



Audit Committee Meeting
Friday, October 22, 2021 at 8:00 a.m.
www.glwater.org

[Join Zoom Meeting](#)

Meeting ID: **881 7199 8998** Passcode: **568841**

US Toll-free: **888 788 0099** or **877 853 5247**

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. August 27, 2021 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
 - A. FY 2021 Financial Audit Schedule & Update (Page 6)
7. NEW BUSINESS
 - A. Discussion Draft Ten-Year Financial Plan FY 2023 – 2032 (Page 8)
 - B. 2022 Audit Committee Meeting Calendar (Page 24)
8. REPORTS
 - A. CFO Report (Page 26)
 - B. Monthly Financial Report for June 2021 (Page 35)
 - C. Business Inclusion and Diversity Program Update (Page 36)
 - D. Quarterly Gifts, Grants and Other Resources Report (Page 38)
 - E. Quarterly Debt Report (Page 47)
 - F. Quarterly CWIP Report (Page 62)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for October 2021 (Page 88)
 - B. FY 2023 Charges Rollout Schedule (Page 91)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: November 19, 2021 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT

Note: Agenda item 8A has been added and combined in agenda order and document was renumbered.

PDF pages 16-24 are 11x17



Great Lakes Water Authority

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

Meeting Minutes - Draft

Audit Committee

Friday, August 27, 2021

8:00 AM

Zoom Telephonic Meeting

Join Zoom Meeting:

[https://glwater.zoom.us/j/86820979787?](https://glwater.zoom.us/j/86820979787?pwd=dWY3eIM2b05teTJTYTBYMER1cjRGdz09)

[pwd=dWY3eIM2b05teTJTYTBYMER1cjRGdz09](https://glwater.zoom.us/j/86820979787?pwd=dWY3eIM2b05teTJTYTBYMER1cjRGdz09)

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Meeting ID: 868 2097 9787

Passcode: 589770

Zoom Telephonic Meeting

Join Zoom Meeting:

<https://glwater.zoom.us/j/86820979787?pwd=dWY3eIM2b05teTJTYTBYMER1cjRGdz09>

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877 853 5247 US Toll-free

Meeting ID: 868 2097 9787

Passcode: 589770

1. Call To Order

Chairperson Baker called the meeting to order at 8:02 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

Nicolette Bateson, Chief Financial Officer/Treasurer, requested to amend the Agenda as follows:

Move Item 7.A. (FY 2021 Audit Engagement Letter) first on the Agenda.
Move Item 8.E. (Update: PFM Asset Management Acquired by U.S. Bancorp Asset Management) and 8.F. (Quarterly Investment Report) after Item 7.A. then return to Item 6.A. (WRAP Program Update)

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

Motion By: Gary Brown
Support By: Brian Baker
Action: Approved as Amended
The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2021-265](#) Minutes of July 23, 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A July 23, 2021 Audit Committee Meeting Minutes](#)

Chairperson Baker requested a Motion to Approve the July 23, 2021 Audit Committee Meeting Minutes.

Motion By: Gary Brown
Support By: Brian Baker
Action: Approved
The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

7. New Business

A. [2021-267](#) FY 2021 Audit Engagement Letter

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 FY 2021 Audit Engagement Letter Memo](#)
[7A2 FY 2021 GLWA Engagement letter](#)

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Received and Filed
The motion carried by a unanimous vote.

8. Reports

- E. [2021-340](#) Update: PFM Asset Management Acquired by U.S. Bancorp Asset Management

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E PFM Asset Management acquired by U.S. Bancorp](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

- F. [2021-341](#) Quarterly Investment Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8F1 Quarterly Investment Report Cover Memo June 2021](#)

[8F2 GLWA Quarterly Report June 2021 FINAL](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

6. Old Business

- A. [2021-296](#) WRAP Program Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A WRAP Program Update](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Recommended for Approval to the Board of Directors

Agenda of September 22, 2021

The motion carried by a unanimous vote.

8. Reports

A. CFO Report (Verbal)

Nicolette Bateson, Chief Financial Officer/Treasurer, providing the CFO Verbal Report, informed the Audit Committee of GLWA executing a contract with Tidal Basin, a leading preparedness and disaster recovery Consulting Firm to assist in exploring reimbursement of cost as it pertains to the flood event.

B. [2021-335](#) Monthly Financial Report for May 2021

Sponsors: Nicolette Bateson

Indexes: Finance

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

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2021-336](#) Business Inclusion and Diversity Program Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C Business Inclusion and Diversity Program Update](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2021-339](#) Quarterly Shared Services Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D Quarterly Shared Services Update](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications**A.** [2021-342](#) The Procurement Pipeline for August 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The Procurement Pipeline for August 2021](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

10. Look Ahead

The next Audit Committee Meeting is scheduled to be held Friday, September 24, 2021 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:42 a.m.



Financial Services Audit Committee Communication

Date: October 22, 2021

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2021 Yearend Financial Audit Update

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

Analysis: GLWA Financial Services area is currently working with Baker Tilly to wrap up fieldwork for the FY 2021 audit. We remain on target with the FY 2021 audit timeline to file the audit in December 2021 as referenced in the attached memo from Baker Tilly.

Personnel from Baker Tilly will be in attendance at the Audit Committee meeting.

Proposed Action: Receive and file this report.



Memo

To: Great Lakes Water Authority Audit Committee

From: Gwen Zech, Manager (Baker Tilly)

c.c. Jodi Dobson, Partner (Baker Tilly)

Date: Updated October 15, 2021

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

We have prepared this memo to communicate to the audit committee our expectations regarding the timing of fieldwork, review, draft reports and issuance of the ACFR. The schedule below summarizes expected milestone dates to meet a deadline of issuance on December 17, 2021.

	Due Date Friday, December 17, 2021
All audit workpapers uploaded to portal for audit	Friday, October 1, 2021 – On Track
End of Fieldwork (Including first review)	Friday, October 15, 2021 – On Track
Manager level financial statement review	Friday, October 22, 2021
Draft to Jodi Dobson, Partner	Monday, October 25, 2021
Draft to concurring partner for technical review	Tuesday, October 26, 2021
Comments returned from GLWA management to Baker Tilly*	Friday, November 5, 2021
Draft back from detail check by Baker Tilly	Wednesday, November 10, 2021
Presentation of draft to Audit Committee	Friday, November 19, 2021
Preparation of separate ACFRs'	Friday, December 3, 2021
Presentation of draft to full Board of Directors	Thursday, December 16, 2021
Issuance of the ACFRs'	Friday, December 17, 2021

* - Comments should include everyone on team in addition to various third parties (i.e. attorneys, bond advisors, etc.). Ideally, all changes would be accumulated into one file and given to us.

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



**Financial Services
Audit Committee Communication**

Date: October 22, 2021

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, Chief Financial Officer Treasurer

Re: Proposed Ten-Year Financial Plan Update Through FY 2032

Background: At least annually, the Great Lakes Water Authority (GLWA) updates its ten-year financial plan. This was done last year and presented to the Audit Committee on December 18, 2020 in conjunction with the annual budgeting cycle.

This year, we are presenting a discussion draft to the Audit Committee two months earlier to seek alignment with a) internal budget and five-year plan update underway internally, b) the five-year capital improvement plan and ten-year forecast presented to the GLWA Board Capital Planning Committee earlier this week, c) unique charge setting considerations as we enter the next fiscal year, and d) Board goals and objectives for GLWA's financial plan as we balance needs with affordability concerns.

Analysis: A comprehensive memo and analysis explaining key assumptions from The Foster Group is attached. We would like to present these materials on October 22, 2021 with an expectation that further discussion and alignment would occur in November 2021.

Proposed Action: Receive and file report.

T F G
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MEMORANDUM

GLWA Financial Forecast Update

October 14, 2021

To: Nicolette Bateson

From: Bart Foster

This memorandum is intended to introduce updated long-term financial plan forecasts for the GLWA Regional System Water and Sewer funds, prepared in coordination with development of the Fiscal Year 2023 budget and charges. These PRELIMINARY updated projections reflect forecasted financial results for a ten-year¹ projection period (*Fiscal Year 2022 through Fiscal Year 2032*) for GLWA's capital and operating financial requirements. Separate exhibits are designed to summarize forecasts for both the Water Fund and the Sewer Fund. These forecast summaries are presented in similar format to prior published work products we have prepared in various forums, which largely focused on revenue requirements (reflected as either "budget" or "cash" basis) in a manner that aligns with requirements of the GLWA Master Bond Ordinances (MBO's). We are in the process of updating the forecast exhibits that illustrate projected "GAAP basis" results. Those exhibits will be presented in subsequent documents.

This version of the forecast report is entirely focused on projected financial results for the GLWA Regional System. We are in the process of incorporating preliminary budget and forecast information for the DWSD Local System into the comprehensive forecast. Those exhibits will also be presented in subsequent documents.

This forecast document embraces a forecasting approach and format that we've utilized for several years, and readers should find the general exhibits and discussion familiar. It has been used in support of GLWA revenue bond issues and annual budgeting and charge setting. The last formally updated forecast was published in December 2020 and reflected preliminary deliberations on the *proposed* FY 2022 budget and charges. While the forecast was updated to reflect the modifications enacted for the *final* FY 2022 budget and charges, no formal forecast document was published.

[Remainder of page intentionally left blank]

¹ Actually 11 years, including estimated results for the current year.

Executive Summary Takeaways

- This forecast introduces preliminarily recommended overall ***System Charge Adjustments*** of a 4.1% increase for Water and a 3.1% increase for Sewer.
 - *The Water adjustment is the product of:*
 - 3.5% to address a \$12.0 million revenue requirement increase;
 - 0.6% to reflect a decrease in budgeted water sales volumes, creating a \$2.0 million negative sales revenue forecast
 - *The Sewer adjustment is the product of:*
 - 2.5% to address a \$14.8 million revenue requirement increase;
 - 0.6% to reflect reinstitution of Highland Park bad debt adjustment, creating a \$3.0 million negative revenue forecast
 - *These proposed adjustments will be more fully documented in the coming weeks and months, as the FY 2023 Charges are formally developed and presented.*
- The forecast produces the executive summary metrics for the 10-year forecast period summarized below.

GLWA Financial Plan Summary (\$ millions)
Executive Summary Metrics

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
<u>Water Supply System</u>											
Charge Adjustment		4.1%	3.3%	3.0%	3.0%	3.6%	3.5%	3.6%	3.5%	3.6%	3.6%
Projected Revenue	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3
Projected Expenses	143.9	148.1	150.2	153.3	156.0	159.1	162.3	165.5	168.9	172.2	175.7
Net Revenues	198.1	208.0	218.3	228.2	238.8	249.5	260.6	272.2	284.2	296.6	309.6
Projected Cash Balance	222.4	204.6	202.8	204.1	204.2	204.1	203.8	203.8	203.9	204.2	204.2
Capital Improvements *	160.4	171.4	191.0	187.7	150.1	129.4	225.8	226.4	176.6	174.0	151.1
Debt Service Coverage **	1.42	1.31	1.36	1.33	1.31	1.34	1.32	1.34	1.30	1.32	1.32
<u>Sewage Disposal System</u>											
Charge Adjustment		3.1%	2.3%	2.1%	2.1%	2.5%	2.5%	2.5%	2.6%	2.6%	2.5%
Projected Revenue	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6
Projected Expenses	181.3	183.8	188.5	192.1	196.3	200.3	204.3	208.4	212.5	216.8	221.1
Net Revenues	291.3	303.5	311.0	319.8	328.5	337.6	347.1	356.8	366.7	377.0	387.5
Projected Cash Balance	244.5	245.8	245.0	243.6	243.4	246.1	245.3	245.7	243.9	239.5	285.0
Capital Improvements *	95.6	112.7	129.7	145.5	125.9	115.2	180.3	156.6	115.9	119.4	78.7
Debt Service Coverage **	1.37	1.41	1.42	1.51	1.54	1.54	1.52	1.55	1.61	1.68	1.72

* Includes Budgeted Capital Outlay

** Regional System contribution only

- The Water CIP creates relatively more financing pressure on the forecast than does the Sewer CIP. As a result the Water System forecast contains continuation of significant debt financing, while mostly “pay go” capital financing is forecasted for the Sewer System towards the end of the ten year period.

- *This fundamental difference in the Water and Sewer Forecasts is highlighted throughout this memorandum and in the accompanying exhibits.*

Forecast Introduction and Exhibits

As noted earlier, the efforts undertaken to prepare these forecasts are consistent with the analyses that we utilize to prepare financial feasibility report(s) that we have provided to GLWA in support of financial transactions. However, the efforts to date have not been as rigorous as those designed to support a public offering of debt, and should be considered “**Preliminary**”. We encourage stakeholders to review these forecasts with that understanding in mind. In addition, our formally published forecasts always carry this caveat:

In conducting our studies and formulating our projections and opinions contained herein, we reviewed the books, records, agreements, capital improvement programs and other information produced by the Authority as we deemed necessary. While we consider such books, records, and other documents to be reliable, we have not verified the accuracy of these documents. The projections set forth herein are intended as “forward-looking statements”. Actual results may differ materially from those projected, as influenced by conditions, events, and circumstances that may actually occur.

Having said all that, let’s review our first look at the updated forecasts. First, an introduction of the core executive summary assumptions we’ve incorporated into the baseline analysis.

1. FY 2022 estimated activity is consistent with the proposed budget amendments under consideration, with additional minor estimates to reflect ongoing review.
2. FY 2023 through FY 2027 O&M is consistent with the preliminary budget targets established by GLWA as it works through the budget development process.
 - *FY 2023 increase of 2.0% in total (combined Water and Sewer) compared to originally approved FY 2022 budget;*
 - *Water increase for FY 2023 is 2.9%, Sewer increase is 1.4% - this reflects diligent review of the FY 2022 budget preparation and individual budget programs*
3. Future O&M growth = 2%
4. CIP’s reflect current versions scheduled to be presented to the Capital Planning Committee on October 19 and to Member Partners on November 9.
5. CIP Expenditure Level reflects a Spend Rate Assumption of:
 - *80% for the Water System for FY 2022 through FY 2027;*
 - *75% for the Sewer System for FY 2022 through FY 2027;*
 - *100% for both systems for FY 2028 through FY 2032*
6. Investment earnings rate = 0.45% for FY 2022, declining to 0.35% for FY 2023, then gradually increasing to 2.2% by FY 2026 and remaining at that level for the remainder of the forecast period (*consistent with estimates provided by PFM*).
7. Capital financing forecast policy:

- *Fund all Major CIP expenditures via Construction Fund, which is sourced by:*
 - SRF loans
 - Transfers from I&E
 - Bond Proceeds
 - Investment Earnings on Bond Proceeds
 - *CIP funding source priority:*
 - Identify short lived CIP projects that should be financed by I&E (*currently estimated at 10% of total CIP*);
 - Apply “confirmed” SRF resources to specific projects²; then
 - Spend existing I&E Funds until they reach policy minimum (*\$90 million*);
 - Do not rely on annual deposits to I&E to finance CIP until subsequent year(s);
 - Issue debt to finance remainder of annual capital requirements;
 - Plan biennial bond sales in amounts that result in moderate “carryover” balances at end of 2nd year³
 - *Apply Capital Spend Rate Assumption to ALL elements noted above, including:*
 - Total annual requirements;
 - Estimated short lived projects;
 - Scheduled SRF reimbursements
8. “Top Line” increases in annual revenue requirements starting in FY 2023 of:
- *3.5% for the Water System;*
 - *2.5% for the Sewer System*
9. Preliminary FY 2022 System Charge adjustments of:
- **4.1% increase for Water**
 - Reflects moderate reduction in baseline sales revenue and investment earnings compared to approved FY 2022 Budget and Charges
 - **3.1% increase for Sewer**
 - Reflects reinstitution of Highland Park bad debt adjustment and moderate reduction in investment earnings compared to approved FY 2022 Budget and Charges
10. Total GLWA / DWSD “Legacy Pension Obligation” annual payments reduce from \$45.4 million to \$11.0 million starting in FY 2024, and all amounts are treated as a non-operating expense after FY 2023.

² In prior forecasts “confirmed” SRF projects were limited to those for which GLWA Board had formally passed ordinances and intent to issue. The forecast policy has been updated to include as “confirmed” all projects that have been approved on the State’s Project Priority List.

³ The forecasted bond sales anticipated towards the end of FY 2022 are designed to provide financing through FY 2024, with the “biennial cycle” continuing starting in FY 2025.

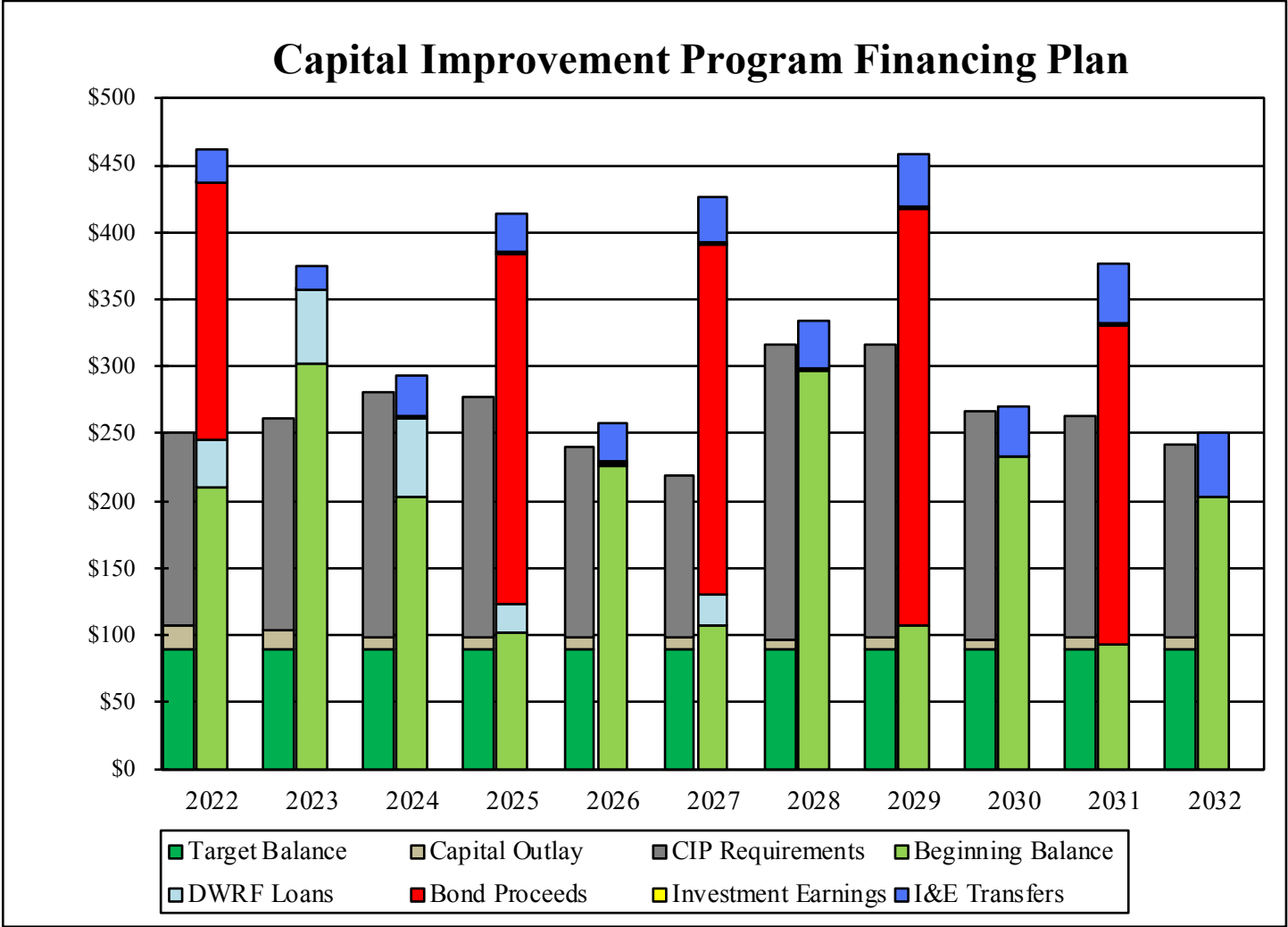
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The forecasted financial results resulting from our application of these assumptions are summarized in the attached exhibits, and briefly introduced below. The exhibit page number references are consistent between the separate Water (W) and Sewer (S) page numbers.

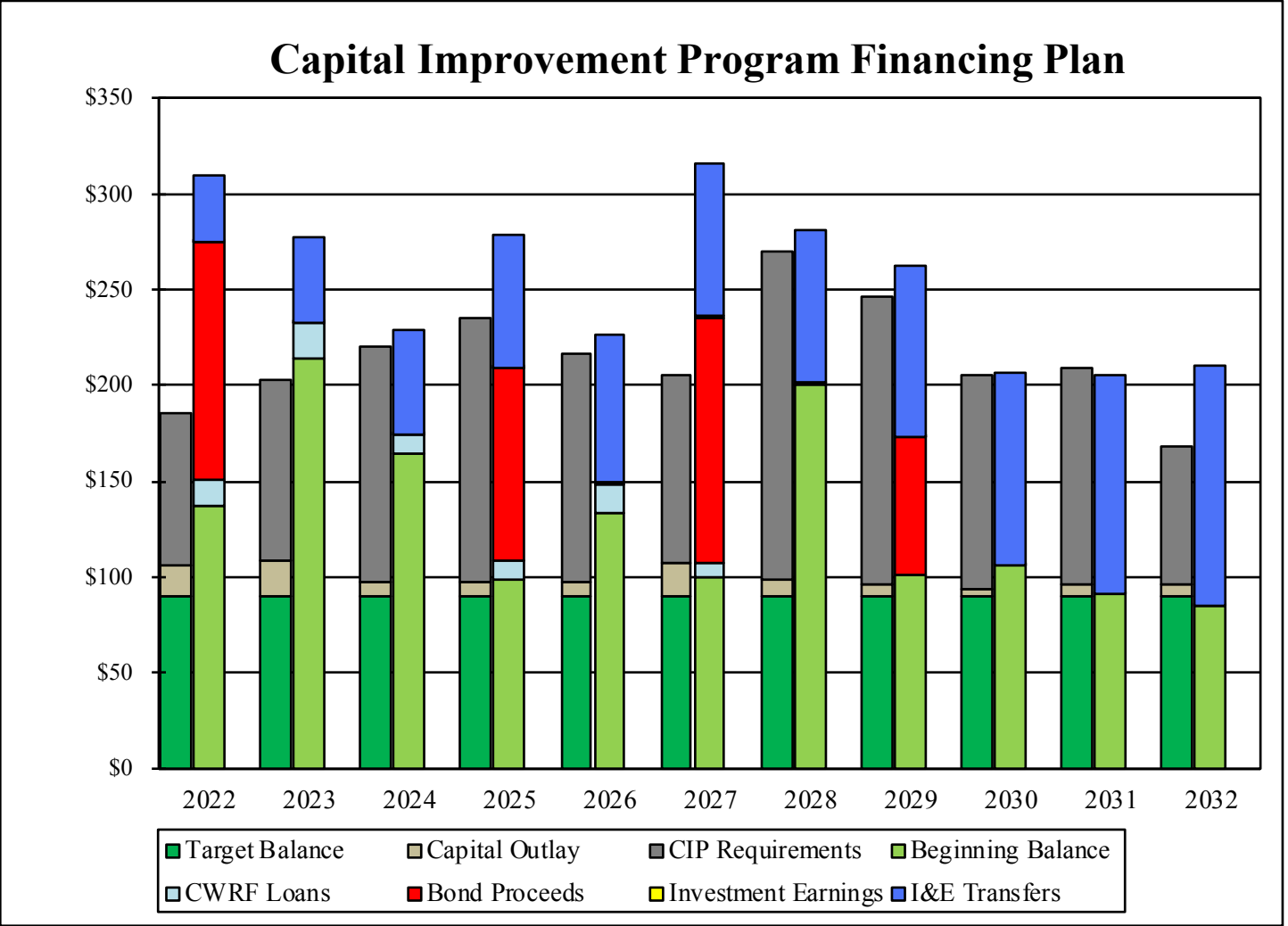
1. Forecasted CIP Financing Plan
 - Illustrates forecasted plan resulting from application of CIP financing policy noted above. Note that the forecast anticipates the next “new money Regional System” bond transactions to occur in late FY 2022 for both the Water and Sewer Systems. These transactions are designed in this forecast to not provide any meaningful bond funds to pay for CIP expenditures during FY 2022, nor result in any debt service during FY 2022. We’ve assumed a full annual amortization starting in FY 2023. The size and nature of these transactions are subject to change, and could be impacted by availability of additional SRF loans, DWSD Local System needs, and/or refinancing opportunities. Also note the relatively larger need for forecasted additional Water bond sales compared to Sewer due to the relatively larger Water CIP requirements. The Sewer forecast anticipates being able to “pay go” all ***known and projected*** CIP Financing starting in FY 2030.
2. Forecasted CIP Financing Plan Table
 - Same as 1, in tabular form consistent with published Feasibility Reports.
3. Forecasted Application of CIP Funding Sources
 - Illustrates growing utilization of I&E monies to finance annual capital improvements, particularly for Sewer. The Water picture is “muddled” because of the early year spend down of existing balances while the Sewer picture is more evident of steady growth – sufficient to fully fund the CIP and exceed the \$90 million policy minimum by the end of the forecast period.
4. Revenue Requirement Financing Plan
 - Graphical depiction of the “business plan” assuming annual top line revenue requirement growth of 3.5% for Water and 2.5% for Sewer and 2% O&M growth rate assumption for the balance of the forecast period. Note the relatively stable transfers to Water I&E compared to the rapid growth in the Sewer amounts.
5. Wholesale System Revenue Requirement Financing Plan Table
 - Same as 4, in tabular form consistent with published Feasibility Reports.
6. Forecasted Fund Balance Summary
 - Illustrates “non-restricted” liquidity balances and debt service coverage (as computed for the Regional System portion).
 - * *Note that the targeted and forecasted balances reflect a “Working Capital Reserve” that is designed to reflect an Operating Fund reserve balance equivalent to 105 days of annual Operations and Maintenance Expense plus 60 days of scheduled transfers to all other MBO Funds.*

- Shows forecasted reduction of existing I&E balances to policy minimums for both systems, with Sewer increasing towards the end of the forecast period.
 - * *Note that if full “pay go” status of the Sewer CIP is achieved it may be appropriate to reduce the top line revenue growth assumption in the forecast.*
- Debt service coverage provided by Regional System net revenues is relatively stable for Water and materially increasing for Sewer.
- 7. Projected Cash and Investment Balances – Wholesale System Table
 - Same as 6, in tabular form consistent with published Feasibility Reports.
 - Documents forecasted “Days Cash on Hand” metric
- 8. Relative Revenue Requirement Distribution
 - Illustrates “where each \$ of revenue goes” with respect to revenue requirements. Again, note the reduction in debt service, and corresponding increase in I&E bottom line transfers for Sewer, while the Water bottom line contribution is fairly constant as the relative debt service portion increases.
- 9. I&E Flow of Funds Forecast
 - Illustrates draw down of existing balances to fund CIP requirements, maintenance of the \$90 million policy minimums, and the growth in annual transfers from revenues, particularly for Sewer.
- 10. GAAP Basis Income Statement Forecast
 - *[To come in subsequent versions . . .]*
- 11. Schedule 1 – Revenue Requirements Budget Summary *[To come in subsequent versions . . .]*
 - Budget summary schedule version of Revenue Requirement Financing Plan. Illustrates the “anatomy of a charge increase” calculation introduced in the Executive Summary to this memorandum.
- 12. Schedule 5 – Capital Financing Budget Summary *[To come in subsequent versions . . .]*
 - Budget summary schedule version of Capital Financing Plan. Illustrates the flow of funds concept for the Construction Fund.

We are hopeful that this executive summary presentation provides a platform for discussion of financial planning policies and assumptions as the development of the FY 2023 Budget and related forecast proceeds. We are prepared to present this material to the Audit Committee meeting scheduled for October 22 and to discuss this matter further at your convenience.



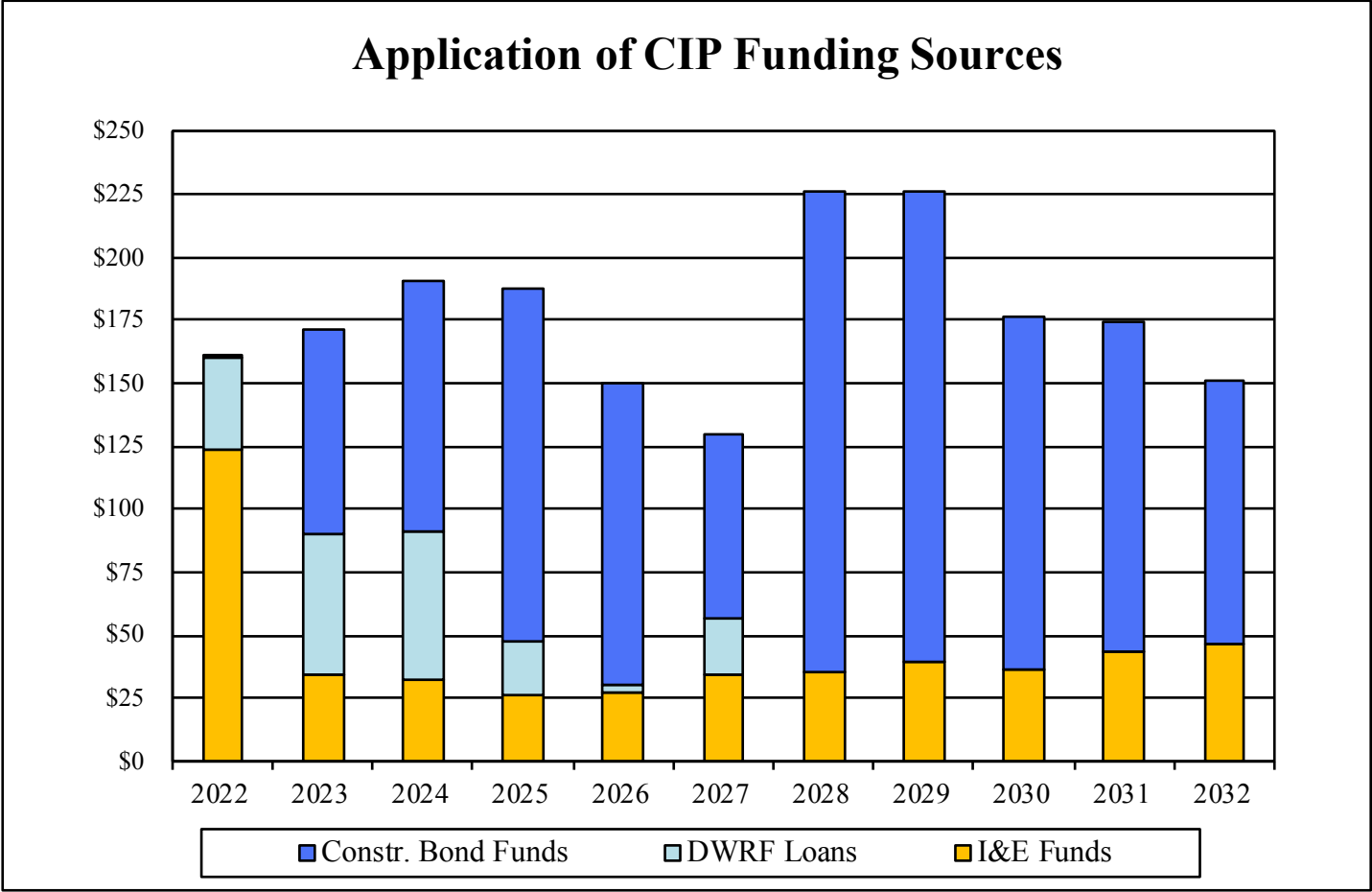
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<u>Requirements</u>											
Target Balance	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Capital Outlay	17.0	14.1	8.8	8.6	8.5	7.9	7.5	7.9	7.4	7.6	7.6
CIP Requirement	143.4	157.4	182.2	179.1	141.6	121.5	218.4	218.5	169.3	166.4	143.5
Total	250.4	261.4	281.0	277.7	240.1	219.4	315.8	316.4	266.6	264.0	241.1
<u>Sources</u>											
Beginning Balance	209.5	302.2	202.8	101.9	225.8	107.2	296.6	107.9	232.3	93.7	202.4
DWRf Loans	36.5	55.0	59.4	21.4	2.4	22.5	-	-	-	-	-
Bond Proceeds	190.0	-	-	261.3	-	261.3	-	308.8	-	237.5	-
Investment Earnings	0.0	0.1	0.3	1.2	1.3	1.1	2.1	2.4	1.5	1.7	1.1
I&E Transfers	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9
Total Sources	462.5	374.3	292.9	413.5	257.3	426.0	333.7	458.7	270.3	376.4	250.4
End Balance	302.2	202.8	101.9	225.8	107.2	296.6	107.9	232.3	93.7	202.4	99.4



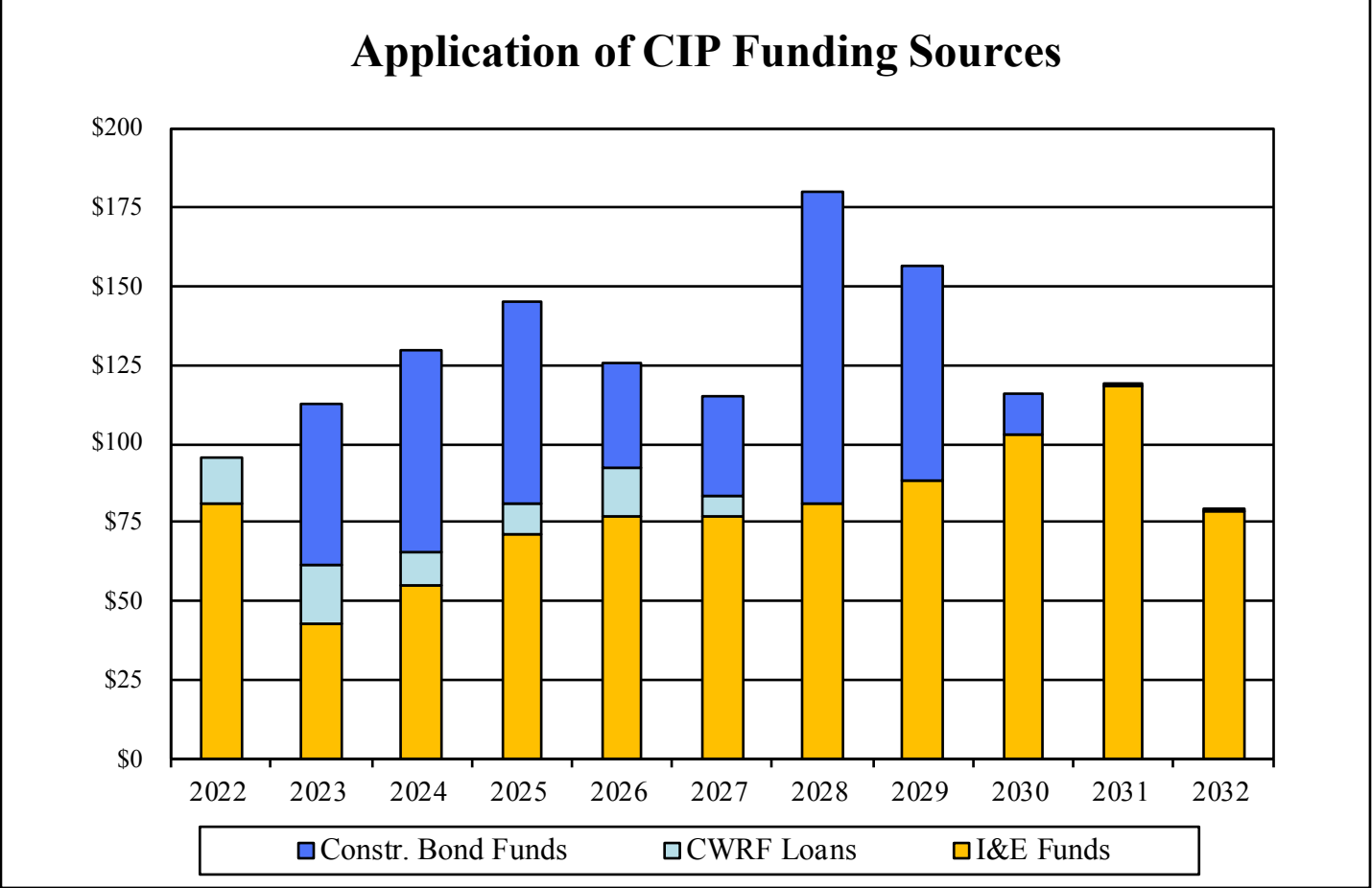
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<u>Requirements</u>											
Target Balance	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Capital Outlay	16.0	18.2	8.0	7.1	7.6	16.7	9.2	5.7	4.2	5.9	5.9
CIP Requirement	79.5	94.4	121.7	138.4	118.3	98.5	171.1	151.0	111.7	113.5	72.8
Total	185.5	202.7	219.7	235.5	215.9	205.2	270.3	246.6	205.9	209.4	168.7
<u>Sources</u>											
Beginning Balance	137.2	214.1	164.2	99.3	133.5	100.0	200.0	101.4	105.5	90.8	85.5
CWRf Loans	14.1	18.7	10.2	9.8	15.4	7.2	-	-	-	-	-
Bond Proceeds	123.5	-	-	99.8	-	128.3	-	71.3	-	-	-
Investment Earnings	0.0	0.1	0.2	0.5	0.4	0.5	1.1	0.8	0.1	0.0	0.0
I&E Transfers	34.7	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2
Total Sources	309.6	276.8	229.0	279.0	225.9	315.2	281.6	262.1	206.8	204.9	209.7
End Balance	214.1	164.2	99.3	133.5	100.0	200.0	101.4	105.5	90.8	85.5	131.0

Water Table 4													
GLWA Wholesale System Capital Improvement Program Financing Plan (\$ millions)													
Line No.		Fiscal Year Ended June 30,											
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Financing Requirements													
1	Budgeted Capital Outlay	17.0	14.1	8.8	8.6	8.5	7.9	7.5	7.9	7.4	7.6	7.6	102.8
2	Major Capital Improvement Program (a)	143.4	157.4	182.2	179.1	141.6	121.5	218.4	218.5	169.3	166.4	143.5	1,841.2
3	Total Financing Requirements	160.4	171.4	191.0	187.7	150.1	129.4	225.8	226.4	176.6	174.0	151.1	1,944.0
Financing Sources													
Construction Fund													
4	Beginning Balance (b)	-	192.2	110.8	11.6	134.2	15.5	205.0	16.6	141.1	2.3	110.7	- (g)
5	State Drinking Water Revolving Fund Loans	56.0	74.3	70.5	21.4	2.4	22.5	-	-	-	-	-	247.2
6	Less: Transfer to DWSD Constr. Fund	(19.5)	(19.3)	(11.1)	-	-	-	-	-	-	-	-	(49.9)
7	Net State DWRF Financing for Authority	36.5	55.0	59.4	21.4	2.4	22.5	-	-	-	-	-	197.3
8	Transfers from Water Constr. Bond Fund (Line 2)	192.2	0.1	0.3	262.5	1.3	262.3	2.1	311.1	1.5	239.2	1.1	1,274.0
9	Transfers from Water I&E Fund (Line 26)	106.8	20.7	23.2	17.9	19.2	26.1	27.8	31.9	28.9	35.6	39.3	377.6
10	Total Construction Fund Sources	335.6	268.1	193.8	313.4	157.1	326.5	234.9	359.6	171.5	277.1	151.2	1,848.9
11	Uses - Major CIP Expenditures (Line 2)	143.4	157.4	182.2	179.1	141.6	121.5	218.4	218.5	169.3	166.4	143.5	1,841.2
12	Ending Balance	192.2	110.8	11.6	134.2	15.5	205.0	16.6	141.1	2.3	110.7	7.7	7.7 (h)
Subsidiary Capital Financing Funds													
Construction Bond Fund													
13	Beginning Balance (b)	2.2	-	-	-	-	-	-	-	-	-	-	2.2 (g)
Bond Proceeds													
14	Water System Revenue Bonds (c)	200.0	-	-	275.0	-	275.0	-	325.0	-	250.0	-	1,325.0
15	Less: Transfer to DWSD Const. Fund (e)	-	-	-	-	-	-	-	-	-	-	-	0.0
16	Less: Issuance Expenses (f)	(10.0)	-	-	(13.8)	-	(13.8)	-	(16.3)	-	(12.5)	-	(66.3)
17	Net Bond Proceeds Available	190.0	-	-	261.3	-	261.3	-	308.8	-	237.5	-	1,258.8
18	Investment Income	0.0	0.1	0.3	1.2	1.3	1.1	2.1	2.4	1.5	1.7	1.1	13.0
19	Total Construction Bond Fund Sources	192.2	0.1	0.3	262.5	1.3	262.3	2.1	311.1	1.5	239.2	1.1	1,274.0
20	Less: Transfer to GLWA Construction Fund	(192.2)	(0.1)	(0.3)	(262.5)	(1.3)	(262.3)	(2.1)	(311.1)	(1.5)	(239.2)	(1.1)	(1,274.0)
21	Ending Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 (h)
GLWA Regional System Improvement and Extension Account													
22	Beginning Balance (b)	207.3	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.4	91.7	207.3 (g)
23	Transfers from Water Receiving Fund	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9	364.7
24	Total I&E Fund Sources	233.8	126.9	122.3	118.1	119.3	125.6	126.6	131.0	127.7	135.0	138.6	572.0
25	Less: Capital Outlay (Line 1)	(17.0)	(14.1)	(8.8)	(8.6)	(8.5)	(7.9)	(7.5)	(7.9)	(7.4)	(7.6)	(7.6)	(102.8)
26	Less: Transfer to GLWA Construction Fund	(106.8)	(20.7)	(23.2)	(17.9)	(19.2)	(26.1)	(27.8)	(31.9)	(28.9)	(35.6)	(39.3)	(377.6)
27	Ending Balance	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.4	91.7	91.7	91.7 (h)
28	Combined Ending Balance of Capital Funds	302.2	202.8	101.9	225.8	107.2	296.6	107.9	232.3	93.7	202.4	99.4	99.4 (h)
(a) From Table 1.													
(b) Estimated balance available June 30, 2021 (applies only to Fiscal Year 2022).													
(c) Par value for future bonds.													
(d) Reserved													
(e) Includes amounts to provide funding to the DWSD CIP.													
(f) Assumes amounts will be required from bond proceeds to fund debt service reserve fund.													
(g) Total column reflects estimated balance available June 30, 2021.													
(h) Total column reflects estimated balance available June 30, 2032.													

