



Audit Committee Meeting
Friday, June 26, 2026 at 8:00 a.m.
www.glwater.org

[Join Zoom Meeting](#)

Meeting ID: **879 4716 0065** Passcode: **504197**

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. May 22, 2026 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
8. REPORTS
 - A. CFO Report (Page 8)
 - B. Monthly Financial Report for March 2026 (Page 10)
 - C. Grants, Gifts, and Other Resources Report Through May 31, 2026 (Page 11)
 - D. Water Funding Task Force Update as of June 19, 2026 (Page 19)
 - E. FY 2026 Q3 Construction Work-in-Progress Report (Page 20) through March 31, 2026 (Unaudited)
 - F. FY 2026 Bond Transaction Update (Page 51)
 - G. City of Detroit Bond Rating Upgrade (Page 71)
9. COMMUNICATIONS
 - A. The Procurement Pipeline June 2026 (Page 76)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: July 24, 2026 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



Great Lakes Water Authority

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

Meeting Minutes - Draft

Audit Committee

Friday, May 22, 2026

8:00 AM

Zoom Telephonic Meeting

Join Zoom Meeting:

<https://glwater.zoom.us/j/85814856752?pwd=90OuG6C5NOZ8FyXgOw4lGyApbKjuJ3.1>

Join by Telephone

US Toll-Free:

877 853 5247; or 888 788 0099

Meeting ID: 858 1485 6752 Passcode: 925166

1. Call To Order

Chairperson Baker called the meeting to order at 8:00 a.m.

2. Quorum Call

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

3. Approval of Agenda

Nicolette Bateson, Chief Financial Officer/Treasurer, requested to move item 8G. (FY 2026 Bond Transaction Update) to the beginning of 7. New Business.

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

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved as Amended

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2026-193](#) Minutes of April 24, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A Minutes - April 24, 2026 Audit Committee.pdf](#)

Chairperson Baker requested a Motion to Approve the April 24, 2026 Audit Committee Meeting Minutes.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public Comments

6. Old Business

None

7. New Business**G. (7A.)** [2026-200](#) FY 2026 Bond Transaction Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8G One-Pager FY 2026 Bond Transaction.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

A. [2026-188](#) Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Bonds in an Aggregate Amount Not to Exceed \$12,963,500 (Ordinance 2026-05) for FY 2026 Clean Water State Revolving Fund Projects

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 AC Memo - Approval of Series Ordinance 2026-05 CWSRF DWSD Sewer Rehab \(SRF 6026-01\).pdf](#)
[7A3 Series Ordinance 2026-05 CWSRF DWSD Sewer Rehab \(SRF 6026-01\).pdf](#)
[7A4 Resolution Approving Series Ordinance 2026-05 CWSRF DWSD Sewer Rehab \(SRF 6026-01\).docx](#)

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Recommended for Approval to the Board of Directors

Agenda of May 28, 2026

The motion carried by a unanimous vote.

B. [2026-189](#) Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Aggregate Amount Not to Exceed \$59,294,865 (Ordinance 2026-06) for FY 2026 Drinking Water State Revolving Fund (DWSRF) Projects

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B1 AC Memo - Approval of DWSRF Series Ordinance 2026-06 DWSD Water Main Rep. \(SRF 7932-01\) & LSLR \(SRF 7932-02\).pdf](#)
[7B2a Attachment 1.pdf](#)
[7B2b Attachment 2.pdf](#)
[7B3 Series Ordinance 2026-06 DWSRF DWSD 7932-01 & 7932-02\).pdf](#)
[7B4 Resolution Approving DWSRF Series Ordinance 2026-06 DWSD 7932-01 & 7932-02.docx](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of May 28, 2026

The motion carried by a unanimous vote.

C. [2026-187](#) **FY 2026 Fourth Quarter Budget Amendments for May 2026 and Proposed Budget Amendment Resolution**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7C0 FY 2026 4th Quarter Budget Amendment Communication.pdf](#)
[7C2 FY 2026 4th Quarter Budget Amendment Report.pdf](#)
[7C3 FY 2026 4th Quarter Budget Amendment Resolution.docx](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors
Agenda of May 28, 2026

The motion carried by a unanimous vote.

D. [2026-190](#) **Ten Year Financial Projection Annual Post Budget Adoption Update for the Current Fiscal Year 2026 and the Ten Years FY 2027 Through FY 2036**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7D1 Ten Year Financial Projection Update.pdf](#)
[7D2 FY 2027 Ten Year Financial Projection - Annual Post Budget Adoption Update.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports

A. [2026-194](#) **CFO Report**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A1 CFO Report May 2026.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2026-195](#) Monthly Financial Report for February 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B February 2026 Monthly Financial Report.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2026-196](#) Grants, Gifts and Other Resources Report Through April 30, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C1 Grants Gifts and Other Resources Report.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2026-197](#) Quarterly Investment Report (Unaudited)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D1 Quarterly Investment Report Cover Memo March 2026.pdf](#)

[8D2 GLWA Quarterly Investment Report March 2026.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

E. [2026-198](#) Water Funding Task Force Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E Water Funding Task Force Update.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

F. [2026-199](#) Quarterly Economic Outlook Task Force Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8F1 EOTF Report Cover Memo.pdf](#)
[8F2 EOTF 2026 Q1 Update_5-4-26.pdf](#)

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

H. [2026-201](#) National Grants Management Association - Michigan Chapter

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8H NGMA Michigan Chapter.pdf](#)

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

9. Communications**A.** [2026-202](#) The Procurement Pipeline May 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The May 2026 Procurement Pipeline.pdf](#)

No Action Taken - Information Only

10. Look Ahead

The next Audit Committee Meeting is scheduled to be held on June 26, 2026 at 8:00 a.m.

11. Other Matters

None

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Jaye Quadrozzi

Support: Brian Baker

Action: Approved

The motion carried unanimously.

There being no further business, the meeting was adjourned at 9:52 a.m.



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Report

CFO Services Group – Annual Team Building Event

On Wednesday, June 3 the CFO Services Group and Treasury Team participated in an annual team building event at the GLWA Southwest Water Treatment Plant. The day included an overview presentation, facility tour, and a detailed question and answer session. Terry Sisler, William Collier, and Kyle Smith from the Southwest team were outstanding hosts and tour guides. Team-building events during the day included an iOpt challenge and FY 2027 goal planning. Team members led the coordination and facilitation of the event, which helped create a positive, engaging, and collaborative experience for everyone. Thank you to the teams for strengthening the bridge between our operating areas.

Affordability & Assistance Update

GLWA's Affordability & Assistance team continued strong sector leadership in May. Affordability & Assistance Manager Haran Stanley chaired the Women on Water engagement panel at the Michigan AWWA event, facilitating experience-sharing among over 50 professionals. Haran also presented at the GLWA Communication & Education Workgroup, providing updates on pending State affordability legislation, Water Residential Assistance Program (WRAP) program activity, and outcomes of the recent Virtual Affordability Workshop.

Women in Public Finance – Michigan Chapter Conference

GLWA was represented by Michelle Burt (Manager, Billing and Collections), and Alicia Schwartz (Grants Manager), at the annual Women in Public Finance – Michigan Chapter Conference in May. Sessions covered municipal market trends, practical applications of AI in finance, and leadership topics such as resiliency and generational dynamics, offering insights beneficial to GLWA's financial and workforce strategies.

Water Funding Task Force Collaboration Continues

The Water Funding Task Force (WFTF), established in January 2026, has completed Member Partner and peer utilities outreach across the country and began engaging Michigan utilities in June to begin gathering funding perspectives from throughout the state. At the One Water Partnership meeting held on May 28th, 2026, I provided an overview of the WFTF's objectives and facilitated discussions on statewide infrastructure needs and funding strategies. This work contributes to developing a comprehensive statewide perspective on funding challenges and opportunities.

Procurement Update

Save the Date for GLWA's 2026 Vendor Outreach Event! Planning is underway for the 2026 Vendor Outreach Event. The event this year is scheduled for October 29, 2026, at Schoolcraft College in Livonia. The half-day program will support vendor understanding of GLWA's procurement process and offer opportunities for engagement and networking. Stay tuned for additional details as we get closer to the event.

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

March 2026

**Presented to the
Great Lakes Water Authority
Audit Committee on June 26, 2026**

TABLE OF CONTENTS

Executive Summary Dashboard 1

Revenue Requirements Budget

 Budget to Actual Analysis 4

GAAP-Basis Financial Statements

 Basic Financial Statements 13

 Financial Activity Charts..... 21

 Crosswalk 24

 Financial Operations Key Performance Indicators 29

 Bank Reconciliations 29

Supplemental Sections

 Capital Improvement Plan Financial Summary 31

 Master Bond Ordinance Transfers..... 34

 Cash and Investments..... 41

 Retail Revenues, Receivables, & Collections 45

 Wholesale Billings, Receivables, & Collections 51

 Trust Receipts and Disbursements..... 56

 Liquidity 64



Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall or need for year-end budget amendments as follows: No Risk (green) - Potential (yellow) - Likely (red)

Variations are monitored by the Great Lakes Water Authority (GLWA) management. Operating and/or budget priorities are re-evaluated where appropriate. This report includes first quarter budget amendments as presented to the GLWA Board of Directors on January 28, 2026 and third quarter amendments approved on April 22, 2026. There were no budget amendments for the second quarter of FY 2026.

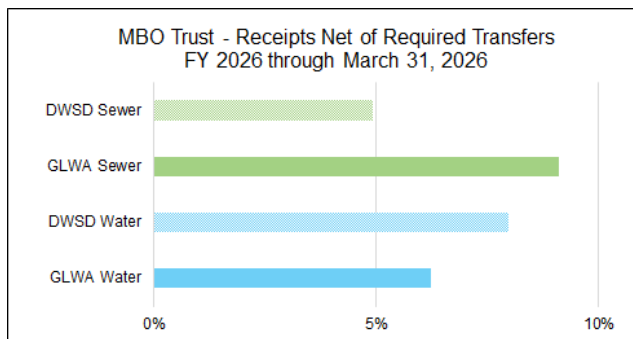
Investment earnings currently exceed the FY 2026 amended budget to date. Although interest rates are expected to continue to decline, this decline will not occur consistently throughout the year. In addition, current events may impact projections related to federal fund rate cuts. That driver behind positive news on investment earnings has a negative impact on commodity-based chemicals, supplies and materials. These variances are addressed in fourth quarter budget amendments in May.

Water system variances for capital relate to delays in four projects as reported in a recent Key Performance Indicator Report (Legistar #2025-413). Sewer system capital spend is substantially above plan because of a recent increase in State Revolving Fund (SRF) loans awarded for projects that were approaching construction phase. In September 2025, GLWA was notified of 5 projects that received a total of \$232.7 million in funding which advanced the pace of those projects.

As of March 31, 2026					
Metric	FY 2026 Budget	FY 2026 Amended Budget	FY 2026 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Revenue (\$M)	\$274.2	\$274.2	\$277.8	1%	5
Wholesale Water Billed Usage (mcf)	8,798,000	9,745,000	9,998,000	3%	52
Wholesale Sewer Revenue (\$M)	\$225.2	\$225.2	\$225.0	0%	6
Wholesale Water Investment Earnings (\$M)	\$9.6	\$9.6	\$11.6	21%	5
Wholesale Sewer Investment Earnings (\$M)	\$11.0	\$11.0	\$14.6	33%	6
Wholesale Water Operations & Maintenance (\$M)	\$136.8	\$139.4	\$140.4	1%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$177.1	\$178.9	\$178.3	0%	6
Water Prorated Capital Spend w/SRA* (\$M)	\$137.3	\$120.8	\$99.0	-18%	32
Sewer Prorated Capital Spend w/SRA* (\$M)	\$130.4	\$130.4	\$160.0	23%	33

*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 56)



Net cash flow receipts remain positive for GLWA and DWSD Water and Sewer. This means that all legal commitments of the MBO trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD water reports a surplus of \$8.3 million and DWSD sewer reports a surplus of \$12.1 million of net receipts over disbursements through March 2026.

Budget to Actual Analysis (page 4)

- The total revenue requirements are on target through March 2026.
- The total overall Operations & Maintenance expenses are 75.1% of budget through March 2026 which is slightly over the pro-rata benchmark of 75.0% but within a reasonable range.

Basic Financial Statements (page 13)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income March 2026 is \$92.6 million for the Water fund (30.4% of total revenues) and \$112.3 million for the Sewage Disposal fund (28.3% of total revenues).
- Water net position increased by \$45.1 million, and sewage disposal net position increased by \$73.7 million for the year to date through March 2026.

Capital Improvement Plan Financial Summary (page 31)

- Water system costs incurred to date are below the 88% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are above the 90% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 34)

- For March 2026, transfers of \$16.0 million and \$20.7 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for March 2026, transfers of \$6.0 million and \$7.3 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 41)

- Total cash & investments are \$696.0 million for Water and \$690.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2026 investment income through March 2026 is \$38.0 million.

DWSD Retail Revenues, Receivables & Collections (page 45)

- Water usage through March 31, 2026 is 102.78% and revenues are 101.87% of budget.
- Sewer usage through March 31, 2026 is 98.83% and revenues are 97.74% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$41.3 million over the prior year.
- Past due balances over 180 days make up 76.7% of the total accounts receivable balance. The current bad debt allowance covers 100.6% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 51)

- GLWA accounts receivable past due balance net of Dearborn is 0.46% of the total accounts receivable balance. This balance will be resolved when the terms of the new water contract are executed and escrowed funds are transferred to GLWA by June 30, 2026.
- Average wholesale water collections of \$29.9 million for the period of April 2025 through March 2026 are trending \$1.7 million above the prior year.
- Average wholesale sewer collections of \$24.6 million for the period of April 2025 through March 2026 are trending \$2.0 million above the prior year.

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

Revenue Requirements Budget



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 requirements. 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 many stakeholder groups.

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. 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. This report is for March 2026 therefore the pro-rata benchmark is 75% (9 of 12 months of the fiscal year). The budget includes the first quarter and third quarter budget amendments. There was no budget amendment for the second quarter of FY 2026.

Wholesale charges 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 March 31, 2026, these payments total \$4.0 million for FY 2026.

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

	FY 2025			FY 2026			
	Amended Budget	Activity Thru 3/31/2025	Percent of Amended Budget	Board Adopted Budget	Amended Budget	Activity Thru 3/31/2026	Percent of Amended Budget
Water System							
Revenues							
Wholesale Charges	\$ 347,758	\$ 258,516	74.3%	\$ 365,646	\$ 365,646	\$ 277,754	76.0%
Charges to Local System	27,095	20,321	75.0%	30,029	30,029	22,522	75.0%
Investment Earnings	15,818	12,087	76.4%	12,784	12,784	11,647	91.1%
Other Revenue	400	382	95.6%	303	303	590	194.8%
Total Revenues	<u>\$ 391,071</u>	<u>291,306</u>	74.5%	<u>\$ 408,761</u>	<u>408,761</u>	<u>312,513</u>	76.5%
Revenue Requirements							
Operations & Maintenance Expense	\$ 182,227	\$ 127,809	70.1%	\$ 182,456	\$ 185,833	\$ 140,352	75.5%
Debt Service	161,945	123,573	76.3%	179,082	177,698	132,614	74.6%
General Retirement System Pension	1,653	1,712	103.6%	2,731	2,731	2,048	75.0%
Water Residential Assistance Program Contribution	1,877	1,461	77.8%	1,970	1,970	1,478	75.0%
Extraordinary Repair & Replacement Deposit	2,650	-	0.0%	320	320	-	0.0%
Regional System Lease	22,500	16,875	75.0%	22,500	22,500	16,875	75.0%
Working Capital Requirement Improvement & Extension Fund	4,956	-	0.0%	600	-	-	0.0%
Transfer Pending	13,263	5,453	41.1%	19,102	17,709	13,282	75.0%
Total Revenue Requirements	<u>\$ 391,071</u>	<u>276,883</u>	70.8%	<u>\$ 408,761</u>	<u>408,761</u>	<u>306,648</u>	75.0%
Net Difference		<u>\$ 14,423</u>				<u>\$ 5,865</u>	
<i>Recap of Net Difference</i>							
Revenue Variance		\$ (1,997)				\$ 5,942	
Revenue Requirement Variance		16,420				(77)	
Net Difference		<u>\$ 14,423</u>				<u>\$ 5,865</u>	

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

Sewer System	FY 2025			FY 2026			
	Amended Budget	Activity Thru 3/31/2025	Percent of Amended Budget	Board Adopted Budget	Amended Budget	Activity Thru 3/31/2026	Percent of Amended Budget
Revenues							
Wholesale Charges	\$ 287,387	\$ 215,821	75.1%	\$ 300,317	\$ 300,317	\$ 224,984	74.9%
Charges to Local System	205,925	154,444	75.0%	215,324	215,324	161,493	75.0%
Industrial Waste Control Charges	8,719	6,625	76.0%	9,150	9,150	6,973	76.2%
Pollutant Surcharges	5,434	3,124	57.5%	5,113	5,113	3,540	69.2%
Investment Earnings	20,605	16,120	78.2%	14,615	14,615	14,626	100.1%
Other Revenue	700	310	44.2%	443	443	294	66.5%
Total Revenues	\$ 528,770	396,443	75.0%	\$ 544,962	544,962	411,910	75.6%
Revenue Requirements							
Operations & Maintenance Expense	\$ 235,192	\$ 168,879	71.8%	\$ 236,099	\$ 238,562	\$ 178,271	74.7%
Debt Service	217,449	163,246	75.1%	220,885	216,274	162,358	75.1%
General Retirement System Pension	3,719	3,635	97.7%	5,633	5,633	4,225	75.0%
Water Residential Assistance Program Contribution	2,542	1,989	78.3%	2,639	2,639	1,979	75.0%
Extraordinary Repair & Replacement Deposit	276	-	0.0%	-	-	-	0.0%
Regional System Lease	27,500	20,625	75.0%	27,500	27,500	20,625	75.0%
Working Capital Requirement Improvement & Extension Fund	-	-	0.0%	-	-	-	0.0%
Transfer Pending	42,094	21,106	50.1%	52,208	54,355	40,766	75.0%
Total Revenue Requirements	\$ 528,770	379,479	71.8%	\$ 544,962	544,962	408,223	74.9%
Net Difference		\$ 16,964				\$ 3,687	
<i>Recap of Net Difference</i>							
Revenue Variance		\$ (135)				\$ 3,188	
Revenue Requirement Variance		17,099				499	
Net Difference		\$ 16,964				\$ 3,687	

Items highlighted in gold on Tables 1A (Water) and 1B (Sewer) are discussed below.

Revenues

- Total Revenues:** For the *water* system, total revenues for FY 2026 are above the pro-rata benchmark; the *water* system is at 76.5%. For the *sewer* system, total revenues for FY 2026 are above the pro-rata benchmark at 75.6%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
- Investment Earnings:** For the *water* system, investment earnings are above the pro-rata benchmark for FY 2026 at 91.1%. The *sewer* system is also above the pro-rata benchmark for FY 2026 at 100.1%. FY 2026 investment earnings are slightly lower than FY 2025 earnings due to the Federal Reserve monetary policy moving to a more neutral level. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize investment income while meeting the objectives of safety and liquidity.
- 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.

Revenue Requirements - The revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance (MBO). An exception is the Extraordinary Repair & Replacement Fund deposit which is calculated based on minimum and maximum balance requirements set forth in the MBO and adjusted as needed to maintain compliance.

4. **Operations & Maintenance Expense:** Actual expenses for the *water* system are slightly above the pro-rata benchmark for FY 2026 at 75.5%, and the *sewer* system O&M is below the pro-rata benchmark for FY 2026 at 74.7%.
5. **Debt Service:** For FY 2026, the *water* system is below the pro-rata benchmark at 74.6% and *sewer* system is above the pro-rata benchmark at 75.1%. The activity is based on the debt payment schedules adjusted for the State Revolving Fund loans that are still being drawn down and may cause temporary variances pending realignment with budget.
6. **Working Capital Requirement / Net Difference:** The overall variance (net difference) reported represents the difference between revenues and revenue requirements. To the extent that there is a positive budget variance, staff perform a post-year end closing analysis. Based on this analysis and depending on working capital requirements, some or all of this variance may be transferred to the Improvement & Extension funds in the subsequent year.
7. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
8. **Total Revenue Requirements:** Total revenue requirements for the water system are in-line with the pro-rata benchmark at 75.0%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 74.9%.

Operations & Maintenance Budget – Major Budget Categories

The benchmark ratio as of March 31, 2026, is 75% (nine months), with the total O&M budget slightly over the benchmark at 75.1%. When comparing FY 2026 to FY 2025 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending in FY 2026 is above FY 2025 for nine months of operations, but still near the benchmark ratio.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown on 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 February 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 2025			FY 2026			
	Amended Budget	Activity Thru 3/31/2025	Percent of Amended Budget	Board Adopted Budget	Amended Budget	Activity Thru 3/31/2026	Percent of Amended Budget
A Water System Operations	\$ 94,398	\$ 69,363	73.5%	\$ 101,501	\$ 102,090	\$ 77,556	76.0%
B Wastewater System Operations	145,040	108,261	74.6%	156,573	156,573	117,648	75.1%
C Centralized Services	135,244	89,966	66.5%	117,388	121,764	88,725	72.9%
D Administrative & Other Services	42,737	29,060	68.0%	43,094	43,970	34,503	78.5%
Employee Benefits	-	38	100.0%	-	-	190	100.0%
Total O&M Budget	<u>\$ 417,419</u>	<u>\$ 296,688</u>	71.1%	<u>\$ 418,555</u>	<u>\$ 424,396</u>	<u>\$ 318,623</u>	75.1%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

The purpose of **Table 3 – Operations & Maintenance Expense Variance Analysis** is to evaluate whether the actual spend rate within an expense 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. This table includes both the water and sewage disposal funds.

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

Expense Categories	FY 2025					FY 2026				
	Amended Budget	Actual Thru 6/30/2025	Activity Thru 3/31/2025	Percent of Amended Budget	Percent of Actual 6/30/2025	Amended Budget	Prorated Amended Budget (9 Months)	Activity Thru 3/31/2026	Percent of Amended Budget	Variance (Over) Under Prorated Amended Budget
	A	B	C	= C / A	= C / B	D	E	F	= F / D	= E - F
Personnel Costs										
Salaries & Wages Workforce	\$ 85,807	\$ 84,979	\$ 63,911	74.5%	75.2%	\$ 91,087	\$ 68,315	\$ 70,997	77.9%	\$ (2,682)
Development	2,363	2,811	2,177	92.1%	77.4%	3,777	2,833	1,585	42.0%	1,248
Overtime	9,605	10,125	7,407	77.1%	73.2%	8,911	6,684	7,787	87.4%	(1,104)
Employee Benefits	32,244	30,773	24,080	74.7%	78.3%	36,781	27,585	28,132	76.5%	(547)
Transition Services	8,516	8,195	5,890	69.2%	71.9%	8,491	6,369	6,109	71.9%	260
Employee Benefits Fund	-	-	38	100.0%	100.0%	-	-	190	100.0%	(190)
Total Personnel Costs	138,535	136,883	103,502	74.7%	75.6%	149,047	111,785	114,800	77.0%	(3,015)
Utilities										
Electric	48,121	46,578	35,316	73.4%	75.8%	49,515	37,136	33,943	68.6%	3,193
Gas	7,000	7,661	5,523	78.9%	72.1%	8,443	6,332	7,675	90.9%	(1,344)
Sewage Service	2,980	2,400	1,703	57.1%	71.0%	2,455	1,841	1,976	80.5%	(134)
Water Service	11,602	10,420	7,608	65.6%	73.0%	12,561	9,421	9,182	73.1%	239
Total Utilities	69,703	67,059	50,150	71.9%	74.8%	72,973	54,730	52,776	72.3%	1,954
Chemicals	38,235	34,385	24,266	63.5%	70.6%	34,520	25,890	23,495	68.1%	2,395
Supplies & Other	45,294	45,727	31,448	69.4%	68.8%	46,410	34,808	35,136	75.7%	(329)
Contractual Services	134,053	128,153	92,658	69.1%	72.3%	126,147	94,610	96,816	76.7%	(2,206)
Capital Program Allocation	(4,582)	(2,901)	(2,111)	46.1%	72.8%	(3,431)	(2,573)	(2,313)	67.4%	(260)
Shared Services	(2,280)	(2,583)	(1,695)	74.3%	65.6%	(2,264)	(1,698)	(2,088)	92.2%	390
Intergovernmental Agreement	(1,540)	(1,565)	(1,531)	99.4%	97.8%	-	-	-	0.0%	-
Unallocated Reserve	-	-	-	0.0%	0.0%	993	744	-	0.0%	744
Total Expenses	\$ 417,419	\$ 405,160	\$ 296,688	71.1%	73.2%	\$ 424,396	\$ 318,297	\$ 318,623	75.1%	\$ (326)

Totals may be off due to rounding

Total Expenses: In total, the overall O&M expenses are 75.1%, which is slightly above the pro-rata benchmark of 75%. The Table 3 expense category commentary is provided below.

Personnel Costs: The year-to-date total personnel costs through March 2026 are at 77.0%, which is above the pro-rata benchmark of 75%. Unallocated reserves include budgeted funds for annual wage adjustments that take effect in July each year that are unknown at the time the budget is adopted. These were allocated to personnel costs with the first quarter budget amendment. The third quarter amendment includes an adjustment for the increase in healthcare claims net of anticipated rebates. Vacant positions are being filled, which is driving the increase in salary and wages. The fourth quarter budget amendment will include an adjustment for salary and wages if needed at that time.

Utilities: The overall category is below the pro-rata benchmark; coming in at 72.3% through March 2026. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is below the pro-rata benchmark, coming in at 68.6%. When compared to the prior fiscal year the year-to-date value represents an approximate \$1.4 million reduction. This is primarily due to a reduction in the Power Supply Cost Recovery (PSCR) charge through February 28, 2026. Beginning March 1, 2026 the PSCR was increased to the maximum allowed by the Public Service Commission. This change will have a significant impact on electric cost after that date. 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 at 90.9% of the amended budget. GLWA works with the State of Michigan to secure favorable rates of natural gas. A percentage of the annual forecast use is allowed to adjust with the current market. As reported by the U.S. Energy Administration the Henry Hub natural gas spot price 12-month average has increased, on average, 36.7% as of March 2026, over the preceding 12-month period. Variances are primarily related to these fluctuating costs.
- **Sewage service** is higher than the benchmark, coming in at 80.5%. This is largely due to the Southwest water plant which is over budget. Sewer is not based on water usage at this plant. It has a separate sewer meter; therefore costs are based on a measured discharge. During sludge removal the liquid portion is drained back to the sewer system. The budget will be reviewed to determine if the budget will need to be revised in the future for this water plant.
- **Water service** is lower than the benchmark, coming in at 73.1%. The majority of this variance is in wastewater operations, as the water resource recovery facility continues to manage their water use.

Chemicals: This category is lower than the benchmark; coming in at 68.1%. Usage volumes for chemicals related to lead and copper rule compliance (that is, orthophosphate and ferric chloride) were lower than original estimates. Additionally, the moderate drought in Southeast Michigan resulted in a decrease in chemicals used to handle wet weather events (sodium hypochlorite).

Supplies & Other: This category is slightly above the pro-rata benchmark; coming in at 75.7%. There are many different items in this expense category, some of which, such as certain maintenance activities, are subject to one-time expenses that do not occur evenly throughout the year. Variances are not unexpected.

Contractual Services: This category is above the pro-rata benchmark; coming in at 76.7%. 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.

Capital Program Allocation: This category is lower than the benchmark; coming in at 67.4%. 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 category.

Shared Services: This category is higher than benchmark; coming in at 92.2%. The shared services reimbursement comprises both labor 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 2026. 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. The amount in this account is shown as negative as this is a “contra” account which represents an offset to both the Personnel Costs and the Contractual Services categories.

Intergovernmental Agreements: This category did not have any activity through March 2026 and usually is not budgeted for in advance. As activity is incurred, budget amendments will be made to match the activity. The amount in this account is shown as negative as this is a “contra” account which represents an offset to the Contractual Services category.

