GLWA
Great Lakes Water Authority

Audit Committee Meeting
Friday, August 28, 2026 at 8:00 a.m.
www.glwater.org

Join Zoom Meeting
Meeting ID: **827 6456 4496** Passcode: **208522**
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. July 24, 2026 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
    A.
7. NEW BUSINESS
    A. *Discussion*: FY 2028 Charges Rollout Schedule (Page 5)
    B. *Discussion*: Government Finance Officers Association (Page 7) (GFOA) Certificate of Achievement for Excellence in Financial Reporting (COA)
    C. *Discussion*: Government Finance Officers Association (Page 9) (GFOA) Distinguished Budget Presentation Award
    D. *Discussion*: 2026 Achievement of Excellence in Procurement Award (Page 12)
8. REPORTS
    A. CFO Report (Page 28)
    B. Monthly Financial Report for May 2026 (Page 30)
    C. Grants, Gifts, and Other Resources Report Through July 31, 2026 (Page 31)
    D. Water Funding Task Force Update as of August 14, 2026 (Page 42)
    E. Quarterly Economic Outlook Task Force Update (Page 43)
    F. 2026 Vendor Performance Assessment Annual Report (Page 53)
9. COMMUNICATIONS
    A. The Procurement Pipeline August 2026 (Page 62)
10. LOOK AHEAD
    A. Next Audit Committee Meeting: September 25, 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, July 24, 2026	8:00 AM	Zoom Telephonic Meeting

Join Zoom Meeting:
https://glwater.zoom.us/j/88050875062?pwd=cNDFCxufxelShTGoYhyagq52BRzW0Z.1

Join by Telephone
US Toll-Free:
877 853 5247; or 888 788 0099
Meeting ID: 880 5087 5062 Passcode: 173900

1. Call To Order

Acting Chairperson Brown called the meeting to order at 8:01 a.m.

2. Quorum Call

Present: 2 - Director Gary Brown, and Director Jaye Quadrozzi

Excused: 1 - Chairperson Brian Baker

3. Approval of Agenda

Acting Chairperson Brown requested a Motion to Approve the Agenda.

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

4. Approval of Minutes

A. 2026-291 Minutes of June 26, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 4A Minutes - June 26, 2026 Audit Committee Meeting.pdf

Acting Chairperson Brown requested a Motion to Approve the June 26, 2026 Audit Committee Meeting Minutes.

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

5. Public Comment

There were no public comments.

6. Old Business

None

7. New Business

A. 2026-292 FY 2026 Annual Financial Audit Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 7A1 FY 2026 Annual Financial Audit Update Memo.pdf
7A2 FY 2025 - FY 2027 Baker Tilly Engagement Letter.pdf
7A3 FY 2026 Annual Financial Audit BT Timeline.pdf

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

8. Reports

A. 2026-293 CFO Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8A1 CFO Report July 2026.pdf

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

B. 2026-294 Monthly Financial Report for April 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8B April 2026 Monthly Financial Report.pdf

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

C. 2026-295 Grants, Gifts, and Other Resources Report Through June 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. 2026-296 Water Funding Task Force Update as of July 17, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8D Water Funding Task Force Update.pdf

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

9. Communications

A. 2026-297 The Procurement Pipeline July 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 9A The July 2026 Procurement Pipeline.pdf

No Action Taken

10. Look Ahead

A. Next Audit Committee Meeting: August 28, 2026 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Acting Chairperson Brown requested a Motion to Adjourn.

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

There being no further business, the meeting was adjourned at 8:25 a.m.

GLWA Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Matthew S. Lane, MPA, Manager - Charges Outreach & Modeling

Re: FY 2028 Charges Rollout Schedule

Background & Analysis: The proposed FY 2028 and FY 2029 Financial Planning Calendar provides a road map for the budgeting and charge-setting processes. There are some new items this year highlighted in yellow.

Noteworthy Items:

- **Charges Rollout #1 (Units of Service)** – Thursday, November 12, 2026
- **Member Partner One-On-Ones (Units of Service)**
  - Tuesday, November 17, 2026
  - Wednesday, November 18, 2026
  - Thursday, November 19, 2026
- **Charges Rollout #2 (CIP Version 1.0)** –Wednesday, December 9, 2026
- **Charges Rollout #3 (Proposed FY 2028 Charges)** – Thursday, January 14, 2027
  - Revenue Requirement Budget and Review of Preliminary – Tuesday, January 19, 2027
  - Wednesday, January 20,2027
  - Thursday, January 21, 2027
  - Friday, January 22, 2027
- **Regular GLWA Board of Directors Meeting** – Wednesday, January 27, 2027
  - Presentation of Proposed FY 2028 and FY 2029 Biennial Budget
  - Presentation of Five-Year Financial Plan
  - Presentation of Proposed FY 2028 Charges
- **GLWA Audit Committee Meeting** – Friday, January 29, 2027
  - Public Hearing for FY 2027 & FY 2028 Biennial Budget
  - Public Hearing for FY 2027 Schedule of Revenues and Charges
  - Pending public comment, proposed approval of biennial budget and annual charges
- **Charges Rollout #4 (FY 2028 Charges & Financial Plan –** Thursday, February 4, 2027
  - Feedback on Proposed Service Charges and Review of Proposed FY 2028 Revenue Requirements Budget & 10 Year Financial Plan

- **GLWA Board Meeting** –Wednesday, February 24, 2027
    - Public Hearing FY 2028 & FY 2029 Biennial Budget and Possible Adoption of FY 2028 & FY 2029 Biennial Budget
    - Public Hearing FY 2028 Schedule of Revenues and Charges (and Possible Adoption of FY 2028 Schedule of Revenues and Charges

Communications and invitations to Member Partners announcing these dates will be sent in early September 2026.

Proposed Action: Receive and file this report.

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (COA)

Highlights: For the seventh consecutive year, GLWA has been awarded the Certificate of Achievement by the Government Finance Officers Association (GFOA) of the United States and Canada. This recognition reflects GLWA's ongoing commitment to high-quality reporting and transparency. The GFOA first established the COA in 1945 to encourage and assist state and local governments to exceed more than the minimum reporting requirements and provide greater transparency allowing the reader to better assess the financial condition of the recipient.

To receive the award, GLWA's Annual Comprehensive Financial Report (ACFR) and application were required to meet the following requirements:

- The submission must be the published (ACFR) report of stand-alone enterprise funds
- The ACFR must include government-wide data and all fund level data in accordance with Governmental Accounting Standards Board (GASB) requirements
- The financial section must include the report of an independent auditor on the fair presentation of the financial statements

Background: This recognition reflects the continued dedication of the Financial Services Group and many contributors throughout GLWA along with the governance and oversight from management. Receiving the COA award is the highest form of recognition in governmental accounting and financial reporting. We are just as proud of winning this award for the FY 2025 ACFR as we were when first recognized for the FY 2019 ACFR.

All areas, groups, and teams throughout GLWA contribute to the integrity of the underlying information in our annual financial report. Achieving the ACFR award by GFOA is led by Jill Kosters, Steve Hoover, Scott Juryn, and the entire Financial Reporting & Accounting team. Also, thank you to Financial Services Area cross functional team members for significant contributions to the report including Cindy Cezat, Abigail Glenn, Kim Garland, Nick Fedewa, Robert Arbaugh and their teams.

The *GLWA FY 2025 ACFR* is available under GLWA Audit Reports on the GLWA website https://www.glwater.org/financials/.

Proposed Action: Receive and file this report.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Great Lakes Water Authority
Michigan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 163 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award

Highlights: For the eighth consecutive year, GLWA has been awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) of the United States and Canada. This award represents a significant achievement by GLWA, reflecting the commitment of the governing body and staff to meeting the highest principles of government budgeting.

Background: To receive the budget award, the budget document must meet program criteria and excel as:

- A policy document
- A financial plan
- An operations guide, and
- A communications device.

There are 25 criteria categories, fifteen which are mandatory that must be rated "proficient", to receive the award.

In addition to receiving the award, GLWA's budget document received special recognition for Strategic Goals & Strategies. Special recognition is given when all reviewers of the document give the highest possible score in particular categories.

There are over 1,900 participants in the Budget Awards Program. The most recent Budget Award Recipients, along with their corresponding budget documents, are updated quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Many groups, areas and teams throughout GLWA contribute to the development of the budget document. The entire Financial Planning and Analysis team is responsible for all of the operations and maintenance sections of the budget, with leadership from Robert Arbaugh and final review by Cindy Cezat. Special thanks to CFO Executive Assistant Phyllis Walsh who creates the graphics and combines all of the files together to produce the final budget document. The GLWA FY 2027 and FY 2028 Biennial Budget & Five-Year Financial Plan FY 2027 through FY

2031 can be found on the GLWA website GLWA-FY-2027-2031-Biennial-Budget-Financial-Plan-Final.pdf .

Proposed Action: Receive and file this report.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Great Lakes Water Authority
Michigan

For the Fiscal Year Beginning

July 01, 2026

Christopher P. Morrill

Executive Director

Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Sonya Collins, CPPB, Procurement Director

Re: 2026 Achievement of Excellence in Procurement Award

Background & Analysis: GLWA has earned the 2026 Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI). This is the second consecutive year that the Procurement team has received this distinction. The attached presentation provides an overview of the AEP Award and the criteria that GLWA was required to meet.

Proposed Action: Receive and file this report.

Great Lakes Water Authority

2026 Achievement of Excellence in Procurement (AEP) Award

Audit Committee
August 28, 2026

2026 Achievement of Excellence in Procurement (AEP) Award

The AEP Award

- Established in 1995 by the National Procurement Institute (NPI)
- Recognized as one of the premier awards in the public procurement profession
- Award criteria measures innovation, professionalism, productivity, and leadership

How GLWA Scored

- 200 points possible
- 100 points must be achieved to earn the AEP award
- GLWA earned a final score of 135
- Submittal provided 350+ pages of documentation

2026 Award Winners

- 251 successful applicants
- GLWA is one of three other Michigan agencies to receive this award

Achievement of Excellence in Procurement (AEP) Award

- Established in 1995 by the National Procurement Institute (NPI)
- Recognized as one of the premier awards in the public procurement profession
- Designed to recognize organizational excellence – earned by obtaining a high score based on criteria that measures innovation, professionalism, productivity, e-procurement, and leadership of the procurement organization

2026 AEP Award Winners

- 251 successful applicants (including GLWA) throughout United States and Canada
    - **93** cities, **54** counties, **30** special districts, **31** school districts, **17** higher education agencies, **6** state or provincial agencies, and **20** others
- GLWA is one of three other Michigan agencies to receive this award

AEP Award Criteria

Procurement Policy

GLWA demonstrated a policy adopted by the Chief Procurement Officer. This policy:

- Extensively covers ethics in procurement; and
- Is posted publicly online.

Procurement Manual

GLWA demonstrated that we have a comprehensive procurement procedures manual which includes the following:

- Documented procurement activities undertaken by the GLWA;
- A procedures manual review and update in the last five years; and
- A procedures manual that is easily accessible to team members.

Dedication to Continuous Improvement

GLWA demonstrated dedication to continuous improvement, which included the following:

- Conducting formal surveys of procurement performance completed by our GLWA Team Members and our Vendor/Contractors;
- Offering formal and comprehensive procurement trainings to our Vendor/Contractors.
- Tracking detailed performance metrics related to the procurement function for the recently completed fiscal year and prior year for comparison.

Procurement Organizational Structure

- GLWA demonstrated that the Procurement Director is equal in authority, independence, and resources to other directorial positions within Financial Services.
- This ensures sufficient authority, independence, and resources to foster the goals and objectives of the procurement function.

Utilization of E-Procurement Automated Technology

GLWA demonstrated utilization of an electronic sourcing software that:

- Maintains online vendor registration;
- Provides automatic notification of solicitations to vendors;
- Enables the online evaluation of vendor submissions; and
- Provides digital scorecards that rank submissions.

EUNA Procurement

Procurement Card System

GLWA demonstrated a comprehensive procurement card (p-card) program that includes the following:

- Documented procedures that provide proper financial controls; and
- Evidence of Procurement’s monthly audit performed independently of the P-card program administration.

Professional Certifications, Education, and Leadership

GLWA was required to demonstrate that 75% of our Procurement Team Members hold a bachelor's degree or higher from an accredited university or college.

- **Just over 75% of GLWA's Procurement Team holds a bachelor's degree or higher from an accredited university or college.**

GLWA was required to demonstrate that our Procurement Director holds a current professional certification as well as a bachelor's degree or higher from an accredited university or college.

- **Sonya Collins, Procurement Director, is a Certified Public Purchasing Buyer (CPPB) and a holds a bachelor's degree from Michigan State University.**

GLWA was required to demonstrate that a Procurement Team Member holds a current leadership position in a Procurement Professional Association.

- **Tina Clinkscales, Team Lead, serves as a Board Member of the Michigan Public Purchasing Officers Association (MPPOA).**

Cooperative Procurement Strategy

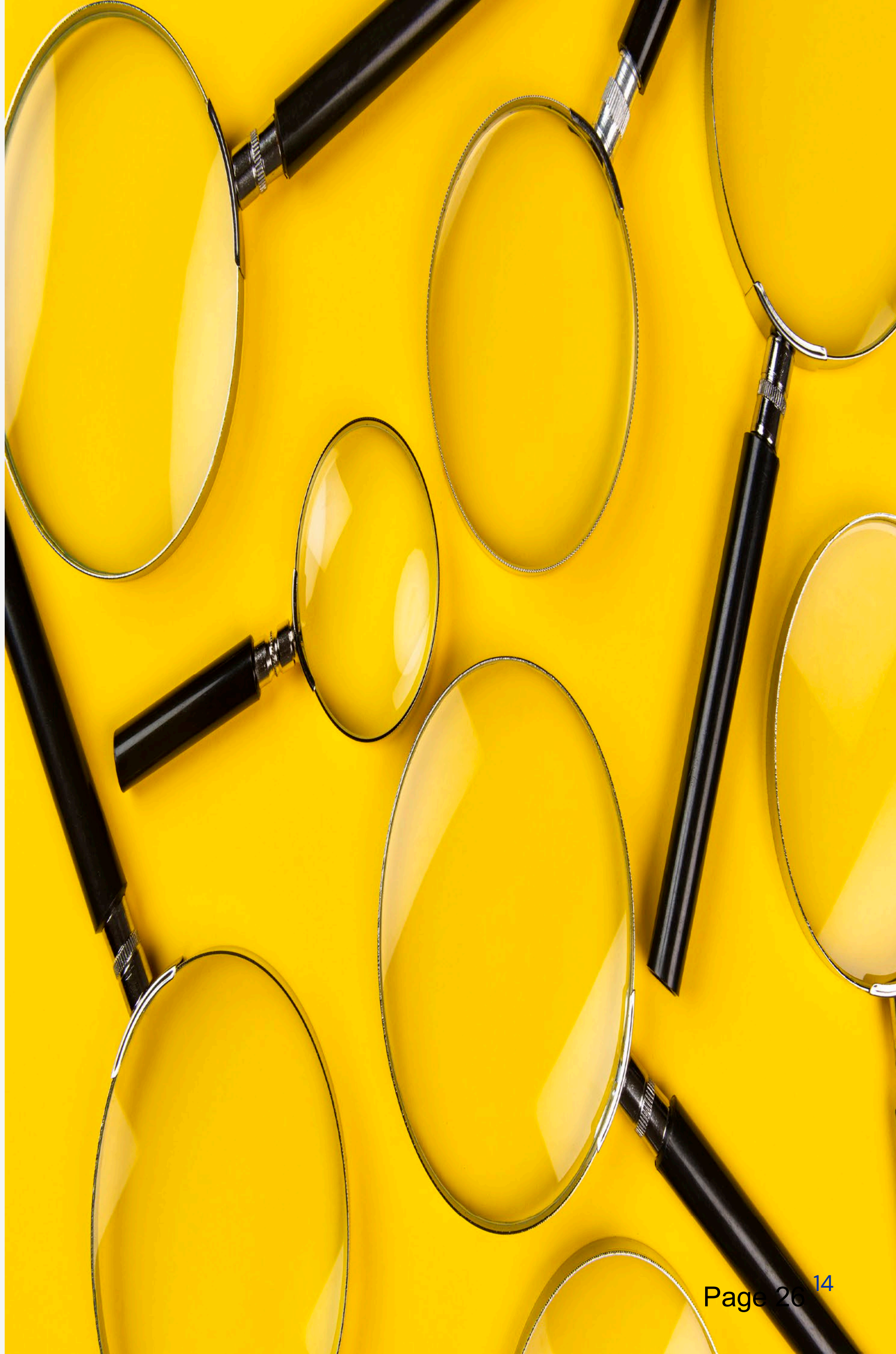
GLWA demonstrated implementation of a cooperative procurement strategy that included the following:

- A formal checklist used to evaluate cooperatives programs;
- Annual tracking of the percentage of total spend utilizing cooperatives; and
- Year by year comparison of GLWA's cooperative spend.

Continued Pursuit of Excellence

Over and above the AEP criterion, GLWA demonstrated a performance improvement that solved a problem and improved the efficiency of our agency. For this criterion GLWA featured:

- Our development of self-serve procurement reporting through Workday that provides access to real-time procurement data whenever required.
- Replaced the manual creation of procurement reports, saving time and enabling team members to better evaluate their sourcing needs.



Questions?

GLWA
Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Report

GLWA at GFOA

Pictured Left to Right: Back - Daysha Monroe, Sonya Collins, Nick Fedewa. Front – Michelle Burt and Kim Garland

Members of the Procurement and CFO Services team recently attended the Government Finance Officers Association (GFOA) annual conference. The GFOA represents over 35,000 members United States and Canada, and other international communities. This three-day conference featured over 70 sessions highlighting best practices and emerging developments in public finance, procurement, financial reporting budgeting, and cybersecurity.

Attendees also had opportunities to meet directly with vendor partners, who provided valuable insight into product enhancements, upcoming capabilities, and best practices to help maximize existing tools. These discussions helped identify practical ways to improve efficiency, strengthen compliance, and enhance service delivery.

Deputy Chief Financial Officer Kim Garland, who serves on the GFOA's Debt Committee, joined colleagues from multiple practice areas to present on Bond Sale Post-Issuance Compliance, adding valuable perspective to the conference program.

