



**Special Audit Committee Meeting**  
**Friday, December 6, 2024, at 8:00 a.m.**  
*www.glwater.org*

**[Join Zoom Meeting](#)**

Meeting ID: **896 7933 9125** Passcode: **250288**

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

**AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
  - A. October 25, 2024 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
  - A. *Action Item:* Annual Audit Financial Presentation (Page 8)
7. NEW BUSINESS
  - A. *Action Item:* Proposed Calendar Year 2025 Audit Committee (Page 273)  
Meeting Dates
  - B. *Action Item:* PFM Asset Management Contract Extension (Page 275)
  - C. *Action Item:* Schedule Public Hearing on the FY 2026 & FY 2027 (Page 279)  
Biennial Budget Request
  - D. *Action Item:* Schedule Public Hearing on Proposed FY 2026 (Page 286)  
Schedule of Revenues and Charges
8. REPORTS
  - A. CFO Report (Page 293)
  - B. Affordability & Assistance Update (Page 302)
  - C. Gifts, Grants & Other Resources Report (Page 303)
  - D. September Quarterly Investment Report (Page 312)
  - E. FY 2024 BID Year in Review Report (Page 339)
  - F. Annual Procurement Report (Page 347)
  - G. Vendor Outreach Report (Page 383)
9. COMMUNICATIONS
  - A. The Procurement Pipeline for November 2024 (Page 412)
10. LOOK AHEAD
  - A. Next Audit Committee Meeting: December 20, 2024, 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

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Friday, October 25, 2024

8:00 AM

Zoom Telephonic Meeting

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#### Zoom Telephonic Meeting

Join Zoom Meeting:

<https://glwater.zoom.us/j/82057837390?pwd=NFJUUXhhejZHajBLVktGUHNqL1dIUOT09>

Join by Telephone

US Toll-Free:

877 853 5247; or 888 788 0099

Meeting ID: 820 5783 7390

Passcode: 144406

#### 1. Call To Order

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

#### 2. Quorum Call

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

#### 3. Approval of Agenda

Chairperson Baker requested a Motion to Approve the Agenda.

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Approved

The motion carried by a unanimous vote.

#### 4. Approval of Minutes

**A.**     [2024-360](#)     Minutes of September 27, 2024

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [4A Minutes - September 27, 2024 Audit Committee Meeting.pdf](#)

Chairperson Baker requested a motion to Approve the September 27, 2024 Audit Committee Meeting Minutes.

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Approved

The motion carried by a unanimous vote.

**5. Public Comment**

There were no public comments.

**6. Old Business****A.**     [2024-361](#)     Audit Update

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6A1 FY 2024 Annual Financial Audit Update.pdf](#)  
[6A2 FY 2024 Annual Financial Audit BT Timeline 102024 Update.pdf](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Received and Filed

The motion carried by a unanimous vote.

**7. New Business****A.**     [2024-355](#)     **Resolution Authorizing Publication of Notice of Intent to Issue Water Supply System Revenue Bonds**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7A1 Notice of Intent to Issue Water Supply Revenue Bonds.pdf](#)  
[7A3 Resolution Regarding Publication of Notice of Intent to Issue Bonds Water 2024.docx](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Gary Brown

**Action:** Recommended for Approval to the Board of Directors Workshop Meeting Agenda of November 21, 2024

The motion carried by a unanimous vote.

**B. [2024-359](#) Resolution Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7B1 Notice of Intent to Issue Sewage Disposal System Revenue Bonds.pdf](#)  
[7B3 Resolution Regarding Publication of Notice of Intent to Issue Bonds Sewer 2024.docx](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Gary Brown

**Action:** Recommended for Approval to the Board of Directors Workshop Meeting Agenda of November 21, 2024

The motion carried by a unanimous vote.

**C. [2024-356](#) Proposed Amendment to Debt Management Policy**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7C1 Proposed Amendment to Debt Management Policy November 2024.pdf](#)  
[7C3 Debt Management Policy.pdf](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Recommended for Approval to the Board of Directors Workshop Meeting Agenda of November 21, 2024

The motion carried by a unanimous vote.

**D. [2024-358](#) Proposed Fraud & Ethics Hotline Contract Amendment**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7D1 Fraud and Ethics Hotline Contract Renewal.pdf](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Brian Baker

**Action:** Recommended for Approval to the Board of Directors Workshop Meeting Agenda of November 21, 2024

The motion carried by a unanimous vote.

## 8. Reports

**A.**     [2024-362](#)     CFO Report (verbal)

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

Nicolette Bateson, Chief Financial Officer/Treasurer, provided a verbal update on the Vendor Outreach Event; year-end and post implementation on Workday reporting; a Wildan update for Charges season; the Feasibility Report, and the requirement in the Master Bond Ordinance for a Systems Consultant Report for the issuance of Bonds.

**B.**     [2024-364](#)     Monthly Financial Report for June 2024

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8B June 2024 Financial Report.pdf](#)

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

**C.**     [2024-365](#)     Affordability & Assistance Update

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8C Affordability & Assistance Update October.pdf](#)

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

**D.**     [2024-366](#)     Quarterly WRAP Report through June 30, 2024

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8D WRAP Quarterly Report through June 30, 2024 Final.pdf](#)

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

- E.**     [2024-367](#)     Gifts, Grants & Other Resources Report
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8E Grants Gifts and Other Resources Report.pdf](#)
- Motion By:** Jaye Quadrozzi  
                  **Support By:** Gary Brown  
                  **Action:** Received and Filed  
                  The motion carried by a unanimous vote.
- F.**     [2024-368](#)     Semi-Annual Debt Report through September 30, 2024
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8F1 Semiannual Debt Report as of 9.30.2024.pdf](#)
- Motion By:** Gary Brown  
                  **Support By:** Jaye Quadrozzi  
                  **Action:** Received and Filed  
                  The motion carried by a unanimous vote.
- G.**     [2024-369](#)     Qualified Financial Institutions
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8G1 Public Cover Memo Qualified Financial Institution Review.pdf](#)
- Motion By:** Jaye Quadrozzi  
                  **Support By:** Gary Brown  
                  **Action:** Received and Filed  
                  The motion carried by a unanimous vote.
- H.**     [2024-370](#)     Quarterly Construction Work in Progress Report through June 30, 2024
- Sponsors:** Nicolette Bateson
- Indexes:** Finance
- Attachments:** [8H Quarterly CWIP Report FY 2024 Q4.pdf](#)
- Motion By:** Gary Brown  
                  **Support By:** Jaye Quadrozzi  
                  **Action:** Received and Filed  
                  The motion carried by a unanimous vote.

**I.**      [2024-371](#)      Charges Outreach & Modeling Update

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8I1 Charges Outreach and Modeling Update - 10-25-2024.pdf](#)  
[8I2 Charges 101 Series- RolloutOut#1 CIP\\_2024.pdf](#)  
[8I3 Draft 1 CIP Chapter 4 Finance.pdf](#)

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

**J.**      [2024-372](#)      Annual Conflict of Interest Reporting

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8J Conflict of Interest memo.pdf](#)

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

**9. Communications****A.**      [2024-373](#)      The Procurement Pipeline for October 2024

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [9A The Procurement Pipeline for October 2024.pdf](#)

**Motion By:** Gary Brown  
**Support By:** Brian Baker  
**Action:** Received and Filed  
The motion carried by a unanimous vote.

**10. Look Ahead**

The next Audit Committee Meeting is scheduled to be held Friday, November 22, 2024, at 8:00 a.m.

**11. Other Matters**

There were no other matters.

## 12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:16 a.m.





## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Steve Hoover, CPA, Financial Reporting Manager

**Re:** FY 2024 Year-end Financial Audit Update

**Background and Analysis:** See attached draft Board Letter.

**Proposed Action:** The Audit Committee recommends that the Board of Directors approves the reports pertaining to the Fiscal Year Ended June 30, 2024 Financial Audit (the FY 2024 Annual Comprehensive Financial Report, FY 2024 Single Audit Act Compliance Report, and FY 2024 Independent Auditor's Communication with those Charged with Governance) and authorizes staff to proceed with filing of the annual audit reports prior to the due date with the state of Michigan; and authorizes the Chief Executive Officer (CEO) to take such other action as may be necessary to accomplish the intent of this vote.

..Title

**Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2024**

..Body

Agenda of: December 11, 2024

Item No.: 2024-398

Amount: Not Applicable

**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 11, 2024

**RE: Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2024**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the reports pertaining to the Fiscal Year Ended June 30, 2024 Financial Audit (the FY 2024 Annual Comprehensive Financial Report, FY 2024 Single Audit Act Compliance Report, and FY 2024 Independent Auditor’s Communication with those Charged with Governance) and authorizes staff to proceed with filing the annual audit reports prior to the due date with the state of Michigan; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.**

## **BACKGROUND**

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

With GLWA's reports nearly complete, the next step is review by the GLWA Board of Directors and requested approval to proceed with filing the report with the Michigan Department of Treasury. It should also be noted that staff will file those reports and related information with other parties such as the federal clearinghouse for the single audit report, and the Electronic Municipal Market Access system ("EMMA") for Municipal Securities Rulemaking Board ("MSRB") requirements.

## **JUSTIFICATION**

The following are attached pertaining to the Fiscal Year Ended June 30, 2024.

### *Reports Related to Performing the Annual Audit*

1. Presentation by Ms. Jodi Dobson, Partner, Baker Tilly US, LLP (external auditor)
2. Final Draft FY 2024 Reporting and Insights from the FY 2024 Audit (which includes the Draft Management Representation Letter)
3. Final Draft Informal Management Comment Letter

### *Annual Reports*

4. Presentation of FY 2024 Annual Financial Results
5. One Pager Series: FY 2024 Audit & Financial Results
6. Final Draft FY 2024 Annual Comprehensive Financial Report (ACFR) (with audit opinion)
7. Final Draft FY 2024 Single Audit Act Compliance Report

The requested Board action aligns with GLWA's By-laws, ARTICLE XII, Section 2 which states the following.

The Board shall obtain an annual audit of the GLWA's financial statements by an independent certified public accountant and report on the audit and auditing procedures in accordance with state law and generally accepted government auditing standards, as well as federal grant compliance audit requirements. The Board shall furnish at least two copies of the annual audit to each Incorporating Municipality. The audited financial statements shall be posted on the GLWA's website. In addition, the audited financial statements shall be filed with the Michigan Department of Treasury upon approval of the GLWA Board.

#### **BUDGET IMPACT**

Not applicable for the proposed action.

#### **COMMITTEE REVIEW**

The Audit Committee has received updates from staff and auditors on a monthly basis during the course of the year-end audit. On December 6, 2024, the Audit Committee [*insert action*] moves to receive and file the Reports Pertaining to the Fiscal Year Ended June 30, 2024 Financial Audit (the FY 2024 Annual Comprehensive Financial Report, FY 2024 Single Audit Act Compliance Report, and FY 2024 Independent Auditor's Communication with those Charged with Governance) and authorizes staff to proceed with the completion and filing of the annual audit reports prior to the due date with the state of Michigan; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### **SHARED SERVICES IMPACT**

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



# Great Lakes Water Authority Audit Committee Draft Report on Fiscal Year 2024 Financial and Single Audit

Presented by:

Jodi Dobson, CPA, Principal  
Baker Tilly US, LLP

December 6, 2024



# Today's agenda

- > Audit overview
- > Auditor Communication with Those Charged with Governance
- > Internal control communication
- > Questions



## Audit overview

- > Audit was conducted smoothly with no major snags or difficulties.
- > Management and staff were cooperative and readily available.
- > Audit schedule was maintained and communication between management and auditors was good.
- > Remote fieldwork began September 30<sup>th</sup> and concluded October 11<sup>th</sup>.
- > ACFR preparation and review through November.
- > No audit adjusting journal entries were noted.
- > No single audit findings noted.



## Audit overview

- > Audit performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards.
- > Audit is based on assessment of control risk in key business process areas. Below are several key areas of review:
  - Cash and investments
  - Revenues and receivables
  - General disbursements
  - Payroll
  - Pension liabilities
  - Long-term debt
  - Intangible asset and related obligation
  - Assets under construction and plant in service
  - Leased assets
  - Net position calculations
  - Analytical review of statement of net position and statement of revenues, expenses and changes in net position





## Audit overview

- > Audit objective – obtain reasonable assurance that financial statements are free from material misstatement.
- > Financial statements receive an *Unmodified Opinion* (clean opinion).
- > Single audit results in *Unmodified Opinion* on compliance and controls over major program.



# Communication with those charged with governance

Area to Be Communicated	Auditor's Response
<b>Auditor's View on Qualitative Aspects of Significant Accounting Policies</b>	<ul style="list-style-type: none"><li data-bbox="1123 558 2475 711">&gt; The significant accounting policies used in the preparation of your financial statements are discussed in Note 1 to the financial statements.</li><li data-bbox="1123 764 2475 1084">&gt; Accounting estimates are an integral part of the financial statements prepared by management's knowledge and experience about past and current events and assumptions about future events. We feel that all estimates made by management are in accordance with generally accepted accounting principles.</li></ul>



# Communication with those charged with governance

Area to be Communicated	Auditor's Response
<b>Significant Difficulties Encountered in Performing the Audit</b>	> We encountered no difficulties in performing our audit.
<b>Uncorrected Misstatements</b>	> By Professional Auditing Standards, uncorrected misstatements refer to immaterial passed audit adjustments – there were no passed audit adjustments.

# Communication with those charged with governance

Area to be Communicated	Auditor's Response
<b>Disagreements with Management</b>	> Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements were encountered during the course of the audit.
<b>Other Findings or Issues</b>	> There are no other issues to disclose as part of the audit in connection with these Professional Auditing Standards.



# Communication with those charged with governance

Area to be Communicated	Auditor's Response
<b>Material Corrected Misstatements</b>	<ul style="list-style-type: none"><li data-bbox="1115 560 2365 836">&gt; Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</li><li data-bbox="1115 950 2365 1063">&gt; There were no adjustments as part of this year's audit.</li></ul>

# Communication with those charged with governance

Area to be Communicated	Auditor's Response
<b>Management Representations</b>	> We have requested certain representations from management that are included in the management representation letter. A copy of this letter is included with our final communication document.

# Communication with those charged with governance

Area to Be Communicated	Auditor's Response
<b>Management's Consultations with Other Accountants</b>	<p>&gt; Professional standards require the consulting accountant to discuss any such contacts with the current auditor to determine that the consultant has all the relevant facts. We have been involved in any such consultations with other accountants.</p>

# Communication with those charged with governance

Area to be Communicated	Auditor's Response
<b>Auditor Independence</b>	<p>&gt; We are not aware of any relationships between Baker Tilly US, LLP, and Great Lakes Water Authority that, in our professional judgment, may reasonably be thought to bear on our independence.</p>



## Internal control communication

AU-C Section 265

*Communicating Internal Control Related Matters Identified in an Audit*

Material weaknesses noted in GLWA's internal control:

None noted

Significant deficiencies noted in GLWA's internal control:

None noted



## Thank You!

We appreciate the work performed by GLWA's accounting staff and management in preparing for and assisting in the audit!

We would be happy to answer any questions regarding the audit.



**Reporting and insights  
from the 2024 audit:  
Great Lakes Water Authority**

**June 30, 2024**

# Executive summary

December 11, 2024

To the Board of Directors  
Great Lakes Water Authority  
Detroit, Michigan

We have completed our audit of the financial statements of the Great Lakes Water Authority (the Authority) for the year ended June 30, 2024, and have issued our report thereon dated December 11, 2024. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of the Authority's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas Great Lakes Water Authority should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Jodi L Dobson, Principal: [jodi.dobson@bakertilly.com](mailto:jodi.dobson@bakertilly.com) or +1 (608) 240 2469

Sincerely,

Baker Tilly US, LLP

[Insert PIC signature graphic]

Jodi L Dobson, CPA, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Authority's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors.
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) about the entity's compliance with requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs.
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of the Authority's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of the Authority and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Authority's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

## Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension liability	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Shared services with and received from DWSD	Lease payables	Due to and due from other governments

## Internal control matters

We considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.



## Required communications

### Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2024, outside of the adoption of GASB Statements No. 100-102. We noted no transactions entered into by the Authority during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole
Shared services subject to joint review and true up	Evaluation based on joint review and agreement between parties	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

**Significant unusual transactions**

There have been no significant transactions that are outside the normal course of business for the Authority or that otherwise appear to be unusual due to their timing, size or nature.

**Significant difficulties encountered during the audit**

We encountered no significant difficulties in dealing with management and completing our audit.

**Disagreements with management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

**Audit report**

There have been no departures from the auditors' standard report.

**Audit consultations outside the engagement team**

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

**Uncorrected misstatements and corrected misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

**Other audit findings or issues**

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

**Written communications between management and Baker Tilly**

The attachments include copies of other material written communications, including a copy of the management representation letter.

**Compliance with laws and regulations**

We did not identify any non-compliance with laws and regulations during our audit.

**Fraud**

We did not identify any known or suspected fraud during our audit.

**Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Authority's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

**Independence**

We are not aware of any relationships between Baker Tilly and the Authority that, in our professional judgment, may reasonably be thought to bear on our independence.

**Related parties**

We did not have any significant findings or issues arise during the audit in connection with the Authority's related parties.

**Other matters**

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

## Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/page/audit-committee-resource-center>.

# Management representation letter



December 11, 2024

Baker Tilly US, LLP  
4807 Innovate Ln  
PO Box 7398  
Madison, WI 53707

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Great Lakes Water Authority (Authority) as of June 30, 2024 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the financial position of the Authority, each major enterprise fund, and the respective changes in financial position and cash flows, where applicable, in conformity with generally accepted accounting principles (GAAP) in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with GAAP. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the Authority required by GAAP to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable.
- 6) All events subsequent to the date of the financial statements and for which GAAP require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.
- 8) The effects of all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements, have been accounted for and disclosed in accordance with GAAP. There are no unasserted litigation, claims or assessments that our lawyer has advised us are probable of assertion.
- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 12) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 14) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 15) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

#### **Other**

- 16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 17) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 20) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.



- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
- a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
  - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GAAP.
  - c) Charges and/or rates being charged to customers other than the charges and/or rates as authorized by the applicable authoritative body.
  - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 23) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 24) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 25) The financial statements properly classify all funds and activities.
- 26) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 27) The Authority has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 28) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

- 29) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 30) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 31) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 32) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 33) Tax-exempt bonds issued have retained their tax-exempt status.
- 34) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
- 35) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 36) With respect to the supplementary information (SI):
  - a) We acknowledge our responsibility for presenting the SI in accordance with GAAP, and we believe the SI, including its form and content, is fairly presented in accordance with GAAP, as applicable. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

- 37) We have evaluated and considered all debt reported as defeased in substance and believe all material amounts held in trust that are not expressly prohibited from substitution in monetary assets that are not essentially risk-free are properly disclosed.
- 38) We have evaluated the policies under the requirements of GASB Statement No. 101, Compensated Absences, and determined that the early implementation was immaterial and therefore did not require a retroactive implementation.
- 39) We have evaluated the potential concentrations and constraints relevant to GLWA under GASB Statement No. 102, *Certain Risk Disclosures*, and determined there were no items to be reported or disclosed in the current period.
- 40) We have identified any leases or other contracts that are required to be reported as leases or Subscription-Based Information Technology Arrangements (SBITA) and have documented the key assumptions used in the measurement of any lease or subscription related assets, liabilities or deferred inflows of resources.
- 41) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 42) We have evaluated the existing outstanding debt for potential arbitrage liability. No liability has been recorded as no known liability exists.
- 43) We have evaluated existing contracts and agreements and are responsible for the accounting and financial reporting of any related capital or intangible assets, liabilities, receivables or deferred items in compliance with generally accepted accounting principles.
- 44) We are responsible for compliance with the funding requirements and the flow of funds as outlined in the Master Bond Ordinance.

- 45) We are responsible for the fair presentation of the Authority's net pension liability based upon calculations by the City of Detroit General Employees' Retirement System (GRS) and related amounts. We appropriately allocated the net pension liability based on the assumptions in the lease agreements, pension agreement and the allocation letter signed by the Authority's Chief Executive Officer and the Detroit Water & Sewerage Department (DWSD) Director on January 24, 2017. We have properly disclosed our special funding situation under GASB 68, Accounting and Financial Reporting for Pension Plans. We have reviewed the information provided by GRS for inclusions in the Authority's financial statements.
- 46) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners or similar stakeholders with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. The annual comprehensive financial report (ACFR) is an annual report. We have provided you with the final version of the annual report. There are no material inconsistencies between the financial statements and any other information contained within the annual report.
- 47) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
  - b) We acknowledge our responsibility for preparing and presenting the SEFA and related disclosures in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
  - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.

- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are administering our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the OMB Compliance Supplement relating to federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.

- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, subsequent to the date as of which compliance was audited.
- q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s) We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- t) We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditors' reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.
- u) We have considered the results of subrecipient audits and made any necessary adjustments to our books and records.
- v) We have charged costs to federal awards in accordance with applicable cost principles.

- w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance *and* we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and passthrough entities, including all management decisions.
- x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Sincerely,

Suzanne R. Coffey, P.E., Chief Executive Officer

Nicolette N. Bateson, CPA, Chief Financial Officer/ Treasurer

## Client service team



**Jodi L Dobson, CPA**

**Principal**

4807 Innovate Ln.  
Madison, WI 53707  
United States

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# Accounting changes relevant to Great Lakes Water Authority

## Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
103	Financial Reporting Model Improvements	✓	6/30/26
104	Disclosure of Certain Capital Assets	✓	6/30/26

Further information on upcoming [GASB pronouncements](#).

## Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

## Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Authority will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of August or September. Our final financial fieldwork is scheduled during the fall to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.



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December 11, 2024

Great Lakes Water Authority  
735 Randolph Street, 15<sup>th</sup> Floor  
Detroit, MI 48226

To the Great Lakes Water Authority Audit Committee:

We are presenting, for your consideration, our comments and management recommendations which were identified during our audit of the financial statements of the Great Lakes Water Authority (Authority) for the year ended June 30, 2024.

This letter, by its nature, focuses on improvements and does not comment on the many strong areas of the Authority's systems and procedures. The comments and suggestions are not intended to reflect in any way on the integrity or ability of the personnel of Authority's operations. Additionally, this letter is meant to provide management with information which may be useful when considering operating enhancements to your operation and are provided in the spirit of advisory assistance. The comments in this report are not required as part of our annual audit but are offered only as a process to assist your operations.

### Information Technology Overview

The focus for the 2024 Information Technology (IT) review was to continue developing our understanding of the general computer control (GCC) environment at Authority and perform detailed tests as part of our annual audit of the financial statements. This document is intended to summarize the results of our review and provide any additional guidance regarding the IT environment at Authority.

The GCC review utilized the IT Risk Assessment Standards framework to obtain a more detailed understanding of the Authority IT control environment. As part of the GCC review, the following areas related to the IT function were reviewed:

- > Application changes
- > Database changes and access
- > Application and operating system access
- > Privileged access
- > Authentication
- > User account management, new and modified access
- > User account terminations
- > User access reviews
- > Backups
- > Job scheduling and interfaces
- > New systems implementations or significant changes to existing systems
- > IT Tools

Audit Committee  
Great Lakes Water Authority

December 11, 2024  
Page 2

**Observations and recommendations**

Recommendations from the previous fiscal year have been cleared and we have not identified any recommendations in connection with the scope applications and IT functions reviewed for fiscal year 2024.

We appreciate the courtesy and assistance extended to us by all your personnel during the audit. If you have any questions on our comments, or if we can offer our services in any other way during the year, please do not hesitate to contact us. Thank you for allowing us to serve you.

Sincerely,

BAKER TILLY US, LLP



# FY 2024 Annual Audit and Financial Reports

Board of Directors Workshop | December 11, 2024  
Financial Services Area



# Annual Audit Results

## Annual Audit Results – Key Highlights

- Audit Firm is Baker Tilly
  - Audit Services are bid every three years
  - Baker Tilly was selected by the Audit Committee and approved by the Board of Directors in April 2022
- Great News! Unqualified opinion with no auditor adjustments for both the a) Annual Comprehensive Financial Report and b) Statement of Expenses and Federal Awards
  - Also known as a “clean” audit opinion
- Even better! Another year with a clean internal control report





# FY 2024 Financial Report Highlights

# ACFR Contents

- ✓ ACFR = Annual Comprehensive Financial Report
- ✓ Prepared in accordance with Generally Accepted Accounting Standards (GAAP)
- ✓ Report content aligns with criteria to apply for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (earned by GLWA in prior five years – 2019 through 2023)
- ✓ Key Sections:
  - ✓ Transmittal Letter – page vi
  - ✓ Independent Auditors Report – page 1
  - ✓ Management’s Discussion & Analysis – page 6
  - ✓ Basic Financial Statements (including footnotes) – page 34
  - ✓ Required Supplementary Information – page 98
  - ✓ Supplementary Information – page 104
  - ✓ Statistical Section – page 127
    - ✓ Financial Trends (127), Revenue Capacity (137), Debt Capacity (145), Demographic and Economic Information (159), and Operating Information (163)

## What are the overall financial results for FY 2024?

- ✓ The “Management Discussion & Analysis” summarizes Basic Financial Statements overall for the combined Water & Sewer Funds
- ✓ Positive “Operating Income” offset set by Nonoperating expenses (largely interest on debt)
- ✓ The following slides provide further analysis



	Changes in Net Position (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Operating revenues	\$ 835,531	\$ 845,686	\$ 816,345	\$ (10,155)	-1.2%	\$ 29,341	3.6%
Operating expenses	646,638	660,786	609,951	(14,149)	-2.1%	50,835	8.3%
Operating income	188,893	184,900	206,394	3,993	2.2%	(21,494)	-10.4%
Nonoperating revenues (expenses)	(188,168)	(199,359)	(222,552)	(11,191)	-5.6%	(23,193)	-10.4%
Income (loss) before capital contributions	725	(14,459)	(16,158)	15,184	105.0%	1,699	10.5%
Capital contributions	40,432	2,176	6,991	38,256	1758.1%	(4,815)	-68.9%
Change in net position	41,157	(12,283)	(9,167)	53,440	435.1%	(3,116)	-34.0%
Net position (deficit), beginning of year	(231,582)	(219,299)	(210,132)	(12,283)	-5.6%	(9,167)	-4.4%
Net position (deficit), end of year	\$ (190,425)	\$ (231,582)	\$ (219,299)	\$ 41,157	17.8%	\$ (12,283)	-5.6%

Source: FY 2024 ACFR Page 11

# Why is there a net deficit? Is there a plan to cure?

- ✓ Net Position remains in a deficit position of \$190.4 million mainly due to the revaluation of assets and acquisition of debt as part of the stand-up of GLWA on January 1, 2016.
- ✓ The increase in asset values results in higher depreciation expense in the short-term.
- ✓ The decrease in net investment in capital assets is due to a) the reductions in debt and b) increase in capital asset additions being less than the depreciation expense.
- ✓ The increase in restricted for debt service is due to an increase in the debt requirements.
- ✓ The increase in unrestricted is due to a positive increase in unrestricted account activities for the year.

	Net Position (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Net position (deficit)							
Net investment in capital assets	(428,662)	(336,553)	(194,715)	(92,109)	-27.4%	(141,838)	-72.8%
Restricted for construction	2,258	2,181	-	77	3.5%	2,181	100.0%
Restricted for debt service	213,674	147,436	123,415	66,238	44.9%	24,022	19.5%
Restricted for payment assistance program	1,716	4,653	12,318	(2,936)	-63.1%	(7,666)	-62.2%
Unrestricted	20,589	(49,299)	(160,317)	69,888	141.8%	111,018	69.2%
<b>Total net position (deficit)</b>	<b>\$ (190,425)</b>	<b>\$ (231,582)</b>	<b>\$ (219,299)</b>	<b>\$ 41,157</b>	<b>17.8%</b>	<b>\$ (12,283)</b>	<b>-5.6%</b>

Source: FY 2024 ACFR Page 9

# How did the Operating Expense Budget perform?

- ✓ Audited Operating Expenses of \$384 million align with preliminary results reported in October 2024
- ✓ The operating budget is dynamic; during the year the operations budget was increased by \$35 million (10%) for significant cost increases being seen in all areas
- ✓ Actual results were higher than the original adopted budget. The reasons for the variance shown in the table between actual and the amended budget are described below:
  - ✓ Contractual services were lower than anticipated due to the number of mobile dredgings needed and IT project spending being less than anticipated
  - ✓ Utilities were lower due to decreased usage as a decrease in water sales resulted in decreased water production for the water system and a decrease in the unit cost for gas by locking in rates for the sewer system
  - ✓ Chemicals are lower due to a stabilization in unit prices.
  - ✓ Supplies and Other are lower due to a decrease in anticipated repairs
- ✓ Intergovernmental reimbursement activity varies from year to year

SCHEDULE OF OPERATING EXPENSES FOR COMBINED WATER AND SEWER OPERATIONS FUNDS - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

	Adopted Budget	Final Amended Budget	Actual	Variance Over (Under) Amended Budget	Percent Over (Under) Amended Budget
<b>Operating Expenses</b>					
Personnel	\$ 120,887,100	\$ 125,652,500	\$ 125,455,261	\$ (197,239)	-0.16%
Contractual services	106,889,200	115,470,300	113,854,390	(1,615,910)	-1.40%
Utilities	63,395,200	73,823,400	71,938,730	(1,884,670)	-2.55%
Chemicals	30,451,800	32,824,100	31,075,405	(1,748,695)	-5.33%
Supplies and other expenses	34,019,500	43,853,500	42,093,447	(1,760,053)	-4.01%
Capital program allocation	(4,232,700)	(2,624,200)	(2,847,434)	(223,234)	8.51%
Intergovernmental reimbursements	(1,655,800)	(2,206,900)	(4,812,669)	(2,605,769)	118.07%
Centralized services allocation	-	-	-	-	0.00%
Administrative services allocation	-	-	-	-	0.00%
Unallocated reserve	8,795,800	-	-	-	0.00%
Total operating expenses before depreciation and amortization financial reporting basis	358,550,100	386,792,700	376,757,130	(10,035,570)	
SBITA	-	6,452,400	6,452,274	(126)	0.00%
Warehouse lease	-	501,500	501,512	12	0.00%
<b>TOTAL OPERATING EXPENSES BUDGET BASIS</b>	<b>\$ 358,550,100</b>	<b>\$ 393,746,600</b>	<b>\$ 383,710,916</b>	<b>\$ (10,035,684)</b>	<b>-2.55%</b>

SBITA: Subscription-Based Information Technology Arrangement  
Source: FY 2024 ACFR Page 114



# How did the Water System Revenue Requirements perform?

	Adopted Budget	Amended Budget	Actual	Variance Over (Under) Amended Budget
<b>Revenues</b>				
Revenue from Charges				
Wholesale Charges [1]	\$ 340,540,600	\$ 333,229,600	\$ 331,520,336	\$ (1,709,264)
Local System Charges	25,537,200	25,537,200	25,537,200	-
Bad Debt Recovery Credit	-	(5,026,500)	(5,152,500)	(126,000)
<b>Total Revenue from Charges</b>	<b>366,077,800</b>	<b>353,740,300</b>	<b>351,905,036</b>	<b>(1,835,264)</b>
Investment Earnings [2]				
Unrestricted	3,067,000	12,640,000	13,343,940	703,940
Restricted for Debt Service	994,700	5,411,000	4,992,455	(418,545)
<b>Total Investment Earnings</b>	<b>4,061,700</b>	<b>18,051,000</b>	<b>18,336,395</b>	<b>285,395</b>
Other Revenue [3]	175,000	942,900	901,919	(40,981)
<b>Total Revenues</b>	<b>\$ 370,314,500</b>	<b>\$ 372,734,200</b>	<b>\$ 371,143,350</b>	<b>\$ (1,590,850)</b>
<b>Revenue Requirements</b>				
Operations and Maintenance Expense [4]	152,906,400	168,873,100	161,037,183	(7,835,917)
Debt Service	159,482,800	162,236,100	160,622,417	(1,613,683)
General Retirement System Pension	3,395,500	1,505,500	1,505,500	-
Water Residential Assistance Program Contribution	1,851,600	1,851,600	1,851,600	-
Extraordinary Repair & Replacement Deposit	-	-	2,836,000	2,836,000
Regional System Lease	22,500,000	22,500,000	22,500,000	-
Transfer to the Improvement & Extension Fund	30,178,200	15,767,900	15,767,900	-
<b>Total Revenue Requirements</b>	<b>\$ 370,314,500</b>	<b>\$ 372,734,200</b>	<b>\$ 366,120,600</b>	<b>\$ (6,613,600)</b>
<b>Revenue Requirement Variance [5]</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,022,750</b>	<b>\$ 5,022,750</b>

Source: FY 2024 ACFR page 115

- ✓ Revenue Requirements are the basis for establishing Member Partner Charges
- ✓ The goal is to net to zero as the “bottom line”
- ✓ To extent there is a positive variance, those funds support an improved financial position for subsequent years
- ✓ The net positive variance of \$5 million offsets improves cashflow and offsets reductions during the year to the Improvement & Extension Fund to keep the budget balanced
- ✓ This schedule also shows that the Water System met its financial and contractual commitments for the General Retirement System legacy pension, Water Residential Assistance Program, Regional System Lease
- ✓ All debt payments were made as required; variance relates to final calculations related to State Revolving Fund (SRF) at year end based on actual draws

# Page 62 How did the Sewage Disposal System Revenue Requirements perform?

	Adopted Budget	Amended Budget	Actual	Variance Over (Under) Amended Budget
<b>Revenues</b>				
Revenue from Charges				
Wholesale Charges	\$ 282,687,600	\$ 282,878,600	\$ 282,767,090	\$ (111,510)
Local System Charges	196,569,600	196,569,600	196,569,600	-
Industrial Waste Control	8,584,200	8,560,200	8,617,495	57,295
Pollutant Surcharges	5,328,300	5,328,300	4,088,519	(1,239,781)
Less: Bad Debt Recovery Credit	-	(15,000,000)	(15,556,900)	(556,900)
<b>Total Revenue from Charges</b>	<b>493,169,700</b>	<b>478,336,700</b>	<b>476,485,804</b>	<b>(1,850,896)</b>
Investment Earnings [1]				
Unrestricted	5,567,000	16,096,000	16,344,105	248,105
Restricted for Debt Service	1,490,300	6,786,000	6,824,701	38,701
<b>Total Investment Earnings</b>	<b>7,057,300</b>	<b>22,882,000</b>	<b>23,168,806</b>	<b>286,806</b>
Other Revenue (Expense) [2]	400,000	1,129,800	(827,846)	(1,957,646)
<b>Total Revenues</b>	<b>\$ 500,627,000</b>	<b>\$ 502,348,500</b>	<b>\$ 498,826,764</b>	<b>\$ (3,521,736)</b>
<b>Revenue Requirements</b>				
Operations and Maintenance Expense [3]	205,643,700	224,873,500	222,673,733	(2,199,767)
Debt Service	228,328,300	230,975,500	229,316,502	(1,658,998)
General Retirement System Pension	6,479,300	3,096,800	3,096,800	-
Water Residential Assistance Program Contribution	2,503,100	2,503,100	2,503,104	4
Regional System Lease	27,500,000	27,500,000	27,500,004	4
Transfer to the Improvement & Extension Fund	30,172,600	13,399,600	13,399,600	-
<b>Total Revenue Requirements</b>	<b>\$ 500,627,000</b>	<b>\$ 502,348,500</b>	<b>\$ 498,489,743</b>	<b>\$ (3,858,757)</b>
<b>Revenue Requirement Variance [4]</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 337,021</b>	<b>\$ 337,021</b>

- ✓ Revenue Requirements are the basis for establishing Member Partner Charges
- ✓ The goal is to net to zero as the “bottom line”
- ✓ To extent there is a positive variance, those funds support an improve financial position for subsequent years
- ✓ This schedule also shows that the Sewage Disposal System met all of its financial and contractual commitments for the General Retirement System legacy pension, Water Residential Assistance Program, Regional System Lease
- ✓ All debt payments were made as required; variance relates to final calculations related to SRF at year end based on actual draws.

# How did the Improvement & Extension Funds Perform?

*Water I&E Fund (Source: FY 2024 ACFR page 118)*

*Sewer I&E Fund (Source: FY 2024 ACFR page 119)*

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget		Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>					<b>Inflows</b>				
Transfers in from Water Operations Fund					Transfers in from Sewer Operations Fund				
Revenue transfers	\$ 30,178,200	\$ 15,767,900	\$ 15,767,900	\$ -	Revenue transfers	\$ 30,172,600	\$ 13,399,600	\$ 13,399,600	\$ -
Transfers in from Water Construction Fund					Transfers in from Sewer Construction Fund				
Working capital adjustment [1]	-	4,303,700	4,232,467	(71,233)	Working capital adjustment [1]	-	14,012,800	14,012,765	(35)
Investment earnings [2]	1,694,800	7,205,000	7,195,419	(9,581)	Grants and Capital Contributions	-	40,000	65,277	25,277
<b>Total Inflows</b>	<b>31,873,000</b>	<b>27,276,600</b>	<b>27,195,786</b>	<b>(80,814)</b>	Investment earnings [2]	2,133,000	6,821,000	6,814,694	(6,306)
					<b>Total Inflows</b>	<b>32,305,600</b>	<b>34,273,400</b>	<b>34,292,336</b>	<b>18,936</b>
<b>Outflows</b>					<b>Outflows</b>				
Capital outlay	11,539,100	11,666,800	11,102,762	(564,038)	Capital outlay	14,970,500	9,113,600	12,871,797	3,758,197
Transfers out to Water Operations Fund					Capital spending other (net operating expenses)			270	270
Investment earnings [2]	1,694,800	7,205,000	5,613,858	(1,591,142)	Transfers out to Sewer Operations Fund				
Transfer out to Water Construction Fund					Investment earnings [2]	2,133,000	6,821,000	6,027,318	(793,682)
Revenue financed capital	7,713,000	-	-	-	<b>Total Outflows</b>	<b>17,103,500</b>	<b>15,934,600</b>	<b>18,899,385</b>	<b>2,964,785</b>
<b>Total Outflows</b>	<b>20,946,900</b>	<b>18,871,800</b>	<b>16,716,620</b>	<b>(2,155,180)</b>	<b>Net Increase (Decrease) - Budget Basis</b>	<b>\$ 15,202,100</b>	<b>\$ 18,338,800</b>	<b>15,392,951</b>	<b>\$ (2,945,849)</b>
<b>Net Increase (Decrease) - Budget Basis</b>	<b>\$ 10,926,100</b>	<b>\$ 8,404,800</b>	<b>10,479,166</b>	<b>\$ 2,074,366</b>	Non-budgeted inflows (outflows)				
Non-budgeted inflows (outflows)					Unrealized net increase in fair value of investments			29,047	
Unrealized net decrease in fair value of investments			(18,028)		<b>Combining Schedule Sewer Improvement and Extension Fund Change in Net Position [3]</b>			<b>\$ 15,421,998</b>	
<b>Combining Schedule Water Improvement and Extension Fund Change in Net Position [3]</b>			<b>\$ 10,461,138</b>						

- ✓ Related to Transfers In - The Improvement & Extension (I&E) Funds received funds back from the construction fund. Capital expenditures, originally paid for with I&E funds, were subsequently funded by grants.





# How did the Construction Funds perform?

**Water Construction Fund (Source FY 2024 ACFR page 120)**

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers from Water Improvement & Extension Fund				
Revenue financed capital	\$ 7,713,000	\$ -	\$ -	\$ -
Transfers in from Water Operations Fund				
Bond proceeds	-	150,570,000	150,569,980	(20)
State revolving loans	97,102,000	35,187,000	35,186,655	(345)
Grants and Capital Contributions	-	8,651,700	10,313,987	1,662,287
Investment earnings [1]	1,864,700	8,151,000	8,266,834	115,834
<b>Total Inflows</b>	<b>106,679,700</b>	<b>202,559,700</b>	<b>204,337,456</b>	<b>1,777,756</b>
<b>Outflows</b>				
Capital Program	239,260,000	190,000,000	174,991,574	(15,008,426)
Transfers out to Water Operations Fund				
Bond cost of issuance	-	561,400	561,383	(17)
Transfers out to Water Improvement & Extension Fund				
Working capital adjustment [2]	-	4,303,700	4,232,467	(71,233)
<b>Total Outflows</b>	<b>239,260,000</b>	<b>194,865,100</b>	<b>179,785,424</b>	<b>(15,079,676)</b>
<b>Net Increase (Decrease) - Budget Basis</b>	<b>\$ (132,580,300)</b>	<b>\$ 7,694,600</b>	<b>24,552,032</b>	<b>\$ 16,857,432</b>
Non-budgeted inflows (outflows)				
Unrealized net decrease in fair value of investments			(405)	
<b>Combining Schedule Water Construction Fund Change in Net Position [3]</b>			<b>\$ 24,551,627</b>	

**Sewer Construction Fund (Source: FY 2024 ACFR page 121)**

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers in from Sewer Improvement & Extension Fund				
Revenue financed capital	\$ -	\$ -	\$ -	\$ -
Transfers in from Sewer Operations Fund				
Bond proceeds	-	100,315,500	100,315,497	(3)
State revolving loans	47,253,000	29,022,000	29,718,140	696,140
Grants and Capital Contributions	-	29,743,000	36,616,620	6,873,620
Investment earnings [1]	2,365,600	9,742,000	9,822,393	80,393
<b>Total Inflows</b>	<b>49,618,600</b>	<b>168,822,500</b>	<b>176,472,650</b>	<b>7,650,150</b>
<b>Outflows</b>				
Capital Program	199,061,000	140,000,000	135,404,096	(4,595,904)
Transfers out to Sewer Operations Fund				
Bond cost of issuance	-	307,300	307,293	(7)
Transfers out to Sewer Improvement & Extension Fund				
Working capital adjustment [2]	-	14,012,800	14,012,765	(35)
<b>Total Outflows</b>	<b>199,061,000</b>	<b>154,320,100</b>	<b>149,724,154</b>	<b>(4,595,946)</b>
<b>Net Increase (Decrease) - Budget Basis</b>	<b>\$ (149,442,400)</b>	<b>\$ 14,502,400</b>	<b>26,748,496</b>	<b>\$ 12,246,096</b>
Non-budgeted inflows (outflows)				
Unrealized net increase in fair value of investments			171,723	
Other			(1,310)	
<b>Combining Schedule Sewer Construction Fund Change in Net Position [3]</b>			<b>\$ 26,918,909</b>	

- ✓ The Construction Funds expenditures for Water were \$16.9 million less than the amended budget and Sewer were \$12.2 million less than the amended budget
- ✓ Bond transactions in December 2023 replenished bond proceeds available to fund construction activities
- ✓ Capital expenditures, originally paid for with I&E funds, were subsequently funded by grants. Therefore, the funds were transferred back to the I&E funds.



# Acknowledgements

# Direct Contributors and Participants in the Annual Financial Audit

Excellence in financial management and a commitment to strong internal controls is supported by all GLWA team members.

Every successful audit is the result of collaboration and partnership between GLWA team members and our auditors. We are pleased to acknowledge the efforts of those directly involved in the audit from all areas of GLWA in addition to the Board of Directors Audit Committee and GLWA Executive Leadership Team.

## GLWA Contributors

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## Baker Tilley Auditors

Jodi Dobson    Stephanie Silva    Mariela Perez Arredondo





### FY 2024 Financial Audit Results

Good news! The Great Lakes Water Authority received what is known as a “clean audit” opinion from Baker Tilly, the independent auditors, for the financial audit of the Annual Comprehensive Financial Report (ACFR) as well as the audit of federal award programs.

### Commitment to Quality – All Year Long

GLWA has a strong commitment to quality in the monthly financial reporting. This means timely, relevant, and reliable information is available for decision makers. *Preliminary* operation and maintenance expenses as reported in October 2024 Audit Committee meeting did not change in the *Final* audited results.

### Positive Budget Performance

Stability and predictability in forecasting revenue is important for GLWA – as well as providing reliable forecasts for Member Partners in our annual charge setting process. Other revenue is mostly from investment earnings which lower the burden charges revenue. As shown below, GLWA operated within the amended budget to meet operational, debt, and other financial commitments.

	Adopted Budget	Amended Budget	Actual	% Adopted Budget	% Amended Budget
<b>Water Operations</b>					
Revenue from charges	\$ 366,077,800	\$ 353,740,300	\$ 351,905,036	96.1%	99.5%
Other revenue	4,236,700	18,993,900	19,238,314	454.1%	101.3%
Total revenues	370,314,500	372,734,200	371,143,350	100.2%	99.6%
Revenue requirements	370,314,500	372,734,200	366,120,600	98.9%	98.2%
Revenue requirement variance	\$ -	\$ -	\$ 5,022,750	1.4%	1.3%
<b>Sewage Disposal Operations</b>					
Revenue from charges	\$493,169,700	\$478,336,700	\$476,485,804	96.6%	99.6%
Other revenue	7,457,300	24,011,800	22,340,960	299.6%	93.0%
Total revenues	500,627,000	502,348,500	498,826,764	99.6%	99.3%
Revenue requirements	500,627,000	502,348,500	498,489,743	99.6%	99.2%
Revenue requirement variance	\$ -	\$ -	\$ 337,021	0.1%	0.1%

### Solid Credit Metrics

Debt Service Coverage is an indication of our ability to meet debt service payments and is an important ratio for our creditors to demonstrate that GLWA has sufficient cash to repay its bondholders. GLWA uses two methodologies: the GAAP methodology is mostly based on an accrual basis; the rate covenant methodology is based on a cash basis.

	Debt Service Coverage for the year ended June 30, 2024	Water		Sewer	
		GAAP	Rate Covenant	GAAP	Rate Covenant
Senior Lien Bonds		1.96	1.87	2.04	2.06
Senior and second lien bonds		1.42	1.36	1.53	1.54
All bonds, including SRF junior lien		1.32	1.26	1.23	1.24

**Days Cash on Hand** demonstrates that sufficient funds are available to maintain and operate the systems. It also reduces GLWA’s reliance on borrowing which becomes a long-term burden on affordability. Days cash on hand is calculated as unrestricted cash and investments divided by one day of operating expense. At the end of fiscal year 2024, the days cash on hand was 640 days for the water system and 571 days for the sewer system.

*Dedicated to efficiently delivering the nation's best water and sewer services in partnership with our member partners across southeast Michigan*



# Annual Comprehensive Financial Report

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Fiscal Year Ended June 30, 2024





**GREAT LAKES WATER AUTHORITY**  
Southeast Michigan

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Including Independent Auditors' Report

Fiscal Year Ended June 30, 2024

**Prepared By:**

**Great Lakes Water Authority Financial Services Area**





TABLE OF CONTENTS  
Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	vi-xviii
Organizational Line of Reporting Chart	xix
Board of Directors, Executive Leadership Team, Mission and Vision Statement	xx
GFOA Certificate of Achievement	xxi
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information)	6-31
Basic Financial Statements	
Statement of Net Position	34-35
Statement of Revenues, Expenses and Changes in Net Position	37
Statement of Cash Flows	38-40
Index to Notes to Financial Statements	42
Notes to Financial Statements	43-96
Required Supplementary Information other than MD&A	
Nonemployer Contributing Entity Share of City of Detroit General Employees Retirement System – Component II:	
Schedule of Changes in Net Pension Liability and Related Ratios:	
Business-Type Activities	98
Water Fund	99
Sewage Disposal Fund	100
Schedule of Contributions	101
Notes to Required Supplementary Information	102
Supplementary Information	
Combining Schedule of Net Position – Water Fund	104-105
Combining Schedule of Revenues, Expenses and Changes in Net Position – Water Fund	107
Combining Schedule of Net Position – Sewage Disposal Fund	108-109
Combining Schedule of Revenues, Expenses and Changes in Net Position – Sewage Disposal Fund	110
Schedule of Interfund Receivables and Payables	111
Schedule of Operating Expenses for Water Operations Fund – Budget to Actual	112
Schedule of Operating Expenses for Sewer Operations Fund– Budget to Actual	113
Schedule of Operating Expenses for Combined Water and Sewer Operations Funds – Budget to Actual	114
Schedule of Revenue Requirements – Budget to Actual – Water Operations	115
Schedule of Revenue Requirements – Budget to Actual – Sewage Disposal Operations	116
Schedule of Revenue Requirements to Statement of Revenues, Expenses and Changes in Net Position Crosswalk	117
Water Improvement and Extension Fund – Budget to Actual	118
Sewer Improvement and Extension Fund – Budget to Actual	119
Water Construction Fund – Budget to Actual	120
Sewer Construction Fund – Budget to Actual	121

TABLE OF CONTENTS (cont.)  
Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024

	<u>Page</u>
<b>FINANCIAL SECTION (cont.)</b>	
Supplementary Information (cont.)	
Schedule of Days Cash – Liquidity	122
Notes to Supplementary Information	123-124
<b>STATISTICAL SECTION</b>	
<b>Financial Trends</b>	
Schedules of Net Position:	
Business-Type Activities	128-129
Water Fund	130-131
Sewage Disposal Fund	132-133
Changes in Net Position:	
Business-Type Activities	134
Water Fund	135
Sewage Disposal Fund	136
<b>Revenue Capacity</b>	
Charge Adjustments	138
Water Fund Operating Revenues / Largest Water Customers	139
Sewage Disposal Fund Operating Revenues / Largest Sewer Customers	140
Water System Service Charges	141
Sewage Disposal System Service Charges	142
Industrial Waste Control Charges and Pollutant Surcharges	143
<b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type	146
Debt by Lien	147-149
Schedule of Debt Service Requirements	150-151
Debt Credit Rating History	152
Debt Service Coverage	
Debt Service Coverage Overview	153
GAAP Basis – Water System	154
Rate Covenant Basis – Water System	155
GAAP Basis – Sewage Disposal System	156
Rate Covenant Basis – Sewage Disposal System	157
<b>Demographic and Economic Information</b>	
Service Area Demographics	160
Largest Employers	161
<b>Operating Information</b>	
Produced and Billed Water Volumes	164
Wastewater Volumes	165
Additional Summary Statistics	166

**INTRODUCTORY SECTION**



## **TRANSMITTAL LETTER**

December 11, 2024

Board of Directors of the Great Lakes Water Authority and Those That We Serve,

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") for the Great Lakes Water Authority ("GLWA" or "Authority") for the fiscal year which ended June 30, 2024.

### **About this Annual Comprehensive Report**

The accompanying financial statements for GLWA were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants engaged by the GLWA Board of Directors. This is consistent with the GLWA Articles of Incorporation and By-laws which require an annual audit of the Authority's financial statements by independent certified public accountants.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with GLWA management. To the best of our knowledge and belief, the information contained in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of GLWA. All disclosures necessary for the reader to gain an understanding of GLWA's financial activity have been included.

GLWA management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are adequately safeguarded against loss, theft, or misuse and to maintain accurate and reliable financial records for the preparation of financial statements and the representations made by management. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of internal controls should not exceed the benefits derived from the controls; and 2) the evaluation of costs and benefits requires management's exercise of judgment. To the best of our knowledge and belief, GLWA's internal accounting controls adequately safeguard its assets and provide reasonable assurance of the proper recording of financial transactions in accordance with GAAP.

Baker Tilly US, LLP, Certified Public Accountants, has been retained by GLWA to serve as its independent auditors and has issued an unmodified ("clean") opinion on GLWA's financial statements for the year ended June 30, 2024, with comparative amounts for June 30, 2023.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to supplement the MD&A and should be read in conjunction with it. GLWA's MD&A is located immediately following the independent auditors' report.

### **Overview of GLWA**

GLWA is one of the largest water and wastewater utilities in the United States serving solely as a wholesale treatment service provider. At GLWA, we define "member partner" as the city, township, village, drainage district, authority or other public body corporate recognized by the state of Michigan that holds a wholesale water or wastewater disposal services contract with GLWA. Our member partners are actively engaged with GLWA and supported by a facilitated outreach program to ensure open, ongoing, and proactive relationships.

GLWA assumed operational control of the city of Detroit Water & Sewerage Department's (DWSD) regional operating assets on January 1, 2016, pursuant to the terms outlined in a companion set of documents commonly referred to as the lease agreements and water and sewer services agreements. DWSD continues to operate and maintain the local system that serves the geographic boundaries of the City of Detroit. GLWA leases the regional water and sewage disposal facilities from the City for an allocation of \$50 million per year to fund capital improvements for the City's retail system and/or debt obligations associated with providing water and sewer service to the City.

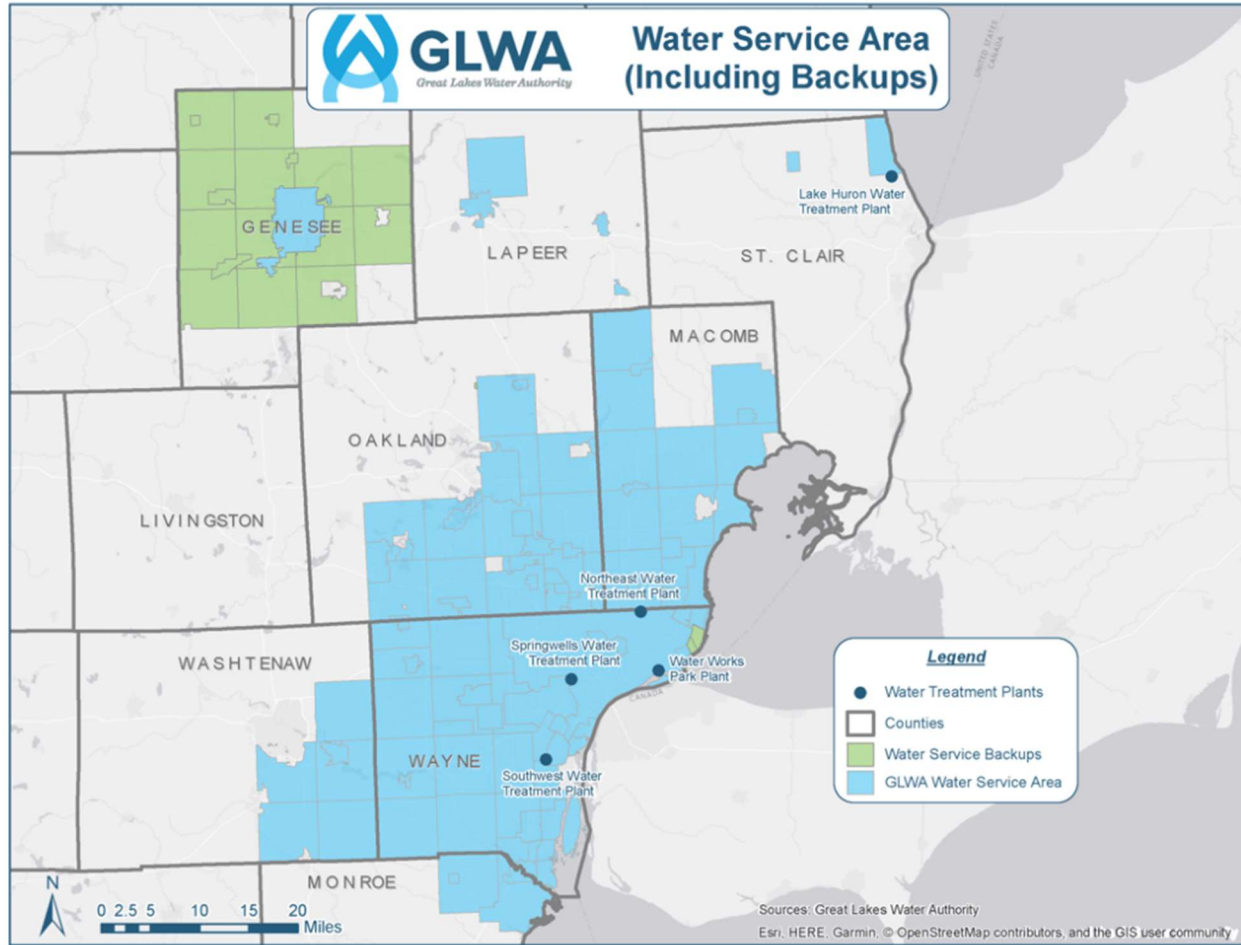
### **Regional Water System**

Our regional water system is one of the largest in the United States, both in terms of water produced and population served. The system currently serves an area of 1,674 square miles with an estimated population of nearly 3.8 million or approximately 38 percent of Michigan's population. The water system has 88 member partners across 115 communities.

The water supply system consists of three intake facilities, five water treatment plants, 19 booster pumping stations, 32 water storage reservoirs and a delivery system with over 797 miles of transmission mains. The facilities have the treatment capacity of 1,720 million gallons per day.

Fortunately, GLWA has certain geographic and source water advantages. GLWA is surrounded by the Great Lakes with three water intakes spaced between Lake Huron and Lake Erie. Of particular note is that PFAS is non-detect in the drinking water. The size and complexity of the GLWA water treatment facilities described above supports two pilot water plants that allow GLWA to test and assess changes in water treatment.

The following map depicts the water service area.



### Regional Wastewater System

Our regional wastewater system is also one of the largest in the United States, both in terms of treatment capacity and population served. The wastewater system currently serves an area of 953 square miles with an estimated population of nearly 2.8 million or approximately 28 percent of Michigan’s population. The wastewater system has 19 member partners across 79 communities.

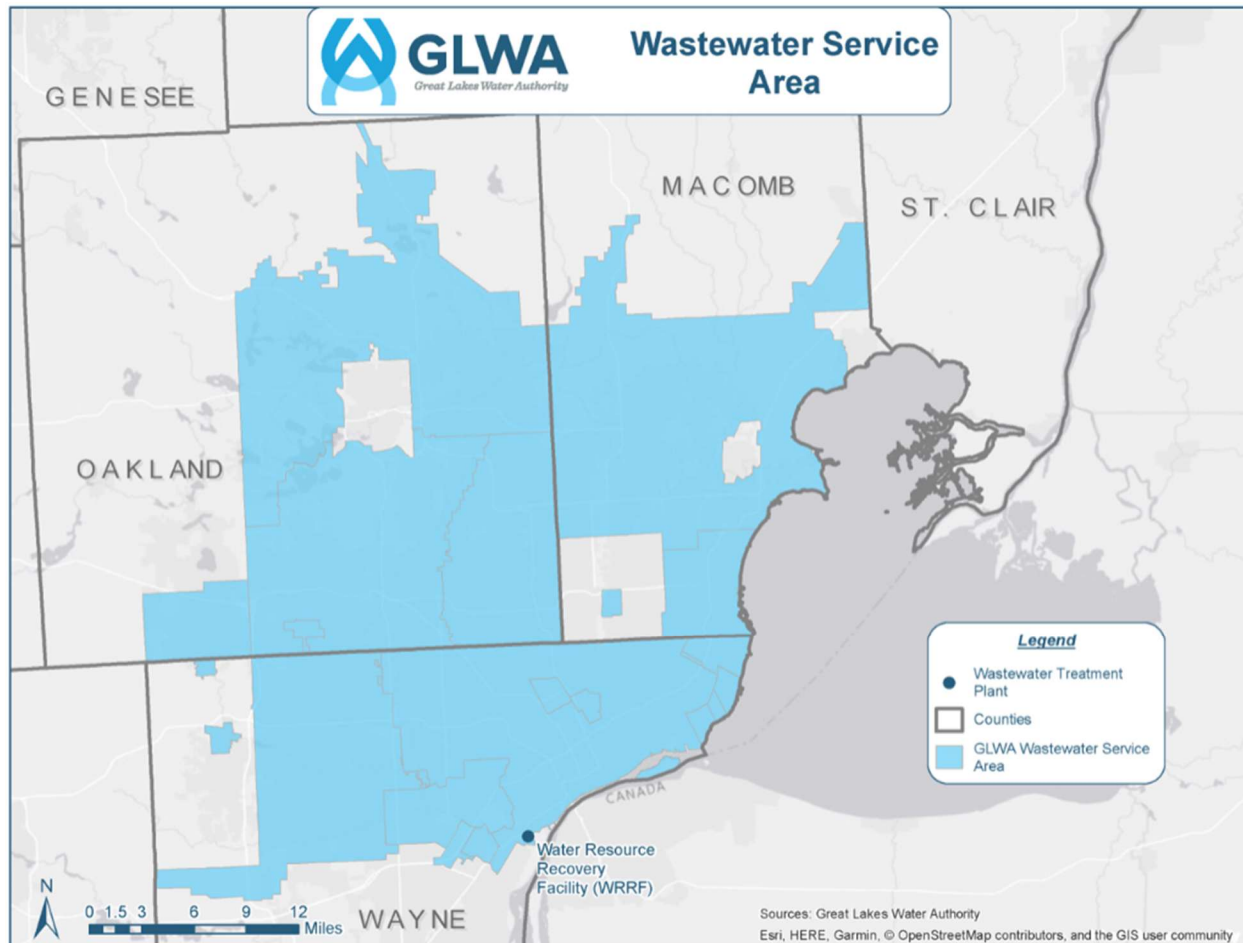
The wastewater system consists of one of the largest single-site water resource recovery facilities in the United States with a treatment capacity of 1,700 million gallons per day. The wastewater system has three major interceptors, nine pump stations, nine Combined Sewer Overflow (“CSO”) control facilities, including six retention treatment basins and three flow-through type facilities, as well as a conveyance system with 207 miles of trunk sewers and interceptors.

The long-term strategy for the wastewater treatment and sewage disposal system is a focus on regional efficiencies. The 2020 Wastewater Master Plan (“WWMP”) was adopted by the Board in September 2020. The WWMP was created with incredible energy, insight, and direction from a broad cross section of our member partners working collaboratively with our team members and consultants and other regional stakeholders. The focus, approach and outcomes of the plan demonstrate the true spirit of the One Water Partnership that GLWA and our member partners are

committed to for the benefit of southeast Michigan. The 40-year master plan focuses on water quality, leveraging the entire region's existing infrastructure, maximizing the use of dynamic wet weather operations, strategic use of green infrastructure, addressing changes in weather patterns and rain event intensities, extensive system modeling including surface water and wastewater treatment, evaluation of resource recovery options and energy reduction opportunities.