GAAP-Basis Financial Statements (Unaudited)



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 2025 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 March 31, 2026
 (\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2025
Assets				
Cash - unrestricted (a)	\$ 202,856	\$ 235,511	\$ 438,366	\$ 435,531
Cash - restricted (a)	109,278	143,101	252,379	631,066
Investments - unrestricted (a)	142,042	190,775	332,818	219,969
Investments - restricted (a)	233,401	129,007	362,409	259,388
Accounts Receivable	78,359	57,302	135,661	163,009
Due from (to) Other Funds (b)	6,201	(6,201)	-	-
Other Assets (c)	605,678	363,051	968,729	977,212
Capital Assets, net of Depreciation	1,150,140	1,736,123	2,886,263	3,048,416
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	647,304	649,873	1,297,177	1,039,383
Total assets	3,468,883	3,625,358	7,094,241	7,194,414
Deferred Outflows (f)	23,138	45,277	68,415	71,631
Liabilities				
Liabilities - Liabilities-ST	243,384	268,879	512,263	538,933
Other Liabilities (h)	2,504	6,261	8,764	7,500
Cash Held FBO DWSD (d)	36,584	48,787	85,371	57,578
Liabilities - Long-Term (i)	3,161,667	3,171,838	6,333,505	6,546,932
Total liabilities	3,444,139	3,495,764	6,939,903	7,150,943
Deferred Inflows (f)	79,078	89,165	168,243	179,444
Total net position (j)	\$ (31,196)	\$ 85,707	\$ 54,511	\$ (64,342)

Totals may be off due to rounding

The Statement of Net Position reflects a maturing organization with an ongoing trend related to Net Position. The Authority's net position is a deficit but has been incrementally smaller each year. Please see note j below for further explanation.

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2025 are reported at market value. The March 31, 2026 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 (for benefit of) 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, GASB 87, GASB 96 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, GASB 87, GASB 96 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. The Sewage Disposal fund has a positive net position as of June 30, 2025. The Water fund has a net deficit which is getting smaller each year. The net position deficit was largely driven by the deficit in the net investment in capital assets due to the valuation of the assets as of the operational effective date on January 1, 2016 resulting in high depreciation expense.

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 March 2026 Financial Report Binder. Prior year ending balances are provided in the June 30, 2025 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 Nine Months ended March 31, 2026
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2025
Revenue						
Wholesale customer charges	\$ 281,762	92.4%	\$ 224,984	56.6%	\$ 506,746	\$ 636,667
Local system charges	22,522	7.4%	161,493	40.6%	184,015	233,020
Industrial waste charges	-	0.0%	6,973	1.8%	6,973	8,849
Pollutant surcharges	-	0.0%	3,540	0.9%	3,540	4,584
Other revenues	575	0.2%	293	0.1%	868	948
Total Revenues	304,859	100.0%	397,283	100.0%	702,142	884,068
Operating expenses						
Operations and Maintenance	139,789	45.9%	177,318	44.6%	317,108	402,118
Depreciation	68,609	22.5%	106,133	26.7%	174,742	242,487
Amortization of intangible assets	3,870	1.3%	1,524	0.4%	5,394	6,774
Total operating expenses	212,268	69.6%	284,976	71.7%	497,244	651,379
Operating Income	92,591	30.4%	112,307	28.3%	204,898	232,689
Total Nonoperating revenue (expense)	(47,463)	-15.6%	(38,581)	-9.7%	(86,045)	(106,607)
Increase/(Decrease) in Net Position	45,128	14.8%	73,725	18.6%	118,853	126,082
Net Position (deficit), beginning of year	(76,324)		11,981		(64,342)	(190,425)
Net position (deficit), end of year	\$ (31,196)		\$ 85,707		\$ 54,511	\$ (64,342)

Totals may be off due to rounding

Water Fund

- ✓ The increase in Water Fund Net Position is \$45.1 million.
- ✓ Wholesale water customer charges of \$281.8 million account for 92.4% of Water System revenues.
- ✓ Operating expenses of \$212.3 million represent 69.6% of total operating revenue. Depreciation is the largest operating expense at \$68.6 million or 32.3% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$92.6 million or 30.4% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$72.9 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 \$73.7 million.
- ✓ Wholesale customer charges of \$225.0 million account for 56.6% 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 \$161.5 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$285.0 million represent 71.7% of total operating revenue. Depreciation is the largest operating expense at \$106.1 million or 37.2% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$112.3 million or 28.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$75.5 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 March 2026 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Nine Months ended March 31, 2026
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	26,353	18.9%	52,337	29.5%	78,691	24.8%
Overtime	5,206	3.7%	2,581	1.5%	7,787	2.5%
Employee Benefits	20,098	14.4%	8,225	4.6%	28,322	8.9%
Total Personnel	\$ 51,657	37.0%	\$ 63,144	35.6%	\$ 114,800	36.2%
Utilities						
Electric	22,095	15.8%	11,848	6.7%	33,943	10.7%
Gas	1,472	1.1%	6,203	3.5%	7,675	2.4%
Sewage	718	0.5%	1,258	0.7%	1,976	0.6%
Water	2	0.0%	9,179	5.2%	9,182	2.9%
Total Utilities	\$ 24,288	17.4%	\$ 28,488	16.1%	\$ 52,776	16.6%
Chemicals	9,801	7.0%	13,694	7.7%	23,495	7.4%
Supplies and other	11,974	8.6%	22,246	12.5%	34,220	10.8%
Contractual services	44,958	32.2%	51,274	28.9%	96,232	30.3%
Capital Program allocation	(1,537)	-1.1%	(776)	-0.4%	(2,313)	-0.7%
Intergovernmental Agreement	-	0.0%	(15)	0.0%	(15)	0.0%
Shared Services allocation	(1,351)	-1.0%	(736)	-0.4%	(2,088)	-0.7%
Operations and Maintenance Expenses	\$ 139,789	100.0%	\$ 177,318	100.0%	\$ 317,108	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.6% of total O&M expenses) and chemicals (7.4% of total O&M expenses).
- ✓ Personnel costs (36.2% 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 (30.3%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$7.8 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$13.5 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

Supplemental Schedule of Nonoperating Expenses – All Funds Combined

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 Nine Months ended March 31, 2026
 (\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Nonoperating Revenue/(Expense)				
Interest income contractual obligation	\$ 16,693	\$ 10,797	\$ 27,490	\$ 38,291
Investment earnings	17,560	16,642	34,203	47,263
Net (incr) decr in fair value of invstmt	49	87	136	1,532
Other nonoperating revenue	(101)	12,364	12,263	18,212
Interest Expense				
Bonded debt	(89,585)	(86,259)	(175,844)	(230,256)
Lease obligation	(12,051)	(14,729)	(26,780)	(36,218)
Other obligations	(2,115)	(1,140)	(3,255)	(5,033)
	<u>(103,751)</u>	<u>(102,128)</u>	<u>(205,879)</u>	<u>(271,507)</u>
Capital Contribution	298	7,699	7,998	40,693
Amortization, issuance costs, debt	17,586	7,975	25,561	25,936
(Gain) loss on disposal of capital assets	23	13	36	(172)
Water Residential Assistance Program	(1,087)	(1,456)	(2,542)	(3,828)
Legacy pension expense	5,266	9,425	14,691	(3,026)
Total Nonoperating Revenue/(Expense)	\$ (47,463)	\$ (38,581)	\$ (86,045)	\$ (106,607)

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.
- ✓ 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 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. FY 2025 market value adjustments for Water and Sewer total \$49 thousand and \$78 thousand, respectively. Any difference is due to realized gain or loss on investments.

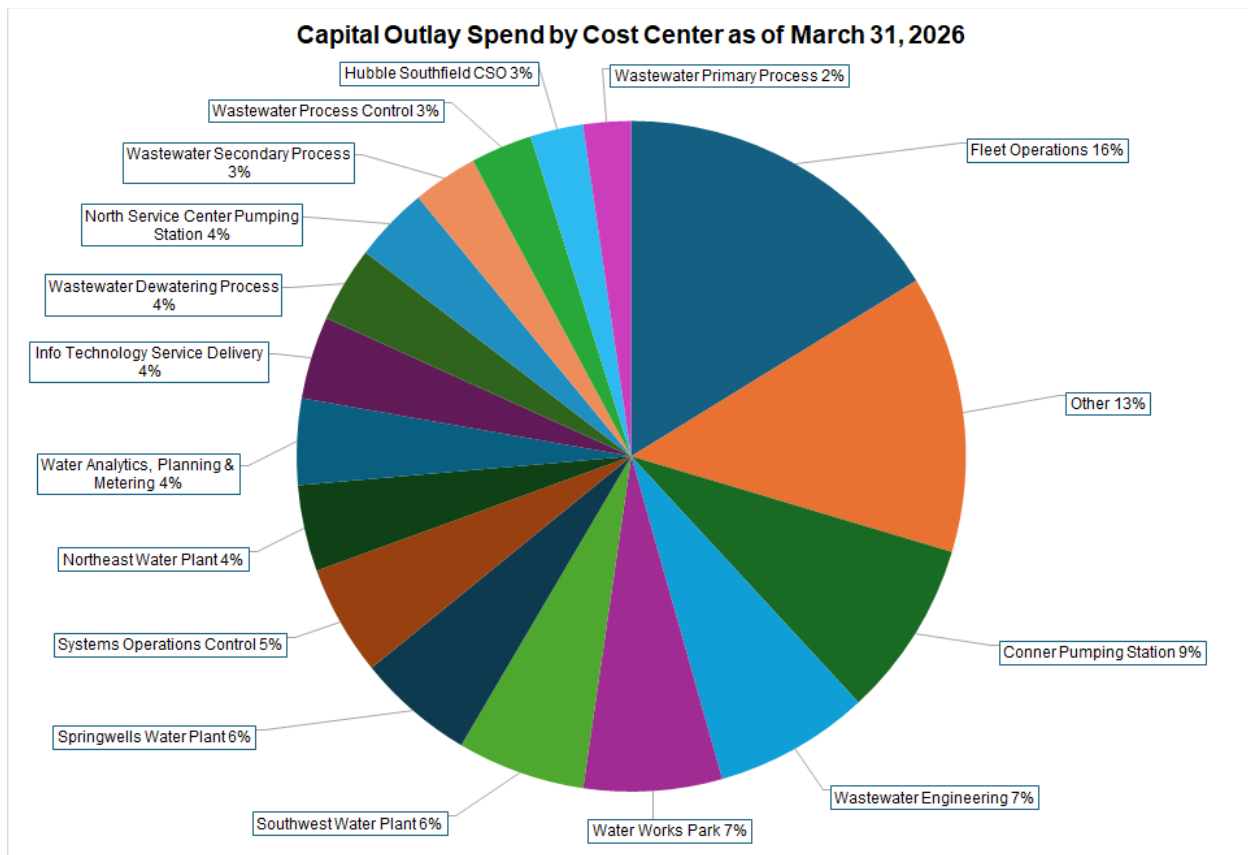
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating revenue includes \$18.4 million in debt forgiveness on Clean Water State Revolving Fund loans (CWSRF) for the Sewage Disposal system. FY 2026 other non-operating revenue includes \$12.6 million of debt forgiveness on CWSRF for the Sewage Disposal system.
- ✓ The FY 2026 and FY 2025 amortization, issuance costs, debt, is related to the amortization of bond premiums and defeasance of debt.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$2.8 million) grant revenue for the Water system and (\$15.2 million) grant revenue and (\$22.1 million) contribution from the Oakland Macomb Interceptor Drainage District (OMIDD) for the Sewage Disposal system. The FY 2026 capital contribution in Nonoperating (revenue) expense represents ARPA (\$298 thousand) grant revenue for the Water system and (\$7.7 million) grant revenue for the Sewage Disposal system.
- ✓ Legacy pension expense reflects a credit for FY 2026 due to the recognition of increased investment earnings on the part of GLWA and DWSD within the City of Detroit General Retirement System (GRS) for the period ending June 30, 2025.

Financial Activity Charts

Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA’s capitalization policy.

Through March 31, 2026, total capital outlay spend is \$12.8 million. Following this chart is a sample list of projects and purchases from the total spend of \$12.8 million.



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

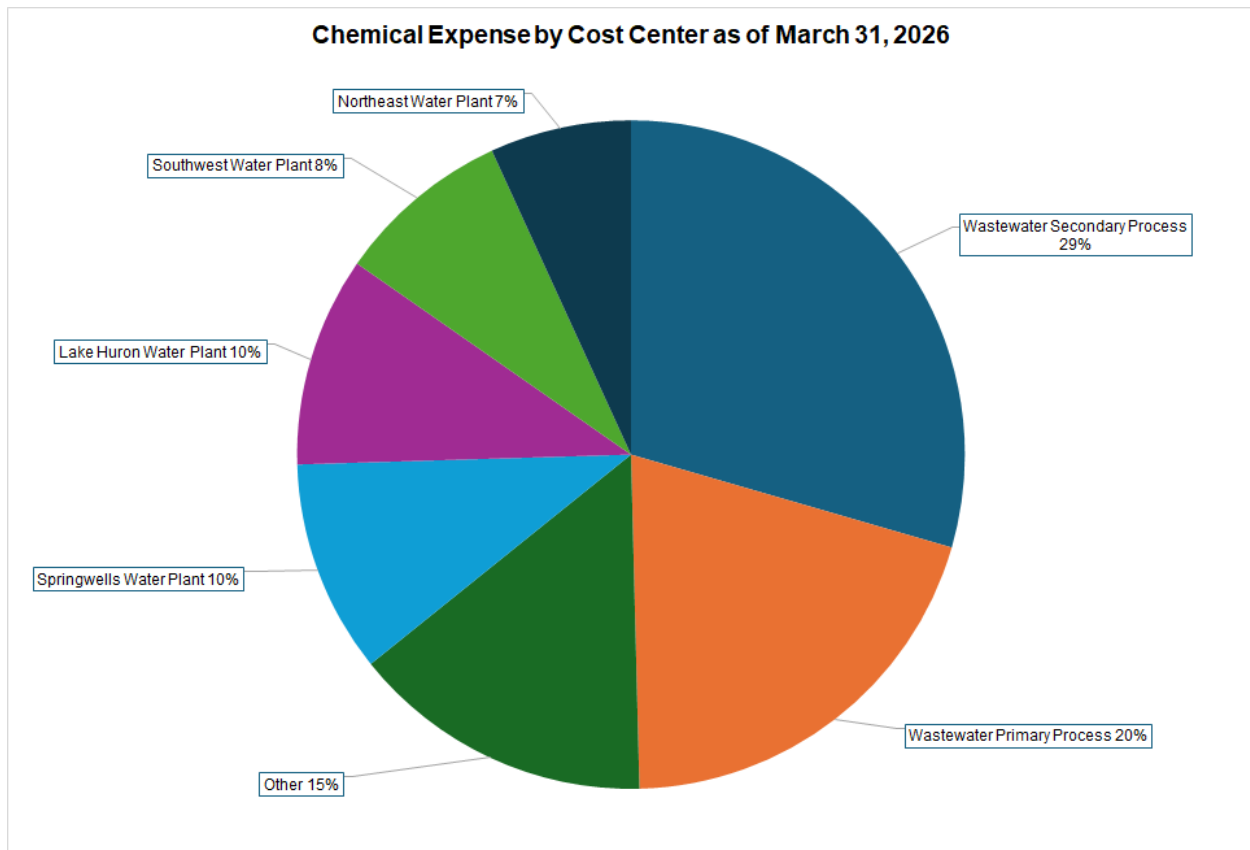
Water Operations: Steam generator replacement (\$529k); low lift elevator (\$424k); Springwells low lift modernization (\$327k); Water Works Park HVAC boiler (\$301k); North Service Center variable frequency drive (\$270k); North Service Center fire alarm protection (\$197k); plasma mass spectrometer (\$149k); Ovations power supply upgrade (\$149k); Adams Road Pumping Station fire protection system (\$79k); Southwest Water Plant kitchen remodel (\$76k) and Franklin fire protection (\$67k).

Wastewater Operations: Ovation upgrade and cabinet replacement (\$1.1m); WRRF incinerator freight elevator (\$937k); Conner Creek elevator maintenance (\$523k); WRRF fire detection system (\$422k); Conner Pumping Station priming level switch addition (\$410k); ferric chloride buffering pilot (\$331k); Hubble Southfield CSO proximity switches (\$269k); sludge feed pump (\$231k); D conveyor (\$185k); Conner Creek fire alarm system integration (\$160k); scum concentrator pump (\$150k); Connor Creek rotork gate actuator (\$99k); scum hopper pump (\$76k); WRRF process camera (\$74k) and accusonic flowmeters (\$63k).

Centralized & Administrative Facilities: Trucks and vehicles (\$1.9m); computer hardware and software (\$655k); sewer meter support (\$272k); SMAR gauge transmitters (\$197k); Polaris UTV (\$112k); permanent easement (\$98k) and video system equipment (\$69k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

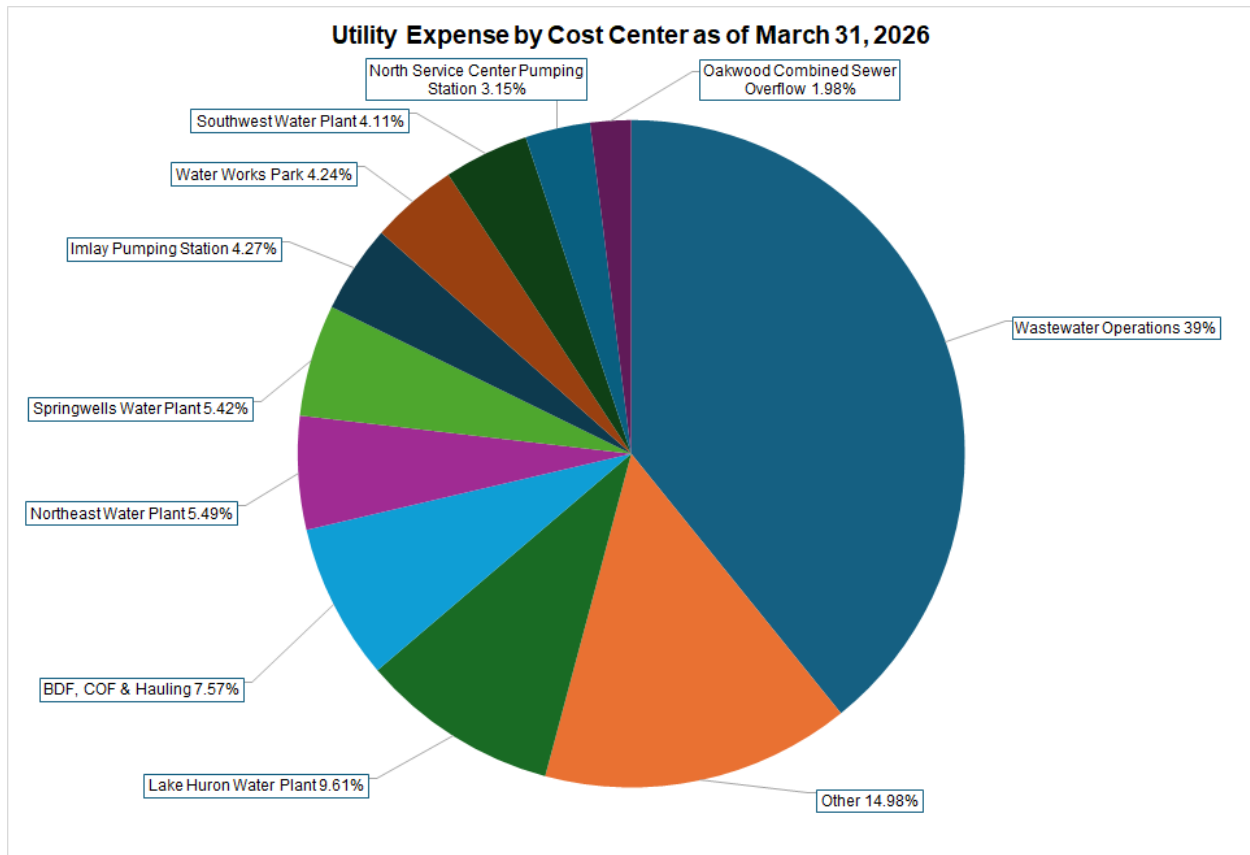
Chemical expenses are \$23.5 million through March 31, 2026. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$52.8 million through March 31, 2026. The allocation is shown in the chart below and consistent with prior periods.



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

The monthly Budget to Financial Statements Crosswalk includes the following.

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

Purpose for Crosswalk: The Great Lakes Water Authority establishes a “Revenue Requirements” budget for the purposes of establishing charges for services. The financial report is prepared in accordance with Generally Accepted Accounting Policies for enterprise funds of a local government. Because the budget and the financial statements are prepared using different basis of accounting, the crosswalk reconciles the “Net Difference” to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in the monthly Financial Report.

The Authority has a Water Master Bond Ordinance and a Sewer Master Bond Ordinance (MBO). The Ordinances provide additional security for payment of the bonds. All revenues of the system are deposited into Revenue Receipts Funds which are held in trust by a trustee. The cash is moved to multiple bank accounts monthly based on 1/12th of the budget as defined in the MBO (“the flow of funds”) for all revenue requirements except for the Debt Service monthly transfer. The Debt Service monthly requirement is computed by the trustee, U.S. Bank. The cash transfer for debt is net of investment earnings that remain in the debt service accounts to be used for debt service.

The budget is prepared on a modified cash basis. The revenue requirements are determined based upon the cash needed to meet the financial commitments as required by the Master Bond Ordinance.

- Operation & Maintenance (O&M) expenses are reported on an accrual basis
- B&C notes obligation is reported on a cash basis
- Debt Service Allocation is reported on a cash set aside basis to provide the cash for the debt payments on the due dates
- Lease payments are reported on a cash basis
- Water Residential Assistance Program are based on a percentage of budgeted revenue
- Regional System Improvement & Extension Fund Allocation are reported on a cash basis

Budget: In Table 1A and Table 1B of the Budget to Actual Analysis the ‘Revenues’ section is the accrual basis revenues that are available to meet the ‘Revenue Requirements’. The ‘Revenue Requirements’ section budget column indicates the annual cash transfers to be made.

Financial Reporting: The Authority’s financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority maintains its records on the accrual basis of accounting to conform to GAAP. Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) are recorded when incurred.

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis provides a reconciliation of the “Net Difference” in Table 1A and Table 1B in the Budget to Actual Analysis report to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in this monthly Financial Report. Explanatory notes follow the Crosswalk shown in Table 1 below.

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Nine Months Ended March 31, 2026**

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 5,865	3,687	\$ 9,552
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	831	1,488	2,319
Debt service (f)	59,722	86,896	146,618
Accelerated pension B&C notes obligation portion (g)	762	1,713	2,475
Regional System lease (h)	4,824	5,896	10,720
GASB 87 & GASB 96 adjustments (h)	514	838	1,351
WRAP (i)	391	523	914
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	13,282	40,766	54,048
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(72,479)	(107,657)	(180,136)
Amortization - debt related (k)	17,586	7,975	25,561
Other nonoperating income (k)	(116)	12,362	12,246
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	23	13	36
Raw water rights obligation (l)	2,397	-	2,397
Investment earnings for construction fund (m)	5,913	2,014	7,927
Other	-	-	-
Investment earnings unrealized gain/loss (n)	49	87	136
Improvement & extension fund operating expenses (o)	-	-	-
Capital Contribution (p)	298	7,699	7,997
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 45,128	\$ 73,725	\$ 118,852

Table 2 - Explanatory Notes for Crosswalk

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.
- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. During fiscal year 2025, it was agreed-upon that the remaining prepaid administrative amount be transferred from the general division reserve at the System to the DWSD Division.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) Payments for the warehouse lease and subscription-based information technology arrangements (SBITA) are expensed for budget purposes. For financial reporting purposes, the warehouse lease is recorded under GASB 87 and payments are treated as a reduction in the lease liability and interest expense (which is a nonoperating expense). The SBITA payments are recorded under GASB 96 and are treated as a prepaid subscription asset as the software is currently in the implemented phase.

- (i) WRAP is shown as an expense for budget purposes. For financial reporting purposes the expense is not recognized until the funds have been transferred to the WRAP administrator. The adjustment shown is the amount of current year transfers that have not been transferred to the WRAP administrator. Note that there are funds from the prior year that have not been transferred to the WRAP administrator.
- (j) The Extraordinary Repair & Replacement Fund and Improvement & Extension Fund transfers are shown as an expense for budget purposes but not for financial reporting purposes.
- (k) Certain nonoperating income and expenses are reported in financial statements only.
- (l) The water service contract with Flint includes a license for raw water rights which has been recorded as an asset and liability by the Authority. The contract provides for a credit to Flint as Flint satisfies its monthly bond payment obligation to KWA. This KWA credit is treated as a noncash payment of principal and interest on the liability recorded for the raw water rights. For budget, wholesale customer charges are net of the anticipated KWA credits to Flint as that is the cash that will be received and available to meet the budgeted revenue requirements. For financial reporting purposes the Flint wholesale charges are recorded as the total amount billed. When the KWA credit is issued, the receivable from Flint is reduced and the principal and interest payments on the liability for the raw water rights are recorded as a noncash transaction. Most of the adjustment shown relates to the principal reduction made for the credits applied which are not an expense for financial reporting basis.
- (m) Investment earnings from the construction fund are not shown as revenue in the budget and are shown as revenue in the financial statements. Construction fund investment earnings are excluded from the definition of revenue for budget purposes as they are used for construction costs and are not used to meet the revenue requirements in the budget.
- (n) Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.

- (o) The Water Improvement and Extension fund and the Sewer Improvement and Extension fund reflect certain expenses relating to repairs paid for through the Water and Sewer Improvement and Extension funds, respectively. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.

- (p) The FY 2026 capital contribution in Nonoperating (revenue) expense represents ARPA (\$0.3 million) grant revenue for the Water system and (\$7.7 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.

Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end. Through March 31, 2026, all bank accounts are reconciled.

Chart 1 – Bank Reconciliation Completion Status

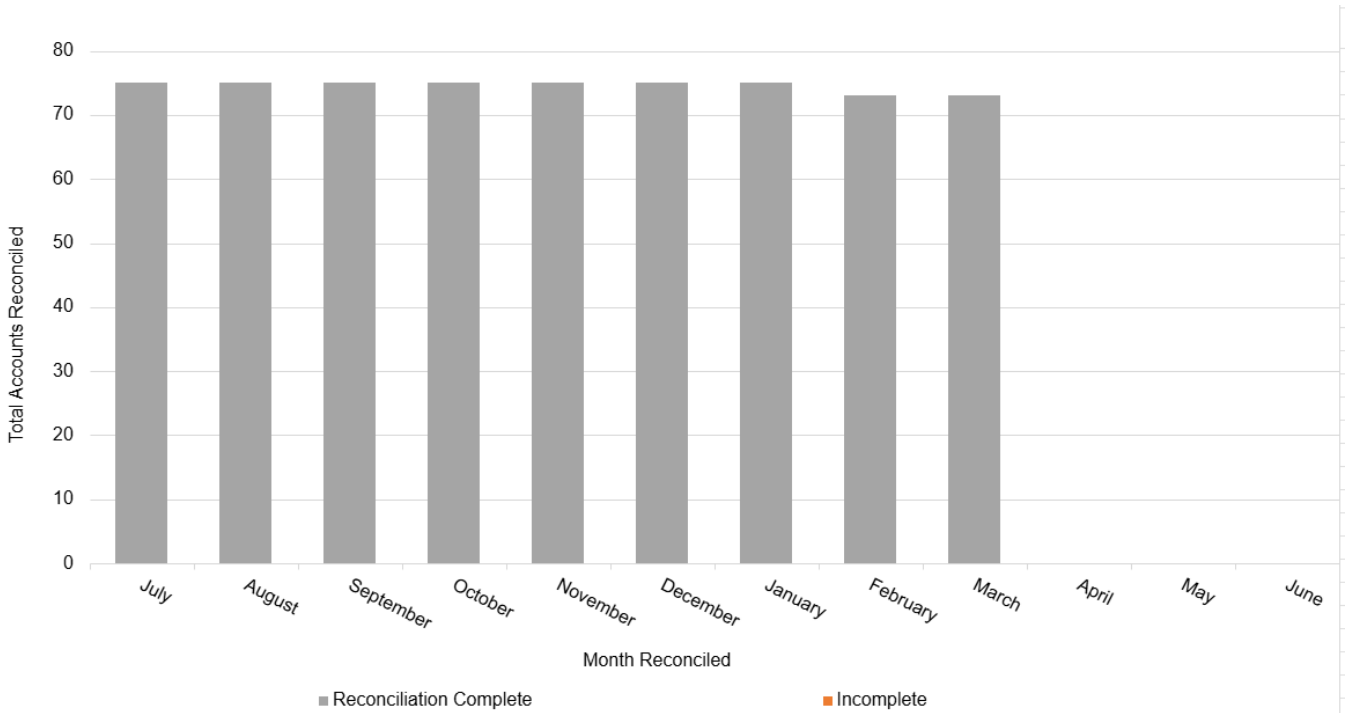


Table 1 – Fiscal Year 2026 GL Cash Account Roll-forward

Total GL Cash accounts as of March 1, 2026	75
New GL Cash accounts since March 1, 2026	0
Inactivated GL Cash accounts since March 1, 2026	(2)
Total GL Cash accounts as of March 31, 2026	73

Supplemental Sections

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) has adopted 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 2026 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Contruent Software 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 88% of the Board approved CIP planned spend for the water fund and 90% of the Board approved CIP planned spend for the sewer fund.