Contract Reopener & Sewer SHARES Update

The Charges Outreach & Modeling (CO&M) team continues to engage in Member Partner water contract reopeners, with approximately 80 of 86 meetings now completed, as of August 24, 2026. The results of this year's reopener process will inform the development of the FY 2028 Charges, for which planning is already underway. In addition to updating water max-day and peak-hour demands, sewer SHAREs will be refreshed using the FY 2026 wastewater flow balance. Additional information regarding the Charges Rollout will be provided in the coming weeks.

CO&M also welcomes Management Professional Zac Truman to the team. Zac brings strong financial modeling and analytical expertise, supported by a bachelor's degree in finance and a Master of Business Administration from Wayne State University.

Monthly Financial Report Binder

May 2026

Presented to the
Great Lakes Water Authority
Audit Committee on August 28, 2026

TABLE OF CONTENTS

Financial Report
Executive Summary Dashboard
for the Month Ended May 31, 2026

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)

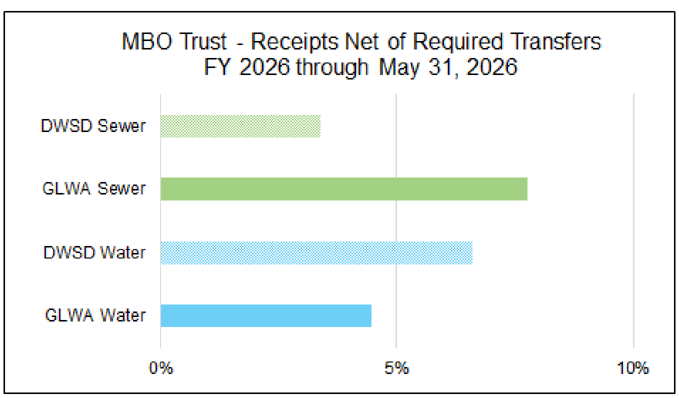
Variances are monitored by the Great Lakes Water Authority (GLWA) management. Operating and/or budget priorities are re-evaluated where appropriate. This report includes first quarter budget amendments presented to the GLWA Board of Directors on January 28, 2026, third quarter amendments on April 22,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

Water system variances for capital spend relate to delays in four projects as reported in a 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 May 31, 2026					
Metric	FY 2026 Budget	FY 2026 Amended Budget	FY 2026 Actual	Variance from Budget	Report Page Reference
Wholesale Water Revenue ($M)	$335.2	$335.2	$336.7	0%	5
Wholesale Water Billed Usage (mcf)	11,749,000	11,749,000	12,017,000	2%	51
Wholesale Sewer Revenue ($M)	$275.3	$275.3	$275.1	0%	6
Wholesale Water Investment Earnings ($M)	$11.7	$14.7	$14.5	-1%	5
Wholesale Sewer Investment Earnings ($M)	$13.4	$18.5	$18.1	-2%	6
Wholesale Water Operations & Maintenance ($M)	$167.3	$170.3	$172.7	1%	5
Wholesale Sewer Operations & Maintenance ($M)	$216.4	$218.7	$218.2	0%	6
Water Prorated Capital Spend w/SRA* ($M)	$167.8	$147.7	$122.0	-17%	31
Sewer Prorated Capital Spend w/SRA* ($M)	$159	$159	$187.0	17%	32

*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 $10.0 million of net receipts over disbursements through May 2026.

Budget to Actual Analysis (page 4)

- The total revenue requirements are on target through May 2026.
- The total overall Operations & Maintenance expenses are 90.7% of budget through May 2026 which is slightly below the pro-rata benchmark of 91.7% 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 May 2026 is $109.9 million for the Water fund (29.7% of total revenues) and $138.5 million for the Sewage Disposal fund (28.5% of total revenues).
- Water net position increased by $50.8 million, and sewage disposal net position increased by $98.2 million for the year to date through May 2026.

Capital Improvement Plan Financial Summary (page 30)

- 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 33)

- For May 2026, transfers of $16.0 million and $20.7 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for May 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 40)

- Total cash & investments are $713.0 million for Water and $721.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2026 investment income through May 2026 is $46.2 million.

DWSD Retail Revenues, Receivables & Collections (page 44)

- Water usage through May 31, 2026, is 102.76% and revenues are 102.11% of budget.
- Sewer usage through May 31, 2026, is 99.20% and revenues are 97.88% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of $43.6 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 100.7% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 50)

- GLWA accounts receivable past due balance net of Dearborn and Highland Park is 2.54% of the total accounts receivable balance. The Dearborn balance under the terms of the new water contract and escrowed funds were transferred to GLWA as of June 30, 2026.
- Discussions between GLWA and Highland Park regarding the sewer balance are underway. The past due amount is escrowed in accordance with contract terms pending resolution of the underlying dispute.
- Average wholesale water collections of $30.1 million for the period of July 2025 through May 2026 are trending $1.8 million above the prior year.
- Average wholesale sewer collections of $24.5 million for the period of July 2025 through May 2026 are trending $1.8 million above the prior year.

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

Revenue Requirements Budget

Great Lakes Water Authority

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 May 2026 therefore the pro-rata benchmark is 91.7% (11 of 12 months of the fiscal year). The budget includes the first quarter, third quarter, and fourth 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 May 31, 2026, these credits total $5.0 million for FY 2026.

Table 1A – ***Water System*** *Revenue Requirements Budget* ($000)

	FY 2025			FY 2026			
Water System	**Amended Budget**	**Activity Thru 5/31/2025**	**Percent of Amended Budget**	**Board Adopted Budget**	**Amended Budget**	**Activity Thru 5/31/2026**	**Percent of Amended Budget**
Revenues							
Wholesale Charges	$ 347,758	$ 313,862	90.3%	$ 365,646	$ 365,646	$ 336,738	92.1%
Charges to Local System	27,095	24,837	91.7%	30,029	30,029	27,526	91.7%
Investment Earnings	15,818	15,009	94.9%	12,784	16,057	14,504	90.3%
Other Revenue	400	384	96.1%	303	630	645	102.4%
Total Revenues	$ 391,071	354,092	90.5%	$ 408,761	412,362	379,413	92.0%
Revenue Requirements							
Operations & Maintenance Expense	$ 182,227	$ 157,660	86.5%	$ 182,456	$ 192,768	$ 172,734	89.6%
Debt Service	161,945	147,914	91.3%	179,082	177,732	161,381	90.8%
General Retirement System Pension	1,653	1,653	100.0%	2,731	2,731	2,503	91.7%
Water Residential Assistance Program Contribution	1,877	1,720	91.7%	1,970	1,970	1,806	91.7%
Extraordinary Repair & Replacement Deposit	2,650	-	0.0%	320	-	-	0.0%
Regional System Lease	22,500	20,625	91.7%	22,500	22,500	20,625	91.7%
Working Capital Requirement	4,956	-	0.0%	600	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,263	12,158	91.7%	19,102	14,661	13,439	91.7%
Total Revenue Requirements	$ 391,071	341,730	87.4%	$ 408,761	412,362	372,488	90.3%
Net Difference		$ 12,362				$ 6,925	
Recap of Net Difference							
Revenue Variance		$ (4,390)				$ 1,415	
Revenue Requirement Variance		16,752				5,510	
Net Difference		$ 12,362				$ 6,925	

Table 1B – Sewer System Revenue Requirements Budget ($000)

Sewer System	FY 2025 Amended Budget	FY 2025 Activity Thru 5/31/2025	FY 2025 Percent of Amended Budget	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 5/31/2026	FY 2026 Percent of Amended Budget
Revenues							
Wholesale Charges	$ 287,387	$ 263,756	91.8%	$ 300,317	$ 300,317	$ 275,069	91.6%
Charges to Local System	205,925	188,764	91.7%	215,324	215,324	197,381	91.7%
Industrial Waste Control Charges	8,719	8,101	92.9%	9,150	9,150	8,497	92.9%
Pollutant Surcharges	5,434	3,845	70.7%	5,113	5,113	4,341	84.9%
Investment Earnings	20,605	19,795	96.1%	14,615	20,135	18,114	90.0%
Other Revenue	700	465	66.4%	443	443	410	92.6%
Total Revenues	$ 528,770	484,726	91.7%	$ 544,962	550,482	503,812	91.5%
Revenue Requirements							
Operations & Maintenance Expense	$ 235,192	$ 209,494	89.1%	$ 236,099	$ 238,430	$ 218,151	91.5%
Debt Service	217,449	197,748	90.9%	220,885	216,027	197,135	91.3%
General Retirement System Pension	3,719	3,719	100.0%	5,633	5,633	5,163	91.7%
Water Residential Assistance Program Contribution	2,542	2,330	91.7%	2,639	2,639	2,419	91.7%
Extraordinary Repair & Replacement Deposit	276	-	0.0%	-	-	-	0.0%
Regional System Lease	27,500	25,208	91.7%	27,500	27,500	25,208	91.7%
Working Capital Requirement	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	42,094	38,586	91.7%	52,208	60,254	55,232	91.7%
Total Revenue Requirements	$ 528,770	477,085	90.2%	$ 544,962	550,482	503,309	91.4%
Net Difference		$ 7,641				$ 503	
Recap of Net Difference							
Revenue Variance		$ 19				$ (797)	
Revenue Requirement Variance		7,621				1,300	
Net Difference		$ 7,641				$ 503	

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

Revenues

1. ***Total Revenues***: For the *water* system, total revenues for FY 2026 are above the pro-rata benchmark; the *water* system is 92.0%. For the *sewer* system, total revenues for FY 2026 are slightly below the pro-rata benchmark at 91.5%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

2. ***Investment Earnings:*** For the *water* system, investment earnings are below the pro-rata benchmark for FY 2026 at 90.3%. The *sewer* system is also below the pro-rata benchmark for FY 2026 at 90.0%. 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.

3. ***Other Revenues:*** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems' actual amount will vary from budget due to the nature of the items recorded in this category.

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 below the pro-rata benchmark for FY 2026 at 89.6%, and the *sewer* system O&M is below the pro-rata benchmark for FY 2026 at 91.5%.
5. ***Debt Service:*** For FY 2026, the *water* system is below the pro-rata benchmark at 90.8% and *sewer* system is below the pro-rata benchmark at 91.3%. 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 below the pro-rata benchmark at 90.3%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 91.4%.

Operations & Maintenance Budget – Major Budget Categories

The benchmark ratio as of May 31, 2026, is 91.7% (eleven months), with the total O&M budget under the benchmark at 90.7%. 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 eleven 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)

	FY 2025			FY 2026			
Service Area	Amended Budget	Activity Thru 5/31/2025	Percent of Amended Budget	Board Adopted Budget	Amended Budget	Activity Thru 5/31/2026	Percent of Amended Budget
A Water System Operations	$ 94,398	$ 85,647	90.7%	$ 101,501	$ 108,691	$ 96,388	88.7%
B Wastewater System Operations	145,040	135,816	93.6%	156,573	156,573	144,332	92.2%
C Centralized Services	135,244	110,369	81.6%	117,388	120,262	108,832	90.5%
D Administrative & Other Services	42,737	36,775	86.0%	43,094	45,673	41,333	90.5%
Employee Benefits	-	(1,453)	-100.0%	-	-	-	0.0%
Total O&M Budget	$ 417,419	$ 367,154	88.0%	$ 418,555	$ 431,198	$ 390,885	90.7%

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 Amended Budget	FY 2025 Actual Thru 6/30/2025	FY 2025 Activity Thru 5/31/2025	FY 2025 Percent of Amended Budget	FY 2025 Percent of Actual 6/30/2025	FY 2026 Amended Budget	FY 2026 Prorated Amended Budget (11 Months)	FY 2026 Activity Thru 5/31/2026	FY 2026 Percent of Amended Budget	FY 2026 Variance (Over) Under Prorated Amended Budget
	A	B	C	= C / A	= C / B	D	E	F	= F / D	= E - F
Personnel Costs										
Salaries & Wages	$ 85,807	$ 84,979	$ 78,138	91.1%	91.9%	$ 94,195	$ 86,346	$ 86,537	91.9%	$ (191)
Workforce Development	2,363	2,811	2,601	110.1%	92.5%	2,142	1,964	1,940	90.5%	24
Overtime	9,605	10,125	9,161	95.4%	90.5%	10,432	9,563	9,646	92.5%	(83)
Employee Benefits	32,244	30,773	29,382	91.1%	95.5%	36,781	33,716	33,751	91.8%	(35)
Transition Services	8,516	8,195	7,563	88.8%	92.3%	8,263	7,574	7,711	93.3%	(137)
Employee Benefits Fund	-	-	(1,453)	-100.0%	-100.0%	-	-	0	100.0%	()
Total Personnel Costs	*138,535*	*136,883*	*125,392*	90.5%	91.6%	*151,814*	*139,162*	*139,585*	91.9%	*(422)*
Utilities										
Electric	48,121	46,578	42,962	89.3%	92.2%	49,096	45,005	42,529	86.6%	2,476
Gas	7,000	7,661	7,120	101.7%	92.9%	8,443	7,739	9,077	107.5%	(1,338)
Sewage Service	2,980	2,400	2,200	73.8%	91.7%	2,455	2,251	2,389	97.3%	(138)
Water Service	11,602	10,420	9,464	81.6%	90.8%	12,561	11,514	10,918	86.9%	596
Total Utilities	*69,703*	*67,059*	*61,747*	88.6%	92.1%	*72,555*	*66,508*	*64,912*	89.5%	*1,596*
Chemicals	38,235	34,385	30,601	80.0%	89.0%	33,636	30,833	28,161	83.7%	2,672
Supplies & Other	45,294	45,727	38,151	84.2%	83.4%	46,297	42,439	43,649	94.3%	(1,210)
Contractual Services	134,053	128,153	117,852	87.9%	92.0%	132,149	121,136	120,040	90.8%	1,096
Capital Program Allocation	(4,582)	(2,901)	(2,648)	57.8%	91.3%	(3,431)	(3,145)	(3,097)	90.3%	(47)
Shared Services	(2,280)	(2,583)	(2,396)	105.1%	92.8%	(2,264)	(2,075)	(2,366)	104.5%	291
Intergovernmental Agreement	(1,540)	(1,565)	(1,543)	100.2%	98.6%	-	-	-	0.0%	-
Unallocated Reserve	-	-	-	0.0%	0.0%	443	406	-	0.0%	406
Total Expenses	$ 417,419	$ 405,160	$ 367,154	88.0%	90.6%	$ 431,198	$ 395,265	$ 390,884	90.7%	$ 4,381

Totals may be off due to rounding

Total Expenses: In total, the overall O&M expenses are 90.7%, which is below the pro-rata benchmark of 91.7%. The Table 3 expense category commentary is provided below.

Personnel Costs: The year-to-date total personnel costs through May 2026 are at 91.9%, which is slightly above the pro-rata benchmark of 91.7%. 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. The fourth quarter budget amendment included an adjustment for salary and wages due to promotions, progressions, market adjustments and filling of vacant positions sooner than the original budget projected.

Utilities: The overall category is below the pro-rata benchmark; coming in at 89.5% through May 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 86.6%. When compared to the prior fiscal year the year-to-date value represents an approximate $0.4 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 107.5% of the amended budget. GLWA works with the State of Michigan to secure favorable rates of natural gas for the majority of the anticipated annual usage. The balance 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, 23.4% as of May 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 97.3%. 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.
- **Water service** is lower than the benchmark, coming in at 86.9%. 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 83.7%. 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 above the pro-rata benchmark; coming in at 94.3%. The 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 below the pro-rata benchmark; coming in at 90.8%. 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 90.3%. 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 104.5%. 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 May 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)

Great Lakes Water Authority

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 May 31, 2026
($000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Assets				
Cash - unrestricted (a)	$ 177,906	$ 244,349	$ 422,255	$ 435,531
Cash - restricted (a)	141,010	161,197	302,207	631,066
Investments - unrestricted (a)	157,112	183,173	340,285	219,969
Investments - restricted (a)	214,326	157,923	372,249	259,388
Accounts Receivable	80,348	58,455	138,802	163,009
Due from (to) Other Funds (b)	3,725	(3,725)	-	-
Other Assets (c)	609,393	362,902	972,295	977,212
Capital Assets, net of Depreciation	1,151,138	1,724,656	2,875,794	3,048,416
Land	293,754	127,318	421,072	420,440
Construction Work in Process (e)	654,819	666,983	1,321,802	1,039,383
Total assets	3,483,530	3,683,230	7,166,760	7,194,414
Deferred Outflows (f)	22,826	44,614	67,440	71,631
Liabilities				
Liabilities - Liabilities-ST	257,772	289,270	547,042	538,933
Other Liabilities (h)	2,541	6,316	8,857	7,500
Cash Held FBO DWSD (d)	37,150	47,535	84,685	57,578
Liabilities - Long-Term (i)	3,156,599	3,186,630	6,343,230	6,546,932
Total liabilities	3,454,062	3,529,752	6,983,814	7,150,943
Deferred Inflows (f)	77,802	87,951	165,753	179,444
Total net position (j)	$ (25,508)	$ 110,141	$ 84,633	$ (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 May 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 May 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 Eleven Months ended May 31, 2026
($000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business Type Activities	Comparative June 30, 2025
Revenue						
Wholesale customer charges	$ 341,715	92.4%	$ 275,069	56.6%	$ 616,784	$ 636,667
Local system charges	27,526	7.4%	197,381	40.6%	224,907	233,020
Industrial waste charges	-	0.0%	8,497	1.7%	8,497	8,849
Pollutant surcharges	-	0.0%	4,341	0.9%	4,341	4,584
Other revenues	630	0.2%	408	0.1%	1,038	948
Total Revenues	**369,871**	**100.0%**	**485,696**	**100.0%**	**855,567**	**884,068**
Operating expenses						
Operations and Maintenance	171,679	46.4%	216,616	44.6%	388,294	402,118
Depreciation	83,582	22.6%	128,761	26.5%	212,344	242,487
Amortization of intangible assets	4,730	1.3%	1,863	0.4%	6,593	6,774
Total operating expenses	**259,990**	**70.3%**	**347,240**	**71.5%**	**607,231**	**651,379**
Operating Income	109,880	29.7%	138,456	28.5%	248,337	232,689
Total Nonoperating revenue (expense)	(59,065)	-16.0%	(40,296)	-8.3%	(99,361)	(106,607)
Increase/(Decrease) in Net Position	**50,816**	**13.7%**	**98,160**	**20.2%**	**148,976**	**126,082**
Net Position (deficit), beginning of year	(76,324)		11,981		(64,342)	(190,425)
Net position (deficit), end of year	$ (25,508)		$ 110,141		$ 84,633	$ (64,342)

Totals may be off due to rounding

Water Fund

- ✓ The increase in Water Fund Net Position is $50.8 million.
- ✓ Wholesale water customer charges of $341.7 million account for 92.4% of Water System revenues.
- ✓ Operating expenses of $260.0 million represent 70.3% of total operating revenue. Depreciation is the largest operating expense at $83.6 million or 32.1% 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 $109.9 million or 29.7% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of $89.1 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 $98.2 million.
- ✓ Wholesale customer charges of $275.1 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 $197.4 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of $347.2 million represent 71.5% of total operating revenue. Depreciation is the largest operating expense at $128.8 million or 37.1% 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 $138.5 million or 28.5% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of $92.0 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 May 2026 Financial Report Binder. Explanatory notes follow this schedule.

