	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$775.63	\$775.63	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$4,987.19	\$4,987.19	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$60.56	\$11.85	\$0.35	\$1.75	\$46.61
MOTOR CITY BREWING WORKS	\$1,636.89	\$323.76	\$0.00	\$0.00	\$1,313.13
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	\$29.02	\$29.02	\$0.00	\$0.00	\$0.00
OAKWOOD BAKERY	\$122.47	\$122.47	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$106.67	\$106.67	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$43,232.08	\$43,232.08	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$67,265.24	\$67,265.24	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$13,281.88	\$13,281.88	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
PERDUE PREMIUM MEAT COMPANY	\$4,564.65	\$4,564.65	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$45.68	\$34.59	\$11.09	\$0.00	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$58,407.29	\$58,407.29	\$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	\$2,483.14	\$1,987.91	\$495.23	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$337.94	\$67.59	\$0.00	\$270.35	\$0.00
QUALA SERVICES, LLC	\$1,026.74	\$1,026.74	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$435.20	\$435.20	\$0.00	\$0.00	\$0.00
ROAK BREWING CO. LLC	\$1,255.62	\$1,255.62	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$224.81	\$224.81	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$1,917.06	\$1,917.06	\$0.00	\$0.00	\$0.00
ROYAL OAK BREWERY	\$ (765.27)	\$0.00	\$0.00	\$0.00	\$ (765.27)
RTT	\$27,772.36	\$0.00	\$0.00	\$0.00	\$27,772.36
SEAFARE FOODS, INC.	\$59.56	\$59.56	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$1,130.63	\$95.81	\$0.00	\$0.00	\$1,034.82
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$14.52	\$0.00
SUPERNATURAL SPIRITS & BREWI	\$209.98	\$134.90	\$0.00	\$0.00	\$75.08
SWEETHEART BAKERY, INC.	\$2,217.78	\$132.15	\$47.92	\$71.16	\$1,966.55

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
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	\$5.25	\$5.25	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$208,183.98	\$208,183.98	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$2,166.12	\$2,166.12	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$74,351.61	\$74,351.61	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$2,473.62	\$2,473.62	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$10.92	\$10.92	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$258.03	\$258.03	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$133.32	\$133.32	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$965.83	\$965.83	\$0.00	\$0.00	\$0.00
US ECOLOGY ROMULUS, INC.	\$2,930.61	\$2,930.61	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$4,335.88	\$4,335.88	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$6,610.15	\$2,325.06	\$1,166.50	\$1,567.23	\$1,551.36
VAUGHAN INDUSTRIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$7,984.48	\$7,984.48	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$769.98	\$769.98	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$ (36.26)	\$0.00	\$0.00	\$0.00	\$ (36.26)
WIGLEY'S MEAT PROCESS	\$586.26	\$586.26	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 07/31/20

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
WINTER SAUSAGE MFG. CO.	\$2,231.19	\$2,231.19	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$506.58	\$506.58	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$7,106.87	\$7,106.87	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,828.83	\$2,828.83	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$240.06	\$154.88	\$0.00	\$0.00	\$85.18
TOTAL POLLUTANT SURCHARGE ACCOUNTS	\$1,034,609.77	\$896,583.15	\$34,386.33	\$18,436.71	\$85,203.58

City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	<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	1,238,797	5,617,100	51,220	6,907,117
FY 2019 Payments	<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 (12 Months)	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments (12 Months)	<u>-</u>	<u>(3,026,117)</u>	<u>-</u>	<u>(3,026,117)</u>
				-
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings (1 Month)	100,390	472,500	3,831	576,721
FY 2021 Payments (1 Month)	<u>-</u>	<u>(926,053)</u>	<u>-</u>	<u>(926,053)</u>
				-
Balance as of July 31, 2020	<u>\$ 8,634,074</u>	<u>\$ 33,658,574</u>	<u>\$ 1,726,171</u>	<u>\$ 44,018,819</u>



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: FY 2022 Charges Rollout Update

Background: Over the next few months, the Great Lakes Water Authority (GLWA) will hold its annual charges rollout meetings for Fiscal Year 2022. During these meetings GLWA will present and discuss how our capital improvement plan (CIP) and Budget form the basis for GLWA's proposed Revenue Requirements and how the Units of Service for members are used to determine each members' charges in alignment with the Service Agreements. The rollout meeting schedule for FY 2022 is as follows:

Rollout Meeting #1 - Water and Sewer Capital Improvement Plan

- Date: Tuesday, November 10, 2020
- Location: Via Zoom
- Time: 10:00a.m. – 2:30 p.m.

Rollout Meeting #2 - Units of Service & Sewer SHARES

- Date: Thursday, November 19, 2020
- Location: Via Zoom
- Time: 12:30 p.m. – 4:30 p.m.

Rollout Meeting #3 - Review Proposed FY 2022 Revenue Requirements and Service Charges

- Date: Thursday, January 7, 2021
- Location: Via Zoom
- Time: TBD

Rollout Meeting #4 - Feedback and Review of Proposed FY 2022 Revenue Requirements and Service Charges

- Date: Thursday, January 21, 2021
- Location: Via Zoom
- Time: TBD

Budget Impact: The results of the CIP, Units of Service, Revenue Requirements and Service Charges presented at these meetings will be incorporated into the FY 2022 financial plan and proposed service charges and will be presented to the Board of Directors at a public hearing on February 24, 2021.

Proposed Action: Receive and file report.



Financial Services Audit Committee Communication

Date: October 23, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Great Lakes Water Authority 2020 Water System Max Day Determination

Background: At the conclusion of each summer, the Great Lakes Water Authority (GLWA) reviews the water system pumpage and reservoir data to determine the System Maximum Day (Max Day). Furthermore, on the Max Day, GLWA reviews the hourly water system pumpage and reservoir data to determine the System Peak Hour (Peak Hour).

Once the Max Day and Peak Hour are determined, GLWA reviews the daily and hourly performance for all Member Partners on the water model contracts as of that date to evaluate compliance with the values set forth in the Exhibit B of each Member Partner's model contract. GLWA completes this analysis using the wholesale master meter data available in GLWA's Wholesale Automated Meter Reading (WAMR) portal.