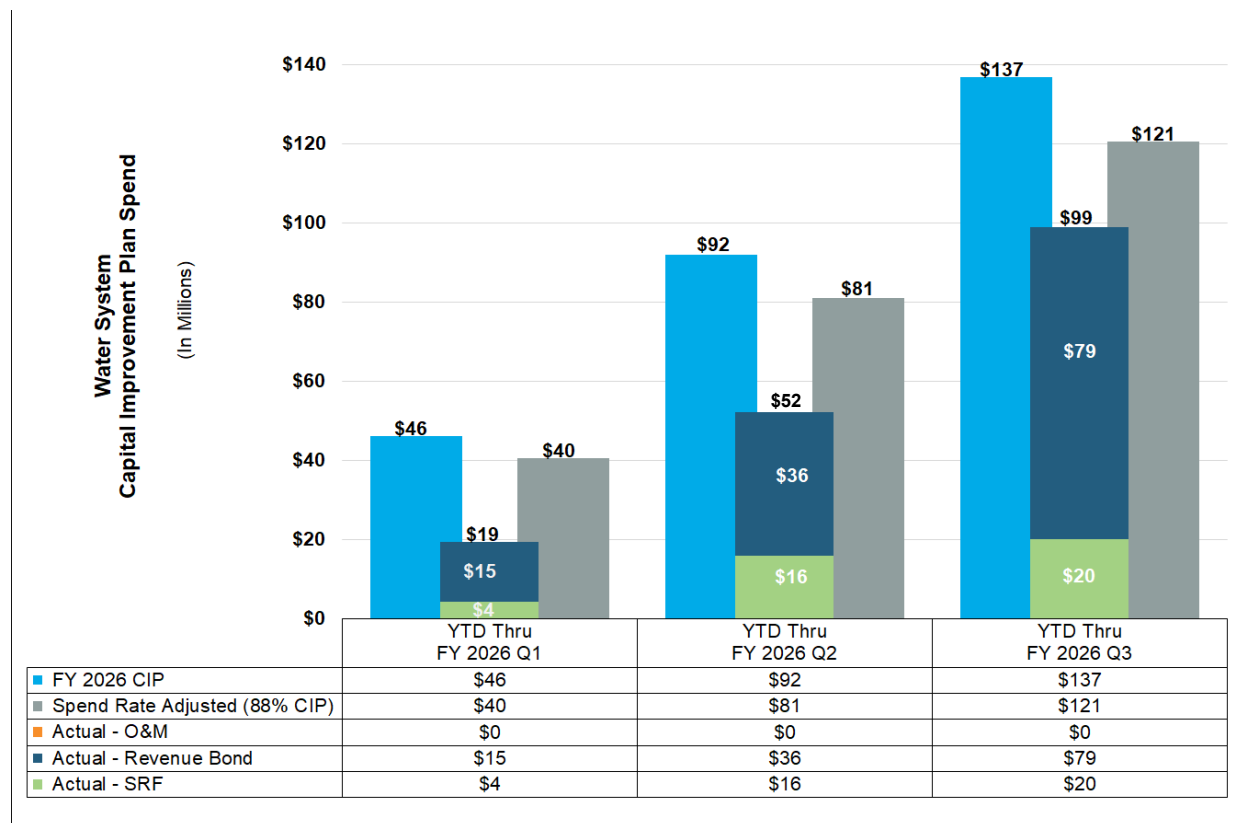
The State Revolving Fund (SRF) activity reported in Charts 1 and 2 is revised as needed to reflect ongoing changes in approved GLWA SRF funding.

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

As of March 2026, the water system incurred \$99 million of construction costs to date. This spend represents 72% of the original, Board-approved CIP, and 82% 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 adjustment. Several projects were delayed early in the fiscal year which have resulted in actual expenses falling below original budget estimates.

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



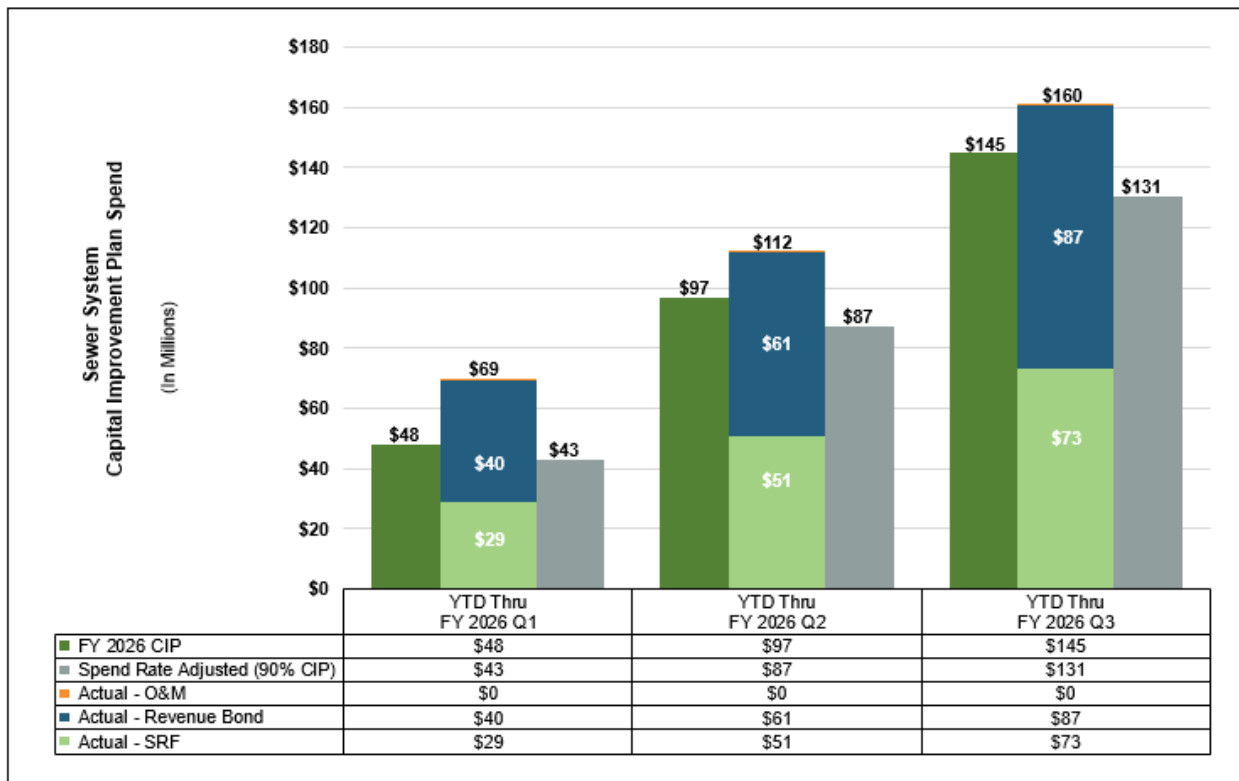
*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

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

As of March 2026, the Sewer system incurred \$160 million of construction costs to date. This spend represents 110% of the original, Board-approved CIP, and 122% of the Board-reviewed spend rate adjustment.

Sewer spending is significantly above plan due to a substantial increase in SRF funding for FY 2026, which has enabled the acceleration of several projects originally scheduled for later years in the CIP and ten-year plan.

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



*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

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 are completed annually based on budget and year-end fund status.

Table 1 – GLWA FY 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for water totaling \$143.6 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for sewer totaling \$186.6 million have been transferred to GLWA accounts.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

Table 1 – GLWA FY 2026 Water MBO Transfers

WATER								
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water	
FY 2026								
July 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
August 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
September 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
October 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
November 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
December 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ 15,835,884	
January 2026	\$ 16,052,481	\$ -	\$ 388,267	\$ 242,951	\$ -	\$ -	\$ 16,683,699	
February 2026	\$ 15,325,783	\$ -	\$ 388,267	\$ 242,951	\$ -	\$ -	\$ 15,957,001	
March 2026	\$ 15,325,783	\$ -	\$ 388,267	\$ 242,951	\$ -	\$ -	\$ 15,957,001	
April 2026								
May 2026								
June 2026								
Total FY 2026	\$137,932,049	\$ -	\$ 3,494,403	\$2,186,553	\$ -	\$ -	\$ 143,613,005	

Table 2 – GLWA FY 2026 Sewer MBO Transfers

SEWER								
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer	
FY 2026								
July 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
August 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
September 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
October 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
November 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
December 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ 20,607,075	
January 2026	\$ 20,522,648	\$ -	\$ 593,350	\$ 338,834	\$ -	\$ -	\$ 21,454,832	
February 2026	\$ 19,796,000	\$ -	\$ 593,350	\$ 338,834	\$ -	\$ -	\$ 20,728,184	
March 2026	\$ 19,796,000	\$ -	\$ 593,350	\$ 338,834	\$ -	\$ -	\$ 20,728,184	
April 2026								
May 2026								
June 2026								
Total FY 2026	\$178,164,000	\$ -	\$ 5,340,150	\$3,049,500	\$ -	\$ -	\$ 186,553,650	

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	50,000	2,836,000	177,038,000
Total FY 2025	182,227,100	-	2,820,700	2,763,800	(50,000)	2,144,000	189,905,600
Total FY 2026 (year to date)	137,932,049	-	3,494,403	2,186,553	-	-	143,613,005
Life to Date	\$ 1,476,738,061	\$ 48,362,300	\$ 93,652,378	\$ 25,234,857	\$ 2,686,900	\$ 7,786,000	\$ 1,654,460,496

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	150,000	-	232,774,402
Total FY 2025	235,191,600	-	4,701,200	3,903,701	(150,000)	345,000	243,991,500
Total FY 2026 (year to date)	178,164,000	-	5,340,150	3,049,500	-	-	186,553,650
Life to Date	\$ 2,057,365,192	\$ 86,620,800	\$ 130,133,259	\$ 35,793,299	\$ 8,246,100	\$ 1,124,600	\$ 2,319,283,249

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 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for Water totaling \$54.1 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for Sewer totaling \$65.7 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 2026 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

Table 4 – DWSD FY 2026 Water MBO Transfers

WATER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2026				
July 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
August 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
September 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
October 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
November 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
December 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333
January 2026	\$ 4,140,334	\$ -	\$ 1,875,000	\$ 6,015,334
February 2026	\$ 4,140,334	\$ -	\$ 1,875,000	\$ 6,015,334
March 2026	\$ 4,140,334	\$ -	\$ 1,875,000	\$ 6,015,334
April 2026				
May 2026				
June 2026				
Total FY 2026	\$ 37,263,000	\$ -	\$ 16,875,000	\$ 54,138,000

Table 5 – DWSD FY 2026 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2026				
July 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
August 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
September 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
October 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
November 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
December 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359
January 2026	\$ 5,008,691	\$ -	\$ 2,291,666	\$ 7,300,357
February 2026	\$ 5,008,691	\$ -	\$ 2,291,666	\$ 7,300,357
March 2026	\$ 5,008,691	\$ -	\$ 2,291,666	\$ 7,300,357
April 2026				
May 2026				
June 2026				
Total FY 2026	\$ 45,078,225	\$ -	\$ 20,625,000	\$ 65,703,225

Table 6 – DWSD Water MBO and Lease Payment Transfer History

WATER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
FY 2016 *				
MBO/Lease Requirement	\$ 26,185,600	\$ 4,262,700	\$ 22,500,000	\$ 52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
Total MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400
FY 2017				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800
FY 2018				
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)
Total MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704
FY 2019				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
Total MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100
FY 2020				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
Total MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
FY 2021				
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)
Total MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600
FY 2022				
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)
Total MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
FY 2023				
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)
Total MBO Transfer	42,581,600	4,272,000	19,577,900	66,431,500
FY 2024				
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	44,776,800	-	22,500,000	67,276,800
FY 2025				
MBO/Lease Requirement	46,468,700	-	22,500,000	68,968,700
Offset to Debt Service	-	-	-	-
Total MBO Transfer	46,468,700	-	22,500,000	68,968,700
FY 2026(year to date)				
MBO/Lease Requirement	37,263,000	-	16,875,000	54,138,000
Offset to Debt Service	-	-	-	-
Total MBO Transfer	37,263,000	-	16,875,000	54,138,000
Life-to-Date				
MBO/Lease Requirement	401,901,404	34,157,100	241,875,000	677,933,504
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	\$ 401,901,404	\$ 34,157,100	\$ 210,027,100	\$ 646,085,604

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

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

SEWER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
FY 2016 *				
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600
FY 2017				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600
FY 2018				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328
FY 2019				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920
FY 2020				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
FY 2021				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
FY 2022				
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)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023				
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)
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100
FY 2024				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704
FY 2025				
MBO/Lease Requirement	57,356,900	-	27,500,000	84,856,900
Offset to Debt Service	-	-	-	-
Total MBO Transfer	57,356,900	-	27,500,000	84,856,900
FY 2026(year to date)				
MBO/Lease Requirement	45,078,225	-	20,625,000	65,703,225
Offset to Debt Service	-	-	-	-
Total MBO Transfer	45,078,225	-	20,625,000	65,703,225
Life-to-Date				
MBO/Lease Requirement	581,693,237	22,859,800	295,625,004	899,256,494
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	\$ 574,593,237	\$ 22,859,800	\$ 243,844,343	\$ 841,297,380

* 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:

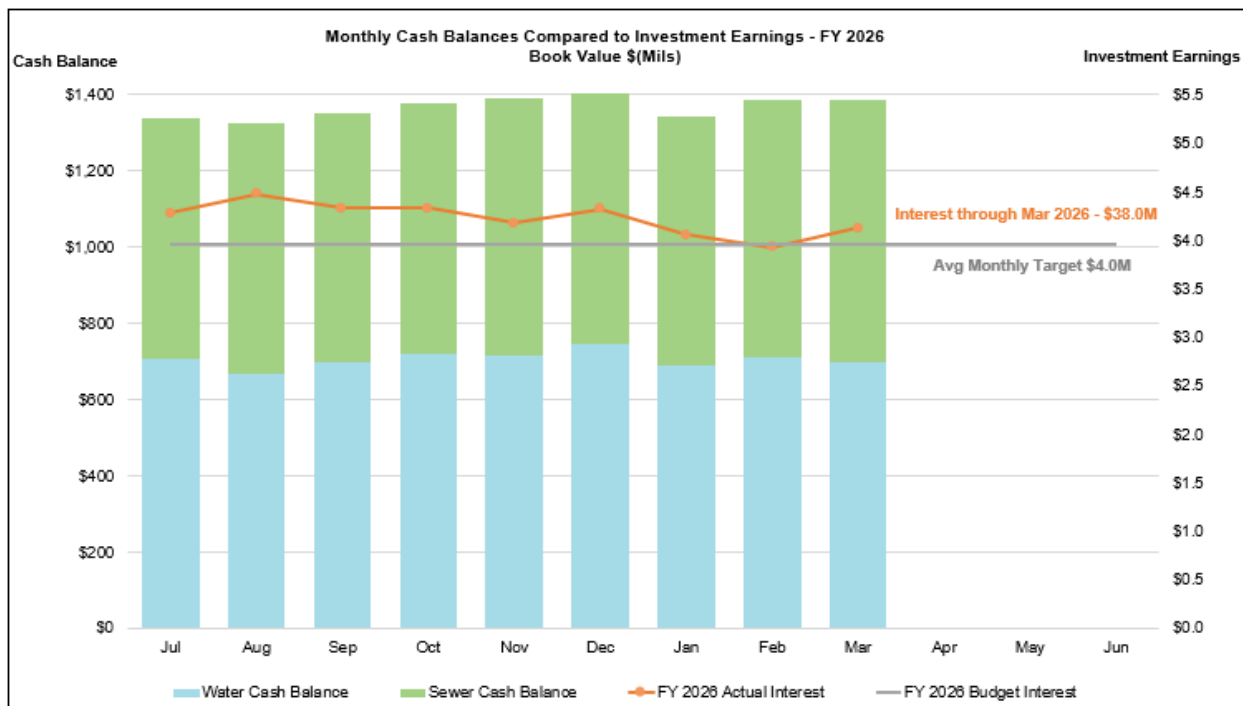
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 March 2026, GLWA earned investment income of \$4.1 million and cumulative FY 2026 earnings through March 2026 of \$38.0 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through March 2026



\$(Mils)	July	August	September	October	November	December	January	February	March
Water	707	667	697	719	716	748	690	711	696
Sewer	633	659	655	659	676	681	653	676	690
Total	1,340	1,326	1,352	1,377	1,392	1,428	1,344	1,387	1,386
Investment Income	4.3	4.5	4.3	4.3	4.2	4.3	4.1	3.9	4.1

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.

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:

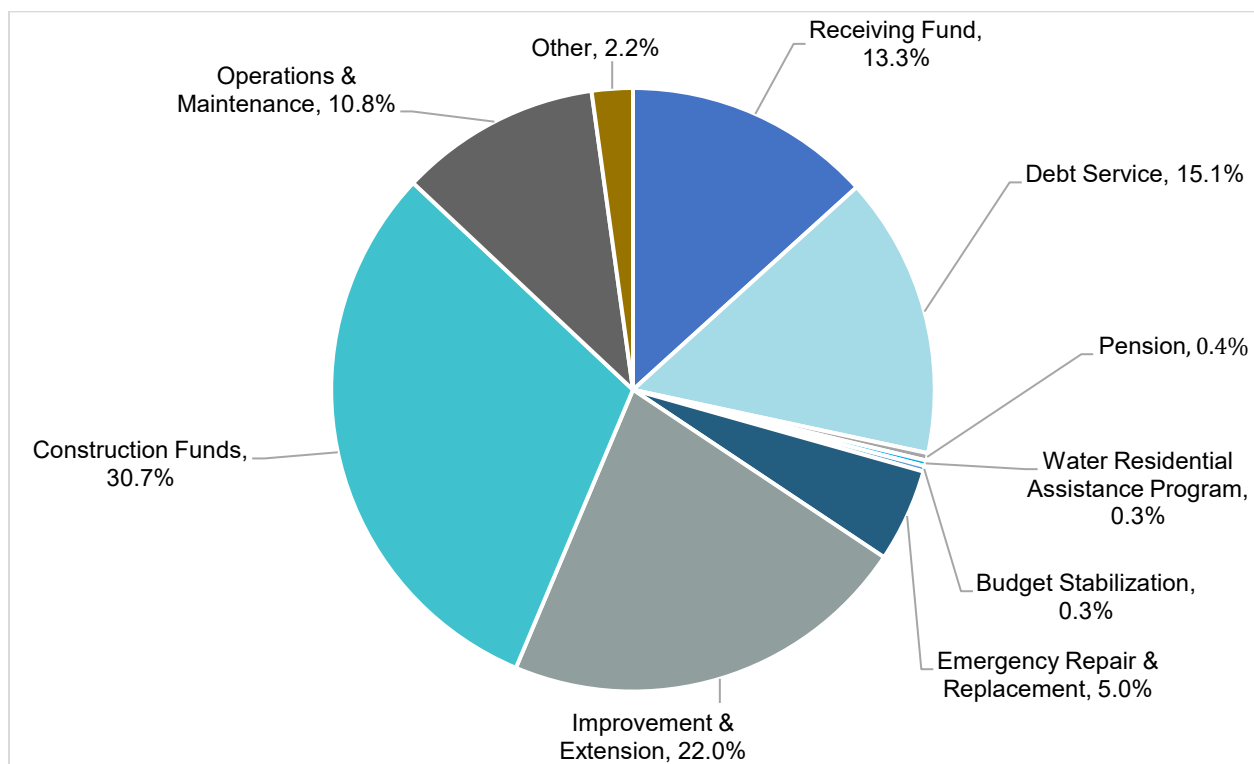
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 as well as the [MBO](#) documents.

Chart 2 – Cash Balances - Water Funds as of March 2026 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of March 2026 is \$696 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 \$231.8 million in June 2025 to support water system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

Chart 2 – Cash Balances - Water Funds as of March 2026

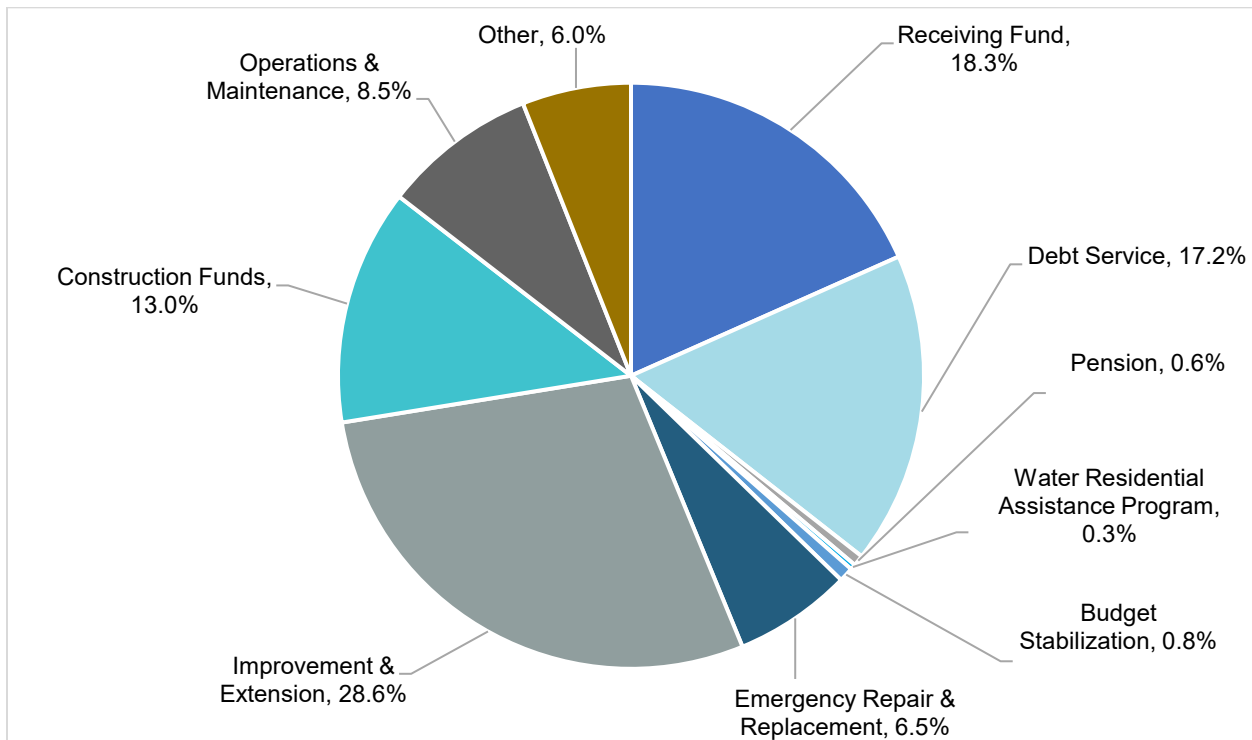


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of March 2026 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of February 2026 is \$690 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 \$51.7 million in June 2025 to support sewage disposal system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

Chart 3 – Cash Balances - Sewer Funds as of February 2026



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 2026 water usage and billed revenue which are provided by DWSD staff. As of March 31, 2026, the DWSD usage was 102.78% of the budget and billed revenue was 101.87% 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 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (2) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
July	244,000	12,892,300	236,214	12,041,875	(7,786)	(850,425)	226,703	11,590,136
August	263,000	13,853,800	272,574	14,148,381	9,574	294,581	240,621	12,171,324
September	251,000	13,253,400	237,179	12,513,086	(13,821)	(740,314)	238,868	12,205,143
October	216,000	11,549,800	226,626	12,063,899	10,626	514,099	216,527	11,222,004
November	212,000	11,324,500	221,379	11,775,893	9,379	451,393	212,832	11,115,046
December	203,000	10,882,100	203,161	10,958,929	161	76,829	212,252	11,100,382
January	198,000	10,646,500	223,074	11,821,439	25,074	1,174,939	190,716	10,661,000
February	212,000	11,339,300	221,065	11,770,966	9,065	431,666	222,769	11,469,800
March	207,000	11,091,000	220,445	11,735,551	13,445	644,551	229,724	11,649,351
April	208,000	11,145,700					222,774	11,403,695
May	198,000	10,642,800					209,658	10,767,180
June	216,000	11,518,900					219,077	11,249,137
Total	2,628,000	140,140,100	2,061,718	108,830,020	55,718	1,997,320	2,642,521	136,604,198
<i>Subtotals YTD</i>	<i>2,006,000</i>	<i>106,832,700</i>	<i>2,061,718</i>	<i>108,830,020</i>	<i>55,718</i>	<i>1,997,320</i>		
<i>Achievement of Budget</i>			<i>102.78%</i>	<i>101.87%</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
April	11,714,224	13,840,518	(2,126,294)	-15.36%
May	11,107,278	5,960,146	5,147,132	86.36%
June	10,096,555	9,045,195	1,051,360	11.62%
July	16,948,502	12,645,121	4,303,381	34.03%
August	10,140,353	10,203,737	(63,384)	-0.62%
September	11,666,527	10,837,378	829,148	7.65%
October	12,781,574	12,110,080	671,494	5.54%
November	9,532,650	8,572,356	960,295	11.20%
December	11,046,334	10,277,979	768,355	7.48%
January	10,418,033	10,935,031	(516,998)	-4.73%
February	11,170,799	9,632,511	1,538,288	15.97%
March	10,393,304	9,132,694	1,260,610	13.80%
Rolling, 12-Month Total	137,016,132	123,192,746		
Rolling, 12-Month Average	11,418,011	10,266,062		

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 2026 sewer billed revenue which is provided by DWSD staff. As of March 31, 2026, the DWSD usage was at 98.83% of the budget and billed revenue was at 97.74% 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 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	204,000	30,924,900	192,183	28,662,775	(11,817)	(2,262,125)	173,084	26,350,527
August	198,000	30,551,600	203,783	31,930,819	5,783	1,379,219	195,207	28,301,325
September	213,000	31,445,600	193,046	29,790,797	(19,954)	(1,654,803)	198,474	28,536,169
October	182,000	29,612,100	181,876	28,479,034	(124)	(1,133,066)	181,932	28,141,699
November	180,000	29,458,600	177,741	28,733,319	(2,259)	(725,281)	171,499	28,166,266
December	176,000	29,233,100	162,984	27,880,945	(13,016)	(1,352,155)	192,915	28,831,326
January	156,000	28,015,300	176,949	28,716,193	20,949	700,893	140,835	26,273,695
February	181,000	29,507,800	177,466	28,747,508	(3,534)	(760,292)	182,920	28,075,547
March	174,000	29,074,500	178,557	28,815,945	4,557	(258,555)	184,249	28,353,310
April	173,000	29,059,800					176,337	27,741,237
May	172,000	28,967,700					178,327	27,806,874
June	179,500	29,415,100					181,839	28,059,145
Total	2,188,500	355,266,100	1,644,584	261,757,335	(19,416)	(6,066,165)	2,157,619	334,637,121
Subtotals YTD	1,664,000	267,823,500	1,644,584	261,757,335	(19,416)	(6,066,165)		
Achievement of Budget/Goal			98.83%	97.74%				

(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
April	25,340,397	23,532,381	1,808,016	7.68%
May	22,575,530	22,487,372	88,158	0.39%
June	23,278,350	20,945,929	2,332,421	11.14%
July	35,487,541	36,297,569	(810,027)	-2.23%
August	27,119,685	22,591,511	4,528,174	20.04%
September	28,474,877	22,367,425	6,107,452	27.31%
October	28,509,554	25,231,098	3,278,456	12.99%
November	22,598,245	23,609,169	(1,010,924)	-4.28%
December	25,994,879	23,914,649	2,080,230	8.70%
January	24,570,153	26,416,591	(1,846,438)	-6.99%
February	25,891,944	24,116,823	1,775,121	7.36%
March	27,561,130	23,871,284	3,689,846	15.46%
Rolling 12-Month Total	317,402,285	295,381,800		
Rolling, 12-Month Average	26,450,190	24,615,150		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

The DWSD detailed accounts receivable aging are 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 March 31, 2026, with comparative totals from June 30, 2025, June 30, 2024, and June 30, 2023. 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 March 31, 2026, with comparative totals March 31, 2025. 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 March 31, 2026, 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, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024 (2)	39,029,000	324,867,000	(249,922,000)	74,944,000	58
June 30, 2025 (3)	40,227,000	381,752,000	(310,878,000)	70,873,000	53
March 31, 2026 (4)	41,603,000	409,599,000	(360,315,000)	49,284,000	36

Totals may be off due to rounding

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

(2) The June 30, 2024 monthly sales amount was updated in April 2025 reporting to include an increase of approximately \$675,000 that was made subsequent to the original reporting.