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

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business-Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	32,447	18.9%	63,741	29.4%	96,188	24.8%
Overtime	6,511	3.8%	3,135	1.4%	9,646	2.5%
Employee Benefits	23,895	13.9%	9,856	4.6%	33,751	8.7%
Total Personnel	$ 62,853	36.6%	$ 76,732	35.4%	$ 139,585	35.9%
Utilities						
Electric	27,420	16.0%	15,109	7.0%	42,529	11.0%
Gas	1,709	1.0%	7,368	3.4%	9,077	2.3%
Sewage	822	0.5%	1,568	0.7%	2,389	0.6%
Water	3	0.0%	10,915	5.0%	10,918	2.8%
Total Utilities	$ 29,954	17.4%	$ 34,959	16.1%	$ 64,912	16.7%
Chemicals	11,986	7.0%	16,175	7.5%	28,161	7.3%
Supplies and other	14,508	8.5%	27,153	12.5%	41,661	10.7%
Contractual services	55,898	32.6%	63,566	29.3%	119,463	30.8%
Capital Program allocation	(1,977)	-1.2%	(1,120)	-0.5%	(3,097)	-0.8%
Intergovernmental Agreement	-	0.0%	(25)	0.0%	(25)	0.0%
Shared Services allocation	(1,541)	-0.9%	(824)	-0.4%	(2,366)	-0.6%
Operations and Maintenance Expenses	**$ 171,679**	**100.0%**	**$ 216,616**	**100.0%**	**$ 388,294**	**100.0%**

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.7% of total O&M expenses) and chemicals (7.3% of total O&M expenses).
- ✓ Personnel costs (35.9% 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 (30.8%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately $12.8 million);
  - Sewage Disposal System costs for the operation and maintenace of the biosolids dryer facility (approximately $16.7 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenace, 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 offets 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 Eleven Months ended May 31, 2026
($000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Nonoperating Revenue/(Expense)				
Interest income contractual obligation	$ 20,396	$ 13,199	$ 33,595	$ 38,291
Investment earnings	21,720	20,671	42,391	47,263
Net (incr) decr in fair value of invstmt	49	87	136	1,532
Other nonoperating revenue	(101)	25,240	25,139	18,212
Interest Expense				
Bonded debt	(109,476)	(105,183)	(214,660)	(230,256)
Lease obligation	(14,709)	(17,977)	(32,686)	(36,218)
Other obligations	(2,651)	(1,389)	(4,040)	(5,033)
	(126,836)	(124,550)	(251,386)	(271,507)
Capital Contribution	298	7,699	7,998	40,693
Amortization, issuance costs, debt	21,450	9,700	31,150	25,936
(Gain) loss on disposal of capital assets	23	13	36	(172)
Water Residential Assistance Program	(1,330)	(1,781)	(3,111)	(3,828)
Legacy pension expense	5,266	9,425	14,691	(3,026)
Total Nonoperating Revenue/(Expense)	**$ (59,065)**	**$ (40,296)**	**$ (99,361)**	**$ (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.

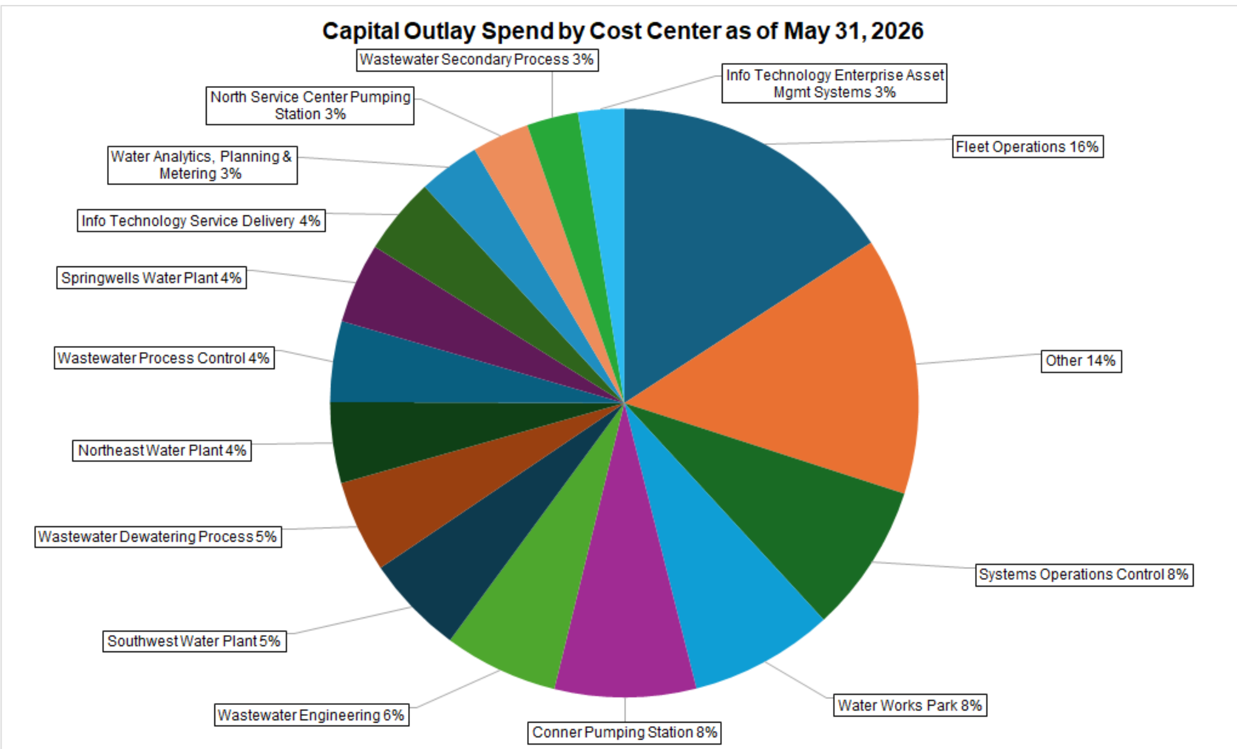
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related 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 $25.4 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 May 31, 2026, total capital outlay spend is $15.8 million. Following this chart is a sample list of projects and purchases from the total spend of $15.8 million.



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

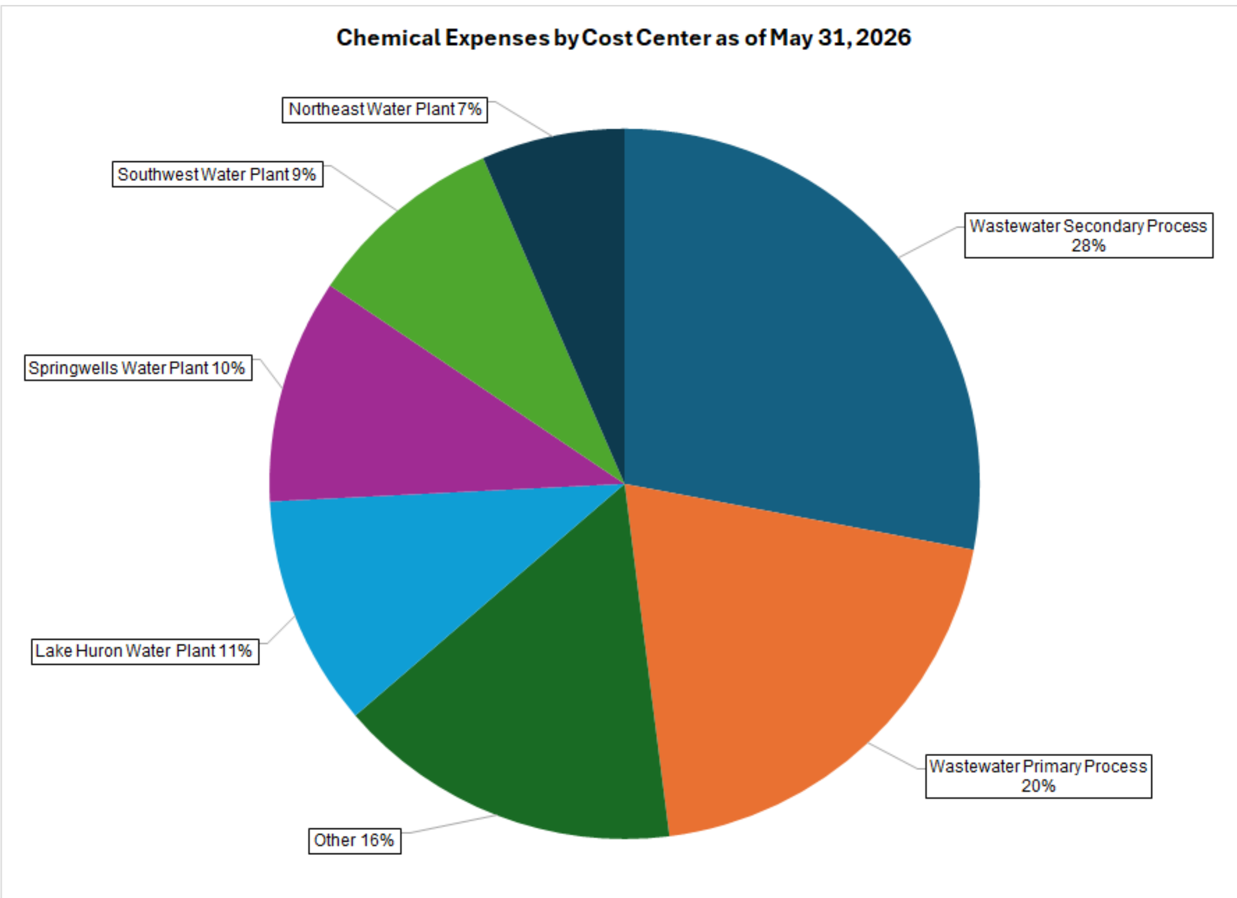
Water Operations: Steam generator replacement ($529k); low lift elevator ($436k); Springwells low lift modernization ($327k); Water Works Park HVAC boiler ($301k); North Service Center variable frequency drive ($270k); North Service Center fire alarm protection ($228k); flygt pump ($155k); plasma mass spectrometer ($149k); Ovation power supply upgrade ($127k); gearbox ($104k); Adams Road Pumping Station fire protection system ($100k); Southwest Water Plant kitchen remodel ($76k) and Franklin fire protection ($67k).

Wastewater Operations: Ovation upgrade and cabinet replacement ($2.1m); WRRF incinerator freight elevator ($977k); Conner Creek elevator maintenance ($523k); WRRF fire detection system ($494k); Conner Pumping Station priming level switch addition ($410k); ferric chloride buffering pilot ($331k); Conner Creek fire alarm system integration ($298k); Hubble Southfield CSO proximity switches ($269k); sludge feed pump ($231k); D conveyor ($194k); C conveyor ($194k); automatic self-clean strainer ($131k); Connor Creek rotork gate actuator ($99k); scum hopper pump ($78k); WRRF process camera ($74k) and gas detection ($70k).

Centralized & Administrative Facilities: Trucks and vehicles ($2.4m); computer hardware and software ($1.1m); sewer meter support ($298k); Polaris UTV ($112k); SMAR gauge transmitters ($98k); permanent easement ($98k) and video system equipment ($69k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

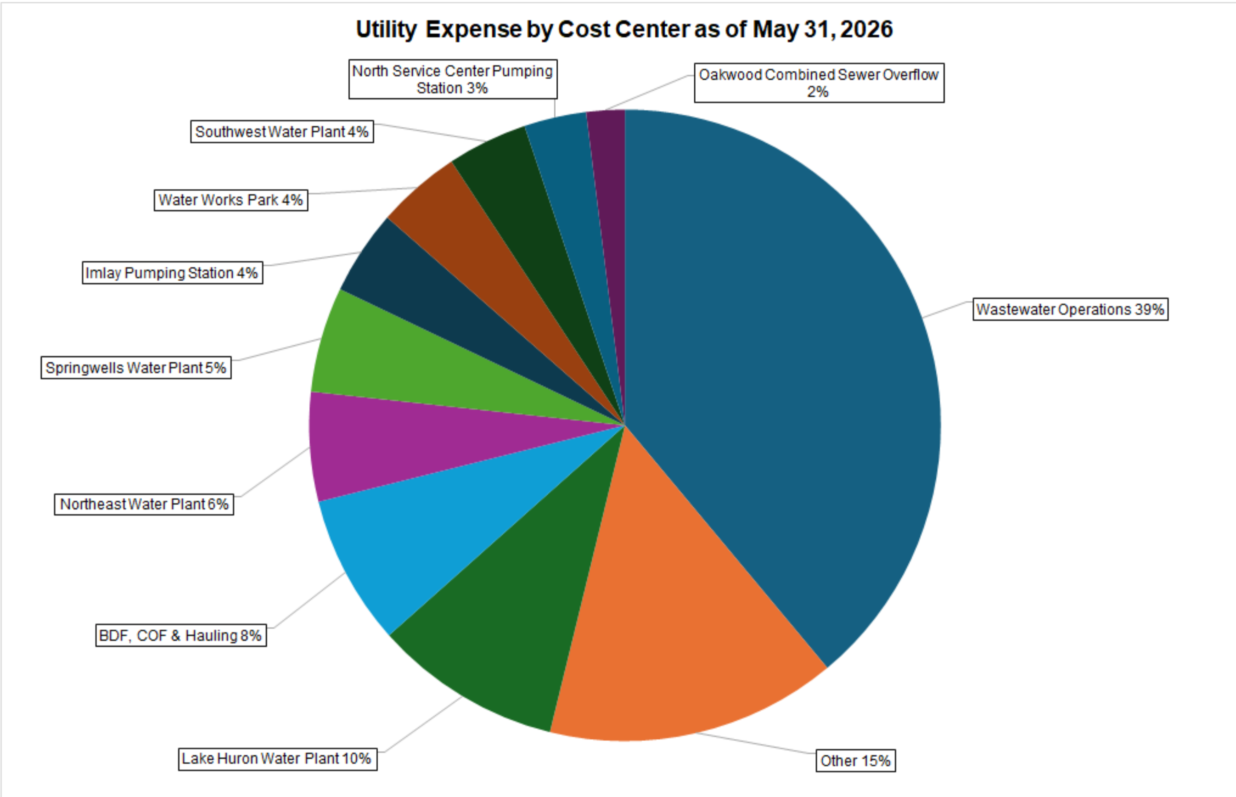
Chemical expenses are $28.2 million through May 31, 2026. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are $64.9 million through May 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 Eleven Months Ended May 31, 2026

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	$ 6,925	503	$ 7,428
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	1,016	1,819	2,835
Debt service (f)	72,301	105,151	177,452
Accelerated pension B&C notes obligation portion (g)	930	2,093	3,023
Regional System lease (h)	5,916	7,231	13,147
GASB 87 & GASB 96 adjustments (h)	997	1,397	2,395
WRAP (i)	476	638	1,114
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	13,439	55,232	68,671
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(88,312)	(130,624)	(218,936)
Amortization - debt related (k)	21,450	9,700	31,150
Other nonoperating income (k)	(116)	25,239	25,123
Other nonoperating expense (k)	-		-
Gain(loss) on disposal of capital assets (k)	23	13	36
Raw water rights obligation (l)	2,940	-	2,940
Investment earnings for construction fund (m)	7,218	2,515	9,733
Other	-	-	-
Investment earnings unrealized gain/loss (n)	49	128	177
Improvement & extension fund operating expenses (o)	-	-	-
Capital Contribution (p)	298	7,699	7,997
Net Position Increase/(Decrease) per Financial Statements (b)	$ 50,816	$ 98,160	$ 148,976

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.

(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 adjustments 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 non-operating 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 May 31, 2026, all bank accounts are reconciled.