An exciting development this year has been the signing of a formal partnership agreement between GLWA and the U.S. Army Corps of Engineers (USACE) to launch a regional flood mitigation study. That study, which is partially federally funded, began with a technical design charette in September 2024 with key regional stakeholders. Southeast Michigan has experienced extreme rain events with devastating impacts to people and communities in the region. The goal of the multiple-year study is to formulate alternatives to help reduce flood risk. At the study's end, a tentatively selected plan will be presented for consideration of further federal and non-federal funding to improve infrastructure and flood resiliency across the region.

The following map depicts the wastewater service area.



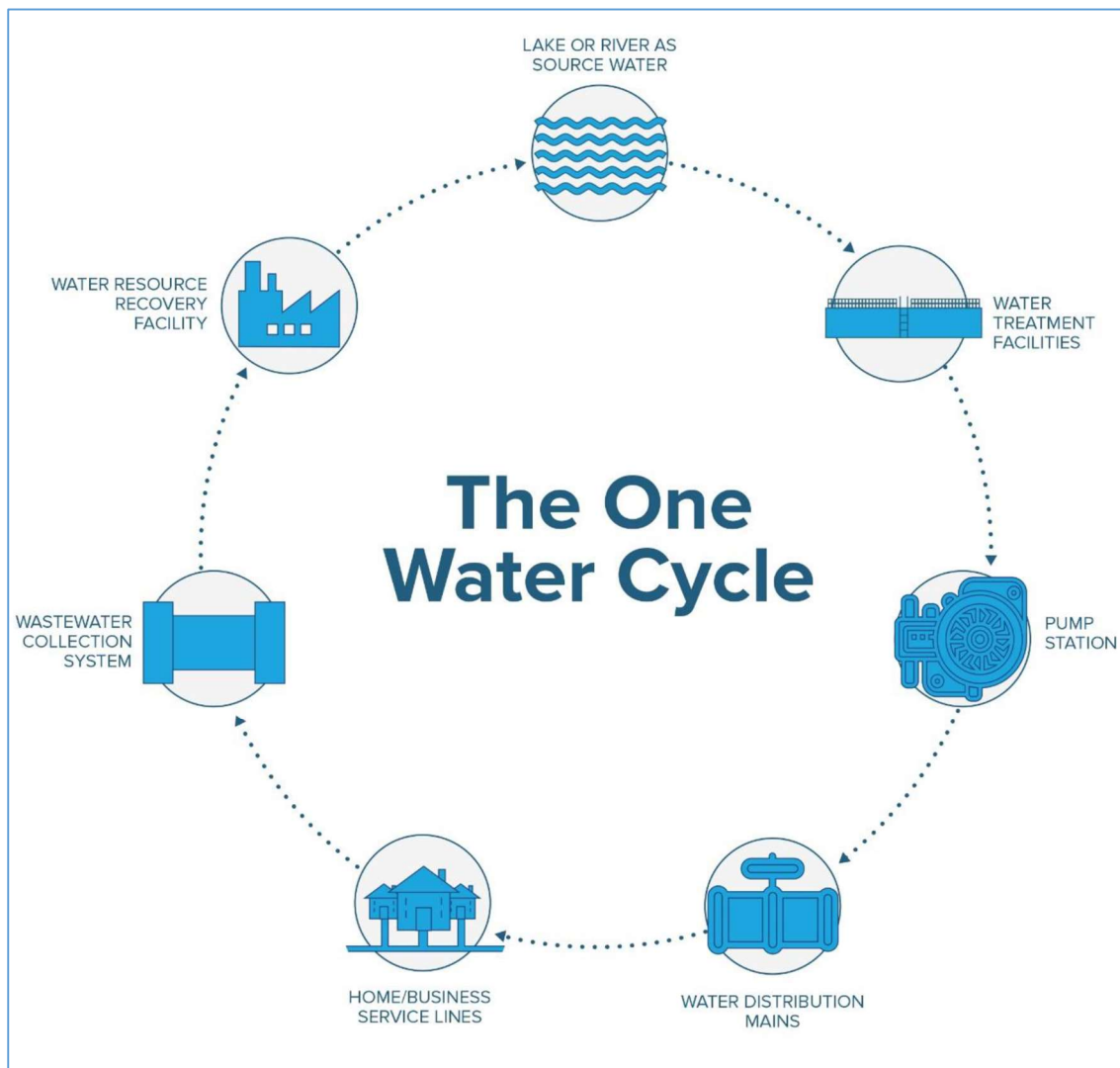
## One Water Concept

GLWA is all about **One Water** - the movement of water from the environment to its member partners, and back to the environment.

First, GLWA ensures its member partner communities receive the highest quality water by using treatment standards that are more strict than state or federal regulatory requirements. Then, once water has been used, GLWA runs it through the treatment process again before returning it to the environment - often times cleaner than when the water was first received.

Working hand in hand with its member partners, GLWA provides unquestionable water quality and efficient and effective wastewater services.

Together, GLWA is **One Water** with its member partner communities.





### Regional Service Area Economy

The GLWA service area is largely located in the Detroit Metropolitan Service Area (MSA) which is ranked the 14<sup>th</sup> largest metropolitan area in terms of population in the country. The current unemployment rate is 4.3% which is comparable to the national unemployment rate of 4.1%. The City of Detroit is experiencing significant growth driven by large scale redevelopment and major corporations increasing their presence or relocating. This redevelopment is also supporting greater diversity in employment opportunities for residents. Professional, business, education and health services comprise 35 percent of employment, with trade, transportation and utilities at 19 percent and manufacturing at 12 percent. The population level remains stable. Per capita income has had a steady increase over the years.

Strength in the economy is observed through increasing and strong credit ratings among the city of Detroit and tri-county area that covers the majority of GLWA’s member partner communities. The respective ratings from Moody’s (M), Standard & Poor’s (S), and Fitch (F) are listed below along with the state of Michigan who provides significant levels of low-cost state revolving fund loans to GLWA.

- Oakland County           Aaa/AAA/Not Rated (M/S/F)
- Macomb County           Aa1/AA+/Not Rated (M/S/F)
- Wayne County            A1/A+/AA (M/S/F)
- City of Detroit            Baa2/BBB/Not Rated (M/S/F)
- State of Michigan        Aa1/AA/AA+ (M/S/F)

### Water Residential Assistance Program

While the economic metrics are strong, there will always be households in need throughout the service area. For this reason, the founding legal structure for GLWA provided that 0.5 percent of the base budgeted operating revenues be directed to funding the Water Residential Assistance Program (“WRAP”). For the year ended June 30, 2024, the funding level was \$4.4 million. This program provides payment assistance and support services to address home repairs to assist eligible low-income residential households in our member partner communities. This means that qualified households can receive payment assistance, as well as take steps to sustainably reduce their bills in the future. The WRAP program is delivered through a network of governmental and nonprofit service delivery partners who can provide a wholistic approach to supporting households in need with other services. In October 2022, the new WRAP Income Based Plan (“IBP”) was launched to provide eligible households with payment assistance that limits the household cost for services to three percent. The IBP was the result of extensive research which GLWA believes to be a nationally leading program design. As we look back over the past two years, we can say that we achieved the successful desired outcome: fully utilizing the funding available and significantly increasing client participation.

### Budget Process

GLWA has a rigorous budget process. Annually, a biennial budget and five-year plan are prepared concurrently. This process begins soon after the current fiscal year begins with the operating area budget managers. A preliminary budget is presented to the Audit Committee in December and then to the full Board in January. It is also presented to our member partners for comments during the charge development process. The final proposed biennial budget and five-year financial plan, as well

as a five-year capital improvement plan (“CIP”), is presented to the Board during a public hearing in February. Once approved, the budget takes effect on July 1st.

The legal level of budgetary control is the bottom line of each of the budgeted revenue requirements to align with the charge setting process. Components of the revenue requirements are referred to as appropriation categories. The budget shall not be increased or decreased by appropriation category without prior Board authorization. The Board is provided a detailed budget by line item which supports the totals in each appropriation category at the time of budget approval. The Chief Financial Officer may exercise discretion to modify the detail budget line items within each appropriation category.

The budget is prepared on a modified cash basis and the revenue requirements are determined based upon the cash needed to meet the expenditures as required by the Master Bond Ordinances (“MBOs”). A budget to actual comparison is included in the Schedule of Revenue Requirements in the Supplementary Information. A crosswalk is provided in the Supplementary Information that provides a reconciliation between budget basis results in the Schedule of Revenue Requirements to the accrual basis results in the Statement of Revenues, Expenses and Changes in Net Position.

#### **The 4% Benchmark**

Affordability and sustainability were primary concerns in establishing the regional water authority. The mechanism to achieve that balance was the “4% Promise” as established in the foundational documents for GLWA. The 4% Promise requires that the annual revenue requirement does not increase by more than 4 percent in any one year in the initial years of GLWA’s existence through June 30, 2025. The revenue requirement includes operations and maintenance (O&M) expense, debt service, system lease payments, legacy pension, funding for WRAP, funding for the capital program via Improvement & Extension Fund contributions and any other expenditure or funding as required by the MBOs. With a strong commitment to affordability, GLWA has stayed well under that promise with an average annual revenue requirement adjustment of 2.1 percent for the water fund and 1.7 percent for the sewage disposal fund from GLWA’s first full fiscal year in FY 2017 through FY 2025. The effect on charges was an average charge increase of 2.6 percent for the water charges and 2.1 percent for the sewer charges for the same time period.

As this FY 2024 annual comprehensive financial report is being finalized, we are in FY 2025 which is the final year of the 4% Promise. Given our commitment to ten-year financial planning, GLWA and its stakeholders have known for several years that achieving the 4% Promise on an annual basis going forward would be a challenge. This is because there have been several years of double digit increases in GLWA’s expense lines for services and commodities encompassing utilities, chemical, and construction that have forever impacted the cost of providing GLWA’s water and sewage disposal services. We achieved the 4% Promise during the recent inflation escalation years by optimizing investment earnings and refinancing debt, as well as some non-critical initiatives were deferred, and some targeted preventive maintenance programs slowed. For several years, the 10-year financial plan presented to stakeholders explained that increases in the revenue requirement and charges beyond 4% after FY 2025 would be a necessity. We are now facing that reality as we prepare the FY 2026 & FY 2027 biennial budget and the FY 2026 charges. While the amount of the proposed increase continues to be developed, the plan does contemplate a *cumulative average 4% benchmark* being achievable over the future years.

### **Long-Term Financial Planning Aligns with Successful Debt Management**

GLWA annually updates a 10-year financial forecast as a roadmap to achieve one of the organizational goals of a solid AA category rating, by meeting or exceeding rating agency criteria. This goal was recently reached with the most recent rating agency affirmation and upgrades issued in October 2023. Since the operational effective date of the Authority, Moody's Investor Services has increased the ratings six notches, and Standard & Poor's has increased the ratings three notches for both systems. Fitch Ratings has increased the ratings four notches for the water system and five notches for the sewage disposal system. More details on the credit ratings are described in the MD&A and in Note 12.

The path to achieve a solid AA credit rating is based upon rebalancing the mix of debt financing and revenue generated capital (also known as pay-as-you go) to fund the CIP. GLWA has delivered in reducing the annual revenue dollars that are dedicated to debt service with an effective debt refunding program.

There were two bond refunding transactions during FY 2024 for both the water system and sewage disposal system. As part of the credit rating process for the first tender and refunding transaction in November 2023, the Authority received the required ratings to reduce or eliminate the debt reserves. As part of the second refunding transaction in June 2024 the debt reserves were set to zero for both systems. For the water system, these transactions resulted in \$16.1 million in reserve release to reduce future budgeted (gross) cash flow by \$78.7 million which resulted in a net present value economic gain of \$47.1 million. Similarly, for the sewage disposal system, \$16.3 million in reserves were released to reduce future budgeted (gross) cash flow by \$97.7 million which resulted in a net present value economic gain of \$58.2 million for the sewage disposal system. Since GLWA's operational inception in 2016 through June 2024, refunding transactions have used reductions in debt reserve requirements of \$139.9 million to reduce future budgeted cash flow by \$896.5 million resulting in a net present value economic gain of \$546.3 million. As noted above, these savings have a material impact on GLWA's ability to keep the annual revenue requirement adjustments and related charge adjustments at an amount well below the consumer price index.

This financial achievement demonstrates the strength, stability, and best-in-class performance that the regional stakeholders and leadership team envisioned when the concept of a regional authority emerged in 2014. Further, we believe that our transparency and accessibility in addressing questions from rating agencies, as well as investors, contributed to successful outcomes in uncertain times.

### **Major Initiatives**

If there is one word that would describe the driver of GLWA's major initiatives, it would be resiliency. Changing climate, aging infrastructure, constrained workforce, pace of technology advancements, regulatory requirements, and rapid cost increases shape our very focused efforts to make sure that GLWA is able to anticipate, withstand, recover from, and adapt to changing and unforeseen conditions to ensure the delivery of water of unquestionable quality and superior environmental stewardship. These major initiatives highlight our multifaceted approach to resiliency.

### *Linear System Integrity Program*

GLWA is taking action to enhance system and operational resiliency. One example is the launch of the Linear System Integrity Program (LSIP). This initiative uses innovative technology to support the regional system's capacity to deliver drinking water and collect wastewater data. Using innovative technology such as electromagnetic and acoustical devices that can be inserted into drinking water transmission mains with minimal disruption and allow the utility to target its efforts to proactively intervene to prevent main breaks. This allows GLWA to better target specific assets that must be either repaired or replaced.

### *Proactive Capital improvement Plan*

As it relates to the Capital Improvement Program (CIP), the majority of the GLWA FY 2025–2029 five-year CIP is driven by optimizing the system and maintaining reliability. The Authority has a low level of regulatory mandated CIP projects. The water system calls for \$1.1 billion of major capital expenditures over the next five fiscal years (2025-2029) and the wastewater (sewer) system calls for \$982.5 million of capital expenditures over the same period. The staff from Michigan Department of Environment, Great Lakes, and Energy ("EGLE") regularly engage with GLWA on capital project matters to ensure alignment and open dialog to achieve optimal results.

In addition to the extent of the CIP, GLWA has strengthened the delivery of the CIP with the publication of the Program Management Plan (PMP) in September 2024. This living document establishes the framework, business requirements, processes, and procedures for use by the CIP Delivery Team to achieve a consistent level of quality and predictable products, expectations, and outcomes across the CIP program and project delivery. These standard processes and procedures help to reduce delivery risks and provides a common delivery language, which helps build cohesive project teams and quality CIP projects. Along with the rollout of the manual, project management jobs were redesigned to align with the PMP framework.

### *Investment in Information Technology Systems*

On January 1, 2024, the Workday Human Capital Management System (HCM) was launched which provides greater efficiency and effectiveness in providing service, training, and performance management across GLWA. Subsequently, the Workday Financial Management System (FINS) was successfully launched on July 1, 2024, with no interruption in service to vendors and team members. The companion system, Adaptive Insights, is now also being rolled out to support budgeting, planning and reporting functions.

In November 2024, GLWA's new enterprise asset management system, NEXGEN, was launched. This transformational effort deployed tablets to all field and operational personnel and related support team members. All work orders are directly linked to an asset and provide much greater support to team members in the field and in the plants to repair and maintain assets.

Also in November 2024, the Board of Directors approved a contract with Kahua to provide a project management information system. Planning and implementation will proceed in calendar year 2025.

### *Building and Strengthening the Water Sector Talent Pool*

We continue to develop strategies to help ensure that we retain highly skilled team members and attract top talent in a tight employment market. GLWA is filled with a very talented group of professionals doing great things in and for the areas that we serve.

During FY 2024 the GLWA Public Affairs team facilitated the launch of *Tap In* – a comprehensive multimedia educational outreach to the public at-large to not just learn about GLWA, but to highlight career opportunities in the water sector and at GLWA. The success of this effort resulted in *Tap In 2.0*, launched in September 2024. The *Tap In* initiative encompassed stakeholder group feedback, featured our relatable GLWA team members at work and spanned digital, streaming broadcast, radio, print and non-traditional sources such as convenience store posters and movie theater video advertising. The launch of these programs had an immediate and material impact on the number of applicants and significant increase to GLWA’s website. The quality of the production resulted in GLWA receiving an Emmy for the initial campaigns from the National Academy of Television Arts and Sciences Michigan Chapter.

In October 2024, GLWA received the U.S. Department of Labor (USDOL) designation as an Apprenticeship Ambassador further underscoring GLWA’s commitment to building apprenticeship programs and providing training to others. As a partner with the USDOL we shape Registered Apprenticeship expansion and diversification in our area of expertise, industry, local area, and supply chain.

In September 2024, six new apprentices were onboarded, joining the other 45 apprentices on the team. The apprenticeship job classifications include positions that are challenging to recruit and fill such as water technicians, electrical instrument technicians, and maintenance technicians.

### *Strong Vendor Engagement*

GLWA is fortunate in that it routinely receives multiple competitive responses on procurement solicitations. Vendor engagement is a top priority. One way that occurs is through vendor outreach events. The most recent in-person event was hosted in September 2024 with over 225 vendors in attendance. A particular focus this year was business-to-business networking by featuring a panel of representatives from GLWA’s five largest volume firms explaining how they select recruit and select subcontractors.

Another vendor focused initiative is the Business Inclusion and Diversity (BID) program. This initiative was approved on November 25, 2020, when the GLWA Board of Directors approved an amendment to the procurement policy that establishes the submission of a diversity plan for all procurements over \$1 million to ensure that the vendor community is aligned with GLWA’s values for a diverse vendor base. The amendment also provides incentives to business located in our state, services area, and in economically disadvantaged communities among our member partner communities. The launch of the Business Inclusion & Diversity (“BID”) program significantly strengthens the Small Business Initiative and the Strategic Alliance Memorandum executed with the United States Small Business Administration (“SBA”) in 2018 to meet the needs of the small business community and engagement in GLWA business opportunities. Since the start of the program through June 30, 2024, GLWA has awarded 27% of eligible contracts (\$359.3 million) to disadvantaged, minority-owned, women-owned, and small businesses and received 320 diversity plans.

### **Member Partner Relations**

The One Water Partnership Agreement between GLWA and its member partners outlines the mutual commitments to working together for the greater good of the region, detailing the responsibilities of all parties and a commitment to a multi-jurisdictional, multi-agency approach to infrastructure renewal and investment. GLWA's collaborative relationship with its customers is foundational to its operations wherein GLWA works with its customers as member partners. In November 2024, the 2024 Member Partner Outreach Scorecard was presented to the Board. The overall satisfaction level is steady at 90% with an increased response rate of 40%. Many scores increased with communication, the Member Partner Outreach program, GLWA's responsive and knowledgeable team members, and water quality as key strengths. Not surprisingly, there are shared concerns related to increasing system costs as well as an interest in better understanding charges.

### **FY 2024 Financial Results**

Most important to our member partners are the Authority's budget results, as the member partner charges are set based upon our revenue requirements that must be fulfilled. The Schedule of Revenue Requirements Budget to Actual, in the Supplementary Information, provides an overall view of the financial results for FY 2024. In preparation of the budget for FY 2024, GLWA adhered to the following Financial Plan Objectives that are discussed in detail in our budget document:

1. The 4% Promise - The lease agreements that established the regional authority demonstrated a commitment to affordability by codifying what is commonly referred to as the 4% Promise. This caveat established that the annual revenue requirement budget increases are limited to 4 percent through June 20, 2025;
2. Revenue Stability for the System – This is achieved by utilizing a charge model to provide revenue stability despite changes in climate conditions that vary from year to year which also includes measures to foster water conservation;
3. Managing Charge Stability for Our Member Partners – The goal is to adjust charges on a modest incremental basis systemwide to prevent unpredictable cost increases for our Member Partners;
4. Retail System Revenue and Collections – Under the terms of the leases, Master Bond Ordinance ("MBO"), and the services agreement with DWSD, GLWA distributes receipts to the revenue requirements following a flow of funds that may result in a cashflow loan to DWSD. The goal is that the retail system collections exceed the financial commitments under the MBO;
5. WRAP – This program is required to be funded at 0.5 percent of base budgeted operating revenue;
6. Closed Loop Lease Payment – The regional system lease payments stay within the local, retail water and sewage disposal systems for the benefit of the DWSD;
7. Closed Legacy Benefit Plan Costs – GLWA's share of the required DWSD commitment as part of the City of Detroit's Chapter 9 bankruptcy Plan of Adjustment is funded consistent with the terms of the agreement.

The bottom-line revenue requirement budget result is that Water Operations ended the year with a \$6 million (1.6 percent) positive budget variance after meeting all of the revenue requirements. The Sewage Disposal Operations ended the year with a positive budget variance of \$5.8 million (1.2 percent) after meeting all of the revenue requirements.

A further discussion of FY 2024 results is presented in the MD&A. The MD&A provides further analysis of the water and sewage disposal systems individually in addition to GLWA overall.

### **Solid Foundation for Sustainability**

GLWA is committed to ensuring the long-term sustainability of the regional water supply and sewage disposal systems – we do this by recognizing that near-term actions have long-term impacts.

*Stable Revenues with Modest Charge Adjustments* - GLWA balances steady and controlled Operations and Management budget requests for the short-term, while continuing to focus on increasing cash reserves for capital investment and controlling long-term financial commitments. This provides stability in the cost of supply for our member partners (See Schedule 3 in the Statistical Section which provides the history of charge adjustments). The water and sewer regional system charge structure, developed collaboratively with member partners, supports a high degree of financial stability. The regional water supply system revenues are set using a methodology with a basis of 60 percent fixed monthly charge and 40 percent commodity consumption using a 36-months historical average usage. The regional sewage disposal system charge revenue methodology is designed to recover 100 percent with a fixed monthly billing based on each member partner’s share of the annual forecasted revenue requirement. The sewage disposal charges updated the core methodology to the SHARES calculation effective with the FY 2022 service charges, which embraces simplicity and replaces the strength of flow with an appropriate weighting on sanitary volumes. This simplified sewer charge methodology was developed by GLWA team members, advisors, and member partners.

*Strong Bondholder Protections* - All payments to GLWA and DWSD for services provided are deposited to Bond Trustee Accounts and are disbursed in accordance the MBO flow of funds.

*Defined Contribution Benefit Plans* - All employee benefit plans are defined contribution which provide shorter term vesting and flexibility for the employee while creating zero risk on unfunded liabilities for GLWA.

*Legacy Pension Decrease* - The City of Detroit Chapter 9 Bankruptcy Plan of Adjustment required DWSD to fund its portion of the General Retirement System (GRS) of the City of Detroit Component II pension plan, which was frozen as of June 30, 2014, over a nine-year period ending June 30, 2023. Upon the operational effective date of the Authority, GLWA and DWSD agreed to split that annual contribution based upon a historical staffing analysis with 70.3 percent allocable to GLWA and 29.7 percent to DWSD. With the ending of the initial nine-year period on June 30, 2023, the Actuarial Determined Employer Contribution (ADEC) for the Unfunded Actuarial Accrued Liability (UAAL) for DWSD was \$0 for FY 2024 with an administrative fee of \$0.7 million. The GRS Annual Actuarial Valuation of Component II for June 30, 2023, computes the FY 2025 ADEC for DWSD to be \$1.6 million with an administrative fee of \$0.6 million.

### **Awards**

*Government Finance Officers Association Distinguished Budget Presentation Award* – The Government Finance Officers Association of the United States and Canada (“GFOA”) presented a Distinguished Budget Presentation Award to Great Lakes Water Authority, Michigan, for its Biennial Budget for the biennium beginning July 1, 2024. This was the Authority’s sixth year receiving the award. To receive

this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

*Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting* - GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to Great Lakes Water Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2023, for the fifth year in a row. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition, in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

### **Acknowledgements**

The positive financial results presented in the annual comprehensive financial report is the demonstration of the commitment that each GLWA team member has to accountability for the resources we are given. In addition, a special acknowledgement is in order for the members of the Financial Services Area – who consistently excel in delivering quality, transparent financial reporting all year in addition to this annual comprehensive financial report. This accomplishment is especially noteworthy in a year when that team was also working on multiple system implementations yet met or exceeded deadlines in bringing the prior fiscal year to a close.

### **Collaboration is at the Core of a Successful Regional Water Authority**

When we say “our” system, it is “our” system that we mutually support and foster in collaboration with our member partners, team members, vendor community, Board of Directors, other stakeholders, and the public at-large. Now, more than ever, thank you for your continued engagement.

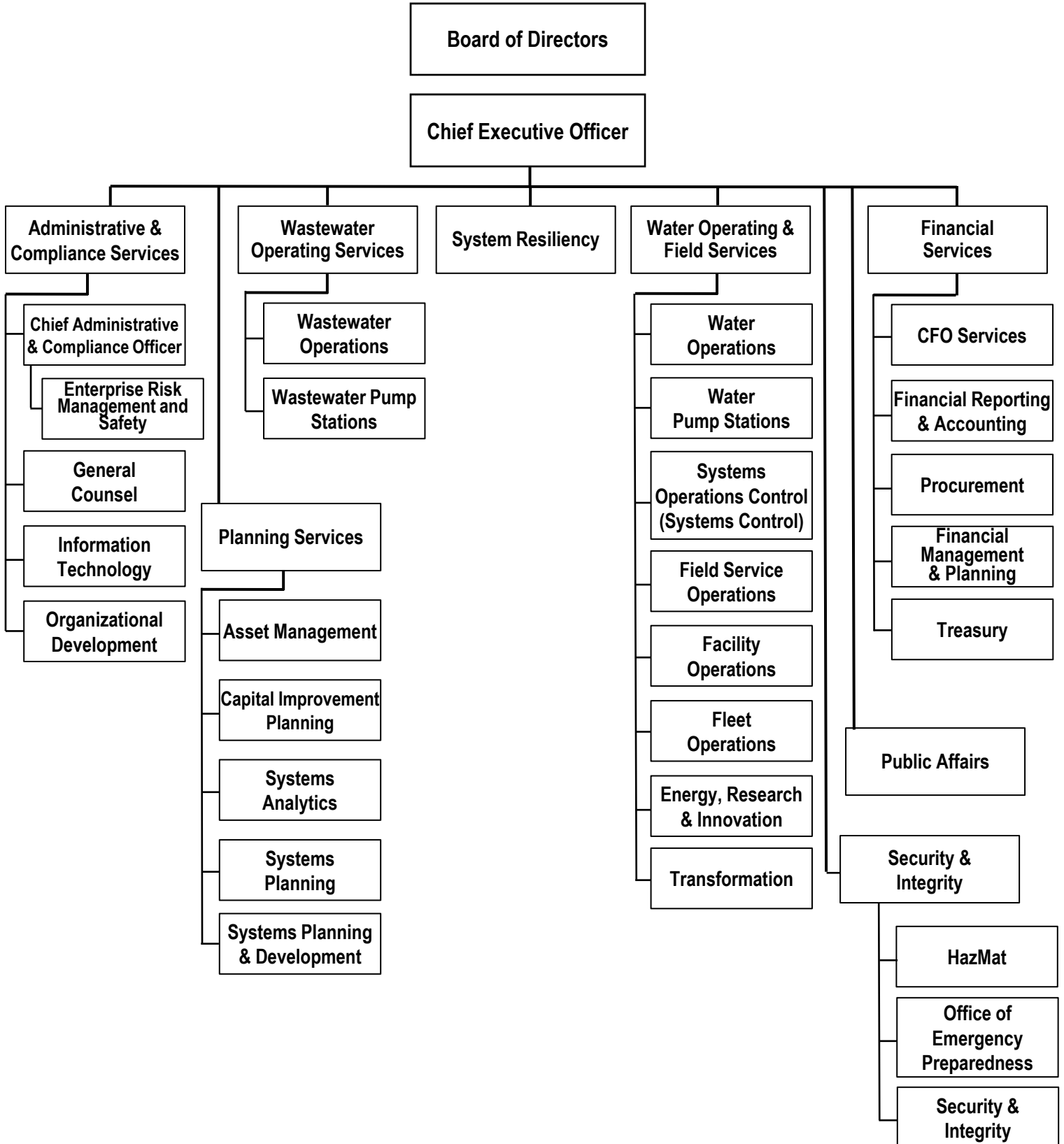
Suzanne R. Coffey, P.E.  
Chief Executive Officer

Nicolette N. Bateson, CPA  
Chief Financial Officer & Treasurer





## Organizational Line of Reporting Chart





**Great Lakes Water Authority Board of Directors  
as of June 30, 2024**

- Brian Baker ..... GLWA Board Chairman; Representative for Macomb County
- Mark Miller.....GLWA Board Vice-Chair; Representative for the State of Michigan
- John J. Zech.....GLWA Board Secretary; GLWA Board Representative for Wayne County
- Gary A. Brown.....GLWA Board Representative for the City of Detroit
- Jaye Quadrozzi .....GLWA Board Representative for Oakland County
- Freman Hendrix .....GLWA Board Representative for the City of Detroit

**Great Lakes Water Authority Executive Leadership Team  
as of June 30, 2024**

- Suzanne R. Coffey, P.E. .... Chief Executive Officer
- William M. Wolfson \* ..... Chief Administrative and Compliance Officer
- Nicolette N. Bateson, CPA..... Chief Financial Officer/Treasurer - Financial Services
- Cheryl D. Porter ..... Chief Operating Officer – Water Operating Services
- Navid Mehram, P.E. .... Chief Operating Officer – Wastewater Operating Services
- Jody Caldwell, P.E. .... Chief Planning Officer
- Jeffrey E. Small ..... Chief Information Officer
- W. Barnett Jones..... Chief Security & Integrity Officer
- David W. Jones ..... General Counsel
- Michelle A. Zrodowski ..... Chief Public Affairs Officer
- Jordie Kramer..... Chief Organizational Development Officer

\* Effective July 2024, William Wolfson, Chief Administrative and Compliance Officer was promoted to Deputy Chief Executive Officer.

**Our Mission**

To exceed our member partners’ expectations by utilizing best practices in the treatment and transmission of water and wastewater, while promoting healthy communities and economic growth.

**Our Vision**

Through regional collaboration, GLWA strives to be the provider of choice, dedicated to efficiently delivering the nation’s best water and sewer services in partnership with our member partners.



Government Finance Officers Association

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Reporting

Presented to

**Great Lakes Water Authority  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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**FINANCIAL SECTION**

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## Independent Auditors' Report

To the Board of Directors of  
Great Lakes Water Authority

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities, and each major fund of the Great Lakes Water Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and each major fund of the Authority as of June 30, 2024 and the respective changes in the financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information, the introductory section and statistical section, of the annual comprehensive financial report (annual report). The other information comprises the other information included in the annual report but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Report on Summarized Comparative Information***

We have previously audited the Authority's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the business-type activities, and each major fund in our report dated December 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Madison, Wisconsin  
December 11, 2024

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

#### June 30, 2024

The management of the Great Lakes Water Authority (GLWA or Authority) presents this discussion and analysis of GLWA's financial position and changes in financial position as of and for the fiscal year ended June 30, 2024. The Management's Discussion and Analysis (MD&A) should be read in conjunction with GLWA's basic financial statements and the related notes to the financial statements in addition to the transmittal letter provided in this report.

GLWA began operations on January 1, 2016. This discussion starts with the GLWA's accounting framework followed by an overview of the financial statements and then the financial analysis. Information in condensed format compares the fiscal year ended June 30, 2024 to the fiscal year ended June 30, 2023 for both the Statement of Net Position and the Statement of Changes in Net Position. Comparison analysis is also provided for the fiscal year ended June 30, 2023 to the fiscal year ended June 30, 2022.

#### Accounting Framework

GLWA leases the regional system assets from the City of Detroit. In order to understand the GLWA's financial activity, it is helpful to revisit key financial reporting categories impacted by the accounting for the start-up of the Authority on January 1, 2016. The Regional System Leases which transferred the regional water system and sewage disposal system assets and operations to the GLWA are recorded based upon GASB 69, Government Combinations and Disposals of Government Operations. Accounting for the regional system leases under GASB 69 resulted in the following Statement of Net Position categories.

**Capital Assets:** Based on the terms of the transaction, and GASB 69 requirements, the assets subject to lease are recorded as capital assets by GLWA. The capital assets acquired were recorded at "acquisition value" based on a valuation performed by a certified appraisal firm as of January 1, 2016. This resulted in an overall increase in capital asset value from the predecessor entity's historical cost. Accordingly, the depreciable lives were reviewed and, in several cases shortened, which has increased annual depreciation expense.

**Bonded Indebtedness:** The outstanding bonded indebtedness of the predecessor entity (DWSD) was assumed in its entirety by GLWA. GASB 69 also required debt to be recorded at acquisition value.

**Net Pension Liability:** The net pension liability represents the Regional Systems' share of the frozen, defined benefit City of Detroit GRS pension assigned to DWSD in the City of Detroit's Chapter 9 Bankruptcy Plan of Adjustment. The parties agreed that 70.3 percent of the liability was allocable to the GLWA regional operations and 29.7 percent to DWSD and is the basis of allocation for future pension contributions. That net pension liability is further subdivided between the Water Fund and the Sewage Disposal Fund for each entity.

**BC Note Obligation:** The BC Note obligation payable represents the Regional Systems' share of the B and C Note Obligations assigned to DWSD in the City of Detroit's Chapter 9 Bankruptcy Plan of Adjustment. The B and C Note Obligations refers to the debt service on the City of Detroit Financial Recovery Bonds dated December 10, 2014. Those bonds were issued to satisfy claims relating to the City's pension obligation certificates and postemployment healthcare benefits. GLWA's portion of the liability was estimated at 71.42 percent of the total DWSD liability.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

**Beginning Net Position:** The acquisition value of assets acquired exceeded the liabilities assumed by \$736.5 million in total with \$457.9 million attributable to the Water Fund and \$278.6 million attributable to the Sewage Disposal Fund. In accordance with GASB 69, the opening capital assets were adjusted by an amount to establish a total net position of zero as of January 1, 2016.

**Contractual Obligation Receivable:** This represents DWSD's allocable portion of the long-term bonded indebtedness assumed by GLWA on January 1, 2016 for local system capital improvements in previous years. This receivable is amortized annually in an agreed upon amount that approximates debt service. If new debt is issued on behalf of DWSD, the receivable is increased.

**Regional System Lease Payable:** The regional system lease payable is the net present value of the lease payment of \$50 million per year for 40 years payable to the DWSD with \$22.5 million paid to the DWSD local water system and \$27.5 million paid to the DWSD local sewer system based on a 4.17 percent borrowing rate for both systems.

Since GLWA assumed the outstanding bonded indebtedness, DWSD retail customer revenues are pledged for payment of outstanding bonded indebtedness assumed by GLWA. For this reason, pursuant to the terms of the Regional System Leases, DWSD is GLWA's agent for retail billing, collections, and enforcement for those revenues.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the following:

The *statement of net position* presents information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual reported as net position.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods.

The *statement of cash flows* provides information about the Authority's cash receipts, cash payments and net changes in cash and cash equivalents resulting from operating, investing and capital and non-capital financing activities for the fiscal year.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. These schedules provide additional financial, budgetary, statistical, trend, and economic information that may be helpful to the readers of these financial statements.

**GREAT LAKES WATER AUTHORITY****Management's Discussion and Analysis**

A combining statement for the water fund and for the sewage disposal fund are provided in the supplementary financial information. Each of these major funds consists of three funds that align with the Authority's strategic and budgetary focus of managing capital investment for both the Regional Water System and Regional Sewage Disposal System: 1) operations (low capital investment), 2) improvement and extension (moderate capital investment and financial mechanism to lower borrowings and the related cost of capital over the long term), and 3) construction projects (high capital investment). The separate water and sewage disposal funds are required by the MBO. A separate credit rating is established for each system and services provided to the member partner communities by each system are separate and distinct (although many may geographically overlap).

**Financial Analysis**

Summaries of the basic financial statements and related commentaries are presented below. The tables presented in the MD&A may not foot as they are displayed in thousands. The totals are based on the underlying data in the table.

**Net Position (Deficit)**

Net position is defined by the 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. Deferred inflows and deferred outflows generally relate to financing activity and GLWA's share of the GRS pension obligation.

## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

	Net Position (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
<b>Assets</b>							
Current assets	\$ 789,255	\$ 735,531	\$ 933,790	\$ 53,724	7.3%	\$ (198,259)	-21.2%
Restricted assets	770,716	648,202	45,956	122,513	18.9%	602,246	1310.5%
Capital assets	4,480,135	4,408,642	4,415,024	71,493	1.6%	(6,382)	-0.1%
Other noncurrent assets	891,416	939,193	961,062	(47,777)	-5.1%	(21,869)	-2.3%
<b>Total assets</b>	<b>6,931,521</b>	<b>6,731,569</b>	<b>6,355,832</b>	<b>199,952</b>	<b>3.0%</b>	<b>375,737</b>	<b>5.9%</b>
<b>Deferred outflows of resources</b>							
	89,954	181,672	182,497	(91,718)	-50.5%	(825)	-0.5%
<b>Liabilities</b>							
Current liabilities	602,464	457,377	366,461	145,087	31.7%	90,916	24.8%
Long-term debt	5,556,630	5,633,439	5,295,565	(76,809)	-1.4%	337,873	6.4%
Net pension liability	37,046	63,175	65,221	(26,129)	-41.4%	(2,047)	-3.1%
Other liabilities	882,396	909,506	910,224	(27,110)	-3.0%	(718)	-0.1%
<b>Total liabilities</b>	<b>7,078,536</b>	<b>7,063,496</b>	<b>6,637,471</b>	<b>15,040</b>	<b>0.2%</b>	<b>426,025</b>	<b>6.4%</b>
<b>Deferred inflows of resources</b>							
	133,364	81,327	120,157	52,037	64.0%	(38,830)	-32.3%
<b>Net position (deficit)</b>							
Net investment in capital assets	(428,662)	(336,553)	(194,715)	(92,109)	-27.4%	(141,838)	-72.8%
Restricted for construction	2,258	2,181	-	77	3.5%	2,181	100.0%
Restricted for debt service	213,674	147,436	123,415	66,238	44.9%	24,022	19.5%
Restricted for payment assistance program	1,716	4,653	12,318	(2,936)	-63.1%	(7,666)	-62.2%
Unrestricted	20,589	(49,299)	(160,317)	69,888	141.8%	111,018	69.2%
<b>Total net position (deficit)</b>	<b>\$ (190,425)</b>	<b>\$ (231,582)</b>	<b>\$ (219,299)</b>	<b>\$ 41,157</b>	<b>17.8%</b>	<b>\$ (12,283)</b>	<b>-5.6%</b>

In total, GLWA ended June 30, 2024 with a \$190.4 million net deficit. This represents the combined net deficit for the water fund of \$111.1 million and \$79.3 million for the sewage disposal fund. The net deficit as of June 30, 2023 was \$231.6 million. This is the combined net deficit of \$123.9 million for the water fund and \$107.7 million for the sewage disposal fund. The decrease in the net position deficit for the year ended June 30, 2024 of \$41.16 million was due to a \$12.73 million improvement in the water fund and a \$28.43 million improvement in the sewer fund. These amounts are reported in the Statement of Revenues, Expenses, and Changes in Net Position.

**GREAT LAKES WATER AUTHORITY****Management's Discussion and Analysis**

There are three general components of a net position which could be a deficit: 1) net investment in capital assets; 2) restricted (non-capital assets whose use is restricted less the related liabilities); and 3) unrestricted (any portion of net position not already classified in the first two categories listed). The ending net position (deficit) is the prior year's ending balance plus or minus activity for the year.

*Net investment in capital assets* is computed as the capital assets acquired (net of depreciation and amortization) less the debt incurred to acquire those assets. The balance for 2024 was a deficit balance of \$428.7 million and the balance for 2023 was a deficit of \$336.6 million. A unique historical driver of this deficit is the accounting requirement for the start-up of GLWA pursuant to GASB Statement No. 69, Government Combinations and Disposals of Government Operations. GASB 69 requires that government acquisitions measurement of assets acquired and liabilities assumed be based upon their acquisition values (market-based). The acquisition values were determined by an appraiser for the capital assets and a financial advisor for the debt. The GASB 69 adjustment related to the debt was not significant. The GASB 69 adjustment related to the capital assets resulted in a significant increase in the book value of capital assets of \$1.6 million which, in turn, has increased annual depreciation expense over the remaining life of the asset. Over time, the valuation impact will diminish. The decrease of \$92.1 million in 2024 and the decrease of \$141.8 million in 2023 was mainly a result of depreciation expense being higher than the debt related reductions (payments and amortization of deferred gains and losses on bond refundings).

*Restricted Net Position* for construction relates to a capital contribution received during the prior year that is to be used for a future capital project. The total amount restricted at June 30, 2024 was \$2.3 million.

*Restricted Net Position* for debt service represents amounts that are required by the related MBO or other third-party agreements to be used for the repayment of debt. The total amount restricted at June 30, 2024 was \$213.7 million and the amount at June 30, 2023 was \$147.4 million. Changes in this category can be related to a change in the debt reserve requirement or in the amount of funds being set aside. The debt reserve requirement was set to zero during the current fiscal year. This resulted in a decrease of \$21 million in this classification for 2024. The debt reserve cash balances decreased by \$5 million in 2023. This was a result of reserve releases of \$12 million with the September 2022 bond transaction that was offset with investment earnings of \$7 million during the fiscal year. These decreases were offset by increases for 2024 and 2023 in the debt set aside payments based on future debt requirements. The MBO requires funds to be set aside monthly for debt service so that the funds are available when the debt service payments are due.

*Restricted Net Position* for payment assistance program represents WRAP funds that have not been spent by the service delivery partners who disburse the funds to those who meet the qualifications for assistance. Service delivery partners submit monthly statements of expenditures outlining commitments made to clients qualifying for assistance. Funds are disbursed upon review of the monthly statements of expenditure and funds available by service area. The total amount restricted at year end was \$1.7 million. This is a decrease of \$3 million from the prior year total of \$4.7 million. This decrease is a result of modifications to the WRAP program design and was expected as a result of increased outreach and participation.



## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

*Unrestricted net position* is generally defined as the net result of the other components of total net position. The unrestricted net position is \$20.6 million as of June 30, 2024. In 2024, the unrestricted account activities contributed to an increase in unrestricted net position of \$69.9 million. At June 30, 2023 the unrestricted net position was a deficit of \$49.3 million. In 2023, the unrestricted account activities contributed to an increase in unrestricted net position by \$111 million.

#### Changes in Net Position

The following is a comparative summary of the business-type activities changes in net position for the last three years.

	Changes in Net Position (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Operating revenues	\$ 835,531	\$ 845,686	\$ 816,345	\$ (10,155)	-1.2%	\$ 29,341	3.6%
Operating expenses	646,638	660,786	609,951	(14,149)	-2.1%	50,835	8.3%
Operating income	188,893	184,900	206,394	3,993	2.2%	(21,494)	-10.4%
Nonoperating revenues (expenses)	(188,168)	(199,359)	(222,552)	(11,191)	-5.6%	(23,193)	-10.4%
Income (loss) before capital contributions	725	(14,459)	(16,158)	15,184	105.0%	1,699	10.5%
Capital contributions	40,432	2,176	6,991	38,256	1758.1%	(4,815)	-68.9%
Change in net position	41,157	(12,283)	(9,167)	53,440	435.1%	(3,116)	-34.0%
Net position (deficit), beginning of year	(231,582)	(219,299)	(210,132)	(12,283)	-5.6%	(9,167)	-4.4%
Net position (deficit), end of year	\$ (190,425)	\$ (231,582)	\$ (219,299)	\$ 41,157	17.8%	\$ (12,283)	-5.6%

The change in net position is an increase of \$41.2 million for 2024 which is an improvement of \$53.4 million when compared to the loss in 2023. This is mostly attributed to an increase in capital contributions of \$38.3 million and a decrease in nonoperating expense of \$11.2 million. Individually, the water fund had a decrease in operating expense of \$12.9 million and the sewage disposal fund had a decreased operating expenses of \$1.2 million. The \$11.2 million decrease in nonoperating expenses is a result of an increase in investment earnings of \$24.3 million and a decrease in other nonoperating expenses of \$23.3, which were offset by a decrease in interest income on obligations receivable of \$1.2 million, an increase in interest expense of \$7.7 million and an increase in the legacy pension expense of \$27.5 million

Following is a detailed discussion of the significant changes by each service area.

- Water Fund
- Sewage Disposal Fund
- Centralized Services and Administrative Services – The table for these areas provides an analysis of expenses allocated to the Water Fund and the Sewage Disposal Fund.

## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

Water Fund

Water Fund Changes in Net Position (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
	2024	Percentage of Operating Revenue	2023	2022	Amount	Percent	Amount	Percent
Wholesale charges	\$ 337,511	94.1%	\$ 340,594	\$ 323,026	\$ (3,083)	-0.9%	\$ 17,568	5.4%
Local system charges	25,537	7.1%	22,834	21,697	2,703	11.8%	1,137	5.2%
Bad debt recovery credit	(5,153)	-1.4%	-	-	(5,153)	-100.0%	-	0.0%
Other revenues	655	0.2%	351	234	304	86.6%	117	49.7%
Total operating revenues	358,551	100.0%	363,779	344,958	(5,228)	-1.4%	18,821	5.5%
Operating expenses	272,350	76.0%	285,219	264,579	(12,869)	-4.5%	20,641	7.8%
Operating Income	86,201	24.0%	78,560	80,379	7,641	9.7%	(1,820)	-2.3%
Nonoperating revenues (expenses)	(83,786)	-23.4%	(93,154)	(92,380)	9,368	10.1%	(774)	-0.8%
Income (loss) before capital contributions	2,415	0.7%	(14,594)	(12,000)	17,009	116.5%	(2,594)	-21.6%
Capital contributions	10,314	2.9%	-	-	10,314	100.0%	-	0.0%
Change in net position	12,729		(14,594)	(12,000)	27,323	187.2%	(2,594)	-21.6%
Net position (deficit), beginning of year	(123,860)		(109,266)	(97,266)	(14,594)	-13.4%	(12,000)	-12.3%
Net position (deficit), end of year	\$ (111,131)		\$ (123,860)	\$ (109,266)	\$ 12,729	10.3%	\$ (14,594)	-13.4%

Operating revenues are primarily from wholesale water charges of \$338 million (94.1 percent of Water Fund revenues). The 2024 wholesale customer charges were less than the original budget of \$340.5 million. The decrease from budget is attributed to usage volume being less than was projected in the budget. The bad debt recovery credit of \$5.2 million that was provided to wholesale customers and the local system is related to the Highland Park settlement. The 2023 wholesale customer charges exceeded the original adopted budget which is attributed to an increase in usage volume from that which the budget was based on.

The revenue from the local system charges of \$25.5 million account for 7.1 percent of the total operating revenue. The increase in 2024 and in 2023 was expected based on the adopted budget and the calculation of charges. Pursuant to the terms of the Water and Sewer Services Agreement (WSSA) with the City of Detroit, a \$20.7 million credit is applied against allocated water revenue requirements in the charge methodology. This credit replaces a previous ownership benefit that was in place prior to the effective date of the Regional System Lease.

Revenue and charge stability are important goals for GLWA and its member partners. Established via an engaged, collaborative process, the water charge structure is based on the following.

1. 40% is based on the average annual usage for each customer based on their 36 prior months of usage ending September 30th each year
2. 60% is based on fixed monthly charges

Fiscal year 2024 revenue billed was 99.5 percent of the amended budget was net of the Karegnondi Water Authority (KWA) credit. The budget was amended during the year for a decrease in usage. Billed revenue was

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

97.4 percent of the original adopted budget. Fiscal year 2023 revenue billed was 100.1 percent of the amended budget and was net of the KWA credit.

The \$10.3 million increase in capital contributions relate to grants received for capital projects.

Operating income after operating expenses (including depreciation and amortization) equals \$86.2 million or 24.0 percent of operating revenue.

The following table details the Water Fund operating expenses.

Water Fund Operating Expenses (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
2024	Percentage of Operating Expense	2023	2022	Amount	Percent	Amount	Percent	
Personnel	\$ 54,405	20.0%	\$ 48,855	\$ 44,893	\$ 5,549	11.4%	\$ 3,963	8.8%
Contractual services	54,036	19.8%	52,817	50,684	1,219	2.3%	2,133	4.2%
Utilities	32,695	12.0%	33,437	28,725	(741)	-2.2%	4,711	16.4%
Chemicals	11,947	4.4%	12,690	7,789	(743)	-5.9%	4,901	62.9%
Supplies and other	11,584	4.3%	11,926	9,157	(342)	-2.9%	2,769	30.2%
Capital program allocation	(1,451)	-0.5%	(1,172)	(1,618)	(279)	-23.8%	446	27.6%
Intergovernmental reimbursements	(5,405)	-2.0%	(3,386)	(1,814)	(2,019)	-59.6%	(1,572)	-86.7%
Total operating expenses before depreciation and amortization	157,811	57.9%	155,167	137,816	2,644	1.7%	17,351	12.6%
Depreciation and amortization	114,539	42.1%	130,052	126,763	(15,513)	-11.9%	3,290	2.6%
Total Operating Expenses	\$ 272,350	100.0%	\$ 285,219	\$ 264,579	\$ (12,869)	-4.5%	\$ 20,641	7.8%

Operating expenses of \$272.4 million represent 76.0 percent of total operating revenue which consists primarily of depreciation and amortization expense and operations and maintenance activities. Depreciation and amortization are the larger category of expense at \$114.5 million or 42.1 percent of operating expense. Given the nature of GLWA's water operations, it is expected that personnel, contractual services, and utilities would represent the higher dollar amount.

The personnel cost allocations from both Centralized and Administrative charges increased \$2.8 million for 2024 and \$2.3 million in 2023. The remaining increase of \$2.7 million in 2024 is due to a personnel cost increase related to 15 vacant positions that were filled, as well as promotions, merit increases and mid-year adjustment. The remaining increase of \$1.7 million in 2023 is largely related to merit, market, and skill-based compensation adjustments affecting both salary and benefits.

Contractual services include field services contracts for timely repairs to minimize and address disruption in service, technology related services for both operational and enterprise data networks, and outsourcing of janitorial, fleet, and other functions. The increase in contractual services of \$1.2 million in 2024 is a result of variances throughout various cost centers. The major variances which total \$1.0 million are detailed below:

- Increase of \$2.8 million in Springwells water plant contractual operating services due to an increase in mobile dredging activity and costs incurred for lead abatement (non-capital cost) in the medium voltage electric replacement construction project.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

- Increase of \$0.8 million in Northeast water plant contractual operating services due to an increase in mobile dredging activity and for lead abatement (non-capital cost) in the alum storage tanks construction project.
- Net increase of \$0.5 million from the centralized and administrative services allocation.
- Decrease of \$1.9 million in Southwest water plant contractual operating services due to a reduction in mobile dredging activity.
- Decrease of \$0.7 million in Lake Huron water plant contractual operating expense is primarily attributed to a timing of sludge removal activity.
- Decrease of \$0.5 million in Water Works Park water plant contractual operating services is primarily due to a reduction in as needed work and expense associated with a project that was unique to FY2023.

The increase in contractual services of \$2.1 million in 2023 is a result of variances throughout various cost centers. The major variances are detailed below:

- Increase of \$1.9 million in the utilization of Systems Control contracts for the maintenance of the pump and lift stations (\$0.6 million) and for SCADA services (\$1.3 million).
- Increase of \$1.8 million in Facility Operations for elevator and HVAC repairs and ground maintenance (\$1.4 million) and repairs of the Hurlbut Gate Memorial (\$0.4 million).
- Increase of \$1.4 million for the increase utilization of the water transmission main repair contracts (Lakeshore and Ric Man).
- Decrease of \$1.7 million for telecom services fees.
- Decrease of \$0.6 million recognized in Fleet Operations due to an adjustment for the true-up of shared services received in prior years.
- Decrease of \$0.5 million in the year-end claims & judgements accrual.
- Decrease of \$0.3 million for COVID screening services.

The Utilities cost decrease in 2024 was due to decreases in costs in these utility categories: gas (\$0.3 million), electric (\$0.2 million), and sewer (\$0.2 million). The gas and electric reductions are mainly due to water demand decreases. The increase in 2023 is primarily due to the increase in kWh for electricity.

Chemical costs decreased in 2024 due to a decreased in the amount of water produced because of a reduction in water usage by customers, as well as bulk chemical price stabilization and reductions. The increase in chemicals in 2023 is due to the increase in prices of chemicals.

The increase in supplies and other expenses in 2023 is due to increased maintenance needs at the water plants and pumping stations.

Intergovernmental reimbursements will vary year to year based on the amount of activity.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

The following table details the Water Fund nonoperating revenue and expenses:

Water Fund Nonoperating Revenue (Expenses) (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
2024	Percentage of Nonoperating Expense	2023	2022	Amount	Percent	Amount	Percent	
Earnings (loss) on investments	\$ 27,287	-32.6%	\$ 16,724	\$ (2,361)	\$ 10,563	63.2%	\$ 19,086	808.2%
Interest income on other receivables	24,107	-28.8%	24,662	25,107	(556)	-2.3%	(445)	-1.8%
Interest expense	(134,601)	160.6%	(131,162)	(125,086)	(3,439)	-2.6%	(6,075)	-4.9%
Legacy pension recovery (expense)	(2,403)	2.9%	7,444	(4,988)	(9,847)	-132.3%	12,432	249.2%
Water Residential Assistance Program	(2,938)	3.5%	(5,023)	(1,050)	2,086	41.5%	(3,974)	-378.5%
Other	4,762	-5.7%	(5,798)	15,999	10,560	182.1%	(21,797)	-136.2%
Total Nonoperating Revenue (Expenses)	<u>\$ (83,786)</u>	100.0%	<u>\$ (93,154)</u>	<u>\$ (92,380)</u>	<u>\$ 9,368</u>	10.1%	<u>\$ (774)</u>	-0.8%

Net nonoperating expense of \$83.8 million is primarily related to interest expense of \$134.6 million. The interest expense from debt service is \$114.4 million with the remainder related to the regional water system lease, raw water rights obligation, BC Note obligation and subscription liability. Offsets to the nonoperating expenses are the earnings on investments of \$27.3 million and the interest revenue on the obligations receivable of \$24.1 million, which is related to the terms of the Regional Water System Lease.

Earnings on investments increased \$10.6 million in 2024 and \$19.1 million in 2023. As a result of the short-term nature of the GLWA portfolio, it is heavily impacted by changes in the Fed Funds interest rate. Earnings started to drop in 2020 as the Federal Reserve cut the Fed Funds interest rate to 0 percent in March 2020. Although the Federal Reserve started increasing the Fed Funds interest rate in March 2022, the maturity timing of the investments allowed the Authority to benefit from the increased rates in 2023. The increase in the rates did have a negative impact of the valuation of the investments for 2022 resulting in an increase in unrealized losses for 2022. Those unrealized losses most likely will not be realized as the Authority holds most investments until maturity.

The increase in interest expense in 2024 and in 2023 is a result of the revenue bonds issues which included premiums increasing the debt balance in September 2022 and in December 2023. These increases were partially offset with refunding bonds in December 2023 and June 2024. Part of the increase is also related to an increase in state revolving fund loans.

The legacy pension expense increased in 2024 and decreased in 2023. This is a closed pension plan therefore increases and decreases are mainly related to the amount of investment earnings on the plan assets and expenses of the plan.

The WRAP expenditures in 2024 are as expected, even though they are a decrease from 2023. There was an increase in 2023 related to modifications in the WRAP program that increased outreach and participation allowing for unspent carryover funds to be utilized.

The positive increase in the other line item of \$10.6 million is due the effect of a unique capital program

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

adjustment in 2023 of a discontinued capital project. This caused the other line item to be an expense versus income in 2023. That expense is mostly offset by a decrease in income related to the amortization of debt related items of \$7.5 million and losses on the disposal of assets of \$2.7 million. The negative decrease in other nonoperating expenditures of \$21.8 million in 2023 is mostly related to a discontinued capital project of \$20.9 million.

#### Sewage Disposal Fund

Sewage Disposal Fund Changes in Net Position (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
2024	Percentage of Operating Revenue	2023	Amount	Amount	Percent	Amount	Percent	
Wholesale charges	\$ 282,767	59.3%	\$ 275,918	\$ 268,813	\$ 6,850	2.5%	\$ 7,104	2.6%
Local system charges	196,570	41.2%	191,042	188,662	5,527	2.9%	2,380	1.3%
Industrial waste charges	8,617	1.8%	8,393	8,300	224	2.7%	93	1.1%
Pollutant surcharges	4,089	0.9%	4,895	5,182	(806)	-16.5%	(287)	-5.5%
Bad debt recovery credit	(15,557)	-3.3%	-	-	(15,557)	-100.0%	-	0.0%
Other revenues	494	0.1%	1,660	429	(1,166)	-70.2%	1,231	286.5%
Total operating revenues	476,980	100.0%	481,907	471,387	(4,927)	-1.0%	10,520	2.2%
Operating expenses	374,287	78.5%	375,567	345,372	(1,279)	-0.3%	30,195	8.7%
Operating Income	102,693	21.5%	106,341	126,015	(3,648)	-3.4%	(19,674)	-15.6%
Nonoperating revenues (expenses)	(104,382)	-21.9%	(106,206)	(130,173)	1,823	1.7%	23,967	18.4%
Income (loss) before capital contributions	(1,690)	-0.4%	135	(4,158)	(1,825)	-1350.6%	4,293	103.2%
Capital contributions	30,118	6.3%	2,176	6,991	27,942	1284.1%	(4,815)	-68.9%
Change in net position	28,429	6.0%	2,311	2,833	26,118	1130.1%	(522)	-18.4%
Net position (deficit), beginning of year	(107,722)		(110,033)	(112,867)	2,311	2.1%	2,833	2.5%
Net position (deficit), end of year	\$ (79,294)		\$ (107,722)	\$ (110,033)	\$ 28,429	26.4%	\$ 2,311	2.1%

Operating revenues are primarily from wholesale sewer charges of \$282.8 million (59.3 percent of Sewage Disposal Fund revenues). Wholesale charges increased by \$6.9 million in 2024. The bad debt recovery credit of \$15.6 million was provided to wholesale customers and is related to the Highland Park settlement. The \$7.1 million increase in 2023 wholesale customer charges is due to a \$3.2 million increase in charges and a \$3.9 million decrease in bad debt expense.

The revenue from local system charges of \$196.6 million accounts for 41.2 percent of total operating revenues. The increases in 2024 and 2023 local system charges was expected based on the adopted budget and the calculation of charges. Pursuant to the terms of the WSSA with DWSD, a \$5.516 million credit is applied against sewer charges in the charge methodology. This credit replaces a previous contractual arrangement that was in place prior to the Effective Date of the Regional System.

Industrial waste charges and pollutant surcharges represent 2.7 percent of operating revenue which are charged to non-residential users.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

Wholesale contract charges are based on a “share” percentage of the annual revenue requirement billed one-twelfth each month. The shares are established based upon historical flows and are formally revisited every three years. The result is no revenue shortfall or overestimation.

Most of the \$27.9 million increase is related to capital contributions related to grants received for capital projects.

Operating income after operating expenses (including depreciation and amortization) equals \$102.7 million or 21.5 percent of operating revenue.

The following table details the Sewage Disposal Fund operating expenses.

Sewage Disposal Fund Operating Expenses (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
2024	Percentage of Operating Expense	2023	2022	Amount	Percent	Amount	Percent	
Personnel	\$ 71,051	19.0%	\$ 65,953	\$ 62,161	\$ 5,098	7.7%	\$ 3,792	6.1%
Contractual services	62,108	16.6%	64,130	63,410	(2,022)	-3.2%	720	1.1%
Utilities	39,243	10.5%	43,840	30,930	(4,597)	-10.5%	12,910	41.7%
Chemicals	19,128	5.1%	17,852	12,593	1,276	7.1%	5,259	41.8%
Supplies and other	30,510	8.2%	22,646	19,912	7,864	34.7%	2,734	13.7%
Capital program allocation	(1,396)	-0.4%	(1,017)	(1,014)	(379)	-37.3%	(4)	-0.4%
Intergovernmental reimbursements	(1,697)	-0.5%	(1,747)	(1,074)	50	2.9%	(673)	-62.6%
Total operating expenses before depreciation and amortization	218,946	58.5%	211,656	186,919	7,290	3.4%	24,737	13.2%
Depreciation and amortization	155,341	41.5%	163,911	158,453	(8,569)	-5.2%	5,457	3.4%
Total Operating Expenses	\$ 374,287	100.0%	\$ 375,567	\$ 345,372	\$ (1,279)	-0.3%	\$ 30,195	8.7%

Operating expenses of \$374.3 million represent 78.5 percent of total operating revenue which consists primarily of depreciation and amortization expense and operations and maintenance activities. Depreciation and amortization are the larger category of expense at \$155.3 million or 41.5 percent of operating expense. Given the nature of GLWA’s wastewater operations, it is expected that personnel, contractual services, and utilities would represent the higher dollar amount.

Personnel costs increased \$5.1 million in 2024 and \$3.8 million in 2023. The personnel cost allocations from both Centralized and Administrative charges increase \$3.3 million for 2024 and 2.2 million in 2023. The remaining increase of \$1.8 million in 2024 is due to personnel cost increase related to 20 vacant positions that were filled as well as merit increases. The remaining increase of \$1.6 million in 2023 is largely due to merit, market, and skill-based adjustments affecting both salary and benefits.

Contractual services include operation and management of the Biosolids Dryer Facility (BDF), timely repairs for the Water Resources Recovery Facility (WRRF), staff augmentation for operations, technology related services for both operational and enterprise data networks, and outsourcing of janitorial, fleet, and other functions. Contractual services decreased \$2.0 million in 2024 which is mainly due to the following:

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

- Increase of \$1.6 million related to the allocation of centralized and administrative services. This total increase of \$4.3 million from the centralized and administrative services allocation is offset by the GASB 96 adjustment of \$2.7 million for capitalization of the subscription assets.
- Increase of \$1.4 million related to increased unit costs per ton for sludge hauling costs.
- Decrease of \$5.0 million due to the following:
  - \$0.8 million related to a contract that became a capitalizable expenditure.
  - \$1.2 million decrease in contractual services cost related to the wind down of the planning phase for the Combined Sewer Overflow (CSO) long-term control program.
  - \$1.0 million decrease related to the decreased contractual services to support capital improvement plan development work. These costs are now accounted for through the centralized services allocation.
  - \$1.5 million related to other contractual services that were completed in 2023.
  - \$0.5 million related to a decrease in the need of Water Resource Recovery Facility (WRRF) facilities maintenance services on a contractual basis.

