



**Special Audit Committee Meeting**  
**Friday, March 14, 2025 at 8:00 a.m.**  
[www.glwater.org](http://www.glwater.org)

**[Join Zoom Meeting](#)**

Meeting ID: **873 5460 0854** Passcode: **792504**

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

**AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
  - A. None
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
  - A. *Action Item*: Proposed Appointment of Underwriting Syndicate (Page 1)
  - B. Upcoming Solicitation for External Auditor (Page 12)
8. REPORTS
  - A. CFO Report (Page 13)
  - B. Gifts, Grants, & Other Resources Report (Page 15)
  - C. Quarterly Investment Report (Page 23)
  - D. Final FY 2026 Units of Service Report – Water System Issued (Page 50)  
February 13, 2025
  - E. FY 2026 Schedule of Charges as Adopted February 26, 2025 Report (Page 70)
  - F. Revised September 2024 Monthly Financial Report Binder dated (Page 92)  
March 12, 2025
9. COMMUNICATIONS
  - A. The Procurement Pipeline for February 2025 (Page 93)
10. LOOK AHEAD
  - A. Next Audit Committee Meeting: March 28, 2025, at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



## Financial Services Audit Committee Communication

**Date:** March 14, 2025

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

**From:** Nicholas Fedewa, CPA, Public Finance Manager

**Re:** Proposed Appointment of Underwriter Syndicate

**Background & Analysis:** See attached draft Great Lakes Water Authority (“GLWA”) Board letter and related analysis.

**Proposed Action:** Audit Committee recommends that the Great Lakes Water Authority Board appoint an Underwriting Syndicate Structure with the following roles and firms:

- Bookrunning Senior Manager – Siebert Williams Shank & Co. LLC
- Co-Senior Manager – BofA Securities Inc.
- Co-Managers – Goldman Sachs & Co. LLC, Huntington Securities, Inc., Jefferies LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, and Stifel, Nicolaus & Company, Inc.;

for a duration of three (3) years through March 25, 2028, with the option to extend the initial term to maintain ongoing coverage with Board approval and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

**..Title**

**Proposed Appointment of Underwriter Syndicate**

**..Body**

Agenda of: March 26, 2025

Item No.: **2025-065**

Amount: N/A

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

**FROM:** Suzanne R. Coffey P.E.  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** March 26, 2025

**RE: Proposed Appointment of Underwriter Syndicate**

**MOTION**

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, Financial Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **appoint an Underwriting Syndicate Structure with the following roles and firms:**

- **Bookrunning Senior Manager – Siebert Williams Shank & Co. LLC**
- **Co-Senior Manager – B of A Securities Inc.**
- **Co-Managers – Goldman Sachs & Co. LLC, Huntington Securities, Inc., Jefferies LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, and Stifel, Nicolaus & Company, Inc.;**

**for a duration of three (3) years through March 25, 2028, with the option to extend the initial term to maintain ongoing coverage with Board approval;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

GLWA appoints a syndicate of Underwriters to provide bond underwriting services for all negotiated bond transactions. The Great Lakes Water Authority (GLWA) Debt Management Policy has established a process and cadence of underwriter syndicate selection. The policy states:

#### UNDERWRITER SELECTION AND SYNDICATE MANAGEMENT

##### Process and Cadence of Underwriting Syndicate Selection

For long term debt not issued through a State or Federal program such as the State Revolving Fund program, GLWA will appoint a syndicate of Underwriters (the “Underwriting Syndicate”) through a competitive procurement process as outlined in GLWA’s Procurement Policy. The Underwriting Syndicate will provide bond underwriting services for all negotiated transactions that take place during a three-year term, but the initial term may be extended by the Board as appropriate to maintain ongoing coverage. Exceptions to the use of the Underwriting Syndicate shall be reported to the Board in advance of any transaction.

##### Senior Manager Selection

GLWA will appoint a book-running senior manager to the Underwriting Syndicate. The selection criteria will include, but not be limited to, the following:

- The firm’s ability and experience in managing transactions similar to those contemplated by GLWA
- Prior knowledge and experience with GLWA, if applicable
- The firm’s willingness to risk capital and demonstration of such risk
- Quality and experience of personnel assigned to GLWA’s engagement
- Financing plan presented
- Underwriting fees

##### Co-Senior Manager Selection

GLWA may consider the appointment of a co-senior manager to the Underwriting Syndicate.

##### Co-Manager Selection

Co-managers will be appointed to the Underwriting Syndicate and selected to

complement the distribution capabilities of the senior manager and co-senior manager, if applicable. The number of co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of GLWA's bonds.

#### Selling Groups

GLWA may establish Selling Groups in certain transactions in order to broaden the reach to potential investors.

#### Underwriter's Counsel

In any negotiated sale of GLWA debt in which legal counsel is required to represent the Underwriter, the appointment will be made by the Senior Manager while also being acceptable to GLWA.

#### Underwriter's Discount

GLWA's Registered Municipal Advisor will evaluate the proposed Underwriter's Discount against comparable issues in the market. If there are multiple Underwriters in the transaction, the Chief Financial Officer will determine the allocation of liabilities and fees among the Underwriters, with input from GLWA's Registered Municipal Advisor.

All fees and allocation of liabilities will be determined prior to the sale date; a cap on Management Fee (if any), expenses and Underwriter's Counsel will be established and communicated to all parties by the Chief Financial Officer or GLWA's Registered Municipal Advisor. The senior managing underwriter will submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

#### Syndicate Policies

For each negotiated transaction, the Chief Financial Officer will, with input and advice from GLWA's Registered Municipal Advisor, approve a Syndicate Policy that will describe the designation and priority policies governing the upcoming bond sale.

GLWA may seek to give certain classes of investors (such as Retail, Institutional or ESG Investors) priority during an order period in order to encourage best execution. GLWA will require the senior manager to allocate bonds in accordance with this priority policy as well as to seek to make reasonable and fair allocations of bonds to syndicate members and the selling group. In all cases, GLWA will require the senior manager to comply with MSRB regulations governing the priority of orders and allocations.

## JUSTIFICATION

In accordance with the GLWA Procurement Policy, the GLWA Procurement group led a competitive solicitation for underwriting services. Attached is the Procurement Report summarizing the results of that solicitation. Fifteen proposals were received in total. Of the fifteen proposals received, eight firms were selected through the proposal review process to take part in interviews with the evaluation panel. Following scoring of proposals, interviews and fees, the evaluation panel recommends the appointment of Siebert Williams Shank & Co. LLC as bookrunning senior manager, B of A Securities Inc. as co-senior manager and Goldman Sachs & Co. LLC, Huntington Securities, Inc., Jefferies LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, and Stifel, Nicolaus & Company, Inc. as co-managers.

Of the firms selected, Siebert Williams Shank & Co. has served as the GLWA's bookrunning senior manager, Goldman Sachs & Co. LLC has served as co-senior manager and Morgan Stanley & Co. LLC and Loop Capital Markets LLC have served as co-managers on recent bond transactions.

The new proposed appointment is for a duration of three (3) years through March 25, 2028. The initial term may be extended by the Board as appropriate to maintain ongoing coverage.

Proposed Underwriter Compensation: The Takedown Fee in a bond transaction is the compensation paid to the underwriter for selling the bonds. It is expressed as a dollar amount per \$1,000 of the par amount of the transaction. Best practices dictate that issuers strive for the best balance between the yield for each maturity and the takedown to achieve the lowest overall cost of financing. GLWA's Financial Advisor, PFM Financial Advisors completed a benchmarking analysis of the proposed fees associated with each proposal and confirmed that most were within a competitive range between \$2.25 and \$3.00 per \$1,000 (see attached). Pricing was incorporated as a component of overall scores. Historical takedowns paid by GLWA for uninsured bonds are shown below.

<b>Recent GLWA Bond Sales - Underwriter Compensation</b>		
<b>Series</b>	<b>Uninsured Takedown (\$/\$1000)*</b>	<b>Management Fee (\$/\$1000)</b>
Series 2024	2.50	0.00
Series 2023	2.50	0.00
Series 2022	2.50	0.00
Series 2020	2.50	0.00
Series 2018	2.50	0.00
Series 2016	2.75	0.00

### **BUDGET IMPACT**

Any fees associated with the underwriting syndicate are paid out of the bond proceeds except for incidental internal costs.

### **COMMITTEE REVIEW**


The GLWA Audit Committee reviewed this matter on March 14, 2025. The Audit Committee [*insert action*] that the Board of Directors appoint an Underwriting Syndicate Structure with the following roles and firms:

- Bookrunning Senior Manager – Siebert Williams Shank & Co. LLC
- Co-Senior Manager – B of A Securities Inc.
- Co-Managers – Goldman Sachs & Co. LLC, Huntington Securities, Inc., Jefferies LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, and Stifel, Nicolaus & Company, Inc.;

for a duration of three (3) years through March 25, 2028, with the option to extend the initial term to maintain ongoing coverage with Board approval; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and the Detroit Water & Sewerage Department (DWSD). It should be noted that fees for bond transactions are deducted from a pro-rata percentage of the bond proceeds when a market-based transaction encompasses funding for DWSD. DWSD also reimburses GLWA for SRF transaction costs incurred. Representatives of DWSD was included in the procurement process with one person serving as evaluator and another person as observer.


 <b>GLWA</b> <small>Great Lakes Water Authority</small>	<b>GLWA Procurement</b>		
	<b>Effective Date:</b> 7/1/2024	<b>Document #:</b> FSA_PRO_TPL_0024	<b>Revision Date:</b> N/A
<b>Document Title:</b> Procurement Board Report		<b>Document Owner/Department:</b> Procurement Team	

**Date: February 20, 2025**  
**To: Suzanne R. Coffey, P.E., Chief Executive Officer**  
**From: Daniel Edwards, Procurement Manager**  
**Re: Procurement Report**

<b>General Information</b>			
Contract Number:	REQ-0001836	Project Owner:	Nicholas Fedewa
CIP#:	N/A		
Contract Title:	Underwriter Syndicate		
Vendors:	See below		
Budget:	N/A; Paid from bond sale proceeds		
Federal/State Funded	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

<b>Procurement Method</b>			
Competitively bid – Request for Proposal (RFP) Qualification Based Selection (QBS)			
Advertised:	12-13-2024	Addendums released:	6
Buyer:	Joan Salwasser	Downloaded by:	55
Response due date:	1-22-25	Responses received:	15
Intended period for this contract: 3-26-2025 through 3-25-2028			
<b>Business Inclusion and Diversity (B.I.D.) - Not Applicable</b>			

<b>Proposed Vendors</b>	
Bookrunning Senior Manager:	Siebert Williams Shank & Co LLC
Co-Senior Manager:	B of A Securities, Inc.
Co-Managers (in alphabetical order):	
Goldman Sachs	
Huntington Securities, Inc.	
Jeffries LLC	
Loop Capital Markets	
Morgan Stanley	
Stifel	

 <b>GLWA</b> Great Lakes Water Authority	<b>GLWA Procurement</b>			
	<b>Effective Date:</b> 7/1/2024	<b>Document #:</b> FSA_PRO_TPL_0024	<b>Revision Date:</b> N/A	<b>Revision#:</b> 0
<b>Document Title:</b> Procurement Board Report			<b>Document Owner/Department:</b> Procurement Team	

	Average Takedown (\$/bond) <sup>(1)</sup>	Est. Takedown (\$) <sup>(1)</sup>	Management Fee (\$/bond)	Est. Management Fee (\$)	Est. Expenses (\$) <sup>(2)</sup>	Total Fees Including Expenses (\$/bond)	Est. Total Fees for Series 2025 (\$)
Ramirez & Co., Inc.	2.25	1,684,000	-	-	44,000	2.31	1,728,000
Huntington Securities, Inc.	2.25	1,684,000	-	-	48,000	2.31	1,732,000
Jefferies LLC	2.33	1,746,000	-	-	37,000	2.38	1,783,000
BofA Securities, Inc.	2.50	1,871,000	-	-	31,000	2.54	1,902,000
Goldman Sachs	2.50	1,871,000	-	-	32,000	2.54	1,903,000
Loop Capital Markets	2.50	1,871,000	-	-	35,000	2.55	1,906,000
J.P. Morgan	2.50	1,871,000	-	-	39,000	2.55	1,910,000
FHN Financial Capital Markets	2.50	1,871,000	-	-	40,000	2.55	1,911,000
<b>Siebert Williams Shank &amp; Co LLC</b>	<b>2.50</b>	<b>1,871,000</b>	-	-	<b>41,000</b>	<b>2.55</b>	<b>1,912,000</b>
Morgan Stanley <sup>(4)</sup>	2.50	1,871,000	-	-	42,000	2.56	1,913,000
RBC Capital Markets	2.50	1,871,000	-	-	49,000	2.57	1,920,000
Stifel	2.71	2,026,000	-	-	46,000	2.77	2,072,000
BNY Mellon Capital Markets, LLC	2.43	1,815,000	0.50	374,000	-	2.92	2,189,000
Academy Securities, Inc	3.36	2,511,000	-	-	37,000	3.40	2,548,000
Fidelity Capital Markets <sup>(3)</sup>	-	-	-	-	-	-	-

\* Note: Fees are collected and distributed by Bookrunning Senior Manager to the Underwriter Syndicate


(1) Estimated takedowns rounded to nearest thousand and are based on estimated base case financing. Assumes issued without bond insurance.

(2) Estimated expenses rounded to nearest thousand and exclude Underwriter's Counsel.

(3) Fidelity Capital Markets did not provide a fee proposal because their submission was for only a co-manager role.

(4) Morgan Stanley included a \$2.97 per bond fee that appears to be in error and has been removed.


(5) Base case financing assumes a par of 748.390m (Assumes proceeds of: 350.0m for Water; 150.0m for Sewer; 106.510m in Water Refunded Par; 197.160m in Sewer Refunded Par)

 <b>GLWA</b> <small>Great Lakes Water Authority</small>	<b>GLWA Procurement</b>		
	<b>Effective Date:</b> 7/1/2024	<b>Document #:</b> FSA_PRO_TPL_0024	<b>Revision Date:</b> N/A
<b>Document Title:</b> Procurement Board Report		<b>Document Owner/Department:</b> Procurement Team	

Amortization Shown Below:	
1	8,515,000
2	14,875,000
3	20,525,000
4	16,930,000
5	13,130,000
6	14,110,000
7	18,255,000
8	34,200,000
9	133,810,000
10	91,650,000
11	11,565,000
12	12,145,000
13	12,750,000
14	13,385,000
15	14,055,000
16	14,760,000
17	15,500,000
18	16,270,000
19	17,085,000
20	17,945,000
21	18,835,000
22	19,780,000
23	20,770,000
24	21,805,000
25	22,895,000
26	24,045,000
27	25,245,000
28	26,505,000
29	27,830,000
30	29,220,000

Benchmarking was completed by comparing the bids for this project. This analysis confirmed that rates are in competitive range.

<b>QBS Evaluation Committee: (Designation - Organization)</b>
A - Chief Financial Officer/Treasurer - GLWA
B - Deputy Chief Financial Officer - GLWA
C - Chief Financial Officer - DWSD
D - Manager Public Finance - GLWA
E - Manager State Revolving Fund Program - GLWA

	GLWA Procurement			
	<b>Effective Date:</b> 7/1/2024	<b>Document #:</b> FSA_PRO_TPL_0024	<b>Revision Date:</b> N/A	<b>Revision#:</b> 0
<b>Document Title:</b> Procurement Board Report			<b>Document Owner/Department:</b> Procurement Team	

### Scoring (100 points possible)

<b>Proposing Firm Name</b>	<b>Score</b>
*Siebert Williams Shank & Co LLC	95.16
*BofA Securities, Inc.	89.44
*Goldman Sachs	86.53
*Morgan Stanley	86.31
*Jeffries, LLC	83.94
*Huntington Securities, Inc.	82.36
*Loop Capital Markets	80.91
*Stifel	77.91
Ramirez & Co., Inc.	59.80
J.P. Morgan	59.57
RBS Capital	57.57
Academy Securities, Inc	49.56
BNY Mellon Capital Markets, LLC	47.03
FHN Financial Capital Markets	46.96
Fidelity Capital Markets	40.57

\*Following scoring of the technical, firm experience and project team sections, the eight (8) highest scored firms were invited to participate in oral interviews. The other firms were not scored on the oral interview or fees.

### Other Data Requested by GLWA Board Members for Recommended Vendor

Minority Business Enterprise (MBE): Siebert Williams Shank & Co LLC  
 Detroit Based Business (DBB): Siebert Williams Shank & Co LLC  
 Small Business Enterprise (SBE): No


Sub-Contractor(s) List: N/A

Vendor Response Survey: N/A

### Litigation

These vendors are not currently nor has been previously involved in any litigation with the GLWA.

### Previous Contract

	<b>GLWA Procurement</b>			
	<b>Effective Date:</b> 7/1/2024	<b>Document #:</b> FSA_PRO_TPL_0024	<b>Revision Date:</b> N/A	<b>Revision#:</b> 0
<b>Document Title:</b> Procurement Board Report			<b>Document Owner/Department:</b> Procurement Team	

Previous contract holders:

- Bookrunning Senior Manager: Siebert Williams Shank & Co. LLC
- Co-Senior Manager – Goldman Sachs & Co., LLC
- Co-Managers
  - J.P. Morgan
  - Loop Capital Markets LLC
  - Ramirez & Co., Inc.
  - Wells Fargo Securities

The previous contract, 1903828, was for the period of 1/1/2020 through 12/31/2024.



## Financial Services Audit Committee Communication

**Date:** March 14, 2025

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

**From:** Steve Hoover, CPA, Financial Reporting Manager

**Re:** Audit Request for Proposal

**Background:** According to the GLWA Articles of Incorporation, the Audit Committee, once every three years, shall recommend three independent certified public accounting firms to conduct the annual financial audits of the Authority. The Board of Directors will then select, no later than 30 days from receipt of Audit Committee recommendations, one independent certified public accounting firm to execute a contract with for the succeeding three years.

**Analysis:** The GLWA Financial Services Area is preparing the Request for Proposal (RFP) to be published in March 2025 via posting on [Bonfire](#). The RFP solicitation closes mid-April 2025 with solicitation evaluations and oral interviews concluding by April 30, 2025. In recent years, the Audit Committee has delegated the evaluations and oral interviews to be completed by staff followed by an Audit Committee and Board presentations in May 2025. Pending feedback from the Audit Committee, staff will proceed in alignment with recent years.

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



## Financial Services Audit Committee Communication

**Date:** March 14, 2025

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

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

**Re:** CFO Update

### ***Charges Calculation Worksheet Updates and Improvements***

Within 48 hours of the recent Board Action to adopt the FY 2026 Charges, the Charges Outreach & Modeling Team issued the FY 2026 Schedule of Charges as Adopted February 26, 2025 Report (Item 8E on this meetings agenda). This was distributed electronically via the Member Outreach Portal. The team is presently finalizing updated charges calculation worksheets with companion explanation documents. Given unique scenarios, there are three different versions for both the water and sewer system. The worksheets will be distributed next week. Willdan has presented a draft cost of service study that is being reviewed internally.

### ***SRF Overview Lunch and Learn***

On January 15, 2025, the Financial Services Area (FSA) held their second lunch and learn session titled, "State Revolving Fund (SRF) Overview" in the 14<sup>th</sup> Floor Training Room of the Water Board Building. The primary purpose of this employee-led lunch and learn series is to promote professional development as well as a culture of knowledge sharing within GLWA. This initiative allows employees to present information on a relevant topic to their colleagues during the lunch break. The key components to FSA's lunch and learn sessions are:

- Knowledge sharing: enables employees to share their expertise, skills, and insights with others across different teams.
- Career development: provides opportunities for employees to practice presentation skills, enhance leadership abilities, and learn about new areas within the company.
- Team building: promotes collaboration and connection between team members by creating a casual environment for interaction and discussion.
- Informal learning environment encourages open dialogue, questions, and discussions without the pressure of a formal training setting.

Members of the SRF Team, including Jacqueline Morgan (Manager), Nick Simms (Management Professional), and Regina Washington (Management Professional), presented an overview of the SRF process. The topics covered related to key steps within the SRF

lifecycle, roles and responsibilities within FSA, and SRF accounting and Workday tips. The attendees were able to gain a better understanding of the SRF program, increase essential skills to account for GLWA and DWSD SRF loans, and network with peers.

### ***Public Finance Update***

We are pleased to announce that DAC Bond, the nation's leader in municipal bond compliance, has recognized the Great Lakes Water Authority (including debt predecessor) for twenty years of outstanding commitment to continuing disclosure reporting for municipal bonds. In part, the award reads, *"With a dedication to transparency and accountability, your commitment over the last twenty years has set a standard of excellence in continuing disclosure reporting and positively impacted your organization and the broader municipal market."*

### ***CFO Services***

The Financial Services Area (FSA) is pleased to share that State Revolving Fund Team Manager, Jackie Morgan, has been selected to participate in the Government Finance Officers Association (GFOA) Leadership Academy taking place at the Arizona State University Campus in Phoenix, Arizona. The Academy offers a full week of training focused on providing senior public and government finance professionals an opportunity to bolster their leadership and management skills to better serve their communities. The GFOA experienced a large volume of applications. It is an honor for Jackie to have been one of the 45 individuals selected to attend, and we look forward to the knowledge and experiences she will bring back to share with her team and colleagues at GLWA.

### ***Affordability & Assistance Update***

GLWA works directly with the Service Delivery Partners (SDP) to support their efforts to administer the Water Residential Assistance Program (WRAP). Wayne Metro, the SDP for WRAP Area 3, which encompasses Wayne County, Monroe County, and Washtenaw County is once again hosting quarterly water program meetings for municipalities in Area 3. On February 11, 2025 Macomb Community Action Agency (MCA) hosted two water program sessions for municipalities in WRAP Area 5, covering Macomb County, Lapeer County, and St. Clair County. These meetings are well-attended and serve as a valuable opportunity for municipal representatives to receive important updates on water assistance resources and to address any questions or concerns they may have.

The 2025 Joint Expo in Lansing, Michigan, hosted by the Michigan section of the American Water Works Association (AWWA) and the Michigan Water Environment Association (MWEA), was held on February 4th and 5th. Haran Stanley, Affordability and Assistance Management Professional, participated in a Career Roundtable for aspiring water professionals, participated in a 'Lunch with Leaders', and volunteered at the AWWA booth on the exhibit floor. This opportunity allowed for positive networking and enhanced representation of the Great Lakes Water Authority and the Women On Water Committee.



## Financial Services Audit Committee Communication

**Date:** March 14, 2025

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

**From:** Alicia Schwartz, Grants Manager

**Re:** Grants, Gifts, and Other Resources Report Through January 31, 2025

**Highlights:** Key activities to note in this month's report through January 31, 2025 include the following.

- ✓ **Building Resilient Infrastructure and Communities (BRIC) Scoping Grant** – GLWA was awarded \$856,000 for project scoping and design of a Dedicated Microgrid for Flood Prevention.
- ✓ **Building Resilient Infrastructure and Communities (BRIC) Grant** – GLWA submitted the application for a \$14 million grant to build a Dedicated Microgrid for Flood Prevention.
- ✓ **Department of Energy – Hydrothermal Liquefaction Project** - GLWA submitted and received a reimbursement request of \$139,438.
- ✓ **American Rescue Plan – 96 Inch Water Transmission Main Relocation** – GLWA submitted a reimbursement request for \$608,584.
- ✓ Items highlighted in yellow in the attached tables reflect changes from the prior report.

**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 <sup>(1)</sup> 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<sup>(2)</sup>.

*(1) Other resources as referenced above 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.*

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

GLWA's Grants, Gifts, and Other Resources Delegation Policy is online at [Grants, Gifts, and Other Resources Delegation Policy - GLWA \(glwater.org\)](https://www.glwater.org/Grants-Gifts-and-Other-Resources-Delegation-Policy).

**Analysis:** The tables in each section of this report present GLWA grant activity by each phase. As a grant moves through each phase, it is shown in the corresponding table.

The **pre-award** phase includes the process of applying for a grant and the period prior to the signing of the grant agreement between the awarding agency and GLWA.

The **award phase** reflects the period after the agreement is executed with the awarding agency. In this phase, GLWA becomes responsible for meeting the administrative, financial, and programmatic reporting requirements of the award.

The **post award** phase is the final stage of grant activity and includes final reporting requirements, auditing, and closeout. There are final financial and programmatic reports that must be submitted to formally close out the grant as defined in each grant agreement.

The **programs not awarded or programs that GLWA will not continue to pursue** is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA.

Items of note related to each table include the following.

**Table 1 – Pre-Award Programs** reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The summarized activity below identifies four earmarked EPA Community Grants, one BRIC Grant, two applications for Cybersecurity Grants, and the I-94 Modernization Project grant which is in the National Environmental Policy Act (NEPA) process to identify any environmental impacts related to the grant activities.

**Table 2 - Awarded Programs** reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards for local nonprofit apprenticeship grants, six reimbursement requests submitted for six associated FEMA Flood projects, one reimbursement received from a SRF ARPA funded project (7532-02), the Department of Energy grant in which a reimbursement request was submitted and received for \$139,438, a Building Resilient Infrastructure and Communities (BRIC) Grant, and a flood study grant where we are required to track costs incurred by GLWA.

**Table 3 – Post Award Programs** Three FEMA Flood projects are fully received and in the process of being closed out.

**Table 4 – Programs not awarded or Programs that GLWA will not continue to pursue** is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – no new activity was identified in January.



## Financial Services Audit Committee Communication

**Table 1 – Pre-Award Programs** reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The programs listed under this section do not have a grant agreement between the awarding agency and GLWA at this time, but an application has been submitted or the funds have been identified in legislation (i.e. earmarks). The summarized activity below identifies four earmarked EPA Community Grants, one BRIC Grant, two Cybersecurity Grants, and the I-94 Modernization Project grant which is in the National Environmental Policy Act (NEPA) process to identify any environmental impacts related to the grant activities.

**Table 1 – Pre-Award Programs**

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2023-002	3/15/2022	FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Earmark (20% Cost Share)
2023-003	12/19/2022	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Earmark (20% Cost Share)
2023-023	8/30/2023	I-94 Modernization Project	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	NEPA Review with the State of Michigan
2024-009	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Conveyance System Infrastructure Improvements	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)
2024-009b	3/9/2024	FY2024 Environmental Protection Agency Community Grant –	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
		Oakwood District Intercommunity Relief Sewer Modifications				
2025-001	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Assessments	Federal Grant (Reimbursement Basis)	\$80,000	Federal Audit Requirements	Application Submitted by GLWA
2025-002	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Professional Training for IT/Security Staff	Federal Grant (Reimbursement Basis)	\$191,194	Federal Audit Requirements	Application Submitted by GLWA
2025-003	11/14/2024	Fiscal Year 2024 Building Resilient Infrastructure and Communities (BRIC) Grant - Dedicated Microgrid-Critical Water Infrastructure for Flood Prevention project - construction	Federal Grant (Reimbursement Basis)	\$14,000,000	Federal Audit Requirements	Application submitted by GLWA

**Table 2 Awarded Programs** reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards for local nonprofit apprenticeship grants, six reimbursement requests submitted for six associated FEMA Flood projects, one reimbursement received from a SRF ARPA funded project (7532-02), the Department of Energy grant in which a reimbursement request was submitted and received for \$139,438, a Building Resilient Infrastructure and Communities (BRIC) Grant, and a flood study grant where we are required to track costs incurred by GLWA.

**Table 2 – Awarded Programs**

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Reimbursement Request of \$139,438 received in January 2025, Reimbursement Requests of \$315,678 received to date
2023-009	03/27/2023	Federal Emergency Management Agency (FEMA), June 2021 Flood, DR-4607 Project 660133 Puritan Fenkell CSO	Federal pass-through State (Reimbursement Basis)	\$80,129	Federal Audit Requirements	Reimbursement Request of \$80,129 submitted in May 2024
2023-010	3/30/2023	FEMA June 2021 Flood, DR-4607 Project 660118 WRRF	Federal pass-through State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Reimbursement Request of \$180,000 submitted in May 2024
2023-012	3/30/2023	FEMA June 2021 Flood, DR-4607 Project 660110 Fairview PS	Federal pass-through State (Reimbursement Basis)	\$319,911	Federal Audit Requirements	Reimbursement Request of \$319,911 submitted in May 2024
2023-013	8/31/2024	FEMA June 2021 Flood, DR-4607 Project 714729 Outfalls	Federal pass-through State (Reimbursement Basis)	\$275,167	Federal Audit Requirements	Reimbursement Request of \$275,167 submitted in February 2024
2023-014	8/23/2023	FEMA June 2021 Flood, DR-4607 Project 664811 Conner Creek Sewer System	Federal pass-through State (Reimbursement Basis)	\$1,805,600	Federal Audit Requirements	Reimbursement Request of \$1,805,600 submitted in February 2024
2023-015	9/26/2024	FEMA June 2021 Flood, DR-4607 Project 67052 CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement Request of \$90,541 submitted in November
2023-016	07/07/2023	Detroit Employment Solutions Corp (DESC) Apprentice Grant (\$5,000 per apprentice, 9 in total)	DESC (Nonprofit)	\$45,000	None	Grantor obtained additional funds. Grant re-opened.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
						Reimbursement Requests of \$27,000 received to date
2023-019	3/3/2021	American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE	Federal pass-through State (Reimbursement Basis)	\$11,751,730	Federal Audit Requirements	Reimbursement Request of \$608,583 submitted January 2025, Reimbursement Requests of \$6,554,375 received to date
2024-005	12/15/2023	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping/Feasibility Study (design and engineering only – no construction)	Federal pass-through State (Reimbursement Basis)	\$856,000	Federal Audit Requirements	\$856,000 Grant awarded January 2025
2024-011	7/10/2024	Southeast Michigan Flood Study	Federal (Cost Share Only)	NA	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1,500,000
2024-014	06/07/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	Reimbursement Requests of \$16,000 submitted November 2024

**Table 3 – Post Award Programs** the below awards were closed. GLWA reimbursement has been received in full, and the programs are in the process of being closed out, including any closeout reporting requirements.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-006	2/21/2023	FEMA June 2021 Flood DR-4607 Project 660138 Seven Mile CSO	Federal pass through-State (Reimbursement Basis)	\$46,996	Federal Audit Requirements	Working with MSP to close out grant
2023-007	3/27/2023	FEMA June 2021 Flood DR-4607 Project 660076 Springwell Water Treatment Plant	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Working with MSP to close out grant

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-008	3/30/2023	FEMA June 2021 Flood DR-4607 Project 668336 Fairview PS Protective Measures	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Working with MSP to close out grant

**Table 4 –Programs not awarded or Programs that GLWA will not continue to pursue** is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – no new activity was identified for January.

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



## Financial Services Audit Committee Communication

**Date:** March 14, 2025

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

**From:** Gerri Williams, Treasury Manager

**Re:** Quarterly Investment Report (Unaudited)

**Background:** As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through December 31, 2024 (unaudited).

**Analysis:** The Quarterly Investment Report complies with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. GLWA is investing its funds in a diversified portfolio which includes bank deposits, money market funds, a local government investment pool (LGIP), U.S. Treasuries, Federal Agencies, and commercial paper. All securities in the portfolio comply with the GLWA investment policy. Key metrics are provided below with additional commentary in the attached report.

- Yield at Cost:
  - As of December 31, 2024: 4.26%
  - As of September 30, 2024: 4.52%
  
- Yield at Market:
  - As of December 31, 2024: 4.42%
  - As of September 30, 2024: 4.62%
  
- Portfolio Allocation in Cash/Money Market/LGIP Securities:
  - As of December 31, 2024: 60%
  - As of September 30, 2024: 53%

Investment income in each of the funds is identified as restricted or unrestricted as defined in the Master Bond Ordinance (MBO). Unrestricted investment income can be used to fund operations and is included in the revenue requirement calculations. Restricted investment income is held within the specific fund and can only be used for the fund's purpose as stipulated in the MBO.

The Treasury group continues to work with PFM Asset Management LLC to identify strategies to maximize investment returns while meeting the GLWA standards for safety and liquidity.

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

# Great Lakes Water Authority

*Investment Performance Report – December 2024*



## **Table of Contents**

### **I. Executive Summary**

### **II. Investment Strategy**

### **III. Summary Market Overview and Outlook**

### **IV. Portfolio Snapshot**

Overall Portfolio Composition Summary

Portfolio Mix

Investments - Account Purpose

Maturity Distribution

Yield at Cost and Market

Peer Analysis

US Treasury Yield Curve

Investment Income by Month

Investment Income Year over Year

Monthly Investment Income Compared to Fed Funds Rate

Allocation and Income by Fund Type

Investments by Security Type

Investments by Credit Quality

### **VI. Appendix**

Economic Update

# Executive Summary

## PORTFOLIO RECAP

- **Safety** – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, Federal Agencies, commercial paper, SEC-registered money market funds, and a local government investment pool. The total credit profile of the portfolio is strong with over 99% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by S&P rating agency.
- **Liquidity** – Great Lakes Water Authority (“GLWA”) has continued to monitor its portfolio with the goal of limiting the allocation to cash and bank deposit accounts and maximizing the use of short-term investments to meet cash requirements. As of December 31, 2024, approximately 60% of the funds were held in cash and money market accounts maturing overnight. The percentage is somewhat higher due to January 1<sup>st</sup> debt obligations.
- **Return** – The overall yield at market decreased to 4.42% as of December 31, 2024, versus 4.62% as of September 30, 2024. The lower yield is reflective of the Fed’s continued reduction in borrowing costs and the beginning of the easing cycle. GLWA earned over \$26.8 million (unaudited) in investment income for the first six months of fiscal year 2025 on a book value basis. Investment income includes earnings on all fund types, including restricted and unrestricted funds combined as well as construction and bond proceeds. It should be noted that investment income for GLWA for FY 2025 is projected to be slightly less than what was seen in the previous fiscal year.

## AVAILABLE FUNDS (Unaudited)

Type	Book Value	Market Value	Yield @ Cost (as of 12/31/24)	Yield @ Market (as of 12/31/24)
Deposit Accounts	\$17,085,968	\$17,085,968	2.20%	2.20%
Trust Money Market Fund	\$432,603,112	\$432,603,112	4.37%	4.37%
Money Market Fund	\$16,857,970	\$16,857,970	4.37%	4.37%
Local Government Investment Pool	\$270,892,915	\$270,892,915	4.48%	4.48%
Managed Funds	\$489,655,641	\$488,560,691	4.11%	4.52%
<b><i>DECEMBER 2024 TOTALS:</i></b>	<b><i><u>\$1,227,095,605</u></i></b>	<b><i><u>\$1,226,000,655</u></i></b>	<b><i><u>4.26%</u></i></b>	<b><i><u>4.42%</u></i></b>
<b><i>PREVIOUS QUARTER TOTALS:</i></b>	<b><i><u>\$1,129,593,625</u></i></b>	<b><i><u>\$1,129,651,858</u></i></b>	<b><i><u>4.52%</u></i></b>	<b><i><u>4.62%</u></i></b>

Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# Investment Strategy

## OVERALL STRATEGY

- All investment activity is conducted subject to GLWA’s investment policy and state statutes while meeting the primary objectives of safety and liquidity. The portfolio is managed to a disciplined investment plan to provide improved safety and diversification while putting every dollar to work.
- GLWA, working with its investment advisor PFM Asset Management (“PFMAM”), has continued to invest its funds in a mixture of short and intermediate-term individual investment securities to ensure adequate liquidity to cover upcoming debt, pension payments, and operational requirements.
- PFMAM will continue to actively manage long-term portfolios with full discretion and align short-term balances with expected liabilities and identify strategies to maximize future investment income in the current interest rate environment, subject to GLWA’s investment policy and state statutes.

## PORTFOLIO PERFORMANCE – CURRENT PERIOD\*

- The overall portfolio’s original yield at cost went from 4.52% as of 9/30/2024 to 4.26% as of 12/31/2024.
- The total portfolio had a market yield of 4.42% at the end of December, compared to 4.62% as of September 30, 2024. Yield at market represents what the market would provide in return if the portfolio was purchased on December 31, 2024 (versus purchased in prior months / years); the lower yield is a result of the FOMC’s recent policy of cutting overnight interest rates.
  - We utilize a variety of investment sectors, and because of that, this 4.42% yield at market as of 12/31/2024 is lower than in the prior quarter due to the Federal Reserve lowering the target range for the Federal Funds rate.

## PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$26.8 million (unaudited) in investment interest income for fiscal year-to-date 2025 (as of 12/31/2024) on a book value basis.
- The fiscal year-to-date 2025 period earnings were in line with the previous year’s fiscal year-to-date earnings, though expectations are for lower interest income for the entire FY 2025 mainly due to the FOMC moving monetary policy to a more neutral level.

*\* Yield at cost is based on the original cost of the individual investments from the purchase date to maturity. On the other hand, yield at market is calculated on a specific day (in this case, September 30, 2024) and assumes that all the securities in the portfolio are purchased given the market price/yield on that particular day. If one is to generally hold their investments to the stated maturity date, then the yield at cost would be the better number to use to gauge how the portfolio is performing.*

# Summary Market Overview and Outlook

## ECONOMIC HIGHLIGHTS UPDATE

- At the final Federal Open Market Committee (“FOMC”) meeting of 2024, the Federal Reserve (the “Fed”) lowered the target range for the Federal Funds rate by 25 basis points to a new range of 4.25% to 4.50%. In his post-meeting press conference, Fed Chair Jerome Powell said it was a “closer call” than in previous meetings and noted that the Fed is now “in a new phase” of the easing cycle. The market now expects the Fed to pause rate cuts for several months.
- The FOMC’s updated Summary of Economic Projections showed a higher median expectation for inflation in calendar years 2025 and 2026, in line with recent upticks in various inflation metrics. Projections for gross domestic product were also revised higher while the unemployment rate projection was lowered. Chair Powell noted that some FOMC members began to consider the implications of the new administration’s proposed policies when formulating their individual projections.
- The Fed’s updated median “dot” projection showed only 50 basis points of rate cuts in 2025, down from previous projections which called for a full percentage point of rate cuts this year. The projections show a Federal Funds rate target range of 3.75% – 4.00% by the end of 2025.
- The Consumer Price Index and Personal Consumption Expenditures Index both increased marginally on a year-over-year basis and remain above the Fed’s 2.0% target.
- Nonfarm payrolls for December grew by 256,000, beating consensus expectations by nearly 100,000. The unemployment rate ticked down slightly from 4.2% to 4.1%, while wage growth fell slightly to a still robust 3.9% year-over-year.
- The final estimate of third quarter calendar year 2024 GDP of 3.1% underscores the strength of the domestic economy. Expectations for the fourth quarter calendar year 2024 GDP remain strong, with the Atlanta Fed GDPNow forecast at 2.7%.

