



Audit Committee Meeting
Friday, November 18, 2022, at 8:00 a.m.
www.glwater.org

[Join Zoom Meeting](#)

Meeting ID: **833 9073 3747** Passcode: **789201**

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

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. September 23, 2022 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
 - A. FY 2022 Yearend Financial Audit Update (Page 7)
7. NEW BUSINESS
 - A. *Action Item:* Proposed Change Order No. 7 - GLWA CS-002 Financial Advisor Services (Page 9)
 - B. Proposed Calendar Year 2023 Audit Committee Meeting Dates (Page 14)
8. REPORTS
 - A. CFO Report (Page 16)
 - B. Monthly Financial Report for July 2022 (Page 17)
 - C. Monthly Financial Report for August 2022 (Page 18)
 - D. Business Inclusion and Diversity Program Update (Page 19)
 - E. Charges Outreach & Modeling Update (Page 22)
 - F. Quarterly Investment Report (Unaudited) (Page 24)
 - G. Affordability & Assistance Update (Page 56)
 - H. Semiannual Debt Report (Page 59)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for October 2022 (Page 74)
 - B. *The Procurement Pipeline* for November 2022 (Page 76)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: December 16, 2022, at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



Great Lakes Water Authority

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

Meeting Minutes - Draft

Audit Committee

Friday, September 23, 2022

8:00 AM

Zoom Telephonic Meeting

Zoom Telephonic Meeting

Join Zoom Meeting Here:

<https://glwater.zoom.us/j/87251230179?pwd=Zjlwb3BiTU9pRGVKdGI6NG5xREhZQT09>

Join By Telephone:

888 788 0099 US Toll-free

877 853 5247 US Toll-free

Meeting ID: 872 5123 0179

Passcode: 733921

1. Call To Order

Chairperson Baker called the meeting to order at 8:00 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: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2022-415](#) Approval of Minutes of August 26, 2022

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A August 26, 2022 Audit Committee Meeting Minutes](#)

Chairperson Baker requested a Motion to Approve the August 26, 2022 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business**A.** [2022-416](#) **Presentation: 2022 Bond Transaction Update**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A1 Final Report - 2022 Bond Transaction](#)
[6A2 GLWA Board Presentation](#)
[6A3 2022 Ratings Agency Upgrades and Bond Sale Release](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

7. New Business

A. [2022-414](#) **Resolution to Approve the FY 2023 First Quarter Budget Amendments**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A FY 2023 First Quarter Budget Amendments binder](#)
[7A7 FY 2023 First Quarter Budget Amendment Resolution](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of September 28, 2022

The motion carried by a unanimous vote.

B. [2022-417](#) **Proposed Procurement Policy Amendment**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B3 Attachment 1 - Table of Proposed Procurement Policy Amendments](#)
[7B4 GLWA Procurement Policy WORKING Draft](#)
[7B5 GLWA Procurement Policy CLEAN Draft](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Recommended for Approval to the Board of Directors

Agenda of September 28, 2022

The motion carried by a unanimous vote.

8. Reports

A. [2022-418](#) CFO Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8A CFO Update 9.23.2022 Combined](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

- B.** [2022-419](#) Monthly Financial Report for June 2022
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8B June 2022 Financial Report_Tagetik](#)
- Motion By:** Jaye Quadrozzi
 Support By: Gary Brown
 Action: Received and Filed
 The motion carried by a unanimous vote.
- C.** [2022-420](#) Business Inclusion and Diversity Program Update
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8C Business Inclusion and Diversity Program Update](#)
 [8C1 REISSUE Business Inclusion and Diversity Program](#)
 [Year-in-Review 9.21.22](#)
- Motion By:** Gary Brown
 Support By: Jaye Quadrozzi
 Action: Received and Filed
 The motion carried by a unanimous vote.
- D.** [2022-421](#) Member Partner Update
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8D Member Partner Update](#)
- Motion By:** Gary Brown
 Support By: Jaye Quadrozzi
 Action: Received and Filed
 The motion carried by a unanimous vote.
- E.** [2022-422](#) Max Day/Peak Hour Annual Report
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8E MaxDay-PeakHourAnnualReport](#)
- Motion By:** Jaye Quadrozzi
 Support By: Gary Brown
 Action: Received and Filed
 The motion carried by a unanimous vote.

F. [2022-423](#) Shared Services Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8F Quarterly Shared Services Report Thru 6.30.22](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

G. [2022-424](#) Quarterly Gifts, Grants & Other Resources Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8G Gifts, Grants and Other Resources Report](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

H. [2022-425](#) Quarterly Construction Work-in-Progress Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8H Quarterly CWIP Report FY 2022 Q4](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications**A.** [2022-426](#) The Procurement Pipeline for September 2022

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The Procurement Pipeline for September 2022](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

10. Look Ahead

Next Audit Committee Meeting:

October 28, 2022 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 10:02 a.m.



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2022 Yearend Financial Audit Update

Background: Annually, the Great Lakes Water Authority (GLWA) prepares an Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly US (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards for fiscal years ending 2022, 2023 and 2024.

Analysis: GLWA Financial Services area is currently working with Baker Tilly to wrap up fieldwork for the FY 2022 audit. We remain on target with the FY 2022 audit timeline to file the audit in December 2022 as referenced in the attached memo from Baker Tilly.

One item of note, however, is a request of a special meeting of the Audit Committee in advance of the Board of Directors meeting on December 14, 2022. The purpose of the meeting is to formally review the audit report and potentially act to recommend that the Board of Directors approve the report for filing with the state, federal, and other regulatory bodies on a timely basis. It is expected that a final review draft will be distributed to the Audit Committee by December 5, 2022.

Proposed Action: Receive and file this report.



Memo

To: Great Lakes Water Authority Audit Committee

From: Gwen Zech, Senior Manager (Baker Tilly)

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

Date: November 14, 2022

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

We have prepared this memo to communicate to the audit committee our expectations regarding the timing of fieldwork, review, draft reports and issuance of the ACFR. The schedule below summarizes expected milestone dates to meet a deadline of issuance on December 16, 2022.

	Due Date Friday, December 16, 2022
All audit workpapers uploaded to portal for audit	Friday, September 30, 2022 Complete with open items
GLWA to provide preliminary draft of footnotes	Monday, October 10, 2022 Complete
End of Fieldwork (Including first workpaper review)	Friday, October 14, 2022 Complete
Baker Tilly to complete all internal reviews - comments accumulated and provided to GLWA	Friday, October 28, 2022 On Track
Final draft provided to Baker Tilly (Notes, RSI, SI and available statistical schedules)	Monday November 21, 2022 On Track
Preparation of separate water and sewage reports	Tuesday November 22, 2022
Assembled drafts due for Audit Committee Consideration	Wednesday, November 30, 2022
Presentation of draft to full Board of Directors	Wednesday, December 14, 2022
Issuance of the ACFRs' upon Board of Directors approval	Friday, December 16, 2022

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



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

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

Re: Proposed Change Order No. 7 - GLWA CS-002 Financial Advisor Services

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

Proposed Action: Audit Committee recommends the Great Lakes Water Authority Board approve the proposed Change Order No. 7 Financial Advisor Services with PFM Financial Advisors LLC, at the same total cost not to exceed \$878,600.00, with an increased duration of 181 days for a total contract duration of 3,025 days that would end on June 30, 2023.

..Title

**Proposed Change Order No. 7
Contract No. GLWA-CS-002
Financial Advisor Services**

..Body

Agenda of: December 14, 2022

Item No.: **2022-487**

Amount:	Original Contract:	\$ 300,000.00
	Change Order No. 1	0.00
	Change Order No. 2:	100,000.00
	Change Order No. 3:	100,000.00
	Change Order No. 4:	100,000.00
	Change Order No. 5:	78,600.00
	Change Order No. 6:	200,000.00
	Proposed Change Order No. 7:	<u>0.00</u>
	Total Revised Contract:	\$878,600.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: December 14, 2022

**RE: Proposed Change Order No. 7
Contract No. GLWA-CS-002
Financial Advisor Services
Vendor: PFM Financial Advisors LLC**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **amend contract No. GLWA-CS-002, Proposed**

Change Order No. 7 Financial Advisor Services with PFM Financial Advisors LLC, at the same total cost not to exceed \$878,600.00, with an increased duration of 181 days for a total contract duration of 3,025 days, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Since March 20, 2015, PFM Financial Advisors, LLC (PFM) has served the Great Lakes Water Authority (GLWA) as its municipal financial advisor through GLWA-CS-002. As a municipal financial advisor, PFM acts in a fiduciary capacity to assist GLWA with the issuance of its water and sewer revenue bonds. To date, PFM has assisted GLWA with the issuance of new money and refunding bond issues as well as services related to state revolving fund bonds. PFM also provides other non-transactional services such as providing feedback on compliance matters and various debt management agreements as well as financial plans, strategies, policies.

The current contract for Financial Advisor Services (CS-002) with PFM will expire on December 31, 2022. This contract has been in place since 2015. The workplan for the Public Finance Manager was to conduct a competitive procurement process for Financial Advisory Services so that we would be asking the Board of Directors to approve a new contract in December 2022. Unfortunately, that position has not been vacant since April 2021. Beginning in June 2022, an internal candidate has filled the position on an interim/acting basis and is progressing through a professional development program. Given this staff transition, an amendment of the current contract for six months is based on the rationale below.

JUSTIFICATION

In evaluating our next steps and recommendation, these were the key considerations.

- 1) Allow time for the acting Public Finance Manager to have a more effective onboarding with the PFM team. GLWA's has \$5.3 billion in outstanding bonds and a high level of complexity. The transfer of knowledge will be very important to protect GLWA's interests and compliance.
- 2) Provide continuity in advisory services at a time of major policy and programmatic shifts to achieve federal investment in infrastructure goals – including the potential use of revolving fund loan programs.

- 3) Provide time for the acting Public Finance Manager to become familiar with GLWA's needs and lead the financial advisory services competitive procurement process in the first half of calendar year 2023.

Below is a summary of the contract activity reflective of timing and approved costs.

Timing

Original Contract Start Date:	March 20, 2015
Initial Contract End Date:	March 19, 2018
Change Order 1 Contract End Date*:	March 19, 2018
Change Order 2 Contract End Date:	March 19, 2019
Change Order 3 Contract End Date:	March 19, 2020
Change Order 4 Contract End Date:	March 19, 2021
Change Order 5 Contract End Date:	December 31, 2021
Change Order 6 Contract End Date:	December 31, 2022
Proposed Change Order 7 Contract End Date**:	June 30, 2023

Costs

Original Contract Price:	\$300,000
Change Order No. 1*:	0
Change Order No. 2:	100,000
Change Order No. 3:	100,000
Change Order No. 4:	100,000
Change Order No. 5:	78,600
Change Order No. 6:	200,000
<i>Proposed Change Order No. 7**;</i>	<u>0</u>
Revised Contract Total:	\$878,600

* *Change Order #1 was a correction of original contract fees, with no time extension.*

** *Proposed Change Order #7 is only an extension of time on the contract.*

Note that this contract is being brought to the Board for approval as the time length exceeds five years in accordance with GLWA's Procurement Policy despite the minimum dollar threshold for board approval of \$1 million.

BUDGET IMPACT

The current contract for Financial Advisor Services (CS-002) falls within the annual Public Finance budget. The effect on future Public Finance budgets is yet to be determined based on the outcome of the proposed competitive procurement process.

COMMITTEE REVIEW

This item was reviewed by the GLWA Audit Committee at its meeting on November 18, 2022. The Audit Committee [insert action].

SHARED SERVICES IMPACT

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



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA
Chief Financial Officer/Treasurer

Re: Proposed Calendar Year 2023 Audit Committee Meeting Dates

Background: In planning for calendar year 2023, we would like to establish the meeting schedule for the Great Lakes Water Authority Audit Committee.

Analysis: Listed below are the proposed 2023 Audit Committee meeting dates following the cadence of meeting on the *fourth* Friday of each month with some exceptions as noted below.

The proposed meeting time is 8:00 a.m. with the meetings continuing to be held online and/or as posted to provide for remote telephonic and online participation by the public.

January 27, 2023	May 26, 2023	September 22, 2023
February 24, 2023	June 23, 2023	October 27, 2023
March 24, 2023	July 28, 2023	November 17, 2023*
April 28, 2023	August 25, 2023	December 15, 2023*

* Moved up one week due to holidays scheduled.

It should be noted that the Audit Committee is a sub-quorum advisory committee which, except for the meetings where the Audit Committee selects an external auditor, the Committee is not subject to the Open Meetings Act. As a matter of practice, the GLWA Audit Committee encourages public participation by remote telephonic and electronic means with access information posted on the Audit Committee agendas.

Proposed Action: Approve the meeting schedule as proposed or amended.



Financial Services Audit Committee Communication

AUDIT COMMITTEE ANNUAL MEETING SCHEDULE

(As of November 18, 2022 – Subject to Change based on Audit Committee Review)

Meetings begin at 8:00 a.m. on the fourth Friday of the month (unless noted otherwise) and are held online and/or as posted to provide for remote telephonic and electronic participation by the public.

January 27, 2023

July 28, 2023

February 24, 2023

August 25, 2023

March 24, 2023

September 22, 2023

April 28, 2023

October 27, 2023

May 26, 2023

November 17, 2023 *(third Friday)*

June 23, 2023

December 15, 2023 *(third Friday)*

Audit Committee materials are posted online at <https://www.glwater.org/financials/>

Any questions regarding this meeting notice or Audit Committee agendas may be directed to Office of the Chief Financial Officer & Treasurer at 313.999.4149 or to CFO@glwater.org.



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Update

Staffing Updates

We are pleased to announce that Ms. Alicia Schwartz has been promoted to a new role, Grants Manager. This is an area of growth at GLWA. Alicia will be assuming much of the work performed by Dana Bierer related to grants – as well as supporting expanded grant activity at GLWA. Alicia's knowledge of GLWA and facilitation of cross-functional teams are well suited to standing up this new role. This will allow Dana to transition back to internal audit goals for our organization. Congratulations Alicia! And, thank you Dana!

Another positive transition within the Financial Services Area management team is the promotion of Ms. Michelle Burt to the role of Billing & Collections Manager. Michelle will be overseeing the GLWA Billing & Collections team that invoices over \$800 million for GLWA services provided to our Member Partners and customers annually as well as supporting the collection of those revenues. We welcome Michelle to this newly created position and look forward to her leadership in this key area.

Workday and NexGen Implementation

GLWA team members are working very hard for a success Workday enterprise resource planning (ERP) implementation and NexGen enterprise asset management (EAM) system. The ERP continues to be on-schedule despite a number of staff vacancies and competing priorities. Last month, the Board of Directors approved the engagement of Slalom Consulting to support the effort. This had an immediate positive impact to keep the ERP on track for the Financial Services Area team.

Upcoming Charges, Budget, Capital Improvement Plan, & Financial Plan

In December, the Audit Committee will receive the proposed biennial budget for FY 2024 and FY 2025. At the Board of Directors meeting on November 17, 2022, we discussed many of the economic challenges that we face going into FY 2024. We look forward to the Audit Committee's feedback on these matters.

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

July 2022

**Presented to the
Great Lakes Water Authority
Audit Committee on November 18, 2022**

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Appendix

 Aged Accounts Receivable Report..... A-1

 Highland Park Life-to-Date Billings & Collections B-1



Key Financial Metrics

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

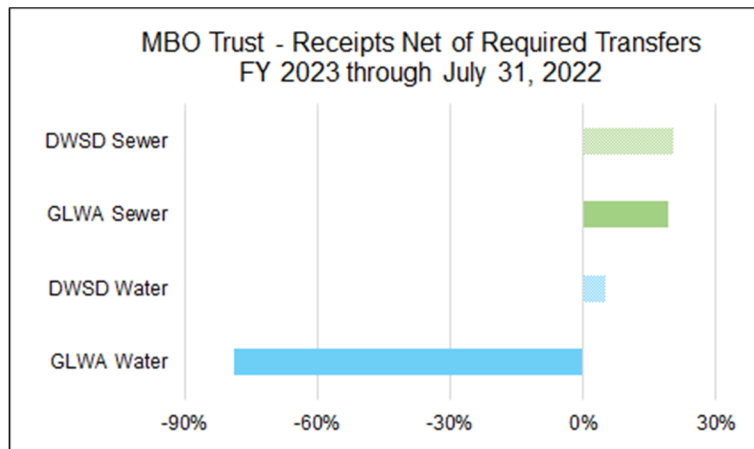
Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information. This report reflects first quarter FY 2023 budget amendments approved by the GLWA Board of Directors on October 26, 2022.

For the current period, operations and maintenance, investment income, and sewer capital spend all reflect variances to budget outside the normal range. GLWA staff will continue to monitor these areas to see if additional budget amendments will be necessary. Investment income will begin to align with the amended budget as older investments are re-invested at higher interest rates as anticipated.

As of July 31, 2022					
Metric	FY 2023 Budget	FY 2023 Amended Budget	FY 2023 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$33.1	\$33.1	\$34.4	4%	49
Wholesale Water Billed Usage (mcf)	1,566,000	1,566,000	1,665,000	6%	
Wholesale Sewer Billed Revenue (\$M)	\$22.9	\$22.9	\$22.9	0%	51
Wholesale Water Operations & Maintenance (\$M)	\$12.1	\$12.1	\$10.6	-12%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$15.3	\$16.2	\$12.9	-21%	
Investment Income (\$M)	\$1.5	\$1.5	\$0.3	-79%	38
Water Prorated Capital Spend w/SRA* (\$M)	\$12.8	\$12.8	\$13.2	3%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$7.5	\$7.5	\$4.4	-41%	30

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

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



Net cash flow receipts remain positive for GLWA 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). GLWA Water net receipts fell short by \$13.1 million due to the timing of payments made. This

shortfall cleared by August 5. Looking ahead, GLWA Water net receipts for the month of August have recovered in full, reporting positive Water net receipts year to date.

DWSD Water reports a surplus of \$440 thousand and DWSD Sewer reports a surplus of \$6.3 million of net receipts over disbursements through July 2022.

Budget to Actual Analysis (page 3)

- FY 2023 information includes the first quarter budget amendments which were reviewed by the Audit Committee at its meeting on September 23, 2022, with a unanimous recommendation for adoption by the GLWA Board of Directors.
- This report is not final. Adjustments related to the fiscal year end 2022 audit will affect the Budget to Actual Analysis.
- Total Revenue Requirements are on target through July 2022.
- Total overall Operations & Maintenance expenses are at 6.9% of budget through July 2022.

Basic Financial Statements (page 9)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results for both FY 2023 and FY 2022.
- Operating income for July 2022 is \$15.0 million for the Water fund (41.6% of total revenues) and \$13.5 million for the Sewer fund (33.9 % of total revenues).
- Water Net Position increased by \$ 10.9 million, and Sewage Disposal Net Position increased by \$ 8.2 million for the year to date through July 2022.

Capital Improvement Plan Financial Summary (page 27)

- The Water system exceeded the originally approved 80% Capital Spend Rate assumption.
- The Sewer system did not meet the originally approved 75% Capital Spend Rate assumption.

Master Bond Ordinance Transfers (page 31)

- For July, transfers of \$13.7 million and \$17.8 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for July, transfers of \$4.0 million and \$7.8 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 38)

- Total cash & investments are \$287 million in the Water fund and \$397 million in the Sewer fund.
- Total, combined, cumulative, FY 2023 investment income through July is \$0.3 million.

DWSD Retail Revenues, Receivables & Collections (page 42)

- Water usage through July 31, 2022 is at 95.23% and revenues at 79.38% of budget.
- Sewer usage through July 31, 2022 is at 105.55% and revenues at 105.17% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$52.0 million over the prior year.
- Past dues over 180 days make up 69.3% of the total accounts receivable balance. The current bad debt allowance covers 98.7% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 48)

- GLWA accounts receivable past due balance net of Highland Park is 10.11% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$53.8 million. It includes \$41.0 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$11.0 million for water supply services. Highland Park made a catch-up payment of \$1.7 million on June 3, 2022 and has continued to make small, monthly payments since that time.

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



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

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

The FY 2023 information presented in these sections includes the first quarter FY 2023 budget amendments that were reviewed by the Audit Committee at its meeting on September 23, 2022 and adopted by the GLWA Board of Directors on October 27, 2022.

Adjustments related to the fiscal year end 2022 audit will affect the FY 2022 columns of the tables in the Budget to Actual Analysis. This includes the final amendment of the budget to allocate the administrative and centralized budget categories to the *water* and *sewer* categories.

Revenue Requirement Budget Basis Analysis - Draft

GLWA's annual revenue requirement represents 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 revenues and operations and maintenance expenses are largely reported on an accrual basis. The primary difference between the revenue requirement budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirement Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

Table 1A – Water Revenue Requirement Budget and **Table 1B – Sewer Revenue Requirement Budget** presents a year-over-year budget to actual performance report. The revenue requirement budget is accounted for in the operations and maintenance fund for each system. Since this report is for July 2022, the pro-rata benchmark is 8.3% (1 of 12 months of the fiscal year).

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

1. **Revenues:** For *both* systems, FY 2023 revenues are either at or slightly above target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment 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 July 31, 2022, these payments total \$534,900 for FY 2023.

2. **Investment Earnings:** For both systems, investment earnings are below the pro-rata benchmark for FY 2023; the *water* system is at -1.0% (due to the realized loss on the sale of investments); while the *sewer* system is at 3.7%. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for *both* systems have variances from the pro-rata benchmark. The *water* system is slightly below the pro-rata benchmark for FY 2023 at 7.3%. The *sewer* system O&M expenses, at 6.6%, is also below the pro-rata benchmark.
5. **Debt Service:** For both systems, debt service is on target with the pro-rata benchmark for FY 2023; the *water* system is at 8.3%; while the *sewer* system is at 8.1%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding is in place to meet this requirement; therefore, it is expected that additional transfers to this reserve will not be required in FY 2023.
7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.² Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2022, DWSD management successfully implemented a formal plan to end the year with positive net cash flows for both the DWSD *water* system and the DWSD *sewer* system. For FY 2023, neither the DWSD *water* system nor the DWSD *sewer* system have budgetary shortfalls through July 31, 2022. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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

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

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

	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 7/31/2021	Percent Year-to- Date	FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 7/31/2022	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 315,011	\$ 29,055	9.2%	\$ 331,962	\$ 330,856	\$ 33,595	10.2%
Retail Service Charges	21,697	1,808	8.3%	22,986	22,834	1,916	8.4%
Investment Earnings	1,924	187	9.7%	949	6,870	(68)	-1.0%
Other Revenues	684	-	0.0%	175	175	77	44.1%
Total Revenues	\$ 339,316	\$ 31,050	9.2%	\$ 356,072	\$ 360,736	\$ 35,520	9.8%
Revenue Requirements							
Operations & Maintenance Expense	\$ 143,934	\$ 10,824	7.5%	\$ 144,848	\$ 144,848	\$ 10,632	7.3%
General Retirement System Legacy Pension	6,048	504	8.3%	6,048	6,048	504	8.3%
Debt Service	135,121	11,291	8.4%	150,337	150,827	12,564	8.3%
General Retirement System Accelerated Pension	6,268	552	8.8%	6,268	6,268	522	8.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,706	142	8.3%	1,771	1,771	148	8.3%
Regional System Lease	22,500	1,875	8.3%	22,500	22,500	1,875	8.3%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	61	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,740	2,341	9.9%	24,300	28,474	2,025	7.1%
Total Revenue Requirements	\$ 339,316	\$ 27,591	8.1%	\$ 356,072	\$ 360,736	\$ 28,270	7.8%
Net Difference		\$ 3,459				\$ 7,250	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 2,773				\$ 5,458	
Revenue Requirement Variance		685				1,791	
Overall Variance		\$ 3,459				\$ 7,250	

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

	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 7/31/2021	Percent Year-to- Date	FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 7/31/2022	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 268,130	\$ 22,675	8.5%	\$ 275,404	\$ 273,007	\$ 22,948	8.4%
Retail Service Charges	188,662	15,722	8.3%	191,042	191,042	15,920	8.3%
Industrial Waste Control Charges	8,325	675	8.1%	8,420	8,420	691	8.2%
Pollutant Surcharges	5,089	470	9.2%	4,951	4,951	296	6.0%
Investment Earnings	1,876	146	7.8%	1,156	8,771	325	3.7%
Other Revenues	538	90	16.8%	400	400	31	7.8%
Total Revenues	\$ 472,620	\$ 39,777	8.4%	\$ 481,372	\$ 486,591	\$ 40,212	8.3%
Revenue Requirements							
Operations & Maintenance Expense	\$ 191,909	\$ 11,984	6.2%	\$ 184,053	\$ 194,823	\$ 12,861	6.6%
General Retirement System Legacy Pension	10,824	902	8.3%	10,824	10,824	902	8.3%
Debt Service	204,985	17,271	8.4%	205,638	211,355	17,217	8.1%
General Retirement System Accelerated Pension	11,621	968	8.3%	11,621	11,621	968	8.3%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,358	197	8.3%	2,394	2,394	200	8.3%
Regional System Lease	27,500	2,292	8.3%	27,500	27,500	2,292	8.3%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	708	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,424	2,885	12.3%	39,343	28,075	3,279	11.7%
Total Revenue Requirements	\$ 472,620	\$ 37,206	7.9%	\$ 481,372	\$ 486,591	\$ 37,718	7.8%
Net Difference		\$ 2,572				\$ 2,494	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 392				\$ (338)	
Revenue Requirement Variance		2,179				2,831	
Overall Variance		\$ 2,572				\$ 2,494	

Operations & Maintenance Budget – Major Budget Categories - Draft

The year-over-year benchmark ratio as of July 31, 2022, is 8.3% (one month). When comparing FY 2023 to FY 2022 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, it appears that the overall spending is consistent.

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

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

Major Budget Categories	FY 2022			FY 2023			Percent Year-to-Date
	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 7/31/2021	Percent Year-to-Date	FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 7/31/2022	
Water	\$ 76,422	\$ 6,477	8.5%	\$ 76,518	\$ 76,518	\$ 7,290	9.5%
Sewer	120,971	7,446	6.2%	113,198	123,967	9,430	7.6%
Centralized	103,846	6,851	6.6%	104,503	104,503	4,478	4.3%
Administrative	34,603	2,013	5.8%	34,682	34,682	2,294	6.6%
Employee Benefits	-	20	0.0%	-	-	-	0.0%
Total O&M Budget	\$ 335,843	\$ 22,808	6.8%	\$ 328,900	\$ 339,670	\$ 23,492	6.9%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis - Draft

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

Total: In total, the overall O&M expenses are at 6.9% which is reasonably within the pro-rata benchmark of 8.3%. This positive variance equates to a dollar amount of \$4.8 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is slightly under the pro-rata benchmark; coming in at 7.6% through July 2022.

Utilities: The overall category is above the pro-rata benchmark; coming in at 10.3% through July 2022. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is higher than the pro-rata benchmark, coming in at 10.2%. The FY 2023 budget was adjusted for the increase to the charge for kWh, however, variances are not unexpected as usage varies throughout the year. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 5.4% which is lower than the benchmark of 8.3%. Variances within this category are not unexpected as usage varies throughout the year. The FY 2023 budget was adjusted for the increase in both usage as well as for the cost of natural gas.
- **Sewage service** is higher than the benchmark, coming in at 12.3%. Increased usage is being reported at the WRRF (in part due to bills being received for actual meter readings when in the past the bills had been estimated), the Biosolids Dryer Facility (BDF), and the Southwest Water Plant. A review of this category is being conducted.
- **Water service** is higher than the benchmark, coming in at 24.3%. As meters have been repaired or replaced at the WRRF, the billings that previously reported estimated readings have been replaced with actual readings. The actual readings are coming in higher than the estimated billings. A review of this category is being conducted.

Chemicals: This category is on target with the pro-rate benchmark; coming in at 8.0% through July 2022. The FY 2023 budget was adjusted for the increase in chemical costs, however, variances within this category are not unexpected as usage varies throughout the year.

Supplies & Other: This category is lower than the benchmark; coming in at 4.9% through July 2022. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected. A review of this category is being conducted.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 4.8% through July 2022. 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 will be processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

Capital Program Allocation: This category is lower than the benchmark; coming in at 1.7% through July 2022. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget. A review of this category is being conducted.

Shared Services: This category is higher than the benchmark; coming in at 11.0% through July 2022. 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 2023. 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.

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

Expense Categories Entity-wide	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 7/31/2021	Percent Year-to- Date at 7/31/2021	FY 2022 ACTIVITY THRU 6/30/2022	Percent Year-to- Date at 6/30/2022	FY 2023		FY 2023 ACTIVITY THRU 7/31/2022	Percent Year-to- Date 7/31/2022	FY 2023
						AMENDED BUDGET	PRORATED BUDGET (1 MONTH)			PRORATED BUDGET LESS FY 2023 ACTIVITY
Salaries & Wages	\$ 66,113	\$ 5,665	8.6%	\$ 63,901	8.9%	\$ 72,925	\$ 6,077	\$ 5,897	8.1%	\$ 180
Workforce Development	869	65	7.4%	844	7.6%	1,802	150	103	5.7%	48
Overtime	8,126	756	9.3%	8,113	9.3%	6,984	582	751	10.8%	(169)
Employee Benefits	25,956	1,936	7.5%	24,206	8.0%	28,947	2,412	1,754	6.1%	659
Transition Services	10,805	593	5.5%	9,990	5.9%	11,119	927	781	7.0%	145
Employee Benefits Fund	-	20	0.0%	-	0.0%	-	-	-	0.0%	-
<i>Personnel Costs</i>	<u>111,869</u>	<u>9,035</u>	<u>8.1%</u>	<u>107,053</u>	<u>8.4%</u>	<u>121,777</u>	<u>10,148</u>	<u>9,285</u>	<u>7.6%</u>	<u>863</u>
Electric	43,950	4,096	9.3%	43,755	9.4%	42,114	3,510	4,297	10.2%	(787)
Gas	7,081	279	3.9%	8,665	3.2%	8,553	713	459	5.4%	254
Sewage Service	2,510	146	5.8%	2,568	5.7%	2,268	189	278	12.3%	(89)
Water Service	5,841	214	3.7%	4,669	4.6%	2,982	248	726	24.3%	(478)
<i>Utilities</i>	<u>59,383</u>	<u>4,736</u>	<u>8.0%</u>	<u>59,656</u>	<u>7.9%</u>	<u>55,918</u>	<u>4,660</u>	<u>5,760</u>	<u>10.3%</u>	<u>(1,100)</u>
Chemicals	19,842	1,230	6.2%	20,382	6.0%	23,782	1,982	1,899	8.0%	83
Supplies & Other	35,034	1,418	4.0%	29,711	4.8%	34,912	2,909	1,705	4.9%	1,205
Contractual Services	111,198	6,834	6.1%	107,527	6.4%	105,993	8,833	5,081	4.8%	3,751
Capital Program Allocation	(2,684)	(215)	8.0%	(2,632)	8.2%	(4,376)	(365)	(73)	1.7%	(292)
Shared Services	(3,202)	(230)	7.2%	(2,398)	9.6%	(1,501)	(125)	(165)	11.0%	40
Unallocated Reserve	4,402	-	0.0%	-	0.0%	3,167	264	-	0.0%	264
Total Expenses	\$ 335,843	\$ 22,808	6.8%	\$ 319,300	7.1%	\$ 339,670	\$ 28,306	\$ 23,492	6.9%	\$ 4,814

Totals may be off due to rounding



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 2022 comparative amounts are presented in a draft format. Adjustments related to fiscal year end 2022 audit affect the basic financial statements. The results of these adjustments will be presented in the audited annual report.

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 July 31, 2022
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2022
Assets				
Cash - unrestricted (a)	\$ 140,758	\$ 197,504	\$ 338,261	\$ 347,655
Cash - restricted (a)	20,136	20,756	40,892	113,378
Investments - unrestricted (a)	73,766	96,522	170,288	185,209
Investments - restricted (a)	36,660	93,529	130,189	144,445
Accounts Receivable	127,733	59,492	187,225	175,133
Due from (to) Other Funds (b)	(2,391)	2,391	-	-
Other Assets (c)	665,661	410,725	1,076,385	1,077,698
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,283,406	2,125,368	3,408,774	3,432,437
Land	294,046	126,704	420,750	420,750
Construction Work in Process (e)	287,143	198,341	485,483	467,190
Total assets	2,926,918	3,331,331	6,258,248	6,363,896
Deferred Outflows (f)	52,584	129,001	181,585	182,497
Liabilities				
Liabilities - Liabilities-ST	132,093	146,736	278,829	354,055
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,053	5,622	7,676	7,500
Cash Held FBO DWSD (d)	12,964	16,153	29,118	20,470
Liabilities - Long-Term (i)	2,871,573	3,333,281	6,204,854	6,263,510
Total liabilities	3,018,684	3,501,793	6,520,477	6,645,535
Deferred Inflows (f)	59,166	60,365	119,530	120,157
Total net position (j)	\$ (98,347)	\$ (101,827)	\$ (200,174)	\$ (219,299)

Totals may be off due to rounding

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

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

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at market value. Investments at June 30, 2022 are also reported at market value. The July 31, 2022 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

Statement of Revenues, Expenses and Changes in Net Position

– All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the July 2022 Financial Report Binder. Prior year ending preliminary balances are provided in the June 30, 2022 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 One Month ended July 31, 2022
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2022
Revenue						
Wholesale customer charges	\$ 34,130	94.5%	\$ 22,948	57.5%	\$ 57,078	\$ 591,840
Local system charges	1,915	5.3%	15,920	39.9%	17,836	210,360
Industrial waste charges		0.0%	691	1.7%	691	8,300
Pollutant surcharges		0.0%	296	0.7%	296	5,182
Other revenues	77	0.2%	31	0.1%	108	668
Total Revenues	36,122	100.0%	39,886	100.0%	76,009	816,349
Operating expenses						
Operations and Maintenance	10,551	29.2%	12,902	32.3%	23,453	324,735
Depreciation	10,254	28.4%	13,409	33.6%	23,663	281,210
Amortization of intangible assets	297	0.8%	37	0.1%	334	4,006
Total operating expenses	21,102	58.4%	26,348	66.1%	47,450	609,951
Operating Income	15,021	41.6%	13,538	33.9%	28,559	206,399
Total Nonoperating (revenue) expense	4,102	11.4%	5,332	13.4%	9,434	215,565
Increase/(Decrease) in Net Position	10,918	30.2%	8,206	20.6%	19,125	(9,167)
Net Position (deficit), beginning of year	(109,266)		(110,033)		(219,299)	(210,132)
Net position (deficit), end of year	\$ (98,347)		\$ (101,827)		\$ (200,174)	\$ (219,299)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$10.9 million.
- ✓ Wholesale water customer charges of \$34.1 million account for 94.5% of Water System revenues.
- ✓ Operating expenses of \$21.1 million represent 58.4% of total operating revenue. Depreciation is the largest operating expense at \$10.3 million or 48.6% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights.
- ✓ Operating income after operating expenses (including depreciation) equals \$15.0 million or 41.6% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$6.3 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 \$8.2 million.
- ✓ Wholesale customer charges of \$22.9 million account for 57.5% 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 \$15.9 million account for 39.9% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$26.3 million represent 66.1% of total operating revenue. Depreciation is the largest operating expense at \$13.4 million or 50.9% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease.
- ✓ Operating income after operating expenses (including depreciation) equals \$13.5 million or 33.9% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$7.4 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 July 2022 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the One Month ended July 31, 2022
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	2,259	21.4%	4,522	35.0%	6,781	28.9%
Overtime	474	4.5%	277	2.1%	751	3.2%
Benefits	1,255	11.9%	499	3.9%	1,754	7.5%
Total Personnel	\$ 3,988	37.8%	\$ 5,298	41.1%	\$ 9,286	39.6%
Utilities						
Electric	2,934	27.8%	1,363	10.6%	4,296	18.3%
Gas	27	0.3%	432	3.4%	459	2.0%
Sewage	99	0.9%	180	1.4%	278	1.2%
Water		0.0%	726	5.6%	726	3.1%
Total Utilities	\$ 3,059	29.0%	\$ 2,701	20.9%	\$ 5,760	24.6%
Chemicals	1,042	9.9%	857	6.6%	1,899	8.1%
Supplies and other	789	7.5%	915	7.1%	1,704	7.3%
Contractual services	1,804	17.1%	3,241	25.1%	5,045	21.5%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(4)	0.0%	(69)	-0.5%	(73)	-0.3%
Intergovernmental Agreement	-	0.0%	(3)	0.0%	(3)	0.0%
Shared services allocation	(128)	-1.2%	(37)	-0.3%	(165)	-0.7%
Operations and Maintenance Expenses	\$ 10,551	100.0%	\$ 12,902	100.0%	\$ 23,453	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (24.6% of total O&M expenses) and chemicals (8.1% of total O&M expenses).
- ✓ Personnel costs (39.6% 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 (21.5%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$195 thousand);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$1.4 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 One Month ended July 31, 2022
(\$000)**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2022
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (2,045)	\$ (1,366)	\$ (3,411)	\$ (42,120)
Interest income DWSD Shortfall	-	-	-	(145)
Investment earnings	(243)	(325)	(568)	(3,735)
Net (incr) decr in fair value of invstmt	(2,497)	(3,860)	(6,357)	9,119
Other nonoperating revenue	-	-	-	(472)
Interest Expense				
Bonded debt	8,385	8,783	17,168	212,284
Lease obligation	1,408	1,721	3,130	37,836
Other obligations	358	126	484	6,077
Total interest expense	10,151	10,630	20,781	256,197
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	-	-	(6,991)
Amortization, issuance costs, debt	(1,318)	180	(1,138)	(13,318)
(Gain) loss on disposal of capital assets	-	-	-	322
Loss on impairment of capital assets	-	-	-	-
Water Residential Assistance Program	54	73	127	2,793
Legacy pension expense	-	-	-	13,915
Total Nonoperating (Revenue)/Expense	\$ 4,102	\$ 5,332	\$ 9,434	\$ 215,565

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.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU).
- ✓ 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.

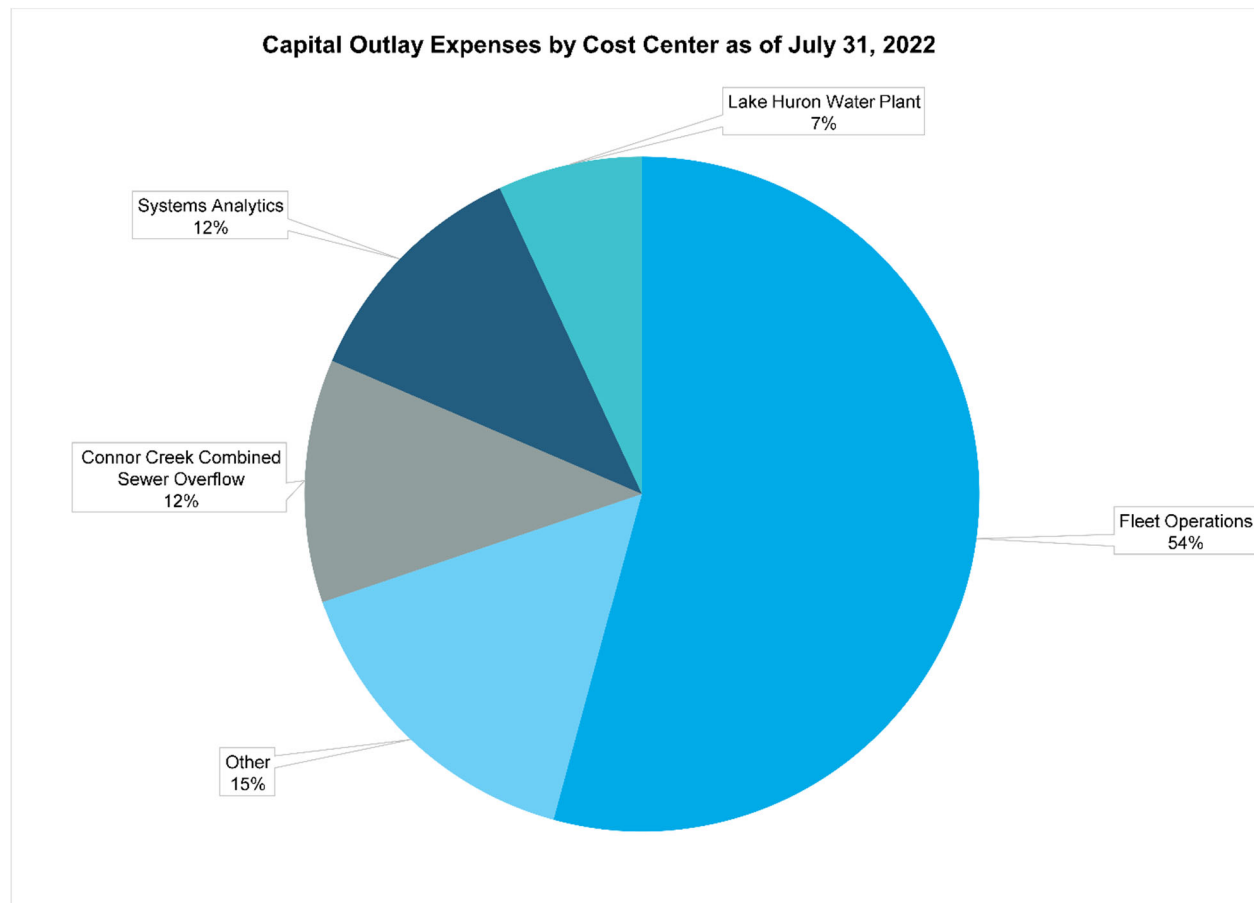
- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2021 market value adjustments for Water and Sewer total \$1.5 million and \$1.0 million, respectively. FY 2022 market value adjustments for Water and Sewer total \$2.8 million and \$3.9 million, respectively. Any difference is due to realized gain or loss on investments.
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ The FY 2022 capital contribution in Nonoperating (revenue) expense represents \$7.0m from Oakland Macomb Interceptor Drainage District for assets placed in service during FY 2022.

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 July 31, 2022, total capital outlay spend is \$0.8 million. Following this chart is a sample list of projects and purchases from the total spend of \$0.8 million:



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

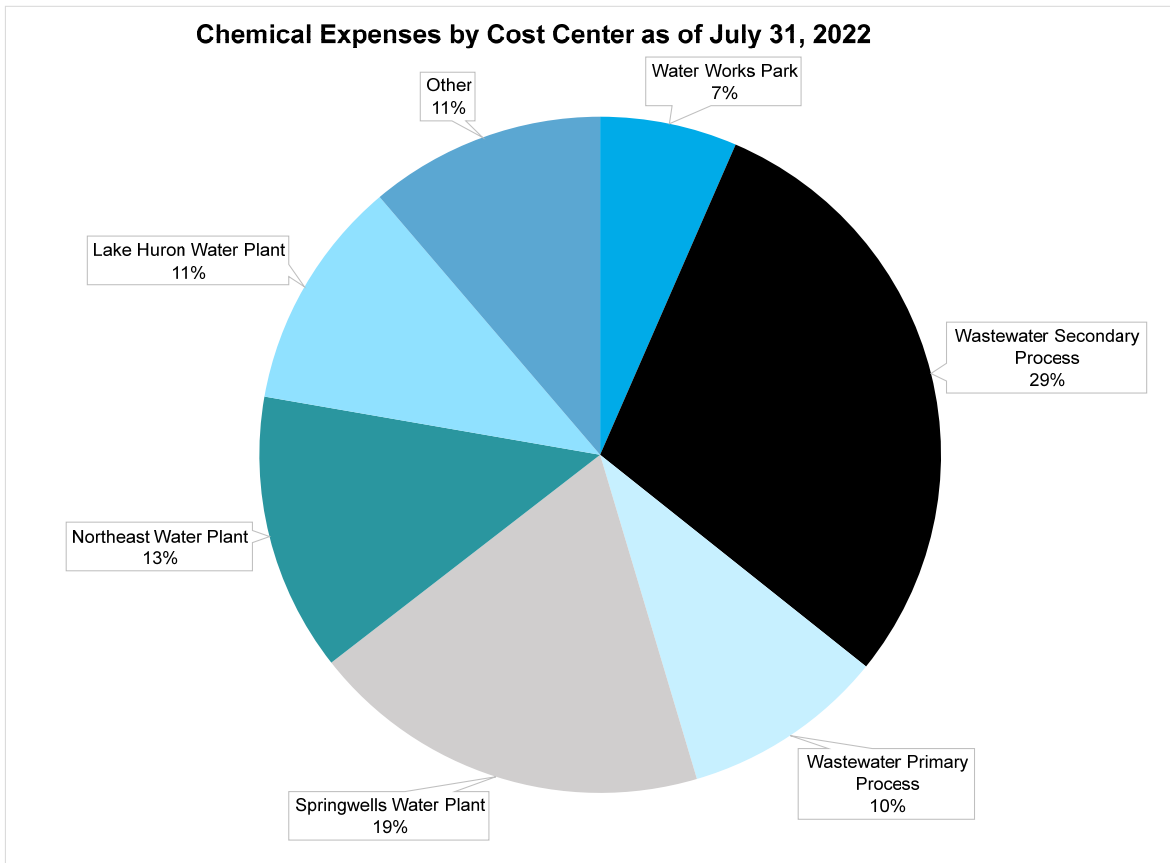
Water Operations: Springwells overhead door repair (\$44k).

Wastewater Operations: Flushing gate repair (\$88k) and CSO PQM Meters (\$36k).

Centralized & Administrative Facilities: Trucks and vehicles (\$442k); Pressure transmitter (\$58k) and software (\$37k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

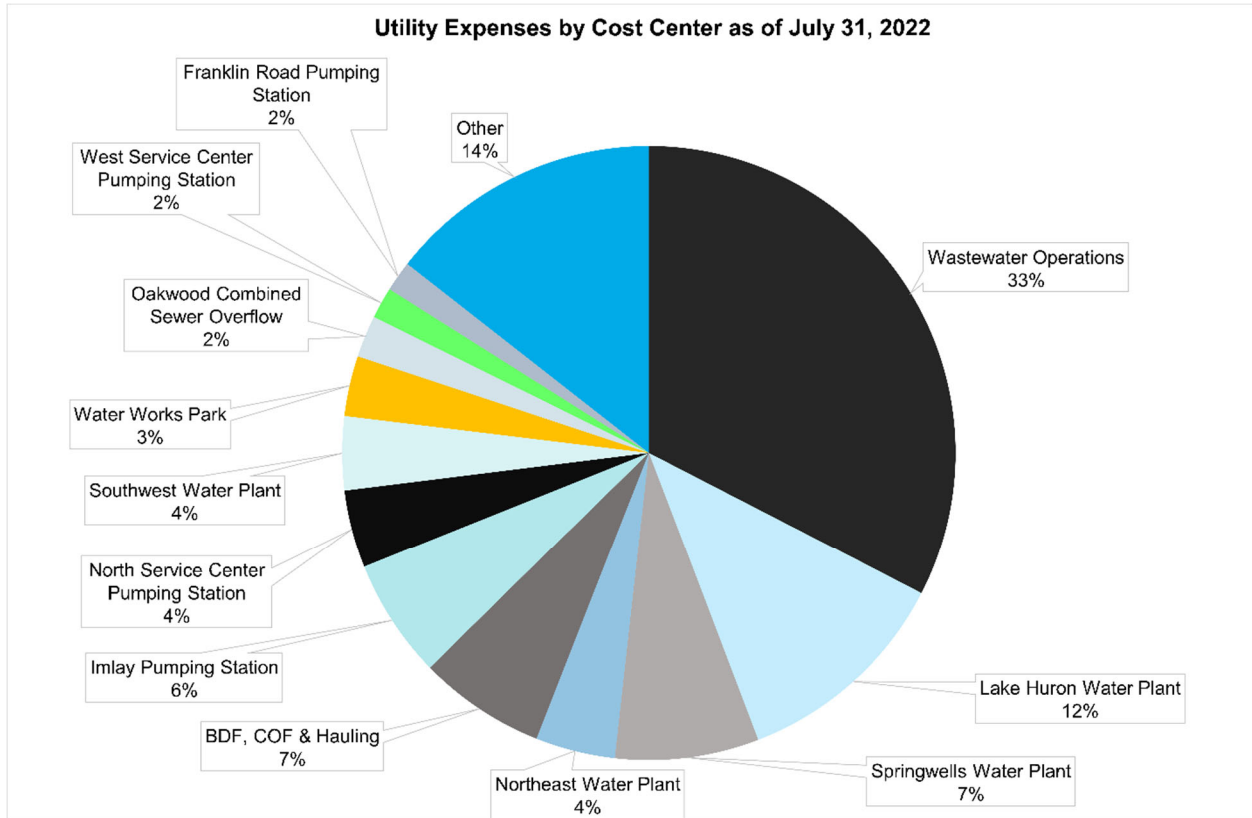
Chemical expenses are \$1.9 million through July 31, 2022. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$5.8 million through July 31, 2022. 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 July 31, 2022 all reconciliations are up-to-date and complete.

There was a decrease of one general ledger account since June 2022.

