



Audit Committee Meeting
Friday, August 22, 2025 at 8:00 a.m.
www.glwater.org

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Meeting ID: **848 2779 6023** Passcode: **548528**

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

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. August 1, 2025 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
 - A. FY 2025 Annual Financial Audit Update (Page 6)
8. REPORTS
 - A. CFO Report (Page 16)
 - B. Monthly Financial Report (Page 17)
 - C. Gifts, Grants & Other Resources Report Through July 31, 2025 (Page 18)
 - D. Quarterly Investment Report Through June 30, 2025 (Page 27)
 - E. Economic Outlook Task Force Update (Page 56)
9. COMMUNICATIONS
 - A. The Procurement Pipeline for August 2025 (Page 64)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: September 26, 2025, 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, August 1, 2025

8:00 AM

Zoom Telephonic Meeting

Zoom Telephonic Meeting

Join Zoom Meeting

<https://glwater.zoom.us/j/83711852466?pwd=53PNo1kPzggyZnkrNczdsmH2Uln4C8.1>

Join by Telephone

US Toll-Free:

877 853 5247; or 888 788 0099

Meeting ID: 837 1185 2466

Passcode: 461136

1. Call To Order

Chairperson Baker called the meeting to order at 8:02 a.m.

2. Quorum Call

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

NOTE: Director Brown joined the meeting at 8:06 a.m. during discussion of item 7A.

3. Approval of Agenda

Chairperson Baker requested a Motion to Approve the Agenda.

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

a. [2025-242](#) Minutes of June 27, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 4A Minutes - June 27, 2025 Audt Committee Meeting.pdf

Chairperson Baker requested a Motion to Approve the June 27, 2025 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Brian Baker

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. [2025-243](#) Presentation: 2025 Achievement of Excellence in Procurement (AEP) Award

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 Memo 2025 Achievement of Excellence in Procurement \(AEP\) Award.pdf](#)
[7A2 - 2025 Achievement of Excellence in Procurement \(AEP\) 8.5.pdf](#)
[7A3 GLWA 2025 Achievement of Excellence in Procurement Award.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2025-244](#) Annual Financial Planning Calendar with Charges Rollout Schedule

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B1 Memo FY2027 Annual Financial Planning Calendar with Charges Rollout Schedule .pdf](#)
[7B2 FY 2027-2028 Financial Planning Calendar Version 6.30.2025.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports**A.** [2025-245](#) CFO Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A1 CFO Report July 2025.pdf](#)
[8A2 SWS Bond Buyer GLWA 7-9-25.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2025-246](#) Monthly Financial Report for April 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B Monthly Financial Report for April 2025.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2025-247](#) Gifts, Grants & Other Resources Report Through June 30, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C1 Grants Gifts and Other Resources Report.pdf](#)
[8C2 EPA FY22 Community Grant \(DRI Grant One Pager\).pdf](#)
[8C3 EPA FY22 Community Grant \(PFAS Grant One Pager\).pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2025-248](#) Annual Vendor Performance Assessment

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D1 Memo Annual Vendor Performance Assessment.pdf](#)
[8D2 Annual Vendor Performance Assessment.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

E. [2025-249](#) Business Inclusion and Diversity (B.I.D.) Program Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E1 Memo B.I.D. Update June 2025 .pdf](#)
[8E2 B.I.D. Update June 2025.pdf](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications

A. [2025-250](#) The Procurement Pipeline for July 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The July 2025 Procurement Pipeline.pdf](#)

No Action Taken

10. Look Ahead

- A. Next Audit Committee Meeting: August 22, 2025 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 8:52 a.m.



Financial Services Audit Committee Communication

Date: August 22, 2025

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2025 Annual Financial Audit Update

Background: Annually, the Great Lakes Water Authority (GLWA) prepares an Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly US, LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards for fiscal years ending 2025, 2026 and 2027.

Analysis: GLWA Financial Services area has been preparing for the fiscal year ending June 30, 2025 audit by reviewing internal control walkthrough documents, reviewing vendor statements, preparing a tentative schedule for the audit and working on preliminary close of the June 2025 period.

Attached is the FY 2025 – FY 2027 engagement letter from Baker Tilly to assist in understanding the full scope of Baker Tilly and GLWA management responsibilities associated with this year's annual financial audit. The engagement letter was included as an exhibit in the recent audit contract we signed. Including it as part of the contract allows us to avoid reviewing and signing a new engagement letter each year.

Also is attached communication from Baker Tilly related to the timing for the release of this year's audit report.

Proposed Action: Receive and file this report.

EXHIBIT A-1

CONSULTANT AND GLWA ENGAGEMENT RESPONSIBILITIES

In this Exhibit A-1, Consultant is referred to as “we” and “our”, and GLWA may be referred to as “you”.

Service and Related Report

We will audit the financial statements of the Great Lakes Water Authority as of and for the years ended June 30, 2025 through 2027, and the related notes to the financial statements. Upon completion of our audit, we will provide the Great Lakes Water Authority with our audit report on the financial statements and supplemental information referred to below. If, for any reasons caused by or relating to the affairs or management of the Great Lakes Water Authority, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

The following supplementary information accompanying the financial statements will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Combining and Individual Fund Schedules included within the Annual Comprehensive Financial Report

The following supplementary information will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Schedule of Expenditures of Federal and State Awards (if in separate document from financial statements)

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the Great Lakes Water Authority's financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Great Lakes Water Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- > Management's Discussion and Analysis
- > Defined Benefit Pension Plan Schedules

We will read the following other information accompanying the financial statements to identify any material inconsistencies with the audited financial statements; however, the other information will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that other information:

- > Introductory Section
- > Statistical Section

Our report does not include reporting on key audit matters.

Our Responsibilities and Limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. We will be responsible for performing that audit in accordance with auditing standards generally accepted in the United States of America (GAAS). These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. A misstatement is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the financial statements. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- > Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards for financial audits contained in *Government*

Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- > Identify and assess the risks of material misstatement of the financial statements and supplemental information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements and supplemental information that we have identified during the audit.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and supplemental information, including the disclosures, and whether the financial statements and supplemental information represent the underlying transactions and events in a manner that achieves fair presentation.
- > Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the Great Lakes Water Authority and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the Uniform Guidance.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse directly to parties outside of the Great Lakes Water Authority.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Great Lakes Water Authority's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether you have complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Great Lakes Water Authority's major programs. The purpose of those procedures will be to express an opinion on your compliance with requirements applicable to each of your major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Management's Responsibilities

Our audit will be conducted on the basis that the Great Lakes Water Authority's management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- > For the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America;
- > For the design, implementation, establishment, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error; and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met and;
- > For identifying all federal awards received and understanding and complying with the compliance requirements;
- > For the design, implementation, and maintenance of effective internal controls over compliance that provides reasonable assurance that the Great Lakes Water Authority administers federal and state awards in compliance with the compliance requirements; and
- > To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the Great Lakes Water Authority from whom we determine it necessary to obtain audit evidence

You are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that you believe the schedule of expenditures of federal awards including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the Great Lakes Water Authority complies with the laws and regulations applicable to its activities.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit.

If applicable, management is responsible for informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time. Management is also responsible for informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time.

Baker Tilly U.S., LLP is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the Act). Baker Tilly is not recommending an action to the Great Lakes Water Authority; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. Any municipal advisory services would only be performed by Baker Tilly Municipal Advisors LLC (BTMA) pursuant to a separate engagement letter between you and BTMA. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for either Baker Tilly US, LLP or Baker Tilly Advisory Group, LP to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonaudit services.

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will not perform any management functions or make management decisions on your behalf with respect to any nonattest services provided. In connection with our performance of any nonattest services, Baker Tilly US, LLP or Baker Tilly Advisory Group, LP agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services performed.
- > Evaluate the adequacy and results of the nonattest services performed.
- > Accept responsibility for the results of the nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

Other Documents

If you intend to reproduce or publish the financial statements in an annual report or other information (excluding official statements), and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

At the conclusion of our engagement, we will complete the appropriate auditor sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to complete the auditee sections and to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior year audit findings, auditors' reports and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include within the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of the auditors' reports or nine (9) months after the end of the audit period.

We will provide copies of our reports to the Great Lakes Water Authority, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report was provided to you on June 17, 2025.

(End Exhibit A-1)



Memo

To: Great Lakes Water Authority Audit Committee

From: Stephanie Silva, Manager (Baker Tilly)

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

Date: August 18, 2025

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

We have prepared this memo to communicate to the audit committee our expectations regarding the timing of fieldwork, review, draft reports and issuance of the ACFR. The schedule below summarizes expected milestone dates to meet a deadline of issuance on December 19, 2025.

	Due Date
	Friday, December 19, 2025
All audit workpapers uploaded to portal for audit	Friday, September 26, 2025
End of Fieldwork (Including first review)	Friday, October 10, 2025
Manager level financial statement review	Friday, October 17, 2025
Draft to Jodi Dobson, Partner	Monday, October 20, 2025
Draft to concurring partner for technical review	Tuesday, October 21, 2025
Comments returned from GLWA management to Baker Tilly*	Friday, October 31, 2025
Draft back from detail check by Baker Tilly	Wednesday, November 25, 2025
Presentation of draft to Audit Committee	Friday, November 21, 2025
Preparation of separate ACFRs'	Friday, November 2, 2025
Presentation of draft to full Board of Directors	Thursday, December 18, 2025
Issuance of the ACFRs'	Friday, December 19, 2025

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

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



Financial Services Audit Committee Communication

Date: August 22, 2025

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Report

Washtenaw County has new WRAP Service Delivery Partner

Last month, the United Way for Southeastern Michigan (UWSEM) hosted the Water Residential Assistance Program (WRAP) and GLWA member partners in Washtenaw County. The guest list included UWSEM staff as well as representatives from the Ypsilanti Community Utilities Authority (YUCA). The gathering marked a new chapter with the UWSEM team introducing themselves as the dedicated service delivery partner for WRAP services in Washtenaw County. Haran Stanley, Affordability and Assistance leader, shared information regarding both GLWA and WRAP, and our history working with UWSEM.

Procurement Team participates in National Institute for Governmental Purchasing Forum (NIGP)

Last month, members of the GLWA Procurement Team attended the National Institute for Governmental Purchasing (NIGP) Annual Forum. The NIGP's Annual Forum is the largest North American educational conference designed exclusively for individuals in public procurement. During this year's conference, Procurement team members attended a variety of plenary sessions and small group workshops where they had the opportunity to connect with public procurement professionals to share experiences, challenges, and best practices. In addition, the NIGP Products Exhibition enabled the team to discover and preview new products and services from nearly 200 government suppliers.

Potential Update in Charges Rollout Scheduling

For the FY 2027+ charges rollout meetings, it appears that there may be some business reasons to combine charges Rollout #1 and #3 using the latter date (November 13, 2025) and cancel the October Charges Rollout date. More information to follow.

Local System Rate Setting Seminar for Member Partners

GLWA's charges consultant provides rate setting training seminars for communities across the US. Plans are underway for an in-person training event in September 2025 for GLWA's member partner communities. Date and location will be announced shortly.

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

May 2025

**Presented to the
Great Lakes Water Authority
Audit Committee on August 22, 2025**

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Financial Report
Executive Summary Dashboard
for the Month Ended May 31, 2025

Key Financial Metrics

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

Variances are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. The budget is continually monitored with amendments no less than quarterly based on the most current information available. This monthly report includes first, second and third quarter budget amendments. The third quarter budget amendments were approved by the GLWA Board of Directors on June 25, 2025.

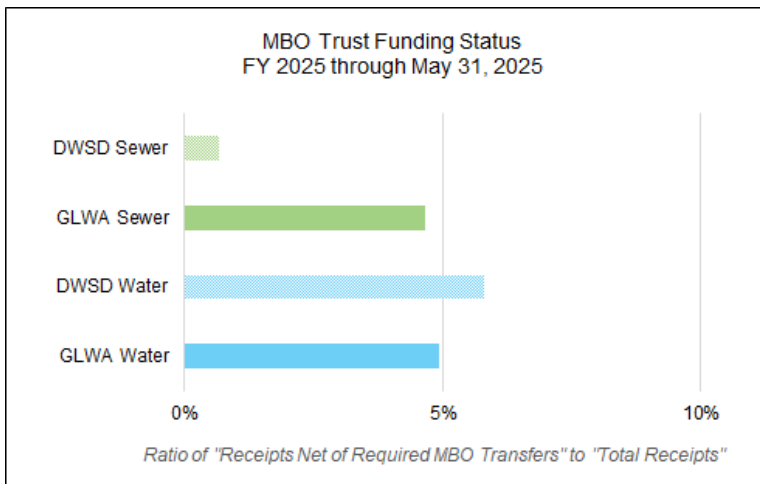
Through May 2025, both water and sewer operations & maintenance expense, investment earnings, and water capital spend reflect positive budget variances. Water and sewer operations & maintenance reflect variances that are expected to align more closely with the amended budget by year end based on expected activity through June 30, 2025. Increased investment earnings are the result of higher investible funds based on the pace of capital spending and a higher-than-expected rate of return.

The water capital spend variance relates largely to the Jefferson Main Replacement project that has been delayed.

As of May 31, 2025					
Metric	FY 2025 Budget	FY 2025 Amended Budget	FY 2025 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$320.9	\$320.9	\$319.8	0%	50
Wholesale Water Billed Usage (mcf)	11,834,000	11,834,000	11,672,000	-1%	
Wholesale Sewer Billed Revenue (\$M)	\$262.7	\$262.7	\$262.7	0%	52
Wholesale Water Operations & Maintenance (\$M)	\$155.5	\$167.0	\$157.6	-6%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$209.9	\$215.6	\$209.5	-3%	
Investment Income (\$M)	\$29.8	\$43.5	\$46.4	7%	39
Water Prorated Capital Spend w/SRA* (\$M)	\$190.1	\$190.1	\$148.5	-22%	30
Sewer Prorated Capital Spend w/SRA* (\$M)	\$155.1	\$155.1	\$154.7	0%	31

*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 54)



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 \$6.8 million and DWSD sewer reports a surplus of \$1.9 million of net receipts over disbursements through May 2025.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through May 2025.
- The total overall Operations & Maintenance expenses are at 88.8% of budget through May 2025 which is below the pro-rata benchmark of 91.7%. This variance equates to a dollar amount of \$15.5 million.

Basic Financial Statements (page 9)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for May 2025 is \$96.4 million for the Water fund (28.0% of total revenues) and \$119.6 million for the Sewage Disposal fund (25.7% of total revenues).
- Water net position increased by \$37.6 million, and sewage disposal net position increased by \$67.2 million for the year to date through May 2025.

Capital Improvement Plan Financial Summary (page 29)

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

Master Bond Ordinance Transfers (page 32)

- For May 2025, transfers of \$18.5 million and \$21.2 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for May 2025, transfers of \$5.7 million and \$7.1 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 39)

- Total cash & investments are \$542.0 million for Water and \$708.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through February is \$46.4 million.

DWSD Retail Revenues, Receivables & Collections (page 43)

- Water usage through May 31, 2025 is 102.38% and revenues are 102.79% of budget.
- Sewer usage through May 31, 2025 is 99.29% and revenues are 98.37% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$60.4 million over the prior year.
- Past dues over 180 days make up 73.2% of the total accounts receivable balance. The current bad debt allowance covers 94.1% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 49)

- GLWA accounts receivable past due balance net of Dearborn is 0.83% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections for the period of June 2024 through May 2025 are trending below the prior year.
- Average wholesale sewer collections for the period of June 2024 through May 2025 are trending below the prior year.

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



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

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

The FY 2025 information presented in these sections includes the approved second quarter and third quarter FY 2025 budget amendments which were presented to the Audit Committee on March 28th, 2025 and June 6th, 2025.

Revenue Requirements Budget Basis Analysis

GLWA's annual revenue requirements represent the basis for calculating Member Partner charges and aligns with the Master Bond Ordinance flow of funds categories. The budget basis is not the same as the full accrual basis used for financial reporting although the revenues and operations and maintenance expenses are largely reported on an accrual basis. The primary difference between the revenue requirements budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirements Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

Table 1A – Water Revenue Requirements Budget and **Table 1B – Sewer Revenue Requirements Budget** presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. Since this report is for May 2025 the pro-rata benchmark is 91.7% (11 of 12 months of the fiscal year).

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

1. **Revenues:** For the *water* system, total revenues for FY 2025 are below the pro-rata benchmark; the *water* system is at 90.5%. For the *sewer* system, total revenues for FY 2025 are in line with the pro-rata benchmark; the *sewer* system is at 91.7%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through May 31, 2025, these payments total \$5.4 million for FY 2025.

2. **Investment Earnings:** For the *water* system, investment earnings are above the pro-rata benchmark for FY 2025 at 94.9%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 96.4%. Increased investment earnings are the result of higher investible funds based on the pace of capital spending and a higher-than-expected rate of return.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for the *water* system are below the pro-rata benchmark for FY 2025 at 86.5%, and the *sewer* system O&M is below the pro-rata benchmark for FY 2025 at 89.1%.
5. **Debt Service:** For FY 2025, the *water* system is slightly below the pro-rata benchmark at 91.3% and the *sewer* system is slightly below the pro-rata benchmark at 90.9%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility.
7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.² Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2025, neither the DWSD *water* system nor the DWSD *sewer* system have a budgetary shortfall through May 31, 2025. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for the *water* system are below the pro-rata benchmark at 87.4%. Total revenue requirements for the *sewer* system are below the pro-rata benchmark at 90.2%.

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

² As a reminder, the monthly O&M transfer for MBO purposes is at 1/12 of the budget to a DWSD O&M bank account outside the trust. Actual budget may be less than that amount providing an actual positive variance for DWSD.

All amounts are unaudited unless otherwise noted.

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 5/31/2024	Percent Year-to-Date at 5/31/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 5/31/2025	Percent Year-to-Date at 5/31/2025
Water System							
Revenues							
Wholesale Charges	\$ 328,203	\$ 301,766	91.9%	\$ 347,758	\$ 347,758	\$ 313,862	90.3%
Local System Charges	25,537	23,409	91.7%	27,095	27,095	24,837	91.7%
Investment Earnings	18,051	16,739	92.7%	9,874	15,818	15,009	94.9%
Other Revenue	943	843	89.4%	400	400	384	96.1%
Total Revenues	\$ 372,734	\$ 342,757	92.0%	\$ 385,127	\$ 391,071	\$ 354,092	90.5%
Revenue Requirements							
Operations & Maintenance Expense	\$ 168,873	\$ 146,099	86.5%	\$ 169,625	\$ 182,227	\$ 157,660	86.5%
Debt Service	162,236	143,942	88.7%	175,301	161,945	147,914	91.3%
General Retirement System Pension	1,506	1,506	100.0%	2,283	1,653	1,653	100.0%
Water Residential Assistance Program Contribution	1,852	1,697	91.7%	1,948	1,877	1,720	91.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	2,650	-	0.0%
Regional System Lease	22,500	20,625	91.7%	22,500	22,500	20,625	91.7%
Working Capital Requirement	-	-	0.0%	6,200	4,956	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	15,768	19,789	125.5%	7,270	13,263	12,158	91.7%
Total Revenue Requirements	\$ 372,734	\$ 333,658	89.5%	\$ 385,127	\$ 391,071	\$ 341,730	87.4%
Net Difference		\$ 9,099				\$ 12,362	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 1,084				\$ (4,390)	
Revenue Requirement Variance		8,015				16,752	
Overall Variance		\$ 9,099				\$ 12,362	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 5/31/2024	Percent Year-to-Date at 5/31/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 5/31/2025	Percent Year-to-Date at 5/31/2025
Sewer System							
Revenues							
Wholesale Charges	\$ 267,879	\$ 258,498	96.5%	\$ 287,518	\$ 287,387	\$ 263,756	91.8%
Local System Charges	196,570	180,189	91.7%	205,925	205,925	188,764	91.7%
Industrial Waste Control Charges	8,560	7,929	92.6%	8,719	8,719	8,101	92.9%
Pollutant Surcharges	5,328	3,473	65.2%	5,434	5,434	3,845	70.7%
Investment Earnings	22,882	21,109	92.2%	12,356	20,605	19,859	96.4%
Other Revenue	1,130	2,693	238.4%	700	700	465	66.4%
Total Revenues	\$ 502,349	\$ 473,890	94.3%	\$ 520,652	\$ 528,770	\$ 484,790	91.7%
Revenue Requirements							
Operations & Maintenance Expense	\$ 224,874	\$ 201,537	89.6%	\$ 228,934	\$ 235,192	\$ 209,494	89.1%
Debt Service	230,976	203,498	88.1%	226,279	217,449	197,748	90.9%
General Retirement System Pension	3,097	3,097	100.0%	4,846	3,719	3,719	100.0%
Water Residential Assistance Program Contribution	2,503	2,295	91.7%	2,652	2,542	2,330	91.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	276	-	0.0%
Regional System Lease	27,500	25,208	91.7%	27,500	27,500	25,208	91.7%
Working Capital Requirement	-	-	0.0%	2,300	-	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,400	22,856	170.6%	28,141	42,094	38,586	91.7%
Total Revenue Requirements	\$ 502,349	\$ 458,491	91.3%	\$ 520,652	\$ 528,770	\$ 477,085	90.2%
Net Difference		\$ 15,399				\$ 7,706	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 13,404				\$ 84	
Revenue Requirement Variance		1,995				7,621	
Overall Variance		\$ 15,399				\$ 7,706	

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 22, 2025

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of May 31, 2025, is 91.7% (eleven months). When comparing FY 2025 to FY 2024 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2025.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown in the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on January 1 each year) as well as managing risk as the program is partially self-insured.

Table 2 – Operations & Maintenance Budget – Major Budget Categories – (\$000)

Service Area	FY 2024 Amended Budget	FY 2024 Activity Thru 5/31/2024	Percent Year-to-Date at 5/31/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 5/31/2025	Percent Year-to-Date at 5/31/2025
A Water System Operations	\$ 90,810	\$ 77,453	85.3%	\$ 94,670	\$ 94,398	\$ 85,647	90.7%
B Wastewater System Operations	146,722	132,778	90.5%	147,245	145,040	135,816	93.6%
C Centralized Services	117,468	104,053	88.6%	116,980	135,244	110,369	81.6%
D Administrative & Other Services	38,747	33,352	86.1%	39,664	42,737	36,775	86.0%
Employee Benefits	-	-	0.0%	-	-	(1,453)	0.0%
Total O&M Budget	\$ 393,747	\$ 347,636	88.3%	\$ 398,559	\$ 417,419	\$ 367,154	88.0%

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

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

Total: In total, the overall O&M expenses are at 88.0%, which is below the pro-rata benchmark of 91.7%. This negative variance equates to a dollar amount of \$15.5 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is below the pro-rata benchmark; coming in at 90.5% through May 2025.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 88.6% through May 2025. 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 89.3%. It should be noted that variances are not unexpected as usage varies throughout the year. The first

three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.

- **Gas** is coming in at 101.7%, which is above the benchmark of 91.7%. This category is under review.
- **Sewage service** is lower than the benchmark, coming in at 73.8%. This category is under review.
- **Water service** is lower than the benchmark, coming in at 81.6%. This category is under review.

Chemicals: This category is lower than the benchmark; coming in at 80.0% through May 2025. The FY 2025 budget is being closely monitored to account for rising chemical costs.

Supplies & Other: This category is lower than the pro-rata benchmark; coming in at 81.9% through May 2025. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 88.6% through May 2025. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments are processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

Capital Program Allocation: This category is lower than the benchmark; coming in at 57.8% through May 2025. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget.

Shared Services: This category is higher than the benchmark; coming in at 105.1% through May 2025. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to reflect the forecasted activity more accurately for FY 2025. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount and activity includes true-up billings from prior years.

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

Expense Categories	FY 2024 AMENDED BUDGET	FY 2024 ACTIVITY THRU 5/31/2024	Percent Year-to- Date at 5/31/2024	FY 2023 ACTIVITY THRU 6/30/2024	Percent Year-to- Date at 6/30/2024	FY 2025 AMENDED BUDGET	FY 2025 PRORATED AMENDED BUDGET (11 MONTHS)	FY 2025 ACTIVITY THRU 5/31/2025	Percent Year-to- Date 5/31/2025	FY 2025 Prorated Amended Budget Less FY 2025 Activity
Entity-wide										
Salaries & Wages	\$ 77,415	\$ 70,053	90.5%	\$ 77,595	90.3%	\$ 85,807	\$ 78,657	\$ 78,138	91.1%	\$ 519
Workforce Development	1,820	1,731	95.1%	1,949	88.8%	2,363	2,166	2,601	110.1%	(435)
Overtime	8,672	8,306	95.8%	9,171	90.6%	9,605	8,804	9,161	95.4%	(357)
Employee Benefits	27,869	24,547	88.1%	27,491	89.3%	32,244	29,557	29,382	91.1%	175
Transition Services	9,877	8,490	86.0%	9,249	91.8%	8,516	7,807	7,563	88.8%	244
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(1,453)	0.0%	1,453
Personnel Costs	<u>125,653</u>	<u>113,128</u>	90.0%	<u>125,455</u>	90.2%	<u>138,535</u>	<u>126,991</u>	<u>125,392</u>	90.5%	<u>1,599</u>
Electric	50,716	45,466	89.6%	49,805	91.3%	48,121	44,111	42,962	89.3%	1,148
Gas	7,767	6,771	87.2%	7,211	93.9%	7,000	6,417	7,120	101.7%	(703)
Sewage Service	2,538	2,221	87.5%	2,336	95.1%	2,980	2,732	2,200	73.8%	531
Water Service	12,803	11,645	91.0%	12,586	92.5%	11,602	10,635	9,464	81.6%	1,171
Utilities	<u>73,823</u>	<u>66,103</u>	89.5%	<u>71,939</u>	91.9%	<u>69,703</u>	<u>63,894</u>	<u>61,747</u>	88.6%	<u>2,147</u>
Chemicals	32,824	27,343	83.3%	31,075	88.0%	38,235	35,049	30,601	80.0%	4,448
Supplies & Other	45,364	39,270	86.6%	43,604	90.1%	46,574	42,693	38,151	81.9%	4,542
Contractual Services	120,914	106,335	87.9%	116,766	91.1%	131,234	120,298	116,309	88.6%	3,988
Capital Program										
Allocation	(2,624)	(2,443)	93.1%	(2,847)	85.8%	(4,582)	(4,200)	(2,648)	57.8%	(1,552)
Shared Services	(2,207)	(2,100)	95.2%	(2,281)	92.1%	(2,280)	(2,090)	(2,396)	105.1%	307
Unallocated Reserve	-	-	0.0%	-	0.0%	-	-	-	0.0%	-
Total Expenses	<u>\$ 393,747</u>	<u>\$ 347,636</u>	88.3%	<u>\$ 383,711</u>	90.6%	<u>\$ 417,419</u>	<u>\$ 382,634</u>	<u>\$ 367,154</u>	88.0%	<u>\$ 15,480</u>



The Basic Financial Statements report includes the following four tables.

