



Audit Committee Meeting
Friday, May 2, 2025, at 8:00 a.m.
www.glwater.org

[Join Zoom Meeting](#)

Meeting ID: **834 3634 9134** Passcode: **055054**

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

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. March 28, 2025 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
 - A. *Action Item:* Resolution to Adopt the Detroit Water and Sewerage (Page 8) Department (DWSD) Water System Improvements Project Plan for Fiscal Year (FY) 2026 Drinking Water State Revolving Fund (DWSRF) Funding Consideration
 - B. *Action Item:* Proposed Contract Amendment No. 1 Contract (Page 45) 2204949/SCN-0000428 Municipal Advisory Services
 - C. *Action Item:* Proposed Change Order No. 4 – Extension of Time Only (Page 51) SCN 0000189 Investment Advisor Services PFM Asset Management, LLC Contract Extension
 - D. *Action Item:* Water Residential Assistance Program (WRAP) Service (Page 56) Delivery Partner Funding Authorization for FY 2026 and Related Contract Amendments
8. REPORTS
 - A. CFO Report (verbal)
 - B. Monthly Financial Report for January 2025 (Page 66)
 - C. Gifts, Grants & Other Resources Report (Page 67)
 - D. Semi-Annual Debt Report (Page 77)
 - E. Business Inclusion and Diversity (B.I.D.) Program Report (Page 93)
9. COMMUNICATIONS
 - A. The Procurement Pipeline for April 2025 (Page 95)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: May 23, 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, March 28, 2025

8:00 AM

Zoom Telephonic Meeting

Zoom Telephonic Meeting

Join Zoom Meeting:

<https://glwater.zoom.us/j/83140779194?pwd=ADpkhVau9WmHGgF7bhapCIE4RTSp5.1>

Join by Telephone US Toll-Free:

877 853 5247; or 888 788 0099

Meeting ID: 831 4077 9194

Passcode: 052265

1. Call To Order

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

2. Quorum Call

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

Excused: 1 - Chairperson Brian Baker

3. Approval of Agenda

Acting Chairperson Brown requested a Motion to Approve the Agenda.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2025-102](#) Minutes of February 17, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A February 17, 2025 Audit Committee Meeting Minutes.pdf](#)

Acting Chairperson Brown requested a Motion to Approve the February 17, 2025 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

B. [2025-103](#) Minutes of March 14, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4B March 14, 2025 Special Audit Committee Meeting Minutes.pdf](#)

Acting Chairperson Brown requested a Motion to Approve the March 14, 2025 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

None

7. New Business

- A. [2025-104](#) Resolution to Adopt the Fiscal Year (FY) 2026 Clean Water State Revolving Fund (CWSRF) Project Plan for the Detroit Water and Sewerage Department (DWSD) Sewer Main System Rehabilitation in the neighborhoods of Hubbard Farms and North Corktown

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 AC Memo - Approval of DWSD FY2026 CWSRF Project Plan.pdf](#)
[7A3 Resolution to Adopt the DWSD FY2026 CWSRF Project Plan.docx](#)
[FY 2026 CWSRF Public Hearing Presentation .pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 23, 2025

The motion carried by a unanimous vote.

- B. [2025-105](#) Resolution to Adopt the Great Lakes Water Authority Project Plans for Fiscal Year (FY) 2026 Clean Water State Revolving Fund (CWSRF) Funding Consideration

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B1 - AC Memo - Request to Approve CWSRF Resolution for FY 2026.pdf](#)
[7B2a Attachment 1 - Tables.pdf](#)
[7B3 - Resolution GLWA FY 2026 CWSRF.docx](#)
[7B4a Project Plan Summary - CSO Improvements II revised 4-4-2025.pdf](#)
[7B4b Project Plan Summary - Hubbell Southfield revised 4-4-2025.pdf](#)
[7B4c Project Plan Summary - WRRF Sludge Feed System revised 4-4-2025.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 23, 2025

The motion carried by a unanimous vote.

C. [2025-106](#) **Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$900,000,000 (Ordinance 2025-01)**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7C1 Audit Committee Memo- Water Revenue and Revenue Refunding Series Ordinance.pdf](#)
[7C3 Series Ordinance 2025 Water Refunding with Tender.docx](#)
[7C4 Resolution Approving 2025 Water Series Ordinance \(Refunding with Tender\).docx](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 23, 2025

The motion carried by a unanimous vote.

D. [2025-107](#) **Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$685,000,000 (Ordinance 2025-02)**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7D1 Audit Committee Memo- Sewer Revenue and Revenue Refunding Series Ordinance.pdf](#)
[7D3 Redline - Series Ordinance 2025 Sewer Refunding with Tender and SAW Language.pdf](#)
[7D3 Series Ordinance 2025 Sewer Refunding with Tender and SAW Language.docx](#)
[7D4 Resolution Approving 2025 Sewer Series Ordinance \(Refunding with Tender\).docx](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of April 23, 2025

The motion carried by a unanimous vote.

E. [2025-114](#) General Retirement System Financial Report and Annual Actuarial Valuation for Year End June 30, 2024

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7E1 GRS Component II Annual Pension Report.pdf](#)
[7E2 GRS Component II GASB 67 & 68 Report 6.30.2024.pdf](#)
[7E3 GRS Valuation Component II- Legacy Pension 6.30.2024.pdf](#)
[7E4 GRS Audited Financial Report 6.30.2024pw2.pdf](#)
[7E5 GRS Audit Communication Letter 6.30.24.pdf](#)

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

F. [2025-109](#) FY 2025 Second Quarter Budget Amendments through December 31, 2024 and Proposed Budget Resolution

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7F0 FY 2025 2nd Quarter Budget Amendment Report.pdf](#)
[7F2 FY 2025 2nd Quarter Budget Amendment Report.pdf](#)
[7F3 FY 2025 2nd Quarter Budget Amendment Resolution.docx](#)

Motion By: Jaye Quadrozzi
Support By: Gary Brown
Action: Recommended for Approval to the Board of Directors
Agenda of April 23, 2025
The motion carried by a unanimous vote.

8. Reports

A. [2025-115](#) CFO Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A1 CFO Report March 2025.pdf](#)

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

B. [2025-116](#) Monthly Financial Report for December 2024

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B December 2024 Monthly Financial Report.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2025-117](#) Affordability and Assistance WRAP Quarterly Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C1 Affordability & Assistance WRAP Quarterly Update FY25.pdf](#)

[8C2 WRAP Enrollment, Inflow, Spend Data FY25.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2025-118](#) Gifts, Grants & Other Resources Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D1 Grants Gifts and Other Resources Report.pdf](#)

[8D2 FEMA BRIC Scoping Grant One Pager.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

E. [2025-119](#) Quarterly CWIP Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E Quarterly CWIP Report FY 2025 Q2.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications

A. [2025-120](#) The Procurement Pipeline for March 2025

Sponsors: Nicolette Bateson

Indexes: Finance

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

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

9. Look Ahead

A. Next Audit Committee Meeting: April 25, 2025, at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Acting Chairperson Brown requested a Motion to Adjourn.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 8:49 a.m.



Financial Services Audit Committee Communication

Date: May 2, 2025

To: Great Lakes Water Authority Audit Committee

From: Jacqueline Morgan, CTP, State Revolving Fund Program Finance Manager

Re: Resolution to Adopt the Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for Fiscal Year (FY) 2026 Drinking Water State Revolving Fund (DWSRF) Funding Consideration.

Background & Analysis: Attached are the following materials.

1. Draft Great Lakes Water Authority ("GLWA") Board Letter
2. DWSD - DWSRF Project Plan Summary and Resolution

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board of Directors approve the attached resolution to adopt the City of Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for FY 2026 Drinking Water State Revolving Fund (DWSRF) funding consideration.

DRAFT for Audit Committee Review Only

..Title

Resolution to Adopt the City of Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for Fiscal Year (FY) 2026 Drinking Water State Revolving Fund (DWSRF) Funding Consideration

..Body

Agenda of: May 28, 2025

Item No.: 2025-137

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 28, 2025

RE: Resolution to Adopt the City of Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for Fiscal Year (FY) 2026 Drinking Water State Revolving Fund (DWSRF) Funding Consideration

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) **approve the attached resolution to adopt the City of Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for FY 2026 Drinking Water State Revolving Fund (DWSRF) funding consideration;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority secures capital improvement financing on behalf of Detroit Water and Sewerage Department in accordance with foundational documents related to the establishment of GLWA. DWSD has selected the Water System Improvements project for submittal to the Michigan Department of Environment, Great

DRAFT for Audit Committee Review Only

Lakes, and Energy (EGLE) for FY 2026 DWSRF funding consideration. This project is comprised of replacing water mains and lead service lines in the city of Detroit. The impact of this project will be improved customer satisfaction and safe, reliable service delivery of potable water to customers. The total estimated cost of this project is \$140 million.

- Water Main Replacement referenced as WS-Task 12 (Project A), in the neighborhoods of Eastern Market, Forest Park, North End, Islandview, West Village, & Medical Center. Estimated project costs: \$20 million.
- Water Main Replacement referenced as WS-Task 13 (Project B), in the neighborhoods of Central Southwest, Springwells, Michigan Martin, Hubbard Farms, & Claytown. Estimated project costs: \$20 million.
- Five (5) Lead Service Line Replacement Projects at select neighborhoods across Detroit. Estimated project costs: \$100 million (\$20 million each for the 5 lead service line replacement projects).

The deadline for submitting DWSRF project planning documents to EGLE is June 1, 2025, but prior to submitting the project plans, a public hearing must be held for the affected area. The public hearing notice and project plan were posted on the DWSD website. The project plan was presented at that DWSD public hearing on March 19, 2025 and adopted by the DWSD Board of Water Commissioners on the same date.

JUSTIFICATION

Pursuant to Section 7.2(b) of the Regional Water Supply System Lease between the City of Detroit and GLWA, the Authority shall cooperate fully with the City in the implementation of this Detroit capital improvement, including financing through the Authority. Therefore, GLWA will submit the local project plan as it will be the DWSRF loan applicant. Per notification from EGLE, GLWA does not need to hold a separate public hearing on the local project, however, the GLWA Board of Directors will need to act on the included resolution adopting the Project Plan. The resolution must be approved and signed to ensure the final project plans, forms, and attachments are assembled and submitted to the EGLE by the June 1, 2025 deadline.

GLWA concurs with the DWSD Water System Improvements Project Plan adoption, and as the DWSRF applicant, is seeking low interest loan assistance from the DWSRF program. Although the EGLE interest rate for FY 2026 will not be published until October 2025, the current 20-year and 30-year loan interest rate for a significantly overburdened applicant, which has been applicable to DWSD projects, is 1.00 percent. Compared to an estimated market-based rate of 4.5%, potential interest savings on a 20-year loan would be approximately \$60.1 million for a DWSRF loan amount of \$140 million.

DRAFT for Audit Committee Review Only

Another advantage of the DWSRF is that interest costs are only incurred on the amount drawn from the loan as project expenditures are incurred. This results in additional debt service savings early in the term of the loan compared to market-based transactions. Further, the use of DWSRF funding as junior lien does not impact GLWA debt reserve requirements.

BUDGET IMPACT

GLWA will be the loan applicant on DWSRF loans issued on behalf of DWSD, and DWSD will be the DWSRF loan recipient as determined by EGLE. All project costs financed by GLWA on behalf of DWSD through the DWSRF program bonds, and resulting principal and interest payments on the bonds, will be directly allocable to the DWSD local system. Debt service is anticipated to begin on October 1, 2027 for this project and will be included as part of the FY 2027 – FY 2028 biennial budget.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 2, 2025 meeting. The Audit Committee [insert action] that the Great Lakes Water Authority Board of Directors approve the attached Resolution for the City of Detroit Water and Sewerage Department (DWSD) Water System Improvements Project Plan for FY 2026 Drinking Water State Revolving Fund (DWSRF) funding consideration.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

Great Lakes Water Authority
Resolution 2025-137

RE: Resolution to Adopt the City of Detroit Water and Sewerage Department (DWSD)
Water System Improvements Project Plan for Fiscal Year (FY) 2026 Drinking Water State
Revolving Fund (DWSRF) Funding Consideration

By Board Member: _____

- Whereas:** The City of Detroit through its Detroit Water and Sewerage Department (DWSD), and the Great Lakes Water Authority (GLWA), both jointly recognize the need to make improvements to its existing water supply system that are owned and operated by the City of Detroit and that are physically located within the city limits; and
- Whereas:** Pursuant to Section 7.2(b) of the Regional Water Supply System Lease between the City of Detroit and GLWA, the Authority shall cooperate fully with the City in the implementation of this Detroit capital improvement, including financing through the Authority; and
- Whereas:** The Water System Improvements Project Plan for fiscal year (FY) 2026 Drinking Water State Revolving Fund (DWSRF) funding consideration has been prepared by DWSD; and
- Whereas:** The Water Systems Improvements project is comprised of water main replacement including the removal of certain lead service lines in the Eastern Market, Forest Park, North End, Islandview, West Village, and Medical Center neighborhoods, referenced as WS-Task 12 (Project A); and
- Whereas:** Central Southwest, Springwells, Michigan Martin, Hubbard Farms, and Claytown neighborhoods, referenced as WS-Task 13 (Project B) in the City of Detroit; and
- Whereas:** Five (5) lead service line replacement projects at select neighborhoods across Detroit; and
- Whereas:** The project plan was presented by DWSD at a public hearing held on March 19, 2025, at 2:00 p.m. in the DWSD Board of Water Commissioners (BOWC) hearing room, and all public comments were considered and addressed; and
- Whereas:** The DWSD formally adopted said project plan and agreed to implement the identified water system improvements, as described in said document, as evidenced by the DWSD resolution; and
- Whereas:** It is the desire of the GLWA Board of Directors to secure low interest loan assistance through the DWSRF program.

Now Therefore Be It:

- Resolved** The GLWA Board hereby accepts and approves the DWSD Water System Improvements Project Plan as approved by the DWSD BOWC at its March 19, 2025, meeting; and Be It Further
- Resolved** The GLWA concurs with the DWSRF Project Plan adoption and agrees to serve as the DWSRF loan applicant on behalf of the City of Detroit, the loan recipient, for all activities required by DWSRF financing, and in accordance with local and state intergovernmental agreement; and Be It Further
- Resolved** The GLWA Resolution identifying Designated Representatives adopted on October 23, 2024 established the GLWA authorized representatives for all DWSRF program activities, and no updates to these designations are necessary at this time and Be It Further
- Resolved** That the Chief Executive Officer is authorized to transmit the final project plan for FY 2026 DWSRF funding consideration for the Water System Improvements to the Michigan Department of Environment, Great Lakes, and Energy on behalf of the GLWA Board of Directors and take all appropriate steps to secure approval of a low interest loan in accordance with the EGLE's DWSRF procedures so that the project can proceed expeditiously to construction.

Adopted by the Great Lakes Water Authority Board on:

**A RESOLUTION ADOPTING A FINAL PROJECT PLAN FOR THE DETROIT WATER AND
SEWERAGE DEPARTMENT FOR WATER SYSTEM IMPROVEMENTS FY26 DRINKING
WATER STATE REVOLVING FUND (DWSRF) PROJECT**

WHEREAS, Detroit Water and Sewerage Department (DWSD) and the Great Lakes Water Authority (GLWA) recognize the need to make improvements to its existing water distribution system that are owned and operated by the City of Detroit and that are physically located within the city limits; and

WHEREAS, DWSD has prepared a Drinking Water State Revolving Fund (DWSRF) Project Plan, which recommends water main replacement and associated appurtenances, including removal of certain lead service lines, in the Eastern Market, Forest Park, North End, Islandview, West Village, and Medical Center neighborhoods in the city of Detroit, further referenced as WS-Task 12 (Project A); and

WHEREAS, DWSD has prepared a Drinking Water State Revolving Fund (DWSRF) Project Plan, which recommends water main replacement and associated appurtenances, including removal of certain lead service lines, in the Central Southwest, Springwells, Michigan Martin, Hubbard Farms, and Claytown neighborhoods in the city of Detroit, further referenced as WS-Task 13 (Project B); and

WHEREAS, DWSD has prepared a Drinking Water State Revolving Fund (DWSRF) Project Plan, which recommends lead service line replacement and associated appurtenances in select neighborhoods in the city of Detroit; and

WHEREAS, said Project Plan was presented at the public meeting held on - Wednesday, March 19, 2025 and all public comments have been considered and addressed; and

WHEREAS, DWSD formally adopted said Project Plan and agreed to implement the identified selected alternative of water main and lead service line replacements as described in said document, as evidenced by the DWSD resolution;

NOW THEREFORE BE IT RESOLVED, that Detroit Water and Sewerage Department formally adopts said Project Planning Document and agrees to implement the selected project design.

BE IT FURTHER RESOLVED, that the Detroit, Water and Sewerage Department Director, a position currently held by Gary Brown, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project

Planning Document as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternative

Yeas (names of Members voting Yes):

Chairperson Michael Einheuser, Vice Chairperson Mary Blackmon, Commissioner John Henry Davis, Jr., Commissioner Linda Forte, Commissioner Jane Garcia, Commissioner Jonathan Kinloch

Nays (names of Members voting No):

I certify that the above Resolution was adopted by Great Lakes Water Authority and Detroit Water and Sewerage Department on March 19, 2025.

BY: Marian King-Bell
Name (please print or type)

Marian King-Bell
Signature

BOWC Board Secretary
Title

March 19, 2025
Date



Detroit Water and Sewerage Department Certified Copy

735 Randolph Street
Detroit, Michigan 48226
(313) 224-4704 Office
dwsd.legistar.com

Resolution, BOWC: 2025-67

File Number: 2025-67

Upon recommendation of Samuel A. Smalley, P.E., Deputy Director, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department recommends adoption of the **“A final project plan for the Detroit Water and Sewerage Department Water Main Replacement and Rehabilitation and Designating an Authorized Project Representative FY 2026 Drinking Water State Revolving Fund (DWSRF)”** and also authorizes the Chief Financial Officer and the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of March 19, 2025

Item No. 2025-67

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Final Project Plan for Water Main Replacement and Rehabilitation and Designating an Authorized Project Representative FY 2026 Drinking Water State Revolving Fund (DWSRF)

MOTION

Upon recommendation of Samuel A. Smalley, P.E., Deputy Director, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department recommends adoption of the **“A final project plan for the Detroit Water and Sewerage Department Water Main Replacement and Rehabilitation and Designating an Authorized Project Representative FY 2026 Drinking Water State Revolving Fund (DWSRF)”** and also authorizes the Chief Financial Officer and the Director to take such other action as may be necessary to accomplish the intent of this vote.

I, Marian King-Bell, certify that this is a true copy of Resolution, BOWC No. 2025-67, passed by the Board of Water Commissioners on 3/19/2025.

Attest: Marian King Bell

3/25/25

Date Certified

DETROIT WATER AND SEWERAGE DEPARTMENT NOTICE PUBLIC MEETING FOR WATER MAIN AND LEAD SERVICE LINE REPLACEMENT FY26 DRINKING WATER STATE REVOLVING FUND (DWSRF) PROJECT

The Detroit Water and Sewerage Department (DWSD) announces a public meeting regarding its Project Plan for proposed water main replacement in the city of Detroit. DWSD will be seeking low interest Drinking Water State Revolving Fund (DWSRF) loan assistance for FY2026. These projects are comprised of replacing water mains and lead service lines at the following locations in Detroit:

- Water Main Replacement named WS-Task 12 (Project A), in the neighborhoods of Eastern Market, Forest Park, North End, Islandview, West Village, & Medical Center
- Water Main Replacement named WS-Task 13 (Project B), in the neighborhoods of Central Southwest, Springwells, Michigan Martin, Hubbard Farms, & Claytown.
- Five (5) Lead Service Line Replacement Projects at select neighborhoods across Detroit.

Construction will include excavation of existing water mains, installation of new pipes, select rehabilitation of existing pipes, replacement of valves and hydrants, replacement of lead (Pb) water service lines of two inches in diameter or less from the water main to the customer's water meter, pressure testing, backfill of the excavation required for piping work, and restoration of each work site. All work is to be performed within the existing road right-of-way. The impact of the project will be improved customer satisfaction and safe, reliable service delivery of potable water to customers. The temporary impact of construction activities will be minimized through mitigation measures specified in the contract documents. Adverse impacts on historical, archaeological, geographic, or cultural areas are not expected. This project is necessary to ensure that DWSD consistently and reliably provides high quality potable water to Detroit residents. The Project Plan describes water mains in critical need of replacement or rehabilitation. The total cost of this project is currently estimated at \$20 million for each of the seven projects. A total of \$140 million is being sought through the DWSRF program. All the cited projects are eligible for participating under the State of Michigan low interest DWSRF loan program.

The Public Meeting will present a description of the recommended projects, estimated costs, noting no potential impact for customers. The purpose of the meeting is not only to inform, but to seek and gather input from people who will be affected. Comments and viewpoints from the public are encouraged.

THE PROJECT PRESENTATION AND PUBLIC COMMENT WILL BE DURING THE DETROIT BOARD OF WATER COMMISSIONERS MEETING ON:

DATE: Wednesday, March 19, 2025

PLACE: Detroit Water and Sewerage Department
Water Board Building
735 Randolph, 5th Floor, Board Room
Detroit, Michigan 48226

TIME: 2:00 p.m.

Call in using your phone: 301-715-8592
Zoom Meeting ID: 815 7263 5118
Zoom Passcode: 482262021

To attend online via Zoom: <https://cityofdetroit.zoom.us/j/81572635118>
Use Passcode: 482262021

Information on the Project Plan will be available for review after March 1, 2025 at the following locations:

1. City Website: detroitmi.gov/dwsd
2. By email request to Sonali Patel: sonali.patel@detroitmi.gov
3. In person at the Water Board Building

If you have questions or want to submit written statements for the Public Meeting, call or write:

Call: Sonali Patel at 313-782-2477
Email: Sonali Patel at sonali.patel@detroitmi.gov
Mail: Sonali Patel
Detroit Water and Sewerage Department
735 Randolph, Suite 901
Detroit, MI 48226

Written comments will be accepted at the above address if received prior to 2:00 p.m. EST, Wednesday, March 19, 2025.

Participating in Public Comment During the Public Hearing

You may provide your public comment in-person or via Zoom (see below).

In-person attendees

- If you want to make public comment, complete the form available in the Board Room and it will be provided to the Chair. The Chair will call on you during the appropriate time.
 - We respectfully request that you maximize your three minutes by sharing all your comments/questions at one time.
 - You will only be called upon once for public comment.
 - Once the chair closes public comment, there will be no other comments from the public accepted and all public attendees will not be acknowledged during the remainder of the meeting.

Attending via Zoom

- During the public comment section, raise your hand using the Zoom hand icon on your desktop or mobile device, or if calling into the meeting by phone, press *9 to raise your hand (press *6 to unmute when called upon).
- We respectfully request that you maximize your three minutes by sharing all your comments/questions at one time.
- You will only be called upon once for public comment.
- Once the chair closes public comment, there will be no other comments from the public accepted and all attendees will remain muted for the duration of the meeting.

City of Detroit Water and Sewerage Department
Gary Brown, Director

March 19, 2025

FY2026 DWSRF Projects

*Samuel A. Smalley, PE, S-1, F-1,
Deputy Director*



**Water & Sewerage
Department**



DWSRF Program Overview

Drinking Water State Revolving Fund (DWSRF)

- DWSD will be seeking low-interest DWSRF loan assistance for FY2026.

City of Detroit is well positioned to receive funding based on need.

- Disadvantaged community determination based on debt service on the upcoming loan will be charged to the City customers over time and built into the capital portion of the rate structure.
- DWSD's disadvantaged status allows for a 30-year or 40-year term option instead of 20-year.
- Principal forgiveness subsidy:
 - Previous loan for \$10,000,000 with 100% loan forgiveness for Lead service line replacement.
 - Booker Funding from EGLE-State of Michigan.