Chart 1 – Bank Reconciliation Completion Status



Table 1 – Fiscal Year 2023 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2022	72
New GL Cash accounts	0
Inactivated GL Cash accounts	<u>(1)</u>
Total GL Cash accounts as of July 31, 2022	<u>71</u>

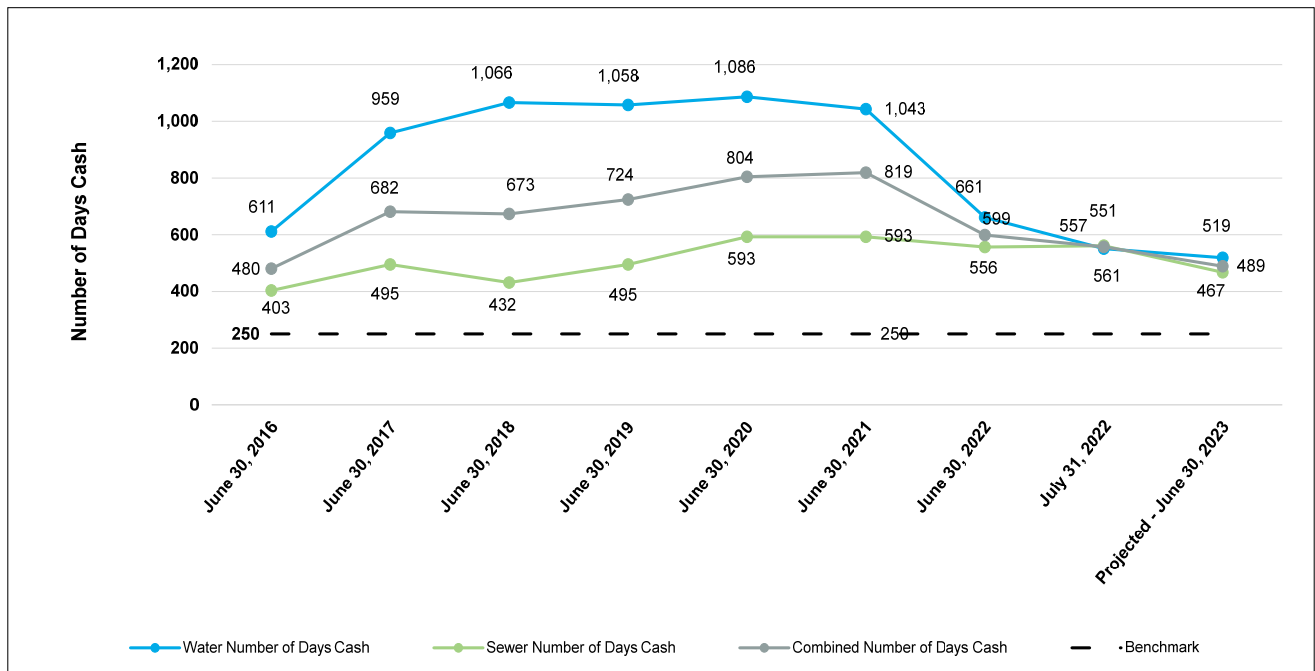


Financial Operations KPI - Liquidity

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

Both GLWA Water and Sewer funds continue to exceed this target with Water at 551 and Sewer at 561 days cash on hand as of July 31, 2022. These balances remain strong for the regional system in large part due to the need to fund CIP projects with I&E funds but drop in the FY 2023 projection as these funds are depleted and GLWA transitions to a planned bond issue. The FY 2023 projection is calculated based on values from the GLWA FY 2023 – 2027 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

	Unaudited		Projected
	June 30, 2022	July 31, 2022	June 30, 2023
Water Fund			
Cash and Investments - Unrestricted	\$ 238,691,000	\$ 214,524,000	\$ 205,800,000
Operating Expense			
Operating Expense (a)	\$ 258,538,000	\$ 23,643,000	\$ 283,714,000
Less: Depreciation (a)	(123,196,000)	(11,275,000)	(135,300,000)
Less: Amortization of Intangible Asset (a)	(3,567,000)	(297,000)	(3,567,000)
Net Operating Expense	\$ 131,775,000	\$ 12,071,000	\$ 144,848,000
Operating Expense per Day	\$ 361,000	\$ 389,000	\$ 397,000
Days Cash			
Number of Days Cash	661	551	519
Sewage Disposal Fund			
Cash and Investments - Unrestricted	\$ 294,174,000	\$ 294,025,000	\$ 249,400,000
Operating Expense			
Operating Expense (a)	\$ 351,413,000	\$ 29,719,000	\$ 356,623,000
Less: Depreciation (a)	(158,014,000)	(13,483,000)	(161,800,000)
Less: Amortization of Intangible Asset (a)	(440,000)	-	-
Net Operating Expense	\$ 192,960,000	\$ 16,235,000	\$ 194,823,000
Operating Expense per Day	\$ 529,000	\$ 524,000	\$ 534,000
Days Cash			
Number of Days Cash	556	561	467
Combined			
Cash and Investments - Unrestricted	\$ 532,865,000	\$ 508,549,000	\$ 455,200,000
Operating Expense			
Operating Expense (a)	\$ 609,951,000	\$ 53,361,000	\$ 640,337,000
Less: Depreciation (a)	(281,210,000)	(24,758,000)	(297,100,000)
Less: Amortization of Intangible Asset (a)	(4,006,000)	(297,000)	(3,567,000)
Net Operating Expense	\$ 324,735,000	\$ 28,306,000	\$ 339,670,000
Operating Expense per Day	\$ 890,000	\$ 913,000	\$ 931,000
Days Cash			
Number of Days Cash	599	557	489
<i>Totals may be off due to rounding</i>			

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



The monthly Budget to Financial Statements Crosswalk includes the following.

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

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

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

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

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

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

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

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

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the One Month Ended July 31, 2022**

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 7,250	\$ 2,494	\$ 9,744
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	953	1,706	2,659
Prior year pension contribution accounted for in current year (d)	-	-	-
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	6,224	9,800	16,024
Accelerated pension B&C notes obligation portion (g)	17	38	55
Regional System lease (h)	467	571	1,038
Right to use lease - warehouse (h)	-	-	-
WRAP (i)	94	127	221
DWSD short term allocation (j)	-	-	-
Improvement & Extension Fund transfers (j)	2,025	3,279	5,304
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(10,551)	(13,446)	(23,997)
Amortization - debt related (k)	1,318	(180)	1,138
Other nonoperating income (k)	-	-	-
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	-	-	-
Raw water rights obligation (l)	233	-	233
Investment earnings for construction fund (m)	-	-	-
Subscription Based Information Tech Arrangements (k)	-	-	-
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	2,807	3,860	6,667
Improvement & extension fund operating expenses (p)	81	(43)	38
Capital Contribution (q)	-	-	-
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 10,918	\$ 8,206	\$ 19,124

Table 2 - Explanatory Notes for Crosswalk

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.

- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) The accelerated pension payment includes the obligation payable for the B&C notes. The pension portion is included in item (c) above. This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) The lease payment is included as an expense for budget and includes both principal and interest payments. Most of the adjustment relates to the principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense which is recorded on an accrual basis for financial reporting which is different from the cash basis.
- (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 DWSD short term allocation 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.



The Monthly Capital Improvement Plan Financial Summary includes the following.

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

Capital Improvement Plan Financial Summary

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

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2023 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.

Beginning January 1, 2021, GLWA has intentionally depleted Bond funds and has moved to solely using I&E and State Revolving Loans to fund CIP expenditures to lower the cost of debt. GLWA completed a bond transaction of \$450 million in September 2022 to support water system and sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

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. First quarter FY 2023 budget amendments were approved by the Board on October 26, 2022 to help achieve that alignment.

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

As of July 2022, the water system incurred over \$13 million of construction costs to date. This spend represents 82% of the Board approved FY 2023 CIP plan and 103% of the original, Board-approved spend rate assumption. The original, Board-approved CIP plan spend rate assumption for FY 2023 is 80%. See Chart 1 below.

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

Effective July 2022, the Board did take action to amend the spend rate assumption for the water system to 100%. Current water system spend represents 82% of that Board-approved spend rate amendment. See Chart 2 below.

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

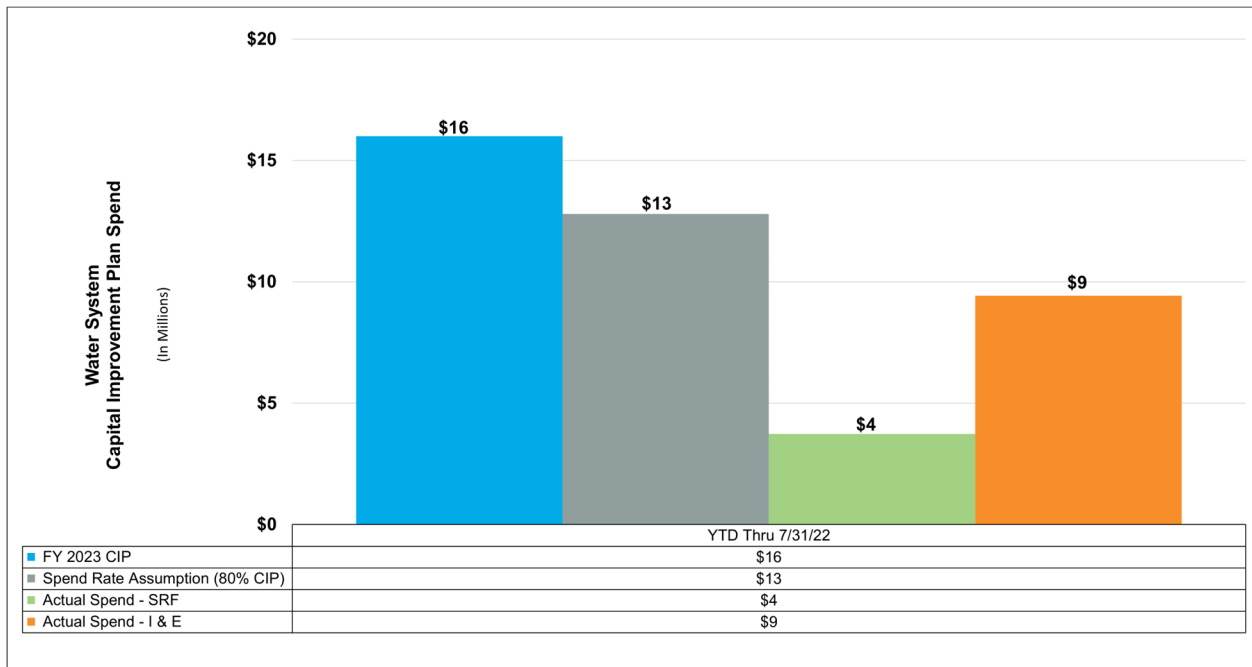


Chart 2 – Water System Capital Improvement Plan Spend Incurred to Date – Amended Assumption

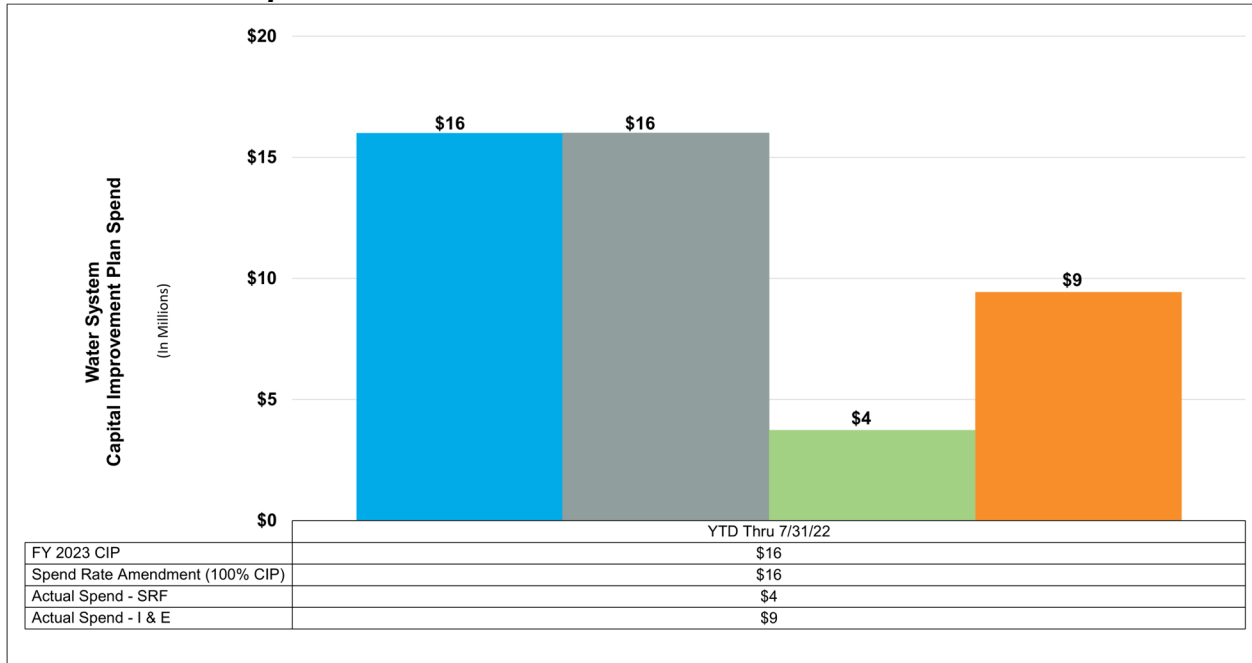


Chart 3 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of July 2022, the sewer system incurred over \$4 million of construction costs to date. This spend represents 44% of the Board-approved FY 2023 CIP plan and 59% of the original, Board-approved spend rate assumption. The original, Board-approved CIP plan spend rate assumption for FY 2023 is 75%. See Chart 3 below.

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

Effective July 2022, the Board did take action to amend the spend rate assumption for the sewer system to 100%. Current sewer system spend represents 44% of the Board-approved spend rate amendment. See Chart 4 below.

Chart 3 – Sewer System Capital Improvement Plan Spend Incurred to Date – Original Assumption

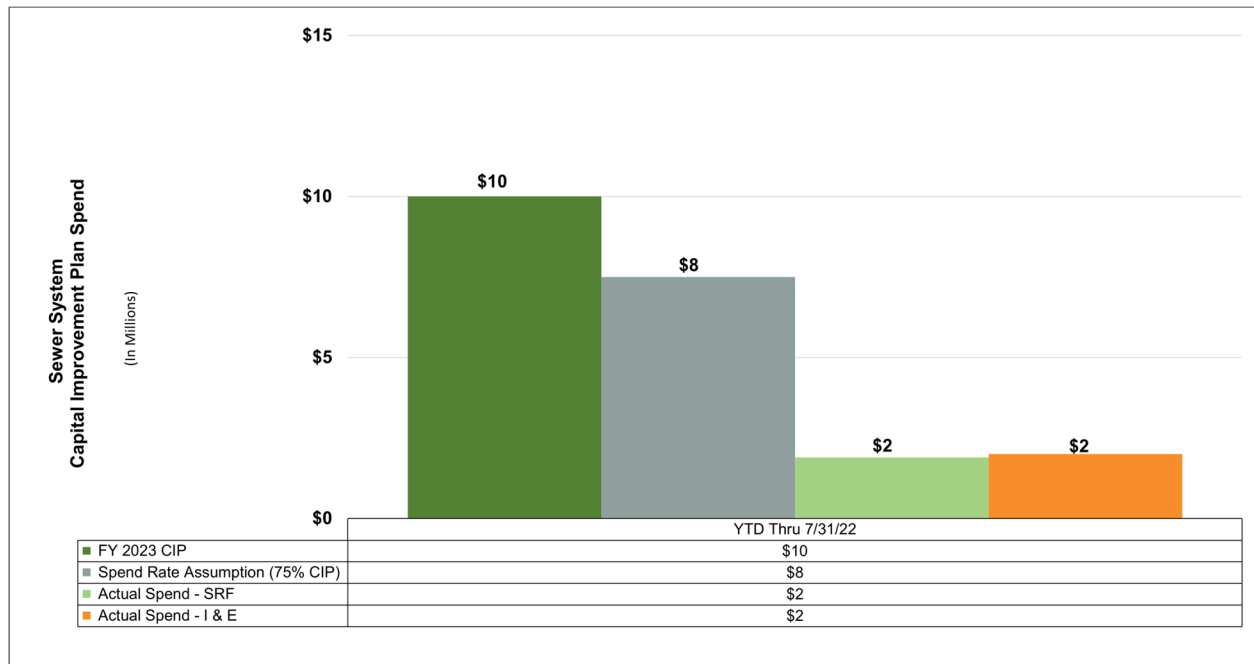
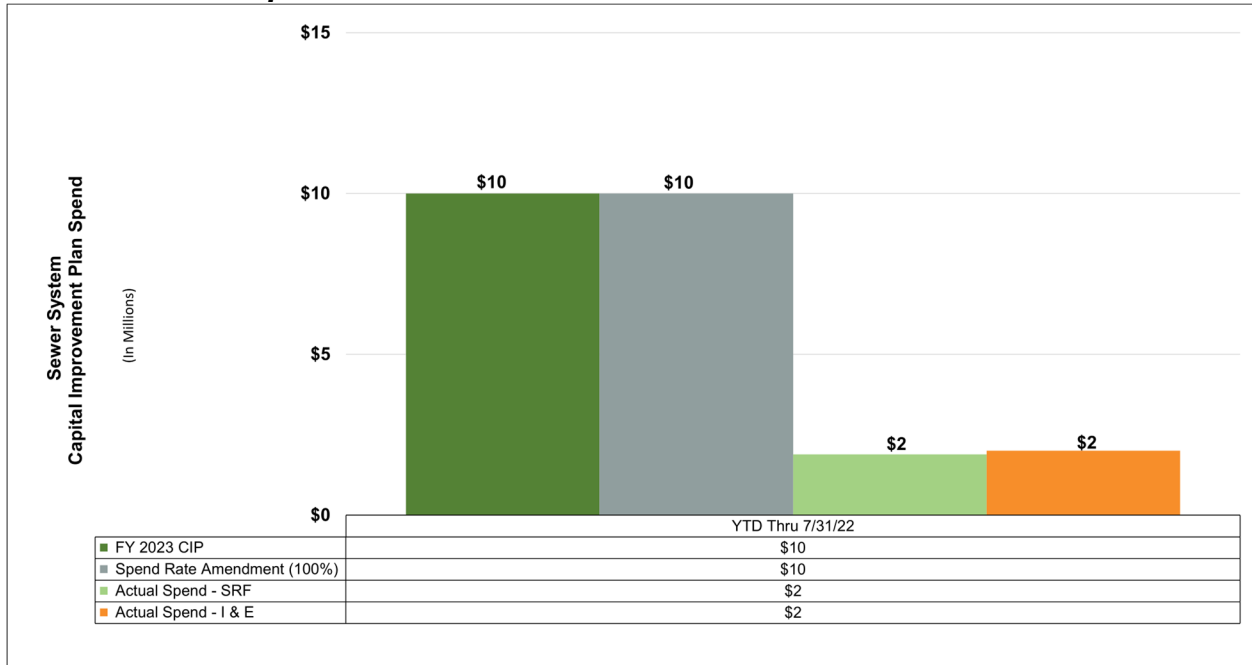


Chart 4 – Sewer System Capital Improvement Plan Spend Incurred to Date – Amended Assumption





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. Transfers to the Extraordinary Repair & Replacement (ER&R) fund are completed annually based on budget and year-end fund status.

Table 1 – GLWA FY 2023 Water MBO Transfers reflects the required transfers for FY 2023 completed through July 1, 2022. MBO transfers for water totaling \$13.7 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2023 Sewer MBO Transfers reflects the required transfers for FY 2023 completed through July 1, 2022. MBO transfers for sewer totaling \$17.8 million have been transferred to GLWA accounts.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2023 to date.

Table 1 – GLWA FY 2023 Water MBO Transfers

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
FY 2023							
July 2022	\$ 12,070,642	\$504,000	\$891,308	\$200,975	-	-	\$13,666,925
Total FY 2023	\$ 12,070,642	\$504,000	\$891,308	\$200,975	\$ -	\$ -	\$13,666,925

Table 2 – GLWA FY 2023 Sewer MBO Transfers

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
FY 2023							
July 2022	\$ 15,337,717	\$902,000	\$1,223,950	\$321,925	-	-	\$17,785,592
Total FY 2023	\$ 15,337,717	\$902,000	\$1,223,950	\$321,925	\$ -	\$ -	\$17,785,592

Table 3 – GLWA MBO Transfer History

GLWA MBO Transfer History							
WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$71,052,000	\$6,037,100	\$10,297,200	\$1,983,300	\$2,326,900	\$606,000	\$92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023 (1 month)	12,070,642	504,000	891,308	200,975	-	-	13,666,925
Life to Date	\$843,028,754	\$42,818,300	\$74,964,183	\$15,163,479	\$2,686,900	\$606,000	\$979,267,616
SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
Total FY 2016	\$100,865,600	\$10,838,400	\$14,025,800	\$2,523,400	\$5,591,700	\$779,600	\$134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-	221,288,700
Total FY 2023 (1 month)	15,337,717	902,000	1,223,950	321,925	-	-	17,785,592
Life to Date	\$1,230,351,309	\$76,698,800	\$102,713,959	\$21,651,821	\$8,246,100	\$779,600	\$1,440,441,589

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 & 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 2023 Water MBO Transfers reflects the required transfers for FY 2023 completed through July 1, 2022. MBO transfers for Water totaling \$4.0 million have been transferred to accounts held by DWSD. For FY 2023, DWSD has requested that \$8,691,000 of the lease payment be utilized to offset a portion of debt service.

Table 5 – DWSD FY 2023 Sewer MBO Transfers reflects the required transfers for FY 2023 completed through July 1, 2022. MBO transfers for Sewer totaling \$7.8 million have been transferred to accounts held by DWSD.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2023 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2023 to date.

Table 4 – DWSD FY 2023 Water MBO Transfers

WATER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2023				
July 2022	\$2,540,833	\$356,000	\$1,150,750	\$4,047,583
Total FY 2023	\$2,540,833	\$356,000	\$1,150,750	\$4,047,583

Table 5 – DWSD FY 2023 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2023				
July 2022	\$5,282,500	\$238,000	\$2,291,667	\$7,812,167
Total FY 2023	\$5,282,500	\$238,000	\$2,291,667	\$7,812,167

Table 6 – DWSD Water MBO and Lease Payment Transfer History
Transfers to DWSD

	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)
Net 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	-	-	-	-
Net 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)
Net 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)
Net 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)
Net 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)
Net 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)
Net MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
FY 2023 (1 month)				
MBO/Lease Requirement	2,540,833	356,000	1,875,000	4,771,833
Offset to Debt Service	-	-	(724,250)	(724,250)
Net MBO Transfer	2,540,833	356,000	1,150,750	4,047,583
Life-to-Date				
MBO/Lease Requirement	233,352,137	30,241,100	159,375,000	422,968,237
Offsets	-	-	(29,650,050)	(29,650,050)
Total Water	233,352,137	30,241,100	129,724,950	397,721,770

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	26,578,453	90,735,453
Offset to Debt Service	-	-	(4,607,750)	(4,607,750)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023 (1 month)				
MBO/Lease Requirement	5,282,500	238,000	2,291,667	12,419,917
Offset to Debt Service	-	-	-	-
Total MBO Transfer	5,282,500	238,000	2,291,667	7,812,167
Life-to-Date				
MBO/Lease Requirement	377,438,512	20,241,800	198,477,870	596,158,182
Offsets	(7,100,000)	-	(51,078,564)	(48,963,064)
Total Sewer	370,338,512	20,241,800	147,399,306	537,979,618

* 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 June 2022, GLWA earned investment income of \$0.3 million and the cumulative FY 2023 earnings through July 2023 is \$0.3 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

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

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through July 2022



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$287	-	-	-	-	-	-	-	-	-	-	-
Sewer	\$397	-	-	-	-	-	-	-	-	-	-	-
Total	\$684	-	-	-	-	-	-	-	-	-	-	-
Investment Income	\$0.3	-	-	-	-	-	-	-	-	-	-	-

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:

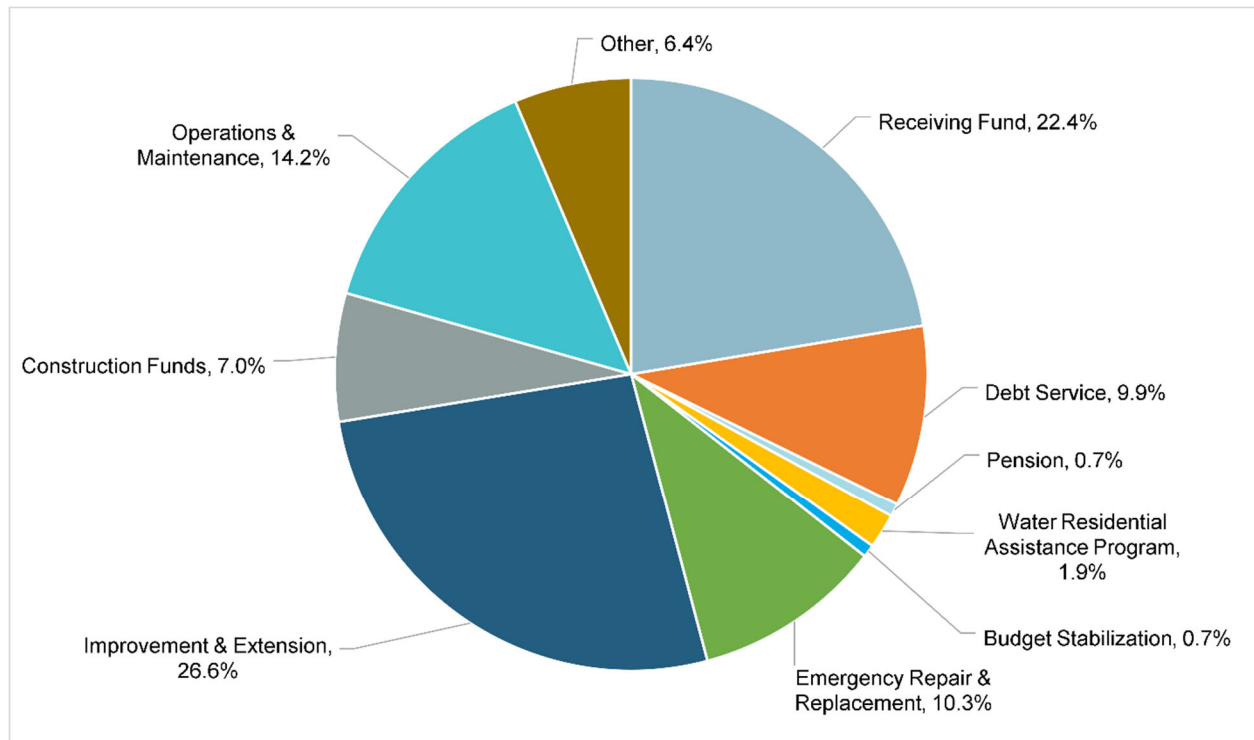
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors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

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 July 2022 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of July 31, 2022 is \$287 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 \$225 million in September 2022 to support water system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

Chart 2 – Cash Balances - Water Funds as of July 2022

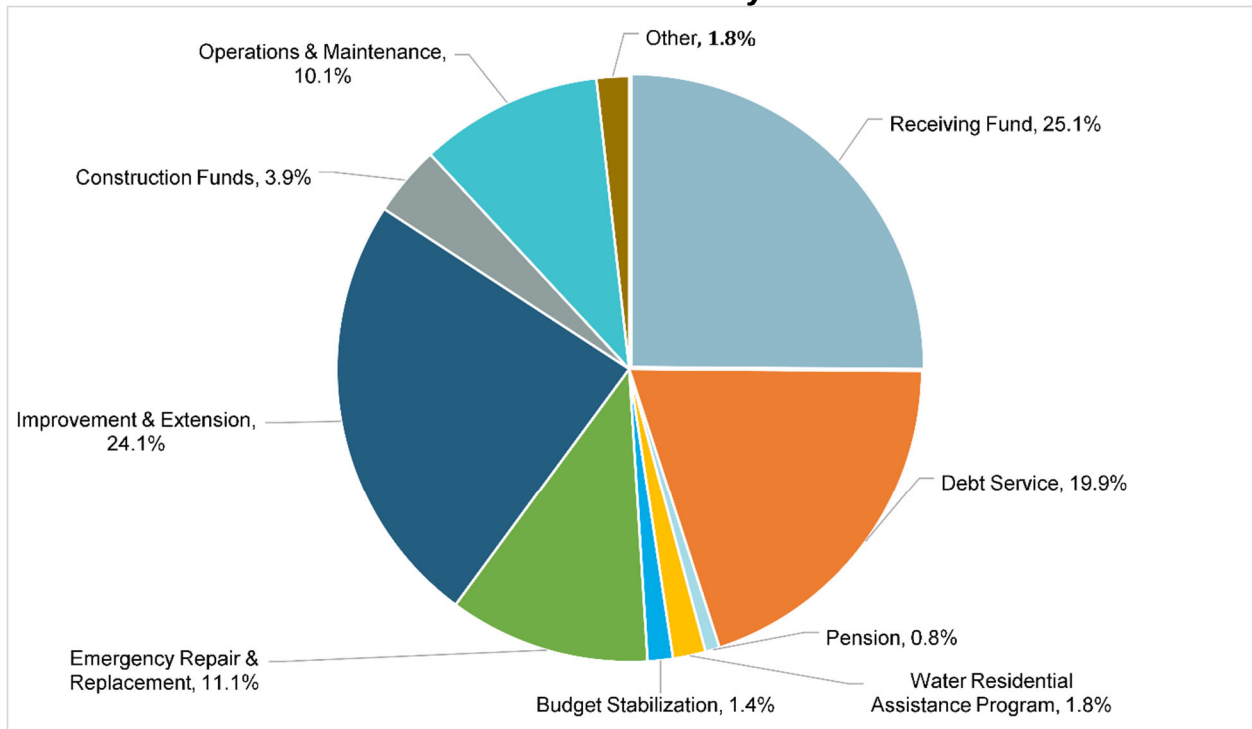


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of July 2022 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of July 31, 2022 is \$397 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 \$225 million in September 2022 to support sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

Chart 3 – Cash Balances - Sewer Funds as of July 2022



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 & 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 2023 water usage and billed revenue which are provided by DWSD staff. As of July 31, 2022, the DWSD usage was at 95.23% of the budget and billed revenue was at 79.38% of budget.

DWSD FY 2023 rates were adopted in July 2022 (after the start of the fiscal year) and took effect one month later in August 2022. The adopted FY 2023 rates shift net revenues between water and sewer slightly based on a recent cost of service study. DWSD anticipates a first quarter budget amendment before the end of the calendar year that will adjust for this timing variance and the impact of the rate adoption delay on reported revenues.

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

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

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2023 - Original Budget		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	257,000	11,956,000	244,749	9,490,589	(12,251)	(2,465,411)	266,704	10,064,683
August	248,900	11,711,000					264,644	9,994,589
September	218,600	10,776,000					232,348	9,169,300
October	198,900	10,184,900					204,290	8,422,092
November	194,500	9,954,500					209,830	8,544,611
December	193,700	9,902,000					204,072	8,442,152
January	198,600	10,050,700					221,369	8,819,430
February	190,400	9,842,000					204,489	8,438,300
March	204,900	10,276,600					233,190	9,221,716
April	192,400	9,922,800					192,495	8,305,331
May	214,500	10,567,000					245,471	9,530,928
June	245,700	11,523,800					272,811	10,281,954
Total	2,558,100	126,667,300	244,749	9,490,589	(12,251)	(2,465,411)	2,751,713	109,235,086
Subtotals ytd	257,000	11,956,000	244,749	9,490,589	(12,251)	(2,465,411)		
Achievement of Budget			95.23%	79.38%				

(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
August	8,588,507	7,135,456	1,453,051	20.36%
September	8,041,683	9,031,966	(990,283)	-10.96%
October	8,512,614	9,079,199	(566,585)	-6.24%
November	7,926,331	10,803,009	(2,876,678)	-26.63%
December	8,121,586	7,409,888	711,698	9.60%
January	6,919,040	7,884,889	(965,849)	-12.25%
February	10,156,126	6,426,553	3,729,573	58.03%
March	11,093,125	8,458,827	2,634,298	31.14%
April	7,431,900	7,536,272	(104,372)	-1.38%
May	7,660,852	7,365,204	295,648	4.01%
June	9,123,179	8,917,831	205,348	2.30%
July	8,518,373	8,387,705	130,668	1.56%
Rolling, 12-Month Total	102,093,316	98,436,799		
Rolling, 12-Month Average	8,507,776	8,203,067		

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 2023 sewer billed revenue which are provided by DWSD staff. As of July 31, 2022, the DWSD usage was at 105.55% of the budget and billed revenue was at 105.17% of budget.

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

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

Table 3 - DWSD Retail Sewer Billings

RETAIL SEWER CUSTOMERS								
Month (1)	FY 2023 - Original Budget		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	211,900	27,858,000	223,661	29,297,748	11,761	1,439,748	219,791	29,462,804
August	217,600	28,027,300					249,522	31,231,624
September	188,400	27,285,000					215,748	29,401,234
October	182,400	27,102,800					190,483	27,936,280
November	167,500	26,696,800					194,135	28,032,939
December	166,500	26,780,100					189,283	27,836,982
January	169,200	26,797,900					203,526	28,493,782
February	166,100	26,702,400					189,525	27,837,984
March	176,100	26,994,800					212,176	29,032,277
April	166,400	26,761,800					179,291	27,196,557
May	182,100	27,166,400					220,082	29,382,758
June	210,600	27,861,300					242,746	30,704,517
Total	2,204,800	326,034,600	223,661	29,297,748	11,761	1,439,748	2,506,308	346,549,738
Subtotals ytd	211,900	27,858,000	223,661	29,297,748		1,439,748		
Achievement of Budget/Goal			105.55%	105.17%				

(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 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
August	25,036,198	22,395,220	2,640,978	11.79%
September	22,635,796	26,463,387	(3,827,591)	-14.46%
October	25,119,240	26,683,109	(1,563,869)	-5.86%
November	23,505,249	28,730,139	(5,224,890)	-18.19%
December	24,880,743	22,856,217	2,024,526	8.86%
January	23,020,491	22,057,276	963,215	4.37%
February	24,495,922	22,777,467	1,718,455	7.54%
March	29,410,086	25,002,508	4,407,578	17.63%
April	22,115,076	21,196,170	918,906	4.34%
May	20,952,592	21,888,687	(936,095)	-4.28%
June	25,922,279	32,508,249	(6,585,970)	-20.26%
July	30,935,343	24,185,252	6,750,091	27.91%
Rolling 12-Month Total	298,029,015	296,743,681		
Rolling, 12-Month Average	24,835,751	24,728,640		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

Table 5 is a summary of the monthly sales, total receivables, bad debt allowance and net Water and Sewer receivables as of July 31, 2022 with comparative totals from June 30, 2021, June 30, 2020, and June 30, 2022. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The table provides a comparison of days in accounts receivable calculated as net receivables divided by daily sales and confirms that over time days in AR is declining due in large part to a consistent practice of recognizing past due amounts over 60 days as bad debt expense. 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 July 31, 2022 with comparative totals from July 31, 2021. 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 July 31, 2022 are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary

Summary						
Period Ending	Monthly Sales	Receivables			Days in AR (1)	
		Total	Allowance	Net		
June 30, 2020	\$ 33,061,000	\$ 213,846,000	\$ (142,882,000)	\$ 70,964,000	64	
June 30, 2021	\$ 36,335,000	\$ 248,055,000	\$ (200,146,000)	\$ 47,909,000	40	
June 30, 2022	\$ 39,022,000	\$ 300,346,000	\$ (253,924,000)	\$ 46,422,000	36	
July 31, 2022	\$ 41,308,000	\$ 309,793,000	\$ (255,017,000)	\$ 54,777,000	40	

Totals may be off due to rounding

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

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

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Balance
Residential	211,404	\$ 794.18	\$ 15,219,000 9.1%	\$ 9,224,000 5.5%	\$ 28,070,000 16.7%	\$ 115,379,000 68.7%	\$ 167,892,000 100.0%
Commercial	20,859	1,487.51	8,954,000 28.9%	2,205,000 7.1%	5,358,000 17.3%	14,511,000 46.8%	31,028,000 100.0%
Industrial	3,481	4,364.40	4,863,000 32.0%	948,000 6.2%	1,953,000 12.9%	7,428,000 48.9%	15,192,000 100.0%
Tax Exempt	3,845	852.61	570,000 17.4%	234,000 7.1%	502,000 15.3%	1,973,000 60.2%	3,278,000 100.0%
Government	52,216	457.12	3,686,000 15.4%	1,388,000 5.8%	2,727,000 11.4%	16,068,000 67.3%	23,869,000 100.0%
Drainage	45,033	733.83	2,568,000 7.8%	1,425,000 4.3%	4,509,000 13.6%	24,544,000 74.3%	33,046,000 100.0%
Subtotal - Active Accounts	336,838	\$ 814.36	\$ 35,861,000 13.1%	\$ 15,424,000 5.6%	\$ 43,118,000 15.7%	\$ 179,903,000 65.6%	\$ 274,306,000 100.0%
Inactive Accounts	314,446	112.86	(54,000) (0.2%)	112,000 0.3%	746,000 2.1%	34,684,000 97.7%	35,487,000 100.0%
Total	651,284	\$ 475.67	\$ 35,807,000 11.6%	\$ 15,536,000 5.0%	\$ 43,864,000 14.2%	\$ 214,587,000 69.3%	\$ 309,793,000 100.0%
<i>% of Total A/R</i>							
Water Fund	241,284	244.51	\$ 8,656,000	\$ 3,176,000	\$ 7,851,000	\$ 39,313,000	\$ 58,996,000
Sewer Fund	278,317	901.12	\$ 27,151,000	\$ 12,359,000	\$ 36,013,000	\$ 175,274,000	\$ 250,798,000
Total July 31, 2022 (a)	651,284	475.67	\$ 35,807,000	\$ 15,536,000	\$ 43,864,000	\$ 214,587,000	\$ 309,793,000
Water Fund- Allowance							\$ (46,869,000)
Sewer Fund- Allowance							\$ (208,148,000)
Total Bad Debt Allowance							\$ (255,017,000)
Comparative - July 2021 (b)							\$ 52,005,000
Difference (a) - (b)	651,284	475.67	\$ 35,807,000	\$ 15,536,000	\$ 43,864,000	\$ 214,587,000	\$ 257,788,000



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

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. City of Highland Park Billings and Collections
4. Wholesale Water & Sewer Accounts Receivable Aging Report

Wholesale Water Billings and Collections

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

Service Arrangement Type

Model Contract	84
Emergency	1
Older Contracts	<u>2</u>
Total	<u>87</u>

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

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

Table 1 - Wholesale Water Billings shows the FY 2023 water billed usage and revenues. As of July 31, 2022, the billed usage was at 106.32% of the original plan and billed revenue at 103.73% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2023 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 slightly above prior year for the twelve-month period ending July 31, 2022.

Table 1 – FY 2023 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2023 Charges (3)		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,565,900	33,114,500	1,664,936	34,349,872	99,036	1,235,372	1,342,686	29,642,785
August	1,513,500	32,632,400					1,417,142	30,604,230
September	1,271,200	29,674,600					1,298,750	29,065,588
October	1,033,200	27,094,600					1,006,217	26,123,483
November	901,100	25,815,700					905,525	25,117,181
December	966,900	26,357,900					958,879	25,542,432
January	954,300	26,296,700					979,803	25,791,405
February	877,900	25,580,400					875,553	24,800,493
March	965,300	26,359,200					963,825	25,592,186
April	907,300	25,855,100					912,124	25,139,078
May	1,086,000	27,886,200					1,094,002	27,116,529
June	1,470,200	32,090,900					1,385,287	30,301,351
Total	13,512,800	338,758,200	1,664,936	34,349,872	99,036	1,235,372	13,139,793	324,836,740
Subtotals ytd	1,565,900	33,114,500	1,664,936	34,349,872	99,036	1,235,372		
Achievement of Original Plan			106.32%	103.73%				

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

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

(3) Charges are based on the approved FY 2023 water supply system charge schedule.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
August	31,668,492	26,241,018	5,427,474	20.68%
September	23,849,618	26,078,015	(2,228,397)	-8.55%
October	29,212,277	29,292,690	(80,413)	-0.27%
November	25,265,770	32,218,822	(6,953,052)	-21.58%
December	25,302,369	29,609,061	(4,306,692)	-14.55%
January	31,280,599	20,716,948	10,563,651	50.99%
February	24,919,847	25,694,176	(774,329)	-3.01%
March	22,123,572	20,854,506	1,269,066	6.09%
April	21,726,941	23,545,123	(1,818,182)	-7.72%
May	27,717,969	24,878,479	2,839,490	11.41%
June	26,379,503	25,403,968	975,535	3.84%
July	14,435,092	23,709,847	(9,274,755)	-39.12%
Rolling 12-Month Total	303,882,049	308,242,653		
Rolling, 12-Month Average	25,323,504	25,686,888		

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	11
Emergency	0
Older Contracts	<u>7</u>
Total	<u><u>18</u></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 2023 sewer billed revenue. As of July 31, 2022 the billed revenue is at 100.00% of the original plan.

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

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

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending on par with prior year for the twelve-month period ending July 31, 2022.

Table 3 – FY 2023 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2023 Charges (3)		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	N/A	22,888,100	N/A	22,888,100	N/A	-	N/A	22,615,000
August	N/A	22,888,100	N/A		N/A		N/A	22,615,000
September	N/A	22,888,100	N/A		N/A		N/A	22,615,000
October	N/A	22,888,100	N/A		N/A		N/A	22,615,000
November	N/A	22,888,100	N/A		N/A		N/A	22,615,000
December	N/A	22,888,100	N/A		N/A		N/A	22,615,000
January	N/A	22,888,100	N/A		N/A		N/A	22,615,000
February	N/A	22,888,100	N/A		N/A		N/A	22,615,000
March	N/A	22,888,100	N/A		N/A		N/A	22,615,000
April	N/A	22,888,100	N/A		N/A		N/A	22,615,000
May	N/A	22,888,100	N/A		N/A		N/A	22,615,000
June	N/A	22,888,100	N/A		N/A		N/A	22,615,000
Total		274,657,200		22,888,100		-		271,380,000
Subtotals ytd		22,888,100		22,888,100		-		
Achievement of Budget				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.

(3) Charges are based on the approved FY 2023 sewer disposal system charge schedule.

Table 4 - Wholesale Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
August	22,191,725	25,354,280	(3,162,555)	-12.47%
September	26,706,558	19,593,613	7,112,945	36.30%
October	22,176,058	16,853,983	5,322,075	31.58%
November	16,534,758	18,966,208	(2,431,450)	-12.82%
December	21,765,958	25,232,649	(3,466,691)	-13.74%
January	26,436,258	25,968,849	467,409	1.80%
February	23,937,258	16,872,900	7,064,358	41.87%
March	24,713,158	22,368,124	2,345,034	10.48%
April	19,937,558	28,128,933	(8,191,375)	-29.12%
May	10,226,700	15,972,800	(5,746,100)	-35.97%
June	29,659,245	28,523,650	1,135,595	3.98%
July	28,223,515	21,842,125	6,381,390	29.22%
Rolling 12-Month Total	272,508,749	265,678,114		
Rolling, 12-Month Average	22,709,062	22,139,843		

City of Highland Park Billings and Collections

The City of Highland Park is provided water service pursuant to an emergency service basis. Sewer service is provided pursuant to a 1982 amended contract which indicates that the parties are guided in their legal relationship by a Michigan Supreme Court decision from 1949.

As of July 31, 2022, Highland Park had a delinquent balance of \$53.8 million, including \$41.0 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$11.0 million for water supply services.

Table 5 - City of Highland Park Billings and Collections provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2023 through July 31, 2022. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

Table 5 - City of Highland Park Billings and Collections

	Water	Sewer	IWC	Total
August 31, 2021 Balance	9,930,987	37,955,875	1,777,802	49,664,664
September 2021 Billing	110,440	446,400	4,062	560,902
September 2021 Payments	-	-	-	-
September 30, 2021 Balance	10,041,427	38,402,275	1,781,864	50,225,566
October 2021 Billing	109,853	446,400	4,053	560,306
October 2021 Payments	-	-	-	-
October 31, 2021 Balance	10,151,280	38,848,675	1,785,917	50,785,872
November 2021 Billing	103,417	446,400	4,069	553,886
November 2021 Payments	-	-	-	-
November 30, 2021 Balance	10,254,697	39,295,075	1,789,986	51,339,758
December 2021 Billing	100,908	446,400	4,075	551,383
December 2021 Payments	-	-	-	-
December 31, 2021 Balance	10,355,605	39,741,475	1,794,061	51,891,141
January 2022 Billing	96,633	446,400	4,002	547,035
January 2022 Payments	-	-	-	-
January 31, 2022 Balance	10,452,238	40,187,875	1,798,063	52,438,176
February 2022 Billing	97,203	446,400	4,002	547,605
February 2022 Payments	-	-	-	-
February 28, 2022 Balance	10,549,441	40,634,275	1,802,065	52,985,781
March 2022 Billing	96,540	446,400	4,000	546,940
March 2022 Payments	-	-	-	-
March 31, 2022 Balance	10,645,981	41,080,675	1,806,065	53,532,721
April 2022 Billing	98,395	446,400	4,009	548,804
April 2022 Payments	-	-	-	-
April 30, 2022 Balance	10,744,376	41,527,075	1,810,074	54,081,525
May 2022 Billing	96,254	446,400	4,009	546,663
May 2022 Payments	-	-	-	-
May 31, 2022 Balance	10,840,630	41,973,475	1,814,083	54,628,188
June 2022 Billing	100,820	446,400	4,002	551,222
June 2022 Payments	-	(1,788,828)	-	(1,788,828)
June 30, 2022 Balance	10,941,450	40,631,047	1,818,085	53,390,582
July 2022 Billing	104,262	446,400	4,002	554,664
July 2022 Payments	-	(126,056)	-	(126,056)
July 31, 2022 Balance	11,045,712	40,951,391	1,822,087	53,819,190

Wholesale Water & Sewer Accounts Receivable Aging Report

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

Table 6 - Wholesale Accounts Receivable Aging Report Summary is a summary of the total, current and non-current receivables by category as of July 31, 2022.

Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park is the same summary *without* the past due balances for the City of Highland Park. One member partner contract dispute accounts for \$5.2 million of the current water past due balance. The remaining \$3.6 million of past due water accounts were fully resolved in August.

One IWC account makes up the majority of the \$6.5 thousand past due balance and was paid in full in early August. One pollutant surcharge past due of \$20.3 thousand makes up the majority of the past due balance. This account was paid in full as of August 5. The remaining pollutant surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 69,536,898.76	\$ 51,134,174.10	\$ 3,313,574.84	\$ 1,032,531.32	\$ 14,056,618.50
Sewer	\$ 56,260,132.06	\$ 15,755,141.42	\$ 446,400.00	\$ 446,400.00	\$ 39,612,190.64
IWC	\$ 2,353,562.69	\$ 532,937.79	\$ -	\$ 14,559.57	\$ 1,806,065.33
Pollutant Surcharge	\$ 781,031.93	\$ 752,761.43	\$ 24,653.35	\$ 2,280.61	\$ 1,336.54
Total	\$ 128,931,625.44	\$ 68,175,014.74	\$ 3,784,628.19	\$ 1,495,771.50	\$ 55,476,211.01
	100.00%	52.88%	2.94%	1.16%	43.03%

Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 58,491,187.46	\$ 50,929,092.94	\$ 3,217,321.03	\$ 934,135.59	\$ 3,410,637.90
Sewer	\$ 15,308,741.42	\$ 15,308,741.42	\$ -	\$ -	\$ -
IWC	\$ 531,475.32	\$ 524,933.85	\$ -	\$ 6,541.47	\$ -
Pollutant Surcharge	\$ 781,031.93	\$ 752,761.43	\$ 24,653.35	\$ 2,280.61	\$ 1,336.54
Total	\$ 75,112,436.13	\$ 67,515,529.64	\$ 3,241,974.38	\$ 942,957.67	\$ 3,411,974.44
	100.00%	89.89%	4.32%	1.26%	4.54%

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, Receipts & Loan Receivable
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

GLWA Trust Receipts & Disbursements

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

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

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2023 reflects one month of activity to date.

Water fund receipts fell short of required disbursements by 44% through July 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 13% since July 1, 2018. Looking ahead, net receipts for the month of August recover in full, reporting positive net receipts year to date.

Sewer fund receipts exceeded required disbursements by 24% through July 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2018.

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 year. 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 year. The black line at zero highlights the minimum goal for net receipts.