## ECONOMIC IMPACT ON PORTFOLIO

- The U.S. Treasury yield curve twisted and steepened throughout December as short-term yields declined while longer-term yields drifted higher. Longer-term yields rose on concerns about the staying power of inflation, the growing U.S. deficit, and worries about potential tariffs. Policy uncertainty combined with the “higher for longer” rate sentiment sent yields 2 years and longer higher while the December Fed rate cut sent shorter term yields lower. Yields on 3-month, 2-year, and 10-year U.S. Treasuries ended the quarter at 4.31%, 4.24%, and 4.57%, respectively. The 10-year Treasury is now outyielding the 3-month security for the first time in over two years.
- The Republican sweep of the Presidency and Congress resulted in an increase in volatility as investors digested the impact of the new administration’s policy proposals.
- Portfolio Impact: Given the ongoing backup in rates and significant policy uncertainty as we begin the 2025 calendar year, we will continue to maintain portfolio durations near 100% of benchmarks. Federal Agencies remain expensive and are not expected to change in the near term. We expect to maintain low allocations to Agencies in favor of other sectors. Credit spreads on the short end of the curve inched slightly wider into calendar year-end, while Treasury Bill yields drifted lower in response to the Fed’s rate cut. Meanwhile, yields (and spreads) in the back end of the money market curve climbed as markets priced in a slower pace of rate cuts in 2025.

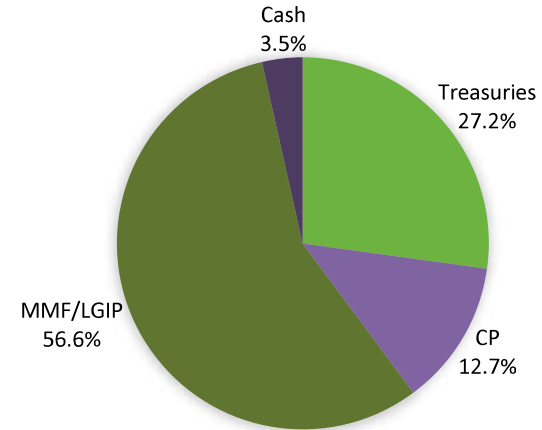
# Portfolio Snapshot

## Overall Portfolio Composition Summary

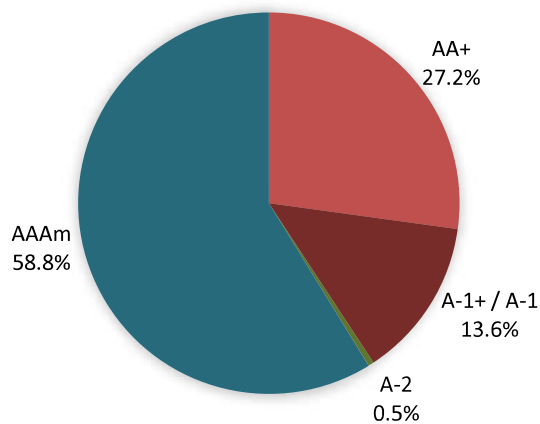
### PORTFOLIO STATISTICS

Invested Amount	\$1.226 Billion
Duration	0.27 Years
Yield at Cost	4.26%
Yield at Market	4.42%

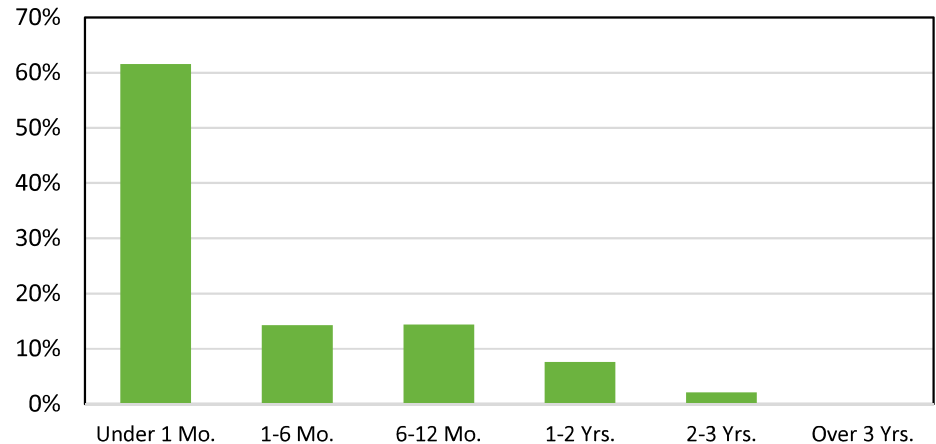
### SECTOR ALLOCATION



### CREDIT QUALITY



### MATURITY DISTRIBUTION

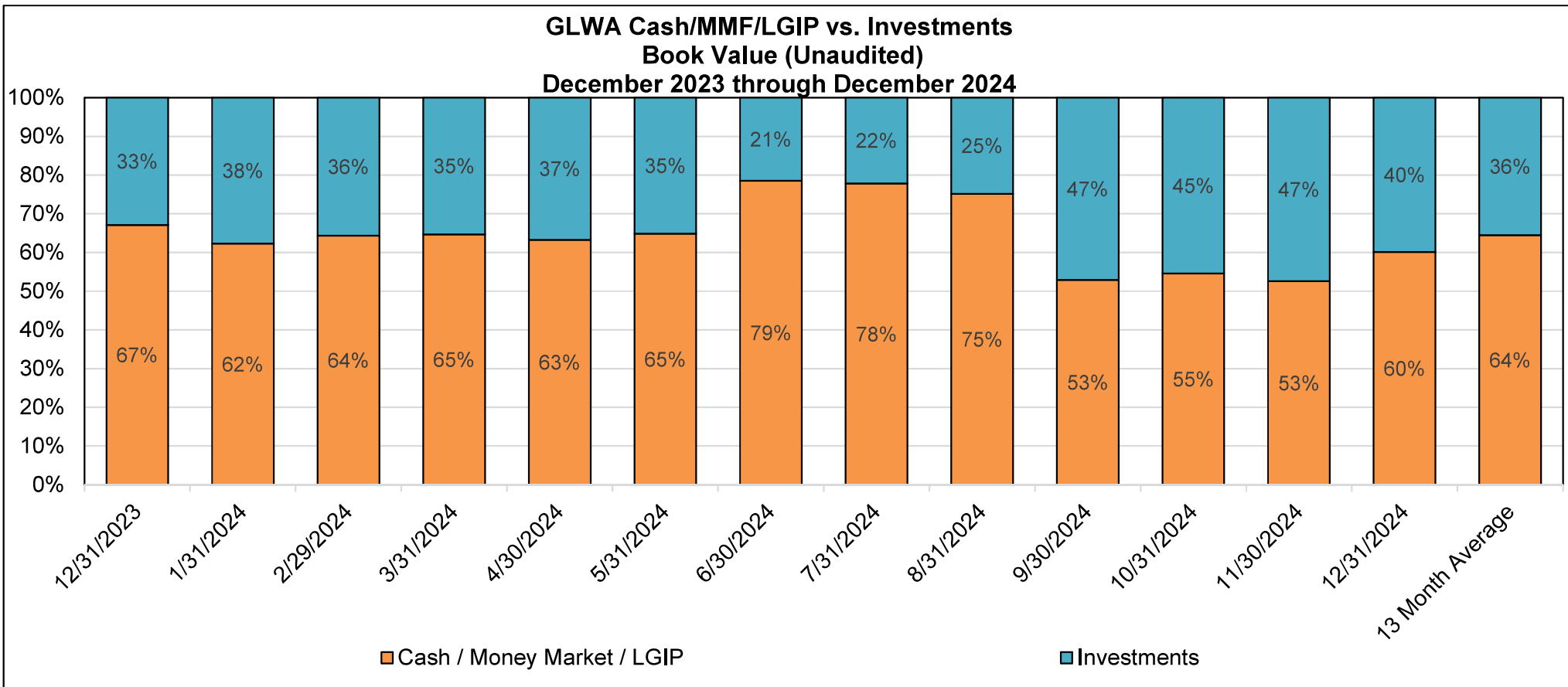


Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# Portfolio Snapshot

## Portfolio Mix – Cash / Money Market vs. Investments

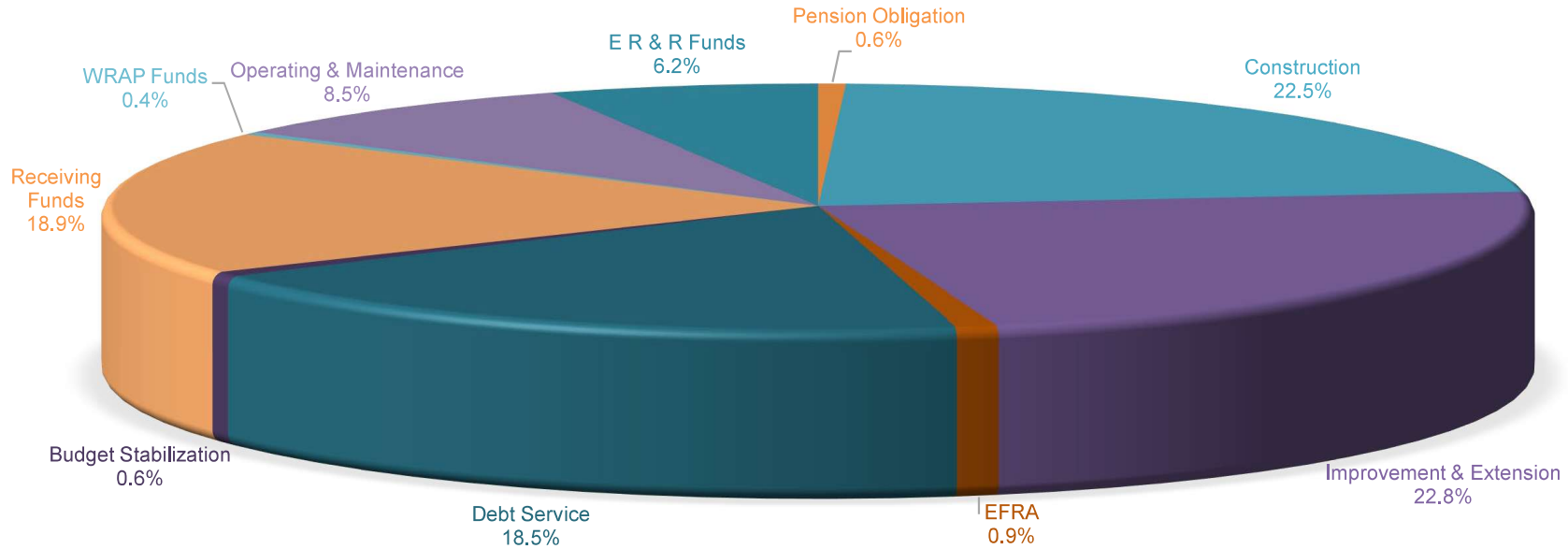
- GLWA’s liquidity requirements fluctuate each month based on operational requirements, capital funding, and debt payments. Based on a review of historical activity and refinement of cash flow projections, GLWA has continually tried to balance the allocation of the portfolio’s holdings to cash & money market accounts versus the allocation to investments for the portfolio holdings.
- The chart below compares the monthly allocation of the portfolio holdings to the 13-month average. The allocation between cash and investments will vary each month based on liquidity requirements. For December of 2024, about 60% of the overall portfolio was invested in cash, LGIP, and/or overnight money market fund accounts. This is normal for the December time-period due to upcoming debt obligations.



Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# Portfolio Snapshot

## Investments – By Account Purpose



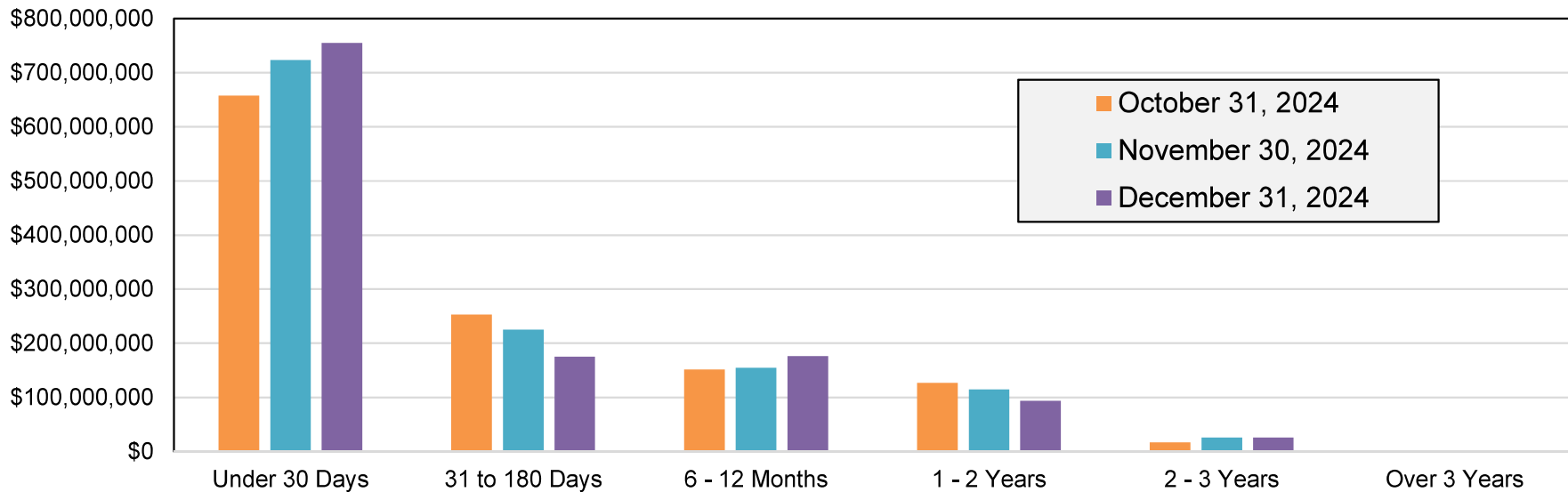
Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration	Strategy
Improvement & Extension	\$ 279,550,420	22.8%	4.22%	4.47%	0.555 Years	Cash Flow Driven
Construction Bond Funds	\$ 276,008,483	22.5%	4.45%	4.50%	0.080 Years	Cash Flow Driven
Receiving Funds (includes lockbox account)	\$ 232,062,342	18.9%	4.35%	4.35%	0.003 Years	Short-Term
Debt Service	\$ 226,548,457	18.5%	4.41%	4.43%	0.215 Years	Short-Term
Operating & Maintenance	\$ 104,228,428	8.5%	4.25%	4.25%	0.003 Years	Short-Term
Extraordinary Repair & Replacement Funds	\$ 75,955,680	6.2%	3.16%	4.52%	1.281 Years	Long-Term
Evergreen Farmington Regional Account	\$ 11,633,905	0.9%	3.58%	3.58%	0.003 Years	Short-Term
Pension Obligation Funds	\$ 7,689,388	0.6%	4.62%	4.66%	0.360 Years	Short-Term
Budget Stabilization Funds	\$ 7,656,141	0.6%	3.21%	4.53%	1.189 Years	Long-Term
WRAP Funds	\$ 4,667,410	0.4%	4.37%	4.37%	0.003 Years	Short-Term
<b>Total</b>	<b>\$ 1,226,000,655</b>	<b>100.0%</b>	<b>4.26%</b>	<b>4.42%</b>	<b>0.274 Years</b>	

Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# Portfolio Snapshot

## Investments – By Maturity

Maturity Distribution	October 31, 2024	%	November 30, 2024	%	December 31, 2024	%
Under 30 Days	\$ 657,572,396	54.5%	\$ 723,328,673	58.1%	\$ 755,127,378	61.6%
31 to 180 Days	253,337,458	21.0%	224,798,293	18.1%	175,091,390	14.3%
6 - 12 Months	151,507,849	12.6%	155,180,026	12.5%	176,265,493	14.4%
1 - 2 Years	126,657,760	10.5%	114,961,059	9.2%	93,600,041	7.6%
2 - 3 Years	16,703,891	1.4%	25,966,495	2.1%	25,916,354	2.1%
Over 3 Years	-	0.0%	-	0.0%	-	0.0%
<b>Totals</b>	<b>\$ 1,205,779,354</b>	<b>100.0%</b>	<b>\$ 1,244,234,545</b>	<b>100.0%</b>	<b>\$ 1,226,000,655</b>	<b>100.0%</b>



Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# Portfolio Snapshot

## Investment Accounts – Yield at Cost & Market

	As of December 31, 2024		As of September 30, 2024	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
<b>Bank Deposits</b>				
Bank A	0.01%	0.01%	0.01%	0.01%
Bank C	3.39%	3.39%	3.46%	3.46%
<b>Sub-Total Bank Deposits</b>	<b>2.20%</b>	<b>2.20%</b>	<b>2.27%</b>	<b>2.27%</b>
<b>Money Market Funds / LGIPs</b>				
Local Government Investment Pool	4.49%	4.49%	4.98%	4.98%
Trust Money Market Fund	4.37%	4.37%	4.78%	4.78%
Money Market Fund	4.37%	4.37%	4.83%	4.83%
<b>Sub-Total MMF / LGIPs</b>	<b>4.42%</b>	<b>4.42%</b>	<b>4.88%</b>	<b>4.88%</b>
<b>Investment Portfolios</b>				
Sewage SR Debt Serv 5403	4.38%	4.56%	4.88%	5.00%
Sew 2nd Debt Serv 5403	4.41%	4.41%	4.99%	4.95%
Sew SRF Debt Serv 5410	4.63%	4.45%	4.88%	4.42%
Sewage ER & R	3.04%	4.54%	2.59%	4.23%
Sewer Improvement & Extension	4.12%	4.49%	4.25%	4.20%
Sewer Pension Obligation	4.61%	4.67%	4.73%	4.78%
Sewer Budget Stabilization Fund	3.19%	4.53%	2.88%	4.17%
Sewer Bond Fund	4.39%	4.51%	4.40%	4.56%
Water SR Debt Ser 5503	4.42%	4.48%	4.98%	4.93%
Water 2nd Debt Serv 5503	4.41%	4.41%	4.98%	4.94%
Water SRF Debt Serv 5575	4.66%	4.45%	4.90%	4.42%
Water ER & R	3.31%	4.50%	2.94%	4.13%
Water Improvement & Extension	4.20%	4.52%	4.37%	4.27%
Water Pension Obligation	4.63%	4.65%	4.75%	4.73%
Water Budget Stabilization Fund	3.17%	4.54%	2.93%	4.17%
Water Bond Fund	4.56%	4.85%	4.60%	4.88%
<b>Sub-Total Investment Portfolios</b>	<b>4.11%</b>	<b>4.52%</b>	<b>4.23%</b>	<b>4.45%</b>
<b><u>Grand Total</u></b>	<b><u>4.26%</u></b>	<b><u>4.42%</u></b>	<b><u>4.52%</u></b>	<b><u>4.62%</u></b>

YTM @ Cost is the expected return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis. YTM @ Market is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.

# Portfolio Snapshot

## Peer Analysis Comparison

- The comparison agencies included in the list below were selected based on type and/or other non-performance-based criteria to show a broad range of water entities/utilities; this peer group list does not represent an endorsement of any of the public agencies or their services.
- The overall yield of GLWA's aggregate portfolio compares somewhat similarly to those of other short-term market indices (i.e., the S&P LGIP index and the 3-month U.S. Treasury index), despite the volatility of short-term interest rates and the limited ability in managing assets to a longer-term strategy.
- GLWA does have some limitations and unique constraints related to its ordinance and covenants that restricts the potential for a longer duration portfolio when compared to other similar water agencies.

As of December 31, 2024				
	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
<b>GLWA</b>				
Great Lakes Water Authority	\$1,226,000,655	4.42%	0.27 Years	102 Days
<b>Short/Intermediate-Term Indices</b>				
S&P Rated Government Investment Pool Index		4.61%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		4.31%	0.15 Years	55 Days
BoA / ML 6-Month Treasury Index		4.28%	0.39 Years	143 Days
BoA / ML 1-Year Treasury Index		4.26%	0.88 Years	322 Days
BoA / ML 1-3 Year Treasury Index		4.25%	1.74 Years	637 Days
BoA / ML 1-5 Year Treasury Index		4.29%	2.48 Years	908 Days
<b>Peer Analysis (Water Entities / Utilities)</b>				
District of Columbia Water & Sewer Authority, DC	\$174,072,319	4.38%	1.61 Years	663 Days
DuPage Water Commission, IL	\$127,151,146	4.50%	2.42 Years	1,276 Days
Fairfax County Water Authority, VA	\$225,021,284	4.59%	1.52 Years	596 Days
Metro Wastewater Reclamation District, CO	\$233,759,660	4.40%	2.37 Years	929 Days
Metropolitan Water District of Southern California, CA	\$784,649,839	4.55%	1.82 Years	769 Days
Philadelphia Water Department, PA	\$267,360,470	4.49%	0.92 Years	352 Days
San Bernardino Valley Municipal Water District, CA	\$361,612,256	4.38%	1.67 Years	664 Days
Tohopekaliga Water Authority, FL	\$147,229,445	4.49%	1.66 Years	857 Days
Truckee Meadows Water Authority, NV	\$58,859,812	4.65%	0.94 Years	361 Days

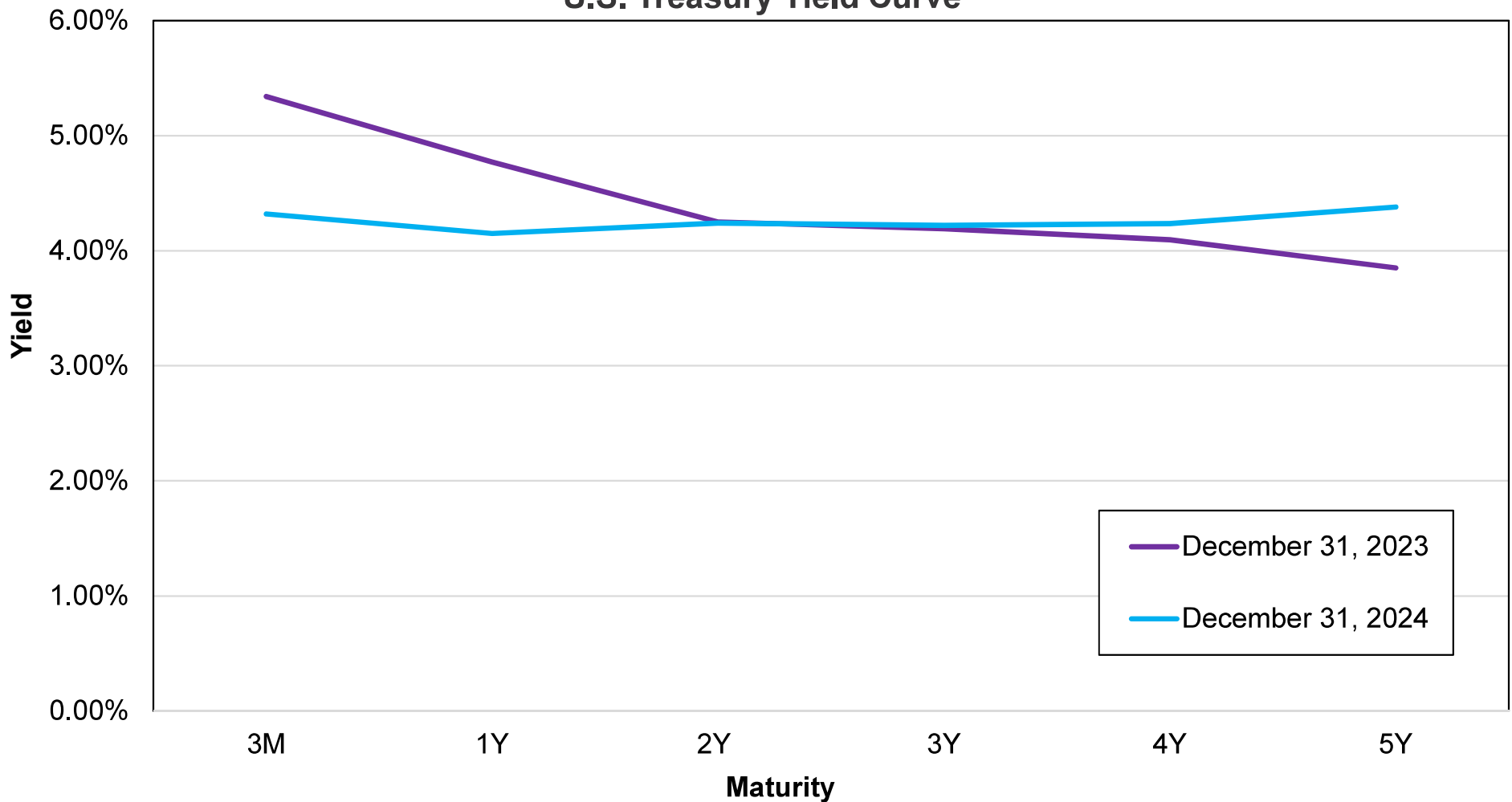
*The BoA / ML indexes are unmanaged indexes tracking on-the-run Treasuries. These indexes are produced and maintained by Bank of America / Merrill Lynch & Co. Yield to maturity is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.*

# Portfolio Snapshot - Market Overview and Outlook

## US Treasury Yield Curve Steepens

- Treasury yields have responded to expected monetary and fiscal policy. Despite the Fed cutting rates by 50 basis points in the last quarter, expectations for stickier inflation in 2025 drove rates higher. Yields on maturities between 2 years and 10 years rose by 60 – 83 basis points during the previous quarter. The yield curve dis-inversion continued and was flatter at the front end and positively sloped beyond 1-year.

**U.S. Treasury Yield Curve**



# Portfolio Snapshot

## Monthly Investment Income

(Book Value in 000's)

### FY 2025 INVESTMENT INCOME BY MONTH (Unaudited)

Month	Interest Earned During Period <i>(in thousands)</i>	Realized Gain / Loss <i>(in thousands)</i>	Investment Income <i>(in thousands)</i>
July 2024	\$4,774.3	\$0.0	\$4,774.3
August 2024	\$4,448.3	\$0.0	\$4,448.3
September 2024	\$4,661.9	\$4.0	\$4,665.9
October 2024	\$4,538.4	\$0.0	\$4,538.4
November 2024	\$4,153.8	\$0.0	\$4,153.8
December 2024	\$4,217.5	\$0.0	\$4,217.5
<u>FY 2025 Y-T-D</u>	<u>\$26,794.3</u>	<u>\$4.0</u>	<u>\$26,798.2</u>

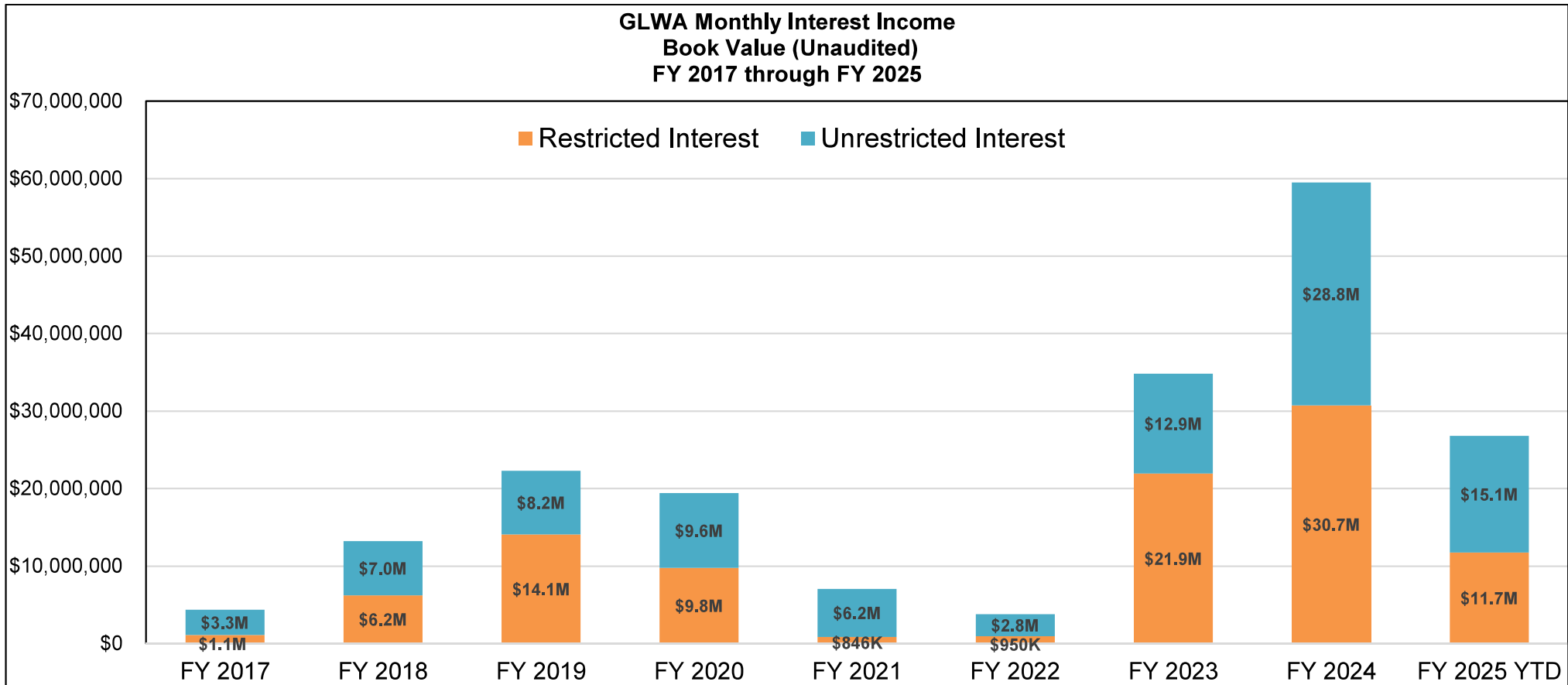
*\*The realized gain in September of 2024 was due to the sale of investments to fund SRF Debt Service payment.*

*These figures are based upon actual interest earned and posted to the Authority's various accounts via book value and does not include any earnings credit rate tied to the Authority's bank deposits.*

# Portfolio Snapshot

## Year-Over-Year Investment Income

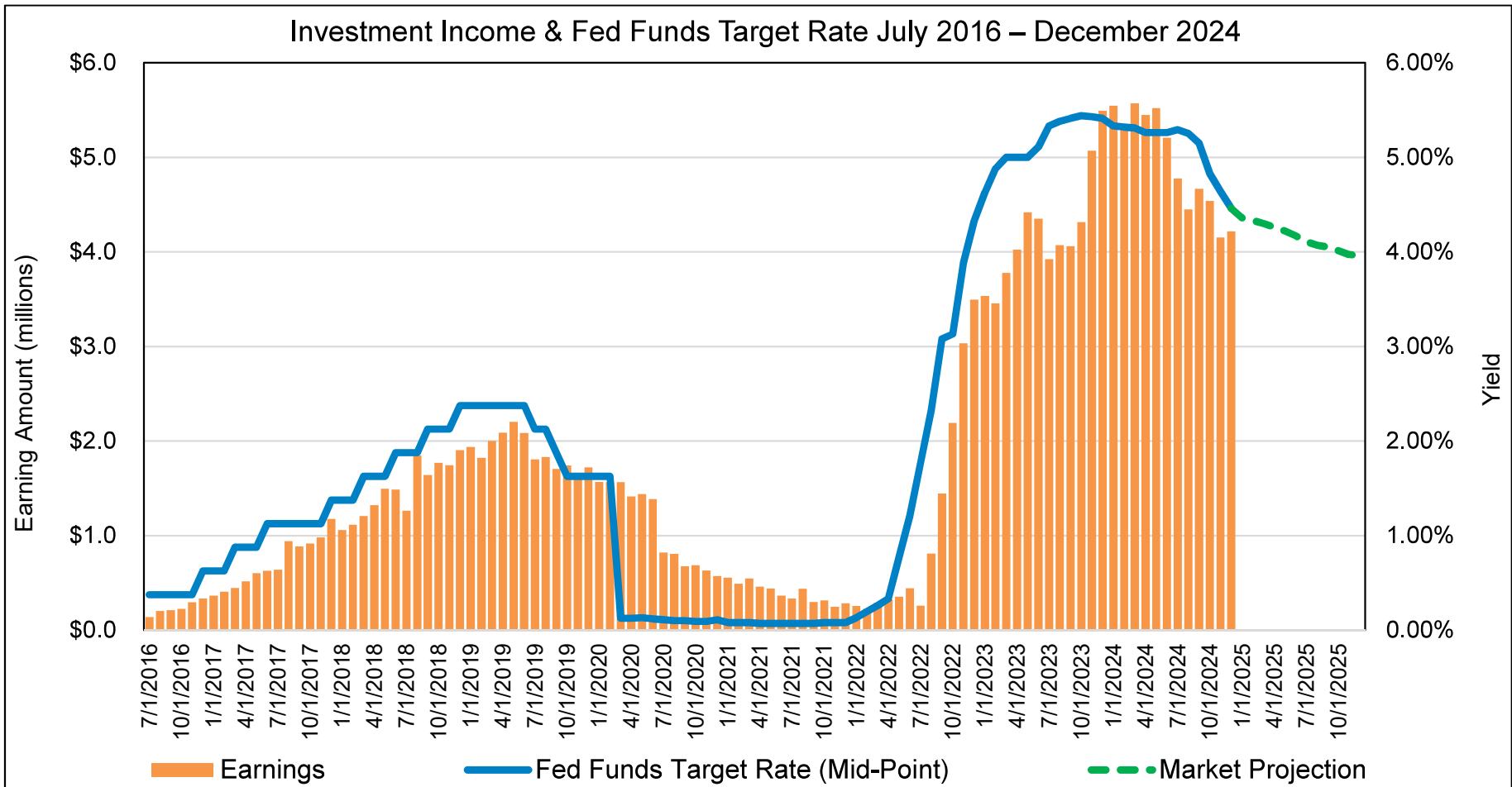
- GLWA earned \$26.8 million in investment income for the first six months of fiscal year 2025 on a book value basis compared to \$26.9 million for the first six months of fiscal year 2024.
- Based on current market assumptions, projected total investment income for fiscal year 2025 is forecasted to be \$49.3 million compared to \$59.5 million in FY 2024 (for both restricted fund income and unrestricted fund income combined) as the Federal Reserve has hinted that two rate cuts could be on the table during the 2025 calendar year. These rate cuts are already priced in for calendar year 2025, though inflation is sticky and still above the Fed's 2.0% target, which could impact future Fed movements over the next twelve months.



# Portfolio Snapshot

## Monthly Investment Income Compared to Fed Funds Rate

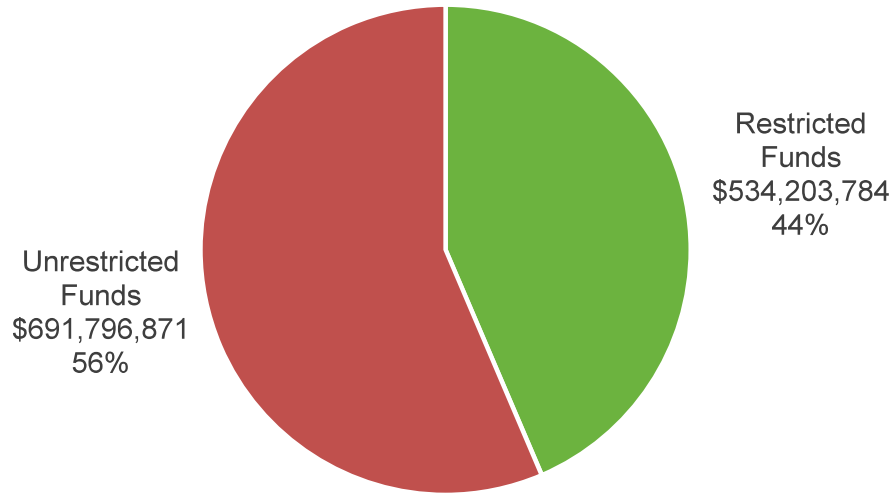
- At least 50% or more of the GLWA portfolio is designated for obligations that are 12 months or less. As a result of the short-term duration of GLWA’s portfolio, it is heavily impacted by changes in the Federal Funds target rate; the chart below illustrates that GLWA’s income has consistently followed the trend of the Fed Funds rate.
- While inflation continued to move closer to the Fed’s 2.0% target in calendar year 2024, it remains somewhat elevated. The outlook is for slower disinflation into 2026, with a risk of interruption due to escalation in tariffs and restrictive immigration policy. Given the Fed’s higher bar for easing, the market expects no more than 100 basis points of cuts before reaching a terminal rate of 3.50% in 2026.