Contractual services increased \$0.7 million in 2023 which is mainly due to the increased utilization of the specialize services contracts for the remote site work on sewer level sensors and debris removal from the sewer pipes.

Utilities decreased \$4.6 million in 2024 mainly due to the following:

- Electric – Increase of \$1.8 million mainly due to an increase in unit cost per kilowatt.
- Gas – Decrease of \$3.3 million mainly due to the reduced unit cost per (MMbtu) which peaked in FY 2023.
- Water – Decrease of \$2.6 million due to 2023 being higher due to a back billing after water meter repairs were completed in 2023 at the WRRF.
- Sewage – Decrease of \$0.5 million due to reduced use at the WRRF and volume billing from meter repairs at the Oakwood CSO facility.

Utilities increased \$12.9 million in 2023 mainly due to the following:

- Water – Increase of \$10.6 million due to the repair and replacement of existing water meters at the WRRF. Water bills are now being produced with actual readings which are higher than prior years billings. In addition, a new water billing structure was implemented in early FY 2023 which has resulted in an increase in the water billing rate for several of the wastewater facilities.
- Gas – Increase of \$2.2 million due to the continued increase of natural gas cost per MMBTU. In addition, an increase in production has continued at the biosolids dryer facility (BDF) and wastewater incineration which has led to an increase in natural gas usage.

The increase in chemicals in 2024 is due to increased pricing on chemicals at the end of FY 2023 that remained steady in FY 2024. The increase in chemicals in 2023 is due to the increase in prices of chemicals as well as the increase in wet weather events which resulted in a need for increase chemical usage.

The supplies and other expenses increased of \$7.9 million in 2024. The major variances which total \$7.4 million are detailed below.

- Increase of \$2.7 million in repairs and maintenance of equipment due to increased maintenance on incinerators to improve reliability of equipment.
- Increase of \$1.3 million in repairs and maintenance of equipment due to investment in grit system as part of initiative to improve reliability.
- Increase of \$0.9 million in allocated supplies and other centralized services. See the Centralized



**GREAT LAKES WATER AUTHORITY****Management's Discussion and Analysis**

Services and Administrative Services section, which is after the Sewage Disposal Fund discussions, for a discussion of these variances.

- Increase of \$0.7 million in repairs and maintenance for the Blue Hill pumping station for equipment replacement. This is reimbursed through the intergovernmental reimbursements in the following fiscal year.
- Increase of \$0.6 million in repairs and maintenance as part of the wastewater equipment reliability initiative.
- Increase of \$0.6 million in repairs and maintenance primarily related to the cost of heating and cooling (HVAC) maintenance to improve equipment reliability.
- Increase of \$0.6 million in green infrastructure due the accrual of the Authority's share of estimated of costs incurred by the Detroit Water and Sewage Department. There was no accrual in the prior year due to a calculated credit.

The supplies and other expenses increased of \$2.7 million in 2023 mainly due to the following:

- Increase of \$1.5 million in allocated supplies and other centralized services. See the Centralized Services and Administrative Services section, which is after the Sewage Disposal Fund discussions, for a discussion of these variances.
- \$1.2 million primarily due to the increased need for the repairs to, and replacement of, equipment at various wastewater facilities.

Intergovernmental reimbursements will vary year to year based on the amount of activity.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

The following table details the Sewage Disposal Fund nonoperating revenue and expenses:

Sewage Disposal Fund Nonoperating Revenue (Expenses) (\$000)								
Fiscal Year				Change 2024 vs 2023		Change 2023 vs 2022		
2024	Percentage of Nonoperating Expense	2023	2022	Amount	Percent	Amount	Percent	
Earnings (loss) on investments	\$ 34,566	-33.1%	\$ 20,877	\$ (3,023)	\$ 13,689	65.6%	\$ 23,900	790.6%
Interest income on other receivables	15,748	-15.1%	16,397	17,158	(649)	-4.0%	(760)	-4.4%
Interest expense	(144,357)	138.3%	(140,129)	(131,110)	(4,228)	-3.0%	(9,019)	-6.9%
Legacy pension recovery (expense)	(4,300)	4.1%	13,322	(8,927)	(17,622)	-132.3%	22,249	249.2%
Water Residential Assistance Program	(3,835)	3.7%	(7,319)	(1,743)	3,484	47.6%	(5,576)	-319.9%
Other	(2,205)	2.1%	(9,354)	(2,527)	7,149	76.4%	(6,826)	-270.1%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$ (104,382)</b>	<b>100.0%</b>	<b>\$ (106,206)</b>	<b>\$ (130,173)</b>	<b>\$ 1,823</b>	<b>1.7%</b>	<b>\$ 23,967</b>	<b>18.4%</b>

Net nonoperating expense of \$104.4 million is primarily related to \$144.4 million of interest expense. Interest expense from debt service is \$122.5 million with the remainder related to the regional sewage disposal system lease, BC Note obligation, a lease payable for a right to use asset and subscription liability. Offsets to the operating expenses are the earning on investments of \$34.6 million and interest revenue of \$15.7 million on the obligation receivable, which is related to the terms of the Regional Sewage Disposal Lease.

Earnings on investments increased \$13.7 million in 2024 and \$23.9 million in 2023. As a result of the short-term nature of the GLWA portfolio, it is heavily impacted by changes in the Fed Funds interest rate. Earnings started to drop in 2020 as the Federal Reserve cut the Fed Funds interest rate to 0 percent in March 2020. Although the Federal Reserve started increasing the Fed Funds interest rate in March 2022, the maturity timing of the investments allowed the Authority to benefit from the increased rates in 2023. The increase in the rates did have a negative impact of the valuation of the investments for 2022 resulting in an increase in unrealized losses for 2022. Those unrealized losses most likely will not be realized as the Authority holds most investments until maturity.

Interest earnings on the shortfall and obligation receivable have decreased for 2024 and 2023 as the balances are being paid down. The shortfall receivable was paid off in 2022.

The increase in interest expense in 2024 and in 2023 is a result of the revenue bonds issues which included premiums increasing the debt balance in September 2022 and in December 2023. These increases were partially offset with refunding bonds in December 2023 and June 2024.

The legacy pension expense increased in 2024 and decreased in 2023. This is a closed pension plan therefore increases and decreases are mainly related to the amount of investment earnings on the plan assets and expenses of the plan.

The WRAP expenditures in 2024 are as expected, even though they are a decrease from 2023. There was an increase in 2023 related to modifications in the WRAP program and that outreach and participation allowing for unspent carryover funds to be utilized funds.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

The \$7.1 million positive change in other line item in 2024 is mainly due to an insurance settlement received during the year as amortization of debt related items was consistent with FY 2023. The increase in other expenses of \$6.8 million in 2023 is related to an increase in debt related amortization cost.

#### Centralized Services and Administrative Services

The following table summarizes the activity for centralized services and administrative services.

Centralized and Administrative Services (\$000)											
Fiscal Year			Change 2024 vs 2023				Change 2023 vs 2022				
			Amount	Percent	Variance Allocation		Amount	Percent	Variance Allocation		
2024	2023	2022			Water	Sewer			Water	Sewer	
<b>Centralized Services</b>											
Personnel	\$ 37,475	\$ 33,708	\$ 31,777	\$ 3,767	11.2%	\$ 1,645	\$ 2,121	\$ 1,931	6.1%	\$ 985	\$ 946
Contractual Services	60,619	54,652	50,777	5,967	10.9%	(1,015)	6,982	3,875	7.6%	2,763	1,111
Utilities	184	170	141	14	8.2%	7	7	29	20.6%	16	14
Supplies and other expenses	12,343	11,149	9,027	1,194	10.7%	517	677	2,122	23.5%	942	1,180
<b>Total Centralized Services</b>	<b>\$ 110,621</b>	<b>\$ 99,679</b>	<b>\$ 91,722</b>	<b>\$ 10,942</b>	<b>11.0%</b>	<b>\$ 1,154</b>	<b>\$ 9,787</b>	<b>\$ 7,957</b>	<b>8.7%</b>	<b>\$ 4,707</b>	<b>\$ 3,251</b>
<b>Administrative Services</b>											
Personnel	\$ 21,821	\$ 19,429	\$ 16,938	\$ 2,392	12.3%	\$ 1,196	\$ 1,196	\$ 2,491	14.7%	\$ 1,245	\$ 1,245
Contractual Services	12,671	13,741	14,950	(1,070)	-7.8%	1,562	(2,633)	(1,209)	-8.1%	(933)	(276)
Utilities	152	160	160	(8)	-5.0%	(4)	(4)	-	0.0%	-	-
Supplies and other expenses	2,356	2,000	1,344	356	17.8%	86	271	656	48.8%	289	367
<b>Total Administrative Services</b>	<b>\$ 37,000</b>	<b>\$ 35,330</b>	<b>\$ 33,392</b>	<b>\$ 1,670</b>	<b>4.7%</b>	<b>\$ 2,840</b>	<b>\$ (1,170)</b>	<b>\$ 1,938</b>	<b>5.8%</b>	<b>\$ 602</b>	<b>\$ 1,337</b>

Centralized services personnel costs increased \$3.8 million in 2024. This increase is due to filling vacant positions and increased positions to support new critical initiatives such as the linear system inspection program (LSIP) and the buildup of the capital improvement plan team which was previously done by contractors. Centralized services personnel costs increased \$1.9 million in 2023. This increase is due to salary and wage increases as well as vacancies being filled during FY 2023.

Administrative personnel costs increased \$2.4 million in 2024. This increase is mostly due to an increase in staff across our administrative departments that filled vacant positions and support new initiatives such as grant management. Administrative personnel costs increased \$2.5 million in 2023. This increase is due to salary and wage increases as well as vacancies being filled during FY 2023.

Centralized contractual services increased \$6 million in 2024. The major variances which total \$5.7 million are detailed below.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

- Increase of \$1.5 million in telecom service fees due to the renewal of the AT&T contract services.
- Increase of \$1.4 million in Systems Operations Control for debris removal that is an operations and maintenance costs related to the project of the rehabilitation of the northwest interceptor from 8 Mile to Tireman.
- Increase of \$1.6 million in Fleet Operations operating services due to 2023 being lower due to a true up credit for shared services received relating to years before 2023.
- Increase of \$1.4 million in Field Service Operations operating services due to \$0.8 million credit true up adjustment in FY 2023 for shared services received and \$0.5 million more spent on electricians on a contractual basis.
- Increase of \$1.1 million in IT operating services mostly due to a true up credit in 2023 for a shared services received related to prior years.
- Increase of \$0.7 million in Systems Operations Control cost center due to more spent on electricians and low voltage wiring task order services through the Lakeshore Global Corporation contract.
- Increase of \$0.6 million due to a reduction in the shared services provided (reimbursed) of contractual services costs due to an adjustment for the true-up of shared services in 2023 for prior years.
- Decrease of 2.6 million in Facility Operations due to the increase in 2023 for the elevator and HVAC repairs which are onetime costs.

Centralized contractual services increased \$3.9 million in 2023 mainly due to the following:

- Increase of \$4.0 million in the utilization of Systems Control contracts for the maintenance of the pump and lift stations (\$1.0 million) and for SCADA services (\$2.3 million); and the increased utilization of the specialize services contracts for the remote site work on sewer level sensors and debris removal from the sewer pipes (\$0.7 million).
- Increase of \$3.2 million in Facility Operations for elevator and HVAC repairs and ground maintenance (\$2.8 million) and repairs of the Hurlbut Gate Memorial (\$0.4 million).
- Increase of \$1.4 million for the increase utilization of the water transmission main repair contracts (Lakeshore and Ric Man).
- Decrease of \$3.4 million for telecom services fees.
- Decrease of \$1.1 million recognized in Fleet Operations due to an adjustment for the true-up of shared services.

Administrative contractual services decreased \$1.1 million in 2024 mainly due to the following:

- Decrease of \$2.6 million in legal related to reduction in claims and the close out of the investigation consultants for the 2021 Rain Events.
- Increase of \$1.5 million in due to an increase in insurance premiums.

Administrative contractual services decreased \$1.2 million in 2023. The major variances which total \$1.0 million are detailed below.

- Decrease of \$1.3 million related to the GLWA Board requested investigations for the wet weather events.
- Decrease of \$0.5 million for COVID screening services.
- Increase of \$0.8 million due to the change in the legal claims and adjustment accrual from FY 2022 to FY 2023 (increase of \$2.7 million), claims process and other legal services related to the wet weather events (decrease of \$1.7 million), and non-wet weather event legal services during the fiscal year (decrease of \$0.2 million).

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

Centralized supplies and other expenses increased in 2024 by \$1.2 million. The major variances which total \$0.9 million are detailed below.

- Increase in capital outlay of \$0.7 million in the IT department for equipment related to the software implementation projects.
- Increase in software costs of \$0.2 million mostly related to software updates and cyber security enhancements

Centralized supplies and other expenses increased in 2023 by \$2.1 million. This increase was a result of the following:

- Increase of \$1.5 million in capital outlay cost. The majority is due to 2022 being lower than normal due to \$1.2 million in shared service true ups recorded in 2022 related to years before 2022.
- Increase of \$0.3 million for flooring repairs at the water plants.
- Increase of \$0.3 million for training costs for Field Services Operations and Information Technology.

Administrative supplies and other expenses increased in 2023 by \$0.7 million mainly due to the following:

- Increase of \$0.1 million for livestreaming and video equipment, storage equipment, and shelving for Public Affairs.
- Increase of \$0.3 million for memberships and training for Organizational Development.
- Increase of \$0.2 million for the Rialto warehouse lease.

### Capital Assets and Debt Administration

GLWA's investment in capital assets is \$4.5 billion (net of accumulated depreciation) with \$2.1 billion assigned to the Water Fund and \$2.4 billion assigned to the Sewage Disposal Fund. The investment in capital assets includes land, buildings, plants, transmission lines, vehicles, machinery and equipment, raw water rights, right to use assets and subscription-based right to use assets. Total net capital assets increased in 2024 and decreased in 2023. The 2024 net increase is due to current year additions being greater than depreciation. The 2023 net decrease is attributable to depreciation and disposals in excess of current year additions. See Note 9 to the financial statements for more information on capital assets. The Authority implemented GASB 89 during FY 2018 and no longer capitalizes interest expense.

	Capital Assets, Net (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	\$ 62,975	\$ 62,975	\$ 63,302	\$ -	0.0%	\$ (326)	-0.5%
Easements	357,465	357,457	357,448	7	0.0%	9	0.0%
Construction in progress	747,901	662,933	466,055	84,969	12.8%	196,878	42.2%
Site improvements	33,486	39,640	49,413	(6,155)	-15.5%	(9,772)	-19.8%
Buildings and structures	1,198,512	1,227,922	1,285,452	(29,410)	-2.4%	(57,530)	-4.5%
Infrastructure	986,225	922,572	956,329	63,653	6.9%	(33,756)	-3.5%
Machinery and equipment	974,016	1,021,687	1,123,750	(47,672)	-4.7%	(102,063)	-9.1%
Vehicles	8,323	7,901	7,198	422	5.3%	703	9.8%
Leasehold improvements	10,471	9,521	10,297	950	10.0%	(776)	-7.5%
Intangible assets	100,762	96,033	95,782	4,728	4.9%	251	0.3%
Total capital assets (net of depreciation and amortization)	\$ 4,480,135	\$ 4,408,642	\$ 4,415,024	\$ 71,493	1.6%	\$ (6,382)	-0.1%

## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

Water Fund

There are ten major categories used for classification of capital assets for financial reporting purposes.

	Water Fund Capital Assets, Gross (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	\$ 34,478	\$ 34,478	\$ 34,907	\$ -	0.0%	\$ (429)	-1.2%
Easements	259,146	259,139	259,139	7	0.0%	-	0.0%
Construction in progress	412,632	374,244	272,954	38,388	10.3%	101,290	37.1%
Site improvements	82,863	84,054	84,054	(1,191)	-1.4%	-	0.0%
Buildings and structures	613,476	611,874	607,176	1,602	0.3%	4,698	0.8%
Infrastructure	791,207	687,000	668,117	104,207	15.2%	18,883	2.8%
Machinery and equipment	874,929	842,523	791,593	32,406	3.8%	50,931	6.4%
Vehicles	6,742	6,256	5,281	487	7.8%	974	18.5%
Leasehold improvements	8,422	8,422	8,407	0	0.0%	15	0.2%
Intangible assets	114,479	109,696	107,414	4,782	4.4%	2,283	2.1%
Accumulated depreciation and amortization	(1,123,660)	(1,016,489)	(887,316)	(107,171)	10.5%	(129,174)	14.6%
Total water fund capital assets (net of depreciation and amortization)	<u>\$ 2,074,715</u>	<u>\$ 2,001,197</u>	<u>\$ 1,951,726</u>	<u>\$ 73,518</u>	3.7%	<u>\$ 49,471</u>	2.5%

	Water Fund Capital Assets, Net (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	\$ 34,478	\$ 34,478	\$ 34,907	\$ -	0.0%	\$ (429)	-1.2%
Easements	259,146	259,139	259,139	7	0.0%	-	0.0%
Construction in progress	412,632	374,244	272,954	38,388	10.3%	101,290	37.1%
Site improvements	17,801	22,560	29,415	(4,758)	-21.1%	(6,856)	-23.3%
Buildings and structures	369,910	389,421	409,923	(19,511)	-5.0%	(20,502)	-5.0%
Infrastructure	477,494	400,027	419,969	77,467	19.4%	(19,942)	-4.7%
Machinery and equipment	403,379	421,616	424,120	(18,236)	-4.3%	(2,504)	-0.6%
Vehicles	3,150	3,233	2,992	(83)	-2.6%	241	8.0%
Leasehold improvements	6,142	6,698	7,240	(556)	-8.3%	(543)	-7.5%
Intangible assets	90,583	89,783	91,067	801	0.9%	(1,284)	-1.4%
Total water fund capital assets (net of depreciation and amortization)	<u>\$ 2,074,715</u>	<u>\$ 2,001,197</u>	<u>\$ 1,951,726</u>	<u>\$ 73,518</u>	3.7%	<u>\$ 49,471</u>	2.5%

Water Fund additions to the depreciable asset categories in 2024 and 2023 were mainly due to transfers out of construction in progress. Total additions to construction in progress in FY 2024 was \$175.0 million and the amount placed in service was \$136.6 million. Total additions in FY 2023 to construction in progress was \$195.5 million and the amount placed in service was \$72.7 million. The following table summarizes major projects for the last two years. Comprehensive project plan details can be found within Capital Improvement Plan documents available at <https://www.glwater.org/cip/>.

## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

Water Fund (millions)								
Project Number	Description	Expected Completion Date	Project Plan Estimate	Expenditures		Placed in Service		CIP at 6/30/2024
				FY 2023	FY 2024	FY 2023	FY 2024	
122004	96" Water Transmission Main Relocation and Isolation Valve Installations	FY29	\$ 237.6	\$ 34.8	\$ 39.9	\$ -	\$ 0.0	\$ 90.7
122013	14 Mile Transmission Main Loop	FY25	113.5	46.1	32.1	17.2	0.0	89.2
132010	West Service Center Pumping Station - Reservoir, Reservoir Pumping and Divison Valve Upgrades	FY25	47.4	14.7	2.7	-	0.0	45.6
115001	Water Works Park Water Treatment Plant Yard Piping, Valves and Venturi Meters Replacement	FY26	56.1	17.2	13.0	-	0.0	42.2
114002	Springwells Water Treatment Plant Low and High Lift Pumping Station Improvements	FY34	315.7	4.2	16.8	-	17.6	25.8
115005	Water Works Park Water Treatment Plant Building Ventilation Improvements	FY26	16.5	5.2	7.0	-	0.0	12.9
116002	Pennsylvania and Springwells Raw Water Supply Tunnel Improvements	FY25	98.8	13.2	11.8	-	76.0	0.3
170801	Reservoir Project at Implay Station and Lake Huron, Springwells and Southwest Water Treatment Plants	FY25	25.4	5.2	1.9	1.6	16.5	0.0
170503	Transmission Mains Valves and Urgent Repairs Contract 2	FY26	16.3	10.0	3.0	-	14.1	2.1
114011	Springwells Water Treatment Plant Steam, Condensate Return and Compressed Air Piping Improvements	FY25	28.2	1.7	1.0	24.4	0.0	2.3
114008	Springwells Water Treatment Plant 1930 Sedimentation Basin Sluice Gates, Guides and Hoists Improvements	FY24	14.1	0.4	1.1	11.7	1.5	0.0
	Other projects			42.8	44.9	17.8	11.0	101.3
	Total			\$ 195.5	\$ 175.0	\$ 72.7	\$ 136.6	\$ 412.6

## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

Sewage Disposal Fund

There are ten major categories used for classification of capital assets for financial reporting purposes.

	Sewage Disposal Fund Capital Assets, Gross (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	\$ 28,498	\$ 28,498	\$ 28,395	\$ -	0.0%	\$ 103	0.4%
Easements	98,319	98,319	98,310	-	0.0%	9	0.0%
Construction in progress	335,270	288,689	193,100	46,581	16.1%	95,588	49.5%
Site improvements	53,028	52,833	52,506	196	0.4%	327	0.6%
Buildings and structures	1,192,543	1,166,942	1,167,449	25,601	2.2%	(507)	0.0%
Infrastructure	625,708	625,708	625,708	-	0.0%	-	0.0%
Machinery and equipment	1,435,846	1,373,756	1,366,957	62,090	4.5%	6,799	0.5%
Vehicles	9,958	8,393	6,918	1,565	18.6%	1,476	21.3%
Leasehold improvements	5,499	3,779	3,764	1,720	45.5%	15	0.4%
Intangible assets	12,023	7,240	5,265	4,782	66.1%	1,975	37.5%
Accumulated depreciation and amortization	(1,391,271)	(1,246,711)	(1,085,074)	(144,560)	11.6%	(161,637)	14.9%
Total sewage disposal fund capital assets (net of depreciation and amortization)	<u>\$ 2,405,420</u>	<u>\$ 2,407,445</u>	<u>\$ 2,463,298</u>	<u>\$ (2,025)</u>	-0.1%	<u>\$ (55,853)</u>	-2.3%

	Sewage Disposal Fund Capital Assets, Net (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	\$ 28,498	\$ 28,498	\$ 28,395	\$ -	0.0%	\$ 103	0.4%
Easements	98,319	98,319	98,310	-	0.0%	9	0.0%
Construction in progress	335,270	288,689	193,100	46,581	16.1%	95,588	49.5%
Site improvements	15,684	17,081	19,997	(1,396)	-8.2%	(2,917)	-14.6%
Buildings and structures	828,602	838,501	875,529	(9,899)	-1.2%	(37,028)	-4.2%
Infrastructure	508,731	522,545	536,359	(13,814)	-2.6%	(13,814)	-2.6%
Machinery and equipment	570,636	600,071	699,630	(29,435)	-4.9%	(99,559)	-14.2%
Vehicles	5,173	4,668	4,206	505	10.8%	463	11.0%
Leasehold improvements	4,328	2,823	3,056	1,506	53.3%	(234)	-7.6%
Intangible assets	10,178	6,251	4,716	3,928	62.8%	1,535	32.6%
Total sewage disposal fund capital assets (net of depreciation and amortization)	<u>\$ 2,405,420</u>	<u>\$ 2,407,445</u>	<u>\$ 2,463,298</u>	<u>\$ (2,025)</u>	-0.1%	<u>\$ (55,853)</u>	-2.3%

Sewage Disposal Fund additions to the depreciable asset categories in 2024 and 2023 were mainly due to transfers out of construction in progress. Total additions to construction in progress in FY 2024 was \$135.7 million and the amount placed in service was \$89.1 million. Total additions for FY 2023 to construction in progress was \$102.5 million and the amount placed in service was \$6.9 million. The following table summarizes major projects for the last two years. Comprehensive project plan details can be found within Capital Improvement Plan documents available at <https://www.glwater.org/cip/>.



## GREAT LAKES WATER AUTHORITY

## Management's Discussion and Analysis

Sewage Disposal Fund (millions)								
Project Number	Description	Expected Completion Date	Project Plan Estimate	Expenditures		Placed in Service		CIP at 6/30/2024
				FY 2023	FY 2024	FY 2023	FY 2024	
222002	Detroit River Interceptor Evaluation and Rehabilitation	FY33	\$ 117.6	\$ 8.8	\$ 6.6	\$ -	\$ 0.0	\$ 57.7
260701	Conveyance System Infrastructure Improvements	FY27	58.5	10.9	21.0	-	0.0	34.2
260204	Conveyance System Engineering Services	FY28	57.5	8.1	17.2	-	0.0	27.3
260207	Rehabilitation of Woodward Sewer Systems	FY26	22.9	8.4	8.3	-	0.0	20.3
211006	Water Resource Recovery Facility Pump Station No. 1 Improvements	FY33	111.0	5.4	8.8	-	0.0	20.2
260201	Emergency Sewer Repair	FY26	41.0	3.8	0.0	-	0.0	19.9
260614	CSO Structural Inspection and Structural Improvements	FY25	15.6	5.4	1.7	-	0.0	14.0
211008	Water Resource Recovery Facility Rehabilitation of Ferric Chloric Feed System in Pump Station 1 and Complex B Sludge Lines	FY24	13.1	5.0	2.3	-	0.0	12.7
232001	Fairview Pumping Station Replace Four Sanitary Pumps	FY24	46.1	5.0	1.0	-	44.7	0.0
213007	Water Resource Recovery Facility Modification to Incinerator Sludge Feed Systems at Complex II	FY25	25.3	1.1	0.8	-	22.9	0.7
216004	Rehabilitation of Various Sampling Sites and Pump Station # 2 Ferric Chloride System at Water Resource Recovery Facility	FY24	8.6	1.4	0.2	-	7.9	0.0
341002	Security Infrastructure Improvements for Wastewater Facilities	FY23	2.3	-	0.0	3.2	0.0	0.0
	Other projects			39.2	67.7	3.7	13.6	128.3
	Total			\$ 102.5	\$ 135.7	\$ 6.9	\$ 89.1	\$ 335.3

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

#### Long-term Debt

The Authority's long-term debt consists of revenue bonds and loans as well as an obligation payable related to the City of Detroit's Financial Recovery bonds and a liability related to raw water rights that the Authority will own at the end of the agreement. See Note 12 for a complete analysis of the long-term debt. The following analysis focuses on the revenue bonds and loans. At year-end, the Authority had \$5.4 billion of long-term debt for revenue bonds and state revolving fund loans. Of the total, \$2.6 billion is assigned to the Water System and \$2.8 billion is assigned to the Sewage Disposal System.

	Revenue Bonds and Loans (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Revenue bonds	\$ 4,813,825	\$ 4,840,395	\$ 4,568,635	\$ (26,570)	-0.5%	\$ 271,760	5.9%
State revolving loans	577,829	557,276	489,078	20,553	3.7%	68,198	13.9%
Total revenue bonds and loans	<u>\$ 5,391,654</u>	<u>\$ 5,397,671</u>	<u>\$ 5,057,713</u>	<u>\$ (6,017)</u>	-0.1%	<u>\$ 339,958</u>	6.7%

#### Water Fund

As shown in the table below, the total outstanding debt for the Water System is \$2.6 billion, increasing by \$71.7 million from the prior year. The Authority issued \$599.9 million in revenue bonds during the fiscal year, \$451.3 million of which were used to refund bonds which resulted in a net present value savings of \$47.1 million. The remaining amount of \$148.5 million will be used for water system capital improvements.

Approximately 9 percent of the total outstanding indebtedness is issued through the State of Michigan revolving fund loan program for the benefit of the Water System. The Water System received \$47.8 million in new state revolving fund loans and received \$7.1 million in loan forgiveness. The amount of state revolving fund loans pass-through to DWSD for local system improvements was \$12.6 million as well as the \$7.1 million in loan forgiveness.

	Water Fund Revenue Bonds and Loans (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Revenue bonds	\$ 2,317,305	\$ 2,279,260	\$ 2,128,890	\$ 38,045	1.7%	\$ 150,370	7.1%
State revolving loans	241,021	207,357	109,429	33,664	16.2%	97,928	89.5%
Total water revenue bonds and loans	<u>\$ 2,558,326</u>	<u>\$ 2,486,617</u>	<u>\$ 2,238,319</u>	<u>\$ 71,709</u>	2.9%	<u>\$ 248,298</u>	11.1%

Repayment of GLWA bonds issued are funded by charges to all member partners. Repayment of the debt service assigned to DWSD for local system improvements are paid from retail customer collections by DWSD.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

#### Sewage Disposal Fund

As shown in the table below, the total outstanding debt for the Sewage Disposal System is \$2.8 billion, decreasing by \$77.7 million from the prior year. The Authority issued \$684.62 million in revenue bonds during the year, \$587.76 million of which was used to refund bonds which resulted in a net present value savings of \$58.2 million. The new money portion of \$96.86 million will be used for sewage disposal system capital improvements.

Approximately 12 percent of the total outstanding indebtedness is issued through the State of Michigan revolving fund loan program for the benefit of the Sewage Disposal System. The Sewage Disposal System received \$31.2 million in new state revolving fund loans and received \$3.9 million in loan forgiveness. The amount of state revolving fund loans pass-through to DWSD for local system improvements was \$1.4 million and \$0.8 million in loan forgiveness.

	Sewage Disposal Fund Revenue Bonds and Loans (\$000)						
	Fiscal Year			Change 2024 vs 2023		Change 2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Revenue bonds	\$ 2,496,520	\$ 2,561,135	\$ 2,439,745	\$ (64,615)	-2.5%	\$ 121,390	5.0%
State revolving loans	336,808	349,919	379,648	(13,111)	-3.7%	(29,729)	-7.8%
Total sewer revenue bonds and loans	<u>\$ 2,833,328</u>	<u>\$ 2,911,054</u>	<u>\$ 2,819,393</u>	<u>\$ (77,726)</u>	-2.7%	<u>\$ 91,661</u>	3.3%

Repayment of GLWA bonds issued are funded by charges to all member partners. Repayment of the debt service assigned to DWSD for local system improvements is paid from retail customer collections by DWSD.

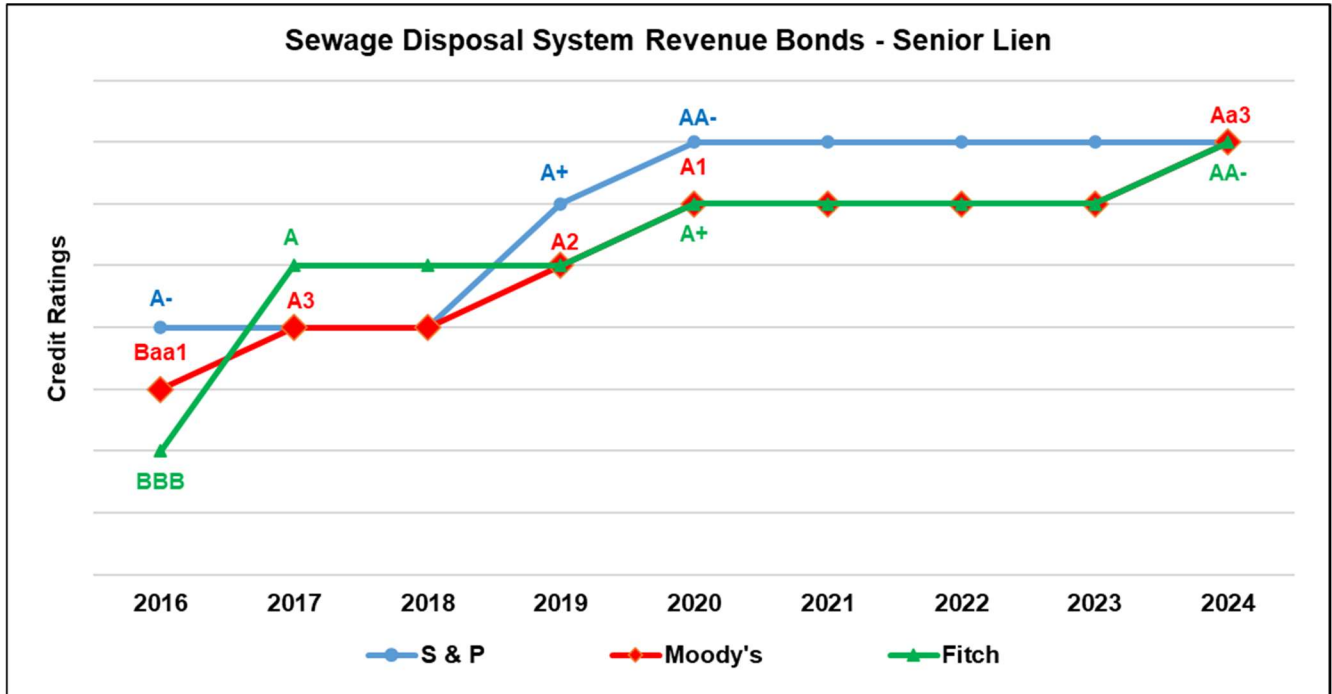
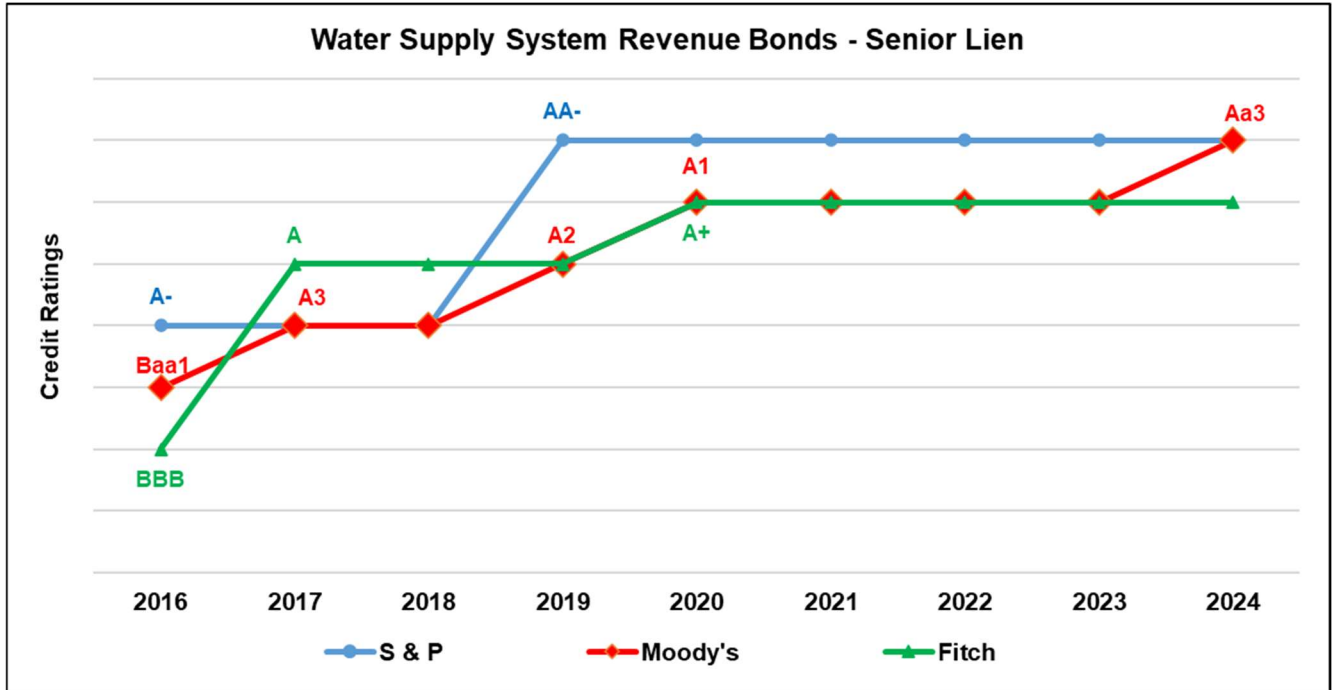
#### Credit Ratings

In October 2023, the Authority received upgrades from Moody's investor services on both the water and sewage disposal system senior and second lien bonds. Fitch upgraded the sewage disposal system senior and second lien bonds. As a result of these upgrades, the Authority achieved the requisite ratings threshold to reduce or eliminate the reserve requirements for senior lien and second lien bonds. In May 2024, all three agencies affirmed the credit ratings. With the issuance of bonds in June 2024, the Authority exercised the option to reduce the reserve requirements for senior and second lien bonds to zero.

The following charts provide the credit rating history, at the end of each fiscal year, for senior lien revenue bonds since the GLWA began operations in 2016.

GREAT LAKES WATER AUTHORITY

Management's Discussion and Analysis



Additional information on the Authority's long-term debt can be found in Note 12.

## GREAT LAKES WATER AUTHORITY

### Management's Discussion and Analysis

#### Economic Factors Affecting Next Year's Operations and Rates

On February 28, 2024, the GLWA Board adopted the biennial budget for the Authority for fiscal years 2025 and 2026. That two-year financial plan remains true to a foundational commitment to control the budget within a 4 percent revenue cap as further described below.

##### Water Fund

For FY 2025 the budget increased by 4 percent. This translated into a regional system average charge increase of 3.25 percent and suburban wholesale member partner average charge increase of 3.0 percent depending on each customers contractual adjustments and results of the fiscal year 2024 Water cost of Service study. The local system charge increased 3.4 percent.

##### Sewage Disposal Fund

For FY 2025 the budget increased by 4 percent. This translated into a regional system average charge increase of 3.0 percent and suburban wholesale member partner average charge increase of 1.7 percent depending on each customers contractual adjustments. The local system charge increased 4.6 percent.

##### City of Highland Park

In October 2023, the Authority, the City of Highland Park (HP) and the State of Michigan (State) executed a term sheet which provides an outline for the resolution to the years of ongoing litigation. The term sheet provides for payment assurances from HP, investment in capital improvements for GLWA and HP funded by the State, and installation of meters funded by the State to create confidence that HP is being billed equitably for its use of the regional water and sewer systems. A final agreement based upon the term sheet, was approved by all the parties and included a trust which was created for the deposit of HP's utility receipts with the trustee disbursing the funds monthly. The Authority is first in line to receive a monthly payment for the current amount due for water and sewer services. The trust was in place by the end of April 2024 and began disbursing monthly payments in May 2024 and has continued to operate as intended.

#### Requests for Information

This financial report is designed to provide a general overview of GLWA's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Great Lakes Water Authority, Office of the Chief Financial Officer, 735 Randolph, Detroit, Michigan 48226. This report is also available on the Authority's website at [www.glwater.org](http://www.glwater.org).

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**BASIC FINANCIAL STATEMENTS**

## GREAT LAKES WATER AUTHORITY

## STATEMENT OF NET POSITION

As of June 30, 2024

With Comparative Amounts at June 30, 2023

	Enterprise Funds		Total	2023 Total
	Water Fund	Sewage Disposal Fund	Business-type Activities	Business-type Activities
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 190,551,656	\$ 253,247,096	\$ 443,798,752	\$ 482,735,648
Restricted cash and cash equivalents	141,618,876	165,770,607	307,389,483	264,777,942
Restricted cash for the benefit of DWSD	24,695,007	33,451,810	58,146,817	42,463,972
Investments	86,039,805	89,005,650	175,045,455	63,241,295
Restricted investments	43,009,504	57,766,566	100,776,070	43,673,481
Receivables, net	64,719,282	25,291,360	90,010,642	110,633,430
Due from other governments	2,607,102	3,910,476	6,517,578	11,881,282
Due from other funds	4,555,762	2,161,726	6,717,488	3,247,468
Contractual obligation receivable	21,990,092	16,744,402	38,734,494	36,669,011
Prepaid items and other assets	11,528,504	6,481,850	18,010,354	16,473,691
Inventories	-	10,420,267	10,420,267	10,649,496
Total Current Assets	<u>591,315,590</u>	<u>664,251,810</u>	<u>1,255,567,400</u>	<u>1,086,446,716</u>
Noncurrent Assets				
Restricted cash and cash equivalents	128,140,663	168,937,038	297,077,701	162,962,263
Restricted investments	1,953,942	5,371,602	7,325,544	134,324,735
Contractual obligation receivable	528,292,868	338,122,791	866,415,659	899,049,912
Prepaid lease	11,250,000	13,750,000	25,000,000	25,000,000
Capital assets				
Nondepreciable/nonamortizable	708,545,333	464,376,029	1,172,921,362	1,088,758,476
Depreciated/amortized, net	1,366,169,471	1,941,044,130	3,307,213,601	3,319,883,704
Prepaid insurance on debt	-	-	-	15,142,970
Total Noncurrent Assets	<u>2,744,352,277</u>	<u>2,931,601,590</u>	<u>5,675,953,867</u>	<u>5,645,122,060</u>
Total Assets	<u>3,335,667,867</u>	<u>3,595,853,400</u>	<u>6,931,521,267</u>	<u>6,731,568,776</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	24,498,242	50,564,037	75,062,279	133,948,479
Deferred pension amounts	<u>5,338,231</u>	<u>9,553,741</u>	<u>14,891,972</u>	<u>47,723,960</u>
Total Deferred Outflows of Resources	<u>29,836,473</u>	<u>60,117,778</u>	<u>89,954,251</u>	<u>181,672,439</u>

The accompanying notes are an integral part of these financial statements.



	Enterprise Funds		Total	2023 Total
	Water Fund	Sewage Disposal Fund	Business-type Activities	Business-type Activities
<b>Liabilities</b>				
Current Liabilities				
Accounts and contracts payable	\$ 64,672,188	\$ 57,576,555	\$ 122,248,743	\$ 113,308,498
Accrued salaries, wages and benefits	2,261,789	506,119	2,767,908	2,063,359
Accrued liabilities	28,883,806	33,584,678	62,468,484	53,951,292
Due to other governments	2,903,115	4,300,448	7,203,563	6,874,058
Due to other funds	2,161,726	4,555,762	6,717,488	3,247,468
Interest payable	48,294,351	46,824,429	95,118,780	82,190,367
Current portion of				
Revenue bonds and loans	111,145,612	150,259,868	261,405,480	149,725,340
Raw water rights obligation	3,085,994	-	3,085,994	2,963,619
BC Note obligation	1,002,660	2,255,300	3,257,960	695,845
Regional system leases	6,180,464	7,553,901	13,734,365	13,174,371
Other liabilities	4,651,922	19,803,297	24,455,219	29,182,845
Total Current Liabilities	<u>275,243,627</u>	<u>327,220,357</u>	<u>602,463,984</u>	<u>457,377,062</u>
Noncurrent Liabilities				
Revenue bonds and loans	2,628,339,128	2,792,690,251	5,421,029,379	5,491,493,953
Raw water rights obligation	86,466,161	-	86,466,161	89,552,155
BC Note obligation	15,121,527	34,013,118	49,134,645	52,392,606
Regional system leases	387,986,731	474,206,004	862,192,735	875,927,100
Other liabilities	5,249,266	14,953,725	20,202,991	33,578,631
Net pension liability	13,279,666	23,766,386	37,046,052	63,174,607
Total Noncurrent Liabilities	<u>3,136,442,479</u>	<u>3,339,629,484</u>	<u>6,476,071,963</u>	<u>6,606,119,052</u>
Total Liabilities	<u>3,411,686,106</u>	<u>3,666,849,841</u>	<u>7,078,535,947</u>	<u>7,063,496,114</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	64,897,267	68,414,617	133,311,884	81,269,853
Deferred amounts for swap terminations	51,986	297	52,283	57,089
Total Deferred Inflows of Resources	<u>64,949,253</u>	<u>68,414,914</u>	<u>133,364,167</u>	<u>81,326,942</u>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	(243,351,501)	(185,310,104)	(428,661,605)	(336,552,993)
Restricted for construction	-	2,258,067	2,258,067	2,180,985
Restricted for debt service	89,928,545	123,745,273	213,673,818	147,436,260
Restricted for payment assistance program	931,099	785,088	1,716,187	4,652,563
Unrestricted	41,360,838	(20,771,901)	20,588,937	(49,298,656)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (111,131,019)</u>	<u>\$ (79,293,577)</u>	<u>\$ (190,424,596)</u>	<u>\$ (231,581,841)</u>

The accompanying notes are an integral part of these financial statements.

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## GREAT LAKES WATER AUTHORITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2024

With Comparative Amounts at June 30, 2023

	Enterprise Funds		Total	2023 Total
	Water	Sewage	Business-type	Business-type
	Fund	Disposal Fund	Activities	Activities
<b>Operating Revenues</b>				
Wholesale charges	\$ 337,511,167	\$ 282,767,090	\$ 620,278,257	\$ 616,511,308
Local system charges	25,537,200	196,569,600	222,106,800	213,876,500
Industrial waste charges	-	8,617,495	8,617,495	8,393,103
Pollutant surcharges	-	4,088,519	4,088,519	4,894,567
Bad debt recovery credit	(5,152,500)	(15,556,900)	(20,709,400)	-
Other revenues	654,989	494,425	1,149,414	2,011,011
<b>Total Operating Revenues</b>	<b>358,550,856</b>	<b>476,980,229</b>	<b>835,531,085</b>	<b>845,686,489</b>
<b>Operating Expenses</b>				
Operating expenses before depreciation and amortization				
Personnel	54,404,612	71,050,649	125,455,261	114,808,018
Contractual services	54,036,139	62,107,939	116,144,078	116,946,973
Utilities	32,695,479	39,243,251	71,938,730	77,276,536
Chemicals	11,947,114	19,128,291	31,075,405	30,542,063
Supplies and other expenses	11,583,805	30,509,642	42,093,447	34,571,711
Capital program allocation	(1,451,128)	(1,396,306)	(2,847,434)	(2,189,642)
Intergovernmental reimbursements	(5,404,975)	(1,697,112)	(7,102,087)	(5,132,485)
Total operating expenses before depreciation and amortization	157,811,046	218,946,354	376,757,400	366,823,174
Depreciation	110,557,350	154,486,270	265,043,620	289,956,600
Amortization of intangible assets	3,981,772	854,812	4,836,584	4,006,368
<b>Total Operating Expenses</b>	<b>272,350,168</b>	<b>374,287,436</b>	<b>646,637,604</b>	<b>660,786,142</b>
<b>Operating Income</b>	<b>86,200,688</b>	<b>102,692,793</b>	<b>188,893,481</b>	<b>184,900,347</b>
<b>Nonoperating Revenues (Expenses)</b>				
Earnings (loss) on investments	27,287,141	34,566,226	61,853,367	37,601,830
Interest income from other receivables	24,106,563	15,748,345	39,854,908	41,059,361
Interest expense	(134,600,821)	(144,356,792)	(278,957,613)	(271,291,054)
Amortization of debt related items and cost of issuance	7,047,178	(11,202,157)	(4,154,979)	3,998,310
Legacy pension recovery (expense)	(2,402,938)	(4,300,495)	(6,703,433)	20,765,202
Water Residential Assistance Program	(2,937,520)	(3,834,918)	(6,772,438)	(12,342,512)
Other	(2,285,643)	8,997,356	6,711,713	1,752,328
Discontinued capital projects	-	-	-	(20,902,626)
<b>Total Nonoperating Expenses</b>	<b>(83,786,040)</b>	<b>(104,382,435)</b>	<b>(188,168,475)</b>	<b>(199,359,161)</b>
Income (loss) before capital contributions	2,414,648	(1,689,642)	725,006	(14,458,814)
<b>Capital Contributions</b>	<b>10,313,987</b>	<b>30,118,252</b>	<b>40,432,239</b>	<b>2,176,000</b>
<b>Change in Net Position</b>	<b>12,728,635</b>	<b>28,428,610</b>	<b>41,157,245</b>	<b>(12,282,814)</b>
NET POSITION (DEFICIT), Beginning of Year	(123,859,654)	(107,722,187)	(231,581,841)	(219,299,027)
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<b>\$ (111,131,019)</b>	<b>\$ (79,293,577)</b>	<b>\$ (190,424,596)</b>	<b>\$ (231,581,841)</b>

The accompanying notes are an integral part of these financial statements.

## GREAT LAKES WATER AUTHORITY

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2024  
With Comparative Amounts at June 30, 2023

	Enterprise Funds		Total	2023 Total
	Water	Sewage	Business-type	Business-type
	Fund	Disposal Fund	Activities	Activities
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 360,752,545	\$ 489,374,525	\$ 850,127,070	\$ 844,338,420
Cash received from intergovernmental reimbursements	7,423,352	2,847,942	10,271,294	12,204,413
Cash payments for intergovernmental services provided	(5,404,976)	(1,697,110)	(7,102,086)	(5,132,485)
Cash payments to suppliers for goods and services	(94,279,356)	(155,516,879)	(249,796,235)	(264,066,386)
Cash payments for employee services	(51,109,921)	(67,724,589)	(118,834,510)	(111,378,421)
Cash payments to other governments for obligation payable	(875,509)	(1,969,296)	(2,844,805)	(2,844,803)
Cash payments for WRAP	(4,862,784)	(6,726,022)	(11,588,806)	(7,294,991)
Cash payments for GLWA share pension agreement	(176,400)	(315,700)	(492,100)	(31,916,200)
Cash received from insurance claims	493,086	490,522	983,608	2,140,310
Cash received from grants	69,000	20,000	89,000	25,198
Cash received (paid) nonoperating income (expense)	21,019	45	21,064	320,311
Cash payments to DWSD local system for cash held for EFSD	-	(16,453,096)	(16,453,096)	-
Cash received for DWSD local system for cash held for EFSD	-	781,020	781,020	31,724,639
Cash received for DWSD nonoperating pension	1,063,200	817,700	1,880,900	7,494,100
Cash paid for DWSD nonoperating pension	(742,793)	(603,507)	(1,346,300)	(7,494,199)
Cash received for DWSD WRAP	858,600	1,333,300	2,191,900	2,120,900
Cash payments for DWSD WRAP	(1,078,525)	(1,516,413)	(2,594,938)	(1,717,862)
Cash increase from DWSD budgetary surplus (1)	6,527,202	7,968,678	14,495,880	21,900,626
Principal payments received on obligation receivable	19,811,500	15,635,600	35,447,100	32,354,150
Interest received on obligation receivable	24,878,839	16,167,161	41,046,000	42,149,286
Advanced payments received on obligation receivable	380,585	283,459	664,044	93,762
Cash received from DWSD for cost of issuance fees	16,436	-	16,436	29,500
Cash payments for issuance costs on DWSD obligation receivable	(16,436)	-	(16,436)	-
Payments of state revolving fund loan proceeds to DWSD	(12,592,635)	(1,441,623)	(14,034,258)	(24,740,348)
Net Cash Provided by Operating Activities	<u>251,156,029</u>	<u>281,755,717</u>	<u>532,911,746</u>	<u>540,309,920</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Proceeds from state revolving fund loans for DWSD	12,592,635	1,441,623	14,034,258	18,547,851
Cash received from grants	1,391,029	1,394,549	2,785,578	844,047
Principal payments	(17,385,200)	(14,998,300)	(32,383,500)	(32,354,150)
Interest payments	(25,264,874)	(16,490,204)	(41,755,078)	(40,022,266)
Net Cash Used in Noncapital Financing Activities	<u>(28,666,410)</u>	<u>(28,652,332)</u>	<u>(57,318,742)</u>	<u>(52,984,518)</u>

The accompanying notes are an integral part of these financial statements.

Continued on  
Next Page

	Enterprise Funds		Total	2023 Total
	Water	Sewage	Business-type	Business-type
	Fund	Disposal Fund	Activities	Activities
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from insurance claims	\$ -	\$ 5,994,564	\$ 5,994,564	\$ 713,750
Proceeds from grants	8,651,729	27,342,279	35,994,008	226,996
Proceeds from sale of assets	89,149	36,831	125,980	1,404,379
Cash received from capital contribution	-	-	-	2,176,000
Proceeds from revenue bonds	159,344,559	105,508,716	264,853,275	447,429,667
Proceeds from state revolving fund loans	35,186,655	29,718,140	64,904,795	104,800,615
Payments to bond escrow agent	(27,421,520)	(30,233,297)	(57,654,817)	(5,507,101)
Payment of bond issuance costs	(2,202,816)	(2,858,694)	(5,061,510)	(1,887,270)
Principal payments on bonds	(29,849,800)	(67,926,700)	(97,776,500)	(148,604,030)
Principal payments on regional system leases	(5,928,467)	(7,245,904)	(13,174,371)	(12,637,211)
Principal payments on right to use lease	-	(390,070)	(390,070)	(366,784)
Interest payments	(88,559,675)	(107,207,484)	(195,767,159)	(214,067,241)
Purchase of capital assets	(200,006,854)	(143,529,029)	(343,535,883)	(295,113,526)
Net Cash Used in Capital and Related Financing Activities	<u>(150,697,040)</u>	<u>(190,790,648)</u>	<u>(341,487,688)</u>	<u>(121,431,756)</u>
<b>Cash Flows From Investing Activities</b>				
Investment purchases	(341,995,311)	(383,538,009)	(725,533,320)	(873,336,480)
Investment sales and maturities	271,967,910	430,708,953	702,676,863	978,218,350
Interest received	18,981,040	23,243,029	42,224,069	21,130,694
Net Cash Provided in Investing Activities	<u>(51,046,361)</u>	<u>70,413,973</u>	<u>19,367,612</u>	<u>126,012,564</u>
<b>Net change in cash and cash equivalents</b>	20,746,218	132,726,710	153,472,928	491,906,210
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>464,259,984</u>	<u>488,679,841</u>	<u>952,939,825</u>	<u>461,033,615</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 485,006,202</u>	<u>\$ 621,406,551</u>	<u>\$ 1,106,412,753</u>	<u>\$ 952,939,825</u>
<b>STATEMENT OF NET POSITION CLASSIFICATION OF CASH</b>				
Cash and cash equivalents	\$ 190,551,656	\$ 253,247,096	\$ 443,798,752	\$ 482,735,648
Restricted cash and cash equivalents	141,618,876	165,770,607	307,389,483	264,777,942
Restricted cash for the benefit of DWSD	24,695,007	33,451,810	58,146,817	42,463,972
Noncurrent restricted cash and cash equivalents	<u>128,140,663</u>	<u>168,937,038</u>	<u>297,077,701</u>	<u>162,962,263</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 485,006,202</u>	<u>\$ 621,406,551</u>	<u>\$ 1,106,412,753</u>	<u>\$ 952,939,825</u>
<b>NONCASH OPERATING ACTIVITIES</b>				
Credits given on billings-Flint KWA obligation	\$ (5,990,831)	\$ -	\$ (5,990,831)	\$ (6,452,573)
Interest income obligation receivable premium amortization	\$ (796,784)	\$ (425,125)	\$ (1,221,909)	\$ (1,175,545)

The accompanying notes are an integral part of these financial statements.

## GREAT LAKES WATER AUTHORITY

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2024  
With Comparative Amounts at June 30, 2023

Continued From  
Previous Page

	Enterprise Funds		Total	2023 Total
	Water	Sewage	Business-type	Business-type
	Fund	Disposal Fund	Activities	Activities
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Bond proceeds deposited into an escrow account for refunding revenue bonds	\$ 490,013,490	\$ 636,440,264	\$ 1,126,453,754	\$ 12,665,243
Bond proceeds paid directly to underwriters for cost of issuance	\$ 1,843,138	\$ 2,065,636	\$ 3,908,774	\$ 1,279,780
Increase in assets from contributed capital	\$ -	\$ 257,750	\$ 257,750	\$ -
Decrease in raw water rights obligation	\$ 2,963,619	\$ -	\$ 2,963,619	\$ 2,845,282
Interest paid for raw water rights obligation	\$ 3,027,212	\$ -	\$ 3,027,212	\$ 3,607,291
Increase in unrealized gain (loss) on investments	\$ 683,911	\$ 1,575,027	\$ 2,258,938	\$ 11,917,803
Amortization income (expense)	\$ 11,274,432	\$ (6,418,177)	\$ 4,856,255	\$ 7,305,960
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating income	\$ 86,200,688	\$ 102,692,793	\$ 188,893,481	\$ 184,900,347
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	110,557,350	154,486,270	265,043,620	289,956,600
Amortization of intangible assets	3,981,772	854,812	4,836,584	4,006,368
Credits for raw water rights	(5,990,831)	-	(5,990,831)	(6,452,573)
Miscellaneous nonoperating income (expense)	46,642	490,906	537,548	38,813
Legacy pension recovery (expense) and administrative fee	(2,204,987)	(3,946,225)	(6,151,212)	20,140,711
WRAP (Water Residential Assistance Program)	(2,937,520)	(3,834,918)	(6,772,438)	(12,342,512)
Loan forgiveness pass-through to DWSD	(7,130,478)	(803,541)	(7,934,019)	(2,117,038)
Interest income on contractual obligation receivable	24,106,563	15,748,345	39,854,908	41,059,361
Interest expense on obligation payable	(661,357)	(1,487,601)	(2,148,958)	(2,182,093)
Changes in:				
Receivables	8,228,492	12,394,296	20,622,788	7,123,124
Due from other governments	3,649,982	1,495,736	5,145,718	4,959,329
Due from other funds	(3,523,008)	52,988	(3,470,020)	(919,382)
Contractual obligation receivable	15,146,127	15,422,643	30,568,770	17,098,882
Prepaid items and other assets (operating)	(344,085)	(614,381)	(958,466)	(2,847,046)
Inventories	-	229,229	229,229	(2,282,725)
Accounts payable (operating)	14,969,966	(3,357,290)	11,612,676	1,181,494
Accrued salaries, wages and benefits	504,031	200,518	704,549	3,329
Accrued liabilities	3,772,590	5,571,433	9,344,023	28,946,659
Due to other governments	(220,943)	550,448	329,505	(14,486,543)
Due to other funds	(52,988)	3,523,008	3,470,020	919,382
Obligation payable including accrued interest	(214,153)	(481,695)	(695,848)	(662,710)
Other liabilities	869,238	(21,732,552)	(20,863,314)	35,192,045
Net pension liability and deferred items	2,402,938	4,300,495	6,703,433	(50,923,902)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 251,156,029</u>	<u>\$ 281,755,717</u>	<u>\$ 532,911,746</u>	<u>\$ 540,309,920</u>

(1) Represents local system retail receipts received in excess of DWSD's current year budget requirements. Amounts will be used to meet future budget requirements.

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

# GREAT LAKES WATER AUTHORITY

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

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NOTE 1	Summary of Significant Accounting Policies	43
NOTE 2	Budgetary Information	51
NOTE 3	Cash Deposits and Investments	52
NOTE 4	Restricted Assets	55
NOTE 5	Receivables, Net	59
NOTE 6	Due from other Governments	59
NOTE 7	Due To and Due From Other Funds	59
NOTE 8	Contractual Obligation Receivable	60
NOTE 9	Capital Assets	62
NOTE 10	Accrued Liabilities	65
NOTE 11	Due to Other Governments	65
NOTE 12	Long-term Debt	66
	Revenue Bonds	69
	State Revolving Fund Loans	72
	Pledges of Future Revenue	75
	Credit Ratings	76
	Raw Water Rights Obligation	76
	BC Note Obligation	77
	Interest Expense	79
NOTE 13	Regional Systems Leases Payable and Related Prepaid Lease	79
NOTE 14	Other Liabilities	81
	Lease Payable – Warehouse	82
	Subscription Liability – Right to Use Asset	83
	Compensated Absences	84
	Workers' Compensation	84
	Claims and Judgements	84
	DWSD Local System Capital Contribution from EFSD	84
	Cash Held for the Benefit of DWSD Budget Stabilization	84
NOTE 15	Risk Management/Self-Insurance Programs	85
NOTE 16	Defined Contribution Pension Plans	87
NOTE 17	Net Pension Liability (Special Funding Situation)	88
NOTE 18	Commitments and Contingencies	93
NOTE 19	Net Investment in Capital Assets	96
NOTE 20	Subsequent Events	96



NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***ACCOUNTING AND REPORTING PRINCIPLES***

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

***REPORTING ENTITY***

The Great Lakes Water Authority (GLWA or the Authority) is the regional wholesale provider of water and sewage disposal services in southeast Michigan. The Authority was incorporated by the counties of Macomb, Oakland, Wayne and the City of Detroit (the City) on November 26, 2014 pursuant to Act 233, Public Acts of Michigan, 1955, as amended (Act 233). Pursuant to Regional System Leases that became effective on January 1, 2016, the Authority assumed possession and control of the regional assets of both the water supply and sewage disposal systems owned by the City, which were previously operated by the Detroit Water and Sewerage Department (DWSD). The City, acting through DWSD, will continue to manage and operate its own local retail water and sewage disposal system infrastructure. The Regional System Leases assigned all revenues of both systems to the Authority for an initial term of 40 years and, pursuant to bondholder consent, replaced the City with GLWA as the obligor on all outstanding debt obligations of the City related to the systems.

The term "Regional System Leases" is used throughout the financial statements to represent the agreements that transferred the regional water system and sewage disposal system assets and operations from the City of Detroit to GLWA. The Regional System Leases are not considered a lease as defined by the Government Auditing Standards Board (GASB) in GASB Statement No. 87, *Leases*.

The Authority's water system is one of the largest in the United States, both in terms of water produced and population served. The water system currently serves an area of 1,674 square miles located in eight Michigan counties and an estimated population of approximately 3.8 million or approximately 38% of Michigan's population. Suburban wholesale customers comprise approximately 82% of the population in the service area, and the DWSD retail water customers comprise the remainder.

The Authority's sewage disposal system is one of the largest in the United States, both in terms of treatment capacity and population served. The sewer disposal system currently serves an area of 953 square miles located in three Michigan counties and an estimated population of approximately 2.8 million or approximately 28% of Michigan's population. Suburban customers comprise approximately 76% of the population in the service area, and the DWSD retail sewer customers comprise the remainder.