Analysis: Based on the system pumpage and reservoir analysis completed for 2020, the GLWA Max Day was July 6, 2020 with a flow rate of 707 MGD. The GLWA Peak Hour on July 6, 2020 was 5:00 to 6:00 a.m., EST with a flow rate of 847 MGD. This data was presented to the GLWA Water Analytical Work Group (AWG) at its meeting on September 22, 2020.

After review of the WAMR data on July 6, 2020, it was determined that four Member Partners exceeded either the Max Day or Peak Hour Value in their model contract. The four Member Partners were Dearborn Heights, Harrison Township the Village of New Haven and Shelby Township. GLWA will be meeting with each of them to discuss the details of the contract exceedance and negotiate an appropriate resolution.

Per Section 5.03 of the water model contract, notice was sent to all members on October 1, 2020 which included the date of the GLWA Max Day and Peak Hour and listed the four contract exceedances. A copy of that letter is included with this memo.

Budget Impact: None

Proposed Action: Receive and file report.



October 1, 2020

[insert address]

Dear Valued Member Partner:

Consistent with the commitment made to you in our water service contract (Section 5.03A), we are pleased to advise you that staff has concluded its review of the June 1 through August 31, 2020 water pumpage and reservoir level data. Based on the analysis, the calendar year 2020 GLWA maximum day is **July 6** and the GLWA peak hour on that day is **5:00AM to 6:00AM Eastern Standard Time**.

GLWA is providing notice to all member partners that our data indicates the following member partners exceeded their contractual maximum flow rate for calendar year 2020:

Customer	Contract Maximum Flow Rate		July 6, 2020 Flow Rate	
	Max Day (mgd)	Peak Hour (mgd)	Max Day (mgd)	Peak Hour (mgd)
Dearborn Heights	8.00	*	8.52	*
Harrison Township	*	4.40	*	4.53
New Haven	0.600	*	0.699	*
Shelby Township	*	44.12	*	44.78

* Not provided as the usage did not exceed the contractual flow rate

Teresa Newman, GLWA contract negotiations coordinator, will contact the member partners listed above to schedule a virtual meeting to review the data, review and analyze the causes and, if necessary, negotiate a potential remedy.

The maximum flow rate exceedances listed above will be discussed at a virtual meeting of the Water Analytical Work Group to be held on **October 29, 2020 at 9:00 a.m. via Zoom** (Please email outreach@glwater.org if you do not have the meeting notice on your calendar. Meeting ID: 843 5941 8385; Passcode: 934883). Any recommendations resulting from the Water Analytical Work Group deliberations on the exceedances will be made to GLWA on or before December 1, 2020. The member partners above, and other member partners with an interest in these matters, are encouraged to join the October 29th meeting and present any information related to the exceedances deemed necessary to the work group deliberations.

As always, we thank you for the privilege of providing you with high quality water services. Should you have any questions regarding the matters discussed in this letter, please contact Jon Wheatley, GLWA Public Finance Manager at 313-407-1245 (cellular) or via email at jonathan.wheatley@glwater.org.

Sincerely,

Sue F. McCormick
Chief Executive Officer



Financial Services Audit Committee Communication

Date: October 16, 2020

To: Great Lakes Water Authority Audit Committee

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

Re: FY 2020 Q4 Construction Work-in-Progress Report through June 30, 2020
(Unaudited)

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

Analysis: The attached documents summarize the FY 2020 Q4 CWIP activity and provides a detailed snapshot to inform decision makers and stakeholders.

Proposed Action: Receive and file this report.



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

As of June 30, 2020

For questions, please contact:

Andrew Sosnoski, CCIFP

Construction Accounting and Financial Reporting Manager

Phone: 313.999.2585

Email: Andrew.Sosnoski@glwater.org

Prepared 10.02.2020



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October 16, 2020**To Our Stakeholders:**

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of June 30, 2020. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2021–2025 Capital Improvement Plan (CIP) and look to inform decision makers as we draft the FY 2022–2026 CIP.

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

Report Contents and Organization

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

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

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

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

Financial Information

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through June 30, 2020. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

Budget vs. Plan

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

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



Water System
Construction Work-in-Progress Quarterly Report
 As of June 30, 2020

WATER SYSTEM

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2020-2024 and related CIP Plan for FY 2020 were based on anticipation of FY 2020 activity resulting in 75% of planned spend. The Water System spend for the period ending June 30, 2020 is 53.4% of the FY 2020 board approved CIP, 61.3% of the FY 2020 board approved CIP with project amendments, and 71.2% of the FY 2020 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2020 Board Approved CIP was amended from \$143,247,000 to \$124,916,757 is provided in the subsequent Project Amendment Summary section of this report.

Water System Projects	FY 2019 CIP	FY 2019 Activity	FY 2019 Percentage	FY 2020 CIP	FY 2020 Activity (Unaudited)	FY 2020 Percentage
FY 2019 Board Approved CIP	\$ 66,038,000	\$ 61,583,574	93.3%			
FY 2019 Board Approved CIP With Project Amendments	72,348,044	61,583,574	85.1%			
FY 2020 Board Approved CIP				\$ 143,247,000	\$ 76,542,465	53.4%
FY 2020 Board Approved CIP With Project Amendments				124,916,757	76,542,465	61.3%
FY 2020 Capital Spend Rate Assumption (SRA)				107,435,250	76,542,465	71.2%

Construction Work-in-Progress Rollforward

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

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2020 4th quarter for the following projects:

<u>Project</u>	<u>Contract</u>	<u>Description</u>
111004	CON-288	Electrical Tunnel Rehab
114001	SP-563	Springwells 1958 Filter Rehabilitation
115004	CON-208	WWP Chlorine System Upgrade
132001	DWS-858	Wick Road Pumping Station
132003	CON-270	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station
170104	CON-225	Orion and Newburgh Pumping Stations Improvements
170502	CON-181	Emergency Transmission Main Repairs

\$126.2 million is in CWIP as of June 30, 2020 as shown in the table beginning on the next page.