(3) The June 30, 2025 year-end allowance amount was updated in July 2025 reporting to include an increase of approximately \$153,000 that was made subsequent to the original reporting.

(4) The annual AR Tax Roll Transfer totaling \$16,150,000 was made in December 2025.

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	\$ 999.77	\$ 15,636,424 6.4%	\$ 8,901,172 3.6%	\$ 26,768,865 10.9%	\$ 193,205,438 79.0%	\$ 244,511,900 100.0%
Commercial	1,170.84	7,036,000 20.8%	2,724,000 8.1%	7,148,000 21.2%	16,871,000 49.9%	33,779,000 100.0%
Industrial	2,865.63	5,246,000 29.6%	1,179,000 6.7%	3,114,000 17.6%	8,174,000 46.1%	17,712,000 100.0%
Tax Exempt	481.28	4,180,000 17.5%	1,017,000 4.3%	2,882,000 12.1%	15,761,000 66.1%	23,839,000 100.0%
Government	2,696.50	3,520,000 16.3%	1,665,000 7.7%	2,845,000 13.2%	13,553,000 62.8%	21,583,000 100.0%
Drainage	-	-	-	-	-	-
Subtotal - Active Accounts	1,012.72	35,618,000 10.4%	15,486,000 4.5%	42,758,000 12.5%	247,563,000 72.5%	341,425,000 100.0%
Inactive Accounts	168.49	186,000 0.3%	178,000 0.3%	1,200,000 1.8%	66,611,000 97.7%	68,174,000 100.0%
Total	552.20	35,803,000	15,664,000	43,957,000	314,174,000	409,599,000
<i>% of Total A/R</i>		8.7%	3.8%	10.7%	76.7%	100.0%
Water Fund	124.12	10,566,000	3,786,000	10,700,000	67,014,000	92,065,000
Sewer Fund	428.08	25,238,000	11,878,000	33,258,000	247,160,000	317,534,000
Total Mar 31, 2026 (a)	552.20	35,803,000	15,664,000	43,957,000	314,174,000	409,599,000
Water Fund- Allowance						(73,411,000)
Sewer Fund- Allowance						(286,904,000)
Total- Bad Debt Allowance						(360,315,000)
Comparative - Mar 2025 (b)	658.50	37,152,000	17,913,000	49,979,000	263,286,000	368,330,000
Difference (a) - (b)		(1,348,000)	(2,249,000)	(6,022,000)	50,888,000	41,269,000

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

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

Wholesale Water Billings and Collections

Wholesale Water Contracts: The 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	<u>2</u>
Total	<u><u>87</u></u>

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

Wholesale Water Billing Basis: Beginning with FY 2016, wholesale water charges were restructured to create a more stable revenue stream by using a historical rolling average to project customer volumes which accounts for 40% of the monthly charges and 60% of the annual customer revenue requirement as a monthly fixed charge.

Table 1 - Wholesale Water Billings shows the FY 2026 water billed usage and revenues. As of March 31, 2026, the billed usage was at 102.60% of the original plan and billed revenue at 101.30% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2026 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 above the prior year for the twelve-month period ending March 31, 2026.

Table 1 – FY 2026 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2026 Charges (2)		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,459,700	35,523,100	1,443,326	35,332,100	(16,374)	(191,000)	1,347,527	32,449,201
August	1,327,600	33,953,000	1,389,530	34,819,742	61,930	866,742	1,297,169	31,977,986
September	1,270,300	33,143,000	1,322,813	33,872,313	52,513	729,313	1,315,030	32,104,405
October	1,040,600	30,218,400	1,098,074	31,097,156	57,474	878,756	1,051,234	28,946,404
November	887,200	28,529,400	886,345	28,592,350	(855)	62,950	872,926	26,975,632
December	962,000	29,287,500	978,599	29,497,185	16,599	209,685	866,671	27,877,869
January	977,400	29,446,100	981,881	29,568,986	4,481	122,886	989,175	28,114,300
February	873,200	28,325,000	920,661	28,874,247	47,461	549,247	888,053	27,055,774
March	946,800	29,098,400	976,718	29,476,822	29,918	378,422	966,088	27,862,863
April	905,200	28,703,100					928,903	27,482,932
May	1,099,400	31,132,100					1,049,087	28,969,431
June	1,393,800	34,734,300					1,325,550	32,157,894
Total	13,143,200	372,093,400	9,997,947	281,130,901	253,147	3,607,001	12,897,411	351,974,691
Subtotals YTD	9,744,800	277,523,900	9,997,947	281,130,901	253,147	3,607,001		

Achievement of Original Plan 102.60% 101.30%

(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 2026 water supply system charge schedule.

(3) Water Revenues differ from Table 1A within the budget to actual analysis section 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
April	25,622,706	26,856,179	(1,233,473)	-4.59%
May	26,976,277	25,838,255	1,138,022	4.40%
June	25,164,355	24,182,036	982,319	4.06%
July	30,792,996	30,278,936	514,060	1.70%
August	23,138,830	25,054,796	(1,915,966)	-7.65%
September	40,509,372	31,569,804	8,939,568	28.32%
October	33,195,865	29,858,946	3,336,919	11.18%
November	34,874,119	29,728,772	5,145,347	17.31%
December	34,704,987	33,080,276	1,624,711	4.91%
January	25,508,162	28,917,330	(3,409,168)	-11.79%
February	28,036,322	25,874,160	2,162,162	8.36%
March	30,058,097	26,649,141	3,408,956	12.79%
Rolling 12-Month Total	358,582,088	337,888,631		
Rolling, 12-Month Average	29,881,841	28,157,386		

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><u>18</u></u>

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

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

Table 3 - Wholesale Sewer Billings shows the FY 2026 sewer billed revenue. As of March 31, 2026, the billed revenue reflects 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 above the twelve-month period ending March 31, 2026.

Table 3 – FY 2026 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2026 Charges		FY 2026 – Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume Mcf	Revenue \$
July	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
August	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
September	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
October	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
November	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
December	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
January	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
February	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
March	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
April	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
May	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
June	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
Total		299,191,200		224,393,400		-		286,606,800
Subtotals YTD		224,393,400		224,393,400		-		
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
April	24,138,802	26,856,179	(1,233,473)	-4.59%
May	23,965,586	28,363,300	(4,397,714)	-15.50%
June	24,053,386	23,300,100	753,286	3.23%
July	19,273,207	18,438,961	834,246	4.52%
August	28,754,028	13,987,797	14,766,231	105.57%
September	28,754,500	25,450,281	3,304,219	12.98%
October	28,120,360	13,037,715	15,082,645	115.68%
November	18,532,800	33,933,304	(15,400,504)	-45.38%
December	24,881,961	23,958,644	923,317	3.85%
January	24,892,429	23,850,161	1,042,268	4.37%
February	31,514,572	23,509,614	8,004,958	34.05%
March	18,243,900	24,230,161	(5,986,261)	-24.71%
Rolling, 12-Month Total	295,125,531	270,745,638		
Rolling, 12-Month Average	24,593,794	22,562,137		

Wholesale Water & Sewer Accounts Receivable Aging Summary

GLWA operational invoices reflect 45-day payment terms. This allows Member Partners the ability to collect payment for services rendered under typical 30-day payment terms with an additional 15-day window to make payment to GLWA for wholesale services provided during that service period.

Table 5 - Wholesale Accounts Receivable Aging Summary is a summary of the total, current and non-current receivables by category as of March 31, 2026.

Table 6 - Wholesale Accounts Receivable Aging Summary, Net Dearborn is the same summary *without* the past due balances for Dearborn. Three water accounts comprise the total past due balance of \$186,770 reported of which \$23,557 was paid in April and \$18,499 was paid in May. The Billing Team continues to work with member partner on the remaining \$144,714 unpaid balance.

All sewer accounts are current in March. The IWC past due balance reflects two accounts totaling \$940 of which \$673 was paid in April and \$267 in May. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Summary

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	45,151,400	36,334,083	138,545	114,359	69,421	8,494,991
Sewer	15,036,849	15,036,849	-	-	-	-
IWC	695,450	694,510	673	-	267	-
Pollutant	458,345	408,537	34,993	950	647	13,218
Total	61,342,043	52,473,979	174,211	115,309	70,335	8,508,209
	100.00%	85.54%	0.28%	0.19%	0.11%	13.87%

Table 6 - Wholesale Accounts Receivable Aging Summary, Net of Dearborn

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	35,669,553	35,482,782	74,378	50,192	5,254	56,946
Sewer	15,036,849	15,036,849	-	-	-	-
IWC	695,450	694,510	673	-	267	-
Pollutant	458,345	408,537	34,993	950	647	13,218
Total	51,860,196	51,622,678	110,044	51,142	6,168	70,164
	100.00%	99.54%	0.21%	0.10%	0.01%	0.14%

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 flows 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 2026 reflects nine months of activity to date.

Water fund receipts exceeded required disbursements by 7% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2021.

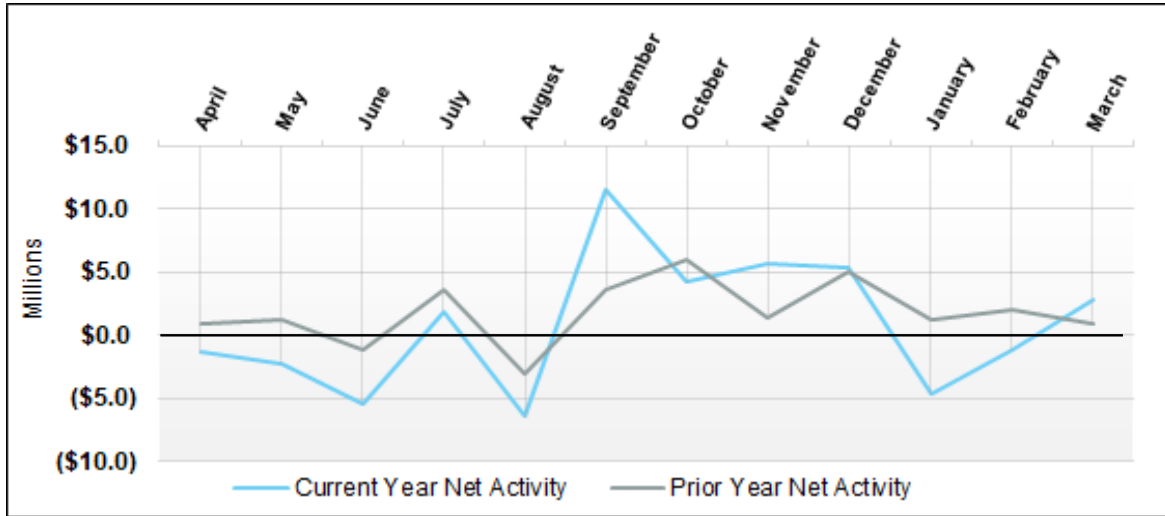
Sewer fund receipts exceeded required disbursements by 10% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

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 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 zero highlights the minimum goal for net receipts.

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through March 31
Water					
1 Receipts	338,117,694	363,335,474	374,252,221	379,199,823	310,282,210
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	338,117,694	363,335,474	374,252,221	379,199,823	310,282,210
4 Disbursements	(316,495,360)	(349,186,375)	(353,639,121)	(367,467,244)	(290,946,397)
5 Receipts Net of Required Transfers	21,622,334	14,149,099	20,613,100	11,732,579	19,335,813
6 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(8,289,600)	(14,822,401)
7 Net Receipts	(5,000,528)	4,250,999	(8,005,400)	3,442,979	4,513,412
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	104%	106%	103%	107%
Sewer					
9 Receipts	471,979,297	498,888,416	506,731,576	508,344,972	404,182,489
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	471,979,297	498,888,416	506,731,576	508,344,972	404,182,489
12 Disbursements	(450,701,751)	(473,516,238)	(477,450,794)	(481,372,746)	(367,350,482)
13 Receipts Net of Required Transfers	21,277,546	25,372,178	29,280,782	26,972,226	36,832,007
14 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(59,252,750)
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment	8,296,578	-	-	-	-
17 Net Receipts	(8,077,664)	(1,394,022)	16,812,782	15,517,226	(22,420,743)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	105%	105%	106%	106%	110%
Combined					
19 Receipts	810,096,991	862,223,890	880,983,797	887,544,795	714,464,699
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	810,096,991	862,223,890	880,983,797	887,544,795	714,464,699
22 Disbursements	(767,197,111)	(822,702,613)	(831,089,915)	(848,839,991)	(658,296,879)
23 Receipts Net of Required Transfers	42,899,880	39,521,277	49,893,882	38,704,805	56,167,820
24 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(19,744,600)	(74,075,151)
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	8,296,578	-	-	-	-
27 Net Receipts	(13,078,192)	2,856,977	8,807,382	18,960,205	(17,907,331)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	106%	105%	106%	105%	109%

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 flows 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 2026 reflects nine months of activity to date.

Water fund receipts exceeded required disbursements by 9% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 5% through March 31, 2026 compared to the four-year historical average of required receipts exceeding disbursements by 3% since July 1, 2021.

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through March 31
Water					
1 Receipts	101,964,963	123,766,624	123,818,287	127,313,152	104,116,685
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	101,964,963	123,766,624	123,818,287	127,313,152	104,116,685
4 Disbursements	(94,495,601)	(117,666,100)	(117,290,591)	(119,923,334)	(95,815,068)
5 Receipts Net of Required Transfers	7,469,362	6,100,524	6,527,696	7,389,818	8,301,617
6 I&E Transfer	-	-	-	(8,000,000)	-
7 Net Receipts	7,469,362	6,100,524	6,527,696	(610,182)	8,301,617
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	108%	105%	106%	106%	109%
Sewer					
9 Receipts	291,280,896	298,897,942	296,088,194	299,683,584	246,273,908
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	291,280,896	298,897,942	296,088,194	299,683,584	246,273,908
12 Disbursements	(285,256,000)	(283,095,100)	(288,119,517)	(299,393,959)	(234,141,622)
13 Receipts Net of Required Transfers	6,024,896	15,802,842	7,968,677	289,624	12,132,286
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	6,024,896	15,802,842	7,968,677	289,624	12,132,286
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	102%	106%	103%	100%	105%
Combined					
18 Receipts	393,245,859	422,664,566	419,906,481	426,996,735	350,390,593
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	393,245,859	422,664,566	419,906,481	426,996,735	350,390,593
21 Disbursements	(379,751,601)	(400,761,200)	(405,410,108)	(419,317,293)	(329,956,690)
22 Receipts Net of Required Transfers	13,494,258	21,903,366	14,496,373	7,679,442	20,433,903
23 I&E Transfer	-	-	-	(8,000,000)	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	13,494,258	21,903,366	14,496,373	(320,558)	20,433,903
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	105%	104%	102%	106%

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 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 zero highlights the breakeven goal for net receipts

Chart 3 – DWSD 12-Month Net Receipts – Water

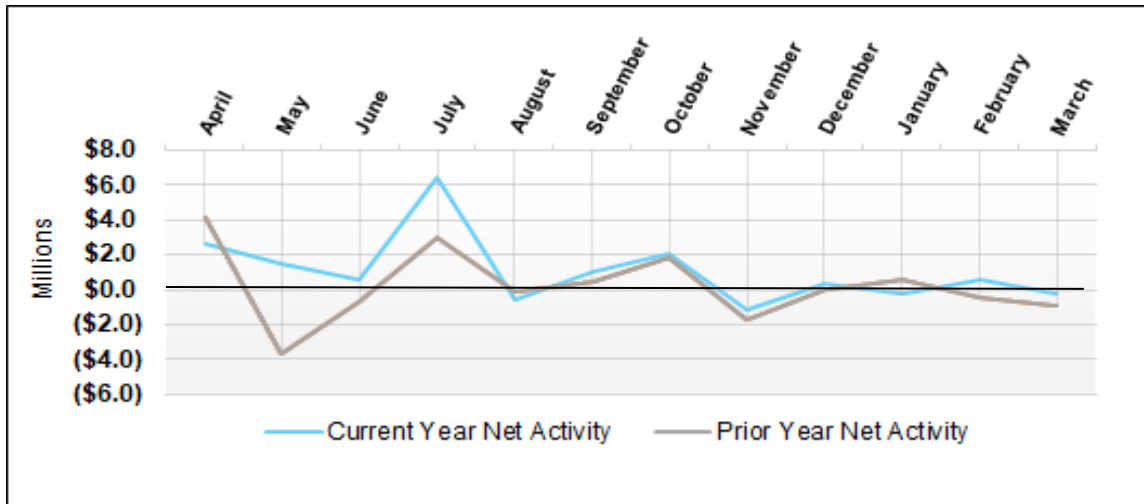
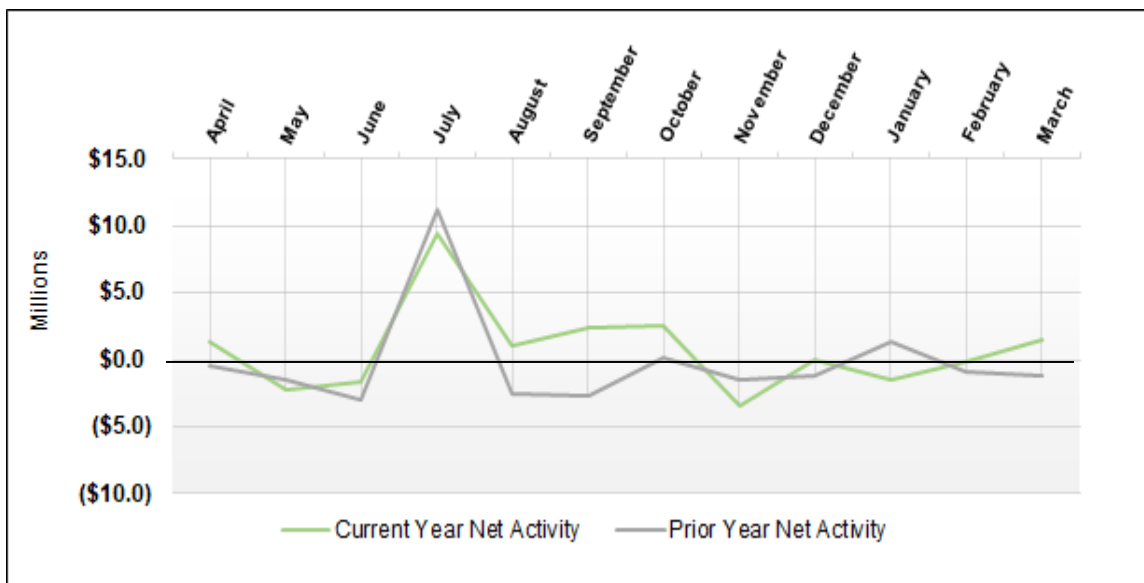


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 2026 reflects nine months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 8% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2021.

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

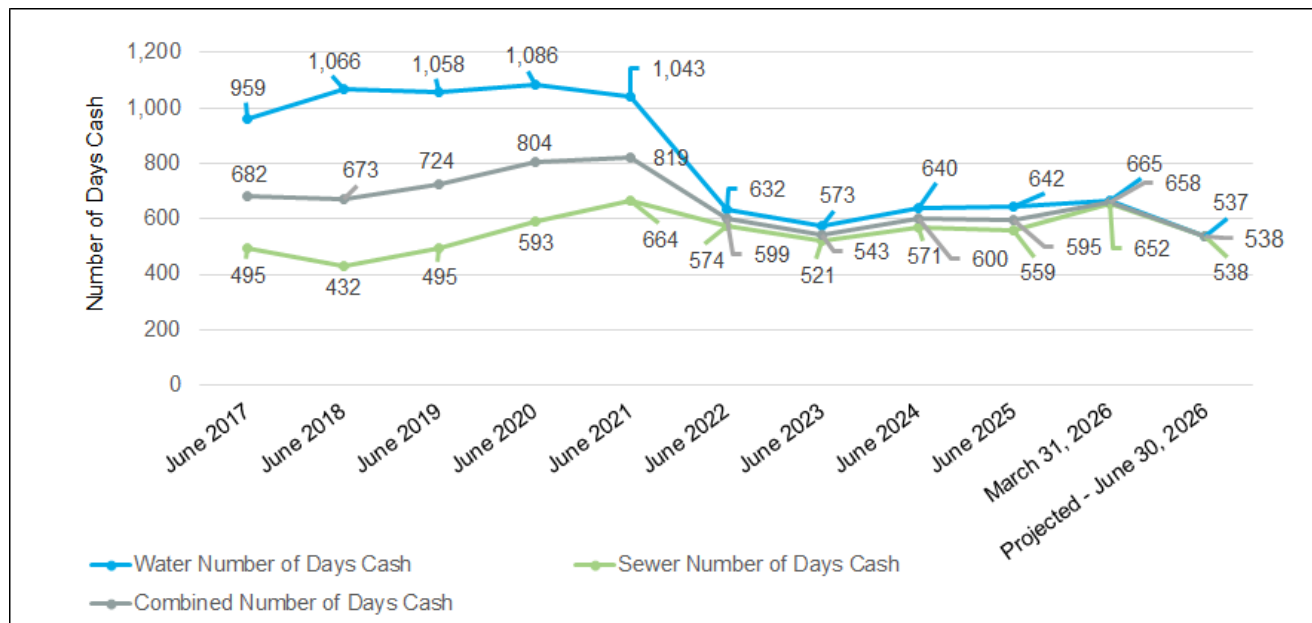
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through March 31
Water					
1 Receipts	440,082,657	487,102,098	498,070,508	508,868,741	414,398,895
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	440,082,657	487,102,098	498,070,508	508,868,741	414,398,895
4 Disbursements	(410,990,961)	(466,852,475)	(470,929,712)	(487,390,578)	(386,761,465)
5 Receipts Net of Required					
6 Transfers	29,091,696	20,249,623	27,140,796	21,478,162	27,637,430
7 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(16,289,600)	(14,822,401)
8 Net Receipts	2,468,834	10,351,523	(1,477,704)	5,188,562	12,815,029
Ratio of Receipts to Required					
8 Disbursements (Line 3/Line 4)	107%	104%	106%	104%	107%
Sewer					
9 Receipts	763,260,193	797,785,358	802,819,770	808,374,074	650,456,397
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	763,260,193	797,785,358	802,819,770	808,374,074	650,456,397
12 Disbursements	(735,957,751)	(756,611,338)	(765,570,311)	(780,766,706)	(601,492,104)
13 Receipts Net of Required					
14 Transfers	27,302,442	41,174,020	37,249,459	27,607,369	48,964,293
15 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(59,252,750)
16 Shortfall Advance	-	-	-	-	-
17 Shortfall Repayment (principal)	8,296,578	-	-	-	-
18 Net Receipts	(2,052,768)	14,407,820	24,781,459	16,152,369	(10,288,457)
Ratio of Receipts to Required					
18 Disbursements (Line 11/Line 12)	104%	105%	105%	103%	108%
Combined					
19 Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,064,855,292
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,064,855,292
22 Disbursements	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,268,157,284)	(988,253,569)
23 Receipts Net of Required					
24 Transfers	56,394,138	61,423,643	64,390,255	49,085,531	76,601,723
25 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(27,744,600)	(74,075,151)
26 Shortfall advance	-	-	-	-	-
27 Shortfall Repayment	8,296,578	-	-	-	-
28 Net Receipts	416,066	24,759,343	23,303,755	21,340,931	2,526,572
Ratio of Receipts to Required					
28 Disbursements (Line 21/Line 22)	105%	105%	105%	104%	108%

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. The Authority’s current goal is to maintain cash on hand above 500 days moving up to 600 days. Having a strong days cash has been instrumental in reaching our current bond credit rating.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 665 and Sewer at 652 days cash on hand as of March 31, 2026. 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. The FY 2026 projection is calculated based on values from the GLWA FY 2026 – 2030 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, 2025	March 31, 2026	Projected June 30, 2026
Water Fund			
Cash and Investments - Unrestricted	306,425,000	344,898,000	278,800,000
Operating Expense			
Operating Expense (a)	274,020,000	221,400,000	295,200,000
Less: Depreciation (a)	(94,928,000)	(76,675,000)	(102,233,000)
Less: Amortization of Intangible Asset (a)	(4,951,000)	(2,675,000)	(3,567,000)
Net Operating Expense	174,142,000	142,050,000	189,400,000
Operating Expense per Day	477,000	519,000	519,000
Days Cash			
Number of Days Cash	642	665	537
Sewage Disposal Fund			
Cash and Investments - Unrestricted	349,076,000	426,286,000	351,600,000
Operating Expense			
Operating Expense (a)	377,359,000	292,922,000	390,562,000
Less: Depreciation (a)	(147,559,000)	(114,000,000)	(152,000,000)
Less: Amortization of Intangible Asset (a)	(1,824,000)	-	-
Net Operating Expense	227,976,000	178,922,000	238,562,000
Operating Expense per Day	625,000	654,000	654,000
Days Cash			
Number of Days Cash	559	652	538
Combined			
Cash and Investments - Unrestricted	655,501,000	771,184,000	630,400,000
Operating Expense			
Operating Expense (a)	651,379,000	514,322,000	685,762,000
Less: Depreciation (a)	(242,487,000)	(190,675,000)	(254,233,000)
Less: Amortization of Intangible Asset (a)	(6,774,000)	(2,675,000)	(3,567,000)
Net Operating Expense	402,118,000	320,972,000	427,962,000
Operating Expense per Day	1,102,000	1,172,000	1,172,000
Days Cash			
Number of Days Cash	595	658	538
<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.



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Grants Manager

Re: Grants, Gifts, and Other Resources Report Through May 31, 2026

Highlights: The Grants, Gifts, and Other Resources Report highlights changes from the prior report in yellow. Of note this month are the following project updates:

- ✓ **2024-011 Southeast Michigan Flood Study** – Submitted the In-Kind-Contribution (IKC) report for January - April 2026. IKC submissions to date total \$490,639.
- ✓ **2026 EPA Community Grants Program** – The EPA provided final implementation guidance enabling continuation of GLWA Pre-Award Phase activities for programs 2026-001 through 2026-017.