The Authority's Board is authorized to establish rates, fees and charges for its water supply and sewage disposal services. Under the Water and Sewer Services Agreement, the City is appointed as agent of the Authority for setting retail rates and for billing, collecting and enforcing the collection of charges from retail water and sewer customers. As an agent of the Authority, the City, through the Board of Water Commissioners and without further approval by the City Council, is required to set retail rates to meet the revenue requirements that the Authority establishes for the retail system for regional commitments as well as other reasonable costs of the local DWSD systems. Under certain conditions, the Authority may terminate the City's appointment.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**GOVERNANCE**

The GLWA Board is composed of six voting members. Two members are residents of the City of Detroit and are appointed by the Mayor of the City of Detroit. The chief executive of the counties of Macomb, Oakland and Wayne each appoint one member who is a resident of the county from which appointed and the Governor of the State of Michigan appoints one member who is a resident of an area served by the Authority outside of the counties. All members of the GLWA Board must have at least seven years of experience in a regulated industry, a utility, engineering, finance, accounting or law firm. After the initial term specified in its Articles of Incorporation, each GLWA Board member is appointed for a four-year term and serves at the pleasure of the appointing government.

The GLWA Board has adopted a committee structure. Four committees have been established: Audit, Capital Improvement Planning, Operations and Resources, and Legal.

**BASIS OF PRESENTATION**

The Authority presents a water enterprise fund and a sewage disposal enterprise fund for its basic financial statements which consists of a statement of net position, statement of revenues, expenses and changes in net position, a statement of cash flows and these notes to the financial statements.

**BASIS OF ACCOUNTING**

The accounting policies of the Authority conform to GAAP as applicable to governmental entities. The accounts of the Authority are used to account for its activities, which are financed and operated in a manner similar to a private business enterprise. Accordingly, the Authority maintains its records on the accrual basis of accounting. Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) of providing services are accrued when incurred.

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include contributions and grants. On an accrual basis, revenue from contributions and grants is recognized in the fiscal year in which all eligibility requirements have been satisfied, including timing and expense requirements. Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted. Expense requirements specify the year in which the resources are provided to the Authority on a reimbursement basis.

**ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**Cash and Cash Equivalents and Investments**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value or estimated value. The Authority maintains and adheres to a formal investment policy in accordance with Michigan Public Act 20 of 1943, Investment of Surplus Funds of Political Subdivisions. Michigan State law allows the Authority to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances and mutual funds composed of otherwise legal investments. These investments are subject to interest rate risk and credit risk which may affect the value at which these investments are recorded.

**Restricted Assets**

Restricted assets are those assets set aside as required by the Authority's Master Bond Ordinance (MBO), funds held on behalf of another entity, or where legally restricted for a particular purpose such as bond proceeds for the capital program. See Note 4 for further details.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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Accounts Receivable, Net

The Authority records unbilled revenues for services provided prior to year-end by accruing actual revenues billed in the subsequent month. The Authority recognizes an estimate of uncollectible accounts for its customer accounts receivable related to its water and sewage disposal services.

Due from and Due to Other Governments

The due from other governments includes amounts owed to the Authority by DWSD for shared services and intergovernmental agreements, accrued interest receivable on the contractual obligation receivable and grants. The due to other governments includes amounts owed by the Authority to DWSD for shared services and the green infrastructure program.

Due from and Due to Other Funds

An amount owed between the Water and Sewage Disposal Funds based on shared centralized and administrative services administered by the Water Fund and allocated to the Sewage Disposal Fund. Any water system usage of inventory in the Sewage Disposal Fund is charged through an interfund payable to the Sewage Disposal Fund.

Contractual Obligation Receivable

Pursuant to the Water and Sewer Services Agreement, the City through DWSD is responsible for paying the portion of debt service on the bonds assumed by the Authority that were issued to finance the cost of improvements to the Detroit local facilities. The resulting contractual obligation is a receivable recorded by the Authority and is repaid by DWSD based upon an agreed upon schedule. Any new debt issued on behalf of the City for DWSD is also included in the contractual obligation receivable.

Prepaid Items and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Other assets include accrued interest receivable on investments.

Inventories

Inventories primarily consist of operating, maintenance and repair parts for sewage disposal system assets and are valued at the lower of cost or market, with cost being determined on an average cost method. Inventory is recorded as an expense when consumed rather than when purchased. The water fund does not report inventory because the amounts are insignificant and for efficiency are recorded in the sewage disposal fund. Any inventory usage by the water fund is charged through an interfund payable to the sewage disposal fund.

Prepaid Lease

As described in Note 14, the Authority has recorded a prepaid lease for cash paid to DWSD on the date GLWA began operations equivalent to six months of lease payments. As noted in the 2018 MOU dated June 2018, this amount will be applied at the end of the 40-year term and, hence, it is classified as a noncurrent asset.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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Capital Assets

Capital assets are recorded at historical cost. All acquisitions of land and land improvements are capitalized regardless of cost. The capitalization threshold is \$5,000 for capital assets with an estimated useful life greater than one year, except for information technology assets and the right to use leased assets. The capitalization threshold for information technology assets is \$1,000,000 with an estimated useful life greater than three years. Subscription-Based Information Technology Arrangement (SBITA) contracts greater than \$1,000,000 are analyzed for the both the quantitative and qualitative aspects of materiality to determine if they will be recorded as an intangible asset under GASB 96. Right to use leased assets have a capitalization threshold of \$1,000,000 for leases greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets acquired after January 1, 2016 are depreciated on the straight-line basis over the useful life of the assets as follows:

	Useful Lives (In Years)
Site improvements	15
Buildings and structures	20-50
Infrastructure	80
Machinery and equipment	3-20
Vehicles	5-7
Leasehold improvements	15

Capital assets acquired as of the operational effective date of the Authority at January 1, 2016 are depreciated over their estimated remaining useful lives at that time as determined by a third-party valuation. These remaining lives differ from the years cited above for newly acquired capital assets and, in most instances, are significantly shorter.

The Authority has recorded an intangible asset for raw water rights which are being amortized on a straight-line basis over 30 years in the water fund. See Note 9 for a description of these rights. The Authority has recorded a right to use intangible asset for the lease of a warehouse in the sewage disposal fund. The Authority has also recorded an intangible asset for subscription-based information technology arrangements in both the water and sewage disposal fund. See Note 14 for a description of the leased right to use asset and subscription-based information technology arrangement.

Prepaid Insurance on Debt

Prepaid insurance on debt represents insurance costs incurred in connection with the issuance of long-term debt. With the reduction in the reserve requirement to zero, these costs were fully written off during the current year. See Reserve Requirement in Note 12.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods. At that time, the activity will be recognized as an outflow of resources (or expense). The Authority reports deferred outflows of resources for two items: deferred charges on refunding and pension amounts. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price; these amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources from pension amounts relate to differences between expected and actual investment returns and contributions to the plan subsequent to the plan measurement date. More detailed information on pension amounts can be found in Note 17.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Accrued Liabilities

Accrued liabilities represent amounts held for specific purposes or other parties as described below:

- Under the terms of the MBO, the Authority retains cash on hand for the benefit of DWSD to be used for current revenue requirements.
- Pursuant to the water service contract with a customer, the Authority holds a security deposit for \$3,750,000 plus interest earned net of bank fees.
- Amounts owed to the WRAP service delivery partners for WRAP expenses incurred.
- Advanced billings on rentals

Revenue Bonds and Loans

The Authority issues revenue bonds to finance capital improvement projects, refund outstanding bonds to reduce future debt service payment and pay the cost of issuance. Loans are direct borrowings through the State of Michigan revolving fund loan program. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. See Note 12 for the details on revenue bonds and loans.

Raw Water Rights Obligation

The Authority has recorded a liability for the purchase obligation on raw water rights. See Note 12 for the details of this obligation.

BC Note Obligation

Under the terms of the lease agreements with the City, the Authority is required to pay a portion of the City's B and C notes allocated to the regional water and sewage disposal systems. See "BC Note Obligation" in Note 12.

Regional System Leases

The effective date of the Regional System leases by the City to the Authority for the leased water and sewage disposal facilities was January 1, 2016. See Note 13 for the details of the regional system leases.

Other Liabilities

Other liabilities include the following liabilities which are discussed in Note 14:

- Lease payable – Warehouse
- Subscription liability – right to use asset
- Compensated absences
- Workers' compensation
- Claims and judgements
- DWSD local system capital contribution from the Evergreen-Farmington Sanitary Drain Drainage District (EFSD)
- Cash held for the benefit of DWSD budget stabilization

Net Pension Liability

Under the terms of the Regional System leases, the Authority is a nonemployer contributing entity in the City of Detroit General Employee's Retirement system (GRS) Component II plan in a special funding situation. For the purposes of measuring the net pension liability, deferred outflows, and pension expense, information about the fiduciary net position of the Component II plan of the GRS and additions to and deductions from the plan's net position have been determined on the same basis as they are reported by GRS. The GRS combined plan uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value or estimated fair value. Refer to Note 17 for additional information on the net pension liability.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods. At that time, the activity will be recognized as an inflow of resources (or revenues). The Authority has included the deferred gain on refunding and deferred amounts on swap terminations amounts in this reporting category. Deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price; these amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts on swap terminations were assumed as part of the regional system lease agreements with the City. The amounts will be fully amortized for both funds by fiscal 2035.

Net Position (Deficit)

Net position, which represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, is reported in three components as follows:

*Net Investment in Capital Assets* - consists of capital assets, net of accumulated depreciation and reduced by the balance of outstanding related debt including the share of the regional system lease liability allocable to the net investment in capital assets acquisition value of the regional systems recorded under GASB 69.

*Restricted* – consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The restricted net position consists of restricted assets reduced by liabilities related to those assets.

*Unrestricted* – is the residual balance of net position after net investment in capital assets and restricted.

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Classification of Revenues and Expenses

The Authority classifies its revenues and expenses as either operating or nonoperating.

Operating revenues are those revenues generated from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are wholesale charges for providing water and wastewater treatment. The local system charges are the charges to the City of Detroit under the Water and Sewer Services Agreement (WSSA), dated June 12, 2015. Wholesale customer charges are shown net of loss contingency expense of \$1,950,788 and a \$5,152,500 bad debt recovery credit for the Water Fund. The Sewage Disposal Fund had a loss contingency of \$4,546 and a bad debt recovery credit of \$15,556,900. The bad debt recovery credit was provided to member partners once all terms of the Highland Park settlement agreement were in place.

Operating expenses include the direct costs of operating the water and sewage disposal systems, centralized support, utilities, administrative expenses, depreciation on capital assets and amortization of intangible assets. The following items are shown as a reduction to operating expenses:

- The capital program allocation represents personnel costs that support the project delivery of the Capital Improvement Plan and have been capitalized.
- Intergovernmental reimbursements represent reimbursement of costs related to shared facilities and personnel which the Authority provides to DWSD through a shared services agreement or separate interlocal agreement. It also includes reimbursement of costs for contracted services that are billed to member partners under an intergovernmental agreement.

All revenue and expenses not meeting these definitions above are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Taxes

The Authority pays no direct federal or state taxes except for Social Security and Medicare taxes. The Authority pays a local tax bill for maintenance charges on a county drain and an international local tax on leased property as part of the lease agreement.

Interest Income from Other Receivables

Interest income is the interest earned on the contractual obligation receivable.

Amortization of Debt Related Items and Cost of Issuance

Bond premiums, discounts, and gains or losses on refunding are deferred and amortized over the life of the bonds. Bond premiums, discounts and GASB 69 debt value adjustment are amortized using the effective interest method. The deferred amounts on refunding are amortized using the straight-line method. Debt cost of issuance is expensed when incurred.

Legacy Pension Expense

GLWA is legally responsible for making substantial contributions to a legacy pension plan of another entity, see Note 17 for additional information on this Plan.

Water Residential Assistance Program (WRAP)

The Water Residential Assistance Program is a unique program that started with the formation of GLWA. The program provides that an amount equal to half of one percent of GLWA Regional Systems revenue be set aside to provide assistance to qualified residents in participating communities across southeast Michigan. The amount expensed represents the amount expended for this purpose during the year. Amounts set aside and not spent are shown as restricted cash. Information on restricted assets is disclosed in Note 4.

Other

The largest item in the other nonoperating revenue (expenses) is an insurance settlement of \$7.3 million in the sewage disposal fund. The remaining items in this category are debt forgiveness, gains and losses on disposal of assets, administrative fees for the GRS pension, and miscellaneous other items.

Centralized Services and Administrative Services

Certain costs incurred by the Authority are allocated between the Water and Sewage Disposal Funds. The allocations are based on an annual cost allocation analysis. The following table shows the allocation of these common costs for the year ended June 30, 2024:

<u>Common Costs</u>	<u>Water % Allocation</u>	<u>Water Allocation</u>	<u>Sewer % Allocation</u>	<u>Sewer Allocation</u>	<u>Total Common Costs</u>
Centralized services	48.0%	\$ 53,120,105	52.0%	\$ 57,500,777	\$ 110,620,882
Administrative services	48.9%	\$ 18,077,932	51.1%	\$ 18,922,757	\$ 37,000,689

Centralized services includes the following operating areas: system resiliency, planning services, systems control, facility operations, fleet operations, field service operations, energy research and innovation, transformation, information technology and security and integrity.

Administrative services includes the following operating areas: board of directors, chief executive officer, chief administrative and compliance officer, general counsel, public affairs, organizational development, and financial services.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Capital Contribution

Capital contributions of \$10,313,987 in the water fund and \$29,860,502 in the sewage disposal fund were grants received for capital projects.

The current wastewater disposal service contract with the Oakland-Macomb Interceptor Drain Drainage District (OMIDD) provides for OMIDD to maintain, repair, and improve Interceptor PCI-5, the Northeast Sewer Pump Station and the North Interceptor East Arm, which are related to the capital assets in the Regional Sewage Disposal System Lease (See Note 14). During the fiscal year ending June 30, 2024, OMIDD transferred to GLWA and GLWA accepted and placed into service capital assets of \$257,750 which has been recognized as a capital contribution in the sewage disposal fund.

**USE OF ESTIMATES**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ADOPTION OF NEW ACCOUNTING STANDARDS**

The following GASB pronouncements were implemented in the current fiscal year:

- Statement No. 101, *Compensated Absences (early implementation - effective for fiscal years beginning after December 15, 2023)*. The adoption of this standard is considered a change in accounting principal. The effect on the financial statements was an adjustment of \$1.133 million (\$1.096 million water and \$0.037 million sewer). The expense is included in the operating expenses under Personnel costs. The liability is included under Compensated Absences which are discussed in Note 14. This amount was considered immaterial, therefore there was no adjustment to beginning net position or restatement of prior years.
- Statement No. 102, *Certain Risk Disclosures (early implementation - effective for fiscal years beginning after June 15, 2024)*. There are no concentrations or constraints that required disclosure.

**NEW ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED IN THE FUTURE**

The following GASB pronouncement will be implemented in the future. The Authority has not completed its assessment of the future impact of the adoption of this statement, if any.

- Statement No. 103, *Financial Reporting Model Improvements (effective for fiscal years beginning after June 15, 2025)*
- Statement No. 104, *Disclosure of Certain Capital Assets (effective for fiscal years beginning after June 15, 2025)*

**RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform to current year presentation.



NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 2 – BUDGETARY INFORMATION**

The financial activity of the Authority is presented in two enterprise funds. While enterprise funds are not required under State statutes to adopt appropriated budgets, the Authority's Articles of Incorporation outlines a budget adoption process. Budget to actual schedules for revenues and expenses are presented in the Supplementary Information section of this report. This schedule is not required by GAAP or subject to audit procedures. It is presented strictly for informational purposes.

***BUDGET PROCESS***

GLWA adopts a biennial budget for the regional water and sewage disposal systems as required by its Articles of Incorporation. The revenue requirements budget is adopted separately for the water and sewerage disposal systems. It is the sum of: a) operation and maintenance expenses; b) amounts necessary to pay the principal of and interest on all bonds and to fund any reserves required by the Master Bond Ordinances; c) the Regional Systems lease payments, which shall be a common-to-all charge; d) GLWA's portion of the GRS net pension liability and the BC Note obligations; e) the required deposit to the Water Residential Assistance Program (WRAP) Fund; f) the amounts needed to make the required deposits to the regional Extraordinary Repair and Replacement Reserve Fund as defined in the Master Bond Ordinance; g) deposits to the regional Improvement and Extension Funds; and h) the amount necessary to satisfy the coverage ratios required by the rate covenant in the Master Bond Ordinance.

As provided in the Regional System leases, through the fiscal year ending June 30, 2025, the water and sewage disposal systems are limited to annual increases in the regional revenue requirement of not more than 4%. This limitation shall not be applicable if the regional revenue requirement must increase beyond the 4% assumption in order to satisfy the rate covenant or to pay the cost of improvements to the leased water and/or sewage disposal facilities that are required to be made by applicable laws.

In the Regional System leases, the City acknowledges that all local water and sewer system revenues received from customers in the City are the property of GLWA and will be deposited as received in the Receiving Fund as defined in the Master Bond Ordinance and applied as provided in the Bond Ordinance. As a result, the City agrees to provide the Authority with a budget for the local water and sewage disposal system as required in the Water and Sewer Services Agreement.

***SCHEDULE OF CHARGES PROCESS***

The GLWA Wholesale Customer Model Water Contract and GLWA Wholesale Customer Model Sewer Contract requires that GLWA provide wholesale customers with written notice of a proposed charge, meet to review the proposed charge, and the underlying data used to calculate the charge not less than 30 calendar days prior to a public hearing. Further, the contract requires that a public hearing be held no less than 120 days prior to the date that proposed charges take effect.

The Water and Sewer Services Agreement between GLWA and DWSD requires that GLWA provide the City with written notice of the proposed charge and the underlying data used to calculate the charge not less than 120 calendar days prior to the effective date of any new charge.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 3 – CASH DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The deposits and investments of the Authority at June 30, 2024 are reported in the basic financial statements as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 190,551,656	\$ 253,247,096	\$ 443,798,752
Restricted cash and cash equivalents	141,618,876	165,770,607	307,389,483
Restricted cash for the benefit of DWSD	24,695,007	33,451,810	58,146,817
Investments	86,039,805	89,005,650	175,045,455
Restricted investments	43,009,504	57,766,566	100,776,070
Noncurrent restricted cash and cash equivalents	128,140,663	168,937,038	297,077,701
Noncurrent restricted investments	1,953,942	5,371,602	7,325,544
<b>Total</b>	<b>\$ 616,009,453</b>	<b>\$ 773,550,369</b>	<b>\$ 1,389,559,822</b>
<b>Cash Deposits and Investments</b>			
Bank deposits – checking and savings accounts	\$ 46,437,020	\$ 40,422,652	\$ 86,859,672
Money market accounts	438,569,182	580,983,899	1,019,553,081
Investments in securities	131,003,251	152,143,818	283,147,069
<b>Total</b>	<b>\$ 616,009,453</b>	<b>\$ 773,550,369</b>	<b>\$ 1,389,559,822</b>

#### **CUSTODIAL RISK OF BANK DEPOSITS**

Deposits and money market accounts are exposed to custodial credit risk if they are not covered by depository insurance. At year-end, the carrying amount of the Authority's deposits and money market accounts was \$485,006,202 for the water fund and \$621,406,551 for the sewage disposal fund. The bank balance of the water fund deposits and money market accounts was \$502,574,034 of which \$490,204,290 was uninsured and uncollateralized. The bank balance of the sewage disposal fund deposits and money market accounts was \$615,646,443 of which \$615,371,761 was uninsured and uncollateralized.

In accordance with the Authority's investment policy and State law, all deposits are held in the Authority's name and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the Authority believes it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

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## NOTE 3 – CASH DEPOSITS AND INVESTMENTS (cont.)

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### *INVESTMENTS*

Following is a summary of the Authority's investments as of June 30, 2024:

	<u>Water Fund</u>	<u>Standard &amp; Poors Rating</u>	<u>Weighted Maturity In Years</u>
U.S. treasuries	\$ 86,443,005	AA+	0.79
Commercial paper	<u>44,560,246</u>	A1	0.04
Total	<u>\$ 131,003,251</u>		
	<u>Sewage Disposal Fund</u>	<u>Standard &amp; Poors Rating</u>	<u>Weighted Maturity In Years</u>
U.S. treasuries	\$ 102,550,814	AA+	0.86
Commercial paper	<u>49,593,004</u>	A1	0.08
Total	<u>\$ 152,143,818</u>		
	<u>Total Business-type Activities</u>	<u>Standard &amp; Poors Rating</u>	<u>Weighted Maturity In Years</u>
U.S. treasuries	\$ 188,993,819	AA+	0.83
Commercial paper	<u>94,153,250</u>	A1	0.06
Total	<u>\$ 283,147,069</u>		

### *CUSTODIAL RISK OF INVESTMENTS*

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. In accordance with the Authority's investment policy, all investments are held in the name of the Authority and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 3 – CASH DEPOSITS AND INVESTMENTS (cont.)**

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**CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations.

As of June 30, 2024, all of the Authority's investments in securities of U.S. agencies were rated AA+ or AAA by Standard & Poor's and Aaa by Moody's. The Authority's investment in commercial paper was rated A1 by Standard and Poor's and P1 by Moody's. U.S Treasury notes are explicitly guaranteed by the U.S. government and not considered to have credit risk. The Authority's money market accounts were not rated.

**CONCENTRATION OF CREDIT RISK**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In order to manage its exposure risk, the Authority's investment policy requires diversification by security type to no more than 50% of the total investment portfolio.

At June 30, 2024, the Authority had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
<b>Water Fund</b>		
Commercial paper	ING US Funding	8.11%
Commercial paper	Toyota Motor Credit	7.63
Commercial paper	Barclays Capital Inc	7.20
<b>Sewage Disposal Fund</b>		
Commercial paper	Toyota Motor Credit	8.54
Commercial paper	Barclays Capital Inc	6.12
Commercial paper	ING US Funding	5.96

**INTEREST RATE RISK**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. As a means of limiting its exposure to fair value losses due to rising interest rates, the Authority's investment policy limits the maximum maturity period to no more than five years, unless matched to a particular cash flow need. The Authority's investment policy further provides risk will be minimized by matching investments with short and long-term cash flow requirements and monitoring the maturity dates of individual securities and the weighted average maturity of the investment portfolio, to ensure duration is commensurate with the cash flow requirements.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 3 – CASH DEPOSITS AND INVESTMENTS (cont.)**

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**FAIR VALUE MEASUREMENTS**

The Authority categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The Authority is required to classify certain assets and liabilities based on the following fair value hierarchy:

Level 1: Quoted price in active markets for identical assets.

Level 2: Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Debt securities are priced based on a compilation of primarily observable market information or broker quote in non-active market.

Level 3: Inputs are significant unobservable inputs.

	<u>Level 1</u>	<u>Level 2</u>
<b>Water Fund</b>		
Investments by fair value:		
U.S. treasuries	\$ 86,443,005	\$ -
Commercial paper	-	44,560,246
Water Fund Total Investments	<u>86,443,005</u>	<u>44,560,246</u>
<b>Sewage Disposal Fund</b>		
Investments by fair value:		
U.S. treasuries	102,550,814	-
Commercial paper	-	49,593,004
Sewage Disposal Fund Total Investments	<u>102,550,814</u>	<u>49,593,004</u>
Total Investments – Business-type Activities	<u>\$ 188,993,819</u>	<u>\$ 94,153,250</u>

The Authority has no Level 3 inputs on June 30, 2024.

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**NOTE 4 – RESTRICTED ASSETS**

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Restricted assets, comprised of cash and investments, are available for debt service on revenue bonds and to provide funds for improvements, enlargements, extensions and construction. In accordance with the provisions of the Master Bond Ordinance and Regional System Leases, the Authority follows a sequential flow of funds in segregated accounts through which revenue receipts are deposited and are maintained at certain levels in satisfaction of all legal requirements.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 4 – RESTRICTED ASSETS (cont.)

The following schedules provide, in the order of the flow of funds per the Master Bond Ordinance, the assignment of Water and Sewage Disposal Funds cash and investments between restricted and unrestricted assets based on the source of the monies as of June 30, 2024.

	Funded from Revenue and Other		Funded from Debt Issuance	Total
	Unrestricted	Restricted	Restricted	
<b>Water Fund</b>				
Receiving fund	\$ 66,032,713 *	\$ -	\$ -	\$ 66,032,713
Operations and maintenance	34,099,243	-	-	34,099,243
Senior lien debt service	-	93,502,227	-	93,502,227
Second and junior lien debt service	-	43,001,466	-	43,001,466
Legacy pension obligation	-	1,493,661	-	1,493,661
Water residential assistance program (WRAP)	-	1,029,384	-	1,029,384
Budget stabilization	-	2,000,000	-	2,000,000
Extraordinary repair and replacement	31,884,897	-	-	31,884,897
Improvement and extension – regional	144,574,608	-	-	144,574,608
<b>Total – Reserves Defined by Ordinance</b>	<b>276,591,461</b>	<b>141,026,738</b>	<b>-</b>	<b>417,618,199</b>
Cash held for the benefit of DWSD	-	24,695,007	-	24,695,007
Construction retainage and deposits	-	26,338,917	-	26,338,917
Construction fund	-	-	147,357,330	147,357,330
<b>Total Cash, Cash Equivalents and Investments Water Fund</b>	<b><u>\$ 276,591,461</u></b>	<b><u>\$ 192,060,662</u></b>	<b><u>\$ 147,357,330</u></b>	<b><u>\$ 616,009,453</u></b>

\* Balance includes funds sufficient for two months of required Master Bond Ordinance transfers

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 4 – RESTRICTED ASSETS (cont.)

	Funded from Revenue and Other		Funded from Debt Issuance	
	Unrestricted	Restricted	Restricted	Total
<b>Sewage Disposal Fund</b>				
Receiving fund	\$ 86,980,946*	\$ -	\$ -	\$ 86,980,946
Operations and maintenance	71,374,692	-	-	71,374,692
Senior lien debt service	-	110,533,779	-	110,533,779
Second and junior lien debt service	-	58,096,757	-	58,096,757
Legacy pension obligation	-	2,023,856	-	2,023,856
Water residential assistance program (WRAP)	-	917,956	-	917,956
Budget stabilization	-	5,500,000	-	5,500,000
Extraordinary repair and replacement	42,951,931	-	-	42,951,931
Improvement and extension – regional	140,945,177	-	-	140,945,177
<b>Total – Reserves Defined by Ordinance</b>	<b>342,252,746</b>	<b>177,072,348</b>	<b>-</b>	<b>519,325,094</b>
Cash held for the benefit of DWSD	-	33,451,810	-	33,451,810
Construction Deposit				
Intergovernmental	-	16,052,563	-	16,052,563
Construction retainage	-	17,386,925	-	17,386,925
Construction funds	-	-	187,333,977	187,333,977
<b>Total Cash, Cash Equivalents and Investments Sewage Disposal Fund</b>	<b>342,252,746</b>	<b>243,963,646</b>	<b>187,333,977</b>	<b>773,550,369</b>
<b>Total Cash, Cash Equivalents and Investments –Business-type Activities</b>	<b>\$ 618,844,207</b>	<b>\$ 436,024,308</b>	<b>\$334,691,307</b>	<b>\$1,389,559,822</b>

\* Balance includes funds sufficient for two months of required Master Bond Ordinance transfers

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 4 – RESTRICTED ASSETS (cont.)

A reconciliation of restricted assets to restricted net position is as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Restricted assets from schedule above:			
From revenue and other	\$ 192,060,662	\$ 243,963,646	\$ 436,024,308
From debt issuance	147,357,330	187,333,977	334,691,307
Amounts payable for liabilities and debt	<u>(248,558,348)</u>	<u>(304,509,195)</u>	<u>(553,067,543)</u>
<b>Restricted Net Position</b>	<b><u>\$ 90,859,644</u></b>	<b><u>\$ 126,788,428</u></b>	<b><u>\$ 217,648,072</u></b>
Restricted net position for:			
Construction	\$ -	\$ 2,258,067	\$ 2,258,067
Debt service	89,928,545	123,745,273	213,673,818
Payment assistance program	<u>931,099</u>	<u>785,088</u>	<u>1,716,187</u>
<b>Total Restricted Net Position</b>	<b><u>\$ 90,859,644</u></b>	<b><u>\$ 126,788,428</u></b>	<b><u>\$ 217,648,072</u></b>

The following summary reconciles the above cash and investment balances with the balances per the Statement of Net Position. The allocation of restricted balances to current and noncurrent categories is not intended to directly align with the funding source allocation included in the schedule.

	Unrestricted	Restricted Current	Restricted Noncurrent	Total
<b>Water Fund</b>				
Cash and cash equivalents	\$ 190,551,656	\$ 141,618,876	\$ 128,140,663	\$ 460,311,195
Cash held for the benefit of DWSD	-	24,695,007	-	24,695,007
Investments	<u>86,039,805</u>	<u>43,009,504</u>	<u>1,953,942</u>	<u>131,003,251</u>
<b>Total Water Fund</b>	<b><u>276,591,461</u></b>	<b><u>209,323,387</u></b>	<b><u>130,094,605</u></b>	<b><u>616,009,453</u></b>
<b>Sewage Disposal Fund</b>				
Cash and cash equivalents	253,247,096	165,770,607	168,937,038	587,954,741
Cash held for the benefit of DWSD	-	33,451,810	-	33,451,810
Investments	<u>89,005,650</u>	<u>57,766,566</u>	<u>5,371,602</u>	<u>152,143,818</u>
<b>Total Sewage Disposal Fund</b>	<b><u>342,252,746</u></b>	<b><u>256,988,983</u></b>	<b><u>174,308,640</u></b>	<b><u>773,550,369</u></b>
<b>Total Business-type Activities</b>	<b><u>\$ 618,844,207</u></b>	<b><u>\$ 466,312,370</u></b>	<b><u>\$ 304,403,245</u></b>	<b><u>\$ 1,389,559,822</u></b>



# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 5 – RECEIVABLES, NET

The following is a summary of the net receivables as of June 30, 2024:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Receivables, net:			
Billed	\$ 44,621,471	\$ 15,210,121	\$ 59,831,592
Unbilled	26,015,465	10,080,608	36,096,073
Other	82,346	7,245	89,591
Subtotal	<u>70,719,282</u>	<u>25,297,974</u>	<u>96,017,256</u>
Allowance for doubtful accounts	<u>(6,000,000)</u>	<u>(6,614)</u>	<u>(6,006,614)</u>
Total Receivables, net	<u>\$ 64,719,282</u>	<u>\$ 25,291,360</u>	<u>\$ 90,010,642</u>

### NOTE 6 – DUE FROM OTHER GOVERNMENTS

Due from other governments in the statement of net position are as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
DWSD-Billed shared services and agreements	\$ 175,392	\$ 94,523	\$ 269,915
DWSD-Unbilled shared services and agreements	300,244	932,547	1,232,791
DWSD-Accrued interest on obligation receivable	322,737	6,731	329,468
Intergovernmental agreements and other	102,622	-	102,622
Grants-Federal and State	1,669,360	101,617	1,770,977
State of Michigan FEMA	36,747	2,775,058	2,811,805
Total Due From Other Governments	<u>\$ 2,607,102</u>	<u>\$ 3,910,476</u>	<u>\$ 6,517,578</u>

### NOTE 7 – DUE TO AND DUE FROM OTHER FUNDS

Interfund balances result from the time lag between the dates the interfund reimbursements occur and the payment between the funds are made. Interfund balances for the year ended June 30, 2024 consisted of the following:

	Water Fund – Due from Sewage Disposal Fund	Sewage Disposal Fund – Due from Water Fund	Total Due To
Water Fund – Due to Sewage Disposal Fund	\$ -	\$ 2,161,726	\$ 2,161,726
Sewage Disposal Fund – Due to Water Fund	<u>4,555,762</u>	<u>-</u>	<u>4,555,762</u>
Total Due From	<u>\$ 4,555,762</u>	<u>\$ 2,161,726</u>	<u>\$ 6,717,488</u>

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 8 – CONTRACTUAL OBLIGATION RECEIVABLE

As part of the regional system lease transaction, in which GLWA leased the regional water and sewage disposal system from the City of Detroit, all DWSD revenue bonds outstanding as of December 31, 2015, including those purchased by the Michigan Finance Authority under its state revolving loan program, were assumed by GLWA with the consent of bondholders. The total bonds assumed by GLWA on January 1, 2016 totaled \$2,313,683,761 for the Water Fund and \$3,291,282,050 for the Sewage Disposal Fund.

Per the lease agreements, the WSSA and the MBO, the Detroit retail class continues to pay its common-to-all share of debt service revenue requirements and its allocated share of debt service revenue requirements associated with improvements to the local water and sewage disposal systems. Payments on the debt service incurred by GLWA on the outstanding revenue bonds assumed as of December 31, 2015 are to be allocated using an agreed-upon percentage of total debt service associated with bond-financed local improvements over the life of such bonds, though the bonds themselves continue to be secured by the net revenue of GLWA, and the net revenues of the Detroit retail class. The MOU dated June 27, 2018 defines an agreed upon allocation and amortization schedule. This allocated debt is referred to as "Bifurcated debt" in the table below. Any additional debt issued by GLWA on behalf of the local system is also included in the obligation receivable. DWSD is billed monthly for the debt requirements on a debt set-aside basis so the funds are available when the associated debt payment is due.

Changes in obligation receivable for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increase	Decrease	Debt Forgiveness	Ending Balance	Due Within One Year
<b>Water Fund</b>						
Obligation Receivable						
Bifurcated debt	\$ 352,782,900	\$ -	\$ (16,646,300)	\$ -	\$ 336,136,600	\$ 17,438,700
New money bonds	136,320,000	-	(1,670,000)	-	134,650,000	1,765,000
State revolving funds	<u>58,226,412</u>	<u>12,592,635</u>	<u>(1,495,200)</u>	<u>(7,130,478)</u>	<u>62,193,369</u>	<u>1,980,350</u>
Total Obligation						
Receivable	547,329,312	12,592,635	(19,811,500)	(7,130,478)	532,979,969	21,184,050
Deferred amounts for:						
Unamortized premiums	<u>18,099,775</u>	<u>-</u>	<u>(796,784)</u>	<u>-</u>	<u>17,302,991</u>	<u>806,042</u>
Total Water Fund	<u>565,429,087</u>	<u>12,592,635</u>	<u>(20,608,284)</u>	<u>(7,130,478)</u>	<u>550,282,960</u>	<u>21,990,092</u>
<b>Sewage Disposal Fund</b>						
Obligation Receivable						
Bifurcated debt	285,470,700	-	(13,910,600)	-	271,560,100	14,512,900
New money bonds	75,815,000	-	(1,590,000)	-	74,225,000	1,665,000
State revolving funds	<u>843,067</u>	<u>1,441,623</u>	<u>(135,000)</u>	<u>(803,541)</u>	<u>1,346,149</u>	<u>140,000</u>
Total Obligation						
Receivable	362,128,767	1,441,623	(15,635,600)	(803,541)	347,131,249	16,317,900
Deferred amounts for:						
Unamortized premiums	<u>8,161,069</u>	<u>-</u>	<u>(425,125)</u>	<u>-</u>	<u>7,735,944</u>	<u>426,502</u>
Total Sewage Disposal Fund	<u>370,289,836</u>	<u>1,441,623</u>	<u>(16,060,725)</u>	<u>(803,541)</u>	<u>354,867,193</u>	<u>16,744,402</u>
Total Business-type Activities	<u>\$ 935,718,923</u>	<u>\$ 14,034,258</u>	<u>\$ (36,669,009)</u>	<u>\$ (7,934,019)</u>	<u>\$ 905,150,153</u>	<u>\$ 38,734,494</u>

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

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## NOTE 8 – CONTRACTUAL OBLIGATION RECEIVABLE (cont.)

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The current obligation receivable payment schedule is as follows:

	Year Ended June 30	Principal	Interest	Total
<b>Water Fund</b>				
	2025	\$ 21,184,050	\$ 24,014,257	\$ 45,198,307
	2026	22,138,300	23,054,748	45,193,048
	2027	23,146,000	22,050,835	45,196,835
	2028	24,190,100	21,000,070	45,190,170
	2029	25,302,500	19,900,228	45,202,728
	2030-2034	144,846,500	81,114,369	225,960,869
	2035-2039	147,710,300	44,776,572	192,486,872
	2040-2044	62,060,447	23,134,120	85,194,567
	2045-2049	59,133,967	6,648,603	65,782,570
	2050-2052	3,267,805	98,253	3,366,058
		<u>532,979,969</u>	<u>265,792,055</u>	<u>798,772,024</u>
<b>Total Water Fund</b>				
		532,979,969	265,792,055	798,772,024
<b>Sewage Disposal Fund</b>				
	2025	16,317,900	15,495,373	31,813,273
	2026	17,031,400	14,780,823	31,812,223
	2027	17,777,000	14,034,923	31,811,923
	2028	18,556,000	13,256,073	31,812,073
	2029	19,374,600	12,443,023	31,817,623
	2030-2034	110,198,149	48,709,903	158,908,052
	2035-2039	109,641,200	22,344,650	131,985,850
	2040-2044	19,160,000	7,736,250	26,896,250
	2045-2048	19,075,000	2,442,750	21,517,750
		<u>347,131,249</u>	<u>151,243,768</u>	<u>498,375,017</u>
<b>Total Sewage Disposal Fund</b>				
		347,131,249	151,243,768	498,375,017
<b>Total Business-type Activities</b>		<u>\$ 880,111,218</u>	<u>\$ 417,035,823</u>	<u>\$ 1,297,147,041</u>

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 9 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Water Fund</b>					
Nondepreciable and nonamortizable capital assets					
Land	\$ 34,477,659	\$ -	\$ -	\$ -	\$ 34,477,659
Easements	259,138,946	-	-	7,120	259,146,066
Construction in progress	374,243,953	174,991,574	-	(136,603,965)	412,631,562
Prepaid subscription assets	2,696,554	2,896,818	-	(3,303,326)	2,290,046
<b>Total Nondepreciable and Nonamortizable Capital Assets</b>	<b>670,557,112</b>	<b>177,888,392</b>	<b>-</b>	<b>(139,900,171)</b>	<b>708,545,333</b>
Depreciated and amortized capital assets					
Site improvements	84,054,180	99,640	(1,290,512)	-	82,863,308
Buildings and structures	611,873,995	713,191	-	889,079	613,476,265
Infrastructure	687,000,219	-	-	104,207,222	791,207,441
Machinery and equipment	842,523,418	9,718,704	(8,813,425)	31,500,544	874,929,241
Vehicles	6,255,621	821,360	(334,546)	-	6,742,435
Leasehold improvements	8,421,785	438	-	-	8,422,223
Raw water rights	106,999,919	-	-	-	106,999,919
Subscription assets	-	1,885,523	-	3,303,326	5,188,849
<b>Total Depreciable and Amortizable Assets</b>	<b>2,347,129,137</b>	<b>13,238,856</b>	<b>(10,438,483)</b>	<b>139,900,171</b>	<b>2,489,829,681</b>
Less: Accumulated depreciation and amortization					
Site improvements	(61,494,619)	(4,857,894)	1,290,512	-	(65,062,001)
Buildings and structures	(222,453,239)	(21,113,258)	-	-	(243,566,497)
Infrastructure	(286,972,967)	(26,740,536)	-	-	(313,713,503)
Machinery and equipment	(420,907,590)	(56,385,890)	5,743,608	-	(471,549,872)
Vehicles	(3,023,071)	(903,564)	334,118	-	(3,592,517)
Leasehold improvements	(1,723,966)	(556,208)	-	-	(2,280,174)
Raw water rights	(19,913,874)	(3,566,664)	-	-	(23,480,538)
Subscription assets	-	(415,108)	-	-	(415,108)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(1,016,489,326)</b>	<b>(114,539,122)</b>	<b>7,368,238</b>	<b>-</b>	<b>(1,123,660,210)</b>
<b>Total Depreciated and Amortized Capital Assets, Net</b>	<b>1,330,639,811</b>	<b>(101,300,266)</b>	<b>(3,070,245)</b>	<b>139,900,171</b>	<b>1,366,169,471</b>
<b>Water Fund Net Capital Assets</b>	<b>\$ 2,001,196,923</b>	<b>\$ 76,588,126</b>	<b>\$ (3,070,245)</b>	<b>\$ -</b>	<b>\$ 2,074,714,804</b>

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 9 – CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Sewage Disposal Fund</b>					
Nondepreciable and nonamortizable capital assets					
Land	\$ 28,497,697	\$ -	\$ -	\$ -	\$ 28,497,697
Easements	98,318,513	-	-	-	98,318,513
Construction in progress	288,688,600	135,661,846	-	(89,080,673)	335,269,773
Prepaid subscription assets	2,696,554	2,896,818	-	(3,303,326)	2,290,046
<b>Total Nondepreciable and Nonamortizable Capital Assets</b>	<b>418,201,364</b>	<b>138,558,664</b>	<b>-</b>	<b>(92,383,999)</b>	<b>464,376,029</b>
Depreciated and amortized capital assets					
Site improvements	52,832,721	213,553	(1,503,206)	1,485,354	53,028,422
Buildings and structures	1,166,942,383	338,030	(16,977)	25,279,807	1,192,543,243
Infrastructure	625,707,645	-	-	-	625,707,645
Machinery and equipment	1,373,756,271	10,582,064	(9,014,864)	60,522,772	1,435,846,243
Vehicles	8,393,432	1,737,712	(172,966)	-	9,958,178
Leasehold improvements	3,778,627	438	(72,722)	1,792,740	5,499,083
Leased asset – warehouse	4,543,607	-	-	-	4,543,607
Subscription assets	-	1,885,523	-	3,303,326	5,188,849
<b>Total Depreciable and Amortizable Assets</b>	<b>3,235,954,686</b>	<b>14,757,320</b>	<b>(10,780,735)</b>	<b>92,383,999</b>	<b>3,332,315,270</b>
Less: Accumulated depreciation and amortization					
Site improvements	(35,751,985)	(3,095,264)	1,503,206	-	(37,344,043)
Buildings and structures	(328,441,197)	(35,516,777)	16,977	-	(363,940,997)
Infrastructure	(103,162,437)	(13,814,056)	-	-	(116,976,493)
Machinery and equipment	(773,684,865)	(100,540,051)	9,014,864	-	(865,210,052)
Vehicles	(3,725,088)	(1,232,675)	172,966	-	(4,784,797)
Leasehold improvements	(955,887)	(287,447)	72,722	-	(1,170,612)
Leased asset – warehouse	(989,334)	(439,704)	-	-	(1,429,038)
Subscription assets	-	(415,108)	-	-	(415,108)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(1,246,710,793)</b>	<b>(155,341,082)</b>	<b>10,780,735</b>	<b>-</b>	<b>(1,391,271,140)</b>
<b>Total Depreciated and Amortized Capital Assets, Net</b>	<b>1,989,243,893</b>	<b>(140,583,762)</b>	<b>-</b>	<b>92,383,999</b>	<b>1,941,044,130</b>
<b>Sewage Disposal Fund Net Capital Assets</b>	<b>2,407,445,257</b>	<b>(2,025,098)</b>	<b>-</b>	<b>-</b>	<b>2,405,420,159</b>
<b>Business-type Activities Net Capital Assets</b>	<b>\$4,408,642,180</b>	<b>\$ 74,563,028</b>	<b>\$ (3,070,245)</b>	<b>\$ -</b>	<b>\$ 4,480,134,963</b>

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 9 – CAPITAL ASSETS (cont.)**

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***ASSET IMPAIRMENT***

Capital assets are evaluated annually to determine if any asset impairments exist, defined as a significant, unexpected decline in the service utility of a capital asset. There were no recorded impairments for the Authority for the year ended June 30, 2024.

***RAW WATER RIGHTS***

Effective December 1, 2017, the Authority, the City of Flint, Karegnondi Water Authority (KWA), Genesee County Drain Commission (GCDC) and State of Michigan entered into a long-term partnership agreement to satisfy a number of critical water service needs across the region. Key provisions of a master agreement includes: 1) a 30-year water service contract with the City of Flint that establishes the Authority as the long-term water source for the City of Flint and credits the City of Flint for its debt service payment obligations on existing KWA bonds for the building of its raw water intake and supply line; 2) a license to the Authority of the 72-inch line serving the City of Flint; and 3) a 30-year contract for reciprocal, emergency water services between the Authority and GCDC.

The 30-year water service contract with the City of Flint includes a license to raw water rights on 17.46 MGD of the 18 MGD purchased by Flint as part of KWA bond obligation. These license rights constitute an intangible asset under governmental accounting standards. The Authority recorded an intangible asset and purchase obligation liability of approximately \$107 million associated with this agreement in December 2017. The Authority is amortizing the intangible asset over 30 years. As the City of Flint satisfies its monthly bond payment obligations to KWA, the Authority credits Flint's water invoice for that payment and reduces the Authority's purchase obligation. This process will continue each year over the 30-year life of the asset.

***PREPAID SUBSCRIPTION ASSETS***

The Authority has entered into two contracts for Subscription-Based Information Technology Arrangements (SBITA) that will be recorded under GASB 96. The NEXGEN SBITA's is in the initial implementation stage, therefore costs have been recorded as prepaid subscription assets. The Workday SBITA had two components, one of which was implemented during the year, therefore the implementation costs and the subscription liability were recorded as subscription assets and were amortized during the year. The implementation costs related the FINS module which was not implemented by June 30, 2024 are still included in the prepaid subscription assets. Once the subscription assets are placed in service, the costs incurred, and any future subscription liability (present value of expected future payments) will be recognized as an intangible right-to-use subscription asset and amortized over the subscription term.

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

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## NOTE 10 – ACCRUED LIABILITIES

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As described in Note 1, other accrued liabilities in the statement of net position are as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Cash held for the benefit of DWSD	\$ 24,695,007	\$ 33,451,810	\$ 58,146,817
Due to WRAP service delivery partners	98,285	132,868	231,153
Advanced billings	44,790	-	44,790
Customer deposit	4,045,724	-	4,045,724
<b>Total Accrued Liabilities</b>	<b>\$ 28,883,806</b>	<b>\$ 33,584,678</b>	<b>\$ 62,468,484</b>

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## NOTE 11 – DUE TO OTHER GOVERNMENTS

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Due to other governments, which consists entirely of amounts due to the DWSD, in the statement of net position is as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Shared services	\$ 2,903,115	\$ -	\$ 2,903,115
Green infrastructure	-	4,300,448	4,300,448
<b>Total Due to Other Governments</b>	<b>\$ 2,903,115</b>	<b>\$ 4,300,448</b>	<b>\$ 7,203,563</b>

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increase	Decrease*	Debt Forgiveness	Ending Balance	Due Within One Year
<b>Water Fund</b>						
Bonds and Loans						
Revenue bonds	\$2,279,260,000	\$ 599,850,000	\$(561,805,000)	\$ -	\$2,317,305,000	\$ 80,840,000
Notes from direct borrowings and direct placements - State revolving loans	<u>207,356,808</u>	<u>47,779,290</u>	<u>(6,985,000)</u>	<u>(7,130,478)</u>	<u>241,020,620</u>	<u>12,428,950</u>
Total Bonds and Loans	<u>2,486,616,808</u>	<u>647,629,290</u>	<u>(568,790,000)</u>	<u>(7,130,478)</u>	<u>2,558,325,620</u>	<u>93,268,950</u>
Deferred amounts for:						
Unamortized premiums	173,485,043	51,351,187	(41,717,746)	-	183,118,484	18,175,379
Unamortized discounts	<u>(5,563,545)</u>	<u>-</u>	<u>3,604,181</u>	<u>-</u>	<u>(1,959,364)</u>	<u>(298,717)</u>
Total Bonds and Loans, Net	2,654,538,306	698,980,477	(606,903,565)	(7,130,478)	2,739,484,740	111,145,612
Other Debt						
Raw water rights obligation	92,515,774	-	(2,963,619)	-	89,552,155	3,085,994
BC Note obligation	<u>16,338,339</u>	<u>-</u>	<u>(214,152)</u>	<u>-</u>	<u>16,124,187</u>	<u>1,002,660</u>
Total Water Fund Debt	<u>\$2,763,392,419</u>	<u>\$ 698,980,477</u>	<u>\$(610,081,336)</u>	<u>\$ (7,130,478)</u>	<u>\$2,845,161,082</u>	<u>\$115,234,266</u>

\* Of the \$561,805,000 decrease in revenue bonds, \$521,555,000 relates to the refunding of bonds. Of the \$41,717,746 decrease in unamortized premiums, \$22,885,371 relates to the refunding of bonds.



# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

	Beginning Balance	Increase	Decrease *	Debt Forgiveness	Ending Balance	Due Within One Year
<b>Sewage Disposal Fund</b>						
Bonds and Loans						
Revenue bonds	\$2,561,135,000	\$ 684,625,000	\$ (749,240,000)	\$ -	\$2,496,520,000	\$ 95,885,000
Notes from direct borrowings and direct placements- State revolving loans	<u>349,919,118</u>	<u>31,159,763</u>	<u>(40,360,000)</u>	<u>(3,910,673)</u>	<u>336,808,208</u>	<u>45,880,310</u>
Total Bonds and Loans	<u>2,911,054,118</u>	<u>715,784,763</u>	<u>(789,600,000)</u>	<u>(3,910,673)</u>	<u>2,833,328,208</u>	<u>141,765,310</u>
Deferred amounts for:						
Unamortized premiums	126,150,172	59,389,616	(34,027,059)	-	151,512,729	15,892,337
Unamortized discounts	<u>(50,523,303)</u>	<u>-</u>	<u>8,632,485</u>	<u>-</u>	<u>(41,890,818)</u>	<u>(7,397,779)</u>
Total Bonds and Loans, Net	2,986,680,987	775,174,379	(814,994,574)	(3,910,673)	2,942,950,119	150,259,868
Other Debt						
BC Note obligation	<u>36,750,112</u>	<u>-</u>	<u>(481,694)</u>	<u>-</u>	<u>36,268,418</u>	<u>2,255,300</u>
Total Sewage Disposal Fund Debt	<u>3,023,431,099</u>	<u>775,174,379</u>	<u>(815,476,268)</u>	<u>(3,910,673)</u>	<u>2,979,218,537</u>	<u>152,515,168</u>
Total Business-type Activities	<u>\$5,786,823,518</u>	<u>\$1,474,154,856</u>	<u>\$(1,425,557,604)</u>	<u>\$ (11,041,151)</u>	<u>\$5,824,379,619</u>	<u>\$267,749,434</u>

\* Of the \$749,240,000 decrease in revenue bonds, \$706,675,000 relates to the refunding of bonds. Of the \$34,027,059 decrease in unamortized premiums, \$20,460,113 relates to the refunding of bonds.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

As of June 30, 2024, aggregate debt service requirements of the Authority's bonds and loans (fixed and variable-rate) were as follows. These amounts assume that current interest rates on variable-rate bonds will remain the same for their respective terms. As these rates vary, interest payments on variable-rate bonds will vary.

Year Ended June 30	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
<b>Water Fund</b>					
2025 *	\$ 80,840,000	\$ 99,022,554	\$ 12,428,950	\$ 4,673,562	\$ 196,965,066
2026	80,840,000	105,412,460	12,685,000	4,411,332	203,348,792
2027	88,485,000	101,330,407	13,041,550	4,158,739	207,015,696
2028	92,875,000	96,960,892	11,535,000	3,918,712	205,289,604
2029	98,340,000	92,351,195	11,775,941	3,692,540	206,159,676
2030-2034	581,620,000	381,576,404	60,534,249	14,973,288	1,038,703,941
2035-2039	558,565,000	230,240,396	64,868,000	8,930,191	862,603,587
2040-2044	374,900,000	133,417,406	38,839,483	3,173,736	550,330,625
2045-2049	269,675,000	50,998,301	12,044,643	1,044,407	333,762,351
2050-2054	91,165,000	10,739,468	3,267,804	98,253	105,270,525
<b>Total Water Fund</b>	<b>2,317,305,000</b>	<b>1,302,049,483</b>	<b>241,020,620</b>	<b>49,074,760</b>	<b>3,909,449,863</b>
<b>Sewage Disposal Fund</b>					
2025 *	95,885,000	101,365,656	45,880,310	7,105,130	250,236,096
2026	93,355,000	109,135,549	30,385,000	6,253,230	239,128,779
2027	105,360,000	104,090,932	27,945,000	5,641,192	243,037,124
2028	121,380,000	98,598,360	31,161,682	5,027,839	256,167,881
2029	124,340,000	92,768,661	29,025,000	4,404,327	250,537,988
2030-2034	691,385,000	371,307,420	98,546,436	14,391,952	1,175,630,808
2035-2039	756,765,000	193,063,475	62,279,085	4,570,916	1,016,678,476
2040-2044	286,965,000	79,022,968	11,585,695	444,698	378,018,361
2045-2049	131,355,000	38,985,537	-	-	170,340,537
2050-2054	89,730,000	10,760,506	-	-	100,490,506
<b>Total Sewage Disposal Fund</b>	<b>2,496,520,000</b>	<b>1,199,099,064</b>	<b>336,808,208</b>	<b>47,839,284</b>	<b>4,080,266,556</b>
<b>Total Business- type Activities</b>	<b>\$ 4,813,825,000</b>	<b>\$ 2,501,148,547</b>	<b>\$ 577,828,828</b>	<b>\$ 96,914,044</b>	<b>\$ 7,989,716,419</b>

\* For bonds issued through the Michigan Finance Authority (MFA) in 2015, the Authority is required to make payment on these obligations to the MFA depository account five business days prior to the actual due date of the bond principal and interest payments. Therefore, the payments for principal and interest due on July 1, 2024 are not included in the debt service requirements amounts above as they were paid on June 26, 2024.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

#### REVENUE BONDS

Net revenues of the Authority are pledged to repayment of bonds; following are the revenue bonds payable at June 30, 2024:

Issue	Bond Date	Original Issue Amount	Range of Interest Rates	Maturity Dates	Outstanding Ending Balance	Callable at Par
<b>Water Fund</b>						
Series 2003A	1/30/03	\$ 234,805,000	5.00%	7/01/34	\$ 100,000	\$ 100,000
Series 2003B	1/30/03	172,945,000	5.00%	7/01/34	100,000	100,000
Series 2005B	5/14/08	194,900,000	5.25%	7/01/35	100,000	100,000
Series 2006A	8/16/06	280,000,000	5.00%	7/01/34	100,000	100,000
Series 2006B	4/01/09	120,000,000	6.25%	7/01/36	100,000	100,000
Series 2014D-2	9/04/14	188,455,000	5.00%	7/01/24	45,555,000	-
Series 2014D-6	9/04/14	65,425,000	5.00%	7/01/24	2,130,000	-
Series 2015D-1	12/15/15	89,430,000	5.00%	7/01/27-35	69,275,000	69,275,000
Series 2015D-2	12/15/15	37,235,000	5.00%	7/01/34	37,235,000	37,235,000
Series 2016A	10/27/16	88,000,000	5.00%	7/01/24-46	87,985,000	87,970,000
Series 2016B	10/27/16	163,830,000	5.00%	7/01/24-46	163,815,000	163,800,000
Series 2016C	10/27/16	443,930,000	5.00-5.25%	7/01/24-35	415,685,000	367,685,000
Series 2016D	10/27/16	222,045,000	4.00-5.00%	7/01/24-36	222,045,000	217,380,000
Series 2018A	10/3/18	155,595,000	5.00%	7/01/23-29	96,075,000	-
Series 2020A	5/12/20	42,445,000	5.00%	7/01/24-49	42,445,000	35,685,000
Series 2020B	5/12/20	43,135,000	5.00%	7/01/24-49	43,135,000	36,265,000
Series 2020C**	5/12/20	377,515,000	1.984-3.473%	7/01/24-41	284,360,000	244,325,000
Series 2022A	9/13/22	137,470,000	5.00-5.25%	7/01/25-52	137,470,000	132,900,000
Series 2022B	9/13/22	69,745,000	5.00-5.50%	7/01/25-52	69,745,000	66,710,000
Series 2023A	12/5/23	67,210,000	5.00%	7/01/25-38	67,210,000	62,650,000
Series 2023B	12/5/23	148,535,000	5.00-5.25%	7/1/26-53	148,535,000	126,780,000
Series 2024A	6/6/24	348,175,000	5.00%	7/1/25-37	348,175,000	84,110,000
Series 2024B	6/6/24	35,930,000	5.00%	7/1/25-36	35,930,000	32,035,000
Total Water Fund Revenue Bonds Payable					<u>\$2,317,305,000</u>	

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

Issue	Bond Date	Original Issue Amount	Range of Interest Rates	Maturity Dates	Outstanding Ending Balance	Callable at Par
<b>Sewage Disposal Fund</b>						
Series 2001B	9/15/01	110,550,000	5.50%	7/01/24-29	\$ 76,880,000	\$ -
Series 2003B	6/17/09	150,000,000	7.50%	7/01/33	100,000	100,000
Series 2004A	2/12/04	101,435,000	5.25%	7/01/24	5,355,000	-
Series 2005A	3/17/05	273,355,000	4.50%	7/01/35	100,000	100,000
Series 2005C	4/05/05	63,160,000	5.00%	7/01/25	100,000	100,000
Series 2006B	8/10/06	250,000,000	5.00%	7/01/36	100,000	100,000
Series 2006D	12/14/06	370,000,000	Variable(*)	7/01/26-32	239,475,000	239,475,000
Series 2014C-3	9/04/14	446,170,000	5.00%	7/01/24	44,015,000	-
Series 2014C-7	9/04/14	76,715,000	5.00%	7/01/24	4,735,000	-
Series 2015C	12/15/15	197,660,000	5.00%	7/01/26-35	197,160,000	197,160,000
Series 2016B	10/27/16	126,105,000	5.00%	7/01/24-34	126,105,000	111,660,000
Series 2016C	10/27/16	295,190,000	4.00-5.00%	7/01/27-36	295,190,000	295,190,000
Series 2018A	10/03/18	81,595,000	5.00%	7/01/24-48	75,815,000	67,040,000
Series 2018B	10/03/18	131,690,000	5.00%	7/01/24-29	131,690,000	-
Series 2018C**	10/03/18	44,180,000	3.613%	7/01/24	16,320,000	-
Series 2020A**	6/16/20	594,930,000	1.604-3.506%	7/01/24-44	340,050,000	97,255,000
Series 2020B**	6/16/20	92,525,000	2.615-3.606%	7/01/35-44	60,740,000	14,325,000
Series 2022A	9/13/22	125,975,000	5.00-5.25%	7/01/25-52	125,975,000	122,440,000
Series 2022B	9/13/22	71,990,000	5.00-5.50%	7/01/25-52	71,990,000	68,405,000
Series 2023A	12/05/23	185,235,000	5.00%	7/01/32-40	185,235,000	172,770,000
Series 2023B	12/05/23	14,965,000	5.00%	7/01/34	14,965,000	14,965,000
Series 2023C	12/05/23	96,860,000	5.00-5.25%	7/1/28-53	96,860,000	90,850,000
Series 2024A	6/6/24	347,305,000	5.00%	7/01/25-33	347,305,000	-
Series 2024B	6/6/24	40,260,000	5.00%	7/01/25-35	40,260,000	1,685,000
Total Sewage Disposal Fund Revenue Bonds Payable					<u>2,496,520,000</u>	
Total Business-type Activities						<u>\$ 4,813,825,000</u>

\* Interest rates are reset quarterly based upon a formula specified in the bond using the three-month LIBOR rate. Starting with the October 1, 2024 interest rate adjustment date, the Secured Overnight Financing Rate (SOFR) will be used in place of the LIBOR rate.

\*\* Taxable bond

#### Refunded Debt and New Money Bond – Water Fund

On December 5, 2023, the Authority completed a water system revenue bond refunding and new money transaction. The Authority issued \$67,210,000 in Series 2023A revenue refunding bonds, and \$148,535,000 in Series 2023B senior lien revenue bonds for a total issue of \$215,745,000. The net proceeds of the Series 2023A were to refund \$87,390,000 of Series 2020C revenue bonds which were called on December 5, 2023. The refunding transaction reduced future debt service payments by \$11,190,589 which is a net present value savings of \$7,855,334. The net proceeds of the 2023B bonds will be used to pay costs of capital improvements to the regional water system.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 12 – LONG-TERM DEBT (cont.)**

On June 6, 2024, the Authority issued \$348,175,000 in Series 2024A senior lien revenue refunding bonds and \$35,930,000 in Series 2024B second lien revenue refunding bonds for a total issue of \$384,105,000. The net proceeds of the 2024A and 2024B bonds were used to purchase securities that were placed in an irrevocable trust with and escrow agent to refund \$44,190,000 Series 2014D-1 revenue bonds, \$136,925,000 Series 2014D-2 revenue bonds, \$209,360,000 Series 2014D-4 revenue bonds and \$43,690,000 Series 2014D-6 revenue bonds for a total of \$434,165,000 of refunded bonds with a call date of July 1, 2024. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position. The bonds were called on July 23, 2024. The refunding transaction used \$16,108,779 from reserves and reduced future debt service payments by \$67,481,319. The net present value savings from the refunding transaction was \$39,293,317.

*Refunded Debt and New Money Bond – Sewage Disposal Fund*

On December 5, 2023, the Authority completed a sewage disposal system revenue bond refunding and new money transaction. The Authority issued \$185,235,000 in Series 2023A senior lien revenue refunding bonds, \$14,965,000 in Series 2023B second lien revenue refunding bonds and \$96,860,000 in Series 2023C senior lien revenue bonds for a total issue of \$297,060,000. The net proceeds of the Series 2023A were to refund \$249,030,000 of Series 2020A revenue bonds which were called on December 5, 2023, and the net proceeds of the Series 2023B were to refund \$21,110,000 of Series 2020B revenue bonds which were also called on December 5, 2023. The refunding transaction utilized \$209,161 in reserves and reduced future debt service payments by \$34,757,851 which is a net present value savings of \$20,894,712. The net proceeds of the 2023C bonds will be used to pay costs of capital improvements to the regional sewer system.