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

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

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

Statement of Net Position – All Funds Combined

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

Table 1 – Statement of Net Position - All Funds Combined
As of May 31, 2025
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
Assets				
Cash - unrestricted (a)	\$ 198,851	\$ 270,800	\$ 469,652	\$ 443,799
Cash - restricted (a)	93,974	151,687	245,661	662,614
Investments - unrestricted (a)	104,578	127,361	231,939	175,045
Investments - restricted (a)	133,560	169,081	302,641	108,102
Accounts Receivable	77,024	63,689	140,713	135,263
Due from (to) Other Funds (b)	23,501	(23,501)	-	-
Other Assets (c)	635,498	380,909	1,016,407	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,198,357	1,803,080	3,001,437	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	559,924	491,753	1,051,677	752,481
Total assets	3,318,892	3,561,674	6,880,566	6,924,804
Deferred Outflows (f)	24,622	50,132	74,753	89,954
Liabilities				
Liabilities - Liabilities-ST	249,314	285,571	534,885	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,281	5,931	8,212	7,500
Cash Held FBO DWSD (d)	36,663	39,073	75,736	58,147
Liabilities - Long-Term (i)	3,069,249	3,230,092	6,299,341	6,468,572
Total liabilities	3,357,507	3,560,667	6,918,174	7,071,818
Deferred Inflows (f)	59,563	63,234	122,797	133,364
Total net position (j)	\$ (73,557)	\$ (12,095)	\$ (85,652)	\$ (190,425)

Totals may be off due to rounding

In general, the Statement of Net Position reflects a mature organization with no unexpected trends.

An ongoing challenge is the Net Position Deficit. The underlying causes took years to build (largely heavy use of debt to finance capital asset investment versus a strategic blend of debt, state revolving funds, and cash). The effect is reflected in GLWA's high debt interest expense. The GLWA is regularly updating the FY 2032 forecast which helps to provide a pathway to a positive Net Position in the future.

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2024 are reported at market value. The May 31, 2025 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, 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 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. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

Statement of Revenues, Expenses and Changes in Net Position

– All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the May 2025 Financial Report Binder. Prior year ending balances are provided in the June 30, 2024 column as a reference for comparative purposes. Explanatory notes follow this statement.

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

Table 2 – Statement of Revenues, Expenses and Changes in Net Position
– All Funds Combined
For the Eleven Months ended May 31, 2025
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
Revenue						
Wholesale customer charges	\$ 319,242	92.7%	\$ 263,756	56.7%	\$ 582,998	\$ 599,569
Local system charges	24,837	7.2%	188,764	40.6%	213,601	222,107
Industrial waste charges	-	0.0%	8,101	1.7%	8,101	8,617
Pollutant surcharges	-	0.0%	3,845	0.8%	3,845	4,089
Other revenues	379	0.1%	464	0.1%	843	1,149
Total Revenues	344,458	100.0%	464,930	100.0%	809,388	835,531
Operating expenses						
Operations and Maintenance	156,382	45.4%	207,749	44.7%	364,131	376,757
Depreciation	87,125	25.3%	135,912	29.2%	223,037	265,044
Amortization of intangible assets	4,539	1.3%	1,672	0.4%	6,211	4,837
Total operating expenses	248,046	72.0%	345,333	74.3%	593,379	646,638
Operating Income	96,412	28.0%	119,597	25.7%	216,009	188,893
Total Nonoperating (revenue) expense	58,837	17.1%	52,399	11.3%	111,236	147,736
Increase/(Decrease) in Net Position	37,574	10.9%	67,198	14.5%	104,773	41,157
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
Net position (deficit), end of year	\$ (73,557)		\$ (12,095)		\$ (85,652)	\$ (190,425)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$37.6 million.
- ✓ Wholesale water customer charges of \$319.2 million account for 92.7% of Water System revenues.
- ✓ Operating expenses of \$248.0 million represent 72.0% of total operating revenue. Depreciation is the largest operating expense at \$87.1 million or 35.1% 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 \$96.4 million or 28.0% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$81.9 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$67.2 million.
- ✓ Wholesale customer charges of \$263.8 million account for 56.7% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$188.8 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$345.3 million represent 74.3% of total operating revenue. Depreciation is the largest operating expense at \$135.9 million or 39.4% 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 \$119.6 million or 25.7% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$94.1 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the May 2025 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, 2025
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	28,997	18.5%	59,304	28.5%	88,301	24.2%
Overtime	5,840	3.7%	3,321	1.6%	9,161	2.5%
Employee Benefits	19,353	12.4%	8,576	4.1%	27,930	7.7%
Total Personnel	\$ 54,190	34.7%	\$ 71,202	34.3%	\$ 125,392	34.4%
Utilities						
Electric	26,448	16.9%	16,515	7.9%	42,962	11.8%
Gas	1,406	0.9%	5,714	2.8%	7,120	2.0%
Sewage	972	0.6%	1,229	0.6%	2,200	0.6%
Water	19	0.0%	9,445	4.5%	9,464	2.6%
Total Utilities	\$ 28,844	18.4%	\$ 32,903	15.8%	\$ 61,747	17.0%
Chemicals	12,480	8.0%	18,120	8.7%	30,601	8.4%
Supplies and other	11,997	7.7%	24,388	11.7%	36,385	10.0%
Contractual services	52,773	33.7%	63,914	30.8%	116,687	32.0%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(1,543)	-1.0%	(1,105)	-0.5%	(2,648)	-0.7%
Intergovernmental Agreement	(461)	-0.3%	(1,174)	-0.6%	(1,635)	-0.4%
Shared Services allocation	(1,897)	-1.2%	(500)	-0.2%	(2,396)	-0.7%
Operations and Maintenance Expenses	\$ 156,382	100.0%	\$ 207,749	100.0%	\$ 364,131	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (17.0% of total O&M expenses) and chemicals (8.4% of total O&M expenses).
- ✓ Personnel costs (34.4% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (32.0%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$6.7 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$16.7 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

Supplemental Schedule of Nonoperating Expenses – All Funds Combined

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

Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined
For the Eleven Months ended May 31, 2025

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (21,273)	\$ (13,826)	\$ (35,099)	\$ (39,855)
Investment earnings	(19,671)	(24,639)	(44,310)	(59,786)
Net (incr) decr in fair value of invstmt	(864)	(2,973)	(3,836)	(2,068)
Other nonoperating revenue	108	(17,508)	(17,400)	(9,405)
Interest Expense				
Bonded debt	103,205	107,946	211,151	236,892
Lease obligation	14,950	18,272	33,222	36,780
Other obligations	3,208	1,496	4,704	5,286
	<u>121,363</u>	<u>127,714</u>	<u>249,077</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	(2,547)	(9,815)	(12,361)	(40,432)
Amortization, issuance costs, debt	(19,890)	(9,219)	(29,109)	4,155
(Gain) loss on disposal of capital assets	(12)	(6)	(19)	2,694
Loss on impairment of capital assets	-	-	-	-
Discontinued Capital Projects	-	-	-	-
Water Residential Assistance Program	538	728	1,266	6,772
Legacy pension expense	1,085	1,942	3,026	6,703
Total Nonoperating (Revenue)/Expense	\$ 58,837	\$ 52,399	\$ 111,236	\$ 147,736

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 2023 market value adjustments for Water and Sewer total \$1.3 million and \$2.6 million, respectively. FY 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. Any difference is due to realized gain or loss on investments.

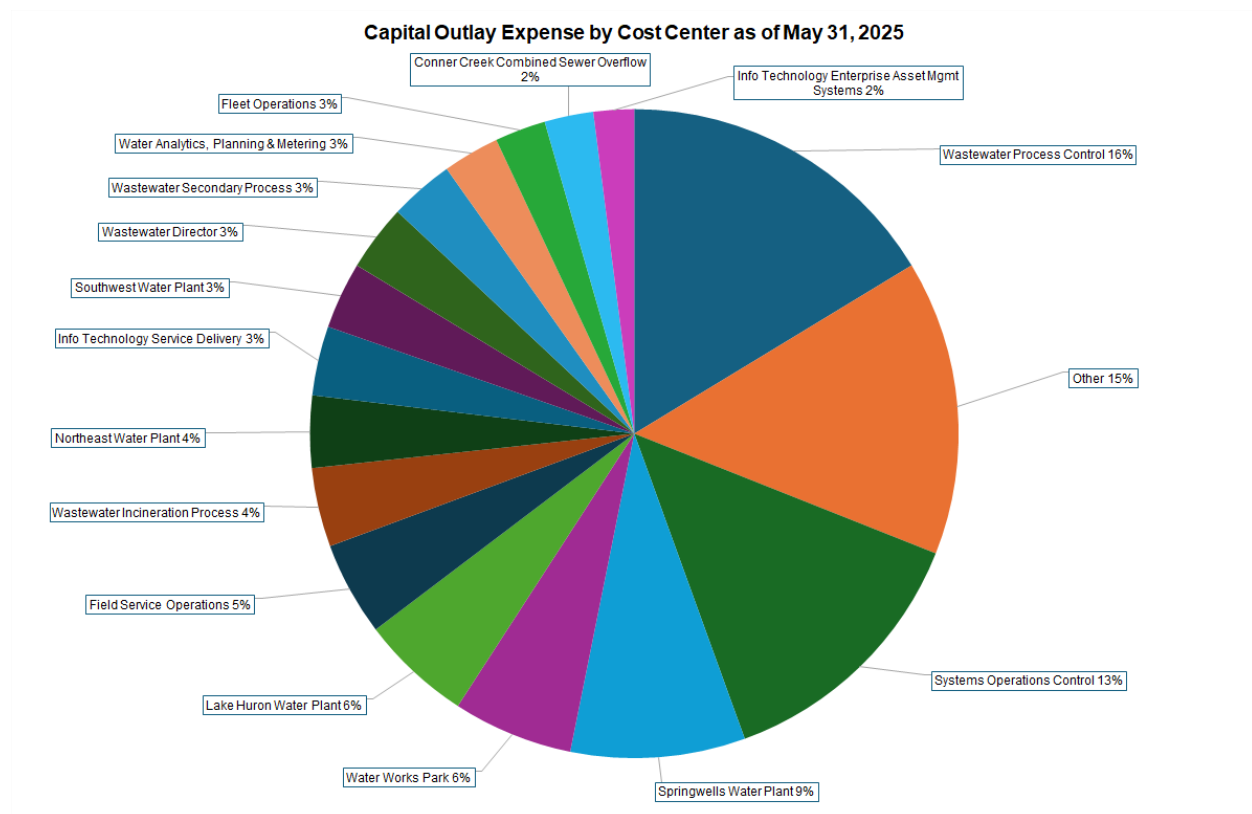
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating income consists of debt forgiveness for the Sewage Disposal system.
- ✓ FY 2024 other non-operating income consists of grant revenue for the Water and Sewage Disposal systems and debt forgiveness for the Sewage Disposal system.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$2.5 million) grant revenue for the Water system and (\$9.8 million) for the Sewage Disposal system.
- ✓ The FY 2024 capital contribution in Nonoperating (revenue) expense represents ARPA (\$33.9 million), FEMA (\$1.9 million) and other (\$7.0 million) grant revenue for the Water and Sewage Disposal systems.
- ✓ FY 2024 Water system loss on disposal of capital assets includes sale of Longitudinal Collectors.

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, 2025, total capital outlay spend is \$17.1 million. Following this chart is a sample list of projects and purchases from the total spend of \$17.1 million.



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

Water Operations: Ovation/power supply upgrade (\$935k); chlorine monorail (\$498k); Waterworks Park HVAC replacement (\$368k); ozonation pilot module (\$347k); Springwells alum sludge processing (\$209k); fluid heater (\$189k); lead removal and disposal (\$185k); granular media filtration pilot plant (\$171k); stream generator (\$160k); above ground storage tank (\$113k); drive unit (\$108k); rotork master station (\$107k); Northeast water plant furniture (\$80k); hydraulic drive unit

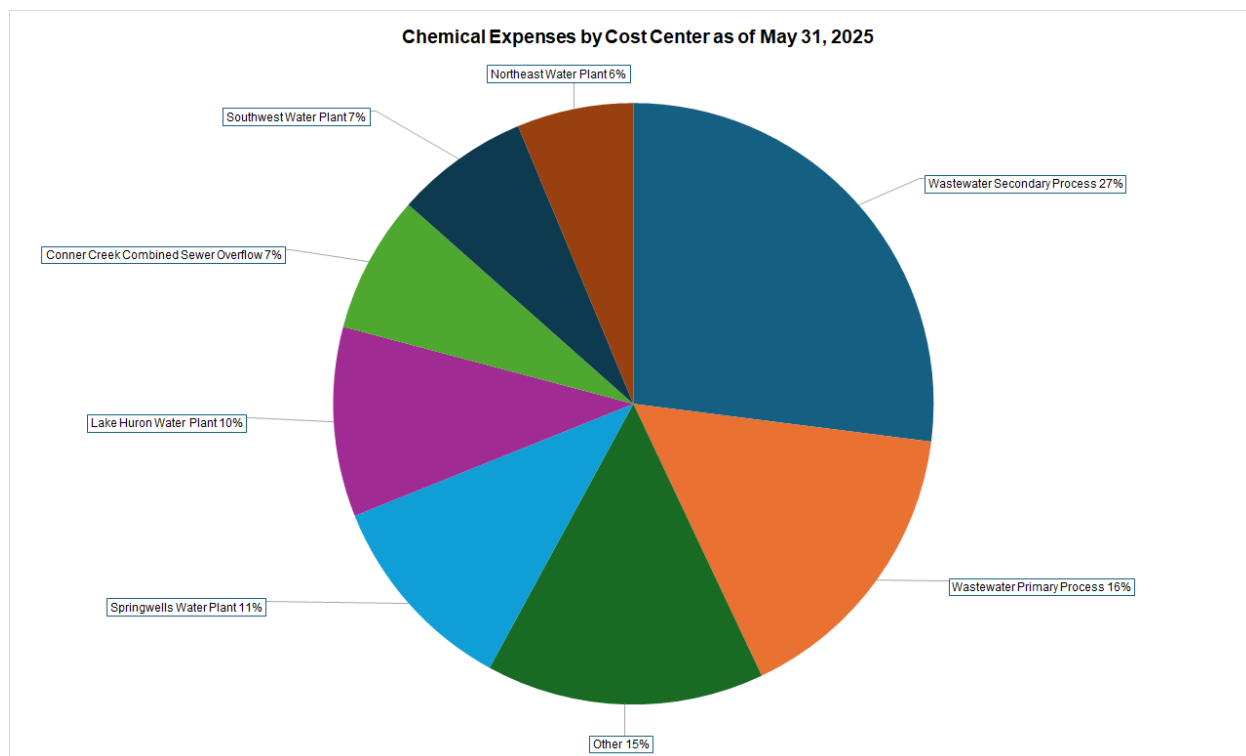
(\$65k); Southwest bare pump (\$51k); Springwells Grundfos pump (\$50k); and Waterworks Park rotork actuator (\$49k).

Wastewater Operations: Ovation upgrade and cabinet replacement (\$4.8m); fire protection services (\$653k); WRRF cooling tower (\$554k); ferric chloride buffering (\$527k); Bluehill pump station ovation upgrade (\$174k); Fischer pump station ovation upgrade (\$161k); scum hopper pump (\$155k); gate actuator (\$129k); Conner Creek CSO equipment plus installation (\$123k); Baby Creek CSO equipment plus installation (\$114k); WRRF/CSO process camera (\$101k); Woodmere elevator modernization (\$80k); Conner Creek HVAC services (\$76k); sludge feed pump (\$74k); polymer feed pump (\$69k); chopper pump (\$59k); pump with overpressure protection (\$51k); pump end (\$49k); and gas detection system (\$48k).

Centralized & Administrative Facilities: Pump stations ovation upgrade (\$736k); computer hardware and software (\$652k); trucks and vehicles (\$371k); system level sensors (\$356k); database support (\$345k); sewer meter support (\$253k); Water Works Park furniture (\$94k); and flow meter verification tool (\$76k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

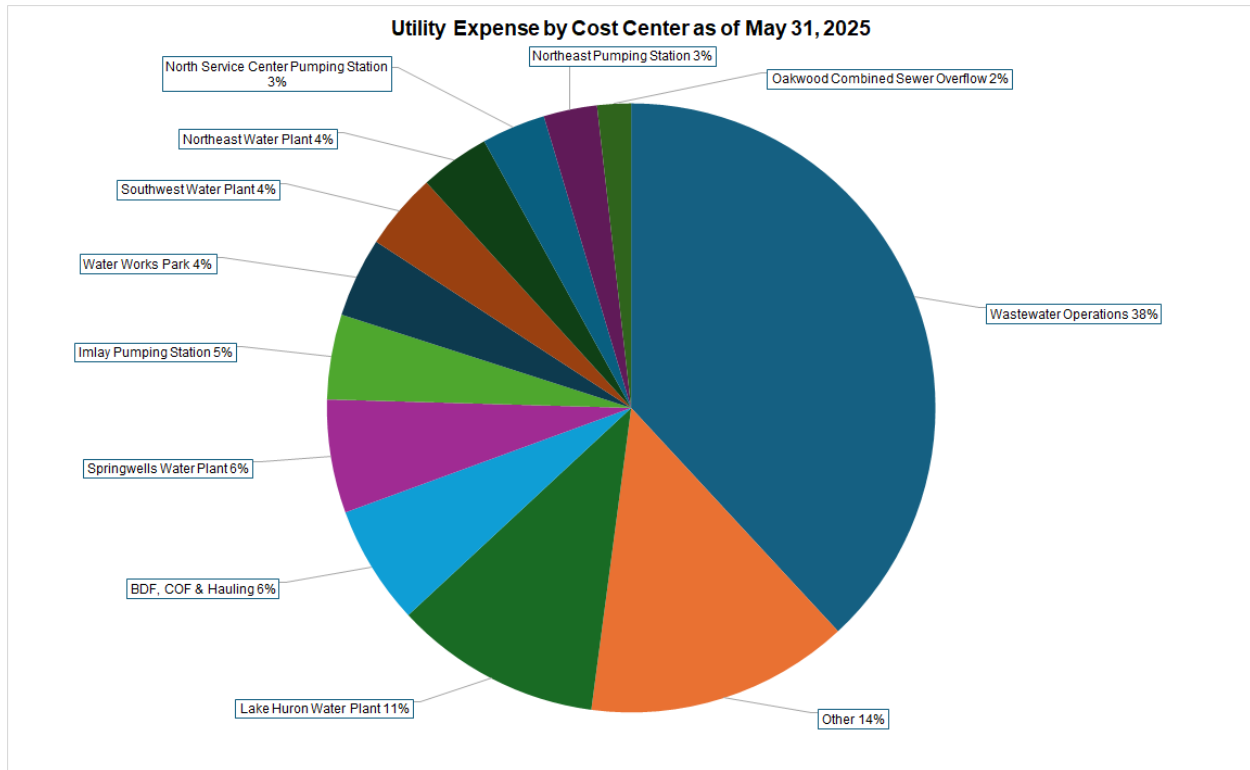
Chemical expenses are \$30.6 million through May 31, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$61.7 million through May 31, 2025. The allocation is shown in the chart below and consistent with prior periods.



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



Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end. Through May 31, 2025, all bank accounts are reconciled. There were no accounts added in the general ledger accounts since June 2024.

Chart 1 – Bank Reconciliation Completion Status

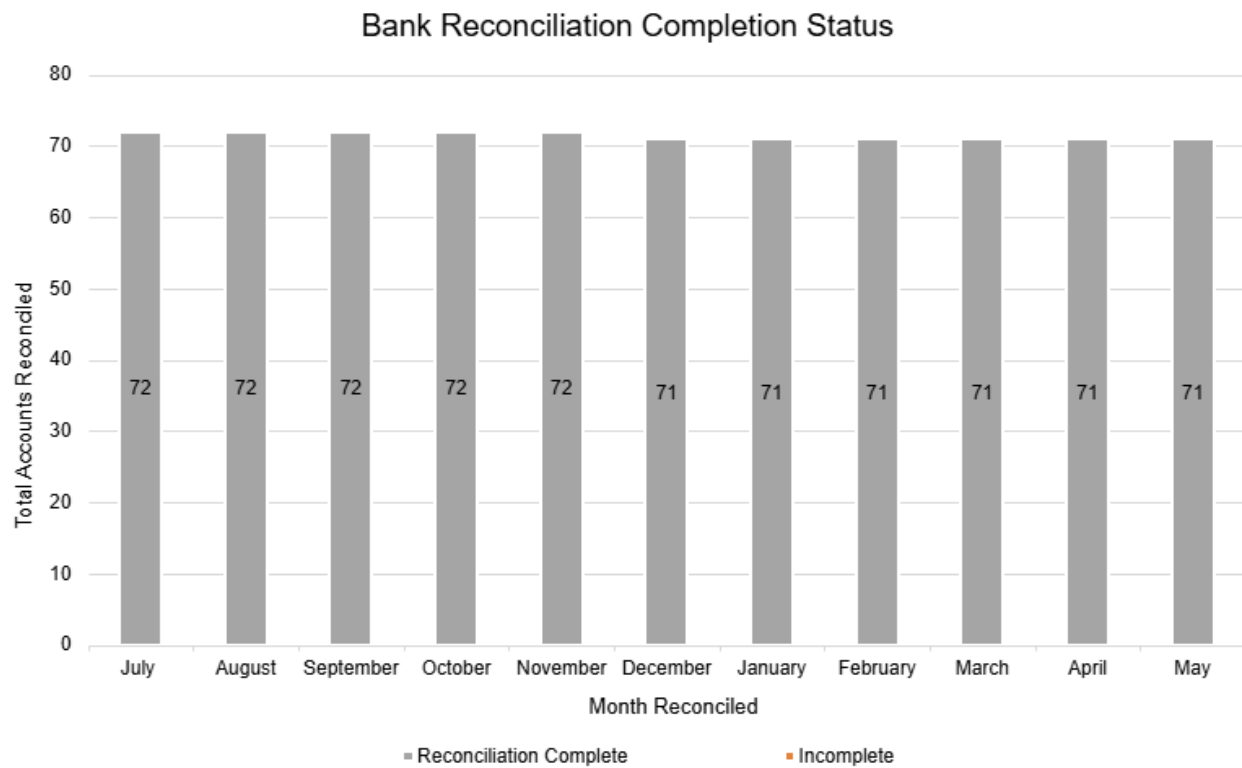


Table 1 – Fiscal Year 2025 GL Cash Account Rollforward

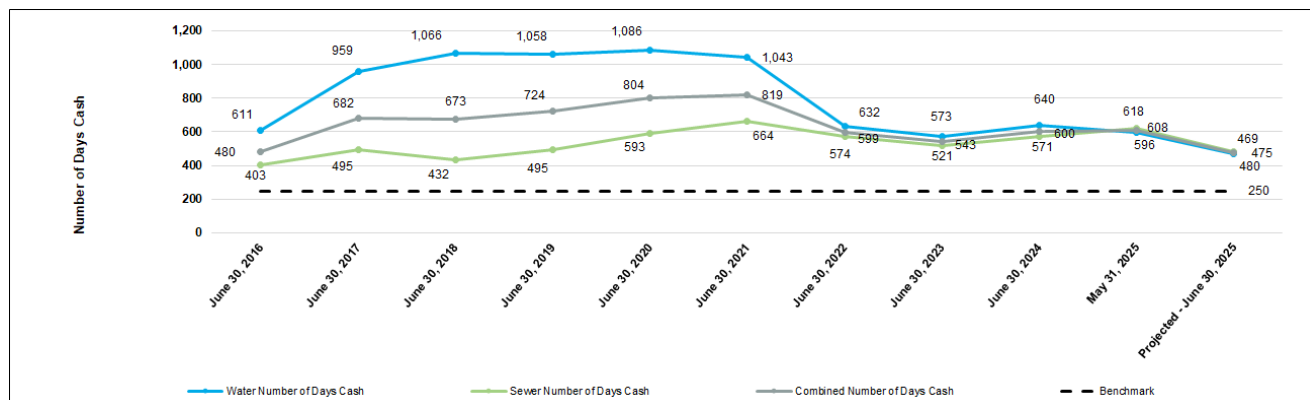
Total GL Cash accounts as of July 1, 2024	72
New GL Cash accounts	0
Inactivated GL Cash accounts (Dec 2024)	(1)
Total GL Cash accounts as of May 31, 2025	71

Financial Operations KPI - Liquidity

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

Both GLWA Water and Sewer funds continue to exceed this target with Water at 596 and Sewer at 618 days cash on hand as of May 31, 2025. These balances remain strong for the regional system but did decrease in FY 2022 as I&E funds were used as planned to fund capital improvement projects. A December 2023 revenue bond transaction that replenished the construction bond funds reducing the emphasis on I&E funding. The FY 2025 projection is calculated based on values from the GLWA FY 2025 – 2029 Budget & Five-Year Plan.