# Portfolio Snapshot

## Allocation and Income by Fund Type

**Bank Balance as of December 31, 2024**



**July 2024 – December 2024 Interest Earnings**



Restricted Principal and Restricted Interest
Construction Bond Funds
Debt Reserves
Debt Service
Evergreen Farmington Regional Account

Unrestricted Principal Unrestricted Interest
Extraordinary Repair & Replacement Funds
Improvement & Extension
Operating & Maintenance
Receiving Funds (includes lockbox account)

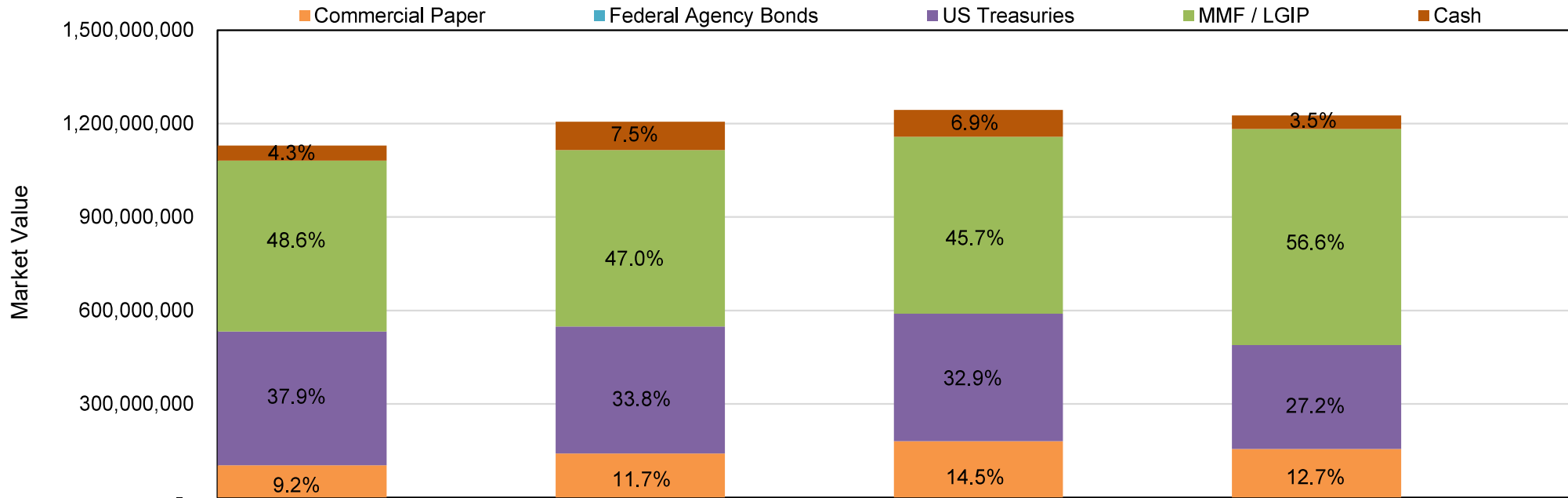
Restricted Principal Unrestricted Interest
Budget Stabilization Funds
Pension Obligation Funds
WRAP Funds

*Note: Interest is sent to the Receiving Funds and can be used for operations*

*Note: Interest in I&E accounts is sent to the Receiving Funds and can be used for operations; DWSD's portion of the Receiving Funds is restricted and held in trust.*

# Portfolio Snapshot

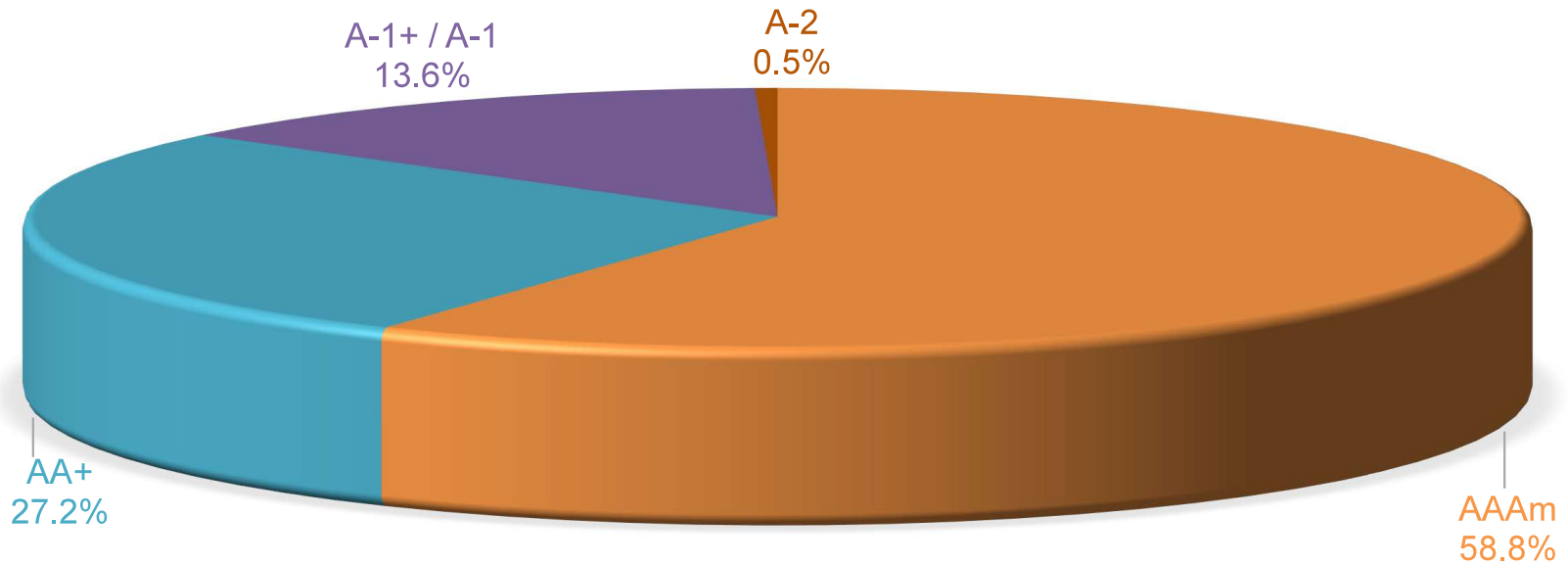
## Investments – By Security Type



Security Type	September		October		November		December	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	103,572,224	9.2%	140,709,383	11.7%	180,790,902	14.5%	155,456,466	12.7%
Federal Agencies	-	0.0%	-	0.0%	-	0.0%	-	0.0%
U.S. Treasuries	428,520,298	37.9%	407,238,635	33.8%	409,287,685	32.9%	333,138,317	27.2%
MMF / LGIP	548,697,570	48.6%	566,863,753	47.0%	568,372,049	45.7%	694,086,819	56.6%
Cash	48,861,765	4.3%	90,967,582	7.5%	85,783,909	6.9%	43,319,053	3.5%
<b>Total</b>	<b>1,129,651,858</b>	<b>100.0%</b>	<b>1,205,779,354</b>	<b>100.0%</b>	<b>1,244,234,545</b>	<b>100.0%</b>	<b>1,226,000,655</b>	<b>100.0%</b>

# Portfolio Snapshot

## Investments – By Credit Quality



Credit Quality	Market Value	Asset Allocation
<b>Ratings</b>		
AAAm	720,353,996	58.8%
AA+	333,144,634	27.2%
A-1 + / A-1	166,489,415	13.6%
A-2	6,012,610	0.5%
NR	-	0.0%
<b>Totals</b>	<b>1,226,000,655</b>	<b>100.0%</b>

# Appendix I: Economic Update

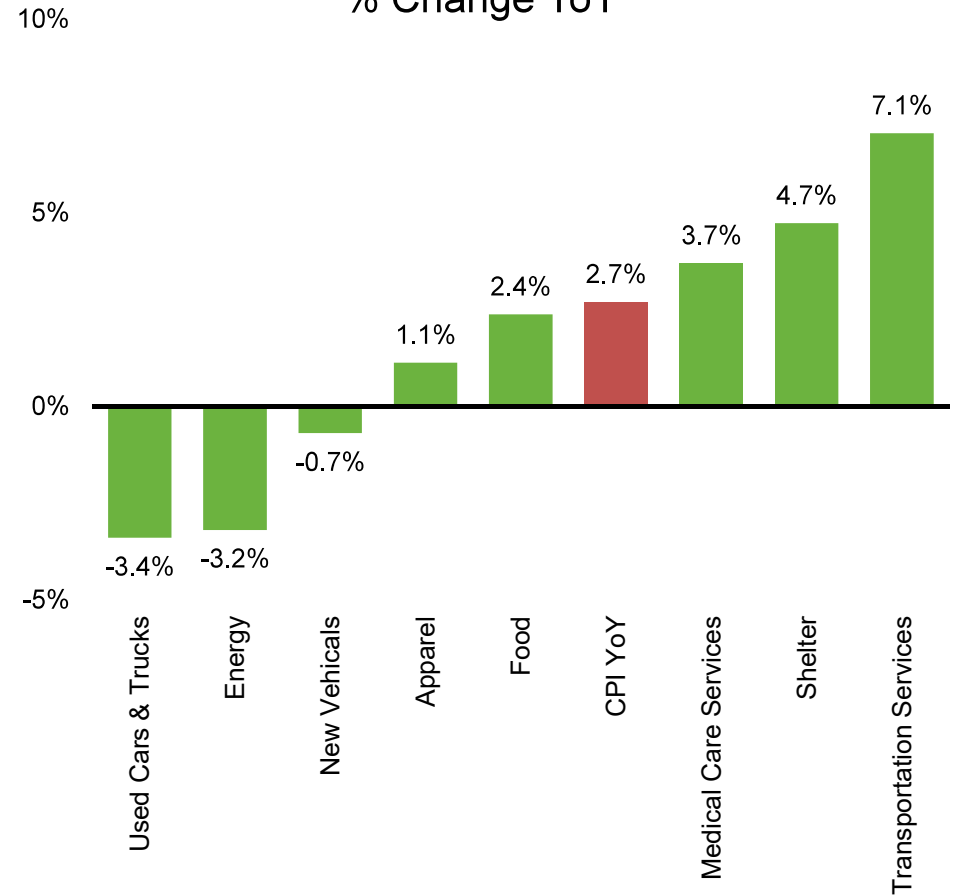
# Consumer Price Index

**Consumer Price Index (CPI)  
 Year-Over-Year Changes**

— CPI (YoY)

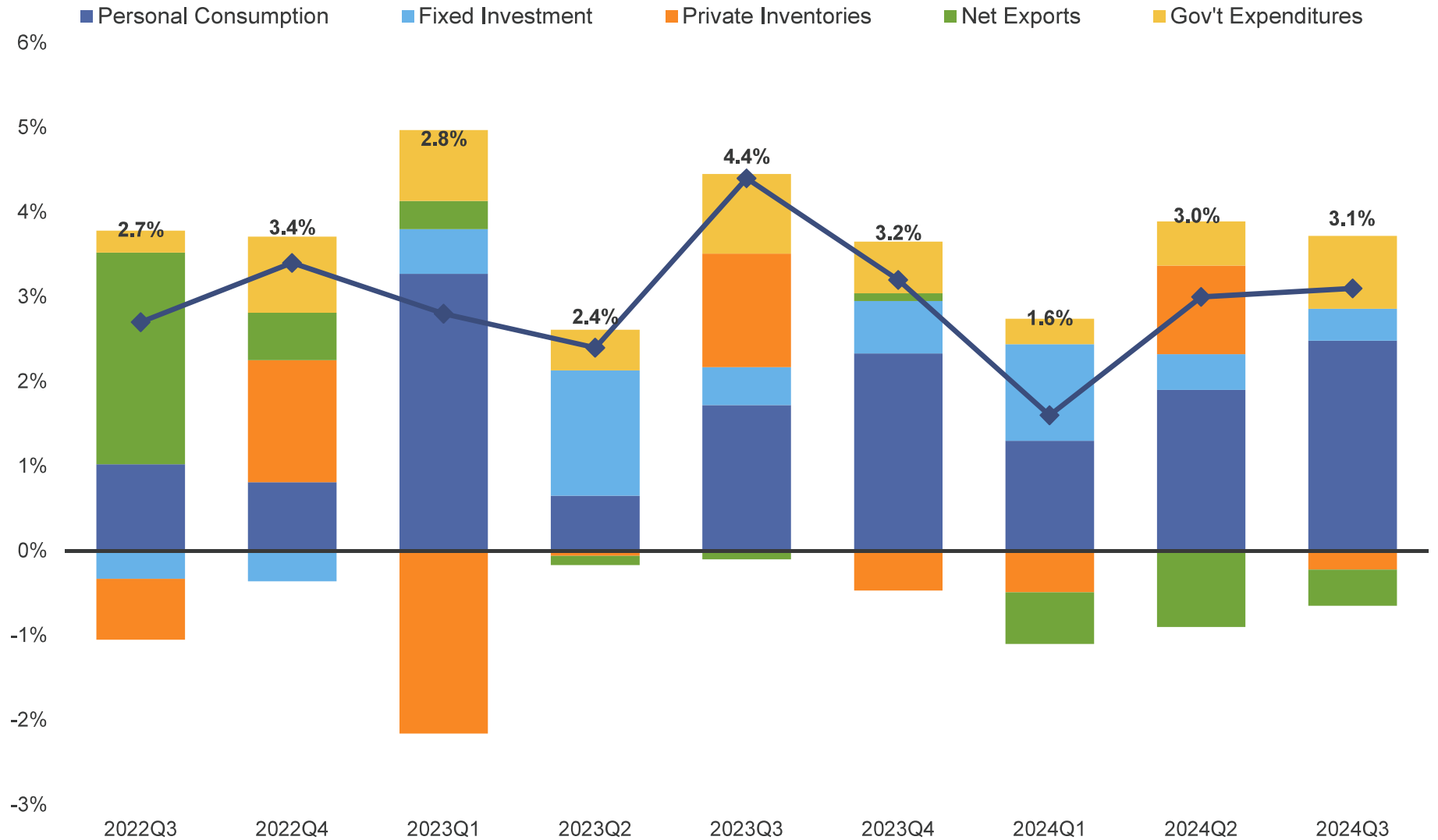


**Key Consumer Price Index  
 Components  
 % Change YoY**



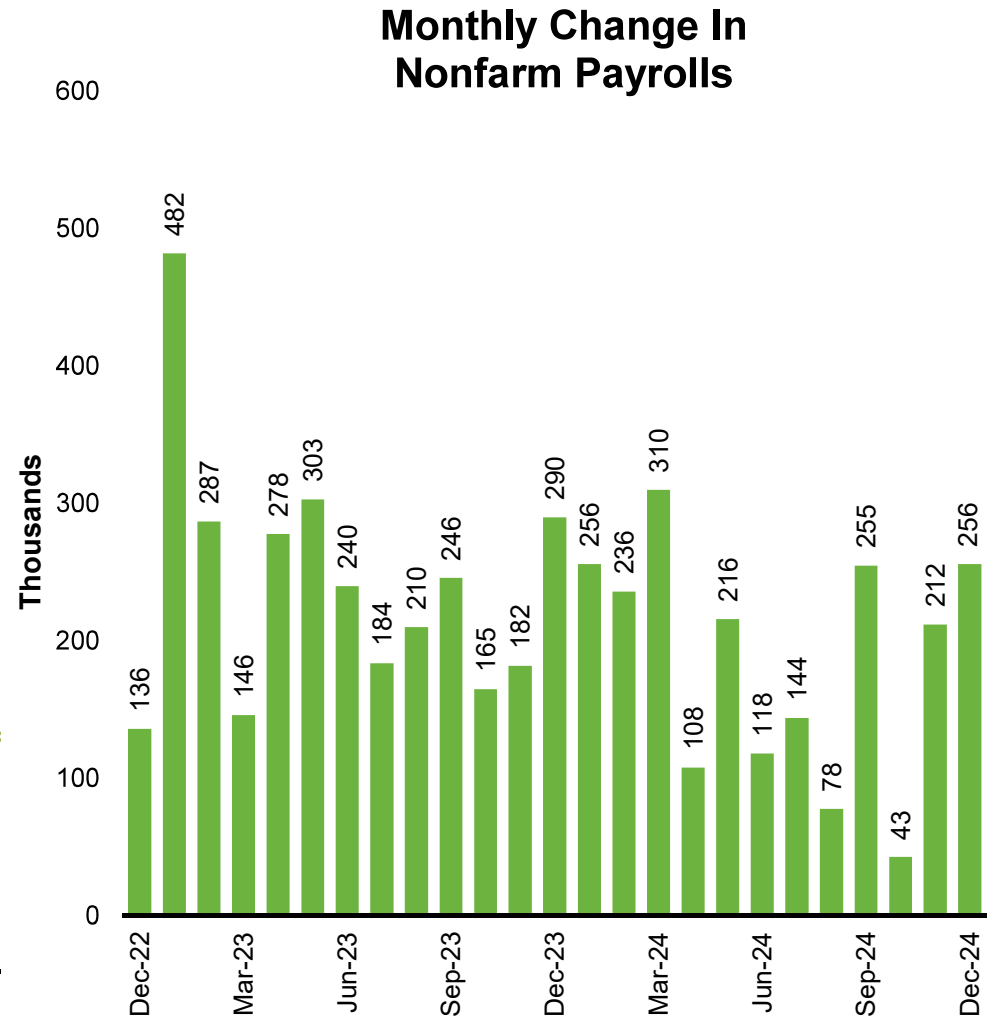
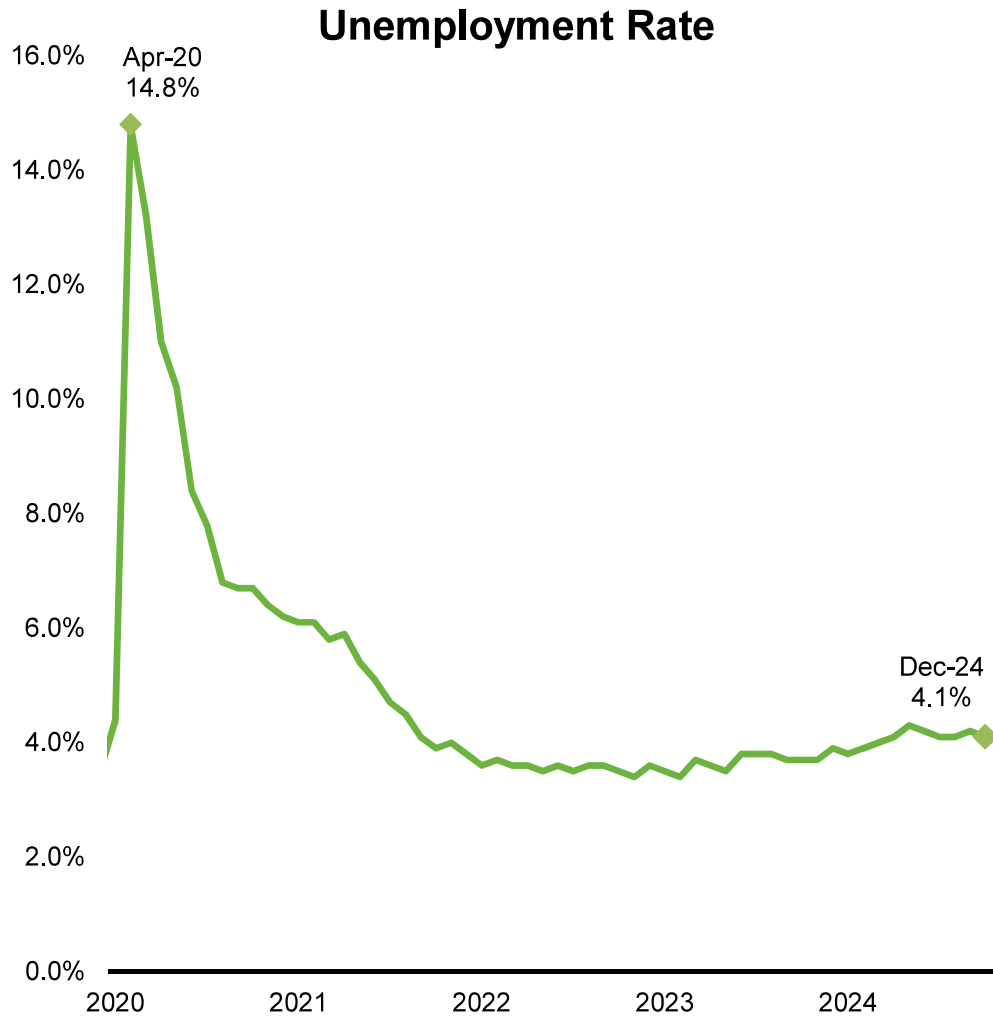
Source: Bloomberg Finance L.P., as of November 2024.

# U.S. Real GDP Contributors and Detractors



Source: Bloomberg Finance L.P., Bureau of Economic Analysis, as of December 2024.

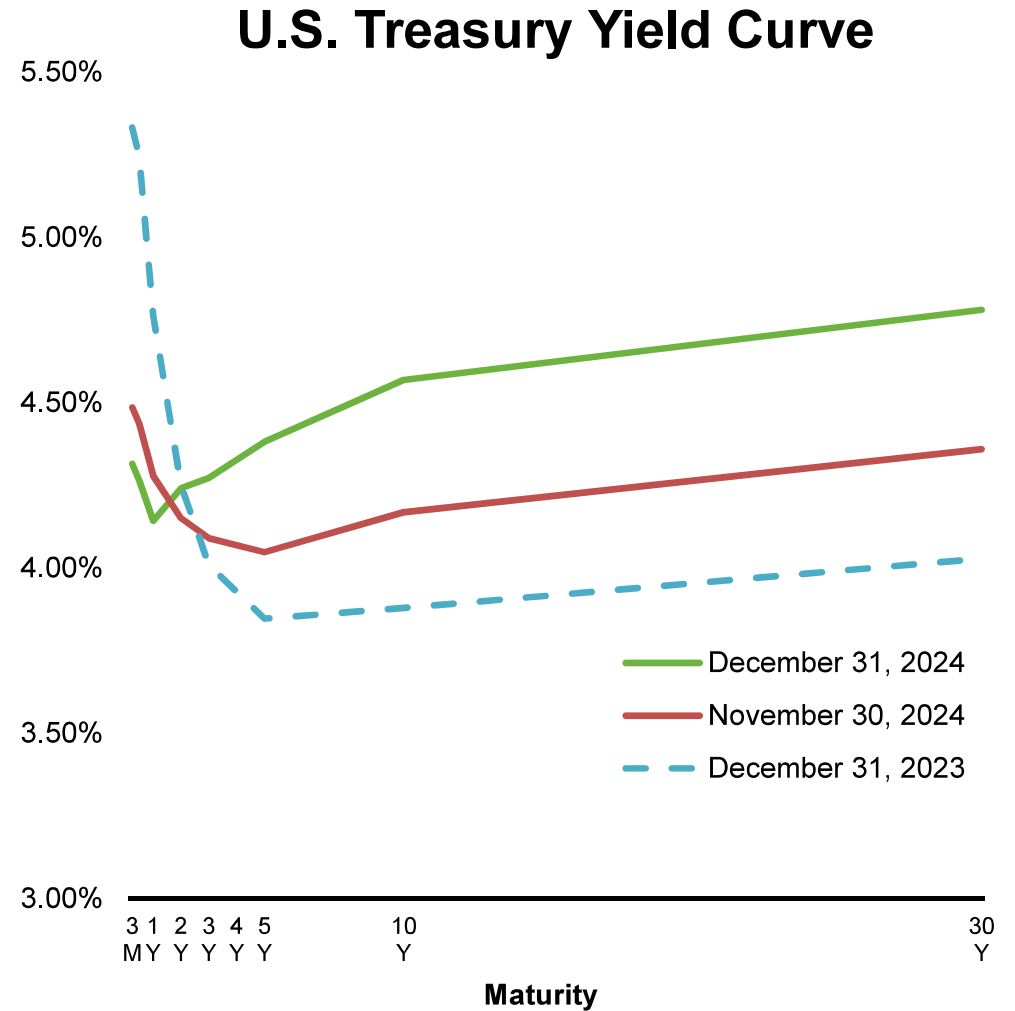
# Labor Market Sends Mixed Signals



Source: Bureau of Labor Statistics. Bloomberg Finance L.P., as of December 2024. Job openings and monthly change in nonfarm payrolls as of December 2024. Data is seasonally adjusted.

# Treasury Yield Curve

	11/30/2024	12/31/2024	Change
3 month	4.49%	4.31%	-0.18%
6 month	4.47%	4.27%	-0.20%
1 year	4.44%	4.14%	-0.30%
2 year	4.28%	4.24%	-0.04%
3 year	4.15%	4.27%	+0.12%
5 year	4.05%	4.38%	+0.33%
10 year	4.17%	4.57%	+0.40%
30 year	4.36%	4.78%	+0.42%



Source: Bloomberg Finance L.P., as of 11/30/2024 and 12/31/2024, as indicated.

# Fixed Income Market Overview and Outlook

## FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- The fourth quarter of calendar year 2024 was characterized by an increase in yields and volatility as investors digested the potential impact of the new Presidential administration’s policy proposals
  - Areas of focus include taxes, tariffs, immigration, and deregulation, which the market generally expects could result in more growth, larger budget deficits, and higher inflation
- The labor market continues to move into balance as layoffs remain contained and the pace of job creation remains steady
  - This trend continues to support the consumer and fuel economic growth
  - Inflation moved sideways during the quarter, and as a result the Federal Reserve views the risks to its dual mandate – stable prices and full employment – as being “roughly” in balance”
- The Fed cut the overnight rate by 25 basis points at both its November and December meetings to bring the new target range to 4.25% – 4.50%
  - The Fed’s updated “dot plot” implied only 50 basis points of rate cuts in 2025, down from previous projections indicating a full percentage point of rate cuts in 2025
  - This revision, plus some pointed commentary from Fed officials, has resulted in the market generally expecting the Fed to pause rate cuts for some time
- While the sentiment remained positive in the quarter and continued to support risk asset valuations, the Fed’s “higher for longer” narrative towards the end of the quarter caused Treasury yields beyond one year to rise while equity markets sold off from all-time highs
  - The NASDAQ still ended the quarter up 6.4% and the S&P 500 Index ended 2.4% higher, while the Dow Jones Industrial Average eked out a small 0.9% gain
  - For calendar year 2024, the S&P 500 returned 25%, driven in part by the “Magnificent Seven,” which returned 6.7%

# Fixed Income Market Overview and Outlook

## FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- U.S. Treasury yields moved higher in response to policy proposals that are generally expected to be inflationary
  - Additionally, the Fed continued with rate cuts cutting a total of 100 basis points in 2024
  - While the Fed cut rates at both their November and December meetings, guidance pointed towards fewer cuts occurring at a slower pace than previously anticipated
  
- Both fiscal and monetary expectations steepened the Treasury curve, with the yield on the 2, 5, and 10-year Treasuries ending the quarter at 4.24%, 4.38%, and 4.57%
  - This represents increases of 60, 82, and 79 basis points, respectively
  - The 3-month Treasury, heavily influenced by the Fed, moved 30 basis points lower, ending the quarter at 4.31%
  
- As a result of higher yields, U.S. Treasury indexes generated negative total returns for the quarter
  - The ICE BofA 2, 5, and 10-year U.S. Treasury indices returned -0.20%, -2.72%, and -5.22% for the quarter, while the shorter-duration ICE BofA 3-month U.S. Treasury index returned 1.16%
  
- Strong investor demand pushed spreads tighter across most investment grade sectors throughout the quarter, resulting in firmly positive excess returns on non-government securities
  - Federal Agency spreads remained low and range bound throughout the quarter; this sector produced muted excess returns as issuance was light and incremental income was minimal
  - Short-term credit (commercial paper and negotiable bank CDs) yields fell in response to the Fed rate cuts, but the money market yield curve steepened on prospects for “higher for longer”; yield spreads also widened over the quarter by 10 – 15 basis points across most of the money market curve

## Disclosure

*The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.*

*PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.*

*NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE*

*Bank Deposits are not managed by PFMAM, and therefore we cannot guarantee the accuracy of holdings.*



# FINAL - FY 2026 Units of Service Report

Uniform Forecast Period  
October 1, 2021 – September 30, 2024

## **Water System**

Issued: February 13, 2025

**Compiled by: Charges Outreach & Modeling Team**

Matt Lane, Manager

Guy Belew, Management Professional

## Table of Contents

Introduction.....	2
How Units of Service Impact Annual Charges.....	2
Uniform Forecast Period.....	2
Water System Units of Service .....	3
Max Day/ Peak Hour Demands .....	4
APPENDIX .....	5
Appendix 1 - Schedule of Final Proposed Water Units of Service – Sales Volumes .....	6
Appendix 2 – Comparison of FY 2025 Approved & FY 2026 Final Proposed Units of Service .....	13
Appendix 3 – Final Water Units of Service FY Comparison- FY 2025 & FY 2026 .....	17

## Introduction

A component of the water charges development process for the upcoming fiscal year is developing a forecast of projected water volumes for each community. This forecast is based on a three-year average derived from usage and billing data known as the “Uniform Forecast Period” period. Together with colleagues across the Great Lakes Water Authority (GLWA) organization, the Charges Outreach & Modeling Team reviews the data and prepares an analysis to establish the water units of service for the water service charges for the next year. Annually a preliminary calculation is presented at Charges Rollout #2. For the upcoming FY 2026 charges, that meeting was held on November 12, 2024 and included billing data for the unclosed period of September 2024. This final version of the report, dated February 13, 2025, reflects updated actual data from the closed period including any billing adjustments, finalized estimates, or billing changes. Those updates did not have a material impact on the projected volumetric demands.

## How Units of Service Impact Annual Charges

The water system charge methodology provides that 60% of the annual charge is based on a fixed amount and that 40% is based on a commodity charge. Commodity, units of service, and demand are several ways of conveying the same concept. Charges are established based on forecasted demand and subsequently billed based on the actual flow of water through their communities’ master meters (or some established proxy if there are no master meters in place).

## Uniform Forecast Period

The Uniform Forecast Period is based on the premise that the same timeframe is used for all members partners (hence, it is uniform) and spans a 36-month period ending September 30<sup>th</sup> in the year preceding the next fiscal year. For the FY 2026 charges, the forecast period spans October 2021 through September 2024.

The uniform forecast period also considers that water demand is not consistent throughout the year. For this reason, the analysis takes into account that there are base months and peak months. Base months include those with more stable demand patterns and include October through March. Peak months tend to be higher usage and have greater fluctuation based on seasonal needs in our region. Peak months include April through September.

Nationally, water demands continue to decline for several reasons such as more water efficient plumbing fixtures and water resource conservation efforts. For this reason, the methodology includes a final step to reduce the historic data by 1% annually to account for the declining demand trend.

As a recap, the “Uniform Forecasting Method” projects anticipated commodity volume demand for the upcoming fiscal year based on an average of the last 3 years, with the base month averages adjusted downward by 1.0% annually to reflect water use patterns. The peak months are not adjusted.

### Water System Units of Service

The preliminary Units of Service for each Member Partner for the upcoming FY 2026 Water Cost of Service Study were presented at Charges Rollout #2 on November 12, 2024. This “final” report reflects billing information from September 2024 that was not available when the “preliminary” report was published. In addition, the report also reflects the negotiated reduction in projected volume for the City of Highland Park.

A county-level summary of water units is shown in the table below (expressed in Mcf).

<b>Summary by County (Mcf)</b>				
<b>County</b>	<b>FY 2025 Charges</b>	<b>FY 2026 Charges</b>	<b>Difference</b>	<b>% Change</b>
Macomb	3,330,670	3,285,660	(45,010)	-1.35%
Oakland	4,082,500	4,057,300	(25,200)	-0.62%
Wayne	4,739,900	4,698,200	(41,700)	-0.88%
Other*	1,121,120	1,102,040	(19,080)	-1.70%
<b>Subtotal</b>	<b>13,274,190</b>	<b>13,143,200</b>	<b>(130,990)</b>	<b>-0.99%</b>
Detroit	4,230,000	4,231,000	1,000	0.02%
<b>Total</b>	<b>17,504,190</b>	<b>17,374,200</b>	<b>(129,990)</b>	<b>-0.74%</b>

\*Other includes all member partners in Washtenaw, St Clair, Monroe, Lapeer & Genesee Counties.

For the purpose of calculating FY 2026 charges, system-wide demands are anticipated to decrease by 129,990 Mcf or 0.74 percent based on the uniform forecasting period. Suburban Wholesale volumes are down by 0.99 percent. Since 40 percent of charges revenue is recovered through commodity charges (based on demand), this equates to a structural revenue variance of -0.39 percent.

[a]	[b]	[c]	[d]	[e]	[f]
<b>FY 2025 Volumes (mcf)</b>	<b>Proposed FY 2026 Projected Volume (mcf)</b>	<b>Change (mcf)</b>	<b>Metered Member Partner Volume Change %</b>	<b>Commodity Charge Factor</b>	<b>Cost Recovery Charge Impact</b>
		[b]-[a]	[c]/[a]		[d]*[e]
13,274,190	13,143,200	(130,990)	-0.99%	40%	-0.39%

Appendix 1 – Schedule of Final Proposed Water Units of Service – Sales Volumes presents the calculation of projected “Wholesale Water Sales” for each Member Partner, separated into:

- “Base months” (October through March)
- “Peak Months” (April through September)
- Annual totals

It should be noted that in some cases, this data reflects our interpretation of billing adjustments for prior periods, and other related adjustments. In these instances, forecasted sales are highlighted in yellow.

Appendix 2 – Comparison of FY 2025 Approved & FY 2026 Final Proposed Units of Service – Sales Volumes presents a comparison of water units of service between the approved FY 2025 Cost of Service study and the FY 2026 units of service included in the FY 2026 Cost of Service analysis.

The units of service for “non master metered” Member Partners (Detroit, Dearborn, Highland Park) include “wholesale proxy” volumes based on the Black & Veatch Units of Service (UoS) Studies (Phase 1 and Phase 2). The proposed max day and peak hour demands for these Member Partners continue to be presumed to be “locked in” for the four-year Contract Alignment Process (“CAP”) period to put those customers on the same basis as the Master Metered customers.

Appendix 3 - Final Water Units of Service FY Comparison- FY 2025 & FY 2026 presents a comparison of the projected wholesale volumes converted into “average day demands” in millions of gallons per day (mgd) and also present the max day and peak hour demands, also in mgd.

#### Max Day/ Peak Hour Demands

The max day and peak hour demands for all of the Master Metered Member Partners, with the exception of Northville Township, reflect the current amounts that were used for the FY 2025 Water Cost of Service Study and the current water charges. Those amounts were negotiated via the CAP process during 2022 and are scheduled to remain in place through FY 2027. Northville Township reduced their peak hour demand from 13.5 mgd to 9 mgd by installing an additional 0.5 mgd elevated storage tank.

Should there be any questions or comments, please contact us at [charges@glwater.org](mailto:charges@glwater.org)

# APPENDIX

**Appendix 1 - Schedule of Final Proposed Water Units of Service – Sales Volumes**

The Preliminary Proposed Schedule of Water Units of Service on the next page is scaled to fit an 11x17 inch page setup.

GLWA Wholesale Master Metered Water Sales Volumes - BASE Months - Mcf  
October through March

Note for columns 5 and 6 that the calculation refers to the "base month adjustment" factor and "peak month adjustment factor" of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 - (average of 3+2+1) or 98%.

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	
		Base 2021 10/20 - 3/21	Base 2022 10/21 - 3/22	Base 2023 10/22 - 3/23	Base 2024 10/23 - 3/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume	Percent	Variance from FY 2024 Actual Volume	Percent
	<b>Adjustment Factor:</b>					<b>98.0%</b>	<b>98.0%</b>				
1	Allen Park	81,831	65,102	52,891	52,904	<b>51,500</b>	<b>51,600</b>	100	0.2%	(1,304)	-2.5%
2	Almont Village	4,164	4,266	4,129	4,173	4,100	4,100	0	0.0%	(73)	-1.7%
3	Ash Township	19,038	17,236	16,880	16,158	17,400	16,400	(1,000)	-5.7%	242	1.5%
4	Belleville	7,999	6,515	6,296	6,638	<b>6,300</b>	6,400	100	1.6%	(238)	-3.6%
5	Berlin Township	11,760	12,328	11,618	11,464	11,700	11,600	(100)	-0.9%	136	1.2%
6	Brownstown Township	55,952	58,467	58,715	57,777	56,600	57,200	600	1.1%	(577)	-1.0%
7	Bruce Township	742	742	667	778	700	710	10	1.4%	(68)	-8.8%
8	Burtchville Township	3,533	2,407	3,068	4,771	2,900	3,300	400	13.8%	(1,471)	-30.8%
9	Canton Township	146,552	148,020	157,272	169,186	147,600	155,000	7,400	5.0%	(14,186)	-8.4%
10	Center Line	16,870	15,097	15,159	15,211	15,400	14,900	(500)	-3.2%	(311)	-2.0%
11	Chesterfield Township	76,746	77,581	75,908	80,789	75,200	76,500	1,300	1.7%	(4,289)	-5.3%
12	Clinton Township	165,468	167,627	171,551	162,467	164,900	163,900	(1,000)	-0.6%	1,433	0.9%
13	Commerce Township	43,707	37,508	38,621	39,373	<b>36,900</b>	37,700	800	2.2%	(1,673)	-4.3%
14	Dearborn Heights	91,362	92,067	95,751	90,685	91,200	91,000	(200)	-0.2%	315	0.3%
15	Eastpointe	52,296	49,608	52,111	50,325	50,300	49,700	(600)	-1.2%	(625)	-1.2%
16	Ecorse	52,151	46,618	42,926	38,579	<b>42,000</b>	<b>37,800</b>	(4,200)	-10.0%	(779)	-2.0%
17	Farmington	20,120	19,698	19,187	19,042	19,300	18,900	(400)	-2.1%	(142)	-0.7%
18	Farmington Hills	142,834	147,904	143,058	141,793	141,700	141,400	(300)	-0.2%	(393)	-0.3%
19	Ferndale	36,834	35,165	30,843	31,534	<b>32,300</b>	31,900	(400)	-1.2%	366	1.2%
20	Flat Rock	22,799	22,456	24,284	23,842	22,700	23,100	400	1.8%	(742)	-3.1%
21	Flint	250,282	240,991	193,303	182,504	<b>204,100</b>	<b>190,400</b>	(13,700)	-6.7%	7,896	4.3%
22	Fraser	25,617	26,562	25,517	25,569	<b>25,500</b>	25,400	(100)	-0.4%	(169)	-0.7%
23	Garden City	36,126	33,583	32,437	34,365	33,400	32,800	(600)	-1.8%	(1,565)	-4.6%
24	Gibraltar	7,832	8,013	7,406	8,102	7,600	7,700	100	1.3%	(402)	-5.0%
25	Greenwood Township (DTE)	6,491	4,206	3,990	6,911	4,800	4,900	100	2.1%	(2,011)	-29.1%
26	Grosse Ile Township	15,628	17,411	22,126	18,832	18,000	19,100	1,100	6.1%	268	1.4%
27	Grosse Pt. Park	21,538	20,797	19,796	20,200	20,300	19,900	(400)	-2.0%	(300)	-1.5%
28	Grosse Pt. Shores	5,860	5,640	6,159	5,086	5,800	5,500	(300)	-5.2%	414	8.1%
29	Grosse Pt. Woods	26,123	27,292	27,906	24,967	26,600	26,200	(400)	-1.5%	1,233	4.9%
30	Hamtramck	31,069	28,424	32,576	30,493	30,100	29,900	(200)	-0.7%	(593)	-1.9%
31	Harper Woods	24,533	27,600	26,298	27,610	25,600	26,600	1,000	3.9%	(1,010)	-3.7%
32	Harrison Township	42,891	43,039	42,794	42,667	42,000	42,000	0	0.0%	(667)	-1.6%
33	Hazel Park	23,481	20,584	22,801	22,214	21,800	21,400	(400)	-1.8%	(814)	-3.7%
34	Huron Township	27,533	30,030	46,961	52,129	<b>28,200</b>	<b>28,200</b>	0	0.0%	(23,929)	-45.9%
35	Imlay City	18,639	20,230	19,949	15,440	19,200	18,200	(1,000)	-5.2%	2,760	17.9%
36	Imlay Township (Single User)	85	49	2	7	<b>0</b>	<b>0</b>	0	0.0%	(7)	-100.0%
37	Inkster	53,615	49,404	52,334	48,350	<b>49,600</b>	49,000	(600)	-1.2%	650	1.3%
38	Keego Harbor	4,229	4,514	4,393	4,245	4,300	4,300	0	0.0%	55	1.3%
39	Lapeer	25,157	27,308	23,922	25,264	25,000	25,000	0	0.0%	(264)	-1.0%
40	Lenox Township	6,257	7,156	7,394	8,074	6,800	7,400	600	8.8%	(674)	-8.3%
41	Lincoln Park	80,423	84,762	85,779	82,698	82,000	82,700	700	0.9%	2	0.0%
42	Livonia	181,296	183,814	181,263	181,280	178,500	178,500	0	0.0%	(2,780)	-1.5%
43	Macomb Township	125,005	124,249	129,185	137,794	123,600	127,800	4,200	3.4%	(9,994)	-7.3%

GLWA Wholesale Master Metered Water Sales Volumes - BASE Months - Mcf  
October through March

Note for columns 5 and 6 that the calculation refers to the "base month adjustment" factor and "peak month adjustment factor" of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 - (average of 3+2+1) or 98%.