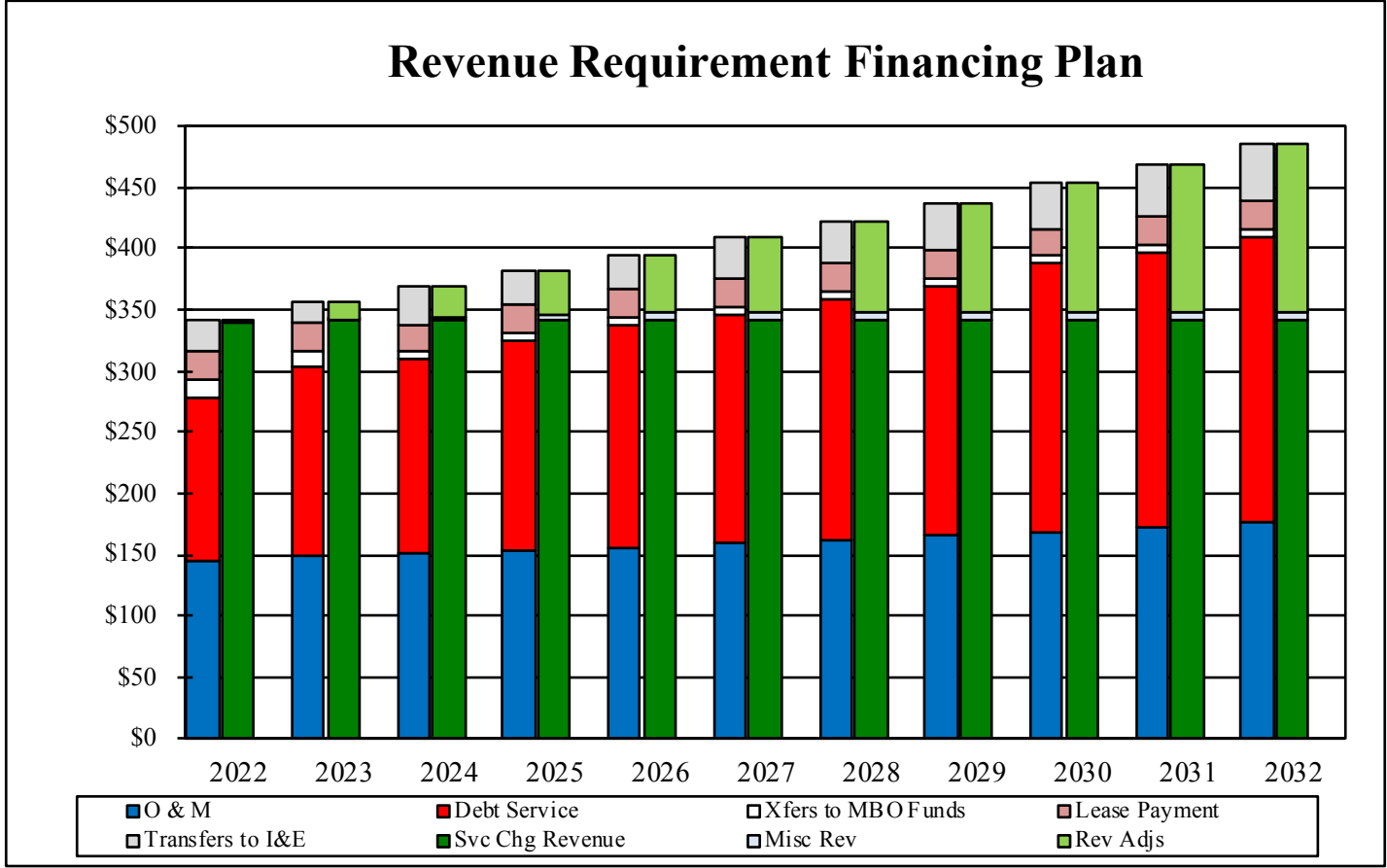
Sewer Table 4													
GLWA Wholesale System Capital Improvement Program Financing Plan (\$ millions)													
Line No.		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Financing Requirements													
1	Budgeted Capital Outlay	16.0	18.2	8.0	7.1	7.6	16.7	9.2	5.7	4.2	5.9	5.9	104.5
2	Major Capital Improvement Program (a)	79.5	94.4	121.7	138.4	118.3	98.5	171.1	151.0	111.7	113.5	72.8	1,270.9
3	Total Financing Requirements	95.5	112.7	129.7	145.5	125.9	115.2	180.3	156.6	115.9	119.4	78.7	1,375.4
Financing Sources													
Construction Fund													
4	Beginning Balance (b)	-	123.6	72.4	8.3	43.8	10.6	107.9	10.0	13.8	0.9	0.0	- (g)
5	State Clean Water Revolving Fund Loans	21.6	25.3	13.4	9.8	15.4	7.2	-	-	-	-	-	92.7
6	Less: Transfer to DWSD Constr. Fund	(7.5)	(6.5)	(3.2)	-	-	-	-	-	-	-	-	(17.2)
7	Net State DWRF Financing for Authority	14.1	18.7	10.2	9.8	15.4	7.2	-	-	-	-	-	75.5
8	Transfers from Sewer Constr. Bond Fund (Line 2)	123.5	0.1	0.2	100.3	0.4	128.7	1.1	72.1	0.1	0.0	0.0	426.6
9	Transfers from Sewer I&E Fund (Line 27)	65.5	24.4	47.2	63.8	69.3	59.8	72.1	82.6	98.7	112.6	72.8	768.9
10	Total Construction Fund Sources	203.1	166.8	130.0	182.2	128.9	206.4	181.1	164.7	112.6	113.5	72.8	1,270.9
11	Uses - Major CIP Expenditures (Line 2)	79.5	94.4	121.7	138.4	118.3	98.5	171.1	151.0	111.7	113.5	72.8	1,270.9
12	Ending Balance	123.6	72.4	8.3	43.8	10.6	107.9	10.0	13.8	0.9	0.0	0.0	0.0 (h)
Subsidiary Capital Financing Funds													
Construction Bond Funds													
13	Beginning Balance (b)	-	-	-	-	-	-	-	-	-	-	-	- (g)
Bond Proceeds													
14	Sewer System Revenue Bonds (c)	130.0	-	-	105.0	-	135.0	-	75.0	-	-	-	445.0
15	Less: Transfer to DWSD Const. Fund (e)	-	-	-	-	-	-	-	-	-	-	-	-
16	Less: Issuance Expenses (f)	(6.5)	-	-	(5.3)	-	(6.8)	-	(3.8)	-	-	-	(22.3)
17	Net Bond Proceeds Available	123.5	-	-	99.8	-	128.3	-	71.3	-	-	-	422.8
18	Investment Income	0.0	0.1	0.2	0.5	0.4	0.5	1.1	0.8	0.1	0.0	0.0	3.8
19	Total Constr. Bond Fund Sources	123.5	0.1	0.2	100.3	0.4	128.7	1.1	72.1	0.1	0.0	0.0	426.6
20	Less: Transfer to GLWA Construction Fund	(123.5)	(0.1)	(0.2)	(100.3)	(0.4)	(128.7)	(1.1)	(72.1)	(0.1)	(0.0)	(0.0)	(426.6)
21	Ending Balance	-	-	-	-	-	-	-	-	-	-	-	- (h)
GLWA Regional System Improvement and Extension Account													
22	Beginning Balance (b)	137.2	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	85.5	137.2 (g)
23	Transfers from Sewer Receiving Fund	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2	866.8
24	Other Sources - DWSD Loan Receivable Pmts	0.4	-	-	-	-	-	-	-	-	-	-	0.4
25	Total I&E Fund Sources	171.9	134.4	146.1	160.6	166.4	168.7	172.6	180.0	192.9	204.0	209.7	1,004.4
26	Less: Capital Outlay (Line 1)	(16.0)	(18.2)	(8.0)	(7.1)	(7.6)	(16.7)	(9.2)	(5.7)	(4.2)	(5.9)	(5.9)	(104.5)
27	Less: Transfer to GLWA Construction Fund	(65.5)	(24.4)	(47.2)	(63.8)	(69.3)	(59.8)	(72.1)	(82.6)	(98.7)	(112.6)	(72.8)	(768.9)
28	Ending Balance	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	85.5	131.0	131.0 (h)
29	Combined Ending Balance of Capital Funds	214.1	164.2	99.3	133.5	100.0	200.0	101.4	105.5	90.8	85.5	131.0	131.0 (h)
(a) From Table 1.													
(b) Estimated balance available June 30, 2021 (applies only to Fiscal Year 2022).													
(c) Par value for future bonds.													
(d) Reserved													
(e) Includes amounts to provide funding to the DWSD CIP.													
(f) Assumes amounts will be required from bond proceeds to fund debt service reserve fund.													
(g) Total column reflects estimated balance available June 30, 2021.													
(h) Total column reflects estimated balance available June 30, 2032.													



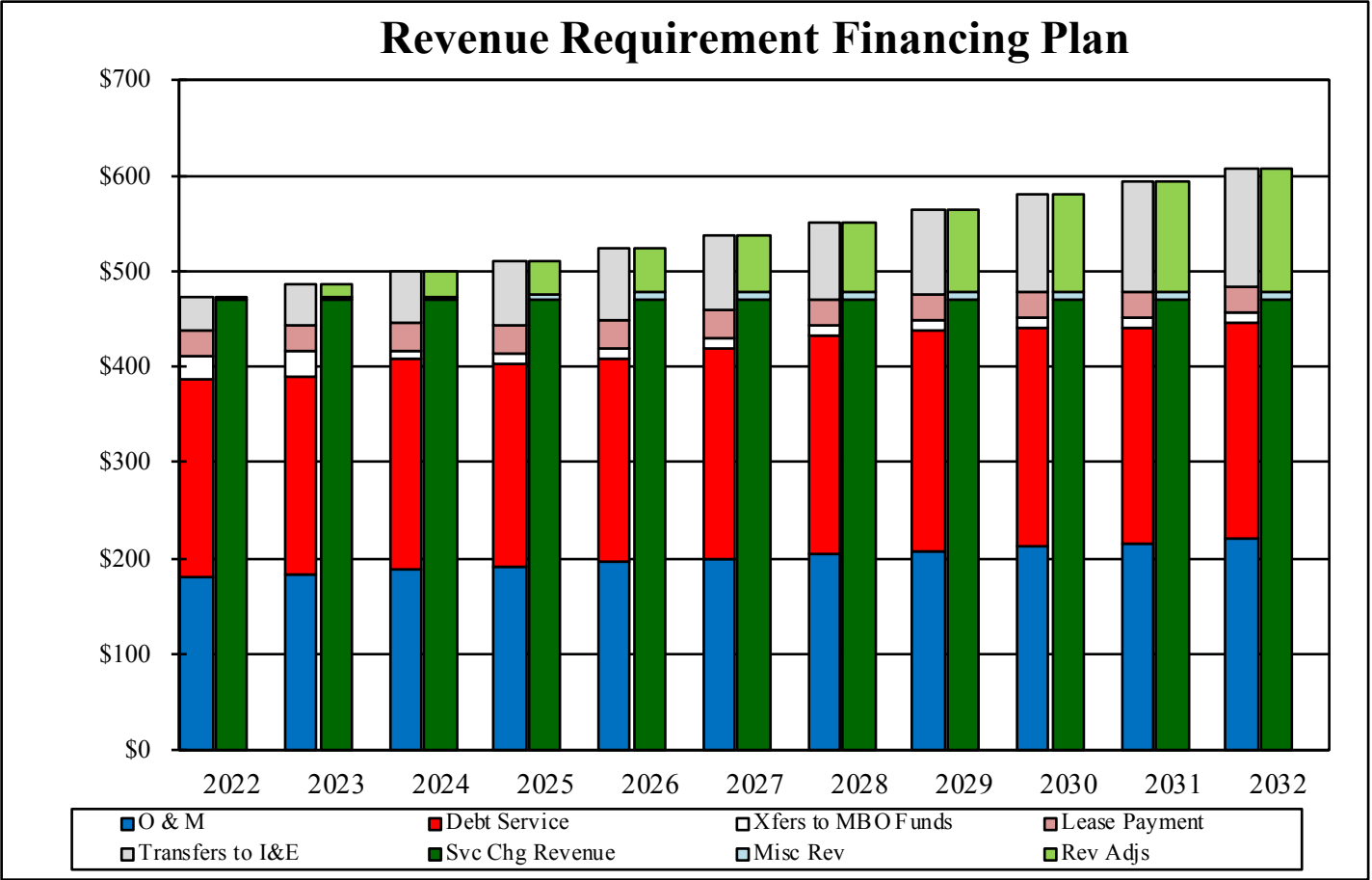
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
I&E Funds	123.8	34.8	32.0	26.5	27.7	34.1	35.3	39.7	36.3	43.2	46.9
DWRP Loans	36.5	55.0	59.4	21.4	2.4	22.5	-	-	-	-	-
Constr. Bond Funds	0.0	81.6	99.5	139.8	120.0	72.8	190.5	186.7	140.3	130.8	104.1
I&E % of Total	77%	20%	17%	14%	18%	26%	16%	18%	21%	25%	31%



	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
I&E Funds	81.4	42.7	55.2	70.9	77.0	76.6	81.3	88.3	102.9	118.5	78.7
CWRP Loans	14.1	18.7	10.2	9.8	15.4	7.2	-	-	-	-	-
Constr. Bond Funds	-	51.3	64.3	64.8	33.6	31.4	99.0	68.4	13.0	0.8	0.0
I&E % of Total	85%	38%	43%	49%	61%	66%	45%	56%	89%	99%	100%



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE											
Svc. Chg. Revenue	340.4	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8
Charge Adjustments		4.1%	3.3%	3.0%	3.0%	3.6%	3.5%	3.6%	3.5%	3.6%	3.6%
Revenue from Adjs		14.1	25.7	36.5	47.8	61.6	75.9	90.7	105.8	121.7	138.1
Other	1.6	1.1	2.0	4.1	6.2	6.1	6.2	6.2	6.3	6.3	6.3
Total Revenue	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3
BUDGET											
O&M Expense	143.9	148.1	150.2	153.3	156.0	159.1	162.3	165.5	168.9	172.2	175.7
Debt Service	135.1	154.4	160.1	171.6	182.1	186.8	196.9	203.7	218.9	224.3	233.9
Xfers to MBO Funds	14.0	14.1	5.5	6.3	6.4	6.3	6.2	6.2	6.3	6.3	6.4
Lease Payment	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Transfers to I&E	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9
Total BUDGET	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3
Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE											
Svc. Chg. Revenue	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0
Charge Adjustments		3.1%	2.3%	2.1%	2.1%	2.5%	2.5%	2.5%	2.6%	2.6%	2.5%
Revenue from Adjs		14.8	25.8	36.0	46.5	59.6	72.9	86.8	101.1	115.8	130.3
Other	1.6	1.6	2.7	5.0	7.3	7.3	7.4	7.3	7.2	6.9	7.3
Total Revenue	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6
BUDGET											
O&M Expense	181.3	183.8	188.5	192.1	196.3	200.3	204.3	208.4	212.5	216.8	221.1
Debt Service	204.7	207.2	219.8	211.5	213.0	219.9	228.5	230.0	227.5	224.8	225.1
Xfers to MBO Funds	24.8	24.9	9.4	11.2	11.2	10.9	10.7	10.7	10.7	10.7	10.7
Lease Payment	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
Transfers to I&E	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2
Total BUDGET	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6
Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Water Table 5a
Wholesale System Revenue Requirement Financing Plan (\$ millions)

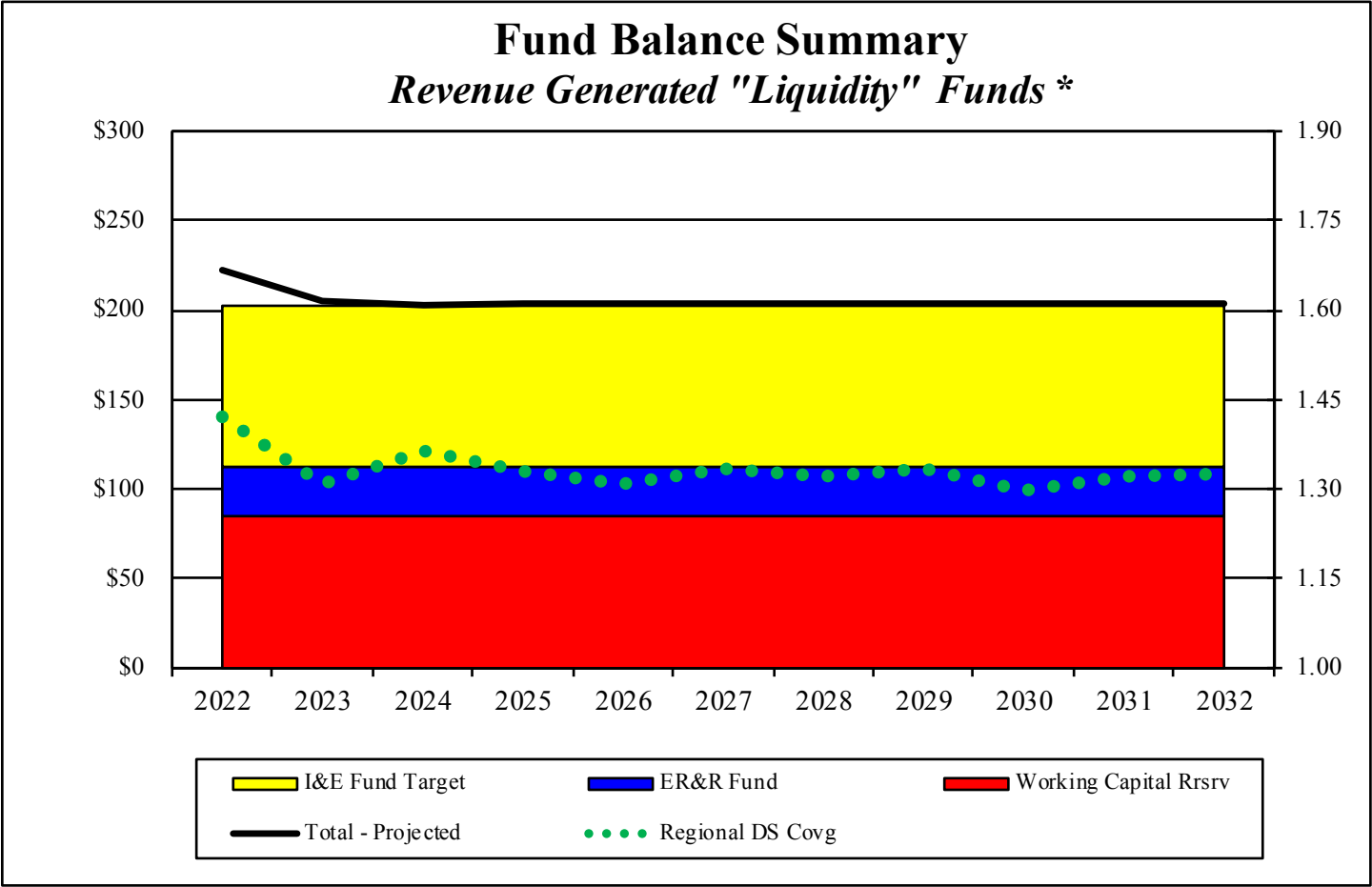
Line No.	Item	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue (a)												
1	Operating Revenue Under Existing Charges	340.4	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8	340.8
<u>Projected Revenue from Adjustments</u>												
2	FY 2023: 4.1%		14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
3	FY 2024: 3.3%			11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
4	FY 2025: 3.0%				10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9
5	FY 2026: 3.0%					11.2	11.2	11.2	11.2	11.2	11.2	11.2
6	FY 2027: 3.6%						13.9	13.9	13.9	13.9	13.9	13.9
7	FY 2028: 3.5%							14.2	14.2	14.2	14.2	14.2
8	FY 2029: 3.6%								14.8	14.8	14.8	14.8
9	FY 2030: 3.5%									15.2	15.2	15.2
10	FY 2031: 3.6%										15.9	15.9
11	FY 2032: 3.5%											16.4
12	Total Projected Revenue from Water Charges	340.4	354.9	366.5	377.4	388.6	402.5	416.7	431.5	446.7	462.6	478.9
13	Other Revenue	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
14	Non-Operating Revenue	1.5	1.0	1.8	3.9	6.0	6.0	6.0	6.0	6.2	6.1	6.2
15	Total Revenue Available	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3
Revenue Requirements												
16	Transfer to GLWA Regional O&M Account	143.9	148.1	150.2	153.3	156.0	159.1	162.3	165.5	168.9	172.2	175.7
17	Transfer to GLWA Pension O&M Account	6.0	6.0	-	-	-	-	-	-	-	-	-
18	Total O&M Expense	150.0	154.2	150.2	153.3	156.0	159.1	162.3	165.5	168.9	172.2	175.7
19	Debt Service Allocation - Regional System	135.1	154.4	160.1	171.6	182.1	186.8	196.9	203.7	218.9	224.3	233.9
20	Non-Operating Portion of Pension Obligation	5.4	5.4	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
21	B & C Note Non-Operating Payments	0.9	0.9	0.9	1.7	1.6	1.4	1.3	1.3	1.2	1.2	1.2
22	Transfer to Pension Obligation Payment Fund	6.3	6.3	3.6	4.4	4.4	4.2	4.1	4.0	4.0	4.0	4.0
23	Transfer to WRAP Fund	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.3	2.3	2.4
24	Lease Payment to DWSD Local System	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
25	Transfer to GLWA Regional I&E Account	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9
26	Total Revenue Requirements	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3
27	Indicated Balance (Deficiency)	-	-	-	-	-	-	-	-	-	-	-
28	Projected Debt Service Coverage Ratio (Regional)	1.42	1.31	1.36	1.33	1.31	1.34	1.32	1.34	1.30	1.32	1.32
29	Net Revenues (15) - (18)	192.1	201.9	218.3	228.2	238.8	249.5	260.6	272.2	284.2	296.6	309.6
30	Revenues Remaining after Debt Service (29)-(19)	56.9	47.5	58.2	56.6	56.6	62.7	63.7	68.4	65.2	72.4	75.8
31	Applied to MBO Reserve Funds (22,23)	(8.0)	(8.0)	(5.5)	(6.3)	(6.4)	(6.3)	(6.2)	(6.2)	(6.3)	(6.3)	(6.4)
32	Applied as Lease Payment to DWSD (24)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)
33	Available for I&E Fund (29) - (30,31,32)	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9

(a) From Table 3. Based on application of FY 2022 charges for 2022 through 2032.

Sewer Table 5a
Wholesale System Revenue Requirement Financing Plan (\$ millions)

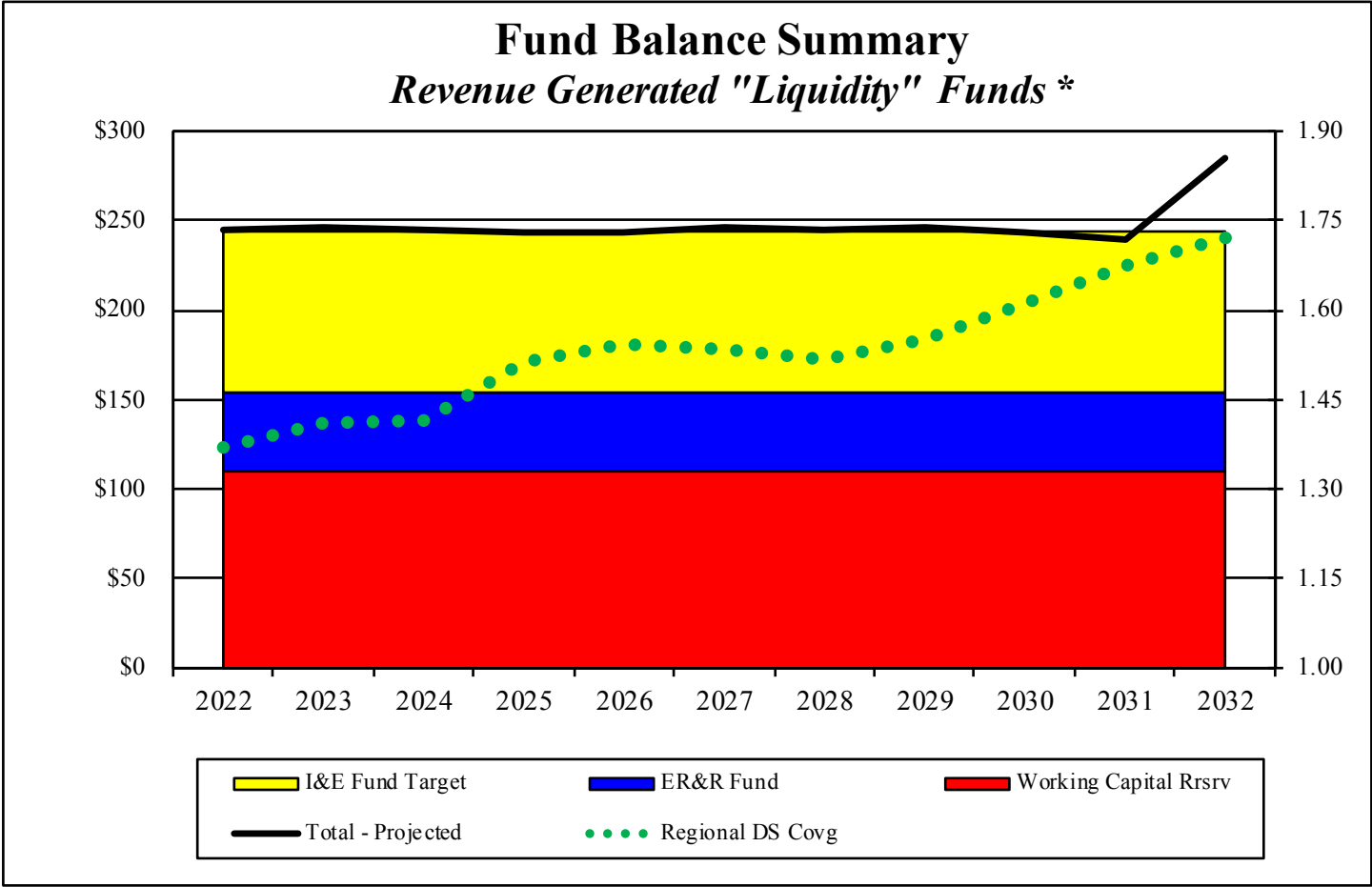
Line No.	Item	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue (a)												
1	Operating Revenue Under Existing Charges	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0	471.0
<u>Projected Revenue from Adjustments</u>												
2	FY 2023: 3.1%		14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
3	FY 2024: 2.3%			11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
4	FY 2025: 2.1%				10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
5	FY 2026: 2.1%					10.5	10.5	10.5	10.5	10.5	10.5	10.5
6	FY 2027: 2.5%						13.1	13.1	13.1	13.1	13.1	13.1
7	FY 2028: 2.5%							13.4	13.4	13.4	13.4	13.4
8	FY 2029: 2.5%								13.9	13.9	13.9	13.9
9	FY 2030: 2.6%									14.3	14.3	14.3
10	FY 2031: 2.6%										14.7	14.7
11	FY 2032: 2.5%											14.5
12	Total Operating Revenue	471.0	485.8	496.8	507.0	517.5	530.6	543.9	557.8	572.1	586.8	601.3
13	Other Revenue	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
14	Non-Operating Revenue	1.2	1.2	2.3	4.6	6.9	6.9	7.0	6.9	6.8	6.5	6.9
15	Total Revenue Available	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6
Revenue Requirements												
16	Transfer to GLWA Regional O&M Account	181.3	183.8	188.5	192.1	196.3	200.3	204.3	208.4	212.5	216.8	221.1
17	Transfer to GLWA Pension O&M Account	10.8	10.8	-	-	-	-	-	-	-	-	-
18	Total O&M Expense	192.1	194.6	188.5	192.1	196.3	200.3	204.3	208.4	212.5	216.8	221.1
19	Debt Service Allocation - Regional System	204.7	207.2	219.8	211.5	213.0	219.9	228.5	230.0	227.5	224.8	225.1
20	Non-Operating Portion of Pension Obligation	9.7	9.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
21	B & C Note Non-Operating Payments	2.0	2.0	2.0	3.7	3.6	3.3	2.9	2.9	2.8	2.7	2.7
22	Transfer to Pension Obligation Payment Fund	11.6	11.6	6.9	8.7	8.6	8.2	7.9	7.8	7.8	7.7	7.6
23	Transfer to WRAP Fund	2.4	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.0
24	Lease Payment to DWSD Local System	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
25	Transfer to GLWA Regional I&E Account	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2
26	Total Revenue Requirements	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6
27	Indicated Balance (Deficiency)	-	-	-	-	-	-	-	-	-	-	-
28	Projected Debt Service Coverage Ratio (Regional)	1.37	1.41	1.42	1.51	1.54	1.54	1.52	1.55	1.61	1.68	1.72
29	Net Revenues (15) - (18)	280.5	292.7	311.0	319.8	328.5	337.6	347.1	356.8	366.7	377.0	387.5
30	Revenues Remaining after Debt Service (29)-(19)	75.8	85.5	91.3	108.4	115.4	117.7	118.6	126.8	139.3	152.2	162.4
31	Applied to MBO Reserve Funds (22,23)	(14.0)	(14.0)	(9.4)	(11.2)	(11.2)	(10.9)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)
32	Applied as Lease Payment to DWSD (24)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)	(27.5)
33	Available for I&E Fund (29) - (30,31,32)	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2

(a) From Table 3. Based on application of FY 2022 charges for 2022 through 2032.



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fund Balance Minimums											
Working Capital Rrsr	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
ER&R Fund	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
I&E Fund Target	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Total - Minimums	202.5	202.5	202.5	202.5	202.5	202.5	202.5	202.5	202.5	202.5	202.5
Projections											
Working Capital Rrsr	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
ER&R Fund	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
I&E Fund	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.4	91.7	91.7
Total - Projected	222.4	204.6	202.8	204.1	204.2	204.1	203.8	203.8	203.9	204.2	204.2
Projected > Minimum	19.9	2.1	0.3	1.6	1.7	1.6	1.3	1.3	1.4	1.7	1.7
Regional DS Covg	1.42	1.31	1.36	1.33	1.31	1.34	1.32	1.34	1.30	1.32	1.32

* Revenue Generated Funds only. Excludes Debt Service Reserve & Construction Funds (Bond Generated) & "Pass Thru" Funds such as Debt Service Payment Funds, WRAP, etc.



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fund Balance Minimums											
Working Capital Rrsr	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
ER&R Fund	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
I&E Fund Target	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Total - Minimums	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0
Projections											
Working Capital Rrsr	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
ER&R Fund	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
I&E Fund	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	85.5	131.0
Total - Projected	244.5	245.8	245.0	243.6	243.4	246.1	245.3	245.7	243.9	239.5	285.0
Projected > Minimum	0.5	1.8	1.0	(0.4)	(0.6)	2.1	1.3	1.7	(0.1)	(4.5)	41.0
Regional DS Covg	1.37	1.41	1.42	1.51	1.54	1.54	1.52	1.55	1.61	1.68	1.72

* Revenue Generated Funds only. Excludes Debt Service Reserve & Construction Funds (Bond Generated) & "Pass Thru" Funds such as Debt Service Payment Funds, WRAP, etc.

Water Table 6

Projected Cash and Investment Fund Balances - Wholesale System (\$ millions) (a)

Line No.	Fiscal Year Ended June 30,										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>Working Capital Reserve (b)</u>											
1	Beginning Balance	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
2	Deposit from Operations	-	-	-	-	-	-	-	-	-	-
3	Ending Balance	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
<u>Budget Stabilization Fund (a)</u>											
4	Beginning Balance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
5	Deposits / (Withdrawals)	-	-	-	-	-	-	-	-	-	-
6	Ending Balance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<u>ER&R Fund (a)</u>											
7	Beginning Balance	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
8	Transfers In	-	-	-	-	-	-	-	-	-	-
9	Ending Balance	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
<u>I&E Fund (c)</u>											
10	Beginning Balance	207.3	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.7
11	Budgeted Capital Outlay	(17.0)	(14.1)	(8.8)	(8.6)	(8.5)	(7.9)	(7.5)	(7.9)	(7.4)	(7.6)
12	Transfer to Construction Fund	(106.8)	(20.7)	(23.2)	(17.9)	(19.2)	(26.1)	(27.8)	(31.9)	(28.9)	(35.6)
13	Subtotal prior to Revenue Transfer	83.5	75.1	60.1	63.8	63.9	57.6	56.3	51.6	55.0	44.8
14	Deposits from Revenues (c)	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	46.9
15	Ending Balance	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.4	91.7	91.7
<u>Total Revenue Generated Funds (d)</u>											
16	Beginning Balance	321.8	224.4	206.6	204.8	206.1	206.2	206.1	205.8	205.8	205.9
17	Net Sources and Uses	(97.4)	(17.8)	(1.8)	1.2	0.1	(0.1)	(0.3)	(0.0)	0.2	0.3
18	Ending Balance	224.4	206.6	204.8	206.1	206.2	206.1	205.8	205.8	205.9	206.2
19	Days Cash on Hand (e)	564	504	493	486	478	468	458	449	441	424
<u>Other Funds</u>											
20	Bond Reserve (excludes Surety)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
21	Construction Bond Fund	-	-	-	-	-	-	-	-	-	-
22	Construction Fund	192.2	110.8	11.6	134.2	15.5	205.0	16.6	141.1	2.3	110.7
23	Total Funds	421.2	321.8	220.9	344.8	226.2	415.6	226.9	351.3	212.7	321.4
24	Subtotal w/o Construction Funds	228.9	211.1	209.3	210.6	210.7	210.6	210.3	210.4	210.7	210.7

(a) Technically includes "Combined System" amounts held by GLWA.

(b) Represents Operating Reserve and amounts maintained in the Receiving Fund for subsequent MBO transfers.

(c) Only includes GLWA Regional I&E Account. Does not include Lease Payment transferred to DWSD Local I&E Account.

(d) Excludes MBO Funds that are funded and assumed to be fully expended each year, such as the Bond Interest and Redemption Funds, the Pension Obligation Payment Fund, and the WRAP Fund.

(e) Excludes Budget Stabilization Fund amounts from Line 6.

Sewer Table 6

Projected Cash and Investment Fund Balances - Wholesale System (\$ millions) (a)

Line No.	Fiscal Year Ended June 30,										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>Working Capital Reserve (b)</u>											
1	Beginning Balance	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
2	Deposit from Operations	-	-	-	-	-	-	-	-	-	-
3	Ending Balance	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
<u>Budget Stabilization Fund (a)</u>											
4	Beginning Balance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
5	Deposits / (Withdrawals)	-	-	-	-	-	-	-	-	-	-
6	Ending Balance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<u>ER&R Fund (a)</u>											
7	Beginning Balance	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
8	Transfers In	-	-	-	-	-	-	-	-	-	-
9	Ending Balance	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
<u>I&E Fund (c)</u>											
10	Beginning Balance	137.2	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	85.5
11	Budgeted Capital Outlay	(16.0)	(18.2)	(8.0)	(7.1)	(7.6)	(16.7)	(9.2)	(5.7)	(4.2)	(5.9)
12	Transfer to Construction Fund	(65.5)	(24.4)	(47.2)	(63.8)	(69.3)	(59.8)	(72.1)	(82.6)	(98.7)	(112.6)
13	Subtotal prior to Revenue Transfer	55.8	47.8	36.6	20.0	12.7	12.8	10.8	3.0	(11.2)	(28.6)
14	Deposits from Revenues (c)	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0
15	Other Deposits (d)	0.4	-	-	-	-	-	-	-	-	-
16	Ending Balance	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	131.0
<u>Total Revenue Generated Funds (e)</u>											
17	Beginning Balance	296.2	249.5	250.8	250.0	248.6	248.4	251.1	250.3	250.7	248.9
18	Net Sources and Uses	(47.1)	1.3	(0.8)	(1.3)	(0.3)	2.7	(0.8)	0.4	(1.8)	(4.5)
19	Ending Balance	249.1	250.8	250.0	248.6	248.4	251.1	250.3	250.7	248.9	244.5
20	Days Cash on Hand (f)	491	488	474	463	452	449	438	430	419	403
<u>Other Funds</u>											
21	Bond Reserve (excludes Surety)	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
22	Construction Bond Fund	-	-	-	-	-	-	-	-	-	-
23	Construction Fund	6.1	25.6	32.2	37.4	16.8	22.1	49.5	37.7	6.5	0.4
24	Total Funds	767.6	785.5	777.6	769.9	738.7	742.8	759.1	739.9	695.4	669.1
25	Subtotal w/o Construction Funds	761.5	759.9	745.4	732.5	721.9	720.7	709.7	702.2	688.9	668.7

(a) Technically includes "Combined System" amounts held by GLWA.