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

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
111001	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements	\$ 55,090,000	\$ 14,083	\$ 401,000	\$ 493,500	\$ 197,950	\$ -	\$ 212,034	\$ 212,034	0%
111002	LHWTP Backflow Replacement	9,004,000	6,836,980	1,882,000	1,882,000	1,692,825	155,348	8,529,804	8,685,152	96%
111004	Electrical Tunnel Rehabilitation at Lake Huron WTP	4,136,000	2,768,607	4,296,000	1,275,214	1,124,082	3,892,299	390	3,892,689	94%
111006	Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements	16,626,000	777,960	3,333,000	3,533,468	295,505	-	1,073,466	1,073,466	6%
111007	LHWTP Architectural Programming - Lab	8,937,000	639,986	4,660,000	4,230,554	5,247,665	-	5,887,651	5,887,651	66%
111008	Lake Huron WTP-35 MGD HLP, Flow Meters	1,299,000	-	-	-	110	-	110	110	0%
111009	Lake Huron WTP-35 MGD HLP, Flow Meters	29,226,000	35,864	9,030,000	9,030,000	80,890	-	116,755	116,755	0%
111010	Lake Huron Water Treatment Plant -Filtration and Pretreatment Improvements	5,632,000	-	-	-	-	-	-	-	0%
111011	Lake Huron WTP Pilot Plant	1,794,000	-	-	-	-	-	-	-	0%
112002	Low Lift Pumping Plant Caisson Rehabilitation at Northeast WTP	1,345,000	1,134,767	203,000	203,000	38,112	1,169,962	2,918	1,172,880	87%
112003	NE WTP High Lift Pumping Electrical	57,565,000	-	-	-	5,785	-	5,785	5,785	0%
112005	Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits	1,393,000	13,356	166,000	310,000	425,107	-	438,463	438,463	31%
112006	Northeast Water Treatment Plant Flocculator Replacements	7,111,000	2,891	1,356,000	1,356,000	183,382	-	186,274	186,274	3%
113001	Southwest Water Treatment Plant, Sludge Treatment & Waste Wash water Treatment Facility	-	-	-	-	341,324	-	341,324	341,324	100%
113002	High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP	5,886,000	2,479,490	2,876,000	3,028,000	2,792,741	-	5,272,232	5,272,232	90%
113003	Replacement of Butterfly Valves	14,314,000	-	-	-	110	-	110	110	0%
113004	Residual Handling Facility's Decant Flow Modifications at Southwest WTP	822,000	-	380,000	380,000	1,822	853,219	1,822	855,041	104%
113006	SW WTP Chloring Scrubber	4,753,000	-	-	-	129,973	-	129,973	129,973	3%
113007	Architectural and Building Mechanical	98,000	-	-	-	-	-	-	-	0%
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	101,968,000	73,955,623	-	1,255,609	3,070,813	99,764,892	-	99,764,892	98%
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	174,835,000	2,080,861	5,985,000	6,308,877	3,415,254	-	5,496,115	5,496,115	3%
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	8,482,000	6,331,921	80,000	713,282	1,853,607	-	8,185,528	8,185,528	97%
114005	Springwells WTP Admin Building Improvements	8,696,000	10,555	413,000	527,664	933,417	-	943,973	943,973	11%
114006	Replacement of Rapid Mix Units at Springwells WTP 1958 Process Train	1,031,000	0	61,000	61,000	9,390	1,021,039	9,390	1,030,429	100%

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Water System
Construction Work-in-Progress Quarterly Report
 As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
114007	Powder Activated Carbon Systems	4,188,000	-	-	-	-	-	-	-	0%
114008	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP	14,241,000	195,644	4,153,000	2,185,000	3,186,265	-	3,381,909	3,381,909	24%
114009	Springwells Water Treatment Plant Service Area Redundancy Study	311,000	-	-	-	-	-	-	-	0%
114010	Yard Piping Improvements	112,613,000	3,947	-	-	237,189	-	241,135	241,135	0%
114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	23,898,000	2,373,087	5,392,000	5,453,373	7,710,647	-	10,083,734	10,083,734	42%
114012	Springwells Water Treatment Plant 1930 Filter Building-Roof Replacement	3,911,000	-	-	-	-	3,911,148	-	3,911,148	100%
114013	Springwells Reservoir Fill Line Improvements	4,821,000	2,829,864	1,551,000	1,551,000	756,192	-	3,586,056	3,586,056	74%
114015	Emergency Grating Replacement at Springwells WTP	3,366,000	-	-	-	-	3,365,903	-	3,365,903	100%
114016	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement	1,764,000	802	206,000	206,000	94,061	-	94,862	94,862	5%
114017	Springwells Water Treatment Plant Flocculator Drive Replacement	9,296,000	-	-	-	1,071	-	1,071	1,071	0%
114018	Springwells Water Treatment Plant - Service Building Electrical Substation and Miscellaneous Improvements	1,508,000	-	-	-	-	-	-	-	0%
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	72,019,000	1,758,683	17,333,000	17,464,500	1,080,444	-	2,839,127	2,839,127	4%
115003	Comprehensive Condition Assessment at Waterworks Park WTP	582,000	513,538	153,000	-	(513,538)	-	(0)	-	0%
115004	Water Works Park WTP Chlorine System Upgrade	7,440,000	6,685,754	2,047,000	2,068,500	271,279	6,957,032	-	6,957,032	94%
115005	WWP WTP Building Ventilation Improvements	10,141,000	-	507,000	507,000	1,126	-	1,126	1,126	0%
115006	Water Works Park Site/Civil Improvements	5,643,000	-	-	-	-	-	-	-	0%
116002	Pennsylvania, Springwells and Northeast Raw Water Supply Tunnel Improvements based on Parallel 42-Inch Main in 24 Mile Road from Rochester Station to Romeo Plank Road	61,245,000	13,302,850	5,467,000	5,467,000	5,210,819	-	18,513,669	18,513,669	30%
122001	Replacement of Five (5) PRV Pits of Treated Water Transmission System	33,246,000	33,241,721	-	-	-	33,241,721	-	33,241,721	100%
122002	New Waterworks Park to Northeast Transmission Main	2,790,000	-	-	-	-	2,785,001	-	2,785,001	100%
122003	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	157,526,000	2,615,193	871,000	658,233	2,574,953	-	5,190,146	5,190,146	3%
122004	Replacement Schoolcraft Watermain	144,871,000	1,787,389	5,000,000	2,314,936	28,915	-	1,816,305	1,816,305	1%
122005	Transmission System Water Main Work-Wick Road	18,106,000	141,171	8,100,000	2,328,644	1,240,607	-	1,381,778	1,381,778	8%
122006	Parallel Water Main	22,338,000	416,882	18,028,000	8,401,361	5,486,039	-	5,902,921	5,902,921	26%