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



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

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

	June 30, 2024	May 31, 2025	June 30, 2025
Water Fund			
Cash and Investments - Unrestricted	276,591,000	303,430,000	238,600,000
Operating Expense			
Operating Expense (a)	272,172,000	252,444,000	275,394,000
Less: Depreciation (a)	(110,557,000)	(78,864,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(3,269,000)	(3,567,000)
Net Operating Expense	157,633,000	170,311,000	185,794,000
Operating Expense per Day	432,000	509,000	509,000
Days Cash			
Number of Days Cash	640	596	469
Sewage Disposal Fund			
Cash and Investments - Unrestricted	342,253,000	398,161,000	309,000,000
Operating Expense			
Operating Expense (a)	374,287,000	346,859,000	378,392,000
Less: Depreciation (a)	(154,486,000)	(131,267,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	218,946,000	215,592,000	235,192,000
Operating Expense per Day	600,000	644,000	644,000
Days Cash			
Number of Days Cash	571	618	480
Combined			
Cash and Investments - Unrestricted	618,844,000	701,591,000	547,600,000
Operating Expense			
Operating Expense (a)	646,460,000	599,303,000	653,785,000
Less: Depreciation (a)	(265,044,000)	(210,131,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(3,269,000)	(3,567,000)
Net Operating Expense	376,579,000	385,903,000	420,985,000
Operating Expense per Day	1,032,000	1,153,000	1,153,000
Days Cash			
Number of Days Cash	600	608	475
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.



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
- Accelerated Legacy Pension Allocation (includes 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, 2025

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 12,362	\$ 7,706	\$ 20,068
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	276	620	896
Prior year pension contribution accounted for in current year (d)	(1,085)	(1,942)	(3,027)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	65,982	103,628	169,610
Accelerated pension B&C notes obligation portion (g)	783	1,760	2,543
Regional System lease (h)	5,675	6,936	12,611
GASB 87 & GASB 96 adjustments (h)	1,213	1,592	2,805
WRAP (i)	1,182	1,602	2,784
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	12,158	38,586	50,744
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(91,664)	(137,584)	(229,248)
Amortization - debt related (k)	19,890	9,219	29,109
Other nonoperating income (k)	(113)	17,507	17,394
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	12	6	18
Raw water rights obligation (l)	2,832	-	2,832
Investment earnings for construction fund (m)	4,661	4,777	9,438
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	864	2,973	3,837
Improvement & extension fund operating expenses (p)	-	(4)	(4)
Capital Contribution (q)	2,547	9,815	12,362
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 37,574	\$ 67,198	\$ 104,772

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 22, 2025

Table 2 - Explanatory Notes for Crosswalk

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

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

- (o) Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.
- (p) 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.
- (q) The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$2.5 million) grant revenue for the Water system and (\$9.8 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.



The Monthly Capital Improvement Plan Financial Summary includes the following.

1. Water System Capital Improvement Plan Spend Incurred to date
2. Sewer System Capital Improvement Plan Spend Incurred to date

Capital Improvement Plan Financial Summary

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors (Board) adopts a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2025 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

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

The State Revolving Fund (SRF) activity reported in Charts 1 and 2 have been revised to reflect changes in approved, GLWA SRF funding.

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

As of May 2025, the water system incurred \$149 million of construction costs to date. This spend represents 78% of the original, Board-approved CIP, and 78% of the Board-reviewed spend rate adjustment.

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

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

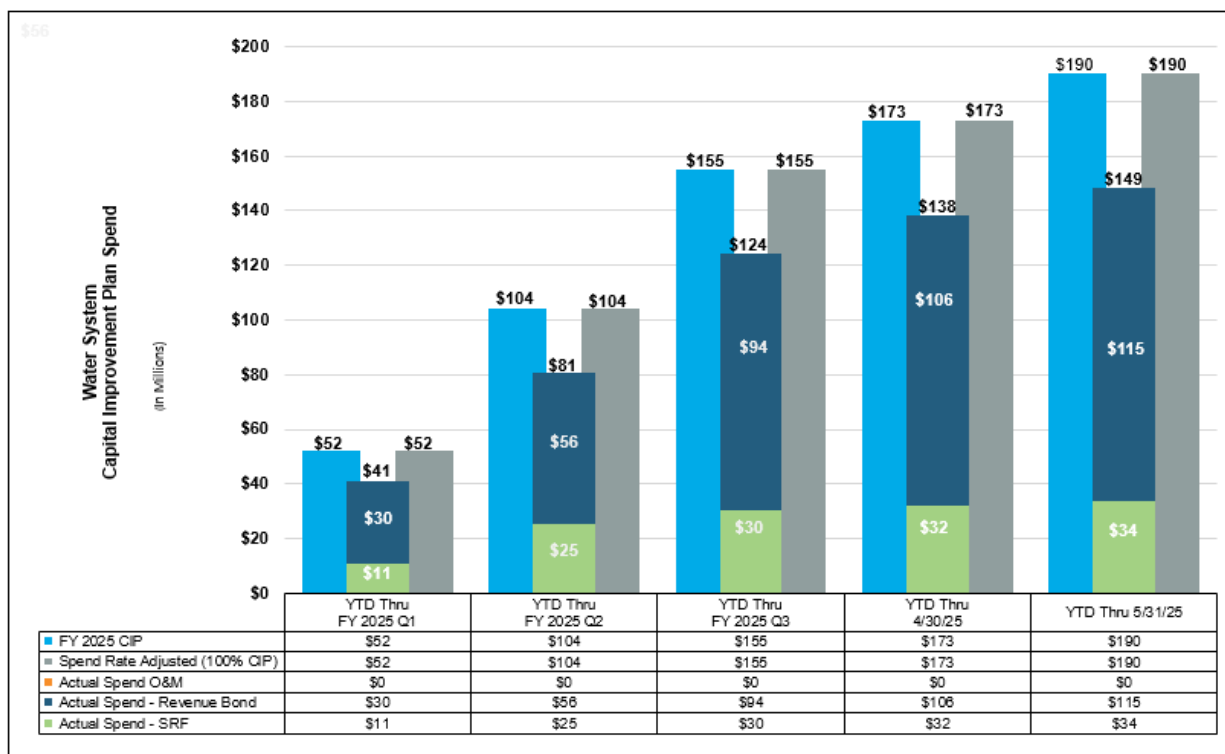
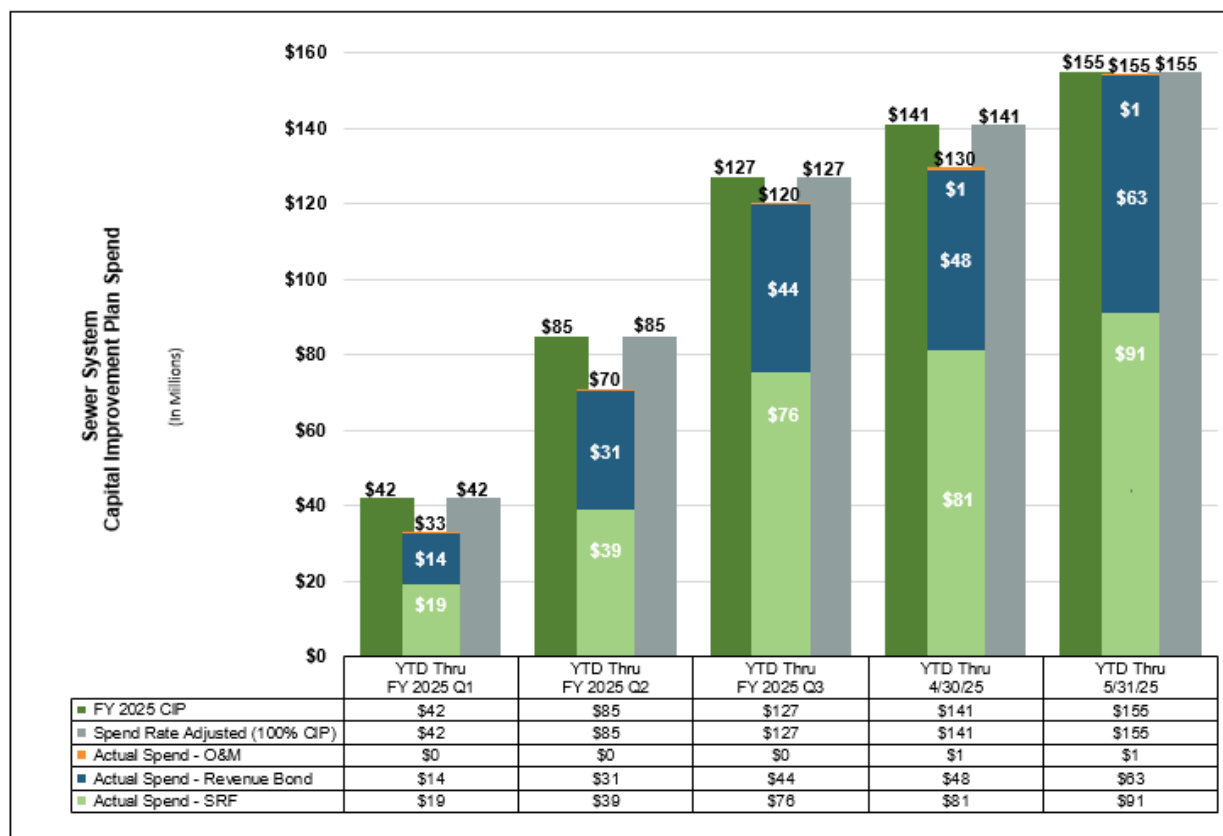


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of May 2025, the Sewer system incurred \$155 million of construction costs to date. This spend represents 100% of the original, Board-approved CIP, and 100% of the Board-reviewed spend rate adjustment.

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

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





This report includes the following.

1. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by GLWA
2. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by DWSD

MBO Transfers to Accounts Held by GLWA

GLWA Transfers: The Treasury team completes required MBO transfers on the first business day of each month. These transfers are completed in accordance with the Great Lakes Water Authority (GLWA) and Detroit Water & Sewerage Department (DWSD) budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually.

Monthly transfers for Operations & Maintenance (O&M), Pension, and Water Residential Assistance Program (WRAP) are one-twelfth of the annual, budgeted amount. Budget stabilization should not require additional funding due to new, baseline funding levels established as part of the June 2018 Memorandum of Understanding but is included to reflect historical activity. If there are transfers to the Extraordinary Repair & Replacement (ER&R) fund they would be completed annually based on budget and year-end fund status.

Table 1 – GLWA FY 2025 Water MBO Transfers reflects the required transfers for FY 2025 completed through May 2025. MBO transfers for water totaling \$165.4 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through May 2025. MBO transfers for sewer totaling \$220.4 million have been transferred to GLWA accounts.

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

Table 1 – GLWA FY 2025 Water MBO Transfers

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
FY 2025							
July 2024	\$ 14,135,417	\$ -	\$ 324,642	\$ 236,359	\$ -	\$ -	\$ 14,696,418
August 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
September 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
October 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
November 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
December 2024	14,135,417	-	324,642	236,560	-	-	14,696,619
January 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
February 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
March 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
April 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
May 2025	18,718,746	-	(425,720)	170,897	-	-	18,463,923
June 2025							
Total FY 2025	\$160,072,916	\$ -	\$ 2,820,700	\$2,533,486	\$ -	\$ -	\$ 165,427,102

Table 2 – GLWA FY 2025 Sewer MBO Transfers

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
FY 2025							
July 2024	\$ 19,077,833	\$ -	\$ 510,516	\$ 332,933	\$ -	\$ -	\$ 19,921,282
August 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
September 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
October 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
November 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
December 2024	19,077,833	-	510,516	329,816	-	-	19,918,165
January 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
February 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
March 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
April 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
May 2025	21,369,504	-	(403,960)	233,476	-	-	21,199,019
June 2025							
Total FY 2025	\$212,147,834	-	\$ 4,701,200	\$3,578,395	\$ -	\$ -	\$ 220,427,428

Table 3 – GLWA MBO Transfer History

GLWA MBO Transfer History							
WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$ 71,052,000	\$ 6,037,100	\$ 10,297,200	\$ 1,983,300	\$ 2,326,900	\$ 606,000	\$ 92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000	178,303,200
Total FY 2024	168,873,100	-	2,568,700	2,710,200	-	2,836,000	176,988,000
Total FY 2025 (year to date)	160,072,916	-	2,820,700	2,533,486	-	-	165,427,102
Life to Date	\$ 1,316,651,828	\$ 48,362,300	\$ 90,157,975	\$ 22,817,990	\$ 2,686,900	\$ 5,642,000	\$ 1,486,318,993

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 (year to date)	212,147,834	-	4,701,200	3,578,395	-	-	220,427,428
Life to Date	\$ 1,856,157,426	\$ 86,620,800	\$ 124,793,109	\$ 32,418,493	\$ 8,396,100	\$ 779,600	\$ 2,109,165,527

MBO Required and Lease Payment Transfers to DWSD

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

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water and Sewer Lease Agreements, is \$22,500,000 for Water and \$27,500,000 for Sewer. The monthly lease transfer is one-twelfth of the amount as stated in the Lease agreements unless otherwise designated by DWSD. Per Section 3.5 of the Lease, the Lease payment may be used for (a) bond principal and interest for Local System Improvements, (b) bond principal and interest for the City's share of common-to-all System Improvements, and (c) Local System improvements.

Table 4 – DWSD FY 2025 Water MBO Transfers reflects the required transfers for FY 2025 completed through May 2025. MBO transfers for Water totaling \$63.2 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through May 2025. MBO transfers for Sewer totaling \$77.8 million have been transferred to accounts held by DWSD.

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

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

Table 4 – DWSD FY 2025 Water MBO Transfers

	WATER			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2025				
July 2024	\$ 3,970,517	\$ -	\$ 1,875,000	\$ 5,845,517
August 2024	3,970,517	-	1,875,000	5,845,517
September 2024	3,970,517	-	1,875,000	5,845,517
October 2024	3,970,517	-	1,875,000	5,845,517
November 2024	3,970,517	-	1,875,000	5,845,517
December 2024	3,970,517	-	1,875,000	5,845,517
January 2025	3,970,517	-	1,875,000	5,845,517
February 2025	3,970,517	-	1,875,000	5,845,517
March 2025	3,970,517	-	1,875,000	5,845,517
April 2025	2,989,267	-	1,875,000	4,864,267
May 2025	3,872,392	-	1,875,000	5,747,392
June 2025				
Total FY 2025	\$ 42,596,312	-	\$ 20,625,000	\$ 63,221,312

Table 5 – DWSD FY 2025 Sewer MBO Transfers

	SEWER			
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2025				
July 2024	\$ 4,889,950	\$ -	\$ 2,291,667	\$ 7,181,617
August 2024	4,889,950	-	2,291,667	7,181,617
September 2024	4,889,950	-	2,291,667	7,181,617
October 2024	4,889,950	-	2,291,667	7,181,617
November 2024	4,889,950	-	2,291,667	7,181,617
December 2024	4,889,950	-	2,291,667	7,181,617
January 2025	4,889,950	-	2,291,667	7,181,617
February 2025	4,889,950	-	2,291,667	7,181,617
March 2025	4,889,950	-	2,291,667	7,181,617
April 2025	3,787,870	-	2,291,667	6,079,537
May 2025	4,779,742	-	2,291,667	7,071,409
June 2025				
Total FY 2025	\$ 52,577,162	-	\$ 25,208,337	\$ 77,785,499

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 (year to date)				
MBO/Lease Requirement	42,596,312	-	20,625,000	63,221,312
Offset to Debt Service	-	-	-	-
Total MBO Transfer	42,596,312	-	20,625,000	63,221,312
Life-to-Date				
MBO/Lease Requirement	360,766,016	34,157,100	223,125,000	618,048,116
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	\$ 360,766,016	\$ 34,157,100	\$ 191,277,100	\$ 586,200,216

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

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

	SEWER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
FY 2016 *				
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600
FY 2017				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600
FY 2018				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328
FY 2019				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920
FY 2020				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
FY 2021				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
FY 2022				
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023				
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100
FY 2024				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704
FY 2025 (year to date)				
MBO/Lease Requirement	52,577,162	-	25,208,337	77,785,499
Offset to Debt Service	-	-	-	-
Total MBO Transfer	52,577,162	-	25,208,337	77,785,499
Life-to-Date				
MBO/Lease Requirement	531,835,274	22,859,800	272,708,341	826,481,868
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	\$ 524,735,274	\$ 22,859,800	\$ 220,927,680	\$ 768,522,754

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

This report includes the following:

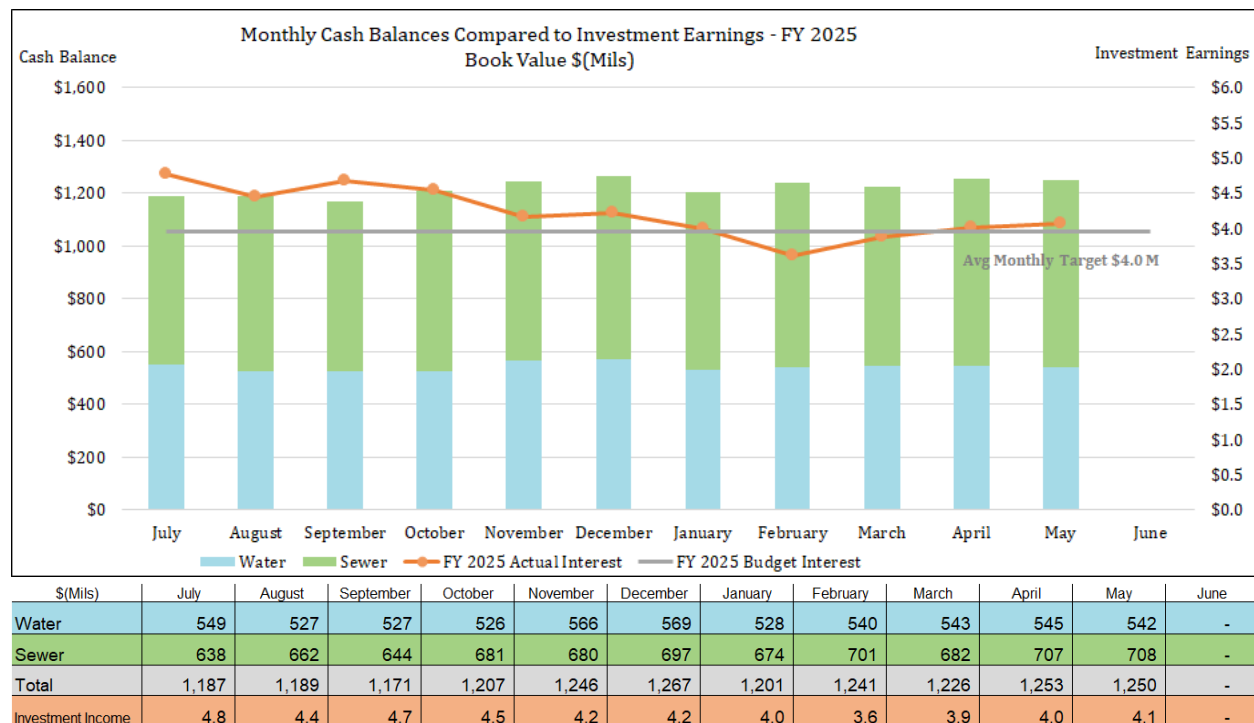
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

Monthly Cash Balances Compared to Investment Income

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

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of May 2025, GLWA earned investment income of \$4.1 million and cumulative FY 2025 earnings through May 2025 of \$46.4 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 2025



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:

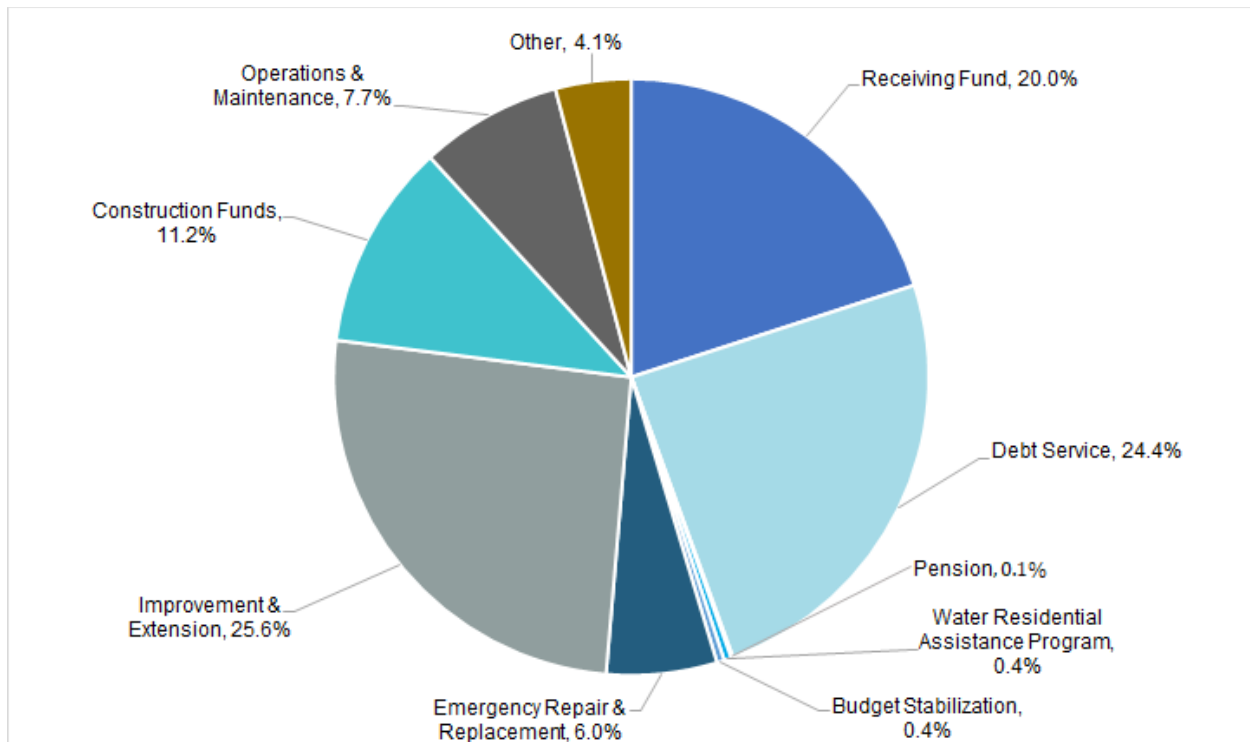
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 2025 - 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 2025 is \$542 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

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

Chart 2 – Cash Balances - Water Funds as of May 2025

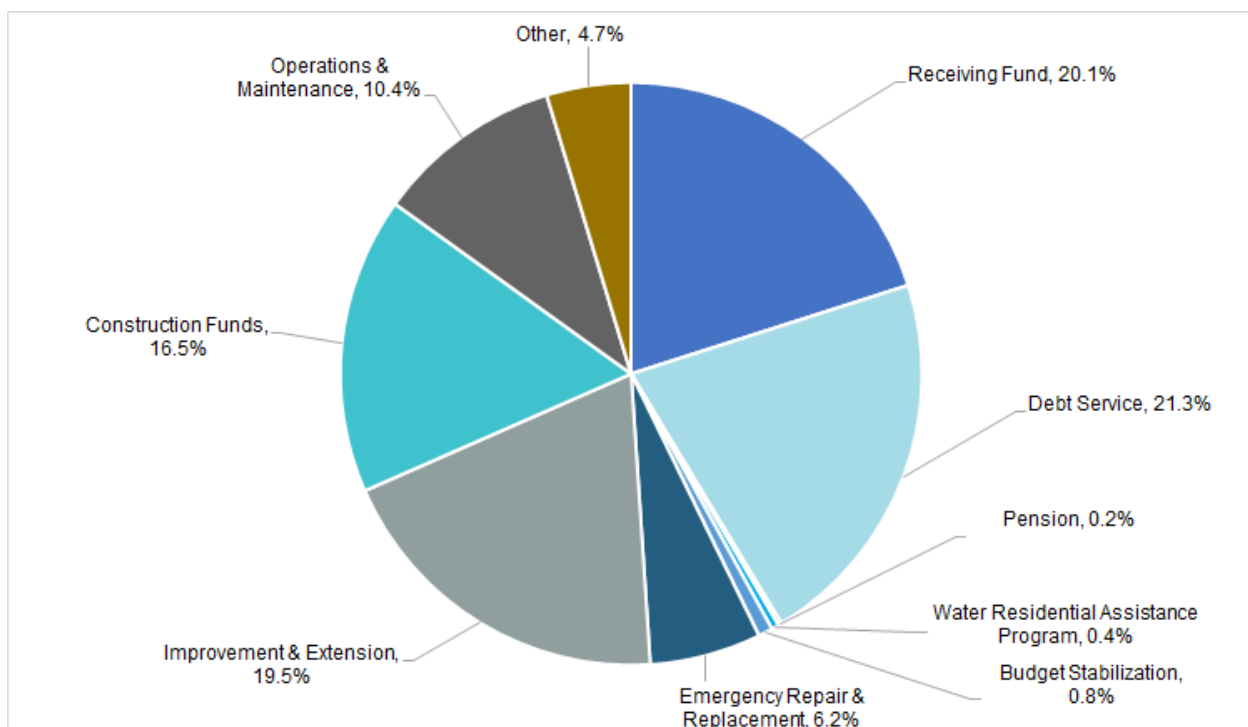


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of May 2025 - 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 2025 is \$708 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

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

Chart 3 – Cash Balances - Sewer Funds as of May 2025



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



Retail Revenues, Receivables, and Collections: Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority (GLWA), the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All water and sewer service collections from DWSD customers are deposited in a trust account and are administered in accordance with the GLWA Master Bond Ordinance.