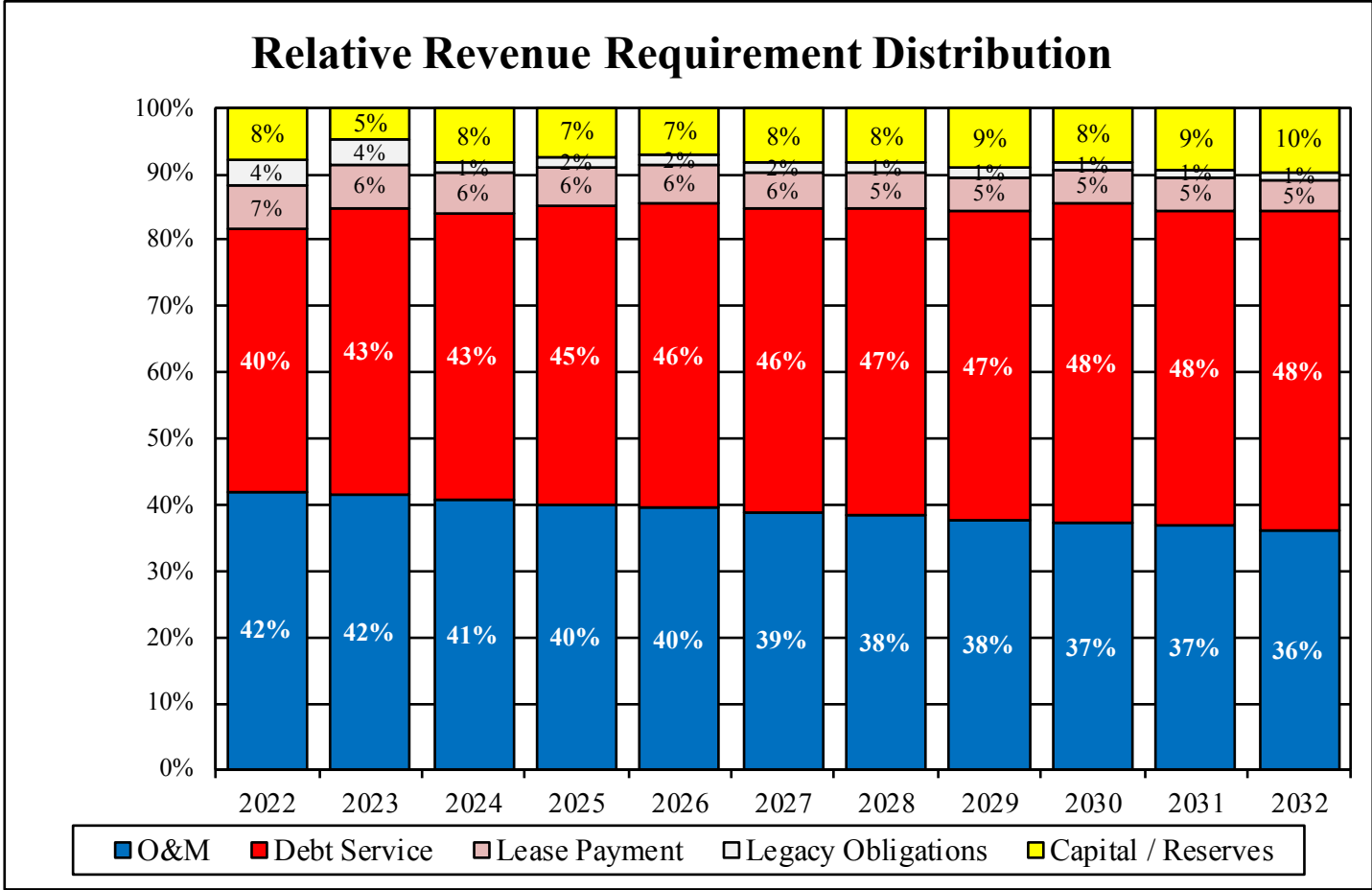
(b) Represents Operating Reserve and amounts maintained in the Receiving Fund for subsequent MBO transfers.

(c) Only includes GLWA Regional I&E Account. Does not include Lease Payment transferred to DWSD Local I&E Account.

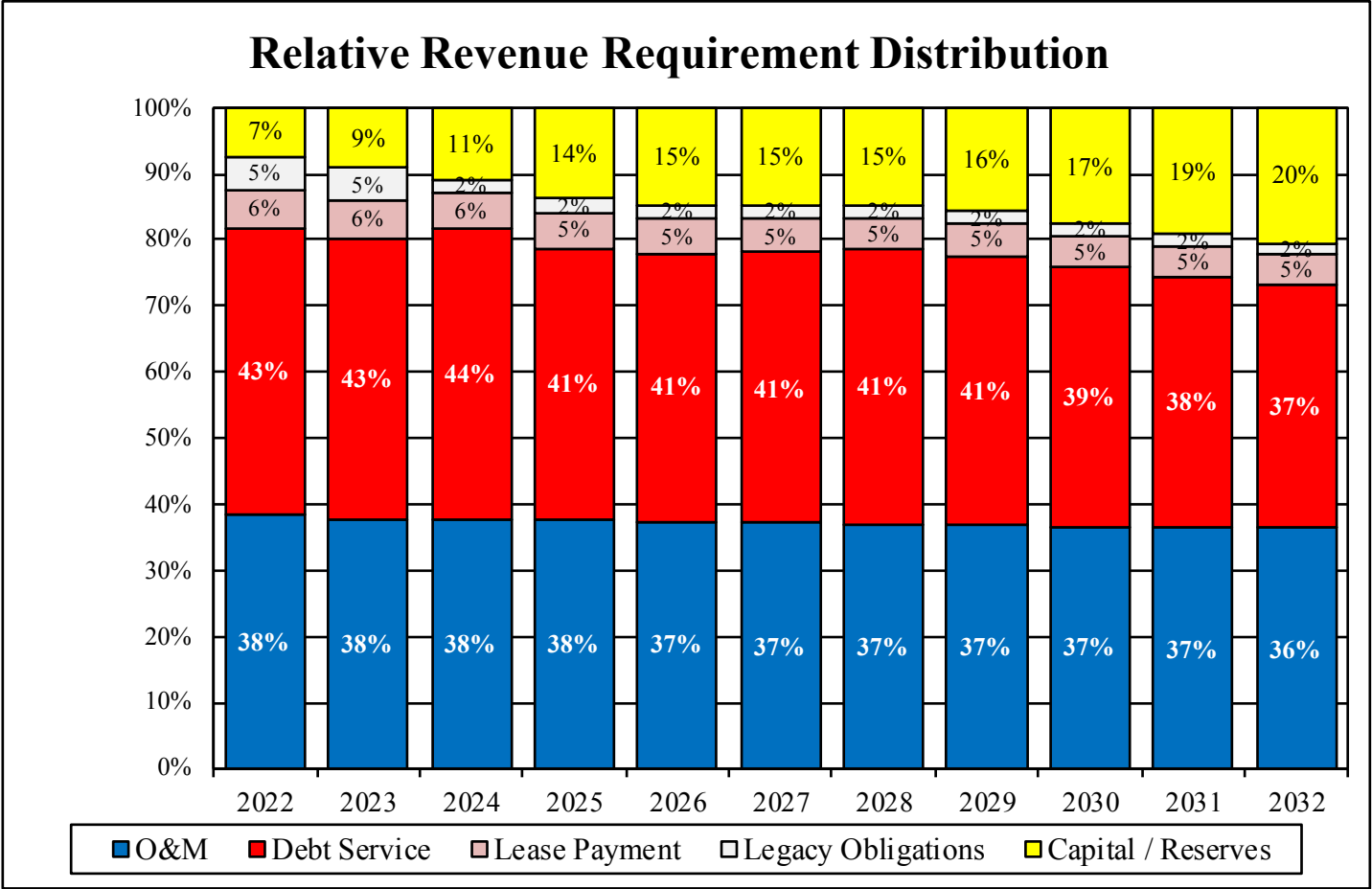
(d) Repayment of DWSD loan receivable.

(e) Excludes MBO Funds that are funded and assumed to be fully expended each year, such as the Bond Interest and Redemption Funds, the Pension Obligation Payment Fund, and the WRAP Fund.

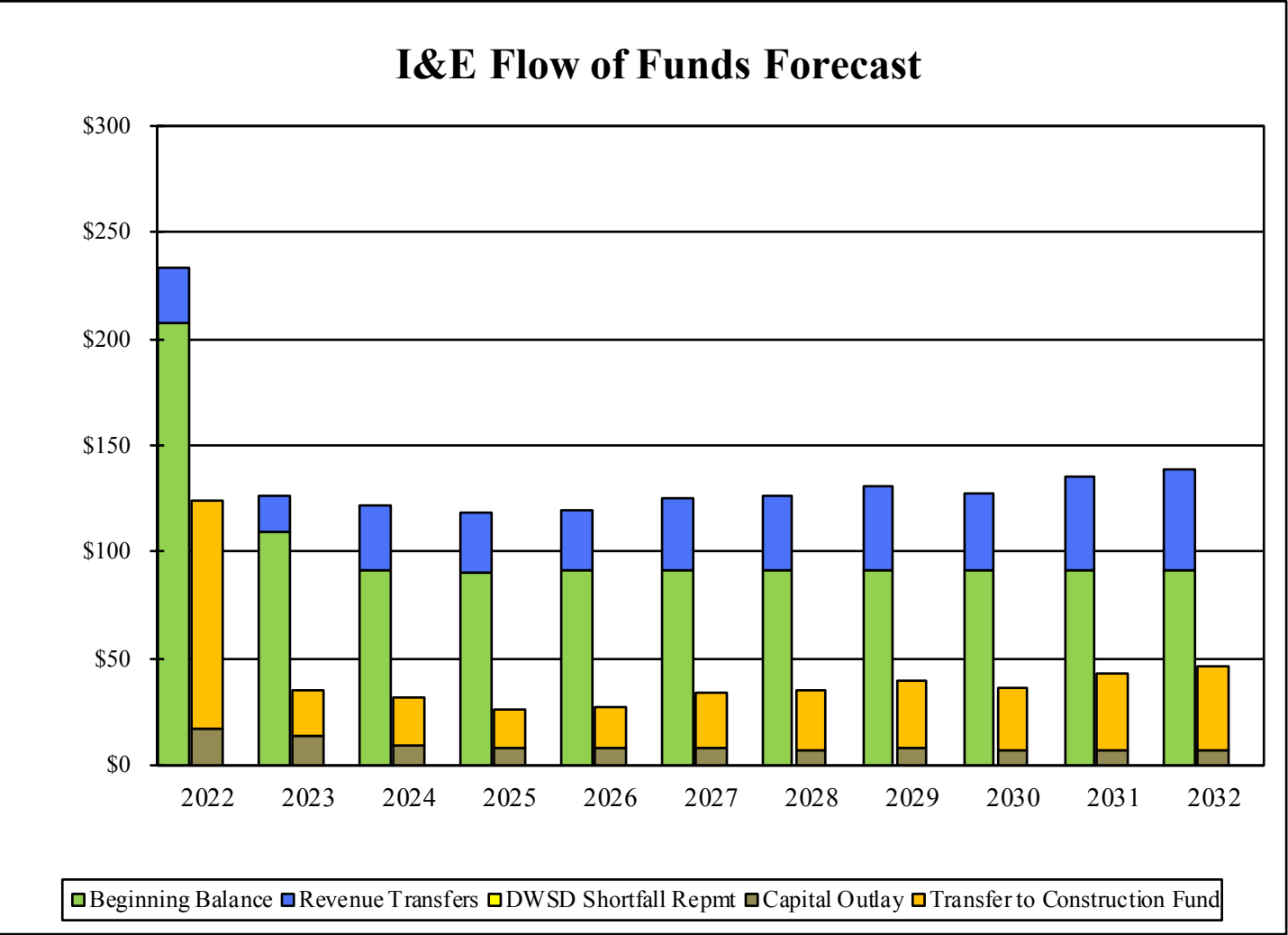
(f) Excludes Budget Stabilization Fund amounts from Line 6.



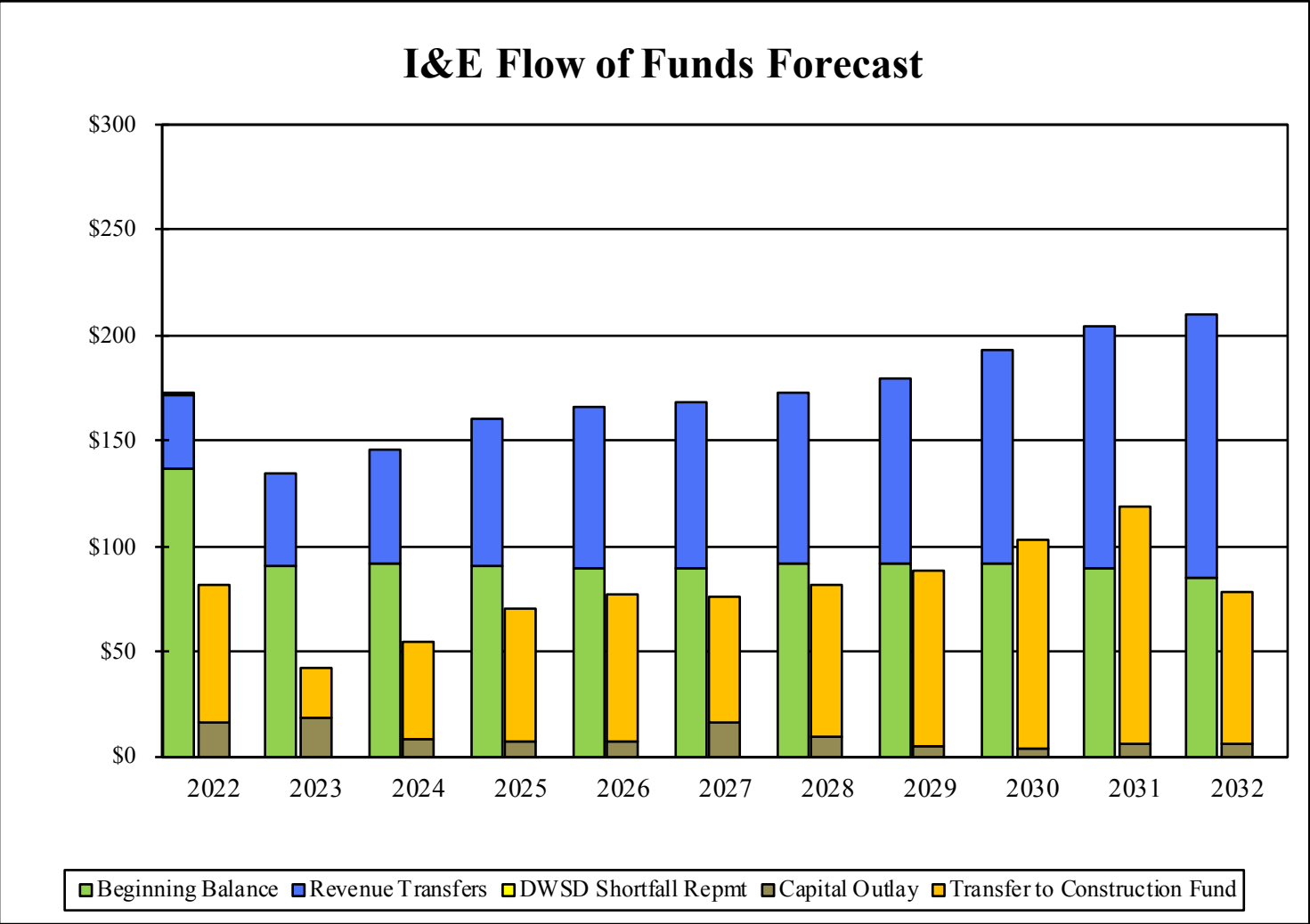
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
O&M	143.9	148.1	150.2	153.3	156.0	159.1	162.3	165.5	168.9	172.2	175.7
Debt Service	135.1	154.4	160.1	171.6	182.1	186.8	196.9	203.7	218.9	224.3	233.9
Lease Payment	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Legacy Obligations	14.0	14.1	5.5	6.3	6.4	6.3	6.2	6.2	6.3	6.3	6.4
Capital / Reserves	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9
Total	342.0	356.1	368.5	381.4	394.8	408.6	422.9	437.7	453.0	468.9	485.3



	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
O&M	181.3	183.8	188.5	192.1	196.3	200.3	204.3	208.4	212.5	216.8	221.1
Debt Service	204.7	207.2	219.8	211.5	213.0	219.9	228.5	230.0	227.5	224.8	225.1
Lease Payment	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
Legacy Obligations	24.8	24.9	9.4	11.2	11.2	10.9	10.7	10.7	10.7	10.7	10.7
Capital / Reserves	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2
Total	472.6	487.3	499.5	512.0	524.8	537.9	551.4	565.1	579.3	593.7	608.6



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	207.3	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.4	91.7
Capital Outlay	(17.0)	(14.1)	(8.8)	(8.6)	(8.5)	(7.9)	(7.5)	(7.9)	(7.4)	(7.6)	(7.6)
Transfer to Constr	(106.8)	(20.7)	(23.2)	(17.9)	(19.2)	(26.1)	(27.8)	(31.9)	(28.9)	(35.6)	(39.3)
Initial Balance	83.5	75.1	60.1	63.8	63.9	57.6	56.3	51.6	55.0	48.2	44.8
Revenue Transfers	26.5	17.0	30.2	27.7	27.8	34.0	35.0	39.7	36.4	43.5	46.9
Ending Balance	109.9	92.1	90.3	91.6	91.7	91.6	91.3	91.3	91.4	91.7	91.7



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	137.2	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	85.5
Capital Outlay	(16.0)	(18.2)	(8.0)	(7.1)	(7.6)	(16.7)	(9.2)	(5.7)	(4.2)	(5.9)	(5.9)
Transfer to Constr	(65.5)	(24.4)	(47.2)	(63.8)	(69.3)	(59.8)	(72.1)	(82.6)	(98.7)	(112.6)	(72.8)
Initial Balance	55.8	47.8	36.6	20.0	12.7	12.8	10.8	3.0	(11.2)	(28.6)	6.8
Revenue Transfers	34.3	43.9	54.4	69.6	76.7	79.3	80.5	88.7	101.1	114.0	124.2
DWSD Shortfall Repmt	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ending Balance	90.5	91.8	91.0	89.6	89.4	92.1	91.3	91.7	89.9	85.5	131.0



Financial Services Audit Committee Communication

Date: October 22, 2021

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA
Chief Financial Officer/Treasurer

Re: Proposed Calendar Year 2022 Audit Committee Meeting Dates

Background: In planning for calendar year 2022, it is time to establish the meeting calendar for the Great Lakes Water Authority Audit Committee.

Analysis: Listed below are the proposed 2022 Audit Committee meeting dates following the cadence of meeting on the *fourth* Friday of each month with some exceptions as noted below.

The proposed meeting time is 8:00 a.m. and the meetings will be held at the Water Board Building, 735 Randolph, 5th floor, Detroit, MI 48226 and/or, as posted as an electronic meeting to provide for remote telephonic and electronic participation by the public.

January 28, 2022	May 27, 2022	September 23, 2022
February 25, 2022	June 24, 2022	October 28, 2022
March 25, 2022	July 22, 2022	November 18, 2022*
April 22, 2022	August 26, 2022	December 16, 2022*

* Moved up one week due to holidays scheduled.

It should be noted that the Audit Committee is an advisory committee. For this reason, with the exception of the meetings where the Audit Committee selects an external auditor, the Committee is not subject to the Open Meetings Act. As a matter of practice, the GLWA Audit Committee encourages public participation by remote telephonic and electronic means with access information posted on the Audit Committee agendas.

Proposed Action: Approve the meeting schedule as proposed or amended.



Financial Services Audit Committee Communication

AUDIT COMMITTEE ANNUAL MEETING SCHEDULE

(As of October 20, 2021 – Subject to Change based on Audit Committee Review)

Meetings begin at 8:00 a.m. on the fourth Friday of the month (unless noted otherwise) and are held at the Water Board Building, 735 Randolph, 5th floor, Detroit, MI 48226 and/or, as posted as an electronic meeting to provide for remote telephonic and electronic participation by the public.

January 28, 2022

July 22, 2022

February 25, 2022

August 26, 2022

March 25, 2022

September 23, 2022

April 22, 2022

October 28, 2022

May 27, 2022

November 18, 2022 (*third Friday*)

June 24, 2022

December 16, 2022 (*third Friday*)

Audit Committee materials are posted online at <https://www.glwater.org/financials/>

Any questions regarding this meeting notice or Audit Committee agendas may be directed to Office of the Chief Financial Officer at 313.999.4149 or to Ms. Phyllis Walsh at phyllis.walsh@glwater.org.



Financial Services Audit Committee Communication

Date: October 22, 2021

To: Great Lakes Water Authority Audit Committee

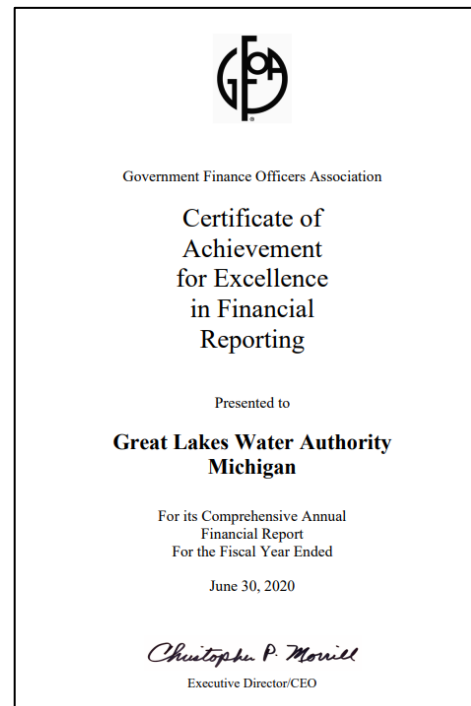
From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

Re: CFO Update

As we continue our work to close fiscal year 2021 and move into our annual financial audit, we are also working to address open items from prior audit committee discussions. Following are a series of updates regarding topics of interest by the GLWA Audit Committee.

Moody's Credit Opinion Update On September 28, 2021 Moody's provided an update analysis to the credit opinion for GLWA (attached). GLWA retains its current rating. Moody's identifies GLWA's credit strengths and challenges. The report also contains an analysis related to environmental, social, and governance considerations.

GFOA Award For the second year in a row, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Great Lakes Water Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.



FY 2022 Wholesale Water Usage & Revenue The FY 2022 actual and forecast report, as of Monday, October 14, 2021, indicates that usage is forecasted to be 3.3% below budgeted amounts with a corresponding negative revenue variance of \$4.7 million (1.4%) below

budgeted amounts. This is largely due to significantly more wet weather in July and August 2021. The table below provides further information.

GLWA WATER WHOLESALE MEMBER PARTNERS
FY 2022 FORECAST VS ACTUAL USAGE AND REVENUE
BASED ON WAMR DATA AS OF OCTOBER 14, 2021

Month	FY 2022 - Original Budget		FY 2022 - Actuals/Forecasted			FY 2022 - Variance			
	Variance		Volume	Revenue		Volume	Volume	Revenue	Revenue
	Volume	Revenue							
	Mcf	\$	Mcf	\$		Mcf	%	\$	%
July	1,677,100	33,302,700	1,342,686	29,642,785	(1)	(334,414)	-19.9%	(3,659,915)	-11.0% (1)
August	1,509,200	31,598,500	1,417,142	30,594,598	(1)	(92,058)	-6.1%	(1,003,902)	-3.2% (1)
September	1,316,400	29,141,000	1,297,977	29,050,208	(2)	(18,423)	-1.4%	(90,792)	-0.3% (2)
October	1,034,000	26,280,800	1,035,309	26,333,352	(3)	1,309	0.1%	52,552	0.2% (3)
November	896,800	25,001,500	896,800	25,001,500	(4)	-	0.0%	-	0.0% (4)
December	972,100	25,612,000	972,100	25,612,000	(4)	-	0.0%	-	0.0% (4)
January	972,000	25,650,600	972,000	25,650,600	(4)	-	0.0%	-	0.0% (4)
February	884,400	24,852,700	884,400	24,852,700	(4)	-	0.0%	-	0.0% (4)
March	979,500	25,678,200	979,500	25,678,200	(4)	-	0.0%	-	0.0% (4)
April	914,000	25,117,700	914,000	25,117,700	(4)	-	0.0%	-	0.0% (4)
May	1,059,200	26,721,900	1,059,200	26,721,900	(4)	-	0.0%	-	0.0% (4)
June	1,374,300	30,029,900	1,374,300	30,029,900	(4)	-	0.0%	-	0.0% (4)
Total	13,589,000	328,987,500	13,145,415	324,285,444		(443,585)	-3.3%	(4,702,056)	-1.4%
Achievement of Budget Through July			80.06%	89.01%					
Achievement of Budget Through August			86.62%	92.81%					

(1) Based on actual usage and billings

(2) Based on WAMR data through September 30, 2021

(3) Based on WAMR data through October 14, 2021

(4) Forecasted using budgeted amounts

FEMA Funding Status The website for the [Michigan Severe Storms, Flooding, and Tornadoes Event #4607-DR-MI](#) for the Incident Period of June 25, 2021 - June 26, 2021, with a declaration date of July 5, 2021, is updated regularly. That site provides a wide range of information for the public. Recently, the News page noted on October 13, 2021, that the Detroit – State of Michigan-FEMA Disaster Recovery Centers (DRCs) in Dearborn, Detroit and Southfield will cease operations soon, but help is still available at two DRCs in Wayne County and a new Macomb County center opening next Tuesday, October 19, 2021. Claimants are strongly urged to meet with FEMA to ensure that their claims are complete, and any questions are answered. As of October 21, 2021, FEMA reports that over 50,000 Individual Assistance Applications have been approved.

As it relates to public assistance dollars for the municipal entities, the initial filing was denied with rationale provided. The parties were able to file an appeal earlier this week.

Proposed Action: Receive and file this report.

CREDIT OPINION

28 September 2021



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Great Lakes Wtr Auth, MI

Update to credit analysis

Summary

The [Great Lakes Water Authority's](#) (GLWA) [water](#) and [sewer](#) enterprises (both senior liens rated A1 stable; both subordinate liens rated A2 stable) have solid credit profiles rooted in their large service areas and sizable operating scales. Since their inception in 2016 both systems operated by the GLWA have had stable operating trends while maintaining an affordable rate structure supported by management's commitment to measured rate increases. Revenue collections have been only modestly impacted by the coronavirus pandemic. In coming years, the systems' will be challenged by changing usage trends and an increase in wet weather events. Our credit view further factors the above average leverage of both the water and sewer systems, along with the need for additional future capital borrowings for system maintenance and regulatory compliance.

Credit strengths

- » Very large utility systems that provide essential water and wastewater treatment services to a significant portion of the state's population
- » Commitment to annual revenue enhancements to support sound debt service coverage and healthy liquidity
- » Implementation of operational efficiencies, including right-sizing of personnel and treatment capacity

Credit challenges

- » Declining usage trends given economic and demographic weaknesses in portions of the service area, as well as general conservation efforts
- » High leverage will moderate slowly given outstanding capital needs and plans to issue additional debt
- » Increasing occurrence of extreme wet weather events placing strain on stormwater and sewer treatment capacity in certain segments of the system

Rating outlook

The stable outlook incorporates our expectation that each system will sustain sound financial metrics despite the likelihood of further borrowing to finance capital improvements.

Factors that could lead to an upgrade

- » Sustained expansion and diversification of the service area's economic base

- » Growth in revenue that continues to outpace borrowing so as to moderate leverage of pledged resources
- » Improved credit profile of the [City of Detroit](#) (Ba3 positive)

Factors that could lead to a downgrade

- » Renewed economic stress that pressures consumption and revenue trends
- » Material reduction to the water or sewer system's liquidity or debt service coverage ratios
- » Growth in leverage of the water or sewer system's net revenue

Exhibit 1

Great Lakes Water Authority, MI Water Enterprise			
System Characteristics			
Asset Condition (Net Fixed Assets / Annual Depreciation)	16 years		
System Size - O&M (\$000)	\$171,170		
Service Area Wealth: MFI % of US median	96.80%		
Legal Provisions			
Rate Covenant (x)	1.20x		
Debt Service Reserve Requirement	DSRF funded at lesser of standard 3-prong test		
Management			
Rate Management	Aa		
Regulatory Compliance and Capital Planning	A		
Financial Strength			
	2018	2019	2020
Operating Revenue (\$000)	\$424,415	\$416,281	\$408,196
System Size - O&M (\$000)	\$159,806	\$162,161	\$171,170
Net Revenues (\$000)	\$264,609	\$254,120	\$237,026
Outstanding Revenue Debt (\$000)	\$2,310,261	\$2,250,181	\$2,301,253
Annual Debt Service (\$000)	\$172,550	\$167,966	\$169,183
Annual Debt Service Coverage (x)	1.5x	1.5x	1.4x
Cash on Hand	752 days	775 days	914 days
Debt to Operating Revenues (x)	5.4x	5.5x	5.6x

Coverage calculated on the rate covenant basis.

Source: Audited financial statements of Great Lakes Water Authority and the City of Detroit Water Fund

Exhibit 2

Great Lakes Water Authority, MI Sewer Enterprise			
System Characteristics			
Asset Condition (Net Fixed Assets / Annual Depreciation)	19 years		
System Size - O&M (\$000)	\$245,340		
Service Area Wealth: MFI % of US median	96.80%		
Legal Provisions			
Rate Covenant (x)	1.20x		
Debt Service Reserve Requirement	DSRF funded at lesser of standard 3-prong test		
Management			
Rate Management	Aa		
Regulatory Compliance and Capital Planning	A		
Financial Strength			
	2018	2019	2020
Operating Revenue (\$000)	\$536,584	\$550,093	\$561,946
System Size - O&M (\$000)	\$246,812	\$242,347	\$245,340
Net Revenues (\$000)	\$289,772	\$307,746	\$316,606
Outstanding Revenue Debt (\$000)	\$3,076,993	\$3,093,347	\$3,039,222
Annual Debt Service (\$000)	\$232,281	\$239,172	\$245,783
Annual Debt Service Coverage (x)	1.2x	1.3x	1.3x
Cash on Hand	304 days	352 days	428 days
Debt to Operating Revenues (x)	5.5x	5.6x	5.4x

Coverage calculated on the rate covenant basis.

Source: Audited financial statements of Great Lakes Water Authority and the City of Detroit Sewer Fund

Profile

The Great Lakes Water Authority (GLWA) is the regional wholesale provider of water and sewer services to southeast [Michigan](#) (Aa1 stable). Fully established in 2016, the GLWA is an incorporated municipal authority operating under the guidance of a six-member board consisting of one appointee each of the counties of [Macomb](#) (Aa1 stable), [Oakland](#) (Aaa stable), and [Wayne](#) (A3 positive), two appointees of the Mayor of Detroit, and one of the Governor of Michigan. The water enterprise treats water from Lake Huron, Lake St. Clair and the Detroit River and distributes treated water to a service area population of approximately 3.8 million. The sewer enterprise collects, treats and disposes of wastewater produced by a service area population of approximately 2.8 million.

Detailed credit considerations

Service area and system characteristics: very large service area in southeast Michigan

The systems benefit from large service areas and sizable operational scales with a broad and diverse customer base. The systems are leased from the City of Detroit pursuant to lease agreements which stipulate that the term of the lease shall automatically coincide with the life of outstanding debt owed by the GLWA. The regional water supply system covers a vast 1,698 square miles in southeast Michigan, providing treated water to 112 communities, while the sewer system covers 944 square miles, providing wastewater services to 79 communities. Approximately 40% of the state's population is serviced by the water utility, while the sewer utility services approximately 30% of the state's roughly 10 million residents.

The systems are wholesale enterprises whose articles of incorporation allow for direct retail service. Residents and businesses within the City of Detroit are retail customers of the Detroit Water and Sewerage Department (DWSD). Residential and business activity within

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the City of Detroit accounts for roughly 24% of annual water revenue, and roughly 47% of sewer revenue that is deposited into the trust. The remainder of water sales are to suburban customers via 87 wholesale customer contracts, while sewer revenue is collected from municipalities via 18 wholesale customer contracts.

Similar to many water systems, usage rates are falling. From fiscal 2011 to 2020 the volume of water billed dropped by roughly 20%. Wastewater trends have largely mirrored water usage trends. The sewer system's total amount of wastewater treated was 16% lower in fiscal 2020 as compared to fiscal 2011. Declining usage can be traced to several factors, including weather trends, conservation efforts and stagnant population. While this trend may stabilize over the long term, sustained upticks in usage are unlikely absent the expansion of the system into new wholesale contract communities. The GLWA has adjusted its rate structure to increase fixed rate charges, which will continue to mitigate downward effects of consumption decline.

Debt service coverage and liquidity: financial metrics expected to remain healthy

We expect both systems will continue to operate effectively, resulting in the maintenance of sound annual debt service coverage and ample system liquidity. Fiscal 2020 marked the GLWA's fourth full year in operation. Over the those four years the water system's net revenue has provided an average of 1.5x coverage of annual debt service, inclusive of senior lien, second lien, and junior lien revenue debt. Sewer net revenue averaged a slightly lower 1.3x coverage for the same period. Pro forma projections through fiscal 2025 forecast stable coverage levels throughout and material changes to overall coverage levels are unlikely given the GLWA's close monitoring of revenue targets and ability to set rates. The projections do not include additional borrowing until 2023, with the exception of a relatively modest amount of subordinate state loans that have already been approved. Additional assumptions include wholesale charges and retail rate increases of 3% annually.

The authority is committed to limiting annual growth in its water and sewer system revenue requirements by 4%, but will adjust service charges, as needed, to meet bond covenants. Reliability of budget estimates are enhanced by 60% of wholesale water revenue being generated by a fixed monthly charge. Commodity charges accounts for 40% of wholesale revenue. A 100% fixed charge structure is in place for wholesale sewer customers. Each year the GLWA conducts an extensive study of both its wholesale service charges and allocated annual revenue requirement to retail customers, with the purpose of adjusting revenue to reflect the cost of operations, depreciation expense, and return on the rate base.

Per the master bond ordinance, net revenue includes all money collected from the regional wholesale and local retail customer payments deposited to a lockbox administered by a third-party trustee. O&M expenses are defined as cash transfers made to the GLWA's and the DWSD's respective operation and maintenance funds. The revenue and O&M expenses related to the GLWA is reported in its segregated business funds while the revenue and expenses of the DWSD are accounted for in Detroit's water and sewer funds, respectively. The bifurcated accounting requires adjustments from reported figures in order to assess coverage under the master bond ordinance.

Liquidity

System liquidity is strong in both enterprise funds and will remain so despite planned spending for capital investments. At the close of fiscal 2020 the water fund had an unrestricted cash and investment balance of \$463.3 million, equivalent to 914 days of water system O&M. The sewer fund had an unrestricted cash and investment balance of \$330.9 million, equivalent to 428 days of sewer system O&M. The two funds also have significant restricted cash assets held for budget stabilization, debt service, and capital. The authority anticipates the water fund and sewer fund will maintain cash at or above \$160 million and \$200 million, respectively through 2025. Each fund plans to use a portion of its cash reserves over the next several years for pay-go capital.

Debt and legal covenants: high debt burden could moderate with sustained revenue growth

We expect each system's debt burden will remain high because of additional capital needs, but, sustained revenue growth will keep leverage metrics fairly stable even with significant borrowing plans. The water and sewer systems' long-term debt leverage across all liens was 5.6x and 5.4x of fiscal 2020 operating revenue, respectively, which is materially higher than [sector medians](#).

The systems have a variety of capital needs. Nonrevenue volume produced by the water utility is substantial driven mainly by leaks and breaks in the transmission and distribution systems. The GLWA has made strides in limiting nonrevenue water volume and infiltration into the sewer system, but additional maintenance and upgrades are needed to reduce these issues further. Additional capital needs

through 2025 include roughly \$937 million in projects for the water system and \$745 million for the sewer system. The increase in debt for both systems will be somewhat offset by amortization of existing debt.

Legal security

All water revenue debt of the GLWA is fixed rate. With the exception of the outstanding Series 2006D senior lien bonds, all debt paid from net sewer revenue is fixed rate. The Series 2006D bonds are floating rate notes and make up a modest 8% of total debt paid by sewer revenue.

Legal covenants applied to both systems' revenue debt are equal to one another. The GLWA's rate covenant requires net revenue coverage of debt service equal to 120% for senior lien bonds, 110% for second lien bonds, and 100% for any subordinate lien debt. Senior and second lien bonds benefit from debt service reserve funds (DSRF) sized at lesser of the standard three-prong test. As of July 1, 2020, only a modest percentage of each system's senior and second lien DSRF requirements were satisfied with cash. The balances of each are satisfied with various surety or insurance policies.

Debt structure

As of July 1, 2020 the GLWA had total debt obligations of roughly \$5.3 billion. This amount includes \$1.6 billion of senior lien water revenue bonds, \$672 million of second lien water revenue bonds, and \$39.3 million of junior lien state revolving fund (SRF) loans outstanding. The sewer system is responsible for \$1.9 billion of senior lien sewer revenue bonds, \$743 million of second lien sewer revenue bonds, and \$437 million junior lien state revolving fund (SRF) loans. The water debt is set to be fully retired by 2051, while the final maturity of outstanding sewer debt is 2049.

The authority helps to finance capital projects undertaken in the local systems by issuing bonds on behalf of the DWSD. The DWSD owed debt is accounted for as a contractual obligation receivable owed to the GLWA. Proportional allocation of debt was agreed upon and settled by the memorandum of understanding (MOU) dated June 27, 2018.

Debt-related derivatives

The GLWA is not party to any derivative agreements associated with its pledge of net water or sewer revenue.

Pensions and OPEB

GLWA employees are participants in a defined contribution benefit plan, though many are scheduled to receive accrued pension benefits from the City of Detroit's frozen defined benefit General Retirement System (GRS). Pursuant to the City of Detroit's bankruptcy settlement, the GLWA will contribute \$45.4 million annually to GRS through fiscal 2023 to accelerate amortization of the GRS unfunded liability associated with the GLWA employees. Less than half of the annual GRS payment is considered O&M and senior to debt service.

