



Audit Committee Meeting
Friday, May 21, 2021 at 8:00 a.m.
www.glwater.org

Join by Microsoft Teams
Dial-In: 313-771-3116 Conference ID: 868 434 344#
[GLWA Audit Committee Meeting](#)

AGENDA

Note: Binders 1 and 2 have been combined in agenda order and document was renumbered.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. April 23, 2021 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
 - A. FY 2021 3rd Quarter Budget Amendments (Page 7)
 - B. Resolution to Adopt the Connors Creek Sewer System (CCSS) (Page 37)
Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan
 - C. Resolution to Adopt the In-System Storage Device and Dam Remote (Page 48)
and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan
 - D. Scheduling Public Hearings for the Drinking Water State Revolving (Page 59)
Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project
 - E. Resolution to Adopt the city of Detroit Water and Sewerage (Page 75)
Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan
8. REPORTS
 - A. CFO Report (Page 82)
 - B. Monthly Financial Report for February 2021 (Page 121)
 - C. Business Inclusion and Diversity Program Update (Page 122)
- Business Inclusion and Diversity Program DRAFT
Benchmarking Report dated April 7, 2021
 - D. Quarterly Debt Report (Page 188)
 - E. Quarterly Investment Report (Page 203)
 - F. Bi-Annual Transformation Report (Page 233)
 - G. Shared Services Update (Page 243)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for May 2021 (Page 251)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: June 25, 2021 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, April 23, 2021

8:00 AM

Telephonic Meeting

Telephonic Meeting

Call-In Number: 1-313-771-3116 Conference ID: 868 434 344#

1. Call To Order

Chairperson Baker called the meeting to order at 8:06 a.m.

2. Quorum Call

Present: 3 - Chairperson Brian Baker, Director Gary Brown, and Director Jaye Quadrozzi

Committee Members' Attendance Location:

Chairperson Baker (Clinton Township, Michigan)

Director Brown (Detroit, Michigan)

Director Quadrozzi (Beverly Hills, Michigan)

3. Approval of Agenda

Chairperson Baker requested a Motion to Approve the Agenda.

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2021-139](#) Approval of Minutes of March 26, 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A March 26, 2021 Audit Committee Meeting Minutes](#)

Chairperson Baker requested a Motion to Approve the March 26, 2021 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

A. [2021-140](#) Proposed Extension of Water Residential Assistance Program - Temporary Program Change Related to Participant Removal Due to COVID-19

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A Extension of WRAP Temporary Program Change- Participant Removal](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Recommended for Approval to the Board of Directors
Agenda of April 28, 2021

The motion carried by a unanimous vote.

7. New Business

A. [2021-141](#) Proposed Amendment to GLWA Contract CS-195 effective July 1, 2021 with The Foster Group

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A Proposed Contract with The Foster Group](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Recommended for Approval to the Board of Directors
Agenda of April 28, 2021

The motion carried by a unanimous vote.

B. [2021-142](#) FY 2021 2nd Quarter Budget Amendments

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B FY 2021 Budget Amendment Report](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 28, 2021

The motion carried by a unanimous vote.

C. [2021-143](#) Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Aggregate Amount Not to Exceed \$12,000,000 (Ordinance 2021-02)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7C1 Approval of Series Ordinance 2021-01- Water Supply System](#)

[7C2 Series Ordinance 2021-02 \(2021 SRF 1\) DWRF Water Revenue Bonds](#)

[7C3 Resolution Approving Ordinance 2021-02 \(2021 SRF-1 DWRF\)](#)

[7C4 Board Letter- Approval of Water Supply System Series Ordinance 2021-02 4.28.2021](#)

Motion By: Gary Brown

Support By: Brian Baker

Action: Recommended for Approval to the Board of Directors

Agenda of April 28, 2021

The motion carried by a unanimous vote.

- D. [2021-144](#) Scheduling Public Hearings for the State Revolving Fund (SRF) Project Plan Submittals for the Connors Creek Sewer System Rehabilitation Project and the In-System Storage Device and Dam and Valve Remote Evaluation and Rehabilitation Project

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7D1 Scheduling of SRF Project Plan Public Hearing](#)
[7D2 Board Letter- Scheduling of SRF Project Plan Public Hearing 4.28.2021](#)
[7D3 Connors Creek Public Hearing Notice](#)
[7D4 Wastewater Conveyance System SRF Public Hearing Notice](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 28, 2021

The motion carried by a unanimous vote.

8. Reports

A. CFO Update-Verbal

Nicolette Bateson, Chief Financial Officer/Treasurer, provided a verbal update on the following:

- Informed the Audit Committee of a Financial Services Area staff change with the departure of Jonathan Wheatley, GLWA Public Finance Manager, who will become the Executive Director for the Municipal Advisory Council of Michigan.
- Four (4) proposals have been received for Enterprise Resource Planning (ERP), the new Financial Services Human Resources Procurement System, which will probably go to the Operations and Resources Committee; however, once a recommendation is received, Financial Services Area will provide an update to the Audit Committee.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2021-145](#) Monthly Financial Report for January 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B January 2021 Financial Report_Tagetik](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2021-146](#) Business Inclusion and Diversity Program Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C B.I.D. Audit Committee Update 4.23.21](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2021-147](#) Annual Procurement Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D Annual Procurement Report](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

E. [2021-148](#) Quarterly WRAP Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E Quarterly WRAP Report as of 3.31.2021](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communication

A. [2021-149](#) The Procurement Pipeline for April 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A April 2021 Procurement Pipeline](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

10. Look Ahead

The next Audit Committee Meeting is scheduled for Friday, May 21, 2021 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

There being no further business, Chairperson Baker adjourned the meeting at 10:13 a.m.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Lisa L. Mancini, Financial Planning & Analysis Manager

Re: FY 2021 Third Quarter Budget Amendments through March 31, 2021 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: Highlights of the third quarter budget amendments include the following.

- A. Entity-wide, operations and maintenance expense of \$212.9 million through March 31, 2021 is 67% of the proposed amended total of \$316.4 million. The variance from a pro-rata benchmark of 75% allows for the expected trend of relatively higher fourth quarter expenses due to the seasonality of certain expenses and some year-end accruals at actual versus estimate.
- B. The Capital Spending Ratio for the water capital improvement plan has increased from 75% to 92% which equates to \$19.7 million. This results in an increase to the transfer from the Water Improvement & Extension Fund to the Water Construction Fund for that amount since there are no longer revenue bond proceeds available in accordance with GLWA's financial plan. The Capital Spending Ratio for the sewer capital improvement plan has remained at the original 75%.
- C. Given that this is the first year the funding for the capital improvement plans are being funded solely from I&E Funds and state revolving funds, a working capital transfer of \$13.3 million for water is also reflected in the proposed budget amendments.

The attached budget amendment report is organized in the following manner.

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

- A. Water System General Operating Fund*
- B. Sewer System General Operating Fund*
- C. Total Operating Fund Level – Water System and Sewer System*
- D. Enterprise-wide Core Groups*
- E. Enterprise-wide Operations & Maintenance Account Type*
- F. Unallocated Reserve by Core Group*

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

- A. Water System Improvement & Extension Fund*
- B. Sewer System Improvement & Extension Fund*

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

- A. Water System Construction Fund*
- B. Sewer System Construction Fund*

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 third quarter FY 2021 budget amendments.



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 1A Water - Appropriation Level - Revenue Requirement – Water System General Operating

Water System	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Suburban Wholesale Customer Charges	\$ 314,252,200	\$ (1,118,600)	\$ -	\$ -	\$ 313,133,600	\$ 237,680,000
Retail Service Charges	22,555,400	(629,900)	-	-	21,925,500	16,575,400
Investment Earnings	4,834,400	(3,564,800)	2,686,100	-	3,955,700	3,476,200
Other Revenues	-	-	229,000	-	229,000	227,200
Total Revenues	\$ 341,642,000	\$ (5,313,300)	\$ 2,915,100	\$ -	\$ 339,243,800	\$ 257,958,800
Revenue Requirements						
Operations & Maintenance Expense	\$ 137,127,300	\$ (3,000,000)	\$ -	\$ -	\$ 134,127,300	\$ 91,455,100
General Retirement System Legacy Pension	6,048,000	-	-	-	6,048,000	4,536,000
Debt Service	143,189,900	(5,753,900)	-	-	137,436,000	104,667,100
General Retirement System Accelerated Pension	6,268,300	-	-	-	6,268,300	4,701,200
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	1,669,400	-	-	-	1,669,400	1,252,100
Lease Payment	22,500,000	-	-	-	22,500,000	16,875,000
Operating Reserve Deposit	876,600	(876,600)	-	-	-	-
DWSD Budget Shortfall/(Surplus) Pending	-	-	-	-	-	1,320,800
Improvement & Extension Fund Transfer Pending	23,962,500	4,317,200	2,915,100	-	31,194,800	22,375,800
Total Revenue Requirements	\$ 341,642,000	\$ (5,313,300)	\$ 2,915,100	\$ -	\$ 339,243,800	\$ 247,183,100



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
<i>Revenues</i>	
Suburban Wholesale Customer Charges	<i>No budget amendment is required.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Investment Earnings	<i>No budget amendment is required.</i>
Other Revenues	<i>No budget amendment is required.</i>
<i>Revenue Requirements (Expenditures)</i>	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>No budget amendment is required.</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>
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>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
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 revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 1B Sewer - Appropriation Level - Revenue Requirement – Sewer System General Operating

Sewer System	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Suburban Wholesale Customer Charges	\$ 277,011,800	\$ (2,958,300)	\$ -	\$ -	\$ 274,053,500	\$ 202,413,700
Retail Service Charges	190,112,100	(2,152,400)	-	-	187,959,700	141,418,200
Industrial Waste Control Charges	8,775,400	(92,100)	-	(998,600)	7,684,700	5,972,500
Pollutant Surcharges	5,262,800	(55,200)	-	900,000	6,107,600	4,579,500
Investment Earnings	5,589,200	(4,602,300)	1,791,200	-	2,778,100	2,261,300
Other Revenues	-	-	574,000	(160,000)	414,000	363,400
Total Revenues	\$ 486,751,300	\$ (9,860,300)	\$ 2,365,200	\$ (258,600)	\$ 478,997,600	\$ 357,008,600
Revenue Requirements						
Operations & Maintenance Expense	\$ 184,946,100	\$ (2,650,100)	\$ -	\$ -	\$ 182,296,000	\$ 121,476,500
General Retirement System Legacy Pension	10,824,000	-	-	-	10,824,000	8,118,000
Debt Service	209,739,900	(7,959,500)	-	-	201,780,400	153,430,300
General Retirement System Accelerated Pension	11,620,700	-	-	-	11,620,700	8,715,500
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	2,415,100	-	-	-	2,415,100	1,811,300
Lease Payment	27,500,000	-	-	-	27,500,000	20,625,000
Operating Reserve Deposit	-	-	-	-	-	-
DWSD Budget Shortfall/(Surplus) Pending	-	-	-	-	-	4,278,000
Improvement & Extension Fund Transfer Pending	39,705,500	749,300	2,365,200	(258,600)	42,561,400	31,162,300
Total Revenue Requirements	\$ 486,751,300	\$ (9,860,300)	\$ 2,365,200	\$ (258,600)	\$ 478,997,600	\$ 349,616,900



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
<i>Revenues</i>	
Suburban Wholesale Customer Charges	<i>No budget amendment is required.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Industrial Waste Control Charges	<i>The reduction in meter counts is the result of the COVID-19 economic downturn.</i>
Pollutant Surcharges	<i>Additional excess levels have resulted in an increase in the billings for FY 2021.</i>
Investment Earnings	<i>No budget amendment is required.</i>
Other Revenues	<i>The reduction in dump token receipts is the result of the COVID-19 economic downturn.</i>
<i>Revenue Requirements (Expenditures)</i>	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>No budget amendment is required.</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>
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>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
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 revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 1C - Supplemental Information – Operating Fund Level - Water System and Sewer System

System	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Water System Operations	\$ 137,127,300	\$ (3,000,000)	\$ -	\$ -	\$ 134,127,300	\$ 91,455,100
Wastewater System Operations	184,946,100	(2,650,100)	-	-	182,296,000	121,476,500
Total	\$ 322,073,400	\$ (5,650,100)	\$ -	\$ -	\$ 316,423,300	\$212,931,600

Totals may be off due to rounding.

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 March 31, 2021

Table 1D - Supplemental Information - Enterprise-wide Core Groups

O&M Major Budget Categories (Core Groups)	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
A Water System Operations	\$ 71,966,400	\$ (1,146,600)	\$ -	\$ -	\$ 70,819,800	\$ 50,322,300
B Wastewater System Operations	115,676,400	(701,300)	-	-	114,975,100	77,143,400
C Centralized Services	102,721,300	(2,382,900)	-	-	100,338,400	65,289,200
D Administrative & Other Service	31,709,300	(1,419,200)	-	-	30,290,100	20,176,700
Total	\$ 322,073,400	\$ (5,650,000)	\$ -	\$ -	\$ 316,423,400	\$212,931,600

Totals may be off due to rounding.

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 third 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 March 31, 2021

Table 1E - Supplemental Information - Enterprise-wide Operations & Maintenance Account Type

O&M Expense Categories (Account Type)	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Personnel Costs	\$ 110,333,100	\$ (1,527,100)	\$ (123,800)	\$ (265,900)	\$ 108,416,300	\$ 81,069,800
Utilities	51,937,000	-	-	-	51,937,000	38,858,400
Chemicals	13,419,800	-	-	-	13,419,800	10,524,500
Supplies & Other	38,620,800	400,000	(1,521,300)	(229,700)	37,269,800	20,885,300
Contractual Services	106,154,600	(1,372,200)	2,005,000	(572,600)	106,214,800	67,284,300
Capital Program Allocation	(3,447,700)	-	127,500	(8,500)	(3,328,700)	(2,277,100)
Shared Services	(3,412,900)	-	(1,117,100)	18,000	(4,512,000)	(3,413,600)
Unallocated Reserve	8,468,700	(3,150,800)	629,700	1,058,700	7,006,300	-
Total	\$ 322,073,400	\$ (5,650,100)	\$ -	\$ -	\$ 316,423,300	\$212,931,600

Totals may be off due to rounding.

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 March 31, 2021

Table 1F - Supplemental Information - Unallocated Reserve by Core Group

O&M Unallocated Reserves	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget
Water System Operations	\$ 1,729,300	\$ (436,900)	\$ -	\$ -	\$ 1,292,400
Wastewater System Operations	4,603,900	(1,701,300)	(584,000)	-	2,318,600
Centralized Services	1,637,200	(642,900)	1,089,600	8,500	2,092,400
Administrative & Other Services	498,300	(369,700)	124,100	1,050,200	1,302,900
Total	\$ 8,468,700	\$ (3,150,800)	\$ 629,700	\$ 1,058,700	\$ 7,006,300

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.

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 March 31, 2021

Table 2A - Appropriation Level – Improvement & Extension Fund – Water System

Water Improvement & Extension Fund	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Transfers In from General Operating	\$ 23,962,500	\$ 4,317,200	\$ 2,915,100	\$ -	\$ 31,194,800	\$ 22,375,800
Earnings on Investments (b)	-	-	3,048,400	-	3,048,400	2,953,300
Net Use of Reserves (a)	68,929,500	(4,317,200)	(937,100)	30,022,000	93,697,200	-
Total Revenues	\$ 92,892,000	\$ -	\$ 5,026,400	\$ 30,022,000	\$ 127,940,400	\$ 25,329,100
Expenditures						
Water System Revenue Transfers Out (b)	\$ -	\$ -	\$ 3,048,400	\$ -	\$ 3,048,400	\$ 2,914,200
Capital Spending - Other	-	-	-	4,977,600	4,977,600	3,256,400
Capital Outlay	17,892,000	-	-	(8,000,000)	9,892,000	7,861,600
Revenue Financed Capital - Operating Transfer to Construction Fund	75,000,000	-	1,978,000	33,044,400	110,022,400	40,788,900
Total Expenditures	\$ 92,892,000	\$ -	\$ 5,026,400	\$ 30,022,000	\$ 127,940,400	\$ 54,821,100
<i>(a) Beginning Net Position</i>					\$ 288,752,600	
<i>Net Use of Reserves</i>					\$ (93,697,200)	
<i>Projected Ending Net Position</i>					\$ 195,055,400	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
Revenues	
Transfers In from General Operating	<i>No budget amendment is required. This amount on this line matches the amount available for transfer from the FY 2021 revenue requirement based upon general operating fund performance. (see I&E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Water System General Operating table).</i>
Earnings on Investments	<i>No budget amendment is required. Earnings on Investments 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>
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>No budget amendment is required. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference.</i>
Capital Spending - Other	<i>The proposed budget amendment represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>The proposed budget amendment reflects the decrease in spending which is partially driven by the shift in organizational priorities resulting from the COVID-19 pandemic.</i>
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects the additional funding that is anticipated to be needed based on the increase in the Capital spend rate.</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 2B - Appropriation Level - Improvement & Extension Fund – Sewer System

Sewer Improvement & Extension Fund	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Transfers In from General Operating	\$ 39,705,500	\$ 749,300	\$ 2,365,200	\$ (258,600)	\$ 42,561,400	\$ 31,162,300
Receipt of DWSO Shortfall Loan	19,288,300	-	-	-	19,288,300	14,131,300
Earnings on Investments (b)	-	-	1,401,300	-	1,401,300	1,208,300
Net Use of Reserves (a)	3,987,300	(749,300)	(343,600)	(4,513,000)	(1,618,600)	-
Total Revenues	\$ 62,981,100	\$ -	\$ 3,422,900	\$ (4,771,600)	\$ 61,632,400	\$ 46,501,900
Expenditures						
Sewer System Revenue Transfers Out (b)	\$ -	\$ -	\$ 1,401,300	\$ -	\$ 1,401,300	\$ 1,180,600
Capital Spending - Other	-	-	-	1,020,800	1,020,800	2,987,700
Capital Outlay	20,481,100	-	-	(2,750,000)	17,731,100	\$ 5,246,700
Revenue Financed Capital - Operating Transfer to Construction Fund	42,500,000	-	2,021,600	(3,042,400)	41,479,200	15,990,800
Total Expenditures	\$ 62,981,100	\$ -	\$ 3,422,900	\$ (4,771,600)	\$ 61,632,400	\$ 25,405,800
<i>(a) Beginning Net Position (excludes Shortfall Loan Principal)</i>					<i>\$ 135,520,700</i>	
<i>Net Use of Reserves</i>					<i>1,618,600</i>	
<i>Projected Ending Net Position</i>					<i>\$ 137,139,300</i>	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
Revenues	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from FY 2021 revenue requirement based upon general operating fund performance. (see I&E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Sewer System General Operating table).</i>
Earnings on Investments	<i>No budget amendment is required. Earnings on Investments 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>
Net Use (Source) of Reserves	<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	
Sewer System Revenue Transfers Out (Earnings on Investments)	<i>No budget amendment is required. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference.</i>
Capital Spending – Other	<i>The proposed budget amendment represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>The proposed budget amendment reflects the decrease in spending which is partially driven by the shift in organizational priorities resulting from the COVID-19 pandemic.</i>
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects the change in funding that is anticipated to be needed based on a combination of the projected Capital spend rate and the amount of the projects in the CIP that do not meet the criteria for debt financing (will be funded out of I&E instead of Construction funds – see ‘Capital Spending – Other’ above).</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 3A - Appropriation Level – Construction Bond Fund – Water System

Water Construction Fund	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Transfer from Improvement & Extension Fund	\$ 75,000,000	\$ -	\$ 1,978,000	\$ 33,044,400	\$ 110,022,400	\$ 40,788,900
Bond Proceeds	-	-	-	-	-	-
Grant Revenues (SRF Loans)	12,365,800	-	-	-	12,365,800	12,793,100
Earnings on Investments	820,400	(639,900)	(153,700)	-	26,800	19,100
Net Use of Reserves (a)	22,486,800	639,900	153,700	(15,307,100)	7,973,300	-
Total Revenues	\$ 110,673,000	\$ -	\$ 1,978,000	\$ 17,737,300	\$ 130,388,300	\$ 53,601,100
Expenditures						
Capital Improvement Plan (b)	\$ 147,564,000	\$ -	\$ -	\$ (4,977,600)	\$ 142,586,400	\$ 93,270,800
Capital Spend Rate Adjustment	(36,891,000)	-	1,978,000	22,714,900	(12,198,100)	-
Total Expenditures (b)	\$ 110,673,000	\$ -	\$ 1,978,000	\$ 17,737,300	\$ 130,388,300	\$ 93,270,800
<i>(a) Beginning Net Position</i>					\$ 20,806,300	
<i>Net Use of Reserves</i>					(7,973,300)	
<i>Projected Ending Net Position</i>					<u>\$ 12,833,000</u>	
<i>(b) Plus Direct I&E Projects</i>	-				4,977,600	
<i>Total CIP Expenditures</i>	<i>110,673,000</i>				<i>135,365,900</i>	
<i>Total Published Capital Improvement Plan</i>	<i>147,564,000</i>				<i>147,564,000</i>	
<i>Capital Spending Ratio</i>	<i>75%</i>				<i>92%</i>	



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Construction Bond Fund – Water System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2021 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & Extension Fund-Water System table). The amount is based on the change in the Capital spend rate.</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 May 2021 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Earnings on Investments	<i>No budget amendment is required.</i>
Net Use (Source) of Reserves	<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 reflect the anticipated increase in the Capital spend rate from 75% to 92% and the resulting need for the additional transfer in of I&E funds for FY 2021.</i>
Expenditures	
Capital Improvement Plan	<i>The proposed budget amendment represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the ‘Capital Spending – Other’ line on the Water Improvement & Extension Fund table.</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Construction Bond Fund – Water System Budget Amendment Explanations	
Capital Spend Rate Assumption Adjustment	<p><i>The proposed budget amendment represents the increase in the projected Capital spend rate for the Water CIP from 75% to 92%. 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 March 2021 Audit Committee binder.</i></p>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Table 3B - Appropriation Level – Construction Bond Fund – Sewer System

Sewer Construction Fund	FY 2021 Board Adopted Budget	Total 1st Quarter FY 2021 Amendments	Total 2nd Quarter FY 2021 Amendments	Total 3rd Quarter FY 2021 Amendments	FY 2021 Amended Budget	FY 2021 Activity Thru 3/31/2021
Revenues						
Transfer from Improvement & Extension Fund	\$ 42,500,000	\$ -	\$ 2,021,600	\$ (3,042,400)	\$ 41,479,200	\$ 15,990,800
Bond Proceeds	-	-	-	-	-	-
Grant Revenues (SRF Loans)	33,200,000	-	-	-	33,200,000	11,380,500
Earnings on Investments	497,700	(388,200)	(81,900)	-	27,600	22,500
Net Use of Reserves (a)	6,781,300	388,200	81,900	9,500	7,260,900	-
Total Revenues	\$ 82,979,000	\$ -	\$ 2,021,600	\$ (3,032,900)	\$ 81,967,700	\$ 27,393,800
Expenditures						
Capital Improvement Plan (b)	\$ 110,638,000	\$ -	\$ -	\$ (1,020,800)	\$ 109,617,200	\$ 61,104,900
Capital Spend Rate Adjustment	(27,659,000)	-	2,021,600	(2,012,100)	(27,649,500)	-
Total Expenditures (b)	\$ 82,979,000	\$ -	\$ 2,021,600	\$ (3,032,900)	\$ 81,967,700	\$ 61,104,900
<i>(a) Beginning Net Position</i>					\$ 23,311,100	
<i>Net Use of Reserves</i>					(7,260,900)	
<i>Projected Ending Net Position</i>					<u>\$ 16,050,200</u>	
<i>(b) Plus Direct I&E Projects</i>	-				1,020,800	
<i>Total CIP Expenditures</i>	<i>82,979,000</i>				<i>82,988,500</i>	
<i>Total Published Capital Improvement Plan</i>	<i>110,638,000</i>				<i>110,638,000</i>	
<i>Capital Spending Ratio</i>	<i>75%</i>				<i>75%</i>	



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

Appropriation Level – Construction Bond Fund – Sewer System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2021 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & Extension Fund-Sewer System table). The amount is based on the change in the Capital spend rate as well as adjustments for projects in the CIP that do not meet the criteria for debt financing.</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 May 2021 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Earnings on Investments	<i>No budget amendment is required.</i>
Net Use (Source) of Reserves	<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 reflect the anticipated change in the Capital spend rate for FY 2021.</i>
Expenditures	
Capital Improvement Plan	<i>The proposed budget amendment represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the ‘Capital Spending – Other’ line on the Sewer Improvement & Extension Fund table.</i>



Quarterly Budget Amendment Report
FY 2021 Ending March 31, 2021

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

Capital Spend Rate Adjustment

The proposed budget amendment represents the change in the projected Capital spend rate for the Sewer CIP. The Capital Spending Ratio remains at 75%. 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 [March 2021 Audit Committee binder](#).

**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 FY 2021 third quarter budget amendments result in a net zero change to all categories: A - Water System Operations, B - Sewer System Operations, C – Centralized Services, and D – Administrative & Other Services.

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 larger items (greater than \$500,000) is included in the table in Addendum 1.

ADDENDUM 1

Supplemental Information
Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments		Total 3rd Quarter FY 2021 Amendments	Explanation of Key Items
Administrative Services		0	
Board of Directors		(15,000)	
Personnel		2,100	
Supplies & Other		(17,100)	
Chief Executive Officer		(74,700)	
Contractual Services		(63,200)	
Personnel		12,000	
Supplies & Other		(23,500)	
Chief Financial Officer		(40,000)	
Contractual Services		116,000	
Personnel		(129,000)	
Supplies & Other		(27,000)	
Data Analytics & Internal Audit		(460,600)	
Contractual Services		(250,000)	
Personnel		(204,000)	
Supplies & Other		(6,600)	
Financial Planning & Analysis		76,600	
Contractual Services		119,000	
Personnel		(32,000)	
Supplies & Other		(10,400)	
Financial Reporting & Accounting		(520,100)	
Contractual Services		(498,000)	
Personnel		32,900	
Supplies & Other		(55,000)	
Logistics and Materials		269,600	
Contractual Services		179,600	
Supplies & Other		90,000	
OD Administration		(15,000)	
Contractual Services		(15,000)	
Public Affairs		15,000	
Contractual Services		15,000	
Public Finance		97,900	
Contractual Services		107,000	
Personnel		(5,000)	
Supplies & Other		(4,100)	
Reporting and Compliance		26,300	
Contractual Services		(3,000)	
Personnel		35,100	
Supplies & Other		(5,800)	
Transformation		(167,300)	
Personnel		(124,900)	
Supplies & Other		(42,400)	
Treasury		(242,900)	
Contractual Services		(280,000)	
Personnel		24,900	
Shared Services		18,000	
Supplies & Other		(5,800)	
Unallocated Reserve - Administrative Services		1,050,200	
Unallocated Reserves		1,050,200	Savings have been recognized within various Administrative Services cost centers: -Contractual Services: Change in the start date and fluxuation in usage of contracts -Personnel: Timing changes in the hiring of team members -Supplies & Other: Due to COVID-19 savings has been recognized in areas such as supplies, travel, and training/internal meetings
Centralized Services		0	
HazMat		(6,400)	
Capital Program Allocation		(6,400)	
Security and Integrity		(2,100)	
Capital Program Allocation		(2,100)	
Personnel		122,000	
Supplies & Other		(122,000)	
Unallocated Reserve - Centralized Services		8,500	
Unallocated Reserves		8,500	
Grand Total		0	

Totals may be off due to rounding



ADDENDUM 2

Supplemental Information –

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

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

ADDENDUM 2

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

Expense Categories and Departmental Level Amendments	Total 3rd Quarter FY 2021 Amendments
Capital Program Allocation	(8,500)
HazMat	(6,400)
Security and Integrity	(2,100)
Contractual Services	(572,600)
Chief Executive Officer	(63,200)
Chief Financial Officer	116,000
Data Analytics & Internal Audit	(250,000)
Financial Planning & Analysis	119,000
Financial Reporting & Accounting	(498,000)
Logistics and Materials	179,600
OD Administration	(15,000)
Public Affairs	15,000
Public Finance	107,000
Reporting and Compliance	(3,000)
Treasury	(280,000)
Personnel	(265,900)
Board of Directors	2,100
Chief Executive Officer	12,000
Chief Financial Officer	(129,000)
Data Analytics & Internal Audit	(204,000)
Financial Planning & Analysis	(32,000)
Financial Reporting & Accounting	32,900
Public Finance	(5,000)
Reporting and Compliance	35,100
Security and Integrity	122,000
Transformation	(124,900)
Treasury	24,900
Shared Services	18,000
Treasury	18,000

ADDENDUM 2

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

Expense Categories and Departmental Level Amendments	Total 3rd Quarter FY 2021 Amendments
Supplies & Other	(229,700)
Board of Directors	(17,100)
Chief Executive Officer	(23,500)
Chief Financial Officer	(27,000)
Data Analytics & Internal Audit	(6,600)
Financial Planning & Analysis	(10,400)
Financial Reporting & Accounting	(55,000)
HazMat	0
Logistics and Materials	90,000
Public Affairs	0
Public Finance	(4,100)
Reporting and Compliance	(5,800)
Security and Integrity	(122,000)
Transformation	(42,400)
Treasury	(5,800)
Unallocated Reserves	1,058,700
Unallocated Reserve - Administrative Services	1,050,200
Unallocated Reserve - Centralized Services	8,500
Grand Total	0

Totals may be off due to rounding

Great Lakes Water Authority

Resolution 2021 - 195

Resolution Adopting the Budget Amendments through the Third 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 Third Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer system are amended as shown in the table below;

General Operating Appropriation Category	Water System		Sewer System	
	Adopted	Amended	Adopted	Amended
Revenues				
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	7,684,700
Pollutant Surcharges	-	-	5,262,800	6,107,600
Investment Earnings	4,834,400	3,955,700	5,589,200	2,778,100
Other Revenues	-	229,000	-	414,000
Total Revenues	<u>\$ 341,642,000</u>	<u>\$ 339,243,800</u>	<u>\$ 486,751,300</u>	<u>\$ 478,997,600</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	31,194,800	39,705,500	42,561,400
Total Revenue Requirements	<u>\$ 341,642,000</u>	<u>\$ 339,243,800</u>	<u>\$ 486,751,300</u>	<u>\$ 478,997,600</u>

WHEREAS Following a review of the budget amendment report through the FY 2021 Third Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer system 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	\$ 31,194,800	\$ 39,705,500	\$ 42,561,400
Receipt of DWSD Shortfall Loan	-	-	19,288,300	No Change
Earnings on Investments	-	3,048,400	-	1,401,300
Net Use of Reserves	68,929,500	93,697,200	3,987,300	(1,618,600)
Total Revenues	<u>\$ 92,892,000</u>	<u>\$ 127,940,400</u>	<u>\$ 62,981,100</u>	<u>\$ 61,632,400</u>
Expenditures				
Water/Sewer System Revenue Transfers Out	\$ -	\$ 3,048,400	\$ -	\$ 1,401,300
Capital Spending - Other	-	4,977,600	-	1,020,800
Capital Outlay	17,892,000	9,892,000	20,481,100	17,731,100
Revenue Financed Capital - Operating				
Transfer to Construction Fund	75,000,000	110,022,400	42,500,000	41,479,200
Total Expenditures	<u>\$ 92,892,000</u>	<u>\$ 127,940,400</u>	<u>\$ 62,981,100</u>	<u>\$ 61,632,400</u>

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

Construction Fund				
Appropriation Category				
	Water System		Sewer System	
Revenues	Adopted	Amended	Adopted	Amended
Transfer from Improvement & Extension Fund	\$ 75,000,000	110,022,400	\$ 42,500,000	41,479,200
Bond Proceeds	-	-	-	-
Grant Revenues (SRF Loans)	12,365,800	No Change	33,200,000	No Change
Earnings on Investments	820,400	26,800	497,700	27,600
Net Use of Reserves	22,486,800	7,973,300	6,781,300	7,260,900
Total Revenues	<u>\$ 110,673,000</u>	<u>\$ 130,388,300</u>	<u>\$ 82,979,000</u>	<u>\$ 81,967,700</u>
Expenditures				
Project Expenditures	\$ 110,673,000	130,388,300	\$ 82,979,000	81,967,700
Total Expenditures	<u>\$ 110,673,000</u>	<u>\$ 130,388,300</u>	<u>\$ 82,979,000</u>	<u>\$ 81,967,700</u>
Capital Spending Ratio	75%	92%	75%	No Change

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meetings on May 21, 2021; 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 Third 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: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the Connors Creek Sewer System Rehabilitation Project FY 2022
Clean Water Revolving Fund Project Plan

Background: The Great Lakes Water Authority (the “GLWA”) has identified the Connors Creek Sewer System (CCSS) Rehabilitation Project for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the Clean Water State Revolving Fund (CWSRF) financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all CWSRF project plans to EGLE is June 1, 2021. Prior to submitting the project plan, GLWA will hold the required public hearing for the Connors Creek Sewer System (CCSS) Rehabilitation Project plan on May 26, 2021 at 2:00 pm.

The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. This project is comprised of the rehabilitation of the CCSS, which is one of the primary combined sewers in Detroit metropolitan area. The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. Construction will include in-place rehabilitation of sewers and adding new access manhole structures. Right-of-way restoration will be performed on any disrupted areas. The impact of the project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. The total cost of this project is currently estimated at \$36,809,760.

Justification: The project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year’s interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$36.8 million, GLWA could save an estimated \$16.2 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with

a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

Budget Impact: Debt service for both projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.

..Title

Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

..Body

Agenda of: May 26, 2021
Item No.: **2021-**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer

DATE: May 26, 2021

RE: Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, and Navid Mehram, Chief Operating Officer-Wastewater, the Board of Directors of the Great Lakes Water Authority, **approves the attached Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan;** and authorizes the CEO to take such action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. This project is comprised of the rehabilitation of the CCSS, which is one of the primary combined sewers in Detroit metropolitan area. The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. Construction will include in-place rehabilitation of sewers and adding new access manhole structures. Right-of-way restoration will be performed on any disrupted areas. The impact of the project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. The total cost of this project is currently estimated at \$36,809,760.

GLWA wishes to utilize loans available under the State of Michigan Clean Water State Revolving Fund (CWSRF) for this project and a public hearing on the project plan was scheduled for 2:00 p.m. on May 26, 2021. The attached Resolution approves the project, directs GLWA staff to address all public comments, prepare responsiveness summary, and publish the final Project Plan; and authorizes GLWA's CEO to transmit the final FY 2022 CWSRF Project Plan to the Michigan Department of Environment, Great Lakes, and Energy and to secure a CWSRF loan for the project.

JUSTIFICATION

The project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$36.8 million, GLWA could save an estimated \$16.2 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

BUDGET IMPACT

Debt service is anticipated to begin in FY 2023 for this project and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 21, 2021 meeting. The Audit Committee [insert action] that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.

SHARED SERVICES IMPACT

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

Great Lakes Water Authority
Resolution 2021-

RE: Resolution for the Connors Creek Sewer System Rehabilitation
FY 2022 Clean Water State Revolving Fund Project Plan

By Board Member: _____

Whereas: The Connors Creek Sewer System Rehabilitation Project Plan for the FY 2022 Clean Water State Revolving Fund (CWSRF) has been prepared by GLWA;

Whereas: The Connors Creek Sewer System is one of the combined sewers in the Detroit metropolitan area;

Whereas: The proposed project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility;

Whereas: This project will include in-place rehabilitation of sewers and adding new access manhole structures;

Whereas: The FY 2022 CWSRF Project Plan has been placed on public notice and a Public Hearing was held on May 26, 2021 at 2:00 p.m. where comments on the recommended project were solicited;

Whereas: It is the desire of the GLWA Board of Directors to secure low interest loan assistance through the CWSRF program; and

Whereas: Formal action by the GLWA Board of Directors is needed to adopt the recommended FY 2022 CWSRF Project Plan for the Connors Creek Sewer System Rehabilitation, as a requirement for participation in the State of Michigan's CWSRF program.

Now Therefore Be It:

Resolved That this Board hereby accepts the FY 2022 Connors Creek Sewer System Rehabilitation project, dated May 26, 2021, and as directs staff members of the GLWA to address all public comments, prepares the responsiveness summary, and publish the final Project Plan; **and Be It Further**

Resolved That the Chief Executive Officer (CEO) is authorized to transmit the final FY 2022 CWSRF Project Plan for the Connors Creek Sewer System Rehabilitation project to the Michigan Department of Environment, Great Lakes, and Energy on behalf of the GLWA Board of Directors and take all appropriate steps to secure approval of a low interest loan in accordance with the State of Michigan's CWSRF procedures so that the project can proceed expeditiously to construction.

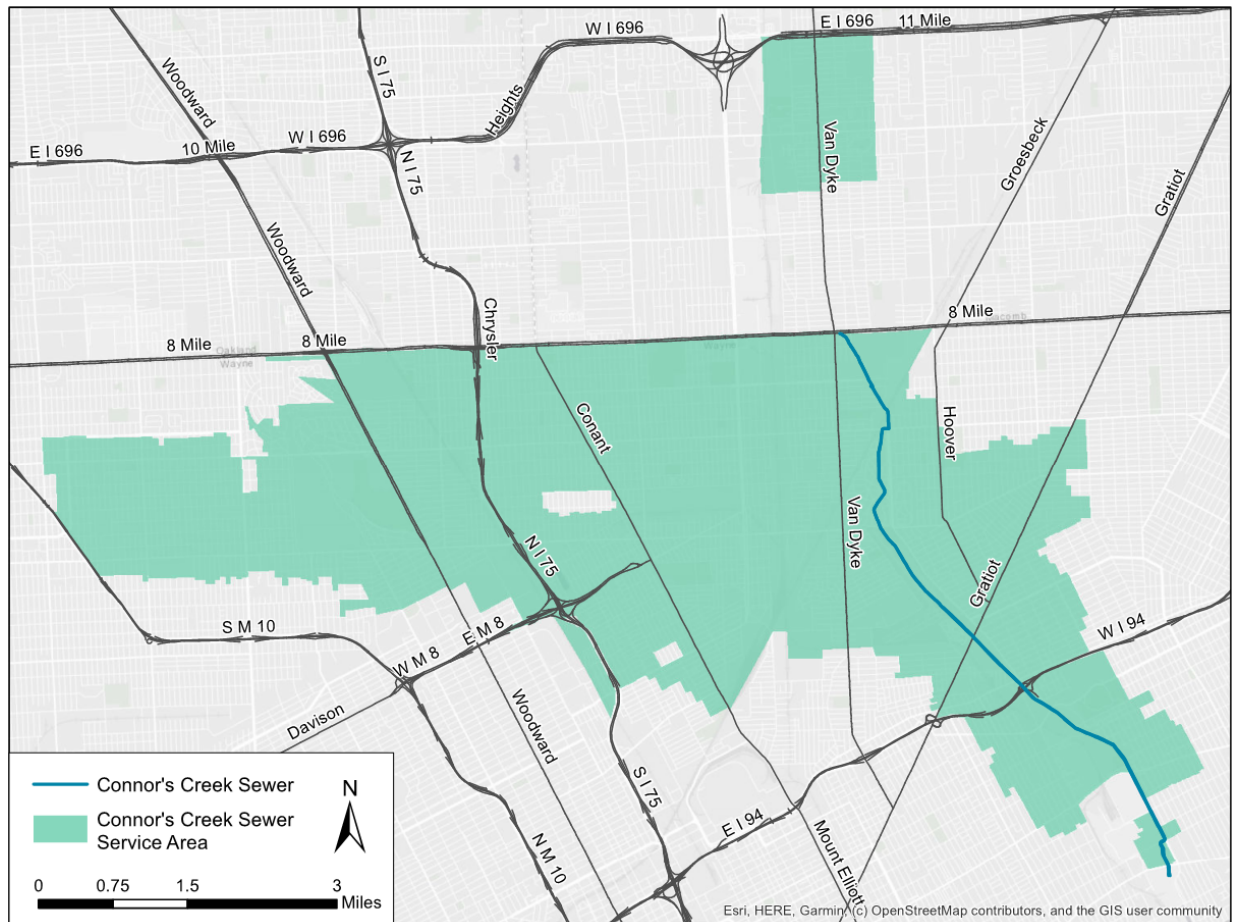
Adopted by the Great Lakes Water Authority Board on:

GREAT LAKES WATER AUTHORITY

Connors Creek Sewer System Rehabilitation Project

Project Plan
May 26, 2021





Proposed Improvements

Starting at 8 Mile Road east of Van Dyke Avenue and ending at a gate structure at the Connors Creek Pump Station, the Connors Creek Sewer System (CCSS) is a major sewer system in the City of Detroit, servicing a population of 120,000. The CCSS was inspected in 2018 and 2020. The inspections identified numerous defects throughout the system.

The primary defect within the CCSS is infiltration of varying severity. Based on this finding, most of the sewer segments will receive chemical grout as the baseline rehabilitation method. For smaller pipes in the system, Cured-in-Place Pipe (CIPP) lining and sliplining are considered as the preferred way to eliminate infiltration plus structurally rehabilitating the sewer to extend its useful life. In larger pipes with structural defects where CIPP is not viable and sliplining will not be cost effective,

either continuous or spot repairs using shotcrete is recommended. In addition, heavy cleaning of the debris will be performed in several segments of the CCSS.

Summary of project needs

Most of the CCSS was constructed in the 1920s. The defects are expected to worsen if no action is taken, which will increase the risk of failure of this 100-year aged sewer system. There are several critical transportation infrastructures and hospitals in the study area of this project, including Interstate I-94, Coleman A. Young International Airport and Conner Creek Health Center. The Chrysler Jefferson North Assembly Plant, which is also located in this area, employs thousands of workers; and the Mt. Olivet Cemetery, which is located on top of a portion of the CCSS, is of great importance to local and regional residents. The direct consequences of sewer failure include the development of sinkholes and service

interruptions. During the service interruptions and emergency repairs, the transportation, medical, and working access of the residents may be limited. Depending on the time required to restore normal services, there may be increasing negative impacts to public health.

Potential Alternatives

Three alternatives are analyzed in the project plan. The no-action alternative (Alternative 1) is required to be evaluated by the preparation guidance of this project plan. Alternative 2 is to repair the identified defects before they worsen and become more costly to fix. Alternative 3 is a full replacement of the CCSS.

As stated in the previous section, the CCSS was originally constructed about 100 years ago; and defects of varying severity have been identified in recent inspections. The CCSS services an area of approximately 25 square miles with approximately 120,000 residents; and the consequences of its failure are significant, including the development of sinkholes, service interruptions and negative impact to public health. Therefore, the alternative of no-action is not recommended. A full replacement is also not recommended, considering (1) significantly higher cost, (2) the large demand for, but very limited, space for construction, (3) unavoidable service interruptions to critical infrastructures, and (4) unavoidable relocation of scores of graves located over the existing CCSS in the Mt. Olivet Cemetery.

Environmental Evaluation

Short-term impacts due to construction activities such as noise, dust and minor traffic disruption cannot be avoided. However, most of the work will be performed within the sewer underground and which will mitigate most short-term construction impacts to the community and business along the majority of the project corridor.

In areas where there will be construction activities above ground, efforts will be made to minimize the adverse impacts by use of thoroughly designed and well-planned construction sequencing. Noise from equipment cannot be avoided, but hours of work will be controlled. Dust and soil deposits on the streets will be controlled through watering and frequent street sweeping. Construction area footprints will be minimized, and traffic control measures will be necessary. Site restoration will minimize the adverse impacts of construction, and the implementation

of a Soil Erosion and Sedimentation Control program will minimize the impacts due to ground disturbance, when such disturbance is found to be necessary. Specific techniques will be specified in the construction contract documents.

Estimated Project Cost

Item	Estimated Cost (\$)
Design	\$ 945,463
Planning	\$ 471,656
Construction Administration	\$ 1,014,914
Construction (*)	\$ 34,377,700
Total	\$ 36,809,760

(*) Note construction cost is a Class 3 cost estimate for budgetary purposes as defined by American Association of Cost Engineering International. The cost carries an expected accuracy range of (-) 20 to (+) 30 percent.

Estimated User Cost Impact

Assuming a funding term of 20 years and a loan interest rate of 2 percent, the total project cost has an equivalent annual cost of \$2,251,164. According to the 2020 GLWA Wastewater Master Plan, there is approximately 2.8 million residents between 2018 and 2045 in the GLWA regional service area. The number of persons per household in Michigan was estimated by the U.S. Census Bureau as 2.47 in 2019. The estimated number of households that will be impacted by this project is estimated to be 1.13 million.

The per household user cost is \$1.99 per year.

Proposed Implementation Schedule

Item	Date
Design Notice to Proceed	06/10/2020
50% Design	05/03/2021
90% Design	08/02/2021
100% Design	10/04/2021
Bid Opening	01/03/2022
Construction Notice to Proceed	03/22/2022
Construction Substantial Completion	03/11/2024
Construction Final Completion	04/05/2024



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Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the Connors Creek Sewer System Rehabilitation Project FY 2022
Clean Water Revolving Fund Project Plan

Background: The Great Lakes Water Authority (the “GLWA”) has identified the Connors Creek Sewer System (CCSS) Rehabilitation Project for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the Clean Water State Revolving Fund (CWSRF) financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all CWSRF project plans to EGLE is June 1, 2021. Prior to submitting the project plan, GLWA will hold the required public hearing for the Connors Creek Sewer System (CCSS) Rehabilitation Project plan on May 26, 2021 at 2:00 pm.

The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. This project is comprised of the rehabilitation of the CCSS, which is one of the primary combined sewers in Detroit metropolitan area. The CCSS was originally constructed in the 1920s. Recent inspections revealed moderate to very severe defects needing to be repaired. Construction will include in-place rehabilitation of sewers and adding new access manhole structures. Right-of-way restoration will be performed on any disrupted areas. The impact of the project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. The total cost of this project is currently estimated at \$36,809,760.

Justification: The project will improve customer satisfaction and safe reliable service delivery of sewage sewer conveyance to the Water Resource Recovery Facility. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year’s interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$36.8 million, GLWA could save an estimated \$16.2 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with

a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

Budget Impact: Debt service for both projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the Connors Creek Sewer System (CCSS) Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Background: The Great Lakes Water Authority (the “GLWA”) has identified the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the Clean Water State Revolving Fund (CWSRF) financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all CWSRF project plans to EGLE is June 1, 2021. Prior to submitting the project plan, GLWA will hold the required public hearing for the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan on May 26, 2021 at 2:00 pm.

This project is comprised of the evaluation and rehabilitation of twenty-nine (29) of the In-System Storage Devices (ISD), Dam Remote (DR), and Valve Remote (VR) sites within the City of Detroit. These sites, which average 20 years in age, have undergone only minor repairs since the original construction. Maintaining reliable ISDs, DRs, and VRs are a key factor in maintaining the GLWA wastewater conveyance system and major component of mitigating historical problems such as CSO discharges to the Detroit River and Rouge River and residential basement flooding. The total cost of this project is currently estimated at \$10,597,000.

Justification: The project will significantly provide upgrades and improve reliability of the ISD, DR, and VR sites. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year’s interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$10.6 million, GLWA could save an estimated \$4.5 million in interest costs and avoided issuance costs, based on a similar open

market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

Budget Impact: Debt service for both projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.

..Title

Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

..Body

Agenda of: May 26, 2021

Item No.: **2021-**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer

DATE: May 26, 2021

RE: Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer and Navid Mehram, Chief Operating Officer – Wastewater Operations, the Board of Directors of the Great Lakes Water Authority authorizes the CEO **approves the attached resolution for the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project - FY2021 Clean Water State Revolving Fund (CWSRF) Project Plan**; and authorizes the CEO to take such action as may be necessary to accomplish the intent of this vote.

BACKGROUND

This project is comprised of the evaluation and rehabilitation of twenty-nine (29) of the In-System Storage Devices (ISD), Dam Remote (DR), and Valve Remote (VR) sites within the City of Detroit. These sites, which average 20 years in age, have undergone only minor repairs since the original construction. Maintaining reliable ISDs, DRs, and VRs are a key factor in maintaining the GLWA wastewater conveyance system and major component of mitigating historical problems such as CSO discharges to the Detroit River and Rouge River and residential basement flooding. The total cost of this project is currently estimated at \$10,597,000.

GLWA wishes to utilize loans available under the State of Michigan Clean Water State Revolving Fund (CWSRF) for this project and a public hearing on the project plan was scheduled for 2:00 p.m. on May 26, 2021. The attached Resolution accepts the project, directs GLWA staff to address all public comments, prepare responsiveness summary, and publish the final Project Plan; and authorizes GLWA's CEO to transmit the final DY 2022 CWSRF Project Plan to the Michigan Department of Environment, Great Lakes, and Energy and to secure a CWSRF loan for the project.

JUSTIFICATION

The project will significantly provide upgrades and improve reliability of the ISD, DR, and VR sites. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$10.6 million, GLWA could save an estimated \$4.5 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

BUDGET IMPACT

Debt service is anticipated to begin in FY 2023 for this project and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 21, 2021 meeting. The Audit Committee [insert action] that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.

SHARED SERVICES IMPACT

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

Great Lakes Water Authority
Resolution 2021-

RE: Resolution for the In-System Storage Device and Dam Remote and Valve Remote
Evaluation and Rehabilitation Project
FY 2022 Clean Water State Revolving Fund Project Plan

By Board Member: _____

Whereas: The In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project Plan for the FY 2022 Clean Water State Revolving Fund (CWSRF) has been prepared by GLWA;

Whereas: The project is comprised of the evaluation and rehabilitation of twenty-nine (29) of the In-System Storage Device (SD), Dam Remote (DR), and Valve Remote (V) sites within the City of Detroit;

Whereas: The proposed project will significantly provide upgrades and improve reliability of the ISD, DR, and VR sites;

Whereas: The FY 2022 CWSRF Project Plan has been placed on public notice and a Public Hearing was held on May 26, 2021 at 2:00 p.m. where comments on the recommended project were solicited;

Whereas It is the desire of the GLWA Board of Directors to secure low interest loan assistance through the CWSRF program; and

Whereas: Formal action by the GLWA Board of Directors is needed to adopt the recommended FY 2022 CWSRF Project Plan for the In-System Storage, Dam Remote, and Valve Remote Evaluation and Rehabilitation Project, as a requirement for participation in the State of Michigan's CWSRF program.

Now Therefore Be It:

Resolved That this Board hereby accepts the FY 2022 In-System Storage, Dam Remote, and Valve Remote Evaluation and Rehabilitation Project, dated May 26, 2021, and as directs staff members of the GLWA to address all public comments, prepares the responsiveness summary, and publish the final Project Plan; and Be It Further

Resolved That the Chief Executive Officer (CEO) is authorized to transmit the final FY 2022 CWSRF Project Plan for the In-System Storage, Dam Remote, and Valve Remote Evaluation and Rehabilitation Project to the Michigan Department of Environment, Great Lakes, and Energy on behalf of the GLWA Board of Directors and take all appropriate steps to secure approval of a low interest loan in accordance with the State of Michigan's CWSRF procedures so that the project can proceed expeditiously to construction.

Adopted by the Great Lakes Water Authority Board on:

GREAT LAKES WATER AUTHORITY

GLWA IN-SYSTEM STORAGE DEVICE DAM AND VALVE REMOTE EVALUATION & REHABILITATION PROJECT

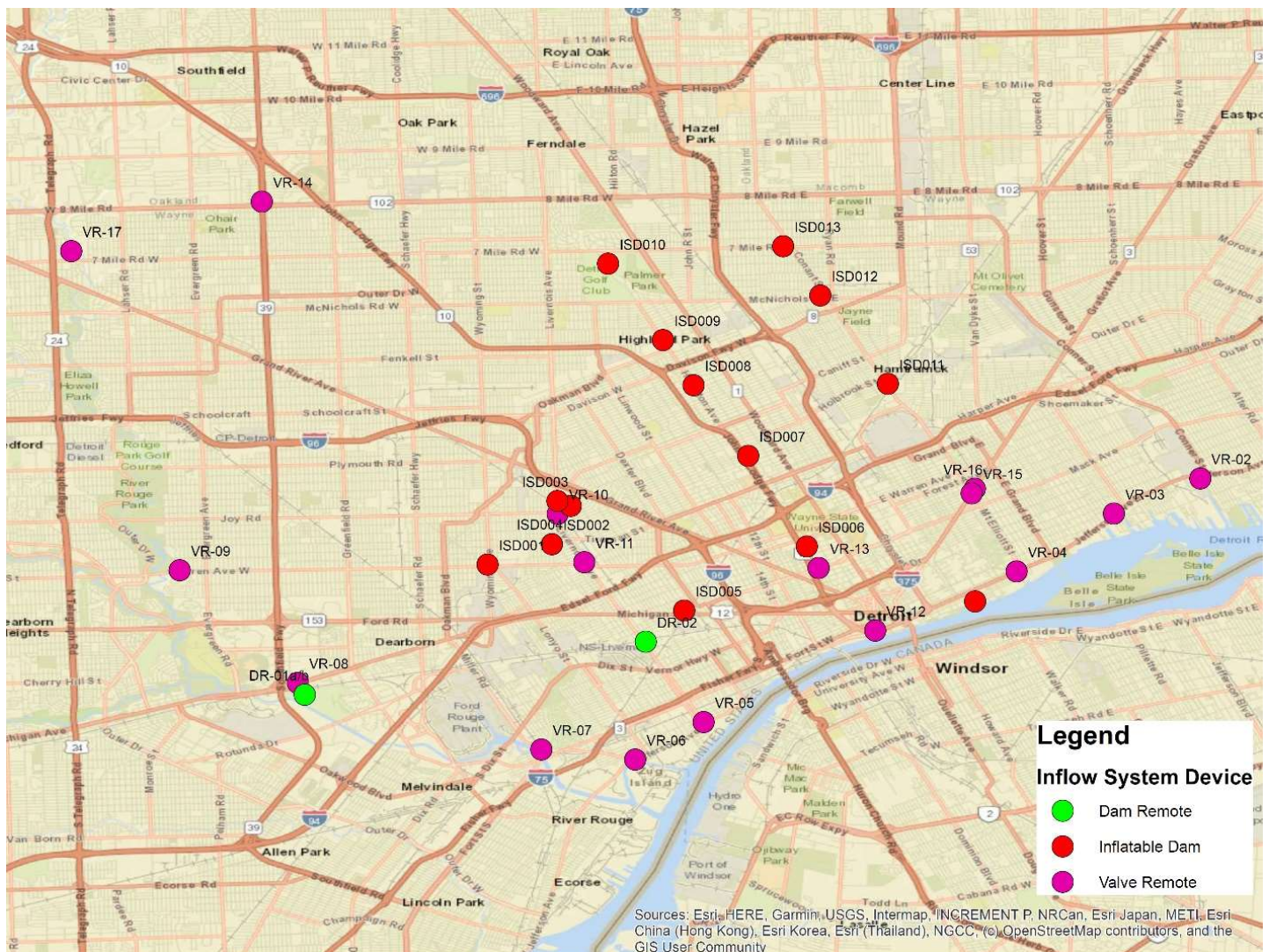
Project Plan
April 26, 2021

PROPOSED IMPROVEMENTS

Averaging about 20 years in age, the In-System Storage Devices (ISDs), Dam Remote (DR), and Valve Remote (VR) sites have only seen isolated rehabilitation or corrective maintenance since construction. Previous and ongoing inspections of the ISDs, DRs, and VR Gates have revealed many aspects of these sites are in distress and nearing their end-of-life. Some of the existing equipment is original to their construction over 20 years ago. Rehabilitation of the existing sites was deemed the most cost effective to maintain operational and structural integrity. This project will address all the critical assets of these sites.

SUMMARY OF PROJECT NEED

The ISDs, DR, and VR sites are a critical component of GLWA's CSO mitigation strategy and ongoing preventative and corrective maintenance procedures. Maintaining a reliable and operational status of these sites is a key factor in GLWA's wastewater conveyance system and a major element of reducing historical problems.



The ISD, DR, and VR sites have only had isolated repairs since their construction, 20 years ago. An asset management approach to developing a five-year CIP by GLWA has deemed this project as high priority. Inspections within the last five years has revealed critical assets within these sites need rehabilitation.

ALTERNATIVES

Three alternatives were considered but two of those options do not solve for the current status of the site or were too costly for the tasks required. The selected alternative can fix the current problems of the site and is the most cost effective for the tasks at hand.

The proposed ISD, DR, and VR Rehabilitation and Replacement alternatives considered for implementation by GLWA include:

- Alternative 1: Monitor and maintain current equipment.
- Alternative 2: In-place rehabilitation - Replace broken equipment and rehabilitate existing equipment.
- Alternative 3: Remove and replace all existing equipment.

MONETARY EVALUATION

COST EFFECTIVENESS ANALYSIS FOR ALTERNATIVES 1 THROUGH 3

Item	Alternative 1	Alternative 2	Alternative 3
Construction Period (Years)	0	4	4
Capital Cost*	\$0	\$8,165,000	\$30,866,000
Interest During Construction	\$0	\$302,000	\$1,142,000
Salvage Value (at 20 years)	\$0	\$0	\$0
O&M Cost (Annual)**	\$129,000 ***	\$129,000	\$486,000
O&M Cost (Present Worth)	\$2,130,000 ***	\$2,130,000	\$8,052,000
Present Worth of Replacement Costs	\$0	\$0	\$0
Total Present Worth	\$2,130,000	\$10,597,000	\$40,075,000
Equivalent Annual Cost	\$129,000	\$640,000	\$2,421,000

* Includes construction, engineering (design and construction), plus administrative costs (numbers rounded)

** Assume 30% of construction cost for Present Worth O&M Costs

*** Due to there being no costs for Alternative 1, Alternative 2's O&M Costs were used for Alternative 1.

ESTIMATED PROJECT COST

ESTIMATED COST FOR SELECTED ALTERNATIVE 2: IN-PLACE REHABILITATION - REPLACE BROKEN EQUIPMENT AND REHABILITATE EXISTING EQUIPMENT

Item	Alternative 2
Estimated Cost of Construction	\$7,100,000
15% for Engineering & Administrative Costs	\$1,065,000
Total	\$8,165,000

ENVIRONMENTAL EVALUATION

- The proposed improvements will significantly improve GLWA's capacity to handle significant stormwater flows throughout the collection system and mitigate historical problems such as CSO discharges and residential basement flooding in the service area.
- Construction is not expected to have adverse effects on neighborhoods within the project area.
- This project will not adversely affect the water and air quality within the project area.
- Implementation of the improvements will create construction-related jobs. Local contractors will have an opportunity to bid contract work.

USER COST IMPACT

Item	Improvements
Total Cost of Project	\$10,597,000
Annualized Cost of Project (assuming SRF interest rate of 1.875% over 20 years)	\$640,000
Service Area Population (City of Detroit and surrounding communities)	1,285,672
Estimated User Cost	~ \$0.50/user/year

IMPLEMENTATION SCHEDULE

Project Activity	Project Milestone
Post Draft SRF Project Plan and Public Hearing Notice	April 16, 2021
Public Hearing	May 26, 2021
Submit Project Plan to EGLE	June 1, 2021
Procure Design Engineering Consultant	October 22, 2019
Start of Construction Phase 1	December 2021
Complete Construction Phase 1	September 2022
Start of Construction Phase 2	March 2022
Complete Construction Phase 2	March 2023



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Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan

Background: The Great Lakes Water Authority (the “GLWA”) has identified the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the Clean Water State Revolving Fund (CWSRF) financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all CWSRF project plans to EGLE is June 1, 2021. Prior to submitting the project plan, GLWA will hold the required public hearing for the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project FY 2022 Clean Water Revolving Fund Project Plan on May 26, 2021 at 2:00 pm.