On June 6, 2024, the Authority issued \$347,305,000 in Series 2024A senior lien revenue refunding bonds and \$40,260,000 in Series 2024B second lien revenue refunding bonds for a total issue of \$387,565,000. The net proceeds of the 2024A and 2024B bonds were used to purchase securities that were placed in an irrevocable trust with and escrow agent to refund \$303,570,000 Series 2014C-3 revenue bonds, \$88,900,000 Series 2014C-6 revenue bonds and \$44,065,000 Series 2014C-7 revenue bonds for a total of \$436,535,000 of refunded bonds with a call date of July 1, 2024. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position. The bonds were called on July 23, 2024. The refunding transaction used \$16,112,380 from reserves and reduced future debt service payments by \$62,915,035. The net present value savings from the refunding transaction was \$37,313,979.

*Reserve Requirements*

Pursuant to a 2020 amendment to the Bond Ordinance, the Authority has the option to reduce or eliminate the reserve requirements for the senior lien and second lien bonds when the Authority has achieved requisite ratings threshold and has obtained the requisite confirmation that such ratings would not be reduced as a result of the reduction of the reserve requirement to zero. Upon the issuance of the Series 2024 Bonds these conditions were met and the Authority exercised the option to reduce to zero the reserve requirements for the senior lien bonds and the second lien bonds.

The existing surety bonds will be maintained by the Authority in accordance with their respective terms. The coverage of some of the existing surety bonds will be terminated as a result of the reduction of the Reserve Requirements to zero. There can be no assurance that any surety bonds will be maintained and available as a source of payment for the Series 2024 Bonds or any other Bonds after such reduction of the Reserve Requirements.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**

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Arbitrage

Certain bonds are subject to arbitrage rebate requirements in accordance with regulations issued by the U.S. Treasury Department. The requirements generally stipulate that earnings from the investment of the tax-exempt bond proceeds that exceeds related interest costs on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The Authority did not have an arbitrage rebate liability as of June 30, 2024.

**STATE REVOLVING FUND LOANS**

The Authority participates in direct borrowings through the State of Michigan Drinking Water State Revolving Fund (DWSRF) to finance qualified water supply system projects and the Clean Water State Revolving Fund (CWSRF) to finance qualified sewage disposal system projects. As GLWA draws additional amounts, the outstanding principal amounts of such loans will correspondingly increase. All loans are callable under terms specified in the loan agreements.

The Authority received direct borrowing loans from the State of Michigan Revolving Loan Fund during the year ended June 30, 2024 for the Water Fund totaling \$47,779,290 of which \$7,130,478 has been forgiven, and the Sewage Disposal Fund received \$31,159,763 of which \$3,910,673 has been forgiven. The \$7,130,478 of the water loans forgiven and \$12,592,635 of the proceeds of the Water Fund loans were a pass through to DWSD, the subrecipient of the loans. The remaining proceeds of the Water Fund loans were used to pay costs of acquiring, constructing extensions, and making certain repairs and improvements to the regional water system. The \$803,541 of the sewer loans forgiven and \$1,441,623 of the Sewage Disposal Fund loans were a pass through to DWSD, the subrecipient of the loans. The remaining proceeds of the Sewage Disposal Fund loans were used to pay costs of acquiring, constructing extensions, and making certain repairs and improvements to the regional sewage disposal system. At June 30, 2024, \$67,314,342 for the Water Fund and \$459,068,110 for the Sewage Disposal Fund was authorized and unissued. Of the authorized and unissued \$0 for the Water Fund and \$8,500,101 of the Sewage Disposal Fund are for pass through loans to DWSD. At June 30, 2024 the DWSD local water system has an additional \$1,111,028 of undrawn amounts that qualify for loan forgiveness. The Sewage Disposal Fund has a total of \$25,242,253 of additional undrawn amount that qualify for loan forgiveness, with \$1,131,665 being a pass through to the DWSD local system.

Net revenues of the Authority are pledged for repayment of the loans.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

The following is a schedule of the state revolving loans payable at June 30, 2024:

Issue	Bond Date	Amount Issued	Range of Interest Rates	Maturity Dates	Outstanding Ending Balance
<b>Water Fund</b>					
Series 2005 SRF-1	9/22/05	\$ 13,805,164	2.125%	10/01/24-26	\$ 2,370,164
Series 2005 SRF-2	9/22/05	8,891,730	2.125%	10/01/24-26	1,496,730
Series 2006 SRF-1	9/21/06	5,180,926	2.125%	10/01/24-26	880,926
Series 2008 SRF-1	9/29/08	2,590,941	2.50%	10/01/24-28	550,941
Series 2016 SRF-1	9/16/16	8,273,168	2.50%	4/01/25-48	7,048,168
Series 2016 SRF-2	9/16/16	3,393,543	2.50%	4/01/25-48	2,883,543
Series 2017 SRF-1	6/23/17	5,807,931	2.50%	10/01/24-48	5,032,931
Series 2019 SRF-1	6/7/19	8,330,000	2.00%	10/01/24-40	7,280,000
Series 2019 SRF-2	8/30/19	29,078,820	2.00%	4/01/25-42	26,593,820
Series 2019 SRF-3	8/30/19	11,117,931	2.00%	10/01/24-50	10,234,875
Series 2020 SRF-1	7/31/20	20,018,660	2.00%	4/01/25-52	18,999,960
Series 2020 SRF-2	8/28/20	7,159,988	2.00%	10/1/24-39	6,789,988
Series 2020 SRF-3	8/28/20	8,960,000	2.00%	4/01/25-41	7,830,000
Series 2020 SRF-4	9/30/20	10,764,020	2.00%	4/01/25-50	10,155,970
Series 2021 SRF-1	6/21/21	11,940,000	1.875%	10/1/24-31	4,209,249
Series 2021 SRF-2	8/30/21	104,725,000	1.875%	10/01/24-40	85,469,428
Series 2021 SRF-3	8/30/21	10,425,197	1.875%	10/01/24-42	10,425,197
Series 2022 SRF-2	9/20/22	34,075,000	1.875%	4/01/25-43	32,655,000
Series 2023 SRF-1	7/17/23	48,172,500	1.875%	10/01/26	113,730
Total Water Fund State Revolving Loans Payable					<u>241,020,620</u>

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 12 – LONG-TERM DEBT (cont.)

Issue	Bond Date	Amount Issued	Range of Interest Rates	Maturity Dates	Outstanding Ending Balance
<b>Sewage Disposal Fund</b>					
Series 2001 SRF-1	6/28/01	\$ 82,200,000	2.50%	10/01/24	\$ 5,160,000
Series 2001 SRF-2	12/20/01	59,850,000	2.50%	10/01/24	3,755,000
Series 2002 SRF-3	12/19/02	31,549,466	2.50%	10/01/24	1,819,466
Series 2003 SRF-1	6/26/03	48,520,000	2.50%	10/01/24-25	6,015,000
Series 2003 SRF-2	9/25/03	25,055,370	2.50%	4/01/25	1,555,370
Series 2004 SRF-1	6/24/04	2,910,000	2.125%	10/01/24	175,000
Series 2004 SRF-2	6/24/04	18,353,459	2.125%	4/01/25	1,113,459
Series 2004 SRF-3	6/24/04	12,722,575	2.125%	4/01/25	767,575
Series 2007 SRF-1	9/20/07	167,540,598	1.625%	10/01/24-29	56,055,598
Series 2009 SRF-1	4/17/09	13,970,062	2.50%	4/01/25-30	4,770,062
Series 2010 SRF-1	1/22/10	4,214,763	2.50%	4/01/25-31	1,690,763
Series 2012 SRF-1	8/30/12	14,950,000	2.50%	10/01/24-34	9,130,000
Series 2015A SRF	3/20/15	79,500,000	2.50%	4/01/25-36	52,315,000
Series 2015B SRF	3/20/15	27,175,304	2.50%	10/01/24-35	17,555,304
Series 2015D SRF	12/11/15	15,321,478	2.50%	10/01/24-35	9,706,478
Series 2016 SAW-1	5/25/16	10,000,000	2.50%	10/01/24-38	7,950,000
Series 2016 SRF-1	9/16/16	15,463,628	2.50%	4/01/25-38	11,483,628
Series 2016 SRF-2	9/16/16	48,315,683	2.50%	4/01/25-39	37,945,683
Series 2017 SRF-1	6/23/17	33,566,682	2.50%	10/01/24-38	26,596,682
Series 2018 SRF-2	9/14/18	17,510,000	2.00%	10/01/24-42	16,790,000
Series 2020 SRF-1	3/27/20	28,350,000	2.00%	10/01/24-42	27,185,000
Series 2020 SRF-2	9/30/20	3,232,000	2.00%	10/01/24-33	1,346,149
Series 2021 SRF-1	3/26/21	12,940,000	1.875%	10/01/24-40	10,305,695
Series 2021 SRF-2 **	9/24/21	6,881,250	1.875%	-	-
Series 2022 SRF-1	6/6/22	34,195,000	1.875%	10/01/24-25	1,724,440
Series 2022 SRF-2	8/29/22	50,245,000	1.875%	4/01/25-30	12,413,864
Series 2022 SRF-3	9/20/22	19,035,000	1.875%	4/01/25-35	8,771,310
Series 2023 SRF-1	6/05/23	88,820,000	1.875%	10/01//27	2,711,682
Series 2024 SRF-1 *	5/06/24	126,800,000	2.00%	-	-
Series 2024 SRF-2 *	5/06/24	155,000,000	2.00%	-	-
Total Sewage Disposal Fund State Revolving Loans Payable					<u>336,808,208</u>
Total Business-type Activities					<u>\$ 577,828,828</u>

\* Loan has been authorized, no draws on loan as of June 30, 2024.

\*\* Current draws on loan fall under loan forgiveness, therefore there is no outstanding balance at June 30, 2024



NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**

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***PLEDGES OF FUTURE REVENUE***

The Authority has pledged assets to secure the repayment of the revenue bonds and State of Michigan revolving fund loans. The Water System bonds and loans are paid solely from the net revenues of the Water System and the Sewer System bonds and loans are paid solely from the net revenues of the Sewer System. Net revenues are defined in the Great Lakes Water Authority Water and Sewer Master Bond Ordinances as all revenues except those transferred to the Operation and Maintenance funds. These revenues are further defined to include the revenues from the Retail Customers who are serviced under the Water and Sewer Services Agreement with the City of Detroit which are reported in the financial statements of the City of Detroit Water and Sewerage Department. The pledged revenues calculation for the fiscal year ending June 30, 2024 includes revenues reported by the Great Lakes Water Authority and the City of Detroit Water and Sewerage Department as this revenue is pledged for payment of the bonds and loans of the Great Lakes Water Authority.

The general purpose of the Water System debt is to provide funding for various water treatment and transmission capital improvements, refund certain water revenue bonds, pay termination amounts for interest rate swap agreements and fund reserve requirements. The general purpose of the Sewer System bonds is to provide funding for various wastewater treatment and collection activities, capital improvements, refund certain sewage disposal revenue bonds, pay termination amounts for interest rate swap agreements and fund reserve requirements. The term of pledge commitment for the water bonds is through fiscal year 2053 and the sewage disposal bonds is through 2053.

The table below has the pledged revenue coverage as of June 30, 2024:

	Water Fund	Sewage Disposal Fund
	<u>                    </u>	<u>                    </u>
Remaining principal and interest requirement	\$ 3,909,449,863	\$ 4,080,266,556
Principal and interest funding requirement for the year ending June 30, 2024 (calculated on a debt set aside basis consistent with rate covenant basis for rate determination)	\$ 205,677,204	\$ 261,129,322
Pledged revenue for the year ending June 30, 2024	\$ 270,926,479	\$ 321,408,023
Pledged revenue collected as a percentage of funding requirement	132%	123%

At the date of the issuance of the GLWA financial report, DWSD's audited financial report had not been released. The local system amounts used for the calculation above reflect DWSD's management representation of preliminary financial results for the year ended June 30, 2024.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**

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**CREDIT RATINGS**

In October 2023, S&P Global Ratings affirmed the Authority's senior lien water and sewage disposal systems rating of AA- and its second lien water and sewage disposal systems rating of A+. The outlook remained stable. Moody's Investors Service upgraded the Authority's water system and sewage disposal system senior lien ratings to Aa3 from A1, and its second lien ratings to A1 from A2. The outlook was revised to stable from positive for both. Fitch upgraded the Authority's sewage disposal system senior lien rating to AA- from A+, and its second lien bonds to A+ from A. Fitch affirmed the Authority's ratings for its water system senior lien bonds at an A+, and its second lien bonds at an A. The outlook remained positive for the sewage disposal system. The water system outlook remained stable.

In May 2024, S&P Global Ratings affirmed the Authority's senior lien water and sewage disposal systems rating of AA- and its second lien water and sewage disposal systems rating of A+. The outlook remained stable. Moody's Investors Service affirmed the Authority's water system and sewer disposal system senior lien ratings of Aa3, and its second lien ratings of A1. The outlook remained stable for both. Fitch affirmed the Authority's sewage disposal system senior lien rating of AA-, and its second lien bonds of A+. Fitch affirmed the Authority's ratings for its water system senior lien bonds at an A+, and its second lien bonds at an A. The outlook remained positive for the sewage disposal system and the water system outlook remained stable.

In November 2018, S&P Global Ratings assigned an A+ rating to the Authority's junior lien water system SRF bonds and in March 2020 the junior lien sewage disposal system SRF bonds were upgraded to A+ from an A rating.

**RAW WATER RIGHTS OBLIGATION**

An obligation has been recorded related to the license of the raw water rights that were part of the 30-year service contract with the City of Flint. This obligation represents the future credits to the City of Flint's water bills as the City of Flint satisfies its monthly bond payment obligations to KWA. Payment requirements for interest have decreased from the prior year due to KWA refunding the 2013 intake bonds. See related footnote for the raw water rights intangible asset (Note 9).

The future credits to be issued are detailed below:

	Year Ended June 30	Principal	Interest	Total
<b>Water Fund</b>				
	2025	\$ 3,085,994	\$ 2,883,750	\$ 5,969,744
	2026	3,212,750	3,193,648	6,406,398
	2027	3,345,194	3,224,702	6,569,896
	2028	3,483,226	3,087,558	6,570,784
	2029	3,626,806	2,944,377	6,571,183
	2030-2034	20,499,399	12,349,824	32,849,223
	2035-2039	25,091,789	7,814,382	32,906,171
	2040-2044	25,492,553	2,700,032	28,192,585
	2045-2046	1,714,444	49,556	1,764,000
<b>Total Water Fund</b>		<u>\$ 89,552,155</u>	<u>\$ 38,247,829</u>	<u>\$ 127,799,984</u>

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**

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**BC NOTE OBLIGATION**

Under the terms of the lease agreements with the City, the Authority is required to pay a portion of the City's Financial Recovery Bonds, Series 2014-B and 2014-C allocated to the regional water and sewage disposal systems. The Financial Recovery Bonds, Series 2014-B are federally taxable. The Series 2014-B bonds have two components: B(1) which has a 4.0 percent per annum interest rate and B(2) which has a variable interest rate until the maturity date of April 1, 2044. The bonds were delivered to classes of creditors in satisfaction of: (1) Class 12 OPEB claims the bonds were distributed to the new Voluntary Employee Beneficiary Associations (VEBA) for the general retirees and police and fire retirees; (2) Class 9 Pension Obligation Certificate (POC) claims; and (3) other unsecured bankruptcy claims. GLWA has a contractual obligation to pay a portion of the bonds based on an agreed-upon allocation percentage.

The Financial Recovery Bonds, Series 2014-C were issued with interest at 5.0 percent per annum. The 2014-C bonds were issued as part of the Syncora Settlement and FGIC/POC Settlement in the bankruptcy plan. GLWA has a contractual obligation to pay a portion of the bonds based on an agreed-upon allocation percentage.

In 2018, the governing body of the City of Detroit authorized the use of general funds for the full redemption of the General Obligation Bonds, 2014 Series C, including the amount allocated to the Authority. The 2014 Series C debt was fully redeemed on April 13, 2018. In addition, on December 13, 2018, the City issued Financial Recovery Refunding Bonds to redeem a portion of the 2014 Series B. The Authority will repay the City of Detroit General Fund under the terms of the original debt payment schedules for the 2014 Series B & C General Obligation Bonds, with principal and interest due on June 30 each year.

The following is a schedule of the BC Note obligation for the Financial Recovery Bonds as of June 30, 2024:

Bond Issue (GLWA share)	Original Issue Amount (GLWA share)	Range of Interest Rates	Maturity Date	Outstanding Ending Balance
<b>Water Fund</b>				
Series 2014-B	\$ 26,540,080	4.00% and variable	4/1/44	\$ 15,556,024
Series 2014-C	3,829,794	5.00%	6/30/27	568,163
Total Water Fund				16,124,187
<b>Sewage Disposal Fund</b>				
Series 2014-B	44,233,463	4.00% and variable	4/1/44	34,990,439
Series 2014-C	6,382,990	5.00%	6/30/27	1,277,979
Total Sewage Disposal Fund				36,268,418
Total Business-type Activities				\$ 52,392,605

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**


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**BC NOTE OBLIGATION (cont.)**

As of June 30, 2024, debt service requirements of the BC Note obligation for the Financial Recovery Bonds were as follows:

	Year Ended June 30	Principal	Interest	Total
<b>Water Fund</b>				
	2025	\$ 1,002,660	\$ 650,649	\$ 1,653,309
	2026	1,013,904	608,294	1,622,198
	2027	885,004	565,377	1,450,381
	2028	777,802	528,905	1,306,707
	2029	777,802	497,793	1,275,595
	2030-2034	3,889,008	2,022,284	5,911,292
	2035-2039	3,889,008	1,866,724	5,755,732
	2040-2044	3,888,999	700,022	4,589,021
Total Water Fund		16,124,187	7,440,048	23,564,235
 <b>Sewage Disposal Fund</b>				
	2025	2,255,300	1,463,516	3,718,816
	2026	2,280,590	1,368,246	3,648,836
	2027	1,990,655	1,271,711	3,262,366
	2028	1,749,522	1,189,675	2,939,197
	2029	1,749,522	1,119,694	2,869,216
	2030-2034	8,747,608	4,548,756	13,296,364
	2035-2039	8,747,608	4,198,851	12,946,459
	2040-2044	8,747,613	1,574,570	10,322,183
Total Sewage Disposal Fund		36,268,418	16,735,019	53,003,437
Total Business-type Activities		\$ 52,392,605	\$ 24,175,067	\$ 76,567,672

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 12 – LONG-TERM DEBT (cont.)**

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***INTEREST EXPENSE***

The following represents the amounts recorded as interest expense for the year ended June 30, 2024:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenue bonds and loans	\$ 114,396,829	\$ 122,495,198	\$ 236,892,027
Regional System Lease	16,550,931	20,228,920	36,779,851
Raw water rights obligation	2,957,099	-	2,957,099
BC Note obligation	661,357	1,487,601	2,148,958
Subscription liability-right to use asset	34,605	34,605	69,210
Lease-right to use asset	<u>-</u>	<u>110,468</u>	<u>110,468</u>
Total Interest Expense	<u>\$ 134,600,821</u>	<u>\$ 144,356,792</u>	<u>\$ 278,957,613</u>

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**NOTE 13 – REGIONAL SYSTEMS LEASES PAYABLE AND RELATED PREPAID LEASE**

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On January 1, 2016, the Authority effectuated lease agreements with the City for the regional water and sewage disposal systems for a term of 40 years, to be extended automatically to coincide with the final maturity of any bonds issued to finance improvements to the regional or local sewage disposal systems. The agreements collectively provide for an annual lease payment of \$50 million. Currently, \$22,500,000 is allocated to the Water Fund and \$27,500,000 is allocated to the Sewage Disposal Fund. The lease for the water system provides service to the wholesale customers and the retail water customers of the City up to the point of connection to the local water system facilities of the City. The lease for the sewage disposal system provides service to the wholesale customers and the retail sewage disposal customers of the City up to the point of connection to the local sewage disposal system facilities of the City. In addition, both leases provide that certain other assets including cash and investments held by DWSD as of December 31, 2015 be transferred to GLWA, all revenues of the regional and local water and sewage disposal systems are assigned to GLWA, and that GLWA assumes all DWSD bonded debt and certain other liabilities. The long-term leases are recorded as the present value of all future debt payments.

The regional system leases were recorded under GASB 69 to record the acquisition of the operations of the City of Detroit water and sewage disposal systems. The liability for the leases is allocated in the computation of net position based upon the components of net position acquired. Under the definitions of the regional system leases all improvements, additions and replacements to the original facilities acquired are considered to be leased facilities.

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## **NOTE 13 – REGIONAL SYSTEMS LEASES PAYABLE AND RELATED PREPAID LEASE (cont.)**

Amounts reported as a liability at year-end represent the net present value of all future lease payments. Changes in the Regional Systems leases payable for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amount due Within One Year*
Water Fund	\$ 400,095,662	\$ -	\$ (5,928,467)	\$ 394,167,195	\$ 6,180,464
Sewage Disposal Fund	489,005,809	-	(7,245,904)	481,759,905	7,553,901
<b>Total Business-type Activities</b>	<b>\$ 889,101,471</b>	<b>\$ -</b>	<b>\$ (13,174,371)</b>	<b>\$ 875,927,100</b>	<b>\$ 13,734,365</b>

\* The current portion of the Regional Systems leases payable represents the 12 monthly payments required from July 1, 2024 through June 30, 2025. Future revenues are intended to cover these payments.

As of June 30, 2024, aggregate requirements of the Regional Systems leases were as follows:

	Year Ended June 30	Principal	Interest	Total
<b>Water Fund</b>				
	2025	\$ 6,180,464	\$ 16,319,536	\$ 22,500,000
	2026	6,443,173	16,056,827	22,500,000
	2027	6,717,048	15,782,952	22,500,000
	2028	7,002,565	15,497,435	22,500,000
	2029	7,300,218	15,199,782	22,500,000
	2030-2034	41,428,022	71,071,978	112,500,000
	2035-2039	51,013,795	61,486,205	112,500,000
	2040-2044	62,817,560	49,682,440	112,500,000
	2045-2049	77,352,526	35,147,474	112,500,000
	2050-2054	95,250,646	17,249,354	112,500,000
	2055-2056	32,661,178	1,088,822	33,750,000
<b>Total Water Fund</b>		<b>\$ 394,167,195</b>	<b>\$ 314,582,805</b>	<b>\$ 708,750,000</b>

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 13 – REGIONAL SYSTEMS LEASES PAYABLE AND RELATED PREPAID LEASE (cont.)

	Year Ended		Interest	Total
	June 30	Principal		
<b>Sewage Disposal Fund</b>				
2025	\$ 7,553,901	\$ 19,946,099	\$ 27,500,000	
2026	7,874,989	19,625,011	27,500,000	
2027	8,209,726	19,290,274	27,500,000	
2028	8,558,691	18,941,309	27,500,000	
2029	8,922,489	18,577,511	27,500,000	
2030-2034	50,634,250	86,865,750	137,500,000	
2035-2039	62,350,194	75,149,806	137,500,000	
2040-2044	76,777,018	60,722,982	137,500,000	
2045-2049	94,541,976	42,958,024	137,500,000	
2050-2054	116,417,455	21,082,545	137,500,000	
2055-2056	39,919,216	1,330,784	41,250,000	
Total Sewage Disposal Fund	481,759,905	384,490,095	866,250,000	
Total Business-type Activities	\$ 875,927,100	\$ 699,072,900	\$ 1,575,000,000	

As part of the 2018 MOU, the MBO requirement for six months of lease payments made to DWSD on January 1, 2016 will be treated as a prepaid lease payment. The initial term of the regional system leases began on the effective date and ends on December 31, 2055. GLWA's last monthly payment shall be June 1, 2055 and GLWA's \$25 million lease pre-payment on January 1, 2016 shall be applied to the period of July 1, 2055 through December 31, 2055. Of the \$25 million recorded as a prepaid on the statement of net position, \$11,250,000 is recorded in the Water Fund and \$13,750,000 is in the Sewage Disposal Fund.

## NOTE 14 – OTHER LIABILITIES

Changes in other liabilities for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
<b>Water Fund</b>					
Subscription liability - right to use asset	\$ -	\$ 1,885,523	\$ (310,464)	\$ 1,575,059	\$ 275,443
Compensated absences	5,103,518	5,906,377	(5,466,658)	5,543,237	3,668,587
Workers' compensation	218,373	702,816	(263,297)	657,892	582,892
Claims and judgements	135,000	-	(10,000)	125,000	125,000
Cash held for the benefit of DWSD budget stabilization	2,000,000	-	-	2,000,000	-
Total Water Fund	\$ 7,456,891	\$ 8,494,716	\$ (6,050,419)	\$ 9,901,188	\$ 4,651,922

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 14 – OTHER LIABILITIES (cont.)

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
<b>Sewage Disposal Fund</b>					
Lease payable – warehouse	\$ 3,891,394	\$ -	\$ (390,070)	\$ 3,501,324	\$ 414,719
Subscription liability – right to use asset	-	1,885,523	(310,464)	1,575,059	275,443
Compensated absences	778,552	1,810,117	(227,950)	2,360,719	1,127,678
Claim and judgements	13,410,000	115,000	(7,757,643)	5,767,357	5,767,357
DWSD local system capital contribution from EFSD	31,724,639	781,020	(16,453,096)	16,052,563	12,218,100
Cash held for the benefit of DWSD budget stabilization	5,500,000	-	-	5,500,000	-
<b>Total Sewage Disposal Fund</b>	<u>55,304,585</u>	<u>4,591,660</u>	<u>(25,139,223)</u>	<u>34,757,022</u>	<u>19,803,297</u>
<b>Total Business-type Activities</b>	<u>\$ 62,761,476</u>	<u>\$ 13,086,376</u>	<u>\$ (31,189,642)</u>	<u>\$ 44,658,210</u>	<u>\$ 24,455,219</u>

#### **LEASE PAYABLE – WAREHOUSE**

The Authority entered into a lease agreement for a warehouse to store inventory for operational needs which began on April 1, 2021. The lease was recorded under GASB 87 using a discount rate of 3%. The lease term is for 5 years and 4 months with one five-year renewal option. The Authority has included the renewal period when recording the lease. An estimate of a 2.5% CPI at the time of renewal was used in calculating the payments for the renewal period.

The future lease payments are detailed below:

	Year Ended June 30	Principal	Interest	Total
<b>Sewage Disposal Fund</b>				
	2025	\$ 414,719	\$ 99,404	\$ 514,123
	2026	436,958	86,622	523,580
	2027	462,398	73,181	535,579
	2028	490,037	58,931	548,968
	2029	518,856	43,836	562,692
	2030-2032	<u>1,178,356</u>	<u>38,949</u>	<u>1,217,305</u>
<b>Total Sewage Disposal Fund</b>		<u>\$ 3,501,324</u>	<u>\$ 400,923</u>	<u>\$ 3,902,247</u>

The right to use assets acquired through the lease are summarized below:

	Cost	Accumulated Amortization	Ending Book Value
<b>Sewage Disposal Fund</b>			
Warehouse	<u>\$ 4,543,607</u>	<u>\$ (1,429,038)</u>	<u>\$ 3,114,569</u>



# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### NOTE 14 – OTHER LIABILITIES (cont.)

#### **SUBSCRIPTION LIABILITY – RIGHT TO USE ASSET**

The Authority entered into a contract for software as a service (SaaS) with Workday for a human resource (HCM) and finance (FINS) enterprise resource planning (ERP) system effective April 1, 2022 for 8 years ending in fiscal year 2030. The HCM module began operations during the current fiscal year. The FINS module will be implemented on July 1, 2024. The subscription liability was recorded under GASB 96 on January 1, 2024 using a discount rate of 4 percent. This contract is considered a centralized service that is split 50/50 between the water and the sewage disposal fund.

The future contract payments are detailed below:

	Year Ended June 30	Principal	Interest	Total
<b>Water Fund</b>				
	2025	\$ 275,443	\$ 63,002	\$ 338,445
	2026	295,820	51,985	347,805
	2027	314,608	40,152	354,760
	2028	334,289	27,568	361,857
	2029	<u>354,899</u>	<u>14,196</u>	<u>369,095</u>
Total Water Fund		<u>\$ 1,575,059</u>	<u>\$ 196,903</u>	<u>\$ 1,771,962</u>
<b>Sewage Disposal Fund</b>				
	2025	275,443	63,002	338,445
	2026	295,820	51,985	347,805
	2027	314,608	40,152	354,760
	2028	334,289	27,568	361,857
	2029	<u>354,899</u>	<u>14,196</u>	<u>369,095</u>
Total Sewage Disposal Fund		<u>\$ 1,575,059</u>	<u>\$ 196,903</u>	<u>\$ 1,771,962</u>
Total Business-type Activities		<u>\$ 3,150,118</u>	<u>\$ 393,806</u>	<u>\$ 3,543,924</u>

The subscription asset was recorded based on the subscription liability amount plus implementation cost. The implementation costs related to the FINS module incurred during January 2024 through June 2024 are recorded under the prepaid subscription asset until the go live date of July 1, 2024. The subscription assets at June 30, 2024 is summarized below:

	Cost	Accumulated Amortization	Ending Book Value
<b>Water Fund</b>			
Workday SaaS	\$ 5,188,849	\$ (415,108)	\$ 4,773,741
<b>Sewage Disposal Fund</b>			
Workday SaaS	<u>5,188,849</u>	<u>(415,108)</u>	<u>4,773,741</u>
Total Business-type Activities	<u>\$ 10,377,698</u>	<u>\$ (830,216)</u>	<u>\$ 9,547,482</u>

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 14 – OTHER LIABILITIES (cont.)**

***COMPENSATED ABSENCES***

The Authority has a paid time off (PTO) policy which has an annual accrual period ending September 30 each year. Starting September 30, 2024 (the next rollover period), employees are allowed to carry over a maximum bank of 100 hours to the next accrual period. Balances greater than 100 hours up to a maximum of 180 hours are converted to the retiree health saving program at 100% of the value of the PTO time. Hours in excess of 180 hours are forfeited if unused by September 30 of each accrual period. The accrued compensated absences on June 30, 2024 for PTO accruals are \$3,556,251 for the Water Fund and \$1,051,854 for the Sewage Disposal Fund which is current.

The Authority has an accrued compensated absence liability that was assumed on January 1, 2016 relating to the accumulated unpaid vacation and sick leave balances for those employees who retired from the City or resigned from the City and accepted employment with the Authority on January 1, 2016. All but approximately \$1,900 of the vacation time has been paid. Employees hired after January 1, 2016 do not have accumulated sick leave. With the adoption of GASB Statement 101, the Authority accrued an additional amount related to the remaining sick leave balances at June 30, 2024 based on the payment history since 2016. The amount included in the accrued compensated absences is \$1,986,986 of which \$112,336 is current for the Water Fund and \$1,308,864 of which \$75,824 is current for the Sewage Disposal Fund.

The accrued compensated absences include the employers' share of Social Security and Medicare taxes as well as the 401 (a) employer contribution.

***WORKERS' COMPENSATION***

Workers' compensation is discussed in Note 15 Risk Management/Self-Insurance Programs.

***CLAIMS AND JUDGEMENTS***

The Authority has accrued in its financial statements for known asserted claims in which future settlements may be necessary. See Note 15 for discussion of risk of loss and insurance coverages.

***DWSD LOCAL SYSTEM CAPITAL CONTRIBUTION FROM EFSD***

The Authority is holding a DWSD local system contribution received from the Evergreen-Farmington Sanitary Drain Drainage District for specific DWSD local system construction projects which were identified in an agreement. These funds are being disbursed to DWSD as the project expenses are incurred.

***CASH HELD FOR THE BENEFIT OF DWSD BUDGET STABILIZATION***

Under the terms of the Master Bond Ordinance (MBO), the Authority retains cash on hand for the benefit of DWSD for budget stabilization funds to be used if DWSD has cash shortfalls. The 2018 Memorandum of Understanding set the balance to be retained in the Budget Stabilization Funds at \$7,500,000 for the life of the Regional System Leases. The Water Fund has retained \$2,000,000 and the Sewage Disposal Fund has \$5,500,000.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 15 – RISK MANAGEMENT/SELF-INSURANCE PROGRAMS**

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The Authority is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; errors or omissions; occupationally related illnesses or injuries to employees; natural disasters; and environmental occurrences. Also included are risk of loss associated with providing medical and prescription drug benefits to employees.

The Authority transfers risk via the purchase of a variety of insurance policies the most significant of which are shown in the table below (alphabetical by coverage):

Coverage	Coverage Limits	Maximum Retention Per Occurrence
Aviation	\$5,000,000	Physical damage 10% of insured value
Fiduciary	\$15,000,000	\$5,000
General Liability	\$10,000,000	\$1,000,000
Pollution Legal Liability	\$25,000,000	\$500,000
Property Damage	\$750,000,000	\$3,500,000 combined for all coverages
Public Officials and Employment Practices	\$30,000,000	\$750,000
Underground Storage Tanks	\$2,000,000	\$5,000
Workers' Compensation	Statutory/\$2,000,000	\$1,250,000

The Authority assumes all risk for motor vehicle physical damage.

Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage since inception of the Authority.

A liability for claims is reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The Authority estimates the liability for medical and worker's compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, which includes estimates of both future payments of losses and related claim adjustments expense. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims.

# GREAT LAKES WATER AUTHORITY

# DRAFT 12.2.2024

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2024

### **NOTE 15 – RISK MANAGEMENT/SELF-INSURANCE PROGRAMS (cont.)**

#### ***MEDICAL AND PRESCRIPTION DRUG INSURANCE***

The Authority provides medical and prescription drug benefits to a significant number of employees through a self-insured health plan that is administered by third party administrators. The Authority has stop loss insurance for its self-insured medical and prescription drug plans with terms of \$300,000 per contract to reduce risk exposure. The self-insured program is administered by a third-party administrator who provides claims review and processing services as well as illustrated premium rates, which are anticipated, over time, to approximate the actual cost of benefits. Claim payments are reported net of rebates received for negotiated pricing for pharmacy benefits and stop loss reimbursements. The unpaid claims estimate is accrued within the Water Fund's accrued salaries, wages and benefits payable account on the Statement of Net Position. Although the liability is recorded in the Water Fund, the Sewage Disposal Fund's share of these costs are allocated through the Centralized and Administrative Services allocation.

	2024	2023
Unpaid claims, beginning of year	\$ 548,912	\$ 765,795
Incurred claims (including change in IBNR provisions)	10,795,664	9,661,534
Claims payments	(10,809,961)	(9,878,417)
Unpaid Claims, End of Year	\$ 534,615	\$ 548,912

#### ***WORKERS' COMPENSATION***

The Authority maintains a self-insurance program for workers' compensation coverage up to statutory limits. The program is administered by a third-party who provides claim review and medical bill review services. Claim liabilities are calculated considering the effects of recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The claim liabilities also include estimated costs for claim administration fees and outside legal and medical assistance costs. The liabilities for workers' compensation current year claims is based on estimates and payments are based on actuals. The unpaid claims estimate is accrued within the Water Fund's accrued workers' compensation account (See Note 14). Although the liability is recorded in the Water Fund, the Sewage Disposal Fund's share of these costs are allocated through the Centralized and Administrative Services allocation.

Changes in the balances of claims liabilities during the past two years are as follows:

	2024	2023
Unpaid claims, beginning of year	\$ 218,373	\$ 213,300
Incurred claims (including change in IBNR provisions)	702,816	448,142
Claims payments	(263,297)	(443,069)
Unpaid Claims, End of Year	\$ 657,892	\$ 218,373

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 16 – DEFINED CONTRIBUTION PENSION PLANS**

***DEFINED CONTRIBUTION PLANS***

The Great Lakes Water Authority Defined Contribution Retirement Plan is a 401(a) governmental money purchase plan administered by ICMA Retirement Corporation (the “Administrator”) to provide benefits at retirement to all full-time employees of the Authority. The Authority contributes 6.0% of an employee’s base pay to the plan. The Authority will make an additional contribution to the 401(a) plan to match employee contributions under the Great Lakes Water Authority 457 Plan up to 3% of compensation. Employees are 100% vested after three years of service (cliff vesting). Employees who transferred to the Authority on or around January 1, 2016 from DWSD retain their years of service for vesting purposes. The Authority recognized expense of \$6,367,980, which is net of forfeitures of \$309,319, for the year ended June 30, 2024. The Authority has accrued approximately \$133,000 of expense on the accrued payroll at June 30, 2024. At June 30, 2024, there were 1,304 plan members, of which 1,057 are active.

The Great Lakes Water Authority Defined Contribution Plan Make-Up Benefit is a 401(a) governmental money purchase plan administered by ICMA Retirement Corporation (the “Administrator”) to provide benefits at retirement to all employees who terminated employment with DWSD on or around January 1, 2016 and were not vested in the City of Detroit General Retirement System (GRS). Eligible employees were required to rollover to the Authority’s Section 457 Deferred Compensation Plan their refunded employee mandatory contribution from GRS. The amount of the make-up benefit was determined by an actuary based on the present value of the lost GRS benefit. It was accrued in fiscal year 2018 and funded during fiscal year 2019. No additional contributions are required for this plan. Employees are 100% vested after one year of service. At June 30, 2024 there are 25 participants in the plan.

The Authority has a Section 457 Deferred Compensation Plan which employees can make pre-tax or post-tax (Roth) contributions which are immediately 100% vested. At June 30, 2024 there were 1,355 plan members, of which 1,012 are active.

The Authority has a Roth IRA Plan which allows employees to make post-tax contributions which are immediately 100% vested. At June 30, 2024 there are 124 participants in the plan.

***RETIREMENT HEALTH SAVINGS PLAN***

The Authority also provides a Retirement Health Savings Program for full-time employees. Employees are required to contribute \$10 per pay period and the Authority contributes \$80 per pay period. Employees are 100% vested after three years of service (cliff vesting). Employees who transferred to the Authority on or around January 1, 2016 from DWSD retain their years of service for vesting purposes. Members can access their account for reimbursement of qualified medical expenses and payment of insurance premiums for their dependents when they separate from GLWA and reach age 60. The Authority recognized an expense \$2,045,342, which is net of forfeitures of \$158,957, for the year ended June 30, 2024. The Authority has accrued approximately \$42,000 of expense on the accrued payroll at June 30, 2024. Employee contributions were \$259,560 for the year ended June 30, 2024. At June 30, 2024, there were 1,920 plan members, of which 1,137 are active.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 17 – NET PENSION LIABILITY (SPECIAL FUNDING SITUATION)**

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As part of the City of Detroit bankruptcy plan of adjustment (POA) and the Regional System Leases (Section 4.3), the City, the General Employees' Retirement System of the City of Detroit (GRS or the System) and the Authority entered into an agreement on December 1, 2015 that set forth the terms for contributions and reporting of the DWSD share of the GRS pension pool. GRS provides the information necessary for the Authority and DWSD to report the proportionate share separately in their respective statements. On January 24, 2017, DWSD and the Authority provided a supplement to the agreement whereby GRS is directed to allocate investments and pension liabilities of the DWSD division on the basis of 70.3% to the Authority and 29.7% to DWSD effective January 1, 2016. This agreement constitutes a special funding situation pursuant to the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As such, while no Authority employees earn service credit in the legacy or hybrid plans, GLWA is legally responsible for making contributions to a legacy pension plan of another entity and, accordingly, must record a net pension liability for its proportion and make the following disclosures regarding the plan as repaired by the standard. Information is available in a separate audit report for the "General Retirement System of the City of Detroit Financial Report with Supplemental Information" as well as "The General Retirement System of the City of Detroit GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pension Plans of Component II" as of June 30, 2023 which are available by contacting the Authority's management.

*Plan Administration.* The Authority contributes to (and DWSD participates in) the System. The System is a single employer plan which is referred to as the Component II plan. The plan is administered by its own board of trustees. Component II is the legacy plan, the original defined benefit plan, which includes a defined benefit component and a defined contribution component. Component II generally applies to benefits accrued by members prior to July 1, 2014. On June 30, 2014, as a result of negotiations between the City and the public employee unions, the existing plan benefit formulas were frozen, and no employees were allowed to earn benefits under the existing plan. The plan provides retirement, disability, and survivor benefits to plan members and beneficiaries. Plan members include active employees, retirees and beneficiaries from various departments within the City. Component II also includes the income stabilization fund. The fund, a part of Component II and established as a provision of the POA, was established for the sole purpose of paying the income stabilization benefits to eligible pensioners. Complete details regarding the Component II benefits and changes in those benefits by virtue of the POA are presented in the System financial statements.

The System issues publicly available financial reports that include financial statements and the required supplementary information. The reports can be obtained from City of Detroit Retirement Systems, One Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, MI 48226 or obtained from the Systems' website ([www.rscd.org](http://www.rscd.org)). Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports.

*Benefits Provided.* Plan members may retire at age 55, 60 or 65 with 8, 10, 25 or 30 years of credited service depending on which group the employee is in. Members are vested after completing 8 or 10 years of credited service. Retirement options that provide for survivor benefits are available to members. The Plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary.

*Employer Contributions.* Employer contributions, including the Authority's nonemployer contribution, for the respective components are as follows:

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 17 – NET PENSION LIABILITY (SPECIAL FUNDING SITUATION) (cont.)**

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During the Plan's fiscal year 2023, employer contributions were not actuarially determined but are determined by the provisions of the POA. Included within contributions for fiscal year 2023 are contributions from the Foundation for Detroit's Future in the amount of \$375,000 and approximately \$47.9 million of contributions from the City, City-related entities, and GLWA.

The POA obligates DWSD to pay \$2,500,000 per year towards administrative costs and annual plan contributions of \$42,900,000 per year in total for both water and sewer employees, until 2023. According to the pension agreement, GRS was to track the actual annual administrative expenses allocable to the DWSD pension pool, and then, beginning with the fiscal year commencing on July 1, 2023, GRS was required to calculate the actual aggregate amount of administrative expenses allocable to the DWSD pension pool during the nine-year period. Based on the required reporting by GRS, as of June 30, 2023, the aggregate excess of administrative expenses paid by the DWSD pension pool are approximately \$13 million.

Subsequent to 2023, DWSD and the Authority will be responsible for paying their allocable share of any additional amounts that are actuarially determined to be payable. The 2024 actuarially determined employer contribution was included in the GRS annual actuarial valuation of Component II dated June 30, 2023. There was no contribution required for the unfunded actuarial accrued liability. Only an administrative expense contribution was required with the total share for the DWSD being \$0.7 million. GLWA's share of the 2024 administrative expense will be \$0.5 million with approximately \$0.18 million allocated to the Water Fund and approximately \$0.32 million allocated to the Sewage Disposal Fund.

*DWSD Employee Contributions.* Contribution requirements of plan members are established and may be amended by the GRS Board of Trustees in accordance with the City Charter, union contracts, and plan provisions. For the year ended June 30, 2023, there were no employee contributions into Component II, as the plan was frozen as of June 30, 2014; contributions into Component I began thereafter.

*Actuarial Assumptions.* The total pension liability was actuarial determined as of June 30, 2022, which used updated procedures to roll forward the estimated liability to June 30, 2023. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement.

Inflation	Not applicable
Salary increases	No inflation assumption or salary increases due to plan freeze as of June 30, 2014
Investment rate of return	6.76%, net of investment expense and including inflation

Note that the long-term assumed rate of return used for the purpose of the GASB Statement No. 67 valuations was determined in accordance with generally accepted accounting principles. This rate will change annually based on capital market expectations in consideration of the System's most recently approved asset mix. This should not be confused with the provisions in the Plan of Adjustment, which established a 6.75 percent assumed rate of return that does not change annually as it is set by the POA for the purpose of the various provisions within the plan; the Plan of Adjustment did not attempt to dictate the long-term rate of return to be used for accounting purposes.

The mortality table assumption was based on the PubG-2010(B) Below-Median General Retiree Table. The tables are projected to be fully generational, based on the two-dimensional, sex-distinct mortality scale MP-2021.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 17 – NET PENSION LIABILITY (SPECIAL FUNDING SITUATION) (cont.)**

The actuarial assumptions, other than the investment rate of return, used in the June 30, 2022 valuation to calculate the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period from July 1, 2015 through June 30, 2020. The assumptions were first used in the June 30, 2021 actuarial valuation and assumption changes included mortality tables (change from the RP-2014 Blue Collar Annuitant Table), withdrawal rates, and disability rates.

*Investment Rate of Return.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term expected real rate of return as of June 30, 2023 for each major asset class and the target allocations are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	46.0%	4.58%
Global fixed income	33.0%	4.09%
Real estate	13.0%	4.64%
Diversifying strategies	8.0%	4.30%
	100.0%	

*Single Discount Rate.* A Single Discount Rate of 6.76%, net of investment expenses, was used to measure the total pension liability as of June 30, 2023. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.76% as directed by the System and approved by the System's auditor. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions have ceased and that employer contributions will be made at rates equal to those set by System's funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Net Pension Liability.* As permitted by GASB Statement No. 68, the net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The information below represents the Authority's share of System pension liability activity which is allocated between the water fund and sewage disposal fund. DWSD separately reports its pro rata share of activity in its separate financial statements.

*Changes in the Net Pension Liability.* The components of the change in the Authority's share of the net pension liability are summarized as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Total pension liability	\$ 161,412,106	\$ 288,876,428	\$ 450,288,534
Plan fiduciary net position	(148,132,440)	(265,110,042)	(413,242,482)
Authority's Net Pension Liability	\$ 13,279,666	\$ 23,766,386	\$ 37,046,052



# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 17 – NET PENSION LIABILITY (SPECIAL FUNDING SITUATION) (cont.)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
<b>Water Fund</b>			
Balances at June 30, 2023	\$ 168,530,590	\$ 145,884,785	\$ 22,645,805
Changes for the year:			
Interest	10,858,693	-	10,858,693
Difference between expected and actual experience	(2,529,151)	-	(2,529,151)
Changes in assumptions	(125,891)	-	(125,891)
Employer contributions	-	10,810,800	(10,810,800)
Net investment income	-	7,806,248	(7,806,248)
Benefit payments, including refunds of employee contributions	(15,322,135)	(15,322,135)	-
Other changes	-	(1,047,258)	1,047,258
Net changes	(7,118,484)	2,247,655	(9,366,139)
Balances at June 30, 2024	\$ 161,412,106	\$ 148,132,440	\$ 13,279,666
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
<b>Sewage Disposal Fund</b>			
Balances at June 30, 2023	\$ 301,616,255	\$ 261,087,453	\$ 40,528,802
Changes for the year:			
Interest	19,433,613	-	19,433,613
Difference between expected and actual experience	(4,526,377)	-	(4,526,377)
Changes in assumptions	(225,305)	-	(225,305)
Employer contributions	-	19,347,900	(19,347,900)
Net investment income	-	13,970,706	(13,970,706)
Benefit payments, including refunds of employee contributions	(27,421,758)	(27,421,758)	-
Other changes	-	(1,874,259)	1,874,259
Net changes	(12,739,827)	4,022,589	(16,762,416)
Balances at June 30, 2024	\$ 288,876,428	\$ 265,110,042	\$ 23,766,386

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Authority, calculated using the discount rate of 6.76%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.76%) or 1% higher (7.76%) than the current rate:

	1% Decrease (5.76%)	Current Discount Rate (6.76%)	1% Increase (7.76%)
Water Fund	\$ 16,053,775	\$ 13,279,666	\$ 10,883,890
Sewage Disposal Fund	28,731,161	23,766,386	19,478,708,
Authority's Net Pension Liability	\$ 44,784,936	\$ 37,046,052	\$ 30,362,598

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

# DRAFT 12.2.2024

## NOTE 17 – NET PENSION LIABILITY (SPECIAL FUNDING SITUATION) (cont.)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued plan financial statements.

*Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions.* For the year ended June 30, 2024, the Authority recognized pension expense of \$2,402,938 and \$4,300,495 for the Water and Sewage Disposal Funds, respectively. At June 30, 2024, the Authority reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<b>Water Fund</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 5,338,231	\$ -	\$ 5,338,231
Employer contributions to the plan subsequent to the measurement date	-	-	-
Total Water Fund	5,338,231	-	5,338,231
<b>Sewage Disposal Fund</b>			
Net difference between projected and actual earnings on pension plan investments	9,553,741	-	9,553,741
Employer contributions to the plan subsequent to the measurement date	-	-	-
Total Sewage Disposal Fund	9,553,741	-	9,553,741
Total Business-type Activities	\$ 14,891,972	\$ -	\$ 14,891,972

There were no deferred outflows of resources resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30	Water Fund	Sewage Disposal Fund	Total Business-type Activities
2025	\$ 1,458,506	\$ 2,610,264	\$ 4,068,770
2026	(781,599)	(1,398,814)	(2,180,413)
2027	4,290,650	7,678,902	11,969,552
2028	370,674	663,389	1,034,063
Total	\$ 5,338,231	\$ 9,553,741	\$ 14,891,972

*Payable to the Pension Plan.* At June 30, 2024, the Authority did not have any outstanding contributions payable to the pension plan for the year then ended.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 18 – COMMITMENTS AND CONTINGENCIES**

***CAPITAL IMPROVEMENT PROGRAM***

The Authority is engaged in a variety of projects that are part of its five-year capital improvement program (the Program). The total cost of this Program for the Water Fund is anticipated to be approximately \$1.1 million with an 100% spend rate assumption through fiscal year 2029. The total cost for the Sewage Disposal Fund is anticipated to be approximately \$9.8 million with a 100% spend rate assumption through fiscal year 2029. The Program is being financed from revenue bond and state revolving fund proceeds in addition to the Improvement and Extension Funds.

The total amount of construction contract commitments outstanding at June 30, 2024 was approximately \$211 million for the Water Fund and \$566 million for the Sewage Disposal Fund.

The current wastewater disposal service contract with the Oakland-Macomb Interceptor Drain Drainage District (OMIDD) provides for OMIDD to maintain, repair, and improve Interceptor PCI-5, the Northeast Sewer Pump Station and the North Interceptor East Arm, which are related to the capital assets in the Regional Sewage Disposal System Lease (See Note 13). The amount of capital improvements in progress related to the contract are estimated by OMIDD to be worth \$81.7 million for the Sewage Disposal Fund at June 30, 2024. At a future date, in accordance with the contract, OMIDD will offer and transfer the assets, following GLWA's acceptance, as the assets are placed in service.

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)***

The Authority has two SBITA's that are in the implementation phase. A summary of the commitments for each SBITA are detailed below:

NEXGEN is an enterprise asset management system subscription service. The contract is a \$1.7 million purchase for a duration of five years with one two-year renewal. The contract ends November 30, 2026 with a two-year renewal which would end November 30, 2028. The anticipated in-service date is expected during fiscal year 2025. There is a separate implementation contract for three years ending early in fiscal year 2025 for a not to exceed cost of \$4.6 million. The Authority's remaining commitment under this contract is \$1.9 million, which will be split 50/50 between the water fund and sewage disposal fund. Implementation costs incurred up to the date placed in service will be capitalized.

Workday is an enterprise resource planning system subscription service which is an integrated financial, HR, payroll and analytic system service. The contract is for eight years ending in fiscal year 2030. The cost for the SBITA for the eight-year period is \$5.5 million. The HCM portion was implemented during the fiscal year and the subscription liability is discussed in Note 14. The in-service date for the financial system is July 2024. There are two separate implementation contracts one which terminates in December 2024 and the other which terminates in 2029 for a not to exceed cost of \$8.4 million. The Authority's remaining commitment under these contracts is \$1.3 million, which will be split 50/50 between the water fund and sewage disposal fund. Implementation costs through December 31, 2023 have been capitalized. The implementation costs incurred from January 2024 through June 2024 for the FINS portion will be capitalized on July 1, 2024. Post implementation costs will be expensed as incurred.

***2021 RAIN EVENTS***

During the Summer of 2021, GLWA's service area experienced several intense rain events. These rain events resulted in sewer backups, causing property damage. GLWA received over 24,000 property damage claims from these intense rain events. Most of the claims relate to rain events occurring on June 25-26, 2021 and July 16, 2021.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

**NOTE 18 – COMMITMENTS AND CONTINGENCIES (cont.)**

The Board hired an independent investigative team to review the rain events. In June 2022, the Independent Investigative Team reviewing the rain events of June and July 2021 presented its final report to the Great Lakes Water Authority (GLWA) Board of Directors. The report concluded that heavy and historic rainfalls exceeded the design capacity of the wastewater system, making surface flooding and basement backups inevitable. For the June 25-26, 2021 rain event, the report also stated that even if every piece of piping and equipment in the regional system worked in an ideal manner, basement backups and surface flooding would still have occurred in GLWA's system, or any other collection system designed to today's standard. This standard reflects a collection system designed to handle 1.7 inches of rain in one hour (with no rain before/no rain after) or 3.31 inches in 24 hours. On June 25, 2021 more than six inches was experienced in only half that time, which is double the maximum design standard for 24 hours.

In July 2022, GLWA announced that it is denying all claims submitted to the Authority related to the historic rain events that took place in the summer of 2021. Official notification was mailed to the claimants. This decision was based on the findings of the independent investigation and that under Michigan's Governmental Liability for Negligence Act, a public entity such as GLWA can only be liable for a sewage disposal system event (a basement backup) if a defect in its sewage disposal system was the substantial proximate cause (50 percent or more of the cause) of the event and property damage or physical injury.

While no claim under an individual lawsuit would have a material impact on GLWA's operations or revenues, in the aggregate, the claimed amounts under all such lawsuits could be material. As it relates to the June 25-26, 2021 rain event, the trial court dismissed many of the class action lawsuits against GLWA, finding no defect in the Sewer System. The plaintiffs have appealed the dismissal decision. As it relates to the July 16, 2021 rain event, GLWA filed a dispositive motion, which was also granted. The plaintiffs appealed the dismissal in May 2024; this matter is also pending in the appellate court.

The Authority received insurance payments of \$1 million during fiscal year 2022, \$2.6 million in fiscal year 2023 and \$6.9 million in the current fiscal year for a total of \$10.6 million which is the final insurance settlement amount. The insurance payments were net of the \$1 million deductible on the insurance policy. The Federal Emergency Management Agency (FEMA) has committed to reimburse the Authority for the \$1 million deductible, net of the GLWA 10% cost share. During the fiscal year 2023 the Authority received \$0.4 million of FEMA funds toward the deductible cost. The Authority estimates future additional costs of \$8 million for repairs and debris removal from the interceptors as a result of the heavy rains.

**CONTINGENCIES**

The Authority is subject to various government environmental laws and regulations. GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, established accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remedial activities such as site assessments and cleanups. The standard excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care. The Authority determined that there were no estimated pollution remediation obligations to be recorded at June 30, 2024.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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**NOTE 18 – COMMITMENTS AND CONTINGENCIES (cont.)**

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GASB Statement No. 83, *Certain Asset Retirement Obligations*, established accounting and financial reporting standards for legally enforceable liabilities related to the retirement of tangible capital asset(s) where the tangible capital asset is permanently removed from service. The retirement of a tangible capital asset can occur via sale, abandonment, recycling or disposal in some other manner and excludes the temporary idling of a tangible capital asset. An asset retirement obligation does not apply to obligations resulting from the disposal, or plan to dispose, of a tangible capital asset; obligation(s) associated with using a tangible capital asset for a different purpose; obligation(s) for pollution remediation; obligation(s) from regular maintenance or the cost to replace a component. The Authority determined there were no legally enforceable asset retirement obligations to be recorded at June 30, 2024.

The Sewage Disposal Fund's operations are subject to regulation pursuant to the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 and the Water Quality Act of 1987 (collectively, the Clean Water Act). Included in the regulatory framework established by the Clean Water Act is the National Pollutant Discharge Elimination System (NPDES) permit program, which requires operation of wastewater system facilities according to discharge limitations and other requirements as set forth in permits issued to each facility. The Environmental Protection Agency (EPA) has authorized the Michigan Department of Environmental Quality (MDEQ) to implement and enforce the federal NPDES permit program. The Sewage Disposal Fund operates pursuant to the NPDES Permit. The Authority's current NPDES permit was issued July 1, 2019 and expired on October 1, 2022. A new permit application was submitted in March 2022. The Authority will continue to operate under the old permit until the new permit is issued.

The Authority is a defendant in numerous alleged claims, lawsuits, billing disputes, and other stated and pending demands. The Authority's Legal Department has estimated a reserve of \$125,000 for the Water Fund and \$5,767,357 for the Sewage Disposal Fund, which are included in the accompanying financial statements, for the potential outcome of such claims or the amount of potential damages in the event of an unfavorable outcome for each of the above contingencies. The Authority's management believes that any differences in reserved amounts and final settlement, after consideration of claims covered by insurance, resulting from such litigation will not materially impact the Authority's financial position or results of operations.

The Authority holds various commercial insurance policies to cover other potential loss exposures.

# GREAT LAKES WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2024

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## NOTE 19 – NET INVESTMENT IN CAPITAL ASSETS

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The composition of net investment in capital assets as of June 30, 2024 was as follows:

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
Capital Assets			
Nondepreciable/nonamortizable	\$ 708,545,333	\$ 464,376,029	\$ 1,172,921,362
Depreciated/amortized – net	1,366,169,471	1,941,044,130	3,307,213,601
Total Capital Assets	2,074,714,804	2,405,420,159	4,480,134,963
Less: Related Debt			
Total bonds and loans, net (Note 12)	2,739,484,740	2,942,950,119	5,682,434,859
Less outstanding bonds used for:			
SWAP termination agreements	(159,008,171)	(188,841,918)	(347,850,089)
Unspent bond proceeds	(128,094,605)	(162,716,110)	(290,810,715)
Obligation receivable-local system share of debt (Note 8)	(550,282,960)	(354,867,193)	(905,150,153)
Capital related deferred charge on refunding	(21,898,579)	(43,056,229)	(64,954,808)
Capital related deferred gain on refunding	59,509,034	57,699,308	117,208,342
Capital portion of regional system lease	287,229,632	334,485,902	621,715,534
Raw water rights obligation (Note 12)	89,552,155	-	89,552,155
Lease payable-Warehouse (Note 14)	-	3,501,324	3,501,324
Subscription liability-right to use asset (Note 14)	1,575,059	1,575,060	3,150,119
Total Related Debt	2,318,066,305	2,590,730,263	4,908,796,568
Net Investment in Capital Assets	\$ (243,351,501)	\$ (185,310,104)	\$ (428,661,605)

The capital portion of the regional system lease payable is the percentage of the lease liability that has been determined to be allocated to the net investment in capital assets acquired. The lease is described in Note 13.

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## NOTE 20 – SUBSEQUENT EVENTS

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### **JUNIOR LIEN REVENUE BONDS**

On August 28, 2024, Sewage Disposal System Revenue Bonds, Series 2024 SRF-4, were issued for \$5.088 million to fund local sewer disposal system improvements. The series ordinance authorizing issuance of these revenue bonds (SRF Junior Lien) in an aggregate amount not to exceed \$66 million (Ordinance No. 2024-04) was approved by the GLWA Board in June 2024. The loan bears a fixed interest rate of 1.00% for a term of twenty (20) years.

On September 6, 2024, Sewage Disposal System Revenue Bonds, Series 2024 SRF-3, were issued for \$60.5 million to fund regional sewer disposal system improvements. The series ordinance authorizing issuance of these revenue bonds (SRF Junior Lien) in an aggregate amount not to exceed \$66 million (Ordinance No. 2024-04) was approved by the GLWA Board in June 2024. The loan bears a fixed interest rate of 2.00% for a term of twenty (30) years. At some point in the future, as these funds are drawn, the payment dates will extend beyond the current term of the regional sewage disposal system lease described in Note 13. As described in Note 13, the term of the lease will automatically be extended to coincide with the maturity of any outstanding bonds.

**REQUIRED SUPPLEMENTARY INFORMATION**

## GREAT LAKES WATER AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION

Nonemployer Contributing Entity Share of City of Detroit General Employees' Retirement System - Component I  
Schedule of Changes in Net Pension Liability and Related Ratios - Business-Type Activities

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015**
<b>Share of Total Pension Liability</b>									
Interest	\$ 30,292,306	\$ 31,826,069	\$ 34,312,239	\$ 36,284,099	\$ 36,700,388	\$ 36,577,126	\$ 37,829,066	\$ 40,381,626	\$ 51,393,411
Differences between expected and actual experience	(7,055,528)	(122,224)	(9,204,321)	(10,265,139)	3,462,000	(320,610)	2,369,183	(5,063,923)	(427,134)
Changes in assumptions	(351,196)	(28,651,715)	23,270,230	13,103,099	-	(21,345,359)	15,153,104	17,627,395	(19,789,958)
Benefit changes	-	-	-	-	-	-	-	-	(152,368,108)
Benefit payments, including refunds of employee contributions	(42,743,893)	(45,074,231)	(44,436,536)	(45,098,368)	(46,507,916)	(47,396,240)	(51,081,380)	(69,639,576)	(54,293,644)
Net change	(19,858,311)	(42,022,101)	3,941,612	(5,976,309)	(6,345,528)	(32,485,083)	4,269,973	(16,694,478)	(175,485,433)
Share of total pension liability, beginning of year	470,146,845	512,168,946	508,227,334	514,203,643	520,549,171	553,034,254	548,764,281	565,458,759	740,944,192
Share of Total Pension Liability, End of Year	450,288,534	470,146,845	512,168,946	508,227,334	514,203,643	520,549,171	553,034,254	548,764,281	565,458,759
<b>Share of Plan Fiduciary Net Position</b>									
Employer contributions	30,158,700	30,158,700	30,158,700	30,158,700	30,158,700	30,158,700	30,158,700	30,158,700	30,150,889
Employee contributions	-	-	-	-	-	-	-	-	130,951
Net investment income (loss)	21,776,954	(26,077,522)	95,985,249	(3,614,092)	9,194,433	30,347,172	38,812,244	(1,311,974)	17,280,285
Benefit payments, including refunds of employee contributions	(42,743,893)	(45,074,231)	(44,436,536)	(45,098,368)	(46,507,916)	(47,396,240)	(51,081,380)	(69,639,576)	(54,293,644)
Administrative expense	-	-	-	-	-	-	-	-	(21,294)
Other changes	(2,921,517)	1,017,672	1,318,070	1,182,142	(119,469)	1,386,027	1,494,049	252,263	27,758,558
Net change	6,270,244	(39,975,381)	83,025,483	(17,371,618)	(7,274,252)	14,495,659	19,383,613	(40,540,587)	21,005,745
Share of plan fiduciary net position, beginning of year	406,972,238	446,947,619	363,922,136	381,293,754	388,568,006	374,072,347	354,688,734	395,229,321	374,223,576
Share of Plan Fiduciary Net Position, End of Year	413,242,482	406,972,238	446,947,619	363,922,136	381,293,754	388,568,006	374,072,347	354,688,734	395,229,321
<b>SHARE OF NET PENSION LIABILITY</b>	<b>\$ 37,046,052</b>	<b>\$ 63,174,607</b>	<b>\$ 65,221,327</b>	<b>\$ 144,305,198</b>	<b>\$ 132,909,889</b>	<b>\$ 131,981,165</b>	<b>\$ 178,961,907</b>	<b>\$ 194,075,547</b>	<b>\$ 170,229,438</b>
<b>Nonemployer contributing entity share of collective net pension liability</b>	4.0%	6.9%	7.4%	13.1%	14.2%	15.9%	19.0%	19.5%	20.6%
<b>Plan fiduciary net position as a percentage of total pension liability</b>	91.8%	86.6%	87.3%	71.6%	74.2%	74.6%	67.6%	64.6%	69.9%

\* As described in Notes 1 and 17 GLWA was established on January 1, 2016. At that time, GLWA assumed a portion of the net position and liabilities of the City of Detroit Water and Sewerage Department. This reflects only the portion allocated to GLWA.