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
122007	Design and Construction of a new Newburgh Road 24" Main along Newburgh Road between Ch	21,457,000	783	-	-	1,022	-	1,805	1,805	0%
122009	Water System Improvements in Joy Road from Southfield Road to Trinity	149,000	106,881	-	-	-	106,881	-	106,881	72%
122011	Park-Merriman Water Main-Final Phase	7,625,000	986,024	4,737,000	3,937,000	4,235,897	-	5,221,921	5,221,921	68%
122012	36-inch Water Main in Telegraph Road	9,959,000	-	-	-	-	9,986,284	-	9,986,284	100%
122013	Lyon Township Transmission Main Extension Project	73,941,000	637,635	751,000	2,628,978	3,005,269	-	3,642,904	3,642,904	5%
122016	Downriver Transmission Loop	37,744,000	24,251	297,000	820,965	200,658	-	224,909	224,909	1%
122017	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	60,577,000	-	1,040,000	1,040,000	3,414	-	3,414	3,414	0%
122018	Garland, Hurlbut, Bewick Water Transmission System Rehabilitation	44,577,000	-	-	-	-	-	-	-	0%
132001	Wick Road Station Rehabilitation	135,000	135,073	-	-	-	135,073	-	135,073	100%
132003	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station	1,979,000	247,754	490,000	1,522,316	1,496,437	1,742,479	1,712	1,744,191	88%
132004	Hydraulic Surge Control for North Service Center Pumping Station	215,000	214,771	-	-	-	214,771	-	214,771	100%
132006	Pressure and Control Improvements at the Electric, Ford Road, Michigan, and West Chica	3,279,000	289,594	2,515,000	2,399,138	1,594,308	-	1,883,902	1,883,902	57%
132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	5,199,000	97,185	592,000	472,742	70,480	-	167,665	167,665	3%
132008	Needs Assessment Study for all Water Booster Pumping Stations	1,838,000	1,838,406	-	-	(1,838,406)	-	-	-	0%
132010	West Service Center/Duval Rd Division Valve Upgrades	37,705,000	607,504	2,620,000	600,000	1,852,528	-	2,460,032	2,460,032	7%
132012	Ypsilanti PS Improvements	31,617,000	20,539	585,000	510,490	313,050	-	333,589	333,589	1%
132014	Adams Road Booster Pumping Improvements	27,536,000	-	-	-	83,262	-	83,262	83,262	0%
132015	Newburgh BPS	30,677,000	2,811	16,000	458,245	347,643	-	350,454	350,454	1%
132016	North Service Center BPS Improvements	45,342,000	-	-	-	266,392	-	266,392	266,392	1%
132017	North Service Center BPS - On-Site & Off	-	-	6,000	6,000	-	-	-	-	100%
132018	Schoolcraft BPS	-	-	-	-	47,317	-	47,317	47,317	100%
132019	Wick Road BPS - Switchgear	2,940,000	-	-	-	56,912	-	56,912	56,912	2%
132020	Franklin BPS - Isolation Gate Valves	2,442,000	-	-	-	93,160	-	93,160	93,160	4%
132021	Imlay BPS - Replace VFDs, Pumps & Motors	13,000	-	-	-	227,346	-	227,346	227,346	1749%
132022	Joy Road BPS - Replace Reservoir Pumps	55,000	-	-	-	71,380	-	71,380	71,380	130%
132025	Northwest Booster Station Yard Piping Improvements	1,000	971	-	-	19,183	-	20,155	20,155	2015%
132026	Franklin Pumping Station Valve Replacement	1,411,000	-	-	-	782,409	-	782,409	782,409	55%
170100	Allowance: WTP/Pump Station	70,164,000	-	3,000,000	3,000,000	-	-	-	-	0%
170102	Water Production Plant Flow Metering Improvements at NE, SP & SW WTP	-	359,259	-	-	13,115	-	372,374	372,374	100%
170103	Belle Isle Water Supply Intake and Ice Boom Improvements	-	3,278	-	-	-	286,596	3,278	289,874	100%

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
170104	Orion and Newburgh Pumping Stations Improvements	-	170,664	-	-	7,846	2,086,335	(0)	2,086,335	100%
170110	Raw Water Sampling Improvements	-	2,926	-	-	(2,926)	-	-	-	100%
170121	Franklin PS Valve Rehab	-	38,681	-	-	-	-	38,681	38,681	100%
170122	Meter Pit at Brownstown Township	-	133,306	-	-	-	-	133,306	133,306	100%
170200	As Needed Construction Materials, Environmental Media and Special Allowance	1,815,000	-	572,000	572,000	-	-	-	-	0%
170201	Construction & Environmental Testing	-	63,443	-	-	(63,443)	-	-	-	100%
170300	Water Treatment Plant Automation Program	18,728,000	-	1,561,000	1,561,000	-	-	-	-	0%
170301	Water Plant Automation	-	1,657,645	-	-	97,497	-	1,755,142	1,755,142	100%
170400	Water Transmission Improvement Program	28,157,000	-	1,500,000	1,500,000	-	-	-	-	0%
170401	Emergency Bypass Around Ypsilanti Station	-	1,643,165	-	-	19,450	-	1,662,615	1,662,615	100%
170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	26,469,000	-	4,000,000	4,000,000	-	-	-	-	0%
170502	Transmission System Valve Assessment and Rehabil	-	0	-	-	2,386,195	6,363,896	2,051,843	8,415,739	100%
170503	Transmission System Valve Assessment and Rehabil	-	-	-	-	393,559	-	393,559	393,559	100%
170600	Water Transmission Main Asset Assessment Program	30,753,000	-	3,000,000	3,000,000	-	-	-	-	0%
170800	Reservoir Inspection, Design and Rehabilitation Program	59,076,000	-	5,128,000	632,000	-	-	-	-	0%
170801	Reservoir Inspection, Design and Rehabilitation	-	456,574	-	4,513,500	2,158,996	-	2,615,570	2,615,570	100%
170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	10,301,000	-	4,000,000	925,000	-	-	-	-	0%
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	-	1,237,565	-	3,075,000	3,292,318	-	4,529,883	4,529,883	100%
170902	Brownstown Meter Pit Rehabilitation	-	-	-	-	76,390	-	76,390	76,390	100%
171500	Roof Replacement - Var Facilities Program	23,673,000	-	2,657,000	-	-	-	-	-	0%
171501	Roof Replacements - Var Facilities Program	-	119,283	-	3,125,489	3,013,352	360,430	2,772,205	3,132,635	100%
341001	Security Infrastructure Improvements	10,650,000	962,673	-	1,173,179	3,014,738	-	3,977,412	3,977,412	37%
351001	Water Facility Lighting Renovations	556,000	6,211	250,000	250,000	457	-	6,667	6,667	1%
361002	Data Center Reliability/Availability Improvements	-	16,080	-	-	-	16,080	-	16,080	100%
380600	General Engineering Services Allowance	56,000	-	-	-	-	-	-	-	0%
380601	General Engineering Services Allowance	-	674	-	-	(674)	-	-	-	100%
380700	As-needed Engineering Services for Concrete Testing, Geotechnical Soil Borings, other Testing Services, and Related Services Allowance	2,130,000	-	-	-	-	-	-	-	0%
381000	Energy Management: Electric Metering Improvement Program	3,435,000	-	-	-	-	-	-	-	0%
Grand Total		\$ 1,970,283,000	\$ 175,031,084	\$ 143,247,000	\$ 124,916,757	\$ 76,542,465	\$ 207,438,850	\$ 126,197,522	\$ 333,636,372	17%
Project Amendments					\$ (18,330,243)					