This project is comprised of the evaluation and rehabilitation of twenty-nine (29) of the In-System Storage Devices (ISD), Dam Remote (DR), and Valve Remote (VR) sites within the City of Detroit. These sites, which average 20 years in age, have undergone only minor repairs since the original construction. Maintaining reliable ISDs, DRs, and VRs are a key factor in maintaining the GLWA wastewater conveyance system and major component of mitigating historical problems such as CSO discharges to the Detroit River and Rouge River and residential basement flooding. The total cost of this project is currently estimated at \$10,597,000.

Justification: The project will significantly provide upgrades and improve reliability of the ISD, DR, and VR sites. GLWA is seeking low interest loan assistance through the CWSRF program for this project. Although the Michigan Department of Environment, Great Lakes, and Energy (EGLE) interest rate for FY 2022 will not be determined until October 2021, the current year’s interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the estimated project amount of \$10.6 million, GLWA could save an estimated \$4.5 million in interest costs and avoided issuance costs, based on a similar open

market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will afford savings to both GLWA and its member partners.

Budget Impact: Debt service for both projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the In-System Storage Device and Dam Remote and Valve Remote Evaluation and Rehabilitation Project – FY 2022 Clean Water State Revolving Fund (CWSRF) Project Plan at its regularly scheduled meeting on May 26, 2021.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

Background: The Great Lakes Water Authority (the “GLWA”) has identified three water system projects in the FY 2022 to FY 2026 Capital Improvement Plan (CIP) for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the State Revolving Fund financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all Drinking Water State Revolving Fund (DWSRF) project plans to EGLE is July 1, 2021, but prior to submitting the project plans, GLWA must hold a public hearing to present the project plans, which will be scheduled for June 23, 2021 at 2:00 pm.

The FY 2022 DWSRF project plans and public hearing notices for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project have been posted on the GLWA website and can be found at: <https://www.glwater.org>. A summary of each project plan will be presented at the public hearings. After the public hearings are closed, a resolution for each project will be scheduled for action by the GLWA Board of Directors at its regularly scheduled meeting also on June 23, 2021. The resolution must be approved and signed to ensure that the finalized project plans are assembled, printed, and submitted to the EGLE by the deadline of July 1, 2021.

The Projects: 96-inch Water Transmission Main (Relocation Project) – (CIP# 122004): The project is comprised of the relocation of approximately 2.4 miles of 96-inch WTM around the closed G&H industrial landfill (Landfill) located south of 23 Mile Road and west of Ryan Road. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch

WTM under the landfill. This project is necessary since the Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The total cost of this project is currently estimated at \$170,361,000.

Downriver Transmission Main Loop-(CIP# 122016): The project involves the construction of a new transmission main along Inkster Road from Wick Road to Pennsylvania Road, a parallel transmission main along Allen Road and Dixie Highway from Pennsylvania Road to Ready Road, modifications at Trenton Service Meters TN-01 and TN-03, and the removal of two reservoirs at the Electric Avenue Pump Station. A single transmission main serves the Downriver Communities' population. A break anywhere along the Allen Road transmission main would result in several communities losing pressure and result in boil water advisories until a repair could be made. The project will increase the redundancy and reliability in the Downriver portion of the GLWA water system. It was determined the transmission main loop on Inkster Road and the parallel transmission main would significantly reduce the Downriver Communities' risk of boil water advisories or complete water service loss in the future. The total cost of this project is currently estimated at \$60,900,000.

Ypsilanti Pumping Station Improvements-(CIP# 132012): The project is comprised of the evaluation, design, and construction of the full replacement of the Ypsilanti Pumping Station (YPS). The existing YPS is an in-line booster pumping station located in Van Buren Township adjacent to the Willow Run Airport. It was constructed in the mid 1980's to replace an older temporary pumping station to boost the pressure of water supplied from the Wick Road Pumping Station. In the mid-1990's the City of Ypsilanti decommissioned their aging water treatment plant and switched to what is now the GLWA water system. During this time, a connection to a transmission main supplied by the Joy Road Pump Station was added to the YPS to provide a continuous supply of water to the YPS service area. This project is necessary to ensure the GLWA can maintain supplying drinking water with high reliability and efficiency to the City of Ypsilanti, Ypsilanti Township, Augusta Township, Pittsfield Township, and Superior Township. The proposed project will construct a new pump station. The existing pump station will be decommissioned and demolished. The total cost of this project is currently estimated at \$35,500,000.

Justification: GLWA is seeking low interest loan assistance through the DWSRF program for these projects. Although the EGLE interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the combined project amounts of \$266.8 million, GLWA could save an estimated \$104 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will offer savings to both GLWA and its members.

Budget Impact: Debt service for all projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Directors schedule public hearings for the Drinking Water State Revolving Fund Project Plan Submittals for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for June 23, 2021 at 2:00 p.m.

..Title

Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

..Body

Agenda of: May 26, 2021

Item No.: **2021-___**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 26, 2021

RE: Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

MOTION

Upon recommendation of Sue McCormick, Chief Executive Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approve the Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for May 26, 2021 at 2:00 pm**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (the “GLWA”) has identified three water system projects in the FY 2022 to FY 2026 Capital Improvement Plan (CIP) for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the State Revolving Fund financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all Drinking Water State Revolving Fund (DWSRF) project plans to EGLE is July 1, 2021, but prior to submitting the project plans, GLWA must hold a public hearing to present the project plans, which will be scheduled for June 23, 2021 at 2:00 pm.

The FY 2022 DWSRF project plans and public hearing notices for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project have been posted on the GLWA website and can be found at <https://www.glwater.org>. A summary of each project plan will be presented at the public hearings. After the public hearings are closed, a resolution for each project will be scheduled for action by the GLWA Board of Directors at its regularly scheduled meeting also on June 23, 2021. The resolution must be approved and signed to ensure that the finalized project plans are assembled, printed, and submitted to the EGLE by the deadline of July 1, 2021.

The Projects:

96-inch Water Transmission Main (Relocation Project) – (CIP# 122004): The project is comprised of the relocation of approximately 2.4 miles of 96-inch WTM around the closed G&H industrial landfill (Landfill) located south of 23 Mile Road and west of Ryan Road. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch WTM under the landfill. This project is necessary since the Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The total cost of this project is currently estimated at \$170,361,000.

Downriver Transmission Main Loop-(CIP# 122016): The project involves the construction of a new transmission main along Inkster Road from Wick Road to Pennsylvania Road, a parallel transmission main along Allen Road and Dixie Highway from Pennsylvania Road to Ready Road, modifications at Trenton Service Meters TN-01 and TN-03, and the removal of two reservoirs at the Electric Avenue Pump Station. A single transmission main serves the Downriver Communities’ population. A break anywhere along the Allen

Road transmission main would result in several communities losing pressure and result in boil water advisories until a repair could be made. The project will increase the redundancy and reliability in the Downriver portion of the GLWA water system. It was determined the transmission main loop on Inkster Road and the parallel transmission main would significantly reduce the Downriver Communities' risk of boil water advisories or complete water service loss in the future. The total cost of this project is currently estimated at \$60,900,000.

Ypsilanti Pumping Station Improvements-(CIP# 132012): The project is comprised of the evaluation, design, and construction of the full replacement of the Ypsilanti Pumping Station (YPS). The existing YPS is an in-line booster pumping station located in Van Buren Township adjacent to the Willow Run Airport. It was constructed in the mid 1980's to replace an older temporary pumping station to boost the pressure of water supplied from the Wick Road Pumping Station. In the mid-1990's the City of Ypsilanti decommissioned their aging water treatment plant and switched to what is now the GLWA water system. During this time, a connection to a transmission main supplied by the Joy Road Pump Station was added to the YPS to provide a continuous supply of water to the YPS service area. This project is necessary to ensure the GLWA can maintain supplying drinking water with high reliability and efficiency to the City of Ypsilanti, Ypsilanti Township, Augusta Township, Pittsfield Township, and Superior Township. The proposed project will construct a new pump station. The existing pump station will be decommissioned and demolished. The total cost of this project is currently estimated at \$35,500,000.

JUSTIFICATION

GLWA is seeking low interest loan assistance through the DWSRF program for these projects. Although the EGLE interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the combined project amounts of \$266.8 million, GLWA could save an estimated \$104 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will offer savings to both GLWA and its members.

BUDGET IMPACT

Debt service for all projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on May 21, 2021. The Audit Committee [insert action] the Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for June 23, 2021 at 2:00 pm.



**GREAT LAKES WATER AUTHORITY
PUBLIC HEARING NOTICE 96-IN WATER TRANSMISSION MAIN
RELOCATION PROJECT
FY 2022 DRINKING WATER STATE REVOLVING FUND PROJECT**

The Great Lakes Water Authority (GLWA) announces a Public Hearing regarding its Project Plan for the proposed 96-inch Water Transmission Main (WTM) Relocation Project. GLWA will be seeking low interest Drinking Water State Revolving Fund (DWSRF) loan assistance for FY 2022. The project is comprised of the relocation of approximately 2.4 miles of 96-inch WTM around the closed G&H industrial landfill (Landfill) located south of 23 Mile Road and west of Ryan Road. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch WTM under the landfill. This project is necessary since the Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The total cost of this project is currently estimated at \$170,361,000 which will be allocated to GLWA and suburban customers similar to other GLWA capital improvements. The Project is eligible for participation under the State of Michigan low interest DWSRF loan program. The annual user cost impact per household is estimated at +/- \$9.06 per household.

The Public Hearing will present a description of the recommended project, its evaluation, and estimated costs, as well as the cost per household impact for customer communities. The purpose of the hearing is not only to inform, but to seek and gather input from people that will be affected. Comments and viewpoints from the public are requested.

THE MEETING WILL BE HELD ON:

DATE: Wednesday, June 23, 2021

TIME: 2:00 p.m.

PLACE: Zoom Telephonic Meeting
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free

Meeting ID: 899 6223 7873

Information on the Project Plan will be available for review online after May 21, 2021 at the **GLWA Website:** <https://www.glwater.org/>.



The Public Hearing on the 96-inch Water Transmission Main Relocation Project proposed by the Great Lakes Water Authority scheduled for Wednesday, June 23, 2021 at 2:00 p.m. will be held via Zoom and its telephonic capabilities. Members of the public who wish to attend this Public Hearing by telephone can do so in the following manner:

Public Call-In Number: 877 853 5247 US Toll-Free; or
888 788 0099 US Toll-Free
Meeting ID: 899 6223 7873

Members of the public may offer comment in the following manner:

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to “raise their hand for public comment.” During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 5:00 p.m. EST. on Wednesday, June 23, 2021 and should reference “June 23, 2021 Public Hearing on proposed 96-inch Water Transmission Main Relocation Project” in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: Members of the public may provide written comments by United States mail addressed to:

Sue F. McCormick, Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Written comments by U.S. mail should reference “June 23, 2021 Public Hearing on 96-inch Water Transmission Main Relocation Project” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



**GREAT LAKES WATER AUTHORITY
PUBLIC HEARING NOTICE DOWNRIVER TRANSMISSION MAIN
FY 2022 DRINKING WATER STATE REVOLVING FUND PROJECT**

The Great Lakes Water Authority (GLWA) will be holding a Public Hearing for the Downriver Transmission Main Project Plan. GLWA will be applying for a low interest Drinking Water State Revolving Fund (DWSRF) loan for FY 2022. The project involves the construction of a new transmission main along Inkster Road from Wick Road to Pennsylvania Road, a parallel transmission main along Allen Road and Dixie Highway from Pennsylvania Road to Ready Road, modifications at Trenton Service Meters TN-01 and TN-03, and the removal of two reservoirs at the Electric Avenue Pump Station. A single transmission main serves the Downriver Communities' population. A break anywhere along the Allen Road transmission main would result in several communities losing pressure and result in boil water advisories until a repair could be made. The project will increase the redundancy and reliability in the Downriver portion of the GLWA water system. The Inkster Transmission Main Loop will provide an alternate distribution pathway in the northern portion of the service area. The parallel transmission main on Allen Road and Dixie Highway will be tied into the service meters along the route to provide redundancy. The Trenton service meter work will replace aging water meters and check valves. In addition, TN-03 will include modifications to the bypass that will include an actuated valve that will allow backfeed of the Allen Road main through the Trenton Main. It was determined the transmission main loop on Inkster Road and the parallel transmission main would significantly reduce the Downriver Communities' risk of boil water advisories or complete water service loss in the future. The Electric Avenue Pump Station reservoirs are deteriorating and need to be demolished. Removal of the reservoirs will eliminate a liability of the GLWA system. The total cost of this project is currently estimated at \$60,900,000 which will be allocated to GLWA and suburban customers similar to other capital improvement projects. The Downriver Transmission Main Project is eligible for participation under the State of Michigan low interest DWSRF loan program.

The Public Hearing will present a description of the recommended project, its evaluation, and estimated costs, as well as the cost per household impact for customer communities. The purpose of the hearing is to inform the public of the proposed project and to gather input from people that will be affected. Comments from the public are requested.

THE MEETING WILL BE HELD ON:

DATE: Wednesday, June 23, 2021

TIME: 2:00 p.m.

PLACE: Zoom Telephonic Meeting
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free
Meeting ID: 899 6223 7873



Information on the Project Plan will be available for review online after May 21, 2021 at the GLWA Website: <https://www.glwater.org/>.

The Public Hearing on the Downriver Water Transmission Main Project proposed by the Great Lakes Water Authority scheduled for Wednesday, June 23, 2021 at 2:00 p.m. will be held via Zoom and its telephonic capabilities. Members of the public who wish to attend this Public Hearing by telephone can do so in the following manner:

Public Call-In Number: 877 853 5247 US Toll-Free; or
888 788 0099 US Toll-Free
Meeting ID: 899 6223 7873

Members of the public may offer comment in the following manner:

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to “raise their hand for public comment.” During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 5:00 p.m. EST. on Wednesday, June 23, 2021 and should reference “June 23, 2021 Public Hearing on proposed “Downriver Transmission Main Project” in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: Members of the public may provide written comments by United States mail addressed to:

Sue F. McCormick, Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Written comments by U.S. mail should reference “June 23, 2021 Public Hearing on Downriver Transmission Main Project” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



**GREAT LAKES WATER AUTHORITY
PUBLIC HEARING NOTICE YPSILANTI PUMPING STATION
IMPROVEMENTS PROJECT
FY 2022 DRINKING WATER STATE REVOLVING FUND PROJECT**

The Great Lakes Water Authority (GLWA) announces a Public Hearing regarding its Project Plan for the proposed Ypsilanti Pumping Station Improvements Project. GLWA will be seeking low interest Drinking Water Revolving Fund (DWRf) loan assistance for FY 2022. The project is comprised of the evaluation, design, and construction of the full replacement of the Ypsilanti Pumping Station (YPS). The existing YPS is an in-line booster pumping station located in Van Buren Township adjacent to the Willow Run Airport. It was constructed in the mid 1980's to replace an older temporary pumping station to boost the pressure of water supplied from the Wick Road Pumping Station. In the mid-1990's the City of Ypsilanti decommissioned their aging water treatment plant and switched to what is now the GLWA water system. During this time, a connection to a transmission main supplied by the Joy Road Pump Station was added to the YPS to provide a continuous supply of water to the YPS service area. This project is necessary to ensure the GLWA can maintain supplying drinking water with high reliability and efficiency to the City of Ypsilanti, Ypsilanti Township, Augusta Township, Pittsfield Township, and Superior Township. The proposed project will construct a new pump station. The existing pump station will be decommissioned and demolished. The total cost of this project is currently estimated at \$35,500,000 which will be allocated to GLWA and suburban customers similar to other GLWA capital improvements. The Ypsilanti Pump Station Improvements Project is eligible for participation under the State of Michigan low interest DWRf loan program.

The Public Hearing will present a description of the recommended project, its evaluation, and estimated costs, as well as the cost per household impact for customer communities. The purpose of the hearing is not only to inform, but to seek and gather input from people that will be affected. Comments and viewpoints from the public are requested.

THE MEETING WILL BE HELD ON:

DATE: Wednesday, June 23, 2021

TIME: 2:00 p.m.

PLACE: **Zoom Telephonic Meeting**
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free

Meeting ID: 899 6223 7873

Information on the Project Plan will be available for review online after May 21, 2021 at the GLWA Website: <https://www.glwater.org/>.



The Public Hearing on the Ypsilanti Pumping Station Project proposed by the Great Lakes Water Authority scheduled for Wednesday, June 23, 2021 at 2:00 p.m. will be held via Zoom and its telephonic capabilities. Members of the public who wish to attend this Public Hearing by telephone can do so in the following manner:

Public Call-In Number: 877 853 5247 US Toll-Free; or
888 788 0099 US Toll-Free
Meeting ID: 899 6223 7873

Members of the public may offer comment in the following manner:

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to “raise their hand for public comment.” During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 5:00 p.m. EST. on Wednesday, June 23, 2021 and should reference “June 23, 2021 Public Hearing on proposed “Ypsilanti Pumping Station Improvements Project” in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: Members of the public may provide written comments by United States mail addressed to:

Sue F. McCormick, Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Written comments by U.S. mail should reference “June 23, 2021 Public Hearing on Ypsilanti Pumping Station Improvements Project” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Scheduling Public Hearings for the Drinking Water State Revolving Fund (DWSRF) Project Plan Submittals for the 96-inch Water Transmission Main (WTM) Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project

Background: The Great Lakes Water Authority (the “GLWA”) has identified three water system projects in the FY 2022 to FY 2026 Capital Improvement Plan (CIP) for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the State Revolving Fund financing program for funding in the state’s 2022 fiscal year. The deadline for submitting all Drinking Water State Revolving Fund (DWSRF) project plans to EGLE is July 1, 2021, but prior to submitting the project plans, GLWA must hold a public hearing to present the project plans, which will be scheduled for June 23, 2021 at 2:00 pm.

The FY 2022 DWSRF project plans and public hearing notices for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project have been posted on the GLWA website and can be found at: <https://www.glwater.org>. A summary of each project plan will be presented at the public hearings. After the public hearings are closed, a resolution for each project will be scheduled for action by the GLWA Board of Directors at its regularly scheduled meeting also on June 23, 2021. The resolution must be approved and signed to ensure that the finalized project plans are assembled, printed, and submitted to the EGLE by the deadline of July 1, 2021.

The Projects: 96-inch Water Transmission Main (Relocation Project) – (CIP# 122004): The project is comprised of the relocation of approximately 2.4 miles of 96-inch WTM around the closed G&H industrial landfill (Landfill) located south of 23 Mile Road and west of Ryan Road. The new, relocated 96-inch WTM will connect to the existing water transmission system near the intersection of 24 Mile Road and the Macomb Orchard Trail to the north and at the intersection of Dequindre Road and Hamlin Road to the south. Included in the project is the installation of several isolation valves and the abandonment of a portion of existing 96-inch

WTM under the landfill. This project is necessary since the Landfill was placed on the USEPA Superfund National Priorities List in 1983, and approximately 1,660 feet of the existing 96-inch WTM falls within its limits. The total cost of this project is currently estimated at \$170,361,000.

Downriver Transmission Main Loop-(CIP# 122016): The project involves the construction of a new transmission main along Inkster Road from Wick Road to Pennsylvania Road, a parallel transmission main along Allen Road and Dixie Highway from Pennsylvania Road to Ready Road, modifications at Trenton Service Meters TN-01 and TN-03, and the removal of two reservoirs at the Electric Avenue Pump Station. A single transmission main serves the Downriver Communities' population. A break anywhere along the Allen Road transmission main would result in several communities losing pressure and result in boil water advisories until a repair could be made. The project will increase the redundancy and reliability in the Downriver portion of the GLWA water system. It was determined the transmission main loop on Inkster Road and the parallel transmission main would significantly reduce the Downriver Communities' risk of boil water advisories or complete water service loss in the future. The total cost of this project is currently estimated at \$60,900,000.

Ypsilanti Pumping Station Improvements-(CIP# 132012): The project is comprised of the evaluation, design, and construction of the full replacement of the Ypsilanti Pumping Station (YPS). The existing YPS is an in-line booster pumping station located in Van Buren Township adjacent to the Willow Run Airport. It was constructed in the mid 1980's to replace an older temporary pumping station to boost the pressure of water supplied from the Wick Road Pumping Station. In the mid-1990's the City of Ypsilanti decommissioned their aging water treatment plant and switched to what is now the GLWA water system. During this time, a connection to a transmission main supplied by the Joy Road Pump Station was added to the YPS to provide a continuous supply of water to the YPS service area. This project is necessary to ensure the GLWA can maintain supplying drinking water with high reliability and efficiency to the City of Ypsilanti, Ypsilanti Township, Augusta Township, Pittsfield Township, and Superior Township. The proposed project will construct a new pump station. The existing pump station will be decommissioned and demolished. The total cost of this project is currently estimated at \$35,500,000.

Justification: GLWA is seeking low interest loan assistance through the DWSRF program for these projects. Although the EGLE interest rate for FY 2022 will not be determined until October 2021, the current year's interest rate of 1.875% is less than the present conventional revenue bond interest rates. Based on the combined project amounts of \$266.8 million, GLWA could save an estimated \$104 million in interest costs and avoided issuance costs, based on a similar open market revenue bond with a 30-year term and 3.50% interest rate, over the life of the 30-year bond issue. This will offer savings to both GLWA and its members.

Budget Impact: Debt service for all projects is anticipated to begin in FY 2023 and will be included as part of the FY 2023 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board of Directors schedule public hearings for the Drinking Water State Revolving Fund Project Plan Submittals for the 96-inch Water Transmission Main Relocation Project, Downriver Transmission Main Loop Project, and Ypsilanti Pumping Station Improvements Project for June 23, 2021 at 2:00 p.m.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan

Background: The Great Lakes Water Authority (GLWA) Board secures capital improvement financing for the of Detroit Water and Sewerage Department (DWSD) in accordance with foundational documents related to the establishment of GLWA.

Analysis: Pending review and recommendation from the Audit Committee, the GLWA Board of Directors will be asked to approve the city of Detroit Water and Sewerage Department Water Main Replacement Project Plan for FY 2022 Drinking Water State Revolving Fund (DWSRF) Project funding at the June 23, 2021 Board meeting.

Key Takeaways:

- The deadline for submitting all DWSRF project plans to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) is July 1, 2021.
- Prior to submitting the project plans, a public hearing must be held for the affected area. This requirement was met when a project plan was presented at the DWSD public hearing on May 19, 2021.
- The estimated cost of this project is \$29,300,000.
- Debt service on this project is directly allocable to DWSD and is anticipated to begin in FY 2025 and will be included as part of the FY 2023 financial plan.

Proposed Action: The GLWA Audit Committee recommends the approval of the Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund Project Plan, as presented.

..Title

Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main – FY 2022 Drinking Water State Revolving Fund (DWSRF) Program

..Body

Agenda of: June 23, 2021

Item No.: 2021-

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 23, 2021

RE: Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) **Approves the attached Resolution for the city of Detroit Water and Sewerage Department (DWSD) Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

DWSD has identified this water main replacement project in its FY 2022 to 2025 Capital Improvement Plan (CIP) for submittal to the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the DWSRF financing program for funding in the state's 2022 fiscal year. The deadline for submitting all DWSRF project plans to EGLE is July 1,

2021, but prior to submitting the project plans, a public hearing must be held for the affected area.

This project is comprised of replacing an aging water main in the Midtown, Cultural Center, and Medical Center neighborhoods (Project B), and full lead service line replacement (Project B) within the City of Detroit. Construction will include excavation of existing water mains, installation of new pipes, rehabilitation of pipes, replacement of lead service lines between the water main and the water meter, pressure testing, backfill, and right-of-way. The estimated cost of this project is \$29,300,000.

The FY 2022 DWSRF Project Plan and public hearing for DWSD Water Main Project has been posted on the DWSD website and can be found at: <https://detroitmi.gov/events/public-hearing-jefferson-water-main-replacement>. This project plan was presented at the DWSD public hearing on May 19, 2021.

JUSTIFICATION

Pursuant to Section 7.2(b) of the Regional Water Supply System Lease between the City of Detroit and GLWA, the Authority shall cooperate fully with the City in the implementation of the Detroit Capital Improvement, including financing through the Authority. Therefore, GLWA will submit the local project plan as it will be the DWSRF loan applicant. Per notification, from EGLE, GLWA does not need to hold a separate public hearing on the local project, however, the GLWA Board of Directors will need to act on the included resolution at its regularly scheduled meeting on June 23, 2021. The resolution must be approved and signed to ensure that the finalized Project Plan is assembled, printed, and submitted to EGLE by the deadline of July 1, 2021.

GLWA concurs with the DWSD Water Main Project adoption, and as the DWSRF applicant, is seeking low interest loan assistance from the DWSRF Program. Although the EGLE interest rate for FY 2022 has not yet been determined, the current year's interest rate of 1.875% (30-year loan) is less than the present conventional rate. Based on the estimated project amount, DWSD could save an estimated \$13.4 million in interest costs and avoided issuance costs, based on similar market revenue bond with a 30-year and 3.5% interest rate. This will afford savings to DWSD and its customers. This will afford savings to DWSD and its customers.

BUDGET IMPACT

GLWA will be the loan applicant on DWSRF loans issued on behalf of the DWSD, and DWSD will be the DWSRF loan recipient as determined by EGLE. All project costs

financed by GLWA, on behalf of DWSD, through the DWSRF program bonds and resulting principal and interest payments on the bonds will be directly allocable to the DWSD local system. Debt service is anticipated to begin in FY 2025 for this project and will be included as part of the FY 2023 financial plan.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 21, 2021 meeting. The Audit Committee [insert action] that the Great Lakes Water Authority Board of Director approve the attached Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan as presented.

SHARED SERVICES IMPACT

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

Great Lakes Water Authority
Resolution 2021-

RE: Resolution to Adopt the Detroit Water and Sewerage Department (DWSD)
Water Main Replacement Final Project Plan
FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan

By Board Member: _____

- Whereas:** The City of Detroit through its Detroit Water and Sewerage Department (DWSD), and the Great Lakes Water Authority (GLWA), both jointly recognize the need to make improvements to portions of the existing water distribution system that are owned and operated by the City of Detroit and that are physically located within the city limits; and
- Whereas:** Pursuant to Section 7.2(b) of the Regional Water Supply System Lease between the City of Detroit and GLWA, the Authority shall cooperate fully with the City in the implementation of the Detroit Capital Improvement, including financing through the Authority;
- Whereas:** The DWSD prepared a Drinking Water State Revolving Fund (DWSRF) Project Plan, which recommends replacing aging water main in Midtown, Cultural Center, and Medical Center neighborhoods in the City of Detroit and full lead service line replacement at various locations throughout the City of Detroit;
- Whereas:** The Project Plan was presented by DWSD at a virtual Public Hearing held on May 19, 2021, and all public comments were considered and addressed;
- Whereas:** The DWSD formally adopted said Project Plan and agreed to implement the identified selected alternative of water main and lead service line replacements as described in said document;
- Whereas:** It is the desire of the GLWA Board of Directors to secure low interest loan assistance through the DWSRF program.

Now Therefore Be It:

- Resolved** The GLWA Board hereby accepts and approves the DWSD Water Main Replacement DWSRF Project Plan as approved by the DWSD BOWC at its May 19, 2021 meeting; and Be It Further
- Resolved** The GLWA concurs with the DWSRF Project Plan adoption and agrees to serve as the DWSRF loan applicant on behalf of the City of Detroit, the loan recipient, for all activities required by DWSRF financing, and in accordance with local and state intergovernmental agreement; and Be It Further

Resolved The GLWA Resolution identifying Designated Representatives adopted on April 26, 2017 established the GLWA authorized representatives for all DWSRF program activities, and no updates to these designations are necessary at this time and Be It Further

Resolved That the Chief Executive Officer (CEO) is authorized to transmit the final FY 2022 DWSRF Project Plan for the Water Main Replacement project to the Michigan Department of Environment, Great Lakes and Energy on behalf of the GLWA Board of Directors and take all appropriate steps to secure approval of a low interest loan in accordance with the State of Michigan's DWSRF procedures so that the project can proceed expeditiously to construction.

Adopted by the Great Lakes Water Authority Board on:



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Reporting & Compliance Manager

Re: Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund (DWSRF) Project Plan

Background: The Great Lakes Water Authority (GLWA) Board secures capital improvement financing for the of Detroit Water and Sewerage Department (DWSD) in accordance with foundational documents related to the establishment of GLWA.

Analysis: Pending review and recommendation from the Audit Committee, the GLWA Board of Directors will be asked to approve the city of Detroit Water and Sewerage Department Water Main Replacement Project Plan for FY 2022 Drinking Water State Revolving Fund (DWSRF) Project funding at the June 23, 2021 Board meeting.

Key Takeaways:

- The deadline for submitting all DWSRF project plans to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) is July 1, 2021.
- Prior to submitting the project plans, a public hearing must be held for the affected area. This requirement was met when a project plan was presented at the DWSD public hearing on May 19, 2021.
- The estimated cost of this project is \$29,300,000.
- Debt service on this project is directly allocable to DWSD and is anticipated to begin in FY 2025 and will be included as part of the FY 2023 financial plan.

Proposed Action: The GLWA Audit Committee recommends the approval of the Resolution to Adopt the city of Detroit Water and Sewerage Department Water Main Replacement – FY 2022 Drinking Water State Revolving Fund Project Plan, as presented.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Update

WRAP Update

See attached memo from Deirdre Henry, Treasury Manager who has graciously accepted the leadership role of this important initiative while we work through a staffing transition. Also attached is a presentation from Public Sector Consultants that was presented to the Member Partner Communications Work Group regarding the recent Board action on program amendments. A similar presentation will be provided at the upcoming One Water Partnership meeting. Finally, PSC has also provided an overall update on the WRAP improvement initiatives.

Federal COVID-19 Programs

We have engaged Public Sector Consultants to support GLWA in navigating through the many assistance programs and program guidelines. Attached is a presentation that was presented to the Executive Leadership Team and other team members as we position GLWA to optimize its use of these resources as well as engage with our Member Partners where there is opportunity to build on shared interests.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Water Residential Assistance Program Redesign Implementation Update

Background: The Great Lakes Water Authority (GLWA) engaged Public Sector Consultants (PSC) to serve as the WRAP Advisor to evaluate the current Water Residential Assistance Program (WRAP). 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 report and recommendations which was presented at the October 23, 2020 Audit Committee meeting and to the GLWA Board on October 28, 2020.

Since the presentation of the final report, PSC has worked with the GLWA team to outline the seventeen recommendations from the report, develop an initial priority of the recommendations and to assign the corresponding stakeholders that will be essential to the implementation of each recommendation. This initial list was presented to representatives of Wayne Metro, Macomb County Community Action Agency (MCCAA) and to Oakland Livingston Human Services Agency (OLHSA) at the implementation kick-off meeting on December 9, 2020.

GLWA plans to extend its engagement with PSC through June 2022 to assist in the full implementation of all recommended program changes and support the transition of program responsibilities to the community action agencies and GLWA staff.

Analysis: GLWA and PSC continue to work with the community action agencies to transition WRAP service delivery activities to each agency. This transition will give the agencies more autonomy to provide services in their respective service territories. Monthly meetings are held with each organization to discuss 1) program communication and marketing, 2) community outreach, 3) program administration, and 4) conservation and water repair services. Additional details about the status of implementation activities can be found in the attached memo from PSC.

On May 13, 2021, PSC presented an update on the WRAP evaluation and program changes to the Member Outreach Communications and Education workgroup. The presentation is attached. GLWA and PSC will continue to work with Member Outreach to engage in opportunities to keep the member partners abreast in the WRAP program activities.

We will continue to provide monthly updates to the Audit Committee to track the implementation progress.

Proposed Action: Receive and file this report.

Memo

TO Great Lakes Water Authority – Audit Committee

FROM Maggie Pallone and Eric Pardini, Public Sector Consultants

DATE Friday, May 21, 2021

SUBJECT WRAP – Implementation Progress Report

Program Change Implementation Status

Public Sector Consultants (PSC) is continuing to support the Great Lakes Water Authority (GLWA) with implementing changes to the Water Residential Assistance Program (WRAP). This memo summarizes the status of implementation activities.

Program Delivery Updates

PSC and GLWA continue to work with Wayne Metro Community Action Agency (Wayne Metro), Macomb Community Action (MCA), and Oakland Livingston Human Services Agency (OLHSA) to transition WRAP service delivery activities to give individual community action agencies (CAA) more autonomy to provide services in their respective service territories. PSC and GLWA meet with each organization monthly to discuss ongoing activities.

Manage program communication and marketing

- OLHSA and MCA have taken initial steps to design and implement their own marketing and communication strategies for WRAP.
- OLHSA has established a dedicated phone number for WRAP customers in Oakland County. This number is being provided through updated communications materials.
- MCA has not yet established a new phone number but has had initial planning discussions with their internal communications team about enhancing WRAP communications.

Conduct outreach to member partner communities

- PSC has provided resources to support CAA with their outreach to member partner communities. This includes a database documenting community demographics and estimates for eligible populations.
- Wayne Metro, OLHSA, and MCA have identified non-participating communities and are taking steps to get non-participating communities to opt-in to WRAP.
- CAA's are providing GLWA with monthly updates regarding the status of outreach activities. Where necessary GLWA will engage to support these conversations.

Lead program intake and enrollment

- Wayne Metro has been supporting OLHSA and MCA with transitioning the intake and enrollment functions of WRAP.
- In April, OLHSA began performing intake and enrollment for WRAP on their own.

- MCA has still not fully transitioned WRAP intake and enrollment but has plans to add staff capacity before the new fiscal year to accommodate these new activities.

Provide Conservation and Water Repair Services

- Wayne Metro has been supporting OLHSA and MCA with transitioning the conservation and water repair functions of WRAP.
- OLHSA has stated they lack the capacity to take on conservation services at this time and asked Wayne Metro to continue providing conservation services through June 30, 2020. OLHSA is evaluating options for providing these services in the new program year.
- MCA has successfully transitioned conservation services from Wayne Metro, but continues to receive some support during this period. MCA has asked for greater direction from GLWA related to the design of WRAP conservation.
- PSC and GLWA will be engaging all CAAs to discuss necessary changes to the conservation program of WRAP for the new program year.
- PSC has also been meeting with DWSD to identify opportunities for improving the conservation program.

Program Oversight Updates

GLWA is taking steps to post for a manager to oversee WRAP. This process has been delayed as GLWA manages other staffing transitions.

Member Partner Community Outreach

At the request of GLWA, PSC attended the Member Partner Community Outreach Communications and Education workgroup on May 13, 2021 and provided an update on the WRAP evaluation and subsequent program changes (see attached presentation). PSC and GLWA will continue to engage with the Communications and Education workgroup to keep members abreast of ongoing program changes.

PSC and GLWA have also begun discussing opportunities to present about WRAP to a broader group of member partner communities through the One Water Partnership meetings.

Streamlining Payment Processing for Member Partner Communities

PSC and GLWA are continuing efforts to simplify the payment processing for member partner communities. GLWA's transformation team is leading this effort and has been engaging with CAA's to review and define existing processes.

Leveraging Other Forms of Assistance

All the CAA's supporting WRAP have been busy providing other forms of assistance to low-income residents provided through various federal relief packages. PSC and GLWA have emphasized the desire to help get customers enrolled in WRAP to provide sustainable assistance funding in addition to other federal benefits being offered.

Planning for Fiscal Year 2022

PSC and GLWA are beginning to outline contract and program requirements for the new program year starting in July 1, 2021. To ensure continuity of services during the ongoing public health crisis and to allow time for recent program changes to be implemented, GLWA has decided to continue working with the existing CAA partners to deliver WRAP for the next program year. These discussions are ongoing and will be finalized in the coming weeks.

Water Residential Assistance Program: Program Successes and Opportunities for Improvement

Maggie Pallone

Public Sector Consultants
Great Lakes Water Authority
Member Partner Outreach

Thursday, May 13, 2021



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About Public Sector Consultants (PSC)

- 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



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2

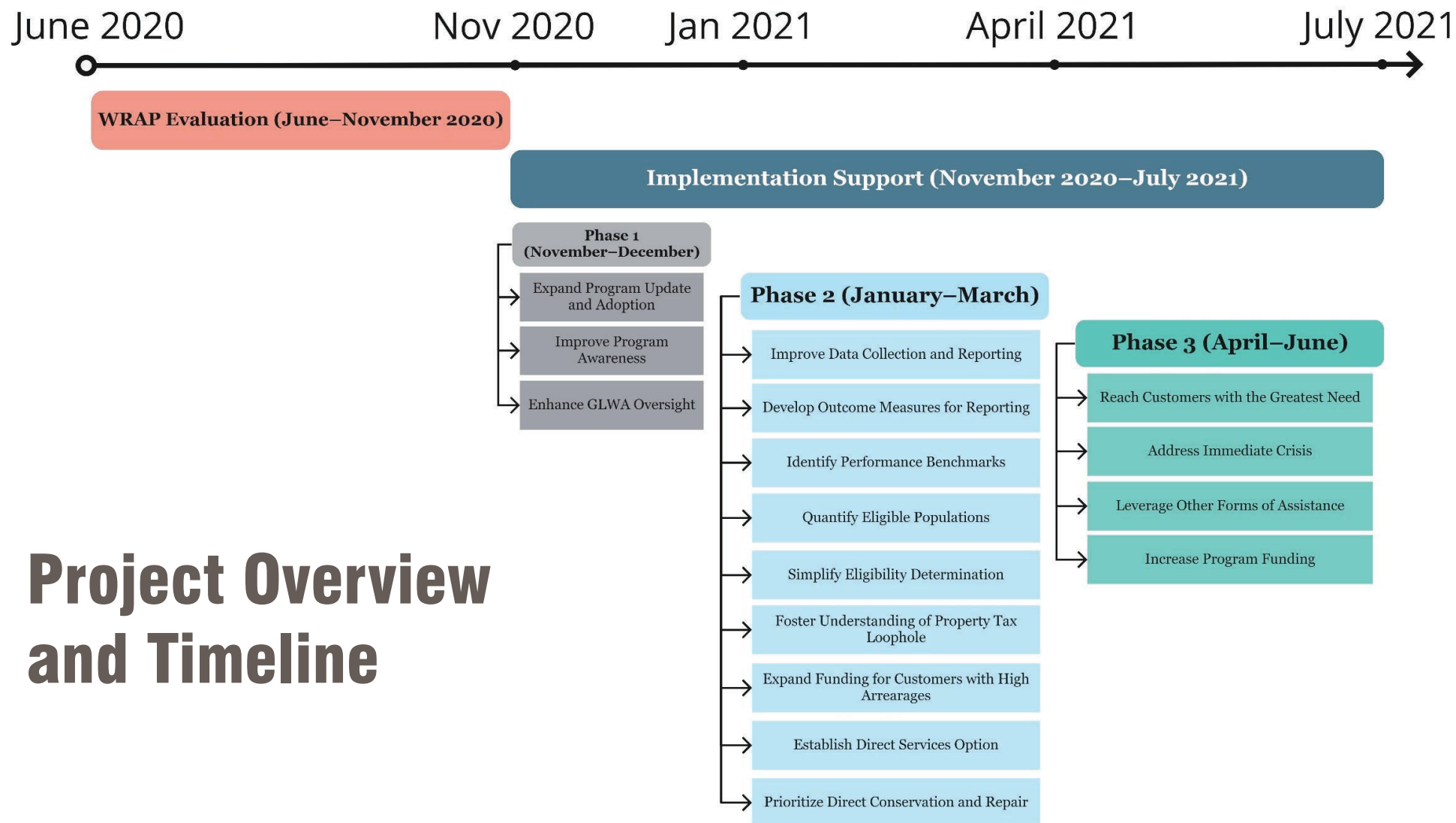
Water Residential Assistance Program (WRAP)

- Provides sustainable funding for qualifying households with low-incomes throughout the Great Lakes Water Authority's (GLWA's) service territory
- Provides monthly bill payment assistance, arrearage payments, conservation education, and minor plumbing repairs for eligible customers
- Administered through partnership of southeastern Michigan community action agencies (CAAs)
 - Wayne Metro Community Action Agency (Wayne Metro), Macomb Community Action (MCA), Oakland Livingston Human Services Agency (OLHSA), and Genesee County Community Action Resource Department (GCCARD)

Project Overview

- GLWA engaged PSC to evaluate how effectively WRAP has met its goals and what changes are necessary to improve the program's delivery and impact
- PSC assessed WRAP, relying on an analysis of program reporting data, feedback from key stakeholders, and review of other relevant documents
- PSC summarized WRAP's successes and opportunities for improvement for GLWA's board of directors
- PSC is working with GLWA and CAAs to implement program changes





Project Overview and Timeline

Phase One: WRAP Evaluation



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6

Key Findings—Program Successes

- 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
- Eligibility criteria is flexible and makes assistance accessible for low-income households
- 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 needs
 - 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

- Program should be available to all GLWA customers, whether municipalities have opted in or not
 - There is need in every community, but customers in nonparticipating communities are not eligible
- Program structure may not be suitable for addressing all forms of household need
 - Program provides fixed monthly amount that may be insufficient for households with limited or no income
 - Existing structure does not offer options to serve households that may have immediate crisis or shorter-term need

Key Findings—Opportunities for Improvement

- Program reporting is insufficient to determine progress on desired outcomes
 - Reporting requirements should be based on desired performance measures and established benchmarks
- 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

Phase Two: Program Change Implementation Status



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11

Decentralizing Program Delivery

- Work with Wayne Metro, MCA, and OLHSA to decentralize WRAP delivery
- Under decentralized delivery model, individual CAAs will play larger role in providing services throughout counties they serve
 - Manage program communications and marketing
 - Conduct outreach to member partner communities
 - Lead program intake and enrollment
 - Provide conservation and water repair services

Improving Program Reporting and Oversight

- Enhance GLWA program oversight
 - GLWA will hire a WRAP manager to provide dedicated support and oversight for the program
- Update outcomes and reporting measures
 - Updated measures align better with original program design, and simplified report format makes it easier to convey progress of WRAP commitments

Changing Program Design

- **Enable categorical eligibility for WRAP applicants**
 - Next step toward easing access for eligible households
 - Leverages applicants' eligibility and/or enrollment in other income-qualified programs as an automatic qualification for WRAP
- **Increase arrearage payment cap from \$700/year to \$1,200/year**
 - Would enable WRAP to pay off over 75 percent of arrearage balances in the first year and up to 92 percent after two years in the program

Next Steps

- Recruit nonparticipating member partner communities to opt in to WRAP
- Streamline payment process for member partner communities
- Enhance conservation and water repair services
- Leverage other forms of assistance
 - State and federal coronavirus (COVID-19) relief programs
- New WRAP fiscal year begins July 1, 2021

Questions?



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16



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Federal COVID Assistance Programs

Maggie Pallone
Public Sector Consultants
May 11, 2021



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Federal Stimulus Legislation

- Coronavirus Preparedness and Response Supplemental Appropriations Act
 - March 2020; \$8.6 billion
- Families First Coronavirus Response (FFCR) Act
 - March 2020; \$100 billion
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - March 2020; \$2 trillion
- Consolidated Appropriations Act
 - December 2020; \$900 billion
- American Rescue Plan (ARP) Act
 - March 2021; \$1.9 trillion



CARES Act

- Michigan's share: \$3 billion
- Funding was largely allocated for:
 - PPP loans (\$350 billion)
 - Direct payment to individuals (\$1,200 per individual + \$500 per child)
 - Unemployment benefits (\$250 billion)
 - Hospitals and healthcare (\$140 billion)
 - Loans to large corporations (\$500 billion)
 - State and local governments (\$150 billion)

CARES Act – Household Relief

- \$20 million went towards paying back water utilities for past due bills
- 116 water utilities in Michigan applied for funding
 - DWSD \$9.7 million
 - Flint \$1.9 million
- Up to \$700 could be applied to a customer's water AND sewer bill
- Eligibility criteria based on SNAP participation
 - Direct data matching with utilities and DHHS

Consolidated Appropriations Act (CAA)

- Primarily targeted to individuals and small businesses
- Funding was allocated for:
 - PPP Round 2 (\$285 billion)
 - Public health measures (\$70 billion)
 - Direct payment to individuals (\$600 per individual + \$600 per child)
 - Unemployment assistance (\$125 billion)
 - Transit and transportation (\$45 billion)
 - **Rental assistance program (\$25 billion)**

CAA- Coronavirus Emergency Rental Assistance (CERA)

In addition to rental assistance, the program can help pay utility bills (including water, sewer, heat and electricity). Eligibility based on household incomes up to 50-80% of the area median income (AMI).

CERA Maximum Utility Assistance

Household Size	Maximum Total One Time Utility Payment (Includes Future Payment)	Maximum Future Utility Payment as a Credit
1-2 persons	\$1,500	\$300
3-4 persons	\$2,000	\$500
5+ persons	\$2,500	\$500

Tenants up to 50% AMI are eligible for an additional \$500 if needed to fully pay utility arrears.



CAA – CERA Allocations

- \$622 million allocated to Michigan
 - Round one (CAA) funding needs to be spent by September 2022
 - Round two (ARP) funding needs to be spent by 2025 (not yet awarded)
- Oakland- TBD
- Wayne Metro
 - \$100 million (\$45 million for Detroit, \$55 million for out-Wayne)
- Macomb Community Action Agency
 - \$46 million (\$26 million direct allocation and \$20 million through MSHDA)
- Genesee County
 - Total TBD (\$12 million direct allocation)



American Rescue Plan (ARP)

- Michigan's share (state and local): \$11 billion (additional \$3.7 billion going directly to schools)
- Funds are available through **December 2024**
- **Water Assistance Program**- Michigan will receive about \$14.5 million
- **Rental Assistance Program**- Michigan will receive another \$535 million
- **Coronavirus State Fiscal Recovery Funds** (Recovery Funds)- It is estimated that the State of Michigan will receive more than \$5.6 billion.
 - Critical capital projects- additional \$249.8 million for this program
- Local Recovery Funds- Entitlement, non-entitlement communities, and counties will receive at least \$3.4 billion

ARP – Water Utility Assistance

- Low-Income Home Water Assistance Program (LIHWAP)
 - \$1.1 billion funded through CAA and ARP (\$14.5 million for Michigan)
 - State of Michigan needs to submit a plan to DHS to release state allocated funds.
 - State is required to solicit public input on the plan.
 - Funding will be dispersed through the LIHEAP model
 - Grantees must provide funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.
 - End of May for anticipated release of funds to states and tribe

ARP – State and Local Recovery Funds

- Treasury announced yesterday that states and local governments can start applying for funds
 - Responding to the COVID-19 public health emergency
 - Premium pay for essential workers
 - Providing government services to the extent of the reduction in revenue from the public health emergency
 - **Make necessary investments in water, sewer, and broadband**

ARP- Recovery Funds

- State collected feedback from stakeholders on how to spend the funds (GLWA submitted projects last week)
- State will need to use the appropriations process to distribute their share
- Entitlement communities (populations over 50,000) will receive direct allocation
- Non-entitlement communities' allocations will be appropriated through the state legislature

ARP – Local Funding to GLWA Communities

- Metro cities- \$1.3 billion
- Non-entitlement- \$257 million
- Counties- \$901 million

Total: \$2.5 billion

Unit	Estimated Allocation
Battle Creek	\$30,905
Bay City	31,124
Benton Harbor	10,632
Canton Township	9,119
Clinton Township	15,243
Dearborn	48,704
Dearborn Heights	25,915
Detroit	879,590
East Lansing	12,267
Farmington Hills	8,916
Flint	99,331
Grand Rapids	94,052
Holland	8,113
Jackson	32,035
Kalamazoo	40,626
Lansing	50,989
Lincoln Park	20,201
Livonia	8,312
Midland	5,604
Monroe	11,441
Muskegon	24,799
Muskegon Heights	11,038
Niles	7,206
Norton Shores	3,528
Port Huron	19,587
Portage	5,529
Redford	23,325
Roseville	14,964
Royal Oak	29,765
Saginaw	53,899
Southfield	10,883
St. Clair Shores	22,069
Sterling Heights	20,232
Taylor	11,995
Warren	28,231
Waterford Township	9,093
Westland	27,880
Wyoming	14,428
Total	\$1,781,571

Source: Federal Funds Information for States estimates as of March 8, 2021.

ARP – County Funding

- Lapeer- \$17 million
- Macomb- \$170 million
- Monroe- \$29 million
- Oakland- \$244 million
- St. Clair- \$31 million
- Washtenaw- \$71 million
- Wayne- \$339 million

\$901 million to counties in GLWA's service territory



ARP – Critical Capital Projects

- Critical capital projects are dedicated to enabling work, education, and health monitoring in response to public health emergency
 - Focused on addressing inequalities and shortcomings in US infrastructure
 - Particular focus on broadband
 - Targeting low- and moderate-income communities and rural communities
- State will need to apply separately for the Critical Capital Projects fund

On the Horizon: American Jobs Plan

- \$111 billion towards water infrastructure and lead service line replacement
 - \$45 billion into the Drinking Water Revolving Fund and Water Infrastructure Improvement for the Nations Act (WIIN)
 - \$56 billion in grants and low-cost loans for drinking water, wastewater, and stormwater systems modernizations
 - \$10 billion to monitor and remediate PFAS and for rural water systems (wells and septic systems)

Recommendations

Now is the time to think about **transformational investments**. Much of this money will need to go towards one-time investments

- Create a GLWA wish list with needs across the service territory
- Develop the narrative and impact for the investments
- Set up a series of meetings
 - State coordinator for LIHEAP/LIHWAP
 - Dave Massaron to discuss water and sewer investments
- Coordinate investment strategy with townships and counties
- Work with CAAs on how to layer WRAP with CERA and LIHWAP
- Identify funding buckets- what could/should be funded through ARP or AJP?





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GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

February 2021

**Presented to the
Great Lakes Water Authority
Audit Committee on May 21, 2021**

TABLE OF CONTENTS

Executive Summary Dashboard	1
Budget to Actual Analysis.....	3
Basic Financial Statements	10
Financial Activity Charts.....	18
Financial Operations Key Performance Indicator.....	21
Budget to Financial Statements Crosswalk.....	22
Capital Improvement Plan Financial Summary	26
Master Bond Ordinance Transfers	29
Cash and Investment.....	35
Retail Revenues, Receivables, & Collections	40
Wholesale Billings, Receivables, & Collections.....	45
Trust Receipts and Disbursements	51
Appendix	
Aged Accounts Receivable Report.....	A-1
Highland Park Life-to-Date Billings & Collections	B-1

Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows:

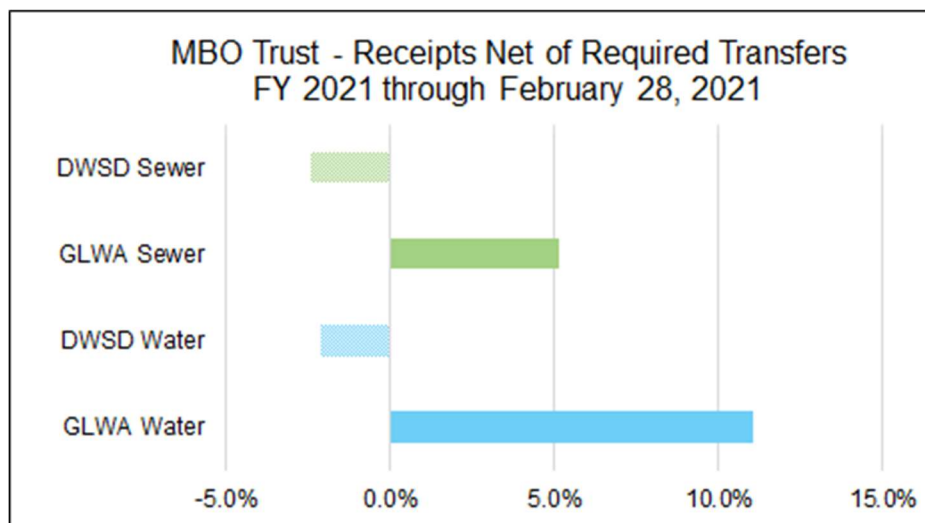
No Risk (green) - Potential (yellow) - Likely (red)

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 February 28, 2021				
Metric	FY 2021 Budget	FY 2021 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$212.0	\$217.1	2%	45
Wholesale Water Billed Usage (mcf)	9,250,000	9,697,000	5%	
Wholesale Sewer Billed Revenue (\$M)	\$179.2	\$179.2	0%	47
Wholesale Water Operations & Maintenance (\$M)	\$89.4	\$81.3	-9%	6
Wholesale Sewer Operations & Maintenance (\$M)	\$121.5	\$108.9	-10%	
Investment Income (\$M)	\$4.6	\$5.2	13%	35
Water Prorated Capital Spend w/SRA* (\$M)	\$74.0	\$83.0	12%	27
Sewer Prorated Capital Spend w/SRA* (\$M)	\$54.0	\$55.0	2%	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 52)



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

DWSD Water and Sewer report shortfalls of \$1.4 million and \$4.7 million respectively through February 2021. DWSD management is reviewing plans to resolve the current year shortfalls and will be proposing a formal plan to end the FY 2021 fiscal year with positive net cash flows.

The current DWSD loan receivable balance for fiscal years 2017 and 2018 is \$14.4 million.

Budget to Actual Analysis (page 3)

- The second quarter budget amendment which was approved by the GLWA Board on April 28, 2021 is reflected in the FY 2021 Amended Budget columns on the tables in the February 2021 Budget to Actual report.
- The total Revenue Requirements are on target through February 2021.
- The total Operations & Maintenance expenses are at 60.1% of budget through February 2021 which is reasonably within the pro-rata benchmark of 66.7%.

Basic Financial Statements (page 10)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for February 2021 is \$68.7 million for the Water fund (29.6% of total revenues) and \$103.8 million for the Sewer fund (32.9% of total revenues).
- Water Net Position decreased by \$4.5 million, and Sewage Disposal Net Position increased by \$21.5 million for the year to date through February 2021.

Capital Improvement Plan Financial Summary (page 26)

- The Water and Sewer system activity are both exceeding the 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 29)

- For February, transfers of \$12.8 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for February, transfers of \$4.5 million and \$8.1 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 35)

- Total cash & investments are \$499 million in the Water fund and \$445 million in the Sewer fund.
- The total combined cumulative investment income for FY 2021 through February is \$5.2 million.

DWSD Retail Revenues, Receivables & Collections (page 40)

- Water usage through February 28, 2021 is at 92.32% and revenues at 93.65% of budget.
- Sewer usage through February 28, 2021 is at 93.04% and revenues at 98.33% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$27.6 million over the prior year.
- Past dues over 180 days make up 64.5% of the total accounts receivable balance. The current bad debt allowance covers 100% of past dues over 180 days.

GLWA Wholesale Billing, Receivables & Collections (page 45)

- GLWA accounts receivable past due balance net of Highland Park is 4.0% of the total accounts receivable balance.
- The Highland Park past due balance is \$46.7 million. It includes \$35.6 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.3 million for water supply services. In FY 2021, Highland Park has made five payments totaling \$2.3 million through February 2021.

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 includes the second quarter budget amendments approved by the GLWA Board on April 28, 2021.

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 February 2021, the pro-rata benchmark is 66.7% (8 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 February 28, 2021 these payments total \$4.4 million for FY 2021.

2. **Investment Earnings:** For *both* systems, investment earnings are above the pro-rata benchmark for FY 2021; the *water* system is at 79.7%; while the *sewer* system is at 73.4%. The market adjustment, previously reported in this section in FY 2020, 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 less than the pro-rata benchmark for FY 2021 at 60.6%. The *sewer* system O&M expenses, at 59.7%, is also less than the pro-rata benchmark.
5. **Debt Service:** *Both* systems are slightly above the pro-rata benchmark for FY 2021; the *water* system is at 67.8%; while the *sewer* system is at 67.7%. 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 has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding is in place to meet this requirement; therefore, it is expected that additional transfers to this reserve will not be required in FY 2021. The approved FY 2021 first quarter budget amendment removed the budgeted amount of \$877 thousand for the *water* system for this line item.
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 \$1.4 million and the DWSD *sewer* system has a budgetary shortfall of \$4.7 million through February 28, 2021. GLWA and DWSD staff are meeting regularly to discuss steps to mitigate any 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.
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 2/29/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 2/28/2021	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 304,634	\$ 205,151	67.3%	\$ 314,252	\$ 313,134	\$ 212,702	67.9%
Retail Service Charges	21,296	14,197	66.7%	22,555	21,926	14,748	67.3%
Investment Earnings	8,084	6,328	78.3%	4,834	3,956	3,152	79.7%
Other Revenues	2	2	100.0%	-	229	226	0.0%
Total Revenues	\$ 334,016	\$ 225,679	67.6%	\$ 341,642	\$ 339,244	\$ 230,829	68.0%
Revenue Requirements							
Operations & Maintenance Expense	\$ 126,840	\$ 85,451	67.4%	\$ 137,127	\$ 134,127	\$ 81,259	60.6%
General Retirement System Legacy Pension	6,048	4,032	66.7%	6,048	6,048	4,032	66.7%
Debt Service	135,999	88,319	64.9%	143,190	137,436	93,207	67.8%
General Retirement System Accelerated Pension	6,268	4,179	66.7%	6,268	6,268	4,179	66.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,698	1,132	66.7%	1,669	1,669	1,113	66.7%
Lease Payment	22,500	15,000	66.7%	22,500	22,500	15,000	66.7%
Operating Reserve Deposit	3,976	-	0.0%	877	-	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	1,230	(2,376)	-193.1%	-	-	1,398	0.0%
Total Revenue Requirements	\$ 334,016	\$ 215,375	64.5%	\$ 341,642	\$ 339,244	\$ 219,623	64.7%
Net Difference		\$ 10,304				\$ 11,206	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 3,001				\$ 4,667	
Revenue Requirement Variance		7,303				6,539	
Overall Variance		\$ 10,304				\$ 11,206	

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

	FY 2020 AMENDED BUDGET	FY 2020 THRU 2/29/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 2/28/2021	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 272,324	\$ 179,098	65.8%	\$ 277,012	\$ 274,054	\$ 179,718	65.6%
Retail Service Charges	185,807	123,872	66.7%	190,112	187,960	125,755	66.9%
Industrial Waste Control Charges	7,834	5,536	70.7%	8,775	8,683	5,310	61.2%
Pollutant Surcharges	5,910	4,006	67.8%	5,263	5,208	4,032	77.4%
Investment Earnings	7,731	5,287	68.4%	5,589	2,778	2,039	73.4%
Other Revenues	400	300	75.1%	-	574	335	0.0%
Total Revenues	\$ 480,005	\$ 318,099	66.3%	\$ 486,751	\$ 479,256	\$ 317,189	66.2%
Revenue Requirements							
Operations & Maintenance Expense	\$ 181,926	\$ 111,480	61.3%	\$ 184,946	\$ 182,296	\$ 108,917	59.7%
General Retirement System Legacy Pension	10,824	7,216	66.7%	10,824	10,824	7,216	66.7%
Debt Service	214,691	140,812	65.6%	209,740	201,780	136,608	67.7%
General Retirement System Accelerated Pension	11,621	7,747	66.7%	11,621	11,621	7,747	66.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,403	1,602	66.7%	2,415	2,415	1,610	66.7%
Lease Payment	27,500	18,333	66.7%	27,500	27,500	18,333	66.7%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	10,244	909	8.9%	-	-	4,669	0.0%
Total Revenue Requirements	\$ 480,005	\$ 301,965	62.9%	\$ 486,751	\$ 479,256	\$ 312,419	65.2%
Net Difference		\$ 16,134				\$ 4,770	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ (1,905)				\$ (2,315)	
Revenue Requirement Variance		18,039				7,085	
Overall Variance		\$ 16,134				\$ 4,770	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of February 28, 2021, is 66.7% (eight months). 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 2/29/2020	Percent Year- to-Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 ACTIVITY THRU 2/28/2021	Percent Year- to-Date
Water	\$ 66,021	\$ 46,750	70.8%	\$ 71,966	\$ 70,820	\$ 45,107	63.7%
Sewer	115,985	69,810	60.2%	115,676	114,975	68,583	59.6%
Centralized	97,731	62,114	63.6%	102,721	100,338	59,242	59.0%
Administrative	29,028	18,461	63.6%	31,709	30,290	18,034	59.5%
Employee Benefits	-	(203)	0.0%	-	-	(789)	0.0%
Total O&M Budget	\$ 308,766	\$ 196,932	63.8%	\$ 322,073	\$ 316,423	\$ 190,177	60.1%

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 60.1% which is reasonably within the pro-rata benchmark of 66.7%. This positive variance equates to a dollar amount of \$20.8 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is slightly lower than the pro-rata benchmark; coming in at 65.1% through February 2021.