Chart 1 – Bank Reconciliation Completion Status

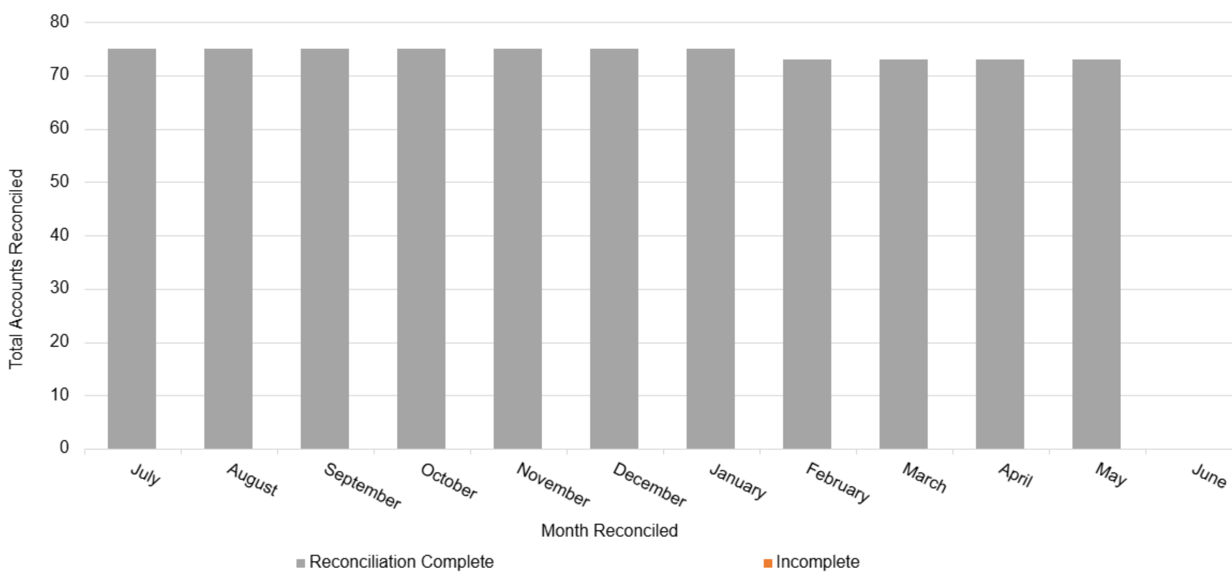


Table 1 – Fiscal Year 2026 GL Cash Account Roll-forward

Total GL Cash accounts as of July 1, 2025	75
New GL Cash accounts since July 1, 2025	0
Inactivated GL Cash accounts since July 1, 2025	(2)
Total GL Cash accounts as of May 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.

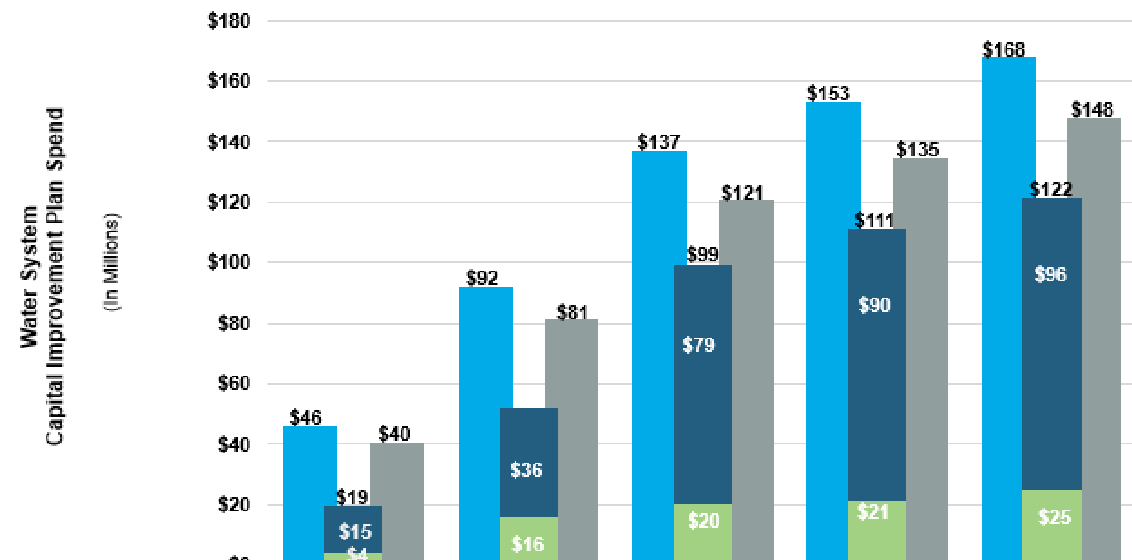
The State Revolving Fund (SRF) activity reported in Charts 1 and 2 is revised as needed to reflect ongoing changes in approved GLWA SRF funding.

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

As of May 2026, the water system incurred $122 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



	YTD Thru FY 2026 Q1	YTD Thru FY 2026 Q2	YTD Thru FY 2026 Q3	YTD Thru 4/30/26	YTD Thru 5/31/26
FY 2026 CIP	$46	$92	$137	$153	$168
Spend Rate Adjusted (88% CIP)	$40	$81	$121	$135	$148
Actual - O&M	$0	$0	$0	$0	$0
Actual - Revenue Bond	$15	$36	$79	$90	$96
Actual - SRF	$4	$16	$20	$21	$25

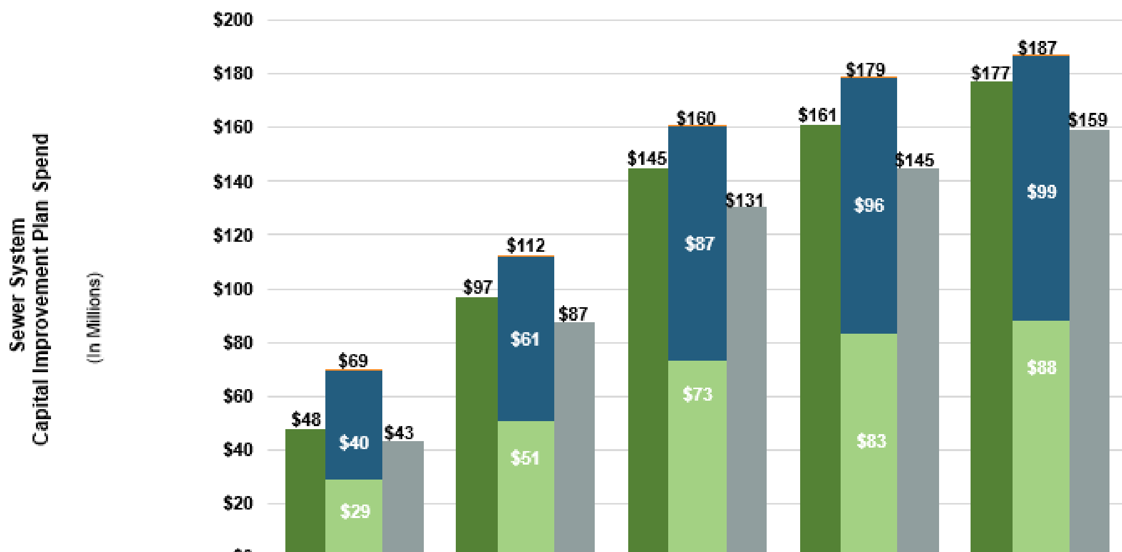
Note: *SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.*

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

As of May 2026, the Sewer system incurred $187 million of construction costs to date. This spend represents 106% of the original, Board-approved CIP, and 117% 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



	YTD Thru FY 2026 Q1	YTD Thru FY 2026 Q2	YTD Thru FY 2026 Q3	YTD Thru 4/30/26	YTD Thru 5/31/26
FY 2026 CIP	$48	$97	$145	$161	$177
Spend Rate Adjusted (90% CIP)	$43	$87	$131	$145	$159
Actual - O&M	$0	$0	$0	$0	$0
Actual - Revenue Bond	$40	$61	$87	$96	$99
Actual - SRF	$29	$51	$73	$83	$88

Note: *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 May 2026. MBO transfers for water totaling $175.5 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through May 2026. MBO transfers for sewer totaling $228.0 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	$ 15,325,783	$ -	$ 388,267	$ 242,951	$ -	$ -	$ 15,957,001
May 2026	$ 15,325,783	$ -	$ 388,267	$ 242,951	$ -	$ -	$ 15,957,001
June 2026							
Total FY 2026	$168,583,615	$ -	$ 4,270,937	$2,672,455	$ -	$ -	$ 175,527,007

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	$ 19,796,000	$ -	$ 593,350	$ 338,834	$ -	$ -	$ 20,728,184
May 2026	$ 19,796,000	$ -	$ 593,350	$ 338,834	$ -	$ -	$ 20,728,184
June 2026							
Total FY 2026	$217,756,000	$ -	$ 6,526,850	$3,727,168	$ -	$ -	$ 228,010,018

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)	168,583,615	-	4,270,937	2,672,455	-	-	175,527,007
Life to Date	$ 1,507,389,627	$ 48,362,300	$ 94,428,912	$ 25,720,759	$ 2,686,900	$ 7,786,000	$ 1,686,374,498

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)	217,756,000	-	6,526,850	3,727,168	-	-	228,010,018
Life to Date	$ 2,096,957,192	$ 86,620,800	$ 131,319,959	$ 36,470,967	$ 8,246,100	$ 1,124,600	$ 2,360,739,617

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 May 2026. MBO transfers for Water totaling $66.2 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 May 2026. MBO transfers for Sewer totaling $80.3 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				
	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Water
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	$ 4,140,334	$ -	$ 1,875,000	$ 6,015,334
May 2026	$ 4,140,334	$ -	$ 1,875,000	$ 6,015,334
June 2026				
Total FY 2026	$ 45,543,668	$ -	$ 20,625,000	$ 66,168,668

Table 5 – DWSD FY 2026 Sewer MBO Transfers

SEWER				
	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Sewer
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	$ 5,008,691	$ -	$ 2,291,666	$ 7,300,357
May 2026	$ 5,008,691	$ -	$ 2,291,666	$ 7,300,357
June 2026				
Total FY 2026	$ 55,095,607	$ -	$ 25,208,332	$ 80,303,939

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	45,543,668	-	20,625,000	66,168,668
Offset to Debt Service	-	-	-	-
Total MBO Transfer	45,543,668	-	20,625,000	66,168,668
Life-to-Date				
MBO/Lease Requirement	410,182,072	34,157,100	245,625,000	689,964,172
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	**$ 410,182,072**	**$ 34,157,100**	**$ 213,777,100**	**$ 658,116,272**

* Note: FY 2016 lease transfer amounts shown do not incude 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	55,095,607	-	25,208,332	80,303,939
Offset to Debt Service	-	-	-	-
Total MBO Transfer	55,095,607	-	25,208,332	80,303,939
Life-to-Date				
MBO/Lease Requirement	591,710,619	22,859,800	300,208,336	913,857,208
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	**$ 584,610,619**	**$ 22,859,800**	**$ 248,427,675**	**$ 855,898,094**

* Note: FY 2016 lease transfer amounts shown do not incude 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 May 2026, GLWA earned investment income of $4.2 million and cumulative FY 2026 earnings through May 2026 of $46.2 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 May 2026

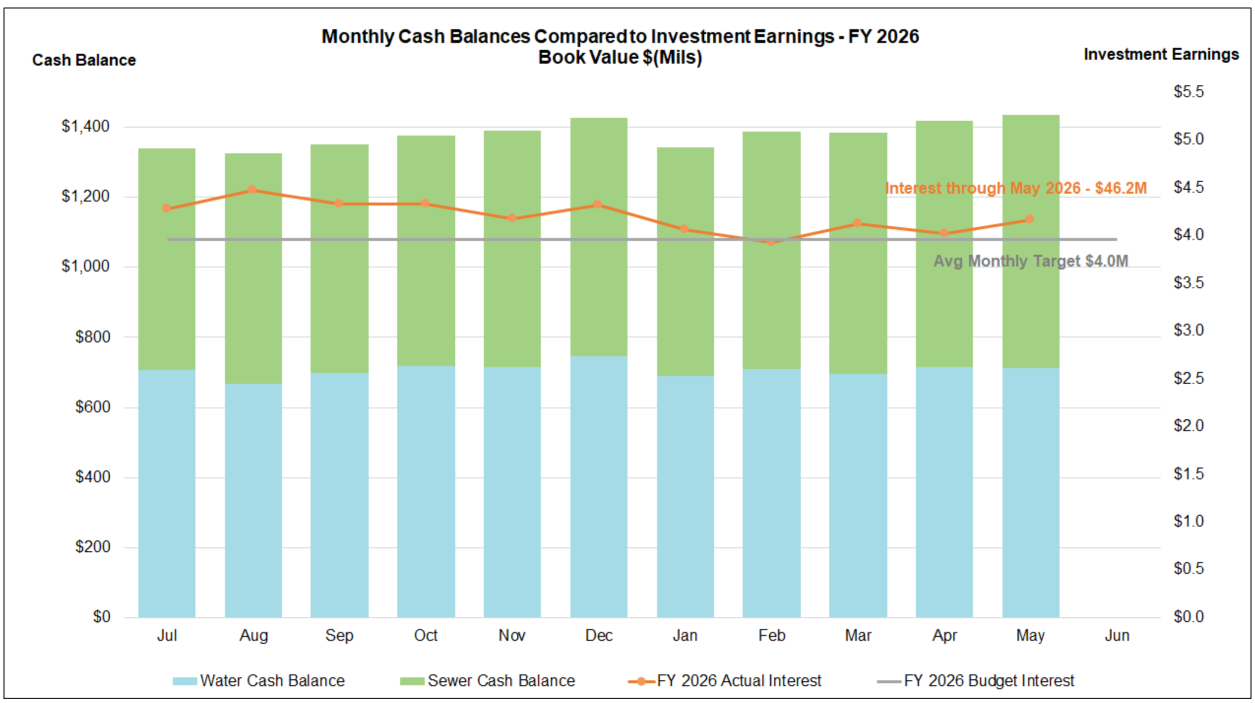


Table 1 – Monthly Balance Detail – Through May 31, 2026

$(Mils)	July	August	September	October	November	December
Water	707	667	697	719	716	748
Sewer	633	659	655	659	676	681
Total	1,340	1,326	1,352	1,377	1,392	1,428
Investment Income	4.3	4.5	4.3	4.3	4.2	4.3

$(Mils)	January	February	March	April	May
Water	690	711	696	715	713
Sewer	653	676	690	704	721
Total	1,344	1,387	1,386	1,418	1,434
Investment Income	4.1	3.9	4.1	4.0	4.2

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:

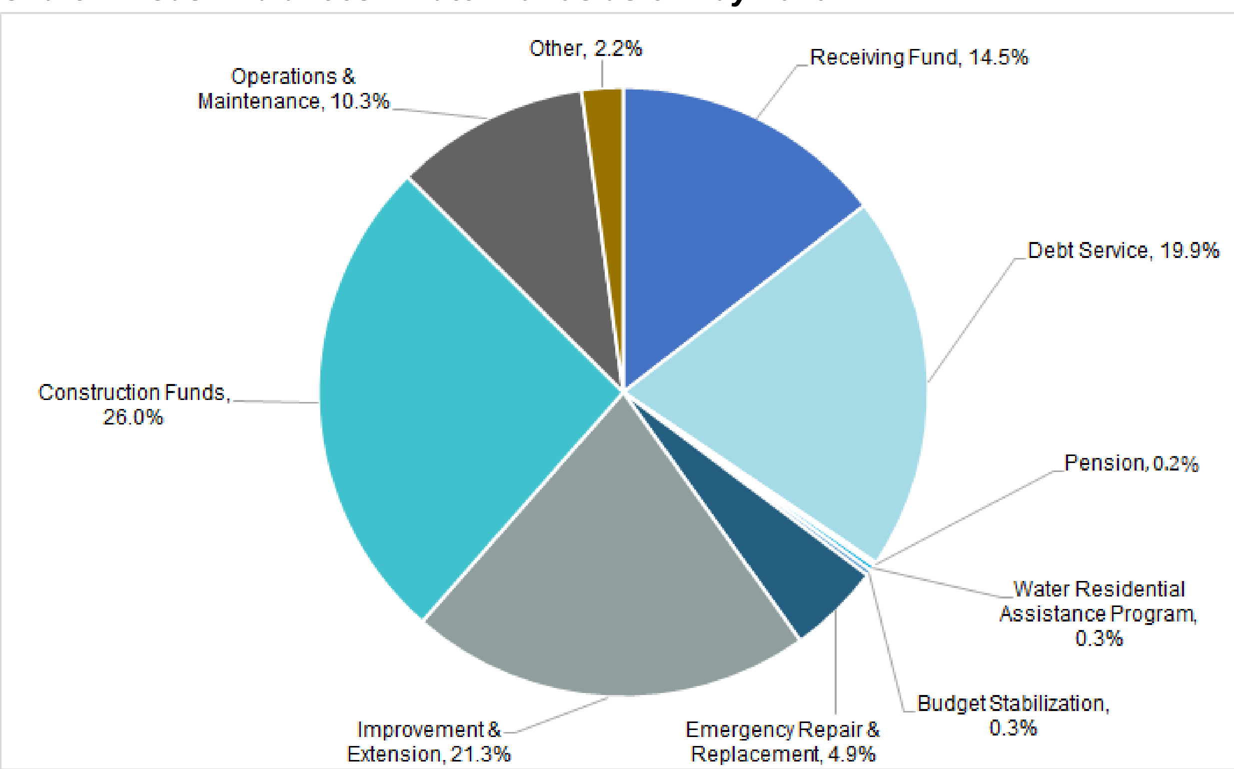
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 May 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 May 2026 is $713 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 May 2026

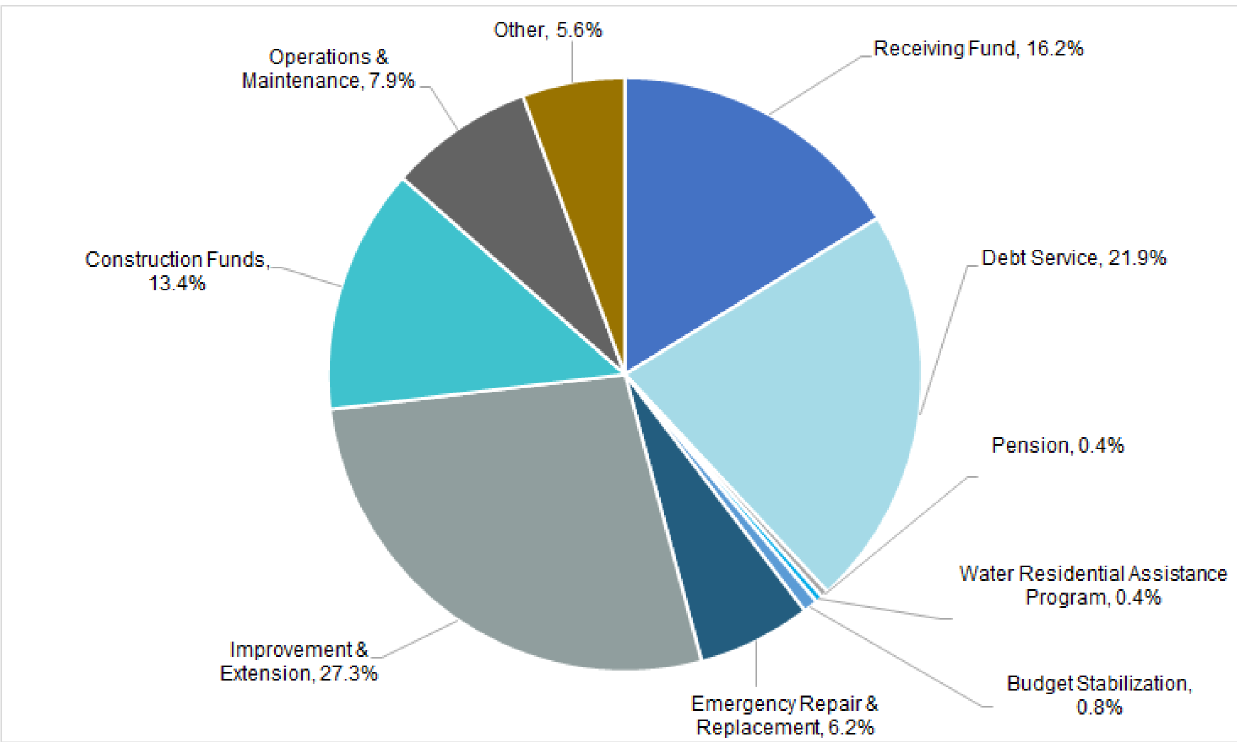


Note: *Due to rounding totals may not equal 100%.*

Chart 3 – Cash Balances - Sewer Funds as of May 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 May 2026 is $721 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 May 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 May 31, 2026, the DWSD usage was 102.76% of the budget and billed revenue was 102.11% of budget.