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru July 31
Water					
1 Receipts	\$ 336,594,234	\$ 332,606,196	\$ 336,642,021	\$ 338,117,694	\$ 16,596,324
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,594,234	332,606,196	336,642,021	338,117,694	16,596,324
4 Disbursements	(289,230,481)	(296,190,425)	(308,713,407)	(316,495,360)	(29,683,672)
5 Receipts Net of Required	47,363,753	36,415,771	27,928,614	21,622,334	(13,087,348)
6 I&E Transfer	(47,695,000)	(25,719,751)	(31,991,687)	(26,622,862)	-
7 Net Receipts	\$ (331,247)	\$ 10,696,020	\$ (4,063,073)	\$ (5,000,528)	\$ (13,087,348)
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	116%	112%	109%	107%	56%
Sewer					
9 Receipts	\$ 467,743,744	\$ 490,461,356	\$ 472,871,853	\$ 471,979,297	\$ 45,695,561
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	467,743,744	490,461,356	472,871,853	471,979,297	45,695,561
12 Disbursements	(453,406,636)	(445,604,952)	(436,600,883)	(450,701,751)	(36,916,599)
13 Receipts Net of Required	14,337,108	44,856,404	36,270,970	21,277,546	8,778,962
14 I&E Transfer	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	9,367,355	17,542,669	18,206,431	8,296,578	-
17 Net Receipts	\$ 1,156,763	\$ 43,302,873	\$ 13,972,674	\$ (8,077,664)	\$ 8,778,962
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	103%	110%	108%	105%	124%
Combined					
19 Receipts	\$ 804,337,978	\$ 823,067,552	\$ 809,513,874	\$ 810,096,991	\$ 62,291,885
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	804,337,978	823,067,552	809,513,874	810,096,991	62,291,885
22 Disbursements	(742,637,117)	(741,795,377)	(745,314,290)	(767,197,111)	(66,600,271)
23 Receipts Net of Required	61,700,861	81,272,175	64,199,584	42,899,880	(4,308,386)
24 I&E Transfer	(70,242,700)	(44,815,951)	(72,496,414)	(64,274,650)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	9,367,355	17,542,669	18,206,431	8,296,578	0
27 Net Receipts	\$ 825,516	\$ 53,998,893	\$ 9,909,601	\$ (13,078,192)	\$ (4,308,386)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	108%	111%	109%	106%	94%

Chart 1 – GLWA 12-Month Net Receipts – Water

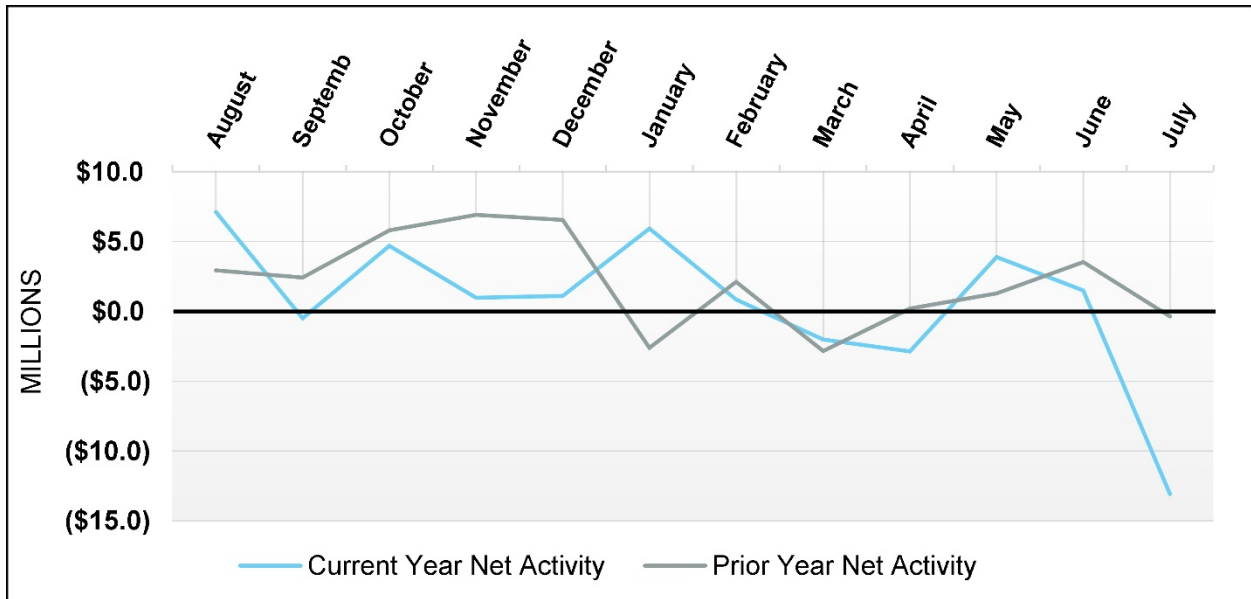
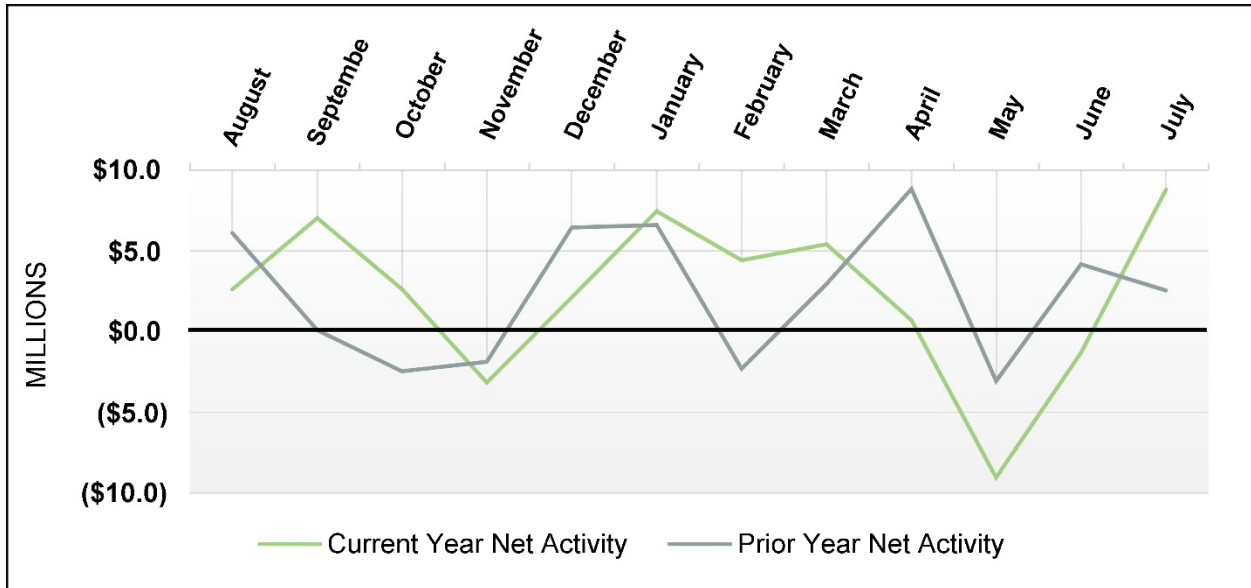


Chart 2 – GLWA 12-Month Net Receipts – Sewer



DWSD Trust Receipts & Disbursements

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

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

Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2023 reflects one month of activity to date.

Water fund receipts exceeded required disbursements by 5% through July 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 1% since July 1, 2018.

Sewer fund receipts exceeded required disbursements by 26% through July 31, 2022 consistent with the four-year historical average ratio of required receipts at a breakeven status since July 1, 2018.

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru July 31
Water					
1 Receipts	\$ 99,868,219	\$ 96,885,723	\$ 102,067,423	\$ 101,964,963	\$ 8,522,201
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	99,868,219	96,885,723	102,067,423	101,964,963	8,522,201
4 Disbursements	(97,694,600)	(97,823,097)	(100,707,200)	(94,495,601)	(8,082,500)
5 Receipts Net of Required	2,173,619	(937,374)	1,360,223	7,469,362	439,701
6 I&E Transfer	(8,407,080)	-	-	-	-
7 Net Receipts	\$ (6,233,461)	\$ (937,374)	\$ 1,360,223	\$ 7,469,362	\$ 439,701
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	102%	99%	101%	108%	105%
Sewer					
9 Receipts	\$ 265,339,797	\$ 264,689,559	\$ 308,210,767	\$ 291,280,896	\$ 30,938,217
10 MOU Adjustments	6,527,200	-	-	-	-
11 Adjusted Receipts	271,866,997	264,689,559	308,210,767	291,280,896	30,938,217
12 Disbursements	(271,018,306)	(275,507,374)	(295,100,771)	(285,256,000)	(24,613,143)
13 Receipts Net of Required	848,691	(10,817,815)	13,109,996	6,024,896	6,325,074
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	\$ 848,691	\$ (10,817,815)	\$ 13,109,996	\$ 6,024,896	\$ 6,325,074
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	100%	96%	104%	102%	126%
Combined					
18 Receipts	\$ 365,208,016	\$ 361,575,282	\$ 410,278,190	\$ 393,245,859	\$ 39,460,418
19 MOU Adjustments	6,527,200	-	-	-	-
20 Adjusted Receipts	371,735,216	361,575,282	410,278,190	393,245,859	39,460,418
21 Disbursements	(368,712,906)	(373,330,471)	(395,807,971)	(379,751,601)	(32,695,643)
22 Receipts Net of Required	3,022,310	(11,755,189)	14,470,219	13,494,258	6,764,775
23 I&E Transfer	(8,407,080)	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	\$ (5,384,770)	\$ (11,755,189)	\$ 14,470,219	\$ 13,494,258	\$ 6,764,775
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	101%	97%	104%	104%	121%

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

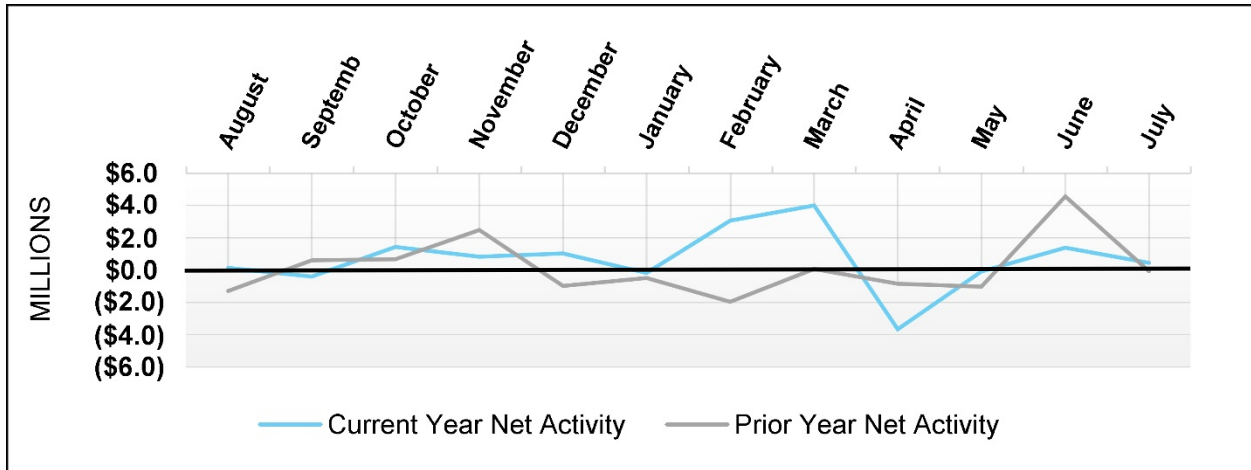
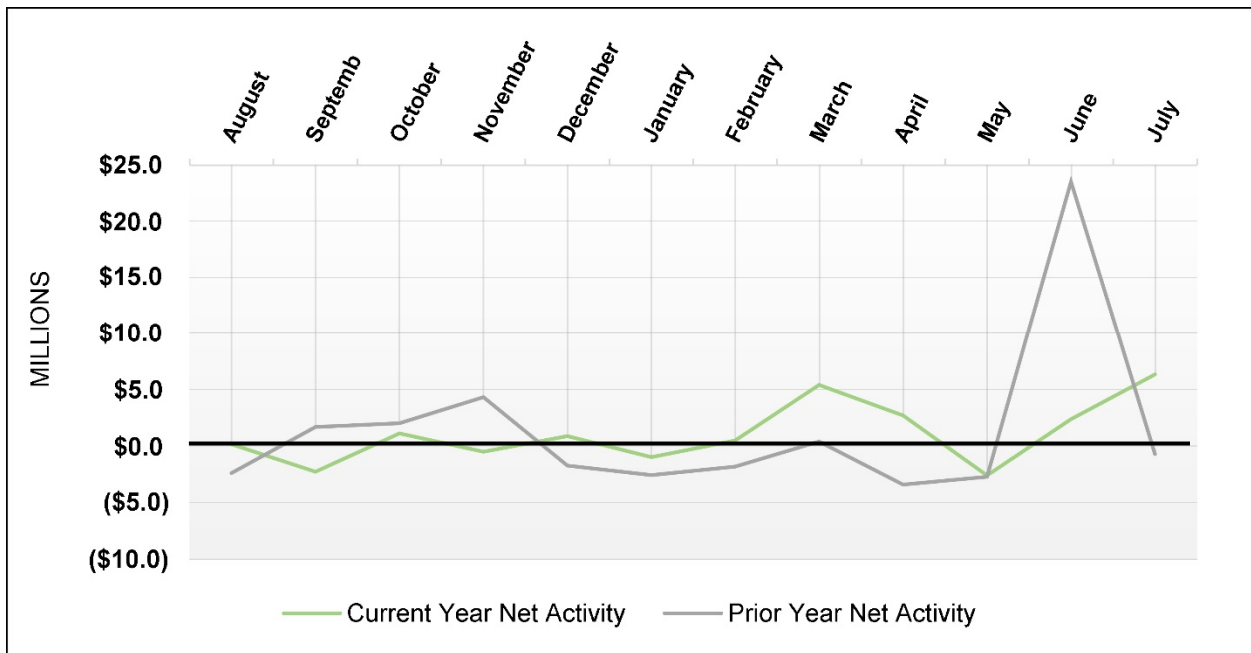


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 2023 reflects one month of activity to date.

Water fund receipts fell short of required disbursements by 33% through July 31, 2022 consistent with the four-year historical average ratio of required receipts exceeding disbursements by 10% since July 1, 2018.

Sewer fund receipts exceeded required disbursements by 25% through July 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2018.

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru July 31
Water					
1 Receipts	\$ 436,462,453	\$ 429,491,919	\$ 438,709,444	\$ 440,082,657	\$ 25,118,525
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	436,462,453	429,491,919	438,709,444	440,082,657	25,118,525
4 Disbursements	(386,925,081)	(394,013,522)	(409,420,607)	(410,990,961)	(37,766,172)
5 Receipts Net of Required	49,537,372	35,478,397	29,288,837	29,091,696	(12,647,647)
6 I&E Transfer	(56,102,080)	(25,719,751)	(31,991,687)	(26,622,862)	-
7 Net Receipts	\$ (6,564,708)	\$ 9,758,646	\$ (2,702,850)	\$ 2,468,834	\$ (12,647,647)
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	113%	109%	107%	107%	67%
Sewer					
9 Receipts	\$ 733,083,541	\$ 755,150,915	\$ 781,082,620	\$ 763,260,193	\$ 76,633,778
10 MOU Adjustments	6,527,200	-	-	-	-
11 Adjusted Receipts	739,610,741	755,150,915	781,082,620	763,260,193	76,633,778
12 Disbursements	(724,424,942)	(721,112,326)	(731,701,654)	(735,957,751)	(61,529,742)
13 Receipts Net of Required	15,185,799	34,038,589	49,380,966	27,302,442	15,104,036
14 I&E Transfer	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	9,367,355	17,542,669	18,206,431	8,296,578	-
17 Net Receipts	\$ (7,361,901)	\$ 32,485,058	\$ 27,082,670	\$ (2,052,768)	\$ 15,104,036
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	102%	105%	107%	104%	125%
Combined					
19 Receipts	\$1,169,545,994	\$1,184,642,834	\$1,219,792,064	\$1,203,342,850	\$ 101,752,303
20 MOU Adjustments	6,527,200	-	-	-	-
21 Adjusted Receipts	1,176,073,194	1,184,642,834	1,219,792,064	1,203,342,850	101,752,303
22 Disbursements	(1,111,350,023)	(1,115,125,848)	(1,141,122,261)	(1,146,948,712)	(99,295,914)
23 Receipts Net of Required	64,723,171	69,516,986	78,669,803	56,394,138	2,456,389
24 I&E Transfer	(78,649,780)	(44,815,951)	(72,496,414)	(64,274,650)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	9,367,355	17,542,669	18,206,431	8,296,578	-
27 Net Receipts	\$ (4,559,254)	\$ 42,243,704	\$ 24,379,820	\$ 416,066	\$ 2,456,389
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	106%	106%	107%	105%	102%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$402,800.69	\$402,800.69	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$43,043.49	\$43,043.49	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$76,592.14	\$76,592.14	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$29,620.91	\$29,620.91	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$75,549.10	\$75,549.10	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$990,414.20	\$694,328.53	\$296,085.67	\$0.00	\$0.00
BRUCE TOWNSHIP	\$106,154.02	\$106,154.02	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$38,980.12	\$38,980.12	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$1,964,131.95	\$1,957,981.95	\$6,150.00	\$0.00	\$0.00
CENTER LINE	\$84,216.12	\$84,216.12	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$807,122.56	\$807,122.56	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$1,352,371.87	\$1,352,371.87	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$704,778.48	\$704,778.48	\$0.00	\$0.00	\$0.00
DEARBORN	\$6,833,756.12	\$1,661,972.15	\$827,240.34	\$933,905.73	\$3,410,637.90
DEARBORN HEIGHTS	\$670,736.56	\$670,736.56	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$281,110.54	\$281,110.54	\$0.00	\$0.00	\$0.00
ECORSE	\$112,113.49	\$112,113.49	\$0.00	\$0.00	\$0.00
FARMINGTON	\$185,184.23	\$185,184.23	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,632,445.98	\$1,632,445.98	\$0.00	\$0.00	\$0.00
FERNDALE	\$177,345.76	\$177,345.76	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$274,268.17	\$274,268.17	\$0.00	\$0.00	\$0.00
FLINT	\$15,730.04	\$15,730.04	\$0.00	\$0.00	\$0.00
FRASER	\$217,607.81	\$217,607.81	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GARDEN CITY	\$298,592.14	\$298,592.14	\$0.00	\$0.00	\$0.00
GENESEE COUNTY DRAIN COMM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$59,437.77	\$59,437.77	\$0.00	\$0.00	\$0.00
GREATER LAPEER CUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$214,403.39	\$214,078.39	\$325.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$248,726.15	\$248,726.15	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$127,345.29	\$127,345.29	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$232,796.03	\$232,796.03	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$139,166.78	\$139,166.78	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$147,171.84	\$147,171.84	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$303,712.90	\$303,712.90	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$130,579.58	\$130,579.58	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$11,045,711.30	\$205,081.16	\$96,253.81	\$98,395.73	\$10,645,980.60
HURON TOWNSHIP	\$291,031.15	\$289,460.91	\$1,570.24	\$0.00	\$0.00
IMLAY CITY	\$281,969.43	\$281,969.43	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,726.07	\$1,726.07	\$0.00	\$0.00	\$0.00
INKSTER	\$338,982.28	\$228,511.51	\$110,470.77	\$0.00	\$0.00
KEEGO HARBOR	\$54,188.03	\$54,188.03	\$0.00	\$0.00	\$0.00
LAPEER	\$146,521.27	\$146,521.27	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$54,360.03	\$54,359.88	\$0.15	\$0.00	\$0.00
LINCOLN PARK	\$429,861.45	\$427,836.45	\$2,025.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIVONIA	\$2,138,216.12	\$2,131,582.78	\$6,633.34	\$0.00	\$0.00
MACOMB TWP	\$2,536,702.10	\$2,536,702.10	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$188,569.06	\$188,569.06	\$0.00	\$0.00	\$0.00
MAYFIELD TOWNSHIP	\$8,294.55	\$8,294.55	\$0.00	\$0.00	\$0.00
MELVINDALE	\$119,097.79	\$119,097.79	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$69,443.39	\$69,443.39	\$0.00	\$0.00	\$0.00
NOCWA	\$2,229,309.20	\$2,229,309.20	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$140,954.23	\$140,504.23	\$450.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$1,065,788.04	\$1,060,787.04	\$5,001.00	\$0.00	\$0.00
NOVI	\$1,745,162.32	\$1,745,162.32	\$0.00	\$0.00	\$0.00
OAK PARK	\$242,797.54	\$242,797.54	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$15,361.83	\$15,361.83	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$291,878.73	\$204,272.33	\$87,606.40	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$846,337.47	\$830,837.47	\$15,500.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$568,707.78	\$568,707.78	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$183,229.51	\$125,349.98	\$57,879.53	\$0.00	\$0.00
RIVERVIEW	\$234,632.49	\$160,474.94	\$73,927.69	\$229.86	\$0.00
ROCKWOOD	\$25,941.87	\$25,941.87	\$0.00	\$0.00	\$0.00
ROMEO	\$47,203.44	\$47,203.44	\$0.00	\$0.00	\$0.00
ROMULUS	\$746,333.21	\$746,333.21	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$461,993.02	\$461,993.02	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$34,216.46	\$34,216.46	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$2,784,803.37	\$2,784,803.37	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOCWA	\$4,300,289.25	\$4,300,289.25	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$21,341.81	\$21,341.81	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$204,032.30	\$204,032.30	\$0.00	\$0.00	\$0.00
ST. CLAIR CNTY-GREENWOOD ENE	\$145,006.22	\$145,006.22	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$843,581.90	\$572,346.79	\$271,235.11	\$0.00	\$0.00
STERLING HEIGHTS	\$4,097,179.42	\$2,843,879.24	\$1,253,300.18	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$69,568.27	\$69,568.27	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$23,738.11	\$23,738.11	\$0.00	\$0.00	\$0.00
TAYLOR	\$444,146.20	\$444,146.20	\$0.00	\$0.00	\$0.00
TRENTON	\$320,953.45	\$320,953.45	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,316,156.28	\$1,316,156.28	\$0.00	\$0.00	\$0.00
UTICA	\$103,397.22	\$103,397.22	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$646,705.35	\$646,705.35	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$142,404.05	\$142,404.05	\$0.00	\$0.00	\$0.00
WARREN	\$1,874,653.03	\$1,874,653.03	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$271,885.66	\$271,885.66	\$0.00	\$0.00	\$0.00
WAYNE	\$289,888.00	\$289,888.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$2,002,112.72	\$2,002,112.72	\$0.00	\$0.00	\$0.00
WESTLAND	\$1,148,288.73	\$1,148,288.73	\$0.00	\$0.00	\$0.00
WIXOM	\$694,958.02	\$493,037.41	\$201,920.61	\$0.00	\$0.00
WOODHAVEN	\$314,972.45	\$314,972.45	\$0.00	\$0.00	\$0.00
YCUA	\$1,914,309.57	\$1,914,309.57	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL WATER ACCOUNTS	\$69,536,898.76	\$51,134,174.10	\$3,313,574.84	\$1,032,531.32	\$14,056,618.50

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$85,799.50	\$85,799.50	\$0.00	\$0.00	\$0.00
DEARBORN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$2,980,500.00	\$2,980,500.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$98,700.00	\$98,700.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$74,100.00	\$74,100.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$156,900.00	\$156,900.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$40,951,390.64	\$446,400.00	\$446,400.00	\$446,400.00	\$39,612,190.64
MELVINDALE	\$129,500.00	\$129,500.00	\$0.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,819,000.00	\$3,819,000.00	\$0.00	\$0.00	\$0.00
OMID	\$5,877,041.92	\$5,877,041.92	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$22,200.00	\$22,200.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$600.00	\$600.00	\$0.00	\$0.00	\$0.00
SOUTH MACOMB SANITATION DIST	\$2,064,400.00	\$2,064,400.00	\$0.00	\$0.00	\$0.00
WAYNE COUNTY-AREA #3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL SEWER ACCOUNTS	\$56,260,132.06	\$15,755,141.42	\$446,400.00	\$446,400.00	\$39,612,190.64

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,147.06	\$3,147.06	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$994.74	\$994.74	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$2,407.20	\$2,407.20	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,660.46	\$5,660.46	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$84.96	\$84.96	\$0.00	\$0.00	\$0.00
CENTER LINE	\$3,667.44	\$3,667.44	\$0.00	\$0.00	\$0.00
CHARTER TOWNSHIP OF INDEPENI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,639.57	\$12,639.57	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$228.33	\$228.33	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$3,708.15	\$3,708.15	\$0.00	\$0.00	\$0.00
CLARKSTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$69.06	\$69.06	\$0.00	\$0.00	\$0.00
CLAWSON	\$3,122.28	\$3,122.28	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$53,413.29	\$53,413.29	\$0.00	\$0.00	\$0.00
DEARBORN	\$35,814.18	\$36,086.76	\$0.00	\$ (272.58)	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
DEARBORN HEIGHTS	\$9,588.09	\$9,588.09	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$106.20	\$106.20	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$19,280.61	\$12,853.74	\$0.00	\$6,426.87	\$0.00
FARMINGTON	\$4,019.67	\$4,019.67	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRASER	\$4,938.30	\$4,938.30	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$6,122.43	\$6,122.43	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$1,573.53	\$1,573.53	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$2,079.75	\$2,079.75	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$1,177.05	\$1,177.05	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$339.84	\$339.84	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$2,952.36	\$2,952.36	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,155.96	\$4,155.96	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,893.90	\$1,893.90	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$437.19	\$437.19	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,299.28	\$3,299.28	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,822,087.37	\$8,003.94	\$0.00	\$8,018.10	\$1,806,065.33
HUNTINGTON WOODS	\$284.97	\$284.97	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,289.20	\$1,289.20	\$0.00	\$0.00	\$0.00
INKSTER	\$5,536.56	\$5,536.56	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LAKE ORION	\$1,600.08	\$1,600.08	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LATHRUP	\$1,400.07	\$1,400.07	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$323.91	\$323.91	\$0.00	\$0.00	\$0.00
LIVONIA	\$40,453.35	\$40,453.35	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$205.32	\$205.32	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$18,912.45	\$18,912.45	\$0.00	\$0.00	\$0.00
MELVINDALE	\$3,501.06	\$3,501.06	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$612.42	\$612.42	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,782.39	\$1,782.39	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NOVI	\$17,671.68	\$17,671.68	\$0.00	\$0.00	\$0.00
OAK PARK	\$14,427.27	\$14,427.27	\$0.00	\$0.00	\$0.00
OAKLAND TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORCHARD LAKE VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O)	\$4,364.82	\$4,364.82	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$486.88	\$486.88	\$0.00	\$0.00	\$0.00
OXFORD TOWNSHIP	\$1,067.31	\$1,067.31	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$1,253.16	\$1,253.16	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$272.58	\$272.58	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$7,766.76	\$7,766.76	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$136.29	\$136.29	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$12,625.41	\$12,625.41	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$18,645.18	\$18,645.18	\$0.00	\$0.00	\$0.00
ROMULUS	\$778.80	\$778.80	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROSEVILLE	\$14,729.94	\$14,729.94	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,728.12	\$13,728.12	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$14,903.40	\$14,903.40	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$55,778.87	\$55,778.87	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,035.30	\$6,648.12	\$0.00	\$387.18	\$0.00
ST. CLAIR SHORES	\$11,873.16	\$11,873.16	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$31,587.42	\$31,587.42	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTICA	\$3,035.55	\$3,035.55	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$2,039.04	\$2,039.04	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,649.64	\$1,649.64	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADMI	\$3,156.44	\$3,156.44	\$0.00	\$0.00	\$0.00
WAYNE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,368.58	\$6,368.58	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) A	\$243.36	\$243.36	\$0.00	\$0.00	\$0.00
WESTLAND	\$23,027.70	\$23,027.70	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL IWC ACCOUNTS	\$2,353,562.69	\$532,937.79	\$0.00	\$14,559.57	\$1,806,065.33

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY (MINNESOTA MINING	\$986.53	\$986.53	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$1,292.31	\$1,292.31	\$0.00	\$0.00	\$0.00
AACTRON	\$45.30	\$45.30	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$136.64	\$66.83	\$33.42	\$36.39	\$0.00
ADORING PET FUNERAL HOME	\$118.42	\$118.42	\$0.00	\$0.00	\$0.00
ADVANCE ENGINEERING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$603.81	\$603.81	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$204.20	\$204.20	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
APPLIED TECHNOLOGY INDUSTRIE	\$850.36	\$850.36	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$110.61	\$110.61	\$0.00	\$0.00	\$0.00
BARON INDUSTRIES	\$563.37	\$563.37	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BASTONE BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BATCH BREWING COMPANY	\$76.15	\$76.15	\$0.00	\$0.00	\$0.00
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$0.00	\$37.00
BETTER MADE SNACK FOOD	\$72,890.37	\$52,544.73	\$20,345.64	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$42.01	\$42.01	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$8,788.56	\$5,931.09	\$2,857.47	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$42.18	\$42.18	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$27.48	\$27.48	\$0.00	\$0.00	\$0.00
CANTON BREW WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL REPRODUCTIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CF BURGER CREAMERY	\$5,856.63	\$5,856.63	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,066.48	\$21.60	\$10.23	\$11.37	\$1,023.28
CINTAS CORP. - MACOMB TWP.	\$22,439.90	\$22,439.90	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$9,054.48	\$9,054.48	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$8,082.64	\$8,082.64	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$10.11	\$6.99	\$3.12	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$8.46	\$8.46	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$405.10	\$405.10	\$0.00	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$7,023.53	\$7,023.53	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$14.56	\$14.56	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$67.89	\$67.89	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$210,846.19	\$210,846.19	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$348.81	\$348.81	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$19.90	\$19.90	\$0.00	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$95.05	\$95.05	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$110.53	\$110.53	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$7,027.53	\$7,027.53	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$3,087.17	\$3,087.17	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$31.74	\$31.74	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$5,947.56	\$5,947.56	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$77.30	\$77.30	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$2,247.91	\$2,246.92	\$0.99	\$0.00	\$0.00
EQ DETROIT, INC.	\$4,825.57	\$4,825.57	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$41.79	\$41.79	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLF	\$1,762.89	\$1,762.89	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$106.43	\$106.43	\$0.00	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$31,477.26	\$31,477.26	\$0.00	\$0.00	\$0.00
FITZGERALD FINISHING LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$2,990.08	\$2,990.08	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$17.05	\$17.05	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$910.01	\$719.64	\$190.37	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$3,229.19	\$3,229.19	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$15.68	\$15.68	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$55.82	\$55.82	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$78.42	\$78.42	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HACIENDA MEXICAN FOODS	\$1,252.54	\$1,252.54	\$0.00	\$0.00	\$0.00
HENKEL CORPORATION	\$123.15	\$123.15	\$0.00	\$0.00	\$0.00
HOME STYLE FOOD INC.	\$2,422.03	\$2,422.03	\$0.00	\$0.00	\$0.00
HOMEGROWN BREWING COMPANY	\$46.02	\$46.02	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$66.62	\$66.62	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$18.53	\$18.53	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$(1,701.76)	\$0.00	\$0.00	\$0.00	\$(1,701.76)
HUNTINGTON CLEANERS	\$303.82	\$303.82	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$1,173.08	\$809.93	\$363.15	\$0.00	\$0.00
INTRASTATE DISTRIBUTORS	\$700.90	\$700.90	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$1,851.69	\$1,851.69	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$34.49	\$34.49	\$0.00	\$0.00	\$0.00
KAR NUT PRODUCTS	\$1,154.61	\$1,154.61	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$517.69	\$517.69	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$1,051.66	\$1,051.66	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$84.06	\$84.06	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$2,461.23	\$2,461.23	\$0.00	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$52.72	\$52.72	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIQUID ENVIRONMENTAL SOLUTIC	\$3,885.67	\$1,521.19	\$745.28	\$1,131.20	\$488.00
MACDERMID, INC.	\$1,087.73	\$1,087.73	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$1,342.24	\$1,287.82	\$54.42	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$110.55	\$110.55	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$420.61	\$420.61	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$131,688.27	\$131,688.27	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$1,842.47	\$1,842.47	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$311.59	\$311.59	\$0.00	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$937.28	\$937.28	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$1,997.86	\$1,997.86	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$0.82	\$0.82	\$0.00	\$0.00	\$0.00
MOTOR CITY BREWING WORKS	\$46.13	\$46.13	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEAPCO DRIVELINES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTH CENTER BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHERN LAKES SEAFOOD & MEZ	\$34.36	\$34.36	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
OAKWOOD BAKERY	\$89.73	\$89.73	\$0.00	\$0.00	\$0.00
OLIVER HATCH CONSTRUCTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$67.42	\$67.42	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$2.02	\$2.02	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$21,182.18	\$21,182.18	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$41,090.35	\$41,090.35	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$13,757.17	\$13,757.17	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$2,995.42	\$2,995.42	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$5.54	\$5.54	\$0.00	\$0.00	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$16,912.47	\$16,912.47	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$1,522.06	\$1,522.06	\$0.00	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$231.62	\$231.62	\$0.00	\$0.00	\$0.00
QUALA SERVICES, LLC	\$32.21	\$32.21	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$440.60	\$0.00	\$0.00	\$0.00	\$440.60
ROAK BREWING CO. LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$144.28	\$144.28	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$2,848.28	\$1,083.20	\$0.00	\$1,083.20	\$681.88
ROYAL OAK BREWERY	\$(32.64)	\$0.00	\$0.00	\$0.00	\$(32.64)

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
RTT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SEAFARE FOODS, INC.	\$258.30	\$258.30	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$47.12	\$47.12	\$0.00	\$0.00	\$0.00
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$0.00	\$14.52
SUPERNATURAL SPIRITS & BREWI	\$66.23	\$66.23	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$169.32	\$101.61	\$49.26	\$18.45	\$0.00
THE CROWN GROUP-LIVONIA PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
THERMO FISHER SCIENTIFIC	\$14,389.05	\$14,389.05	\$0.00	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRAFFIC JAM & SNUG	\$(31.16)	\$0.00	\$0.00	\$0.00	\$(31.16)
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$654.01	\$654.01	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$53,234.43	\$53,234.43	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$2,701.48	\$2,701.48	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$1.07	\$1.07	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$382.17	\$382.17	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$74.47	\$74.47	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$463.86	\$463.86	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 07/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
US ECOLOGY ROMULUS, INC.	\$3,488.73	\$3,488.73	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$1,993.13	\$1,993.13	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$260.78	\$260.78	\$0.00	\$0.00	\$0.00
VAUGHAN INDUSTRIES, INC.	\$44.17	\$44.17	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$16,455.04	\$16,455.04	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$7,886.40	\$7,886.40	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$57.40	\$57.40	\$0.00	\$0.00	\$0.00
WIGLEY'S MEAT PROCESS	\$417.88	\$417.88	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,021.48	\$1,021.48	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$218.89	\$218.89	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$1,193.73	\$1,193.73	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,350.28	\$2,350.28	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
TOTAL POLLULANT SURCHARGE ACCOUNTS	\$781,031.93	\$752,761.43	\$24,653.35	\$2,280.61	\$1,336.54

City of Highland Park Billings and Collections

	<u>Water</u>	<u>Sewer</u>	<u>IWC</u>	<u>Cumulative Total</u>
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	<u>(65,652)</u>	<u>(2,206,211)</u>	<u>-</u>	<u>(2,271,863)</u>
June 30, 2013 Balance	\$ 420,235	\$ 12,989,380	\$ 1,007,431	\$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	<u>-</u>	<u>(1,612,633)</u>	<u>-</u>	<u>(1,612,633)</u>
June 30, 2014 Balance	\$ 1,424,592	\$ 18,357,189	\$ 1,169,382	\$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	<u>-</u>	<u>(1,444,623)</u>	<u>-</u>	<u>(1,444,623)</u>
June 30, 2015 Balance	\$ 2,432,625	\$ 22,465,689	\$ 1,335,121	\$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	<u>-</u>	<u>(2,022,335)</u>	<u>-</u>	<u>(2,022,335)</u>
June 30, 2016 Balance	\$ 3,589,803	\$ 26,055,521	\$ 1,441,551	\$ 31,086,875
FY 2017 Billings	1,245,267	5,802,000	101,999	7,149,265
FY 2017 Payments	<u>-</u>	<u>(2,309,186)</u>	<u>-</u>	<u>(2,309,186)</u>
June 30, 2017 Balance	\$ 4,835,070	\$ 29,548,335	\$ 1,543,550	\$ 35,926,954
FY 2018 Billings	1,277,179	5,657,101	80,472	7,014,752
FY 2018 Payments	<u>-</u>	<u>(4,108,108)</u>	<u>-</u>	<u>(4,108,108)</u>
June 30, 2018 Balance	\$ 6,112,248	\$ 31,097,327	\$ 1,624,022	\$ 38,833,597
FY 2019 Billings	1,238,797	5,617,100	51,220	6,907,117
FY 2019 Payments	<u>-</u>	<u>(5,241,583)</u>	<u>-</u>	<u>(5,241,583)</u>
June 30, 2019 Balance	\$ 7,351,045	\$ 31,472,844	\$ 1,675,243	\$ 40,499,132
FY 2020 Billings	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments	<u>-</u>	<u>(3,026,117)</u>	<u>-</u>	<u>(3,026,117)</u>
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings	1,185,506	5,702,000	47,423	6,934,929
FY 2021 Payments	<u>-</u>	<u>(2,783,552)</u>	<u>-</u>	<u>(2,783,552)</u>
June 30, 2021 Balance	9,719,190	37,030,575	1,769,763	48,519,528
FY 2022 Billings (12 Months)	1,222,260	5,389,300	48,322	6,659,882
FY 2022 Payments (12 Months)	<u>-</u>	<u>(1,788,828)</u>	<u>-</u>	<u>(1,788,828)</u>
June 30, 2022 Balance	\$ 10,941,450	\$ 40,631,047	\$ 1,818,085	\$ 53,390,582
FY 2023 Billings (1 Month)	104,262	446,400	4,002	554,664
FY 2023 Payments (1 Month)	<u>-</u>	<u>(126,056)</u>	<u>-</u>	<u>(126,056)</u>
Balance as of July 31, 2022	<u>\$ 11,045,712</u>	<u>\$ 40,951,391</u>	<u>\$ 1,822,087</u>	<u>\$ 53,819,190</u>

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

August 2022

**Presented to the
Great Lakes Water Authority
Audit Committee on November 18, 2022**

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 Highland Park Life-to-Date Billings & Collections B-1



Key Financial Metrics

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

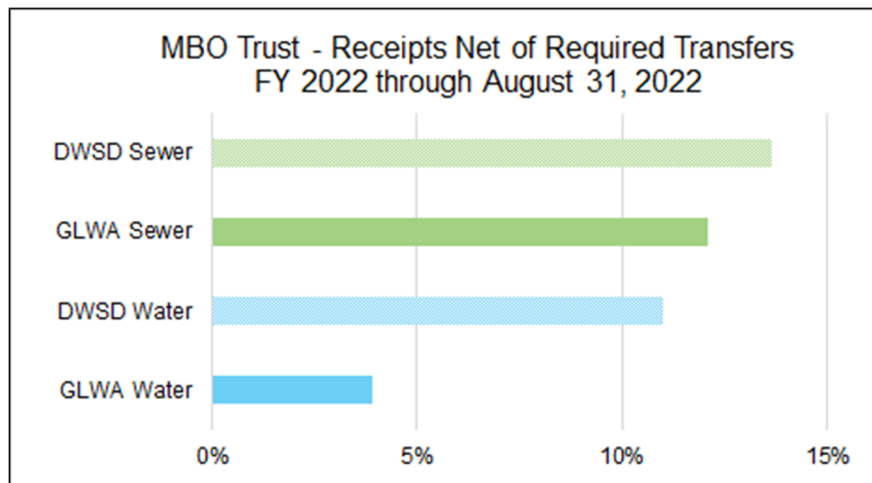
Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information. This report reflects first quarter FY 2023 budget amendments approved by the GLWA Board of Directors on October 26, 2022.

For the current period, wholesale sewer operations and maintenance, investment income, and capital spend all reflect variances to budget outside the normal range. GLWA staff will continue to monitor these areas to see if additional budget amendments will be necessary. Investment income will begin to align with the amended budget as older investments are re-invested at higher interest rates as anticipated.

As of August 31, 2022					
Metric	FY 2023 Budget	FY 2023 Amended Budget	FY 2023 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$65.8	\$65.8	\$65.9	0%	49
Wholesale Water Billed Usage (mcf)	3,079,000	3,079,000	3,083,000	0%	
Wholesale Sewer Billed Revenue (\$M)	\$45.8	\$45.8	\$45.8	0%	51
Wholesale Water Operations & Maintenance (\$M)	\$24.1	\$24.1	\$24.1	0%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$30.7	\$32.5	\$29.1	-10%	
Investment Income (\$M)	\$0.4	\$2.9	\$1.1	-62%	38
Water Prorated Capital Spend w/SRA* (\$M)	\$25.6	\$25.6	\$27.6	8%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$15.8	\$15.8	\$10.7	-32%	30

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

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



Net cash flow receipts remain positive for GLWA 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). In addition, DWSD Water

reports a surplus of \$1.9 million and DWSD Sewer reports a surplus of \$7.8 million of net receipts over disbursements through August 2022.

Budget to Actual Analysis (page 3)

- FY 2023 information includes the first quarter budget amendments which were approved by the GLWA Board on October 26, 2022.
- This report is not final. Adjustments related to the fiscal year end 2022 audit will affect the Budget to Actual Analysis.
- The total Revenue Requirements are on target through August 2022.
- The total overall Operations & Maintenance expenses are at 15.7% of budget through August 2022.

Basic Financial Statements (page 9)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for August 2022 is \$24.4 million for the Water fund (35.0% of total revenues) and \$23.3 million for the Sewer fund (29.2 % of total revenues).
- Water Net Position increased by \$ 13.7 million, and Sewage Disposal Net Position increased by \$ 8.7 million for the year to date through August 2022.

Capital Improvement Plan Financial Summary (page 27)

- Water systems exceed the originally approved 80% Capital Spend Ratio assumption.
- Sewer systems did not meet the originally approved 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 32)

- For August, transfers of \$13.7 million and \$17.8 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for August, transfers of \$4.0 million and \$7.8 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 38)

- Total cash & investments are \$318 million in the Water fund and \$418 million in the Sewer fund.
- Total, combined, cumulative, FY 2023 investment income through August is \$1.1 million.

DWSD Retail Revenues, Receivables & Collections (page 42)

- Water usage through August 31, 2022 is at 103.19% and revenues at 96.31% of budget.
- Sewer usage through August 31, 2022 is at 113.28% and revenues at 105.46% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$53.3 million over the prior year.
- Past dues over 180 days make up 70.4% of the total accounts receivable balance. The current bad debt allowance covers 98.7% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 48)

- GLWA accounts receivable past due balance net of Highland Park is 8.59% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$54.3 million. It includes \$41.3 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$11.2 million for water supply services. Highland Park made a catch-up payment of \$1.7 million on June 3, 2022 and has continued to make small, monthly payments since that time.

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



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

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

The FY 2023 information presented in these sections includes the first quarter FY 2023 budget amendments approved by the GLWA Board on October 26, 2022.

Adjustments related to the fiscal year end 2022 audit will affect the FY 2022 columns of the tables in the Budget to Actual Analysis report.

Revenue Requirements Budget Basis Analysis

GLWA's annual revenue requirements represents 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 expense are largely reported on an accrual basis. The primary difference between the revenue requirements budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirements Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

Table 1A – Water Revenue Requirements Budget and Table 1B – Sewer Revenue Requirements Budget presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. Since this report is for August 2022, the pro-rata benchmark is 16.7% (2 of 12 months of the fiscal year).

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

1. **Revenues:** For *both* systems, FY 2023 revenues are either at or above target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment 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 August 31, 2022, these payments total \$1.1 million for FY 2023.

2. **Investment Earnings:** For both systems, investment earnings are below the pro-rata benchmark for FY 2023; the *water* system is at 3.4%; while the *sewer* system

- is at 9.5%. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
 4. **Operations & Maintenance Expense:** Actual expenses¹ for *both* systems have variances from the pro-rata benchmark. The *water* system is slightly below the pro-rata benchmark for FY 2023 at 16.6%. The *sewer* system O&M expenses, at 15.0%, is also below the pro-rata benchmark.
 5. **Debt Service:** For FY 2023, the *water* system, at 16.7%, is on target with the pro-rata benchmark for debt service while the *sewer* system, at 16.3%, is slightly below the target. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
 6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding is in place to meet this requirement; therefore, it is expected that additional transfers to this reserve will not be required in FY 2023.
 7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.² Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2022, DWSD management successfully implemented a formal plan to end the year with positive net cash flows for both the DWSD *water* system and the DWSD *sewer* system. For FY 2023, neither the DWSD *water* system nor the DWSD *sewer* system have budgetary shortfalls through August 31, 2022. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
 8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
 9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance.
 10. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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

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

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

	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 8/31/2021	Percent Year-to- Date	FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 8/31/2022	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 315,011	\$ 59,034	18.7%	\$ 331,962	\$ 330,856	\$ 64,847	19.6%
Retail Service Charges	21,697	3,616	16.7%	22,986	22,834	3,831	16.8%
Investment Earnings	1,924	391	20.3%	949	6,870	234	3.4%
Other Revenues	684	38	5.5%	175	175	90	51.1%
Total Revenues	\$ 339,316	\$ 63,079	18.6%	\$ 356,072	\$ 360,736	\$ 69,001	19.1%
Revenue Requirements							
Operations & Maintenance Expense	\$ 143,934	\$ 20,801	14.5%	\$ 144,848	\$ 144,848	\$ 24,104	16.6%
General Retirement System Legacy Pension	6,048	1,008	16.7%	6,048	6,048	1,008	16.7%
Service	135,121	22,584	16.7%	150,337	150,827	25,177	16.7%
General Retirement System Accelerated Pension	6,268	1,105	17.6%	6,268	6,268	1,045	16.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,706	284	16.7%	1,771	1,771	295	16.7%
Regional System Lease	22,500	3,750	16.7%	22,500	22,500	3,750	16.7%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
SD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,740	4,682	19.7%	24,300	28,474	4,050	14.2%
Total Revenue Requirements	\$ 339,316	\$ 54,214	16.0%	\$ 356,072	\$ 360,736	\$ 59,428	16.5%
Net Difference		\$ 8,865				\$ 9,573	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 6,527				\$ 8,879	
Revenue Requirement Variance		2,339				694	
Overall Variance		\$ 8,865				\$ 9,573	

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

	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 8/31/2021	Percent Year-to- Date	FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 8/31/2022	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 268,130	\$ 45,364	16.9%	\$ 275,404	\$ 273,007	\$ 45,895	16.8%
Retail Service Charges	188,662	31,444	16.7%	191,042	191,042	31,840	16.7%
Industrial Waste Control Charges	8,325	1,385	16.6%	8,420	8,420	1,397	16.6%
Pollutant Surcharges	5,089	849	16.7%	4,951	4,951	663	13.4%
Investment Earnings	1,876	378	20.1%	1,156	8,771	831	9.5%
Other Revenues	538	127	23.7%	400	400	71	17.8%
Total Revenues	\$ 472,620	\$ 79,547	16.8%	\$ 481,372	\$ 486,591	\$ 80,698	16.6%
Revenue Requirements							
Operations & Maintenance Expense	\$ 191,909	\$ 25,572	13.3%	\$ 184,053	\$ 194,823	\$ 29,143	15.0%
General Retirement System Legacy Pension	10,824	1,804	16.7%	10,824	10,824	1,804	16.7%
Debt Service	204,985	34,544	16.9%	205,638	211,355	34,524	16.3%
General Retirement System Accelerated Pension	11,621	1,937	16.7%	11,621	11,621	1,937	16.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,358	393	16.7%	2,394	2,394	399	16.7%
Regional System Lease	27,500	4,583	16.7%	27,500	27,500	4,583	16.7%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	565	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,424	5,770	24.6%	39,343	28,075	6,557	23.4%
Total Revenue Requirements	\$ 472,620	\$ 75,168	15.9%	\$ 481,372	\$ 486,591	\$ 78,947	16.2%
Net Difference		\$ 4,379				\$ 1,751	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 777				\$ (401)	
Revenue Requirement Variance		3,602				2,152	
Overall Variance		\$ 4,379				\$ 1,751	

All amounts are unaudited unless otherwise noted.

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of August 31, 2022, is 16.7% (two months). When comparing FY 2023 to FY 2022 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2023.

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

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

Major Budget Categories	FY 2022			Percent Year-to-Date	FY 2023		
	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 8/31/2021			FY 2023 BOARD ADOPTED BUDGET	FY 2023 AMENDED BUDGET	FY 2023 ACTIVITY THRU 8/31/2022
Water	\$ 76,422	\$ 12,640	16.5%	\$ 76,518	\$ 76,518	\$ 14,080	18.4%
Sewer	\$ 120,971	\$ 16,718	13.8%	113,198	123,967	20,275	16.4%
Centralized	\$ 103,846	\$ 12,783	12.3%	104,503	104,503	14,034	13.4%
Administrative	\$ 34,603	\$ 4,232	12.2%	34,682	34,682	4,622	13.3%
Employee Benefits	\$ -	\$ -	0.0%	-	-	235	0.0%
Total O&M Budget	\$ 335,843	\$ 46,373	13.8%	\$ 328,900	\$ 339,670	\$ 53,247	15.7%

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.

Total: In total, the overall O&M expenses are at 15.7% which is reasonably within the pro-rata benchmark of 16.7%. This positive variance equates to a dollar amount of \$3.4 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is slightly under the pro-rata benchmark; coming in at 15.3% through August 2022.

Utilities: The overall category is above the pro-rata benchmark; coming in at 21.4% through August 2022. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is higher than the pro-rata benchmark, coming in at 20.3%. The FY 2023 budget was adjusted for the increase to the charge for kWh, however, variances are not unexpected as usage varies throughout the year. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 25.8% which is higher than the benchmark of 16.7%. Variances within this category are not unexpected as usage varies throughout the year. The FY 2023 budget was adjusted for the increase in both usage as well as for the cost of natural gas MMBTU.
- **Sewage service** is slightly under the benchmark, coming in at 16.6%. Increased usage is being reported at the WRRF (in part due to bills being received for actual meter readings when in the past the bills had been estimated), the Biosolids Dryer Facility (BDF), and the Southwest Water Plant. A review of this category is being conducted.
- **Water service** is higher than the benchmark, coming in at 27.6%. As meters have been repaired or replaced at the WRRF, the billings that previously reported estimated readings have been replaced with actual readings. The actual readings are coming in higher than the estimated billings. A review of this category is being conducted.

Chemicals: This category is higher than the pro-rate benchmark; coming in at 18.0% through August 2022. The FY 2023 budget was adjusted for the increase in chemical costs, however, variances within this category are not unexpected as usage varies throughout the year.