FY 2020 Project Amendment Summary

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

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

\$18.3 million of Capital Reserve project amendments have been prepared as of June 30, 2020 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

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

Great Lakes Water Authority
Water System Project Amendment Summary
Unaudited Activity For the Fiscal Year Ended June 30, 2020

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Program / Allowance	Capital Reserve	Grand Total
111001	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements	\$ -	\$ 92,500	\$ 92,500
111004	Electrical Tunnel Rehabilitation at Lake Huron WTP	-	(3,020,786)	(3,020,786)
111006	Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake	-	200,468	200,468
111007	Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements	-	(429,446)	(429,446)
112005	Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits	-	144,000	144,000
113002	High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP	-	152,000	152,000
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	-	1,255,609	1,255,609
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	-	323,877	323,877
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	-	633,282	633,282
114005	Springwells WTP Admin Building Improvements	-	114,664	114,664
114008	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP	-	(1,968,000)	(1,968,000)
114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	-	61,373	61,373
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	131,500	-	131,500
115003	Comprehensive Condition Assessment at Waterworks Park WTP	(153,000)	-	(153,000)
115004	Water Works Park WTP Chlorine System Upgrade	21500	0	21500
122003	New Waterworks Park to Northeast Transmission Main	-	(212,767)	(212,767)
122004	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	-	(2,685,064)	(2,685,064)
122005	Replacement Schoolcraft Watermain	-	(5,771,356)	(5,771,356)
122006	Transmission System Water Main Work-Wick Road Parallel Water Main	-	(9,626,639)	(9,626,639)
122011	Park-Merriman Water Main-Final Phase	-	(800,000)	(800,000)
122013	Lyon Township Transmission Main Extension Project	-	1,877,978	1,877,978
122016	Downriver Transmission Loop	-	523,965	523,965
132003	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station	-	1,032,316	1,032,316
132006	Pressure and Control Improvements at the Electric, Ford Road, Michigan, and West Chica	-	(115,862)	(115,862)
132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	-	(119,258)	(119,258)
132010	West Service Center/Duval Rd Division Valve Upgrades	-	(2,020,000)	(2,020,000)
132012	Ypsilanti PS Improvements	-	(74,510)	(74,510)
132015	Newburgh BPS	-	442,245	442,245
170800	Reservoir Inspection, Design and Rehabilitation Program	(4,496,000)	-	(4,496,000)
170801	Reservoir Inspection, Design and Rehabilitation	4,496,000	17,500	4,513,500
170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	(3,075,000)	-	(3,075,000)
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	3,075,000	-	3,075,000
171500	Roof Replacement - Var Facilities Program	-	(2,657,000)	(2,657,000)
171501	Roof Replacements - Var Facilities Program	-	3,125,489	3,125,489
341001	Security Infrastructure Improvements	-	1,173,179	1,173,179
Grand Total		\$ -	\$ (18,330,243)	\$ (18,330,243)

WASTEWATER SYSTEM

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2020-2024 and related CIP Plan for FY 2020 were based on anticipation of FY 2020 activity resulting in 75% of planned spend. The Water System spend for the period ending June 30, 2020 is 45.7% of the FY 2020 board approved CIP, 47.1% of the FY 2020 board approved CIP with project amendments, and 61% of the FY 2020 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2020 Board Approved CIP was amended from \$161,480,000 to \$156,884,005 is provided in the subsequent Project Amendment Summary section of this report.

Wastewater System Projects		FY 2019 CIP	FY 2019 Activity	FY 2019 Percentage	FY 2020 CIP	FY 2020 Activity (Unaudited)	FY 2020 Percentage
FY 2019 Board Approved CIP	\$	105,183,000	82,133,532	78.1%			
FY 2019 Board Approved CIP With Project Amendments		100,264,934	82,133,532	81.9%			
FY 2020 Board Approved CIP					\$ 161,480,000	73,826,521	45.7%
FY 2020 Board Approved CIP With Project Amendments					156,884,005	73,826,521	47.1%
FY 2020 Capital Spend Rate Assumption (SRA)					121,110,000	73,826,521	61.0%

Construction Work-in-Progress Rollforward

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

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2020 4th quarter for the following projects:

<u>Project</u>	<u>Contract</u>	<u>Description</u>
212006	PC-797	Rouge River Outfall Disinfection
260201	CON-149	Detroit River Interceptor
260203	SCP-CS-068	Conveyance System Interceptor Rehab
260601	CON-254	Oakwood Drain Valve Improvements
260610	1803113	Baby Creek MAU Replacement

\$177 million is in CWIP as of June 30, 2020 as shown in the table beginning on the next page.