Utilities: The overall category is on target with the pro-rata benchmark; coming in at 66.3% through February 2021. 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 71.0%. 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 54.1% which is lower than the benchmark of 66.7%. A review of the accounts has confirmed that the usage is variable throughout the year. The gas consumption at the Wastewater Recovery Facility (WRRF) is less than budget due to a) operational changes and b) the fire that occurred in September which took Complex II offline for several weeks.
- **Sewage service** is lower than the benchmark, coming in at 57.1%. A review of this category is being conducted, however, bills for a meter for a large line at the WRRF are being estimated due to a reported fault with the meter. This issue is being addressed.
- **Water service** is lower than the benchmark, coming in at 44.8%. 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 68.2% through February 2021. 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 50.0% through February 2021. 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 slightly lower than the pro-rata benchmark; coming in at 58.1% through February 2021. 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 lower than the benchmark; coming in at 58.3% through February 2021. 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 67.1% through February 2021. 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 reflect the forecasted activity more accurately for FY 2021. 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	FY 2020 ACTIVITY THRU	Percent Year-to- Date at	FY 2020 ACTIVITY THRU	Percent Year-to- Date at	FY 2021 AMENDED	FY 2021 PRORATED AMENDED BUDGET	FY 2021 ACTIVITY THRU	Percent Year-to- Date	FY 2021 PRORATED BUDGET LESS
Entity-wide	BUDGET	2/29/2020	2/29/2020	6/30/2020	6/30/2020	BUDGET	(8 MONTHS)	2/28/2021		FY 2021
Salaries & Wages	\$ 64,703	\$ 42,707	66.0%	\$ 64,189	66.5%	\$ 69,829	\$ 46,553	\$ 42,582	61.0%	\$ 3,971
Workforce Development	1,271	668	52.5%	1,252	53.3%	948	632	564	59.5%	68
Overtime	7,191	5,086	70.7%	7,494	67.9%	7,063	4,709	5,009	70.9%	(300)
Employee Benefits	22,465	16,221	72.2%	25,001	64.9%	24,182	16,121	17,766	73.5%	(1,645)
Transition Services	5,872	4,414	75.2%	6,330	69.7%	6,660	4,440	5,599	84.1%	(1,159)
Employee Benefits Fund	-	(203)	0.0%	-	0.0%	-	-	(789)	0.0%	789
Personnel Costs	101,503	68,892	67.9%	104,267	66.1%	108,682	72,455	70,731	65.1%	1,724
Electric	39,549	27,325	69.1%	40,669	67.2%	39,240	26,160	27,852	71.0%	(1,692)
Gas	5,332	3,462	64.9%	5,196	66.6%	6,629	4,419	3,584	54.1%	836
Sewage Service	1,988	1,367	68.8%	2,109	64.8%	2,120	1,413	1,210	57.1%	204
Water Service	3,662	2,187	59.7%	3,179	68.8%	3,948	2,632	1,767	44.8%	865
Utilities	50,531	34,342	68.0%	51,153	67.1%	51,937	34,625	34,413	66.3%	212
Chemicals	14,019	9,446	67.4%	14,242	66.3%	13,420	8,947	9,156	68.2%	(209)
Supplies & Other	34,124	22,222	65.1%	35,402	62.8%	37,500	25,000	18,762	50.0%	6,238
Contractual Services	103,975	67,620	65.0%	106,372	63.6%	106,787	71,192	62,089	58.1%	9,103
Capital Program Allocation	(3,122)	(2,029)	65.0%	(3,347)	60.6%	(3,320)	(2,213)	(1,936)	58.3%	(278)
Shared Services	(4,995)	(3,562)	71.3%	(1,734)	205.4%	(4,530)	(3,020)	(3,038)	67.1%	18
Unallocated Reserve	12,731	-	0.0%	-	0.0%	5,948	3,965	-	0.0%	3,965
Total Expenses	\$ 308,766	\$ 196,932	63.8%	\$ 306,354	64.3%	\$ 316,423	\$ 210,949	\$ 190,177	60.1%	\$ 20,772
<i>Totals may be off due to rounding</i>										



The Basic Financial Statements report includes the following four tables.

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

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

The June 2020 comparative values shown in the tables below are presented based on final audited figures.

Statement of Net Position – All Funds Combined

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

Table 1 – Statement of Net Position - All Funds Combined
As of February 28, 2021
(\$000)

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2020
Assets				
Cash - unrestricted (a)	\$ 149,370	\$ 153,977	\$ 303,347	\$ 208,357
Cash - restricted (a)	32,096	43,527	75,623	114,415
Investments - unrestricted (a)	229,089	140,025	369,114	473,549
Investments - restricted (a)	70,613	121,062	191,675	157,786
Accounts Receivable	84,371	73,995	158,366	193,719
Due from (to) Other Funds (b)	(2,706)	2,706	-	-
Other Assets (c)	682,237	434,237	1,116,473	1,114,230
Cash Held FBO DWSD Advance (d)	-	14,864	14,864	-
Capital Assets, net of Depreciation	1,331,086	2,200,756	3,531,841	3,689,047
Land	293,157	124,354	417,511	416,645
Construction Work in Process (e)	190,577	231,754	422,331	303,220
Total assets	3,059,889	3,541,257	6,601,146	6,670,969
Deferred Outflows (f)	55,568	139,298	194,866	217,097
Liabilities				
Liabilities - Short-Term (g)	137,095	159,744	296,840	305,598
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,795	6,600	9,394	9,179
Cash Held FBO DWSD (d)	(151)	-	(151)	1,250
Liabilities - Long-Term (i)	3,024,378	3,575,042	6,599,421	6,683,741
Total liabilities	3,164,118	3,741,386	6,905,504	6,999,768
Deferred Inflows (f)	52,306	42,803	95,109	109,876
Total net position (j)	\$ (100,967)	\$ (103,633)	\$ (204,601)	\$ (221,578)
<i>Totals may be off due to rounding</i>				

In general, the Statement of Net Position reflects a mature organization with no unexpected trends.

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 February 28, 2021 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 February 2021 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 Eight Months ended February 28, 2021
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2020
Revenue						
Wholesale customer charges	\$ 217,137	93.5%	\$ 179,718	57.0%	\$ 396,855	\$ 578,705
Local system charges	14,748	6.4%	125,755	39.9%	140,503	207,103
Industrial waste charges		0.0%	5,310	1.7%	5,310	7,855
Pollutant surcharges		0.0%	4,032	1.3%	4,032	6,449
Other revenues	226	0.1%	335	0.1%	562	778
Total Revenues	232,112	100.0%	315,151	100.0%	547,262	800,889
Operating expenses						
Operations and Maintenance	81,170	35.0%	111,280	35.3%	192,450	309,482
Depreciation	82,261	35.4%	100,055	31.7%	182,316	280,104
Total operating expenses	163,431	70.4%	211,335	67.1%	374,766	589,586
Operating Income	68,681	29.6%	103,816	32.9%	172,497	211,303
Total Nonoperating (revenue) expense	73,239	31.6%	82,281	26.1%	155,520	232,056
Increase/(Decrease) in Net Position	(4,558)	-2.0%	21,535	6.8%	16,977	(20,753)
Net Position (deficit), beginning of year	(96,410)		(125,168)		(221,578)	(200,825)
Net position (deficit), end of year	\$ (100,967)		\$ (103,633)		\$ (204,601)	\$ (221,578)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The decrease in Water Fund Net Position is \$4.6 million.
- ✓ Wholesale water customer charges of \$217.1 million account for 93.5% of Water System revenues.
- ✓ Operating expenses of \$163.4 million represent 70.4% of total operating revenue. Depreciation is the largest operating expense at \$82.3 million or 50.3% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$68.7 million or 29.6% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$56.0 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 \$21.5 million.
- ✓ Wholesale customer charges of \$179.7 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 \$125.8 million account for 39.9% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$211.3 million represent 67.1% of total operating revenue. Depreciation is the largest operating expense at \$100.1 million or 47.3% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$103.8 million or 32.9 % of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$64.8 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 February 2021 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Eight Months ended February 28, 2021
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	14,942	18.4%	33,803	30.4%	48,745	25.3%
Overtime	3,081	3.8%	1,928	1.7%	5,009	2.6%
Benefits	10,977	13.5%	6,000	5.4%	16,977	8.8%
Total Personnel	\$ 29,001	35.7%	\$ 41,730	37.5%	\$ 70,731	36.8%
Utilities						
Electric	18,245	22.5%	9,608	8.6%	27,853	14.5%
Gas	695	0.9%	2,889	2.6%	3,584	1.9%
Sewage	150	0.2%	1,060	1.0%	1,210	0.6%
Water	1	0.0%	1,767	1.6%	1,767	0.9%
Total Utilities	\$ 19,090	23.5%	\$ 15,323	13.8%	\$ 34,413	17.9%
Chemicals	3,964	4.9%	5,192	4.7%	9,156	4.8%
Supplies and other	5,703	7.0%	13,059	11.7%	18,762	9.7%
Contractual services	27,664	34.1%	36,842	33.1%	64,507	33.5%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(1,295)	-1.6%	(641)	-0.6%	(1,936)	-1.0%
Intergovernmental Agreement	(145)	-0.2%	-	0.0%	(145)	-0.1%
Shared services allocation	(2,812)	-3.5%	(225)	-0.2%	(3,038)	-1.6%
Operations and Maintenance Expenses	\$ 81,170	100.0%	\$ 111,280	100.0%	\$ 192,450	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (17.9% of total O&M expenses) and chemicals (4.8% of total O&M expenses).
- ✓ Personnel costs (36.8% 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 (33.5%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$2.9 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$10.3 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

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 Eight Months ended February 28, 2021
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2020
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (16,898)	\$ (11,743)	\$ (28,641)	\$ (41,136)
Interest income DWSD Shortfall	-	(499)	(499)	(1,299)
Investment earnings	(3,171)	(2,061)	(5,232)	(19,445)
Net (increase)/decrease in fair value of investments	4,946	3,340	8,286	(5,972)
Other nonoperating revenue	(39)	(10)	(48)	(2,552)
Interest Expense				
Bonded debt	72,941	76,520	149,461	243,745
Lease obligation	11,524	14,085	25,609	38,808
Other obligations	3,157	1,035	4,193	6,395
Total interest expense	87,622	91,641	179,262	288,948
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	(5,948)	(5,948)	(5,960)
Amortization, issuance costs, debt	(10,712)	(8,405)	(19,117)	(10,303)
Amortization, raw water rights	2,378	-	2,378	3,567
(Gain) loss on disposal of capital assets	135	236	371	1,317
Loss on impairment of capital assets	-	-	-	1,432
Water Residential Assistance Program	902	1,277	2,180	3,315
Legacy pension expense	8,075	14,453	22,528	20,144
Total Nonoperating (Revenue)/Expense	\$ 73,239	\$ 82,281	\$ 155,520	\$ 232,056

- ✓ 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. FY 2020 market value adjustments for Water and Sewer totaled \$4.9 million and \$3.3 million,

respectively. FY 2021 market value adjustment will be made as part of audit preparation in June 2021.

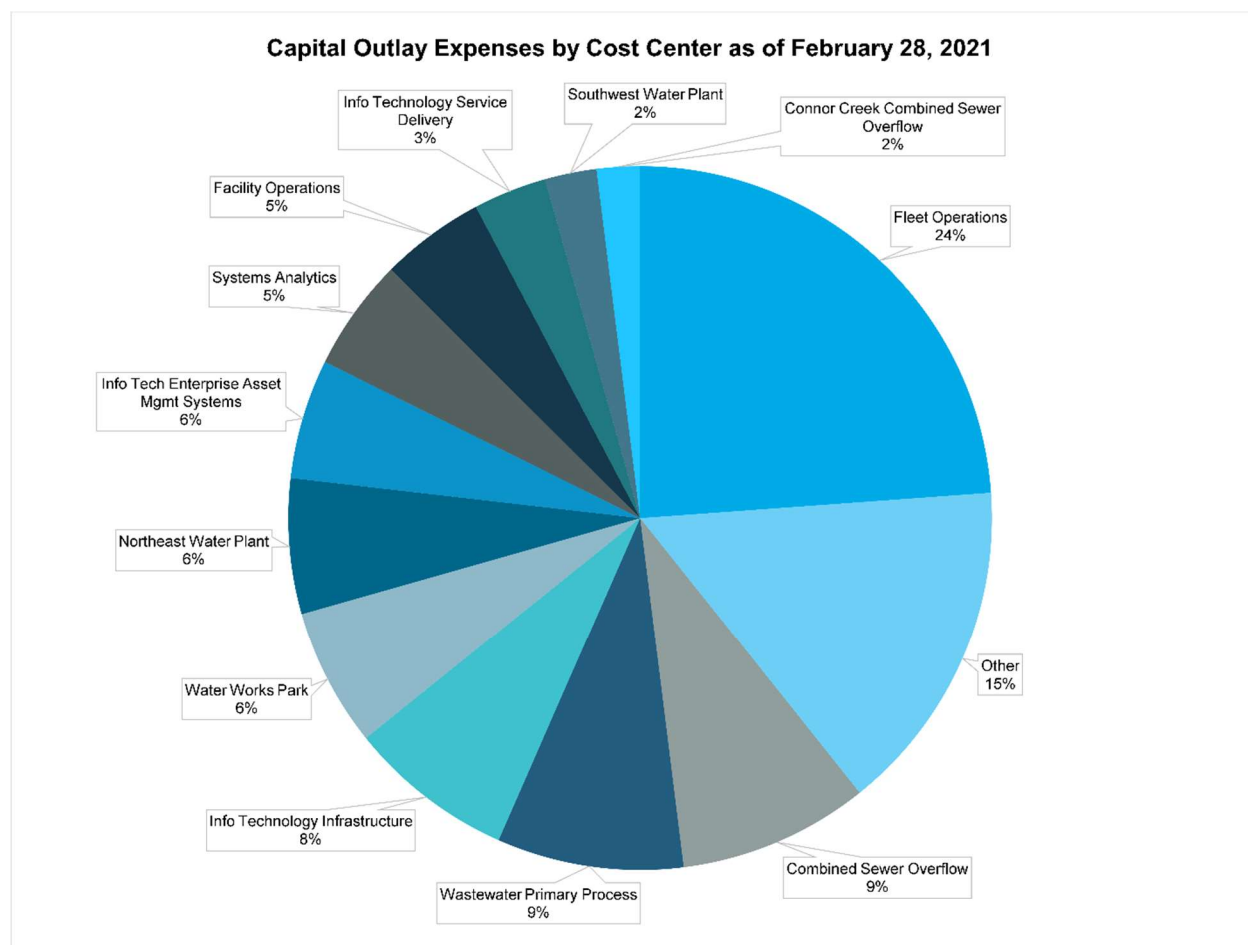
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ The capital contribution in Nonoperating (revenue) expense represents one-half of an \$11.92 million payment made by Oakland Macomb Interceptor Drainage District (OMIDD). The payment was part of an amendment to the OMIDD Wastewater Disposal Services Contract and was split between FY 2020 and FY 2021 based on budgeted revenue requirements for those respective years.

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 February 28, 2021, total capital outlay spend is \$10.3 million. Following this chart is a sample list of projects and purchases from the total spend of \$10.3 million:



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

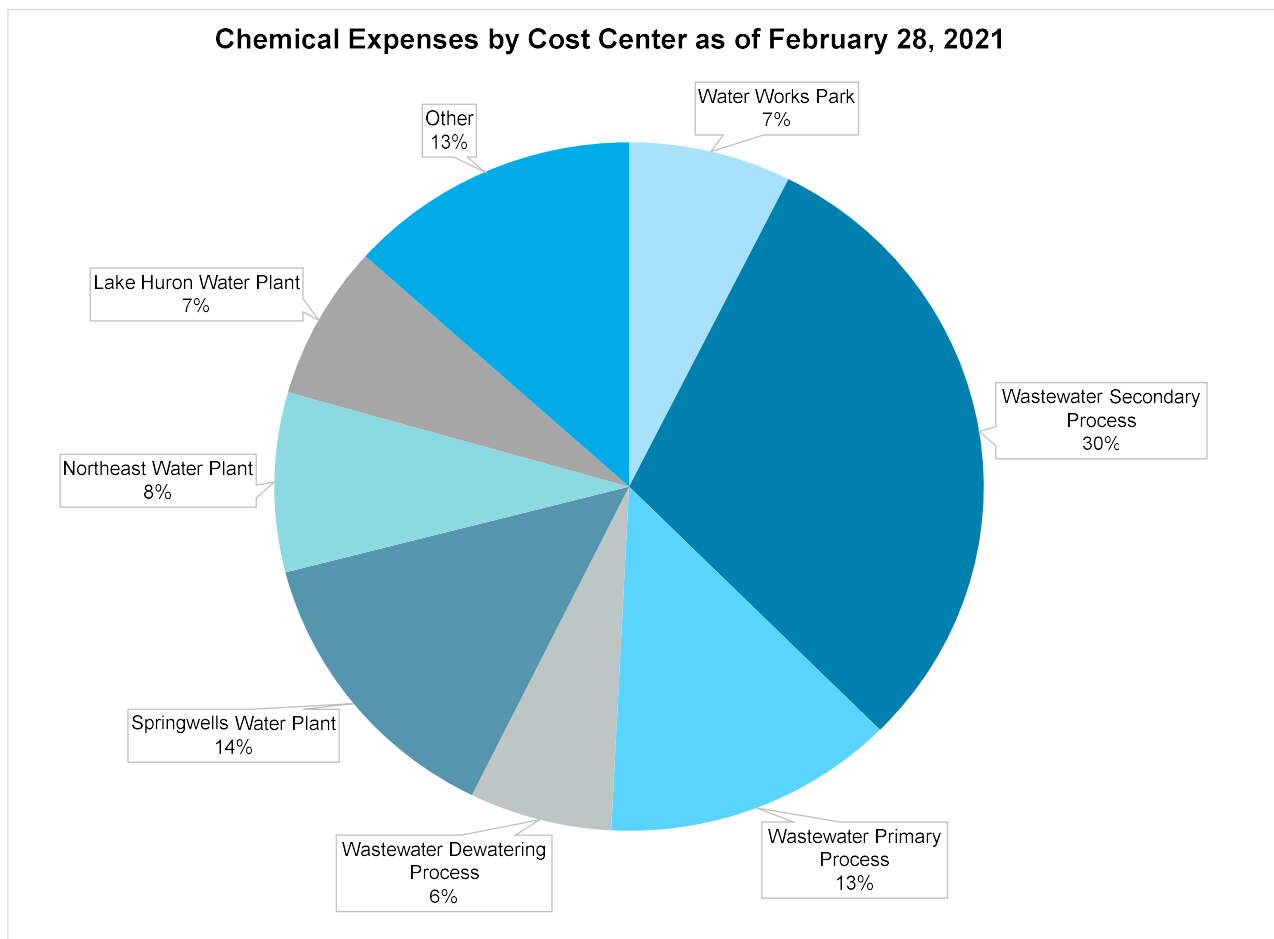
Water Operations: High-pressure water tank (\$280k); Water Works Park generator (\$271k); Water Works Park Ovation upgrade (\$205k); Southwest Water Plant feed system (\$110k); evaporators (\$101k) and water pumps (\$83k).

Wastewater Operations: Chemical containment improvements (\$879k); pump at WRRF (\$742k); level and flow instrumentation (\$169k); submersible mixers (\$135k); turbimeter, controller and process head (\$134k); magnetic drive (\$129k); actuators (\$121k); B-Houses (\$89k); Complex A Bio Solids dryer (\$68k); rotork parts (\$65k); Camera (\$57k); dilute water control (\$56k) and electric check valve (\$46k).

Centralized & Administrative Facilities: Trucks and vehicles (\$2.4m); IT software (\$894k); bleacher design (\$488k); sewer meter support (\$331k); datacenter modernization (\$320k); IT computers (\$195k); SCADA packs (\$105k); universal power supply (\$101k); server drives (\$61k); IT service management (\$50k) and CSF buildout (\$49k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

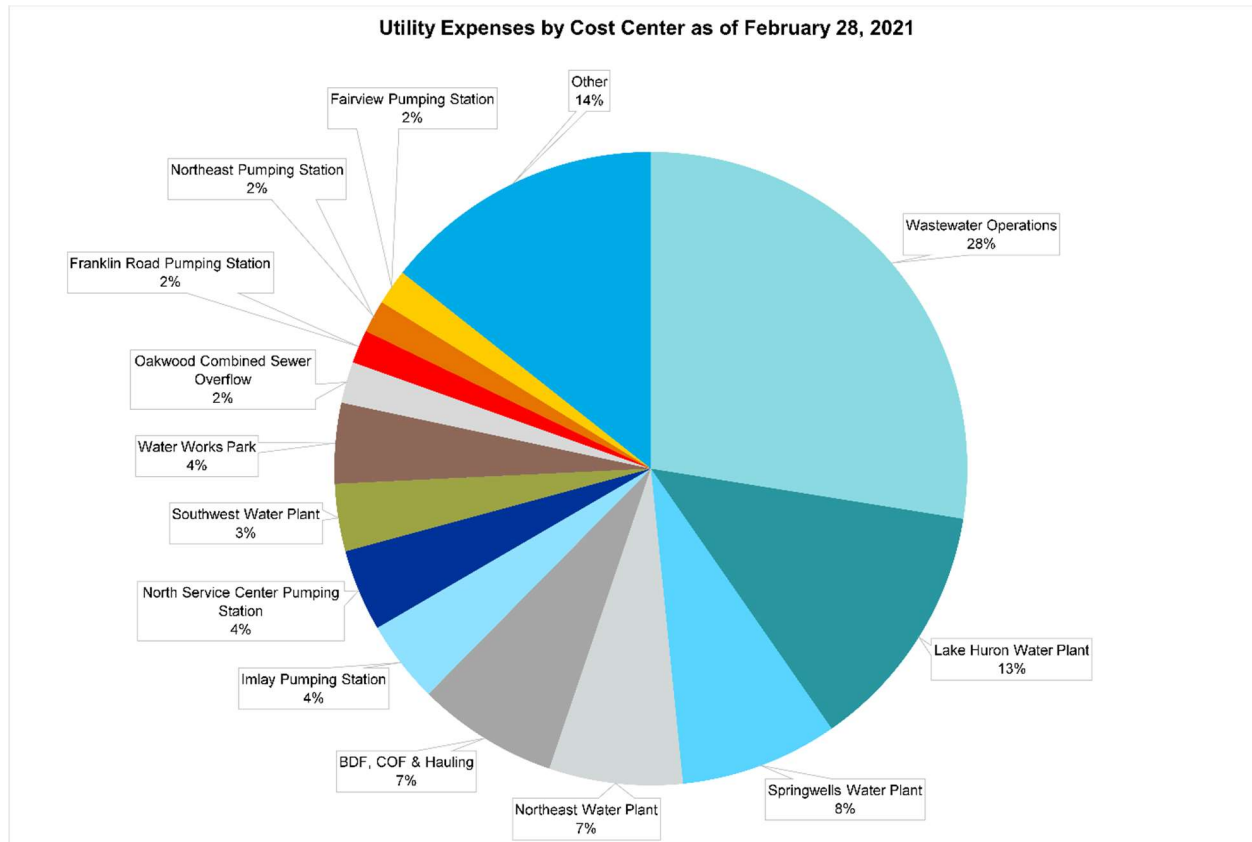
Chemical expenses are \$9.2 million through February 28, 2021. The allocation is shown in the chart below and remains consistent with prior periods.



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 \$34.4 million through February 28, 2021. 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 February 28, 2021 all reconciliations are up-to-date and complete.

Two, new cash accounts were added since January 2021. These are unrestricted accounts for the Water Construction and Sewer Construction funds to account for receipt of monies from Improvement & Extension (I&E), Construction Bond, and State Revolving Fund (SRF) cash accounts required to fund authorized expenses. This is part of a planned change to accommodate the GLWA transition from revenue bond funding to I&E and SRF funding for current construction projects until the next planned bond issue is completed.

Chart 1 – Bank Reconciliation Completion Status

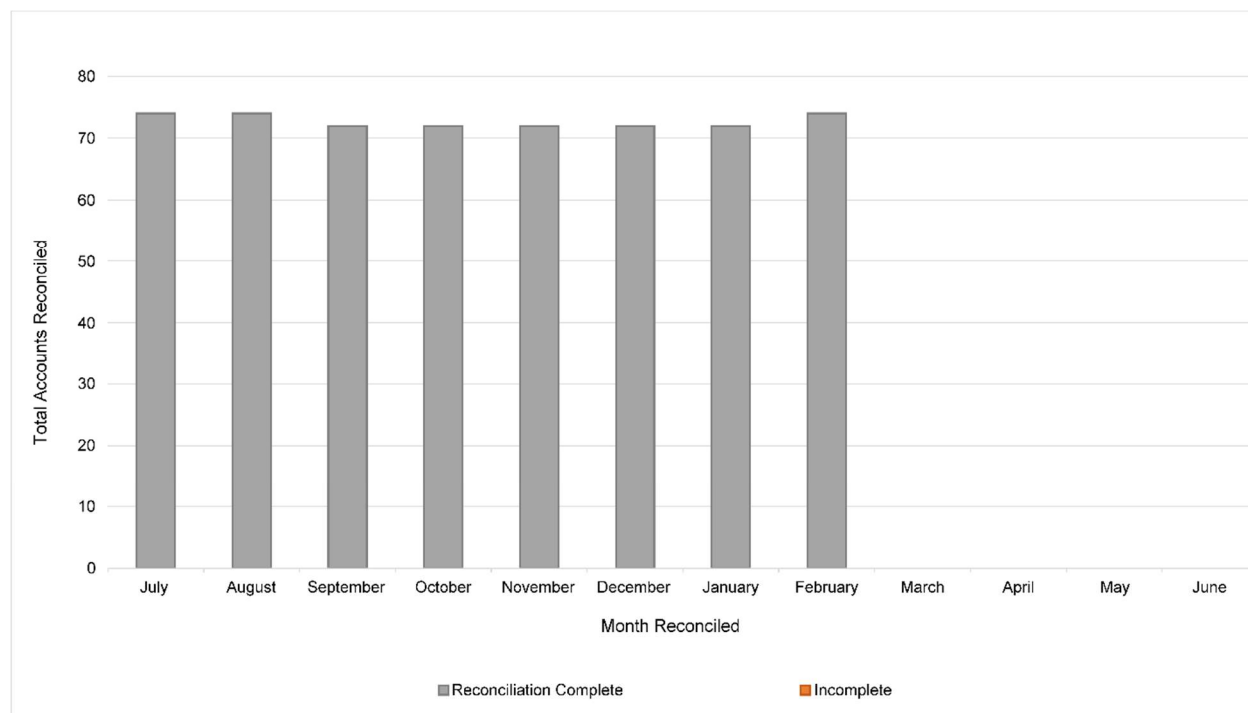


Table 1 – Fiscal Year 2021 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2020	74
New GL Cash accounts	2
Inactivated GL Cash accounts	(2)
Total GL Cash accounts as of February 28, 2021	<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 Eight Months Ended February 28, 2021

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 11,206	\$ 4,771	\$ 15,977
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	7,627	13,650	21,277
Prior year pension contribution accounted for in current year (d)	(8,075)	(14,453)	(22,528)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	37,164	71,831	108,995
Accelerated pension B&C notes obligation portion (g)	124	278	402
Lease payment (h)	3,476	4,248	7,724
WRAP (i)	211	333	544
DWSD short term allocation (j)	1,398	4,669	6,067
Operating Reserve Deposit (j)	-	-	-
Improvement & Extension Fund (j)	19,380	24,955	44,335
Nonbudgeted financial reporting categories adjustments			
Depreciation (k)	(82,261)	(100,055)	(182,316)
Amortization (k)	8,334	8,405	16,739
Other nonoperating income (k)	39	10	49
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	(135)	(236)	(371)
Raw water rights (l)	1,736	-	1,736
Investment earnings for construction fund (m)	19	22	41
Interest on DWSD note receivable (n)	-	499	499
Investment earnings unrealized gain/loss (o)	(4,946)	(3,340)	(8,286)
Interlocal agreement reimbursements to improvement & extension fund (p)	145	-	145
Capital contribution (q)	-	5,948	5,948
Net Position Increase/(Decrease) per Financial Statements (b)	\$ (4,558)	\$ 21,535	\$ 16,977

Table 2- Explanatory Notes for Crosswalk

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (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 Water Improvement and Extension fund reflects \$56 thousand, and the Sewer Improvement and Extension fund reflects \$2.4 million in expenses relating to repairs paid for through the Water and Sewer Improvement and Extension funds, respectively. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.

- (k) Certain nonoperating income and expenses are reported in financial statements only.
- (l) The water service contract with Flint includes a license for raw water rights which has been recorded as an asset and liability by the Authority. The contract provides a credit to Flint as Flint satisfies its monthly bond payment obligation to KWA. This KWA credit is treated as a noncash payment of principal and interest on the liability recorded for the raw water rights. For budget, wholesale customer charges are net of the anticipated KWA credits to Flint as that is the cash that will be received and available to meet the budgeted revenue requirements. For financial reporting basis the Flint wholesale charges are recorded at the total amount billed. When the KWA credit is issued, the receivable from Flint is reduced and the principal and interest payments on the liability for the raw water rights are recorded as a noncash transaction. Most of the adjustment shown relates to the principal reduction made for the credits applied which are not an expense for financial reporting basis.
- (m) Investment earnings from the construction fund are not shown as revenue in the budget and are shown as revenue in the financial statements. Construction fund investment earnings are excluded from the definition of revenue for budget purposes as they are used for construction costs and are not used to meet the revenue requirements in the budget.
- (n) 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.
- (o) 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.
- (p) GLWA enters Interlocal Agreements with other local governments to coordinate projects and services and reduce overlapping expense. Many of these agreements relate to current capital improvement projects. Where another local government reimburses GLWA for direct expenses associated with a capital improvement project financed using improvement and extension funds, those reimbursements received under the agreement are transferred back to the Improvement and Extension fund.
- (q) The capital contribution is a one-time payment of \$11.92 million made to GLWA by the Oakland Macomb Interceptor Drainage District (OMIDD) as part of an amendment to the OMIDD Wastewater Disposal Services Contract. This contribution is associated with revenue requirements for FY 2020 and 2021 so one-half of the contribution (or \$5.96 million) was recognized in FY 2020 and the remaining \$5.96 million is recognized as a capital contribution in FY 2021.



The Monthly Capital Improvement Plan Financial Summary includes the following.

1. Water System Capital Improvement Plan Spend Incurred to date
2. Sewer System Capital Improvement Plan Spend Incurred to date

Capital Improvement Plan Financial Summary

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 CIP 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.

Beginning January 1, 2021 GLWA has intentionally depleted Bond funds and has moved to solely using I&E and State Revolving Loans to fund CIP expenditures to lower the cost of debt. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues. In line with this change, the charts in this report have been revised as of March 2021 to show actual spend in terms of funding source.

This scope of this report and the associated charts were also expanded to the Capital Improvement Plan where in prior periods the focus had been solely on Construction Work in Progress. This change resulted in an increase of \$1 million in actual I&E spend in FY 2021 Q1 for the Sewer Fund and a slight shift in previously reported amounts for actual I&E and Revenue Bond spend in FY 2021 Q2 for the Sewer Fund.

Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

As of February 2021, the Water system incurred nearly \$ 83 million of construction costs to date. This is 85% of the fiscal year 2021 prorated CIP through February and 113% of the financial plan which is labeled as the FY 2021 CIP w/SRA in the chart below.

Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

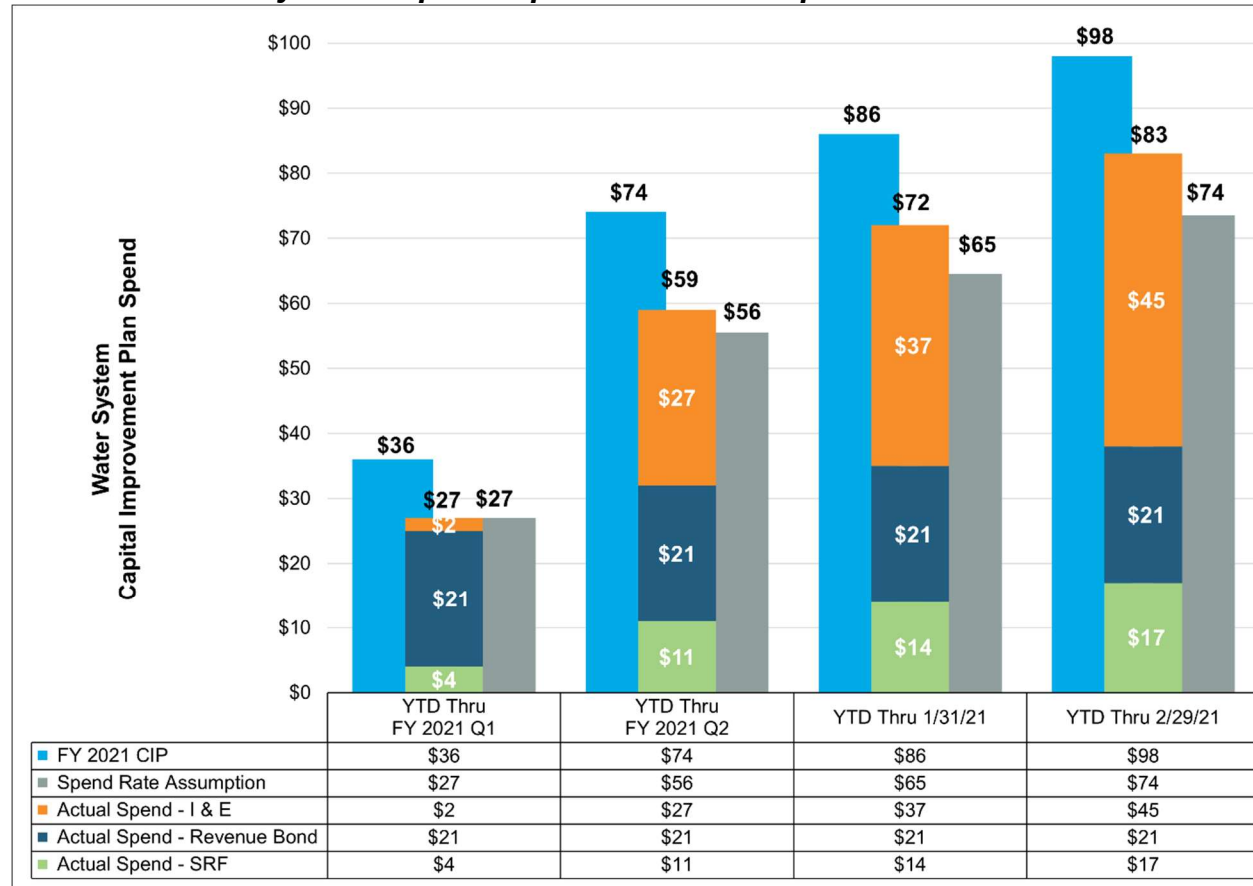
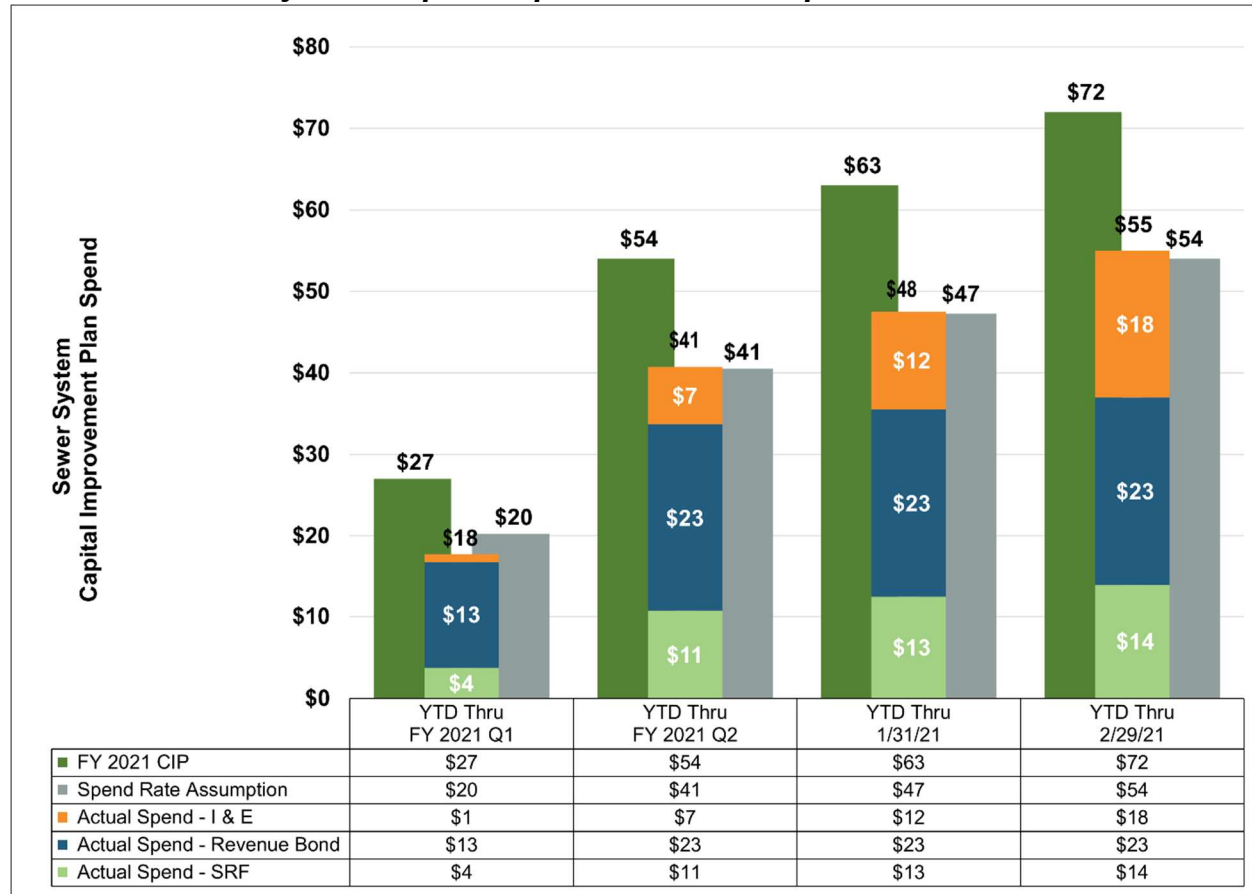


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of February 2021, the Sewer system incurred over \$ 55 million of construction costs to date. This is 76% of the fiscal year 2021 prorated CIP through February and 102% of the financial plan which is labeled as the FY 2021 CIP w/SRA in the chart below.

Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date





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 February 1, 2021. MBO transfers for water totaling \$102.9 million have been transferred to GLWA accounts. The total transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting.

Table 2 – GLWA FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through February 1, 2021. MBO transfers for sewer totaling \$141.7 million have been transferred to GLWA accounts. The total transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting.

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						
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
FY 2021							
July 2020	\$ 11,160,517	\$504,000	\$891,308	\$192,608	-	-	\$12,748,433
August 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
September 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
October 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
November 2020	11,994,307	504,000	891,308	197,988	-	-	13,587,603
December 2020	11,177,275	504,000	891,308	193,684	-	-	12,766,267
January 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
February 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
Total FY 2021	\$ 90,168,200	\$4,032,000	\$7,130,464	\$1,549,472	\$ -	\$ -	\$102,880,136

Table 2 – GLWA FY 2021 Sewer MBO Transfers

	SEWER						
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
FY 2021							
July 2020	\$ 15,194,175	\$902,000	\$1,223,950	\$313,500	-	-	\$17,633,625
August 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
September 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
October 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
November 2020	15,842,491	902,000	1,223,950	314,455	-	-	18,282,896
December 2020	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
January 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
February 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
Total FY 2021	\$122,193,190	\$7,216,000	\$9,791,600	\$2,509,528	\$ -	\$ -	\$141,710,318

Table 3 – GLWA MBO Transfer History

	GLWA MBO Transfer History						
	WATER						
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$71,052,000	\$6,037,100	\$10,297,200	\$1,983,300	\$2,326,900	\$606,000	\$92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021 (8 months)	90,168,200	4,032,000	7,130,464	1,549,472	-	-	102,880,136
Life to Date	\$643,065,212	\$34,250,300	\$59,811,939	\$11,811,176	\$2,686,900	\$606,000	\$752,231,527
	SEWER						
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
Total FY 2016	\$100,865,600	\$10,838,400	\$14,025,800	\$2,523,400	\$5,591,700	\$779,600	\$134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021 (8 months)	122,193,190	7,216,000	9,791,600	2,509,528	-	-	141,710,318
Life to Date	\$963,002,182	\$61,364,800	\$81,906,709	\$16,206,424	\$8,246,100	\$779,600	\$1,131,505,815

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 February 1, 2021. MBO transfers for Water totaling \$36.2 million have been transferred to accounts held by DWSD. The I&E transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting. For FY 2021, DWSD has requested that \$8,278,300 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 February 1, 2021. MBO transfers for Sewer totaling \$64.7 million have been transferred to accounts held by DWSD. The I&E transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting. For FY 2021, DWSD has requested that \$3,257,200 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			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2021				
July 2020	\$2,986,158	\$356,000	\$1,139,808	\$4,481,966
August 2020	2,986,158	356,000	1,139,808	4,481,966
September 2020	2,986,158	356,000	1,139,808	4,481,966
October 2020	2,986,158	356,000	1,139,808	4,481,966
November 2020	2,986,158	356,000	1,366,478	4,708,636
December 2020	2,986,158	356,000	1,185,142	4,527,300
January 2021	2,986,158	356,000	1,185,142	4,527,300
February 2021	2,986,158	356,000	1,185,142	4,527,300
Total FY 2021	\$23,889,264	\$2,848,000	\$9,481,136	\$36,218,400

Table 5 – DWSD FY 2021 Sewer MBO Transfers

	SEWER			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2021				
July 2020	\$5,826,308	\$238,000	\$2,109,017	\$8,173,325
August 2020	5,826,308	238,000	2,109,017	8,173,325
September 2020	5,826,308	238,000	2,109,017	8,173,325
October 2020	5,826,308	238,000	2,109,017	8,173,325
November 2020	5,826,308	238,000	1,665,102	7,729,410
December 2020	5,826,308	238,000	2,020,234	8,084,542
January 2021	5,826,308	238,000	2,020,234	8,084,542
February 2021	5,826,308	238,000	2,020,234	8,084,542
Total FY 2021	\$46,610,464	\$1,904,000	\$16,161,872	\$64,676,336

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 (8 months)				
MBO/Lease Requirement	23,889,264	2,848,000	15,000,000	41,737,264
Offset to Debt Service	-	-	(5,518,864)	(5,518,864)
Net MBO Transfer	23,889,264	2,848,000	9,481,136	36,218,400
Life-to-Date				
MBO/Lease Requirement	188,877,668	24,189,100	127,500,000	340,566,768
Offsets	-	-	(17,240,964)	(17,240,964)
Total Water	188,877,668	24,189,100	110,259,036	323,325,804

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

	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 (8 months)				
MBO/Lease Requirement	46,610,464	1,904,000	18,333,333	66,847,797
Offset to Debt Service	-	-	(2,171,461)	(2,171,461)
Total MBO Transfer	46,610,464	1,904,000	16,161,872	64,676,336
Life-to-Date				
MBO/Lease Requirement	287,549,776	16,195,800	155,833,333	459,578,909
Offsets	(7,100,000)	-	(40,777,325)	(47,877,325)
Total Sewer	280,449,776	16,195,800	115,056,008	411,701,584

* 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:

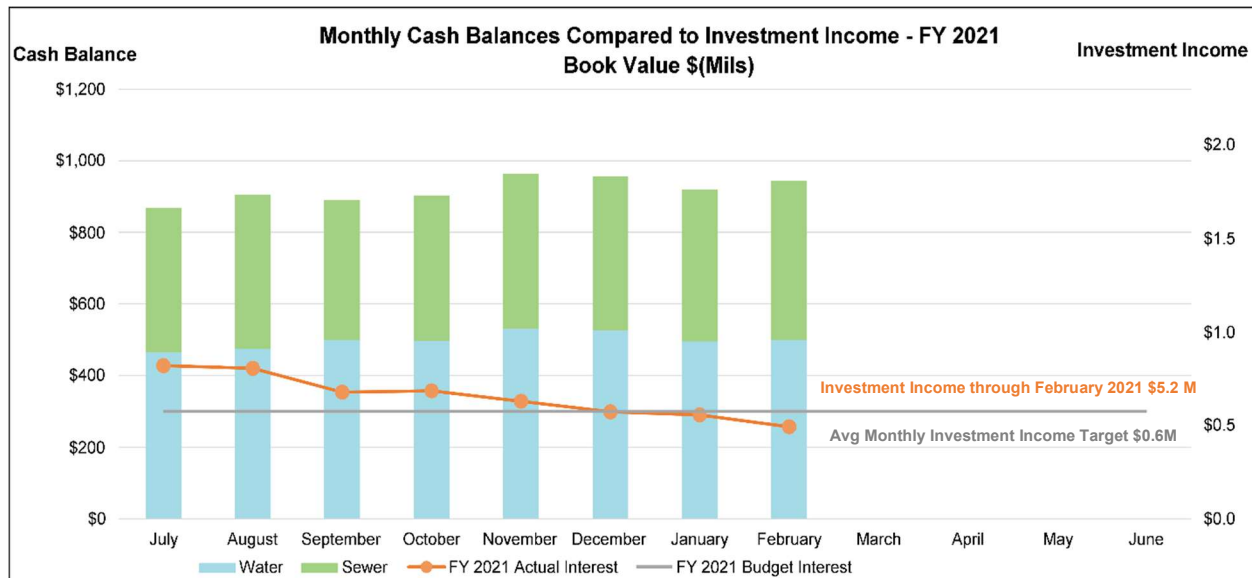
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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. For the month of February 2021, GLWA earned investment income of \$0.5 million and the cumulative FY 2021 earnings through February is \$5.2 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

Investment earnings for the remainder of the fiscal year are expected to decline due to maturities of existing investments being reinvested into lower, current market rate investments. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through February 2021


\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$464	\$473	\$499	\$497	\$530	\$525	\$495	\$499	-	-	-	-
Sewer	\$403	\$431	\$391	\$406	\$433	\$431	\$424	\$445	-	-	-	-
Total	\$867	\$904	\$890	\$903	\$963	\$956	\$919	\$944	-	-	-	-
Investment Income	\$0.8	\$0.8	\$0.7	\$0.7	\$0.6	\$0.6	\$0.6	\$0.5	-	-	-	-

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:

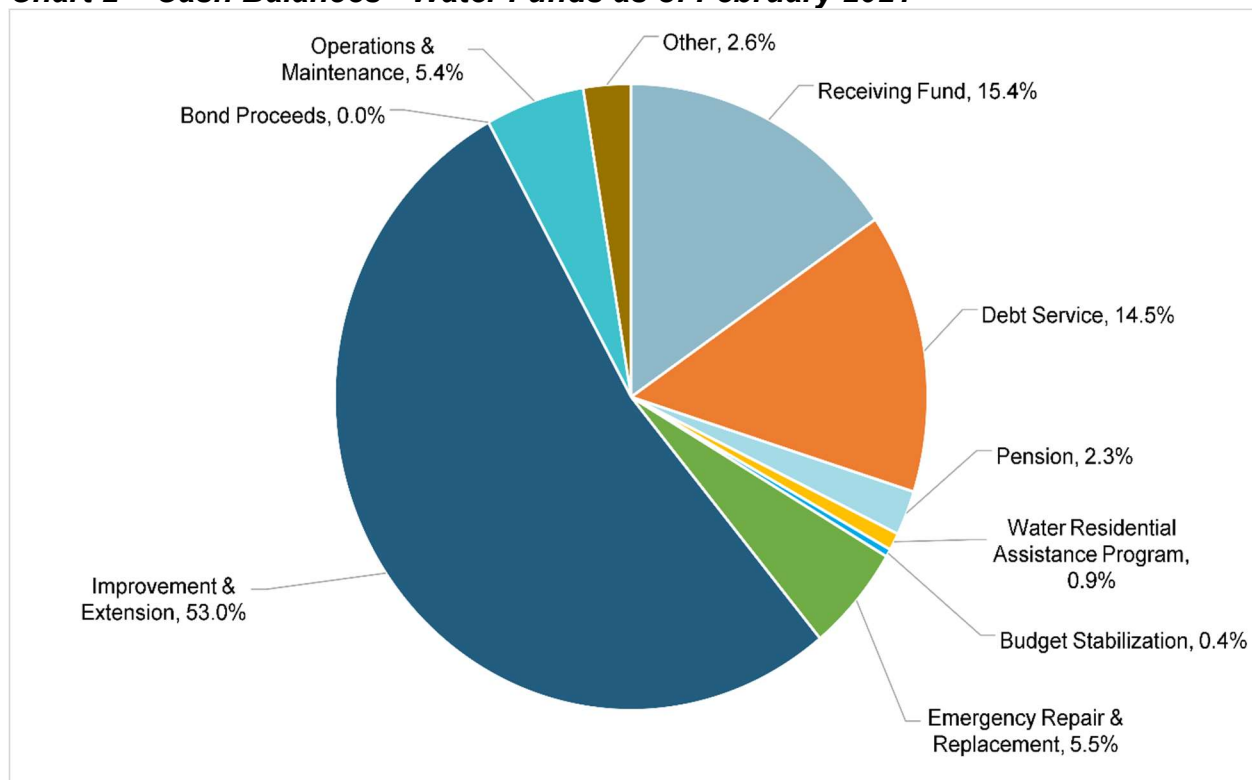
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 February 2021 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of February 28, 2021 is \$499 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.

It should be noted existing proceeds from special revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues.

Chart 2 – Cash Balances - Water Funds as of February 2021



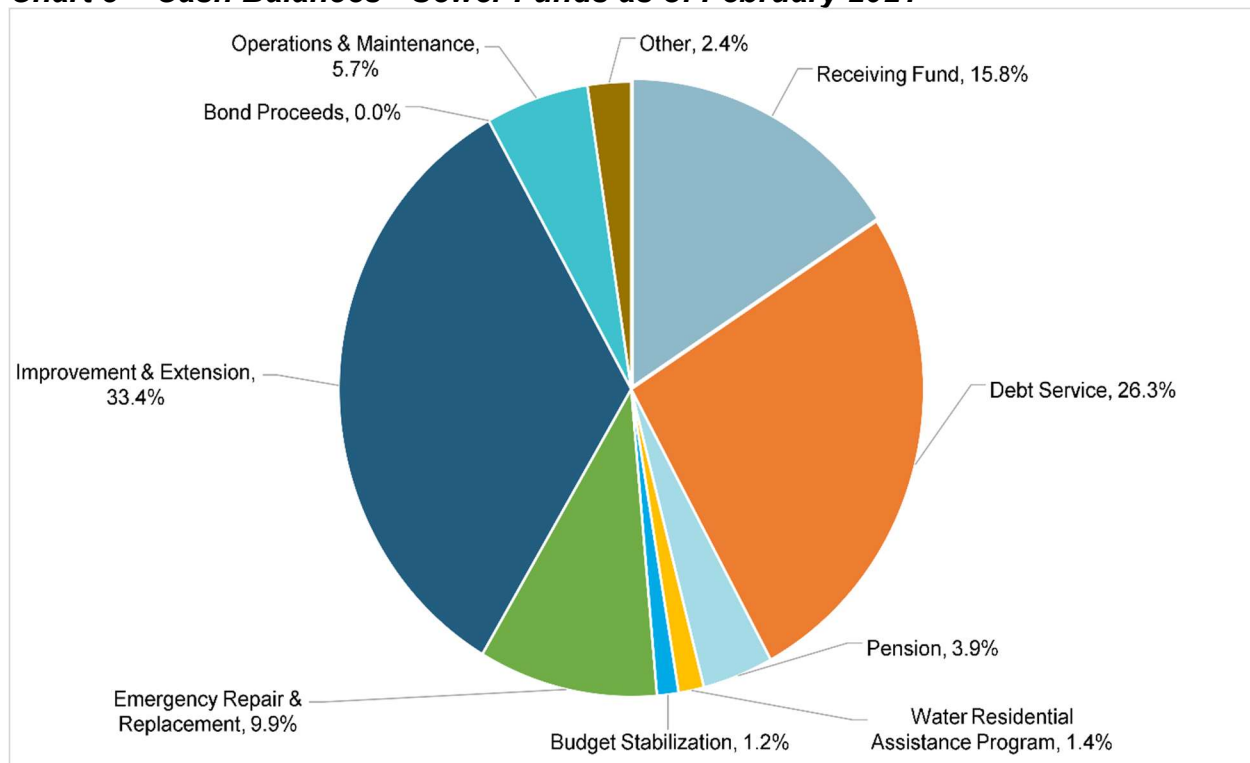
Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of February 2021 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of February 28, 2021 is \$445 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.

It should be noted existing proceeds from special revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues.

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 February 2021



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 February 28, 2021, the DWSD usage was at 92.32% of the budget and billed revenue was at 93.65% 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 - Original Budget		FY 2021 - Actual		FY 2021 - Variance		FY 2020 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	273,700	10,099,621	265,796	9,747,518	(7,904)	(352,103)	267,054	9,802,572
August	263,300	9,828,389	250,308	9,378,385	(12,992)	(450,004)	259,489	9,601,097
September	239,800	9,215,509	218,840	8,544,457	(20,960)	(671,052)	228,961	8,811,834
October	228,800	8,928,629	197,362	7,978,833	(31,438)	(949,796)	217,031	8,578,738
November	208,200	8,391,381	194,648	7,952,436	(13,552)	(438,945)	200,432	7,879,694
December	208,900	8,409,637	197,125	7,985,955	(11,775)	(423,682)	201,225	7,811,106
January	210,200	8,443,541	190,289	7,827,536	(19,911)	(616,005)	205,993	7,981,382
February	214,600	8,558,293	191,180	7,895,496	(23,420)	(662,797)	196,490	7,748,377
March	216,500	8,607,845					198,483	7,755,210
April	211,700	8,482,661					191,691	7,550,074
May	221,300	8,733,029					207,387	7,929,281
June	261,800	9,789,269					248,085	8,951,538
Total	2,758,800	107,487,800	1,705,548	67,310,616	(141,952)	(4,564,381)	2,622,321	100,400,903
Subtotals ytd	1,847,500	71,874,997	1,705,548	67,310,616	(141,952)	(4,564,381)		
Achievement of Budget			92.32%	93.65%				

(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
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%
August	7,135,456	8,671,848	(1,536,392)	-17.72%
September	9,031,966	8,610,801	421,165	4.89%
October	9,079,199	9,619,977	(540,778)	-5.62%
November	10,803,009	7,067,667	3,735,342	52.85%
December	7,409,888	8,597,558	(1,187,670)	-13.81%
January	7,884,889	9,076,091	(1,191,202)	-13.12%
February	6,426,553	8,281,985	(1,855,432)	-22.40%
Rolling, 12-Month Total	94,624,123	101,172,780		
Rolling, 12-Month Average	7,885,344	8,431,065		

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 February 28, 2021, the DWSD usage was at 93.04% of the budget and billed revenue was at 98.33% 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 - Original Budget		FY 2021 - Actual		FY 2021 - Variance		FY 2020 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	252,700	29,612,070	252,929	29,802,377	229	190,307	244,810	28,049,707
August	252,900	29,624,420	240,390	29,261,344	(12,510)	(363,076)	246,989	28,076,649
September	219,800	27,736,625	206,880	27,232,400	(12,920)	(504,225)	215,119	26,430,710
October	245,700	29,214,479	188,816	26,230,683	(56,884)	(2,983,796)	238,202	27,549,787
November	192,400	26,173,181	184,240	25,933,888	(8,160)	(239,293)	188,779	24,726,161
December	192,600	26,184,593	187,397	26,628,891	(5,203)	444,298	186,917	24,853,335
January	195,700	26,361,479	179,115	26,098,738	(16,585)	(262,741)	190,230	24,857,510
February	195,300	26,338,655	185,696	26,370,674	(9,604)	32,019	187,219	24,524,288
March	192,100	26,279,396					186,521	24,784,918
April	188,900	25,973,471					180,397	24,538,664
May	195,300	26,338,655					192,362	25,035,540
June	245,560	29,206,491					238,679	27,572,637
Total	2,568,960	329,043,516	1,625,463	217,558,995	(121,637)	(3,686,508)	2,496,224	310,999,906
<i>Subtotals ytd</i>	<i>1,747,100</i>	<i>221,245,503</i>	<i>1,625,463</i>	<i>217,558,995</i>		<i>(3,686,508)</i>		
<i>Achievement of Budget/Goal</i>				<i>93.04%</i>		<i>98.33%</i>		

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

(2) Retail Revenues include Miscellaneous Revenues and Penalties

Table 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
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%
August	22,395,220	23,175,643	(780,423)	-3.37%
September	26,463,387	21,972,754	4,490,633	20.44%
October	26,683,109	26,321,010	362,099	1.38%
November	28,730,139	17,546,180	11,183,959	63.74%
December	22,856,217	25,889,823	(3,033,606)	-11.72%
January	22,057,276	23,512,702	(1,455,426)	-6.19%
February	22,777,467	22,682,982	94,485	0.42%
Rolling 12-Month Total	275,243,976	268,316,887		
Rolling, 12-Month Average	22,936,998	22,359,741		

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 February 28, 2021 with comparative totals from February 28, 2020.

