

Join Zoom Meeting

Meeting ID: **816 6630 6296** Passcode: **694095**

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. January 9, 2026 (Page 1)
- 5. PUBLIC PARTICIPATION
- 6. OLD BUSINESS
 - A. *Discussion:* FY 2027 & FY 2028 Biennial Budget Resolution (Page 4)
and the Resolution for the Proposed FY 2027 Schedule of Charges
 - B. *Action Item:* Recommendation to the Board of Directors to (Page 100)
Approve Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial
Budget Subject to Public Comment at the Public Hearing to be Held on
February 25, 2026
 - C. *Action Item:* Recommendation to the Board of Directors to (Page 115)
Approve Resolution 2026-014 to Adopt the FY 2027 Schedule of Service
Charges Subject to Public Comment at the Public Hearing to be Held on
February 25, 2026
 - D. *Discussion:* Debt Management Considerations - Variable Rate Debt (Page 130)
- 7. NEW BUSINESS
 - A. *Action Item:* Scheduling of a Public Hearing for the GLWA FY 2027 (Page 161)
Clean Water State Revolving Fund (CWSRF) Program Project Submittals
- 8. REPORTS
 - A. CFO Report (Verbal Update)
 - B. Monthly Financial Report (Page 168)
 - C. Gifts, Grants & Other Resources Report (Page 169)
 - D. Affordability & Assistance Update (Page 176)
 - E. FY 2026 Quarterly Construction Work in Progress Report through (Page 187)
September 30, 2025
 - F. Vendor Outreach Event Update (Page 222)
 - G. Annual Conflict of Interest Report Update (Page 250)
 - H. FY 2027 Updated Units of Service Report (Page 251)

*Note: Binders 1 and 2 have been
combined and PDF was renumbered*

9. COMMUNICATIONS

- A. The Procurement Pipeline (Page 270)

10. LOOK AHEAD

- A. Next Audit Committee Meeting: February 13, 2026 at 8:00 a.m.

11. OTHER MATTERS

12. ADJOURNMENT



Great Lakes Water Authority

Meeting Minutes - Draft

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

Audit Committee

Friday, January 9, 2026

8:00 AM

Zoom Telephonic Meeting

Zoom Telephonic Meeting

Join Zoom Meeting:

<https://glwater.zoom.us/j/82669338789?pwd=Omo1iOaKfIUc7pD7Kd5y97VBFgbaN.1>

Join by Telephone

US Toll-Free:

877 853 5247; or 888 788 0099

Meeting ID: 826 6933 8789 Passcode: 981688

1. Call To Order

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

2. Quorum Call

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

3. Approval of Agenda

Chairperson Baker requested a Motion to Approve the Agenda.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. 2026-001 Minutes of December 19, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A Minutes - December 19, 2025 Audit Committee Meeting](#)

Chairperson Baker requested a Motion to Approve the December 19, 2025 Audit Committee Meeting Minutes.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

None

7. New Business**A. 2026-002 Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A1 Memo Proposed Revenue Requirement & Charges](#)

[7A2 Proposed FY2027 - FY2031 Proposed Budget and Financial Plan](#)
rev 1.9.2026

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

B. 2026-003 Proposed FY 2027 Charges Analysis

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B1 Memo Proposed FY 2027 Charges Analysis](#)

[7B2 Preliminary FY 2027 Charges for AC 1.9.2026 final](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports

None

9. Communications

None

10. Look Ahead

The next Audit Committee Meeting is scheduled to be held Friday, January 30, 2026 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:30 a.m.



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: Recommendation to Approve the FY 2027 & FY 2028 Biennial Budget Resolution
and the Resolution for the Proposed FY 2027 Schedule of Charges

Background: In accordance with service agreements with the Great Lakes Water Authority (GLWA) member partners, the budget and charges for the next fiscal year are annually presented in January each year. To accommodate that schedule, the upcoming year's budget is presented to the Audit Committee within the context of the biennial budget and five-year financial plan as well as a ten-year forecast.

Analysis: Attached are additional materials in considering this year's proposed budget and charges. Companion Board Letters and Resolutions follow this presentation.

1. Agenda item # 6B - Adoption of the FY 2027 & FY 2028 Biennial Budget
2. Agenda item # 6C - Approval of the FY 2027 Schedule of Service Charges

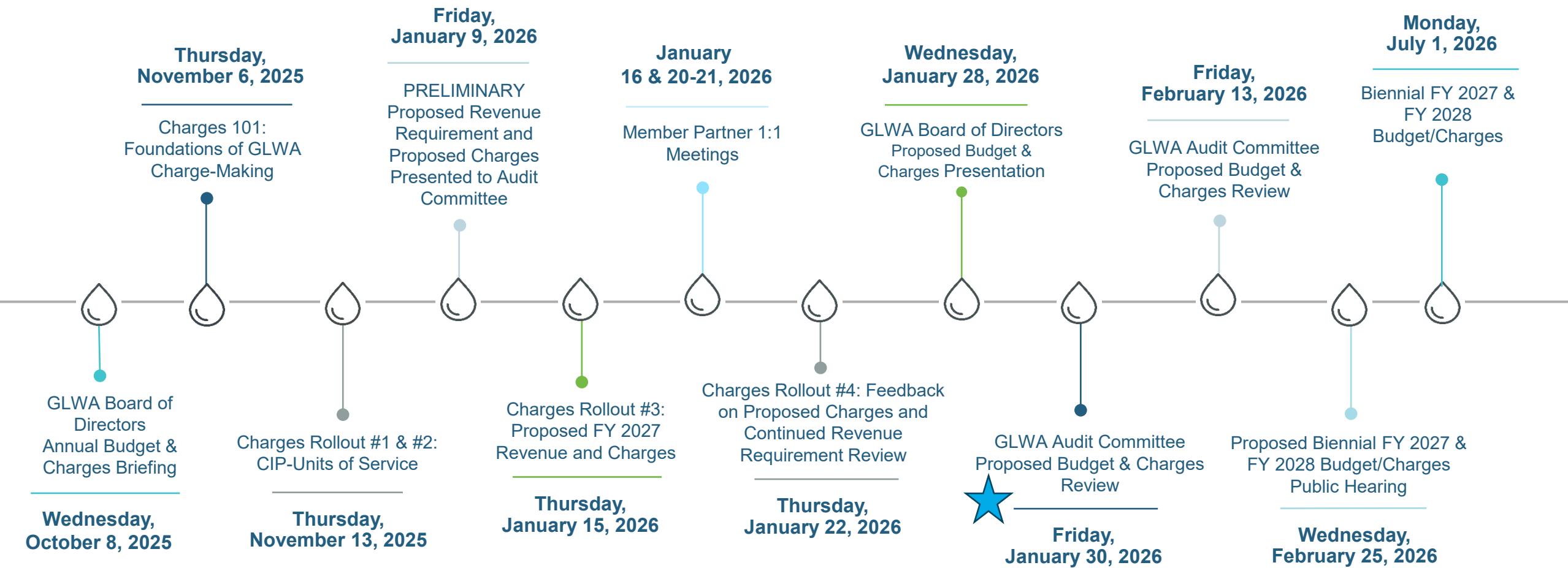
Proposed Action: Receive and file.



FY 2027 & FY 2028 Biennial Budget and Five-Year Plan, Proposed FY 2027 Charges and Long-Term Financial Plan

**Audit Committee
January 30, 2026**

Budget & Charges Timeline



Continued Budget Review

- ❖ Special Meeting on February 13, 2026
- ❖ GLWA continues to be running dual Adaptive Insights and excel budget models while the former continues to be implemented.
- ❖ In developing the budget document for the January 30, 2026 meeting, the Excel templates failed to import data properly. This caused significant data validation as well as several starts and stops for troubleshooting, testing, and reconciling.
- ❖ It appears the template issue has been fixed this week and the team will be focused on preparing the budget document – and the additional analysis requested.
- ❖ Unfortunately, this also impacted staff time to complete supplemental analysis.

One Pagers



Great Lakes Water Authority

The proposed operations and maintenance (O&M) budget accounts for 43% (\$431.3M) of the total revenue requirement budget of \$1.0 billion. Compared to the FY 2026 Adopted Budget, this is an increase of almost \$12.8M (3.1%). The following is a discussion of the proposed O&M budget highlights for FY 2027. Note: amounts presented in millions (M).

Staffing & Personnel - Overall the staffing plan number of positions (1,352) did not change. Across multiple areas, five apprentices graduated who were promoted to regular team member status filling vacancies in key operational areas. Since not all positions are filled, the "full-time equivalent" count is 1,194 which is a vacancy rate of 12%. Medical plan costs increased an average of 11.5%.

Water Operations - increase of \$2.2M (2.1%) Personnel increased (\$3.6M) for merit, market adjustments, and skills level progressions are included. Contractual Services decreased (\$2.8M) primarily due to the new sludge removal and hauling contract. Chemicals (bulk) are stable due to lower forecast volume of orthophosphate and stabilized market prices. Unallocated reserves (\$1.3 M) and other items (\$0.1M) also increased. Unallocated reserves are included in the budget to address cost increases or other contingencies throughout the year.

Wastewater Operations - increase of \$2.1 M (1.3%) An increase in Contractual Services (\$2.3M) is due to transferring the asset maintenance and reliability program for sewer operations from centralized Field Services; boiler operation services; and, a vendor price increase for operating the Biosolids Dryer Facility. Although staffing positions decreased by 10, personnel costs increased (\$1.6M) due to merit, market adjustments and skills level

¹ Includes the System Resiliency, Planning Services, Systems Control, Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity/HazMat.

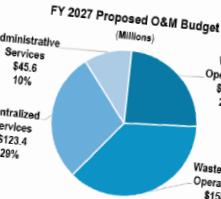
² Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer (Includes Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services.

FY 2027 Operations & Maintenance Budget Analysis As Proposed January 30, 2026

progressions. Chemicals decreased significantly (\$4.1M) due to reduced forecast volume of chemicals used to control phosphorus and lower market prices. Unallocated reserve increased (\$1.8M) and other items increased (\$0.5M).

Centralized Services¹ - increase \$6.0M (5.1%) Personnel costs increased (\$2.4M) due to merit, market adjustments and skills level progressions. The increase in Supplies & Other (\$1.4M) is for wireless access points for the water plants to support technology and communication needs. Contractual Services net increase (\$0.5M) is due to capital projects for shared facilities, an update to the Water Master Plan, and technology for secure off-site backup services. These increases are offset by the sewer asset maintenance and repair costs transferred to the Wastewater Operations. Unallocated reserve increased (\$1.7 M).

Administrative Services² - increase of \$2.5 M (5.8%) Personnel cost increased (\$1.5M) due to merit and market adjustments. Unallocated reserves increased (\$0.7M). Contractual services increased (\$0.3M) due to legal resources needed to mitigate risk & safeguard the organization as well as an increase in insurance costs.



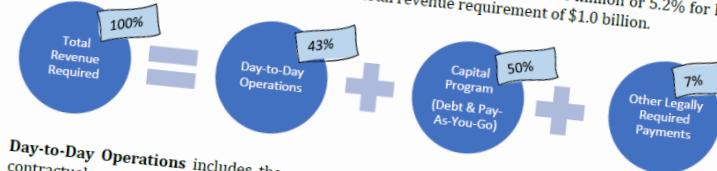
Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org



Great Lakes Water Authority

FY 2027 Revenue Requirement As Proposed January 30, 2026

The total budget for a water utility, like the Great Lakes Water Authority (GLWA), is referred to as the "revenue requirement." It tells us *how much revenue/cash is required to operate and maintain the systems for a given year*. The total revenue requirement increased by \$49.4 million or 5.2% for FY 2027. Three major categories makeup GLWA's total revenue requirement of \$1.0 billion.



Day-to-Day Operations includes the personnel, specialty contractual services, utilities, chemicals, and supplies to operate five water treatment plants, the largest single-site Water Resource Recovery Facility (WRRF) in North America and all of the systems, processes, and controls to manage the vast regional water and sewer network. The total FY 2027 Operations & Maintenance Budget is \$431.3 million, up \$12.8 million over the previous year. This growth is from cost increases for utilities, chemicals, insurance and contractual provisions. New this year is the start of the water master plan update and increased technology security measures. A net staffing increase is zero thanks to a successful apprenticeship program where graduates filled key vacancies.

Capital Program costs include making payments on bonded debt, balanced with cash funding, to prevent GLWA from maxing out its borrowing capability for future generations. Because many of our assets are underground, it is hard to envision the scope of all capital needs. For perspective, consider that there are over 800 miles of transmission main that move treated drinking water from five water treatment plants to the local systems' distribution network and there are also over 200 miles of trunk sewers and interceptors that return wastewater to the WRRF. The combined total of 1,000 miles equals the driving distance from Detroit to Jacksonville, Florida. The FY 2027 Capital Program-related revenue requirement is \$56 million, an increase of \$35 million.

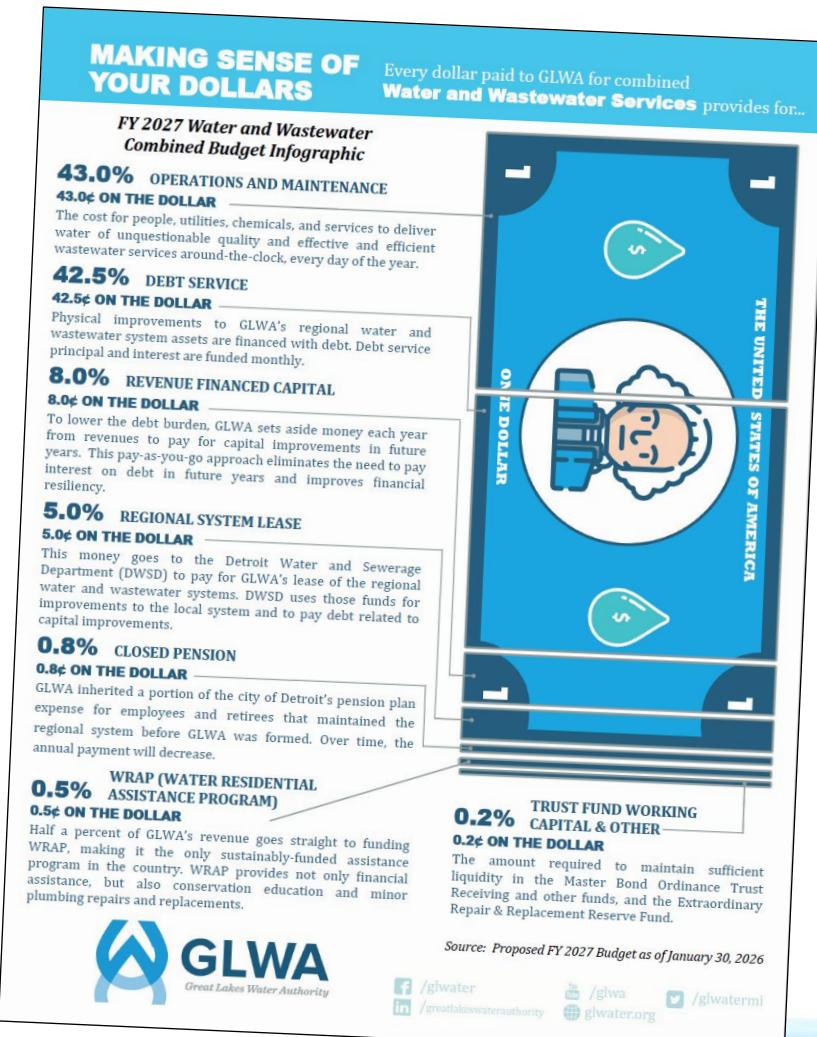
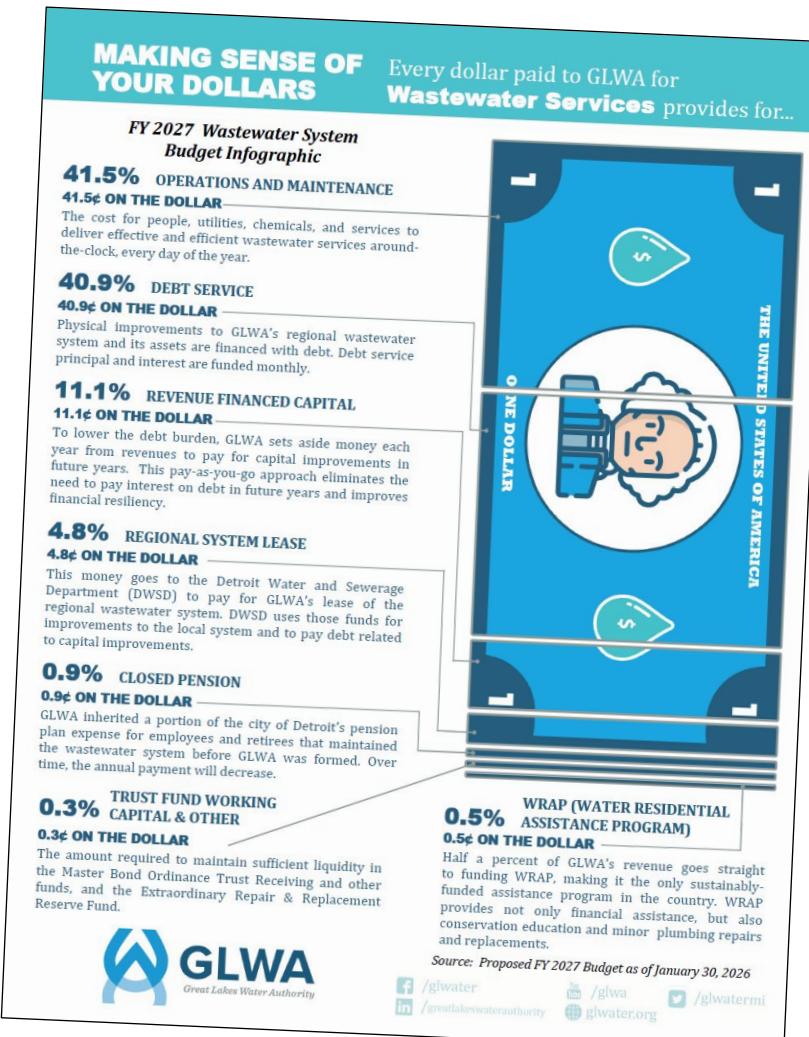
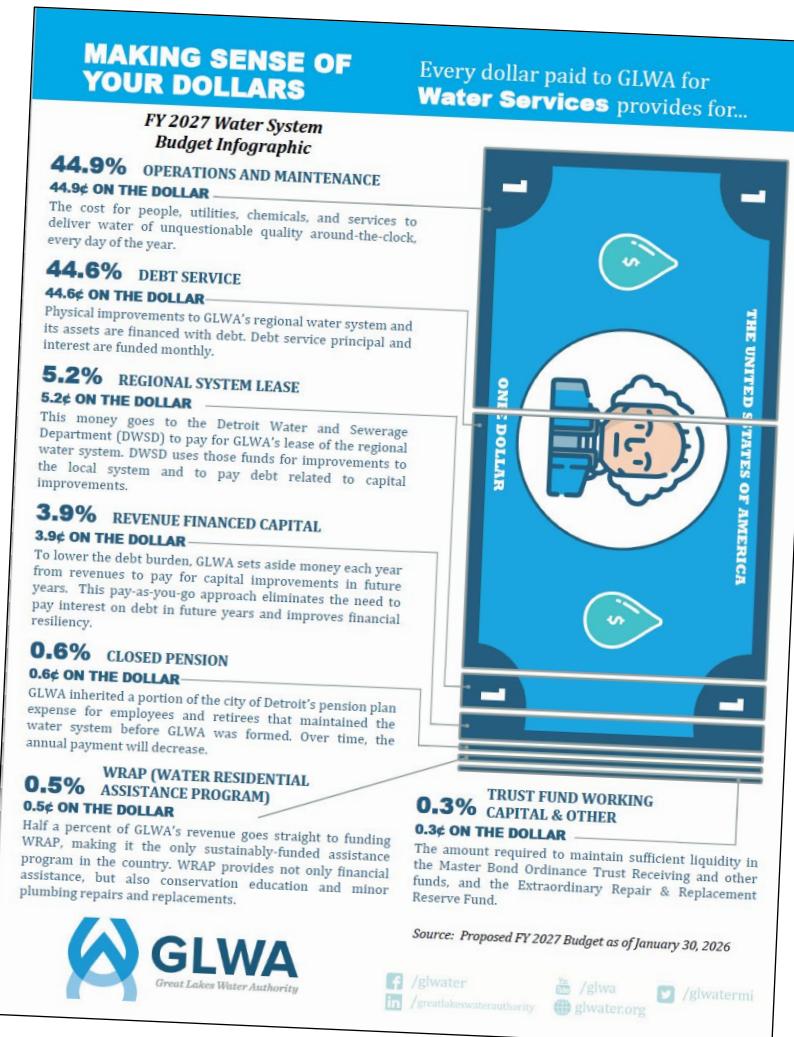
Other Legally Required costs increased \$1.5 million to \$65.4 million. This includes the lease payment to the City of Detroit Water & Sewerage Department (DWSD) (\$50 million restricted for DWSD debt and capital program needs), legacy pension payments to the City of Detroit General Retirement System (\$7.8 million), a half of one percent of revenues for the Water Residential Assistant Program (WRAP) (\$4.9 million), and a working capital requirement (\$2.7 million).

Revenue Required from charges increased 6.2%. The average system charge increase to Member Partners of 6.83% for water and 5.98% for sewer is achieved with offsetting investment income and other (although to a lesser extent with an approximately \$4 million decrease for each system).

Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org



Infographics



Individual System Increases - Clarification

Water Charge Increase 6.83%

43%

Water System Revenue Requirement	FY 2027		
	Proposed Budget	Dollar Variance	Percent Variance
Revenues			
Revenues from Charges			
Wholesale Customers	\$ 387,988,500	\$ 22,342,400	6.1%
Charges to Local System	33,603,600	3,574,800	11.9%
Total Revenue from Charges	421,592,100	25,917,200	6.6%
Investment Earnings			
Unrestricted	3,171,000	(1,483,800)	-31.9%
I&E Fund Unrestricted	3,410,900	(1,457,900)	-29.9%
Restricted for Debt Service	2,175,500	(1,084,600)	-33.3%
Total Investment Earnings	8,757,400	(4,026,300)	-31.5%
Other Operating Revenue	495,400	192,600	63.6%
Total Revenues	\$ 430,844,900	\$ 22,083,500	5.4%
Revenue Requirements			
Operations & Maintenance Expense	\$ 193,563,400	\$ 11,107,400	6.1%
Debt Service	192,202,900	13,120,700	7.3%
General Retirement System Pension	2,559,000	(171,800)	-6.3%
Water Residential Assistance			
Program Contribution	2,099,900	129,900	6.6%
Extraordinary Repair & Replacement Deposit	104,800	(215,200)	-67.3%
Regional System Lease	22,500,000	-	0.0%
Working Capital Requirement	1,100,000	500,000	83.3%
Improvement & Extension Fund Transfer Pending	16,714,900	(2,387,500)	-12.5%
Total Water System Revenue Requirements	\$ 430,844,900	\$ 22,083,500	5.4%

Sewer Charge Increase 5.98%

57%

Sewer System Revenue Requirement	FY 2027		
	Proposed Budget	Dollar Variance	Percent Variance
Revenues			
Revenues from Charges			
Wholesale Customers	\$ 317,383,200	\$ 17,066,400	5.7%
Charges to Local System	229,070,400	13,746,000	6.4%
Industrial Waste Control Charges	9,673,600	523,300	5.7%
Pollutant Surcharges	5,198,600	85,900	1.7%
Total Revenue from Charges	561,325,800	31,421,600	5.9%
Investment Earnings			
Unrestricted	3,969,200	(1,118,100)	-22.0%
I&E Fund Unrestricted	3,985,100	(1,466,400)	-26.9%
Restricted for Debt Service	2,512,100	(1,564,300)	-38.4%
Total Investment Earnings	10,466,400	(4,148,800)	-28.4%
Other Operating Revenue	437,500	(5,100)	-1.2%
Total Revenues	\$ 572,229,700	\$ 27,267,700	5.0%
Revenue Requirements			
Operations & Maintenance Expense	\$ 237,763,400	\$ 1,664,700	0.7%
Debt Service	233,854,700	12,970,200	5.9%
General Retirement System Pension	5,246,300	(386,500)	-6.9%
Water Residential Assistance			
Program Contribution	2,794,800	156,300	5.9%
Extraordinary Repair & Replacement Deposit	-	-	0.0%
Regional System Lease	27,500,000	-	0.0%
Working Capital Requirement	1,500,000	1,500,000	100.0%
Improvement & Extension Fund Transfer Pending	63,570,500	11,363,000	21.8%
Total Sewer System Revenue Requirements	\$ 572,229,700	\$ 27,267,700	5.0%

Combined Weighted Average 6.34%

100%

Water & Sewer System Combined Revenue Requirement	FY 2027		
	Proposed Budget	Dollar Variance	Percent Variance
Revenues			
Revenues from Charges			
Wholesale Customers	\$ 705,371,700	\$ 39,408,800	5.9%
Charges to Local System	262,674,000	17,320,800	7.1%
Industrial Waste Control Charges	9,673,600	523,300	5.7%
Pollutant Surcharges	5,198,600	85,900	1.7%
Total Revenue from Charges	982,917,900	57,338,800	6.2%
Investment Earnings			
Unrestricted	7,140,200	(2,601,900)	-26.7%
I&E Fund Unrestricted	7,396,000	(2,924,300)	-28.3%
Restricted for Debt Service	4,687,600	(2,648,900)	-36.1%
Total Investment Earnings	19,223,800	(8,175,100)	-29.8%
Other Operating Revenue	932,900	187,500	25.2%
Total Revenues	\$ 1,003,074,600	\$ 49,351,200	5.2%
Revenue Requirements			
Operations & Maintenance Expense	\$ 431,326,800	\$ 12,772,100	3.1%
Debt Service	426,057,600	26,090,900	6.5%
General Retirement System Pension	7,805,300	(558,300)	-6.7%
Water Residential Assistance			
Program Contribution	4,894,700	286,200	6.2%
Extraordinary Repair & Replacement Deposit	104,800	(215,200)	-67.3%
Regional System Lease	50,000,000	-	0.0%
Working Capital Requirement	2,600,000	2,000,000	333.3%
Improvement & Extension Fund Transfer Pending	80,285,400	8,975,500	12.6%
Total Water & Sewer System Combined Revenue Requirements	\$ 1,003,074,600	\$ 49,351,200	5.2%



FY 2027 Proposed Service Charges

Matt Lane, GLWA and Erik Johnson, Willdan

Audit Committee
January 30, 2026

FY 2027 Proposed Schedule of Charges



FY 2027 Proposed Schedule of Charges

January 30, 2026

As presented to the GLWA Audit Committee 1/30/2026

Subject to board approval after the public hearing scheduled for February 25, 2026

Available at:

- GLWA Website: [FY 2027 Proposed Charges](#)
- Outreach Portal: [outreach.glwater.org](#)
- Direct request: charges@glwater.org

Charge Methodology is Stable

- ◆ The charge methodology determines how charges are allocated among Member Partners.
- ◆ FY 2027 proposed charges reflect GLWA's and Member Partners' efforts in achieving stability in charge methodology for multiple years.
- ◆ Any deviation from system averages are due to assumption/data anomalies for a few communities based on known circumstances rather than the charge allocation methodology.
- ◆ Most communities remain close to the system-wide average, with a small number of communities showing different changes due to unique, documented circumstances.
- ◆ Note for next year: water system contract reopeners and sewer system flow balance updates will re-allocate each Member's Partner's respective shares.

Member Partner Engagement

💧 Events

- 💧 January 13, 2026 – “Preliminary” Proposed Calculation Worksheets were *emailed* to each Member Partner with a cover letter from CEO highlighting key considerations
- 💧 January 15, 2026 – Charges Rollout #3 via Zoom
- 💧 January 16, 20, and 21, 2026 – One-on-One Member Partner Meetings
- 💧 January 22, 2026 – Charges Rollout #4 via Zoom
- 💧 January 26, 2026 - Proposed Calculation Worksheets were mailed and emailed to each Member Partner along with a cover letter from CEO

💧 Outcome

- 💧 90 Member Partner participants from 55 unique communities participated in Rollout #3 and #4 in total
- 💧 One-on-One Meetings - 12 with Water Member Partners of which 3 are also Wastewater Member Partners
- 💧 Rollout #4 covered topics from one-on-one meetings
- 💧 Every Member Partner has received two written communications within two weeks
- 💧 All presentations were posted on Outreach Portal; Link emailed to Member Partner

Budget vs. Charges Increase

- While the budget increase is 5.4% for water; average system charge adjustment is 6.83%
- Similarly, budget for sewer system is 5% increase while average system charge adjustment is 5.98%
- The **charge** revenue increase is higher than the **budget** increase because there is a greater reliance on charges for FY 2027 due to decreased investment earnings
 - Note: the rate of return on public investment portfolios, like GLWA's, are down as a result of federal rate cuts

FY 2027 Proposed Charges		
Category	Water Supply	Sewage Disposal
Revenue Requirements (Total Budget) Adjustment	5.40%	5.00%
Revenues from Charges (Charges Budget)	6.55%	5.93%
Wholesale Average Charge Adjustment	6.41%	5.68%
Average System Charge Adjustment ★	6.83%	5.98%

★ The “average system charge adjustment” is the most quoted percentage when discussing charges

Charge Adjustment Definitions

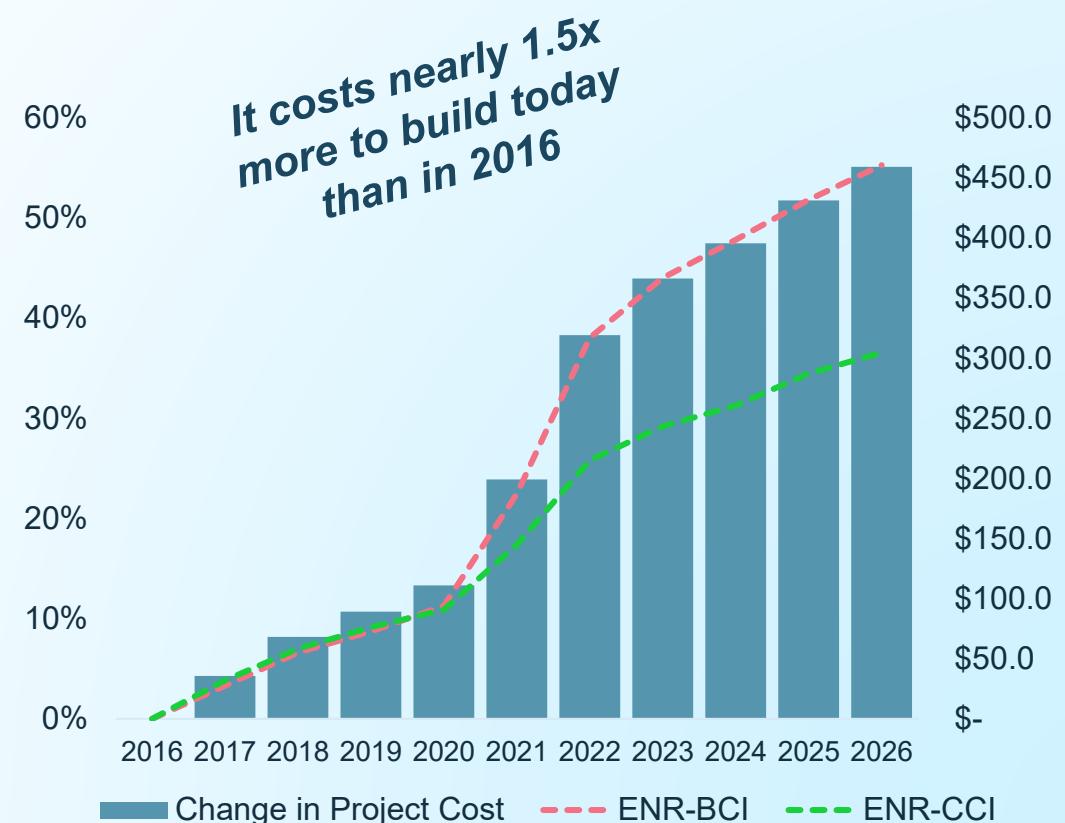
- ◆ Revenue Requirements (Total Budget) Adjustment: This is the increase in the overall total budget including all line items of revenues and financial commitments.
- ◆ Revenues from Charges (Charges Revenue): This represents the year over year dollar amount increase, shown as a percentage, in “Charges Revenues” as shown in the balanced budget document.
 - ◆ For FY 2027, there is less investment revenue, so as a percentage, the increase in charges is higher than the total budget increase.
- ◆ Average System Charge Adjustment: This is the simple average of each Member Partners charge adjustment
 - ◆ Some Member Partners were close to the average, some had higher increases, and some had decreases
- ◆ Wholesale Average Charge Adjustment: This is the simple average of each Member Partner excluding the local system charge for DWSD

Willdan Group - Service Sector Overview

- Willdan Group provides financial, rate, and capital planning for communities nationwide with over 30 years of experience.
- Across the sector, water and sewer utility rates have consistently outpaced inflation with national averages increasing between 3.5% and 5.0% annually
 - Since 2016, combined rates have increased by approximately 56%
- Key drivers include
 - Addressing system maintenance needs
 - Meeting regulatory mandates
 - Improving system resiliency

Willdan's Observations – Sector Cost Challenges

- Multiple factors drive charge adjustments, but the biggest are Capital costs, Operating costs, Labor costs
- Utility age also impacts revenue requirements
 - older legacy providers in the East and Midwest are often maintaining old assets and addressing deferred maintenance without the benefit of growth
- \$1M project cost in 2016, now costs \$1.46M, almost a 1.5x increase in construction (ENR)
- Chart notes the (Building Cost Index) BCI and Construction Cost Index (CCI) as tracked by the (Engineering News Record) ENR





Water System

Water Supply System

Summary of Preliminary FY 2027 Revenue Requirement and Charge Adjustment

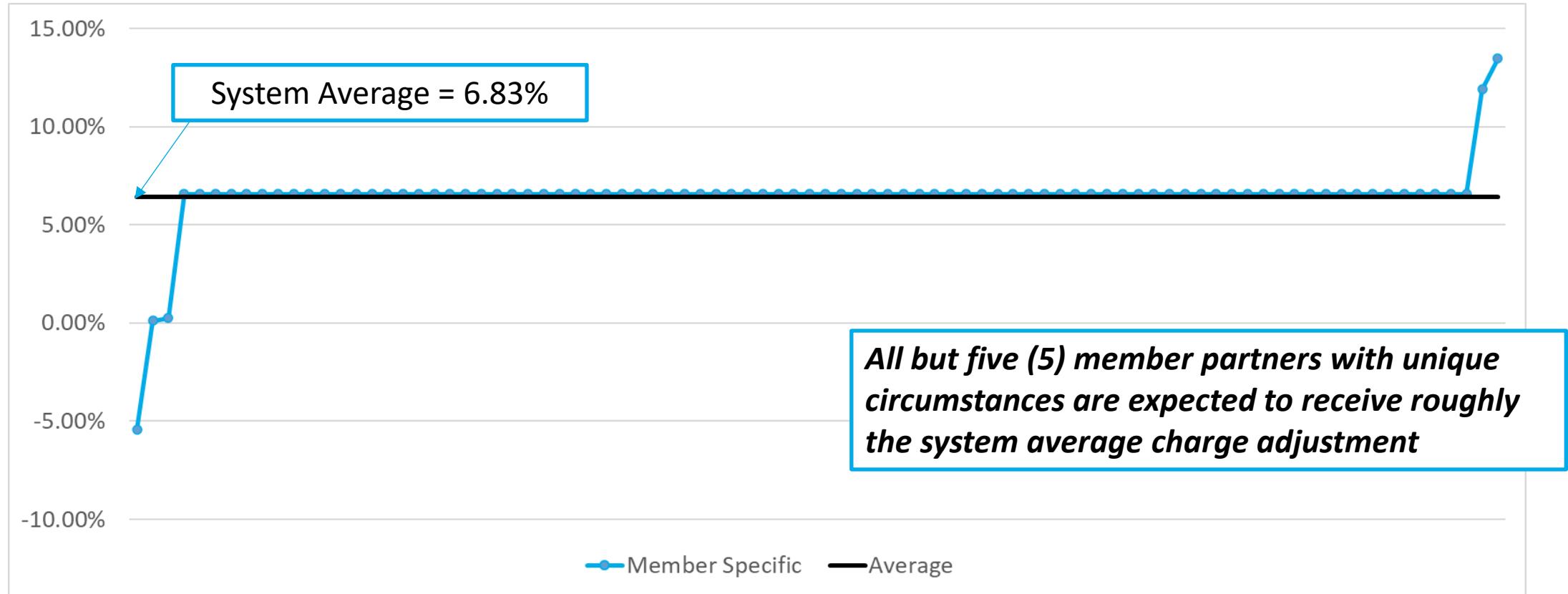
Budget Adjustment	Budget (1,000s)		Budget Adjustment	
	Approved 2026	Preliminary 2027	\$	%
Total Revenue Requirements (Budget)	\$408,761	\$430,845	(B) \$22,084	5.40%
Less: Investment Earnings and Other Operating Revenues	13,087	9,257	(C) -3,829	-29.26%
= Revenue from Charges	(A) \$395,675	\$421,588	\$25,913	6.55%

Charge Adjustment

Percentages below are calculated as a percentage of Pro Forma Revenue

Pro Forma Revenue <i>FY 2026 charges revenue (A) \$395,675 minus sales volume variance (D) \$1,042</i>		\$394,633		
Change in Annual Revenue Requirement	(B)	\$22,084	5.60%	
Change Attributable to Non-Charge Revenue <i>(primarily decrease in investment earnings)</i>	(C)	3,829	0.97%	
Change Attributable to Sales Volumes	(D)	1,042	0.26%	
Average System Charge Adjustment		\$26,954	6.83%	

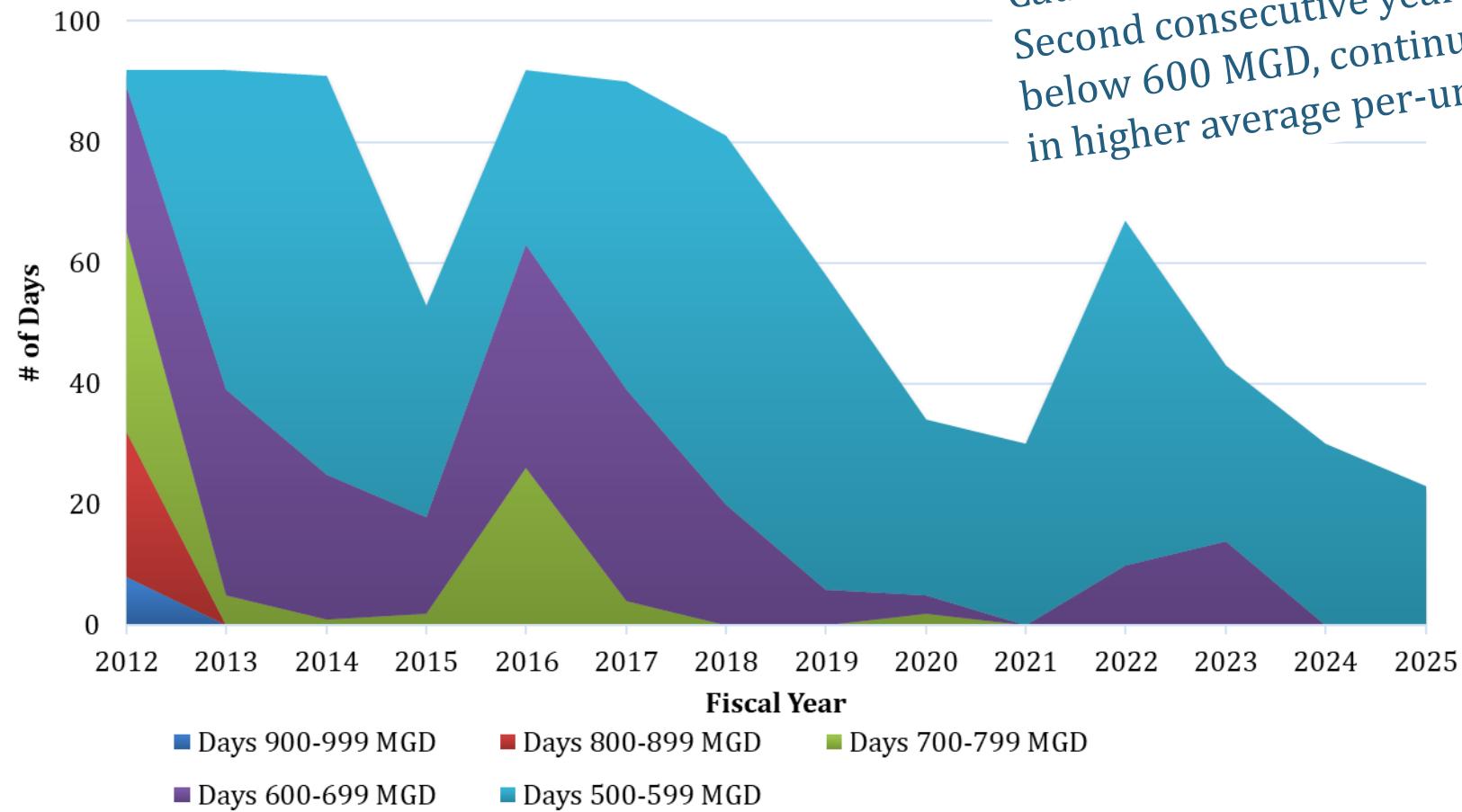
FY 2027 Proposed Water Charge Adjustment Summary



Declining Water Demands

Declining Water Demand

Peak Demand Profile
2012-2025

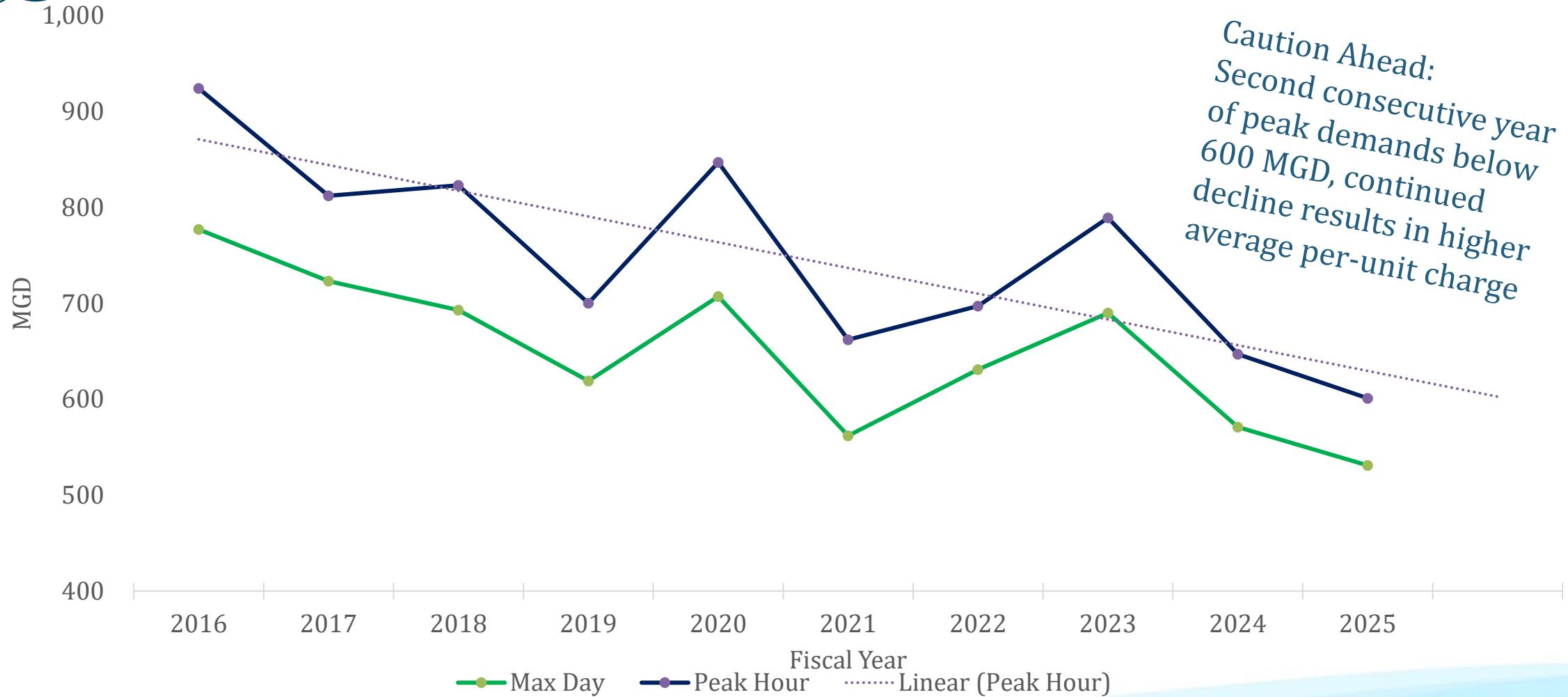


Caution Ahead:

Second consecutive year of peak demands
below 600 MGD, continued decline results
in higher average per-unit charge

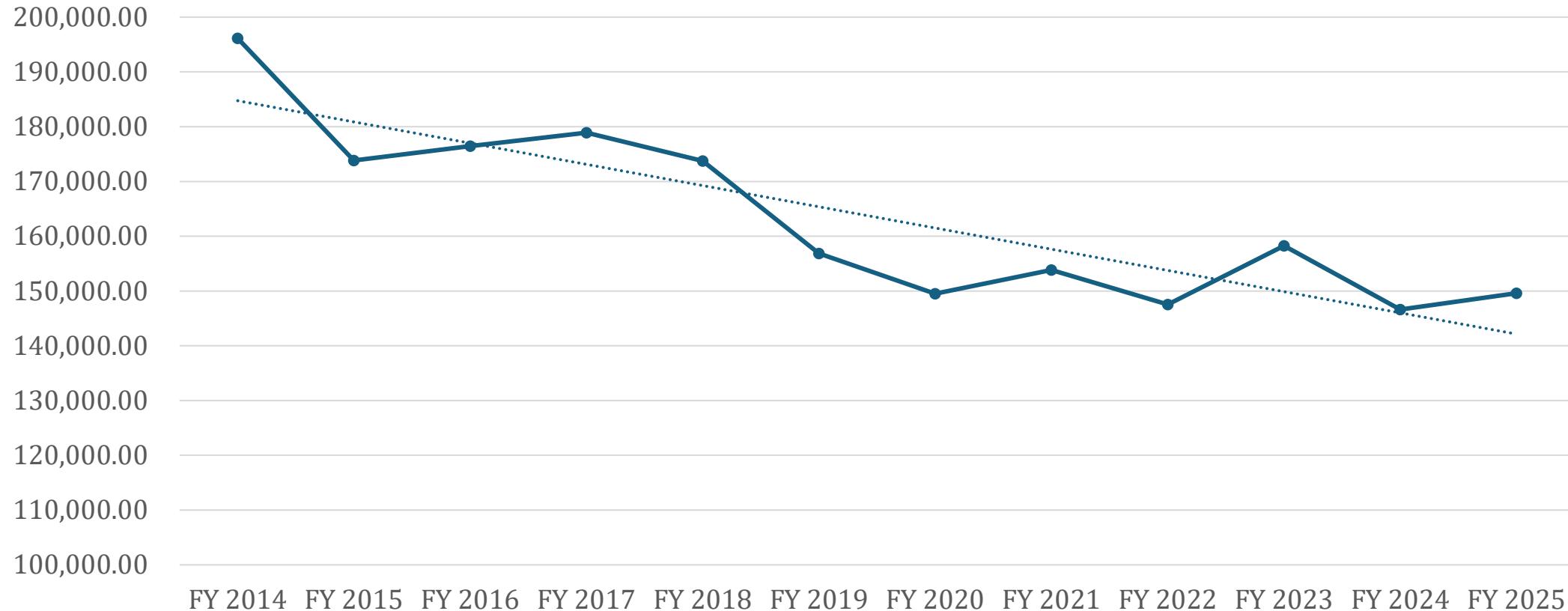


System Max Day and Peak Hour Values 2016-2025



Declining
Water
Demand

Annual Wholesale Pumpage 2016-2025 (Million Gallons)





Water Sales Decline ...

- FY 2019 - Basis for Charges Sales Volume ~18,827,840 Mcf
 - 141,000 million gallons
- FY 2027 - Basis for Charges Sales Volume ~17,194,135 Mcf
 - 129,000 million gallons
 - Variance of ~1,633,705 Mcf, 12,000 million gallons, or ~8.7%
- FY 2027 - Charges Revenue (same \$ amount) \$421,587,500
- Illustration of "Per Unit" Impact
 - FY 2019 = \$22.39
 - FY 2027 = \$24.52
 - Difference = \$2.13 or 9.50%

Reduced sales volumes make each unit of water more costly

Unique this Year: Greenwood Township (DTE)

- The DTE Greenwood Township Energy Center had a contract exceedance during the peak season of calendar year 2025.
- This exceedance was discussed with Member Partners at the Water Analytical Work Group on October 28, 2025
- As result of this exceedance, DTE Greenwood and GLWA have developed a corrective action plan which includes modification to their peak hour and max day demands.
- The resulting outcome increases the demands as shown below.
 - Average Day from 32,600 MCF to 42,600 MCF
 - Max day from 2.24 MGD to 2.40 MGD
 - Peak hour from 2.24 MGD to 2.40 MGD

Unique this Year – City of Highland Park

- 💧 In accordance with the Highland Park settlement agreement and model contract, the possibility of an adjustment was expected using best available metering data at this time.
- 💧 Accordingly, modified sets of units of service for both water and sewer have been developed.
- 💧 As it relates to water, this approach results in adjustments for calculating Highland Park's revenue requirements as shown below.
 - 💧 Avg Day from 77,200 MCF to 56,600 MCF
 - 💧 Max Day from 2.40 MGD to 1.62 MGD
 - 💧 Peak Hour from 2.46 MGD to 2.83 MGD

Unique this Year- City of Dearborn

- GLWA and the City of Dearborn continue to make progress towards resolving long term matters.
- It is feasible that the resolution of those matters could occur before charges are approved - resulting in the City of Dearborn becoming a model contract member partner by the end of FY 2026.
- In demonstrating good faith of this progress, the operational buffer for their max day and peak hour demands for FY 2027 will be reduced from 20% to 10%.
- The resulting outcome decreases the demands as shown below.
 - Max day from 23.70 to 21.80 MGD
 - Peak hour from 32.90 to 30.20 MGD

Annual Reminder – Detroit - Base vs. Effective Water System Charge Adjustment

- Annually, the City of Detroit's revenue requirement is calculated consistent with the water charge methodology for all Member Partners.
- An “Ownership Credit” is then provided to the City of Detroit's charges (and reallocated among Member Partners).
 - The authorization for the credit comes from the water system lease agreement between GLWA and the City of Detroit.
 - The amount of the annual adjustment, based upon that agreement, is exactly \$20.7 million per year, each year.

Detroit Water	FY 2027	FY 2027	Variance	Variance
	Proforma	Proposed	(\$)	(%)
Revenue Requirement	\$ 49,990	\$ 53,525	\$ 3,535	7.07%
Flint/KWA Adjustment	739	779	40	5.47%
Wholesale Requirement	50,729	54,304	3,575	7.05%
DWSD Ownership Credit	(20,700)	(20,700)	-	0.00%
Revenue Requirement	\$ 30,029	\$ 33,604	\$ 3,575	11.91%

All \$ amounts are in \$1,000s
Preliminary Proposed as of 01/21/2026. Subject to final review of individual member partner charge sheets.

The above table illustrates the overall effective percentage increase for the City of Detroit before and after the ownership credit.

- The revenue requirement increase of 7.07% before the KWA adjustment and the DWSD ownership credit is consistent with the increase to the proforma revenue for all Member Partners
- After the credit of \$20.7 million, the net wholesale revenue requirement variance reported is 11.91%.

Annual Reminder - City of Flint - Base vs. Effective Water System Charge Adjustment

- Annually, the City of Flint's wholesale revenue requirement is calculated consistent with the water charge methodology.
- A "Flint/KWA Credit" is then provided to the City of Flint's charges (and reallocated among Member Partners).
 - The credit is based upon a Master Agreement with the City of Flint, Genessee County Drain Commission (GCDC) and the Karegnondi Water Authority (KWA).
 - Under this agreement, the GLWA receives rights to the raw water that Flint has through the KWA. In exchange, GLWA provides a credit to the City of Flint equal to the corresponding annual KWA debt service that Flint is obligated to pay.
 - The debt service, and therefore the amount of the credit, varies each year.
 - The benefit of this arrangement is that redundancy of service can be provided to GLWA Member Partners along the main that goes to the City of Flint (including Flint) without incurring significant capital investment.

Flint Water	FY 2027	FY 2027	Variance	Variance
	Proforma	Proposed	(\$)	(%)
Revenue Requirement	\$ 11,313	\$ 12,113	\$ 800	7.07%
DWSD Ownership Adjustment	669	681	12	1.78%
Wholesale Requirement	11,983	12,794	812	6.77%
Flint/KWA Credit	(5,959)	(5,959)	-	0.00%
Revenue Requirement	\$ 6,023	\$ 6,835	\$ 812	13.48%

All \$ amounts are in \$1,000s
Preliminary Proposed as of 01/21/2026. Subject to final review of individual member partner charge sheets.

The above table illustrates the overall effective percentage increase for the City of Flint before and after the Flint/KWA credit.

- The revenue requirement increase of 7.07% before the DWSD ownership adjustment and the KWA credit is consistent with the increase to the proforma revenue for all Member Partners
- After the credit of \$5.9 million, the net wholesale revenue requirement variance reported is 13.48%



Sewer System

Sewage Disposal System

Summary of Preliminary FY 2027 Revenue Requirement and Charge Adjustment

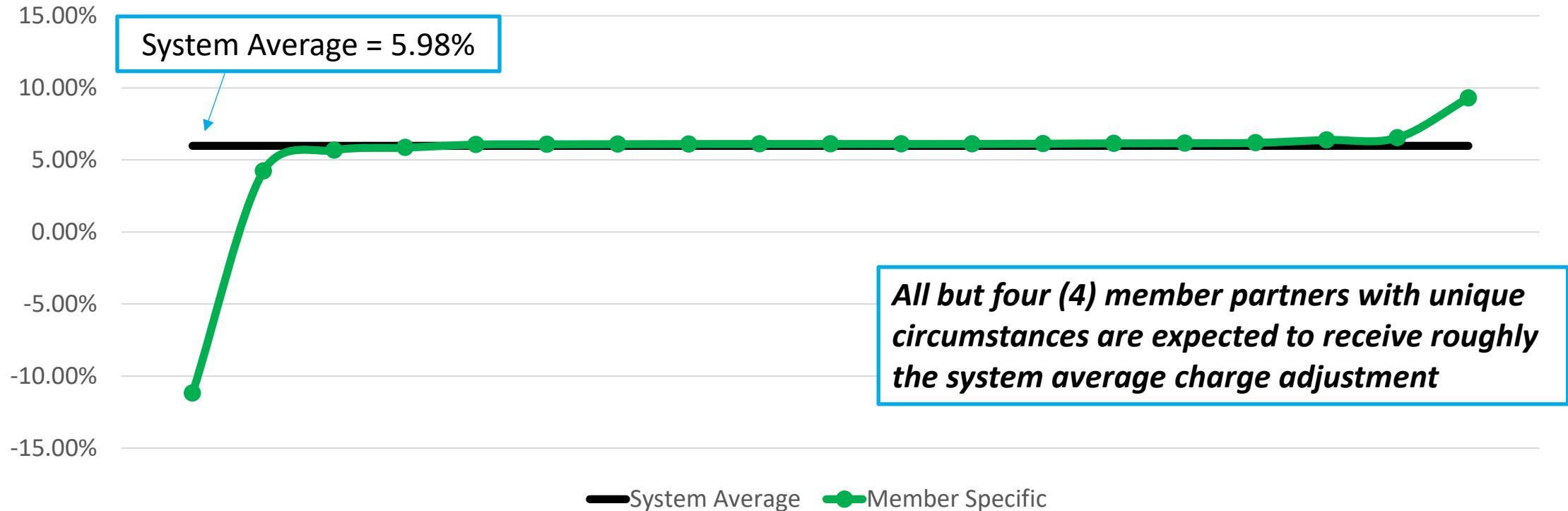
Budget Adjustment	Budget (1,000s)		Variance	
	Approved 2026	Preliminary 2027	\$	%
Total Revenue Requirements (Budget)	\$544,962	\$572,230	(B) \$27,268	5.00%
Less: Investment Earnings and Other Operating Revenues	15,058	10,916	(C) -4,141	-27.50%
= Revenue from Charges	(A) \$529,904	\$561,313	\$31,409	5.93%

Charge Adjustment

Percentages below are calculated as a percentage of Pro Forma Revenue

Pro Forma Revenue	\$529,653			
<i>FY 2026 charges revenue (A) \$529,904 minus sales volume variance (D) \$251</i>				
Change in Annual Revenue Requirement	(B)	\$27,268	5.15%	
Change Attributable to Non-Charge Revenue <i>(primarily decrease in investment earnings)</i>	(C)	4,141	0.78%	
Change Attributable to Sales Volumes	(D)	251	0.05%	
Average System Charge Adjustment		\$31,660	5.98%	

FY 2027 Proposed Sewer Charge Adjustment Summary



Unique this Year - City of Highland Park

- In accordance with the Highland Park settlement agreement and model contract, the possibility of an adjustment was expected using best available metering data at this time.
- Accordingly, a modified set of units of service for both water and sewer has been developed.
- As it relates to sewer, this approach results in adjustments to calculating Highland Park's revenue requirements as shown below.
 - Total Flow from 5.254 MGD to 2.891 MGD
 - Sanitary Flow from 0.567 MGD to 1.017
 - Equivalent SHARE % from 0.987 to 0.827

Unique this Year - City of Grosse Pointe

- The City of Grosse Pointe recently transitioned from being a D+ sewer member partner to a fully metered customer.
- The city and GLWA agreed to “phase in” the new metered data over a 5-year period starting by using 5 years of D+ and 5 years of meter data to establish their SHAREs. This is the third year of the phase-in which began with FY 2025.
- Updates are regularly discussed at the Wastewater Analytics Task Force in conjunction with updates on the annual flow balance
- The outcome of that phase based on the FY 2025 updated flow balance report is depicted below
 - Total Flow from 1.389 MGD to 1.288 MGD
 - Sanitary Flow from 0.334 to 0.360 MGD
 - Equivalent SHARE % from 0.244 to 0.240

Annual Reminder – Detroit – Base vs. Effective Charge Adjustment

- Annually, the City of Detroit's revenue requirement is calculated consistent with the water charge methodology for all Member Partners.
- An "Ownership Credit" is then provided to the City of Detroit's charges (and reallocated among Member Partners).
 - The authority for the credit comes from the water system lease agreement between GLWA and the City of Detroit.
 - The amount of the annual adjustment, based upon that agreement, is exactly \$5.516 million per year, each year.

Detroit Sewer	FY 2027	FY 2027	Variance	Variance
	Proforma	Proposed	(\$)	(%)
Revenue Requirement	\$ 221,123	\$ 234,869	\$ 13,746	6.22%
Green Infrastructure Adjustment	(282)	(282)	-	0.00%
Wholesale Requirement	220,840	234,587	13,746	6.22%
DWSD Ownership Credit	(5,516)	(5,516)	-	0.00%
Revenue Requirement	\$ 215,324	\$ 229,071	\$ 13,746	6.38%

All \$ amounts are in \$1,000s

Preliminary Proposed as of 01/07/2026. Subject to final review of individual member partner charge sheets.

The above table illustrates the overall effective percentage increase for the City of Detroit before and after the ownership credit.

- The revenue requirement increase of 6.22% before the Green Infrastructure adjustment and the DWSD ownership credit is consistent with other Member Partners that did not have a unique adjustment to their share
- After the credit of \$5.516 million, the net wholesale revenue requirement variance reported is 6.38%.



For context and reference, the following slides from Charges Rollout #4 are provided for information only.