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	
		Base 2021 10/20 - 3/21	Base 2022 10/21 - 3/22	Base 2023 10/22 - 3/23	Base 2024 10/23 - 3/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume	Percent	Variance from FY 2024 Actual Volume	Percent
	<b>Adjustment Factor:</b>					<b>98.0%</b>	<b>98.0%</b>				
44	Madison Heights	50,911	59,807	57,240	54,504	<b>57,300</b>	56,000	(1,300)	-2.3%	1,496	2.7%
45	Mayfield Township (KAMAX)	126	195	238	199	180	210	30	16.7%	11	5.3%
46	Melvindale	21,235	21,719	25,689	24,316	22,400	23,400	1,000	4.5%	(916)	-3.8%
47	New Haven, Village of	8,352	8,626	9,014	9,179	8,500	8,800	300	3.5%	(379)	-4.1%
48	NOCWA	358,032	351,425	360,528	347,818	349,500	346,200	(3,300)	-0.9%	(1,618)	-0.5%
49	Northville	12,214	14,076	12,889	10,874	12,800	12,400	(400)	-3.1%	1,526	14.0%
50	Northville Township	49,410	46,961	47,414	48,613	47,000	46,700	(300)	-0.6%	(1,913)	-3.9%
51	Novi	110,276	116,868	114,775	115,147	111,700	113,300	1,600	1.4%	(1,847)	-1.6%
52	Oak Park	42,629	44,771	44,089	44,042	43,000	43,400	400	0.9%	(642)	-1.5%
53	Oakland GWK Drain District	2,291	4,044	2,875	3,856	3,000	3,500	500	16.7%	(356)	-9.2%
54	Plymouth	18,717	18,216	18,193	18,063	18,000	17,800	(200)	-1.1%	(263)	-1.5%
55	Plymouth Township	60,449	60,475	58,350	57,772	58,600	57,700	(900)	-1.5%	(72)	-0.1%
56	Redford Township	73,322	73,109	73,280	73,569	71,800	71,900	100	0.1%	(1,669)	-2.3%
57	River Rouge	16,696	19,116	16,606	18,400	17,100	17,700	600	3.5%	(700)	-3.8%
58	Riverview	21,926	20,826	21,754	18,988	21,100	20,100	(1,000)	-4.7%	1,112	5.9%
59	Rockwood	4,804	4,652	4,362	4,434	4,500	4,400	(100)	-2.2%	(34)	-0.8%
60	Romeo	2,305	2,578	1,628	1,021	<b>1,300</b>	<b>1,100</b>	(200)	-15.4%	79	7.7%
61	Romulus	102,763	97,221	88,899	88,375	94,400	89,700	(4,700)	-5.0%	1,325	1.5%
62	Roseville	93,571	82,344	82,743	85,494	84,500	81,900	(2,600)	-3.1%	(3,594)	-4.2%
63	Royal Oak Township	4,601	4,804	4,884	4,643	4,700	4,700	0	0.0%	57	1.2%
64	Shelby Township	169,655	147,549	146,385	151,053	151,400	145,400	(6,000)	-4.0%	(5,653)	-3.7%
65	SOCWA	495,528	514,408	515,974	469,894	498,500	490,100	(8,400)	-1.7%	20,206	4.3%
66	South Rockwood	2,168	2,279	2,206	2,252	2,200	2,200	0	0.0%	(52)	-2.3%
67	Southgate	51,769	56,331	53,546	53,107	52,800	53,200	400	0.8%	93	0.2%
68	St. Clair Shores	88,073	94,170	98,708	88,509	91,800	91,900	100	0.1%	3,391	3.8%
69	Sterling Heights	262,667	255,436	232,510	244,400	245,200	239,200	(6,000)	-2.4%	(5,200)	-2.1%
70	Sumpter Township	14,495	17,950	14,935	16,322	15,500	16,100	600	3.9%	(222)	-1.4%
71	Sylvan Lake	2,914	3,436	2,792	2,719	3,000	2,900	(100)	-3.3%	181	6.7%
72	Taylor	114,826	120,875	125,878	123,825	118,100	121,100	3,000	2.5%	(2,725)	-2.2%
73	Trenton	37,841	37,761	39,250	37,894	37,500	37,500	0	0.0%	(394)	-1.0%
74	Troy	184,123	169,406	167,123	167,064	170,100	164,500	(5,600)	-3.3%	(2,564)	-1.5%
75	Utica	9,355	10,659	10,582	10,179	10,000	10,300	300	3.0%	121	1.2%
76	Van Buren Township	58,942	55,299	54,097	48,484	55,000	51,600	(3,400)	-6.2%	3,116	6.4%
77	Walled Lake	13,388	13,210	12,534	12,743	12,800	12,600	(200)	-1.6%	(143)	-1.1%
78	Warren	291,278	294,837	279,793	284,386	282,900	280,600	(2,300)	-0.8%	(3,786)	-1.3%
79	Washington Township	28,629	30,059	29,522	29,561	28,800	29,100	300	1.0%	(461)	-1.6%
80	Wayne	51,786	47,769	49,254	49,277	48,600	47,800	(800)	-1.6%	(1,477)	-3.0%
81	West Bloomfield Township	107,265	115,289	114,739	112,640	110,200	111,900	1,700	1.5%	(740)	-0.7%
82	Westland	150,650	150,153	153,113	140,740	148,300	145,000	(3,300)	-2.2%	4,260	3.0%
83	Wixom	30,511	28,968	28,355	29,624	28,700	28,400	(300)	-1.0%	(1,224)	-4.1%
84	Woodhaven	25,335	25,798	22,938	22,195	24,200	23,200	(1,000)	-4.1%	1,005	4.5%
85	Ypsilanti Comm Util Auth	211,937	221,464	216,371	212,340	212,300	212,400	100	0.0%	60	0.0%
86	Total Master Metered	5,550,227	5,527,009	5,451,282	5,360,802	5,352,780	5,303,920	(48,860)	-0.9%	(56,882)	-1.1%

GLWA Wholesale Master Metered Water Sales Volumes - BASE Months - Mcf  
 October through March

Note for columns 5 and 6 that the calculation refers to the "base month adjustment" factor and "peak month adjustment factor" of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 - (average of 3+2+1) or 98%.

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	
		Base 2021 10/20 - 3/21	Base 2022 10/21 - 3/22	Base 2023 10/22 - 3/23	Base 2024 10/23 - 3/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume	Percent	Variance from FY 2024 Actual Volume	Percent
	<b>Adjustment Factor:</b>					98.0%	98.0%				
87	Dearborn Wholesale Proxy	277,604	265,708	261,336	279,646	262,900	263,500	600	0.2%	(16,146)	-5.8%
88	Highland Park Wholesale Proxy	48,282	48,790	48,698	44,000	47,600	35,400	(12,200)	-25.6%	(8,600)	-19.5%
89	Detroit Wholesale Proxy	1,941,135	2,046,440	2,111,707	2,064,427	1,992,400	<b>2,047,000</b>	54,600	2.7%	(17,427)	-0.8%
90	Subtotal Non Master Mtrd	2,267,021	2,360,938	2,421,741	2,388,072	2,302,900	2,345,900	(54,720)	-2.4%	(155,936)	-6.5%
91	TOTAL	7,817,248	7,887,947	7,873,023	7,748,874	7,655,680	7,649,820	(103,580)	-1.4%	(212,818)	-2.7%
92	Subtotal Sub Wholesale	5,876,113	5,841,507	5,761,316	5,684,448	5,663,280	5,602,820	(158,180)	-2.8%	(195,392)	-3.4%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - Mcf  
 April through September

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Peak 2021 4/21 - 9/21	Peak 2022 4/22 - 9/22	Peak 2023 4/23 - 9/23	Peak 2024 4/24 - 9/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume (6) - (5)	Variance from FY 2025 Proj Percent (7) / (5)	Variance from FY 2024 Actual Volume (6) - (4)	Variance from FY 2024 Actual Percent (9) / (4)
	<b>Adjustment Factor:</b>					100.0%	100.0%				
1	Allen Park	95,289	65,987	64,380	61,393	65,200	63,900	(1,300)	-2.0%	2,507	4.1%
2	Almont Village	5,063	4,925	4,569	4,694	4,900	4,700	(200)	-4.1%	6	0.1%
3	Ash Township	21,400	22,392	20,087	20,656	21,300	21,000	(300)	-1.4%	344	1.7%
4	Belleville	7,603	7,807	7,358	7,717	7,600	7,600	0	0.0%	(117)	-1.5%
5	Berlin Township	15,857	15,523	14,824	15,173	15,400	15,200	(200)	-1.3%	27	0.2%
6	Brownstown Township	80,134	86,529	80,879	78,378	82,500	81,900	(600)	-0.7%	3,522	4.5%
7	Bruce Township	2,374	2,425	2,311	1,723	2,370	2,150	(220)	-9.3%	427	24.8%
8	Burtchville Township	6,064	6,027	6,458	6,812	6,200	6,400	200	3.2%	(412)	-6.0%
9	Canton Township	214,100	230,557	237,547	212,655	227,400	226,900	(500)	-0.2%	14,245	6.7%
10	Center Line	16,760	16,722	16,785	16,672	16,800	16,700	(100)	-0.6%	28	0.2%
11	Chesterfield Township	107,485	107,295	100,502	96,178	105,100	101,300	(3,800)	-3.6%	5,122	5.3%
12	Clinton Township	225,176	217,027	218,063	206,077	220,100	213,700	(6,400)	-2.9%	7,623	3.7%
13	Commerce Township	64,276	70,920	66,313	65,710	67,200	67,600	400	0.6%	1,890	2.9%
14	Dearborn Heights	103,460	109,609	100,282	101,382	104,500	103,800	(700)	-0.7%	2,418	2.4%
15	Eastpointe	53,272	54,888	49,358	49,605	52,500	51,300	(1,200)	-2.3%	1,695	3.4%
16	Ecorse	47,727	45,777	39,748	39,158	39,700	39,200	(500)	-1.3%	42	0.1%
17	Farmington	24,140	25,462	24,673	23,263	24,800	24,500	(300)	-1.2%	1,237	5.3%
18	Farmington Hills	203,340	216,599	206,183	195,256	208,700	206,000	(2,700)	-1.3%	10,744	5.5%
19	Ferndale	35,703	30,957	33,468	33,380	32,200	32,600	400	1.2%	(780)	-2.3%
20	Flat Rock	23,276	32,959	27,966	27,774	28,100	29,600	1,500	5.3%	1,826	6.6%
21	Flint	263,620	226,597	211,411	195,425	211,400	203,600	(7,800)	-3.7%	8,175	4.2%
22	Fraser	31,787	31,030	31,007	29,776	31,000	30,600	(400)	-1.3%	824	2.8%
23	Garden City	39,210	39,706	39,276	40,050	39,400	39,700	300	0.8%	(350)	-0.9%
24	Gibraltar	8,369	8,625	8,509	11,127	8,500	9,400	900	10.6%	(1,727)	-15.5%
25	Greenwood Township (DTE)	19,971	12,117	31,797	39,335	21,300	27,700	6,400	30.0%	(11,635)	-29.6%
26	Grosse Ile Township	21,429	23,229	26,335	21,447	23,700	23,700	0	0.0%	2,253	10.5%
27	Grosse Pt. Park	32,795	33,564	30,752	27,513	32,400	30,600	(1,800)	-5.6%	3,087	11.2%
28	Grosse Pt. Shores	13,108	14,323	11,790	10,858	13,100	12,300	(800)	-6.1%	1,442	13.3%
29	Grosse Pt. Woods	40,020	44,771	39,781	36,242	41,500	40,300	(1,200)	-2.9%	4,058	11.2%
30	Hamtramck	30,035	30,797	34,931	30,681	31,900	32,100	200	0.6%	1,419	4.6%
31	Harper Woods	26,555	30,361	27,644	26,638	28,200	28,200	0	0.0%	1,562	5.9%
32	Harrison Township	55,358	57,128	54,729	46,889	55,700	52,900	(2,800)	-5.0%	6,011	12.8%
33	Hazel Park	25,587	26,931	25,670	23,738	26,100	25,400	(700)	-2.7%	1,662	7.0%
34	Huron Township	36,238	38,601	57,804	47,467	37,400	37,400	0	0.0%	(10,067)	-21.2%
35	Imlay City	27,032	25,446	30,986	29,325	27,800	28,600	800	2.9%	(725)	-2.5%
36	Imlay Township (Single User)	89	14	1	8	0	10	10	0.0%	2	21.2%
37	Inkster	62,633	52,322	50,133	46,065	51,200	49,500	(1,700)	-3.3%	3,435	7.5%
38	Keego Harbor	5,392	5,554	5,526	5,326	5,500	5,500	0	0.0%	174	3.3%
39	Lapeer	30,974	26,864	30,066	28,708	30,000	29,200	(800)	-2.7%	492	1.7%
40	Lenox Township	7,111	8,341	8,440	9,219	8,000	8,700	700	8.8%	(519)	-5.6%
41	Lincoln Park	87,143	92,622	88,969	87,389	89,600	89,700	100	0.1%	2,311	2.6%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - Mcf  
 April through September

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Peak 2021 4/21 - 9/21	Peak 2022 4/22 - 9/22	Peak 2023 4/23 - 9/23	Peak 2024 4/24 - 9/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume (6) - (5)	Variance from FY 2025 Proj Percent (7) / (5)	Variance from FY 2024 Actual Volume (6) - (4)	Variance from FY 2024 Actual Percent (9) / (4)
	<b>Adjustment Factor:</b>					100.0%	100.0%				
42	Livonia	277,424	276,574	272,271	264,144	275,400	271,000	(4,400)	-1.6%	6,856	2.6%
43	Macomb Township	188,033	218,589	212,250	199,139	206,300	210,000	3,700	1.8%	10,861	5.5%
44	Madison Heights	62,318	68,954	65,953	65,315	67,500	66,700	(800)	-1.2%	1,385	2.1%
45	Mayfield Township (KAMAX)	285	364	331	256	330	320	(10)	-3.0%	64	24.8%
46	Melvindale	23,179	23,897	22,010	22,872	23,000	22,900	(100)	-0.4%	28	0.1%
47	New Haven, Village of	10,409	11,242	11,179	10,883	10,900	11,100	200	1.8%	217	2.0%
48	NOCWA	490,017	547,131	523,629	503,600	520,300	524,800	4,500	0.9%	21,200	4.2%
49	Northville	17,452	17,506	16,815	16,534	17,300	17,000	(300)	-1.7%	466	2.8%
50	Northville Township	86,864	87,914	89,698	86,424	88,200	88,000	(200)	-0.2%	1,576	1.8%
51	Novi	181,861	203,991	174,714	190,049	186,900	189,600	2,700	1.4%	(449)	-0.2%
52	Oak Park	47,176	48,063	45,758	47,709	47,000	47,200	200	0.4%	(509)	-1.1%
53	Oakland GWK Drain District	7,623	4,989	5,955	5,402	6,200	5,400	(800)	-12.9%	(2)	0.0%
54	Plymouth	26,114	26,799	25,946	24,542	26,300	25,800	(500)	-1.9%	1,258	5.1%
55	Plymouth Township	97,060	99,391	97,218	91,964	97,900	96,200	(1,700)	-1.7%	4,236	4.6%
56	Redford Township	83,217	83,057	82,621	77,600	83,000	81,100	(1,900)	-2.3%	3,500	4.5%
57	River Rouge	19,738	20,151	20,728	26,448	20,200	22,400	2,200	10.9%	(4,048)	-15.3%
58	Riverview	24,792	26,737	23,844	23,309	25,100	24,600	(500)	-2.0%	1,291	5.5%
59	Rockwood	4,804	5,173	5,060	5,128	5,000	5,100	100	2.0%	(28)	-0.5%
60	Romeo	3,777	3,408	1,789	2,223	1,800	2,000	200	11.1%	(223)	-10.0%
61	Romulus	115,357	112,150	107,782	109,947	111,800	110,000	(1,800)	-1.6%	53	0.0%
62	Roseville	87,488	87,830	87,474	90,915	87,600	88,700	1,100	1.3%	(2,215)	-2.4%
63	Royal Oak Township	5,298	5,467	5,554	5,185	5,400	5,400	0	0.0%	215	4.1%
64	Shelby Township	251,852	275,781	262,191	242,148	263,300	260,000	(3,300)	-1.3%	17,852	7.4%
65	SOCWA	705,538	773,397	728,279	690,070	735,700	730,600	(5,100)	-0.7%	40,530	5.9%
66	South Rockwood	2,645	2,535	2,471	2,702	2,600	2,600	0	0.0%	(102)	-3.8%
67	Southgate	53,216	67,176	62,979	61,880	61,100	64,000	2,900	4.7%	2,120	3.4%
68	St. Clair Shores	102,312	113,031	106,974	98,928	107,400	106,300	(1,100)	-1.0%	7,372	7.5%
69	Sterling Heights	350,654	347,431	328,150	309,456	342,100	328,300	(13,800)	-4.0%	18,844	6.1%
70	Sumpter Township	16,759	20,801	17,768	18,116	18,400	18,900	500	2.7%	784	4.3%
71	Sylvan Lake	3,400	3,929	3,643	3,549	3,700	3,700	0	0.0%	151	4.2%
72	Taylor	140,682	152,854	144,924	142,307	146,200	146,700	500	0.3%	4,393	3.1%
73	Trenton	45,952	54,916	44,374	42,403	45,500	44,100	(1,400)	-3.1%	1,697	4.0%
74	Troy	267,758	265,092	262,160	251,562	265,000	259,600	(5,400)	-2.0%	8,038	3.2%
75	Utica	12,333	14,312	14,283	12,523	13,600	13,700	100	0.7%	1,177	9.4%
76	Van Buren Township	81,350	77,053	73,313	70,010	77,200	73,500	(3,700)	-4.8%	3,490	5.0%
77	Walled Lake	16,157	16,346	16,023	16,579	16,200	16,300	100	0.6%	(279)	-1.7%
78	Warren	340,019	347,379	332,704	324,837	340,000	335,000	(5,000)	-1.5%	10,163	3.1%
79	Washington Township	55,383	58,902	57,721	53,264	57,300	56,600	(700)	-1.2%	3,336	6.3%
80	Wayne	51,451	54,408	53,446	51,758	53,100	53,200	100	0.2%	1,442	2.8%
81	West Bloomfield Township	166,181	174,870	162,149	158,441	167,700	165,200	(2,500)	-1.5%	6,759	4.3%
82	Westland	178,631	188,361	147,779	172,086	171,600	169,400	(2,200)	-1.3%	(2,686)	-1.6%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - Mcf  
April through September

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Peak 2021 4/21 - 9/21	Peak 2022 4/22 - 9/22	Peak 2023 4/23 - 9/23	Peak 2024 4/24 - 9/24	Original FY 2025 Proj (1) ~ (3) Avg	Proposed FY 2026 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj		Variance from FY 2024 Actual	
								Volume (6) - (5)	Percent (7) / (5)	Volume (6) - (4)	Percent (9) / (4)
<b>Adjustment Factor:</b>						100.0%	100.0%				
83	Wixom	45,768	51,885	45,131	47,248	47,600	48,100	500	1.1%	852	1.8%
84	Woodhaven	32,973	34,139	30,322	30,202	32,500	31,600	(900)	-2.8%	1,398	4.6%
85	Ypsilanti Comm Util Auth	270,763	283,465	273,610	265,032	275,900	274,000	(1,900)	-0.7%	8,968	3.4%
	Subtotal Master Metered	7,269,016	7,556,766	7,236,287	6,991,570	7,303,400	7,237,880	(65,520)	-0.9%	246,310	3.5%
86	Total Master Metered	7,269,016	7,556,766	7,236,287	6,991,570	7,303,400	7,237,880	(65,520)	-0.9%	246,310	3.5%
87	Dearborn Wholesale Proxy	276,293	287,223	270,084	224,767	277,900	260,700	(17,200)	-6.2%	35,933	16.0%
88	Highland Park Wholesale Proxy	56,646	55,463	56,058	42,973	56,100	41,800	(14,300)	-25.5%	(1,173)	-2.7%
89	Detroit Wholesale Proxy	2,211,517	2,244,945	2,191,220	2,116,645	2,215,900	2,184,300	(31,600)	-1.4%	67,655	3.2%
90	Subtotal Non Master Mtrd	2,544,455	2,587,631	2,517,363	2,384,385	2,549,900	2,486,800	(63,100)	-2.5%	595,035	25.0%
91	TOTAL	9,813,471	10,144,397	9,753,650	9,375,955	9,853,300	9,724,680	(128,620)	-1.3%	841,346	9.0%
92	Subtotal Sub Wholesale	7,601,954	7,899,452	7,562,429	7,259,310	7,637,400	7,540,380	(97,020)	-1.3%	773,691	10.7%

[Appendix 2 – Comparison of FY 2025 Approved & FY 2026 Final Proposed Units of Service](#)  
The Comparison of FY 2025 Approved & FY 2026 Final Proposed Units of Service on the next page is scaled to fit an 11x17 inch page setup.

Note for columns 5 and 6 that the calculation refers to the “base month adjustment” factor and “peak month adjustment factor” of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 – (average of 3+2+1) or 98%.

GLWA Wholesale Master Metered Water Sales Volumes - Mcf  
Uniform Forecast Period (UFP) Summary

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		October thru September				Original	Proposed	Variance from FY 2025 Proj		Variance from FY 2024 Actual	
		UFP 2021	UFP 2022	UFP 2023	UFP 2024	FY 2025 Proj	FY 2026 Proj	Volume	Percent	Volume	Percent
	10/20 - 9/21	10/21 - 9/22	10/22 - 9/23	10/23 - 9/24	(1) ~ (3) Avg	(2) ~ (4) Avg	(6) - (5)	(7) / (5)	(6) - (4)	(9) / (4)	
	Base Month Adjustment Factor:					98.0%	98.0%				
	Peak Month Adjustment Factor:					100.0%	100.0%				
1	Allen Park	177,120	131,089	117,271	114,297	116,700	115,500	(1,200)	-1.0%	1,203	1.1%
2	Almont Village	9,227	9,191	8,698	8,867	9,000	8,800	(200)	-2.2%	(67)	-0.8%
3	Ash Township	40,437	39,628	36,968	36,814	38,700	37,400	(1,300)	-3.4%	586	1.6%
4	Belleville	15,602	14,322	13,654	14,355	13,900	14,000	100	0.7%	(355)	-2.5%
5	Berlin Township	27,616	27,850	26,442	26,637	27,100	26,800	(300)	-1.1%	163	0.6%
6	Brownstown Township	136,086	144,996	139,594	136,154	139,100	139,100	0	0.0%	2,946	2.2%
7	Bruce Township	3,116	3,167	2,978	2,501	3,070	2,860	(210)	-6.8%	359	14.4%
8	Burtchville Township	9,597	8,434	9,526	11,582	9,100	9,700	600	6.6%	(1,882)	-16.3%
9	Canton Township	360,652	378,577	394,819	381,842	375,000	381,900	6,900	1.8%	58	0.0%
10	Center Line	33,630	31,818	31,944	31,883	32,200	31,600	(600)	-1.9%	(283)	-0.9%
11	Chesterfield Township	184,231	184,876	176,410	176,967	180,300	177,800	(2,500)	-1.4%	833	0.5%
12	Clinton Township	390,644	384,654	389,614	368,544	385,000	377,600	(7,400)	-1.9%	9,056	2.5%
13	Commerce Township	107,983	108,428	104,934	105,083	104,100	105,300	1,200	1.2%	217	0.2%
14	Dearborn Heights	194,822	201,676	196,033	192,067	195,700	194,800	(900)	-0.5%	2,733	1.4%
15	Eastpointe	105,568	104,496	101,469	99,930	102,800	101,000	(1,800)	-1.8%	1,070	1.1%
16	Ecorse	99,878	92,395	82,675	77,736	81,700	77,000	(4,700)	-5.8%	(736)	-0.9%
17	Farmington	44,259	45,160	43,860	42,305	44,100	43,400	(700)	-1.6%	1,095	2.6%
18	Farmington Hills	346,173	364,503	349,241	337,049	350,400	347,400	(3,000)	-0.9%	10,351	3.1%
19	Ferndale	72,537	66,122	64,311	64,915	64,500	64,500	0	0.0%	(415)	-0.6%
20	Flat Rock	46,075	55,415	52,251	51,616	50,800	52,700	1,900	3.7%	1,084	2.1%
21	Flint	513,902	467,588	404,714	377,930	415,500	394,000	(21,500)	-5.2%	16,070	4.3%
22	Fraser	57,405	57,592	56,523	55,345	56,500	56,000	(500)	-0.9%	655	1.2%
23	Garden City	75,336	73,289	71,713	74,415	72,800	72,500	(300)	-0.4%	(1,915)	-2.6%
24	Gibraltar	16,201	16,638	15,916	19,228	16,100	17,100	1,000	6.2%	(2,128)	-11.1%
25	Greenwood Township (DTE)	26,463	16,323	35,787	46,246	26,100	32,600	6,500	24.9%	(13,646)	-29.5%
26	Grosse Ile Township	37,057	40,641	48,462	40,279	41,700	42,800	1,100	2.6%	2,521	6.3%
27	Grosse Pt. Park	54,332	54,361	50,548	47,713	52,700	50,500	(2,200)	-4.2%	2,787	5.8%
28	Grosse Pt. Shores	18,969	19,963	17,950	15,944	18,900	17,800	(1,100)	-5.8%	1,856	11.6%
29	Grosse Pt. Woods	66,143	72,064	67,687	61,209	68,100	66,500	(1,600)	-2.3%	5,291	8.6%
30	Hamtramck	61,104	59,220	67,507	61,174	62,000	62,000	0	0.0%	826	1.3%
31	Harper Woods	51,087	57,961	53,942	54,248	53,800	54,800	1,000	1.9%	552	1.0%
32	Harrison Township	98,249	100,167	97,524	89,556	97,700	94,900	(2,800)	-2.9%	5,344	6.0%
33	Hazel Park	49,068	47,516	48,472	45,951	47,900	46,800	(1,100)	-2.3%	849	1.8%
34	Huron Township	63,771	68,631	104,765	99,596	65,600	65,600	0	0.0%	(33,996)	-34.1%
35	Imlay City	45,671	45,676	50,935	44,765	47,100	46,800	(300)	-0.6%	2,035	4.5%
36	Imlay Township (Single User)	174	63	2	15	10	10	0	0.0%	(5)	-34.8%
37	Inkster	116,248	101,727	102,467	94,414	100,800	98,500	(2,300)	-2.3%	4,086	4.3%

Note for columns 5 and 6 that the calculation refers to the “base month adjustment” factor and “peak month adjustment factor” of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 – (average of 3+2+1) or 98%.

GLWA Wholesale Master Metered Water Sales Volumes - Mcf  
Uniform Forecast Period (UFP) Summary

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		October thru September				Original	Proposed	Variance from FY 2025 Proj		Variance from FY 2024 Actual	
		UFP 2021	UFP 2022	UFP 2023	UFP 2024	FY 2025 Proj	FY 2026 Proj	Volume	Percent	Volume	Percent
	10/20 - 9/21	10/21 - 9/22	10/22 - 9/23	10/23 - 9/24	(1) ~ (3) Avg	(2) ~ (4) Avg	(6) - (5)	(7) / (5)	(6) - (4)	(9) / (4)	
	Base Month Adjustment Factor:					98.0%	98.0%				
	Peak Month Adjustment Factor:					100.0%	100.0%				
38	Keego Harbor	9,621	10,068	9,919	9,571	9,800	9,800	0	0.0%	229	2.4%
39	Lapeer	56,130	54,172	53,988	53,971	55,000	54,200	(800)	-1.5%	229	0.4%
40	Lenox Township	13,367	15,496	15,834	17,293	14,800	16,100	1,300	8.8%	(1,193)	-6.9%
41	Lincoln Park	167,566	177,384	174,748	170,087	171,600	172,400	800	0.5%	2,313	1.4%
42	Livonia	458,720	460,387	453,533	445,423	453,800	449,500	(4,300)	-0.9%	4,077	0.9%
43	Macomb Township	313,038	342,838	341,435	336,933	329,900	337,800	7,900	2.4%	867	0.3%
44	Madison Heights	113,229	128,761	123,193	119,820	124,800	122,700	(2,100)	-1.7%	2,880	2.4%
45	Mayfield Township (KAMAX)	410	558	570	456	510	530	20	3.9%	74	16.3%
46	Melvindale	44,414	45,616	47,699	47,188	45,400	46,300	900	2.0%	(888)	-1.9%
47	New Haven, Village of	18,761	19,868	20,193	20,062	19,400	19,900	500	2.6%	(162)	-0.8%
48	NOCWA	848,049	898,556	884,157	851,419	869,800	871,000	1,200	0.1%	19,581	2.3%
49	Northville	29,666	31,581	29,704	27,408	30,100	29,400	(700)	-2.3%	1,992	7.3%
50	Northville Township	136,274	134,875	137,112	135,037	135,200	134,700	(500)	-0.4%	(337)	-0.2%
51	Novi	292,137	320,859	289,489	305,195	298,600	302,900	4,300	1.4%	(2,295)	-0.8%
52	Oak Park	89,805	92,834	89,847	91,751	90,000	90,600	600	0.7%	(1,151)	-1.3%
53	Oakland GWK Drain District	9,914	9,032	8,830	9,258	9,200	8,900	(300)	-3.3%	(358)	-3.9%
54	Plymouth	44,831	45,016	44,138	42,604	44,300	43,600	(700)	-1.6%	996	2.3%
55	Plymouth Township	157,509	159,866	155,568	149,736	156,500	153,900	(2,600)	-1.7%	4,164	2.8%
56	Redford Township	156,539	156,165	155,901	151,169	154,800	153,000	(1,800)	-1.2%	1,831	1.2%
57	River Rouge	36,434	39,268	37,333	44,848	37,300	40,100	2,800	7.5%	(4,748)	-10.6%
58	Riverview	46,718	47,563	45,599	42,297	46,200	44,700	(1,500)	-3.2%	2,403	5.7%
59	Rockwood	9,608	9,826	9,423	9,562	9,500	9,500	0	0.0%	(62)	-0.6%
60	Romeo	6,082	5,986	3,417	3,245	3,100	3,100	0	0.0%	(145)	-4.5%
61	Romulus	218,120	209,371	196,681	198,322	206,200	199,700	(6,500)	-3.2%	1,378	0.7%
62	Roseville	181,059	170,174	170,217	176,409	172,100	170,600	(1,500)	-0.9%	(5,809)	-3.3%
63	Royal Oak Township	9,899	10,271	10,437	9,828	10,100	10,100	0	0.0%	272	2.8%
64	Shelby Township	421,506	423,330	408,576	393,201	414,700	405,400	(9,300)	-2.2%	12,199	3.1%
65	SOCWA	1,201,066	1,287,805	1,244,254	1,159,964	1,234,200	1,220,700	(13,500)	-1.1%	60,736	5.2%
66	South Rockwood	4,813	4,814	4,676	4,954	4,800	4,800	0	0.0%	(154)	-3.1%
67	Southgate	104,985	123,507	116,525	114,987	113,900	117,200	3,300	2.9%	2,213	1.9%
68	St. Clair Shores	190,385	207,201	205,681	187,437	199,200	198,200	(1,000)	-0.5%	10,763	5.7%
69	Sterling Heights	613,321	602,867	560,661	553,857	587,300	567,500	(19,800)	-3.4%	13,643	2.5%
70	Sumpter Township	31,254	38,751	32,703	34,438	33,900	35,000	1,100	3.2%	562	1.6%
71	Sylvan Lake	6,314	7,365	6,435	6,268	6,700	6,600	(100)	-1.5%	332	5.3%
72	Taylor	255,507	273,728	270,802	266,132	264,300	267,800	3,500	1.3%	1,668	0.6%
73	Trenton	83,794	92,677	83,624	80,296	83,000	81,600	(1,400)	-1.7%	1,304	1.6%
74	Troy	451,881	434,498	429,283	418,626	435,100	424,100	(11,000)	-2.5%	5,474	1.3%
75	Utica	21,689	24,971	24,865	22,702	23,600	24,000	400	1.7%	1,298	5.7%

Note for columns 5 and 6 that the calculation refers to the “base month adjustment” factor and “peak month adjustment factor” of 0.98. That factor of 0.98 is calculated as 100 percent less the average of the sum of 1% for three years for period ending September 2022 (or 3%) plus 1% for two years for period ending September 2023 (or 2%) plus 1% for one years for period ending September 2024 (or 1%) or (100 – (average of 3+2+1) or 98%.

GLWA Wholesale Master Metered Water Sales Volumes - Mcf  
Uniform Forecast Period (UFP) Summary

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		October thru September				Original	Proposed	Variance from FY 2025 Proj		Variance from FY 2024 Actual	
		UFP 2021	UFP 2022	UFP 2023	UFP 2024	FY 2025 Proj	FY 2026 Proj	Volume	Percent	Volume	Percent
	10/20 - 9/21	10/21 - 9/22	10/22 - 9/23	10/23 - 9/24	(1) ~ (3) Avg	(2) ~ (4) Avg	(6) - (5)	(7) / (5)	(6) - (4)	(9) / (4)	
	Base Month Adjustment Factor:					98.0%	98.0%				
	Peak Month Adjustment Factor:					100.0%	100.0%				
76	Van Buren Township	140,292	132,352	127,409	118,494	132,200	125,100	(7,100)	-5.4%	6,606	5.6%
77	Walled Lake	29,545	29,556	28,556	29,321	29,000	28,900	(100)	-0.3%	(421)	-1.4%
78	Warren	631,298	642,215	612,497	609,223	622,900	615,600	(7,300)	-1.2%	6,377	1.0%
79	Washington Township	84,012	88,961	87,243	82,825	86,100	85,700	(400)	-0.5%	2,875	3.5%
80	Wayne	103,237	102,177	102,700	101,035	101,700	101,000	(700)	-0.7%	(35)	0.0%
81	West Bloomfield Township	273,445	290,158	276,887	271,082	277,900	277,100	(800)	-0.3%	6,018	2.2%
82	Westland	329,281	338,514	300,892	312,826	319,900	314,400	(5,500)	-1.7%	1,574	0.5%
83	Wixom	76,279	80,853	73,486	76,871	76,300	76,500	200	0.3%	(371)	-0.5%
84	Woodhaven	58,308	59,937	53,259	52,397	56,700	54,800	(1,900)	-3.4%	2,403	4.6%
85	Ypsilanti Comm Util Auth	482,700	504,929	489,981	477,372	488,200	486,400	(1,800)	-0.4%	9,028	1.9%
86	Total Master Metered	12,819,243	13,083,775	12,687,569	12,352,372	12,656,190	12,541,800	(114,390)	-0.9%	189,428	1.5%
87	Dearborn Wholesale Proxy	553,897	552,931	531,420	504,412	540,800	524,200	(16,600)	-3.1%	19,788	3.9%
88	Highland Park Wholesale Proxy	104,928	104,253	104,756	86,973	77,200	77,200	0	0.0%	(9,773)	-11.2%
89	Detroit Wholesale Proxy	4,152,652	4,291,385	4,302,927	4,181,072	4,230,000	4,231,000	1,000	0.0%	49,928	1.2%
90	Subtotal Non Master Mtrd	4,811,476	4,948,569	4,939,103	4,772,457	4,848,000	4,832,400	(15,600)	-0.3%	59,943	1.3%
91	TOTAL	17,630,719	18,032,344	17,626,672	17,124,829	17,504,190	17,374,200	(129,990)	-0.74%	249,371	1.5%
92	Subtotal Sub Wholesale	13,478,067	13,740,959	13,323,745	12,943,757	13,274,190	13,143,200	(130,990)	-0.99%	199,443	1.5%

**Appendix 3 – Final Water Units of Service FY Comparison- FY 2025 & FY 2026**

The comparison of the projected wholesale volumes converted into “average day demands” in millions of gallons per day (mgd) and also present the max day and peak hour demands, also in mgd.