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	207,864	\$ 509.61	\$ 12,129,000	\$ 7,235,000	\$ 20,665,000	\$ 65,899,000	\$ 105,929,000
			11.5%	6.8%	19.5%	62.2%	100.0%
Commercial	21,152	1,326.83	6,616,000	2,529,000	5,592,000	13,328,000	28,065,000
			23.6%	9.0%	19.9%	47.5%	100.0%
Industrial	3,481	4,904.49	4,399,000	1,467,000	2,759,000	8,448,000	17,073,000
			25.8%	8.6%	16.2%	49.5%	100.0%
Tax Exempt	3,653	826.45	426,000	157,000	483,000	1,953,000	3,019,000
			14.1%	5.2%	16.0%	64.7%	100.0%
Government	59,084	327.56	2,045,000	1,545,000	3,950,000	11,814,000	19,354,000
			10.6%	8.0%	20.4%	61.0%	100.0%
Drainage	39,886	734.10	2,760,000	1,905,000	5,394,000	19,220,000	29,280,000
			9.4%	6.5%	18.4%	65.6%	100.0%
Subtotal - Active Accounts	335,120	\$ 604.92	\$ 28,375,000	\$ 14,838,000	\$ 38,843,000	\$ 120,663,000	\$ 202,720,000
			14.0%	7.3%	19.2%	59.5%	100.0%
Inactive Accounts	292,045	108.85	(273,000)	97,000	1,288,000	30,678,000	31,790,000
			(0.9%)	0.3%	4.1%	96.5%	100.0%
Total	627,165	\$ 373.92	\$ 28,103,000	\$ 14,935,000	\$ 40,131,000	\$ 151,341,000	\$ 234,509,000
% of Total A/R			12.0%	6.4%	17.1%	64.5%	100.0%
Water Fund	225,818	192.74	\$ 5,368,000	\$ 2,763,000	\$ 6,647,000	\$ 28,746,000	\$ 43,524,000
Sewer Fund	274,094	696.79	\$ 22,734,000	\$ 12,172,000	\$ 33,484,000	\$ 122,595,000	\$ 190,986,000
Total February 28, 2021 (a)	627,165	373.92	\$ 28,103,000	\$ 14,935,000	\$ 40,131,000	\$ 151,341,000	\$ 234,509,000
Water Fund- Allowance							\$ (30,768,000)
Sewer Fund- Allowance							\$ (123,277,000)
Total Bad Debt Allowance							\$ (154,045,000)
Comparative - February 2020 (b)	609,769	339.39	\$ 29,241,000	\$ 12,826,000	\$ 33,713,000	\$ 131,170,000	\$ 206,949,000
Difference (a) - (b)	17,396	34.53	\$ (1,138,000)	\$ 2,110,000	\$ 6,418,000	\$ 20,171,000	\$ 27,560,000



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	83
Emergency	1
Older Contracts	3
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 February 28, 2021, the billed usage was at 104.84% of budget and billed revenue at 102.44% of budget. Billings and usage from the City of Flint are included as they were assumed in the FY 2021 Budget. This schedule has been updated to reflect the most recent, Board-approved budget amendments.

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 year-over-year rolling average from FY 2020 to FY 2021 reflects the increased usage billed and collected for FY 2021 to date.

Table 1 – FY 2021 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2021 - Original Budget		FY 2021 - Amended Budget		FY 2021 - Actual		FY 2021 - Variance	
	Volume	Revenue	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,639,200	31,200,300	1,639,200	31,200,500	1,862,791	33,583,619	223,591	2,383,119
August	1,491,400	29,822,200	1,491,400	29,826,800	1,622,324	31,230,027	130,924	1,403,227
September	1,331,600	27,852,100	1,331,600	27,851,500	1,313,440	27,836,560	(18,160)	(14,940)
October	1,034,400	25,773,900	1,034,400	25,055,600	1,070,660	25,454,840	36,260	399,240
November	901,700	24,557,700	901,700	23,897,700	956,542	24,390,303	54,842	492,603
December	982,100	25,189,000	982,100	24,506,200	981,770	24,600,202	(330)	94,002
January	985,300	25,260,100	985,300	25,263,400	969,483	25,235,130	(15,817)	(28,270)
February	884,200	24,344,600	884,200	24,348,400	920,467	24,794,259	36,267	445,859
March	984,200	25,208,400	984,200	25,213,400				
April	912,200	24,593,900	912,200	24,594,700				
May	1,032,900	25,895,100	1,032,900	25,896,800				
June	1,373,700	29,502,100	1,373,700	29,463,900				
Total	13,552,900	319,199,400	13,552,900	317,118,900	9,697,477	217,124,940	447,577	5,174,840
Subtotals ytd	9,249,900	213,999,900	9,249,900	211,950,100	9,697,477	217,124,940	447,577	5,174,840
Achievement of Budget					104.84%	102.44%		

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

(2) Water Revenues differ from Table 1A because amounts are reduced by the monthly payment to the City of Flint for a license to raw water right Contract in Table 1A

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
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%
August	26,241,018	28,808,254	(2,567,236)	-8.91%
September	26,078,015	28,336,152	(2,258,137)	-7.97%
October	29,292,690	25,786,774	3,505,916	13.60%
November	32,218,822	29,245,969	2,972,853	10.17%
December	29,609,061	23,292,382	6,316,679	27.12%
January	20,716,948	25,470,795	(4,753,847)	-18.66%
February	25,694,176	24,629,768	1,064,408	4.32%
Rolling 12-Month Total	309,716,303	303,222,392		
Rolling, 12-Month Average	25,809,692	25,268,533		

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 February 28, 2021 the billed revenue is at 100.00% of budget. This schedule has been updated to reflect the most recent, Board-approved budget amendments.

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 2021 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2021 - Original Budget		FY 2021 - Amended Budget		FY 2021 - Actual		FY 2021 - Variance	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
August	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
September	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
October	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
November	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
December	N/A	22,323,183	N/A	22,323,183	N/A	22,323,183	N/A	-
January	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
February	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
March	N/A	23,005,800	N/A	22,633,025	N/A		N/A	
April	N/A	23,005,800	N/A	22,633,025	N/A		N/A	
May	N/A	23,005,800	N/A	22,633,025	N/A		N/A	
June	N/A	23,005,800	N/A	22,633,025	N/A		N/A	
Total		271,973,898		269,737,248		179,205,148		-
Subtotals ytd		179,950,698		179,205,148		179,205,148		-
Achievement of Budget						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
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%
August	25,354,280	35,153,500	(9,799,220)	-27.88%
September	19,593,613	18,833,257	760,356	4.04%
October	16,853,983	29,833,760	(12,979,777)	-43.51%
November	18,966,208	19,428,000	(461,792)	-2.38%
December	25,232,649	19,999,642	5,233,007	26.17%
January	25,968,849	17,121,812	8,847,037	51.67%
February	16,872,900	23,284,737	(6,411,837)	-27.54%
Rolling 12-Month Total	252,060,408	278,392,847		
Rolling, 12-Month Average	21,005,034	23,199,404		

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 February 28, 2021, Highland Park had a delinquent balance of \$46.7 million, including \$35.6 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.3 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 February 28, 2021. 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
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
August 2020 Billing	104,325	472,500	3,835	580,660
August 2020 Payments	-	(560,097)	-	(560,097)
August 31, 2020 Balance	8,738,399	33,570,977	1,730,006	44,039,382
September 2020 Billing	105,628	472,500	3,835	581,963
September 2020 Payments	-	(296,930)	-	(296,930)
September 30, 2020 Balance	8,844,027	33,746,547	1,733,841	44,324,415
October 2020 Billing	105,071	472,500	3,862	581,433
October 2020 Payments	-	-	-	-
October 31, 2020 Balance	8,949,098	34,219,047	1,737,703	44,905,848
November 2020 Billing	98,963	472,500	3,929	575,392
November 2020 Payments	-	-	-	-
November 30, 2020 Balance	9,048,061	34,691,547	1,741,632	45,481,240
December 2020 Billing	96,582	472,500	3,929	573,011
December 2020 Payments	-	(227,283)	-	(227,283)
December 31, 2020 Balance	9,144,643	34,936,764	1,745,561	45,826,968
January 2021 Billing	92,525	472,500	3,941	568,966
January 2021 Payments	-	(328,365)	-	(328,365)
January 31, 2021 Balance	9,237,168	35,080,899	1,749,502	46,067,569
February 2021 Billing	95,774	478,900	4,032	578,706
February 2021 Payments	-	-	-	-
February 28, 2021 Balance	9,332,942	35,559,799	1,753,534	46,646,275

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 February 28, 2021.

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. One member partner contract dispute accounts for \$2.15 million of the current water past due balance. The sewer past due of \$127 thousand was paid in full in early March.

The remaining water and IWC past due balances account total less than \$25 thousand. GLWA staff is working with each member partner to identify the source of the delay and resolve. The GLWA Treasury team is also exploring possible payment method alternatives to address current mail service challenges.

Pollutant surcharge invoices are billed to commercial and industrial customers, many of whom have been directly impacted by COVID. GLWA staff continue to stay in close communication with those that are past due and were able to reduce the over 46 day balance by \$40 thousand in early March. The pollutant surcharge balance over 105 days includes \$28 thousand related to a bankruptcy that is currently pending further court action.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 42,745,338.88	\$ 31,434,015.77	\$ 824,872.84	\$ 1,089,558.25	\$ 9,396,892.02
Sewer	\$ 61,133,163.90	\$ 25,924,464.93	\$ 600,300.00	\$ 472,500.00	\$ 34,135,898.97
IWC	\$ 2,262,089.61	\$ 506,045.12	\$ 13,472.39	\$ 4,385.26	\$ 1,738,186.84
Pollutant Surcharge	\$ 690,050.52	\$ 577,171.00	\$ 77,489.57	\$ 650.08	\$ 34,739.87
Total	\$ 106,830,642.91	\$ 58,441,696.82	\$ 1,516,134.80	\$ 1,567,093.59	\$ 45,305,717.70
	100.00%	54.70%	1.42%	1.47%	42.41%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 33,412,395.90	\$ 31,245,716.03	\$ 728,290.78	\$ 990,595.10	\$ 447,793.99
Sewer	\$ 25,573,364.93	\$ 25,445,564.93	\$ 127,800.00	\$ -	\$ -
IWC	\$ 508,555.41	\$ 498,071.92	\$ 9,543.14	\$ 456.01	\$ 484.34
Pollutant Surcharge	\$ 690,050.52	\$ 577,171.00	\$ 77,489.57	\$ 650.08	\$ 34,739.87
Total	\$ 60,184,366.76	\$ 57,766,523.88	\$ 943,123.49	\$ 991,701.19	\$ 483,018.20
	100.00%	95.98%	1.57%	1.65%	0.80%

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 eight months of activity to date.

Water fund receipts exceeded required disbursements by 12% through February 28, 2021 with a historical ratio of receipts exceeding required disbursements by 14% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 5% through February 28, 2021 with a historical ratio of receipts exceeding required disbursements by 6% since January 1, 2016.

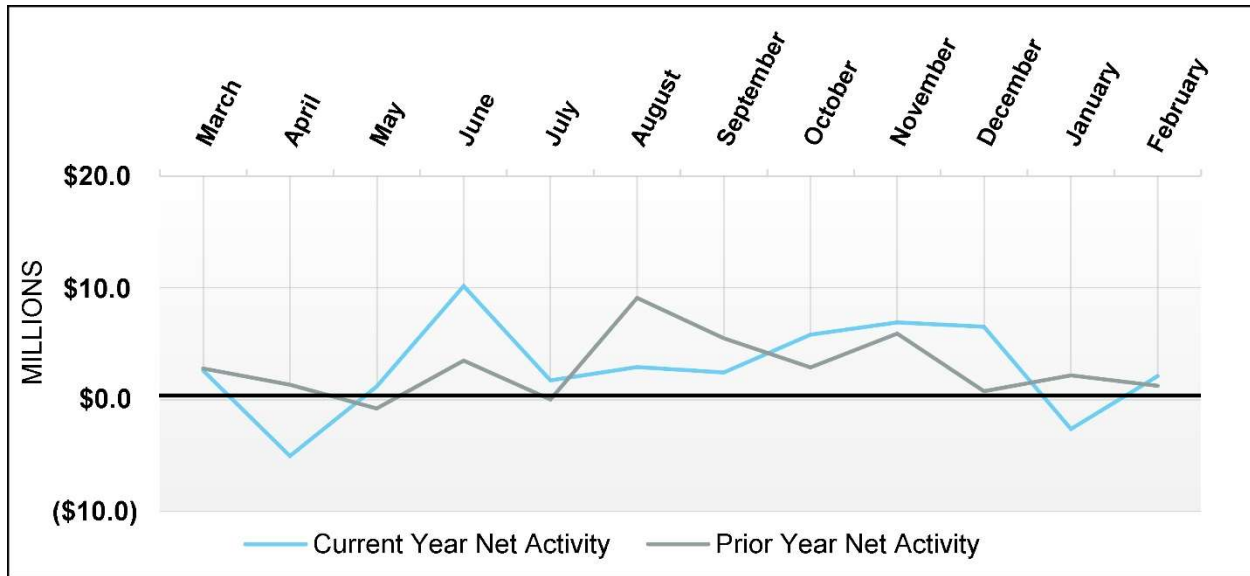
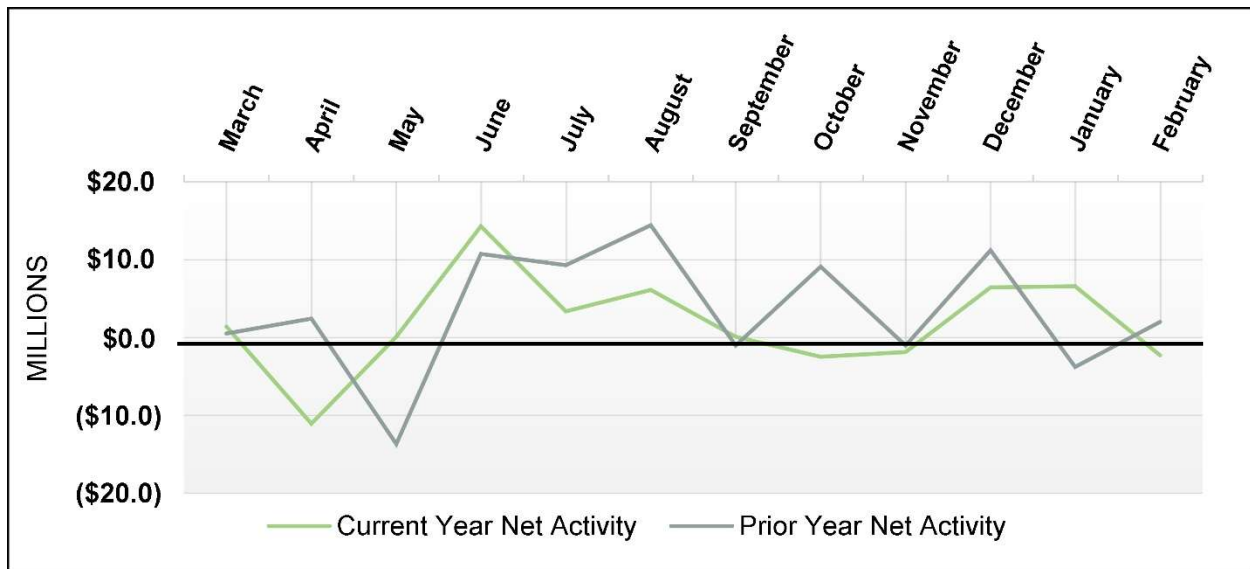
Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

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	FY 2021 Thru Feb 28	Life-to-Date Total
Water							
1 Receipts	\$ 149,688,711	\$ 352,941,909	\$ 338,452,001	\$ 336,594,234	\$ 332,606,196	\$ 233,404,364	\$ 1,743,687,415
2 MOU Adjustments	-	-	-	-	-	-	-
3 Adjusted Receipts	149,688,711	352,941,909	338,452,001	336,594,234	332,606,196	233,404,364	1,743,687,415
4 Disbursements	(146,256,185)	(288,777,985)	(297,064,810)	(289,230,481)	(296,190,425)	(207,635,667)	(1,525,155,553)
5 Receipts Net of Required	3,432,526	64,163,924	41,387,191	47,363,753	36,415,771	25,768,697	218,531,862
6 I&E Transfer	-	-	(25,739,700)	(47,695,000)	(25,719,751)	(20,233,043)	(119,387,494)
7 Net Receipts	\$ 3,432,526	\$ 64,163,924	\$ 15,647,491	\$ (331,247)	\$ 10,696,020	\$ 5,535,654	\$ 99,144,368
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	102%	122%	114%	116%	112%	112%	114%
Sewer							
9 Receipts	\$ 232,377,715	\$ 469,788,882	\$ 476,269,761	\$ 467,743,744	\$ 490,461,356	\$ 309,631,540	\$ 2,446,272,998
10 MOU Adjustments	-	-	-	-	-	-	-
11 Adjusted Receipts	232,377,715	469,788,882	476,269,761	467,743,744	490,461,356	309,631,540	2,446,272,998
12 Disbursements	(219,538,325)	(441,443,340)	(458,903,335)	(453,406,636)	(445,604,952)	(293,720,426)	(2,312,617,014)
13 Receipts Net of Required	12,839,390	28,345,542	17,366,426	14,337,108	44,856,404	15,911,114	133,655,984
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(25,300,031)	(89,642,031)
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	9,018,674	35,928,699
17 Net Receipts	\$ 11,553,924	\$ 331,008	\$ (29,444,708)	\$ 1,156,763	\$ 43,302,873	\$ (370,243)	\$ 26,529,618
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	106%	106%	104%	103%	110%	105%	106%
Combined							
19 Receipts	\$ 382,066,426	\$ 822,730,791	\$ 814,721,762	\$ 804,337,978	\$ 823,067,552	\$ 543,035,904	\$ 4,189,960,413
20 MOU Adjustments	-	-	-	-	-	-	-
21 Adjusted Receipts	382,066,426	822,730,791	814,721,762	804,337,978	823,067,552	543,035,904	4,189,960,413
22 Disbursements	(365,794,510)	(730,221,325)	(755,968,145)	(742,637,117)	(741,795,377)	(501,356,093)	(3,837,772,567)
23 Receipts Net of Required	16,271,916	92,509,466	58,753,617	61,700,861	81,272,175	41,679,811	352,187,846
24 I&E Transfer	-	-	(48,437,800)	(70,242,700)	(44,815,951)	(45,533,074)	(209,029,525)
25 Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	-	(53,413,034)
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
27 Net Receipts	\$ 14,986,450	\$ 64,494,932	\$ (13,797,217)	\$ 825,516	\$ 53,998,893	\$ 5,165,411	\$ 125,673,986
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 eight months of activity to date.

Water fund receipts fell short of required disbursements by 2% through February 28, 2021 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 2% through February 28, 2021 with a historic ratio of receipts falling short of required disbursements by 5% 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	FY 2021 Thru Feb 28	Life-to-Date Total
Water							
1 Receipts	\$ 26,201,881	\$ 96,451,105	\$ 101,233,147	\$ 99,868,219	\$ 96,885,723	\$ 65,789,219	\$ 486,429,294
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	65,789,219	504,875,394
4 Disbursements	(47,809,552)	(93,066,144)	(93,049,457)	(97,694,600)	(97,823,097)	(67,186,923)	(496,629,773)
5 Receipts Net of Required	(3,161,571)	3,384,961	8,183,690	2,173,619	(937,374)	(1,397,704)	8,245,621
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)	\$ (1,397,704)	\$ (161,459)
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	93%	104%	109%	102%	99%	98%	102%
Sewer							
9 Receipts	\$ 65,256,734	\$ 233,723,367	\$ 242,104,791	\$ 265,339,797	\$ 264,689,559	\$ 192,615,112	\$ 1,263,729,360
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	192,615,112	1,326,011,660
12 Disbursements	(122,297,300)	(261,963,973)	(266,217,825)	(271,018,306)	(275,507,374)	(197,284,279)	(1,394,289,057)
13 Receipts Net of Required	(1,285,466)	(28,240,606)	(24,113,034)	848,691	(10,817,815)	(4,669,167)	(68,277,397)
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)	\$ (4,669,167)	\$ (14,864,363)
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	99%	89%	91%	100%	96%	98%	95%
Combined							
18 Receipts	\$ 91,458,615	\$ 330,174,472	\$ 343,337,938	\$ 365,208,016	\$ 361,575,282	\$ 258,404,331	\$ 1,750,158,654
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	258,404,331	1,830,887,054
21 Disbursements	(170,106,852)	(355,030,117)	(359,267,282)	(368,712,906)	(373,330,471)	(264,471,202)	(1,890,918,830)
22 Receipts Net of Required	(4,447,037)	(24,855,645)	(15,929,344)	3,022,310	(11,755,189)	(6,066,871)	(60,031,776)
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)	\$ (6,066,871)	\$ (15,025,822)
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	97%	93%	96%	101%	97%	98%	97%

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

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

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

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

Table 3 – FY 2017 DWSD Loan Receivable – Sewer

Date	Transaction	Amount	Balance
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
08-04-20	Payment for August 2020	834,577	8,505,201
09-02-20	Payment for September 2020	837,446	7,667,754
10-05-20	Payment for October 2020	840,325	6,827,429
11-03-20	Payment for November 2020	843,214	5,984,216
12-03-20	Payment for December 2020	846,112	5,138,103
01-05-21	Payment for January 2021	849,021	4,289,083
02-02-21	Payment for February 2021	851,939	3,437,143
		25,862,857	3,437,143

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	828,869	37,814	866,683
07-07-20	Payment for July 2020	831,718	34,965	866,683
08-04-20	Payment for August 2020	834,577	32,105	866,683
09-02-20	Payment for September 2020	837,446	29,237	866,683
10-05-20	Payment for October 2020	840,325	26,358	866,683
11-03-20	Payment for November 2020	843,214	23,469	866,683
12-03-20	Payment for December 2020	846,112	20,571	866,683
01-05-21	Payment for January 2021	849,021	17,662	866,683
02-02-21	Payment for February 2021	851,939	14,744	866,683
		25,862,857	1,870,998	27,733,854

Table 5 – FY 2018 DWSD Loan Receivable – Sewer

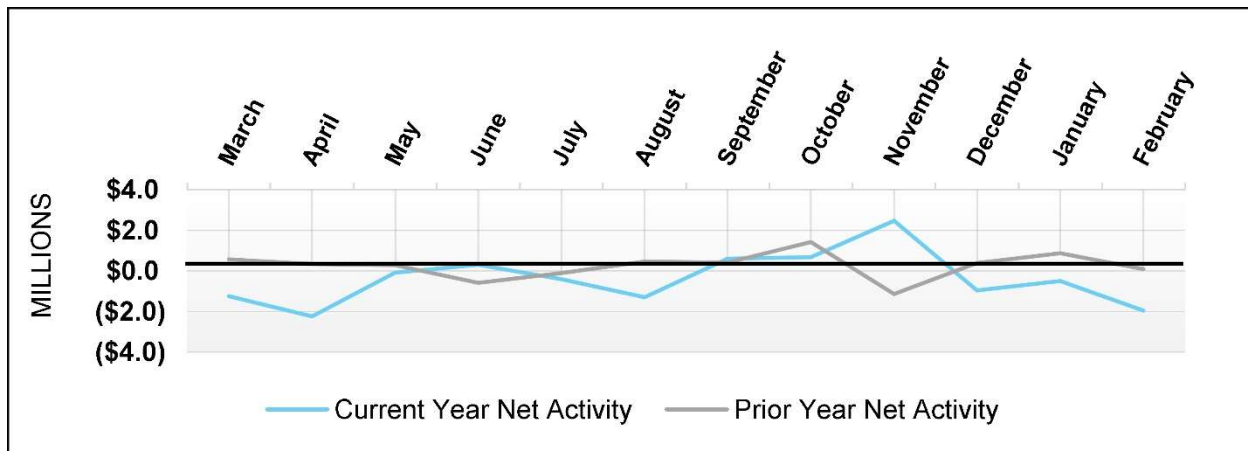
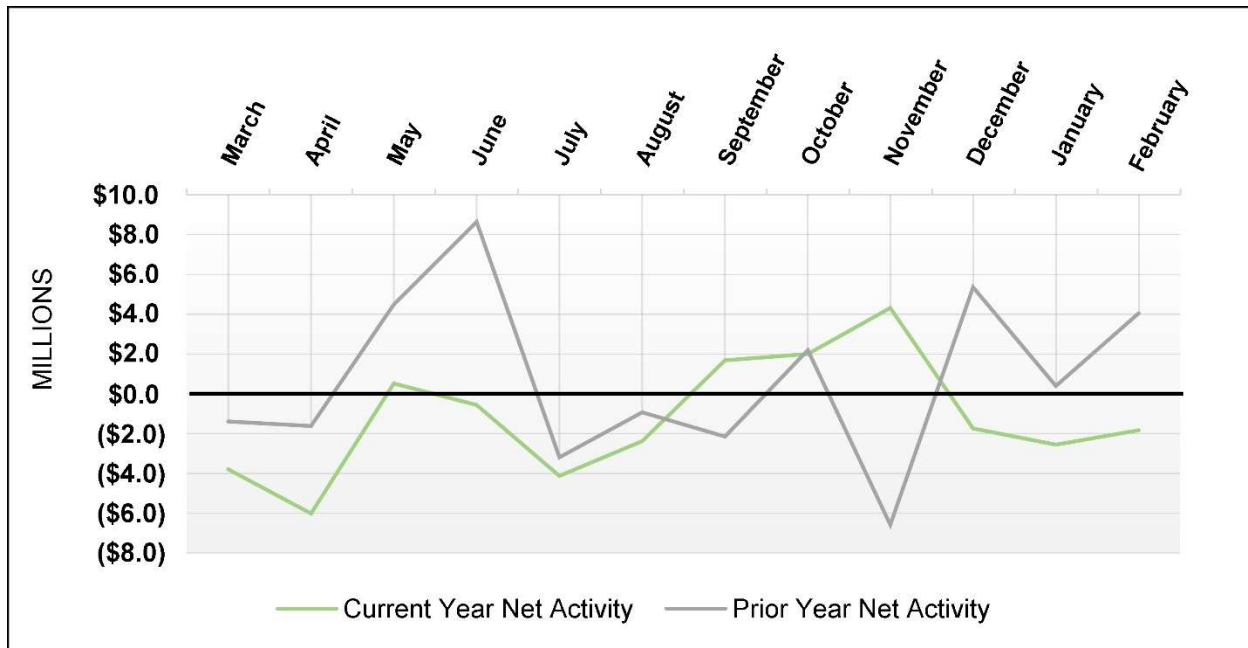
Date	Transaction	Amount	Balance
06-30-19	Record Loan Receivable		24,113,034
07-15-19	Payment for July 2019	638,978	23,474,056
08-08-19	Payment for August 2019	640,686	22,833,370
09-06-19	Payment for September 2019	642,400	22,190,970
10-02-19	Payment for October 2019	644,118	21,546,852
11-04-19	Payment 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
08-04-20	Payment for August 2020	661,551	15,010,176
09-02-20	Payment for September 2020	663,320	14,346,855
10-05-20	Payment for October 2020	665,094	13,681,761
11-03-20	Payment for November 2020	666,873	13,014,888
12-03-20	Payment for December 2020	668,656	12,346,232
01-05-21	Payment for January 2021	670,444	11,675,788
02-02-21	Payment for February 2021	672,237	11,003,551
		13,109,483	11,003,551

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
08-04-20	Payment for August 2020	661,551	41,909	703,460
09-02-20	Payment for September 2020	663,320	40,140	703,460
10-05-20	Payment for October 2020	665,094	38,366	703,460
11-03-20	Payment for November 2020	666,873	36,587	703,460
12-03-20	Payment for December 2020	668,656	34,804	703,460
01-05-21	Payment for January 2021	670,444	33,016	703,460
02-02-21	Payment for February 2021	672,237	31,223	703,460
		13,109,483	959,717	14,069,200

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
08-31-20	8,505,201	15,010,176	23,515,376
09-30-20	7,667,754	14,346,855	22,014,610
10-31-20	6,827,429	13,681,761	20,509,190
11-30-20	5,984,216	13,014,888	18,999,104
12-31-20	5,138,103	12,346,232	17,484,336
01-31-21	4,289,083	11,675,788	15,964,871
02-28-21	3,437,143	11,003,551	14,440,695

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 eight months of activity to date.

Water fund net receipts exceeded required disbursements by 9% through February 28, 2021 with a historical ratio of receipts exceeding required disbursements by 11% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 2% through February 28, 2021 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	FY 2021 Thru Feb 28	Life-to-Date Total
Water							
1 Receipts	\$ 175,890,592	\$ 449,393,014	\$ 439,685,148	\$ 436,462,453	\$ 429,491,919	\$ 299,193,583	\$2,230,116,709
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	299,193,583	2,248,562,809
4 Disbursements	(194,065,737)	(381,844,129)	(390,114,267)	(386,925,081)	(394,013,522)	(274,822,590)	(2,021,785,326)
5 Receipts Net of Required	270,955	67,548,885	49,570,881	49,537,372	35,478,397	24,370,993	226,777,483
6 I&E Transfer	-	-	(25,739,700)	(56,102,080)	(25,719,751)	(20,233,043)	(127,794,574)
7 Net Receipts	\$ 270,955	\$ 67,548,885	\$ 23,831,181	\$ (6,564,708)	\$ 9,758,646	\$ 4,137,950	\$ 98,982,909
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	100%	118%	113%	113%	109%	109%	111%
Sewer							
9 Receipts	\$ 297,634,449	\$ 703,512,249	\$ 718,374,552	\$ 733,083,541	\$ 755,150,915	\$ 502,246,652	\$3,710,002,358
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	502,246,652	3,772,284,658
12 Disbursements	(341,835,625)	(703,407,313)	(725,121,160)	(724,424,942)	(721,112,326)	(491,004,705)	(3,706,906,071)
13 Receipts Net of Required	11,553,924	104,936	(6,746,608)	15,185,799	34,038,589	11,241,947	65,378,587
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(25,300,031)	(89,642,031)
15 Shortfall Advance	-	-	-	-	-	-	-
16 Shortfall Repayment (principal)	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
17 Net Receipts	\$ 11,553,924	\$ 104,936	\$ (29,444,708)	\$ (7,361,901)	\$ 32,485,058	\$ (5,039,410)	\$ 11,665,255
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	103%	100%	99%	102%	105%	102%	102%
Combined							
19 Receipts	\$ 473,525,041	\$1,152,905,263	\$1,158,059,700	\$1,169,545,994	\$1,184,642,834	\$ 801,440,235	\$5,940,119,067
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	801,440,235	6,020,847,467
22 Disbursements	(535,901,362)	(1,085,251,442)	(1,115,235,427)	(1,111,350,023)	(1,115,125,848)	(765,827,295)	(5,728,691,397)
23 Receipts Net of Required	11,824,879	67,653,821	42,824,273	64,723,171	69,516,986	35,612,940	292,156,070
24 I&E Transfer	-	-	(48,437,800)	(78,649,780)	(44,815,951)	(45,533,074)	(217,436,605)
25 Shortfall Advance	-	-	-	-	-	-	-
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
27 Net Receipts	\$ 11,824,879	\$ 67,653,821	\$ (5,613,527)	\$ (4,559,254)	\$ 42,243,704	\$ (901,460)	\$ 110,648,164
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	102%	106%	104%	106%	106%	105%	105%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$230,653.73	\$230,653.73	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$19,522.54	\$19,522.54	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$69,651.96	\$69,651.96	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$26,969.81	\$26,969.81	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$60,149.26	\$60,149.26	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$288,392.66	\$288,392.66	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$23,349.35	\$23,349.35	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$25,173.50	\$25,173.50	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$827,368.87	\$827,368.87	\$0.00	\$0.00	\$0.00
CENTER LINE	\$39,558.29	\$39,558.29	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$350,364.20	\$350,364.20	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$1,195,013.81	\$1,195,013.81	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$553,836.02	\$553,836.02	\$0.00	\$0.00	\$0.00
DEARBORN	\$4,000,798.25	\$1,848,487.51	\$713,921.65	\$990,595.10	\$447,793.99
DEARBORN HEIGHTS	\$310,064.08	\$310,064.08	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$141,069.93	\$141,069.93	\$0.00	\$0.00	\$0.00
ECORSE	\$117,728.32	\$117,728.32	\$0.00	\$0.00	\$0.00
FARMINGTON	\$164,915.17	\$164,915.17	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,391,762.56	\$1,391,762.56	\$0.00	\$0.00	\$0.00
FERNDAL	\$179,615.41	\$171,148.51	\$8,466.90	\$0.00	\$0.00
FLAT ROCK	\$105,212.85	\$105,212.85	\$0.00	\$0.00	\$0.00
FLINT	\$349,612.80	\$349,612.80	\$0.00	\$0.00	\$0.00
FRASER	\$99,108.96	\$99,108.96	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GARDEN CITY	\$135,719.10	\$135,719.10	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$28,406.39	\$28,406.39	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$168,771.89	\$168,771.89	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$115,730.82	\$115,730.82	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$46,732.62	\$46,732.62	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$116,984.93	\$116,984.93	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$67,118.99	\$67,118.99	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$145,636.41	\$139,894.77	\$5,741.64	\$0.00	\$0.00
HARRISON TWP	\$128,130.45	\$128,130.45	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$1,376.00	\$1,376.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$9,332,942.98	\$188,299.74	\$96,582.06	\$98,963.15	\$8,949,098.03
HURON TOWNSHIP	\$121,708.09	\$121,708.09	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$109,428.71	\$109,428.71	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,362.70	\$1,362.70	\$0.00	\$0.00	\$0.00
INKSTER	\$161,001.15	\$161,001.15	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$47,079.16	\$47,079.16	\$0.00	\$0.00	\$0.00
LAPEER	\$128,393.24	\$128,393.24	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$47,084.66	\$46,924.07	\$160.59	\$0.00	\$0.00
LINCOLN PARK	\$196,722.21	\$196,722.21	\$0.00	\$0.00	\$0.00
LIVONIA	\$890,466.14	\$890,466.14	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$996,384.04	\$996,384.04	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$158,765.97	\$158,765.97	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MAYFIELD TOWNSHIP	\$2,903.83	\$2,903.83	\$0.00	\$0.00	\$0.00
MELVINDALE	\$ (21,154.62)	\$ (21,154.62)	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$30,028.06	\$30,028.06	\$0.00	\$0.00	\$0.00
NOCWA	\$1,754,139.79	\$1,754,139.79	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$70,199.84	\$70,199.84	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$429,990.21	\$429,990.21	\$0.00	\$0.00	\$0.00
NOVI	\$700,634.69	\$700,634.69	\$0.00	\$0.00	\$0.00
OAK PARK	\$115,801.41	\$115,801.41	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$5,038.02	\$5,038.02	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$170,144.78	\$170,144.78	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$343,662.71	\$343,662.71	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$264,397.02	\$264,397.02	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$106,099.42	\$106,099.42	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$73,709.11	\$73,709.11	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$23,811.00	\$23,811.00	\$0.00	\$0.00	\$0.00
ROMEO	\$19,996.16	\$19,996.16	\$0.00	\$0.00	\$0.00
ROMULUS	\$351,823.36	\$351,823.36	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$220,466.96	\$220,466.96	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$31,327.25	\$31,327.25	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$1,166,050.69	\$1,166,050.69	\$0.00	\$0.00	\$0.00
SOCWA	\$3,572,474.08	\$3,572,474.08	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$9,634.69	\$9,634.69	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$363,242.88	\$363,242.88	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ST. CLAIR COUNTY-GREENWOOD T	\$39,814.47	\$39,814.47	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$257,218.64	\$257,218.64	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$1,259,681.92	\$1,259,681.92	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$57,660.92	\$57,660.92	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$19,779.71	\$19,779.71	\$0.00	\$0.00	\$0.00
TAYLOR	\$378,315.35	\$378,315.35	\$0.00	\$0.00	\$0.00
TRENTON	\$137,194.10	\$137,194.10	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,066,550.96	\$1,066,550.96	\$0.00	\$0.00	\$0.00
UTICA	\$86,663.11	\$86,663.11	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$289,230.72	\$289,230.72	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$128,493.00	\$128,493.00	\$0.00	\$0.00	\$0.00
WARREN	\$884,115.16	\$884,115.16	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$175,837.25	\$175,837.25	\$0.00	\$0.00	\$0.00
WAYNE	\$275,177.80	\$275,177.80	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,648,683.51	\$1,648,683.51	\$0.00	\$0.00	\$0.00
WESTLAND	\$515,420.09	\$515,420.09	\$0.00	\$0.00	\$0.00
WIXOM	\$193,335.47	\$193,335.47	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$138,378.06	\$138,378.06	\$0.00	\$0.00	\$0.00
YCUA	\$1,673,528.32	\$1,673,528.32	\$0.00	\$0.00	\$0.00
TOTAL WATER ACCOUNTS	\$42,745,338.88	\$31,434,015.77	\$824,872.84	\$1,089,558.25	\$9,396,892.02

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$72,200.00	\$72,200.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$87,299.50	\$87,299.50	\$0.00	\$0.00	\$0.00
DEARBORN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$2,944,100.00	\$2,944,100.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$18,500.00	\$18,500.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$35,559,798.97	\$478,900.00	\$472,500.00	\$472,500.00	\$34,135,898.97
MELVINDALE	\$257,400.00	\$129,600.00	\$127,800.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,821,000.00	\$3,821,000.00	\$0.00	\$0.00	\$0.00
OMID	\$11,735,865.43	\$11,735,865.43	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$22,300.00	\$22,300.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$4,513,500.00	\$4,513,500.00	\$0.00	\$0.00	\$0.00
SOUTHEAST MACOMB SANITATION	\$2,097,000.00	\$2,097,000.00	\$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	\$61,133,163.90	\$25,924,464.93	\$600,300.00	\$472,500.00	\$34,135,898.97

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$31.90	\$31.90	\$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	\$3,068.69	\$3,068.69	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$19.94	\$19.94	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$4,689.25	\$4,689.25	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$10,751.56	\$10,749.87	\$1.69	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$21,629.87	\$14,472.72	\$7,157.15	\$0.00	\$0.00
CANTON TOWNSHIP	\$163.92	\$163.92	\$0.00	\$0.00	\$0.00
CENTER LINE	\$3,574.98	\$3,574.98	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,079.60	\$12,079.60	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$194.96	\$194.96	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$17,110.77	\$17,110.77	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$3,615.19	\$3,615.19	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLAWSON	\$5,307.99	\$5,307.99	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$50,211.83	\$50,211.83	\$0.00	\$0.00	\$0.00
DEARBORN	\$35,880.48	\$35,880.48	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$9,554.33	\$9,554.33	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$204.90	\$204.90	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EASTPOINTE	\$6,288.19	\$6,288.19	\$0.00	\$0.00	\$0.00
FARMINGTON	\$3,910.16	\$3,910.16	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRASER	\$4,814.66	\$4,814.66	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$5,955.97	\$5,955.97	\$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	\$1,147.65	\$1,147.65	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$331.20	\$331.20	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$2,510.71	\$2,510.71	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,052.03	\$4,052.03	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,837.34	\$1,837.34	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,084.99	\$3,084.99	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,753,534.20	\$7,973.20	\$3,929.25	\$3,929.25	\$1,737,702.50
HUNTINGTON WOODS	\$549.87	\$549.87	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$2,370.36	\$2,370.36	\$0.00	\$0.00	\$0.00
INKSTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LAKE ORION	\$779.88	\$779.88	\$0.00	\$0.00	\$0.00
LATHRUP	\$1,365.23	\$1,365.23	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$315.76	\$315.76	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 02/28/21

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	\$200.23	\$200.23	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$18,298.14	\$18,298.14	\$0.00	\$0.00	\$0.00
MELVINDALE	\$3,412.70	\$3,412.70	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,727.06	\$1,727.06	\$0.00	\$0.00	\$0.00
NOVI	\$17,129.07	\$17,129.07	\$0.00	\$0.00	\$0.00
OAK PARK	\$6,934.63	\$6,934.63	\$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)	\$3,881.74	\$3,881.74	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$2,317.92	\$921.56	\$456.01	\$456.01	\$484.34
OXFORD TOWNSHIP	\$1,048.93	\$1,048.93	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$265.73	\$265.73	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$3,785.44	\$3,785.44	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$132.84	\$132.84	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$14,347.01	\$14,347.01	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$17,973.99	\$17,973.99	\$0.00	\$0.00	\$0.00
ROMULUS	\$898.75	\$898.75	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$14,197.67	\$14,197.67	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,487.77	\$13,487.77	\$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 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SHELBY TOWNSHIP	\$14,263.05	\$14,263.05	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$54,877.07	\$54,877.07	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,712.11	\$7,712.11	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$11,671.42	\$11,671.42	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$30,950.98	\$30,950.98	\$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	\$2,958.81	\$2,958.81	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$6,040.12	\$4,111.83	\$1,928.29	\$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)	\$3,007.90	\$3,007.90	\$0.00	\$0.00	\$0.00
WAYNE	\$4,870.25	\$4,870.25	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$12,361.78	\$12,361.78	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) P	\$456.09	\$456.09	\$0.00	\$0.00	\$0.00
WESTLAND	\$21,942.05	\$21,942.05	\$0.00	\$0.00	\$0.00
TOTAL IWC ACCOUNTS	\$2,262,089.61	\$506,045.12	\$13,472.39	\$4,385.26	\$1,738,186.84

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY	\$5,878.90	\$4,192.74	\$1,686.16	\$0.00	\$0.00
A & R PACKING CO., LLC	\$4,624.45	\$4,624.45	\$0.00	\$0.00	\$0.00
AACTRON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$89.51	\$69.31	\$20.20	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$97.14	\$97.14	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$439.79	\$439.79	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$259.94	\$259.94	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$1.72	\$1.72	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$ (158.54)	\$0.00	\$0.00	\$0.00	\$ (158.54)
BARON INDUSTRIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BATCH BREWING COMPANY	\$739.20	\$184.80	\$0.00	\$0.00	\$554.40
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$37.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BETTER MADE SNACK FOOD	\$32,637.60	\$32,637.60	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$66.91	\$66.91	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$3,334.59	\$3,334.59	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$152.69	\$60.38	\$0.00	\$0.00	\$92.31
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$24.50	\$24.50	\$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	\$16,441.06	\$16,441.06	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,850.86	\$32.49	\$16.09	\$19.30	\$1,782.98
CINTAS CORP. - MACOMB TWP.	\$35,090.94	\$35,090.94	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$29,917.87	\$0.00	\$29,917.87	\$0.00	\$0.00
CINTAS CORPORATION	\$11,748.52	\$0.00	\$11,748.52	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$4.07	\$4.07	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$7.04	\$7.04	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$2,059.15	\$2,059.15	\$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
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 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$1,153.58	\$0.00	\$1,153.58	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$9,048.22	\$9,048.22	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$103.78	\$16.48	\$0.00	\$0.00	\$87.30
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$1,253.75	\$1,253.75	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$11.52	\$8.67	\$2.85	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$33.67	\$33.67	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$159.19	\$95.68	\$40.58	\$22.93	\$0.00
DOMESTIC UNIFORM RENTAL	\$5,303.76	\$5,303.76	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$2,036.99	\$2,036.99	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$15.75	\$15.75	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$5,094.36	\$5,094.36	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$904.88	\$904.88	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$7,232.64	\$7,232.64	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLA	\$2,367.30	\$2,367.30	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$176.28	\$176.28	\$0.00	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$22,079.60	\$22,079.60	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$9.83	\$9.83	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$296.77	\$296.77	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G2O ENERGY, LLC	\$2,455.19	\$2,455.19	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$4,907.10	\$4,907.10	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$28.41	\$28.41	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$ (16.18)	\$0.00	\$0.00	\$0.00	\$ (16.18)
GREAT BARABOO BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HACIENDA MEXICAN FOODS	\$2,893.06	\$1,045.42	\$482.11	\$530.32	\$835.21
HENKEL CORPORATION	\$ (43.28)	\$0.00	\$0.00	\$0.00	\$ (43.28)
HOME STYLE FOOD INC.	\$229.63	\$229.63	\$0.00	\$0.00	\$0.00
HEMIGROWN BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$323.48	\$323.48	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$872.71	\$872.71	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$11,141.73	\$11,141.73	\$0.00	\$0.00	\$0.00
HUNTINGTON CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$584.99	\$584.99	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$1,026.20	\$1,026.20	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$151.81	\$36.75	\$0.00	\$0.00	\$115.06
KAR NUT PRODUCTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$702.55	\$702.55	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$1,382.99	\$1,382.99	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$49.30	\$49.30	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$3,125.76	\$0.00	\$3,125.76	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIFE TECHNOLOGIES	\$34,534.86	\$34,534.86	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MACDERMID, INC.	\$1,461.48	\$1,461.48	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$693.94	\$693.94	\$0.00	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$344.64	\$259.30	\$85.34	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
METROPOLITAN BAKERY	\$424.29	\$424.29	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$331.77	\$201.82	\$129.95	\$0.00	\$0.00
MICHIGAN DAIRY	\$212,132.67	\$212,132.67	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$255.29	\$255.29	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$88.76	\$88.76	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$ (17.52)	\$0.00	\$ (17.52)	\$0.00	\$0.00
MOTOR CITY BREWING WORKS	\$1,820.67	\$78.75	\$0.00	\$0.00	\$1,741.92
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEAPCO DRIVELINES	\$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 & MEAT	\$19.03	\$19.03	\$0.00	\$0.00	\$0.00
OAKWOOD BAKERY	\$ (146.63)	\$ (146.63)	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$35,393.26	\$35,393.26	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
PERSONAL UNIFORM SERVICE, IN	\$ (37.89)	\$0.00	\$0.00	\$ (37.89)	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$23,636.90	\$23,636.90	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$86.17	\$86.17	\$0.00	\$0.00	\$0.00
QUALA SERVICES, LLC	\$952.33	\$952.33	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROAK BREWING CO. LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$107.54	\$107.54	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$2,248.86	\$1,311.99	\$0.00	\$0.00	\$936.87
ROYAL OAK BREWERY	\$ (574.60)	\$0.00	\$0.00	\$0.00	\$ (574.60)
RTT	\$27,772.36	\$0.00	\$0.00	\$0.00	\$27,772.36
SEAFARE FOODS, INC.	\$98.58	\$98.58	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$31.50	\$31.50	\$0.00	\$0.00	\$0.00
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$0.00	\$14.52
SUPERNATURAL SPIRITS & BREWI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$1,521.62	\$127.71	\$65.35	\$78.42	\$1,250.14
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TRAFFIC JAM & SNUG	\$ (31.16)	\$0.00	\$0.00	\$0.00	\$ (31.16)
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$1,858.16	\$1,858.16	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$81,545.52	\$53,327.98	\$28,217.54	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$3,691.53	\$2,878.44	\$813.09	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$7.55	\$7.55	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$113.39	\$113.39	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$52.09	\$52.09	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$653.57	\$651.47	\$2.10	\$0.00	\$0.00
US ECOLOGY ROMULUS, INC.	\$1,976.76	\$1,976.76	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$3,942.92	\$3,942.92	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$2,296.01	\$2,296.01	\$0.00	\$0.00	\$0.00
VAUGHAN INDUSTRIES, INC.	\$33.30	\$33.30	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$6,311.36	\$6,311.36	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$449.82	\$449.82	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$ (36.26)	\$0.00	\$0.00	\$0.00	\$ (36.26)
WIGLEY'S MEAT PROCESS	\$735.85	\$735.85	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,021.20	\$1,021.20	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$186.20	\$186.20	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 02/28/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
WOLVERINE PACKING CO	\$6,431.14	\$6,431.14	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,758.12	\$2,758.12	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
TOTAL POLLUTANT SURCHARGE ACCOUNTS	\$690,050.52	\$577,171.00	\$77,489.57	\$650.08	\$34,739.87

City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	(65,652)	(2,206,211)	-	(2,271,863)
				-
June 30, 2013 Balance	\$ 420,235	\$ 12,989,380	\$ 1,007,431	\$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	-	(1,612,633)	-	(1,612,633)
				-
June 30, 2014 Balance	\$ 1,424,592	\$ 18,357,189	\$ 1,169,382	\$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	-	(1,444,623)	-	(1,444,623)
				-
June 30, 2015 Balance	\$ 2,432,625	\$ 22,465,689	\$ 1,335,121	\$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	-	(2,022,335)	-	(2,022,335)
				-
June 30, 2016 Balance	\$ 3,589,803	\$ 26,055,521	\$ 1,441,551	\$ 31,086,875
FY 2017 Billings	1,245,267	5,802,000	101,999	7,149,265
FY 2017 Payments	-	(2,309,186)	-	(2,309,186)
				-
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	-	(4,108,108)	-	(4,108,108)
				-
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	-	(5,241,583)	-	(5,241,583)
				-
June 30, 2019 Balance	\$ 7,351,045	\$ 31,472,844	\$ 1,675,243	\$ 40,499,132
FY 2020 Billings	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments	-	(3,026,117)	-	(3,026,117)
				-
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings (8 Months)	799,258	3,786,400	31,194	4,616,852
FY 2021 Payments (8 Months)	-	(2,338,728)	-	(2,338,728)
				-
Balance as of February 28, 2021	\$ 9,332,942	\$ 35,559,799	\$ 1,753,534	\$ 46,646,275



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Megan Torti, Vendor Outreach Coordinator

Re: Business Inclusion & Diversity Program Update

Background: On November 25, 2020, the GLWA Board of Directors approved an amendment to the Procurement Policy allowing for the formation of a new Business Inclusion & Diversity (B.I.D.) Program within the Financial Services' Procurement Group. The B.I.D. Program Team, which includes internal GLWA Team Members as well as external consultants, executed a Phase I launch of the program on February 1, 2021.

Analysis: As the first B.I.D. Program-qualifying vendor solicitation responses were received by the B.I.D. Program Team in late April and early May 2021, the B.I.D. Program Team undertook the following strategic efforts.

1. Finalized report and recommendations based on research into the Inclusion & Diversity Programs of other national utilities and public sector entities (see attached report).
2. Developed and delivered B.I.D. Program vendor outreach presentation for the Michigan Department of Transportation's "Real Talk Wednesdays" series on May 19, 2021.
3. Reviewed the first B.I.D. Program-qualifying Request for Bid (RFB) responses, including the vendor Diversity Plans. Below are several key highlights from those Diversity Plans.
 - a. Vendors performed targeted outreach to small, minority-owned, and disadvantaged subcontractors, creating communication logs to track responses with new businesses and assembling lists of interested and qualified subcontractors based upon the divisions of work in the contract.
 - b. Vendors identified the strategies by which they sought to maximize opportunities for small, minority-owned, and disadvantaged subcontractors including identifying scopes of work that could be broken down into smaller portions, advertising solicitations on their company websites and other areas, directly inviting businesses to quote, and assisting suppliers and subcontractors in developing quotations. One vendor noted that they requested their affiliated labor unions to encourage women and minority workers be assigned to their projects to ensure that the makeup of project crews is diverse and inclusive as well.

- c. Vendors shared the tools, databases, and Michigan-based vendor certification programs that they used to seek out qualified small and disadvantaged subcontractors for these contracts.
 - d. Vendors included information regarding the diversity and inclusion efforts that they are already doing, including the awards they have received for small and minority-owned supplier development and inclusion as well as the professional associations to which they belong supporting these values.
4. Discussed strategies to proceed with “failed” B.I.D. Diversity Plans as well as modifications to the Procurement Board Report templates.

Additionally, the following tasks remain at the top of our priority list.

- Updating B.I.D. Program forms and documents as we approach the Phase II implementation of the program on July 1, 2021 to reflect lessons learned thus far.
- Developing contract language for B.I.D. Program requirements.
- Evaluating the insurance and bonding requirements for small and disadvantaged businesses enterprises.
- Identifying meaningful reporting and performance measures.

Proposed Action: Receive and file this report.

Business Inclusion and Diversity Program

DRAFT Benchmarking Report

April 7, 2021





**PUBLIC SECTOR
CONSULTANTS**

Prepared by

Public Sector Consultants
www.publicsectorconsultants.com

Prepared for

Great Lakes Water Authority
www.glwater.org

Table of Contents

INTRODUCTION 4

Research Methodology..... 4

Michigan Civil Rights Initiative..... 5

RESEARCH FINDINGS 5

Vendor Types and Certification..... 5

Vendor Support..... 7

Equalization Credits..... 8

Program Goals and Performance Measurement 8

Program Complexity 9

Staffing..... 9

PROGRAM RECOMMENDATIONS 10

Vendor Outreach, Support, and Enforcement 10

Peer Networking and Partnerships 10

Key Performance Indicators 11

CONCLUSION 11

APPENDIX A: SUMMARY OF BUSINESS DIVERSITY PROGRAMS 12

APPENDIX B: PROGRAM PROFILES..... 18

REFERENCES 59

Introduction

The Great Lakes Water Authority (GLWA) developed its Business Inclusion and Diversity Program (B.I.D. Program) over the past year, with a soft launch on February 1, 2021, and a full launch scheduled for July 1, 2021. GLWA partnered with Public Sector Consultants (PSC) to research and benchmark similar business diversity programs in order to understand the current marketplace for procurement diversity efforts, identify industry best practices, and integrate lessons learned, ensuring that GLWA develops and maintains an industry-leading program.

Research Methodology

PSC reviewed 14 business diversity programs in Michigan and other states, working closely with GLWA leadership and staff to identify a list of organizations that merited consideration for review based on their purchasing profile and geographic reach. Multiple organizations within Southeast Michigan were selected, as well as peer utilities across the country, including:

- American Water
- City of Detroit
- Columbus Regional Airport Authority
- DTE Energy
- Huron-Clinton Metroparks Authority
- The Metropolitan Water District of Southern California
- Northeast Ohio Regional Sewer District
- Orange County Government
- Solid Waste Authority of Palm Beach County
- State of Michigan (Michigan Supplier Community)
- Washington State Department of Enterprise Services
- Wayne County
- Wayne County Airport Authority
- Wayne State University

The project team collected publicly available information, such as program descriptions on websites and associated program documentation, to develop profiles for each program. In addition, PSC conducted interviews with program staff from each organization via virtual meetings or phone calls. In several instances where program staff were not responsive to a live interview, PSC sent a list of questions via email. Researchers conducted interviews with staff from ten programs and received responses via email from two others. Only two programs did not respond to inquiries. Appendix A includes a summary of the profiles and Appendix B provides the detailed program profiles.

PSC analyzed the program profiles and interview results to identify key themes that emerged from this research and developed recommendations for GLWA to assist in the B.I.D. Program's ongoing development. Researchers also briefly examined the impact of the Michigan Civil Rights Initiative as it results in constraining key aspects of business diversity programs.

Research Limitations

While general program information was readily available, metrics quantifying purchasing trends and tracking program data were not as accessible. Appendix A includes the material for programs where this information was available or shared during the interviews. While quantifiable data was lacking for some of the programs, PSC was able to develop a clear understanding of the key issues in developing and operating successful business diversity programs. Both the research findings and recommendations highlight key program elements with an eye toward developing GLWA's B.I.D. Program into a model

effort that increases vendor diversity and supports vendor growth and development while simultaneously helping GLWA achieve its operational and financial goals.

Michigan Civil Rights Initiative

In 2006, Michigan voters approved Proposal 2, or the Michigan Civil Rights Initiative. This initiative, and subsequent constitutional amendment, “bans affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education, or contracting purposes,” with the exception to those institutions that are required to maintain affirmative action policies in order to receive federal funding (Michigan Civil Rights Commission 2007). This law has impacted how public entities, including GLWA, are able to implement business diversity programs, the type of activities they can conduct, and key performance metrics and goals they can establish for their programs. These limitations are reflected in programs operating in states with similar laws, such as California, Florida, and Washington, that were included in the benchmarking analysis. The results of these limitations are primarily reflected in the limitation or absence of equalization credits, key performance metrics, and goals related to vendor diversity for each organization.

Research Findings

PSC research on other vendor diversity programs yielded several commonalities and differences among the various programs. Some of the differences can be explained by varying organizational goals and legal restrictions, while others are a function of program history and organizational capacity. However, a number of key program components were common to each, serving as foundational elements to developing a robust program. PSC focused its research findings on these key foundational elements:

- Vendor types and certification
- Vendor support
- Equalization credits
- Program goals and performance measurement
- Program complexity
- Staffing

PSC examined these foundational program elements across all profiled programs to understand the variety of ways organizations have approached them. By understanding the different methods, various key findings emerged from each foundational element. Appendix A summarizes key program components.

Vendor Types and Certification

A key element to every business diversity program is determining what diverse vendor types should be included, defining those, and developing an appropriate certification process. While definitions can vary depending on the organization or certifying entity, diverse vendor types are typically categorized by business ownership, with the most common including:

- Minority-owned business enterprises (MBE)
- Women-owned business enterprises (WBE)
- Disadvantaged-business enterprises (DBE)

- Veteran-owned business enterprises (VE)

In addition to the diverse vendor types based on ownership, another common definition is the small-business enterprise (SBE). While many diverse businesses are small, not all small businesses have diverse ownership. Some entities, including GLWA, will also utilize geographic-based criteria, qualifying vendors based on their location within areas of low income and/or high unemployment and/or the businesses employing individuals from those areas.¹ The type of diverse vendor is often driven by organizational priorities and typically aligns with recognition of historically disadvantaged business types, particularly MBEs and WBEs. Regardless of which definitions an organization utilizes for their program, properly certifying vendors to ensure they meet those definitions is a critical component.

An organization can complete certification internally, rely on third-party (external) certifications, or self-certify. The most common methods of certification among the 14 programs studied are internal and third-party certification, with some using other approaches.

Internal Certification	Third-party Certification	Other Process
<ul style="list-style-type: none"> • City of Detroit • State of Michigan (Michigan Supplier Community) • Wayne County 	<ul style="list-style-type: none"> • American Water • Columbus Regional Airport Authority • DTE Energy • The Metropolitan Water District of Southern California • Northeast Ohio Regional Sewer District • Orange County Government • Solid Waste Authority of Palm Beach County • Wayne County Airport Authority • Wayne State University 	<ul style="list-style-type: none"> • Washington State Department of Enterprise Services (self-certification) • Huron-Clinton Metroparks Authority (no certifications, require diversity, equity, and inclusion [DEI] plan)

Internal vendor certification requires adequate staff resources to collect, review, and verify vendor documentation. This approach can be intensive and take substantial staff time but provides full control over the process. Successful internal certification demands a rigorous quality control process and use of a tracking system to manage application submissions, reviews, approvals, and monitoring.

The most common method, and an alternative to internal certification, is relying on third parties, such as the U.S. Small Business Administration and the Michigan Minority Supplier Development Council. Third-party programs do not require the internal staff and resources needed to establish and execute a certification process. When third-party certifications are common among purchasers utilizing the same vendors, this approach benefits vendors, as they can utilize a single certification across multiple organizations, lessening their administrative burden. While reducing this burden considerably, third-party programs still require some oversight and management. Since vendor ownership can and does change over time, ensuring third-party certifications are current is important in minimizing the risk of a certification becoming invalid.