Charges Rollout # 4 Slides past here

Strategy Timeline – Board of Directors Briefings

- ◆ September 24, 2025 – *Part 1: GLWA Linear System Integrity Program Update*
 - ◆ 2017 - 2020: Condition assessment and targeted renewal was developed
 - ◆ 2021 - 2025: Initiated contract with LSIP Program Manager, HDR of Michigan to update risk-based prioritization approach, develop program framework, governance and processes, and begin high resolution condition assessments and renewal
- ◆ October 8, 2025 – *Part 2: GLWA Water Transmission Main Renewal Strategy*
 - ◆ Transmission main risk matrix is used to prioritize management
 - ◆ Evolution to a more comprehensive “Water Transmission Main Renewal Strategy” is being developed
 - ◆ 16% of mains are beyond their useful life; 16% of mains are candidates for decommissioning
 - ◆ Long-term, annual funding is the biggest challenge

Water Transmission Main Renewal Funding

- Now that the scope and amount have been quantified, a meaningful funding discussion journey can begin
- Once the Board of Directors was briefed, the ten-year plan was updated in November/December 2025 to provide funding for the team to begin the renewal strategy
- Far more funding is needed – with the asset strategy developed – for a 20+ year program of \$1.2 billion (in 2026 dollars) – more stakeholders need to be engaged

	Fiscal Year (Millions)										Cumulative Shortfall
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Ramp Up Needed	\$ 7.5	\$ 15.0	\$ 22.5	\$ 30.0	\$ 37.5	\$ 45.0	\$ 52.5	\$ 60.0	\$ 67.5	\$ 75.0	\$ 412.5
Included in Capital Outlay	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	75.0	142.5
Funding to be Determined	\$ -	\$ 7.5	\$ 15.0	\$ 22.5	\$ 30.0	\$ 37.5	\$ 45.0	\$ 52.5	\$ 60.0	\$ -	\$ 270.0

Water Transmission Main Renewal Bonding

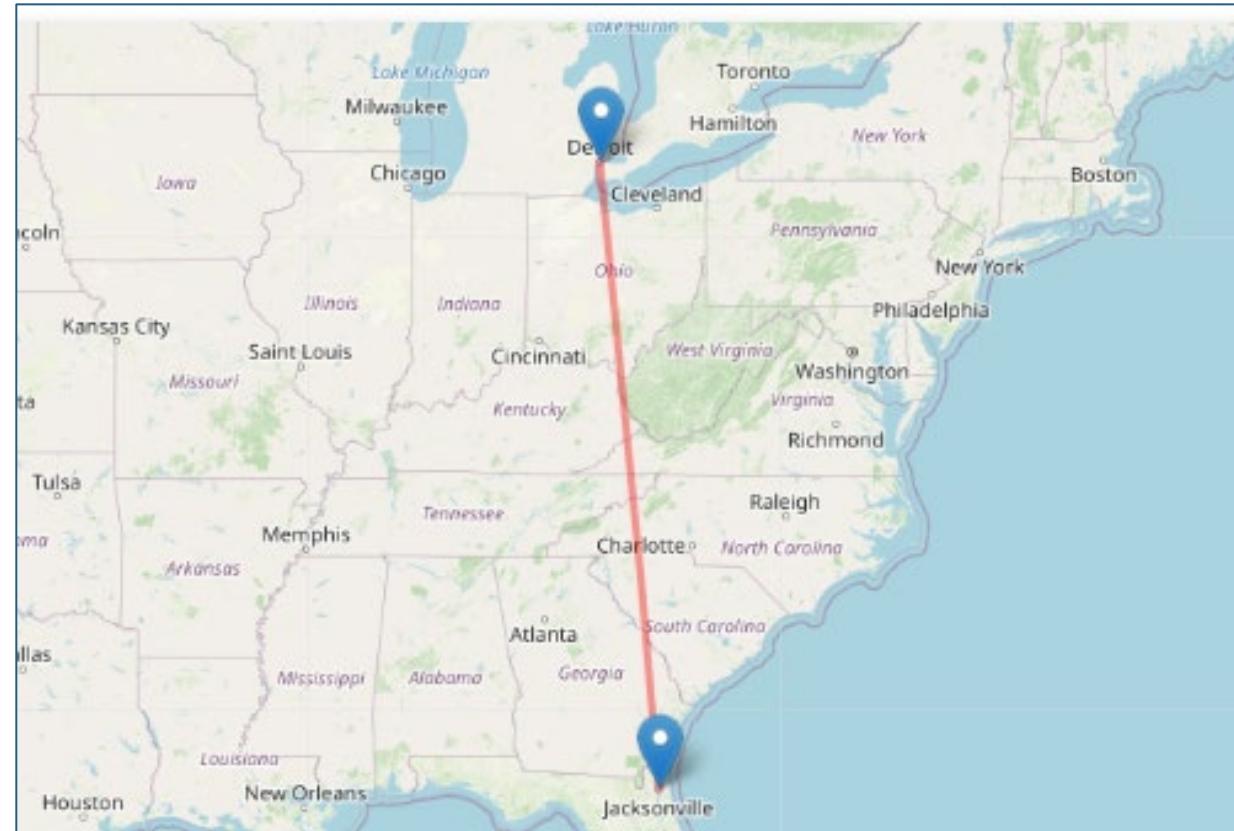
- 💧 Why not borrow to fund? There are several challenges.
 - 💧 Water system bonding capacity – the debt service coverage for the water system has weakened since 2019 due to increased operating costs and capital program costs (now just hovering above the 1.2x Debt Service Coverage minimum that is legally allowed)
 - 💧 Bonds need to be repaid – the annual debt service increases charge pressure
 - 💧 \$75 million bond become \$148 million with debt service over 30 years
 - 💧 Average annual debt service would be \$4.9 million which equates to over 1% charge increase – and that is just for one year of funding for the mature program

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Other Key Datapoints	Actual										Projected									
Debt Service Coverage (GLWA impact)	1.71	1.58	1.63	1.47	1.50	1.40	1.34	1.28	1.22	1.26	1.23	1.23	1.24	1.28	1.36	1.43	1.50	1.57	1.66	1.72

Stakeholder Conversations: Magnitude of Water Transmission Main Strategy

Transmission Main Management Category	Miles
To Be Transferred or Decommissioned	161.7
Prestressed Concrete Cylinder Pipe (PCCP)	416.6
All Others (Including Metallic)	233.8
Total Miles of Transmission Main	812.1

- The Comprehensive Water Transmission Main Renewal Strategy addresses over 800 miles of pipe – roughly the same distance from Detroit, Michigan to Jacksonville, Florida
- No one-size-fits-all solution – the strategy optimizes resources with prioritized projects and reducing service disruption



Stay Tuned for More Updates

- Water Transmission Main Renewal may be a good candidate for WIFIA funding
 - A lower cost source of borrowing
 - This is not a “fix” – but one tool in the toolbox to potentially ramp up the program
 - Note: state revolving fund criteria does not align well with GLWA’s water system metrics – and that funding source is strained
- This system was not initially built with user fees alone; need for public policy to address aging infrastructure
 - We also know that many of our Member Partners and communities across the state are facing same / similar aging infrastructure and funding issues
 - Without new resources, already strained affordability challenges for some expand to all

2. Operating Budget Highlights

- ◆ Total operating budget increase is \$12.8 million or 3.1%
- ◆ Net zero increase in staffing
 - ◆ Based on maturing organization that will always have a certain % vacant
 - ◆ Recruiting continues for vacancies – especially for hard to fill frontline operations and life cycle project managers for capital program delivery
- ◆ GLWA proactively manages its operating costs including utilities, chemicals, and contracted services
 - ◆ In depth briefing to the Board of Directors annually – most recently on October 8, 2025
 - ◆ Cross-functional teams established that collaborate on managing costs and support ways to explore and implement cost savings measures
- ◆ Tables on next slide followed by commentary

Schedule 9 - Biennial Budget– Operation & Maintenance Expense Water and Sewer Combined

Expense Category	FY 2025	FY 2026			FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	\$ 84,978,969	\$ 86,632,900	\$ 91,086,600	24,462,602	\$ 95,548,000	\$ 8,915,100	10.3%	\$ 98,924,700
2.2 Workforce Development	2,811,306	3,746,800	3,777,300	571,889	2,426,200	(1,320,600)	-35.2%	2,821,700
2.3 Overtime	10,124,643	8,911,500	8,911,500	2,724,141	9,641,700	730,200	8.2%	9,689,600
2.4 Employee Benefits	30,773,271	31,122,900	31,867,400	8,946,539	33,876,700	2,753,800	8.8%	35,504,100
2.5 Transition Services	8,194,544	8,491,400	8,491,400	2,136,222	6,428,600	(2,062,800)	-24.3%	6,451,100
Total Personnel Costs	136,882,733	138,905,500	144,134,200	38,841,393	147,921,200	9,015,700	6.5%	153,391,200
3.1 Electric	46,578,129	51,308,100	51,308,100	11,929,850	49,878,300	(1,429,800)	-2.8%	50,793,100
3.2 Gas	7,661,062	7,112,600	7,112,600	1,690,388	9,061,400	1,948,800	27.4%	8,952,600
3.3 Sewage Service	2,400,210	2,455,300	2,455,300	600,595	2,312,200	(143,100)	-5.8%	2,353,300
3.4 Water Service	10,419,880	12,202,800	12,202,800	3,081,520	11,158,300	(1,044,500)	-8.6%	10,157,400
Total Utility Costs	67,059,281	73,078,800	73,078,800	17,302,353	72,410,200	(668,600)	-0.9%	72,256,400
4.1 Chemicals	34,385,124	38,364,600	37,189,000	7,798,289	34,306,700	(4,057,900)	-10.6%	35,027,300
4.2 Supplies & Other	45,727,329	45,211,200	45,516,000	10,672,770	48,086,100	2,874,900	6.4%	50,210,400
4.3 Contractual Services	128,153,081	120,208,200	124,266,400	30,440,750	120,455,600	247,400	0.2%	120,979,500
5.1 Capital Program Allocation	(2,900,581)	(3,430,600)	(3,430,600)	(790,824)	(3,419,000)	11,600	-0.3%	(1,871,700)
5.2 Shared Services	(2,582,655)	(2,309,100)	(2,263,800)	(571,650)	(2,374,800)	(65,700)	2.8%	(2,469,700)
5.5 Intergovernmental Agreement	(1,564,690)	-	-	-	-	-	N/A	-
7.0 Unallocated Reserve	-	8,526,200	2,971,500	-	13,940,800	5,414,600	63.5%	21,623,800
Total Other Categories	201,217,608	206,570,500	204,248,500	47,549,335	210,995,400	4,424,900	2.1%	223,499,600
Grand Total	\$ 405,159,622	\$ 418,554,800	\$ 421,461,500	\$ 103,693,081	\$ 431,326,800	\$ 12,772,000	3.1%	\$ 449,147,200

Schedule 9 - Five Year Plan – Operation & Maintenance Expense Water and Sewer Combined

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 84,978,969	\$ 86,632,900	\$ 91,086,600	\$ 95,548,000	\$ 98,924,700	\$ 102,505,800	\$ 102,505,800	\$ 102,505,800
2.2 Workforce Development	2,811,306	3,746,800	3,777,300	2,426,200	2,821,700	3,305,000	3,305,000	3,305,000
2.3 Overtime	10,124,643	8,911,500	8,911,500	9,641,700	9,689,600	9,696,900	9,696,900	9,696,900
2.4 Employee Benefits	30,773,271	31,122,900	31,867,400	33,876,700	35,504,100	37,243,600	37,533,900	37,824,000
2.5 Transition Services	8,194,544	8,491,400	8,491,400	6,428,600	6,451,100	6,496,700	6,496,700	6,496,700
Total Personnel Costs	136,882,733	138,905,500	144,134,200	147,921,200	153,391,200	159,248,000	159,538,300	159,828,400
3.1 Electric	46,578,129	51,308,100	51,308,100	49,878,300	50,793,100	51,725,600	52,670,400	53,433,400
3.2 Gas	7,661,062	7,112,600	7,112,600	9,061,400	8,952,600	8,721,500	8,890,200	9,056,200
3.3 Sewage Service	2,400,210	2,455,300	2,455,300	2,312,200	2,353,300	2,395,100	2,437,500	2,480,800
3.4 Water Service	10,419,880	12,202,800	12,202,800	11,158,300	10,157,400	11,197,000	11,217,000	11,237,300
Total Utility Costs	67,059,281	73,078,800	73,078,800	72,410,200	72,256,400	74,039,200	75,215,100	76,207,700
4.1 Chemicals	34,385,124	38,364,600	37,189,000	34,306,700	35,027,300	35,335,400	35,706,200	36,055,000
4.2 Supplies & Other	45,727,329	45,211,200	45,516,000	48,086,100	50,210,400	50,185,900	52,059,400	51,800,100
4.3 Contractual Services	128,153,081	120,208,200	124,266,400	120,455,600	120,979,500	121,152,900	122,551,000	125,041,300
5.1 Capital Program Allocation	(2,900,581)	(3,430,600)	(3,430,600)	(3,419,000)	(1,871,700)	(1,985,100)	(2,039,500)	(2,887,100)
5.2 Shared Services	(2,582,655)	(2,309,100)	(2,263,800)	(2,374,800)	(2,469,700)	(2,571,300)	(2,675,600)	(2,769,300)
5.5 Intergovernmental Agreement	(1,564,690)	-	-	-	-	-	-	-
7.0 Unallocated Reserve	-	8,526,200	2,971,500	13,940,800	21,623,800	29,398,600	36,360,600	43,138,100
Total Other Categories	201,217,608	206,570,500	204,248,500	210,995,400	223,499,600	231,516,400	241,962,100	250,378,100
Grand Total	\$ 405,159,622	\$ 418,554,800	\$ 421,461,500	\$ 431,326,800	\$ 449,147,200	\$ 464,803,600	\$ 476,715,500	\$ 486,414,200

Schedule number is based on budget document in development.

Schedule 10 – Biennial Budget - Operation & Maintenance Expense by Service Area

Operating Area	FY 2025	FY 2026			FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
A - Water	\$ 93,191,198	\$ 101,500,800	\$ 101,500,800	\$ 25,420,214	\$ 103,653,900	\$ 2,153,100	2.1%	\$ 107,568,700
B - Wastewater	149,113,827	156,572,600	156,572,600	37,994,551	158,646,800	2,074,200	1.3%	166,667,700
C - Centralized Services	122,871,663	117,387,600	120,259,500	28,517,228	123,428,800	6,041,200	5.1%	127,248,200
D - Administrative Services	39,982,930	43,093,800	43,128,600	11,761,089	45,597,300	2,503,500	5.8%	47,662,600
Grand Total	\$ 405,159,619	\$ 418,554,800	\$ 421,461,500	\$ 103,693,081	\$ 431,326,800	\$ 12,772,000	3.1%	\$ 449,147,200

Schedule 10 – Five Year Plan - Operation & Maintenance Expense by Service Area

Operating Area	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
A - Water	\$ 93,191,198	\$ 101,500,800	\$ 101,500,800	\$ 103,653,900	\$ 107,568,700	\$ 110,313,200	\$ 113,107,900	\$ 115,999,300
B - Wastewater	149,113,827	156,572,600	156,572,600	158,646,800	166,667,700	173,419,700	178,439,200	180,844,400
C - Centralized Services	122,871,663	117,387,600	120,259,500	123,428,800	127,248,200	131,130,800	133,701,000	136,725,000
D - Administrative Services	39,982,930	43,093,800	43,128,600	45,597,300	47,662,600	49,939,900	51,467,400	52,845,500
Grand Total	\$ 405,159,619	\$ 418,554,800	\$ 421,461,500	\$ 431,326,800	\$ 449,147,200	\$ 464,803,600	\$ 476,715,500	\$ 486,414,200

2. Operating Budget Highlights

- ❖ Operational budgets increase for Water Operations (A) is 2.1% and Sewer Operations (B) is 1.3%
- ❖ Centralized Services (C) grew by 5.1%, or \$6.0 million due to the following.
 - ❖ Beginning in with FY 2026 amended budget, expenditures for shared facilities with the Detroit Water and Sewerage Department are budgeted in Facility Operations for \$1.5 million
 - ❖ GLWA is a tenant so improvements are operating not capital expense
 - ❖ Budget risk: future year improvements pending are not in plan
 - ❖ Information Technology costs increased to secure off-site backup services, plus the budget for operations team member device replacements for \$2.1 million

2. Operating Budget Highlights

(continued)

- ◆ Centralized Services *(continued)*
 - ◆ The Water Master Plan update is scheduled to begin in FY 2027, concluding in FY 2029 at \$1.0 million annually
- ◆ Administrative Services (D) grew by 5.8% or \$2.5 million due to the following:
 - ◆ General Counsel increased 27.0% or \$1.0 million, mainly due to increase outside counsel support contingencies
 - ◆ Enterprise Risk Management Insurance Fund increased 8.7% or \$0.5 million due to risk experience and a hardening market

2. Operating Budget Highlights

(continued)

- ◆ A review of the unallocated reserve based on forecast personnel requirements, unknown inherent risks in the operating budget, and contingent risk assessment resulted in the following adjustments (*):
 - ◆ Water Operations (A) increased 62.0% or \$1.3 million
 - ◆ Sewer Operations (B) increased 55.3% or 1.8 million
 - ◆ Centralized Services (C) increased 70.7% or 1.7 million
 - ◆ Administrative Services (D) increased 77.8% or \$0.7 million
- ◆ Unallocated reserve is where annual wage adjustments are funded as well as source for funding vacant positions

(*) These values are included in the increases previously noted for each area



Debrief: Member Partner One-on-One Topics of General Interest

Matt Lane, GLWA

One-on-One Session Debrief

- 💧 Charges Outreach & Modeling team met with 12 Member Partners
 - 💧 *12 Water Member Partners*
 - 💧 *3 of which were also Wastewater Member Partners*
- 💧 GLWA appreciates this deeper level of engagement that brought in other Member Partner personnel
- 💧 Consistent with prior years, there were many common themes
- 💧 A recap of questions and answers of common interest from Rollout Meeting #3 and One-on-One meetings follow this slide

One-on-One Debrief Topics

1. What is the Working Capital Reserve budget line? How is it calculated?
2. Improvement & Extension Transfer Timing
3. Capital Improvement Projects (e.g. LSIP)
 - a) Can this be debt funded?
 - b) What is in the current budget? How does it relate to financial plan?
4. Comparing Approved FY 2026 to Proposed FY 2027 Charge for Member Partner Budgets
5. Detroit Ownership Adjustment – Where does it come from and how does it work?

Topics Covered *(continued)*

6. Flint KWA Credit – Where does it come from and how does it work?
7. How can 2nd tier customers obtain the 1st tier charge sheets?
8. Contract Reopener Update
 1. How do I prepare?
 2. How do I provide info about “excused flow volumes”
9. Was the same charge methodology applied to me as the other Member Partners?

Topics Covered *(continued)*

10. Was a Capital Improvement Plan (CIP) Cost Allocation Report issued?
11. I am new to rate setting? Any suggestions?

1. “What is the Working Capital Requirement?”

- GLWA’s financial plan daylights the “working capital reserve” as a separate line on the “Revenue Requirements”.
 - Other utilities may refer to this as an “operating reserve”.
- The essence is that current liabilities (such as vendor invoices) are paid out from the bank before current assets (such as payments due from Member Partners) becomes cash received.
- GLWA’s cashflow forecasts are updated with crossfunctional input – including engineering and operating teams - because all expenses do not occur evenly throughout the year.

1. AWWA M1 Manual – Cashflow Capital Reserves

(continued)

RESERVES

Establishing and maintaining adequate reserves is an important financial management practice of a water utility. Reserves typically include operating reserves, capital/construction/depreciation reserves, and bond reserves. Reserves, particularly operating reserves, have traditionally been maintained to address cash-flow needs and the lag between expenses incurred and revenues received.

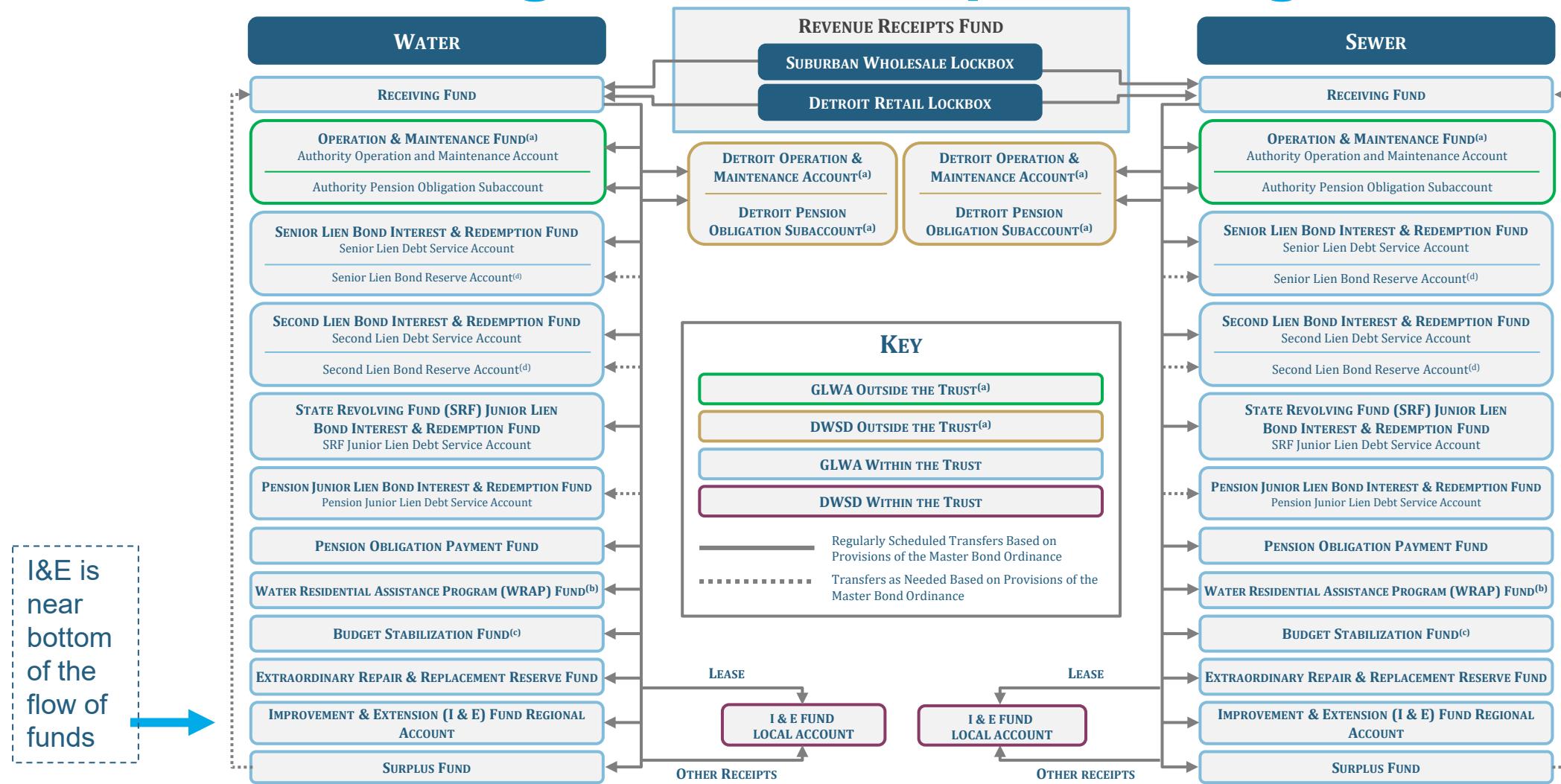
In recent years, utilities have been challenged financially by two emerging trends. First, utilities have experienced declining per capita use. In addition, many water utilities have been faced with water supply shortages and, in some cases, severe droughts, leading to voluntary or mandatory reductions in use. Both of these trends have led to reduced sales and revenues that, in turn, have prompted utilities' desire for greater revenue stability from their rates.

Reserve funds can address short-term fluctuations in revenue levels until such time that rates may be adjusted to address utilities' reduced sales volumes, if implemented correctly. However, in using this approach, utilities need to establish and maintain reserve levels above those established for "normal" cash-flow fluctuations. This additional amount of reserves should be established in relation to the potential volatility of rate revenues of the particular utility. Much like a water reservoir, if these reserve funds are drawn down in a particular rate-setting period, their replenishment should be funded in a following rate-setting period. Unlike a water reservoir, the refilling of financial reserves requires commitment to fiscal stability on the part of utility managers and governing boards.

American Water Works Association (AWWA) manuals, like *M1 Principles of Water Rates, Fees, and Charges*, provide guidance on how cashflow impacts rate setting

Source: M1 Manual Principles of Water Rates, Fees, and Charges, 2017 Edition - Page 90

1. Cash Management – Required Legal Framework *(continued)*



All of GLWA's and DWSD's payments for services go into a Trust managed by a Trustee on for the benefit of bondholders.

Operating expenses are disbursed to the operating bank account in 12 equal installments throughout the year.

1. “How is Working Capital Calculated?” (continued)

- GLWA establishes benchmarks for sufficient balances in the Operations (O&M) checking account and the Receiving account for cashflow needs.
 - *As budgeted expenses increase, the benchmark increases.*
- The goal is to prevent a cashflow shortfall – *which could result in selling investments at a loss to meet cashflow needs.*
- This line also ensures that the Improvement & Extension (I&E) Fund Transfer *Pending* line item is not overstated.
 - Years ago, I&E was the operational “go to” for working capital needs because it generally could be restored by the end of the fiscal year.
 - Now that engineering and operating teams are performing very close to budget, there is no slack that can be recovered within a fiscal year.

1. “How is the Working Capital Calculated?”

(continued)

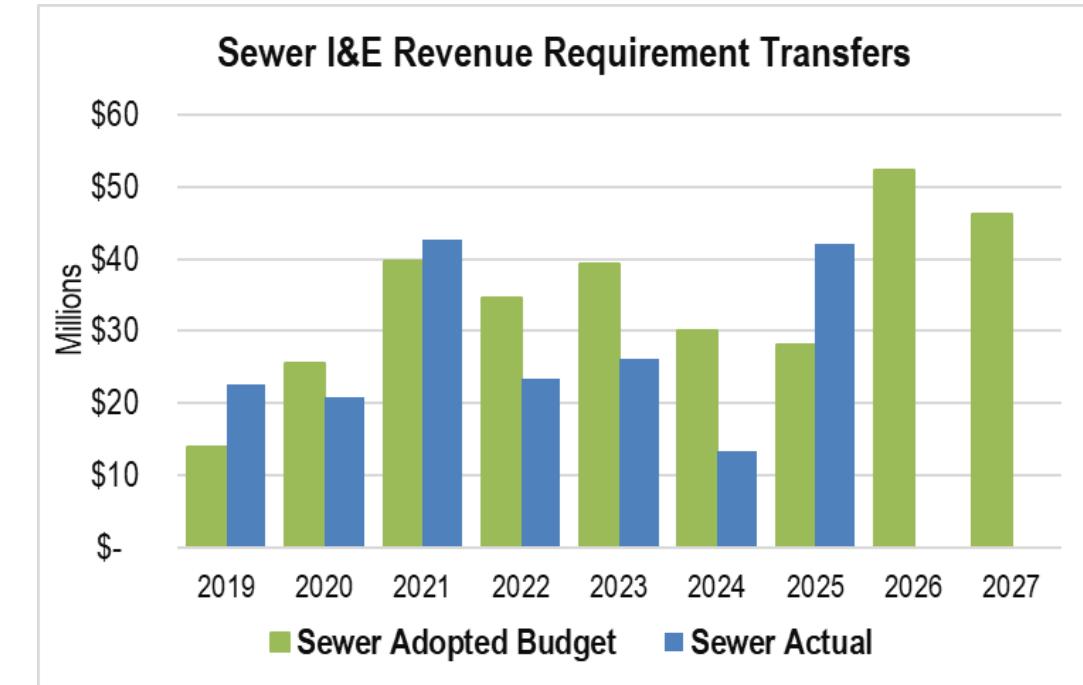
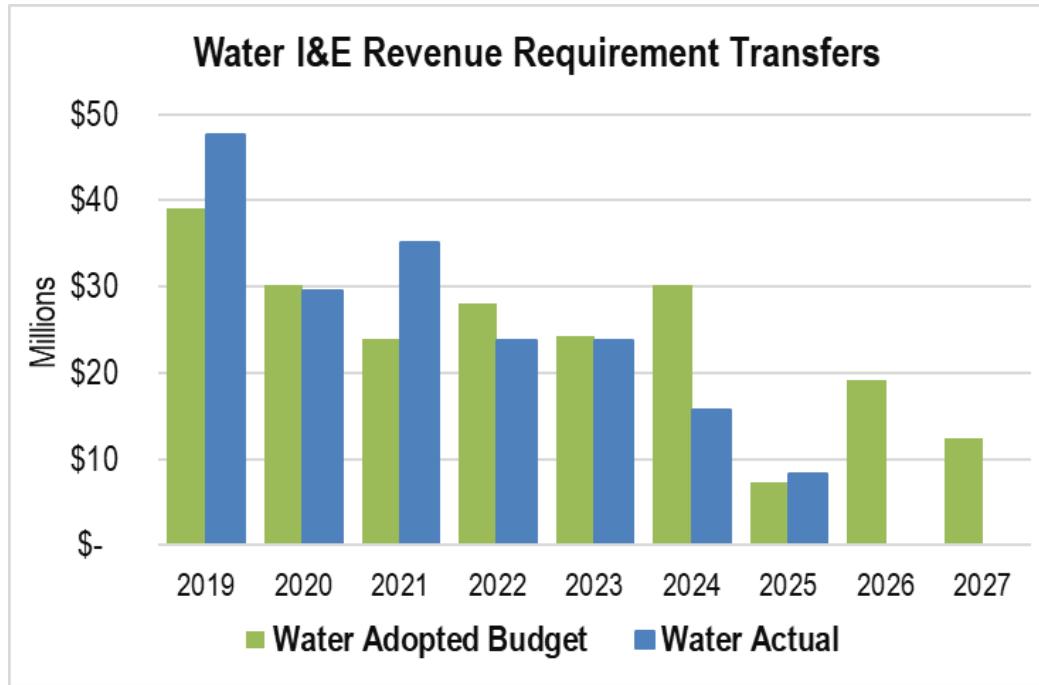
- The O&M checking account is considered to be outside the trust. It receives a monthly transfer from the receiving fund based on 1/12th of the O&M expense budget. Investment earnings stay in this account. *The benchmark is set at three months of O&M expenses.*
- The Receiving bank account is where all the receipts are deposited. It is at the top of the flow of funds and disburses 1/12 of each of the revenue requirements on a monthly basis to the appropriate bank accounts. *The benchmark for the Receiving bank account is one month of O&M expenses and two months of non-discretionary expenses.*
 - Non-discretionary expenses include Debt Service, the Detroit General Retirement System (GRS) Pension, WRAP and the Lease payment.

2. Improvement & Extension Transfer Timing

- The Improvement & Extension is the last item to be funded as outlined by the Master Bond Ordinance (MBO).
 - This is due to the cashflow management – for illustration:
 - June 2025 – Services are provided to Member Partners
 - July 2025 – Bills for services are sent to Member Partners
 - August/September 2025 – Payments are made to the MBO Trust
 - October 2025 – Monthly reconciliations and determination of sufficiency of liquid assets, ongoing investment decisions, cashflow forecast, and evaluation of funds available for FY 2025 I&E transfer pending

2. History of I&E Budget to Actual Transfers

(continued)



- Years with positive Operations & Maintenance (O&M) budget variance provided increase in contributions to Improvement & Extension (I&E) (paygo) capital funding. The opposite is true in years with unforeseeable mid-year increases.
- Improvement in FY 2025 for sewer is due to increase in investment earnings from original budget and debt service savings from May 2024 refunding that was not anticipated when the FY 2025 budget was adopted.

3. Capital Improvement Projects - LSIP

- 💧 Capital Improvement Projects (e.g. LSIP)
 - 💧 Can this be debt funded?
 - 💧 What is in the current budget? How does it relate to financial plan?
- 💧 See slides in first part of today's presentation

4. Comparing Approved FY 2026 to Proposed FY 2027 Charge for Member Partner Budgets

- ❖ Sewer System (1st Tier) – Very straightforward – the charge is largely fixed; the calculation sheet should be a good budget number
- ❖ Water System – a little more complex (60% fixed and 40% variable)
 - ❖ The pro-forma calculation for charges is a technically correct way to isolate and compare the **charge** increase from year to year (eg holds units constant)
 - ❖ But Your community's forecasted units of service has likely changed (up or down) in addition to the budget and other factors impacting your fixed and commodity (variable) charge from GLWA
 - ❖ If in doubt, the total charge on the FY 2027 calc sheet is a good budget source
 - ❖ Exceptions: you are aware of new/departing large business, watermain breaks, other situations that impact the number of units you consume

5. Detroit Ownership Adjustment

- *Water - Detroit Ownership Adjustment:* Per Section 5.6 (b) of the Regional Water Supply System Lease, in connection with the determination of charges applicable to the Retail Water Customers in the City, the City shall receive a credit in the amount of \$20,700,000, representing the return on equity to the City for the Water System in recognition of the City's ownership of the Water System.
- *Sewer - Detroit Ownership Adjustment:* Per Section 5.6 (b) of the Regional Sewage Disposal System Lease, in connection with the determination of charges applicable to the Retail Sewer Customers in the City, the City shall receive a credit in the amount of \$5,516,000, representing the amount due to the City pursuant to a settlement relating to the Sewer System in recognition of the City's ownership of the Sewer System.
- These credits are also included in the Water and Sewer Services Agreement under Section 3.1(a)(iii) for Water Services and Section 3.2(a)(iii) for Sewer Services

6. Flint KWA Credit

Where does it come from and how does it work?

- In December 2017, GLWA, the city of Flint, the Genesee County Drain Commissioner's Office (GCDC), the state of Michigan and the Karegnondi Water Authority (KWA) finalized an agreement that would allow GLWA to provide the city of Flint with drinking water. It also ensures there is system redundancy for GLWA's member partners by leveraging existing public investments.
- The *Flint KWA Debt Service Adjustment*: A credit to the City of Flint for its debt service payment obligations on Karegnondi Water Authority (KWA) bonds for the building of its raw water intake and supply line in exchange for a license to GLWA of the raw water rights on 17.46 MGD of the 18 MGD purchased by Flint as part of the KWA bond obligation.
- The credits to the wholesale billing are under Section 12.05 of the Water Service Contract with Flint.
- More information of the agreements can be found on the GLWA website [Operations and Finance Investor Information – GLWA](#)

6. GLWA/Flint/KWA – Cooperative Agreement

(continued)

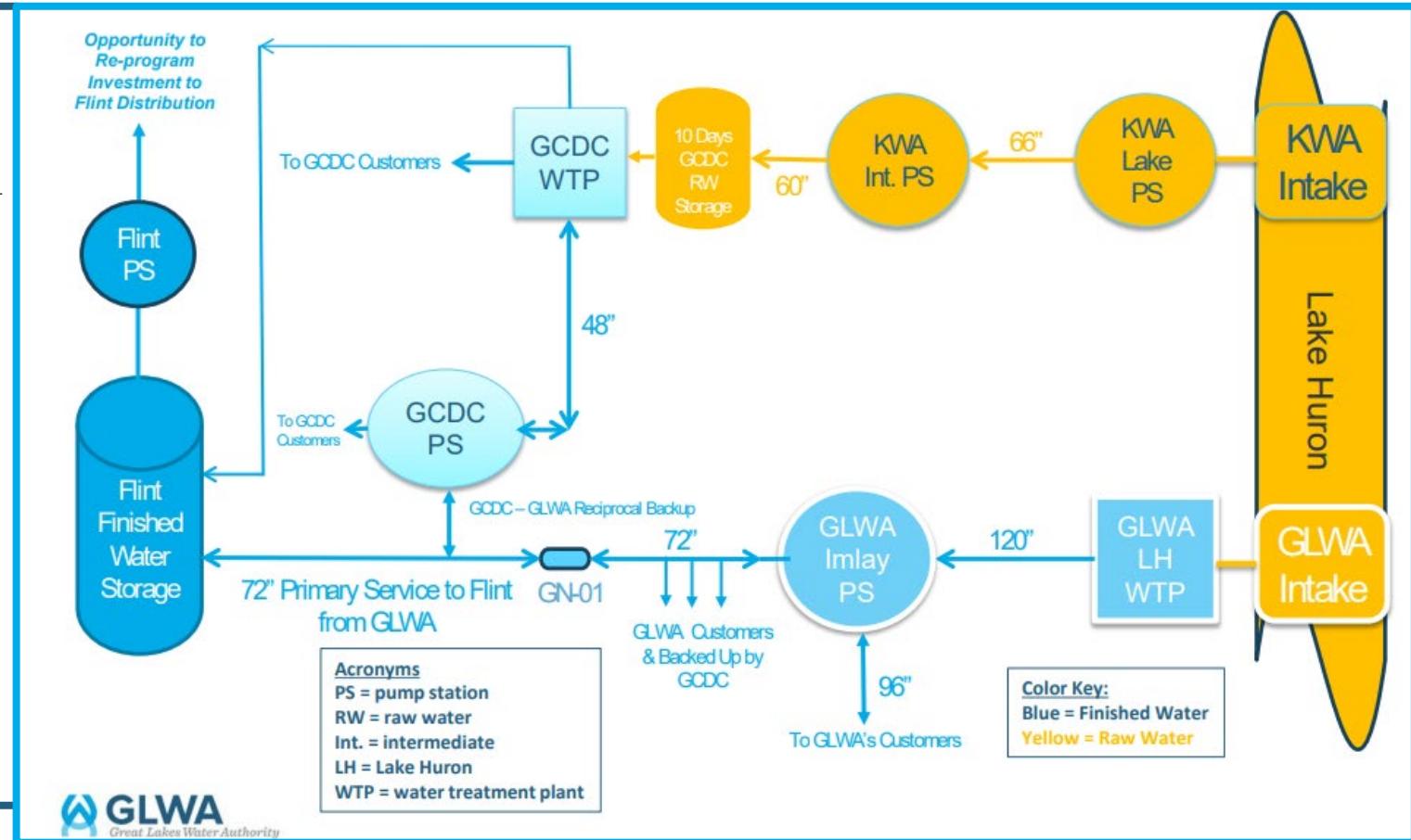


**STATEMENT: Flint Source Water Decision
Tuesday, April 18, 2017**

Today, the city of Flint announced its intention to remain with the Great Lakes Water Authority (GLWA) for its treated drinking water under a 30-year water supply model contract. Together, in collaboration with the state of Michigan, the Genesee County Drain Commissioner's Office (GDCD) and the Karegnondi Water Authority (KWA), Flint residents can be assured that they will continue to receive water of unquestionable quality, at a significant cost savings.

As a result of this cooperative agreement, GLWA is partnering with the KWA and the GCDC for back-up service for the city of Flint, as well as for customers of the GCDC. Through this partnership, redundancy will also be created for all of GLWA's member communities west of our Imlay City Pump Station through the leveraging of already made public investments – which is an ongoing goal of GLWA throughout its system. This will address a long-standing redundancy issue for our customer communities in this region, and save the Authority approximately \$600 million in comparison to prior estimates. This redundancy means that these member communities will be more secure in their water service should an emergency or issue with the GLWA system arise.

GLWA will also provide a credit to the city of Flint in like amount to debt paid for KWA bonds (approximately \$7 million annually), as long as the city keeps current on its debt service payments. As a result, GLWA will receive the rights to the raw water that Flint has through the KWA. Flint will also receive approximately \$1.8 million in savings annually for the 30-year model contract, as compared to the non-contracted charges they otherwise would have incurred. In addition, Flint anticipates it will be able to redirect its priority funding previously slated for water treatment plant improvements to the city's water distribution system – including Mayor Weaver's "Fast Start" initiative to replace all of the lead service lines in Flint.



Source: GLWA Website



7. How can a 2nd tier customer obtain the 1st tier charge sheet?

- GLWA serves many communities through its 1st tier Member Partners
- 2ND tier customers often request Member Partner charge sheets while preparing their budgets
- GLWA recommends obtaining rate information directly from the 1st tier service provider, for two main reasons:
 - GLWA Wholesale Charges are (usually) only a portion of the rates passed on to 2nd tier customers
 - The 1st tier Member Partner must complete their own budget processes before determining what portion, if any, of the charge increase gets passed on through the rates

8. Contract Reopener Update

- Contract reopener meetings begin in February 2026
- Results of reopener process will be implemented with *FY 2028 Charges*
- GLWA Contract Team requests Member Partners to review WAMR for any high use data for the peak seasons of 2022-2025
 - Look for signs of water main breaks or major fires
 - Make WAMR review requests and submit documentation by **January 31, 2026**

WaterContractExceedance@glwater.org

9. Was the same charge methodology applied to me as the other Member Partners?

- Yes. The same methodology, with few unique exceptions, is applied uniformly for all Member Partners.
- Charges are based on two detailed inputs
 - Revenue Requirements (Budget)
 - Units of Service (Average Day, Max Day, Peak Hour)
- Member Partner cost responsibility is based on proportional shares
- All Member Partners contribute proportionately to contractual adjustment

10. Was a Capital Improvement Plan Cost Allocation Report Issued?

- Yes. The FY 2027-FY 2031 Capital Improvement Plan Discussion Draft #1 Cost Allocation Report was published as of November 12, 2025 for both Water and Wastewater projects
- Both are available on the Outreach Portal
 - Water: [Linked Here](#) and Wastewater: [Linked Here](#)
- An updated report for Discussion Draft #2 is in process
- As presented at the Board Capital Planning Committee on December 9, 2025, three projects were added to the CIP (see next page)

10. Draft #2 Updates for Cost Allocation Report

(continued)

FY 2027-2031 CIP DISCUSSION DRAFT 2 MODIFICATIONS



💧 NEW IN DRAFT #2

💧 New emergency projects: *(to be scored by the scoring Committee next year if warranted)*

CIP #	Title	Project Manager	Start Date	End Date	Budget FY 26	Budget FY 27-31	PM Score
216013	WRRF Utility Power Replacement	Chris Nastally	01/01/2026	12/29/2028	\$1,243,893	\$9,487,357	98.6
170608	14 Mile Road Emergency Response & Condition Assessment	Olivia Olszty-Budry	08/26/2025	04/30/2026	\$17,200,000	\$0	98.1
170609	Pipe Group 394, 42-inch, Marquette, Garden City Condition Assessment	Olivia Olszty-Budry	01/01/2026	04/30/2028	\$337,244	\$2,389,756	31.9

Source: [Board Capital Planning Committee on December 9, 2025](#)

11. I am new to rate setting-any suggestions?

- GLWA and Willdan Financial Services (Willdan) held a local rate setting workshop on September 18, 2025
- GLWA and Willdan are in the planning phase of a second local ratesetting workshop in the next couple of months (late February, early March) – time, date and location TBD
- Interested? Have suggestions? Have a rate-setting concern you would like to focus on in the workshop? Feel free to reach out Charges@glwater.org

Appendix

Key Takeaways

- Long-term financial plan evolution
 - Water: less of an increase for FY 2027 but increased for FY 2028
 - Sewer: same as last financial plan through FY 2030
- Headline: Investment earnings down by approximately \$4 million for each system (\$8 million in total) driven by declining economic conditions that impacts all public investment portfolios
- Debt reflects June 2025 bond refunding transaction and Draft #2 CIP for both systems; for sewer only, includes recently awarded Clean Water State Revolving Fund resources
- Water budget and financial plan provides for \$7.5 million annually to ramp-up for the Linear System Integrity Program (LSIP); it is a start but far less than the needed to build up to \$75 million by Year 10

Key Takeaways *(continued)*

- ♦ Adjusted targeted use of I&E funds for construction
 - ♦ Water: Less use on I&E for water projects to build financial stability
 - ♦ Sewer: Increased use of I&E to achieve a balance of debt vs. cash
 - ♦ Reminder: Investment earnings on I&E Funds are returned to the operating fund to offset charges
- ♦ Operating cost reductions entered up through last week which are reflected in this deck
 - ♦ Staffing plan has net zero increase and full-time equivalent budget scaled back; labor shortages in key areas remain; recruitment continues with expanded process to reprogram resources for successful candidates
 - ♦ Increased needs for technology improvements across all areas
 - ♦ Impact of increasing demands on field services cannot be ignored given magnitude of water main breaks in recent years

Water System – Focus on FY 2027

Budget Summary		Water \$	Water %
Resources			
Charges		\$ 422	98%
Other Revenues		9	2%
Total		<u>\$ 431</u>	100%
Uses			
Operating		\$ 198	46%
Capital		210	49%
Lease		23	5%
Total		<u>\$ 431</u>	100%
Charges Increase		<u>\$ 26</u>	100%
Uses Increase			
Loss of other revenue	\$ 4	15%	
Operating Expense	11	42%	
Capital Program	11	42%	
Total	<u>\$ 26</u>	100%	

\$ shown in millions

Highest level summary observations:

- Water revenue is 98% dependent on end user charges – requiring sensitivity to public health and affordability concerns
- Operating expenses (46%) are the base costs for staff, utilities, and chemicals to provide service 24/7
- A healthy sign - nearly half the uses of budgetary resources (49%) are investment in capital – improving reliability for current and future generations (yet more is needed as we are near a peak of watermain assets that are meeting or exceeding useful life)
- The charge increase covers decreased investment earnings due to national economic conditions

Sewer System – Focus on FY 2027

Budget Summary		Sewer \$	Sewer %
Resources			
Charges		\$ 561	98%
Other Revenues		11	2%
Total		<u>\$ 572</u>	<u>100%</u>
Uses			
Operating		\$ 246	43%
Capital		298	52%
Lease		28	5%
Total		<u>\$ 572</u>	<u>100%</u>
Charges Increase			
		<u>\$ 31</u>	<u>100%</u>
Uses Increase			
Loss of other revenue		\$ 4	13%
Operating Expense		1	3%
Capital Program		26	84%
Total		<u>\$ 31</u>	<u>100%</u>

\$ shown in millions

Highest level summary observations:

- Sewer service is 98% dependent on end user charges – requiring sensitivity to affordability and environmental concern for all
- Operating expenses (43%) are the base costs for personnel, utilities, chemical to provide service 24/7
- A healthy sign - over half the uses of budgetary resources (52%) are investment in capital – improving reliability for current and future generations (yet more is needed as increased intensity and variability of weather events and change in contaminants are received for treatment)
- The charge increase covers decreased investment earnings due to national economic conditions with most of the remainder (84%) dedicated to capital programs to maintain, improve, modernize facilities

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Water Services** provides for...

FY 2027 Water System Budget Infographic

44.9% OPERATIONS AND MAINTENANCE

44.9¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality around-the-clock, every day of the year.

44.6% DEBT SERVICE

44.6¢ ON THE DOLLAR

Physical improvements to GLWA's regional water system and its assets are financed with debt. Debt service principal and interest are funded monthly.

5.2% REGIONAL SYSTEM LEASE

5.2¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

3.9% REVENUE FINANCED CAPITAL

3.9¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

0.6% CLOSED PENSION

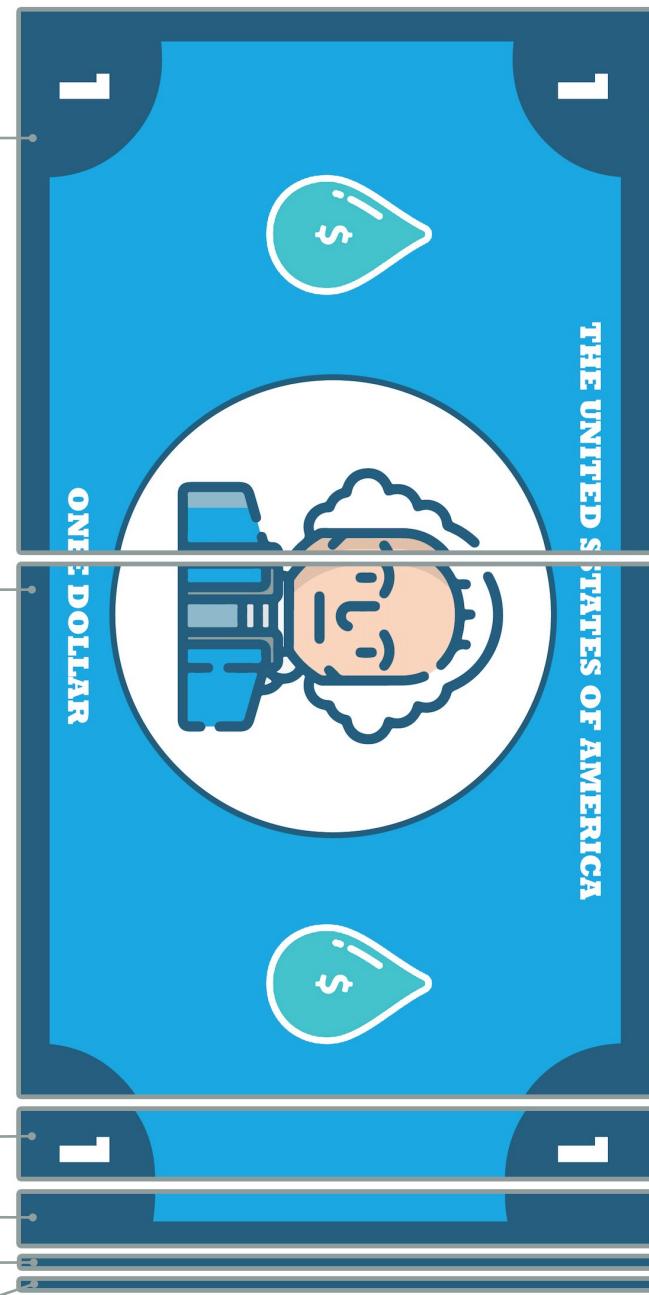
0.6¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the water system before GLWA was formed. Over time, the annual payment will decrease.

WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



Source: Proposed FY 2027 Budget as of January 30, 2026

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Wastewater Services** provides for...

FY 2027 Wastewater System Budget Infographic

41.5% OPERATIONS AND MAINTENANCE

41.5¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver effective and efficient wastewater services around-the-clock, every day of the year.

40.9% DEBT SERVICE

40.9¢ ON THE DOLLAR

Physical improvements to GLWA's regional wastewater system and its assets are financed with debt. Debt service principal and interest are funded monthly.

11.1% REVENUE FINANCED CAPITAL

11.1¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

4.8% REGIONAL SYSTEM LEASE

4.8¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional wastewater system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

0.9% CLOSED PENSION

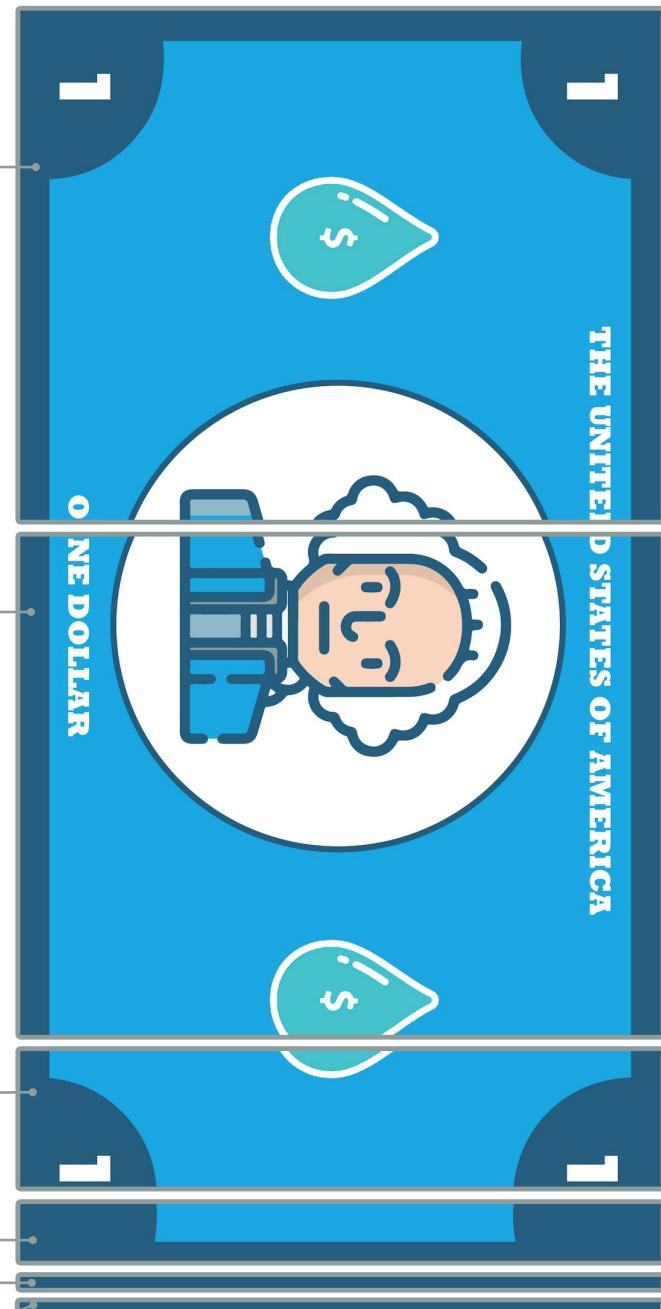
0.9¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the wastewater system before GLWA was formed. Over time, the annual payment will decrease.

0.3% TRUST FUND WORKING CAPITAL & OTHER

0.3¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.



0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

Source: Proposed FY 2027 Budget as of January 30, 2026

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for combined **Water and Wastewater Services** provides for...

FY 2027 Water and Wastewater Combined Budget Infographic

43.0% OPERATIONS AND MAINTENANCE

43.0¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality and effective and efficient wastewater services around-the-clock, every day of the year.

42.5% DEBT SERVICE

42.5¢ ON THE DOLLAR

Physical improvements to GLWA's regional water and wastewater system assets are financed with debt. Debt service principal and interest are funded monthly.

8.0% REVENUE FINANCED CAPITAL

8.0¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

5.0% REGIONAL SYSTEM LEASE

5.0¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water and wastewater systems. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

0.8% CLOSED PENSION

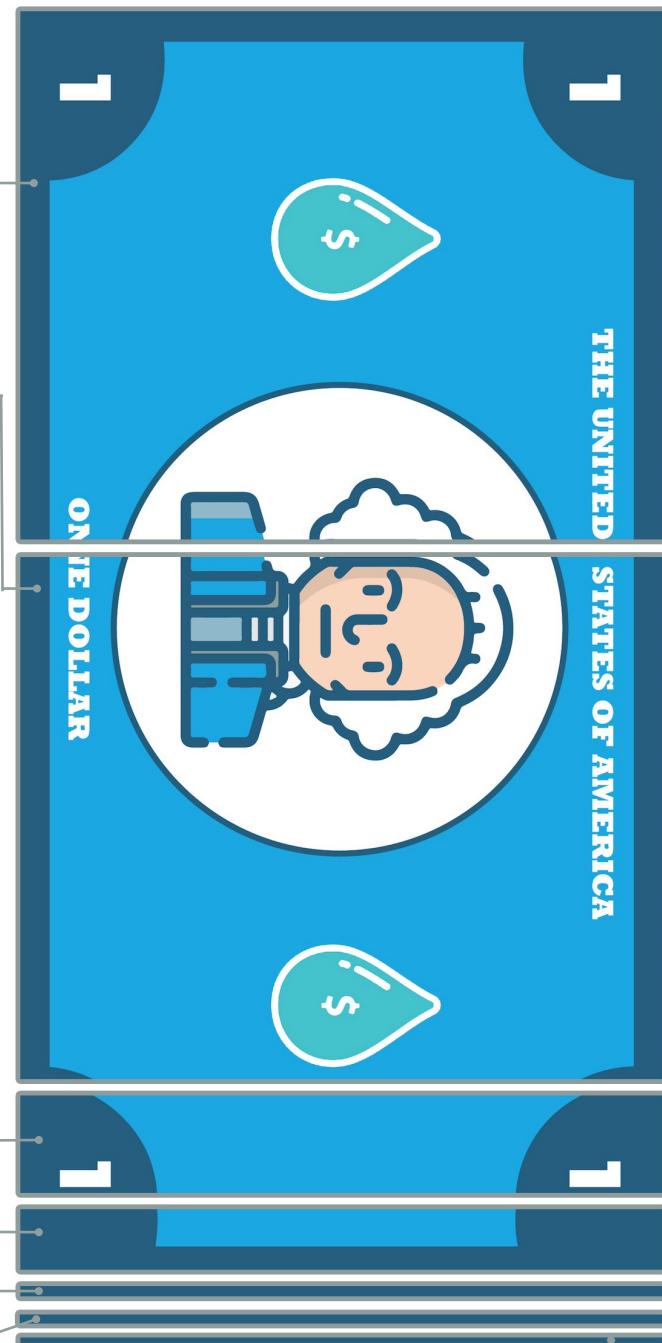
0.8¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the regional system before GLWA was formed. Over time, the annual payment will decrease.

WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



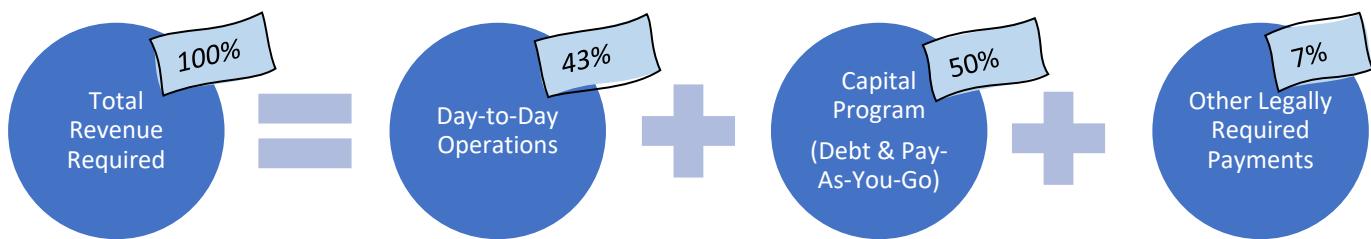
0.2% TRUST FUND WORKING CAPITAL & OTHER

0.2¢ ON THE DOLLAR

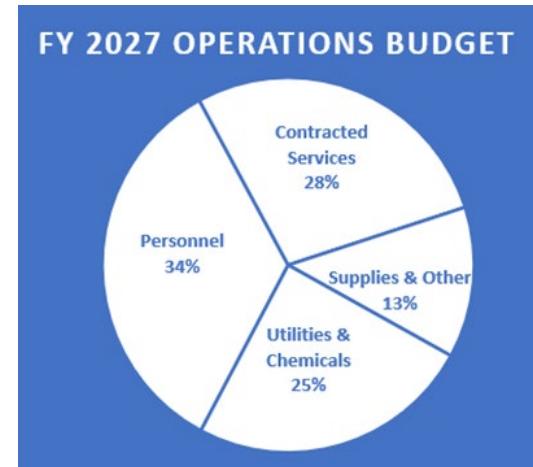
The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

Source: Proposed FY 2027 Budget as of January 30, 2026

The total budget for a water utility, like the Great Lakes Water Authority (GLWA), is referred to as the *“revenue requirement.”* It tells us *how much revenue / cash is required* to operate and maintain the systems for a given year. The total revenue requirement increased by \$49.4 million or 5.2% for FY 2027. Three major categories makeup GLWA’s total revenue requirement of \$1.0 billion.



Day-to-Day Operations includes the personnel, specialty contractual services, utilities, chemicals, and supplies to operate five water treatment plants, the largest single-site Water Resource Recovery Facility (WRRF) in North America and all of the systems, processes, and controls to manage the vast regional water and sewer network. The total FY 2027 Operations & Maintenance Budget is \$431.3 million, up \$12.8 million over the previous year. This growth is from cost increases for utilities, chemicals, insurance and contractual provisions. New this year is the start of the water master plan update and increased technology security measures. A net staffing increase is zero thanks to a successful apprenticeship program where graduates filled key vacancies.



Capital Program costs include making payments on bonded debt, balanced with cash funding, to prevent GLWA from maxing out its borrowing capability for future generations. Because many of our assets are underground, it is hard to envision the scope of all capital needs. For perspective, consider that there are over 800 miles of transmission main that move treated drinking water from five water treatment plants to the local systems’ distribution network and there are also over 200 miles of trunk sewers and interceptors that return wastewater to the WRRF. The combined total of 1,000 miles equals the driving distance from Detroit to Jacksonville, Florida. The FY 2027 Capital Program-related revenue requirement is \$506 million, an increase of \$35 million.

Other Legally Required costs increased \$1.5 million to \$65.4 million. This includes the lease payment to the City of Detroit Water & Sewerage Department (DWSD) (\$50 million restricted for DWSD debt and capital program needs), legacy pension payments to the City of Detroit General Retirement System (\$7.8 million), a half of one percent of revenues for the Water Residential Assistant Program (WRAP) (\$4.9 million), and a working capital requirement (\$2.7 million).

Revenue Required from charges increased 6.2%. The average system charge increase to Member Partners of 6.83% for water and 5.98% for sewer is achieved with offsetting investment income and other (although to a lesser extent with an approximately \$4 million decrease for each system).

Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

The proposed operations and maintenance (O&M) budget accounts for 43% (\$431.3M) of the total revenue requirement budget of \$1.0 billion. Compared to the FY 2026 Adopted Budget, this is an increase of almost \$12.8M (3.1%). The following is a discussion of the proposed O&M budget highlights for FY 2027. Note: amounts presented in millions (M).

Staffing & Personnel - Overall the staffing plan number of positions (1,352) did not change. Across multiple areas, five apprentices graduated who were promoted to regular team member status filling vacancies in key operational areas. Since not all positions are filled, the “full-time equivalent” count is 1,194 which is a vacancy rate of 12%. Medical plan costs increased an average of 11.5%.

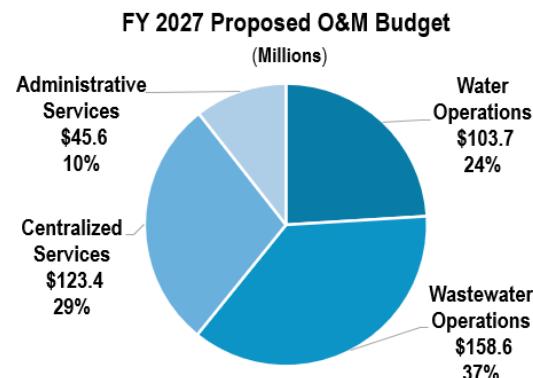
Water Operations - increase of \$2.2M (2.1%) Personnel increased (\$3.6M) for merit, market adjustments, and skills level progressions are included. Contractual Services decreased (\$2.8M) primarily due to the new sludge removal and hauling contract. Chemicals (bulk) are stable due to lower forecast volume of orthophosphate and stabilized market prices. Unallocated reserves (\$1.3 M) and other items (\$0.1M) also increased. Unallocated reserves are included in the budget to address cost increases or other contingencies throughout the year.

Wastewater Operations - increase of \$2.1 M (1.3%) An increase in Contractual Services (\$2.3M) is due to transferring the asset maintenance and reliability program for sewer operations from centralized Field Services; boiler operation services; and, a vendor price increase for operating the Biosolids Dryer Facility. Although staffing positions decreased by 10, personnel costs increased (\$1.6M) due to merit, market adjustments and skills level

progressions. Chemicals decreased significantly (\$4.1M) due to reduced forecast volume of chemicals used to control phosphorus and lower market prices. Unallocated reserve increased (\$1.8M) and other items increased (\$0.5M).

Centralized Services¹ - increase \$6.0M (5.1%) Personnel costs increased (\$2.4M) due to merit, market adjustments and skills level progressions. The increase in Supplies & Other (\$1.4M) is for wireless access points for the water plants to support technology and communication needs. Contractual Services net increase (\$0.5M) is due to capital projects for shared facilities, an update to the Water Master Plan, and technology for secure off-site backup services. These increases are offset by the sewer asset maintenance and repair costs transferred to the Wastewater Operations. Unallocated reserve increased (\$1.7 M).

Administrative Services² - increase of \$2.5 M (5.8%) Personnel cost increased (\$1.5M) due to merit and market adjustments. Unallocated reserves increased (\$0.7M). Contractual services increased (\$0.3M) due to legal resources needed to mitigate risk & safeguard the organization as well as an increase in insurance costs.



Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

¹ Includes the System Resiliency, Planning Services, Systems Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity/HazMat.

² Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer (includes Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services. **Page 83**

Water System Operations

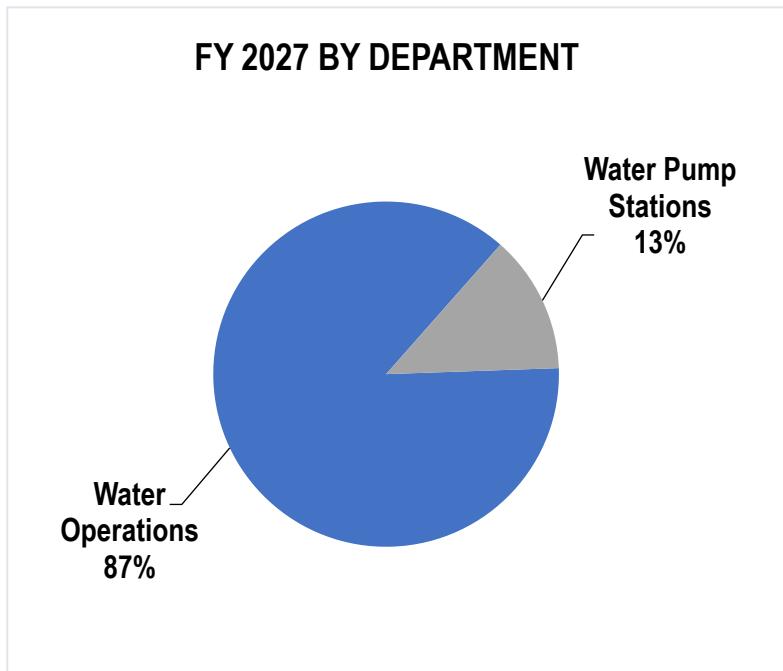
The Water System Operations area consists of the following departments:

- ❖ Water Operations
- ❖ Water Pump Stations

The detailed budget requests for each department are included in this section.

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Water Systems Operations area with comparison to both the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

Expense Category	FY 2025		FY 2026			FY 2027				FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed Budget
						Adopted	Amended	Adopted	Amended	
2.1 Salaries & Wages	16,573,568	16,229,200	17,160,600	4,874,890	18,708,000	2,478,800	1,547,400	15.3%	9.0%	19,237,800
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	272,334	1,069,300	(402,300)	(414,800)	-27.3%	-27.9%	1,215,900
2.3 Overtime	3,553,908	2,803,900	2,804,000	1,017,161	3,544,300	740,400	740,300	26.4%	26.4%	3,592,200
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	1,997,319	7,252,200	735,600	582,200	11.3%	8.7%	7,576,100
Total Personnel Costs	28,099,172	27,021,300	28,118,700	8,161,704	30,573,800	3,552,500	2,455,100	13.1%	8.7%	31,622,000
3.1 Electric	28,294,276	31,706,300	32,234,300	7,472,597	31,016,000	(690,300)	(1,218,300)	-2.2%	-3.8%	31,541,900
3.2 Gas	1,353,404	1,191,600	1,191,600	42,383	1,181,200	(10,400)	(10,400)	-0.9%	-0.9%	1,196,100
3.3 Sewage Service	1,021,932	768,400	768,400	144,568	826,400	58,000	58,000	7.5%	7.5%	838,400
3.4 Water Service	1,358	2,500	2,500	393	2,500	-	-	0.0%	0.0%	2,500
Total Utility Costs	30,670,970	33,668,800	34,196,800	7,659,941	33,026,100	(642,700)	(1,170,700)	-1.9%	-3.4%	33,578,900
4.1 Chemicals	14,111,804	14,904,300	14,904,300	3,285,109	14,906,600	2,300	2,300	0.0%	0.0%	15,303,900
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	1,963,620	7,047,900	930,000	930,000	15.2%	15.2%	6,527,100
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	4,765,137	16,496,600	(2,798,500)	(2,798,500)	-14.5%	-14.5%	15,373,700
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	(415,272)	(1,819,900)	(200,000)	(200,000)	12.3%	12.3%	(735,800)
7.0 Unallocated Reserve	-	2,113,200	487,900	-	3,422,800	1,309,600	2,934,900	62.0%	601.5%	5,898,900
Total Other Categories	34,424,853	40,810,600	39,185,300	9,598,595	40,054,000	(756,600)	868,700	-1.9%	2.2%	42,367,800
Total Water System Operations (Operating Area A)	\$ 93,194,995	\$ 101,500,700	\$ 101,500,800	\$ 25,420,240	103,653,900	2,153,200	2,153,100	2.1%	2.1%	\$ 107,568,700
Allocations										
Centralized Services	63,779,190	61,003,500	62,787,600	15,351,360	68,818,700	7,815,200	6,031,100	12.8%	2.6%	71,078,400
Administrative Services	18,431,448	19,951,800	19,972,300	5,583,024	21,090,800	1,139,000	1,118,500	5.7%	5.7%	22,089,500
Total Allocations	\$ 82,210,638	\$ 80,955,300	\$ 82,759,900	\$ 20,934,384	\$ 89,909,500	\$ 8,954,200	\$ 7,149,600	11.1%	8.6%	\$ 93,167,900
Total Water System Operations & Maintenance Expense	\$ 175,405,633	\$ 182,456,000	\$ 184,260,700	\$ 46,354,624	\$ 193,563,400	\$ 11,107,400	\$ 9,302,700	6.1%	5.0%	\$ 200,736,600

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 16,573,568	16,229,200	\$ 17,160,600	\$ 18,708,000	\$ 19,237,800	\$ 19,722,500	\$ 19,722,500	\$ 19,722,500
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	\$ 1,069,300	1,215,900	1,389,400	1,389,400	1,389,400
2.3 Overtime	3,553,908	2,803,900	2,804,000	\$ 3,544,300	3,592,200	3,633,900	3,633,900	3,633,900
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	\$ 7,252,200	7,576,100	7,890,200	7,953,200	8,016,200
Total Personnel Costs	28,099,172	27,021,300	28,118,700	\$ 30,573,800	31,622,000	32,636,000	32,699,000	32,762,000
3.1 Electric	28,294,276	31,706,300	32,234,300	\$ 31,016,000	31,541,900	32,076,300	32,613,600	32,976,600
3.2 Gas	1,353,404	1,191,600	1,191,600	\$ 1,181,200	1,196,100	1,213,300	1,232,000	1,245,000
3.3 Sewage Service	1,021,932	768,400	768,400	\$ 826,400	838,400	850,500	862,600	874,600
3.4 Water Service	1,358	2,500	2,500	\$ 2,500	2,500	2,500	2,500	2,500
Total Utility Costs	30,670,970	33,668,800	34,196,800	\$ 33,026,100	33,578,900	34,142,600	34,710,700	35,098,700
4.1 Chemicals	14,111,804	14,904,300	14,904,300	\$ 14,906,600	15,303,900	15,303,900	15,303,900	15,303,900
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	\$ 7,047,900	6,527,100	6,496,700	6,658,900	6,480,600
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	\$ 16,496,600	15,373,700	14,214,300	14,155,900	14,681,600
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	\$ (1,819,900)	(735,800)	(729,900)	(756,600)	(759,500)
7.0 Unallocated Reserve	-	2,113,200	487,900	\$ 3,422,800	5,898,900	8,249,600	10,336,100	12,432,000
Total Other Categories	34,424,853	40,810,600	39,185,300	\$ 40,054,000	42,367,800	43,534,600	45,698,200	48,138,600
Total Water System Operations (Operating Area A)	\$ 93,194,995	\$ 101,500,700	\$ 101,500,800	\$ 103,653,900	\$ 107,568,700	\$ 110,313,200	\$ 113,107,900	\$ 115,999,300
Allocations								
Centralized Services	63,779,190	61,003,500	62,787,600	\$ 68,818,700	71,078,400	73,071,900	73,119,800	74,621,300
Administrative Services	18,431,448	19,951,800	19,972,300	\$ 21,090,800	22,089,500	23,193,300	23,921,400	24,573,900
Total Allocations	\$ 82,210,638	\$ 80,955,300	\$ 82,759,900	\$ 89,909,500	\$ 93,167,900	\$ 96,265,200	\$ 97,041,200	\$ 99,195,200
Total Water System Operations & Maintenance Expense	\$ 175,405,633	\$ 182,456,000	\$ 184,260,700	\$ 193,563,400	\$ 200,736,600	\$ 206,578,400	\$ 210,149,100	\$ 215,194,500
<i>Changes in Annual Operations & Maintenance Budget</i>				6.1%	3.7%	2.9%	1.7%	2.4%

Wastewater (Sewer) System Operations

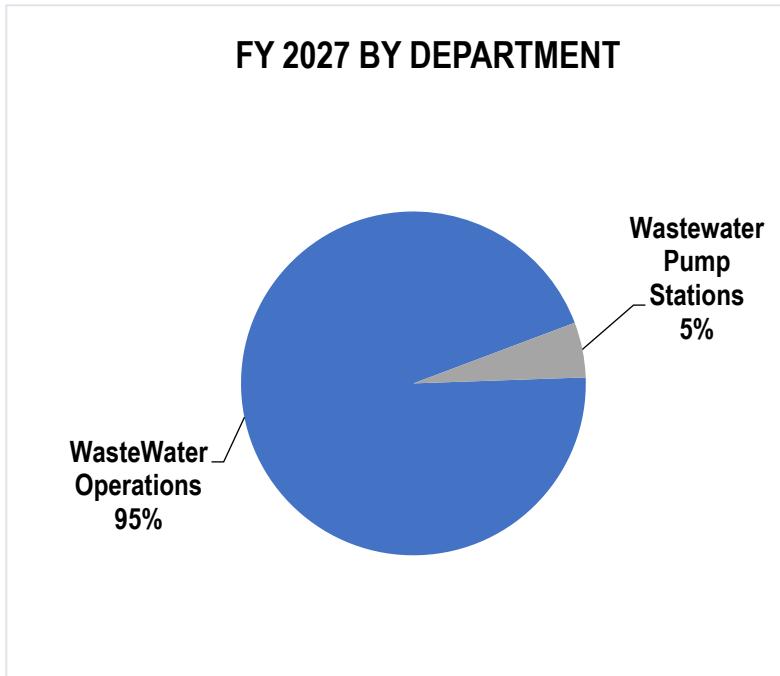
The Wastewater System Operations area consists of the following departments:

- ❖ Wastewater Operations
- ❖ Wastewater Pump Stations

The detailed budget requests for each department are included in this section.