**Final Water Units of Service FY Comparison- FY25 & FY26**

Customer	Units of Service Input Data						Change		
	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour
	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>
	<u>FY 25 Vol</u>	<u>FY 25 MD</u>	<u>FY 25 PH</u>	<u>FY 26 Vol</u>	<u>FY 26 MD</u>	<u>FY 26 PH</u>			
Allen Park	116,700	5.45	7.54	115,500	5.45	7.54	(1,200)	0	0
Almont Village	9,000	0.400	0.440	8,800	0.400	0.440	(200)	0	0
Ash Township	38,700	1.45	2.27	37,400	1.45	2.27	(1,300)	0	0
Belleville	13,900	0.548	0.762	14,000	0.548	0.762	100	0	0
Berlin Township	27,100	1.13	1.76	26,800	1.13	1.76	(300)	0	0
Brownstown Township	139,100	7.00	11.00	139,100	7.00	11.00	0	0	0
Bruce Township	3,070	0.456	0.830	2,860	0.456	0.830	(210)	0	0
Burtchville Township	9,100	0.534	0.816	9,700	0.534	0.816	600	0	0
Canton Township	375,000	20.00	23.50	381,900	20.00	23.50	6,900	0	0
Center Line	32,200	1.13	1.60	31,600	1.13	1.60	(600)	0	0
Chesterfield Township	180,300	8.24	12.50	177,800	8.24	12.50	(2,500)	0	0
Clinton Township	385,000	19.70	22.00	377,600	19.70	22.00	(7,400)	0	0
Commerce Township	104,100	6.28	7.13	105,300	6.28	7.13	1,200	0	0
Dearborn	540,800	23.70	32.90	524,200	23.70	32.90	(16,600)	0	0
Dearborn Heights	195,700	8.00	12.00	194,800	8.00	12.00	(900)	0	0
Eastpointe	102,800	3.71	5.38	101,000	3.71	5.38	(1,800)	0	0
Ecorse	81,700	2.97	3.42	77,000	2.97	3.42	(4,700)	0	0
Farmington	44,100	2.10	2.31	43,400	2.10	2.31	(700)	0	0
Farmington Hills	350,400	18.00	21.30	347,400	18.00	21.30	(3,000)	0	0
Ferndale	64,500	2.89	3.10	64,500	2.89	3.10	0	0	0
Flat Rock	50,800	2.63	3.99	52,700	2.63	3.99	1,900	0	0
Flint	415,500	13.50	14.00	394,000	13.50	14.00	(21,500)	0	0
Fraser	56,500	2.81	4.25	56,000	2.81	4.25	(500)	0	0
Garden City	72,800	3.30	5.21	72,500	3.30	5.21	(300)	0	0
Gibraltar	16,100	0.649	0.836	17,100	0.649	0.836	1,000	0	0
Greenwood Township (DTE)	26,100	2.24	2.24	32,600	2.24	2.24	6,500	0	0
Grosse Ile Township	41,700	2.01	3.51	42,800	2.01	3.51	1,100	0	0
Grosse Pt. Park	52,700	3.09	5.31	50,500	3.09	5.31	(2,200)	0	0
Grosse Pt. Shores	18,900	1.43	2.19	17,800	1.43	2.19	(1,100)	0	0
Grosse Pt. Woods	68,100	3.36	4.29	66,500	3.36	4.29	(1,600)	0	0
Hamtramck	62,000	1.77	2.74	62,000	1.77	2.74	0	0	0
Harper Woods	53,800	2.09	2.99	54,800	2.09	2.99	1,000	0	0
Harrison Township	97,700	3.90	4.75	94,900	3.90	4.75	(2,800)	0	0
Hazel Park	47,900	1.76	2.41	46,800	1.76	2.41	(1,100)	0	0
Highland Park	77,200	2.40	2.46	77,200	2.40	2.46	0	0	0
Huron Township	65,600	3.10	3.91	65,600	3.10	3.91	0	0	0
Imlay City	47,100	2.22	2.48	46,800	2.22	2.48	(300)	0	0
Imlay Township (Single User)	10	0.012	0.024	10	0.012	0.024	0	0	0
Inkster	100,800	2.47	3.55	98,500	2.47	3.55	(2,300)	0	0
Keego Harbor	9,800	0.450	0.671	9,800	0.450	0.671	0	0	0
Lapeer	55,000	1.75	2.50	54,200	1.75	2.50	(800)	0	0
Lenox Township	14,800	0.510	0.704	16,100	0.510	0.704	1,300	0	0
Lincoln Park	171,600	5.30	6.93	172,400	5.30	6.93	800	0	0
Livonia	453,800	23.00	33.00	449,500	23.00	33.00	(4,300)	0	0
Macomb Township	329,900	23.00	40.00	337,800	23.00	40.00	7,900	0	0

**Final Water Units of Service FY Comparison- FY25 & FY26**

	Units of Service Input Data						Change		
	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour
	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>	<i>Mcf</i>	<i>mgd</i>	<i>mgd</i>
Madison Heights	124,800	4.75	6.50	122,700	4.75	6.50	(2,100)	0	0
Mayfield Township (KAMAX)	510	0.045	0.070	530	0.045	0.070	20	0	0
Melvindale	45,400	1.41	1.97	46,300	1.41	1.97	900	0	0
New Haven, Village of	19,400	0.785	1.200	19,900	0.785	1.200	500	0	0
NOCWA	869,800	43.50	48.60	871,000	43.50	48.60	1,200	0	0
Northville	30,100	1.55	1.65	29,400	1.55	1.65	(700)	0	0
Northville Township	135,200	9.00	13.50	134,700	9.00	9.00	(500)	0	(5)
Novi	298,600	17.00	19.00	302,900	17.00	19.00	4,300	0	0
Oak Park	90,000	3.90	3.90	90,600	3.90	3.90	600	0	0
Oakland GWK Drain District	9,200	0.204	0.204	8,900	0.204	0.204	(300)	0	0
Plymouth	44,300	1.81	2.71	43,600	1.81	2.71	(700)	0	0
Plymouth Township	156,500	10.00	10.00	153,900	10.00	10.00	(2,600)	0	0
Redford Township	154,800	6.35	9.00	153,000	6.35	9.00	(1,800)	0	0
River Rouge	37,300	1.07	1.63	40,100	1.07	1.63	2,800	0	0
Riverview	46,200	1.79	2.67	44,700	1.79	2.67	(1,500)	0	0
Rockwood	9,500	0.432	0.659	9,500	0.432	0.659	0	0	0
Romeo	3,100	0.253	0.451	3,100	0.253	0.451	0	0	0
Romulus	206,200	7.71	9.73	199,700	7.71	9.73	(6,500)	0	0
Roseville	172,100	6.03	8.63	170,600	6.03	8.63	(1,500)	0	0
Royal Oak Township	10,100	0.473	0.649	10,100	0.473	0.649	0	0	0
Shelby Township	414,700	26.60	30.00	405,400	26.60	30.00	(9,300)	0	0
SOCWA	1,234,200	60.50	60.50	1,220,700	60.50	60.50	(13,500)	0	0
South Rockwood	4,800	0.176	0.297	4,800	0.176	0.297	0	0	0
Southgate	113,900	4.60	6.23	117,200	4.60	6.23	3,300	0	0
St. Clair Shores	199,200	7.42	10.00	198,200	7.42	10.00	(1,000)	0	0
Sterling Heights	587,300	32.80	49.00	567,500	32.80	49.00	(19,800)	0	0
Sumpter Township	33,900	1.09	1.77	35,000	1.09	1.77	1,100	0	0
Sylvan Lake	6,700	0.352	0.539	6,600	0.352	0.539	(100)	0	0
Taylor	264,300	10.90	13.10	267,800	10.90	13.10	3,500	0	0
Trenton	83,000	3.52	5.20	81,600	3.52	5.20	(1,400)	0	0
Troy	435,100	27.30	40.30	424,100	27.30	40.30	(11,000)	0	0
Utica	23,600	1.20	1.75	24,000	1.20	1.75	400	0	0
Van Buren Township	132,200	6.90	8.17	125,100	6.90	8.17	(7,100)	0	0
Walled Lake	29,000	1.16	1.67	28,900	1.16	1.67	(100)	0	0
Warren	622,900	23.50	32.50	615,600	23.50	32.50	(7,300)	0	0
Washington Township	86,100	5.42	5.42	85,700	5.42	5.42	(400)	0	0
Wayne	101,700	3.95	4.71	101,000	3.95	4.71	(700)	0	0
West Bloomfield Township	277,900	15.00	26.40	277,100	15.00	26.40	(800)	0	0
Westland	319,900	12.00	17.00	314,400	12.00	17.00	(5,500)	0	0
Wixom	76,300	4.19	5.10	76,500	4.19	5.10	200	0	0
Woodhaven	56,700	2.85	4.40	54,800	2.85	4.40	(1,900)	0	0
Ypsilanti Comm Util Auth	488,200	19.50	21.00	486,400	19.50	21.00	(1,800)	0	0
Detroit	4,230,000	115.00	136.00	4,231,000	115.00	136.00	1,000	0	0
<b>TOTAL CHANGE</b>							<b>(129,990)</b>	<b>0</b>	<b>(5)</b>

Contract re-opener with peak hour modification



# FY 2026 Schedule of Charges As Adopted

February 26, 2025

Update 3.3.2025 – See replacement page 9 for correction of typo highlighted in yellow.

## Table of Contents

### FY 2026 Approved Charges

Memo FY 2026 Adopted Charges Update.....	1
One Pager Series – FY 2026 Schedule of Charges.....	2
Adopted FY 2026 Water Charge Sheet Summary.....	3
FY 2026 Water Charge Sheet Summary Comparison.....	7
Adopted FY 2026 Schedule of Sewer Service Charges.....	10
FY 2026 Sewer Charge Sheet Summary Comparison.....	12
Adopted FY 2026 Schedule of Industrial Service Charges.....	13
FY 2026 Industrial Charge Sheet Summary Comparison.....	14
GLWA FY 2026 Budget Charges News Release.....	15

### FY 2026 & FY 2027 Adopted Biennial Budget

FY 2026 Budget Infographic Water System.....	18
FY 2026 Budget Infographic Wastewater System.....	19
FY 2026 Budget Infographic Combined Water and Wastewater.....	20



**Financial Services Area  
Charges Outreach & Modeling**  
735 Randolph Street, Suite 1600  
Detroit, Michigan 48226  
Phone: 313-378-9594  
Email: [charges@glwater.org](mailto:charges@glwater.org)

Greetings Member Partner:

The GLWA Board of Directors approved the FY 2026 Budget and Charges on Wednesday, February 26, 2025. The final *adopted* charges are lower than the *proposed* charges previously mailed on January 27, 2025. Enclosed is a comparison between the two amounts. We are presently preparing the final individual community charge sheets based on the approved budget and charges. You should expect to receive that document within the next ten days. The final cost of service study will subsequently be distributed.

### **Key Takeaways for the FY 2026 Budget and Related Charges**

- The approved Fiscal Year 2026 average system-wide service charge increases are 5.9 percent for the water system and 4.5 percent for the wastewater system.
- This is the first year that GLWA's budget will exceed four percent as the *4% Promise* from the organization's foundational documents ended with the current fiscal year (which ends on June 30, 2025):
  - Despite this increase, GLWA's nine-year average charge increase continues to be well below 4% (2.7%-water/1.6%-wastewater)
- The FY 2026 budget and charges address multiple years of double digit increases in non-discretionary chemicals, utilities and services costs, which have increased nearly *55 percent* since 2020.
  - Example: The cost of the essential chemical chlorine has risen approximately 40 percent alone in the last 10 years.
- GLWA has made very strategic decisions to balance necessary infrastructure improvements with fiscal responsibility. One example is adjusting its bond financing cadence to smaller, annual borrowing to lower interest expense.
- The increased budget and charges support GLWA's continued focus on public health, infrastructure improvements, and system resiliency. This includes enhanced corrosion control in the regional system which improves protection in local system pipes, the Linear System Integrity Program which proactively assesses and identifies opportunities for strategy pipe renewals and replacements, and the Regional Flood Mitigation Study in partnership with the U.S. Army Corp of Engineers.

Thank you for your engagement in this process. Please do not hesitate to contact us at [charges@glwater.org](mailto:charges@glwater.org) if you have questions, comments, or concerns.



**Overview:** The Water and Sewer Service Charges for FY 2026 were adopted by the GLWA Board of Directors on February 26, 2025

**FY 2026 Proposed Charges Increases:**

The average water system charge of 5.9% and sewer system charge of 4.5% to overcome several years of cost increases. Despite this increase, *GLWA’s average cumulative charge increase continues to be well below 4% with water at 2.7% and sewer at 1.6%.*

**Methodology:** No methodology changes or shares updates this year. Changes in charges are driven by economic reality.

**Across-the-Board Adjustments:** Since there was no methodology change this year, nearly every Member Partner received the same charge adjustment of 5.69% for the water system and 4.3% for the sewer system.

**Proposed Budget Supports New Initiatives of Wide Scale Benefit to the Region**

*Corrosion Control:* While there is no lead in GLWA’s water and no lead pipes in GLWA’s transmission system, GLWA recently launched a corrosion control strategy to provide added protection to Member Partners’ local system (estimated cost \$6 million).

*Resiliency:* The newly formed GLWA Resiliency Group successfully launched a multi-year flood mitigation study in partnership with the U.S. Army Corps of Engineers. Southeast Michigan has experienced repeated widespread flooding, and five flooding-related FEMA Federal Disaster Declarations since 2000. This has resulted in economic burden and social hardship across our region. The project is funded 50% U.S. Army Corps of Engineers (USACE)/50% GLWA.

**Legal Constraints Deferred Needed Charge Increases:** Well-intended 4% Promise budget limitation could not have foreseen the depth of the economic impact of a pandemic on GLWA.

**Looking for more information?**  
 Visit us online at [www.glwater.org](http://www.glwater.org)

**High Double Digit Cost Increases Since 2020:** *Non-discretionary* chemicals, utilities, and services increased nearly 55% since 2020.

**Infrastructure Improvements are Largely Funded by Debt and Cash Reserves:** This means that 42 cents of every dollar is required for mandatory debt payments.

**Addressing Deferred Maintenance was a Key Objective in Establishing the Regional Authority:** Unfortunately, budget constraints have slowed the pace of maintenance. The cost of that equipment and services becomes more costly each year.

**Solid Financial Footing Translates to Lower Cost of Borrowing – and Lower Charge Increases in the Future:** GLWA is now an AA rated utility (remember the bonds sunk to non-investment grade during the City’s Chapter 9).

- Nearly \$900 million in cash flow savings has been achieved by restructuring debt.
- The proposed FY 2026 charge increase is an important signal to bond rating agencies and investors to maintain financial stability – especially with potential refunding opportunities this year.

**Leveraging Technology and Talent:**

- The proposed budget supports the linear system integrity program, new asset management technology, and a smart ball technology to best manage limited resources.
- Expanding apprenticeship and intern programs address hard-to-fill positions.

**Average System Charge Adjustment**

Year	Water	Sewer
2018	1.8%	-0.7%
2019	1.8%	0.1%
2020	0.6%	0.8%
2021	3.2%	2.0%
2022	1.5%	-0.6%
2023	3.7%	2.4%
2024	2.75%	2.75%
2025	3.25%	3.0%
<b>2026 Final Proposed</b>	<b>5.9%</b>	<b>4.5%</b>
<b>9-Year Average</b>	<b>2.7%</b>	<b>1.6%</b>

# Adopted

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)		Commodity Charge (a)		Projected Revenue From Charges (g)
			\$/mo		\$/mcf		\$
1	Allen Park	Model	\$	141,600	\$	9.81	\$ 2,832,300
2	Almont Village	Model	\$	14,200	\$	12.97	\$ 284,500
3	Ash Township	Model	\$	50,200	\$	10.72	\$ 1,003,300
4	Belleville	Model	\$	19,400	\$	11.01	\$ 386,900
5	Berlin Township	Model	\$	42,500	\$	12.66	\$ 849,300
6	Brownstown Township	Model	\$	228,000	\$	13.11	\$ 4,559,600
7	Bruce Township	Model	\$	18,600	\$	51.89	\$ 371,600
8	Burtchville Township	Model	\$	24,500	\$	20.11	\$ 489,100
9	Canton Township	Model	\$	634,200	\$	13.29	\$ 12,685,900
10	Center Line	Model	\$	29,300	\$	7.41	\$ 585,800
11	Chesterfield Township	Model	\$	265,300	\$	11.93	\$ 5,304,800
12	Clinton Township	Model	\$	458,700	\$	9.72	\$ 9,174,700
13	Commerce Township	Model	\$	210,600	\$	16.00	\$ 4,212,000
14	Dearborn	No Contract	\$	584,200	\$	8.91	\$ 11,681,000
15	Dearborn Heights	Model	\$	229,000	\$	9.41	\$ 4,581,100
16	Eastpointe	Model	\$	97,900	\$	7.74	\$ 1,956,500
17	Ecorse	Model	\$	67,500	\$	7.01	\$ 1,349,800
18	Farmington	Model	\$	59,900	\$	11.05	\$ 1,198,400
19	Farmington Hills	Model	\$	542,400	\$	12.49	\$ 10,847,800
20	Ferndale	Model	\$	64,900	\$	8.05	\$ 1,298,000
21	Flat Rock	Model	\$	87,400	\$	13.26	\$ 1,747,600
22	Flint	Model	\$	593,100	\$	12.04	\$ 11,861,000
	<i>less: Adjustment for KWA Debt Service (b)</i>						\$ (6,447,300)
	<i>Net projected revenue - Flint</i>						\$ 5,413,700
23	Fraser	Model	\$	76,600	\$	10.94	\$ 1,531,800
24	Garden City	Model	\$	103,700	\$	11.45	\$ 2,074,500
25	Gibraltar	Model	\$	21,300	\$	9.91	\$ 425,100
26	Greenwood Township (DTE)	Model	\$	81,600	\$	20.05	\$ 1,632,800
27	Grosse Ile Township	Model	\$	72,300	\$	13.50	\$ 1,445,400
28	Grosse Pt. Park	Model	\$	80,400	\$	12.75	\$ 1,608,700
29	Grosse Pt. Shores	Model	\$	36,400	\$	16.35	\$ 727,800
30	Grosse Pt. Woods	Model	\$	78,700	\$	9.45	\$ 1,572,800
31	Hamtramck	Model	\$	50,700	\$	6.54	\$ 1,013,900
32	Harper Woods	Model	\$	54,800	\$	8.01	\$ 1,096,500
33	Harrison Township	Model	\$	101,800	\$	8.58	\$ 2,035,800
34	Hazel Park	Model	\$	46,000	\$	7.88	\$ 920,800

# Adopted

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

Schedule updated by GLWA Staff Pending Review by Willdan  
Financial Services

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)		Commodity Charge (a)		Projected Revenue From Charges (g)
			\$/mo		\$/mcf		\$
35	Highland Park	Model	\$	51,900	\$	5.38	\$ 1,038,100
36	Huron Township	Model	\$	93,400	\$	11.40	\$ 1,868,600
37	Imlay City	Model	\$	92,000	\$	15.73	\$ 1,840,200
38	Imlay Township (Single User)	No Contract	\$	600	\$	520.00	\$ 12,400
39	Inkster	Model	\$	80,200	\$	6.52	\$ 1,604,600
40	Keego Harbor	Model	\$	18,400	\$	15.10	\$ 368,800
41	Lapeer	Model	\$	95,700	\$	14.12	\$ 1,913,700
42	Lenox Township	Model	\$	19,800	\$	9.84	\$ 396,000
43	Lincoln Park	Model	\$	141,200	\$	6.55	\$ 2,823,600
44	Livonia	Model	\$	710,100	\$	12.64	\$ 14,202,900
45	Macomb Township	Model	\$	763,200	\$	18.08	\$ 15,265,800
46	Madison Heights	Model	\$	127,900	\$	8.35	\$ 2,559,300
47	Mayfield Township (KAMAX)	Model	\$	3,100	\$	47.55	\$ 62,400
48	Melvindale	Model	\$	40,700	\$	7.02	\$ 813,400
49	New Haven, Village of	Model	\$	27,000	\$	10.90	\$ 540,900
50	NOCWA	Model	\$	1,358,700	\$	12.48	\$ 27,174,500
51	Northville	Model	\$	47,500	\$	12.91	\$ 949,600
52	Northville Township	Model	\$	284,000	\$	16.86	\$ 5,679,000
53	Novi	Model	\$	565,700	\$	14.94	\$ 11,313,700
54	Oak Park	Model	\$	86,600	\$	7.65	\$ 1,732,300
55	Oakland GWK Drain District	Model	\$	5,500	\$	4.97	\$ 110,200
56	Plymouth	Model	\$	67,400	\$	12.36	\$ 1,347,700
57	Plymouth Township	Model	\$	273,800	\$	14.23	\$ 5,475,600
58	Redford Township	Model	\$	182,000	\$	9.51	\$ 3,639,000
59	River Rouge	Model	\$	32,400	\$	6.47	\$ 648,200
60	Riverview	Model	\$	53,300	\$	9.55	\$ 1,066,500
61	Rockwood	Model	\$	15,300	\$	12.89	\$ 306,100
62	Romeo	Model	\$	10,900	\$	28.03	\$ 217,700
63	Romulus	Model	\$	226,200	\$	9.06	\$ 4,523,700
64	Roseville	Model	\$	158,500	\$	7.43	\$ 3,169,600
65	Royal Oak Township	Model	\$	12,800	\$	10.23	\$ 256,900
66	Shelby Township	Model	\$	682,500	\$	13.47	\$ 13,650,700
67	SOCWA	Model	\$	1,448,300	\$	9.49	\$ 28,964,000
68	South Rockwood	Model	\$	7,300	\$	12.15	\$ 145,900
69	Southgate	Model	\$	128,900	\$	8.80	\$ 2,578,200
70	St. Clair Shores	Model	\$	192,900	\$	7.78	\$ 3,856,800

# Adopted

## GREAT LAKES WATER AUTHORITY WATER SUPPLY SYSTEM

 Schedule updated by GLWA Staff Pending Review by Willdan  
Financial Services

### Service Charges and Allocated Revenue Requirements

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			\$/mo	\$/mcf	\$
71	Sterling Heights	Model	\$ 900,300	\$ 12.69	\$ 18,005,200
72	Sumpter Township	Model	\$ 44,900	\$ 10.26	\$ 897,900
73	Sylvan Lake	Model	\$ 14,300	\$ 17.47	\$ 286,900
74	Taylor	Model	\$ 284,300	\$ 8.49	\$ 5,685,200
75	Trenton	Model	\$ 108,500	\$ 10.64	\$ 2,170,200
76	Troy	Model	\$ 833,000	\$ 15.71	\$ 16,658,600
77	Utica	Model	\$ 36,500	\$ 12.13	\$ 729,100
78	Van Buren Township	Model	\$ 207,700	\$ 13.27	\$ 4,152,500
79	Walled Lake	Model	\$ 48,800	\$ 13.54	\$ 976,900
80	Warren	Model	\$ 588,700	\$ 7.65	\$ 11,773,700
81	Washington Township	Model	\$ 144,200	\$ 13.45	\$ 2,883,100
82	Wayne	Model	\$ 110,400	\$ 8.74	\$ 2,207,500
83	West Bloomfield Township	Model	\$ 654,300	\$ 18.89	\$ 13,086,000
84	Westland	Model	\$ 373,600	\$ 9.51	\$ 7,473,100
85	Wixom	Model	\$ 152,300	\$ 15.93	\$ 3,046,200
86	Woodhaven	Model	\$ 89,800	\$ 13.11	\$ 1,796,000
87	Ypsilanti Comm Util Auth	Model	\$ 640,000	\$ 10.53	\$ 12,801,800
<b>88</b>	<b>Total Wholesale Contract Member Partners (c)</b>				<b>\$ 365,646,100</b>
<b><u>Detroit Customer Class - \$</u></b>					
89	Wholesale Revenue Requirement (d)				\$ 50,728,800
90	less: Ownership Benefit per Lease				\$ (20,700,000)
<b>91</b>	<b>Net Local System Wholesale Revenue Requirement (c)</b>				<b>\$ 30,028,800</b>
<b>92</b>	<b>Revenue from Wholesale Water Charges (88) + (91) (c)</b>				<b>\$ 395,674,900</b>
<b><u>Detroit Customer Class -Other</u></b>					
93	Indirect Retail Revenue Requirements (e)				\$ 50,772,300
94	less: Use of Lease Payment for Debt Service				\$ -
<b>95</b>	<b>Net Indirect Retail Revenue Requirements (e)</b>				<b>\$ 50,772,300</b>
96	Subtotal Subject to GLWA Board Approval (91) + (95)				\$ 80,801,100
97	Direct Retail Revenue Requirements (f)				\$ 48,484,000
<b>98</b>	<b>Total Local Retail Revenue Requirement (95) + (97)</b>				<b>\$ 99,256,300</b>
<b>99</b>	<b>Total Requirement Detroit Customer Class (91) + (98) (agrees with GLWA Budget Schedule 3)</b>				<b>\$ 129,285,100</b>

# Adopted

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			\$/mo	\$/mcf	\$
<b><u>Other Water System Charges</u></b>					
100	<b>Lead and Copper Rule Sample Testing Fee - \$/Sample</b>				\$ 64.00

- (a) Proposed effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.
  - (b) Flint receives a monthly credit related to KWA debt service in accordance with service agreements.
  - (c) Agrees with GLWA Budget Schedule 1
  - (d) Wholesale revenue requirements for the Detroit Customer Class.
  - (e) Local System revenue requirements related to Master Bond Ordinance and related agreements
  - (f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.
  - (g) Amounts may vary from individual Member Partner charge calculation sheets due to rounding.
- (e) & (f) Local System information provided from Detroit Water & Sewerage Department as of February 1, 2025

# Comparison

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

			Proposed January 27, 2025		Adopted February 26, 2025	
Line No.	Member Partner	Contract	Projected Revenue From Charges	Projected Revenue From Charges	Difference	
			\$	\$	\$	
1	Allen Park	Model	\$ 2,878,300	\$ 2,832,300	\$	<b>(46,000)</b>
2	Almont Village	Model	\$ 289,000	\$ 284,500	\$	<b>(4,500)</b>
3	Ash Township	Model	\$ 1,019,300	\$ 1,003,300	\$	<b>(16,000)</b>
4	Belleville	Model	\$ 393,200	\$ 386,900	\$	<b>(6,300)</b>
5	Berlin Township	Model	\$ 863,000	\$ 849,300	\$	<b>(13,700)</b>
6	Brownstown Township	Model	\$ 4,633,200	\$ 4,559,600	\$	<b>(73,600)</b>
7	Bruce Township	Model	\$ 377,600	\$ 371,600	\$	<b>(6,000)</b>
8	Burtchville Township	Model	\$ 496,900	\$ 489,100	\$	<b>(7,800)</b>
9	Canton Township	Model	\$ 12,888,500	\$ 12,685,900	\$	<b>(202,600)</b>
10	Center Line	Model	\$ 594,900	\$ 585,800	\$	<b>(9,100)</b>
11	Chesterfield Township	Model	\$ 5,390,700	\$ 5,304,800	\$	<b>(85,900)</b>
12	Clinton Township	Model	\$ 9,323,900	\$ 9,174,700	\$	<b>(149,200)</b>
13	Commerce Township	Model	\$ 4,280,200	\$ 4,212,000	\$	<b>(68,200)</b>
14	Dearborn	No Contract	\$ 11,871,300	\$ 11,681,000	\$	<b>(190,300)</b>
15	Dearborn Heights	Model	\$ 4,654,700	\$ 4,581,100	\$	<b>(73,600)</b>
16	Eastpointe	Model	\$ 1,988,700	\$ 1,956,500	\$	<b>(32,200)</b>
17	Ecorse	Model	\$ 1,371,400	\$ 1,349,800	\$	<b>(21,600)</b>
18	Farmington	Model	\$ 1,217,700	\$ 1,198,400	\$	<b>(19,300)</b>
19	Farmington Hills	Model	\$ 11,021,700	\$ 10,847,800	\$	<b>(173,900)</b>
20	Ferndale	Model	\$ 1,319,000	\$ 1,298,000	\$	<b>(21,000)</b>
21	Flat Rock	Model	\$ 1,775,500	\$ 1,747,600	\$	<b>(27,900)</b>
22	Flint	Model	\$ 12,055,000	\$ 11,861,000	\$	<b>(194,000)</b>
	<i>less: Adjustment for KWA Debt Service (b)</i>		\$ (6,447,300)	\$ (6,447,300)	\$	-
	<i>Net projected revenue - Flint</i>		\$ 5,607,700	\$ 5,413,700	\$	<b>(194,000)</b>
23	Fraser	Model	\$ 1,556,300	\$ 1,531,800	\$	<b>(24,500)</b>
24	Garden City	Model	\$ 2,107,300	\$ 2,074,500	\$	<b>(32,800)</b>
25	Gibraltar	Model	\$ 432,100	\$ 425,100	\$	<b>(7,000)</b>
26	Greenwood Township (DTE)	Model	\$ 1,659,100	\$ 1,632,800	\$	<b>(26,300)</b>
27	Grosse Ile Township	Model	\$ 1,468,400	\$ 1,445,400	\$	<b>(23,000)</b>
28	Grosse Pt. Park	Model	\$ 1,634,400	\$ 1,608,700	\$	<b>(25,700)</b>
29	Grosse Pt. Shores	Model	\$ 739,500	\$ 727,800	\$	<b>(11,700)</b>
30	Grosse Pt. Woods	Model	\$ 1,598,500	\$ 1,572,800	\$	<b>(25,700)</b>
31	Hamtramck	Model	\$ 1,030,300	\$ 1,013,900	\$	<b>(16,400)</b>
32	Harper Woods	Model	\$ 1,114,500	\$ 1,096,500	\$	<b>(18,000)</b>
33	Harrison Township	Model	\$ 2,068,300	\$ 2,035,800	\$	<b>(32,500)</b>
34	Hazel Park	Model	\$ 935,500	\$ 920,800	\$	<b>(14,700)</b>
35	Highland Park	Model	\$ 1,054,700	\$ 1,038,100	\$	<b>(16,600)</b>

# Comparison

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

			Proposed January 27, 2025		Adopted February 26, 2025	
Line No.	Member Partner	Contract	Projected Revenue From Charges	Projected Revenue From Charges	Difference	
			\$	\$	\$	
36	Huron Township	Model	\$ 1,898,400	\$ 1,868,600	\$ (29,800)	
37	Imlay City	Model	\$ 1,869,900	\$ 1,840,200	\$ (29,700)	
38	Imlay Township (Single User)	No Contract	\$ 12,600	\$ 12,400	\$ (200)	
39	Inkster	Model	\$ 1,630,100	\$ 1,604,600	\$ (25,500)	
40	Keego Harbor	Model	\$ 374,700	\$ 368,800	\$ (5,900)	
41	Lapeer	Model	\$ 1,944,700	\$ 1,913,700	\$ (31,000)	
42	Lenox Township	Model	\$ 402,500	\$ 396,000	\$ (6,500)	
43	Lincoln Park	Model	\$ 2,869,000	\$ 2,823,600	\$ (45,400)	
44	Livonia	Model	\$ 14,429,600	\$ 14,202,900	\$ (226,700)	
45	Macomb Township	Model	\$ 15,511,400	\$ 15,265,800	\$ (245,600)	
46	Madison Heights	Model	\$ 2,600,500	\$ 2,559,300	\$ (41,200)	
47	Mayfield Township (KAMAX)	Model	\$ 63,400	\$ 62,400	\$ (1,000)	
48	Melvindale	Model	\$ 826,200	\$ 813,400	\$ (12,800)	
49	New Haven, Village of	Model	\$ 549,500	\$ 540,900	\$ (8,600)	
50	NOCWA	Model	\$ 27,610,300	\$ 27,174,500	\$ (435,800)	
51	Northville	Model	\$ 964,700	\$ 949,600	\$ (15,100)	
52	Northville Township	Model	\$ 5,770,800	\$ 5,679,000	\$ (91,800)	
53	Novi	Model	\$ 11,495,600	\$ 11,313,700	\$ (181,900)	
54	Oak Park	Model	\$ 1,760,000	\$ 1,732,300	\$ (27,700)	
55	Oakland GWK Drain District	Model	\$ 112,000	\$ 110,200	\$ (1,800)	
56	Plymouth	Model	\$ 1,369,600	\$ 1,347,700	\$ (21,900)	
57	Plymouth Township	Model	\$ 5,563,800	\$ 5,475,600	\$ (88,200)	
58	Redford Township	Model	\$ 3,698,300	\$ 3,639,000	\$ (59,300)	
59	River Rouge	Model	\$ 658,700	\$ 648,200	\$ (10,500)	
60	Riverview	Model	\$ 1,084,000	\$ 1,066,500	\$ (17,500)	
61	Rockwood	Model	\$ 311,000	\$ 306,100	\$ (4,900)	
62	Romeo	Model	\$ 221,200	\$ 217,700	\$ (3,500)	
63	Romulus	Model	\$ 4,596,800	\$ 4,523,700	\$ (73,100)	
64	Roseville	Model	\$ 3,220,000	\$ 3,169,600	\$ (50,400)	
65	Royal Oak Township	Model	\$ 261,000	\$ 256,900	\$ (4,100)	
66	Shelby Township	Model	\$ 13,871,900	\$ 13,650,700	\$ (221,200)	
67	SOCWA	Model	\$ 29,425,500	\$ 28,964,000	\$ (461,500)	
68	South Rockwood	Model	\$ 148,300	\$ 145,900	\$ (2,400)	
69	Southgate	Model	\$ 2,619,800	\$ 2,578,200	\$ (41,600)	
70	St. Clair Shores	Model	\$ 3,919,800	\$ 3,856,800	\$ (63,000)	
71	Sterling Heights	Model	\$ 18,292,700	\$ 18,005,200	\$ (287,500)	
72	Sumpter Township	Model	\$ 912,300	\$ 897,900	\$ (14,400)	

# Comparison

**GREAT LAKES WATER AUTHORITY  
WATER SUPPLY SYSTEM**

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

**Service Charges and Allocated Revenue Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

			Proposed January 27, 2025		Adopted February 26, 2025	
Line No.	Member Partner	Contract	Projected Revenue From Charges	Projected Revenue From Charges	Difference	
			\$	\$	\$	
73	Sylvan Lake	Model	\$ 291,500	\$ 286,900	\$	(4,600)
74	Taylor	Model	\$ 5,777,900	\$ 5,685,200	\$	(92,700)
75	Trenton	Model	\$ 2,204,900	\$ 2,170,200	\$	(34,700)
76	Troy	Model	\$ 16,925,400	\$ 16,658,600	\$	(266,800)
77	Utica	Model	\$ 740,600	\$ 729,100	\$	(11,500)
78	Van Buren Township	Model	\$ 4,219,600	\$ 4,152,500	\$	(67,100)
79	Walled Lake	Model	\$ 992,600	\$ 976,900	\$	(15,700)
80	Warren	Model	\$ 11,961,600	\$ 11,773,700	\$	(187,900)
81	Washington Township	Model	\$ 2,929,500	\$ 2,883,100	\$	(46,400)
82	Wayne	Model	\$ 2,243,100	\$ 2,207,500	\$	(35,600)
83	West Bloomfield Township	Model	\$ 13,297,900	\$ 13,086,000	\$	(211,900)
84	Westland	Model	\$ 7,592,300	\$ 7,473,100	\$	(119,200)
85	Wixom	Model	\$ 3,095,400	\$ 3,046,200	\$	(49,200)
86	Woodhaven	Model	\$ 1,825,000	\$ 1,796,000	\$	(29,000)
87	Ypsilanti Comm Util Auth	Model	\$ 13,008,100	\$ 12,801,800	\$	(206,300)
88	<b>Total Wholesale Contract Member Partners (c)</b>		<b>\$ 371,631,300</b>	<b>\$ 365,646,100</b>	<b>\$</b>	<b>(5,985,200)</b>
	<b><u>Detroit Customer Class - \$</u></b>		<b><u>1.27.25</u></b>			<b><u>Change</u></b>
89	Wholesale Revenue Requirement (d)		\$ 51,591,600	\$ 50,728,800	\$	(862,800)
90	less: Ownership Benefit per Lease		\$ (20,700,000)	\$ (20,700,000)	\$	-
91	<b>Net Local System Wholesale Revenue Requirement (c)</b>		<b>\$ 30,891,600</b>	<b>\$ 30,028,800</b>	<b>\$</b>	<b>(862,800)</b>
92	<b>Revenue from Wholesale Water Charges (88) + (91) (c)</b>		<b>\$ 402,522,900</b>	<b>\$ 395,674,900</b>	<b>\$</b>	<b>(6,848,000)</b>
	<b><u>Other Water System Charges</u></b>					
100	<b>Lead and Copper Rule Sample Testing Fee - \$/Sample</b>		\$ 65.00	\$ 64.00	\$	(1.00)

(b) Flint receives a monthly credit related to KWA debt service in accordance with service agreements.

(c) Agrees with GLWA Budget Schedule 1

(d) Wholesale revenue requirements for Detroit Customer Class

Note: UPDATED 3.3.2025 The amounts in row 89 highlighted in yellow were previously misreported. The amounts now shown are correct. The total on row 92 is unchanged.