¹ Broader geographic-based criteria, e.g., within an organization's service territory, have been commonly used for purchasing incentives and equalization credits separate from any diversity goals. These are discussed further under equalization credits on page eight.

In addition to internal and third-party certifications, some organizations do rely on self-certification. This allows a vendor to simply indicate whether they meet a given diversity criteria. This is not a common practice due to the potential for fraudulent certification.

Key Findings

- The types of diverse vendors do vary by organization but most frequently include MBE, WBE, SBE, DBEs, and VEs.
- A robust certification process, whether internal or by third-parties, ensures vendors meet diversity criteria.
- Third-party certification offers distinct advantages of saving staff time and potentially lessening the burden on vendors who can utilize commonly accepted certifications with other purchasers.

Vendor Support

One of the most common themes shared in program staff interviews was the need for ongoing vendor outreach, training, and support. Many disadvantaged businesses, particularly smaller ones with limited administrative support, can find the process of navigating purchasing with larger entities a challenge. The addition of vendor diversity requirements can further complicate the purchasing process and potentially discourage vendors from participating. Developing a program with adequate support helps to overcome these barriers and ensure robust vendor participation.

Most of the programs profiled provide some level of support, including vendor outreach, networking, training, and mentoring. Vendor outreach often starts with communication, including social media, newsletters, and/or advertising through trade associations to educate the vendor community about diversity programs. Outreach also includes procurement staff attending or hosting events to connect with vendors. Events can offer informal networking or more structured training, or a combination of both. Networking events allow vendors to meet with procurement staff and their peers, providing a setting to create personal and business relationships. Training can include sessions at trade association events and conferences, as well as onsite training specifically for vendors. Topics typically cover the purchasing process, but sometimes can even include business development topics, such as human resources and finances. Additional support can be provided through mentoring programs where established vendors are paired with less experienced vendors to provide advice and support, while also offering the potential for subcontractor opportunities.

The vendor supports for diversity programs have often grown out of existing vendor support efforts, with one key difference—a strategic and deliberate process to identify, engage, and address the specific needs of diverse vendors. Since many diverse vendors are smaller, it does take extra effort to reach them and build relationships that result in increased bidding and awards. Vendor support activities require the commitment of staff resources but are a key differentiator in business diversity program success.

Key Findings

- Vendor support initiatives are critical to the success of a business diversity program.
- Vendor support may include one or more of the following: vendor outreach and communication, training events, networking, and mentoring.

Equalization Credits

Equalization credits are a method of adjusting bid amounts or scoring criteria by reducing a business's effective bid price or improving their scoring to be more competitive in the selection process. Equalization credits applied to a bidder's price reduce it by some percentage, commonly around 1 to 3 percent, but going as high as 5 to 7 percent for some programs. Additional evaluation points are given to projects where a scoring system is utilized.

An equalization credit method that public organizations regularly use is local purchasing policy. Local purchasing policies provide preferences to businesses located within specific geographic areas, typically an organization's service territory, but sometimes extending to region and/or state geography. This tool is designed to benefit businesses within the local economy. Equalization credits for diverse businesses provide a similar benefit but focus on benefitting diversity.

Of the programs evaluated, 57 percent (eight of 14) offer some form of equalization credit. In Michigan, the credits are mostly directed to DBEs, SBEs, and some for MBEs, WBEs, and VEs. The limitations of Proposal 2, however, create potential issues for extending credits based on race or gender. In other states, offering equalization credits to diverse businesses is more common if affirmative action restrictions are less limiting.

Key Findings

- Purchasing incentives and equalization credits are a common tool utilized to encourage diverse vendor participation.
- In Michigan, incentives and credits are more commonly found for small-business and geographic-based criteria rather than ownership-based diversity criteria due to Proposal 2 limitations.

Program Goals and Performance Measurement

Establishing goals and measuring performance are critical for program success. Goals provide direction and guidance toward a specific target and serve as the basis for measuring progress. In Michigan, Proposal 2 and the restrictions on affirmative action place some constraints on establishing business diversity goals. To avoid this conflict, some organizations have created aspirational goals rather than rigid targets. Organizations outside of Michigan not facing similar restrictions are more likely to have clear diversity goals and associated metrics.

The primary exception to limitations on establishing goals is found under federal DBE programs. Projects involving certain federal agencies, primarily the U.S. Department of Transportation, require establishing DBE programs with clear purchasing goals. For example, airports that receive federal funding, including the two profiled as part of this study (Columbus Regional Airport Authority and Wayne County Airport Authority), have clearly established DBE targets. The state limitations on affirmative action do not supersede the federal DBE requirements.

Whether goals are clear targets or aspirational, many organizations track progress, at least internally. Data collected ranges from the number of diverse vendors certified to the amount of purchasing awarded to them. However, there is great variability among programs in publicly posting this data. Some organizations include this information within financial or annual reports, but very few have public-facing dashboards or other readily available metrics to indicate program progress and outcomes.

Key Findings

- Program goals are limited in Michigan due to Proposal 2 restrictions but are more common in other states.
- DBE programs are a notable exception to program goals due to federal requirements.
- Tracking program progress is important, but so is publicizing performance data to demonstrate commitment and outcomes.

Program Complexity

The programs assessed varied in their respective levels of complexity. Some organizations have straightforward program requirements, where others are more complicated. Given the multiple components of a business diversity program, effective program policies sometimes demand greater complexity. Complexity can be a function of program evolution over time, especially in addressing and correcting problems that arise or expanding programs to broader vendor types. While complexity by itself is not a problem, it can negatively impact vendor participation by requiring them to navigate a burdensome process without support. Simple and straightforward programs are easier for vendors to manage, particularly small businesses with less experience and administrative resources.

Key Findings

- Program complexity does not equate to program success. While a complex program can be successful, keeping the process simple and straightforward will encourage vendor participation and not deter it.

Staffing

Like any other business initiative, business diversity programs require resources to design, operate, and evaluate them. Each of the programs profiled have staff who are responsible for managing their respective business diversity program. Staff are most commonly part of the procurement team and may be solely dedicated to business diversity work or have other responsibilities within the organization. Among the programs identified, staffing for these programs ranged from one to nine people. The approach to staffing for each organization depends on many factors, including program development history, volume of purchasing, program requirements, and organizational objectives. However, the universality of staffing for the programs demonstrates the importance of adequate resources for implementation.

Key Findings

- Every program profiled has staff assigned to their business diversity programs and tailor their staffing based on their specific needs and available resources.
- Dedicated staffing demonstrates program commitment and allows organizations to execute the necessary program requirements.

Program Recommendations

Based on the research findings, PSC developed a set of program recommendations for GLWA as it continues to develop its B.I.D. Program. These recommendations are derived from the key factors contributing to successful programs, as well as the challenges faced by other organizations in creating and implementing their programs. These recommendations are intended to serve as a guide and basis for continuous improvement, but their implementation will have to be weighed against the available resources and broader organizational priorities. Most importantly, GLWA should remain flexible in its approach to improving vendor diversity—continuously learning, adopting, and adapting to ensure program effectiveness.

Vendor Outreach, Support, and Enforcement

At the core of every strong business diversity program is an engaged and supported vendor community. However, this engagement requires a deliberate strategy on the part of each organization to nurture vendor relationships, helping vendors grow in their efforts to be successful businesses, while balancing this support with ensuring vendors adhere to terms and conditions of contracts when agreeing to meeting diversity requirements. PSC recommends GLWA:

- **Provide vendor support through outreach, education, and program flexibility.** Given the importance of vendor outreach in other successful programs, it is critical to undertake ongoing outreach and educational programs. Hosting regular vendor events and participating in external events where vendors will be present are common and effective strategies. Other organizations have events that serve educational purposes, while also providing networking opportunities to meet with procurement staff and other vendors. In addition, continuous solicitation of vendor feedback can be useful in making necessary adjustments to program guidelines and processes over time.
- **Find the appropriate balance between vendor support and contract terms and conditions.** Encouraging and supporting a diverse vendor pool is important, but so is ensuring vendors meet program standards as they execute contracts. Vendors will have to be held accountable for meeting the terms and conditions of their contracts. Developing terms that protect GLWA in its commitment while not discouraging vendor participation will be important. Another key consideration is balancing the roles of staff in vendor support with responsibilities of enforcing terms and conditions.

Peer Networking and Partnerships

GLWA's efforts to understand other programs have been beneficial in launching the B.I.D. Program. Established programs offer important insights into effective strategies and overcoming challenges. For programs located in Southeast Michigan, they also offer valuable insights into the vendor marketplace that GLWA draws upon. Continuing to network with these organizations, as well as peer organizations across the country, will allow GLWA to learn and share these learnings. PSC recommends GLWA:

- **Continue to leverage peer-to-peer networking with national and regional business diversity programs.** Peer-to-peer networking, such as the U.S. Environmental Protection Agency's efforts to improve collaboration of wastewater utilities, provides valuable opportunities to share

lessons learned. In addition, regional networking offers another way to support the local vendor community. A potential barrier to vendors is navigating the different programs and their various requirements. Working with other agencies to coordinate outreach and even explore ways to create common program parameters could ease the burden on vendors.

- **Evaluate partnering with other utilities or large purchasing entities in the region to undertake a disparity study.** Disparity studies provide a detailed analysis of an organization's purchasing history and compare that with the vendor marketplace to quantify the extent to which minority, women, and other disadvantaged vendors have been selected. They provide important context to the availability of different vendor types and help to frame program potential and set performance indicators. A barrier to disparity studies is their cost. For example, the Metropolitan St. Louis Sewer District indicated that the organization conducted a study in 2012 at the cost of just over \$440,000 and is currently conducting an update at the cost of \$353,000 (Shonnah Paredes, pers. comm.). Since these studies are based on a specific geography and are costly, consideration should be given to partnering with other regional utilities to yield some savings. While the vendor purchasing history is unique to each organization, the marketplace assessment can be shared among organizations with similar vendor profiles.

Key Performance Indicators

As discussed in the research findings, most organizations in Michigan typically only establish key performance indicators (KPIs) when related to federally mandated targets associated with DBE programs. While establishing targets is not allowed, tracking and measuring progress over time will allow GLWA to understand its progress in diversifying its vendor base. PSC recommends GLWA:

- **Develop key performance indicators aligned with organizational goals and publicly communicate progress.** Rather than establishing quantified goals at the outset, data from year one of the program should be closely tracked to establish a baseline for ongoing KPIs. Data collection should be thorough and track metrics from vendor engagement activities, bidding statistics, contract awards, and project closeouts. Using ongoing program performance data, aspirational improvement goals can be established on an annual basis or other appropriate time frame that matches organizational strategic priorities. KPIs should fit within other organizational priorities, e.g., keeping rate increases within established policies. It is also important to publish progress to the vendor marketplace, member customers, and the public at large. Communicating this progress will demonstrate GLWA's commitment to the program and allow stakeholders to understand how that commitment is being realized.

Conclusion

Based on research findings, GLWA's B.I.D. Program has a strong foundation that incorporates several of the model practices identified and early efforts to engage vendors in this program's development have been particularly beneficial. Engaging diverse vendors and understanding their unique challenges is a core requirement of any successful business diversity program. As resources allow, GLWA should incorporate the recommendations over time to meet their goals and those of the vendor community. Remaining flexible and patient in program design and execution will be important. As with any new initiative, success is possible provided the organization-wide commitment remains in place.

Appendix A: Summary of Business Diversity Programs

Organization	Program Name	Year Started	Eligible Business Types ²	Equalization Incentives	Staff	Program Activity	Goals
American Water	Supplier Diversity Program	N/A	Small, minority owned, women owned, veteran owned, disabled owned, LGBT owned, HUBZone, and other disadvantaged groups as defined by the U.S. Small Business Administration	None, provides access and assistance with bidding process	Two leadership positions (per website)	N/A	N/A
City of Detroit	Detroit Business Opportunity Program	N/A	Detroit based and minority and women owned	2–5% depending on contract size, additional 1–3% based on type of business	Two	299 certified vendors	N/A
Columbus Regional Airport Authority	Business Diversity Program	2017	DBE, ACDBE	None, provides access and assistance with the bidding process	Five	3.9% of total purchasing in 2020	15% for John Glenn Columbus International Airport and Bolton Field Airport, 17.2% for Rickenbacker International Airport
DTE Energy	Supplier Diversity Initiative	1980s	Minority and women owned	None, provides access, support, and resources to diverse businesses	Four	Exceeded goal in 2020 with 24% of total spending (\$3.4 billion)	20% goal in 2020, 30% goal for 2026

² Definitions for vendor types are found at the end of the summary table.

Organization	Program Name	Year Started	Eligible Business Types ²	Equalization Incentives	Staff	Program Activity	Goals
Huron-Clinton Metroparks Authority (HCMA)	Amendment to purchasing policies	2020	Businesses that have a DEI plan, pay employees a living wage, or local vendor preference	DEI plan 2% and living wage 2% on projects \$2,500 and above—4% combined maximum	One (procurement is decentralized)	Program rollout commenced January 1, 2021	None currently established, HCMA plans to track all activity closely
Metropolitan Water District of Southern California	Business Outreach Program	2002	Small, regional, and disabled-veteran owned	5% scoring preference for professional service contracts, 5% reduction credit for procurement contracts, SBE/DBE subcontractor utilization requirement for construction contracts	Nine (per contacts available on website)	Approximately 8,000 small businesses are registered in the program's database	25% of total spending
Northeast Ohio Regional Sewer District	Business Opportunity Program	2010	Small and minority and women owned	None, provides support and easier access to bidding	Five (per website)	Approximately 400 certified MBE/WBE/SBE firms participating in the program	Annual program goal is 20% of total capital improvement spending
Orange County Government	Business Development Division	N/A	Minority and women owned	50% of weighted participation points are awarded if MBE/WBE subcontract goals or employment workforce goals are met	N/A	N/A	Construction: 25%, professional services: 27%, goods: 10%, services: 24%
Solid Waste Authority of Palm Beach County	Equal Business Opportunity Program	2018	Small and minority and women owned	Over 20 initiatives to support and encourage participation, depending on industry type	Five	Of 1,000 certified businesses, approximately 1/3 are part of the program	Ranges from 12% to 27% depending on industry and business type

Organization	Program Name	Year Started	Eligible Business Types ²	Equalization Incentives	Staff	Program Activity	Goals
State of Michigan (Michigan Supplier Community)	Michigan Supplier Community	2019	SMLB (<500 employees, <\$25 million sales), GDBE, CRO, SDVO, VTRN)	None, provides easier access to bidding	Two, but program is only a small percentage of duties	300 registered vendors, no projects to date	None established
State of Washington	Business Diversity Program	2019	Small and minority, women, and veteran owned	None, encourages inclusion of diverse businesses through series of recommendations	Three	Data collection and reporting processes are currently being implemented	N/A
Wayne County	Business Certification and Diversity Program	2006	CBE, SBE, EBE, JV, MV, TGCE, VE	CBE 2% for projects more than \$200,000; 5% for \$50,000–\$200,000; 7% for up to \$50,000; 2% max for all others	Five, but they have other responsibilities outside of the program	Bidding for new tracking system in 2021	N/A
Wayne County Airport Authority	Disadvantaged Business Program and Small Business Enterprise Program	2006 (SBE Program)	DBE, ACDBE, SBE	SBE 1–2% for contracts more than \$100,000; 1–3% for contracts less than \$100,000; percentage of SBE work must be at least 20% or 30% depending on mix of prime contractor and subcontractor work	Three, focus on both business diversity and contract compliance	Reached SBE goals for the past two years, 18% of more than \$600 million operations and maintenance (O&M) budget	DBE: FY20–FY22 7%; SBE: 18% (O&M budget)
Wayne State University	Supplier Diversity Program	2004, updated in 2020	Minority, women, and physically challenged owned	None, encourages inclusion of diverse businesses in the bidding process and provides training and resources to diverse businesses	Six, this includes the entire procurement team who share responsibilities for the program	In 2019, 9.25% of all spending went to diverse businesses	None established

Business Type Definitions³

Acronym	Business Type	Definition
ACDBE	Airport concession disadvantaged business enterprise	A for-profit concession owned and controlled by individuals who are both socially and economically disadvantaged.
CBE	County-business enterprise	A business with headquarters physically located within Wayne County, or that has been conducting business at a location with a permanent street address in the county on an ongoing basis for not less than one taxable year immediately prior to the application for certification as a CBE and at least 50% of its regular full-time employees are based at the county location to perform the proposed contract. Plus additional requirements.
CRO	Community rehabilitation organization	A nonprofit charitable organization or institution incorporated in Michigan that is operated for the purpose of carrying out a recognized program of employment and training services for people with disabilities.
DBE	Disadvantaged-business enterprise	A for-profit small business owned and controlled by individuals who are both socially and economically disadvantaged per federal code 49 CFR Part 26. ⁴
EBE	Expanding-business enterprise	A business that has average annual gross receipts of \$1 million or less and no more than 15 employees. A business that is an affiliate or subsidiary of an entity that is not eligible for certification as an EBE shall not be certified as an EBE.
GDBE	Geographically disadvantaged-business enterprise	A business that is a certified HUBZone small-business concern for the U.S. Small Business Administration, or has a majority of its employees who maintain a principal residence within a Qualified Opportunity Zone (QOZ), or Michigan-based business with its principal place of business within a QOZ.
JV	Joint venture	A combination of separate businesses, one of which is a CBE and the other an SBE or EBE, which has been created to perform a specific contract, which shares in profits and losses, and which is evidenced by a written agreement that provides, at a minimum, that the SBE or EBE: (1) Is substantially included in all phases of the contract, including, but not limited to, bidding and staffing; (2) provides at least 51% of the total performance, responsibility, and project management of a specific job; and (3) receives at least 51% of the total remuneration from a specific contract.

³ For City of Detroit, see program detail for list of their definitions.

⁴ CFR stands for Code of Federal Regulations.

Acronym	Business Type	Definition
SBE (Wayne County)	Small-business enterprise	<p>A business other than an individual, sole proprietorship or partnership that has been in existence and operating for at least one year prior to the date of application for certification as a small-business concern and is one of the following:</p> <ul style="list-style-type: none"> • A manufacturing business, which, for the three fiscal years preceding the date of application for certification, has provided full-time employment to not more than 500 persons • A general construction business, which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$28 million • A specialty construction business, which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$12 million • A wholesale business which, for the three fiscal years preceding the date of application for certification, has provided full-time employment to not more than 100 persons • A retail business which, for the three fiscal years preceding the date of application for certification, has average gross receipts of not more than \$6 million • A service business, other than professional, which for the three years preceding the date of application for certification, has average annual gross receipts of not more than \$6 million • A professional services business, which for the three fiscal years preceding the date of application for certification, has had average annual gross receipts of not more than \$6 million <p>A business which is an affiliate or subsidiary of an entity that is not eligible for certification as an SBE shall not be certified as an SBE.</p>
SBE (Wayne County Airport Authority)	Small-business enterprise	A business that is independently owned and headquartered within the Air Trade Area (Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties) and has average annual gross receipts over the most recent three-year period or average number of employees in the last 12 calendar months that do not exceed the U.S. Small Business Administration size standards.
SDVO	Service-disabled veteran owned	A business that is 51% or more owned by one or more persons who served in the active military, naval, or air service and who was discharged or released from service under conditions other than dishonorable, and has a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 USC 101(16).
SMLB	Small business	A business that has fewer than 500 employees and less than \$25 million revenue.

Acronym	Business Type	Definition
TGCE	Targeted growth community enterprise	A business that (1) has made payment of property taxes on real or personal property within the targeted growth community in the past year on property which is ordinarily needed to perform the proposed contract; (2) has its headquarters physically located within the targeted growth community, or it has been conducting business at a location with a permanent street address in one of the targeted growth communities on an ongoing basis for not less than one taxable year immediately prior to the application for certification as a TGCE; (3) has been dealing for at least one year on a regular commercial basis in the kind of goods or services that are the subject of the bid or in a closely or logically allied product line; (4) is not merely displacing a business that has previously been the low bidder but does not qualify for the TGCE credit, by buying from that business and re-selling to the county at a mark-up within the TGCE credit; (5) provides a commercially viable product or service to a governmental and private-sector clientele; (6) has an adequate number of its regular full-time employees who are based in the targeted growth community location to perform the proposed contract; (7) has satisfied any other requirements established by rules or regulations promulgated to implement this section; and (8) has been evaluated and certified as a TGCE by the Division of Human Relations.
VTRN or VE	Veteran owned	A business that is 51% or more owned by one or more persons who served in the active military, naval, or air service and who was discharged or released from service under conditions other than dishonorable.

Appendix B: Program Profiles

American Water

Program Summary

Overview

American Water is the largest publicly traded water and wastewater utility company in the U.S., providing services to more than 15 million people in 46 states.

Their Supplier Diversity Program was initiated to promote diversity and economic development in communities they serve and create an inclusive procurement process by working with a broad range of diverse suppliers (see Definitions section). American Water has implemented supplier diversity policies to ensure that their employees understand and comply with the goals of the program (American Water n.d.b).

Supplier Diversity Program

Program Description

The Supplier Diversity Program promotes and fosters business opportunities with a broad range of diverse businesses. Once certified and registered, a supplier becomes available to work with sourcing staff, who help the supplier identify procurement opportunities that they are qualified for based on the services needed, and refer them to be included in the request for proposal (RFP) process.

In order to maintain commitment to the program and to support and promote a diverse supplier community, the program consists of diversity inclusion policies, diverse supplier development, awards, recognition, and events. Their policies include:

- Established corporate policies and management support
- Developed Corporate Supplier Diversity Strategic Plan
- Internal and external program communications
- Continuously identifying opportunities for diverse suppliers
- Established minority supplier development process
- Goal setting, tracking, and reporting with an established continuous improvement plan
- Recognizing achievements (American Water n.d.a)

Definitions

The following businesses are considered under the diverse supplier program:

- Minority-owned business
- Women-owned business
- Veteran-owned business
- Service-disabled veteran-owned business
- Disabled-owned business
- LGBT-owned business
- Historically Underutilized Business (HUBZone)
- Small Disadvantaged business (SDB)
- Veteran-owned small business (VOSB)
- Woman-owned small business (WOSB)
- Service-disabled veteran-owned small business (SDVOSB)
- Alaska Native Corporations (ANCs)
- Historically Black colleges and universities (HBCU)
- Minority institutions (MI)
- Any other group that is considered to be disadvantaged by the Small Business Administration

The above businesses must be certified (by a recognized agency), controlled (overall fiscal and legal responsibility), or owned (at least 51 percent) by the group they are claiming (American Water n.d.c).

Certification

To participate as a diverse supplier with American Water, the company must be certified as a women- or minority-owned business by a recognized certifying agency that includes national, governmental, and regional organizations.

All certified diverse supplier vendors must register in American Water's database via their vendor registration portal. Once they are registered, their company is available to participate and bid on various business opportunities (American Water n.d.c).

Reporting

For reporting purposes, suppliers are defined as either prime/tier one or sub/tier two. Tier one suppliers are those that sell directly to American Water. Tier two suppliers are those who are performing work as subcontractors to a prime contract. Contract work that is executed with tier two suppliers are required to submit quarterly spending reports through the Supplier Diversity Portal (American Water n.d.d).

Vendor Training and Support

The program supports diverse supplier development by providing feedback on RFP submissions from potential vendors, offering industry- or company-specific education programs, formal mentoring, providing program review and support, expanding diverse supplier utilization within the company, and encouraging networking and alliances between diverse suppliers (American Water n.d.a).

Staffing

The Supplier Diversity program is led by a senior manager and senior diversity program lead, both at the national level (American Water n.d.a).

City of Detroit

Program Summary

Overview

The City of Detroit's Civil Rights, Inclusion & Opportunity Department (CRIO) consists of three teams. The Outreach team serves as the primary resource for construction jobs and training opportunities for Detroit residents; the Incentives team ensures that construction projects are inclusive; and the Civil Rights team assures safe, nondiscriminatory environments for city residents, visitors, and employees (City of Detroit n.d.a).

CRIO operates the Detroit Business Opportunity Program (DBOP), which provides qualifying businesses with business opportunities, events, networking, visibility, and equalization credits (City of Detroit n.d.b).

Detroit Business Opportunity Program

Program Description

DBOP was implemented to promote and increase participation of Detroit-based businesses in the Detroit economy through visibility, capacity building, and networking. For certified Detroit-based, minority-owned, and women-owned businesses, this is provided through equalization credits during the solicitation and bidding process (City of Detroit n.d.c).

Depending on the contract size, Detroit-based and Detroit-resident businesses receive equalization credits that range from 1 to 5 percent:

Contract Size	Equalization Credit
Less than or equal to \$10,000	5 percent
\$10,000.01–\$100,000	4 percent
\$100,000.01–\$500,000	3 percent
Greater than \$500,000	2 percent

Businesses that have additional certifications can add the following equalization credits:

Business Type	Additional Equalization Credit
Detroit-headquartered business	3 percent
Detroit small business	1 percent
Detroit-based micro business	2 percent
Joint venture	2 percent
Mentor venture	1 percent

Definitions

The program works with the following business types:

- Detroit-based businesses (DBB)
- Detroit-headquartered businesses (DHB)
- Detroit-resident businesses (DRB)
- Detroit small businesses (DSB)
- Detroit-based micro businesses (DBMB)
- Detroit startups (DSU)
- Minority-owned business enterprises (MDE)
- Women-owned business enterprises (WBE)

To be considered a Detroit business, they must have been operating for at least one taxable year in the city, except those businesses seeking startup certification (City of Detroit n.d.b).

Certification

Businesses can receive certification with CRIO by submitting an application online and selecting which certifications they are applying for. Once an application is submitted, businesses must provide required documentation and go through a site visit so that CRIO may verify the business' existence and operation. Following a verified site visit, a certification fee must be paid in order to receive certification. The entire process is estimated to take 30 to 40 days (City of Detroit n.d.b). The City currently has 299 registered vendors with a goal of 500 more (Amanda Saab, pers. comm.).

Vendor Training and Support

Vendors who are part of DBOP have access to member appreciation events, networking, and capacity-building opportunities (City of Detroit n.d.b). The City is currently providing monthly vendor events with DBOP-specific training as part of the sessions.

Staffing

The City of Detroit has two staff dedicated to the DBOP focused on outreach and certification. Procurement staff handle bidding and related processes (Amanda Saab, pers. comm.).

Columbus Regional Airport Authority

Program Summary

Overview

The Columbus Regional Airport Authority (CRAA) is an independent government entity that is charged with the management and operations of three regional airports and two business segments. Between these entities, the CRAA contributes 58,730 jobs and \$12.9 billion in total economic output (CRAA n.d.a).

Because they receive funding from the U.S. Department of Transportation (USDOT), the CRAA administers a Disadvantaged-business Enterprise (DBE) Program, which promotes and supports contracting opportunities with disadvantaged businesses, including those that are minority and women owned (CRAA n.d.b).

Business Diversity Program

Program Description

The DBE Program helps to ensure nondiscrimination and provide equal opportunity for vendors seeking to do business with the CRAA on federally assisted contracts, which includes DBEs and airport concession disadvantaged business enterprises (ACDBEs). The program includes the following objectives:

- Level the playing field for competitive bids and solicitations for DBEs
- Remove barriers that can negatively impact DBE participation
- Help the development of firms compete successfully outside of the program
- Ensure the program is tailored in accordance with applicable laws
- Confirm that only firms that meet the eligibility criteria are allowed to participate in the program
- Promote working with DBEs in federally assisted contracts and procurement activities
- Provide flexibility when providing opportunities for DBEs (CRAA n.d.b)

Some of these objectives are met in practice by reviewing purchase orders, meeting with all departments on a quarterly basis, monitoring their diverse supplier spending, and providing diverse supplier contact lists that are specific to each department and their line-item spending (Karmin Bailey, pers. comm.).

In addition, the CRAA has implemented a small-business element called the Diversity Business Partner Program to encourage small-business participation in solicitations and bidding. The goal of the small-business program is to reduce obstacles to participation by restructuring contract requirements, including bundling contract requirements (CRAA n.d.c).

Goals

Each airport has developed a three-year DBE goal:

- **John Glenn Columbus International Airport and Bolton Field Airport (2020–2022).** Overall DBE participation goal of 15 percent, with 14 percent as race conscious (i.e., race or gender was a contributing factor in the awarding process) and 1 percent race neutral (i.e., race or gender was not a contributing factor in the awarding process), equating to \$877,466 (CRAA n.d.d)
- **Rickenbacker International Airport (2019–2021).** Overall DBE participation goal of 17.2 percent, with 16.2 percent as race conscious and 1 percent race neutral, equating to \$4,928,642 (CRAA n.d.e).

Definitions

Per federal code, a DBE is defined as a for-profit small business owned by individuals that are considered to be both socially and economically disadvantaged, while an ACDBE is a for-profit concession (i.e., a business located inside of an airport that sells consumer goods and services under an agreement with that airport) owned by individuals that are considered to be both socially and economically disadvantaged (WCAA n.d.).

Certification

Certification of DBEs and ACDBEs is performed by the Ohio Unified Certification Program. In order to receive certification, a business must meet the following requirements:

- Owner must be a member of a socially or economically disadvantaged group
- Business must be owned (at least 51 percent) by one or more individuals who are members of a socially or economically disadvantaged group
- Owners must be in control of the business' management and operations
- An owner's personal net worth cannot exceed \$1,320,000, excluding ownership of the business and equity of their primary residence
- The business must meet the U.S. Small Business Administration's size standard requirements (CRAA n.d.b)

Reporting

The CRAA regularly reports out on the program to the Federal Aviation Administration per federal code. In addition, they also monitor and report payments made to DBE firms, including what is actually paid versus what is committed. The CRAA also conducts contract reviews and monitors work sites to confirm compliance with contracts (CRAA n.d.c).

Staff currently generate annual business diversity reports that share metrics on the DBE/ACDBE programs, such as total dollar amount awarded and percentage of total contracts, as well as contract breakdowns by ethnicity and gender. Reports also include diversity capital and operations spending (Karmin Bailey, pers. comm.).

Vendor Training and Support

As part of the program's objectives and activities, program staff offer additional support and outreach to vendors through bid debriefs and various events. Debriefs provide feedback to vendors who have lost solicitations on the strengths and weaknesses of their bids so that they can submit more competitive bids

in the future. Outreach events and other meet-and-greets allow vendors to meet with staff and share information, which provides important touch points between staff and diverse vendors (Karmin Bailey, pers. comm.).

Staffing

The CRAA established the position of DBE liaison officer, who is responsible for the development, implementation and monitoring of the DBE Program. Per the program report, this position has one direct report and “multiple staff resources from other internal departments to assist in the administration of the program.” (CRAA n.d.c).

Under current operating procedures, there are two staff members focused on business diversity and three that focus on procurement, totaling five staff within the department (Karmin Bailey, pers. comm.).

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DTE Energy

Program Summary

Overview

DTE Energy (DTE) is a Detroit-based energy company that serves 2.2 million customers with electric services and 1.3 million customers with natural gas services in southeastern Michigan. The utility maintains a large portfolio, including energy businesses, renewable natural gas and pipelines, gathering and storage, and marketing and trading (DTE n.d.).

As part of their commitment to diversity, DTE established their Supplier Diversity Initiative within their supply chain management to better utilize the diversity and range of vendors within the community (DTE n.d.). Supplier diversity efforts have been underway at DTE since the 1980s (Karin Cozzi, pers. Comm.).

Supplier Diversity Initiative

Program Description

DTE established the Supplier Diversity Initiative as part of their larger business strategy to help the company and businesses in the community succeed. In doing so, the initiative creates and promotes business opportunities with minority- and women-owned companies along with advocacy, training, mentoring, and development experiences. DTE has also created their Supplier Diversity Advisory Council to strengthen partnerships between the company, diverse suppliers, community leaders, and other stakeholders. Approximately 30 individuals representing suppliers, business leaders, and DTE leadership make up the council and provide advice and resources to ensure diversity goals are being met (DTE n.d., Karin Cozzi, pers. comm.).

Goals

DTE has an annual target of 20 percent of their total procurement with diverse businesses. In 2020, DTE exceeded its goal by achieving 24 percent of its total spending with diverse businesses, approximately over \$800 million of its total \$3.4 billion in annual procurement. DTE is raising its goal to 30 percent in 2030.

Definitions

In order to be certified and participate in the initiative, a business must meet the following criteria:

- Be a minority-owned business enterprise (MBE), which means at least 51 percent of the business is owned, operated and controlled by minority group members.
- Be a women-owned business enterprise (WBE), which means at least 51 percent of the business is owned, operated, and controlled by women (DTE n.d.).

Certification

DTE recognizes certification of MBEs and WBEs from two certifying agencies: the National Minority Supplier Development Council and the Women's Business Enterprise National Council. Once certified, a business is encouraged to review the "Contact a Buyer" section of DTE's website or contact the supplier diversity team for information regarding business opportunities (DTE n.d.). DTE currently has 287 certified vendors (Karin Cozzi, pers. comm.).

Vendor Training and Support

DTE hosts outreach events each year with diverse business vendors to share information about the program and potential business opportunities with the company. They host a mentorship program to increase competitive advantage within the company (DTE n.d.). DTE has also paid for out-of-state conference attendance for two suppliers to expose them to other utilities across the county and expand their business opportunities.

Staffing

The supplier diversity team is staffed by four individuals, including three managers and an analyst (DTE n.d.). These four staff members are dedicated solely to the diversity program (Karin Cozzi, pers. comm.).

Huron-Clinton Metroparks Authority

Program Summary

Overview

The Huron-Clinton Metroparks Authority (Metroparks) is a regional park system that provides recreational and educational opportunities in Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties. It is governed by a seven-member board of commissioners, representing the five member counties and two members selected by the governor to represent the district at large.

In September 2020, the Metroparks amended their purchasing policy to include bid discounts and local vendor preferences to incentivize solicitations and participation from businesses that align with the Metroparks' mission; core values; and diversity, equity, and inclusion (DEI) plan (Huron-Clinton Metroparks n.d.). Unlike most other business diversity programs, the Metroparks' program does not utilize a vendor certification process except for local vendor preference. The program was launched on January 1, 2021.

Purchasing Incentives and Preferences

Program Description

Bid discounts (equalization credits) are awarded to all bids equating to \$2,500 or more that are solicited by businesses that meet one or both of the following criteria:

Criteria	Bid Discount	Required Documentation
DEI plan	2%	Copy of DEI plan <i>and</i> DEI Plan Verification Form verifying that the plan was adopted at least six months prior to the submission
Living wage payment	2%	Evidence of living wage payment to employees of at least \$15 per hour using income taxes, payroll documentation, etc. <i>and</i> Living Wage Verification Form

Bid discounts may be used in combination but cannot exceed 4 percent or \$25,000, whichever is lower. Discounts are applied to the original bid offer, so that offers are evaluated by the Metroparks as if they were 2 (or 4) percent lower than what was actually submitted by the vendor (Huron-Clinton Metropolitan Authority 2020).

Local vendor preference is also considered for purchases of \$2,500 or more in order to promote economic growth and regional job development and to increase participation of underrepresented communities. Per the purchasing policy, a Metroparks-based business must meet all of the following criteria:

- Operate from a building or office with a permanent street address located within the Metroparks service region (Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties) for at least one year prior to the solicitation bid

- Provide the goods and services specified in the solicitation within the service region for at least one year prior to the solicitation bid
- Agree to not sublet 50 percent or more of the dollar value of the contract to subcontractors who do not meet the definition of a Metroparks-based business

Vendors seeking local-vendor status must sign and submit verification before any contract is awarded. If a purchase is between \$2,500 and \$24,999, at least one quote must be solicited from a Metroparks-based business. If a purchase is \$25,000 or more, any Metroparks-based business will be given additional consideration during the evaluation and selection process. Metroparks-based businesses within 5 percent of the winning bid, but no more than \$5,000, are also offered the option to meet the lowest bid price (Huron-Clinton Metropolitan Authority 2020).

Staffing

Huron-Clinton Metroparks has one purchasing staff that oversees the program. Overall purchasing efforts are decentralized across the organization (Heidi Dziak, pers. comm.).

The Metropolitan Water District of Southern California

Program Summary

Overview

The Metropolitan Water District of Southern California (Metropolitan) is a regional wholesaler that delivers water to almost 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Venture Counties in California. The Metropolitan has a membership of 26 public agencies and is governed by a board of directors consisting of 38 members who represent each of the district's member agencies (The Metropolitan Water District of Southern California n.d.a).

The Metropolitan's Business Outreach Program was developed and implemented in 2002 to promote business and economic development through contracting opportunities with small, regional, and disabled veteran-owned businesses, with a set goal of 25 percent of total annual spending (between \$300–\$500 million) for the organization (John Arena, pers. comm.). In addition, the program encourages collaboration and sharing best practices through outreach activities such as their biannual Connect 2 Met event and their MWD Innovation Program (The Metropolitan Water District of Southern California n.d.b).

Business Outreach Program

Program Description

The Business Outreach Program provides incentives for contracts for small, regional, and disabled veteran-owned businesses, depending on the type of contract. For construction contracts, there is a small and disabled veteran-owned businesses subcontractor utilization requirement for contracts over \$100,000. For professional services contracts, small, regional, and disabled veteran-owned businesses receive a 5 percent scoring preference. For procurement contracts, there is a 5 percent reduction credit for all three business types, with a maximum of a \$25,000 reduction credit (The Metropolitan Water District of Southern California n.d.b).

Goals

Metropolitan's current goals for participation are 18 to 20 percent small-business utilization for professional service contracts and a minimum of 20 percent for their small-business requirement for construction contracts (The Metropolitan Water District of Southern California n.d.b).

Definitions

The Business Outreach Program uses the following definitions:

- Small business: Business that complies with the U.S. Small Business Administration guidelines
- Regional business: Business that has maintained a physical location or address in Metropolitan's service area for at least one year
- Disabled veteran–owned business: Business owned by a disabled veteran that has been certified as such by either the State of California or the federal government (The Metropolitan Water District of Southern California n.d.b)

Certification

Vendors can receive small-business certification through an online application process with the U.S. Small Business Administration or with Metropolitan through their online portal, NETConnect. Disabled veteran–owned businesses must be certified through the State of California Department of General Services or through the federal government's certification process. All businesses must register for an account through NETConnect (The Metropolitan Water District of Southern California n.d.b). There are approximately 8,000 small businesses in the program's database (John Arena, pers. comm.).

Reporting

Metropolitan has a Contract Compliance and Accountability Program (CCAP) that tracks small business enterprise utilization for all professional service contracts and monitors construction contracts greater than \$100,000 for compliance with their small-business subcontractor requirement (The Metropolitan Water District of Southern California n.d.b).

Vendor Training and Support

Metropolitan hosts a biannual networking event, Connect 2 Met, as well as a program called MWD Innovation Program to support vendors.

The Connect 2 Met event brings Metropolitan staff, member agency representatives, partnering agencies, businesses, and other stakeholders together to network and provide educational opportunities to help potential vendor businesses learn how to work with public agencies.

The MWD Innovation Program was created with the goal to help business development and encourage innovation in the market. The program hosts a portfolio of different activities and opportunities, including:

- Technology Feedback Forum
- Water Savings Incentive Program
- Innovative Conservation Program
- Innovative Supplies Funding Program
- H2oTechConnect community

State of Michigan (Michigan Supplier Community)

Program Summary

Overview

The Michigan Department of Technology, Management and Budget (DTMB) provides support to state agencies through services such as building management and maintenance, information technology, contracting and procurement, and budget and financial planning, among others in order to increase efficiencies and optimize services (DTMB n.d.a).

The Michigan Supplier Community (MiSC) was established in 2019 as a way to encourage business opportunities between DTMB and low-income communities and underutilized business areas (DTMB n.d.b).

Michigan Supplier Community

Program Description

The MiSC program is geared toward basic commodity and simple services and allows state agencies to obtain three quotes and purchase directly from vendors up to \$500,000 to increase opportunities for qualifying vendors and simplify the bidding process. This process is intended to significantly streamline the usual bidding process (DTMB n.d.b). Because the program focuses on smaller contracts, the terms and conditions typically associated with larger contracts do not apply, which helps lower the burden of entry into the program and subsequent solicitation process (Will Camp and Craig Terrill, pers. comm.). In addition, MiSC solicitations are not publicly posted on the State's SIGMA Vendor Self Service (VSS) system site. Vendors who are part of the MiSC are not necessarily given purchase preference but may be able to skip the formal bidding process and receive a request for a quote directly from the State (DTMB n.d.c).

To date, the program has approximately 300 qualified vendors registered, most of them are existing vendors who were able to qualify. However, there have not been any purchases made yet through the program, potentially due to the impression that working with the State of Michigan has many barriers. Program staff are aware of this perception and are working to overcome it and they are currently seeking to register about 1,000 vendors for the program (Will Camp and Craig Terrill, pers. comm.).

Goals

The program has yet to develop any key performance indicators. However, Executive Directive 2019-8 requires that 3 percent or more of expenditures from each state fiscal year will be made to certified geographically disadvantaged business enterprises (GDBE) by the 2022–2023 state fiscal year. This goal is already being met (Will Camp and Craig Terrill, pers. comm.).

Definitions

For a vendor to be eligible to participate in the MiSC, they must have their primary place of business in Michigan *and* meet one of the following four criteria:

1. Be a small business with fewer than 500 employees and annual revenues equal to or less than \$25 million.
2. Be a DGBE. As defined by Executive Directive 2019-08, the business must meet one of the following criteria:
 - Be a certified HUBZone small business concern by the U.S. Small Business Administration *or*
 - Have a majority of their employees maintain a principal residence within a Qualified Opportunity Zone (QOZ) *or*
 - Be a Michigan-based business with its principal place of business within a QOZ
3. Be a community rehabilitation organization (CRO)
4. Be a veteran-owned or service-disabled veteran-owned (SDVOB) business

A Michigan-based business is any business that pays taxes to the state (DTMB n.d.b). Additionally, the following are definitions for eligible business types and can be added to a vendor's SIGMA VSS profile:

Business Type	Definition
Michigan principal location	Business has its principal place of business in Michigan.
HUBZone business	Business is HUBZone certified by the U.S. Small Business Administration.
QOZ by principal location	Business has its principal place of business within a QOZ as designated by the U.S. Department of the Treasury in the Federal Register at IRB Notice 2018-48.
QOZ by employee work sites	Business has a majority of their employees working at a location within a QOZ.
QOZ by employee homes	Business has a majority of their employees maintaining a principal residence within a QOZ.
Community rehabilitation organization	Nonprofit charitable organization or institution incorporated in Michigan that is operated for the purpose of carrying out a recognized program of employment and training services for people with disabilities.
Service-disabled veteran owned	Business is 51 percent or more owned by one or more persons who served in the active military, naval, or air service and who was discharged or released from service under conditions other than dishonorable and has a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 USC 101(16).
Small business	Business has less than 500 employees and less than \$25 million revenue.
Veteran owned	Business is 51 percent or more owned by one or more persons who served in the active military, naval, or air service and who was discharged or released from service under conditions other than dishonorable. (DTMB n.d.b)

Certification

Vendors who meet the above criteria must also have a current SIGMA VSS profile. Their profile will confirm their eligibility status and allows the vendor to be registered for the MiSC. The program is free to join (DTMB n.d.b).

Reporting

The State of Michigan utilizes a contract-monitoring plan to ensure compliance of all contracts. With no contracts to date, they have yet to require any enforcement with program guidelines (Will Camp and Craig Terrill, pers. comm.).

Vendor Training and Support

Vendor support has been focused primarily on efforts to connect with vendors. Outreach occurs through staff attending events as well as via the program's website and social media. Staff have also worked to connect with the vendor community through the Michigan Economic Development Corporation, Small Business Association of Michigan, and Procurement Technical Assistance Centers.

Staffing

Currently, staff time is limited to the communications specialist and the program manager. They collectively spend three to five hours per week on program efforts, but it can increase to several days during vendor outreach efforts.

Northeast Ohio Regional Sewer District

Program Summary

Overview

The Northeast Ohio Regional Sewer District (the Sewer District) provides wastewater treatment and stormwater management to 62 communities and one million residents each year (NEORSD n.d.a).

As the result of a disparity study that examined the experiences of minority- and women-owned firms within the Sewer District's geographic service area, the district established the Business Opportunity Program with the goal of creating greater economic impact in the communities it serves (NEORSD n.d.b).

Business Opportunity Program

Program Description

The Business Opportunity Program promotes procurement opportunities to small businesses and minority- and women-owned businesses to increase jobs and economic growth in the business community. Procurement opportunities are available for several industries, including goods, professional services, construction, and engineering.

The Business Opportunity Program incorporates a number of measures to ensure equal opportunities across all contracts and procurements, including:

- Arranging solicitation times to facilitate participation of interested vendors
- Segmenting contracts to encourage participation from small and minority- and women-owned businesses
- Providing information on procedures, bid preparation, and specific contracting opportunities
- Assisting businesses to overcome barriers, such as bonding and financing
- Holding pre-bid conferences to provide additional information on projects and to encourage the use of all available vendors as subcontractors
- Developing prompt payment procedures for prime and subcontractors
- Reviewing contract requirements to reduce unnecessary barriers
- Restricting the substitution of subcontractors without the Sewer District's prior approval
- Collecting and maintaining information on all vendors bidding on prime contracts and their utilization of subcontracts
- Referring discrimination complaints to the appropriate entities for investigation (NEORSD n.d.e; NEORSD n.d.f)

In addition, businesses that participate in the program are listed in the pool of qualified and available companies to do business with the Sewer District, increasing their chances of gaining prime and subcontracting opportunities (NEORSD n.d.c). For contracts for goods and services valued at less than \$50,000, the Sewer District will consult directly with their registry of small and minority- and women-

owned businesses and contact those who are certified to do the work directly. Other prime contractors and consultants can also use the directory to identify subcontractors when required to meet project-specific diversity goals (NEORSD n.d.d).

The program is overseen by the Office of Contract Compliance (OCC). In order to promote procurement and contracting opportunities and meet designated goals, the OCC is responsible for:

- Recommending policies and procedures for implementation to the Sewer District leadership around small and minority- and women-owned business program administration
- Maintaining outreach and assistance programs
- Establishing and maintaining relationships with agencies and other stakeholders with similar diversity goals and, when applicable, coordinating internal program operations with the other programs
- Establishing procedures for certification and maintaining and publishing a directory of certified firms
- Monitoring and reporting data related to the use of small and minority- and women-owned businesses
- Creating contract goals with other relevant departments
- Responding to inquiries regarding contract solicitations and goals
- Attending initial meetings for projects to inform and explain small and minority- and women-owned business policies and requirements
- Monitoring contractor and other departments' performance in meeting contract goals
- Monitoring progress toward annual aspirational goals
- Investigating complaints (NEORSD n.d.e; NEORSD n.d.f)

Goals

The Sewer District has established annual aspirational goals for the overall utilization of small and minority- and women-owned businesses on prime and subcontracts that are established by an internal committee. The overall annual program goal is 20 percent of total capital improvement spending for the organization. In 2019, this goal was met for both construction and stormwater contracts, amounting to \$26.7 million and \$1.3 million, respectively (Tiffany Jordan, pers. comm.). They also set contract goals on contracts where there are at least three minority-owned businesses, women-owned businesses (or some combination of the two), or small businesses that are certified to perform the work (NEORSD n.d.e; NEORSD n.d.f).

Definitions

Per their published policies and procedures manuals, the Sewer District establishes eligibility for the program based on the following definitions:

- **Local small business:** A business with a functioning office located in the Sewer District geographic and procurement markets and with gross receipts that do not exceed the business size standards set by the Sewer District (NEORSD n.d.f)
- **Minority-owned business enterprise (MBE):** A proprietorship, partnership, corporation, limited liability company, or joint venture that is certified by the Sewer District and is at least 51 percent owned, operated, and controlled by one or more minority individuals (NEORSD n.d.e)

- **Woman-owned business enterprise (WBE):** A proprietorship, partnership, corporation, limited liability company, or joint venture that is certified by the Sewer District and is at least 51 percent owned, operated, and controlled by one or more women (NEORSD n.d.e)
- **Small-business enterprise (SBE):** A proprietorship, partnership, corporation, limited liability company, or joint venture that is certified by the Sewer District and meets the requirements of a local small business (NEORSD n.d.f)

Certification

In order to be certified as a small or minority- or women-owned business, they must be registered as a vendor with the Sewer District through their online supplier portal (NEORSD n.d.b). Once registered, businesses can apply for certification by the Sewer District or, if applicable, may have their third-party certification approved by the Sewer District pending review (NEORSD n.d.e). Roughly 400 small, minority- and women-owned businesses are currently certified through the program (Tiffany Jordan, pers. comms.).

Vendor Training and Support

The Business Opportunity Program conducts several outreach events and trainings in order to better reach potential vendors and support them with accessing the program and through the procurement process. Events include large pre-bid meetings, breakfast exchanges, certification workshops, seminars on how to do business with NEORSD, and webinars, among others (Tiffany Jordan, pers. comms.)

Staffing

The Business Opportunity Program is staffed by five employees (NEORSD n.d.b).

Orange County Government

Program Summary

Overview

The Orange County, Florida, government provides and manages services to the entirety of its residents and operates with a \$4.4 billion budget. The county contains 13 cities, including Orlando, and hosts 75 million visitors every year (Orange County Government n.d.e).

As part of its function, Orange County operates the Business Development Division, which encourages and supports small and diverse businesses in the county (Orange County Government n.d.a).

Business Development Division

Program Description

The Business Development Division was established to promote participation in contracts and other business opportunities for minority- and women-owned businesses (M/WBE) in order to stimulate economic growth for small businesses (Orange County Government n.d.a).

To meet their mission, the division operates two programs/services:

- **Certification:** The business can submit an application to become a certified M/WBE with Orange County government.
- **Contract compliance:** Division staff monitor contract and business activities to ensure the use of M/WBEs. (Orange County Government n.d.a)

In addition, M/WBEs that respond to solicitations receive additional scoring during the evaluation process if they meet certain criteria. Most requests for proposals determine the weight of M/WBE participation, which provides the basis for scoring. Fifty percent of the weighted participation points are awarded if the bid meets the M/WBE subcontract utilization goal or if it meets the employment workforce goal (18 percent minority employment and 6 percent women employment). If a bid meets both of those goals, then they receive 100 percent of the weighted participation points (Orange County Government n.d.c).

Goals

The Business Development Division has set participation goals for M/WBEs based on industry type (Orange County Government n.d.a).

Industry Type	Goal
Construction	25 percent
Professional services	27 percent
Goods	10 percent
Services	24 percent

Definitions

Per county ordinance, the division uses the following definitions to determine eligibility of diverse vendors:

- **Minority-owned business enterprise (MBE):** A firm that is at least 51 percent owned, controlled, and managed by a minority person or group and that has a net worth of less than \$2.3 million at the time of application to be certified
- **Women-owned business enterprise (WBE):** A firm that is at least 51 percent owned, controlled, and managed by women and that has a net worth of less than \$2.3 million at the time of application to be certified (Orange County Government n.d.d)

Certification

Businesses can receive certification through the Business Development Division, which maintains and publishes a comprehensive list of their M/WBE certified vendors (Orange County Government n.d.b).

Vendor Training and Support

The division offers monthly educational workshops that are free to attend and cover a variety of topics, including community partners, certifications, how to do business with the county and contracting opportunities, bonding, insurance, and financial management (Orange County Government n.d.b).

Solid Waste Authority of Palm Beach County

Program Summary

Overview

The Solid Waste Authority of Palm Beach County (SWA) is a governmental agency that provides solid waste management to approximately 1.4 million residents and businesses in Palm Beach County, Florida. SWA was established in 1975 under state law and is governed by the seven county commissioners elected in the county (SWA n.d.).

Following the results of a disparity study conducted in 2017, SWA established the Equal Business Opportunity (EBO) Program, with the intent to remedy the effects of the identified marketplace discrimination (SWA 2020).

Equal Business Opportunity Program

Program Description

The Equal Business Opportunity Program began in 2018 as an official expansion on SWA's pre-existing small-business enterprise (SBE) program to address marketplace discrimination and to promote and encourage contract participation from small and minority- and women-owned businesses (S/M/WBEs). The program is administered and managed by the Equal Business Opportunity Office (EBO Office) within SWA, along with their economic inclusion policy and local business enterprise preferences. Under their authority, the EBO Office monitors diversity and inclusion efforts by:

- Serving as a voting selection panel member on all contract awards where low price is not the only determining factor in the decision-making process
- Reviewing all bid solicitations in advance to identify and eliminate unnecessarily restrictive contract specifications that could negatively impact S/M/WBE participation
- Recommending debundling of large contracts when appropriate to increase S/M/WBE participation (SWA 2020)

The program also created a number of administrative policies, including:

- **Solicitation specification review:** All solicitations must be reviewed by the EBO Office and the director of purchasing before being published to identify and resolve any specifications that could restrict competition or negatively impact participation from S/M/WBEs.
- **Respondent debriefings:** Upon request from an S/M/WBE vendor who responded to a solicitation, the SWA department responsible for issuing the solicitation must provide a debriefing document that includes information on scoring criteria and scores given by the evaluation panel, and when possible, identify where the bid was not as competitive compared to others and why.
- **Debundling:** During the solicitation specification review process, solicitations will also be reviewed to determine whether contract debundling is appropriate to reduce restrictions and burdens on S/M/WBE vendors.

- **SWA staff trainings:** The EBO Office is responsible for providing an annual training to all relevant SWA staff regarding their roles and responsibilities under the EBO Program.
- **Subcontract remedies:** An SWA workgroup will convene to identify and recommend options for addressing working capital needs of S/M/WBEs, such as providing initial start-up mobilization fees and direct payments, among others.
- **Website enhancement strategies:** An SWA workgroup will convene to oversee and implement updates to the SWA website to make it more user-friendly and transparent on past, present, and future contract awards.
- **Uniform lead time for bid submittals:** All solicitations must have a closing date at least 30 days after the solicitation is made public.
- **Establish ad hoc position for EBO ombudsman:** The executive director of SWA will appoint a senior staff member outside of purchasing and contracts to serve as the EBO ombudsman to mediate disputes between S/M/WBEs and contractors, the EBO Office, and other SWA departments.
- **Expedited payment program:** An SWA workgroup will convene to identify and recommend options for expediting invoice payments in ten days or less.
- **Disputed invoices:** SWA must notify a contractor or vendor of any payment issues within five days of receiving the payment request or invoice.
- **Direct owner purchasing program:** SWA directly purchases large dollar amount equipment and supply purchases in order to level the playing field for smaller contractors. (SWA 2020)

In addition to the above policies and practices, SWA and the EBO Office have also implemented a number of affirmative procurement initiatives that can be categorized as race-neutral (i.e., race or gender of business owners is not taken into consideration) or race-conscious (i.e., race or gender of business owners is taken into consideration) and vary based on industry type (SWA 2020).

Industry Type	Race Classification	Initiative
Construction	Neutral	<ul style="list-style-type: none"> • Bond waivers and assistance programs • Direct contracting program for small contracts • SBE prime contract program • SBE subcontracting program • SBE mentor-protégé program
Construction	Conscious	<ul style="list-style-type: none"> • Annual aspirational M/WBE goals • M/WBE subcontracting goals • M/WBE segmented subcontracting goals • M/WBE joint venture incentive • M/WBE mentor-protégé program • M/WBE evaluation preference
Professional services	Neutral	<ul style="list-style-type: none"> • SBE vendor rotation options • Evaluation preferences for new SBE prime bidders • SBE reserve for contracts up to \$5,000 • Required SBE quotations for solicitations up to \$50,000 • SBE evaluation preference for prime bidders • SBE subcontracting goals
Professional services	Conscious	<ul style="list-style-type: none"> • Annual aspirational M/WBE goals • M/WBE evaluation preferences • M/WBE subcontracting goals • M/WBE vendor rotation options

Industry Type	Race Classification	Initiative
Commodities, other services, and trade services	Conscious	<ul style="list-style-type: none"> • Annual aspirational M/WBE goals • M/WBE vendor rotation • M/WBE voluntary/mandatory distributorship development program • M/WBE evaluation preferences • Competitive business development demonstration project • WBE joint venture incentives

SWA also gives a local preference of up to ten points on requests for proposals and requests for qualifications. For other types of bids, if a vendor meets local preference criteria and is within 5 percent of the lowest bidder who does not meet the criteria, the local vendor may have the opportunity to offer a best and final bid along with the lowest bidder. To meet the criteria, a vendor must have been in business for at least one year prior to the solicitation, have its headquarters or branch located in Palm Beach County, be fully incorporated or licensed, and have a valid business tax receipt issued by the Palm Beach County Tax Collector (SWA 2020).

Goals

The SWA board of directors established a minimum mandatory goal of 20 percent SBE participation for all SWA contracts, while the EBO Office has the authority, on a contract-specific basis, to require at least 20 percent of the total value of a prime contract be subcontracted to SBEs.

The EBO Office established nonmandatory percentage goals for M/WBE participation on different types of industry contracts.

Industry Type	Business Type	Goal
Construction	MBE	<ul style="list-style-type: none"> • Prime contract dollars = 27 percent • Subcontract dollars = 24 percent
Construction	WBE	<ul style="list-style-type: none"> • Prime contract dollars = 13 percent • Subcontract dollars = 12 percent
Professional services	MBE	<ul style="list-style-type: none"> • Prime contract dollars = 27 percent • Subcontract dollars = 26 percent
Professional services	WBE	<ul style="list-style-type: none"> • Prime contract dollars = 19 percent • Subcontract dollars = 19 percent
Commodities and other services	MBE	<ul style="list-style-type: none"> • Total cumulative dollars = 17 percent
Commodities and other services	WBE	<ul style="list-style-type: none"> • Total cumulative dollars = 18 percent
Trade services	MBE	<ul style="list-style-type: none"> • Total cumulative dollars = 16 percent
Trade services	WBE	<ul style="list-style-type: none"> • Total cumulative dollars = 20 percent

In addition, the EBO Office has the authority, on a contract-specific basis, require up to 40 percent of the total value of a prime contract be subcontracted to M/WBEs, regardless of the industry type (SWA 2020).

Definitions

SWA and the EBO Office use the following terms and definitions when administering the EBO Program:

- **Independently owned and operated:** A designation for S/M/WBE firms meaning that the ownership of the firm must be direct, independent, and by individuals only; meaning, an S/M/WBE cannot be a subsidiary of another firm that does not satisfy S/M/WBE certification.
- **Minority business enterprise:** A business that is at least 51 percent owned, managed, and controlled by one or more minority group members (e.g., African Americans, Hispanic Americans, Asian-Pacific Americans, and Native Americans); meets the significant business presence requirements; and meets U.S. Small Business Administration small-business size standards.
- **Significant business presence:** A designation and requirement for participating in the EBO Program that a business' street address for their principal office be located within Palm Beach County, or that the business must have a significant business presence for at least one year in Palm Beach County, meaning at least 50 percent of all full-time, part-time, and contract employees live in the county and a substantial portion of their work functions are conducted in the county.
- **Small-business enterprise:** A business that meets the U.S. Small Business Administration small-business size standards and the significant business presence requirements.
- **Women business enterprise:** A business that is at least 51 percent owned, managed, and controlled by one or more nonminority women individuals; meets the significant business presence requirements; and meets U.S. Small Business Administration small-business size standards. (SWA 2020)

Certification

S/M/WBE vendors must be certified as such either through the EBO Office or from another regional certifying agency that has similar definitions and standards in place as SWA. Certification is good for two years. In addition, the EBO Office maintains a Web-based registry of certified vendors that is available to the public (SWA 2020). SWA currently has about 1,000 vendors in their registry, one-third of which are certified as S/M/WBE vendors (Colleen Robbs, pers. comm.)