The Monthly Retail Revenues, Receivables, & Collections Report includes the following.

1. DWSD Retail Water Revenue Billings and Collections
2. DWSD Retail Sewer Revenue Billings and Collections
3. DWSD Retail Water and Sewer System Accounts Receivable Aging Report

Note: *Wholesale customer revenues are billed by the Great Lakes Water Authority.*

DWSD Retail Water Billings and Collections

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

Table 1 - DWSD Retail Billings shows the FY 2025 water usage and billed revenue which are provided by DWSD staff. As of May 31, 2025, the DWSD usage was 102.38% of the budget and billed revenue was 102.79% of budget.

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

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

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	241,000	12,395,932	226,703	11,590,136	(14,297)	(805,796)	248,307	12,606,397
2 August	261,000	13,459,400	240,621	12,171,324	(20,379)	(1,288,076)	255,079	12,913,867
3 September	248,000	12,773,235	238,868	12,205,143	(9,132)	(568,092)	214,796	11,119,261
4 October	212,000	10,944,671	216,527	11,222,004	4,527	277,333	222,909	11,409,427
5 November	208,000	10,711,071	212,832	11,115,046	4,832	403,975	210,687	10,898,684
6 December	198,000	10,200,009	212,252	11,100,382	14,252	900,373	214,139	11,246,818
7 January	195,000	10,077,416	190,716	10,661,000	(4,284)	583,584	224,414	11,263,184
8 February	207,000	10,656,080	222,769	11,469,800	15,769	813,720	225,042	11,774,408
9 March	201,000	10,347,960	229,724	11,649,351	28,724	1,301,391	206,204	11,096,805
10 April	203,000	10,437,186	222,774	11,403,695	19,774	966,509	213,950	10,552,343
11 May	193,000	9,948,001	209,658	10,767,180	16,658	819,179	214,474	10,667,783
12 June	211,000	10,879,139					226,703	10,637,883
Total	2,578,000	132,830,100	2,423,444	125,355,061	56,444	3,404,100	2,676,703	136,186,859
<i>Subtotals ytd</i>	<i>2,367,000</i>	<i>121,950,961</i>	<i>2,423,444</i>	<i>125,355,061</i>	<i>56,444</i>	<i>3,404,100</i>		
<i>Achievement of Budget</i>			<i>102.38%</i>	<i>102.79%</i>				

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

(2) Retail revenues include miscellaneous revenues and penalties

Table 2 – DWSD Retail Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
June	9,045,195	13,467,858	(4,422,663)	-32.84%
July	12,645,121	5,943,286	6,701,835	112.76%
August	10,203,737	11,794,131	(1,590,394)	-13.48%
September	10,837,378	9,790,065	1,047,313	10.70%
October	12,110,080	9,884,937	2,225,143	22.51%
November	8,572,356	10,499,606	(1,927,250)	-18.36%
December	10,277,979	13,663,688	(3,385,709)	-24.78%
January	10,935,031	8,506,008	2,429,023	28.56%
February	9,632,511	8,996,740	635,771	7.07%
March	9,132,694	15,842,538	(6,709,844)	-42.35%
April	11,714,224	13,840,518	(2,126,294)	-15.36%
May	11,107,278	5,960,146	5,147,132	86.36%
Rolling, 12-Month Total	126,213,584	128,189,520		
Rolling, 12-Month Average	10,517,799	10,682,460		

DWSD Retail Sewer Billings and Collections

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

Table 3 - DWSD Retail Sewer Billings shows the FY 2025 sewer billed revenue which are provided by DWSD staff. As of May 31, 2025, the DWSD usage was at 99.29% of the budget and billed revenue was at 98.37% of budget.

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

Table 4 – DWSD Retail Sewer Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

Table 3 - DWSD Retail Sewer Billings

RETAIL SEWER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	214,000	30,316,100	173,084	26,350,527	(40,916)	(3,965,573)	207,574	29,192,723
August	196,000	29,206,000	195,207	28,301,325	(793)	(904,675)	211,503	29,278,720
September	215,000	30,359,800	198,474	28,536,169	(16,526)	(1,823,631)	178,576	27,476,376
October	180,000	28,256,800	181,932	28,141,699	1,932	(115,101)	184,382	27,700,094
November	181,000	28,322,800	171,499	28,166,266	(9,501)	(156,534)	175,498	26,939,338
December	166,000	27,436,800	192,915	28,831,326	26,915	1,394,526	156,168	26,546,712
January	160,000	27,139,500	140,835	26,273,695	(19,165)	(865,805)	182,643	26,882,316
February	177,000	28,085,500	182,920	28,075,547	5,920	(9,953)	179,551	27,455,737
March	166,000	27,448,400	184,249	28,353,310	18,249	904,910	165,992	26,725,597
April	169,000	27,639,700	176,337	27,741,237	7,337	101,537	179,514	26,737,898
May	166,000	27,458,600	178,327	27,806,874	12,327	348,274	170,754	26,225,089
June	175,000	27,995,600					173,084	26,149,588
Total	2,165,000	339,665,600	1,975,781	306,577,975	(14,219)	(5,092,025)	2,165,240	327,310,189
Subtotals ytd	1,990,000	311,670,000	1,975,781	306,577,975	(14,219)	(5,092,025)		
Achievement of Budget/Goal			99.29%	98.37%				

(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	20,945,929	23,769,626	(2,823,696)	-11.88%
July	36,297,569	32,379,222	3,918,346	12.10%
August	22,591,511	25,391,891	(2,800,380)	-11.03%
September	22,367,425	23,489,448	(1,122,023)	-4.78%
October	25,231,098	21,610,149	3,620,949	16.76%
November	23,609,169	25,951,736	(2,342,568)	-9.03%
December	23,914,649	23,249,973	664,676	2.86%
January	26,416,591	26,248,512	168,079	0.64%
February	24,116,823	24,230,304	(113,481)	-0.47%
March	23,871,283	26,438,687	(2,567,405)	-9.71%
April	25,340,397	23,532,381	1,808,016	7.68%
May	22,575,530	22,487,372	88,158	0.39%
Rolling 12-Month Total	297,277,972	298,779,301		
Rolling, 12-Month Average	24,773,164	24,898,275		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

Table 5 is a summary of the monthly sales, total receivables, bad debt allowance and net water and sewer receivables as of May 31, 2025, with comparative totals from June 30, 2024, June 30, 2023, and June 30, 2022. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

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

Table 6 is a summary of the total, current and non-current Water and Sewer receivables by category as of May 31, 2025, with comparative totals from May 31, 2024. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of May 31, 2025, are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary

Summary					
Period Ending	Monthly Sales	Receivables			Days in AR (1)
		Total	Allowance	Net	
June 30, 2022	39,022,000	300,346,000	(253,924,000)	46,422,000	36
June 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024	39,029,000	324,867,000	(249,922,000)	74,944,000	58
May 31, 2025 (2)	39,359,000	376,046,000	(305,596,000)	70,450,000	54
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 annual AR Tax Roll Transfer totaling \$25,890,000 was made in October 2024.

(3) 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.

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	1,018.46	14,426,000 6.3%	9,776,000 4.3%	31,996,000 14.0%	171,741,000 75.3%	227,940,000 100.0%
Commercial	1,452.56	7,122,000 22.8%	2,480,000 7.9%	6,882,000 22.0%	14,801,000 47.3%	31,285,000 100.0%
Industrial	3,616.14	5,123,000 38.5%	970,000 7.3%	1,798,000 13.5%	5,413,000 40.7%	13,304,000 100.0%
Tax Exempt	814.02	583,000 18.8%	262,000 8.4%	645,000 20.7%	1,618,000 52.1%	3,108,000 100.0%
Government	550.84	4,725,000 21.2%	2,602,000 11.7%	3,301,000 14.8%	11,701,000 52.4%	22,327,000 100.0%
Drainage	612.57	1,966,000 7.2%	1,063,000 3.9%	3,565,000 13.1%	20,697,000 75.8%	27,291,000 100.0%
Subtotal - Active Accounts	962.50	33,945,000 10.4%	17,153,000 5.3%	48,186,000 14.8%	225,971,000 69.5%	325,255,000 100.0%
Inactive Accounts	131.29	14,000 0.0%	288,000 0.6%	1,331,000 2.6%	49,158,000 96.8%	50,791,000 100.0%
Total	518.82	33,959,000	17,441,000	49,517,000	275,129,000	376,046,000
% of Total A/R		9.0%	4.6%	13.2%	73.2%	100.0%
Water Fund	113.09	9,556,000	4,372,000	12,813,000	55,228,000	81,969,000
Sewer Fund	405.73	24,403,000	13,069,000	36,704,000	219,902,000	294,078,000
Total May 31, 2025 (a)	518.82	33,959,000	17,441,000	49,517,000	275,129,000	376,046,000
Water Fund- Allowance						(60,447,000)
Sewer Fund- Allowance						(245,149,000)
Total- Bad Debt Allowance						(305,596,000)
Comparative - May 2024 (b)	1,000.00	33,505,000	17,013,000	48,000,000	217,168,000	315,686,000
Difference (a) - (b)		454,000	428,000	1,517,000	57,961,000	60,360,000



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

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

Wholesale Water Billings and Collections

Wholesale Water Contracts: The Great Lakes Water Authority (GLWA) provides wholesale water service to 87 member-partners through a variety of service arrangements.

Service Arrangement Type

Model Contract	85
Emergency	0
Older Contracts	<u>2</u>
Total	<u>87</u>

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

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

Table 1 - Wholesale Water Billings shows the FY 2025 water billed usage and revenues. As of May 31, 2025, the billed usage was at 98.63% of the original plan and billed revenue at 99.66% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2025 Budget.

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

Table 2 - Wholesale Water Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. Current year collections are trending below the prior year for the twelve-month period ending May 31, 2025.

Table 1 – FY 2025 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2025 Charges (2)		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (3) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
1 July	1,471,701	33,806,600	1,347,527	32,449,201	(124,174)	(1,357,399)	1,396,012	31,956,320
2 August	1,378,066	32,779,600	1,297,169	31,977,986	(80,897)	(801,614)	1,295,617	30,947,078
3 September	1,252,529	31,226,000	1,315,030	32,104,405	62,501	878,405	1,212,814	29,862,077
4 October	1,040,750	28,617,400	1,051,234	28,946,404	10,484	329,004	1,043,901	27,856,141
5 November	902,080	27,224,500	872,926	26,975,632	(29,154)	(248,868)	899,934	26,481,380
6 December	965,968	27,817,100	966,671	27,877,869	703	60,769	947,841	26,904,465
7 January	979,263	27,960,900	989,175	28,114,300	9,912	153,400	984,406	27,231,881
8 February	869,226	26,840,000	888,053	27,055,774	18,827	215,774	877,428	26,143,840
9 March	946,913	27,587,200	966,088	27,862,863	19,175	275,663	930,938	26,675,356
10 April	904,594	27,235,000	928,903	27,482,932	24,309	247,932	886,646	26,342,756
11 May	1,122,987	29,809,800	1,049,087	28,969,431	(73,900)	(840,369)	1,101,158	28,684,891
12 June	1,440,113	33,505,700					1,313,310	31,043,002
Total	13,274,190	354,409,800	11,671,863	319,816,797	(162,214)	(1,087,303)	12,890,005	340,129,187
Subtotals ytd	11,834,077	320,904,100	11,671,863	319,816,797	(162,214)	(1,087,303)		
Achievement of Original Plan			98.63%		99.66%			

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

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

(3) Water Revenues differ from Table 1A 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	24,182,036	29,370,704	(5,188,669)	-17.67%
July	30,278,936	22,645,008	7,633,928	33.71%
August	25,054,796	36,275,672	(11,220,876)	-30.93%
September	31,569,804	29,955,755	1,614,049	5.39%
October	29,858,946	26,617,271	3,241,675	12.18%
November	29,728,772	35,490,010	(5,761,238)	-16.23%
December	33,080,276	28,246,829	4,833,447	17.11%
January	28,917,330	24,448,936	4,468,394	18.28%
February	25,874,160	29,100,065	(3,225,904)	-11.09%
March	26,649,141	24,740,554	1,908,587	7.71%
April	25,622,706	26,856,179	(1,233,473)	-4.59%
May	26,976,277	25,838,255	1,138,022	4.40%
Rolling 12-Month Total	337,793,180	339,585,238		
Rolling, 12-Month Average	28,149,432	28,298,770		

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	<u>18</u>

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

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

Table 3 - Wholesale Sewer Billings shows the FY 2025 sewer billed revenue. As of May 31, 2025 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 below the twelve-month period ending May 31, 2025.

Table 3 – FY 2025 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2025 Charges		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
2 August	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
3 September	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
4 October	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
5 November	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
6 December	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
7 January	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
8 February	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
9 March	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
10 April	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
11 May	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
12 June	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
Total		286,606,800		262,722,900		-		281,937,600
Subtotals ytd		262,722,900		262,722,900		-		

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	23,300,100	38,287,549	(14,987,449)	-39.14%
July	18,438,961	22,331,831	(3,892,870)	-17.43%
August	13,987,797	22,377,366	(8,389,569)	-37.49%
September	25,450,281	18,770,419	6,679,862	35.59%
October	13,037,715	23,107,016	(10,069,301)	-43.58%
November	33,933,304	27,958,885	5,974,419	21.37%
December	23,958,644	21,351,498	2,607,146	12.21%
January	23,850,161	21,117,470	2,732,691	12.94%
February	23,509,614	27,856,400	(4,346,786)	-15.60%
March	24,230,161	23,460,900	769,261	3.28%
April	24,138,802	18,685,600	5,453,202	29.18%
May	23,965,586	28,363,300	(4,397,714)	-15.50%
Rolling 12-Month Total	271,801,126	293,668,234		
Rolling, 12-Month Average	22,650,094	24,472,353		

Wholesale Water & Sewer Accounts Receivable Aging Report

Because most utilities bill in arrears for services rendered, GLWA operational invoicing reflects 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 Report Summary is a summary of the total, current and non-current receivables by category as of May 31, 2025.

Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn is the same summary *without* the past due balances for Dearborn. Three water accounts comprise the past due balance of \$358,565 reported of which \$309,347 was paid in early July. The Billing team continues to work with the remaining member partner on collection of their balance.

All sewer accounts are current in May. The IWC past due balance reflects three accounts totaling \$12,609 of which \$6,499 was paid in June and the balance was paid in July. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	1-45 Days	46-74 Days	75-104	>105 Days
Water	42,581,487	34,234,043	303,609	183,289	64,167	7,796,379
Sewer	14,164,986	14,164,986	-	-	-	-
IWC	613,362	600,753	5,891	73	73	6,572
Pollutant	574,647	535,562	19,089	3,702	1,150	15,144
Total	57,934,482	49,535,344	328,589	187,064	65,390	7,818,095
	100.00%	85.50%	0.57%	0.32%	0.11%	13.49%

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

	Total	Current	1-45 Days	46-74 Days	75-104	>105 Days
Water	33,632,550	33,273,985	239,443	119,122	-	-
Sewer	14,164,986	14,164,986	-	-	-	-
IWC	613,362	600,753	5,891	73	73	6,572
Pollutant	574,647	535,562	19,089	3,702	1,150	15,144
Total	48,985,545	48,575,286	264,423	122,897	1,223	21,716
	100.00%	99.16%	0.54%	0.25%	0.00%	0.04%

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 2025 reflects eleven months of activity to date.

Water fund receipts exceeded required disbursements by 5% through May 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

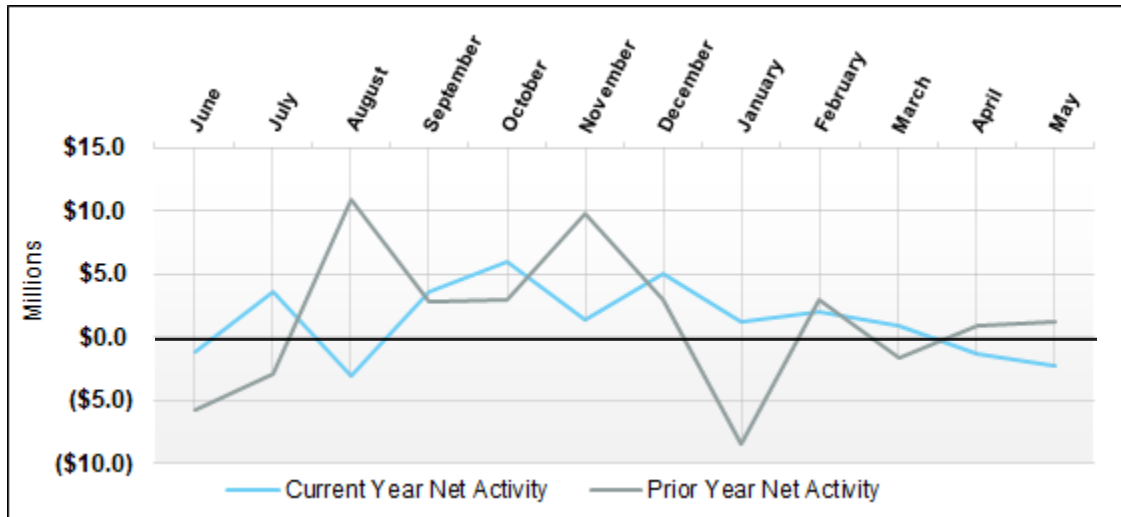
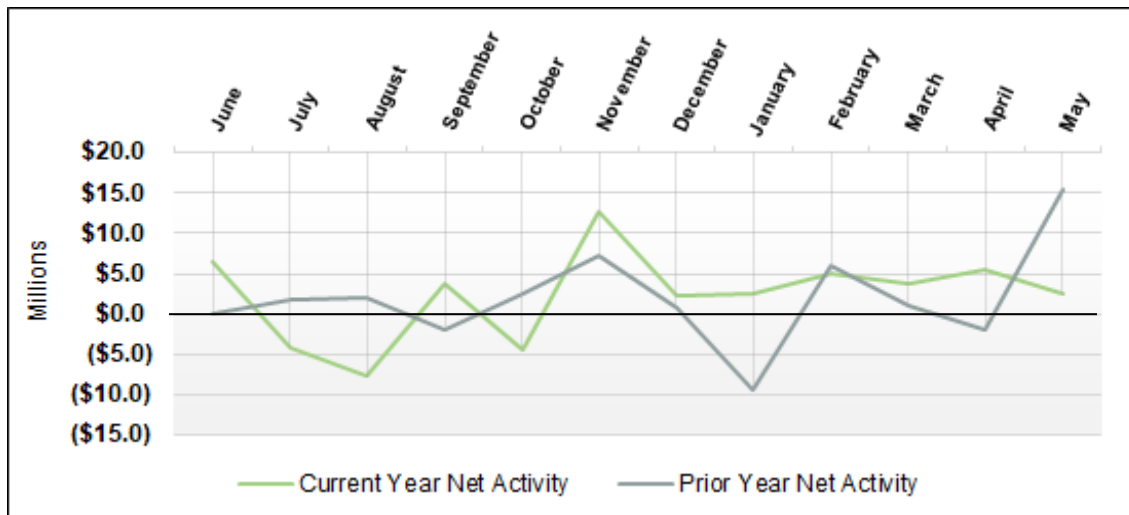
Sewer fund receipts exceeded required disbursements by 5% through May 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior years. The black line at 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 2021	FY 2022	FY 2023	FY 2024	FY 2025 Through May 31
Water					
1 Receipts	336,642,021	338,117,694	363,335,474	374,252,221	349,162,734
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	349,162,734
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(331,985,270)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	17,177,463
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(4,063,073)	(5,000,528)	4,250,999	(8,005,400)	17,177,463
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	105%
Sewer					
9 Receipts	472,871,853	471,979,297	498,888,416	506,731,576	462,802,374
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	462,802,374
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(441,152,554)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	21,649,820
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	13,972,674	(8,077,664)	(1,394,022)	16,812,782	21,649,820
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	105%
Combined					
19 Receipts	809,513,874	810,096,991	862,223,890	880,983,797	811,965,108
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	811,965,108
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(773,137,825)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	38,827,283
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	9,909,601	(13,078,192)	2,856,977	8,807,382	38,827,283
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	105%

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 2025 reflects eleven months of activity to date.

Water fund receipts exceeded required disbursements by 6% through May 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 1% through May 31, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 3% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru May 31
Water					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	117,214,938
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	117,214,938
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(110,397,278)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	6,817,660
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	6,817,660
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	101%	108%	105%	106%	106%
Sewer					
9 Receipts	308,210,767	291,280,896	298,896,942	296,088,194	276,400,199
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	276,400,199
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(274,532,918)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	1,867,281
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	1,867,281
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	101%
Combined					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	393,615,137
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	393,615,137
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(384,930,196)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	8,684,941
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	8,684,941
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	102%

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

Chart 4 – DWSD 12-Month Net Receipts – Sewer outlines monthly activity trends across two points of reference for the local sewer system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts

Chart 3 – DWSD 12-Month Net Receipts – Water

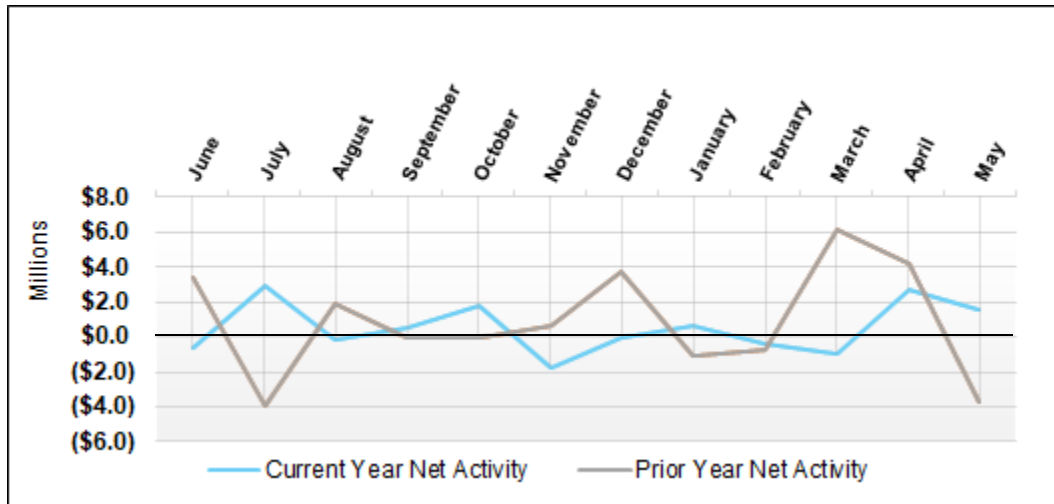
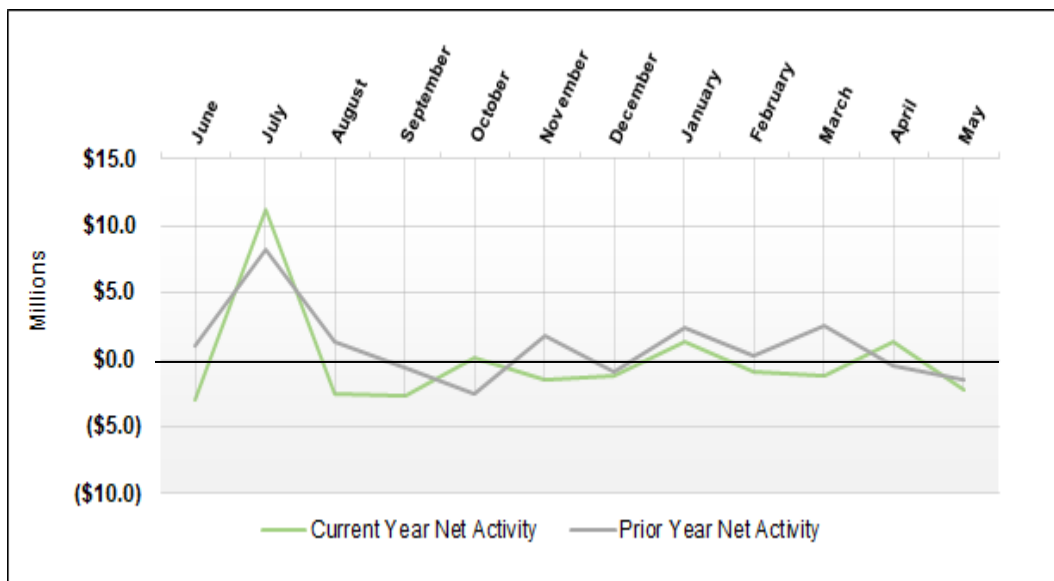


Chart 4 – DWSD 12-Month Net Receipts – Sewer



Combined System Trust Receipts & Disbursements

Net Cash Flows and Receipts Basis: The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e., Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

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

Water fund net receipts exceeded required disbursements by 5% through May 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 3% through May 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru May 31
Water					
1 Receipts	438,709,444	440,082,657	487,102,098	498,070,508	466,377,671
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	466,377,671
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(442,382,548)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	23,995,123
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(2,702,850)	2,468,834	10,351,523	(1,477,704)	23,995,123
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	105%
Sewer					
9 Receipts	781,082,620	763,260,193	797,785,358	802,819,770	739,202,573
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	739,202,573
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(715,685,472)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	23,517,101
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	27,082,670	(2,052,768)	14,407,820	24,781,459	23,517,101
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	103%
Combined					
19 Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	1,205,580,244
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	1,205,580,244
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,158,068,021)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	47,512,224
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	24,379,820	416,066	24,759,343	23,303,755	47,512,224
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	107%	105%	105%	105%	104%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 22, 2025



Financial Services Audit Committee Communication

Date: August 22, 2025

To: Great Lakes Water Authority Audit Committee

From: Greg Bolterman, CFO Services Management Professional

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

Highlights: The Grants, Gifts, and Other Resources Report highlights changes from the prior report in yellow. Seven projects were updated this month. Of particular note are the following.