Beyond 2023, the GLWA's payments to GRS will be based on the actuarial needs of the plan and sized to amortize any unfunded liability associated with the GLWA employees. The GLWA makes no payments toward accrued retiree healthcare liabilities as the City of Detroit's bankruptcy settlement eliminated those benefits. The GLWA established a new defined contribution retiree healthcare savings plan, resulting in no potential unfunded liability.

ESG considerations

Environmental

Environmental considerations are a material credit consideration for the systems. The water system benefits from access to a vast amount of relatively easily treatable fresh water. The sewer system includes one of the largest single site wastewater treatment plants in the world and treated water discharged from the plant is often cleaner than the surrounding water in the receiving body. Both systems are subject to extensive regulation pursuant to the federal Clean Water Act, the Clean Air Act, the Michigan Natural Resources and Environmental Protection Act, and various administrative rules and regulations. The authority is in material compliance with all existing permits relating to the operation of the regional water and sewer systems.

Changes to climate and weather patterns may have operational impacts, particularly the sewer system. Extreme wet weather events can overwhelm the system's ability to store and process infiltration without detrimental impacts such as sewer backups and discharges because of CSOs. Increased capacity needs to handle the added strain on the system may result in increases to the GLWA's capital needs and related revenue requirements.

Social

Social considerations are a major factor in each system's credit profile. The system's sizable service area and customer base brings a high level of diversity, helping to balance social challenges in portions of the base, such as high poverty areas in the City of Detroit. Charge structure adjustments along with payment and conservation assistance to low income retail customers through the Water Residential Assistance Program should support revenue stability. Additionally, the number of wholesale model contracts entered into points to increased regional collaboration. Population in the Detroit MSA fell nearly 4% between 2000 and 2010, and while recent estimates point a roughly 2% increase since, material growth may be unlikely.

Governance

Great Lakes Water Authority is governed by a six-member board. While the DWSD retains ownership of all water and sewer enterprise assets throughout the city and suburban service area, it has leased the majority of those assets to the GLWA. The authority manages the suburban service territory, while DWSD, as an agent of the GLWA, will continue to manage the retail system in the City of Detroit, including identification of repairs and capital improvements. The current lease term is 40 years, with an option to renew and extend.

Crucially, the lease will automatically extend to correspond with scheduled repayment of newly issued revenue debt. Via master bond ordinance, the GLWA has assumed all debt obligations previously issued by the City of Detroit and previously secured by DWSD revenue. Pursuant to the lease, the City of Detroit has irrevocably assigned its right, title and interest in all revenue of the sewer and water enterprises to the GLWA. Payments from retail customers within the City of Detroit are deposited directly with the bond trustee.

The board has full authority to set service charges on municipal customers. Rates charged to retail customers in the City of Detroit will be established by the city's Board of Water Commissioners pursuant to an agency agreement with the GLWA. The lease agreement grants the GLWA board the ability to override the city's authority of retail rates and collections should the city not make adjustments sufficient to meet annual revenue requirements. All wholesale customers retain responsibility for levying local charges sufficient to cover costs charged by the GLWA. Pursuant to the memorandum of understanding between the GLWA and the DWSD, the GLWA assumes an annual increase of not more than 4% in the revenue requirements through fiscal 2025.

The management of the GLWA has made strides in enhancing operational efficiencies and regional cooperations since its formation. To that end the GLWA dramatically reduced its workforce since its separation from the DWSD. Additionally, since system capacity exceeds demand, management is de-rating parts of its water treatment plants. This allows the water system to reduce capital costs while preserving flexibility to put the facilities back to use.

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GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

June 2021 (Unaudited)

**Presented to the
Great Lakes Water Authority
Audit Committee on October 22, 2021**

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Key Financial Metrics

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

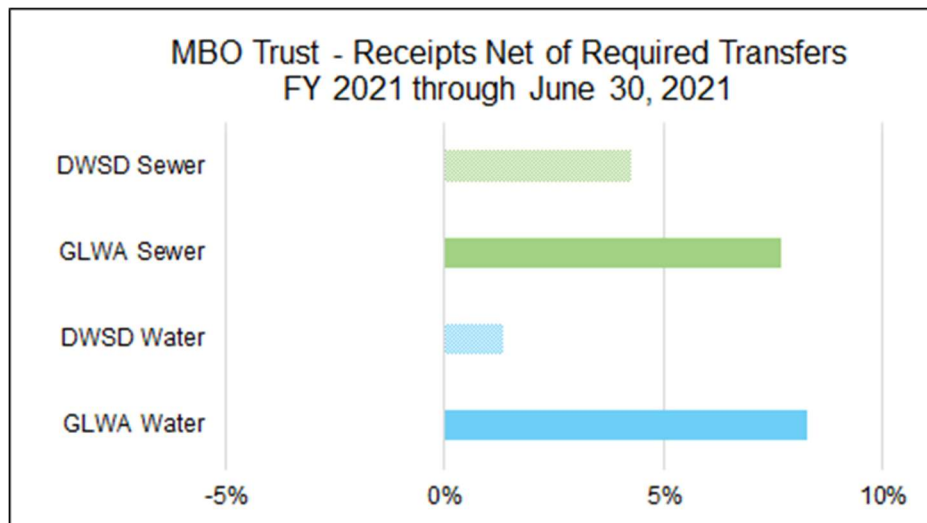
No Risk (green) - Potential (yellow) - Likely (red)

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 June 30, 2021				
Metric	FY 2021 Budget	FY 2021 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$317.1	\$325.4	3%	48
Wholesale Water Billed Usage (mcf)	13,553,000	14,258,000	5%	
Wholesale Sewer Billed Revenue (\$M)	\$269.7	\$269.7	0%	50
Wholesale Water Operations & Maintenance (\$M)	\$134.1	\$118.8	-11%	6
Wholesale Sewer Operations & Maintenance (\$M)	\$182.3	\$172.3	-5%	
Investment Income (\$M)	\$6.9	\$7.0	2%	38
Water Prorated Capital Spend w/SRA* (\$M)	\$111.0	\$132.0	19%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$83.0	\$85.0	2%	29

*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 53)



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 a surplus of \$1.4 million and \$13.1 million respectively through June 2021. In June 2021, DWSD management successfully implemented a formal plan to end fiscal year 2021 with positive net cash flows in both the Water and Sewer funds as well as resolve the prior FY 2020 Sewer fund shortfall within the required timeframe.

The current DWSD loan receivable balance for fiscal year 2018 is \$8.3 million. The June 2017 loan receivable was paid in full as of June 30, 2021.

Budget to Actual Analysis (page 3)

- The fourth quarter budget amendments which were approved by the GLWA Board on June 23, 2021, are reflected in the FY 2021 Amended Budget columns on the tables in the June 2021 Budget to Actual report.
- This report is not final. Adjustments related to the fiscal year end 2021 audit will affect the Budget to Actual Analysis.
- The total Revenue Requirements are on target through June 2021.
- The total Operations & Maintenance expenses are at 92.0% of budget through June 2021.

Basic Financial Statements (page 10)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for June 2021 is \$97.2 million for the Water fund (28.4% of total revenues) and \$141.9 million for the Sewer fund (30.1% of total revenues).
- Water Net Position decreased by \$0.9 million, and Sewage Disposal Net Position increased by \$12.3 million for the year to date through June 2021.

Capital Improvement Plan Financial Summary (page 27)

- Both the Water and Sewer systems exceed the 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 30)

- For June, transfers of \$12.0 million and \$17.0 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for June, transfers of \$4.5 million and \$8.1 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 36)

- Total cash & investments are \$450 million in the Water fund and \$462 million in the Sewer fund.
- The total combined cumulative investment income for FY 2021 through June is \$7.0 million.

DWSD Retail Revenues, Receivables & Collections (page 42)

- Water usage through June 30, 2021 is at 93.63% and revenues at 94.67% of budget.
- Sewer usage through June 30, 2021 is at 95.85% and revenues at 99.96% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$34.2 million over the prior year.
- Past dues over 180 days make up 66.9% of the total accounts receivable balance. The current bad debt allowance covers nearly 100% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 47)

- GLWA accounts receivable past due balance net of Highland Park is less than 6.0% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$48.5 million. It includes \$37.0 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.7 million for water supply services. In FY 2021, Highland Park has made five payments totaling \$2.8 million through June 2021 which currently falls short of anticipated payments. The GLWA Legal team is pursuing options for additional collections.

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 fourth quarter budget amendments approved by the GLWA Board on June 23, 2021.

It is important to note that the tables in these sections are presented in a draft format. Adjustments related to the fiscal year end 2021 audit will affect the Budget to Actual Analysis. This includes the final amendment of the budget to allocate the administrative and centralized budget categories to the *water* and *sewer* categories.

Revenue Requirement Budget Basis Analysis - Draft

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 June 2021, the pro-rata benchmark is 100% (12 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 slightly below target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder. One difference between the two sections is the inclusion of yearend bad debt expense in Tables 1A and 1B below. FY 2021 bad debt expense is \$2.9 million for the water system and also \$2.9 million sewer system.

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 June 30, 2021, these payments total \$6.7 million for FY 2021.

Sewer revenues presented in Table 1B further differ from those presented in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder due to a \$794 million reimbursement of utility expenses included in budgeted revenues but not considered part of member charges billed.

2. **Investment Earnings:** For *both* systems, investment earnings are above the pro-rata benchmark for FY 2021; the *water* system is at 106.1%; while the *sewer* system is at 100.9%. 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 88.6%. The *sewer* system O&M expenses, at 94.5%, is also less than the pro-rata benchmark.
5. **Debt Service:** For both systems, debt service is slightly above the pro-rata benchmark for FY 2021; the *water* system is at 100.5%; while the *sewer* system is at 100.1%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA 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

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.

shortfall through June 30, 2020. For FY 2021, the prior FY 2020 shortfalls were resolved and DWSD management successfully implemented a formal plan to end FY 2021 with positive net cash flows both the DWSD *water* system and the DWSD *sewer* system.

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 6/30/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 6/30/2021	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 304,634	\$ 306,050	100.5%	\$ 314,252	\$ 317,034	\$ 315,772	99.6%
Retail Service Charges	21,296	21,296	100.0%	22,555	21,926	21,926	100.0%
Investment Earnings	8,084	9,188	113.7%	4,834	3,956	4,195	106.1%
Other Revenues	2	1,003	41804.2%	-	229	266	116.1%
Total Revenues	\$ 334,016	\$ 337,537	101.1%	\$ 341,642	\$ 343,144	\$ 342,158	99.7%
Revenue Requirements							
Operations & Maintenance Expense	\$ 126,840	\$ 131,840	103.9%	\$ 137,127	\$ 134,127	\$ 118,841	88.6%
General Retirement System Legacy Pension	6,048	6,048	100.0%	6,048	6,048	6,048	100.0%
Debt Service	135,999	132,836	97.7%	143,190	137,436	138,100	100.5%
General Retirement System Accelerated Pension	6,268	6,268	100.0%	6,268	6,268	6,268	100.0%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,698	1,698	100.0%	1,669	1,669	1,669	100.0%
Regional System Lease	22,500	22,500	100.0%	22,500	22,500	22,500	100.0%
Operating Reserve Deposit	3,976	-	0.0%	877	-	-	0.0%
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	1,230	937	76.2%	-	-	-	0.0%
	29,456	29,456	100.0%	23,963	35,095	35,095	100.0%
Total Revenue Requirements	\$ 334,016	\$ 331,584	99.3%	\$ 341,642	\$ 343,144	\$ 328,522	95.7%
Net Difference		\$ 5,953				\$ 13,636	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 3,520				\$ (986)	
Revenue Requirement Variance		2,432				14,622	
Overall Variance		\$ 5,953				\$ 13,636	

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

	FY 2020 AMENDED BUDGET	FY 2020 THRU 6/30/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 6/30/2021	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 272,324	\$ 266,003	97.7%	\$ 277,012	\$ 272,454	\$ 267,568	98.2%
Retail Service Charges	185,807	185,807	100.0%	190,112	187,960	187,960	100.0%
Industrial Waste Control Charges	7,834	7,855	100.3%	8,775	7,685	8,005	104.2%
Pollutant Surcharges	5,910	6,449	109.1%	5,263	6,108	6,720	110.0%
Investment Earnings	7,731	7,877	101.9%	5,589	2,778	2,802	100.9%
Other Revenues	400	1,267	316.7%	-	2,195	2,197	100.1%
Total Revenues	\$ 480,005	\$ 475,257	99.0%	\$ 486,751	\$ 479,179	\$ 475,251	99.2%
Revenue Requirements							
Operations & Maintenance Expense	\$ 181,926	\$ 174,514	95.9%	\$ 184,946	\$ 182,296	\$ 172,313	94.5%
General Retirement System Legacy Pension	10,824	10,824	100.0%	10,824	10,824	10,824	100.0%
Debt Service	214,691	211,332	98.4%	209,740	201,780	201,945	100.1%
General Retirement System Accelerated Pension	11,621	11,621	100.0%	11,621	11,621	11,621	100.0%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,403	2,403	100.0%	2,415	2,415	2,415	100.0%
Regional System Lease	27,500	27,500	100.0%	27,500	27,500	27,500	100.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	10,244	10,818	105.6%	-	-	-	0.0%
	20,798	20,798	100.0%	39,706	42,743	42,743	100.0%
Total Revenue Requirements	\$ 480,005	\$ 469,809	97.9%	\$ 486,751	\$ 479,179	\$ 469,360	98.0%
Net Difference		\$ 5,448				\$ 5,891	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ (4,748)				\$ (3,928)	
Revenue Requirement Variance		10,196				9,819	
Overall Variance		\$ 5,448				\$ 5,891	

Operations & Maintenance Budget – Major Budget Categories - Draft

The year-over-year benchmark ratio as of June 30, 2021, is 100% (twelve 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 6/30/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 ACTIVITY THRU 6/30/2021	Percent Year-to- Date
Water	\$ 66,021	\$ 68,917	104.4%	\$ 71,966	\$ 70,820	\$ 69,289	97.8%
Sewer	115,985	105,783	91.2%	115,676	114,975	106,769	92.9%
Centralized	97,731	102,699	105.1%	102,721	100,339	88,128	87.8%
Administrative	29,028	28,956	99.8%	31,709	30,290	26,966	89.0%
Employee Benefits	-	-	0.0%	-	-	-	0.0%
Total O&M Budget	\$ 308,766	\$ 306,355	99.2%	\$ 322,073	\$ 316,424	\$ 291,154	92.0%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis - Draft

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 92.0% which is reasonably within the pro-rata benchmark of 100%. This positive variance equates to a dollar amount of \$25.3 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is slightly under the pro-rata benchmark; coming in at 96.3% through June 2021.

Utilities: The overall category is on target with the pro-rata benchmark; coming in at 100.7% through June 2021. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is slightly higher than the pro-rata benchmark, coming in at 101.0%. 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 96.3% which is slightly lower than the benchmark of 100%. 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 90.3%. A review of this category shows that the 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 higher than the benchmark, coming in at 114.5%. June 2021 includes an accrual for actual charges that had previously been billed as estimates. These charges included services for prior years as well as for FY 2021 which resulted in activity reported for FY 2021 to exceed the budget for this line item.

Chemicals: This category is slightly lower than the pro-rate benchmark; coming in at 97.4% through June 2021. Variances within this category are not unexpected as usage varies throughout the year.

Supplies & Other: This category is lower than the benchmark; coming in at 87.7% through June 2021. The items in this category are subject to one-time expenses that do not occur evenly throughout the year, with an increase in usage being projected for the fourth quarter. The delays in project start dates due to the pandemic is a leading cause of the FY 2021 variance. Travel, training, and supplies were also less than budget due to the continued travel restrictions and remote work environment.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 92.0% through June 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).

Capital Program Allocation: This category is lower than the benchmark; coming in at 92.6% through June 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 lower than the benchmark; coming in at 56.9% through June 2021. This variance is the result of prior year true-up adjusting entries that were posted to May and June 2021; the entry for FY 2018 was for \$68,300, the entry for FY 2019 was for \$457,800, and the entry for FY 2020 was for \$685,900. In addition to the prior year true-up entries, there was an entry posted to June 2021 for \$776,500 to true-up activity for FY 2021. These entries were a reduction to shared services which resulted in an increase in expense to FY 2021. When the true-up activity is removed, the variance in this category for FY 2021 is at 101.0% which is slightly higher than the FY 2021 benchmark. 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 BUDGET	FY 2020 ACTIVITY THRU 6/30/2020	Percent Year-to- Date at 6/30/2020	FY 2021 AMENDED BUDGET	FY 2021 PRORATED AMENDED BUDGET (12 MONTHS)	FY 2021 ACTIVITY THRU 6/30/2021	Percent Year-to- Date	FY 2021 PRORATED BUDGET LESS FY 2021
Entity-wide								
Salaries & Wages	\$ 64,703	\$ 64,189	99.2%	\$ 67,306	\$ 67,306	\$ 64,911	96.4%	\$ 2,395
Workforce Development	1,271	1,252	98.5%	895	895	829	92.7%	65
Overtime	7,191	7,494	104.2%	7,537	7,537	7,365	97.7%	172
Employee Benefits	22,465	25,001	111.3%	26,806	26,806	25,448	94.9%	1,358
Transition Services	5,872	6,330	107.8%	8,557	8,557	8,392	98.1%	164
Employee Benefits Fund	-	-	0.0%	-	-	-	0.0%	-
Personnel Costs	101,503	104,267	102.7%	111,100	111,100	106,945	96.3%	4,155
Electric	39,549	40,669	102.8%	41,554	41,554	41,982	101.0%	(428)
Gas	5,332	5,196	97.4%	5,924	5,924	5,706	96.3%	218
Sewage Service	1,988	2,109	106.1%	2,297	2,297	2,075	90.3%	222
Water Service	3,662	3,179	86.8%	2,608	2,608	2,987	114.5%	(379)
Utilities	50,531	51,153	101.2%	52,383	52,383	52,750	100.7%	(367)
Chemicals	14,019	14,242	101.6%	14,362	14,362	13,982	97.4%	380
Supplies & Other	34,124	35,403	103.7%	35,595	35,595	31,216	87.7%	4,379
Contractual Services	103,975	106,372	102.3%	99,977	99,977	92,020	92.0%	7,957
Capital Program Allocation	(3,122)	(3,347)	107.2%	(3,447)	(3,447)	(3,192)	92.6%	(255)
Shared Services	(4,995)	(1,734)	34.7%	(4,512)	(4,512)	(2,567)	56.9%	(1,945)
Unallocated Reserve	12,731	-	0.0%	10,966	10,966	-	0.0%	10,966
Total Expenses	\$ 308,766	\$ 306,355	99.2%	\$ 316,424	\$ 316,424	\$ 291,154	92.0%	\$ 25,270



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 2021 basic financial statements are presented in a draft format. Adjustments related to fiscal year end 2021 audit affect the basic financial statements. The results of these adjustments will be presented in the audited annual report. The June 2020 comparative values shown in the tables below are presented based on final audited figures.

Statement of Net Position – All Funds Combined – Draft

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

**Table 1 – Statement of Net Position - All Funds Combined – Draft
As of June 30, 2021
(\$000)**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2020
Assets				
Cash - unrestricted (a)	\$ 147,975	\$ 194,505	\$ 342,479	\$ 208,357
Cash - restricted (a)	86,132	88,385	174,517	114,415
Investments - unrestricted (a)	190,542	132,388	322,930	473,549
Investments - restricted (a)	11,584	58,641	70,225	157,786
Accounts Receivable	95,733	69,326	165,059	193,719
Due from (to) Other Funds (b)	2,624	(2,624)	-	-
Other Assets (c)	673,263	425,099	1,098,362	1,114,230
Cash Held FBO DWSD Advance (d)	-	-	-	-
Capital Assets, net of Depreciation	1,324,554	2,221,473	3,546,027	3,689,047
Land	293,158	124,354	417,512	416,645
Construction Work in Process (e)	204,853	191,120	395,973	303,220
Total assets	3,030,418	3,502,667	6,533,085	6,670,969
Deferred Outflows (f)	66,790	158,284	225,074	217,097
Liabilities				
Liabilities - Liabilities-ST	158,069	169,515	327,584	305,303
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,000	5,500	7,500	9,179
Cash Held FBO DWSD (d)	3,144	2,920	6,064	1,545
Liabilities - Long-Term (i)	2,978,944	3,550,123	6,529,068	6,683,741
Total liabilities	3,142,158	3,728,058	6,870,216	6,999,768
Deferred Inflows (f)	52,316	45,760	98,076	109,876
Total net position (j)	\$ (97,266)	\$ (112,867)	\$ (210,132)	\$ (221,578)

Totals may be off due to rounding

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 market value. Investments at June 30, 2020 are also reported at market value. The June 30, 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 – Draft

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 June 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 – Draft
For the Twelve Months ended June 30, 2021
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2020
Revenue						
Wholesale customer charges	\$ 322,424	93.6%	\$ 267,568	56.8%	\$ 589,992	\$ 578,705
Local system charges	21,926	6.4%	187,960	39.9%	209,885	207,103
Industrial waste charges		0.0%	8,005	1.7%	8,005	7,855
Pollutant surcharges		0.0%	6,720	1.4%	6,720	6,449
Other revenues	266	0.1%	501	0.1%	767	778
Total Revenues	344,615	100.0%	470,754	100.0%	815,369	800,889
Operating expenses						
Operations and Maintenance	123,638	35.9%	178,101	37.8%	301,740	309,482
Depreciation	123,272	35.8%	150,772	32.0%	274,044	280,104
Total operating expenses	246,910	71.6%	328,873	69.9%	575,783	589,586
Operating Income	97,705	28.4%	141,880	30.1%	239,586	211,303
Total Nonoperating (revenue) expense	98,561	28.6%	129,579	27.5%	228,140	232,056
Increase/(Decrease) in Net Position	(856)	-0.2%	12,301	2.6%	11,445	(20,753)
Net Position (deficit), beginning of year	(96,410)		(125,168)		(221,578)	(200,825)
Net position (deficit), end of year	\$ (97,266)		\$ (112,867)		\$ (210,132)	\$ (221,578)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The decrease in Water Fund Net Position is \$0.9 million.
- ✓ Wholesale water customer charges of \$322.4 million account for 93.6% of Water System revenues.
- ✓ Operating expenses of \$246.9 million represent 71.6% of total operating revenue. Depreciation is the largest operating expense at \$123.3 million or 49.9% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$97.7 million or 28.4% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$80.8 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 \$12.3 million.
- ✓ Wholesale customer charges of \$267.6 million account for 56.8% 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 \$188.0 million account for 39.9% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$328.9 million represent 69.9% of total operating revenue. Depreciation is the largest operating expense at \$150.8 million or 45.8% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$141.9 million or 30.1 % of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$94.9 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses

– All Funds Combined – Draft

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 June 2021 Financial Report Binder. Explanatory notes follow this schedule.

Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined – Draft
For the Twelve Months ended June 30, 2021
(\$000)

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	22,392	18.1%	51,740	29.1%	74,132	24.6%
Overtime	4,563	3.7%	2,802	1.6%	7,365	2.4%
Benefits	16,934	13.7%	8,514	4.8%	25,448	8.4%
Total Personnel	\$ 43,889	35.5%	\$ 63,056	35.4%	\$ 106,945	35.4%
Utilities						
Electric	27,312	22.1%	14,670	8.2%	41,982	13.9%
Gas	1,071	0.9%	4,635	2.6%	5,706	1.9%
Sewage	444	0.4%	1,630	0.9%	2,075	0.7%
Water	1	0.0%	2,986	1.7%	2,987	1.0%
Total Utilities	\$ 28,828	23.3%	\$ 23,921	13.4%	\$ 52,750	17.5%
Chemicals	6,028	4.9%	7,954	4.5%	13,982	4.6%
Supplies and other	9,159	7.4%	21,938	12.3%	31,097	10.3%
Contractual services	40,411	32.7%	62,913	35.3%	103,324	34.2%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(2,123)	-1.7%	(1,069)	-0.6%	(3,192)	-1.1%
Intergovernmental Agreement	(326)	-0.3%	(274)	-0.2%	(600)	-0.2%
Shared services allocation	(2,229)	-1.8%	(338)	-0.2%	(2,567)	-0.9%
Operations and Maintenance Expenses	\$ 123,638	100.0%	\$ 178,101	100.0%	\$ 301,740	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (17.5% of total O&M expenses) and chemicals (4.6% of total O&M expenses).
- ✓ Personnel costs (35.4% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (34.2%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$4.9 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$15.5 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 – Draft

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 – Draft
For the Twelve Months ended June 30, 2021
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2020
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (25,475)	\$ (17,612)	\$ (43,087)	\$ (41,136)
Interest income DWSD Shortfall	-	(635)	(635)	(1,299)
Investment earnings	(4,215)	(2,825)	(7,040)	(18,862)
Net incr (decr) in fair value of invstmt	3,446	2,334	5,781	(5,972)
Other nonoperating revenue	177	299	476	(2,552)
Interest Expense				
Bonded debt	106,299	112,558	218,857	243,745
Lease obligation	17,249	21,083	38,332	38,808
Other obligations	4,709	1,587	6,296	6,395
Total interest expense	128,257	135,228	263,485	288,948
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	(5,960)	(5,960)	(5,960)
Amortization, issuance costs, debt	(15,988)	3,023	(12,966)	(10,303)
Amortization, raw water rights	3,567	-	3,567	3,567
Amortization, right to use asset	-	110	110	-
(Gain) loss on disposal of capital assets	124	241	365	1,317
Loss on impairment of capital assets	-	-	-	1,432
Water Residential Assistance Program	593	924	1,517	3,315
Legacy pension expense	8,075	14,453	22,528	20,144
Total Nonoperating (Revenue)/Expense	\$ 98,561	\$ 129,579	\$ 228,140	\$ 232,638

Totals may be off due to rounding

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

Financial Report binder are due to accrued interest. FY 2020 market value adjustments for Water and Sewer totaled \$4.9 million and \$3.3 million,

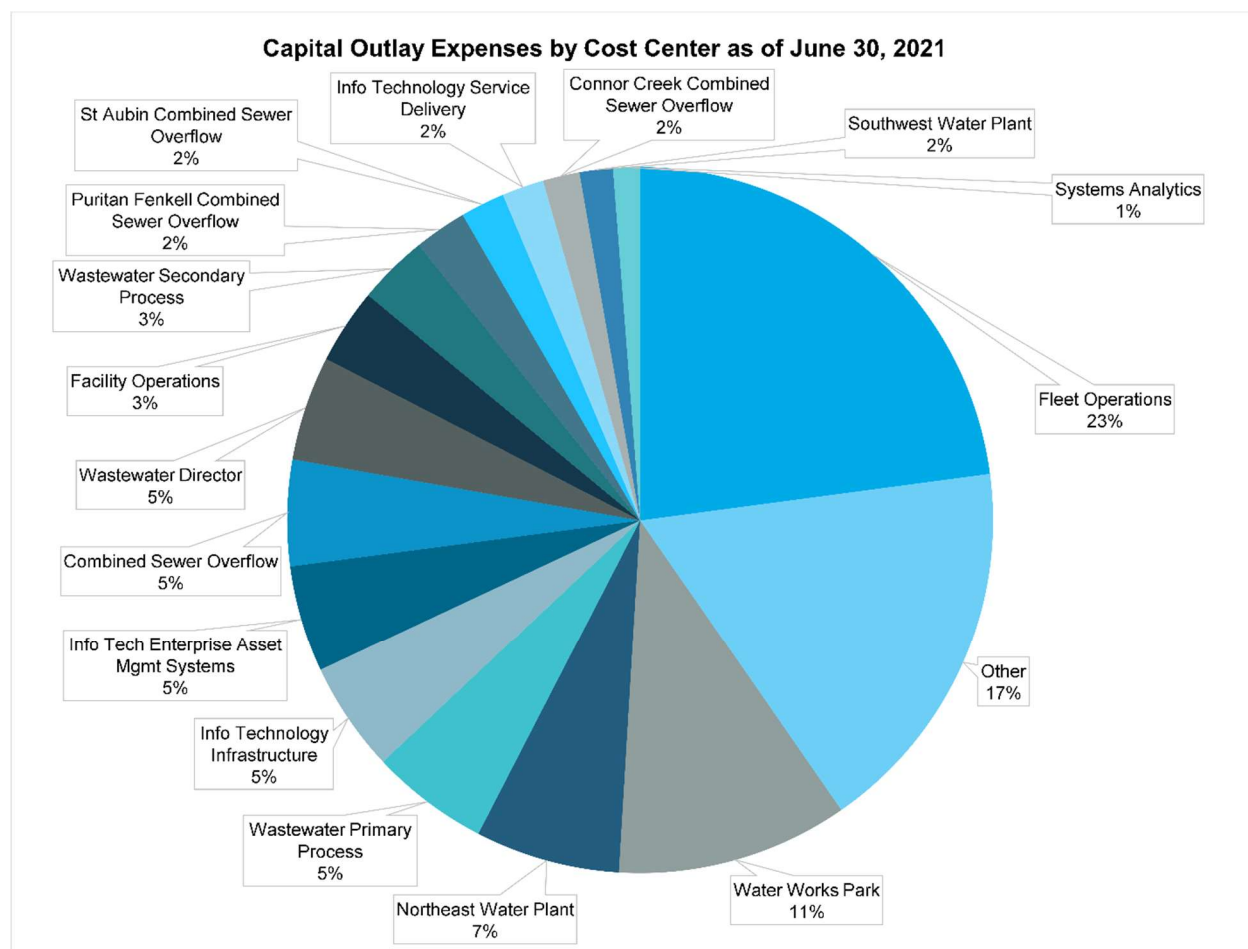
- ✓ respectively. FY 2021 market value adjustments for Water and Sewer totaled \$1.5 million and \$1.0 million, respectively.
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ 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 June 30, 2021, total capital outlay spend is \$16.8 million. Following this chart is a sample list of projects and purchases from the total spend of \$16.8 million:



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

Water Operations: Water Works Park Ovation upgrade (\$921k); High-pressure water tank (\$528k); Water Works Park generator (\$487k); replacement valves (\$236k); turbimeter, controller and process head (\$196k); Northeast Water Plant exterior door

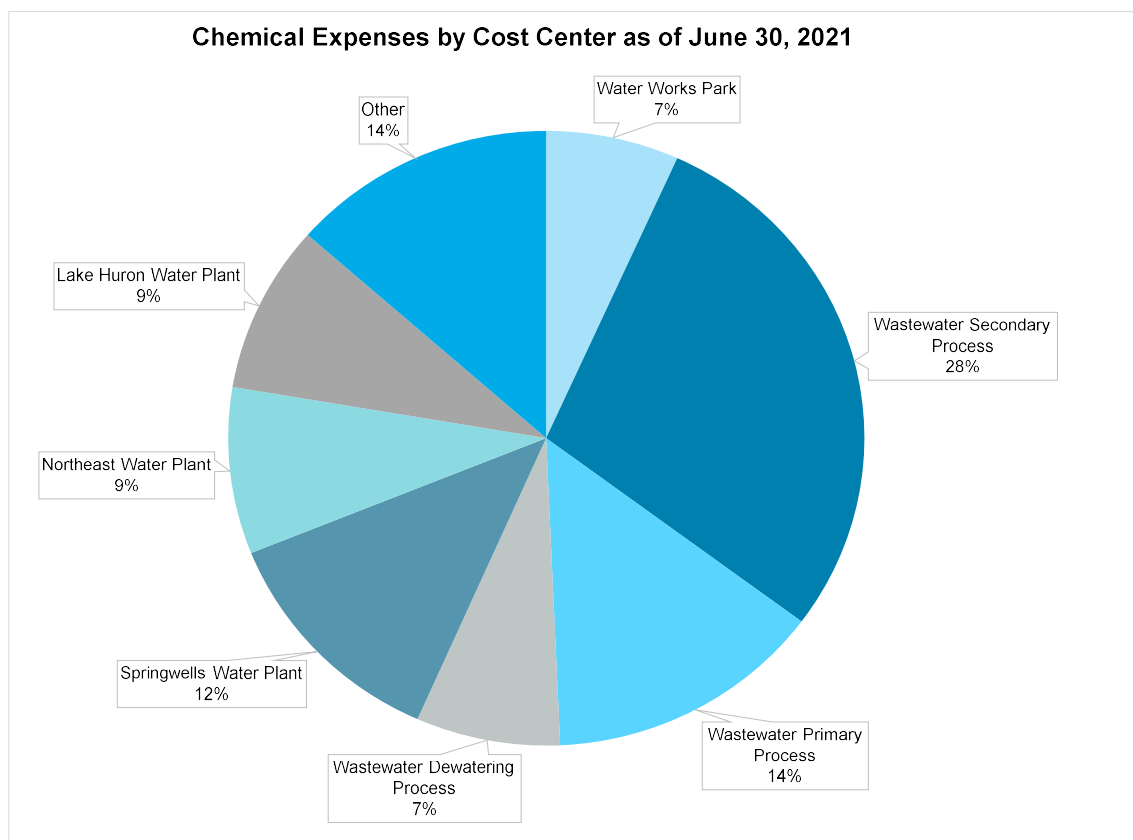
(\$137k); water pumps (\$130k); Southwest Water Plant feed system (\$110k) and evaporators (\$101k).

Wastewater Operations: Chemical containment improvements (\$814k); pump at WRRF (\$801k); Sewer vacuum truck (\$555k); B-Houses (\$405k); Lieb CSO maintenance (\$301k); level and flow instrumentation (\$292k); Upgrade flow meters (\$150k); submersible mixers (\$135k); magnetic drive (\$129k); actuators (\$121k); 7 Mile CSO maintenance (\$100k); Belle Isle fire alarm system (\$74k); Complex A Bio Solids dryer (\$68k); Hubble/Southfield CSO auto backwash strainer (\$66k); rotork parts (\$65k) and camera (\$57k).

Centralized & Administrative Facilities: Trucks and vehicles (\$4.1m); IT software (\$1.2m); bleacher design (\$570k); sewer meter support (\$558k); datacenter modernization (\$320k); IT computers (\$235k); WRRF roof repair (\$179k); SCADA packs (\$105k); uninterruptible power supply (\$101k) and server drives (\$61k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

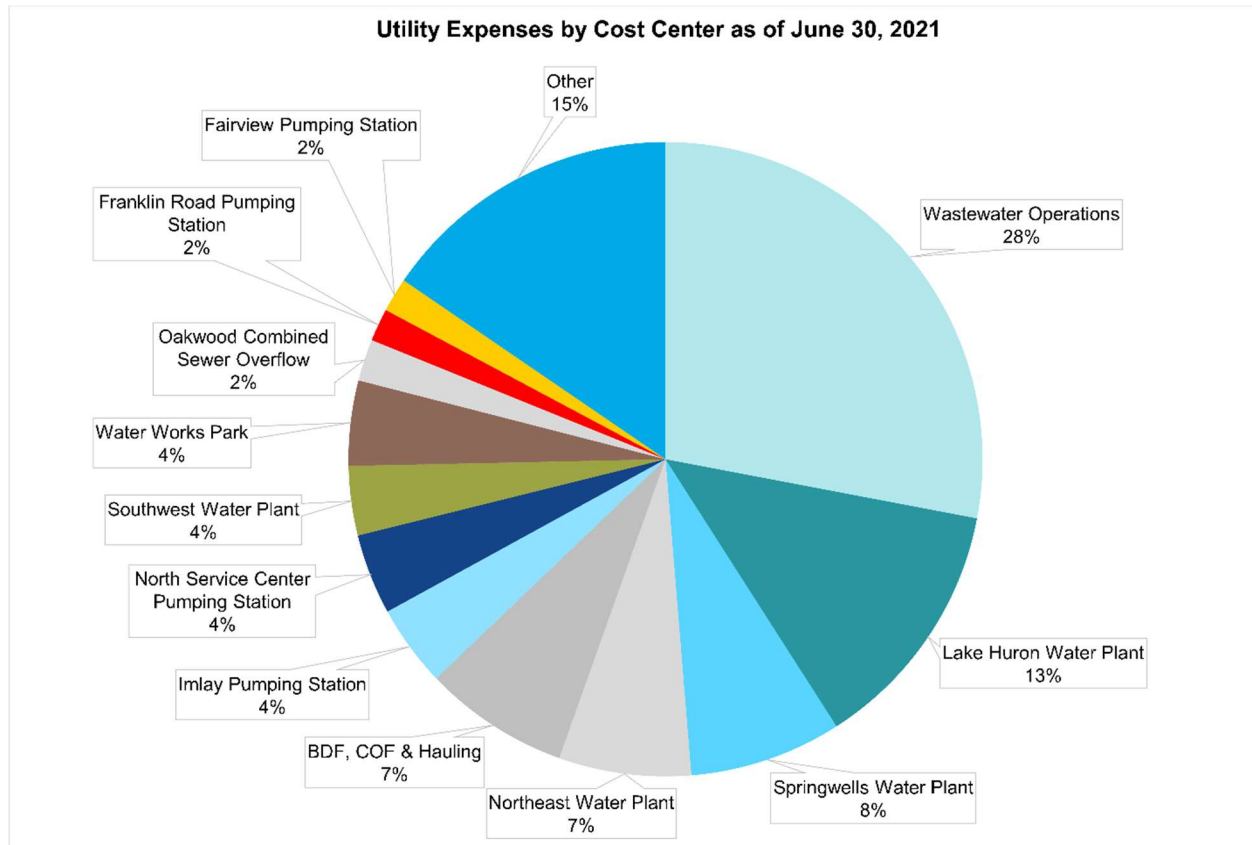
Chemical expenses are \$14.0 million through June 30, 2021. The allocation is shown in the chart below and remains consistent with prior periods.



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 \$52.7 million through June 30, 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 June 30, 2021 all reconciliations are up-to-date and complete.

There were four new accounts since May 2021. These new accounts were for the Water and Sewer Construction Funds.