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Wastewater Systems Operations area with a comparison to the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

Expense Category	FY 2025		FY 2026			FY 2027				FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026			
						Adopted	Amended	Adopted	Amended		
2.1 Salaries & Wages	23,385,647	23,895,800	25,065,000	6,607,117	26,617,400	2,721,600	1,552,400	11.4%	6.2%	28,175,700	
2.2 Workforce Development	518,748	691,600	691,600	89,587	512,600	(179,000)	(179,000)	-25.9%	-25.9%	641,500	
2.3 Overtime	3,730,878	3,401,600	3,401,600	953,659	3,390,500	(11,100)	(11,100)	-0.3%	-0.3%	3,390,500	
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	2,589,334	9,923,700	964,100	769,900	10.8%	8.4%	10,636,600	
2.5 Transition Services	7,602,831	7,328,300	7,328,300	1,871,629	5,403,500	(1,924,800)	(1,924,800)	-26.3%	-26.3%	5,403,500	
Total Personnel Costs	44,218,993	44,276,900	45,640,300	12,111,327	45,847,700	1,570,800	207,400	3.5%	0.5%	48,247,800	
3.1 Electric	17,968,898	19,315,800	18,787,800	4,408,369	18,514,600	(801,200)	(273,200)	-4.1%	-1.5%	18,897,200	
3.2 Gas	6,246,055	5,865,000	5,865,000	1,648,847	7,807,700	1,942,700	1,942,700	33.1%	33.1%	7,682,600	
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	454,991	1,469,800	(190,000)	(190,000)	-11.4%	-11.4%	1,498,800	
3.4 Water Service	10,412,469	12,188,800	12,188,800	3,080,490	11,151,100	(1,037,700)	(1,037,700)	-8.5%	-8.5%	10,150,100	
Total Utility Costs	35,991,766	39,029,400	38,501,400	9,592,696	38,943,200	(86,200)	441,800	-0.2%	1.1%	38,228,700	
4.1 Chemicals	20,273,320	23,460,300	22,284,700	4,513,180	19,400,100	(4,060,200)	(2,884,600)	-17.3%	-12.9%	19,723,400	
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	4,779,827	19,745,200	458,600	153,800	2.4%	0.8%	22,051,900	
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	7,431,050	31,921,000	2,265,200	1,537,000	7.6%	5.1%	33,069,600	
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	(269,032)	(1,393,500)	205,000	205,000	-12.8%	-12.8%	(929,900)	
5.2 Shared Services	(527,744)	(714,300)	(714,300)	(164,496)	(750,300)	(36,000)	(36,000)	5.0%	5.0%	(769,500)	
5.5 Intergovernmental Agreement	(1,103,422)	-	-	-	-	-	-	0.0%	0.0%	-	
7.0 Unallocated Reserve	-	3,176,400	2,483,600	-	4,933,400	1,757,000	2,449,800	55.3%	98.6%	7,045,700	
Total Other Categories	68,902,152	73,266,300	72,430,900	16,290,528	73,855,900	589,600	1,425,000	0.8%	2.0%	80,191,200	
Total Wastewater System Operations (Operating Area B)	\$ 149,112,911	\$ 156,572,600	\$ 156,572,600	\$ 37,994,551	158,646,800	2,074,200	2,074,200	1.3%	1.3%	\$ 166,667,700	
Allocations											
Centralized Services	59,089,584	56,384,100	57,471,900	13,165,841	54,610,100	(1,774,000)	(2,861,800)	-3.1%	-5.0%	56,169,800	
Administrative Services	21,551,487	23,142,000	23,156,300	6,178,065	24,506,500	1,364,500	1,350,200	5.9%	5.8%	25,573,100	
Total Allocations	\$ 80,641,071	\$ 79,526,100	\$ 80,628,200	\$ 19,343,906	\$ 79,116,600	\$ (409,500)	\$ (1,511,600)	-0.5%	-1.9%	\$ 81,742,900	
Total Wastewater System Operations & Maintenance Expense	\$ 229,753,982	\$ 236,098,700	\$ 237,200,800	\$ 57,338,457	\$ 237,763,400	\$ 1,664,700	\$ 562,600	0.7%	0.2%	\$ 248,410,600	

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 23,385,647	23,895,800	\$ 25,065,000	\$ 26,617,400	\$ 28,175,700	\$ 29,817,400	\$ 29,817,400	\$ 29,817,400
2.2 Workforce Development	518,748	691,600	691,600	512,600	641,500	810,500	810,500	810,500
2.3 Overtime	3,730,878	3,401,600	3,401,600	3,390,500	3,390,500	3,377,000	3,377,000	3,377,000
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	9,923,700	10,636,600	11,416,900	11,509,900	11,602,500
2.5 Transition Services	7,602,831	7,328,300	7,328,300	5,403,500	5,403,500	5,403,500	5,403,500	5,403,500
Total Personnel Costs	44,218,993	44,276,900	45,640,300	45,847,700	48,247,800	50,825,300	50,918,300	51,010,900
3.1 Electric	17,968,898	19,315,800	18,787,800	18,514,600	18,897,200	19,287,900	19,687,000	20,081,000
3.2 Gas	6,246,055	5,865,000	5,865,000	7,807,700	7,682,600	7,432,700	7,581,200	7,732,700
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	1,469,800	1,498,800	1,528,400	1,558,500	1,589,700
3.4 Water Service	10,412,469	12,188,800	12,188,800	11,151,100	10,150,100	11,189,600	11,209,400	11,229,600
Total Utility Costs	35,991,766	39,029,400	38,501,400	38,943,200	38,228,700	39,438,600	40,036,100	40,633,000
4.1 Chemicals	20,273,320	23,460,300	22,284,700	19,400,100	19,723,400	20,031,500	20,402,300	20,751,100
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	19,745,200	22,051,900	21,702,000	23,008,400	22,602,600
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	31,921,000	33,069,600	33,893,400	34,616,300	35,355,200
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	(1,393,500)	(929,900)	(1,048,800)	(1,076,100)	(1,920,400)
5.2 Shared Services	(527,744)	(714,300)	(714,300)	(750,300)	(769,500)	(791,300)	(812,100)	(818,100)
5.5 Intergovernmental Agreement	(1,103,422)	-	-	-	-	-	-	-
7.0 Unallocated Reserve	-	3,176,400	2,483,600	4,933,400	7,045,700	9,369,000	11,346,000	13,230,100
Total Other Categories	68,902,152	73,266,300	72,430,900	73,855,900	80,191,200	83,155,800	87,484,800	89,200,500
Total Wastewater System Operations (Operating Area B)	\$ 149,112,911	\$ 156,572,600	\$ 156,572,600	\$ 158,646,800	\$ 166,667,700	\$ 173,419,700	\$ 178,439,200	\$ 180,844,400
Allocations								
Centralized Services	59,089,584	56,384,100	57,471,900	54,610,100	56,169,800	58,058,900	60,581,200	62,103,700
Administrative Services	21,551,487	23,142,000	23,156,300	24,506,500	25,573,100	26,746,600	27,546,000	28,271,600
Total Allocations	\$ 80,641,071	\$ 79,526,100	\$ 80,628,200	\$ 79,116,600	\$ 81,742,900	\$ 84,805,500	\$ 88,127,200	\$ 90,375,300
Total Wastewater System Operations & Maintenance Expense	\$ 229,753,982	\$ 236,098,700	\$ 237,200,800	\$ 237,763,400	\$ 248,410,600	\$ 258,225,200	\$ 266,566,400	\$ 271,219,700
<i>Changes in Annual Operations & Maintenance Budget</i>				0.7%	4.5%	4.0%	3.2%	1.7%

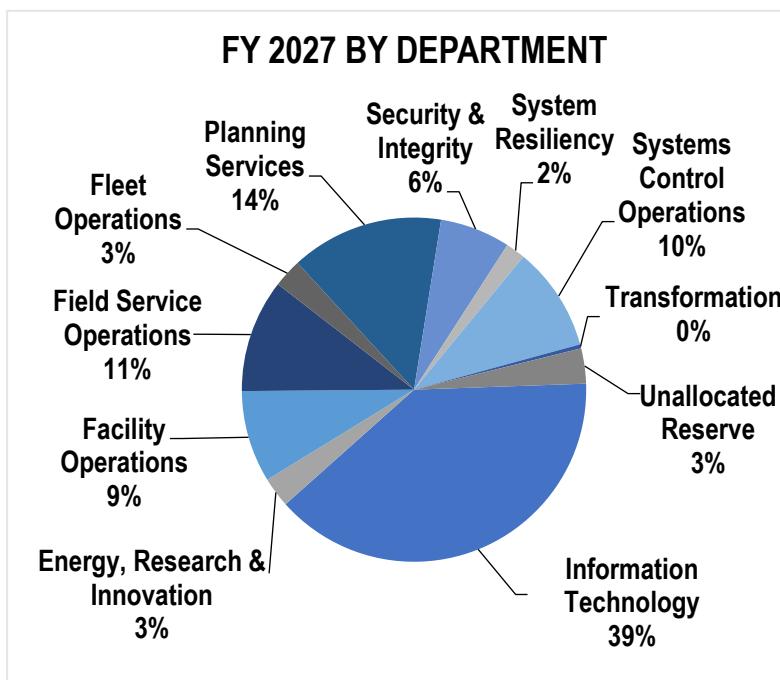
Centralized Services

The Centralized Services operating area serves both water and wastewater operations. The following departments are included in the Centralized Services operating area:

- ❖ System Resiliency
- ❖ Planning Services (Office of the Chief Planning Officer, Wastewater Analytics & Metering, Asset Management, Member Services, Capital Improvement Planning, and Water Analytics & Metering)
- ❖ Systems Control
- ❖ Facility Operations
- ❖ Fleet Operations
- ❖ Field Service Operations
- ❖ Energy, Research & Innovation
- ❖ Transformation
- ❖ Information Technology (Office of the Chief Information Officer, Project Management Office, Security & Risk, Infrastructure, Enterprise Asset Management Systems, Business Productivity Systems, and Service Delivery)
- ❖ Security & Integrity (includes HazMat and Office of Emergency Preparedness)

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Centralized Services operating area with comparison to both the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

Expense Category	FY 2025		FY 2026			FY 2027						FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026		Adopted	Amended		
						Adopted	Amended	Adopted	Amended				
2.1 Salaries & Wages	\$ 27,131,113	\$ 28,256,800	\$ 29,858,900	\$ 7,792,938	\$ 30,800,400	\$ 2,543,600	\$ 941,500	9.0%	3.2%	\$ 31,650,700			
2.2 Workforce Development	952,551	1,386,500	1,404,500	168,684	665,300	(721,200)	(739,200)	-52.0%	-52.6%	758,100			
2.3 Overtime	2,834,661	2,700,200	2,700,200	752,253	2,701,100	900	900	0.0%	0.0%	2,701,100			
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	2,808,443	10,639,000	644,900	369,600	6.5%	3.6%	11,037,600			
2.5 Transition Services	551,423	1,033,600	1,033,600	264,594	1,002,100	(31,500)	(31,500)	-3.0%	-3.0%	1,002,100			
Total Personnel Costs	41,168,709	43,371,200	45,266,600	11,786,912	45,807,900	2,436,700	541,300	5.6%	1.2%	47,149,600			
3.1 Electric	225,829	171,600	171,600	32,895	231,000	59,400	59,400	34.6%	34.6%	235,000			
3.2 Gas	209	200	200	55	200	-	-	0.0%	0.0%	200			
3.3 Sewage Service	12,038	2,000	2,000	538	9,500	7,500	7,500	375.0%	375.0%	9,500			
3.4 Water Service	4,931	600	600	358	600	-	-	0.0%	0.0%	600			
Total Utility Costs	243,007	174,400	174,400	33,846	241,300	66,900	66,900	38.4%	38.4%	245,300			
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	3,240,206	18,511,500	\$ 1,371,600	\$ 1,371,600	8.0%	8.0%	18,807,400			
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	13,928,716	56,440,400	504,500	(2,825,500)	0.9%	-4.8%	56,643,800			
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	(106,519)	(205,600)	6,600	6,600	-3.1%	-3.1%	(206,000)			
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	(366,687)	(1,443,800)	(33,400)	(68,700)	2.4%	5.0%	(1,516,000)			
5.5 Intergovernmental Agreement	(461,268)	-	-	-	-	-	-	0.0%	0.0%	-			
7.0 Unallocated Reserve	-	2,388,800	-	-	4,077,100	1,688,300	4,077,100	70.7%	N/A	6,124,100			
Total Other Categories	81,457,067	73,842,000	74,818,500	16,695,716	77,379,600	3,537,600	2,561,100	4.8%	3.4%	79,853,300			
Total Centralized Services (Operating Area C)	\$ 122,868,783	\$ 117,387,600	\$ 120,259,500	\$ 28,516,474	\$ 123,428,800	\$ 6,041,200	\$ 3,169,300	5.1%	2.6%	\$ 127,248,200			

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 27,131,113	\$ 28,256,800	\$ 29,858,900	\$ 30,800,400	\$ 31,650,700	\$ 32,547,800	\$ 32,547,800	\$ 32,547,800
2.2 Workforce Development	952,551	1,386,500	1,404,500	665,300	758,100	880,700	880,700	880,700
2.3 Overtime	2,834,661	2,700,200	2,700,200	2,701,100	2,701,100	2,680,200	2,680,200	2,680,200
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	10,639,000	11,037,600	11,456,100	11,543,700	11,631,400
2.5 Transition Services	551,423	1,033,600	1,033,600	1,002,100	1,002,100	1,002,100	1,002,100	1,002,100
Total Personnel Costs	41,168,709	43,371,200	45,266,600	45,807,900	47,149,600	48,566,900	48,654,500	48,742,200
3.1 Electric	225,829	171,600	171,600	231,000	235,000	240,000	246,000	252,000
3.2 Gas	209	200	200	200	200	300	300	300
3.3 Sewage Service	12,038	2,000	2,000	9,500	9,500	9,500	9,600	9,600
3.4 Water Service	4,931	600	600	600	600	600	700	700
Total Utility Costs	243,007	174,400	174,400	241,300	245,300	250,400	256,600	262,600
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	18,511,500	18,807,400	19,109,500	19,456,900	19,728,700
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	56,440,400	56,643,800	56,875,400	57,298,500	58,240,400
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	(205,600)	(206,000)	(206,400)	(206,800)	(207,200)
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	(1,443,800)	(1,516,000)	(1,592,000)	(1,671,600)	(1,755,200)
5.5 Intergovernmental Agreement	(461,268)	-	-	-	-	-	-	-
7.0 Unallocated Reserve	-	2,388,800	-	4,077,100	6,124,100	8,127,000	9,912,900	11,713,500
Total Other Categories	81,457,067	73,842,000	74,818,500	77,379,600	79,853,300	82,313,500	84,789,900	87,720,200
Total Centralized Services (Operating Area C)	\$ 122,868,783	\$ 117,387,600	\$ 120,259,500	\$ 123,428,800	\$ 127,248,200	\$ 131,130,800	\$ 133,701,000	\$ 136,725,000
<i>Changes in Annual Operations & Maintenance Budget</i>				5.1%	3.1%	3.1%	2.0%	2.3%

Cost Allocation

Centralized Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the change from the FY 2026 amended budget.

Biennial Cost Allocation Summary

Operations Area	FY 2025		FY 2026		FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Centralized Services								
Water	\$ 63,779,190	\$ 61,003,600	\$ 62,787,600	\$ 15,351,360	\$ 68,818,700	\$ 6,031,100	9.6%	\$ 71,078,400
Wastewater	59,089,584	56,384,000	57,471,900	13,165,841	54,610,100	(2,861,800)	-5.0%	56,169,800
Grand Total	\$ 122,868,774	\$ 117,387,600	\$ 120,259,500	\$ 28,517,201	\$ 123,428,800	\$ 3,169,300	2.6%	\$ 127,248,200

Five Year Cost Allocation Summary

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services								
Water	\$ 63,779,190	\$ 61,003,600	\$ 62,787,600	\$ 68,818,700	\$ 71,078,400	\$ 73,071,900	\$ 73,119,800	\$ 74,621,300
Wastewater	59,089,584	56,384,000	57,471,900	54,610,100	56,169,800	58,058,900	60,581,200	62,103,700
Grand Total	\$ 122,868,774	\$ 117,387,600	\$ 120,259,500	\$ 123,428,800	\$ 127,248,200	\$ 131,130,800	\$ 133,701,000	\$ 136,725,000
<i>Changes in Annual Operations & Maintenance Budget</i>				5.1%	3.1%	3.1%	2.0%	2.3%

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

Five Year Projected Cost Allocated Percentages

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services								
Water	51.9%	52.0%	52.2%	55.8%	55.9%	55.7%	54.7%	54.6%
Wastewater	48.1%	48.0%	47.8%	44.2%	44.1%	44.3%	45.3%	45.4%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following table lists the Centralized Services split between the Specific (Step One) and Pooled (Step Two) costs.

Allocation Cost Type	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized - Specific	\$ 11,568,700	\$ 10,963,600	\$ 17,566,500	\$ 17,610,200	\$ 17,624,700	\$ 17,417,500	\$ 17,726,200
Centralized - Pooled	105,818,900	109,295,900	105,862,300	109,638,000	113,506,100	116,283,500	118,998,800
Grand Total	\$ 117,387,600	\$ 120,259,500	\$ 123,428,800	\$ 127,248,200	\$ 131,130,800	\$ 133,701,000	\$ 136,725,000

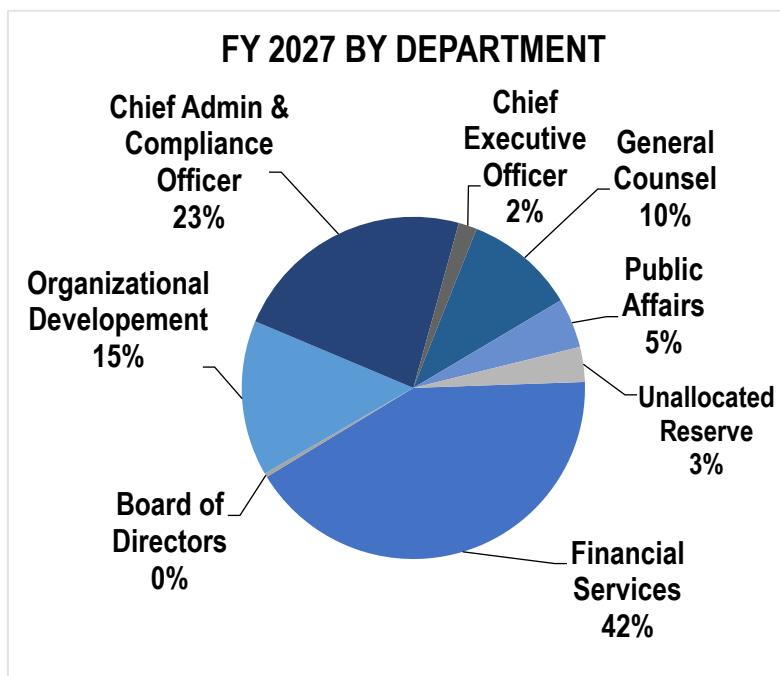
Administrative Services

The Administrative Services operating area serves both water and wastewater operations. The following departments are included in the Administrative Services operating area:

- ❖ Board of Directors
- ❖ Chief Executive Officer
- ❖ Chief Administrative and Compliance Officer (includes Risk Management & Safety and Insurance Fund)
- ❖ General Counsel
- ❖ Public Affairs
- ❖ Organizational Development (includes Training and Talent Management)
- ❖ Financial Services (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics and Materials)

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Administrative Services operating area compared to the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

Expense Category	FY 2025		FY 2026			Proposed Budget	FY 2027				FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025			Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed Budget	
							Adopted	Amended	Adopted	Amended		
2.1 Salaries & Wages	\$ 17,888,851	\$ 18,251,100	\$ 19,002,100	\$ 5,187,656	\$ 19,422,200	\$ 1,171,100	\$ 420,100	6.4%	2.2%	\$ 19,860,500		
2.2 Workforce Development	74,247	197,100	197,100	41,283	179,000	(18,100)	(18,100)	-9.2%	-9.2%	206,200		
2.3 Overtime	4,986	5,700	5,700	1,069	5,800	100	100	1.8%	1.8%	5,800		
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	1,551,442	6,061,800	409,200	287,600	7.2%	5.0%	6,253,800		
2.5 Transition Services	40,290	129,500	129,500	-	23,000	(106,500)	(106,500)	-82.2%	-82.2%	45,500		
Total Personnel Costs	23,395,859	24,236,000	25,108,600	6,781,450	25,691,800	1,455,800	583,200	6.0%	2.3%	26,371,800		
3.1 Electric	89,124	114,400	114,400	15,988	116,700	2,300	2,300	2.0%	2.0%	119,000		
3.2 Gas	61,394	55,800	55,800	(897)	72,300	16,500	16,500	29.6%	29.6%	73,700		
3.3 Sewage Service	1,894	25,100	25,100	499	6,500	(18,600)	(18,600)	-74.1%	-74.1%	6,600		
3.4 Water Service	1,123	10,900	10,900	279	4,100	(6,800)	(6,800)	-62.4%	-62.4%	4,200		
Total Utility Costs	153,535	206,200	206,200	15,870	199,600	(6,600)	(6,600)	-3.2%	-3.2%	203,500		
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	688,389	2,781,500	114,700	114,700	4.3%	4.3%	2,824,000		
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	4,315,847	15,597,600	276,200	276,200	1.8%	1.8%	15,892,400		
5.2 Shared Services	(178,731)	(184,400)	(174,400)	(40,467)	(180,700)	3,700	(6,300)	-2.0%	3.6%	(184,200)		
7.0 Unallocated Reserve	-	847,800	-	-	1,507,500	659,700	1,507,500	77.8%	100.0%	2,555,100		
Total Other Categories	16,433,536	18,651,600	17,813,800	4,963,769	19,705,900	1,054,300	1,892,100	5.7%	10.6%	21,087,300		
Total Administrative Services (Operating Area D)	\$ 39,982,930	\$ 43,093,800	\$ 43,128,600	\$ 11,761,089	\$ 45,597,300	\$ 2,503,500	\$ 2,468,700	5.8%	5.7%	\$ 47,662,600		

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 17,888,851	\$ 18,251,100	\$ 19,002,100	\$ 19,422,200	\$ 19,860,500	\$ 20,418,100	\$ 20,418,100	\$ 20,418,100
2.2 Workforce Development	74,247	197,100	197,100	179,000	206,200	224,400	224,400	224,400
2.3 Overtime	4,986	5,700	5,700	5,800	5,800	5,800	5,800	5,800
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	6,061,800	6,253,800	6,480,400	6,527,100	6,573,900
2.5 Transition Services	40,290	129,500	129,500	23,000	45,500	91,100	91,100	91,100
Total Personnel Costs	23,395,859	24,236,000	25,108,600	25,691,800	26,371,800	27,219,800	27,266,500	27,313,300
3.1 Electric	89,124	114,400	114,400	116,700	119,000	121,400	123,800	123,800
3.2 Gas	61,394	55,800	55,800	72,300	73,700	75,200	76,700	78,200
3.3 Sewage Service	1,894	25,100	25,100	6,500	6,600	6,700	6,800	6,900
3.4 Water Service	1,123	10,900	10,900	4,100	4,200	4,300	4,400	4,500
Total Utility Costs	153,535	206,200	206,200	199,600	203,500	207,600	211,700	213,400
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	2,781,500	2,824,000	2,877,700	2,935,200	2,988,200
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	15,597,600	15,892,400	16,169,800	16,480,300	16,764,100
5.2 Shared Services	(178,731)	(184,400)	(174,400)	(180,700)	(184,200)	(188,000)	(191,900)	(196,000)
7.0 Unallocated Reserve	-	847,800	-	1,507,500	2,555,100	3,653,000	4,765,600	5,762,500
Total Other Categories	16,433,536	18,651,600	17,813,800	19,705,900	21,087,300	22,512,500	23,989,200	25,318,800
Total Administrative Services (Operating Area D)	\$ 39,982,930	\$ 43,093,800	\$ 43,128,600	\$ 45,597,300	\$ 47,662,600	\$ 49,939,900	\$ 51,467,400	\$ 52,845,500
<i>Changes in Annual Operations & Maintenance Budget</i>				5.8%	4.5%	4.8%	3.1%	2.7%

Cost Allocation

Administrative Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the change from the FY 2026 amended budget.

Biennial Cost Allocation Summary

Operations Area	FY 2025	FY 2026			FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Administrative Services								
Water	\$ 18,431,448	\$ 19,951,700	\$ 19,972,300	\$ 5,583,024	\$ 21,090,800	\$ 1,118,500	5.6%	\$ 22,089,500
Wastewater	21,551,487	23,142,100	23,156,300	6,178,065	24,506,500	1,350,200	5.8%	25,573,100
Grand Total	\$ 39,982,935	\$ 43,093,800	\$ 43,128,600	\$ 11,761,089	\$ 45,597,300	\$ 2,468,700	5.7%	\$ 47,662,600

Five Year Cost Allocation Summary

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget			Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
Administrative Services									
Water	\$ 18,431,448	\$ 19,951,700	\$ 19,972,300	\$ 21,090,800	\$ 22,089,500	\$ 23,193,300	\$ 23,921,400	\$ 24,573,900	
Wastewater	21,551,487	23,142,100	23,156,300	24,506,500	25,573,100	26,746,600	27,546,000	28,271,600	
Grand Total	\$ 39,982,935	\$ 43,093,800	\$ 43,128,600	\$ 45,597,300	\$ 47,662,600	\$ 49,939,900	\$ 51,467,400	\$ 52,845,500	
<i>Changes in Annual Operations & Maintenance Budget</i>				5.8%	4.5%	4.8%	3.1%	2.7%	

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

Five Year Projected Cost Allocated Percentages

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget			Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
Administrative Services									
Water	46.1%	46.3%	46.3%	46.3%	46.3%	46.4%	46.5%	46.5%	
Wastewater	53.9%	53.7%	53.7%	53.7%	53.7%	53.6%	53.5%	53.5%	
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

The following table lists the Administrative Services split between the Specific (Step One) and Pooled (Step Two) costs.

Table 4 – Five Year Cost Allocation by Cost Type

Allocation Cost Type	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Administrative - Specific	\$ 689,200	\$ 689,200	\$ 703,000	\$ 717,100	\$ 731,400	\$ 746,000	\$ 760,900
Administrative - Pooled	42,404,600	42,439,400	44,894,300	46,945,500	49,208,500	50,721,400	52,084,600
Grand Total	\$ 43,093,800	\$ 43,128,600	\$ 45,597,300	\$ 47,662,600	\$ 49,939,900	\$ 51,467,400	\$ 52,845,500



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: Recommendation to the Board of Directors to Approve Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter related to proposed Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

Proposed Action: Defer the consideration of this matter until the Audit Committee receives additional material at the next Audit Committee scheduled for [TBD] to the consider recommendation that the Board of Directors approve Resolution 2026-013 to adopt the FY 2027 & FY 2028 Biennial Budget subject to public comment at the Public Hearing to be held on February 25, 2026.

..Title

Resolution Adopting the FY 2027 & FY 2028 Biennial Budget

..Body

Agenda of: February 25, 2026

Item No.: **2026-013**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 25, 2026

RE: **Resolution Adopting the FY 2027 & FY 2028 Biennial Budget**

MOTION

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

- 1) Concludes the Public Hearing related to the FY 2027 and FY 2028 Biennial Budget held on February 25, 2026;**
- 2) Pending public comment, adopts the attached resolution, 2026-013, adopting the FY 2027 and FY 2028 Biennial Budget for the GLWA;**
- 3) Notes that the GLWA By-Laws Article X, Section 5, requires a super-majority affirmative vote of at least five (5) members of the Board is necessary for the approval of the operating budget; and**
- 4) 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” or the “Authority”) assumed the operation of the Regional Water and Sewer systems on January 1, 2016 (the “Effective Date”) pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015. Section 5.6 of the Lease Agreements require the Authority to adopt a two-year budget for the Regional Water and Sewer Systems that sets forth budgeted revenues and expenses for each such Fiscal Year.

JUSTIFICATION

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months encompasses stakeholder groups. An outline of discussions related to the FY 2027 & FY 2028 Biennial Budget and FY 2027 Charges is outlined below.

Board of Directors Public Engagement

- ✓ October 8, 2025 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 9, 2026 - Audit Committee receives proposed budget and charges presentation
- ✓ January 28, 2026 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ January 30, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February [TBD] 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 25, 2026 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ November 6, 2025 - Charges 101 – Foundational Knowledge of the GLWA Charge-Making Process
- ✓ November 13, 2025 - Charges Rollout #1 and #2 – Capital Improvement Plan (CIP) and Units of Service (UOS) Update
- ✓ January 14, 2026 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 15, 2026 - Charges Rollout #3 – Proposed FY 2027 Revenue Requirement and Service Charges
- ✓ January 22, 2026 - Charges Rollout #4 - Feedback on Proposed Charges and FY 2027 Revenue Requirement
- ✓ January 26, 2026 – Member Partners were mailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

- ✓ January 27, 2026 – Member Partner specific emailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on *[insert date]*. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.gewater.org/financials.

BUDGET IMPACT

This action establishes a budget for FY 2027 and FY 2028.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the budget and supplemental analysis at the meetings noted above. On *[insert date]* the Audit Committee *[insert action]* that the Board of Directors adopts the resolution related to the FY 2027 and FY 2028 Budget subject to public comment at the public hearing to be held on February 25, 2026.

Great Lakes Water Authority Resolution 2026-013

Resolution Adopting the Biennial FY 2027 & FY 2028 Budget

By Board Member: _____

WHEREAS The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

WHEREAS In accordance with the by-laws of the GLWA, the Board shall adopt a two-year (Biennial) operating budget for the Regional Water and Sewer Systems; and

WHEREAS The Authority, through the terms of the Leases, committed to an annual increase in revenue requirement budget of no more than 4% though the fiscal year ending June 30, 2025, this commitment no longer applies; and

WHEREAS The Regional Water System annual revenue requirement budget increase of 5.4% equates to a 6.6% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 5.0% equates to a 5.9% increase in revenues from Sewer Service Charges; and

WHEREAS To support the revenue requirement for each system, the comparable Regional Water System average charge adjustment is an increase of 6.83% reflecting a reduction in estimated investment earnings and sales volumes and the comparable Regional Sewer System average charge adjustment is an increase of 5.98% reflecting a reduction in estimated investment earnings and industrial specific activity; and

WHEREAS The budgeted expenses for each such Fiscal Year shall equal the sum of the projected expenses and revenue requirements for the Regional Water System and the Regional Sewer System for each such Fiscal Year; and

WHEREAS The budgeted annual revenue requirements for the Regional Water System for FY 2027 is \$430,844,900 and for FY 2028 is \$461,019,900 as shown on “Schedule 1 – Water System Revenue Requirements” of the budget document; and

WHEREAS The budgeted annual revenue requirements for the Regional Sewer System for FY 2027 is \$572,229,700 and for FY 2028 is \$600,864,900 as shown on “Schedule 2 – Sewer System Revenue Requirements” of the budget document;

and

WHEREAS The operations and maintenance budget for the Regional Water System for FY 2027 is \$193,563,400 and for FY 2028 is \$200,736,600 as shown on “Schedule 1 – Water System Revenue Requirements” of the budget document; and

WHEREAS The operations and maintenance budget for the Regional Sewer System for FY 2027 is \$237,763,400 and for FY 2028 is \$248,410,600 as shown on “Schedule 2 – Sewer System Revenue Requirements” of the budget document; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of \$24,976,300 in FY 2027 and \$21,012,200 in FY 2028 for capital outlay in accordance with the “Schedule 4A – Water Improvement and Extension Fund” budget; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of \$265,000,000 in FY 2027 and \$305,000,000 in FY 2028 for the capital improvement plan in accordance with the “Schedule 5A – Water Construction Fund” budget with those capital amounts reflecting an 87% Capital Spend Ratio Assumption applied to FY 2027 and a Capital Spend Rate Assumption of 81% to FY 2028 as shown in the proposed FY 2027 though FY 2031 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of \$11,779,500 in FY 2027 and \$15,431,100 in FY 2028 for the capital outlay in accordance with the “Schedule 4B – Sewer Improvement and Extension Fund” budget; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of \$255,000,000 in FY 2027 and \$280,000,000 in FY 2028 for the capital improvement plan in accordance with “Schedule 5B – Sewer Construction Fund” budget with those capital amounts reflecting a 88% Capital Spending Ratio applied to FY 2027 and a Capital Spend Rate Assumption of 84% applied to FY 2028 as shown in the proposed FY 2027 though FY 2031 Capital Improvement Plan; and

WHEREAS The amounts necessary to pay the principal of and interest on all Water System bonds is \$[to be determined]* for FY 2027 and \$[to be determined]* for FY 2028 as shown on “Schedule 10 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Sewer System bonds is \$[to be determined]* for FY 2027 and \$[to be determined]* for FY 2028 as shown on “Schedule 10 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2027 through FY 2031 at its meeting on January 9, 2026; with updates at its meeting on January 30, 2026 and February [TBD], 2026; and

WHEREAS The GLWA Board conducted a public hearing on the proposed budget in accordance with the provisions of Public Act No. 43 of the Acts of the State Legislature of 1963 (“Budget Hearings of Local Governments”); and

WHEREAS A notice for the public hearing on the proposed budget scheduled for February 25, 2026 at 1:00 p.m. either in person or via a telephonic Zoom meeting was published in The Detroit Legal News announcing a public hearing on the budget in addition to posting the notice and proposed budget on glwater.org/financials; and

WHEREAS An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board conducted a public hearing on February 25, 2026 to receive public comment regarding the proposed budget for the Fiscal Years 2027 and 2028; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2027 and 2028; and be it finally

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.

**Amounts are subject to change pending receipt of final DWSD budget information.*

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 1 – Water System Revenue Requirements Biennial Budget

Water System Revenue Requirement	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Wholesale Customers	\$ 365,646,100	\$ 365,646,100	\$ 387,988,500	\$ 22,342,400	6.1%	\$ 415,009,600	\$ 27,021,100	7.0%
Charges to Local System	30,028,800	30,028,800	33,603,600	3,574,800	11.9%	37,288,300	3,684,700	11.0%
Total Revenue from Charges	395,674,900	395,674,900	421,592,100	25,917,200	6.6%	452,297,900	30,705,800	7.3%
Investment Earnings								
Unrestricted	4,654,800	4,404,900	3,171,000	(1,483,800)	-31.9%	3,067,400	(103,600)	-3.3%
I&E Fund Unrestricted	4,868,800	4,525,400	3,410,900	(1,457,900)	-29.9%	3,096,900	(314,000)	-9.2%
Restricted for Debt Service	3,260,100	2,834,800	2,175,500	(1,084,600)	-33.3%	2,257,700	82,200	3.8%
Total Investment Earnings	12,783,700	11,765,100	8,757,400	(4,026,300)	-31.5%	8,422,000	(335,400)	-3.8%
Other Operating Revenue	302,800	302,800	495,400	192,600	63.6%	300,000	(195,400)	-39.4%
Total Revenues	\$ 408,761,400	\$ 407,742,800	\$ 430,844,900	\$ 22,083,500	5.4%	\$ 461,019,900	\$ 30,175,000	7.0%
Revenue Requirements								
Operations & Maintenance Expense	\$ 182,456,000	\$ 183,909,400	\$ 193,563,400	\$ 11,107,400	6.1%	\$ 200,736,600	\$ 7,173,200	3.7%
Debt Service	179,082,200	177,686,400	192,202,900	13,120,700	7.3%	212,359,600	20,156,700	10.5%
General Retirement System Pension	2,730,800	2,730,800	2,559,000	(171,800)	-6.3%	2,415,300	(143,700)	-5.6%
Water Residential Assistance								
Program Contribution	1,970,000	1,970,000	2,099,900	129,900	6.6%	2,251,700	151,800	7.2%
Extraordinary Repair & Replacement Deposit	320,000	320,000	104,800	(215,200)	-67.3%	614,300	509,500	486.2%
Regional System Lease	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Working Capital Requirement	600,000	-	1,100,000	500,000	83.3%	5,900,000	4,800,000	436.4%
Improvement & Extension Fund Transfer Pending	19,102,400	18,626,200	16,714,900	(2,387,500)	-12.5%	14,242,400	(2,472,500)	-14.8%
Total Water System Revenue Requirements	\$ 408,761,400	\$ 407,742,800	\$ 430,844,900	\$ 22,083,500	5.4%	\$ 461,019,900	\$ 30,175,000	7.0%

Charge Adjustment Calculation

Proforma Revenue - What FY 2027 Revenue from Charges would be using FY 2027 projected volume and FY 2026 Fixed and Commodity

Charges \$ 394,633,100

Charge Adjustment

Attributable to Change in Annual Revenue Requirement	\$ 22,083,500	5.60%
Attributable to Non-Charge Revenue (Decrease in Investment Earnings & Other Operating Revenue)	3,833,700	0.97%
Attributable to decreased in projected Sales Volume in FY 2027	1,041,800	0.26%
Charge Adjustment (Average System Charge Increase)	\$ 26,959,000	6.83%

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 2 – Sewer System Revenue Requirements Biennial Budget

Sewer System Revenue Requirement	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Wholesale Customers	\$ 300,316,800	\$ 300,316,800	\$ 317,383,200	\$ 17,066,400	5.7%	\$ 333,895,900	\$ 16,512,700	5.2%
Charges to Local System	215,324,400	215,324,400	229,070,400	13,746,000	6.4%	240,513,000	11,442,600	5.0%
Industrial Waste Control Charges	9,150,300	9,150,300	9,673,600	523,300	5.7%	10,168,500	494,900	5.1%
Pollutant Surcharges	5,112,700	5,112,700	5,198,600	85,900	1.7%	5,464,500	265,900	5.1%
Total Revenue from Charges	529,904,200	529,904,200	561,325,800	31,421,600	5.9%	590,041,900	28,716,100	5.1%
Investment Earnings								
Unrestricted	5,087,300	5,513,700	3,969,200	(1,118,100)	-22.0%	3,839,400	(129,800)	-3.3%
I&E Fund Unrestricted	5,451,500	5,319,600	3,985,100	(1,466,400)	-26.9%	4,032,400	47,300	1.2%
Restricted for Debt Service	4,076,400	3,239,900	2,512,100	(1,564,300)	-38.4%	2,501,200	(10,900)	-0.4%
Total Investment Earnings	14,615,200	14,073,200	10,466,400	(4,148,800)	-28.4%	10,373,000	(93,400)	-0.9%
Other Operating Revenue	442,600	442,600	437,500	(5,100)	-1.2%	450,000	12,500	2.9%
Total Revenues	\$ 544,962,000	\$ 544,420,000	\$ 572,229,700	\$ 27,267,700	5.0%	\$ 600,864,900	\$ 28,635,200	5.0%
Revenue Requirements								
Operations & Maintenance Expense	\$ 236,098,700	\$ 237,552,000	\$ 237,763,400	\$ 1,664,700	0.7%	\$ 248,410,600	\$ 10,647,200	4.5%
Debt Service	220,884,500	216,273,800	233,854,700	12,970,200	5.9%	242,444,800	8,590,100	3.7%
General Retirement System Pension	5,632,800	5,632,800	5,246,300	(386,500)	-6.9%	4,923,200	(323,100)	-6.2%
Water Residential Assistance								
Program Contribution	2,638,500	2,638,500	2,794,800	156,300	5.9%	2,937,800	143,000	5.1%
Extraordinary Repair & Replacement Deposit	-	-	-	-	0.0%	-	-	0.0%
Regional System Lease	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
Working Capital Requirement	-	-	1,500,000	1,500,000	100.0%	4,700,000	3,200,000	213.3%
Improvement & Extension Fund Transfer Pending	52,207,500	54,822,900	63,570,500	11,363,000	21.8%	69,948,500	6,378,000	10.0%
Total Sewer System Revenue Requirements	\$ 544,962,000	\$ 544,420,000	\$ 572,229,700	\$ 27,267,700	5.0%	\$ 600,864,900	\$ 28,635,200	5.0%

Charge Adjustment Calculation

Proforma Revenue - What FY 2027 Revenue from Charges would be using FY 2026 Fixed Monthly Charges and volume and loading projections for Industrial Waste Control and Pollutant Surcharges \$ 529,653,000

Charge Adjustment

Attributable to Change in Annual Revenue Requirement	\$ 27,267,700	5.15%
Attributable to Non-Charge Revenue (Decrease in Investment Earnings & Other Operating Revenue)	4,153,900	0.78%
Attributable to decreased in projected Sales Volume in FY 2027 (amount reflects change due to projected Industrial Waste Control volume and Pollutant Surcharges volume and loadings)	251,200	0.05%
Charge Adjustment (Average System Charge Increase)	\$ 31,672,800	5.98%

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 3 – Combined Water and Sewer System Revenue Requirements Biennial Budget

Water & Sewer System Combined Revenue Requirement	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Wholesale Customers	\$ 665,962,900	\$ 665,962,900	\$ 705,371,700	\$ 39,408,800	5.9%	\$ 748,905,500	\$ 43,533,800	6.2%
Charges to Local System	245,353,200	245,353,200	262,674,000	17,320,800	7.1%	277,801,300	15,127,300	5.8%
Industrial Waste Control Charges	9,150,300	9,150,300	9,673,600	523,300	5.7%	10,168,500	494,900	5.1%
Pollutant Surcharges	5,112,700	5,112,700	5,198,600	85,900	1.7%	5,464,500	265,900	5.1%
Total Revenue from Charges	925,579,100	925,579,100	982,917,900	57,338,800	6.2%	1,042,339,800	59,421,900	6.0%
Investment Earnings								
Unrestricted	9,742,100	9,918,600	7,140,200	(2,601,900)	-26.7%	6,906,800	(233,400)	-3.3%
I&E Fund Unrestricted	10,320,300	9,845,000	7,396,000	(2,924,300)	-28.3%	7,129,300	(266,700)	-3.6%
Restricted for Debt Service	7,336,500	6,074,700	4,687,600	(2,648,900)	-36.1%	4,758,900	71,300	1.5%
Total Investment Earnings	27,398,900	25,838,300	19,223,800	(8,175,100)	-29.8%	18,795,000	(428,800)	-2.2%
Other Operating Revenue	745,400	745,400	932,900	187,500	25.2%	750,000	(182,900)	-19.6%
Total Revenues	\$ 953,723,400	\$ 952,162,800	\$1,003,074,600	\$ 49,351,200	5.2%	\$1,061,884,800	\$ 58,810,200	5.9%
Revenue Requirements								
Operations & Maintenance Expense	\$418,554,700	\$421,461,400	\$ 431,326,800	\$12,772,100	3.1%	\$449,147,200	\$17,820,400	4.1%
Debt Service	399,966,700	393,960,200	426,057,600	26,090,900	6.5%	454,804,400	28,746,800	6.7%
General Retirement System Pension	8,363,600	8,363,600	7,805,300	(558,300)	-6.7%	7,338,500	(466,800)	-6.0%
Water Residential Assistance								
Program Contribution	4,608,500	4,608,500	4,894,700	286,200	6.2%	5,189,500	294,800	6.0%
Extraordinary Repair & Replacement Deposit	320,000	320,000	104,800	(215,200)	-67.3%	614,300	509,500	486.2%
Regional System Lease	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Working Capital Requirement	600,000	-	2,600,000	2,000,000	333.3%	10,600,000	8,000,000	307.7%
Improvement & Extension Fund Transfer Pending	71,309,900	73,449,100	80,285,400	8,975,500	12.6%	84,190,900	3,905,500	4.9%
Total Water & Sewer System Combined Revenue Requirements	\$ 953,723,400	\$ 952,162,800	\$1,003,074,600	\$ 49,351,200	5.2%	\$1,061,884,800	\$ 58,810,200	5.9%

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Water Capital Financing Plan

Schedule 4A - Water Improvement & Extension Fund

Water Improvement & Extension Fund	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
	FY 2026	FY 2026	FY 2027	FY 2028
Inflows				
Transfers in from Water Operations Fund				
Revenue Transfers	\$ 19,102,400	\$ 18,626,200	\$ 16,714,900	\$ 14,242,400
Investment Earnings	4,868,800	4,525,400	3,410,900	3,096,900
Total Inflows	23,971,200	23,151,600	20,125,800	17,339,300
Outflows				
Capital outlay	11,691,400	11,691,400	24,976,300	21,012,200
Transfers out to Water Operations Fund				
Investment Earnings	4,868,800	4,525,400	3,410,900	3,096,900
Transfer out to Water Construction Fund				
Revenue Financed Capital	9,250,000	-	-	-
Total Outflows	25,810,200	16,216,800	28,387,200	24,109,100
Net Inflow (Outflow) - Use of I&E Funds	\$ (1,839,000)	6,934,800	(8,261,400)	(6,769,800)
Beginning Net Position		147,797,600	154,732,400	146,471,000
Projected Ending Net Position		\$ 154,732,400	\$ 146,471,000	\$ 139,701,200

Schedule 5A - Water Construction Fund

Water Construction Fund	Actual	Current Year		Biennial Budget	
		Adopted Budget	Projected	Proposed Budget	
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028
Inflows					
Transfers in from Water I&E Fund					
Revenue Financed Capital	\$ 171,562	\$ 9,250,000	\$ -	\$ -	\$ -
Transfers in from Water Operations Fund					
Bond Proceeds	231,833,814	222,000,000	202,000,000	304,000,000	228,000,000
State Revolving Loans	56,270,485	1,369,200	6,742,400	-	-
Grants and Capital Contributions	3,348,636	2,300,000	2,197,100	1,154,900	-
Investment Earnings	5,248,342	5,565,100	4,099,500	4,237,700	4,388,400
Total Inflows	296,872,839	240,484,300	215,039,000	309,392,600	232,388,400
Outflows					
Capital Program	156,209,178	185,000,000	185,000,000	265,000,000	305,000,000
Transfers out to Water Operations Fund					
Bond Cost of Issuance	1,812,585	1,665,000	1,515,000	2,280,000	1,710,000
Total Outflows	158,021,763	186,665,000	186,515,000	267,280,000	306,710,000
Net Inflow (Outflow) - Use of Construction Funds	\$ 138,851,076	\$ 53,819,300	28,524,000	42,112,600	(74,321,600)
Beginning Net Position			270,178,200	298,702,200	340,814,800
Projected Ending Net Position			\$ 298,702,200	\$ 340,814,800	\$ 266,493,200
Capital Improvement Plan		\$ 183,064,000	\$ 183,743,000	\$ 302,768,000	\$ 372,646,000
Capital Spending Ratio		100%	100%	87%	81%
Capital Financing Plan		\$ 185,000,000	\$ 185,000,000	\$ 265,000,000	\$ 305,000,000

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Sewer Capital Financing Plan

Schedule 4B - Sewer Improvement & Extension Fund

Sewer Improvement & Extension Fund	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
	FY 2026	FY 2026	FY 2027	FY 2028
Inflows				
Transfers in from Sewer Operations Fund				
Revenue Transfers	\$ 52,207,500	\$ 54,822,900	\$ 63,570,500	\$ 69,948,500
Transfer in from Sewer Construction Fund				
Working capital adjustment (1)	-	-	-	-
Investment Earnings	5,451,500	5,319,600	3,985,100	4,032,400
Total Inflows	57,659,000	60,142,500	67,555,600	73,980,900
Outflows				
Capital outlay	11,779,500	11,779,500	15,431,100	15,322,600
Transfers out to Sewer Operations Fund				
Investment Earnings	5,451,500	5,319,600	3,985,100	4,032,400
Transfer out to Sewer Construction Fund				
Revenue Financed Capital	26,250,000	36,000,000	38,250,000	56,000,000
Total Outflows	43,481,000	53,099,100	57,666,200	75,355,000
Net Inflow (Outflow) - Use of I&E Funds	\$ 14,178,000	7,043,400	9,889,400	(1,374,100)
Beginning Net Position		173,729,100	180,772,500	190,661,900
Projected Ending Net Position		\$ 180,772,500	\$ 190,661,900	\$ 189,287,800

Schedule 5B - Sewer Construction Fund

Sewer Construction Fund	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
	FY 2026	FY 2026	FY 2027	FY 2028
Inflows				
Transfers in from Sewer I&E Fund				
Revenue Financed Capital	\$ 26,250,000	\$ 36,000,000	\$ 38,250,000	\$ 56,000,000
Transfers in from Sewer Operations Fund				
Bond Proceeds	101,000,000	26,000,000	76,000,000	65,000,000
State Revolving Loans	52,936,600	102,632,900	159,595,800	140,710,700
Grants and Capital Contributions	23,191,650	33,623,000	10,157,500	6,624,500
Investment Earnings	3,936,400	1,767,600	2,019,200	2,248,800
Total Inflows	207,314,650	200,023,500	286,022,500	270,584,000
Outflows				
Capital Program	175,000,000	240,000,000	255,000,000	280,000,000
Transfers out to Sewer Operations Fund				
Bond Cost of Issuance	757,500	195,000	570,000	487,500
Transfers out to Sewer I&E Fund				
Working Capital Adjustment (1)	-	-	-	-
Total Outflows	175,757,500	240,195,000	255,570,000	280,487,500
Net Inflow (Outflow) - Use of Construction Funds	\$ 31,557,150	(40,171,500)	30,452,500	(9,903,500)
Beginning Net Position		149,360,300	109,188,800	139,641,300
Projected Ending Net Position		\$ 109,188,800	\$ 139,641,300	\$ 129,737,800
Capital Improvement Plan	\$193,221,000	\$262,279,000	\$287,641,000	\$330,945,000
Capital Spending Ratio	90%	90%	88%	84%
Capital Financing Plan	\$ 175,000,000	\$ 240,000,000	\$ 255,000,000	\$ 280,000,000

There are no schedules 6 – 9 for purposes of the Budget Resolution.

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 10 – Debt Service Coverage Calculations Consistent with the Master Bond Ordinance

To be Determined - The local system information is not available to complete this schedule at this time

DRAFT

***Rows highlighted in light grey in the above table are designed to align with the Local System information provided from Detroit Water & Sewerage Department (DWSD) as of [to be determined]*



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: Recommendation to the Board of Directors to Approve Resolution 2026-014 to Adopt the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter related to proposed resolution 2026-014 to Approve the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

Proposed Action: Defer the consideration of this matter until the Audit Committee receives additional material at the next Audit Committee scheduled for [TBD] to the consider recommendation that the Board of Directors approve Resolution 2026-014 to Approve the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

..Title

Resolution Regarding Approval of FY 2027 Schedule of Service Charges

..Body

Agenda of: February 25, 2026

Item No.: **2026-014**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 25, 2026

RE: **Resolution Regarding Approval of FY 2027 Schedule of Service
Charges**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority, **approves the following actions, which require a supermajority affirmative vote of at least five (5) members of the Board, and the attached Resolution 2026-014** with an effective date of July 1, 2026:

- 1) FY 2027 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;
- 2) FY 2027 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2027 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;
- 3) FY 2027 City of Detroit allocated wholesale water revenue requirement of \$33,603,600 which is the net of \$54,303,600 gross revenue requirement less the

Ownership Equity Credit of \$20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);

- 4) FY 2027 City of Detroit allocated wholesale sewer revenue requirement of \$229,070,400 which is the net of \$234,586,400 gross revenue requirement less the Ownership Equity Credit of \$5,516,000 in accordance with the WSSA;
- 5) FY 2027 City of Detroit allocated indirect water revenue requirement of *\$(to be determined)*, in accordance with the Regional Water Supply System Lease;
- 6) FY 2027 City of Detroit allocated indirect sewer revenue requirement of *[\$to be determined]*, in accordance with the Regional Sewage Disposal System Lease; and
- 7) authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Pursuant to the water system and sewer system leases signed between the Great Lakes Water Authority (GLWA/Authority) and the City of Detroit, the GLWA began operations of the regional water supply and sewage disposal system on January 1, 2016. Consistent with the terms of those leases, the Authority shall, for each fiscal year fix and approve rates and charges to its customers in an amount that is expected to produce revenues sufficient to satisfy the Authority revenue requirement. The attached, proposed schedule of charges meets that requirement.

Leading up to this charge recommendation, staff presented the proposed FY 2027 and 2028 Biennial Budget and five-year financial plan for FY 2027 through 2031 and an analysis of proposed water and sewer system charges at its January 28, 2026 Board meeting. A Public Hearing was opened for the FY 2027 Water Service Charges and Sewer Service Charges on February 25, 2026.

JUSTIFICATION

The water and sewer system charges support the proposed FY 2027 water system revenue requirements budget and the proposed FY 2027 sewer system revenue requirements, respectively. The FY 2027 water and sewer revenue requirements reflect GLWA's commitment to providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost.

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months encompasses stakeholder groups. An

outline of discussions related to the FY 2027 & FY 2028 Biennial Budget and FY 2027 Charges is outlined below.

Board of Directors Public Engagement

- ✓ October 8, 2025 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 9, 2026 - Audit Committee receives proposed budget and charges presentation
- ✓ January 28, 2026 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ January 30, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February [TBD], 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 25, 2026 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ November 6, 2025 - Charges 101 – Foundational Knowledge of the GLWA Charge-Making Process
- ✓ November 13, 2025 - Charges Rollout #1 and #2 – Capital Improvement Plan and Units of Service (UOS)
- ✓ January 14, 2026 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 15, 2026 - Charges Rollout #3 – Proposed FY 2027 Revenue Requirement and Service Charges
- ✓ January 22, 2026 - Charges Rollout #4 - Feedback on Proposed Charges and FY 2027 Revenue Requirement
- ✓ January 26, 2026 – Member Partners were mailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase
- ✓ January 27, 2026 – Member Partner specific email with proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on *[insert date]*. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwwater.org/financials.

Proposed FY 2027 Water Charges

The proposed FY 2027 water service charges reflect a proposed FY 2027 Water budget increase of 5.4 percent along with decreased investment earnings and reduction in estimated sales volumes. **Therefore, the average water system charges increase will be 6.83 percent.**

Proposed FY 2027 Sewer Charges

The proposed FY 2027 sewer service charges reflect a proposed FY 2027 Sewer budget increase of 5.0 percent along with decreased investment earnings and reduction in estimated industrial charges. **Therefore, the average sewer system charges increase will be 5.98 percent.**

BUDGET IMPACT

The recommended FY 2027 Schedule of Water Service Charges and Sewer Service Charges as presented produces the necessary revenues to fund the FY 2027 Water System and Sewer System Budget.

Coordination with DWSD's Budget – Under the terms of the lease agreements and related financial commitments, key inputs are required from DWSD. An analysis of the DWSD budget inputs and related reconciliation based upon some of the changes above is reflected in the attached schedules.

COMMITTEE REVIEW

The Audit Committee has reviewed the FY 2027 financial plan, including charge setting matters, at its meetings noted above. On [insert date] the Audit Committee [insert action] that the Board of Directors adopts the resolution related to the FY 2027 and FY 2028 Budget and related FY 2027 Schedule of Charges as presented on [insert date] subject to public comment at the public hearing to be held on February 25, 2026.

SHARED SERVICES IMPACT

This item does not impact the Shared Services Agreement between the GLWA and the City of Detroit.

Great Lakes Water Authority

Resolution 2026-014

RE: Approval of FY 2027 Schedule of Water and Sewer Service Charges

By Board Member: _____

Whereas The Great Lakes Water Authority (“GLWA”) management and its consultant, Wilddan Financial Services, have developed the attached Schedule of Water Service Charges and Sewer Service Charges for FY 2027, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2027 water system and sewer system revenue requirements budget with an effective date of July 1, 2026; and

Whereas The FY 2027 water and sewer revenue requirements reflect GLWA’s commitment to providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost; and

Whereas A Public Hearing was held for the Water Service Charges and Sewer Service Charges proposed by the GLWA for FY 2027 on February 25, 2026 at 1:00 p.m.; and

NOW THEREFORE BE IT:

RESOLVED The Great Lakes Water Authority Board approves the proposed:

- 1) FY 2027 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;
- 2) FY 2027 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2026 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;
- 3) FY 2027 City of Detroit allocated wholesale water revenue requirement of \$33,603,600 which is the net of \$54,303,600 gross revenue requirement less the Ownership Equity Credit of \$20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);
- 4) FY 2027 City of Detroit allocated wholesale sewer revenue requirement of \$229,070,400 which is the net of \$234,586,400 gross revenue requirement less the Ownership Equity Credit of \$5,516,000 in accordance with the WSSA;
- 5) FY 2027 City of Detroit allocated indirect water revenue requirement of *[\$/to be determined]*, in accordance with the Regional Water Supply System Lease;

6) FY 2027 City of Detroit allocated indirect sewer revenue requirement of *[\$/to be determined]*, in accordance with the Regional Sewage Disposal System Lease; and

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this vote.

DRAFT

GREAT LAKES WATER AUTHORITY

WATER SUPPLY SYSTEM

Service Charges and Allocated Revenue Requirements

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)		Commodity Charge (a)		Projected Revenue From Charges
				\$/mo		\$/mcf	
1	Allen Park	Model	\$	149,500	\$	10.61	\$ 2,989,700
2	Almont Village	Model	\$	15,200	\$	13.73	\$ 304,600
3	Ash Township	Model	\$	53,100	\$	11.56	\$ 1,061,500
4	Belleville	Model	\$	20,700	\$	11.72	\$ 413,700
5	Berlin Township	Model	\$	45,300	\$	13.49	\$ 906,500
6	Brownstown Township	Model	\$	241,600	\$	14.09	\$ 4,832,300
7	Bruce Township	Model	\$	19,400	\$	57.19	\$ 387,200
8	Burthsville Township	Model	\$	27,200	\$	20.22	\$ 544,800
9	Canton Township	Model	\$	674,400	\$	14.21	\$ 13,486,900
10	Center Line	Model	\$	31,000	\$	7.98	\$ 620,200
11	Chesterfield Township	Model	\$	281,800	\$	12.78	\$ 5,636,000
12	Clinton Township	Model	\$	489,600	\$	10.34	\$ 9,794,100
13	Commerce Township	Model	\$	224,400	\$	17.06	\$ 4,487,500
14	Dearborn	No Contract	\$	582,100	\$	9.01	\$ 11,638,900
15	Dearborn Heights	Model	\$	243,000	\$	10.10	\$ 4,860,300
16	Eastpointe	Model	\$	103,400	\$	8.36	\$ 2,067,600
17	Ecorse	Model	\$	72,900	\$	7.33	\$ 1,457,500
18	Farmington	Model	\$	63,400	\$	11.90	\$ 1,268,900
19	Farmington Hills	Model	\$	568,600	\$	13.65	\$ 11,371,400
20	Ferndale	Model	\$	68,600	\$	8.69	\$ 1,371,500
21	Flat Rock	Model	\$	91,500	\$	14.52	\$ 1,829,800
22	Flint	Model	\$	639,700	\$	12.67	\$ 12,796,300
less: Adjustment for KWA Debt Service (b)							\$ (5,959,200)
Net projected revenue - Flint							\$ 6,837,100
23	Fraser	Model	\$	81,500	\$	11.69	\$ 1,629,100
24	Garden City	Model	\$	110,200	\$	12.26	\$ 2,203,900
25	Gibraltar	Model	\$	22,900	\$	10.42	\$ 457,200
26	Greenwood Township (DTE)	Model	\$	86,700	\$	16.27	\$ 1,733,500
27	Grosse Ile Township	Model	\$	78,000	\$	14.13	\$ 1,560,500
28	Grosse Pt. Park	Model	\$	84,600	\$	13.85	\$ 1,692,500
29	Grosse Pt. Shores	Model	\$	37,900	\$	18.07	\$ 758,400
30	Grosse Pt. Woods	Model	\$	82,500	\$	10.33	\$ 1,650,100
31	Hamtramck	Model	\$	54,400	\$	6.90	\$ 1,088,900

GREAT LAKES WATER AUTHORITY

WATER SUPPLY SYSTEM

Service Charges and Allocated Revenue Requirements

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)		Commodity Charge (a)		Projected Revenue From Charges	
				\$/mo		\$/mcf		
32	Harper Woods	Model	\$	57,800	\$	8.67	\$	1,155,700
33	Harrison Township	Model	\$	106,200	\$	9.45	\$	2,124,900
34	Hazel Park	Model	\$	49,600	\$	8.26	\$	992,500
35	Highland Park	Model	\$	46,400	\$	6.57	\$	928,700
36	Huron Township	Model	\$	99,700	\$	12.12	\$	1,993,900
37	Imlay City	Model	\$	98,500	\$	16.65	\$	1,969,500
38	Imlay Township (Single User)	No Contract	\$	700	\$	480.00	\$	13,200
39	Inkster	Model	\$	84,800	\$	7.03	\$	1,694,800
40	Keego Harbor	Model	\$	19,600	\$	16.10	\$	391,400
41	Lapeer	Model	\$	101,200	\$	15.23	\$	2,024,600
42	Lenox Township	Model	\$	21,700	\$	10.08	\$	434,800
43	Lincoln Park	Model	\$	150,100	\$	7.01	\$	3,002,700
44	Livonia	Model	\$	755,000	\$	13.52	\$	15,100,700
45	Macomb Township	Model	\$	822,000	\$	18.97	\$	16,439,000
46	Madison Heights	Model	\$	135,900	\$	8.94	\$	2,717,000
47	Mayfield Township (KAMAX)	Model	\$	3,300	\$	50.80	\$	65,000
48	Melvindale	Model	\$	43,600	\$	7.43	\$	872,400
49	New Haven, Village of	Model	\$	28,800	\$	11.60	\$	575,300
50	NOCWA	Model	\$	1,444,400	\$	13.35	\$	28,885,900
51	Northville	Model	\$	49,800	\$	14.11	\$	995,500
52	Northville Township	Model	\$	301,300	\$	18.09	\$	6,025,200
53	Novi	Model	\$	588,100	\$	16.55	\$	11,762,400
54	Oak Park	Model	\$	92,800	\$	8.09	\$	1,855,500
55	Oakland GWK Drain District	Model	\$	6,000	\$	5.12	\$	120,100
56	Plymouth	Model	\$	71,600	\$	13.24	\$	1,432,500
57	Plymouth Township	Model	\$	289,700	\$	15.33	\$	5,792,800
58	Redford Township	Model	\$	193,000	\$	10.21	\$	3,859,800
59	River Rouge	Model	\$	34,100	\$	7.03	\$	682,700
60	Riverview	Model	\$	56,200	\$	10.35	\$	1,123,600
61	Rockwood	Model	\$	16,200	\$	13.87	\$	323,400
62	Romeo	Model	\$	12,500	\$	27.00	\$	249,900
63	Romulus	Model	\$	238,200	\$	9.83	\$	4,762,500
64	Roseville	Model	\$	170,000	\$	7.84	\$	3,398,700

GREAT LAKES WATER AUTHORITY

WATER SUPPLY SYSTEM

Service Charges and Allocated Revenue Requirements

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)		Commodity Charge (a)		Projected Revenue From Charges
				\$/mo		\$/mcf	
65	Royal Oak Township	Model	\$	13,700	\$	10.83	\$ 273,800
66	Shelby Township	Model	\$	730,900	\$	14.25	\$ 14,617,600
67	SOCWA	Model	\$	1,524,400	\$	10.31	\$ 30,489,500
68	South Rockwood	Model	\$	7,700	\$	13.15	\$ 154,200
69	Southgate	Model	\$	136,900	\$	9.43	\$ 2,737,600
70	St. Clair Shores	Model	\$	203,700	\$	8.41	\$ 4,073,400
71	Sterling Heights	Model	\$	953,700	\$	13.65	\$ 19,074,800
72	Sumpter Township	Model	\$	47,200	\$	11.17	\$ 945,100
73	Sylvan Lake	Model	\$	15,100	\$	18.88	\$ 302,000
74	Taylor	Model	\$	301,300	\$	9.13	\$ 6,026,800
75	Trenton	Model	\$	115,000	\$	11.43	\$ 2,300,100
76	Troy	Model	\$	888,200	\$	16.73	\$ 17,763,600
77	Utica	Model	\$	38,600	\$	13.08	\$ 771,900
78	Van Buren Township	Model	\$	219,300	\$	14.35	\$ 4,386,600
79	Walled Lake	Model	\$	52,200	\$	14.35	\$ 1,044,000
80	Warren	Model	\$	623,700	\$	8.23	\$ 12,476,700
81	Washington Township	Model	\$	154,600	\$	14.21	\$ 3,091,500
82	Wayne	Model	\$	116,000	\$	9.52	\$ 2,320,200
83	West Bloomfield Township	Model	\$	691,100	\$	20.41	\$ 13,822,300
84	Westland	Model	\$	392,500	\$	10.36	\$ 7,849,100
85	Wixom	Model	\$	163,500	\$	16.80	\$ 3,270,700
86	Woodhaven	Model	\$	94,200	\$	14.32	\$ 1,883,600
87	Ypsilanti Comm Util Auth	Model	\$	680,200	\$	11.27	\$ 13,604,700
88	Total Wholesale Contract Member Partners (c)						\$ 387,988,500

Detroit Customer Class - \$

89	Wholesale Revenue Requirement (d)		\$	54,303,600
90	less: Ownership Benefit per Lease		\$	(20,700,000)
91	Net Local System Wholesale Revenue Requirement (c)	\$ 2,800,300	\$	33,603,600
92	Revenue from Wholesale Water Charges (88) + (91) (c)		\$	421,592,100

Detroit Customer Class - Other

93	Indirect Retail Revenue Requirements (e)		TBD
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GREAT LAKES WATER AUTHORITY**WATER SUPPLY SYSTEM****Service Charges and Allocated Revenue Requirements**

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges
			\$/mo	\$/mcf	\$
94	less: Use of Lease Payment for Debt Service				TBD
95	Net Indirect Retail Revenue Requirements (e)				TBD
96	Subtotal Subject to GLWA Board Approval (91) + (95)				TBD
97	Direct Retail Revenue Requirements (f)				TBD
98	Total Local Retail Revenue Requirement (95) + (97)				TBD
99	Total Requirement Detroit Customer Class (91) + (98) (agrees with GLWA Budget Schedule 3)				TBD
<hr/>					
<u>Other Water System Charges</u>					
100	Lead and Copper Rule Sample Testing Fee - \$/Sample				\$ 64.00
<hr/>					
(a)	Proposed effective date of July 1, 2026. Effective on all bills issued on or after August 1, 2026.				
(b)	Flint receives a monthly credit related to KWA debt service in accordance with service agreements.				
(c)	Agrees with GLWA Budget				
(d)	Wholesale revenue requirements for the Detroit Customer Class.				
(e)	Local System revenue requirements related to Master Bond Ordinance and related agreements				
(f)	Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.				
(e) & (f) Local System information provided from Detroit Water and Sewerage Department as of (to be determined).					