Reporting

The EBO Office is responsible for monitoring and reporting on program progress and performance and relevant data on a quarterly basis to the SWA board and executive director. In addition, the EBO Office must report annually on contract payments to prime contractors and subcontractors that fall within the program (SWA 2020).

Vendor Training and Support

The EBO Office conducts several large- and small-scale outreach events and trainings in the community every year. One of their larger events includes a business forecast, where the entire agency discusses approved upcoming projects and the needs for those projects, so vendors are aware of future opportunities. They also partner with local agencies to share best practices, work projects, buying options, and other related topics for potential vendors. On a monthly basis, the EBO Office hosts business development trainings with various partners in Palm Beach County (Colleen Robbs, pers. comm.).

Staffing

The EBO office has five full-time employees dedicated to the program (Colleen Robbs, pers. comm.).

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Washington State Department of Enterprise Services

Program Summary

Overview

The Washington State Department of Enterprise Services (DES) provides policy, planning, and oversight to various state agencies and municipal governments that deliver public services in order to improve effectiveness and reduce overall costs of government operations. Services provided through the department include contracting and purchasing, printing and mail, facilities and leasing, risk management, human resources and finance, among others (DES n.d.a).

In order to improve economic opportunities for small and diverse businesses, DES supports a business diversity program that provides procurement and contracting opportunities in goods and services and public works (DES n.d.b).

Business Diversity Program

Program Description

The business diversity program provides procurement and contracting opportunities in two areas: goods and services and public works. Each area has developed a specific plan and road map for implementation to expand participation from minority-, women- and veteran-owned businesses in state contracting opportunities based on recommendations from a statewide disparity study that was conducted in 2019 by the state's Business Diversity Subcabinet (DES n.d.b).

The recommendations provided from the study include:

- Implement a data collection and monitoring system
- Increase access to state contracting information
- Increase outreach to minority- and women-owned businesses
- Increase technical support to minority- and women-owned businesses and other small firms
- Extend solicitation times
- Review contract sizes and scope
- Raise direct-buy limits
- Adopt quick-pay policies
- Review insurance, surety bonding, and experience requirements
- Provide training to State of Washington employees for public works contracts
- Develop and pilot a small-business enterprise bonding and financing program
- Develop and pilot a small-business enterprise target market
- Adopt and pilot a small-business mentor program
- Develop performance measures to monitor success

Tasks have been identified and provided for each recommendation and at this point in time, the public works and goods and services areas have begun implementing some or all of the recommendations at various levels (DES n.d.c).

Project managers at DES also provide support to contractors who need to implement inclusion plans, which are required on public works contracts valued at \$1 million or more (on smaller contract amounts, they are considered voluntary). Inclusion plans provide templates for prime contractors to identify and connect with small, women-owned, minority-owned, and veteran-owned businesses as potential subcontractors on projects (DES n.d.d). While inclusion plans for many contracts are considered voluntary, the form must be submitted as part of the response to a solicitation, even if the contractor is not working with a diverse subcontractor. The desire is that while it is not required for a contractor to contract out work with a diverse business, the inclusion plan encourages them to do so. In addition, the inclusion plans are publicly posted, creating accountability for contractors to commit to working with diverse businesses (Shana Barehand, pers. comm.).

Goals

Within the goods and services area, key performance indicators have been identified and are monitored on a quarterly basis. The public works area has set goals that construction projects over \$1 million and architect/engineer (A/E) agreements over \$350,000 require business diversity inclusion plans (DES n.d.c).

Definitions

The business diversity program encourages business opportunities with small, minority-owned, women-owned, and veteran-owned businesses (DES n.d.b).

Certification

Businesses must register to become a vendor using DES's online vendor registration system. They are then able to identify themselves as a diverse business and seek contracting opportunities (DES n.d.b). However, within the online registration system, it is a self-certification when identifying as a business type, and there is no way to verify their selected status (Shana Barehand, pers. comm.). There are 23 minority-certifying agencies in Washington and one operated by the State, which can make identifying and tracking certified minority-owned businesses difficult. Through the Washington Office of Minority and Women's Business Enterprises (state-operated certifying agency), there are 2,600 certified businesses (Shana Barehand, pers. comm.).

Reporting

Based on a recommendation from the 2019 disparity study, both public works and goods and services areas collect and report data such as purchasing card spending, Amazon spending, and master contracting spending with small and diverse businesses (DES n.d.c). However, identifying metrics and implementing data collection processes and systems has been challenging and is an ongoing task for the program (Shana Barehand, pers. comm.).

Vendor Training and Support

Several of the recommendations from the disparity report refer to vendor training and support opportunities, including additional trainings, workshops, technical assistance, and mentorship programs. However, the only recommendation to be implemented thus far is that the goods and services area now provides technical assistance to small and diverse businesses who request it (DES n.d.c).

Staffing

The program has three dedicated program staff and are hoping to add additional staff in the next year. However, all of DES supports the program (Shana Barehand, pers. comm.).

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Wayne County

Program Summary

Overview

Wayne County Human Relations/Business Inclusion Division is a business-certification agency whose mission is to ensure equal access and opportunities for businesses looking to work with Wayne County while promoting inclusion and diversity. In addition to providing business certifications, the division also serves as an investigative and enforcement unit in fair employment and discrimination complaints for county contractors (Charter County of Wayne Michigan n.d.a).

Business Certification and Diversity Program

Program Description

Wayne County administers several programs to promote vendor diversity, including a county-based designation and other small- and minority-owned business certifications. The program originated in 2006 with equalization credits and has evolved since (Victoria Inniss Edwards, pers. comm.). Businesses that are certified through one of these programs receive bid/proposal price evaluation credits during the County's competitive bidding process as outlined below.

County-based Enterprise (CBE)*	Equalization Allowances:
Up to \$50,000	7%
\$50,000–\$200,000	5%
\$200,001 and above	2%
Other Program Certifications	
Small-business enterprise (SBE)*	2%
Expanding-business enterprise (EBE)*	2%
Joint venture (JV)	2%
Mentor venture (MV)	2%
Targeted growth community enterprise (TGCE)*	2%
Veteran-owned enterprise (VE)	2%

Note: Asterisks denote* programs that require being in business for at least one year.

The County publishes the eligible allowances for each project during the bid process and the maximum total allowance is 11 percent. The SBE and EBE programs are mutually exclusive, as well as the JV and MV programs. In other words, a business can utilize SBE but not also EBE and vice versa and the same for JV and MV (Charter County of Wayne Michigan n.d.a).

In addition to business types that receive equalization credits, the program also tracks:

- Minority-owned business enterprise (MBE)/women-owned business enterprise (WBE) declaration: Tracked for data collection purposes only.
- Fair Employment Practice (FEP) certification: This is a requirement for any contracts over \$50,000 for goods and services and \$100,000 for construction.
- Disadvantaged-business enterprise (DBE): Applies to certain federally funded projects.
- Airport concession disadvantaged business enterprise (ACDBE): Applies to certain airport projects. (Charter County of Wayne Michigan n.d.d; Victoria Inniss Edwards, pers. comm.)

Definitions

The following definitions are from the Wayne County Code of Ordinances, Sec. 120–251, and are used to determine business eligibility for participation in the program.

County-based enterprise shall mean a business is deemed to be a county-based enterprise if it satisfies all of the following criteria:

- (1) It has made payment of property taxes on real or personal property within the past year on property which is ordinarily needed to perform the proposed contract;
- (2) Its headquarters is physically located within Wayne County, or it has been conducting business at a location with a permanent street address in the county on an ongoing basis for not less than one taxable year immediately prior to the application for certification as a CBE;
- (3) It has been dealing for at least one year on a regular commercial basis in the kind of goods or service which is the subject of the bid, or in a closely or logically allied product line;
- (4) It is not merely displacing a business which has previously been the low bidder but does not qualify for the county-based credit, by buying from that business and re-selling to the county at a mark-up within the county-based credit;
- (5) It provides a commercially viable product or service to a governmental and private sector clientele;
- (6) At least 50 percent of its regular full-time employees are based at the County location to perform the proposed contract;
- (7) It has satisfied any other requirements established by rules or regulations promulgated to implement this section; and
- (8) It has been evaluated and certified as a CBE by the division of human relations.

Disadvantaged-business enterprise shall mean a business that meets the requirements of 49 CFR Part 26, as amended, and is certified as a DBE by the county's division of human relations.⁵

Expanding-business enterprise shall mean a business which has average annual gross receipts of \$1,000,000.00 or less and no more than 15 employees. A business which is an affiliate or subsidiary of an entity that is not eligible for certification as [an] EBE shall not be certified as an EBE.

⁵ CFR stands for Code of Federal Regulations.

Joint venture shall mean a certified combination of separate businesses, one of which shall be a CBE and either a SBE or EBE, which has been created to perform a specific contract, which shares in profits and losses, and which is evidenced by a written agreement which provides, at a minimum, that the SBE or EBE:

- (1) Is substantially included in all phases of the contract, including, but not limited to, bidding and staffing;
- (2) Provides at least 51 percent of the total performance, responsibility, and project management of a specific job; and
- (3) Receives at least 51 percent of the total remuneration from a specific contract.

Mentor venture shall mean a certified combination of separate firms, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at minimum that one of the firms is a CBE and either an SBE or EBE and:

- (1) Is substantially included in all phases of the contract, including, but not limited to bidding and staffing.
- (2) Provides at least 30 percent and not more than 50 percent of the total performance, responsibility, and project management of a specific job.
- (3) Receives as least 30 percent and not more than 50 percent of the total remuneration from a specific contract; and
- (4) Shares proportionately in profits and losses.

Small-business enterprise shall mean a business other than an individual, sole proprietorship or partnership which:

- (1) Has been in existence and operating for at least one year prior to the date of application for certification as a small business concern; and
- (2) Is one of the following:
 - a. A manufacturing business, which, for the three fiscal years preceding the date of application for certification, has provided full-time employment to not more than 500 persons; or
 - b. A general construction business, which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$28,000,000.00; or
 - c. A specialty construction business, which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$12,000,000.00; or
 - d. A wholesale business which, for the three fiscal years preceding the date of application for certification, has provided full-time employment to not more than 100 persons; or
 - e. A retail business which, for the three fiscal years preceding the date of application for certification, has average gross receipts of not more than \$6,000,000.00; or

- f. A service business, other than professional, which for the three years preceding the date of application for certification, has average annual gross receipts of not more than \$6,000,000.00; or
- g. A professional services business, which for the three fiscal years preceding the date of application for certification, has had average annual gross receipts of not more than \$6,000,000.00.

A business which is an affiliate or subsidiary of an entity that is not eligible for certification as an SBE shall not be certified as an SBE.

Targeted growth community shall mean a city, village, or township within Wayne County with a per-capita income of less than \$20,000.00 as judged by the United States decennial census. As of the date of this ordinance, the targeted growth communities include Detroit, Ecorse, Hamtramck, Highland Park, Inkster, Melvindale, River Rouge, Romulus, Sumpter Township, and Taylor.

Targeted growth community enterprise shall mean a business deemed to be TGCE if it satisfies all of the following criteria:

- (1) It has made payment of property taxes on real or personal property within the targeted growth community the past year on property which is ordinarily needed to perform the proposed contract;
- (2) Its headquarters is physically located within the targeted growth community, or it has been conducting business at a location with a permanent street address in one of the targeted growth communities on an ongoing basis for not less than one taxable year immediately prior to the application for certification as a TGCE;
- (3) It has been dealing for at least one year on a regular commercial basis in the kind of goods or service which is the subject of the bid, or in a closely or logically allied product line;
- (4) It is not merely displacing a business which has previously been the low bidder but does not qualify for the TGCE credit, by buying from that business and re-selling to the county at a mark-up within the TGCE credit;
- (5) It provides a commercially viable product or service to a governmental and private-sector clientele;
- (6) An adequate number of its regular full-time employees are based at the targeted growth community location to perform the proposed contract;
- (7) It has satisfied any other requirements established by rules or regulations promulgated to implement this section; and

It has been evaluated and certified as a TGCE by the division of human relations.

Certification

The County's Human Relations/Business Inclusion Division is the business-certification entity. Key highlights of the program certification include:

- Businesses cannot receive credits unless they have been certified before the bid-submission deadline.
- Businesses claiming entitlement and establishing eligibility for equalization credits agree to make available necessary records.
- Applications are submitted online and processed through the Procure to Pay system.

- Certification takes six to eight weeks, while recertification is a shorter process and requires fewer documents.
- Initial certification is for three years.
- Certification puts a business automatically on the County's direct solicitation list. (Charter County of Wayne Michigan n.d.a; Charter County of Wayne Michigan n.d.c)

Vendor Training and Support

Wayne County has established the Success Program, which provides monthly onsite open-certification outreach workshops targeted to small businesses and those interested in doing business with Wayne County. Representatives from the Human Relations Division assist vendors with their certification applications and reviewing the application process. Workshops are held early mornings or evenings to accommodate busy schedules (Charter County of Wayne Michigan n.d.b).

The County also holds Empowerment and Improvement sessions, which provide helpful tips and strategies in growing and strengthening business, such as business development and planning, financial literacy, bonding, healthcare, and a question-and-answer session with a Wayne County expert (Charter County of Wayne Michigan n.d.b).

Businesses utilizing the Success Program are designated a "Success Partner" and provided additional benefits:

- **Business-to-Business Mentoring Program:** This program partners larger businesses with smaller businesses for "Life Lab" learning—the opportunity to share real-world experiences. In addition, the mentoring program creates future opportunities for small businesses to be utilized as subcontractors.
- **Business workshops:** This is a specialized workshop targeting issues common to small and minority-owned businesses. Topics such as applying for loans and other helpful tips are explored.
- **Networking events:** A series of targeted networking events, Partners of Possibility, provide one-on-one time with decision makers. Other municipalities and agencies are invited to participate, expanding opportunities for the SBE members. The networking sessions are divided into commodity/product groups to provide a more focused opportunity (Charter County of Wayne Michigan n.d.b).

Staffing

There are five staff within the Human Relations/Business Inclusion Division. While all staff have responsibilities for the program, they also have other responsibilities related to human relations initiatives (Victoria Inness Edwards pers. comm.).

Wayne County Airport Authority

Program Summary

Overview

The Wayne County Airport Authority (WCAA) manages and operates Detroit Metropolitan and Willow Run Airports. It is governed by an independent, seven-member board of directors who are appointed by the Wayne County executive, Wayne County Commission, and the governor (WCAA n.d.a).

The WCAA operates two programs to promote more inclusive procurement and contracting opportunities: one that focuses on disadvantaged-business enterprises (DBE) and one that focuses on small-business enterprises (SBE).

Disadvantaged Business Programs

Program Description

Because the WCAA receives federal funding for airport improvement projects, they are mandated to run a DBE program, which also includes airport concession disadvantaged business enterprises (ACDBEs), with the intent to maximize opportunities for vendors to participate in construction and professional services contracts. To comply with the mandates, the WCAA has developed a three-year DBE goal for 2020 to 2022, sets diversity goals during the pre-contract award phase, and monitors contractors' achievements in participation during the post-contract award phase (WCAA n.d.c).

Goals

The WCAA has a three-year overall goal of 7 percent, or \$2,541,000 for DBEs. This goal is based on the WCAA's research of DBEs in the local market area relative to all other businesses. In their methodology, the WCAA used the Michigan Unified Certification Program (MUCP) DBE directory to identify the total number of available DBEs (WCAA n.d.d).

Definitions

Per federal code, a DBE is defined as a for-profit small business owned by individuals that are considered to be both socially and economically disadvantaged, while an ACDBE is a for-profit concession (i.e., a business located inside of an airport that sells consumer goods and services under an agreement with that airport) owned by individuals that are considered to be both socially and economically disadvantaged (WCAA n.d.c).

Certification

Certification for DBE and ACDBE status is obtained through an application process by one of the three MUCP certifying agencies—the Michigan Department of Transportation, Wayne County Human Relations/Business Inclusion, and the Detroit Department of Transportation (WCAA n.d.c).

Reporting

The WCAA monitors participation and achievements and contractors are required to submit monthly reports to the WCAA. For DBEs, this is a one-page, primarily qualitative form, that records descriptions of the work completed in the reporting period. For ACDBEs, the one-page form records total participation dollars and a description of the goods/services provided in the reporting period (WCAA n.d.c).

In addition, the WCAA solicits feedback from the minority, women, and general contractor business groups, community organizations, and other stakeholders regarding the procurement process and goal setting practices (WCAA n.d.d).

Vendor Training and Support

Per the three-year goal report, the WCAA is committed to the following training and support activities:

- Cosponsoring outreach/networking meetings with targeted agencies located within the WCAA's relevant market area
- Conducting public outreach forums targeted to small businesses
- Distributing printed literature describing the WCAA's DBE program
- Distributing information about upcoming WCAA contracting opportunities
- Continuing usage of an electronic vendor registration program, including information regarding direct notification of the WCAA's competitive solicitations
- Distributing best practices information regarding doing business with the WCAA
- Offering small businesses instructions and clarifications on bid specifications, general bidding requirements, and the WCAA's procurement policy and procedures
- Publicizing, in particular to small businesses, opportunities to review and evaluate bids/proposals submitted by successful bidders/proposers for past procurements
- Conducting debriefing sessions with unsuccessful bidders/proposers, when requested, to explain why certain bids/proposals were unsuccessful (WCAA n.d.d)

Small Business Enterprise Program

Program Description

The WCAA Small Business Enterprise Program is an initiative governed by the WCAA Procurement and Contracting Ordinance that aims to increase opportunities with small businesses in Southeast Michigan on non-federally funded contracts. SBE participation in the procurement process is encouraged through percentage goals, equalization credits, and development contracts (WCAA n.d.b). The program was established in 2006 and has evolved over time, including expansion from four to the current ten counties (Peter Hathaway, pers. comm.).

Equalization credits are awarded during the evaluation process to bids, proposals, and quotes that include more than 20 percent SBE participation. The credits are used to determine the lowest bidder or most responsible proposer, as outlined in the following table:

SBE Participation Type	Contract Value	
	Less than or Equal to \$100,000	More than \$100,000
SBE prime contractor self-perform $x \geq 30$ percent	3 percent	2 percent
SBE participation $x \geq 30$ percent (prime contractor and subcontractor combined)	2 percent	1 percent
SBE participation $20 \text{ percent} \leq x < 30 \text{ percent}$ (prime contractor and subcontractor combined)	1 percent	1 percent

Source: WCAA n.d.e

Development contracts are solicited exclusively for SBE responses. In order to be solicited as an SBE development contract, the procurement administrator must determine that three or more SBEs are able to and available to provide the desired goods or services. The contract must be less than \$1 million for non-specialty trade contractors, less than \$500,000 for specialty trade contractors, or less than \$200,000 for all other contracts (WCAA n.d.f).

Definitions

In order to be eligible for SBE certification and participation in the program, a business must:

- Be independently owned and headquartered within the Air Trade Area (Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties)
- Have average annual gross receipts over the most recent three-year period or average number of employees in the last 12 calendar months that do not exceed the U.S. Small Business Administration size standards based on its classification within the North American Industry Classification System (WCAA n.d.b)

Certification

Vendors who seek to participate in the SBE program must complete an online application process. Online training is available to assist vendors and it is free for vendors to become SBE certified (WCAA n.d.b).

Reporting

The WCAA requires certified SBEs to submit SBE participation progress reports in order to track funds and progress on awarded contracts. The progress report is a one-page form that records a description of the work performed during the reporting period, percentage of work completed to date, and SBE payments. For the past two years, the SBE program has reached its goal of 18 percent of the operations and maintenance budget of approximately \$600 million (WCAA n.d.b).

Staffing

The program is housed with the Business Diversity unit. There are three staff within this office that have responsibility for not only business diversity, but also contract compliance, including the 62 airport concessionaires and dozens of annual construction projects. The program is led by the business diversity manager with support from a peer in contract compliance and an analyst-level position (Peter Hathaway, pers. comm.).

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Wayne State University

Program Summary

Overview

Wayne State University's Procurement and Strategic Sourcing Department is responsible for the purchasing of all goods and services to support academic and research programs, as well as construction and renovation projects, amounting to over \$190 million per year (Wayne State University n.d.a).

Wayne State University's Supplier Diversity program was developed to increase and enhance successful business relationships between the university and minority-, women-, and physically challenged-owned business enterprises (M/W/DBEs) (Wayne State University n.d.b).

Supplier Diversity Program

Program Description

The Supplier Diversity Program encourages the Procurement and Strategic Sourcing department, Facilities Planning and Management department, and all other schools, departments, and divisions to seek out and engage with diverse businesses to maximize their participation in contracting opportunities. The program does not include purchasing goals but instead focuses on a soft approach to their inclusion policies. Coordination and management of the program lies with the director of purchasing and the director of the Office of Equal Opportunity (Wayne State University n.d.b).

The program has established the following initiatives in support of its goal:

- Convene a university-wide committee that assists in promoting and enhancing contracting opportunities with diverse businesses. The committee is co-chaired by the director of procurement and the director of the Office of Equal Opportunity.
- Develop and promote businesses in underrepresented sectors, including seeking out, mentoring, and utilizing diverse businesses.
- Develop and promote the use of underutilized businesses in subcontracting and joint venture purchasing to encourage larger, existing university vendors to work with diverse businesses.
- Educate the larger university community about the program so they can increase their purchasing with diverse businesses.
- Monitor and report annually on all expenditures with diverse businesses.
- Sponsor programs, training and technology classes for diverse businesses so they can enhance their business opportunities and build upon their capabilities.
- Increase the university's involvement in Detroit and its various associations and programs.

While purchases amounting to more than \$25,000 require a competitive bid, purchases below that amount are made through a formal or informal request for quotations. Diverse businesses are included in requests for quotations whenever possible and a contact list of all diverse suppliers is maintained by the Procurement and Strategic Sourcing department (Wayne State University n.d.a).

Goals

Wayne State has established key performance indicators for working with diverse suppliers, which are published on their website. They track university purchase orders for four different types of businesses:

- Diverse businesses
- Detroit-based businesses
- Businesses located in counties in Southeast Michigan
- Michigan-based businesses

In 2019, 90.75 percent of spending went to nondiverse businesses, while 3.36 percent went to minority-owned, 2.65 percent went to women-owned, and 3.24 percent went to other disadvantaged businesses (Wayne State University 2019).

Definitions

The Supplier Diversity Program defines diverse businesses as the following:

- **Minority-owned business enterprise (MBE):** A business that is at least 51 percent owned, operated, and controlled by a minority or group of minority members. If the business is publicly owned, at least 51 percent of the stock is owned by a minority or group of minority members.
- **Women-owned business enterprise (WBE):** A business that is at least 51 percent owned, operated, and controlled by a woman or group of women. If the business is publicly owned, at least 51 percent of the stock is owned by a woman or group of women.
- **Physically challenged–owned business enterprise (DBE):** A business that is at least 51 percent owned, operated, and controlled by one; or more physically-challenged individuals or a subsidiary that is wholly owned by a parent corporation with at least 51 percent of the parent corporation voting stock owned by one or more physically challenged individuals; or a joint venture in which at least 51 percent of the management, control, and earnings are held by one or more physically challenged individuals. A person is physically challenged if they have a physical or mental impairment that considerably limits one or more major life activities. (Wayne State University n.d.b)

Certification

To participate in the Supplier Diversity program, a business must have certification from one of the following agencies:

- National Minority Supplier Development Council
- Michigan Minority Supplier Development Council
- National Association of Women Business Owners
- Women’s Business Enterprise National Council
- Other city, state, or federal certification agencies (Wayne State University n.d.b)

Reporting

The program policy states that all expenditures with diverse businesses should be monitored, reported, and recorded on an annual basis (Wayne State University n.d.b). In addition, the key performance

indicators are published on the university's website and are shared with the board of governors and the Michigan Minority Supplier Development Council and summarized in the Office of Equal Opportunity's annual affirmative action report (Wayne State University n.d.c).

Vendor Training and Support

The procurement team undertakes outreach efforts, primarily attending multiple events throughout the year hosted by groups such as the Michigan Minority Supplier Development Council, Asian Pacific American Chamber of Commerce, National Business League (formerly Michigan Black Chamber of Commerce), Michigan Hispanic Chamber of Commerce, and the Procurement Technical Assistance Centers. Wayne State University has held onsite vendor events and in 2020 they partnered with the Michigan Economic Development Corporation's Pure Michigan Business Connect program to offer a virtual vendor event.

Staffing

The Supplier Diversity Program is managed by the Procurement and Strategic Sourcing Department, currently a team of five buyers and a manager. Program duties, including vendor outreach, are shared among all six staff as part of their overall procurement duties. The team manager belongs to the Council of Supplier Diversity Professions, an organization of procurement staff in Southeast Michigan working to diversify their organizations' procurement efforts (Kenneth Doherty, pers. comm.).

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230 N. Washington Square
Suite 300
Lansing, MI 48933



Financial Report
Debt Summary
for the Quarter Ended March 31, 2021

The Quarterly Debt Summary Report includes the following:

1. Key Takeaways
2. Look Ahead – Five Year Capital Financing Plan
3. Existing Debt
4. Debt Service Coverage
5. Refinancing

Pursuant to leases that became effective on January 1, 2016, the Great Lakes Water Authority (GLWA) assumed possession and control of the regional assets of both the water supply and sewage disposal systems owned by the City of Detroit (City), which were previously operated by the Detroit Water and Sewerage Department (DWSD). GLWA assumed certain liabilities including State Revolving Fund loans and 100% of the revenue bond debt issued by DWSD prior to January 1, 2016.

The bonds are repaid by the revenues of the water and sewage disposal systems including the DWSD retail system (local system) revenues which are the exclusive property of GLWA in accordance with Section 5.7 of each lease agreement. The DWSD is GLWA's agent for purposes of billing and collection of the retail system revenues for both the water and sewer system, as set forth in a water and sewer services agreement between the City and GLWA. All revenue receipts are deposited into a trust and administered in compliance with the Master Bond Ordinance, applicable to each system (referred to herein collectively as the "MBO").

The leases also provide that GLWA will finance local system improvements of DWSD. GLWA is the obligor of 100% of the debt payable which is recorded in GLWA's books. An "obligation receivable" is recorded by GLWA which represents the amount related to the DWSD local system improvements. Accordingly, DWSD records an "obligation payable" for a like amount.

GLWA maintains detailed records of all debt issuances and how the responsibility for payment of debt is allocated between the regional system and local system, as well as between the water and sewer systems. GLWA and DWSD regularly reconcile interrelated accounts between the entities.

The lease agreements, water and sewer services agreement, and MBO noted above are available on GLWA's website at www.glwater.org. The above explanation is a synopsis of key points and is not intended to fully represent the agreements or any sub-sections thereof.

Key Takeaways

- ✓ The purpose of this report is to provide a resource for stakeholders and to support management decisions as capital financing needs evolve.
- ✓ GLWA continues to enhance transparency by including the Debt Summary Report in the Audit Committee Binder quarterly.
- ✓ Currently, GLWA has twelve open State Revolving Fund (SRF) loans, seven for water and five for sewer.
- ✓ Existing proceeds from special revenue bonds are depleted. This means that all capital projects are now funded with Improvement & Extension funds, except for SRF funded projects.
- ✓ Other key items of interest include the following balances as of March 31, 2021.

As of March 31, 2021 (\$ Millions)		
	Water	Sewer
FY 2021 Approved SRF Projects - Table 5	\$289.9	\$33.2
DWSD Obligation Receivable - Table 6	\$551.9	\$394.9
GLWA Outstanding Debt - Table 7	\$2,309.2	\$2,964.5

Look Ahead - Five Year Capital Financing Plan

The following tables summarize the projected Capital Improvement Program (CIP) funding to be provided by proceeds received from the issuance of new revenue bonds and draws on committed SRF loans. *The financing plan is dynamic and changes with the pace of capital spending and alignment with refunding opportunities.*

Table 1 is based on the FY 2021 to FY 2025 Capital Improvement Plan (CIP) for the regional system approved by the GLWA Board of Directors. It should be noted existing proceeds from special revenue bonds are depleted. This means that all capital projects are now funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues.

Table 2 is based on the current local system CIP approved by the DWSD's Board of Water Commissioners. It is important to note the amounts represented in Revenue Bonds reflect the anticipated par amount of the bonds to be issued and not the net proceeds needed to support the capital plan.

Table 1 - GLWA Projected Bond Financing FY 2021 – FY 2025

Projected Funding Needs for Regional System					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Water					
Revenue Bonds	\$ -	\$ -	\$ 220,000,000	\$ -	\$ 175,000,000
SRF loan draws	\$ 12,365,800	\$ 16,590,200	\$ 18,889,800	\$ 18,549,900	\$ 18,956,900
Total projected funding Water	\$ 12,365,800	\$ 16,590,200	\$ 238,889,800	\$ 18,549,900	\$ 193,956,900
Sewer					
Revenue Bonds	\$ -	\$ -	\$ 150,000,000	\$ -	\$ 90,000,000
SRF loan draws	\$ 33,200,000	\$ 15,112,000	\$ 13,500,000	\$ -	\$ -
Total projected funding Sewer	\$ 33,200,000	\$ 15,112,000	\$ 163,500,000	\$ -	\$ 90,000,000

Table 2 - DWSD Projected Bond Financing FY 2021 – FY 2025

Projected Funding Needs for Local System					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Water					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
SRF loan draws	\$ 15,892,000	\$ 25,000,000	\$ 28,500,000	\$ -	\$ -
Total projected funding Water	\$ 15,892,000	\$ 25,000,000	\$ 28,500,000	\$ -	\$ -
Sewer					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
SRF loans draws	\$ 8,000,000	\$ 10,000,000	\$ 8,628,000	\$ -	\$ -
Total projected funding Sewer	\$ 8,000,000	\$ 10,000,000	\$ 8,628,000	\$ -	\$ -

Note: Information presented is as of March 31, 2021. Financing plans continue to evolve based on the needs of the system.

Existing Debt

Current Debt Ratings: Bond ratings are a key measure of an organization's financial strength. Ratings are established by independent agencies that conduct detailed reviews of an organization's operational and financial performance to assist those seeking to invest in an organization through the purchase of bonds. GLWA actively monitors its debt ratings and continually seeks to make operational and financial improvements to improve its bond ratings. Achieving higher ratings will allow GLWA to finance its capital needs at lower interest rates.

Table 3 – Debt Ratings by System provides a summary of the debt ratings assigned in March 2020 in advance of the most recent bond refinancing and new money issuance in May and June 2020.

Current Debt Ratings			
	S&P Global Ratings	Moody's Investors Service	Fitch Ratings
Water Supply System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Stable	Stable
Sewage Disposal System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Stable	Stable

Debt Allocation: GLWA has \$2.3 billion in water system debt and \$3.0 billion in sewer system debt for a combined total of over \$5.3 billion. Debt within each system is prioritized according to its security interest, or lien category, with senior lien debt having the highest security interest, followed by second lien and finally junior lien.

Chart 1 - Debt Type by Lien – Water provides a breakdown of the total water system debt for both the regional and local systems by lien type.

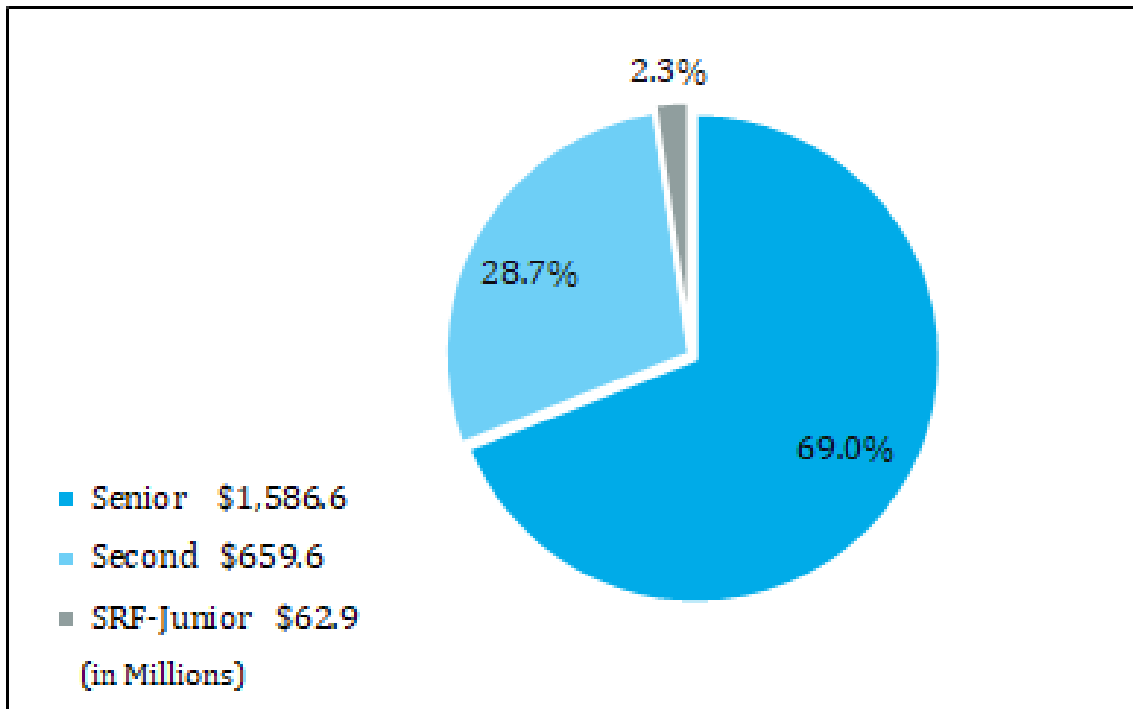


Chart 2 - Debt Type by Lien – Sewer provides a breakdown of the total sewer system debt for both the regional and local systems by lien type.

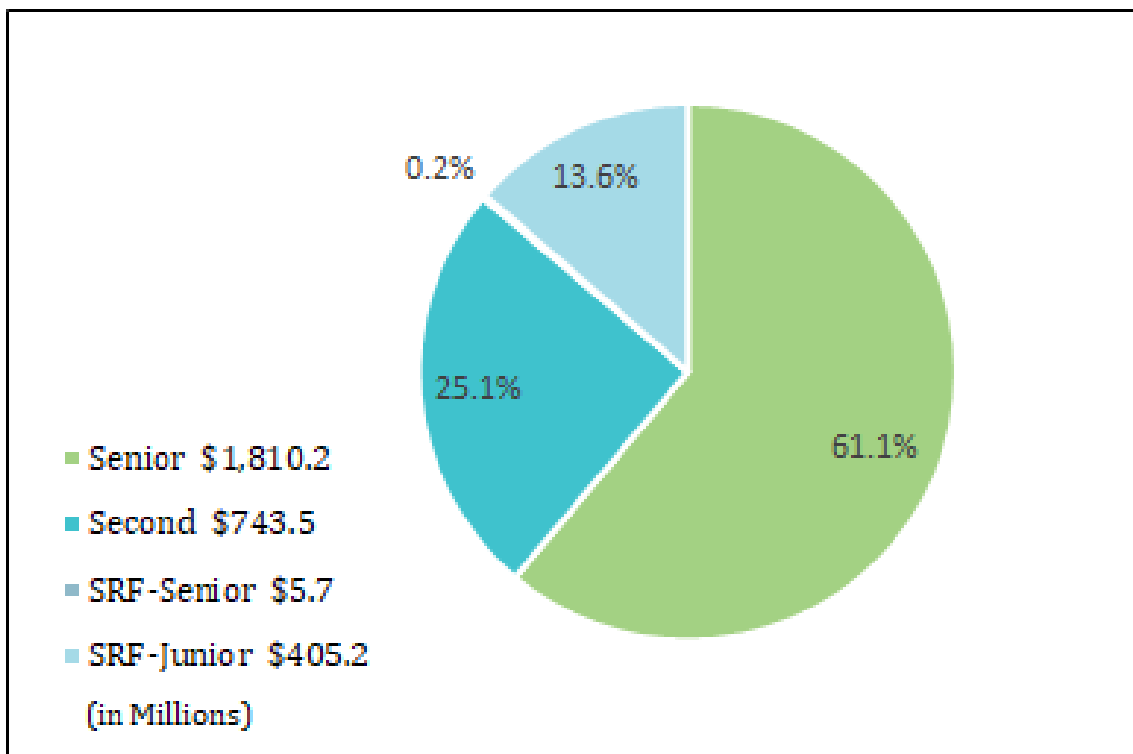


Chart 3 – Annual Debt Service Payments by Lien – Water provides the annual debt service installment requirements for each fiscal year.

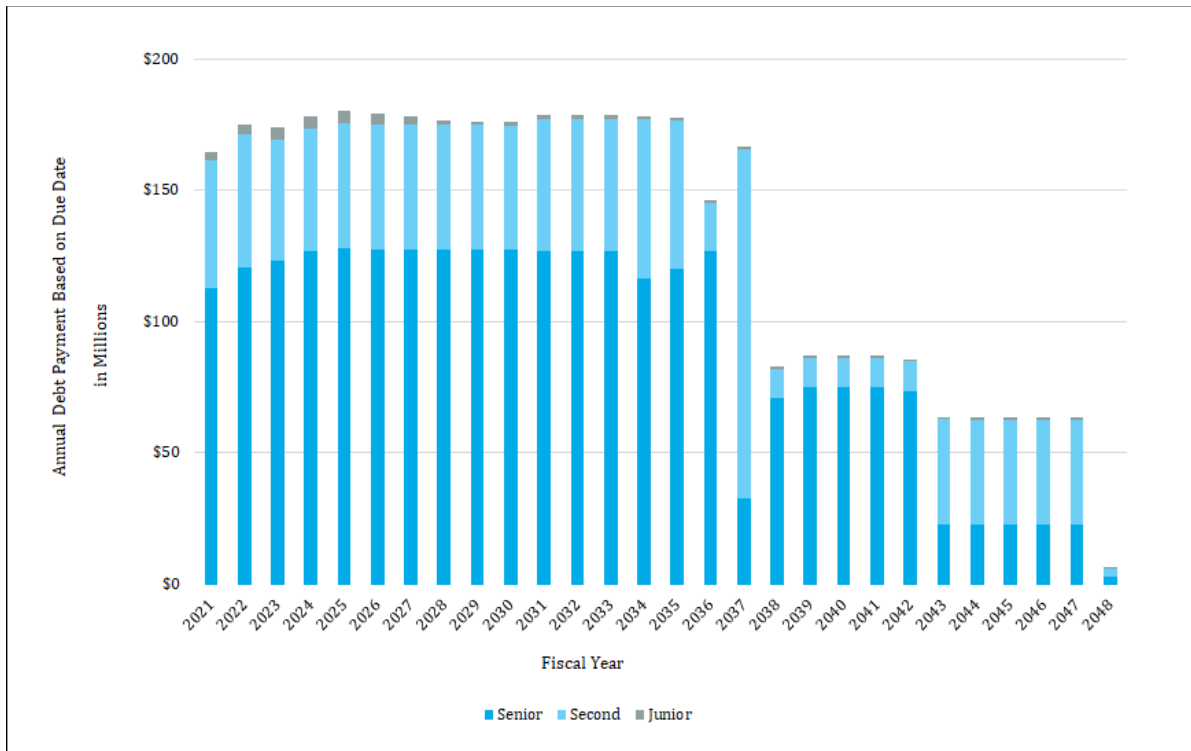
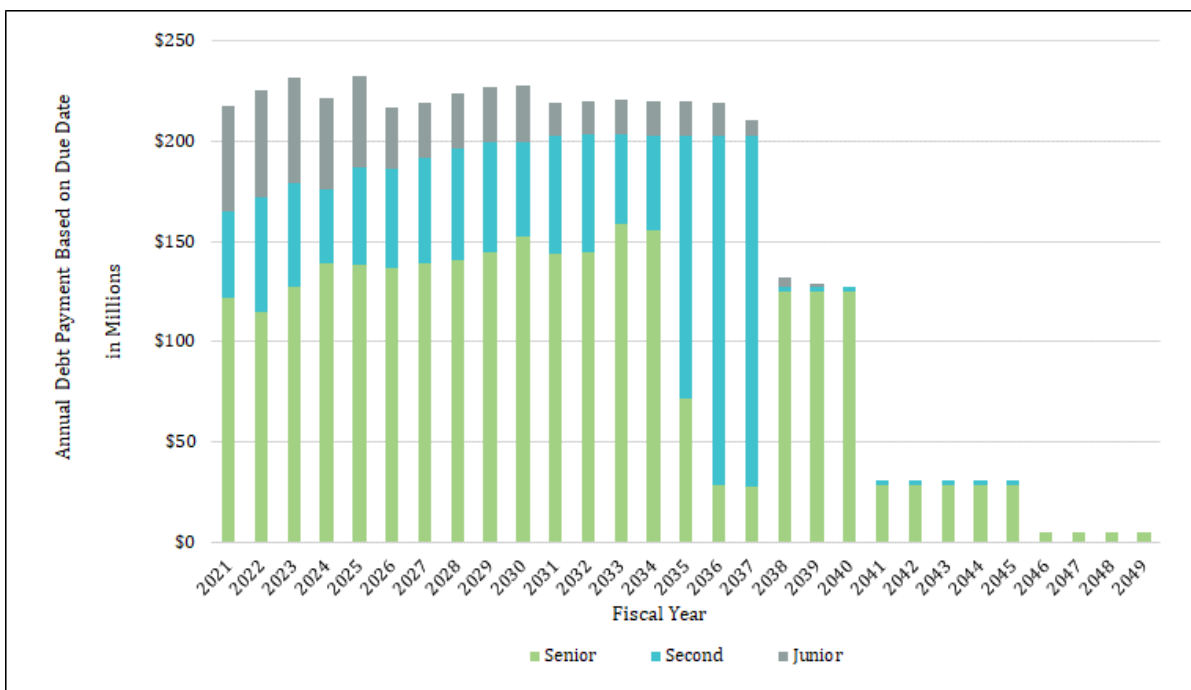


Chart 4 – Annual Debt Service Payments by Lien – Sewer provides the annual debt service installment requirements for each fiscal year.



Note: The figures in these charts reflect the debt service installment requirements for each fiscal year, which are required by the MBO to be set aside monthly in advance of actual payment dates. This information will differ from the Comprehensive Annual Financial Report which reflects when the actual payments are made to the bond paying agent.

State of Michigan's State Revolving Fund (SRF) Programs: GLWA participates in the State's Clean Water Revolving Fund (CWRP) to finance qualified sewage disposal system projects and the State's Drinking Water Revolving Fund (DWRP) to finance qualified water supply system projects. For the purposes of this report, both water and sewer projects financed through these programs will be referred to as either water or sewer SRF loans.

These loan programs have interest rates that are well below open market interest rates (usually between 2.0% and 2.5%) and are repaid over 20-30 years. For the state's FY 2021, the DWRP and CWRP program rates are 1.875% for 20-year loans and 2.125% for 30-year loans.

Funds are disbursed as construction payments are made. Interest on each loan is based on the amount of funds drawn and not the full loan amount. GLWA must submit project plans to the Michigan Department of Environment, Great Lakes, and Energy ("EGLE", and formerly known as the Michigan Department of Environmental Quality or MDEQ) for each project by the annual submission date (May 1 for DWRP and July 1 for CWRP) to be considered for the State's funding pool for the following fiscal year.

State Revolving Fund Loans: GLWA's strategy is to maximize its use of SRF loans to finance qualified capital projects. GLWA currently has \$62.9 million in outstanding water SRF loans and \$410.9 million in outstanding sewer SRF loans.

Table 4 - Active SRF Project Summary provides information regarding each loan including the loan award date which is also referred to as the Order of Approval date by the State of Michigan.

State Loan #	Description	Order of Approval	Project Total (\$ Millions)
SRF Water - DWSD Projects			
7447-01	Water Main Replacement (WS-707 & 714)	8/9/2019	\$16.5
7460-01	Water Main Replacement (WS-710 & WS-711)	7/15/2020	\$22.6
7483-01	Water Main Replacement (WS-715 & WS-718)	9/9/2020	\$13.4
SRF Water - GLWA Projects			
7445-01	Northeast Transmission Phase 1	8/9/2019	\$30.0
7445-02	Northeast Transmission Main - Phase 2a	8/7/2020	\$15.0
7446-01	Lake Huron Sludge System-Raw Sludge Clarifiers	5/17/2019	\$8.3
7461-01	14 Mile Transmission Main Loop - Phase 1	8/7/2020	\$9.0
Total Water			\$114.7
SRF Sewer - DWSD Projects			
5688-01	Sewer Main Rehabilitation/Replacement - Phase 1	9/9/2020	\$4.0
SRF Sewer - GLWA Projects			
5636-01	Rehab Rectangular Primary Clarifiers, Electrical/Mechanical Buildings and Pipe Gallery	8/24/2016	\$51.3
5655-01	Detroit River Interceptor Segment 1	8/23/2018	\$17.5
5655-02	Detroit River Interceptor Segment 2	2/28/2020	\$28.4
5673-01	PS-1 Ferric Chloride System Rehabilitation	2/26/2021	12.9
Total Sewer			\$114.2

Chart 5 - Open State Revolving Fund Loans summarizes all current SRF loans held by GLWA (including financings on behalf of DWSD) that are active (reference Table 4 above for project descriptions). It summarizes the original award amount remaining and the amount drawn down as of March 31, 2021 for each loan. On March 31, 2021, the amount of SRF loans authorized and unissued is \$66.0 million for the Water fund and \$42.9 million for the Sewage Disposal Fund.

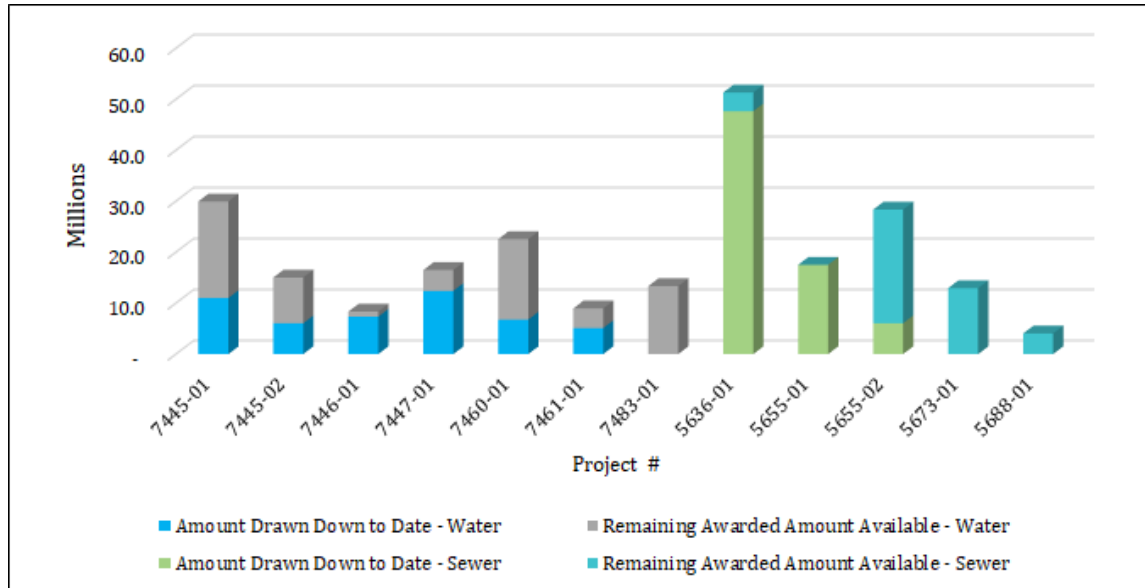


Table 5 - Project Plan Approved by EGLE identifies projects approved by the EGLE but for which applications had not yet been submitted for funding as of March 2021.

Project Owner	Description	Project Total	Anticipated Funding Date
Water SRF			
GLWA	Northeast Transmission Main - Phase 2b	\$ 92,000,000	FY 2023
GLWA	Northeast Transmission Main - Phase 3a	\$ 11,940,000	FY 2021
GLWA	14 Mile Transmission Main Loop - Phase 2	\$ 84,700,000	4Q 2021
GLWA	Northeast Transmission Main - Phase 3b	\$ 80,294,000	FY 2024
GLWA	Water Main Replacement (WS-713)	\$ 21,000,000	4Q 2021
Total Water SRF		\$ 289,934,000	
Sewer SRF			
GLWA	Detroit River Interceptor - Financial Segment	\$ 20,000,000	2Q 2022
DWSD	Sewer Main Replacements (WS-917 & WS-918)	\$ 13,200,000	4Q 2021
Total Sewer SRF		\$ 33,200,000	

DWSD Obligation Receivable: GLWA holds an obligation receivable from DWSD as an asset to account for the amount due for financing local system capital projects. DWSD carries a like amount of this as an obligation payable on its statement of net assets.

There are three components to the calculation of the DWSD obligation receivable. These are:

- a) an agreed upon amount for pre-January 1, 2016 (i.e. “pre-bifurcation”) debt as documented in a 2018 Memorandum of Understanding (\$455 million for water system and \$370 million for sewer per agreed-upon amortization schedules),
- b) new revenue bonds issued after January 1, 2016 to specifically fund the DWSD local system capital improvement projects which are payable based on the allocable share of the actual bonds debt service schedule, and
- c) SRF loans issued after January 1, 2016 for specific DWSD capital projects which are payable based on the allocable share of the actual loan payment schedule.

All retail customer revenues are deposited into a trust to fund these financial obligations in accordance with the MBO flow of funds.

Chart 6 - DWSD Obligation Receivable by Type summarizes the total DWSD obligation receivable balance for both Water and Sewer as of March 31, 2021 by pre-bifurcation, revenue bond and SRF component.

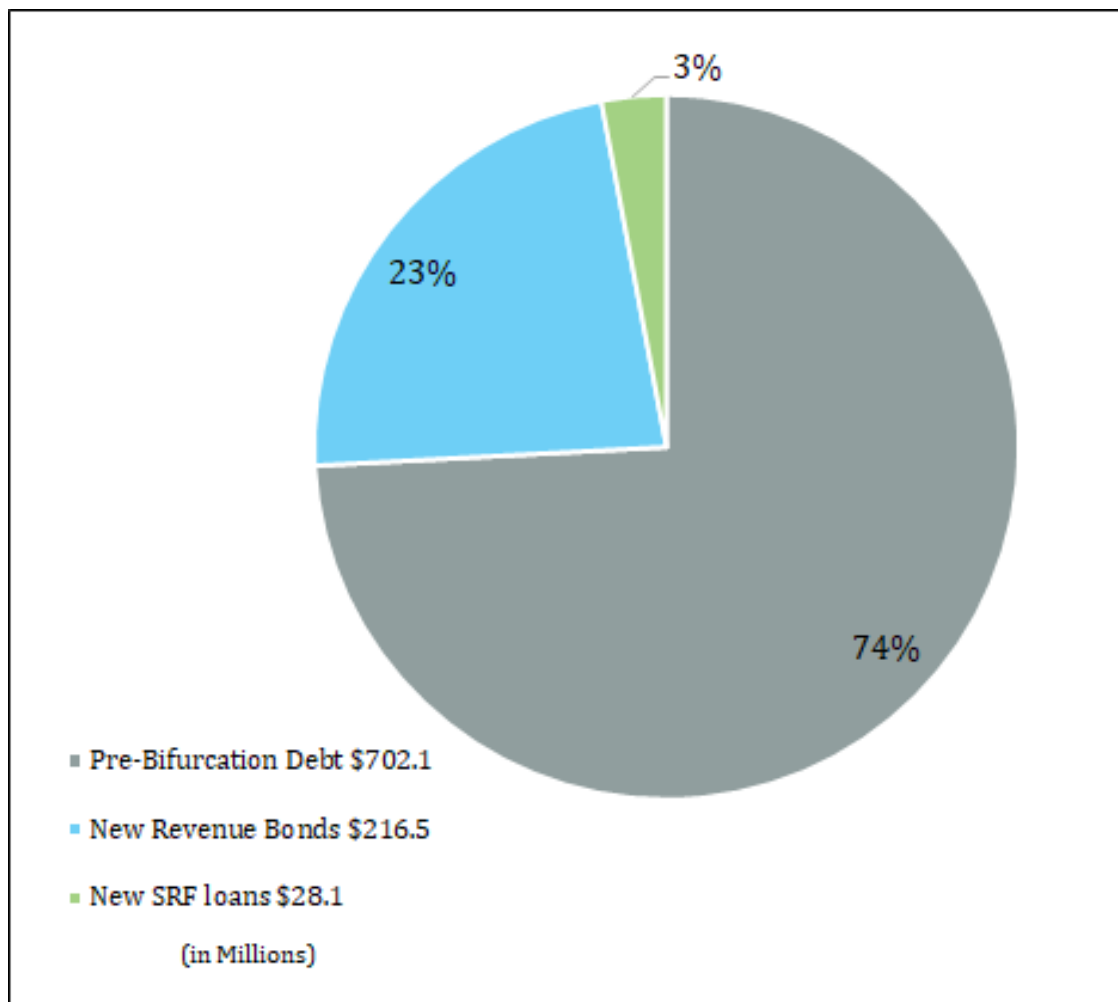


Chart 7 – Obligation Receivable Compared to Total Debt - Water provides context by comparing the Water System Obligation Receivable to the Total Water Debt (excludes unamortized premiums).

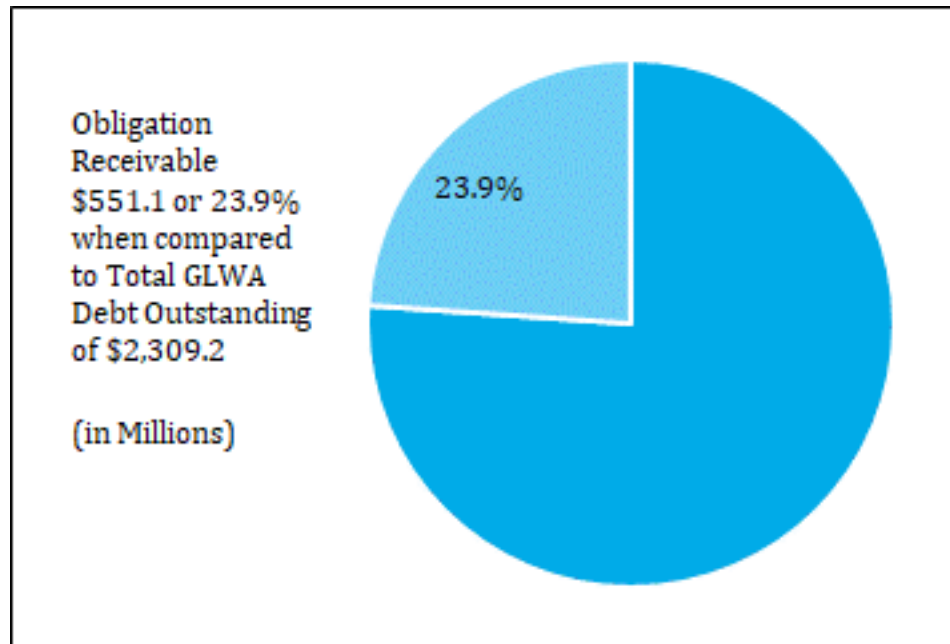


Chart 8 – Obligation Receivable Compared to Total Debt - Sewer provides context by comparing the Sewer System Obligation Receivable to the Total Sewer Debt (excludes unamortized premiums).

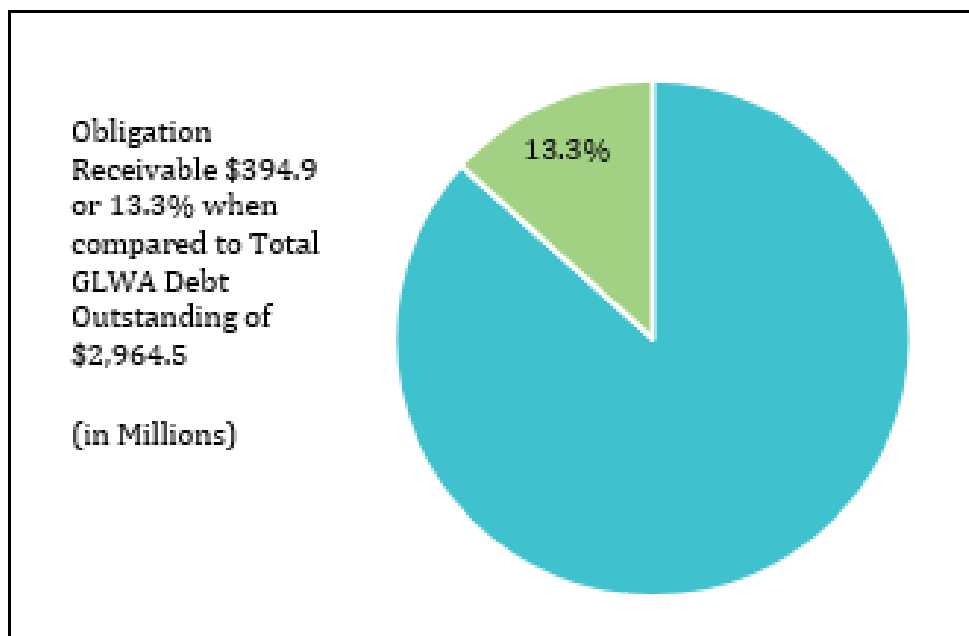


Table 6 - DWSD Obligation Receivable provides obligation receivable detail including fiscal year 2021 beginning balances by debt type and loan issue (for revenue bonds and SRF loans), year-to-date activity and ending balances as of March 31, 2021. Total DWSD debt totals \$976 million. This differs slightly from the total in Chart 8 due to the inclusion of unamortized premiums.

Table 6 - DWSD Obligation Receivable *(rounded for report)*
(In Thousands)

Debt Type	July 1, 2020 Beg Balance	Increase	Decrease	Mar 31, 2021 End Balance
DWSD Water				
Pre-Bifurcation Debt	\$ 398,320	\$ -	\$ (10,859)	\$ 387,461
Revenue Bond - 2016A	17,725	-	-	17,725
Revenue Bond - 2016B	33,015	-	-	33,015
Revenue Bond - 2020A	42,445	-	-	42,445
Revenue Bond - 2020B	43,135	-	-	43,135
SRF 7412-01	4,963	-	-	4,963
SRF 7413-01	3,219	-	-	3,219
SRF 7414-01	5,658	-	(155)	5,503
SRF 7447-01	1,692	5,992	-	7,684
SRF 7460-01	-	6,758	-	6,758
SRF 7483-01	-	-	-	-
Total DWSD Obligation	550,171	12,749	(11,014)	551,907
Unamortized Premiums	20,391	-	(606)	19,785
Subtotal: Water	570,562	12,749	(11,620)	571,692
DWSD Sewer				
Pre-Bifurcation Debt	323,833	-	(9,187)	314,646
Revenue Bond - 2018A	80,225	-	-	80,225
SRF 5688-01	-	-	-	-
Total DWSD Obligation	404,058	-	(9,187)	394,871
Unamortized Premiums	9,339	-	(282)	9,057
Subtotal: Sewer	413,397	-	(9,469)	403,928
Total DWSD Debt	\$ 983,959	\$ 12,749	\$ (21,089)	\$ 975,620

Annual Change in Outstanding Debt: It is the goal of GLWA to ensure the long-term sustainability of the water and sewer systems. One of the best ways to accomplish this is by reducing the debt service payments on existing bonds as well as reducing the amounts of future bond issues by using revenue financed capital.