**GREAT LAKES WATER AUTHORITY  
SEWAGE DISPOSAL SYSTEM**

Schedule updated by GLWA Staff Pending Review by  
Willdan Financial Services

**Service Charges and Allocated Revenues Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Projected Revenue From Charges
			\$/mo	\$
1	OMID Common	Model	\$ 6,539,900	\$ 78,478,800
2	Rouge Valley	Older	\$ 5,030,200	\$ 60,362,400
3	Oakland GWK	Older	\$ 4,200,700	\$ 50,408,400
4	Evergreen Farmington	Model	\$ 3,296,700	\$ 39,560,400
5	SE Macomb San Dist	Model	\$ 2,269,500	\$ 27,234,000
6	Dearborn	Model	\$ 1,869,200	\$ 22,430,400
7	Grosse Pointe Farms	Older	\$ 242,600	\$ 2,911,200
8	Grosse Pointe Park	Model	\$ 173,100	\$ 2,077,200
9	Melvindale	Model	\$ 143,000	\$ 1,716,000
10	Farmington	Model	\$ 109,000	\$ 1,308,000
11	Center Line	Model	\$ 95,400	\$ 1,144,800
12	Allen Park	Model	\$ 76,900	\$ 922,800
13	Grosse Pointe	Model	\$ 106,600	\$ 1,279,200
14	Highland Park	Model	\$ 433,000	\$ 5,196,000
15	Hamtramck	Model	\$ 390,900	\$ 4,690,800
16	Harper Woods	Model	\$ 14,800	\$ 177,600
17	Redford Township	Model	\$ 30,600	\$ 367,200
18	Wayne County #3	Older	\$ 4,300	\$ 51,600
19	<b>Total Wholesale Contract Member Partners (c)</b>			<b>\$ 300,316,800</b>
<b><u>Other Sewer System Charges</u></b>				
20	<b>Industrial Waste Control (c)</b>			<b>\$ 9,150,300</b>
21	<b>Pollutant Surcharges (c)</b>			<b>\$ 5,112,700</b>
22	Subtotal Regional Wholesale Revenues			\$ 314,579,800
<b><u>Detroit Customer Class - \$</u></b>				
23	Wholesale Revenue Requirement (d)			\$ 220,840,400
24	less: Ownership Benefit per Lease			\$ (5,516,000)
25	<b>Net Local System Wholesale Revenue Requirement (c)</b>			<b>\$ 215,324,400</b>
26	<b>Total Revenue from Wholesale Charges (22) + (25) (c)</b>			<b>\$ 529,904,200</b>

**GREAT LAKES WATER AUTHORITY  
SEWAGE DISPOSAL SYSTEM**

Schedule updated by GLWA Staff Pending Review by  
Willdan Financial Services

**Service Charges and Allocated Revenues Requirements**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

<b><u>Detroit Customer Class -Other</u></b>		
27	Indirect Retail Revenue Requirements (e)	\$ 38,434,100
28	less: Use of Lease Payment for Debt Service	\$ -
29	Net Indirect Retail Revenue Requirements (e)	\$ 38,434,100
30	Subtotal Subject to GLWA Board Approval (25) + (29)	\$ 253,758,500
31	Direct Retail Revenue Requirements (f)	\$ 60,104,400
32	Total Local System Revenue Requirement (29) + (31)	\$ 98,538,500
33	<b>Total Requirement from Detroit Customer Class (25) + (32) (agrees with GLWA Budget Schedule 3)</b>	<b>\$ 313,862,900</b>

- (a) Proposed effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.
- (b) Reserved
- (c) Agrees with GLWA Budget Schedule
- (d) Wholesale revenue requirements for the Detroit Customer Class.
- (e) Local System revenue requirements related to Master Bond Ordinance and related agreements
- (f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.
- (e) & (f) Local System information provided from Detroit Water & Sewerage Department as of February 1, 2025

# Comparison

## GREAT LAKES WATER AUTHORITY

### SEWAGE DISPOSAL SYSTEM

#### Service Charges and Allocated Revenues Requirements

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Schedule updated by GLWA Staff Pending  
Review by Willdan Financial Services

			Proposed January 27, 2025		Adopted February 26, 2025	
Line No.	Member Partner	Contract	Projected Revenue From Charges	Projected Revenue From Charges	Difference	
			\$	\$	\$	
1	OMID Common	Model	\$ 79,089,600	\$ 78,478,800	\$ (610,800)	
2	Rouge Valley	Older	\$ 60,873,600	\$ 60,362,400	\$ (511,200)	
3	Oakland GWK	Older	\$ 50,835,600	\$ 50,408,400	\$ (427,200)	
4	Evergreen Farmington	Model	\$ 39,895,200	\$ 39,560,400	\$ (334,800)	
5	SE Macomb San Dist	Model	\$ 27,464,400	\$ 27,234,000	\$ (230,400)	
6	Dearborn	Model	\$ 22,620,000	\$ 22,430,400	\$ (189,600)	
7	Grosse Pointe Farms	Older	\$ 2,935,200	\$ 2,911,200	\$ (24,000)	
8	Grosse Pointe Park	Model	\$ 2,095,200	\$ 2,077,200	\$ (18,000)	
9	Melvindale	Model	\$ 1,730,400	\$ 1,716,000	\$ (14,400)	
10	Farmington	Model	\$ 1,320,000	\$ 1,308,000	\$ (12,000)	
11	Center Line	Model	\$ 1,154,400	\$ 1,144,800	\$ (9,600)	
12	Allen Park	Model	\$ 930,000	\$ 922,800	\$ (7,200)	
13	Grosse Pointe	Model	\$ 1,290,000	\$ 1,279,200	\$ (10,800)	
14	Highland Park	Model	\$ 5,239,200	\$ 5,196,000	\$ (43,200)	
15	Hamtramck	Model	\$ 4,730,400	\$ 4,690,800	\$ (39,600)	
16	Harper Woods	Model	\$ 178,800	\$ 177,600	\$ (1,200)	
17	Redford Township	Model	\$ 370,800	\$ 367,200	\$ (3,600)	
18	Wayne County #3	Older	\$ 51,600	\$ 51,600	\$ -	
19	<b>Total Wholesale Contract Member Partners (c)</b>		<b>\$ 302,804,400</b>	<b>\$ 300,316,800</b>	<b>\$ (2,487,600)</b>	
<b><u>Other Sewer System Charges</u></b>						
20	<b>Industrial Waste Control (c)</b>		<b>\$ 9,219,300</b>	<b>\$ 9,150,300</b>	<b>\$ (69,000)</b>	
21	<b>Pollutant Surcharges (c)</b>		<b>\$ 5,161,300</b>	<b>\$ 5,112,700</b>	<b>\$ (48,600)</b>	
22	Subtotal Regional Wholesale Revenues		\$ 317,185,000	\$ 314,579,800	\$ (2,605,200)	
<b><u>Detroit Customer Class - \$</u></b>						
23	Wholesale Revenue Requirement (d)		\$ 222,752,000	\$ 220,840,400	\$ (1,911,600)	
24	less: Ownership Benefit per Lease		\$ (5,516,000)	\$ (5,516,000)	\$ -	
25	<b>Net Local System Wholesale Revenue Requirement (c)</b>		<b>\$ 217,236,000</b>	<b>\$ 215,324,400</b>	<b>\$ (1,911,600)</b>	
26	<b>Total Revenue from Wholesale Charges (22) + (25) (c)</b>		<b>\$ 534,421,000</b>	<b>\$ 529,904,200</b>	<b>\$ (4,516,800)</b>	

(c) Agrees with GLWA Budget Schedule

(d) Wholesale revenue requirements for Detroit Customer Class

**GREAT LAKES WATER AUTHORITY**  
**SEWAGE DISPOSAL SYSTEM**

**Industrial Specific Retail Charges**

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Schedule updated by  
 GLWA Staff Pending  
 Review by Willdan  
 Financial Services

Industrial Waste Control Charges			
Meter Size		Full Charge	Admin Only Charge
inches		\$/mo	\$/mo
5/8	\$	3.89	\$ 0.97
3/4	\$	5.84	\$ 1.46
1	\$	9.73	\$ 2.43
1-1/2	\$	21.40	\$ 5.34
2	\$	31.12	\$ 7.76
3	\$	56.41	\$ 14.07
4	\$	77.80	\$ 19.40
6	\$	116.70	\$ 29.10
8	\$	194.50	\$ 48.50
10	\$	272.30	\$ 67.90
12	\$	311.20	\$ 77.60
14	\$	389.00	\$ 97.00
16	\$	466.80	\$ 116.40
18	\$	544.60	\$ 135.80
20	\$	622.40	\$ 155.20
24	\$	700.20	\$ 174.60
30	\$	778.00	\$ 194.00
36	\$	855.80	\$ 213.40
48	\$	933.60	\$ 232.80

Pollutant Surcharges		
Pollutant		Charge
		\$/lb
BIOCHEMICAL OXYGEN DEMAND (BOD)		
for concentrations > 275 mg/l	\$	0.409
TOTAL SUSPENDED SOLIDS (TSS)		
for concentrations > 350 mg/l	\$	0.548
PHOSPHORUS (P)		
for concentrations > 12 mg/l	\$	7.907
FATS, OIL AND GREASE (FOG)		
for concentrations > 100 mg/l	\$	0.131
SEPTAGE DISPOSAL FEE		
Per 500 gallons of disposal	\$	40.00

# Comparison

**GREAT LAKES WATER AUTHORITY  
SEWAGE DISPOSAL SYSTEM  
Industrial Specific Retail Charges**

Schedule updated by GLWA Staff Pending Review by  
Willdan Financial Services

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Proposed January 27, 2025				Adopted February 26, 2025			
Industrial Waste Control Charges				Industrial Waste Control Charges			
Meter Size	Full Charge	Admin Only Charge		Full Charge	Difference	Admin Only Charge	Difference
inches	\$/mo	\$/mo		\$/mo		\$/mo	
5/8	\$ 3.92	\$ 0.98		\$ 3.89	\$ (0.03)	\$ 0.97	\$ (0.01)
3/4	\$ 5.88	\$ 1.47		\$ 5.84	\$ (0.04)	\$ 1.46	\$ (0.01)
1	\$ 9.80	\$ 2.45		\$ 9.73	\$ (0.07)	\$ 2.43	\$ (0.02)
1-1/2	\$ 21.56	\$ 5.39		\$ 21.40	\$ (0.16)	\$ 5.34	\$ (0.05)
2	\$ 31.36	\$ 7.84		\$ 31.12	\$ (0.24)	\$ 7.76	\$ (0.08)
3	\$ 56.84	\$ 14.21		\$ 56.41	\$ (0.43)	\$ 14.07	\$ (0.14)
4	\$ 78.40	\$ 19.60		\$ 77.80	\$ (0.60)	\$ 19.40	\$ (0.20)
6	\$ 117.60	\$ 29.40		\$ 116.70	\$ (0.90)	\$ 29.10	\$ (0.30)
8	\$ 196.00	\$ 49.00		\$ 194.50	\$ (1.50)	\$ 48.50	\$ (0.50)
10	\$ 274.40	\$ 68.60		\$ 272.30	\$ (2.10)	\$ 67.90	\$ (0.70)
12	\$ 313.60	\$ 78.40		\$ 311.20	\$ (2.40)	\$ 77.60	\$ (0.80)
14	\$ 392.00	\$ 98.00		\$ 389.00	\$ (3.00)	\$ 97.00	\$ (1.00)
16	\$ 470.40	\$ 117.60		\$ 466.80	\$ (3.60)	\$ 116.40	\$ (1.20)
18	\$ 548.80	\$ 137.20		\$ 544.60	\$ (4.20)	\$ 135.80	\$ (1.40)
20	\$ 627.20	\$ 156.80		\$ 622.40	\$ (4.80)	\$ 155.20	\$ (1.60)
24	\$ 705.60	\$ 176.40		\$ 700.20	\$ (5.40)	\$ 174.60	\$ (1.80)
30	\$ 784.00	\$ 196.00		\$ 778.00	\$ (6.00)	\$ 194.00	\$ (2.00)
36	\$ 862.40	\$ 215.60		\$ 855.80	\$ (6.60)	\$ 213.40	\$ (2.20)
48	\$ 940.80	\$ 235.20		\$ 933.60	\$ (7.20)	\$ 232.80	\$ (2.40)

Pollutant Surcharges			Pollutant Surcharges		
Pollutant	Charge		Charge	Difference	
	\$/lb				
BIOCHEMICAL OXYGEN DEMAND (BOD)					
for concentrations > 275 mg/l	\$ 0.413		\$ 0.409	\$ (0.004)	
TOTAL SUSPENDED SOLIDS (TSS)					
for concentrations > 350 mg/l	\$ 0.553		\$ 0.548	\$ (0.005)	
PHOSPHORUS (P)					
for concentrations > 12 mg/l	\$ 7.975		\$ 7.907	\$ (0.068)	
FATS, OIL AND GREASE (FOG)					
for concentrations > 100 mg/l	\$ 0.132		\$ 0.131	\$ (0.001)	
SEPTAGE DISPOSAL FEE					
Per 500 gallons of disposal	\$ 40.00		\$ 40.00	\$ -	



**FOR IMMEDIATE RELEASE**

February 26, 2025

Media Contact:

Stephen Jones / C: 248-202-6166 / [stephen@vvkagency.com](mailto:stephen@vvkagency.com)

Michelle Zdrodowski / C: 313-618-0552 / [michelle.zdrodowski@glwater.org](mailto:michelle.zdrodowski@glwater.org)

**GLWA BOARD APPROVES WATER & WASTEWATER SERVICE BUDGET AND CHARGE INCREASES FOR FISCAL YEAR 2026**

- *Water System service charge increase is 5.9 percent; Wastewater System service charge increase is 4.5 percent.*
- *GLWA's nine-year average charge increase continues to be well below 4% (2.7%-water/1.6%-wastewater)*
- *GLWA's FY26 budget and charges addresses the need to acknowledge multiple years of double digit increases in non-discretionary expenses such as chemicals, utilities and construction materials.*
- *Increased budget and charges support continued focus on public health, infrastructure improvements, and system resiliency*

DETROIT— The Great Lakes Water Authority (GLWA) Board of Directors, at its meeting on February 26, 2025, approved the organization's Fiscal Year 2026 and FY 2027 biennial budget, as well as the corresponding FY 2026 water and wastewater service charges for its member partner communities.

The system-wide service charge increase is 5.9 percent for the water system and 4.5 percent for the wastewater system. This is the first year that GLWA's budget will exceed four percent as the *4% Promise* that was included in the organization's foundational documents ended with current fiscal year. Despite this increase, GLWA's nine-year average charge increase continues to be well below four percent (2.7% for water and 1.6% for wastewater).

"The Great Lakes Water Authority remains committed to delivering wholesale water and wastewater services of unquestionable quality at a fair and equitable cost to our Member Partners," said Suzanne R. Coffey, P.E., Chief Executive Officer, GLWA. "However, like utilities across the nation, we are facing unprecedented cost pressures. We've had to make strategic decisions to balance necessary investments in our infrastructure with fiscal responsibility. Our focus remains on ensuring operational reliability, long-term sustainability, and continued value for the communities we serve. Safety and resiliency are the foundation of everything we do at GLWA – every investment we make into our system reflects that."

The total budget for GLWA for fiscal year 2026 is \$954 million, which is approximately \$48 million above fiscal year 2025.

GLWA's FY 2026 budget and charges address the need to acknowledge multiple years of double digit increases in non-discretionary chemicals, utilities and services costs. These costs have increased nearly 55 percent since 2020. The cost of chlorine, which is an essential chemical to help ensure GLWA produces clean, safe water and appropriately treats wastewater, has risen approximately 40 percent alone in the last 10 years.

The Fiscal Year 2026 budget and charges also support two new critical initiatives that are of widescale benefit to GLWA's service region, including:

- Corrosion Control – while there is no lead in GLWA's water and no lead pipes in the regional transmission system, GLWA recently launched a corrosion control strategy to provide added protection to its member partners' local systems. This comes at an estimated yearly cost of \$6 million;
- Resiliency – GLWA's newly formed Office of System Resiliency launched a multi-year flood mitigation study in partnership with the U.S. Army Corps of Engineers. Southeast Michigan has experienced repeated widespread flooding. There have been five flooding-related FEMA Federal Disasters declared since 2000. This has resulted in economic burden and social hardships across southeast Michigan. The project is funded 50 percent by the U.S. Army Corps of Engineers and 50 percent by GLWA.

The budget and charges also provide funding for GLWA's Linear System Integrity Program (LSIP) which assesses the regional system's transmission pipes and proactively identifies opportunities for pipe renewals and replacements. This is an essential piece of GLWA's overall system resiliency and asset management strategy.

"The main force guiding our budget and charge development has been our promise to do everything within our power to balance the regional system's budgetary needs with overall affordability concerns," said Nicolette N. Bateson, Chief Financial Officer/Treasurer, GLWA. "No decision is made today without understanding how it impacts the future, the environment and those we serve. We understand that this charge increase will have an impact on our member partners, and in turn the residents of the communities we both serve. No one wants to implement charge increases, but in order to responsibly manage and maintain the regional system, is it essential."

GLWA has engaged extensively with Member Partners throughout the annual six-month budget and charge development and rollout process, ensuring transparency and collaboration in financial planning.

The water and wastewater service charges set by GLWA cover all the Authority's costs of providing water and wastewater services. This includes pumping stations, transmission pipes, and treatment plant maintenance and renewal, as well as paying debt service on

outstanding bonds issued to fund ongoing capital improvements to the system's vast infrastructure.

It is important to note that GLWA service charges are only one element of what residents and business owners see on their bill. Each municipality has its own added costs associated with maintaining its local system, which can mean that GLWA's charges may be a larger or smaller percentage of the total cost of a local community's water expenses. Ultimately, each individual member partner community sets the end cost, or local rates, passed along to residents and businesses.

For more information on GLWA, please visit [www.glwater.org](http://www.glwater.org).

###

### **About the Great Lakes Water Authority (GLWA)**

The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent, and efficient and effective wastewater services to nearly 30 percent, of Michigan's population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its services beyond its 88 member partner communities. As part of its commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA's board includes one representative each from Oakland, Macomb, and Wayne counties, two representatives from the city of Detroit, and one appointed by the Michigan governor to represent member partner communities outside of the tri-county area.

# MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Water Services** provides for...

## FY 2026 Water System Budget Infographic

### 44.6% OPERATIONS AND MAINTENANCE

#### 44.6¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality around-the-clock, every day of the year.

### 43.8% DEBT SERVICE

#### 43.8¢ ON THE DOLLAR

Physical improvements to GLWA's regional water system and its assets are financed with debt. Debt service principal and interest are funded monthly.

### 5.5% REGIONAL SYSTEM LEASE

#### 5.5¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

### 4.7% REVENUE FINANCED CAPITAL

#### 4.7¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

### 0.7% CLOSED PENSION

#### 0.7¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the water system before GLWA was formed. Over time, the annual payment will decrease.

### 0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

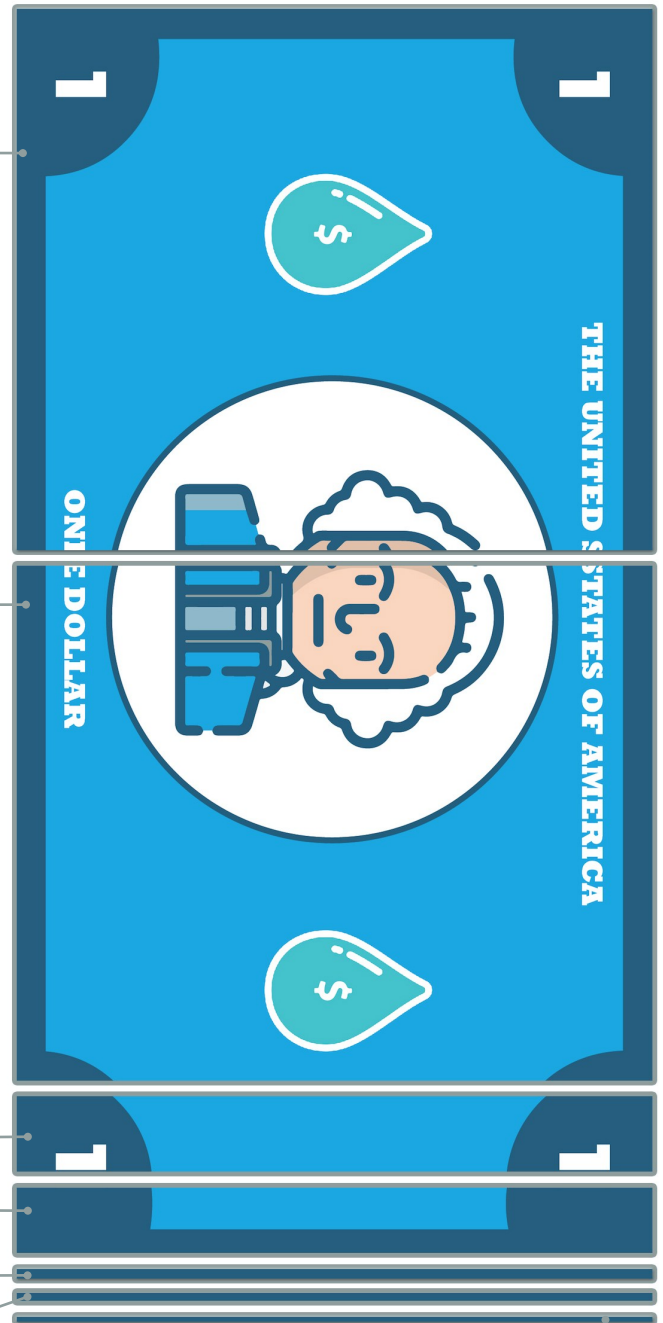
#### 0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

### 0.2% TRUST FUND WORKING CAPITAL & OTHER

#### 0.2¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.



Source: Adopted FY 2026 Budget as of February 26, 2025



# MAKING SENSE OF YOUR DOLLARS

## Every dollar paid to GLWA for Wastewater Services provides for...

### FY 2026 Wastewater System Budget Infographic

#### 43.3% OPERATIONS AND MAINTENANCE

##### 43.3¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver effective and efficient wastewater services around-the-clock, every day of the year.

#### 40.5% DEBT SERVICE

##### 40.5¢ ON THE DOLLAR

Physical improvements to GLWA's regional wastewater system and its assets are financed with debt. Debt service principal and interest are funded monthly.

#### 9.6% REVENUE FINANCED CAPITAL

##### 9.6¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

#### 5.1% REGIONAL SYSTEM LEASE

##### 5.1¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional wastewater system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

#### 1.0% CLOSED PENSION

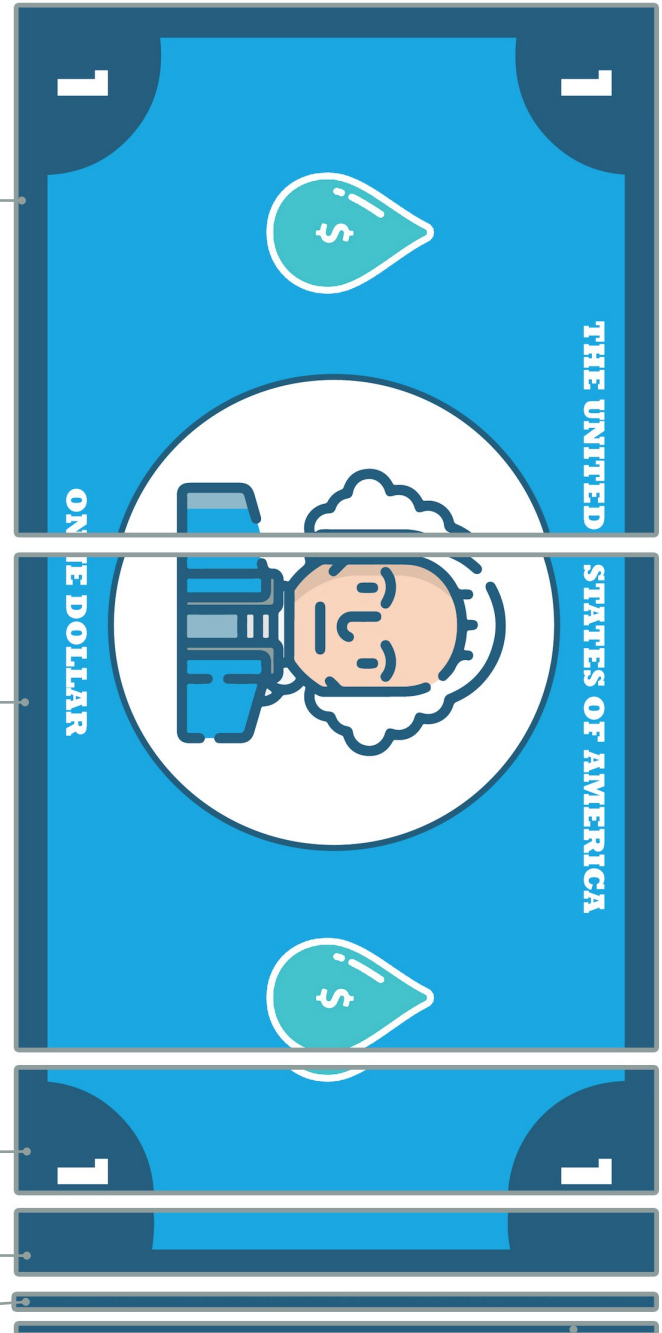
##### 1.0¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the wastewater system before GLWA was formed. Over time, the annual payment will decrease.

#### 0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

##### 0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



# MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for combined **Water and Wastewater Services** provides for...

## FY 2026 Water and Wastewater Combined Budget Infographic

### 43.9% OPERATIONS AND MAINTENANCE

#### 43.9¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality and effective and efficient wastewater services around-the-clock, every day of the year.

### 41.9% DEBT SERVICE

#### 41.9¢ ON THE DOLLAR

Physical improvements to GLWA's regional water and wastewater system assets are financed with debt. Debt service principal and interest are funded monthly.

### 7.5% REVENUE FINANCED CAPITAL

#### 7.5¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

### 5.2% REGIONAL SYSTEM LEASE

#### 5.2¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water and wastewater systems. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

### 0.9% CLOSED PENSION

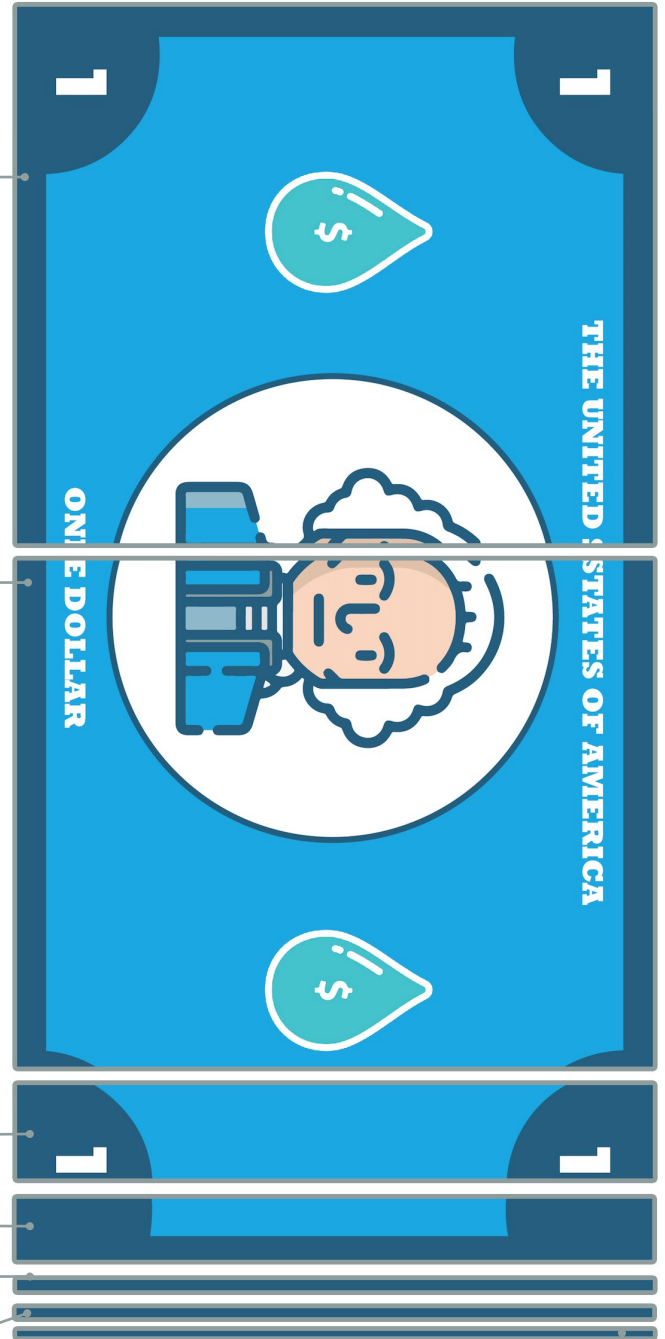
#### 0.9¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the regional system before GLWA was formed. Over time, the annual payment will decrease.

### 0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

#### 0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



### 0.1% TRUST FUND WORKING CAPITAL & OTHER

#### 0.1¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.



Source: Adopted FY 2026 Budget as of February 26, 2025

# GLWA

*Great Lakes Water Authority*



## Monthly Financial Report Binder

September 2024

**Presented to the  
Great Lakes Water Authority  
Audit Committee on February 17, 2025**

The Executive Summary Dashboard (pages 1-2) and Budget to Actual Analysis (pages 3-8) sections of this report were revised as of 3/12/2025.

TABLE OF CONTENTS

Executive Summary Dashboard - *Revised as of 3/12/2025*..... 1

Budget to Actual Analysis - *Revised as of 3/12/2025*..... 3

Basic Financial Statements ..... 9

Liquidity ..... 18

Capital Improvement Plan Financial Summary ..... 20

Master Bond Ordinance Transfers ..... 23

Cash and Investments..... 30

Retail Revenues, Receivables, & Collections ..... 34

Wholesale Billings, Receivables, & Collections..... 40

Trust Receipts and Disbursements ..... 45



This section revised as of 3/12/2025

**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)

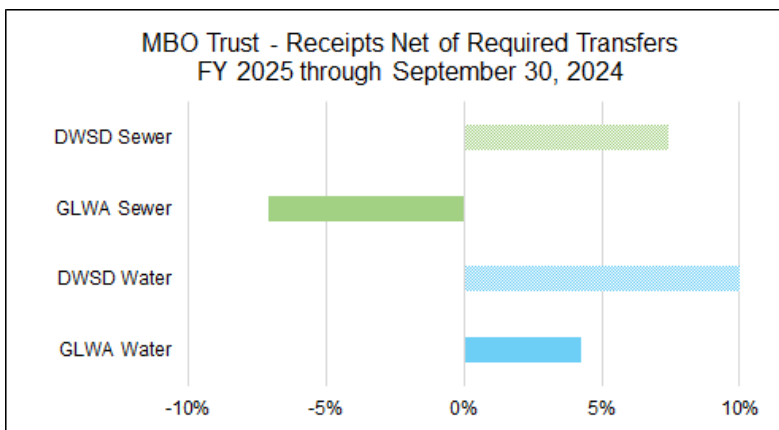
Variations are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available.

For the current year, water and sewer operations and maintenance, capital spend, and investment earnings reflect variances to budget outside the normal range. GLWA staff will monitor water and sewer operations and maintenance to determine if budget amendments will be necessary. Capital spend variances reflect evolving changes in timing that the Capital Improvement Planning group continues to monitor and review. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 mainly due to the Federal Reserve moving monetary policy to a more neutral level.

As of September 30, 2024					
Metric	FY 2025 Budget	FY 2025 Amended Budget	FY 2025 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$97.8	\$97.8	\$96.5	-1%	41
Wholesale Water Billed Usage (mcf)	4,102,000	4,102,000	3,960,000	-3%	
Wholesale Sewer Billed Revenue (\$M)	\$71.7	\$71.7	\$71.7	0%	43
Wholesale Water Operations & Maintenance (\$M)	\$42.4	\$42.4	\$39.6	-7%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$57.2	\$57.2	\$62.1	9%	
Investment Income (\$M)	\$5.6	\$5.6	\$13.9	150%	30
Water Prorated Capital Spend w/SRA* (\$M)	\$52.5	\$52.5	\$40.8	-22%	21
Sewer Prorated Capital Spend w/SRA* (\$M)	\$42.5	\$42.5	\$33.0	-22%	22

\*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 45)**



Net cash flow receipts remain positive for GLWA 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). GLWA Sewer reports a shortfall of \$8.1 million. The Sewer shortfall results from \$15 million Highland

Park credits applied to member partners in July 2024. DWSD Water reports a surplus of \$3.4 million and DWSD Sewer reports a surplus of \$6.0 million of net receipts over disbursements through September 2024.

### **Budget to Actual Analysis (page 3)**

- The total Revenue Requirements are on target through September 2024.
- The total overall Operations & Maintenance expenses are at 25.5% of budget through September 2024 which is above the pro-rata benchmark of 25.0%. This negative variance equates to a dollar amount of \$2.1 million.

### **Basic Financial Statements (page 9)**

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for September 2024 is \$38.5 million for the Water fund (37.5% of total revenues) and \$29.0 million for the Sewer fund (22.8% of total revenues).
- Water Net Position increased by \$23.3 million, and Sewage Disposal Net Position increased by \$10.4 million for the year to date through September 2024.

### **Capital Improvement Plan Financial Summary (page 20)**

- Water system costs incurred to date are below the 100% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are below the 100% Capital Spend Ratio assumption.

### **Master Bond Ordinance Transfers (page 23)**

- For September, transfers of \$14.7 million and \$19.9 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for September, transfers of \$5.8 million and \$7.2 million were completed for the DWSD Water and Sewer funds, respectively.

### **Cash Balances & Investment Income (page 30)**

- Total cash & investments are \$527 million for Water and \$644 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through July is \$13.9 million.

### **DWSD Retail Revenues, Receivables & Collections (page 34)**

- Water usage through September 30, 2024 is 94.16% and revenues are 93.11% of budget.
- Sewer usage through September 30, 2024 is 90.68% and revenues are 92.55% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$40.9 million over the prior year.
- Past dues over 180 days make up of 68.7% the total accounts receivable balance. The current bad debt allowance covers 93.2% of past dues over 60 days.

### **GLWA Wholesale Billing, Receivables & Collections (page 40)**

- GLWA accounts receivable past due balance net of Dearborn is 2.32% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections for the period of October 2023 through September 2024 are trending below the prior year.
- Average wholesale sewer collections for the period of October 2023 through September 2024 are below the prior year.

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



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

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

## Revenue Requirements Budget Basis Analysis

GLWA's annual revenue requirements represent 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 expenses are largely reported on an accrual basis. The primary difference between the revenue requirements budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirements Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

**Table 1A – Water Revenue Requirements Budget** and **Table 1B – Sewer Revenue Requirements Budget** presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. Since this report is for September 2024 the pro-rata benchmark is 25.0% (3 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, total revenues for FY 2025 are above the pro-rata benchmark; the *water* system is at 27.4% while the *sewer* system is at 25.5%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued 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 September 30, 2024, these payments total \$1.4 million for FY 2025.

2. **Investment Earnings:** For the *water* system, investment earnings are above the pro-rata benchmark for FY 2025 at 42.4%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 46.3%. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 mainly due to the Federal Reserve moving monetary policy to a more neutral level. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses<sup>1</sup> for the *water* system are below the pro-rata benchmark for FY 2025 at 23.3% while the *sewer* system O&M is above the pro-rata benchmark for FY 2025 at 27.1%.
5. **Debt Service:** For FY 2025, both systems are above the pro-rata benchmark for debt service; the *water* system is at 25.5% while the *sewer* system is at 25.6%. 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.
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.<sup>2</sup> Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2025, neither the DWSD *water* system nor the DWSD *sewer* system have a budgetary shortfall through September 30, 2024. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
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* and *sewer* systems.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12<sup>th</sup> basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for the *water* system is below the pro-rata benchmark at 24.1%. Total revenue requirements for the *sewer* system is above the pro-rata benchmark at 26.1%.

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

<sup>2</sup> As a reminder, the monthly O&M transfer for MBO purposes 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.

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 9/30/2023	Percent Year-to- Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 9/30/2024	Percent Year-to- Date at 9/30/2024
<b>Water System</b>							
<b>Revenues</b>							
Wholesale Charges	\$ 328,203	\$ 91,033	27.7%	\$ 347,758	\$ 347,758	\$ 94,396	27.1%
Local System Charges	25,537	6,384	25.0%	27,095	27,095	6,774	25.0%
Investment Earnings	18,051	3,613	20.0%	9,874	9,874	4,183	42.4%
Other Revenues	943	239	25.4%	400	400	54	13.6%
<b>Total Revenues</b>	<b>\$ 372,734</b>	<b>\$ 101,269</b>	<b>27.2%</b>	<b>\$ 385,127</b>	<b>\$ 385,127</b>	<b>\$ 105,407</b>	<b>27.4%</b>
<b>Revenue Requirements</b>							
Operations & Maintenance Expense	\$ 168,873	\$ 40,205	23.8%	\$ 169,625	\$ 169,625	\$ 39,571	23.3%
Debt Service	162,236	39,871	24.6%	175,301	175,301	44,776	25.5%
General Retirement System Pension	1,506	849	56.4%	2,283	2,283	571	25.0%
Water Residential Assistance Program Contribution	1,852	463	25.0%	1,948	1,948	487	25.0%
Regional System Lease	22,500	5,625	25.0%	22,500	22,500	5,625	25.0%
Receiving Fund Working Capital Requirement	-	-	0.0%	6,200	6,200	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	15,768	7,545	47.8%	7,270	7,270	1,818	25.0%
<b>Total Revenue Requirements</b>	<b>\$ 372,734</b>	<b>\$ 94,557</b>	<b>25.4%</b>	<b>\$ 385,127</b>	<b>\$ 385,127</b>	<b>\$ 92,848</b>	<b>24.1%</b>
<b>Net Difference</b>		<b>\$ 6,712</b>				<b>\$ 12,559</b>	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 8,086				\$ 9,125	
Revenue Requirement Variance		(1,374)				3,434	
Overall Variance		<b>\$ 6,712</b>				<b>\$ 12,559</b>	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 9/30/2023	Percent Year-to- Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 9/30/2024	Percent Year-to- Date at 9/30/2024
<b>Sewer System</b>							
<b>Revenues</b>							
Wholesale Charges	\$ 267,879	\$ 69,854	26.1%	\$ 287,518	\$ 287,518	\$ 72,089	25.1%
Local System Charges	196,570	49,142	25.0%	205,925	205,925	51,481	25.0%
Industrial Waste Control Charges	8,560	2,153	25.2%	8,719	8,719	2,218	25.4%
Pollutant Surcharges	5,328	1,142	21.4%	5,434	5,434	1,055	19.4%
Investment Earnings	22,882	4,949	21.6%	12,356	12,356	5,716	46.3%
Other Revenues	1,130	413	36.5%	700	700	111	15.8%
<b>Total Revenues</b>	<b>\$ 502,349</b>	<b>\$ 127,654</b>	<b>25.4%</b>	<b>\$ 520,652</b>	<b>\$ 520,652</b>	<b>\$ 132,670</b>	<b>25.5%</b>
<b>Revenue Requirements</b>							
Operations & Maintenance Expense	\$ 224,874	\$ 51,333	22.8%	\$ 228,934	\$ 228,934	\$ 62,124	27.1%
Debt Service	230,976	57,082	24.7%	226,279	226,279	57,919	25.6%
General Retirement System Pension	3,097	1,620	52.3%	4,846	4,846	1,212	25.0%
Water Residential Assistance Program Contribution	2,503	626	25.0%	2,652	2,652	663	25.0%
Regional System Lease	27,500	6,875	25.0%	27,500	27,500	6,875	25.0%
Receiving Fund Working Capital Requirement	-	-	0.0%	2,300	2,300	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,400	7,543	56.3%	28,141	28,141	7,035	25.0%
<b>Total Revenue Requirements</b>	<b>\$ 502,349</b>	<b>\$ 125,078</b>	<b>24.9%</b>	<b>\$ 520,652</b>	<b>\$ 520,652</b>	<b>\$ 135,828</b>	<b>26.1%</b>
<b>Net Difference</b>		<b>\$ 2,575</b>				<b>\$ (3,158)</b>	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 2,067				\$ 2,507	
Revenue Requirement Variance		509				(5,665)	
Overall Variance		<b>\$ 2,575</b>				<b>\$ (3,158)</b>	

## Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of September 30, 2024, is 25.0% (three months). When comparing FY 2025 to FY 2024 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2025.

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)**

Service Area	FY 2024	FY 2024	Percent	FY 2025	FY 2025	FY 2025	Percent
	Amended Budget	Activity Thru 9/30/2023	Year-to-Date at 9/30/2023	Board Adopted Budget	Amended Budget	Activity Thru 9/30/2024	Year-to-Date at 9/30/2024
A Water System Operations	\$ 90,810	\$ 22,365	24.6%	\$ 94,670	\$ 94,670	\$ 25,377	26.8%
B Wastewater System Operations	146,722	34,956	23.8%	147,245	147,245	37,953	25.8%
C Centralized Services	117,468	26,111	22.2%	116,980	116,980	29,949	25.6%
D Administrative & Other Services	38,747	8,107	20.9%	39,664	39,664	8,872	22.4%
Employee Benefits	-	-	0.0%	-	-	(456)	0.0%
<b>Total O&amp;M Budget</b>	<b>\$ 393,747</b>	<b>\$ 91,538</b>	<b>23.2%</b>	<b>\$ 398,559</b>	<b>\$ 398,559</b>	<b>\$ 101,695</b>	<b>25.5%</b>

*Totals may be off due to rounding*

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

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

**Total:** In total, the overall O&M expenses are at 25.5% which is slightly above the pro-rata benchmark of 25.0%. This negative variance equates to a dollar amount of \$2.1 million. The expense category commentary is provided below for items highlighted on Table 3.

**Personnel Costs:** The overall category is slightly above the pro-rata benchmark; coming in at 25.9% through September 2024.

**Utilities:** The overall category is in-line with the pro-rata benchmark; coming in at 25.0% through September 2024. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is above the pro-rata benchmark, coming in at 28.2%. It should be noted that variances are not unexpected as usage varies throughout the year. 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 22.1% which is below than the benchmark of 25.0%. This category is under review.
- **Sewage service** is lower than the benchmark, coming in at 10.7%. This category is under review.
- **Water service** is lower than the benchmark, coming in at 16.7%. This category is under review.

**Chemicals:** This category is higher than the benchmark; coming in at 26.4% through September 2024. The FY 2025 budget is being closely monitored to account for rising chemical costs.