Chart 1 – Bank Reconciliation Completion Status

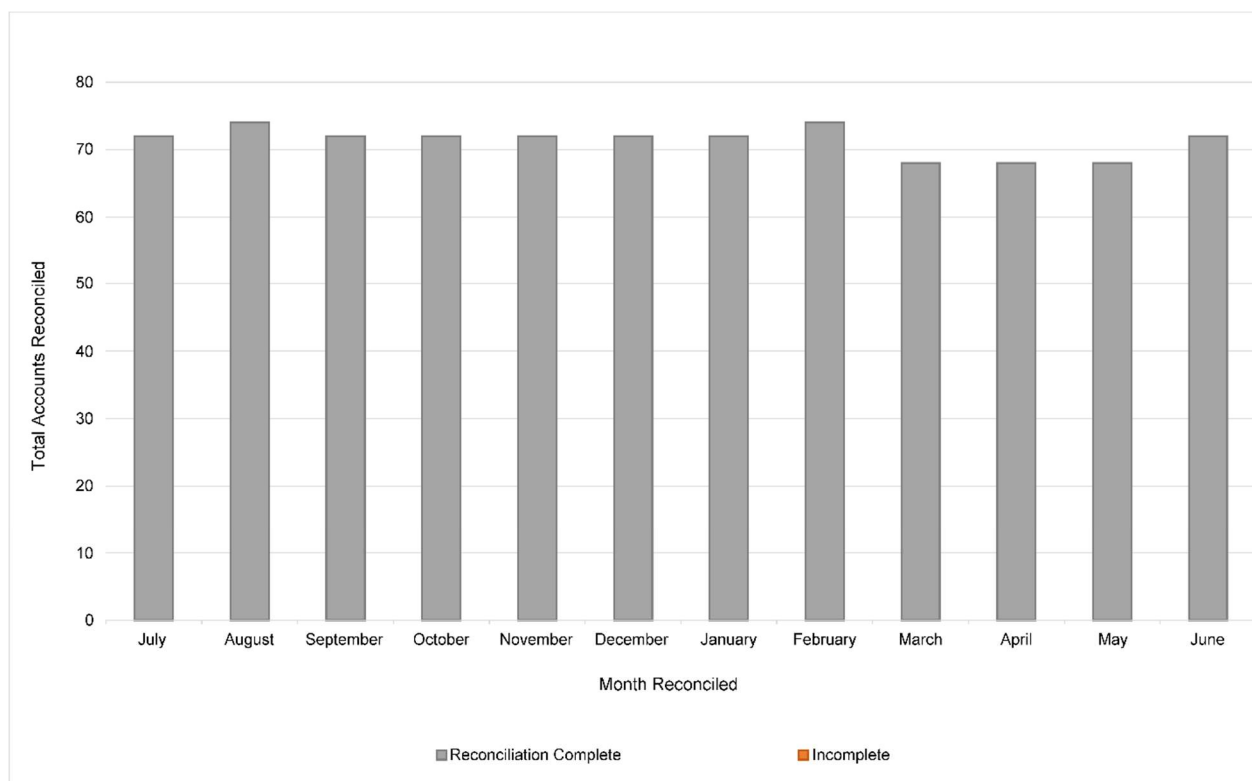


Table 1 – Fiscal Year 2021 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2020	74
New GL Cash accounts	6
Inactivated GL Cash accounts	(8)
Total GL Cash accounts as of June 30, 2021	<u>72</u>



The monthly Budget to Financial Statements Crosswalk includes the following.

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

Purpose for Crosswalk: The Great Lakes Water Authority establishes a “Revenue Requirements” budget for the purposes of establishing charges for services. The financial report is prepared in accordance with Generally Accepted Accounting Policies for enterprise funds of a local government. Because the budget and the financial statements are prepared using different basis of accounting, the crosswalk reconciles the “Net z1B) 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 Twelve Months Ended June 30, 2021

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 13,636	\$ 5,891	\$ 19,527
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	10,811	19,348	30,159
Prior year pension contribution accounted for in current year (d)	(8,075)	(14,453)	(22,528)
Administrative prepaid adjustment (e)	451	808	1,259
Debt service (f)	57,276	106,999	164,275
Accelerated pension B&C notes obligation portion (g)	185	416	601
Lease payment (h)	5,251	6,417	11,668
WRAP (i)	1,076	1,491	2,568
DWSD short term allocation (j)	-	-	-
Operating Reserve Deposit (j)	-	-	-
Improvement & Extension Fund (j)	30,153	36,562	66,715
Nonbudgeted financial reporting categories adjustments			
Depreciation (k)	(123,272)	(150,772)	(274,044)
Amortization (k)	12,421	(3,133)	9,288
Other nonoperating income (k)	2	21	23
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	(124)	(241)	(365)
Raw water rights (l)	2,634	-	2,634
Investment earnings for construction fund (m)	19	24	43
Interest on DWSD note receivable (n)	-	635	635
Investment earnings unrealized gain/loss (o)	(3,446)	(2,335)	(5,781)
Interlocal agreement reimbursements to improvement & extension fund (p)	145	274	419
Capital contribution (q)	-	5,960	5,960
Other temporary differences (r)	-	(1,611)	(1,611)
Net Position Increase/(Decrease) per Financial Statements (b)	\$ (856)	\$ 12,301	\$ 11,445

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 \$4.9 million, and the Sewer Improvement and Extension fund reflects \$6.2 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.

- (r) Other temporary differences relate mainly to \$1.6 million of insurance proceeds associated with Water Resource Recovery Facility fire damage reported as revenue for budgeting purposes but a deferred revenue for financial statements to be reported as expenses are incurred.



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 June 2021, the Water system incurred nearly \$132 million of construction costs to date. This is 89% of the fiscal year 2021 CIP through June and 119% 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

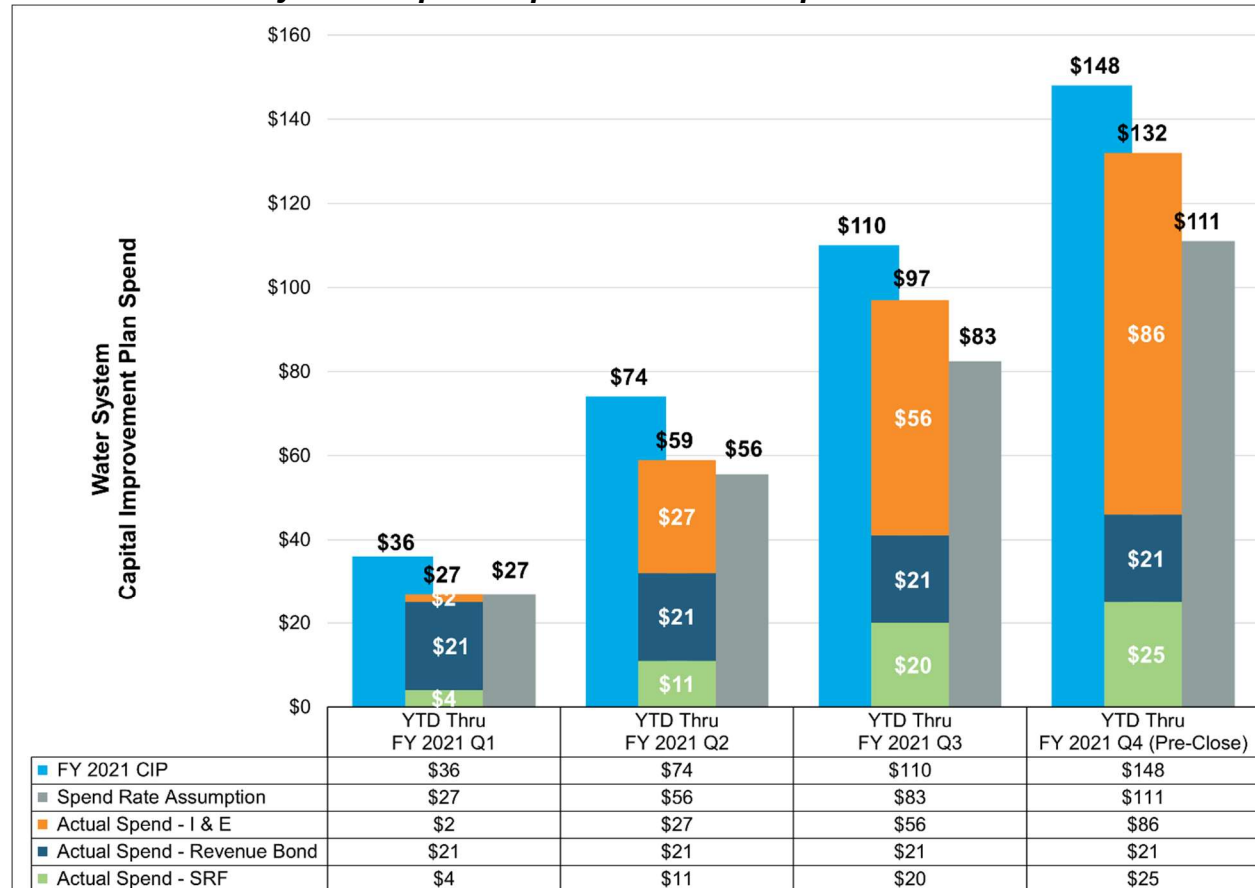
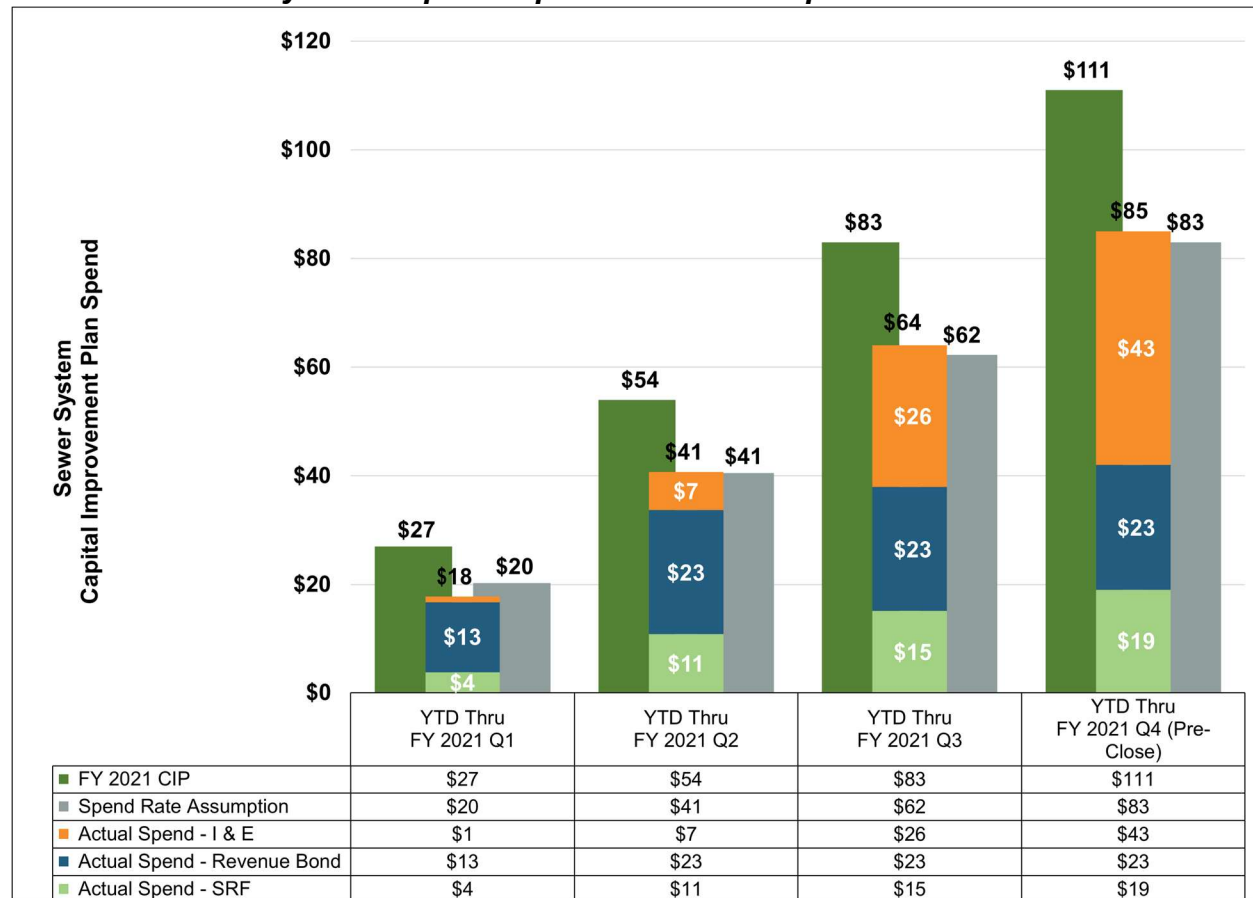


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of June 2021, the Sewer system incurred over \$85 million of construction costs to date. This is 77% of the fiscal year 2021 CIP through June 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 June 1, 2021. MBO transfers for water totaling \$153.2 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. The June transfers are different than the prior month to adjust the total year transfers to align with the budget.

Table 2 – GLWA FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through June 1, 2021. MBO transfers for sewer totaling \$211.6 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. The June transfers are different than the prior month to adjust the total year transfers to align with the budget.

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
March 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
April 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
May 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
June 2021	10,427,275	504,000	891,312	193,676	-	-	12,016,263
Total FY 2021	\$ 134,127,300	\$6,048,000	\$10,695,700	\$2,324,200	\$ -	\$ -	\$153,195,200

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
March 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
April 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
May 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
June 2021	14,528,811	902,000	1,224,050	313,699	-	-	16,968,560
Total FY 2021	\$182,296,000	\$10,824,000	\$14,687,500	\$3,764,300	\$ -	\$ -	\$211,571,800

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 (12 months)	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Life to Date	\$687,024,312	\$36,266,300	\$63,377,175	\$12,585,904	\$2,686,900	\$606,000	\$802,546,591

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 (12 months)	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Life to Date	\$1,023,104,992	\$64,972,800	\$86,802,609	\$17,461,196	\$8,246,100	\$779,600	\$1,201,367,297

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 June 1, 2021. MBO transfers for Water totaling \$54.3 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. The June transfers are different than the prior month to adjust the total year transfers to align with the budget.

Table 5 – DWSD FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through June 1, 2021. MBO transfers for Sewer totaling \$97.0 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. The June transfers are different than the prior month to adjust the total year transfers to align with the budget.

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
March 2021	2,986,158	356,000	1,185,142	4,527,300
April 2021	2,986,158	356,000	1,185,142	4,527,300
May 2021	2,986,158	356,000	1,185,142	4,527,300
June 2021	2,986,162	356,000	1,185,138	4,527,300
Total FY 2021	\$35,833,900	\$4,272,000	\$14,221,700	\$54,327,600

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
March 2021	5,826,308	238,000	2,020,234	8,084,542
April 2021	5,826,308	238,000	2,020,234	8,084,542
May 2021	5,826,308	238,000	2,020,234	8,084,542
June 2021	5,826,312	238,000	2,020,226	8,084,538
Total FY 2021	\$69,915,700	\$2,856,000	\$24,242,800	\$97,014,500

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 (12 months)				
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)
Net MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600
Life-to-Date				
MBO/Lease Requirement	200,822,304	25,613,100	135,000,000	361,435,404
Offsets	-	-	(20,000,400)	(20,000,400)
Total Water	200,822,304	25,613,100	114,999,600	341,435,004

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 (12 months)				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
Life-to-Date				
MBO/Lease Requirement	310,855,012	17,147,800	165,000,000	493,002,812
Offsets	(7,100,000)	-	(41,863,064)	(48,963,064)
Total Sewer	303,755,012	17,147,800	123,136,936	444,039,748

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



This report includes the following:

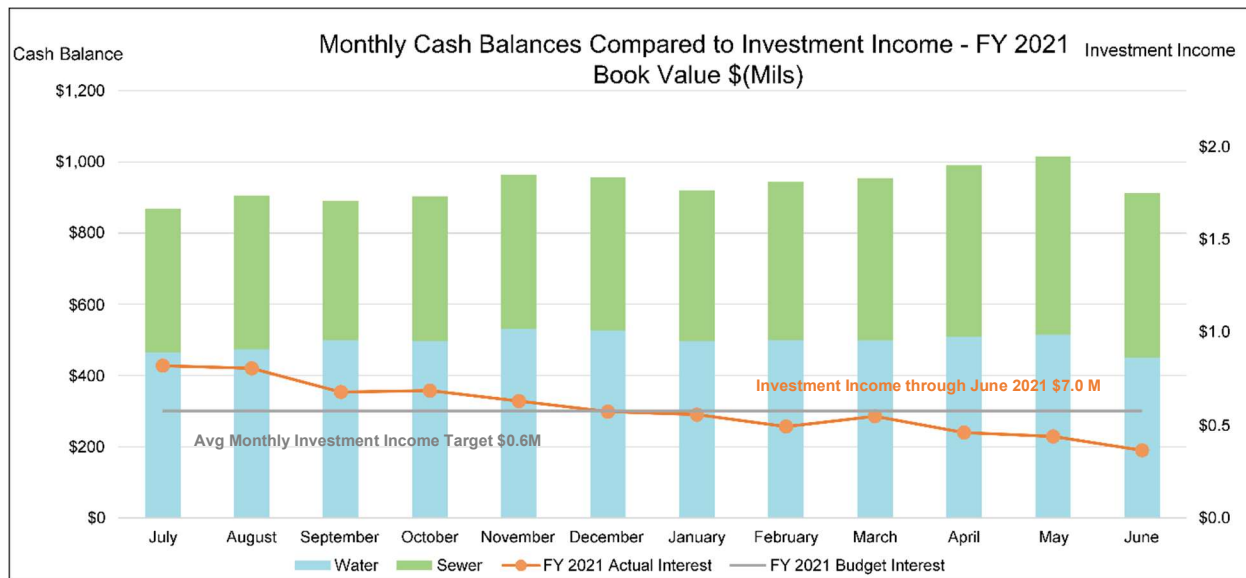
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

Monthly Cash Balances Compared to Investment Income

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

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of June 2021, GLWA earned investment income of \$0.4 million and the cumulative FY 2021 earnings through June is \$7.0 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

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 June 2021


\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$464	\$473	\$499	497	530	525	495	499	498	508	515	450
Sewer	\$403	\$431	\$391	406	433	431	424	445	455	482	500	462
Total	\$867	\$904	\$890	903	963	956	919	944	953	990	1,015	912
Investment Income	\$0.8	\$0.8	\$0.7	\$0.7	\$0.6	\$0.6	\$0.6	\$0.5	\$0.5	\$0.5	\$0.4	\$0.4

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:

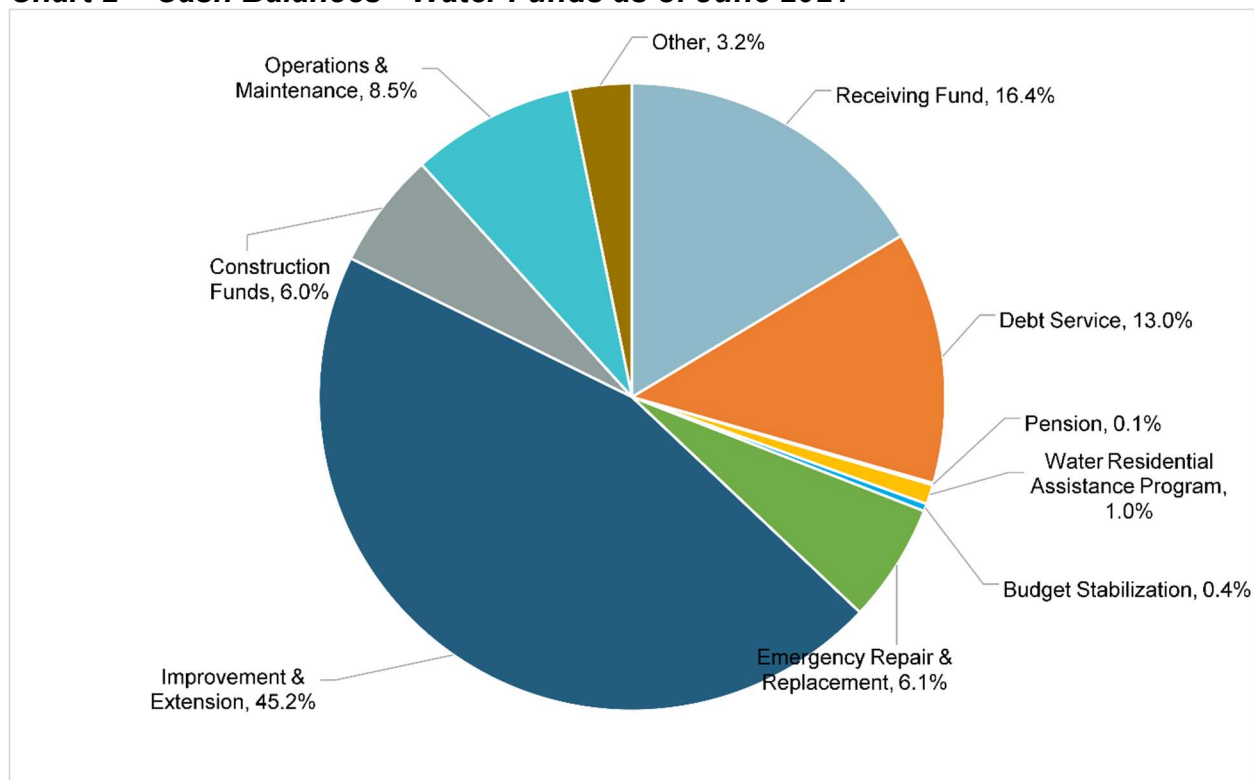
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 June 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 June 30, 2021 is \$450 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 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 supplemented with SRF low-interest loan funding 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 June 2021



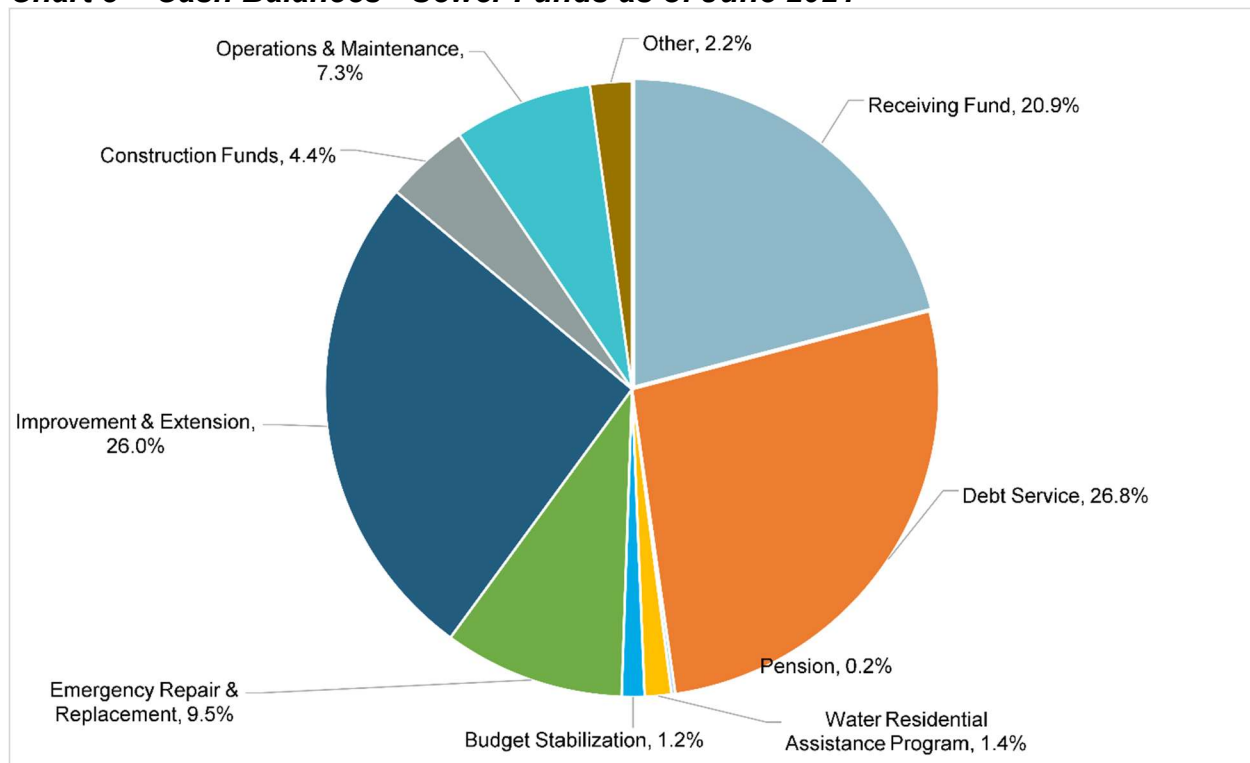
Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of June 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 June 30, 2021 is \$462 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 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 supplemented with SRF low-interest loan funding 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 June 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 June 30, 2021, the DWSD usage was at 93.63% of the budget and billed revenue was at 94.67% 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	205,631	8,242,563	(10,869)	(365,282)	198,483	7,755,210
April	211,700	8,482,661	214,288	8,438,333	2,588	(44,328)	191,691	7,550,074
May	221,300	8,733,029	214,232	8,519,154	(7,068)	(213,875)	207,387	7,929,281
June	261,800	9,789,269	243,301	9,249,694	(18,499)	(539,575)	248,085	8,951,538
Total	2,758,800	107,487,800	2,583,000	101,760,360	(175,800)	(5,727,440)	2,622,321	100,400,903
Subtotals ytd	2,758,800	107,487,800	2,583,000	101,760,360	(175,800)	(5,727,440)		
Achievement of Budget			93.63%	94.67%				

(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
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%
March	8,458,827	6,948,308	1,510,519	21.74%
April	7,536,272	5,956,105	1,580,167	26.53%
May	7,365,204	8,109,469	(744,265)	-9.18%
June	8,917,831	7,821,791	1,105,908	14.14%
Rolling, 12-Month Total	98,076,452	96,854,994		
Rolling, 12-Month Average	8,173,038	8,071,250		

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 June 30, 2021, the DWSD usage was at 95.85% of the budget and billed revenue was at 99.96% 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	197,486	27,090,940	5,386	811,544	186,521	24,784,918
April	188,900	25,973,471	203,684	27,447,662	14,784	1,474,191	180,397	24,538,664
May	195,300	26,338,655	204,107	27,765,537	8,807	1,426,882	192,362	25,035,540
June	245,560	29,206,491	231,627	29,058,129	(13,933)	(148,362)	238,679	27,572,637
Total	2,568,960	329,043,516	2,462,367	328,921,263	(106,593)	(122,253)	2,496,224	310,999,906
Subtotals ytd	2,568,960	329,043,516	2,462,367	328,921,263		(122,253)		
Achievement of Budget/Goal			95.85%	99.96%				

(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
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%
March	25,002,508	19,325,377	5,677,131	29.38%
April	21,196,170	17,105,146	4,091,024	23.92%
May	21,888,687	23,639,652	(1,750,965)	-7.41%
June	32,508,249	22,558,827	9,949,422	44.10%
Rolling 12-Month Total	293,210,588	264,670,253		
Rolling, 12-Month Average	24,434,216	22,055,854		

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 June 30, 2021 with comparative totals from June 30, 2020.

DWSD regularly adjusts the bad debt allowance to cover the past due balance over 180 days. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

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	211,252	\$ 558.86	\$ 13,220,000 11.2%	\$ 7,551,000 6.4%	\$ 21,438,000 18.2%	\$ 75,850,000 64.2%	\$ 118,060,000 100.0%
Commercial	21,177	1,438.18	7,228,000 23.7%	2,565,000 8.4%	5,420,000 17.8%	15,243,000 50.0%	30,456,000 100.0%
Industrial	3,476	4,876.65	4,424,000 26.1%	1,392,000 8.2%	2,769,000 16.3%	8,366,000 49.4%	16,951,000 100.0%
Tax Exempt	3,661	889.97	508,000 15.6%	167,000 5.1%	469,000 14.4%	2,114,000 64.9%	3,258,000 100.0%
Government	56,025	269.90	3,709,000 24.5%	626,000 4.1%	1,116,000 7.4%	9,669,000 63.9%	15,121,000 100.0%
Drainage	39,412	808.17	2,530,000 7.9%	1,555,000 4.9%	5,148,000 16.2%	22,619,000 71.0%	31,852,000 100.0%
Subtotal - Active Accounts	335,003	\$ 643.87	\$ 31,618,000 14.7%	\$ 13,857,000 6.4%	\$ 36,361,000 16.9%	\$ 133,862,000 62.1%	\$ 215,698,000 100.0%
Inactive Accounts	298,115	108.54	35,000 0.1%	27,000 0.1%	181,000 0.6%	32,114,000 99.2%	32,357,000 100.0%
Total	633,118	\$ 391.80	\$ 31,653,000	\$ 13,884,000	\$ 36,542,000	\$ 165,976,000	\$ 248,055,000
% of Total A/R			12.8%	5.6%	14.7%	66.9%	100.0%
Water Fund	226,413	202.45	\$ 6,801,000	\$ 2,579,000	\$ 5,979,000	\$ 30,479,000	\$ 45,838,000
Sewer Fund	266,914	757.61	\$ 24,852,000	\$ 11,305,000	\$ 30,563,000	\$ 135,497,000	\$ 202,217,000
Total June 30, 2021 (a)	633,118	391.80	\$ 31,653,000	\$ 13,884,000	\$ 36,542,000	\$ 165,976,000	\$ 248,055,000
Water Fund- Allowance							\$ (38,554,000)
Sewer Fund- Allowance							\$ (162,366,000)
Total Bad Debt Allowance							\$ (200,920,000)
Comparative - June 2020 (b)	614,615	347.94	\$ 28,452,000	\$ 12,929,000	\$ 32,172,000	\$ 140,293,000	\$ 213,846,000
Difference (a) - (b)	18,503	43.86	\$ 3,201,000	\$ 956,000	\$ 4,370,000	\$ 25,683,000	\$ 34,209,000



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 June 30, 2021, the billed usage was at 105.20% of budget and billed revenue at 102.60% 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 Charges		FY 2021 - Amended Charges (3)		FY 2021 - Actual		FY 2021 - Variance	
	Volume	Revenue	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,639,200	32,266,700	1,639,200	31,200,500	1,862,791	33,583,619	223,591	2,383,119
August	1,491,400	30,810,000	1,491,400	29,826,800	1,622,324	31,230,027	130,924	1,403,227
September	1,331,600	28,737,000	1,331,600	27,851,500	1,313,440	27,836,560	(18,160)	(14,940)
October	1,034,400	25,778,000	1,034,400	25,055,600	1,070,660	25,454,840	36,260	399,240
November	901,700	24,559,000	901,700	23,897,700	956,542	24,390,303	54,842	492,603
December	982,100	25,192,800	982,100	24,506,200	981,770	24,600,202	(330)	94,002
January	985,300	25,261,300	985,300	25,263,400	969,483	25,235,130	(15,817)	(28,270)
February	884,200	24,343,500	884,200	24,348,400	920,467	24,794,259	36,267	445,859
March	984,200	25,211,000	984,200	25,213,400	1,001,073	25,450,418	16,873	237,018
April	912,200	24,591,700	912,200	24,594,700	954,308	25,140,003	42,108	545,303
May	1,032,900	25,895,200	1,032,900	25,896,700	1,181,186	27,569,969	148,286	1,673,269
June	1,373,700	29,464,500	1,373,700	29,463,800	1,424,230	30,066,884	50,530	603,084
Total	13,552,900	322,110,700	13,552,900	317,118,700	14,258,274	325,352,214	705,374	8,233,514
Subtotals ytd	13,552,900	322,110,700	13,552,900	317,118,700	14,258,274	325,352,214	705,374	8,233,514
Achievement of Budget				26,426,558	105.20%	102.60%		

(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 rights under the Flint Raw Water Contract in Table 1A

(3) Original charges were amended to account for the deferral of FY 2021 charges approved by the Board of Directors on September 23, 2020. The FY 2021 charges were initiated on January 1, 2021.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
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%
March	20,854,506	25,017,989	(4,163,483)	-16.64%
April	23,545,123	17,856,644	5,688,479	31.86%
May	24,878,479	24,811,582	66,897	0.27%
June	25,403,968	27,098,783	(1,694,815)	-6.25%
Rolling 12-Month Total	309,613,381	303,568,071		
Rolling, 12-Month Average	25,801,115	25,297,339		

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 June 30, 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 Charges		FY 2021 - Amended Charges (3)		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	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
August	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
September	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
October	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
November	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
December	N/A	23,005,800	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	22,633,025	N/A	-
April	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
May	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
June	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
Total		276,069,600		269,737,248		269,737,248		-
<i>Subtotals ytd</i>		276,069,600		269,737,248		269,737,248		-
<i>Achievement of Budget</i>						100.00%		

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

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

(3) Original charges were amended to account for the deferral of FY 2021 charges approved by the Board of Directors on September 23, 2020. The FY 2021 charges began on January 1, 2021.

Table 4 - Wholesale Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
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%
March	22,368,124	21,108,100	1,260,024	5.97%
April	28,128,933	10,024,575	18,104,358	180.60%
May	15,972,800	21,189,047	(5,216,247)	-24.62%
June	28,523,650	28,598,467	(74,817)	-0.26%
Rolling 12-Month Total	266,133,726	271,797,297		
Rolling, 12-Month Average	22,177,811	22,649,775		

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 June 30, 2021, Highland Park had a delinquent balance of \$48.5 million, including \$37.0 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.7 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 June 30, 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
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	95,775	478,900	4,032	578,707
February 2021 Payments	-	-	-	-
February 28, 2021 Balance	9,332,943	35,559,799	1,753,534	46,646,276
March 2021 Billing	95,121	478,900	4,060	578,081
March 2021 Payments	-	(220,241)	-	(220,241)
March 31, 2021 Balance	9,428,064	35,818,458	1,757,594	47,004,116
April 2021 Billing	96,950	478,900	4,051	579,901
April 2021 Payments	-	(224,583)	-	(224,583)
April 30, 2021 Balance	9,525,014	36,072,775	1,761,645	47,359,434
May 2021 Billing	94,839	478,900	4,065	577,804
May 2021 Payments	-	-	-	-
May 31, 2021 Balance	9,619,853	36,551,675	1,765,710	47,937,238
June 2021 Billing	99,337	478,900	4,053	582,290
June 2021 Payments	-	-	-	-
June 30, 2021 Balance	9,719,190	37,030,575	1,769,763	48,519,528

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 June 30, 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 \$3.48 million of the current water past due balance. The remaining past due balance of \$59 thousand was paid in full the first week of July.

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. 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	\$ 48,694,817.09	\$ 35,629,710.20	\$ 1,070,793.14	\$ 1,495,295.03	\$ 10,499,018.72
Sewer	\$ 56,599,207.27	\$ 20,047,532.11	\$ 478,900.00	\$ 478,900.00	\$ 35,593,875.16
IWC	\$ 2,266,339.29	\$ 505,171.08	\$ 3,574.29	\$ 4,059.72	\$ 1,753,534.20
Pollutant Surcharge	\$ 755,820.58	\$ 707,191.74	\$ 9,943.90	\$ 6,254.43	\$ 32,430.51
Total	\$ 108,316,184.23	\$ 56,889,605.13	\$ 1,563,211.33	\$ 1,984,509.18	\$ 47,878,858.59
	100.00%	52.52%	1.44%	1.83%	44.20%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 38,975,626.62	\$ 35,435,533.57	\$ 973,843.50	\$ 1,400,173.81	\$ 1,166,075.74
Sewer	\$ 19,568,632.11	\$ 19,568,632.11	\$ -	\$ -	\$ -
IWC	\$ 496,576.54	\$ 497,053.34	\$ (476.80)	\$ -	\$ -
Pollutant Surcharge	\$ 755,820.58	\$ 707,191.74	\$ 9,943.90	\$ 6,254.43	\$ 32,430.51
Total	\$ 59,796,655.85	\$ 56,208,410.76	\$ 983,310.60	\$ 1,406,428.24	\$ 1,198,506.25
	100.00%	94.00%	1.64%	2.35%	2.00%

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 twelve months of activity to date.

Water fund receipts exceeded required disbursements by 9% through June 30, 2021 with a historical ratio of receipts exceeding required disbursements by 14% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 8% through June 30, 2021 with a historical ratio of receipts exceeding required disbursements by 6% since January 1, 2016.

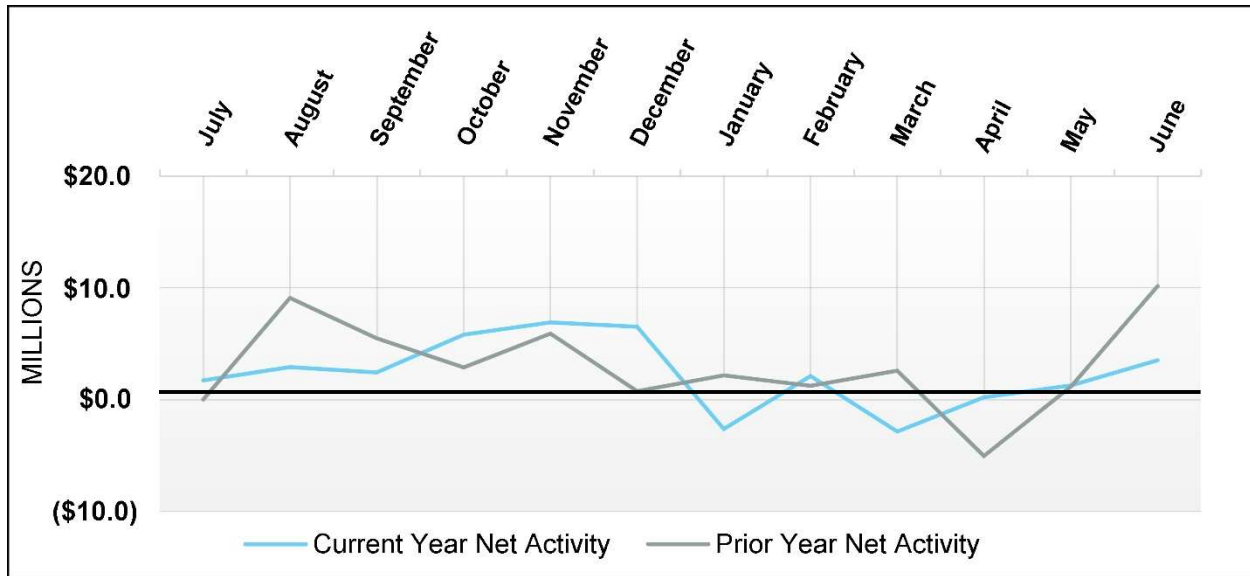
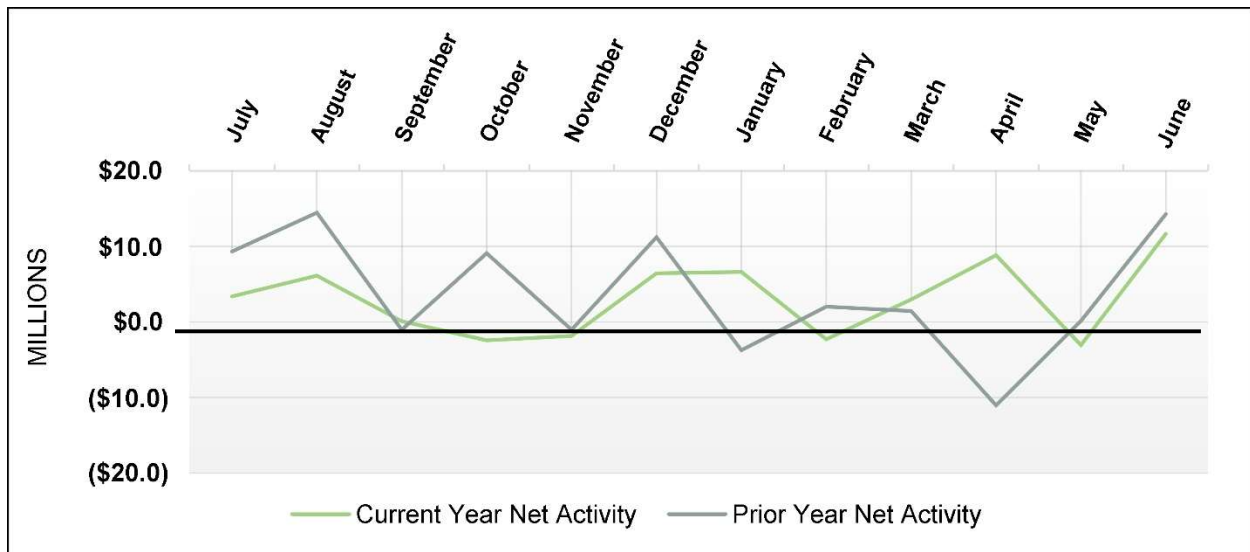
Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

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 Jun 30	Life-to-Date Total
Water							
1 Receipts	\$ 149,688,711	\$ 352,941,909	\$ 338,452,001	\$ 336,594,234	\$ 332,606,196	\$ 336,642,021	\$ 1,846,925,072
2 MOU Adjustments	-	-	-	-	-	-	-
3 Adjusted Receipts	149,688,711	352,941,909	338,452,001	336,594,234	332,606,196	336,642,021	1,846,925,072
4 Disbursements	(146,256,185)	(288,777,985)	(297,064,810)	(289,230,481)	(296,190,425)	(308,713,407)	(1,626,233,293)
5 Receipts Net of Required	3,432,526	64,163,924	41,387,191	47,363,753	36,415,771	27,928,614	220,691,779
6 I&E Transfer	-	-	(25,739,700)	(47,695,000)	(25,719,751)	(31,991,687)	(131,146,138)
7 Net Receipts	\$ 3,432,526	\$ 64,163,924	\$ 15,647,491	\$ (331,247)	\$ 10,696,020	\$ (4,063,073)	\$ 89,545,641
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	102%	122%	114%	116%	112%	109%	114%
Sewer							
9 Receipts	\$ 232,377,715	\$ 469,788,882	\$ 476,269,761	\$ 467,743,744	\$ 490,461,356	\$ 472,871,853	\$ 2,609,513,311
10 MOU Adjustments	-	-	-	-	-	-	-
11 Adjusted Receipts	232,377,715	469,788,882	476,269,761	467,743,744	490,461,356	472,871,853	2,609,513,311
12 Disbursements	(219,538,325)	(441,443,340)	(458,903,335)	(453,406,636)	(445,604,952)	(436,600,883)	(2,455,497,471)
13 Receipts Net of Required	12,839,390	28,345,542	17,366,426	14,337,108	44,856,404	36,270,970	154,015,840
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(40,504,727)	(104,846,727)
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	\$ 4,784,917	\$ 31,684,778
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	106%	106%	104%	103%	110%	108%	106%
Combined							
19 Receipts	\$ 382,066,426	\$ 822,730,791	\$ 814,721,762	\$ 804,337,978	\$ 823,067,552	\$ 809,513,874	\$ 4,456,438,383
20 MOU Adjustments	-	-	-	-	-	-	-
21 Adjusted Receipts	382,066,426	822,730,791	814,721,762	804,337,978	823,067,552	809,513,874	4,456,438,383
22 Disbursements	(365,794,510)	(730,221,325)	(755,968,145)	(742,637,117)	(741,795,377)	(745,314,290)	(4,081,730,764)
23 Receipts Net of Required	16,271,916	92,509,466	58,753,617	61,700,861	81,272,175	64,199,584	374,707,619
24 I&E Transfer	-	-	(48,437,800)	(70,242,700)	(44,815,951)	(72,496,414)	(235,992,865)
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	\$ 721,844	\$ 121,230,419
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	104%	113%	108%	108%	111%	109%	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 twelve months of activity to date.