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 ⁽¹⁾ 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 ⁽²⁾.

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

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.

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.

Table 1- 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.

Table 2 - Post-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.

Table 3 - Close-Out 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.

Table 4 - Programs not awarded or programs that GLWA will not continue to pursue.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Table 1 – Pre-Award Phase Programs reflects open submissions for FY 2024, FY 2025, and FY 2026 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).

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2024-009	3/9/2024	FY 2024 Environmental Protection Agency Community Grant – Pump Station #2 Rack & Grit (CIP Project 211007)	Federal Grant (Reimbursement Basis)	\$719,814	Federal Audit Requirements	Earmark (20% Cost Share). Working with Project Manager to develop project workplan.
2026-001	2/2/2026	FY2026 EPA Community Grant - 7 Mile Sewer Rehabilitation (CIP Project 260206)	Federal Grant (Reimbursement Basis)	\$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Contract bidding process begins in July.
2026-002	2/2/2026	FY26 EPA Community Grant - Fox Creek Enclosure	Federal Grant (Reimbursement Basis)	\$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Working with Project Manager to identify costs in next phase.
2026-003	2/2/2026	FY26 EPA Community Grant - Freud & Conner Creek Pump Station Improvements (CIP Project 232005)	Federal Grant (Reimbursement Basis)	\$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Application in process.
2026-004	2/2/2026	FY26 EPA Community Grant - Northwest Interceptor to Oakwood CSO (CIP Project 222001)	Federal Grant (Reimbursement Basis)	\$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Application in process.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2026-005	2/2/2026	FY26 EPA Community Grant - Downriver Loop Water Main Construction (CIP Project 122016)	Federal Grant (Reimbursement Basis)	\$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Working to identify appropriate project.
2026-006	2/2/2026	FY26 EPA Community Grant - 54-Inch Water Main Renewal	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-008	3/31/2026	FY27 EPA Community Grant - 120-Inch Pipeline Renewals (CIP Project 170606)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-009	3/31/2026	FY27 EPA Community Grant - 42-Inch Water Main Replacement and Pipeline Renewal (CIP Project 170608)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-010	3/31/2026	FY27 EPA Community Grant - 7 Mile Sewer System Rehabilitation (CIP Project 122017)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-011	3/31/2026	FY27 EPA Community Grant - Central Post Beard Transmission Main Renewal Project (CIP Project 122024)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-012	3/31/2026	FY27 EPA Community Grant - Dearborn Transmission Main Condition Assessment & Renewals (CIP Project TBD)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-013	3/31/2026	FY27 EPA Community Grant - Freud & Conners Creek Pump Station Rehabilitation (CIP Project 232002/232005)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-014	3/31/2026	FY27 EPA Community Grant - Lake Huron Flocculation and Rapid	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
		Mix Rehabilitation (CIP Project 111012)				
2026-015	3/31/2026	FY27 EPA Community Grant - Long Term CSO Control Plan Phase 1 In-System Storage Devices (IDS) Project (CIP Project 270003)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-016	3/31/2026	FY27 EPA Community Grant - Oakwood District Intercommunity Relief Sewer Modification (CIP Project 222001)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.
2026-017	3/31/2026	FY27 EPA Community Grant - WRRF Utility Power Replacement for Electrical Feeds A and B (CIP Project 216013)	Federal Grant (Reimbursement Basis)	TBD	Federal Audit Requirements	Earmark (20% Cost Share). Gathering project information.

Table 2 - Post-Award Phase Programs reflect all open, awarded grants from FY 2021 through FY 2026 to date.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-003	06/03/2025	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Kick-off meeting held April 28, 2026
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Total reimbursement of \$857,819 received through April 2026. Grant ended March 31, 2026, final close-out documents and reimbursement request due July 29, 2026.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-013	8/06/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201)	Federal pass-through State (Reimbursement Basis)	\$247,650	Federal Audit Requirements	Reimbursement request of \$247,650 submitted in February 2024. Project closeout in progress.
2023-014	8/28/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 Conner Creek Sewer System (CIP Project 260204)	Federal pass-through State (Reimbursement Basis)	\$1,910,621	Federal Audit Requirements	Reimbursement request of \$1,910,621 submitted in February 2024. Project closeout in progress.
2023-015	10/3/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 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 2024. Project closeout in progress.
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 (CIP Project 122004)	Federal pass-through State (Reimbursement Basis)	\$8,960,791	Federal Audit Requirements	Total reimbursement request received to date \$9.0M. SRF related grant, closeout to be completed with related SRF loan closeout.
2023-023	8/30/2023	I-94 Modernization Project (CIP Project 270001)	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	Wade Trim has been selected as vendor. Kick-off meeting held 11/20/2025.
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)	\$642,000	Federal Audit Requirements	\$642,000 Grant awarded January 2025 – project removed from Federal hold April 2026.
2024-011	7/10/2024	Southeast Michigan Flood Study	Federal (Cost Share)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1.5M. \$490,639 of Cost Share work performed to date.
2024-014	6/7/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Nonprofit (Reimbursement Basis)	\$43,000	None	\$17,000 received to date.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2025-001	2/25/2026	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Assessments	Federal Grant (Reimbursement Basis)	\$80,000	Federal Audit Requirements	Received notification of award 2/25/2026.
2025-004	5/1/2025	Scale-up of Hydrothermal Liquefaction with Supercritical Water Oxidation in an Integrated Biorefinery	Federal Grant (Cost Share)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$250,000. \$11,467 of cost share work performed to date. Received notification of study extension through May 31, 2027.
2025-005	9/6/2024	American Rescue Plan – State Revolving Funded Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)	Federal pass-through State (Reimbursement Basis)	\$20,000,000	Federal Audit Requirements	Total reimbursement received \$20M. All grant related funds received, closeout to be completed with related SRF loan closeout.
2025-006	5/8/2025	Detroit Employment Solutions Corp (DESC) Apprentice Grant	Nonprofit (Reimbursement Basis)	Reimbursement of \$5,000 per apprentice	None	1st renewal signed October 2025, provides \$5,000 per apprentice. Total received to date \$105,000.
2025-007	8/22/2024	State Revolving Fund Clean Water Initiative/Strategic Water Quality Initiative 5980-01 West Chicago South Stormwater Improvements (DWSD Grant)	State or Federal pass-through (Reimbursement Basis)	\$14,011,908	Federal Audit Requirements	Received reimbursement of \$2.6M and completed transfer to DWSD. Total reimbursement received to date \$10.1M.
2025-008	6/3/2025	Federal Emergency Management Agency (FEMA) COVID-19 DR-4494 Project 953011 - CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$100,398	Federal Audit Requirements	Reimbursement request of \$100,398 submitted June 2025. Project closeout in progress.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2025-009	8/27/2025	State Revolving Fund Drinking Water Initiative - Water Main Replacement & Lead Service Line Replacement (WS742) 7888-01 (DWSD Grant)	State or Federal pass-through (Reimbursement Basis)	\$2,949,704	State Audit Requirements	Received notification of award August 27, 2025.
2026-007	03/21/2026	EGLE Microplastics Grant Agreement	State or Federal pass-through (Reimbursement Basis)	\$160,000	State Audit Requirements	Received notification of award March 23, 2026

Table 3 – Close-Out Phase Programs have been completed. 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
2024-009b	3/9/2024	FY 2024 Environmental Protection Agency Community Grant – Oakwood District Intercommunity Relief Sewer Modifications (CIP Project 222001)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Received reimbursement request for \$959,752.

Table 4 – Programs not awarded or programs that GLWA will not continue to pursue. There is no Table 4 presented this month because there was no activity in the month of May.



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Great Lakes Water Authority Audit Committee

From: Scott Garrigan, Financial Services Director

Re: Water Funding Task Force Update as of June 19, 2026

Background: The Water Funding Task Force (WFTF) was formed in January 2026 with the goal of addressing long-term water infrastructure needs facing our state to adequately mitigate economic, environmental, and social risks without adversely impacting affordability. The deliverables are research and analysis that supports companion funding and policy recommendations.

The task force is composed of various GLWA staff, industry experts, and consultants.

Analysis: Current actions items include the following.

- Member Partner and national peer utility focus groups over the past two months resulted in interviews with a total of 29 utilities – 15 of whom representing Member Partners. Our partners Bridgeport Consulting and Public Sector Consultants have been instrumental in coordinating these discussions, leading to a good understanding of what challenges other utilities in the state and across the nation are facing.
- Interview work continued on June 2, 2026, when GLWA Chief Financial Officer/Treasurer Nicolette Bateson invited nineteen Michigan utilities outside of the GLWA service area to participate in discussions that will help the task force understand the needs and concerns of the water sector throughout the state. We are seeking wide participation representing a diverse cross-section of size, location, and utility type. All interviews are expected to conclude by the end of June 2026.
- The task force continues to synthesize our research to identify the key themes and challenges. These insights will guide the development of initial drafts for our funding and policy proposals.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Great Lakes Water Authority Audit Committee

From: William Baker, Financial Management Professional, Construction Accounting & Reporting

Re: FY 2026 Q3 Construction Work-in-Progress Report through March 31, 2026 (Unaudited)

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

Analysis: The attached documents summarize the FY 2026 Q3 CWIP positions and provides a detailed snapshot to inform decision makers and stakeholders.

Proposed Action: Receive and file this report.



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

As of March 31, 2026

For questions, please contact:

William Baker
Construction Accounting and Reporting
Phone: 313.378.9760
Email: william.baker@glwater.org

Table of Contents

Introduction..... 1

Capital Delivery - Executive Summaries 3-4

Construction Work-in-Progress 5

A1 - Water - Summary Construction Work-in-Progress Rollforward by Jurisdiction 6

A2 - Wastewater - Summary Construction Work-in-Progress Rollforward by Jurisdiction 7

B1 - Water – Summary Construction Work-in-Progress Rollforward 9

B2 - Wastewater - Summary Construction Work-in-Progress Rollforward.....10

B3 - Water - Detailed Construction Work-in-Progress Rollforward11

B4 - Wastewater - Detailed Construction Work-in-Progress Rollforward18

C1 - Water - Project Amendment Summary.....25

C2 - Wastewater - Project Amendment Summary.....27

June 26, 2026

To Our Stakeholders:

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of March 31, 2026. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2026–2030 Capital Improvement Plan (CIP) and look to inform decision makers as we evaluate the FY 2027–2031 CIP.

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

Report Contents and Organization

Construction Work-in-Progress (CWIP) Appendices: Includes breakdown by jurisdiction which provides a summary of the planned and actual project activity by the jurisdictions identified within the FY 2026 – 2030 Board Approved CIP Plan, detailed CWIP rollforward, which lists all projects in the CIP along with financial activity. These tables may be used to revisit priorities, workload, and phasing. In addition, this section contains project amendment summaries which consider the award of CIP contracts and the related execution thereof may result in deviations from the amount and timing of project activity. Project amendments are prepared to fund the related increase or decrease with either an adjustment to Capital Reserve or Program / Allowance accounts to amend the board approved fiscal year CIP accordingly and to inform decision makers in the development of future Capital Improvement Plans.

Financial Information

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through March 31, 2026. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

Budget vs. Plan

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

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

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2026–2030 CIP Plan and the FY 2026 related CIP were based on anticipation of FY 2026 activity resulting in full 88% of planned spend for the Water System and 90% of planned spend for the Wastewater System.

The Water System spend for the period ending March 31, 2026, is 72.1% of the FY 2026 board approved CIP, 72.1% of the FY 2026 board approved CIP with project amendments, 82.0% of the FY 2026 CIP - Capital Spending Rate Assumption (SRA) and 82.0% of the FY 2026 CIP with project amendments - capital spending rate assumption (SRA).

Water System Projects	FY 2025	FY 2025 Activity	FY 2025 Percentage	FY 2026	FY 2026 Prorated (Nine Months)	FY 2026 Activity (Unaudited)	FY 2026 Percentage
<i>(in millions)</i>							
FY 2024 Board Approved CIP	\$ 207.3	\$ 158.7	76.6%				
FY 2024 Board Approved CIP With Project Amendments	207.9	158.7	76.3%				
FY 2024 Capital Spend Rate Assumption (SRA) - Approved	207.3	158.7	76.6%				
FY 2024 Capital Spend Rate Assumption (SRA) - Adjusted	207.3	158.7	76.6%				
CIP Approved February 26, 2025				\$ 183.0	\$ 137.3	\$ 99.0	72.1%
CIP with Budget Amendments				183.0	137.3	99.0	72.1%
CIP - Capital Spend Rate Assumption (88%)				161.0	120.8	99.0	82.0%
CIP with Budget Amendments - Capital Spend Rate Assumption (88%)				161.0	120.8	99.0	82.0%

Executive Summary (Continued)

The Wastewater System spend for the period ending March 31, 2026, is 110.0% of the FY 2026 board approved CIP, 80.6% of the FY 2026 board approved CIP with project amendments, 122.2% of the FY 2026 CIP - capital spending rate assumption (SRA) and 89.6% of the FY 2026 CIP with project amendments - capital spending rate assumption (SRA).

Wastewater System Projects	FY 2025	FY 2025 Activity	FY 2025 Percentage	FY 2026	FY 2026	FY 2026	FY 2026 Percentage
					Prorated (Nine Months)	Activity (Unaudited)	
<i>(in millions)</i>							
FY 2024 Board Approved CIP	\$ 169.2	\$ 175.7	103.8%				
FY 2024 Board Approved CIP With Project Amendments	179.5	175.7	97.9%				
FY 2024 Capital Spend Rate Assumption (SRA) - Approved	169.2	175.7	103.8%				
FY 2024 Capital Spend Rate Assumption (SRA) - Adjusted	169.2	175.7	103.8%				
<u>CIP Approved February 26, 2025</u>				\$ 193.2	\$ 144.9	\$ 159.4	110.0%
<u>CIP with Budget Amendments</u>				263.7	197.8	159.4	80.6%
<u>CIP - Capital Spend Rate Assumption (90%)</u>				173.9	130.4	159.4	122.2%
<u>CIP with Budget Amendments - Capital Spend Rate Assumption (90%)</u>				237.3	178.0	159.4	89.6%

Appendix A - Construction Work-in-Progress Rollforward Summaries by Jurisdiction

The purpose of the construction work-in-progress (CWIP) summary rollforward by jurisdiction is to provide a high-level overview of the financial status of the projects identified within the current board approved CIP by their jurisdiction. Within the FY 2026 – 2030 Board Approved CIP Plan, projects are identified and categorized as either City of Detroit, Wayne County - Outside Detroit, Lapeer County, Macomb County, Oakland County, Saint Clair County or Multiple Counties and reflected accordingly in this report. This structure enhances transparency across regional project portfolios.

As of March 31, 2026, **\$642.5 million** is in CWIP for the Water System, as shown in A1 – Water – CWIP Rollforward by Jurisdiction.

As of March 31, 2026, **\$644.8 million** is in CWIP for the Wastewater System, as shown in A2 – Wastewater – CWIP Rollforward by Jurisdiction.

The order of these appendices on the subsequent pages are in ascending by jurisdiction alphabetically.

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority

A1 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward Summary By Jurisdiction

Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

(in thousands)

Jurisdiction	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	CWIP Balance March 31, 2026
City of Detroit	\$688,819	\$89,320	\$24,096	\$24,096	\$22,261	\$109,503
Lapeer County	143,236	5,579			2	5,581
Mutiple Counties	781,213	181,499	77,924	77,924	49,021	230,520
Oakland County	537,789	147,526	673	673	2,263	149,790
Saint Clair County	381,858	31,121	45,726	45,726	13,352	44,474
Wayne County - Outside Detroit	1,189,053	92,861	34,645	34,645	12,141	102,646
Grand Total	\$3,721,969	\$547,906	\$183,064	\$183,064	\$99,041	\$642,514

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority

A2 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward Summary By Jurisdiction

Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

(in thousands)

Jurisdiction	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	CWIP Balance March 31, 2026
City of Detroit	\$3,467,949	\$292,180	\$132,091	\$177,210	\$99,666	\$386,375
Mutiple Counties	487,856	193,408	59,805	85,190	59,269	252,678
Wayne County - Outside Detroit	147,365	5,261	1,325	1,294	475	5,736
Grand Total	\$4,103,170	\$490,850	\$193,221	\$263,694	\$159,411	\$644,789

Appendix B - Construction Work-in-Progress Rollforwards

The purpose of the construction work-in-progress (CWIP) rollforward is to analyze the current year activity for each project in relation to the overall capital improvement program and total project portfolio. This provides insight into progress, cost patterns, and lifecycle considerations.

As part of the project lifecycle review, the Construction Accounting team identifies when projects should be capitalized. Projects are capitalized when they are fully complete or contain identifiable assets that have been placed into service. This ensures proper financial reporting and asset stewardship.

The following projects reached completion or readiness for use and were capitalized in Q3 FY2026:

PRJ-211011 PS 1 Rack and Grit HVAC System Upgrade

As of March 31, 2026, **\$642.5 million** is in CWIP for the Water System, as shown in A1 – Water – CWIP Rollforward by Jurisdiction.

As of March 31, 2026, **\$644.8 million** is in CWIP for the Wastewater System, as shown in A2 – Wastewater – CWIP Rollforward by Jurisdiction.

The order of these appendices on the subsequent pages are in ascending order by Project Category followed by CIP project number.

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B1 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Field Services - Water	\$587,351	\$224,892	\$34,660	\$34,660	\$20,555		\$245,446	\$59,256	\$304,703	52%
Programs - Water	542,942	75,382	57,838	57,838	31,818		107,199	52,572	159,771	29%
Systems Control Center	760,507	64,382	949	949	3,290		67,672	30	67,702	9%
Water Treatment Plants & Facilities	1,797,791	183,251	89,617	89,617	43,379	4,434	222,196	159,386	381,582	21%
Programs - Centralized Services	33,378									0%
Grand Total	\$3,721,969	\$547,906	\$183,064	\$183,064	\$99,041	\$4,434	\$642,514	\$271,244	\$913,758	25%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B2 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
CSO Facilities	\$264,828	25,901	\$12,079	\$9,121	\$5,576		\$31,478	\$389	\$31,867	12%
Field Services - Wastewater	212,086	94,585	32,345	45,575	35,321		129,906		129,906	61%
Programs	574,821	207,078	53,556	61,556	34,408		241,486	43,364	284,849	50%
Systems Control Center	625,160	32,229	25,092	43,928	16,294		48,522	50,818	99,340	16%
Water Resource Recovery Facility	2,426,275	131,057	70,148	103,514	67,811	5,471	193,397	51,836	245,233	10%
Grand Total	\$4,103,170	\$490,850	\$193,221	\$263,694	\$159,411	5,471	\$644,789	\$146,406	\$791,195	19%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Field Services - Water	122004	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	\$239,332	\$119,900	\$27,066	\$27,066	\$20,072		\$139,972	\$149	\$140,121	59%
	122005	Replacement Schoolcraft Watermain		(0)			25		25	16,947	16,972	0%
	122006	Transmission System Water Main Work-Wick Road Parallel Water Main	26,251	5,500					5,500	20,751	26,251	100%
	122007	Design and Construction of a new Newburgh Road 24" Main along Newburgh Road between Ch	27,216	325	193	193	62		387		387	1%
	122013	Lyon Township Transmission Main Extension Project	115,337	93,826					93,826	17,511	111,337	97%
	122016	Downriver Transmission Loop	97,138	3,966	5,007	5,007	21		3,987		3,987	4%
	122017	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	13,161	0					0	3,898	3,898	30%
	122019	Jefferson Main Replacement	43,136	1,374					1,374		1,374	3%
	122020	Concord and Nevada Flow Control Valves	8,594		781	781	358		358		358	4%
	122021	Grosse Pointe Woods - HW: Harper Woods 24" Main	7,077		776	776						0%
	122023	Adams Road Transmission Main	10,110		837	837	18		18		18	0%
Field Services - Water Total			587,351	224,892	34,660	34,660	20,555		245,446	59,256	304,703	52%
Programs - Water	170300	Water Treatment Plant Automation Program	23,317									0%
	170302	SW WTP SCADA Improvements	8,267	9,279	124	124	370		9,649		9,649	117%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Programs - Water												
	170304	WWP WTP SCADA Upgrade		651					651		651	0%
	170305	WWP SCADA Network Upgrade	7,542									0%
	170306	SPW SCADA PLC Network Upgrade	6,780		3,825	3,825	259		259		259	4%
	170400	Water Transmission Improvement Program	32,175									0%
	170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	59,296		2,735	2,735						0%
	170503	Transmission System Valve Assessment and Rehabilitation/Replacement B	16,167	2,094	5	5	2		2,097	14,054	16,150	100%
	170504	Repair of WTM, Valves, & Priority Repair	18,602	9,972	3,869	3,869	1,725		11,697		11,697	63%
	170506	Water Transmission Main, Valves, & Other	15,165	790	3,306	3,306	12,743		13,533		13,533	89%
	170600	Water Transmission Main Asset Assessment Program	40,459		1,611	1,611						0%
	170601	Linear System Integrity Program	29,507	2,604	43	43	1,033		3,637		3,637	12%
	170602	36" 24 Mile Rd. Transmission Main Condit	23,081	20,325	18,370	18,370	912		21,237		21,237	92%
	170603	Transmission Main Condition Assessment	7,077		6,101	6,101						0%
	170604	96-inch Transmission Main Condition Assessment	12,132									0%
	170607	42", Tyler-North, Van Buren Two					149		149		149	0%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Programs - Water												
	170608	14 Mile Road Emergency Response & Condition Assessment					1,614		1,614		1,614	0%
	170610	TOA 13 - PICA's HEX-EMIT Pilot Project					116		116		116	0%
	170611	TOA 16 - Welded Steel Pipe Leak Detection					59		59		59	0%
	170801	Reservoir Inspection, Design and Rehabilitation	25,384							25,265	25,265	100%
	170802	Reservoir Inspection, Design	55,682	21,097	13,623	13,623	10,515		31,612	5,543	37,155	67%
	170803	Reservoir Inspection, Design, and Construction Mangement Services Phase III	78,849	10			80		90		90	0%
	170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	43,901									0%
	170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement		4,708					4,708	7,703	12,411	0%
	170904	Phase II Wholesale Water Meter Pit Rehab	15,859	3,853	4,206	4,206	2,240		6,093	7	6,100	38%
	170906	Repurpose Abandoned Meter Pits	2,520									0%
	170907	GLWA New Water Master Meter FL-01 Vault Upgrade and Rightsizing	2,520		19	19						0%
	171500	Roof Replacement - Var Facilities Program	15,948									0%
	171502	Lake Huron and Southwest Roof Replacement	2,710									0%
Programs - Water Total												
			542,942	75,382	57,838	57,838	31,818		107,199	52,572	159,771	29%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Systems Control Center												
	132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	5,268	5,309			2		5,311		5,311	101%
	132010	West Service Center/Duval Rd Division Valve Upgrades	47,782	46,934	343	343	190		47,124		47,124	99%
	132012	Ypsilanti PS Improvements	42,756	2,572					2,572		2,572	6%
	132014	Adams Road Booster Pumping Improvements	61,759	102					102		102	0%
	132015	Newburgh BPS	62,734	2,466	276	276	1,025		3,491	30	3,521	6%
	132016	North Service Center BPS Improvements	251,994	6,569	330	330	2,073		8,643		8,643	3%
	132018	Schoolcraft BPS	24,691									0%
	132019	Wick Road BPS - Switchgear	24,780	65					65		65	0%
	132020	Franklin BPS - Isolation Gate Valves	60,918	95					95		95	0%
	132021	Imlay BPS - Replace VFDs, Pumps & Motors	137,968	270					270		270	0%
	132022	Joy Road BPS - Replace Reservoir Pumps	39,857									0%
Systems Control Center Total			760,507	64,382	949	949	3,290		67,672	30	67,702	9%
Water Treatment Plants & Facilities												
	111001	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements	150,515	6,599	13,178	13,178	2,013		8,612		8,612	6%
	111006	Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake	78,142	6,438	21,196	21,196	6,668		13,106		13,106	17%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Water Treatment Plants & Facilities												
	111008	LHWTP Architectural Programming - Lab	782									0%
	111009	Lake Huron WTP-35 MGD HLP, Flow Meters	31,223	16,092	7,501	7,501	2,222		18,314		18,314	59%
	111010	Lake Huron Water Treatment Plant -Filtration and Pretreatment Improvements	58,639									0%
	111011	Lake Huron WTP Pilot Plant	3,157	4					4	3,076	3,080	98%
	111012	LHWTP-Flocculation Improvements	49,345	1,984	3,850	3,850	2,450		4,433		4,433	9%
	111013	LH WTP Fireloop & Plant Water Improvements	10,055	4					4		4	0%
	112003	NE WTP High Lift Pumping Electrical	171,676	562					562		562	0%
	112006	Northeast Water Treatment Plant Flocculator Replacements	13,463	7,221	2,301	2,301	2,544		9,766		9,766	73%
	112007	NE WTP Structural Repair of Slab and Bea	6,685	251	2,166	2,166	772		1,023		1,023	15%
	112008	Northeast WTP Filter Replacement	94,631	267	3,841	3,841	4,326		4,593		4,593	5%
	112009	Northeast Sedimentation Basins Sludge Processing Facility		439					439		439	0%
	113003	Replacement of Butterfly Valves	162,110									0%
	113007	Architectural and Building Mechanical	8,641	4					4		4	0%
	113009	SW WTP Flight and Chain Upgrades	5,127	4,079			911		4,990		4,990	97%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Water Treatment Plants & Facilities												
	113010	SW WTP Flocculation Improvements	22,225	34	1,191	1,191	26		61		61	0%
	114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	315,778	55,873	16,403	16,403	5,383		61,255	17,553	78,809	25%
	114005	Springwells WTP Admin Building Improvements	7,138	1,321					1,321		1,321	18%
	114008	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP	13,225							13,202	13,202	100%
	114010	Yard Piping Improvements	218,615	1,811					1,811		1,811	1%
	114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	28,364	2,356				2,356		26,712	26,712	94%
	114017	Springwells Water Treatment Plant Flocculator Drive Replacement	27,831	3,211	6,013	6,013	4,043		7,254	11,961	19,215	69%
	114018	Springwells Water Treatment Plant - Service Building Electrical Substation and Miscellaneous Improvements	2,341									0%
	115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	56,073	46,516	2,748	2,748	1,397		47,913	4,074	51,987	93%
	115005	WWP WTP Building Ventilation Improvements	16,999	15,814			980		16,793		16,793	99%
	115006	Water Works Park Site/Civil Improvements	5,896									0%
	115007	Water Works Park High Lift Pumping Station Modernization	115,090									0%
	115009	Water Works Park Sedimentation Basins Structural Upgrades	16,846									0%
	116002	Pennsylvania, Springwells and Northeast Raw Water Supply Tunnel Improvements based on	98,757	10,295	8,053	8,053	9,643		19,938	80,730	100,668	102%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	Capitalizations and Other Activity through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations and Other Activity	Life to Date Activity through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Water Treatment Plants & Facilities												
	116005	Belle Isle Seawall Rehabilitation	2,191	2,078				2,078		2,078	2,078	95%
	116006	Belle Isle Intake System Rehabilitation and Improvements	2,222									0%
	116007	System Electrical Power Improvements	4,010		1,174	1,174						0%
Water Treatment Plants & Facilities Total			1,797,791	183,251	89,617	89,617	43,379	4,434	222,196	159,386	381,582	21%
Programs - Centralized Services												
	381000	Energy Management: Electric Metering Improvement Program	10,110									0%
	383300	Masonry Replacement and Rehabilitation Program	23,268									0%
Programs - Centralized Services Total			33,378									0%
Grand Total			\$3,721,969	\$547,906	\$183,064	\$183,064	\$99,041	\$4,434	\$642,514	\$271,244	\$913,758	25%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
CSO Facilities												
	270001	Pilot CSO Netting Facility	\$37,937	\$99	\$1,027	\$873	\$683		\$782		\$782	2%
	270002	Meldrum Sewer Diversion and VR-15 Improvements	9,354	3		65	34		37		37	0%
	270003	Long Term CSO Control Plan	9,576									0%
	270004	Oakwood Lieb CSO Facility Improvement	59,536	6,458	2,393	2,288	3,083		9,541		9,541	16%
	270006	Control System Upgrades - Baby Creek/Belle	20,856	3,282	3,294	649	256		3,538		3,538	17%
	270007	Disinfection System Improvements at CSO	16,530	95	843	853	18		113		113	1%
	270008	Flushing System Improvements at Conner Creek and St. Aubin CSO Facilities	7,070									0%
	270009	Site Improvements at St. Aubin, Belle Isle, and Baby Creek CSO Facilities	1,390	8		8	26		34		34	2%
	270010	HVAC Improvements at Puritan Fenkell and Seven Mile CSO Facilities	6,629	30	462	453	178		209		209	3%
	270011	HVAC Improvements at Conner Creek and Belle Isle CSO Facilities	5,804									0%
	270012	Control System Upgrades at Conner Creek, Oakwood, and Puritan Fenkell CSO Facilities	1,675									0%
	270013	Facility Improvements at Puritan Fenkell and Seven Mile CSO Facilities	902									0%
	270014	Convert to Complete Capture Basin CSO Fa	4,482									0%
	273001	Hubbell Southfield CSO Facility Improvement	64,243	5,261	1,325	1,294	475		5,736		5,736	9%
	273002	CSO Hubbell Southfield VR-8 Gate Improvements	1,786									0%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
CSO Facilities												
	277001	Baby Creek Outfall Improvements Project	16,313	10,666	2,735	2,638	823		11,488	389	11,878	73%
	277002	Baby Creek CSO Facility Influent Flushing System	745									0%
CSO Facilities Total			264,828	25,901	12,079	9,121	5,576		31,478	389	31,867	12%
Field Services - Wastewater												
	222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District	87,934	15,306	22,987,279	34,389,828	25,336,115	0	40,642	0	40,642	46%
	222002	Detroit River Interceptor Evaluation and Rehabilitation	119,603	77,029	8,293,978	8,885,916	8,860,223	0	85,889	0	85,889	72%
	222008	North Interceptor East Arm (NIEA)	4,550	2,250	1,063,939	2,299,500	1,125,000	0	3,375	0	3,375	74%
Field Services - Wastewater Total			212,086	94,585	32,345	45,575	35,321		129,906		129,906	61%
Programs												
	260201	Conveyance System Interceptor Rehab	39,032	19,906	-	263,313	-	0	19,906	18,542	38,448	99%
	260204	Energy Services for Rehabilitation of Conveyance Sewer System	54,394	38,662	10,453,976	5,486,937	4,469,145	0	43,131	0	43,131	79%
	260205	NWI Outfall Rehabilitation	9,348	6,923	-	2,537,551	594	0	6,924	0	6,924	74%
	260206	Conveyance System Rehabilitation - Interceptors	39,837	10,754	9,282,235	1,792,581	140,896	0	10,895	0	10,895	27%
	260207	Rehabilitation of Woodward Sewer System	22,925	19,593	-	2,954,877	76,696	0	19,669	0	19,669	86%
	260209	Sewer Repair Contract - As Needed	14,965	7,863	5,244,785	11,706,616	11,509,276	0	19,373	0	19,373	129%
	260210	Linwood/Lonyo/Ashland/2nd Ave/Shiawassee	43,326	2,178	2,239,844	210,504	1,704,667	0	3,883	0	3,883	9%
	260211	Sewer Repair Contract II	6,066	6	2,368,439	2,436,186	713,583	0	720	0	720	12%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Programs												
	260505	Rehabilitation of Outfalls - Phase IV	0	4	-	-	-	0	4	5,710	5,713	0%
	260508	B-39 Outfall Rehab	10,984	10,461	-	-	-	0	10,461	0	10,461	95%
	260509	B-40 Outfall Rehab	0	113	-	-	-	0	113	0	113	0%
	260510	Conveyance System Rehabilitation - Outfalls	25,252	11,093	7,276,539	3,628,162	2,001,914	0	13,095	0	13,095	52%
	260614	CSO Facilities Structural Improvements	16,664	14,541	855,192	3,890,609	675,100	0	15,217	0	15,217	91%
	260618	Oakwood HVAC Improvements	6,211	0	-	-	-	0	0	6,211	6,211	100%
	260619	Control System Upgrade At St. Aubin, Lieb and 7 Mile	7,974	5,582	776,384	1,882,964	2,185,499	0	7,767	0	7,767	97%
	260621	Connor Creek Berm Improvements	0	2	-	-	-	0	2	2,245	2,247	0%
	260622	CSO Facilities Emergency Generator Improvements	1,223	0	-	-	-	0	0	1,110	1,110	91%
	260623	Baby Creek Screen Rehabilitation	2,275	1	-	-	-	0	1	2,277	2,277	100%
	260624	Baby Creek Chemical Tank Replacement (TOE) T2-43 Replacement - Installation	5,150	1,420	3,250,147	3,805,631	1,810,964	0	3,231	0	3,231	63%
	260701	Conveyance System Infrastructure Improvements	58,453	46,535	5,196,077	11,922,435	6,659,830	0	53,195	0	53,195	91%
	260800	WRRF Roof Replacement Program	14,862	0	-	-	-	0	0	0	0	0%
	260802	2022 WRRF Roof Improvements Project	4,751	3,995	331,100	518,985	164,354	0	4,159	0	4,159	88%
	260803	WRRF Roof Improvements - Phase II	3,532	0	134,058	134,058	-	0	0	0	0	0%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Programs												
	260900	WRRF Facility Optimization Program	85,935	0	67,970	-	-	0	0	0	0	0%
	260901	Rehab. Hazmat Facility at WRRF	3,857	6	-	87,770	82,608	0	89	3,718	3,807	99%
	260902	WRRF Renovation of 4th Floor	3,552	16	-	-	-	0	16	3,552	3,568	100%
	260903	WRRF Front Entrance Rehab.	7,583	0	1,573,411	4,621,778	1,889,606	0	1,890	0	1,890	25%
		OMID	0	4,554	-	-	-	0	4,554	0	4,554	0%
	260904	WRRF 3rd Floor Renovation	9,390	196	3,818,468	2,602,205	116,581	0	312	0	312	3%
	260905	WRRF Plumbing Shop Rehab	2,688	2,421	-	425,424	126,563	0	2,548	0	2,548	95%
	261000	WRRF Rehabilitation of Secondary Clarifiers	39,337	0	-	-	-	0	0	0	0	0%
	261001	Rehabilitation of Secondary Clarifiers	35,256	251	687,667	647,888	80,032	0	331	0	331	1%
Programs Total			574,821	207,078	53,556	61,556	34,408		241,486	43,364	284,849	50%
Systems Control Center												
	232001	Fairview Pumping Station - Replace Four Sanitary Pumps	44,742	4	-	-	-	0	4	44,714	44,718	100%
	232002	Connor Creek Pump Station Improvements	348,099	14,522	7,600,731	6,067,547	3,773,267	0	18,295	6,104	24,399	7%
	232005	Freud Pump Station Improvements	150,983	17,702	17,491,735	37,860,140	12,520,627	0	30,223	0	30,223	20%
	233003	Rouge River In-system Storage Devices	81,336	0	-	-	-	0	0	0	0	0%
Systems Control Center Total			625,160	32,229	25,092	43,928	16,294		48,522	50,818	99,340	16%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Water Resource Recovery Facility	211002	Pump Station No. 2 Pumping Improvments	4,002	758	4,495	309,518	5,877	0	764	2,676	3,440	86%
	211005	Pump Station No. 2 Improvements	86,034	1,608	1,781,607	274,976	44,949	0	1,653	0	1,653	2%
	211006	Pump Station No. 1 Improvements	114,108	43,354	13,383,424	27,664,680	8,981,388	0	52,335	0	52,335	46%
	211007	Replacement of Bar Racks and Grit Collection System at Pump Station No. 2	243,125	14,314	6,502,084	34,461,820	33,613,281	0	47,927	0	47,927	20%
	211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	13,416	1	-	570,544	15,994	0	17	12,870	12,887	96%
	211009	Rehabilitation of the Circular Primary Clarifier Scum Removal System	23,230	643	-	2,601	8,868	0	652	0	652	3%
	211010	Rehabilitation of Sludge Processing Complexes A and B	14,104	94	-	-	-	0	94	0	94	1%
	211011	WRRF PS1 Screening and Grit Improvements	307,732	4,869	1,286,844	881,687	601,691	5,471	0	5,471	5,471	2%
	212008	WRRF Rehabilitation of Intermediate Lift	213,745	19,318	12,042,183	11,681,941	6,142,161	0	25,461	0	25,461	12%
	212009	WRRF Aeration Improvements 3 and 4	271,545	0	-	-	-	0	0	0	0	0%
	212010	WRRF Conversion of Disinfection of all Flow to Sodium Hypochlorite and Sodium Bisulfite	6,232	0	-	-	-	0	0	0	0	0%
	213006	Improvements to Sludge Feed Pumps at Dewatering Facilities	21,514	3,709	1,003,032	582,006	150,804	0	3,860	0	3,860	18%
	213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	25,524	871	574,266	1,884,731	77,492	0	949	22,912	23,860	93%
	213008	Rehabilitation of the Wet and Dry Ash Handling Systems	7,189	151	342,243	342,243	-	0	151	0	151	2%
	213009	Phosphorous Recovery Facility at the WWRF	908,270	539	1,601,579	1,355,272	697,695	0	1,236	0	1,236	0%