**Supplies & Other:** This category is slightly higher than the pro-rata benchmark; coming in at 25.7% through September 2024. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

**Contractual Services:** The overall category is higher than the pro-rata benchmark; coming in at 27.3% through September 2024. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments are processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

**Capital Program Allocation:** This category is lower than the benchmark; coming in at 13.0% through September 2024. 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 24.1% through September 2024. 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 2025. 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 and activity includes true-up billings from prior years.

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

Expense Categories	FY 2024 AMENDED BUDGET	FY 2024 ACTIVITY THRU 9/30/2023	Percent Year-to- Date at 9/30/2023	FY 2023 ACTIVITY THRU 6/30/2024	Percent Year-to- Date at 6/30/2024	FY 2025			Percent Year-to- Date 9/30/2024	FY 2025 Prorated Amended Budget Less FY 2025 Activity
						FY 2025 AMENDED BUDGET	FY 2025 PRORATED BUDGET (3 MONTHS)	FY 2025 ACTIVITY THRU 9/30/2024		
Entity-wide										
Salaries & Wages	\$ 77,415	\$ 17,477	22.6%	\$ 77,595	22.5%	\$ 81,644	\$ 20,411	\$ 18,391	22.5%	\$ 2,020
Workforce Development	1,820	492	27.0%	1,949	25.2%	2,105	526	638	30.3%	(112)
Overtime	8,672	2,266	26.1%	9,171	24.7%	8,074	2,019	6,072	75.2%	(4,053)
Employee Benefits	27,869	6,621	23.8%	27,491	24.1%	30,347	7,587	7,090	23.4%	497
Transition Services	9,877	2,722	27.6%	9,249	29.4%	8,198	2,050	2,024	24.7%	26
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(456)	0.0%	456
Personnel Costs	<u>125,653</u>	<u>29,578</u>	23.5%	<u>125,455</u>	23.6%	<u>130,368</u>	<u>32,592</u>	<u>33,759</u>	25.9%	<u>(1,167)</u>
Electric	50,716	13,708	27.0%	49,805	27.5%	49,021	12,255	13,831	28.2%	(1,576)
Gas	7,767	1,240	16.0%	7,211	17.2%	7,000	1,750	1,548	22.1%	202
Sewage Service	2,538	695	27.4%	2,336	29.8%	2,980	745	318	10.7%	427
Water Service	12,803	3,047	23.8%	12,586	24.2%	11,602	2,900	1,940	16.7%	961
Utilities	<u>73,823</u>	<u>18,690</u>	25.3%	<u>71,939</u>	26.0%	<u>70,603</u>	<u>17,651</u>	<u>17,636</u>	25.0%	<u>14</u>
Chemicals	32,824	7,826	23.8%	31,075	25.2%	34,835	8,709	9,195	26.4%	(486)
Supplies & Other	45,364	8,916	19.7%	43,604	20.4%	43,539	10,885	11,184	25.7%	(299)
Contractual Services	120,914	27,453	22.7%	116,766	23.5%	113,871	28,468	31,069	27.3%	(2,601)
Capital Program Allocation	(2,624)	(523)	19.9%	(2,847)	18.4%	(4,582)	(1,145)	(598)	13.0%	(548)
Shared Services	(2,207)	(402)	18.2%	(2,281)	17.6%	(2,280)	(570)	(550)	24.1%	(19)
Unallocated Reserve	-	-	0.0%	-	0.0%	12,205	3,051	-	0.0%	3,051
Total Expenses	<u>\$ 393,747</u>	<u>\$ 91,538</u>	23.2%	<u>\$ 383,711</u>	23.9%	<u>\$ 398,559</u>	<u>\$ 99,640</u>	<u>\$ 101,695</u>	25.5%	<u>\$ (2,055)</u>

Totals may be off due to rounding



The Basic Financial Statements report includes the following four tables.

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

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

The June 2024 comparative amounts shown in the tables below are presented based on final audited figures.

## Statement of Net Position – All Funds Combined

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

**Table 1 – Statement of Net Position - All Funds Combined**  
**As of September 30, 2024**  
**(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2024
<b>Assets</b>				
Cash - unrestricted (a)	\$ 140,404	\$ 236,043	\$ 376,447	\$ 443,799
Cash - restricted (a)	131,423	101,782	233,206	662,614
Investments - unrestricted (a)	145,557	160,249	305,806	175,045
Investments - restricted (a)	91,422	162,485	253,908	108,102
Accounts Receivable	91,021	67,062	158,082	135,263
Due from (to) Other Funds (b)	28,142	(28,142)	-	()
Other Assets (c)	636,756	377,633	1,014,389	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,254,835	1,897,538	3,152,372	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	458,590	371,567	830,157	752,481
<b>Total assets</b>	<b>3,271,774</b>	<b>3,473,032</b>	<b>6,744,806</b>	<b>6,924,804</b>
<b>Deferred Outflows (f)</b>	<b>29,362</b>	<b>59,090</b>	<b>88,452</b>	<b>89,954</b>
<b>Liabilities</b>				
Liabilities - Liabilities-ST	227,534	269,547	497,081	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,222	5,836	8,058	7,500
Cash Held FBO DWSD (d)	31,604	41,160	72,764	58,147
Liabilities - Long-Term (i)	3,064,126	3,217,423	6,281,549	6,468,572
<b>Total liabilities</b>	<b>3,325,486</b>	<b>3,533,967</b>	<b>6,859,452</b>	<b>7,071,818</b>
<b>Deferred Inflows (f)</b>	<b>63,480</b>	<b>67,002</b>	<b>130,482</b>	<b>133,364</b>
<b>Total net position (j)</b>	<b>\$ (87,830)</b>	<b>\$ (68,846)</b>	<b>\$ (156,676)</b>	<b>\$ (190,425)</b>

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 2032 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, 2024 are also reported at market value. The September 30, 2024 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

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

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the September 2024 Financial Report Binder. Prior year ending balances are provided in the June 30, 2024 column as a reference for comparative purposes. Explanatory notes follow this statement.

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

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position  
 – All Funds Combined  
 For the Three Months ended September 30, 2024  
 (\$'000)**

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
<b>Revenue</b>						
Wholesale customer charges	\$ 95,834	93.4%	\$ 72,089	56.8%	\$ 167,922	\$ 599,569
Local system charges	6,774	6.6%	51,481	40.6%	58,255	222,107
Industrial waste charges	-	0.0%	2,218	1.7%	2,218	8,617
Pollutant surcharges	-	0.0%	1,055	0.8%	1,055	4,089
Other revenues	51	0.0%	111	0.1%	162	1,149
<b>Total Revenues</b>	<b>102,658</b>	<b>100.0%</b>	<b>126,953</b>	<b>100.0%</b>	<b>229,612</b>	<b>835,531</b>
<b>Operating expenses</b>						
Operations and Maintenance	39,556	38.5%	62,041	48.9%	101,597	376,757
Depreciation	23,470	22.9%	35,633	28.1%	59,102	265,044
Amortization of intangible assets	1,099	1.1%	317	0.3%	1,417	4,837
<b>Total operating expenses</b>	<b>64,125</b>	<b>62.5%</b>	<b>97,991</b>	<b>77.2%</b>	<b>162,116</b>	<b>646,638</b>
<b>Operating Income</b>	<b>38,533</b>	<b>37.5%</b>	<b>28,962</b>	<b>22.8%</b>	<b>67,495</b>	<b>188,893</b>
<b>Total Nonoperating (revenue) expense</b>	<b>15,232</b>	<b>14.8%</b>	<b>18,515</b>	<b>14.6%</b>	<b>33,747</b>	<b>147,736</b>
Increase/(Decrease) in Net Position	<b>23,301</b>	<b>22.7%</b>	<b>10,447</b>	<b>8.2%</b>	<b>33,748</b>	<b>41,157</b>
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
<b>Net position (deficit), end of year</b>	<b>\$ (87,830)</b>		<b>\$ (68,846)</b>		<b>\$ (156,676)</b>	<b>\$ (190,425)</b>

*Totals may be off due to rounding*

## Water Fund

- ✓ The increase in Water Fund Net Position is \$23.3 million.
- ✓ Wholesale water customer charges of \$95.8 million account for 93.4% of Water System revenues.
- ✓ Operating expenses of \$64.1 million represent 62.5% of total operating revenue. Depreciation is the largest operating expense at \$23.5 million or 36.6% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights.
- ✓ Operating income after operating expenses (including depreciation) equals \$38.5 million or 37.5% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$14.3 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 \$10.4 million.
- ✓ Wholesale customer charges of \$72.1 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 \$51.5 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$98.0 million represent 77.2% of total operating revenue. Depreciation is the largest operating expense at \$35.6 million or 36.4% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease.
- ✓ Operating income after operating expenses (including depreciation) equals \$29.0 million or 22.8% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$17.1 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

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

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the September 2024 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses  
– All Funds Combined  
For the Three Months ended September 30, 2024  
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
<b>Operating Expenses</b>						
Personnel						
Salaries & Wages	5,763	14.6%	15,290	24.6%	21,053	20.7%
Overtime	4,192	10.6%	1,880	3.0%	6,072	6.0%
Employee Benefits	4,540	11.5%	2,094	3.4%	6,634	6.5%
Total Personnel	\$ 14,495	36.6%	\$ 19,264	31.0%	\$ 33,759	33.2%
<b>Utilities</b>						
Electric	9,166	23.2%	4,666	7.5%	13,831	13.6%
Gas	89	0.2%	1,459	2.4%	1,548	1.5%
Sewage	73	0.2%	245	0.4%	318	0.3%
Water	18	0.0%	1,922	3.1%	1,940	1.9%
Total Utilities	\$ 9,345	23.6%	\$ 8,291	13.4%	\$ 17,636	17.4%
Chemicals	3,806	9.6%	5,389	8.7%	9,195	9.1%
Supplies and other	3,081	7.8%	7,975	12.9%	11,056	10.9%
Contractual services	9,321	23.6%	21,778	35.1%	31,099	30.6%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(295)	-0.7%	(303)	-0.5%	(598)	-0.6%
Intergovernmental Agreement	178	0.5%	(178)	-0.3%	-	0.0%
Shared Services allocation	(376)	-0.9%	(175)	-0.3%	(550)	-0.5%
<b>Operations and Maintenance Expenses</b>	<b>\$ 39,556</b>	<b>100.0%</b>	<b>\$ 62,041</b>	<b>100.0%</b>	<b>\$ 101,597</b>	<b>100.0%</b>

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (17.4% of total O&M expenses) and chemicals (9.1% of total O&M expenses).
- ✓ Personnel costs (33.2% 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 (30.6%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$4.5 million);
  - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$3.1 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

## Supplemental Schedule of Nonoperating Expenses – All Funds Combined

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

**Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined**  
**For the Three Months ended September 30, 2024**  
 (\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
<b>Nonoperating (Revenue)/Expense</b>				
Interest income contractual obligation	\$ (5,806)	\$ (3,769)	\$ (9,575)	\$ (39,855)
Investment earnings	(6,067)	(7,909)	(13,976)	(59,786)
Net (incr) dechr in fair value of invstmt	(621)	(1,045)	(1,667)	(2,068)
Other nonoperating revenue	(3)	(1,399)	(1,402)	(9,405)
Interest Expense				
Bonded debt	28,086	29,689	57,775	236,892
Lease obligation	4,099	5,009	9,108	36,780
Other obligations	854	407	1,261	5,286
	<u>33,039</u>	<u>35,106</u>	<u>68,144</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	-	-	(40,432)
Amortization, issuance costs, debt	(5,321)	(2,486)	(7,807)	4,155
(Gain) loss on disposal of capital assets	-	-	-	2,694
Loss on impairment of capital assets	-	-	-	-
Discontinued Capital Projects	-	-	-	-
Water Residential Assistance Program	12	17	29	6,772
Legacy pension expense	-	-	-	6,703
<b>Total Nonoperating (Revenue)/Expense</b>	<b>\$ 15,232</b>	<b>\$ 18,515</b>	<b>\$ 33,747</b>	<b>\$ 147,736</b>

Totals may be off due to rounding

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU). This loan was paid in full in FY 2022.
- ✓ 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.

- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2021 market value adjustments for Water and Sewer total \$1.5 million and \$1.0 million, respectively. FY 2022 market value adjustments for Water and Sewer total \$2.8 million and \$3.9 million, respectively. Any difference is due to realized gain or loss on investments.
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2023 other non-operating income primarily represents FEMA Covid-19 grant income for the Water and Sewage Disposal systems.
- ✓ The FY 2023 capital contribution in Nonoperating (revenue) expense represents funds from the Evergreen Farmington Sewer District for a maximum discharge capacity of 227 cubic feet per second (cfs) to the regional sewer system.
- ✓ The FY 2022 capital contribution in Nonoperating (revenue) expense represents \$7.0 million from the Oakland Macomb Interceptor Drainage District for assets placed in service during FY 2022.
- ✓ FY 2023 Sewage Disposal loss on disposal of capital assets includes sale of McKinstry warehouse.
- ✓ For FY 2023, GLWA is recognizing non-operating pension revenue rather than expense as a result of improved investment earnings for the plan.

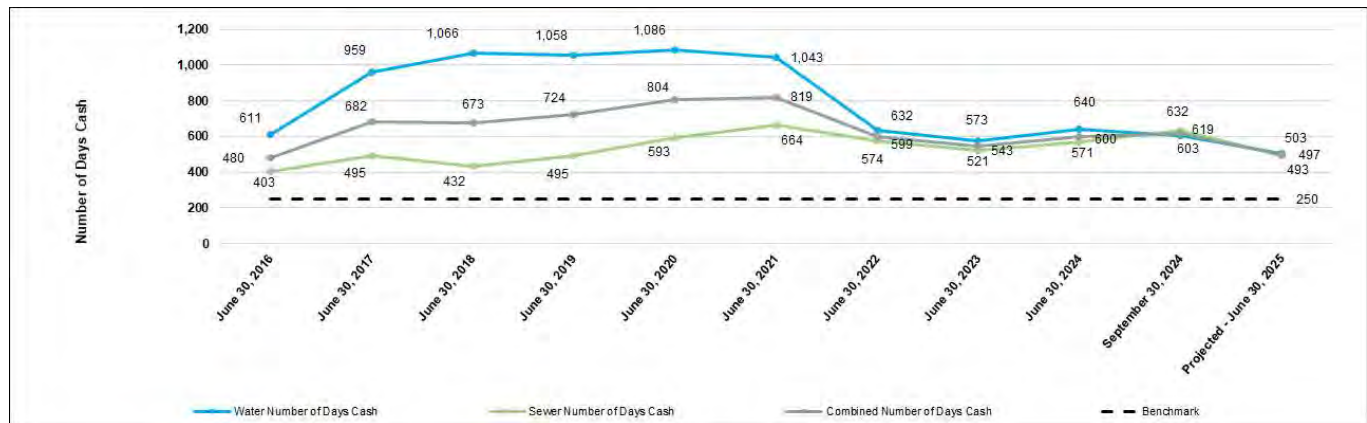


### Financial Operations KPI - Liquidity

This key performance indicator shown in **Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System** and **Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System** below provides a measure of a utility’s ability to meet expenses, cope with emergencies and navigate business interruptions. Liquidity is one of several key metrics monitored by bond rating agencies reflecting an organization’s financial strength. A best practice benchmark for this key performance indicator is greater than 250 days cash on hand as shown by the dashed line in Chart 1 below.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 603 and Sewer at 632 days cash on hand as of September 30, 2024. These balances remain strong for the regional system but did decrease in FY 2022 as I&E funds were used as planned to fund capital improvement projects. A December 2023 revenue bond transaction replenished the construction bond funds and reduced the emphasis on I&E funding. The FY 2025 projection is calculated based on values from the GLWA FY 2025 – 2029 Budget & Five-Year Plan.

**Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System**



**Note:** The GLWA Annual Comprehensive Financial Reports are the source of all historic data referenced. Refer to these reports for detailed calculations by fiscal year.

**Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System**

	June 30, 2024	September 30, 2024	Projected June 30, 2025
<b>Water Fund</b>			
Cash and Investments - Unrestricted	\$ 276,591,000	\$ 285,960,000	\$ 238,600,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 272,350,000	\$ 65,698,000	\$ 262,792,000
Less: Depreciation (a)	(110,557,000)	(21,508,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(892,000)	(3,567,000)
Net Operating Expense	\$ 157,811,000	\$ 43,298,000	\$ 173,192,000
<b>Operating Expense per Day</b>	<b>\$ 432,000</b>	<b>\$ 474,000</b>	<b>\$ 474,000</b>
<b>Days Cash</b>			
Number of Days Cash	640	603	503
<b>Sewage Disposal Fund</b>			
Cash and Investments - Unrestricted	\$ 342,253,000	\$ 396,292,000	\$ 309,000,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 374,287,000	\$ 93,034,000	\$ 372,134,000
Less: Depreciation (a)	(154,486,000)	(35,800,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	\$ 218,946,000	\$ 57,234,000	\$ 228,934,000
<b>Operating Expense per Day</b>	<b>\$ 600,000</b>	<b>\$ 627,000</b>	<b>\$ 627,000</b>
<b>Days Cash</b>			
Number of Days Cash	571	632	493
<b>Combined</b>			
Cash and Investments - Unrestricted	\$ 618,844,000	\$ 682,253,000	\$ 547,600,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 646,638,000	\$ 158,731,000	\$ 634,926,000
Less: Depreciation (a)	(265,044,000)	(57,308,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(892,000)	(3,567,000)
Net Operating Expense	\$ 376,757,000	\$ 100,531,000	\$ 402,126,000
<b>Operating Expense per Day</b>	<b>\$ 1,032,000</b>	<b>\$ 1,102,000</b>	<b>\$ 1,102,000</b>
<b>Days Cash</b>			
Number of Days Cash	600	619	497
<i>Totals may be off due to rounding</i>			

(a) Current year expenses are expressed as a proration of the annual budget for the purposes of this metric.



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 (Board) 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 2025 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.

Capital spend reflects a noticeable variance from budgeted CIP for both the water and sewer funds. For the purposes of this metric, we compare actual spend with the Board-approved budget. For the purposes of managing the financial plan, budget amendments are made to align spending with resources available. The capital spend rate adjustment is 100% of the Board approved CIP planned spend for the water fund and 100% of the Board approved CIP planned spend for the sewer fund.

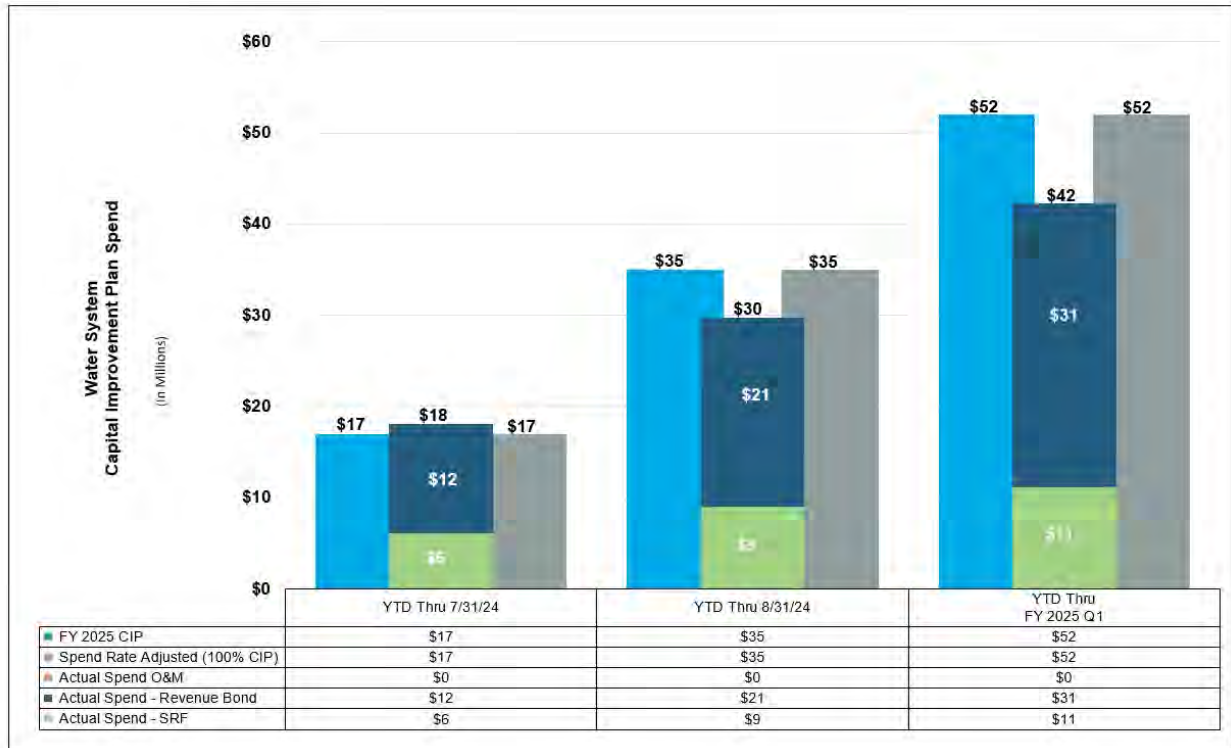
As of July 31, 2024, the State Revolving Fund (SRF) activity reported in Charts 1 and 2 has been revised to reflect changes in approved, GLWA SRF funding.

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

As of September 2024, the water system incurred \$41 million of construction costs to date. This spend represents 78% of the original, Board-approved CIP, and 78% of the Board-reviewed spend rate adjustment.

Economic factors affecting the CIP spend are considered by the Board quarterly at which time the Board may amend the planned spend rate adjusted.

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

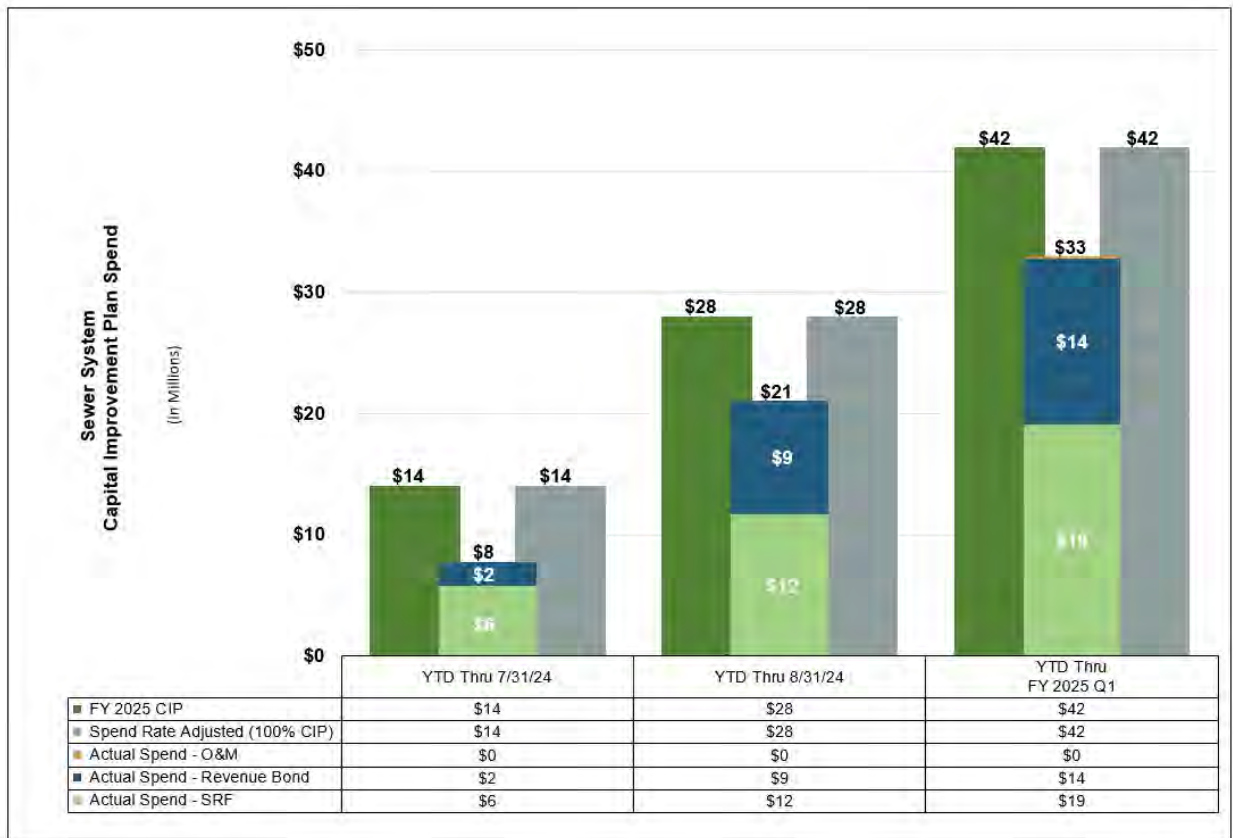


### Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of September 2024, the Sewer system incurred \$33 million of construction costs to date. This spend represents 78% of the original, Board-approved CIP, and 78% of the Board-reviewed spend rate adjustment.

Economic factors affecting the CIP spend are considered by the Board quarterly at which time the Board may amend the planned spend rate adjusted.

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





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. If there are transfers to the Extraordinary Repair & Replacement (ER&R) fund they would be completed annually based on budget and year-end fund status.

**Table 1 – GLWA FY 2025 Water MBO Transfers** reflects the required transfers for FY 2025 completed through September 2024. MBO transfers for water totaling \$44.1 million have been transferred to GLWA accounts.

**Table 2 – GLWA FY 2025 Sewer MBO Transfers** reflects the required transfers for FY 2025 completed through September 2024. MBO transfers for sewer totaling \$59.8 million have been transferred to GLWA accounts.

**Table 3 – GLWA MBO Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 1 – GLWA FY 2025 Water MBO Transfers**

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
<b>FY 2025</b>							
July 2024	\$ 14,135,417	\$ -	\$ 324,642	\$ 236,359	\$ -	\$ -	\$ 14,696,418
August 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
September 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
October 2024							
November 2024							
December 2024							
January 2025							
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
<b>Total FY 2025</b>	<b>\$ 42,406,251</b>	<b>\$ -</b>	<b>\$ 973,926</b>	<b>\$ 709,077</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,089,254</b>

**Table 2 – GLWA FY 2025 Sewer MBO Transfers**

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
<b>FY 2025</b>							
July 2024	\$ 19,077,833	\$ -	\$ 510,516	\$ 332,933	\$ -	\$ -	\$ 19,921,282
August 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
September 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
October 2024							
November 2024							
December 2024							
January 2025							
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
<b>Total FY 2025</b>	<b>\$ 57,233,499</b>	<b>-</b>	<b>\$ 1,531,548</b>	<b>\$ 998,799</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,763,846</b>

**Table 3 – 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	134,127,300	6,048,000	10,695,700	2,324,200	-	-		153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-		163,054,100
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000		178,303,200
Total FY 2024	168,873,100	-	2,568,700	2,710,200	-	2,836,000		176,988,000
Total FY 2025 (year to date)	42,406,251	-	973,926	709,077	-	-		44,089,254
<b>Life to Date</b>	<b>\$ 1,198,985,163</b>	<b>\$ 48,362,300</b>	<b>\$ 88,311,201</b>	<b>\$ 20,993,581</b>	<b>\$ 2,686,900</b>	<b>\$ 5,642,000</b>	<b>\$</b>	<b>\$ 1,364,981,145</b>

SEWER								
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer	
Total FY 2016	\$ 100,865,600	\$ 10,838,400	\$ 14,025,800	\$ 2,523,400	\$ 5,591,700	\$ 779,600	\$	\$ 134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-		206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-		219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-		219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-		210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-		211,571,800
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-		221,288,700
Total FY 2023	204,122,500	10,824,000	14,687,400	3,673,800	-	-		233,307,700
Total FY 2024	224,873,500	-	3,914,500	3,836,402	-	-		232,624,402
Total FY 2025 (year to date)	57,233,499	-	1,531,548	998,799	-	-		59,763,846
<b>Life to Date</b>	<b>\$ 1,701,243,091</b>	<b>\$ 86,620,800</b>	<b>\$ 121,623,457</b>	<b>\$ 29,838,897</b>	<b>\$ 8,246,100</b>	<b>\$ 779,600</b>	<b>\$</b>	<b>\$ 1,948,351,945</b>

## MBO Required and Lease Payment Transfers to DWSD

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

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water and 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 2025 Water MBO Transfers** reflects the required transfers for FY 2025 completed through September 2024. MBO transfers for Water totaling \$17.5 million have been transferred to accounts held by DWSD.

**Table 5 – DWSD FY 2025 Sewer MBO Transfers** reflects the required transfers for FY 2025 completed through September 2024. MBO transfers for Sewer totaling \$21.5 million have been transferred to accounts held by DWSD.

**Table 6 – DWSD Water MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 4 – DWSD FY 2025 Water MBO Transfers**

WATER					
	<u>Operations &amp; Maintenance</u>	<u>Pension</u>		<u>Lease Payment (I&amp;E Fund)</u>	<u>Total Water</u>
<b>FY 2025</b>					
July 2024	\$ 3,970,517	\$	-	\$ 1,875,000	\$ 5,845,517
August 2024	3,970,517		-	1,875,000	5,845,517
September 2024	3,970,517		-	1,875,000	5,845,517
October 2024					
November 2024					
December 2024					
January 2025					
February 2025					
March 2025					
April 2025					
May 2025					
June 2025					
<b>Total FY 2025</b>	<b>\$ 11,911,551</b>	<b>-</b>		<b>\$ 5,625,000</b>	<b>\$ 17,536,551</b>

**Table 5 – DWSD FY 2025 Sewer MBO Transfers**

SEWER					
	<u>Operations &amp; Maintenance</u>	<u>Pension</u>		<u>Lease Payment (I&amp;E Fund)</u>	<u>Total Sewer</u>
<b>FY 2025</b>					
July 2024	\$ 4,889,950	\$	-	\$ 2,291,667	\$ 7,181,617
August 2024	4,889,950		-	2,291,667	7,181,617
September 2024	4,889,950		-	2,291,667	7,181,617
October 2024					
November 2024					
December 2024					
January 2025					
February 2025					
March 2025					
April 2025					
May 2025					
June 2025					
<b>Total FY 2025</b>	<b>\$ 14,669,850</b>	<b>-</b>		<b>\$ 6,875,001</b>	<b>\$ 21,544,851</b>

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

	<b>WATER</b>			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
<b>FY 2016 *</b>				
MBO/Lease Requirement	\$ 26,185,600	\$ 4,262,700	\$ 22,500,000	\$ 52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
<b>Total MBO Transfer</b>	<b>26,185,600</b>	<b>4,262,700</b>	<b>20,173,100</b>	<b>50,621,400</b>
<b>FY 2017</b>				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>33,596,400</b>	<b>4,262,400</b>	<b>22,500,000</b>	<b>60,358,800</b>
<b>FY 2018</b>				
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)
<b>Total MBO Transfer</b>	<b>35,059,704</b>	<b>4,272,000</b>	<b>20,625,000</b>	<b>59,956,704</b>
<b>FY 2019</b>				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
<b>Total MBO Transfer</b>	<b>35,484,300</b>	<b>4,272,000</b>	<b>18,527,800</b>	<b>58,284,100</b>
<b>FY 2020</b>				
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)
<b>Total MBO Transfer</b>	<b>34,662,400</b>	<b>4,272,000</b>	<b>18,952,000</b>	<b>57,886,400</b>
<b>FY 2021</b>				
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)
<b>Total MBO Transfer</b>	<b>35,833,900</b>	<b>4,272,000</b>	<b>14,221,700</b>	<b>54,327,600</b>
<b>FY 2022</b>				
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)
<b>Total MBO Transfer</b>	<b>29,989,000</b>	<b>4,272,000</b>	<b>13,574,600</b>	<b>47,835,600</b>
<b>FY 2023</b>				
MBO/Lease Requirement	42,581,600	4,272,000	22,500,000	69,353,600
Offset to Debt Service	-	-	(2,922,100)	(2,922,100)
<b>Total MBO Transfer</b>	<b>42,581,600</b>	<b>4,272,000</b>	<b>19,577,900</b>	<b>66,431,500</b>
<b>FY 2024</b>				
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>44,776,800</b>	<b>-</b>	<b>22,500,000</b>	<b>67,276,800</b>
<b>FY 2025 (year to date)</b>				
MBO/Lease Requirement	11,911,551	-	5,625,000	17,536,551
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>11,911,551</b>	<b>-</b>	<b>5,625,000</b>	<b>17,536,551</b>
<b>Life-to-Date</b>				
MBO/Lease Requirement	318,169,704	34,157,100	202,500,000	554,826,804
Offsets	-	-	(31,847,900)	(31,847,900)
<b>Total Water</b>	<b>\$ 330,081,255</b>	<b>\$ 34,157,100</b>	<b>\$ 176,277,100</b>	<b>\$ 540,515,455</b>

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History**

SEWER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
<b>FY 2016 *</b>				
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
<b>Total MBO Transfer</b>	<b>19,774,300</b>	<b>2,861,800</b>	<b>7,508,500</b>	<b>30,144,600</b>
<b>FY 2017</b>				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>41,535,600</b>	<b>2,862,000</b>	<b>27,500,000</b>	<b>71,897,600</b>
<b>FY 2018</b>				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
<b>Total MBO Transfer</b>	<b>60,517,992</b>	<b>2,856,000</b>	<b>18,333,336</b>	<b>81,707,328</b>
<b>FY 2019</b>				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
<b>Total MBO Transfer</b>	<b>56,767,920</b>	<b>2,856,000</b>	<b>23,085,000</b>	<b>82,708,920</b>
<b>FY 2020</b>				
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)
<b>Total MBO Transfer</b>	<b>55,243,500</b>	<b>2,856,000</b>	<b>22,467,300</b>	<b>80,566,800</b>
<b>FY 2021</b>				
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)
<b>Total MBO Transfer</b>	<b>69,915,700</b>	<b>2,856,000</b>	<b>24,242,800</b>	<b>97,014,500</b>
<b>FY 2022</b>				
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)
<b>Total MBO Transfer</b>	<b>61,301,000</b>	<b>2,856,000</b>	<b>21,970,703</b>	<b>86,127,703</b>
<b>FY 2023</b>				
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)
<b>Total MBO Transfer</b>	<b>51,396,400</b>	<b>2,856,000</b>	<b>23,111,700</b>	<b>77,364,100</b>
<b>FY 2024</b>				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>55,705,700</b>	<b>-</b>	<b>27,500,004</b>	<b>83,205,704</b>
<b>FY 2025 (year to date)</b>				
MBO/Lease Requirement	14,669,850	-	6,875,001	21,544,851
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>14,669,850</b>	<b>-</b>	<b>6,875,001</b>	<b>21,544,851</b>
<b>Life-to-Date</b>				
MBO/Lease Requirement	493,927,962	22,859,800	254,375,005	770,241,220
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
<b>Total Sewer</b>	<b>\$ 486,827,962</b>	<b>\$ 22,859,800</b>	<b>\$ 202,594,344</b>	<b>\$ 712,282,106</b>

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



This report includes the following:

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

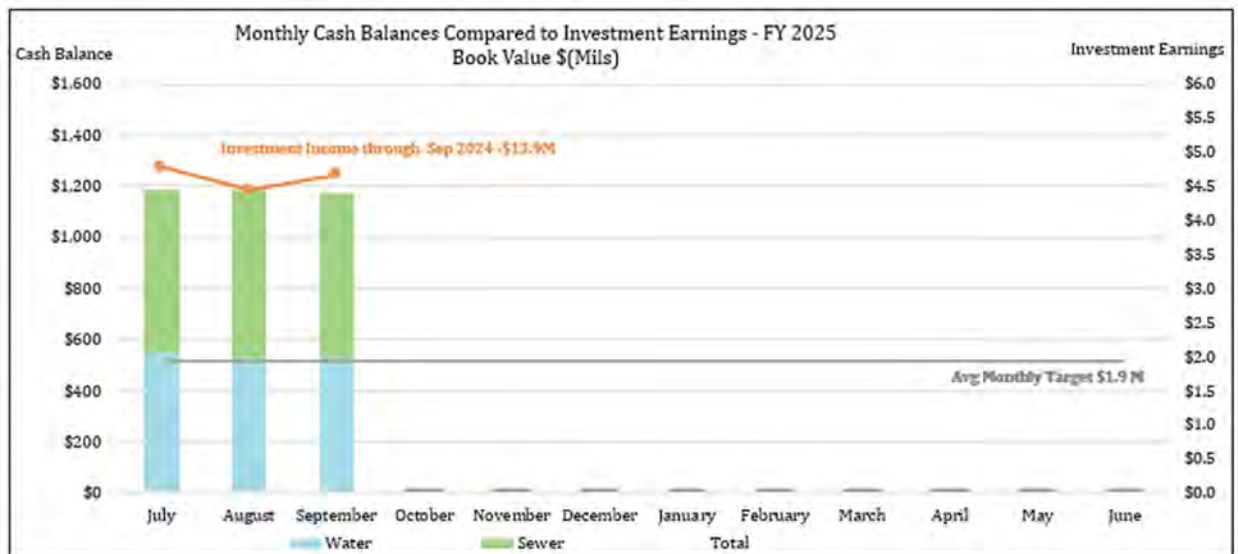
## Monthly Cash Balances Compared to Investment Income

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

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of September 2024, GLWA earned investment income of \$4.7 million and cumulative FY 2025 earnings through September 2024 of \$13.9M. 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 September 2024**



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	549	527	527	-	-	-	-	-	-	-	-	-
Sewer	638	662	644	-	-	-	-	-	-	-	-	-
Total	1,187	1,189	1,171	-	-	-	-	-	-	-	-	-
Investment Income	4.8	4.4	4.7	-	-	-	-	-	-	-	-	-

All amounts are unaudited unless otherwise noted.