Table 7 - Long-Term Debt Summary provides a detail of GLWA's fiscal year 2021 beginning balances by debt type and loan issues, year-to-date activity, and ending balances as of March 31, 2021. GLWA debt includes financing for both the regional and local share.

Debt Type	(In Thousands)			
	June 30, 2020 Beg Balance	Increase	Decrease	Mar 31, 2021 End Balance
Water Fund				
Revenue Bonds	\$ 2,261,935	\$ -	\$ (15,690)	\$ 2,246,245
State Revolving Loans	39,318	25,542	(1,955)	62,906
Total Installment Debt	2,301,253	25,542	(17,645)	2,309,151
Unamortized Premiums / Discounts	191,536	-	(11,560)	179,976
Subtotal: Water	2,492,789	25,542	(29,205)	2,489,126
Sewer Fund				
Revenue Bonds	2,578,220	-	(30,235)	2,547,985
Capital Appreciation bonds	11,335	-	(5,660)	5,675
State Revolving Loans	449,667	11,381	(50,160)	410,887
Total Installment Debt	3,039,222	11,381	(86,055)	2,964,547
Capital Appreciation Bond Discount	(667)	-	331	(337)
Unamortized Premiums / Discounts	65,568	-	(14,414)	51,154
Subtotal: Sewer	3,104,122	11,381	(100,138)	3,015,365
Total Combined, Long Term Debt	\$ 5,596,912	\$ 36,923	\$ (129,343)	\$ 5,504,491

Debt Service Coverage

GLWA is committed to ensuring the long-term sustainability of the water and sewer systems and has pledged specific revenue streams to secure the repayment of the revenue bonds and SRF loans associated with them. The MBO establishes minimum debt coverage levels at 1.20 for senior lien bonds, 1.10 for second lien bonds and 1.00 for any junior lien bonds, other than second lien bonds. Debt service coverage ratios are inclusive of all debt held on behalf of both GLWA and DWSD.

GLWA computes the debt service coverage ratio using two different methodologies. The Rate Covenant Basis uses a pledged revenue on a cash basis methodology and the GAAP Basis uses a pledged revenue on an accrual basis methodology. Pledged revenue is divided by the debt service requirements of each lien on a rate covenant basis to compute the debt service coverage ratio. The rate covenant basis is defined as the cash available to make the debt service payments on the due dates. The table below details the components of the pledged revenue for each methodology.

Components of Pledged Revenue	Pledged Revenue Calculation	Rate Covenant Basis	GAAP Basis
Revenues	Addition	Cash basis	Accrual basis
GLWA O&M expenses	Subtraction	Cash basis	Accrual basis
GLWA O&M pension	Subtraction	Cash basis	Cash basis
DWSD O&M expenses & O&M pension	Subtraction	Cash transfers to DWSD	Cash transfers to DWSD

Table 8: Debt Service Coverage Ratios - Water provides a summary of the MBO required minimum, historical, and budgeted debt service coverage ratios for the Water fund.

Debt Service Coverage Water Fund							
	MBO Required Minimum	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Adopted Budget 2021	Adopted Budget 2022
Rate Covenant Basis							
Senior Lien Bonds	1.20	2.03	2.07	2.13	1.94	1.81	1.84
Senior and second lien bonds	1.10	1.57	1.55	1.54	1.42	1.32	1.38
All bonds, including SRF junior lien	1.00	1.56	1.53	1.51	1.40	1.28	1.32
GAAP Basis							
Senior Lien Bonds		2.10	2.12	2.04	1.98		
Senior and second lien bonds		1.63	1.59	1.47	1.46		
All bonds, including SRF junior lien		1.61	1.57	1.45	1.43		

Table 9: Debt Service Coverage Ratios - Sewer provides a summary of the MBO required minimum, historical, and budgeted debt service coverage ratios for the Sewer fund.

Debt Service Coverage Sewage Disposal Fund							
	MBO Required Minimum	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Adopted Budget 2021	Adopted Budget 2022
Rate Covenant Basis							
Senior Lien Bonds	1.20	2.02	2.04	2.11	2.15	2.44	2.38
Senior and second lien bonds	1.10	1.51	1.56	1.62	1.64	1.73	1.78
All bonds, including SRF junior lien	1.00	1.21	1.25	1.29	1.29	1.34	1.39
GAAP Basis							
Senior Lien Bonds		2.49	2.20	2.10	2.16		
Senior and second lien bonds		1.86	1.68	1.61	1.65		
All bonds, including SRF junior lien		1.50	1.34	1.28	1.30		

Refinancing

In an effort to reduce the annual water and sewer debt service payments, GLWA monitors its outstanding water and sewer debt portfolios to determine if it has the ability to refund existing bond issues with new, lower interest rate bonds. At least once per year, GLWA's registered municipal advisor, PFM Financial Advisors, LLC (PFM) prepares an analysis of GLWA's bond refunding opportunities based on the current municipal interest rate environment and the existing debt service on GLWA's callable bonds.

In May 2020, GLWA completed a \$463.1 million Water Supply System Revenue and Revenue Refunding bond transaction. This included a \$377.5 million taxable bond refinancing transaction with an additional \$85.6 million in tax-exempt new money to support the DWSD local system capital improvements. The refunding transaction resulted in \$66.5 million of present value savings for the water system. In June 2020, GLWA completed a \$687 million Sewage Disposal System Revenue Refunding taxable bond transaction resulting in present value savings of \$123 million for the sewage disposal system.

As part of the May and June 2020 transactions noted, funds from the refunding bonds have been placed in an irrevocable trust with an escrow agent to pay off this debt on the next available call dates. The bonds to be refunded are considered defeased and have been removed from GLWA's statement of net position.

Table 10: Defeased Debt provides a summary of the debt which has been defeased and the call dates.

Defeased Debt - Water Fund			
Bond Series to be Refunded	Amount	Call Date	Bond Issue Refunded By
Series 2011A	\$ 289,605,000	July 1, 2021	Series 2020C
Series 2011B	\$ 2,295,000	July 1, 2021	Series 2020C
Series 2011C	<u>\$ 74,125,000</u>	July 1, 2021	Series 2020C
Total Defeased Water Fund Debt	<u>\$ 366,025,000</u>		

Defeased Debt - Sewage Disposal Fund			
Bond Series to be Refunded	Amount	Call Date	Bond Issue Refunded By
Series 2012A	\$ 419,810,000	July 1, 2022	Series 2020A & Series 2020B
Series 2014C-1	\$ 123,200,000	July 1, 2022	Series 2020A & Series 2020B
Series 2014C-2	\$ 27,450,000	July 1, 2022	Series 2020A & Series 2020B
Series 2005A	\$ 31,785,000	July 1, 2021	Series 2020B
Series 2006B	<u>\$ 55,000,000</u>	July 1, 2021	Series 2020B
Total Defeased Sewage Disposal Fund Debt	<u>\$ 657,245,000</u>		

The next available refunding opportunity will be for bonds with a call date of July 1, 2024, for both the water fund and sewage disposal fund. Approximately \$390.4 million in water bonds and \$392.5 million in sewer bonds will be callable at that time. GLWA will continue to work with its registered municipal advisor to monitor the potential for refunding these bonds.



Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Quarterly Investment Report (Unaudited)

Background: As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through March 31, 2021 (unaudited).

Analysis: The Quarterly Investment Report complies with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. GLWA is investing its funds in a diversified portfolio which includes bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper. All securities in the portfolio comply with the GLWA investment policy. Key metrics are provided below with additional commentary in the attached report.

- Yield at Cost:
 - As of March 31, 2021: 0.66%
 - As of December 31, 2020: 0.69%
- Portfolio Allocation in Cash/Money Market Securities:
 - As of March 31, 2021: 35%
 - As of December 31, 2020: 51%

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

Proposed Action: Receive and file this report.

Great Lakes Water Authority

Investment Performance Report – March 2021



Table of Contents

I. Executive Summary

II. Investment Strategy

III. Summary Market Overview and Outlook

IV. Portfolio Snapshot

Security Type

Credit Quality

Account Purpose

Maturity Distribution

Yield at Cost and Market

Peer Analysis

Investment Income by Month

Investment Income Year over Year

Monthly Investment Income Compared to Fed Funds Rate

VI. Appendix

Portfolio Holdings

Economic Update

Executive Summary

PORTFOLIO RECAP

- **Safety** – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, Federal Agencies, commercial paper, SEC-registered money market funds, and a local government investment pool. The total credit profile of the portfolio is strong with 98% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by Standard & Poor's.
- **Liquidity** – Great Lakes Water Authority (“GLWA”) has continued to monitor its portfolio with the goal of limiting the allocation to cash and bank deposit accounts and maximizing the use of short-term investments to meet liquidity requirements. As of March 31, 2021, around 35% of the funds were held in cash and money market accounts maturing overnight.
- **Return** – The overall yield at cost decreased to 0.66% as of March 31, 2021, versus 0.69% as of December 31, 2020. The lower yield is reflective of the near zero-interest rate environment in the current market. GLWA has earned over \$5.7 million (unaudited) in investment income for the first nine months of fiscal 2021 on a book value basis. We expect the investment income for GLWA for FY 2021 to be about \$6.9 million.

AVAILABLE FUNDS (Unaudited)

Type	Financial Institution	Book Value	Market Value	Yield @ Cost (as of 3/31/21)	Yield @ Market (as of 3/31/21)
Deposit Account	Comerica	\$5,903,051	\$5,903,051	0.01%	0.01%
Deposit Account - Retainage	First Independence	\$19,481,138	\$19,481,138	0.01%	0.01%
Deposit Account – Flint Security Deposit	Chase	\$3,814,190	\$3,814,190	0.01%	0.01%
Deposit Account	Chase	\$42,349,679	\$42,349,679	0.14%	0.14%
Trust Money Market Fund	U.S. Bank	\$247,315,244	\$247,315,244	0.03%	0.03%
Money Market Fund	JP Morgan	\$11,624,013	\$11,624,013	0.01%	0.01%
Local Government Investment Pool	GovMIC	\$6,166,337	\$6,166,337	0.05%	0.05%
Managed Funds	PFM	\$615,876,618	\$619,554,661	0.99%	0.17%
<u>MARCH 2021 TOTALS:</u>		<u>\$952,530,271</u>	<u>\$956,208,315</u>	<u>0.66%</u>	<u>0.13%</u>
<u>PREVIOUS QUARTER TOTALS:</u>		<u>\$956,416,305</u>	<u>\$961,736,022</u>	<u>0.69%</u>	<u>0.10%</u>

The accounts at Comerica Bank get an earnings credit to offset bank fees. The funds and earnings in the Retainage account are held on behalf of the contractors and do not belong to GLWA. The funds and earnings in the Flint Security Deposit account are held on behalf of the City of Flint and do not belong to GLWA. In addition to the above, there also exists surety bonds in the amount of \$324,809,258 as of 3/31/2021.

Investment Strategy

OVERALL STRATEGY

- All investment activity is conducted subject to GLWA's investment policy and state statutes while meeting the primary objectives of safety and liquidity. The portfolio is managed to a disciplined investment plan to provide improved safety and diversification while putting every dollar to work.
- GLWA, working with its investment advisor PFM Asset Management LLC ("PFM"), has continued to invest its funds in a mixture of short and intermediate-term securities to ensure adequate liquidity to cover upcoming debt, pension payments, and operational requirements.
- PFM will continue to actively manage long-term portfolios with full discretion and align short-term balances with expected liabilities and identify strategies to maximize future investment income in the current interest rate environment, subject to GLWA's investment policy and state statutes.

PORTFOLIO PERFORMANCE – CURRENT PERIOD*

- The overall portfolio's original yield at cost went from 0.69% as of December 31, 2020, to 0.66% as of March 31, 2021. The lower yield is a result of investing in a lower interest rate environment.
- The total portfolio had a market yield of 0.13% at the end of March. Yield at market represents what the market would provide in return if the portfolio was purchased on March 31, 2021 (versus purchased in prior months / years)
 - We utilize a variety of investment sectors, and because of that, this 0.13% yield at market as of 3/31/2021 is beneficial when compared to the 0.02% yield of the 3-Month U.S. Treasury Bill Index, which is a comparable market indicator.

PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$5.7 million (unaudited) in investment income for fiscal year-to-date 2021 (as of March 31, 2021) on a book value basis.
- The current period earnings are in line with the figure for the amended budget however, we anticipate a drop in earnings for the remainder of the year as a result of reinvesting in a near zero-interest rate environment.
- The FY 2021 total interest earnings projection forecast is currently is \$6.9 million.

** Yield at cost is based on the original cost of the individual investments from the purchase date to maturity. On the other hand, yield at market is calculated on a specific day (in this case, March 31, 2021) and assumes that all the securities in the portfolio are purchased given the market price/yield on that particular day. If one is to generally hold their investments to the stated maturity date, then the yield at cost would be the better number to use to gauge how the portfolio is performing.*

Summary Market Overview and Outlook

ECONOMIC HIGHLIGHTS UPDATE

- The vaccine rollout has accelerated, causing COVID-19 cases, hospitalizations, and deaths to fall sharply. Most economists, including those at the Fed, have raised growth forecasts and now see the U.S. economy expanding by 6% – 7% this calendar year, which is a remarkable pace. Congress passed the American Rescue Plan Act to provide \$1.9 trillion in relief to households, businesses, schools, and state, local and tribal governments. The plan extends unemployment benefits, increases the child tax credit, and provides additional funding for vaccinations and testing.
- Economic optimism, fiscal stimulus, and an easy monetary policy are fueling a rise in inflation expectations. Although the inflation trend remains muted and well below the Fed's 2.0% average inflation target, near-term inflation is likely to rise as the recovery accelerates. At the most recent FOMC meeting, the Fed maintained its current easy money policy. Fed Chair Jerome Powell acknowledged an improving economic outlook and suggested that higher inflation readings would likely be transitory.

ECONOMIC IMPACT ON PORTFOLIO

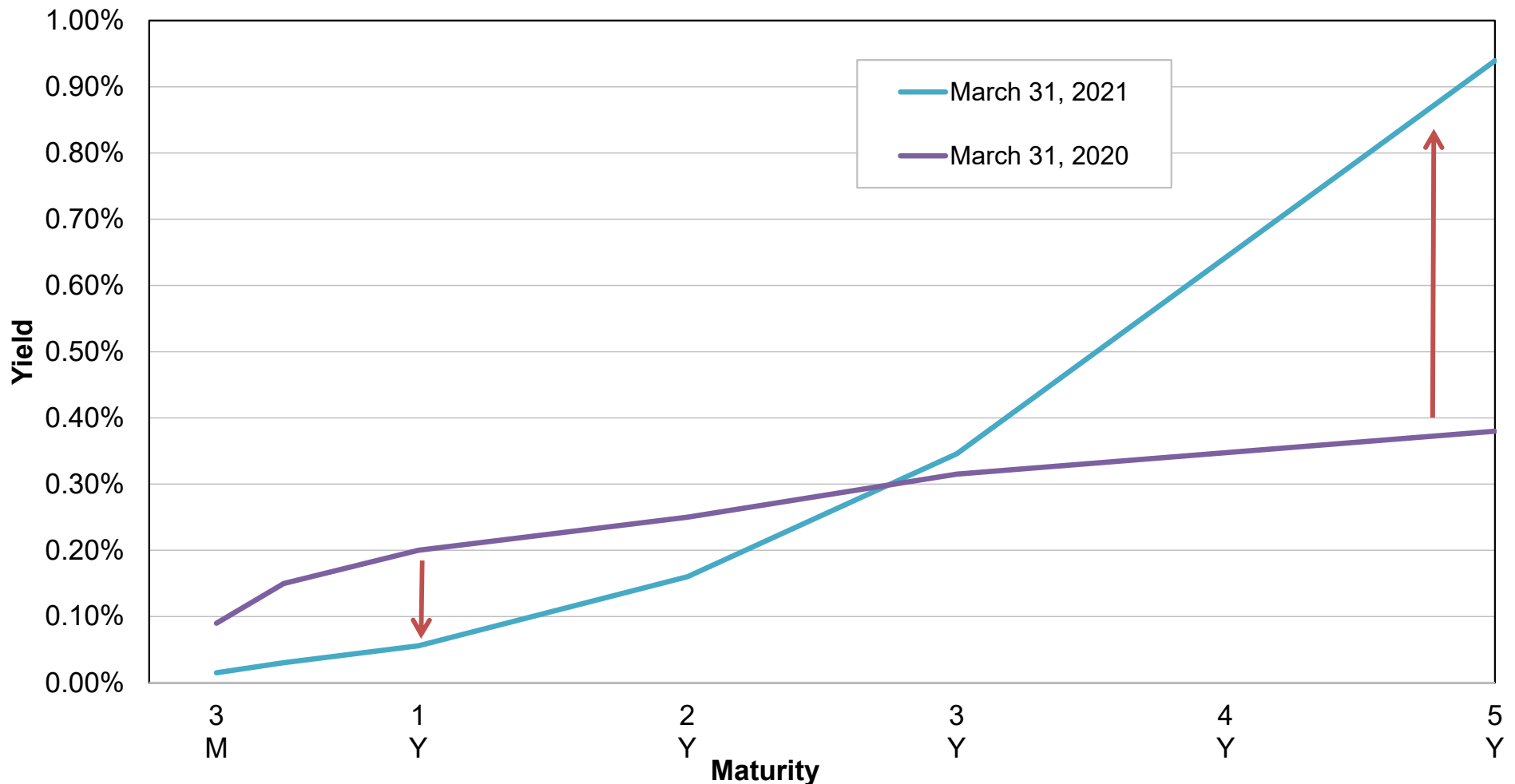
- The U.S. Treasury yield curve steepened significantly as the yield on the benchmark 3-month Treasury Bill fell to 0.02% while economic optimism and rising inflation expectations continued to push longer-term Treasury yields higher. The yield on the benchmark 10-year Treasury Note rose to end March at 1.74% and the 2 to 10-year Treasury yield spread reached its steepest level since 2015.
- The outlook for the U.S. economy brightened over the past quarter on rising vaccinations, fiscal support, and a supportive Federal Reserve.
- The expectation is for very strong growth for the balance of 2021 and beyond with a gradual trend of rising intermediate and long-term bond yields.
- In the money market space, yield spreads on short-term commercial paper have increased, offering better opportunities as Treasury Bill yields continue to approach zero.
- Portfolio Impact: Diversification across all permitted sectors will remain a key element of our strategy, with allocations dependent upon our assessment of changing relative value. Since Agency yield spreads have remained tight, we have increased allocations to Treasuries. This enhances liquidity, which could be deployed should spreads in other sectors widen.

Summary Market Overview and Outlook

Short-Term Interest Rates Remain Low

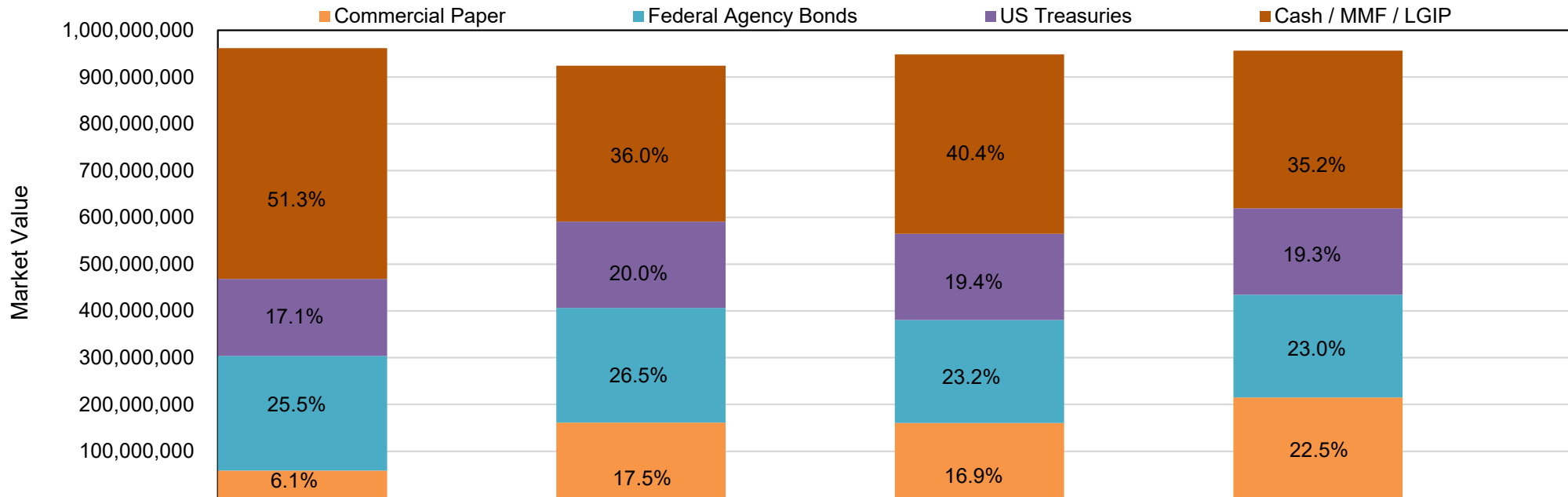
- It should be noted that as a result of the Federal Reserve's current zero interest rate policy, the markets have seen a dramatic drop in fixed-income yields over the past year.

U.S. Treasury Yield Curve



Portfolio Snapshot

Investments – By Security Type

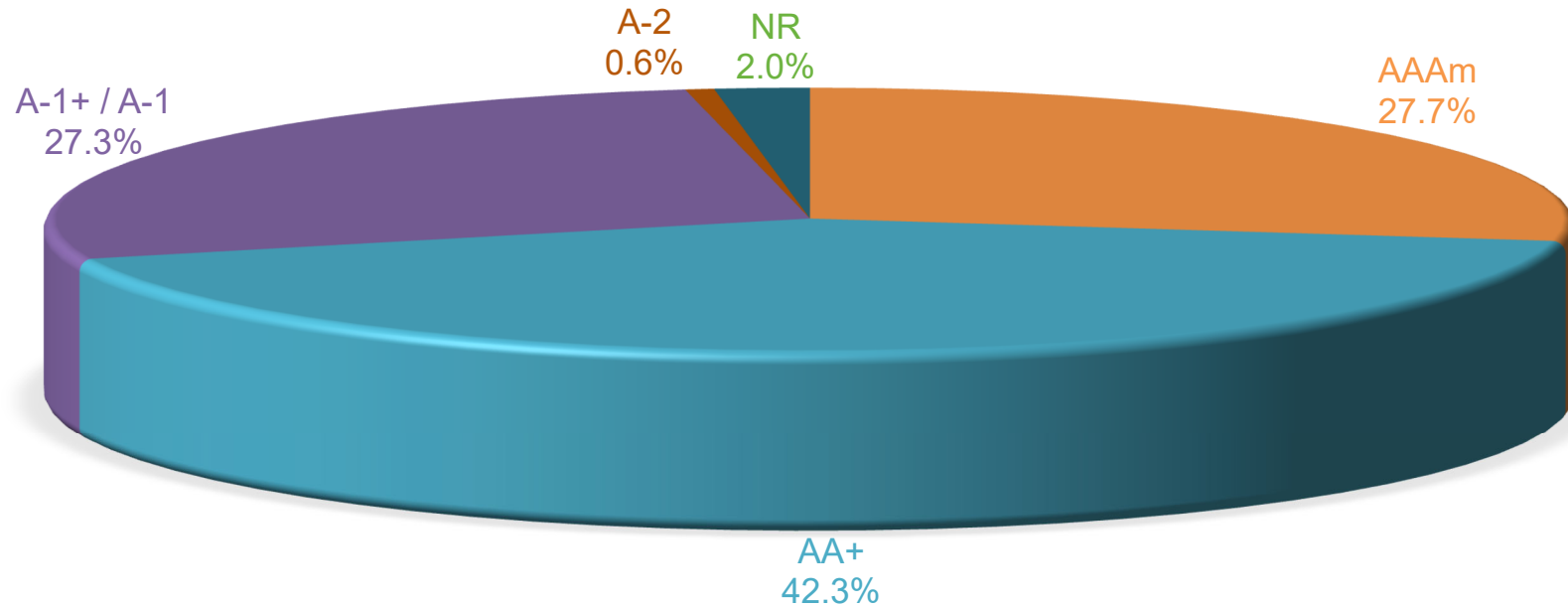


Security Type	December		January		February		March	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	58,829,073	6.1%	161,573,881	17.5%	160,622,690	16.9%	214,791,918	22.5%
Federal Agencies	245,113,617	25.5%	244,864,264	26.5%	220,070,864	23.2%	219,792,740	23.0%
U.S. Treasuries	164,560,000	17.1%	184,659,268	20.0%	184,311,815	19.4%	184,970,004	19.3%
Cash / MMF / LGIP	493,233,332	51.3%	333,068,528	36.0%	383,127,641	40.4%	336,653,653	35.2%
Total	961,736,022	100.0%	924,165,940	100.0%	948,133,010	100.0%	956,208,315	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Snapshot

Investments – By Credit Quality

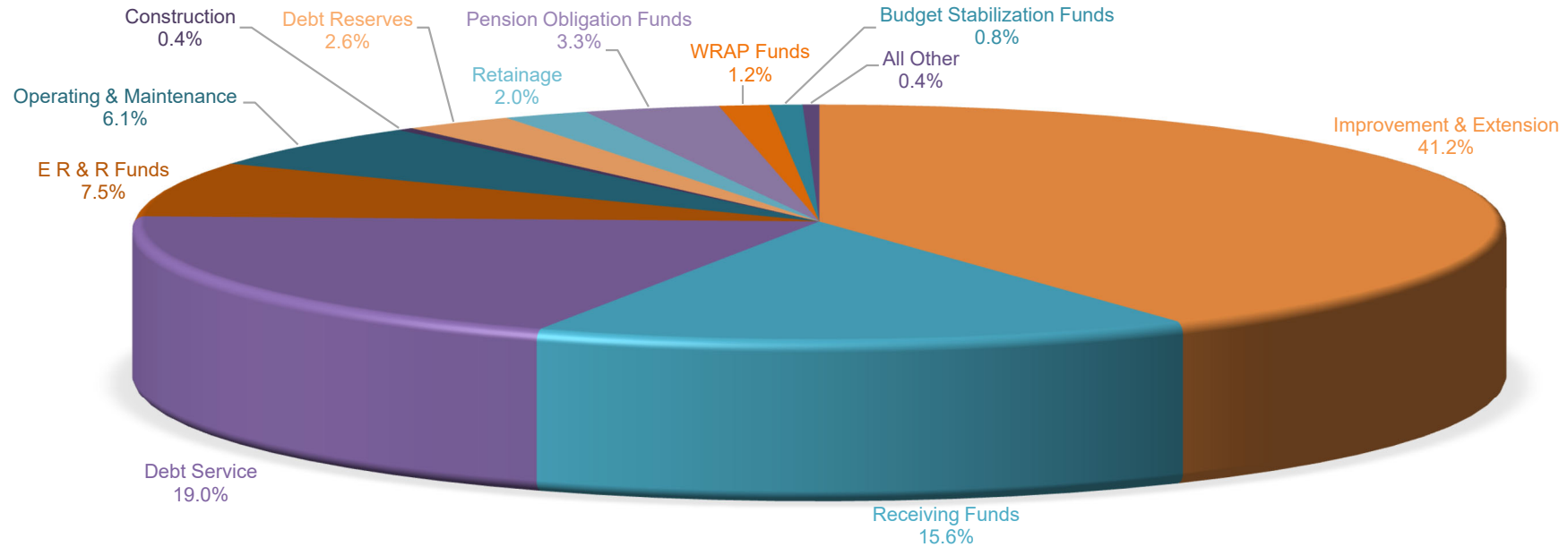


Credit Quality	Market Value	Asset Allocation
Ratings		
AAAm	265,105,595	27.7%
AA+	404,762,743	42.3%
A-1 + / A-1	260,955,787	27.3%
A-2	5,903,051	0.6%
NR	19,481,138	2.0%
Totals	956,208,315	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Snapshot

Investments – By Account Purpose

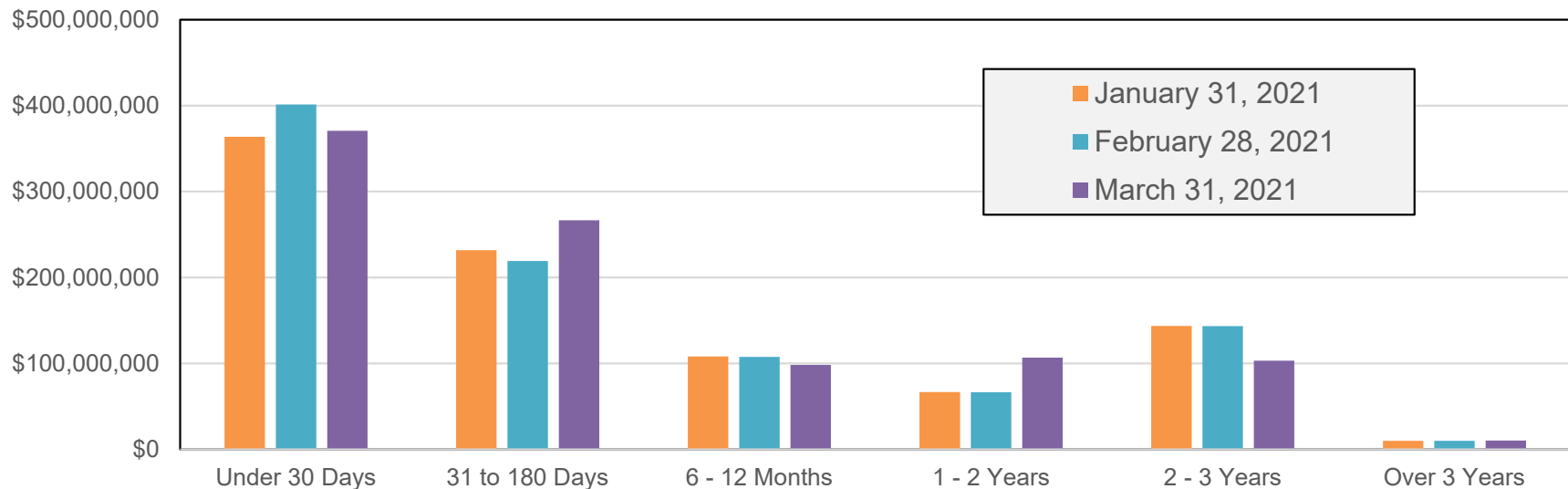


Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration
Improvement & Extension	\$ 393,497,482	41.2%	1.11%	0.11%	0.975 Years
Debt Service	\$ 181,519,247	19.0%	0.22%	0.22%	0.246 Years
Receiving Funds (includes lockbox account)	\$ 148,953,789	15.6%	0.03%	0.03%	0.003 Years
Extraordinary Repair & Replacement Funds	\$ 71,717,934	7.5%	1.29%	0.25%	1.593 Years
Operating & Maintenance	\$ 58,159,238	6.1%	0.02%	0.02%	0.003 Years
Pension Obligation Funds	\$ 31,110,071	3.3%	0.14%	0.16%	0.163 Years
Debt Reserves	\$ 25,249,475	2.6%	1.57%	0.09%	0.876 Years
Retainage	\$ 19,481,138	2.0%	0.01%	0.01%	0.003 Years
WRAP Funds	\$ 11,420,293	1.2%	0.16%	0.17%	0.213 Years
Budget Stabilization Funds	\$ 7,546,528	0.8%	1.12%	0.30%	1.951 Years
Flint Security Deposit Account	\$ 3,814,190	0.4%	0.01%	0.01%	0.003 Years
Construction	\$ 3,738,930	0.4%	0.14%	0.14%	0.003 Years
Total	\$ 956,208,315	100.0%	0.66%	0.13%	0.614 Years

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Snapshot Investments – By Maturity

Maturity Distribution	January 31, 2021		February 28, 2021		March 31, 2021	
		%		%		%
Under 30 Days	\$ 363,843,974	39.4%	\$ 401,316,654	42.3%	\$ 370,737,304	38.8%
31 to 180 Days	231,766,184	25.1%	219,198,361	23.1%	266,571,462	27.9%
6 - 12 Months	108,240,843	11.7%	107,686,120	11.4%	98,303,417	10.3%
1 - 2 Years	66,763,535	7.2%	66,655,410	7.0%	106,924,532	11.2%
2 - 3 Years	143,490,041	15.5%	143,344,315	15.1%	103,353,903	10.8%
Over 3 Years	10,061,363	1.1%	9,932,150	1.0%	10,317,695	1.1%
Totals	\$ 924,165,940	100.0%	\$ 948,133,010	100.0%	\$ 956,208,315	100.0%



In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Snapshot

Investment Accounts – Yield at Cost & Market

	As of March 31, 2021		As of December 31, 2020	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
Bank Deposits				
Comerica	0.01%	0.01%	0.01%	0.01%
First Indenpedence	0.01%	0.01%	0.03%	0.03%
Flint Deposit Account	0.01%	0.01%	0.10%	0.10%
JP Morgan Chase	0.14%	0.14%	0.10%	0.10%
Sub-Total Bank Deposits	0.09%	0.09%	0.07%	0.07%
Money Market Funds / LGIPs				
GoMIC	0.05%	0.05%	0.05%	0.05%
U.S. Bank - First American MMF	0.03%	0.03%	0.03%	0.03%
JP Morgan Securities - Blackrock MMF	0.01%	0.01%	0.02%	0.02%
Sub-Total MMF / LGIPs	0.03%	0.03%	0.03%	0.03%
Investment Portfolios				
Sewage SR Debt Serv 5403	0.20%	0.20%	0.25%	0.25%
Sewage SR Res 5400	1.46%	0.10%	1.46%	0.15%
Sew 2nd Debt Serv 5403	0.19%	0.21%	0.24%	0.27%
Sewage 2nd Res 5481	1.80%	0.07%	1.80%	0.14%
Sew SRF Debt Serv 5410	0.19%	0.23%	0.21%	0.19%
Sewage ER & R	1.27%	0.25%	1.61%	0.15%
Sewer Improvement & Extension	1.39%	0.14%	1.44%	0.15%
Sewer Pension Obligation	0.17%	0.19%	0.33%	0.17%
Sewer Wrap Fund	0.19%	0.21%	0.24%	0.18%
Sewer Budget Stabilization Fund	1.12%	0.30%	1.77%	0.18%
Sewer O&M Pension Sub Account	0.17%	0.19%	0.00%	0.00%
Water SR Debt Ser 5503	0.20%	0.19%	0.24%	0.26%
Water SR Reserve 5500	1.80%	0.07%	1.80%	0.14%
Water 2nd Debt Serv 5503	0.21%	0.19%	0.25%	0.25%
Water 2nd Res 5581	1.80%	0.07%	1.80%	0.14%
Water SRF Debt Serv 5575	0.20%	0.22%	0.20%	0.21%
Water ER & R	1.31%	0.24%	1.63%	0.15%
Water Improvement & Extension	1.46%	0.14%	1.58%	0.16%
Water Pension Obligation	0.17%	0.19%	0.33%	0.17%
Water Wrap Fund	0.18%	0.19%	0.00%	0.00%
Water Budget Stabilization Fund	1.11%	0.30%	1.77%	0.18%
Water O&M Pension Sub Account	0.17%	0.19%	0.00%	0.00%
Sub-Total Investment Portfolios	0.99%	0.17%	1.39%	0.17%
Grand Total	0.66%	0.13%	0.69%	0.10%

The accounts at Comerica Bank get an earnings credit to offset bank fees. The earnings in the accounts at First Independence Bank is credited to the contractors and not the Authority. The funds in the Flint Security Deposit account are held on behalf of the City of Flint and the earnings do not belong to GLWA. YTM @ Cost is the expected return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis. YTM @ Market is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.

Portfolio Snapshot

Peer Analysis Comparison

- The comparison agencies included in the list below were selected based on type and/or other non-performance-based criteria to show a broad range of water entities/utilities; this peer group list does not represent an endorsement of any of the public agencies or their services.
- The overall yield of GLWA's aggregate portfolio compares somewhat favorably to those of other short-term market indices (i.e., the S&P LGIP index and the 3-month U.S. Treasury index), despite the zero-interest rate environment and the limited ability in managing assets to a longer-term strategy.
- GLWA does have some limitations and unique constraints related to its ordinance and covenants that restricts the potential for a longer duration portfolio when compared to other similar water agencies.

As of March 31, 2021

	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
GLWA				
Great Lakes Water Authority	\$956,208,315	0.13%	0.61 Years	225 Days
Short/Intermediate-Term Indices				
S&P Rated Government Investment Pool Index		0.01%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		0.02%	0.15 Years	55 Days
BoA / ML 6-Month Treasury Index		0.03%	0.40 Years	146 Days
BoA / ML 1-Year Treasury Index		0.09%	0.91 Years	332 Days
BoA / ML 1-3 Year Treasury Index		0.19%	1.84 Years	672 Days
BoA / ML 1-5 Year Treasury Index		0.37%	2.60 Years	949 Days
Peer Analysis (Water Entities / Utilities)				
District of Columbia Water & Sewer Authority, DC	\$247,984,784	0.19%	1.05 Years	405 Days
DuPage Water Commission, IL	\$176,370,359	0.60%	2.20 Years	1,106 Days
Fairfax County Water Authority, VA	\$159,329,460	0.35%	2.17 Years	835 Days
Metro Wastewater Reclamation District, CO	\$309,125,059	0.38%	2.09 Years	821 Days
Metropolitan Water District of Southern California, CA	\$1,001,566,107	0.43%	0.97 Years	403 Days
Philadelphia Water Department, PA	\$195,332,054	0.19%	0.95 Years	366 Days
San Bernardino Valley Municipal Water District, CA	\$375,913,736	0.27%	1.83 Years	679 Days
Tohopekaliga Water Authority, FL	\$105,238,198	0.36%	2.22 Years	841 Days
Truckee Meadows Water Authority, NV	\$105,238,198	0.36%	2.22 Years	841 Days

The BoA / ML indexes are unmanaged indexes tracking on-the-run Treasuries. These indexes are produced and maintained by Bank of America / Merrill Lynch & Co. Yield to maturity is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.

Portfolio Snapshot

Monthly Investment Income

(Book Value)

FY 2021 INVESTMENT INCOME BY MONTH (Unaudited)

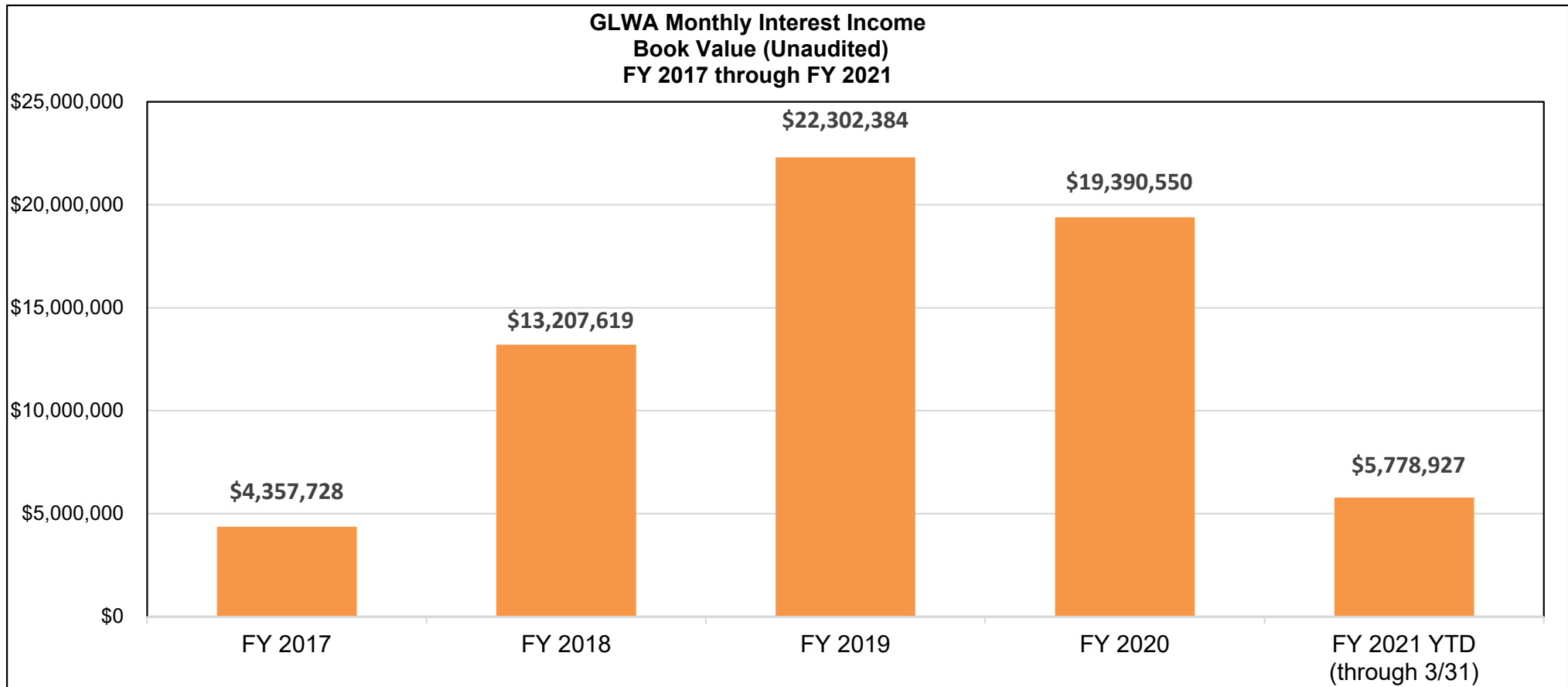
Month	Interest Earned During Period	Realized Gain / Loss	Investment Income
July 2020	\$819,118.39	\$0.00	\$819,118.39
August 2020	\$804,779.94	\$0.00	\$804,779.94
September 2020	\$677,008.40	\$0.00	\$677,008.40
October 2020	\$684,428.35	\$0.00	\$684,428.35
November 2020	\$628,192.58	\$0.00	\$628,192.58
December 2020	\$571,545.59	\$0.00	\$571,545.59
January 2021	\$555,530.42	\$0.00	\$555,530.42
February 2021	\$491,722.08	\$0.00	\$491,722.08
March 2021	\$546,601.70	\$0.00	\$546,601.70
<u>FY 2021 Y-T-D</u>	<u>\$5,778,927.45</u>	<u>\$0.00</u>	<u>\$5,778,927.45</u>

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

Portfolio Snapshot

Year-Over-Year Investment Income

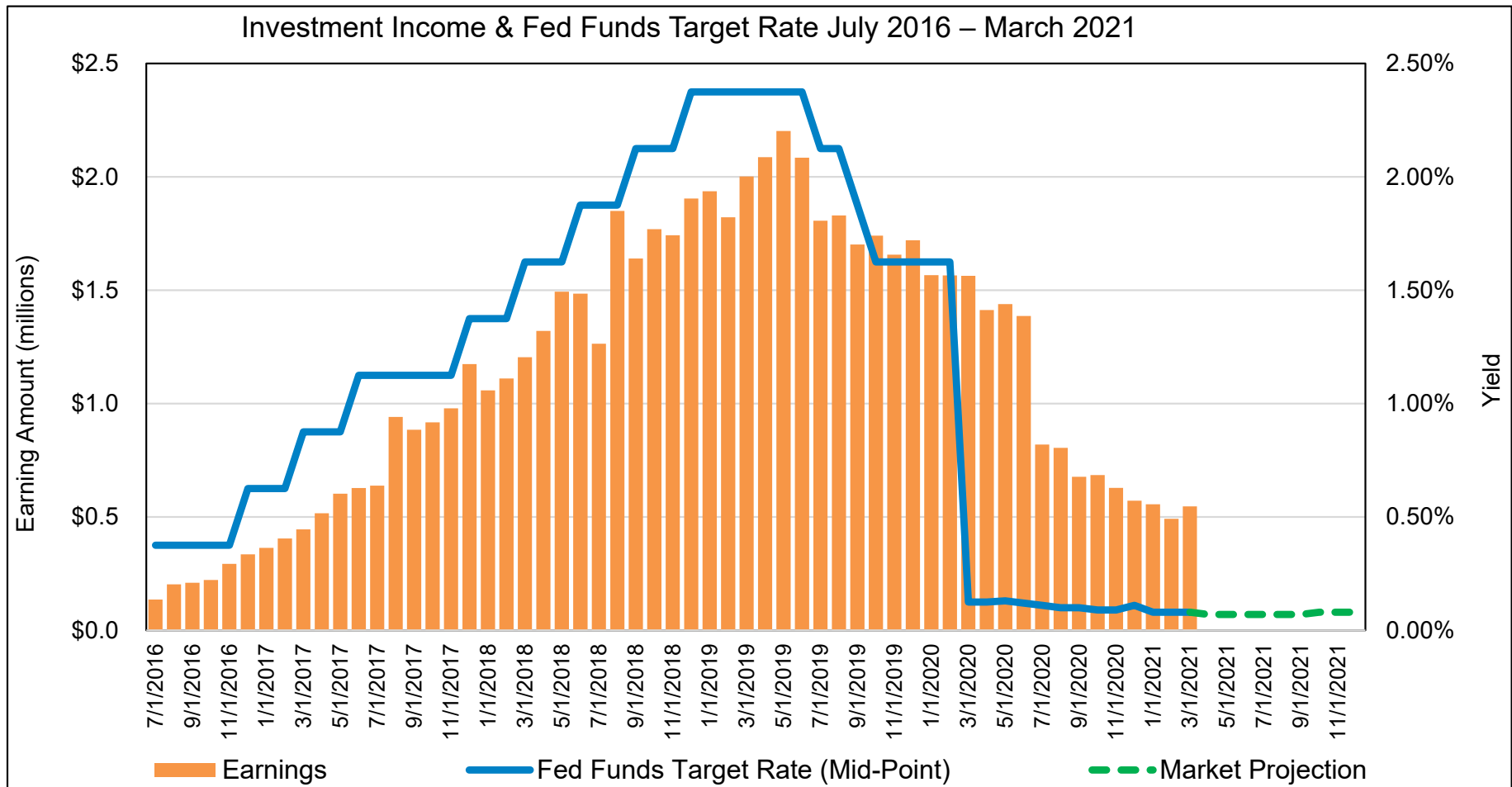
- GLWA earned \$5,778,927 in investment income for the first nine months of fiscal year 2021 on a book value basis compared to \$15,151,992 for the first nine months of fiscal year 2020.
- Based on current market assumptions, projected investment income for fiscal year 2021 is forecasted to be around \$6.9 million, as the market expects the overnight lending rate to be maintained at its current range of 0.00% to 0.25% for the foreseeable future.



Portfolio Snapshot

Monthly Investment Income Compared to Fed Funds Rate

- As a result of the short-term duration of GLWA's portfolio, it is heavily impacted by changes in the Fed Funds target rate; the chart below illustrates that GLWA's investment income has consistently followed the trend of the Fed Funds rate.
- According to effective Fed Funds futures, the market expects the overnight lending rate to be maintained at its current range of 0.00% to 0.25% through at least the next year; based on the historical trend, the current zero interest rate monetary policy by the Federal Reserve will translate into lower interest earnings for GLWA going forward.



Appendix I: Portfolio Holdings

Portfolio Holdings As of March 31, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
<u>Short-Term Bank Deposits / MMF / LGIP</u>									
COMERICA BANK		\$ 5,903,051	4/1/2021	12/31/2020	0.01%	\$ 5,903,051	1	\$ -	\$ 5,903,051
FIRST INDEPENDENCE BANK		19,481,138	4/1/2021	12/31/2020	0.01%	19,481,138	1	-	19,481,138
FLINT DEPOSIT ACCOUNT		3,814,190	4/1/2021	12/31/2020	0.01%	3,814,190	1	-	3,814,190
JP MORGAN CHASE		42,349,679	4/1/2021	12/31/2020	0.14%	42,349,679	1	-	42,349,679
GovMIC		6,166,337	4/1/2021	12/31/2020	0.05%	6,166,337	1	-	6,166,337
U.S. BANK - FIRST AMERICAN MMF		247,315,244	4/1/2021	12/31/2020	0.03%	247,315,244	1	-	247,315,244
JP MORGAN SECURITIES - BLACKROCK MMF		11,624,013	4/1/2021	12/31/2020	0.01%	11,624,013	1	-	11,624,013

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Holdings As of March 31, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Commercial Paper									
Crown Point Capital Co 0 4/1/2021	2284K0R15	\$ 450,000	4/1/2021	1/14/2021	0.16%	\$ 449,846	1	\$ -	\$ 450,000
Societe Generale NY 0 5/5/2021	83369BS56	1,000,000	5/5/2021	1/25/2021	0.19%	999,472	35	-	999,840
Societe Generale NY 0 5/5/2021	83369BS56	1,000,000	5/5/2021	1/25/2021	0.19%	999,472	35	-	999,840
CitiGroup Global Markets 0 5/28/2021	17327ASU2	2,500,000	5/28/2021	9/3/2020	0.23%	2,495,735	58	-	2,499,325
CitiGroup Global Markets 0 5/28/2021	17327ASU2	7,500,000	5/28/2021	9/3/2020	0.23%	7,487,206	58	-	7,497,975
CitiGroup Global Markets 0 5/28/2021	17327ASU2	2,500,000	5/28/2021	9/3/2020	0.23%	2,495,735	58	-	2,499,325
CitiGroup Global Markets 0 5/28/2021	17327ASU2	7,500,000	5/28/2021	9/3/2020	0.23%	7,487,206	58	-	7,497,975
Santander UK PLC 0 6/1/2021	80285PT10	1,000,000	6/1/2021	1/25/2021	0.19%	999,330	62	-	999,710
Santander UK PLC 0 6/1/2021	80285PT10	1,000,000	6/1/2021	1/25/2021	0.19%	999,330	62	-	999,710
Lloyds Bank PLC 0 6/14/2021	53943RTE9-2	3,710,000	6/14/2021	1/25/2021	0.17%	3,707,547	75	-	3,708,561
Lloyds Bank PLC 0 6/14/2021	53943RTE9-1	5,830,000	6/14/2021	1/25/2021	0.17%	5,826,146	75	-	5,827,960
Lloyds Bank PLC 0 6/14/2021	53943RTE9-2	6,640,000	6/14/2021	1/25/2021	0.17%	6,635,610	75	-	6,637,424
Lloyds Bank PLC 0 6/14/2021	53943RTE9-1	7,810,000	6/14/2021	1/25/2021	0.17%	7,804,837	75	-	7,807,267
Barclays Bank 0 6/15/2021	06742V4Q1	20,528,000	6/15/2021	3/12/2021	0.18%	20,518,249	76	-	20,520,815
Barclays Bank 0 6/15/2021	06742V4Q1	4,000,000	6/15/2021	3/12/2021	0.18%	3,998,100	76	-	3,998,600
Collat CP Flex Co 0 6/17/2021	19423JTH0	1,648,000	6/17/2021	1/20/2021	0.20%	1,646,645	78	-	1,647,407
Collat CP Flex Co 0 6/17/2021	19423JTH0	6,575,000	6/17/2021	1/20/2021	0.20%	6,569,594	78	-	6,572,633
Collat CP Flex Co 0 6/17/2021	19423JTH0	10,205,000	6/17/2021	1/20/2021	0.20%	10,196,609	78	-	10,201,326
Collat CP Flex Co 0 6/17/2021	19423JTH0	6,572,000	6/17/2021	1/20/2021	0.20%	6,566,596	78	-	6,569,634
Natixis Bank NY 0 6/18/2021	63873JTJ9	4,602,000	6/18/2021	11/17/2020	0.26%	4,594,921	79	-	4,600,297
Natixis Bank NY 0 6/18/2021	63873JTJ9	6,260,000	6/18/2021	11/17/2020	0.26%	6,250,370	79	-	6,257,684
Societe Generale NY 0 6/18/2021	83369BTJ5	4,147,000	6/18/2021	1/19/2021	0.21%	4,143,371	79	-	4,145,466
Sumitomo Mitsui Bank 0 6/18/2021	86562KTJ3	10,000,000	6/18/2021	1/15/2021	0.20%	9,991,658	79	-	9,996,300
Natixis Bank NY 0 6/18/2021	63873JTJ9	924,000	6/18/2021	11/17/2020	0.26%	922,579	79	-	923,658
Natixis Bank NY 0 6/18/2021	63873JTJ9	8,088,000	6/18/2021	11/17/2020	0.26%	8,075,558	79	-	8,085,007
Societe Generale NY 0 6/18/2021	83369BTJ5	2,698,000	6/18/2021	1/19/2021	0.21%	2,695,639	79	-	2,697,002
Sumitomo Mitsui Bank 0 6/18/2021	86562KTJ3	10,000,000	6/18/2021	1/15/2021	0.20%	9,991,658	79	-	9,996,300
Societe Generale NY 0 6/28/2021	83368YFM4	7,300,000	6/28/2021	1/14/2021	0.23%	7,292,305	89	-	7,296,934
Societe Generale NY 0 6/28/2021	83368YFM4	2,700,000	6/28/2021	1/14/2021	0.23%	2,697,154	89	-	2,698,866
Sumitomo Mitsu Trust NY 0 6/29/2021	86563GTV4	1,000,000	6/29/2021	1/27/2021	0.16%	999,320	90	-	999,580
Goldman Sachs International 0 6/30/2021	38150TTW4	8,575,000	6/30/2021	3/11/2021	0.16%	8,570,770	91	-	8,571,399
LMA Americas LLC 0 6/30/2021	53944QTW0	1,000,000	6/30/2021	3/11/2021	0.16%	999,507	91	-	999,580
Goldman Sachs International 0 6/30/2021	38150TTW4	9,583,000	6/30/2021	3/11/2021	0.16%	9,578,272	91	-	9,578,975
BOA Securities LLC 0 6/30/2021	06054NTW1	7,500,000	6/30/2021	3/11/2021	0.15%	7,496,531	91	-	7,496,850
Goldman Sachs International 0 6/30/2021	38150TTW4	1,842,000	6/30/2021	3/11/2021	0.16%	1,841,091	91	-	1,841,226
LMA Americas LLC 0 6/30/2021	53944QTW0	6,250,000	6/30/2021	3/11/2021	0.16%	6,246,917	91	-	6,247,375
Skandinavisk Bank 0 7/27/2021	83050TUT6	1,000,000	7/27/2021	1/26/2021	0.18%	999,090	118	-	999,420
Royal Bank of Canada 0 8/2/2021	78013VV25	735,000	8/2/2021	3/11/2021	0.16%	734,530	124	-	734,552
Cooperatieve Rabobank 0 8/3/2021	21687AV34	417,000	8/3/2021	11/17/2020	0.24%	416,280	125	-	416,741
Ridgfield Funding Co 0 9/3/2021	76582JVV34	1,000,000	9/3/2021	3/11/2021	0.20%	999,022	156	-	999,180
Collat CP Co 0 9/14/2021	19424HWE6	778,000	9/14/2021	1/19/2021	0.21%	776,920	167	-	777,315
Royal Bank of Canada 0 9/14/2021	78015CWE8	945,000	9/14/2021	3/11/2021	0.17%	944,166	167	-	944,168
Collat CP Co 0 9/14/2021	19424HWE6	9,185,000	9/14/2021	1/19/2021	0.21%	9,172,248	167	-	9,176,917
Royal Bank of Canada 0 9/14/2021	78015CWE8	9,700,000	9/14/2021	3/11/2021	0.17%	9,691,434	167	-	9,691,464
LMA Americas LLC 0 10/1/2021	53944QX13	685,000	10/1/2021	3/11/2021	0.20%	684,224	184	-	684,336

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Holdings As of March 31, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Federal Agencies									
FNMA 2.5 4/13/2021	3135G0U27	\$ 3,500,000	4/13/2021	8/8/2018	2.82%	\$ 3,471,685	13	\$ 40,833	\$ 3,502,870
FNMA 2.5 4/13/2021	3135G0U27	20,000,000	4/13/2021	8/8/2018	2.82%	19,838,200	13	233,333	20,016,400
FNMA 2.5 4/13/2021	3135G0U27	250,000	4/13/2021	8/9/2018	2.81%	247,985	13	2,917	250,205
FNMA 2.5 4/13/2021	3135G0U27	3,400,000	4/13/2021	8/8/2018	2.81%	3,372,698	13	39,667	3,402,788
FNMA 2.5 4/13/2021	3135G0U27	685,000	4/13/2021	8/9/2018	2.81%	679,479	13	7,992	685,562
FNMA 2.5 4/13/2021	3135G0U27	5,750,000	4/13/2021	8/8/2018	2.81%	5,703,828	13	67,083	5,754,715
FHLB 2.25 6/11/2021	3130A1W95	10,000,000	6/11/2021	7/11/2019	1.94%	10,058,200	72	68,750	10,042,500
FHLB 2.25 6/11/2021	3130A1W95	25,000,000	6/11/2021	7/11/2019	1.94%	25,145,500	72	171,875	25,106,250
FHLB 1.875 7/7/2021	3130AGLD5	3,715,000	7/7/2021	6/10/2019	1.96%	3,708,982	98	16,253	3,733,018
FHLB 1.875 7/7/2021	3130AGLD5	3,910,000	7/7/2021	6/10/2019	1.96%	3,903,666	98	17,106	3,928,964
FHLMC 2.375 1/13/2022	3137EADB2	10,000,000	1/13/2022	7/11/2019	1.89%	10,118,700	288	51,458	10,179,900
FHLMC 2.375 1/13/2022	3137EADB2	25,000,000	1/13/2022	7/11/2019	1.89%	25,296,750	288	128,646	25,449,750
FHLB 2.125 6/10/2022	313379Q69	10,000,000	6/10/2022	7/11/2019	1.92%	10,059,200	436	65,521	10,237,800
FHLB 2.125 6/10/2022	313379Q69	25,000,000	6/10/2022	7/11/2019	1.92%	25,148,000	436	163,802	25,594,500
FHLMC 0.375 5/5/2023	3137EAER6	6,000,000	5/5/2023	6/5/2020	0.38%	6,000,060	765	9,125	6,025,560
FHLMC 0.375 5/5/2023	3137EAER6	14,650,000	5/5/2023	6/5/2020	0.38%	14,650,147	765	22,280	14,712,400
FNMA 0.25 5/22/2023	3135G04Q3	10,000,000	5/22/2023	6/5/2020	0.36%	9,968,400	782	8,958	10,012,200
FNMA 0.25 5/22/2023	3135G04Q3	25,000,000	5/22/2023	6/5/2020	0.36%	24,921,000	782	22,396	25,030,500
FNMA 0.25 5/22/2023	3135G04Q3	240,000	5/22/2023	6/5/2020	0.35%	239,292	782	215	240,293
FNMA 0.25 5/22/2023	3135G04Q3	3,400,000	5/22/2023	6/5/2020	0.35%	3,389,970	782	3,046	3,404,148
FNMA 0.25 5/22/2023	3135G04Q3	670,000	5/22/2023	6/5/2020	0.35%	668,024	782	600	670,817
FNMA 0.25 5/22/2023	3135G04Q3	5,750,000	5/22/2023	6/5/2020	0.35%	5,733,038	782	5,151	5,757,015
FHLMC 0.25 6/26/2023	3137EAES4	3,150,000	6/26/2023	7/2/2020	0.29%	3,146,189	817	2,078	3,152,489
FNMA 0.25 7/10/2023	3135G05G4	1,250,000	7/10/2023	7/16/2020	0.29%	1,248,425	831	703	1,250,900
FNMA 0.25 7/10/2023	3135G05G4	1,650,000	7/10/2023	7/16/2020	0.29%	1,647,921	831	928	1,651,188

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

Portfolio Holdings As of March 31, 2021

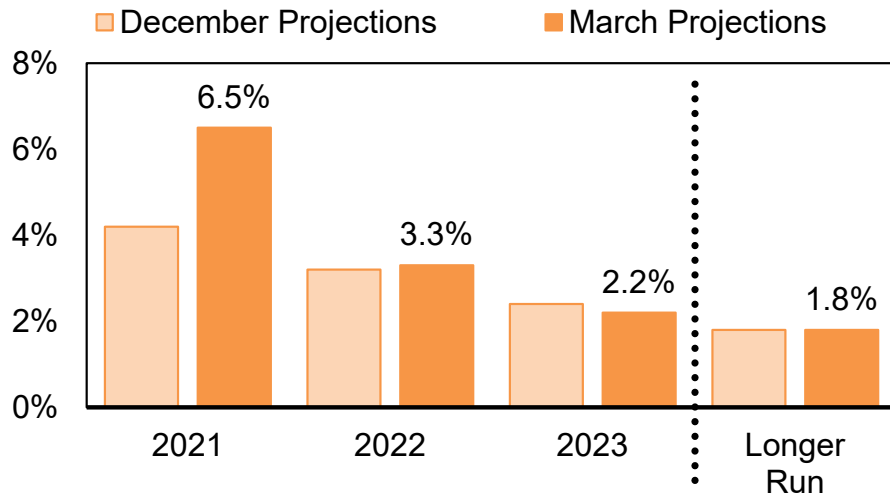
DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
U.S. Treasuries									
T-Note 2.625 5/15/2021	9128284P2	\$ 245,000	5/15/2021	2/7/2019	2.49%	\$ 245,708	45	\$ 2,416	\$ 245,760
T-Note 2.625 5/15/2021	9128284P2	3,455,000	5/15/2021	2/7/2019	2.49%	3,464,852	45	34,073	3,465,711
T-Note 2.625 5/15/2021	9128284P2	700,000	5/15/2021	2/7/2019	2.49%	702,023	45	6,903	702,170
T-Note 2.625 5/15/2021	9128284P2	5,685,000	5/15/2021	2/7/2019	2.49%	5,701,211	45	56,065	5,702,624
T-Note 1.25 10/31/2021	912828T67	10,000,000	10/31/2021	7/11/2019	1.83%	9,870,703	214	52,141	10,069,500
T-Note 1.25 10/31/2021	912828T67	2,500,000	10/31/2021	7/11/2019	1.83%	2,467,676	214	13,035	2,517,375
T-Note 1.25 10/31/2021	912828T67	17,500,000	10/31/2021	9/6/2019	1.55%	17,388,574	214	91,247	17,621,625
T-Note 1.25 10/31/2021	912828T67	270,000	10/31/2021	9/6/2019	1.55%	268,313	214	1,408	271,877
T-Note 1.25 10/31/2021	912828T67	3,405,000	10/31/2021	9/6/2019	1.55%	3,383,586	214	17,754	3,428,665
T-Note 1.25 10/31/2021	912828T67	730,000	10/31/2021	9/6/2019	1.55%	725,438	214	3,806	735,074
T-Note 1.25 10/31/2021	912828T67	5,765,000	10/31/2021	9/6/2019	1.55%	5,728,744	214	30,059	5,805,067
T-Note 2.625 12/15/2021	9128285R7	2,700,000	12/15/2021	7/10/2019	1.80%	2,752,945	259	20,639	2,748,627
T-Note 2.625 12/15/2021	9128285R7	1,500,000	12/15/2021	7/10/2019	1.80%	1,529,414	259	11,466	1,527,015
T-Note 2.625 12/15/2021	9128285R7	6,050,000	12/15/2021	7/10/2019	1.80%	6,168,637	259	46,248	6,158,961
T-Note 2.625 12/15/2021	9128285R7	10,900,000	12/15/2021	7/10/2019	1.80%	11,113,742	259	83,322	11,096,309
T-Note 1.5 1/15/2023	912828Z29	15,000,000	1/15/2023	2/7/2020	1.39%	15,045,703	655	46,616	15,359,700
T-Note 1.5 1/15/2023	912828Z29	15,000,000	1/15/2023	2/7/2020	1.39%	15,045,703	655	46,616	15,359,700
T-Note 0.5 3/15/2023	912828ZD5	10,000,000	3/15/2023	3/16/2020	0.58%	9,977,344	714	2,174	10,064,500
T-Note 0.5 3/15/2023	912828ZD5	20,000,000	3/15/2023	3/16/2020	0.58%	19,954,688	714	4,348	20,129,000
T-Note 0.5 3/15/2023	912828ZD5	250,000	3/15/2023	3/16/2020	0.59%	249,336	714	54	251,613
T-Note 0.5 3/15/2023	912828ZD5	3,410,000	3/15/2023	3/16/2020	0.59%	3,400,942	714	741	3,431,995
T-Note 0.5 3/15/2023	912828ZD5	688,000	3/15/2023	3/16/2020	0.59%	686,173	714	150	692,438
T-Note 0.5 3/15/2023	912828ZD5	5,765,000	3/15/2023	3/16/2020	0.59%	5,749,687	714	1,253	5,802,184
T-Note 0.8/15/2023	912833LM0	10,500,000	8/15/2023	2/7/2020	1.41%	9,992,745	867	-	10,446,555
T-Note 0.8/15/2023	912833LM0	10,500,000	8/15/2023	2/7/2020	1.41%	9,992,745	867	-	10,446,555
T-Note 0.125 1/15/2024	91282CBE0	260,000	1/15/2024	1/25/2021	0.18%	259,563	1,020	67	258,658
T-Note 0.125 1/15/2024	91282CBE0	3,420,000	1/15/2024	1/25/2021	0.18%	3,414,255	1,020	886	3,402,353
T-Note 0.125 1/15/2024	91282CBE0	695,000	1/15/2024	1/25/2021	0.18%	693,833	1,020	180	691,414
T-Note 0.125 1/15/2024	91282CBE0	5,790,000	1/15/2024	1/25/2021	0.18%	5,780,275	1,020	1,499	5,760,124
T-Note 0.25 3/15/2024	91282CBR1	125,000	3/15/2024	3/15/2021	0.33%	124,712	1,080	14	124,659
T-Note 0.25 3/15/2024	91282CBR1	340,000	3/15/2024	3/15/2021	0.33%	339,216	1,080	37	339,072
T-Note 0.375 4/30/2025	912828ZL7	125,000	4/30/2025	3/11/2021	0.61%	123,789	1,491	196	123,384
T-Note 0.375 4/30/2025	912828ZL7	350,000	4/30/2025	3/11/2021	0.61%	346,609	1,491	547	345,475
T-Note 0.375 12/31/2025	91282CBC4	250,000	12/31/2025	1/25/2021	0.43%	249,287	1,736	233	244,033
T-Note 0.375 12/31/2025	91282CBC4	3,400,000	12/31/2025	1/25/2021	0.43%	3,390,305	1,736	3,170	3,318,842
T-Note 0.375 12/31/2025	91282CBC4	685,000	12/31/2025	1/25/2021	0.43%	683,047	1,736	639	668,649
T-Note 0.375 12/31/2025	91282CBC4	5,750,000	12/31/2025	1/25/2021	0.43%	5,733,604	1,736	5,361	5,612,748

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of March 31, 2021.