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026
 (in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through March 31, 2026	FY 2026 Capitalizations And Other Activity Through March 31, 2026	CWIP Balance March 31, 2026	Life to Date Capitalizations And Other Activity	Life to Date Activity Through March 31, 2026	Life to Date Activity / Total Project Plan Estimate
Water Resource Recovery Facility												
	216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	7,963	0	-	-	-	0	0	7,907	7,907	99%
	216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	38,010	22,473	9,817,428	7,079,355	6,432,043	0	28,905	0	28,905	76%
	216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	106,554	8,802	18,378,229	11,949,661	8,283,722	0	17,086	0	17,086	16%
	216011	WRRF Structural Improvements	13,978	9,551	3,430,751	3,512,647	2,751,357	0	12,302	0	12,302	88%
	216012	WRRF Research Facility	0	0	-	960,324	-	0	0	0	0	0%
	216013	WRRF Emergency Procurement of Transformers A&B	0	0	-	-	3,737	0	4	0	4	0%
Water Resource Recovery Facility Total												
			2,426,275	131,057	70,148	103,514	67,811	5,471	193,397	51,836	245,233	10%
Grand Total			\$4,103,170	\$490,850	\$193,221	\$263,694	\$159,411	5,471	\$644,789	\$146,406	\$791,195	19%

Appendix C - Project Amendment Summaries

The purpose of the Project Amendment Summary is to illustrate amendments to the current fiscal-year board-approved CIP resulting from the use of allowance and program funding necessitated by contract awards. These amendments provide visibility into scope and cost adjustments.

Contract awards and execution may result in deviations from planned spend. Accordingly, project amendments are prepared to increase or decrease funding to or from the Capital Reserve. These amendments update the current-year CIP and inform future CIP development. Additional amendments may be required as new information becomes available.

\$0 of Capital Reserve project amendments have been prepared as of March 31, 2026, as shown for the Water System in C1 – Water FY 2026 Project Amendment Summary with project amendments detailing the assignment of funding within Program and Allowance accounts. This year-to-date total illustrates a decreased use of reserves.

\$70,473,018 of Capital Reserve project amendments have been prepared as of March 31, 2026, as shown for the Wastewater system in C2 – Wastewater FY 2026 Project Amendment Summary with project amendments detailing the assignment of funding within Program and Allowance accounts.

These amendments are in alignment with the FY 2026-2030 CIP plan. They support long-term capital planning and financial governance.

The order of these appendices on the subsequent pages are in ascending order by CIP project number.

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 C1 - Water System Project Amendment Summary
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

Project Number	Project Name	FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Q2 Budget Amendments	FY 2026 Q3 Budget Amendments	FY 2026 Board
						Approved CIP With Project Amendments
111001	Lake Huron WTP, Low-Lift, High Lift and Filter Backwash Pumping System Improvements	\$ 13,178,018	\$ -	\$ -	\$ -	\$ 13,178,018
111006	Lake Huron WTP, Filter Instrumentation and Raw Water Flow Metering Improvements	21,196,490	-	-	-	21,196,490
111009	Lake Huron WTP - High Lift Pumping, Water Production Flow Metering and Yard Piping Improvements	7,501,173	-	-	-	7,501,173
111012	LHWTP-Flocculation Improvements	3,850,181	-	-	-	3,850,181
112006	Northeast Water Treatment Plant Flocculator Replacements	2,301,334	-	-	-	2,301,334
112007	NEWTP-Structural Repairs	2,166,491	-	-	-	2,166,491
112008	Northeast Water Treatment Plant Filter Replacement	3,841,079	-	-	-	3,841,079
113010	Southwest Water Treatment Plant Flocculation Improvements	1,190,937	-	-	-	1,190,937
114002	Springwells Water Treatment Plant, Low-Lift and High-Lift Pumping Station Improvements	16,402,783	-	-	-	16,402,783
114017	Springwells Water Treatment Plant Flocculator Drive Replacements	6,013,222	-	-	-	6,013,222
115001	Water Works Park Water Treatment Plant Yard Piping, Valves and Venturi Meters Replacement	2,747,776	-	-	-	2,747,776
116002	Pennsylvania and Springwells Raw Water Supply Tunnel Improvements	8,052,670	-	-	-	8,052,670
116007	System Electrical Power Improvements	1,174,449	-	-	-	1,174,449
122004	96-inch Water Transmission Main Relocation and Isolation Valve Installations	27,066,175	-	-	-	27,066,175
122007	Merriman Road Water Transmission Main Loop	193,442	-	-	-	193,442
122016	Downriver Transmission Main Loop	5,006,995	-	-	-	5,006,995
122020	Concord and Nevada Flow Control Valves	781,138	-	-	-	781,138
122021	Grosse Pointe Woods - HW: Harper Woods 24" Main	775,643	-	-	-	775,643
122023	Adams Road Transmission Main	836,633	-	-	-	836,633
132010	West Service Center Pumping Station - Reservoir, Reservoir Pumping, and Division Valve Upgrades	343,139	-	-	-	343,139

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 C1 - Water System Project Amendment Summary
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

Project Number	Project Name	FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Q2 Budget Amendments	FY 2026 Q3 Budget Amendments	FY 2026 Board
						Approved CIP With Project Amendments
132015	Newburgh Road Booster Pumping Station Improvements	275,906	-	-	-	275,906
132016	North Service Center Pumping Station Improvements	330,123	-	-	-	330,123
170302	SW SCADA System Upgrade	124,284	-	-	-	124,284
170306	SPW SCADA PLC Network Upgrade	3,824,924	-	-	-	3,824,924
170500	Transmission System Valve Rehabilitation and Replacement Program	2,735,044	-	-	-	2,735,044
170503	Transmission Mains Valves and Urgent Repairs Contract 4	5,177	-	-	-	5,177
170504	Transmission Mains Valves and Urgent Repairs Contract 2	3,869,312	-	-	-	3,869,312
170506	Water Transmission, Valve, Emergency and Other Urgent Repairs	3,306,146	-	-	-	3,306,146
170600	Linear System Integrity Program	1,611,185	-	-	-	1,611,185
170601	Linear System Integrity Program - Contract 1	43,223	-	-	-	43,223
170602	36-inch 24 Mile Road Transmission Main Condition Assessment	18,369,609	-	-	-	18,369,609
170603	84"/72" Transmission Main Condition Assessment	6,100,703	-	-	-	6,100,703
170802	Reservoir Inspection, Design, and Construction Management Services Phase II	13,623,295	-	-	-	13,623,295
170904	Wholesale Water Meterpit Rehabilitation and Meter Upgrade - Phase II	4,206,001	-	-	-	4,206,001
170907	GLWA New Water Master Meter FL-01 Vault Upgrade and Rightsizing	19,451	-	-	-	19,451
Grand Total		\$183,064,150	\$ -	\$ -	\$ -	\$183,064,150

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
C2 - Wastewater System Project Amendment Summary
Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

Project Number	Project Name	FY 2026 Board				FY 2026 Board Approved CIP
		FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Q2 Budget Amendments	FY 2026 Q3 Budget Amendments	
211002	WRRF PS No. 2 Pumping Improvements - Phase 3	\$ 4,495	\$ 305,023	\$ -	\$ -	\$ 309,518
211005	WRRF PS No. 2 Improvements Phase II	1,781,607	(1,506,631)	-	-	274,976
211006	WRRF PS No. 1 Improvements	13,383,424	14,281,256	-	-	27,664,680
211007	WRRF PS #2 Bar Racks Replacements and Grit Collection System Improvements	6,502,084	27,959,736	-	-	34,461,820
211008	WRRF Rehabilitation of Ferric Chloride Feed System in PS-1 and Complex B Sludge Lines		570,544	-	-	570,544
211009	WRRF Rehabilitation of the Circular Primary Clarifier Scum Removal System		2,601	-	-	2,601
211011	PS 1 Rack and Grit HVAC System Upgrade	1,286,844	(405,157)	-	-	881,687
212008	WRRF Aeration Improvements 1 and 2	12,042,183	(360,242)	-	-	11,681,941
213006	WRRF Improvements to Sludge Feed Pumps at DeWatering Facilities	1,003,032	(421,026)	-	-	582,006
213007	WRRF Modification to Incinerator Sludge Feed Systems at Complex -II	574,266	1,310,465	-	-	1,884,731
213008	WRRF Rehabilitation of the Ash Handling Systems	342,243	(0)	-	-	342,243
213009	WRRF Biosolids Processing Improvements	1,601,579	(246,307)	-	-	1,355,272
216006	Assessment and Rehabilitation of WRRF yard piping and underground utilities	9,817,428	(2,738,073)	-	-	7,079,355
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	18,378,229	(6,428,568)	-	-	11,949,661
216011	WRRF Structural Improvements	3,430,751	81,896	-	-	3,512,647
216012	WRRF Research Facility		960,324	-	-	960,324
222001	Oakwood District Intercommunity Relief Wastewater Modification at Oakwood District	22,987,279	11,402,549	-	-	34,389,828
222002	Detroit River Interceptor (DRI) Evaluation and Rehabilitation	8,293,978	591,938	-	-	8,885,916
222008	North Interceptor East Arm (NIEA) 7 Mile Road Diversion Structure	1,063,939	1,235,561	-	-	2,299,500
232002	Conner Creek Pump Station Improvements	7,600,731	(1,533,184)	-	-	6,067,547
232005	Freud Pump Station Improvements	17,491,735	20,368,405	-	-	37,860,140
260201	CON-149, Emergency Sewer Repair		263,313	-	-	263,313
260204	Conveyance System Engineering Services-1802575	10,453,976	(4,967,039)	-	-	5,486,937
260205	NWI Rehabilitation		2,537,551	-	-	2,537,551
260206	Conveyance System Repairs (Wastewaters)	9,282,235	(7,489,654)	-	-	1,792,581
260207	Rehabilitation of Woodward Sewer Systems		2,954,877	-	-	2,954,877
260209	Wastewater Rehabilitation and Repair	5,244,785	6,461,831	-	-	11,706,616

Construction Work-in-Progress Quarterly Report

As of March 31, 2026

Great Lakes Water Authority
 C2 - Wastewater System Project Amendment Summary
 Unaudited Activity For the Fiscal Quarter Ended March 31, 2026

Project Number	Project Name	FY 2026 Board	FY 2026 Q1	FY 2026 Q2	FY 2026 Q3	FY 2026 Board
		Approved CIP	Budget Amendments	Budget Amendments	Budget Amendments	Approved CIP With Project Amendments
260210	Rehabilitation of GLWA Wastewaters; Ashland Relief, Linwood, Lonyo, Second Avenue, and Shiawassee	2,239,844	(2,029,340)	-	-	210,504
260211	Emergency and Urgent Wastewater Repair II	2,368,439	67,747	-	-	2,436,186
260510	Conveyance System Repairs (Outfalls)	7,276,539	(3,648,377)	-	-	3,628,162
260614	Structural Inspection & Structural Improvements	855,192	3,035,417	-	-	3,890,609
260619	Control System Upgrade - St Aubin, Lieb & Mile	776,384	1,106,580	-	-	1,882,964
260624	CSO Baby Creek Chemical Storage Tanks Replacement (TOES / Emergency)	3,250,147	555,484	-	-	3,805,631
260701	Conveyance System Infrastructure Improvements	5,196,077	6,726,358	-	-	11,922,435
260802	2022 WRRF Roof Improvements Project	331,100	187,885	-	-	518,985
260803	WRRF Roof Improvements - Phase II	134,058	0	-	-	134,058
260900	WRRF Facility Optimization Program	67,970	(67,970)	-	-	
260901	Rehabilitation of HAZMAT Facility at WRRF		87,770	-	-	87,770
260903	WRRF Front Entrance Rehabilitation	1,573,411	3,048,367	-	-	4,621,778
260904	WRRF 3rd Floor Renovation	3,818,468	(1,216,263)	-	-	2,602,205
260905	WRRF Plumbing Shop Renovation		425,424	-	-	425,424
261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	687,667	(39,779)	-	-	647,888
270001	Pilot CSO Netting Facility	1,027,084	(154,196)	-	-	872,888
270002	Meldrum Sewer Diversion and VR-15 Improvements		64,830	-	-	64,830
270003	Long Term CSO Control Plan		-	-	-	-
270004	Oakwood and Leib CSO Facilities Improvement Project	2,392,932	(105,016)	-	-	2,287,916
270006	CSO Facilities Improvements II	3,294,350	(2,645,218)	-	-	649,132
270007	Disinfection System Improvements at Baby Creek, Belle Isle, and Puritan Fenkell CSO Facilities	842,825	10,603	-	-	853,428
270009	Site Improvements at St. Aubin, Belle Isle, and Baby Creek CSO Facilities		7,841	-	-	7,841
270010	HVAC Improvements at Puritan Fenkell and Seven Mile CSO Facilities	462,440	(9,668)	-	-	452,772
273001	Hubbell Southfield CSO Facility Improvements	1,324,793	(30,353)	-	-	1,294,440
277001	Baby Creek Outfall Improvements Project	2,734,795	(97,099)	-	-	2,637,696
Grand Total		\$ 193,221,336	\$ 70,473,018	\$ -	\$ -	\$ 263,694,354



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Great Lakes Water Authority Audit Committee

From: Nick Fedewa, CPA, Public Finance Manager

Re: FY 2026 Bond Transaction Update

Background: The Great Lakes Water Authority (GLWA) recently executed a successful bond transaction at favorable rates to fund \$240 million in capital improvements for the regional water and wastewater systems and secured \$91.7 million in cashflow savings (\$68 million of present value savings) by refinancing eligible outstanding bonds.

Analysis: The attached press release and presentation contains summarized information on the FY 2026 bond transaction. As a result of this successful transaction, GLWA reached the significant milestone of \$1 billion in cash-flow debt savings since its standup in 2016.

Proposed Action: Receive and file this report.



FOR IMMEDIATE RELEASE

June 2, 2026

Media Contact:

Michelle Zdrodowski / M: 313-618-0552 / michelle.zdrodowski@glwater.org

Stephen Jones / M: 248-202-6166 / stephen@vvkagency.com

GLWA EXECUTES SUCCESSFUL BOND TRANSACTION SECURING FUNDING FOR REGIONAL WATER AND WASTEWATER SYSTEM IMPROVEMENTS; ACHIEVES \$1 BILLION IN DEBT SERVICE SAVINGS SINCE ITS STANDUP IN 2016

- *\$1 billion in cash-flow debt service savings achieved since GLWA's standup in January 2016, reducing pressure on water and sewer service charges*
- *All three credit ratings agencies affirmed GLWA's strong credit ratings with stable outlooks*
- *Successful bond transaction will provide \$240 million in new funding for regional water and wastewater system capital improvements*
- *Refinancing of debt generates \$91.7 million of cash flow savings (\$68.0 million of present value savings)*

DETROIT – The Great Lakes Water Authority (GLWA) recently executed a successful bond transaction at favorable rates to fund \$240 million in capital improvements for the regional water and wastewater systems and secured \$91.7 million in cashflow savings (\$68 million of present value savings) by refinancing eligible outstanding bonds. As a result of this successful transaction, GLWA reached the significant milestone of \$1 billion in cash-flow debt savings since its standup in 2016.

Positive Bond Rating Agency Actions

In advance of the 2026 bond transaction, GLWA had its strong credit ratings affirmed and retained a stable rating outlook on both water and sewer system bonds:

- Moody's Investors Service affirmed GLWA's senior lien debt rating of 'Aa3' and second lien debt rating of 'A1' with a stable outlook for both the water and sewer systems;
- Fitch Ratings affirmed GLWA's senior lien debt rating for the sewer system at 'AA' and its 'A+' rating for the water system, second lien debt rating for the sewer system at 'AA-' and its 'A' rating for the water system, while retaining a stable outlook on both the water and sewer systems; and
- Standard & Poor Global Ratings affirmed GLWA's senior lien debt rating of 'AA-' and second lien debt rating of 'A+' with a stable outlook for both the water and sewer systems.

Bond Sale Supports Capital Projects to Improve System Reliability, Redundancy & Resiliency

The bond transaction focused on securing \$208 million in new money bond proceeds to replenish funding for water system capital improvement projects and \$32 million in new money bond proceeds to replenish funding for wastewater system capital improvements (an overall total of \$240 million).

Examples of water and wastewater system capital improvement projects to be funded include:

- Major pump and booster station upgrades directing investment toward regional water pumping infrastructure, prioritizing modernizations at North Service Center and Newburgh pumping facilities and Springwells Water Treatment Plant low-lift and high-lift pumping stations;
- Evaluation and rehabilitation of several sewers, including the Lonyo, Conner Creek, Ashland Relief, Linwood, Second Avenue, and Shiawassee sewers, as well as the rehabilitation of the Freud and Connors Creek pump stations, and installation of a new Freud sanitary pump station;
- Improvements to system-wide linear assets, including strengthening regional transmission networks through widespread transmission main relocations and extensions, extensive pipeline renewals, valve and transmission main condition assessments, as well as reservoir inspections and rehabilitations; and
- Combined sewer overflow (CSO) facility improvements, including rehabilitation of the Oakwood and Leib CSO Facilities, process improvements for the Baby Creek CSO Facility, and the St. Aubin CSO Facility.

For a complete list of projects within GLWA’s FY2027-2031 CIP, please click [here](#).

“The capital needs of the regional water and wastewater system are immense. GLWA remains laser focused on operating the system in a way that balances reliability with affordability,” said Suzanne R. Coffey, P.E., Chief Executive Officer, GLWA. “The savings from this transaction, as well as the ability to borrow at favorable rates, helps us in our continued efforts to achieve this delicate balance. I can’t thank the GLWA team enough for their commitment to ensuring we provide the highest level of service possible to those we serve.”

GLWA was able to secure necessary capital funding at favorable levels through the issuance of tax-exempt bonds. The fixed rate new money bonds were issued with a true interest cost of between 4.6 and 4.7 percent for both the water and wastewater systems. The variable rate new money bonds, a first for GLWA, were issued for the benefit of the water system at an initial fixed rate of 3.45 percent through July 2030. At that point, GLWA will have the flexibility to re-evaluate the structure of the bonds and decide on the best path forward. The inclusion of variable rate debt represents an intentional strategy to diversify offerings to investors, manage risk within the financial profile of the utility, and generate savings compared to other financing options.

Timing of Bond Sale and Refunding Saving Supports Affordability of Services

GLWA has aggressively pursued opportunities to generate savings from its outstanding debt portfolio when available.

“Achieving over \$1 billion in cashflow savings is a significant accomplishment, but it can be difficult to relate to such a large number,” said Nicolette N. Bateson, GLWA Chief Financial Officer and Treasurer. “To provide context, the impact of the cashflow savings on just the next five years relieved budget pressure, on average, by about \$65 million per year. That translates to roughly 6.0 percent of the total annual budget to offset rising energy, chemical, construction and other costs.”