\*\* The 2015 information is presented based on City of Detroit Water and Sewerage Department (DWSD) prior to the establishment of GLWA. The amounts shown represent GLWA's allocation, fiduciary net position and net pension liability. The actual employer contributions made by DWSD were \$42,888,889.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

The accompanying notes to required supplementary information are an integral part of these financial statements.



## GREAT LAKES WATER AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION

Nonemployer Contributing Entity Share of City of Detroit General Employees' Retirement System - Component I  
Schedule of Changes in Net Pension Liability and Related Ratios - Water Fund

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015**
<b>Share of Total Pension Liability</b>									
Interest	\$ 10,858,693	\$ 11,408,491	\$ 12,299,693	\$ 13,006,533	\$ 13,155,758	\$ 13,111,573	\$ 13,560,348	\$ 14,475,348	\$ 18,422,673
Differences between expected and actual experience	(2,529,151)	(43,813)	(3,299,415)	(3,679,680)	1,241,001	(114,927)	849,266	(1,815,233)	(153,112)
Changes in assumptions	(125,891)	(10,270,600)	8,341,534	4,696,986	-	(7,651,537)	5,431,838	6,318,782	(7,093,982)
Benefit changes	-	-	-	-	-	-	-	-	(54,618,440)
Benefit payments, including refunds of employee contributions	(15,322,135)	(16,157,477)	(15,928,886)	(16,166,129)	(16,671,401)	(16,989,833)	(18,310,822)	(24,963,262)	(19,462,302)
Net change	(7,118,484)	(15,063,399)	1,412,926	(2,142,290)	(2,274,642)	(11,644,724)	1,530,630	(5,984,365)	(62,905,163)
Share of total pension liability, beginning of year	168,530,590	183,593,989	182,181,063	184,323,353	186,597,995	198,242,719	196,712,089	202,696,454	265,601,617
Share of Total Pension Liability, End of Year	161,412,106	168,530,590	183,593,989	182,181,063	184,323,353	186,597,995	198,242,719	196,712,089	202,696,454
<b>Share of Plan Fiduciary Net Position</b>									
Employer contributions	10,810,800	10,810,800	10,810,800	10,810,800	10,810,800	10,810,800	10,810,800	10,810,800	10,808,000
Employee contributions	-	-	-	-	-	-	-	-	46,941
Net investment income (loss)	7,806,248	(9,347,846)	34,407,230	(1,295,521)	3,295,871	10,878,360	13,912,782	(470,295)	6,194,355
Benefit payments, including refunds of employee contributions	(15,322,135)	(16,157,477)	(15,928,886)	(16,166,129)	(16,671,401)	(16,989,833)	(18,310,822)	(24,963,262)	(19,462,302)
Administrative expense	-	-	-	-	-	-	-	-	(7,633)
Other changes	(1,047,258)	364,799	472,481	423,755	(42,826)	496,841	535,562	90,427	9,950,436
Net change	2,247,655	(14,329,724)	29,761,625	(6,227,095)	(2,607,556)	5,196,168	6,948,322	(14,532,330)	7,529,797
Share of plan fiduciary net position, beginning of year	145,884,785	160,214,509	130,452,884	136,679,979	139,287,535	134,091,367	127,143,045	141,675,375	134,145,578
Share of Plan Fiduciary Net Position, End of Year	148,132,440	145,884,785	160,214,509	130,452,884	136,679,979	139,287,535	134,091,367	127,143,045	141,675,375
<b>SHARE OF NET PENSION LIABILITY</b>	<b>\$ 13,279,666</b>	<b>\$ 22,645,805</b>	<b>\$ 23,379,480</b>	<b>\$ 51,728,179</b>	<b>\$ 47,643,374</b>	<b>\$ 47,310,460</b>	<b>\$ 64,151,352</b>	<b>\$ 69,569,044</b>	<b>\$ 61,021,079</b>
<b>Nonemployer contributing entity share of collective net pension liability - Water Fund</b>	1.4%	2.5%	2.6%	4.7%	5.1%	5.7%	6.8%	7.0%	7.4%
<b>Plan fiduciary net position as a percentage of total pension liability</b>	91.8%	86.6%	87.3%	71.6%	74.2%	74.6%	67.6%	64.6%	69.9%

\* As described in Notes 1 and 17 GLWA was established on January 1, 2016. At that time, GLWA assumed a portion of the net position and liabilities of the City of Detroit Water and Sewerage Department. This reflects only the portion allocated to GLWA.

\*\* The 2015 information is presented based on City of Detroit Water and Sewerage Department (DWSD) prior to the establishment of GLWA. The amounts shown represent GLWA's allocation, fiduciary net position and net pension liability. The actual employer contributions made by DWSD were \$18,440,222.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

The accompanying notes to required supplementary information are an integral part of these financial statements.

## GREAT LAKES WATER AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION

Nonemployer Contributing Entity Share of City of Detroit General Employees' Retirement System - Component II  
Schedule of Changes in Net Pension Liability and Related Ratios - Sewage Disposal Fund

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015**
<b>Share of Total Pension Liability</b>									
Interest	\$ 19,433,613	\$ 20,417,578	\$ 22,012,546	\$ 23,277,566	\$ 23,544,630	\$ 23,465,553	\$ 24,268,718	\$ 25,906,278	\$ 32,970,738
Differences between expected and actual experience	(4,526,377)	(78,411)	(5,904,906)	(6,585,459)	2,220,999	(205,683)	1,519,917	(3,248,690)	(274,022)
Changes in assumptions	(225,305)	(18,381,115)	14,928,696	8,406,113	-	(13,693,822)	9,721,266	11,308,613	(12,695,976)
Benefit changes	-	-	-	-	-	-	-	-	(97,749,668)
Benefit payments, including refunds of employee contributions	(27,421,758)	(28,916,754)	(28,507,650)	(28,932,239)	(29,836,515)	(30,406,407)	(32,770,558)	(44,676,314)	(34,831,342)
Net change	(12,739,827)	(26,958,702)	2,528,686	(3,834,019)	(4,070,886)	(20,840,359)	2,739,343	(10,710,113)	(112,580,270)
Share of total pension liability, beginning of year	301,616,255	328,574,957	326,046,271	329,880,290	333,951,176	354,791,535	352,052,192	362,762,305	475,342,575
Share of Total Pension Liability, End of Year	288,876,428	301,616,255	328,574,957	326,046,271	329,880,290	333,951,176	354,791,535	352,052,192	362,762,305
<b>Share of Plan Fiduciary Net Position</b>									
Employer contributions	19,347,900	19,347,900	19,347,900	19,347,900	19,347,900	19,347,900	19,347,900	19,347,900	19,342,889
Employee contributions	-	-	-	-	-	-	-	-	84,010
Net investment income (loss)	13,970,706	(16,729,676)	61,578,019	(2,318,571)	5,898,562	19,468,812	24,899,462	(841,679)	11,085,930
Benefit payments, including refunds of employee contributions	(27,421,758)	(28,916,754)	(28,507,650)	(28,932,239)	(29,836,515)	(30,406,407)	(32,770,558)	(44,676,314)	(34,831,342)
Administrative expense	-	-	-	-	-	-	-	-	(13,661)
Other changes	(1,874,259)	652,873	845,589	758,387	(76,643)	889,186	958,487	161,836	17,808,122
Net change	4,022,589	(25,645,657)	53,263,858	(11,144,523)	(4,666,696)	9,299,491	12,435,291	(26,008,257)	13,475,948
Share of plan fiduciary net position, beginning of year	261,087,453	286,733,110	233,469,252	244,613,775	249,280,471	239,980,980	227,545,689	253,553,946	240,077,998
Share of Plan Fiduciary Net Position, End of Year	265,110,042	261,087,453	286,733,110	233,469,252	244,613,775	249,280,471	239,980,980	227,545,689	253,553,946
<b>SHARE OF NET PENSION LIABILITY</b>	<b>\$ 23,766,386</b>	<b>\$ 40,528,802</b>	<b>\$ 41,841,847</b>	<b>\$ 92,577,019</b>	<b>\$ 85,266,515</b>	<b>\$ 84,670,705</b>	<b>\$ 114,810,555</b>	<b>\$ 124,506,503</b>	<b>\$ 109,208,359</b>
<b>Nonemployer contributing entity share of collective net pension liability - Sewage Disposal Fund</b>	2.6%	4.4%	4.7%	8.4%	9.1%	10.2%	12.2%	12.5%	13.2%
<b>Plan fiduciary net position as a percentage of total pension liability</b>	91.8%	86.6%	87.3%	71.6%	74.2%	74.6%	67.6%	64.6%	69.9%

\* As described in Notes 1 and 17 GLWA was established on January 1, 2016. At that time, GLWA assumed a portion of the net position and liabilities of the City of Detroit Water and Sewerage Department. This reflects only the portion allocated to GLWA.

\*\* The 2015 information is presented based on City of Detroit Water and Sewerage Department (DWSD) prior to the establishment of GLWA. The amounts shown represent GLWA's allocation, fiduciary net position and net pension liability. The actual employer contributions made by DWSD were \$24,448,667.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

The accompanying notes to required supplementary information are an integral part of these financial statements.

**GREAT LAKES WATER AUTHORITY**  
REQUIRED SUPPLEMENTARY INFORMATION  
Nonemployer Contributing Entity Share of City of Detroit General Employees' Retirement System - Component II  
Schedule of Contributions

	Fiscal Year								
	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*
<b>Total Business-Type Activities</b>									
Contractually required contribution**	\$ -	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700	\$ 30,158,700
Actuarially determined contribution	-	-	-	-	-	-	-	-	-
Actual contribution	<u>-</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>	<u>30,158,700</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Water Fund</b>									
Contractually required contribution**	\$ -	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800	\$ 10,810,800
Actuarially determined contribution	-	-	-	-	-	-	-	-	-
Actual contribution	<u>-</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>	<u>10,810,800</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Sewage Disposal Fund</b>									
Contractually required contribution**	\$ -	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900	\$ 19,347,900
Actuarially determined contribution	-	-	-	-	-	-	-	-	-
Actual contribution	<u>-</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>	<u>19,347,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* As described in Notes 1 and 17 GLWA was established on January 1, 2016. At that time GLWA assumed a portion of the net position and liabilities of the City of Detroit Water and Sewerage Department. This reflects only the portion allocated to GLWA.

\*\* Contributions are determined by the provisions of the Plan of Adjustment and were not actuarially determined from 2016 to 2023. Actuarially determined contributions started in 2024. The actuarially determined employer contribution for the unfunded actuarial accrued liability was zero for 2024.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

The accompanying notes to required supplementary information are an integral part of these financial statements.

**GREAT LAKES WATER AUTHORITY**

Nonemployer Contributing Entity Share of City of Detroit General Employees' Retirement System –  
Component II

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024

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*Changes in Assumptions*

In 2016, amounts reported as changes in assumptions resulted from adjustment of the discount rate from 7.61 percent to 7.23 percent.

In 2017, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.23 percent to 6.91 percent.

In 2018, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.91 percent to 7.38 percent.

In 2020, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.38 percent to 7.06 percent.

In 2021, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.06 percent to 6.50 percent.

In 2022, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.50 percent to 6.75 percent and updating the mortality tables from the RP-2014 Blue Collar Annuitant Table to the Pub-2010 General Employee table, as well as updates to wage inflation, withdrawal, and disability rates.

In 2023, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.75 percent to 6.76 percent.

Note: GLWA began operations on January 1, 2016. Accounting standards allow the presentation of as many years as are available until ten fiscal years are presented. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**SUPPLEMENTARY INFORMATION**

## GREAT LAKES WATER AUTHORITY

## COMBINING SCHEDULE OF NET POSITION - WATER FUND

As of June 30, 2024

	Water Operations Fund	Water Improvement and Extension Fund	Water Construction Fund	Total Water Fund
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 102,989,686	\$ 87,561,970	\$ -	\$ 190,551,656
Restricted cash and cash equivalents	100,078,759	1,633,328	39,906,789	141,618,876
Restricted cash for the benefit of DWSD	24,695,007	-	-	24,695,007
Investments	29,027,167	57,012,638	-	86,039,805
Restricted investments	43,009,504	-	-	43,009,504
Receivables				
Billed	44,621,471	-	-	44,621,471
Unbilled	26,015,465	-	-	26,015,465
Other	82,346	-	-	82,346
Allowance for doubtful accounts	(6,000,000)	-	-	(6,000,000)
Due from other governments	878,514	66,330	1,662,258	2,607,102
Due from other funds	-	4,505,051	50,711	4,555,762
Due from other water funds	240,442	5,385,740	1,699,658	7,325,840
Contractual obligation receivable	21,990,092	-	-	21,990,092
Prepaid items and other assets	11,247,752	220,467	60,285	11,528,504
Total Current Assets	<u>398,876,205</u>	<u>156,385,524</u>	<u>43,379,701</u>	<u>598,641,430</u>
Noncurrent Assets				
Restricted cash and cash equivalents	46,058	-	128,094,605	128,140,663
Restricted investments	1,953,942	-	-	1,953,942
Contractual obligation receivable	528,292,868	-	-	528,292,868
Prepaid lease	11,250,000	-	-	11,250,000
Capital assets				
Nondepreciable/nonamortizable	708,545,333	-	-	708,545,333
Depreciated/amortized, net	1,366,169,471	-	-	1,366,169,471
Total noncurrent assets	<u>2,616,257,672</u>	<u>-</u>	<u>128,094,605</u>	<u>2,744,352,277</u>
Total Assets	<u>3,015,133,877</u>	<u>156,385,524</u>	<u>171,474,306</u>	<u>3,342,993,707</u>
<b>Deferred outflows of resources</b>				
Deferred charge on refunding	24,498,242	-	-	24,498,242
Deferred pension amounts	5,338,231	-	-	5,338,231
Total Deferred Outflows of Resources	<u>29,836,473</u>	<u>-</u>	<u>-</u>	<u>29,836,473</u>

The accompanying notes to the supplementary information are an integral part of this schedule.

	Water Operations Fund	Water Improvement and Extension Fund	Water Construction Fund	Total Water Fund
<b>Liabilities</b>				
Current Liabilities				
Accounts and contracts payable	\$ 17,301,203	\$ 7,464,197	\$ 39,906,788	\$ 64,672,188
Accrued salaries, wages and benefits	2,261,789	-	-	2,261,789
Accrued liabilities	28,883,806	-	-	28,883,806
Due to other governments	2,903,115	-	-	2,903,115
Due to other funds	2,152,396	9,330	-	2,161,726
Due to other water funds	5,385,740	1,699,658	240,442	7,325,840
Interest payable	48,294,351	-	-	48,294,351
Current portion of:				
Revenue bonds and loans	111,145,612	-	-	111,145,612
Raw water rights obligation	3,085,994	-	-	3,085,994
BC Note obligation	1,002,660	-	-	1,002,660
Regional system lease	6,180,464	-	-	6,180,464
Other liabilities	4,651,922	-	-	4,651,922
<b>Total Current Liabilities</b>	<u>233,249,052</u>	<u>9,173,185</u>	<u>40,147,230</u>	<u>282,569,467</u>
Noncurrent Liabilities				
Revenue bonds and loans	2,628,339,128	-	-	2,628,339,128
Raw water rights obligation	86,466,161	-	-	86,466,161
BC Note obligation	15,121,527	-	-	15,121,527
Regional system lease	387,986,731	-	-	387,986,731
Other liabilities	5,249,266	-	-	5,249,266
Net pension liability	13,279,666	-	-	13,279,666
<b>Total Noncurrent Liabilities</b>	<u>3,136,442,479</u>	<u>-</u>	<u>-</u>	<u>3,136,442,479</u>
<b>Total Liabilities</b>	<u>3,369,691,531</u>	<u>9,173,185</u>	<u>40,147,230</u>	<u>3,419,011,946</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	64,897,267	-	-	64,897,267
Deferred amounts for swap terminations	51,986	-	-	51,986
<b>Total Deferred Inflows of Resources</b>	<u>64,949,253</u>	<u>-</u>	<u>-</u>	<u>64,949,253</u>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	(374,678,577)	-	131,327,076	(243,351,501)
Restricted for debt service	89,928,545	-	-	89,928,545
Restricted for payment assistance program	931,099	-	-	931,099
Unrestricted	(105,851,501)	147,212,339	-	41,360,838
<b>TOTAL NET POSITION</b>	<u>\$ (389,670,434)</u>	<u>\$ 147,212,339</u>	<u>\$ 131,327,076</u>	<u>\$ (111,131,019)</u>

The accompanying notes to the supplementary information are an integral part of this schedule.

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## GREAT LAKES WATER AUTHORITY

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - WATER FUND

For the Year Ended June 30, 2024

	Water Operations Fund	Water Improvement and Extension Fund	Water Construction Fund	Total Water Fund
<b>Operating Revenues</b>				
Wholesale charges	\$ 337,511,167	\$ -	\$ -	\$ 337,511,167
Local system charges	25,537,200	-	-	25,537,200
Bad debt recovery credit	(5,152,500)	-	-	(5,152,500)
Other revenues	654,989	-	-	654,989
<b>Total Operating Revenues</b>	<u>358,550,856</u>	<u>-</u>	<u>-</u>	<u>358,550,856</u>
<b>Operating Expenses</b>				
Operating expenses before depreciation and amortization				
Personnel	54,404,612	-	-	54,404,612
Contractual services	51,934,899	2,101,240	-	54,036,139
Utilities	32,695,479	-	-	32,695,479
Chemicals	11,947,114	-	-	11,947,114
Supplies and other expenses	11,583,805	-	-	11,583,805
Capital program allocation	(1,451,128)	-	-	(1,451,128)
Intergovernmental reimbursements	(3,303,735)	(2,101,240)	-	(5,404,975)
<b>Total operating expenses before depreciation and amortization</b>	157,811,046	-	-	157,811,046
Depreciation	110,557,350	-	-	110,557,350
Amortization of intangible assets	3,981,772	-	-	3,981,772
<b>Total Operating Expenses</b>	<u>272,350,168</u>	<u>-</u>	<u>-</u>	<u>272,350,168</u>
<b>Operating Income (Loss)</b>	<u>86,200,688</u>	<u>-</u>	<u>-</u>	<u>86,200,688</u>
<b>Nonoperating Revenues (Expenses)</b>				
Earnings on investments	11,843,321	7,177,391	8,266,429	27,287,141
Interest income from other receivables	24,106,563	-	-	24,106,563
Interest expense	(134,600,821)	-	-	(134,600,821)
Amortization of debt related items and cost of issuance	7,047,178	-	-	7,047,178
Legacy pension recovery (expense)	(2,402,938)	-	-	(2,402,938)
Water Residential Assistance Program	(2,937,520)	-	-	(2,937,520)
Other	(2,285,643)	-	-	(2,285,643)
Discontinued capital projects	-	-	-	-
Capital projects	186,094,336	(11,102,762)	(174,991,574)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>86,864,476</u>	<u>(3,925,371)</u>	<u>(166,725,145)</u>	<u>(83,786,040)</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	173,065,164	(3,925,371)	(166,725,145)	2,414,648
<b>Transfer in</b>	6,175,241	20,000,367	185,756,635	211,932,243
<b>Transfer out</b>	(201,524,535)	(5,613,858)	(4,793,850)	(211,932,243)
<b>Capital Contributions</b>	-	-	10,313,987	10,313,987
<b>Change in Net Position</b>	(22,284,130)	10,461,138	24,551,627	12,728,635
NET POSITION (DEFICIT), Beginning of Year	(367,386,304)	136,751,201	106,775,449	(123,859,654)
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<u>\$ (389,670,434)</u>	<u>\$ 147,212,339</u>	<u>\$ 131,327,076</u>	<u>\$ (111,131,019)</u>

Note: Transfers in (out) are used for recording financial activity related to borrowing proceeds and MBO requirements.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

## COMBINING SCHEDULE OF NET POSITION - SEWAGE DISPOSAL FUND

As of June 30, 2024

	Sewer Operations Fund	Sewer Improvement and Extension Fund	Sewer Construction Fund	Total Sewage Disposal Fund
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 158,398,480	\$ 94,848,616	\$ -	\$ 253,247,096
Restricted cash and cash equivalents	126,023,937	154,331	39,592,339	165,770,607
Restricted cash for the benefit of DWSD	33,451,810	-	-	33,451,810
Investments	42,909,089	46,096,561	-	89,005,650
Restricted investments	57,766,566	-	-	57,766,566
Receivables:				
Billed	15,210,121	-	-	15,210,121
Unbilled	10,080,608	-	-	10,080,608
Other	7,245	-	-	7,245
Allowance for doubtful accounts	(6,614)	-	-	(6,614)
Due from other governments	1,378,685	53,609	2,478,182	3,910,476
Due from other funds	9,330	379,098	1,773,298	2,161,726
Due from other sewage disposal funds	-	2,125,256	6,819,470	8,944,726
Contractual obligation receivable	16,744,402	-	-	16,744,402
Prepaid items and other assets	6,303,610	178,240	-	6,481,850
Inventories	10,420,267	-	-	10,420,267
Total Current Assets	<u>478,697,536</u>	<u>143,835,711</u>	<u>50,663,289</u>	<u>673,196,536</u>
Noncurrent assets				
Restricted cash and cash equivalents	6,220,928	-	162,716,110	168,937,038
Restricted investments	5,371,602	-	-	5,371,602
Contractual obligation receivable	338,122,791	-	-	338,122,791
Prepaid lease	13,750,000	-	-	13,750,000
Capital assets	-	-	-	-
Nondepreciable/nonamortizable	464,376,029	-	-	464,376,029
Depreciated/amortized, net	<u>1,941,044,130</u>	<u>-</u>	<u>-</u>	<u>1,941,044,130</u>
Total Noncurrent Assets	<u>2,768,885,480</u>	<u>-</u>	<u>162,716,110</u>	<u>2,931,601,590</u>
Total Assets	<u>3,247,583,016</u>	<u>143,835,711</u>	<u>213,379,399</u>	<u>3,604,798,126</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	50,564,037	-	-	50,564,037
Deferred pension amounts	<u>9,553,741</u>	<u>-</u>	<u>-</u>	<u>9,553,741</u>
Total Deferred Outflows of Resources	<u>60,117,778</u>	<u>-</u>	<u>-</u>	<u>60,117,778</u>

The accompanying notes to the supplementary information are an integral part of this schedule.

	Sewer Operations Fund	Sewer Improvement and Extension Fund	Sewer Construction Fund	Total Sewage Disposal Fund
<b>Liabilities</b>				
Current Liabilities				
Accounts and contracts payable	\$ 16,943,835	\$ 1,040,381	\$ 39,592,339	\$ 57,576,555
Accrued salaries, wages and benefits	506,119	-	-	506,119
Accrued liabilities	33,584,678	-	-	33,584,678
Due to other governments	4,300,448	-	-	4,300,448
Due to other funds	-	4,505,051	50,711	4,555,762
Due to other sewage disposal funds	7,616,534	-	1,328,192	8,944,726
Interest payable	46,824,429	-	-	46,824,429
Current portion of:				
Revenue bonds and loans	150,259,868	-	-	150,259,868
BC Note obligation	2,255,300	-	-	2,255,300
Regional system lease	7,553,901	-	-	7,553,901
Other liabilities	19,803,297	-	-	19,803,297
Total Current Liabilities	<u>289,648,409</u>	<u>5,545,432</u>	<u>40,971,242</u>	<u>336,165,083</u>
Noncurrent Liabilities				
Revenue bonds and loans	2,792,690,251	-	-	2,792,690,251
BC Note obligation	34,013,118	-	-	34,013,118
Regional system lease	474,206,004	-	-	474,206,004
Other liabilities	14,953,725	-	-	14,953,725
Net pension liability	23,766,386	-	-	23,766,386
Total Noncurrent Liabilities	<u>3,339,629,484</u>	<u>-</u>	<u>-</u>	<u>3,339,629,484</u>
Total Liabilities	<u>3,629,277,893</u>	<u>5,545,432</u>	<u>40,971,242</u>	<u>3,675,794,567</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	68,414,617	-	-	68,414,617
Deferred amounts for swap terminations	297	-	-	297
Total Deferred Inflows of Resources	<u>68,414,914</u>	<u>-</u>	<u>-</u>	<u>68,414,914</u>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	(357,718,261)	-	172,408,157	(185,310,104)
Restricted for construction	2,258,067	-	-	2,258,067
Restricted for debt service	123,745,273	-	-	123,745,273
Restricted for payment assistance program	785,088	-	-	785,088
Unrestricted	<u>(159,062,180)</u>	<u>138,290,279</u>	<u>-</u>	<u>(20,771,901)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (389,992,013)</u>	<u>\$ 138,290,279</u>	<u>\$ 172,408,157</u>	<u>\$ (79,293,577)</u>

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - SEWAGE DISPOSAL FUND  
For the Year Ended June 30, 2024

	Sewer Operations Fund	Sewer Improvement and Extension Fund	Sewer Construction Fund	Total Sewage Disposal Fund
<b>Operating Revenues</b>				
Wholesale charges	\$ 282,767,090	\$ -	\$ -	\$ 282,767,090
Local system charges	196,569,600	-	-	196,569,600
Industrial waste charges	8,617,495	-	-	8,617,495
Pollutant surcharges	4,088,519	-	-	4,088,519
Bad debt recovery credit	(15,556,900)	-	-	(15,556,900)
Other revenues	494,425	-	-	494,425
<b>Total Operating Revenues</b>	<u>476,980,229</u>	<u>-</u>	<u>-</u>	<u>476,980,229</u>
<b>Operating Expenses</b>				
Operating expenses before depreciation and amortization				
Personnel	71,050,649	-	-	71,050,649
Contractual services	61,919,491	188,448	-	62,107,939
Utilities	39,243,251	-	-	39,243,251
Chemicals	19,128,291	-	-	19,128,291
Supplies and other expenses	30,509,642	-	-	30,509,642
Capital program allocation	(1,396,306)	-	-	(1,396,306)
Intergovernmental reimbursements	(1,508,934)	(188,178)	-	(1,697,112)
Total operating expenses before depreciation and amortization	218,946,084	270	-	218,946,354
Depreciation	154,486,270	-	-	154,486,270
Amortization of intangible assets	854,812	-	-	854,812
<b>Total Operating Expenses</b>	<u>374,287,166</u>	<u>270</u>	<u>-</u>	<u>374,287,436</u>
<b>Operating Income (Loss)</b>	<u>102,693,063</u>	<u>(270)</u>	<u>-</u>	<u>102,692,793</u>
<b>Nonoperating Revenues (Expenses)</b>				
Earnings on investments	17,728,369	6,843,741	9,994,116	34,566,226
Interest income from other receivables	15,748,345	-	-	15,748,345
Interest expense	(144,356,792)	-	-	(144,356,792)
Amortization of debt related items and cost of issuance	(11,202,157)	-	-	(11,202,157)
Legacy pension recovery (expense)	(4,300,495)	-	-	(4,300,495)
Water Residential Assistance Program	(3,834,918)	-	-	(3,834,918)
Other	2,175,961	25,237	6,796,158	8,997,356
Discontinued capital projects	-	-	-	-
Capital projects	148,275,893	(12,871,797)	(135,404,096)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>20,234,206</u>	<u>(6,002,819)</u>	<u>(118,613,822)</u>	<u>(104,382,435)</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	122,927,269	(6,003,089)	(118,613,822)	(1,689,642)
<b>Transfer in</b>	6,335,921	27,412,365	130,033,637	163,781,923
<b>Transfer out</b>	(143,433,237)	(6,027,318)	(14,321,368)	(163,781,923)
<b>Capital Contributions</b>	<u>257,750</u>	<u>40,040</u>	<u>29,820,462</u>	<u>30,118,252</u>
<b>Change in Net Position</b>	(13,912,297)	15,421,998	26,918,909	28,428,610
NET POSITION (DEFICIT), Beginning of Year	<u>(376,079,716)</u>	<u>122,868,281</u>	<u>145,489,248</u>	<u>(107,722,187)</u>
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<u>\$ (389,992,013)</u>	<u>\$ 138,290,279</u>	<u>\$ 172,408,157</u>	<u>\$ (79,293,577)</u>

Note: Transfers in (out) are used for recording financial activity related to borrowing proceeds and MBO requirements.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

## SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2024

Interfund balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur and when the payment between funds are made. Interfund balances for the year ended June 30, 2024 consisted of the following:

	Sewage Disposal Fund due to Water Fund			
	Sewer Operations Fund	Sewer Improvement and Extension Fund	Sewer Construction Fund	Total
Water Operations Fund	\$ -	\$ -	\$ -	\$ -
Water Improvement and Extension Fund	-	4,505,051	-	4,505,051
Water Construction Fund	-	-	50,711	50,711
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ 4,505,051</b>	<b>\$ 50,711</b>	<b>\$ 4,555,762</b>

	Water Fund due to Sewage Disposal Fund			
	Water Operations Fund	Water Improvement and Extension Fund	Water Construction Fund	Total
Sewer Operations	\$ -	\$ 9,330	\$ -	\$ 9,330
Sewer Improvement and Extension	379,098	-	-	379,098
Sewer Construction Fund	1,773,298	-	-	1,773,298
<b>TOTALS</b>	<b>\$ 2,152,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,161,726</b>

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

## SCHEDULE OF OPERATING EXPENSES FOR WATER OPERATIONS FUND - BUDGET TO ACTUAL

For the Year Ended June 30, 2024

	Adopted Budget	Amended Budget	Administrative and Centralized Services Reclassification	Final Amended Budget	Actual	Variance Over (Under) Amended Budget	Percent Over (Under) Amended Budget
<b>Operating Expenses</b>							
Personnel	\$ 81,151,700	\$ 85,346,800	\$ (30,309,700)	\$ 55,037,100	\$ 54,404,612	\$ (632,488)	-1.15%
Contractual services	82,011,600	93,437,600	(41,180,900)	52,256,700	51,934,899	(321,801)	-0.62%
Utilities	28,376,200	34,325,700	(173,900)	34,151,800	32,695,479	(1,456,321)	-4.26%
Chemicals	11,415,400	12,430,400	-	12,430,400	11,947,114	(483,286)	-3.89%
Supplies and other expenses	20,352,700	24,246,100	(9,713,300)	14,532,800	11,583,805	(2,948,995)	-20.29%
Capital program allocation	(2,327,400)	(1,356,600)	-	(1,356,600)	(1,451,128)	(94,528)	6.97%
Intergovernmental reimbursements	(1,070,300)	(1,405,300)	-	(1,405,300)	(3,303,735)	(1,898,435)	135.09%
Centralized services allocation	(54,346,300)	(58,065,900)	58,065,900	-	-	-	0.00%
Administrative services allocation	(18,363,100)	(20,085,700)	20,085,700	-	-	-	0.00%
Unallocated reserve	5,705,900	-	-	-	-	-	0.00%
Total operating expenses before depreciation and amortization financial reporting basis	152,906,400	168,873,100	(3,226,200)	165,646,900	157,811,046	(7,835,854)	
SBITA [1]	-	-	3,226,200	3,226,200	3,226,137	(63)	0.00%
<b>TOTAL OPERATING EXPENSES BUDGET BASIS</b>	<b>\$ 152,906,400</b>	<b>\$ 168,873,100</b>	<b>\$ -</b>	<b>\$ 168,873,100</b>	<b>\$ 161,037,183</b>	<b>\$ (7,835,917)</b>	<b>-4.64%</b>

[1] The subscription based information technology arrangements (SBITA) costs are an expense for budget purposes. These costs are treated differently for financial reporting purposes under GASB 96. See Note 2 in the Notes to Supplementary Information.

Note: Centralized and administrative services allocations have been applied to the expense categories above for presentation of the amended budget to the actual amounts.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

## SCHEDULE OF OPERATING EXPENSES FOR SEWER OPERATIONS FUND - BUDGET TO ACTUAL

For the Year Ended June 30, 2024

	Adopted Budget	Amended Budget	Administrative and Centralized Services Reclassification	Final Amended Budget	Actual	Variance Over (Under) Amended Budget	Percent Over (Under) Amended Budget
<b>Operating Expenses</b>							
Personnel	\$ 39,735,400	\$ 40,305,700	\$ 30,309,700	\$ 70,615,400	\$ 71,050,649	\$ 435,249	0.62%
Contractual services	24,877,600	27,476,300	35,737,300	63,213,600	61,919,491	(1,294,109)	-2.05%
Utilities	35,019,000	39,497,700	173,900	39,671,600	39,243,251	(428,349)	-1.08%
Chemicals	19,036,400	20,393,700	-	20,393,700	19,128,291	(1,265,409)	-6.20%
Supplies and other expenses	13,666,800	21,117,700	8,203,000	29,320,700	30,509,642	1,188,942	4.05%
Capital program allocation	(1,905,300)	(1,267,600)	-	(1,267,600)	(1,396,306)	(128,706)	10.15%
Intergovernmental reimbursements	(585,500)	(801,600)	-	(801,600)	(1,508,934)	(707,334)	88.24%
Centralized services allocation	54,346,300	58,065,900	(58,065,900)	-	-	-	0.00%
Administrative services allocation	18,363,100	20,085,700	(20,085,700)	-	-	-	0.00%
Unallocated reserve	3,089,900	-	-	-	-	-	0.00%
Total operating expenses before depreciation and amortization financial reporting basis	205,643,700	224,873,500	(3,727,700)	221,145,800	218,946,084	(2,199,716)	
SBITA [1]	-	-	3,226,200	3,226,200	3,226,137	(63)	0.00%
Warehouse lease [2]	-	-	501,500	501,500	501,512	12	0.00%
<b>TOTAL OPERATING EXPENSES BUDGET BASIS</b>	<b>\$ 205,643,700</b>	<b>\$ 224,873,500</b>	<b>\$ -</b>	<b>\$ 224,873,500</b>	<b>\$ 222,673,733</b>	<b>\$ (2,199,767)</b>	<b>-0.98%</b>

[1] The subscription based information technology arrangements (SBITA) costs are an expense for budget purposes. These costs are treated differently for financial reporting purposes under GASB 96. See Note 2 in the Notes to Supplementary Information.

[2] The warehouse lease is an expense for budget purposes. For financial reporting it is accounted for under GASB 87. See Note 2 in the Notes to Supplementary Information.

Note: Centralized and administrative services allocations have been applied to the expense categories above for presentation of the amended budget to the actual amounts.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

SCHEDULE OF OPERATING EXPENSES FOR COMBINED WATER AND SEWER OPERATIONS FUNDS - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

	Adopted Budget	Final Amended Budget	Actual	Variance Over (Under) Amended Budget	Percent Over (Under) Amended Budget
<b>Operating Expenses</b>					
Personnel	\$ 120,887,100	\$ 125,652,500	\$ 125,455,261	\$ (197,239)	-0.16%
Contractual services	106,889,200	115,470,300	113,854,390	(1,615,910)	-1.40%
Utilities	63,395,200	73,823,400	71,938,730	(1,884,670)	-2.55%
Chemicals	30,451,800	32,824,100	31,075,405	(1,748,695)	-5.33%
Supplies and other expenses	34,019,500	43,853,500	42,093,447	(1,760,053)	-4.01%
Capital program allocation	(4,232,700)	(2,624,200)	(2,847,434)	(223,234)	8.51%
Intergovernmental reimbursements	(1,655,800)	(2,206,900)	(4,812,669)	(2,605,769)	118.07%
Centralized services allocation	-	-	-	-	0.00%
Administrative services allocation	-	-	-	-	0.00%
Unallocated reserve	8,795,800	-	-	-	0.00%
Total operating expenses before depreciation and amortization financial reporting basis	358,550,100	386,792,700	376,757,130	(10,035,570)	
SBITA	-	6,452,400	6,452,274	(126)	0.00%
Warehouse lease	-	501,500	501,512	12	0.00%
<b>TOTAL OPERATING EXPENSES BUDGET BASIS</b>	<u>\$ 358,550,100</u>	<u>\$ 393,746,600</u>	<u>\$ 383,710,916</u>	<u>\$ (10,035,684)</u>	-2.55%

The accompanying notes to the supplementary information are an integral part of this schedule.



**GREAT LAKES WATER AUTHORITY**  
**SCHEDULE OF REVENUE REQUIREMENTS**  
**BUDGET TO ACTUAL - WATER OPERATIONS**  
For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget using a revenue requirements method for its operating funds that aligns with water and wastewater revenue charges. This method applies an accrual basis of accounting for revenues and operating expenses in addition to a cash basis of accounting for other commitments, such as debt service, Detroit General Retirement closed pension commitment, lease payment, reserves and certain other payments. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual revenues, expenses, and other payments. Overall, Water Operations experienced a positive variance of \$5.0 million.

	Adopted Budget	Amended Budget	Actual	Variance Over (Under) Amended Budget
<b>Revenues</b>				
Revenue from Charges				
Wholesale Charges [1]	\$ 340,540,600	\$ 333,229,600	\$ 331,520,336	\$ (1,709,264)
Local System Charges	25,537,200	25,537,200	25,537,200	-
Bad Debt Recovery Credit	-	(5,026,500)	(5,152,500)	(126,000)
<b>Total Revenue from Charges</b>	<u>366,077,800</u>	<u>353,740,300</u>	<u>351,905,036</u>	<u>(1,835,264)</u>
Investment Earnings [2]				
Unrestricted	3,067,000	12,640,000	13,343,940	703,940
Restricted for Debt Service	994,700	5,411,000	4,992,455	(418,545)
<b>Total Investment Earnings</b>	<u>4,061,700</u>	<u>18,051,000</u>	<u>18,336,395</u>	<u>285,395</u>
Other Revenue [3]	175,000	942,900	901,919	(40,981)
<b>Total Revenues</b>	<u>\$ 370,314,500</u>	<u>\$ 372,734,200</u>	<u>\$ 371,143,350</u>	<u>\$ (1,590,850)</u>
<b>Revenue Requirements</b>				
Operations and Maintenance Expense [4]	152,906,400	168,873,100	161,037,183	(7,835,917)
Debt Service	159,482,800	162,236,100	160,622,417	(1,613,683)
General Retirement System Pension	3,395,500	1,505,500	1,505,500	-
Water Residential Assistance Program Contribution	1,851,600	1,851,600	1,851,600	-
Extraordinary Repair & Replacement Deposit	-	-	2,836,000	2,836,000
Regional System Lease	22,500,000	22,500,000	22,500,000	-
Transfer to the Improvement & Extension Fund	30,178,200	15,767,900	15,767,900	-
<b>Total Revenue Requirements</b>	<u>\$ 370,314,500</u>	<u>\$ 372,734,200</u>	<u>\$ 366,120,600</u>	<u>\$ (6,613,600)</u>
<b>Revenue Requirement Variance [5]</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,022,750</u>	<u>\$ 5,022,750</u>

[1] Revenue from Charges - Wholesale Charges presented in this schedule differs from those presented on the Statement of Revenues, Expenses and Changes in Net Position due to \$5,990,831 of revenue which was credited for the KWA debt service which is a non-cash transaction that is the payment obligation on the raw water rights.

[2] Restricted investment earnings are those earned on the debt service and debt reserve accounts that can only be used for the Debt Service requirement. Investment earnings excludes earnings on bond proceeds in the construction fund. As required by the Master Bond Ordinance investment earnings on bond proceeds will remain in the Construction Fund. All other investment earnings are reported in the unrestricted classification.

[3] Other Revenue includes other operating revenues and other nonoperating revenues for the Water Operations Fund. Numbers will not match combining schedules as other nonoperating is net of income and expenses.

[4] See the Schedule of Operating Expenses for Water Operations Fund - Budget to Actual. Operations and maintenance expenses in this schedule are based on activities relating only to the Water Operations Fund.

[5] Revenue Requirement Variance represents the difference between revenues and expenses on a budget basis. To the extent that there is a positive variance, a post year end closing analysis is performed. Depending on cash flow requirements, some or all of this variance may be transferred to the Improvement & Extension funds in the subsequent year. This schedule reflects a budgeting basis analysis that is used to prepare member charges. It does not reflect net income for financial reporting purposes. See the Schedule of Revenue Requirements to Statement of Revenues, Expenses and Changes in Net Position Crosswalk which reconciles the budget basis to the financial reporting basis which is based on generally accepted accounting principles.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

SCHEDULE OF REVENUE REQUIREMENTS  
BUDGET TO ACTUAL - SEWAGE DISPOSAL OPERATIONS

For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget using a revenue requirements method for its operating funds that aligns with water and wastewater revenue charges. This method applies an accrual basis of accounting for revenues and operating expenses in addition to a cash basis of accounting for other commitments, such as debt service, Detroit General Retirement closed pension commitment, lease payment, reserves and certain other payments. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual revenues, expenses, and other payments. Overall, Sewage Disposal Operations had a positive variance of \$0.3 million.

	Adopted Budget	Amended Budget	Actual	Variance Over (Under) Amended Budget
<b>Revenues</b>				
Revenue from Charges				
Wholesale Charges	\$ 282,687,600	\$ 282,878,600	\$ 282,767,090	\$ (111,510)
Local System Charges	196,569,600	196,569,600	196,569,600	-
Industrial Waste Control	8,584,200	8,560,200	8,617,495	57,295
Pollutant Surcharges	5,328,300	5,328,300	4,088,519	(1,239,781)
Less: Bad Debt Recovery Credit	-	(15,000,000)	(15,556,900)	(556,900)
Total Revenue from Charges	<u>493,169,700</u>	<u>478,336,700</u>	<u>476,485,804</u>	<u>(1,850,896)</u>
Investment Earnings [1]				
Unrestricted	5,567,000	16,096,000	16,344,105	248,105
Restricted for Debt Service	1,490,300	6,786,000	6,824,701	38,701
Total Investment Earnings	<u>7,057,300</u>	<u>22,882,000</u>	<u>23,168,806</u>	<u>286,806</u>
Other Revenue (Expense) [2]	<u>400,000</u>	<u>1,129,800</u>	<u>(827,846)</u>	<u>(1,957,646)</u>
<b>Total Revenues</b>	<u>\$ 500,627,000</u>	<u>\$ 502,348,500</u>	<u>\$ 498,826,764</u>	<u>\$ (3,521,736)</u>
<b>Revenue Requirements</b>				
Operations and Maintenance Expense [3]	205,643,700	224,873,500	222,673,733	(2,199,767)
Debt Service	228,328,300	230,975,500	229,316,502	(1,658,998)
General Retirement System Pension	6,479,300	3,096,800	3,096,800	-
Water Residential Assistance Program Contribution	2,503,100	2,503,100	2,503,104	4
Regional System Lease	27,500,000	27,500,000	27,500,004	4
Transfer to the Improvement & Extension Fund	<u>30,172,600</u>	<u>13,399,600</u>	<u>13,399,600</u>	<u>-</u>
<b>Total Revenue Requirements</b>	<u>\$ 500,627,000</u>	<u>\$ 502,348,500</u>	<u>\$ 498,489,743</u>	<u>\$ (3,858,757)</u>
<b>Revenue Requirement Variance [4]</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,021</u>	<u>\$ 337,021</u>

[1] Restricted investment earnings are those earned on the debt service and debt reserve accounts that can only be used for the Debt Service requirement. Investment earnings excludes earnings on bond proceeds in the construction fund. As required by the Master Bond Ordinance investment earnings on bond proceeds will remain in the Construction Fund. All other investment earnings are reported in the unrestricted classification.

[2] Other revenue (expense) includes other operating revenues and other nonoperating revenues for the Sewer Operations Fund. Amounts will not match combining schedules as other nonoperating is net of income and expenses. The amount is shown as an expense as there was a prior year revenue accrual in the O&M fund that was reclassified to the construction fund which was greater than the other revenue for the current year.

[3] See the Schedule of Operating Expenses for Sewer Operations Fund - Budget to Actual. Operations and maintenance expenses in this schedule are based on activities relating only to the Sewer Operations Fund.

[4] Revenue Requirement Variance represents the difference between revenues and expenses on a budget basis. To the extent that there is a positive variance, a post year end closing analysis is performed. Depending on cash flow requirements, some or all of this variance may be transferred to the Improvement & Extension funds in the subsequent year. This schedule reflects a budgeting basis analysis that is used to prepare member charges. It does not reflect net income for financial reporting purposes. See the Schedule of Revenue Requirements to Statement of Revenues, Expenses and Changes in Net Position Crosswalk which reconciles the budget basis to the financial reporting basis which is based on generally accepted accounting principles.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

SCHEDULE OF REVENUE REQUIREMENTS TO STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION CROSSWALK

For the Year Ended June 30, 2024

The Great Lakes Water Authority establishes a Revenue Requirements budget for the purpose of establishing charges for services which follows a modified cash basis of accounting. Conversely, the annual financial report is prepared in accordance with Generally Accepted Accounting Principles for enterprise funds of a local government. Because the budget and the financial report are prepared using different bases of accounting, a crosswalk is prepared to reconcile fiscal year financial performance from the budget basis of accounting to the financial statement basis of accounting. Key areas of reconciliation include the following:

- Defined Benefit Pension related to the City of Detroit General Employees Retirement System. Annual contributions are an expense for the budget basis while the accrual basis financial report reflects the current year payment as a deferred outflow.
- Debt Service, BC Note obligation and Regional system lease (principal and interest) are an expense for the budget basis while the accrual basis financial report treats interest as an expense and principal payments as a reduction of a liability.
- WRAP funds are expensed for budget purposes when they are set aside. For financial reporting purposes they are expensed when the service delivery partners provide statements of expenditures.
- Contributions to the Extraordinary Repair & Replacement Fund and Regional System Improvement & Extension Fund are an expense for the budget basis while the accrual basis financial report treats this activity as an increase in assets.
- Payments for the warehouse lease and subscription based information technology arrangements (SBITA) are expensed for budget purposes. For financial reporting purposes the warehouse lease is recorded under GASB 87 and payments are treated as a reduction in the lease liability and interest expense (which is a nonoperating expense). For software as a service that is in the implementation phase the SBITA payments are recorded under GASB 96 and are treated as a prepaid subscription asset. For software as a service that has been implemented the payments are treated as a reduction of the subscription liability and interest expense.
- Depreciation and amortization are not a components of the budget basis while the accrual basis financial report treats these as an expense.

	Water Fund	Sewage Disposal Fund	Total Business-type Activities
<b>Revenue Requirement Variance from Schedule of Revenue Requirements</b>	\$ 5,022,750	\$ 337,021	\$ 5,359,771
<b>Budgetary adjustments to financial reporting basis</b>			
Pension delayed accounting election adjustments:			
Prior year pension deferral accounted for in current year	(2,402,938)	(4,300,495)	(6,703,433)
Administrative fee adjustment	827,952	1,481,769	2,309,721
Debt service	70,332,151	122,569,649	192,901,800
BC Note obligation	214,143	481,699	695,842
Regional system lease	5,949,069	7,271,084	13,220,153
Water Residential Assistance Program (WRAP)	(1,085,920)	(1,331,814)	(2,417,734)
Extraordinary Repair & Replacement Fund transfers	2,836,000	-	2,836,000
Improvement & Extension Fund transfers	15,767,900	13,399,600	29,167,500
GASB 87 & GASB 96 adjustments	3,191,532	3,582,576	6,774,108
<b>Nonbudgeted financial reporting adjustments</b>			
Depreciation and amortization	(114,539,122)	(155,341,082)	(269,880,204)
Amortization - debt related	7,047,178	(11,202,157)	(4,154,979)
Improvement & Extension Fund operating expenses	-	(270)	(270)
Investment earnings on bond funds in Construction Fund	8,266,429	9,994,116	18,260,545
Investment earnings unrealized gain (loss)	684,317	1,403,304	2,087,621
Raw water rights obligation	3,033,732	-	3,033,732
Other nonoperating income (expenses)	(2,730,525)	9,965,358	7,234,833
Capital contribution	10,313,987	30,118,252	40,432,239
<b>Change in Net Position per Statement of Revenues, Expenses and Changes in Net Position</b>	<b>\$ 12,728,635</b>	<b>\$ 28,428,610</b>	<b>\$ 41,157,245</b>

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

WATER IMPROVEMENT AND EXTENSION FUND - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget for the uses of the Improvement & Extension Funds. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual activity in the Water I&E Fund. The Water I&E Fund experienced an increase of \$10.5 million in net position and a positive budget variance of \$2.1 million.

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers in from Water Operations Fund				
Revenue transfers	\$ 30,178,200	\$ 15,767,900	\$ 15,767,900	\$ -
Transfers in from Water Construction Fund				
Working capital adjustment [1]	-	4,303,700	4,232,467	(71,233)
Investment earnings [2]	1,694,800	7,205,000	7,195,419	(9,581)
Total Inflows	<u>31,873,000</u>	<u>27,276,600</u>	<u>27,195,786</u>	<u>(80,814)</u>
<b>Outflows</b>				
Capital outlay	11,539,100	11,666,800	11,102,762	(564,038)
Transfers out to Water Operations Fund				
Investment earnings [2]	1,694,800	7,205,000	5,613,858	(1,591,142)
Transfer out to Water Construction Fund				
Revenue financed capital	7,713,000	-	-	-
Total Outflows	<u>20,946,900</u>	<u>18,871,800</u>	<u>16,716,620</u>	<u>(2,155,180)</u>
<b>Net Increase (Decrease) - Budget Basis</b>	<u>\$ 10,926,100</u>	<u>\$ 8,404,800</u>	10,479,166	<u>\$ 2,074,366</u>
Non-budgeted inflows (outflows)				
Unrealized net decrease in fair value of investments			(18,028)	
<b>Combining Schedule Water Improvement and Extension Fund Change in Net Position [3]</b>			<u>\$ 10,461,138</u>	

[1] The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund during the year for expenditures which qualified for grants that were originally paid for with I&E funds.

[2] As required by the Master Bond Ordinance, investment earnings on I&E funds are transferred to the receiving fund on a monthly basis.

[3] See the Combining Schedule of Revenues, Expenses and Changes in Net Position - Water Fund. Information in this schedule is based on activity in the Water Improvement and Extension Fund.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

SEWER IMPROVEMENT AND EXTENSION FUND - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget for the uses of the Improvement & Extension Funds. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual activity in the Sewer I&E Fund. The Sewer I&E Fund experienced an increase of \$15.4 million in net position and a negative budget variance of \$2.9 million.

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers in from Sewer Operations Fund				
Revenue transfers	\$ 30,172,600	\$ 13,399,600	\$ 13,399,600	\$ -
Transfers in from Sewer Construction Fund				
Working capital adjustment [1]	-	14,012,800	14,012,765	(35)
Grants and Capital Contributions	-	40,000	65,277	25,277
Investment earnings [2]	<u>2,133,000</u>	<u>6,821,000</u>	<u>6,814,694</u>	<u>(6,306)</u>
Total Inflows	<u>32,305,600</u>	<u>34,273,400</u>	<u>34,292,336</u>	<u>18,936</u>
<b>Outflows</b>				
Capital outlay	14,970,500	9,113,600	12,871,797	3,758,197
Capital spending other (net operating expenses)			270	270
Transfers out to Sewer Operations Fund				
Investment earnings [2]	2,133,000	6,821,000	6,027,318	(793,682)
Total Outflows	<u>17,103,500</u>	<u>15,934,600</u>	<u>18,899,385</u>	<u>2,964,785</u>
<b>Net Increase (Decrease) - Budget Basis</b>	<u>\$ 15,202,100</u>	<u>\$ 18,338,800</u>	15,392,951	<u>\$ (2,945,849)</u>
Non-budgeted inflows (outflows)				
Unrealized net increase in fair value of investments			<u>29,047</u>	
<b>Combining Schedule Sewer Improvement and Extension Fund Change in Net Position [3]</b>			<u>\$ 15,421,998</u>	

[1] The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund during the year for expenditures which qualified for grants that were originally paid for with I&E funds.

[2] As required by the Master Bond Ordinance, investment earnings on I&E funds are transferred to the receiving fund on a monthly basis.

[3] See the Combining Schedule of Revenues, Expenses and Changes in Net Position - Sewage Disposal Fund. Information in this schedule is based on activity in the Sewer Improvement and Extension Fund.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

WATER CONSTRUCTION FUND - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget for the use of the Construction Funds. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual activity in the Water Construction Fund. The Water Construction Fund had an increase of \$24.6 million in net position and a positive budget variance of \$16.9 million.

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers from Water Improvement & Extension Fund				
Revenue financed capital	\$ 7,713,000	\$ -	\$ -	\$ -
Transfers in from Water Operations Fund				
Bond proceeds	-	150,570,000	150,569,980	(20)
State revolving loans	97,102,000	35,187,000	35,186,655	(345)
Grants and Capital Contributions	-	8,651,700	10,313,987	1,662,287
Investment earnings [1]	1,864,700	8,151,000	8,266,834	115,834
<b>Total Inflows</b>	<u>106,679,700</u>	<u>202,559,700</u>	<u>204,337,456</u>	<u>1,777,756</u>
<b>Outflows</b>				
Capital Program	239,260,000	190,000,000	174,991,574	(15,008,426)
Transfers out to Water Operations Fund				
Bond cost of issuance	-	561,400	561,383	(17)
Transfers out to Water Improvement & Extension Fund				
Working capital adjustment [2]	-	4,303,700	4,232,467	(71,233)
<b>Total Outflows</b>	<u>239,260,000</u>	<u>194,865,100</u>	<u>179,785,424</u>	<u>(15,079,676)</u>
<b>Net Increase (Decrease) - Budget Basis</b>	<u>\$ (132,580,300)</u>	<u>\$ 7,694,600</u>	24,552,032	<u>\$ 16,857,432</u>
Non-budgeted inflows (outflows)				
Unrealized net decrease in fair value of investments			(405)	
<b>Combining Schedule Water Construction Fund Change in Net Position [3]</b>			<u>\$ 24,551,627</u>	

- [1] As required by the Master Bond Ordinance investment earnings on I&E funds are transferred to the receiving fund on a monthly basis. Any earnings on bond proceeds will remain in the Construction Fund.
- [2] The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund during the year for expenditures which qualified for grants that were originally paid for with I&E funds.
- [3] See the Combining Schedule of Revenues, Expenses and Changes in Net Position - Water Fund. Information in this schedule is based on activity in the Water Construction Fund.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

SEWER CONSTRUCTION FUND - BUDGET TO ACTUAL  
For the Year Ended June 30, 2024

The Great Lakes Water Authority Board adopts a budget for the use of the Construction Funds. The schedule below presents the Board adopted budget, adjusted for amendments, for comparison with actual activity in the Sewer Construction Fund. The Sewer Construction Fund had an increase of \$26.9 million in net position and a positive budget variance of approximately \$12.2 million.

	Adopted Budget	Amended Budget	Actual [3]	Variance Over (Under) Amended Budget
<b>Inflows</b>				
Transfers in from Sewer Improvement & Extension Fund				
Revenue financed capital	\$ -	\$ -	\$ -	\$ -
Transfers in from Sewer Operations Fund				
Bond proceeds	-	100,315,500	100,315,497	(3)
State revolving loans	47,253,000	29,022,000	29,718,140	696,140
Grants and Capital Contributions	-	29,743,000	36,616,620	6,873,620
Investment earnings [1]	2,365,600	9,742,000	9,822,393	80,393
<b>Total Inflows</b>	<b>49,618,600</b>	<b>168,822,500</b>	<b>176,472,650</b>	<b>7,650,150</b>
<b>Outflows</b>				
Capital Program	199,061,000	140,000,000	135,404,096	(4,595,904)
Transfers out to Sewer Operations Fund				
Bond cost of issuance	-	307,300	307,293	(7)
Transfers out to Sewer Improvement & Extension Fund				
Working capital adjustment [2]	-	14,012,800	14,012,765	(35)
<b>Total Outflows</b>	<b>199,061,000</b>	<b>154,320,100</b>	<b>149,724,154</b>	<b>(4,595,946)</b>
<b>Net Increase (Decrease) - Budget Basis</b>	<b>\$ (149,442,400)</b>	<b>\$ 14,502,400</b>	<b>26,748,496</b>	<b>\$ 12,246,096</b>
Non-budgeted inflows (outflows)				
Unrealized net increase in fair value of investments			171,723	
Other			(1,310)	
<b>Combining Schedule Sewer Construction Fund Change in Net Position [3]</b>			<b>\$ 26,918,909</b>	

- [1] As required by the Master Bond Ordinance investment earnings on I&E funds are transferred to the receiving fund on a monthly basis. Any earnings on bond proceeds will remain in the Construction Fund.
- [2] The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund during the year for expenditures which qualified for grants that were originally paid for with I&E funds.
- [3] See the Combining Schedule of Revenues, Expenses and Changes in Net Position - Sewage Disposal Fund. Information in this schedule is based on activity in the Sewer Construction Fund.

The accompanying notes to the supplementary information are an integral part of this schedule.

## GREAT LAKES WATER AUTHORITY

## SCHEDULE OF DAYS CASH - LIQUIDITY

For the Fiscal Years Ended June

	2024	2023	2022	2021	2020	2019	2018	2017	2016*
<b>Water Fund</b>									
Cash and investments - Unrestricted	\$ 276,591,461	\$ 243,707,322	\$ 238,690,879	\$ 353,308,385	\$ 394,440,814	\$ 347,204,928	\$ 317,089,746	\$ 267,335,558	\$ 167,292,572
Operating Expense									
Operating expense	\$ 272,350,168	\$ 285,219,474	\$ 264,578,659	\$ 250,476,297	\$ 263,282,730	\$ 263,959,730	\$ 254,602,752	\$ 245,868,861	\$ 120,841,204
Less: depreciation	(110,557,350)	(126,485,762)	(123,196,027)	(123,271,541)	(127,183,228)	(140,571,120)	(143,991,815)	(144,137,912)	(71,295,545)
Less: amortization of intangible asset	(3,981,772)	(3,566,664)	(3,566,664)	(3,566,664)	(3,566,664)	(3,566,664)	(2,080,554)	-	-
Net Operating Expense	\$ 157,811,046	\$ 155,167,048	\$ 137,815,968	\$ 123,638,092	\$ 132,532,838	\$ 119,821,946	\$ 108,530,383	\$ 101,730,949	\$ 49,545,659
Operating Expense per Day (365 days)	\$ 432,359	\$ 425,115	\$ 377,578	\$ 338,734	\$ 363,104	\$ 328,279	\$ 297,344	\$ 278,715	\$ 273,733
Number of days cash	640	573	632	1,043	1,086	1,058	1,066	959	611
<b>Sewage Disposal Fund</b>									
Cash and investments - Unrestricted	\$ 342,252,746	\$ 302,269,621	\$ 294,173,630	\$ 323,972,718	\$ 287,464,920	\$ 236,057,128	\$ 208,563,268	\$ 205,179,312	\$ 188,063,375
Operating Expense									
Operating expense	\$ 374,287,436	\$ 375,566,668	\$ 345,372,010	\$ 328,983,415	\$ 329,870,427	\$ 342,585,175	\$ 363,629,987	\$ 336,946,731	\$ 170,401,050
Less: depreciation	(154,486,270)	(163,470,838)	(158,013,629)	(150,772,065)	(152,920,967)	(168,544,370)	(187,250,583)	(185,628,465)	(86,021,029)
Less: amortization of intangible asset	(854,812)	(439,704)	(439,704)	(109,926)	-	-	-	-	-
Net Operating Expense	\$ 218,946,354	\$ 211,656,126	\$ 186,918,677	\$ 178,101,424	\$ 176,949,460	\$ 174,040,805	\$ 176,379,404	\$ 151,318,266	\$ 84,380,021
Operating Expense per Day (365 days)	\$ 599,853	\$ 579,880	\$ 512,106	\$ 487,949	\$ 484,793	\$ 476,824	\$ 483,231	\$ 414,571	\$ 466,188
Number of days cash	571	521	574	664	593	495	432	495	403
<b>Combined</b>									
Cash and investments - Unrestricted	\$ 618,844,207	\$ 545,976,943	\$ 532,864,509	\$ 677,281,103	\$ 681,905,734	\$ 583,262,056	\$ 525,653,014	\$ 472,514,870	\$ 355,355,947
Operating Expense									
Operating expense	\$ 646,637,604	\$ 660,786,142	\$ 609,950,669	\$ 579,459,712	\$ 593,153,157	\$ 606,544,905	\$ 618,232,739	\$ 582,815,592	\$ 291,242,254
Less: depreciation	(265,043,620)	(289,956,600)	(281,209,656)	(274,043,606)	(280,104,195)	(309,115,490)	(331,242,398)	(329,766,377)	(157,316,574)
Less: amortization of intangible asset	(4,836,584)	(4,006,368)	(4,006,368)	(3,566,664)	(3,566,664)	(3,566,664)	(2,080,554)	-	-
Net Operating Expense	\$ 376,757,400	\$ 366,823,174	\$ 324,734,645	\$ 301,849,442	\$ 309,482,298	\$ 293,862,751	\$ 284,909,787	\$ 253,049,215	\$ 133,925,680
Operating Expense per Day (365 days)	\$ 1,032,212	\$ 1,004,995	\$ 889,684	\$ 826,985	\$ 847,897	\$ 805,103	\$ 780,575	\$ 693,286	\$ 739,921
Number of days cash	600	543	599	819	804	724	673	682	480

\* GLWA assumed operations on January 1, 2016. Data for 2016 includes six months of operation under GLWA. Operating expense per day for 2016 is computed using 181 days (six months of operations).