- ✓ **2023-005 Department of Energy – Hydrothermal Liquefaction Project** – Received reimbursement for \$58,233.
- ✓ **2023-023 I-94 Modernization Project (CIP Project 270001)** – After nearly two years of planning and scoping activities, vendor selection is complete. A project kick-off meeting is scheduled for September 9, 2025.
- ✓ **2023-019 American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE (CIP Project 122004)** – Reimbursement request of \$258,834 submitted and received in July. Additional request of \$262,897 submitted.
- ✓ **2025-005 American Rescue Plan Northwest – State Revolving Fund Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)** – Reimbursements of \$2,171,261 received in July 2025. Additional reimbursement request for \$150,916 submitted.

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):

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.

(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 \(glwater.org\)](https://glwater.org/Grants-Gifts-and-Other-Resources-Delegation-Policy).

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

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

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

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

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

Items of note related to each table include the following.

Table 1 – Pre-Award Programs reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The summarized activity below identifies two earmarked EPA Community Grants and two Cybersecurity Grants.

Table 2 - Awarded Programs reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two EPA Community Grants, the I-94 Modernization Project, two awards for local nonprofit apprenticeship grants, three reimbursement requests submitted for three associated FEMA Flood projects, one reimbursement request for COVID-19 related management costs, two SRF funded projects, a Department of Energy grant, a Building Resilient

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

Infrastructure and Communities (BRIC) Grant, a DWSD SRF pass through grant, a flood study grant where we are required to track costs incurred by GLWA, and a subrecipient grant for scale up of the hydrothermal liquefaction process.

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

Table 4 – Programs not awarded or Programs that GLWA will not continue to pursue is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – there is no current activity in this category.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Table 1 – Pre-Award Programs reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The programs listed under this section do not have a grant agreement between the awarding agency and GLWA at this time, but an application has been submitted, or the funds have been identified in legislation (i.e. earmarks). The summarized activity below identifies two earmarked EPA Community Grants and two Cybersecurity Grants.

Table 1 – Pre-Award Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2024-009	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Conveyance System Infrastructure Improvements (CIP Project 260701)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share). Original project selected not eligible, new project selection in process.
2024-009b	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Oakwood District Intercommunity Relief Sewer Modifications (CIP Project 222001)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)
2025-001	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Assessments	Federal Grant (Reimbursement Basis)	\$80,000	Federal Audit Requirements	Application Submitted by GLWA, under review by FEMA.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2025-002	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Professional Training for IT/Security Staff	Federal Grant (Reimbursement Basis)	\$191,194	Federal Audit Requirements	Application Submitted by GLWA, under review by FEMA.

Table 2 Awarded Programs reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two EPA Community Grants, the I-94 Modernization Project, two awards for local nonprofit apprenticeship grants, three reimbursement requests submitted for three associated FEMA Flood projects, one reimbursement request for COVID-19 related management costs, two SRF funded projects, a Department of Energy grant, a Building Resilient Infrastructure and Communities (BRIC) Grant, a DWSD SRF pass through grant, a flood study grant where we are required to track costs incurred by GLWA, and a subrecipient grant for scale up of the hydrothermal liquefaction process.

Table 2 – Awarded Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-002	6/6/2025	FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor (CIP Project 222002)	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Received notification of award June 6, 2025.
2023-003	12/19/2022	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Received notification of award June 6, 2025.
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Submitted and received reimbursement request #5 for \$58,233. Reimbursement requests of \$657,158 received through July 2025.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-013	8/06/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201)	Federal pass-through State (Reimbursement Basis)	\$247,650	Federal Audit Requirements	Reimbursement request of \$247,650 submitted in February 2024. Project closeout in progress.
2023-014	8/28/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 Conner Creek Sewer System (CIP Project 260204)	Federal pass-through State (Reimbursement Basis)	\$1,910,621	Federal Audit Requirements	Reimbursement request of \$1,910,621 submitted in February 2024. Project closeout in progress.
2023-015	10/3/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement request of \$90,541 submitted in November 2024. Project closeout in progress.
2023-019	3/3/2021	American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE (CIP Project 122004)	Federal pass-through State (Reimbursement Basis)	\$11,751,730	Federal Audit Requirements	Reimbursement request of \$258,834 submitted and received in July. Additional request of \$262,897 submitted. Total reimbursement requests received of \$8.4M to date.
2023-023	8/30/2023	I-94 Modernization Project (CIP Project 270001)	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	Wade Trim has been selected as vendor. Kick-off meeting September 9, 2025.
2024-005	12/15/2023	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping/Feasibility Study (design and engineering only – no construction)	Federal pass-through State (Reimbursement Basis)	\$856,000	Federal Audit Requirements	\$856,000 Grant awarded January 2025 – currently on hold.
2024-011	7/10/2024	Southeast Michigan Flood Study	Federal (Cost Share Only)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1.5M.
2024-014	6/7/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	\$17,000 Received to date.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2025-004	5/1/2025	Scale-up of Hydrothermal Liquefaction with Supercritical Water Oxidation in an Integrated Biorefinery	Federal Grant (Cost Share)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$250,000 completed May 2025.
2025-005	9/6/2024	American Rescue Plan Northwest – State Revolving Fund Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)	Federal pass-through State (Reimbursement Basis)	\$20,000,000	Federal Audit Requirements	Reimbursements of \$2,171,261 received in July 2025. Additional reimbursement request for \$150,916 submitted. Total reimbursement received to date \$12.0M.
2025-006	5/8/2025	Detroit Employment Solutions Corp (DESC) Apprentice Grant	DESC (Nonprofit)	Currently \$5,000 per Apprentice, will decrease to \$4,000 per Apprentice July 2025	None	\$5,000 received in July, total reimbursements to date - \$107,000.
2025-007	8/22/2024	State Revolving Fund Clean Water Initiative/Strategic Water Quality Initiative 5980-01 West Chicago South Stormwater Improvements (DWSD Grant)	Pass Through to DWSD	\$14,011,908	Federal Audit Requirements	Received reimbursement of \$242,632 in July. Total reimbursement received through July \$2.2M.
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.

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

Table 3 – Post Award Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-006	2/22/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 660138 Seven Mile CSO	Federal pass through-State (Reimbursement Basis)	\$46,996	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-007	4/3/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 660076 Springwell Water Treatment Plant	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-008	4/3/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 668336 Fairview PS Protective Measures (CIP Project 232001)	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-009	4/3/2023	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 received June 20,2025. Working with MSP to close out grant.
2023-010	4/10/2023	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 received June 20,2025. Working with MSP to close out grant.
2023-011	8/29/2022	Federal Emergency Management Agency (FEMA) June 25-26 Flood, DR-4607 Project 668672 - System Wide Emergency Protective Measures	Federal pass-through State (Reimbursement Basis)	\$43,031	Federal Audit Requirements	Funds received June 20,2025. Working with MSP to close out grant.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-012	4/3/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660110 – Obligated \$319,911 Fairview PS (CIP Project 232001)	Federal pass-through State (Reimbursement Basis)	\$319,911	Federal Audit Requirements	Funds received as of March 6, 2025. Working with MSP to close out grant.

Table 4 –Programs not awarded or Programs that GLWA will not continue to pursue is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – current there is no new activity for this the month of July.



Financial Services Audit Committee Communication

Date: August 22, 2025

To: Great Lakes Water Authority Audit Committee

From: Gerri Williams, Treasury Manager

Re: Quarterly Investment Report Through June 30, 2025 (Unaudited)

Background: As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through June 30, 2025 (unaudited).

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

- Yield at Cost:
 - As of As of June 30, 2025: 4.19%
 - As of As of March 31, 2025: 4.18%
- Yield at Market:
 - As of June 30, 2025: 4.24%
 - As of March 31, 2025: 4.28%
- Portfolio Allocation in Cash/Money Market/LGIP Securities:
 - As of June 30, 2025: 62%
 - As of March 31, 2025: 57%

Investment income in each of the funds is identified as restricted or unrestricted as defined in the Master Bond Ordinance (MBO). Unrestricted investment income can be used to fund operations and is included in the revenue requirement calculations. Restricted investment

income is held within the specific fund and can only be used for the fund's purpose as stipulated in the MBO.

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

Proposed Action: Receive and file this report.

Great Lakes Water Authority

Investment Performance Report – June 2025



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Executive Summary

PORTFOLIO RECAP

- **Safety** – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, commercial paper, SEC-registered money market funds, and a local government investment pool. The total credit profile of the portfolio is strong with over 99% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by S&P.
- **Liquidity** – Great Lakes Water Authority (“GLWA”) has continued to monitor its portfolio with the goal of limiting the allocation to cash and bank deposit accounts and maximizing the use of short-term investments to meet cash requirements. As of June 30, 2025, approximately 68% of the funds were held in cash and money market accounts maturing overnight, with a majority of the funds allocated to July 1st debt obligations.
- **Return** – The overall yield at market decreased to 4.24% as of June 30, 2025, versus 4.28% as of March 31, 2025. The lower yield is reflective of the expectation of the Federal Reserve to reduce borrowing costs and continue their easing cycle. GLWA earned over \$50.3 million (unaudited) in investment income for the entirety of fiscal year 2025 on a book value basis. Investment income includes earnings on all fund types, including restricted and unrestricted funds combined as well as construction and bond proceeds. It should be noted that investment income for GLWA for FY 2026 is projected to be less than what was seen in the prior fiscal year.

AVAILABLE FUNDS (Unaudited)

Type	Book Value	Market Value	Yield @ Cost (as of 6/30/25)	Yield @ Market (as of 6/30/25)
Deposit Accounts	\$13,606,450	\$13,606,450	1.76%	1.76%
Trust Money Market Fund	\$421,392,714	\$421,392,714	4.17%	4.17%
Money Market Fund	\$7,876,670	\$7,876,670	4.19%	4.19%
Local Government Investment Pool	\$576,581,899	\$576,581,899	4.35%	4.35%
Managed Funds	\$479,483,884	\$479,357,213	4.09%	4.23%
<u>JUNE 2025 TOTALS:</u>	<u>\$1,498,941,617</u>	<u>\$1,498,814,945</u>	<u>4.19%</u>	<u>4.24%</u>
<u>PREVIOUS QUARTER TOTALS:</u>	<u>\$1,183,973,193</u>	<u>\$1,183,647,734</u>	<u>4.18%</u>	<u>4.28%</u>

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

Investment Strategy

OVERALL STRATEGY

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

PORTFOLIO PERFORMANCE – CURRENT PERIOD*

- The overall portfolio's original yield at cost went from 4.18% as of 3/31/2025 to 4.19% as of 6/30/2025.
- The total portfolio had a market yield of 4.24% at the end of June, compared to 4.28% as of March 31, 2025. Yield at market represents what the market would provide in return if the portfolio was purchased on June 30, 2025 (versus purchased in prior months / years); the lower yield is a result of the expectation of the Fed to cut overnight interest rates in the near future.
 - We utilize a variety of investment sectors, and because of that, this 4.24% yield at market as of 6/30/2025 is slightly lower than in the prior quarter due to tightening credit spreads and the relatively slight decline in overnight and short-term yields.

PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$50.3 million (unaudited) in investment interest income from both restricted and unrestricted resources for fiscal year 2025 (as of June 30, 2025) on a book value basis.
- The fiscal year 2025 period earnings were slightly higher than budgeted expectations, mainly due to the Federal Reserve's wait-and-see approach with regards to monetary policy.

** Yield at cost is based on the original cost of the individual investments from the purchase date to maturity. On the other hand, yield at market is calculated on a specific day (in this case, March 31, 2025) and assumes that all the securities in the portfolio are purchased given the market price/yield on that particular day. If one is to generally hold their investments to the stated maturity date, then the yield at cost would be the better number to use to gauge how the portfolio is performing.*

Summary Market Overview and Outlook

ECONOMIC HIGHLIGHTS UPDATE

- As expected, at the meeting held on June 18th, the Federal Reserve (the “Fed”) held the target range for the overnight rate unchanged at 4.25% to 4.50%. In its press release, the Fed noted uncertainty has diminished since April but remains elevated. During the press conference, Fed Chair Jerome Powell noted that the effect, size, and duration of tariffs are all highly uncertain and that warrants the Fed remaining on hold as it continues to observe the data, as the Fed currently sees a high inflation path and lower growth.
- The Fed’s “dot plot” continued to show a median expectation of 50 basis points of rate cuts over the remainder of the year while its Summary of Economic Projections showed a weaker outlook for both gross domestic product (“GDP”) and PCE inflation. Fed Chair Powell emphasized the divergence of views across the committee noting eight members called for two cuts in 2025 while seven members project none.
- Increasing geopolitical tension in the Middle East adds to the already uncertain outlook. While the ceasefire has eased immediate concerns, future flare-ups may pressure domestic inflation through higher oil and energy prices.
- The final read of first quarter calendar year 2025 GDP showed consumers spending at their slowest pace since the first quarter of calendar year 2022. The large pullback in spending amid strong income and wage growth likely represents consumer caution due to the uncertainty caused by tariffs. Future spending will remain a key area of focus for economic resilience.
- The June jobs report surprised the market to the upside with 147,000 new jobs created while the unemployment rate dipped to 4.1%. However, these figures masked underlying softness in the labor market as job growth in the private sector rose at the slowest pace in over six months and the decline in the unemployment rate was driven by a drop in labor force participation.
- The core Personal Consumption Expenditures (“PCE”) index, the Fed’s preferred measure of inflation, rose by a modest 0.2% over the prior month. This marks the third straight month of benign inflation readings, but the future impact of tariffs remains uncertain and supports the Fed’s patience before it resumes cutting rates.

ECONOMIC IMPACT ON PORTFOLIO

- Yields on 3-month, 2-year, and 10-year U.S. Treasuries ended the quarter at 4.29%, 3.72%, and 4.23%.
- Fixed income indices produced positive returns for June due to lower yields across the curve. Recent Fed projections for rate cuts maintained a median forecast of two cuts in 2025, but the uncertainty regarding when and if these cuts will occur adds to market uncertainty.
- Portfolio Impact: We expect to maintain portfolio durations at or slightly above 100% of benchmarks given the ongoing rate and policy uncertainty, and the rebound in the absolute yield levels from their early-May lows. Spreads on Federal Agencies remain quite narrow with no significant changes or new issuance expected in the near term. We will maintain low allocations in favor of other sectors. Also, we will closely monitor developments related to the potential privatization efforts of Fannie Mae and Freddie Mac. On the short end of the yield curve, debt ceiling dynamics have reduced U.S. Treasury Bill supply and has applied modest downward pressure on yields. We are closely monitoring maturities around the Treasury’s “X-date,” which is currently projected to be mid-August or September. Meanwhile, credit spreads on the short end of the curve have stabilized during the last month, allowing selective attractive adds across tenors.

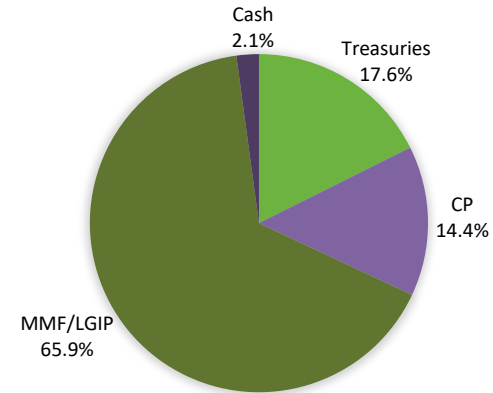
Portfolio Snapshot

Overall Portfolio Composition Summary

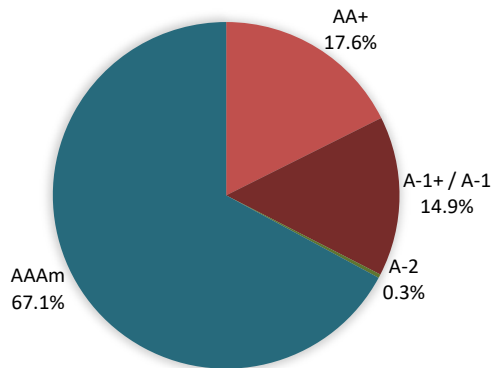
PORTFOLIO STATISTICS

Invested Amount	\$1.498 Billion
Duration	0.13 Years
Yield at Cost	4.19%
Yield at Market	4.24%

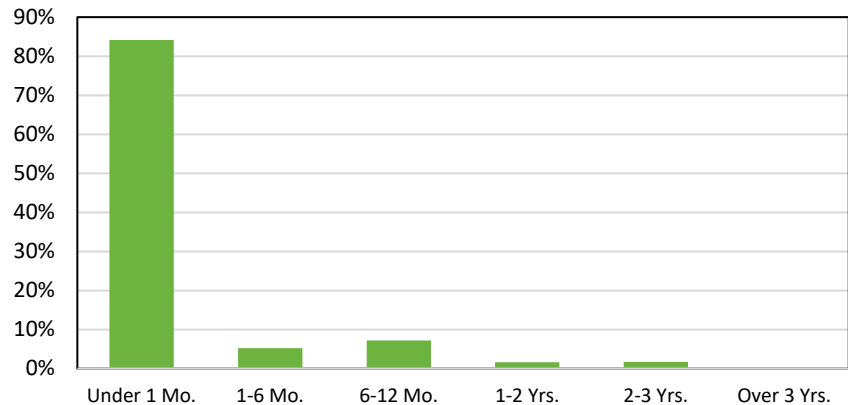
SECTOR ALLOCATION



CREDIT QUALITY



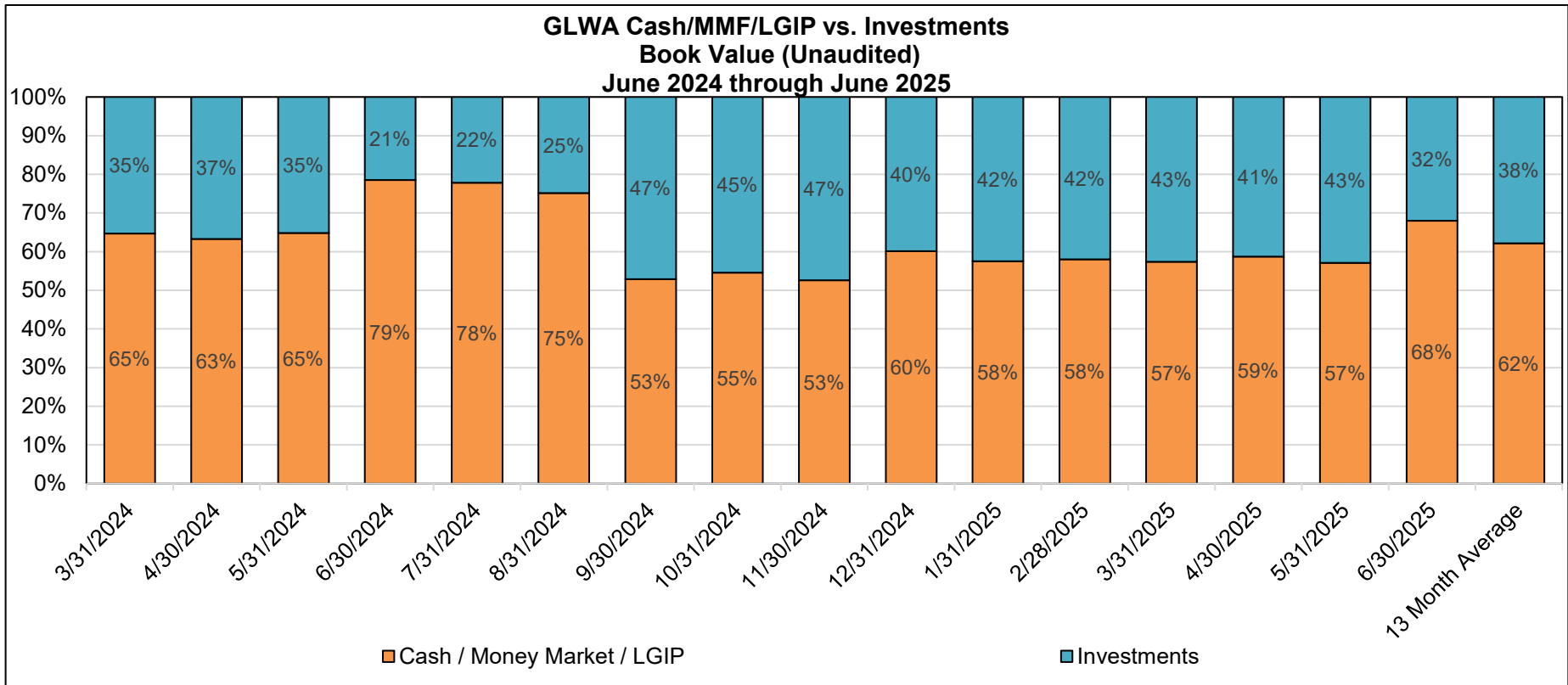
MATURITY DISTRIBUTION



Portfolio Snapshot

Portfolio Mix – Cash / Money Market vs. Investments

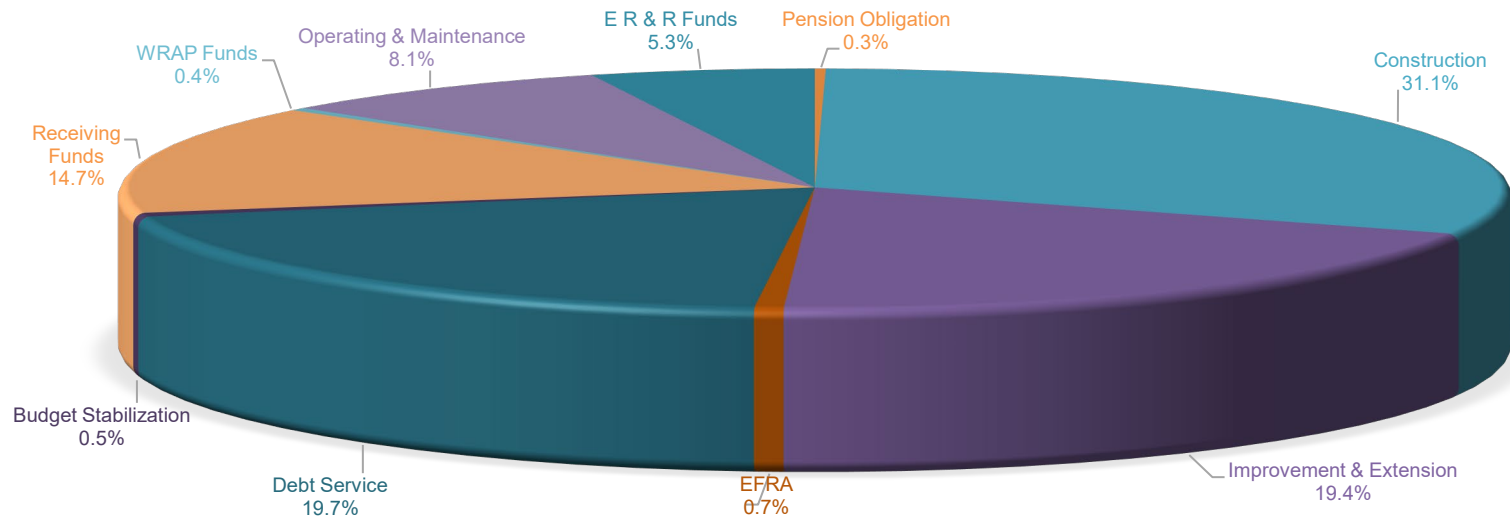
- GLWA's liquidity requirements fluctuate each month based on operational requirements, capital funding, and debt payments. Based on a review of historical activity and refinement of cash flow projections, GLWA has continually tried to balance the allocation of the portfolio's holdings to cash & money market accounts versus the allocation to investments for the portfolio holdings.
- The chart below compares the monthly allocation of the portfolio holdings to the 13-month average. The allocation between cash and investments will vary each month based on liquidity requirements. For June of 2025, about 68% of the overall portfolio was invested in cash, LGIP, and/or overnight money market fund accounts. This level is normal for the June time-period due to upcoming debt obligations and is also reflective of the inverted yield curve.