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

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Wastewater System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
171501	Roof Replacements - Var Facilities Program	\$ -	\$ -	\$ -	\$ 83,000	\$ 83,000	\$ 83,000	\$ -	\$ 83,000	100%
211001	Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery	55,069,000	45,368,717	7,982,000	7,982,000	7,517,734	-	52,886,451	52,886,451	96%
211002	Pump Station No. 2 Pumping Improvements	3,772,000	1,911,850	1,222,000	1,222,000	102,106	-	2,013,956	2,013,956	53%
211004	Pump Station 1 Rack & Grit and MPI Sampling Station 1 Improvements	28,273,000	26,502,582	869,000	869,000	1,102,991	-	27,605,573	27,605,573	98%
211005	Pump Station No. 2 Improvements	34,050,000	1,002	-	-	(1,002)	-	0	-	0%
211006	Pump Station No. 1 Improvements	26,776,000	6,307	1,803,000	1,803,000	1,277,523	-	1,283,830	1,283,830	5%
211007	Replacement of Bar Racks and Grit Collection System at Pump Station No. 2	76,596,000	628	269,000	269,000	4,548	-	5,176	5,176	0%
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	10,825,000	200,048	2,950,000	3,950,000	1,429,629	-	1,629,677	1,629,677	15%
211009	Rehabilitation of the Circular Primary Clarifier Scum Removal System	13,249,000	30	-	-	2,705	-	2,734	2,734	0%
211010	Rehabilitation of Sludge Processing Complexes A and B	14,039,000	-	-	-	42,231	-	42,231	42,231	0%
211011	WRRF PS1 Screening and Grit Improvements	100,747,000	-	-	-	-	-	-	-	0%
212002	Study, Design, & Construction, Management Services for Modified Detroit River Outfall No. 2 - WRRF	-	10,821,153	-	-	(1,853)	10,819,300	(0)	10,819,300	100%
212003	Aeration System Improvements	16,492,000	16,356,789	-	-	168,086	16,524,875	-	16,524,875	100%
212004	Project Chlorination/Dechlorination Process Equipment Improvements	5,766,000	192,917	2,345,000	2,903,000	3,610,223	-	3,803,140	3,803,140	66%
212006	PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract	44,440,000	41,691,377	4,583,000	4,731,155	2,097,354	43,788,731	-	43,788,731	99%
212007	Rehabilitation of the Secondary Clarifiers	30,141,000	-	-	-	330	-	330	330	0%
212008	WRRF Rehabilitation of Intermediate Lift	81,514,000	-	229,000	229,000	16,175	-	16,175	16,175	0%
212009	WRRF Aeration Improvements 3 and 4	73,763,000	-	-	-	-	-	-	-	0%

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Wastewater System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
212010	WRRF Conversion of Disinfection of all Flow to Sodium Hypochlorite and Sodium Bisulfite	5,986,000	-	-	-	-	-	-	-	0%
213002	Rehabilitation of Central Offload Facility	-	-	7,696,000	7,696,000	-	-	-	-	100%
213005	Complex I Incinerators Decommissioning and Reusability	-	369,648	-	-	22	369,671	-	369,671	100%
213006	Improvements to Sludge Feed Pumps at Dewatering Facilities	4,651,000	4,856	-	-	894	-	5,750	5,750	0%
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	19,946,000	10,809,195	8,711,000	9,011,000	6,069,307	-	16,878,502	16,878,502	85%
213008	Rehabilitation of the Wet and Dry Ash Handling Systems	18,543,000	85	111,000	111,000	111,251	-	111,335	111,335	1%
213009	Phosphorous Recovery Facility at the WRRF	-	(99)	-	-	99	-	-	-	100%
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations	14,001,000	17,017	7,567,000	8,367,000	8,284,771	2,282,260	8,301,788	10,584,048	76%
216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	5,729,000	814,368	3,921,000	3,921,000	823,148	-	1,637,516	1,637,516	29%
216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	24,512,000	17,581	323,000	323,000	55,893	-	73,474	73,474	0%
216007	DTE Primary Electric 3rd Feed Supply Line to the WRRF	5,823,000	2,194,169	1,381,000	1,381,000	160,827	543,500	2,354,996	2,898,496	50%
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	24,954,000	-	1,091,000	1,091,000	5,671	-	5,671	5,671	0%
216009	Logistics & Material Facility	2,768,000	-	-	-	164,904	-	164,904	164,904	6%
216010	WRRF Facility Optimization	10,338,000	-	-	-	4,312	-	4,312	4,312	0%
222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District	53,512,000	-	-	-	-	-	-	-	0%
222002	Detroit River Interceptor Evaluation and Rehabilitation	81,676,000	10,611,644	10,000,000	4,049,445	9,539,452	-	20,151,096	20,151,096	25%
222003	North Interceptor East Arm (NIEA) Evaluation and Rehabilitation	-	-	15,000,000	15,000,000	-	-	-	-	100%
222004	Collection System Valve Remote Operation Structures Improvements	41,126,000	4,246	3,500,000	3,500,000	464,622	-	468,867	468,867	1%
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	37,276,000	3,475,448	18,000,000	16,265,405	10,798,158	-	14,273,606	14,273,606	38%

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Wastewater System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
232002	Freud and Connor Creek Pump Station Improvements	222,099,000	5,573,334	17,029,000	17,229,000	1,711,297	57,734	7,284,631	7,342,366	3%
232003	Northeast Pump Station Improvements	-	-	7,000,000	7,000,000	-	-	-	-	100%
232004	CONDITION ASSESSMENT AT BLUE HILL PUMP STATION	286,000	-	-	-	-	-	-	-	0%
233002	Collection System In System Storage Devices(ISDs) Improvements	-	235	-	-	-	-	235	235	100%
233003	Rouge River In-system Storage Devices	46,797,000	-	-	-	-	-	-	-	0%
251002	Wastewater System Wide Instrumentation & Controls Software and Hardware Upgrade	-	71	-	-	(71)	-	-	-	100%
260100	Water Resource Recovery Facility (WRRF), Lift Station & Wastewater Collection System Allowance	-	-	1,100,000	1,100,000	-	-	-	-	100%
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	154,643,000	-	15,000,000	6,550,048	-	-	-	-	0%
260201	Conveyance System Interceptor Rehab	-	4,810,116	-	7,400,000	5,515,906	18,542,127	960,448	19,502,575	100%
260202	Conveyance System Interceptor Rehab	-	17,031	-	-	6,840	-	23,871	23,871	100%
260203	Conveyance System Interceptor Rehab	-	4,642,133	-	-	-	4,642,133	-	4,642,133	100%
260204	Energy Services for Rehabilitation of Conveyance Sewer System	-	133	-	1,049,952	912,609	-	912,742	912,742	100%
260205	NWI Outfall Rehabilitation	-	-	-	-	79,226	-	79,226	79,226	100%
260500	CSO Outfall Rehab	64,406,000	-	15,102,000	10,302,925	-	-	-	-	0%
260503	Collection System Backwater Gates	-	760	-	-	-	-	760	760	100%
260504	Rehabilitation of Outfalls - Phase II	-	-	-	3,000,000	2,202,000	-	2,202,000	2,202,000	100%
260505	Rehabilitation of Outfalls - Phase IV	-	-	-	1,799,075	1,586,323	-	1,586,323	1,586,323	100%
260506	Pilot Regulator Orifice Expansion	-	-	-	-	78,641	-	78,641	78,641	100%
260508	B-39 Outfall Rehab	-	-	-	-	498	-	498	498	100%
260509	B-40 Outfall Rehab	-	-	-	-	66,293	-	66,293	66,293	100%
260600	CSO Facilities Improvements	152,943,000	-	5,604,000	2,940,613	-	-	-	-	0%
260601	Oakwood Drain Valve Improvements	-	539,857	-	33,000	141,778	655,436	26,199	681,635	100%
260602	CSO Fire Alarm System Improvements	-	812,407	-	-	185,211	997,619	-	997,619	100%
260603	Conner Creek CSO Basin Rehab	-	4,404,704	-	1,255,387	2,651,663	-	7,056,367	7,056,367	100%
260605	CSO Facilities CA	-	16,914	-	-	(16,914)	-	-	-	100%
260606	Puritan Fenkell Roof Replacement	-	1,944	-	-	344,596	346,540	-	346,540	100%