The accompanying notes to the supplementary information are an integral part of this schedule.



**GREAT LAKES WATER AUTHORITY**NOTES TO SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024

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**Note 1 – Combining Fund Schedules**

The Combining Fund Schedules presented combined the six funds the Authority maintains into the two major funds reported in the Basic Financial Statements, the Water Fund and Sewage Disposal Fund. The following describes the six funds and the purpose of each fund.

**Water Operations Fund** – All water revenues are credited to this fund. All expenses for the operations and maintenance of the water system are paid from this fund. This fund aligns with the operations and maintenance (O&M) expense revenue requirement for establishing service charges.

**Sewer Operations Fund** – All sewer revenues are credited to this fund. All expenses for the operations and maintenance of the wastewater system are paid from this fund. This fund aligns with the operations and maintenance (O&M) expense revenue requirement for establishing service charges.

**Water Improvement & Extension Fund (I&E)** – Amounts that are budgeted in the water revenue requirement to reduce debt financing are transferred to this fund as well as any other water funds that management has determined are available for this use. This fund is used for water system capital outlays and capital improvements.

**Sewer Improvement & Extension Fund (I&E)** – Amounts that are budgeted in the wastewater revenue requirement to reduce debt financing are transferred to this fund as well as any other wastewater funds that management has determined are available for this use. This fund is used for wastewater system capital outlays and capital improvements.

**Water Construction Fund** – This fund is used for the proceeds of water debt obligations and investment earnings thereon. I&E funds may also be transferred to this fund when bond proceeds have been exhausted. Funds are used to pay for water system capital improvements in accordance with the debt obligations.

**Sewer Construction Fund** – This fund is used for the proceeds of sewer debt obligations and investment earnings thereon. I&E funds may also be transferred to this fund when bond proceeds have been exhausted. Funds are used to pay for the wastewater system capital improvements in accordance with the debt obligations.

## GREAT LAKES WATER AUTHORITY

### NOTES TO SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2024

#### **Note 2 – Budget to Actual Schedules**

##### ***Schedule of Operating Expenses – Budget to Actual***

The schedule of operating expenses for the water operations and the sewer operations provides the detail of the major expense categories of the operations budget compared to the actual results. The schedule includes the actual operating expenses before depreciation and amortization for the Water Operations Fund and the Sewer Operations Fund reported in the Combining Schedule of Revenues, Expenses and Changes in Net position for the Water Fund and the Sewage Disposal Fund. The warehouse lease line represents the total lease payments made for the warehouse which is included in the budget as an operating lease. For financial reporting purposes the warehouse payments are treated as a reduction in the lease liability and interest expense (which is a nonoperating expense). The subscription-based information technology arrangements (SBITA) payments line represents the payments made for the SBITA's which is included in the budget as a contractual service for the implementation portion and under supplies and other expenses for the payment of the software as a service. For financial reporting purposes the implementation costs have been treated as a prepaid subscription asset for the software that is not in service as of June 30, 2024. For the software that was placed in service during the current fiscal year, payments made on the software as a service are treated as a reduction to the subscription liability for the right to use asset and interest expense.

##### ***Schedule of Revenue Requirement – Budget to Actual***

The revenue requirements are the basis for GLWA's budget and calculating Member Partner service charges. The revenue requirements are presented to align with the Master Bond Ordinance flow of funds categories. The budget basis reflects revenues and operations and maintenance expenses on an accrual basis adjusted for GASB 87 and GASB 96 as described in the note above. The budget also includes the cash payments for debt service, legacy pension obligations, water residential assistance program and regional system lease related activities.

The revenue requirement basis is foundational to GLWA's daily operations and long-term financial planning. The budget is adopted by the GLWA Board of Directors by resolution. The Board's action establishes the total operations and maintenance budget, total debt service requirements and total capital expenditures for the I&E Fund and Construction Fund for both the Regional Water System and the Regional Sewer System. The legal level of budgetary control is at this level. Administratively, the budget may be modified within these categories. Modifications to the budget beyond those established levels would be presented to the Audit Committee, and subsequently to the Board.

Investment earnings for the budget basis includes the stated interest rate received, amortization of the market discount or premium, and realized gains and losses (calculated for budget purposes as the difference between the selling price and the amortized cost basis). This will vary from the investment earnings reported in the basic financial statements. The main difference is the budget basis does not include unrealized gains and losses (calculated for budget purposes as the difference between the market value and the amortized cost basis).

#### **Note 3 – Schedule of Revenue Requirement to Statement of Revenues, Expenses and Changes in Net Position Crosswalk**

The Great Lakes Water Authority establishes a revenue requirement budget for the purposes of establishing charges, which follows a modified cash basis of accounting. The financial report is prepared in accordance with Generally Accepted Accounting Principles for enterprise funds of a local government. The crosswalk provides a reconciliation between the different basis of accounting used for the budget and the financial report.

## STATISTICAL SECTION

The objective of the statistical section is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess the Authority's economic condition.

The statistical section is divided into five sections as follows:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information

**Sources:** Unless otherwise noted, information presented in the statistical schedules is compiled from GLWA's Annual Comprehensive Financial Reports, the prior financial reports of DWSD or other internal information systems.

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## **FINANCIAL TRENDS**

Financial trends information is intended to show how the Authority's financial position has changed over time.

**GREAT LAKES WATER AUTHORITY**  
SCHEDULE OF NET POSITION - BUSINESS-TYPE ACTIVITIES

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Assets</b>									
Current Assets									
Cash and cash equivalents	\$ 443,798,752	\$ 482,735,648	\$ 347,655,417	\$ 354,351,132	\$ 208,356,720	\$ 309,015,559	\$ 509,141,777	\$ 470,231,842	\$ 311,735,186
Restricted cash and cash equivalents	307,389,483	264,777,942	87,643,974	151,186,044	65,364,730	164,495,839	105,929,392	132,967,081	134,210,268
Restricted cash for the benefit of DWSD	58,146,817	42,463,972	20,469,633	6,064,197	1,544,529	3,318,316	8,418,827	288,378	62,078
Investments	175,045,455	63,241,295	185,209,092	322,929,971	473,549,014	274,246,497	16,511,237	2,283,028	43,620,761
Restricted investments	100,776,070	43,673,481	103,754,094	31,690,982	117,966,914	34,852,593	33,025,340	32,541,021	56,661,000
Receivables									
Billed	59,831,592	111,310,366	118,892,413	108,247,576	95,159,661	98,886,172	88,712,190	88,694,341	85,676,104
Unbilled	36,096,073	57,768,194	54,395,207	54,387,680	54,893,266	50,441,488	54,429,817	53,818,603	55,345,336
Other	89,591	401,558	1,292,666	574,906	310,373	1,137,526	3,728,886	3,158,350	114,648,035
Allowance for doubtful accounts	(6,006,614)	(58,846,688)	(56,823,732)	(50,884,273)	(44,991,966)	(42,257,915)	(39,084,816)	(35,352,009)	(124,009,242)
Due from other governments	6,517,578	11,881,282	13,454,460	13,240,859	31,802,636	30,243,156	47,927,860	50,789,041	107,688,300
Due from other funds	6,717,488	3,247,468	2,328,086	2,948,712	2,134,191	2,889,522	3,778,220	-	65,971
Contractual obligation receivable	38,734,494	36,669,011	33,529,695	31,195,900	29,661,490	26,418,147	24,813,886	23,339,242	11,929,259
Shortfall receivable - DWSD	-	-	-	8,296,578	18,206,431	17,542,669	9,367,355	-	-
Prepaid items and other assets	18,010,354	16,473,691	13,622,385	11,744,542	10,150,336	8,448,932	4,949,631	3,526,568	2,591,049
Inventories	10,420,267	10,649,496	8,366,771	7,795,152	7,007,208	5,832,593	8,471,626	8,509,454	9,984,063
Total Current Assets	<u>1,255,567,400</u>	<u>1,086,446,716</u>	<u>933,790,161</u>	<u>1,053,769,958</u>	<u>1,071,115,533</u>	<u>985,511,094</u>	<u>880,121,228</u>	<u>834,794,940</u>	<u>810,208,168</u>
Noncurrent Assets									
Restricted cash and cash equivalents	297,077,701	162,962,263	5,264,591	5,395,501	47,505,584	94,185,040	48,263,059	306,318,331	160,949,722
Restricted investments	7,325,544	134,324,735	40,691,319	38,533,910	39,819,506	150,978,512	293,697,988	101,708,122	105,028,079
Contractual obligation receivable	866,415,659	899,049,912	919,288,110	936,811,819	954,297,909	883,248,672	812,613,943	830,432,680	832,571,741
Shortfall receivable - DWSD	-	-	-	-	8,296,578	26,503,010	19,932,645	-	-
Prepaid lease	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	-
Capital assets									
Nondepreciable/nonamortizable	1,172,921,362	1,088,758,476	887,940,328	813,485,421	719,865,490	786,405,120	706,046,995	730,471,792	711,434,348
Depreciated/amortized, net	3,307,213,601	3,319,883,704	3,527,083,870	3,644,679,801	3,786,833,157	3,849,136,489	4,089,136,230	4,178,315,045	4,427,945,555
Prepaid insurance on debt	-	15,142,970	16,773,793	18,357,442	19,988,764	22,635,151	29,933,631	32,694,221	48,653,581
Total Noncurrent Assets	<u>5,675,953,867</u>	<u>5,645,122,060</u>	<u>5,422,042,011</u>	<u>5,482,263,894</u>	<u>5,601,606,988</u>	<u>5,838,091,994</u>	<u>6,024,624,491</u>	<u>6,204,940,191</u>	<u>6,286,583,026</u>
Total Assets	<u>6,931,521,267</u>	<u>6,731,568,776</u>	<u>6,355,832,172</u>	<u>6,536,033,852</u>	<u>6,672,722,521</u>	<u>6,823,603,088</u>	<u>6,904,745,719</u>	<u>7,039,735,131</u>	<u>7,096,791,194</u>
<b>Deferred Outflows of Resources</b>									
Deferred charge on refunding	75,062,279	133,948,479	152,338,303	163,387,050	174,435,795	241,879,138	280,975,963	297,646,441	328,659,457
Deferred pension amounts	14,891,972	47,723,960	30,158,700	61,687,252	42,661,204	31,717,285	52,015,636	59,954,478	37,997,043
Total Deferred Outflows of Resources	<u>89,954,251</u>	<u>181,672,439</u>	<u>182,497,003</u>	<u>225,074,302</u>	<u>217,096,999</u>	<u>273,596,423</u>	<u>332,991,599</u>	<u>357,600,919</u>	<u>366,656,500</u>

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Liabilities</b>									
Current Liabilities									
Accounts and contracts payable	\$ 122,248,743	\$ 113,308,498	\$ 94,379,034	\$ 85,221,415	\$ 74,070,629	\$ 74,662,036	\$ 67,832,136	\$ 64,298,400	\$ 85,626,614
Accrued salaries, wages and benefits	2,767,908	2,063,359	2,060,030	6,028,598	5,321,864	4,284,220	4,734,956	3,190,038	2,887,280
Accrued liabilities	62,468,484	53,951,292	25,004,633	11,573,811	5,357,056	7,109,589	12,679,692	2,252,616	1,550,254
Due to other governments	7,203,563	6,874,058	21,360,601	19,443,993	20,032,254	15,963,934	11,983,407	61,242,386	37,893,903
Due to other funds	6,717,488	3,247,468	2,328,086	2,948,712	2,134,191	2,889,522	3,778,220	-	65,971
Interest payable	95,118,780	82,190,367	70,965,548	71,811,380	58,452,960	84,456,284	80,431,318	80,340,520	81,139,013
Current portion of:									
Revenue bonds and loans	261,405,480	149,725,340	127,403,800	119,909,733	121,998,075	117,602,109	81,756,050	89,314,212	96,552,356
Raw water rights obligation	3,085,994	2,963,619	2,845,282	2,734,246	2,624,820	2,520,996	2,999,458	-	-
BC Note obligation	3,257,960	695,845	662,710	631,153	601,097	572,474	545,213	519,251	494,524
Regional system leases	13,734,365	13,174,371	12,637,211	12,121,951	11,627,700	11,153,602	10,698,835	10,262,609	9,844,169
Other liabilities	24,455,219	29,182,845	6,813,946	5,867,203	6,380,583	5,751,747	5,687,043	6,714,210	7,789,273
Total Current Liabilities	<u>602,463,984</u>	<u>457,377,062</u>	<u>366,460,881</u>	<u>338,292,195</u>	<u>308,601,229</u>	<u>326,966,513</u>	<u>283,126,328</u>	<u>318,134,242</u>	<u>323,843,357</u>
Noncurrent Liabilities									
Revenue bonds and loans	5,421,029,379	5,491,493,953	5,149,961,142	5,319,896,659	5,474,913,736	5,630,571,800	5,714,095,283	5,842,482,161	5,876,115,822
Raw water rights obligation	86,466,161	89,552,155	92,515,774	95,361,056	98,095,302	100,720,123	103,241,118	-	-
BC Note obligation	49,134,645	52,392,606	53,088,452	53,751,162	54,382,315	54,983,412	55,555,887	56,101,100	56,620,351
Regional system lease	862,192,735	875,927,100	889,101,471	901,738,681	913,860,632	925,488,338	936,641,935	947,340,770	957,603,379
Other liabilities	20,202,991	33,578,631	21,122,269	21,514,839	18,757,906	18,771,285	18,437,517	11,340,902	46,002,543
Net pension liability	<u>37,046,052</u>	<u>63,174,607</u>	<u>65,221,327</u>	<u>144,305,198</u>	<u>132,909,889</u>	<u>131,981,165</u>	<u>178,961,907</u>	<u>194,075,547</u>	<u>170,229,438</u>
Total Noncurrent Liabilities	<u>6,476,071,963</u>	<u>6,606,119,052</u>	<u>6,271,010,435</u>	<u>6,536,567,595</u>	<u>6,692,919,780</u>	<u>6,862,516,123</u>	<u>7,006,933,647</u>	<u>7,051,340,480</u>	<u>7,106,571,533</u>
Total Liabilities	<u>7,078,535,947</u>	<u>7,063,496,114</u>	<u>6,637,471,316</u>	<u>6,874,859,790</u>	<u>7,001,521,009</u>	<u>7,189,482,636</u>	<u>7,290,059,975</u>	<u>7,369,474,722</u>	<u>7,430,414,890</u>
<b>Deferred Inflows of Resources</b>									
Deferred gain on refunding	133,311,884	81,269,853	88,783,069	96,296,284	103,809,499	108,300,657	105,907,267	112,080,430	-
Deferred amounts for swap terminations	52,283	57,089	61,895	84,205	106,515	240,839	270,150	299,461	4,373,886
Deferred capital contribution	-	-	-	-	5,960,000	-	-	-	-
Deferred pension amounts	-	-	31,311,922	-	-	-	20,254,690	18,316,430	43,342,798
Total Deferred Inflows of Resources	<u>133,364,167</u>	<u>81,326,942</u>	<u>120,156,886</u>	<u>96,380,489</u>	<u>109,876,014</u>	<u>108,541,496</u>	<u>126,432,107</u>	<u>130,696,321</u>	<u>47,716,684</u>
<b>Net Position (Deficit)</b>									
Net investment in capital assets	(428,661,605)	(336,552,993)	(194,715,306)	(302,012,473)	(351,218,780)	(228,867,586)	(49,720,885)	140,378,223	311,166,676
Restricted for construction	2,258,067	2,180,985	-	-	-	-	-	-	-
Restricted for debt service	213,673,818	147,436,260	123,414,653	114,544,694	105,282,969	146,977,835	125,235,904	134,125,957	178,591,676
Restricted for payment assistance program	1,716,187	4,652,563	12,318,423	11,043,109	8,988,078	8,001,369	5,771,110	5,336,117	3,504,148
Unrestricted	<u>20,588,937</u>	<u>(49,298,656)</u>	<u>(160,316,797)</u>	<u>(33,707,455)</u>	<u>15,370,230</u>	<u>(126,936,239)</u>	<u>(260,040,893)</u>	<u>(382,675,290)</u>	<u>(507,946,380)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (190,424,596)</u>	<u>\$ (231,581,841)</u>	<u>\$ (219,299,027)</u>	<u>\$ (210,132,125)</u>	<u>\$ (221,577,503)</u>	<u>\$ (200,824,621)</u>	<u>\$ (178,754,764)</u>	<u>\$ (102,834,993)</u>	<u>\$ (14,683,880)</u>

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
SCHEDULE OF NET POSITION - WATER FUND

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Assets</b>									
<b>Current Assets</b>									
Cash and cash equivalents	\$ 190,551,656	\$ 222,625,550	\$ 147,191,020	\$ 162,766,427	\$ 88,786,996	\$ 148,643,793	\$ 310,085,221	\$ 266,483,138	\$ 155,712,891
Restricted cash and cash equivalents	141,618,876	127,679,570	49,069,747	65,677,030	39,304,453	68,564,311	51,097,342	60,753,268	53,028,844
Restricted cash for the benefit of DWSD	24,695,007	17,474,699	11,371,285	3,144,400	1,544,529	2,690,397	8,418,827	288,378	10,430
Investments	86,039,805	21,081,772	91,499,859	190,541,958	305,653,818	198,561,135	7,004,525	852,420	11,579,681
Restricted investments	43,009,504	9,975,144	30,711,544	2,932,400	30,900,352	1,468,148	1,234,954	1,169,187	27,818,000
Receivables									
Billed	44,621,471	55,359,908	54,169,640	48,694,817	38,769,605	38,336,701	38,272,740	36,459,563	37,629,170
Unbilled	26,015,465	33,527,694	30,349,758	30,066,884	31,032,237	26,144,348	29,229,709	29,539,433	32,307,945
Other	82,346	286,079	295,791	85,494	214,997	916,074	5,850	1,300	21,899,046
Allowance for doubtful accounts	(6,000,000)	(16,225,907)	(13,917,234)	(11,562,519)	(8,634,075)	(7,455,747)	(6,221,815)	(4,941,777)	(25,040,612)
Due from other governments	2,607,102	5,785,565	11,246,188	11,889,748	20,343,238	30,063,571	23,588,754	21,327,713	41,486,157
Due from other funds	4,555,762	1,032,754	2,328,086	2,786,344	2,134,191	2,876,954	330,293	-	-
Contractual obligation receivable	21,990,092	20,608,286	18,126,021	16,558,716	15,620,163	14,328,368	13,560,086	12,076,942	6,851,584
Prepaid items and other assets	11,528,504	10,795,086	8,701,487	7,601,239	6,458,613	5,647,661	3,265,972	2,437,047	2,183,690
Inventories	-	-	-	794,521	636,621	386,612	-	-	-
<b>Total Current Assets</b>	<u>591,315,590</u>	<u>510,006,200</u>	<u>441,143,192</u>	<u>531,977,459</u>	<u>572,765,738</u>	<u>531,172,326</u>	<u>479,872,458</u>	<u>426,446,612</u>	<u>365,466,826</u>
<b>Noncurrent Assets</b>									
Restricted cash and cash equivalents	128,140,663	96,480,165	2,773,291	2,519,127	20,491,397	32,154,262	18,261,706	177,939,494	5,460,942
Restricted investments	1,953,942	22,002,166	9,506,991	8,651,762	10,770,585	77,075,423	150,436,225	20,530,374	42,841,345
Contractual obligation receivable	528,292,868	544,820,801	549,493,189	552,093,376	554,942,283	468,481,719	477,039,443	483,604,380	466,317,666
Prepaid lease	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	-
Capital assets									
Nondepreciable/nonamortizable	708,545,333	670,557,112	567,414,021	498,010,970	418,996,654	467,830,218	434,684,895	452,185,674	415,558,090
Depreciated/amortized, net	1,366,169,471	1,330,639,811	1,384,312,298	1,418,773,460	1,487,915,510	1,492,118,136	1,604,038,058	1,587,291,603	1,728,054,410
Prepaid insurance on debt	-	5,995,322	6,649,782	7,304,243	7,958,703	8,754,897	13,002,376	14,112,324	20,831,496
<b>Total Noncurrent Assets</b>	<u>2,744,352,277</u>	<u>2,681,745,377</u>	<u>2,531,399,572</u>	<u>2,498,602,938</u>	<u>2,512,325,132</u>	<u>2,557,664,655</u>	<u>2,708,712,703</u>	<u>2,746,913,849</u>	<u>2,679,063,949</u>
<b>Total Assets</b>	<u>3,335,667,867</u>	<u>3,191,751,577</u>	<u>2,972,542,764</u>	<u>3,030,580,397</u>	<u>3,085,090,870</u>	<u>3,088,836,981</u>	<u>3,188,585,161</u>	<u>3,173,360,461</u>	<u>3,044,530,775</u>
<b>Deferred Outflows of Resources</b>									
Deferred charge on refunding	24,498,242	39,316,288	41,997,055	44,677,823	47,358,590	82,508,971	94,431,823	99,294,499	116,511,949
Deferred pension amounts	5,338,231	17,107,308	10,810,800	22,112,642	15,292,494	11,369,496	18,645,719	21,491,506	13,620,562
<b>Total Deferred Outflows of Resources</b>	<u>29,836,473</u>	<u>56,423,596</u>	<u>52,807,855</u>	<u>66,790,465</u>	<u>62,651,084</u>	<u>93,878,467</u>	<u>113,077,542</u>	<u>120,786,005</u>	<u>130,132,511</u>



	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Liabilities</b>									
Current Liabilities									
Accounts and contracts payable	\$ 64,672,188	\$ 60,207,304	\$ 56,890,771	\$ 53,039,330	\$ 43,231,679	\$ 36,657,714	\$ 33,754,534	\$ 36,751,842	\$ 49,474,527
Accrued salaries, wages and benefits	2,261,789	1,757,758	1,046,674	4,892,033	5,321,864	4,284,220	4,734,956	3,190,038	2,887,280
Accrued liabilities	28,883,806	25,111,216	15,261,427	6,958,556	5,357,056	6,481,670	12,679,692	1,353,816	875,796
Due to other governments	2,903,115	3,124,058	17,610,601	15,693,993	18,282,254	15,963,934	11,935,868	25,393,813	13,668,890
Due to other funds	2,161,726	2,214,714	-	162,368	-	12,568	3,447,927	-	65,971
Interest payable	48,294,351	41,789,634	36,398,995	36,621,768	30,887,915	40,325,682	39,322,324	39,329,322	37,226,125
Current portion of:									
Revenue bonds and loans	111,145,612	62,332,082	40,091,255	32,500,450	33,058,615	29,244,447	20,569,843	23,393,905	35,650,167
Raw water rights obligation	3,085,994	2,963,619	2,845,282	2,734,246	2,624,820	2,520,996	2,999,458	-	-
BC Note obligation	1,002,660	214,151	203,954	194,242	184,992	176,183	167,794	159,803	152,193
Regional system lease	6,180,464	5,928,467	5,686,745	5,454,878	5,232,465	5,019,121	4,814,476	4,618,174	4,429,876
Other liabilities	4,651,922	3,743,223	3,378,083	3,123,843	5,331,161	4,938,308	4,635,565	2,182,888	6,675,228
Total Current Liabilities	<u>275,243,627</u>	<u>209,386,226</u>	<u>179,413,787</u>	<u>161,375,707</u>	<u>149,512,821</u>	<u>145,624,843</u>	<u>139,062,437</u>	<u>136,373,601</u>	<u>151,106,053</u>
Noncurrent Liabilities									
Revenue bonds and loans	2,628,339,128	2,592,206,224	2,359,238,286	2,407,391,624	2,459,730,737	2,467,177,447	2,545,529,255	2,606,465,431	2,488,824,632
Raw water rights obligation	86,466,161	89,552,155	92,515,774	95,361,056	98,095,302	100,720,123	103,241,118	-	-
BC Note obligation	15,121,527	16,124,188	16,338,339	16,542,293	16,736,534	16,921,526	17,097,709	17,265,503	17,425,306
Regional system lease	387,986,731	394,167,195	400,095,662	405,782,406	411,237,284	416,469,750	421,488,871	426,303,346	430,921,520
Other liabilities	5,249,266	3,713,668	4,132,979	4,138,780	4,840,615	4,979,604	4,933,977	5,170,201	9,784,562
Net pension liability	13,279,666	22,645,805	23,379,480	51,728,179	47,643,374	47,310,460	64,151,352	69,569,044	61,021,079
Total Noncurrent Liabilities	<u>3,136,442,479</u>	<u>3,118,409,235</u>	<u>2,895,700,520</u>	<u>2,980,944,338</u>	<u>3,038,283,846</u>	<u>3,053,578,910</u>	<u>3,156,442,282</u>	<u>3,124,773,525</u>	<u>3,007,977,099</u>
Total Liabilities	<u>3,411,686,106</u>	<u>3,327,795,461</u>	<u>3,075,114,307</u>	<u>3,142,320,045</u>	<u>3,187,796,667</u>	<u>3,199,203,753</u>	<u>3,295,504,719</u>	<u>3,261,147,126</u>	<u>3,159,083,152</u>
Deferred Inflows of Resources									
Deferred gain on refunding	64,897,267	44,182,654	48,216,421	52,250,187	56,283,953	60,317,719	59,252,431	62,822,646	-
Deferred amounts for swap terminations	51,986	56,712	61,438	66,164	70,890	75,616	80,342	85,068	4,134,908
Deferred pension amounts	-	-	11,224,189	-	-	-	7,260,572	6,565,776	15,536,821
Total Deferred Inflows of Resources	<u>64,949,253</u>	<u>44,239,366</u>	<u>59,502,048</u>	<u>52,316,351</u>	<u>56,354,843</u>	<u>60,393,335</u>	<u>66,593,345</u>	<u>69,473,490</u>	<u>19,671,729</u>
Net Position (Deficit)									
Net investment in capital assets	(243,351,501)	(198,390,747)	(109,163,683)	(191,352,010)	(237,858,820)	(166,485,092)	(84,133,546)	(2,321,309)	90,778,518
Restricted for debt service	89,928,545	56,139,482	31,660,045	23,688,943	19,479,656	29,731,576	23,239,368	26,194,280	69,797,836
Restricted for payment assistance program	931,099	2,289,905	5,272,708	4,614,294	3,754,368	3,369,875	2,462,214	2,218,373	1,451,598
Unrestricted	41,360,838	16,101,706	(37,034,806)	65,783,239	118,215,240	56,502,001	(2,003,397)	(62,565,494)	(166,119,547)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (111,131,019)</u>	<u>\$ (123,859,654)</u>	<u>\$ (109,265,736)</u>	<u>\$ (97,265,534)</u>	<u>\$ (96,409,556)</u>	<u>\$ (76,881,640)</u>	<u>\$ (60,435,361)</u>	<u>\$ (36,474,150)</u>	<u>\$ (4,091,595)</u>

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
SCHEDULE OF NET POSITION - SEWAGE DISPOSAL FUND

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Assets</b>									
<b>Current Assets</b>									
Cash and cash equivalents	\$ 253,247,096	\$ 260,110,098	\$ 200,464,397	\$ 191,584,705	\$ 119,569,724	\$ 160,371,766	\$ 199,056,556	\$ 203,748,704	\$ 156,022,295
Restricted cash and cash equivalents	165,770,607	137,098,372	38,574,227	85,509,014	26,060,277	95,931,528	54,832,050	72,213,813	81,181,424
Restricted cash for the benefit of DWSD	33,451,810	24,989,273	9,098,348	2,919,797	-	627,919	-	-	51,648
Investments	89,005,650	42,159,523	93,709,233	132,388,013	167,895,196	75,685,362	9,506,712	1,430,608	32,041,080
Restricted investments	57,766,566	33,698,337	73,042,550	28,758,582	87,066,562	33,384,445	31,790,386	31,371,834	28,843,000
Receivables									
Billed	15,210,121	55,950,458	64,722,773	59,552,759	56,390,056	60,549,471	50,439,450	52,234,778	48,046,934
Unbilled	10,080,608	24,240,500	24,045,449	24,320,796	23,861,029	24,297,140	25,200,108	24,279,170	23,037,391
Other	7,245	115,479	996,875	489,412	95,376	221,452	3,723,036	3,157,050	92,748,989
Allowance for doubtful accounts	(6,614)	(42,620,781)	(42,906,498)	(39,321,754)	(36,357,891)	(34,802,168)	(32,863,001)	(30,410,232)	(98,968,630)
Due from other governments	3,910,476	6,095,717	2,208,272	1,351,111	11,459,398	179,585	24,339,106	29,461,328	66,202,143
Due from other funds	2,161,726	2,214,714	-	162,368	-	12,568	3,447,927	-	65,971
Contractual obligation receivable	16,744,402	16,060,725	15,403,674	14,637,184	14,041,327	12,089,779	11,253,800	11,262,300	5,077,675
Shortfall receivable - DWSD	-	-	-	8,296,578	18,206,431	17,542,669	9,367,355	-	-
Prepaid items and other assets	6,481,850	5,678,605	4,920,898	4,143,303	3,691,723	2,801,271	1,683,659	1,089,521	407,359
Inventories	10,420,267	10,649,496	8,366,771	7,000,631	6,370,587	5,445,981	8,471,626	8,509,454	9,984,063
<b>Total Current Assets</b>	<b>664,251,810</b>	<b>576,440,516</b>	<b>492,646,969</b>	<b>521,792,499</b>	<b>498,349,795</b>	<b>454,338,768</b>	<b>400,248,770</b>	<b>408,348,328</b>	<b>444,741,342</b>
<b>Noncurrent Assets</b>									
Restricted cash and cash equivalents	168,937,038	66,482,098	2,491,300	2,876,374	27,014,187	62,030,778	30,001,353	128,378,837	155,488,780
Restricted investments	5,371,602	112,322,569	31,184,328	29,882,148	29,048,921	73,903,089	143,261,763	81,177,748	62,186,734
Contractual obligation receivable	338,122,791	354,229,111	369,794,921	384,718,443	399,355,626	414,766,953	335,574,500	346,828,300	366,254,075
Shortfall receivable - DWSD	-	-	-	-	8,296,578	26,503,010	19,932,645	-	-
Prepaid lease	13,750,000	13,750,000	13,750,000	13,750,000	13,750,000	13,750,000	13,750,000	13,750,000	-
Capital assets									
Nondepreciable/nonamortizable	464,376,029	418,201,364	320,526,307	315,474,451	300,868,836	318,574,902	271,362,100	278,286,118	295,876,258
Depreciated/amortized, net	1,941,044,130	1,989,243,893	2,142,771,572	2,225,906,341	2,298,917,647	2,357,018,353	2,485,098,172	2,591,023,442	2,699,891,145
Prepaid insurance on debt	-	9,147,648	10,124,011	11,053,199	12,030,061	13,880,254	16,931,255	18,581,897	27,822,085
<b>Total Noncurrent Assets</b>	<b>2,931,601,590</b>	<b>2,963,376,683</b>	<b>2,890,642,439</b>	<b>2,983,660,956</b>	<b>3,089,281,856</b>	<b>3,280,427,339</b>	<b>3,315,911,788</b>	<b>3,458,026,342</b>	<b>3,607,519,077</b>
<b>Total Assets</b>	<b>3,595,853,400</b>	<b>3,539,817,199</b>	<b>3,383,289,408</b>	<b>3,505,453,455</b>	<b>3,587,631,651</b>	<b>3,734,766,107</b>	<b>3,716,160,558</b>	<b>3,866,374,670</b>	<b>4,052,260,419</b>
<b>Deferred Outflows of Resources</b>									
Deferred charge on refunding	50,564,037	94,632,191	110,341,248	118,709,227	127,077,205	159,370,167	186,544,140	198,351,942	212,147,508
Deferred pension amounts	9,553,741	30,616,652	19,347,900	39,574,610	27,368,710	20,347,789	33,369,917	38,462,972	24,376,481
<b>Total Deferred Outflows of Resources</b>	<b>60,117,778</b>	<b>125,248,843</b>	<b>129,689,148</b>	<b>158,283,837</b>	<b>154,445,915</b>	<b>179,717,956</b>	<b>219,914,057</b>	<b>236,814,914</b>	<b>236,523,989</b>

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Liabilities</b>									
Current Liabilities									
Accounts and contracts payable	\$ 57,576,555	\$ 53,101,194	\$ 37,488,263	\$ 32,182,085	\$ 30,838,950	\$ 38,004,322	\$ 34,077,602	\$ 27,546,558	\$ 36,152,087
Accrued salaries, wages and benefits	506,119	305,601	1,013,356	1,136,565	-	-	-	-	-
Accrued liabilities	33,584,678	28,840,076	9,743,206	4,615,255	-	627,919	-	898,800	674,458
Due to other governments	4,300,448	3,750,000	3,750,000	3,750,000	1,750,000	-	47,539	35,848,573	24,225,013
Due to other funds	4,555,762	1,032,754	2,328,086	2,786,344	2,134,191	2,876,954	330,293	-	-
Interest payable	46,824,429	40,400,733	34,566,553	35,189,612	27,565,045	44,130,602	41,108,994	41,011,198	43,912,888
Current portion of:									
Revenue bonds and loans	150,259,868	87,393,258	87,312,545	87,409,283	88,939,460	88,357,662	61,186,207	65,920,307	60,902,189
BC Note obligation	2,255,300	481,694	458,756	436,911	416,105	396,291	377,419	359,448	342,331
Regional system lease	7,553,901	7,245,904	6,950,466	6,667,073	6,395,235	6,134,481	5,884,359	5,644,435	5,414,293
Other liabilities	19,803,297	25,439,622	3,435,863	2,743,360	1,049,422	813,439	1,051,478	4,531,322	1,114,045
<b>Total Current Liabilities</b>	<b>327,220,357</b>	<b>247,990,836</b>	<b>187,047,094</b>	<b>176,916,488</b>	<b>159,088,408</b>	<b>181,341,670</b>	<b>144,063,891</b>	<b>181,760,641</b>	<b>172,737,304</b>
Noncurrent Liabilities									
Revenue bonds and loans	2,792,690,251	2,899,287,729	2,790,722,856	2,912,505,035	3,015,182,999	3,163,394,353	3,168,566,028	3,236,016,730	3,387,291,190
BC Note obligation	34,013,118	36,268,418	36,750,113	37,208,869	37,645,781	38,061,886	38,458,178	38,835,597	39,195,045
Regional system lease	474,206,004	481,759,905	489,005,809	495,956,275	502,623,348	509,018,588	515,153,064	521,037,424	526,681,859
Other liabilities	14,953,725	29,864,963	16,989,290	17,376,059	13,917,291	13,791,681	13,503,540	6,170,701	36,217,981
Net pension liability	23,766,386	40,528,802	41,841,847	92,577,019	85,266,515	84,670,705	114,810,555	124,506,503	109,208,359
<b>Total Noncurrent Liabilities</b>	<b>3,339,629,484</b>	<b>3,487,709,817</b>	<b>3,375,309,915</b>	<b>3,555,623,257</b>	<b>3,654,635,934</b>	<b>3,808,937,213</b>	<b>3,850,491,365</b>	<b>3,926,566,955</b>	<b>4,098,594,434</b>
<b>Total Liabilities</b>	<b>3,666,849,841</b>	<b>3,735,700,653</b>	<b>3,562,357,009</b>	<b>3,732,539,745</b>	<b>3,813,724,342</b>	<b>3,990,278,883</b>	<b>3,994,555,256</b>	<b>4,108,327,596</b>	<b>4,271,331,738</b>
<b>Deferred Inflows of Resources</b>									
Deferred gain on refunding	68,414,617	37,087,199	40,566,648	44,046,097	47,525,546	47,982,938	46,654,836	49,257,784	-
Deferred amounts for swap terminations	297	377	457	18,041	35,625	165,223	189,808	214,393	238,978
Deferred capital contribution	-	-	-	-	5,960,000	-	-	-	-
Deferred pension amounts	-	-	20,087,733	-	-	-	12,994,118	11,750,654	27,805,977
<b>Total Deferred Inflows of Resources</b>	<b>68,414,914</b>	<b>37,087,576</b>	<b>60,654,838</b>	<b>44,064,138</b>	<b>53,521,171</b>	<b>48,148,161</b>	<b>59,838,762</b>	<b>61,222,831</b>	<b>28,044,955</b>
<b>Net Position (Deficit)</b>									
Net investment in capital assets	(185,310,104)	(138,162,246)	(85,551,623)	(110,660,463)	(113,359,960)	(62,382,494)	34,412,661	142,699,532	220,388,158
Restricted for construction	2,258,067	2,180,985	-	-	-	-	-	-	-
Restricted for debt service	123,745,273	91,296,778	91,754,608	90,855,751	85,803,313	117,246,259	101,996,536	107,931,677	108,793,840
Restricted for payment assistance program	785,088	2,362,658	7,045,715	6,428,815	5,233,710	4,631,494	3,308,896	3,117,744	2,052,550
Unrestricted	(20,771,901)	(65,400,362)	(123,281,991)	(99,490,694)	(102,845,010)	(183,438,240)	(258,037,496)	(320,109,796)	(341,826,833)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (79,293,577)</b>	<b>\$ (107,722,187)</b>	<b>\$ (110,033,291)</b>	<b>\$ (112,866,591)</b>	<b>\$ (125,167,947)</b>	<b>\$ (123,942,981)</b>	<b>\$ (118,319,403)</b>	<b>\$ (66,360,843)</b>	<b>\$ (10,592,285)</b>

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

Schedule 2

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
<b>Operating Revenues</b>									
Wholesale customer charges	\$ 620,278,257	\$ 616,511,308	\$ 591,839,582	\$ 589,991,584	\$ 578,705,063	\$ 584,171,596	\$ 592,096,175	\$ 594,426,876	\$ 281,883,522
Local system charges	222,106,800	213,876,500	210,359,500	209,885,200	207,102,800	201,340,700	194,099,800	202,794,400	102,660,400
Industrial waste charges	8,617,495	8,393,103	8,300,278	8,004,939	7,854,593	9,106,274	14,334,979	14,381,106	6,910,192
Pollutant surcharges	4,088,519	4,894,567	5,181,816	6,719,964	6,448,508	5,932,550	6,908,404	5,206,294	2,423,910
Bad debt recovery (credit)	(20,709,400)	-	-	-	-	-	-	40,172,155	-
Other revenues	1,149,414	2,011,011	663,953	766,943	778,257	527,663	4,455,345	576,195	4,252,477
<b>Total Operating Revenues</b>	<b>835,531,085</b>	<b>845,686,489</b>	<b>816,345,129</b>	<b>815,368,630</b>	<b>800,889,221</b>	<b>801,078,783</b>	<b>811,894,703</b>	<b>857,557,026</b>	<b>398,130,501</b>
<b>Operating Expenses</b>									
Personnel	125,455,261	114,808,018	107,053,390	106,945,131	104,266,420	98,588,599	95,525,457	86,156,304	21,590,763
Contractual services	116,144,078	116,946,973	114,094,006	103,324,025	109,448,358	101,743,758	99,877,310	90,135,859	17,179,869
Utilities	71,938,730	77,276,536	59,655,751	52,749,654	51,152,735	51,395,385	53,694,380	55,661,469	25,037,499
Chemicals	31,075,405	30,542,063	20,382,163	13,982,136	14,241,843	13,275,860	12,877,813	14,765,181	6,451,484
Supplies and other expenses	42,093,447	34,571,711	29,069,352	31,097,071	35,427,273	37,120,915	34,526,388	20,162,690	17,903,355
Capital adjustment	-	-	-	-	26,780	2,258,351	-	-	-
Capital program allocation	(2,847,434)	(2,189,642)	(2,632,136)	(3,191,809)	(3,347,401)	(3,380,755)	(1,683,450)	(2,128,078)	-
Intergovernmental reimbursements	(7,102,087)	(5,132,485)	(2,887,881)	(3,166,692)	(1,733,710)	(7,139,362)	(9,908,111)	(11,704,210)	-
Centralized services	-	-	-	-	-	-	-	-	35,228,282
Administrative services	-	-	-	-	-	-	-	-	10,534,428
Depreciation	265,043,620	289,956,600	281,209,656	274,043,606	280,104,195	309,115,490	331,242,398	329,766,377	157,316,574
Amortization of intangible assets	4,836,584	4,006,368	4,006,368	3,676,590	3,566,664	3,566,664	2,080,554	-	-
<b>Total Operating Expenses</b>	<b>646,637,604</b>	<b>660,786,142</b>	<b>609,950,669</b>	<b>579,459,712</b>	<b>593,153,157</b>	<b>606,544,905</b>	<b>618,232,739</b>	<b>582,815,592</b>	<b>291,242,254</b>
<b>Operating Income</b>	<b>188,893,481</b>	<b>184,900,347</b>	<b>206,394,460</b>	<b>235,908,918</b>	<b>207,736,064</b>	<b>194,533,878</b>	<b>193,661,964</b>	<b>274,741,434</b>	<b>106,888,247</b>
<b>Nonoperating Revenues (Expenses)</b>									
Earnings (loss) on investments	61,853,367	37,601,830	(5,384,278)	1,259,624	25,416,706	26,517,802	11,395,785	4,042,790	1,481,398
Interest on obligations receivable	39,854,908	41,059,361	42,264,765	43,722,511	42,434,884	41,777,702	38,856,520	42,332,428	21,062,500
Interest expense	(278,957,613)	(271,291,054)	(256,196,504)	(263,485,014)	(288,947,856)	(296,597,333)	(300,395,306)	(291,592,097)	(148,447,442)
Amortization of debt related items and COI	(4,154,979)	3,998,310	13,318,015	12,965,639	10,302,560	3,995,230	8,684,285	(14,937,182)	2,055,724
Legacy pension recovery (expense)	(6,703,433)	20,765,202	(13,915,303)	(22,527,961)	(20,143,505)	16,778,381	(24,922,162)	(7,021,006)	-
Water Residential Assistance Program	(6,772,438)	(12,342,512)	(2,792,837)	(1,517,453)	(3,315,117)	(2,024,119)	(3,755,534)	(2,127,333)	-
Other	6,711,713	1,752,328	153,741	(840,886)	(196,618)	(524,198)	554,677	379,409	275,693
Discontinued capital projects	-	(20,902,626)	-	-	-	-	-	-	-
Sewer lookback - MOU adjustment	-	-	-	-	-	(6,527,200)	-	-	-
<b>Total Nonoperating Expenses</b>	<b>(188,168,475)</b>	<b>(199,359,161)</b>	<b>(222,552,401)</b>	<b>(230,423,540)</b>	<b>(234,448,946)</b>	<b>(216,603,735)</b>	<b>(269,581,735)</b>	<b>(268,922,991)</b>	<b>(123,572,127)</b>
<b>Income (loss) before capital contributions and special item</b>	<b>725,006</b>	<b>(14,458,814)</b>	<b>(16,157,941)</b>	<b>5,485,378</b>	<b>(26,712,882)</b>	<b>(22,069,857)</b>	<b>(75,919,771)</b>	<b>5,818,443</b>	<b>(16,683,880)</b>
<b>Capital Contributions</b>	<b>40,432,239</b>	<b>2,176,000</b>	<b>6,991,039</b>	<b>5,960,000</b>	<b>5,960,000</b>	<b>-</b>	<b>-</b>	<b>320,707</b>	<b>2,000,000</b>
<b>Special Item - MOU with DWSD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(94,290,263)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>41,157,245</b>	<b>(12,282,814)</b>	<b>(9,166,902)</b>	<b>11,445,378</b>	<b>(20,752,882)</b>	<b>(22,069,857)</b>	<b>(75,919,771)</b>	<b>(88,151,113)</b>	<b>(14,683,880)</b>
NET POSITION (DEFICIT), Beginning of Year	(231,581,841)	(219,299,027)	(210,132,125)	(221,577,503)	(200,824,621)	(178,754,764)	(102,834,993)	(14,683,880)	-
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<b>\$ (190,424,596)</b>	<b>\$ (231,581,841)</b>	<b>\$ (219,299,027)</b>	<b>\$ (210,132,125)</b>	<b>\$ (221,577,503)</b>	<b>\$ (200,824,621)</b>	<b>\$ (178,754,764)</b>	<b>\$ (102,834,993)</b>	<b>\$ (14,683,880)</b>

\* GLWA began operations on January 1, 2016. The data for FY 2016 relates to six months of activity through June 30, 2016.

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
CHANGES IN NET POSITION - WATER FUND

Schedule 2a

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
<b>Operating Revenues</b>									
Wholesale customer charges	\$ 337,511,167	\$ 340,593,806	\$ 323,026,213	\$ 322,423,768	\$ 312,701,777	\$ 311,399,136	\$ 323,117,344	\$ 331,115,131	\$ 160,777,169
Local system charges	25,537,200	22,834,300	21,697,300	21,925,500	21,295,500	20,181,400	15,130,600	15,490,300	6,833,500
Bad debt recovery (credit)	(5,152,500)	-	-	-	-	-	-	5,107,125	-
Other revenues	654,989	350,991	234,462	265,822	256,300	21,340	64,200	37,388	54,863
<b>Total Operating Revenues</b>	<b>358,550,856</b>	<b>363,779,097</b>	<b>344,957,975</b>	<b>344,615,090</b>	<b>334,253,577</b>	<b>331,601,876</b>	<b>338,312,144</b>	<b>351,749,944</b>	<b>167,665,532</b>
<b>Operating Expenses</b>									
Personnel	54,404,612	48,855,342	44,892,622	43,889,495	43,946,225	42,085,546	41,845,295	38,261,393	8,301,022
Contractual services	54,036,139	52,817,187	50,683,897	40,410,811	46,097,405	43,083,078	35,794,549	34,257,419	3,304,113
Utilities	32,695,479	33,436,545	28,725,292	28,828,226	27,719,754	26,247,858	26,871,081	28,469,603	12,368,557
Chemicals	11,947,114	12,689,666	7,788,784	6,028,141	5,569,437	5,088,827	4,804,768	5,340,753	2,444,543
Supplies and other expenses	11,583,805	11,926,150	9,157,367	9,158,990	12,034,192	11,797,279	9,543,615	7,982,562	1,440,644
Capital adjustment	-	-	-	-	26,780	-	-	-	-
Capital program allocation	(1,451,128)	(1,172,302)	(1,618,459)	(2,123,060)	(2,164,003)	(2,054,913)	(713,779)	(977,762)	-
Intergovernmental reimbursements	(5,404,975)	(3,385,540)	(1,813,535)	(2,554,511)	(696,952)	(6,425,729)	(9,615,146)	(11,603,019)	-
Centralized services	-	-	-	-	-	-	-	-	18,494,851
Administrative services	-	-	-	-	-	-	-	-	3,191,929
Depreciation	110,557,350	126,485,762	123,196,027	123,271,541	127,183,228	140,571,120	143,991,815	144,137,912	71,295,545
Amortization of intangible asset	3,981,772	3,566,664	3,566,664	3,566,664	3,566,664	3,566,664	2,080,554	-	-
<b>Total Operating Expenses</b>	<b>272,350,168</b>	<b>285,219,474</b>	<b>264,578,659</b>	<b>250,476,297</b>	<b>263,282,730</b>	<b>263,959,730</b>	<b>254,602,752</b>	<b>245,868,861</b>	<b>120,841,204</b>
<b>Operating Income</b>	<b>86,200,688</b>	<b>78,559,623</b>	<b>80,379,316</b>	<b>94,138,793</b>	<b>70,970,847</b>	<b>67,642,146</b>	<b>83,709,392</b>	<b>105,881,083</b>	<b>46,824,328</b>
<b>Nonoperating Revenues (Expenses)</b>									
Earnings (loss) on investments	27,287,141	16,724,485	(2,361,396)	768,918	13,744,774	14,754,401	6,129,530	1,832,918	392,031
Interest on obligations receivable	24,106,563	24,662,083	25,107,207	25,474,904	22,945,866	22,921,380	23,351,220	25,269,750	12,231,250
Interest expense	(134,600,821)	(131,161,860)	(125,086,379)	(128,257,367)	(133,537,621)	(136,704,033)	(139,343,204)	(132,434,945)	(65,958,095)
Amortization of debt related items and COI	7,047,178	14,577,852	15,610,434	15,988,278	14,258,569	10,771,937	13,837,585	2,403,018	2,418,891
Legacy pension recovery (expense)	(2,402,938)	7,443,572	(4,988,132)	(8,075,457)	(7,220,716)	6,014,441	(8,933,691)	(2,516,776)	-
Water Residential Assistance Program	(2,937,520)	(5,023,436)	(1,049,908)	(593,206)	(1,393,179)	(855,455)	(1,506,554)	(884,327)	3,191,929
Other	(2,285,643)	526,389	388,656	(300,841)	703,544	(991,096)	(1,205,489)	878,305	-
Discontinued capital projects	-	(20,902,626)	-	-	-	-	-	-	-
<b>Total Nonoperating Expenses</b>	<b>(83,786,040)</b>	<b>(93,153,541)</b>	<b>(92,379,518)</b>	<b>(94,994,771)</b>	<b>(90,498,763)</b>	<b>(84,088,425)</b>	<b>(107,670,603)</b>	<b>(105,452,057)</b>	<b>(50,915,923)</b>
<b>Income (loss) before capital contributions and special item</b>	<b>2,414,648</b>	<b>(14,593,918)</b>	<b>(12,000,202)</b>	<b>(855,978)</b>	<b>(19,527,916)</b>	<b>(16,446,279)</b>	<b>(23,961,211)</b>	<b>429,026</b>	<b>(4,091,595)</b>
<b>Capital Contributions</b>	<b>10,313,987</b>								
<b>Special Item - MOU with DWSD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,811,581)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>12,728,635</b>	<b>(14,593,918)</b>	<b>(12,000,202)</b>	<b>(855,978)</b>	<b>(19,527,916)</b>	<b>(16,446,279)</b>	<b>(23,961,211)</b>	<b>(32,382,555)</b>	<b>(4,091,595)</b>
NET POSITION (DEFICIT), Beginning of Year	(123,859,654)	(109,265,736)	(97,265,534)	(96,409,556)	(76,881,640)	(60,435,361)	(36,474,150)	(4,091,595)	-
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<b>\$ (111,131,019)</b>	<b>\$ (123,859,654)</b>	<b>\$ (109,265,736)</b>	<b>\$ (97,265,534)</b>	<b>\$ (96,409,556)</b>	<b>\$ (76,881,640)</b>	<b>\$ (60,435,361)</b>	<b>\$ (36,474,150)</b>	<b>\$ (4,091,595)</b>

\* GLWA began operations on January 1, 2016. The data for FY 2016 relates to six months of activity through June 30, 2016.

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
CHANGES IN NET POSITION - SEWAGE DISPOSAL FUND

Schedule 2b

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
<b>Operating Revenues</b>									
Wholesale customer charges	\$ 282,767,090	\$ 275,917,502	\$ 268,813,369	\$ 267,567,816	\$ 266,003,286	\$ 272,772,460	\$ 268,978,831	\$ 263,311,745	\$ 121,106,353
Local system charges	196,569,600	191,042,200	188,662,200	187,959,700	185,807,300	181,159,300	178,969,200	187,304,100	95,826,900
Industrial waste charges	8,617,495	8,393,103	8,300,278	8,004,939	7,854,593	9,106,274	14,334,979	14,381,106	6,910,192
Pollutant surcharges	4,088,519	4,894,567	5,181,816	6,719,964	6,448,508	5,932,550	6,908,404	5,206,294	2,423,910
Bad debt recovery (credit)	(15,556,900)	-	-	-	-	-	-	35,065,030	-
Other revenues	494,425	1,660,020	429,491	501,121	521,957	506,323	4,391,145	538,807	4,197,614
<b>Total Operating Revenues</b>	<b>476,980,229</b>	<b>481,907,392</b>	<b>471,387,154</b>	<b>470,753,540</b>	<b>466,635,644</b>	<b>469,476,907</b>	<b>473,582,559</b>	<b>505,807,082</b>	<b>230,464,969</b>
<b>Operating Expenses</b>									
Personnel	71,050,649	65,952,676	62,160,768	63,055,636	60,320,195	56,503,053	53,680,162	47,894,911	13,289,741
Contractual services	62,107,939	64,129,786	63,410,109	62,913,214	63,350,953	58,660,680	64,082,761	55,878,440	13,875,756
Utilities	39,243,251	43,839,991	30,930,459	23,921,428	23,432,981	25,147,527	26,823,299	27,191,866	12,668,942
Chemicals	19,128,291	17,852,397	12,593,379	7,953,995	8,672,406	8,187,033	8,073,045	9,424,428	4,006,941
Supplies and other expenses	30,509,642	22,645,561	19,911,985	21,938,081	23,393,081	25,323,636	24,982,773	12,180,128	16,462,711
Capital adjustment	-	-	-	-	-	2,258,351	-	-	-
Capital program allocation	(1,396,306)	(1,017,340)	(1,013,677)	(1,068,749)	(1,183,398)	(1,325,842)	(969,671)	(1,150,316)	-
Intergovernmental reimbursements	(1,697,112)	(1,746,945)	(1,074,346)	(612,181)	(1,036,758)	(713,633)	(292,965)	(101,191)	-
Centralized services	-	-	-	-	-	-	-	-	16,733,431
Administrative services	-	-	-	-	-	-	-	-	7,342,499
Depreciation	154,486,270	163,470,838	158,013,629	150,772,065	152,920,967	168,544,370	187,250,583	185,628,465	86,021,029
Amortization of intangible assets	854,812	439,704	439,704	109,926	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>374,287,436</b>	<b>375,566,668</b>	<b>345,372,010</b>	<b>328,983,415</b>	<b>329,870,427</b>	<b>342,585,175</b>	<b>363,629,987</b>	<b>336,946,731</b>	<b>170,401,050</b>
<b>Operating Income</b>	<b>102,692,793</b>	<b>106,340,724</b>	<b>126,015,144</b>	<b>141,770,125</b>	<b>136,765,217</b>	<b>126,891,732</b>	<b>109,952,572</b>	<b>168,860,351</b>	<b>60,063,919</b>
<b>Nonoperating Revenues (Expenses)</b>									
Earnings (loss) on investments	34,566,226	20,877,345	(3,022,882)	490,706	11,671,932	11,763,401	5,266,255	2,209,872	1,089,367
Interest on obligations receivable	15,748,345	16,397,278	17,157,558	18,247,607	19,489,018	18,856,322	15,505,300	17,062,678	8,831,250
Interest expense	(144,356,792)	(140,129,194)	(131,110,125)	(135,227,647)	(155,410,235)	(159,893,300)	(161,052,102)	(159,157,152)	(82,489,347)
Amortization of debt related items and COI	(11,202,157)	(10,579,542)	(2,292,419)	(3,022,639)	(3,956,009)	(6,776,707)	(5,153,300)	(17,340,200)	(363,167)
Legacy pension recovery (expense)	(4,300,495)	13,321,630	(8,927,171)	(14,452,504)	(12,922,789)	10,763,940	(15,988,471)	(4,504,230)	-
Water Residential Assistance Program	(3,834,918)	(7,319,076)	(1,742,929)	(924,247)	(1,921,938)	(1,168,664)	(2,248,980)	(1,243,006)	-
Other	8,997,356	1,225,939	(234,915)	(540,045)	(900,162)	466,898	1,760,166	(498,896)	275,693
Discontinued capital projects	-	-	-	-	-	-	-	-	-
Sewer lookback - MOU adjustment	-	-	-	-	-	(6,527,200)	-	-	-
<b>Total Nonoperating Expenses</b>	<b>(104,382,435)</b>	<b>(106,205,620)</b>	<b>(130,172,883)</b>	<b>(135,428,769)</b>	<b>(143,950,183)</b>	<b>(132,515,310)</b>	<b>(161,911,132)</b>	<b>(163,470,934)</b>	<b>(72,656,204)</b>
<b>Income (loss) before capital contributions and special item</b>	<b>(1,689,642)</b>	<b>135,104</b>	<b>(4,157,739)</b>	<b>6,341,356</b>	<b>(7,184,966)</b>	<b>(5,623,578)</b>	<b>(51,958,560)</b>	<b>5,389,417</b>	<b>(12,592,285)</b>
<b>Capital Contributions</b>	<b>30,118,252</b>	<b>2,176,000</b>	<b>6,991,039</b>	<b>5,960,000</b>	<b>5,960,000</b>	<b>-</b>	<b>-</b>	<b>320,707</b>	<b>2,000,000</b>
<b>Special Item - MOU with DWSD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,478,882)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>28,428,610</b>	<b>2,311,104</b>	<b>2,833,300</b>	<b>12,301,356</b>	<b>(1,224,966)</b>	<b>(5,623,578)</b>	<b>(51,958,560)</b>	<b>(55,768,558)</b>	<b>(10,592,285)</b>
NET POSITION (DEFICIT), Beginning of Year	(107,722,187)	(110,033,291)	(112,866,591)	(125,167,947)	(123,942,981)	(118,319,403)	(66,360,843)	(10,592,285)	-
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<b>\$ (79,293,577)</b>	<b>\$ (107,722,187)</b>	<b>\$ (110,033,291)</b>	<b>\$ (112,866,591)</b>	<b>\$ (125,167,947)</b>	<b>\$ (123,942,981)</b>	<b>\$ (118,319,403)</b>	<b>\$ (66,360,843)</b>	<b>\$ (10,592,285)</b>

\* GLWA began operations on January 1, 2016. The data for FY 2016 relates to six months of activity through June 30, 2016.

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## REVENUE CAPACITY

Revenue capacity information is intended to show the factors affecting the Authority's ability to generate its own-source revenue.

**GREAT LAKES WATER AUTHORITY**  
 CHARGE ADJUSTMENTS  
 As Originally Adopted by the Board of Directors

Schedule 3

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 [5]
<b>Water Fund</b>										
Budgeted revenue requirement [1]	\$ 385,127,100	\$ 370,314,500	\$ 356,071,600	\$ 344,030,500	\$ 341,642,000	\$ 339,664,200	\$ 331,400,500	\$ 328,119,300	\$ 331,213,200	\$ 318,474,200
Percent change in budgeted revenue requirement	4.0%	4.0%	3.5%	0.7%	0.6%	2.5%	1.0%	-0.9%	4.0%	4.0%
Average annual charge adjustment [2]										
Total regional system	3.25%	2.75%	3.7%	1.5%	3.2%	0.6%	1.8%	1.8%	4.5%	n/a [6]
Suburban wholesale	3.0%	2.1%	3.5%	1.9%	3.1%	0.3%	0.2%	2.0%	3.4%	11.3%
Local system charge [3]	3.4%	6.2%	3.0%	-2.0%	3.0%	2.7%	14.1%	-1.0%	11.6%	n/a [6]
Number of wholesale water customers [4]	87	87	87	87	87	87	87	87	88	85
<b>Sewage Disposal Fund</b>										
Budgeted revenue requirement [1]	\$ 520,652,100	\$ 500,627,000	\$ 481,372,100	\$ 475,429,200	\$ 486,751,300	\$ 480,605,300	\$ 470,156,000	\$ 465,500,100	\$ 464,078,500	\$ 446,229,300
Percent change in budgeted revenue requirement	4.0%	4.0%	1.3%	-2.3%	1.3%	2.2%	1.0%	0.3%	4.0%	4.0%
Average annual charge adjustment [2]										
Total regional system	3.0%	2.75%	2.4%	-0.6%	2.0%	0.8%	0.1%	-0.7%	8.3%	n/a [6]
Suburban wholesale	1.7%	2.6%	3.2%	-0.1%	1.7%	-0.1%	1.3%	1.8%	4.9%	-1.1%
Local system charge [3]	4.6%	2.8%	1.2%	-0.7%	2.3%	2.5%	1.2%	-4.2%	13.9%	n/a [6]
Number of wholesale sewer customers [4]	18	18	18	18	18	18	18	18	18	21

[1] This is the revenue requirements in the original adopted budget for the fiscal year which is used in the calculation of charges. The revenue requirement represents the funding requirements which are defined in the Master Bond Ordinance.

[2] Average annual charge adjustment percentages is the required charge adjustment required when calculating revenue with the prior year existing charges, usage projections and any other specific individual contract requirements. For the sewage disposal system, this also includes the bad debt adjustment.

[3] Represents the annual change in the local system charges to the Detroit customer class before the annual credit of \$20.7 million for water and \$5.5 million for sewer. Does not include any lookback charges in the percentage increase/decrease calculation. Does not include any Detroit local system operating costs or charges included in the Detroit retail rate. Also does not include any impact of Detroit's use of the regional system lease payment to finance allocated debt service obligations.

[4] Does not include the City of Detroit. The water system includes one emergency basis contract.

[5] GLWA began operations on January 1, 2016. Amounts in this column are based on annual budget of Detroit Water and Sewage Department for FY 2016 which was the basis for the revenue requirement for the six months of operations of GLWA.

[6] Due to the establishment of the Authority and DWSD as separate entities during FY 2016, this information is not applicable.

Source: Great Lakes Water Authority Financial Services Area and the Foster Group

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.