As a part of this 2026 transaction, GLWA generated cash flow savings of \$91.7 million that will be realized through 2046. These cash flow savings offset a portion of the cost of the new borrowing in support of critical capital projects and support the continued affordability of services.

Strong Investor Interest

In preparation for this offering, GLWA prepared a detailed disclosure document and investor presentation designed to demonstrate GLWA’s continued credit strength and system resiliency to investors. This communication helped to generate strong interest from investors, ultimately attracting orders from over 80 unique institutional investors across the two systems, over 30 of which did not participate in the 2025 transaction. Furthermore, the addition of a variable rate component in the financing structure lowered GLWA’s interest costs and diversified its investor base with five new investors on this component alone.

“Investors actively competed for our bonds allowing us to generate the low borrowing costs for our capital expansion and push us over the \$1 billion threshold for debt service savings,” stated Nicholas Fedewa, GLWA Public Finance Manager. “We were pleased with our pricing results and the broad investor participation in this offering.”

Since GLWA’s bonds were sold at a premium, the par value of the bonds for both systems totaled approximately \$1.03 billion. In aggregate, \$2.4 billion in orders were received for the \$1.03 billion in bonds meaning, in aggregate, investors placed orders for 2.3x the number of bonds available. This strong showing of demand allowed GLWA to obtain all necessary funding while also negotiating to reduce the interest cost of certain maturities for which there was significant investor interest.

###

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 service 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 customer communities outside of the tri-county area.



GLWA
Great Lakes Water Authority

Summary of 2026 Financing Results

Board of Directors Meeting Presentation – May 28, 2026

\$786,215,000 Water Supply System Revenue and Revenue Refunding Bonds, Series 2026

\$251,080,000 Water Supply System Revenue Refunding Senior Lien Bonds, Series 2026A
\$333,060,000 Water Supply System Revenue Refunding Second Lien Bonds, Series 2026B
\$101,650,000 Water Supply System Revenue Senior Lien Bonds, Series 2026C
\$100,425,000 Water Supply System Revenue Second Lien Bonds, Series 2026D (Term Rate)

\$239,740,000 Sewage Disposal System Revenue and Revenue Refunding Bonds, Series 2026

\$30,155,000 Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2026A
\$179,565,000 Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2026B
\$30,020,000 Sewage Disposal System Revenue Senior Lien Bonds, Series 2026C

Executive Summary

May 19, 2026 Bond Pricing for the Water System and Sewer System achieved favorable outcomes for GLWA

- ◆ New money funding regional system for capital improvement projects: Water System \$208 million and Sewer System \$32 million
- ◆ Achieved all-in cost of new money borrowing at favorable levels compared to the market on fixed rate new money bonds, during a period of increasing volatility and interest rates
 - ◆ Water System: 4.46% (Avg. Maturity Date: 15.1 yrs.)
 - ◆ Sewer System: 4.68% (Avg. Maturity Date: 19.4 yrs.)
- ◆ \$100 million variable rate new money offering lowered debt service and attracted new investors
 - ◆ Term Rate bonds sold at rate of 3.45%, which is fixed through July 2030
- ◆ No deposits to Reserve Funds (criteria to eliminate that mandatory requirement was met in 2024)
- ◆ Successfully refinanced \$628 million of Water System bonds and \$232 million of Sewer System bonds to generate debt service savings
 - ◆ Water System future cashflow savings of \$63.6 million (\$45.4 million net present value, or 7.2%)
 - Within this amount, Local System will realize \$5.2 million of savings (\$3.2 million net present value, or 6.3%) because refunded water bonds included post-bifurcation (in 2016) debt for Local System
 - Savings allocated according to 2018 Memorandum of Understanding
 - ◆ Sewer System future cashflow savings of \$28.1 million (\$22.5million net present value, or 9.7%)
- ◆ Rating affirmations received from all three rating agencies (Moody's / S&P / Fitch) with stable outlooks
- ◆ Ongoing and proactive investor outreach efforts helped drive strong engagement throughout the financing process
 - ◆ GLWA received orders from nearly 80 unique institutional investors, leading to GLWA's lowest ever credit spread to municipal benchmark rates
 - ◆ Siebert Williams Shank & Co., LLC supported the transaction by underwriting \$106.2 million of bonds to maintain the integrity of the order book and help GLWA obtain the desired repayment structure



Broader Market Backdrop

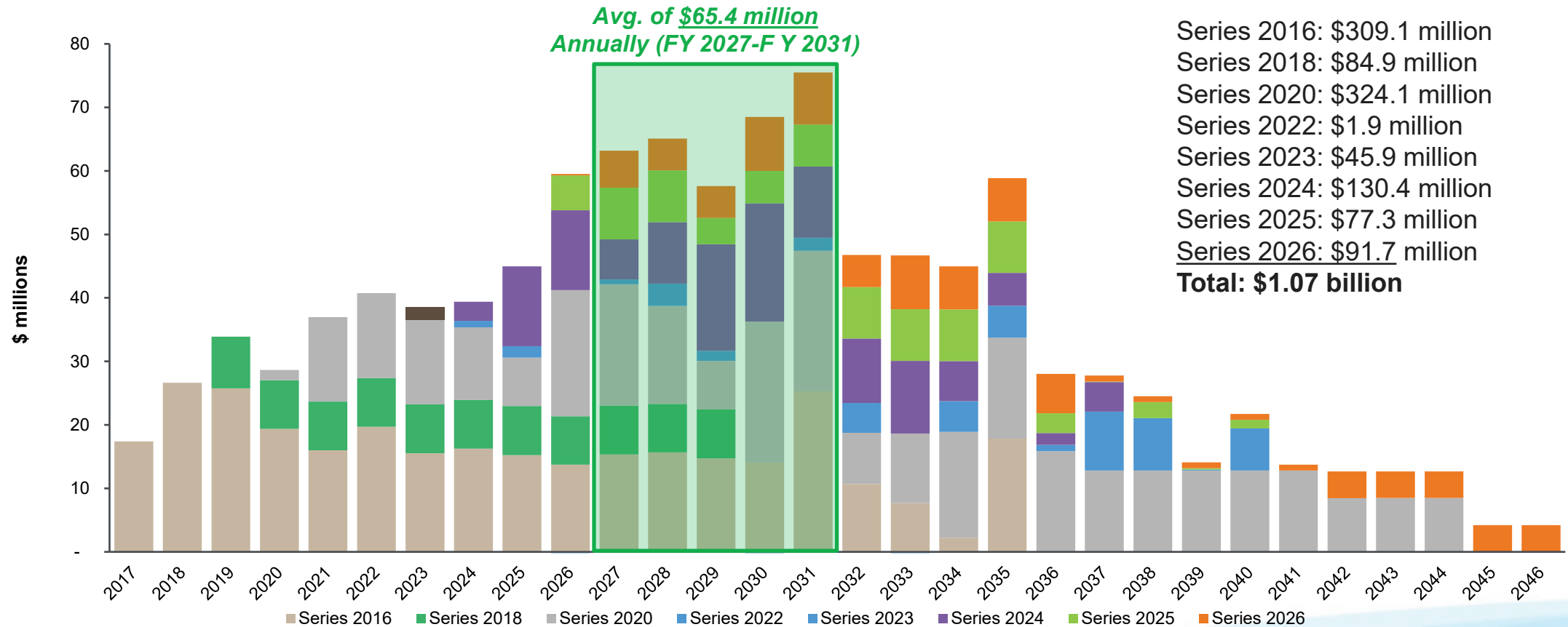
GLWA was able to achieve its goals with the support of a strong investor base, despite challenging conditions in the broader market



- ◆ On May 19, 2026, bond yields reached their highest levels since 2007, with the 30-year Treasury yield at 5.18% and the 10-year note approaching 4.65%
- ◆ Broader market sell-off has been fueled by investor anxiety over mounting global debt loads and inflation
- ◆ Some of the increase in Treasury yields is driven by expectations that the Fed may need to raise short-term interest rates in order to slow inflation
- ◆ In the tax-exempt market, 2026 has brought elevated issuance, resulting in increased competition for investor attention
- ◆ While this scenario was evolving at time of pricing, moving forward with the transaction was prudent to lock in savings given significant uncertainty on market direction

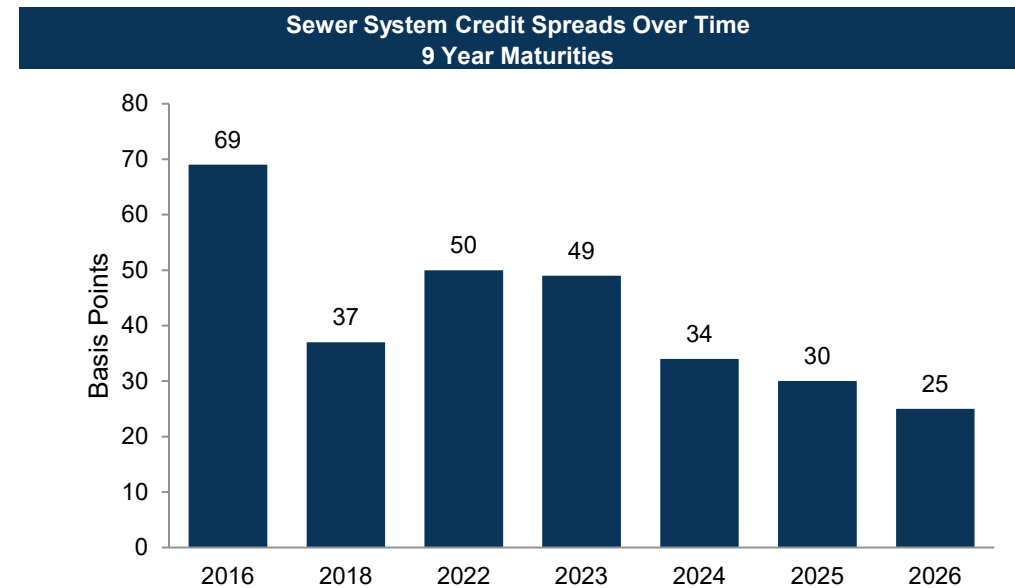
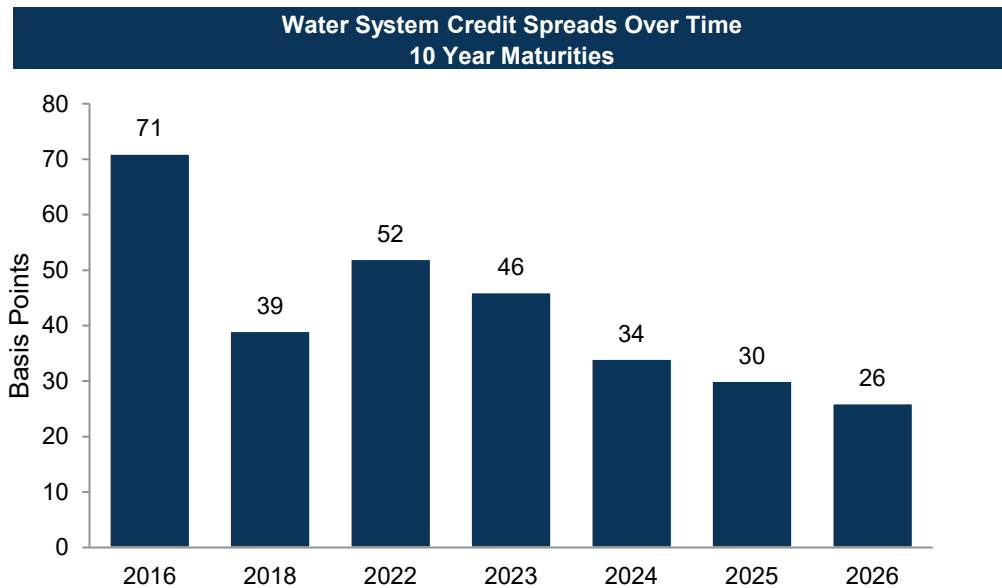
History of Debt Service Savings Since GLWA Standup

Through the leadership of the Authority's management, the financing team has been able to achieve **over \$1 billion** in cash flow debt service savings since the stand-up of GLWA



GLWA Credit Spreads Have Declined Since Standup

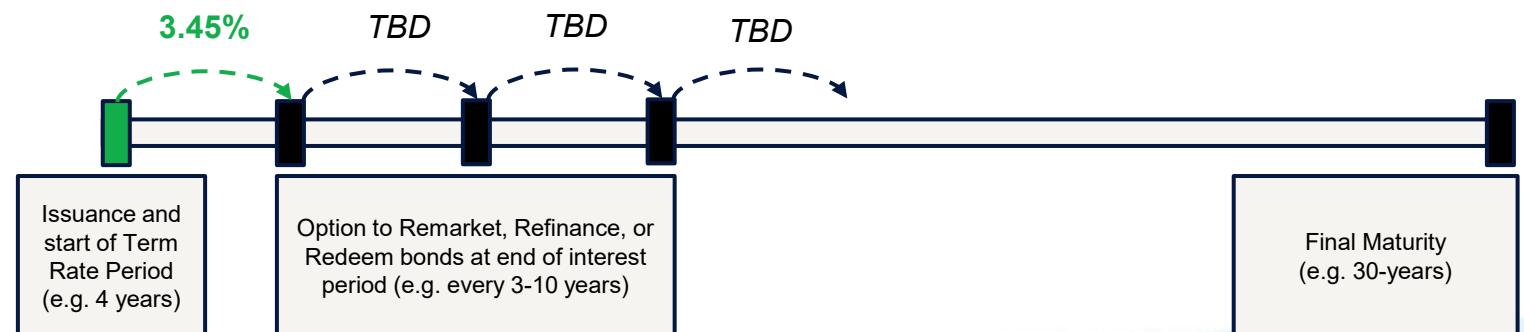
- As GLWA's credit profile has strengthened, GLWA's credit spreads to the benchmark have narrowed – demonstrating excellent performance
 - Narrowing of GLWA credit spreads translates directly to reduced debt service costs and increased availability of refinancing savings, resulting in tangible benefits for member partners that comes from GLWA's stronger credit profile
 - GLWA's tax-exempt borrowing costs are measured as the sum of municipal benchmark rates (which are common to the market and track borrowing costs for a AAA-rated municipal borrower) plus credit spreads that are specific to GLWA
- The following charts show GLWA's credit spreads in the 9 and 10-year part of the yield curve since GLWA's inaugural financing in 2016 (there were some years without 10-year sewer bonds for comparison)
 - Credit spreads are also impacted by market conditions at the time of the sale; GLWA's credit spreads in 2018 reflected very favorable market conditions and overall low rates



Source: Municipal benchmark shown is MMD (Municipal Market Data AAA Tax-Exempt Index). MMD provided by TM3.
 Note: Credit spreads are calculated as the difference between municipal benchmark yields and the GLWA bond yield achieved.

Variable Rate Debt Diversifies Investor Base and Reduces Expected Costs

- As a part of the 2026 plan of finance, GLWA introduced \$100 million of variable rate debt to the Water System in the form of a Term Rate bond
- The inclusion of this financing structure provided tangible benefits for Series 2026 through investor base diversification and is also expected to improve asset-liability matching and reducing expected borrowing costs over the life of the bonds
- Historically steep yield curve enhances the value of variable rate capacity
 - The fixed Term Rate of 3.45% compares favorably to the cost of a long-term fixed rate borrowing (i.e. 4.70%)
- GLWA remains well within policy limits, rating agency guidance, and peer practices in terms of overall variable rate exposure
- The Term Rate bonds will bear interest at a fixed rate of 3.45% through the expiration of the initial period on 7/1/2030
 - At the end of the initial period, the bonds can be remarketed into a subsequent interest period, refinanced, or redeemed
 - The bonds were structured with a soft put option which eliminates the possibility of an event of default from a failed remarketing
- Key structural benefits include
 - Lower debt service costs and budgetary certainty for initial period
 - No investor tender option
 - No acceleration of principal
 - No exposure to bank liquidity
 - No event of default on failed remarketing

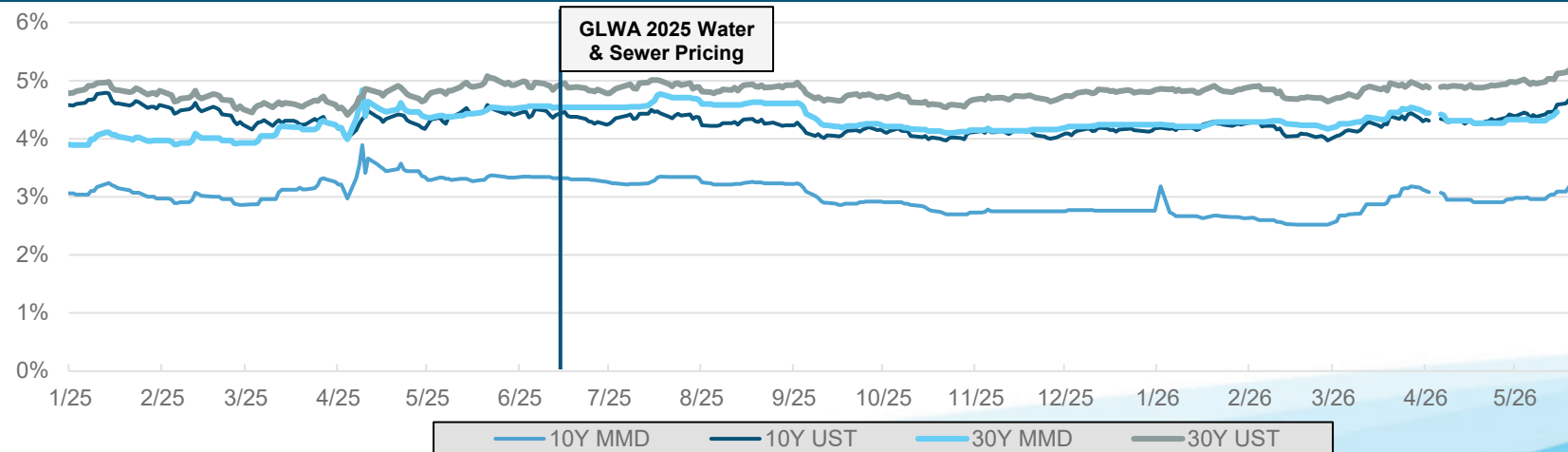


10-Year and 30-Year MMD and Treasury Yields

Long Term Interest Rate Landscape Over 30 Years: 10-Year and 30-Year MMD and UST Rates



10-Year and 30-Year MMD and UST Rates from 1/1/2025 to Present



1/1/2025 – Present

GLWA 2025 Water & Sewer Pricing

GLWA Series 2026 Pricing

Despite recently elevated levels, interest rates remain historically favorable

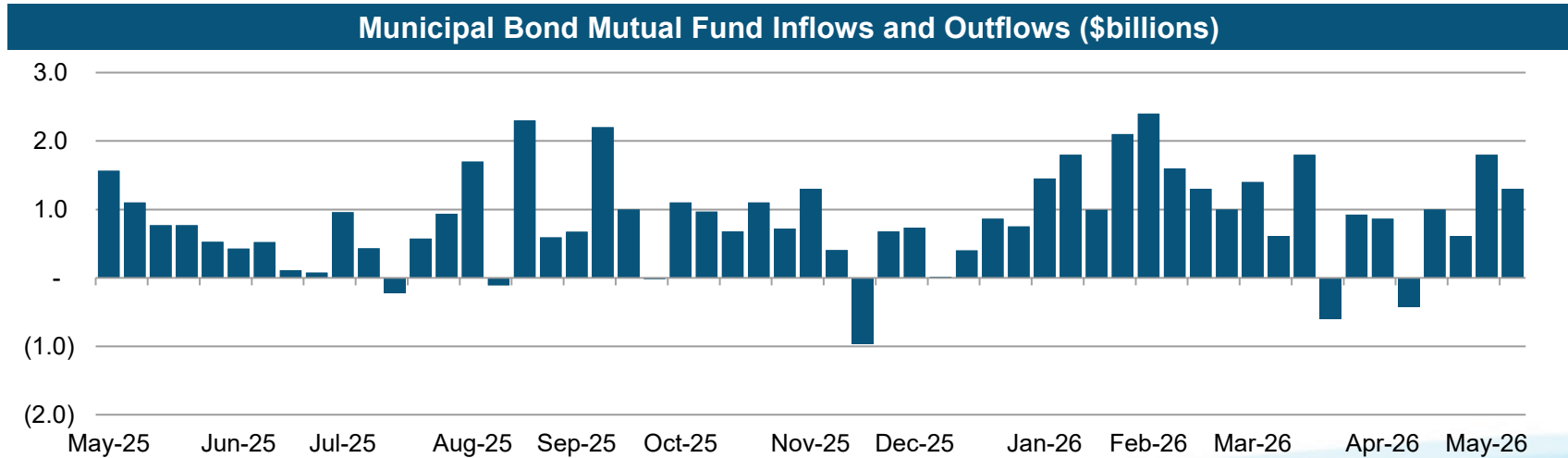
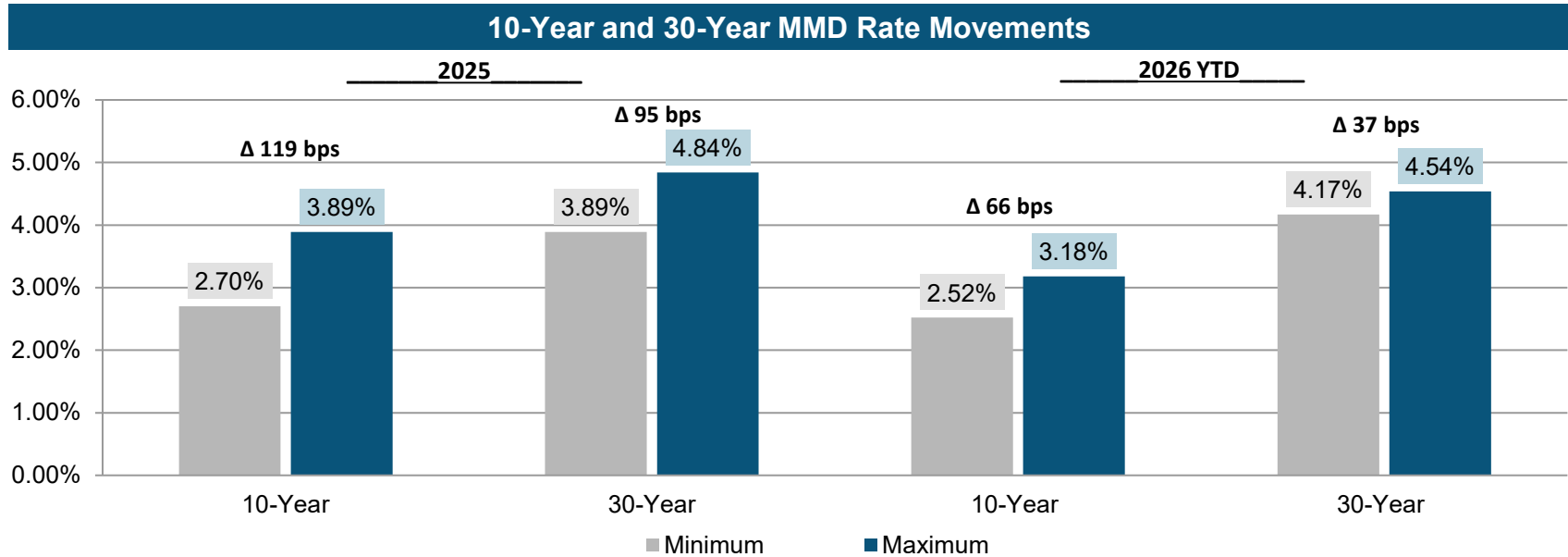


Note: All rates, analyses, and commentary are as of May 19, 2026
 Sources: MMD provided by TM3, US Treasury rates provided by US Department of Treasury
 MMD = Municipal Market Data AAA Tax-Exempt Index
 UST - United States Treasury

Changing Market Fundamentals and Volatility

Volatility seen in 2025 has continued so far in 2026, although at lower levels

Strong inflows to tax-exempt bond mutual funds have created strong demand levels for municipal bonds



Note: All rates, analyses, and commentary are as of May 19, 2026
 Sources: Bloomberg and TM3
 MMD = Municipal Market Data AAA Tax-Exempt Index

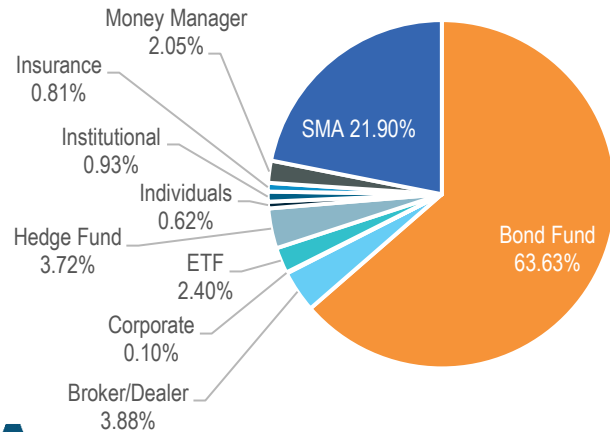


Comprehensive Marketing Outreach

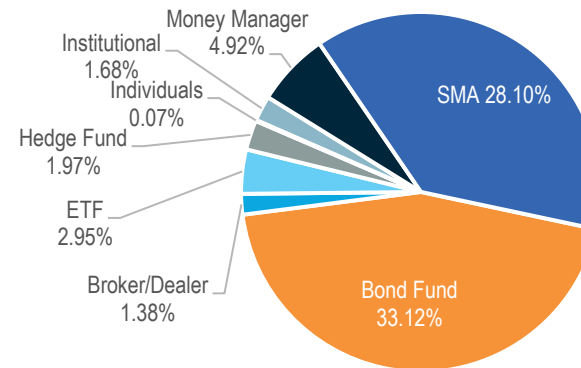
Order Book & Marketing Process:

- ◆ An extensive premarketing effort led by Siebert Williams Shank & Co., LLC in the days leading up to the sale generated demand from a wide variety of institutional accounts
 - ◆ Marketing outreach efforts included 70 unique investor views of the Preliminary Official Statement and 41 unique investor views of the investor roadshow
 - ◆ Of the roadshow viewers, 20 unique investors followed through with orders on either the water or sewer credits
- ◆ **Institutional Orders:**
 - ◆ **The Water System** transaction received \$2.05 billion in priority orders
 - ◆ 57 unique investors participated, including 24 institutional investors that did not participate in GLWA's 2025 water transaction
 - ◆ **The Sewer System** transaction received \$377.15 million in priority orders
 - ◆ 25 unique investors participated, including 8 institutional investors that did not participate in GLWA's 2025 sewer transaction
- ◆ **Subscription Levels:**
 - ◆ Orders were received from a mix of investors including insurance companies, bond funds, separately managed accounts ("SMA") and bank portfolios
 - ◆ **Water System:** Subscription levels (excluding stock) totaled 2.6x for the water system overall, demonstrating precise pricing levels
 - ◆ **Sewer System:** Subscription levels (excluding stock) totaled 1.6x for the sewer system overall, demonstrating precise pricing levels

**Water System
Orders Breakdown by Investor Type**



**Sewer System
Orders Breakdown by Investor Type**



Acronyms
 ETF = Exchange Traded Fund
 PWM = Private Wealth Management
 SMA = Separately Managed Account



Water System – Transaction Overview

- GLWA issued \$786 million in Water System Bonds to fund \$208 million in capital improvements and to refund \$628 million of outstanding bonds for savings
- The refunding and new money components were structured together to optimize transaction cashflows
 - The refunding was structured to create level savings through the term of the refunded debt, to the extent possible
 - New money amortization used to smooth out cashflow impact from savings structure; 30-year final maturity; Principal beginning in 2027
- Refunding component generated \$63.6m of cashflow savings, or \$45.4m of present value savings (7.2% of refunded par)
- New money component included variable rate debt in a term rate mode (Series 2026D)
 - Interest on the term rate bonds is fixed at 3.45% until July 1, 2030 when the bonds will be subject to a remarketing and adjustment of the interest rate
 - GLWA has the option to remarket, refinance, or redeem the bonds at that time