Accounts like the Retainage account which are not owned by GLWA are not included in this report.

Portfolio Snapshot

Investments – By Account Purpose

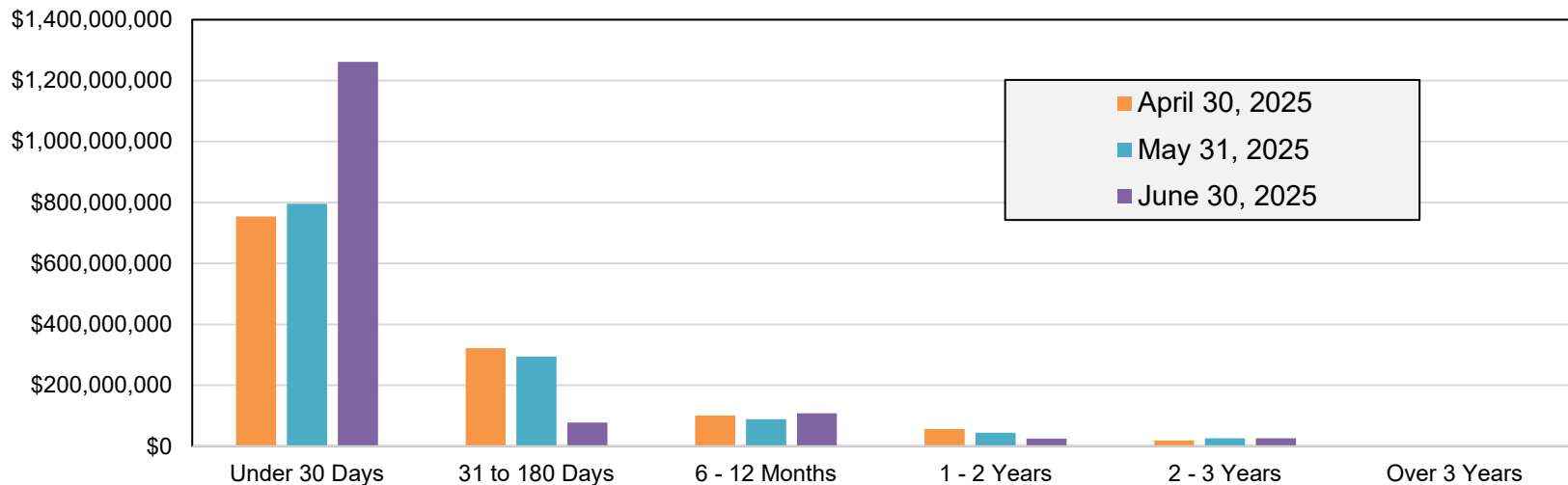


Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration	Strategy
Construction Bond Funds	\$ 465,440,146	31.1%	4.35%	4.35%	0.003 Years	Cash Flow Driven
Debt Service	\$ 295,000,586	19.7%	4.32%	4.30%	0.024 Years	Short-Term
Improvement & Extension	\$ 290,801,325	19.4%	3.99%	4.20%	0.248 Years	Cash Flow Driven
Receiving Funds (includes lockbox account)	\$ 219,592,808	14.7%	4.16%	4.16%	0.003 Years	Short-Term
Operating & Maintenance	\$ 121,495,264	8.1%	4.23%	4.23%	0.003 Years	Short-Term
Extraordinary Repair & Replacement Funds	\$ 79,332,384	5.3%	3.81%	3.99%	1.329 Years	Long-Term
Evergreen Farmington Regional Account	\$ 10,163,282	0.7%	3.13%	3.13%	0.003 Years	Short-Term
Budget Stabilization Funds	\$ 7,538,476	0.5%	3.85%	4.04%	1.111 Years	Long-Term
WRAP Funds	\$ 5,609,495	0.4%	4.17%	4.17%	0.003 Years	Short-Term
Pension Obligation Funds	\$ 3,841,179	0.3%	4.17%	4.17%	0.003 Years	Short-Term
Total	\$ 1,498,814,945	100.0%	4.19%	4.24%	0.130 Years	

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

Portfolio Snapshot Investments – By Maturity

Maturity Distribution	April 30, 2025		%	May 31, 2025		%	June 30, 2025		%
Under 30 Days	\$	753,928,328	60.2%	\$	796,221,092	63.7%	\$	1,261,243,163	84.1%
31 to 180 Days		322,177,850	25.7%		294,460,861	23.6%		78,271,173	5.2%
6 - 12 Months		100,718,077	8.0%		88,798,228	7.1%		108,448,931	7.2%
1 - 2 Years		56,376,842	4.5%		44,215,061	3.5%		24,856,467	1.7%
2 - 3 Years		19,428,774	1.6%		25,851,758	2.1%		25,995,211	1.7%
Over 3 Years		-	0.0%		-	0.0%		-	0.0%
Totals	\$	1,252,629,870	100.0%	\$	1,249,547,000	100.0%	\$	1,498,814,945	100.0%



Accounts like the Retainage account which are not owned by GLWA are not included in this report.

Portfolio Snapshot

Investment Accounts – Yield at Cost & Market

	As of June 30, 2025		As of March 31, 2025	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
Bank Deposits				
Bank A	0.01%	0.01%	0.01%	0.01%
Bank C	2.81%	2.81%	3.35%	3.35%
Sub-Total Bank Deposits	1.76%	1.76%	2.12%	2.12%
Money Market Funds / LGIPs				
Local Government Investment Pool	4.35%	4.35%	4.39%	4.39%
Trust Money Market Fund	4.17%	4.17%	4.23%	4.23%
Money Market Fund	4.19%	4.19%	4.23%	4.23%
Sub-Total MMF / LGIPs	4.27%	4.27%	4.30%	4.30%
Investment Portfolios				
Sewage SR Debt Serv 5403	4.35%	4.29%	4.35%	4.43%
Sew 2nd Debt Serv 5403	4.35%	4.30%	4.34%	4.33%
Sew SRF Debt Serv 5410	4.35%	4.40%	4.37%	4.38%
Sewage ER & R	3.74%	3.98%	3.47%	4.17%
Sewer Improvement & Extension	3.80%	4.23%	3.95%	4.29%
Sewer Pension Obligation	0.00%	0.00%	4.47%	4.49%
Sewer Budget Stabilization Fund	3.83%	4.03%	3.63%	4.16%
Sewer Bond Fund	0.00%	0.00%	4.25%	4.37%
Water SR Debt Ser 5503	4.35%	4.32%	4.35%	4.35%
Water 2nd Debt Serv 5503	4.35%	4.31%	4.33%	4.33%
Water SRF Debt Serv 5575	4.36%	4.40%	4.38%	4.38%
Water ER & R	3.87%	3.98%	3.65%	4.15%
Water Improvement & Extension	3.80%	4.23%	4.00%	4.30%
Water Pension Obligation	0.00%	0.00%	4.50%	4.49%
Water Budget Stabilization Fund	3.83%	4.04%	3.63%	4.16%
Water Bond Fund	0.00%	0.00%	0.00%	0.00%
Sub-Total Investment Portfolios	4.09%	4.23%	4.08%	4.31%
Grand Total	4.19%	4.24%	4.18%	4.28%

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

Portfolio Snapshot

Peer Analysis Comparison

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

As of June 30, 2025

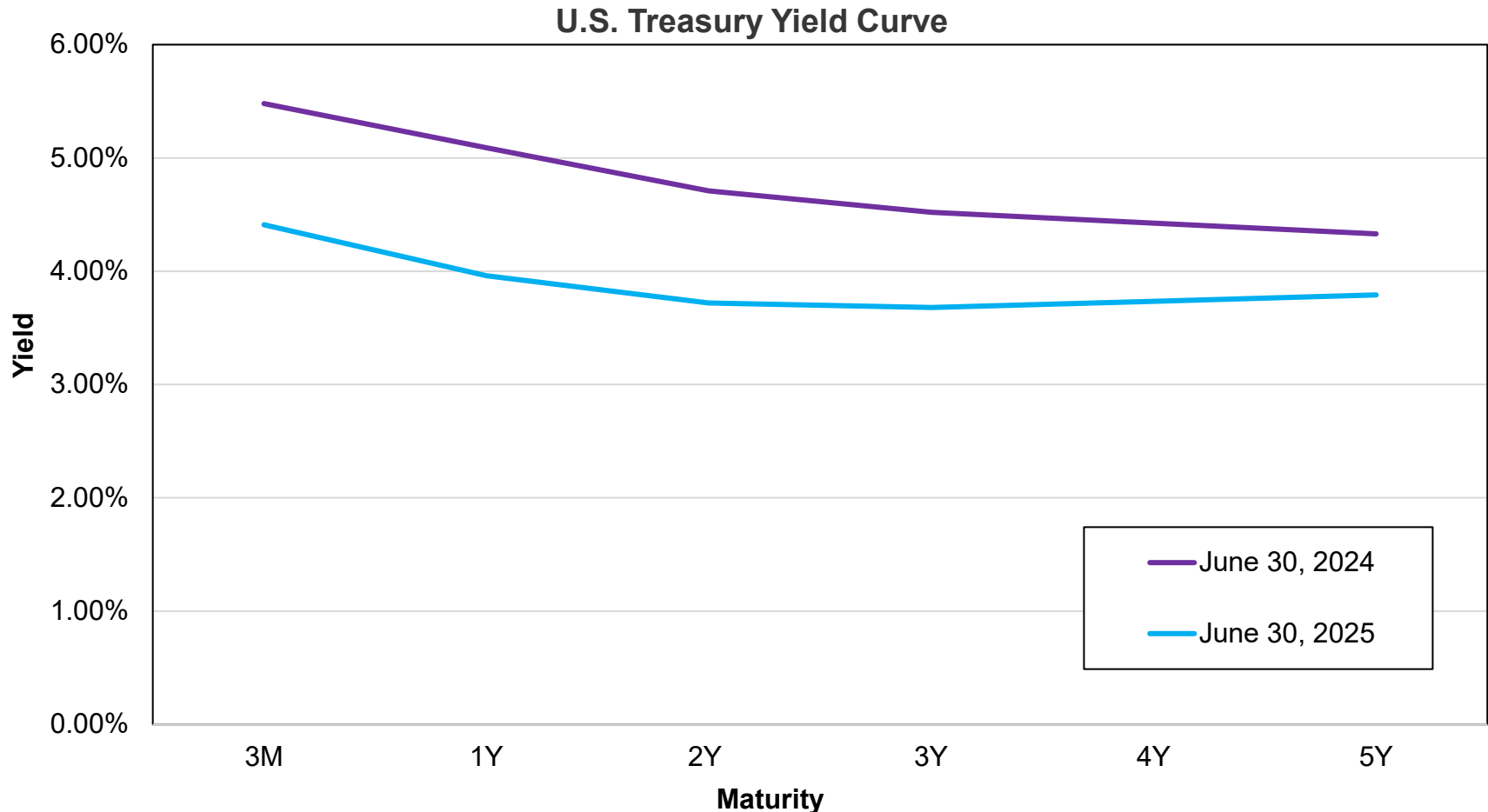
	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
GLWA				
Great Lakes Water Authority	\$1,498,814,945	4.24%	0.13 Years	50 Days
Short/Intermediate-Term Indices				
S&P Rated Government Investment Pool Index		4.29%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		4.42%	0.15 Years	55 Days
BoA / ML 6-Month Treasury Index		4.26%	0.40 Years	146 Days
BoA / ML 1-Year Treasury Index		4.07%	0.88 Years	321 Days
BoA / ML 1-3 Year Treasury Index		3.80%	1.76 Years	642 Days
BoA / ML 1-5 Year Treasury Index		3.77%	2.48 Years	905 Days
Peer Analysis (Water Entities / Utilities)				
District of Columbia Water & Sewer Authority, DC	\$179,550,055	3.92%	1.64 Years	671 Days
DuPage Water Commission, IL	\$161,944,222	4.12%	1.99 Years	1,019 Days
Fairfax County Water Authority, VA	\$212,830,064	4.04%	1.74 Years	688 Days
Metro Wastewater Reclamation District, CO	\$220,024,656	3.85%	2.51 Years	994 Days
Metropolitan Water District of Southern California, CA	\$999,454,231	4.18%	1.55 Years	695 Days
Philadelphia Water Department, PA	\$270,405,398	4.26%	0.93 Years	356 Days
San Bernardino Valley Municipal Water District, CA	\$372,200,983	3.97%	1.68 Years	669 Days
Tohopekaliga Water Authority, FL	\$151,338,118	4.10%	1.69 Years	867 Days
Truckee Meadows Water Authority, NV	\$47,727,562	4.04%	1.43 Years	557 Days

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

Portfolio Snapshot - Market Overview and Outlook

U.S. Treasury Yields Lower Across the Curve

- The yield curve for the past year, as noted in the chart below, is generally in the same shape with yield tenors from three months to five years shifting slightly lower. U.S. Treasury yields have fluctuated but ultimately have remained range-bound. Fed Chairman Powell did emphasize a cautious approach amid economic uncertainty during the last FOMC meeting which has helped to lower volatility.



Portfolio Snapshot

Monthly Investment Income

(Book Value in 000's)

FY 2025 INVESTMENT INCOME BY MONTH (Unaudited)

Month	Interest Earned During Period (in thousands)	Realized Gain / Loss (in thousands)	Investment Income (in thousands)
July 2024	\$4,774.3	\$0.0	\$4,774.3
August 2024	\$4,448.3	\$0.0	\$4,448.3
September 2024	\$4,661.9	\$4.0	\$4,665.9
October 2024	\$4,538.4	\$0.0	\$4,538.4
November 2024	\$4,153.8	\$0.0	\$4,153.8
December 2024	\$4,217.5	\$0.0	\$4,217.5
January 2025	\$3,982.4	\$0.0	\$3,982.4
February 2025	\$3,620.4	\$0.0	\$3,620.4
March 2025	\$3,881.6	\$0.0	\$3,881.6
April 2025	\$4,008.5	\$0.0	\$4,008.5
May 2025	\$4,076.0	\$0.1	\$4,076.1
June 2025	\$3,974.3	(\$9.2)	\$3,965.1
<u>FY 2025</u>	<u>\$50,337.5</u>	<u>(\$5.1)</u>	<u>\$50,332.4</u>

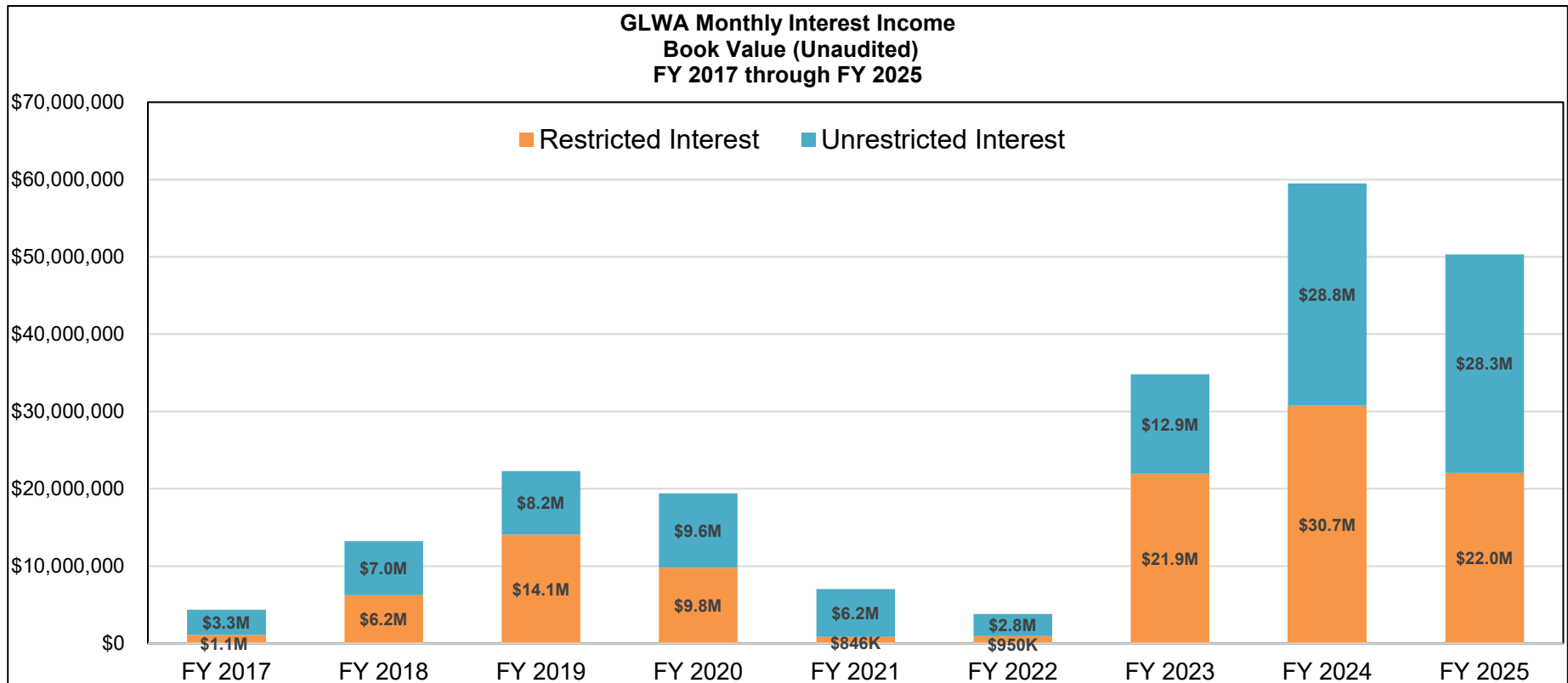
* The realized gain in September of 2024 was due to the sale of an investment in the Sewer SRF account to cover a payment shortfall. The sale of this security resulted in a realized gain. The realized gain in May of 2025 was due to the sale of investments in the Pension Obligation accounts in relation to recent budget amendments and revised calculations. The realized loss in June of 2025 was due to a liquidation of a security in the Sewer Junior SRF account to provide cash for the closing transfers in relation to the 2025 bond sale.

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

Portfolio Snapshot

Year-Over-Year Investment Income

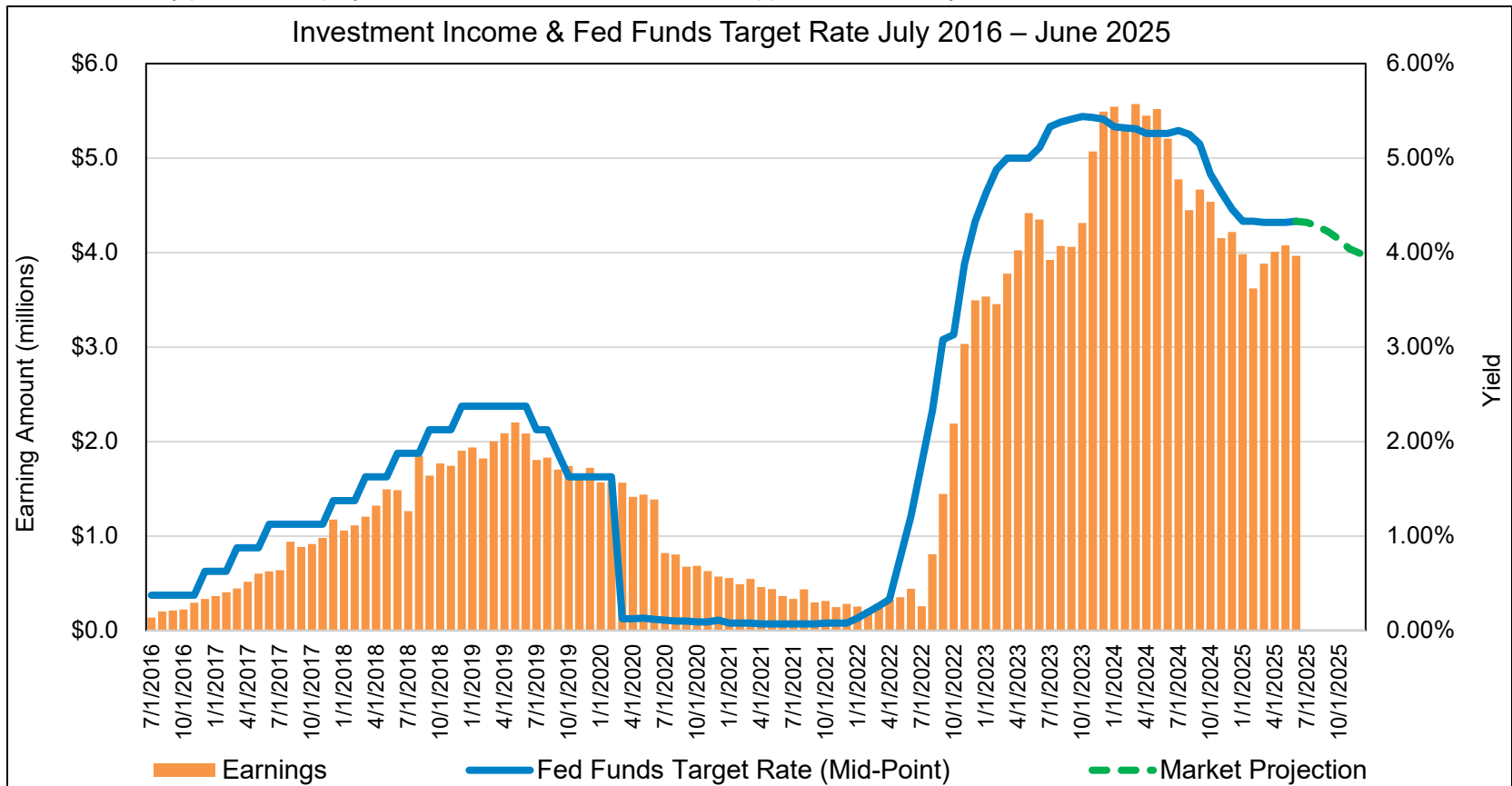
- GLWA earned \$50,337,549 in investment income for the entirety of fiscal year 2025 on a book value basis compared to \$59,498,929 for all of fiscal year 2024.
- Based on current market assumptions, even with the addition of assets and proceeds from GLWA's recent bond fund issue, projected total investment income for fiscal year 2025 is expected to be less than what was seen in FY 2025 as rate cuts from the Federal Reserve could be on the table at the their next several meetings. It should also be noted that two rate cuts are already priced in for calendar year 2025 with additional cuts slated for the next couple of years, ending with a terminal Fed Funds rate at around 3.00%.



Portfolio Snapshot

Monthly Investment Income Compared to Fed Funds Rate

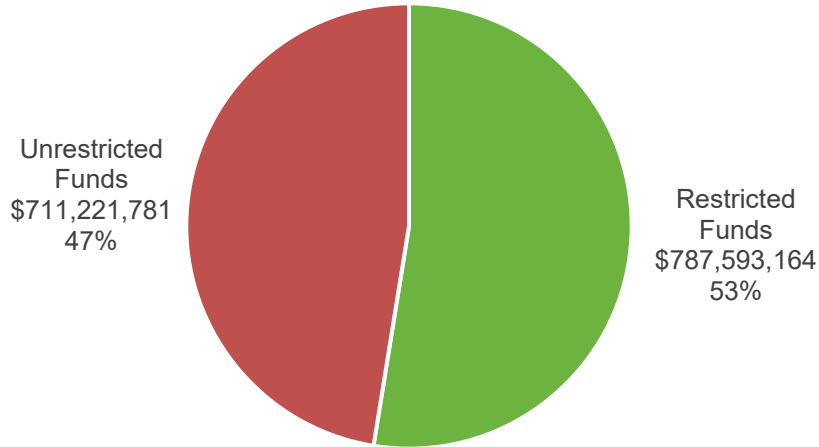
- At least 50% or more of the GLWA portfolio is designated for obligations that are 12 months or less. As a result of the short-term duration of GLWA's portfolio, it is heavily impacted by changes in the Federal Funds target rate; the chart below illustrates that GLWA's income has consistently followed the trend of the Fed Funds rate.
- The weak July jobs gains with sharp revisions in prior months, together with other signs that the private sector spending and investment has slowed, leaves the Fed in a bind. Signs of tariff-driven inflation will make it difficult for the Fed to cut in September, especially since the unemployment rate remains low. Still, the Fed may point to their playbook and stick to their "wait and see" approach before they cut rates.



Portfolio Snapshot

Allocation and Income by Fund Type

**Bank Balance as of
June 30, 2025**



**July 2024 – June 2025
Interest Earnings**



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

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

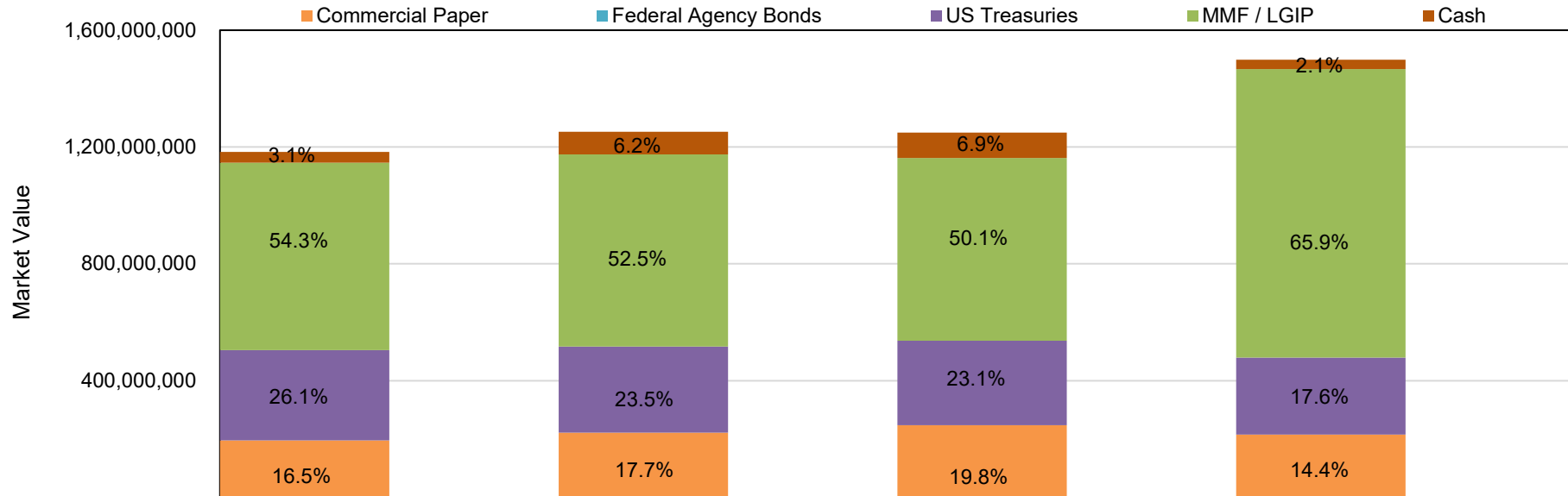
Restricted Principal Unrestricted Interest
Budget Stabilization Funds
Pension Obligation Funds
WRAP Funds

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

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

Portfolio Snapshot

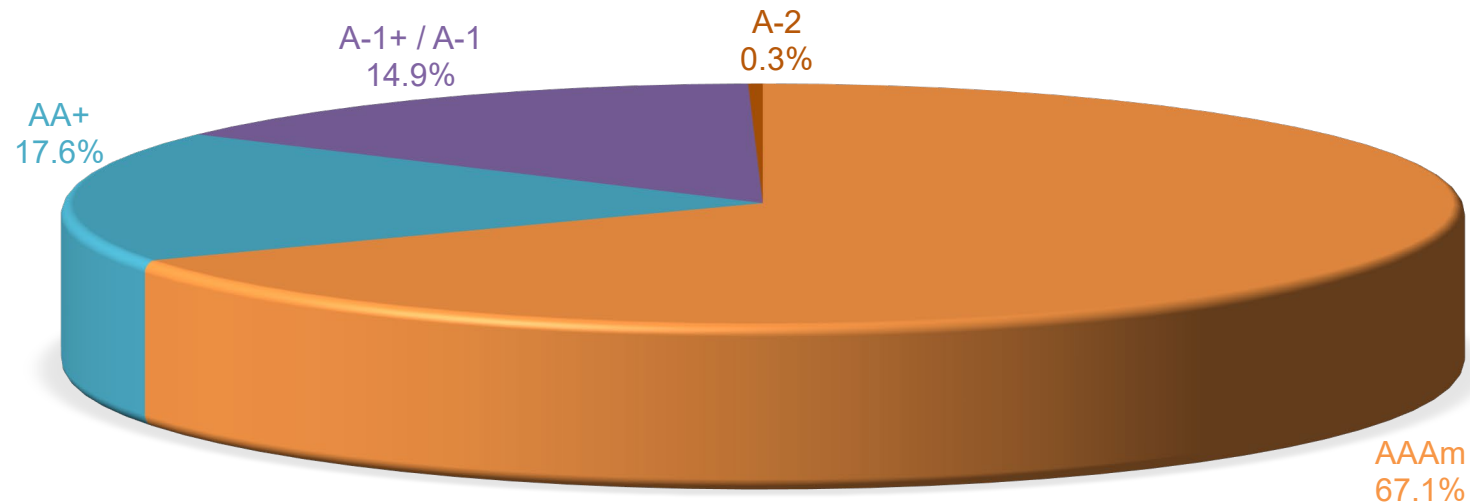
Investments – By Security Type



Security Type	March		April		May		June	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	195,077,358	16.5%	222,295,271	17.7%	247,959,930	19.8%	215,100,917	14.4%
Federal Agencies	-	0.0%	-	0.0%	-	0.0%	-	0.0%
U.S. Treasuries	309,333,902	26.1%	294,748,219	23.5%	288,446,909	23.1%	264,248,085	17.6%
MMF / LGIP	642,242,938	54.3%	657,613,888	52.5%	626,396,912	50.1%	987,408,971	65.9%
Cash	36,993,536	3.1%	77,972,492	6.2%	86,743,249	6.9%	32,056,972	2.1%
Total	1,183,647,734	100.0%	1,252,629,870	100.0%	1,249,547,000	100.0%	1,498,814,945	100.0%

Portfolio Snapshot

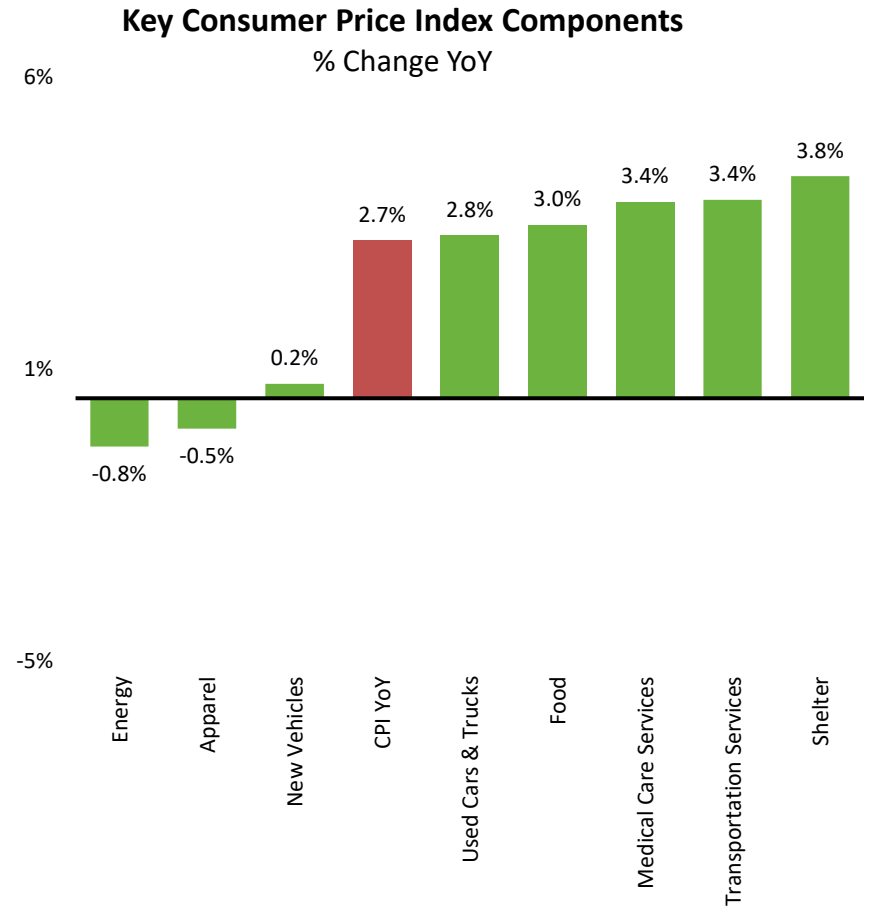
Investments – By Credit Quality



Credit Quality	Market Value	Asset Allocation
Ratings		
AAAm	1,005,851,283	67.1%
AA+	264,258,250	17.6%
A-1 + / A-1	223,584,729	14.9%
A-2	5,120,684	0.3%
NR	-	0.0%
Totals	1,498,814,945	100.0%

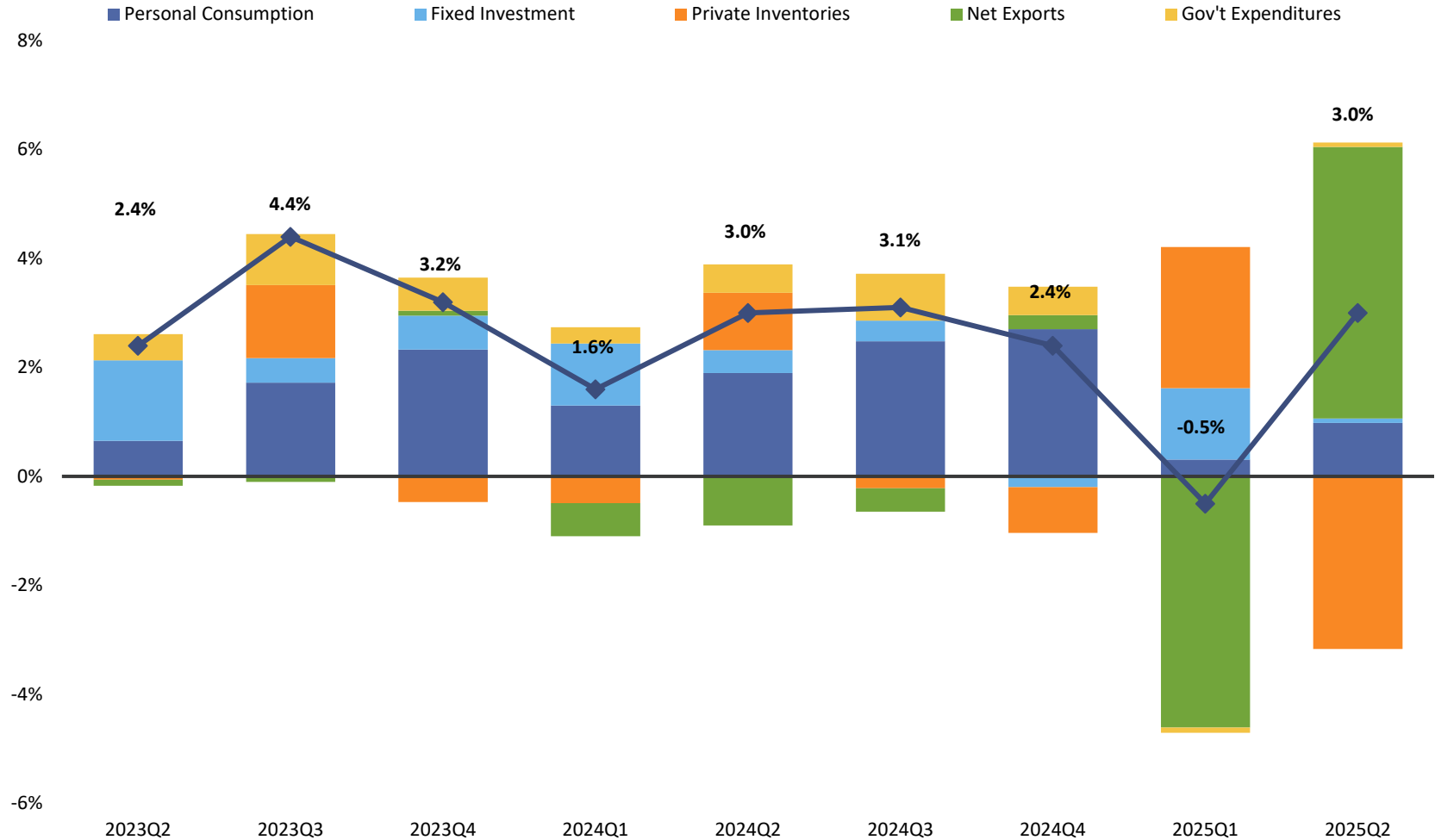
Appendix I: Economic Update

Consumer Price Index



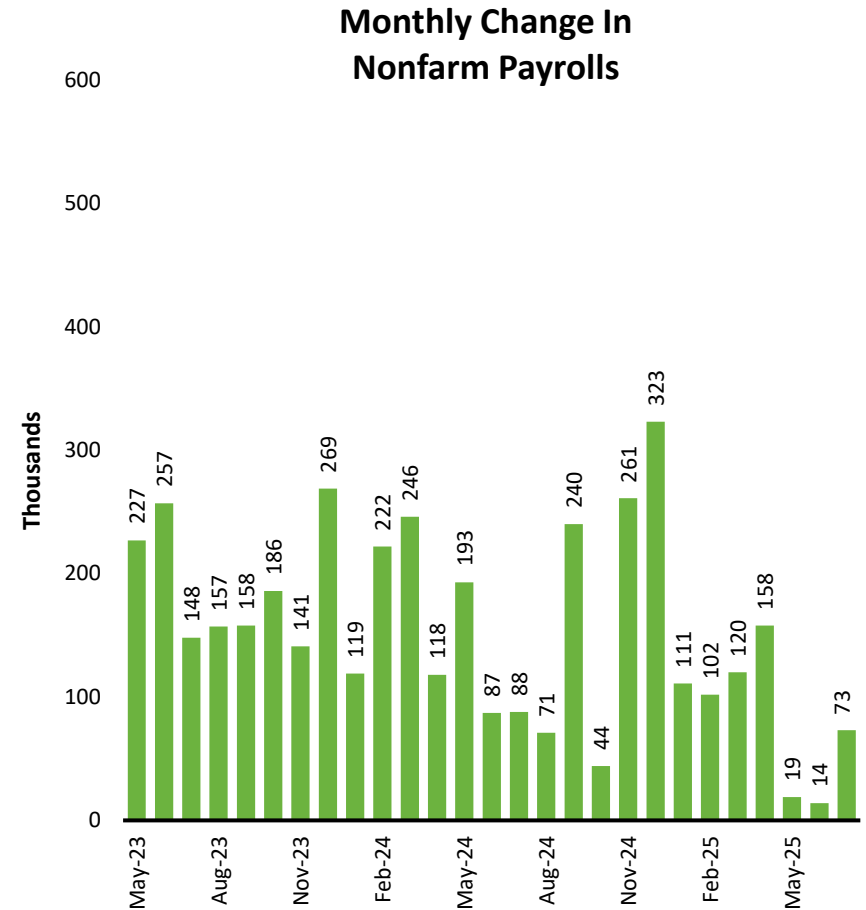
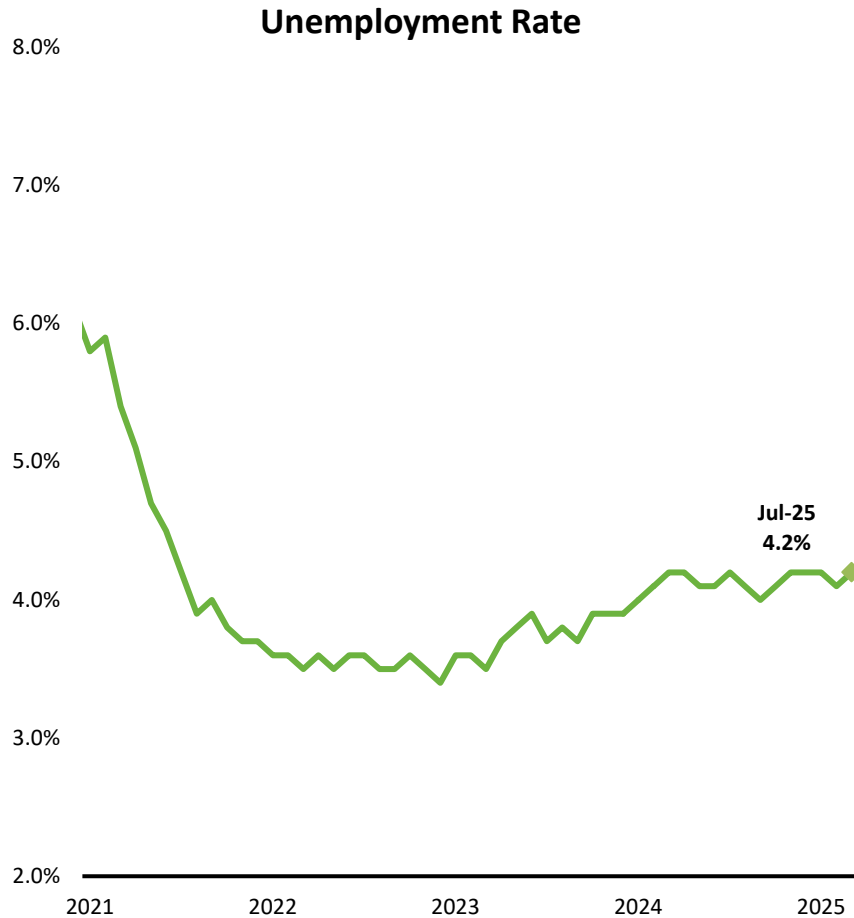
Source: Bloomberg Finance L.P., as of June 2025.

U.S. Real GDP Contributors and Detractors



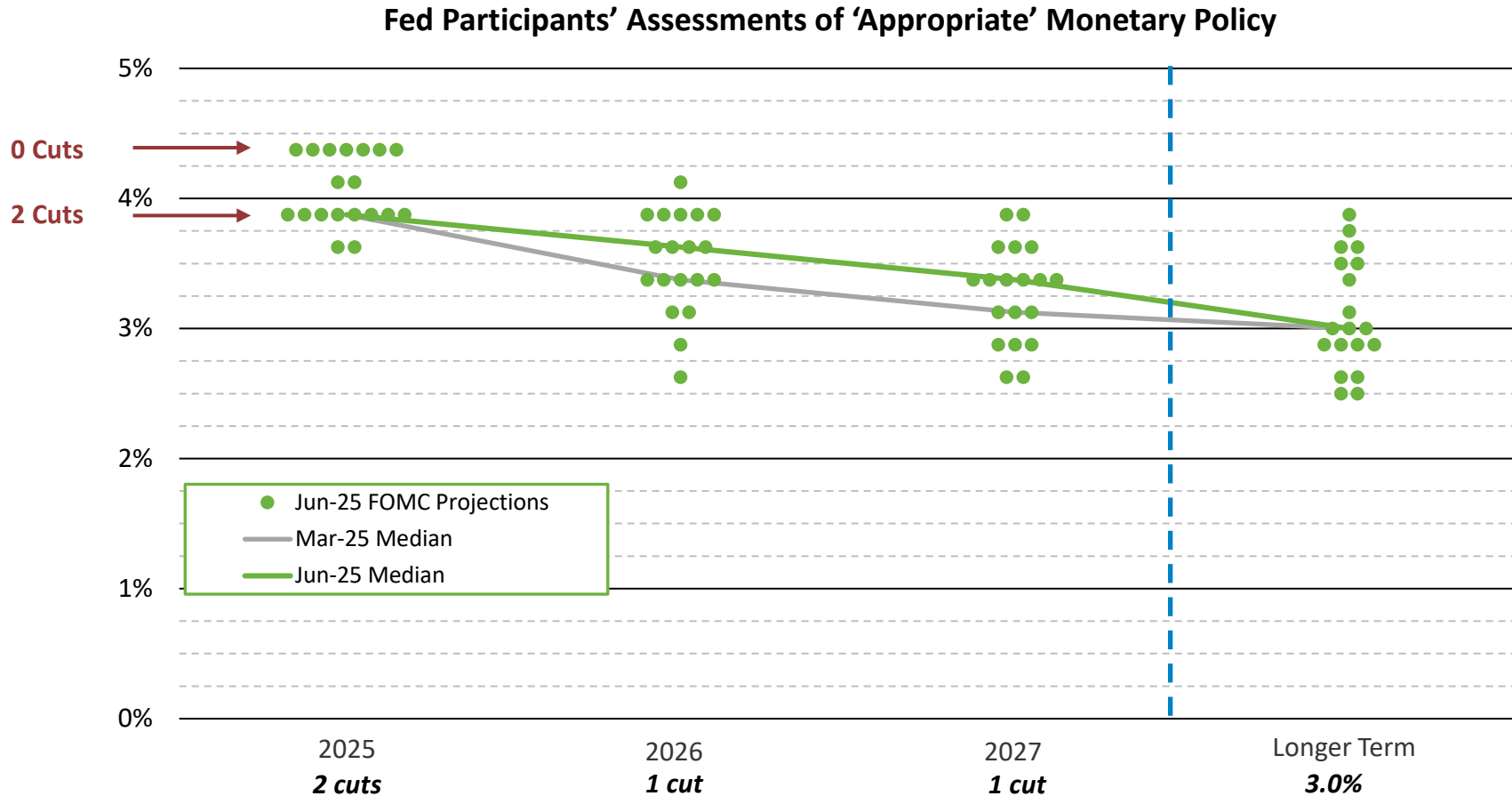
Source: Bloomberg Finance L.P., Bureau of Economic Analysis, as of July 2025.

Labor Market Sends Mixed Signals



Source: Bureau of Labor Statistics. Bloomberg Finance L.P., as of July 2025. Monthly change in nonfarm payrolls as of July 2025. Data is seasonally adjusted.

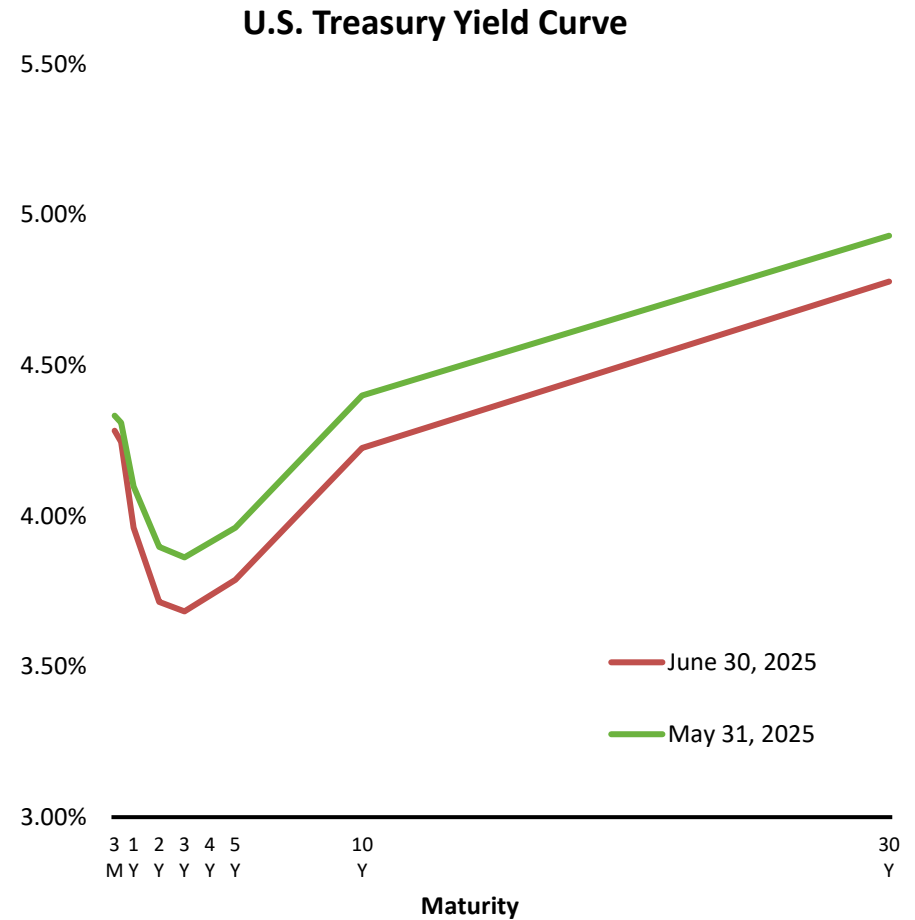
Fed's Latest "Dot Plot" Shows Divergent Views



Source: Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the Federal Funds rate at each year-end. As of June 2025.

Treasury Yield Curve

	6/30/2025	5/31/2025	Change
3 month	4.28%	4.33%	-0.05%
1 year	3.96%	4.10%	-0.14%
2 year	3.72%	3.90%	-0.18%
3 year	3.68%	3.86%	-0.18%
5 year	3.79%	3.96%	-0.17%
10 year	4.23%	4.40%	-0.17%
30 year	4.78%	4.93%	-0.15%



Source: Bloomberg Finance L.P., as of 6/30/2025 and 5/31/2025, as indicated.