Water fund receipts exceeded required disbursements by 1% through June 30, 2021 with a historical ratio of net receipts exceeding required disbursements by 2% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 4% through June 30, 2021 with a historic ratio of receipts falling short of required disbursements by 3% since January 1, 2016.

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. As of June 30, 2021, DWSD has repaid this loan in full.

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. As of June 30, 2021, DWSD has repaid this loan in full.

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 Jun 30	Life-to-Date Total
Water							
1 Receipts	\$ 26,201,881	\$ 96,451,105	\$ 101,233,147	\$ 99,868,219	\$ 96,885,723	\$ 102,067,423	\$ 522,707,498
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	102,067,423	541,153,598
4 Disbursements	(47,809,552)	(93,066,144)	(93,049,457)	(97,694,600)	(97,823,097)	(100,707,200)	(530,150,050)
5 Receipts Net of Required	(3,161,571)	3,384,961	8,183,690	2,173,619	(937,374)	1,360,223	11,003,548
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)	\$ 1,360,223	\$ 2,596,468
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	93%	104%	109%	102%	99%	101%	102%
Sewer							
9 Receipts	\$ 65,256,734	\$ 233,723,367	\$ 242,104,791	\$ 265,339,797	\$ 264,689,559	\$ 308,210,767	\$ 1,379,325,015
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	308,210,767	1,441,607,315
12 Disbursements	(122,297,300)	(261,963,973)	(266,217,825)	(271,018,306)	(275,507,374)	(295,100,771)	(1,492,105,549)
13 Receipts Net of Required	(1,285,466)	(28,240,606)	(24,113,034)	848,691	(10,817,815)	13,109,996	(50,498,234)
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)	\$ 13,109,996	\$ 2,914,800
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	99%	89%	91%	100%	96%	104%	97%
Combined							
18 Receipts	\$ 91,458,615	\$ 330,174,472	\$ 343,337,938	\$ 365,208,016	\$ 361,575,282	\$ 410,278,190	\$ 1,902,032,513
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	410,278,190	1,982,760,913
21 Disbursements	(170,106,852)	(355,030,117)	(359,267,282)	(368,712,906)	(373,330,471)	(395,807,971)	(2,022,255,599)
22 Receipts Net of Required	(4,447,037)	(24,855,645)	(15,929,344)	3,022,310	(11,755,189)	14,470,219	(39,494,686)
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)	\$ 14,470,219	\$ 5,511,268
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	97%	93%	96%	101%	97%	104%	98%

(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
03-03-21	Payment for March 2021	854,868	2,582,276
04-05-21	Payment for April 2021	857,806	1,724,470
05-04-21	Payment for May 2021	860,755	863,714
06-03-21	Payment for June 2021	863,714	-
		29,300,000	-

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
03-03-21	Payment for March 2021	854,868	11,815	866,683
04-05-21	Payment for April 2021	857,806	8,877	866,683
05-04-21	Payment for May 2021	860,755	5,928	866,683
06-03-21	Payment for June 2021	863,714	2,969	866,683
		29,300,000	1,900,586	31,200,586

Table 5 – FY 2018 DWSD Loan Receivable – Sewer

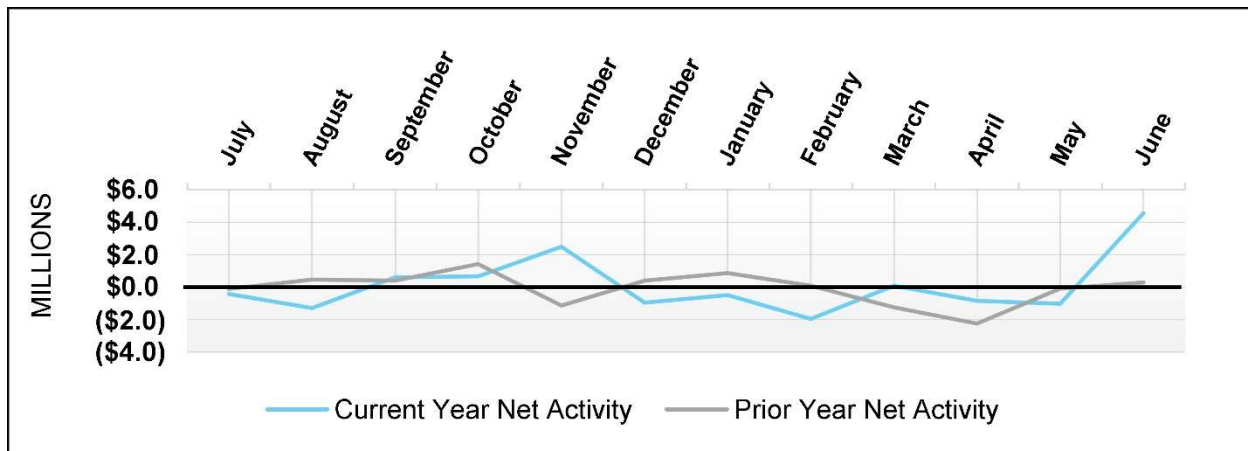
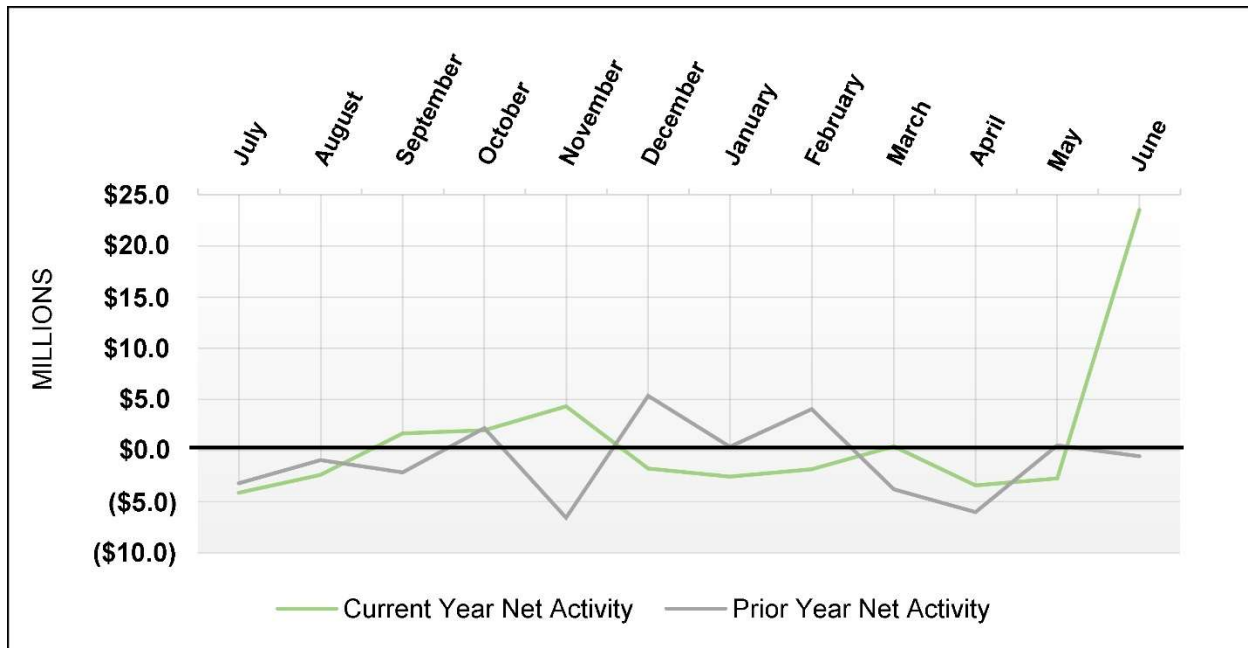
Date	Transaction	Amount	Balance
06-30-19	Record Loan Receivable		24,113,034
07-15-19	Payment for July 2019	638,978	23,474,056
08-08-19	Payment for August 2019	640,686	22,833,370
09-06-19	Payment for September 2019	642,400	22,190,970
10-02-19	Payment for October 2019	644,118	21,546,852
11-04-19	Payment 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
03-03-21	Payment for March 2021	674,035	10,329,517
04-05-21	Payment for April 2021	675,837	9,653,679
05-04-21	Payment for May 2021	677,644	8,976,035
06-03-21	Payment for June 2021	679,457	8,296,578
		15,816,456	8,296,578

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
03-03-21	Payment for March 2021	674,035	29,425	703,460
04-05-21	Payment for April 2021	675,837	27,623	703,460
05-04-21	Payment for May 2021	677,644	25,816	703,460
06-03-21	Payment for June 2021	679,457	24,003	703,460
		15,816,456	1,066,585	16,883,040

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
03-31-21	2,582,276	10,329,517	12,911,792
04-30-21	1,724,470	9,653,679	11,378,149
05-31-21	863,714	8,976,035	9,839,749
06-30-21	-	8,296,578	8,296,578

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 twelve months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through June 30, 2021 with a historical ratio of receipts exceeding required disbursements by 11% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 7% through June 30, 2021 and with a historical ratio of receipts exceeding required disbursements by 3% 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 Jun 30	Life-to-Date Total
Water							
1 Receipts	\$ 175,890,592	\$ 449,393,014	\$ 439,685,148	\$ 436,462,453	\$ 429,491,919	\$ 438,709,444	\$2,369,632,570
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	438,709,444	2,388,078,670
4 Disbursements	(194,065,737)	(381,844,129)	(390,114,267)	(386,925,081)	(394,013,522)	(409,420,607)	(2,156,383,343)
5 Receipts Net of Required	270,955	67,548,885	49,570,881	49,537,372	35,478,397	29,288,837	231,695,327
6 I&E Transfer	-	-	(25,739,700)	(56,102,080)	(25,719,751)	(31,991,687)	(139,553,218)
7 Net Receipts	\$ 270,955	\$ 67,548,885	\$ 23,831,181	\$ (6,564,708)	\$ 9,758,646	\$ (2,702,850)	\$ 92,142,109
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	100%	118%	113%	113%	109%	107%	111%
Sewer							
9 Receipts	\$ 297,634,449	\$ 703,512,249	\$ 718,374,552	\$ 733,083,541	\$ 755,150,915	\$ 781,082,620	\$3,988,838,326
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	781,082,620	4,051,120,626
12 Disbursements	(341,835,625)	(703,407,313)	(725,121,160)	(724,424,942)	(721,112,326)	(731,701,654)	(3,947,603,020)
13 Receipts Net of Required	11,553,924	104,936	(6,746,608)	15,185,799	34,038,589	49,380,966	103,517,606
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(40,504,727)	(104,846,727)
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	\$ 17,894,913	\$ 34,599,578
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	103%	100%	99%	102%	105%	107%	103%
Combined							
19 Receipts	\$ 473,525,041	\$1,152,905,263	\$1,158,059,700	\$1,169,545,994	\$1,184,642,834	\$ 1,219,792,064	\$6,358,470,896
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	1,219,792,064	6,439,199,296
22 Disbursements	(535,901,362)	(1,085,251,442)	(1,115,235,427)	(1,111,350,023)	(1,115,125,848)	(1,141,122,261)	(6,103,986,363)
23 Receipts Net of Required	11,824,879	67,653,821	42,824,273	64,723,171	69,516,986	78,669,803	335,212,933
24 I&E Transfer	-	-	(48,437,800)	(78,649,780)	(44,815,951)	(72,496,414)	(244,399,945)
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	\$ 15,192,063	\$ 126,741,687
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	102%	106%	104%	106%	106%	107%	105%

APPENDIX

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GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/21

1/4

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$245,110.96	\$245,110.96	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$21,488.22	\$21,488.22	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$72,130.17	\$72,130.17	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$27,486.66	\$27,486.66	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$66,359.72	\$66,359.72	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$316,461.18	\$316,461.18	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$53,256.42	\$53,256.42	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$34,974.46	\$34,974.46	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$918,703.89	\$918,703.89	\$0.00	\$0.00	\$0.00
CENTER LINE	\$40,883.64	\$40,883.64	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$392,717.57	\$392,717.57	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$672,778.83	\$672,778.83	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$599,094.81	\$599,094.81	\$0.00	\$0.00	\$0.00
DEARBORN	\$5,010,448.07	\$1,529,251.05	\$914,947.47	\$1,400,173.81	\$1,166,075.74
DEARBORN HEIGHTS	\$319,722.10	\$319,722.10	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$268,292.21	\$268,292.21	\$0.00	\$0.00	\$0.00
ECORSE	\$115,426.03	\$115,426.03	\$0.00	\$0.00	\$0.00
FARMINGTON	\$88,144.57	\$88,144.57	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,468,591.27	\$1,468,591.27	\$0.00	\$0.00	\$0.00
FERNDAL	\$93,965.13	\$93,965.13	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$102,821.90	\$102,821.90	\$0.00	\$0.00	\$0.00
FLINT	\$331,521.15	\$331,521.15	\$0.00	\$0.00	\$0.00
FRASER	\$108,190.45	\$108,190.45	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GARDEN CITY	\$145,182.93	\$145,182.93	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$29,400.16	\$29,400.16	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$96,340.02	\$96,340.02	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$134,319.97	\$134,319.97	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$59,782.29	\$59,782.29	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$131,426.22	\$131,426.22	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$68,530.66	\$68,530.66	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$70,825.55	\$70,825.55	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$142,440.94	\$142,440.94	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$66,100.58	\$66,100.58	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$9,719,190.47	\$194,176.63	\$96,949.64	\$95,121.22	\$9,332,942.98
HURON TOWNSHIP	\$135,804.48	\$135,804.48	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$133,725.63	\$133,725.63	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,379.41	\$1,379.41	\$0.00	\$0.00	\$0.00
INKSTER	\$115,391.00	\$115,391.00	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$50,690.47	\$50,690.47	\$0.00	\$0.00	\$0.00
LAPEER	\$140,904.96	\$140,904.96	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$48,398.31	\$48,398.31	\$0.00	\$0.00	\$0.00
LINCOLN PARK	\$203,484.94	\$203,484.94	\$0.00	\$0.00	\$0.00
LIVONIA	\$1,010,318.65	\$1,010,318.65	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$1,211,859.55	\$1,211,859.55	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$159,444.44	\$159,444.44	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MAYFIELD TOWNSHIP	\$3,115.94	\$3,115.94	\$0.00	\$0.00	\$0.00
MELVINDALE	\$113,476.31	\$113,476.31	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$32,150.28	\$32,150.28	\$0.00	\$0.00	\$0.00
NOCWA	\$3,621,202.90	\$3,621,202.90	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$77,459.20	\$77,459.20	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$497,859.66	\$497,859.66	\$0.00	\$0.00	\$0.00
NOVI	\$801,928.76	\$801,928.76	\$0.00	\$0.00	\$0.00
OAK PARK	\$120,225.00	\$120,225.00	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$7,218.25	\$7,218.25	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$96,253.15	\$96,253.15	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$740,763.63	\$740,763.63	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$276,427.24	\$276,427.24	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$55,597.16	\$55,597.16	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$76,417.72	\$76,417.72	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$24,047.28	\$24,047.28	\$0.00	\$0.00	\$0.00
ROMEO	\$22,596.37	\$22,596.37	\$0.00	\$0.00	\$0.00
ROMULUS	\$748,675.86	\$748,675.86	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$226,298.58	\$226,298.58	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$32,033.00	\$32,033.00	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$1,320,159.48	\$1,320,159.48	\$0.00	\$0.00	\$0.00
SOCWA	\$3,837,752.37	\$3,837,752.37	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$10,436.22	\$10,436.22	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$374,833.78	\$374,833.78	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ST. CLAIR COUNTY-GREENWOOD T	\$174,069.45	\$174,069.45	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$274,343.40	\$274,343.40	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$1,401,648.73	\$1,401,648.73	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$180,247.69	\$121,351.66	\$58,896.03	\$0.00	\$0.00
SYLVAN LAKE	\$21,058.24	\$21,058.24	\$0.00	\$0.00	\$0.00
TAYLOR	\$407,526.48	\$407,526.48	\$0.00	\$0.00	\$0.00
TRENTON	\$147,035.41	\$147,035.41	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,226,016.60	\$1,226,016.60	\$0.00	\$0.00	\$0.00
UTICA	\$48,032.02	\$48,032.02	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$312,960.76	\$312,960.76	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$134,110.68	\$134,110.68	\$0.00	\$0.00	\$0.00
WARREN	\$897,286.41	\$897,286.41	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$401,593.34	\$401,593.34	\$0.00	\$0.00	\$0.00
WAYNE	\$178,190.33	\$178,190.33	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,799,405.95	\$1,799,405.95	\$0.00	\$0.00	\$0.00
WESTLAND	\$600,485.41	\$600,485.41	\$0.00	\$0.00	\$0.00
WIXOM	\$231,863.63	\$231,863.63	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$148,538.12	\$148,538.12	\$0.00	\$0.00	\$0.00
YCUA	\$1,749,965.26	\$1,749,965.26	\$0.00	\$0.00	\$0.00
TOTAL WATER ACCOUNTS	\$48,694,817.09	\$35,629,710.20	\$1,070,793.14	\$1,495,295.03	\$10,499,018.72

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$37,030,575.16	\$478,900.00	\$478,900.00	\$478,900.00	\$35,593,875.16
MELVINDALE	\$129,600.00	\$129,600.00	\$0.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,821,000.00	\$3,821,000.00	\$0.00	\$0.00	\$0.00
OMID	\$5,909,432.61	\$5,909,432.61	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$4,575,900.00	\$4,575,900.00	\$0.00	\$0.00	\$0.00
SOUTH MACOMB SANITATION DIST	\$2,097,000.00	\$2,097,000.00	\$0.00	\$0.00	\$0.00
WAYNE COUNTY-AREA #3	\$4,300.00	\$4,300.00	\$0.00	\$0.00	\$0.00
TOTAL SEWER ACCOUNTS	\$56,599,207.27	\$20,047,532.11	\$478,900.00	\$478,900.00	\$35,593,875.16

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$3,129.46	\$3,129.46	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O)	\$22,138.52	\$22,138.52	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$3,870.30	\$3,870.30	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$748.92	\$748.92	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,068.69	\$3,068.69	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$ (949.78)	\$0.00	\$ (949.78)	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$2,370.64	\$2,370.64	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,462.42	\$5,462.42	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$82.80	\$82.80	\$0.00	\$0.00	\$0.00
CENTER LINE	\$3,574.98	\$3,574.98	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,186.56	\$12,186.56	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY OF FERNDAL	\$8,643.87	\$8,643.87	\$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	\$2,681.73	\$2,681.73	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$25,488.96	\$25,488.96	\$0.00	\$0.00	\$0.00
DEARBORN	\$35,247.54	\$35,247.54	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$9,428.38	\$9,428.38	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$103.50	\$103.50	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/21

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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRASER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$7,075.66	\$7,075.66	\$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
GROSSE POINTE SHORES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$2,802.27	\$2,802.27	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,052.03	\$4,052.03	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,828.71	\$1,828.71	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$2,698.99	\$2,698.99	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,098.79	\$3,098.79	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,769,762.75	\$8,117.74	\$4,051.09	\$4,059.72	\$1,753,534.20
HUNTINGTON WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,230.29	\$1,230.29	\$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	\$ (1,336.79)	\$0.00	\$ (1,336.79)	\$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 06/30/21

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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELVINDALE	\$6,825.40	\$6,825.40	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$596.99	\$596.99	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,716.71	\$1,716.71	\$0.00	\$0.00	\$0.00
NOVI	\$17,194.61	\$17,194.61	\$0.00	\$0.00	\$0.00
OAK PARK	\$6,957.05	\$6,957.05	\$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)	\$3,980.07	\$3,980.07	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$465.55	\$465.55	\$0.00	\$0.00	\$0.00
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)	\$0.00	\$ (265.73)	\$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	\$26,556.44	\$24,480.94	\$2,075.50	\$0.00	\$0.00
ROCHESTER HILLS	\$18,122.35	\$18,122.35	\$0.00	\$0.00	\$0.00
ROMULUS	\$898.75	\$898.75	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$14,280.47	\$14,280.47	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,408.40	\$13,408.40	\$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 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SHELBY TOWNSHIP	\$14,294.13	\$14,294.13	\$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	\$23,584.36	\$23,584.36	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$31,038.95	\$31,038.95	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$372.71	\$372.71	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$36,166.90	\$36,166.90	\$0.00	\$0.00	\$0.00
UTICA	\$2,958.81	\$2,958.81	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$2,044.27	\$2,044.27	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,411.32	\$1,411.32	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADM)	\$3,025.58	\$3,025.58	\$0.00	\$0.00	\$0.00
WAYNE	\$4,870.25	\$4,870.25	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,231.97	\$6,231.97	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) P	\$230.46	\$230.46	\$0.00	\$0.00	\$0.00
WESTLAND	\$22,126.69	\$22,126.69	\$0.00	\$0.00	\$0.00
TOTAL IWC ACCOUNTS	\$2,266,339.29	\$505,171.08	\$3,574.29	\$4,059.72	\$1,753,534.20

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY (MINNESOTA MINING	\$1,978.29	\$1,978.29	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$3,098.22	\$3,098.22	\$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	\$29.04	\$29.04	\$0.00	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$340.02	\$340.02	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$399.43	\$399.43	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
APPLIED TECHNOLOGY INDUSTRIE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$10.74	\$10.74	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$88.31	\$88.31	\$0.00	\$0.00	\$0.00
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	\$920.14	\$91.29	\$89.65	\$0.00	\$739.20
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$0.00	\$37.00
BETTER MADE SNACK FOOD	\$26,199.12	\$26,199.12	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$46.55	\$46.55	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$8,289.39	\$8,289.39	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$32.22	\$32.22	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$44.75	\$44.75	\$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	\$17,932.03	\$17,932.03	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,921.58	\$41.11	\$16.45	\$13.16	\$1,850.86
CINTAS CORP. - MACOMB TWP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$12.08	\$12.08	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$22,668.21	\$22,668.21	\$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 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$7,110.84	\$7,110.84	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$54.94	\$25.26	\$29.68	\$0.00	\$0.00
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$1.35	\$1.35	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$147,773.32	\$147,773.32	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$1,937.69	\$1,937.69	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$5.82	\$5.82	\$0.00	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$38.55	\$38.55	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$141.81	\$141.81	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$5,644.30	\$5,644.30	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$2,503.67	\$2,503.67	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$39.59	\$39.59	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$3,340.00	\$3,340.00	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$140.96	\$140.96	\$0.00	\$0.00	\$0.00
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$944.83	\$944.83	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ DETROIT, INC.	\$8,990.01	\$8,990.01	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$139.82	\$139.82	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLF	\$2,480.43	\$2,480.43	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$165.81	\$165.81	\$0.00	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$2.25	\$2.25	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$16,101.38	\$16,101.38	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$28.59	\$28.59	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$684.18	\$684.18	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G2O ENERGY, LLC	\$3,448.11	\$3,448.11	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$6,412.39	\$6,412.39	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$69.46	\$69.46	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$16.89	\$16.89	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$106.51	\$106.51	\$0.00	\$0.00	\$0.00
HACIENDA MEXICAN FOODS	\$2,542.67	\$1,287.33	\$472.60	\$582.78	\$199.96
HENKEL CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOME STYLE FOOD INC.	\$34.45	\$34.45	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOMEGROWN BREWING COMPANY	\$62.50	\$62.50	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$514.84	\$386.97	\$127.87	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$1,234.16	\$786.69	\$403.98	\$43.49	\$0.00
HOUGHTON INTERNATIONAL INC.	\$22,061.86	\$10,920.13	\$4,792.44	\$4,698.89	\$1,650.40
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	\$433.85	\$433.85	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$1,801.07	\$1,801.07	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$11.51	\$11.51	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$214.91	\$29.09	\$34.01	\$0.00	\$151.81
KAR NUT PRODUCTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$762.74	\$762.74	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$202.97	\$202.97	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$60.88	\$60.88	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIFE TECHNOLOGIES	\$42,353.62	\$42,353.62	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$49.23	\$49.23	\$0.00	\$0.00	\$0.00
MACDERMID, INC.	\$2,917.78	\$2,917.78	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$670.62	\$670.62	\$0.00	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$19.14	\$19.14	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MELLO MEATS INC, - KUBISCH S	\$261.84	\$261.84	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$544.35	\$544.35	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$186,657.87	\$186,657.87	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$475.51	\$0.00	\$0.00	\$475.51	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$1,057.31	\$1,057.31	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$2,662.75	\$2,662.75	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$49.49	\$49.49	\$0.00	\$0.00	\$0.00
MOTOR CITY BREWING WORKS	\$333.83	\$165.58	\$89.50	\$0.00	\$78.75
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEAPCO DRIVELINES	\$1,957.79	\$1,957.79	\$0.00	\$0.00	\$0.00
NORTH CENTER BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHERN LAKES SEAFOOD & MEAT	\$37.38	\$37.38	\$0.00	\$0.00	\$0.00
OAKWOOD BAKERY	\$96.28	\$96.28	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$78.76	\$78.76	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$37,266.13	\$37,266.13	\$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 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$107.43	\$107.43	\$0.00	\$0.00	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$20,445.92	\$20,445.92	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$164.15	\$164.15	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$2,274.99	\$0.00	\$2,274.99	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
QUALA SERVICES, LLC	\$814.26	\$814.26	\$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	\$440.60	\$0.00	\$0.00	\$440.60	\$0.00
ROCHESTER MILLS BEER COMPANY	\$179.66	\$179.66	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$3,432.18	\$1,819.45	\$1,612.73	\$0.00	\$0.00
ROYAL OAK BREWERY	\$ (367.68)	\$0.00	\$0.00	\$0.00	\$ (367.68)
RTT	\$27,772.36	\$0.00	\$0.00	\$0.00	\$27,772.36
SEAFARE FOODS, INC.	\$72.49	\$72.49	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$38.93	\$38.93	\$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	\$ (46.07)	\$0.00	\$0.00	\$0.00	\$ (46.07)
SWEETHEART BAKERY, INC.	\$66.82	\$66.82	\$0.00	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

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.	\$1,957.01	\$1,957.01	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$58,705.03	\$58,705.03	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$3,517.62	\$3,517.62	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$11.93	\$11.93	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$266.07	\$266.07	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$96.94	\$96.94	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$356.31	\$356.31	\$0.00	\$0.00	\$0.00
US ECOLOGY ROMULUS, INC.	\$2,497.96	\$2,497.96	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$5,038.48	\$5,038.48	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$320.47	\$320.47	\$0.00	\$0.00	\$0.00
VAUGHAN INDUSTRIES, INC.	\$38.70	\$38.70	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$10,774.75	\$10,774.75	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$6,275.64	\$6,275.64	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$ (36.26)	\$0.00	\$0.00	\$0.00	\$ (36.26)
WIGLEY'S MEAT PROCESS	\$689.53	\$689.53	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,131.75	\$1,131.75	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$256.03	\$256.03	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
WOLVERINE PACKING CO	\$5,770.32	\$5,770.32	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,557.37	\$2,557.37	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
TOTAL POLLUTANT SURCHARGE ACCOUNTS	\$755,820.58	\$707,191.74	\$9,943.90	\$6,254.43	\$32,430.51

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 (12 Months)	1,185,506	5,702,000	47,423	6,934,929
FY 2021 Payments (12 Months)	-	(2,783,552)	-	(2,783,552)
				-
Balance as of June 30, 2021	\$ 9,719,190	\$ 37,030,575	\$ 1,769,763	\$ 48,519,528



Financial Services Audit Committee Communication

Date: October 22, 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 and a Phase II launch on July 1, 2021.

Analysis: This month we present new tables to recap B.I.D. program activity from the date of the program launch on February 1, 2021 through August 31, 2021 for procurements that exceed \$1 million.

As of August 31, 2021 – B.I.D. Eligible Procurements

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	3	7	4	14
Total Number of Diversity Plans Submitted	10	36	n/a	46

Scored Criteria for Awarded Procurements – Percent of Procurements Awarded that Met B.I.D. Criteria (Percent of Number of Awards)

Michigan Location	66%
Member Partner Service Area	66%
Disadvantaged Service Area Territory	33%

Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses (Percent of Number of Awards)	
Awarded	33%

Overall Dollars Awarded	
Total Number of Eligible Procurements	Three contracts totaling \$99.8 million
Firms that met all four criteria	One contract totaling \$1.8 million
Firms that met three criteria	Two contracts totaling \$98.0 million

Other activities this month to expand awareness of B.I.D. and foster the development of effective diversity plans include the following.

- Delivered B.I.D. Program presentation at the Michigan Public Purchasing Officers Association's (MPPOA) October 2021 Conference in Muskegon, Michigan. GLWA was invited to speak on the B.I.D. Program at one of the event's educational sessions.
- Continued attendance of the B.I.D. Program Liaison at all Pre-Bid and Pre-Proposal solicitation meetings to overview the B.I.D. Program requirements and answer any questions from vendor/contractors.

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

- Developing a checklist of requirements for B.I.D. Program Diversity Plans to distribute to vendors as a template for future solicitations.
- Developing contract language for B.I.D. Program requirements.
- Evaluating the insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises.
- Identifying meaningful reporting and performances measures.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: October 22, 2021

To: Great Lakes Water Authority Audit Committee

From: Dana Bierer, CPA, Manager - Special Projects

Re: Grants, Gifts, and Other Resources Report through September 30, 2021

Background: The Great Lakes Water Authority (GLWA) delegated authority to the Chief Executive Officer to oversee and report on activities identified in the GLWA Articles of Incorporation related to solicitation and receipt of grants, gifts, and other resources as stated in Article 4 – Powers, Section B (4):

(4) Solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the Authority, or participate in any other way in a federal, state, local, or intergovernmental government program.

Other resources in this context refer to labor, contributions of money, property, or other things of value from any other person or entity, public or private with the exception for loans, subject to provisions of the GLWA Board Debt Management Policy, and Intergovernmental agreements and other activities that are addressed in the GLWA Board Procurement Policy.

Participation in any other way in a federal, state local, or intergovernmental government program includes participation in research projects at universities.

Refer to the Grants, Gifts, and Other Resources Delegation Policy at [Grants, Gifts, and Other Resources Delegation Policy - GLWA \(glwater.org\)](https://www.glwater.org/Grants-Gifts-and-Other-Resources-Delegation-Policy).

Analysis: To ensure transparency and timely communication, this report is provided to the Board, no less than quarterly, documenting activities subject to the policy. The report will, at a minimum, include description, type of activity, dollar amount, compliance and/or performance requirements, if any, and status including, at a minimum, solicitation, acceptance, and close-out.

Bolded items in the attached tables reflect changes from the prior report.

Highlights of this quarter's report includes the following.

- ✓ FEMA DR-4494-MI, Michigan Covid-19 Pandemic, finalized rules for eligible expenses at 100% reimbursement. GLWA had two reimbursement requests approved and reimbursed for more than \$100,000.
- ✓ EGLE awarded GLWA the Source Water Protection Grant, SWIPP, for \$50,000.
- ✓ Two significant research projects have been awarded.
 - Project 2021-011 (Integrated biochemical electrochemical technologies or IBET) - University of Michigan project; Project worth \$6,790,983. Of that amount, \$312,500 is in cash and the remainder is in-kind labor and facility for program participation.
 - Project 2020-014 (Assessing biosolid treatment processes on pollutant environmental fate on plant uptake) - US Environmental Protection Agency awarded funding to multiple universities/utilities; Project worth \$1,498,000. Of that amount, \$100,000 is in cash and the remainder is in-kind labor provided for program participation.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Table 1 Grant Submissions reflects open FY2020 submissions, FY2021 submissions, and FY2022 submissions to date. The summarized activity provided identifies four programs with six reimbursement requests.

Table 1 - Grant Submissions

Reference Number	Request Date	Description	Type of Activity	Amount Requested	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-002a	09/15/2020	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 144208	Federal Grant (Reimbursement Basis)	To Be Determined	Federal Audit Requirements (add to existing audit program)	FEMA is reviewing	Dana Bierer
2020-002b	11/11/2020	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 149797	Federal Grant (Reimbursement Basis)	\$84,244	Federal Audit Requirements (add to existing audit program)	\$84,244 received 10/14/2021	Dana Bierer
2020-002c	02/09/2021	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 149800	Federal Grant (Reimbursement Basis)	\$16,123	Federal Audit Requirements (add to existing audit program)	\$16,123 received 10/14/2021	Dana Bierer
2021-001	01/01/2021	The Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water Asset Management (DWAM) Grant CS-198	State Grant (Reimbursement Basis)	\$998,047	None	Applied	Jody Caldwell
2021-003	02/18/2021	The Michigan Department of Environment, Great Lakes, and Energy (EGLE) Watershed Council Support Program	State Grant (Reimbursement Basis)	\$40,000	Quarterly Progress Reports	Awarded	Dan Gold
2021-007	06/23/2021	The Michigan Department of Environment, Great Lakes, and Energy (EGLE) Surface Water Intake Protection Program (SWIPP)	State Grant (Reimbursement Basis)	\$50,000	Quarterly Progress Reports	Awarded	Mary Lynn Semegen and Terry Daniel

Table 2 Participation in Other Federal, State, Local or Intergovernmental Programs reflects open FY2020 projects, open FY2021 projects, and FY2022 projects to date. The summarized activity provided identifies 17 research projects with GLWA as a contributor and/or participant in research being conducted by a university or government program.

Table 2 - Participation in Other Federal, State, Local, or Intergovernmental Programs

Reference Number	Start Date	Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-003	Pre-FY 2019	Anaerobic Digestion Project CS-217	Michigan State University Project	\$353,282 (Life to date through FY2021) \$355,800 (Contract amount)	None	Ongoing	John Norton
2020-004	Pre-FY 2019	Phosphorus & Oxygen Control; Collection System Optimization Contract 1900169	Multiple Projects with University of Michigan	\$94,541 (Life to date through FY2021) \$246,823 (Contract amount)	None	Ongoing	John Norton
2020-005	FY2020	PFAS Health & Ecological Impacts Contract 1902151	Wayne State University Project	\$79,450 (Life to date through FY2021) \$192,153 (Contract amount)	None	Ongoing	John Norton
2020-007	FY2020	Transport/Fate of Nutrients in Biosolids Contract 1902059	Michigan State University Project	\$224,345 (Life to date through FY2021) \$277,470 (Amended contract amount)	None	Ongoing	John Norton
2020-008	FY2020	Surveillance of Covid-19 in Southeast MI Wastewater Contract 2001402	Michigan State University Project	\$177,004 (Life to date through FY2021) \$267,458 (Contract amount)	None	Ongoing	John Norton

Reference Number	Start Date	Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-009	07/22/2020	Implementation of LTCP modeling Contract 2001434	University of Michigan Project	\$264,348 (Life to date through FY2021) \$636,702 (Contract amount)	None	Ongoing	John Norton
2020-010	08/01/2020	Microplastics and Human Health Contract 1904710	Wayne State University Project	\$39,570 (Life to date through FY2021) \$195,000 (Contract amount)	None	Ongoing	John Norton
2020-011	Pre-FY2020	Smart Pipes Contract 1900902	University of Michigan Project	\$310,243 (Life to date through FY2021) \$356,610 (Contract amount)	None	Ongoing	John Norton
2020-013a	08/01/2020	Surveillance of Covid-19 in Southeast MI Wastewater-Expanded project scope-Phase 1	State of Michigan/ CDM Smith and Michigan State University	GLWA receiving samples and analytics (Project worth \$400,000)	None	Ongoing	John Norton
2020-013b	08/01/2020	Surveillance of Covid-19 in Southeast MI Wastewater Contract expanded project scope-Phase 2	State of Michigan/ CDM Smith and Michigan State University	GLWA receiving samples and analytics (Project worth \$2,700,000)	None	Ongoing	John Norton

Reference Number	Start Date	Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-014	12/29/2000	Assessing biosolid treatment processes on pollutant environmental fate on plant uptake	US Environmental Protection Agency (EPA)/ Michigan State, Colorado State, and University of Georgia	\$100,000 and in-kind labor for program participation (Contract amount) (Project worth \$1,498,000)	None	Awarded	John Norton
2021-004	03/17/2021	Project GREEN-Accumulation of Per- and Polyfluoroalkyl Substances in Historically Archived Corn and Wheat Grains	Michigan State University Project	\$20,000 (Contract amount) (Project worth \$69,999)	None	Ongoing	John Norton
2021-005	05/04/2021	Converting Biosolids into Diesel	Department of Energy (DOE)/ Pacific Northwest National Labs (PNNL)	In-kind labor and facility for research and analysis with PNNL (Project worth \$740,750)	None	Ongoing	John Norton
2021-008	07/12/2021	Method Development for Detection of Human Sources of Fecal Contamination in the Watershed (LAMP) Contract 2100771	Wayne State University Project	\$297,560 (Contract amount)	None	Awarded	John Norton

Reference Number	Start Date	Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2021-009	03/30/2021	Life cycle assessment Contract 2001595	University of Michigan Project	\$23,680 (Contract amount)	None	Ongoing	John Norton
2021-010	02/11/2021	Prestressed concrete cylinder pipe (PCCP) Study on Loss of Preload	Tarrant Regional Water District	\$20,000 (Contract amount) (Project worth \$100,000)	None	Awarded	John Norton
2021-011	04/29/2021	Integrated biochemical electrochemical technologies (IBET)	University of Michigan Project	\$312,500 and in-kind labor and facility for program participation (Contract amount; Project worth \$6,790,983)	None	Awarded	John Norton

Table 3 Closed Programs reflects five programs with five reimbursement requests and receipts in FY2021 and FY2022, through August 31, 2021.