GREAT LAKES WATER AUTHORITY

FY 2027 Wholesale Sewer Service Charge Calculation Worksheet

Service Charges and Allocated Revenues Requirements

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Projected Revenue From Charges
			\$/mo	\$
1	OMID	Model	\$ 6,910,600	\$ 82,927,200
2	Rouge Valley	Older	\$ 5,337,100	\$ 64,045,200
3	Oakland GWK	Older	\$ 4,457,100	\$ 53,485,200
4	Evergreen Farmington	Model	\$ 3,497,900	\$ 41,974,800
5	SE Macomb San Dist	Model	\$ 2,408,000	\$ 28,896,000
6	Dearborn	Model	\$ 1,983,300	\$ 23,799,600
7	Grosse Pointe Farms	Older	\$ 257,300	\$ 3,087,600
8	Grosse Pointe Park	Model	\$ 183,700	\$ 2,204,400
9	Melvindale	Model	\$ 151,800	\$ 1,821,600
10	Farmington	Model	\$ 115,700	\$ 1,388,400
11	Center Line	Model	\$ 101,300	\$ 1,215,600
12	Allen Park	Model	\$ 81,400	\$ 976,800
13	Grosse Pointe	Model	\$ 111,100	\$ 1,333,200
14	Highland Park	Model	\$ 384,600	\$ 4,615,200
15	Hamtramck	Model	\$ 414,700	\$ 4,976,400
16	Harper Woods	Model	\$ 15,700	\$ 188,400
17	Redford Township	Model	\$ 32,600	\$ 391,200
18	Wayne County #3	Older	\$ 4,700	\$ 56,400
19	Total Wholesale Contract Member Partners (c)			\$ 317,383,200

Other Sewer System Charges

20	Industrial Waste Control (c)	\$	9,673,600
21	Pollutant Surcharges (c)	\$	5,198,600
22	Subtotal Regional Wholesale Revenues	\$	332,255,400

Detroit Customer Class - \$

23	Wholesale Revenue Requirement (d)	\$	234,586,400
24	less: Ownership Benefit per Lease	\$	(5,516,000)
25	Net Local System Wholesale Revenue Requirement (c)	\$	229,070,400
26	Total Revenue from Wholesale Charges (22) + (25) (c)	\$	561,325,800

GREAT LAKES WATER AUTHORITY

FY 2027 Wholesale Sewer Service Charge Calculation Worksheet

Service Charges and Allocated Revenues Requirements

Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Detroit Customer Class -Other

27	Indirect Retail Revenue Requirements (e)	TBD
28	less: Use of Lease Payment for Debt Service	TBD
29	Net Indirect Retail Revenue Requirements (e)	TBD
30	Subtotal Subject to GLWA Board Approval (25) + (29)	TBD
31	Direct Retail Revenue Requirements (f)	TBD
32	Total Local System Revenue Requirement (29) + (31)	TBD
33	Total Requirement from Detroit Customer Class (25) + (32) (agrees with GLWA Budget Schedule 3)	TBD
(a)	Proposed effective date of July 1, 2026. Effective on all bills issued on or after August 1, 2026.	
(b)	Reserved	
(c)	Agrees with GLWA Budget	
(d)	Wholesale revenue requirements for the Detroit Customer Class.	
(e)	Local System revenue requirements related to Master Bond Ordinance and related agreements	
(f)	Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.	
(e) & (f)	Local System information provided from Detroit Water and Sewerage Department as of (to be determined).	

GREAT LAKES WATER AUTHORITY**Sewage Disposal System****Proposed Industrial Waste Control Charges as of January 23, 2026 -****Effective July 1, 2026 for bills issued on or after August 1, 2026**

Line No.	Meter Size (Inches)	Charge per Month		
		Full Charge	Administrative Only	
1	5/8	\$ 4.13	\$ 1.03	
2	3/4	\$ 6.20	\$ 1.55	
3	1	\$ 10.33	\$ 2.58	
4	1-1/2	\$ 22.72	\$ 5.67	
5	2	\$ 33.04	\$ 8.24	
6	3	\$ 59.89	\$ 14.94	
7	4	\$ 82.60	\$ 20.60	
8	6	\$ 123.90	\$ 30.90	
9	8	\$ 206.50	\$ 51.50	
10	10	\$ 289.10	\$ 72.10	
11	12	\$ 330.40	\$ 82.40	
12	14	\$ 413.00	\$ 103.00	
13	16	\$ 495.60	\$ 123.60	
14	18	\$ 578.20	\$ 144.20	
15	20	\$ 660.80	\$ 164.80	
16	24	\$ 743.40	\$ 185.40	
17	30	\$ 826.00	\$ 206.00	
18	36	\$ 908.60	\$ 226.60	
19	48	\$ 991.20	\$ 247.20	

GREAT LAKES WATER AUTHORITY**Sewage Disposal System - Industrial Specific Retail Charges**

**Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after
August 1, 2026**

Line No.	Pollutant Surcharges	Charge (\$/lb)
1	Biochemical Oxygen Demand (BOD) - for concentrations > 275 mg/l	\$ 0.434
2	Total Suspended Solids (TSS) - for concentrations > 350 mg/l	\$ 0.581
3	Phosphorus (PHOS) - for concentrations > 12 mg/l	\$ 8.385
4	Fats, Oils, and Grease (FOG) - for concentrations > 100 mg/l	\$ 0.139

	Septic Disposal Fee	Charge
1	Fee per 500 gallons of disposal	\$ 42.00



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

From: Nicholas Fedewa, CPA, Public Finance Manager

Re: Debt Management Considerations - Variable Rate Debt

Background: In our mission to explore all ways to control costs, the Great Lakes Water Authority's (GLWA) asked the eight underwriting firms that served on GLWA's last transaction to provide strategies to consider for future consideration. All firms included variable rate debt as an item that GLWA could consider.

PFM Financial Advisors LLC (PFM) serves as the Great Lakes Water Authority's (GLWA) municipal bond advisors. GLWA has discussed this option with PFM and to provide a briefing on variable rate debt.

Analysis: Referencing the attached presentation titled "Variable Rate Debt: Past and Present", PFM will provide an overview on the History of Variable Rate Debt at DWSD and the Variable Rate Debt Opportunities in 2026 for GLWA's consideration.

Proposed Action: Receive and file this report.

Variable Rate Debt: Past and Present

January 30, 2026

PFM Financial Advisors LLC

555 Briarwood Circle
Suite 333
Ann Arbor, MI 48108

734.994.9710
pfm.com



History of Variable Rate Debt at DWSD



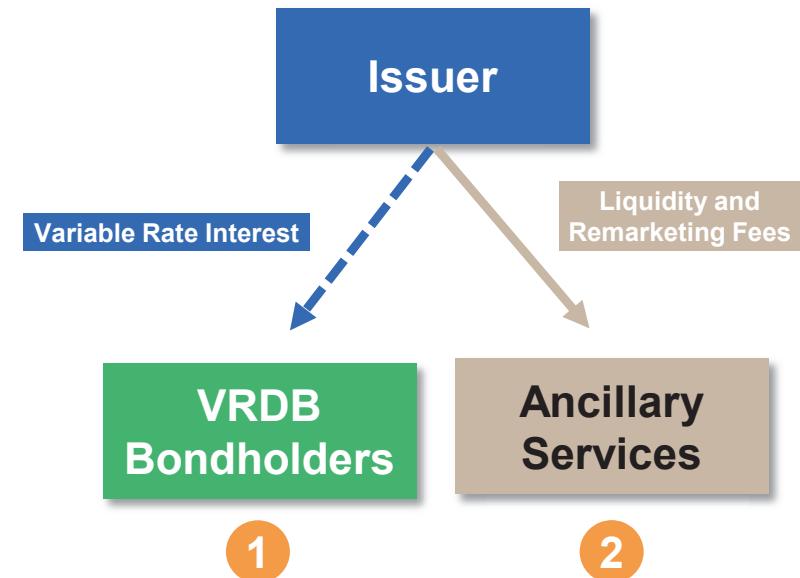
DWSD Debt Portfolio in the 2000s

- Like many municipal utilities in the 2000s, DWSD maintained a portion of the debt portfolio in a variable rate mode
 - In 2008, DWSD had variable rate debt outstanding on Water System of \$138 million (6% of total) and Sewer System of \$760 million (30% of total)
 - Most of variable rate debt was sold as **Variable Rate Demand Bonds**, with backup liquidity provided through **Standby Bond Purchase Agreements** with highly rated financial institutions
- DWSD used **interest rate swap** agreements that were designed to manage interest-rate risk related to the variable rate portfolio and lower overall cost of funds versus traditional fixed rate debt
 - Swaps were intended to work in tandem with variable rate debt to create **synthetic fixed rates**, with net percentage of variable-rate debt close to zero after considering the matched swaps
 - Swap portfolio contained both active and forward-starting swaps, which were intended to hedge planned future variable rate issuance
- DWSD also purchased **bond insurance** on variable rate debt and swap portfolio to provide additional assurance to investors and financial institution counterparties



Overview of Variable Rate Demand Bonds (“VRDBs”)

- Variable Rate Demand Bonds (“VRDBs”) are long-term bonds with interest rates that reset periodically at short-term rates
 - Rates are set daily or weekly by a remarketing agent
- Defining feature is an investor demand option, exercisable daily or weekly
 - Investor can require the issuer to repurchase the bonds at the full principal amount plus accrued interest
- Remarketing and liquidity support
 - Remarketing agent seeks to place tendered bonds to new investors
 - If bonds cannot be remarketed, a bank-provided liquidity facility funds the purchase
- Two basic types of Liquidity Facilities:
 - Letter of Credit:** Unconditional commitment by the bank, including in the event of issuer downgrade, bankruptcy, or default
 - Standby Bond Purchase Agreement:** Conditional commitment with termination rights if the issuer is downgraded or defaults
- Key risk consideration:
 - VRDBs rely on successful ongoing remarketing and the continued availability of liquidity support

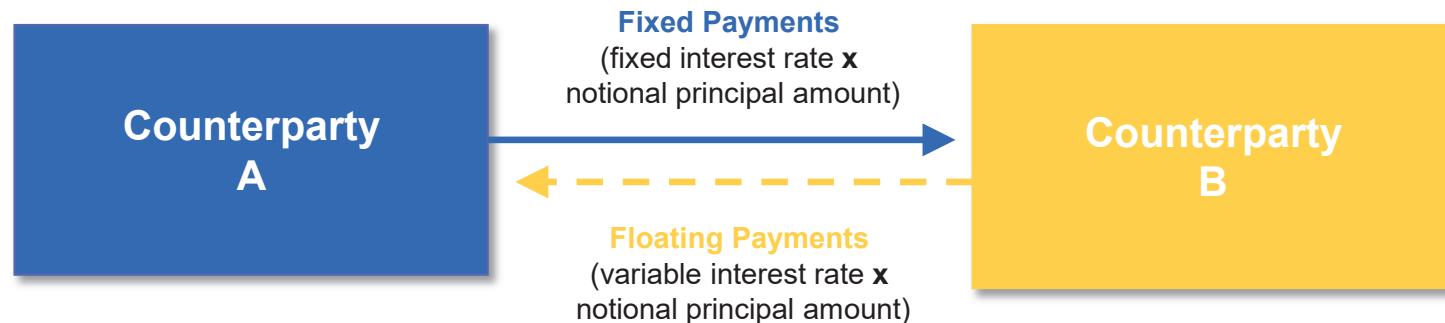


Total cost is the interest payments plus the costs of the ancillary services



Overview of Interest Rate Swaps

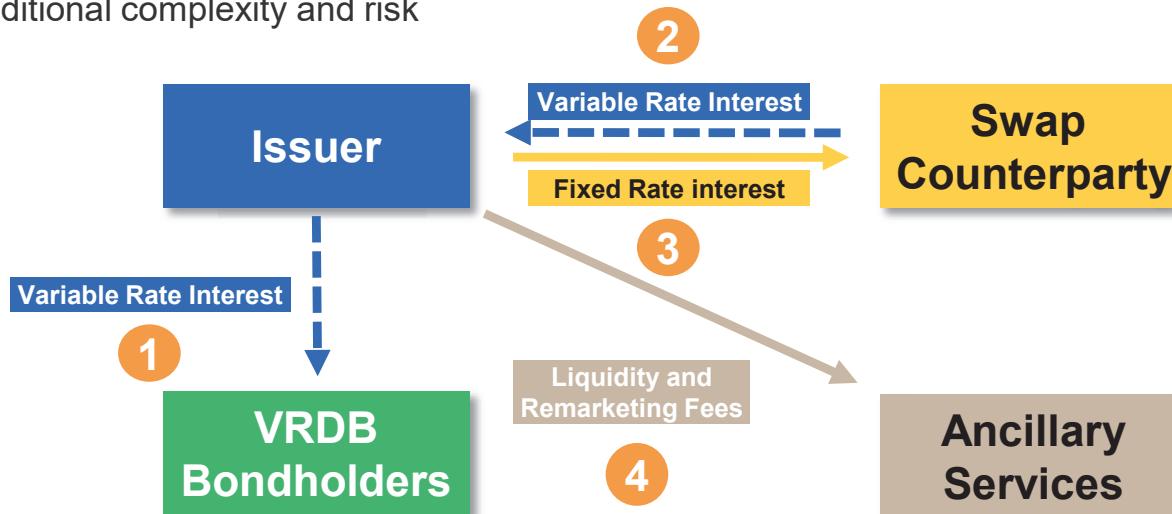
- ◆ An interest rate swap is a contract between two parties to exchange interest rate payments at specified dates in the future
- ◆ In municipal applications, swaps typically involve exchanging a fixed rate for a variable rate
- ◆ Interest payments are calculated by applying an interest rate to a notional principal amount
 - The principal amount in a swap is “notional”, meaning it is not actually exchanged but is only used to calculate interest payments
- ◆ Swaps may be terminated early, either optionally or mandatorily
 - Early termination can result in a payment owed or received, depending on market value of the swap at the time
 - Mandatory termination provisions commonly include default or credit events





Sample Synthetic Fixed Rate Debt Mechanics

- ◆ Synthetic fixed rate debt combines variable rate debt (such as a VRDB) and an interest rate swap to replicate the economics of a fixed rate obligation
- ◆ Historically, synthetic fixed rate structures have reduced borrowing costs relative to traditional fixed rate debt, while introducing additional complexity and risk



1. Issuer pays variable rate interest to bondholders of the VRDBs
2. Issuer receives variable rate interest payment from swap counterparty that is designed to offset variable rate interest payment to bondholders of the VRDBs
3. Issuer makes a fixed rate interest payment to the swap counterparty
4. Issuer pays for liquidity support and remarketing on the VRDBs to ensure marketability

Total cost is the fixed rate swap payments plus the costs of the ancillary services



DWSD Variable Rate Debt and Swap Portfolio in 2008 – Water System

Variable Rate Debt						
Series	Lien	Capacity	Credit Facility		Renewal/ Rmkt Required	
Water 2003B – CPI Bonds	Second	\$14,250,000	N/A		N/A	
Water 2003C – CPI Bonds	Senior	\$4,335,000	N/A		N/A	
Water 2006B – Weekly VRDB	Second	\$120,000,000	SBPA; DEPFA Bank		8/16/2016	
Interest Rate Swap Agreements						
Series	Effective Date	Termination Date	Paid	Received	Notional ¹	Swap Counterparty
Water 2001-C	6/7/2001	7/1/2026	4.90%	SIFMA	\$113,360,000	Morgan Stanley
Water 2001-C (Offsetting Swap)	5/14/2008	7/1/2026	SIFMA	3.498%	\$113,360,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2009	3.02%	CPI + 1.01%	\$1,980,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2010	3.31%	CPI + 1.12%	\$2,290,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2011	3.55%	CPI + 1.25%	\$2,500,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2012	3.74%	CPI + 1.33%	\$2,175,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2013	3.87%	CPI + 1.34%	\$2,800,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2014	4.00%	CPI + 1.36%	\$2,505,000	Morgan Stanley
Water 2003-C	1/30/2003	7/1/2013	3.87%	CPI + 1.34%	\$2,005,000	Morgan Stanley
Water 2003-C	1/30/2003	7/1/2014	4.00%	CPI + 1.36%	\$2,330,000	Morgan Stanley
Water 2005B	4/1/2005	7/1/2035	4.71%	SIFMA	\$195,000,000	Morgan Stanley
Water 2005B (Offsetting Swap)	5/6/2008	7/1/2035	SIFMA	3.652%	\$195,000,000	Morgan Stanley
Water 2006B	3/1/2007	7/1/2036	5.00%	SIFMA	\$120,000,000	Morgan Stanley
Water Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$150,000,000	Morgan Stanley
Water Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$50,000,000	SBS Financial
Water Hedge Swap	7/1/2011	7/1/2029	4.87%	SIFMA	\$76,510,000	SBS Financial
Water Hedge Swap (Offsetting Swap)	7/1/2011	7/1/2029	SIFMA	3.998%	\$76,510,000	SBS Financial

1: As of June 30, 2008



DWSD Variable Rate Debt and Swap Portfolio in 2008 – Sewer System

Variable Rate Debt					
Series	Lien	Capacity	Credit Facility		Renewal/ Rmkt Required
Sewage 2001C1 – Weekly VRDB	Senior	\$155,305,000	SBPA; Dexia		1/1/2010
Sewage 2001D – Auction Rate Certificates	Second	\$92,450,000	N/A		N/A
Sewage 2001E – Flexible Rate Mode	Second	\$1,350,000	SBPA; FGIC		10/1/2008 ²
Sewage 2003B – Daily VRDB	Senior	\$150,000,000	SBPA; Dexia		5/22/2008
Sewage 2006D – Floating LIBOR Notes	Senior	\$361,865,000	N/A		N/A

Interest Rate Swap Agreements						
Series	Effective Date	Termination Date	Paid	Received	Notional ¹	Swap Counterparty
Sewage 2001-C1	10/23/2001	7/1/2027	4.43%	SIFMA	\$155,305,000	UBS AG
Sewage 2001-C2	10/23/2001	7/1/2029	4.47%	SIFMA	\$123,625,000	UBS AG
Sewage 2001-C2 (Offsetting Swap)	5/8/2008	7/1/2029	SIFMA	3.578%	\$123,625,000	UBS AG
Sewage 2001-D1	7/1/2008	7/1/2032	4.66%	SIFMA	\$20,000,000	Loop
Sewage 2001-D2	7/1/2012	7/1/2032	4.83%	SIFMA	\$72,450,000	Loop
Sewage 2003-B	5/22/2006	7/1/2033	3.84%	SIFMA + 0.1%	\$150,000,000	UBS AG
Sewage 2006-A	8/10/2006	7/1/2036	4.55%	SIFMA	\$125,000,000	Loop
Sewage 2006-A (Offsetting Swap)	5/7/2008	7/1/2036	SIFMA	3.6908%	\$125,000,000	Loop
Sewage 2006-D	12/14/2006	7/1/2032	4.11%	67% of LIBOR + 0.60%	\$361,315,000	UBS AG
Sewage Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$56,250,000	SBS
Sewage Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$168,750,000	Morgan Stanley

1: As of June 30, 2008

2: Assumed dated based on DWSD's 2008/2009 financial statements

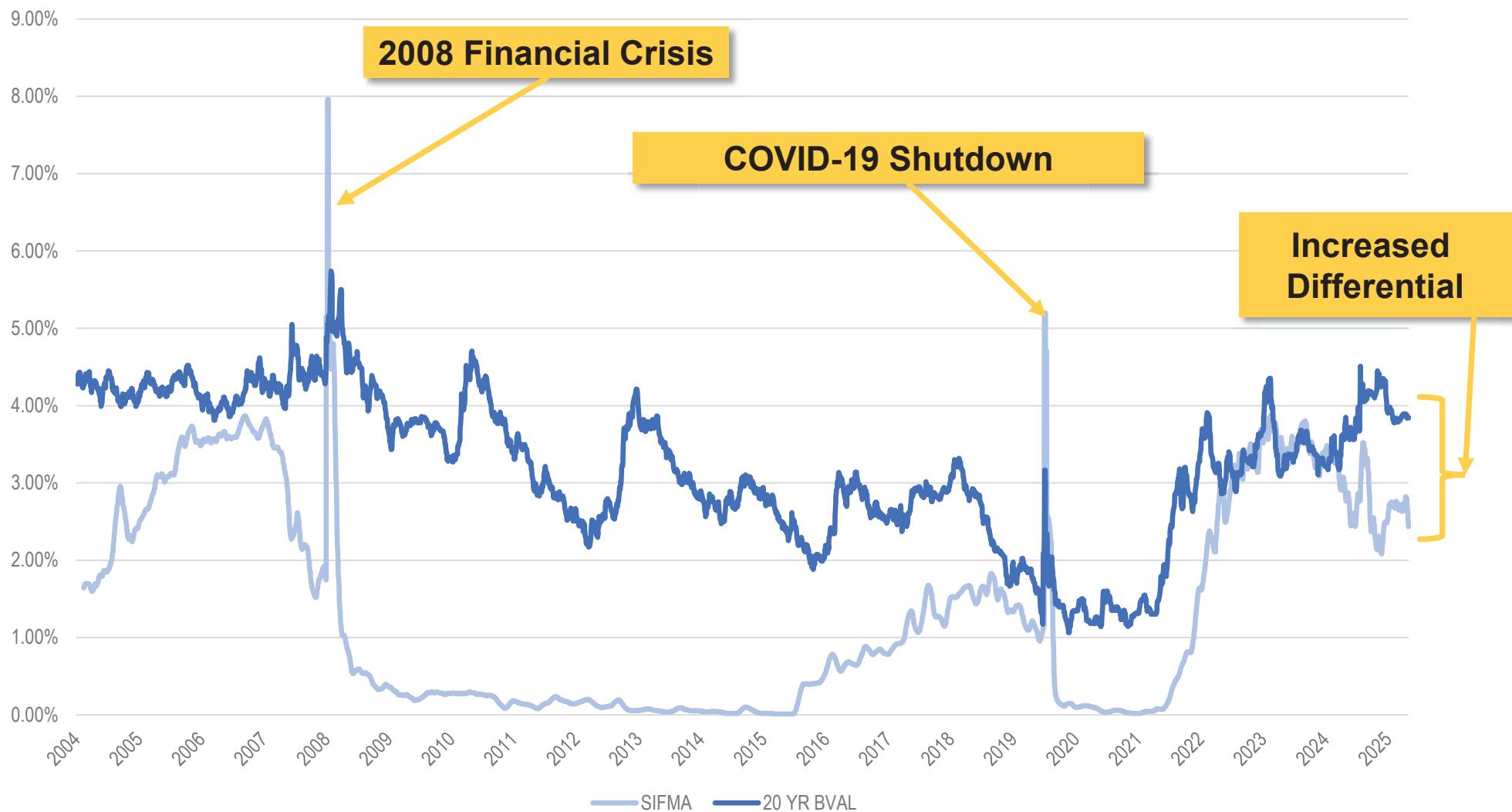


2008 Financial Crisis and Aftermath: What Went Wrong?

- Multiple market forces converged, disrupting both variable rate bond markets and bank-provided liquidity support
- Investors sold most liquid holdings and moved to cash, causing demand for variable rate bonds to collapse
- Failed remarketing and market dislocation led to sharp increases in VRDB interest costs, which created a mismatch between the variable rate bond payments and the variable payments received under associated swap agreements
- Bank credit deterioration undermined liquidity and credit support, making existing facilities unreliable and replacements unavailable
 - Market for liquidity support became significantly constrained, forcing restructurings of outstanding variable rate debt
- As the City's credit position weakened amid broader economic stress, termination provisions in liquidity and swap agreements were triggered
 - Severe interest rate dislocations produced substantially negative swap values
- **Structures originally intended to manage interest rate risk instead amplified losses as DWSD was forced to refinance under distressed market conditions**



Variable Rates Can Be Volatile During Times of Stress, but Typically Lower Cost



Source: Bloomberg and Thomson Reuters



Liquidity Provider Ratings Deteriorated Quickly During Crisis

January 2008

FGIC

Aaa from Moody's

January 2011

FGIC

NYS Rehabilitation Proceedings

DB DEPFA BANK

A2 from Moody's

DB DEPFA BANK

Nationalized

DEXIA

Bank

Aa1 from Moody's

DEXIA

Bank

Government Bailout and Winddown



Lessons Learned

- ◆ Sufficient liquidity is the most critical factor when under stress
 - Size variable rate exposure conservatively compared to internal liquidity (cash and short-term investments)
 - Evaluate bank counterparty exposure, if reliant on bank liquidity
 - Maintain strong credit quality to preserve financing flexibility
- ◆ Counterparty risks once considered wholly independent can become systemic and highly correlated
 - Evaluate exposure to bank liquidity amounts and any providers
- ◆ Basis risk, where variable swap payments and variable bond rates diverge, can create significant unexpected cost exposure
 - Avoid overreliance on complex synthetic structures
- ◆ Embedded options held by investors, banks, and issuers can materially change a risk profile, making option features a key consideration in structure selection today
 - Evaluate risk of forced terminations
 - Consider issuer options that reduce risk profile, even if more expensive



Variable Rate Debt Opportunities in 2026

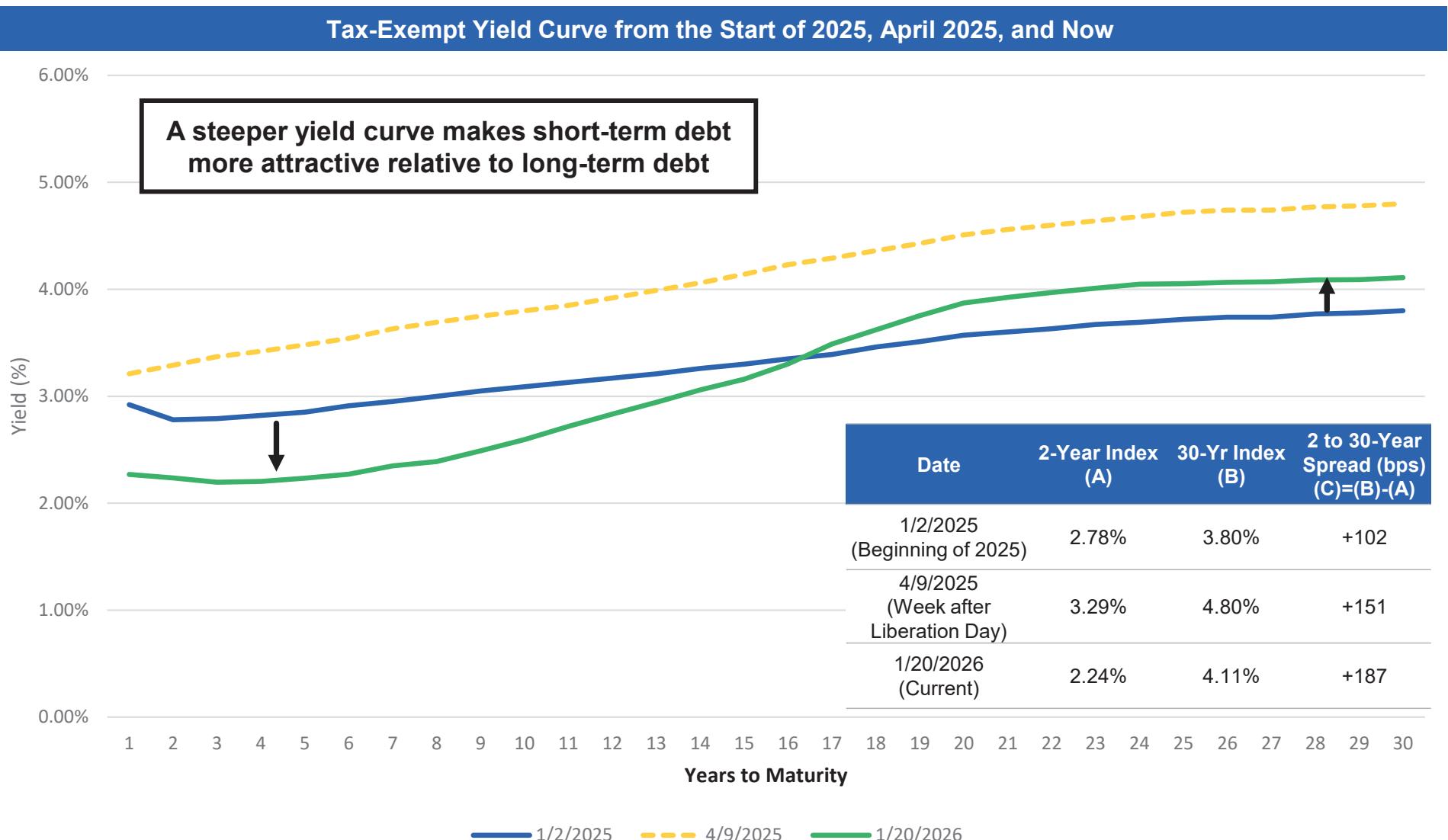


Variable Rate Debt Represents Opportunity for GLWA in 2026

- GLWA is entering a period of unprecedented capital investment period amid structurally higher long-term rates
- Variable rate debt can lower borrowing costs, diversify investors, and reduce reliance on incremental fixed-rate issuance
- Current historically steep yield curve enhances the value of variable rate exposure (expected to steepen further in 2026)
- GLWA has meaningful capacity to increase variable rate debt within policy limits, rating agency guidance, and peer practices
- A broader set of modern variable rate products now offers simpler execution and improved risk profiles versus the past
 - GLWA's financial discipline over its first decade has resulted in improved credit ratings that are important to accessing variable rate products with the best issuer risk profiles



Tax-Exempt Yield Curve Has Steepened Significantly Across Last Year

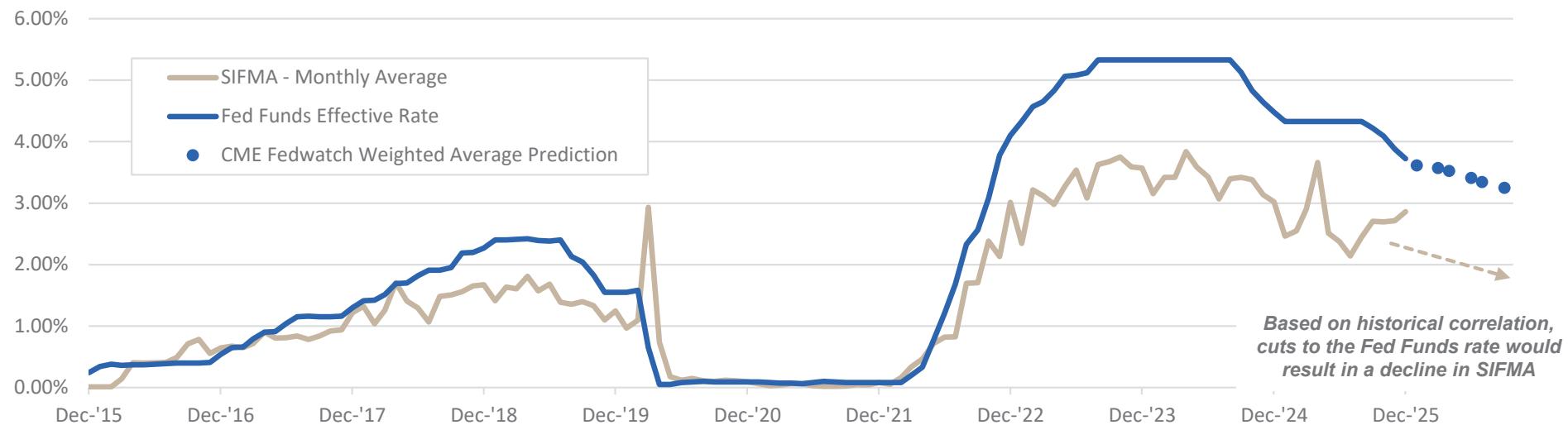


Source Bloomberg; Rates as of January 20, 2026. Index shown is the BVAL AAA Municipal Curve, also referred to as "BVAL". BVAL is a municipal bond index produced by Bloomberg that represents Bloomberg's best estimate for market yields for municipal bonds across different maturities.



SIFMA is Highly Correlated with Fed Fund Rate, and Expected to Fall

SIFMA Index vs. Effective Fed Funds Rate Over Past 10 Years



CME FedWatch Tool -- Rate Probabilities by Meeting Date Aggregated with Current Target Rate Range Set by Federal Reserve								
Meeting Date	2.25% - 2.50%	2.50% - 2.75%	2.75% - 3.00%	3.00% - 3.25%	3.25% - 3.50%	3.50 - 3.75%	3.75 - 4.00%	4.00 - 4.25%
1/28/2026	--	--	--	--	4.98%	95.02%	--	--
3/18/2026	--	--	--	--	22.36%	77.64%	--	--
4/29/2026	--	--	--	--	40.98%	59.02%	--	--
6/17/2026	--	--	--	--	85.19%	14.81%	--	--
7/29/2026	--	--	--	12.98%	87.02%	--	--	--
9/16/2026	--	--	--	51.05%	48.95%	--	--	--
10/28/2026	--	--	--	70.98%	29.02%	--	--	--

Source: Federal Reserve Economic Database (FRED) as of January 20, 2026. CME Fedwatch Tool as of January 20, 2026
SIFMA – The Securities Industry and Financial Markets Association Municipal Swap Index is a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations with certain characteristics.



Projected Regional System Capital Financing Needs Through FY 2030

Projections as presented at the January 9, 2025 meeting of the Audit Committee.

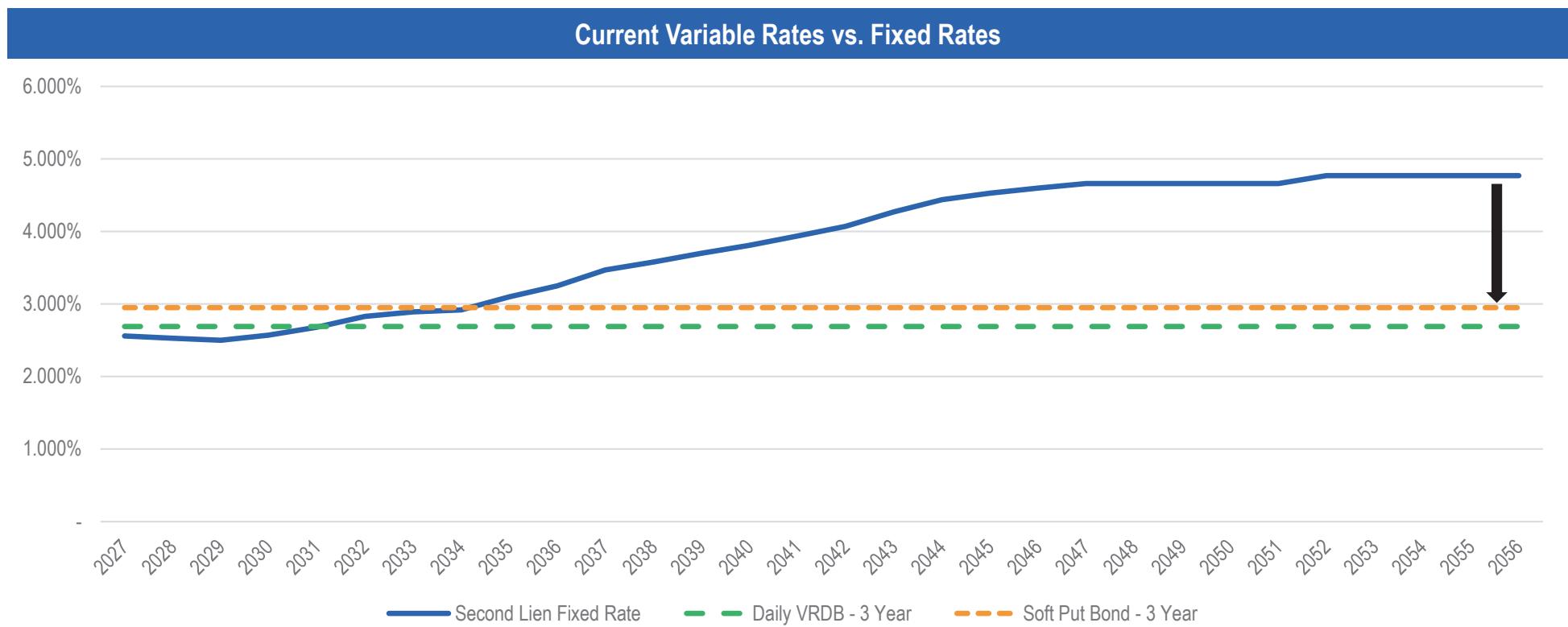
Fiscal Year	2026	2027	2028	2029	2030	Total
Water System						
Capital Projects Spending (in Millions)	\$185	\$265	\$305	\$230	\$190	\$1,175
Bond Funding (in Millions)	\$202	\$304	\$228	\$168	\$69	\$971
SRF Loan Draws (in Millions)	\$7	\$ -	\$ -	\$ -	\$ -	\$7
Sewer System						
Capital Projects Spending (in Millions)	\$240	\$255	\$280	\$235	\$185	\$1,195
Bond Funding (in Millions)	\$26	\$76	\$65	\$39	\$33	\$239
SRF Loan Draws (in Millions)	\$102	\$160	\$141	\$122	\$89	\$614

Note: does not include spending for unidentified needs or borrowing on behalf of Local System.



Variable Rate Debt Can Be Used to Reduce Portfolio Cost

- Interest on long-dated variable rate debt is based on short-term interest rates, which are historically lower than long-term fixed interest rates
- Variable rate exposure can be managed as part of the full portfolio to optimize the benefit to an issuer
- Currently, short term debt is outperforming the fixed rate yield to maturity on a long-dated fixed rate bond by over 150bps



Note: Interest Rates as of January 20, 2026; Daily VRDB pricing represents current pricing of 3 month average SIFMA - 30bps + the estimated ongoing liquidity / dealer costs for a 3 year term (45bps); Soft Put pricing at BVAL +74 for a 3 year term; After 3 year term, liquidity would need to be required for VRDB or the soft put bond would need to be remarketed, which could change the pricing dynamics



GLWA Has Capacity to Add Variable Rate Debt

- GLWA can increase variable rate exposure substantially within policy and rating agency limits
 - Legacy variable rate exposure on Sewer System of \$239.5 million (9.0% of Sewer)
 - Debt Policy permits variable rate debt exposure of up to 20% (*after* netting short-term investments)
 - Rating agencies are comfortable with 20% or more floating rate debt
- GLWA credit stability and rating trajectory provide significant flexibility to access the benefits of variable rate market
- Many sector peers integrate variable rate debt into portfolios
 - Trend has been to increase exposure based on market conditions and borrowing needs

Peer Utility Variable Rate Exposure (Sorted by Total Debt)			
Issuer	Variable Rate Debt (millions)	Total Debt (millions)	% Variable Debt
Denver Water	75	1,480	5.1%
Atlanta	-	2,620	-
Great Lakes Water Authority - Water	-	2,629	-
King County, WA	657	2,640	24.9%
Great Lakes Water Authority – Sewer	239	2,663	9.0%
Chicago	-	3,230	-
Philadelphia	125	3,260	3.8%
Dallas	375	3,400	11.0%
San Antonio Water System	581	3,725	15.6%
DC Water	522	3,835	13.6%
Metropolitan Water District of So. Cal	931	4,130	22.5%
Houston CUS	2,430	7,220	33.7%
San Francisco Public Utilities Commission	1,320	9,350	14.1%
New York Municipal Water Fin. Authority	5,150	33,110	15.6%

Source: GLWA information from 9/30/2025 Semiannual Debt Report; Others sourced from BofA Securities, financial statements, and disclosure documents. Chicago and San Francisco PUC are aggregated among several credits.



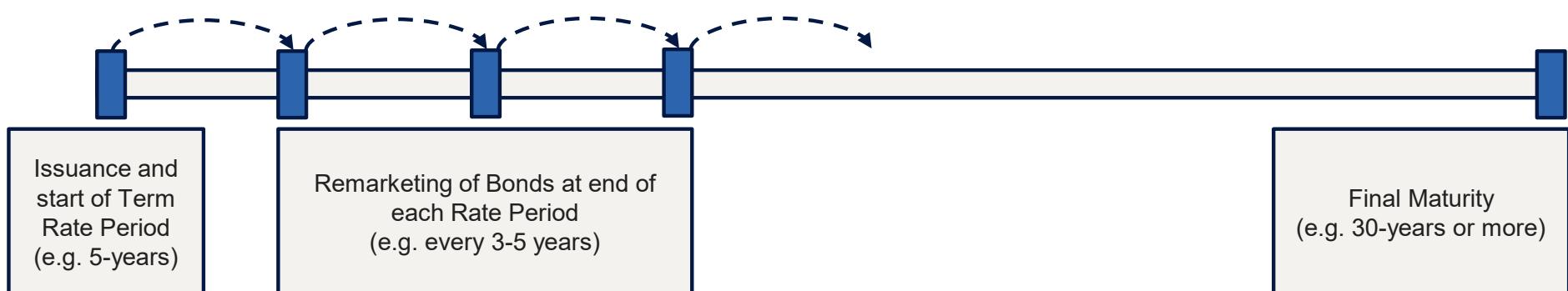
Comparison of Variable Rate Products Available to GLWA

		Daily Floating Rate	Intermediate	Fixed Rate
Product Overview	Variable Rate Demand Bonds	SIFMA/SOFR Index Notes	Term Rate	Fixed Rate
Interest Rate Reset Frequency	Daily or Weekly	Weekly, Monthly or Quarterly	Up to 10 Years	Never
Remarketing Frequency	Daily or Weekly	Up to 10 Years	Up to 10 Years	Never
Source of Liquidity for Investors	Liquidity Bank (or self liquidity)	None	None	Not required
Investor Tender Option	Daily or Weekly	None	None	None
Mandatory Tender	Triggered by certain events as determined in the bond documents, (liquidity substitution, mode change, etc.)	Mandatory tender in 1-10 years; Hard put <i>or</i> soft put with amortization to term at a penalty rate	Mandatory tender in 1-10 years; Hard put <i>or</i> soft put with amortization to term at a penalty rate	None
Failed Remarketing	Term out of credit facility upon failed remarketing	If soft put, amortization to term at a penalty rate (e.g., 7-8%)	If soft put, amortization to term at a penalty rate (e.g., 7-8%)	n/a
Call Option	Typically, any Business Day	Typically, on each remarketing date or up to 6 months prior	Typically, on each remarketing date or up to 6 months prior	Typically, callable after year 10
Issuer Risks				
Interest Rate Risk	Ongoing	Ongoing	At issuance and remarketing only	At issuance only
Remarketing Risk	Ongoing	None	At remarketing only	None
Issuer Credit Risk	Ongoing	At issuance and remarketing only	At issuance and remarketing only	At issuance only
Bank Liquidity Risk	Yes (Renewal & Credit)	None	None	None
Investor Base	Exceptionally Broad	Limited	Broad	Broad



Overview of Term Rate Bonds

- Term Rate bonds offer an intermediate option between fixed rate debt and floating rate debt
- Key benefits are to take advantage of short end of the yield curve but gain budgetary certainty, limit impacts of short-term interest rate volatility, and eliminate exposure to bank counterparties
- Bonds bear interest at a fixed rate through the expiration of each Term Rate Period of up to 7 years
 - Interest rate paid during the Initial Period and each subsequent Term Rate Period is determined at initial pricing or remarketing date
 - At the end of each Term Rate Period the bonds are remarketed into a subsequent Term Rate Period or into another interest rate mode (could be remarketed to Fixed Rate)
- If the bonds are not remarketed at the end of each Term Rate Period, the bonds bear interest at a Penalty Rate (e.g. 8.00%) until they can be remarketed or until the maturity of the bonds
- No investor demand option, acceleration of principal, or bank liquidity facility**





Term Rate Bonds Offer Variable Rate Benefits with Improved Risk Profile

Benefits	Risks and Other Considerations
<ul style="list-style-type: none">▪ Lower Debt Service Costs<ul style="list-style-type: none">– Historically, short-term rates are lower than long-term rates– Issuer may realize lower interest costs than if fixed rate debt had been issued▪ Asset-Liability Management<ul style="list-style-type: none">– Interest rates are correlated with earnings on short-term investment portfolio▪ Diversified Investor Base<ul style="list-style-type: none">– Variable rate debt appeals to different market segments and investors▪ Budgetary Certainty<ul style="list-style-type: none">– Provides fixed debt service through initial period (1 to 7 years)▪ No Bank Liquidity Risks<ul style="list-style-type: none">– No bank liquidity facility eliminates risks related to termination, bank credit quality, and future replacement	<ul style="list-style-type: none">▪ Interest Rate Risk: Increased interest costs in the future if rates are higher at the remarketing date Mitigant: earnings on short-term investment portfolio serve as a hedge to increased bond interest rates▪ Issuer Credit Risk: Increased interest costs in the future if issuer credit rating deteriorates between issuance date and remarketing date Mitigant: key credit factors are within control of management and Board▪ Remarketing Risk: Failed remarketing is possible due to market disruption or issuer market access Mitigant: interest rate steps up to Penalty Rate but no acceleration of principal and failed remarketing is not an Event of Default



Variable Rate Debt Policy Considerations

- GLWA's Debt Management Policy provides guidance on the issuance of variable rate debt:
- *GLWA will consider issuance of Variable Rate Debt when it improves matching of assets and liabilities, provides the potential for lower debt service costs over the term of the debt, adds flexibility to GLWA's capital structure, diversifies GLWA's investor base, or in other circumstances where supported by an analysis and recommendation from GLWA's Registered Municipal Advisor that evaluates and quantifies the risks and opportunities*
 - (1) *Limitation on Net Variable Rate Debt Exposure. The percentage of Net Variable Rate Debt may not exceed 20% of GLWA's total outstanding debt. Net Variable Rate exposure is calculated by excluding Variable Rate Debt hedged by Interest Rate Swaps in a synthetic fixed rate structure or by GLWA short-term assets earning variable interest income*
 - (2) *Adequate Safeguards Against Risk. GLWA will ensure that financing structures and/or budgetary safeguards are in place to mitigate adverse impacts from interest rate shifts and liquidity risks; such structures could include, but are not limited to, interest rate caps, offsetting short-term cash investments held at GLWA, Letters or Lines of Credit or other Liquidity Facilities, soft puts, and conservative budgeting practices based on historical fluctuations in interest activity and current market assumptions*



2026 New Money Borrowing Could Include Modest Variable Rate Debt

- Portion of 2026 new money borrowings could be allocated to a variable rate debt structure, such as a Term Rate bond
- GLWA has ample capacity on both systems, but particularly the water system, where there is currently no outstanding variable rate debt

Preliminary Capital Borrowing Plan for 2026 (\$000s)		
	Water	Sewer
<i>Existing Debt Balance</i>	\$2,629	\$2,663
<i>Existing Variable Rate Debt Balance</i>	-	\$239
<i>Existing Variable Rate %</i>	-	9.0%
 2026 Borrowing Needs	\$202	\$26
<i>New Variable Rate Debt</i>	\$202	-
<i>New Fixed Rate Debt</i>	-	\$26
Total 2026 Borrowing	\$202	\$26
 <i>New Debt Balance</i>	<i>\$2,831</i>	<i>\$2,689</i>
<i>New Variable Rate Debt Balance</i>	<i>\$202</i>	<i>\$239</i>
<i>New Variable Rate %</i>	<i>7.1%</i>	<i>8.9%</i>



What is Different Today?

- First ten years at GLWA provides track record of disciplined financial management and supports strong standalone credit quality
- Modest variable rate exposure would be bounded by policy limits, rating agency guidelines, and peer utility practices
- Variable rate debt is being evaluated as a measured portfolio component instead of a dominant funding strategy
- Term Rate structure is simpler, has no reliance on bank liquidity, cannot be terminated or accelerated, and includes an option to step to a reasonable Penalty Rate if remarketing cannot be immediately achieved
- GLWA is not pursuing complex synthetic fixed rate debt structures that depend on alignment between swaps and variable rate markets and are subject to various termination triggers



Appendix



Select Public Finance Acronyms

- **BVAL** – BVAL AAA Municipal Curve. BVAL is a municipal bond index produced by Bloomberg that represents Bloomberg's best estimate for market yields for AAA-rated municipal bonds across different maturities.
- **COI** – Cost of Issuance. The expenses paid by or on behalf of the issuer in connection with the sale and issuance of bonds..
- **DS** – Debt Service. The amount of money necessary to pay interest on outstanding bonds, the principal of maturing or redeemed bonds and any required contributions to a sinking fund for term bonds
- **DSIR** – Debt Service Installment Requirement. A defined term in the Master Bond Ordinances, this represents the debt service that must be set aside and budgeted within a bond year.
- **DSRF** – Debt Service Reserve Fund. A fund in which funds are placed to be applied to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.
- **FOMC** – Federal Open Market Committee. A key committee within the Federal Reserve System that oversees open market operations and makes key decisions about interest rates and the growth of the United States money supply.
- **Index Notes** - a bond where the interest rate is set periodically as a spread to a specified short-term interest rate index, rather than being determined through remarketing.
- **PV** – Present Value. The current value of a payment or stream of payments expected to be received in the future discounted at a given interest rate or rates.
- **SIFMA** – The Securities Industry and Financial Markets Association Municipal Swap Index is a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations with certain characteristics.

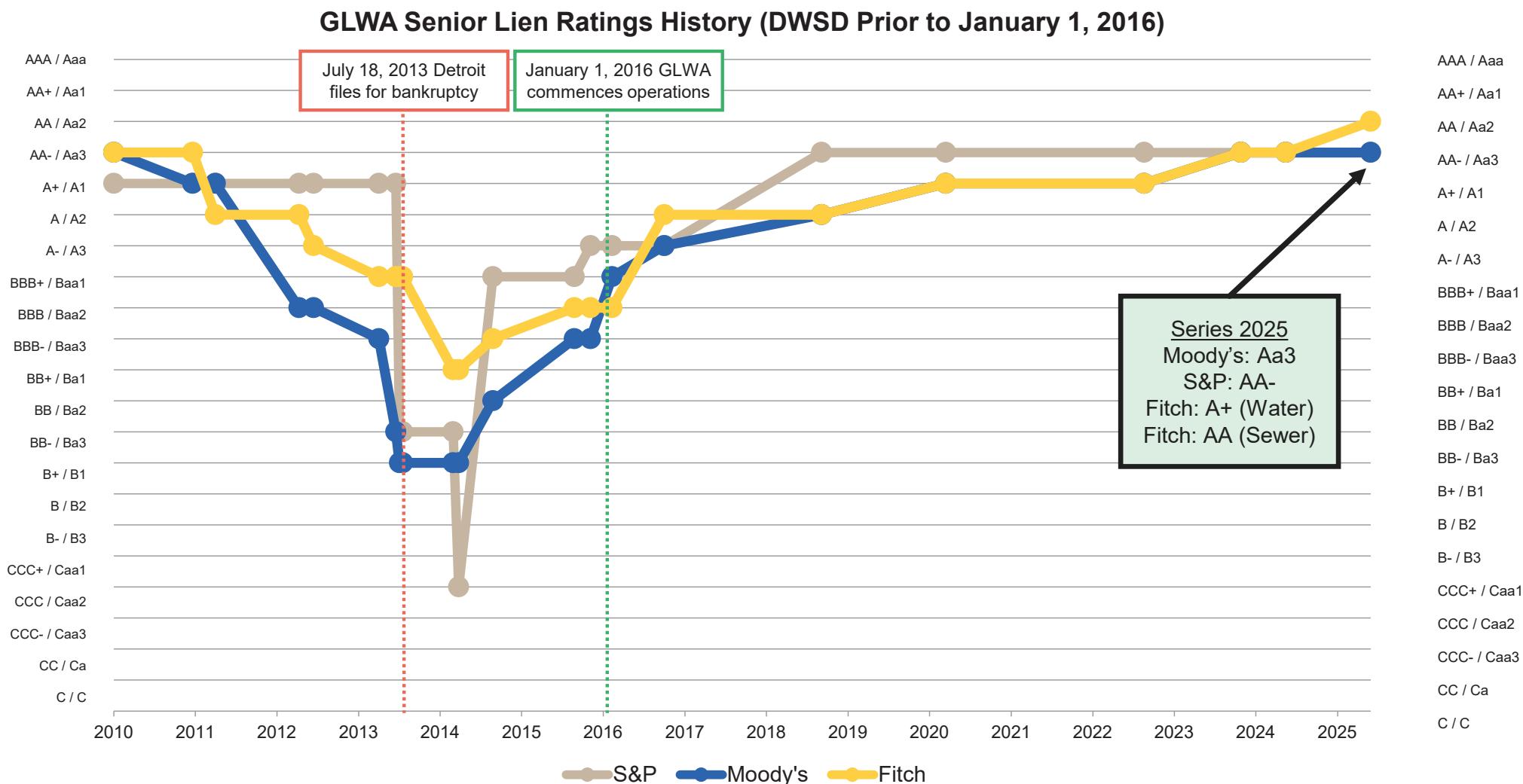


Select Public Finance Acronyms (cont'd)

- **SLGS** – US Treasury – State and Local Government Series. SLGS securities are offered for sale to issuers of state and local government tax-exempt debt to assist with compliance of yield restriction or arbitrage rebate provisions of the Internal Revenue Code.
- **SOFR** - SOFR stands for the Secured Overnight Financing Rate. SOFR is a broad, transaction-based overnight interest rate that measures the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase market.
- **Term Rate Bond** - Has a fixed interest rate for a predefined term (typically 1-10 years), after which the bond is subject to mandatory tender and either converts to another interest-rate mode, resets for a new term, or is repaid.
- **UWD** – Underwriter's Discount. The difference between the amount the underwriter pays the issuer for the bonds and the price at which the underwriter sells the bonds to the public. Represents the compensation for the underwriting syndicate.
- **VRDB or VRDO** – Variable Rate Demand Bond or Variable Rate Demand Obligation. VRDBs (or VRDOs) are short-term debt securities that bear interest at a floating, or variable, rate adjusted at specified intervals (daily or weekly) through a remarketing process. Holders can redeem these securities at designated times.
- **WAM** – Weighted Average Maturity. A reflection of the rapidity with which the principal of a bond issue is expected to be paid.



GLWA Credit Ratings Are Strong and Have Strengthened Since Standup







Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, CPA, Deputy Chief Financial Officer

Re: Scheduling of a Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) Project Plan Submittals

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

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board of Directors schedule a Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) project plan submissions for April 22, 2026, at 2:00 pm.

..Title

Scheduling of Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) Program Project Plan Submittals

..Body

Agenda of: February 25, 2026

Item No.: **2026-015**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 25, 2026

RE: **Scheduling of Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) Program Project Plan Submittals**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the Scheduling of a Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) project plan submissions for the 1) Conner Creek Sanitary Pump Station Replacement, and 2) Rehabilitation of Ashland Relief, Linwood, Second Avenue, and Shiawassee Sewers, and for April 22, 2026 at 2:00 p.m.** 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 (the “GLWA”) identified two projects in the FY 2027 to FY 2029 Capital Improvement Plan (CIP) to be considered for low interest financing

through the Michigan Department of Environment, Great Lakes and Energy (EGLE) FY 2027 CWSRF program:

- 1) Conner Creek Sanitary Pump Station Replacement
- 2) Rehabilitation of Asland Relief, Linwood, Second Avenue, and Shiawassee Sewers

GLWA must submit a Board adopted project plan for each proposed project to EGLE by the May 1, 2026 deadline. Applicants for a CWSRF loan, however, must also hold a formal public hearing prior to the adoption and submission of a final project plan. The public hearing should be scheduled for April 22, 2026, at 2:00 pm. This public meeting ensures transparency and will include a presentation summarizing each project plan, followed by an opportunity for public participation.

After the public hearing is closed, a resolution to adopt the final project plan will be scheduled for action by the GLWA Board at its regularly scheduled meeting also on April 22, 2026. The resolution must be approved and signed to ensure the finalized project plan and related forms are assembled and submitted to the EGLE by May 1, 2026.

The Public Hearing Notice and draft project plans for the proposed projects will be posted on the [GLWA website](#).

The Projects:

Conner Creek Sanitary Pump Station Replacement (CIP #232002) – project includes the construction of a new sanitary pump station to improve the reliability and performance of the sewer system serving residential, commercial and industrial customers in the eastern Detroit area. The facility will include two wet wells, modern pumping equipment and flow control features to improve reliability and resiliency, enhance operational efficiency, and facilitate easier maintenance for operation and maintenance staff.

The total cost of this project is estimated at \$190,000,000.

Rehabilitation of Ashland Relief, Linwood, Second Avenue and Shiawassee Sewers (AL2S) (CIP #260210) – project consists of the rehabilitation of four large diameter combined sewers throughout the City of Detroit. These four sewers, collectively referred to as AL2S, comprise over 8 miles of linear assets that convey wastewater from member communities through the GLWA service area and ultimately toward the Water Resource Recovery Facility (WRRF). The Ashland Relief Sewer and Shiawassee Sewer convey flow to the Freud Pump Station and Puritan Fenkell CSO Retention Treatment Basin,

respectively, while the Linwood and Second Avenue sewers convey flow to larger collector sewers. The positive impacts of the project include structural rehabilitation and operations and maintenance (O&M) repairs of the sewers which are designed to extend their service lives by another 30 years and allow them to continue to convey flow to the GLWA WRRF

JUSTIFICATION

GLWA is seeking low interest loan assistance through the CWSRF program for the proposed projects. Savings are typically significant when comparing the interest rates under the CWSRF program with a similar open market revenue bond issue. Although the interest rate for FY 2027 will not be published by EGLE until October 2026, the current year's interest rate of 2.50% for a 20-year loan and 2.75% for a 30-year loan is lower than present conventional revenue bond interest rates. GLWA may also qualify as an "overburdened applicant" and if eligible, the interest rates for a 20-year loan and 30-year loan will decrease to 2.00%. As long as interest rates for 30-year are comparable to 20-year loans, GLWA will consider the 30-year option.

It is prudent for GLWA to continue to pursue CWSRF loan funding as actual savings are anticipated to remain significant as interest rates are expected to remain high with the potential of only small decreases over the next year (and therefore increasing potential savings compared to use of open market revenue bonds). In addition, SRF funding is considered junior lien instead of bonds that are considered senior or second lien.

BUDGET IMPACT

Debt service interest payments on these projects would begin in the fall of FY 2027 and will be included as part of the FY 2026 financial plan.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on February 25, 2026. The Audit Committee {insert action} the Great Lakes Water Authority Board of Directors schedule a Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) project plan submissions for the 1) Conner Creek Sanitary Pump Station Replacement, and 2) Rehabilitation of Ashland Relief, Linwood, Second Avenue, and Shiawassee Sewers, on April 22, 2026 at 2:00 p.m.

GREAT LAKES WATER AUTHORITY

PUBLIC HEARING NOTICE FOR FISCAL YEAR 2027 CLEAN WATER STATE REVOLVING FUND PROJECTS

The Great Lakes Water Authority (GLWA) announces a Public Hearing regarding project plans for the following two projects: 1) Conner Creek Sanitary Pump Station Replacement Project and 2) Rehabilitation of the Ashland Relief, Linwood, Second Avenue, and Shiawassee Sewers. The projects are eligible for funding consideration through the Michigan Department of Environment, Great Lakes and Energy (EGLE) Fiscal Year (FY) 2027 Clean Water State Revolving Fund (CWSRF) loan program, which provides low interest funding for wastewater projects. The purpose of this public hearing is not only to inform, but to allow an opportunity for public participation.

The following is a brief description of each project:

Conner Creek Sanitary Pump Station Replacement project consists of the construction of a new sanitary pump station to improve the reliability and performance of the sewer system serving residential, commercial and industrial customers in the eastern Detroit area. The new station will have a firm capacity of 160 million gallons per day (mgd) and a total capacity of 240 mgd. The facility will include two wet wells, modern pumping equipment and flow control features to improve reliability and resiliency, enhance operational efficiency, and facilitate easier maintenance for operation and maintenance staff.

The need for this project arises from ongoing operational issues at the existing station, where the influent flow path and small wet well result in extreme turbulence and significant air entrainment at the pump suction. These conditions have led to reliability and maintenance challenges. Several options were considered to address these deficiencies, but ultimately the decision was made to construct a new pump station to improve reliability, maintainability, and operability.

The temporary impact of construction activities will be minimized as work is planned to occur within the project site.

Adverse impacts on historical, archaeological, geographic, or cultural areas are not expected. However, if any potential impacts arise, construction will be halted, and the proper steps will be taken to proceed following all applicable guidelines.

The total cost of this project is currently estimated at \$190,000,000.

Rehabilitation of Ashland Relief, Linwood, Second Avenue and Shiawassee Sewers project consists of the rehabilitation of four large diameter combined sewers throughout the City of Detroit. These four sewers, collectively referred to as AL2S, comprise over 8 miles of linear assets that convey wastewater from member communities through the GLWA service area and ultimately toward the Water Resource Recovery Facility (WRRF). The Ashland Relief Sewer and Shiawassee Sewer convey flow to the Freud Pump Station and Puritan Fenkell CSO Retention Treatment Basin, respectively, while the Linwood and Second Avenue sewers convey flow to larger collector sewers.

The current condition of portions of the AL2S Sewers, which vary from 3' brick egg-shaped sewers to 16' concrete sewers, is fair to poor with risk of failure. The positive impacts of the project include structural rehabilitation and operations and maintenance (O&M) repairs of the sewers which are designed to extend their service lives by another 30 years and allow them to continue to convey flow to the GLWA WRRF. Sewer repairs are proposed to consist of, but are not limited to, various

types of spot repairs, isolated structural repairs, debris/sludge removal, manhole frame and cover replacements, new manhole installation, and more.

Adverse impacts on historical, archaeological, geographic, or cultural areas are not expected. However, if any potential impacts arise, construction will be halted, and the proper steps will be taken to proceed, following all appropriate guidelines.

The cost of the project is currently estimated at approximately \$13,700,000.

The Public Hearing on the proposed projects will be held for the purpose of receiving comments from interested persons. The presentations at the hearing will provide a description of the improvements, its evaluation, estimated costs, and cost per household impact for customer communities. Comments and viewpoints from the public are requested. A copy of each draft project plan will be available for review online after April 7, 2026, on the GLWA website: <https://www.glwater.org/>.

THE MEETING WILL BE HELD ON:

DATE: Wednesday, April 22, 2026

TIME: 2:00 PM, Eastern Time (US and Canada)

PLACE: **In person, Zoom Videoconferencing, and Telephonic Hearing**

Join Zoom Meeting

<https://glwater.zoom.us/j/89873315600?pwd=8DJ5D7zQVPFLuwrYLzaBFJpUzRA9Y4.1>

Meeting ID: 877 853 5247 US Toll free
Passcode: 432064

In Person (subject to capacity)
Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Join Zoom Telephonic

Public Call-In Number: 877-853-5247 US Toll-Free

or 888-788-0099 US Toll-Free

Meeting ID: 898 7331 5600

Passcode: 432064

Members of the public may offer comments in the following manner:

By Zoom Videoconferencing: Members of the public who wish to use Zoom videoconferencing to attend the meeting and/or offer public comment may utilize the following link to attend:

<https://glwater.zoom.us/j/89873315600?pwd=8DJ5D7zQVPFLuwrYLzaBFJpUzRA9Y4.1>

During the portions of the hearing designated for public participation may “raise their hand” by using that feature within the software program.