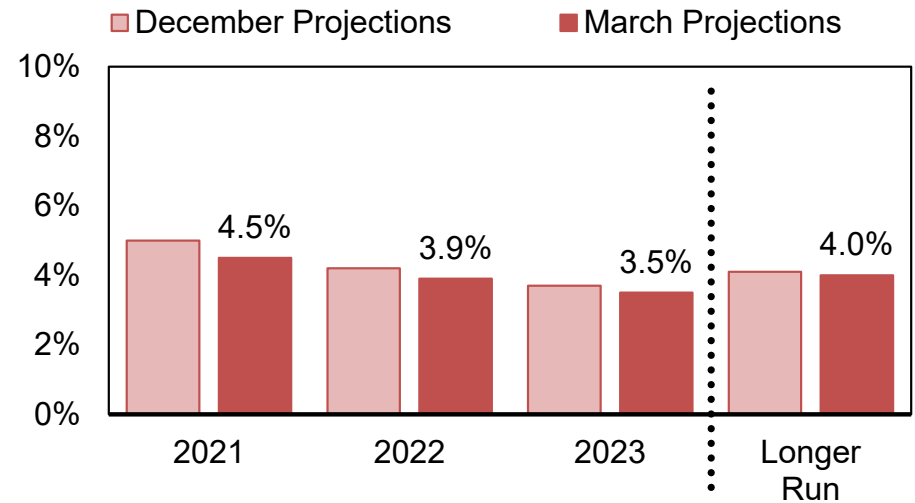
Appendix II: Economic Update

Fed's March Projections Show Improved Near-Term Outlook

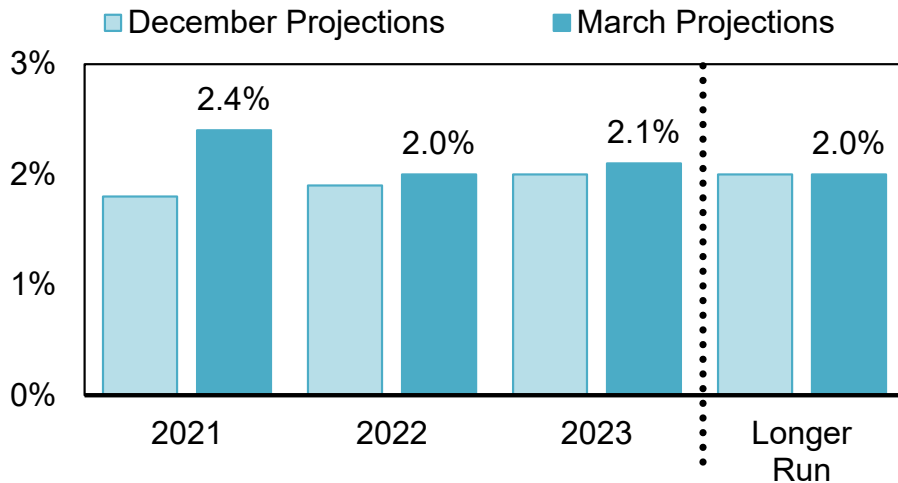
Change in Real GDP



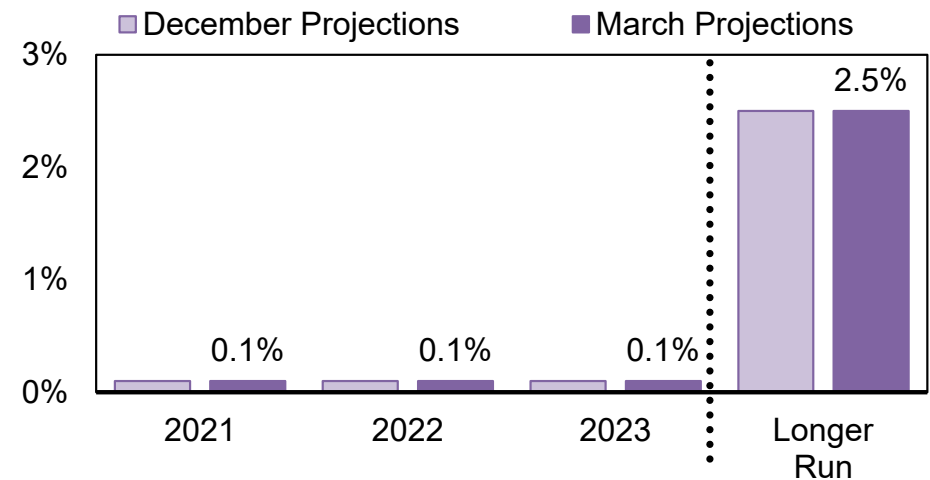
Unemployment Rate



PCE Inflation



Federal Funds Rate



Source: Federal Reserve, economic projections as of 3/31/2021.

“We are strongly committed . . . as long as it takes”

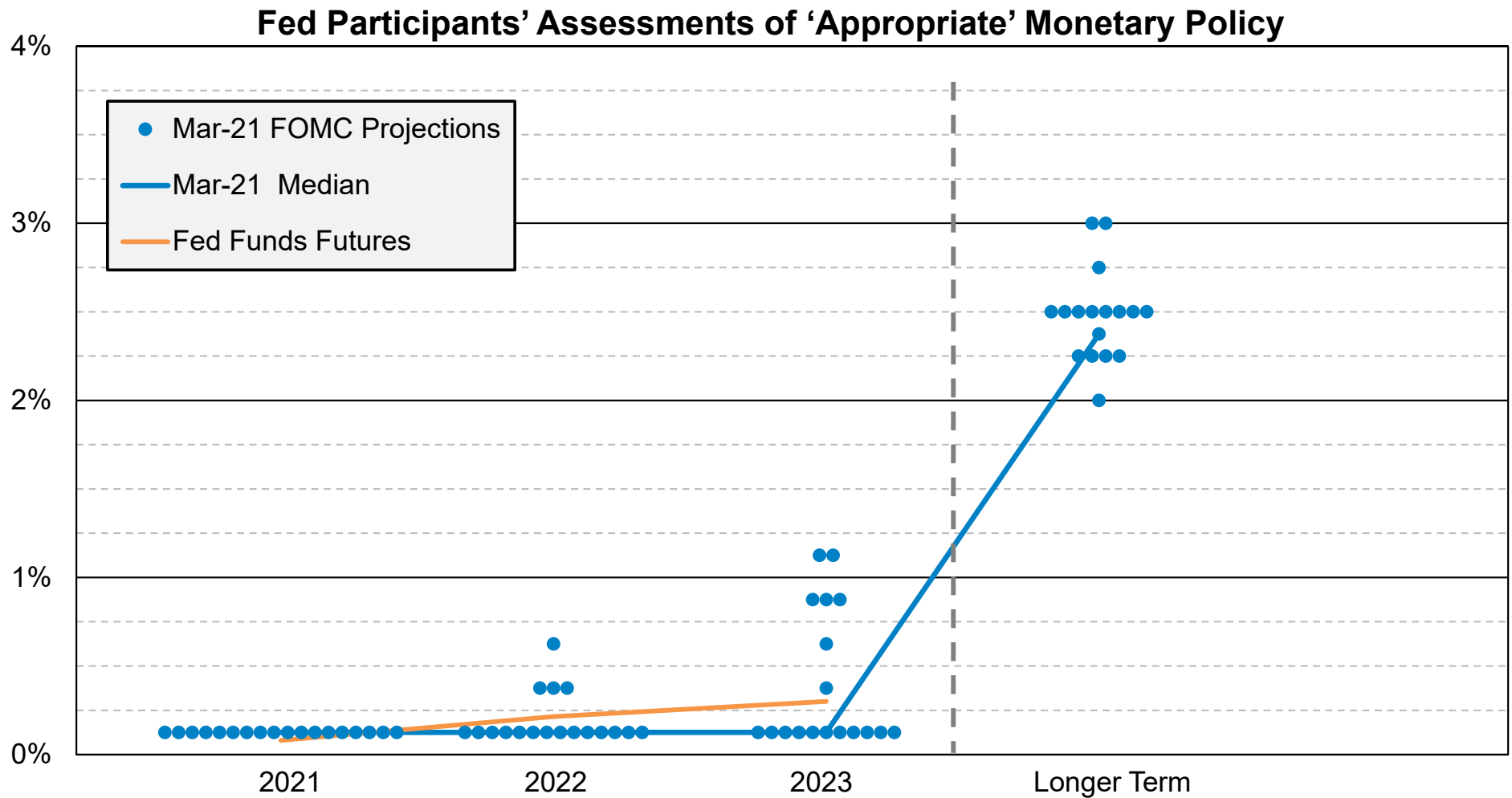
March

17

- Following a moderation in the pace of the recovery, **economic activity and employment have turned up recently**, although the sectors most adversely affected by the pandemic remain weak.
 - **Inflation continues to run below 2.0%**. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
 - The path of the economy **will depend significantly on the course of the virus, including progress on vaccinations**. The ongoing public health crisis continues to weigh on economic activity, employment, and inflation, and poses **considerable risks to the economic outlook**.
-
- With inflation running persistently below this longer-run goal, the Committee will aim to achieve inflation moderately above 2.0% for some time so that inflation averages 2.0% over time and longer-term inflation expectations remain well anchored at 2.0%. **The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved**. The Committee decided to keep the target range for the Federal Funds rate at 0.00% to 0.25%.
 - In addition, the Federal Reserve will **continue** to increase its holdings of U.S. **Treasury securities by at least \$80 billion per month and of Federal Agency mortgage-backed securities by at least \$40 billion per month** until substantial further progress has been made toward the Committee's maximum employment and price stability goals.

Source: Federal Reserve.

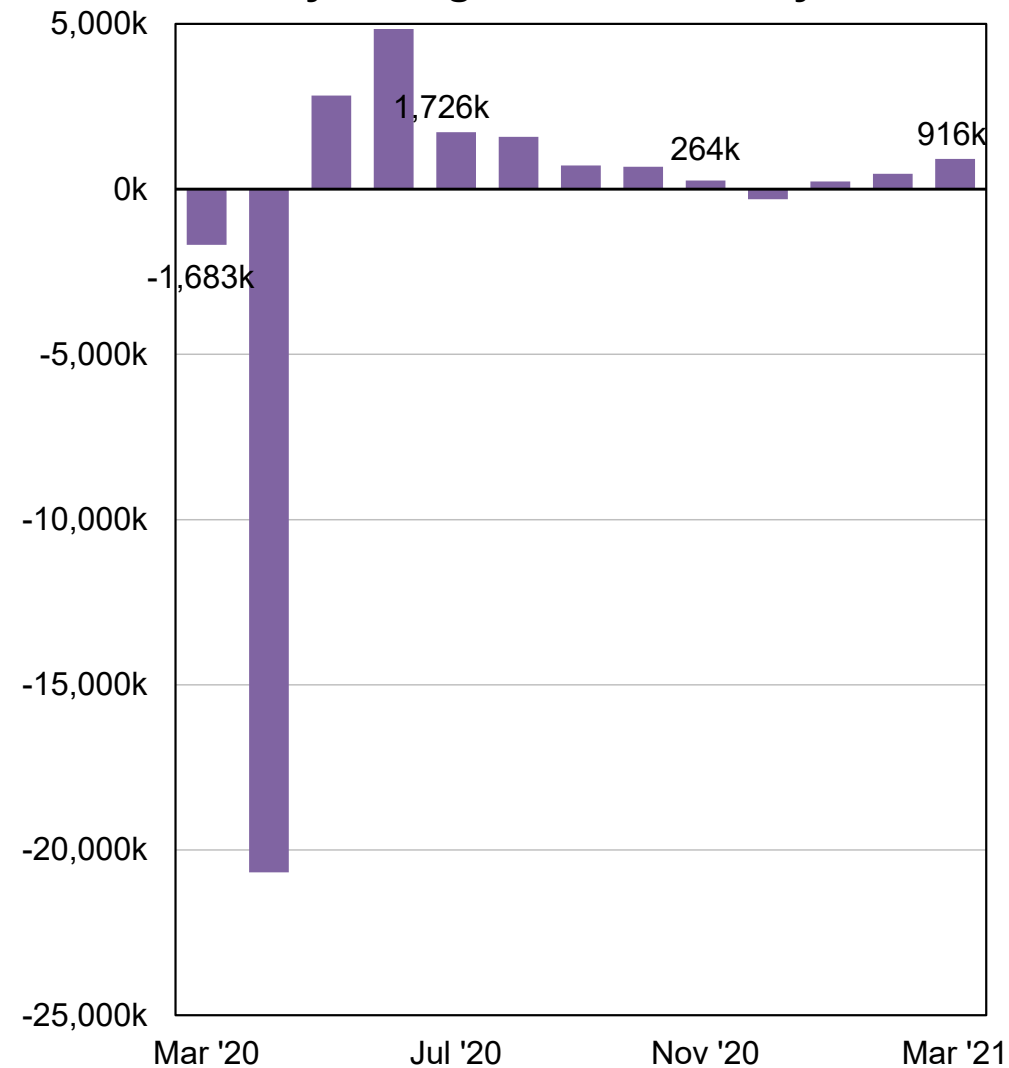
The Fed Anticipates Near-Zero Rates Through 2023



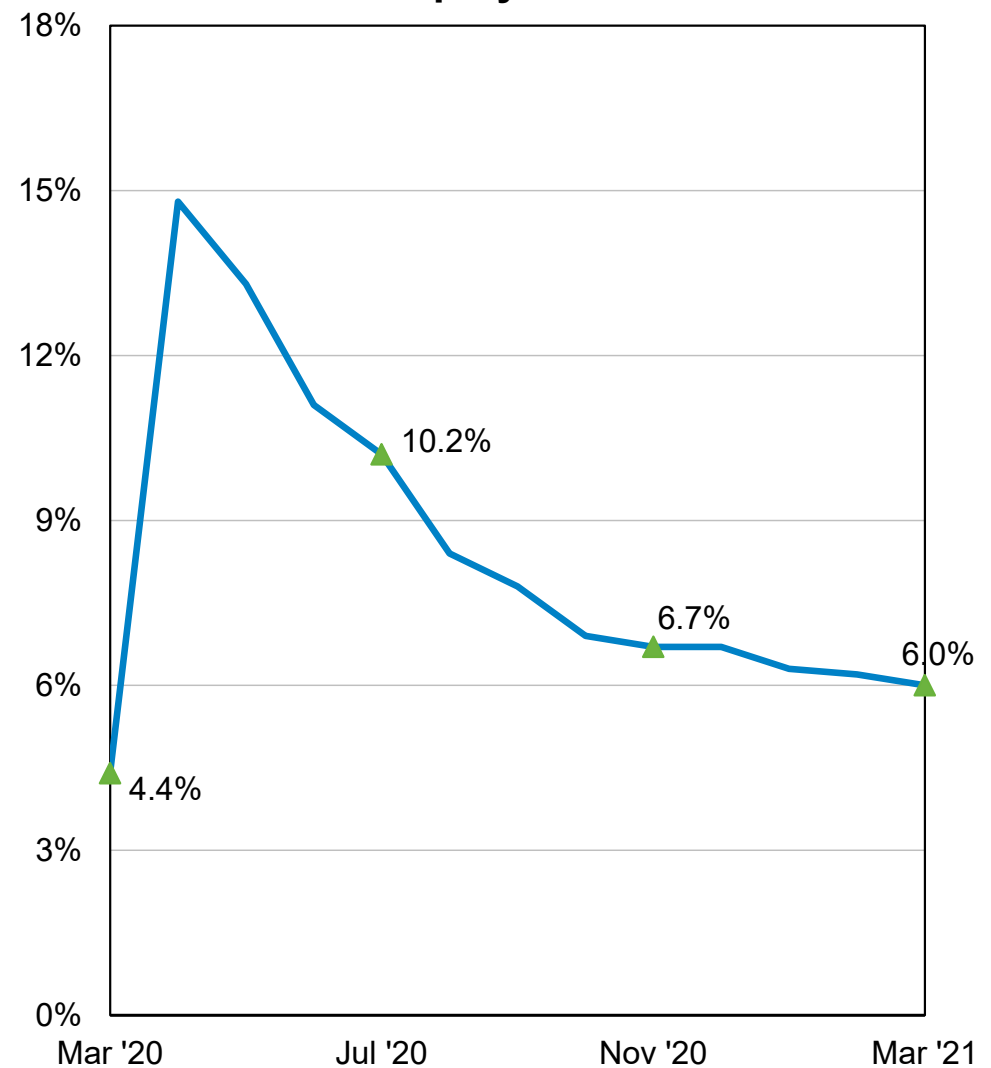
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the Federal Funds rate at each year-end. Fed Funds futures as of 3/31/2021.

Strong Jobs Gains in March

Monthly Change in Nonfarm Payrolls



Unemployment Rate

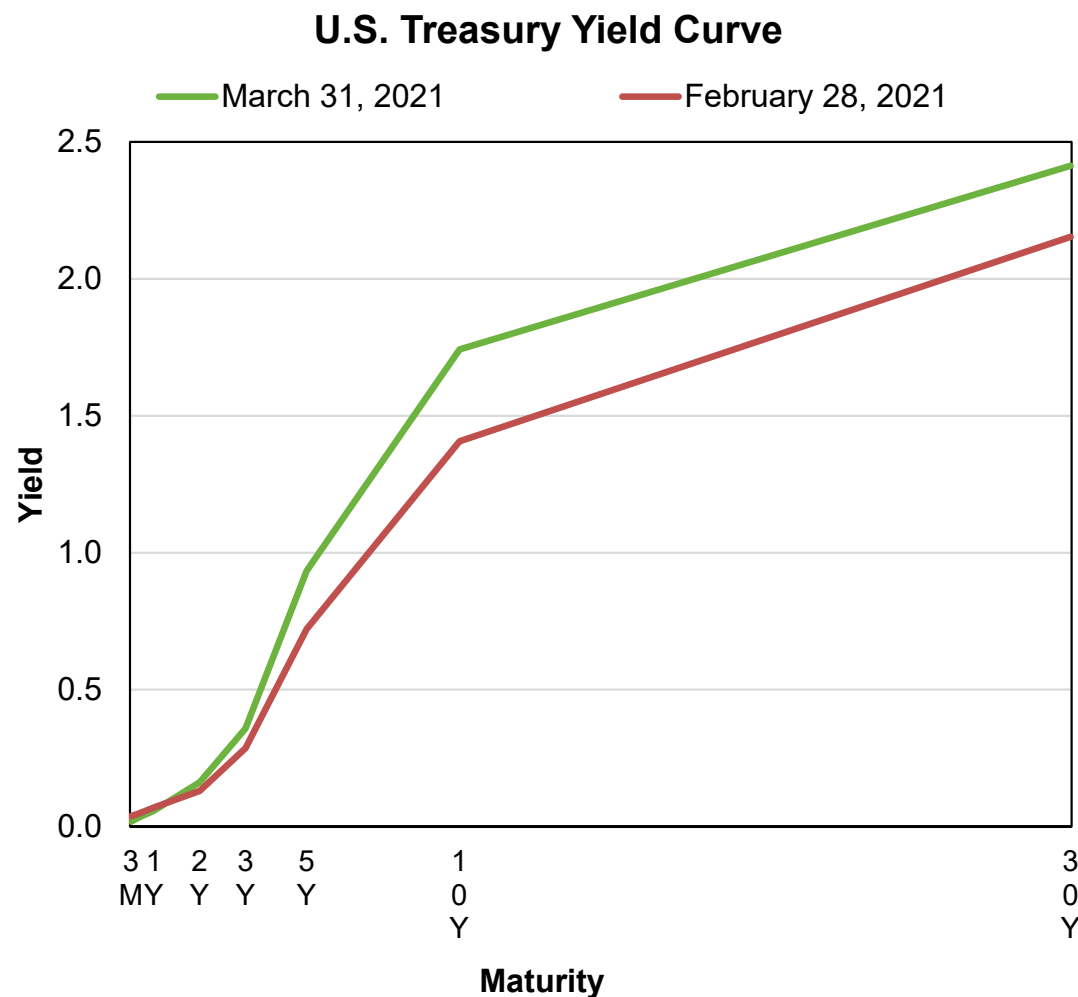


Source: Bloomberg, as of 3/31/2021.

Yield Curve Steepens Further in March

- The yield curve continued to steepen in March amid the sooner-than-expected distribution of vaccines across the U.S.

	2/28/2021	3/31/2021	Change
3 month	0.04%	0.02%	-0.02%
6 month	0.05%	0.03%	-0.02%
1 year	0.07%	0.06%	-0.01%
2 year	0.13%	0.16%	0.03%
3 year	0.29%	0.36%	0.07%
5 year	0.72%	0.93%	0.21%
10 year	1.41%	1.74%	0.33%
30 year	2.15%	2.41%	0.26%



Source: Bloomberg, as of 2/28/2021 and 3/31/2021, as indicated.

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Economic conditions during the first quarter of calendar year 2021 were characterized by the following:
 - Dramatically lower COVID-19 caseload as vaccine inoculations ramped up despite initial logistical challenges.
 - A new administration in Washington pushing new policies and priorities.
 - Improving economic data supported by additional \$1.9 trillion in relief funds from the American Rescue Plan Act.
 - Increasing inflation expectations fueled by a combination of stronger recovery and additional stimulus.
 - A surge in long-term Treasury yields to pre-pandemic levels.
 - Reaffirmed commitment by the Federal Reserve to keep short-term rates near zero and their asset purchase program in place until the economy is more fully recovered.

- The U.S. Treasury yield curve steepened dramatically during the quarter. Yields on very short-term maturities under a year remained anchored to the Fed's near zero rate policy. Yields on 2 – 3-year maturities hovered near record lows, while yields on maturities five years and longer increased by 50 to 90 basis points (0.50% to 0.90%). This pushed the spread between the yield on 2-year and 10-year Treasuries to a five year high of 158 basis points (1.58%) by quarter-end.
 - As a result, short-term U.S. Treasury index returns were only slightly positive for the quarter, while longer-duration indices were notably negative.
 - The historic steepening of the U.S. Treasury yield curve over the quarter resulted in the worst quarterly performance on record for 10 and 30-year U.S. Treasury constant maturity indexes, which generated returns of -7.1% and -16.2%, respectively.
 - Following three consecutive quarters of significant spread narrowing in the second, third, and fourth quarters of calendar year 2020, most sectors simply held at tight levels. One notable exceptions was the mortgage-backed security (“MBS”) sector, where slowing prepayments caused durations to extend materially. On balance, diversification remained a net positive relative to Treasuries.

Fixed Income

Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Our strategy for the first quarter of calendar year 2021 encompassed the following:
 - Maintained core allocations in most sectors, while modestly trimming allocations to Agencies due to unattractive yield spreads, and mortgage-backed securities due to heightened risks associated with elevated prepayments.
 - We shifted from a neutral duration stance in the fourth quarter of calendar year 2020 to a modestly conservative and shorter duration posture in the first quarter of calendar year 2021, especially on longer duration mandates, due to the emergence of rising rates. This defensive bias added notable value to performance relative to these longer benchmarks, as the steeper yield curve resulted in significant underperformance of the longer end of the curve.
 - The Federal Agency sector offered record low yield spreads, especially on maturities inside of five years. New issue supply was very light. The combination of light issuance and historically tight spreads led to our preference to reduce Agency allocations.
 - Short-term credit (commercial paper) spreads stabilized, with some widening in the latter half of the quarter due to increased issuance. As a result, better opportunities became available to increase allocations and pick up incremental yield over short-term Treasuries and Agencies.
- The vaccine rollout, accommodative monetary policy, and the new \$1.9 trillion of fiscal stimulus all point to continued improvement in U.S. economic fundamentals. Calendar year 2021 GDP has been revised up several times, with current forecasts pointing to GDP growth of 6% or more this calendar year. That optimism, however, has translated into increased inflation expectations, particularly in the short-term, which is likely to pressure longer-term rates higher.
 - Given the substantial increase in long-term yields that has already occurred, we have reduced our defensive duration position somewhat and find some value in maturity extensions along today's steeper yield curve. But we will likely maintain an underweight to the 10-year portion of the curve. On the short end of the yield curve, our view is that rates will remain anchored by the Fed's near zero rate policy for the foreseeable future.

Disclosure

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Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Debra Anderson, Transformation Manager

Re: Transformation Report through March 31, 2021

Background: The Transformation Team is facilitated by Chief Financial Officer (CFO) with dotted line responsibility to the Executive Leadership Team (ELT).

Mission: The mission of the Transformation Team is to develop a culture throughout the organization that cultivates the cycle of Continuous Improvement and Lean Six Sigma methodology by first respecting people, increasing understanding of our current state, providing meaningful training, and working to empower, engage, and inspire team members.

Vision: The vision of the Transformation Team is to create and maintain a safe working environment, be leaders who lead by example, and empower those we work alongside. Through internal partnerships within the organization, we will construct a framework that is built upon Lean Six Sigma structured tools that deliver financial and operational results, reduce risks, improve processes, and identify cost savings opportunities by reducing or eliminating waste.

How We Work: Transformation takes a practical approach to continuous improvement and change management by positioning ourselves in both high executive level and tactical operational level spaces. We document processes to gain a thorough understanding of gaps and Opportunities for Improvement (OFI); followed by documentation with strong audit strategies.

Analysis: The Transformation Team adapts to organizational priorities as needed. See attached report related to current and recurring projects in process.

Proposed Action: Receive and file the report.



The Bi-Annual Transformation Report includes the following two sections.

1. Transformation Span of Influence
2. Photo Journal

Transformation Span of Influence

(see list of acronyms following the table)

Operating Areas	Project Description	Desired Outcomes (Benefits), Core purpose, and EUM attribute	Progress and Outcomes Achieved to Date (Benefits & Cost Impact)
Administrative & Compliance Services	1. Fire Extinguisher Visual Management (see photos)	Increased safety in the workplace	Installation of Mock-ups complete March 2021 (10 WRRF, 5 Water Operations, and 2 Field Services). In progress to begin roll out of enterprise-wide implementation. Target start date July, 2021
	2. P2C2 – Standardize Documentation (Policy, SOP, SWI, and Job Aids)	Communication and compliance improvement Build awareness through training and documentation Create standards to audit against to maintain compliance	Documents and templates uploaded to One Water Connect
Water Operating Services	1. LSS Training – 5S	Reduction in waste and increase efficiency	Process flow improvements made (no cost evidence to date)
	2. Green	EUM – Community Sustainability	Lake Huron - Grass cutting reduction: Cost Avoidance Approx. 10 Acres (\$10,400 \$15,200) Based on these assumptions: 112 days or 16 weeks of spring/summer lawncare Low Range \$650/wk High Range \$950/wk Lake Huron – Printer Default Setting: Reduce copy paper and printer toner cost.



Bi-Annual Transformation Report
for the Period Ending March 31, 2021

Operating Areas	Project Description	Desired Outcomes (Benefits), Core purpose, and EUM attribute	Progress and Outcomes Achieved to Date (Benefits & Cost Impact)
			Recycling Results (Calendar Year 2019): Paper Recycled – 8,690 lbs. Trees – 74 each Crude Oil – 1,651 gals Paper Spared from Landfill – 15 cubic yards Water Conserved – 30,415 gals Energy Conserved – 17,814 Kilowatts Metal (mixed) - \$32,521 Plastic Bottles – 40,000 Homes We Can Power w/Energy Saved – 1 Home for 26.07 months
	3. 5S – WWP Maintenance Area	EUM – Operational Optimization Reduction in waste (time & resource effort) and increase efficiency Increased safety in the workplace Increased team member morale	Project on Hold – COVID-19
	4. Visual Management– Lake Huron Water Treatment Facility (see photos)	Reduction in waste (time & resource effort) and increase efficiency Communication Improvement	Work in Progress – communication improvement (no evidence collected, verbal confirmation)



Bi-Annual Transformation Report
for the Period Ending March 31, 2021

Operating Areas	Project Description	Desired Outcomes (Benefits), Core purpose, and EUM attribute	Progress and Outcomes Achieved to Date (Benefits & Cost Impact)
Wastewater Operating Services	1. LSS Training – 5S, RCA, Effective Meetings, and RRE	EUM – Operational Optimization Increased team member morale	Application of tools are increasing as team members actively use tools (RCA/A3 form, 5S, and Visual Management)
	2. 5S – Pump Station #1	EUM – Operational Optimization Reduction in waste (time & resource effort) and increase efficiency Increased safety in the workplace Increased team member morale	Cost Avoidance - \$2,962,203 Hard Cost - \$33,893 (Calendar Year 2019)
	3. 5S – Lab (photos)	EUM – Operational Optimization Reduction in waste (time & resource effort) and increase efficiency Increased safety in the workplace Process Control and Improved workflow Increased team member morale	Completion scheduled for July 2021
	4. RCA – Pipe Gallery Valve Failure, Scum House Safety Incident, CSO Process Improvement, and various Safety Incidents	EUM – Operational Optimization Process Control and Improved workflow Communication and documentation Improvements Visual Management tools applied	Cost Avoidance (Safety Related) - \$2,823,887 (Dec 2018, Calendar Year 2019)
	5. Visual Management – Pump Station #1 & COVID-19 Related	EUM – Operational Optimization Visual Management tools applied to improve communication	Work in Progress
Planning Services	1. AMSO – Change Management Support	EUM – Operational Optimization & Enterprise Resiliency	Work in Progress
	2. COVID-19 Return to work support	Improve communication and team member safety	Work in Progress



Bi-Annual Transformation Report
for the Period Ending March 31, 2021

Operating Areas	Project Description	Desired Outcomes (Benefits), Core purpose, and EUM attribute	Progress and Outcomes Achieved to Date (Benefits & Cost Impact)
Financial Services	1. LSS Training – 5S, Effective Meetings, and RRE	Build awareness through training and documentation	328 Team Members Trained 483 Confirmed Training Hours
	2. 5S – WWB/MOB 18 th Floor and 16 th Floor	EUM – Operational Optimization Reduction in waste (time & resource effort) and increase efficiency Increased safety in the workplace Process Control and Improved workflow Increased team member morale	Hard Savings - \$12,962 Influence (Removal of Space Heaters) - \$334, 278
	3. VOC – FSA	Improve FSA performance in meeting customer requirements Increase understanding of needs and expectations Identify gaps to create sustainable solutions	Conducted 3 VOC surveys (2017, 2018, 2019) Survey feedback: Positive trend - Increased each survey year. 2017 - Baseline 2018 – Increase 10% 2019 – -Increase 8%
Chief Executive Officer	1. Support Security & Integrity with SOP and SWI templates	Build awareness through training and documentation	DWSD documentation successfully transferred to GLWA templates

Acronyms:

- OFI – Opportunity for Improvement
- P2C2 – Policy & Procedure Collaboration Council
- SOP – Standard Operating Procedure
- SWI – Standard Work Instruction
- LSS – Lean Six Sigma
- EUM – Effective Utility Management
- RCA – Root Cause Analysis
 - A3 – International paper size (approx. 11”x17”) for RCA data gathering
- RRE – Roles, Responsibilities, and Expectations
- VOC – Voice of the Customer

Photo Journal

Fire Extinguisher Visual Management

Before



After





Bi-Annual Transformation Report for the Period Ending March 31, 2021

Lake Huron WTP – Operations Area Communication Boards

Before

High Lift Pumps

- Check cooling water
- Check flow to radiators after startup
- Operating Bearing Temp 60-70 (VFD is higher)
- **HIP's Run Above Safe Operating Range**
- % on VFD is sensitive & sporadic

9-12-19 H/BG

#2 1/5 - VFD 90% (% setting drifts)

#3 NO - Gate Valve Closed
- Cone Valve not opening past 25%
- Fire in Cabinet

#4 OK - Have to close dump valves
- On fire to adjust cone valve

#5 OK - Cone valve open 81.3% on out-on
is actually 100% open

#6 1/5

#7 1/5 - Monitor L.G. B. Temps
if above 74 take out of service
- Closed 4-way valve

#8 OK - Bypass Only

#9 OK - **BYP ONLY**
VFD Fault
9-3-19

Low Lift Pumps

#1 1/5

#2 1/5

#3 NO

#4 OK

* Alum pump #1 (0% pumps)
I/S - *** DO NOT**
ADJUST STROKE

After

GLWA Operations Equipment Status

High Lift / Wash Water	DATE / INITIALS	NOTES	WWTP	DATE / INITIALS	NOTES	Poly Trans / Pumps	DATE / INITIALS	NOTES
Wash Water Pumps			Transfer Pumps			#1 AS		
1 AS			1 AS			#2 AS		
2 AS			2 AS			Sediment Baffle Pumps		
3 AS			3 AS			1 US		
4 AS			4 AS			2 AS		
5 AS			5 AS			Pre-Dechlor		
High Lift			High Lift			1 US		
VFD 2 AS			3 AS			2 US		
3 AS			4 AS			3 US		
4 AS			5 AS			Post Dechlor		
5 AS			6 AS			1 US		
6 AS			7 AS			2 US		
7 AS			8 AS			3 US		
8 AS			9 AS			Generators		
9 AS			10 AS			Carts		
Bartchell Pump			11 AS					

WRRF Lab 5S Project – Project In Progress

Before



After

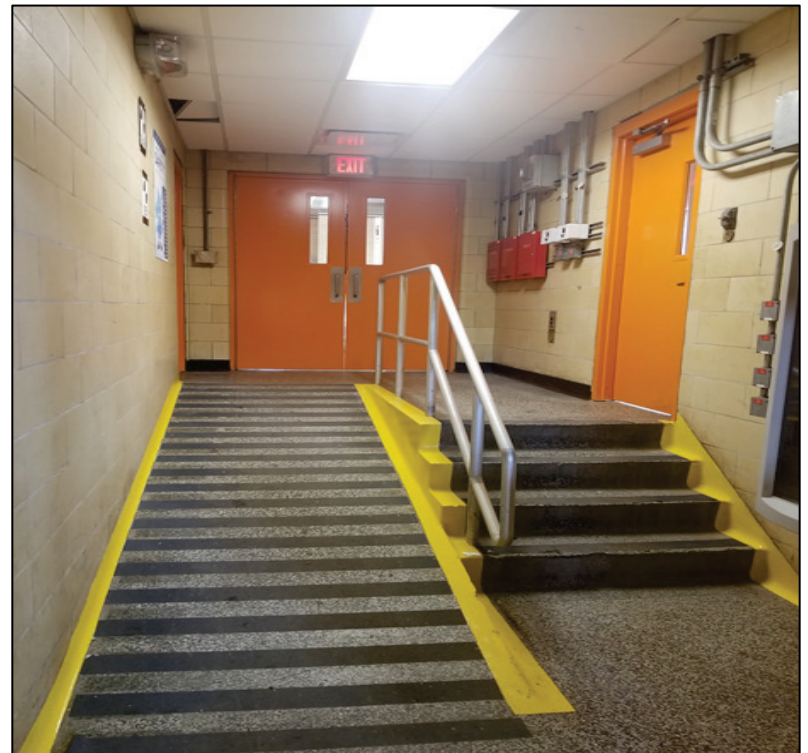


GLWA Safety Improvements

Before



After



Added Safety Signs – Wear Your PPE & Lockout Tagout





Financial Services Audit Committee Communication

Date: May 21, 2021

To: Great Lakes Water Authority Audit Committee

From: Alicia Haskin, Management Professional – Intergovernmental Relations

Re: Shared Services Update

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

Invoices are prepared monthly. While the intent is for the monthly invoices to represent actual costs, the reality is that the timing of certain vendor invoices and accumulation of internal charges requires a “True-up” process. It is also the intent for the parties to transmit payment monthly utilizing estimates for service provided. Section 5.1 of the Agreement states, “Payments for services shall be payable monthly.”

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

Summary of Shared Services Billings and Payments

GLWA and DWSD have been exchanging invoices for services since January 1, 2016, the start of the Agreement. A history of this activity and applicable payments is summarized in two tables. **Table 1 – GLWA as a Service Provider** reflects activity in which GLWA is the provider and is billing DWSD for services and **Table 2 – DWSD as a Service Provider** reflects activity in which DWSD is the provider and is billing GLWA for services.

In FY 2021, DWSD and GLWA began exchanging monthly payments. At this time, payments through April 2021 have been processed by both entities.

Table 1 – GLWA as Service Provider (FY 2021 Billings through May 12, 2021)

Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 4,781,194	\$ 3,311,838	\$ 8,093,032	\$ -
FY2017	\$ 9,378,922	\$ 3,076,854	\$ 12,455,776	\$ -
FY2018*	\$ 7,477,571	\$ 364,588	\$ 6,768,256	\$ 1,073,903
FY2019*	\$ 8,933,462	\$ (2,363,150)	\$ 298,445	\$ 6,271,867
FY2020**	\$ 5,012,664	\$ -	\$ 158,789	\$ 4,853,875
FY2021	\$ 3,650,050	\$ -	\$ 3,200,000	\$ 450,050
Subtotals	\$ 39,233,864	\$ 4,390,130	\$ 30,974,299	\$ 12,649,696

* All True Up calculations have been provided to DWSD and the True Up Amount is indicated.

** True Up not complete at this time.

Table 2 – DWSD as Service Provider (FY 2021 Billings through May 12, 2021)

Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 2,543,735	\$ 5,003,644	\$ 7,547,379	\$ -
FY2017	\$ 4,722,364	\$ (1,077,584)	\$ 3,644,780	\$ -
FY2018	\$ 5,308,539	\$ (1,274,432)	\$ 3,622,245	\$ 411,862
FY2019	\$ 4,175,695	\$ -	\$ -	\$ 4,175,695
FY2020	\$ 4,677,356	\$ -	\$ -	\$ 4,677,356
FY2021	\$ 1,527,000	\$ -	\$ 1,520,000	\$ 7,000
Subtotals	\$ 22,954,689	\$ 2,651,628	\$ 16,334,404	\$ 9,271,913

FY 2018 True-Up Status Update

The FY 2018 True-Up process is almost complete for both GLWA and DWSD Shared Services teams. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. DWSD has provided GLWA two True-Ups.

Table 3 – FY 2018 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA’s staff analysis. True-Ups are provided to DWSD as they are completed.

The update in **Table 3** represents the progress that GLWA as made on the True-Ups related to GLWA-provided services. DWSD and GLWA Shared Service Teams are not in agreement on two shared services. DWSD has requested that a third party be brought in to help finalize the Security and Systems Control shared services.

Table 3 – FY 2018 GLWA as a Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	DWSD progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-004 Water Quality	3	9	8/9/2019
OPS-005 Security	3	7	8/5/2019
OPS-005 Security Training	3	7	8/5/2019
OPS-008 Systems Control Center	3	7	11/15/2019
ITS-001 Retail AMR	3	9	10/29/2019
ITS-002 Customer Service Tech Suite	3	9	10/29/2019
ITS-003 See Click Fix	3	9	10/29/2019
ITS-004 WAM	3	9	10/29/2019
ITS-005 Mobile Work Force	3	9	11/6/2019
ITS-006 ESRI-GIS	3	9	10/29/2019
ITS-007 DADS	3	9	10/29/2019
ITS-008 TIBCO	3	9	10/29/2019
ITS-009 IT Infrastructure	3	6	11/6/2019
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	3	9	8/9/2019
Other items to bill not a defined shared service code			
DWSD-R Staff Training by GLWA	3	9	11/6/2019
Bank Fees	3	9	8/9/2019
Public Finance	3	9	11/4/2019

Table 4 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD.

Table 4 – FY 2018 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (1-3)	GLWA Progress (4-7)	Date sent to GLWA OR expected date to be sent to GLWA
OPS-001 Fleet	3	9	9/24/2020
OPS-002 Miss Dig	3a	9	10/30/2020
OPS-003 As Needed Field Services	3a	9	10/30/2020
OPS-006 Facilities	3	6	10/30/2020
DoIT-001 Financial Information Services	N/A	N/A	
DoIT-002 Radios	N/A	N/A	
DoIT-003 Customer Service Technology Suite	3a	9	10/30/2020

Other items to bill not a defined shared service code			
Fuel	3a	9	10/30/2020
WAM Invoices	3	6	10/30/2020

Provider status:

True up calculation not completed by Shared Services team.	1
True up calculation completed by Shared Services team; under review by Executive Leadership team.	2
True up calculation provided to subscriber.	3
Low value - Methodology to be agreed upon to determine costs.	3a

Subscriber status:

True up not yet reviewed by Shared Services team.	4
True up being reviewed by Shared Services Team.	5
True up reviewed by Shared Services team; questions sent to provider.	6
True up needs to be escalated due to differing opinions.	7
True up review completed by Shared Services team; under review by Executive Leadership team.	8
True up completed and amount agreed upon or agreed upon difference.	9
Shared Service not active at this time.	N/A

Fiscal Year 2019 and Beyond Update

The FY 2019 True-Up process is complete for the GLWA Shared Services team. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. Although the True-Ups are provided as they are completed GLWA recognizes that the FY 2018 negotiations may impact the FY 2019 True-Ups. As these items have been agreed to, GLWA has made the appropriate changes to the FY 2019 True-Ups. DWSD has not provided any True-Ups for FY 2019 to date.

Table 5 – FY 2019 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA’s staff analysis. True-Ups are provided to DWSD as they are completed.

The update in **Table 5** represents the progress that GLWA has made on the True-Ups related to GLWA-provided services. DWSD and GLWA Shared Service Teams will continue to meet and work on a timeline for the completion of the FY 2019 True-Up. Meetings are held regularly to discuss the status of the completion and resolution of the True-Ups.

Table 5 – FY 2019 GLWA as Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	DWSD progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-004 Water Quality	3	5	8/9/2019
OPS-005 Security	3	5	8/5/2019
OPS-005 Security Training	3	5	8/5/2019
OPS-008 Systems Control Center	3	5	4/15/2021
ITS-001 Retail AMR	3	5	10/29/2019
ITS-002 Customer Service Tech Suite	3	5	10/29/2019
ITS-003 See Click Fix	3	5	10/29/2019
ITS-004 WAM	3	5	10/29/2019
ITS-005 Mobile Work Force	3	5	11/6/2019
ITS-006 ESRI-GIS	3	5	10/29/2019
ITS-007 DADS	3	5	10/29/2019
ITS-008 TIBCO	3	5	10/29/2019
ITS-009 IT Infrastructure	3	5	4/15/2021
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	N/A		
Other items to bill not a defined shared service code			
DWSD-R Staff Training by GLWA	3	5	11/6/2019
Bank Fees	3	9	8/9/2019
Public Finance	3	5	11/4/2019

Table 6 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD.

Table 6 – FY 2019 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (1-3)	GLWA Progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-001 Fleet	1		1/15/2021
OPS-002 Miss Dig	3a		10/30/2020
OPS-003 As Needed Field Services	3a		10/30/2020
OPS-006 Facilities	1		1/15/2021
DoIT-001 Financial Information Services	N/A	N/A	
DoIT-002 Radios	N/A	N/A	
DoIT-003 Customer Service Technology Suite	3a		10/30/2020

Other items to bill not a defined shared service			
Fuel	3a	9	11/6/2020
WAM Invoices	3	6	10/30/2020

Provider status:

True up calculation not completed by Shared Services team.	1
True up calculation completed by Shared Services team; under review by Executive Leadership team.	2
True up calculation provided to subscriber.	3
Low value - Methodology to be agreed upon to determine costs.	3a

Subscriber status:

True up not yet reviewed by Shared Services team.	4
True up being reviewed by Shared Services Team.	5
True up reviewed by Shared Services team; questions sent to provider.	6
True up needs to be escalated due to differing opinions.	7
True up review completed by Shared Services team; under review by Executive Leadership team.	8
True up completed and amount agreed upon or agreed upon difference.	9
Shared Service not active at this time.	N/A

Table 7 – Shared Services Terminations and Updated Scope of Service lists the scope of each Shared Service based upon GLWA’s analysis. There have been seven Shared Services terminated and another three for which GLWA is awaiting termination notices.

Table 7 – Shared Service Terminations and Updated Scope of Service

Shared Service	Description	Provider	Scope of Service
ITS-004	WAM	GLWA	**Termination TBD
ITS-007	DADS	GLWA	**Termination TBD
ITS-008	Tibco	GLWA	**Termination TBD
ITS-009	Infrastructure	GLWA	**Partial 3/1/19; Final TBD
OPS-005	Security and Integrity	GLWA	*Badging and Fusion Center
ITS-005	Mobile Workforce Management	GLWA	To terminate on 6/30/2021
OPS-003	As Needed Field Service	DWSD	No changes
OPS-006	Facilities	DWSD	No changes
OPS-008	Systems Control	GLWA	No changes
DoIT-001	Financial Information System	City of Detroit	No changes
DoIT-002	Radios	City of Detroit	No changes
DoIT-003	Customer Service Tech Suite	City of Detroit	No changes
Training	Training	GLWA	No changes
LS-001 - LS-003	Legal Services	Both	No changes
OPS-002	MISS DIG	DWSD	Terminated 3/31/2021
OPS-001	Fleet	DWSD	Terminated on 6/30/2020
ITS-002	Customer Service Tech Suite	GLWA	Terminated on 10/1/18
ITS-001	Retail AMR	GLWA	Terminated on 6/30/19
ITS-003	See Click Fix	GLWA	Terminated on 12/31/18
ITS-006	ESRI-GIS	GLWA	Terminated on 6/30/19
OPS-004	Water Quality	GLWA	Terminated on 6/30/19
OPS-007	WWTP IWC Underground Storage Tank	N/A – not needed	
PRO-001	Applications Analyst	N/A – not needed	

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

**Formal termination notice has not been received.

Proposed Action: Receive and file this report.



Welcome to the May edition of *The Procurement Pipeline*, a monthly newsletter designed to provide informative updates on doing business with the Great Lakes Water Authority (GLWA).

Procurement Tip of the Month: Navigating GLWA's Bonfire Procurement Portal

Navigating GLWA's e-procurement software Bonfire, our centralized portal for all Requests for Proposal (RFPs) and Requests for Bid (RFBs), is key to doing business with GLWA. Below are some tips on making the most of Bonfire's features.

1. All open GLWA solicitations, as well as past public opportunities and public contracts, are viewable in the GLWA Bonfire [Procurement Portal](#). Please note that if an upcoming solicitation listed in the monthly *Procurement Pipeline* is not viewable in the Procurement Portal, this means that it has not yet been advertised in Bonfire.
2. Select the commodity codes that best reflect the goods and/or services that your business provides to receive automatic solicitation notifications tailored to you. (For information on selecting your commodity codes, and on the [NIGP commodity codes](#) GLWA uses, please see the [September 2020 Procurement Pipeline](#)).
3. When registering in Bonfire or updating your profile, provide the full and unabbreviated name of your company. Additionally, always maintain recent and up-to-date contact information to ensure that you receive all GLWA Vendor communications. Consider using a distribution-style email address to account for any employee turnover.
4. Lastly, if you experience technical difficulties while navigating Bonfire, contact Bonfire [Technical Support](#). This feature provides multiple means of support to vendors, including a search function for articles and video tutorials as well as an email contact form to communicate directly with the Bonfire technical support team.

Please remember that the GLWA Buyer of Record, always noted in the advertised solicitation in

Bonfire, is the **only** GLWA point of contact throughout the solicitation process. This helps to ensure that the procurement process remains fair and transparent for all vendors.

Reminder: Visitor COVID-19 Badged Access Requirements Beginning on July 1, 2021

The new COVID-19 testing cycle for Badged Access visitors will begin on July 1, 2021. Periodic testing may be required after this date on the same cadence with GLWA team members. In addition, GLWA will waive the COVID-19 testing requirement for all Badged Access visitors who provide documentation that they have received a full COVID-19 vaccine. For more information on these protocols, please see [Coronavirus Update #112](#), available on the [vendor webpage](#). Any additional questions regarding GLWA's Visitor COVID-19 Access Requirements may be directed to [Michael Lasley](#) and [Megan Torti](#).

Virtual Introduction Meetings with GLWA

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a vendor introductory meeting. Topics include helpful information on submitting a competitive bid or proposal to a GLWA solicitation, as well as the requirements for GLWA's Business Inclusion and Diversity (B.I.D.) Program.

Where to Meet GLWA

We welcome you to join us at the "Real Talk Wednesday" virtual webinar, hosted by the Michigan Department of Transportation (MDOT), on May 19, 2021 from 10am-12pm. Please contact [Kathleen Jones](#) and [Ann Williams](#) for the event link. All businesses are welcome to join!

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 May 2021

Category	Description	Budget Estimate
Water System (next three months)		
Maintenance Services	Skilled Trades Contract	TBD
Engineering	North Service Center Pumping Station Improvements (CIP #132016)	\$10,000,000
Construction	Northeast WTP Flocculator Improvements (CIP #112006)	\$11,000,000
Construction	Springwells Water Treatment Plant Medium Voltage Electrical System Replacement (CIP #114002 Project B)	\$45,000,000
Design Build	Belle Isle Seawall Rehabilitation (CIP #116005)	\$1,740,000
Design	Reservoir Inspection, Design, Construction Administration, and RPR Services (CIP #170802)	\$5,400,000
Wastewater System (next three months)		
Construction	Rehabilitation of Outfalls – Phase III (B-39) (CIP #260508)	\$7,000,000
Design Build	Control System Upgrade – St. Aubin, Leib, and 7 Mile CSO Facilities (CIP #360619)	\$7,000,000
Design	WRRF Rehabilitation of the Circular Primary Clarifier Scum Removal System (CIP #211009)	\$2,000,000
Design Build	Baby Creek Outfall Improvements (CIP #260521) (CSO)	\$10,000,000
Design	St. Aubin Disinfection and Screening Improvements (CIP #260617) (CSO)	\$1,000,000
Construction	Generator Improvements (Controls upgrades, Generator modifications) (JOC) (CIP #260622) (CSO)	\$1,000,000
Construction	Hubbell Southfield CSO Basin Pipe Hanger Replacement	\$1,500,000
Construction	HAZMAT (Hazardous Material) Building Renovation	\$1,500,000
Water System (next four to nine months)		
Progressive Design Build	Lake Huron WTP Instrumentation and Filter Control Improvements (CIP #111006)	\$21,000,000
Construction	Roof Replacement – Lake Huron WTP and Southwest WTP (CIP #171500)	\$3,000,000
Design	Leib Screening & Disinfection Facility Improvements for Meldrum Diversion (CIP #274001) (CSO) & Oakwood CSO Facility Improvements for Northwest Interceptor Diversion (CIP #278001)	\$5,000,000
Wastewater System (next four to nine months)		
Professional Services	Virtual Tour and Laser Scanning Services	TBD
Design	Pilot Netting Facility Project (CIP #270001) (CSO)	TBD
Construction	Rehabilitation of CSO Outfall Backwater Gates (CIP #260510)	\$5,000,000
Construction	WRRF Administration Building 4 th Floor Renovation	TBD
Construction	Pump Station #1 Screenings Building HVAC Improvements (CIP #211006)	\$1,000,000
Construction	Connor Creek Sewer System Rehabilitation (CIP #260208)	\$24,000,000
Design Build	WRRF Rehabilitation of Intermediate Lift Pumps (ILPs) 1 & 2 and Modifications to Aeration Decks 1 & 2 to Incorporate Biological Phosphorus Removal and Step Feed (CIP #212008)	\$60,000,000
Construction	WRRF Pump S #1 Improvements (CIP #211006)	\$55,000,000
Design Build	WRRF Structural Improvements (CIP # 216011)	\$12,000,000
Enterprise (next four to nine months)		
Information Technology	Project Management Information System	\$3,000,000
Professional Services	Document Scanning and Management Services (WRRF, Conner Creek, Enterprise)	TBD

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

Acronyms		
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow	WTP: Water Treatment Plant