Supplies & Other: This category is lower than the benchmark; coming in at 11.6% through August 2022. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected. A review of this category is being conducted.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 14.1% through August 2022. 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 will be processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

Capital Program Allocation: This category is lower than the benchmark; coming in at 5.4% through August 2022. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget. A review of this category is being conducted.

Shared Services: This category is higher than the benchmark; coming in at 21.4% through August 2022. 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 2023. 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.

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

Expense Categories	FY 2022 AMENDED BUDGET	FY 2022 ACTIVITY THRU 8/31/2021	Percent Year-to- Date at 8/31/2021	FY 2022 ACTIVITY THRU 6/30/2022	Percent Year-to- Date at 6/30/2022	FY 2023		FY 2023 ACTIVITY THRU 8/31/2022	Percent Year-to- Date 8/31/2022	FY 2023
						FY 2023 AMENDED BUDGET	PRORATED BUDGET (2 MONTHS)			PRORATED BUDGET LESS FY 2023 ACTIVITY
Entity-wide										
Salaries & Wages	\$ 66,113	\$ 10,661	16.1%	\$ 63,901	16.7%	\$ 72,925	\$ 12,154	\$ 11,104	15.2%	\$ 1,051
Workforce Development	869	120	13.8%	844	14.2%	1,802	300	214	11.9%	86
Overtime	8,126	1,408	17.3%	8,113	17.3%	6,984	1,164	1,538	22.0%	(374)
Employee Benefits	25,956	3,467	13.4%	24,206	14.3%	28,947	4,825	3,651	12.6%	1,173
Transition Services	10,805	1,313	12.2%	9,990	13.1%	11,119	1,853	1,858	16.7%	(4)
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	235	0.0%	(235)
<i>Personnel Costs</i>	<u>111,869</u>	<u>16,968</u>	15.2%	<u>107,053</u>	15.9%	<u>121,777</u>	<u>20,296</u>	<u>18,600</u>	15.3%	<u>1,696</u>
Electric	43,950	7,971	18.1%	43,755	18.2%	42,114	7,019	8,547	20.3%	(1,528)
Gas	7,081	779	11.0%	8,665	9.0%	8,553	1,426	2,207	25.8%	(782)
Sewage Service	2,510	290	11.5%	2,568	11.3%	2,268	378	376	16.6%	2
Water Service	5,841	351	6.0%	4,669	7.5%	2,982	497	823	27.6%	(326)
<i>Utilities</i>	<u>59,383</u>	<u>9,391</u>	15.8%	<u>59,656</u>	15.7%	<u>55,918</u>	<u>9,320</u>	<u>11,953</u>	21.4%	<u>(2,633)</u>
Chemicals	19,842	2,912	14.7%	20,382	14.3%	23,782	3,964	4,275	18.0%	(311)
Supplies & Other	35,034	3,524	10.1%	29,711	11.9%	34,912	5,819	4,058	11.6%	1,761
Contractual Services	111,198	14,474	13.0%	107,527	13.5%	105,993	17,665	14,919	14.1%	2,747
Capital Program Allocation	(2,684)	(446)	16.6%	(2,632)	17.0%	(4,376)	(729)	(236)	5.4%	(494)
Shared Services	(3,202)	(449)	14.0%	(2,398)	18.7%	(1,501)	(250)	(321)	21.4%	71
Unallocated Reserve	4,402	-	0.0%	-	0.0%	3,167	528	-	0.0%	528
Total Expenses	<u>\$ 335,843</u>	<u>\$ 46,373</u>	13.8%	<u>\$ 319,300</u>	14.5%	<u>\$ 339,670</u>	<u>\$ 56,612</u>	<u>\$ 53,247</u>	15.7%	<u>\$ 3,365</u>

Totals may be off due to rounding



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 2022 comparative amounts are presented in a draft format. Adjustments related to fiscal year end 2022 audit affect the basic financial statements. The results of these adjustments will be presented in the audited annual report.

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 August 31, 2022
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2022
Assets				
Cash - unrestricted (a)	\$ 150,778	\$ 208,588	\$ 359,366	\$ 347,655
Cash - restricted (a)	20,235	16,062	36,296	113,378
Investments - unrestricted (a)	73,762	96,523	170,285	185,209
Investments - restricted (a)	54,231	115,613	169,843	144,445
Accounts Receivable	107,946	59,220	167,166	175,133
Due from (to) Other Funds (b)	5,944	(5,944)	-	-
Other Assets (c)	666,260	410,698	1,076,958	1,077,698
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,273,299	2,112,144	3,385,443	3,432,437
Land	294,046	126,704	420,750	420,750
Construction Work in Process (e)	301,504	204,899	506,403	467,190
Total assets	2,948,004	3,344,506	6,292,510	6,363,896
Deferred Outflows (f)	52,361	128,312	180,673	182,497
Liabilities				
Liabilities - Liabilities-ST	137,534	156,477	294,010	354,055
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,055	5,625	7,680	7,500
Cash Held FBO DWSD (d)	15,681	18,341	34,022	20,470
Liabilities - Long-Term (i)	2,881,824	3,333,650	6,215,474	6,263,510
Total liabilities	3,037,093	3,514,093	6,551,186	6,645,535
Deferred Inflows (f)	58,829	60,075	118,904	120,157
Total net position (j)	\$ (95,557)	\$ (101,350)	\$ (196,907)	\$ (219,299)
<i>Totals may be off due to rounding</i>				

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

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

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at market value. Investments at June 30, 2022 are also reported at market value. The August 31, 2022 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

Statement of Revenues, Expenses and Changes in Net Position

– All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the August 2022 Financial Report Binder. Prior year ending balances are provided in the June 30, 2022 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 Two Months ended August 31, 2022
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2022
Revenue						
Wholesale customer charges	\$ 65,916	94.4%	\$ 45,895	57.5%	\$ 111,811	\$ 591,840
Local system charges	3,831	5.5%	31,840	39.9%	35,671	210,360
Industrial waste charges		0.0%	1,397	1.7%	1,397	8,300
Pollutant surcharges		0.0%	663	0.8%	663	5,182
Other revenues	81	0.1%	71	0.1%	153	668
Total Revenues	69,829	100.0%	79,867	100.0%	149,695	816,349
Operating expenses						
Operations and Maintenance	24,317	34.8%	29,530	37.0%	53,848	324,735
Depreciation	20,508	29.4%	26,928	33.7%	47,436	281,210
Amortization of intangible assets	594	0.9%	73	0.1%	668	4,006
Total operating expenses	45,420	65.0%	56,532	70.8%	101,952	609,951
Operating Income	24,409	35.0%	23,335	29.2%	47,743	206,399
Total Nonoperating (revenue) expense	10,700	15.3%	14,651	18.3%	25,351	215,565
Increase/(Decrease) in Net Position	13,709	19.6%	8,683	10.9%	22,392	(9,167)
Net Position (deficit), beginning of year	(109,266)		(110,033)		(219,299)	(210,132)
Net position (deficit), end of year	\$ (95,557)		\$ (101,350)		\$ (196,907)	\$ (219,299)

Totals may be off due to rounding

Water Fund

- ✓ The increase in Water Fund Net Position is \$13.7 million.
- ✓ Wholesale water customer charges of \$65.9 million account for 94.4% of Water System revenues.
- ✓ Operating expenses of \$45.4 million represent 65.0% of total operating revenue. Depreciation is the largest operating expense at \$20.5 million or 45.2% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights.
- ✓ Operating income after operating expenses (including depreciation) equals \$24.4 million or 35.0% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$12.7 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 \$8.7 million.
- ✓ Wholesale customer charges of \$45.9 million account for 57.5% 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 \$31.8 million account for 39.9% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$56.5 million represent 70.8% of total operating revenue. Depreciation is the largest operating expense at \$26.9 million or 47.6% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease.
- ✓ Operating income after operating expenses (including depreciation) equals \$23.3 million or 29.2% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$15.0 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the August 2022 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Two Months ended August 31, 2022
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	4,129	17.0%	9,047	30.6%	13,176	24.5%
Overtime	1,015	4.2%	522	1.8%	1,538	2.9%
Benefits	2,830	11.6%	1,056	3.6%	3,887	7.2%
Total Personnel	\$ 7,975	32.8%	\$ 10,625	36.0%	\$ 18,600	34.5%
Utilities						
Electric	5,766	23.7%	2,781	9.4%	8,547	15.9%
Gas	208	0.9%	1,999	6.8%	2,207	4.1%
Sewage	65	0.3%	311	1.1%	376	0.7%
Water	1	0.0%	822	2.8%	823	1.5%
Total Utilities	\$ 6,039	24.8%	\$ 5,913	20.0%	\$ 11,952	22.2%
Chemicals	2,064	8.5%	2,211	7.5%	4,275	7.9%
Supplies and other	1,678	6.9%	2,299	7.8%	3,977	7.4%
Contractual services	6,899	28.4%	8,709	29.5%	15,608	29.0%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(91)	-0.4%	(144)	-0.5%	(236)	-0.4%
Intergovernmental Agreement	-	0.0%	(8)	0.0%	(8)	0.0%
Shared services allocation	(246)	-1.0%	(75)	-0.3%	(321)	-0.6%
Operations and Maintenance Expenses	\$ 24,317	100.0%	\$ 29,530	100.0%	\$ 53,848	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (22.2% of total O&M expenses) and chemicals (7.9% of total O&M expenses).
- ✓ Personnel costs (34.5% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (29.0%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$619 thousand);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$2.8 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 Two Months ended August 31, 2022
(\$000)**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2022
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (4,090)	\$ (2,733)	\$ (6,823)	\$ (42,120)
Interest income DWSD Shortfall	-	-	-	(145)
Investment earnings	(545)	(831)	(1,375)	(3,735)
Net (incr) decr in fair value of invstmt	(2,497)	(3,860)	(6,357)	9,119
Other nonoperating revenue	(8)	-	(8)	(472)
Interest Expense				
Bonded debt	16,769	17,740	34,509	212,284
Lease obligation	2,815	3,441	6,256	37,836
Other obligations	715	273	988	6,077
Total interest expense	20,300	21,454	41,753	256,197
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	-	-	(6,991)
Amortization, issuance costs, debt	(2,665)	359	(2,306)	(13,318)
(Gain) loss on disposal of capital assets	-	(17)	(17)	322
Loss on impairment of capital assets	-	-	-	-
Water Residential Assistance Program	206	278	484	2,793
Legacy pension expense	-	-	-	13,915
Total Nonoperating (Revenue)/Expense	\$ 10,700	\$ 14,651	\$ 25,351	\$ 215,565

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.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU).
- ✓ 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 2021 market value adjustments for Water and Sewer totaled \$1.5 million and \$1.0 million, respectively. FY 2022 market value adjustments for Water and Sewer totaled \$2.8 million and \$3.9 million, respectively. Any difference is due to realized gain or loss on investments.
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ The FY 2022 capital contribution in Nonoperating (revenue) expense represents \$7.0m from Oakland Macomb Interceptor Drainage District for assets placed in service during FY 2022.

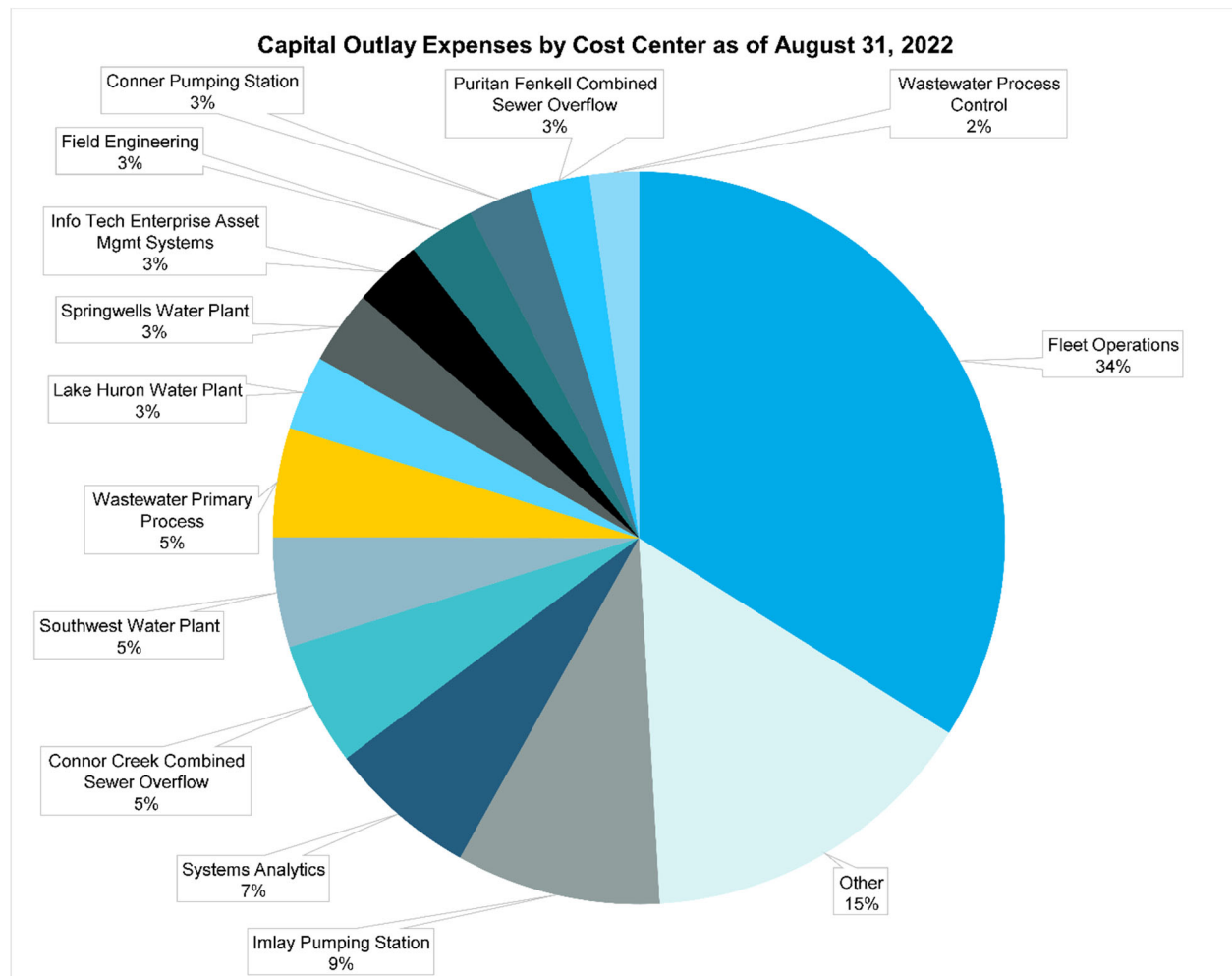


Financial Activity Charts

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 August 31, 2022, total capital outlay spend is \$1.7 million. Following this chart is a sample list of projects and purchases from the total spend of \$1.7 million:



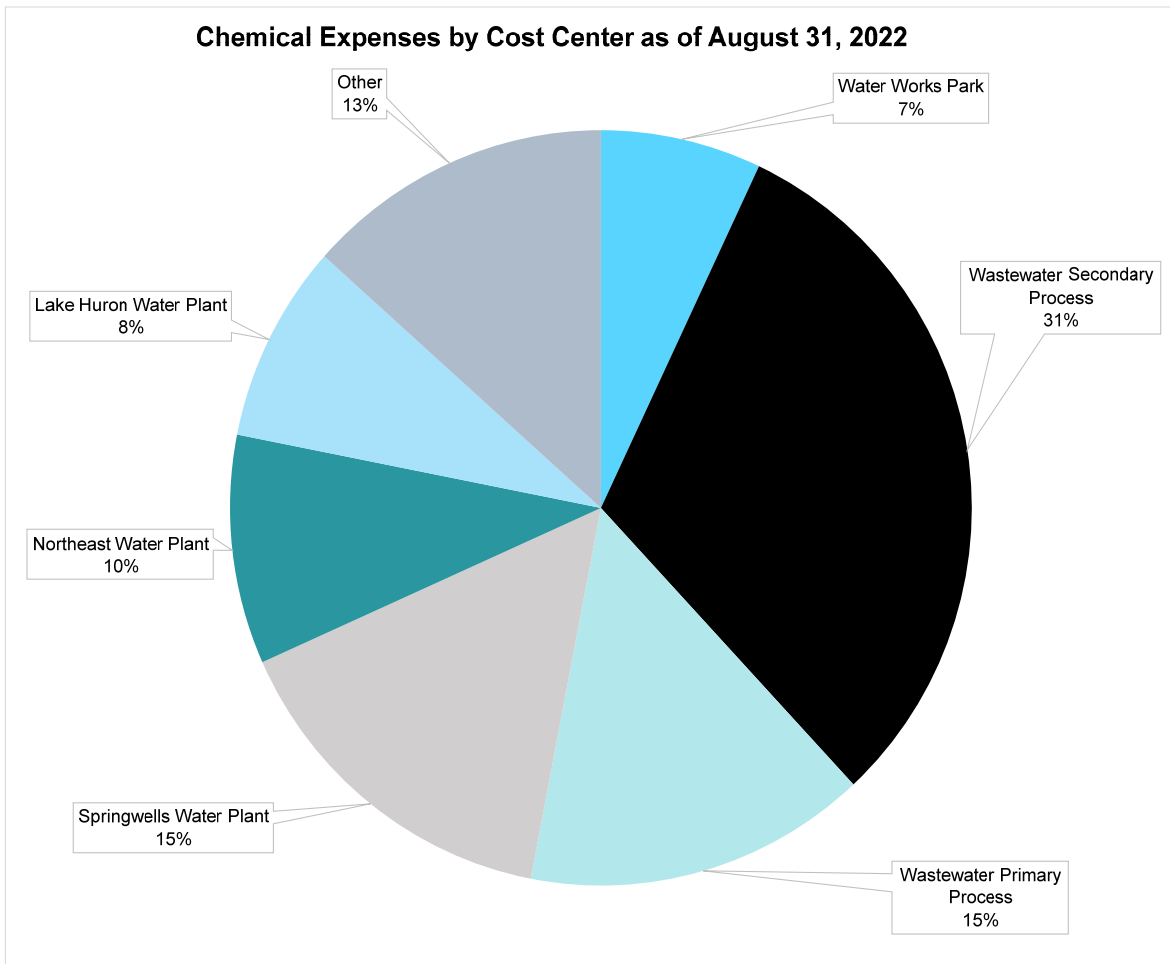
Note: Due to rounding totals may not equal 100%.

Water Operations: Imlay City motor (\$158k); Springwells overhead door repair (\$44k); Furniture and supplies for multiple locations (\$64k) and gator (\$28k).

Wastewater Operations: Flushing gate repair (\$88k); WRRF Electrical Buildings project (\$51k); Puritan-Fenkell courtyard accessibility improvements (\$46k); Rotork units (\$42k); CSO PQM Meters (\$36k); scissor lift (\$28k) and VFD replacement (\$25k).
Centralized & Administrative Facilities: Trucks and vehicles (\$591k); Software (\$158k); Pressure transmitter (\$87k) and computers (\$38k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

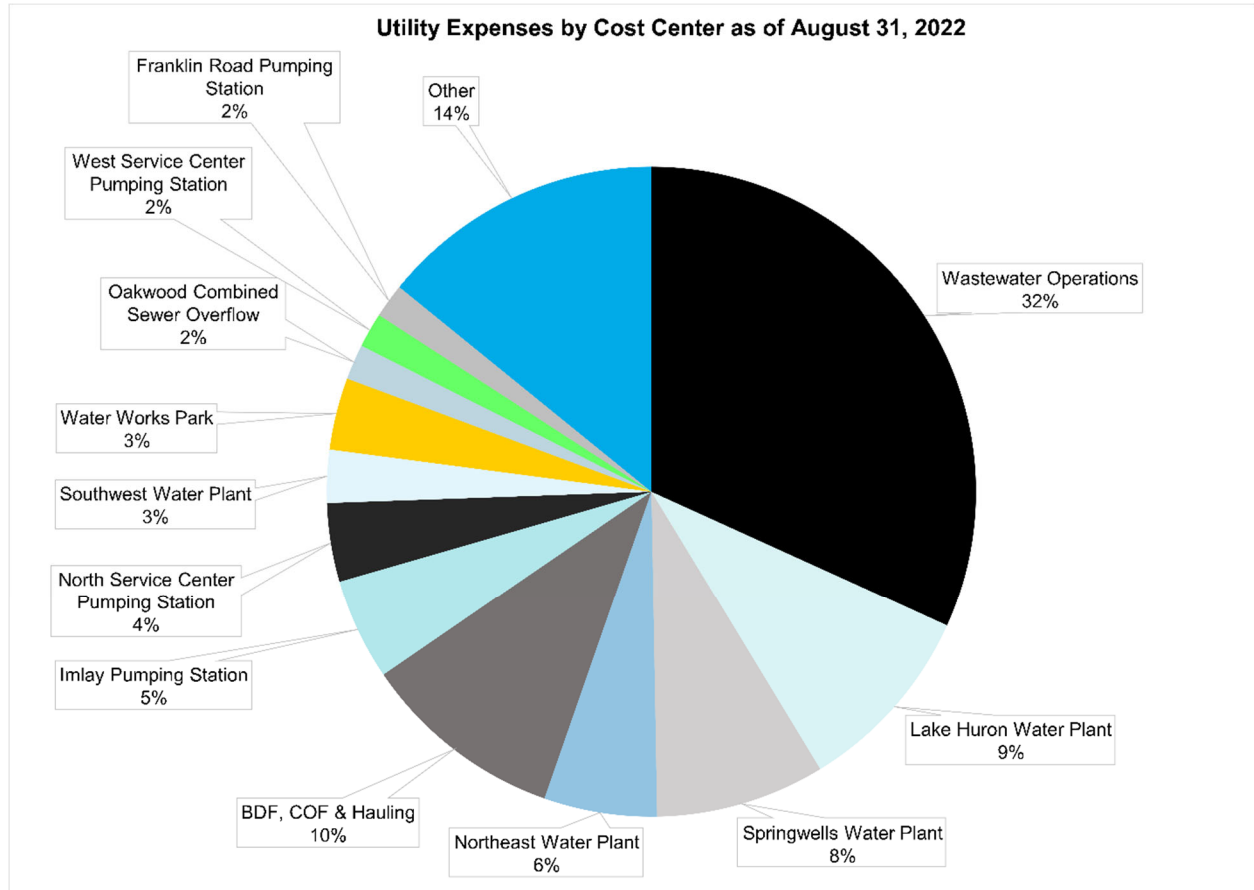
Chemical expenses are \$4.3 million through August 31, 2022. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$12.0 million through August 31, 2022. 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 August 31, 2022 all reconciliations are up-to-date and complete.

There was no change in the general ledger accounts since July 2022.

Chart 1 – Bank Reconciliation Completion Status

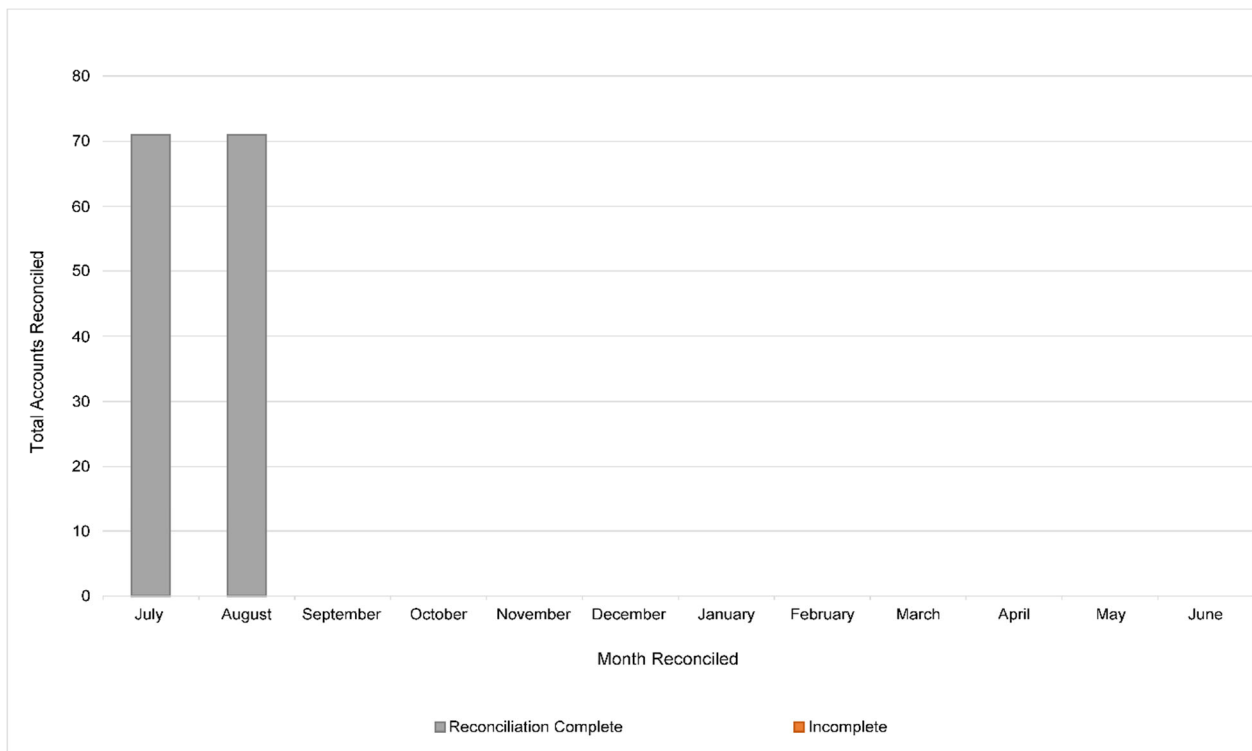


Table 1 – Fiscal Year 2022 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2022	72
New GL Cash accounts	0
Inactivated GL Cash accounts	(1)
Total GL Cash accounts as of August 31, 2022	<u>71</u>

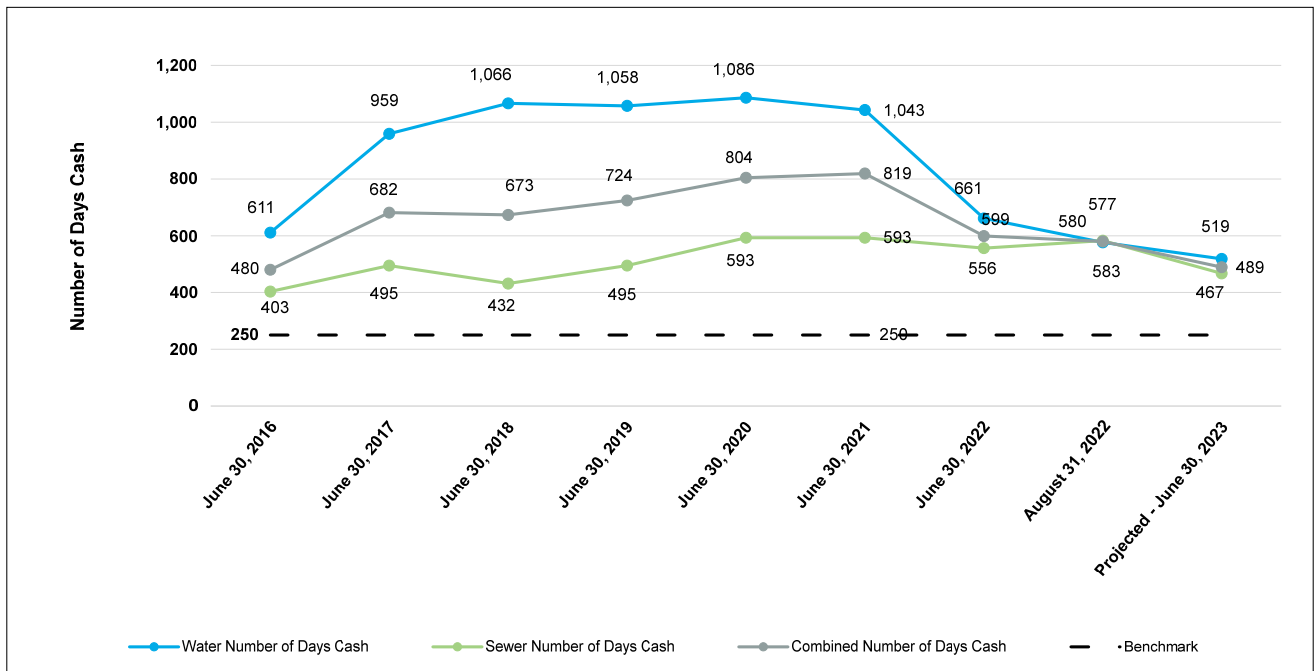


Financial Operations KPI - Liquidity

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

Both GLWA Water and Sewer funds continue to exceed this target with Water at 577 and Sewer at 583 days cash on hand as of August 31, 2022. These balances remain strong for the regional system in large part due to the need to fund CIP projects with I&E funds but drop in the FY 2023 projection as these funds are depleted and GLWA transitions to a planned bond issue. The FY 2023 projection is calculated based on values from the GLWA FY 2023 – 2027 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

	<u>Unaudited June 30, 2022</u>	<u>August 31, 2022</u>	<u>Projected June 30, 2023</u>
Water Fund			
Cash and Investments - Unrestricted	\$ 238,691,000	\$ 224,540,000	\$ 205,800,000
Operating Expense			
Operating Expense (a)	\$ 258,538,000	\$ 47,286,000	\$ 283,714,000
Less: Depreciation (a)	(123,196,000)	(22,550,000)	(135,300,000)
Less: Amortization of Intangible Asset (a)	(3,567,000)	(594,000)	(3,567,000)
Net Operating Expense	\$ 131,775,000	\$ 24,141,000	\$ 144,848,000
Operating Expense per Day	\$ 361,000	\$ 389,000	\$ 397,000
Days Cash			
Number of Days Cash	661	577	519
Sewage Disposal Fund			
Cash and Investments - Unrestricted	\$ 294,174,000	\$ 305,110,000	\$ 249,400,000
Operating Expense			
Operating Expense (a)	\$ 351,413,000	\$ 59,437,000	\$ 356,623,000
Less: Depreciation (a)	(158,014,000)	(26,967,000)	(161,800,000)
Less: Amortization of Intangible Asset (a)	(440,000)	-	-
Net Operating Expense	\$ 192,960,000	\$ 32,470,000	\$ 194,823,000
Operating Expense per Day	\$ 529,000	\$ 524,000	\$ 534,000
Days Cash			
Number of Days Cash	556	583	467
Combined			
Cash and Investments - Unrestricted	\$ 532,865,000	\$ 529,651,000	\$ 455,200,000
Operating Expense			
Operating Expense (a)	\$ 609,951,000	\$ 106,723,000	\$ 640,337,000
Less: Depreciation (a)	(281,210,000)	(49,517,000)	(297,100,000)
Less: Amortization of Intangible Asset (a)	(4,006,000)	(594,000)	(3,567,000)
Net Operating Expense	\$ 324,735,000	\$ 56,612,000	\$ 339,670,000
Operating Expense per Day	\$ 890,000	\$ 913,000	\$ 931,000
Days Cash			
Number of Days Cash	599	580	489
<i>Totals may be off due to rounding</i>			

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



The monthly Budget to Financial Statements Crosswalk includes the following.

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

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

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

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

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

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

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

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

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Two Months Ended August 31, 2022**

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 9,573	\$ 1,751	\$ 11,324
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	1,907	3,413	5,320
Prior year pension contribution accounted for in current year (d)	-	-	-
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	12,498	19,517	32,015
Accelerated pension B&C notes obligation portion (g)	34	76	110
Regional System lease (h)	935	1,142	2,077
Right to use lease - warehouse (h)		60	60
WRAP (i)	89	121	210
DWSD short term allocation (j)	-	-	-
Improvement & Extension Fund transfers (j)	4,050	6,557	10,607
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(21,102)	(27,001)	(48,103)
Amortization - debt related (k)	2,665	(359)	2,306
Other nonoperating income (k)	-	-	-
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	-	17	17
Raw water rights obligation (l)	467	-	467
Investment earnings for construction fund (m)	-	-	-
Subscription Based Information Tech Arrangements (k)	-	-	-
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	2,807	3,860	6,667
Improvement & extension fund operating expenses (p)	(215)	(471)	(685)
Capital Contribution (q)	-	-	-
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 13,709	\$ 8,683	\$ 22,392

Table 2 - Explanatory Notes for Crosswalk

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.

- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) The accelerated pension payment includes the obligation payable for the B&C notes. The pension portion is included in item (c) above. This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) The lease payment is included as an expense for budget and includes both principal and interest payments. Most of the adjustment relates to the principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense which is recorded on an accrual basis for financial reporting which is different from the cash basis.
- (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 DWSD short term allocation 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.



The Monthly Capital Improvement Plan Financial Summary includes the following.

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

Capital Improvement Plan Financial Summary

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

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2023 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.

GLWA completed a bond transaction of \$450 million in September 2022 to support water system and sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

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. First quarter FY 2023 budget amendments were approved by the Board on October 26, 2022 to help achieve that alignment.

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

As of August 2022, the water system incurred nearly \$28 million of construction costs to date. This spend represents 86% of the Board-approved FY 2023 CIP plan and 108% of the original, Board-approved spend rate assumption. The original, Board-approved CIP plan spend rate assumption for FY 2023 is 80%. See Chart 1 below.

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

Effective July 2022, the Board did take action to amend the spend rate assumption for the water system to 100%. Current water system spend represents 86% of that Board-approved spend rate amendment. See Chart 2 below.

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

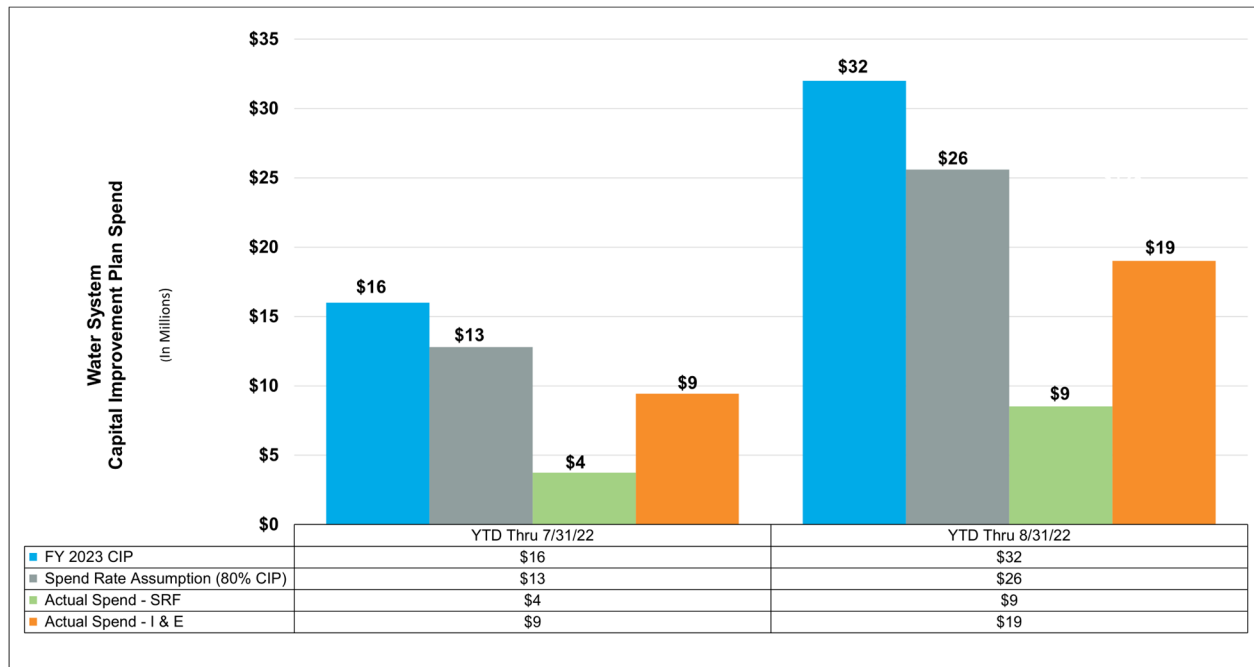


Chart 2 – Water System Capital Improvement Plan Spend Incurred to Date – Amended Assumption

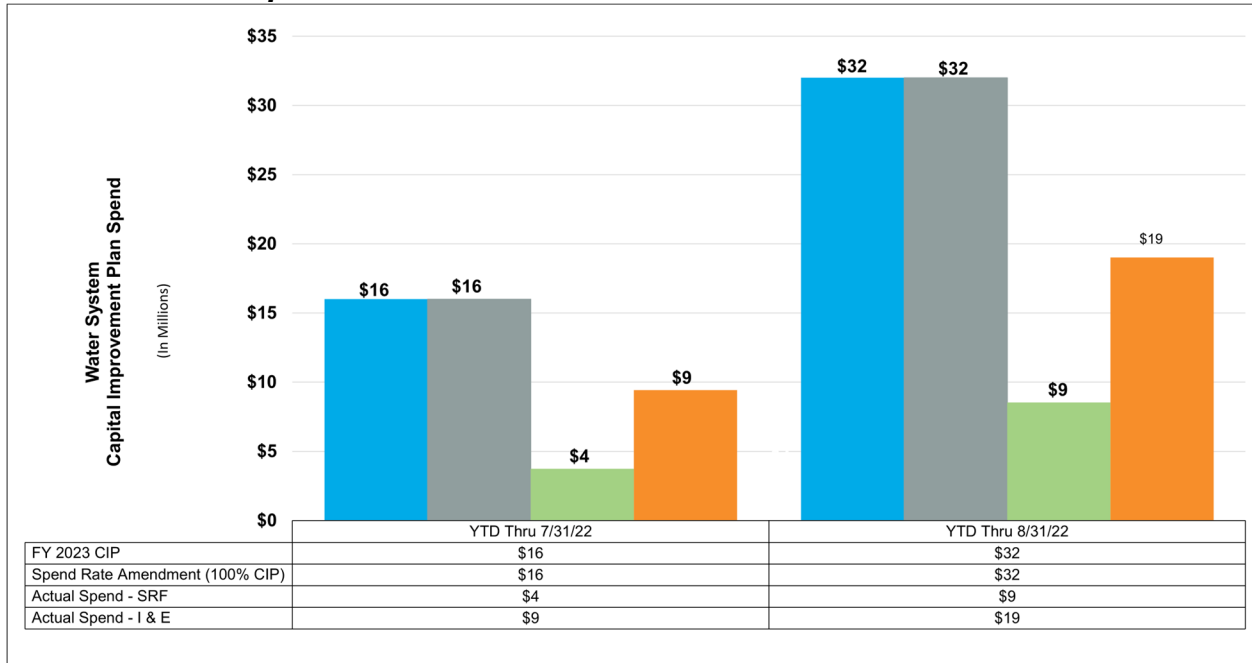


Chart 3 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of August 2022, the Sewer system incurred nearly \$11 million of construction costs to date. This spend represents 51% of the Board-approved FY 2023 CIP plan and 68% of the original, Board-approved spend rate assumption. The Board-approved CIP plan spend rate assumption for FY 2023 is 75%. See Chart 3 below.

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

Effective July 2022, the Board did take action to amend the spend rate assumption for the sewer system to 100%. Current sewer system spend represents 51% of that Board-approved spend rate amendment. See Chart 4 below.

Chart 3 – Sewer System Capital Improvement Plan Spend Incurred to Date – Original Assumption

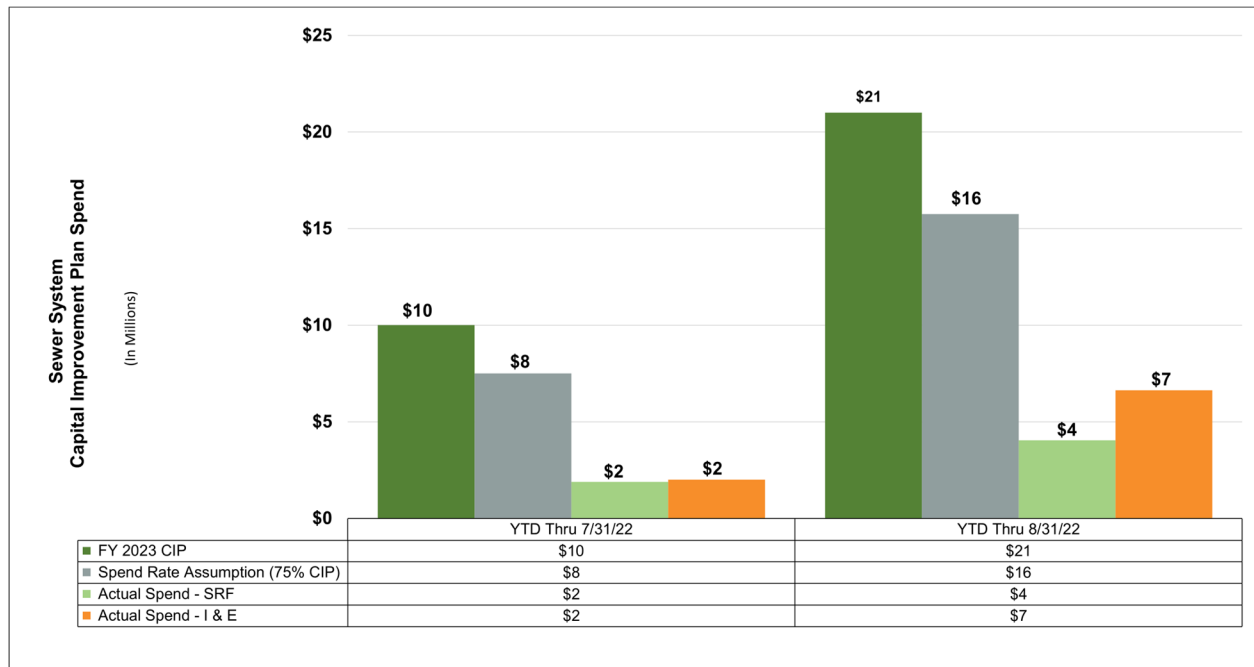
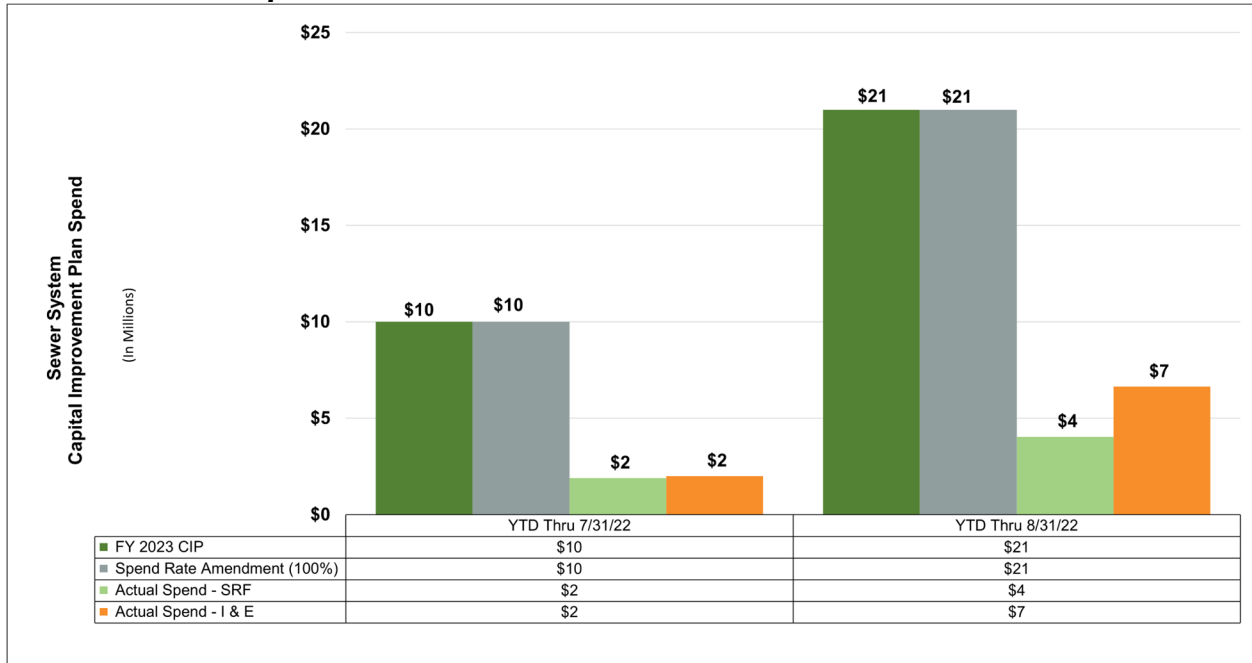


Chart 4 – Sewer System Capital Improvement Plan Spend Incurred to Date – Amended Assumption





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 2023 Water MBO Transfers reflects the required transfers for FY 2023 completed through August 1, 2022. MBO transfers for water totaling \$27.3 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2023 Sewer MBO Transfers reflects the required transfers for FY 2023 completed through August 1, 2022. MBO transfers for sewer totaling \$35.6 million have been transferred to GLWA accounts.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2023 to date.

Table 1 – GLWA FY 2023 Water MBO Transfers

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
FY 2023							
July 2022	\$ 12,070,642	\$504,000	\$891,308	\$200,975	-	-	\$13,666,925
August 2022	\$ 12,070,642	\$504,000	\$891,308	\$200,975	-	-	13,666,925
Total FY 2023	\$ 24,141,284	\$1,008,000	\$1,782,616	\$401,950	\$ -	\$ -	\$27,333,850

Table 2 – GLWA FY 2023 Sewer MBO Transfers

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
FY 2023							
July 2022	\$ 15,337,717	\$902,000	\$1,223,950	\$321,925	-	-	\$17,785,592
August 2022	\$ 15,337,717	\$902,000	\$1,223,950	\$321,925	-	-	17,785,592
Total FY 2023	\$ 30,675,434	\$1,804,000	\$2,447,900	\$643,850	\$ -	\$ -	\$35,571,184

Table 3 – GLWA MBO Transfer History

GLWA MBO Transfer History							
WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$71,052,000	\$6,037,100	\$10,297,200	\$1,983,300	\$2,326,900	\$606,000	\$92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023 (2 months)	24,141,284	1,008,000	1,782,616	401,950	-	-	27,333,850
Life to Date	\$855,099,396	\$43,322,300	\$75,855,491	\$15,364,454	\$2,686,900	\$606,000	\$992,934,541
SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
Total FY 2016	\$100,865,600	\$10,838,400	\$14,025,800	\$2,523,400	\$5,591,700	\$779,600	\$134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-	221,288,700
Total FY 2023 (2 months)	30,675,434	1,804,000	2,447,900	643,850	-	-	35,571,184
Life to Date	\$1,245,689,026	\$77,600,800	\$103,937,909	\$21,973,746	\$8,246,100	\$779,600	\$1,458,227,181

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 & 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 2023 Water MBO Transfers reflects the required transfers for FY 2023 completed through August 1, 2022. MBO transfers for Water totaling \$8.1 million have been transferred to accounts held by DWSD. For FY 2023, DWSD has requested that \$8,691,000 of the lease payment be utilized to offset a portion of debt service.

Table 5 – DWSD FY 2023 Sewer MBO Transfers reflects the required transfers for FY 2023 completed through August 1, 2022. MBO transfers for Sewer totaling \$15.6 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 2023 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2023 to date.