Table 3 - Closed Programs

Reference Number	Request Date	Description	Type of Activity	Amount	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-001	08/31/2020; 09/23/2020; 10/26/2020; 11/23/2020	Wage Incentive used for qualified apprentices	MOU with DESC (Detroit Employment Solutions Corporation) and SER-Metro Detroit	\$12,000 (\$3,000 per month)	Minimum wage and monthly work hour requirements	\$12,000 received	Patricia Butler
2020-006	FY2020	Lake Huron to Lake Erie Monitoring Platform; Photocatalytic UV materials	Multiple Projects with Wayne State University	\$1,284,500 (Contract amount)	None	Program not initiated; no resources provided	John Norton
2021-002	02/01/2021	Southeast Michigan Council of Governments (SEMCOG) Infrastructure Asset Management Program	Organization of Local Governments (Reimbursement Basis)	\$29,951	None	\$29,951 received 02/18/2021	Jody Caldwell
2020-012	Pre-FY2020	Phosphorus and Oxygen Control; Collection System Optimization Contract 1900169	Multiple Projects with University of Michigan	\$250,000 (Contract amount)	None	Program incorporated into similar 2020-004 program	John Norton

Reference Number	Request Date	Description	Type of Activity	Amount	Compliance and/or Performance Requirements	Status	Team Member Contact
2021-006	06/21/2021	Improving Arrested Anaerobic Digestion Using Vacuum-Based IntensiCarb Reactors	Department of Energy, Office of Energy Efficiency and Renewable Energy/ University of California Irvine	In-kind labor for program participation (Project worth \$3,875,000)	None	Program not initiated; no resources provided	John Norton



Financial Report
Debt Summary
for the Quarter Ended June 30, 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.
- ✓ GLWA has eleven active State Revolving Fund (SRF) loans, eight for water and three for sewer. On behalf of DWSD, GLWA is administering three projects for water and one 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 June 30, 2021.

As of June 30, 2021 (\$ Millions)		
	Water	Sewer
FY 2021 Approved SRF Projects - Table 5	\$289.9	\$29.2
DWSD Obligation Receivable - Table 6	\$549.0	\$390.4
GLWA Outstanding Debt - Table 8	\$2,263.8	\$2,937.9

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 recently approved FY 2022 and FY 2023 Biennial Budget & Five-Year Financial Plan FY 2022 through FY 2026 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 supplemented with SRF low-interest loan funding 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 2022 – FY 2026

Projected Funding Needs for Regional System					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water					
Revenue Bonds	\$ -	\$ 205,000,000	\$ -	\$ 195,000,000	\$ -
SRF loan draws	\$ 26,100,000	\$ 16,600,000	\$ 16,600,000	\$ 16,600,000	\$ 15,810,000
Total projected funding Water	\$ 26,100,000	\$ 221,600,000	\$ 16,600,000	\$ 211,600,000	\$ 15,810,000
Sewer					
Revenue Bonds	\$ -	\$ 130,000,000	\$ -	\$ 115,000,000	\$ -
SRF loan draws	\$ 31,992,000	\$ 4,122,000	\$ -	\$ -	\$ -
Total projected funding Sewer	\$ 31,992,000	\$ 134,122,000	\$ -	\$ 115,000,000	\$ -

Table 2 - DWSD Projected Bond Financing FY 2022 – FY 2026

Projected Funding Needs for Local System					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water					
Revenue Bonds		\$ -	\$ -	\$ -	\$ -
SRF loan draws	\$ 25,000,000	\$ 28,500,000	\$ -	\$ -	\$ -
Total projected funding Water	\$ 25,000,000	\$ 28,500,000	\$ -	\$ -	\$ -
Sewer					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
SRF loans draws	\$ 10,000,000	\$ 8,628,000	\$ -	\$ -	\$ -
Total projected funding Sewer	\$ 10,000,000	\$ 8,628,000	\$ -	\$ -	\$ -

Note: Information presented is as of June 30, 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 nearly \$2.3 billion in water system debt and \$2.9 billion in sewer system debt for a combined total of over \$5.2 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.

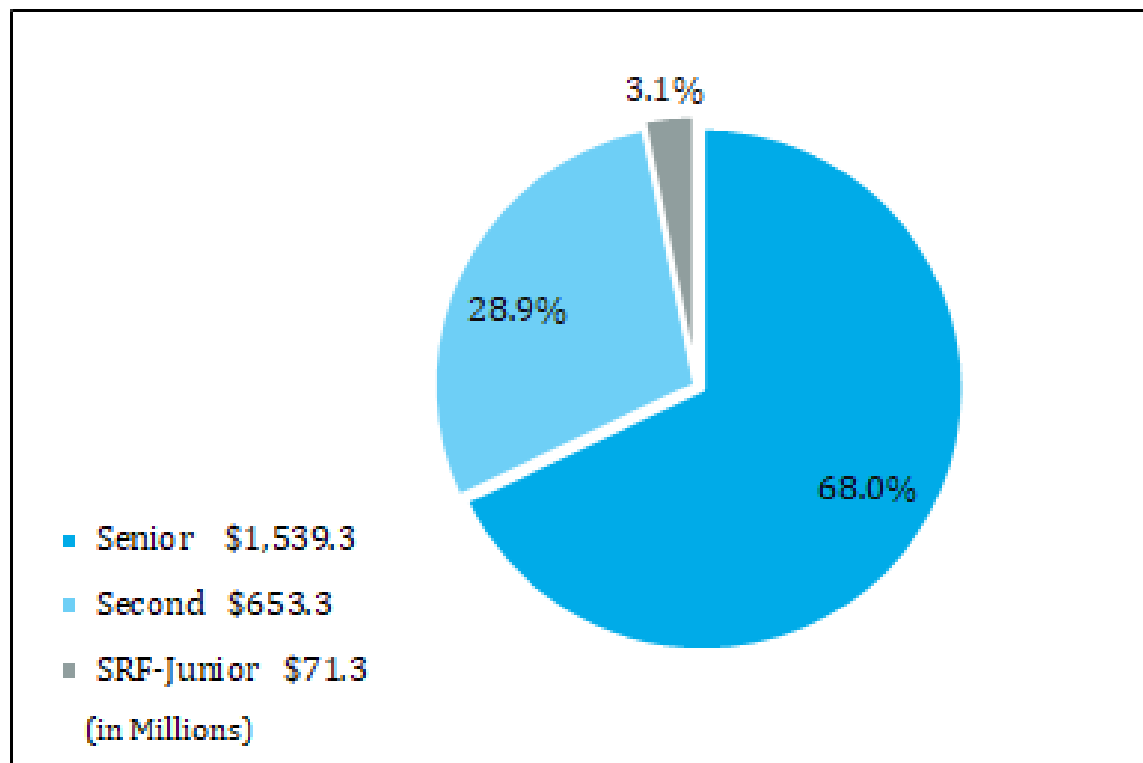


Chart 2 - Debt Type by Lien – Sewer provides a breakdown of the total sewer system debt for both the regional and local systems by lien type.

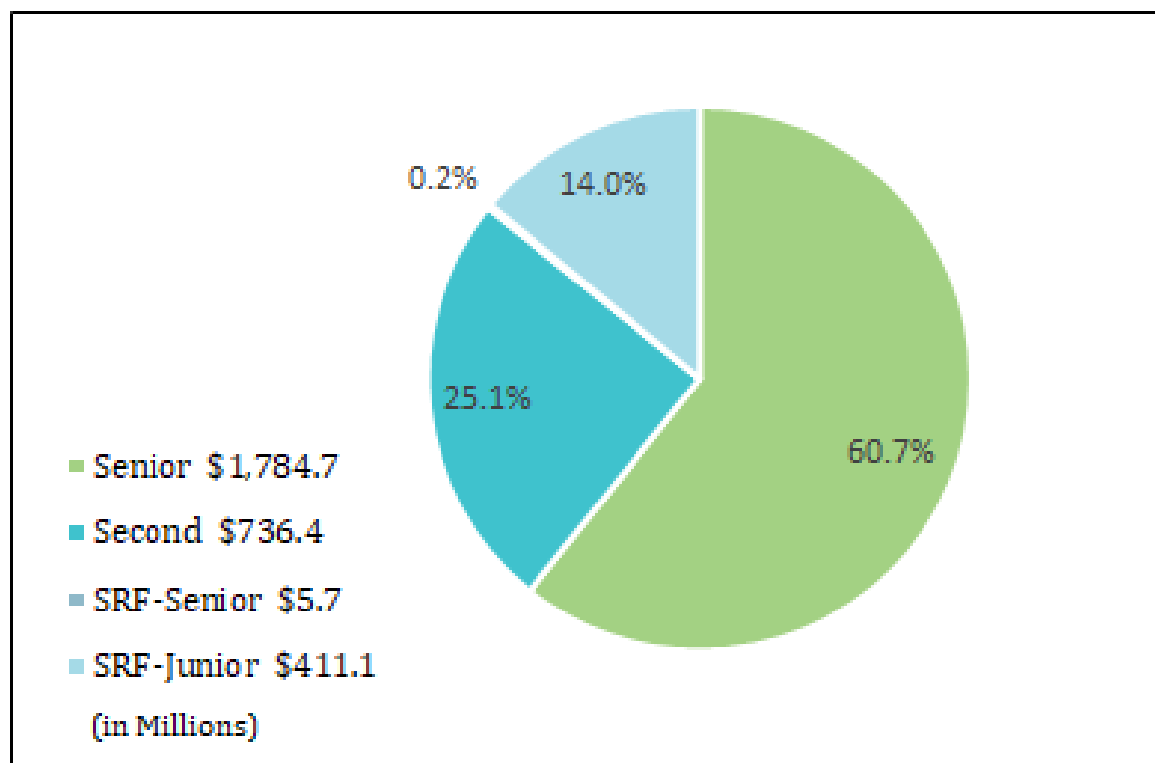


Chart 3 – Annual Debt Service Payments by Lien – Water provides the annual debt service installment requirements for each fiscal year.

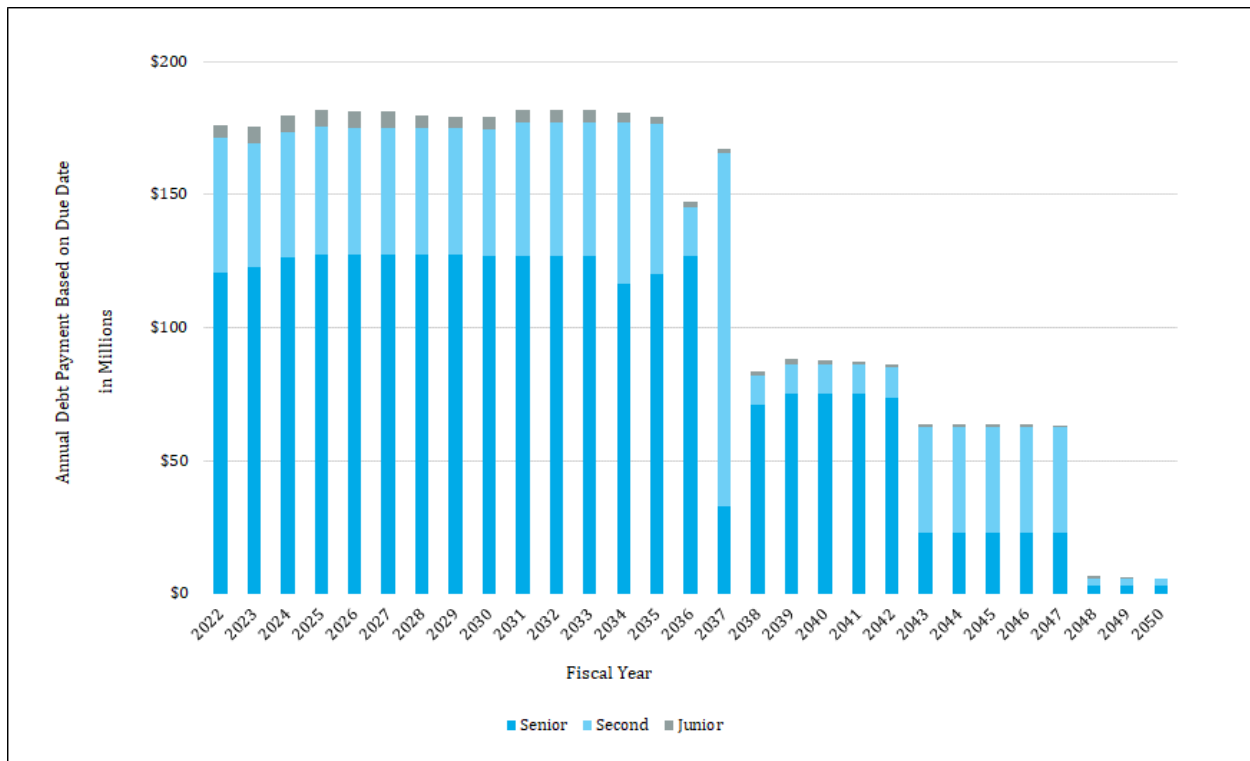


Chart 4 – Annual Debt Service Payments by Lien – Sewer provides the annual debt service installment requirements for each fiscal year.



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 Annual Comprehensive 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 (July 1 for DWRP and June 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 \$71.3 million in outstanding water SRF loans and \$416.8 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
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	\$9.0
7445-04	Northeast Transmission Main - Phase 3a	5/28/2021	\$11.9
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			\$120.6
SRF Sewer - DWSD Projects			
5688-01	Sewer Main Rehab/Rplcmt (DWS-916) - Project A	9/9/2020	\$4.0
SRF Sewer - GLWA Projects			
5655-02	Detroit River Interceptor Segment 2	3/27/2020	\$28.4
5673-01	PS-1 Ferric Chloride System Rehabilitation	2/26/2021	\$12.9
Total Sewer			\$45.3

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 June 30, 2021 for each loan. On June 30, 2021, the amount of SRF loans authorized and unissued is \$75.7 million for the Water fund and \$34.1 million for the Sewerage Disposal Fund.

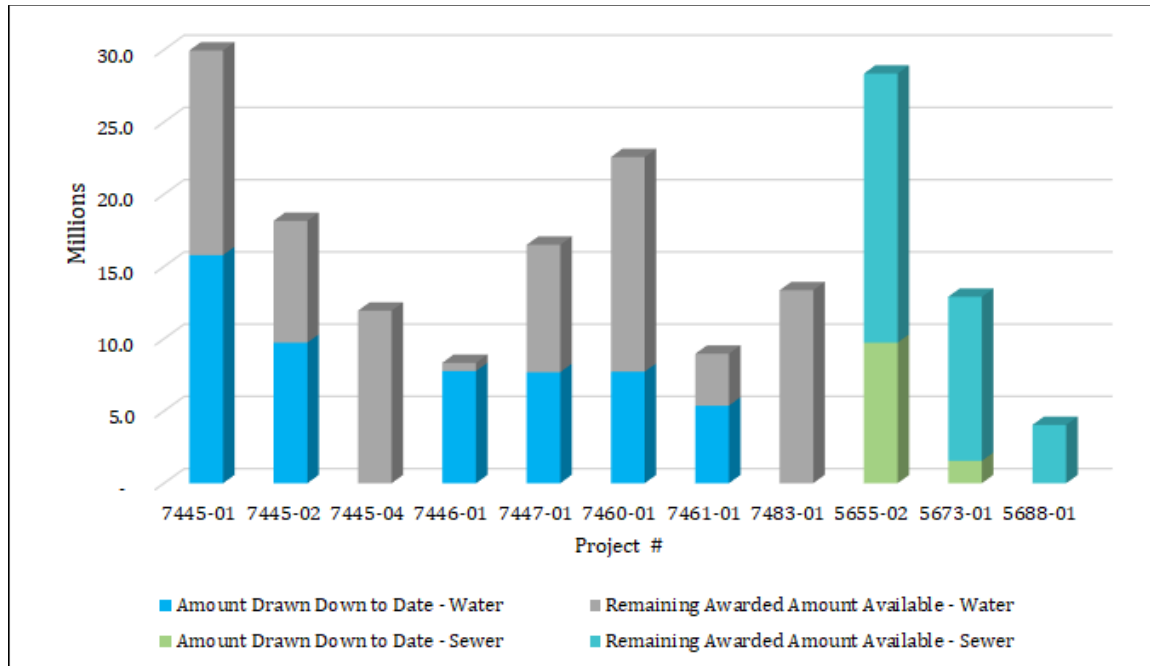


Table 5 - Project Plan Approved by EGLE identifies projects approved by the EGLE but for which applications had not yet been submitted for funding as of June 2021.

Project Owner	Description	Estimated Loan Amount	Anticipated Funding Date
Water SRF			
DWSD	Water Main Replacement (WS-713)	\$ 12,845,000	4Q 2021
GLWA	14 Mile Transmission Main Loop - Phase 2	\$ 104,725,000	4Q 2021
GLWA	Northeast Transmission Main - Phase 3b	\$ 80,294,000	FY 2024
GLWA	Northeast Transmission Main - Phase 2b	\$ 92,000,000	FY 2023
Total Water SRF		\$ 289,864,000	
Sewer SRF			
DWSD	Sewer Main Replacements (WS-917 & WS-918)	\$ 9,175,000	4Q 2021
GLWA	Detroit River Interceptor - Financial Segment	\$ 20,000,000	4Q 2022
Total Sewer SRF		\$ 29,175,000	

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 June 30, 2021 by pre-bifurcation, revenue bond and SRF component.

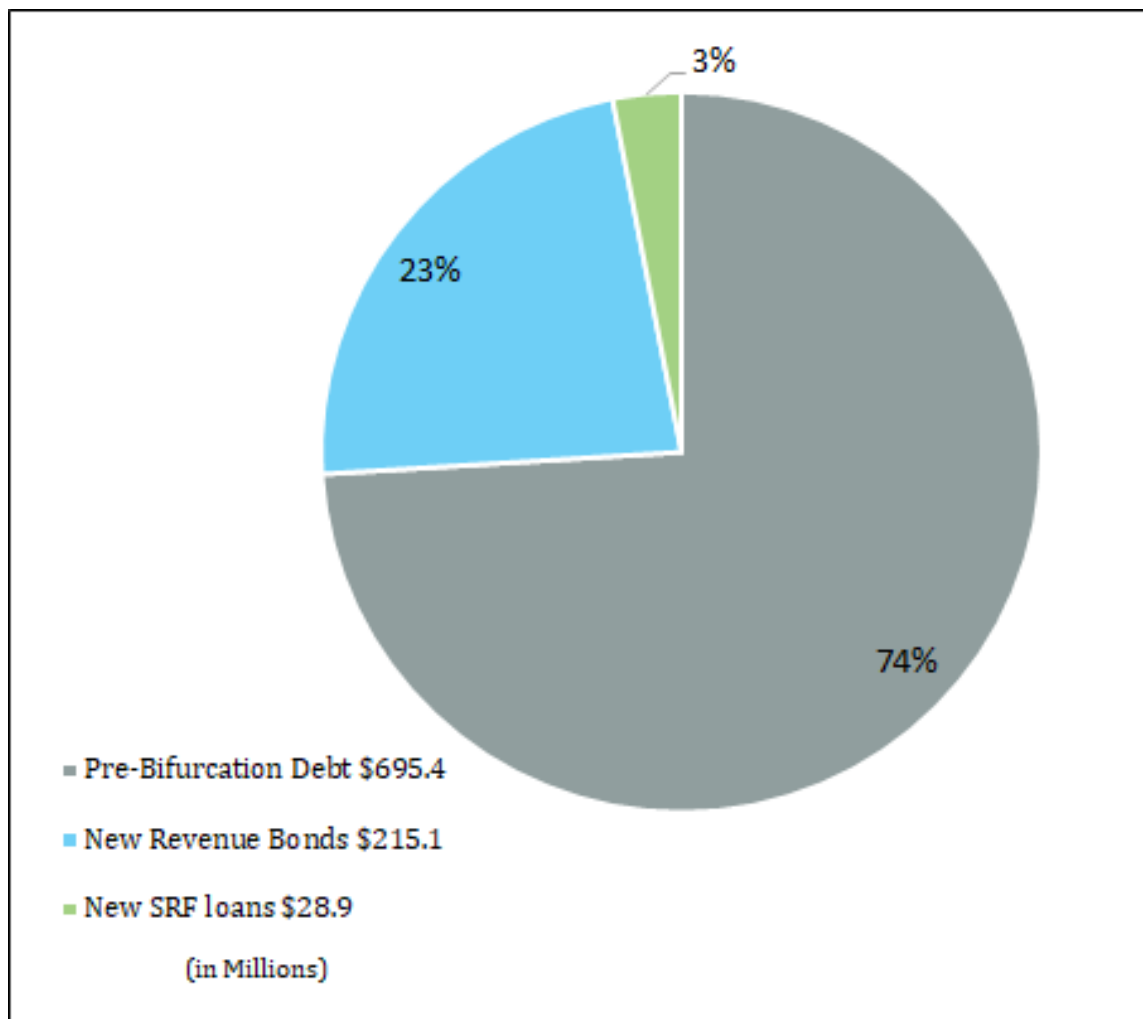


Chart 7 – Obligation Receivable Compared to Total Debt - Water provides context by comparing the Water System Obligation Receivable to the Total Water Debt (excludes unamortized premiums).

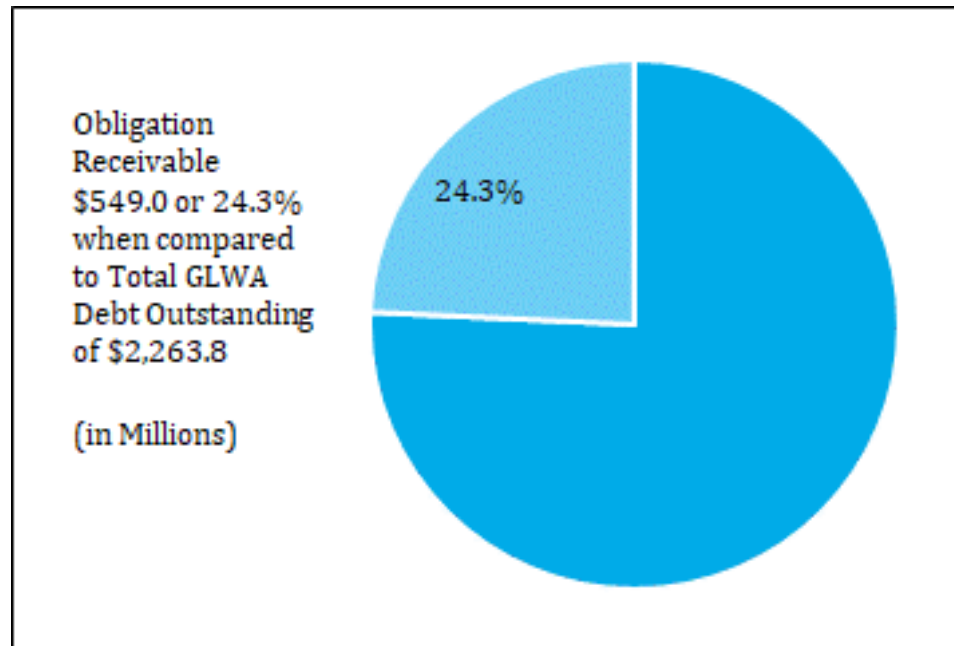


Chart 8 – Obligation Receivable Compared to Total Debt - Sewer provides context by comparing the Sewer System Obligation Receivable to the Total Sewer Debt (excludes unamortized premiums).

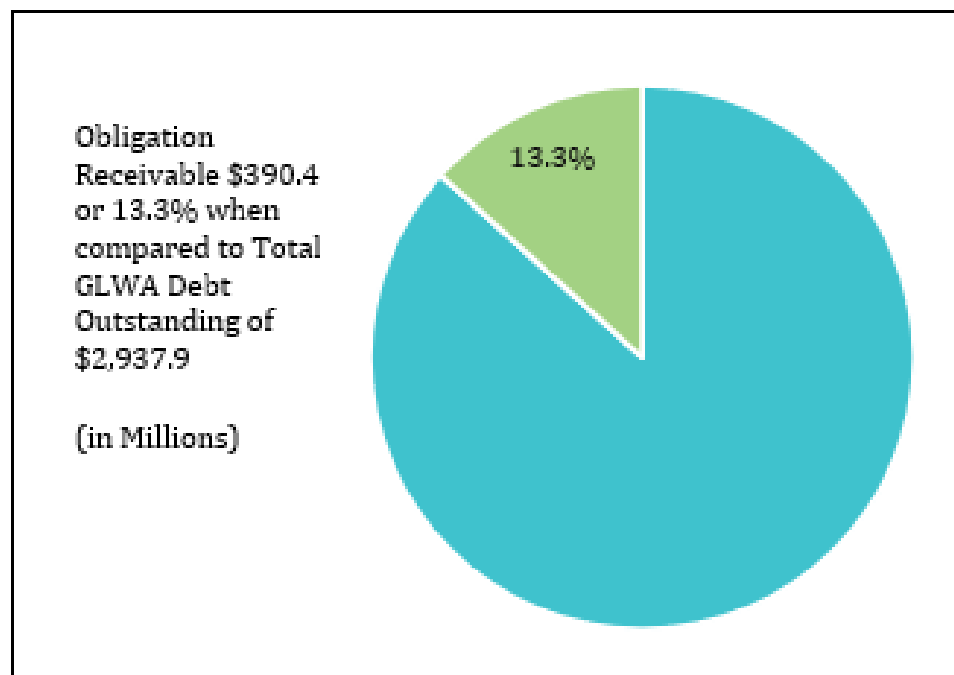


Table 6 - DWSD Obligation Receivable provides obligation receivable detail including fiscal year 2021 beginning balances by debt type and loan issue (for revenue bonds and SRF loans), year-to-date activity and ending balances as of June 30, 2021. Total DWSD debt totals \$968 million. This differs slightly from the total in Chart 8 due to the inclusion of unamortized premiums.

(In Thousands)					
Debt Type	July 1, 2020 Beg Balance	Increase	Decrease	SRF Debt Forgiveness	June 30, 2021 End Balance
DWSD Water					
Pre-Bifurcation Debt	\$ 398,320	\$ -	\$ (14,479)		\$ 383,841
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	-	(121)	-	4,842
SRF 7413-01	3,219	-	(80)	-	3,139
SRF 7414-01	5,658	-	(155)	-	5,503
SRF 7447-01	1,692	5,992	-	-	7,684
SRF 7460-01	-	9,749	-	(2,031)	7,718
SRF 7483-01	-	-	-	-	-
Total DWSD Obligation	550,171	15,741	(14,835)	(2,031)	549,046
Unamortized Premiums	20,391	-	(785)		19,606
Subtotal: Water	570,562	15,741	(15,620)	(2,031)	568,652
DWSD Sewer					
Pre-Bifurcation Debt	323,833	-	(12,250)	-	311,584
Revenue Bond - 2018A	80,225	-	(1,415)	-	78,810
SRF 5688-01	-	-	-		-
Total DWSD Obligation	404,058	-	(13,665)	-	390,394
Unamortized Premiums	9,339	-	(377)	-	8,962
Subtotal: Sewer	413,397	-	(14,041)	-	399,356
Total DWSD Debt	\$ 983,959	\$ 15,741	\$ (29,661)	\$ (2,031)	\$ 968,008

Note: While loans 7483-01 and 5688-01 were closed as of June 30, 2021, no distributions were yet received as of that date. Table 6 reflects this status.

Table 7 – Loan Forgiveness provides a summary of loan principal forgiven on DWSD SRF loans closed after January 1, 2016. EGLE grants principal loan forgiveness on qualified planning costs for disadvantaged communities. Through June 30, 2021, \$12.8 million or 16% of approved, DWSD SRF loans have been forgiven as a disadvantaged community.

State Loan #	Approved Amount	Loan Forgiveness
DWSD Water SRF		
SRF 7412-01	10,605,000	1,000,000
SRF 7413-01	5,180,000	1,000,000
SRF 7414-01	8,675,000	2,000,000
SRF 7447-01	16,500,000	4,711,944
SRF 7460-01	22,570,000	2,031,300
SRF 7483-01	13,355,000	1,201,950
Subtotal: Water	76,885,000	11,945,194
DWSD Sewer SRF		
SRF 5688-01	4,040,000	808,000
Subtotal: Sewer	4,040,000	808,000
Total DWSD Debt	\$ 80,925,000	\$ 12,753,194

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 8 - 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 June 30, 2021. GLWA debt includes financing for both the regional and local share.

Debt Type	(In Thousands)				
	June 30, 2020 Beg Balance	Increase	Decrease	Debt Forgiveness	June 30, 2021 End Balance
Water Fund					
Revenue Bonds	\$ 2,261,935	\$ -	\$ (69,425)	\$ -	\$ 2,192,510
State Revolving Loans	39,318	35,928	(3,986)	(2,031)	71,260
Total Installment Debt	2,301,253	35,928	(73,411)	(2,031)	2,263,770
Unamortized Premiums / Discounts	191,536	-	(15,414)	-	176,122
Subtotal: Water	2,492,789	35,928	(88,825)	(2,031)	2,439,892
Sewer Fund					
Revenue Bonds	2,578,220	-	(62,765)	-	2,515,455
Capital Appreciation bonds	11,335	-	(5,660)	-	5,675
State Revolving Loans	449,667	17,261	(50,160)	-	416,768
Total Installment Debt	3,039,222	17,261	(118,585)	-	2,937,898
Capital Appreciation Bond Discount	(667)	-	497	-	(171)
Unamortized Premiums / Discounts	65,568	-	(3,381)	-	62,187
Subtotal: Sewer	3,104,122	17,261	(121,469)	-	2,999,914
Total Combined, Long Term Debt	\$ 5,596,912	\$ 53,189	\$ (210,294)	\$ (2,031)	\$ 5,439,806

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 9: 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	1.89
Senior and second lien bonds	1.10	1.57	1.55	1.54	1.42	1.32	1.37
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 10: 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	2.42
Senior and second lien bonds	1.10	1.51	1.56	1.62	1.64	1.73	1.74
All bonds, including SRF junior lien	1.00	1.21	1.25	1.29	1.29	1.34	1.35
GAAP Basis							
Senior Lien Bonds		2.49	2.20	2.10	2.16		
Senior and second lien bonds		1.86	1.68	1.62	1.65		
All bonds, including SRF junior lien		1.50	1.34	1.28	1.30		

Refinancing

To reduce the annual water and sewer debt service payments, GLWA monitors its outstanding water and sewer debt portfolios to determine if it can 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 11: 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: October 22, 2021

To: Great Lakes Water Authority Audit Committee

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

Re: FY 2021 Q4 Construction Work-in-Progress Report through June 30, 2021
(Unaudited)

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

Analysis: The attached documents summarize the FY 2021 Q4 CWIP positions and provides a detailed snapshot to inform decision makers and stakeholders.

Proposed Action: Receive and file this report.



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

As of June 30, 2021

For questions, please contact:

Andrew Sosnoski, CCIFP

Construction Accounting and Financial Reporting Manager

Phone: 313.999.2585

Email: Andrew.Sosnoski@glwater.org

Issued 10.15.2021

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October 22, 2021**To Our Stakeholders:**

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of June 30, 2021. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2022–2026 Capital Improvement Plan (CIP) and look to inform decision makers as we draft the FY 2023–2027 CIP.

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

Report Contents and Organization

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

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

Summary Construction Work-in-Progress Rollforward by Jurisdiction: This table provides a summary of the planned and actual project activity by the jurisdictions identified within the FY 2022 – 2026 Board Approved CIP Plan.

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

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

Financial Information

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through June 30, 2021. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

Budget vs. Plan

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

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

WATER SYSTEM

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2021-2025 and related CIP Plan for FY 2021 were based on anticipation of FY 2021 activity resulting in 75% of planned spend. The Water System spend for the period ending June 30, 2021, is 89.2% of the FY 2021 board approved CIP, 88.3% of the FY 2021 board approved CIP with project amendments, and 119% of the FY 2021 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2021 Board Approved CIP was amended from \$147,564,000 to \$149,084,720 is provided in the subsequent Project Amendment Summary section of this report.

Water System Projects		FY 2020	FY 2020 Activity	FY 2020 Percentage	FY 2021	FY 2021 Activity (Unaudited)	FY 2021 Percentage
FY 2020 Board Approved CIP	\$	143,247,000	\$	76,542,465			53.4%
FY 2020 Board Approved CIP With Project Amendments		124,916,757		76,542,465			61.3%
FY 2020 Capital Spend Rate Assumption (SRA)		107,435,250		76,542,465			71.2%
FY 2021 Board Approved CIP					\$ 147,564,000	\$	131,687,819
FY 2021 Board Approved CIP With Project Amendments					149,084,720		131,687,819
FY 2021 Capital Spend Rate Assumption (SRA)					110,673,000		131,687,819

Construction Work-in-Progress Rollforward Summary By Jurisdiction

The purpose of the construction work-in-progress (CWIP) summary rollforward by jurisdiction is to provide a high-level overview of the financial status of the projects identified within the current board approved CIP by their jurisdiction. Within the FY 2022 – 2026 Board Approved CIP Plan, projects are identified and categorized as either City of Detroit, Wayne County - Outside Detroit, Lapeer County, Macomb County, Oakland County, Saint Clair County or Multiple Counties and reflected accordingly in this report.

\$204.9 million is in CWIP as of June 30, 2021 as shown in the table beginning on the next page.

The order of the report on the subsequent page is in ascending by jurisdiction alphabetically.

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward Summary By Jurisdiction
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Jurisdiction	Total Project Plan Estimate from FY2022 - 2026 CIP		CWIP Balance July 1, 2020		FY 2021 Board Approved CIP		FY 2021 Board Approved CIP With Project Amendments		FY 2021 Activity through June 30, 2021		CWIP Balance June 30, 2021	
City of Detroit	\$	603,366,840	\$	28,939,342	\$	40,682,000	\$	39,757,332	\$	34,184,018	\$	58,438,128
Lapeer County		5,937,124		395,011		4,211,000		4,211,000		759,447		1,154,458
Mutiple Counties		386,207,886		28,383,961		29,476,000		28,511,000		28,216,784		40,301,434
Oakland County		276,954,686		7,388,707		6,195,000		6,195,000		13,673,265		19,579,122
Saint Clair County		199,416,920		15,820,210		7,160,000		8,646,460		6,287,882		13,545,671
Wayne County - Outside Detroit		881,825,559		45,270,290		59,840,000		61,763,959		48,566,424		71,834,216
Grand Total	\$	2,353,709,015	\$	126,197,522	\$	147,564,000	\$	149,084,750	\$	131,687,819	\$	204,853,029

Construction Work-in-Progress Rollforward

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

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2021 4th quarter for the following projects:

<u>Project</u>	<u>Contract</u>	<u>Description</u>
113001	SW-548	SWWTP Sludge Treatment & Washwater
114013	CON-253	Springwells Reservoir Fill Line Improvement
116002	DB-150	PA, SW & NE Raw Water Supply Tunnel Improvement
122011	1802775	Park Merriman Water Main Final Phase
132006	1803538	Pressure & Control Imp Booster Pumping
170401	CON-181	Ypsilanti Pumping Station Bypass
170502	CON-181	Transmission System Valve Replacement

\$204.9 million is in CWIP as of June 30, 2021 as shown in the table beginning on the next page.