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

> ***Table 2 - Retail Water Collections*** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	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	206,866	11,115,979	(1,134)	(29,721)	222,774	11,403,695
May	198,000	10,642,800	209,965	11,391,462	11,965	748,662	209,658	10,767,180
June	216,000	11,518,900					219,077	11,249,137
Total	2,628,000	140,140,100	2,478,549	131,337,461	66,549	2,716,261	2,642,521	136,604,198
Subtotals YTD	*2,412,000*	*128,621,200*	*2,478,549*	*131,337,461*	*66,549*	*2,716,261*		
Achievement of Budget			*102.76%*	*102.11%*				

(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**
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%
April	10,206,517	11,714,224	(1,507,707)	-12.87%
May	11,033,776	11,107,278	(73,502)	-0.66%
Rolling, 12-Month Total	135,434,923	126,213,584		
Rolling, 12-Month Average	11,286,244	10,517,799		

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 May 31, 2026, the DWSD usage was at 99.20% of the budget and billed revenue was at 97.88% 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								
	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	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	171,406	28,329,009	(1,594)	(730,791)	176,337	27,741,237
May	172,000	28,967,700	176,941	28,844,379	4,941	(123,321)	178,327	27,806,874
June	179,500	29,415,100					181,839	28,059,145
Total	2,188,500	355,266,100	1,992,931	318,930,723	(16,069)	(6,920,277)	2,157,619	334,637,121
Subtotals YTD	*2,009,000*	*325,851,000*	*1,992,931*	*318,930,723*	*(16,069)*	*(6,920,277)*		
Achievement of Budget/Goal			*99.20%*	*97.88%*				

(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**
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%
April	24,766,958	25,340,397	(573,439)	-2.26%
May	25,107,504	22,575,530	2,531,975	11.22%
Rolling 12-Month Total	319,360,820	297,277,973		
Rolling, 12-Month Average	26,613,402	24,773,164		

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 May 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 May 31, 2026, with comparative totals April 30, 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 May 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

		Receivables			
Period Ending	**Monthly Sales**	**Total**	**Allowance**	**Net**	**Days in AR (1)**
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
May 31, 2026 (4)	41,142,000	419,654,000	(371,116,000)	48,538,000	35

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	1,010.11	14,427,000	8,851,000	27,442,000	196,076,000	246,796,000
		5.8%	*3.6%*	*11.1%*	*79.4%*	*100.0%*
Commercial	1,222.95	6,792,000	2,400,000	7,135,000	18,876,000	35,203,000
		19.3%	*6.8%*	*20.3%*	*53.6%*	*100.0%*
Industrial	3,253.46	6,117,000	1,737,000	3,308,000	8,844,000	20,006,000
		30.6%	*8.7%*	*16.5%*	*44.2%*	*100.0%*
Tax Exempt	499.53	4,395,000	1,138,000	2,855,000	16,333,000	24,722,000
		17.8%	*4.6%*	*11.5%*	*66.1%*	*100.0%*
Government	2,801.11	3,902,000	1,590,000	2,847,000	14,095,000	22,434,000
		17.4%	*7.1%*	*12.7%*	*62.8%*	*100.0%*
Drainage	-	-	-	-	-	-
Subtotal - Active Accounts	**1,036.82**	**35,633,000**	**15,716,000**	**43,586,000**	**254,225,000**	**349,160,000**
		10.2%	*4.5%*	*12.5%*	*72.8%*	*100.0%*
Inactive Accounts	172.93	(330,000)	186,000	1,327,000	69,311,000	70,494,000
		(0.5%)	*0.3%*	*1.9%*	*98.3%*	*100.0%*
Total	**563.74**	**35,303,000**	**15,902,000**	**44,913,000**	**323,535,000**	**419,654,000**
% of Total A/R		*8.6%*	*4.1%*	*10.7%*	*76.7%*	*100.0%*
Water Fund	126.43	9,916,000	3,843,000	11,426,000	68,928,000	94,113,000
Sewer Fund	437.32	25,387,000	12,059,000	33,487,000	254,607,000	325,541,000
Total May 31, 2026 (a)	**563.74**	**35,303,000**	**15,902,000**	**44,913,000**	**323,535,000**	**419,654,000**
Water Fund- Allowance						(75,963,000)
Sewer Fund- Allowance						(295,153,000)
Total- Bad Debt Allowance						**(371,116,000)**
Comparative - May 2025 (b)	**680.89**	**33,959,000**	**17,441,000**	**49,517,000**	**275,129,000**	**376,046,000**
Difference (a) - (b)		**1,345,000**	**(1,539,000)**	**(4,604,000)**	**48,406,000**	**43,607,000**

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	2
Total	87

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

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

> ***Table 1 - Wholesale Water Billings*** shows the FY 2026 water billed usage and revenues. As of May 31, 2026, the billed usage was at 102.28% of the original plan and billed revenue at 101.13% 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 May 31, 2026.

Table 1 – FY 2026 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
	FY 2026 Charges (2)		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	Volume *Mcf*	Revenue *$*	Volume *Mcf*	Revenue (3) *$*	Volume *Mcf*	Revenue *$*	Volume Mcf	Revenue $
1 July	1,459,700	35,523,100	1,443,326	35,332,100	(16,374)	(191,000)	1,347,527	32,449,201
2 August	1,327,600	33,953,000	1,389,530	34,819,742	61,930	866,742	1,297,169	31,977,986
3 September	1,270,300	33,143,000	1,322,813	33,872,313	52,513	729,313	1,315,030	32,104,405
4 October	1,040,600	30,218,400	1,098,074	31,097,156	57,474	878,756	1,051,234	28,946,404
5 November	887,200	28,529,400	886,345	28,592,350	(855)	62,950	872,926	26,975,632
6 December	962,000	29,287,500	978,599	29,497,185	16,599	209,685	866,671	27,877,869
7 January	977,400	29,446,100	981,881	29,568,986	4,481	122,886	989,175	28,114,300
8 February	873,200	28,325,000	920,661	28,874,247	47,461	549,247	888,053	27,055,774
9 March	946,800	29,098,400	976,718	29,476,822	29,918	378,422	966,088	27,862,863
10 April	905,200	28,703,100	930,635	29,004,248	25,435	301,148	928,903	27,482,932
11 May	1,099,400	31,132,100	1,088,848	31,023,398	(10,552)	(108,702)	1,049,087	28,969,431
12 June	1,393,800	34,734,300					1,325,550	32,157,894
Total	13,143,200	372,093,400	12,017,430	341,158,547	268,030	3,799,447	12,897,411	351,974,691
Subtotals ytd	*11,749,400*	*337,359,100*	*12,017,430*	*341,158,547*	*268,030*	*3,799,447*		
Achievement of Original Plan			*102.28%*	*101.13%*				

(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**
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%
April	27,843,783	25,622,706	2,221,077	8.67%
May	26,618,291	26,976,277	(357,986)	-1.33%
Rolling 12-Month Total	360,445,179	337,793,180		
Rolling, 12-Month Averag	30,037,098	28,149,432		

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	4
Total	18

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 May 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 May 31, 2026.

Table 3 – FY 2026 Wholesale Sewer Billings Report

	WHOLESALE SEWER CHARGES							
	FY 2026 Charges		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	*$*	*Mcf*	*$*	*Mcf*	*$*	*Mcf*	*$*
1 July	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
2 August	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
3 September	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
4 October	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
5 November	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
6 December	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
7 January	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
8 February	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
9 March	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
10 April	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
11 May	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
12 June	N/A	24,932,600	N/A		N/A		N/A	23,883,900
Total		299,191,200		274,258,600		-		286,606,800
Subtotals ytd		274,258,600		274,258,600		-		
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**
June	24,053,386	24,182,036	982,319	4.06%
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%
April	26,575,849	24,138,802	2,437,047	10.10%
May	20,902,723	23,965,586	(3,062,863)	-12.78%
Rolling, 12-Month Total	294,499,715	271,801,126		
Rolling, 12-Month Average	24,541,643	22,650,094		

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 May 31, 2026.

Table 6 - Wholesale Accounts Receivable Aging Summary, Net Dearborn Water and Highland Park Sewer is the same summary *without* the past due balances for Dearborn Water and Highland Park Sewer. The Dearborn balance under the terms of the new water contract and escrowed funds are transferred to GLWA as of June 30, 2026. Discussions between GLWA and Highland Park regarding the sewer balance are underway. The past due amount is escrowed in accordance with standard contract terms pending resolution of the underlying dispute.

Six water accounts comprise the total past due balance of $983,786 reported of which $452,177 of the balance was paid in June and the remaining $531,609 was paid in July.

Two sewer accounts comprise the total past due balance of $349,200 of which $242,600 of the balance was paid in June. The Billing Team continues to work with the member partner on the remaining $106,600 unpaid balance. The IWC past due balance reflects two accounts totaling $2,043 of which all were paid in June. 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	>105 Days
Water	48,201,450	38,458,786	854,572	112,831	110,978	8,664,283
Sewer	17,643,022	17,062,762	580,260	-	-	-
IWC	742,560	740,518	1,730	-	-	313
Pollutant	778,193	693,825	29,375	15,752	24,969	14,271
Total	67,365,225	56,955,891	1,465,936	128,584	135,947	8,678,867
	100.00%	84.55%	2.18%	0.19%	0.20%	12.88%

Table 6 - Wholesale Accounts Receivable Aging Summary, Net of Dearborn Water and Highland Park Sewer

	Total	Current	1-45 Days	46-74 Days	75-104	>105 Days
Water	37,509,376	36,525,591	790,405	48,665	46,811	97,904
Sewer	16,978,962	16,629,762	349,200	-	-	-
IWC	742,560	740,518	1,730	-	-	313
Pollutant	778,193	693,825	29,375	15,752	24,969	14,271
Total	56,009,092	54,589,696	1,170,710	64,417	71,781	112,488
	100.00%	97.47%	2.09%	0.12%	0.13%	0.20%

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 eleven months of activity to date.

Water fund receipts exceeded required disbursements by 5% through May 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 8% through May 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 May 31
	Water					
1	Receipts	338,117,694	363,335,474	374,252,221	379,199,823	371,481,996
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	338,117,694	363,335,474	374,252,221	379,199,823	371,481,996
4	Disbursements	(316,495,360)	(349,186,375)	(353,639,121)	(367,467,244)	(354,898,807)
5	Receipts Net of Required Transfers	21,622,334	14,149,099	20,613,100	11,732,579	16,583,189
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	1,760,788
8	*Ratio of Receipts to Required Disbursements (Line 3/Line 4)*	*107%*	*104%*	*106%*	*103%*	*105%*
	Sewer					
9	Receipts	471,979,297	498,888,416	506,731,576	508,344,972	485,435,932
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	471,979,297	498,888,416	506,731,576	508,344,972	485,435,932
12	Disbursements	(450,701,751)	(473,516,238)	(477,450,794)	(481,372,746)	(447,681,538)
13	Receipts Net of Required Transfers	21,277,546	25,372,178	29,280,782	26,972,226	37,754,394
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	(21,498,356)
18	*Ratio of Receipts to Required Disbursements (Line 11/Line*	*105%*	*105%*	*106%*	*106%*	*108%*
	Combined					
19	Receipts	810,096,991	862,223,890	880,983,797	887,544,795	856,917,928
20	MOU Adjustments	-	-	-	-	-
21	Adjusted Receipts	810,096,991	862,223,890	880,983,797	887,544,795	856,917,928
22	Disbursements	(767,197,111)	(822,702,613)	(831,089,915)	(848,839,991)	(802,580,345)
23	Receipts Net of Required Transfers	42,899,880	39,521,277	49,893,882	38,704,805	54,337,583
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	(19,737,568)
28	*Ratio of Receipts to Required Disbursements (Line 21/Line 22)*	*106%*	*105%*	*106%*	*105%*	*107%*

Chart 1 – GLWA 12-Month Net Receipts – Water

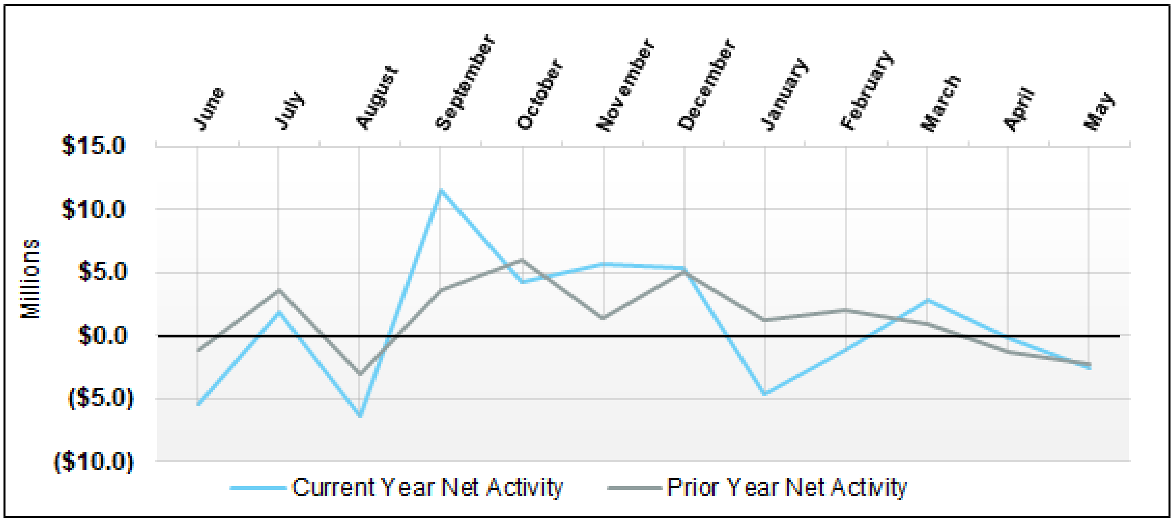
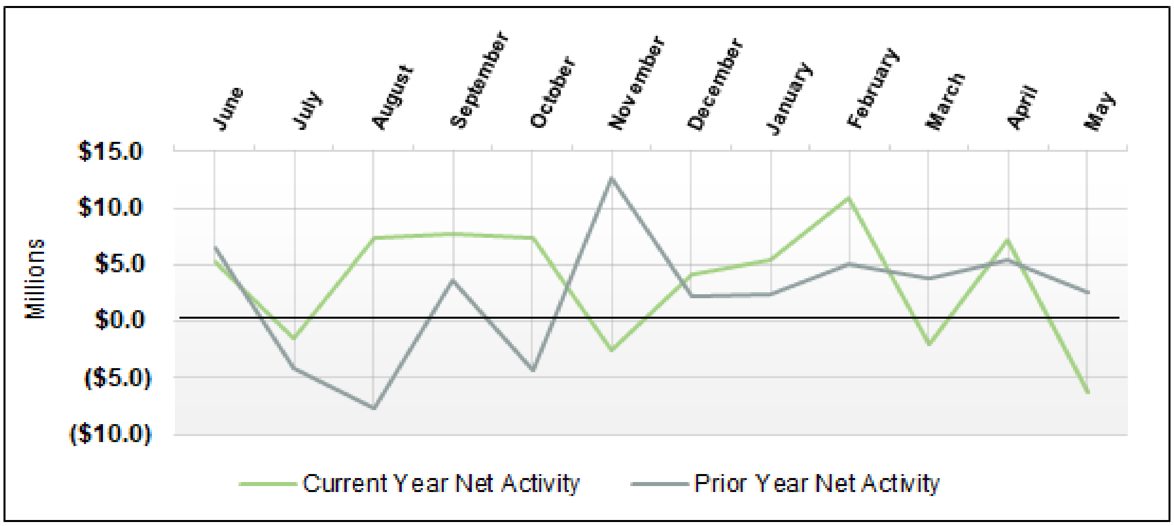


Chart 2 – GLWA 12-Month Net Receipts – Sewer



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 eleven months of activity to date.

Water fund receipts exceeded required disbursements by 7% through May 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 3% through May 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 May 31
	Water					
1	Receipts	101,964,963	123,766,624	123,818,287	127,313,152	125,361,826
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	101,964,963	123,766,624	123,818,287	127,313,152	125,361,826
4	Disbursements	(94,495,601)	(117,666,100)	(117,290,591)	(119,923,334)	(117,081,622)
5	Receipts Net of Required Transfers	7,469,362	6,100,524	6,527,696	7,389,818	8,280,204
6	I&E Transfer	-	-	-	(8,000,000)	
7	Net Receipts	7,469,362	6,100,524	6,527,696	(610,182)	8,280,204
8	*Ratio of Receipts to Required Disbursements (Line 3/Line 4)*	*108%*	*105%*	*106%*	*106%*	*107%*
	Sewer					
9	Receipts	291,280,896	298,897,942	296,088,194	299,683,584	296,159,950
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	291,280,896	298,897,942	296,088,194	299,683,584	296,159,950
12	Disbursements	(285,256,000)	(283,095,100)	(288,119,517)	(299,393,959)	(286,159,361)
13	Receipts Net of Required Transfers	6,024,896	15,802,842	7,968,677	289,624	10,000,590
14	I&E Transfer	-	-	-	-	-
15	Shortfall Advance from GLWA	-	-	-	-	-
16	Net Receipts	6,024,896	15,802,842	7,968,677	289,624	10,000,590
17	*Ratio of Receipts to Required Disbursements (Line 11/Line 12)*	*102%*	*106%*	*103%*	*100%*	*103%*
	Combined					
18	Receipts	393,245,859	422,664,566	419,906,481	426,996,735	421,521,776
19	MOU Adjustments	-	-	-	-	-
20	Adjusted Receipts	393,245,859	422,664,566	419,906,481	426,996,735	421,521,776
21	Disbursements	(379,751,601)	(400,761,200)	(405,410,108)	(419,317,293)	(403,240,983)
22	Receipts Net of Required Transfers	13,494,258	21,903,366	14,496,373	7,679,442	18,280,794
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)	18,280,794
26	*Ratio of Receipts to Required Disbursements (Line 20/Line 21)*	*104%*	*105%*	*104%*	*102%*	*105%*

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

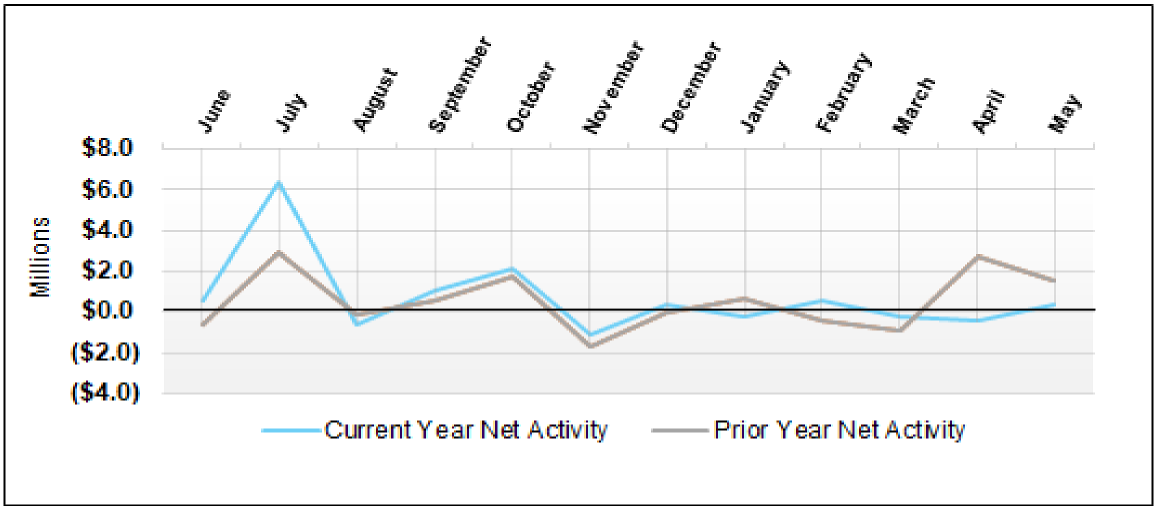
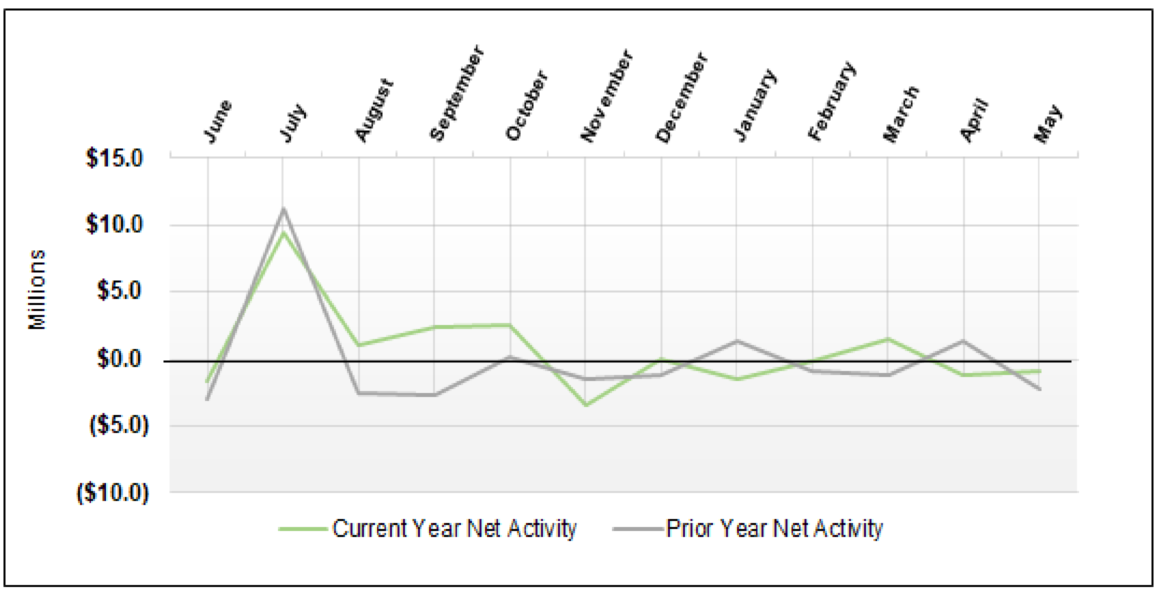


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 eleven months of activity to date.

> Water fund net receipts exceeded required disbursements by 5% through May 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 7% through May 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

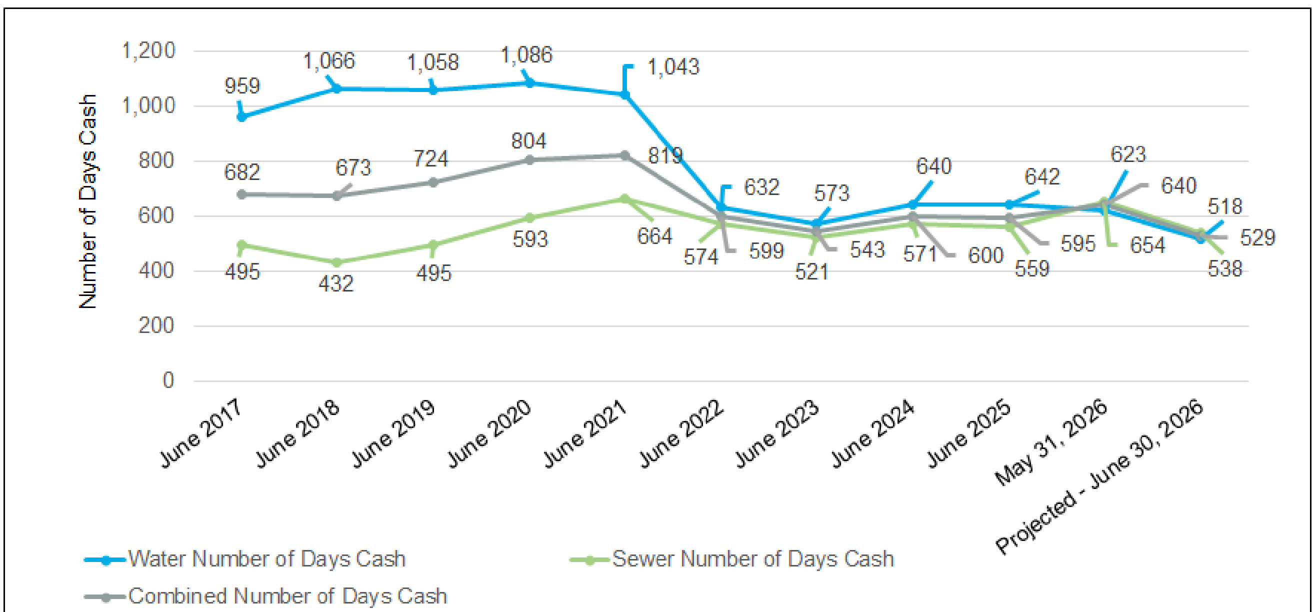
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through May 31
	Water					
1	Receipts	440,082,657	487,102,098	498,070,508	508,868,741	496,843,822
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	440,082,657	487,102,098	498,070,508	508,868,741	496,843,822
4	Disbursements	(410,990,961)	(466,852,475)	(470,929,712)	(487,390,578)	(471,980,429)
5	Receipts Net of Required Transfers	29,091,696	20,249,623	27,140,796	21,478,162	24,863,393
6	I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(16,289,600)	(14,822,401)
7	Net Receipts	2,468,834	10,351,523	(1,477,704)	5,188,562	10,040,992
8	Ratio of Receipts to Required Disbursements (Line 3/Line 4)	107%	104%	106%	104%	105%
	Sewer					
9	Receipts	763,260,193	797,785,358	802,819,770	808,374,074	781,595,882
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	763,260,193	797,785,358	802,819,770	808,374,074	781,595,882
12	Disbursements	(735,957,751)	(756,611,338)	(765,570,311)	(780,766,706)	(733,840,899)
13	Receipts Net of Required Transfers	27,302,442	41,174,020	37,249,459	27,607,369	47,754,983
14	I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(59,252,750)
15	Shortfall Advance	-	-	-	-	-
16	Shortfall Repayment (principal)	8,296,578	-	-	-	-
17	Net Receipts	(2,052,768)	14,407,820	24,781,459	16,152,369	(11,497,767)
18	Ratio of Receipts to Required Disbursements (Line 11/Line 12)	104%	105%	105%	103%	107%
	Combined					
19	Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,278,439,704
20	MOU Adjustments	-	-	-	-	-
21	Adjusted Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,278,439,704
22	Disbursements	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,268,157,284)	(1,205,821,328)
23	Receipts Net of Required Transfers	56,394,138	61,423,643	64,390,255	49,085,531	72,618,377
24	I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(27,744,600)	(74,075,151)
25	Shortfall advance	-	-	-	-	-
26	Shortfall Repayment	8,296,578	-	-	-	-
27	Net Receipts	416,066	24,759,343	23,303,755	21,340,931	(1,456,774)
28	Ratio of Receipts to Required Disbursements (Line 21/Line 22)	105%	105%	105%	104%	106%

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 623 and Sewer at 654 days cash on hand as of May 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 June 2025 revenue bond transaction replenished the construction bond funds reducing the emphasis on I&E funding. 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	May 31, 2026	Projected June 30, 2026
Water Fund			
Cash and Investments - Unrestricted	306,425,000	335,018,000	278,800,000
Operating Expense			
Operating Expense (a)	274,020,000	276,957,000	302,135,000
Less: Depreciation (a)	(94,928,000)	(93,714,000)	(102,233,000)
Less: Amortization of Intangible Asset (a)	(4,951,000)	(3,269,000)	(3,567,000)
Net Operating Expense	174,142,000	179,974,000	196,335,000
Operating Expense per Day	477,000	538,000	538,000
Days Cash			
Number of Days Cash	642	623	518
Sewage Disposal Fund			
Cash and Investments - Unrestricted	349,076,000	427,521,000	351,600,000
Operating Expense			
Operating Expense (a)	377,359,000	357,894,000	390,430,000
Less: Depreciation (a)	(147,559,000)	(139,333,000)	(152,000,000)
Less: Amortization of Intangible Asset (a)	(1,824,000)	-	-
Net Operating Expense	227,976,000	218,561,000	238,430,000
Operating Expense per Day	625,000	653,000	653,000
Days Cash			
Number of Days Cash	559	654	538
Combined			
Cash and Investments - Unrestricted	655,501,000	762,540,000	630,400,000
Operating Expense			
Operating Expense (a)	651,379,000	634,851,000	692,565,000
Less: Depreciation (a)	(242,487,000)	(233,047,000)	(254,233,000)
Less: Amortization of Intangible Asset (a)	(6,774,000)	(3,269,000)	(3,567,000)
Net Operating Expense	402,118,000	398,534,000	434,765,000
Operating Expense per Day	1,102,000	1,191,000	1,191,000
Days Cash			
Number of Days Cash	595	640	529

Totals may be off due to rounding

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

Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Grants Manager

Re: Grants, Gifts, and Other Resources Report Through July 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:

- ✓ **2023-005 Department of Energy – Hydrothermal Liquefaction –** Submitted and received final reimbursement request of $142K. This concludes the $1M project award. Close-out documentation is now in process.

- ✓ **2023-013 Federal Emergency Management Agency (FEMA), June 25-26 (2021) Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201) –** received notification that FEMA had approved closure and reimbursement of $248K is scheduled for processing.

- ✓ **2023-014 Federal Emergency Management Agency (FEMA), June 25-26 (2021) Flood, DR-4607 Project 664811 Conner Creek Sewer System (CIP Project 260204) –** received notification that FEMA had approved closure and reimbursement of $1.9M is scheduled for processing.

- ✓ **2023-015 Federal Emergency Management Agency (FEMA), June 25-26 (2021) Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs–** received notification that FEMA had approved closure and reimbursement of $91K is scheduled for processing.

- ✓ **2024-009 FY 2024 Environmental Protection Agency Community Grant – Pump Station #2 Rack & Grit (CIP Project 211007) -** Project scope has been agreed upon with EGLE and application is proceeding forward.

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)].

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.

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[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.

Table 1 – Pre-Award Phase Programs reflects open submissions for FY 2024, FY 2025, FY 2026, and FY 2027. 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). Project plan has been agreed upon with EGLE, application should be completed in August.
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	FY2026 EPA Community Grant – TBD	Federal Grant (Reimbursement Basis)	$1,092,000	Federal Audit Requirements	Earmark (20% Cost Share). Initial project selected determined to be not eligible, working to identify eligible projects.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2026-003	2/2/2026	FY2026 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	FY2206 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.
2026-005	2/2/2026	FY2026 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	FY2026 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	FY2027 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	FY2027 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.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2026-010	3/31/2026	FY2027 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	FY2027 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	FY2027 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	FY2027 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	FY2027 EPA Community Grant - Lake Huron Flocculation and Rapid Mix Rehabilitation (CIP Project 111012)	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
2026-015	3/31/2026	FY2027 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	FY2027 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	FY2027 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 2023 through FY 2026.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-003	6/03/2025	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	$3,452,972	Federal Audit Requirements	No Cost Time Extension approved by EPA with new end date of grant as May 31, 2028.
2023-013	8/06/2023	Federal Emergency Management Agency (FEMA), June 25-26 (2021) 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. Received notification FEMA had approved close-out and will process payment soon.
2023-014	8/28/2023	Federal Emergency Management Agency (FEMA), June 25-26 (2021) 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. Received notification FEMA had approved close-out and will process payment soon.

2023-015	10/3/2024	Federal Emergency Management Agency (FEMA), June 25-26 (2021) 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. Received notification FEMA had approved close-out and will process payment soon.
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	Project in progress. First reimbursement to be sent after first milestone met.
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 $2.5M. $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.
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. Project timeline to be determined by IT project team.
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 $30,000. $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.
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	3/21/2026	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
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	$1,000,000	Federal Audit Requirements	Final reimbursement request submitted and received in July, total reimbursement of $1M. Close-out documentation in process.

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 July.

Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Scott Garrigan, Financial Services Director

Re: Water Funding Task Force Update as of August 14, 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, service sector experts, and consultants.

Analysis: Current action items include the following.

- The research phase of the task force has concluded, and an initial draft of the funding and policy proposal is being completed. We will be providing an outline of the WFTF's efforts to the Board of Directors at its August 26, 2026 meeting.

- On August 10, 2026, we convened a cross-department GLWA focus group involving team members representing Planning Services, Wastewater Operating Services, Water Operating Services, and Financial Services. The information will help ensure that our findings align with GLWA's priorities across GLWA's functional areas.

- At the July 2026 Audit Committee, we announced tentative plans to hold a Water Infrastructure Roundtable in Lansing during the last week of August. This has been delayed to September due to several scheduling conflicts with the invitees. The goal of this roundtable is to engage with the larger public policy community regarding water sector infrastructure funding in Michigan.

- In conjunction with the September Roundtable, the Task Force plans to present its report findings and recommendations to the Board of Directors at its September 23, 2026 meeting.

Proposed Action: Receive and file this report.

Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Deputy Chief Financial Officer

Re: Quarterly Economic Outlook Task Force Update

Background & Analysis: In July 2021, the Great Lakes Water Authority (GLWA) began conversations with vendors, analysts, supply chain experts, and others to better understand the potential impact of global and economic conditions on GLWA's capital and operating budgets.

In September 2021, Public Sector Consultants (PSC) was engaged to work with the GLWA Procurement team, the GLWA Capital Improvement Planning team, and other stakeholders to conduct an economic analysis and identify impacts on the annual capital improvement plan. GLWA and its PSC partners provide updates throughout the year to assist in monitoring and responding to ongoing economic changes.

Included with this memo is the August 2026 EOTF Update providing a summary of economic activity through the second quarter of 2026. This update will be presented by the PSC senior advisory team.

Proposed Action: Receive and file this report.

Economic Outlook Task Force Update
GLWA Audit Committee
August 2026

Public Sector Consultants

Executive Summary: 2026 Q2 in Review

Through Q2 2026, we are particularly paying attention to a stagnant labor market and an ongoing inflation spike driven by energy costs:

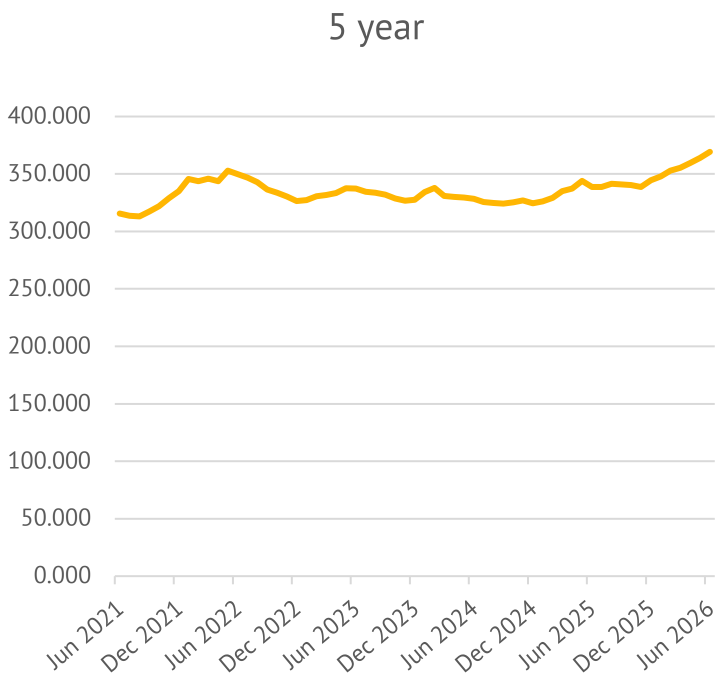
- **Economy:** The labor market remained sluggish in Q2 2026, with the economy adding 148,000 jobs in April, 66,000 in May and 20,000 in June. Unemployment sits at 4.2% with some analysis indicating a no hire-no fire trend as revisions of -103,000 drove May and June numbers downward significantly.
- **Infrastructure Costs:** Headline inflation peaked at 4.2% in May before easing to 3.5% in June as gasoline fell 9.7% following the Iran ceasefire, though gas remains 26.7% above last year at this time. Construction materials also saw an acceleration in cost, up 3.5% in Q2 and 9.0% year-over-year, led by steel pipe and switchgear equipment. GLWA's key materials remain 30-75% more costly than 5 years ago.
- **Risks:**
  - Energy-driven inflation and ongoing tariff pass-through could re-accelerate construction and material costs
  - Geopolitical conflict has persisted with no clear Iran resolution in sight, driving further energy related inflation
  - Cybersecurity attacks on water utilities are heightened and related to geopolitical conflict

Construction Materials: Producer Price Index

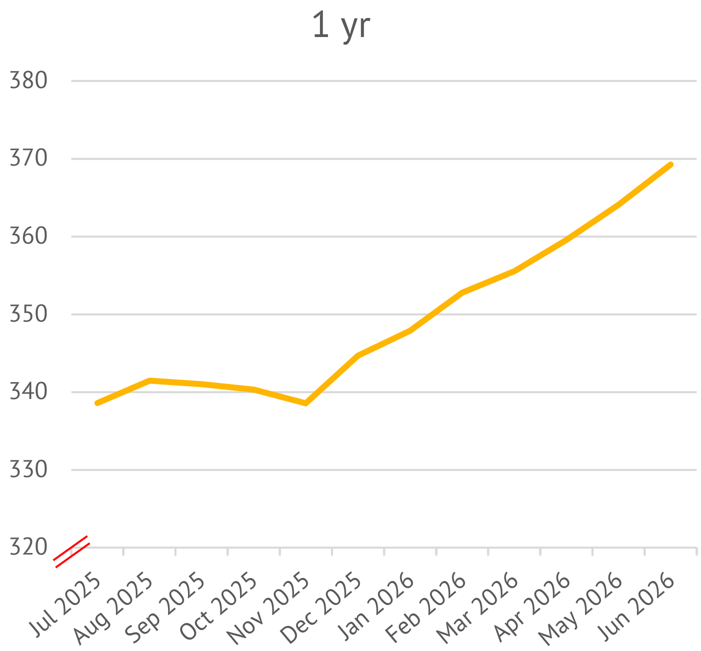
June 2026 marks a record high for construction materials, up 9.0% year-over-year and 17% over five years. Seven straight months of increases have erased the 2024-25 plateau, with little indication of the trend reversing.

20 YR

5 YR



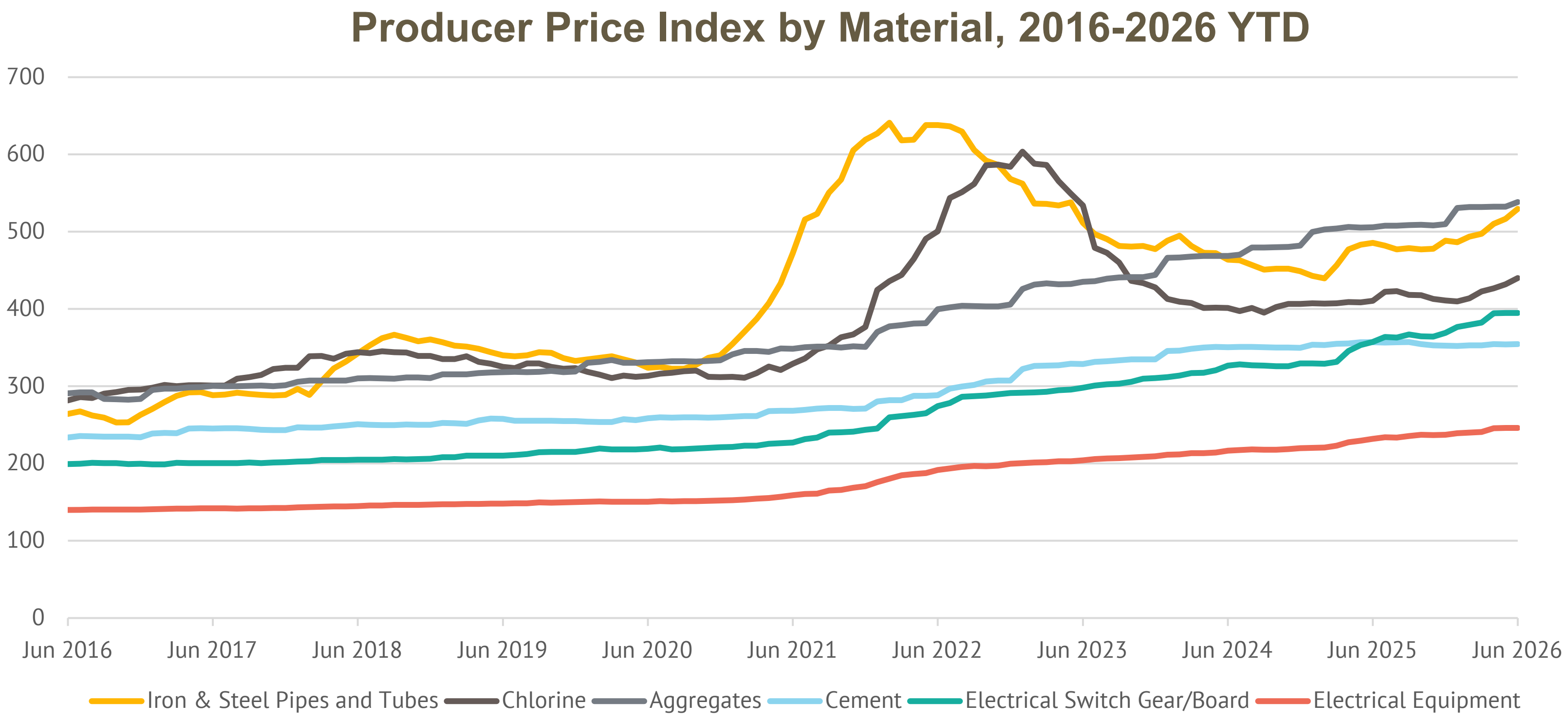
1 YR*



Source: Bureau of Labor Statistics, Producer Price Index, updated August 10, 2026
*Note the different vertical axis for 1YR

Priority Materials: Producer Prices

Prices for priority materials are increasing faster than broader inflation which is hovering around 3-4%, except for chlorine and cement. Rising transportation costs may place upward pressure on material prices.



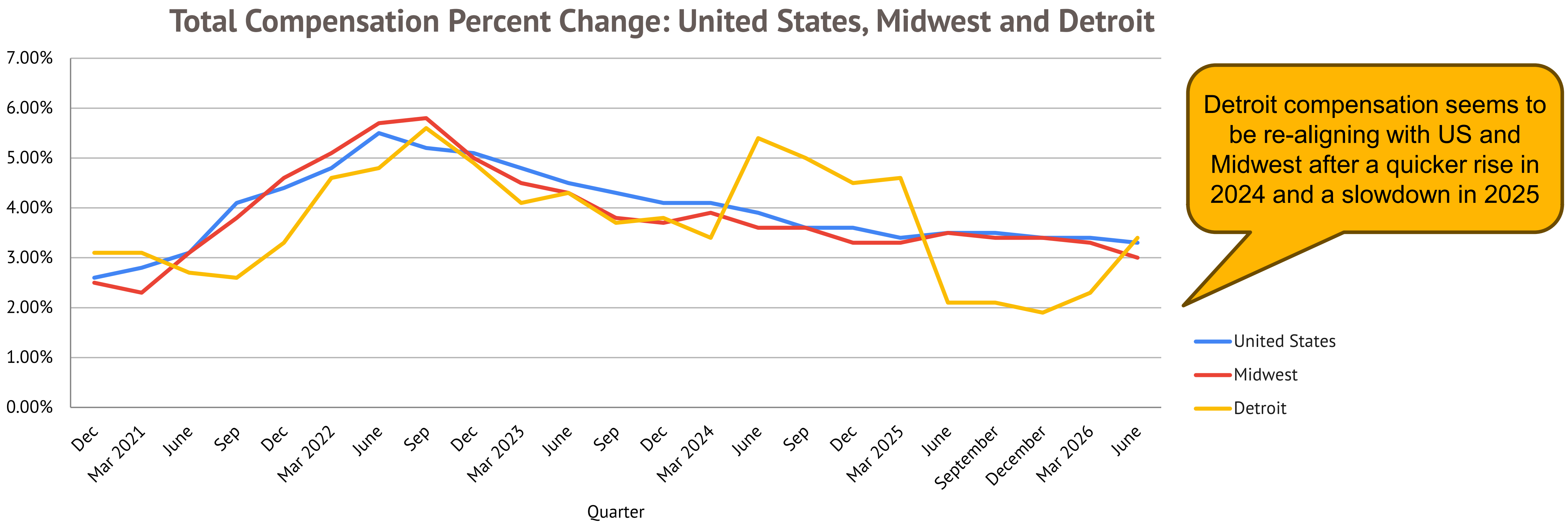
Percent Change	10YR	5YR	1YR
Iron and Steel Pipes and Tubes	101%	12%	9%
Chlorine	56%	34%	1%
Aggregates	85%	55%	6%
Cement	52%	32%	-1%
Electrical Switch Gear/Board	98%	74%	11%
Elect Equipment	76%	55%	6%

PSC

Source: Bureau of Labor Statistics, Producer Price Index, updated August 10, 2026

Wages: Total Compensation

The Employment Cost Index (ECI) measures change in labor cost to employers. Growth in total compensation is trending slight downwards from the highs in 2021-22, but remain around 3.0-3.5%.



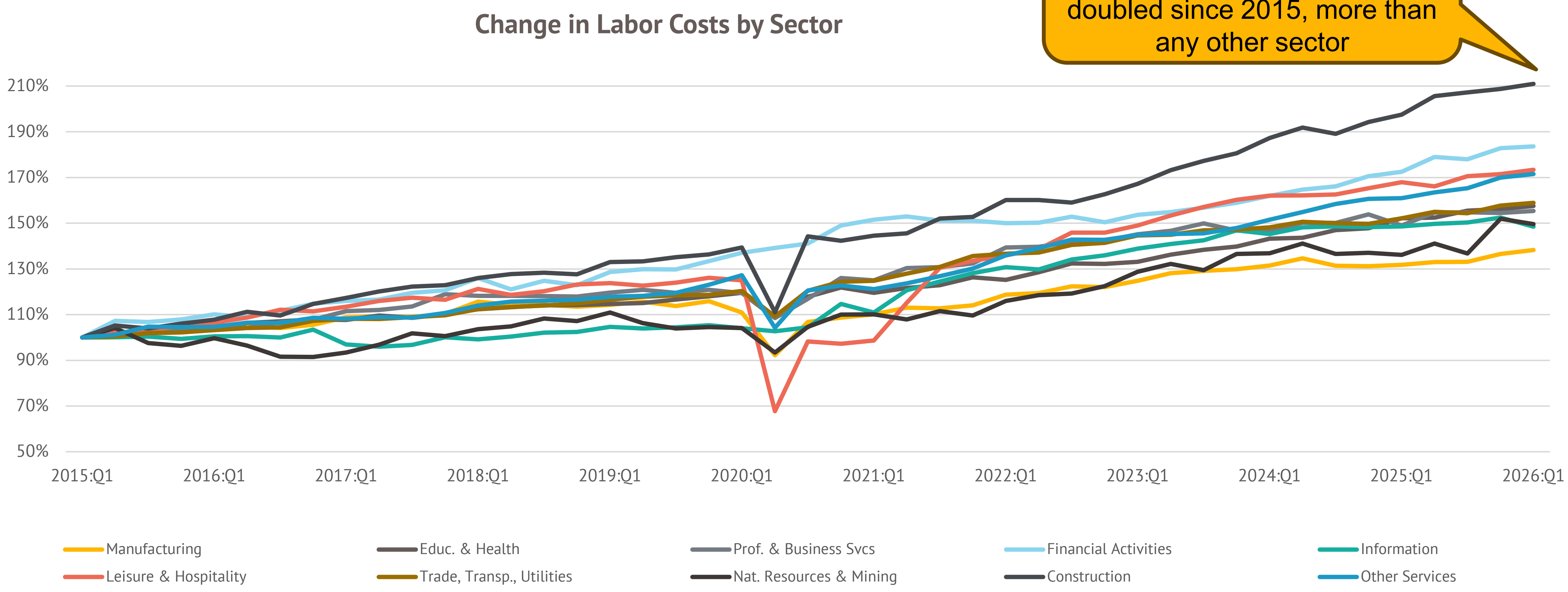
The Employment Cost Index (ECI) uses a fixed "basket" of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits.

Source: Employment Cost Index, Bureau of Labor Statistics (BLS); updated August 10, 2026

Compensation: Growth by Sector

While all sectors have increased through a combination of higher labor costs and more jobs, Construction has increased the fastest.

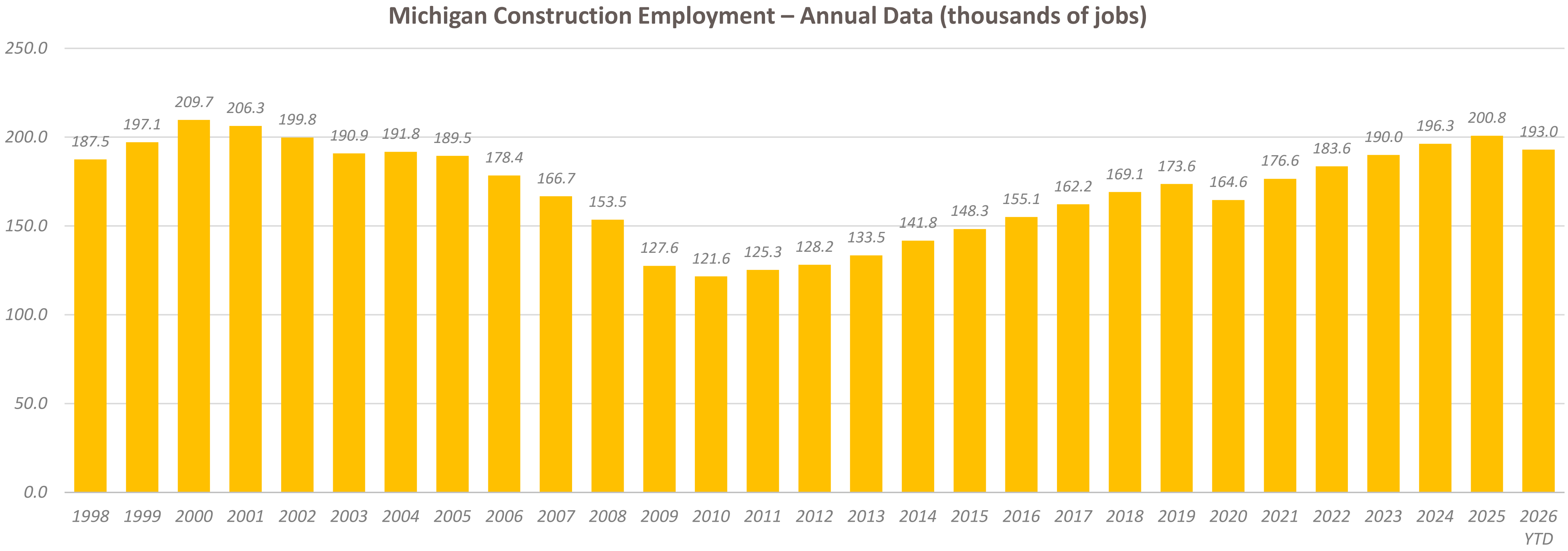
Total Construction compensation in Michigan has more than doubled since 2015, more than any other sector



Source: Compensation of employees by NAICS industry, Bureau of Labor Statistics (BLS); updated August 10, 2026

Construction Jobs: Employment in Michigan

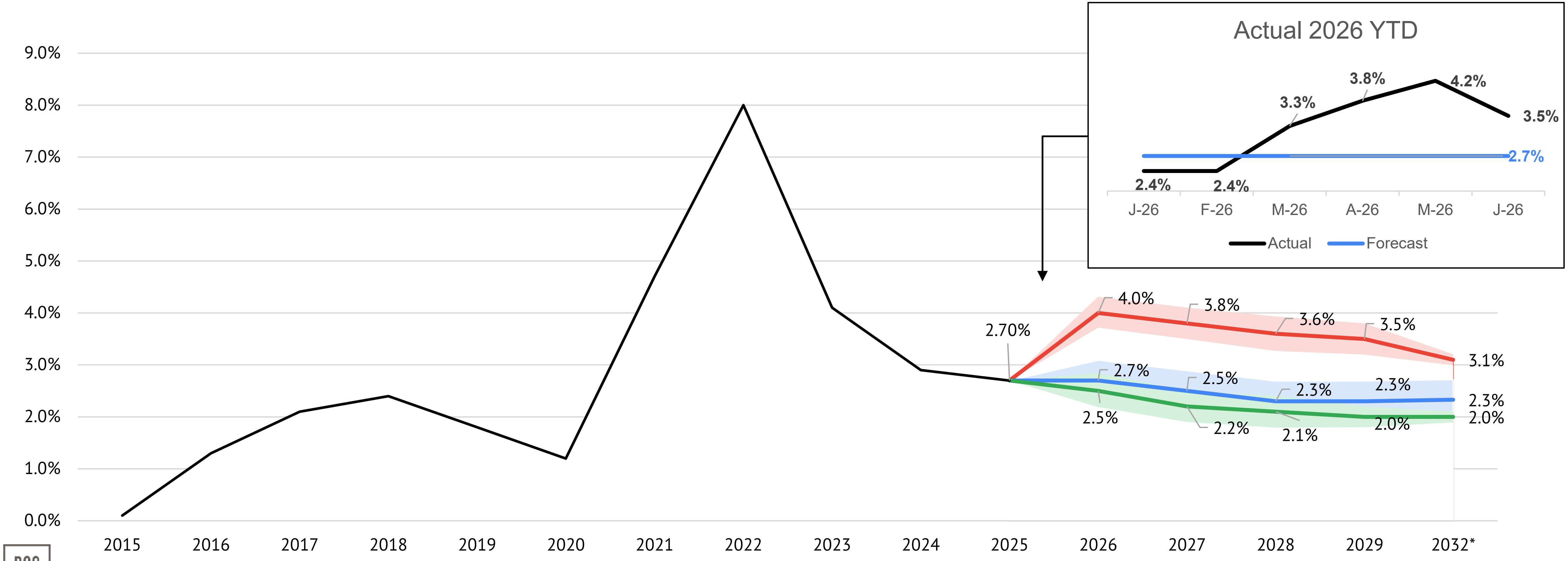
The number of construction jobs in Michigan has steadily recovered since the financial crisis, with 2025 ending at the highest point since 2001 and just shy of the peak in 2000. 2026 has seen a slight dip in its average year-to-date, which is to be expected with the construction season only picking up in May.



Sources: U.S. Bureau of Labor Statistics. "State and Metro Area Employment, Hours & Earnings" and PSC calculations. Data downloaded August 10, 2026.

Inflation: Southeast Michigan Forecast

While 2025 inflation ended slightly below projections at 2.7%, providing brief relief, **price pressures accelerated significantly in mid-2026**. Driven by volatile shifts in local food and energy costs, the Southeast Michigan headline inflation rate climbed back to **4.0% over the 12 months ending in June 2026**. Consequently, the University of Michigan's team of economic forecasters adjusted their mid-term projections upward to reflect persistent cost-of-living pressures despite mild cooling in core items.



Sources: University of Michigan's Research Seminar in Quantitative Economics, May 14, 2026.

Looking Ahead in 2026: Key Drivers to Watch

- **Q2 job growth showed early momentum in April, but downward revisions and disappointing May and June numbers have tempered that optimism**. Job gains have been heavily concentrated in the health care sector, with no growth in most other sectors.
  - July's jobs report reinforced these concerns, with the economy registering a net loss of 23,000 jobs. The slight decrease in the unemployment rate from 4.2% to 4.1% indicates a shrinking labor force as fewer people actively seek work.
- **Uncertainty around key economic drivers persists.** U.S. tariff policy continues to be volatile, and significant questions remain and the downstream impacts on supply chains, input costs, and investment continue to be felt. As of August 25th, 2026, the US and Canada have announced steep tariffs on a broad slate of goods.
- **Federal Reserve signals remain mixed under new leadership**. The Board faces competing pressures from energy price shocks and persistently above-target inflation, making rate cuts unlikely in the near term while leaving the door open to potential rate hikes.
- **Artificial Intelligence investment –** continues to accelerate, driving growing market share, reshaping demand for high-skill labor, and expanding data center infrastructure at a pace that is placing significant pressure on utilities and construction capacity.

Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: August 28, 2026

To: Great Lakes Water Authority Audit Committee

From: Michael Lasley, CPPB, Procurement Manager

Re: 2026 Vendor Performance Assessment Annual Report

Background & Analysis: GLWA monitors the performance of its vendors to review quality, delivery, service levels, contract compliance, and overall value to ensure they are aligned with GLWA's needs and goals. The attached report summarizes vendor performance for FY 2026.

Proposed Action: Receive and file this report.

Annual Procurement Vendor Performance Assessment (VPA) Report for FY 2026 includes the following:

1. Report Highlights
2. Program Background
3. Program Overview
4. Benefits of the VPA Program
5. Key Performance Indicators (KPIs)
6. Program Data Summary
7. Program Training Data

Report Highlights

- Better sourcing decisions
- Educating GLWA Project Managers on vendor performance assessment process
- Key Performance Indicators (KPIs) summary since program launch

Program Background

Before the development of the Vendor Performance Assessment (VPA) Program, GLWA had no measurable, documented process for the evaluation of a vendor's performance on a contract. This meant that important lessons about vendor performance were not documented, representing a gap in GLWA's desire for continuous and strategic improvement in our sourcing decisions.

A soft launch of the VPA Program was executed in October 2022 and allowed GLWA to begin internally collecting VPA data, training team members on the VPA Program, and refining the VPA process. With the full launch of the program in September 2024, GLWA began utilizing VPA scoring during the solicitation evaluation process to improve strategic sourcing decisions and to provide vendors with actionable opportunities for performance improvement on current and future GLWA projects.

VPA Program Overview

The purpose of GLWA's VPA Program is to monitor and manage vendor quality, delivery, service levels, and overall value to ensure they are aligned with GLWA's needs and goals. GLWA's VPA Program is structured to evaluate and measure how well vendors are meeting the agreed-upon contractual requirements and performance standards of the organization. The program provides a consistent approach to evaluating vendor performance against contractual requirements and organizational standards. It also supports the vendor community by offering clear expectations, fair evaluations, and constructive feedback that strengthens capabilities and competitiveness. Through structured communication and collaboration, the VPA Program fosters strong, transparent relationships that promote mutual trust, continuous improvement, and long-term partnership with GLWA.

VPA Program Eligibility

- All current contracts in the Euna Solutions (Bonfire) System that are $1,000,000 or higher
- Construction, Architectural Engineering, Design Build, Information Technology, Operations & Maintenance, Progressive Design Build, and Personnel contracts
- Job Order Contracts (JOCs) and Task Order Engineering Services (TOES) contracts that are $300,000 or higher
- Contracts terminated for cause or convenience
- Extended or renewed contracts meeting the above requirements

VPA Survey

VPAs are distributed to GLWA Project Managers for eligible contracts within 30 days of the contract end date using an online survey tool. A standard survey is currently used for all GLWA projects. The VPA survey content consists of the multiple-choice categories and narrative items shown below.

Multiple Choice Categories	Narrative Items
1. Project Management	1. What else would you want future GLWA Procurement evaluation teams to know about this Vendor/Contractor's performance? 2. List any suggestions you have for this Vendor/Contractor to improve future performance in the execution of GLWA contracts. 3. List below any additional criteria you would like to see added to future GLWA Vendor Performance Assessments.
2. Finance/Budget	
3. Quality of Work	
4. Communication/Responsiveness	
5. Scope of Work	
6. Health & Safety	
7. Schedule	
8. Security	
9. Business Inclusion & Diversity	
10. Evaluation Team Feedback	

VPA Data Usage

- All existing validated VPA scores and data are shared with GLWA evaluation teams during future solicitations involving affected Vendors.
- Vendors with validated one-year rolling aggregate scores of less than 70% are classified as "Vendors at Risk" and are deemed "non-responsible" for any solicitations they are currently pursuing per GLWA procedure FSA_PRO_SOP_0012 Non-Award Determination and GLWA Procurement Policy (13.1 Imposing Suspension/Debarment).
- Vendors at Risk are given an opportunity to appeal the VPA or submit Preventative Action Plan (PAP) to regain eligibility for future GLWA solicitations. GLWA stakeholders must approve the PAP; it must address all known performance issues and will be referenced during any future awarded contracts. Detailed PAP instructions are shared with each affected Vendor.

VPA Appeal Process

A Vendor is permitted to appeal any individual VPA item within seven business days of receipt of the VPA Vendor Notification Letter. Appeal instructions are included in the letter.

Benefits of the VPA Program

GLWA's VPA Program has enabled several key improvements in our procurement process as it relates to measuring vendor performance and developing stronger vendor relationships.

The VPA Program has allowed GLWA to:

- Establish KPIs by defining specific, measurable metrics that reflect critical aspects of vendor performance like delivery time, quality rate, customer satisfaction, cost per unit, etc.
- Collect key data from various sources like purchase orders, delivery records, customer feedback, and vendor reports.
- Analyze collected data against established KPIs to assess vendor performance against expectations.
- Facilitate feedback and communication with vendors on their performance, highlighting areas of strength and areas for improvement.
- Hold periodic performance review meetings with vendors to discuss their performance, address concerns, and set future goals.

Overall, the VPA Program has been beneficial to GLWA in the following ways.

- ***Improved cost management***: Assisting Procurement to identify areas where cost savings can be achieved through better vendor negotiation and performance optimization.
- ***Enhanced quality control***: Ensuring consistent high quality of products and services delivered by vendors.
- ***Risk mitigation***: Identifying potential issues with vendors early on and taking corrective actions to minimize disruptions.
- ***Stronger Vendor Relationships***: Fostering open communication and collaboration with vendors to improve overall performance.
- ***Procurement Policy Alignment***: Addressing "gaps" in determining Vendor responsibility.
- ***Data-based Sourcing Decisions***: When VPA data is available, GLWA evaluation teams can determine Vendor responsibility based on past performance data.

Key Performance Indicators

Table 1 – VPA Current KPI Data

KPI	Current Data
1. Average VPA Score (Validated)	96%
2. Project Managers Trained	108
3. Non-Responsible Vendors Identified	1
4. VPAs Submitted	49
5. VPA's Validated	45

VPA Program Data Summary

Table 1 – VPAs Submitted Since February 4, 2023 by Fiscal Year

Fiscal Year	# of VPAs Submitted	Contract Value
2023	7	$24,497,631.00
2024	15	$178,584,154.00
2025	15	$99,985,460.00
2026	12	$147,348,702.00

Table 2 – VPAs Submitted FY 2023

Vendor Name	Project Title
DES Electric	Power Monitor Installation Project
Waste Management of Michigan	Hauling & Disposal of Rack & Grit
Salenbien Trucking and Excavating	Park – Merriman 24" Water Main
WSP Michigan Inc.	Springwells Admin. Bld. & Fire Protect
Major Cement Company	14 Mile Transmission Loop - Phase I
Detroit Pump & Mfg. Company	Pumps and Grinders Service
ThyssenKrupp Elevator Corp.	Preventative Monthly Elevator Maintenance

Table 3 – VPAs Submitted FY 2024

Vendor Name	Project Title
The Foster Group, LLC	Financial Management Consulting Service
LGC Global, Inc.	Wholesale Water Meter Rehabilitation & Meter Replacement
Rickman Enterprise Group, LLC	Loading, Hauling and Disposal of Scum
Magnolia River Services	GIS Strategic Support Services
J.F. Cavanaugh Company	Complex II- Measurement Systems for Filters at NE Water Treatment Plant
Weiss Construction Corporation	Fairview Sewage Pumping Station Improvements (Task)
Mark Anthony Contracting	Schoolcraft Road Concrete Pavement Restoration and Landscaping
Kokosing Industrial, Inc.	SWTP 1930 Sedimentation Basin Sluice Gates, Guides, and Hoist Improvements
Inland Waters Pollution Control	Emergency Sewer Repair CIP
CDM Smith Michigan, Inc.	Good Sewer Metering Practices & Analytic Services
Brown and Caldwell, LLC	Fairview Sewage Pump Station
Jacobs Consultants, Inc.	Facilities Needs Assessment Project
Motor City Electric	Maintenance and Repair of Electrical Equipment
LGC Global, Inc.	Rehabilitation of Outfall B-39
Brown and Caldwell Constructors	LHWTP Pilot Plant DB Services

Table 4 – VPAs Submitted FY 2025

Vendor Name	Project Title
Weiss Construction Company	Rehabilitation of Ferric Chloride Feed Systems
Ric-Man Construction, Inc.	Wick Rd. 48-Inch Water Transmission Main
Somat Engineering Inc.	Engineering Services for Concrete Testing, Geotechnical Soil Borings
Commercial Contracting Corporation	Incineration and Ash Handling System Rehabilitation
Commercial Contracting Corporation	Baby Creek CSO Facility Screen Rehabilitation
Weiss Construction Company	RRO Sodium Hypochlorite Feed System Improvements
Preventative Maintenance Technologies, LLC	Standby Generator Preventative Maintenance and Repair Services
Slalom, LLC	Consultant Services for Workday Project
Arcadis of Michigan, LLC	Comprehensive Corrosion Control Optimization Study
Titus Welding Company, Inc.	General maintenance for all grit collector needs
NTH Consultants, Ltd.	Environmental Health and Safety Compliance Services
Enterprise Fleet Management	Fleet Management Service
Pullman SST, Inc.	Reservoir Rehabilitation Project at Water Treatment Facilities
LaSalle Construction Services	Hazmat Building Rehabilitation
Hazen and Sawyer	Reservoir Inspection and Design & Construction

Table 5 – VPAs Submitted FY 2026

Vendor Name	Project Title
GDI Services, Inc.	Commercial Janitorial Services
FK Engineering Associates	Conveyance System Interceptors & Trunk Sewers
Kokosing Industrial, Inc.	West Service Center Reservoir, Pump House, and Division Valve Replacements
LGC Global, Inc.	Yard Piping, Valves and Venturi Meter Replacement
Slalom, Inc.	Finance Operations Assistance
AECOM	Replacement of Yard Piping--Professional Engineering Services
Schrieber Corporation	Replacing and Rehabbing Select Roofs at WRRF
PFM Asset Management, LLC	Investment Advisor Services
PCI, LLC	Systems Control Center Support Services
DHT Transport, LLC	Hauling and Disposal of Ash
DHT Transport, LLC	Hauling of Biosolids to Disposal Sites
Commercial Contracting Corporation	Water Works Park HVAC Improvements

VPA Training Data

VPA Training is provided to GLWA Project Managers in advance of receiving the VPA survey. Training sessions are one hour and are delivered to the GLWA Project Managers virtually via Microsoft Teams Meetings. We started offering this training on November 10, 2022, and there have been a total of 108 GLWA Project Managers trained in 18 training sessions as of the end of FY 2026.

Table 6 – GLWA VPA Training by Organization Since Program Launch

GLWA Organization	# of Project Managers Trained
Wastewater Operations	40
Water & Field Services	42
Administrative & Compliance Services	14
Financial Services	9
Planning Services	1
Systems & Resiliency	1
Executive Office	1

Procurement Pipeline

Great Lakes Water Authority (313) 964-9157 www.glwater.org **August 2026 - Volume 84**

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

Procurement Tip of the Month: Communicating with GLWA During the Solicitation Process

An open and competitive procurement process ensures that all vendors have a fair and transparent opportunity to compete for GLWA contracts. A key part of maintaining this fairness is making sure every participating vendor receives the same information throughout the solicitation process. Once a solicitation is posted in GLWA's Euna Procurement Portal, all vendor communication regarding that project must be directed to the GLWA Buyer identified in the solicitation documents. Using a single, centralized point of contact helps maintain a level playing field for all respondents and protects the integrity of the procurement process.

Vendors with questions about an active solicitation in Euna may use the following channels.

- **Pre-Bid/Proposal Meetings**. These sessions give vendors the opportunity to learn more about the project and ask the GLWA Buyer and Project Manager questions. Dates, locations, and instructions for joining are listed on the solicitation's Euna page.
- **Question and Answer Period**. Until the question deadline listed on the Euna page, vendors may submit written questions. Questions are answered by the GLWA Buyer in consultation with the Project Manager and then posted as an addendum in Euna.
- **Email**. Vendors may email questions directly to the Buyer. Any inquiries sent to other GLWA staff will be rerouted to the Buyer to maintain consistency.

After a solicitation has closed and a contract has been awarded, vendors who were not selected may request a vendor debrief meeting with GLWA Procurement to gain insight that may improve future responses. Debrief meetings are available only for Request for Proposal solicitations evaluated using a qualifications-based selection (QBS) method. To preserve the integrity of GLWA's procurement process, debrief meetings can only occur after the contract and/or purchase order has been fully executed and only for vendors who submitted a response.

GLWA's 2026 Vendor Outreach Event

On October 29, 2026, GLWA will host its annual Vendor Outreach Event at Schoolcraft College. This half-day event will feature a keynote presentation by Kurt David on the workforce of the future and in-depth walkthrough of a successful GLWA project with insights from both GLWA team members and participating vendors. To register on for the October 2026 on Whova, please click here.

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 July 2026 Monthly Report, please click here.

What's Coming Down the Pipe?

Current Solicitations: Register in GLWA's Euna Procurement Portal for new solicitations. *Upcoming Procurements:* 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 August 2026

Category	CIP #	Description/Project Title	Budget
Water System (next four to nine months)			
Construction	111012	Lake Huron Water Treatment Plant Flocculation Improvements	$60,000,000
Wastewater Systems (next four to nine months)			
Construction	232002	Conner Creek Sanitary Pump Station	$190,000,00
Construction	260803	WRRF Roof Improvements - Phase II	$3,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	$14,200,000
Construction	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1 (CMAR)	$30,000,000
Enterprise (next three months)			
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)			
Design	211009	Rehabilitation of the Circular Primary Clarifier Scum Removal - Study	$1,800,000
Design	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	$8,000,000
Design	213008	WRRF Rehabilitation of Ash Handing Systems	$1,600,000
Design	270002	Meldrum Sewer Diversion and VR-15 Improvements	$2,000,000
Projects moved to Procurement Team (Preparing for solicitation on Euna Procurement)			
Professional Services	O&M	Staffing Services	$500,000
Construction	260210	Rehabilitation of GLWA Sewers: Ashland Relief, Linwood, Second, and Shiawassee (AL2S)	$14,000,000
Construction	O&M	Job Order Contracting	$25,000,000
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	Alum sludge hauling	$1,391,144
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