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2020 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2020

Wastewater System
Construction Work-in-Progress Quarterly Report
As of June 30, 2020

Project	Project Name	Total Project Plan Estimate from FY 2021 - 2025 CIP	CWIP Balance July 1, 2019	FY 2020 Board Approved CIP	FY 2020 Board Approved CIP With Project Amendments	FY 2020 Activity through June 30, 2020	Life to Date Capitalization Through June 30, 2020	CWIP Balance June 30, 2020	Life to Date Activity Through June 30, 2020	Life to Date Activity / Total Project Plan Estimate
260607	Lieb SDF Electrical Improvements	-	241,513	-	450,000	791,174	1,032,508	179	1,032,687	100%
260608	Seven Mile RTB - Roof Replacement	-	12,451	-	300,000	484,248	496,699	-	496,699	100%
260609	Seven Mile RTB - Parking Lot / Sitework	-	23,197	-	400,000	346,362	-	369,559	369,559	100%
260610	Baby Creek MAU Replacement	-	1,773	-	-	273,378	275,151	-	275,151	100%
260611	HVAC Improvements At Lieb SDF	-	5,283	-	225,000	90,603	-	95,887	95,887	100%
260613	Baby Creek HVAC Improvements	-	76	-	-	51,262	-	51,338	51,338	100%
260614	CSO Facilities Structural Improvements	-	335,143	-	-	(31,349)	-	303,795	303,795	100%
260615	PF & Lieb CSO Facilities Site & Drainage Improvements	-	-	-	-	109,660	-	109,660	109,660	100%
260616	Baby Creek SCO Anchor & Wedge Improvements	-	-	-	-	666,495	-	666,495	666,495	100%
260617	St. Aubin Chemical Disinfection Improvements	-	-	-	-	250,348	-	250,348	250,348	100%
260618	Oakwood HVAC Improvements	-	-	-	-	75,672	-	75,672	75,672	100%
260619	Control System Upgrade At St. Aubin, Lieb and 7 Mile	-	-	-	-	61,593	-	61,593	61,593	100%
270001	Pilot CSO Netting Facility	7,769,000	-	-	-	-	-	-	-	0%
270002	Meldrum Sewer Diversion and VR-15 Improvements	6,079,000	-	-	-	-	-	-	-	0%
270003	Long Term CSO Control Plan	5,794,000	-	-	-	3,545	-	3,545	3,545	0%
277001	Baby Creek Outfall Improvements Project	2,237,000	-	-	-	2,283	-	2,283	2,283	0%
331002	Roofing Systems Replacement at GLWA Wastewater Treatment Plant, CSO Retention Treatment Basins (RTB) and Screening Disinfection Facilities (SDF)	9,745,000	802,470	1,092,000	1,092,000	320,586	1,123,056	-	1,123,056	12%
341001	Security Infrastructure Improvements	-	102,924	-	-	930,283	-	1,033,207	1,033,207	100%
341002	Security Infrastructure Improvements	2,630,000	-	-	-	-	-	-	-	0%
380600	General Engineering Services Allowance	(51,000)	-	-	-	-	-	-	-	0%
380601	General Engineering Services Allowance	-	632	-	-	(632)	-	-	-	100%
381000	Energy Management: Electric Metering Improvement Program	3,435,000	-	-	-	-	-	-	-	0%
Grand Total		\$ 1,645,165,000	\$ 193,716,659	\$ 161,480,000	\$ 156,884,005	\$ 73,826,521	\$ 278,196,946	\$ 177,022,887	\$ 455,219,833	28%
					Project Amendments	\$ (4,595,995)				

FY 2020 Project Amendment Summary

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

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

\$4.6 million of Capital Reserve project amendments have been prepared as of June 30, 2020 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

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

**Great Lakes Water Authority
Wastewater System Project Amendment Summary
Unaudited Activity For the Fiscal Year Ended June 30, 2020**

**Wastewater System
Construction Work-in-Progress Quarterly Report**
As of June 30, 2020

Project	Project Name	Program / Allowance	Capital Reserve	Grand Total
171501	Roof Replacements - Var Facilities Program	\$ -	\$ 83,000	\$ 83,000
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	-	1,000,000	1,000,000
212004	ProjectChlorination/Dechlorination Process Equipment Improvements	-	558,000	558,000
212006	PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract	-	148,155	148,155
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	-	300,000	300,000
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations	-	800,000	800,000
222002	Detroit River Interceptor Evaluation and Rehabilitation	-	(5,950,555)	(5,950,555)
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	-	(1,734,595)	(1,734,595)
232002	Freud and Connor Creek Pump Station Improvements	-	200,000	200,000
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	(8,449,952)	-	(8,449,952)
260201	Conveyance System Interceptor Rehab	7,400,000	-	7,400,000
260204	Energy Services for Rehabilitation of Conveyance Sewer System	1,049,952	-	1,049,952
260500	CSO Outfall Rehab	(4,799,075)	-	(4,799,075)
260504	Rehabilitation of Outfalls - Phase II	3,000,000	-	3,000,000
260505	Rehabilitation of Outfalls - Phase IV	1,799,075	-	1,799,075
260600	CSO Facilities Improvements	(2,663,387)	-	(2,663,387)
260601	Oakwood Drain Valve Improvements	33,000	-	33,000
260603	Conner Creek CSO Basin Rehab	1,255,387	-	1,255,387
260607	Lieb SDF Electrical Improvements	450,000	-	450,000
260608	Seven Mile RTB - Roof Replacement	300,000	-	300,000
260609	Seven Mile RTB - Parking Lot / Sitework	400,000	-	400,000
260611	HVAC Improvements At Lieb SDF	225,000	-	225,000
Grand Total		\$ -	\$ (4,595,995)	\$ (4,595,995)