In Person (subject to capacity): Members of the public who, subject to capacity, wish to attend the meeting and/or off public comment in person may attend the meeting in the Board Room, 5th Floor, 735 Randolph, Detroit, MI 48226.

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to "raise their hand for public comment." During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 5:00 p.m. EST. on Wednesday, April 22, 2026, and should reference "April 22, 2026, Public Hearing on proposed FY 2027 Clean Water State Revolving Fund (CWSRF) Projects" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: Members of the public may provide written comments by United States mail addressed to:

Suzanne R. Coffey, Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Written comments by U.S. mail should reference "April 22, 2026, Public Hearing FY 2027 Clean Water State Revolving Fund (CWSRF) Projects" in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



Monthly Financial Report Binder

October 2025

Presented to the
Great Lakes Water Authority
Audit Committee on January 30, 2026

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Key Financial Metrics

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

Variances are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Amendments, if needed, are prepared no less than quarterly based on current information. GLWA staff has included first quarter budget amendments in this report as presented by the GLWA Board of Directors on January 28, 2026.

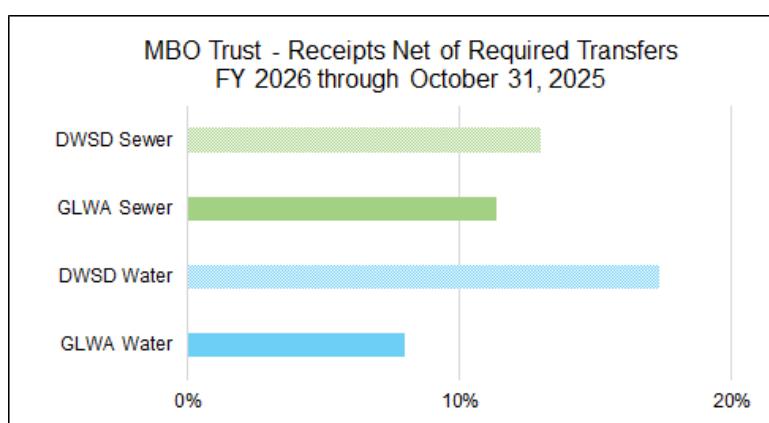
Investment earnings currently exceed the FY 2026 amended budget. However, looking ahead, this variance is expected to close over the remaining fiscal year as current investments continue to renew at lower interest rates most recently with the Federal Reserve rate decrease in December 2025.

Capital spending varies for both systems for different reasons. Water system under spending relates to delays in four projects as reported in a recent Key Performance Indicator Report (Legistar #2025-413). Sewer system capital spend is substantially above plan because of a recent increase in State Revolving Fund (SRF) loans awarded for projects that were approaching construction phase. In September 2025, GLWA was notified of 5 projects that received a total of \$232.7 million in funding.

Metric	As of October 31, 2025					Report Page Reference
	FY 2026 Budget	FY 2026 Amended Budget	FY 2026 Actual	Variance from Financial Plan		
Wholesale Water Billed Revenue (\$M)	\$132.8	\$132.8	\$135.1	2%	50	
Wholesale Water Billed Usage (mcf)	5,098,000	5,098,000	5,254,000	3%		
Wholesale Sewer Billed Revenue (\$M)	\$99.7	\$99.7	\$99.7	0%	52	
Wholesale Water Operations & Maintenance (\$M)	\$60.8	\$61.3	\$64.1	5%	4	
Wholesale Sewer Operations & Maintenance (\$M)	\$78.7	\$79.2	\$78.0	-2%		
Investment Income (\$M)	\$12.5	\$11.3	\$17.4	53%	39	
Water Prorated Capital Spend w/SRA* (\$M)	\$61.0	\$61.0	\$33.0	-46%	30	
Sewer Prorated Capital Spend w/SRA* (\$M)	\$58.0	\$58.0	\$84.0	45%	31	

*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

Master Bond Ordinance (MBO) Trust Net Receipts (page 54)



Net cash flow receipts remain positive for GLWA and DWSD Water and Sewer. This means that all legal commitments of the MBO trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD water reports a surplus of \$8.9 million and DWSD sewer reports a surplus of \$15.5 million of net receipts over disbursements through October 2025.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through October 2025.
- The total overall Operations & Maintenance expenses are 33.7% of budget through October 2025 which is slightly above the pro-rata benchmark of 33.3% but within a reasonable range.

Basic Financial Statements (page 10)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for October 2025 is \$49.2 million for the Water fund (33.7% of total revenues) and \$51.8 million for the Sewage Disposal fund (29.3% of total revenues).
- Water net position increased by \$27.6 million, and sewage disposal net position increased by \$26.3 million for the year to date through October 2025.

Capital Improvement Plan Financial Summary (page 29)

- Water system costs incurred to date are below the 100% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are above the 90% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 32)

- For October 2025, transfers of \$63.3 million and \$82.4 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for October 2025, transfers of \$24.1 million and \$29.2 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 39)

- Total cash & investments are \$719.0 million for Water and \$659.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2026 investment income through October 2025 is \$17.4 million.

DWSD Retail Revenues, Receivables & Collections (page 43)

- Water usage through October 31, 2025 is 99.86% and revenues are 98.48% of budget.
- Sewer usage through October 31, 2025 is 96.72% and revenues are 97.00% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$39.7 million over the prior year.
- Past dues over 180 days make up 77.0% of the total accounts receivable balance. The current bad debt allowance covers 96.4% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 49)

- GLWA accounts receivable past due balance net of Dearborn is 1.06% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections of \$29.3 million for the period of November 2024 through October 2025 are trending \$1.2 million above the prior year.
- Average wholesale sewer collections of \$25.5 million for the period of November 2024 through October 2025 are trending \$3.6 million above the prior year.

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

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

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

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. The tables in this analysis reflect actual amounts spent. If this analysis was on a master bond ordinance (MBO) basis, like that used for calculating debt service coverage, O&M “expense” would equal the pro-rata budget because 1/12 of the O&M budget is transferred monthly outside the MBO trust to an O&M bank account. This report is for October 2025 therefore the pro-rata benchmark is 33.3% (4 of 12 months of the fiscal year).

Wholesale charges presented in Table 1A differ from those presented in ***Table 2 – Statement of Revenues, Expenses and Changes in Net Position*** found in the ***Basic Financial Statement*** section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through October 31, 2025, these payments total \$1.6 million for FY 2026.

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

Water System	FY 2025 Amended Budget	FY 2025 Activity Thru 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 10/31/2025	Percent Year-to- Date at 10/31/2025
Revenues							
Wholesale Charges	\$ 347,758	\$ 123,007	35.4%	\$ 365,646	\$ 365,646	\$ 134,225	36.7%
Charges to Local System	27,095	9,032	33.3%	30,029	30,029	10,010	33.3%
Investment Earnings	15,818	5,588	35.3%	12,784	12,784	5,045	39.5%
Other Revenue	400	91	22.7%	303	303	144	47.4%
Total Revenues	\$ 391,071	137,717	35.2%	\$ 408,761	408,761	149,423	36.6%
Revenue Requirements							
Operations & Maintenance Expense	\$ 182,227	\$ 54,727	30.0%	\$ 182,456	\$ 183,909	\$ 64,068	34.8%
Debt Service	161,945	57,572	35.6%	179,082	177,686	59,694	33.6%
General Retirement System Pension	1,653	761	46.0%	2,731	2,731	910	33.3%
Water Residential Assistance Program Contribution	1,877	649	34.6%	1,970	1,970	657	33.3%
Extraordinary Repair & Replacement Deposit	2,650	-	0.0%	320	320	-	0.0%
Regional System Lease	22,500	7,500	33.3%	22,500	22,500	7,500	33.3%
Working Capital Requirement Improvement & Extension Fund Transfer Pending	4,956	-	0.0%	600	-	-	0.0%
	<u>13,263</u>	<u>2,423</u>	<u>18.3%</u>	<u>19,102</u>	<u>19,645</u>	<u>6,367</u>	<u>32.4%</u>
Total Revenue Requirements	\$ 391,071	123,633	31.6%	\$ 408,761	408,761	139,196	34.1%
Net Difference		\$ 14,084				\$ 10,227	
<i>Recap of Net Difference</i>							
Revenue Variance		\$ 7,360				\$ 13,170	
Revenue Requirement Variance		<u>6,724</u>				<u>(2,943)</u>	
<i>Net Difference</i>		\$ 14,084				\$ 10,227	

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

Sewer System	FY 2025 Amended Budget		FY 2025 Activity Thru 10/31/2024	Percent Year-to-Date at 10/31/2024	FY 2026 Board Adopted Budget		FY 2026 Amended Budget		FY 2026 Activity Thru 10/31/2025	Percent Year-to-Date at 10/31/2025
Revenues										
Wholesale Charges	\$ 287,387	\$ 96,059	33.4%	\$ 300,317	\$ 300,317	\$ 99,989	33.3%			
Charges to Local System	205,925	68,642	33.3%	215,324	215,324	71,775	33.3%			
Industrial Waste Control Charges	8,719	2,960	33.9%	9,150	9,150	3,122	34.1%			
Pollutant Surcharges	5,434	1,557	28.6%	5,113	5,113	1,626	31.8%			
Investment Earnings	20,605	7,665	37.2%	14,615	14,615	6,325	43.3%			
Other Revenue	700	168	24.0%	443	443	174	39.3%			
Total Revenues	\$ 528,770	177,050	33.5%	\$ 544,962	544,962	183,011	33.6%			
Revenue Requirements										
Operations & Maintenance Expense	\$ 235,192	\$ 79,153	33.7%	\$ 236,099	\$ 237,552	\$ 77,962	32.8%			
Debt Service	217,449	74,874	34.4%	220,885	216,274	73,628	34.0%			
General Retirement System Pension	3,719	1,615	43.4%	5,633	5,633	1,878	33.3%			
Water Residential Assistance Program Contribution	2,542	884	34.8%	2,639	2,639	880	33.3%			
Extraordinary Repair & Replacement Deposit	276	-	0.0%	-	-	-	0.0%			
Regional System Lease	27,500	9,167	33.3%	27,500	27,500	9,167	33.3%			
Working Capital Requirement Improvement & Extension Fund Transfer Pending	-	-	0.0%	-	-	-	0.0%			
	42,094	9,380	22.3%	52,208	55,365	17,403	31.4%			
Total Revenue Requirements	\$ 528,770	175,073	33.1%	\$ 544,962	544,962	180,917	33.2%			
Net Difference		\$ 1,977					\$ 2,094			
<i>Recap of Net Difference</i>										
Revenue Variance		\$ 793					\$ 1,357			
Revenue Requirement Variance		1,184					737			
Net Difference		\$ 1,977					\$ 2,094			

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

Revenues

- Total Revenues:** For the water system, total revenues for FY 2026 are above the pro-rata benchmark; the water system is at 36.6%. For the sewer system, total revenues for FY 2026 are slightly above the pro-rata benchmark at 33.6%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
- Investment Earnings:** For the water system, investment earnings are above the pro-rata benchmark for FY 2026 at 39.5%. The sewer system is also above the pro-rata benchmark for FY 2026 at 43.3%. FY 2026 investment earnings are slightly lower than FY 2025 earnings 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.
- Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the water and sewer systems' actual amount will vary from budget due to the nature of the items recorded in this category.

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

4. **Operations & Maintenance Expense:** Actual expenses for the water system are above the pro-rata benchmark for FY 2026 at 34.8%, and the sewer system O&M is below the pro-rata benchmark for FY 2026 at 32.8%.
5. **Debt Service:** For FY 2026, the water system is above the pro-rate benchmark at 33.6% and sewer system is also above the pro-rata benchmark at 34.0%. The activity is based on the debt payment schedules adjusted for the State Revolving Fund loans that are still being drawn down and may cause temporary variances pending realignment with budget.
6. **Working Capital Requirement / Net Difference:** The overall variance (net difference) reported represents the difference between revenues and revenue requirements. To the extent that there is a positive budget variance, staff perform a post-year end closing analysis. Based on this analysis and depending on working capital requirements, some or all of this variance may be transferred to the Improvement & Extension funds in the subsequent year.
7. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the water and sewer systems.
8. **Total Revenue Requirements:** Total revenue requirements for the water system are above the pro-rata benchmark at 34.1%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 33.2%.

Operations & Maintenance Budget – Major Budget Categories

The benchmark ratio as of October 31, 2025, is 33.3% (four months), with the total O&M budget right at the benchmark. When comparing FY 2026 to FY 2025 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending in FY 2026 is above FY 2025 thru four months of operations, but still near the benchmark ratio.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown on the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on 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 2025 Amended Budget	FY 2025 Activity Thru 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 10/31/2025	Percent Year-to- Date at 10/31/2025
A Water System Operations	\$ 94,398	\$ 33,262	35.2%	\$ 101,501	\$ 101,501	\$ 35,415	34.9%
B Wastewater System Operations	145,040	48,616	33.5%	156,573	156,573	51,147	32.7%
C Centralized Services	135,244	39,506	29.2%	117,388	120,248	39,031	32.5%
D Administrative & Other Services	42,737	11,893	27.8%	43,094	43,140	15,143	35.1%
Employee Benefits	-	605	100.0%	-	-	1,294	100.0%
Total O&M Budget	\$ 417,419	\$ 133,880	32.1%	\$ 418,555	\$ 421,461	\$ 142,030	33.7%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

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

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

Expense Categories	FY 2025 AMENDED BUDGET	FY 2025 ACTIVITY THRU 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2025 ACTIVITY THRU 6/30/2025	Percent Year-to- Date at 6/30/2025	FY 2026 AMENDED BUDGET	PRORATED AMENDED BUDGET (4 MONTHS)	FY 2026 ACTIVITY THRU 10/31/2025	Percent Year-to- Date at 10/31/2025	FY 2026 Prorated Amended Budget Less FY 2026 Activity
Personnel Costs										
Salaries & Wages	\$ 85,807	\$ 25,754	30.0%	\$ 84,979	30.3%	\$ 91,087	\$ 30,362	\$ 32,860	36.1%	\$ (2,498)
Workforce										
Development	2,363	1,010	42.7%	2,811	35.9%	3,777	1,259	726	19.2%	533
Overtime	9,605	6,797	70.8%	10,125	67.1%	8,911	2,970	3,621	40.6%	(651)
Employee Benefits	32,244	9,620	29.8%	30,773	31.3%	31,867	10,622	11,677	36.6%	(1,055)
Transition Services	8,516	2,560	30.1%	8,195	31.2%	8,491	2,830	2,773	32.7%	57
Employee Benefits Fund	-	605	100.0%	-	0.0%	-	-	1,294	100.0%	(1,294)
Total Personnel Costs	138,535	46,346	33.5%	136,883	33.9%	144,134	48,045	52,952	36.7%	(4,907)
Utilities										
Electric	48,121	17,727	36.8%	46,578	38.1%	51,308	17,103	15,426	30.1%	1,677
Gas	7,000	1,899	27.1%	7,661	24.8%	7,113	2,371	2,230	31.4%	141
Sewage Service	2,980	485	16.3%	2,400	20.2%	2,455	818	861	35.1%	(43)
Water Service	11,602	3,073	26.5%	10,420	29.5%	12,203	4,068	4,150	34.0%	(82)
Total Utilities	69,703	23,184	33.3%	67,059	34.6%	73,079	24,360	22,667	31.0%	1,693
Chemicals	38,235	11,998	31.4%	34,385	34.9%	37,189	12,396	11,185	30.1%	1,211
Supplies & Other	45,294	13,949	30.8%	45,727	30.5%	45,516	15,172	16,409	36.1%	(1,237)
Contractual Services	134,053	40,549	30.2%	128,153	31.6%	124,266	41,422	40,851	32.9%	571
Capital Program Allocation	(4,582)	(778)	17.0%	(2,901)	26.8%	(3,431)	(1,144)	(1,136)	33.1%	(7)
Shared Services	(2,280)	(758)	33.3%	(2,583)	29.4%	(2,264)	(755)	(898)	39.7%	143
Intergovernmental Agreement	(1,540)	(609)	39.6%	(1,565)	38.9%	-	-	-	0.0%	-
Unallocated Reserve	-	-	0.0%	-	0.0%	2,972	991	-	0.0%	991
Total Expenses	\$ 417,419	\$ 133,880	32.1%	\$ 405,160	33.0%	\$ 421,461	\$ 140,487	\$ 142,030	33.7%	\$ (1,543)

Totals may be off due to rounding

Total Expenses: In total, the overall O&M expenses are 33.7%, which is above the pro-rata benchmark of 33.3%. The Table 3 expense category commentary is provided below.

Personnel Costs: The total personnel costs are above the pro-rata benchmark; coming in at 36.7% through October 2025. Unallocated reserves include budgeted funds for annual wage adjustments that take effect in July each year that are unknown at the time the budget is adopted. These were allocated to personnel costs with the first budget amendment.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 31.0% through October 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 30.1%. When compared to the prior fiscal year the year-to-date value represents an approximate \$2.3 million reduction. This is primarily due to a reduction in the Power Supply Cost Recovery (PSCR) charge. The first three months of GLWA's fiscal year (July, August, and October) 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** comes in at 31.4%, which is below the benchmark of 33.3%. Variances are primarily related to a fluctuating cost of gas.
- **Sewage service** is higher than the benchmark, coming in at 35.1%. This is largely due to a change in the utility billing timing requiring a cost recognition methodology update. This methodology update was implemented during the first quarter.
- **Water service** is higher than the benchmark, coming in at 34.0%. This is largely due to a change in the utility billing timing requiring a cost recognition methodology update. This methodology update was implemented during the first quarter.

Chemicals: This category is lower than the benchmark; coming in at 30.1% through October 2025. Usage volumes for chemicals related to lead and copper rule compliance (that is, orthophosphate and ferric chloride) were lower than original estimates. Additionally, the moderate draught in Southeast Michigan resulted in a decrease in chemicals used to handle wet weather events (sodium hypochlorite).

Supplies & Other: This category is higher than the pro-rata benchmark; coming in at 36.1% through October 2025. Given that the nature of the items in this category, such as certain maintenance activities, are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

Contractual Services: The overall category is slightly below the pro-rata benchmark; coming in at 32.9% through October 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.

Capital Program Allocation: This category is slightly lower than the benchmark; coming in at 33.1% through October 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 category.

Shared Services: This category is higher than benchmark; coming in at 39.7% through October 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 2026. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount and activity includes true-up billings from prior years. The amount in this account is shown as negative as this is a “contra” account which represents an offset to both the Personnel Costs and the Contractual Services categories.

Intergovernmental Agreements: This category did not have any activity through October 2025 and usually is not budgeted for in advance. As activity is incurred, budget amendments will be made to match the activity. The amount in this account is shown as negative as this is a “contra” account which represents an offset to the Contractual Services category.

The Basic Financial Statements report includes the following four tables.

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

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

The June 2025 comparative amounts shown in the tables below are presented based on final audited figures.

Statement of Net Position – All Funds Combined

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

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

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Assets				
Cash - unrestricted (a)	\$ 182,242	\$ 267,721	\$ 449,964	\$ 435,531
Cash - restricted (a)	89,332	95,709	185,041	631,066
Investments - unrestricted (a)	144,736	147,211	291,947	219,969
Investments - restricted (a)	279,212	169,763	448,975	259,388
Accounts Receivable	96,503	53,720	150,223	163,009
Due from (to) Other Funds (b)	6,746	(6,746)	-	-
Other Assets (c)	612,454	361,721	974,175	977,212
Capital Assets, net of Depreciation	1,183,396	1,788,826	2,972,222	3,048,416
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	582,130	576,610	1,158,740	1,039,383
Total assets	3,470,376	3,581,351	7,051,727	7,194,414
Deferred Outflows (f)	23,735	46,610	70,346	71,631
Liabilities				-
Liabilities - Liabilities-ST	240,939	266,808	507,748	538,933
Other Liabilities (h)	2,315	5,976	8,291	7,500
Cash Held FBO DWSD (d)	35,455	51,367	86,822	57,578
Liabilities - Long-Term (i)	3,181,844	3,173,358	6,355,202	6,546,932
Total liabilities	3,460,554	3,497,509	6,958,062	7,150,943
Deferred Inflows (f)	82,267	92,199	174,466	179,444
Total net position (j)	\$ (48,709)	\$ 38,253	\$ (10,456)	\$ (64,342)
<i>Totals may be off due to rounding</i>				

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

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2025 are reported at market value. The October 31, 2025 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, GASB 96 and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, GASB 96 and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. The Sewage Disposal fund has a positive net position as of October 31, 2025. The Water fund has a net deficit which is getting smaller each year. The net position deficit was largely driven by the deficit in the net investment in capital assets due to the valuation of the assets as of the operational effective date on January 1, 2016, resulting in high depreciation expense.

Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined

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

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

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

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Business-Type Activities	Total Comparative June 30, 2025
Revenue						
Wholesale customer charges	\$ 135,811	93.0%	\$ 99,989	56.6%	\$ 235,800	\$ 636,667
Local system charges	10,010	6.9%	71,775	40.6%	81,784	233,020
Industrial waste charges	-	0.0%	3,122	1.8%	3,122	8,849
Pollutant surcharges	-	0.0%	1,626	0.9%	1,626	4,584
Other revenues	140	0.1%	173	0.1%	313	948
Total Revenues	145,960	100.0%	176,685	100.0%	322,645	884,068
Operating expenses						
Operations and Maintenance	63,957	43.8%	77,676	44.0%	141,633	402,118
Depreciation	31,129	21.3%	46,538	26.3%	77,667	242,487
Amortization of intangible assets	1,722	1.2%	680	0.4%	2,403	6,774
Total operating expenses	96,808	66.3%	124,895	70.7%	221,703	651,379
Operating Income	49,152	33.7%	51,790	29.3%	100,942	232,689
Total Nonoperating (revenue) expense	21,538	14.8%	25,518	14.4%	47,056	106,607
Increase/(Decrease) in Net Position	27,615	18.9%	26,272	14.9%	53,887	126,082
Net Position (deficit), beginning of year	(76,324)		11,981		(64,342)	(190,425)
Net position (deficit), end of year	\$ (48,709)		\$ 38,253		\$ (10,456)	\$ (64,342)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$27.6 million.
- ✓ Wholesale water customer charges of \$135.8 million account for 93.0% of Water System revenues.
- ✓ Operating expenses of \$96.8 million represent 66.3% of total operating revenue. Depreciation is the largest operating expense at \$31.1 million or 32.2% 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 \$49.2 million or 33.7% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$32.4 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 \$26.3 million.
- ✓ Wholesale customer charges of \$100.0 million account for 56.6% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$71.8 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$124.9 million represent 70.7% of total operating revenue. Depreciation is the largest operating expense at \$46.5 million or 37.3% 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 \$51.8 million or 29.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$33.9 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 October 2025 Financial Report Binder. Explanatory notes follow this schedule.

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

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business-Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	12,593	19.7%	23,767	30.6%	36,360	25.7%
Overtime	2,364	3.7%	1,257	1.6%	3,621	2.6%
Employee Benefits	9,584	15.0%	3,387	4.4%	12,971	9.2%
Total Personnel	\$ 24,541	38.4%	\$ 28,410	36.6%	\$ 52,952	37.4%
Utilities						
Electric	10,301	16.1%	5,125	6.6%	15,426	10.9%
Gas	55	0.1%	2,175	2.8%	2,230	1.6%
Sewage	286	0.4%	576	0.7%	861	0.6%
Water	1	0.0%	4,149	5.3%	4,150	2.9%
Total Utilities	\$ 10,643	16.6%	\$ 12,024	15.5%	\$ 22,667	16.0%
Chemicals	4,615	7.2%	6,570	8.5%	11,185	7.9%
Supplies and other	5,969	9.3%	10,258	13.2%	16,227	11.5%
Contractual services	19,593	30.6%	21,044	27.1%	40,637	28.7%
Capital Program allocation	(789)	-1.2%	(347)	-0.4%	(1,136)	-0.8%
Shared Services allocation	(615)	-1.0%	(282)	-0.4%	(898)	-0.6%
Operations and Maintenance Expenses	\$ 63,957	100.0%	\$ 77,676	100.0%	\$ 141,633	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.0% of total O&M expenses) and chemicals (7.9% of total O&M expenses).
- ✓ Personnel costs (37.4% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (28.7%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$4.9 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$6.1 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 Four Months ended October 31, 2025

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (7,423)	\$ (4,798)	\$ (12,222)	\$ (38,291)
Investment earnings	(8,928)	(8,462)	(17,390)	(47,263)
Net (incr) decr in fair value of invstmt	(49)	(78)	(127)	(1,532)
Other nonoperating revenue	35	(3,042)	(3,007)	(18,212)
Interest Expense				
Bonded debt	39,826	38,698	78,524	230,256
Lease obligation	5,375	6,569	11,944	36,218
Other obligations	754	508	1,263	5,033
	45,956	45,775	91,730	271,507
Capital Contribution	(298)	(772)	(1,070)	(40,693)
Amortization, issuance costs, debt	(7,839)	(3,227)	(11,066)	(25,936)
(Gain) loss on disposal of capital assets	(8)	(3)	(11)	172
Water Residential Assistance Program	93	124	217	3,828
Legacy pension expense	-	-	-	3,026
Total Nonoperating (Revenue)/Expense	\$ 21,538	\$ 25,518	\$ 47,056	\$ 106,607

Totals may be off due to rounding

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest.
- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. FY 2025 market value adjustments for Water and Sewer total \$49 thousand and \$78 thousand, respectively. Any difference is due to realized gain or loss on investments.

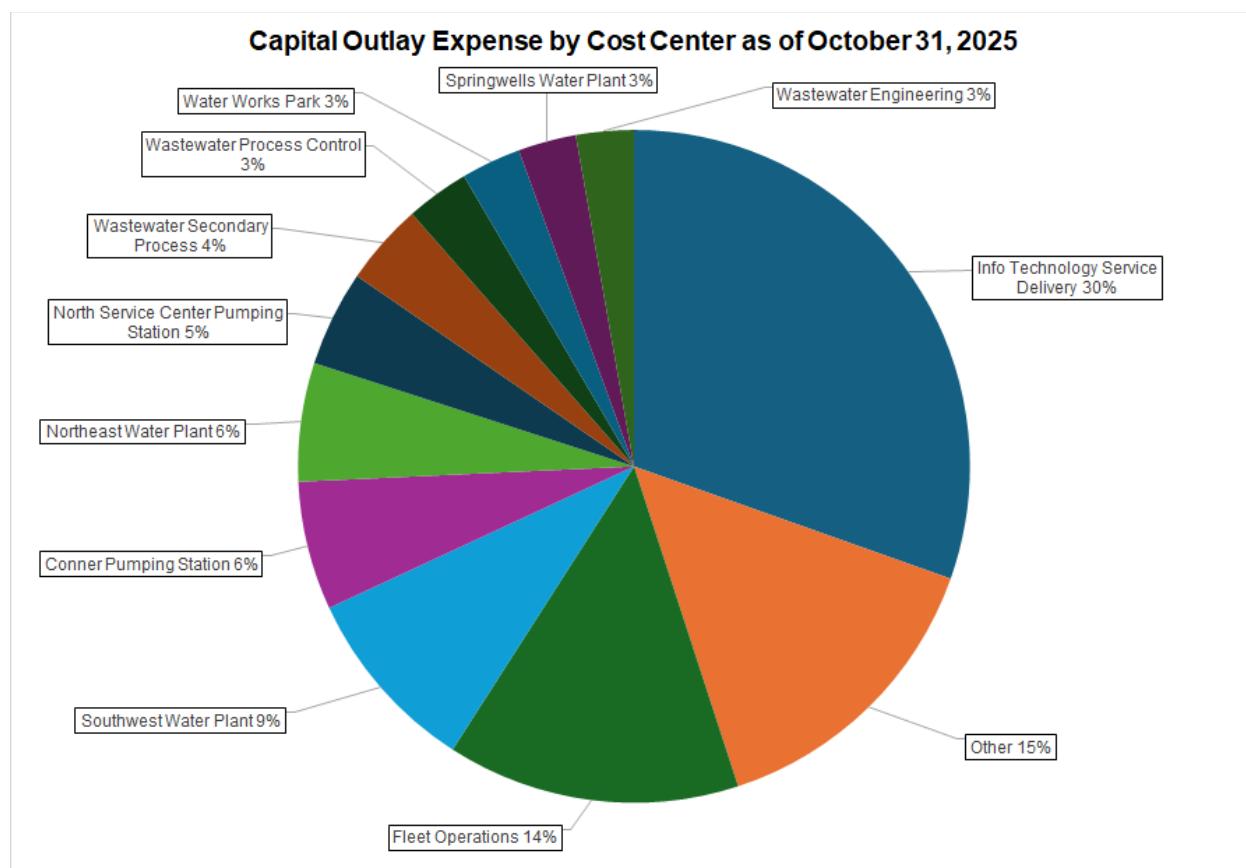
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating income consists of debt forgiveness for the Sewage Disposal system. FY2026 other non-operating income primarily consists of \$3 million of debt forgiveness for the Sewage Disposal system.
- ✓ The FY 2026 and FY 2025 amortization, issuance costs, debt, is related to the amortization of bond premiums and defeasance of debt.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$2.8 million) grant revenue for the Water system and (\$15.2 million) grant revenue and (\$22.1 million) contribution from the Oakland Macomb Interceptor Drainage District (OMIDD) for the Sewage Disposal system.

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 October 31, 2025, total capital outlay spend is \$6.6 million. Following this chart is a sample list of projects and purchases from the total spend of \$6.6 million.



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

Water Operations: Steam generator replacement (\$517k); low lift elevator (\$321k); North Service Center variable frequency drive (\$297k) and Adams Road Pumping Station fire protection system.

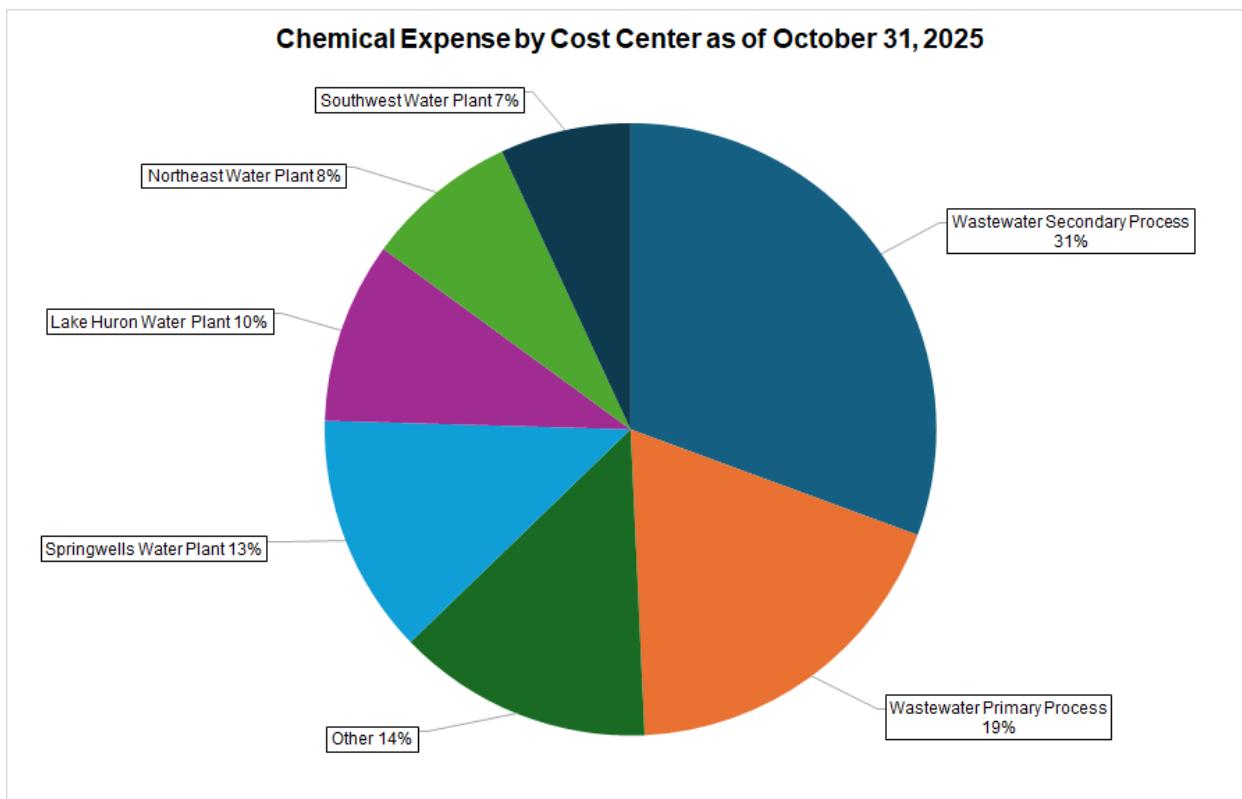
Wastewater Operations: Conner Creek elevator maintenance (\$340k); ovation upgrade and cabinet replacement (\$299k); WRRF fire detection system (\$298k); ferric

chloride buffering pilot (\$213k); WRRF incinerator freight elevator (\$186k) and ID fan power cells (\$112k).

Centralized & Administrative Facilities: Computer hardware and software (\$2.0m); trucks and vehicles (\$825k); Polaris UTV (\$119k) and permanent easement (\$98k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

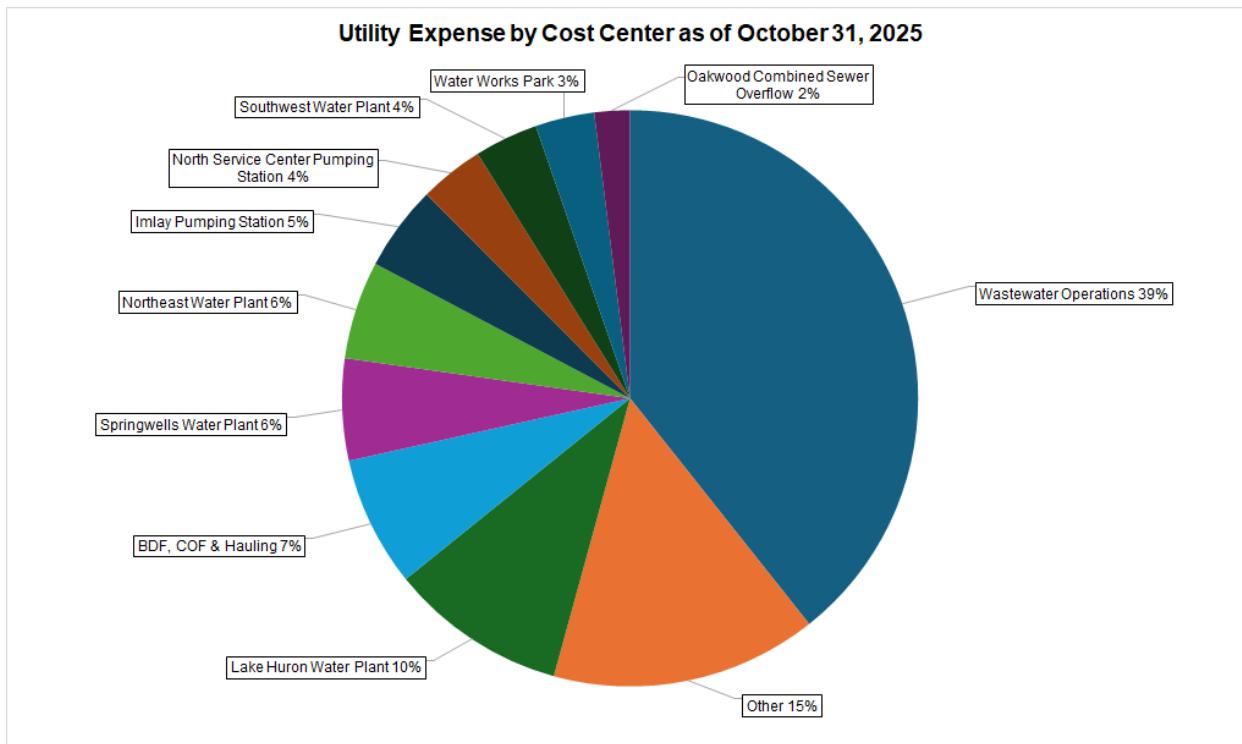
Chemical expenses are \$11.2 million through October 31, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$22.7 million through October 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 October 31, 2025, all bank accounts are reconciled.

Chart 1 – Bank Reconciliation Completion Status

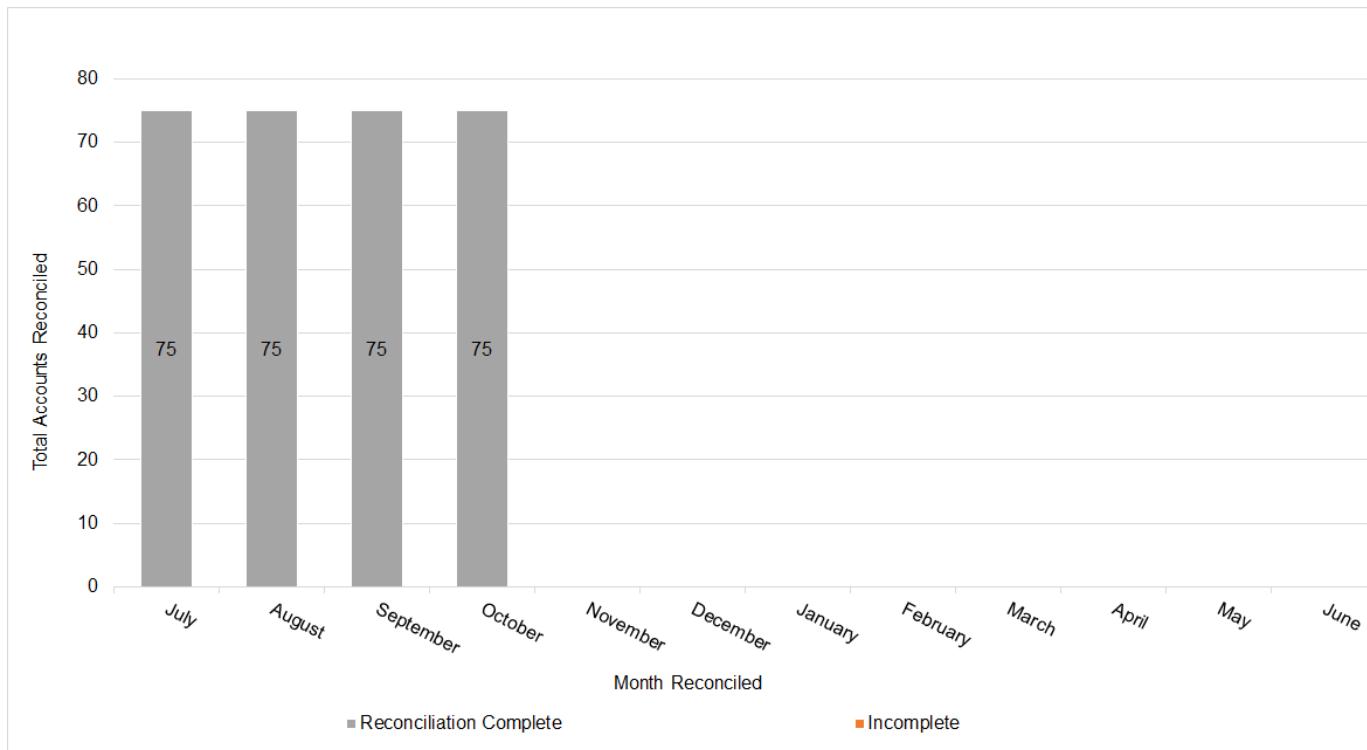


Table 1 – Fiscal Year 2026 GL Cash Account Roll-forward

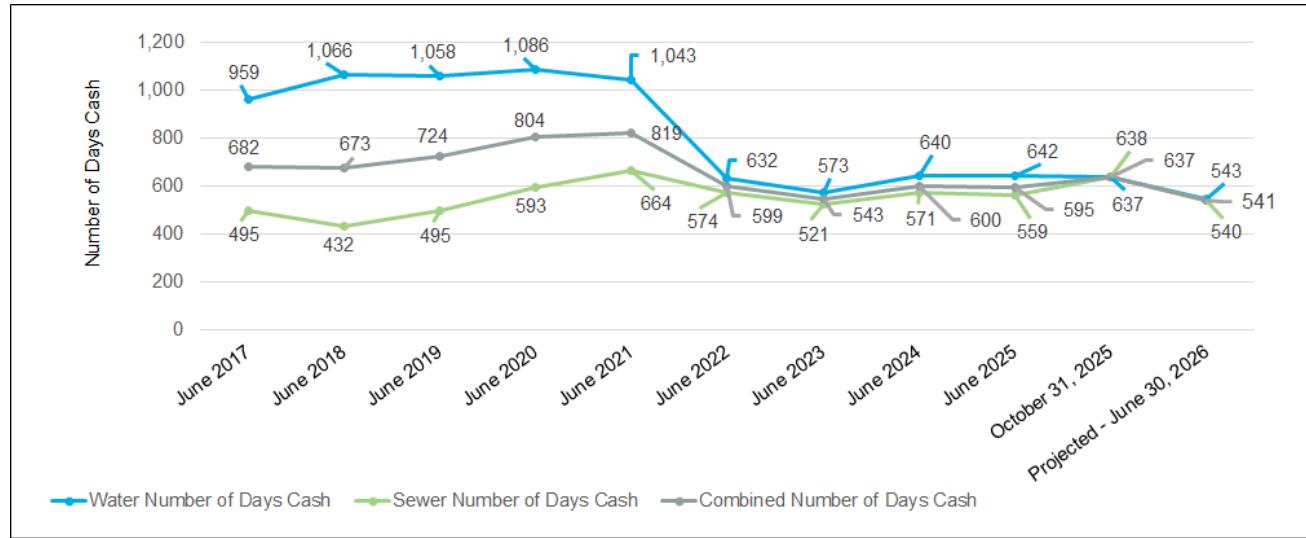
Total GL Cash accounts as of October 1, 2025	75
New GL Cash accounts since October 1, 2025	0
Inactivated GL Cash accounts since October 1, 2025	0
Total GL Cash accounts as of October 31, 2025	75

Financial Operations KPI - Liquidity

This key performance indicator shown in **Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System** and **Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System** below provides a measure of a utility's ability to meet expenses, cope with emergencies and navigate business interruptions. Liquidity is one of several key metrics monitored by bond rating agencies reflecting an organization's financial strength. The Authority's current goal is to maintain cash on hand above 500 days moving up to 600 days. Having a strong days cash has been instrumental in reaching our current bond credit rating.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 637 and Sewer at 638 days cash on hand as of October 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. December 2023 and June 2025 revenue bond transactions replenished the construction bond funds reducing the emphasis on I&E funding. The FY 2026 projection is calculated based on values from the GLWA FY 2026 – 2030 Budget & Five-Year Plan.

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



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

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

	June 30, 2025	October 31, 2025	Projected June 30, 2026
Water Fund			
Cash and Investments - Unrestricted	306,425,000	326,979,000	278,800,000
Operating Expense			
Operating Expense (a)	274,020,000	97,759,000	293,276,000
Less: Depreciation (a)	(94,928,000)	(34,078,000)	(102,233,000)
Less: Amortization of Intangible Asset (a)	(4,951,000)	(1,189,000)	(3,567,000)
Net Operating Expense	174,142,000	62,492,000	187,476,000
Operating Expense per Day	477,000	514,000	514,000
Days Cash			
Number of Days Cash	642	637	543
Sewage Disposal Fund			
Cash and Investments - Unrestricted	349,076,000	414,932,000	351,600,000
Operating Expense			
Operating Expense (a)	377,359,000	129,851,000	389,552,000
Less: Depreciation (a)	(147,559,000)	(50,667,000)	(152,000,000)
Less: Amortization of Intangible Asset (a)	(1,824,000)	-	-
Net Operating Expense	227,976,000	79,184,000	237,552,000
Operating Expense per Day	625,000	651,000	651,000
Days Cash			
Number of Days Cash	559	638	540
Combined			
Cash and Investments - Unrestricted	655,501,000	741,910,000	630,400,000
Operating Expense			
Operating Expense (a)	651,379,000	227,609,000	682,828,000
Less: Depreciation (a)	(242,487,000)	(84,744,000)	(254,233,000)
Less: Amortization of Intangible Asset (a)	(6,774,000)	(1,189,000)	(3,567,000)
Net Operating Expense	402,118,000	141,676,000	425,028,000
Operating Expense per Day	1,102,000	1,164,000	1,164,000
Days Cash			
Number of Days Cash	595	637	541

Totals may be off due to rounding

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

The monthly Budget to Financial Statements Crosswalk includes the following.

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

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

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

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

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

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

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

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

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Four Months Ended October 31, 2025

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 10,227	2,094	\$ 12,321
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	370	661	1,031
Debt service (f)	27,291	39,728	67,019
Accelerated pension B&C notes obligation portion (g)	339	761	1,100
Regional System lease (h)	2,125	2,598	4,723
GASB 87 & GASB 96 adjustments (h)	89	234	324
WRAP (i)	564	756	1,320
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	6,367	17,403	23,770
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(32,851)	(47,218)	(80,069)
Amortization - debt related (k)	7,839	3,227	11,066
Other nonoperating income (k)	(39)	3,041	3,002
Other nonoperating expense (k)	-	-	-
Gain/(loss) on disposal of capital assets (k)	8	3	11
Raw water rights obligation (l)	1,056	-	1,056
Investment earnings for construction fund (m)	3,882	2,134	6,016
Other	-	-	-
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	49	78	127
Improvement & extension fund operating expenses (p)	-	-	-
Capital Contribution (q)	298	772	1,070
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 27,615	\$ 26,272	\$ 53,887

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) 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 2026 capital contribution in Nonoperating (revenue) expense represents ARPA (\$0.3 million) grant revenue for the Water system and (\$0.8 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.

The Monthly Capital Improvement Plan Financial Summary includes the following.

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

Capital Improvement Plan Financial Summary

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

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2026 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes 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 90% of the Board approved CIP planned spend for the sewer fund.

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

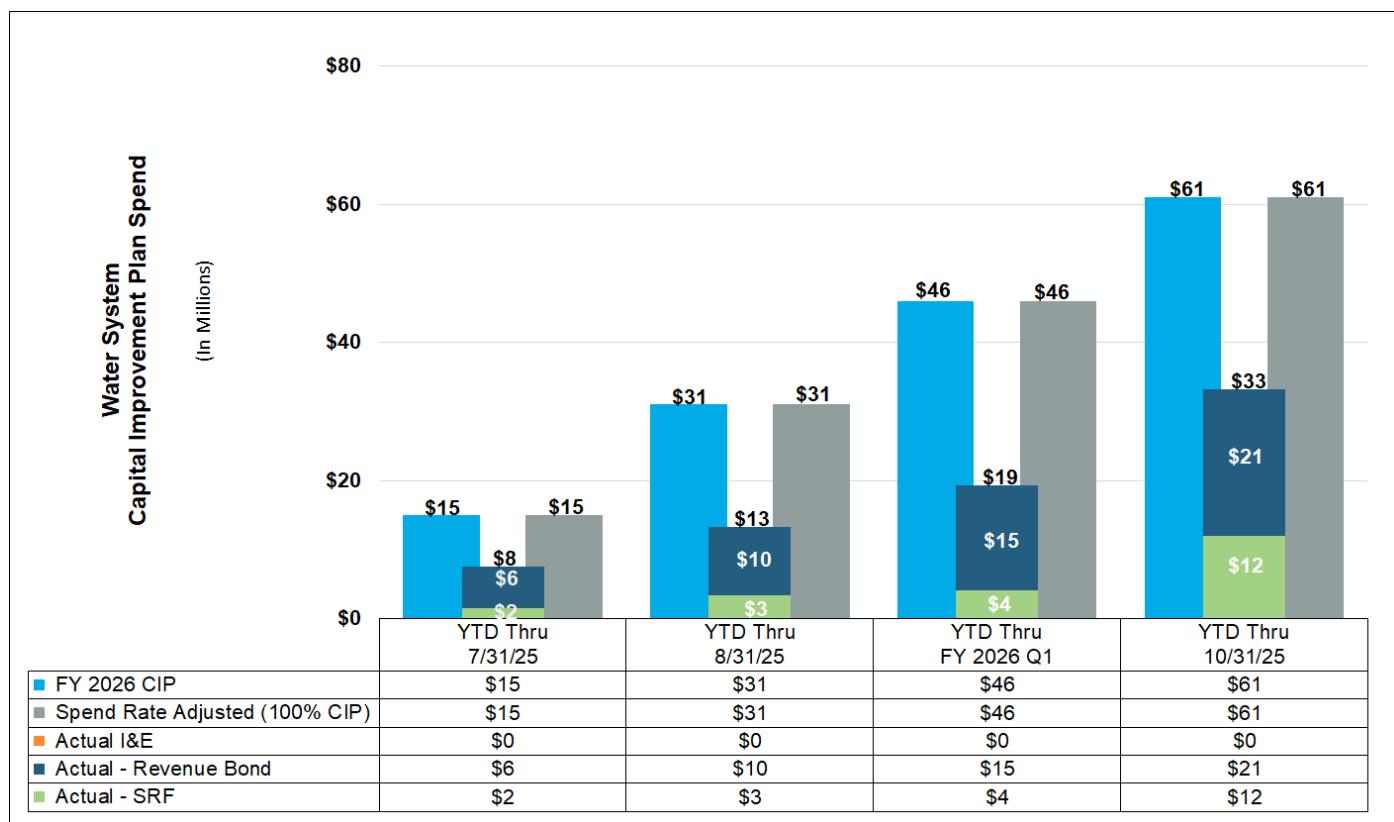
Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

As of October 2025, the water system incurred \$33 million of construction costs to date. This spend represents 54% of the original, Board-approved CIP, and 54% of the Board-reviewed spend rate adjustment.

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

Several projects were delayed early in the fiscal year which have resulted in actual expenses falling below original budget estimates. It is likely there will be an underspending in FY 2026 that will be shifted into FY 2027.

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



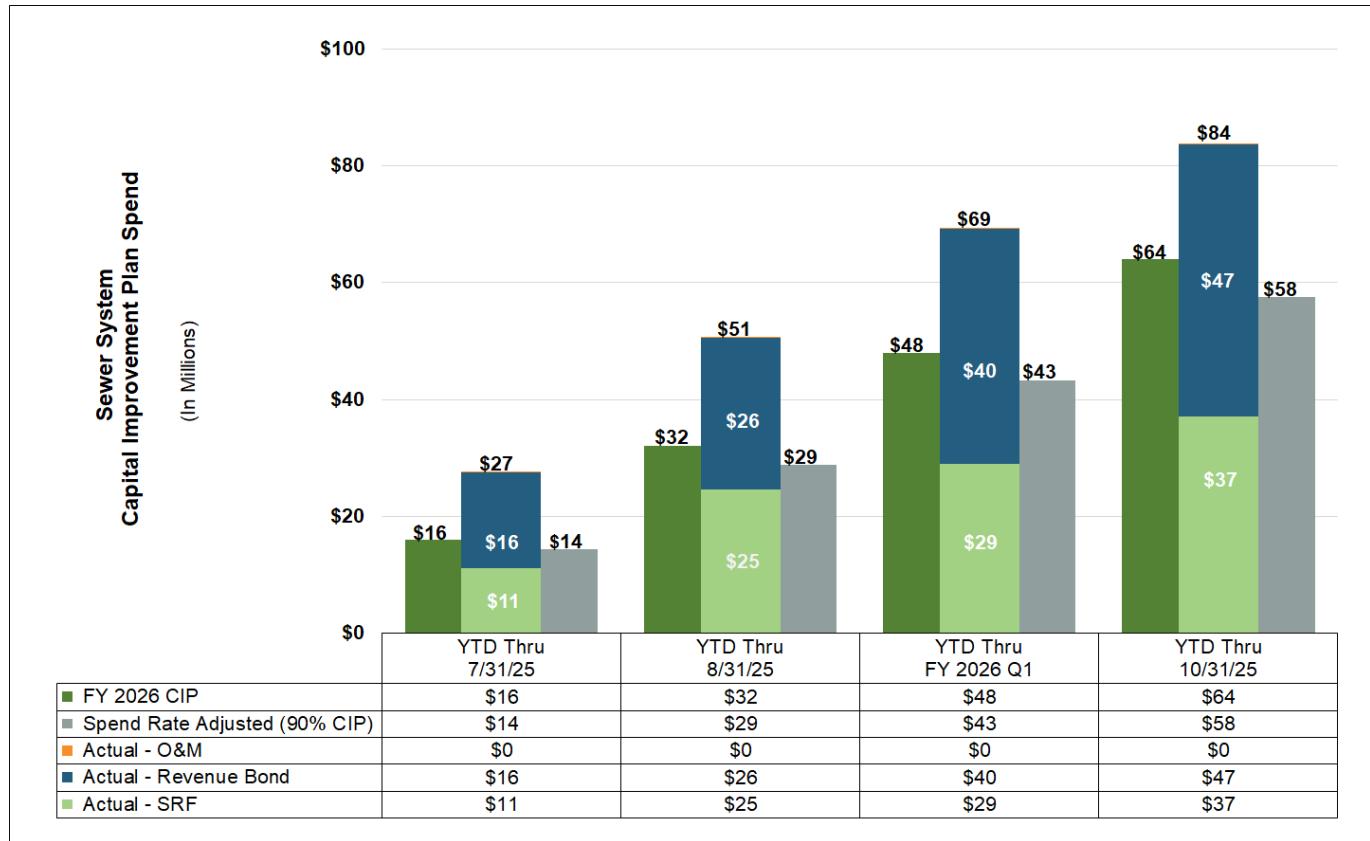
*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

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

As of October 2025, the Sewer system incurred \$84 million of construction costs to date. This spend represents 131% of the original, Board-approved CIP, and 145% of the Board-reviewed spend rate adjustment.

Sewer spending is substantially above plan because a significant increase in SRF funding for FY 2026 has allowed for the acceleration of certain projects originally anticipated later in the CIP and ten-year plan.

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



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

This report includes the following.

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

MBO Transfers to Accounts Held by GLWA

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

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

Table 1 – GLWA FY 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for water totaling \$63.3 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for sewer totaling \$82.4 million have been transferred to GLWA accounts.

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

Table 1 – GLWA FY 2026 Water MBO Transfers

WATER								
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	Budget Stabilization (For Benefit of DWSD)	Extraordinary Replacement (ER&R)	Repair & Replacement (ER&R)	Total Water
FY 2026								
July 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
August 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
September 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
October 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
November 2025								
December 2025								
January 2026								
February 2026								
March 2026								
April 2026								
May 2026								
June 2026								
Total FY 2026	\$ 60,818,668	\$ -	\$ 1,553,068	\$ 971,800	\$ -	\$ -	\$ -	\$ 63,343,536

Table 2 – GLWA FY 2026 Sewer MBO Transfers

SEWER								
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	Budget Stabilization (For Benefit of DWSD)	Extraordinary Replacement (ER&R)	Repair & Replacement (ER&R)	Total Sewer
FY 2026								
July 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
August 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
September 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
October 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
November 2025								
December 2025								
January 2026								
February 2026								
March 2026								
April 2026								
May 2026								
June 2026								
Total FY 2026	\$ 78,699,568	\$ -	\$ 2,373,400	\$ 1,355,332	\$ -	\$ -	\$ -	\$ 82,428,300

Table 3 – GLWA MBO Transfer History

WATER									
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Water</u>		
Total FY 2016	\$ 71,052,000	\$ 6,037,100	\$ 10,297,200	\$ 1,983,300	\$ 2,326,900	\$ 606,000	\$ 92,302,500		
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-		130,651,200	
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-		140,465,700	
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-		140,367,300	
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-		145,564,691	
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-		153,195,200	
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-		163,054,100	
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000		178,303,200	
Total FY 2024	168,873,100	-	2,568,700	2,710,200	50,000	2,836,000		177,038,000	
Total FY 2025	182,227,100	-	2,820,700	2,763,800	(50,000)	2,144,000		189,905,600	
<i>Total FY 2026 (year to date)</i>	<i>60,818,668</i>	<i>-</i>	<i>1,553,068</i>	<i>971,800</i>	<i>-</i>	<i>-</i>		<i>63,343,536</i>	
Life to Date	\$ 1,399,624,680	\$ 48,362,300	\$ 91,711,043	\$ 24,020,104	\$ 2,686,900	\$ 7,786,000		\$ 1,574,191,027	
SEWER									
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	<u>Budget Stabilization (For Benefit of DWSD)</u>	<u>Extraordinary Repair & Replacement (ER&R)</u>	<u>Total Sewer</u>		
Total FY 2016	\$ 100,865,600	\$ 10,838,400	\$ 14,025,800	\$ 2,523,400	\$ 5,591,700	\$ 779,600	\$ 134,624,500		
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-		206,032,800	
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-		219,351,696	
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-		219,461,884	
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-		210,324,617	
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-		211,571,800	
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-		221,288,700	
Total FY 2023	204,122,500	10,824,000	14,687,400	3,673,800	-	-		233,307,700	
Total FY 2024	224,873,500	-	3,914,500	3,836,402	150,000	-		232,774,402	
Total FY 2025	235,191,600	-	4,701,200	3,903,701	(150,000)	345,000		243,991,500	
<i>Total FY 2026 (year to date)</i>	<i>78,699,568</i>	<i>-</i>	<i>2,373,400</i>	<i>1,355,332</i>	<i>-</i>	<i>-</i>		<i>82,428,300</i>	
Life to Date	\$ 1,957,900,760	\$ 86,620,800	\$ 127,166,509	\$ 34,099,131	\$ 8,246,100	\$ 1,124,600		\$ 2,215,157,899	

MBO Required and Lease Payment Transfers to DWSD

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

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

Table 4 – DWSD FY 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for Water totaling \$24.1 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through September 2025. MBO transfers for Sewer totaling \$29.2 million have been transferred to accounts held by DWSD.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

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

Table 4 – DWSD FY 2026 Water MBO Transfers

WATER					
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>	
FY 2026					
July 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
August 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
September 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
October 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
November 2025					
December 2025					
January 2026					
February 2026					
March 2026					
April 2026					
May 2026					
June 2026					
Total FY 2026	\$ 16,561,332	\$ -	\$ 7,500,000	\$ 24,061,332	

Table 5 – DWSD FY 2026 Sewer MBO Transfers

SEWER					
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>	
FY 2026					
July 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
August 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
September 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
October 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
November 2025					
December 2025					
January 2026					
February 2026					
March 2026					
April 2026					
May 2026					
June 2026					
Total FY 2026	\$ 20,034,768	\$ -	\$ 9,166,668	\$ 29,201,436	

Table 6 – DWSD Water MBO and Lease Payment Transfer History

WATER					
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water	
FY 2016 *					
MBO/Lease Requirement	\$ 26,185,600	\$ 4,262,700	\$ 22,500,000	\$ 52,948,300	
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)	
Total MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400	
FY 2017					
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800	
FY 2018					
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704	
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)	
Total MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704	
FY 2019					
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300	
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)	
Total MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100	
FY 2020					
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400	
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)	
Total MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400	
FY 2021					
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900	
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)	
Total MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600	
FY 2022					
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000	
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)	
Total MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600	
FY 2023					
MBO/Lease Requirement	42,581,600	4,272,000	22,500,000	69,353,600	
Offset to Debt Service	-	-	(2,922,100)	(2,922,100)	
Total MBO Transfer	42,581,600	4,272,000	19,577,900	66,431,500	
FY 2024					
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	44,776,800	-	22,500,000	67,276,800	
FY 2025					
MBO/Lease Requirement	46,468,700	-	22,500,000	68,968,700	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	46,468,700	-	22,500,000	68,968,700	
FY 2026(year to date)					
MBO/Lease Requirement	16,561,332	-	7,500,000	24,061,332	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	16,561,332	-	7,500,000	24,061,332	
Life-to-Date					
MBO/Lease Requirement	381,199,736	34,157,100	232,500,000	647,856,836	
Offsets	-	-	(31,847,900)	(31,847,900)	
Total Water	\$ 381,199,736	\$ 34,157,100	\$ 200,652,100	\$ 616,008,936	

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

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

SEWER					
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer	
FY 2016 *					
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100	
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)	
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600	
FY 2017					
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600	
FY 2018					
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992	
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)	
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328	
FY 2019					
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920	
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)	
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920	
FY 2020					
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500	
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)	
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)	
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800	
FY 2021					
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700	
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)	
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500	
FY 2022					
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453	
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)	
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703	
FY 2023					
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400	
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)	
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100	
FY 2024					
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704	
FY 2025					
MBO/Lease Requirement	57,356,900	-	27,500,000	84,856,900	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	57,356,900	-	27,500,000	84,856,900	
FY 2026(year to date)					
MBO/Lease Requirement	20,034,768	-	9,166,668	29,201,436	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	20,034,768	-	9,166,668	29,201,436	
Life-to-Date					
MBO/Lease Requirement	556,649,780	22,859,800	284,166,672	862,754,705	
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)	
Total Sewer	\$ 549,549,780	\$ 22,859,800	\$ 232,386,011	\$ 804,795,591	

* 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:

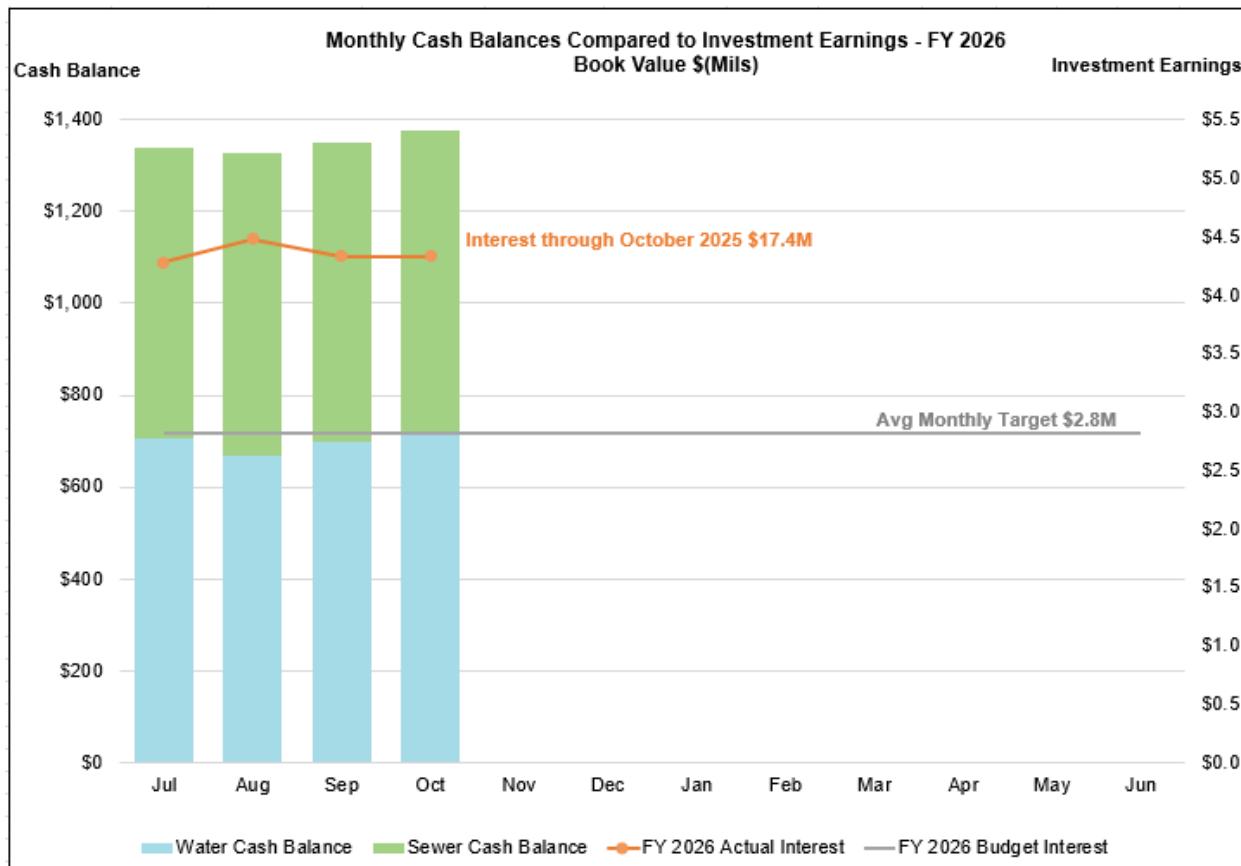
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 October 2025, GLWA earned investment income of \$4.3 million and cumulative FY 2026 earnings through October 2025 of \$17.4 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

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



All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2025

\$(Mils)	July	August	September	October
Water	707	667	697	719
Sewer	633	659	655	659
Total	1,340	1,326	1,352	1,377
Investment Income	4.3	4.5	4.3	4.3

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

Cash Balance Detail

Funds Held By GLWA: GLWA cash balances are held in accounts as defined by the Master Bond Ordinance. The accounts are funded by monthly transfers, as stipulated in the MBO, on the first business day of each month. The “operations and maintenance” (O&M) fund transfer amounts are based upon the annual O&M budget approved by the GLWA Board of Directors for the regional systems and by the Board of Water Commissioners for the Detroit Water & Sewerage Department (DWSD) local system budgets. The water and sewer funds held by GLWA and their purpose, as defined by the MBO, are listed below.