DWSRF FY 2026 Water Main Replacement

- The project plan includes two water main replacement projects and five lead service line replacement projects for a total of **\$140M**
- Construction will include:
 - Excavation of existing water mains;
 - Hydro-vac excavation of service lines;
 - Installation of new pipes and rehabilitation of pipes;
 - Replacement of Lead (Pb) Service Lines;
 - Pressure testing;
 - Backfill of the excavation required for piping work; and
 - Restoration of each work site.
- All work to be performed within the existing road right-of-way. **The impact of the project will be improved customer satisfaction and provide safe, reliable service delivery of potable water to customers.**

DWSRF FY 2026 Water Main Replacement

- The temporary impact of construction activities will be minimized through mitigation measures specified in the contract documents.
- Adverse impacts on historical, archaeological, geographic, or cultural areas are not expected.
- This project is necessary to ensure that DWSD will consistently and reliably provide high quality potable water to Detroit residents.
- **The Project Plan describes water mains in critical need of replacement or rehabilitation.**
- The total project cost of this project is currently estimated at **\$140M** of which 100% is being requested through the DWSRF.
 - Approximately \$20M for water main replacement Project A
 - Approximately \$20M for water main replacement Project B
 - Approximately \$20M for each of the five lead service line projects

Project Locations and Scope of Work



Project A: Water Main Replacement & Rehabilitation in District 5

- DWSD proposes to develop contract number WS-Task 12 with a project scope that includes **replacing and rehabilitating approximately 28,830 linear feet (5.46 miles) of vintage cast iron water main** of pipe size 6-inches and 8-inches in diameter.
 - Full Lead service line replacements (forecasted 458 lead services)
 - **Estimated cost: \$20.0 M**
- **Project locations:** EASTERN MARKET, FOREST PARK, ISLANDVIEW, MEDICAL CENTER, NORTH END, WEST VILLAGE

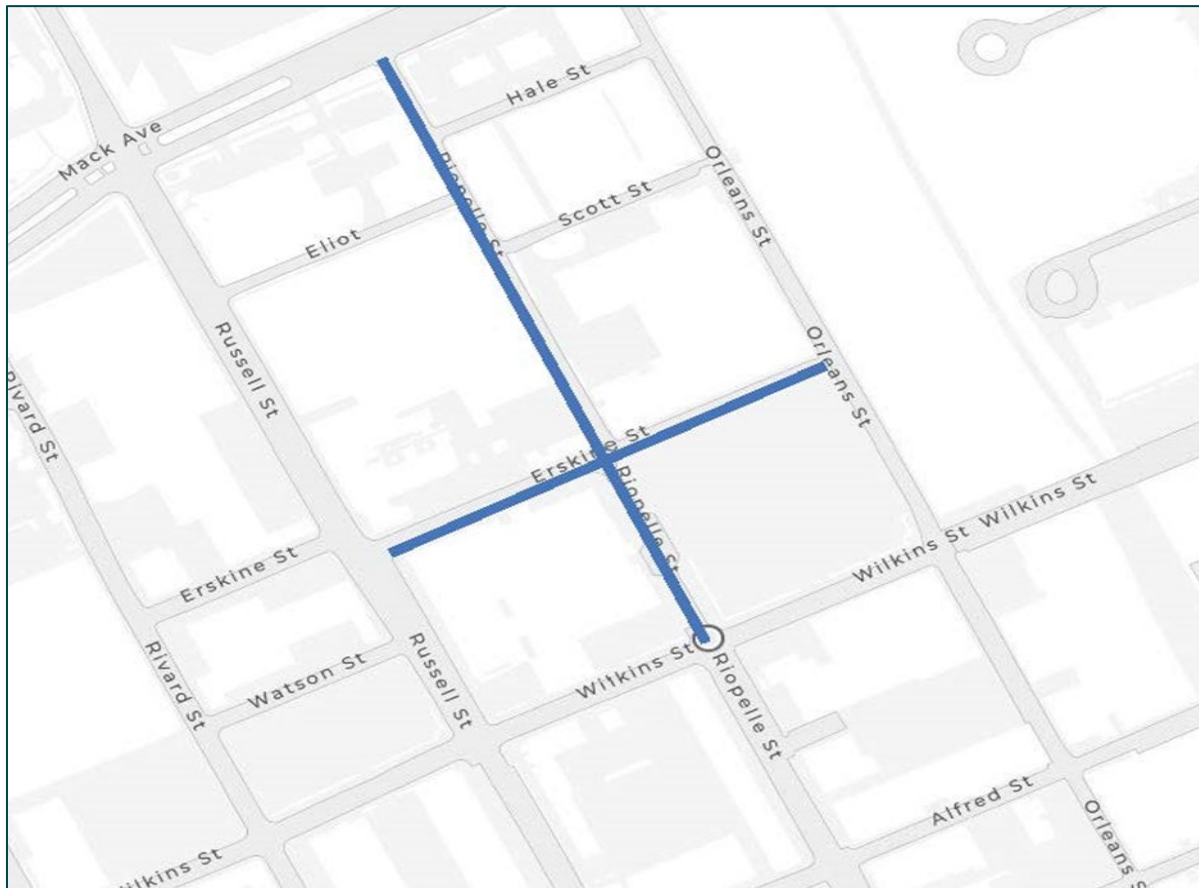
WS-Task 12 Map

Project locations:

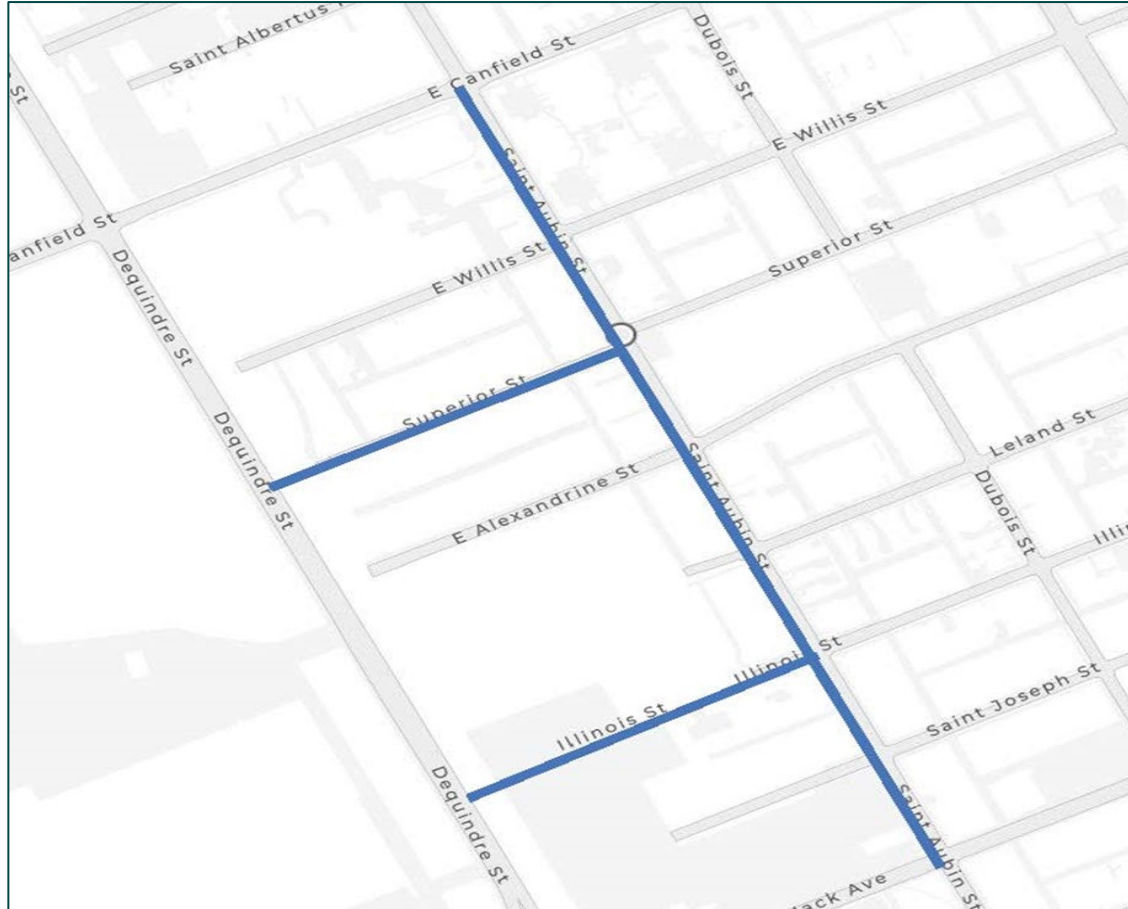
- Eastern Market
- Forest Park
- Islandview
- Medical Center
- North End
- West Village

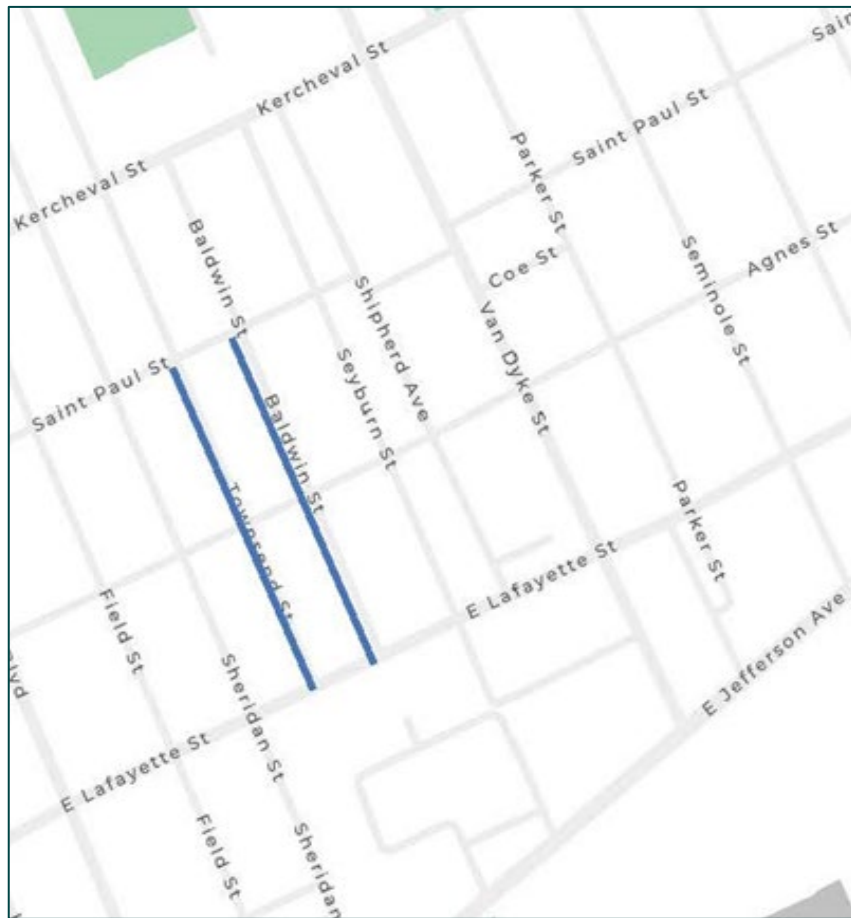


Eastern Market

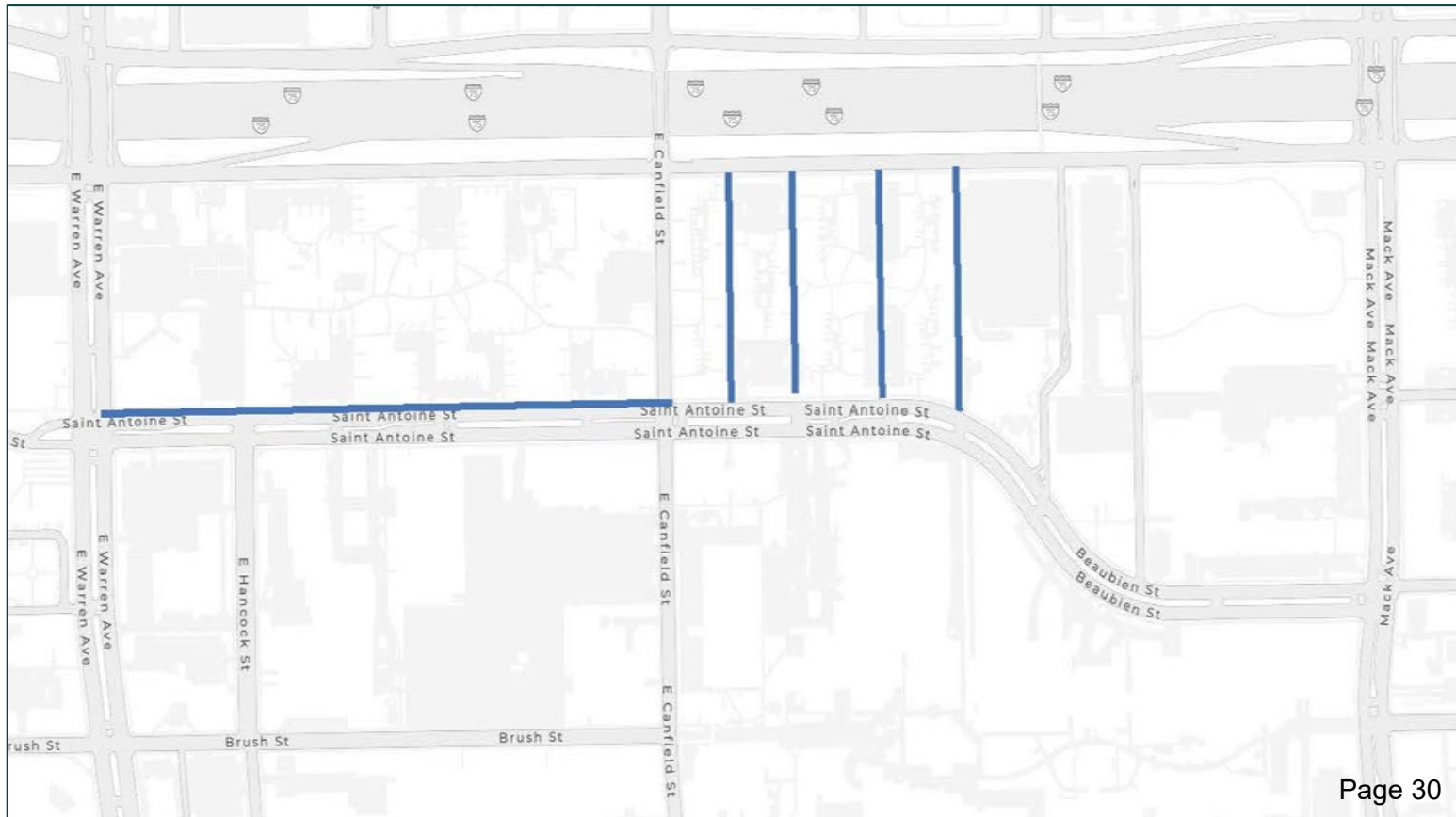


Forest Park





Medical Center



North End



West Village



Project B: Water Main Replacement & Rehabilitation in District 6

- DWSD proposes to develop contract number WS-Task 13 with a project scope that includes **replacing and rehabilitating approximately 32,230 linear feet (6.1 miles) of vintage cast iron water main** of pipe size 6-inches and 8-inches in diameter.
 - Full Lead service line replacements (forecasted 500 lead services)
 - **Estimated cost: \$20M**
- **Project locations:** CENTRAL SOUTHWEST, HUBBARD FARMS,
MICHIGAN-MARTIN, SPRINGWELLS

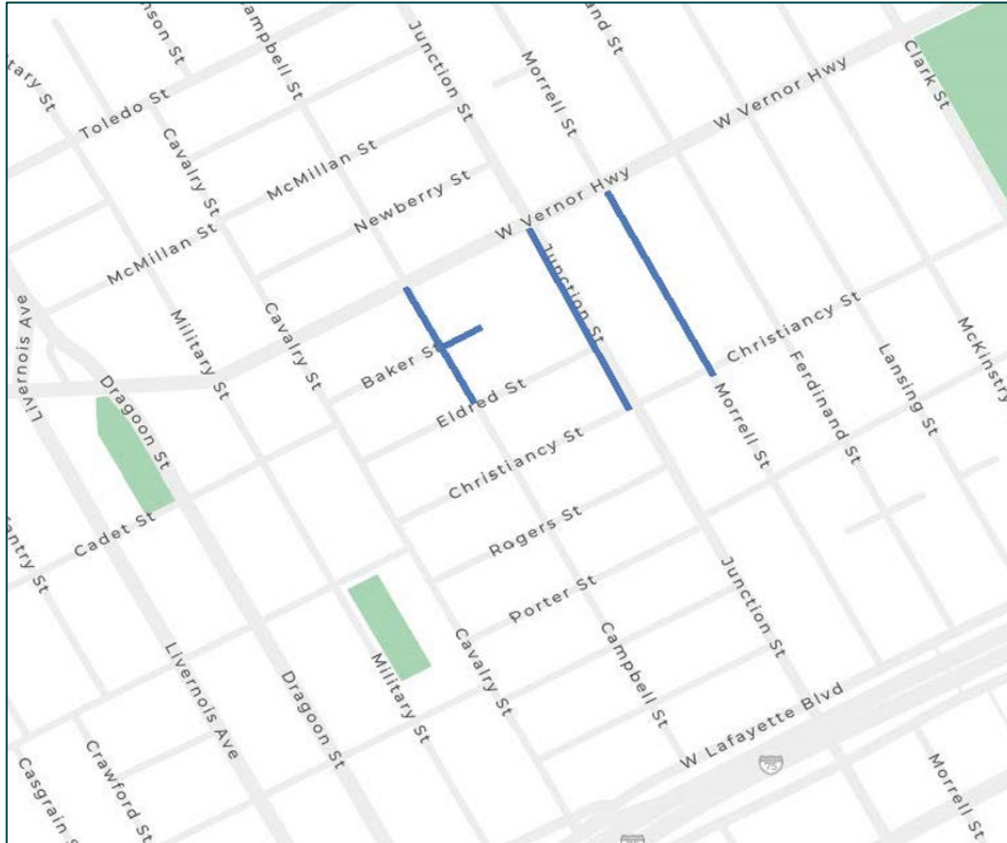
WS-Task 13 Map

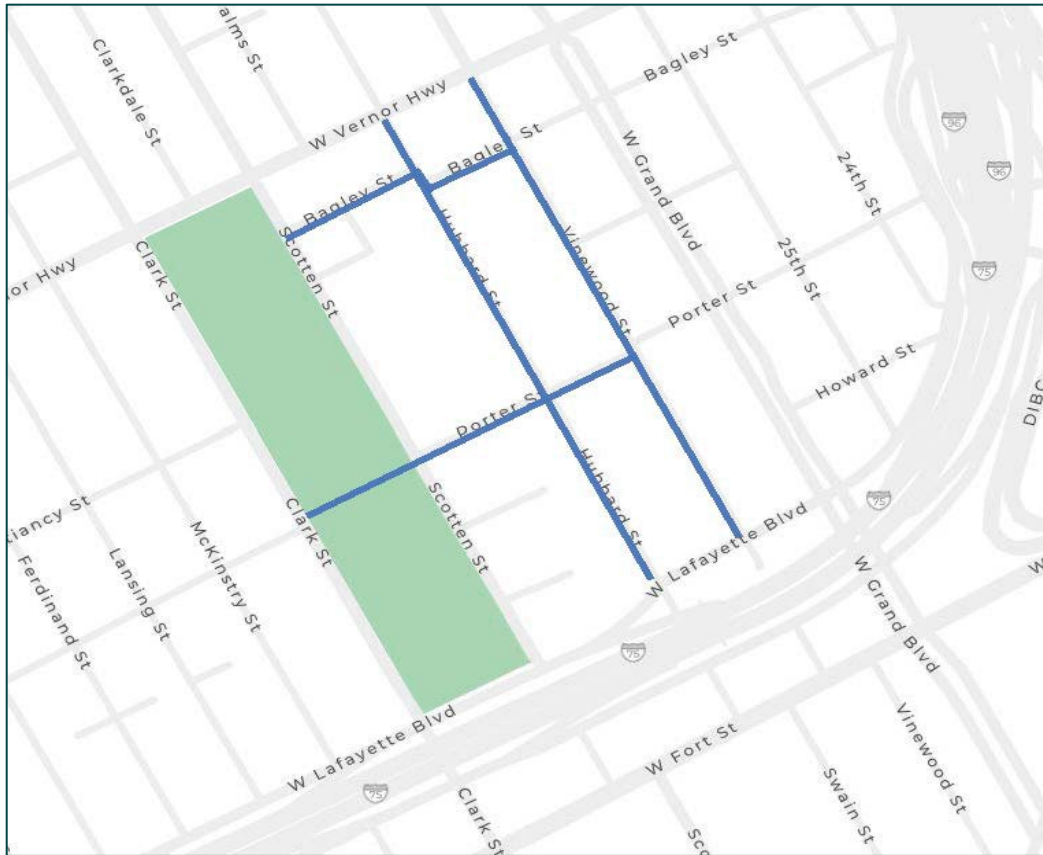
Project locations:

- Central Southwest
- Hubbard Farms
- Michigan-Martin
- Springwells



Central Southwest







Springwells



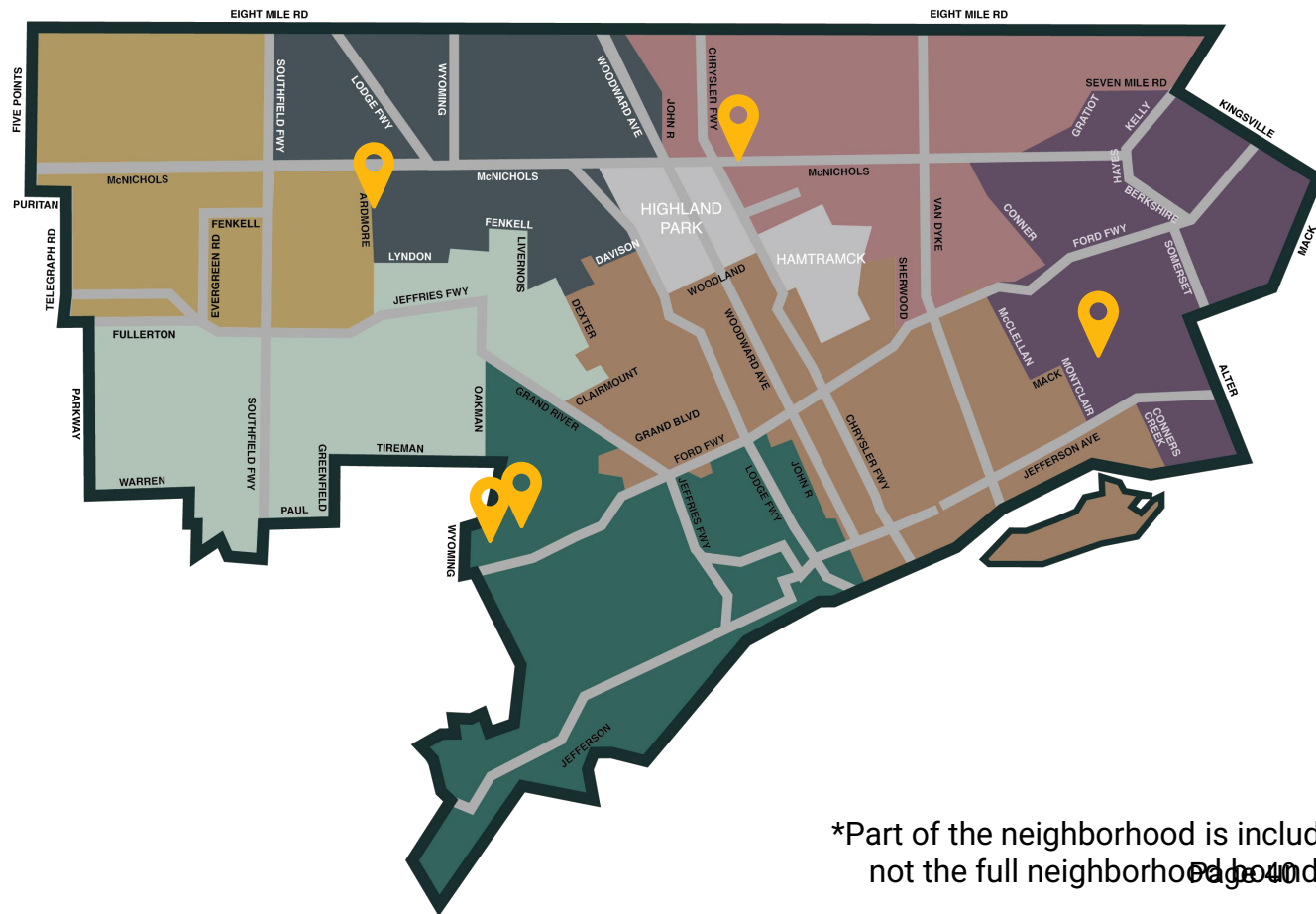
Five Lead Service Line Replacement Projects

- DWSD proposes to develop five contract numbers WS-7XX, ..., & WS-7XX with a project scope that includes **replacing existing lead service lines with copper**.
- **2,000** service lines will be replaced on the public and private sides under **each** of the five projects. The total number of service lines is **10,000** with a forecasted cost of **\$100,000,000**.
- Location of projects: Belmont-Bethune (District 1 & 2)
Cadillac Heights (District 3)
Chandler Park (District 4)
NW Claytown (District 6)
NE Claytown (District 6)

Location of Lead Service Line Replacement Projects

Project locations*:

- Belmont-Bethune
- Cadillac Heights
- Chandler Park
- NW Claytown
- NE Claytown



*Part of the neighborhood is included, not the full neighborhood boundary.

Schedule

Project Plan, Design and Construction



DWSRF Project Plan Schedule

Draft Project Plan Public Meeting and Board Resolution

• March 19, 2025

GLWA Board Meeting and Board Resolution

• May 2, 2025

Final Project Plan Submitted to EGLE

• June 1, 2025

Bid Ad Published

• January 2026

Construction Begins

• April 2026

Full Board Approval Action

Resolution Approving the Project Planning Document

- DWSD requests the BOWC approve the project planning document by adopting the resolution.

Thank You



313-267-8000



dwsd-publicaffairs@detroitmi.gov



www.detroitmi.gov/dwsd



Water & Sewerage
Department





Financial Services Audit Committee Communication

Date: May 2, 2025

To: Great Lakes Water Authority Audit Committee

From: Nick Fedewa, CPA, Public Finance Manager

Re: Proposed Contract Amendment No. 1 Contract No. 2204949/SCN-0000428 Municipal Advisory Services

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

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board of Directors enter into Contract No. 2204949/SCN-0000428, Proposed Amendment No. 1, "Municipal Advisory Services" with PFM Financial Advisors LLC with an increased cost of \$1,026,250.00 for a total cost not to exceed \$4,176,250.00 with no increase in duration for a total duration of 1,827 days; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

DRAFT for Audit Committee Review Only

..Title

Proposed Contract Amendment No. 1
Contract No. 2204949/SCN-0000428
Municipal Advisory Services

..Body

Agenda of: May 28, 2025

Item No.: **2025-138**

Amount:

Original Contract	\$3,150,000.00
Proposed Amendment No. 1	1,026,250.00
Total Contract Amount	\$4,176,250.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 28, 2025

RE: **Contract No. 2204949/SCN-0000428**
Municipal Advisory Services
Vendor: PFM Financial Advisors LLC
Status: Amendment/Change Order

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, Financial Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 2204949/SCN-0000428, Proposed Amendment No. 1, “Municipal Advisory Services” with PFM Financial Advisors LLC with an increased cost of \$1,026,250.00 for a total cost not to exceed \$4,176,250.00 with no increase in duration for a total duration of 1,827 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The role of a municipal financial advisor is to act in a fiduciary capacity and provide other non-transactional services including providing advice on compliance matters, various

DRAFT for Audit Committee Review Only

debt management agreements, financial plans, strategies, and policies. More specific responsibilities include assistance with the following:

- The plan of finance and related transaction timetable.
- Financing solutions and alternatives for funding the capital improvement plan.
- Method of sale for bond transactions, considering market conditions and near-term activity in the municipal market.
- Rating agency strategies and presentations.
- Bond-related and State Revolving Fund (SRF) loan-related activities associated with Internal/external accountants, feasibility consultants and escrow agents.
- Selection of underwriters, underwriter compensation issues, syndicate structure and bond allocations.
- Negotiated bond sales, including advice regarding retail order periods and institutional marketing, analysis of comparable bonds and secondary market data.
- Competitive bond sales, including preparation of notice of sale and preliminary official statement, bid verification, true interest cost (TIC) calculations and reconciliations/ verifications of bidding platform calculations, preparation of notice of sale, obtaining CUSIP numbers.
- SRF loan closing processes, including preparation of required schedules, assistance with application filings, and support throughout as needed.
- Preparation of preliminary cash flows/preliminary refunding analysis.

JUSTIFICATION

In 2023, GLWA conducted a municipal bond financial advisor competitive solicitation process. On June 28, 2023, the GLWA Board of Directors approved a contract with PFM Financial Advisors LLC for an amount of \$3,150,000 for a period of July 1, 2023 to June 30, 2028 which is a five-year time period inclusive of two one-year renewals.

At the February 26, 2025 Board Meeting GLWA staff identified the opportunity to achieve budgetary savings by moving to an annual cadence for bond transactions. The change to a new money bond transaction annually will reduce debt service interest expense over time. This change further allows for a decrease in the reduction of future budget adjustments and provides funds for increased pay go financing moving forward.