Table 4 – DWSD FY 2023 Water MBO Transfers

WATER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2023				
July 2022	\$2,540,833	\$356,000	\$1,150,750	\$4,047,583
August 2022	2,540,833	356,000	1,150,750	4,047,583
Total FY 2023	\$5,081,666	\$712,000	\$2,301,500	\$8,095,166

Table 5 – DWSD FY 2023 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2023				
July 2022	\$5,282,500	\$238,000	\$2,291,667	\$7,812,167
August 2022	5,282,500	238,000	2,291,667	7,812,167
Total FY 2023	\$10,565,000	\$476,000	\$4,583,334	\$15,624,334

Table 6 – DWSD Water MBO and Lease Payment Transfer History
Transfers to DWSD

	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)
Net 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	-	-	-	-
Net 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)
Net 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)
Net 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)
Net 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)
Net 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)
Net MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
FY 2023 (2 months)				
MBO/Lease Requirement	5,081,666	712,000	3,750,000	9,543,666
Offset to Debt Service	-	-	(1,448,500)	(1,448,500)
Net MBO Transfer	5,081,666	712,000	2,301,500	8,095,166
Life-to-Date				
MBO/Lease Requirement	235,892,970	30,597,100	161,250,000	427,740,070
Offsets	-	-	(30,374,300)	(30,374,300)
Total Water	235,892,970	30,597,100	130,875,700	397,721,770

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	26,578,453	90,735,453
Offset to Debt Service	-	-	(4,607,750)	(4,607,750)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023 (2 months)				
MBO/Lease Requirement	10,565,000	476,000	4,583,334	15,624,334
Offset to Debt Service	-	-	-	-
Total MBO Transfer	10,565,000	476,000	4,583,334	15,624,334
Life-to-Date				
MBO/Lease Requirement	382,721,012	20,479,800	196,161,787	599,362,599
Offsets	(7,100,000)	-	(46,470,814)	(48,963,064)
Total Sewer	375,621,012	20,479,800	149,690,973	545,791,785

* 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 August 2022, GLWA earned investment income of \$0.8 million and the cumulative FY 2023 earnings through August 2022 is \$1.1 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

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

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through August 2022



S(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$287	\$318	-	-	-	-	-	-	-	-	-	-
Sewer	\$397	\$418	-	-	-	-	-	-	-	-	-	-
Total	\$684	\$737	-	-	-	-	-	-	-	-	-	-
Investment Income	\$0.3	\$0.8	-	-	-	-	-	-	-	-	-	-

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:

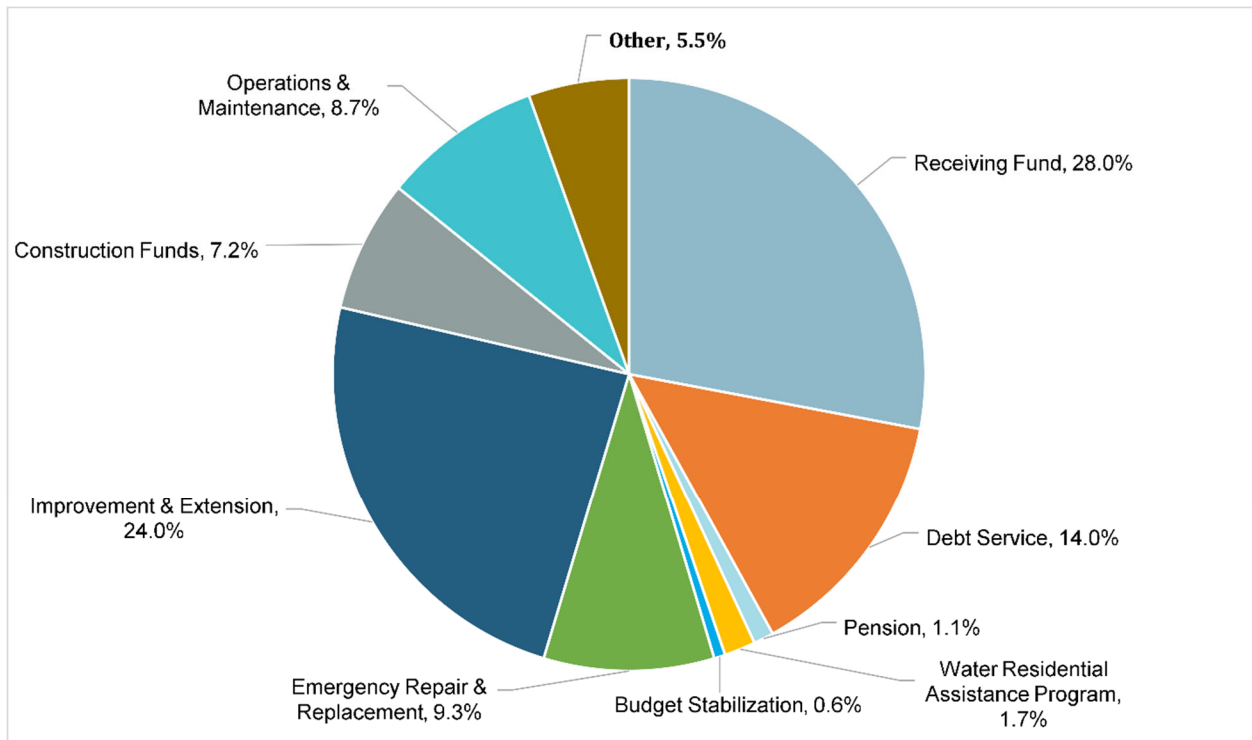
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors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

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 August 2022 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of August 31, 2022 is \$318 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 \$225 million in September 2022 to support water system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

Chart 2 – Cash Balances - Water Funds as of August 2022

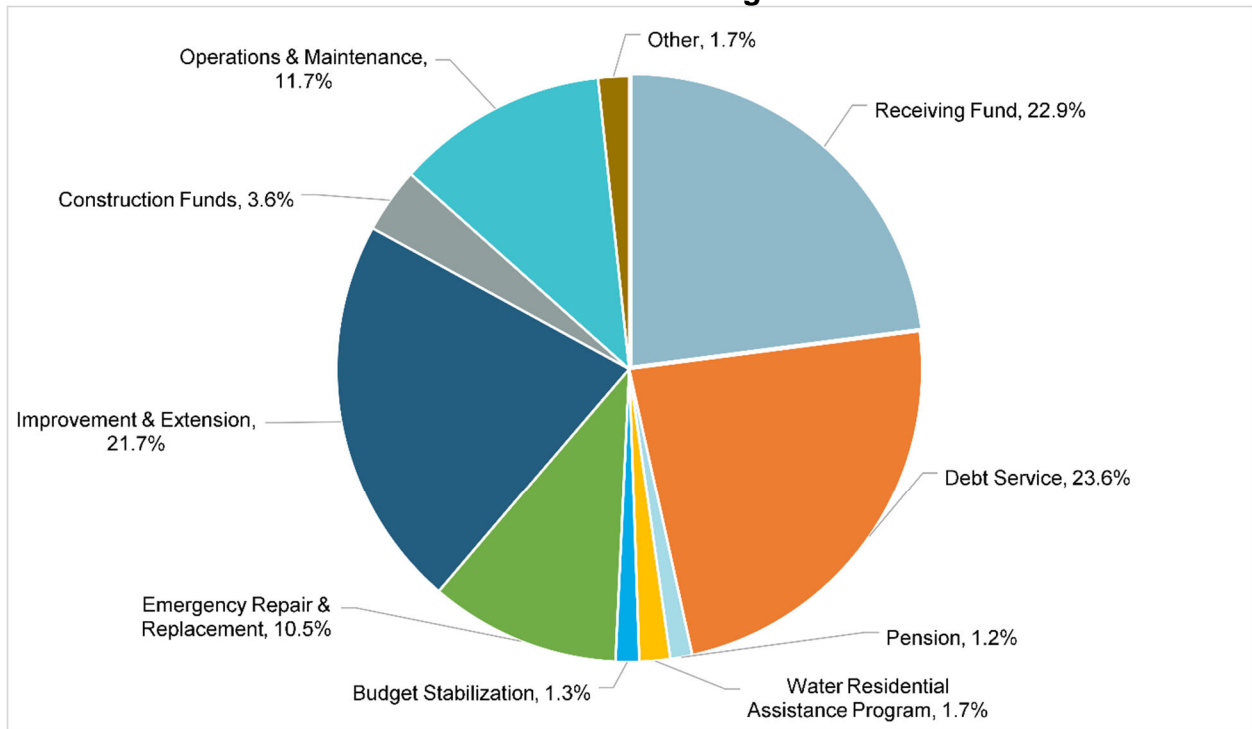


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of August 2022 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of August 31, 2022 is \$418 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 \$225 million in September 2022 to support sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

Chart 3 – Cash Balances - Sewer Funds as of August 2022



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 & 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 2023 water usage and billed revenue which are provided by DWSD staff. As of August 31, 2022, the DWSD usage was at 103.19% of the budget and billed revenue was at 96.31% of budget.

DWSD FY 2023 rates were adopted in July 2022 (after the start of the fiscal year) and took effect one month later in August 2022. The adopted FY 2023 rates shift net revenues between water and sewer slightly based on a recent cost of service study. DWSD anticipates a first quarter budget amendment before the end of the calendar year that will adjust for this timing variance and the impact of the rate adoption delay on reported revenues.

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

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

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2023 - Original Budget		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	257,000	11,956,000	244,749	9,490,589	(12,251)	(2,465,411)	266,704	10,064,683
August	248,900	11,711,000	277,313	13,301,941	28,413	1,590,941	264,644	9,994,589
September	218,600	10,776,000					232,348	9,169,300
October	198,900	10,184,900					204,290	8,422,092
November	194,500	9,954,500					209,830	8,544,611
December	193,700	9,902,000					204,072	8,442,152
January	198,600	10,050,700					221,369	8,819,430
February	190,400	9,842,000					204,489	8,438,300
March	204,900	10,276,600					233,190	9,221,716
April	192,400	9,922,800					192,495	8,305,331
May	214,500	10,567,000					245,471	9,530,928
June	245,700	11,523,800					272,811	10,281,954
Total	2,558,100	126,667,300	522,062	22,792,530	16,162	(874,470)	2,751,713	109,235,086
<i>Subtotals ytd</i>	<i>505,900</i>	<i>23,667,000</i>	<i>522,062</i>	<i>22,792,530</i>	<i>16,162</i>	<i>(874,470)</i>		
<i>Achievement of Budget</i>			<i>103.19%</i>	<i>96.31%</i>				

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

(2) Retail Revenues include Miscellaneous Revenues and Penalties

Table 2 – DWSD Retail Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
September	8,041,683	9,031,966	(990,283)	-10.96%
October	8,512,614	9,079,199	(566,585)	-6.24%
November	7,926,331	10,803,009	(2,876,678)	-26.63%
December	8,121,586	7,409,888	711,698	9.60%
January	6,919,040	7,884,889	(965,849)	-12.25%
February	10,156,126	6,426,553	3,729,573	58.03%
March	11,093,125	8,458,827	2,634,298	31.14%
April	7,431,900	7,536,272	(104,372)	-1.38%
May	7,660,852	7,365,204	295,648	4.01%
June	9,123,179	8,917,831	205,348	2.30%
July	8,518,373	8,387,705	130,668	1.56%
August	9,636,219	8,588,507	1,047,712	12.20%
Rolling, 12-Month Total	103,141,028	99,889,850		
Rolling, 12-Month Average	8,595,086	8,324,154		

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 2023 sewer billed revenue which are provided by DWSD staff. As of August 31, 2022, the DWSD usage was at 113.28% of the budget and billed revenue was at 105.46% of budget.

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

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

Table 3 - DWSD Retail Sewer Billings

RETAIL SEWER CUSTOMERS								
Month (1)	FY 2023 - Original Budget		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	211,900	27,858,000	223,661	29,297,748	11,761	1,439,748	219,791	29,462,804
August	217,600	28,027,300	262,857	29,640,202	45,257	1,612,902	249,522	31,231,624
September	188,400	27,285,000					215,748	29,401,234
October	182,400	27,102,800					190,483	27,936,280
November	167,500	26,696,800					194,135	28,032,939
December	166,500	26,780,100					189,283	27,836,982
January	169,200	26,797,900					203,526	28,493,782
February	166,100	26,702,400					189,525	27,837,984
March	176,100	26,994,800					212,176	29,032,277
April	166,400	26,761,800					179,291	27,196,557
May	182,100	27,166,400					220,082	29,382,758
June	210,600	27,861,300					242,746	30,704,517
Total	2,204,800	326,034,600	486,518	58,937,950	57,018	3,052,650	2,506,308	346,549,738
Subtotals ytd	429,500	55,885,300	486,518	58,937,950		3,052,650		
Achievement of Budget/Goal			113.28%	105.46%				

(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 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
September	22,635,796	26,463,387	(3,827,591)	-14.46%
October	25,119,240	26,683,109	(1,563,869)	-5.86%
November	23,505,249	28,730,139	(5,224,890)	-18.19%
December	24,880,743	22,856,217	2,024,526	8.86%
January	23,020,491	22,057,276	963,215	4.37%
February	24,495,922	22,777,467	1,718,455	7.54%
March	29,410,086	25,002,508	4,407,578	17.63%
April	22,115,076	21,196,170	918,906	4.34%
May	20,952,592	21,888,687	(936,095)	-4.28%
June	25,922,279	32,508,249	(6,585,970)	-20.26%
July	30,935,343	24,185,252	6,750,091	27.91%
August	26,064,896	25,036,198	1,028,698	4.11%
Rolling 12-Month Total	299,057,713	299,384,659		
Rolling, 12-Month Average	24,921,476	24,948,722		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

Table 5 is a summary of the monthly sales, total receivables, bad debt allowance and net Water and Sewer receivables as of August 31, 2022 with comparative totals from June 30, 2021 and June 30, 2020. 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 declining due in large part to a consistent practice of recognizing past due amounts over 60 days as bad debt expense. 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 August 31, 2022 with comparative totals from August 31, 2021. 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 August 31, 2022 are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary

Summary						
Period Ending	Monthly Sales	Receivables			Days in AR (1)	
		Total	Allowance	Net		
June 30, 2020	\$ 33,061,000	\$ 213,846,000	\$ (142,882,000)	\$ 70,964,000	64	
June 30, 2021	\$ 36,335,000	\$ 248,055,000	\$ (200,146,000)	\$ 47,909,000	40	
June 30, 2022	\$ 39,022,000	\$ 300,346,000	\$ (253,924,000)	\$ 46,422,000	36	
August 31, 2022	\$ 38,915,000	\$ 316,083,000	\$ (263,104,000)	\$ 52,980,000	41	

Totals may be off due to rounding

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

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

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Balance
Residential	211,492	\$ 814.92	\$ 14,737,000	\$ 8,847,000	\$ 28,940,000	\$ 119,825,000	\$ 172,349,000
			8.6%	5.1%	16.8%	69.5%	100.0%
Commercial	20,869	1,485.80	8,385,000	2,113,000	4,904,000	15,605,000	31,007,000
			27.0%	6.8%	15.8%	50.3%	100.0%
Industrial	3,482	4,379.54	4,734,000	793,000	2,044,000	7,678,000	15,250,000
			31.0%	5.2%	13.4%	50.4%	100.0%
Tax Exempt	3,845	886.39	622,000	187,000	531,000	2,067,000	3,408,000
			18.3%	5.5%	15.6%	60.7%	100.0%
Government	52,218	458.94	3,176,000	1,608,000	3,069,000	16,112,000	23,965,000
			13.3%	6.7%	12.8%	67.2%	100.0%
Drainage	45,026	763.54	2,829,000	1,440,000	3,878,000	26,232,000	34,379,000
			8.2%	4.2%	11.3%	76.3%	100.0%
Subtotal - Active Accounts	336,932	\$ 832.09	\$ 34,483,000	\$ 14,988,000	\$ 43,367,000	\$ 187,519,000	\$ 280,357,000
			12.3%	5.3%	15.5%	66.9%	100.0%
Inactive Accounts	315,247	113.33	(3,000)	(32,000)	664,000	35,098,000	35,726,000
			(0.0%)	(0.1%)	1.9%	98.2%	100.0%
Total	652,179	\$ 484.66	\$ 34,479,000	\$ 14,956,000	\$ 44,031,000	\$ 222,617,000	\$ 316,083,000
<i>% of Total A/R</i>			10.9%	4.7%	13.9%	70.4%	100.0%
Water Fund	247,510	239.97	\$ 8,004,000	\$ 2,860,000	\$ 8,614,000	\$ 39,916,000	\$ 59,395,000
Sewer Fund	288,718	889.06	\$ 26,475,000	\$ 12,096,000	\$ 35,416,000	\$ 182,701,000	\$ 256,688,000
Total August 31, 2022 (a)	652,179	484.66	\$ 34,479,000	\$ 14,956,000	\$ 44,031,000	\$ 222,617,000	\$ 316,083,000
Water Fund- Allowance							\$ (48,159,000)
Sewer Fund- Allowance							\$ (214,944,000)
Total Bad Debt Allowance							\$ (263,104,000)
Comparative - August 2021 (b)							\$ 53,279,000
Difference (a) - (b)	652,179	484.66	\$ 34,479,000	\$ 14,956,000	\$ 44,031,000	\$ 222,617,000	\$ 262,804,000



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

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. City of Highland Park Billings and Collections
4. Wholesale Water & Sewer Accounts Receivable Aging Report

Wholesale Water Billings and Collections

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

Service Arrangement Type

Model Contract	84
Emergency	1
Older Contracts	<u>2</u>
Total	<u>87</u>

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

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

Table 1 - Wholesale Water Billings shows the FY 2023 water billed usage and revenues. As of August 31, 2022, the billed usage was at 100.13% of the original plan and billed revenue at 100.24% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2023 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 in line with the prior year for the twelve-month period ending August 31, 2022.

Table 1 – FY 2023 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2023 Charges (3)		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,565,900	33,114,500	1,664,936	34,349,872	99,036	1,235,372	1,342,686	29,642,785
August	1,513,500	32,632,400	1,418,347	31,555,444	(95,153)	(1,076,956)	1,417,142	30,604,230
September	1,271,200	29,674,600					1,298,750	29,065,588
October	1,033,200	27,094,600					1,006,217	26,123,483
November	901,100	25,815,700					905,525	25,117,181
December	966,900	26,357,900					958,879	25,542,432
January	954,300	26,296,700					979,803	25,791,405
February	877,900	25,580,400					875,553	24,800,493
March	965,300	26,359,200					963,825	25,592,186
April	907,300	25,855,100					912,124	25,139,078
May	1,086,000	27,886,200					1,094,002	27,116,529
June	1,470,200	32,090,900					1,385,287	30,301,351
Total	13,512,800	338,758,200	3,083,283	65,905,316	3,883	158,416	13,139,793	324,836,740
Subtotals ytd	3,079,400	65,746,900	3,083,283	65,905,316	3,883	158,416		
Achievement of Original Plan			100.13%	100.24%				

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

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

(3) Charges are based on the approved FY 2023 water supply system charge schedule.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
September	23,849,618	26,078,015	(2,228,397)	-8.55%
October	29,212,277	29,292,690	(80,413)	-0.27%
November	25,265,770	32,218,822	(6,953,052)	-21.58%
December	25,302,369	29,609,061	(4,306,692)	-14.55%
January	31,280,599	20,716,948	10,563,651	50.99%
February	24,919,847	25,694,176	(774,329)	-3.01%
March	22,123,572	20,854,506	1,269,066	6.09%
April	21,726,941	23,545,123	(1,818,182)	-7.72%
May	27,717,969	24,878,479	2,839,490	11.41%
June	26,379,503	25,403,968	975,535	3.84%
July	14,435,092	23,709,847	(9,274,755)	-39.12%
August	41,049,641	31,668,492	9,381,149	29.62%
Rolling 12-Month Total	313,263,198	313,670,127		
Rolling, 12-Month Average	26,105,267	26,139,177		

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	11
Emergency	0
Older Contracts	<u>7</u>
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 2023 sewer billed revenue. As of August 31, 2022 the billed revenue is at 100.00% of the original plan.

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

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

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending above prior year for the twelve-month period ending August 31, 2022.

Table 3 – FY 2023 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2023 Charges		FY 2023 - Actual		FY 2023 - Variance		FY 2022 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	N/A	22,888,100	N/A	22,888,100	N/A	-	N/A	22,615,000
August	N/A	22,888,100	N/A	22,888,100	N/A	-	N/A	22,615,000
September	N/A	22,888,100	N/A		N/A		N/A	22,615,000
October	N/A	22,888,100	N/A		N/A		N/A	22,615,000
November	N/A	22,888,100	N/A		N/A		N/A	22,615,000
December	N/A	22,888,100	N/A		N/A		N/A	22,615,000
January	N/A	22,888,100	N/A		N/A		N/A	22,615,000
February	N/A	22,888,100	N/A		N/A		N/A	22,615,000
March	N/A	22,888,100	N/A		N/A		N/A	22,615,000
April	N/A	22,888,100	N/A		N/A		N/A	22,615,000
May	N/A	22,888,100	N/A		N/A		N/A	22,615,000
June	N/A	22,888,100	N/A		N/A		N/A	22,615,000
Total		274,657,200		45,776,200		-		271,380,000
Subtotals ytd		45,776,200		45,776,200		-		
Achievement of Budget				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
September	26,706,558	19,593,613	7,112,945	36.30%
October	22,176,058	16,853,983	5,322,075	31.58%
November	16,534,758	18,966,208	(2,431,450)	-12.82%
December	21,765,958	25,232,649	(3,466,691)	-13.74%
January	26,436,258	25,968,849	467,409	1.80%
February	23,937,258	16,872,900	7,064,358	41.87%
March	24,713,158	22,368,124	2,345,034	10.48%
April	19,937,558	28,128,933	(8,191,375)	-29.12%
May	10,226,700	15,972,800	(5,746,100)	-35.97%
June	29,659,245	28,523,650	1,135,595	3.98%
July	28,223,515	21,842,125	6,381,390	29.22%
August	21,036,661	22,191,725	(1,155,064)	-5.20%
Rolling 12-Month Total	271,353,685	262,515,559		
Rolling, 12-Month Average	22,612,807	21,876,297		

City of Highland Park Billings and Collections

The City of Highland Park is provided water service pursuant to an emergency service basis. Sewer service is provided pursuant to a 1982 amended contract which indicates that the parties are guided in their legal relationship by a Michigan Supreme Court decision from 1949.

As of August 31, 2022, Highland Park had a delinquent balance of \$54.3 million, including \$41.3 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$11.2 million for water supply services.

Table 5 - City of Highland Park Billings and Collections provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2023 through August 31, 2022. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

Table 5 - City of Highland Park Billings and Collections

	Water	Sewer	IWC	Total
September 30, 2021 Balance	10,041,427	38,402,275	1,781,864	50,225,566
October 2021 Billing	109,853	446,400	4,053	560,306
October 2021 Payments	-	-	-	-
October 31, 2021 Balance	10,151,280	38,848,675	1,785,917	50,785,872
November 2021 Billing	103,417	446,400	4,069	553,886
November 2021 Payments	-	-	-	-
November 30, 2021 Balance	10,254,697	39,295,075	1,789,986	51,339,758
December 2021 Billing	100,908	446,400	4,075	551,383
December 2021 Payments	-	-	-	-
December 31, 2021 Balance	10,355,605	39,741,475	1,794,061	51,891,141
January 2022 Billing	96,633	446,400	4,002	547,035
January 2022 Payments	-	-	-	-
January 31, 2022 Balance	10,452,238	40,187,875	1,798,063	52,438,176
February 2022 Billing	97,203	446,400	4,002	547,605
February 2022 Payments	-	-	-	-
February 28, 2022 Balance	10,549,441	40,634,275	1,802,065	52,985,781
March 2022 Billing	96,540	446,400	4,000	546,940
March 2022 Payments	-	-	-	-
March 31, 2022 Balance	10,645,981	41,080,675	1,806,065	53,532,721
April 2022 Billing	98,395	446,400	4,009	548,804
April 2022 Payments	-	-	-	-
April 30, 2022 Balance	10,744,376	41,527,075	1,810,074	54,081,525
May 2022 Billing	96,254	446,400	4,009	546,663
May 2022 Payments	-	-	-	-
May 31, 2022 Balance	10,840,630	41,973,475	1,814,083	54,628,188
June 2022 Billing	100,820	446,400	4,002	551,222
June 2022 Payments	-	(1,788,828)	-	(1,788,828)
June 30, 2022 Balance	10,941,450	40,631,047	1,818,085	53,390,582
July 2022 Billing	104,262	446,400	4,002	554,664
July 2022 Payments	-	(126,056)	-	(126,056)
July 31, 2022 Balance	11,045,712	40,951,391	1,822,087	53,819,190
August 2022 Billing	112,017	451,700	4,082	567,799
August 2022 Payments	-	(117,079)	-	(117,079)
August 31, 2022 Balance	11,157,729	41,286,012	1,826,169	54,269,910

Wholesale Water & Sewer Accounts Receivable Aging Report

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

Table 6 - Wholesale Accounts Receivable Aging Report Summary is a summary of the total, current and non-current receivables by category as of August 31, 2022.

Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park is the same summary *without* the past due balances for the City of Highland Park.

Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and Dearborn is the same summary *without* the past due balances for the City of Highland Park and Dearborn. The remaining \$26 thousand of past due water accounts relates to amounts withheld due to Member Partner disputes regarding Highland Park bad debt charges.

One pollutant surcharge past due of \$22.4 thousand makes up the majority of the pollutant surcharge past due balance. This account was paid in full on September 19. The remaining pollutant surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 62,330,376.63	\$ 45,490,860.36	\$ 827,102.16	\$ 923,494.15	\$ 15,088,919.96
Sewer	\$ 58,170,440.60	\$ 17,336,128.25	\$ 446,400.00	\$ 446,400.00	\$ 39,941,512.35
IWC	\$ 2,390,197.46	\$ 571,716.03	\$ -	\$ 4,398.00	\$ 1,814,083.43
Pollutant Surcharge	\$ 454,312.42	\$ 420,021.67	\$ 29,144.57	\$ 804.77	\$ 4,341.41
Total	\$ 123,345,327.11	\$ 63,818,726.31	\$ 1,302,646.73	\$ 1,375,096.92	\$ 56,848,857.15
	100.00%	51.74%	1.06%	1.11%	46.09%

Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 51,172,647.51	\$ 45,274,580.52	\$ 726,283.02	\$ 827,240.34	\$ 4,344,543.63
Sewer	\$ 16,884,428.25	\$ 16,884,428.25	\$ -	\$ -	\$ -
IWC	\$ 564,028.89	\$ 563,632.86	\$ -	\$ 396.03	\$ -
Pollutant Surcharge	\$ 454,312.42	\$ 420,021.67	\$ 29,144.57	\$ 804.77	\$ 4,341.41
Total	\$ 69,075,417.07	\$ 63,142,663.30	\$ 755,427.59	\$ 828,441.14	\$ 4,348,885.04
	100.00%	91.41%	1.09%	1.20%	6.30%

Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and Dearborn

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 43,366,880.09	\$ 43,340,192.14	\$ 26,687.95	\$ -	\$ -
Sewer	\$ 16,884,428.25	\$ 16,884,428.25	\$ -	\$ -	\$ -
IWC	\$ 564,028.89	\$ 563,632.86	\$ -	\$ 396.03	\$ -
Pollutant Surcharge	\$ 454,312.42	\$ 420,021.67	\$ 29,144.57	\$ 804.77	\$ 4,341.41
Total	\$ 61,269,649.65	\$ 61,208,274.92	\$ 55,832.52	\$ 1,200.80	\$ 4,341.41
	100.00%	99.90%	0.09%	0.00%	0.01%

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, Receipts & Loan Receivable
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

GLWA Trust Receipts & Disbursements

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

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

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2023 reflects two months of activity to date.

Water fund receipts exceeded required disbursements by 4% through August 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 11% since July 1, 2018.

Sewer fund receipts exceeded required disbursements by 14% through August 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2018.

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 year. The black line at the zero highlights the minimum goal for net receipts.

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

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru August 31
Water					
1 Receipts	\$ 336,594,234	\$ 332,606,196	\$ 336,642,021	\$ 338,117,694	\$ 59,759,754
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,594,234	332,606,196	336,642,021	338,117,694	59,759,754
4 Disbursements	(289,230,481)	(296,190,425)	(308,713,407)	(316,495,360)	(57,415,751)
5 Receipts Net of Required	47,363,753	36,415,771	27,928,614	21,622,334	2,344,003
6 I&E Transfer	(47,695,000)	(25,719,751)	(31,991,687)	(26,622,862)	-
7 Net Receipts	\$ (331,247)	\$ 10,696,020	\$ (4,063,073)	\$ (5,000,528)	\$ 2,344,003
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	116%	112%	109%	107%	104%
Sewer					
9 Receipts	\$ 467,743,744	\$ 490,461,356	\$ 472,871,853	\$ 471,979,297	\$ 84,071,150
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	467,743,744	490,461,356	472,871,853	471,979,297	84,071,150
12 Disbursements	(453,406,636)	(445,604,952)	(436,600,883)	(450,701,751)	(73,922,234)
13 Receipts Net of Required	14,337,108	44,856,404	36,270,970	21,277,546	10,148,916
14 I&E Transfer	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	9,367,355	17,542,669	18,206,431	8,296,578	-
17 Net Receipts	\$ 1,156,763	\$ 43,302,873	\$ 13,972,674	\$ (8,077,664)	\$ 10,148,916
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	103%	110%	108%	105%	114%
Combined					
19 Receipts	\$ 804,337,978	\$ 823,067,552	\$ 809,513,874	\$ 810,096,991	\$ 143,830,904
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	804,337,978	823,067,552	809,513,874	810,096,991	143,830,904
22 Disbursements	(742,637,117)	(741,795,377)	(745,314,290)	(767,197,111)	(131,337,985)
23 Receipts Net of Required	61,700,861	81,272,175	64,199,584	42,899,880	12,492,919
24 I&E Transfer	(70,242,700)	(44,815,951)	(72,496,414)	(64,274,650)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	9,367,355	17,542,669	18,206,431	8,296,578	0
27 Net Receipts	\$ 825,516	\$ 53,998,893	\$ 9,909,601	\$ (13,078,192)	\$ 12,492,919
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	108%	111%	109%	106%	110%

Chart 1 – GLWA 12-Month Net Receipts – Water

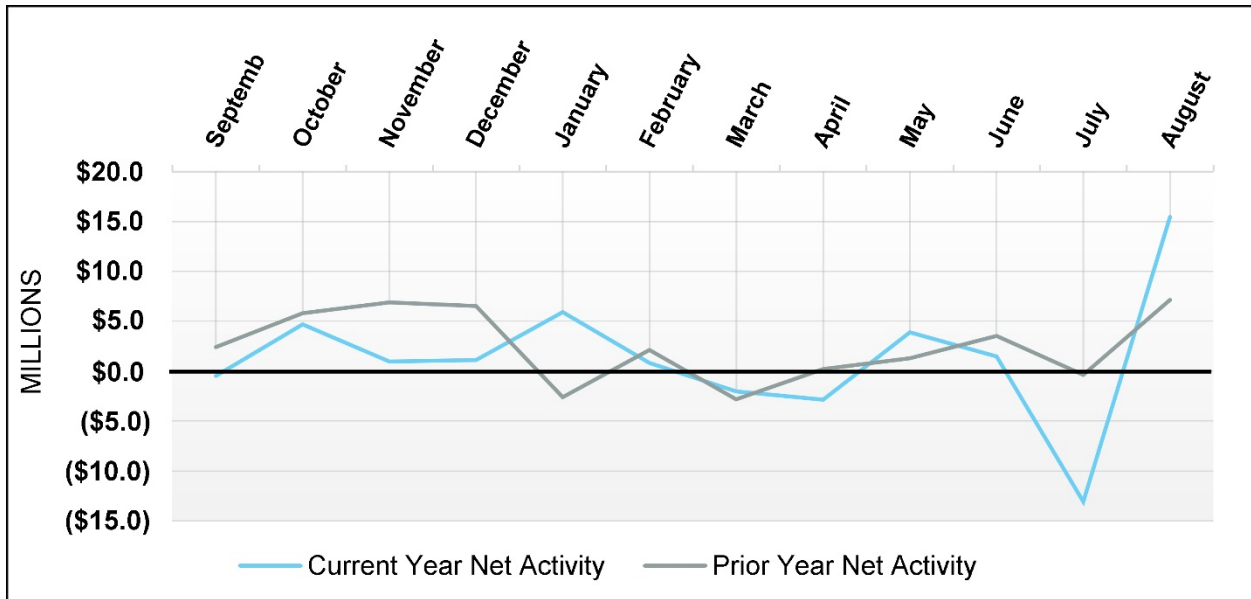
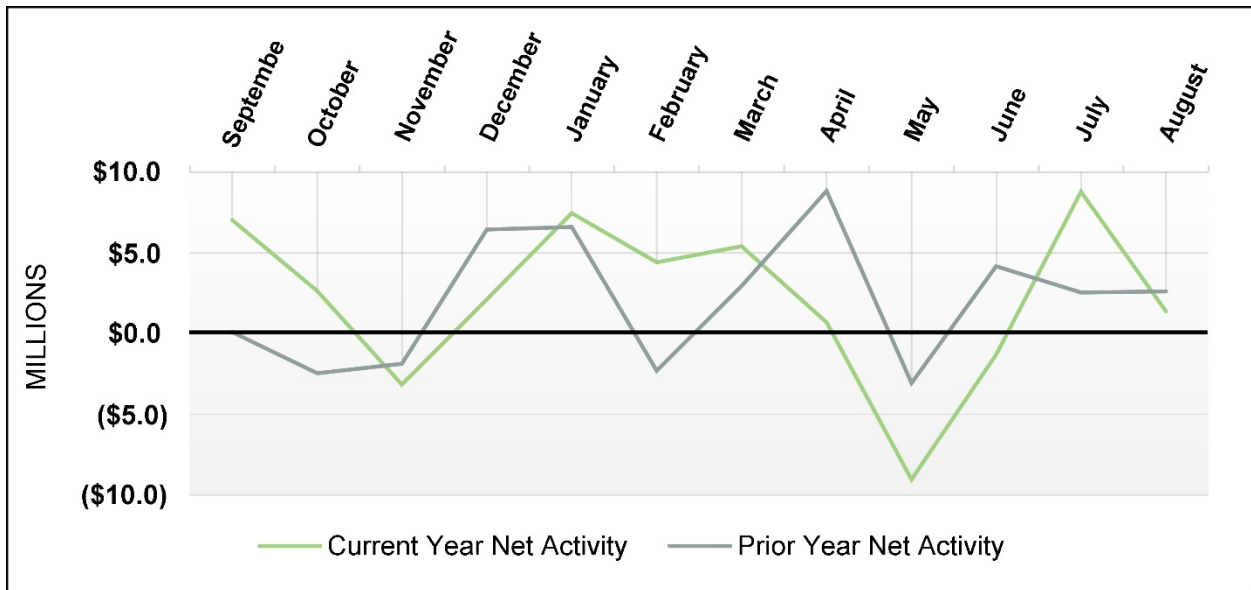


Chart 2 – GLWA 12-Month Net Receipts – Sewer



DWSD Trust Receipts & Disbursements

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

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

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

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2023 reflects two months of activity to date.

Water fund receipts exceeded required disbursements by 12% through August 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 3% since July 1, 2018.

Sewer fund receipts exceeded required disbursements by 16% through August 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 1% since July 1, 2018.

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru August 31
Water					
1 Receipts	\$ 99,868,219	\$ 96,885,723	\$ 102,067,423	\$ 101,964,963	\$ 18,164,459
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	99,868,219	96,885,723	102,067,423	101,964,963	18,164,459
4 Disbursements	(97,694,600)	(97,823,097)	(100,707,200)	(94,495,601)	(16,165,000)
5 Receipts Net of Required	2,173,619	(937,374)	1,360,223	7,469,362	1,999,459
6 I&E Transfer	(8,407,080)	-	-	-	-
7 Net Receipts	\$ (6,233,461)	\$ (937,374)	\$ 1,360,223	\$ 7,469,362	\$ 1,999,459
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	102%	99%	101%	108%	112%
Sewer					
9 Receipts	\$ 265,339,797	\$ 264,689,559	\$ 308,210,767	\$ 291,280,896	\$ 57,009,661
10 MOU Adjustments	6,527,200	-	-	-	-
11 Adjusted Receipts	271,866,997	264,689,559	308,210,767	291,280,896	57,009,661
12 Disbursements	(271,018,306)	(275,507,374)	(295,100,771)	(285,256,000)	(49,226,706)
13 Receipts Net of Required	848,691	(10,817,815)	13,109,996	6,024,896	7,782,955
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	\$ 848,691	\$ (10,817,815)	\$ 13,109,996	\$ 6,024,896	\$ 7,782,955
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	100%	96%	104%	102%	116%
Combined					
18 Receipts	\$ 365,208,016	\$ 361,575,282	\$ 410,278,190	\$ 393,245,859	\$ 75,174,120
19 MOU Adjustments	6,527,200	-	-	-	-
20 Adjusted Receipts	371,735,216	361,575,282	410,278,190	393,245,859	75,174,120
21 Disbursements	(368,712,906)	(373,330,471)	(395,807,971)	(379,751,601)	(65,391,706)
22 Receipts Net of Required	3,022,310	(11,755,189)	14,470,219	13,494,258	9,782,414
23 I&E Transfer	(8,407,080)	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	\$ (5,384,770)	\$ (11,755,189)	\$ 14,470,219	\$ 13,494,258	\$ 9,782,414
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	101%	97%	104%	104%	115%

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

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

Chart 3 – DWSD 12-Month Net Receipts – Water

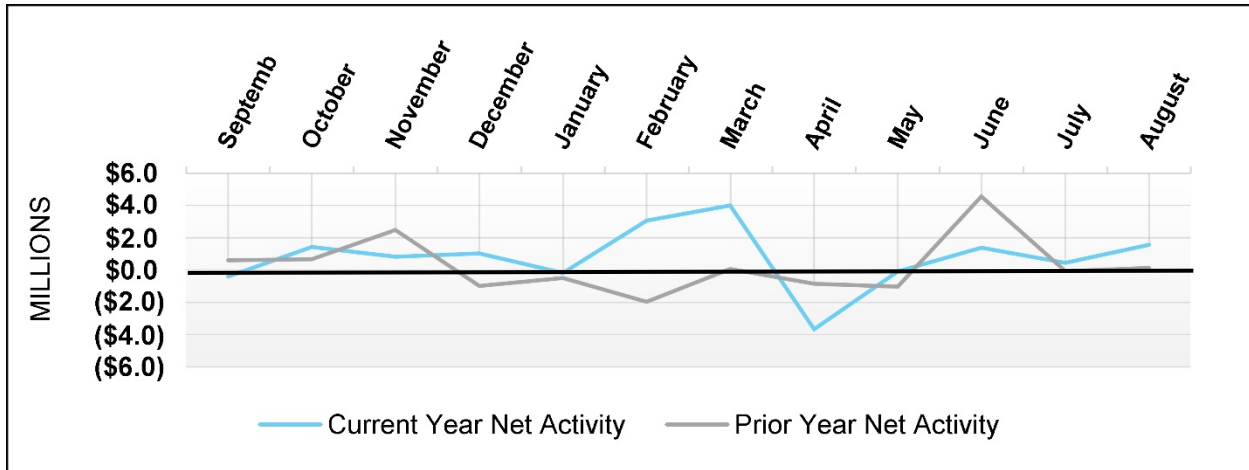
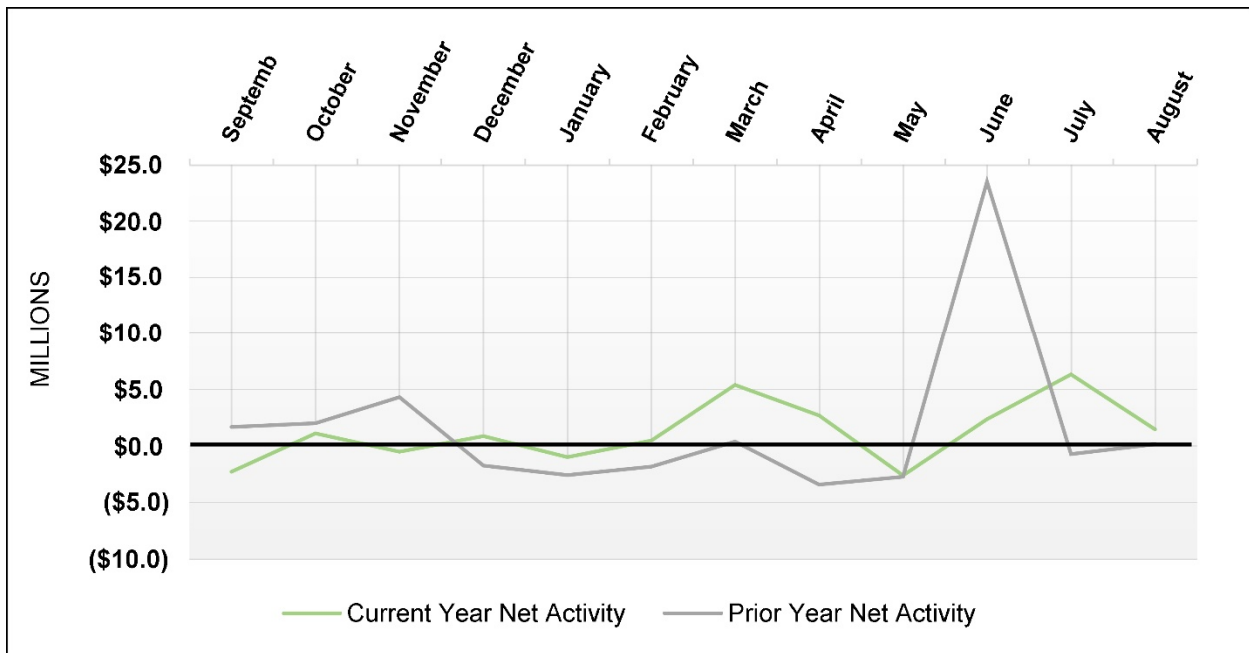


Chart 4 – DWSD 12-Month Net Receipts – Sewer



Combined System Trust Receipts & Disbursements

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

Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2023 reflects two months of activity to date.

Water fund net receipts exceeded required disbursements by 6% through August 31, 2022 consistent with the four-year historical average ratio of required receipts exceeding disbursements by 9% since July 1, 2018.

Sewer fund receipts exceeded required disbursements by 15% through August 31, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 4% since July 1, 2018.

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

	FY 2019	FY 2020	FY 2021	FY 2022 (Prelim)	FY 2023 Thru August 31
Water					
1 Receipts	\$ 436,462,453	\$ 429,491,919	\$ 438,709,444	\$ 440,082,657	\$ 77,924,213
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	436,462,453	429,491,919	438,709,444	440,082,657	77,924,213
4 Disbursements	(386,925,081)	(394,013,522)	(409,420,607)	(410,990,961)	(73,580,751)
5 Receipts Net of Required	49,537,372	35,478,397	29,288,837	29,091,696	4,343,462
6 I&E Transfer	(56,102,080)	(25,719,751)	(31,991,687)	(26,622,862)	-
7 Net Receipts	\$ (6,564,708)	\$ 9,758,646	\$ (2,702,850)	\$ 2,468,834	\$ 4,343,462
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	113%	109%	107%	107%	106%
Sewer					
9 Receipts	\$ 733,083,541	\$ 755,150,915	\$ 781,082,620	\$ 763,260,193	\$ 141,080,811
10 MOU Adjustments	6,527,200	-	-	-	-
11 Adjusted Receipts	739,610,741	755,150,915	781,082,620	763,260,193	141,080,811
12 Disbursements	(724,424,942)	(721,112,326)	(731,701,654)	(735,957,751)	(123,148,940)
13 Receipts Net of Required	15,185,799	34,038,589	49,380,966	27,302,442	17,931,871
14 I&E Transfer	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	9,367,355	17,542,669	18,206,431	8,296,578	-
17 Net Receipts	\$ (7,361,901)	\$ 32,485,058	\$ 27,082,670	\$ (2,052,768)	\$ 17,931,871
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	102%	105%	107%	104%	115%
Combined					
19 Receipts	\$1,169,545,994	\$1,184,642,834	\$1,219,792,064	\$1,203,342,850	\$ 219,005,024
20 MOU Adjustments	6,527,200	-	-	-	-
21 Adjusted Receipts	1,176,073,194	1,184,642,834	1,219,792,064	1,203,342,850	219,005,024
22 Disbursements	(1,111,350,023)	(1,115,125,848)	(1,141,122,261)	(1,146,948,712)	(196,729,691)
23 Receipts Net of Required	64,723,171	69,516,986	78,669,803	56,394,138	22,275,333
24 I&E Transfer	(78,649,780)	(44,815,951)	(72,496,414)	(64,274,650)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	9,367,355	17,542,669	18,206,431	8,296,578	-
27 Net Receipts	\$ (4,559,254)	\$ 42,243,704	\$ 24,379,820	\$ 416,066	\$ 22,275,333
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	106%	106%	107%	105%	111%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$433,928.40	\$433,928.40	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$23,585.59	\$23,585.59	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$81,218.96	\$81,218.96	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$61,470.21	\$61,470.21	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$146,952.37	\$146,952.37	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$773,620.87	\$773,620.87	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$49,832.20	\$49,832.20	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$84,582.23	\$84,582.23	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$2,250,045.64	\$2,240,820.64	\$9,225.00	\$0.00	\$0.00
CENTER LINE	\$87,286.60	\$87,286.60	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$919,640.77	\$919,640.77	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$806,472.02	\$806,472.02	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$838,679.93	\$838,679.93	\$0.00	\$0.00	\$0.00
DEARBORN	\$7,805,767.42	\$1,934,388.38	\$699,595.07	\$827,240.34	\$4,344,543.63
DEARBORN HEIGHTS	\$699,476.46	\$699,476.46	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$148,825.62	\$148,825.62	\$0.00	\$0.00	\$0.00
ECORSE	\$116,624.03	\$116,624.03	\$0.00	\$0.00	\$0.00
FARMINGTON	\$104,398.90	\$104,398.90	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,861,329.00	\$1,861,329.00	\$0.00	\$0.00	\$0.00
FERNDAL	\$177,331.21	\$177,331.21	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$129,209.68	\$129,209.68	\$0.00	\$0.00	\$0.00
FLINT	\$437,260.72	\$437,260.72	\$0.00	\$0.00	\$0.00
FRASER	\$121,492.08	\$121,492.08	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GARDEN CITY	\$154,024.07	\$154,024.07	\$0.00	\$0.00	\$0.00
GENESEE COUNTY DRAIN COMM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$31,777.30	\$31,777.30	\$0.00	\$0.00	\$0.00
GREATER LAPEER CUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$118,745.03	\$118,745.03	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$150,553.27	\$150,553.27	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$85,897.94	\$85,897.94	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$148,408.57	\$148,408.57	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$144,362.58	\$144,362.58	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$113,981.46	\$113,981.46	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$38,524.24	\$38,524.24	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$138,060.64	\$138,060.64	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$11,157,729.12	\$216,279.84	\$100,819.14	\$96,253.81	\$10,744,376.33
HURON TOWNSHIP	\$309,906.35	\$307,943.55	\$1,962.80	\$0.00	\$0.00
IMLAY CITY	\$149,597.92	\$149,597.92	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,006.52	\$1,006.52	\$0.00	\$0.00	\$0.00
INKSTER	\$ (112,612.66)	\$ (112,612.66)	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$58,584.26	\$58,584.26	\$0.00	\$0.00	\$0.00
LAPEER	\$139,572.91	\$139,572.91	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$57,915.38	\$57,915.23	\$0.15	\$0.00	\$0.00
LINCOLN PARK	\$231,563.28	\$231,563.28	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIVONIA	\$1,225,918.17	\$1,225,918.17	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$1,692,336.73	\$1,692,336.73	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MAYFIELD TOWNSHIP	\$9,566.99	\$9,566.99	\$0.00	\$0.00	\$0.00
MELVINDALE	\$63,999.34	\$63,999.34	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$40,940.74	\$40,940.74	\$0.00	\$0.00	\$0.00
NOCWA	\$2,555,819.81	\$2,555,819.81	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$80,617.69	\$80,617.69	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$679,968.48	\$679,968.48	\$0.00	\$0.00	\$0.00
NOVI	\$1,108,455.74	\$1,108,455.74	\$0.00	\$0.00	\$0.00
OAK PARK	\$131,852.10	\$131,852.10	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$15,217.17	\$15,217.17	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$223,929.43	\$223,929.43	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$965,905.86	\$950,405.86	\$15,500.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$594,489.94	\$594,489.94	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$127,246.34	\$127,246.34	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$90,829.08	\$90,829.08	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$28,248.15	\$28,248.15	\$0.00	\$0.00	\$0.00
ROMEO	\$26,419.23	\$26,419.23	\$0.00	\$0.00	\$0.00
ROMULUS	\$798,513.39	\$798,513.39	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$482,436.73	\$482,436.73	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$36,314.23	\$36,314.23	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$1,799,428.27	\$1,799,428.27	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOCWA	\$4,840,290.31	\$4,840,290.31	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$11,119.51	\$11,119.51	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$231,968.23	\$231,968.23	\$0.00	\$0.00	\$0.00
ST. CLAIR CNTY-GREENWOOD ENE	\$210,276.58	\$210,276.58	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$316,705.48	\$316,705.48	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$1,714,058.89	\$1,714,058.89	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$70,201.49	\$70,201.49	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$24,964.15	\$24,964.15	\$0.00	\$0.00	\$0.00
TAYLOR	\$486,837.05	\$486,837.05	\$0.00	\$0.00	\$0.00
TRENTON	\$187,985.70	\$187,985.70	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,517,225.37	\$1,517,225.37	\$0.00	\$0.00	\$0.00
UTICA	\$62,199.43	\$62,199.43	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$711,403.98	\$711,403.98	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$153,949.14	\$153,949.14	\$0.00	\$0.00	\$0.00
WARREN	\$1,050,839.07	\$1,050,839.07	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$330,849.81	\$330,849.81	\$0.00	\$0.00	\$0.00
WAYNE	\$300,807.98	\$300,807.98	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$2,280,524.35	\$2,280,524.35	\$0.00	\$0.00	\$0.00
WESTLAND	\$1,216,763.04	\$1,216,763.04	\$0.00	\$0.00	\$0.00
WIXOM	\$301,071.64	\$301,071.64	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$176,937.93	\$176,937.93	\$0.00	\$0.00	\$0.00
YCUA	\$2,078,314.80	\$2,078,314.80	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL WATER ACCOUNTS	\$62,330,376.63	\$45,490,860.36	\$827,102.16	\$923,494.15	\$15,088,919.96

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$86,899.50	\$86,899.50	\$0.00	\$0.00	\$0.00
DEARBORN	\$1,691,600.00	\$1,691,600.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$3,016,300.00	\$3,016,300.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$41,286,012.35	\$451,700.00	\$446,400.00	\$446,400.00	\$39,941,512.35
MELVINDALE	\$131,200.00	\$131,200.00	\$0.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,864,800.00	\$3,864,800.00	\$0.00	\$0.00	\$0.00
OMID	\$6,006,628.75	\$6,006,628.75	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$22,600.00	\$22,600.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SOUTH MACOMB SANITATION DIST	\$2,064,400.00	\$2,064,400.00	\$0.00	\$0.00	\$0.00
WAYNE COUNTY-AREA #3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL SEWER ACCOUNTS	\$58,170,440.60	\$17,336,128.25	\$446,400.00	\$446,400.00	\$39,941,512.35