Water System Sources and Uses

	Senior Lien	Second Lien	Senior Lien	Second Lien	Aggregate
Sources	Series 2026A	Series 2026B	Series 2026C	Series 2026D (Term Rate)	2026 Bonds
Par Amount	251,080,000	333,060,000	101,650,000	100,425,000	786,215,000
Premium	19,227,259	27,819,185	7,217,388	-	54,263,832
GLWA Cash ¹	5,657,641	7,194,208	-	-	12,851,849
Total²	275,964,900	368,073,393	108,867,388	100,425,000	853,330,681
Uses	Series 2026A	Series 2026B	Series 2026C	Series 2026D (Term Rate)	2026 Bonds
Escrow Account	274,882,263	366,640,117	-	-	641,522,380
Construction Fund	-	-	108,425,000	100,000,000	208,425,000
UWD	691,173	916,848	279,822	276,450	2,164,294
COI	391,463	516,429	162,566	148,550	1,219,007
Total²	275,964,900	368,073,393	108,867,388	100,425,000	853,330,681

Fiscal Year	Water System Cashflow Impacts ³					Combined Change in Debt Service
	Refunding Savings	Fixed Rate New Money Principal	Fixed Rate New Money Interest	Variable Rate New Money Principal	Variable Rate New Money Interest ⁴	
2026	(136,453)	-	430,076	-	288,722	582,345
2027	(4,192,438)	2,635,000	5,160,913	-	3,464,663	7,068,138
2028	(4,194,688)	3,200,000	5,029,163	-	3,464,663	7,499,138
2029	(4,190,438)	3,355,000	4,869,163	-	3,464,663	7,498,388
2030	(4,194,688)	3,525,000	4,701,413	-	3,464,663	7,496,388
2031	(4,191,688)	3,700,000	4,525,163	-	3,464,663	7,498,138
2032	(4,191,438)	3,885,000	4,340,163	-	3,464,663	7,498,388
2033	(4,194,038)	4,080,000	4,145,913	-	3,464,663	7,496,538
2034	(2,518,425)	2,610,000	3,941,913	-	3,464,663	7,498,150
2035	(3,325,738)	3,545,000	3,811,413	-	3,464,663	7,495,338
2036	(2,721,250)	3,120,000	3,634,163	-	3,464,663	7,497,575
2037	(920,000)	1,475,000	3,478,163	-	3,464,663	7,497,825
2038	(919,500)	1,550,000	3,404,413	-	3,464,663	7,499,575
2039	(919,000)	1,625,000	3,326,913	-	3,464,663	7,497,575
2040	(918,500)	1,705,000	3,245,663	-	3,464,663	7,496,825
2041	(918,000)	1,790,000	3,160,413	-	3,464,663	7,497,075
2042	(4,192,500)	5,155,000	3,070,913	-	3,464,663	7,498,075
2043	(4,193,250)	5,415,000	2,813,163	-	3,464,663	7,499,575
2044	(4,195,750)	5,685,000	2,542,413	-	3,464,663	7,496,325
2045	(4,189,500)	5,965,000	2,258,163	-	3,464,663	7,498,325
2046	(4,189,500)	6,265,000	1,959,913	-	3,464,663	7,500,075
2047	-	5,650,000	1,646,663	-	3,464,663	10,761,325
2048	-	5,945,000	1,350,038	-	3,464,663	10,759,700
2049	-	6,255,000	1,037,925	-	3,464,663	10,757,588
2050	-	6,585,000	709,538	-	3,464,663	10,759,200
2051	-	6,930,000	363,825	-	3,464,663	10,758,488
2052	-	-	-	7,470,000	3,464,663	10,099,663
2053	-	-	-	11,050,000	3,206,948	13,626,948
2054	-	-	-	21,575,000	2,825,723	24,115,723
2055	-	-	-	22,320,000	2,081,385	24,866,385
2056	-	-	-	38,010,000	1,311,345	40,606,345
Totals	(63,606,778)	101,650,000	78,957,564	100,425,000	99,795,347	317,221,132



1: Represents accrued interest and principal on refunded obligations
 2: Totals may not tie exactly due to rounding of figures
 3: Represents cashflow impacts on a Debt Service Installment Requirement basis
 4: "Variable Rate New Money Interest" includes assumption of interest to accrue on Series 2026D Bonds after the Mandatory Purchase Date of 7/1/2030; Interest is assumed to accrue at the current rate of interest through maturity



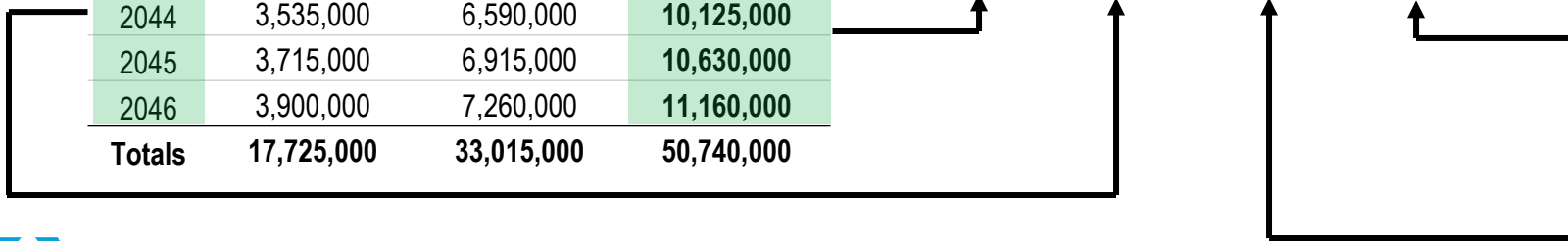
Local Water System To Realize Direct Benefits from Series 2026

- As part of Series 2026 plan of finance, GLWA refunded Series 2016A and Series 2016B Water bonds, which funded both Local and Regional Water System projects
- This is the first opportunity for GLWA to refund post-bifurcation debt issued on behalf of DWSD
- The debt service related to the Series 2016A and Series 2016B bonds that is allocable to the Local System was determined at the time of issuance in 2016
- Refunding these post-bifurcation bonds generates savings that requires a re-allocation of bonded indebtedness, consistent with the 2018 MOU
- Local System debt service allocation will decline by \$5.2 million over the next twenty years, a present value benefit of \$3.2 million (6.3% of refunded par)**

Water System DSIR Savings Allocation ¹			
Fiscal Year	Regional System Savings	Local System Savings	Total System Savings
2026	(136,453)	(11,375)	(136,453)
2027	(4,192,438)	(136,500)	(4,192,437)
2028	(4,194,688)	(136,500)	(4,194,688)
2029	(4,190,438)	(136,500)	(4,190,438)
2030	(4,194,688)	(136,500)	(4,194,688)
2031	(4,191,688)	(136,500)	(4,191,688)
2032	(4,191,438)	(136,500)	(4,191,438)
2033	(4,194,038)	(136,500)	(4,194,038)
2034	(2,518,425)	(136,500)	(2,518,425)
2035	(3,325,738)	(136,500)	(3,325,738)
2036	(2,721,250)	(136,500)	(2,721,250)
2037	(920,000)	(136,500)	(920,000)
2038	(919,500)	(136,500)	(919,500)
2039	(919,000)	(136,500)	(919,000)
2040	(918,500)	(136,500)	(918,500)
2041	(918,000)	(136,500)	(918,000)
2042	(4,192,500)	(626,500)	(4,192,500)
2043	(4,193,250)	(632,000)	(4,193,250)
2044	(4,195,750)	(631,000)	(4,195,750)
2045	(4,189,500)	(628,750)	(4,189,500)
2046	(4,189,500)	(635,250)	(4,189,500)
Totals	(58,394,403)	(5,212,375)	(63,606,778)

Existing Local System Principal Allocation			
Fiscal Year	Series 2016A (Local Portion)	Series 2016B (Local Portion)	Total Refunded Par (Local Portion)
2042	3,205,000	5,975,000	9,180,000
2043	3,370,000	6,275,000	9,645,000
2044	3,535,000	6,590,000	10,125,000
2045	3,715,000	6,915,000	10,630,000
2046	3,900,000	7,260,000	11,160,000
Totals	17,725,000	33,015,000	50,740,000

Local System savings matches the maturity profile of the refunded principal



¹: Represents cashflow impacts on a Debt Service Installment Requirement basis

Sewer System – Transaction Overview

- ◆ GLWA issued \$240 million in Sewer System Bonds to fund \$32 million in capital improvements and to refund \$232 million of outstanding bonds for savings
- ◆ The refunding and new money components were structured together to optimize transaction cashflows
 - ◆ The refunding was structured to create level savings through the term of the refunded debt, to the extent possible
 - ◆ New money amortization used to smooth out cashflow impact from savings structure; 30-year final maturity; Principal beginning in 2030
- ◆ Refunding component generated \$28.1m of cashflow savings, or \$22.5million of present value savings (9.7% of refunded par)

Sewer System Sources and Uses

	Senior Lien	Second Lien	Senior Lien	Aggregate
Sources	Series 2026A	Series 2026B	Series 2026C	2026 Bonds
Par Amount	30,155,000	179,565,000	30,020,000	239,740,000
Premium	3,476,040	20,334,519	1,935,481	25,746,040
GLWA Cash ¹	695,625	4,036,688	-	4,732,313
Total²	34,326,665	203,936,207	31,955,481	270,218,353
Uses	Series 2026A	Series 2026B	Series 2026C	2026 Bonds
Escrow Account	34,122,104	202,793,977	-	236,916,081
Construction Fund	-	-	31,760,000	31,760,000
UWD	90,942	541,537	90,535	723,014
COI	113,619	600,693	104,946	819,258
Total²	34,326,665	203,936,207	31,955,481	270,218,353

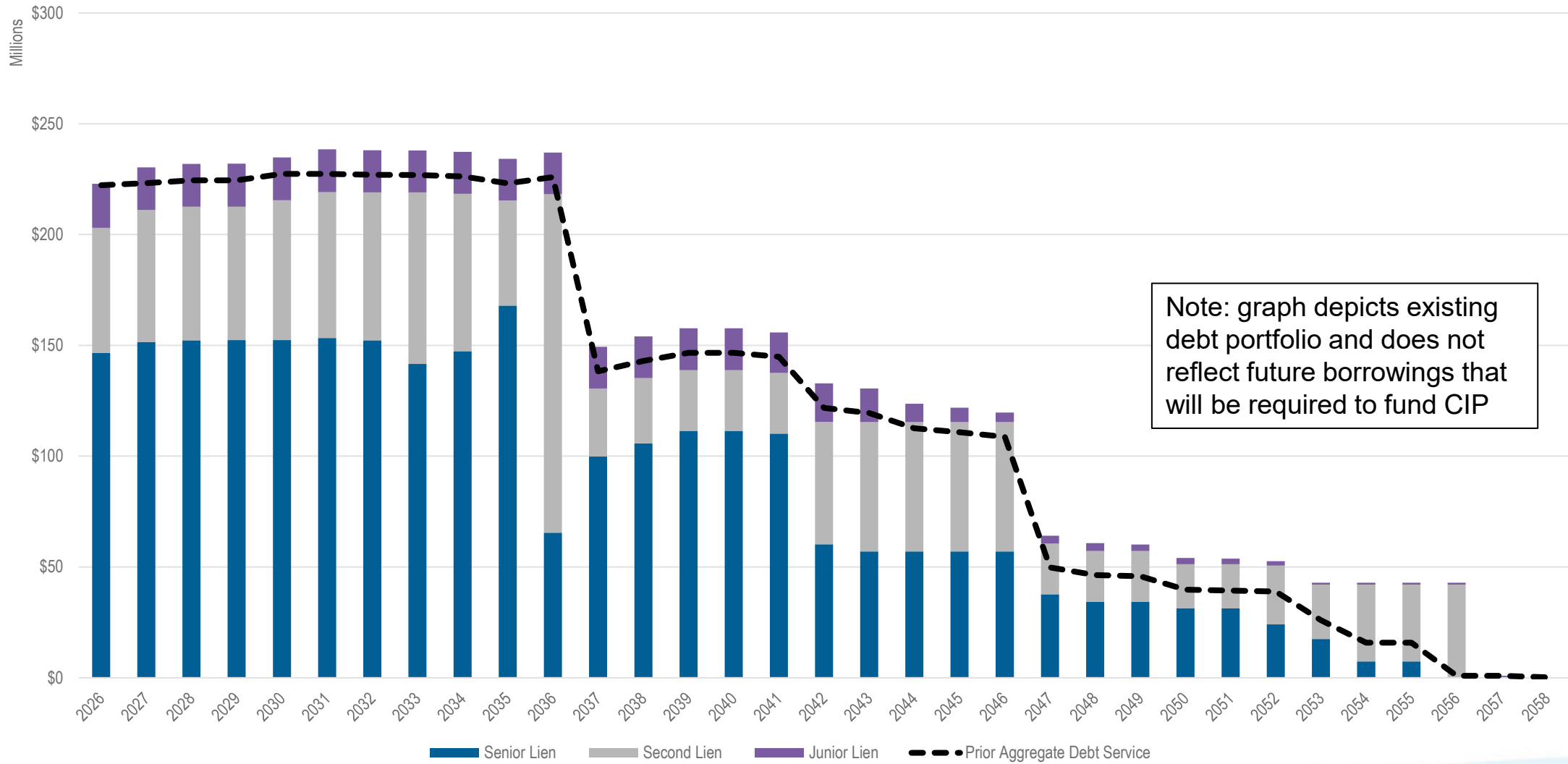
Sewer System Cashflow Impacts ³				
Fiscal Year	Refunding Savings	New Money Principal	New Money Interest	Combined Change in Debt Service
2026	(72,629)	-	128,263	55,633
2027	(1,656,550)	-	1,539,150	(117,400)
2028	(832,300)	-	1,539,150	706,850
2029	(832,300)	-	1,539,150	706,850
2030	(4,292,300)	1,100,000	1,539,150	(1,653,150)
2031	(4,014,300)	875,000	1,484,150	(1,655,150)
2032	(846,550)	5,000	1,440,400	598,850
2033	(4,293,800)	1,200,000	1,440,150	(1,653,650)
2034	(4,290,300)	1,255,000	1,380,150	(1,655,150)
2035	(3,494,750)	525,000	1,317,400	(1,652,350)
2036	(3,491,250)	545,000	1,291,150	(1,655,100)
2037	-	735,000	1,263,900	1,998,900
2038	-	775,000	1,227,150	2,002,150
2039	-	810,000	1,188,400	1,998,400
2040	-	850,000	1,147,900	1,997,900
2041	-	895,000	1,105,400	2,000,400
2042	-	940,000	1,060,650	2,000,650
2043	-	985,000	1,013,650	1,998,650
2044	-	1,035,000	964,400	1,999,400
2045	-	1,090,000	912,650	2,002,650
2046	-	1,140,000	858,150	1,998,150
2047	-	1,200,000	801,150	2,001,150
2048	-	1,260,000	738,150	1,998,150
2049	-	1,330,000	672,000	2,002,000
2050	-	1,400,000	602,175	2,002,175
2051	-	1,470,000	528,675	1,998,675
2052	-	1,550,000	451,500	2,001,500
2053	-	1,630,000	370,125	2,000,125
2054	-	1,715,000	284,550	1,999,550
2055	-	1,805,000	194,513	1,999,513
2056	-	1,900,000	99,750	1,999,750
Totals	(28,117,029)	30,020,000	30,123,100	32,026,071



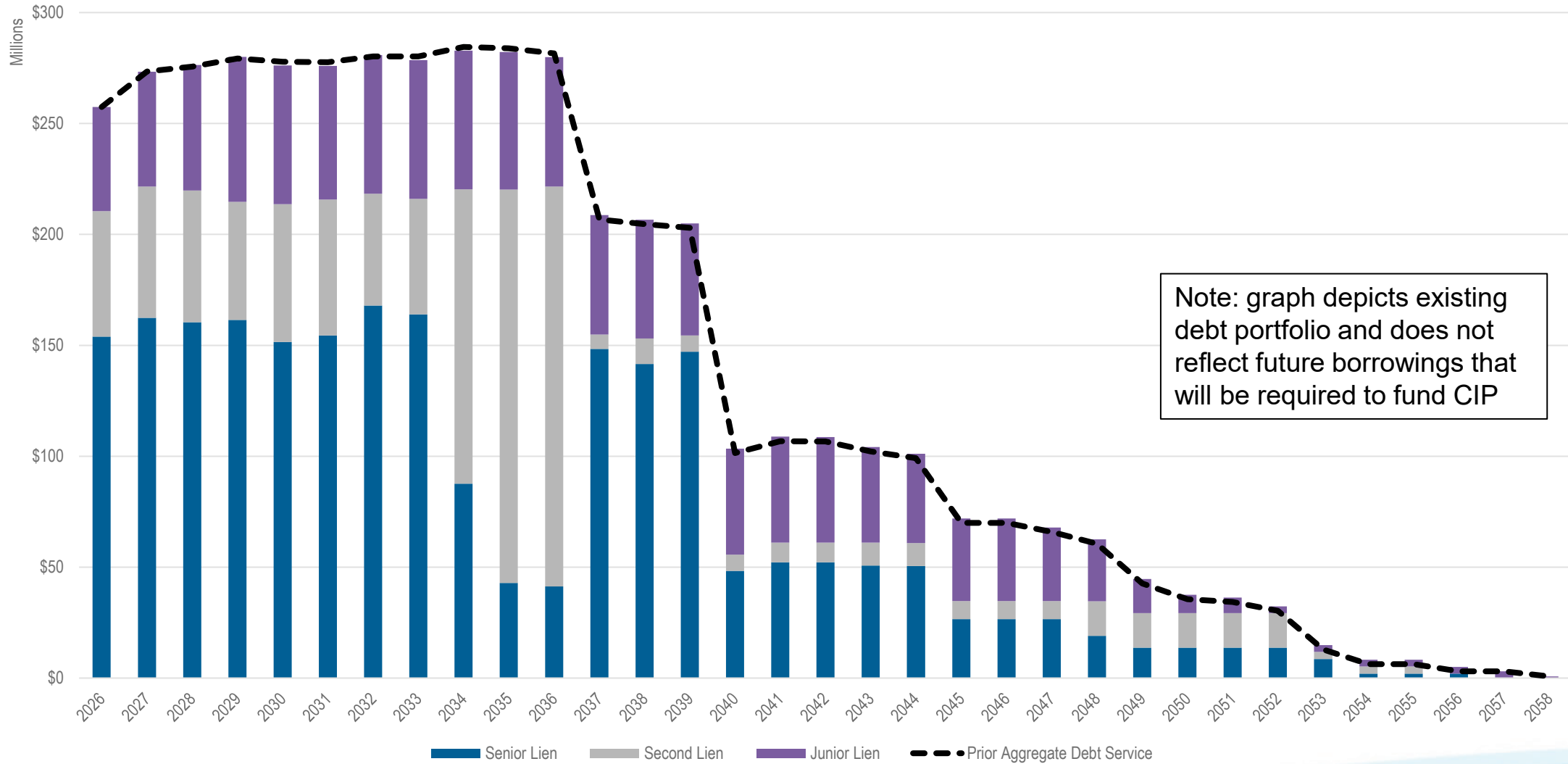
1: Represents accrued interest and principal on refunded obligations
 2: Totals may not tie exactly due to rounding of figures
 3: Represents cashflow impacts on a Debt Service Installment Requirement basis



Water System – Aggregate Debt Portfolio



Sewer System – Aggregate Debt Portfolio



Transaction Participants

Transaction Role	Firm
Issuer	<ul style="list-style-type: none"> Great Lakes Water Authority
Financial Advisor	<ul style="list-style-type: none"> PFM Financial Advisors LLC
Bond Counsel	<ul style="list-style-type: none"> Dickinson Wright, PLLC
System Consultant	<ul style="list-style-type: none"> The Foster Group
Trustee	<ul style="list-style-type: none"> U.S. Bank, N.A.
Senior Bookrunning Manager	<ul style="list-style-type: none"> Siebert Williams Shank & Co., LLC
Co-Senior Manager	<ul style="list-style-type: none"> BofA Securities, Inc.
Co-Managing Underwriters	<ul style="list-style-type: none"> Goldman Sachs & Co. LLC Huntington Capital Markets Jefferies LLC Loop Capital Markets LLC Morgan Stanley & Co. LLC Stifel
Underwriter's Counsel	<ul style="list-style-type: none"> Kutak Rock, LLP
Auditor	<ul style="list-style-type: none"> Baker Tilly Virchow Krause, LLP



Financial Services Audit Committee Communication

Date: June 26, 2026

To: Nicolette Bateson, CFO & Treasurer

From: Joshua Steinhebel, Professional Administrative Analyst

Re: City of Detroit Bond Rating Upgrade

Background & Analysis: In May 2026, the City of Detroit received positive upgrades in credit ratings from both Moody's and S&P. The city has experienced a climb in credit ratings dating back from the 2013 bankruptcy. Ratings released to the city this year recognize the city's improving financial resiliency.

The City of Detroit has received positive credit ratings from both Moody's and S&P for the twelfth consecutive year. This most recent upgrade has returned the city to the "A" category, its first since 1999. Credit ratings from Moody's have been upgraded from Baa1 to A3 and ratings from S&P rose from BBB to BBB+.

Moody's and S&P believe the city will sustain these credit ratings due to the following.

- Strong governance practice with revenue estimating and financial forecasting.
- Strong fiscal discipline and oversight of the city budget.
- The city's ability to cut costs.
- The city's low leverage and strong reserves.

These City of Detroit credit ratings changes have an indirect, positive impact on the GLWA credit profile. This is because credit rating agencies consider the ratings of broader region when reviewing the GLWA credit.

Proposed Action: Receive and file this report.



Search



Where am I: [Home](#) > [News](#)

> Why Detroit's Credit Rating Upgrade Matters To Residents

Why Detroit's credit rating upgrade matters to residents

Jun
01

Mayor's Office

2026



When the City of Detroit receives a credit rating upgrade, it doesn't just make headlines in financial circles. It has real impacts on the services, investments, and quality of life Detroiters experience every day.

---> Detroit receives rating upgrades from S&P and Moody's agencies in one week

Here's what it means in plain language.

The city is in a stronger financial position

Think of a credit rating like a financial report card.

When independent agencies like Moody's and S&P raise Detroit's rating, they're saying the city is managing its finances responsibly, planning for the future, and is in a better position to weather economic challenges.

For residents, that's important because a financially stable city is better equipped to continue delivering services and making investments over the long term.

Borrowing costs can be lower

Cities often borrow money to pay for major infrastructure projects that benefit residents for decades.

A stronger credit rating can mean lower interest rates when the city borrows, reducing the cost of those projects.

That means more taxpayer dollars can go toward improvements in neighborhoods instead of interest payments.

It helps support investments in neighborhoods

The upgrade comes as Detroit continues investing in services and programs residents use every day, including sidewalk repairs, neighborhood lighting, affordable housing, public safety, workforce development, and youth programs.

The rating agencies specifically pointed to Detroit's strong financial management and long-term planning as reasons for the upgrade.

It signals confidence in Detroit's future

Credit rating agencies look at more than budgets. They examine factors such as economic growth, property values, population trends, governance, and financial reserves.

Their decision to upgrade Detroit's rating reflects confidence in the city's direction and its ability to continue growing.

That matters because strong financial confidence can help attract investment, development, businesses, and jobs.

It shows Detroit's recovery is continuing

Just over a decade ago, Detroit was in bankruptcy and had a junk bond rating. Today, the city has earned rating upgrades for 12 consecutive years and has returned to the "A" category with Moody's for the first time since 1999.

While residents may not feel a credit rating directly, it is one of the clearest signs that Detroit's financial foundation continues to strengthen.

The bottom line

A credit rating upgrade is more than a financial milestone. It means Detroit is managing its finances responsibly while continuing to invest in residents, neighborhoods, and the city's future. Strong finances help create the stability needed to improve services today while building a stronger Detroit for years to come.



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

Tips for Creating Complete and Responsive Submissions to Open GLWA Opportunities

To ensure that you have created a complete and responsive submission to an open GLWA opportunity, please do the following.

1. Carefully read and follow the instructions outlined in the Solicitation Cover – Instructions to Vendors document posted with each advertisement in GLWA’s Euna Procurement Portal.
2. Review all Supporting Documentation and Requested Information on the Euna project page. These sections provide details on what the project entails and the documents that vendors must complete. Submissions that do not include all the required forms will be deemed nonresponsive.
3. Ensure that you give yourself enough time to obtain all required third-party forms (e.g., proof of insurance and bonding).
4. Attend the project’s Pre-Bid or Pre-Proposal Meeting (if applicable) to learn more about the project and to have your questions answered by the GLWA Project Manager.
5. Submit written questions on the Euna project page by the Questions Due Date if you need additional clarification on project requirements. All questions submitted by vendors will be answered in a posted addendum on the Euna project page.
6. Adhere to all deadlines and due dates. Late submissions will not be accepted.
7. Ensure that all required signatures have been completed by the appropriate, authorized individuals at your company.

Additional questions about any open GLWA opportunities must be directed to the GLWA Buyer of Record for the project. Any other questions about navigating GLWA’s procurement process may be directed to GLWAVendorOutreach@glwater.org.

Reminder: AI Notetaking Technology Prohibited by GLWA

GLWA maintains a strict policy prohibiting the use of AI notetakers during meetings. This policy ensures the confidentiality and integrity of discussions and protects sensitive GLWA information. GLWA vendors are asked to follow this policy whenever they meet with GLWA. We appreciate your understanding and cooperation.

Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a virtual vendor introduction meeting. Topics include tips for submitting competitive bids or proposals responses for GLWA solicitations.

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 May 2026 Monthly Report, please [click here](#).

What’s Coming Down the Pipe?

Current Solicitations: Register in GLWA’s [Euna 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 or contact us via email at procurement@glwater.org.

Upcoming Solicitations June 2026

Category	CIP #	Description/Project Title	Budget
Water System (next four to nine months)			
Construction	111012	Lake Huron Water Treatment Plant Flocculation	\$60,000,000
Wastewater Systems (next four to nine months)			
Construction	260803	WRRF Roof Improvements - Phase II	\$3,000,000
Construction	232002	Conner Creek Sanitary Pump Station	\$167,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$9,800,000
Construction	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	\$30,000,000
Enterprise (next three months)			
Information Technology	O&M	Contact Management System Request for Information	\$250,000
Information Technology	O&M	Shift Logs and Operational Rounds Solution	\$600,000
Information Technology	O&M	Accounts Payable Automation Solution	\$350,000
Information Technology	O&M	Computer-Aided Dispatch Solution	\$400,000
Water System (next three months)			
Professional Services	116101	Design/Inspection of Raw Water Tunnels	\$4,242,000
Construction	122020	Concord Nevada Flow Control Valves	\$7,000,000
Wastewater (next three months)			
Professional Services	O&M	Engineering Project Management and Inspection Staff Augmentation RFI (Request for Information)	\$3,000,000
Design	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	\$8,000,000
Design	213008	WRRF Rehabilitation of Ash Handling Systems	\$1,600,000
Design	270002	Meldrum Sewer Diversion and VR-15 Improvements	\$2,000,000
Construction	260210	Rehabilitation of GLWA Sewers: Ashland Relief, Linwood, Second, and Shiawassee (AL2S)	\$14,000,000
Projects moved to Procurement Team (Preparing for solicitation on Euna Procurement)			
Professional Services	O&M	Staffing Services	\$500,000
Construction	132016	North Service Center Pumping Station Improvements	\$108,322,551
Professional Services	O&M	Boiler Operation and Maintenance	\$800,000
Professional Services	O&M	Third Party Facilitation – Member Outreach Program	\$2,000,000
Professional Services	O&M	Mechanical, Plumbing and HVAC Repair Services	\$170,000
Professional Services	O&M	Architectural, Engineering and Design Services	\$300,000
Professional Services/ Construction	O&M	Personnel, Equipment Doors and Frames Corrective Maintenance Replacement Services	\$510,000

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

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