Funds Held Within Trust:

- Receiving – all retail and wholesale revenues collected which are distributed in subsequent month(s)
- Debt Service – funds set aside for debt service and debt reserve requirements
- Pension Obligation – funds set aside to meet GLWA’s annual funding requirements for the legacy General Retirement System Pension Plan
- Water Residential Assistance Program (WRAP) – funds set aside to be used to provide financial assistance to qualified residents throughout the local and regional water system as directed by program guidelines
- Budget Stabilization – funds held by GLWA on behalf of DWSD that can be applied against shortfalls in retail revenues
- Emergency Repair & Replacement (ER&R) – funds set aside to pay the costs for major unanticipated repairs and replacements of the local and regional systems
- Improvement & Extension (I&E) – funds set aside to be used for the improvements, enlargements, and extensions of the regional system

Funds Held Outside Trust:

- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system

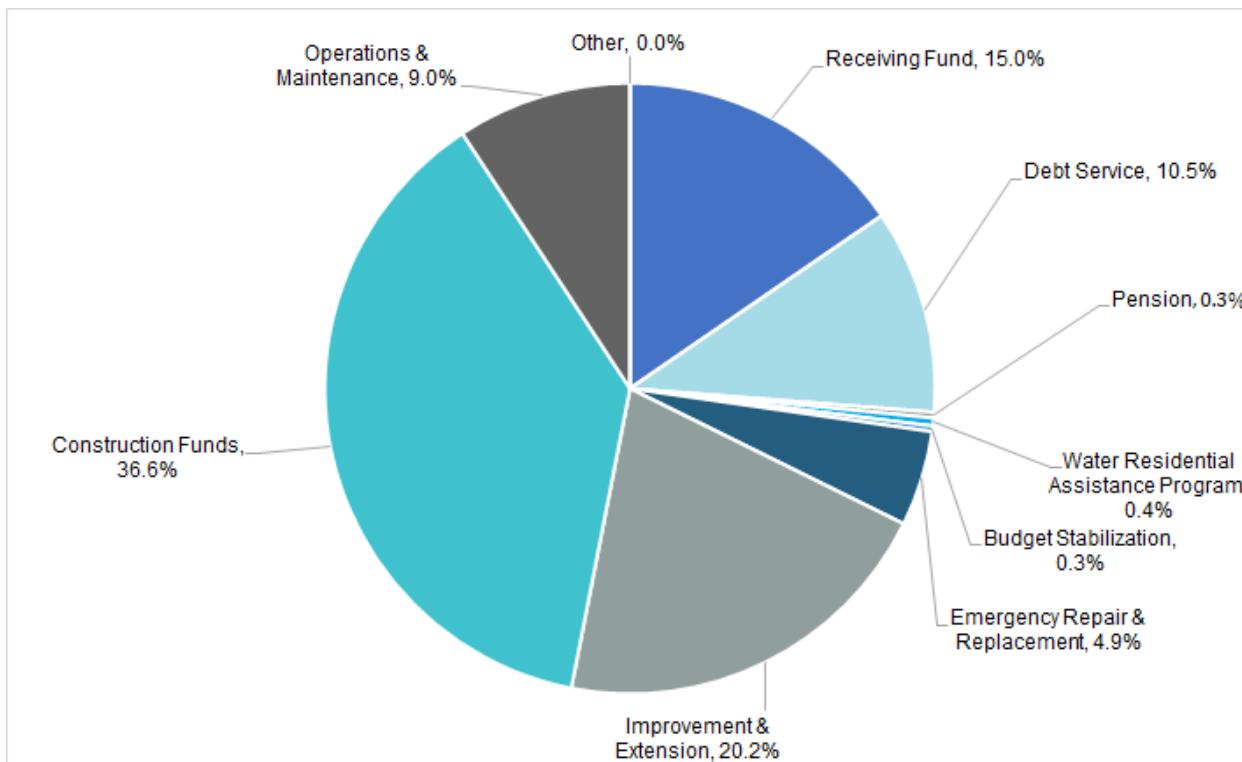
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint, and capital contribution funds provided by the Evergreen Farmington Sewer District recognized as related project work is completed

A [chart](#) depicting the follow of funds is online at glwater.org as well as the [MBO](#) documents.

Chart 2 – Cash Balances - Water Funds as of October 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 October 2025 is \$719 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

GLWA completed a bond transaction of \$231.8 million in June 2025 to support water system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

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

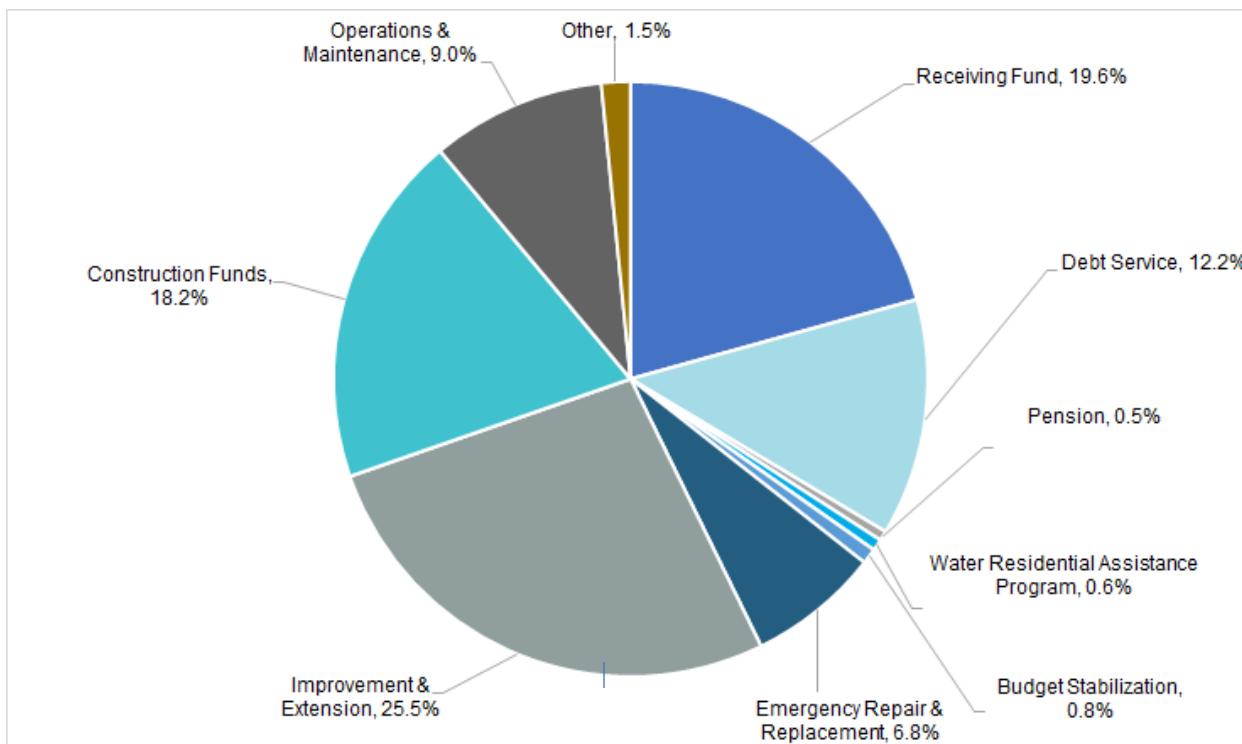


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of October 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 October 2025 is \$659 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

In conjunction with the Water Fund transaction, GLWA completed a bond transaction of \$51.7 million in June 2025 to support sewage disposal system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

Chart 3 – Cash Balances - Sewer Funds as of October 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 2026 water usage and billed revenue which are provided by DWSD staff. As of October 31, 2025, the DWSD usage was 99.86% of the budget and billed revenue was 98.48% 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 Billing								
Retail Water Customers								
Month (1)	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (2) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
1 July	244,000	12,892,300	236,214	12,041,875	(7,786)	(850,425)	226,703	11,590,136
2 August	263,000	13,853,800	272,574	14,148,381	9,574	294,581	240,621	12,171,324
3 September	251,000	13,253,400	237,179	12,513,086	(13,821)	(740,314)	238,868	12,205,143
4 October	216,000	11,549,800	226,626	12,063,899	10,626	514,099	216,527	11,222,004
5 November	212,000	11,324,500					212,832	11,115,046
6 December	203,000	10,882,100					212,252	11,100,382
7 January	198,000	10,646,500					190,716	10,661,000
8 February	212,000	11,339,300					222,769	11,469,800
9 March	207,000	11,091,000					229,724	11,649,351
10 April	208,000	11,145,700					222,774	11,403,695
11 May	198,000	10,642,800					209,658	10,767,180
12 June	216,000	11,518,900					219,077	11,249,137
Total	2,628,000	140,140,100	972,594	50,767,242	(1,406)	(782,058)	2,642,521	136,604,198
Subtotals YTD	974,000	51,549,300	972,594	50,767,242	(1,406)	(782,058)		
<i>Achievement of Budget</i>			99.86%		98.48%			

(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
November	8,572,356	10,499,606	(1,927,250)	-18.36%
December	10,277,979	13,663,688	(3,385,709)	-24.78%
January	10,935,031	8,506,008	2,429,023	28.56%
February	9,632,511	8,996,740	635,771	7.07%
March	9,132,694	15,842,538	(6,709,844)	-42.35%
April	11,714,224	13,840,518	(2,126,294)	-15.36%
May	11,107,278	5,960,146	5,147,132	86.36%
June	10,096,555	9,045,195	1,051,360	11.62%
July	16,948,502	12,645,121	4,303,381	34.03%
August	10,140,353	10,203,737	(63,384)	-0.62%
September	11,666,527	10,837,378	829,148	7.65%
October	12,781,574	12,110,080	671,494	5.54%
Rolling, 12-Month Total	133,005,582	132,150,755		
Rolling, 12-Month Average	11,083,799	11,012,563		

DWSD Retail Sewer Billings and Collections

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

Table 3 - DWSD Retail Sewer Billings shows the FY 2026 sewer billed revenue which is provided by DWSD staff. As of October 31, 2025, the DWSD usage was at 96.72% of the budget and billed revenue was at 97.00% 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

Month (1)	RETAIL SEWER CUSTOMERS							
	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume Mcf	Revenue \$	Volume (2) Mcf	Revenue (3) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
July	204,000	30,924,900	192,183	28,662,775	(11,817)	(2,262,125)	173,084	26,350,527
August	198,000	30,551,600	203,783	31,930,819	5,783	1,379,219	195,207	28,301,325
September	213,000	31,445,600	193,046	29,790,797	(19,954)	(1,654,803)	198,474	28,536,169
October	182,000	29,612,100	181,876	28,479,034	(124)	(1,133,066)	181,932	28,141,699
November	180,000	29,458,600					171,499	28,166,266
December	176,000	29,233,100					192,915	28,831,326
January	156,000	28,015,300					140,835	26,273,695
February	181,000	29,507,800					182,920	28,075,547
March	174,000	29,074,500					184,249	28,353,310
April	173,000	29,059,800					176,337	27,741,237
May	172,000	28,967,700					178,327	27,806,874
June	179,500	29,415,100					181,839	28,059,145
Total	2,188,500	355,266,100	770,887	118,863,425	(26,113)	(3,670,775)	2,157,619	334,637,121
Subtotals YTD	797,000	122,534,200	770,887	118,863,425	(26,113)	(3,670,775)		
Achievement of Budget/Goal			96.72%	97.00%				

(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
November	23,609,169	25,951,736	(2,342,568)	-9.03%
December	23,914,649	23,249,973	664,676	2.86%
January	26,416,591	26,248,512	168,079	0.64%
February	24,116,823	24,230,304	(113,481)	-0.47%
March	23,871,283	26,438,687	(2,567,405)	-9.71%
April	25,340,397	23,532,381	1,808,016	7.68%
May	22,575,530	22,487,372	88,158	0.39%
June	23,278,350	20,945,929	2,332,421	11.14%
July	35,487,541	36,297,569	(810,027)	-2.23%
August	27,119,685	22,591,511	4,528,174	20.04%
September	28,474,877	22,367,425	6,107,452	27.31%
October	28,509,554	25,231,098	3,278,456	12.99%
Rolling 12-Month Total	312,714,449	299,572,497		
Rolling, 12-Month Average	26,059,537	24,964,375		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

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

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

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

The Total Balance and Total Bad Debt Allowance as of October 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			
		Total	Allowance	Net	Days in AR (1)
June 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024 (3)	39,029,000	324,867,000	(249,922,000)	74,944,000	58
June 30, 2025 (2)(4)	40,227,000	381,752,000	(310,878,000)	70,873,000	53
October 31, 2025	42,169,000	392,590,000	(332,848,000)	59,742,000	43

Totals may be off due to rounding

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

(2) The annual AR Tax Roll Transfer totaling \$25,890,000 was made in October 2024.

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

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

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	948.65	13,153,000 5.7%	9,415,000 4.1%	27,918,000 12.0%	181,941,000 78.3%	232,426,000 100.0%
Commercial	1,281.53	6,650,000 18.0%	2,339,000 6.3%	5,777,000 15.6%	22,210,000 60.1%	36,976,000 100.0%
Industrial	2,972.92	3,724,000 20.3%	1,262,000 6.9%	2,807,000 15.3%	10,572,000 57.6%	18,364,000 100.0%
Tax Exempt	470.87	4,299,000 18.4%	1,091,000 4.7%	2,579,000 11.0%	15,431,000 65.9%	23,401,000 100.0%
Government	2,428.91	3,813,000 19.6%	1,389,000 7.1%	2,425,000 12.5%	11,811,000 60.8%	19,439,000 100.0%
Drainage	-	-	-	-	-	-
Subtotal - Active Accounts	978.88	31,639,000 9.6%	15,495,000 4.7%	41,506,000 12.6%	241,965,000 73.2%	330,605,000 100.0%
Inactive Accounts	156.09	83,000 0.1%	153,000 0.2%	1,353,000 2.2%	60,396,000 97.4%	61,985,000 100.0%
Total	534.24	31,722,000	15,648,000	42,859,000	302,362,000	392,590,000
% of Total A/R		8.1%	4.0%	10.9%	77.0%	100.0%
Water Fund	115.76	9,050,000	3,816,000	10,593,000	61,606,000	85,065,000
Sewer Fund	418.48	22,672,000	11,832,000	32,266,000	240,756,000	307,525,000
Total Oct 31, 2025 (a)	534.24	31,722,000	15,648,000	42,859,000	302,362,000	392,590,000
Water Fund- Allowance						(66,898,000)
Sewer Fund- Allowance						(265,950,000)
Total- Bad Debt Allowance						(332,848,000)
Comparative - Oct 2024 (b)	651.21	35,991,000	22,174,000	50,471,000	244,262,000	352,897,000
Difference (a) - (b)		(4,269,000)	(6,526,000)	(7,611,000)	58,100,000	39,693,000

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

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

Wholesale Water Billings and Collections

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

Service Arrangement Type	
Model Contract	85
Emergency	0
Older Contracts	2
Total	<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 2026 water billed usage and revenues. As of October 31, 2025, the billed usage was at 103.05% of the original plan and billed revenue at 101.72% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2026 Budget.

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

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

Table 1 – FY 2026 Wholesale Water Billings Report

WHOLESALE WATER CHARGES

	FY 2026 Charges (2)		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	Volume	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,459,700	35,523,100	1,443,326	35,332,100	(16,374)	(191,000)	1,347,527	32,449,201
August	1,327,600	33,953,000	1,389,530	34,819,742	61,930	866,742	1,297,169	31,979,686
September	1,270,300	33,143,000	1,322,813	33,872,313	52,513	729,313	1,315,030	32,104,405
October	1,040,600	30,218,400	1,098,074	31,097,156	57,474	878,756	1,051,234	28,946,404
November	887,200	28,529,400					872,926	26,975,632
December	962,000	29,287,500					866,671	27,877,869
January	977,400	29,446,100					989,175	28,114,300
February	873,200	28,325,000					888,053	27,055,774
March	946,800	29,098,400					966,088	27,862,863
April	905,200	28,703,100					928,903	27,482,932
May	1,099,400	31,132,100					1,049,087	28,969,431
June	1,393,800	34,734,300					1,325,550	32,157,894
Total	13,143,200	372,093,400	5,253,743	135,121,311	155,543	2,283,811	12,897,411	351,976,391
<i>Subtotals YTD</i>	5,098,200	132,837,500	5,253,743	135,121,311	155,543	2,283,811		

Achievement of Original Plan 103.05% 101.72%

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

(2) Charges are based on the approved FY 2026 water supply system charge schedule.

(2) Charges are based on the approved 1/1/2020 water supply system charge schedule.
 (3) Water Revenues differ from Table 1A within the budget to actual analysis section because amounts are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract in Table 1A.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
November	29,728,772	35,490,010	(5,761,238)	-16.23%
December	33,080,276	28,246,829	4,833,447	17.11%
January	28,917,330	24,448,936	4,468,394	18.28%
February	25,874,160	29,100,065	(3,225,905)	-11.09%
March	26,649,141	24,740,554	1,908,587	7.71%
April	25,622,706	26,856,179	(1,233,473)	-4.59%
May	26,976,277	25,838,255	1,138,022	4.40%
June	25,164,355	24,182,036	982,319	4.06%
July	30,792,996	30,278,936	514,060	1.70%
August	23,138,830	25,054,796	(1,915,966)	-7.65%
September	40,509,372	31,569,804	8,939,568	28.32%
October	33,195,865	29,858,946	3,336,919	11.18%
Rolling 12-Month Total	349,650,080	335,665,346		
Rolling, 12-Month Average	29,137,507	27,972,112		

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 2026 sewer billed revenue. As of October 31, 2025, the billed revenue reflects 100.00% of the original plan.

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

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

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending above the twelve-month period ending October 31, 2025.

Table 3 – FY 2026 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES									
Month (1)	FY 2026 Charges		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals		
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue	
Month (1)	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume Mcf	Revenue \$	
July	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
August	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
September	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
October	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
November	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
December	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
January	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
February	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
March	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
April	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
May	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
June	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
Total	299,191,200		99,730,400		-		286,606,800		
Subtotals YTD		99,730,400		99,730,400		-			
<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
November	33,933,304	27,958,885	5,974,419	21.37%
December	23,958,644	21,351,498	2,607,146	12.21%
January	23,850,161	21,117,470	2,732,691	12.94%
February	23,509,614	27,856,400	(4,346,786)	-15.60%
March	24,230,161	23,460,900	769,261	3.28%
April	24,138,802	18,685,600	5,453,202	29.18%
May	23,965,586	28,363,300	(4,397,714)	-15.50%
June	24,053,386	23,300,100	753,286	3.23%
July	19,273,207	18,438,961	834,246	4.52%
August	28,754,028	13,987,797	14,766,231	105.57%
September	28,754,500	25,450,281	3,304,219	12.98%
October	28,120,360	13,037,715	15,082,645	115.68%
Rolling 12-Month Total	306,541,753	263,008,907		
Rolling, 12-Month Average	25,545,146	21,917,409		

Wholesale Water & Sewer Accounts Receivable Aging Summary

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

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

Table 6 - Wholesale Accounts Receivable Aging Summary, Net Dearborn is the same summary *without* the past due balances for Dearborn. Four water accounts comprise the past due balance of \$489,935 reported of which \$67,963 was paid in November and \$421,972 in December.

All sewer accounts are current in October. The IWC past due balance reflects four accounts totaling \$10,730 of which \$6,096 was paid in November and \$267 was paid in December. The Billing Team continues to work with the member partner on the remaining \$4,367 unpaid balance. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Summary

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	52,948,455	44,148,809	365,010	185,295	64,167	8,185,175
Sewer	8,107,000	8,107,000	-	-	-	-
IWC	640,115	629,385	4,722	2,303	-	3,705
Pollutant	836,404	775,343	36,332	3,827	1,753	19,149
Total	62,531,975	53,660,537	406,065	191,424	65,920	8,208,029
	100.00%	85.81%	0.65%	0.31%	0.11%	13.13%

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

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	43,319,055	42,829,120	300,844	121,128	-	67,963
Sewer	8,107,000	8,107,000	-	-	-	-
IWC	640,115	629,385	4,722	2,303	-	3,705
Pollutant	836,404	775,343	36,332	3,827	1,753	19,149
Total	52,902,574	52,340,848	341,898	127,258	1,753	90,817
	100.00%	98.94%	0.65%	0.24%	0.00%	0.17%

Note: percentages vary from 100% due to rounding.

The Monthly Trust Receipts & Disbursements Report includes the following.

1. GLWA Trust Receipts & Disbursements – Net Cash Flows and Receipts
2. DWSD Trust Receipts & Disbursements – Net Cash Flows and Receipts
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

GLWA Trust Receipts & Disbursements

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

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

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

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund receipts exceeded required disbursements by 9% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 13% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2021.

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

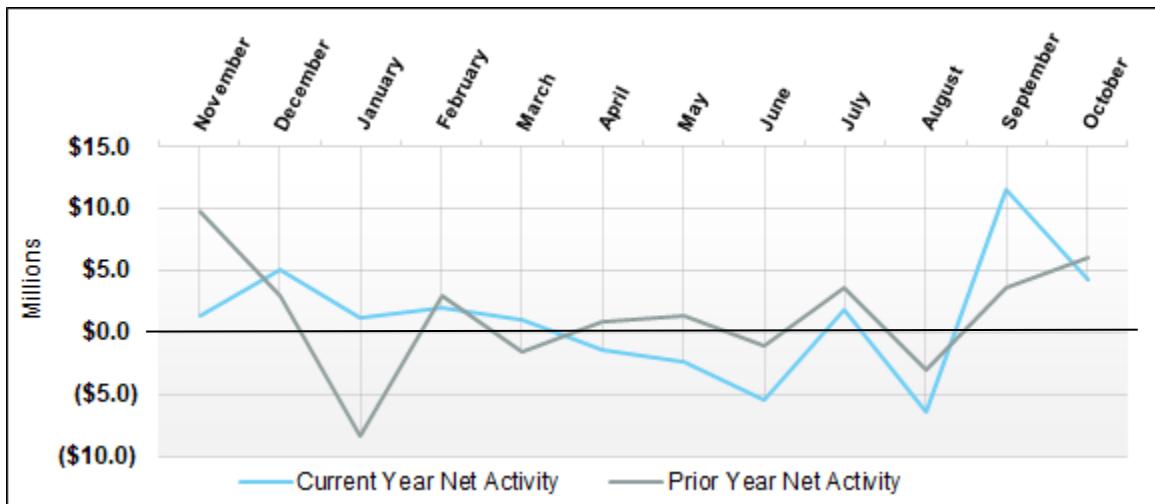
Chart 2 – GLWA 12-Month Net Receipts – Sewer outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior years. The black line at zero highlights the minimum goal for net receipts.

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through October 31
Water					
1 Receipts	338,117,694	363,335,474	374,252,221	379,199,823	140,789,238
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	338,117,694	363,335,474	374,252,221	379,199,823	140,789,238
4 Disbursements	(316,495,360)	(349,186,375)	(353,639,121)	(367,467,244)	(129,579,656)
5 Receipts Net of Required Transfers	21,622,334	14,149,099	20,613,100	11,732,579	11,209,582
6 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(8,289,600)	(5,000,000)
7 Net Receipts	(5,000,528)	4,250,999	(8,005,400)	3,442,979	6,209,582
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	104%	106%	103%	109%
Sewer					
9 Receipts	471,979,297	498,888,416	506,731,576	508,344,972	185,239,485
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	471,979,297	498,888,416	506,731,576	508,344,972	185,239,485
12 Disbursements	(450,701,751)	(473,516,238)	(477,450,794)	(481,372,746)	(164,251,500)
13 Receipts Net of Required Transfers	21,277,546	25,372,178	29,280,782	26,972,226	20,987,985
14 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(31,570,300)
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	8,296,578	-	-	-	-
17 Net Receipts	(8,077,664)	(1,394,022)	16,812,782	15,517,226	(10,582,315)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	105%	105%	106%	106%	113%
Combined					
19 Receipts	810,096,991	862,223,890	880,983,797	887,544,795	326,028,723
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	810,096,991	862,223,890	880,983,797	887,544,795	326,028,723
22 Disbursements	(767,197,111)	(822,702,613)	(831,089,915)	(848,839,991)	(293,831,156)
23 Receipts Net of Required Transfers	42,899,880	39,521,277	49,893,882	38,704,805	32,197,567
24 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(19,744,600)	(36,570,300)
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	8,296,578	-	-	-	-
27 Net Receipts	(13,078,192)	2,856,977	8,807,382	18,960,205	(4,372,733)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	106%	105%	106%	105%	111%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026

Chart 1 – GLWA 12-Month Net Receipts – Water

Chart 2 – GLWA 12-Month Net Receipts – Sewer


DWSD Trust Receipts & Disbursements

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

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

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

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund receipts exceeded required disbursements by 21% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 9% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 15% through October 31, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 5% since July 1, 2021.

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 through October 31
Water					
1 Receipts	101,964,963	123,766,624	123,818,287	127,313,152	51,543,457
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	101,964,963	123,766,624	123,818,287	127,313,152	51,543,457
4 Disbursements	(94,495,601)	(117,666,100)	(117,290,591)	(119,923,334)	(42,593,576)
5 Receipts Net of Required Transfers	7,469,362	6,100,524	6,527,696	7,389,818	8,949,881
6 I&E Transfer	-	-	-	(8,000,000)	-
7 Net Receipts	7,469,362	6,100,524	6,527,696	(610,182)	8,949,881
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	108%	105%	106%	106%	121%
Sewer					
9 Receipts	291,280,896	298,897,942	296,088,194	299,683,584	119,624,000
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	291,280,896	298,897,942	296,088,194	299,683,584	119,624,000
12 Disbursements	(285,256,000)	(283,095,100)	(288,119,517)	(299,393,959)	(104,081,810)
13 Receipts Net of Required Transfers	6,024,896	15,802,842	7,968,677	289,624	15,542,190
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	6,024,896	15,802,842	7,968,677	289,624	15,542,190
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	102%	106%	103%	100%	115%
Combined					
18 Receipts	393,245,859	422,664,566	419,906,481	426,996,735	171,167,457
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	393,245,859	422,664,566	419,906,481	426,996,735	171,167,457
21 Disbursements	(379,751,601)	(400,761,200)	(405,410,108)	(419,317,293)	(146,675,386)
22 Receipts Net of Required Transfers	13,494,258	21,903,366	14,496,373	7,679,442	24,492,070
23 I&E Transfer	-	-	-	(8,000,000)	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	13,494,258	21,903,366	14,496,373	(320,558)	24,492,070
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	105%	104%	102%	117%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026

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

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

Chart 3 – DWSD 12-Month Net Receipts – Water

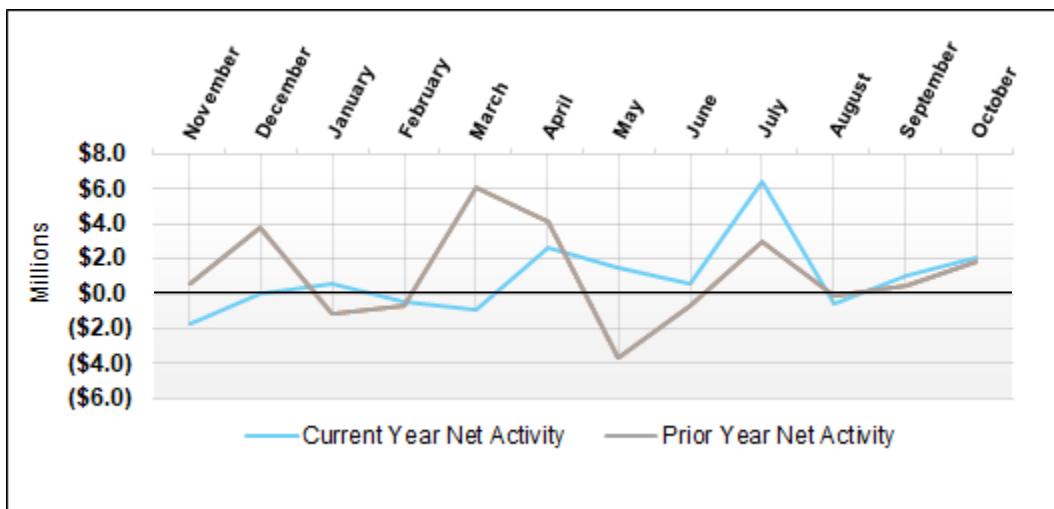


Chart 4 – DWSD 12-Month Net Receipts – Sewer



Combined System Trust Receipts & Disbursements

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

Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund net receipts exceeded required disbursements by 12% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 14% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 through October 31
Water					
1 Receipts	440,082,657	487,102,098	498,070,508	508,868,741	192,332,695
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	440,082,657	487,102,098	498,070,508	508,868,741	192,332,695
4 Disbursements	(410,990,961)	(466,852,475)	(470,929,712)	(487,390,578)	(172,173,232)
Receipts Net of Required					
5 Transfers	29,091,696	20,249,623	27,140,796	21,478,162	20,159,463
6 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(16,289,600)	(5,000,000)
7 Net Receipts	2,468,834	10,351,523	(1,477,704)	5,188,562	15,159,463
Ratio of Receipts to Required					
8 Disbursements (Line 3/Line 4)	107%	104%	106%	104%	112%
Sewer					
9 Receipts	763,260,193	797,785,358	802,819,770	808,374,074	304,863,486
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	763,260,193	797,785,358	802,819,770	808,374,074	304,863,486
12 Disbursements	(735,957,751)	(756,611,338)	(765,570,311)	(780,766,706)	(268,333,310)
Receipts Net of Required					
13 Transfers	27,302,442	41,174,020	37,249,459	27,607,369	36,530,175
14 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(31,570,300)
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	8,296,578	-	-	-	-
17 Net Receipts	(2,052,768)	14,407,820	24,781,459	16,152,369	4,959,875
Ratio of Receipts to Required					
18 Disbursements (Line 11/Line 12)	104%	105%	105%	103%	114%
Combined					
19 Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	497,196,180
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	497,196,180
22 Disbursements	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,268,157,284)	(440,506,542)
Receipts Net of Required					
23 Transfers	56,394,138	61,423,643	64,390,255	49,085,531	56,689,638
24 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(27,744,600)	(36,570,300)
25 Shortfall advance	-	-	-	-	-
26 Shortfall Repayment	8,296,578	-	-	-	-
27 Net Receipts	416,066	24,759,343	23,303,755	21,340,931	20,119,338
Ratio of Receipts to Required					
28 Disbursements (Line 21/Line 22)	105%	105%	105%	104%	113%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Grants Manager

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

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

- ✓ **2023-005 Department of Energy - Hydrothermal Liquefaction Project** - Submitted and received reimbursement request of \$126,783.
- ✓ **2025-005 American Rescue Plan - State Revolving Funded Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)** - Submitted reimbursement request of \$6 million.
- ✓ **2024-009b FY 2024 Environmental Protection Agency Community Grant - Oakwood District Intercommunity Relief Sewer Modifications (CIP Project 222001)** - Received notification of award for \$959,752.
- ✓ **Six FEMA Flood Projects (660076 Springwell Water Treatment Plant, 660110 Fairview Pumping Station, 660118 WRRF, 660133 Puritan Fenkell, 668336 Fairview PS Protective Measures, and 668672 System Wide Emergency Protective Measures)** - Officially closed by FEMA and have been removed from this 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

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.

federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the Authority, or participate in any other way in a federal, state, local, or intergovernmental government program ⁽²⁾.

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

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

Table 1- Pre-award phase includes the process of applying for a grant and the period prior to the signing of the grant agreement between the awarding agency and GLWA.

Table 2 - Award phase reflects the period after the agreement is executed with the awarding agency. In this phase, GLWA becomes responsible for meeting the administrative, financial, and programmatic reporting requirements of the award.

Table 3 - 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.

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

Proposed Action: Receive and file this report.

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

Table 1 – Pre-Award Phase Programs reflects open submissions for FY 2024, FY 2025, and FY 2026 to date. The programs listed under this section do not have a grant agreement between the awarding agency and GLWA at this time, but an application has been submitted, or the funds have been identified in legislation (i.e. earmarks).

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2024-009	3/9/2024	FY 2024 Environmental Protection Agency Community Grant – Pump Station #2 Rack & Grit (CIP Project 211007)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share). Working with Project Manager to develop project workplan.
2025-001	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Assessments	Federal Grant (Reimbursement Basis)	\$80,000	Federal Audit Requirements	Application submitted by GLWA, under review by FEMA.
2025-002	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Professional Training for IT/Security Staff	Federal Grant (Reimbursement Basis)	\$191,194	Federal Audit Requirements	Application submitted by GLWA, under review by FEMA.

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

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-003	12/19/2022	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Received notification of award June 6, 2025.
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Reimbursement request for \$126,783 submitted and received. Total reimbursement of \$783,940 received through Dec 2025.
2023-013	8/06/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201)	Federal pass-through State (Reimbursement Basis)	\$247,650	Federal Audit Requirements	Reimbursement request of \$247,650 submitted in February 2024. Project closeout in progress.
2023-014	8/28/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 Conner Creek Sewer System (CIP Project 260204)	Federal pass-through State (Reimbursement Basis)	\$1,910,621	Federal Audit Requirements	Reimbursement request of \$1,910,621 submitted in February 2024. Project closeout in progress.
2023-015	10/3/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement request of \$90,541 submitted in November 2024. Project closeout in progress.
2023-019	3/3/2021	American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE (CIP Project 122004)	Federal pass-through State (Reimbursement Basis)	\$11,751,730	Federal Audit Requirements	Total reimbursement request received to date \$9.0M.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-023	8/30/2023	I-94 Modernization Project (CIP Project 270001)	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	Wade Trim has been selected as vendor. Kick-off held November 20, 2025
2024-005	12/15/2023	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping/Feasibility Study (design and engineering only – no construction)	Federal pass-through State (Reimbursement Basis)	\$856,000	Federal Audit Requirements	\$856,000 Grant awarded January 2025 – currently on hold.
2024-009b	3/9/2024	FY 2024 Environmental Protection Agency Community Grant – Oakwood District Intercommunity Relief Sewer Modifications (CIP Project 222001)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Received notification of award Dec 30, 2025
2024-011	7/10/2024	Southeast Michigan Flood Study	Federal (Cost Share Only)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1.5M. \$437,417 of Cost Share performed to date
2024-014	6/7/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	\$17,000 Received to date.
2025-004	5/1/2025	Scale-up of Hydrothermal Liquefaction with Supercritical Water Oxidation in an Integrated Biorefinery	Federal Grant (Cost Share)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$250,000. \$11,467 of Cost Share performed to date
2025-005	9/6/2024	American Rescue Plan – State Revolving Funded Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)	Federal pass-through State (Reimbursement Basis)	\$20,000,000	Federal Audit Requirements	Submitted reimbursement request of \$6.0M. Total reimbursement received to date \$14M.
2025-006	5/8/2025	Detroit Employment Solutions Corp (DESC) Apprentice Grant	DESC (Nonprofit)	Reimbursement of \$5,000 per apprentice	None	1st renewal signed October 2025, provides \$5,000 per apprentice. Total received to date \$112,000.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
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	Submitted reimbursement request for \$3,043,694 Nov 2025. Total reimbursement received to date \$4.5M.
2025-008	6/3/2025	Federal Emergency Management Agency (FEMA) COVID-19 DR-4494 Project 953011 - CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$100,398	Federal Audit Requirements	Reimbursement request of \$100,398 submitted June 2025. Project closeout in progress.
2025-009	8/27/2025	State Revolving Fund Drinking Water Initiative - Water Main Replacement & Lead Service Line Replacement (WS742) 7888-01 (DWSD Grant)	State of Michigan Grant	\$2,949,704	State Audit Requirements	Received notification of award August 27, 2025

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

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-002	6/6/2025	FY 2022 Environmental Protection Agency Community Grant – Detroit River Interceptor (CIP Project 222002)	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Funds received as of September 25, 2025. Working with MSP to close out grant.
2023-006	2/22/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 660138 Seven Mile CSO	Federal pass through-State (Reimbursement Basis)	\$46,996	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.

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



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

From: Haran Stanley, Affordability & Assistance Manager

Re: Affordability & Assistance Update

Background: The Great Lakes Water Authority (GLWA) has developed an infographic that outlines key terms, a timeline of water assistance programs, the flow of grant funding, and how GLWA's Water Residential Assistance Program (WRAP) interacts with water assistance grants issued by the Michigan Department of Health and Human Services (MDHHS).

Analysis: In December 2025, this infographic was presented to stakeholder groups, including those who are advocating for water assistance funding in the State of Michigan's fiscal year 2027 appropriations.

Proposed Action: Receive and file this report.



WATER PROGRAM INFOGRAPHICS

December 19, 2025

Updated January 2026

Prepared by: Haran Stanley, Affordability & Assistance Manager



KEY TERMS

- ◆ Community Action Agencies (CAA)
- ◆ Great Lakes Water Authority (GLWA)
- ◆ Water Residential Assistance Program (WRAP)
- ◆ Oakland County Water Resource Commissioner (WRC)
- ◆ Hardship Assistance Program (HAP)
- ◆ Bill Credits = Current bill
- ◆ Arrearage Payment = Past bill
- ◆ Nonprofit Organizations (NPO)
- ◆ Michigan Department of Health and Human Services (MDHHS)
- ◆ Funder = Grantor (e.g., MDHHS, GLWA, WRC)
- ◆ Categorical Eligibility = automatic qualification if the household received benefits from an eligible program.



PURPOSE

This report is to share water program perspectives with stakeholders

CAA and Households

- CAAs are approached by households that often have multiple needs. CAAs create a single point of contact to provide help.
- When utilizing water assistance grants/programs that overlap, the funds that expire soonest are used first.
- Since there is no expiration for WRAP, and the funding is sustainable, it is sometimes the secondary source. This results in funds “carrying forward” from one year to the next.
- WRAP carryover funds are also needed to provide cash flow to pay water bills that come due over the course of the next year for households enrolled today.

State to CAA

- The State awards grants, often on a competitive basis, to CAAs to coordinate eligibility with needs assessments.
- Most CAAs use grant funds before the local or regional programs due to limited funding and availability.
- CAAs are reimbursed by the state after providing service. The CAAs receive payment based on reports that identify the services provided. This timing difference can make it look like state funds are unspent when they are actually committed 100%.

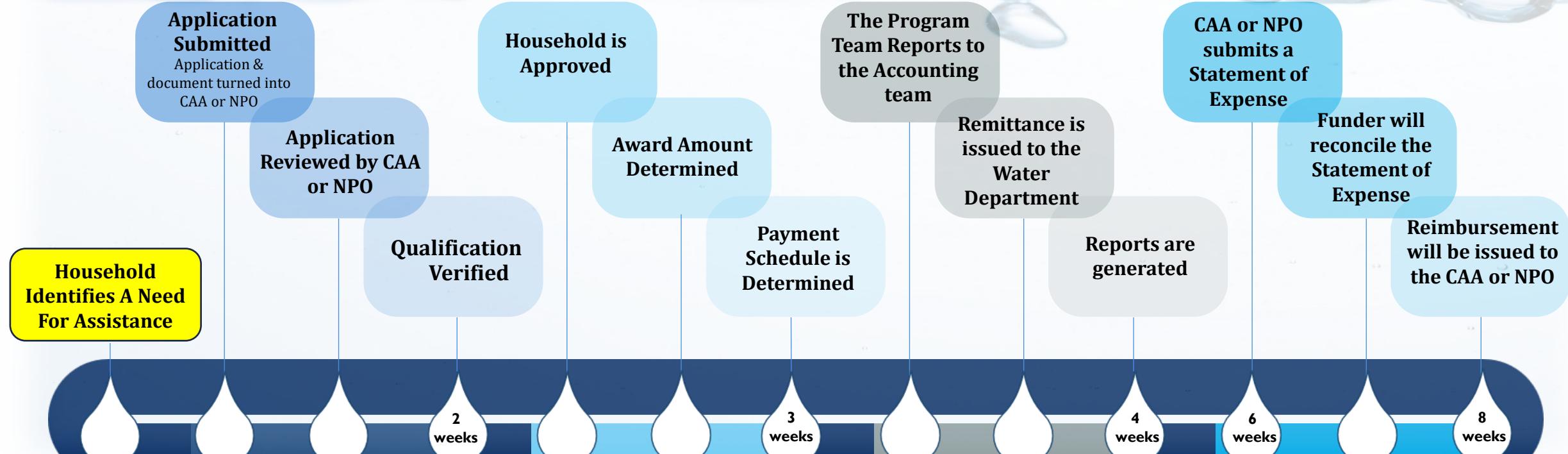


WHAT YOU SHOULD KNOW ABOUT WATER PROGRAMS

- Categorical eligibility allows for a simple application process. (i.e., *FIP/TANF, FAP/SNAP, SER, SSI, WAP).
- Some CAAs limit the number of grant awards a household can receive within a program year.
- The amount of bill credits is determined based on the annual household income and water and/or sewer bills. Making the credit unique to the household.
- The household is expected to make a timely payment for its portion of the bill.
- High water usage often prompts home water audits to identify plumbing repairs.
- A licensed contractor performs plumbing repairs.
- Being enrolled in an assistance program helps prevent the household from having its water shut off and allows the utility to collect payment.

*Family Independence Program/Temporary Assistance for Needy Families (FIP/TANF), Food Assistance Program/Supplemental Nutrition Assistance Program (FAP/SNAP), State Emergency Relief (SER), Social Security Supplemental Income (SSI), Weatherization Assistance Program (WAP).

TIMELINE FROM HOUSEHOLD ENROLLMENT TO AWARD PAYMENT



Timeline is for illustrative purposes only. Program timelines may differ for various reasons.

Application Stage

- Households must apply based on their service area.
- Currently, CAAs administer state and federal grants.
- WRAP uses CAAs and NPOs to administer the program.

Award Issuance

- Households must agree to the terms of the program.
- The water department is notified of the household's participation.
- The payment schedule is determined.

Payment

- CAA or NPO will share a remittance list with the water department.
- Payments are posted on the household's behalf, considering monthly, bimonthly, and quarterly billing cycles.

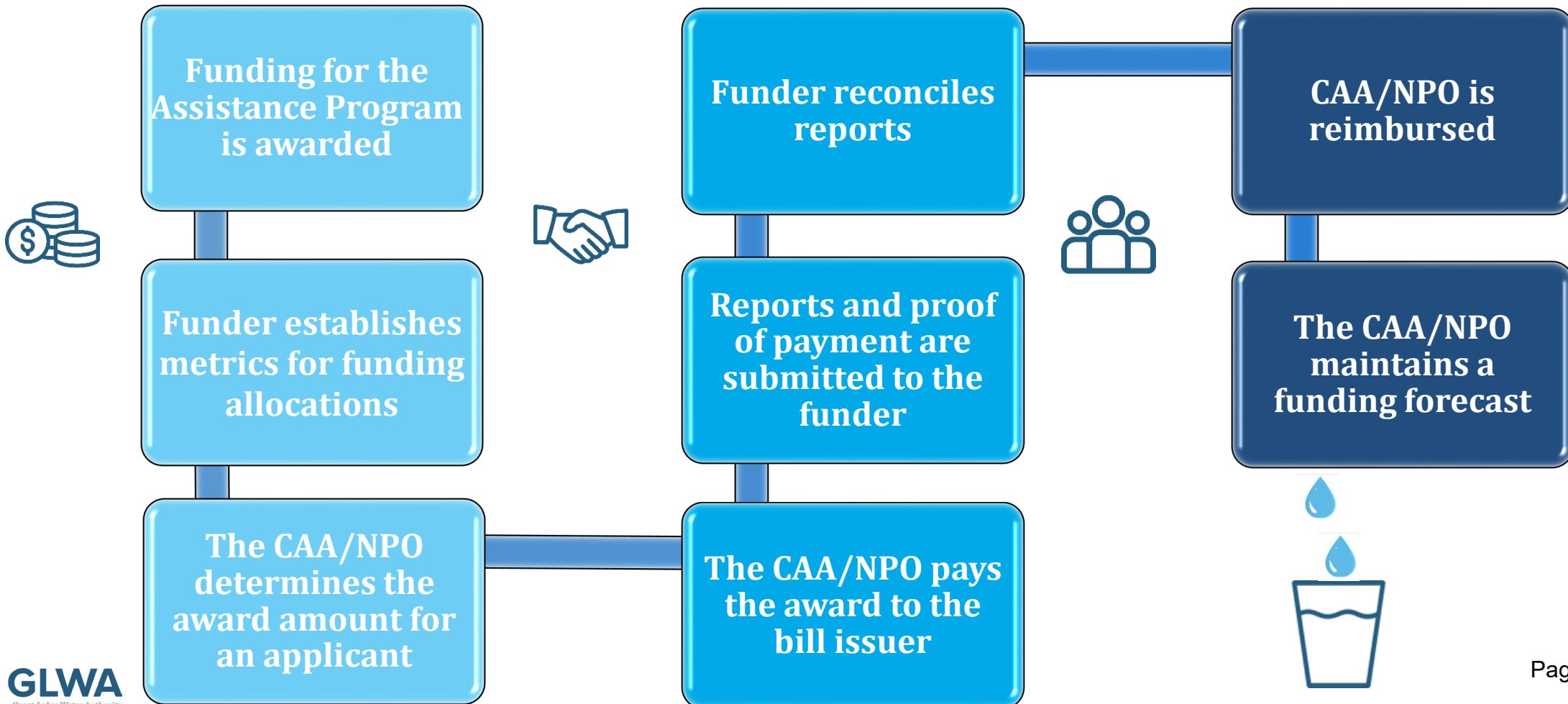
Reimbursement

- The CAA or NPO submits a statement of expense to the program funder for reimbursement.



WATER PROGRAM GRANT FUNDING FLOW CHART

Flow of Award Funds



GLWA WRAP ENROLLMENTS & WRAP SPENDING

Enrollment Period

- Households enroll in WRAP year-round. The start and end dates for enrollment are unique to each household.
 - Example: WRAP year one could be from July 15, 2025, to July 15, 2026, or from October 2, 2025, to October 2, 2026.

Recertification

- Each household GLWA enrolled in WRAP must recertify before beginning WRAP year two.
- This allows the Service Delivery Partners to verify that the household still qualifies for benefits.
- WRAPfinity households also must recertify yearly.

Funding Commitments

- Once a household is enrolled in the WRAP Income-Based Plan (IBP), the bill credits/award amount is “committed” and reserved for the full year of enrollment.

Reporting

- The WRAP funding spent for an enrollee can cross fiscal years, because WRAP is a two-year program and WRAPfinity has no expiration.
- Households' bill credits and associated administration fees are sometimes recorded across fiscal years.



HOW DOES GLWA'S WRAP INTERACT WITH THE STATE AND FEDERAL GRANTS?

- ◆ State and Federal Grants are awarded to CAA to administer.
- ◆ WRAP Service Delivery Partners, who are CAAs and NPOs, are leveraging both programs to maximize the assistance that each household receives.
- ◆ Households who apply for water assistance do one application that is logged into the State of Michigan emPower computer system, which allows the CAA to make the appropriate program designations.
- ◆ Currently, NPOs are not awarded State grants and do not use the emPower computer system.
- ◆ Acknowledging that the grants provide temporary funding, the CAA WRAP Service Delivery Partners:
 - ◆ Use WRAP direct assistance funding to cover the household's monthly bill credits (current bill, which is committed for up to two years of WRAP enrollment).
 - ◆ Use MDHHS grants, Water Assistance Program, and Local Water Utility Assistance (LWUA) for a household's arrearage payments, as the grants can award up to \$3,000 in direct assistance.
 - ◆ Use the MDHHS grant, LWUA, which allows for up to \$9,000 in conservation services.
- ◆ CAAs can request additional funding that MDHHS reserves and is not included in original allocations.
- ◆ GLWA reports about WRAP activity only.
- ◆ GLWA does not have access to emPower or attain grant data.



KEY TAKEAWAYS

- The information shared in this presentation is a generalization of water assistance grants/programs unless otherwise expressed.
- CAAs administer the programs on a reimbursement basis.
- Multiyear programs generally require recertification and can cross fiscal years.
- Multiple assistance programs can be coordinated to better assist a household's needs.
- Water program grants authorized today need to have time for implementation. There is a time lag from funding authorization to actual client assistance. Six or more months is not unusual. This is partly due to a grant process to distribute dollars across the state.
- State of Michigan grant dollars are being coordinated with other Water Assistance programs, such as GLWA's WRAP and WRC's HAP.

WRAP TOOLBOX

- Visit www.gewater.org/assistance
- Email WRAP@gewater.org
- WRAP Materials:
 - Service Delivery Partner Information
 - Flyers
 - Frequently Asked Questions
 - Infographics



A screenshot of the Great Lakes Water Authority (GLWA) website. The header features the GLWA logo, the text "Great Lakes Water Authority", and a navigation bar with links: "Careers", "Financials", "Assistance" (which is highlighted with a green oval), "Contact", "Login", a search bar, and social media icons for Facebook, YouTube, Twitter, and LinkedIn. Below the header, there are links for "ABOUT", "OUR SYSTEM", "MEMBERS", "VENDORS", and "INVESTOR RELATIONS".



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: FY 2026 Q1 Construction Work-in-Progress Report through September 30, 2025
(Unaudited)

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

Analysis: The attached document summarize the FY 2026 Q1 CWIP activity and provides a detailed snapshot to inform decision makers and stakeholders.

Proposed Action: Receive and file this report.



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

As of September 30, 2025

For questions, please contact:

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

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January 30, 2026

To Our Stakeholders:

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of September 30, 2025. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2026–2030 Capital Improvement Plan (CIP) and look to inform decision makers as we evaluate the FY 2027–2031 CIP.

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

Report Contents and Organization

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

Financial Information

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through September 30, 2025. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

Budget vs. Plan

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

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

Executive Summary

The rate of spend is a key performance indicator. The development of the FY 2026-2030 and related CIP Plan for FY 2026 were based on anticipation of FY 2026 activity resulting in 100% of planned spend for the Water system and 90% of planned spend for the Wastewater system.

The Water System spend for the period ending September 30, 2025, is 42.2% of the FY 2026 board approved CIP, 42.2% of the FY 2026 board approved CIP with project amendments, 42.2% of the FY 2026 Approved Capital Spending Rate Assumption (SRA) and 42.2% of the FY 2026 Adjusted Capital Spending Rate Assumption (SRA).

Water System Projects (in millions)	FY 2025	FY 2025	FY 2025	FY 2026	FY 2026	FY 2026
		Activity	Percentage	FY 2026 (Three Months)	Prorated (Unaudited)	Activity FY 2026 Percentage
FY 2024 Board Approved CIP	\$ 207.3	\$ 158.7	76.6%			
FY 2024 Board Approved CIP With Project Amendments	207.9	158.7	76.3%			
FY 2024 Capital Spend Rate Assumption (SRA) - Approved	207.3	158.7	76.6%			
FY 2024 Capital Spend Rate Assumption (SRA) - Adjusted	207.3	158.7	76.6%			
FY 2025 Board Approved CIP			\$ 183.0	\$ 45.8	\$ 19.3	42.2%
FY 2025 Board Approved CIP With Project Amendments			183.0	45.8	19.3	42.2%
FY 2025 Capital Spend Rate Assumption (SRA) - Approved			183.0	45.8	19.3	42.2%
FY 2025 Capital Spend Rate Assumption (SRA) - Adjusted			183.0	45.8	19.3	42.2%

Executive Summary (Continued)

The Wastewater System spend for the period ending September 30, 2025, is 143.7% of the FY 2026 board approved CIP, 105.3% of the FY 2026 board approved CIP with project amendments, 159.7% of the FY 2026 Approved Capital Spending Rate Assumption (SRA) and 117.0% of the FY 2026 Adjusted Capital Spending Rate Assumption (SRA). The Capital Spend Rate Assumption remains at 90% through Q1 FY 2026.

Wastewater System Projects (in millions)	FY 2025	FY 2025	FY 2025	FY 2026	FY 2026	
		Activity	Percentage	Prorated (Three Months)	Activity (Unaudited)	Percentage
FY 2024 Board Approved CIP	\$ 169.2	\$ 175.7	103.8%			
FY 2024 Board Approved CIP With Project Amendments	179.5	175.7	97.9%			
FY 2024 Capital Spend Rate Assumption (SRA) - Approved	169.2	175.7	103.8%			
FY 2024 Capital Spend Rate Assumption (SRA) - Adjusted	169.2	175.7	103.8%			
FY 2025 Board Approved CIP		\$ 193.2	\$ 48.3	\$ 69.4	143.7%	
FY 2025 Board Approved CIP With Project Amendments		263.7	\$ 65.9	69.4	105.3%	
FY 2025 Capital Spend Rate Assumption (SRA) - Approved		173.9	\$ 43.5	69.4	159.7%	
FY 2025 Capital Spend Rate Assumption (SRA) - Adjusted		237.3 *	\$ 59.3	69.4	117.0%	

**May vary from financial plan due to rounding*

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

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

\$565.1 million is in CWIP as of September 30, 2025 as shown for the Water System in A1 - Water - CWIP Rollforward by Jurisdiction

\$560.2 million is in CWIP as of September 30, 2025 as show for the Wastewater System in A2 - Wastewater - CWIP Rollforward by Jurisdiction

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

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

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Jurisdiction	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026		CWIP Balance September 30, 2025
				With Project Amendments	Activity through September 30, 2025	
City of Detroit	\$688,819	\$89,320	\$24,096	\$24,096	\$3,537	\$90,780
Lapeer County	143,236	5,579			2	5,581
Mutiple Counties	781,213	181,499	77,924	77,924	8,282	189,781
Oakland County	537,789	147,526	673	673	1,128	148,654
Saint Clair County	381,858	31,121	45,726	45,726	1,439	32,560
Wayne County - Outside Detroit	1,189,053	92,861	34,645	34,645	4,921	97,782
Grand Total	\$3,721,969	\$547,906	\$183,064	\$183,064	\$19,310	\$565,138

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

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

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Jurisdiction	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP			FY 2026 Activity through September 30, 2025	CWIP Balance September 30, 2025
			FY 2026 Board Approved CIP	With Project Amendments	Activity through September 30, 2025		
City of Detroit	\$3,467,949	\$292,180	\$132,091	\$177,210	\$42,268	\$334,448	
Mutiple Counties	487,856	193,408	59,805	85,190	26,701	220,109	
Wayne County - Outside Detroit	147,365	5,261	1,325	1,294	416	5,677	
Grand Total	\$4,103,170	\$490,850	\$193,221	\$263,694	\$69,384	\$560,234	

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

Appendix B - Construction Work-in-Progress Rollforwards

The purpose of the construction work-in-progress (CWIP) rollforward is to analyze the current year activity for each project in relation to the overall capital improvement program as well as the project portfolio overall.

As part of our project life cycle review the Construction Accounting team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service.

The following projects reached completion or readiness for use and were capitalized in Q1 FY2026:

PRJ-116005 SPW WTP Flocculator Drive Replacement

\$565.1 million is in CWIP as of September 30, 2025, as shown for the Water System in B1 - Water - Detailed CWIP Rollforward

\$560.2 million is in CWIP as of September 30, 2025, as shown for the Wastewater System in B2 - Wastewater - Detailed CWIP Rollforward

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

B1 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026			Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Total Project Plan Estimate
					FY 2026 Activity through September 30, 2025	Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025			
Field Services - Water	\$587,351	\$224,892	\$34,660	\$34,660	\$4,362		\$229,254	\$59,256	\$288,510	49%
Programs - Water	542,942	75,382	57,838	57,838	4,925		80,307	52,572	132,879	24%
Systems Control Center	760,507	64,382	949	949	2,065		66,447	30	66,477	9%
Water Treatment Plants & Facilities	1,797,791	183,251	89,617	89,617	7,957	2,078	189,130	157,030	346,160	19%
Programs - Centralized Services	33,378									0%
Grand Total	\$3,721,969	\$547,906	\$183,064	\$183,064	\$19,310	\$2,078	\$565,138	\$268,888	\$834,026	22%

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

B2 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026		Capitalizations And Other Activity Through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations And Other Activity	Life to Date Activity Through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
					FY 2026 Activity through September 30, 2025	Capitalizations And Other Activity Through September 30, 2025					
CSO Facilities	\$264,828	25,901	\$12,079	\$9,121	\$780		\$26,682	\$389	\$27,071	10%	
Field Services - Wastewater	212,086	94,585	32,345	45,575	12,418		107,003		107,003	50%	
Programs	574,821	207,078	53,556	61,556	18,550		225,628	43,364	268,991	47%	
Systems Control Center	625,160	32,229	25,092	43,928	6,836		39,065	50,818	89,883	14%	
Water Resource Recovery Facility	2,426,275	131,057	70,148	103,514	30,800		161,857	46,364	208,222	9%	
Grand Total	\$4,103,170	\$490,850	\$193,221	\$263,694	\$69,384		\$560,234	\$140,935	\$701,169	17%	

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	FY 2026			Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate	
									CWIP Balance September 30, 2025							
Field Services - Water	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	122004	\$239,332	\$119,900	\$27,066	\$27,066	\$4,132	\$124,033	\$149	\$124,181	52%					
	Replacement Schoolcraft Watermain	122005	(0)					(0)	16,947	16,947	0%					
	Transmission System Water Main Work-Wick Road Parallel	122006	Water Main	26,251	5,500			5,500	20,751	26,251	100%					
	Design and Construction of a new Newburgh Road 24" Main along Newburgh Road between	122007	Ch	27,216	325	193	193	45	370	370	1%					
	Lyon Township Transmission Main Extension Project	122013	Main Extension Project	115,337	93,826			93,826	17,511	111,337	97%					
	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	122016	Downriver Transmission Loop	97,138	3,966	5,007	5,007	171	4,137	4,137	4%					
	Concord and Nevada Flow Control Valves	122017	Flow Control Station	13,161	0				0	3,898	3,898	30%				
	Grosse Pointe Woods - HW: Harper Woods 24" Main	122019	Jefferson Main Replacement	43,136	1,374			1,374		1,374	3%					
	Adams Road Transmission Main	122020	Concord and Nevada Flow Control Valves	8,594		781	781	14	14	14	0%					
		122021		7,077		776	776				0%					
		122023		10,110		837	837				0%					

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
Field Services - Water Total			587,351	224,892	34,660	34,660	4,362		229,254	59,256		288,510	49%
Programs - Water		Water Treatment Plant											
	170300	Automation Program	23,317										0%
	170302	SW WTP SCADA Improvements	8,267	9,279	124	124	323		9,602		9,602		116%
	170304	WWP WTP SCADA Upgrade		651					651		651		0%
	170305	WWP SCADA Network Upgrade	7,542										0%
	170306	SPW SCADA PLC Network Upgrade	6,780		3,825	3,825							0%
	170400	Water Transmission Improvement Program	32,175										0%
	170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	59,296		2,735	2,735							0%
	170503	Transmission System Valve Assessment and Rehabilitation/Replacement B	16,167	2,094	5	5	2		2,097	14,054	16,150		100%
	170504	Repair of WTM, Valves, & Priority Repair	18,602	9,972	3,869	3,869	343		10,315		10,315		55%
	170506	Water Transmission Main, Valves, & Other	15,165	790	3,306	3,306	79		870		870		6%

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Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate	
Programs - Water														
	170600	Water Transmission Main Asset Assessment Program	40,459		1,611	1,611								0%
	170601	Linear System Integrity Program	29,507	2,604	43	43	325		2,929		2,929		2,929	10%
	170602	36" 24 Mile Rd. Transmission Main Condit	23,081	20,325	18,370	18,370	649		20,974		20,974		20,974	91%
	170603	Transmission Main Condition Assessment	7,077		6,101	6,101								0%
	170604	96-inch Transmission Main Condition Assessment	12,132											0%
	170801	Reservoir Inspection, Design and Rehabilitation	25,384							25,265		25,265		100%
	170802	Reservoir Inspection, Design	55,682	21,097	13,623	13,623	2,733		23,829	5,543	29,372		29,372	53%
	170803	Reservoir Inspection, Design, and Construction Mangement Services Phase III	78,849	10			17		27		27		27	0%
	170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	43,901											0%
	170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement		4,708					4,708		7,703		12,411	0%
	170904	Phase II Wholesale Water Meter Pit Rehab	15,859	3,853	4,206	4,206	453		4,306	7	4,313		4,313	27%

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(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
Programs - Water													
		Repurpose Abandoned Meter Pits		2,520									0%
170906													
		GLWA New Water Master Meter FL-01 Vault Upgrade and Rightsizing		2,520		19	19						0%
170907													
Programs - Water													
		Roof Replacement - Var Facilities Program		15,948									0%
171500													
		Lake Huron and Southwest Roof Replacement		2,710									0%
171502													
Total													
				542,942	75,382	57,838	57,838	4,925		80,307	52,572	132,879	24%
Systems Control Center													
		Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station		5,268	5,309			2		5,311		5,311	101%
132007													
		West Service Center/Duval Rd Division Valve Upgrades		47,782	46,934	343	343	3		46,936		46,936	98%
132010													
		132012 Ypsilanti PS Improvements		42,756	2,572					2,572		2,572	6%
Adams Road Booster Pumping Improvements													
				61,759	102					102		102	0%
132014													
		132015 Newburgh BPS		62,734	2,466	276	276	935		3,401	30	3,431	5%
North Service Center BPS Improvements													
				251,994	6,569	330	330	1,126		7,695		7,695	3%
132016													

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(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
Systems Control Center													
	132018	Schoolcraft BPS		24,691									0%
	132019	Wick Road BPS - Switchgear	24,780	65						65		65	0%
	132020	Franklin BPS - Isolation Gate Valves	60,918	95						95		95	0%
	132021	Imlay BPS - Replace VFDs, Pumps & Motors	137,968	270					270			270	0%
	132022	Joy Road BPS - Replace Reservoir Pumps	39,857										0%
Systems Control Center Total													
			760,507	64,382	949	949	2,065		66,447	30		66,477	9%
Water Treatment Plants & Facilities	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping												
	111001	Improvements	150,515	6,599	13,178	13,178	504		7,103			7,103	5%
		Replacement of Filter Instrumentation and Raw Water Flow Metering											
	111006	Improvements at Lake	78,142	6,438	21,196	21,196	70		6,508			6,508	8%
	111008	LHWTP Architectural Programming - Lab	782										0%
		Lake Huron WTP-35 MGD HLP, Flow Meters	31,223	16,092	7,501	7,501	(88)		16,004			16,004	51%
		Lake Huron Water Treatment Plant -Filtration and Pretreatment Improvements	58,639										0%

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(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
Water Treatment Plants & Facilities													
111011	Lake Huron WTP Pilot Plant	LHWTP-Flocculation	3,157	4					4		3,076	3,080	98%
111012	Improvements	Improvements	49,345	1,984	3,850	3,850	953		2,936		2,936	6%	
111013	Improvements	LH WTP Fireloop & Plant Water	10,055	4					4		4	0%	
112003	Electrical	NE WTP High Lift Pumping	171,676	562					562		562	0%	
112006	Plant Flocculator Replacements	Northeast Water Treatment	13,463	7,221	2,301	2,301	80		7,302		7,302	54%	
112007	Slab and Bea	NE WTP Structural Repair of	6,685	251	2,166	2,166	3		254		254	4%	
112008	Replacement	Northeast WTP Filter	94,631	267	3,841	3,841	14		281		281	0%	
112009	Facility	Northeast Sedimentation Basins Sludge Processing		439					439		439	0%	
113003	Valves	Replacement of Butterfly Valves	162,110									0%	
113007	Mechanical	Architectural and Building	8,641	4					4		4	0%	
113009	Upgrades	SW WTP Flight and Chain	5,127	4,079					4,079		4,079	80%	

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(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations and Other Activity through September 30, 2025	FY 2026			Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
									Capitalizations and Other Activity September 30, 2025						
Water Treatment Plants & Facilities		SW WTP Flocculation													
	113010	Improvements	22,225	34	1,191	1,191	14			49			49		0%
		Springwells Water Treatment Plant - Low Lift and High Lift													
	114002	Pump Station	315,778	55,873	16,403	16,403	2,671			58,544		17,553	76,097		24%
		Springwells WTP Admin Building Improvements	7,138	1,321						1,321			1,321		18%
		1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells													
	114008	WTP	13,225									13,202	13,202		100%
	114010	Yard Piping Improvements	218,615	1,811						1,811			1,811		1%
		Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells													
	114011	WTP	28,364	2,356						2,356		24,356	26,712		94%
		Springwells Water Treatment Plant Flocculator Drive Replacement	27,831	3,211	6,013	6,013	761			3,973		11,961	15,933		57%
		Springwells Water Treatment Plant - Service Building Electrical Substation and													
	114018	Miscellaneous Improvements	2,341												0%
		Yard Piping, Valves and Venturi Meters Replacement at Water Works Park													
	115001	Works Park	56,073	46,516	2,748	2,748	1,130			47,646		4,074	51,720		92%
		WWP WTP Building Ventilation													
	115005	Improvements	16,999	15,814				329		16,142			16,142		95%
		Water Works Park Site/Civil Improvements	5,896												0%

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B3 - Water System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

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(in thousands)

Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026		Capitalizations and Other Activity through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations and Other Activity	Life to Date Activity through September 30, 2025	Life to Date Activity through September 30, 2025	Life to Date Activity / Total Project Plan Estimate
							Activity through September 30, 2025	September 30, 2025						
Water Treatment Plants & Facilities	Water Works Park High Lift Pumping Station													
	115007	Modernization	115,090											0%
	Water Works Park Sedimentation Basins													
	115009	Structural Upgrades	16,846											0%
	Pennsylvania, Springwells and Northeast Raw Water Supply													
	116002	Tunnel Improvements based on	98,757	10,295	8,053	8,053	1,514			11,809	80,730	92,539	94%	
	116005	Belle Isle Seawall Rehabilitation	2,191	2,078				2,078			2,078	2,078	2,078	95%
	Belle Isle Intake System Rehabilitation and Improvements													0%
	116006	Improvements	2,222											
	System Electrical Power Improvements													0%
	116007	Improvements	4,010		1,174	1,174								
Water Treatment Plants & Facilities Total			1,797,791	183,251	89,617	89,617	7,957	2,078	189,130	157,030	346,160	19%		
Programs - Centralized Services	Energy Management: Electric Metering Improvement Program													0%
	381000		10,110											
	Masonry Replacement and Rehabilitation Program													0%
	383300		23,268											
Programs - Centralized Services Total														0%
				33,378										
Grand Total			\$3,721,969	\$547,906	\$183,064	\$183,064	\$19,310	\$2,078	\$565,138	\$268,888	\$834,026	22%		