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$18.14	\$18.14	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O)	\$11,617.10	\$11,617.10	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$2,011.15	\$2,011.15	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$397.38	\$397.38	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,182.62	\$3,182.62	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$1,005.98	\$1,005.98	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$1,088.32	\$1,088.32	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$2,446.93	\$2,446.93	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,715.47	\$5,715.47	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$1,671.86	\$1,671.86	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$85.92	\$85.92	\$0.00	\$0.00	\$0.00
CENTER LINE	\$7,376.32	\$7,376.32	\$0.00	\$0.00	\$0.00
CHARTER TOWNSHIP OF INDEPENI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,782.39	\$12,782.39	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$202.27	\$202.27	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$8,967.90	\$8,967.90	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$3,750.05	\$3,750.05	\$0.00	\$0.00	\$0.00
CLARKSTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$138.84	\$138.84	\$0.00	\$0.00	\$0.00
CLAWSON	\$6,279.84	\$6,279.84	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$27,057.64	\$27,057.64	\$0.00	\$0.00	\$0.00
DEARBORN	\$72,913.72	\$72,913.72	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
DEARBORN HEIGHTS	\$9,719.70	\$9,719.70	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$107.40	\$107.40	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$6,499.49	\$6,499.49	\$0.00	\$0.00	\$0.00
FARMINGTON	\$4,093.73	\$4,093.73	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$25,326.71	\$25,326.71	\$0.00	\$0.00	\$0.00
FRASER	\$4,994.10	\$4,994.10	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$1,591.31	\$1,591.31	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$1,190.35	\$1,190.35	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$3.84	\$3.84	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,202.92	\$4,202.92	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,918.88	\$1,918.88	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$3,435.44	\$3,435.44	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,332.98	\$3,332.98	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,826,168.57	\$8,083.17	\$0.00	\$4,001.97	\$1,814,083.43
HUNTINGTON WOODS	\$288.19	\$288.19	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,296.21	\$1,296.21	\$0.00	\$0.00	\$0.00
INKSTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$710.63	\$710.63	\$0.00	\$0.00	\$0.00
LAKE ORION	\$809.08	\$809.08	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LATHRUP	\$1,415.89	\$1,415.89	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$3.66	\$3.66	\$0.00	\$0.00	\$0.00
LIVONIA	\$41,069.76	\$41,069.76	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$207.64	\$207.64	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELVINDALE	\$3,540.62	\$3,540.62	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$619.34	\$619.34	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,793.58	\$1,793.58	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NOVI	\$17,747.85	\$17,747.85	\$0.00	\$0.00	\$0.00
OAK PARK	\$14,523.05	\$14,514.20	\$0.00	\$8.85	\$0.00
OAKLAND TOWNSHIP	\$458.24	\$458.24	\$0.00	\$0.00	\$0.00
ORCHARD LAKE VILLAGE	\$381.27	\$381.27	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O)	\$4,414.14	\$4,414.14	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$492.64	\$492.64	\$0.00	\$0.00	\$0.00
OXFORD TOWNSHIP	\$2,146.68	\$2,146.68	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$1,267.32	\$1,267.32	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$275.66	\$275.66	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$3,927.26	\$3,927.26	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$137.83	\$137.83	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$12,768.07	\$12,768.07	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$18,855.86	\$18,855.86	\$0.00	\$0.00	\$0.00
ROMULUS	\$787.60	\$787.60	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROSEVILLE	\$14,891.01	\$14,891.01	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,876.08	\$13,876.08	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$968.39	\$968.39	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$15,091.49	\$15,091.49	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$56,045.14	\$56,045.14	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,072.86	\$6,685.68	\$0.00	\$387.18	\$0.00
ST. CLAIR SHORES	\$12,204.22	\$12,204.22	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$32,150.19	\$32,150.19	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTICA	\$3,069.85	\$3,069.85	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$2,062.08	\$2,062.08	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$66.23	\$66.23	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,668.28	\$1,668.28	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADMI	\$3,194.01	\$3,194.01	\$0.00	\$0.00	\$0.00
WAYNE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$12,848.38	\$12,848.38	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) A	\$489.50	\$489.50	\$0.00	\$0.00	\$0.00
WESTLAND	\$23,266.42	\$23,266.42	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL IWC ACCOUNTS	\$2,390,197.46	\$571,716.03	\$0.00	\$4,398.00	\$1,814,083.43

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY (MINNESOTA MINING	\$1,136.22	\$1,136.22	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$1,652.14	\$1,652.14	\$0.00	\$0.00	\$0.00
AACTRON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$29.27	\$29.27	\$0.00	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$94.56	\$94.56	\$0.00	\$0.00	\$0.00
ADVANCE ENGINEERING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$216.98	\$216.98	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
APPLIED TECHNOLOGY INDUSTRIE	\$850.36	\$0.00	\$850.36	\$0.00	\$0.00
ATWATER IN THE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARON INDUSTRIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BASTONE BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BATCH BREWING COMPANY	\$76.15	\$76.15	\$0.00	\$0.00	\$0.00
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$0.00	\$37.00
BETTER MADE SNACK FOOD	\$50,295.21	\$50,295.21	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$93.47	\$93.47	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$5,851.11	\$5,851.11	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON BREW WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL REPRODUCTIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CF BURGER CREAMERY	\$14,361.53	\$14,361.53	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,075.68	\$19.43	\$11.37	\$10.23	\$1,034.65
CINTAS CORP. - MACOMB TWP.	\$22,439.90	\$0.00	\$22,439.90	\$0.00	\$0.00
CINTAS CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$6.75	\$6.75	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$405.10	\$0.00	\$405.10	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$6,524.79	\$6,524.79	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$14.56	\$14.56	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$348.81	\$348.81	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$28.85	\$17.80	\$11.05	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$57.33	\$57.33	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$135.79	\$135.79	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$6,710.50	\$6,710.50	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$2,913.97	\$2,913.97	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$31.74	\$31.74	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$2,778.99	\$2,778.99	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$77.30	\$77.30	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$3,608.37	\$3,608.37	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$4,600.61	\$4,600.61	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.58	\$0.58	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLF	\$1,762.89	\$1,762.89	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$203.72	\$162.33	\$41.39	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$26,215.28	\$26,215.28	\$0.00	\$0.00	\$0.00
FITZGERALD FINISHING LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$17.05	\$17.05	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$565.95	\$565.95	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$2,775.39	\$2,775.39	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$78.42	\$78.42	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HACIENDA MEXICAN FOODS	\$1,363.01	\$1,363.01	\$0.00	\$0.00	\$0.00
HENKEL CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOME STYLE FOOD INC.	\$4,466.17	\$4,466.17	\$0.00	\$0.00	\$0.00
HOMEGROWN BREWING COMPANY	\$46.02	\$46.02	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$99.09	\$67.58	\$31.51	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$50.02	\$50.02	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$(941.11)	\$0.00	\$0.00	\$0.00	\$(941.11)
HUNTINGTON CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$947.39	\$947.39	\$0.00	\$0.00	\$0.00
INTRASTATE DISTRIBUTORS	\$615.02	\$615.02	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$1,843.44	\$1,843.44	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$34.49	\$34.49	\$0.00	\$0.00	\$0.00
KAR NUT PRODUCTS	\$1,154.61	\$0.00	\$1,154.61	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$1,120.00	\$1,120.00	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$518.51	\$518.51	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$37.33	\$37.33	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$52.72	\$52.72	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIQUID ENVIRONMENTAL SOLUTIC	\$5,172.76	\$2,063.00	\$745.28	\$745.28	\$1,619.20
MACDERMID, INC.	\$ (273.34)	\$ (273.34)	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$1,497.07	\$904.55	\$592.52	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$67.13	\$67.13	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$842.61	\$842.61	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$135,913.26	\$135,913.26	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$311.59	\$0.00	\$311.59	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$383.35	\$383.35	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$1,920.52	\$1,920.52	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$2.33	\$2.33	\$0.00	\$0.00	\$0.00
MOTOR CITY BREWING WORKS	\$46.13	\$46.13	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEAPCO DRIVELINES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTH CENTER BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHERN LAKES SEAFOOD & MEZ	\$16.43	\$16.43	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
OAKWOOD BAKERY	\$80.23	\$80.23	\$0.00	\$0.00	\$0.00
OLIVER HATCH CONSTRUCTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$2.04	\$2.04	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$13,091.36	\$13,091.36	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$16.74	\$16.74	\$0.00	\$0.00	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$15,143.54	\$15,143.54	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$1,522.06	\$0.00	\$1,522.06	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$231.62	\$0.00	\$231.62	\$0.00	\$0.00
QUALA SERVICES, LLC	\$26.46	\$26.46	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$440.60	\$0.00	\$0.00	\$0.00	\$440.60
ROAK BREWING CO. LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$144.28	\$144.28	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$2,848.28	\$1,083.20	\$0.00	\$0.00	\$1,765.08
ROYAL OAK BREWERY	\$(32.64)	\$0.00	\$0.00	\$0.00	\$(32.64)

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
RTT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SEAFARE FOODS, INC.	\$470.80	\$470.80	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$47.12	\$47.12	\$0.00	\$0.00	\$0.00
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$0.00	\$14.52
SUPERNATURAL SPIRITS & BREWI	\$66.23	\$66.23	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$218.11	\$100.11	\$50.29	\$49.26	\$18.45
THE CROWN GROUP-LIVONIA PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
THERMO FISHER SCIENTIFIC	\$26,948.00	\$26,202.08	\$745.92	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRAFFIC JAM & SNUG	\$(31.16)	\$0.00	\$0.00	\$0.00	\$(31.16)
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$688.62	\$688.62	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$56,191.18	\$56,191.18	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$2,261.98	\$2,261.98	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$0.91	\$0.91	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$366.15	\$366.15	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$382.57	\$382.57	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLULANT SURCHARGE ACCOUNTS

Balances as of 08/31/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
US ECOLOGY ROMULUS, INC.	\$2,798.57	\$2,798.57	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$1,525.41	\$1,525.41	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$235.42	\$235.42	\$0.00	\$0.00	\$0.00
VAUGHAN INDUSTRIES, INC.	\$22.02	\$22.02	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$7,030.85	\$7,030.85	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$321.10	\$321.10	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$69.15	\$69.15	\$0.00	\$0.00	\$0.00
WIGLEY'S MEAT PROCESS	\$391.23	\$391.23	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,044.92	\$1,044.92	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$210.32	\$210.32	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$1,662.92	\$1,662.92	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,065.22	\$2,065.22	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
TOTAL POLLULANT SURCHARGE ACCOUNTS	\$454,312.42	\$420,021.67	\$29,144.57	\$804.77	\$4,341.41

City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	(65,652)	(2,206,211)	-	(2,271,863)
June 30, 2013 Balance	\$ 420,235	\$ 12,989,380	\$ 1,007,431	\$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	-	(1,612,633)	-	(1,612,633)
June 30, 2014 Balance	\$ 1,424,592	\$ 18,357,189	\$ 1,169,382	\$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	-	(1,444,623)	-	(1,444,623)
June 30, 2015 Balance	\$ 2,432,625	\$ 22,465,689	\$ 1,335,121	\$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	-	(2,022,335)	-	(2,022,335)
June 30, 2016 Balance	\$ 3,589,803	\$ 26,055,521	\$ 1,441,551	\$ 31,086,875
FY 2017 Billings	1,245,267	5,802,000	101,999	7,149,265
FY 2017 Payments	-	(2,309,186)	-	(2,309,186)
June 30, 2017 Balance	\$ 4,835,070	\$ 29,548,335	\$ 1,543,550	\$ 35,926,954
FY 2018 Billings	1,277,179	5,657,101	80,472	7,014,752
FY 2018 Payments	-	(4,108,108)	-	(4,108,108)
June 30, 2018 Balance	\$ 6,112,248	\$ 31,097,327	\$ 1,624,022	\$ 38,833,597
FY 2019 Billings	1,238,797	5,617,100	51,220	6,907,117
FY 2019 Payments	-	(5,241,583)	-	(5,241,583)
June 30, 2019 Balance	\$ 7,351,045	\$ 31,472,844	\$ 1,675,243	\$ 40,499,132
FY 2020 Billings	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments	-	(3,026,117)	-	(3,026,117)
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings	1,185,506	5,702,000	47,423	6,934,929
FY 2021 Payments	-	(2,783,552)	-	(2,783,552)
June 30, 2021 Balance	9,719,190	37,030,575	1,769,763	48,519,528
FY 2022 Billings	1,222,260	5,389,300	48,322	6,659,882
FY 2022 Payments	-	(1,788,828)	-	(1,788,828)
June 30, 2022 Balance	\$ 10,941,450	\$ 40,631,047	\$ 1,818,085	\$ 53,390,582
FY 2023 Billings (2 Months)	216,279	898,100	8,084	1,122,463
FY 2023 Payments (2 Months)	-	(243,135)	-	(243,135)
Balance as of August 31, 2022	\$ 11,157,729	\$ 41,286,012	\$ 1,826,169	\$ 54,269,910



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

From: Megan Savage, Vendor Outreach Coordinator

Re: Business Inclusion & Diversity Program Update

Background: On November 25, 2020, the GLWA Board of Directors approved an amendment to the Procurement Policy allowing for the formation of a new Business Inclusion & Diversity (B.I.D.) Program within the Financial Services' Procurement Group. The B.I.D. Program Team, which includes internal GLWA Team Members as well as external consultants, executed a Phase I launch of the program on February 1, 2021 and a Phase II launch on July 1, 2021.

Analysis: This month we present tables to recap B.I.D. Program activity from the date of the program launch on February 1, 2021 through October 31, 2022 for procurements budgeted to exceed \$1 million.

Table 1: B.I.D. Eligible Procurements as of October 31, 2022

Table 1 provides an overview of the total number of B.I.D. Program-eligible Procurements awarded, in evaluation, or advertised as active opportunities in GLWA's Bonfire Procurement Portal. Each vendor who submits a response to a B.I.D. Program-eligible procurement must also submit a Business Inclusion and Diversity Plan. The total number of Diversity Plans that GLWA has received for B.I.D.-eligible procurements that have been awarded and that are in evaluation is also provided.

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	41	9	4	54
Total Number of Diversity Plans Submitted	119	31	n/a	150

Table 2: Scored Criteria for Awarded Procurements

Table 2 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program scored criteria. This scored criteria is based on

whether the vendor has a business presence in the state of Michigan, GLWA's Member Partner service area, or a disadvantaged municipality within GLWA's service area.

	Procurements Awarded Meeting B.I.D. Criteria as a % of Total Awards	Total Contract Amount (in millions)
Michigan Location	90%	\$365.3
Member Partner Service Area	85%	\$324.2
Disadvantaged Service Area	61%	\$278.4

Table 3: Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses

Table 3 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program Non-Scored Criteria. This Non-Scored Criteria refers to any diversity certifications that the vendor may hold as a Disadvantaged Business Enterprise (DBE), Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), or Small Business Enterprise (SBE).

	Procurements Awarded as a % of Total Awards	Total Contract Amount (in millions)
Awarded to Disadvantaged, Minority-owned, Women-owned, and Small Businesses	71%	\$303.0

Table 4: Diversity Certification Percentages

Table 4 provides a breakdown of the percentage of awarded procurements to SBE (Small Business Enterprise), DBE (Disadvantaged Business Enterprise), MBE (Minority-owned Business Enterprise), and WBE (Women-owned Business Enterprise). Note that some firms may have multiple certifications.

	SBE	DBE	MBE	WBE
Percentage of Awarded Procurements to SBE, DBE, MBE, and WBE	7%	56%	22%	12%
Total Contract Amount (in millions)	\$9.0	\$246.1	\$96.2	\$17.2

Table 5: Overall Contracts Awarded

Table 5 provides a breakdown of overall dollars awarded under the B.I.D. Program thus far, distinguishing between firms that met the B.I.D. Program certification criteria (non-scored criteria) and firms that met the three B.I.D. Program geographic criteria (scored criteria).

	Total Contract Count	Total Contract Amount (in millions)
Eligible Procurements	41	\$513.6
Firms that met the certification criteria (non-scored criteria)	29	\$303.0
Firms that met the three geographic criteria (scored criteria)	25	\$278.4

Other activities completed this month to expand awareness of the B.I.D. Program and to foster the development of effective diversity plans included the following.

- Attended the virtual National Business League 35th Annual National Black Supplier Conference on November 16, 2022. B.I.D. Program Team members listened to national black supplier and diversity community leaders discuss the importance of developing black suppliers and attended virtual matchmaking sessions with small businesses.
- Met with Bonfire to discuss options for tracking and reporting on GLWA's efforts to update our vendor database to include information on diversity certifications.
- Continued attendance of the B.I.D. Program Liaison at all Pre-Bid and Pre-Proposal solicitation meetings to overview B.I.D. Program requirements and answer any questions from vendors/contractors.

Additionally, the following tasks remain at the top of our priority list.

- Continued evaluation of the insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises.
- Expanding meaningful reporting and performances measures.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

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

Re: Charges Outreach & Modeling Update

Background: The Charges Outreach and Modeling Team was established in FY 2023 as part of the Financial Management & Planning Group to facilitate internal communication and external outreach with GLWA Member Partners as it relates to the charge methodology and charge-related financial matters. This team also serves as liaison between GLWA and third-party consultants in the development, maintenance and review of the annual water and sewer charges.

FY 2023 Charge Modifications: At this time, there are no charge modifications. There were no exceedances identified as a result of the 2022 Max Day/Peak Hour calculations.

FY 2024 Charges Rollout Update: Great Lakes Water Authority cross-functional teams have been working together to establish the Fiscal Year 2024 Charges Rollout Schedule.

1. Charges Rollout Meeting #1 regarding the Capital Improvement Plan (CIP) took place on Wednesday, October 19, 2022, at 1:00 p.m. via Zoom.
2. Subsequent Rollout Meetings Include:
 - a. Charges Rollout Meeting #2: Units of Service: Wednesday, November 16, 2022, at 1:00 p.m. via Zoom.
 - b. Charges Rollout One-on-One Meetings – Units of Service: New this year to support Member Partner questions - these meetings will be held on November 30, 2022 and December 1, 2022.
 - c. Charges Rollout Meeting #3: Proposed FY 2024 Revenue Requirement and Charges: Thursday, January 12, 2023, at 9:00 a.m. via Zoom
 - d. Charges Rollout One-on-One Meetings: Member Partners will have the opportunity to scheduled individual meetings, January 13, 2023, through January 18, 2023, to discuss charges in more detail.
 - e. Charges Rollout Meeting #4: Feedback on Service Charges and Review of Proposed FY 2024 Revenue Requirement

Contract Alignment Update: The Contract Alignment Process (CAP) is facilitated by a cross-functional negotiation team (CAP Team) led by the General Counsel's office. At the time of this update, most member partner contracts have been largely settled.

Contract discussions for the remaining eleven Member Partners are currently underway and in various stages of negotiation. This team has been working through the process since March 2022. The Charges Outreach and Modeling team is represented on the CAP team and will support their efforts in whatever capacity is needed.

Charges Work Group Update: The Charges Work Group is made up of Member Partners and staff from GLWA. It was established to review water charge methodology and to make recommendations regarding potential changes.

There is also a Water Charges Methodology Review Subgroup (Subgroup) made up of interested volunteer Member Partners convened to work closely with GLWA on the technical analysis and provide input on charges scenarios. The Subgroup meets twice per month and reports its findings and updates to the Charges Work Group every other month.

Raftelis Financial Consultants, Inc. (Raftelis) has begun participating in the Water Charges Work Group and Subgroup meetings. Thomas Beckley of Raftelis was in attendance at the most recent in-person Subgroup meeting on November 4th, 2022 in Farmington Hills and was able to provide support and input on the various discussion points among the group. Raftelis and the Charges Outreach and Modeling Team held small group interviews with Member Partners and will be reviewing and compiling information gathered from the conversations.

Look Ahead: The next One Water Partnership Meeting is November 29, 2022 at Schoolcraft College in Livonia. The Charges Outreach and Modeling Team will be attending and participating.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Quarterly Investment Report (Unaudited)

Background: As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through September 30, 2022 (unaudited).

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

- Yield at Cost:
 - As of September 30, 2022: 2.44%
 - As of June 30, 2022: 0.90%

- Yield at Market:
 - As of September 30, 2022: 3.09%
 - As of June 30, 2022: 1.66%

- Portfolio Allocation in Cash, Money Market, and Local Government Investment Pool (LGIP) Securities:
 - As of September 30, 2022: 72%
 - As of June 30, 2022: 58%

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

Proposed Action: Receive and file this report.

Great Lakes Water Authority

Investment Performance Report – September 2022



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Executive Summary

PORTFOLIO RECAP

- **Safety** – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, Federal Agencies, commercial paper, SEC-registered money market funds, and a local government investment pool. The total credit profile of the portfolio is strong with over 97% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by Standard & Poor’s.
- **Liquidity** – Great Lakes Water Authority (“GLWA”) has continued to monitor its portfolio with the goal of limiting the allocation to cash and bank deposit accounts and maximizing the use of short-term investments to meet cash requirements. As of September 30, 2022, approximately 72% of the funds were held in cash and money market accounts maturing overnight. The percentage is higher than the last quarter due to the recent bond issue.
- **Return** – The overall yield at market increased to 3.09% as of September 30, 2022, versus 1.66% as of June 30, 2022. The higher yield is reflective of the rise in rates that the market is currently experiencing. GLWA earned \$1.7 million (unaudited) in investment income for the first three months of fiscal year 2023 on a book value basis. We expect the investment income for GLWA for FY 2023 to be approximately \$17.4 million (including bond proceeds).

AVAILABLE FUNDS (Unaudited)

Type	Financial Institution	Book Value	Market Value	Yield @ Cost (as of 9/30/22)	Yield @ Market (as of 9/30/22)
Deposit Account	Comerica	\$3,596,417	\$3,596,417	0.01%	0.01%
Deposit Account - Retainage	First Independence	\$21,126,406	\$21,126,406	0.01%	0.01%
Deposit Account – Flint Security Deposit	Chase	\$3,825,436	\$3,825,436	1.23%	1.23%
Deposit Account	Chase	\$6,673,493	\$6,673,493	1.23%	1.23%
Trust Money Market Fund	U.S. Bank	\$234,242,358	\$234,242,358	2.73%	2.73%
Money Market Fund	JP Morgan	\$556,824	\$556,824	1.27%	1.27%
Local Government Investment Pool	GovMIC	\$505,155,768	\$505,155,768	2.97%	2.97%
Managed Funds	PFMAM	\$316,265,024	\$308,674,859	1.58%	3.88%
<u>SEPTEMBER 2022 TOTALS:</u>		<u>\$1,091,441,725</u>	<u>\$1,083,851,561</u>	<u>2.44%</u>	<u>3.09%</u>
<u>PREVIOUS QUARTER TOTALS:</u>		<u>\$799,243,536</u>	<u>\$792,576,633</u>	<u>0.90%</u>	<u>1.66%</u>

The accounts at Comerica Bank get an earnings credit to offset bank fees. The funds and earnings in the Retainage account are held on behalf of the contractors and do not belong to GLWA. The funds and earnings in the Flint Security Deposit account are held on behalf of the City of Flint and do not belong to GLWA. In addition to the above, there also exists surety bonds in the amount of \$321,909,258 as of 9/30/2022.

Investment Strategy

OVERALL STRATEGY

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

PORTFOLIO PERFORMANCE – CURRENT PERIOD*

- The overall portfolio’s original yield at cost went from 0.90% as of 6/30/2022 to 2.44% as of 9/30/2022.
- The total portfolio had a market yield of 3.09% at the end of September, compared to 1.66% as of June 30, 2022. Yield at market represents what the market would provide in return if the portfolio was purchased on September 30, 2022 (versus purchased in prior months / years). The higher yield at market is a result of the higher interest rate environment.
 - We utilize a variety of investment sectors, and because of that, this 3.09% yield at market as of 9/30/2022 is beneficial when compared to the 2.76% yield of the 3-Month U.S. Treasury Bill index, which is a comparable market indicator.

PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$1.7 million (unaudited) in income for fiscal year-to-date 2023 (as of 9/30/22) on a book value basis.
- The current period earnings are still in line with budgeted expectations, especially with more Federal Reserve interest rate hikes priced into the market.
- The FY 2023 total interest earnings projection forecast is currently \$17.4 million, consistent with the budget (\$1.8 million in bond funds and \$15.6 million in other funds).

** Yield at cost is based on the original cost of the individual investments from the purchase date to maturity. On the other hand, yield at market is calculated on a specific day (in this case, September 30, 2022) and assumes that all the securities in the portfolio are purchased given the market price/yield on that particular day. If one is to generally hold their investments to the stated maturity date, then the yield at cost would be the better number to use to gauge how the portfolio is performing.*

Summary Market Overview and Outlook

ECONOMIC HIGHLIGHTS UPDATE

- Inflation remains the headline issue as both key measures – CPI and PPI – came in hotter than expected. The consumer price index (“CPI”) rose by 8.2% year-over-year (“YoY”) through September, with key contributions from food, energy, transportation, and shelter costs. Despite the ongoing war in Ukraine, oil has fallen from \$120/barrel earlier in the year to about \$80/barrel, leading to lower gasoline prices. But lower energy prices have failed to cool down “core” CPI, which rose by 6.6% YoY, a new 40-year high for this cycle.
- U.S. economic growth declined at an annual pace of 0.6% in the second quarter of calendar year of 2022, the second consecutive quarter of negative real growth. Although third quarter growth is forecasted to increase by 2.3%, the Fed’s recently updated projections reflect expectations for weaker economic growth over the coming years, with projections for the full calendar year 2022 at just 0.2%, 2023 for 1.2%, and 2024 for 1.7%
- The U.S. labor market has remained strong, adding 263,000 new jobs in September and nearly 3.8 million jobs on the year. The unemployment rate ticked down to 3.5%, while the labor force participation rate improved. Wage growth remained elevated, as average hourly earnings increased by 5% over the past year.
- The housing market is feeling the impact of rising mortgage rates, which reached nearly 7% in September. Sales of existing homes fell to a 10-year low (outside of two months during the pandemic), while home prices – a notoriously lagging indicator – are starting to fall. On the consumer front, retail sales have slowed materially over the last three months.

ECONOMIC IMPACT ON PORTFOLIO

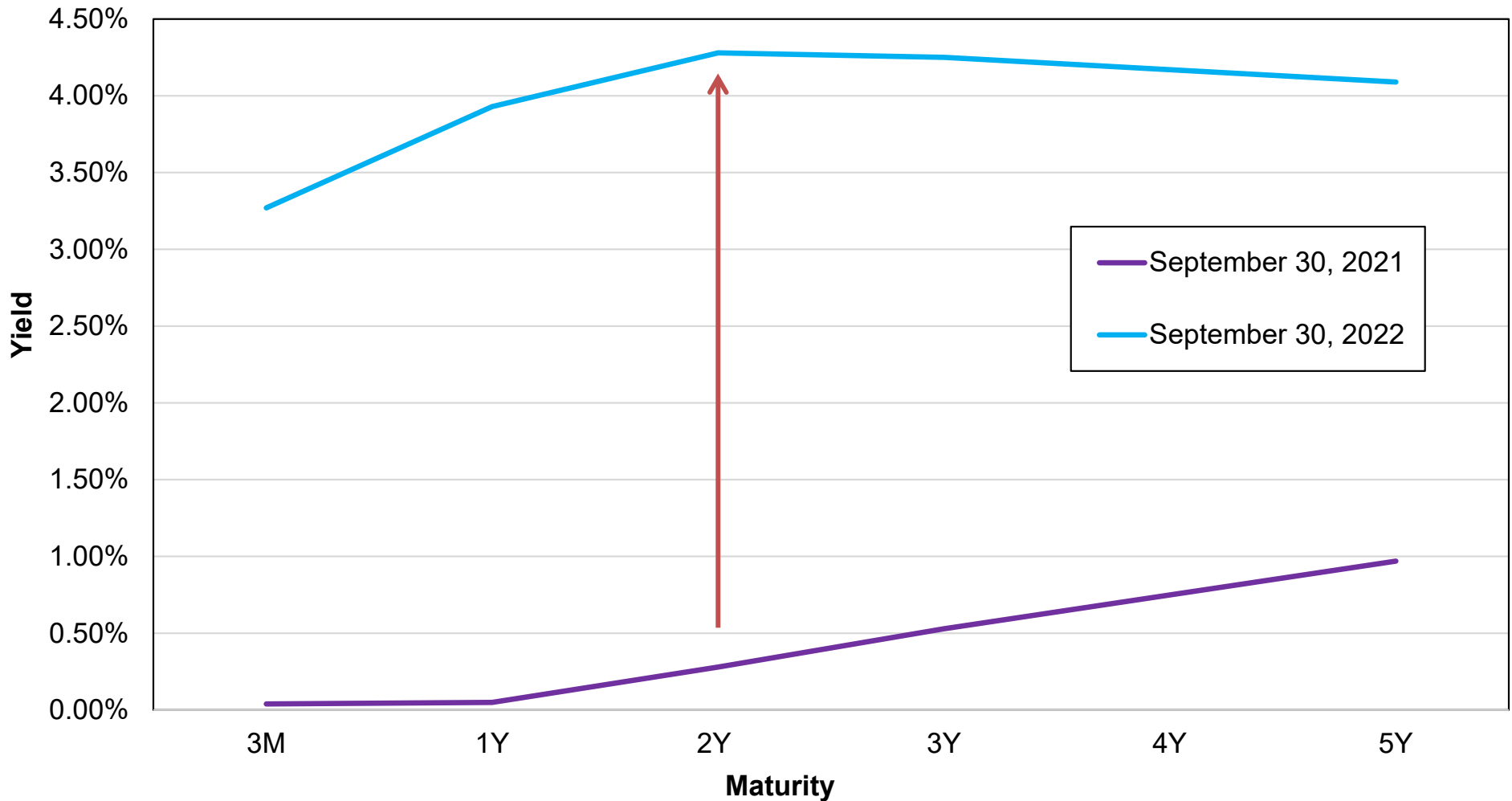
- Persistent inflation has left the U.S. Federal Reserve (the “Fed”) with little choice but to continue its path of aggressive interest rate hikes. As monetary policy moves further into restrictive territory, expectations of a “soft landing” have been grounded at the likely cost of weaker job creation and slower growth.
- Interest rate volatility has been a major theme for fixed-income markets in calendar year 2022 and is expected to remain elevated until there is more clarity regarding the path of inflation and the subsequent pace of Fed monetary policy tightening.
- U.S. Treasury yields continue to climb and test new multi-decade highs. The benchmark 6-month 2-year, and 10-year Treasury yields finished the quarter at 3.90%, 4.28%, and 3.83%, respectively.
- Portfolio Impact: Amid economic uncertainty, elevated bond market volatility, and the expectations for the Fed to continue to raise rates over the near term, we plan to maintain a modest defensive duration bias. While Federal Agency “bullet” securities continue to offer limited value, callable Agency structures remain attractive from a historical spread perspective. With coupons now above 5% on some structures, we will likely continue to nibble at the sector. Short-term credit instruments, including commercial paper, continue to offer exceptionally high yields with less rate sensitivity – and therefore less risk – than longer duration investments.

Summary Market Overview and Outlook

Treasury Yields Continue Their Upward Surge

- It should be noted that the last quarter saw U.S. Treasury yields continuing to climb, with their biggest multi-quarter rise in at least a quarter-century.

U.S. Treasury Yield Curve



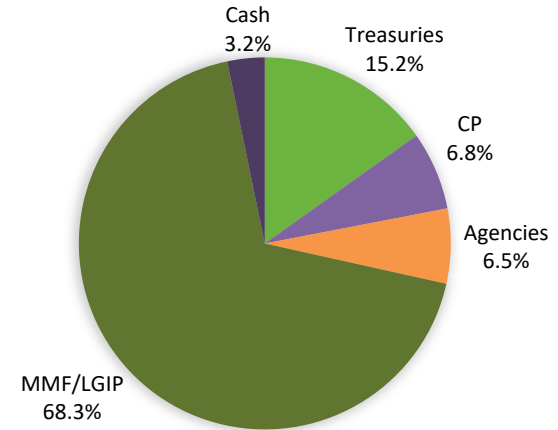
Portfolio Snapshot

Overall Portfolio Composition Summary

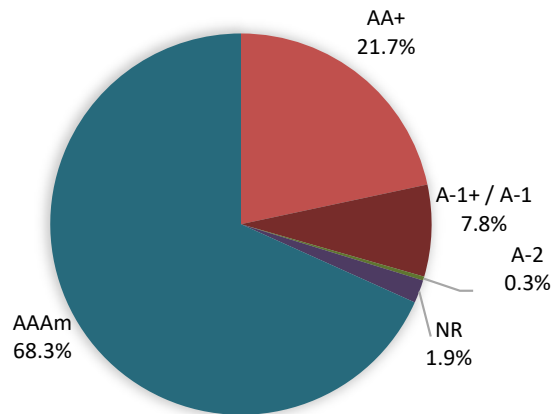
PORTFOLIO STATISTICS

Invested Amount	\$1.084 Billion
Duration	0.22 Years
Yield at Cost	2.44%
Yield at Market	3.09%

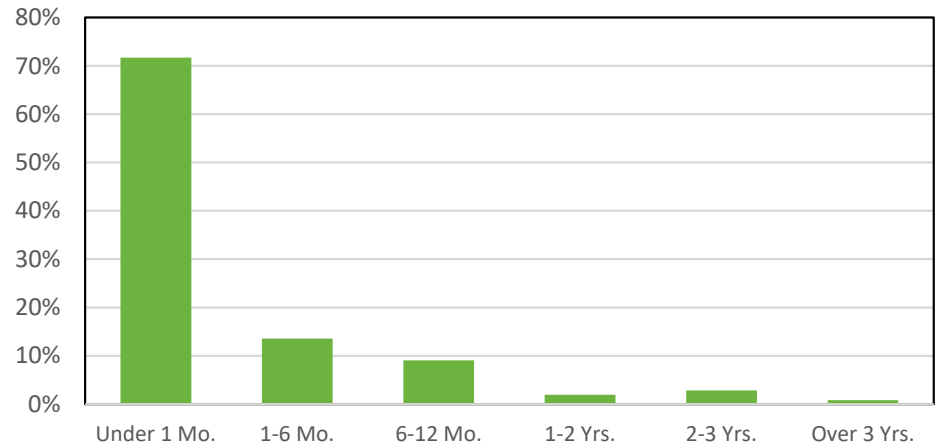
SECTOR ALLOCATION



CREDIT QUALITY



MATURITY DISTRIBUTION

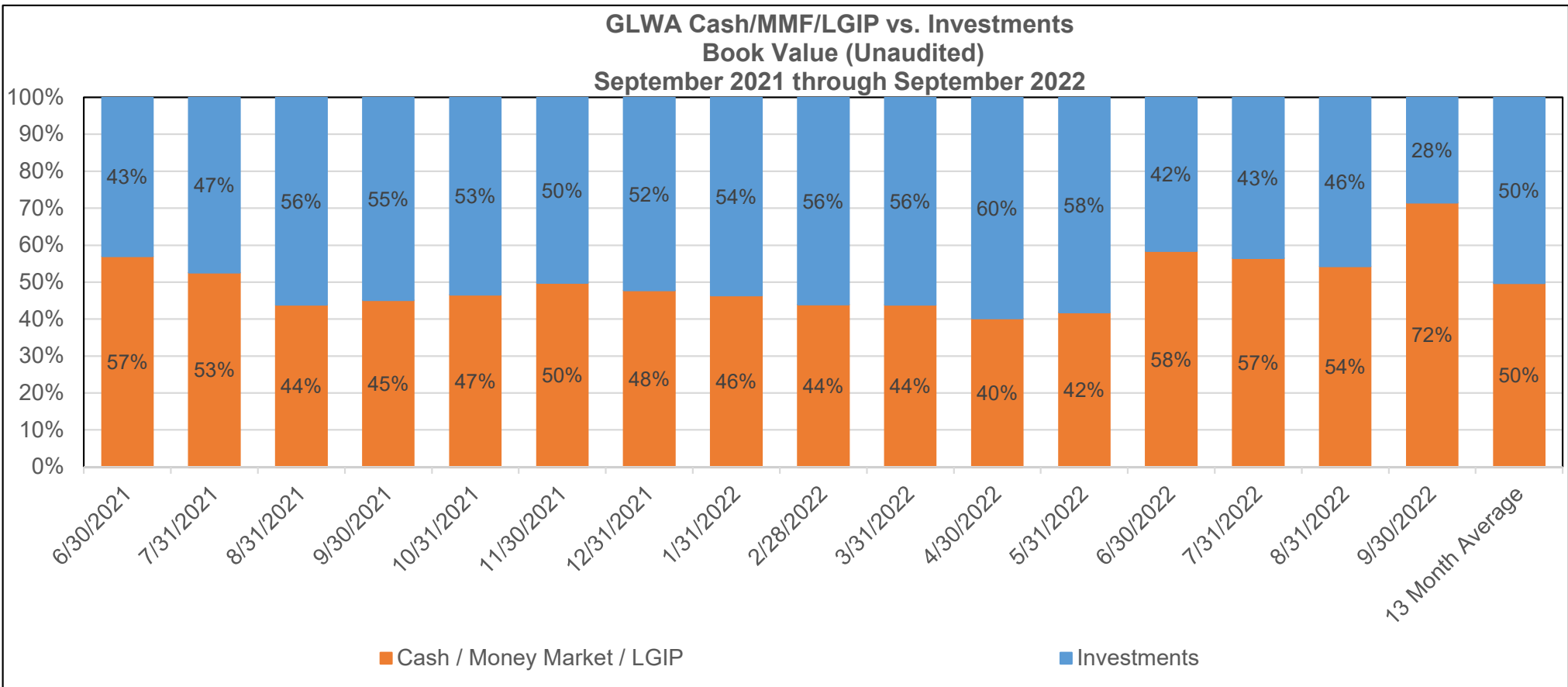


In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Snapshot

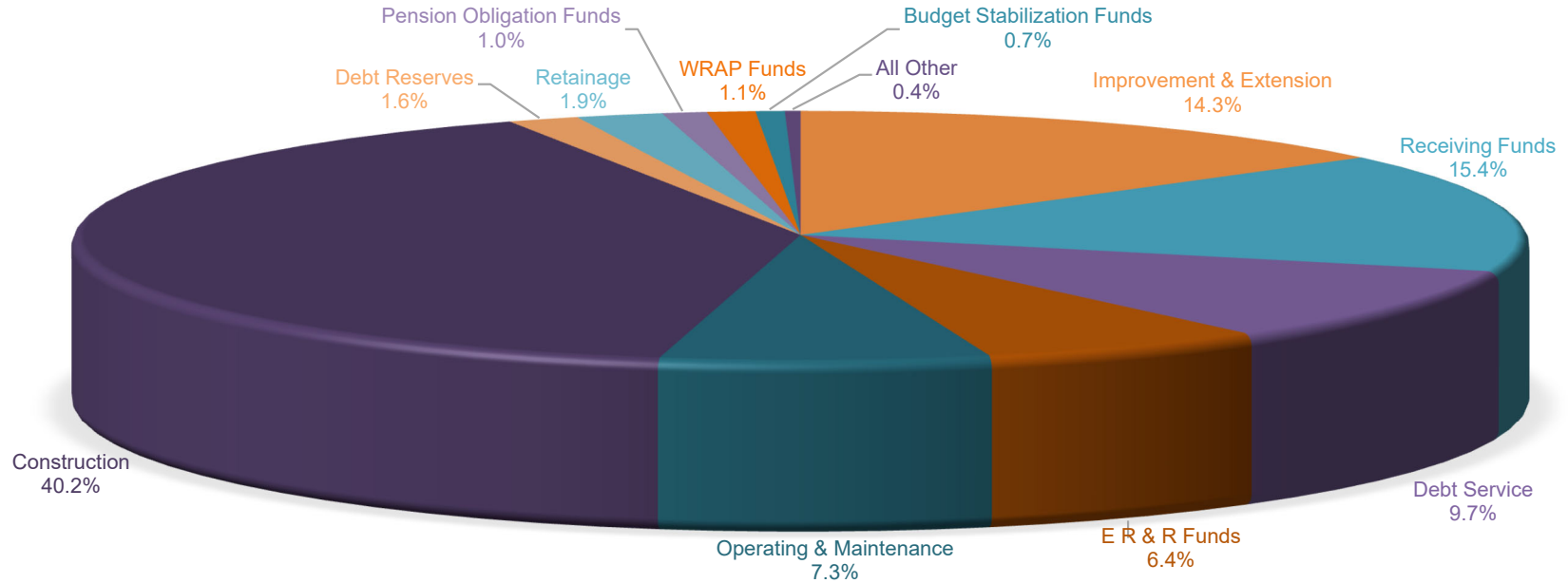
Portfolio Mix – Cash / Money Market vs. Investments

- GLWA’s liquidity requirements fluctuate each month based on operational requirements, capital funding, and debt payments. Based on a review of historical activity and refinement of cash flow projections, GLWA has continually tried to balance the allocation of the portfolio’s holdings to cash & money market accounts versus the allocation to investments for the portfolio holdings.
- The chart below compares the monthly allocation of the portfolio holdings to the 13-month average. The allocation between cash and investments will vary each month based on liquidity requirements. For September of 2022, 72% of the overall portfolio was invested in cash, LGIP, and/or overnight money market fund accounts. This is higher than usual due to the recent bond issue by GLWA that took place in September.



Portfolio Snapshot

Investments – By Account Purpose



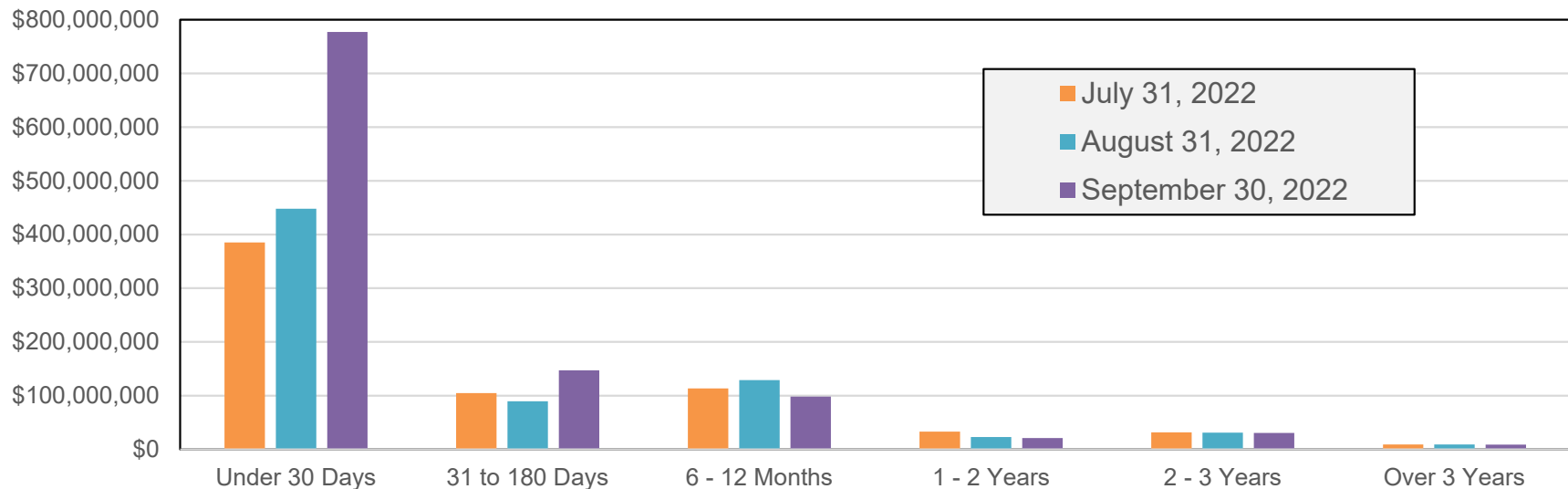
Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration
Construction	\$ 435,856,765	40.2%	2.96%	2.96%	0.003 Years
Receiving Funds (includes lockbox account)	\$ 166,934,183	15.4%	2.44%	2.44%	0.003 Years
Improvement & Extension	\$ 154,865,399	14.3%	1.83%	3.77%	0.364 Years
Debt Service	\$ 105,324,397	9.7%	3.12%	3.53%	0.230 Years
Operating & Maintenance	\$ 79,583,914	7.3%	2.74%	2.74%	0.003 Years
Extraordinary Repair & Replacement Funds	\$ 69,123,028	6.4%	0.52%	4.15%	1.639 Years
Retainage	\$ 21,126,406	1.9%	0.01%	0.01%	0.003 Years
Debt Reserves	\$ 17,364,998	1.6%	0.43%	4.17%	1.327 Years
WRAP Funds	\$ 11,800,657	1.1%	2.67%	3.50%	0.155 Years
Pension Obligation Funds	\$ 10,964,062	1.0%	3.12%	4.13%	0.680 Years
Budget Stabilization Funds	\$ 7,082,315	0.7%	0.44%	4.09%	1.536 Years
Flint Security Deposit Account	\$ 3,825,436	0.4%	1.23%	1.23%	0.003 Years
Total	\$ 1,083,851,561	100.0%	2.44%	3.09%	0.221 Years

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Snapshot

Investments – By Maturity

Maturity Distribution	July 31, 2022	%	August 31, 2022	%	September 30, 2022	%
Under 30 Days	\$ 385,135,290	56.8%	\$ 447,998,351	61.4%	\$ 777,282,900	71.7%
31 to 180 Days	104,841,676	15.5%	89,781,012	12.3%	147,338,561	13.6%
6 - 12 Months	113,534,379	16.8%	129,042,043	17.7%	98,385,804	9.1%
1 - 2 Years	33,241,073	4.9%	22,930,421	3.1%	21,176,058	2.0%
2 - 3 Years	31,633,713	4.7%	31,236,214	4.3%	30,750,891	2.8%
Over 3 Years	9,287,655	1.4%	9,101,713	1.2%	8,917,347	0.8%
Totals	\$ 677,673,785	100.0%	\$ 730,089,753	100.0%	\$ 1,083,851,561	100.0%



In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Snapshot

Investment Accounts – Yield at Cost & Market

	As of September 30, 2022		As of June 30, 2022	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
Bank Deposits				
Comerica	0.01%	0.01%	0.01%	0.01%
First Independence	0.01%	0.01%	0.01%	0.01%
Flint Deposit Account	1.23%	1.23%	0.26%	0.26%
JP Morgan Chase	1.23%	1.23%	0.30%	0.30%
Sub-Total Bank Deposits	0.37%	0.37%	0.12%	0.12%
Money Market Funds / LGIPs				
GoMIC	2.97%	2.97%	1.11%	1.11%
U.S. Bank - First American MMF	2.73%	2.73%	1.26%	1.26%
JP Morgan Securities - Blackrock MMF	1.27%	1.27%	0.44%	0.44%
Sub-Total MMF / LGIPs	2.89%	2.89%	1.16%	1.16%
Investment Portfolios				
Sewage SR Debt Serv 5403	3.18%	3.62%	0.76%	1.69%
Sewage SR Res 5400	0.32%	4.17%	0.29%	2.94%
Sewage 2nd Res 5481	4.17%	4.17%	0.00%	0.00%
Sew SRF Debt Serv 5410	3.12%	3.40%	1.12%	2.03%
Sewage ER & R	0.46%	4.19%	0.46%	2.96%
Sewer Improvement & Extension	0.91%	3.86%	0.91%	2.75%
Sewer Pension Obligation	3.19%	4.14%	0.00%	0.00%
Sewer Wrap Fund	2.70%	3.71%	1.26%	2.14%
Sewer Budget Stabilization Fund	0.44%	4.10%	0.44%	2.89%
Sewer O&M Pension Sub Account	3.06%	4.14%	0.00%	0.00%
Water SR Debt Ser 5503	3.10%	3.54%	0.58%	1.66%
Water SR Reserve 5500	0.70%	4.18%	0.27%	2.94%
Water 2nd Res 5581	4.18%	4.18%	0.00%	0.00%
Water SRF Debt Serv 5575	3.47%	4.02%	0.94%	1.97%
Water ER & R	0.45%	4.19%	0.45%	2.96%
Water Improvement & Extension	0.38%	3.98%	0.51%	2.78%
Water Pension Obligation	3.17%	4.14%	0.00%	0.00%
Water Wrap Fund	2.82%	3.60%	1.58%	2.13%
Water Budget Stabilization Fund	0.43%	4.07%	0.43%	2.87%
Water O&M Pension Sub Account	3.06%	4.14%	0.00%	0.00%
Sub-Total Investment Portfolios	1.58%	3.88%	0.67%	2.50%
Grand Total	2.44%	3.09%	0.90%	1.66%

The accounts at Comerica Bank get an earnings credit to offset bank fees. The earnings in the accounts at First Independence Bank is credited to the contractors and not the Authority. The funds in the Flint Security Deposit account are held on behalf of the City of Flint and the earnings do not belong to GLWA. YTM @ Cost is the expected return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis. YTM @ Market is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining until maturity, stated as a percentage, on an annualized basis.