To accommodate this change in strategy, there is a need to amend the municipal advisory services contract to allow for the two bond transactions (rather than one) that occurred in FY 2024 and an annual bond transaction moving forward in FY 2025 and FY 2027 rather than the original plan of a bond transaction every other year. See attached Table 1 – Fee Analysis & Budget Impact which calculates the proposed increase in fees.

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PROJECT MANAGEMENT STATUS

Original Contract Time	1,827 days (7/01/2023 – 6/30/2028)
Proposed Amendment No. 1	0 days
New Contract Time	1,827 days (7/01/2023 – 6/30/2028)

PROJECT ESTIMATE

Original Contract Price	\$ 3,150,000.00
Proposed Amendment No. 1	1,026,250.00
New Contract Total	\$ 4,176,250.00

FINANCIAL PLAN IMPACT

Fees related to bond transactions are currently and will continue to be paid out of the proceeds of the bonds issued. The bond proceeds as shown in the financial plan are net of fees.

GLWA recognizes fees related to State Revolving Fund (SRF) transactions and other services as expenses within the Operations and Maintenance budget.

Funding Source:	Depending on the type of transaction, the funding source will be either Operations & Maintenance (O&M) Budget – Administrative or Bond Proceeds (Debt Service Fund) – Water & Sewer Specific
Cost Center:	CFO Services - Public Finance
Spend Category(s):	Contractual Professional Services or Debt Cost of Issuance

Estimated Cost by Year: Estimated cost varies by year based upon the anticipated timing of revenue bond transactions. See attached Table 1 – Fee Analysis & Budget Impact.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed this matter on May 2, 2025. The Audit Committee *[insert action]* that the Board of Directors enter into Contract No. 2204949/SCN-0000428, Proposed Amendment No. 1, “Municipal Advisory Services” with PFM Financial Advisors LLC with an increased cost of \$1,026,250.00 for a total cost not to exceed \$4,176,250.00 with no increase in duration for a total duration of 1,827 days; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

DRAFT for Audit Committee Review Only

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD. It should be noted that fees for bond transactions are deducted from a pro-rata percentage of the bond proceeds when a market-based transaction encompasses funding for DWSD. DWSD also reimburses GLWA for SRF transaction costs incurred. A representative of DWSD was included in the procurement process.

Attachment 1

Table 1 – Fee Analysis & Budget Impact

Original Board Approved Fee Schedule				
Fiscal Year	Bond Transaction	SRF Services	Other Services	Total
FY 2024	\$ 440,000	\$ 400,000	\$ 100,050	\$ 940,050
FY 2025	-	225,000	100,050	325,050
FY 2026	440,000	225,000	102,100	767,100
FY 2027	-	225,000	103,900	328,900
FY 2028	460,000	225,000	103,900	788,900
Total	\$ 1,340,000	\$ 1,300,000	\$ 510,000	\$ 3,150,000

Proposed Revised Fee Schedule - Budget Impact				
Fiscal Year	Bond Transaction	SRF Services	Other Services	Total
FY 2024 (Actual)	\$ 878,086	\$ 98,400	\$ 9,814	\$ 986,300
FY 2025	460,000	225,000	100,050	785,050
FY 2026	460,000	225,000	102,100	787,100
FY 2027	480,000	225,000	103,900	808,900
FY 2028	480,000	225,000	103,900	808,900
Total	\$ 2,758,086	\$ 998,400	\$ 419,764	\$ 4,176,250

Net Requested Increase	\$ 1,418,086	\$ (301,600)	\$ (90,236)	\$ 1,026,250
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Financial Services Audit Committee Communication

Date: May 2, 2025

To: Great Lakes Water Authority Audit Committee

From: Gerri Williams, Treasury Manager

Re: Proposed Change Order No. 4 – Extension of Time Only SCN-0000189
Investment Advisor Services PFM Asset Management, LLC Contract Extension

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

Proposed Action: Audit Committee recommends the Great Lakes Water Authority Board of Directors approve a contract extension for Contract No. GLWA-SCN-0000189 Proposed Change Order No. 4 “Investment Advisor Services” with PFM Asset Management LLC, for an increased duration of seven (7) months for a total contract duration of 73 months through January 2026 ; and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

..Title

**Proposed Change Order No. 4 – Extension of Time Only SCN-0000189
Investment Advisor Services PFM Asset Management, LLC Contract Extension**

..Body

Agenda of: May 28, 2025

Item No.: **2025-142**

Amount:

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 28, 2025

**RE: Proposed Change Order No. 4
SCN-0000189
Investment Advisor Services
PFM Asset Management, LLC Contract Extension**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer & Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves a contract extension for Contract No. GLWA-SCN-0000189 Proposed Change Order No. 4 “Investment Advisor Services” with PFM Asset Management LLC, for an increased duration of seven (7) months for a total contract duration of 73 months through January 2026;** and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (GLWA) has worked with an investment advisor since the stand-up of the organization to assist in the management of its investment portfolio. The use of a registered investment advisor has proven to be a cost effective and efficient approach to portfolio management. The investment advisor allows GLWA to have direct access to financial market data sources, technology and expertise while allowing the treasury team to focus on the development of cash flows, treasury internal controls, and process improvements. Using an investment advisor has helped GLWA to achieve higher portfolio returns, properly manage market risk and diversify portfolio holdings.

Pursuant to a competitive request for proposal process, staff was authorized by the Board on November 13, 2019 to enter into a contract with PFM Asset Management, LLC. The present contract, executed January 1, 2020, was for three years at a cost of \$1,320,000 with two one-year renewals at a cost of \$440,000 for each renewal. Both renewals were executed resulting in a total contract amount of \$2,200,000. This contract expired December 31, 2024. The Board approved a contract extension of time only through June 30, 2025 on December 11, 2024.

In keeping with GLWA's ongoing cycle to solicit proposals for key professional services, a Request for Proposal (RFP) for Investment Advisor services is in process to solicit bids from qualified vendors to allow GLWA to compare skills, rates, understand current industry practices to identify the best partner to advise GLWA on its investment portfolio.

Staff transitions and workload requirements for the financial services team resulted in staff resource constraints to complete the RFP process and transition the contract before June 30, 2025.

JUSTIFICATION

To maintain continuity of service during the RFP process, a contract amendment for an extension of time only is requested to the current contract with PFM Asset Management, LLC for seven months through January 2026. This contract extension will allow for a robust RFP process and support a smooth transition to the newly appointed Investment Advisor. See attachment 1 for Project Management Status table.

BUDGET IMPACT

This contract amendment for extension of time does not have a budget impact. The costs associated with the contract extension will be covered under the available dollars in the current contract.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on May 2, 2025. The Audit Committee [*insert action taken*] the Board of Directors approve a contract extension for Contract No. GLWA-SCN-0000189 Proposed Change Order No. 4 “Investment Advisor Services” with PFM Asset Management LLC, for an increased duration of seven (7) months for a total contract duration of 73 months through January 2026; and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

PROJECT MANAGEMENT STATUS

Original Contract Time	5 years (01/01/2020 – 12/31/2024)
Amendment No. 1	0 Months
Amendment No. 2	0 Months
Amendment No. 3	6 Months
Proposed Amendment No. 4	7 Months
New Contract Time	6 years 1 month (01/01/2020 – 01/31/2026)

PROJECT ESTIMATE

Original Contract Price	\$ 1,320,000.00
Amendment No. 1	440,000.00
Amendment No. 2	440,000.00
Amendment No. 3	0.00
Proposed Amendment No. 4	0.00
New Contract Total	\$2,200,000.00



Financial Services Audit Committee Communication

Date: May 2, 2025

To: Great Lakes Water Authority Audit Committee

From: Haran Stanley, Affordability & Assistance Management Professional

Re: Water Residential Assistance Program (WRAP) Service Delivery Partner Funding Authorization for FY 2026 and Related Contract Amendments

Background: See attached draft Great Lakes Water Authority ("GLWA") Board letter and related analysis.

Please note: Two potential actions will be presented and discussed at the Audit Committee meeting. The Affordability & Assistance team has been in discussions with Genesee County Community Action Resource Department (GCCARD) to provide WRAP services for the City of Flint, as well as conversations with United Way to provide WRAP services for Washtenaw County. As these discussions are still in the preliminary stages, the attached funding report provides information which illustrates the WRAP allocations under the current service area assignment and the potential new service area assignment.

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board of Directors approve the WRAP Service Delivery Partner Funding Authorization for FY 2026 and related contract amendments.

Option #1 - approves a contract amendment, using the current service area assignment, with each of the Water Residential Assistance Program (WRAP) service delivery partners totaling \$4,608,500 as presented in the FY 2026 WRAP Funding Report with the following allocation:

- a. Wayne Metropolitan Community Action Agency in the amount for Area 1 - City of Detroit wholesale funding of \$1,251,200, Area 2 - City of Flint of \$27,000, and Area 3 - Wayne (Not Including Detroit), Washtenaw, and Monroe Counties of \$1,207,700 for a total of \$2,485,900;
- b. United Way for Southeastern Michigan in the amount for Area 4 - Oakland County of \$1,250,000; and
- c. Macomb Community Action in the amount for Area 5 - Macomb, St. Clair, and Lapeer Counties of \$872,600;

OR



Financial Services Audit Committee Communication

Option #2 approves a contract amendment, using a new service area assignment for Area 2 – City of Flint, with each of the Water Residential Assistance Program (WRAP) service delivery partners totaling \$4,608,500 as presented in the FY 2026 WRAP Funding Report, with the following allocation:

- a. Wayne Metropolitan Community Action Agency in the amount for Area 1 - City of Detroit, wholesale funding of \$1,251,200, and Area 3 - Wayne (Not Including Detroit), and Monroe Counties of \$1,144,000 for a total of \$2,395,200;**
- b. Genesee County Community Action Resource Department in the amount of Area 2 – City of Flint of \$27,000;**
- c. United Way for Southeastern Michigan in the amount for Area 4 - Oakland County of \$1,250,000 and Area 6 - Washtenaw County of \$63,700 for a total of \$1,313,700;**
- d. Macomb Community Action in the amount for Area 5 - Macomb, St. Clair, and Lapeer Counties of \$872,600;**

and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.



FY 2026

Water Residential Assistance Program (WRAP)

**Funding Report with
Two Service Area Assignment Options**

Presented to the Audit Committee

May 2, 2025

History of WRAP

The Water Residential Assistance Program, or WRAP, provides assistance to eligible, low-income households who receive water and/or sewer service from Great Lakes Water Authority (GLWA) member partner communities. Households can receive help paying down past due balances and water and sewer bill payment assistance for up to two years. Eligible seniors and permanently disabled persons can obtain bill credit assistance without an expiration date. Participants may also receive conservation assistance and minor plumbing repairs. WRAP, a first-of-its-kind program in Michigan, was created by representatives from throughout the region. GLWA partners with agencies like Macomb Community Action (MCA), United Way for Southeastern Michigan (United Way), and Wayne Metropolitan Community Action Agency (Wayne Metro) to be service delivery partners that deliver WRAP services to residents.

The annual WRAP budget is calculated at one-half of one percent (0.5%) of the regional system operating revenue as authorized in GLWA's founding documents. In addition, the City of Detroit is authorized to include an additional 1% in the local Detroit Water & Sewerage Department (DWSD) budget based on its operating revenue budget. This amount is included in the rates for the local DWSD system only. In addition, DWSD contracts directly with Wayne Metro for the DWSD local system-generated funding.

The WRAP program funding is allocated among three uses for areas outside the City of Detroit: income-based plan (IBP) payment assistance (including arrearages), conservation (including healthy home initiatives and home repairs), and program administration. The percentage of funds allocated to program administration by the service delivery partners is based on contractual agreements and can vary from 15% to 18%. After the administration costs are deducted from the budget, the remaining funds are allocated at 80% to IBP assistance and 20% to conservation. Within the City of Detroit, the allocated WRAP funding supports DWSD's Lifeline program.

The Great Lakes Water Authority WRAP Policy and more information about the program can be found at the following links:

[Water Residential Assistance Program Policy - GLWA \(glwater.org\)](https://www.glwater.org/wrap-policy)

[Assistance - GLWA \(glwater.org\)](https://www.glwater.org/wrap-assistance)

Budget Process

At the February 26, 2025, meeting, the GLWA Board of Directors approved the organization's Fiscal Year 2026 and FY 2027 biennial budget, as well as the corresponding FY 2026 water and wastewater service charges for its member partner communities.

With the budget now approved for FY 2026, the Affordability & Assistance team has prepared the FY 2026 WRAP budget and allocations by county and services delivery partner (SDP). These allocations then support annual contract amendments for the three WRAP SDPs: Wayne Metropolitan Community Agency (Areas 1, 2, & 3), United Way for Southeastern Michigan (Area 4), and Macomb Community Agency (Area 5). There are two elements to these amendments. The first is the total allocation for each service area. The second is the allocation among the three categories of expense.

Those categories are payment assistance (including arrearage assistance), conservation, and program administration.

Purpose of this Report

The purpose of this report is to present the upcoming FY 2026 WRAP budget for internal and external stakeholders, as well as to confirm the funding by service area for each service delivery partner.

- ✓ **Wayne Metro** provides services for Area 1 – City of Detroit, Area 2 – City of Flint, and Area 3 – Wayne (Not Including Detroit), Washtenaw, and Monroe Counties.
- ✓ **United Way** provides services for Area 4 – Oakland County.
- ✓ **MCA** provides services for Area 5 – Macomb, St. Clair, and Lapeer Counties.

The Affordability & Assistance team has been in discussions with Genesee County Community Action Resource Department (GCCARD) to provide WRAP services for the City of Flint, as well as conversations with United Way to provide WRAP services for Washtenaw County. As these discussions are still in the preliminary stages, we have provided the tables below to illustrate the WRAP allocations under the current service area assignment (Table 1) and the potential service area assignment (Table 2).

The tables summarize the Board-approved WRAP funding by service area, service delivery partner, and expense type. The Affordability & Assistance team will use this information to complete the annual service delivery partner contract amendments necessary to support WRAP services for FY 2026. Area 1, the City of Detroit, has wholesale funding and local funding. The wholesale funding is accounted for as part of the GLWA budget and included in the Service Delivery Partner contract. The local funding is managed by DWSD through a separate contract with Wayne Metro.

Table 1 - FY 2026 Water Residential Assistance Program Funding Allocation Calculation - Local & Regional Funding – Current Service Area Assignment

Area	Service Delivery Partner / Area	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Wholesale Allocation
Area 1: City of Detroit Share of Wholesale Funding Local WRAP Funding Total City of Detroit	Wayne Metro	N/A	N/A	N/A	\$1,251,200	27.15%
		N/A	N/A	N/A	2,372,900	
					\$3,624,100	
Area 2: City of Flint	Wayne Metro	\$18,360	\$4,590	\$4,050	27,000	0.59%
Area 3: Wayne (not including Detroit), Washtenaw, Monroe Counties	Wayne Metro	821,236	205,309	181,155	1,207,700	26.21%
Area 4: Oakland County	United Way	850,000	212,500	187,500	1,250,000	27.12%
Area 5: Macomb, St. Clair, Lapeer Counties	Macomb Community Action	572,426	143,106	157,068	872,600	18.93%
Total Excluding Area 1 Local Funding		\$2,262,022	\$565,505	\$529,773	\$4,608,500	100.00%
Total Including Area 1 Local Funding		\$2,262,022	\$565,505	\$529,773	\$6,981,400	

Table 2 - FY 2026 Water Residential Assistance Program Funding Allocation Calculation - Local & Regional Funding for 6 service areas – Potential Service Area Assignment

Area	Service Delivery Partner / Area	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Wholesale Allocation
Area 1: City of Detroit Share of Wholesale Funding Local WRAP Funding Total City of Detroit	Wayne Metro	N/A	N/A	N/A	\$1,251,200	27.15%
		N/A	N/A	N/A	2,372,900	
					\$3,624,100	
Area 2: City of Flint	GCCARD	\$18,360	\$4,590	\$4,050	27,000	0.59%
Area 3: Wayne (not including Detroit) and Monroe Counties	Wayne Metro	777,920	194,480	171,600	1,144,000	24.82%
Area 4: Oakland County	United Way	850,000	212,500	187,500	1,250,000	27.12%
Area 5: Macomb, St. Clair, Lapeer Counties	Macomb Community Action	572,426	143,106	157,068	872,600	18.93%
Area 6: Washtenaw County	United Way	43,316	10,829	9,555	63,700	1.38%
Total Excluding Area 1 Local Funding		\$2,262,022	\$565,505	\$529,773	\$4,608,500	100.00%
Total including Area 1 Local Funding		\$2,262,022	\$565,505	\$529,773	\$6,981,400	

Questions?

Please contact us at wrap@glwater.org

..Title

**Water Residential Assistance Program (WRAP) Service Delivery Partner Funding
Authorization for FY 2026 and Related Contract Amendments**

..Body

Agenda of: May 28, 2025

Item No.: **2025-143**

Amount: \$4,608,500

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 28, 2025

**RE: Water Residential Assistance Program (WRAP) Service Delivery Partner Funding
Authorization for FY 2026 and Related Contract Amendments**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer\Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA),

Option #1 - approves a contract amendment, using the current service area assignment, with each of the Water Residential Assistance Program (WRAP) service delivery partners totaling \$4,608,500 as presented in the FY 2026 WRAP Funding Report with the following allocation:

- a. Wayne Metropolitan Community Action Agency in the amount for Area 1 - City of Detroit wholesale funding of \$1,251,200, Area 2 - City of Flint of \$27,000, and Area 3 - Wayne (Not Including Detroit), Washtenaw, and Monroe Counties of \$1,207,700 for a total of \$2,485,900;**

- b. **United Way for Southeastern Michigan in the amount for Area 4 - Oakland County of \$1,250,000; and**
- c. **Macomb Community Action in the amount for Area 5 - Macomb, St. Clair, and Lapeer Counties of \$872,600;**

OR

Option #2 approves a contract amendment, using a new service area assignment for Area 2 – City of Flint and Area 6 - Washtenaw County, with each of the Water Residential Assistance Program (WRAP) service delivery partners totaling \$4,608,500 as presented in the FY 2026 WRAP Funding Report, with the following allocation:

- a. **Wayne Metropolitan Community Action Agency in the amount for Area 1 - City of Detroit, wholesale funding of \$1,251,200, and Area 3 - Wayne (Not Including Detroit), and Monroe Counties of \$1,144,000 for a total of \$2,395,200;**
- b. **Genesee County Community Action Resource Department in the amount of Area 2 – City of Flint of \$27,000;**
- c. **United Way for Southeastern Michigan in the amount for Area 4 - Oakland County of \$1,250,000 and Area 6 - Washtenaw County of \$63,700 for a total of \$1,313,700;**
- d. **Macomb Community Action in the amount for Area 5 - Macomb, St. Clair, and Lapeer Counties of \$872,600;**

and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Upon the approval of the Great Lakes Water Authority (GLWA) FY 2026 & FY 2027 Biennial Budget and FY 2026 charges by the Board of Directors, GLWA staff prepares an allocation of Water Residential Assistance Program funding by Service Delivery Partner GLWA. Service Delivery Partner contracts are in place, however the dollar amount of that contract is updated each year with the new WRAP funding amount based upon the approved budget. This report serves as a request for authorization to allocate FY 2026 WRAP funding by Service Delivery Partner and a request to amend the contracts for those amounts accordingly.

JUSTIFICATION

The annual WRAP budget is calculated at one-half of one percent (0.5%) of the regional system operating revenue as authorized in GLWA's founding documents. Funding the WRAP program was a condition precedent to the establishment of authority and

continues as required as part of the approved annual budget adopted by the GLWA Board of Directors.

The attached “FY 2026 Water Residential Assistance Program (WRAP) Funding Report” provides further background, analysis and calculations to support the WRAP annual budget and allocation of funding among service delivery partners and areas for FY 2026. Attachment 1 included with this Board letter summarizes those allocations by service delivery partner as requested in the proposed resolution.

BUDGET IMPACT

The GLWA Board of Directors approved the FY 2026 & FY 2027 biennial budget on February 26, 2025. These WRAP allocations were included as part of the approved budget.

COMMITTEE REVIEW

This matter was reviewed by the Audit Committee at its meeting on May 2, 2025. The Audit Committee [*insert action taken*] that the Great Lakes Water Authority Board of Directors approve the WRAP Service Delivery Partner Funding Authorization for FY 2026 and related contract amendments and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.

Attachment 1

Table 1 - FY 2026 Contract Amounts - Current Contract Alignment

Service Delivery Partner	Contract Total
Wayne Metro	
Area 1: City of Detroit (Regional Only)	\$1,251,200
Area 2: City of Flint	27,000
Area 3: Wayne County (not including Detroit), Monroe and Washtenaw Counties	1,207,700
Total Wayne Metro	\$2,485,900
United Way	
Area 4: Oakland County	\$1,250,000
Macomb Community Action	
Area 5: Macomb, Lapeer, and St. Clair Counties	\$872,600
TOTAL	\$4,608,500

Table 2 - FY 2026 Contract Amounts - Proposed Contract Alignment

Service Delivery Partner	Contract Total
Wayne Metro	
Area 1: City of Detroit (Regional Only)	\$1,251,200
Area 3: Wayne County (not including Detroit) and Monroe County	1,144,000
Total Wayne Metro	\$2,395,200
Genesee County Community Action Resource Department	
Area 2: City of Flint	\$27,000
United Way	
Area 4: Oakland County	\$1,250,000
Area 6: Washtenaw County	63,700
Total United Way	\$1,313,700
Macomb Community Action	
Area 5: Macomb, Lapeer, and St. Clair Counties	\$872,600
TOTAL	\$4,608,500

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

January 2025

**Presented to the
Great Lakes Water Authority Audit
Committee on May 2, 2025**

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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)

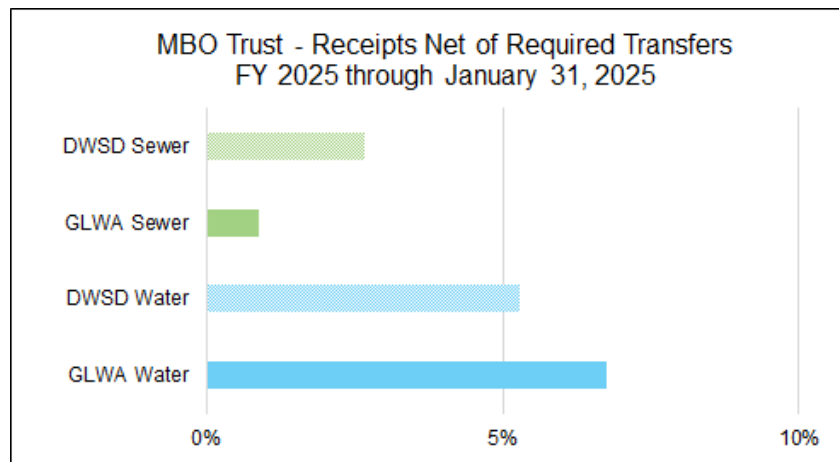
Variances are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available. Staff will include first and second quarter budget amendments currently under GLWA Board of Director review in the February 2025 monthly financial report.

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

As of January 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)	\$209.4	\$209.4	\$208.5	0%	49
Wholesale Water Billed Usage (mcf)	7,990,000	7,990,000	7,840,000	-2%	
Wholesale Sewer Billed Revenue (\$M)	\$167.2	\$167.2	\$167.2	0%	51
Wholesale Water Operations & Maintenance (\$M)	\$98.9	\$98.9	\$102.0	3%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$133.5	\$133.5	\$134.0	0%	
Investment Income (\$M)	\$13.0	\$13.0	\$30.8	138%	38
Water Prorated Capital Spend w/SRA* (\$M)	\$120.9	\$120.9	\$95.2	-21%	29
Sewer Prorated Capital Spend w/SRA* (\$M)	\$98.7	\$98.7	\$88.4	-10%	30

*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 53)



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 \$4.0 million and DWSD sewer

reports a surplus of \$4.8 million of net receipts over disbursements through January 2025.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through January 2025.
- The total overall Operations & Maintenance expenses are at 59.2% of budget through January 2025 which is above the pro-rata benchmark of 58.3%. This negative variance equates to a dollar amount of \$3.4 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 January 2025 is \$64.9 million for the Water fund (28.9% of total revenues) and \$75.4 million for the Sewer fund (25.5% of total revenues).
- Water net position increased by \$28.3 million, and sewage disposal net position increased by \$26.2 million for the year to date through January 2025.

Capital Improvement Plan Financial Summary (page 28)

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

Master Bond Ordinance Transfers (page 31)

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

Cash Balances & Investment Income (page 38)

- Total cash & investments are \$528 million for Water and \$674 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through January is \$30.8 million.

DWSD Retail Revenues, Receivables & Collections (page 42)

- Water usage through January 31, 2025 is 98.43% and revenues are 99.38% of budget.
- Sewer usage through January 31, 2025 is 95.58% and revenues are 96.80% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$51.4 million over the prior year.
- Past dues over 180 days make up of 69.9% the total accounts receivable balance. The current bad debt allowance covers 95.1% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 48)

- GLWA accounts receivable past due balance net of Dearborn is 4.57% 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 February 2024 through January 2025 are trending above the prior year.
- Average wholesale sewer collections for the period of February 2024 through January 2025 are below the prior year.

Questions? Contact the Office of the Chief Financial Officer 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 does not include the second quarter proposed FY 2025 budget amendments which were presented to the Audit Committee on March 28, 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 January 2025 the pro-rata benchmark is 58.3% (7 of 12 months of the fiscal year).

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

1. **Revenues:** For *both* systems, total revenues for FY 2025 are above the pro-rata benchmark; the *water* system is at 59.8% while the *sewer* system is at 59.3%. 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 January 31, 2025, these payments total \$3.5 million for FY 2025.

2. **Investment Earnings:** For the water system, investment earnings is above the pro-rata benchmark for FY 2025 the *water* system is at 96.7%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 104.1%. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 due to the Federal Reserve moving monetary policy to a more neutral level. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize investment income while meeting the objectives of safety and liquidity.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for the *water* system are above the pro-rata benchmark for FY 2025 at 60.1%, and the *sewer* system O&M is above the pro-rata benchmark for FY 2025 at 58.5%.
5. **Debt Service:** For FY 2025, both systems are slightly above the pro-rata benchmark for debt service; the *water* system is at 58.5% while the *sewer* system is at 58.6%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility.
7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.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 January 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 slightly below the pro-rata benchmark at 58.2%. Total revenue requirements for the sewer system is at the pro-rata benchmark at 58.3%.