Fixed Income

Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- The second quarter of 2025 was characterized by growing uncertainty as markets reacted to the volatile rollout of tariffs that were larger than expected
 - Markets reacted negatively during the first two weeks of the quarter and experienced the largest declines since the onset of the Covid pandemic
 - The rest of the quarter was marked by equity and bond markets recovering to pre-tariff levels on constructive trade negotiations and stable economic data
- Inflation remained relatively benign but is expected to increase in the second half of the year as tariff-related cost pressures begin to emerge
 - The timing, extent, and duration of these pressures are unknown
- The Federal Reserve (the “Fed”) left the overnight policy rate unchanged at 4.25% – 4.50%
 - The Federal Open Market Committee’s (“FOMC”) “dot plot” continues to suggest 50 basis points in rate cuts by the end of 2025, although there is a divergence of views as eight members are calling for two rate cuts in 2025 and seven are calling for none
 - Fed Chair Powell noted that the Fed would likely be in a position to begin cutting rates again were it not for the unknown impact of tariffs, but the resilient economic data supports the Fed’s wait-and-see approach
 - The official dot plot continues to project two cuts for the remainder of the calendar year and as a result, the yield curve steepened over the quarter as rates rose on the very long end and fell in the intermediate-term
 - The 30-year rose to 4.78% while the 2-year ended at 3.72%; cash markets currently provide higher yields than the 2-year Treasury
- Trade deals have not been finalized with a variety of important partners and while continued trade negotiations may end the tariff uncertainty in the intermediate term, many questions have not yet been resolved and their possible effects on inflation remain unclear

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Continued geopolitical risk and trade relations remain areas of concern for the markets
 - Conflict in the Middle East has the potential to impact energy prices, a consequence that the market briefly saw before the ceasefire between Israel and Iran
- The U.S. Treasury yield curve steepened over the quarter
 - The front end of the yield curve moved lower amid expectations for Fed rate cuts while longer-dated tenors rose on concerns regarding the longer-term impacts of the proposed federal reconciliation bill
- The 3-month U.S. Treasury was relatively unchanged given no rate cuts from the Fed while 2 and 5-year Treasuries fell by 15 – 16 basis points to 3.72% and 3.80%, respectively
 - In addition, the 2-year traded over a wide 60 basis point range during the quarter, highlighting the elevated volatility
 - The 10-year Treasury increased by 2 basis points to 4.23% while the 30-year Treasury increased by 16 basis points to 4.78% as investors demanded more yield to make investments further out the curve
- Short and intermediate-duration U.S. Treasury indices generated positive total returns for the quarter
 - The ICE BofA 2, 5, and 10-year U.S. Treasury indices returned 1.11%, 1.66%, and 0.98% for the quarter, while the shorter-duration ICE BofA 3-month U.S. Treasury index returned 1.04%
- Excess returns were strong across investment grade sectors as the spread widening experienced in April reversed following trade news and resilient economic data
 - Federal Agency spreads remained low throughout the quarter as the sector produced slightly positive excess returns for the quarter; issuance remained light and the incremental income from the sector is near zero
 - Short-term credit (commercial paper) yields on the front end of the yield curve rose slightly in response to the approaching “X-Date” (estimated date for the Treasury to exhaust funds under the debt ceiling) while yields fell modestly on the long end as demand shifted into longer-term Treasury notes; yield spreads tightened over the quarter in response to moderated issuance and strong demand

Disclosure

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Financial Services Audit Committee Communication

Date: August 22, 2025

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 administration for 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.

This effort became the Economic Outlook Task Force (EOTF) which has gone on to assist GLWA in many ways. One outcome was the identification of key indicators relevant to our industry and the region to help gauge economic impacts on GLWA operational and financial scenario planning.

The work of the EOTF has continued in the form of ongoing surveillance of those key indicators. This information is used to inform financial planning scenarios and to anticipate economic impacts on operating and capital forecasts. 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 2025 EOTF Update which 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 2025

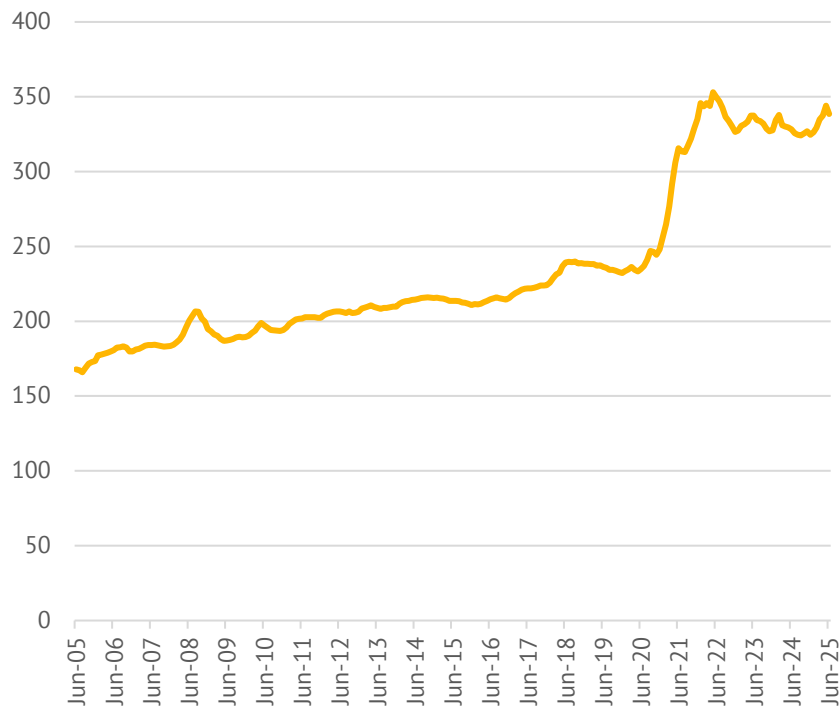
Public Sector Consultants

Executive Summary: 2025 Q2 in Review

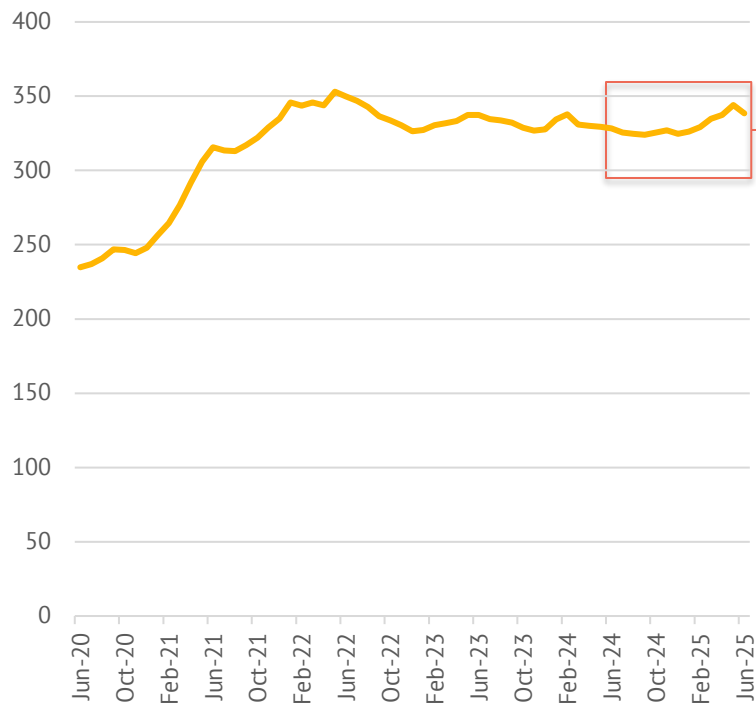
- The first half of 2025 was characterized by uncertainty and volatility that caused economic reports to be at times surprising due to complicated underlying data. The economy is showing signs of stabilizing as federal policies are priced into the market.
- GDP grew at an annualized rate of 1.2% during 2025 YTD, compared to 2.5% over the same period in 2024. After contracting 0.5% in Q1 (largely due to a surge in imports before tariffs took effect—which are subtracted from the total), GDP rose 3.0% in Q2.
- Construction PPI dipped slightly in June 2025, though prices of priority materials remained flat.
- As predicted, the change to federal tariffs has started appearing in inflation data. After falling as low as 2.4% in May 2025, CPI increased to 2.7% in June 2025. Core inflation rose to 2.9% in June.
 - Fed elected to keep interest rates unchanged in July, but two members voted for a rate decrease
 - Trade deals have provided some certainty with tariffs in the 15-25% range
 - Commodity prices and availability will be impacted depending on final trade deals with countries—note that Canada and Mexico trade negotiations are pending at the time of this report

Construction Materials: Producer Price Index

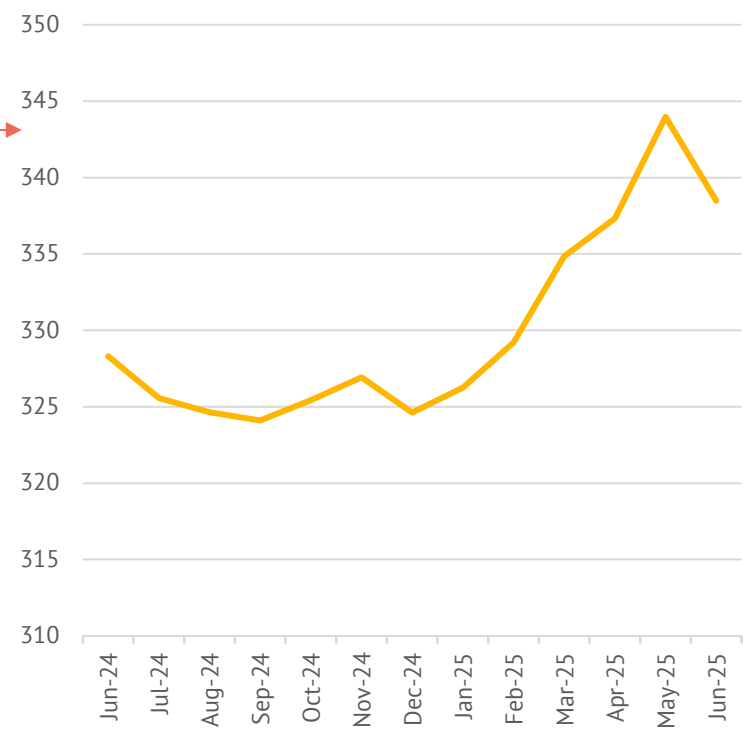
20 YR



5 YR



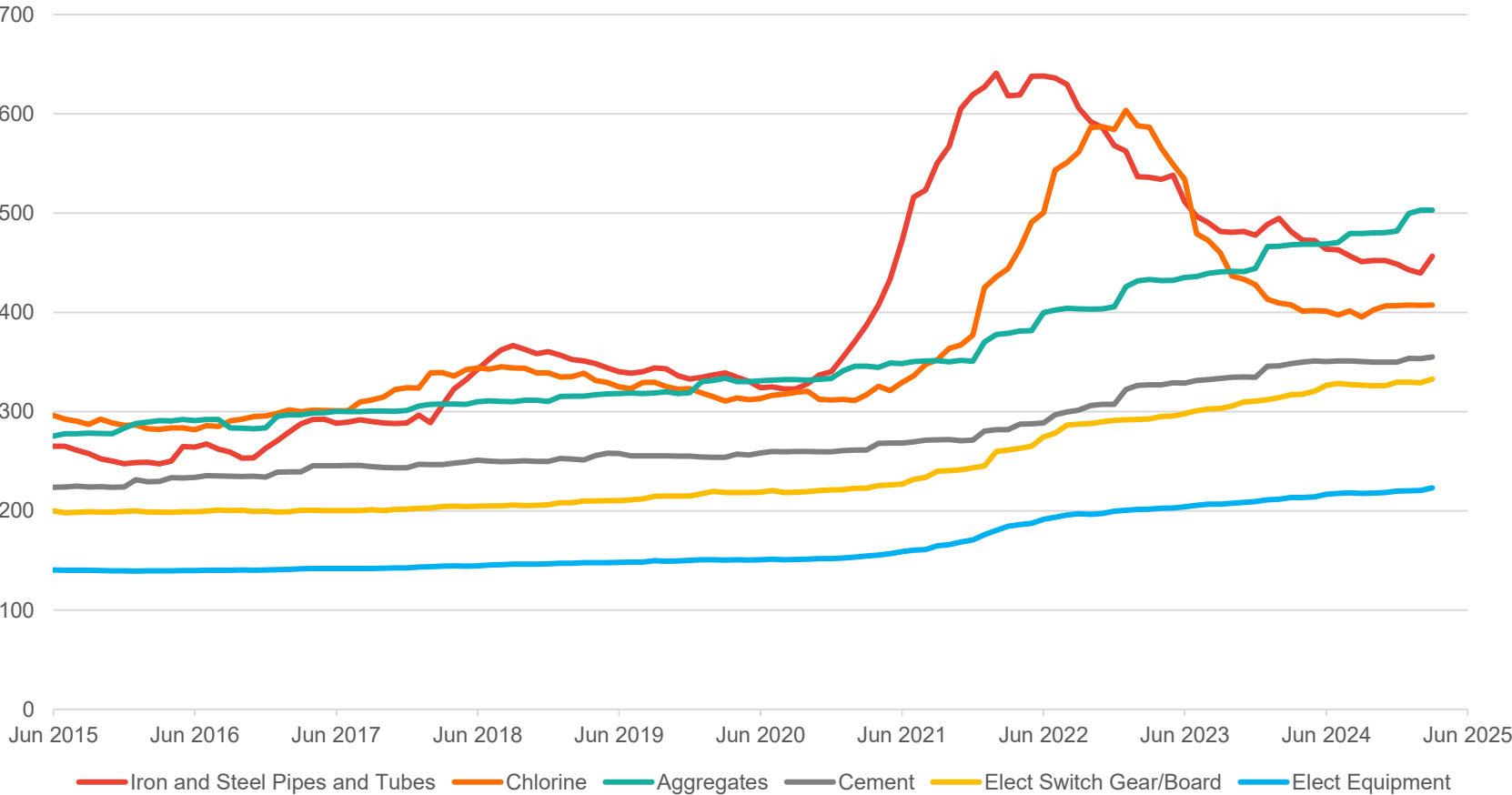
1 YR*



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



Priority Materials: Producer Prices



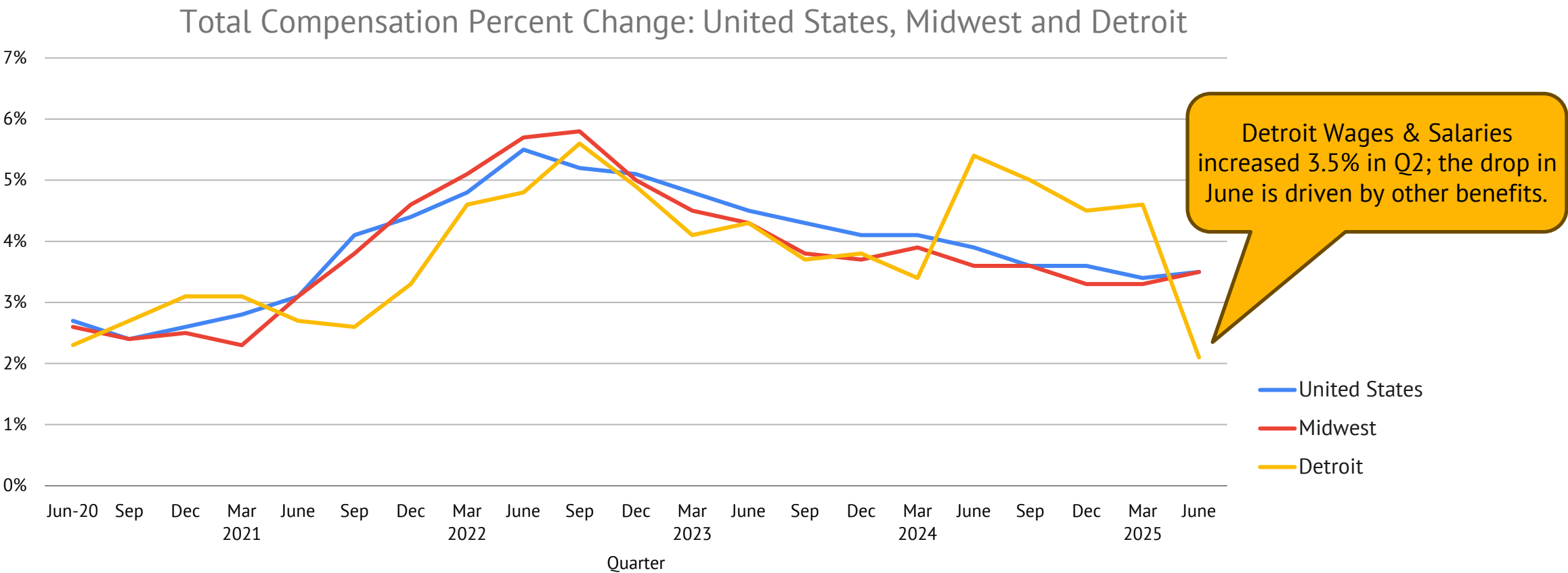
Percent Change	10YR	5YR	1YR
Iron and Steel Pipes and Tubes	83%	50%	5%
Chlorine	39%	31%	2%
Aggregates	83%	52%	8%
Cement	60%	38%	2%
Electrical Switch Gear/Board	78%	63%	9%
Elect Equipment	65%	54%	7%



Source: Bureau of Labor Statistics, Producer Price Index

Wages: Total Compensation

The Employment Cost Index (ECI) measures change in labor cost to employers. The decline in the Detroit June data is likely caused by local volatility and may be an anomaly rather than indicative of a trend.

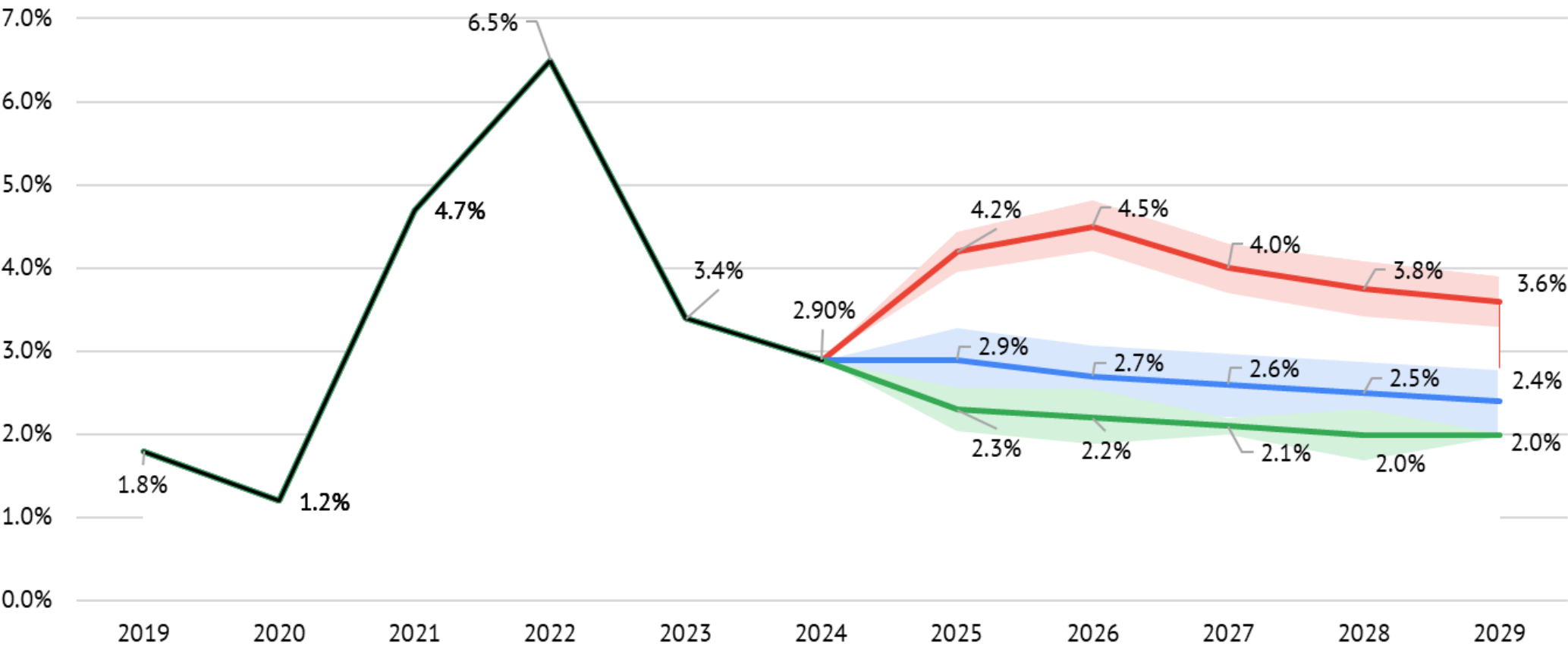


The Employment Cost Index (ECI) uses a fixed “basket” of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits.



Source: Employment Cost Index, Bureau of Labor Statistics (BLS)

Southeast Michigan Inflation Forecast



Looking Ahead in 2025: Key Drivers to Watch

- Continued uncertainty around key economic drivers
- Tariff rates settling at 15-25% and expect to exert upward pressure on inflation
- Canada, Mexico and China trade negotiations ongoing
- Federal Reserve Interest Rate decisions hinging on competing labor markets and inflationary pressures
 - BLS Nonfarm payroll employment revealed a sharp slowdown in hiring: July added just 73k jobs and May/June numbers were drastically revised downward a combined 258k
 - The Fed lowered rates 100 bps in 2024 and have expected one or two cuts in 2025, but those decisions remain uncertain as the Fed weighs recessionary risk versus inflation
- Federal budget cuts to federal spending, Medicaid, and clean energy tax credits, while locking in reduced income tax rates
- Consumer sentiment has recovered modestly after dropping to historic lows
- Local economy more exposed than national economy due to concentration of the auto industry



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).

2025 Vendor Outreach Event Agenda

GLWA's annual Vendor Outreach Event will be held on September 25, 2025, at Macomb Community College in Warren, Michigan. The half-day event will help both existing and new vendors learn more about doing business with GLWA. Interested Vendors are encouraged to pre-register at the [Whova Registration Page](#). An overview of the 2025 event agenda is included below.

7:30 a.m. – 8:30 a.m. Registration & Breakfast

Vendors may come early to register, enjoy breakfast, and network with other attendees.

8:30 a.m. – 8:50 a.m. General Session

A welcome from GLWA CEO Suzanne Coffey will precede presentations on GLWA's Financial Outlook and Ethics in Public Procurement.

9:00 a.m. – 12:00 p.m. The Life of a GLWA RFx

Vendors will be taken through a detailed tour of the life of a GLWA RFx (Request for Bid and Proposal), from the project's solicitation cover to the vendor performance assessment conducted after contract completion. GLWA team members involved in each stage of a project's life will be invited to speak, offer insights into the process, and answer your questions. Topics covered will include:

- ✓ Solicitation Cover
- ✓ Business Inclusion and Diversity (B.I.D.) Program Requirements
- ✓ Insurance and Bonding
- ✓ Project Scope (Construction)
- ✓ Specifications (Products/Services)
- ✓ Building a Team of Subcontractors

- ✓ Evaluation Process
- ✓ Project Management and Contract Administration
- ✓ Vendor Performance Assessment

Any additional questions about GLWA's Vendor Outreach Event agenda, or how to register, may be directed to GLWAVendorOutreach@glwater.org. We look forward to seeing you there!

Bonfire Rebrands as Euna Procurement

Euna Solutions, the parent company of GLWA's Bonfire portal, has rebranded to Euna Procurement. This means that Vendors accessing their Euna Procurement/Bonfire profiles will see a new logo when they login, but will otherwise experience no changes to the features, services, or technical support they are accustomed to using. Any questions about GLWA's Euna Procurement Portal may be directed to GLWAVendorOutreach@glwater.org.

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 2025 Monthly Report, please [click here](#).

What's Coming Down the Pipe?

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

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

Visit GLWA online!

To see the GLWA vendor homepage, please visit www.glwater.org or contact us via email at procurement@glwater.org.

Upcoming Solicitations August 2025

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	111001	Lake Huron WTP – LH-401 Switchgear and Low Lift	\$95,000,000
Design Build	170803	Reservoir Rehabilitation Phase III	\$51,830,000
Professional Services	O&M	Door Repair Service (Man Doors)	\$815,0000
Professional Services	O&M	Mechanical Services Plumbing and HVAC	\$160,000
Wastewater Systems (next four to nine months)			
Construction	273001	Hubbell Southfield CSO Facility Improvements	\$56,100,000
Construction	211009	EB-20 Substation Replacement and Primary Area Gas Detection System Upgrade	\$4,400,000
Design	270009	Site improvements at BC, BLI and STA CSO Facilities	\$640,000
Enterprise (next three months)			
N/A			
Water System (next three months)			
Professional Services	O&M	Sludge Contract	\$22,498,000
Professional Services	O&M	Water Master Plan	\$1,500,000
Wastewater (next three months)			
Design	270002	Meldrum Sewer Diversion and VR-15 Improvements	\$2,000,000
Construction	261001	Critical Repairs to Secondary Clarifiers and B-Houses	\$4,360,000
Construction	232002	Conner Creek Sanitary Pump Station	\$167,000,000
Construction	213006	WRRF Improvements to Sludge Feed Pumps at Dewatering	\$16,000,000
Professional Services	O&M	Dye Solution Testing and As-Needed Services	\$3,500,000
Projects moved to Procurement Team (Preparing for solicitation on Euna Procurement/Bonfire)			
Professional Services	O&M	Crane Rental	\$853,125
Professional Services	O&M	Staffing Services	\$500,000
Professional Services	O&M	Valve Reconditioning Service	\$54,000,000
Construction	122016	Downriver Transmission Main Loop – Phase 1 – Inkster Road	\$2,172,102
Professional Services	O&M	Refuse and Recycling Services	\$654,000
Professional Services	O&M	Glass and Glazing Repair/Replacement Services	\$400,000
Professional Services/Supplies	O&M	Flooring Covering	\$246,000
Construction	270006	CSO Facility Improvements II	\$18,901,448
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$9,810,185
Professional Services	O&M	System Control Center Support Services	\$4,935,840
Design	270007	CSO Facility Disinfection Improvements	\$2,063,930
Supplies	O&M	Phosphoric Acid	\$3,292,800
Supplies/Equipment	O&M	Inductively Coupled Plasma Mass Spectrometer (ICP-MS)	\$200,000
Professional Services	O&M	Gate and Fence Maintenance	\$750,000
Construction	260904	WRRF 3rd Floor Renovation (New Administration Building)	\$9,906,199
Design Build	112008	Northeast Water Treatment Plant Filter Rehabilitation	\$85,550,000
Design	270007	CSO Facility Disinfection Improvements	\$2,063,930

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

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