Portfolio Snapshot

Peer Analysis Comparison

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

As of September 30, 2022				
	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
GLWA				
Great Lakes Water Authority	\$1,083,851,561	3.09%	0.22 Years	79 Days
Short/Intermediate-Term Indices				
S&P Rated Government Investment Pool Index		0.18%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		2.76%	0.15 Years	55 Days
BoA / ML 6-Month Treasury Index		3.59%	0.39 Years	142 Days
BoA / ML 1-Year Treasury Index		4.30%	0.90 Years	329 Days
BoA / ML 1-3 Year Treasury Index		4.29%	1.76 Years	642 Days
BoA / ML 1-5 Year Treasury Index		4.25%	2.48 Years	905 Days
Peer Analysis (Water Entities / Utilities)				
District of Columbia Water & Sewer Authority, DC	\$361,884,863	4.02%	0.87 Years	352 Days
DuPage Water Commission, IL	\$171,688,672	4.15%	2.06 Years	1,009 Days
Fairfax County Water Authority, VA	\$186,149,085	4.15%	1.85 Years	707 Days
Metro Wastewater Reclamation District, CO	\$245,915,172	4.15%	1.80 Years	730 Days
Metropolitan Water District of Southern California, CA	\$911,661,822	3.85%	0.79 Years	384 Days
Philadelphia Water Department, PA	\$197,176,270	4.24%	0.87 Years	332 Days
San Bernardino Valley Municipal Water District, CA	\$350,244,703	4.29%	1.57 Years	613 Days
Tohopekaliga Water Authority, FL	\$192,720,558	4.14%	1.69 Years	842 Days
Truckee Meadows Water Authority, NV	\$96,219,135	4.19%	1.90 Years	722 Days

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

Portfolio Snapshot

Monthly Investment Income

(Book Value in 000's)

FY 2022 INVESTMENT INCOME BY MONTH (Unaudited)

Month	Interest Earned During Period <i>(in thousands)</i>	Realized Gain / Loss <i>(in thousands)</i>	Investment Income <i>(in thousands)</i>
July 2022	\$567.7	(\$310.2)*	\$257.5
August 2022	\$807.7	\$0.0	\$807.7
September 2022	\$859.7	(\$192.9)*	\$666.9
<u>FY 2023 Y-T-D</u>	<u>\$2,235.2</u>	<u>\$503.0</u>	<u>\$1,732.1</u>

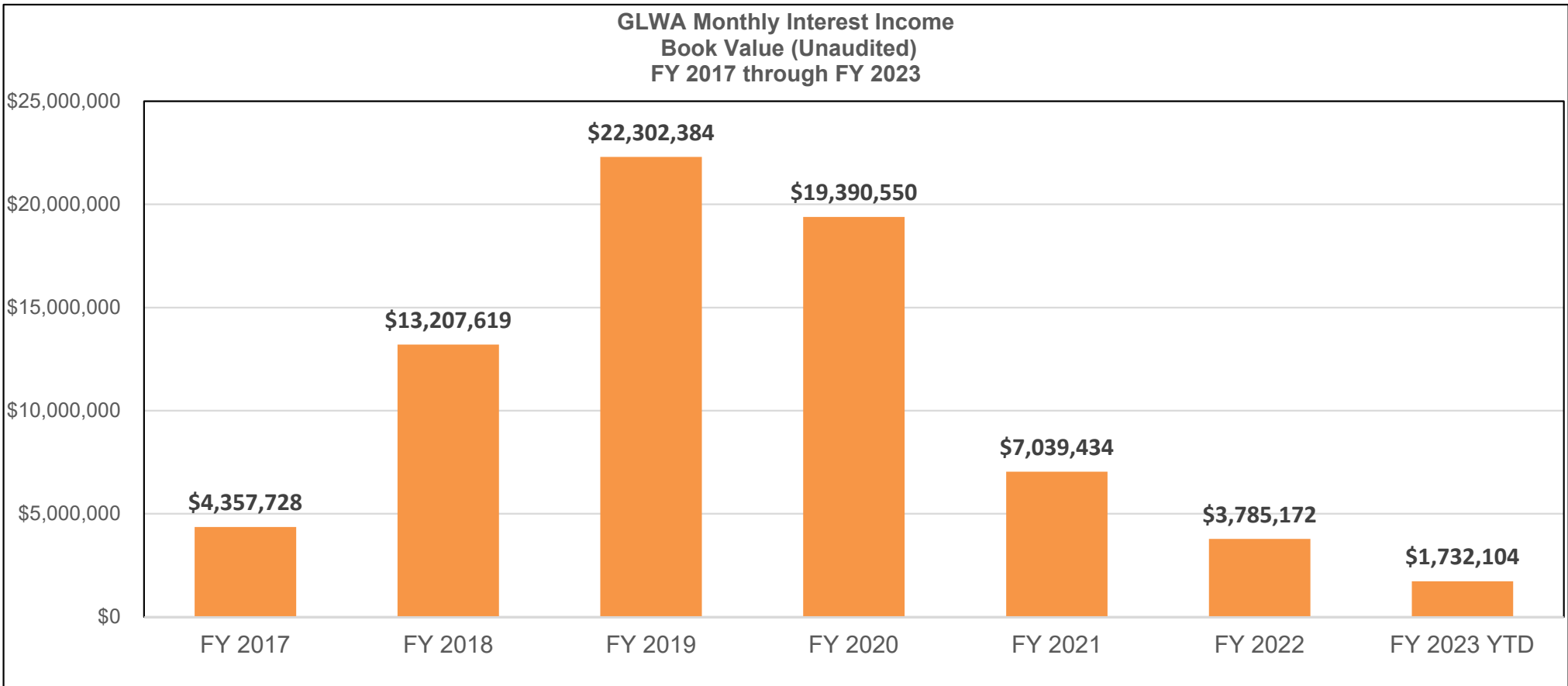
** The realized loss in July of 2022 was due to the sale of investments in the Water I&E account in anticipation of liquidity requirements. The realized loss in September of 2022 was due to the sale of investments to fund the Debt Service Reserve Fund ("DSRF") releases.*

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

Portfolio Snapshot

Year-Over-Year Investment Income

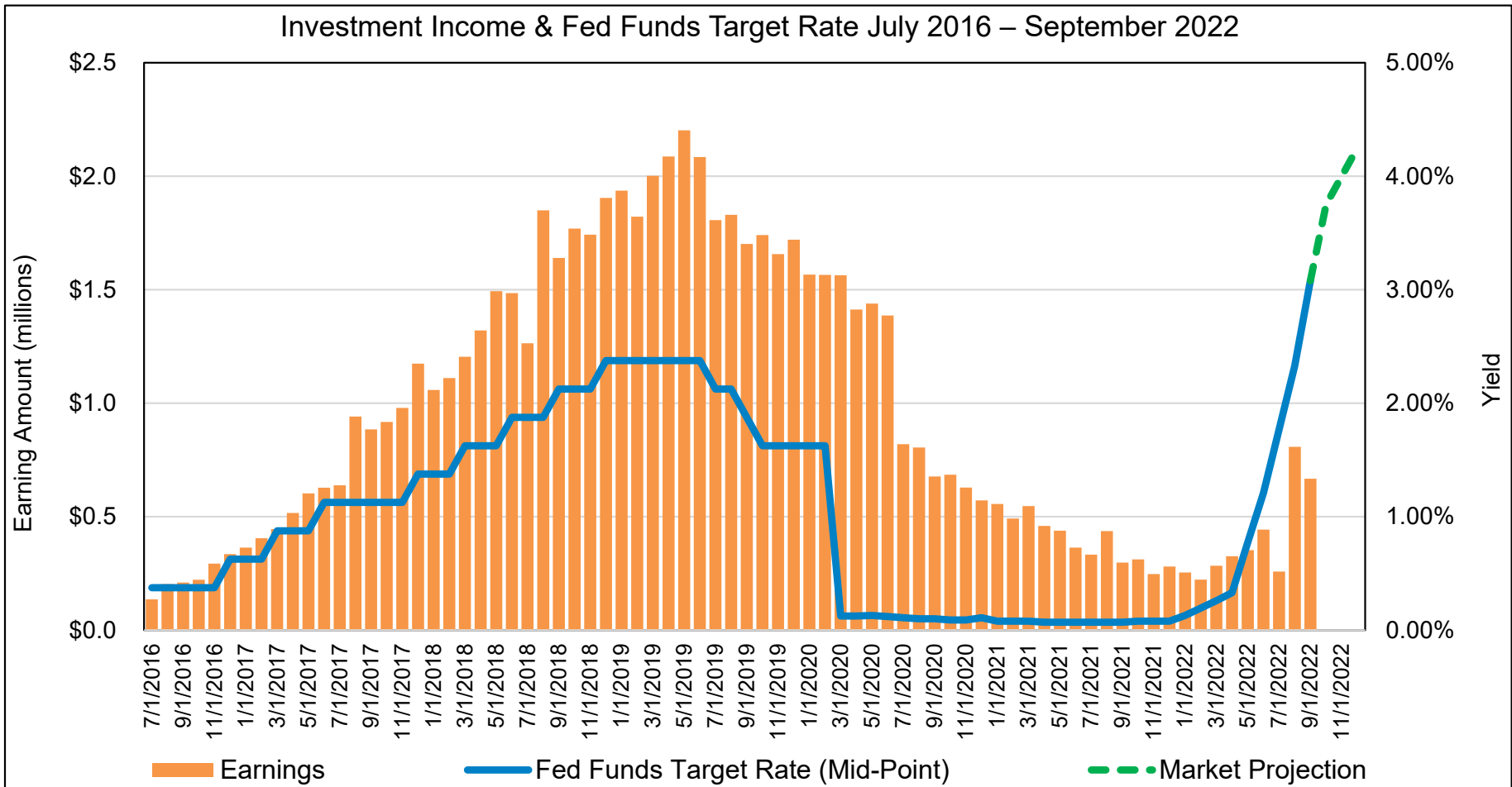
- GLWA earned \$1,732,104 in investment income for the first three months of fiscal year 2023 on a book value basis compared to \$1,066,611 for the first three months of fiscal year 2022.
- Based on current market assumptions and the addition of assets and proceeds from GLWA’s most recent bond fund issue, projected investment income for fiscal year 2023 is forecasted to be around \$17.4 million, as the market expects the overnight lending rate to continue to increase over the next few months.



Portfolio Snapshot

Monthly Investment Income Compared to Fed Funds Rate

- At least 50% of the GLWA portfolio is designated for obligations that are 12 months or less. As a result of the short-term duration of GLWA’s portfolio, it is heavily impacted by changes in the Fed Funds rate; the chart below shows that GLWA’s income has consistently followed the trend of the Fed Funds rate.
- The Federal Reserve raised its policy rate again in September, bringing the “summer of 75” to a close after three consecutive 75 basis point hikes. With more hikes in the cards, the Fed’s own projections call for rates in the 4.25% to 4.50% by calendar year-end, with perhaps one more 0.25% hike in early 2023. Based on the historical trend, this will translate into higher interest earnings and investment income for GLWA in fiscal year 2023 and beyond.



Appendix I: Portfolio Holdings

Portfolio Holdings As of September 30, 2022

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
<u>Short-Term Bank Deposits / MMF / LGIP</u>									
COMERICA BANK		\$ 3,596,417	10/1/2022	9/30/2022	0.01%	\$ 3,596,417	1	\$ -	\$ 3,596,417
FIRST INDEPENDENCE BANK		21,126,406	10/1/2022	9/30/2022	0.01%	21,126,406	1	-	21,126,406
FLINT DEPOSIT ACCOUNT		3,825,436	10/1/2022	9/30/2022	1.23%	3,825,436	1	-	3,825,436
JP MORGAN CHASE		6,673,493	10/1/2022	9/30/2022	1.23%	6,673,493	1	-	6,673,493
GovMIC		505,155,768	10/1/2022	9/30/2022	2.97%	505,155,768	1	-	505,155,768
U.S. BANK - FIRST AMERICAN MMF		234,242,358	10/1/2022	9/30/2022	2.73%	234,242,358	1	-	234,242,358
JP MORGAN SECURITIES - BLACKROCK MMF		556,824	10/1/2022	9/30/2022	1.27%	556,824	1	-	556,824

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Holdings As of September 30, 2022

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Commercial Paper									
Barclays US 0 12/30/2022	06744GHP0	\$ 7,600,000	12/30/2022	8/4/2022	3.21%	\$ 7,500,955	91	\$ -	\$ 7,530,688
Starbird Funding Corp 0 12/19/2022	85520MMK6	12,250,000	12/19/2022	7/14/2022	3.14%	12,083,332	80	-	12,152,245
Sumitomo Mitsubishi Trust 0 12/29/2022	86563HMV9	7,875,000	12/29/2022	8/8/2022	3.21%	7,775,838	90	-	7,804,046
MetLife Short Term 0 3/17/2023	59157UQH6	855,000	3/17/2023	8/4/2022	3.47%	836,831	168	-	838,148
MUFG Bank LTD NY 0 3/10/2023	62479MQA4	400,000	3/10/2023	7/5/2022	3.28%	391,155	161	-	392,452
BPCE 0 11/1/2022	05571CL17	1,100,000	11/1/2022	7/5/2022	2.67%	1,090,364	32	-	1,097,250
Collat CP Co 0 1/30/2023	19423KNW0	1,100,000	1/30/2023	9/1/2022	3.59%	1,083,667	122	-	1,085,524
Collat CP Co 0 10/3/2022	19424JK39	1,100,000	10/3/2022	6/7/2022	1.89%	1,093,222	3	-	1,100,000
LMA Americas LLC 0 12/2/2022	53944RM21	1,100,000	12/2/2022	8/5/2022	3.13%	1,088,728	63	-	1,093,730
Barclays US 0 12/30/2022	06744GHP0	7,600,000	12/30/2022	8/4/2022	3.21%	7,500,955	91	-	7,530,688
BPCE 0 12/19/2022	05571CMK4	5,875,000	12/19/2022	7/22/2022	3.21%	5,797,401	80	-	5,828,118
Skandinav Enskilda Bank 0 12/19/2022	83050UMK1	12,500,000	12/19/2022	7/21/2022	3.19%	12,334,844	80	-	12,400,250
Sumitomo Mitsubishi Trust 0 12/29/2022	86563HMV9	8,155,000	12/29/2022	8/8/2022	3.21%	8,052,313	90	-	8,081,523
Collat CP Co 0 1/30/2023	19423KNW0	1,050,000	1/30/2023	9/1/2022	3.59%	1,034,409	122	-	1,036,182
MUFG Bank LTD NY 0 3/10/2023	62479MQA4	650,000	3/10/2023	7/5/2022	3.28%	635,626	161	-	637,735
CitiGroup Global Markets 0 4/27/2023	17327BRT4	1,100,000	4/27/2023	8/1/2022	3.66%	1,070,739	209	-	1,072,247
Collat CP Co 0 11/30/2022	19424JLW4	1,050,000	11/30/2022	6/7/2022	2.30%	1,038,347	61	-	1,044,215
Credit Suisse NY 0 1/5/2023	2254EBN56	1,050,000	1/5/2023	7/5/2022	3.09%	1,033,685	97	-	1,039,091
MUFG Bank LTD NY 0 10/4/2022	62479MK44	1,025,000	10/4/2022	4/4/2022	1.49%	1,017,279	4	-	1,024,918
National Australia Bank 0 11/1/2022	63254FL13	1,050,000	11/1/2022	5/4/2022	2.02%	1,039,442	32	-	1,047,375

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Holdings As of September 30, 2022

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Federal Agencies									
FHLMC 0.375 5/5/2023	3137EAER6	\$ 6,000,000	5/5/2023	6/5/2020	0.38%	\$ 6,000,060	217	\$ 9,063	\$ 5,866,680
FNMA 0.25 5/22/2023	3135G04Q3	10,000,000	5/22/2023	6/5/2020	0.36%	9,968,400	234	8,889	9,759,900
FNMA 0.25 7/10/2023	3135G05G4	1,250,000	7/10/2023	7/16/2020	0.29%	1,248,425	283	694	1,212,588
FHLMC 0.375 5/5/2023	3137EAER6	14,650,000	5/5/2023	6/5/2020	0.38%	14,650,147	217	22,128	14,324,477
FNMA 0.25 5/22/2023	3135G04Q3	25,000,000	5/22/2023	6/5/2020	0.36%	24,921,000	234	22,222	24,399,750
FNMA 0.25 7/10/2023	3135G05G4	1,650,000	7/10/2023	7/16/2020	0.29%	1,647,921	283	917	1,600,616
FNMA 0.25 5/22/2023	3135G04Q3	240,000	5/22/2023	6/5/2020	0.35%	239,292	234	213	234,238
FHLB 0 12/19/2022	313385T71	3,500,000	12/19/2022	9/7/2022	2.98%	3,470,459	80	-	3,474,555
FNMA 0.25 5/22/2023	3135G04Q3	3,400,000	5/22/2023	6/5/2020	0.35%	3,389,970	234	3,022	3,318,366
FNMA 0.25 5/22/2023	3135G04Q3	670,000	5/22/2023	6/5/2020	0.35%	668,024	234	596	653,913
FNMA 0.25 5/22/2023	3135G04Q3	5,750,000	5/22/2023	6/5/2020	0.35%	5,733,038	234	5,111	5,611,943

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Holdings As of September 30, 2022

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
U.S. Treasuries									
T-Note 0 8/15/2023	912833LM0	\$ 10,500,000	8/15/2023	2/7/2020	1.41%	\$ 9,992,745	319	\$ -	\$ 10,134,705
T-Note 0.5 3/15/2023	912828ZD5	10,000,000	3/15/2023	3/16/2020	0.58%	9,977,344	166	2,072	9,848,800
T-Note 1.5 1/15/2023	912828Z29	15,000,000	1/15/2023	2/7/2020	1.39%	15,045,703	107	47,079	14,916,600
T-Note 0.5 3/15/2023	912828ZD5	5,025,000	3/15/2023	3/16/2020	0.58%	5,013,615	166	1,041	4,949,022
T-Note 0.125 1/15/2024	91282CBE0	260,000	1/15/2024	1/25/2021	0.18%	259,563	472	68	246,441
T-Note 0.125 10/31/2022	91282CAR2	200,000	10/31/2022	5/27/2021	0.10%	200,063	31	104	199,598
T-Note 0.25 3/15/2024	91282CBR1	125,000	3/15/2024	3/15/2021	0.33%	124,712	532	13	117,876
T-Note 0.375 12/31/2025	91282CBC4	250,000	12/31/2025	1/25/2021	0.43%	249,287	1,188	234	221,065
T-Note 0.375 4/30/2025	91282ZL7	125,000	4/30/2025	3/11/2021	0.61%	123,789	943	195	113,228
T-Note 0.5 3/15/2023	912828ZD5	250,000	3/15/2023	3/16/2020	0.59%	249,336	166	52	246,220
T-Note 1.375 1/31/2025	912828Z52	280,000	1/31/2025	12/6/2021	0.94%	283,773	854	638	262,259
T-Note 1.5 10/31/2024	912828YM6	130,000	10/31/2024	5/27/2021	0.42%	134,773	762	811	122,932
T-Note 1.625 10/31/2023	912828T91	130,000	10/31/2023	5/27/2021	0.20%	134,489	396	878	126,324
T-Note 1.75 12/31/2024	912828YY0	1,100,000	12/31/2024	8/30/2021	0.49%	1,145,719	823	4,813	1,042,250
T-Note 2.625 12/31/2023	9128285U0	775,000	12/31/2023	7/14/2022	3.11%	769,642	457	5,086	758,895
T-Note 2.625 6/30/2023	9128284U1	3,250,000	6/30/2023	8/30/2021	0.19%	3,394,727	273	21,328	3,214,835
T-Note 0.125 12/31/2022	91282CBD2	11,900,000	12/31/2022	9/7/2022	3.12%	11,789,832	92	3,719	11,803,015
T-Note 2.125 12/31/2022	912828N30	5,600,000	12/31/2022	7/14/2022	2.77%	5,583,375	92	29,750	5,581,016
T-Note 0.125 1/15/2024	91282CBE0	3,420,000	1/15/2024	1/25/2021	0.18%	3,414,255	472	895	3,241,647
T-Note 0.375 12/31/2025	91282CBC4	3,400,000	12/31/2025	1/25/2021	0.43%	3,390,305	1,188	3,188	3,006,484
T-Note 0.375 4/30/2025	912828ZL7	2,400,000	4/30/2025	8/24/2021	0.59%	2,381,531	943	3,742	2,173,968
T-Note 0.375 7/15/2024	91282CCL3	1,345,000	7/15/2024	8/23/2021	0.42%	1,343,266	654	1,055	1,255,840
T-Note 0.5 3/15/2023	912828ZD5	3,410,000	3/15/2023	3/16/2020	0.59%	3,400,942	166	706	3,358,441
T-Note 1.375 1/31/2025	912828Z52	3,346,000	1/31/2025	12/7/2021	0.95%	3,390,570	854	7,626	3,133,997
T-Note 1.5 10/31/2024	912828YM6	3,300,000	10/31/2024	5/28/2021	0.42%	3,421,301	762	20,580	3,120,579
T-Note 1.625 10/31/2023	912828T91	3,300,000	10/31/2023	5/28/2021	0.20%	3,414,082	396	22,295	3,206,676
T-Note 0.25 6/15/2023	912828ZU7-2	710,000	6/15/2023	7/5/2022	2.82%	693,082	258	519	690,919
T-Note 0.25 6/15/2023	912828ZU7-2	520,000	6/15/2023	8/4/2022	3.10%	507,488	258	380	506,025
T-Note 0.25 6/15/2023	912828ZU7-1	515,000	6/15/2023	9/2/2022	3.34%	502,789	258	376	501,162

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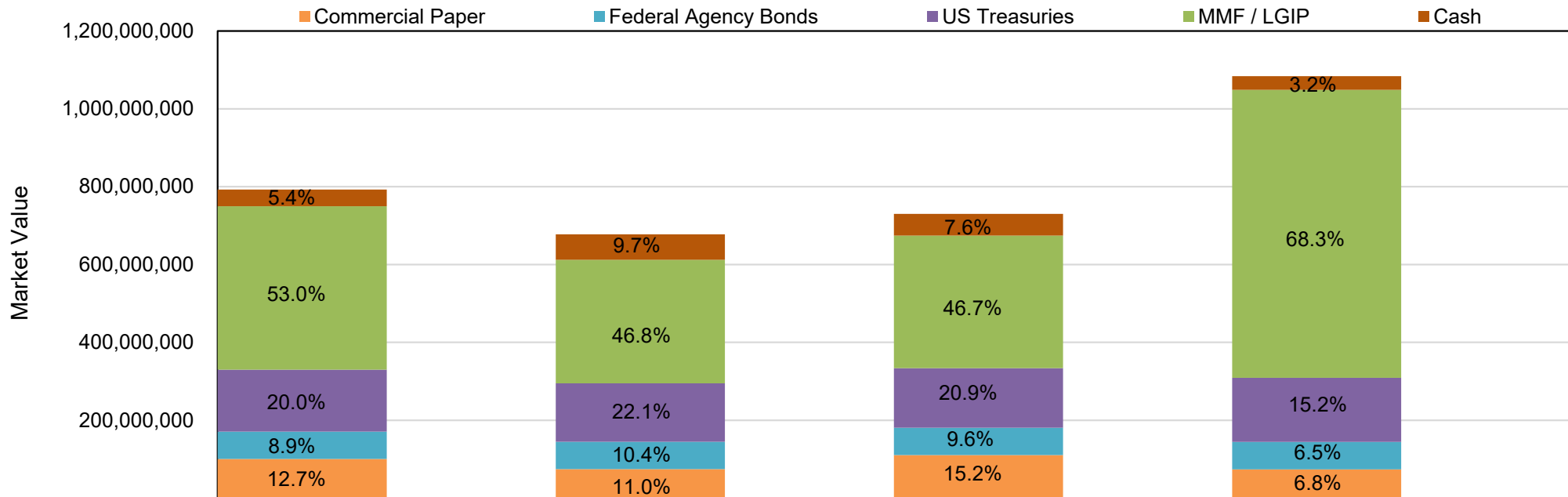
Portfolio Holdings As of September 30, 2022

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
U.S. Treasuries									
T-Note 0.25 6/15/2023	912828ZU7-1	485,000	6/15/2023	7/5/2022	2.83%	473,405	258	354	471,968
T-Note 0.25 6/15/2023	912828ZU7-1	900,000	6/15/2023	8/4/2022	3.12%	878,203	258	658	875,817
T-Note 0.25 6/15/2023	912828ZU7-1	925,000	6/15/2023	9/2/2022	3.34%	903,067	258	676	900,145
T-Note 0.125 1/15/2024	91282CBE0	695,000	1/15/2024	1/25/2021	0.18%	693,833	472	182	658,756
T-Note 0.125 10/31/2022	91282CAR2	425,000	10/31/2022	5/27/2021	0.10%	425,133	31	221	424,146
T-Note 0.25 3/15/2024	91282CBR1	340,000	3/15/2024	3/15/2021	0.33%	339,216	532	35	320,623
T-Note 0.375 12/31/2025	91282CBC4	685,000	12/31/2025	1/25/2021	0.43%	683,047	1,188	642	605,718
T-Note 0.375 4/30/2025	91282ZL7	350,000	4/30/2025	3/11/2021	0.61%	346,609	943	546	317,037
T-Note 0.5 3/15/2023	91282ZD5	688,000	3/15/2023	3/16/2020	0.59%	686,173	166	143	677,597
T-Note 1.375 1/31/2025	91282Z52	740,000	1/31/2025	12/6/2021	0.94%	749,973	854	1,687	693,114
T-Note 1.5 10/31/2024	91282YM6	450,000	10/31/2024	5/27/2021	0.42%	466,523	762	2,806	425,534
T-Note 1.625 10/31/2023	91282T91	425,000	10/31/2023	5/27/2021	0.20%	439,676	396	2,871	412,981
T-Note 1.75 12/31/2024	91282YY0	5,550,000	12/31/2024	8/30/2021	0.49%	5,780,672	823	24,281	5,258,625
T-Note 2.625 6/30/2023	9128284U1	7,125,000	6/30/2023	8/30/2021	0.19%	7,442,285	273	46,758	7,047,908
T-Note 0.125 12/31/2022	91282CBD2	11,685,000	12/31/2022	9/7/2022	3.12%	11,576,822	92	3,652	11,589,767
T-Note 0.125 12/31/2022	91282CBD2	4,000,000	12/31/2022	9/7/2022	3.12%	3,962,969	92	1,250	3,967,400
T-Note 0.125 1/15/2024	91282CBE0	5,790,000	1/15/2024	1/25/2021	0.18%	5,780,275	472	1,514	5,488,052
T-Note 0.375 12/31/2025	91282CBC4	5,750,000	12/31/2025	1/25/2021	0.43%	5,733,604	1,188	5,391	5,084,495
T-Note 0.375 4/30/2025	91282ZL7	3,965,000	4/30/2025	8/24/2021	0.59%	3,934,488	943	6,182	3,591,576
T-Note 0.5 3/15/2023	91282ZD5	5,765,000	3/15/2023	3/16/2020	0.59%	5,749,687	166	1,194	5,677,833
T-Note 1.375 1/31/2025	91282Z52	5,664,000	1/31/2025	12/7/2021	0.95%	5,739,446	854	12,909	5,305,129
T-Note 1.5 10/31/2024	91282YM6	5,500,000	10/31/2024	5/28/2021	0.42%	5,702,168	762	34,300	5,200,965
T-Note 1.625 10/31/2023	91282T91	5,500,000	10/31/2023	5/28/2021	0.20%	5,690,137	396	37,159	5,344,460
T-Note 0.25 6/15/2023	912828ZU7-2	1,275,000	6/15/2023	7/5/2022	2.82%	1,244,619	258	932	1,240,734
T-Note 0.25 6/15/2023	912828ZU7-2	925,000	6/15/2023	8/4/2022	3.10%	902,742	258	676	900,141
T-Note 0.25 6/15/2023	912828ZU7-1	925,000	6/15/2023	9/2/2022	3.34%	903,067	258	676	900,145
T-Note 0.25 6/15/2023	912828ZU7-1	470,000	6/15/2023	7/5/2022	2.83%	458,764	258	344	457,371
T-Note 0.25 6/15/2023	912828ZU7-1	1,240,000	6/15/2023	8/4/2022	3.12%	1,209,969	258	906	1,206,681
T-Note 0.25 6/15/2023	912828ZU7-1	1,270,000	6/15/2023	9/2/2022	3.34%	1,239,887	258	928	1,235,875

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Snapshot

Investments – By Security Type

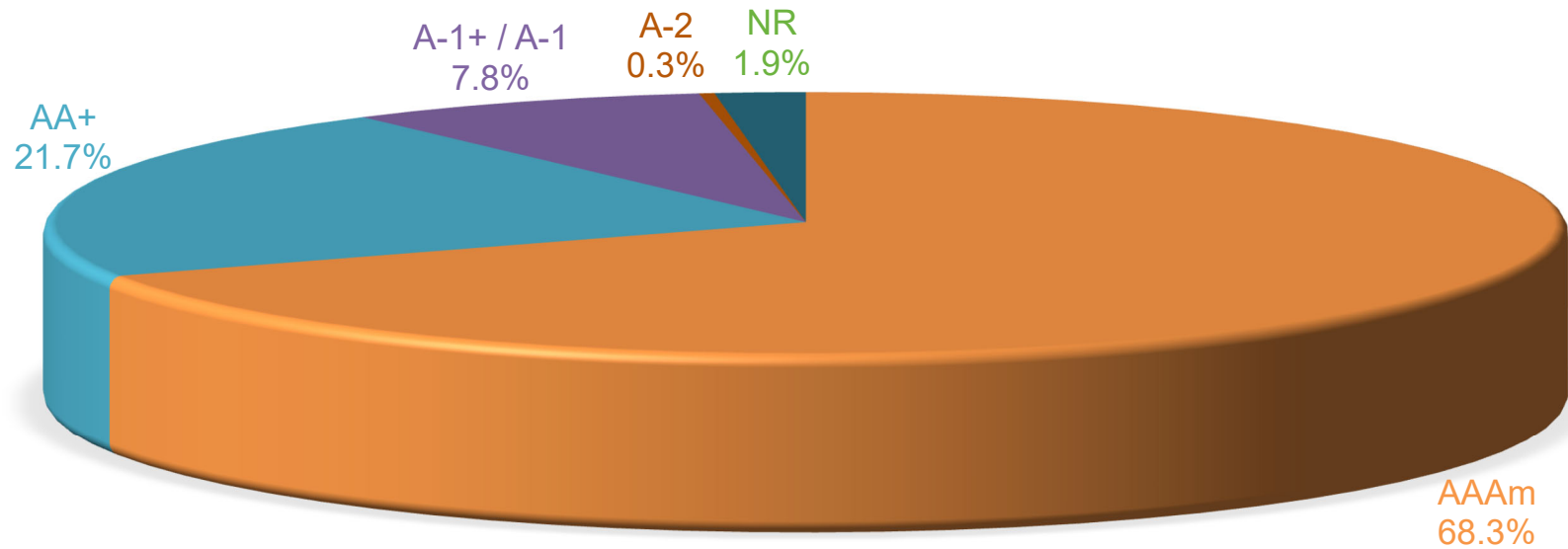


Security Type	June		July		August		September	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	100,728,265	12.7%	74,411,000	11.0%	110,624,125	15.2%	73,827,505	6.8%
Federal Agencies	70,183,237	8.9%	70,326,565	10.4%	70,276,193	9.6%	70,501,408	6.5%
U.S. Treasuries	158,764,067	20.0%	149,925,176	22.1%	152,686,958	20.9%	164,364,067	15.2%
MMF / LGIP	420,056,654	53.0%	317,432,720	46.8%	340,701,371	46.7%	739,954,950	68.3%
Cash	42,844,410	5.4%	65,578,324	9.7%	55,801,106	7.6%	35,203,631	3.2%
Total	792,576,633	100.0%	677,673,785	100.0%	730,089,753	100.0%	1,083,851,561	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Portfolio Snapshot

Investments – By Credit Quality



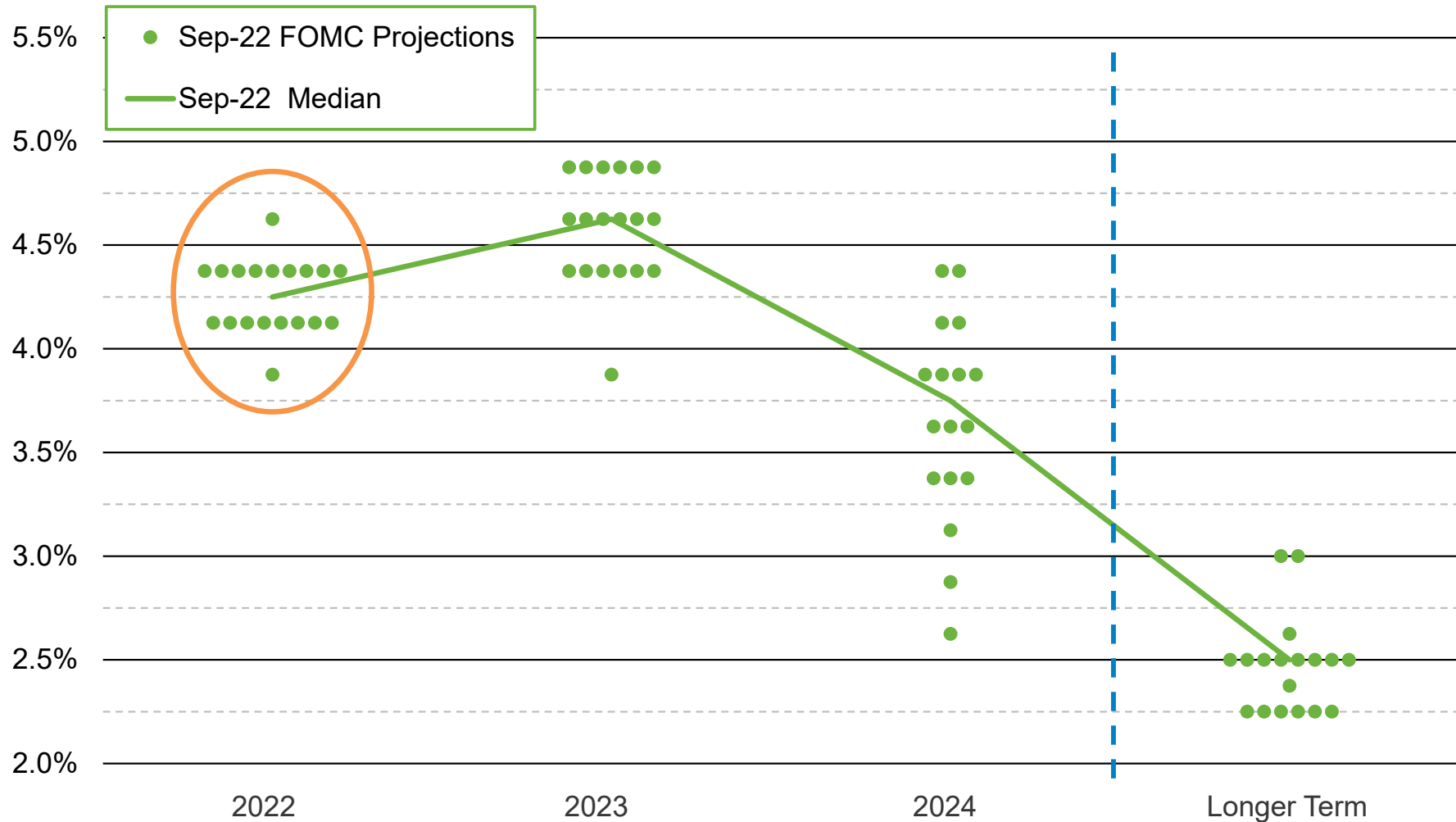
Credit Quality	Market Value	Asset Allocation
Ratings		
AAAm	739,954,950	68.3%
AA+	234,838,436	21.7%
A-1 + / A-1	84,335,353	7.8%
A-2	3,596,417	0.3%
NR	21,126,406	1.9%
Totals	1,083,851,561	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$321,909,258 as of September 30, 2022.

Appendix II: Economic Update

Federal Reserve Officials Project Elevated Rates Through the End of 2023

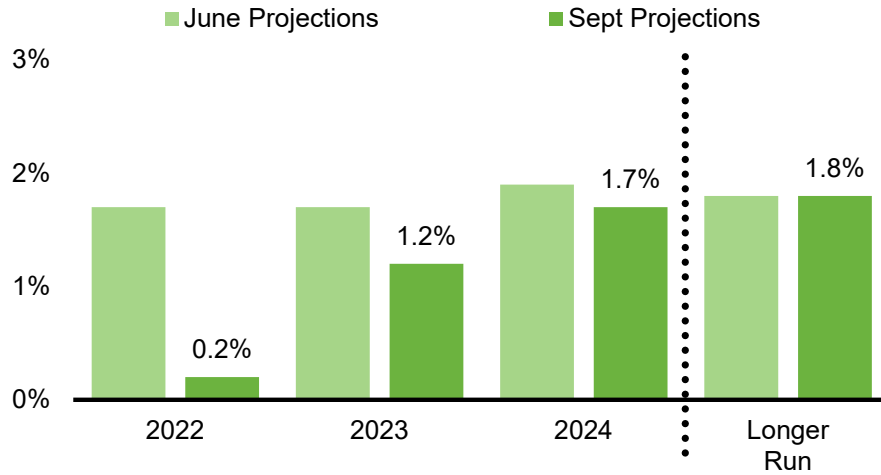
Fed Participants' Assessments of 'Appropriate' Monetary Policy



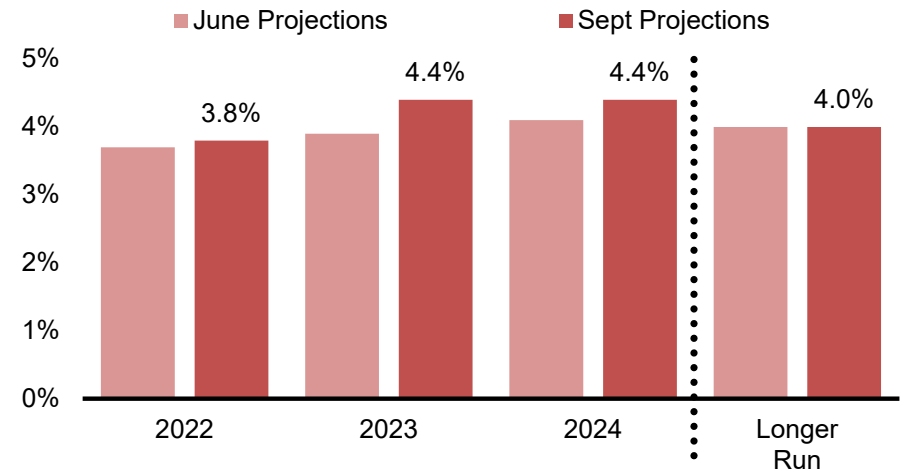
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

Fed's Projections Reflect Weaker Economic Growth and Extended Timeline for Tighter Policy

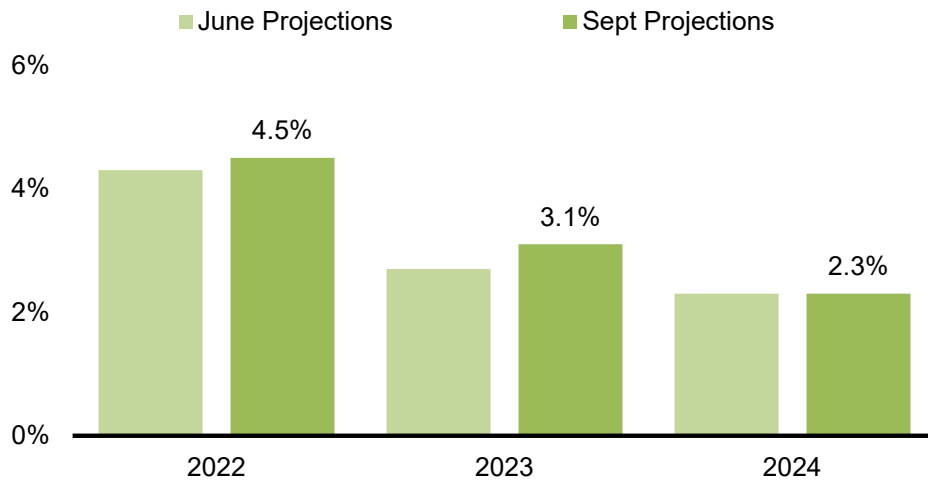
Change in Real GDP



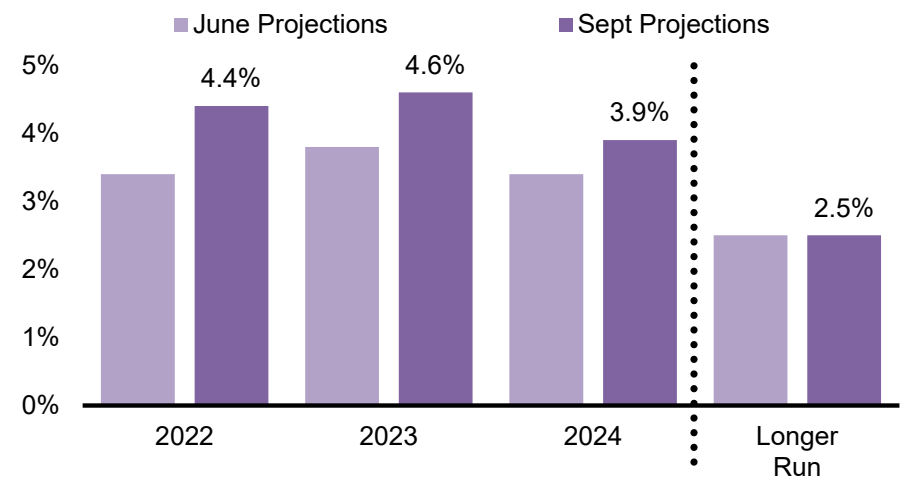
Unemployment Rate



Core PCE Inflation



Federal Funds Rate



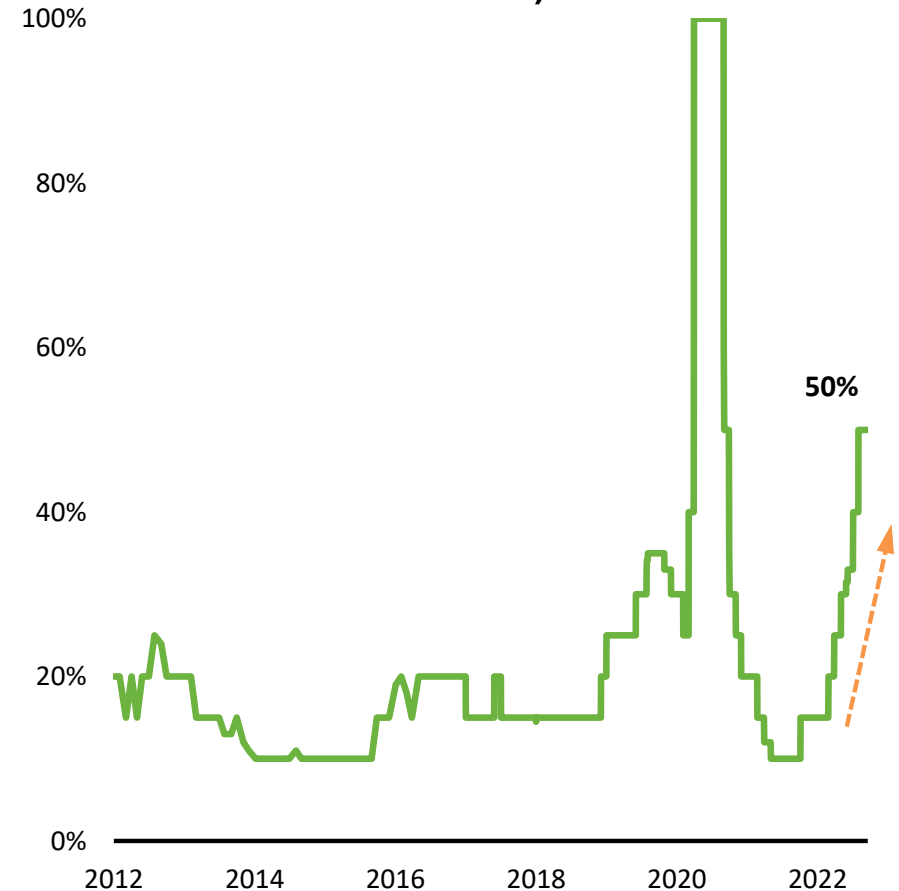
Source: Federal Reserve, latest economic projections as of September 2022.

Uncertainty Grows Around Economic Outlook; While Consumer Holds Firm

GDP Contributors

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
U.S. Real GDP	2.3%	6.9%	-1.6%	-0.6%
<i>Personal Consumption</i>	1.4%	1.8%	1.2%	1.0%
<i>Fixed Investment</i>	-0.2%	0.5%	1.3%	-0.9%
<i>Private Inventories</i>	2.2%	5.3%	-0.4%	-1.8%
<i>Net Exports</i>	-1.3%	-0.2%	-3.2%	1.4%
<i>Gov't Expenditures</i>	0.2%	-0.5%	-0.5%	-0.3%

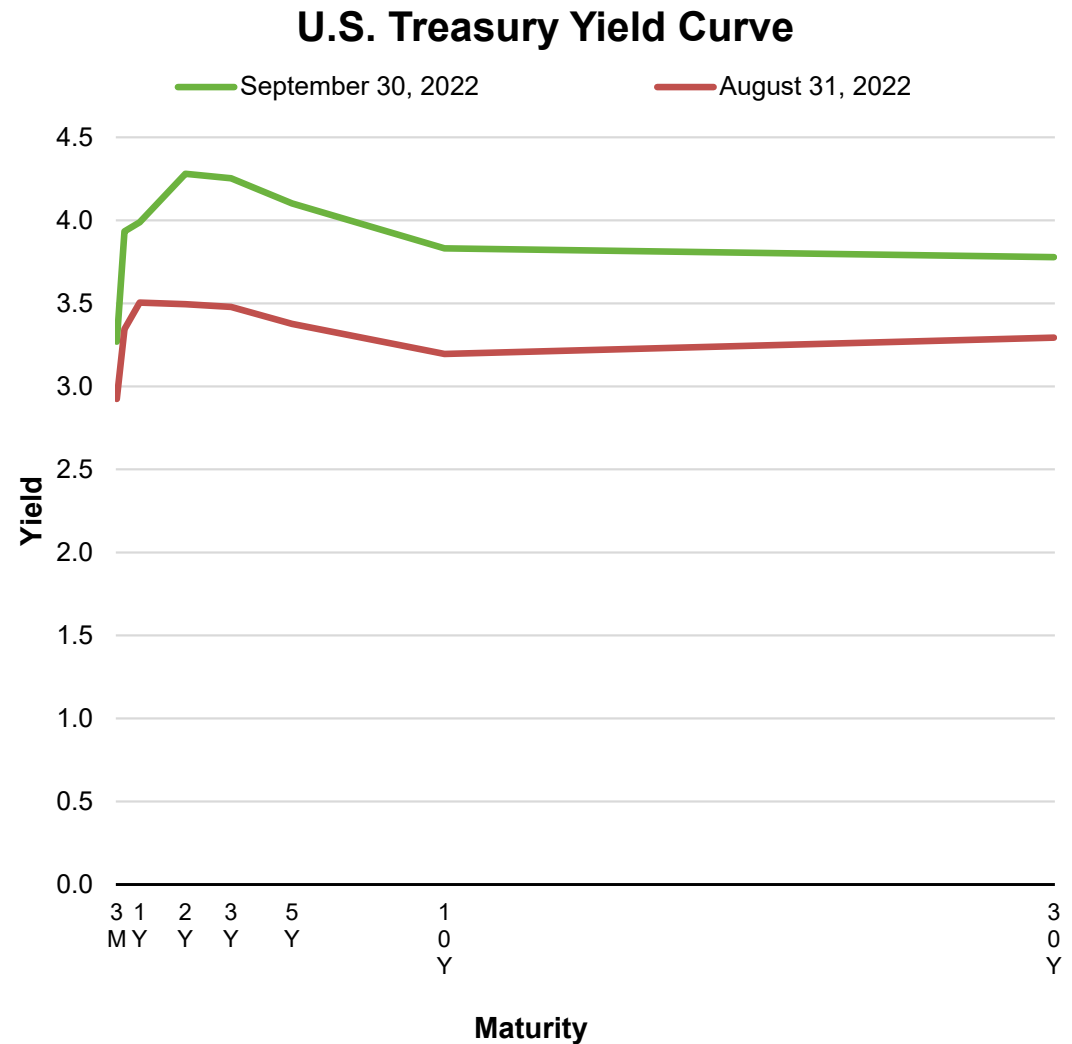
**U.S. 1-Year Recession Probability
 (Bloomberg Median Economist
 Forecast)**



Source: Bloomberg, as of September 2022.

The Fed's Actions Continued to Drive Treasury Yields Up

	08/31/2022	09/30/2022	Change
3 month	2.93%	3.27%	0.35%
6 month	3.35%	3.93%	0.59%
1 year	3.51%	3.99%	0.48%
2 year	3.50%	4.28%	0.79%
3 year	3.48%	4.25%	0.78%
5 year	3.38%	4.10%	0.73%
10 year	3.20%	3.83%	0.64%
30 year	3.29%	3.78%	0.49%



Source: Bloomberg, as of 08/31/2022 and 09/30/2022, as indicated.