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 1/31/2024	Percent Year- to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 1/31/2025	Percent Year- to-Date at 1/31/2025
Water System							
Revenues							
Wholesale Charges	\$ 328,203	\$ 197,549	60.2%	\$ 347,758	\$ 347,758	\$ 204,762	58.9%
Local System Charges	25,537	14,897	58.3%	27,095	27,095	15,805	58.3%
Investment Earnings	18,051	10,118	56.1%	9,874	9,874	9,547	96.7%
Other Revenues	943	623	66.1%	400	400	243	60.8%
Total Revenues	\$ 372,734	\$ 223,186	59.9%	\$ 385,127	\$ 385,127	\$ 230,358	59.8%
Revenue Requirements							
Operations & Maintenance Expense	\$ 168,873	\$ 90,278	53.5%	\$ 169,625	\$ 169,625	\$ 101,988	60.1%
Debt Service	162,236	95,217	58.7%	175,301	175,301	102,468	58.5%
General Retirement System Pension	1,506	1,506	100.0%	2,283	2,283	1,332	58.3%
Water Residential Assistance Program Contribution	1,852	1,080	58.3%	1,948	1,948	1,136	58.3%
Regional System Lease	22,500	13,125	58.3%	22,500	22,500	13,125	58.3%
Receiving Fund Working Capital Requirement	-	-	0.0%	6,200	6,200	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	15,768	12,593	79.9%	7,270	7,270	4,241	58.3%
Total Revenue Requirements	\$ 372,734	\$ 213,799	57.4%	\$ 385,127	\$ 385,127	\$ 224,290	58.2%
Net Difference		\$ 9,388				\$ 6,067	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 5,758				\$ 5,700	
Revenue Requirement Variance		3,630				367	
Overall Variance		\$ 9,388				\$ 6,067	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 1/31/2024	Percent Year- to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 1/31/2025	Percent Year- to-Date at 1/31/2025
Sewer System							
Revenues							
Wholesale Charges	\$ 267,879	\$ 164,195	61.3%	\$ 287,518	\$ 287,518	\$ 167,988	58.4%
Local System Charges	196,570	114,666	58.3%	205,925	205,925	120,123	58.3%
Industrial Waste Control Charges	8,560	5,072	59.3%	8,719	8,719	5,145	59.0%
Pollutant Surcharges	5,328	2,195	41.2%	5,434	5,434	2,534	46.6%
Investment Earnings	22,882	12,956	56.6%	12,356	12,356	12,868	104.1%
Other Revenues	1,130	547	48.4%	700	700	187	26.7%
Total Revenues	\$ 502,349	\$ 299,630	59.6%	\$ 520,652	\$ 520,652	\$ 308,844	59.3%
Revenue Requirements							
Operations & Maintenance Expense	\$ 224,874	\$ 123,075	54.7%	\$ 228,934	\$ 228,934	\$ 133,971	58.5%
Debt Service	230,976	135,669	58.7%	226,279	226,279	132,639	58.6%
General Retirement System Pension	3,097	3,097	100.0%	4,846	4,846	2,827	58.3%
Water Residential Assistance Program Contribution	2,503	1,460	58.3%	2,652	2,652	1,547	58.3%
Regional System Lease	27,500	16,042	58.3%	27,500	27,500	16,042	58.3%
Receiving Fund Working Capital Requirement	-	-	0.0%	2,300	2,300	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,400	14,545	108.5%	28,141	28,141	16,415	58.3%
Total Revenue Requirements	\$ 502,349	\$ 293,887	58.5%	\$ 520,652	\$ 520,652	\$ 303,441	58.3%
Net Difference		\$ 5,743				\$ 5,403	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 6,594				\$ 5,131	
Revenue Requirement Variance		(851)				272	
Overall Variance		\$ 5,743				\$ 5,403	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of January 31, 2025, is 58.3% (seven 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 1/31/2024	Percent Year- to-Date at 1/31/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 1/31/2025	Percent Year- to-Date at 1/31/2025
A Water System Operations	\$ 90,810	\$ 49,283	54.3%	\$ 94,670	\$ 94,670	\$ 54,509	57.6%
B Wastewater System Operations	146,722	82,756	56.4%	147,245	147,245	85,083	57.8%
C Centralized Services	117,468	60,664	51.6%	116,980	116,980	73,592	62.9%
D Administrative & Other Services	38,747	20,650	53.3%	39,664	39,664	22,801	57.5%
Employee Benefits	-	-	0.0%	-	-	(25)	0.0%
Total O&M Budget	\$ 393,747	\$ 213,353	54.2%	\$ 398,559	\$ 398,559	\$ 235,960	59.2%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

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

Total: In total, the overall O&M expenses are at 59.2% which is above the pro-rata benchmark of 58.3%. This negative variance equates to a dollar amount of \$3.4 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is above the pro-rata benchmark; coming in at 62.0% through January 2025.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 55.0% through January 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 57.5%. 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 55.7% which is below than the benchmark of 58.3%. This category is under review.
- **Sewage service** is lower than the benchmark, coming in at 35.1%. This category is under review.
- **Water service** is lower than the benchmark, coming in at 49.3%. This category is under review.

Chemicals: This category is higher than the benchmark; coming in at 58.8% through January 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 57.3% through January 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 higher than the pro-rata benchmark; coming in at 65.0% through January 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 37.0% through January 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 lower than the benchmark; coming in at 57.7% through January 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 1/31/2024	Percent Year-to- Date at 1/31/2024	FY 2023 ACTIVITY THRU 6/30/2024	Percent Year-to- Date at 6/30/2024	FY 2025 AMENDED BUDGET	FY 2025 PRORATED AMENDED BUDGET (7 MONTHS)	FY 2025 ACTIVITY THRU 1/31/2025	Percent Year-to- Date 1/31/2025	FY 2025 Prorated Amended Budget Less FY 2025 Activity
Entity-wide										
Salaries & Wages	\$ 77,415	\$ 44,821	57.9%	\$ 77,595	57.8%	\$ 81,644	\$ 47,626	\$ 48,080	58.9%	\$ (455)
Workforce Development	1,820	1,096	60.2%	1,949	56.2%	2,105	1,228	974	46.3%	254
Overtime	8,672	5,230	60.3%	9,171	57.0%	8,074	4,710	8,810	109.1%	(4,100)
Employee Benefits	27,869	15,524	55.7%	27,491	56.5%	30,347	17,703	18,175	59.9%	(473)
Transition Services	9,877	5,462	55.3%	9,249	59.1%	8,198	4,782	4,761	58.1%	22
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(25)	0.0%	25
<i>Personnel Costs</i>	<u>125,653</u>	<u>72,134</u>	57.4%	<u>125,455</u>	57.5%	<u>130,368</u>	<u>76,048</u>	<u>80,775</u>	62.0%	<u>(4,727)</u>
Electric	50,716	29,642	58.4%	49,805	59.5%	49,021	28,595	28,170	57.5%	425
Gas	7,767	3,819	49.2%	7,211	53.0%	7,000	4,083	3,896	55.7%	188
Sewage Service	2,538	1,328	52.3%	2,336	56.8%	2,980	1,738	1,045	35.1%	694
Water Service	12,803	6,847	53.5%	12,586	54.4%	11,602	6,768	5,715	49.3%	1,053
<i>Utilities</i>	<u>73,823</u>	<u>41,637</u>	56.4%	<u>71,939</u>	57.9%	<u>70,603</u>	<u>41,185</u>	<u>38,825</u>	55.0%	<u>2,359</u>
Chemicals	32,824	17,375	52.9%	31,075	55.9%	34,835	20,320	20,480	58.8%	(160)
Supplies & Other	45,364	22,610	49.8%	43,604	51.9%	43,539	25,398	24,930	57.3%	468
Contractual Services	120,914	62,353	51.6%	116,766	53.4%	113,871	66,424	73,963	65.0%	(7,538)
Capital Program Allocation	(2,624)	(1,377)	52.5%	(2,847)	48.4%	(4,582)	(2,673)	(1,697)	37.0%	(975)
Shared Services	(2,207)	(1,378)	62.5%	(2,281)	60.4%	(2,280)	(1,330)	(1,316)	57.7%	(14)
Unallocated Reserve	-	-	0.0%	-	0.0%	12,205	7,120	-	0.0%	7,120
Total Expenses	<u>\$ 393,747</u>	<u>\$ 213,353</u>	54.2%	<u>\$ 383,711</u>	55.6%	<u>\$ 398,559</u>	<u>\$ 232,493</u>	<u>\$ 235,960</u>	59.2%	<u>\$ (3,467)</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 January 31, 2025
(\$000)

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2024
Assets				
Cash - unrestricted (a)	\$ 173,151	\$ 254,054	\$ 427,205	\$ 443,799
Cash - restricted (a)	108,055	130,489	238,544	662,614
Investments - unrestricted (a)	121,526	137,983	259,510	175,045
Investments - restricted (a)	104,779	174,310	279,089	108,102
Accounts Receivable	82,401	54,729	137,130	135,263
Due from (to) Other Funds (b)	33,314	(33,314)	-	-
Other Assets (c)	635,611	382,135	1,017,745	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,227,501	1,849,235	3,076,736	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	508,684	424,768	933,452	752,481
Total assets	3,288,646	3,501,206	6,789,851	6,924,804
Deferred Outflows (f)	24,952	50,961	75,913	89,954
Liabilities				
Liabilities - Liabilities-ST	228,372	244,406	472,777	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,518	6,295	8,812	7,500
Cash Held FBO DWSD (d)	32,235	40,377	72,613	58,147
Liabilities - Long-Term (i)	3,071,809	3,249,049	6,320,858	6,468,572
Total liabilities	3,334,934	3,540,126	6,875,060	7,071,818
Deferred Inflows (f)	61,522	65,118	126,640	133,364
Total net position (j)	\$ (82,857)	\$ (53,078)	\$ (135,935)	\$ (190,425)
<i>Totals may be off due to rounding</i>				

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

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

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at market value. Investments at June 30, 2024 are also reported at market value. The January 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, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

Statement of Revenues, Expenses and Changes in Net Position

– All Funds Combined

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

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

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

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
Revenue						
Wholesale customer charges	\$ 208,226	92.8%	\$ 167,988	56.8%	\$ 376,214	\$ 599,569
Local system charges	15,805	7.0%	120,123	40.6%	135,928	222,107
Industrial waste charges	-	0.0%	5,145	1.7%	5,145	8,617
Pollutant surcharges	-	0.0%	2,534	0.9%	2,534	4,089
Other revenues	238	0.1%	187	0.1%	425	1,149
Total Revenues	224,270	100.0%	295,977	100.0%	520,247	835,531
Operating expenses						
Operations and Maintenance	101,078	45.1%	132,793	44.9%	233,871	376,757
Depreciation	55,509	24.8%	86,822	29.3%	142,331	265,044
Amortization of intangible assets	2,808	1.3%	984	0.3%	3,793	4,837
Total operating expenses	159,396	71.1%	220,600	74.5%	379,996	646,638
Operating Income	64,874	28.9%	75,377	25.5%	140,251	188,893
Total Nonoperating (revenue) expense	36,600	16.3%	49,162	16.6%	85,762	147,736
Increase/(Decrease) in Net Position	28,274	12.6%	26,216	8.9%	54,489	41,157
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
Net position (deficit), end of year	\$ (82,857)		\$ (53,078)		\$(135,935)	\$ (190,425)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$28.3 million.
- ✓ Wholesale water customer charges of \$208.2 million account for 92.8% of Water System revenues.
- ✓ Operating expenses of \$159.4 million represent 71.1% of total operating revenue. Depreciation is the largest operating expense at \$55.5 million or 34.8% 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 \$64.9 million or 28.9% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$52.1 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$26.2 million.
- ✓ Wholesale customer charges of \$168.0 million account for 56.8% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$120.1 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$220.6 million represent 74.5% of total operating revenue. Depreciation is the largest operating expense at \$86.8 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 \$75.4 million or 25.5% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$60.2 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 January 2025 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Seven Months ended January 31, 2025
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	16,600	16.4%	37,216	28.0%	53,815	23.0%
Overtime	5,900	5.8%	2,909	2.2%	8,810	3.8%
Employee Benefits	12,829	12.7%	5,321	4.0%	18,150	7.8%
Total Personnel	\$ 35,329	35.0%	\$ 45,446	34.2%	\$ 80,775	34.5%
Utilities						
Electric	17,696	17.5%	10,474	7.9%	28,170	12.0%
Gas	604	0.6%	3,292	2.5%	3,896	1.7%
Sewage	317	0.3%	727	0.5%	1,045	0.4%
Water	18	0.0%	5,697	4.3%	5,715	2.4%
Total Utilities	\$ 18,635	18.4%	\$ 20,191	15.2%	\$ 38,825	16.6%
Chemicals	8,105	8.0%	12,376	9.3%	20,481	8.8%
Supplies and other	8,253	8.2%	15,785	11.9%	24,037	10.3%
Contractual services	32,388	32.0%	41,529	31.3%	73,917	31.6%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(901)	-0.9%	(796)	-0.6%	(1,697)	-0.7%
Intergovernmental Agreement	178	0.2%	(1,329)	-1.0%	(1,151)	-0.5%
Shared Services allocation	(908)	-0.9%	(408)	-0.3%	(1,316)	-0.6%
Operations and Maintenance Expenses	\$ 101,078	100.0%	\$ 132,793	100.0%	\$ 233,871	100.0%
<i>Totals may be off due to rounding</i>						

- ✓ Core expenses for water and sewage disposal systems are utilities (16.6% of total O&M expenses) and chemicals (8.8% of total O&M expenses).
- ✓ Personnel costs (34.5% 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 (31.6%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$3.0 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$10.3 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 Seven Months ended January 31, 2025

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (13,542)	\$ (8,794)	\$ (22,336)	\$ (39,855)
Investment earnings	(13,313)	(17,569)	(30,882)	(59,786)
Net (incr) decr in fair value of invstmt	(621)	(1,045)	(1,667)	(2,068)
Other nonoperating revenue	(5)	(1,399)	(1,404)	(9,405)
Interest Expense				
Bonded debt	65,597	68,982	134,579	236,892
Lease obligation	9,539	11,658	21,197	36,780
Other obligations	2,094	953	3,046	5,286
	<u>77,229</u>	<u>81,593</u>	<u>158,822</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	(1,849)	-	(1,849)	(40,432)
Amortization, issuance costs, debt	(12,605)	(5,874)	(18,479)	4,155
(Gain) loss on disposal of capital assets	(7)	(3)	(10)	2,694
Loss on impairment of capital assets	-	-	-	-
Discontinued Capital Projects	-	-	-	-
Water Residential Assistance Program	229	310	539	6,772
Legacy pension expense	1,085	1,942	3,026	6,703
Total Nonoperating (Revenue)/Expense	<u>\$ 36,600</u>	<u>\$ 49,162</u>	<u>\$ 85,762</u>	<u>\$ 147,736</u>

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.

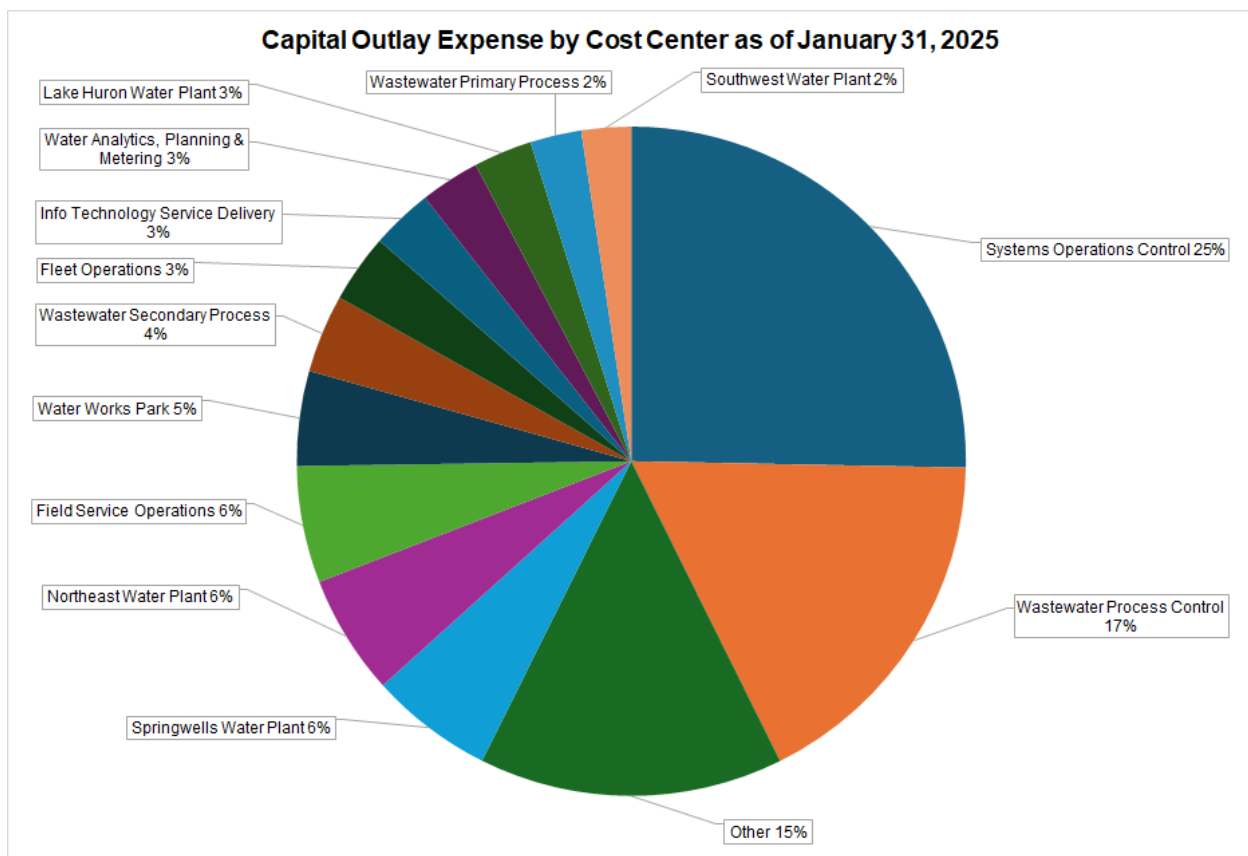
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to 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 (\$1.8m) grant revenue for the Water system.
- ✓ The FY 2024 capital contribution in Nonoperating (revenue) expense represents ARPA (\$33.9m), FEMA (\$1.9m) and other (\$3.6m) 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 January 31, 2025, total capital outlay spend is \$12.0 million. Following this chart is a sample list of projects and purchases from the total spend of \$12.0 million.



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

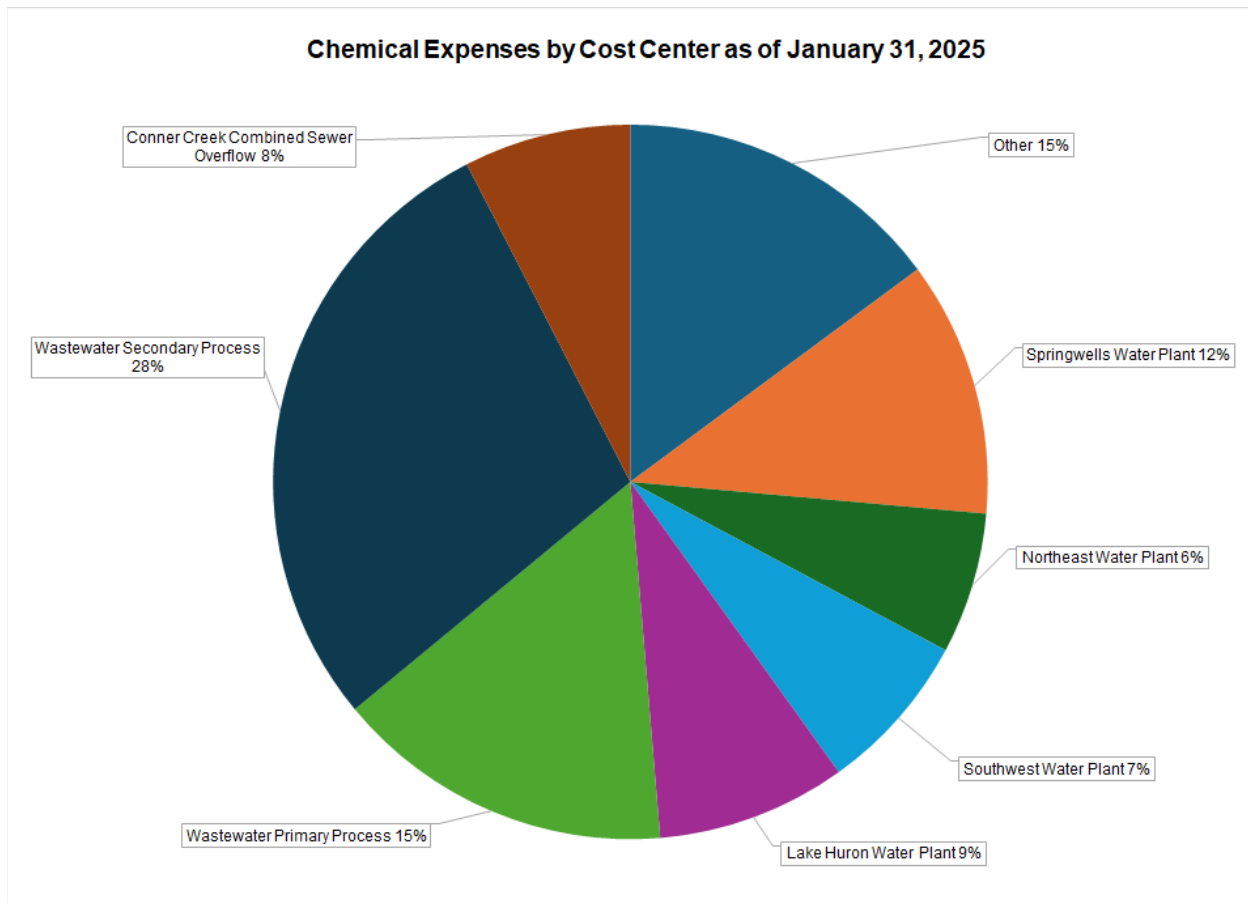
Water Operations: Ovation/power supply upgrade (\$595k); ozonation pilot module (\$347k); fluid heater (\$189k); lead removal and disposal (\$185k); granular media filtration pilot plant (\$171k); aluminum sludge processing facilities (\$105k); drive unit (\$99k); Northeast water plant furniture (\$92k); above ground storage tank (\$75k) and hydraulic drive unit (\$65k).

Wastewater Operations: Ovation upgrade and cabinet replacement (\$4.8m); ferric chloride buffering (\$453k); Bluehill pump station ovation upgrade (\$168k); scum hopper pump (\$155k); Fischer pump station ovation upgrade (\$155k); Conner Creek CSO equipment plus installation (\$123k); Baby Creek CSO equipment plus installation (\$114k); Woodmere elevator modernization (\$80k) and chopper pump (\$59k).

Centralized & Administrative Facilities: Pump stations ovation upgrade (\$641k); trucks and vehicles (\$371k); computer hardware and software (\$358k); system level sensors (\$356k); sewer meter support (\$166k); database support (\$136k); Water Works Park furniture (\$94k) and flow meter verification tool (\$76k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

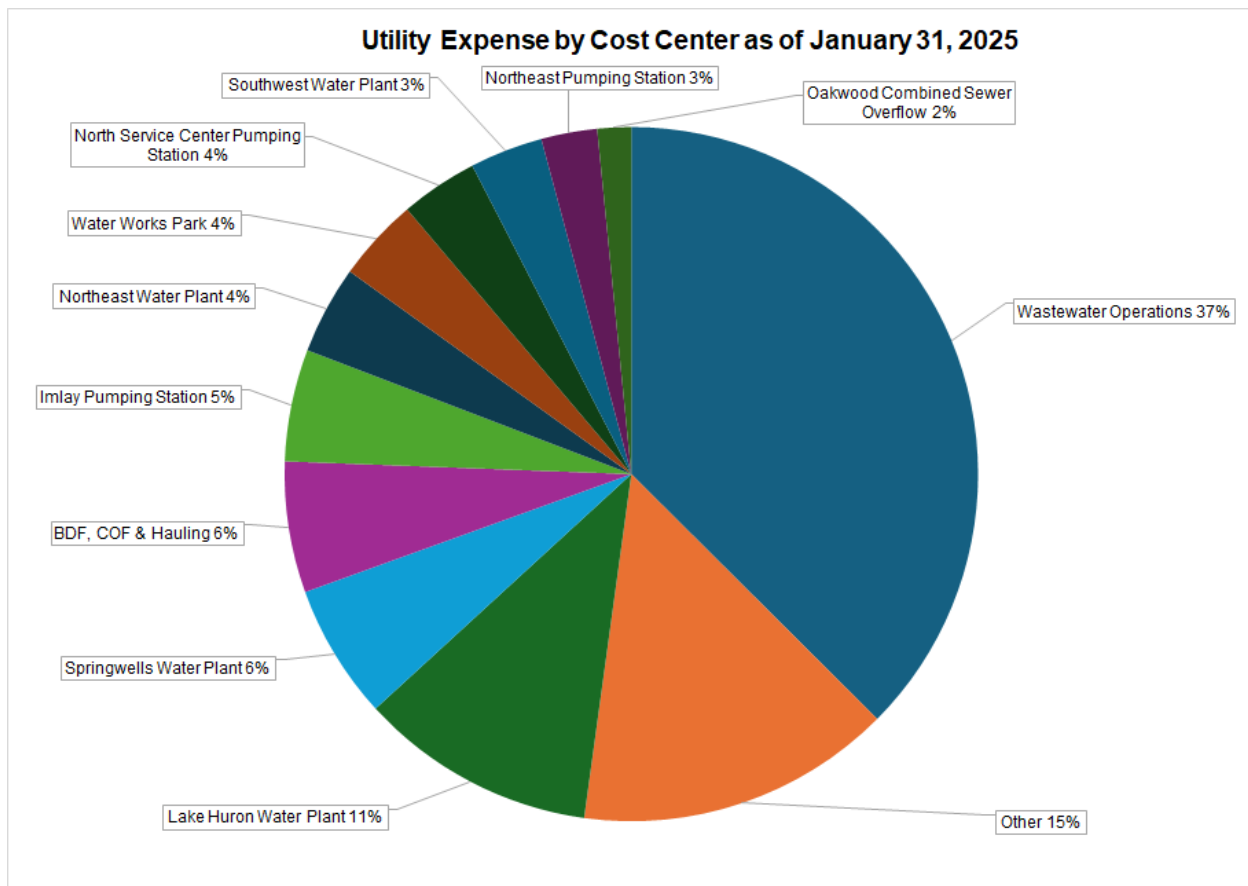
Chemical expenses are \$20.5 million through January 31, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



Note: “Other” includes Combined Sewer Overflow (CSO), portions of the Wastewater process and two departments from Water. Due to rounding totals may not equal 100%.