Procurement Pipeline


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

October 2020 - Volume 20

Welcome to the October edition of *The Procurement Pipeline*, a monthly newsletter designed to provide informative updates on doing business with the Great Lakes Water Authority (GLWA). This month's edition of the *Pipeline* provides tips on submitting a complete invoice, an update on vendor outreach opportunities, and a reminder to stay safe in the COVID-19 era.

Tip of the Month: Submitting a Complete Invoice – the Key to Faster Payment

Submitting a complete invoice is key to timely payment for your work. A complete invoice:

1. Names Great Lakes Water Authority (GLWA) in the "Bill To" area of the invoice;
2. Includes a GLWA purchase order (PO) number;
3. Includes your company's invoice number;
4. Complies with all the required purchase order/contract terms;
5. Provides a description of the services performed and/or the goods shipped;
6. Supplies the dates for the services performed and/or the goods shipped;
7. Adds freight costs, if applicable.

Important: Every purchase order issued by the GLWA Procurement Team is assigned a unique seven-digit PO number. In order to pay an invoice, we need to match the PO number on the invoice to a PO number in our procurement system. Invoices without a PO number require research – and delay the payment process. Please note that GLWA payment terms apply only to complete and properly submitted invoices. If asked to provide goods or services without a purchase order, please contact procurement@glwater.org.

accountspayable@glwater.org is your one source for all matters related to invoicing and payment! Use this email address to:

- ✓ Submit an invoice for payment;
- ✓ Obtain the payment status of an invoice;
- ✓ Ask any questions related to invoicing.

The accounts payable team looks forward to working with you!

Reminder to STAY SAFE this Fall and Winter!

As the weather grows colder and the number of COVID-19 cases continues to rise throughout the state of Michigan, it remains vital that we keep working together to slow the spread of the coronavirus. Wearing face coverings, maintaining social distance of six feet or more, and washing hands regularly ensures that we maintain workplace safety for all. In addition, please note that *all GLWA COVID-19 safety protocols and procedures, including the Visitor's Questionnaire and the Vendor COVID-19 Testing Requirement, remain in effect.* (Please see "COVID-19 Vendor Requirements and Related Forms" on the [GLWA vendor page](http://www.glwater.org) for more information.) We thank the vendor community for your continued cooperation with these safety measures—you make it possible for GLWA to provide essential water and wastewater services to the communities we serve!

Virtual Introduction Meetings with GLWA

If you are interested to learn more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule an introductory meeting. Topics include navigating our e-procurement software Bonfire, as well as tips on submitting a competitive bid or proposal to a GLWA solicitation.

Where to Meet GLWA

GLWA attends vendor outreach events throughout southeast Michigan. We welcome you to join us at the Southwest Michigan PTAC Meet the Buyer virtual event on October 27, 2020 from 1-4:30pm. [Event flyer and registration link.](#)

What's Coming Down the Pipe?

Current Solicitations: Be sure to register in [Bonfire](#) for new solicitations and contract award information.

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

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

Upcoming Solicitations October 2020

Category	Description	Budget Estimate
Water System (next three months)		
Maintenance Services	5-Year Sludge Removal and Disposal Services at Northeast, Springwell's & Southwest Water Plants	\$55,000,000
Engineering	North Service Center Pumping Station Improvements (CIP #132016)	\$10,000,000
Construction	Phase II – 14 Mile Transmission Loop Project	\$91,000,000
Design	LHWTP Flocculator Improvements (CIP #111012)	\$3,000,000
Design Build	Southwest Water Treatment Plant Chlorine Scrubber and Raw Water Screen Replacement (CIP #113006)	\$6,000,000
Design Build	Belle Isle Seawall Rehabilitation (CIP #116005)	\$1,740,000
Wastewater System (next three months)		
Design	Rehabilitation of Remaining CSO Outfalls and Some Trunk Sewers	\$7,000,000
Construction	WRRF Rehabilitation of Ferric Chloride Feed System in PS-1 and Complex B Sludge Lines (CIP #211008)	\$7,500,000
Maintenance	UPS Maintenance and Repair Services (CSO/WRRF)	TBD
Construction	Baby Creek Roof Replacement & Conner, St. Aubin, and Leib Roof Improvements	\$450,000
Design	Control System Upgrade – St. Aubin, Leib, and 7 Mile CSO Facilities	TBD
Water System (next four to nine months)		
Design Build	WTP Ovation Workstation Upgrade Project (CIP #170303)	TBD
Construction	Springwells Water Treatment Plant Medium Voltage Electrical System Replacement (CIP #114002 Project B)	\$30,000,000
Wastewater System (next four to nine months)		
Design Build	Baby Creek Outfall Improvements Projects (CIP #277001)	TBD
Design	St. Aubin Chemical Disinfection & Screening Improvements	TBD
Design	WRRF Rehabilitation of the Secondary Clarifiers (CIP #212007)	\$700,000
Services	Actuator Maintenance	TBD
Construction	Rehabilitation of Outfalls – Phase III (B-39)	\$7,000,000
Construction	Rehabilitation of Woodward Sewer	\$26,000,000
Construction	Rehabilitation of CSO Outfall Backwater Gates	\$5,000,000
Construction	Connor Creek Dike Improvements	TBD
Construction	Air Balancing of CSO HVAC Systems	TBD
Construction	CSO Generator Improvements (Controls upgrades, Generator modifications)	TBD
Enterprise (next four to nine months)		
Information Technology	Project Management Information System	TBD

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

Acronyms	
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow