



Financial Services Audit Committee Communication

Date: February 9, 2024

To: Great Lakes Water Authority Audit Committee

From: Nick Simms, Grants Management Professional

Re: Grants, Gifts, and Other Resources Report Through December 31, 2023

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⁾.

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

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

GLWA's Grants, Gifts, and Other Resources Delegation Policy is online at [Grants, Gifts, and Other Resources Delegation Policy - GLWA \(glwater.org\)](https://www.glwwater.org/grants-gifts-and-other-resources-delegation-policy).

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

This report has been updated to align section titles with the grant lifecycle as found in best practice guidance and in the Workday system currently being implemented at GLWA. The grants lifecycle refers to the process required to secure, administer, and close out grant activity. These steps are broken down in three major phases: pre-award, award, and post award.

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

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

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

The tables in each section of this report now reflect GLWA grant activity in each phase. As a grant moves through this lifecycle, it will be updated in the appropriate section of the report.

Items highlighted in yellow in the attached tables reflect changes from the prior report.

Highlights of this report through December 31, 2023, includes the following.

- ✓ **FEMA Project-Scoping Application** – GLWA is completing the intent to apply for an \$856 thousand grant through the Federal Emergency Management Agency. This grant supports project scoping activities primarily used to design and develop mitigation strategies. If awarded, this project scoping opportunity would be used to help offset the design costs of a dedicated microgrid for the Freud pump station to improved overall pump station resiliency.
- ✓ **PA 53 ARPA Grant** – GLWA officially signed the \$25 million grant agreement with the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for Public Act 53 that was issued as American Rescue Plan funds. In addition to the signed grant agreement, GLWA has submitted its first reimbursement request to EGLE.
- ✓ This report presents the Grants, Gifts, and Other Resources across three tables.

Table 1 – Pre-Award Programs reflects open submissions for FY 2023 and FY 2024 to date. The summarized activity provided identifies nine FEMA Flood projects, one application submission, two letters of intent to support and collaborate with other entities, two letters of intent to apply by GLWA, two EPA Community Grants, and the I-94 Modernization Project grant in the National Environmental Policy Act (NEPA) process to identify any environmental impacts related to the grant activities.

Table 2 - Awarded Programs reflects all awarded grants from FY 2021 through FY 2024. Current month summarized activity below includes one State Revolving Fund American Rescue Plan Act Funding program in which there has been no disbursement activity to date, three award receipts related to local nonprofit apprenticeship grants, an American Rescue Plan Clean Water Infrastructure grant through the State of Michigan, and the Department of Energy grant in which only cost share has been accounted for to date.

Table 3 - Post Award Programs there is no current activity as of December 31, 2023, for Post Award Programs. Funds related to these programs have been received in full and the programs are in the process of being closed out, including any closeout reporting requirements.



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Table 1 – Pre-Award Programs reflects open submissions for FY 2023 and FY 2024 to date. The Programs listed under this section do not have a grant agreement between the awarding agency and GLWA at this time, but the grant has been applied to or earmarked. The summarized activity provided identifies nine FEMA Flood projects, one application submission, two letters of intent to support and collaborate with other entities, two letters of intents to apply by GLWA, two EPA Community Grants, and the I-94 Modernization Project grant in the National Environmental Policy Act (NEPA) process to identify any environmental impacts related to the grant activities.

Table 1 – Pre-Award Programs

| Reference Number | Request Date | Program Description | Type of Activity | Amount to be Provided | Compliance and/or Performance Requirements | Status |
|------------------|--------------|--|--|---------------------------------|--|--|
| 2023-002 | 7/1/2022 | FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor | Federal Grant (Reimbursement Basis) | \$2,000,000 (20% Cost Share) | Federal Audit Requirements | Earmark |
| 2023-003 | 7/1/2023 | FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project | Federal Grant (Reimbursement Basis) | \$3,452,972 (20% Cost Share) | Federal Audit Requirements | Earmark |
| 2023-012 | 4/4/2023 | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660110 – Obligated \$319,911 Fairview PS | Federal pass-through State (Reimbursement Basis) | \$319,911 | Federal Audit Requirements | Funds are obligated but have not been received |

| Reference Number | Request Date | Program Description | Type of Activity | Amount to be Provided | Compliance and/or Performance Requirements | Status |
|------------------|--------------|--|--|-----------------------|--|--|
| 2023-009 | 4/4/2023 | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660133 – Obligated \$80,129 Puritan Fenkell CSO | Federal pass-through State (Reimbursement Basis) | \$80,129 | Federal Audit Requirements | Funds are obligated but have not been received |
| 2023-010 | 4/11/2023 | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660118 – Obligated \$180,000 WRRF | Federal pass-through State (Reimbursement Basis) | \$180,000 | Federal Audit Requirements | Funds are obligated but have not been received |
| 2023-011 | 8/30/2022 | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 668672– Obligated \$43,031 System Wide Emergency Protective Measures | Federal pass-through State (Reimbursement Basis) | \$43,031 | Federal Audit Requirements | Funds are obligated but have not been received |
| 2023-018 | | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 673958 Detroit River Interceptor | Federal pass-through State (Reimbursement Basis) | \$529,731 | Federal Audit Requirements | Grant Amount is Estimated |
| 2023-013 | | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls | Federal pass-through State (Reimbursement Basis) | \$1,332,235 | Federal Audit Requirements | Grant Amount is Estimated |

| Reference Number | Request Date | Program Description | Type of Activity | Amount to be Provided | Compliance and/or Performance Requirements | Status |
|------------------|--------------|---|--|-----------------------|--|--|
| 2023-022 | | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660745 Conner Creek Sewer System | Federal Grant (Reimbursement Basis) | \$8,888,277 | Federal Audit Requirements | Grant Amount is Estimated |
| 2023-014 | | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 East Side Sewers | Federal pass-through State (Reimbursement Basis) | \$3,566,407 | Federal Audit Requirements | Grant Amount is Estimated |
| 2023-015 | | Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs | Federal pass-through State (Reimbursement Basis) | \$50,000 | Federal Audit Requirements | Grant Amount is Estimated |
| 2024-001 | 8/30/2023 | NFWF Coastal Resilience Challenge | Letter of Intent by University of Michigan | Unknown at this time | Unknown at this time | Grant Amount is Estimated |
| 2024-002 | 8/30/2023 | NOAA Climate Resilience Regional Challenge | Letter of Intent by University of Michigan | Min \$25,000,000 | Unknown at this time | Grant Amount is Estimated |
| 2024-003 | 10/30/2023 | Workforce Development Opportunity Grant | Application Submitted by GLWA | \$1,800,000 | Federal Audit Requirements | Grant Amount is Estimated and dependent on number of applicants EPA receives |

| Reference Number | Request Date | Program Description | Type of Activity | Amount to be Provided | Compliance and/or Performance Requirements | Status |
|------------------|--------------|---|--|-----------------------|--|--|
| 2024-004 | 11/15/2023 | Climate Pollution Reduction Grants Program | Letter of Intent to Apply by GLWA | \$500,000,000 | Federal Audit Requirements | Grant Amount is Estimated |
| 2024-005 | 12/15/2023 | Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping | Michigan State Police Letter of Intent to Apply by GLWA | \$856,000 | Federal Audit Requirements | Grant Amount is Estimated |
| 2023-023 | 8/30/2023 | I-94 Modernization Project | MDOT Federal pass-through State (Reimbursement Basis) | \$34,400,000 | Federal Audit Requirements | NEPA Review with the State of Michigan |

Table 2 Awarded Programs reflects all awarded grants from FY 2021 through FY 2024. These Projects have been awarded by the agency listed and an agreement is in place. Each grant is in process including compliance checks for all required administrative, financial, and programmatic requirements. Current month summarized activity below includes one State Revolving Fund American Rescue Plan Act Funding program in which there has been no disbursement activity to date, three award receipts related to local nonprofit apprenticeship grants, an American Rescue Plan Clean Water Infrastructure grant through the State of Michigan, and the Department of Energy grant in which only cost share has been accounted for to date.

Table 2 – Awarded Programs

| Reference Number | Request Date | Program Description | Type of Activity | Grant Amount | Compliance and/or Performance Requirements | Status |
|------------------|-------------------|--|---|---------------------|--|---|
| 2022-004 | 2/23/2022 | Water Technician Registered Apprenticeship Program- \$2,225 per apprentice, 25 apprentices | Macomb Community College Tuition (Nonprofit) | \$55,625 | None | Ongoing No activity as of date for FY 2024 |
| 2021-012 | 9/21/2021 | Michigan Industrial Cluster Approach (MICA 3.0) Apprenticeship Program - \$1,000 per apprentice, 45 apprentices | Focus Hope (Nonprofit) | \$45,000 | None | Ongoing No activity as of date for FY 2024 |
| 2024-003 | 7/7/2023 | Detroit Employment Solutions Corporation (DESC) Apprentices \$5,000 per apprentice; 9 apprentices | Detroit At Work (Nonprofit) | \$45,000 | None | \$25,000 received in the month of August |
| 2023-005 | 4/1/2023 | Department Of Energy – Hydrothermal Liquification Project | Federal Grant (Reimbursement Basis) | \$1,000,000 | Federal Audit Requirements | Awarded Ongoing |
| 2023-017 | 08/30/2023 | American Rescue Plan PA-53 Clean Water Infrastructure Improvements | Federal pass-through State (Reimbursement Basis) | \$25,000,000 | Federal Audit Requirements | Supplemental Budget Appropriation |
| 2023-019 | 3/3/2021 | American Rescue Plan – State Revolving Fund (ARP) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE | Federal pass-through State (Reimbursement Basis) | \$16,057,500 | Federal Audit Requirements | No disbursement requests submitted to date |

Table 3 – Post Award Programs there is no current activity as of December 31, 2023, for Post Award Programs. Funds related to these programs have been received in full and the programs are in the process of being closed out, including any closeout reporting requirements.

Proposed Action: Receive and file this report.