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B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026 Activity through	FY 2026	FY 2026	Life to Date	Life to Date	Life to Date
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		September 30, 2025	Capitalizations And			
CSO Facilities												
	270001	Pilot CSO Netting Facility	\$37,937	\$99	\$1,027	\$873	\$8		\$107		\$107	0%
	270002	Meldrum Sewer Diversion and VR-15 Improvements	9,354	3		65	19		22		22	0%
	270003	Long Term CSO Control Plan	9,576									0%
	270004	Oakwood Lieb CSO Facility Improvement	59,536	6,458	2,393	2,288	76		6,534		6,534	11%
	270006	Control System Upgrades - Baby Creek/Belle	20,856	3,282	3,294	649	85		3,367		3,367	16%
	270007	Disinfection System Improvements at CSO	16,530	95	843	853	6		101		101	1%
	270008	Flushing System Improvements at Conner Creek and St. Aubin CSO Facilities	7,070									0%
	270009	Site Improvements at St. Aubin, Belle Isle, and Baby Creek CSO Facilities	1,390	8		8	8		15		15	1%
	270010	HVAC Improvements at Puritan Fenkell and Seven Mile CSO Facilities	6,629	30	462	453			30		30	0%
	270011	HVAC Improvements at Conner Creek and Belle Isle CSO Facilities	5,804									0%
	270012	Control System Upgrades at Conner Creek, Oakwood, and Puritan Fenkell CSO Facilities	1,675									0%

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Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026	FY 2026	Capitalizations And	Life to Date	Life to Date	Life to Date	
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Activity through					Activity /
									Through	September 30, 2025	And Other Activity	Activity Through	Total Project
CSO Facilities		Facility Improvements at Puritan Fenkell and Seven Mile											
	270013	CSO Facilities		902									0%
	270014	Convert to Complete Capture Basin CSO Fa		4,482									0%
	273001	Hubbell Southfield CSO Facility Improvement	64,243	5,261	1,325	1,294		416		5,677		5,677	9%
	273002	CSO Hubbell Southfield VR-8 Gate Improvements	1,786										0%
	277001	Baby Creek Outfall Improvements Project	16,313	10,666	2,735	2,638		163		10,828		389	11,218
	277002	Baby Creek CSO Facility Influent Flushing System	745										0%
CSO Facilities Total			264,828	25,901	12,079	9,121		780		26,682		389	27,071
Field Services - Wastewater		Intercommunity Relief Sewer Modifications in Detroit											
	222001	Oakwood District	87,934	15,306	22,987	34,390		10,298		25,604		25,604	29%
	222002	Detroit River Interceptor Evaluation and Rehabilitation	119,603	77,029	8,294	8,886		995		78,024		78,024	65%
	222008	North Interceptor East Arm (NIEA)	4,550	2,250	1,064	2,300		1,125		3,375		3,375	74%
Field Services - Wastewater Total			212,086	94,585	32,345	45,575		12,418		107,003		107,003	50%

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(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026	Capitalizations And	Life to Date	Life to Date	Life to Date	
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Other Activity	Capitalizations And Other Activity	Activity Through		Total Project
Programs												
		Conveyance System										
	260201	Interceptor Rehab	39,032	19,906		263	13		19,919	18,542	38,461	99%
		Energy Services for Rehabilitation of Conveyance										
	260204	Sewer System	54,394	38,662	10,454	5,487	1,631		40,294		40,294	74%
	260205	NWI Outfall Rehabilitation	9,348	6,923		2,538	0		6,923		6,923	74%
		Conveyance System										
	260206	Rehabilitation - Interceptors	39,837	10,754	9,282	1,793	(153)		10,601		10,601	27%
		Rehabilitation of Woodward										
	260207	Sewer System	22,925	19,593		2,955	11		19,603		19,603	86%
		Sewer Repair Contract - As										
	260209	Needed	14,965	7,863	5,245	11,707	9,663		17,526		17,526	117%
		Linwood/Lonyo/Ashland/2nd										
	260210	Ave/Shiawassee	43,326	2,178	2,240	211	151		2,330		2,330	5%
	260211	Sewer Repair Contract II	6,066	6	2,368	2,436			6		6	0%
		Rehabilitation of Outfalls -										
	260505	Phase IV		4					4	5,710	5,713	0%
	260508	B-39 Outfall Rehab	10,984	10,461					10,461		10,461	95%
	260509	B-40 Outfall Rehab		113					113		113	0%

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(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026	FY 2026	FY 2026	Life to Date	Life to Date	Life to Date						
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Activity through	Capitalizations And									
FY 2026																		
Capitalizations And																		
Project Category	Project	Project Name	Project Plan Estimate	CWIP Balance July 1, 2025	FY 2026 Board Approved CIP	FY 2026 Board Approved CIP With Project Amendments	FY 2026 Activity through September 30, 2025	FY 2026 Capitalizations And Other Activity Through September 30, 2025	CWIP Balance September 30, 2025	Life to Date Capitalizations And Other Activity	Life to Date Activity Through September 30, 2025	Life to Date Activity / Total Project Plan Estimate						
Programs																		
Conveyance System																		
260510	Rehabilitation - Outfalls	25,252	11,093	7,277	3,628	1,512			12,605		12,605	50%						
260614	CSO Facilities Structural Improvements	16,664	14,541	855	3,891	122			14,663		14,663	88%						
260618	Oakwood HVAC Improvements	6,211								6,211	6,211	100%						
260619	Control System Upgrade At St. Aubin, Lieb and 7 Mile	7,974	5,582	776	1,883	643			6,225		6,225	78%						
260621	Connor Creek Berm Improvements	2							2	2,245	2,247	0%						
260622	CSO Facilities Emergency Generator Improvements	1,223								1,110	1,110	91%						
260623	Baby Creek Screen Rehabilitation	2,275	1						1	2,277	2,277	100%						
260624	Baby Creek Chemical Tank Rep	5,150	1,420	3,250	3,806	607			2,027		2,027	39%						
260701	Conveyance System Infrastructure Improvements	58,453	46,535	5,196	11,922	3,310			49,845		49,845	85%						
260800	WRRF Roof Replacement Program	14,862										0%						
260802	2022 WRRF Roof Improvements Project	4,751	3,995	331	519	7			4,002		4,002	84%						

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(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026 Activity through	FY 2026	FY 2026	Life to Date Capitalizations And Other Activity	Life to Date Capitalizations And Other Activity	Life to Date Activity Through	Life to Date Activity / Total Project Plan Estimate	
			Estimate	July 1, 2025	Approved CIP	Approved CIP With Project Amendments		September 30, 2025	Capitalizations And Other Activity Through September 30, 2025					
Programs														
	260803	WRRF Roof Improvements - Pha	3,532		134	134								0%
	260900	WRRF Facility Optimization Program	85,935		68									0%
	260901	Rehab. Hazmat Facility at WRRF	3,857	6		88	82			88	3,718	3,807		99%
	260902	WRRF Renovation of 4th Floor	3,552	16					16		3,552	3,568		100%
	260903	WRRF Front Entrance Rehab.	7,583		1,573	4,622	753		753			753		10%
	OMID		4,554						4,554			4,554		0%
	260904	WRRF 3rd Floor Renovation	9,390	196	3,818	2,602	66		262			262		3%
	260905	WRRF Plumbing Shop Rehab	2,688	2,421		425	90		2,511			2,511		93%
	261000	WRRF Rehabilitation of Secondary Clarifiers	39,337											0%
	261001	Rehabilitation of Secondary Clarifiers	35,256	251	688	648	43		294			294		1%
Programs Total			574,821	207,078	53,556	61,556	18,550		225,628	43,364	268,991			47%

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(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026	FY 2026	Capitalizations And	Life to Date	Life to Date	Life to Date	
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Activity through					Activity /
							September 30, 2025	September 30, 2025	September 30, 2025	Capitalizations	September 30, 2025	Total Project	
Systems Control Center		Fairview Pumping Station -											
	232001	Replace Four Sanitary Pumps	44,742	4						4	44,714	44,718	100%
	232002	Connor Creek Pump Station Imp.	348,099	14,522	7,601	6,068	218		14,740	6,104	20,844		6%
	232005	Freud Pump Station Improveme	150,983	17,702	17,492	37,860	6,619		24,321		24,321		16%
	233003	Rouge River In-system Storage Devices	81,336										0%
Systems Control Center Total			625,160	32,229	25,092	43,928	6,836		39,065	50,818	89,883		14%
Water Resource Recovery Facility		Pump Station No. 2 Pumping											
	211002	Improvements	4,002	758	4	310	5		764	2,676	3,440		86%
	211005	Pump Station No. 2 Improvements	86,034	1,608	1,782	275	18		1,626		1,626		2%
	211006	Pump Station No. 1 Improvements	114,108	43,354	13,383	27,665	4,641		47,995		47,995		42%
	211007	Replacement of Bar Racks and Grit Collection System at Pump Station No. 2	243,125	14,314	6,502	34,462	16,383		30,697		30,697		13%
	211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex	13,416	1		571	12		14	12,870	12,884		96%
	211009	Rehabilitation of the Circular Primary Clarifier Scum Removal System	23,230	643		3	3		646		646		3%

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B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026	FY 2026	Capitalizations And	Life to Date	Life to Date	Life to Date
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Activity through				
Water Resource Recovery Facility												
	211010	Rehabilitation of Sludge Processing Complexes A and B	14,104	94					94		94	1%
	211011	WRRF PS1 Screening and Grit Improvements	307,732	4,869	1,287	882	536		5,406		5,406	2%
	212008	WRRF Rehabilitation of Intermediate Lift	213,745	19,318	12,042	11,682	1,532		20,850		20,850	10%
	212009	WRRF Aeration Improvements 3 and 4	271,545									0%
	212010	WRRF Conversion of Disinfection of all Flow to Sodium Hypochlorite and Sodium Bisulfite	6,232									0%
	213006	Improvements to Sludge Feed Pumps at Dewatering Facilities	21,514	3,709	1,003	582	47		3,756		3,756	17%
	213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	25,524	871	574	1,885	41		912	22,912	23,824	93%
	213008	Rehabilitation of the Wet and Dry Ash Handling Systems	7,189	151	342	342			151		151	2%
	213009	Phosphorous Recovery Facility at the WWRF	908,270	539	1,602	1,355	204		743		743	0%
	216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	7,963							7,907	7,907	99%
	216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	38,010	22,473	9,817	7,079	906		23,379		23,379	62%

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

B4 - Wastewater System Construction Work-in-Progress (CWIP) FY 2026 Rollforward

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

(in thousands)

Project Category	Project	Project Name	Project Plan	CWIP Balance	FY 2026 Board	FY 2026 Board	FY 2026 Activity through	FY 2026	Capitalizations And	Other Activity	Through	CWIP Balance	Life to Date	Life to Date	Life to Date	Activity /	
			Estimate	July 1, 2025	Approved CIP	Approved CIP With		Project Amendments	September 30, 2025	September 30, 2025	September 30, 2025	September 30, 2025	Capitalizations And Other Activity	Activity Through September 30, 2025	September 30, 2025	Total Project Plan Estimate	
Water Resource Recovery Facility	216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	106,554	8,802	18,378	11,950	4,889					13,691			13,691		13%
	216011	WRRF Structural Improvements	13,978	9,551	3,431	3,513	1,582					11,133			11,133		80%
	216012	WRRF Research Facility				960											0%
Water Resource Recovery Facility Total			2,426,275	131,057	70,148	103,514	30,800					161,857		46,364	208,222		9%
Grand Total			\$4,103,170	\$490,850	\$193,221	\$263,694	\$69,384					\$560,234		\$140,935	\$701,169		17%

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

Appendix C - Project Amendment Summaries

The purpose of the Project Amendment Summary is to illustrate the amendments to the current fiscal year board approved CIP for each project with an amendment resulting from the use of allowance and program funding for a specific amount necessitated by contract award.

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded, and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2026 Capital Improvement Plan.

\$0 of Capital Reserve project amendments have been prepared as of September 30, 2025, as shown for the Water System in C1 – Water FY 2026 Project Amendment Summary with project amendments detailing the assignment of funding within Program and Allowance accounts. This year-to-date total illustrates a decreased use of reserves.

\$70,473,018 of Capital Reserve project amendments have been prepared as of September 30, 2025, as shown for the Wastewater system in C2 – Wastewater FY 2026 Project Amendment Summary with project amendments detailing the assignment of funding within Program and Allowance accounts.

These amendments are in alignment with the FY 2026-2030 CIP plan.

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

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

C1 - Water System Project Amendment Summary

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

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

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

C1 - Water System Project Amendment Summary

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

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

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

C2 - Wastewater System Project Amendment Summary

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

Project Number	Project Name	FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Board Approved CIP With Project Amendments
211002	WRRF PS No. 2 Pumping Improvements - Phase 3	\$ 4,495	\$ 305,023	\$ 309,518
211005	WRRF PS No. 2 Improvements Phase II	1,781,607	(1,506,631)	274,976
211006	WRRF PS No. 1 Improvements	13,383,424	14,281,256	27,664,680
211007	WRRF PS #2 Bar Racks Replacements and Grit Collection System Improvements	6,502,084	27,959,736	34,461,820
211008	WRRF Rehabilitation of Ferric Chloride Feed System in PS-1 and Complex B Sludge Lines		570,544	570,544
211009	WRRF Rehabilitation of the Circular Primary Clarifier Scum Removal System		2,601	2,601
211011	PS 1 Rack and Grit HVAC System Upgrade	1,286,844	(405,157)	881,687
212008	WRRF Aeration Improvements 1 and 2	12,042,183	(360,242)	11,681,941
213006	WRRF Improvements to Sludge Feed Pumps at DeWatering Facilities	1,003,032	(421,026)	582,006
213007	WRRF Modification to Incinerator Sludge Feed Systems at Complex -II	574,266	1,310,465	1,884,731
213008	WRRF Rehabilitation of the Ash Handling Systems	342,243	(0)	342,243
213009	WRRF Biosolids Processing Improvements	1,601,579	(246,307)	1,355,272
216006	Assessment and Rehabilitation of WRRF yard piping and underground utilities	9,817,428	(2,738,073)	7,079,355
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	18,378,229	(6,428,568)	11,949,661
216011	WRRF Structural Improvements	3,430,751	81,896	3,512,647
216012	WRRF Research Facility		960,324	960,324
222001	Modification at Oakwood District	22,987,279	11,402,549	34,389,828
222002	Detroit River Interceptor (DRI) Evaluation and Rehabilitation	8,293,978	591,938	8,885,916
222008	North Interceptor East Arm (NIEA) 7 Mile Road Diversion Structure	1,063,939	1,235,561	2,299,500
232002	Conner Creek Pump Station Improvements	7,600,731	(1,533,184)	6,067,547

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

C2 - Wastewater System Project Amendment Summary

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

Project Number	Project Name	FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Board Approved CIP With Project Amendments
232005	Freud Pump Station Improvements	17,491,735	20,368,405	37,860,140
260201	CON-149, Emergency Sewer Repair		263,313	263,313
260204	Conveyance System Engineering Services-1802575	10,453,976	(4,967,039)	5,486,937
260205	NWI Rehabilitation		2,537,551	2,537,551
260206	Conveyance System Repairs (Wastewaters)	9,282,235	(7,489,654)	1,792,581
260207	Rehabilitation of Woodward Sewer Systems		2,954,877	2,954,877
260209	Wastewater Rehabilitation and Repair	5,244,785	6,461,831	11,706,616
	Rehabilitation of GLWA Wastewaters; Ashland Relief, Linwood, Lonyo, Second Avenue, and Shiawassee	2,239,844	(2,029,340)	210,504
260211	Emergency and Urgent Wastewater Repair II	2,368,439	67,747	2,436,186
260510	Conveyance System Repairs (Outfalls)	7,276,539	(3,648,377)	3,628,162
260614	Structural Inspection & Structural Improvements	855,192	3,035,417	3,890,609
260619	Control System Upgrade - St Aubin, Lieb & Mile	776,384	1,106,580	1,882,964
	CSO Baby Creek Chemical Storage Tanks Replacement (TOES / Emergency)	3,250,147	555,484	3,805,631
260701	Conveyance System Infrastructure Improvements	5,196,077	6,726,358	11,922,435
260802	2022 WRRF Roof Improvements Project	331,100	187,885	518,985
260803	WRRF Roof Improvements - Phase II	134,058	0	134,058
260900	WRRF Facility Optimization Program	67,970	(67,970)	
260901	Rehabilitation of HAZMAT Facility at WRRF		87,770	87,770
260903	WRRF Front Entrance Rehabilitation	1,573,411	3,048,367	4,621,778
260904	WRRF 3rd Floor Renovation	3,818,468	(1,216,263)	2,602,205
260905	WRRF Plumbing Shop Renovation		425,424	425,424
261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	687,667	(39,779)	647,888
270001	Pilot CSO Netting Facility	1,027,084	(154,196)	872,888
270002	Meldrum Sewer Diversion and VR-15 Improvements		64,830	64,830

Construction Work-in-Progress Quarterly Report

As of September 30, 2025

Great Lakes Water Authority

C2 - Wastewater System Project Amendment Summary

Unaudited Activity For the Fiscal Quarter Ended September 30, 2025

Project Number	Project Name	FY 2026 Board Approved CIP	FY 2026 Q1 Budget Amendments	FY 2026 Board Approved CIP With Project Amendments
270003	Long Term CSO Control Plan		-	-
270004	Oakwood and Leib CSO Facilities Improvement Project	2,392,932	(105,016)	2,287,916
270006	CSO Facilities Improvements II	3,294,350	(2,645,218)	649,132
270007	Disinfection System Improvements at Baby Creek, Belle Isle, and Puritan Fenkell CSO Facilities	842,825	10,603	853,428
270009	Site Improvements at St. Aubin, Belle Isle, and Baby Creek CSO Facilities		7,841	7,841
270010	HVAC Improvements at Puritan Fenkell and Seven Mile CSO Facilities	462,440	(9,668)	452,772
273001	Hubbell Southfield CSO Facility Improvements	1,324,793	(30,353)	1,294,440
277001	Baby Creek Outfall Improvements Project	2,734,795	(97,099)	2,637,696
Grand Total		\$ 193,221,336	\$ 70,473,018	\$ 263,694,354



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

From: Sonya Collins, CPPB, Chief Procurement Officer

Re: Final Report – 2025 Vendor Outreach Event

Background: Final Report – 2025 Vendor Outreach Event includes the following:

1. Event Overview
2. Evaluation (Survey) Results
3. Direct Vendor feedback and suggestions
4. Stats and Recommendations

On September 25, 2025, the Great Lakes Water Authority (GLWA) Procurement Team hosted the 2025 Vendor Outreach Event at Macomb Community College. Introductory remarks by William M. Wolfson (Deputy Chief Executive Officer), Nicolette Bateson (Chief Financial Officer & Treasurer) David Jones (General Counsel), and Sonya Collins (Procurement Director) were followed by the two-part main presentation on “The Life of a GLWA RFx.”

In part one of the presentation, panelists including Sean Hallock (Buyer), Liza Downer (Buyer), Jeanette Driver (Procurement Manager), Cindy Nelson-Walters (Management Professional), John Hurley (Managing Director, Marsh Insurance) and Christopher Nastally (Director – Wastewater Engineering) were asked questions by Megan Savage (Vendor Outreach Coordinator). These questions created a dialogue that overviewed key aspects of the GLWA procurement process, with a focus on Construction project solicitations.

During the second part of the presentation, panelists including Tina Clinkscales (Management Professional), Angela Stevenson (IT Director), Daniel Edwards (Procurement Manager), Vincent Genco (Manager – Wastewater Engineering), Kim Ungerma (Procurement Manager), Dionna Wilson (Manager – Accounts Payable), and Steven Vesschemoet (Management Professional) were again asked questions by Megan Savage, with special attention given to Products/Services related solicitations. The event concluded with an open question and answer session moderated by Sonya Collins.

Analysis: Based on the feedback and survey results from attendees, as well as team member feedback, the goals of networking with the vendors community and educating our vendors on the GLWA solicitation process was achieved. Event participation and engagement exceeded previous events.

Proposed Action: Receive and file this report.



GLWA Vendor Outreach Event 2025

September 25, 2025

Macomb Community College, Warren, MI

POST EVENT REPORT

OVERVIEW

The following report includes the post-event evaluation and future event recommendations. As identified in our contract it was important that Annie Kruise, LLC (AK, LLC) provide event coordination for the GLWA 2025 Vendor Outreach Event, support all meetings and event activities with the assigned GLWA project manager, and prepare for and ensure that the event could be shifted from an in-person event to a virtual event with minimal disruption. It was also important that they deliver a smooth and easy check-in process for attendees. Based on evaluation results and onsite conversations, this deliverable was achieved.

PRE-EVENT SERVICES

- **Provided Marketing Assistance.** Worked with GLWA Staff on various communication pieces important to event promotion that included providing wording for 'Save the Date' notifications, email/web event announcements, and attendee registration confirmation.
- **Managed Online Event Registration System.** AK, LLC used Whova, a conference app that provided an online registration process, agenda, documents sharing and speaker webpage for easy website use. Whova presented a professional and polished look with minimal GLWA staff support. AK, LLC provided management for the registration process pre-event and met the goals for a smooth registration process and data collection.
- Worked with GLWA Staff to develop agendas, handout materials, and other meeting information for posting on the Event App. Added all details to the Whova Event App and supplied GLWA with content to add to their website for event promotion.
- Worked with event venue on menus, room set-up for each session, including linens, tables, chairs, and technology needs. This required an in-person meeting at the venue and phone/email correspondence.
- Worked with GLWA Staff on timeline to send out email event reminders and promotion.
- Coordinated registration desk and materials with an automated system which is integrated with the Consultant's registration system.
- Attended weekly meetings with GLWA Staff to review event details and task lists.

OVERVIEW

EVENT DAY MANAGEMENT

- Worked with the venue to ensure adherence to expectations for timing, set-up, rooms, food, etc. AK, LLC assisted GLWA with a better meeting space layout and room allocation for the event content. Food and AV costs were contained by reducing meeting rooms for breakouts and in person counts based on experience working with events.
- Provided all necessary staff to greet and process registrants, assist with traffic flow, name tag distribution, etc. efficiently. AK, LLC set up the registration process in a way that eliminated bottlenecks, warmly greeting attendees upon arrival with additional onsite staff support. Most attendees had downloaded the Whova Conference App and were prepared to check in with the QR Code. Throughout the event and peak guest arrival times, the registration process was efficient, professional, and provided a friendly guest greeting at the beginning and conclusion of the event. Provided onsite badge printing.
- Assisted in the submittal of surveys by participants. AK, LLC set up an event evaluation using surveymonkey.com to gather feedback from event attendees. This link was provided through the event app used for registration and communication.

POST-EVENT SERVICES

- Met with GLWA to debrief immediately following event.
- Reviewed event invoices for accuracy before submittal to GLWA for payment.
- Collected, analyzed, and provided a written summary of the survey results.
- Researched 2026 event locations based on GLWA member areas.

Annie Kruise, LLC appreciates the opportunity to provide our event management services to support the GLWA's Annual Vendor Outreach event.



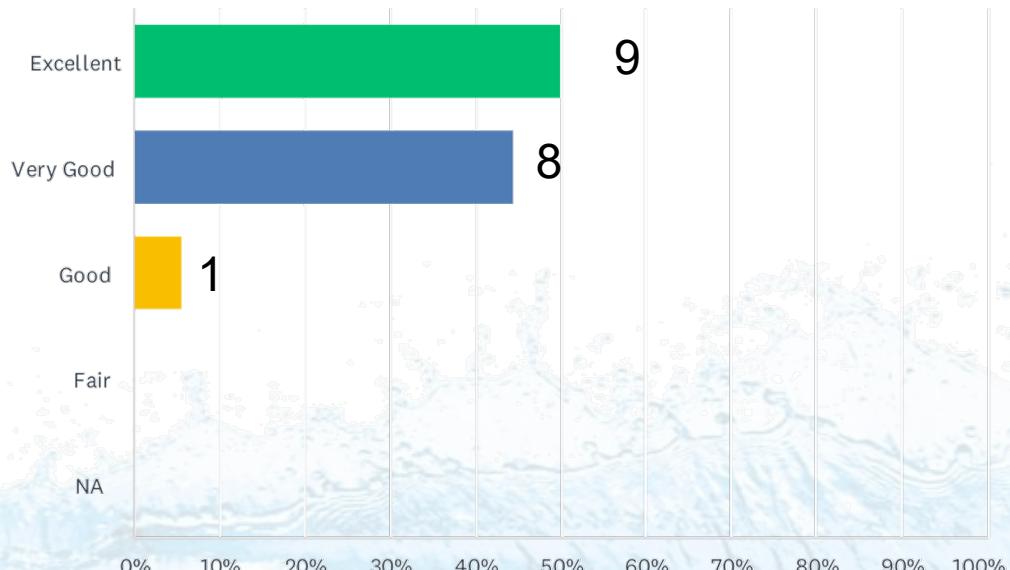
GLWA Vendor Outreach Event 2025

EVALUATIONS RESULTS

18 evaluations received

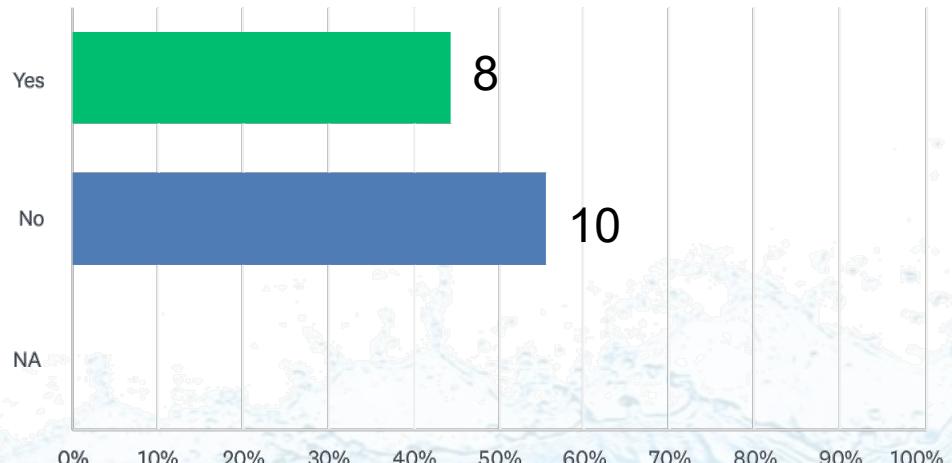
Q1: Overall, how would you rate the GLWA Vendor Outreach event?

Answered: 18 Skipped: 0



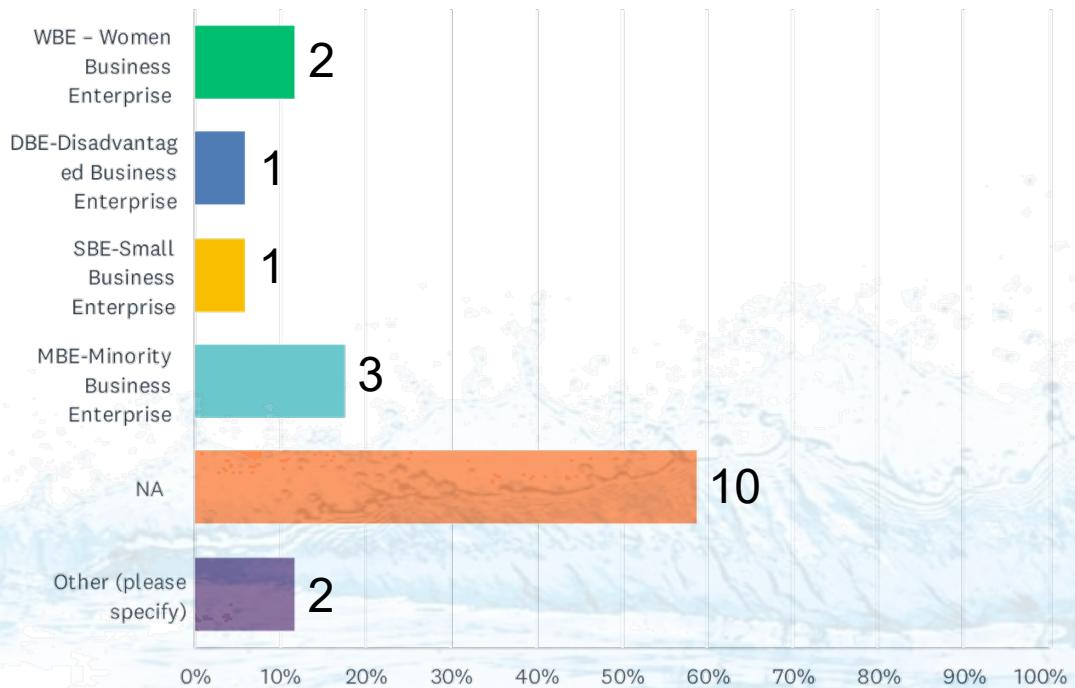
Q2: Was this the first time you attended the GLWA Vendor Outreach event?

Answered: 18 Skipped: 0



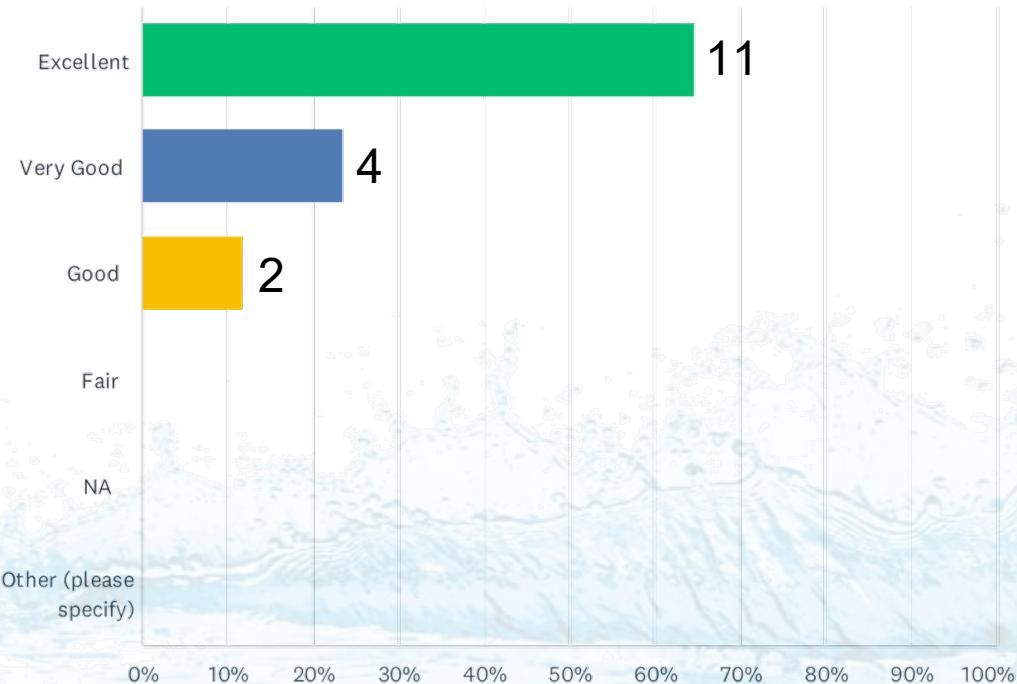
Q3: Does your firm hold any of the diversity certifications listed below.

Answered: 17 Skipped: 1



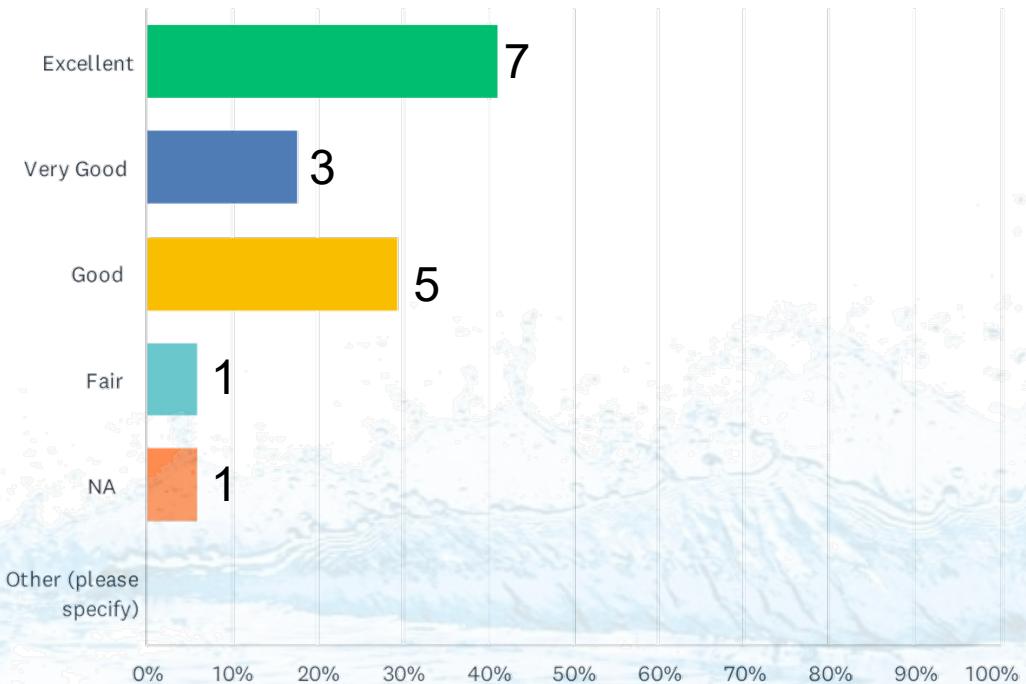
Q4: Please rate the registration process.

Answered: 17 Skipped: 1



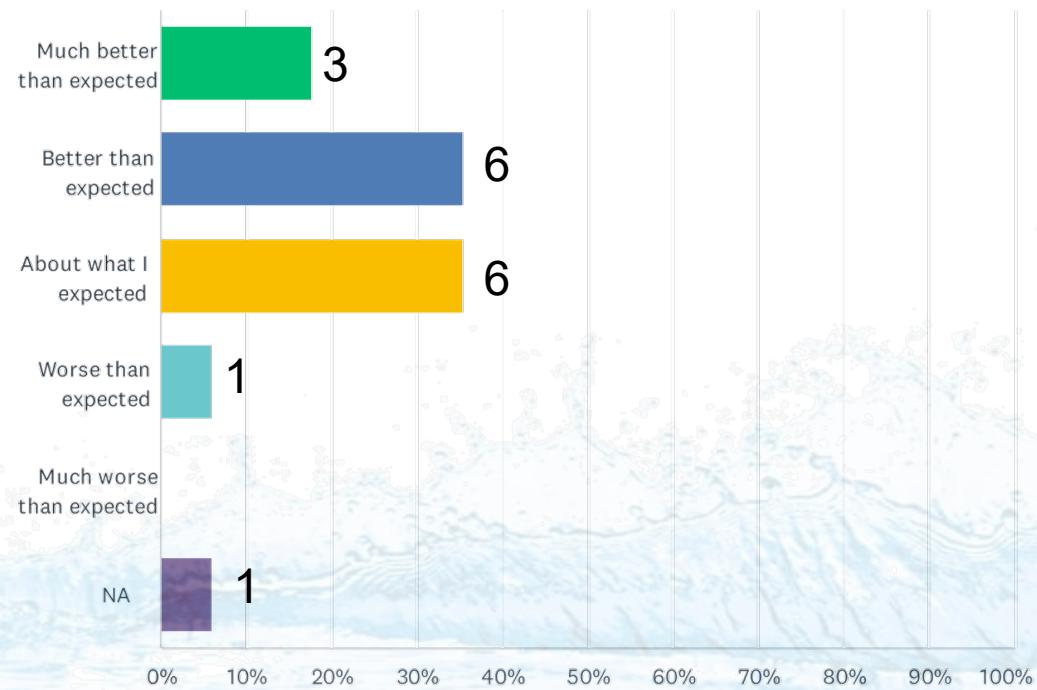
Q5: Please rate the Whova Event App

Answered: 17 Skipped: 1



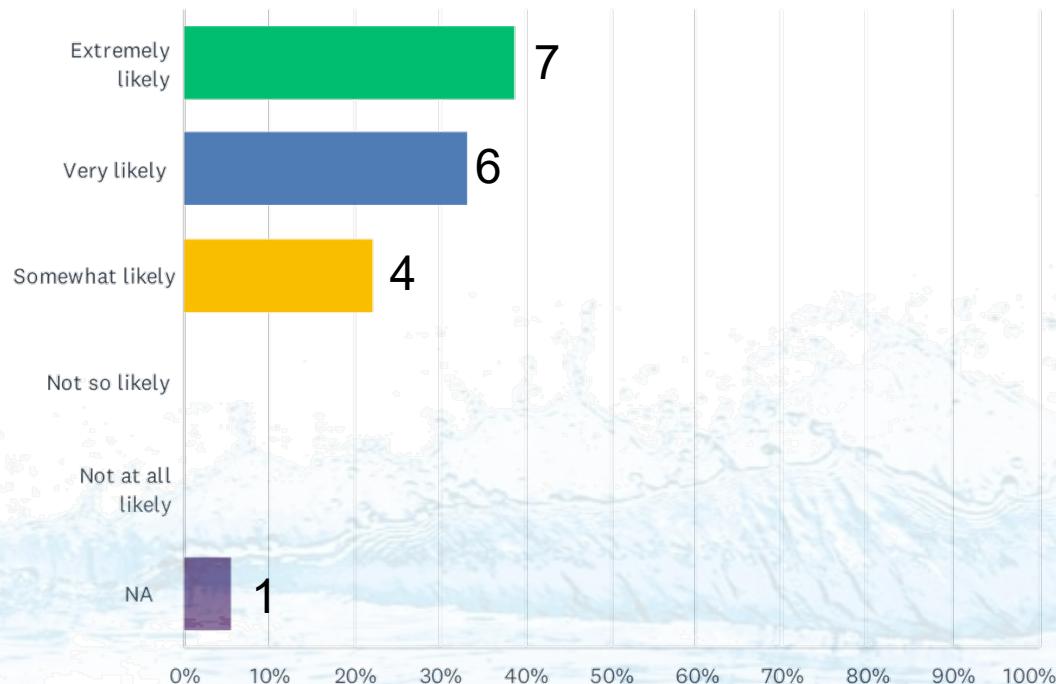
Q6: How well did the Vendor Outreach event meet your expectations?

Answered: 17 Skipped: 1



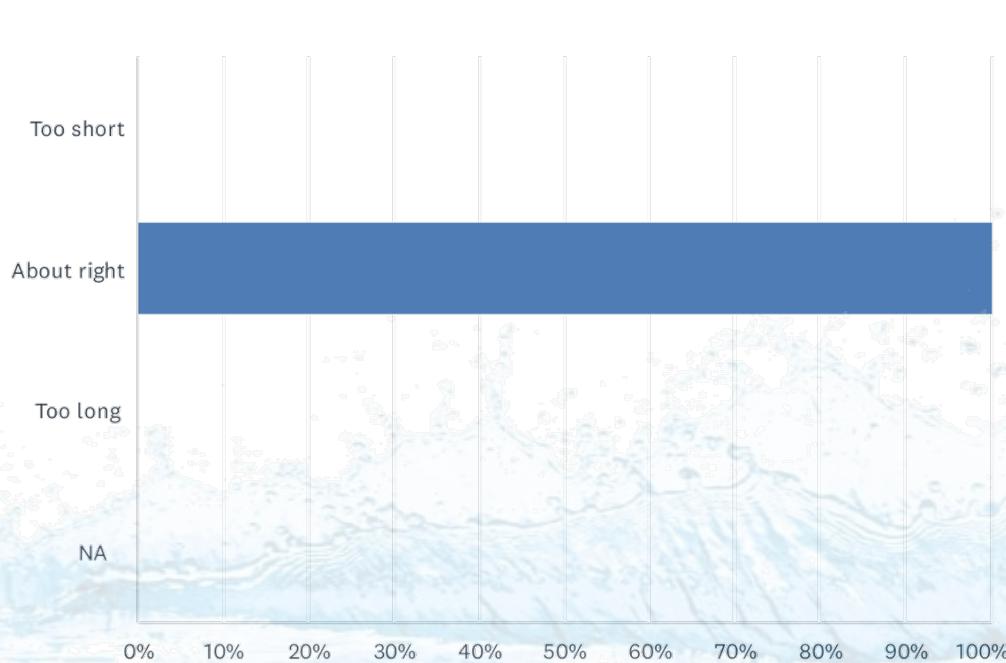
Q7: Based on your experience at the GLWA Vendor Outreach event, how likely are you to attend future events?

Answered: 17 Skipped: 1



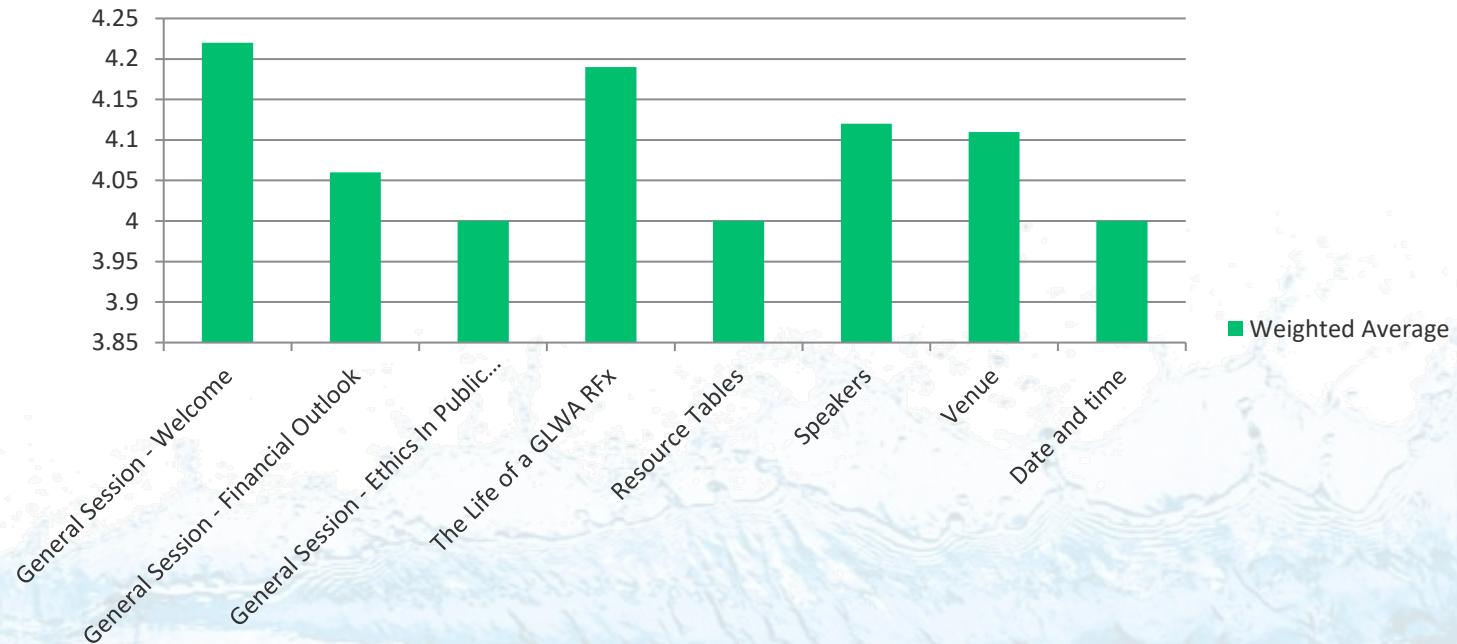
Q8: Do you think the GLWA Vendor Outreach event was too short, about right, or too long?

Answered: 17 Skipped: 1



Q9: Please rate the following aspects of the GLWA Vendor Outreach event.

Answered: 18 Skipped: 0

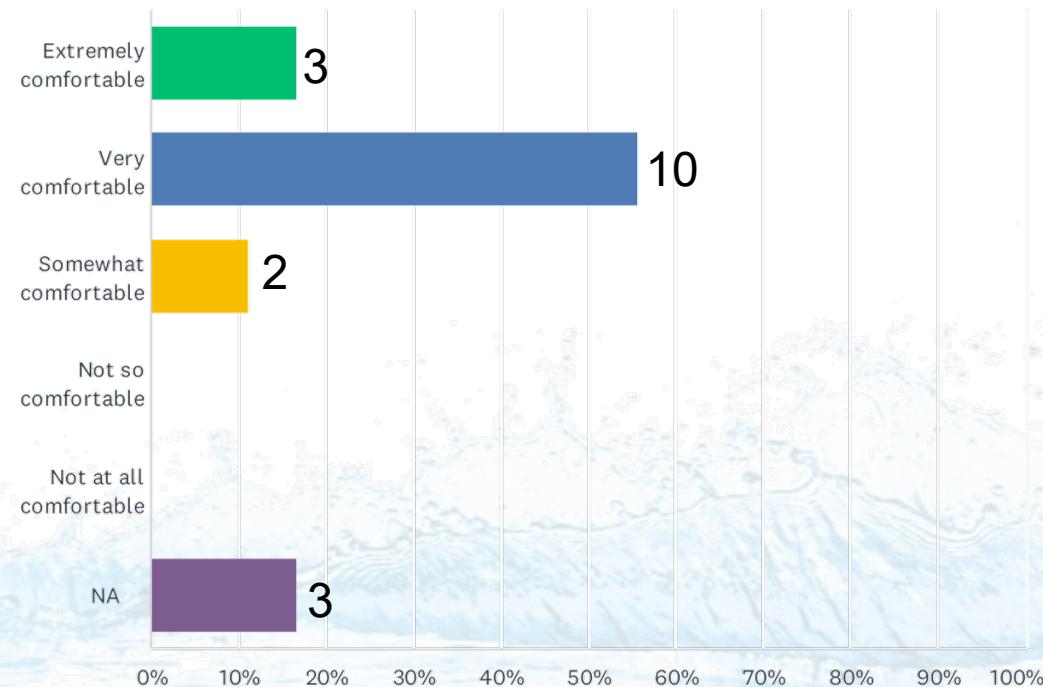


COMMENT:

- We were hoping for more networking time with the GLWA staff also maybe a later start and do a lunch to allow for more networking. We would be totally ok paying to attend if it is a cost issue

Q10: How comfortable did you feel asking questions at the GLWA Vendor Outreach event?

Answered: 18 Skipped: 0



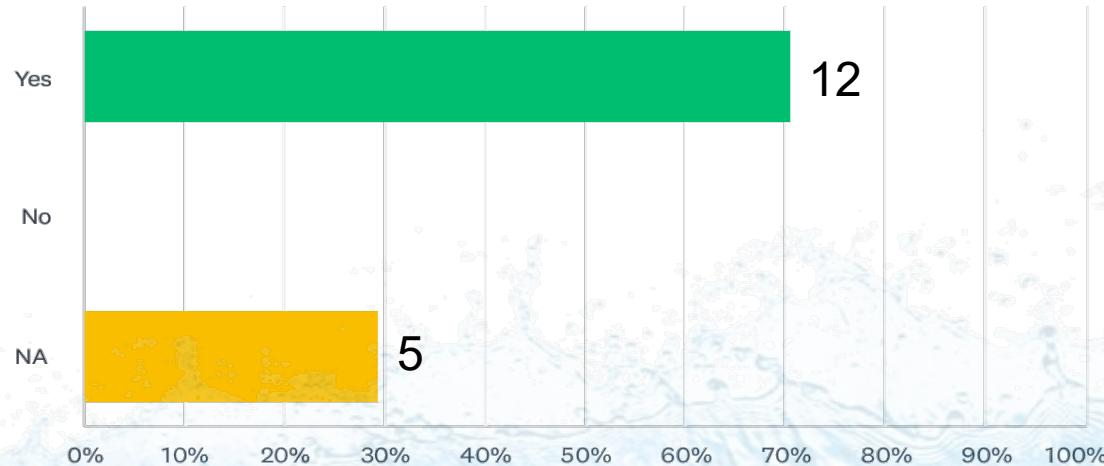
Q11: What was the single most valuable thing you learned at the GLWA Vendor Outreach event?

Answered: 12 Skipped: 6

- Pipeline procurement
- The Life of a GLWA RFx
- Presented incremental annual adjustments to the water & wastewater rates far surpassed expectations and exceeded trends of other utilities authorities.
- Networking with members of GLWA
- Networking
- Evaluation process
- How to work with GLWA. We are already a vendor, but a good reminder.
- Only reach out to procurement for needs and questions.
- Prime vs. Subcontractor relationships in procurement and execution of projects.
- Approach is most important item when responding to an RFP.
- All the different vendors needed for water and wastewater.

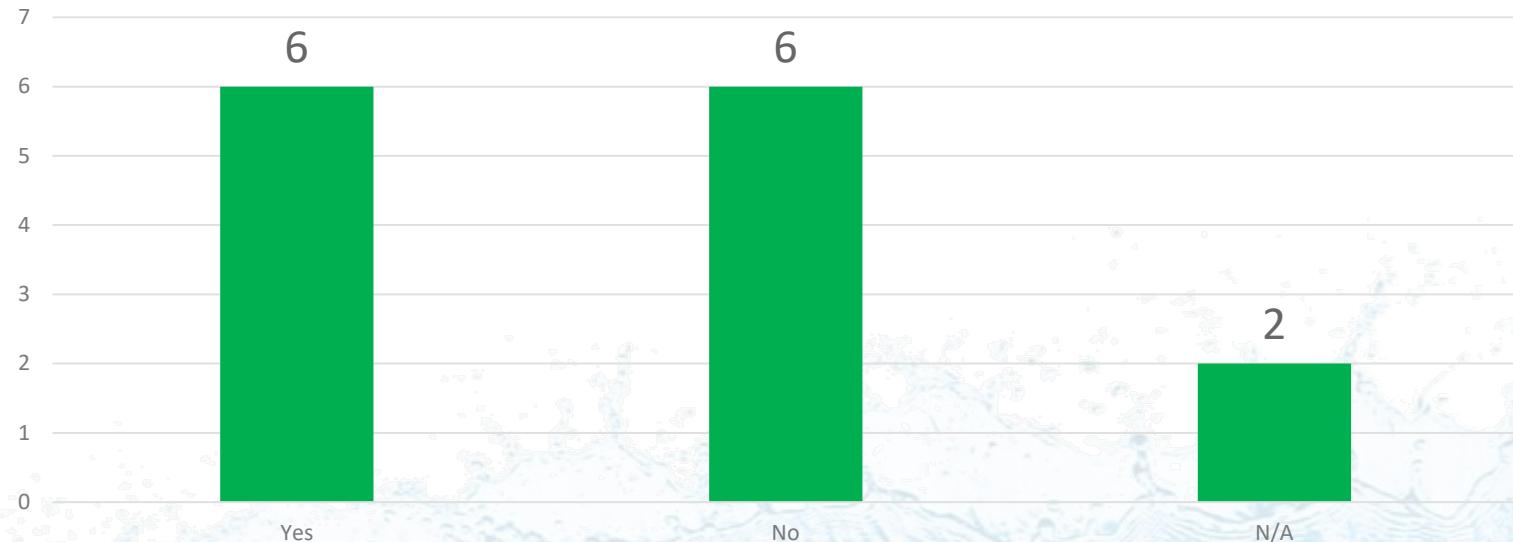
Q12: Now knowing more about GLWA, are you more likely to respond to procurement solicitations?

Answered: 17 Skipped:1



Q13: If you answered YES to Question 12, are you a current or previous GLWA vendor?

Answered: 14 Skipped: 4



Q15: What program changes or topics would you like to see at future events?

Answered: 9 Skipped: 9

- Micro coverages of Individual upcoming CIPs for next year.
- A more focused presentation of the 5-year CIP Plan.
- I would prefer to sit on smaller more specific focused session rather than one long overview with a bunch of information we already knew.
- Combine with CIP.
- Get to know IT and Procurement team more in depth.
- More of the same.

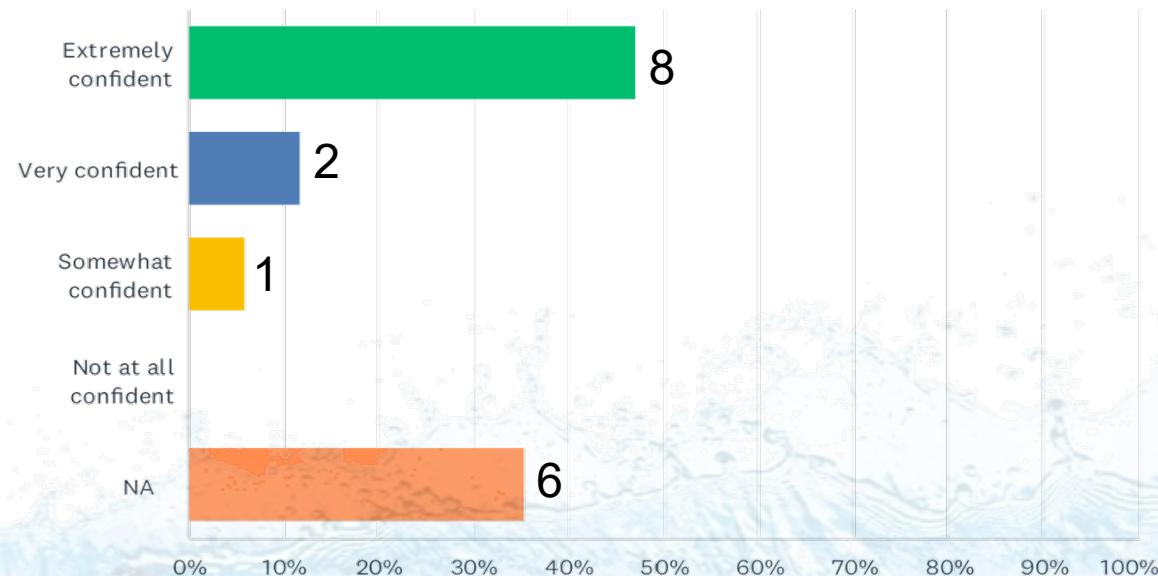
Q16: What information would be helpful to you regarding doing business with GLWA?

Answered: 6 Skipped: 12

- None
- A more realistic outline of upcoming solicitations.
- Better understanding of how the new web pages can be utilized, between Bonfire and Euna. Plenty of reference to both, however not explained the access and usage of the program.
- CIP.
- When vehicles are needed.
- Processes around procurement for IT.

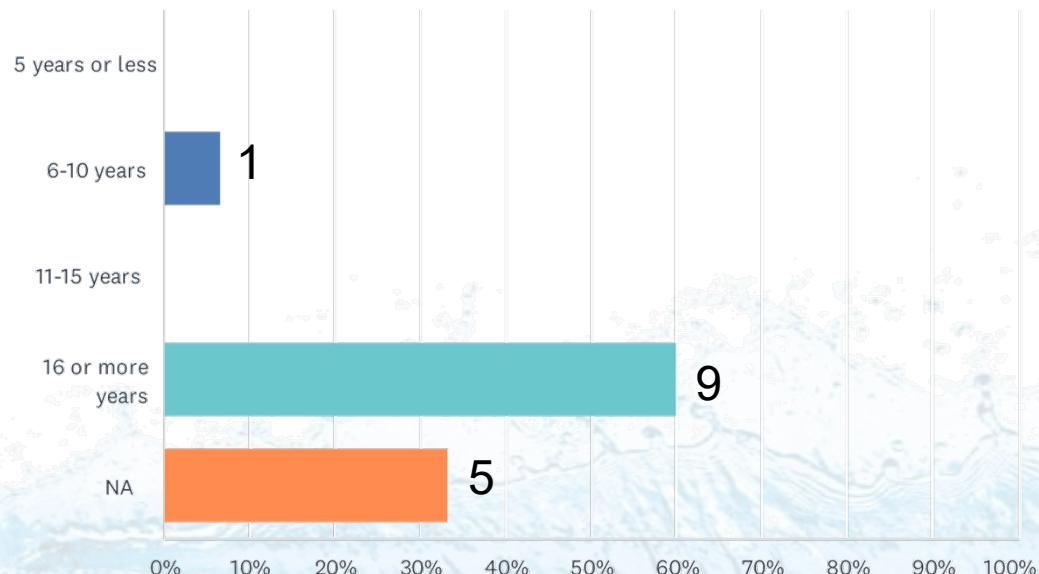
Q17: How confident are you that your company can do business with GLWA?

Answered: 17 Skipped: 1



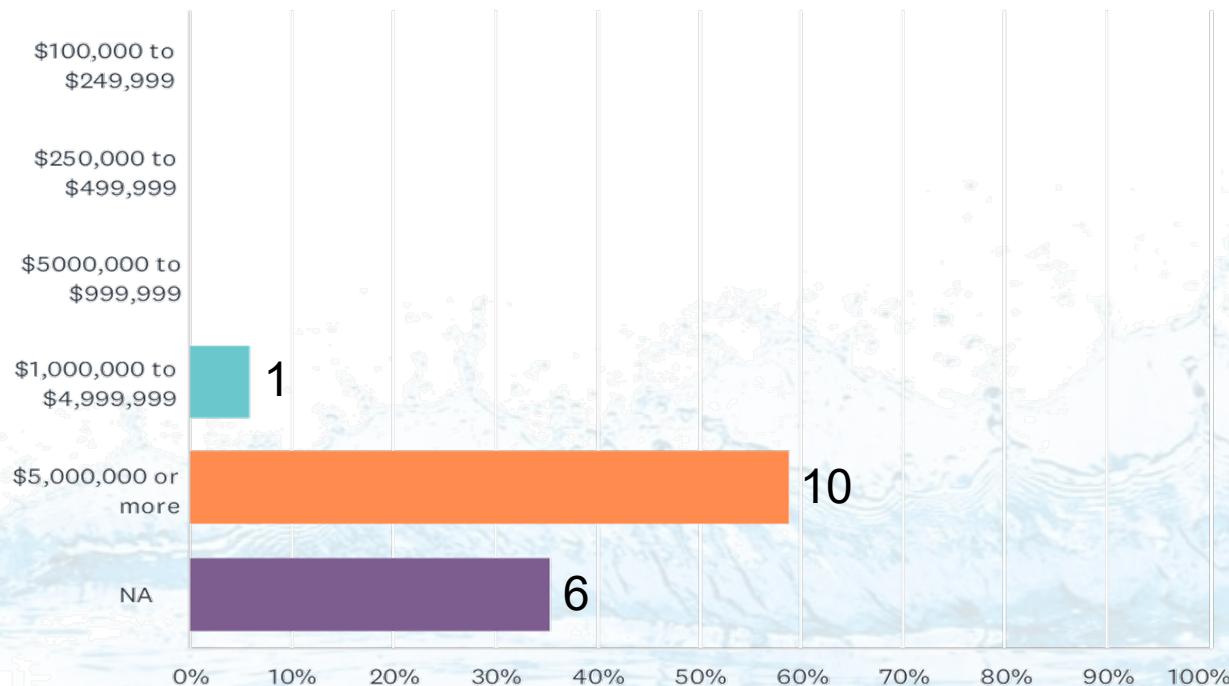
Q18: How long has your company been in business?

Answered: 15 Skipped: 3



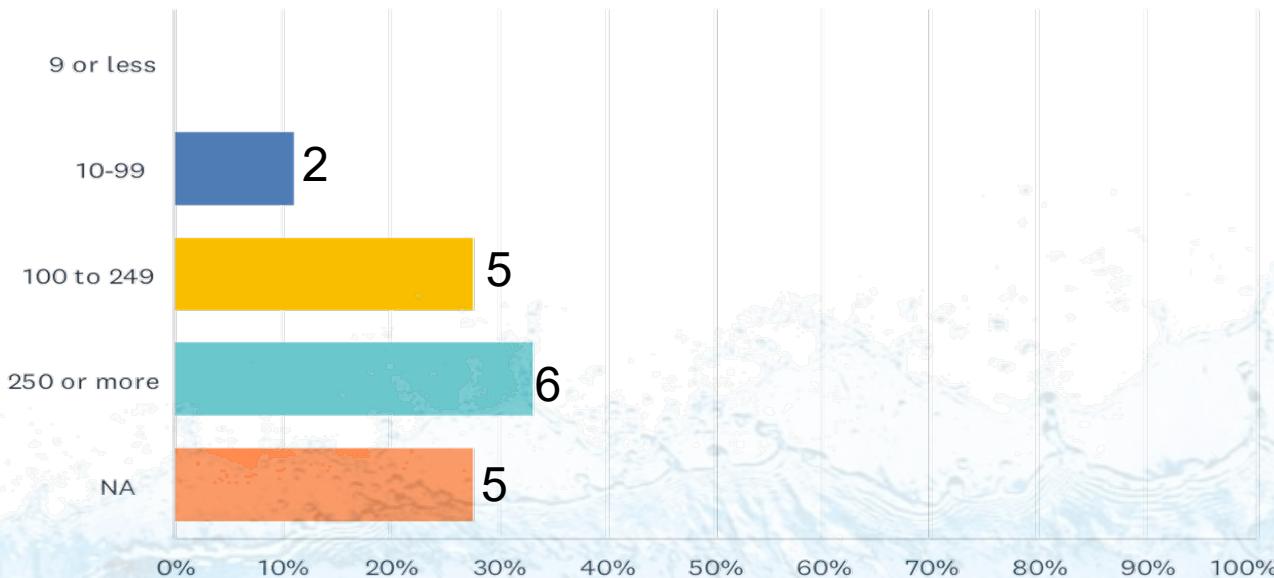
Q19: What is the approximate annual revenue for your company last year?

Answered: 17 Skipped: 1



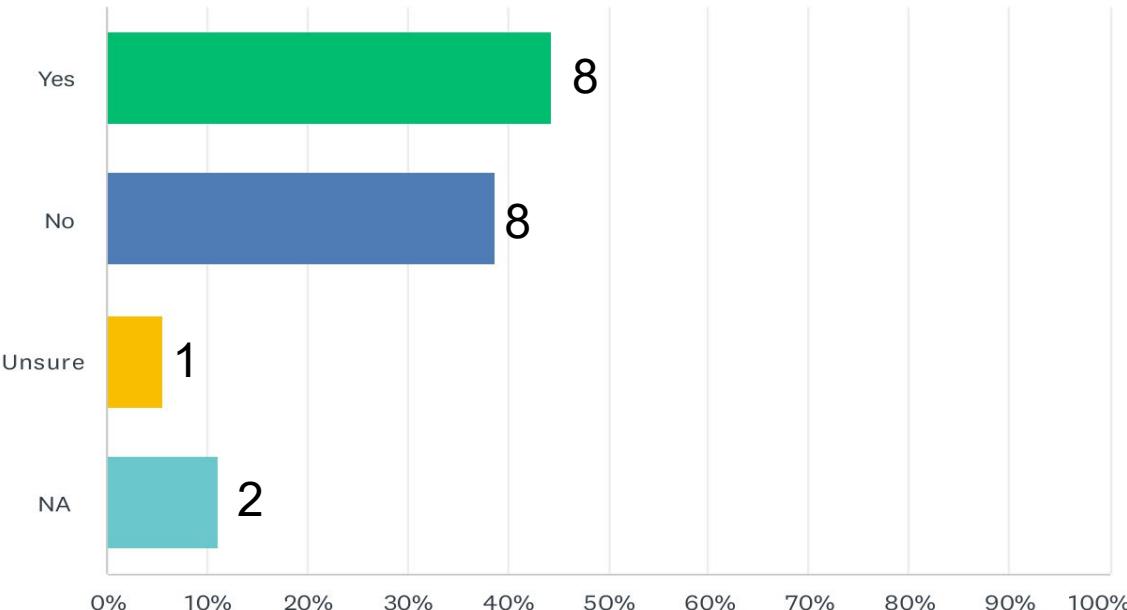
Q20: How many people are employed at your company (i.e., full-time, part-time employees or 1099 contractors)?

Answered: 18 Skipped: 0



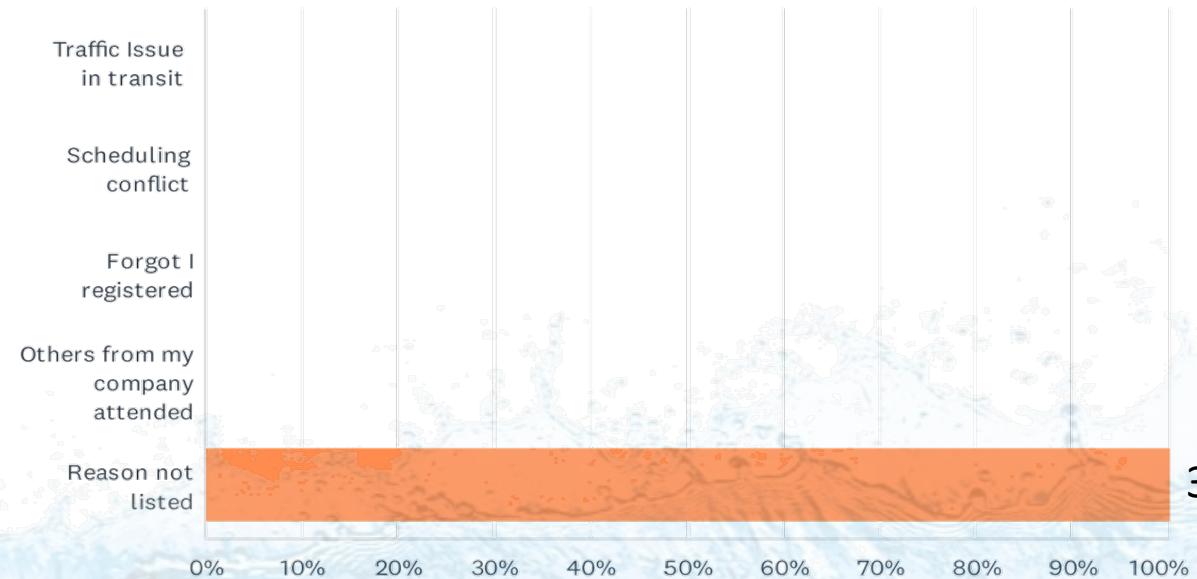
Q21: Do you currently receive the monthly GLWA Procurement Pipeline newsletter?

Answered: 18 Skipped: 0



Q22: Did you register for the GLWA Vendor Outreach Event and not attend? Identify reasons below.