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

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
111001	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements	\$ 57,178,250	\$ 212,034	\$ 1,636,000	\$ 1,636,000	\$ 1,685,537	\$ -	\$ 1,897,571	\$ 1,897,571	3%
111002	LHWTP Backflow Replacement	8,705,313	8,529,804	41,000	41,000	32,616	8,717,768	-	8,717,768	100%
111004	Electrical Tunnel Rehabilitation at Lake Huron WTP	3,892,689	390			(390)	3,892,299	-	3,892,299	100%
111006	Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake	16,789,745	1,073,466	235,000	235,000	200,415	-	1,273,880	1,273,880	8%
111007	Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements	9,181,107	5,887,651	3,392,000	3,392,000	2,560,757	-	8,448,408	8,448,408	92%
111008	LHWTP Architectural Programming - Lab	1,196,283	110			(110)	-	-	-	0%
111009	Lake Huron WTP-35 MGD HLP, Flow Meters	30,480,734	116,755	1,856,000	1,142,460	1,609,306	-	1,726,061	1,726,061	6%
111010	Lake Huron Water Treatment Plant - Filtration and Pretreatment Improvements	42,206,783					-	-	-	0%
111011	Lake Huron WTP Pilot Plant	3,247,998		-	2,200,000	198,694	-	198,694	198,694	6%
111012	LHWTP-Flocculation Improvements	26,538,016				1,057	-	1,057	1,057	0%
112002	Low Lift Pumping Plant Caisson Rehabilitation at Northeast WTP	1,172,880	2,918			(2,918)	1,169,962	-	1,169,962	100%
112003	NE WTP High Lift Pumping Electrical	71,545,621	5,785			218,090	-	223,875	223,875	0%
112005	Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits	1,088,655	438,463	1,096,000	1,096,000	499,416	-	937,879	937,879	86%
112006	Northeast Water Treatment Plant Flocculator Replacements	11,316,013	186,274	2,773,000	2,773,000	68,176	-	254,450	254,450	2%
113001	Southwest Water Treatment Plant, Sludge Treatment & Waste Wash water Treatment Facilit		341,324			(170,245)	171,079	-	171,079	100%
113002	High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP	6,728,375	5,272,232	1,094,000	1,094,000	526,303	5,798,535	-	5,798,535	86%
113003	Replacement of Butterfly Valves	21,811,953	110				-	110	110	0%
113004	Residual Handling Facility's Decant Flow Modifications at Southwest WTP		1,822			(1,822)	853,219	-	853,219	100%
113006	SW WTP Chloring Scrubber	7,330,660	129,973	260,000	260,000	74,153	-	204,126	204,126	3%
113007	Architectural and Building Mechanical	3,167,022					-	-	-	0%
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	80,828,071	-			(0)	99,764,892	(0)	99,764,892	123%
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	224,221,541	5,496,115	7,113,000	8,087,759	7,447,927	-	12,944,042	12,944,042	6%

Great Lakes Water Authority
 Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Water System
Construction Work-in-Progress Quarterly Report
 As of June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	8,155,919	8,185,528			21,709	8,207,237	0	8,207,237	101%
114005	Springwells WTP Admin Building Improvements	9,259,571	943,973	2,302,000	2,302,000	234,666	-	1,178,639	1,178,639	13%
114006	Replacement of Rapid Mix Units at Springwells WTP 1958 Process Train		9,390			1,284	1,021,039	10,674	1,031,712	100%
114007	Powder Activated Carbon Systems	4,020,591					-	-	-	0%
114008	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP	13,923,254	3,381,909	10,327,000	10,327,000	7,783,415	23,038	11,142,286	11,165,324	80%
114010	Yard Piping Improvements	200,471,687	241,135	1,000	1,000	290,393	-	531,529	531,529	0%
114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	25,540,354	10,083,734	6,932,000	6,932,000	8,380,914	-	18,464,648	18,464,648	72%
114012	Springwells Water Treatment Plant 1930 Filter Building-Roof Replacement	3,911,148					3,911,148	-	3,911,148	100%
114013	Springwells Reservoir Fill Line Improvements	4,923,914	3,586,056			1,120,694	4,706,751	(0)	4,706,751	96%
114016	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement	2,280,781	94,862	1,663,000	452,000	333,459	-	428,322	428,322	19%
114017	Springwells Water Treatment Plant Flocculator Drive Replacement	12,358,115	1,071	315,000	1,501,000	188,872	-	189,943	189,943	2%
114018	Springwells Water Treatment Plant - Service Building Electrical Substation and Miscellaneous Improvements	1,544,706					-	-	-	0%
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	54,815,232	2,839,127	5,462,000	5,723,332	2,910,644	-	5,749,771	5,749,771	10%
115003	Comprehensive Condition Assessment at Waterworks Park WTP	514,004	-				-	-	-	0%
115004	Water Works Park WTP Chlorine System Upgrade	6,892,656	-			9,563	6,957,032	9,563	6,966,596	101%
115005	WWP WTP Building Ventilation Improvements	4,923,595	1,126	1,999,000	1,999,000	562,318	-	563,444	563,444	11%
115006	Water Works Park Site/Civil Improvements	5,881,718					-	-	-	0%
115007	Water Works Park High Lift Pumping Station Modernization	88,946,247					-	-	-	0%
116002	Pennsylvania, Springwells and Northeast Raw Water Supply Tunnel Improvements based on	94,880,203	18,513,669	14,138,000	14,138,000	12,119,226	4,685,231	25,947,664	30,632,896	32%
116005	Belle Isle Seawall Rehabilitation	1,831,677					-	-	-	0%
116006	Belle Isle Intake System Rehabilitation and Improvements	350,000					-	-	-	0%

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Water System
Construction Work-in-Progress Quarterly Report
 As of June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
122003	New Waterworks Park to Northeast Transmission Main	143,217,044	5,190,146	11,703,000	11,703,000	16,134,369	-	21,324,515	21,324,515	15%
122004	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	144,852,077	1,816,305	5,267,000	5,267,000	7,857,476	-	9,673,781	9,673,781	7%
122005	Replacement Schoolcraft Watermain	15,325,893	1,381,778	13,141,000	13,141,000	5,312,702	433,955	6,260,526	6,694,481	44%
122006	Transmission System Water Main Work-Wick Road Parallel Water Main	22,419,614	5,902,921	9,975,000	12,407,246	11,230,044	-	17,132,964	17,132,964	76%
122007	Design and Construction of a new Newburgh Road 24" Main along Newburgh Road between Ch	22,154,359	1,805				-	1,805	1,805	0%
122011	Park-Merriman Water Main-Final Phase	9,600,066	5,221,921	2,163,000	364,954	2,716,377	7,643,096	295,202	7,938,298	83%
122012	36-inch Water Main in Telegraph Road	9,870,398					9,986,284	-	9,986,284	101%
122013	Lyon Township Transmission Main Extension Project	105,180,009	3,642,904	1,194,000	1,194,000	6,820,617	502,808	9,960,713	10,463,521	10%
122016	Downriver Transmission Loop	37,067,100	224,909	1,748,000	1,748,000	1,395,401	-	1,620,310	1,620,310	4%
122017	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	60,188,759	3,414	1,794,000	1,794,000	1,450,837	-	1,454,251	1,454,251	2%
122018	Garland, Hurlbut, Bewick Water Transmission System Rehabilitation	54,102,536		1,717,000	1,717,000		-	-	-	0%
132003	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station	1,961,708	1,712	65,000	65,000	(1,712)	1,742,479	-	1,742,479	89%
132006	Pressure and Control Improvements at the Electric, Ford Road, Michigan, and West Chica	3,363,699	1,883,902	987,000	987,000	1,342,143	3,226,045	-	3,226,045	96%
132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	5,187,314	167,665	4,211,000	4,211,000	759,447	-	927,112	927,112	18%
132008	Needs Assessment Study for all Water Booster Pumping Stations	1,675,441	-				-	-	-	0%
132010	West Service Center/Duval Rd Division Valve Upgrades	45,142,158	2,460,032	4,323,000	4,323,000	6,598,170	-	9,058,202	9,058,202	20%
132012	Ypsilanti PS Improvements	35,393,046	333,589	846,000	846,000	181,536	-	515,125	515,125	1%
132014	Adams Road Booster Pumping Improvements	52,864,694	83,262				-	83,262	83,262	0%
132015	Newburgh BPS	45,044,000	350,454	973,000	973,000	93,618	-	444,073	444,073	1%
132016	North Service Center BPS Improvements	68,255,116	266,392			97,086	-	363,478	363,478	1%
132018	Schoolcraft BPS	47,317	47,317				-	47,317	47,317	100%
132019	Wick Road BPS - Switchgear	9,358,231	56,912				-	56,912	56,912	1%
132020	Franklin BPS - Isolation Gate Valves	2,544,535	93,160				-	93,160	93,160	4%
132021	Imlay BPS - Replace VFDs, Pumps & Motors	749,810	227,346				-	227,346	227,346	30%
132022	Joy Road BPS - Replace Reservoir Pumps	39,613,214	71,380				-	71,380	71,380	0%

Great Lakes Water Authority
 Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Water System
Construction Work-in-Progress Quarterly Report
 As of June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
132025	Northwest Booster Station Yard Piping Improvements		20,155			152	-	20,306	20,306	100%
132026	Franklin Pumping Station Valve Replacement	1,006,467	821,090	613,000	613,000	158,953	980,043	-	980,043	97%
170100	Allowance: WTP/Pump Station	-		1,499,000	1,499,000		-	-	-	100%
170102	Water Production Plant Flow Metering Improvements at NE, SP & SW WTP	372,374	372,374			1,266	-	373,640	373,640	100%
170103	Belle Isle Water Supply Intake and Ice Boom Improvements		3,278			(3,278)	286,596	-	286,596	100%
170109	Inspection of Raw Water Intakes and Tunnels	1,656,069	-				-	-	-	0%
170120	Phosphoric Acid Feed System Improvements at Southwest WTP	1,625	-				634,509	-	634,509	39047%
170122	Meter Pit at Brownstown Township		133,306			(133,306)	-	-	-	100%
170200	As Needed Construction Materials, Environmental Media and Special Allowance	1,427,227		685,000	685,000		-	-	-	0%
170300	Water Treatment Plant Automation Program	13,249,000		5,440,000	4,475,000	9,000	-	9,000	9,000	0%
170301	Water Plant Automation	-	1,755,142				-	1,755,142	1,755,142	100%
170302	SW WTP SCADA Improvements	9,000,000		-	340,000	74,413	-	74,413	74,413	1%
170303	WWP WTP Power Monitoring Installation	1,700,000		-	(1,186,000)	203,628	-	203,628	203,628	12%
170304	WWP WTP SCADA Upgrade					13946.67	0	13946.67	13946.67	100%
170400	Water Transmission Improvement Program	33,171,211		1,776,000	1,776,000		-	-	-	0%
170401	Emergency Bypass Around Ypsilanti Station	1,661,231	1,662,615			970,667	2,633,282	-	2,633,282	159%
170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	5,350,164		1,177,000	1,177,000		-	-	-	0%
170502	Transmission System Valve Assessment and Rehabilitation/Replacement A		2,051,843			(726,155)	7,689,584	-	7,689,584	100%
170503	Transmission System Valve Assessment and Rehabilitation/Replacement B	10,071,663	393,559			1,716,681	-	2,110,241	2,110,241	21%
170600	Water Transmission Main Asset Assessment Program	8,438,215		54,000	54,000		-	-	-	0%
170800	Reservoir Inspection, Design and Rehabilitation Program	23,827,344		6,087,000	6,087,000		-	-	-	0%
170801	Reservoir Inspection, Design and Rehabilitation	15,090,049	2,615,570			8,842,069	-	11,457,639	11,457,639	76%
170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	40,718,957		2,535,000	2,535,000		-	-	-	0%

Great Lakes Water Authority
Water System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Water System
Construction Work-in-Progress Quarterly Report
As of June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	10,616,499	4,529,883			4,001,232	-	8,531,114	8,531,114	80%
170902	Brownstown Meter Pit Rehabilitation	1,245,254	76,390			143,483	-	219,873	219,873	18%
171500	Roof Replacement - Var Facilities Program	22,710,989		173,000	173,000		-	-	-	0%
171501	Roof Replacements - Var Facilities Program	3,484,352	2,772,205			222,208	3,354,843	-	3,354,843	96%
331003	Masonry Replacement and Rehabilitation	25,000,000					-	-	-	0%
341001	Security Infrastructure Improvements	9,169,807	3,977,412	4,018,000	4,018,000	5,300,632	1,138,691	8,139,352	9,278,044	101%
351001	Water Facility Lighting Renovations	699,523	6,667	50,000	50,000		-	6,667	6,667	1%
380600	General Engineering Services Allowance As-needed Engineering Services for Concrete Testing, Geotechnical Soil Borings, other Testing Services, and Related Services Allowance	55,126					-	-	-	0%
380700	Energy Management: Electric Metering Improvement Program	2,130,722		715,000	715,000		-	-	-	0%
381000		2,623,926					-	-	-	0%
Grand Total		\$ 2,353,709,015	\$ 126,197,522	\$ 147,564,000	\$ 149,084,750	\$ 131,687,819	\$ 190,131,444	\$ 204,853,029	\$ 394,984,473	17%
				Project Amendments	\$ 1,520,750					

FY 2021 Project Amendment Summary

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

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2021 Capital Improvement Plan.

\$1,520,750 of Capital Reserve project amendments have been prepared as of June 30, 2021 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

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

**Great Lakes Water Authority
Water System Project Amendment Summary
Unaudited Activity For the Fiscal Year Ended June 30, 2021**

**Water System
Construction Work-in-Progress Quarterly Report**
As of June 30, 2021

Project	Project Name	Program / Allowance	Capital Reserve	Grand Total
111009	Lake Huron WTP-35 MGD HLP, Flow Meters		\$ (713,540)	\$ (713,540)
111011	Lake Huron WTP Pilot Plant		\$ 2,200,000	\$ 2,200,000
114016	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement		\$ (1,211,000)	\$ (1,211,000)
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park		\$ (505,450)	\$ (505,450)
122006	Transmission System Water Main Work-Wick Road Parallel Water Main		\$ 2,432,246	\$ 2,432,246
122011	Park-Merriman Water Main-Final Phase		\$ (1,798,046)	\$ (1,798,046)
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station		\$ 974,759	\$ 974,759
114017	Springwells Water Treatment Plant Flocculator Drive Replacement		\$ 141,782	\$ 141,782
170300	Water Treatment Plant Automation Program	\$ (1,526,000)		\$ (1,526,000)
170302	SW WTP SCADA Improvements	\$ 340,000		\$ 340,000
170303	WWP WTP Power Monitoring Installation	\$ 1,186,000		\$ 1,186,000
Grand Total		\$ -	\$ 1,520,750	\$ 1,520,750

WASTEWATER SYSTEM

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2021-2025 and related CIP Plan for FY 2021 were based on anticipation of FY 2021 activity resulting in 75% of planned spend. The Wastewater System spend for the period ending June 30, 2021, is 77.2% of the prorated FY 2021 board approved CIP, 77.6% of the prorated FY 2021 board approved CIP with project amendments, and 103% of the FY 2021 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2021 Board Approved CIP was amended from \$110,638,000 to \$110,180,582 is provided in the subsequent Project Amendment Summary section of this report.

		FY 2020	FY 2020	FY 2020		FY 2021	FY 2021	
			Activity	Percentage		Prorated	Activity	FY 2021
Wastewater System Projects		FY 2020			FY 2021	(Nine Months)	(Unaudited)	Percentage
FY 2020 Board Approved CIP	\$	161,480,000	\$	73,826,521	45.7%			
FY 2020 Board Approved CIP With Project Amendments		156,884,005		73,826,521	47.1%			
FY 2020 Capital Spend Rate Assumption (SRA)		121,110,000		73,826,521	61.0%			
FY 2021 Board Approved CIP					\$	110,638,000	\$	82,978,500 \$ 64,092,967 77.2%
FY 2021 Board Approved CIP With Project Amendments						110,180,582		82,635,437 64,092,967 77.6%
FY 2021 Capital Spend Rate Assumption (SRA)						82,978,500		62,233,875 64,092,967 103.0%

Construction Work-in-Progress Rollforward Summary By Jurisdiction

The purpose of the construction work-in-progress (CWIP) summary rollforward by jurisdiction is to provide a high-level overview of the financial status of the projects identified within the current board approved CIP by their jurisdiction. Within the FY 2022 – 2026 Board Approved CIP Plan, projects are identified and categorized as either City of Detroit, Wayne County - Outside Detroit, Lapeer County, Macomb County, Oakland County, Saint Clair County or Multiple Counties and reflected accordingly in this report.

\$191.1 million is in CWIP as of June 30, 2021, as shown in the table beginning on the next page.

The order of the report on the subsequent page is in ascending by jurisdiction alphabetically.

**Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2021 Rollforward Summary by Jurisdiction
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021**

	FY 2021 Board				FY 2021 Board							
	Total Project Plan		FY 2021		Approved CIP		FY 2021					
	Estimate from		Board		With Project		Activity through					
Jurisdiction	FY2022 - 2026 CIP		CWIP Balance	Approved CIP	Amendments		June 30, 2021	CWIP Balance				
			July 1, 2020					June 30, 2021				
City of Detroit	\$	1,311,840,369	\$	168,375,826	\$	69,244,000	\$	69,332,706	\$	58,740,415	\$	165,620,567
Mutiple Counties		422,491,975		8,595,723		41,394,000		40,847,876		25,807,105		24,943,964
Wayne County - Outside Detro		47,820,767		51,338						504,416		555,754
Grand Total	\$	1,782,153,110	\$	177,022,887	\$	110,638,000	\$	110,180,582	\$	85,051,935	\$	191,120,285

Construction Work-in-Progress Rollforward

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

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2021 4th quarter for the following projects:

<u>Project</u>	<u>Contract</u>	<u>Description</u>
211001	PC-757	Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery
232002	CON-109	Freud and Connor Creek Pump Station Improvements
260504	1900796	Rehabilitation of Outfalls - Phase II
260611	1803718	PF & 7 Mile CSO Instrumentation
260801	2004830	WRRF Sludge Pump Station #3 Roof Replacement

\$191.1 million is in CWIP as of June 30, 2021, as shown in the table beginning on the next page.

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

Wastewater System Construction Work-in-Progress Quarterly Report

As of June 30, 2021

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
211001	Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery	\$ 54,061,159.35	\$ 52,886,450.92	\$ 3,775,000.00	\$ 3,775,000.00	\$ 1,862,287.11	\$ 54,748,738.03	\$ -	\$ 54,748,738.03	101%
211002	Pump Station No. 2 Pumping Improvements	3,340,152	2,013,956			503,278	-	2,517,234	2,517,234	75%
211004	Pump Station 1 Rack & Grit and MPI Sampling Station 1 Improvements	23,295,382	27,605,573			260,110	-	27,865,682	27,865,682	120%
211005	Pump Station No. 2 Improvements	13,797,096	-			2,176	-	2,176	2,176	0%
211006	Pump Station No. 1 Improvements	68,709,404	1,283,830	645,000	645,000	2,207,689	-	3,491,519	3,491,519	5%
211007	Replacement of Bar Racks and Grit Collection System at Pump Station No. 2	76,228,576	5,176	3,098,000	3,098,000	1,504,267	-	1,509,443	1,509,443	2%
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	11,387,944	1,629,677	5,522,000	2,943,000	241,089	-	1,870,766	1,870,766	16%
211009	Rehabilitation of the Circular Primary Clarifier Scum Removal System	13,007,908	2,734	313,000	313,000	36,940	-	39,674	39,674	0%
211010	Rehabilitation of Sludge Processing Complexes A and B	13,934,471	42,231			52,039	-	94,270	94,270	1%
211011	WRRF PS1 Screening and Grit Improvements	93,303,153					-	-	-	0%
212003	Aeration System Improvements	14,643,450	-				16,524,875	-	16,524,875	113%
212004	ProjectChlorination/Dechlorination Process Equipment Improvements	5,742,203	3,803,140	1,850,000	1,850,000	1,839,188	-	5,642,328	5,642,328	98%
212006	PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract	43,788,731	-				43,788,731	-	43,788,731	100%
212007	Rehabilitation of the Secondary Clarifiers	49,871,040	330			1,917	-	2,247	2,247	0%
212008	WRRF Rehabilitation of Intermediate Lift	81,931,310	16,175	4,612,000	4,612,000	567,188	-	583,363	583,363	1%
212009	WRRF Aeration Improvements 3 and 4	73,588,564					-	-	-	0%
212010	WRRF Conversion of Disinfection of all Flow to Sodium Hypochlorite and Sodium Bisulfite	5,765,452					-	-	-	0%
213006	Improvements to Sludge Feed Pumps at Dewatering Facilities	4,489,934	5,750	174,000	174,000	188,606	-	194,357	194,357	4%
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	22,162,273	16,878,502	2,258,000	2,258,000	3,241,510	-	20,120,012	20,120,012	91%
213008	Rehabilitation of the Wet and Dry Ash Handling Systems	8,432,039	111,335	1,338,000	1,338,000	39,723	-	151,058	151,058	2%
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations	12,651,082	8,301,788	1,331,000	1,681,000	3,648,011	2,282,260	11,949,799	14,232,059	112%

Wastewater System

Construction Work-in-Progress Quarterly Report

As of June 30, 2021

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	6,645,397	1,637,516	1,300,000	2,882,302	1,433,339	-	3,070,854	3,070,854	46%
216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	23,874,377	73,474	4,291,000	4,291,000	965,470	-	1,038,944	1,038,944	4%
216007	DTE Primary Electric 3rd Feed Supply Line to the WRRF	4,544,429	2,354,996	1,296,000	1,296,000	1,025,787	543,500	3,380,783	3,924,283	86%
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	40,820,651	5,671	1,362,000	1,362,000	256,364	-	262,035	262,035	1%
216009	Logistics & Material Facility	164,904	164,904	253,000	253,000	(18,498)	146,406	-	146,406	89%
216010	WRRF Facility Optimization	10,270,771	4,312	14,000	14,000	(4,312)	-	-	-	0%
216011	WRRF Structural Improvements	12,333,080					-	-	-	0%
216012	WRRF Research Facility					38,246	38,246	-	38,246	100%
222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District	53,397,144		975,000	553,502	475,416	-	475,416	475,416	1%
222002	Detroit River Interceptor Evaluation and Rehabilitation	72,775,106	20,151,096	23,634,000	23,634,000	16,946,490	-	37,097,586	37,097,586	51%
222004	Collection System Valve Remote Operation Structures Improvements	-	468,867	2,701,000	2,701,000	(464,622)	-	4,246	4,246	100%
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	40,073,406	14,273,606	5,336,000	5,336,000	16,097,944	-	30,371,550	30,371,550	76%
232002	Freud and Connor Creek Pump Station Improvements	229,278,758	7,284,631	6,445,000	6,445,000	3,217,335	5,977,827	4,581,874	10,559,701	5%
232004	CONDITION ASSESSMENT AT BLUE HILL PUMP STATION	257,420		286,000	286,000		-	-	-	0%
233002	Collection System In System Storage Devices(ISOs) Improvements		235				-	235	235	100%
233003	Rouge River In-system Storage Devices	46,317,488					-	-	-	0%
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	53,748,897		12,976,000	12,938,628		-	-	-	0%
260201	Conveyance System Interceptor Rehab	32,282,349	960,448			9,602,720	18,542,127	10,563,168	29,105,295	90%
260202	Conveyance System Interceptor Rehab		23,871			1,904	-	25,775	25,775	100%
260204	Energy Services for Rehabilitation of Conveyance Sewer System	52,157,408	912,742			31,104	-	943,846	943,846	2%
260205	NWI Outfall Rehabilitation	10,937,891	79,226			187,913	-	267,139	267,139	2%
260206	Conveyance System Rehabilitation - Interceptors	47,821,376		-	37,372	22,180	-	22,180	22,180	0%
260207	Rehabilitation of Woodward Sewer System					1,229,440	-	1,229,440	1,229,440	100%
260500	CSO Outfall Rehab	5,000,000		11,706,000	11,618,747		-	-	-	0%
260503	Collection System Backwater Gates		760			(760)	-	(0)	(0)	100%
260504	Rehabilitation of Outfalls - Phase II	5,051,112	2,202,000			2,698,745	4,900,746	-	4,900,746	97%
260505	Rehabilitation of Outfalls - Phase IV	5,718,385	1,586,323			3,352,502	-	4,938,825	4,938,825	86%

Wastewater System Construction Work-in-Progress Quarterly Report

As of June 30, 2021

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
260506	Pilot Regulator Orifice Expansion		78,641				-	78,641	78,641	100%
260508	B-39 Outfall Rehab	568,620	498			149,502	-	150,000	150,000	26%
260509	B-40 Outfall Rehab	88,500	66,293			11,328	-	77,621	77,621	88%
260510	Conveyance System Rehabilitation - Outfalls	48,863,036		-	87,253	34,594	-	34,594	34,594	0%
260600	CSO Facilities Improvements	126,400,000		7,492,000	7,492,000		-	-	-	0%
260601	Oakwood Drain Valve Improvements	864,218	26,199			122,939	804,574	-	804,574	93%
260602	CSO Fire Alarm System Improvements	997,619	-				997,619	-	997,619	100%
260603	Conner Creek CSO Basin Rehab	7,898,362	7,056,367			462,044	-	7,518,411	7,518,411	95%
260606	Puritan Fenkell Roof Replacement	346,540	-				346,540	-	346,540	100%
260607	Lieb SDF Electrical Improvements	1,032,687	179			(179)	1,032,508	(0)	1,032,508	100%
260608	Seven Mile RTB - Roof Replacement	496,699	-				496,699	-	496,699	100%
260609	Seven Mile RTB - Parking Lot / Sitework	416,597	369,559			59,998	429,557	-	429,557	103%
260610	Baby Creek MAU Replacement	275,151	-				275,151	-	275,151	100%
260611	HVAC Improvements At Lieb SDF	395,615	95,887			316,703	412,590	-	412,590	104%
260613	Baby Creek HVAC Improvements	587,628	51,338			478,568	-	529,906	529,906	90%
260614	CSO Facilities Structural Improvements	13,794,118	303,795			2,233,613	184,683	2,352,725	2,537,407	18%
260615	PF & Lieb CSO Facilities Site & Drainage Improvements	801,140	109,660			272,747	-	382,407	382,407	48%
260616	Baby Creek SCO Anchor & Wedge Improvements	782,863	666,495			103,619	770,114	-	770,114	98%
260617	St. Aubin Chemical Disinfection Improvements	6,966,364	250,348			166,704	-	417,052	417,052	6%
260618	Oakwood HVAC Improvements	3,966,512	75,672			294,853	-	370,525	370,525	9%
260619	Control System Upgrade At St. Aubin, Lieb and 7 Mile	116,179	61,593			1,173	-	62,766	62,766	54%
260620	Baby Creek Roof Replacement	640,500				25,848	-	25,848	25,848	4%
260621	Connor Creek Berm Improvements			-	610,778	284,034	-	284,034	284,034	100%
260622	CSO Facilities Emergency Generator Improvements					893	-	893	893	100%
260700	Sewer System Infrastructure Improvements & Pumping Stations	35,901,492					-	-	-	0%
260701	Conveyance System Infrastructure Improvements	4,586,079				1,384,239	-	1,384,239	1,384,239	30%
260702	Pump Station Assets Updates	669,000					-	-	-	0%
260801	WRRF Sludge Pump Station #3 Roof Replacement					80,463	80,463	-	80,463	100%
260901	Rehab. Hazmat Facility at WRRF					131,014	-	131,014	131,014	100%
260902	WRRF Renovation of 4th Floor					49,160	-	49,160	49,160	100%
270001	Pilot CSO Netting Facility	9,573,092		20,000	20,000	235	-	235	235	0%
270002	Meldrum Sewer Diversion and VR-15 Improvements	5,839,631					-	-	-	0%
270003	Long Term CSO Control Plan	9,267,841	3,545	2,796,000	2,796,000	2,126,012	2,123,961	5,596	2,129,558	23%
270004	Oakwood Lieb CSO Facility Improvement					3,564	-	3,564	3,564	100%

Wastewater System Construction Work-in-Progress Quarterly Report

As of June 30, 2021

Great Lakes Water Authority
Wastewater System Construction Work-in-Progress (CWIP) FY 2021 Rollforward
Unaudited Activity For the Fiscal Quarter Ended June 30, 2021

Project	Project Name	Total Project Plan Estimate from FY2022 - 2026 CIP	CWIP Balance July 1, 2020	FY 2021 Board Approved CIP	FY 2021 Board Approved CIP With Project Amendments	FY 2021 Activity through June 30, 2021	Life to date Capitalization/ Expense Through June 30, 2021	CWIP Balance June 30, 2021	Life to date Activity Through June 30, 2021	Life to date Activity / Total Project Plan Estimate
274001	Leib Improvements for Meldrum Diversion	10,941,804					-	-	-	0%
277001	Baby Creek Outfall Improvements Project	18,825,761	2,283	1,251,000	1,251,000	1,066,748	1,049,803	19,228	1,069,031	6%
278001	Oakwood Improvements for NWI Diversion	10,225,804					-	-	-	0%
331002	Roofing Systems Replacement at GLWA Wastewater Treatment Plant, CSO Retention Treatment Basins (RTB) and Screening Disinfection Facilities (SDF)	8,888,476	-	91,000	91,000		1,123,056	-	1,123,056	13%
341001	Security Infrastructure Improvements		1,033,207				-	1,033,207	1,033,207	100%
341002	Security Infrastructure Improvements	3,533,510		1,051,000	1,051,000	1,900,797	-	1,900,797	1,900,797	54%
381000	Energy Management: Electric Metering Improvement Program			446,000	446,000		-	-	-	100%
Grand Total		\$ 1,782,153,110	\$ 177,022,887	\$ 110,638,000	\$ 110,180,582	\$ 85,051,935	\$ 157,620,773	\$ 191,120,285	\$ 348,741,058	20%
				Project Amendments		\$ (457,418)				

FY 2021 Project Amendment Summary

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

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2021 Capital Improvement Plan.

\$(457,518) of Capital Reserve project amendments have been prepared as of June 30, 2021 as shown in the table on the next page along with project amendments detailing the assignment of funding within Program and Allowance accounts.

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

**Great Lakes Water Authority
Wastewater System Project Amendment Summary
Unaudited Activity For the Fiscal Year Ended June 30, 2021**

**Wastewater System
Construction Work-in-Progress Quarterly Report**
As of June 30, 2021

Project	Project Name	Program / Allowance	Capital Reserve	Grand Total
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines		(2,579,000)	(2,579,000)
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations		350,000	350,000
216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP		1,582,302	1,582,302
222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District		(421,498)	(421,498)
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	(37,372)		(37,372)
260206	Conveyence System Rehabilitation - Interceptors	37,372		37,372
260500	CSO Outfall Rehab	(87,253)		(87,253)
260510	Conveyence System Rehabilitation - Outfalls	87,253		87,253
260621	Connor Creek Berm Improvements		610,778	610,778
Grand Total		\$ -	\$ (457,418)	\$ (457,418)



Welcome to the October edition of *The Procurement Pipeline*, a monthly newsletter designed to provide updates on doing business with the Great Lakes Water Authority (GLWA).

Procurement Tip of the Month: Utilizing GLWA's Capital Improvement Plan (CIP)

GLWA's Capital Improvement Plan (CIP) is a five-year planning document which identifies projects and programs that support the continuation of major capital asset investments in GLWA's regional water and wastewater systems. Updated annually to reflect changing system needs, priorities, and funding opportunities, GLWA's [Capital Improvement Plan for 2022-2026](#), as well several additional informational appendices including "[How to Navigate the CIP](#)", are available to review on the [CIP page of GLWA's website](#).

GLWA's CIP is a single source document for project and program goals, needs, and spending. Vendors reviewing the document may expect to find information on the primary goals, strategy, and process of GLWA's CIP as well as projects by category and project descriptions.

In addition, Vendors who regularly utilize the "Upcoming Solicitations" portion of the monthly *Procurement Pipeline* to prepare for future solicitation submissions will see, where applicable, CIP numbers listed next to certain projects. Vendors interested to know more about these upcoming projects may look up those CIP numbers in [GLWA's CIP](#) to review further details on the project, including project status, scope of work, project alternatives, and other important data.

New! Categories added to the Procurement Pipeline Upcoming Solicitations

Each month, vendors will now see two, new additional sections in the "Upcoming Solicitations" of the *Procurement Pipeline* newsletter:

1. Projects moved to Procurement Team (Preparing for solicitation via Bonfire) and;
2. Removed (Realignment for Future Planning)

These sections have been added to enable the GLWA Vendor Community to efficiently track and plan for future GLWA solicitations. Any questions regarding an upcoming solicitation listed in GLWA's monthly *Pipeline* newsletter may be directed via email to [Michael Lasley](#).

New! Purchase Order Terms and Conditions

On September 13, 2021, GLWA issued new [Purchase Order Terms and Conditions](#). To review the new Purchase Order Terms and Conditions, as well as GLWA's Procurement Policy, Bonfire NIGP Codes, template contracts, and other important documents please visit the [GLWA Vendor Webpage](#).

Visitor COVID-19 Access Requirements Remain in Effect Until Further Notice

On August 24, 2021, GLWA issued [Coronavirus Update #137](#) to the vendor community stating that all current Visitor COVID-19 Access Requirements will remain in effect until further notice. For a full overview of GLWA's Visitor COVID-19 Access Requirements, please review [Coronavirus Update #137](#). Any additional questions 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.

What's Coming Down the Pipe?

Current Solicitations: Be sure to register in [Bonfire](#) for new solicitations and contract award information. *Upcoming Procurements: Next Three to Nine Months* - See page 2

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

Upcoming Solicitations October 2021

Category	Description	Budget Estimate
Water System (Project Manager forecast next three months)		
Design	Reservoir Inspection, Design, Construction Administration, RPR Services	\$5,400,000
Wastewater System (Project Manager forecast next three months)		
Design Build	Control System Upgrade – St. Aubin, Leib, and 7 Mile CSO Facilities (CIP #260619)	\$7,000,000
Construction	Hubbell Southfield CSO Basin Pipe Hanger Replacement	\$1,500,000
Construction	HAZMAT (Hazardous Material) Building Renovation (CIP #216010)	\$1,500,000
Professional Services	Virtual Tour and Laser Scanning Services	\$1,000,000
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
Water System (Project Manager forecast next four to nine months)		
Materials & Equipment	Springwells WTP Pumping Unit Procurement Package (CIP#114002 Contracts E thru G)	\$56,000,000
Materials & Equipment	Springwells WTP Process Valve Procurement Package (CIP#114002 Contracts H thru I)	\$12,500,000
Design	Engineering Services Contract	\$8,150,318
Wastewater System (Project Manager forecast next four to nine months)		
Construction	WRRF Administration Building 4 th Floor Renovation (CIP #216010)	\$2,500,000
Construction	Pump Station #1 Screenings Building HVAC Improvements (CIP #211006)	\$1,000,000
Construction	Connor Creek Sewer System Rehabilitation (CIP #260208)	\$40,000,000
Construction	WRRF Pump Station #1 Improvements (CIP #211006)	\$55,000,000
Design Build	WRRF Structural Improvements (CIP #216011)	\$12,000,000
Design	Architectural & Safety Improvements to CSO Facilities (CIP #260600)	\$1,400,000
Design	Hubbell Southfield Flushing and Facility Improvements (CSO) (CIP #273001)	\$5,500,000
Design	Baby Creek and Belle Isle Facilities Control Improvements (CSO) (CIP #270006)	\$502,500
Construction	Freud Pump Station Improvements (CIP #232002)	\$75,000,000
Construction	Rehabilitation of Connors Creek Sewer Systems (CIP #260204)	\$40,000,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)		
Design	CSO Facilities Improvements (CSO) (CIP #270004)	\$4,000,000
Design Build	Baby Creek Outfall Improvements (CSO) (CIP #277001)	\$12,000,000
Design	St. Aubin CSO Facility Screening and Disinfection Improvements (CSO) (CIP #260617)	\$1,400,000
Construction	Baby Creek Screen Rehabilitation of Screens 2 through 16 (CSO) (CIP #260623)	\$2,200,000
Construction	Generator Improvements (Controls upgrades, Generator modifications) (CIP #260600) (CSO)	\$2,000,000
Construction	Conveyance System Infrastructure Improvements - Regulators and Backwater gate chambers (CIP #260701)	\$40,000,000
Construction	Rehabilitation of Northwest Interceptor from 8 Mile Road to Warren Pierson (CIP #260205)	\$7,000,000
Maintenance Services	Facilities Maintenance Services (O&M)	\$17,000,000

Category	Description	Budget Estimate
Design	Facilities Improvements (CIP #270004)	\$4,000,000
Design	North Service Center Pumping Station Improvements (CIP #132016)	\$12,200,000
Progressive Design Build	Lake Huron Water Treatment Plant, Filter Instrumentation and Raw Water Metering Improvements (CIP #111006)	\$22,000,000
Design Build	Belle Isle Seawall Rehabilitation (CIP #116005)	\$1,740,000
Design Build	Sewer Rehabilitation and Repair (CIP #260209)	\$12,200,000
Construction	Water Works Park Building Ventilation Improvements (CIP #115005)	\$10,180,000
Professional Services	SCADA System Professional Services (O&M)	\$5,500,000
Removed - Realignment for future planning		
Construction	Roof Replacement – Lake Huron WTP and Southwest WTP (CIP #171500)	\$3,000,000

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

Acronyms		
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow	WTP: Water Treatment Plant

Financial Plan Calendar

FY 2023 and 2024 Biennial Budget & Five-Year Financial Planning Cycle

(Draft as of October 14, 2021 - Dates may be modified when Calendar Year 2022 Board and Committee Dates are Established in Late Calendar Year 2021)

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

1. FY 2023 and 2024 Biennial Budget
2. FY 2023 through FY 2027 Five-Year Capital Improvement Plan
3. FY 2023 through FY 2027 Five-Year Financial Plan
4. FY 2023 Schedule of Revenues and Charges

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

Date	Activity
Tuesday, October 19, 2021	Capital Planning Committee – Review of CIP Version 1.0
Tuesday, October 19, 2021	Release CIP Version 1.0 to Member Partners for Review
Thursday, October 28, 2021	Analytical Work Group – Exceedances (exceedances to notified to communities by October 1st, meet by November 1 st and AWG by December 1st)
Monday, November 1, 2021	DWSD – Proposed CIP to be provided (Water and Sewer Services Agreement 5.3d)
<i>Tuesday, November 9, 2021</i>	<i>Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Version 1.0</i>
<i>Tuesday, November 16, 2021</i>	<i>Charges Rollout Meeting #2 – Units of Service Update</i>
Wednesday, December 1, 2021	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
Tuesday, December 14, 2021	Capital Planning Committee – Review of CIP Version 2.0
Friday, December 17, 2021	GLWA Audit Committee Meeting – Proposed Revenue Requirement & Charges
Saturday, January 1, 2022	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)

Date	Activity
Thursday, January 6, 2022	Charges Rollout Meeting #3 – Proposed FY 2023 Revenue Requirement and Charges
Wednesday, January 12, 2022	GLWA Regular Board Workshop - Review Proposed FY 2023 and 2024 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2023 Charges
Thursday, January 20, 2022	Charges Rollout Meeting #4 – Feedback on Service Charges and Review of Proposed FY 2023 Revenue Requirements
Friday, January 21, 2022 (Note: 30 days before is Monday, January 24, 2022)	Mail Notice to Member Partners of Public Hearing to be held on February 23, 2022 (minimum 30 days prior to Act 279 Public Hearing) (D)
Wednesday, January 26, 2022	GLWA Regular Board Meeting – Presentation: Proposed FY 2023 and 2024 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2023 Charges
Friday, January 28, 2022	GLWA Audit Committee Meeting – Regular Meeting
Tuesday, February 1, 2022	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Friday, February 4, 2022	Publish notice of the hearing by publication in a newspaper of general circulation (B)
Wednesday, February 23, 2022	GLWA Board Meeting – Public Hearing FY 2023 & FY 2024 Biennial Budget (A, D) and Possible Adoption of FY 2023 & FY 2024 Biennial Budget
Wednesday, February 23, 2022	GLWA Board Meeting – Public Hearing FY 2023 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C) and Possible Adoption of FY 2023 Schedule of Revenues and Charges
Wednesday, February 23, 2022	GLWA Board Meeting – Proposed Approval of the FY 2023 & FY 2024 Biennial Budget (A)
Wednesday, February 23, 2022	GLWA Board Meeting – Proposed Approval of FY 2023–2027 Capital Improvement Plan
Wednesday, February 23, 2022	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2023 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Tuesday, March 1, 2022	Mail Notice to Member Partners of Approved Charges
Wednesday, March 23, 2022	DWSD – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)

Date	Activity
Sunday, May 1, 2022	DWSD – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Friday, July 1, 2022	GLWA – Effective date of FY 2023 and FY 2024 Biennial Budget, FY 2023 Schedule of Charges, and FY 2023-2027 Capital Improvement Plan

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

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

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

- D. **GLWA Wholesale Customer Model Water Contract Section 7.02** provides: “Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the

calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.” (Emphasis added; Act 279 is the Home Rule City Act noted above.) As a result of the model contract language, the result is that the Public Hearing should be scheduled no later than March 3rd of each year.

DRAFT