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$38.8 million through January 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 January 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

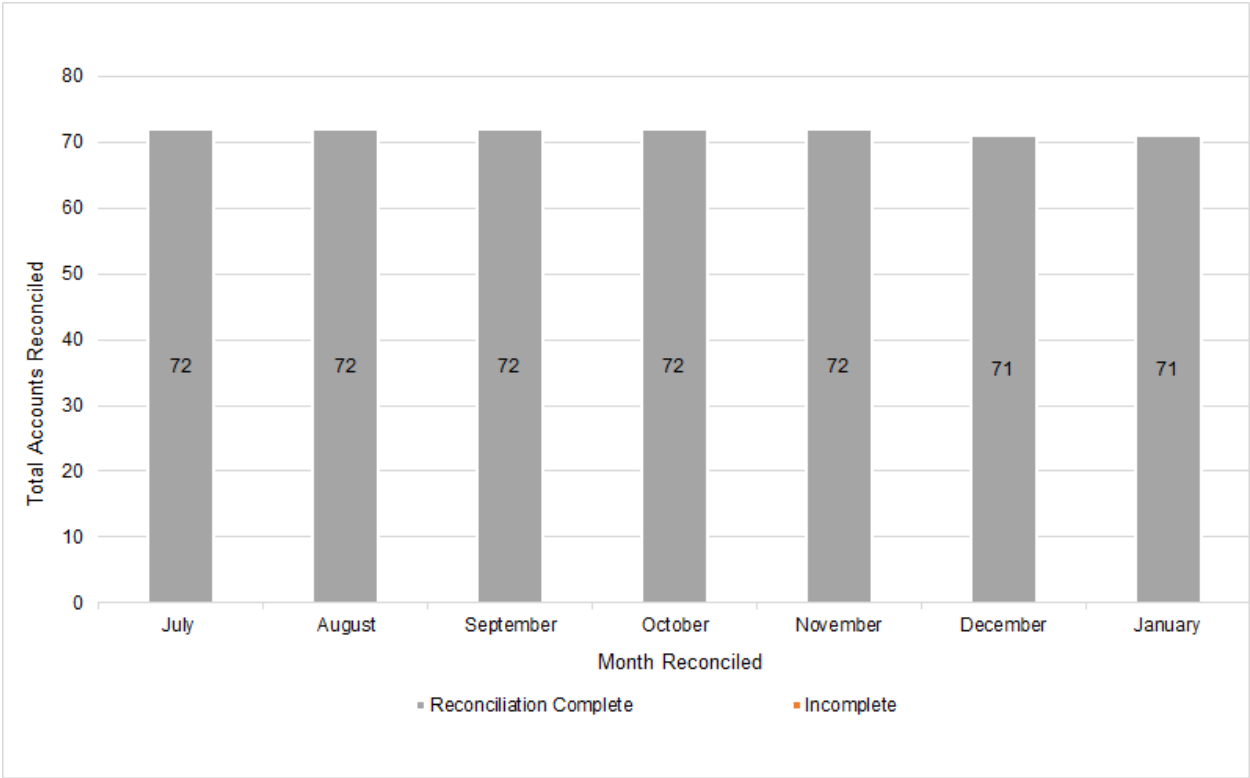


Table 1 – Fiscal Year 2025 GL Cash Account Rollforward

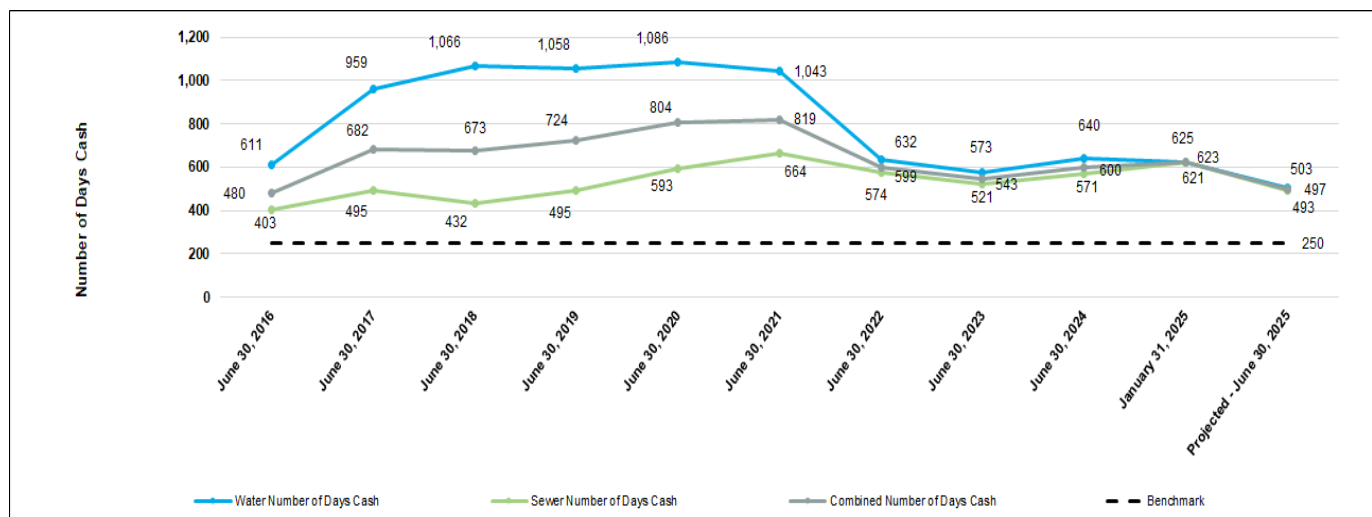
Total GL Cash accounts as of July 1, 2024	72
New GL Cash accounts	0
Inactivated GL Cash accounts (Dec 2024)	(1)
Total GL Cash accounts as of January 31, 2025	71

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 621 and Sewer at 625 days cash on hand as of January 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	January 31, 2025	Projected June 30, 2025
Water Fund			
Cash and Investments - Unrestricted	276,591,000	294,677,000	238,600,000
Operating Expense			
Operating Expense (a)	272,172,000	153,295,000	262,792,000
Less: Depreciation (a)	(110,557,000)	(50,186,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(2,081,000)	(3,567,000)
Net Operating Expense	157,633,000	101,028,000	173,192,000
Operating Expense per Day	432,000	474,000	474,000
Days Cash			
Number of Days Cash	640	621	503
Sewage Disposal Fund			
Cash and Investments - Unrestricted	342,253,000	392,038,000	309,000,000
Operating Expense			
Operating Expense (a)	374,287,000	217,078,000	372,134,000
Less: Depreciation (a)	(154,486,000)	(83,533,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	218,946,000	133,545,000	228,934,000
Operating Expense per Day	600,000	627,000	627,000
Days Cash			
Number of Days Cash	571	625	493
Combined			
Cash and Investments - Unrestricted	618,844,000	686,715,000	547,600,000
Operating Expense			
Operating Expense (a)	646,460,000	370,373,000	634,926,000
Less: Depreciation (a)	(265,044,000)	(133,719,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(2,081,000)	(3,567,000)
Net Operating Expense	376,579,000	234,573,000	402,126,000
Operating Expense per Day	1,032,000	1,102,000	1,102,000
Days Cash			
Number of Days Cash	600	623	497
<i>Totals may be off due to rounding</i>			

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



The monthly 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 based on an accrual basis
- O&M Legacy Pension Allocation (includes administrative fee) and Accelerated Legacy Pension Allocation (includes B&C notes obligation) based on a cash basis
- Debt Service Allocation based on a cash set aside basis to provide the cash for the debt payments on the due dates
- Lease payments based on a cash basis
- Water Residential Assistance Program based on a percentage of budgeted revenue
- Regional System Improvement & Extension Fund Allocation 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 Seven Months Ended January 31, 2025

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 6,068	\$ 5,403	\$ 11,471
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	368	658	1,026
Prior year pension contribution accounted for in current year (d)	(1,085)	(1,942)	(3,027)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	50,413	72,451	122,864
Accelerated pension B&C notes obligation portion (g)	585	1,317	1,902
Regional System lease (h)	3,586	4,384	7,970
GASB 87 & GASB 96 adjustments (h)	870	1,109	1,978
WRAP (i)	907	1,237	2,144
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	4,241	16,415	20,656
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(58,317)	(87,806)	(146,123)
Amortization - debt related (k)	12,605	5,874	18,479
Other nonoperating income (k)	-	1,399	1,399
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	7	3	10
Raw water rights obligation (l)	1,790	-	1,790
Investment earnings for construction fund (m)	3,766	4,700	8,466
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	621	1,045	1,666
Improvement & extension fund operating expenses (p)	-	(30)	(30)
Capital Contribution (q)	1,849	-	1,849
Net Position Increase/(Decrease) per Financial Statements (b)	<u>\$ 28,274</u>	<u>\$ 26,216</u>	<u>\$ 54,490</u>

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 (\$1.2m) grant revenue for the Water 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 January 2025, the water system incurred \$95 million of construction costs to date. This spend represents 79% of the original, Board-approved CIP, and 79% 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

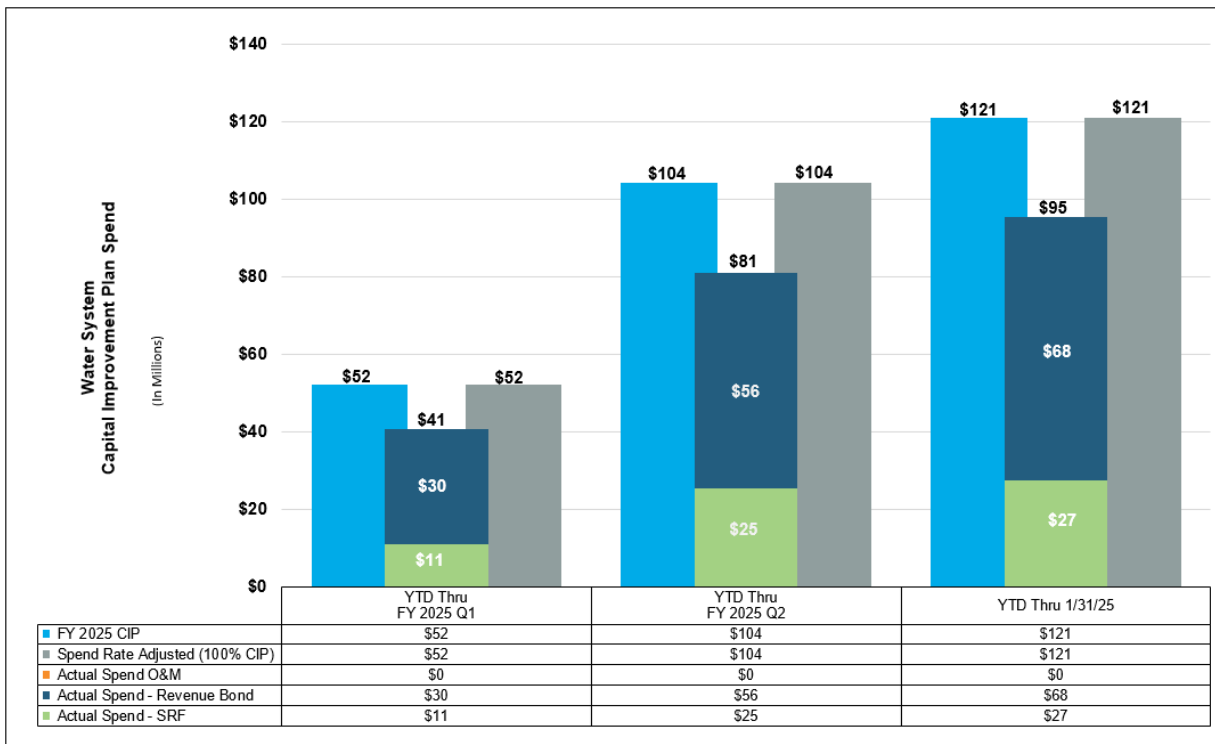
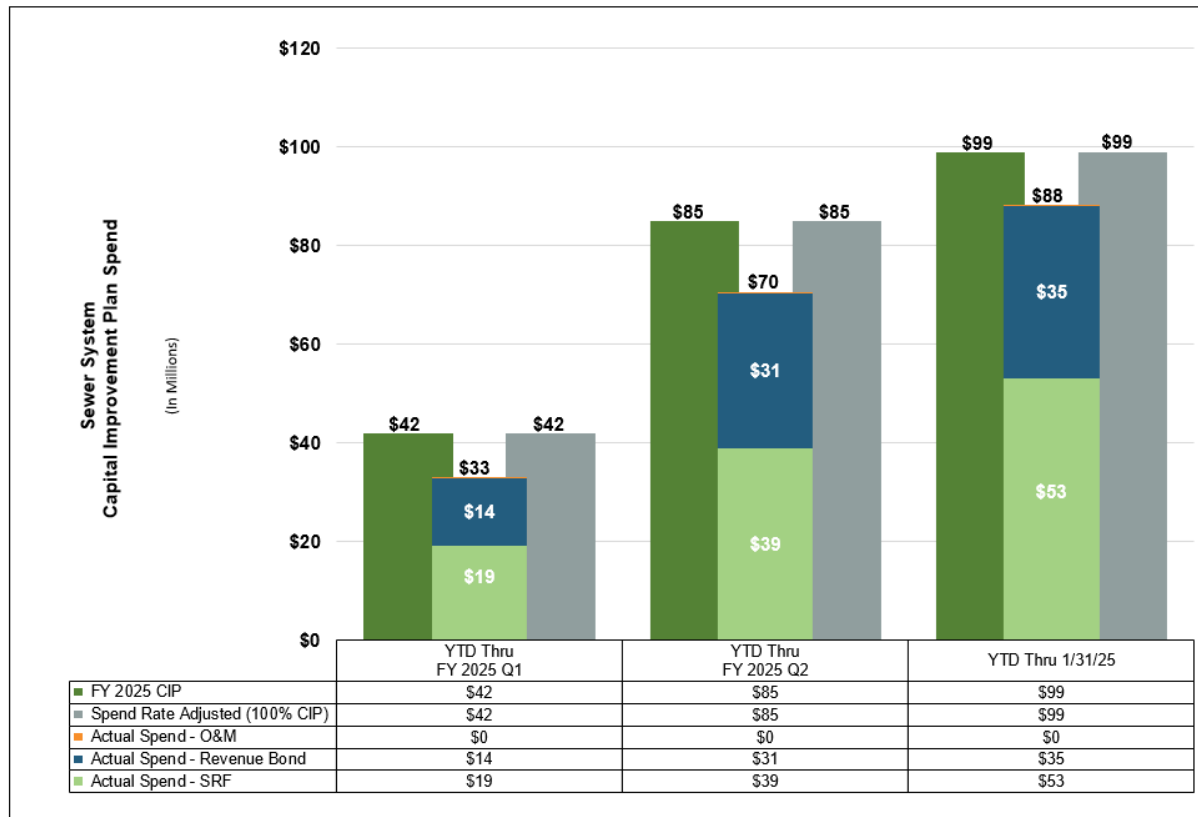


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of January 2025, the Sewer system incurred \$88 million of construction costs to date. This spend represents 89% of the original, Board-approved CIP, and 89% 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 January 2025. MBO transfers for water totaling \$102.9 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through January 2025. MBO transfers for sewer totaling \$139.5 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							
March 2025							
April 2025							
May 2025							
June 2025							
Total FY 2025	\$ 98,947,919	\$ -	\$ 2,272,494	\$ 1,653,812	\$ -	\$ -	\$ 102,874,225

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							
March 2025							
April 2025							
May 2025							
June 2025							
Total FY 2025	\$133,544,831	-	\$ 3,573,612	\$ 2,341,443	\$ -	\$ -	\$ 139,459,886

Table 3 – GLWA MBO Transfer History

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$ 71,052,000	\$ 6,037,100	\$ 10,297,200	\$ 1,983,300	\$ 2,326,900	\$ 606,000	\$ 92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000	178,303,200
Total FY 2024	168,873,100	-	2,568,700	2,710,200	-	2,836,000	176,988,000
Total FY 2025 (year to date)	98,947,919	-	2,272,494	1,653,812	-	-	102,874,225
Life to Date	\$ 1,255,526,831	\$ 48,362,300	\$ 89,609,769	\$ 21,938,316	\$ 2,686,900	\$ 5,642,000	\$ 1,423,766,116

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)	133,544,831	-	3,573,612	2,341,443	-	-	139,459,886
Life to Date	\$ 1,777,554,423	\$ 86,620,800	\$ 123,665,521	\$ 31,181,541	\$ 8,396,100	\$ 779,600	\$ 2,028,197,985

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 January 2025. MBO transfers for Water totaling \$40.9 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 January 2025. MBO transfers for Sewer totaling \$50.3 million have been transferred to accounts held by DWSD.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 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				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment (I&E Fund)	<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				
March 2025				
April 2025				
May 2025				
June 2025				
Total FY 2025	\$ 27,793,619	-	\$ 13,125,000	\$ 40,918,619

Table 5 – DWSD FY 2025 Sewer MBO Transfers

SEWER				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment (I&E Fund)	<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				
March 2025				
April 2025				
May 2025				
June 2025				
Total FY 2025	\$ 34,229,650	-	\$ 16,041,669	\$ 50,271,319

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	27,793,619	-	13,125,000	40,918,619
Offset to Debt Service	-	-	-	-
Total MBO Transfer	27,793,619	-	13,125,000	40,918,619
Life-to-Date				
MBO/Lease Requirement	345,963,323	34,157,100	215,625,000	595,745,423
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	\$ 345,963,323	\$ 34,157,100	\$ 183,777,100	\$ 563,897,523

* 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	34,229,650	-	16,041,669	50,271,319
Offset to Debt Service	-	-	-	-
Total MBO Transfer	34,229,650	-	16,041,669	50,271,319
Life-to-Date				
MBO/Lease Requirement	513,487,762	22,859,800	263,541,673	798,967,688
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	\$ 506,387,762	\$ 22,859,800	\$ 211,761,012	\$ 741,008,574

* 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

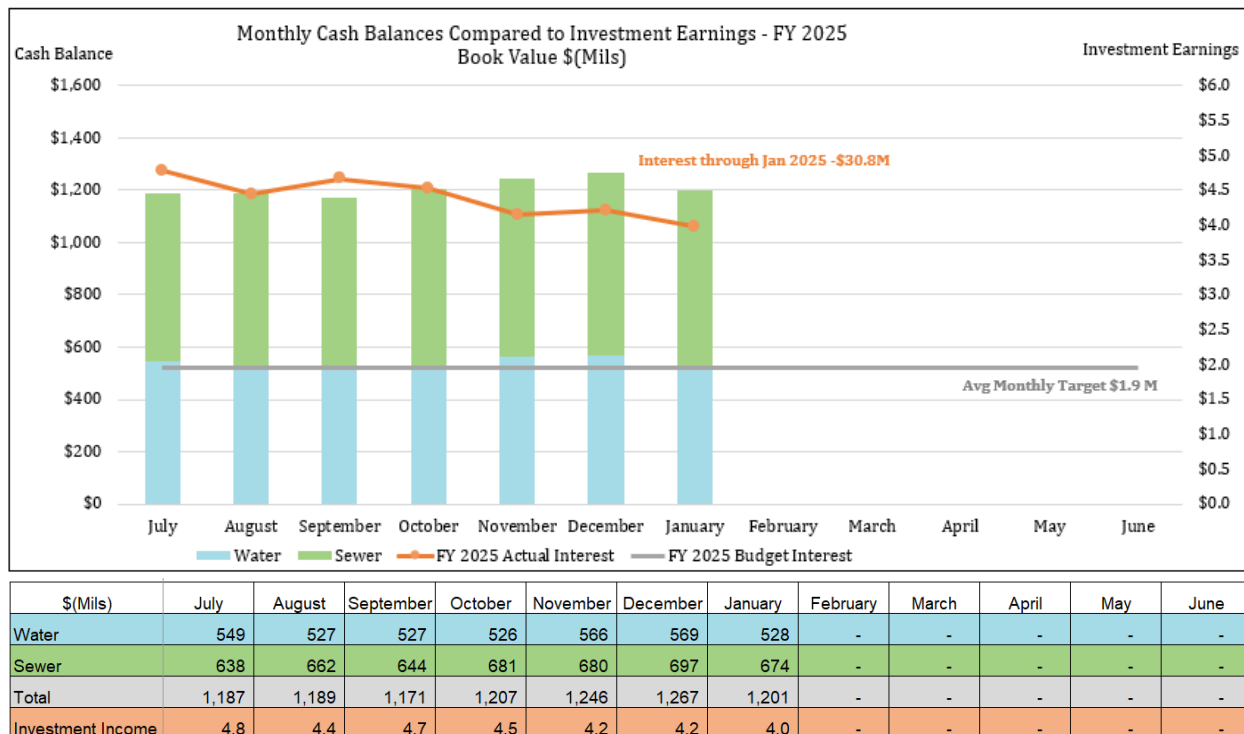
Monthly Cash Balances Compared to Investment Income

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 January 2025, GLWA earned investment income of \$4.0 million and cumulative FY 2025 earnings through January 2025 of \$30.8 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through January 2025



All amounts are unaudited unless otherwise noted.

GLWA Audit Committee May 2, 2025

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:

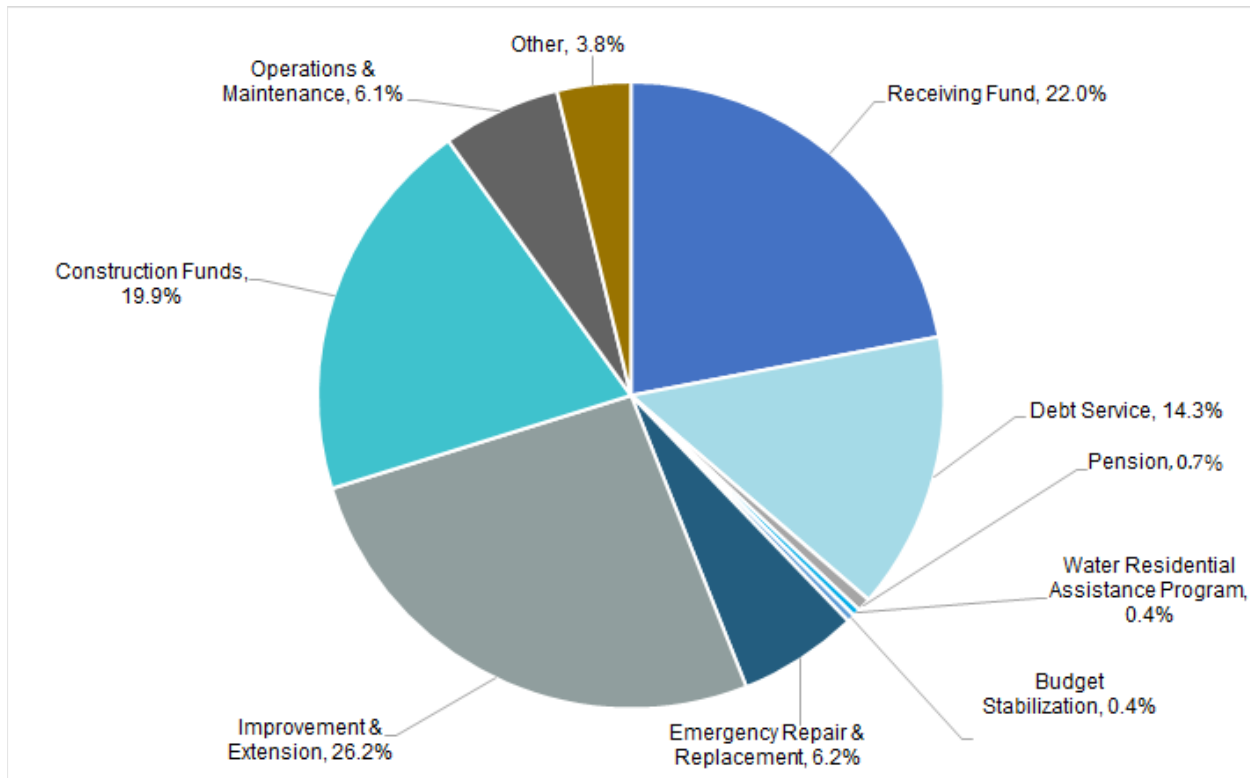
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 January 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 January 2025 is \$528 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 January 2025

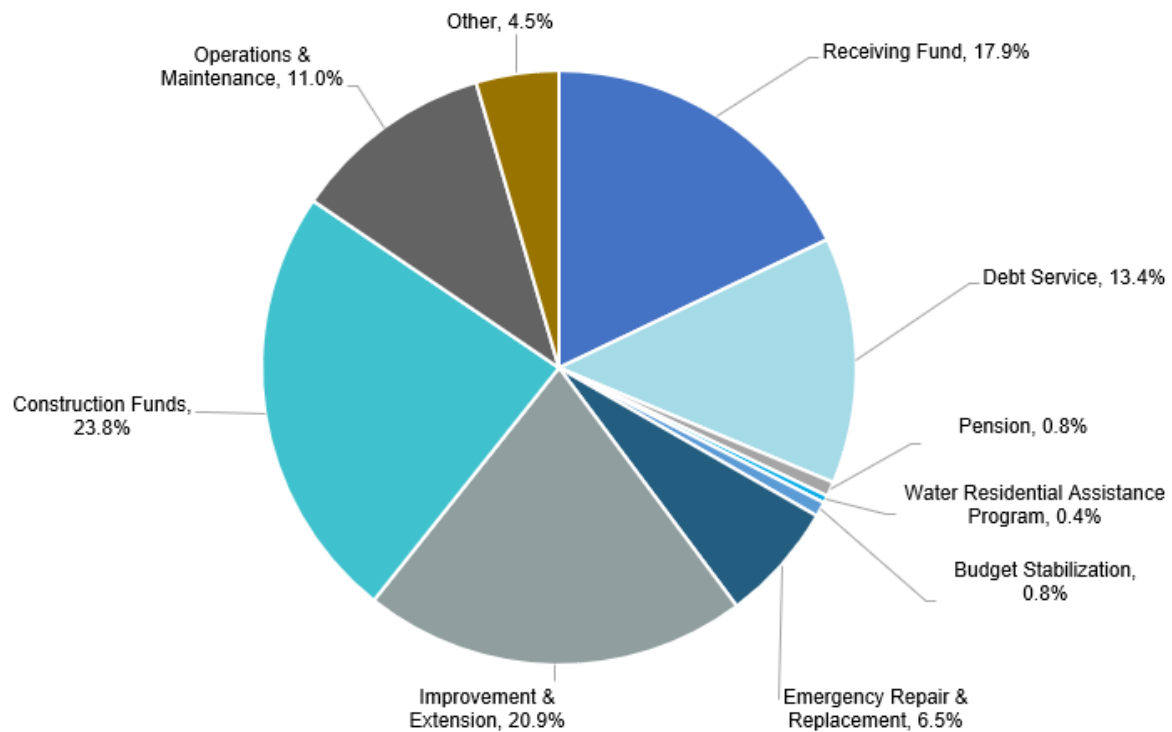


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of January 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 January 2025 is \$674 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 January 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 January 31, 2025, the DWSD usage was at 98.43% of the budget and billed revenue was at 99.38% of budget.