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- In the past quarter, U.S. economy were characterized by:
 - Persistently high inflation despite recent energy price declines
 - A deteriorating housing market
 - Continued personal consumption that is impacting household savings and balance sheets
 - Worsening economic outlook that is propped up by a strong labor market

- The Federal Reserve has committed to a heavy-handed policy
 - Expectations have shifted from a soft landing to a moderate / hard landing, with increased recession risks
 - Short-term Fed Funds rate projected to reach 4.25% to 4.50% by year-end
 - Increased pace of quantitative tightening

- Rapidly rising rates negatively impacting valuations and inducing market volatility
 - Yields across the curve have reached their highest levels in fourteen years
 - Treasury yield curve remains inverted, but less so compared to the previous quarter
 - Elevated volatility across all major asset classes

- Interest rates surged in reaction to the Fed’s aggressive rate hikes designed to combat inflation as the U.S. dollar index (“DXY”) had its second strongest year on record and the 10-year U.S. Treasury experienced its largest net yield gain in 35 years
 - Aggressive interest rate hikes by the Fed has led to rising Treasury yields and two-decade-high mortgage rates
 - The market has also seen further weakening of the credit markets and an increasing recession probability

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- The third quarter of calendar year 2022 saw two more aggressive Fed interest rate hikes of 0.75% each – one in July and the other in September
 - The Federal Funds rate now stands at a target range of 3.00% – 3.25%, the highest level since 2008
 - Prior to this cycle, the Fed had not raised its flagship policy rate by 0.75% in any single move since 1994, underscoring its steadfast resolve to fight persistent inflation
 - By quarter-end, the futures market implied that the Fed Funds rate would reach a peak terminal rate of around 4.50% by February or March of 2023

- On the heels of the Fed rate hikes, yields on U.S. Treasuries continued their relentless ascent higher
 - The yield on the 10-year Treasury rose to 3.83% by quarter-end, an increase of 81 basis points (0.81%) from June 30th
 - The 2-year Treasury yield ended the quarter even higher at 4.28%, up 132 basis points (1.32%) from 2.96% at the start of the quarter
 - The yield curve inverted early in the quarter, with the inversion reaching the deepest level since 1982 in September

- The Bloomberg recession probability index, which measures the chance of an economic recession in the U.S. over the next year, has risen to 50%
 - Growth in Europe is an even more serious emerging concern, considering the impact of elevated European natural gas prices headed into winter

- The current economic outlook is for persistently elevated inflation along with expectations for more Fed rate hikes
 - The most recent final results has shown that consumer sentiment has and will continue to improve slightly, reflecting the strong jobs market and falling gasoline prices

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Financial Services Audit Committee Communication

Date: November 18, 2022

To: Great Lakes Water Authority Audit Committee

From: Madison Merzlyakov, Affordability & Assistance Manager

Re: Affordability & Assistance Update

Background: In 2021, an Affordability & Assistance Team was created within GLWA's Financial Services Area. The team serves as the internal and external resource for strategic policies and programs related to water affordability and assistance.

Analysis: This month we present an update on multiple initiatives the Affordability & Assistance Team have been focused on, including expanding partnerships for the Water Residential Assistance Program (WRAP), the rollout of recently approved WRAP improvements, and an update on a refreshed WRAP Quarterly Report.

Expanding WRAP Partnerships

The Affordability & Assistance Team is excited to share the progress made to bring United Way of Southeast Michigan (UWSEM) on board as the program administrator for WRAP in Oakland County. This is just one of the efforts GLWA is making to increase participation and fund utilization of the program. In June 2022, Wayne Metropolitan Community Action Agency (Wayne Metro) stepped in as the temporary WRAP administrator for Oakland County communities, while work to engage with UWSEM began.

Since that time, GLWA, UWSEM and Wayne Metro have met regularly to make this a successful transition. Meetings during the summer months served as training sessions to allow Wayne Metro to demonstrate how the program works, how to manage participants, and how to best engage with municipalities. Today, the organizations have established working groups to complete the individual tasks laid out in the project plan. Concurrently, GLWA and UWSEM finalized the scope of work for the program administrator contract for UWSEM to assume administrative responsibility for Oakland County in December 2022 and are currently engaging in the procurement process. The Audit Committee will continue to receive updates regarding this effort.

WRAP Improvements

Last month the WRAP improvements that were approved by the GLWA Board of Directors in June 2022 took effect. These changes included:

- Providing WRAP as a core service, thereby removing the need for communities to opt-in or out
- Determining bill credits that are based on household income, referred to as the WRAP Income Based Plan (IBP)
- Emphasizing case management and direct client assistance

GLWA has coordinated with Wayne Metro and Macomb Community Action (MCA) to work through the details of these changes and establish a rollout plan. Qualified households applying for WRAP this month will be enrolled in WRAP IBP. Households that are already in WRAP will also be able to take advantage of WRAP IBP.

A Virtual WRAP Update Meeting for GLWA Member Partners was held October 27, 2022, with the purpose of explaining these program improvements and how they impact our member partners and their residents. Over 100 participants engaged in the meeting. Next steps include connecting with individual Member Partners, to walk through what the program changes mean for their specific community.

WRAP Quarterly Report

The Affordability & Assistance Team, alongside Public Sector Consultants have been evaluating the Quarterly WRAP Report that is shared with the Audit Committee. Team members have updated metrics and developed new formatting to better tell the story of WRAP and evaluate the program's success. These changes will enable the report to be more widely shared with Member Partners and the public. The Audit Committee can expect to review the FY 2023 First Quarterly Report in the new format at the December Audit Committee Meeting.

Other Updates

- GLWA has engaged Plante Moran to work with BS&A to understand the challenges Member Partners may face when administering WRAP in their communities and explore potential solutions. We are grateful to the communities that volunteered their time to walk us through their current processes and will provide additional updates as they become available.
- The Member Partner WRAP Advisory Panel has played a key role in providing insight on how to better engage Member Partners in outreach efforts for WRAP. Multiple opportunities for the Affordability & Assistance team to share at community board

and council meetings have resulted from the panel discussions. Updates on these opportunities will be included in future quarterly reports.

Proposed Action: Receive and file this report.



The Semiannual Debt Report includes the following:

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

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

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

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

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

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

Key Takeaways

- ✓ The purpose of this report is to provide a resource for stakeholders and to support management decisions as capital financing needs evolve.
- ✓ GLWA continues to enhance transparency by including the Debt Summary Report in the Audit Committee Binder biannually.
- ✓ GLWA has fifteen active State Revolving Fund (SRF) loans, ten for water and five for sewer. On behalf of DWSD, GLWA is administering five projects for water and two for sewer.
- ✓ Existing proceeds from special revenue bonds are depleted. This means that all capital projects as of the date of this report utilize Improvement & Extension funds, except for SRF funded projects.
- ✓ Looking ahead, GLWA completed a revenue bond transaction in September 2022 to support capital needs over the next two years in accordance with the approved capital improvement plan.
- ✓ Other key items of interest include the following balances as of June 30, 2022.

As of June 30, 2022 (\$ Millions)		
	Water	Sewer
FY 2023 Approved SRF Projects - Table 5	\$143.8	\$144.3
DWSD Obligation Receivable - Table 6	\$548.8	\$376.6
GLWA Outstanding Debt - Table 8	\$2,238.3	\$2,819.4

Look Ahead - Five Year Capital Financing Plan

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

Table 1 is based on the FY 2023 and FY 2024 Biennial Budget adopted by the GLWA Board of Directors and the related Five-Year Financial Plan (FY 2023 through FY 2027). It should be noted existing proceeds from special revenue bonds are depleted as of the date of this report. This means that all capital projects are being funded with Improvement & Extension (I&E) funds, except for SRF funded projects.

Looking ahead, GLWA closed on a revenue bond transaction in September 2022 to support capital needs over the subsequent two years in accordance with the approved capital improvement plan. This transaction provided \$450 million in additional funding with \$225 million supporting the water system and \$225 million supporting the sewer system.

Table 2 is based on the current, local system CIP presented to the DWSD's Board of Water Commissioners at its June 1, 2022 Finance Committee meeting. It is important to note the amounts represented in Revenue Bonds reflect the anticipated par amount of the bonds to be issued and not the net proceeds needed to support the capital plan.

Table 1 - GLWA Projected Bond Financing FY 2023 – FY 2027

Projected Funding Needs for Regional System					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water					
Revenue Bonds	\$ 225,000,000	\$ -	\$ 272,000,000	\$ -	\$ 277,000,000
SRF loan draws	\$ 54,992,000	\$ 59,446,000	\$ 21,442,000	\$ 2,400,000	\$ 22,505,000
Total projected funding Water	\$ 279,992,000	\$ 59,446,000	\$ 293,442,000	\$ 2,400,000	\$ 299,505,000
Sewer					
Revenue Bonds	\$ 225,000,000	\$ -	\$ 131,000,000	\$ -	\$ 146,000,000
SRF loan draws	\$ 18,720,000	\$ 10,247,000	\$ 9,785,000	\$ 15,357,000	\$ 7,198,000
Total projected funding Sewer	\$ 243,720,000	\$ 10,247,000	\$ 140,785,000	\$ 15,357,000	\$ 153,198,000

Table 2 - DWSD Projected Bond Financing FY 2023 – FY 2027

Projected Funding Needs for Local System					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
SRF loan draws	\$ 23,064,000	\$ 11,100,000	\$ 15,000,000	\$ 8,000,000	\$ -
Total projected funding Water	\$ 23,064,000	\$ 11,100,000	\$ 15,000,000	\$ 8,000,000	\$ -
Sewer					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
SRF loans draws	\$ 24,750,000	\$ 14,050,000	\$ -	\$ -	\$ -
Total projected funding Sewer	\$ 24,750,000	\$ 14,050,000	\$ -	\$ -	\$ -

Note: Information presented is as of June 30, 2022. FY 2023 information has been updated to reflect par value of the September 2022 water and sewer revenue bond transactions.

Existing Debt

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

Table 3 – Debt Ratings by System provides a summary of the debt ratings assigned in August 2022 in advance of the most recent bond refinancing and new money issuance in August 2022.

Current Debt Ratings			
	S&P Global Ratings	Moody's Investors Service	Fitch Ratings
Water Supply System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Positive	Stable
Sewage Disposal System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Positive	Postive

Debt Allocation: GLWA has over \$2.4 billion in water system debt and nearly \$2.9 billion in sewer system debt for a combined total of over \$5.3 billion. Debt within each system is prioritized according to its security interest, or lien category, with senior lien debt having the highest security interest, followed by second lien and finally junior lien.

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

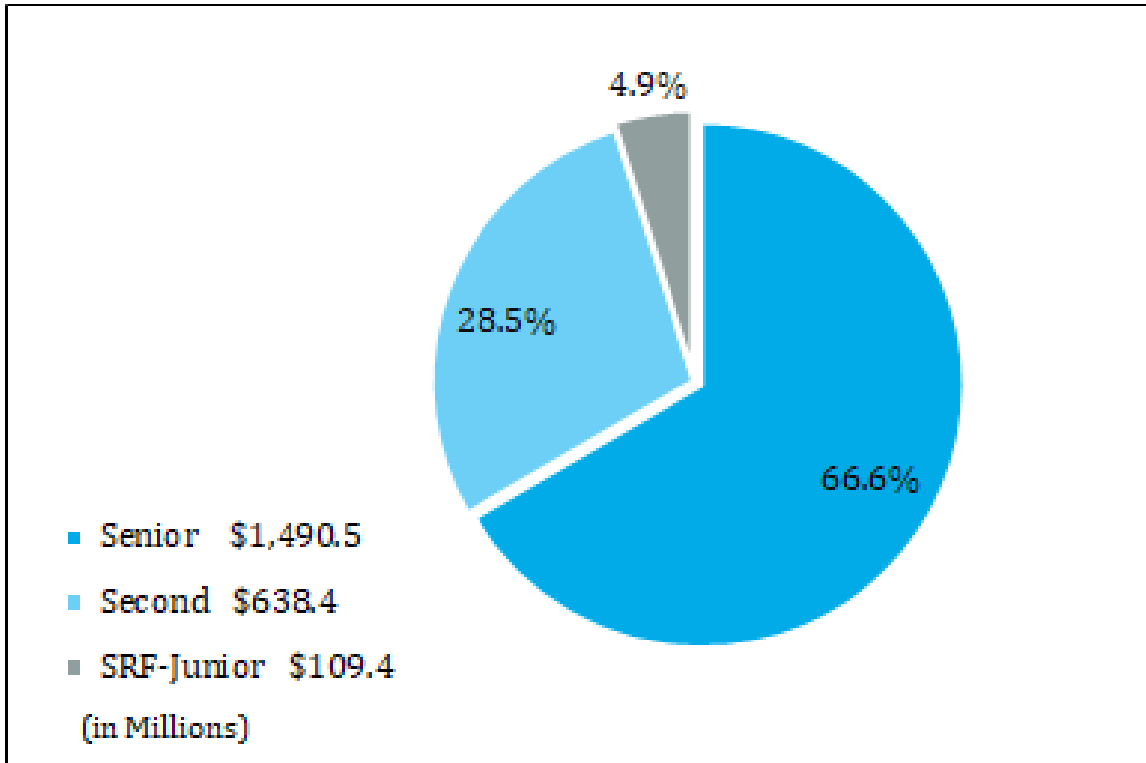


Chart 2 - Debt Type by Lien - Sewer provides a breakdown of the total sewer system debt for both the regional and local systems by lien type.

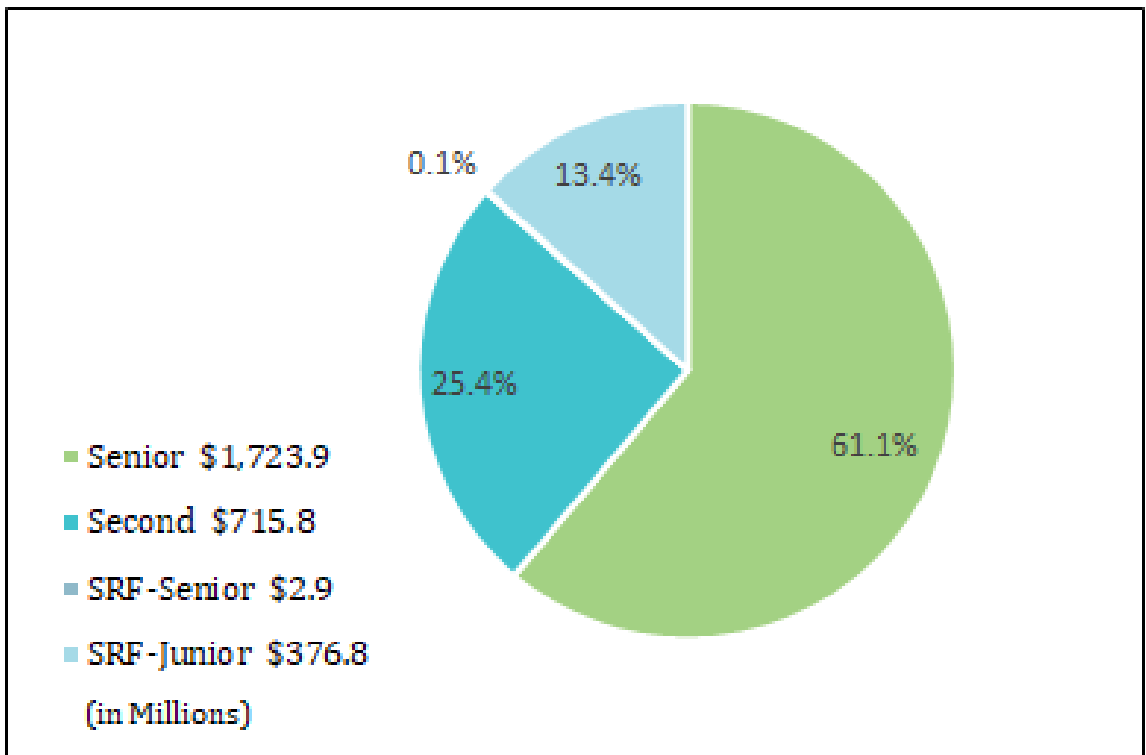


Chart 3 – Annual Debt Service Payments by Lien – Water provides the annual debt service installment requirements for each fiscal year.

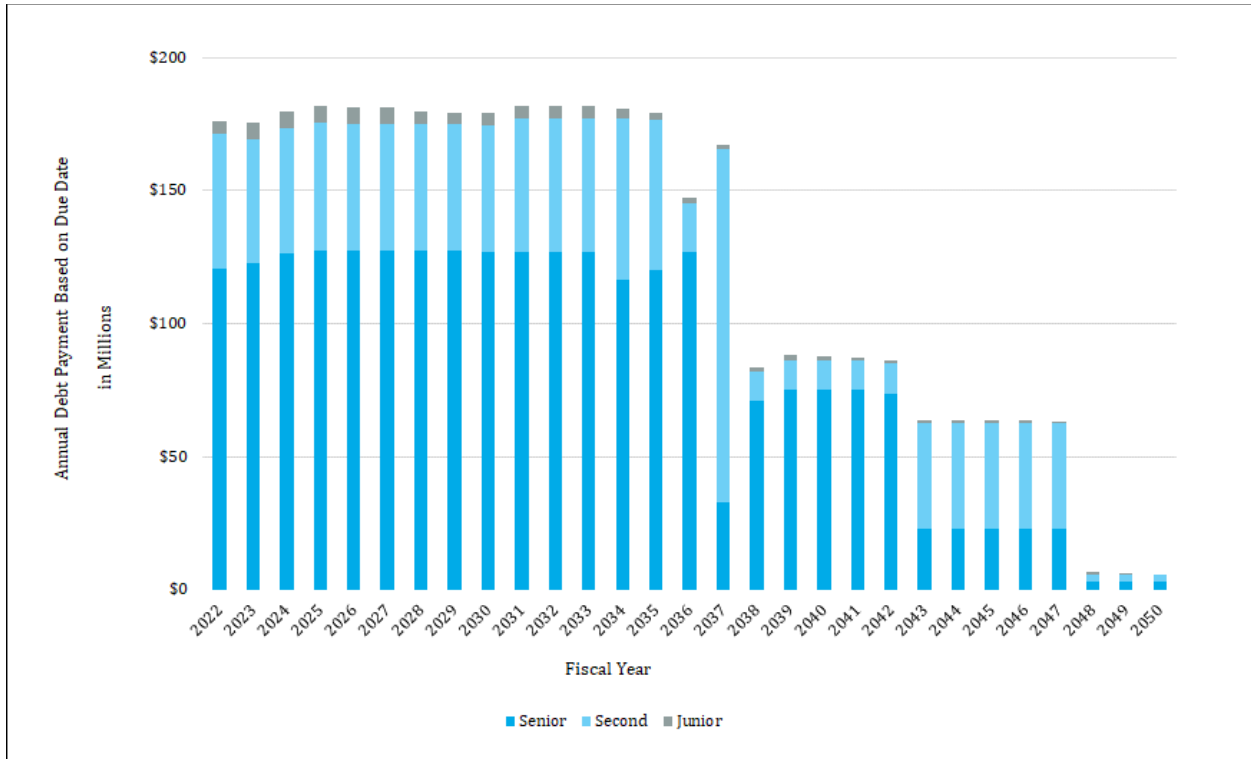
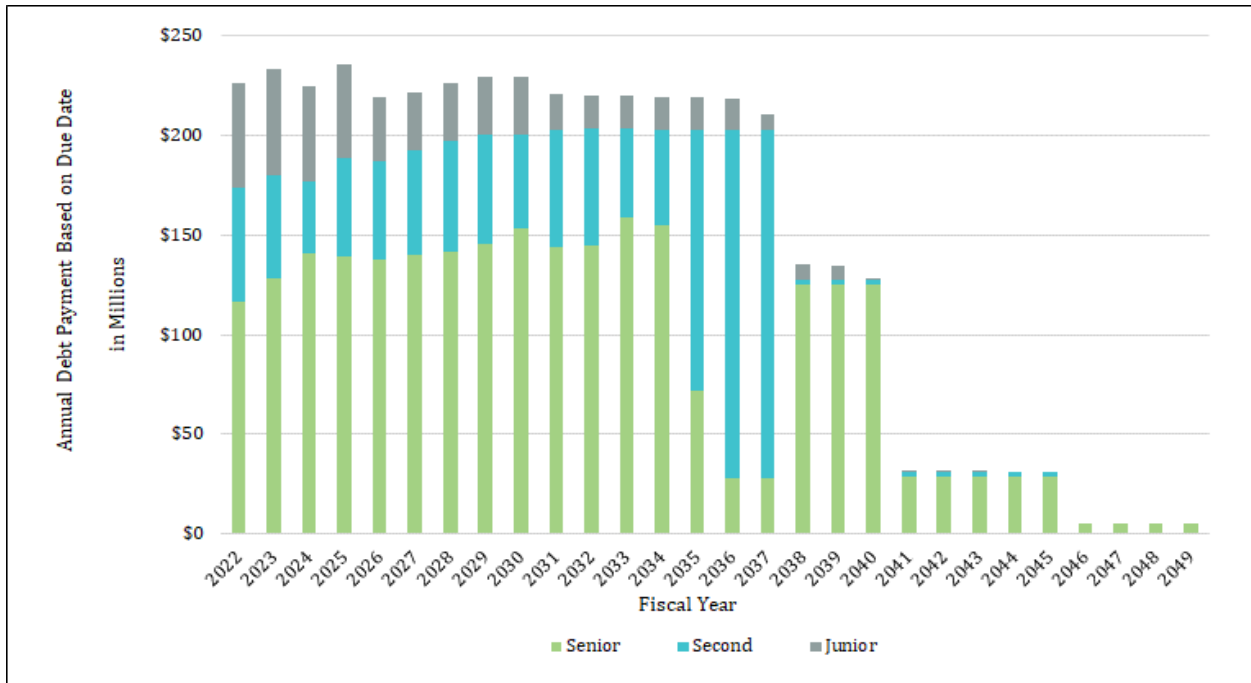


Chart 4 – Annual Debt Service Payments by Lien – Sewer provides the annual debt service installment requirements for each fiscal year.



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

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

These loan programs have interest rates that are well below open market interest rates (usually between 1.875% and 2.5%) and are repaid over 20-30 years. For the state's FY 2022, the DWRP and CWRP program rates are 1.875% for 20-year loans and 2.125% for 30-year loans.

Funds are disbursed as construction payments are made. Interest on each loan is based on the amount of funds drawn and not the full loan amount. GLWA must submit project plans to the Michigan Department of Environment, Great Lakes, and Energy ("EGLE", and formerly known as the Michigan Department of Environmental Quality or MDEQ) for each project by the annual submission date (July 1 for DWRP and June 1 for CWRP) to be considered for the State's funding pool for the following fiscal year.

State Revolving Fund Loans: GLWA's strategy is to maximize its use of SRF loans to finance qualified capital projects. GLWA currently has \$109.4 million in outstanding water SRF loans and \$379.6 million in outstanding sewer SRF loans.

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

State Loan #	Description	Order of Approval	Project Total (\$ Millions)
SRF Water - DWSD Projects			
7447-01	Water Main Replacement (WS-707 & 714)	8/9/2019	\$16.5
7460-01	Water Main Replacement (WS-710 & WS-711)	7/15/2020	\$22.6
7483-01	Water Main Replacement (WS-715 & WS-718)	9/9/2020	\$13.4
7484-01	Water Main Replacement - Jefferson Chalmers (WS-713)	8/6/2021	\$12.8
7548-01	Lead Service Line Water Main Replacement (WS-721)	4/8/2022	\$10.0
SRF Water - GLWA Projects			
7445-01	Northeast Transmission Phase 1	8/9/2019	\$30.0
7445-02	Northeast Transmission Main - Phase 2a	8/7/2020	\$9.0
7445-04	Northeast Transmission Main - Phase 3a	5/28/2021	\$11.9
7461-01	14 Mile Transmission Main Loop - Phase 1	8/7/2020	\$9.0
7461-02	14 Mile Transmission Main Loop - Phase 2	8/6/2021	\$104.7
		Total Water	\$239.8
SRF Sewer - DWSD Projects			
5688-01	Sewer Main Rehab/Rplcmt (DWS-916) - Project A	9/9/2020	\$4.0
5706-01	Sewer Main Replacements - Project B (DWS-917 & DWS-918)	9/9/2021	\$9.2
SRF Sewer - GLWA Projects			
5655-02	Detroit River Interceptor Segment 2	3/27/2020	\$28.4
5655-03	Detroit River Interceptor Segment 3	5/16/2020	\$34.2
5673-01	PS-1 Ferric Chloride System Rehabilitation	2/26/2021	\$12.9
		Total Sewer	\$88.7

Chart 5 - Open State Revolving Fund Loans summarizes all current SRF loans held by GLWA (including financings on behalf of DWSD) that are active (reference Table 4 above for project descriptions). It summarizes the original award amount remaining and the amount drawn down as of June 30, 2022 for each loan. On June 30, 2022, the amount of SRF loans authorized and unissued is \$152.9 million for the Water fund and \$136.2 million for the Sewage Disposal Fund.

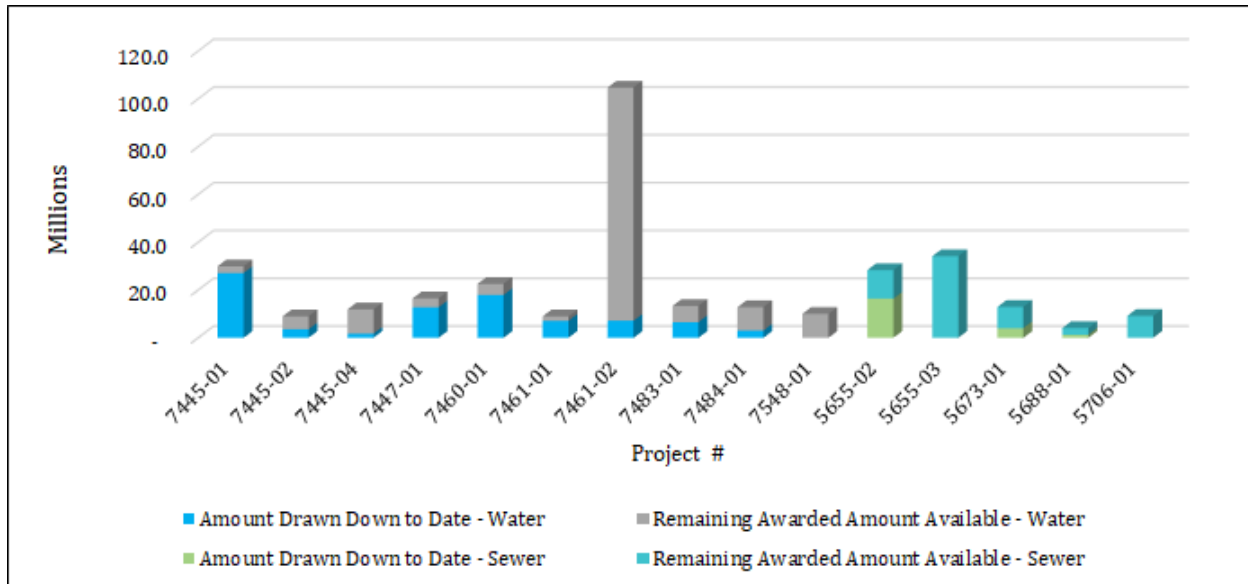


Table 5 - Project Plan Approved by EGLE identifies projects approved by the EGLE but for which applications had not yet been submitted for funding as of June 30, 2022.

Project Owner	Description	Estimated Loan Amount	Anticipated Funding Date
Water SRF			
GLWA	96-inch Water Transmission Main Relocation Project - Phase 1	\$ 36,342,500	Q4.5 FY 2022
GLWA	96-inch Water Transmission Main Relocation Project - Phase 2	\$ 64,230,000	FY 2023
DWSD	Water Main Replacement (WS-732)	\$ 21,100,000	FY 2023
DWSD	Water Main Replacement (WS-733)	\$ 22,100,000	FY 2023

Total Water SRF \$ 143,772,500

Sewer SRF			
GLWA	In-System Storage Device and Dam and Valve Remote Evaluation and Rehabilitation	\$ 19,035,000	Q4.5 FY 2022
GLWA	Connor Creek Sewer System Rehabilitation	\$ 50,245,000	Q4 FY 2022
GLWA	Oakwood District Intercommunity Relief Sewer Modification	\$ 75,000,000	FY 2023

Total Sewer SRF \$ 144,280,000

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

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

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

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

Chart 6 - DWSD Obligation Receivable by Type summarizes the total DWSD obligation receivable balance for both Water and Sewer as of June 30, 2022 by pre-bifurcation, revenue bond and SRF component.

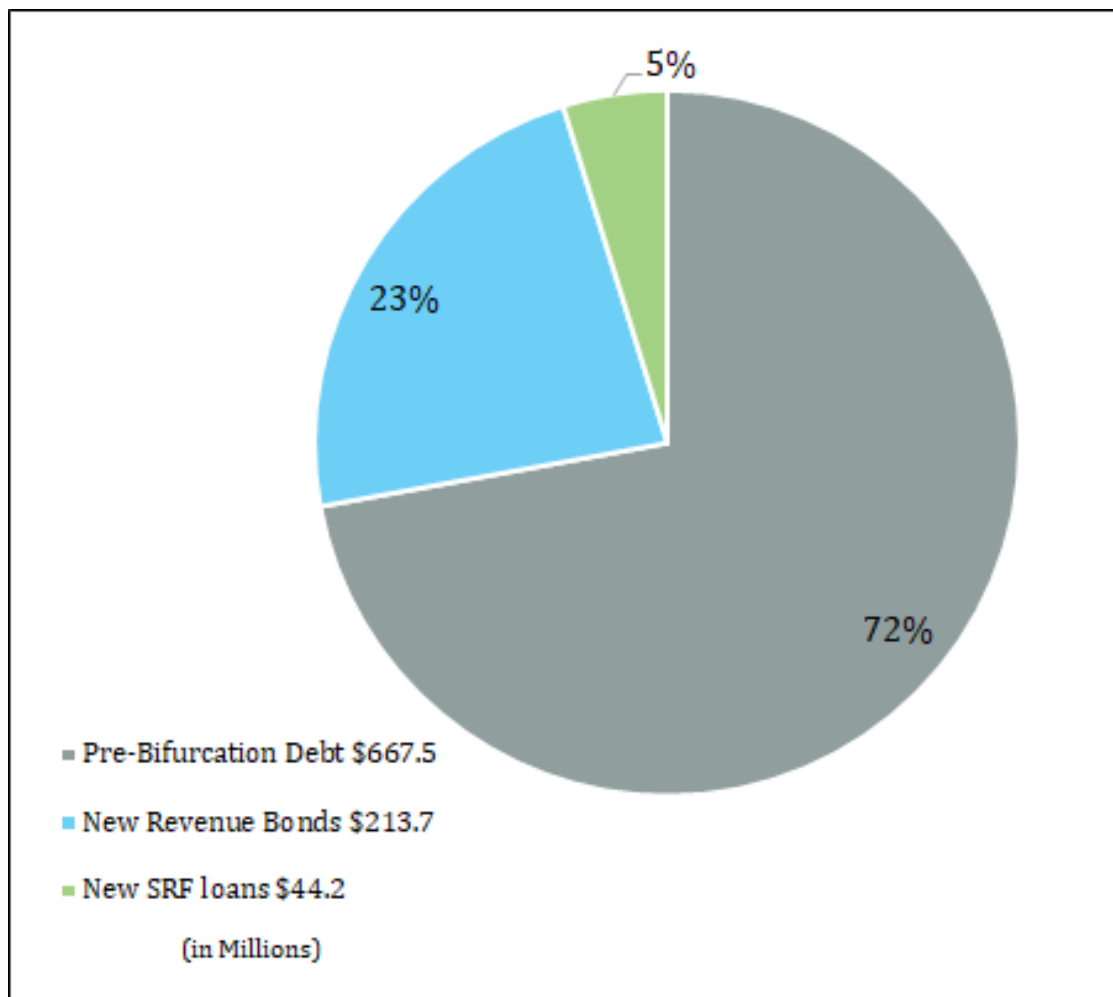


Chart 7 - Obligation Receivable Compared to Total Debt - Water provides context by comparing the Water System Obligation Receivable to the Total Water Debt (excludes unamortized premiums).

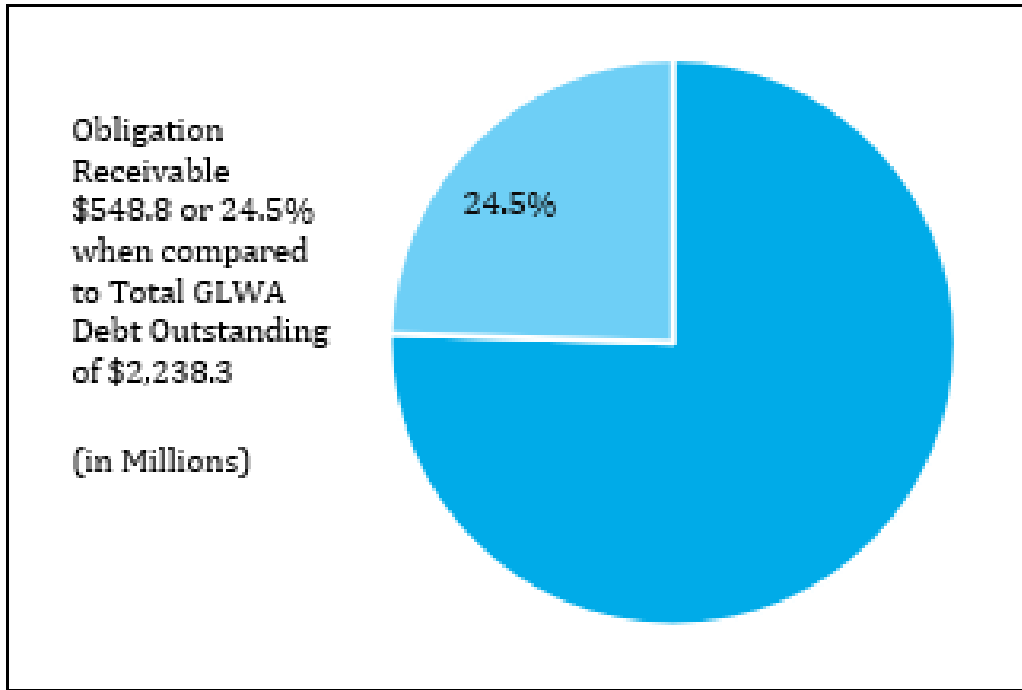


Chart 8 - Obligation Receivable Compared to Total Debt - Sewer provides context by comparing the Sewer System Obligation Receivable to the Total Sewer Debt (excludes unamortized premiums).

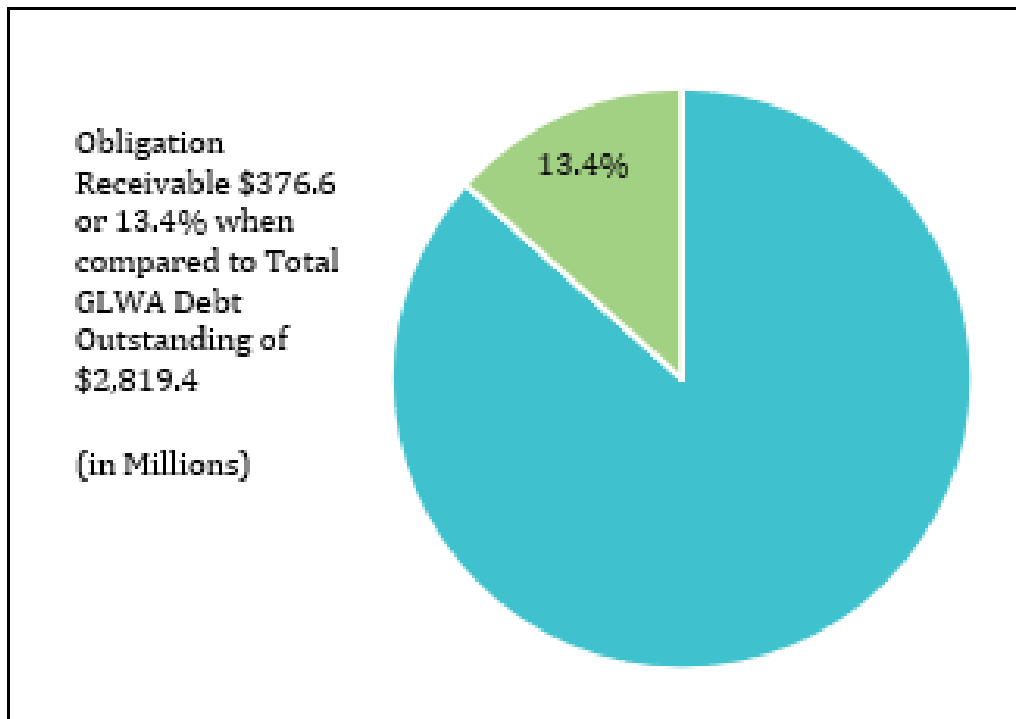


Table 6 - DWSD Obligation Receivable provides obligation receivable detail including fiscal year 2022 beginning balances by debt type and loan issue (for revenue bonds and SRF loans), year-to-date activity and ending balances as of June 30, 2022. Total DWSD debt totals \$925 million. This differs slightly from the total in Chart 6 due to the inclusion of unamortized premiums.

(In Thousands)

Debt Type	July 1, 2021 Beg Balance	Increase	Decrease	SRF Debt Forgiveness	June 30, 2022 End Balance
DWSD Water					
Pre-Bifurcation Debt	\$ 383,841	\$ -	\$ (15,168)		\$ 368,673
Revenue Bond - 2016A	17,725	-	-	-	17,725
Revenue Bond - 2016B	33,015	-	-	-	33,015
Revenue Bond - 2020A	42,445	-	-	-	42,445
Revenue Bond - 2020B	43,135	-	-	-	43,135
SRF 7412-01	4,842	-	(124)	-	4,718
SRF 7413-01	3,139	-	(85)	-	3,054
SRF 7414-01	5,503	-	(155)	-	5,348
SRF 7447-01	7,684	347	(288)	-	7,743
SRF 7460-01	7,718	8,151	-	-	15,869
SRF 7483-01	-	6,528	-	(1,202)	5,326
SRF 7484-01	-	3,018	-	(1,316)	1,701
Total DWSD Obligation	549,046	18,044	(15,820)	(2,518)	548,752
Unamortized Premiums	19,606	-	(739)		18,867
Subtotal: Water	568,652	18,044	(16,559)	(2,518)	567,619
DWSD Sewer					
Pre-Bifurcation Debt	311,584	-	(12,780)	-	298,804
Revenue Bond - 2018A	78,810	-	(1,465)	-	77,345
SRF 5688-01	-	1,288	-	(808)	480
Total DWSD Obligation	390,394	1,288	(14,245)	(808)	376,629
Unamortized Premiums	8,962	-	(392)	-	8,569
Subtotal: Sewer	399,356	1,288	(14,637)	(808)	385,199
Total DWSD Debt	\$ 968,008	\$ 19,332	\$ (31,196)	\$ (3,326)	\$ 952,818

Table 7 – Loan Forgiveness provides a summary of loan principal forgiven on DWSD SRF loans closed after January 1, 2016. EGLE grants principal loan forgiveness on qualified planning costs for disadvantaged communities. Through June 30, 2022, around \$16.4 million or 16% of approved, DWSD SRF loans have been forgiven as a disadvantaged community.

Table 7 - DWSD SRF Loan Forgiveness

State Loan #	Approved Amount	Loan Forgiveness
DWSD Water SRF		
SRF 7412-01	10,605,000	1,000,000
SRF 7413-01	5,180,000	1,000,000
SRF 7414-01	8,675,000	2,000,000
SRF 7447-01	16,500,000	4,711,944
SRF 7460-01	22,570,000	2,031,300
SRF 7483-01	13,355,000	1,201,950
SRF 7484-01	12,845,000	1,316,050
Subtotal: Water	89,730,000	13,261,244
DWSD Sewer SRF		
SRF 5688-01	4,040,000	808,000
SRF 5706-01	9,175,000	2,293,750
Subtotal: Sewer	13,215,000	3,101,750
Total DWSD Debt	\$ 102,945,000	\$ 16,362,994

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

Table 8 - Long-Term Debt Summary provides a detail of GLWA's fiscal year 2021 beginning balances by debt type and loan issues, year-to-date activity, and ending balances as of June 30, 2022. GLWA debt includes financing for both the regional and local share.

Debt Type	(In Thousands)				
	June 30, 2021 Beg Balance	Increase	Decrease	Debt Forgiveness	June 30, 2022 End Balance
Water Fund					
Revenue Bonds	\$ 2,192,510	\$ -	\$ (63,620)	\$ -	\$ 2,128,890
State Revolving Loans	71,260	43,686	(2,998)	(2,518)	109,429
Total Installment Debt	2,263,770	43,686	(66,618)	(2,518)	2,238,319
Unamortized Premiums / Discounts	176,122	-	(15,112)	-	161,010
Subtotal: Water	2,439,892	43,686	(81,730)	(2,518)	2,399,330
Sewer Fund					
Revenue Bonds	2,515,455	-	(75,710)	-	2,439,745
Capital Appreciation bonds	5,675	-	(5,675)	-	-
State Revolving Loans	416,768	10,503	(46,815)	(808)	379,648
Total Installment Debt	2,937,898	10,503	(128,200)	(808)	2,819,393
Capital Appreciation Bond Discount	(171)	-	171	-	-
Unamortized Premiums / Discounts	62,187	-	(3,545)	-	58,642
Subtotal: Sewer	2,999,914	10,503	(131,574)	(808)	2,878,035
Total Combined, Long Term Debt	\$ 5,439,806	\$ 54,189	\$ (213,305)	\$ (3,326)	\$ 5,277,365

Debt Service Coverage

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

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

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

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

Debt Service Coverage Water System							
	MBO Required Minimum	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022	Adopted Budget 2023	Adopted Budget 2024
Rate Covenant Basis							
Senior Lien Bonds	1.20	2.13	1.94	1.99	1.89	1.80	1.88
Senior and second lien bonds	1.10	1.54	1.39	1.40	1.37	1.33	1.40
All bonds, including SRF junior lien	1.00	1.51	1.37	1.38	1.32	1.27	1.29
GAAP Basis							
Senior Lien Bonds		2.04	1.98	1.99			
Senior and second lien bonds		1.47	1.43	1.40			
All bonds, including SRF junior lien		1.45	1.40	1.38			

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

Debt Service Coverage Sewage Disposal System							
	MBO Required Minimum	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022	Adopted Budget 2023	Adopted Budget 2024
Rate Covenant Basis							
Senior Lien Bonds	1.20	2.11	2.15	2.92	2.42	2.17	2.28
Senior and second lien bonds	1.10	1.62	1.64	1.97	1.74	1.74	1.72
All bonds, including SRF junior lien	1.00	1.29	1.29	1.51	1.35	1.37	1.35
GAAP Basis							
Senior Lien Bonds		2.10	2.16	2.55			
Senior and second lien bonds		1.62	1.65	1.72			
All bonds, including SRF junior lien		1.28	1.30	1.32			

Refinancing

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

In May 2020, GLWA completed a \$463.1 million Water Supply System Revenue and Revenue Refunding bond transaction. This included a \$377.5 million taxable bond refinancing transaction with an additional \$85.6 million in tax-exempt new money to support the DWSD local system capital improvements. The refunding transaction resulted in \$66.5 million of present value savings for the water system. In June 2020, GLWA completed a \$687 million Sewage Disposal System Revenue Refunding taxable bond transaction resulting in present value savings of \$123 million for the sewage disposal system.

As part of the May and June 2020 transactions noted, funds from the refunding bonds have been placed in an irrevocable trust with an escrow agent to pay off this debt on the next available call dates. The bonds to be refunded are considered defeased and have been removed from GLWA's statement of net position.

Table 11: Defeased Debt provides a summary of the debt which has been defeased and the call dates.

Defeased Debt - Sewage Disposal Fund			
Bond Series to be Refunded	Amount	Call Date	Bond Issue Refunded By
Series 2012A	\$ 419,810,000	July 1, 2022	Series 2020A & Series 2020B
Series 2014C-1	\$ 123,200,000	July 1, 2022	Series 2020A & Series 2020B
Series 2014C-2	\$ 27,450,000	July 1, 2022	Series 2020A & Series 2020B
Total Defeased Sewage Disposal Fund Debt	\$ 570,460,000		

The next available refunding opportunity will be for bonds with a call date of July 1, 2024, for both the water fund and sewage disposal fund. Approximately \$434.2 million in water bonds and \$436.5 million in sewer bonds will be callable at that time. GLWA will continue to work with its registered municipal advisor to monitor the potential for refunding these bonds.



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

New! GLWA to Launch Vendor Performance Assessment (VPA) Program October 2022

GLWA Procurement is excited to announce the launch of the Vendor Performance Assessment (VPA) Program in October 2022. A VPA is a scored survey that will document a vendor's performance in fulfilling the contract requirements for projects awarded over \$1 million or more. Collecting this data will enable GLWA Team Members to provide important feedback to both GLWA and vendors for future contract awards. Please read below for some more key details regarding GLWA's new VPA Program.

- ✓ VPA data will be collected from GLWA Project Managers within 30 days of the contract end-date via an online survey collection tool.
- ✓ Once VPAs are submitted by the Project Manager and validated by GLWA's Vendor Management Team, they will be shared with Vendors as well as GLWA stakeholders.
- ✓ VPA scores will count toward a Vendor's aggregate performance score and will remain valid for a period of three years after the contract's end-date. During this time, VPA scores will be used by GLWA during the contract evaluation process.
- ✓ Vendors with an aggregate VPA score of 70% or less will be classified as "at risk."
- ✓ Vendors will have the opportunity to appeal VPA scores within 30 days of receipt.

Not only will GLWA's VPA Program provide important data for future sourcing decisions, but it will also help GLWA to improve future solicitations as well as provide vendors with collaborative feedback on future projects. Any questions regarding GLWA's new VPA Program should be directed to [Michael Lasley](#) and [Megan Savage](#).

Coronavirus Update #172: GLWA Mask Mandate Lifted at all GLWA Facilities & Project Worksites

On September 30, 2022 GLWA issued [Coronavirus Update #172](#) to the Vendor Community, indicating all the counties where staffed GLWA facilities or project worksites were no longer "RED" on the Centers for Disease Control and Prevention (CDC) [Community Levels](#) list. As stated previously in [Coronavirus Update #159](#), this means that the wearing of facing masks is currently optional for Vendors providing onsite services at GLWA facilities or project worksites regardless of their location until further notice. Any questions regarding this matter should be directed to [Michael Lasley](#) and [Megan Savage](#).

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 a GLWA solicitation, as well as the requirements for GLWA's Business Inclusion and Diversity (B.I.D.) Program.

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 September 2022 Monthly Report, please [click here](#).

What's Coming Down the Pipe?

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

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

Visit GLWA online!

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Upcoming Solicitations October 2022

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	170802	Reservoir Rehabilitation Construction Services Phase II at Waterworks Park, Northeast, and Booster Stations	\$35,972,000
Wastewater Systems (next four to nine months)			
Construction	211005.2	WRRF Pump Station 2 VFD Replacements	\$7,000,000
Construction	211005.3	WRRF Pump Station 2 Mag Meter Replacements	\$1,000,000
Construction	260905	WRRF Plumbing Shop Rehabilitation	\$2,000,000
Construction	260802	WRRF Roofing Improvements	\$4,300,000
Construction	232002	Freud Pump Station Improvements	\$75,000,000
Design	270001	Pilot Netting Facility	\$6,000,000
Design-Bid-Build	261001	WRRF Rehabilitation of Secondary Clarifiers	\$6,000,000
Water System (next three months)			
None			
Wastewater (next three months)			
Construction	260510	Conveyance System Repairs- CSO Outfalls Rehabilitation - Phase 5	\$10,000,000
Construction	260903	WRRF Front Entrance Rehabilitation	\$3,300,000
Construction	O&M	Plumbing Shop Rehabilitation	\$1,500,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)			
Construction	170904	Phase II Wholesale Water Meter Pit Rehabilitation and Replacement Project- 60 new meter sites	\$16,000,000
Professional Services	O&M	Service - All Pumps for CSO Facilities 3 Year Contract With (2) One Year Renewal	\$2,200,000
Professional Services	O&M	Professional Technical Services for Sewer Meter Support	\$8,500,000
Construction	114017	Springwells WTP 1958 Flocculator Replacements	\$22,945,000

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

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



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Procurement Tip of the Month: Creating and Maintaining an Active Vendor Profile in Bonfire

Creating and maintaining an active vendor profile in GLWA's Bonfire Procurement Portal is an important step for vendors who are interested in doing business with GLWA. Read below for a step-by-step overview on how to create your free profile in Bonfire and how this benefits vendors.

How to create a free vendor profile in Bonfire:

1. Visit [GLWA's Bonfire Procurement Portal](#);
2. Click Log In/Register as New Vendor;
3. Provide the full and unabbreviated name of your organization;
4. Select [commodity codes](#) that reflect the goods and/or services that you provide; and
5. Indicate the diversity certifications (Minority-Owned Business Enterprise, Woman-owned Business Enterprise, Small Business Enterprise and/or Disadvantaged Business Enterprise) that your organization holds.

How an active Bonfire profile benefits vendors:

- ✓ Enables vendors to submit proposals to provide goods and/or services to GLWA;
- ✓ Ensures that you receive all GLWA vendor communications;
- ✓ Provides customized solicitation alerts directly to your inbox so that you do not miss out on any open GLWA opportunities; and
- ✓ Automatically includes you in GLWA's vendor database where GLWA regularly issues Invitations to Quote (ITQs). ITQs are a type of solicitation used to invite at least three known vendors to an informal process to quote on specified goods and/or services. An active profile in Bonfire is the best way to be notified of ITQs.

If you have any questions about creating or maintaining your Bonfire Vendor Profile, then please contact [Michael Lasley](#) and [Megan Savage](#).

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Professional Services	O&M	Professional Technical Services for Sewer Meter Support	\$8,500,000
Construction	114017	Springwells WTP 1958 Flocculator Replacements	\$22,945,000
Professional Services	O&M	Property and Casualty Insurance Brokerage and Ancillary Services	\$1,250,000
Professional Services	O&M	Grounds Maintenance Service	\$4,600,000

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