Answered: 3 Skipped: 15



STATS & RECOMMENDATIONS

WHOVA APP STATS

- 300 attendees expected
- 351 registered with the Whova online registration process
- 159 actual attendance, excluding GLWA staff
- 115 no shows
- 168 attendees downloaded the Whova App (54%)
- 18 evaluations returned for a 8.25% return rate (*anything above 10% is considered good*)
- 139 mobile app users | web app users
- 28 business cards scanned & exchanged
- 286 private messages (1-on-1)

FUTURE EVENT RECOMMENDATIONS

- Remove some evaluation questions and place them on the registration form. This may increase evaluation response rate.
- Use Whova App survey tool or Live Polling to get feedback on sessions or to answer some demographic questions. This may increase evaluation response rate.
- Consider adding a paid presenter from outside of the industry.
- Add a field on the registration form requesting permission to use vendor photos if photos are to be taken at the event.
- Consider adding a small fee to the event to encourage people to attend and including lunch for increased networking time.

EVENT ATTENDANCE

Event Year/Location	Individuals Attended**	Individuals Registered	Survey Responses
2025 Macomb Community College (Warren)	159	351	18 (8.25%)
2024 Marriott Auburn Hills (Pontiac)	165	372	41 (16%)
2023 Laurel Manor (Livonia)	207	295	36 (16%)
2019 Laurel Manor (Livonia)	193	240*	75 (31%)
2018 Michigan State University (Troy)	168	261	66 (25%)
2017 Shriners Silver Garden (Southfield)	169	219	38 (17%)
2016 Crowne Plaza Hotel (Detroit)	Data not available	230	No Survey Conducted

*For the 2019 event, guests were limited to two representatives per company versus four representatives in 2018. Page 249

** GLWA staff not included in count



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee, William M. Wolfson, Deputy Chief Executive Officer, and Nicolette N. Bateson, Chief Financial Officer & Treasurer

From: Sonya Collins, Procurement Director

Re: Conflict of Interest – Annual Report

Background: Conflict of Interest – Annual Report

1. Process overview
2. Procurement Policy summarization
3. Table 1 – Response summary

Every year the Procurement Team distributes and collects the Conflict of Interest (COI) and Disclosure Form from all GLWA Team Members who participate in the Great Lakes Water Authority (GLWA) procurement process and all GLWA Board Members. This is GLWA's commitment to the public trust by enforcing and promoting fair, ethical, and financially sound procurement practices during every phase of the procurement process.

The [GLWA procurement policy](#) states in section 1.6 Ethics and Code of Conduct that GLWA Representatives and GLWA Board Members should be free from any real or perceived Conflict of Interest that could be viewed as adversely affecting their judgement, objectivity, or fiduciary responsibility to GLWA and the public, or otherwise affect GLWA's reputation. The annual process documents that effort. In addition, before any team member participates in a procurement evaluation, they must also sign an electronic form in the sourcing software indicating that there is no conflict of interest related to any of the responding firms.

Table 1 documents GLWA's compliance with the procurement policy as measured by completion of the conflict-of-interest disclosure forms as of December 30, 2025.

Table 1 - GLWA Conflict of Interest Reporting Data	
Conflict of Interest Forms sent to GLWA Team Members	425
Conflict of Interest Forms signed and returned to Procurement	425
Percent Complete	100%*
Conflicts reported by GLWA Team Members	5

**Due to leave of absence, eight (8) Team Member did not complete the conflict-of-interest disclosure form. Upon return, each Team Member is required to complete the disclosure form.*

Analysis: Obtaining conflicts of interest responses from Team Members maintains trust and transparency in the GLWA Procurement process.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: January 30, 2026

To: Great Lakes Water Authority Audit Committee

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

Re: FY 2027 Updated Units of Service Report as of January 13, 2026

Background & Analysis: The Charges Outreach & Modeling Team prepared the Preliminary FY 2027 Units of Service Report which was published on November 13, 2025, and reflected forecasted water average day demands, max day and peak hour values that were known at the time. After the preliminary report, additional information regarding member partners with specific changes to their demand assumptions has been incorporated into the attached updated report.

Proposed Action: Receive and file.



Final - FY 2027 Units of Service Report
Water System
January 13, 2026

Compiled by: Charges Outreach & Modeling Team
Matt Lane, Manager
Guy Belew, Management Professional

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Introduction

This report is a result of the updated Uniform Forecast Method utilized by GLWA to project Member Partner sales volumes for the FY 2027 charges which will begin July 1, 2026. This analysis is prepared by the Charges Outreach & Modeling Team from the GLWA Financial Services Area and uses actual Wholesale Automated Meter Reading (WAMR) billing data from October 2023 through September 2025. This final report includes changes made since the preliminary report dated November 13, 2025. The changes are highlighted in blue throughout the narrative and in Appendix 1 and 2.

Water System Units of Service

This preliminary report reflected assumptions regarding Member Partner average day, max day and peak hour demands as of November 13, 2025. During the course of the annual cost of service study, GLWA may update units of service for individual Member Partners based on billing adjustments and contract re-openers due to material changes in demand profiles or as a result of the annual exceedance process. Those adjustments are reflected in this final report and are noted in yellow highlights in the appendix to this report.

A key service area-level breakdown of water units is shown here (expressed in Mcf):

Service Area	2026	2027	Change	% Change
Macomb	3,285,260	3,274,700	(10,560)	-0.3%
Oakland	4,057,800	3,976,400	(81,400)	-2.0%
Wayne	4,697,200	4,608,425	(88,775)	-1.9%
Detroit	4,231,300	4,216,000	(15,300)	-0.4%
Other	<u>1,101,840</u>	<u>1,118,610</u>	<u>16,770</u>	<u>1.5%</u>
Total	<u>17,373,400</u>	<u>17,194,135</u>	<u>(179,265)</u>	<u>-1.0%</u>

System-wide demands are anticipated to fall by 179,265 Mcf or 1.0 percent in FY 2027. Since 40 percent of revenue is recovered through commodity (based on demand) charges, this equates to a structural revenue variance of -0.4 percent based on FY 2026 revenue requirements. This condition is described in detail in the presentation provided at Charges Rollout #2 on November 13, 2025 and results in a base level charge increase of approximately 0.4 percent to address this.

- Appendix 1 presents the calculation of projected “Wholesale Water Sales” for each Member Partner, separated into:
 - BASE Months (October through March)
 - PEAK Months (April through September)
 - Sales Volumes (Annual)

This approach reflects GLWA’s “Uniform Forecasting Method” for projecting anticipated volumes based on an average of the last 3 years, with the base month averages adjusted

downward by 1.0% annually to reflect water use patterns. The peak months are currently not adjusted.

It should be noted that in some cases, the data reflects billing adjustments for prior periods, and other related adjustments that affect the uniform forecast. In these instances, forecasted sales are highlighted in yellow. In Appendix 2 to this report, you find a comparison of water units of service between the FY 2026 Units of Service and the FY 2027 Units of Service.

The units of service for “non master metered” Member Partners (Detroit, Dearborn, Highland Park) include “wholesale proxy” volumes which are determined based on the Black & Veatch Units of Service (UoS) Studies (Phase 1 and Phase 2). The proposed max day and peak hour demands for these Member Partners continue to be “locked in” for the four-year contract reopener period to put those customers on the same basis as the Master Metered customers.

- Appendix 2 presents the wholesale volumes in thousands of cubic feet (mcf) and presents the max day and peak hour demands, in million gallons per day (mgd).

Note: The City of Highland Park has a model contract and three working wholesale meters, however, the terms of the contract state that there must be 12 months of quality data before using the meters to determine demand values. As of the date of this report (January 13, 2026), Highland Park's units of service has been adjusted to reflect the best available metering data.

Max Day/ Peak Hour Demands

The max day and peak hour demands for all of the Master Metered Member Partners, with the exception of the City of Dearborn, Greenwood – DTE and the City of Highland Park, reflect the amounts that were used for the FY 2026 Water Cost of Service Study.

Should there be any questions or comments, please contact us at charges@glwater.org

APPENDIX

Appendix 1 - Schedule of Preliminary Proposed Water Units of Service

The Preliminary Proposed Schedule of Water Units of Service on the next page is scaled to fit an 8 1/2 X 11 inch page setup.

GLWA Wholesale Master Metered Water Sales Volumes during BASE Months - *Mcf*
October through March

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Base 2022 10/20 - 3/21	Base 2023 10/21 - 3/22	Base 2024 10/22 - 3/23	Base 2025 10/23 - 3/24	Original FY 2026 Proj (1) ~ (3) Avg	Proposed FY 2027 Proj (2) ~ (4) Avg	Variance from FY 2025 Proj Volume (6) - (5)	Variance from FY 2024 Actual Volume (6) - (4)	Percent (7) / (5)	Percent (9) / (4)
<i>Adjustment Factor:</i>											
1	Allen Park	65,102	52,891	52,904	48,237	55,800	50,300	(5,500)	-9.9%	2,063	4.3%
2	Almont Village	4,266	4,129	4,173	4,748	4,100	4,300	200	4.9%	(448)	-9.4%
3	Ash Township	17,236	16,880	16,158	16,808	16,400	16,300	(100)	-0.6%	(508)	-3.0%
4	Belleville	6,515	6,296	6,638	7,245	6,400	6,600	200	3.1%	(645)	-8.9%
5	Berlin Township	12,328	11,618	11,464	12,075	11,600	11,500	(100)	-0.9%	(575)	-4.8%
6	Brownstown Township	58,467	58,715	57,777	58,239	57,200	57,100	(100)	-0.2%	(1,139)	-2.0%
7	Bruce Township	742	667	778	909	700	800	100	14.3%	(109)	-11.9%
8	Burtchville Township	2,407	3,068	4,771	5,167	3,300	4,200	900	27.3%	(967)	-18.7%
9	Canton Township	148,020	157,272	169,186	154,828	155,000	157,200	2,200	1.4%	2,372	1.5%
10	Center Line	15,097	15,159	15,211	15,146	14,900	14,900	0	0.0%	(246)	-1.6%
11	Chesterfield Township	77,581	75,908	80,789	76,119	76,500	76,100	(400)	-0.5%	(19)	0.0%
12	Clinton Township	167,627	171,551	162,467	169,270	163,900	164,400	500	0.3%	(4,870)	-2.9%
13	Commerce Township	37,508	38,621	39,373	41,581	37,700	39,100	1,400	3.7%	(2,481)	-6.0%
14	Dearborn Heights	92,067	95,751	90,685	95,787	91,000	92,200	1,200	1.3%	(3,587)	-3.7%
15	Eastpointe	49,608	52,111	50,325	47,854	49,700	49,100	(600)	-1.2%	1,246	2.6%
16	Ecorse	46,618	42,926	38,579	41,001	41,900	40,000	(1,900)	-4.5%	(1,001)	-2.4%
17	Farmington	19,698	19,187	19,042	19,182	18,900	18,800	(100)	-0.5%	(382)	-2.0%
18	Farmington Hills	147,904	143,058	141,793	136,207	141,400	137,500	(3,900)	-2.8%	1,293	0.9%
19	Ferndale	35,165	30,843	31,534	29,767	31,900	30,100	(1,800)	-5.6%	333	1.1%
20	Flat Rock	22,456	24,284	23,842	22,058	23,100	22,900	(200)	-0.9%	842	3.8%
21	Flint	240,991	193,303	182,504	212,744	190,400	200,200	9,800	5.1%	(12,544)	-5.9%
22	Fraser	26,562	25,517	25,569	25,670	25,400	25,100	(300)	-1.2%	(570)	-2.2%
23	Garden City	33,583	32,437	34,365	34,137	32,800	33,000	200	0.6%	(1,137)	-3.3%
24	Gibraltar	8,013	7,406	8,102	9,419	7,700	8,100	400	5.2%	(1,319)	-14.0%
25	Greenwood Township (DTE)	4,206	3,990	6,911	14,736	4,900	8,400	3,500	71.4%	(6,336)	-43.0%
26	Grosse Ile Township	17,411	22,126	18,832	20,793	19,100	20,200	1,100	5.8%	(593)	-2.9%
27	Grosse Pt. Park	20,797	19,796	20,200	19,765	19,900	19,500	(400)	-2.0%	(265)	-1.3%
28	Grosse Pt. Shores	5,640	6,159	5,086	5,342	5,500	5,400	(100)	-1.8%	58	1.1%
29	Grosse Pt. Woods	27,292	27,906	24,967	25,962	26,200	25,800	(400)	-1.5%	(162)	-0.6%
30	Hamtramck	28,424	32,576	30,493	31,698	29,900	31,000	1,100	3.7%	(698)	-2.2%
31	Harper Woods	27,600	26,298	27,610	26,242	26,600	26,200	(400)	-1.5%	(42)	-0.2%
32	Harrison Township	43,039	42,794	42,667	36,054	42,000	39,700	(2,300)	-5.5%	3,646	10.1%

GLWA Wholesale Master Metered Water Sales Volumes during BASE Months - *Mcf*
October through March

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Base 2022 10/20 - 3/21	Base 2023 10/21 - 3/22	Base 2024 10/22 - 3/23	Base 2025 10/23 - 3/24	Original FY 2026 Proj (1) ~ (3) Avg 98.0%	Proposed FY 2027 Proj (2) ~ (4) Avg 98.0%	Variance from FY 2025 Proj Volume (6) - (5)	Variance from FY 2024 Actual Percent (7) / (5)	Variance from FY 2024 Actual Volume (6) - (4)	Variance from FY 2024 Actual Percent (9) / (4)
<i>Adjustment Factor:</i>											
33	Hazel Park	20,584	22,801	22,214	25,055	21,400	22,900	1,500	7.0%	(2,155)	-8.6%
34	Huron Township	30,030	46,961	52,129	28,900	28,200	32,400	4,200	14.9%	3,500	12.1%
35	Imlay City	20,230	19,949	15,440	18,817	18,200	17,700	(500)	-2.7%	(1,117)	-5.9%
36	Imlay Township (Single User)	49	2	7	3	0	0	0	0.0%	(3)	-100.0%
37	Inkster	49,404	52,334	48,350	46,690	49,000	49,125	125	0.3%	2,434	5.2%
38	Keego Harbor	4,514	4,393	4,245	4,541	4,300	4,300	0	0.0%	(241)	-5.3%
39	Lapeer	27,308	23,922	25,264	25,672	25,000	24,500	(500)	-2.0%	(1,172)	-4.6%
40	Lenox Township	7,156	7,394	8,074	9,630	7,400	8,200	800	10.8%	(1,430)	-14.9%
41	Lincoln Park	84,762	85,779	82,698	83,476	82,700	82,300	(400)	-0.5%	(1,176)	-1.4%
42	Livonia	183,814	181,263	181,280	193,078	178,500	181,500	3,000	1.7%	(11,578)	-6.0%
43	Macomb Township	124,249	129,185	137,794	146,328	127,800	135,000	7,200	5.6%	(11,328)	-7.7%
44	Madison Heights	59,807	57,240	54,504	55,700	56,000	54,700	(1,300)	-2.3%	(1,000)	-1.8%
45	Mayfield Township (KAMAX)	195	238	199	146	200	200	0	0.0%	54	37.0%
46	Melvindale	21,719	25,689	24,316	24,735	23,400	24,400	1,000	4.3%	(335)	-1.4%
47	New Haven, Village of	8,626	9,014	9,179	9,362	8,800	9,000	200	2.3%	(362)	-3.9%
48	NOCWA	351,425	360,528	347,818	360,631	346,200	349,200	3,000	0.9%	(11,431)	-3.2%
49	Northville	14,076	12,889	10,874	11,961	12,400	11,700	(700)	-5.6%	(261)	-2.2%
50	Northville Township	46,961	47,414	48,613	46,801	46,700	46,700	0	0.0%	(101)	-0.2%
51	Novi	116,868	114,775	115,147	105,387	113,300	109,500	(3,800)	-3.4%	4,113	3.9%
52	Oak Park	44,771	44,089	44,042	46,706	43,400	44,000	600	1.4%	(2,706)	-5.8%
53	Oakland GWK Drain District	4,044	2,875	3,856	3,327	3,500	3,300	(200)	-5.7%	(27)	-0.8%
54	Plymouth	18,216	18,193	18,063	18,530	17,800	17,900	100	0.6%	(630)	-3.4%
55	Plymouth Township	60,475	58,350	57,772	58,726	57,700	57,100	(600)	-1.0%	(1,626)	-2.8%
56	Redford Township	73,109	73,280	73,569	71,037	71,900	71,200	(700)	-1.0%	163	0.2%
57	River Rouge	19,116	16,606	18,400	17,733	17,700	17,200	(500)	-2.8%	(533)	-3.0%
58	Riverview	20,826	21,754	18,988	20,003	20,100	19,800	(300)	-1.5%	(203)	-1.0%
59	Rockwood	4,652	4,362	4,434	4,428	4,400	4,300	(100)	-2.3%	(128)	-2.9%
60	Romeo	2,578	1,628	1,021	1,828	1,100	1,500	400	36.4%	(328)	-17.9%
61	Romulus	97,221	88,899	88,375	86,459	89,700	86,200	(3,500)	-3.9%	(259)	-0.3%
62	Roseville	82,344	82,743	85,494	83,506	81,900	82,200	300	0.4%	(1,306)	-1.6%
63	Royal Oak Township	4,804	4,884	4,643	4,931	4,700	4,700	0	0.0%	(231)	-4.7%
64	Shelby Township	147,549	146,385	151,053	166,150	145,400	151,400	6,000	4.1%	(14,750)	-8.9%

GLWA Wholesale Master Metered Water Sales Volumes during BASE Months - *Mcf*
October through March

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Base 2022 10/20 - 3/21	Base 2023 10/21 - 3/22	Base 2024 10/22 - 3/23	Base 2025 10/23 - 3/24	Original FY 2026 Proj (1) ~ (3) Avg 98.0%	Proposed FY 2027 Proj (2) ~ (4) Avg 98.0%	Variance from FY 2025 Proj Volume (6) - (5)	Variance from FY 2024 Actual Percent (7) / (5)	Variance from FY 2024 Actual Volume (6) - (4)	Variance from FY 2024 Actual Percent (9) / (4)
<i>Adjustment Factor:</i>											
65	SOCWA	514,408	515,974	469,894	497,996	490,100	484,700	(5,400)	-1.1%	(13,296)	-2.7%
66	South Rockwood	2,279	2,206	2,252	2,328	2,200	2,200	0	0.0%	(128)	-5.5%
67	Southgate	56,331	53,546	53,107	54,619	53,200	52,700	(500)	-0.9%	(1,919)	-3.5%
68	St. Clair Shores	94,170	98,708	88,509	90,690	91,900	90,800	(1,100)	-1.2%	110	0.1%
69	Sterling Heights	255,436	232,510	244,400	246,938	239,200	236,500	(2,700)	-1.1%	(10,438)	-4.2%
70	Sumpter Township	17,950	14,935	16,322	16,592	16,100	15,600	(500)	-3.1%	(992)	-6.0%
71	Sylvan Lake	3,436	2,792	2,719	2,924	2,900	2,800	(100)	-3.4%	(124)	-4.2%
72	Taylor	120,875	125,878	123,825	121,527	121,100	121,300	200	0.2%	(227)	-0.2%
73	Trenton	37,761	39,250	37,894	33,815	37,500	36,200	(1,300)	-3.5%	2,385	7.1%
74	Troy	169,406	167,123	167,064	169,097	164,500	164,400	(100)	-0.1%	(4,697)	-2.8%
75	Utica	10,659	10,582	10,179	10,483	10,300	10,200	(100)	-1.0%	(283)	-2.7%
76	Van Buren Township	55,299	54,097	48,484	53,576	51,600	51,000	(600)	-1.2%	(2,576)	-4.8%
77	Walled Lake	13,210	12,534	12,743	13,554	12,600	12,700	100	0.8%	(854)	-6.3%
78	Warren	294,837	279,793	284,386	283,664	280,600	277,000	(3,600)	-1.3%	(6,664)	-2.3%
79	Washington Township	30,059	29,522	29,561	31,398	29,100	29,600	500	1.7%	(1,798)	-5.7%
80	Wayne	47,769	49,254	49,277	43,137	47,800	46,300	(1,500)	-3.1%	3,163	7.3%
81	West Bloomfield Township	115,289	114,739	112,640	113,751	111,900	111,400	(500)	-0.4%	(2,351)	-2.1%
82	Westland	150,153	153,113	140,740	136,531	145,000	140,600	(4,400)	-3.0%	4,069	3.0%
83	Wixom	28,968	28,355	29,624	30,641	28,400	28,900	500	1.8%	(1,741)	-5.7%
84	Woodhaven	25,798	22,938	22,195	22,633	23,200	22,100	(1,100)	-4.7%	(533)	-2.4%
85	Ypsilanti Comm Util Auth	221,464	216,371	212,340	221,165	212,400	212,300	(100)	0.0%	(8,865)	-4.0%
86	Total Master Metered	5,527,009	5,451,282	5,360,802	5,442,119	5,312,200	5,309,425	(2,775)	-0.1%	(132,694)	-2.4%
87	Dearborn Wholesale Proxy	265,708	261,336	279,646	256,234	263,500	260,400	(3,100)	-1.2%	4,166	1.6%
88	Highland Park Wholesale Proxy	48,790	48,698	44,000	35,792	38,600	28,166	(10,434)	-27.0%	(7,626)	-21.3%
89	Detroit Wholesale Proxy	2,046,440	2,111,707	2,064,427	2,054,320	2,032,700	2,049,600	16,900	0.8%	(4,720)	-0.2%
90	Subtotal Non Master Mtrd	2,360,938	2,421,741	2,388,072	2,346,346	2,334,800	2,338,166	(2,185)	-0.1%	(273,569)	-11.7%
91	TOTAL	7,887,947	7,873,023	7,748,874	7,788,465	7,647,000	7,647,591	(4,960)	-0.1%	(406,263)	-5.2%
92	<i>Subtotal Sub Wholesale</i>	5,841,507	5,761,316	5,684,448	5,734,145	5,614,300	5,597,991	(21,860)	-0.4%	(401,543)	-7.0%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - *Mcf*
April through September

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		<u>Peak 2022</u> 4/21 - 9/21	<u>Peak 2023</u> 4/22 - 9/22	<u>Peak 2024</u> 4/23 - 9/23	<u>Peak 2025</u> 4/24 - 9/24	<i>Original</i> <i>FY 2026 Proj</i> (1) ~ (3) Avg	<i>Proposed</i> <i>FY 2027 Proj</i> (2) ~ (4) Avg	<i>Variance from FY 2026 Proj</i> <i>Volume</i> (6) - (5)	<i>Variance from FY 2025 Actual</i> <i>Volume</i> (6) - (4)	<i>Percent</i> (7) / (5)	<i>Percent</i> (9) / (4)
		<i>Adjustment Factor:</i>				100.0%	100.0%				
1	Allen Park	65,987	64,380	61,393	61,388	63,900	62,400	(1,500)	-2.3%	1,012	1.6%
2	Almont Village	4,925	4,569	4,694	4,462	4,700	4,600	(100)	-2.1%	138	3.1%
3	Ash Township	22,392	20,087	20,656	20,549	21,000	20,400	(600)	-2.9%	(149)	-0.7%
4	Belleville	7,807	7,358	7,717	7,541	7,600	7,500	(100)	-1.3%	(41)	-0.5%
5	Berlin Township	15,523	14,824	15,173	16,328	15,200	15,400	200	1.3%	(928)	-5.7%
6	Brownstown Township	86,529	80,879	78,377	80,898	81,900	80,100	(1,800)	-2.2%	(798)	-1.0%
7	Bruce Township	2,425	2,311	1,723	1,781	2,200	1,900	(300)	-13.6%	119	6.7%
8	Burtchville Township	6,027	6,458	6,723	6,768	6,400	6,600	200	3.1%	(168)	-2.5%
9	Canton Township	230,557	237,547	212,655	217,147	226,900	222,400	(4,500)	-2.0%	5,253	2.4%
10	Center Line	16,722	16,785	15,252	16,672	16,300	16,200	(100)	-0.6%	(472)	-2.8%
11	Chesterfield Township	107,295	100,502	96,178	104,085	101,300	100,300	(1,000)	-1.0%	(3,785)	-3.6%
12	Clinton Township	217,027	218,063	205,986	219,707	213,700	214,600	900	0.4%	(5,107)	-2.3%
13	Commerce Township	70,920	66,313	65,013	67,048	67,400	66,100	(1,300)	-1.9%	(948)	-1.4%
14	Dearborn Heights	109,609	100,282	101,382	99,370	103,800	100,300	(3,500)	-3.4%	930	0.9%
15	Eastpointe	54,888	49,358	49,605	50,476	51,300	49,800	(1,500)	-2.9%	(676)	-1.3%
16	Ecorse	45,777	39,748	39,158	39,485	41,600	39,500	(2,100)	-5.0%	15	0.0%
17	Farmington	25,462	24,673	23,263	23,760	24,500	23,900	(600)	-2.4%	140	0.6%
18	Farmington Hills	216,599	206,183	195,256	185,682	206,000	195,700	(10,300)	-5.0%	10,018	5.4%
19	Ferndale	30,957	33,468	33,380	32,016	32,600	33,000	400	1.2%	984	3.1%
20	Flat Rock	32,959	27,966	27,774	26,676	29,600	27,500	(2,100)	-7.1%	824	3.1%
21	Flint	226,597	211,411	195,871	214,495	203,400	203,900	500	0.2%	(10,595)	-4.9%
22	Fraser	31,030	31,007	29,776	31,014	30,600	30,600	0	0.0%	(414)	-1.3%
23	Garden City	39,706	39,276	37,280	40,293	38,800	38,900	100	0.3%	(1,393)	-3.5%
24	Gibraltar	8,625	8,509	11,127	8,558	9,400	9,400	0	0.0%	842	9.8%
25	Greenwood Township (DTE)	12,117	31,797	39,335	31,355	27,700	34,200	6,500	23.5%	2,845	9.1%
26	Grosse Ile Township	23,229	26,335	21,447	24,363	23,700	24,000	300	1.3%	(363)	-1.5%
27	Grosse Pt. Park	33,564	30,752	27,513	29,949	30,600	29,400	(1,200)	-3.9%	(549)	-1.8%
28	Grosse Pt. Shores	14,323	11,790	10,858	11,545	12,300	11,400	(900)	-7.3%	(145)	-1.3%
29	Grosse Pt. Woods	44,771	39,781	36,242	38,253	40,300	38,100	(2,200)	-5.5%	(153)	-0.4%
30	Hamtramck	30,797	34,931	30,681	31,032	32,100	32,200	100	0.3%	1,168	3.8%
31	Harper Woods	30,361	27,644	26,638	27,024	28,200	27,100	(1,100)	-3.9%	76	0.3%
32	Harrison Township	57,128	54,729	46,889	49,365	52,900	50,300	(2,600)	-4.9%	935	1.9%
33	Hazel Park	26,931	25,670	23,738	26,110	25,400	25,200	(200)	-0.8%	(910)	-3.5%
34	Huron Township	38,601	57,804	47,467	32,363	37,400	33,400	(4,000)	-10.7%	1,037	3.2%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - Mcf
April through September

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Peak 2022	Peak 2023	Peak 2024	Peak 2025	Original FY 2026 Proj	Proposed FY 2027 Proj	Variance from FY 2026 Proj	Variance from FY 2025 Actual		
		4/21 - 9/21	4/22 - 9/22	4/23 - 9/23	4/24 - 9/24	(1) ~ (3) Avg	(2) ~ (4) Avg	(6) - (5)	(7) / (5)	(6) - (4)	(9) / (4)
<i>Adjustment Factor:</i>											
35	Imlay City	25,446	30,986	29,325	28,638	28,600	29,600	1,000	3.5%	962	3.4%
36	Imlay Township (Single User)	14	1	8	1	10	10	0	0.0%	9	952.6%
37	Inkster	52,322	50,133	46,065	45,260	49,500	47,200	(2,300)	-4.6%	1,940	4.3%
38	Keego Harbor	5,554	5,526	5,326	5,432	5,500	5,400	(100)	-1.8%	(32)	-0.6%
39	Lapeer	26,864	30,066	28,768	27,214	28,600	28,700	100	0.3%	1,486	5.5%
40	Lenox Township	8,341	8,440	9,219	9,589	8,700	9,100	400	4.6%	(489)	-5.1%
41	Lincoln Park	92,622	88,969	87,388	91,060	89,700	89,100	(600)	-0.7%	(1,960)	-2.2%
42	Livonia	276,574	272,271	264,143	259,522	271,000	265,300	(5,700)	-2.1%	5,778	2.2%
43	Macomb Township	218,589	212,250	199,138	223,384	210,000	211,600	1,600	0.8%	(11,784)	-5.3%
44	Madison Heights	68,954	65,953	65,315	69,249	66,700	66,800	100	0.1%	(2,449)	-3.5%
45	Mayfield Township (KAMAX)	364	331	256	221	300	300	0	0.0%	79	36.0%
46	Melvindale	23,897	22,010	22,872	22,866	22,900	22,600	(300)	-1.3%	(266)	-1.2%
47	New Haven, Village of	11,242	11,179	10,883	10,389	11,100	10,800	(300)	-2.7%	411	4.0%
48	NOCWA	547,131	523,629	503,599	521,483	524,800	516,200	(8,600)	-1.6%	(5,283)	-1.0%
49	Northville	17,506	16,815	16,534	16,186	17,000	16,500	(500)	-2.9%	314	1.9%
50	Northville Township	87,914	89,698	86,424	83,476	88,000	86,500	(1,500)	-1.7%	3,024	3.6%
51	Novi	203,991	174,714	190,048	159,627	189,600	174,800	(14,800)	-7.8%	15,173	9.5%
52	Oak Park	48,063	45,758	50,000	47,388	47,900	47,700	(200)	-0.4%	312	0.7%
53	Oakland GWK Drain District	4,989	5,955	5,402	6,813	5,400	6,100	700	13.0%	(713)	-10.5%
54	Plymouth	26,799	25,946	24,542	25,793	25,800	25,400	(400)	-1.6%	(393)	-1.5%
55	Plymouth Township	99,391	97,218	91,964	92,958	96,200	94,000	(2,200)	-2.3%	1,042	1.1%
56	Redford Township	83,057	82,621	77,600	79,644	81,100	80,000	(1,100)	-1.4%	356	0.4%
57	River Rouge	20,151	20,728	26,448	17,990	22,400	21,700	(700)	-3.1%	3,710	20.6%
58	Riverview	26,737	23,844	23,309	23,793	24,600	23,600	(1,000)	-4.1%	(193)	-0.8%
59	Rockwood	5,173	5,060	5,128	4,890	5,100	5,000	(100)	-2.0%	110	2.3%
60	Romeo	3,408	1,789	2,223	2,766	2,000	2,200	200	10.0%	(566)	-20.5%
61	Romulus	112,150	107,782	109,946	104,908	110,000	107,500	(2,500)	-2.3%	2,592	2.5%
62	Roseville	87,830	87,474	90,915	94,814	88,700	91,100	2,400	2.7%	(3,714)	-3.9%
63	Royal Oak Township	5,467	5,554	5,185	5,500	5,400	5,400	0	0.0%	(100)	-1.8%
64	Shelby Township	275,781	262,191	242,148	272,422	260,000	258,900	(1,100)	-0.4%	(13,522)	-5.0%
65	SOCWA	773,397	728,279	690,070	723,193	730,600	713,800	(16,800)	-2.3%	(9,393)	-1.3%
66	South Rockwood	2,535	2,471	2,702	2,425	2,600	2,500	(100)	-3.8%	75	3.1%
67	Southgate	67,176	62,979	61,880	65,465	64,000	63,400	(600)	-0.9%	(2,065)	-3.2%
68	St. Clair Shores	113,031	106,974	98,928	102,677	106,300	102,900	(3,400)	-3.2%	223	0.2%

GLWA Wholesale Master Metered Water Sales Volumes during PEAK Months - *Mcf*
April through September

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		Peak 2022	Peak 2023	Peak 2024	Peak 2025	Original FY 2026 Proj	Proposed FY 2027 Proj	Variance from FY 2026 Proj	Variance from FY 2025 Actual			
		4/21 - 9/21	4/22 - 9/22	4/23 - 9/23	4/24 - 9/24	(1) ~ (3) Avg	(2) ~ (4) Avg	(6) - (5)	(7) / (5)	(6) - (4)	(9) / (4)	
<i>Adjustment Factor:</i>												
69	Sterling Heights	347,431	328,150	309,455	329,972	328,300	322,500	(5,800)	-1.8%	(7,472)	-2.3%	
70	Sumpter Township	20,801	17,768	18,116	18,933	18,900	18,300	(600)	-3.2%	(633)	-3.3%	
71	Sylvan Lake	3,929	3,643	3,549	3,664	3,700	3,600	(100)	-2.7%	(64)	-1.7%	
72	Taylor	152,854	144,924	142,307	141,141	146,700	142,800	(3,900)	-2.7%	1,659	1.2%	
73	Trenton	54,916	44,374	42,402	41,917	44,100	44,300	200	0.5%	2,383	5.7%	
74	Troy	265,092	262,160	251,561	267,176	259,600	260,300	700	0.3%	(6,876)	-2.6%	
75	Utica	14,312	14,283	12,523	13,534	13,700	13,400	(300)	-2.2%	(134)	-1.0%	
76	Van Buren Township	77,053	73,313	69,975	70,597	73,400	71,300	(2,100)	-2.9%	703	1.0%	
77	Walled Lake	16,346	16,023	16,579	16,699	16,300	16,400	100	0.6%	(299)	-1.8%	
78	Warren	347,379	332,704	324,837	331,255	335,000	329,600	(5,400)	-1.6%	(1,655)	-0.5%	
79	Washington Township	58,902	57,721	53,264	61,120	56,600	57,400	800	1.4%	(3,720)	-6.1%	
80	Wayne	54,408	53,446	51,758	48,404	53,200	51,200	(2,000)	-3.8%	2,796	5.8%	
81	West Bloomfield Township	174,870	162,149	158,455	157,965	165,200	159,500	(5,700)	-3.5%	1,535	1.0%	
82	Westland	188,361	147,779	172,086	167,432	169,400	162,400	(7,000)	-4.1%	(5,032)	-3.0%	
83	Wixom	51,885	45,131	47,248	54,620	48,100	49,000	900	1.9%	(5,620)	-10.3%	
84	Woodhaven	34,139	30,322	30,202	30,988	31,600	30,500	(1,100)	-3.5%	(488)	-1.6%	
85	Ypsilanti Comm Util Auth	283,465	273,610	265,031	273,172	274,000	270,600	(3,400)	-1.2%	(2,572)	-0.9%	
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		Subtotal Master Metered	7,556,766	7,236,287	6,989,269	7,153,183	7,238,610	7,111,110	(127,500)	-1.8%	(42,073)	-0.6%
86	Total Master Metered	7,556,766	7,236,287	6,989,269	7,153,183	7,238,610	7,111,110	(127,500)	-1.8%	(42,073)	-0.6%	
87	Dearborn Wholesale Proxy	287,223	270,084	224,767	273,394	260,700	256,100	(4,600)	-1.8%	(17,294)	-6.3%	
88	Highland Park Wholesale Proxy	55,463	56,058	38,600	32,630	38,600	28,434	(10,166)	-26.3%	(4,196)	-12.9%	
89	Detroit Wholesale Proxy	2,244,945	2,191,220	2,135,999	2,171,777	2,190,700	2,166,300	(24,400)	-1.1%	(5,477)	-0.3%	
90	Subtotal Non Master Mtrd	2,587,631	2,517,363	2,399,366	2,477,802	2,490,000	2,450,834	(39,166)	-1.6%	(111,114)	-4.5%	
91	TOTAL	10,144,397	9,753,650	9,388,635	9,630,985	9,728,610	9,561,944	(166,666)	-1.7%	(153,188)	-1.6%	
92	Subtotal Sub Wholesale	7,899,452	7,562,429	7,252,636	7,459,208	7,537,910	7,395,644	(142,266)	-1.9%	(147,711)	-2.0%	

GLWA Wholesale Master Metered Water Sales Volumes - *Mcf*
Adjusted Fiscal Year Summary

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		AFY 2022 10/20 - 9/21	AFY 2023 10/21 - 9/22	AFY 2024 10/22 - 9/23	AFY 2025 10/23 - 9/24	Original (1) ~ (3) Avg 98.0% 100.0%	FY 2026 Proj FY 2027 Proj (2) ~ (4) Avg 98.0% 100.0%	Variance from FY 2026 Proj Volume (6) - (5) (2,800) (100) (700) 100 100 100 1,100 (2,300) (100) (1,400) 1,400 100 100 100 (14,200) (1,400) 700 10,300 (300) 71,900 17,500 10,000 1,400 (1,600) 16,800 (1,000) 63,200 1,200 (1,500) 90,000 48,100 1,300	Percent (7) / (5) -2.4% 1.1% -1.9% 0.7% 0.4% -1.4% -5.6% 11.3% -0.6% -0.3% -0.8% 0.4% 0.1% -1.2% -1.6% -4.1% -2.2% -4.4% 2.6% -0.5% 0.4% 2.3% 3.3% -3.2% -1.7% -2.2% -7.6% 3.3% -3.2% -5.6% -3.9% 1.9% -2.7% -5.2% 2.8%	Volume (6) - (4) (310) (657) (686) (1,504) (1,937) 10 (1,134) 7,626 (718) (3,804) (9,977) (3,429) (2,657) 570 (986) (243) 11,311 1,317 1,665 (23,139) (984) (2,530) (477) (3,490) (956) (814) (87) (315) 470 34 4,581 (3,065)	Percent (9) / (4) -3.4% -1.8% -4.6% -5.3% -1.4% 0.4% -9.5% 2.1% -2.3% -2.1% -2.6% -3.2% -1.4% 0.6% -1.2% -0.6% 3.5% 2.1% 3.4% -5.4% -1.7% -3.4% -2.7% -7.6% -2.1% -1.6% -0.5% -0.7% 0.1% -4.4% -2.7% -5.2% 0.7% 0.1% -6.0% -1.7% -3.4% -2.7% -7.6% -2.1% -1.6% -0.5% -0.7% 0.1% -4.4% -2.7% -5.2% 0.7% 0.1% -6.0%	
<i>Base Month Adjustment Factor:</i>												
<i>Peak Month Adjustment Factor:</i>												
1	Allen Park	131,089	117,271	114,297	109,625	115,500	112,700	(2,800)	-2.4%	3,075	2.8%	
2	Almont Village	9,191	8,698	8,867	9,210	8,800	8,900	100	1.1%	(310)	-3.4%	
3	Ash Township	39,628	36,968	36,814	37,357	37,400	36,700	(700)	-1.9%	(657)	-1.8%	
4	Belleville	14,322	13,654	14,355	14,786	14,000	14,100	100	0.7%	(686)	-4.6%	
5	Berlin Township	27,850	26,442	26,637	28,404	26,800	26,900	100	0.4%	(1,504)	-5.3%	
6	Brownstown Township	144,996	139,594	136,154	139,137	139,100	137,200	(1,900)	-1.4%	(1,937)	-1.4%	
7	Bruce Township	3,167	2,978	2,501	2,690	2,860	2,700	(160)	-5.6%	10	0.4%	
8	Burtsville Township	8,434	9,526	11,494	11,934	9,700	10,800	1,100	11.3%	(1,134)	-9.5%	
9	Canton Township	378,577	394,819	381,841	371,974	381,900	379,600	(2,300)	-0.6%	7,626	2.1%	
10	Center Line	31,818	31,944	30,463	31,818	31,200	31,100	(100)	-0.3%	(718)	-2.3%	
11	Chesterfield Township	184,876	176,410	176,967	180,204	177,800	176,400	(1,400)	-0.8%	(3,804)	-2.1%	
12	Clinton Township	384,654	389,614	368,453	388,977	377,600	379,000	1,400	0.4%	(9,977)	-2.6%	
13	Commerce Township	108,428	104,934	104,386	108,629	105,100	105,200	100	0.1%	(3,429)	-3.2%	
14	Dearborn Heights	201,676	196,033	192,067	195,157	194,800	192,500	(2,300)	-1.2%	(2,657)	-1.4%	
15	Eastpointe	104,496	101,469	99,930	98,330	101,000	98,900	(2,100)	-2.1%	570	0.6%	
16	Ecorse	92,395	82,675	77,736	80,486	77,000	79,500	2,500	3.2%	(986)	-1.2%	
17	Farmington	45,160	43,860	42,305	42,943	43,400	42,700	(700)	-1.6%	(243)	-0.6%	
18	Farmington Hills	364,503	349,241	337,048	321,889	347,400	333,200	(14,200)	-4.1%	11,311	3.5%	
19	Ferndale	66,122	64,311	64,915	61,783	64,500	63,100	(1,400)	-2.2%	1,317	2.1%	
20	Flat Rock	55,415	52,251	51,616	48,735	52,700	50,400	(2,300)	-4.4%	1,665	3.4%	
21	Flint	467,588	404,714	378,375	427,239	393,800	404,100	10,300	2.6%	(23,139)	-5.4%	
22	Fraser	57,592	56,523	55,345	56,684	56,000	55,700	(300)	-0.5%	(984)	-1.7%	
23	Garden City	73,289	71,713	71,645	74,430	71,600	71,900	300	0.4%	(2,530)	-3.4%	
24	Gibraltar	16,638	15,916	19,228	17,977	17,100	17,500	400	2.3%	(477)	-2.7%	
25	Greenwood Township (DTE)	16,323	35,787	46,246	46,090	32,600	42,600	10,000	30.7%	(3,490)	-7.6%	
26	Grosse Ile Township	40,641	48,462	40,279	45,156	42,800	44,200	1,400	3.3%	(956)	-2.1%	
27	Grosse Pt. Park	54,361	50,548	47,713	49,714	50,500	48,900	(1,600)	-3.2%	(814)	-1.6%	
28	Grosse Pt. Shores	19,963	17,950	15,944	16,887	17,800	16,800	(1,000)	-5.6%	(87)	-0.5%	
29	Grosse Pt. Woods	72,064	67,687	61,209	64,215	66,500	63,900	(2,600)	-3.9%	(315)	-0.5%	
30	Hamtramck	59,220	67,507	61,174	62,730	62,000	63,200	1,200	1.9%	470	0.7%	
31	Harper Woods	57,961	53,942	54,248	53,266	54,800	53,300	(1,500)	-2.7%	34	0.1%	
32	Harrison Township	100,167	97,524	89,556	85,419	94,900	90,000	(4,900)	-5.2%	4,581	5.4%	
33	Hazel Park	47,516	48,472	45,951	51,165	46,800	48,100	1,300	2.8%	(3,065)	-6.0%	

GLWA Wholesale Master Metered Water Sales Volumes - *Mcf*
Adjusted Fiscal Year Summary

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		AFY 2022 10/20 - 9/21	AFY 2023 10/21 - 9/22	AFY 2024 10/22 - 9/23	AFY 2025 10/23 - 9/24	Original (1) ~ (3) Avg 98.0% 100.0%	FY 2026 Proj 98.0% 100.0%	Proposed FY 2027 Proj (2) ~ (4) Avg 10 10	Variance from FY 2026 Proj (6) - (5) (2,175)	Volume (7) / (5) (100)	Percent (7) / (5) -2.2%	Volume (6) - (4) 4,700
<i>Base Month Adjustment Factor:</i>												
<i>Peak Month Adjustment Factor:</i>												
34	Huron Township	68,631	104,765	99,596	61,263	65,600	65,800	200	0.3%	4,537	7.4%	
35	Imlay City	45,676	50,935	44,765	47,455	46,800	47,300	500	1.1%	(155)	-0.3%	
36	Imlay Township (Single User)	63	2	15	3	10	10	0	0.0%	7	186.5%	
37	Inkster	101,727	102,467	94,414	91,950	98,500	96,325	(2,175)	-2.2%	4,375	4.8%	
38	Keego Harbor	10,068	9,919	9,571	9,972	9,800	9,700	(100)	-1.0%	(272)	-2.7%	
39	Lapeer	54,172	53,988	54,032	52,886	54,200	53,200	(1,000)	-1.8%	314	0.6%	
40	Lenox Township	15,496	15,834	17,293	19,219	16,100	17,300	1,200	7.5%	(1,919)	-10.0%	
41	Lincoln Park	177,384	174,748	170,087	174,537	172,400	171,400	(1,000)	-0.6%	(3,137)	-1.8%	
42	Livonia	460,387	453,533	445,423	452,601	449,500	446,800	(2,700)	-0.6%	(5,801)	-1.3%	
43	Macomb Township	342,838	341,435	336,933	369,713	337,800	346,600	8,800	2.6%	(23,113)	-6.3%	
44	Madison Heights	128,761	123,193	119,820	124,948	122,700	121,500	(1,200)	-1.0%	(3,448)	-2.8%	
45	Mayfield Township (KAMAX)	558	570	456	367	530	500	(30)	-5.7%	133	36.4%	
46	Melvindale	45,616	47,699	47,188	47,602	46,300	47,000	700	1.5%	(602)	-1.3%	
47	New Haven, Village of	19,868	20,193	20,062	19,751	19,900	19,800	(100)	-0.5%	49	0.2%	
48	NOCWA	898,556	884,157	851,417	882,114	871,000	865,400	(5,600)	-0.6%	(16,714)	-1.9%	
49	Northville	31,581	29,704	27,408	28,147	29,400	28,200	(1,200)	-4.1%	53	0.2%	
50	Northville Township	134,875	137,112	135,037	130,276	134,700	133,200	(1,500)	-1.1%	2,924	2.2%	
51	Novi	320,859	289,489	305,195	265,014	302,900	284,300	(18,600)	-6.1%	19,286	7.3%	
52	Oak Park	92,834	89,847	94,042	94,094	91,300	91,700	400	0.4%	(2,394)	-2.5%	
53	Oakland GWK Drain District	9,032	8,830	9,258	10,140	8,900	9,400	500	5.6%	(740)	-7.3%	
54	Plymouth	45,016	44,138	42,604	44,323	43,600	43,300	(300)	-0.7%	(1,023)	-2.3%	
55	Plymouth Township	159,866	155,568	149,736	151,684	153,900	151,100	(2,800)	-1.8%	(584)	-0.4%	
56	Redford Township	156,165	155,901	151,169	150,680	153,000	151,200	(1,800)	-1.2%	520	0.3%	
57	River Rouge	39,268	37,333	44,848	35,723	40,100	38,900	(1,200)	-3.0%	3,177	8.9%	
58	Riverview	47,563	45,599	42,297	43,796	44,700	43,400	(1,300)	-2.9%	(396)	-0.9%	
59	Rockwood	9,826	9,423	9,562	9,318	9,500	9,300	(200)	-2.1%	(18)	-0.2%	
60	Romeo	5,986	3,417	3,245	4,593	3,100	3,700	600	19.4%	(893)	-19.4%	
61	Romulus	209,371	196,681	198,322	191,367	199,700	193,700	(6,000)	-3.0%	2,333	1.2%	
62	Roseville	170,174	170,217	176,409	178,320	170,600	173,300	2,700	1.6%	(5,020)	-2.8%	
63	Royal Oak Township	10,271	10,437	9,828	10,430	10,100	10,100	0	0.0%	(330)	-3.2%	
64	Shelby Township	423,330	408,576	393,201	438,571	405,400	410,300	4,900	1.2%	(28,271)	-6.4%	
65	SOCWA	1,287,805	1,244,254	1,159,964	1,221,189	1,220,700	1,183,000	(37,700)	-3.1%	(38,189)	-3.1%	
66	South Rockwood	4,814	4,676	4,954	4,753	4,800	4,700	(100)	-2.1%	(53)	-1.1%	

GLWA Wholesale Master Metered Water Sales Volumes - *Mcf*
Adjusted Fiscal Year Summary

Highlighted values reflect adjustments as of 1/13/2026

Highlighted values reflect adjustments as of 11/13/2025

Line	Customer	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		October thru September				Original FY 2026 Proj	Proposed FY 2027 Proj	Variance from FY 2026 Proj Volume	Variance from FY 2026 Proj Percent	Variance from FY 2025 Actual Volume	Variance from FY 2025 Actual Percent
		AFY 2022 10/20 - 9/21	AFY 2023 10/21 - 9/22	AFY 2024 10/22 - 9/23	AFY 2025 10/23 - 9/24	(1) ~ (3) Avg 98.0%	(2) ~ (4) Avg 98.0%	(6) - (5) (6) - (5)	(7) / (5) (7) / (5)	(6) - (4) (9) / (4)	(9) / (4)
<i>Base Month Adjustment Factor:</i>											
<i>Peak Month Adjustment Factor:</i>											
67	Southgate	123,507	116,525	114,987	120,083	117,200	116,100	(1,100)	-0.9%	(3,983)	-3.3%
68	St. Clair Shores	207,201	205,681	187,436	193,366	198,200	193,700	(4,500)	-2.3%	334	0.2%
69	Sterling Heights	602,867	560,661	553,856	576,911	567,500	559,000	(8,500)	-1.5%	(17,911)	-3.1%
70	Sumpter Township	38,751	32,703	34,438	35,525	35,000	33,900	(1,100)	-3.1%	(1,625)	-4.6%
71	Sylvan Lake	7,365	6,435	6,268	6,588	6,600	6,400	(200)	-3.0%	(188)	-2.9%
72	Taylor	273,728	270,802	266,131	262,668	267,800	264,100	(3,700)	-1.4%	1,432	0.5%
73	Trenton	92,677	83,624	80,296	75,732	81,600	80,500	(1,100)	-1.3%	4,768	6.3%
74	Troy	434,498	429,283	418,625	436,273	424,100	424,700	600	0.1%	(11,573)	-2.7%
75	Utica	24,971	24,865	22,702	24,017	24,000	23,600	(400)	-1.7%	(417)	-1.7%
76	Van Buren Township	132,352	127,409	118,459	124,172	125,000	122,300	(2,700)	-2.2%	(1,872)	-1.5%
77	Walled Lake	29,556	28,556	29,321	30,252	28,900	29,100	200	0.7%	(1,152)	-3.8%
78	Warren	642,215	612,497	609,223	614,919	615,600	606,600	(9,000)	-1.5%	(8,319)	-1.4%
79	Washington Township	88,961	87,243	82,825	92,518	85,700	87,000	1,300	1.5%	(5,518)	-6.0%
80	Wayne	102,177	102,700	101,035	91,541	101,000	97,500	(3,500)	-3.5%	5,959	6.5%
81	West Bloomfield Township	290,158	276,887	271,096	271,716	277,100	270,900	(6,200)	-2.2%	(816)	-0.3%
82	Westland	338,514	300,892	312,826	303,962	314,400	303,000	(11,400)	-3.6%	(962)	-0.3%
83	Wixom	80,853	73,486	76,871	85,260	76,500	77,900	1,400	1.8%	(7,360)	-8.6%
84	Woodhaven	59,937	53,259	52,397	53,621	54,800	52,600	(2,200)	-4.0%	(1,021)	-1.9%
85	Ypsilanti Comm Util Auth	504,929	489,981	477,372	494,337	486,400	482,900	(3,500)	-0.7%	(11,437)	-2.3%
86	Total Master Metered	13,083,775	12,687,569	12,350,071	12,595,303	12,540,700	12,405,035	(135,665)	-1.1%	(190,268)	-1.5%
87	Dearborn Wholesale Proxy	552,931	531,420	504,412	529,629	524,200	516,500	(7,700)	-1.5%	(13,129)	-2.5%
88	Highland Park Wholesale Proxy	104,253	104,756	82,600	68,422	77,200	56,600	(20,600)	-26.7%	(11,822)	-17.3%
89	Detroit Wholesale Proxy	4,291,385	4,302,927	4,200,426	4,226,097	4,231,300	4,216,000	(15,300)	-0.4%	(10,097)	-0.2%
90	Subtotal Non Master Mtrd	4,948,569	4,939,103	4,787,438	4,824,147	4,832,700	4,789,100	(43,600)	-0.9%	(35,047)	-0.7%
91	TOTAL	18,032,344	17,626,672	17,137,509	17,419,450	17,373,400	17,194,135	(179,265)	-1.03%	(225,315)	-1.3%
92	<i>Subtotal Sub Wholesale</i>	13,740,959	13,323,745	12,937,083	13,193,353	13,142,100	12,978,135	(163,965)	-1.25%	(215,218)	-1.7%

Appendix 2 – Comparison of FY 2026 Approved & FY 2027 Preliminary Proposed UoS
The Comparison of FY 2026 Approved & FY 2027 Preliminary Proposed Units of Service on
the next page is scaled to fit an 8 ½ X 11 inch page setup.

Water Units of Service FY Comparison- FY26 & FY27

Highlighted values reflect adjustments as of 1/13/2026

Contract re-opener with potential modification

Customer	Units of Service Input Data						Change		
	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour	Volume	Max Day	Peak Hour
	Mcf	mgd	mgd	Mcf	mgd	mgd	Mcf	mgd	mgd
	FY 26 Vol	FY 26 MD	FY 26 PH	FY 27 Vol	FY 27 MD	FY 27 PH			
Allen Park	116,700	5.45	7.54	112,700	5.45	7.54	(4,000)	-	-
Almont Village	9,000	0.400	0.440	8,900	0.400	0.440	(100)	-	-
Ash Township	38,700	1.45	2.27	36,700	1.45	2.27	(2,000)	-	-
Belleville	13,900	0.548	0.762	14,100	0.548	0.762	200	-	-
Berlin Township	27,100	1.13	1.76	26,900	1.13	1.76	(200)	-	-
Brownstown Township	139,100	7.00	11.00	137,200	7.00	11.00	(1,900)	-	-
Bruce Township	3,070	0.456	0.830	2,700	0.456	0.830	(370)	-	-
Burtchville Township	9,100	0.534	0.816	10,800	0.534	0.816	1,700	-	-
Canton Township	375,000	20.00	23.50	379,600	20.00	23.50	4,600	-	-
Center Line	32,200	1.13	1.60	31,100	1.13	1.60	(1,100)	-	-
Chesterfield Township	180,300	8.24	12.50	176,400	8.24	12.50	(3,900)	-	-
Clinton Township	385,000	19.70	22.00	379,000	19.70	22.00	(6,000)	-	-
Commerce Township	104,100	6.28	7.13	105,200	6.28	7.13	1,100	-	-
Dearborn	540,800	23.70	32.90	516,500	21.80	30.20	(24,300)	(1.90)	(2.70)
Dearborn Heights	195,700	8.00	12.00	192,500	8.00	12.00	(3,200)	-	-
Eastpointe	102,800	3.71	5.38	98,900	3.71	5.38	(3,900)	-	-
Ecorse	81,700	2.97	3.42	79,500	2.97	3.42	(2,200)	-	-
Farmington	44,100	2.10	2.31	42,700	2.10	2.31	(1,400)	-	-
Farmington Hills	350,400	18.00	21.30	333,200	18.00	21.30	(17,200)	-	-
Ferndale	64,500	2.89	3.10	63,100	2.89	3.10	(1,400)	-	-
Flat Rock	50,800	2.63	3.99	50,400	2.63	3.99	(400)	-	-
Flint	415,500	13.50	14.00	404,100	13.50	14.00	(11,400)	-	-
Fraser	56,500	2.81	4.25	55,700	2.81	4.25	(800)	-	-
Garden City	72,800	3.30	5.21	71,900	3.30	5.21	(900)	-	-
Gibraltar	16,100	0.649	0.836	17,500	0.649	0.836	1,400	-	-
Greenwood Township (DTE)	26,100	2.24	2.24	42,600	2.40	2.40	16,500	0.16	0.16
Grosse Ile Township	41,700	2.01	3.51	44,200	2.01	3.51	2,500	-	-
Grosse Pt. Park	52,700	3.09	5.31	48,900	3.09	5.31	(3,800)	-	-
Grosse Pt. Shores	18,900	1.43	2.19	16,800	1.43	2.19	(2,100)	-	-
Grosse Pt. Woods	68,100	3.36	4.29	63,900	3.36	4.29	(4,200)	-	-
Hamtramck	62,000	1.77	2.74	63,200	1.77	2.74	1,200	-	-
Harper Woods	53,800	2.09	2.99	53,300	2.09	2.99	(500)	-	-
Harrison Township	97,700	3.90	4.75	90,000	3.90	4.75	(7,700)	-	-
Hazel Park	47,900	1.76	2.41	48,100	1.76	2.41	200	-	-
Highland Park	77,200	2.40	2.46	56,600	1.62	2.83	(20,600)	(0.78)	0.37
Huron Township	65,600	3.10	3.91	65,800	3.10	3.91	200	-	-
Imlay City	47,100	2.22	2.48	47,300	2.22	2.48	200	-	-
Imlay Township (Single User)	10	0.012	0.024	10	0.012	0.024	-	-	-
Inkster	100,800	2.47	3.55	96,325	2.47	3.55	(4,475)	-	-
Keego Harbor	9,800	0.450	0.671	9,700	0.450	0.671	(100)	-	-
Lapeer	55,000	1.75	2.50	53,200	1.75	2.50	(1,800)	-	-
Lenox Township	14,800	0.510	0.704	17,300	0.510	0.704	2,500	-	-
Lincoln Park	171,600	5.30	6.93	171,400	5.30	6.93	(200)	-	-
Livonia	453,800	23.00	33.00	446,800	23.00	33.00	(7,000)	-	-
Macomb Township	329,900	23.00	40.00	346,600	23.00	40.00	16,700	-	-
Madison Heights	124,800	4.75	6.50	121,500	4.75	6.50	(3,300)	-	-
Mayfield Township (KAMAX)	510	0.045	0.070	500	0.045	0.070	(10)	-	-
Melvindale	45,400	1.41	1.97	47,000	1.41	1.97	1,600	-	-
New Haven, Village of	19,400	0.785	1.200	19,800	0.785	1.200	400	-	-
NOCWA	869,800	43.50	48.60	865,400	43.50	48.60	(4,400)	-	-
Northville	30,100	1.55	1.65	28,200	1.55	1.65	(1,900)	-	-
Northville Township	135,200	9.00	9.00	133,200	9.00	9.00	(2,000)	-	-
Novi	298,600	17.00	19.00	284,300	17.00	19.00	(14,300)	-	-
Oak Park	90,000	3.90	3.90	91,700	3.90	3.90	1,700	-	-
Oakland GWK Drain District	9,200	0.204	0.204	9,400	0.204	0.204	200	-	-
Plymouth	44,300	1.81	2.71	43,300	1.81	2.71	(1,000)	-	-
Plymouth Township	156,500	10.00	10.00	151,100	10.00	10.00	(5,400)	-	-
Redford Township	154,800	6.35	9.00	151,200	6.35	9.00	(3,600)	-	-
River Rouge	37,300	1.07	1.63	38,900	1.07	1.63	1,600	-	-
Riverview	46,200	1.79	2.67	43,400	1.79	2.67	(2,800)	-	-
Rockwood	9,500	0.432	0.659	9,300	0.432	0.659	(200)	-	-
Romeo	3,100	0.253	0.451	3,700	0.253	0.451	600	-	-
Romulus	206,200	7.71	9.73	193,700	7.71	9.73	(12,500)	-	-

Water Units of Service FY Comparison- FY26 & FY27

	Highlighted values reflect adjustments as of 1/13/2026											
	Contract re-opener with potential modification											
	Units of Service Input Data						Change					
	Volume <i>McF</i>	Max Day <i>mgd</i>	Peak Hour <i>mgd</i>	Volume <i>McF</i>	Max Day <i>mgd</i>	Peak Hour <i>mgd</i>	Volume <i>McF</i>	Max Day <i>mgd</i>	Peak Hour <i>mgd</i>			
Roseville	172,100	6.03	8.63	173,300	6.03	8.63	1,200	-	-			
Royal Oak Township	10,100	0.473	0.649	10,100	0.473	0.649	-	-	-			
Shelby Township	414,700	26.60	30.00	410,300	26.60	30.00	(4,400)	-	-			
SOCWA	1,234,200	60.50	60.50	1,183,000	60.50	60.50	(51,200)	-	-			
South Rockwood	4,800	0.176	0.297	4,700	0.176	0.297	(100)	-	-			
Southgate	113,900	4.60	6.23	116,100	4.60	6.23	2,200	-	-			
St. Clair Shores	199,200	7.42	10.00	193,700	7.42	10.00	(5,500)	-	-			
Sterling Heights	587,300	32.80	49.00	559,000	32.80	49.00	(28,300)	-	-			
Sumpter Township	33,900	1.09	1.77	33,900	1.09	1.77	-	-	-			
Sylvan Lake	6,700	0.352	0.539	6,400	0.352	0.539	(300)	-	-			
Taylor	264,300	10.90	13.10	264,100	10.90	13.10	(200)	-	-			
Trenton	83,000	3.52	5.20	80,500	3.52	5.20	(2,500)	-	-			
Troy	435,100	27.30	40.30	424,700	27.30	40.30	(10,400)	-	-			
Utica	23,600	1.20	1.75	23,600	1.20	1.75	-	-	-			
Van Buren Township	132,200	6.90	8.17	122,300	6.90	8.17	(9,900)	-	-			
Walled Lake	29,000	1.16	1.67	29,100	1.16	1.67	100	-	-			
Warren	622,900	23.50	32.50	606,600	23.50	32.50	(16,300)	-	-			
Washington Township	86,100	5.42	5.42	87,000	5.42	5.42	900	-	-			
Wayne	101,700	3.95	4.71	97,500	3.95	4.71	(4,200)	-	-			
West Bloomfield Township	277,900	15.00	26.40	270,900	15.00	26.40	(7,000)	-	-			
Westland	319,900	12.00	17.00	303,000	12.00	17.00	(16,900)	-	-			
Wixom	76,300	4.19	5.10	77,900	4.19	5.10	1,600	-	-			
Woodhaven	56,700	2.85	4.40	52,600	2.85	4.40	(4,100)	-	-			
Ypsilanti Comm Util Auth	488,200	19.50	21.00	482,900	19.50	21.00	(5,300)	-	-			
Detroit	4,230,000	115.00	136.00	4,216,000	115.00	136.00	(14,000)	-	-			
TOTAL CHANGE							(310,055)	(2.52)	(2.17)			



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

Providing Proof of Insurance in a Timely Manner to Ensure Efficient Contract Execution

Timely execution of contracts relies on several parties securing final documents. One final key task is the submittal of the appropriate insurance documents after contract award. Providing proof of the required levels of insurance coverage in a timely manner not only ensures efficient contract execution but enables work on, and payment for, a contract or purchase order (PO) to proceed much faster. Key points about GLWA's requirements and how to fulfill them are listed below.

- ✓ Vendors should proactively engage with the correct individuals within their organizations as well as insurance agents to secure the appropriate coverages in advance of contract award. This helps to ensure that work may proceed in a timely and efficient manner.
- ✓ Insurance requirements are always identified in the solicitation request. It is presumed that the insurance criteria can be met when bids/proposals are submitted. Concerns about insurance requirements may be raised during the Question and Answer period.
- ✓ The key document that vendors must provide is a Certificate of Insurance (COI). This standard document, issued by an insurance company, provides proof of the insurance policy and coverage levels.
- ✓ Required insurance coverage and amounts must be maintained for the entire term of the PO or contract.
- ✓ Renewal COIs, maintaining all contract requirements, must be provided to COI@glwater.org on an annual basis until all work is completed and the contract can be closed out.

We appreciate the Vendor Community's cooperation with GLWA's insurance requirements. Additional questions may be directed to the GLWA buyer of record.

AI Notetaking Technology Prohibited by GLWA

GLWA maintains a strict policy prohibiting the use of AI notetakers during meetings. This decision is based on our GLWA's commitment to ensuring the confidentiality and integrity of discussions, as well as to protect sensitive information. GLWA vendors are asked to follow this policy whenever they meet with GLWA. We appreciate your understanding and cooperation.

Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a virtual vendor introduction meeting. Topics include information on submitting 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 December 2025 Monthly Report, please [click here](#).

What's Coming Down the Pipe?

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

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

Visit GLWA online!

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

Upcoming Solicitations January 2026

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	132016	North Service Center Pumping Station Improvements	\$108,322,551
Construction	122020	Concord and Nevada Flow Control Valves	\$7,000,000
Construction	122023	Adams Road Transmission Main	\$8,400,000
Construction	111012	Lake Huron Water Treatment Plant Flocculation Improvements	\$60,000,000
Professional Services	O&M & 170507	Water Transmission, Valve, Emergency and Other Urgent Repairs	\$22,000,000
Construction	122007	Merriman Road 24-inch Water Transmission Main	\$6,817,000
Construction	132015	Newburgh Road Booster Pumping Station Improvements	\$70,000,000
Wastewater Systems (next four to nine months)			
Design	270009	Site Improvements at Baby Creek, Belle Isle and St. Aubin CSO	\$1,500,000
Professional Services	216008	Consulting Services for Design Review	\$200,000
Design	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1	\$8,000,000
Construction	261001	WRRF Rehabilitation of the Secondary Clarifiers Phase 1 (CMAR)	\$30,000,000
Design	270002	Meldrum Sewer Diversion and VR-15 Improvements	\$2,000,000
Enterprise (next three months)			
Professional Services	O&M	Preventative Maintenance and Repair of Electrical Equipment	\$9,684,080
Professional Services	O&M	Crane Inspection Services	\$1,745,625
Water System (next three months)			
Design Build	170803	Reservoir Rehabilitation Phase III	\$51,830,000
Professional Services	O&M	Water Master Plan	\$1,500,000
Construction	111001	Lake Huron Water Treatment Plant – LH-401 Switchgear and Low Lift Improvements	\$125,000,000
Professional Services	116101	Design/ Inspection of Raw Water Tunnels	\$4,242,000
Wastewater (next three months)			
Construction	232002	Conner Creek Sanitary Pump Station	\$167,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$9,800,000
Construction	211009	EB-20 Substation Replacement and Primary Area Gas Detection System Upgrade	\$7,000,000
Projects moved to Procurement Team (Preparing for solicitation on Euna Procurement)			
Professional Services	O&M	Staffing Services	\$500,000
Construction	122016	Downriver Transmission Main Loop: Inkster Road 42" Main	\$54,900,000
Construction	122020	Concord Nevada Flow Control Valves	\$7,000,000
Professional Services	O&M	Mechanical, Plumbing and HVAC Repair Services	\$170,000
Construction	122021	Grosse Pointe Woods & Harper Woods 24" Transmission Main	\$17,000,000
Design-Build	170803	Reservoir Rehabilitation Phase III	\$51,830,000
Construction	261001	Critical Repairs to Secondary Clarifiers and B-Houses	\$4,360,000
Software Subscription and Implementation	O&M	Complaint Management Software Subscription and Implementation	\$200,000

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

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