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

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

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	241,000	12,395,932	226,703	11,590,136	(14,297)	(805,796)	248,307	12,606,397
August	261,000	13,459,400	240,621	12,171,324	(20,379)	(1,288,076)	255,079	12,913,867
September	248,000	12,773,235	238,868	12,205,143	(9,132)	(568,092)	214,796	11,119,261
October	212,000	10,944,671	216,527	11,222,004	4,527	277,333	222,909	11,409,427
November	208,000	10,711,071	212,832	11,115,046	4,832	403,975	210,687	10,898,684
December	198,000	10,200,009	212,252	11,100,382	14,252	900,373	214,139	11,246,818
January	195,000	10,077,416	190,716	10,661,000	(4,284)	583,584	224,414	11,263,184
February	207,000	10,656,080					225,042	11,774,408
March	201,000	10,347,960					206,204	11,096,805
April	203,000	10,437,186					213,950	10,552,343
May	193,000	9,948,001					214,474	10,667,783
June	211,000	10,879,139					226,703	10,637,883
Total	2,578,000	132,830,100	1,538,519	80,065,035	(24,481)	(496,699)	2,676,703	136,186,859
<i>Subtotals ytd</i>	<i>1,563,000</i>	<i>80,561,734</i>	<i>1,538,519</i>	<i>80,065,035</i>	<i>(24,481)</i>	<i>(496,699)</i>		
<i>Achievement of Budget</i>			<i>98.43%</i>	<i>99.38%</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
February	8,996,740	8,244,713	752,027	9.12%
March	15,842,538	10,417,832	5,424,705	52.07%
April	13,840,518	9,417,449	4,423,069	46.97%
May	5,960,146	12,162,719	(6,202,573)	-51.00%
June	9,045,195	13,467,858	(4,422,663)	-32.84%
July	12,645,121	5,943,286	6,701,835	112.76%
August	10,203,737	11,794,131	(1,590,394)	-13.48%
September	10,837,378	9,790,065	1,047,313	10.70%
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%
Rolling, 12-Month Total	129,266,819	123,792,291		
Rolling, 12-Month Average	10,772,235	10,316,024		

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 January 31, 2025, the DWSD usage was at 95.58% of the budget and billed revenue was at 96.80% 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					179,551	27,455,737
March	166,000	27,448,400					165,992	26,725,597
April	169,000	27,639,700					179,514	26,737,898
May	166,000	27,458,600					170,754	26,225,089
June	175,000	27,995,600					173,084	26,149,588
Total	2,165,000	339,665,600	1,253,947	194,601,007	(58,053)	(6,436,793)	2,165,240	327,310,189
Subtotals ytd	1,312,000	201,037,800	1,253,947	194,601,007	(58,053)	(6,436,793)		
Achievement of Budget/Goal			95.58%	96.80%				

(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
February	24,230,304	23,867,073	363,230	1.52%
March	26,438,687	30,697,464	(4,258,777)	-13.87%
April	23,532,381	21,542,671	1,989,710	9.24%
May	22,487,372	24,419,561	(1,932,189)	-7.91%
June	20,945,929	23,769,626	(2,823,696)	-11.88%
July	36,297,569	32,379,222	3,918,346	12.10%
August	22,591,511	25,391,891	(2,800,380)	-11.03%
September	22,367,425	23,489,448	(1,122,023)	-4.78%
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%
Rolling 12-Month Total	298,062,684	302,617,327		
Rolling, 12-Month Average	24,838,557	25,218,111		

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 January 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 January 31, 2025 with comparative totals from January 31, 2025. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of January 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	38,352,000	324,867,000	(249,922,000)	74,944,000	59
Jan 31, 2025 (2)	38,352,000	348,940,000	(285,229,000)	63,712,000	50
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.

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	966.05	14,147,000 6.6%	9,227,000 4.3%	36,850,000 17.2%	154,294,000 71.9%	214,518,000 100.0%
Commercial	1,249.96	7,194,000 26.8%	2,323,000 8.6%	6,600,000 24.6%	10,744,000 40.0%	26,860,000 100.0%
Industrial	3,391.09	4,696,000 37.7%	780,000 6.3%	2,559,000 20.6%	4,416,000 35.5%	12,452,000 100.0%
Tax Exempt	688.16	540,000 20.5%	159,000 6.0%	675,000 25.7%	1,253,000 47.7%	2,627,000 100.0%
Government	494.66	3,071,000 14.9%	4,122,000 20.0%	2,932,000 14.2%	10,528,000 51.0%	20,652,000 100.0%
Drainage	581.07	1,871,000 7.2%	613,000 2.4%	4,851,000 18.7%	18,619,000 71.7%	25,953,000 100.0%
Subtotal - Active Accounts	898.10	31,518,000 10.4%	17,223,000 5.7%	54,467,000 18.0%	199,854,000 65.9%	303,063,000 100.0%
Inactive Accounts	121.01	67,000 0.1%	128,000 0.3%	1,572,000 3.4%	44,111,000 96.1%	45,878,000 100.0%
Total	486.95	31,585,000	17,352,000	56,039,000	243,965,000	348,940,000
% of Total A/R		9.1%	5.0%	16.1%	69.9%	100.0%
Water Fund	105.82	8,976,000	4,379,000	14,445,000	48,026,000	75,827,000
Sewer Fund	381.13	22,608,000	12,973,000	41,594,000	195,939,000	273,113,000
Total Jan 31, 2025 (a)	486.95	31,585,000	17,352,000	56,039,000	243,965,000	348,940,000
Water Fund- Allowance						(55,814,000)
Sewer Fund- Allowance						(229,415,000)
Total Bad Debt Allowance						(285,229,000)
Comparative - Jan 2024 (b)	520.73	32,012,000	15,942,000	51,187,000	198,360,000	297,500,000
Difference (a) - (b)		(427,000)	1,410,000	4,852,000	45,606,000	51,440,000



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

Service Arrangement Type

Model Contract	85
Emergency	0
Older Contracts	2
Total	<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 January 31, 2025, the billed usage was at 98.11% of the original plan and billed revenue at 99.53% 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 above the prior year for the twelve-month period ending January 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	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	1,471,701	33,806,600	1,347,527	32,449,201	(124,174)	(1,357,399)	1,396,012	31,956,320
2 August	1,378,066	32,779,600	1,297,169	31,977,986	(80,897)	(801,614)	1,295,617	30,947,078
3 September	1,252,529	31,226,000	1,315,030	32,104,405	62,501	878,405	1,212,814	29,862,077
4 October	1,040,750	28,617,400	1,051,234	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					877,428	26,143,840
9 March	946,913	27,587,200					930,938	26,675,356
10 April	904,594	27,235,000					886,646	26,342,756
11 May	1,122,987	29,809,800					1,101,158	28,684,891
12 June	1,440,113	33,505,700					1,313,310	31,043,002
Total	13,274,190	354,409,800	7,839,732	208,445,797	(150,625)	(986,303)	12,890,005	340,129,187
Subtotals ytd	7,990,357	209,432,100	7,839,732	208,445,797	(150,625)	(986,303)		
<i>Achievement of Original Plan</i>			98.11%	99.53%				

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

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

(3) Water Revenues differ from Table 1A because amounts are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract in Table 1A

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
February	29,100,065	26,553,529	2,546,536	9.59%
March	24,740,554	26,074,213	(1,333,659)	-5.11%
April	26,856,179	20,940,451	5,915,728	28.25%
May	25,838,255	29,265,308	(3,427,053)	-11.71%
June	24,182,036	29,370,704	(5,188,669)	-17.67%
July	30,278,936	22,645,008	7,633,928	33.71%
August	25,054,796	36,275,672	(11,220,876)	-30.93%
September	31,569,804	29,955,755	1,614,049	5.39%
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%
Rolling 12-Month Total	339,205,949	335,883,687		
Rolling, 12-Month Average	28,267,162	27,990,307		

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 January 31, 2025 the billed revenue is at 100.00% of the original plan.

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

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

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending below the twelve-month period ending January 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		N/A		N/A	23,494,800
9 March	N/A	23,883,900	N/A		N/A		N/A	23,494,800
10 April	N/A	23,883,900	N/A		N/A		N/A	23,494,800
11 May	N/A	23,883,900	N/A		N/A		N/A	23,494,800
12 June	N/A	23,883,900	N/A		N/A		N/A	23,494,800
Total		286,606,800		167,187,300		-		281,937,600
<i>Subtotals ytd</i>		167,187,300		167,187,300		-		
<i>Achievement of Original Plan</i>				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
February	27,856,400	33,102,769	(5,246,369)	-15.85%
March	23,460,900	23,746,469	(285,569)	-1.20%
April	18,685,600	17,769,710	915,890	5.15%
May	28,363,300	18,213,966	10,149,334	55.72%
June	23,300,100	38,287,549	(14,987,449)	-39.14%
July	18,438,961	22,331,831	(3,892,870)	-17.43%
August	13,987,797	22,377,366	(8,389,569)	-37.49%
September	25,450,281	18,770,419	6,679,862	35.59%
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%
Rolling 12-Month Total	274,323,163	288,134,948		
Rolling, 12-Month Average	22,860,264	24,011,246		

Wholesale Water & Sewer Accounts Receivable Aging Report

The detailed accounts receivable aging is in the Appendix to this monthly report. This report reflects the wholesale receivables only and does not include DWSD.

Table 5 - Wholesale Accounts Receivable Aging Report Summary is a summary of the total, current and non-current receivables by category as of January 31, 2025.

Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn is the same summary *without* the past due balances for the Dearborn. Ten water accounts comprise the past due balances reported. Nine accounts reflect a combined past due balance of \$1.9 million which was fully paid in February. The remaining past due account of \$121,000 made progress toward their past due balance in March. GLWA staff continues to work with the community to become current with their balance.

All Sewer accounts are current during this period. The IWC past due balance reflects three accounts totaling \$18,000 fully paid by the end of January. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	39,320,752	29,577,320	1,954,290	185,262	64,167	7,539,712
Sewer	14,174,114	14,174,114	-	-	-	-
IWC	446,061	427,785	5,818	5,818	-	6,640
Pollutant	517,356	415,726	57,942	20,480	11,352	11,856
Total	54,458,283	44,594,946	2,018,051	211,560	75,519	7,558,208
	100.00%	81.89%	3.71%	0.39%	0.14%	13.88%

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

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	31,460,206	29,448,987	1,890,123	121,096	-	-
Sewer	14,174,114	14,174,114	-	-	-	-
IWC	446,061	427,785	5,818	5,818	-	6,640
Pollutant	517,356	415,726	57,942	20,480	11,352	11,856
Total	46,597,737	44,466,612	1,953,884	147,393	11,352	18,496
	100.00%	95.43%	4.19%	0.32%	0.02%	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 flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

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

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects seven months of activity to date.

Water fund receipts exceeded required disbursements by 7% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2020.

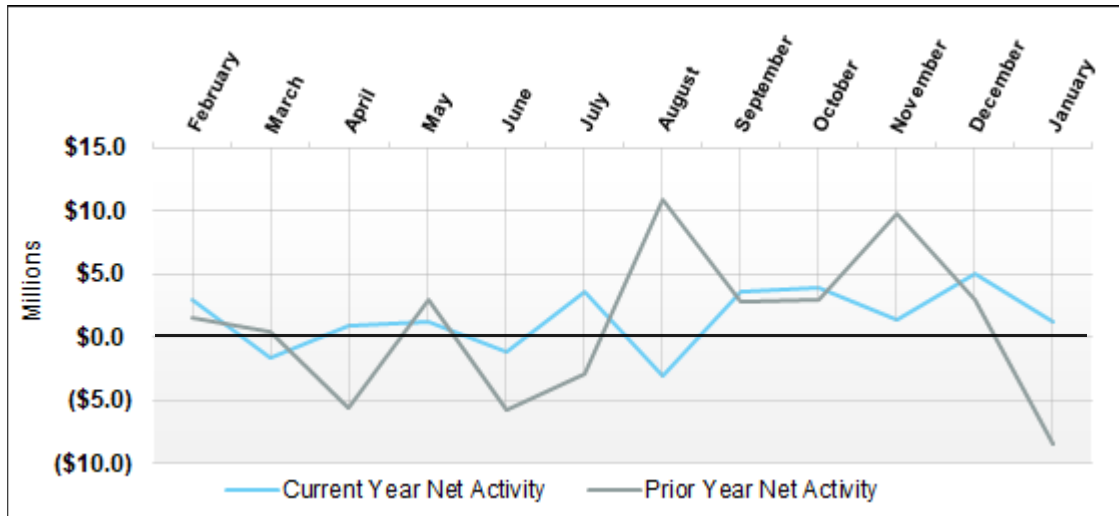
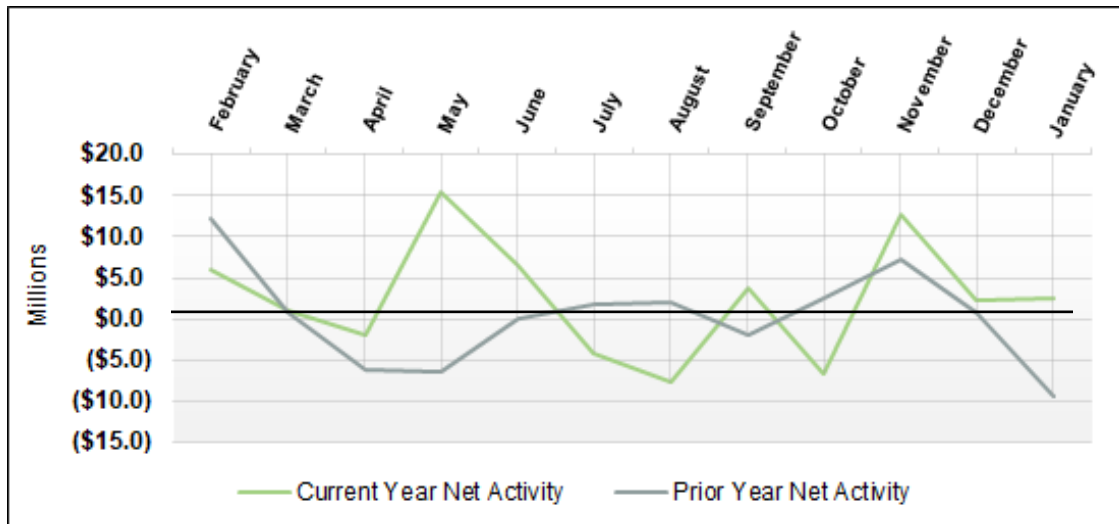
Sewer fund receipts exceeded required disbursements by 1% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

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

Chart 2 – GLWA 12-Month Net Receipts – Sewer outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior years. The black line at the zero highlights the minimum goal for net receipts.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Through January 31
Water					
1 Receipts	336,642,021	338,117,694	363,335,474	374,252,221	232,528,713
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	232,528,713
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(216,799,856)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	15,728,857
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)	15,728,857
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	107%
Sewer					
9 Receipts	472,871,853	471,979,297	498,888,416	506,731,576	288,507,987
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	288,507,987
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(285,956,643)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	2,551,344
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	2,551,344
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	101%
Combined					
19 Receipts	809,513,874	810,096,991	862,223,890	880,983,797	521,036,700
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	521,036,700
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(502,756,499)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	18,280,201
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	18,280,201
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	104%

Chart 1 – GLWA 12-Month Net Receipts – Water

Chart 2 – GLWA 12-Month Net Receipts – Sewer


DWSD Trust Receipts & Disbursements

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

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

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

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects seven months of activity to date.

Water fund receipts exceeded required disbursements by 6% through January 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 3% through January 31, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 4% 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 January 31
Water					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	75,618,594
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	75,618,594
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(71,618,550)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	4,000,044
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	4,000,044
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	180,475,018
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	180,475,018
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(175,647,471)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	4,827,548
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	4,827,548
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	103%
Combined					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	256,093,613
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	256,093,613
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(247,266,021)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	8,827,592
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	8,827,592
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	104%

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

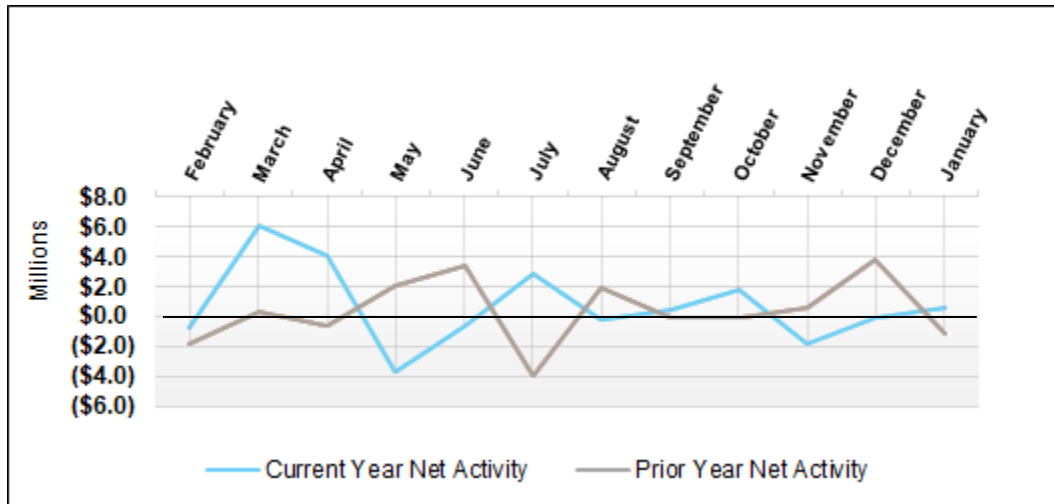
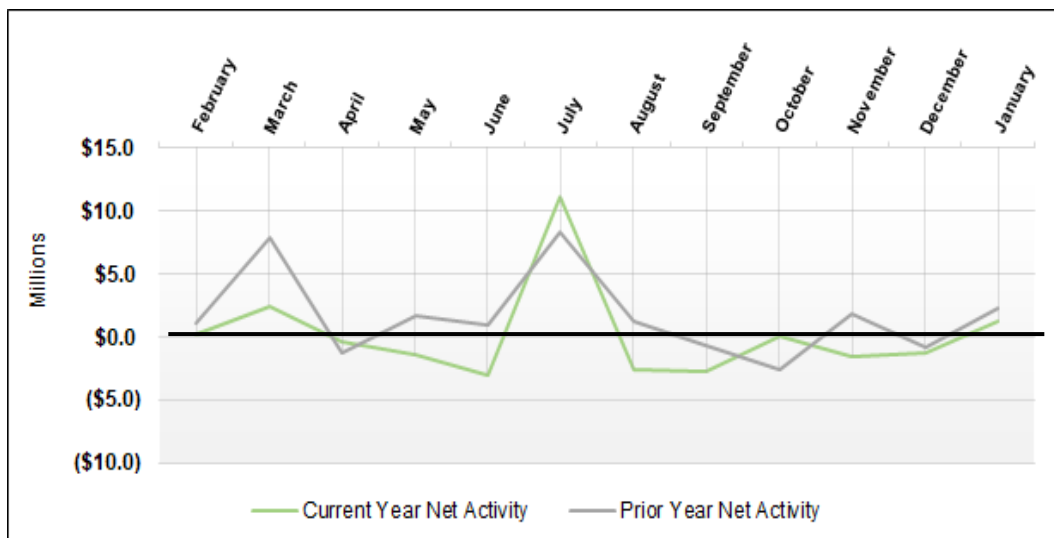


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 seven months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through January 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 2% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 4% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru January 31
Water					
1 Receipts	438,709,444	440,082,657	487,102,098	498,070,508	308,147,307
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	308,147,307
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(288,418,406)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	19,728,901
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)	19,728,901
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	107%
Sewer					
9 Receipts	781,082,620	763,260,193	797,785,358	802,819,770	468,983,005
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	468,983,005
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(461,604,114)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	7,378,892
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	7,378,892
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	102%
Combined					
19 Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	777,130,312
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	777,130,312
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(750,022,520)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	27,107,793
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	27,107,793
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 May 2, 2025



Financial Services Audit Committee Communication

Date: May 2, 2025

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Grants Manager

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

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

- ✓ **Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660110 Fairview PS (CIP Project 232001)** – GLWA received the final reimbursement of \$319,911. The Grants team is now working with Michigan State Police to complete the closeout process.
- ✓ **American Rescue Plan Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)** – This project qualified for State Revolving Fund (SRF) funding that included a \$20 million grant component. The Grants Team has added the grant portion of the SRF project funding to this report. GLWA has received \$2.7 million of grant reimbursements for this project through March and has requested an additional \$482,212.
- ✓ **Detroit Employment Solutions Corp (DESC) Apprentice Grant** – This grant is for \$5,000 per apprentice in 2025. GLWA received \$90,000 in March and Organizational Development is currently finalizing the grant agreement.
- ✓ **FY 2022 & FY 2023 Environmental Protection Agency Community Grants** – GLWA submitted applications for both grants on March 31, 2025.
- ✓ **FY 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping/Feasibility Study** – Looking ahead, on April 4, 2025 FEMA issued a statement that all FY2020-2023 BRIC applications would be canceled and any funds which have not been distributed will be returned to the Disaster Relief Fund or the U.S. Treasury. The status for the FY 2023 BRIC Project has been updated to include "currently on hold" - no expenses related to this award have been incurred.
- ✓ Items highlighted in yellow in the attached tables reflect changes from the prior report.

Background: The Great Lakes Water Authority (GLWA) delegated authority to the Chief Executive Officer to oversee and report on activities identified in the GLWA Articles of Incorporation related to solicitation and receipt of grants, gifts, and other resources ⁽¹⁾ as stated in Article 4 – Powers, Section B (4):

(4) Solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the Authority, or participate in any other way in a federal, state, local, or intergovernmental government program⁽²⁾.

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

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

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

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

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

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

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

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

Items of note related to each table include the following.

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

Table 2 - Awarded Programs reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards for local nonprofit apprenticeship grants, six reimbursement requests submitted for six associated FEMA Flood projects, two SRF grant-funded projects, a Department of Energy grant, a Building Resilient Infrastructure and Communities (BRIC) Grant, a DWSD SRF pass through grant, and a flood study grant where we are required to track costs incurred by GLWA.

Table 3 – Post Award Programs Four FEMA Flood projects are fully received and in the process of being closed out as well as the DESC 2023 Apprenticeship reimbursement grant.

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



Financial Services Audit Committee Communication

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

Table 1 – Pre-Award Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2023-002	3/15/2022	FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor (CIP Project 222002)	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Application submitted March 31, 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	Application submitted March 31, 2025
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	NEPA Review with the State of Michigan
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)

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
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
2025-002	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Professional Training for IT/Security Staff	Federal Grant (Reimbursement Basis)	\$191,194	Federal Audit Requirements	Application Submitted by GLWA
2025-003	11/14/2024	Fiscal Year 2024 Building Resilient Infrastructure and Communities (BRIC) Grant - Dedicated Microgrid-Critical Water Infrastructure for Flood Prevention project – construction	Federal Grant (Reimbursement Basis)	\$14,000,000	Federal Audit Requirements	Application submitted by GLWA
2025-004	9/19/2024	Scale-up of Hydrothermal Liquefaction with Supercritical Water Oxidation in an Integrated Biorefinery	Federal Grant (Cost Share)	\$0	Federal Audit Requirements	Application Submitted by GLWA as a subrecipient, GLWA cost share of \$250,000

Table 2 Awarded Programs reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards for local nonprofit apprenticeship grants, six reimbursement requests submitted for six associated FEMA Flood projects, two SRF funded projects, a Department of Energy grant, a Building Resilient Infrastructure and Communities (BRIC) Grant, a DWSD SRF pass through grant, and a flood study grant where we are required to track costs incurred by GLWA.

Table 2 – Awarded Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Reimbursement Requests of \$315,678 received through January 2025
2023-009	03/27/2023	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	Reimbursement Request of \$80,129 submitted in May 2024
2023-010	3/30/2023	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	Reimbursement Request of \$180,000 submitted in May 2024
2023-011	5/31/2024	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	Reimbursement Request of \$43,031 submitted May 2024
2023-013	8/31/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201)	Federal pass-through State (Reimbursement Basis)	\$1,332,235	Federal Audit Requirements	Reimbursement Request of \$275,167 submitted in February 2024
2023-014	8/23/2023	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)	\$8,888,277	Federal Audit Requirements	Reimbursement Request of \$1,805,600 submitted in February 2024
2023-015	9/26/2024	Federal Emergency Management Agency (FEMA), June 25-26	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement Request of \$90,541

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
		Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs				submitted in November 2024
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 \$608,583 submitted January 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 \$1,500,000
2024-014	06/07/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	Reimbursement Requests of \$16,000 submitted November 2024
2025-005	09/06/2024	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	Reimbursement Requests of \$3,147,068 submitted through March - \$2.7 million received
2025-006	TBD	Detroit Employment Solutions Corp (DESC) Apprentice Grant \$5,000 per Apprentice	DESC (Nonprofit)	TBD	None	Reimbursements of \$90,000 received in March 2025
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	Reimbursements processed totaling \$1,999,654 received through March 2025

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

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	2/21/2023	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	Working with MSP to close out grant
2023-007	3/27/2023	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	Working with MSP to close out grant
2023-008	3/30/2023	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	Working with MSP to close out grant
2023-012	3/30/2023	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	Reimbursement Request of \$319,911 received March 2025 working with MSP to close out grant
2023-016	07/07/2023	Detroit Employment Solutions Corp (DESC) Apprentices \$5,000 per (9) Total	DESC (Nonprofit)	\$45,000	None	Grant superseded by 2025 DESC grant

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

Proposed Action: Receive and file this report.



Grant Activity Overview

The Detroit Employment Solutions Corp (DESC) is currently working with Great Lakes Water Authority (GLWA) to support three separate apprenticeship grant programs.

1. GLWA Water Tech Apprenticeship (WTA) Program
2. GLWA Electrical (EICT-E) Apprenticeship Program
3. GLWA Mechatronics Tech Apprenticeship (Instrumentation) Program

All three programs provide funding of up to \$5,000 per apprentice. Funding is based on program participation. When an apprentice applies to the program GLWA submits support and an invoice to DESC for reimbursement. GLWA expects at least twenty apprentices to participate in these apprenticeship programs utilizing these grant funds.

Proposed Project Scoping/Advance Assistance Activity

Details of each program are outlined below.

GLWA Water Technician Apprenticeship (WTA) Program

The water technician apprenticeship is a two-year competency-based apprenticeship that combines related training instruction (RTI/college courses) and on-the-job learning. RTI includes courses that provide support for water technician apprentices. Water technicians play an essential role in GLWA's efforts to provide unquestionable quality water to the residents of southeast Michigan. They perform duties in water plant operations, including but not limited to chemical analysis and treatment, process operation, and plant equipment maintenance.