## 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:***

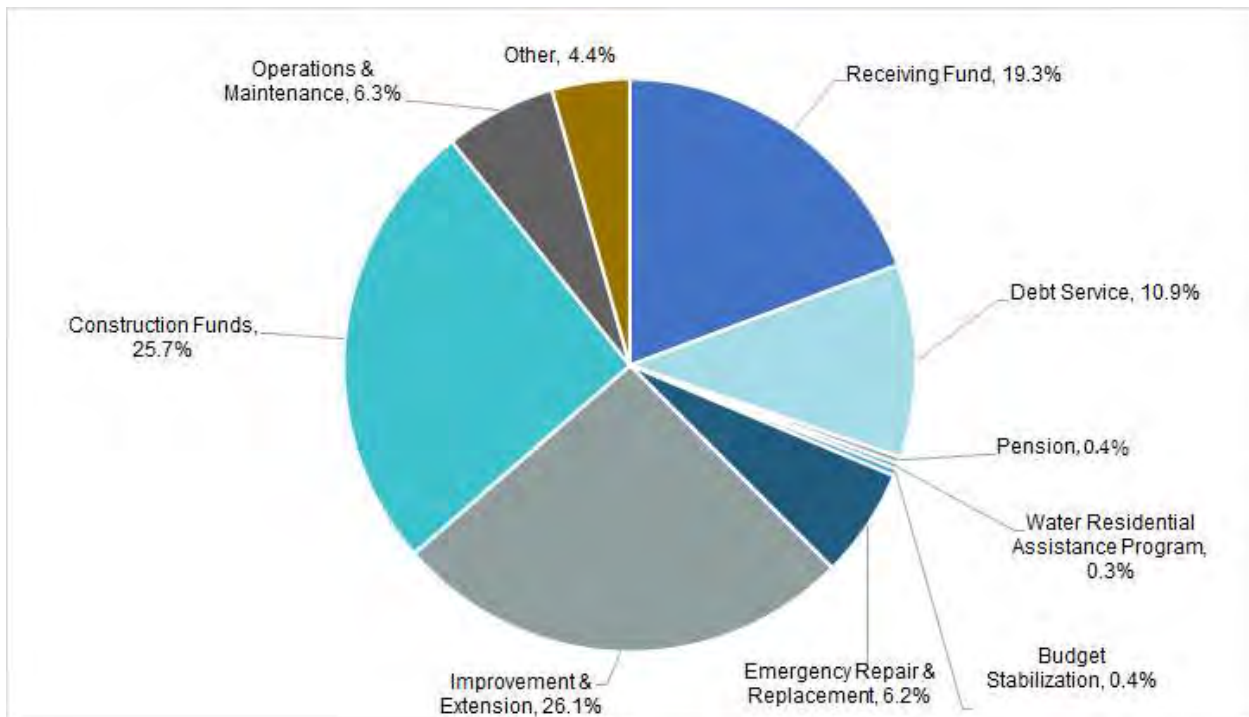
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint, and capital contribution funds provided by the Evergreen Farmington Sewer District recognized as related project work is completed

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

**Chart 2 – Cash Balances - Water Funds as of September 2024** - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of September 30, 2024 is \$527 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.

GLWA completed a bond transaction of \$148.5 million in December 2023 to support water system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

**Chart 2 – Cash Balances - Water Funds as of September 2024**

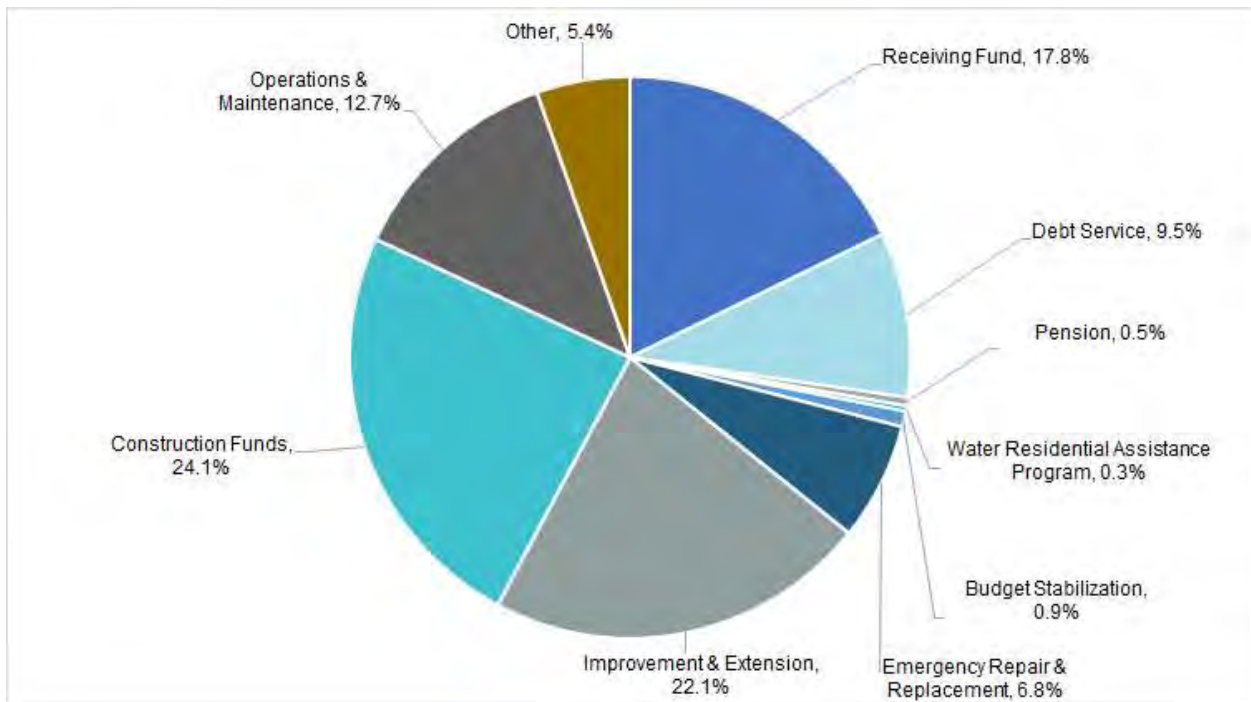


**Note:** Due to rounding totals may not equal 100%.

**Chart 3 – Cash Balances - Sewer Funds as of September 2024** - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of September 30, 2024 is \$644 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.

In conjunction with the Water Fund transaction, GLWA completed a bond transaction of \$96.8 million in December 2023 to support sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

**Chart 3 – Cash Balances - Sewer Funds as of September 2024**



**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 and 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 2025 water usage and billed revenue which are provided by DWSD staff. As of September 30, 2024, the DWSD usage was at 94.16% of the budget and billed revenue was at 93.11% 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 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	241,000	12,395,932	226,703	11,590,136	(14,297)	(805,796)	248,307	12,606,397
August	261,000	13,459,400	240,621	12,171,324	(20,379)	(1,288,076)	255,079	12,913,867
September	248,000	12,773,235	238,868	12,205,143	(9,132)	(568,092)	214,796	11,119,261
October	212,000	10,944,671					222,909	11,409,427
November	208,000	10,711,071					210,687	10,898,684
December	198,000	10,200,009					214,139	11,246,818
January	195,000	10,077,416					224,414	11,263,184
February	207,000	10,656,080					225,042	11,774,408
March	201,000	10,347,960					206,204	11,096,805
April	203,000	10,437,186					213,950	10,552,343
May	193,000	9,948,001					214,474	10,667,783
June	211,000	10,879,139					226,703	10,637,883
<b>Total</b>	<b>2,578,000</b>	<b>132,830,100</b>	<b>706,192</b>	<b>35,966,603</b>	<b>(43,808)</b>	<b>(2,661,964)</b>	<b>2,676,703</b>	<b>136,186,859</b>
<i>Subtotals ytd</i>	<i>750,000</i>	<i>38,628,567</i>	<i>706,192</i>	<i>35,966,603</i>	<i>(43,808)</i>	<i>(2,661,964)</i>		
<i>Achievement of Budget</i>			<i>94.16%</i>	<i>93.11%</i>				

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

(2) Retail revenues include miscellaneous revenues and penalties

**Table 2 – DWSD Retail Water Collections**

Water				
Month	Current Year	Prior Year	Variance	Ratio
October	9,884,937	13,082,745	(3,197,808)	-24.44%
November	10,499,606	10,270,582	229,024	2.23%
December	13,663,688	11,630,994	2,032,694	17.48%
January	8,506,008	8,857,268	(351,261)	-3.97%
February	8,996,740	8,244,713	752,027	9.12%
March	15,842,538	10,417,832	5,424,705	52.07%
April	13,840,518	9,417,449	4,423,069	46.97%
May	5,960,146	12,162,719	(6,202,573)	-51.00%
June	9,045,195	13,467,858	(4,422,663)	-32.84%
July	12,645,121	5,943,286	6,701,835	112.76%
August	10,203,737	11,794,131	(1,590,394)	-13.48%
September	10,837,378	9,790,065	1,047,313	10.70%
<b>Rolling, 12-Month Total</b>	<b>129,925,610</b>	<b>125,079,642</b>		
<b>Rolling, 12-Month Average</b>	<b>10,827,134</b>	<b>10,423,303</b>		

## DWSD Retail Sewer Billings and Collections

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

**Table 3 - DWSD Retail Sewer Billings** shows the FY 2025 sewer billed revenue which are provided by DWSD staff. As of September 30, 2024, the DWSD usage was at 90.68% of the budget and billed revenue was at 92.55% 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 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	214,000	30,316,100	173,084	26,350,527	(40,916)	(3,965,573)	207,574	29,192,723
August	196,000	29,206,000	195,207	28,301,325	(793)	(904,675)	211,503	29,278,720
September	215,000	30,359,800	198,474	28,536,169	(16,526)	(1,823,631)	178,576	27,476,376
October	180,000	28,256,800					184,382	27,700,094
November	181,000	28,322,800					175,498	26,939,338
December	166,000	27,436,800					156,168	26,546,712
January	160,000	27,139,500					182,643	26,882,316
February	177,000	28,085,500					179,551	27,455,737
March	166,000	27,448,400					165,992	26,725,597
April	169,000	27,639,700					179,514	26,737,898
May	166,000	27,458,600					170,754	26,225,089
June	175,000	27,995,600					173,084	26,149,588
<b>Total</b>	<b>2,165,000</b>	<b>339,665,600</b>	<b>566,765</b>	<b>83,188,021</b>	<b>(58,235)</b>	<b>(6,693,879)</b>	<b>2,165,240</b>	<b>327,310,189</b>
<i>Subtotals ytd</i>	<i>625,000</i>	<i>89,881,900</i>	<i>566,765</i>	<i>83,188,021</i>	<i>(58,235)</i>	<i>(6,693,879)</i>		
<i>Achievement of Budget/Goal</i>			<i>90.68%</i>	<i>92.55%</i>				

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

(2) Reflects billed volume based on actual usage except for residential customers where the billed volume differs from actual usage due to residential sewer volume caps implemented in FY 2023.

(3) Retail revenues include miscellaneous revenues and penalties

**Table 4 – DWSD Retail Sewer Collections**

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
October	21,610,149	28,182,933	(6,572,784)	-23.32%
November	25,951,736	21,994,899	3,956,838	17.99%
December	23,249,973	23,756,153	(506,180)	-2.13%
January	26,248,512	23,760,629	2,487,883	10.47%
February	24,230,304	23,867,073	363,230	1.52%
March	26,438,687	30,697,464	(4,258,777)	-13.87%
April	23,532,381	21,542,671	1,989,710	9.24%
May	22,487,372	24,419,561	(1,932,189)	-7.91%
June	20,945,929	23,769,626	(2,823,696)	-11.88%
July	36,297,569	32,379,222	3,918,346	12.10%
August	22,591,511	25,391,891	(2,800,380)	-11.03%
September	22,367,425	23,489,448	(1,122,023)	-4.78%
<b>Rolling 12-Month Total</b>	<b>295,951,548</b>	<b>303,251,570</b>		
<b>Rolling, 12-Month Average</b>	<b>24,662,629</b>	<b>25,270,964</b>		

## DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

**Table 5** is a summary of the monthly sales, total receivables, bad debt allowance and net water and sewer receivables as of September 30, 2024 with comparative totals from June 30, 2024, June 30, 2023 and June 30, 2022. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The table provides a comparison of days in accounts receivable calculated as net receivables divided by daily sales and confirms that over time days in AR is held in check overall due to a consistent practice of adjusting the allowance for doubtful accounts monthly. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

**Table 6** is a summary of the total, current and non-current Water and Sewer receivables by category as of September 30, 2024 with comparative totals from September 30, 2024. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of September 30, 2024 are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

**Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary**

Summary					
Period Ending	Monthly Sales	Receivables			Days in AR (1)
		Total	Allowance	Net	
June 30, 2022	39,022,000	300,346,000	(253,924,000)	46,422,000	36
June 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024 (2)	38,352,000	324,867,000	(249,922,000)	58,437,000	46
Sep 30, 2024	40,880,000	344,945,000	(265,149,000)	79,796,000	59
<i>Totals may be off due to rounding</i>					

(1) Days in AR is calculated as net receivables divided by daily sales (monthly sales/30 days)

(2) The annual AR Tax Roll Transfer totaling \$22,892,000 was made in October 2023.

**Table 6 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined**

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	909.75	19,375,000 9.6%	11,238,000 5.6%	33,050,000 16.4%	137,760,000 68.4%	201,423,000 100.0%
Commercial	1,438.26	8,651,000 28.1%	2,670,000 8.7%	4,951,000 16.1%	14,527,000 47.2%	30,799,000 100.0%
Industrial	4,071.71	5,471,000 36.7%	1,078,000 7.2%	2,050,000 13.7%	6,328,000 42.4%	14,927,000 100.0%
Tax Exempt	812.97	603,000 19.4%	226,000 7.3%	581,000 18.7%	1,692,000 54.5%	3,102,000 100.0%
Government	457.41	4,747,000 24.4%	1,922,000 9.9%	1,187,000 6.1%	11,587,000 59.6%	19,443,000 100.0%
Drainage	683.12	2,552,000 8.3%	1,145,000 3.7%	4,091,000 13.4%	22,789,000 74.5%	30,577,000 100.0%
<b>Subtotal - Active Accounts</b>	<b>889.51</b>	<b>41,399,000</b> 13.8%	<b>18,279,000</b> 6.1%	<b>45,910,000</b> 15.3%	<b>194,684,000</b> 64.8%	<b>300,271,000</b> 100.0%
Inactive Accounts	119.95	288,000 0.6%	418,000 0.9%	1,515,000 3.4%	42,453,000 95.0%	44,673,000 100.0%
<b>Total</b>	<b>485.83</b>	<b>41,687,000</b>	<b>18,696,000</b>	<b>47,425,000</b>	<b>237,136,000</b>	<b>344,945,000</b>
<b>% of Total A/R</b>		<b>12.1%</b>	<b>5.4%</b>	<b>13.7%</b>	<b>68.7%</b>	<b>100.0%</b>
Water Fund	100.98	12,265,000	4,798,000	10,577,000	44,060,000	71,699,000
Sewer Fund	385.51	29,422,000	13,898,000	36,848,000	193,077,000	273,246,000
<b>Total Sep 30, 2024 (a)</b>	<b>485.83</b>	<b>41,687,000</b>	<b>18,696,000</b>	<b>47,425,000</b>	<b>237,136,000</b>	<b>344,945,000</b>
Water Fund- Allowance						(51,309,000)
Sewer Fund- Allowance						(213,840,000)
<b>Total Bad Debt Allowance</b>						<b>(265,149,000)</b>
<b>Comparative - Sep 2023 (b)</b>	<b>593.20</b>	<b>39,667,000</b>	<b>18,297,000</b>	<b>44,663,000</b>	<b>201,687,000</b>	<b>304,315,000</b>
<b>Difference (a) - (b)</b>		<b>2,020,000</b>	<b>399,000</b>	<b>2,762,000</b>	<b>35,449,000</b>	<b>40,630,000</b>



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

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. Wholesale Water & Sewer Accounts Receivable Aging Reports

## 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	85
Emergency	0
Older Contracts	2
Total	87

***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 2025 water billed usage and revenues. As of September 30, 2024, the billed usage was at 96.52% of the original plan and billed revenue at 98.69% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2025 Budget.*

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

***Table 2 - Wholesale Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. Current year collections are trending below the prior year for the twelve-month period ending September 30, 2024.*

**Table 1 – FY 2025 Wholesale Water Billings Report**

WHOLESALE WATER CHARGES								
Month (1)	FY 2025 Charges (2)		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	1,471,701	33,806,600	1,347,527	32,449,201	(124,174)	(1,357,399)	1,396,012	31,956,320
2 August	1,378,066	32,779,600	1,297,169	31,977,986	(80,897)	(801,614)	1,295,617	30,947,078
3 September	1,252,529	31,226,000	1,315,030	32,104,405	62,501	878,405	1,212,814	29,862,077
4 October	1,040,750	28,617,400					1,043,901	27,856,141
5 November	902,080	27,224,500					899,934	26,481,380
6 December	965,968	27,817,100					947,841	26,904,465
7 January	979,263	27,960,900					984,406	27,231,881
8 February	869,226	26,840,000					877,428	26,143,840
9 March	946,913	27,587,200					930,938	26,675,356
10 April	904,594	27,235,000					886,646	26,342,756
11 May	1,122,987	29,809,800					1,101,158	28,684,891
12 June	1,440,113	33,505,700					1,313,310	31,043,002
<b>Total</b>	<b>13,274,190</b>	<b>354,409,800</b>	<b>3,959,726</b>	<b>96,531,592</b>	<b>(142,570)</b>	<b>(1,280,608)</b>	<b>12,890,005</b>	<b>340,129,187</b>
<i>Subtotals ytd</i>	<i>4,102,296</i>	<i>97,812,200</i>	<i>3,959,726</i>	<i>96,531,592</i>	<i>(142,570)</i>	<i>(1,280,608)</i>		
<i>Achievement of Original Plan</i>			<i>96.52%</i>	<i>98.69%</i>				

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

(2) Charges are based on the approved FY 2025 water supply system charge schedule.

(3) 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

**Table 2 - Wholesale Water Collections**

Water				
Month	Current Year	Prior Year	Variance	Ratio
October	26,617,271	38,029,648	(38,029,648)	-100.00%
November	35,490,010	30,903,329	4,586,681	14.84%
December	28,246,829	34,298,469	(6,051,640)	-17.64%
January	24,448,936	19,182,054	5,266,882	27.46%
February	29,100,065	26,553,529	2,546,536	9.59%
March	24,740,554	26,074,213	(1,333,659)	-5.11%
April	26,856,179	20,940,451	5,915,728	28.25%
May	25,838,255	29,265,308	(3,427,053)	-11.71%
June	24,182,036	29,370,704	(5,188,669)	-17.67%
July	30,278,936	22,645,008	7,633,928	33.71%
August	25,054,796	36,275,672	(11,220,876)	-30.93%
September	31,569,804	29,955,755	1,614,049	5.39%
<b>Rolling 12-Month Total</b>	<b>332,423,671</b>	<b>343,494,140</b>		
<b>Rolling, 12-Month Average</b>	<b>27,701,973</b>	<b>28,624,512</b>		

## Wholesale Sewer Billings and Collections

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

Service Arrangement Type	
Model Contract	14
Emergency	0
Older Contracts	<u>4</u>
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 2025 sewer billed revenue. As of September 30, 2024 the billed revenue is at 100.00% of the original plan.

**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 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. Current year collections are trending at the twelve-month period ending September 30, 2024.

**Table 3 – FY 2025 Wholesale Sewer Billings Report**

WHOLESALE SEWER CHARGES								
Month (1)	FY 2025 Charges		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
2 August	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
3 September	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
4 October	N/A	23,883,900	N/A		N/A		N/A	23,494,800
5 November	N/A	23,883,900	N/A		N/A		N/A	23,494,800
6 December	N/A	23,883,900	N/A		N/A		N/A	23,494,800
7 January	N/A	23,883,900	N/A		N/A		N/A	23,494,800
8 February	N/A	23,883,900	N/A		N/A		N/A	23,494,800
9 March	N/A	23,883,900	N/A		N/A		N/A	23,494,800
10 April	N/A	23,883,900	N/A		N/A		N/A	23,494,800
11 May	N/A	23,883,900	N/A		N/A		N/A	23,494,800
12 June	N/A	23,883,900	N/A		N/A		N/A	23,494,800
<b>Total</b>		286,606,800		71,651,700		-		281,937,600
<i>Subtotals ytd</i>		71,651,700		71,651,700		-		

Achievement of Original Plan 100.00%

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.  
(2) Not tracked as part of the wholesale sewer charges.

**Table 4 - Wholesale Sewer Collections**

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
October	23,107,016	24,707,249	(1,600,233)	-6.48%
November	27,958,885	19,882,939	8,075,946	40.62%
December	21,351,498	18,314,222	3,037,276	16.58%
January	21,117,470	17,636,972	3,480,498	19.73%
February	27,856,400	33,102,769	(5,246,369)	-15.85%
March	23,460,900	23,746,469	(285,569)	-1.20%
April	18,685,600	17,769,710	915,890	5.15%
May	28,363,300	18,213,966	10,149,334	55.72%
June	23,300,100	38,287,549	(14,987,449)	-39.14%
July	18,438,961	22,331,831	(3,892,870)	-17.43%
August	13,987,797	22,377,366	(8,389,569)	-37.49%
September	25,450,281	18,770,419	6,679,862	35.59%
<b>Rolling 12-Month Total</b>	273,078,208	275,141,461		
<b>Rolling, 12-Month Average</b>	22,756,517	22,928,455		

## 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 5 - Wholesale Accounts Receivable Aging Report Summary** is a summary of the total, current and non-current receivables by category as of September 30, 2024.

**Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn** is the same summary *without* the past due balances for the City of Dearborn. The Billing & Collections team has been in contact with the Water past due account holders and balances reported as past due in this report have been collected in full as of January 2025.

The Sewer past due account was paid in full in October. The IWC past due balances are under review and have been significantly reduced in subsequent months. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

**Table 5 - Wholesale Accounts Receivable Aging Report Summary**

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	47,420,847	39,200,522	573,056	-	7,647,269	-
Sewer	13,134,315	12,788,215	-	-	346,100	-
IWC	596,717	569,375	13,836	-	13,507	-
Pollutant Surcharge	488,313	370,823	125,528	-	(8,038)	-
<b>Total</b>	<b>61,640,192</b>	<b>52,928,934</b>	<b>712,419</b>	<b>-</b>	<b>7,998,839</b>	<b>-</b>
	100.00%	85.87%	1.16%	0.00%	12.98%	0.00%

**Table 6 - Wholesale Accounts Receivable Aging Report, Net of Dearborn**

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	39,109,121	38,364,341	508,889	-	235,890	-
Sewer	13,134,315	12,788,215	-	-	346,100	-
IWC	596,717	569,375	13,836	-	13,507	-
Pollutant Surcharge	488,313	370,823	125,528	-	(8,038)	-
<b>Total</b>	<b>53,328,465</b>	<b>52,092,753</b>	<b>648,253</b>	<b>-</b>	<b>587,460</b>	<b>-</b>
	100.00%	97.68%	1.22%	0.00%	1.10%	0.00%

**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 and Receipts
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. Fiscal year 2025 reflects three months of activity to date.

Water fund receipts exceeded required disbursements by 4% through September 30, 2024 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts fell short of required disbursements by 7% through September 30, 2024 compared to the four-year historical average ratio of required receipts exceeding disbursements by 4% since July 1, 2020.

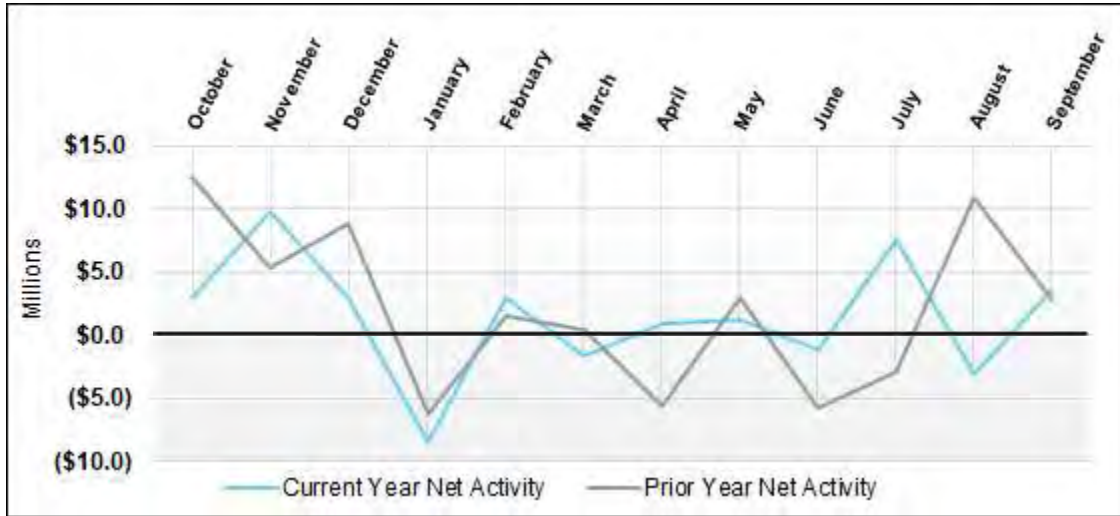
**Chart 1 – GLWA 12-Month Net Receipts – Water** outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior years. The black line at the zero highlights the minimum goal for net receipts.

**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 years. The black line at the zero highlights the minimum goal for net receipts.

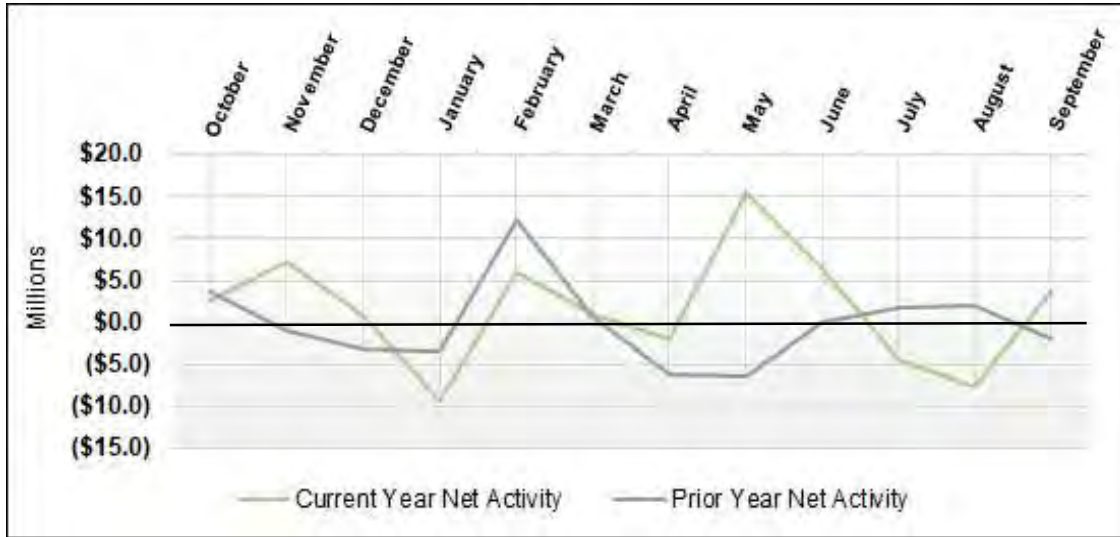
**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru September 30
<b>Water</b>					
1 Receipts	\$ 336,642,021	\$ 338,117,694	\$ 363,335,474	\$ 374,252,221	\$ 98,012,672
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	98,012,672
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(93,865,201)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	4,147,471
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	\$ (4,063,073)	\$ (5,000,528)	\$ 4,250,999	\$ (8,005,400)	\$ 4,147,471
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	104%
<b>Sewer</b>					
9 Receipts	\$ 472,871,853	\$ 471,979,297	\$ 498,888,416	\$ 506,731,576	\$ 115,721,005
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	115,721,005
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(123,902,403)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	(8,181,398)
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	\$ 13,972,674	\$ (8,077,664)	\$ (1,394,022)	\$ 16,812,782	\$ (8,181,398)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	93%
<b>Combined</b>					
19 Receipts	\$ 809,513,874	\$ 810,096,991	\$ 862,223,890	\$ 880,983,797	\$ 213,733,677
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	213,733,677
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(217,767,604)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	(4,033,927)
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	\$ 9,909,601	\$ (13,078,192)	\$ 2,856,977	\$ 8,807,382	\$ (4,033,927)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	98%

**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. Fiscal year 2025 reflects three months of activity to date.

Water fund receipts exceeded required disbursements by 11% through September 30, 2024 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 8% through September 30, 2024 compared to the four-year historical average of required receipts exceeding disbursements by 5% since July 1, 2020.

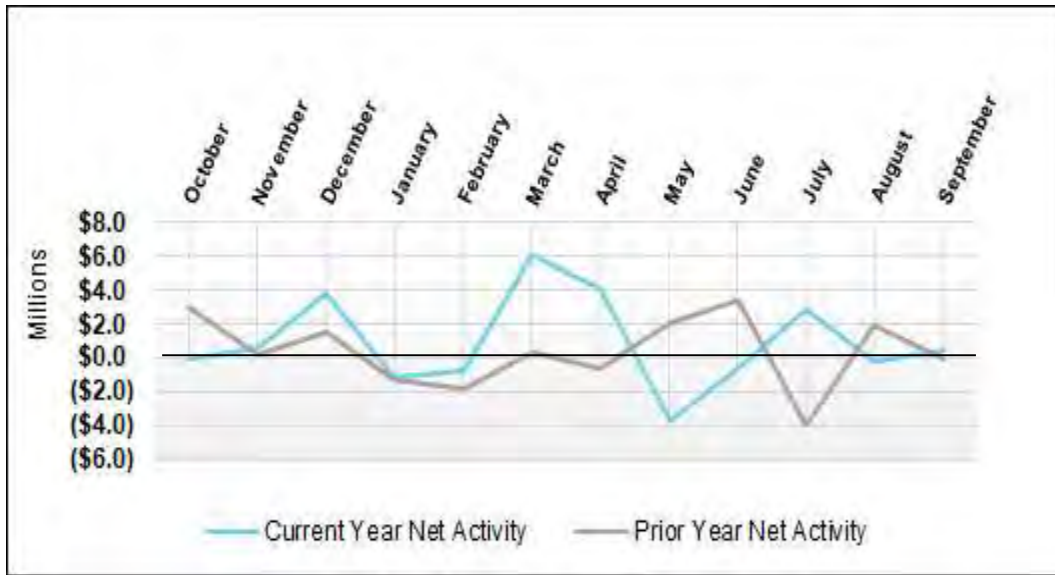
**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru September 30
<b>Water</b>					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	33,700,625
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	33,700,625
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(30,336,079)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	3,364,546
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	3,364,546
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	101%	108%	105%	106%	111%
<b>Sewer</b>					
9 Receipts	308,210,767	291,280,896	298,896,942	296,088,194	81,286,630
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	81,286,630
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(75,265,648)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	6,020,982
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	6,020,982
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	108%
<b>Combined</b>					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	114,987,255
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	114,987,255
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(105,601,727)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	9,385,528
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	9,385,528
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	109%

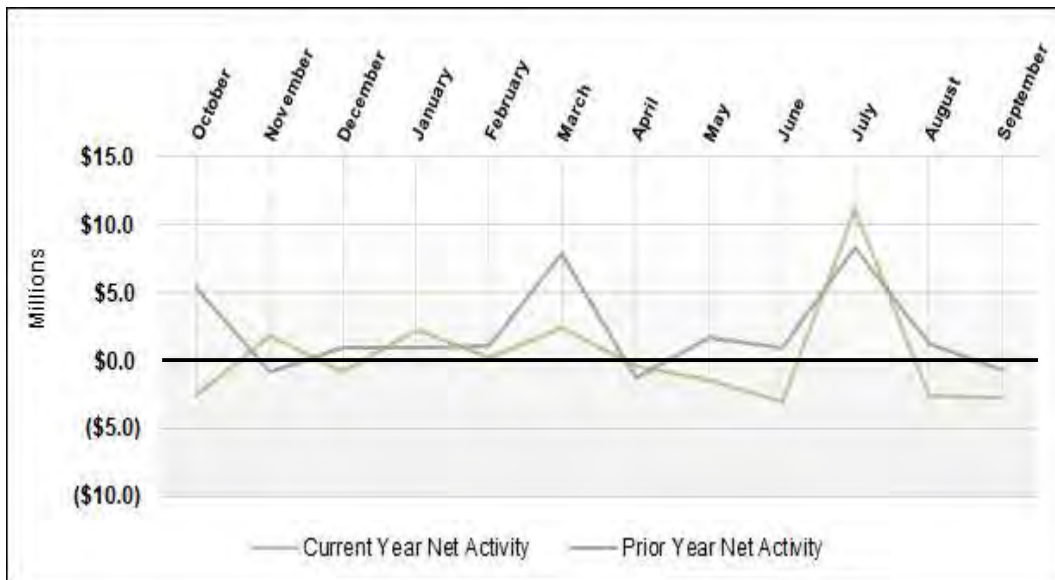
**Chart 3 – DWSD 12-Month Net Receipts – Water** outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**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.

**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 3 – Combined Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects three months of activity to date.

Water fund net receipts exceeded required disbursements by 6% through September 30, 2024 in line with the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts by 1% through September 30, 2024 compared to the four-year historical average ratio of required receipts exceeding disbursements by 4% since July 1, 2020.

**Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru September 30
<b>Water</b>					
1 Receipts	\$ 438,709,444	\$ 440,082,657	\$ 487,102,098	\$ 498,070,508	\$ 131,713,297
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	131,713,297
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(124,201,280)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	7,512,017
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	\$ (2,702,850)	\$ 2,468,834	\$ 10,351,523	\$ (1,477,704)	\$ 7,512,017
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	106%
<b>Sewer</b>					
9 Receipts	\$ 781,082,620	\$ 763,260,193	\$ 797,785,358	\$ 802,819,770	\$ 197,007,635
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	197,007,635
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(199,168,051)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	(2,160,416)
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	\$ 27,082,670	\$ (2,052,768)	\$ 14,407,820	\$ 24,781,459	\$ (2,160,416)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	99%
<b>Combined</b>					
19 Receipts	\$ 1,219,792,064	\$ 1,203,342,850	\$ 1,284,887,456	\$ 1,300,890,278	\$ 328,720,932
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	328,720,932
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(323,369,331)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	5,351,601
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	\$ 24,379,820	\$ 416,066	\$ 24,759,343	\$ 23,303,755	\$ 5,351,601
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	107%	105%	105%	105%	102%



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

## Michigan Sales and Use Tax for the GLWA Vendor Construction Community

As a municipal water utility, GLWA is a tax-exempt organization. GLWA is also exempt from sales and use tax when *procures tangible property directly for its own use*. In those instances, GLWA Vendors may utilize the [Michigan Sales and Use Tax Certificate of Exemption](#) which is available to view on the [GLWA Vendor Webpage](#). This form supports compliance for sales tax exemption when GLWA makes a direct purchase from your company.

Since the question occasionally arises, this month's edition of the *Procurement Pipeline* outlines the scenario in which GLWA's tax-exempt status **does not** extend to our vendors.

In summary, we have been advised that the State of Michigan Tax Law provides for the following:

- A contractor or subcontractor who constructs, alters, repairs, or improves real estate for others is recognized as the user or consumer of all goods and materials that they purchase for use in providing their services.
- As the user or consumer of these purchased goods and materials affixed to and becoming part of GLWA realty, the contractor or subcontractor cannot claim tax exempt status.
- The contractor or subcontractor in this scenario is therefore responsible for paying the sales tax.

We strongly encourage all GLWA vendors to consult with their own tax advisors when determining whether they will be responsible for payment of sales or use taxes and, therefore,

whether such costs should be included in their bid prices. If a GLWA vendor does not include sales or use tax in their bid prices, and later determines that they are responsible paying those taxes, GLWA cannot amend the contract to reimburse those costs.

## Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at [GLWAVendorOutreach@glwater.org](mailto:GLWAVendorOutreach@glwater.org) to schedule a virtual vendor introduction meeting. Topics include GLWA's procurement process, Business Inclusion and Diversity (B.I.D. Program), and Vendor Performance Assessment (VPA) Program as well as information on how to submit a competitive bid or proposal to any GLWA solicitation.

## Keeping up with GLWA

Our Chief Executive Officer (CEO) Monthly Report provides a wealth of information and news about important initiatives within GLWA's service territory that impact GLWA, its member partners, and the public. To read the January 2025 Monthly Report, please [click here](#).

## What's Coming Down the Pipe?

*Current Solicitations:* Register in GLWA's [Bonfire Procurement Portal](#) for new solicitations and contract award information.

*Upcoming Procurements: Next Three to Nine Months*—See newsletter page 2.

## Visit GLWA online!

To see the GLWA vendor homepage, please visit [www.glwater.org](http://www.glwater.org) or contact us via email at [procurement@glwater.org](mailto:procurement@glwater.org).

# Upcoming Solicitations February 2025

Category	CIP #	Description/Project Title	Budget Estimate
<b>Water System (next four to nine months)</b>			
Construction	111001	Lake Huron Water Treatment Plant – LH-401 Switchgear and Low Lift Improvements	\$100,000,000
<b>Wastewater Systems (next four to nine months)</b>			
Construction	260510	CSO Outfall Rehabilitation Phase VI	\$10,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$15,000,000
Construction	273001	Hubbell Southfield CSO Facility Improvements	\$56,000,000
<b>Enterprise (next three months)</b>			
Information Technology	O&M	Information Technology Service Management Software and Implementation Services	\$750,000
<b>Water System (next three months)</b>			
Construction	122016	Downriver Transmission Main Loop – Phase 1 – Inkster Rd	\$50,000,000
<b>Wastewater (next three months)</b>			
Construction	211005.2	WRRF Pump Station 2 VFD Replacements	\$12,000,000
Construction	260624	Emergency Chemical Storage Tanks Replacement	\$4,064,500
Design	270007	CSO Facility Disinfection Improvements	\$2,000,000
Construction	270006	CSO Facility Improvements II	\$17,500,000
Construction	260904	Renovation of the New Administration Building 3 <sup>rd</sup> Floor	\$8,500,000
Construction	260210	Lonyo Sewer System Rehabilitation	\$24,000,000
Construction	213006	WRRF Improvements to Sludge Feed Pumps at Dewatering Facilities	\$16,000,000
<b>Projects moved to Procurement Team (Preparing for solicitation on Bonfire)</b>			
Professional Services	O&M	Above Ground and Below Ground Fuel System Maintenance	\$900,000
Professional Services/Supplies	O&M	Services and Equipment, Doors, Frames and Hardware	\$160,000
Professional Services	O&M	Low Voltage Wiring Task Order Service	\$5,639,560
Professional Services	O&M	Door Repairs, Service and Maintenance at Sewer Pumping Stations and CSO Basins	\$375,000
Construction	112007	Structural Repairs, Northeast Water Treatment Plant	\$6,000,000
Professional Services	O&M	External Auditor Services	\$975,000
Professional Services	O&M	Investment Advisor	\$2,200,000
Professional Services	O&M	Grant Consulting Services	\$150,000
Professional Services	O&M	Staffing Services	\$750,000
Design	113010	Southwest WTP Flocculation Improvements	\$4,933,000
Professional Services	O&M	Task Order Engineering Services (TOES) Contract 2025	\$15,000,000
Professional Services	O&M	Personnel and Equipment Doors, Frames and Hardware	\$160,000
Construction	270004	Oakwood and Leib CSO Facilities Improvement	\$55,000,000
Professional Services/Supplies	O&M	Floor Covering Supply and Installation Services	\$246,000

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

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