GLWA Electrical (EICT-E) Apprenticeship Program

The electrician maintenance apprenticeship is a five-year apprenticeship that combines related technical instruction (RTI) and on-the-job learning. The RTI courses assist the apprentice with the theory of on-the-job learning skills. Electrical maintenance apprentices install and repair electrical systems, apparatus, and electrical and electronic components of industrial machinery and equipment. Apprentices follow electrical codes, manuals, schematic diagrams, blueprints, and specifications. Tools used while performing on-the-job learning include but are not limited to hand tools, large industrial power tools, test equipment, and forklifts.

GLWA Mechatronics Technician Apprenticeship (Instrumentation) Program

The mechatronics technician apprenticeship is a three-year competency-based apprenticeship that combines related training instruction (RTI/college courses) and on-the-job learning. RTI includes courses that support mechatronics tech apprentices in applying classroom theory to on-the-job learning. Mechatronics (Instrumentation) Technicians play an essential role in GLWA's efforts to provide unquestionable quality water to the residents of southeast Michigan and perform duties in plant operations, including the maintenance and repair of electrical and instrumentation equipment in the plants, field services, and pumping stations.



Grant Activity Overview

The Federal Emergency Management Agency (FEMA) awarded GLWA a Building Resilient Infrastructure and Communities (BRIC) scoping project grant during its FY 2023 funding period. The GLWA Grants Team reported this grant award to the GLWA Audit Committee on March 28, 2025 at its regularly scheduled meeting as part of the Grants, Gifts and Other Resources report. The BRIC scoping grant was scheduled to provide \$642,000 in BRIC Federal funding toward a total project cost of \$856,000 (which included a required \$214,000 local match by GLWA).

This scoping grant would have allowed GLWA to complete a study in preparation for a potential future BRIC construction grant of \$14 million which sought to further harden the electrical reliability at the GLWA East Side facilities of Freud, Conner, and Conner Combined Sewer Overflow (CSO).

Update

On April 8, 2025, GLWA was notified through a memo issued by the Michigan State Police (MSP), Emergency Management and Homeland Security Division that FEMA was ending the BRIC program and canceling all BRIC grants it awarded from fiscal years 2020 through 2023. The memo stated:

“We do not have information from FEMA on what this means for projects that are partially completed and/or have pending reimbursements. For any projects that have not started, we recommend you do not start them.”

At the time of notification GLWA staff were in the process of drafting a scope of work to begin the process of selecting a consultant to assist GLWA with this grant work. Therefore, GLWA has not yet incurred any direct costs related to this work.

The MSP has received no further instructions from FEMA regarding ongoing BRIC grants. Currently GLWA considers this grant “on hold” pending further communications from MSP.



The Semiannual Debt Report includes the following:

1. Key Takeaways
2. Background
3. Look Ahead – Five Year Capital Financing Plan
4. Existing Debt
5. Debt Service Coverage
6. Refinancing

Key Takeaways

- ✓ The purpose of this report is to provide a resource for stakeholders and to support management decisions as capital financing needs evolve.
- ✓ GLWA continues to enhance transparency by including the Debt Summary Report in the Audit Committee Binder semiannually.
- ✓ GLWA has twenty-two active State Revolving Fund (SRF) loans, ten for water and twelve for sewer. On behalf of DWSD, GLWA is administering three projects for water and three for sewer.
- ✓ GLWA completed a refunding transaction for water and sewer in June 2024.
- ✓ Other key items of interest include the following balances as of March 31, 2025.

As of March 31, 2025 (\$ Millions)		
	Water	Sewer
FY 2025 Approved SRF Projects - Table 5	\$51.2	\$74.2
DWSD Obligation Receivable - Table 6	\$518.7	\$337.6
GLWA Outstanding Debt - Table 8	\$2,517.4	\$2,734.3

Background

Pursuant to leases that became effective on January 1, 2016, the Great Lakes Water Authority (GLWA) assumed possession and control of the regional assets of both the water supply and sewage disposal systems owned by the City of Detroit (City), which were previously operated by the Detroit Water and Sewerage Department (DWSD). GLWA assumed certain liabilities including State Revolving Fund loans and 100% of the revenue bond debt issued by DWSD prior to January 1, 2016.

The bonds are repaid by the revenues of the water and sewage disposal systems including the DWSD retail system (local system) revenues which are the exclusive property of GLWA in accordance with Section 5.7 of each lease agreement. DWSD is GLWA's agent for purposes of billing and collection of the retail system revenues for both the water and sewer system, as set forth in a water and sewer services agreement between the City and GLWA. All revenue receipts are deposited into a trust and administered in compliance with the Master Bond Ordinance, applicable to each system (referred to herein collectively as the "MBO").

The leases also provide that GLWA will finance local system improvements of DWSD. GLWA is the obligor of 100% of the debt payable which is recorded in GLWA's books. An "obligation receivable" is recorded by GLWA which represents the amount related to the DWSD local system improvements. Accordingly, DWSD records a corresponding "obligation payable" for a like amount.

GLWA maintains detailed records of all debt issuances and how the responsibility for payment of debt is allocated between the regional system and local system, as well as between the water and sewer systems. GLWA and DWSD regularly reconcile interrelated accounts between the entities.

The lease agreements, water and sewer services agreement, and MBO noted above are available on GLWA's website at www.glwater.org. The above explanation is a synopsis of key points and is not intended to fully represent the agreements or any sub-sections thereof.

Look Ahead - Five Year Capital Financing Plan

The following tables summarize the projected Capital Improvement Program (CIP) funding to be provided by proceeds received from the issuance of new revenue bonds and draws on committed SRF loans. *The financing plan is dynamic and changes with the pace of capital spending and alignment with refunding opportunities.*

Table 1 - GLWA Projected Financing FY 2025 – FY 2029 provides a breakdown of projected financing based on the FY 2025 and FY 2026 Biennial Budget adopted by the GLWA Board of Directors and the related Five-Year Financial Plan.

Projected Funding Needs for Regional System					
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Water					
Revenue Bonds	\$ 230,000,000	\$ 222,000,000	\$ 290,000,000	\$ 209,000,000	\$ 138,000,000
SRF loan draws	\$ 61,643,600	\$ 1,369,200	\$ -	\$ -	\$ -
Total projected funding Water	\$ 291,643,600	\$ 223,369,200	\$ 290,000,000	\$ 209,000,000	\$ 138,000,000
Sewer					
Revenue Bonds	\$ 50,000,000	\$ 101,000,000	\$ 125,000,000	\$ 111,000,000	\$ 83,000,000
SRF loan draws	\$ 69,374,100	\$ 52,936,600	\$ 99,745,500	\$ 103,800,000	\$ 93,684,600
Total projected funding Sewer	\$ 119,374,100	\$ 153,936,600	\$ 224,745,500	\$ 214,800,000	\$ 176,684,600

Table 2 - DWSD Projected Funding FY 2025 – FY 2029 provides a breakdown of projected financing based on the current, approved local system CIP presented to the DWSD board at the October 2, 2024 Board of Water Commissioners meeting. It is important to note the amounts represented in revenue bonds reflect the funding needs by year and not a revenue bond transaction for each year. GLWA and DWSD coordinate the timing for additional revenue bonds to ensure efficiency in the debt management process.

	Projected Funding Needs for Local System				
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Water					
Revenue Bonds	\$ 44,200,000	\$ 56,740,000	\$ 26,750,000	\$ 17,250,000	\$ 12,250,000
SRF loan draws	\$ 10,000,000	\$ 20,000,000	\$ 20,000,000	\$ 15,000,000	\$ 15,000,000
Total projected funding Water	\$ 54,200,000	\$ 76,740,000	\$ 46,750,000	\$ 32,250,000	\$ 27,250,000
Sewer					
Revenue Bonds	\$ 13,250,000	\$ 26,550,000	\$ 35,250,000	\$ 19,250,000	\$ 2,250,000
SRF loans draws	\$ -	\$ 58,480,000	\$ 37,760,000	\$ 12,960,000	\$ 10,000,000
Total projected funding Sewer	\$ 13,250,000	\$ 85,030,000	\$ 73,010,000	\$ 32,210,000	\$ 12,250,000

Existing Debt

Current Debt Ratings: Bond ratings are a key measure of an organization's financial strength. Ratings are established by independent agencies that conduct detailed reviews of an organization's operational and financial performance to assist those seeking to invest in an organization through the purchase of bonds. GLWA actively monitors its debt ratings and continually seeks to make operational and financial improvements to improve its bond ratings. Achieving higher ratings will allow GLWA to finance its capital needs at lower interest rates.

In advance of the June 2024 bond transaction, GLWA secured affirmation of the 'AA' category from three bond rating agencies. Moody's Investors Service affirmed GLWA's senior lien debt rating at 'Aa3' for both the water and sewer systems. Fitch Ratings affirmed GLWA's senior lien debt for the sewer system to 'AA-' and affirmed its A+ rating for the water system. Standard & Poor Global Ratings affirmed its outstanding senior lien water and sewer system debt at 'AA-'.

Table 3 – Debt Ratings by System provides a summary of the debt ratings.

Current Debt Ratings			
	S&P Global Ratings	Moody's Investors Service	Fitch Ratings
Water Supply System Revenue Bonds			
Senior lien	AA-	Aa3	A+
Second lien	A+	A1	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Stable	Stable
Sewage Disposal System Revenue Bonds			
Senior lien	AA-	Aa3	AA-
Second lien	A+	A1	A+
Junior lien	A+	N/A	N/A
Outlook	Stable	Stable	Positive

Debt Allocation: GLWA has nearly \$2.5 billion in water system debt and nearly \$2.7 billion in sewer system debt for a combined total of over \$5.2 billion. Debt within each system is prioritized according to its security interest, or lien category, with senior lien debt having the highest security interest, followed by second lien and finally junior lien.

Chart 1 - Debt Type by Lien – Water provides a breakdown of the total water system debt for both the regional and local systems by lien type.

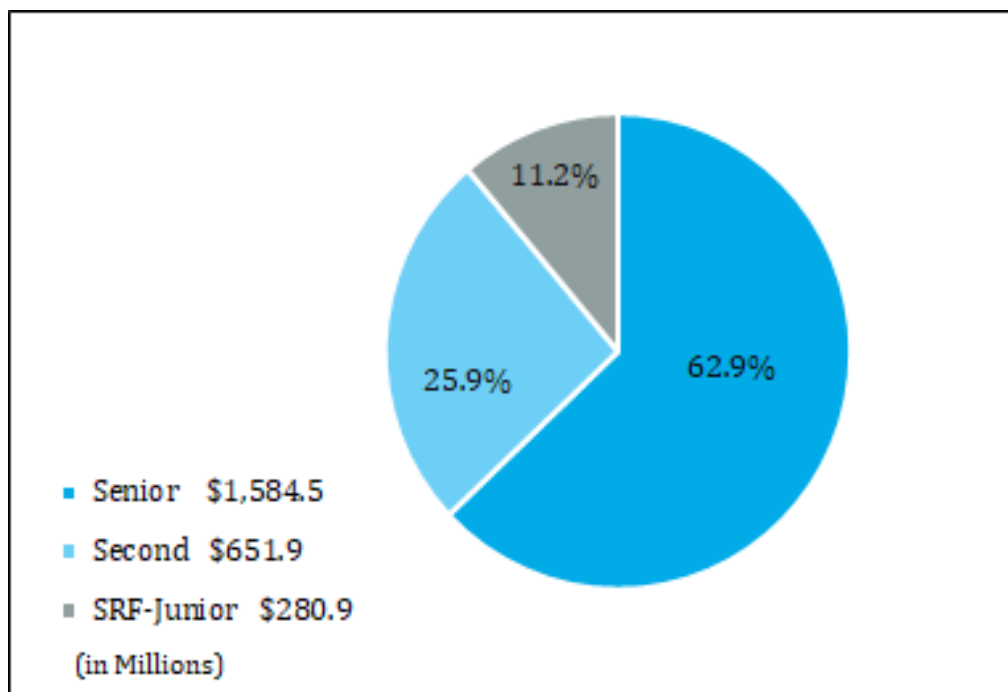


Chart 2 - Debt Type by Lien – Sewer provides a breakdown of the total sewer system debt for both the regional and local systems by lien type.

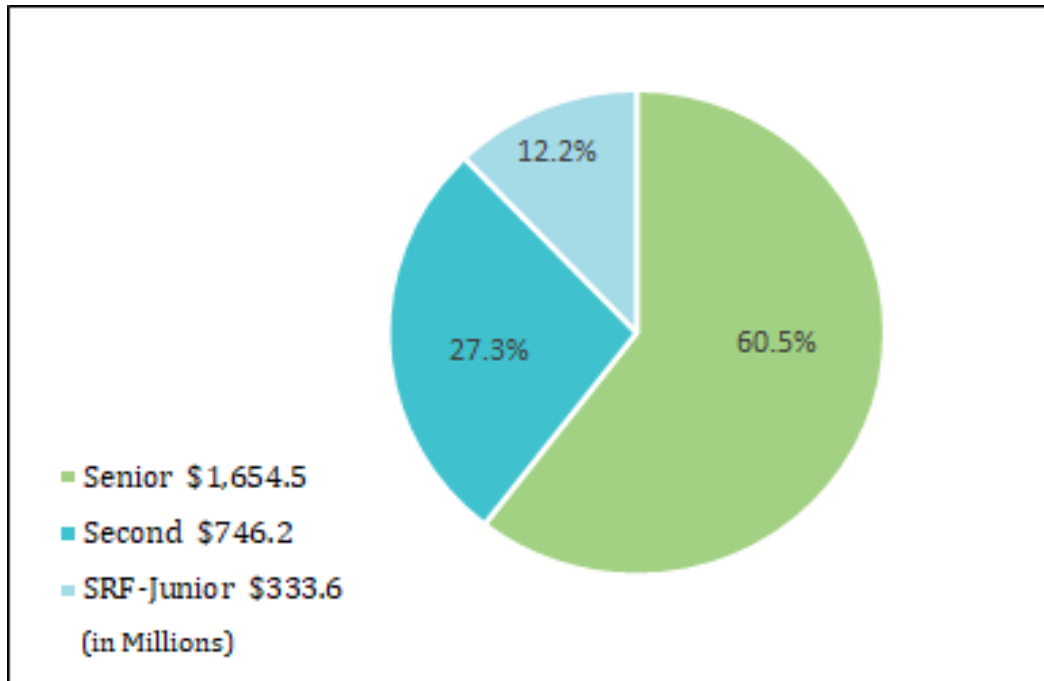


Chart 3 – Annual Debt Service Payments by Lien – Water provides the annual debt service installment requirements for each fiscal year.

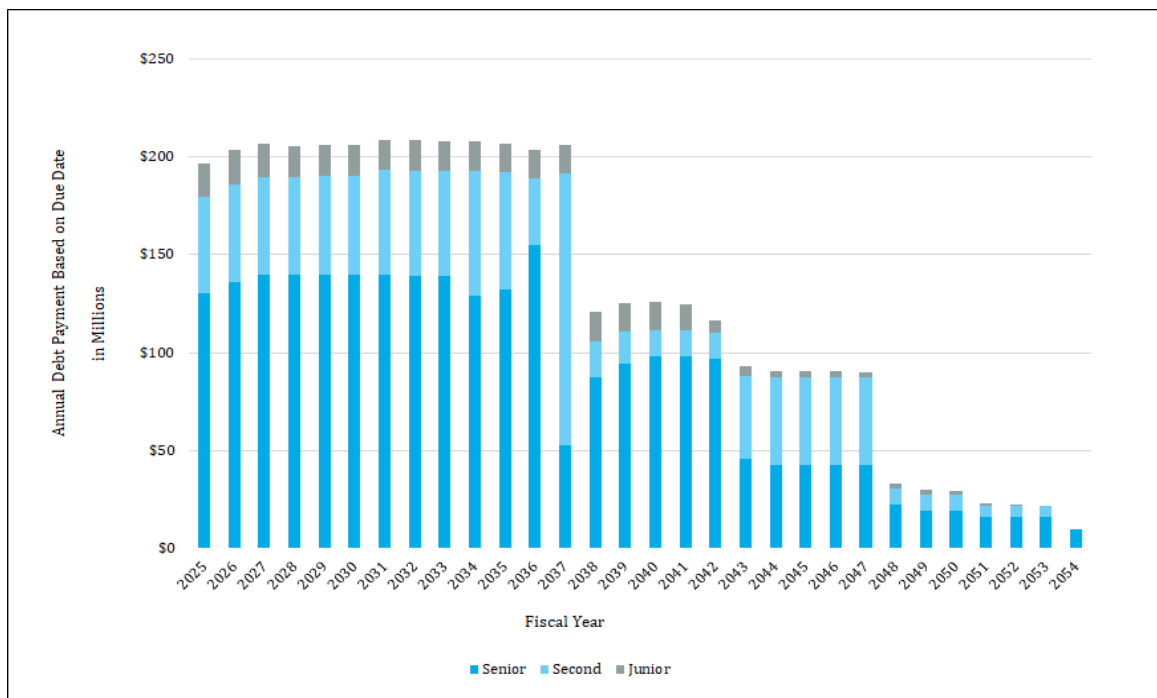
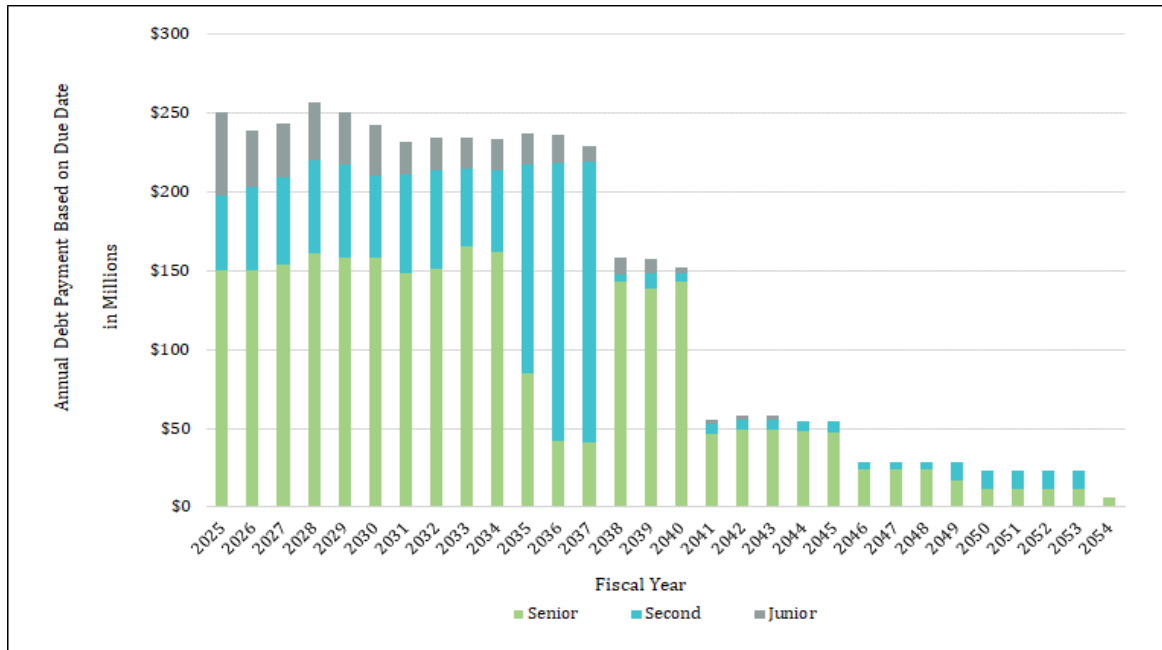


Chart 4 – Annual Debt Service Payments by Lien – Sewer provides the annual debt service installment requirements for each fiscal year.



Note: The figures in these charts reflect the debt service installment requirements for each fiscal year, which are required by the MBO to be set aside monthly in advance of actual payment dates. This information will differ from the Annual Comprehensive Financial Report which reflects when the actual payments are made to the bond paying agent.

State of Michigan’s State Revolving Fund (SRF) Programs: GLWA participates in the Clean Water State Revolving Fund (CWSRF) to finance qualified sewage disposal system projects and the Drinking Water State Revolving Fund (DWSRF) to finance qualified water supply system projects. For the purposes of this report, both water and sewer projects financed through these programs will be referred to as either water or sewer SRF loans.

These loan programs have interest rates that are well below open market interest rates (current estimate approximately 4.5%) and are repaid over 20-30 years. For the State’s 2025 fiscal year, the DWSRF and CWSRF program rates are 2.5% for 20-year loans and 2.75% for 30-year loans. Overburdened applicant’s rates are 2.0% and significantly overburdened applicant’s rates are 1.0% for 20 and 30 year loans. Interest on each loan is based on the amount of funds disbursed and not the full loan amount.

In order to be considered for funding through the CWSRF or DWSRF program, GLWA must submit an Intent to Apply Form for each new project submission or resubmission (carryover from previous years) by November 1st. A Board approved project planning document is due to the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”, and formerly known as the Michigan Department of Environmental Quality or MDEQ) for each new project submission by May 1 for CWSRF and June 1 for DWSRF. Once the project is approved for funding, and the loan closing occurs, GLWA may begin drawing down on the loan. A disbursement request can be made after engineering and/or construction costs are paid.



State Revolving Fund Loans: GLWA's strategy is to maximize its use of SRF loans to finance qualified capital projects. GLWA currently has \$280.9 million in outstanding water SRF loans and \$333.6 million in outstanding sewer SRF loans.

Table 4 - Active SRF Project Summary provides information regarding each loan currently being drawn down including the loan award date which is also referred to as the Order of Approval date by the State of Michigan.

State Loan #	CIP Reference	Description	Order of Approval	Project Total (\$ Millions)
SRF Water - DWSD Projects				
7460-01	WS-710 & 711	Water Main Replacement	7/15/2020	\$22.3
7483-01	WS-715 & 718	Water Main Replacement	9/9/2020	\$12.3
7548-01	WS-721	Lead Service Line Water Main Replacement	4/8/2022	\$10.0
SRF Water - GLWA Projects				
7445-01	122003	Northeast Transmission Phase 1	8/9/2019	\$29.1
7445-02	122003	Northeast Transmission Main - Phase 2a	8/7/2020	\$7.2
7445-04	122003	Northeast Transmission Main - Phase 3a	5/28/2021	\$4.2
7461-01	122013	14 Mile Transmission Main Loop - Phase 1	8/7/2020	\$9.0
7461-02	122013	14 Mile Transmission Main Loop - Phase 2	8/6/2021	\$104.7
7532-01	122004	96-inch Water Transmissioon Main Relocation Project - Phase 1	8/29/2022	\$34.1
7532-02	122004	96-inch Water Transmissioon Main Relocation Project - Phase 2	6/26/2023	\$48.2
Total Water				\$280.9
SRF Sewer - DWSD Projects				
5688-01	DWS-916	Sewer Main Rehab/Rplcmt - Project A	9/9/2020	\$4.0
5706-01	DWS-917 & 918	Sewer Main Replacements - Project B	9/9/2021	\$9.2
5980-01	PC-818	CSO West Chicago South Stormwater Improvements	8/7/2024	\$5.1
SRF Sewer - GLWA Projects				
5655-02	222002	Detroit River Interceptor Segment 2	3/27/2020	\$28.4
5655-03	222002	Detroit River Interceptor Segment 3	5/16/2020	\$34.2
5673-01	211008	PS-1 Ferric Chloride System Rehabilitation	2/26/2021	\$12.9
5708-01	232005	Freud Pump Station	4/8/2024	\$126.8
5741-01	260701	In-System Storage Device & Dam & Valve Remote Evaluation & Rehabilitation	8/29/2022	\$19.0
5742-01	260204	Connor Creek Sewer System Rehabilitation	8/8/2022	\$50.2
5836-01	211006	Pump Station #1 Rehabilitation	5/15/2023	\$98.4
5838-01	212008	WRRF Aeration Improvements 1 and 2	12/20/2023	\$175.0
5840-01	222001	Oakwood District Intercommunity Relief Sewer Modification	12/20/2023	\$80.5
Total Sewer				\$643.7

Chart 5 - Open State Revolving Fund Loans summarizes all current SRF loans held by GLWA (including financings on behalf of DWSD) that are active (reference Table 4 above for project descriptions). It summarizes the original award amount remaining and the amount drawn down as of March 31, 2025 for each loan. On March 31, 2025, the amount of SRF loans authorized and unissued is \$16.4 million for the Water fund and \$506.9 million for the Sewage Disposal Fund.

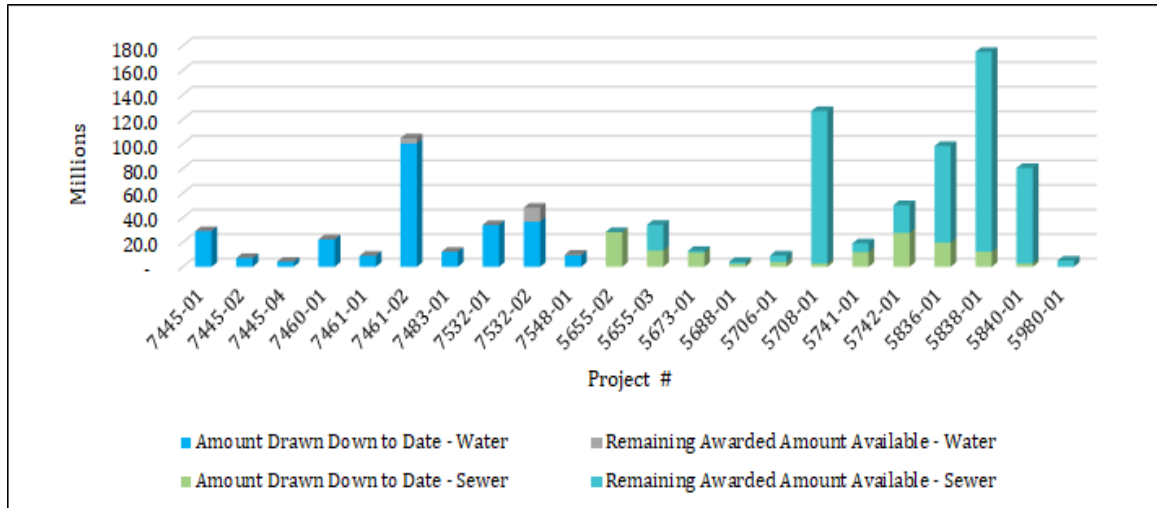


Table 5 - Project Plans Approved by EGLE for FY 2025 provides a list of all projects that were approved for funding in EGLE's *Final* Intended Use Plan. The Intended Use Plan outlines how EGLE will distribute funds for the upcoming fiscal year. Following the release of the *Final* Intended Use Plan, applicants have until December to decide whether they will be moving forward or forgo the funding.

Project Owner	CIP Number	Description	Estimated Award Amount	Anticipated Funding Date
Water SRF				
DWSD	WS-741	Water Main Replacement, Various Locations in Detroit District 1	\$ 25,670,000	FY 2025
DWSD	WS-742	Water Main Replacement, Various Locations in Detroit District 2	\$ 25,540,000	FY 2025

Total Water SRF **\$ 51,210,000**

Sewer SRF				
DWSD	NA	Sewer System Rehabilitations - District 1, 2, 4, 5, 6 and 7	\$ 17,080,000	FY 2025
GLWA	270004	CSO Improvement Project - Oakwood & Lieb	\$ 57,100,000	FY 2025

Total Sewer SRF **\$ 74,180,000**

DWSD Obligation Receivable: GLWA holds an obligation receivable from DWSD as an asset to account for the amount due for financing local system capital projects. DWSD carries a like amount of this as an obligation payable on its statement of net assets.

There are three components to the calculation of the DWSD obligation receivable. These are:

- a) an agreed upon amount for pre-January 1, 2016 (i.e. “pre-bifurcation”) debt as documented in a 2018 Memorandum of Understanding (\$455 million for water system and \$370 million for sewer per agreed-upon amortization schedules),
- b) new revenue bonds issued after January 1, 2016 to specifically fund the DWSD local system capital improvement projects which are payable based on the allocable share of the actual bonds debt service schedule, and
- c) SRF loans issued after January 1, 2016 for specific DWSD capital projects which are payable based on the allocable share of the actual loan payment schedule.

All retail customer revenues are deposited into a trust to fund these financial obligations in accordance with the MBO flow of funds.

Chart 6 - DWSD Obligation Receivable by Type summarizes the total DWSD obligation receivable balance for both Water and Sewer as of March 31, 2025 by pre-bifurcation, revenue bond and SRF component.

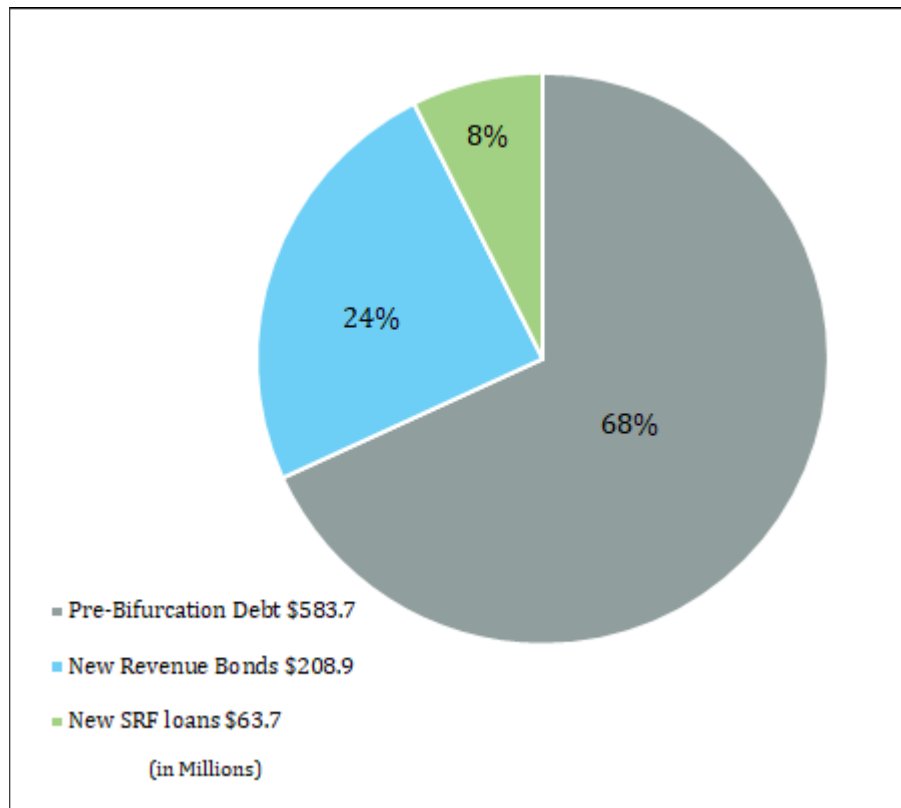


Chart 7 – Obligation Receivable Compared to Total Debt - Water provides context by comparing the Water System Obligation Receivable to the Total Water Debt (excludes unamortized premiums).

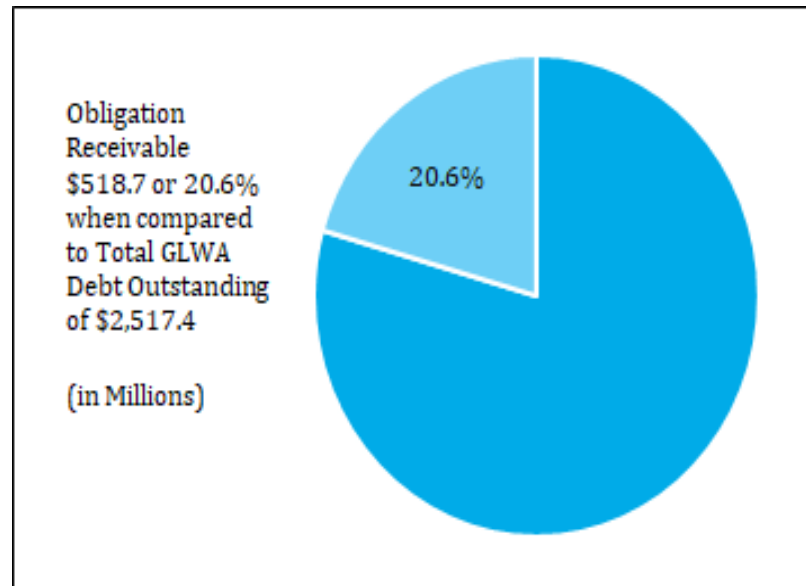


Chart 8 – Obligation Receivable Compared to Total Debt - Sewer provides context by comparing the Sewer System Obligation Receivable to the Total Sewer Debt (excludes unamortized premiums).

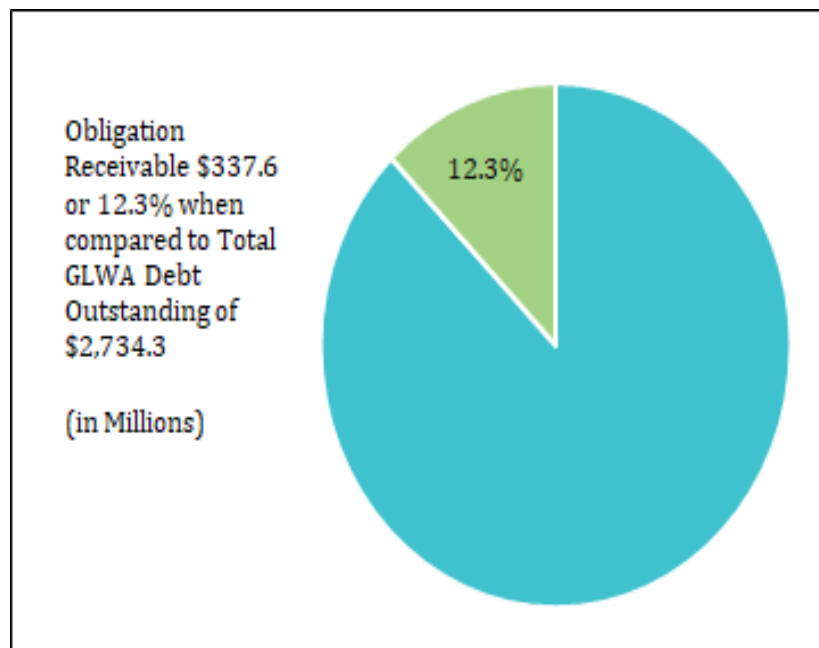


Table 6 - DWSD Obligation Receivable provides obligation receivable detail including fiscal year 2025 beginning balances by debt type and loan issue (for revenue bonds and SRF loans), year-to-date activity and ending balances as of March 31, 2025. Total DWSD debt totals \$880.4 million. This differs slightly from the total in Chart 6 due to the inclusion of unamortized premiums.

Debt Type	July 1, 2024 Beg Balance	Increase	Decrease	SRF Debt Forgiveness	March 31, 2025 End Balance
DWSD Water					
Pre-Bifurcation Debt	\$ 336,137	\$ -	\$ (13,079)		\$ 323,058
Revenue Bond - 2016A	17,725	-	-	-	17,725
Revenue Bond - 2016B	33,015	-	-	-	33,015
Revenue Bond - 2020A	41,615	-	-	-	41,615
Revenue Bond - 2020B	42,295	-	-	-	42,295
SRF 7412-01	4,461	-	(136)	-	4,324
SRF 7413-01	2,884	-	(90)	-	2,794
SRF 7414-01	5,033	-	(160)	-	4,873
SRF 7447-01	10,235	-	(280)	-	9,955
SRF 7460-01	19,000	232	(525)	-	18,707
SRF 7483-01	10,156	297	(310)	-	10,143
SRF 7484-01	10,425	205	(479)	-	10,151
SRF 7548-01	-	943	-	(943)	-
Total DWSD Obligation	532,980	1,676	(15,059)	(943)	518,653
Unamortized Premiums	17,303	-	(603)		16,700
Subtotal: Water	550,283	1,676	(15,662)	(943)	535,354
DWSD Sewer					
Pre-Bifurcation Debt	271,560	-	(10,885)	-	260,675
Revenue Bond - 2018A	74,225	-	-	-	74,225
SRF 5688-01	1,346	94	(140)	-	1,300
SRF 5706-01	-	2,858	(305)	(1,132)	1,421
SRF 5980-01	-	50	-	(50)	-
Total DWSD Obligation	347,131	3,002	(11,330)	(1,182)	337,622
Unamortized Premiums	7,736	-	(319)	-	7,417
Subtotal: Sewer	354,867	3,002	(11,648)	(1,182)	345,039
Total DWSD Debt	\$ 905,150	\$ 4,678	\$ (27,310)	\$ (2,125)	\$ 880,393

Table 7 – DWSD and GLWA Loan Forgiveness provides a summary of loan principal forgiven on DWSD and GLWA SRF loans closed after January 1, 2016. EGLE grants principal loan forgiveness on qualified planning costs for disadvantaged communities. Through March 31, 2025, \$31.3 million or 27% of approved DWSD SRF loans have been forgiven as a disadvantaged community, while \$27.2 million or 10% of approved GLWA SRF loans have been forgiven.

State Loan #	Approved Amount	Loan Forgiveness
DWSD Water SRF		
SRF 7412-01	10,605,000	1,000,000
SRF 7413-01	5,180,000	1,000,000
SRF 7414-01	8,675,000	2,000,000
SRF 7447-01	16,500,000	4,711,944
SRF 7460-01	22,570,000	2,031,300
SRF 7483-01	13,355,000	1,201,950
SRF 7484-01	11,741,247	1,111,420
SRF 7548-01	10,000,000	10,000,000
Subtotal: Water	98,626,247	23,056,614
DWSD Sewer SRF		
SRF 5688-01	4,040,000	808,000
SRF 5706-01	9,175,000	2,293,750
SRF 5980-01	5,088,092	5,088,092
Subtotal: Sewer	18,303,092	8,189,842
Total DWSD Debt	\$ 116,929,339	\$ 31,246,456

State Loan #	Approved Amount	Loan Forgiveness
GLWA Water SRF		
Subtotal: Water	-	-
GLWA Sewer SRF		
SRF 5836-01	96,037,720	7,217,720
SRF 5838-01	175,000,000	20,000,000
Subtotal: Sewer	271,037,720	27,217,720
Total GLWA Debt	\$ 271,037,720	\$ 27,217,720

Annual Change in Outstanding Debt: It is the goal of GLWA to ensure the long-term sustainability of the water and sewer systems. One of the best ways to accomplish this is by reducing the debt service payments on existing bonds as well as reducing the amounts of future bond issues by using revenue financed capital.

Table 8 - Long-Term Debt Summary provides a detail of GLWA's fiscal year 2024 beginning balances by debt type and loan issues, year-to-date activity, and ending balances as of March 31, 2025. GLWA debt includes financing for both the regional and local share.

Debt Type	June 30, 2024 Beg Balance	Increase	Decrease	Refunding	Debt Forgiveness	March, 2025 End Balance
Water Fund						
Revenue Bonds	\$ 2,317,305	\$ -	\$ (80,840)	\$ -	\$ -	\$ 2,236,465
State Revolving Loans	241,021	53,220	(12,381)	-	(943)	280,916
Total Installment Debt	2,558,326	53,220	(93,221)	-	(943)	2,517,381
Unamortized Premiums / Discounts	181,159	-	(13,407)	-	-	167,752
Subtotal: Water	2,739,485	53,220	(106,628)	-	(943)	2,685,133
Sewer Fund						
Revenue Bonds	2,496,520	-	(95,885)	-	-	2,400,635
State Revolving Loans	336,808	48,095	(45,971)	-	(5,292)	333,640
Total Installment Debt	2,833,328	48,095	(141,856)	-	(5,292)	2,734,275
Unamortized Premiums / Discounts	109,622	-	(6,371)	-	-	103,251
Subtotal: Sewer	2,942,950	48,095	(148,227)	-	(5,292)	2,837,526
Total Combined, Long Term Debt	\$ 5,682,435	\$ 101,315	\$ (254,855)	\$ -	\$ (6,235)	\$ 5,522,659

Debt Service Coverage

GLWA is committed to ensuring the long-term sustainability of the water and sewer systems and has pledged specific revenue streams to secure the repayment of the revenue bonds and SRF loans associated with them. The MBO establishes minimum debt coverage levels at 1.20 for senior lien bonds, 1.10 for second lien bonds and 1.00 for any junior lien bonds, other than second lien bonds. Debt service coverage ratios are inclusive of all debt held on behalf of both GLWA and DWSD.

GLWA computes the debt service coverage ratio using two different methodologies. The Rate Covenant Method uses the cash basis in computing pledged revenue and the GAAP Method uses the accrual basis in computing pledged revenue. Pledged revenue is divided by the debt service requirements of each lien on a set aside basis to compute the debt service coverage ratio. The set aside basis is defined as the cash available to make the debt service payments on the due dates. The following table details the components of the pledged revenue for each methodology.

Components of Pledged Revenue	Pledged Revenue Calculation	Rate Covenant Basis	GAAP Basis
Revenues	Addition	Cash basis	Accrual basis
GLWA O&M expenses	Subtraction	Cash basis	Accrual basis
GLWA O&M pension	Subtraction	Cash basis	Cash basis
DWSD O&M expenses & O&M pension	Subtraction	Cash transfers to DWSD	Cash transfers to DWSD

Table 9: Debt Service Coverage Ratios - Water provides a summary of the MBO required minimum, historical, and budgeted debt service coverage ratios for the Water fund.

Debt Service Coverage Water System							
	MBO Required Minimum	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Adopted Budget 2025	Adopted Budget 2026
Rate Covenant Basis							
Senior Lien Bonds	1.20	1.99	1.88	1.88	1.87	1.89	1.80
Senior and second lien bonds	1.10	1.40	1.37	1.37	1.36	1.38	1.36
All bonds, including SRF junior lien	1.00	1.38	1.33	1.31	1.26	1.26	1.24
GAAP Basis							
Senior Lien Bonds		1.95	2.00	1.99	1.96		
Senior and second lien bonds		1.38	1.45	1.45	1.42		
All bonds, including SRF junior lien		1.35	1.41	1.38	1.32		

Table 10: Debt Service Coverage Ratios - Sewer provides a summary of the MBO required minimum, historical, and budgeted debt service coverage ratios for the Sewer fund.

Debt Service Coverage Sewage Disposal System							
	MBO Required Minimum	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Adopted Budget 2025	Adopted Budget 2026
Rate Covenant Basis							
Senior Lien Bonds	1.20	2.92	2.35	2.17	2.06	2.15	2.19
Senior and second lien bonds	1.10	1.97	1.68	1.72	1.54	1.59	1.62
All bonds, including SRF junior lien	1.00	1.51	1.30	1.37	1.24	1.31	1.37
GAAP Basis							
Senior Lien Bonds		2.50	2.64	2.13	2.04		
Senior and second lien bonds		1.68	1.89	1.69	1.53		
All bonds, including SRF junior lien		1.29	1.46	1.34	1.23		

Refinancing

To reduce the annual water and sewer debt service payments, GLWA monitors its outstanding water and sewer debt portfolios to determine if it can refund existing bond issues with new, lower interest rate bonds. On an ongoing basis, GLWA's registered municipal advisor, PFM Financial Advisors, LLC (PFM) monitors GLWA's bond refunding opportunities based on the current municipal interest rate environment and the existing debt service on GLWA's callable bonds.

On June 6, 2024, \$384.1 million of water supply system refunding bonds and \$387.6 million of sewage disposal system refunding bonds were issued. GLWA received significant investor interest despite heavy tax-exempt supply in the market on the same day, driven by recent decreases in interest rates and favorable tax-exempt ratios.

Key elements of this transaction include:

- Affirmation of strong GLWA credit ratings, including maintenance of the positive outlook from Fitch on the Sewer System
- Strong GLWA name received orders from over 50 unique institutional investors, leading to GLWA's lowest ever credit spreads to municipal benchmark rates through the pricing on May 21, 2024
- Achieved reduction of Reserve Requirement to \$0, representing the culmination of long-term strategy to modernize the Master Bond Ordinances and create a more efficient structure
- Funds in the existing reserve accounts were used to reduce the size of the Series 2024 transaction by \$32.2 million (across the two systems) and improve cashflow savings
- \$130.4 million of future cash flow savings in total with \$67.5 million for water and \$62.9 million for sewer (and a reserve release of \$32.2 million which resulted in a \$76.6 million of present value savings in total)

Table 11: History of Cash Flow Savings - since 2016 through the leadership of the Authority's management team, the financing team has been able to achieve over \$896.5 million in savings from future cash flow debt service requirements for the systems.

Revenue Refunding Bonds Savings (\$ millions)					
	Refunding Bond Amount	Future Cash Flow Savings	Release (used to obtain savings) Savings	Net PV Savings	
Issue					
Water System					
Series 2016	\$ 666.0	\$ 185.4	\$ 25.2	\$ 120.8	
Series 2018	155.6	30.9	1.6	24.9	
Series 2020	377.5	103.1	10.5	66.5	
Series 2023	67.2	11.2	-	7.9	
Series 2024	384.1	67.5	16.1	39.3	
Total Water	\$ 1,650.4	\$ 398.1	\$ 53.4	\$ 259.3	
Sewage Disposal System					
Series 2016	\$ 421.3	\$ 123.7	\$ 23.8	\$ 71.2	
Series 2018	175.9	54.0	11.2	34.5	
Series 2020	687.5	221.0	33.6	122.9	
Series 2022	12.5	2.0	1.6	0.2	
Series 2023	200.2	34.8	0.2	20.9	
Series 2024	387.6	62.9	16.1	37.3	
Total Sewer	\$ 1,884.9	\$ 498.4	\$ 86.5	\$ 287.0	
Combined					
Series 2016	\$ 1,087.3	\$ 309.1	\$ 49.0	\$ 191.9	
Series 2018	331.5	84.9	12.8	59.4	
Series 2020	1,065.0	324.1	44.1	189.4	
Series 2022	12.5	2.0	1.6	0.2	
Series 2023	267.4	45.9	0.2	28.8	
Series 2024	771.7	130.4	32.2	76.6	
Total Combined	\$ 3,535.3	\$ 896.5	\$ 139.9	\$ 546.3	

At the March 28, 2025 Audit Committee meeting, series ordinance authorizing issuance and sale of water supply system revenue and revenue refunding bonds in a principal amount not to exceed \$900 million (\$230 million for new money, \$670 million for refunding), and series ordinance authorizing issuance and sale of sewage disposal system revenue and revenue refunding bonds in a principal amount not to exceed \$685 million (\$50 million for new money, \$635 million for refunding) were recommended for approval by the audit committee to the GLWA Board of Directors. The Board of Directors subsequently approved the series ordinances at the April 23, 2025 board meeting.

GLWA does not have any defeased debt as of March 31, 2025.



Program Background

On September 23, 2020, the GLWA Board of Directors expressed their desire to strengthen GLWA's commitment to the principles of affordability, equity, and inclusion. GLWA is committed to providing business opportunities to maximize opportunities for small, minority-owned, and disadvantaged businesses within GLWA's service area so that they may effectively compete and do business with GLWA. The objective of this effort is to also further support economic development throughout the region, expand its pool of skilled resources, and improve competitive pricing in its procurements.

Program Data Summary July 1, 2024 - March 31, 2025

The B.I.D. program data tables included below recaps B.I.D. activity for GLWA procurements budgeted at \$1 million and greater.

Table 1 represents GLWA's 15 awarded contracts totaling \$399.8 million under this program.

Table 1 B.I.D. Program Overall Activity from July 1, 2024 – March 31, 2025		
Quarter	Contracts Awarded	Amount Awarded
1 (July 1-September 30)	5	\$307,594,437
2 (October 1-December 31)	4	37,706,356
3 (January 1-March 31)	6	54,575,021
Totals	15	\$399,875,814

Table 2 represents the scoreable section of the program related to geographic location broken down by quantity awarded and amount awarded.

Table 2 B.I.D. Program Breakdown by Scored Criteria July 1, 2024 – March 31, 2025		
Qualifying Description	Contracts Awarded	Amount Awarded
Michigan Qualifying	12	\$375,417,931
GLWA Member Partner Community	11	\$373,156,731
Economic Disadvantage Territory (All awarded in the City of Detroit)	4	\$25,814,013



Table 3 represents the program breakdown by diversity designation by quantity awarded and amount awarded. This Non-Scored Criteria refers to any diversity certifications that the vendor may hold as a Disadvantaged Business Enterprise (DBE), Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), or Small Business Enterprise (SBE).

Table 3 B.I.D. Program Breakdown by Diversity Designation July 1, 2024 – March 31, 2025		
Designation	Contracts Awarded	Amount Awarded
DBE	1	\$13,391,349
SBE	1	\$2,000,000

Program Summary Data by Fiscal Year

Table 4 represents the program breakdown by number of contracts awarded and dollar amount. Since its inception the B.I.D. program has awarded 103 contracts worth nearly \$1.8 billion dollars that were subject to providing B.I.D. information.

Table 4 B.I.D. Program Summary by Fiscal Year		
Fiscal Year	Contract Awarded	Awarded Amount
2021	3	\$99,831,952
2022	31	304,331,004
2023	36	455,664,806
2024	18	485,746,701
2025 through March 31	15	399,875,814
Total	103	\$1,745,450,277

Key Achievements and Updates

Attended 22 events since July 1, 2024, and participated in six events for the first quarter of 2025, to introduce GLWA to vendors and engage them on how to do business with GLWA. These events provide valuable opportunities to strengthen relationships, broaden outreach, and further establish our presence within the region.

Attendees and event hosts included organizations such as APEX Accelerators, formerly known as the Procurement Technical Assistance Program (PTAP), Detroit Economic Growth Corporation (DEGC), Oakland Thrive, which offers business and consulting services to small businesses in Oakland County, Macomb County and Detroit Means Business, Detroit's small business resource hub.



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

Procurement Tip of the Month: What to Expect from a Solicitation Debriefing Meeting

Vendors not selected for award may request a solicitation debrief meeting with GLWA procurement. The purpose of solicitation debrief meetings is to provide Vendors with feedback so that they may improve future solicitation responses. During the meeting, Vendors can expect the following.

- ✓ An explanation of GLWA's evaluation and award process.
- ✓ An assessment of their proposal in relation to the solicitation's evaluation criteria, including feedback on suggested improvements as well as areas in which the Vendor's response met or exceeded expectations.
- ✓ A general understanding of the basis of the award decision.
- ✓ The rationale for not moving forward in the evaluation process.

Debriefing meetings are reserved for Request for Proposal (RFP) solicitations, including those where a Qualification Based Selection (QBS) method was used. This means that vendors were selected for award based on their qualifications and competence in relation to the scope and needs of a project, rather than based on price alone.

To protect the integrity of GLWA's procurement process, solicitation debriefing meetings can only be conducted after the solicitation contract and/or purchase order has been executed and only if you responded to the solicitation. Please note that buyers cannot discuss responses from other Vendors. If you are interested to schedule a solicitation debriefing meeting, please contact the Buyer of Record for the solicitation.

2025 GLWA Procurement Survey

GLWA Procurement invites Vendors to take a brief survey to share their experiences and suggestions on how GLWA purchases goods and services. [This survey](#), which was distributed via GovDelivery to all Vendors registered in Bonfire on April 16, 2025, is open to businesses of any sector or size and must be completed by Friday April 25. GLWA is interested to hear from current and past vendors as well as prospective vendors. All responses are anonymous and will have no impact on business with GLWA. Questions may be directed to GLWAVendorOutreach@glwater.org.

Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a virtual vendor introduction meeting. Topics include information on how to submit a competitive bid or proposal to any GLWA solicitation.

Keeping up with GLWA

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

What's Coming Down the Pipe?

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

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

Visit GLWA online!

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

Upcoming Solicitations April 2025

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	111001	Lake Huron Water Treatment Plant – LH-401 Switchgear and Low Lift Improvements	\$95,000,000
Design Build	170803	Reservoir Rehabilitation Phase III	\$51,830,000
Wastewater Systems (next four to nine months)			
Construction	273001	Hubbell Southfield CSO Facility Improvements	\$56,000,000
Enterprise (next three months)			
None			
Water System (next three months)			
Professional Services	O&M	Sludge Contract	\$22,498,000
Wastewater (next three months)			
Design	270007	CSO Facility Disinfection Improvements	\$2,063,930
Construction	213006	WRRF Improvements to Sludge Feed Pumps at Dewatering Facilities	\$16,000,000
Construction	232002	Conner Creek Sanitary Pump Station	\$167,000,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)			
Construction	112007	Structural Repairs, Northeast Water Treatment Plant	\$6,000,000
Professional Services	O&M	Investment Advisor	\$2,200,000
Professional Services	O&M	Grant Consulting Services	\$150,000
Professional Services/SaaS	O&M	Information Technology Service Management Software and Implementation Services	\$500,000
Professional Services	O&M	Staffing Services	\$750,000
Design	113010	Southwest WTP Flocculation Improvements	\$4,933,000
Professional Services	O&M	Oakwood Sewer District PFAS/PFOS Assessment and Remediation Opportunities	\$2,000,000
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	2025 Task Instrumentation and Control	\$7,500,000
Professional Services	O&M	Gate and Fence Maintenance/Repair Services	\$750,000
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	\$17,500,000
Construction	260904	Renovation of the New Administration Building 3 rd Floor	\$8,500,000
Construction	260510	CSO Outfall Rehabilitation Phase VI	\$10,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$10,000,000

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

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