**GREAT LAKES WATER AUTHORITY**  
WATER FUND OPERATING REVENUES/ LARGEST WATER CUSTOMERS

Schedule 4a

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016*	
<b>Operating Revenues</b>										
Suburban wholesale charges [1]	\$ 337,511,167	\$ 340,593,806	\$ 323,026,213	\$ 322,423,768	\$ 312,701,777	\$ 311,399,136	\$ 323,117,344	\$ 331,115,131	\$ 160,777,169	
Local system charges	25,537,200	22,834,300	21,697,300	21,925,500	21,295,500	20,181,400	15,130,600	15,490,300	6,833,500	
Bad debt recovery	(5,152,500)	-	-	-	(5,152,500)	-	-	5,107,125	-	
Other revenue	654,989	350,991	234,462	265,822	256,300	21,340	64,200	37,388	54,863	
<b>Total Operating Revenues</b>	<b>\$ 358,550,856</b>	<b>\$ 363,779,097</b>	<b>\$ 344,957,975</b>	<b>\$ 344,615,090</b>	<b>\$ 329,101,077</b>	<b>\$ 331,601,876</b>	<b>\$ 338,312,144</b>	<b>\$ 351,749,944</b>	<b>\$ 167,665,532</b>	
Suburban wholesale charges % of total operating revenue	94.13%	93.63%	93.64%	93.56%	95.02%	93.91%	95.51%	94.13%	95.89%	
Local system charges % of total operating revenue	7.12%	6.28%	6.29%	6.36%	6.47%	6.09%	4.47%	4.40%	4.08%	
<b>Ten Largest Suburban Wholesale Member Partners</b>										
Southeast Oakland County										
Water Authority	\$ 25,731,006	\$ 25,534,464	\$ 24,035,255	\$ 23,722,602	\$ 23,089,967	\$ 23,311,743	\$ 23,118,160	\$ 22,434,129	\$ 11,160,701	
North Oakland County Water Authority	24,349,266	24,485,805	22,798,372	22,667,931	22,293,795	23,464,096	23,365,866	22,913,261	11,105,152	
Sterling Heights	16,267,123	16,661,863	16,235,356	16,375,729	15,242,912	14,644,368	15,571,146	15,480,008	7,155,303	
Troy	14,999,893	14,538,261	13,811,983	14,324,990	13,607,770	13,700,093	13,842,135	13,939,815	6,058,667	
Macomb Township	13,745,227	14,279,105	13,065,395	13,388,385	12,870,377	11,063,225	11,167,739	10,945,117	-	
Livonia	12,755,400	12,383,989	11,860,410	11,806,151	11,553,730	14,001,058	13,669,376	13,483,657	6,223,290	
Shelby Township	12,064,807	16,043,316	14,885,135	15,690,553	14,482,451	13,719,053	13,554,398	13,462,808	6,114,243	
West Bloomfield Township	11,697,907	11,824,605	11,229,363	11,010,166	-	10,733,617	-	-	-	
Canton Township	11,591,745	11,802,563	-	10,919,607	10,491,407	-	13,334,615	13,872,584	6,032,404	
Ypsilanti Community Utilities Authority	11,492,791	11,464,455	11,059,703	-	10,450,861	-	11,038,134	-	-	
Warren	-	-	10,940,909	-	-	10,648,162	-	-	-	
Flint [2]	-	-	-	10,980,526	10,325,345	11,604,504	12,235,483	13,256,330	6,738,009	
Genesee County Drain Commission [3]	-	-	-	-	-	-	-	18,493,530	8,593,304	
Novi	-	-	-	-	-	-	-	-	5,595,031	
<b>Total Revenue Ten Largest Suburban Wholesale Member Partners</b>	<b>\$ 154,695,165</b>	<b>\$ 159,018,426</b>	<b>\$ 149,921,881</b>	<b>\$ 150,886,640</b>	<b>\$ 144,408,615</b>	<b>\$ 146,889,919</b>	<b>\$ 150,897,052</b>	<b>\$ 158,281,239</b>	<b>\$ 74,776,104</b>	
Ten largest suburban wholesale member partners % of total operating revenues	43.14%	43.71%	43.46%	43.78%	43.88%	44.30%	44.60%	45.00%	44.60%	

[1] Net of bad debt expense.

[2] Represents billed revenues prior to the credit to Flint for its proportional share of KWA debt service.

[3] Genesee County Drain Commission changed service providers in December 2017 and has contracted GLWA for as needed emergency water service.

\* GLWA began operations on January 1, 2016. The data for 2016 is for the six months of activity through June 30, 2016.

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## GREAT LAKES WATER AUTHORITY

Schedule 4b

## SEWAGE DISPOSAL FUND OPERATING REVENUES/ LARGEST SEWER CUSTOMERS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016*	
<b>Operating Revenues</b>										
Suburban wholesale charges [1]	\$ 282,767,090	\$ 275,917,502	\$ 268,813,369	\$ 267,567,816	\$ 266,003,286	\$ 272,772,460	\$ 268,978,831	\$ 263,311,745	\$ 121,106,353	
Local system charges	196,569,600	191,042,200	188,662,200	187,959,700	185,807,300	181,159,300	178,969,200	187,304,100	95,826,900	
Industrial waste and surcharges	12,706,014	13,287,670	13,482,094	14,724,903	14,303,101	15,038,824	21,243,383	19,587,400	9,334,102	
Bad debt recovery	(15,556,900)	-	-	-	(15,556,900)	-	-	35,065,030	-	
Other revenue	494,425	1,660,020	429,491	501,121	521,957	506,323	4,391,145	538,807	4,197,614	
<b>Total Operating Revenues</b>	<b>\$ 476,980,229</b>	<b>\$ 481,907,392</b>	<b>\$ 471,387,154</b>	<b>\$ 470,753,540</b>	<b>\$ 451,078,744</b>	<b>\$ 469,476,907</b>	<b>\$ 473,582,559</b>	<b>\$ 505,807,082</b>	<b>\$ 230,464,969</b>	
Suburban wholesale charges % of total operating revenue	59.28%	57.26%	57.03%	56.84%	58.97%	58.10%	56.80%	52.06%	52.55%	
Local system charges % of total operating revenue	41.21%	39.64%	40.02%	39.93%	41.19%	38.59%	37.79%	37.03%	41.58%	
<b>Ten Largest Suburban Wholesale Member Partners</b>										
Oakland-Macomb Interceptor										
Drainage District	\$ 69,631,257	\$ 71,614,874	\$ 70,683,993	\$ 70,355,029	\$ 69,870,786	\$ 77,533,200	\$ 72,816,000	\$ 69,627,600	\$ 34,541,400	
Wayne County - Rouge Valley	54,168,200	55,930,800	55,267,200	54,536,400	54,162,000	53,761,200	55,022,400	55,486,800	25,901,400	
Oakland County - George W Kuhn										
Drainage District	44,764,100	46,377,600	45,828,000	45,558,000	45,264,000	44,972,400	45,751,200	45,682,800	21,410,400	
Evergreen Farmington	35,207,600	36,195,600	35,766,000	35,084,400	34,839,600	34,578,000	33,733,200	32,179,200	15,094,200	
Southeast Macomb Sanitary District	24,215,100	25,070,400	24,772,800	25,000,800	24,837,600	24,672,000	24,637,200	24,120,000	11,501,400	
Dearborn	19,625,600	20,299,200	20,058,000	19,628,400	19,502,400	19,372,800	19,628,400	19,603,200	8,049,000	
Highland Park	5,382,785	5,420,400	5,356,800	5,708,400	5,670,000	5,614,800	5,642,400	5,818,800	2,808,600	
Hamtramck	3,878,900	4,041,600	3,993,600	4,019,400	3,994,800	3,962,400	3,958,800	4,086,000	1,966,800	
Grosse Pointe Farms	2,659,700	2,748,000	2,715,600	2,769,000	2,750,400	2,727,600	2,696,400	2,667,600	1,243,800	
Grosse Pointe Park	1,849,800	1,904,400	1,882,800	1,824,000	1,812,000	1,801,200	1,740,000	1,626,000	746,400	
<b>Total Revenue Ten Largest Suburban Wholesale Member Partners</b>	<b>\$ 261,383,042</b>	<b>\$ 269,602,874</b>	<b>\$ 266,324,793</b>	<b>\$ 264,483,829</b>	<b>\$ 262,703,586</b>	<b>\$ 268,995,600</b>	<b>\$ 265,626,000</b>	<b>\$ 260,898,000</b>	<b>\$ 123,263,400</b>	
Ten largest suburban wholesale member partners % of total operating revenues	54.80%	55.94%	56.50%	56.18%	58.24%	57.30%	56.09%	51.58%	53.48%	

[1] Net of bad debt expense.

\* GLWA began operations on January 1, 2016. The data for 2016 is for the six months of activity through June 30, 2016.

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
WATER SYSTEM SERVICE CHARGES\*

Community Name	Fixed Monthly Charge	Commodity \$/Mcf	Community Name	Fixed Monthly Charge	Commodity \$/Mcf
Allen Park	\$ 132,700	\$ 8.73	Mayfield Township	\$ 2,700	\$ 47.11
Almont, Village of	13,300	11.53	Melvindale	36,400	6.70
Ash Township	47,800	9.30	New Haven, Village of	24,500	10.18
Belleville	18,300	9.68	North Oakland County Water Authority	1,253,500	11.37
Berlin Township	39,500	11.42	Northville, City	44,200	11.61
Brownstown Township	210,000	11.98	Northville Township	311,100	17.76
Bruce Township	17,400	46.26	Novi	519,900	13.69
Canton Township	577,700	12.34	Oak Park	80,600	6.88
Center Line	27,100	6.73	Oakland County Drain Commission	5,100	4.49
Chesterfield Township	245,000	10.86	Plymouth, City	62,800	11.10
Clinton Township	428,200	8.70	Plymouth Township	256,700	12.66
Commerce Township	195,400	14.45	Redford Township	169,100	8.58
Dearborn	551,100	7.85	River Rouge	29,400	6.03
Dearborn Heights	211,900	8.53	Riverview	50,300	8.41
Eastpointe	90,900	6.99	Rockwood	14,300	11.52
Ecorse	66,200	5.80	Romeo	14,900	19.64
Farmington	55,800	9.92	Romulus	214,700	7.90
Farmington Hills	502,800	11.30	Roseville	148,500	6.61
Ferndale	60,000	7.32	Royal Oak Township	11,800	9.34
Flat Rock	79,700	12.30	Shelby Township	641,700	11.93
Flint (1)	584,400	10.27	Southeastern Oakland County Water Authority	1,342,700	8.59
Fraser	70,800	9.94	South Rockwood	6,600	11.43
Garden City	97,000	10.21	Southgate	116,800	8.24
Gibraltar	19,200	9.35	St. Clair County-Burtchville Township	21,800	19.33
Grosse Ile Township	63,600	13.19	St. Clair County-Greenwood Energy Center	68,500	20.74
Grosse Pointe Park	76,700	11.04	St. Clair Shores	178,100	7.09
Grosse Pointe Shores	36,700	15.07	Sterling Heights	846,100	11.25
Grosse Pointe Woods	73,700	8.42	Sumpter Township	40,500	9.67
Hamtramck	46,300	6.05	Sylvan Lake	13,300	15.75
Harper Woods	49,400	7.56	Taylor	259,500	7.87
Harrison Township	94,900	7.70	Trenton	103,000	9.28
Hazel Park	43,100	7.01	Troy	792,000	13.67
Highland Park	64,700	5.02	Utica	32,900	11.44
Huron Township	85,400	10.53	Van Buren Township	197,400	11.56
Imlay City	83,700	14.64	Walled Lake	45,200	12.27
Imlay Township	900	62.31	Warren	544,300	6.95
Inkster	74,400	5.89	Washington Township	132,900	12.28
Keego Harbor	17,000	13.72	Wayne	102,800	7.85
Lapeer	87,000	13.15	West Bloomfield Township	602,300	17.28
Lenox Township	17,100	9.88	Westland	349,600	8.48
Lincoln Park	129,300	6.04	Wixom	141,000	14.44
Livonia	662,000	11.34	Woodhaven	84,700	11.55
Macomb Township	695,100	16.79	Ypsilanti Community Utilities Authority	589,300	9.62
Madison Heights	113,000	8.09			

Annual Detroit Wholesale Revenue Requirement \$25,537,200

\* Water charges went into effect July 1, 2023.

(1) Net fixed monthly charge will include \$554,300 monthly credits for KWA debt service

## GREAT LAKES WATER AUTHORITY

Schedule 6

## SEWAGE DISPOSAL SYSTEM SERVICE CHARGES\*

Community Name	Fixed Monthly Charge
Oakland-Macomb Interceptor District (OMID)	\$ 6,081,000
Rouge Valley	4,789,300
Oakland County - George W. Kuhn (GWK)	3,971,300
Evergreen Farmington	3,099,400
SE Macomb Sanitary District	2,146,700
Dearborn	1,738,200
Grosse Pointe Farms	235,300
Grosse Pointe Park	163,100
Melvindale	134,700
Farmington	102,700
Center Line	89,300
Allen Park	72,600
Highland Park	464,200
Hamtramck	346,100
Grosse Pointe	77,100
Harper Woods	18,700
Redford Township	23,100
Wayne County #3	4,500

Annual Detroit Wholesale Revenue Requirement \$196,569,600

\* Wholesale charges went into effect July 1, 2023.

## GREAT LAKES WATER AUTHORITY

Schedule 7

INDUSTRIAL WASTE CONTROL CHARGES AND POLLUTANT SURCHARGES  
EFFECTIVE JULY 1, 2023**Industrial Waste Control Charges**

Meter size (inches)	Admin Only Charge (1)	Full Monthly Charge (2)
5/8	\$ 0.91	\$ 3.64
3/4	\$ 1.37	\$ 5.46
1	\$ 2.28	\$ 9.10
1 1/2	\$ 5.01	\$ 20.02
2	\$ 7.28	\$ 29.12
3	\$ 13.20	\$ 52.78
4	\$ 18.20	\$ 72.80
6	\$ 27.30	\$ 109.20
8	\$ 45.50	\$ 182.00
10	\$ 63.70	\$ 254.80
12	\$ 72.80	\$ 291.20
14	\$ 91.00	\$ 364.00
16	\$ 109.20	\$ 436.80
18	\$ 127.40	\$ 509.60
20	\$ 145.60	\$ 582.40
24	\$ 163.80	\$ 655.20
30	\$ 182.00	\$ 728.00
36	\$ 200.20	\$ 800.80
48	\$ 218.40	\$ 873.60

- (1) Administration only charge is applicable to member partners that are within a geographical area defined in a specific agreement.
- (2) Includes both administration and field work components charges for all other member partners.

**Pollutant Surcharges**

Pollutant		Charge per Pound
Biochemical Oxygen Demand (BOD)	for concentrations > 275 mg/l	\$ 0.361
Total Suspended Solids (TSS)	for concentrations > 350 mg/l	\$ 0.496
Phosphorus (P)	for concentrations > 12 mg/l	\$ 6.629
Fats, Oil and Grease (FOG)	for concentrations > 100 mg/l	\$ 0.115
Septage Disposal Fee	per 500 gallons of disposal	\$ 37.00

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## DEBT CAPACITY

Debt capacity information is intended to show the Authority's debt burden and its ability to issue additional debt.

**GREAT LAKES WATER AUTHORITY**  
RATIOS OF OUTSTANDING DEBT BY TYPE

Schedule 8

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Water Fund</b>									
Revenue bonds [1]	\$ 2,498,464,120	\$ 2,447,181,498	\$ 2,289,900,079	\$ 2,368,632,473	\$ 2,453,471,088	\$ 2,466,561,092	\$ 2,540,663,196	\$ 2,612,607,101	\$ 2,507,091,038
State revolving loans	241,020,620	207,356,808	109,429,462	71,259,601	39,318,264	29,860,802	25,435,902	17,252,235	17,383,761
Raw water rights obligation	89,552,155	92,515,774	95,361,056	98,095,302	100,720,122	103,241,119	106,240,576	-	-
BC Note obligation	16,124,187	16,338,339	16,542,293	16,736,535	16,921,526	17,097,709	17,265,503	17,425,306	17,577,499
<b>Total Water Fund</b>	<b>\$ 2,845,161,082</b>	<b>\$ 2,763,392,419</b>	<b>\$ 2,511,232,890</b>	<b>\$ 2,554,723,911</b>	<b>\$ 2,610,431,000</b>	<b>\$ 2,616,760,722</b>	<b>\$ 2,689,605,177</b>	<b>\$ 2,647,284,642</b>	<b>\$ 2,542,052,298</b>
<b>Sewage Disposal Fund</b>									
Revenue bonds [1]	\$ 2,606,141,911	\$ 2,636,761,869	\$ 2,498,387,185	\$ 2,577,642,399	\$ 2,643,788,368	\$ 2,764,196,915	\$ 2,739,090,653	\$ 2,797,168,264	\$ 2,922,089,599
Capital appreciation bonds [1]	-	-	-	5,504,069	10,667,560	13,377,972	14,984,042	19,501,737	19,668,138
State revolving loans	336,808,208	349,919,118	379,648,216	416,767,850	449,666,531	474,177,128	475,677,540	485,267,036	506,435,742
BC Note obligation	36,268,418	36,750,112	37,208,869	37,645,780	38,061,886	38,458,177	38,835,597	39,195,045	39,537,376
Lease payable-Warehouse	3,501,324	3,891,394	4,258,178	4,447,297	-	-	-	-	-
<b>Total Sewage Disposal Fund</b>	<b>\$ 2,982,719,861</b>	<b>\$ 3,027,322,493</b>	<b>\$ 2,919,502,448</b>	<b>\$ 3,042,007,395</b>	<b>\$ 3,142,184,345</b>	<b>\$ 3,290,210,192</b>	<b>\$ 3,268,587,832</b>	<b>\$ 3,341,132,082</b>	<b>\$ 3,487,730,855</b>
Total taxable value [2]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total population served [3]:									
Water	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Sewage disposal	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Total debt per capita:									
Water	\$ 749	\$ 727	\$ 661	\$ 672	\$ 687	\$ 689	\$ 708	\$ 697	\$ 669
Sewage disposal	\$ 1,065	\$ 1,081	\$ 1,043	\$ 1,086	\$ 1,122	\$ 1,175	\$ 1,167	\$ 1,193	\$ 1,246
Per capita income [4]	\$ 63,794	\$ 60,837	\$ 61,322	\$ 60,488	\$ 56,901	\$ 52,855	\$ 51,429	\$ 49,309	\$ 48,092
Total debt as a percentage of income:									
Water	1.17%	1.19%	1.08%	1.11%	1.21%	1.30%	1.38%	1.41%	1.39%
Sewage disposal	1.67%	1.78%	1.70%	1.80%	1.97%	2.22%	2.27%	2.42%	2.59%

[1] Amounts are reported net of premiums and discounts.

[2] GLWA is not authorized to levy property taxes; therefore, presentation of taxable values and the ratio of total debt to taxable value is not applicable.

[3] Source: Estimated based on data from Southeast Michigan Council of Governments (SEMCOG).

[4] Source: FRED Economic Data, St. Louis Fed and Michigan State University Center for Economic Analysis. (Prior year amounts have changed to match revised data from sources).

Further details regarding the Authority's debt can be found in the notes to the financial statements.

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.



DEBT BY LIEN  
As of June 30, 2024

Continued on Next Page

	Original Principal Amount [1]	Outstanding as of June 30, 2024
<b>Water Supply System Revenue Bonds</b>		
Senior Lien Bonds		
Water Supply System Revenue Senior Lien Bonds, Series 2003A	\$ 234,805,000	\$ 100,000
Water Supply System Revenue Senior Lien Bonds, Series 2005B	194,900,000	100,000
Water Supply System Revenue Senior Lien Bonds, Series 2006A	280,000,000	100,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2014D-2	188,455,000	45,555,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2015D-1	89,430,000	69,275,000
Water Supply System Revenue Senior Lien Bonds, Series 2016A	88,000,000	87,985,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2016C	443,930,000	415,685,000
Water Supply System Revenue Senior Lien Bonds, Series 2020A	42,445,000	42,445,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2020C	377,515,000	284,360,000
Water Supply System Revenue Senior Lien Bonds, Series 2022A	137,470,000	137,470,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2023A	67,210,000	67,210,000
Water Supply System Revenue Senior Lien Bonds, Series 2023B	148,535,000	148,535,000
Water Supply System Revenue Refunding Senior Lien Bonds, Series 2024A	348,175,000	348,175,000
<b>Total Senior Lien Bonds</b>	<b>2,640,870,000</b>	<b>1,646,995,000</b>
Second Lien Bonds		
Water Supply System Revenue Second Lien Bonds, Series 2003B	172,945,000	100,000
Water Supply System Revenue Second Lien Bonds, Series 2006B	120,000,000	100,000
Water Supply System Revenue Refunding Second Lien Bonds, Series 2014D-6	65,425,000	2,130,000
Water Supply System Revenue Refunding Second Lien Bonds, Series 2015D-2	37,235,000	37,235,000
Water Supply System Revenue Second Lien Bonds, Series 2016B	163,830,000	163,815,000
Water Supply System Revenue Refunding Second Lien Bonds, Series 2016D	222,045,000	222,045,000
Water Supply System Revenue Refunding Second Lien Bonds, Series 2018A	155,595,000	96,075,000
Water Supply System Revenue Second Lien Bonds, Series 2020B	43,135,000	43,135,000
Water Supply System Revenue Second Lien Bonds, Series 2022B	69,745,000	69,745,000
Water Supply System Revenue Refunding Second Lien Bonds, Series 2024B	35,930,000	35,930,000
<b>Total Second Lien Bonds</b>	<b>1,085,885,000</b>	<b>670,310,000</b>
SRF Junior Lien Bonds		
Water Supply System Revenue Bonds, Series 2005 SRF-1	13,805,164	2,370,164
Water Supply System Revenue Bonds, Series 2005 SRF-2	8,891,730	1,496,730
Water Supply System Revenue Bonds, Series 2006 SRF-1	5,180,926	880,926
Water Supply System Revenue Bonds, Series 2008 SRF-1	2,590,941	550,941
Water Supply System Revenue Bonds, Series 2016 SRF-1	8,273,168	7,048,168
Water Supply System Revenue Bonds, Series 2016 SRF-2	3,393,543	2,883,543
Water Supply System Revenue Bonds, Series 2017 SRF-1	5,807,931	5,032,931
Water Supply System Revenue Bonds, Series 2019 SRF-1	8,330,000	7,280,000
Water Supply System Revenue Bonds, Series 2019 SRF-2	29,078,820	26,593,820
Water Supply System Revenue Bonds, Series 2019 SRF-3	11,117,931	10,234,875
Water Supply System Revenue Bonds, Series 2020 SRF-1	20,018,660	18,999,960
Water Supply System Revenue Bonds, Series 2020 SRF-2	7,159,988	6,789,988
Water Supply System Revenue Bonds, Series 2020 SRF-3	8,960,000	7,830,000
Water Supply System Revenue Bonds, Series 2020 SRF-4	10,764,020	10,155,970
Water Supply System Revenue Bonds, Series 2021 SRF-1	11,940,000	4,209,249
Water Supply System Revenue Bonds, Series 2021 SRF-2	104,725,000	85,469,428
Water Supply System Revenue Bonds, Series 2021 SRF-3	10,425,197	10,425,197
Water Supply System Revenue Bonds, Series 2022 SRF-2	34,075,000	32,655,000
Water Supply System Revenue Bonds, Series 2023 SRF-1	48,172,500	113,730
<b>Total SRF Junior Lien Bonds</b>	<b>352,710,519</b>	<b>241,020,620</b>
<b>TOTAL WATER SUPPLY SYSTEM REVENUE BONDS</b>	<b>\$ 4,079,465,519</b>	<b>\$ 2,558,325,620</b>

DEBT BY LIEN  
As of June 30, 2024

Continued on Next Page

	Original Principal Amount [1]	Outstanding as of June 30, 2024
<b>Sewage Disposal System Revenue Bonds</b>		
Senior Lien Bonds		
Sewage Disposal System Senior Lien Revenue Bonds, Series 2003B	\$ 150,000,000	\$ 100,000.00
Sewage Disposal System Senior Lien Revenue Refunding Bonds, Series 2004A	101,435,000	5,355,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2006D	370,000,000	239,475,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2014C-3	446,170,000	44,015,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2016B	126,105,000	126,105,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2018A	81,595,000	75,815,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2018B	131,690,000	131,690,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2018C	44,180,000	16,320,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2020A	594,930,000	340,050,000
Sewage Disposal System Senior Lien Revenue Bonds, Series 2022A	125,975,000	125,975,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2023A	185,235,000	185,235,000
Sewage Disposal System Revenue Senior Lien Bonds, Series 2023C	96,860,000	96,860,000
Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2024A	347,305,000	347,305,000
<b>Total Senior Lien Bonds</b>	<b>2,801,480,000</b>	<b>1,734,300,000</b>
Second Lien Bonds		
Sewage Disposal System Second Lien Revenue Bonds, Series 2001B	110,550,000	76,880,000
Sewage Disposal System Revenue Second Lien Bonds, Series 2005A	273,355,000	100,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2005C	63,160,000	100,000
Sewage Disposal System Revenue Second Lien Bonds, Series 2006B	250,000,000	100,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2014C-7	76,715,000	4,735,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2015C	197,660,000	197,160,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2016C	295,190,000	295,190,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2020B	92,525,000	60,740,000
Sewage Disposal System Revenue Second Lien Bonds, Series 2022B	71,990,000	71,990,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2023B	14,965,000	14,965,000
Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2024B	40,260,000	40,260,000
<b>Total Second Lien Bonds</b>	<b>1,486,370,000</b>	<b>762,220,000</b>

DEBT BY LIEN  
As of June 30, 2024Continued From  
Previous Page

	Original Principal Amount [1]	Outstanding as of June 30, 2024
<b>Sewage Disposal System Revenue Bonds (cont.)</b>		
SRF Junior Lien Bonds		
Sewage Disposal System Revenue Bonds, Series 2001 SRF-1	\$ 82,200,000	\$ 5,160,000
Sewage Disposal System Revenue Bonds, Series 2001 SRF-2	59,850,000	3,755,000
Sewage Disposal System Revenue Bonds, Series 2002 SRF-3	31,549,466	1,819,466
Sewage Disposal System Revenue Bonds, Series 2003 SRF-1	48,520,000	6,015,000
Sewage Disposal System Revenue Bonds, Series 2003 SRF-2	25,055,370	1,555,370
Sewage Disposal System Revenue Bonds, Series 2004 SRF-1	2,910,000	175,000
Sewage Disposal System Revenue Bonds, Series 2004 SRF-2	18,353,459	1,113,459
Sewage Disposal System Revenue Bonds, Series 2004 SRF-3	12,722,575	767,575
Sewage Disposal System Revenue Bonds, Series 2007 SRF-1	167,540,598	56,055,598
Sewage Disposal System Revenue Bonds, Series 2009 SRF-1	13,970,062	4,770,062
Sewage Disposal System Revenue Bonds, Series 2010 SRF-1	4,214,763	1,690,763
Sewage Disposal System Revenue Bonds, Series 2012 SRF-1	14,950,000	9,130,000
Sewage Disposal System Revenue Bonds, Series 2015A SRF	79,500,000	52,315,000
Sewage Disposal System Revenue Bonds, Series 2015B SRF	27,175,304	17,555,304
Sewage Disposal System Revenue Bonds, Series 2015D SRF	15,321,478	9,706,478
Sewage Disposal System Revenue Bonds, Series 2016 SAW-1	10,000,000	7,950,000
Sewage Disposal System Revenue Bonds, Series 2016 SRF-1	15,463,628	11,483,628
Sewage Disposal System Revenue Bonds, Series 2016 SRF-2	48,315,683	37,945,683
Sewage Disposal System Revenue Bonds, Series 2017 SRF-1	33,566,682	26,596,682
Sewage Disposal System Revenue Bonds, Series 2018 SRF-2	17,510,000	16,790,000
Sewage Disposal System Revenue Bonds, Series 2020 SRF-1	28,350,000	27,185,000
Sewage Disposal System Revenue Bonds, Series 2020 SRF-2	3,232,000	1,346,149
Sewage Disposal System Revenue Bonds, Series 2021 SRF-1	12,940,000	10,305,695
Sewage Disposal System Revenue Bonds, Series 2021 SRF-2	6,881,250	-
Sewage Disposal System Revenue Bonds, Series 2022 SRF-1	34,195,000	1,724,440
Sewage Disposal System Revenue Bonds, Series 2022 SRF-2	50,245,000	12,413,864
Sewage Disposal System Revenue Bonds, Series 2022 SRF-3	19,035,000	8,771,310
Sewage Disposal System Revenue Bonds, Series 2023 SRF-1	88,820,000	2,711,682
Sewage Disposal System Revenue Bonds, Series 2024 SRF-1	126,800,000	-
Sewage Disposal System Revenue Bonds, Series 2024 SRF-2	155,000,000	-
Total SRF Junior Lien Bonds	<u>1,254,187,318</u>	<u>336,808,208</u>
<b>TOTAL SEWAGE DISPOSAL SYSTEM REVENUE BONDS</b>	<u>\$ 5,542,037,318</u>	<u>\$ 2,833,328,208</u>

[1] Reflects original amount issued by predecessor entity, DWSD, for bonds issued prior to January 1, 2016.

**GREAT LAKES WATER AUTHORITY**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
As of June 30, 2024

Continued on Next Page

Fiscal Year Ending [1]	Senior Lien Bonds (\$000)			Second Lien Bonds (\$000)			Junior Lien Bonds (\$000)			All Bonds (\$000)
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
<b>Water Fund</b>										
2025 [2]	\$ 62,460	\$ 68,200	\$ 130,660	\$ 18,380	\$ 30,823	\$ 49,203	\$ 12,429	\$ 4,674	\$ 17,103	\$ 196,965
2026	62,335	73,808	136,143	18,505	31,605	50,110	12,685	4,411	17,096	203,349
2027	68,930	70,677	139,607	19,555	30,653	50,208	13,042	4,159	17,200	207,016
2028	72,335	67,310	139,645	20,540	29,651	50,191	11,535	3,919	15,454	205,290
2029	75,990	63,772	139,762	22,350	28,579	50,929	11,776	3,693	15,468	206,160
2030	79,755	59,942	139,697	23,430	27,434	50,864	11,860	3,463	15,323	205,885
2031	83,655	55,942	139,597	27,530	26,160	53,690	12,105	3,231	15,336	208,623
2032	87,760	51,741	139,501	28,910	24,749	53,659	12,309	2,995	15,304	208,465
2033	92,055	47,330	139,385	30,360	23,410	53,770	12,020	2,759	14,779	207,935
2034	85,900	42,928	128,828	42,265	21,939	64,204	12,240	2,524	14,764	207,796
2035	94,125	38,445	132,570	39,410	20,099	59,509	12,486	2,284	14,770	206,849
2036	121,845	33,024	154,869	15,270	18,732	34,002	12,720	2,040	14,760	203,631
2037	23,130	29,361	52,491	123,690	15,258	138,948	12,961	1,791	14,752	206,191
2038	60,445	27,272	87,717	6,120	12,012	18,132	13,225	1,537	14,762	120,610
2039	69,775	24,298	94,073	4,755	11,740	16,495	13,476	1,278	14,754	125,322
2040	76,645	21,385	98,030	1,765	11,577	13,342	13,490	1,017	14,507	125,878
2041	79,555	18,425	97,980	1,850	11,487	13,337	12,559	764	13,323	124,640
2042	81,275	15,373	96,648	1,945	11,392	13,337	5,834	570	6,404	116,388
2043	32,715	12,999	45,714	31,665	10,551	42,216	4,586	457	5,043	92,973
2044	31,090	11,384	42,474	36,395	8,846	45,241	2,370	367	2,737	90,451
2045	32,655	9,766	42,421	38,225	6,972	45,197	2,415	315	2,730	90,349
2046	34,320	8,058	42,378	40,140	5,005	45,145	2,475	263	2,738	90,261
2047	36,075	6,264	42,339	42,155	2,938	45,093	2,520	210	2,730	90,162
2048	17,615	4,885	22,500	6,450	1,714	8,164	2,567	156	2,722	33,386
2049	15,180	4,030	19,210	6,860	1,366	8,226	2,068	100	2,168	29,604
2050	15,970	3,219	19,189	7,215	993	8,208	1,517	61	1,578	28,975
2051	13,850	2,440	16,290	4,600	675	5,275	1,371	30	1,401	22,966
2052	14,575	1,694	16,269	4,855	415	5,270	380	8	388	21,927
2053	15,340	909	16,249	5,120	141	5,261	-	-	-	21,510
2054	9,640	253	9,893	-	-	-	-	-	-	9,893
<b>Total</b>	<b>\$ 1,646,995</b>	<b>\$ 875,132</b>	<b>\$ 2,522,127</b>	<b>\$ 670,310</b>	<b>\$ 426,917</b>	<b>\$ 1,097,227</b>	<b>\$ 241,021</b>	<b>\$ 49,075</b>	<b>\$ 290,095</b>	<b>\$ 3,909,450</b>

**GREAT LAKES WATER AUTHORITY**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
As of June 30, 2024

Continued From Previous Page

Fiscal Year Ending [1]	Senior Lien Bonds (\$000)			Second Lien Bonds (\$000)			Junior Lien Bonds (\$000)			All Bonds (\$000)
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
<b>Sewage Disposal Fund</b>										
2025 [2]	\$ 79,850	\$ 70,302	\$ 150,152	\$ 16,035	\$ 31,064	\$ 47,099	\$ 45,880	\$ 7,105	\$ 52,985	\$ 250,236
2026	76,560	73,209	149,769	16,795	35,927	52,722	30,385	6,253	36,638	239,129
2027	84,390	69,169	153,559	20,970	34,922	55,892	27,945	5,641	33,586	243,037
2028	95,660	64,908	160,568	25,720	33,691	59,411	31,162	5,028	36,190	256,168
2029	97,490	60,459	157,949	26,850	32,309	59,159	29,025	4,404	33,429	250,538
2030	102,860	55,738	158,598	20,080	31,066	51,146	28,800	3,794	32,593	242,337
2031	97,825	50,928	148,753	32,855	29,706	62,561	17,141	3,266	20,406	231,721
2032	105,095	46,263	151,358	34,505	28,022	62,527	17,155	2,856	20,011	233,896
2033	123,780	41,568	165,348	22,175	26,605	48,780	17,580	2,447	20,027	234,156
2034	125,620	36,001	161,621	26,590	25,410	52,000	17,871	2,029	19,900	233,521
2035	53,670	31,626	85,296	110,240	22,109	132,349	17,526	1,602	19,128	236,773
2036	12,075	30,094	42,169	159,745	15,814	175,559	16,817	1,189	18,006	235,733
2037	11,020	29,674	40,694	169,845	8,128	177,973	9,475	816	10,291	228,958
2038	116,470	26,575	143,045	695	4,065	4,760	9,634	595	10,228	158,033
2039	117,310	21,058	138,368	5,695	3,922	9,617	8,827	369	9,197	157,181
2040	126,670	16,386	143,056	1,815	3,759	5,574	3,315	198	3,513	152,143
2041	33,350	13,541	46,891	1,880	3,692	5,572	2,816	137	2,953	55,416
2042	37,460	11,972	49,432	1,950	3,623	5,573	2,700	82	2,782	57,787
2043	39,050	10,354	49,404	2,020	3,552	5,572	2,755	28	2,783	57,758
2044	39,155	8,706	47,861	3,615	3,437	7,052	-	-	-	54,913
2045	40,580	7,025	47,605	3,775	3,278	7,053	-	-	-	54,658
2046	18,435	5,688	24,123	1,700	3,152	4,852	-	-	-	28,975
2047	19,395	4,706	24,101	1,795	3,061	4,856	-	-	-	28,957
2048	20,405	3,673	24,078	1,895	2,964	4,859	-	-	-	28,937
2049	13,890	2,786	16,676	9,485	2,653	12,138	-	-	-	28,814
2050	9,230	2,185	11,415	10,010	2,117	12,127	-	-	-	23,542
2051	9,715	1,688	11,403	10,565	1,551	12,116	-	-	-	23,519
2052	10,230	1,164	11,394	11,150	954	12,104	-	-	-	23,498
2053	10,775	613	11,388	11,770	324	12,094	-	-	-	23,481
2054	6,285	165	6,450	-	-	-	-	-	-	6,450
<b>Total</b>	<b>\$ 1,734,300</b>	<b>\$ 798,223</b>	<b>\$ 2,532,523</b>	<b>\$ 762,220</b>	<b>\$ 400,876</b>	<b>\$ 1,163,096</b>	<b>\$ 336,808</b>	<b>\$ 47,839</b>	<b>\$ 384,647</b>	<b>\$ 4,080,267</b>

[1] Reflects fiscal period in which actual payments are due.

[2] For bonds issued through the Michigan Finance Authority (MFA) in 2014 and 2015, the Authority is required to make payment on these obligations to the MFA depository account five business days prior to the actual due date of the bond principal and interest payments. Therefore, the payments for the principal and interest due on July 1, 2023 are not included in the debt service requirement amounts above as they were paid on June 24, 2024.

Schedule may not foot due to rounding

**GREAT LAKES WATER AUTHORITY**

**DEBT CREDIT RATING HISTORY**

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Water Supply System Revenue</b>									
Standards & Poor's									
Senior Lien	AA-	AA-	AA-	AA-	AA-	AA-	A-	A-	A-
Second Lien	A+	A+	A+	A+	A+	A+	BBB+	BBB+	BBB+
Junior Lien	A+	A+	A+	A+	A+	A+	N/A	N/A	N/A
Moody's									
Senior Lien	Aa3	A1	A1	A1	A1	A2	A3	A3	Baa1
Second Lien	A1	A2	A2	A2	A2	A3	Baa1	Baa1	Baa2
Fitch									
Senior Lien	A+	A+	A+	A+	A+	A	A	A	BBB
Second Lien	A	A	A	A	A	A-	A-	A-	BBB-
<b>Sewage Disposal System Revenue</b>									
Standard's & Poor's									
Senior Lien	AA-	AA-	AA-	AA-	AA-	A+	A-	A-	A-
Second Lien	A+	A+	A+	A+	A+	A	BBB+	BBB+	BBB+
Junior Lien	A+	A+	A+	A+	A+	A	N/A	N/A	N/A
Moody's									
Senior Lien	Aa3	A1	A1	A1	A1	A2	A3	A3	Baa1
Second Lien	A1	A2	A2	A2	A2	A3	Baa1	Baa1	Baa2
Fitch									
Senior Lien	AA-	A+	A+	A+	A+	A	A	A	BBB
Second Lien	A+	A	A	A	A	A-	A-	A-	BBB-

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## GREAT LAKES WATER AUTHORITY

Schedule 12

## CALCULATION OF DEBT SERVICE COVERAGE - OVERVIEW

As of June 30, 2024

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The Authority has pledged Net Revenues of the water and sewage disposal systems to secure the repayment of the principal and interest of the revenue bonds and State of Michigan revolving fund loans. Revenues are defined in the Master Bond Ordinance (MBO) and are in accordance with State of Michigan Public Act 94, the Revenue Bond Act of 1933, as all monies collected, directly or indirectly, by GLWA, or by the DWSD as agent for GLWA for the local system under the water and sewer services agreement. Net Revenues are defined in the MBO as all Revenues except for those transferred to the Operations and Maintenance Fund.

Since GLWA assumed the outstanding bonded indebtedness at the time of bifurcation and issues new debt on behalf of DWSD, DWSD retail customer revenues are pledged for payment of the outstanding bonded indebtedness of GLWA. For this reason, pursuant to the terms of the Regional System Leases, DWSD is GLWA's agent for retail billing, collections, and enforcement for those revenues. DWSD is a department of the City of Detroit which is a separate legal entity.

Debt service coverage ratios are presented using two different methodologies. The first methodology we identify as 'GAAP Basis' as it calculates pledged revenue using the information from the GAAP basis financial statements for GLWA and DWSD which are prepared on an accrual basis. The second methodology call 'Rate Covenant Basis' calculates pledged revenue on a cash basis.

The MBO establishes that rates and charges be set such that they are expected to produce debt service coverage that is not less than the Required Coverage. Required Coverage is defined as debt service coverage levels of 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 revenue bonds and state revolving loans held on behalf of both GLWA and DWSD.

**GREAT LAKES WATER AUTHORITY**  
DEBT SERVICE COVERAGE - GAAP BASIS - WATER SYSTEM

Schedule 12a

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017 [6]	2016*
<b>GLWA Revenues</b>									
Wholesale charges	\$ 337,511,167	\$ 340,593,806	\$ 323,026,213	\$ 322,423,768	\$ 312,701,777	\$ 311,399,136	\$ 323,117,344	\$ 331,115,131	\$ 160,777,169
KWA debt service credits	(5,990,831)	(6,452,573)	(6,496,428)	(6,652,253)	(6,652,348)	(6,979,503)	(3,176,073)	-	-
Local system charges	25,537,200	22,834,300	21,697,300	21,925,500	21,295,500	20,181,400	15,130,600	15,490,300	6,833,500
Bad Debt Recovery Credit	(5,152,500)	-	-	-	-	-	-	5,107,125	-
Other revenue	901,919	1,378,706	775,537	267,562	1,912,636	21,340	64,200	37,388	54,863
Earnings on investments [1]	18,336,395	9,161,614	1,945,613	4,195,305	9,115,115	11,818,203	4,489,397	1,348,898	520,891
<b>Total GLWA Revenues</b>	<b>371,143,350</b>	<b>367,515,853</b>	<b>340,948,235</b>	<b>342,159,882</b>	<b>338,372,680</b>	<b>336,440,576</b>	<b>339,625,468</b>	<b>353,098,842</b>	<b>168,186,423</b>
<b>DWSD Local System Revenues [7]</b>									
Local System revenues [2]	103,966,220	104,034,950	83,591,720	67,464,986	73,817,339	69,777,041	83,983,786	69,680,402	183,279,645
Other Revenue	1,630,892	1,055,988	2,349,445	1,958,151	7,289,468	1,013,276	1,635,430	5,265,229	2,074,095
<b>Total DWSD Local System Revenues</b>	<b>105,597,112</b>	<b>105,090,938</b>	<b>85,941,165</b>	<b>69,423,137</b>	<b>81,106,807</b>	<b>70,790,317</b>	<b>85,619,216</b>	<b>74,945,631</b>	<b>185,353,740</b>
<b>Total Revenue</b>	<b>476,740,462</b>	<b>472,606,791</b>	<b>426,889,400</b>	<b>411,583,019</b>	<b>419,479,487</b>	<b>407,230,893</b>	<b>425,244,684</b>	<b>428,044,473</b>	<b>353,540,163</b>
<b>Operating Costs</b>									
GLWA operating expenses	157,811,046	155,167,048	137,815,968	123,638,092	132,532,838	119,821,946	108,530,383	101,730,949	49,545,659
GASB 96 expenditures [3]	3,226,137	2,282,630	413,924	-	-	-	-	-	-
O&M transfers:									
DWSD Local System operations	44,776,800	42,581,600	29,989,000	35,833,900	34,662,400	35,484,300	35,059,704	33,596,400	22,444,800
Legacy Pension Regional System [4]	-	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	3,024,000
Legacy Pension DWSD Local System [4]	-	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	2,136,000
<b>Total Operating Costs</b>	<b>205,813,983</b>	<b>210,351,278</b>	<b>178,538,892</b>	<b>169,791,992</b>	<b>177,515,238</b>	<b>165,626,246</b>	<b>153,910,087</b>	<b>145,647,349</b>	<b>77,150,459</b>
<b>Pledged Revenue</b>	<b>\$ 270,926,479</b>	<b>\$ 262,255,513</b>	<b>\$ 248,350,508</b>	<b>\$ 241,791,027</b>	<b>\$ 241,964,249</b>	<b>\$ 241,604,647</b>	<b>\$ 271,334,597</b>	<b>\$ 282,397,124</b>	<b>\$ 276,389,704</b>
<b>Principal and interest funding requirement [5]:</b>									
Senior lien bonds	\$ 138,521,701	\$ 133,773,102	\$ 124,309,692	\$ 123,798,304	\$ 122,318,928	\$ 119,230,820	\$ 127,687,420	\$ 134,234,660	\$ 128,177,999
Second lien bonds	51,602,761	50,117,190	46,840,350	51,731,158	47,849,350	46,214,385	42,852,813	38,990,023	41,178,843
<b>Total senior and second lien bonds</b>	<b>190,124,462</b>	<b>183,890,292</b>	<b>171,150,042</b>	<b>175,529,462</b>	<b>170,168,278</b>	<b>165,445,205</b>	<b>170,540,233</b>	<b>173,224,683</b>	<b>169,356,842</b>
Junior lien bonds	15,552,742	8,910,595	5,439,273	3,684,917	2,700,795	2,521,249	2,009,658	1,785,328	1,781,683
<b>Total All Bonds</b>	<b>\$ 205,677,204</b>	<b>\$ 192,800,887</b>	<b>\$ 176,589,315</b>	<b>\$ 179,214,379</b>	<b>\$ 172,869,073</b>	<b>\$ 167,966,454</b>	<b>\$ 172,549,891</b>	<b>\$ 175,010,011</b>	<b>\$ 171,138,525</b>
<b>GAAP Basis Debt Service Coverage</b>									
Senior lien bonds	1.96	1.96	2.00	1.95	1.98	2.03	2.12	2.10	2.16
Senior and second lien bonds	1.42	1.43	1.45	1.38	1.42	1.46	1.59	1.63	1.63
All bonds, including SRF junior lien	1.32	1.36	1.41	1.35	1.40	1.44	1.57	1.61	1.62

[1] Excludes investment earnings on bond proceeds in construction fund.

[2] Local system revenues is reported net of bad debt expense and net of the GLWA Local System Charges which is paid by the local service revenues.

[3] Amounts recorded under GASB 96 for financial reporting purposes are treated as operating expenditures for budget purposes and the debt service coverage calculation.

[4] The legacy pension obligations reflects only the Legacy Pension Obligation as defined in Section 504(c) of the Water Master Bond Ordinance.

[5] Calculated on a debt set aside basis consistent with rate covenant basis for rate determination purposes.

[6] 2017 updated to reflect the presentation change to include the bad debt recovery (credit) line item separately

[7] At the time of the issuance of the GLWA financial report, DWSD's audited financial report had not been released. Amounts used were provided by DWSD's management of the preliminary financial results for the year ended June 30, 2024.

\* GLWA started operations on January 1, 2016. Includes 6 months under operations of DWSD and 6 months under the operations of GLWA under the Master Bond Ordinances in effect during the respective time periods.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.



## GREAT LAKES WATER AUTHORITY

## DEBT SERVICE COVERAGE - RATE COVENANT BASIS - WATER SYSTEM

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
GLWA Receipts									
Wholesale charges	\$ 334,931,872	\$ 332,337,913	\$ 313,964,381	\$ 310,032,178	\$ 303,568,071	\$ 308,690,722	\$ 319,728,881	\$ 336,362,250	
Local System charges	25,521,300	22,834,300	21,697,300	21,925,500	21,295,500	20,181,400	15,130,600	15,490,300	
Earnings on investments	13,799,049	8,163,261	2,456,013	4,684,353	7,742,625	7,722,112	3,592,524	579,546	
Total GLWA Receipts	374,252,221	363,335,474	338,117,694	336,642,031	332,606,196	336,594,234	338,452,005	352,432,096	
DWSD Local System Receipts [1]	98,296,987	98,010,223	80,267,663	80,141,924	75,590,223	79,686,819	85,962,882	80,960,806	
Total Receipts	472,549,208	461,345,697	418,385,357	416,783,955	408,196,419	416,281,053	424,414,887	433,392,902	
Operation and Maintenance Transfers									
GLWA Regional System operations [2]	168,873,100	156,747,700	143,933,800	124,167,627	126,188,192	116,356,994	114,426,522	105,431,843	
DWSD Local System operations	44,776,800	42,581,600	29,989,000	35,833,900	34,662,400	35,484,300	35,059,704	33,596,400	
Legacy Pension Regional System [3]	-	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	6,048,000	
Legacy Pension DWSD Local System [3]	-	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	4,272,000	
Total Operations and Maintenance Transfers	213,649,900	209,649,300	184,242,800	170,321,527	171,170,592	162,161,294	159,806,226	149,348,243	
Pledged Revenue	\$ 258,899,308	\$ 251,696,397	\$ 234,142,557	\$ 246,462,428	\$ 237,025,827	\$ 254,119,759	\$ 264,608,661	\$ 284,044,659	
Principal and interest funding requirement [4]:									
Senior lien bonds	\$ 138,521,701	\$ 133,773,102	\$ 124,309,692	\$ 123,798,304	\$ 122,318,928	\$ 119,230,820	\$ 127,687,420	\$ 134,234,660	
Second lien bonds	51,602,761	50,117,190	46,840,350	51,731,158	47,849,350	46,214,385	42,852,813	38,990,023	
Total senior and second lien bonds	190,124,462	183,890,292	171,150,042	175,529,462	170,168,278	165,445,205	170,540,233	173,224,683	
Junior lien bonds	15,552,742	8,910,595	5,439,273	3,684,917	2,700,795	2,521,249	2,009,658	1,785,328	
Total All Bonds	\$ 205,677,204	\$ 192,800,887	\$ 176,589,315	\$ 179,214,379	\$ 172,869,073	\$ 167,966,454	\$ 172,549,891	\$ 175,010,011	
Rate Covenant Basis Debt Service Coverage									
Senior lien bonds	1.87	1.88	1.88	1.99	1.94	2.13	2.07	2.12	
Senior and second lien bonds	1.36	1.37	1.37	1.40	1.39	1.54	1.55	1.64	
All bonds, including SRF junior lien	1.26	1.31	1.33	1.38	1.37	1.51	1.53	1.62	

[1] DWSD Local Systems Receipts is net of the GLWA Local System Charges which is paid from the local system receipts.

[2] For years prior to 2022 a different methodology was used. A calculation was performed to determine the cash basis disbursements from the operations fund.

[3] The legacy pension obligations reflects only the Legacy Pension Obligation as defined in Section 504 (c) of the Water Master Bond Ordinance.

[4] Calculated on a debt set aside basis consistent with rate covenant basis for rate determination purposes.

\* GLWA started operations on January 1, 2016. Due to the bifurcation from DWSD the Rate Covenant Basis cannot be computed for 2016.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

**GREAT LAKES WATER AUTHORITY**  
DEBT SERVICE COVERAGE - GAAP BASIS - SEWAGE DISPOSAL SYSTEM

Schedule 12c

	Fiscal Year								
	2024	2023	2022 [8]	2021	2020	2019	2018	2017 [6]	2016*
GLWA Revenues									
Wholesale Charges	\$ 282,767,090	\$ 275,917,502	\$ 268,813,369	\$ 267,567,816	\$ 266,003,286	\$ 272,772,460	\$ 268,978,831	\$ 298,376,775	\$ 121,106,353
Local system charges	196,569,600	191,042,200	188,662,200	187,959,700	185,807,300	181,159,300	178,969,200	187,304,100	95,826,900
Industrial waste charges	8,617,495	8,393,103	8,300,278	8,004,939	7,854,593	9,106,274	14,334,979	14,381,106	6,910,192
Pollutant surcharges	4,088,519	4,894,567	5,181,816	6,719,964	6,448,508	5,932,550	6,908,404	5,206,294	2,423,910
Bad Debt Recovery Credit	(15,556,900)								
Other Revenue	(827,846)	4,901,316	817,448	6,481,905	6,491,617	506,323	4,391,145	538,807	4,197,614
Earnings on investments [1]	23,168,806	12,498,292	1,842,475	2,802,041	7,775,080	9,592,270	4,022,582	1,384,225	586,072
<b>Total GLWA Revenues</b>	<b>498,826,764</b>	<b>497,646,980</b>	<b>473,617,586</b>	<b>479,536,365</b>	<b>480,380,384</b>	<b>479,069,177</b>	<b>477,605,141</b>	<b>507,191,307</b>	<b>231,051,041</b>
DWSD Local System Revenues [7]									
Local system revenues [2]	99,182,251	106,468,842	132,274,680	79,360,298	80,935,263	71,542,770	84,018,973	45,587,339	206,870,710
Other Revenue	1,778,711	322,763	1,797,906	915,216	914,969	346,821	159,535	4,617,148	(940,714)
<b>Total DWSD Local System Revenues</b>	<b>100,960,962</b>	<b>106,791,605</b>	<b>134,072,586</b>	<b>80,275,514</b>	<b>81,850,232</b>	<b>71,889,591</b>	<b>84,178,508</b>	<b>50,204,487</b>	<b>205,929,996</b>
<b>Total Revenue</b>	<b>599,787,726</b>	<b>604,438,585</b>	<b>607,690,172</b>	<b>559,811,879</b>	<b>562,230,616</b>	<b>550,958,768</b>	<b>561,783,649</b>	<b>557,395,794</b>	<b>436,981,037</b>
Operating Costs									
GLWA operating expenses	218,946,354	211,656,126	186,918,677	178,101,424	176,949,460	174,040,805	176,379,404	151,318,266	84,380,021
GASB 87 and GASB 96 expenditures [3]	3,727,649	2,464,377	1,041,308	118,759	-	-	-	-	-
O&M transfers:									
DWSD Local System operations	55,705,700	51,396,400	61,301,000	69,915,700	55,243,500	56,767,920	60,517,992	41,535,600	16,949,400
Legacy Pension Regional System [4]	-	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	5,412,000
Legacy Pension DWSD Local System [4]	-	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	1,428,000
<b>Total Operating Costs</b>	<b>278,379,703</b>	<b>279,196,903</b>	<b>262,940,985</b>	<b>261,815,883</b>	<b>245,872,960</b>	<b>244,488,725</b>	<b>250,577,396</b>	<b>206,533,866</b>	<b>108,169,421</b>
Pledged revenue	\$ 321,408,023	\$ 325,241,682	\$ 344,749,187	\$ 297,995,996	\$ 316,357,656	\$ 306,470,043	\$ 311,206,253	\$ 350,861,928	\$ 328,811,616
Principal and interest funding requirement [5]:									
Senior lien bonds	\$ 157,403,423	\$ 152,866,129	\$ 130,404,294	\$ 119,217,128	\$ 147,310,565	\$ 145,795,507	\$ 141,718,836	\$ 140,854,010	\$ 140,191,016
Second lien bonds	53,227,095	39,847,153	51,893,038	57,778,951	45,878,850	43,922,600	43,990,100	47,918,639	48,944,924
<b>Total senior and second lien bonds</b>	<b>210,630,518</b>	<b>192,713,282</b>	<b>182,297,332</b>	<b>176,996,079</b>	<b>193,189,415</b>	<b>189,718,107</b>	<b>185,708,936</b>	<b>188,772,649</b>	<b>189,135,940</b>
Junior lien bonds	50,498,804	50,145,516	53,550,614	53,166,797	52,593,843	49,454,156	46,571,896	45,782,165	39,434,631
<b>Total All Bonds</b>	<b>\$ 261,129,322</b>	<b>\$ 242,858,798</b>	<b>\$ 235,847,946</b>	<b>\$ 230,162,876</b>	<b>\$ 245,783,258</b>	<b>\$ 239,172,263</b>	<b>\$ 232,280,832</b>	<b>\$ 234,554,814</b>	<b>\$ 228,570,571</b>
GAAP Basis Debt Service Coverage									
Senior lien bonds	2.04	2.13	2.64	2.50	2.15	2.10	2.20	2.49	2.35
Senior and second lien bonds	1.53	1.69	1.89	1.68	1.64	1.62	1.68	1.86	1.74
All bonds, including SRF junior lien	1.23	1.34	1.46	1.29	1.29	1.28	1.34	1.50	1.44

[1] Excludes investment earnings on bond proceeds in construction fund.

[2] Local system revenues is reported net of bad debt expense and net of the GLWA Local System Charges which is paid by the local service revenues.

[3] Amounts recorded under GASB 96 for financial reporting purposes are treated as operating expenditures for budget purposes and the debt service coverage calculation.

[4] The legacy pension obligations reflects only the Legacy Pension Obligation as defined in Section 504(c) of the Water Master Bond Ordinance.

[5] Calculated on a debt set aside basis consistent with rate covenant basis for rate determination purposes.

[6] 2017 updated to reflect the presentation change to include the bad debt recovery (credit) line item separately

[7] At the time of the issuance of the GLWA financial report, DWSD's audited financial report had not been released. Amounts used were provided by DWSD's management of the preliminary financial results for the year ended June 30, 2024.

\* GLWA started operations on January 1, 2016. Includes 6 months under operations of DWSD and 6 months under the operations of GLWA under the Master Bond Ordinances in effect during the respective time periods.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

## GREAT LAKES WATER AUTHORITY

## DEBT SERVICE COVERAGE - RATE COVENANT BASIS - SEWAGE DISPOSAL SYSTEM

	Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
GLWA Receipts									
Wholesale charges	\$ 292,811,429	\$ 297,751,807	\$ 281,636,430	\$ 288,132,728	\$ 293,321,993	\$ 281,485,522	\$ 294,503,834	\$ 281,528,551	
Local System charges	196,569,600	191,042,200	188,662,200	187,959,700	185,807,300	181,159,300	178,969,200	187,304,100	
Earnings on investments	17,350,547	10,094,409	1,680,667	2,739,425	5,372,063	5,098,922	2,796,727	372,505	
Total GLWA Receipts	506,731,576	498,888,416	471,979,297	478,831,853	484,501,356	467,743,744	476,269,761	469,205,156	
DWSD Local System Receipts [1]	97,911,598	101,900,942	101,030,510	118,699,151	77,444,540	82,349,510	60,314,827	43,553,820	
Total Receipts	604,643,174	600,789,358	573,009,807	597,531,004	561,945,896	550,093,254	536,584,588	512,758,976	
Operations and Maintenance Transfers									
GLWA Regional System operations [2]	224,873,500	204,122,500	191,908,600	165,588,970	176,416,149	171,899,072	172,614,312	172,965,094	
DWSD Local System operations	55,705,700	51,396,400	61,301,000	69,915,700	55,243,500	56,767,920	60,517,992	41,535,600	
Legacy Pension Regional System [3]	-	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	10,824,000	
Legacy Pension DWSD Local System [3]	-	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	2,856,000	
Total Operations and Maintenance Transfers	280,579,200	269,198,900	266,889,600	249,184,670	245,339,649	242,346,992	246,812,304	228,180,694	
Pledged Revenue	\$ 324,063,974	\$ 331,590,458	\$ 306,120,207	\$ 348,346,334	\$ 316,606,247	\$ 307,746,262	\$ 289,772,284	\$ 284,578,282	
Principal and interest funding requirement [4]:									
Senior lien bonds	\$ 157,403,423	\$ 152,866,129	\$ 130,404,294	\$ 119,217,128	\$ 147,310,565	\$ 145,795,507	\$ 141,718,836	\$ 140,854,010	
Second lien bonds	53,227,095	39,847,153	51,893,038	57,778,951	45,878,850	43,922,600	43,990,100	47,918,639	
Total senior and second lien bonds	210,630,518	192,713,282	182,297,332	176,996,079	193,189,415	189,718,107	185,708,936	188,772,649	
Junior lien bonds	50,498,804	50,145,516	53,550,614	53,166,797	52,593,843	49,454,156	46,571,896	45,782,165	
Total All Bonds	\$ 261,129,322	\$ 242,858,798	\$ 235,847,946	\$ 230,162,876	\$ 245,783,258	\$ 239,172,263	\$ 232,280,832	\$ 234,554,814	
Rate Covenant Basis Debt Service Coverage									
Senior lien bonds	2.06	2.17	2.35	2.92	2.15	2.11	2.04	2.02	
Senior and second lien bonds	1.54	1.72	1.68	1.97	1.64	1.62	1.56	1.51	
All bonds, including SRF junior lien	1.24	1.37	1.30	1.51	1.29	1.29	1.25	1.21	

[1] DWSD Local Systems Receipts is net of the GLWA Local System Charges which is paid from the local system receipts.

[2] For years prior to 2022 a different methodology was used. A calculation was performed to determine the cash basis disbursements from the operations fund.

[3] The legacy pension obligations reflects only the Legacy Pension Obligation as defined in Section 504 (c) of the Water Master Bond Ordinance.

[4] Calculated on a debt set aside basis consistent with rate covenant basis for rate determination purposes.

\* GLWA started operations on January 1, 2016. Due to the bifurcation from DWSD the Rate Covenant Basis cannot be computed for 2016.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

Demographic and economic information is intended to show the socioeconomic environment within which the Authority operates.

## GREAT LAKES WATER AUTHORITY

Schedule 13

SERVICE AREA DEMOGRAPHICS  
Last Ten Years

Year	Population (1)	Unemployment (2)	Per Capita Income (3)	Total Debt Service (5)	Debt Per Capita	Debt Service as a Percentage of Income
<b>Water Fund</b>						
2024	3,800,000	4.3%	\$ 63,794 (4)	\$ 205,677,204	\$ 54.13	0.08%
2023	3,800,000	3.6%	60,837 (4)	192,800,887	50.74	0.08%
2022	3,800,000	3.8%	61,322	176,589,315	46.47	0.08%
2021	3,800,000	6.2%	60,488	179,214,379	47.16	0.08%
2020	3,800,000	11.5%	56,901	172,869,073	45.49	0.08%
2019	3,800,000	4.3%	52,855	167,966,454	44.20	0.08%
2018	3,800,000	4.3%	51,429	172,549,891	45.41	0.09%
2017	3,800,000	4.6%	49,309	175,010,011	46.06	0.09%
2016 *	3,800,000	5.3%	48,092	171,138,525	45.04	0.09%
2015 *	3,800,000	5.9%	47,063	178,923,900	47.09	0.10%
<b>Sewage Disposal Fund</b>						
2024	2,800,000	4.3%	\$ 63,794 (4)	\$ 261,129,322	\$ 93.26	0.15%
2023	2,800,000	3.6%	60,837 (4)	242,858,798	86.74	0.14%
2022	2,800,000	3.8%	61,322	235,847,946	84.23	0.14%
2021	2,800,000	6.2%	60,488	230,162,876	82.20	0.14%
2020	2,800,000	11.5%	56,901	245,783,258	87.78	0.15%
2019	2,800,000	4.3%	52,855	239,172,263	85.42	0.16%
2018	2,800,000	4.3%	51,429	232,280,832	82.96	0.16%
2017	2,800,000	4.6%	49,309	234,554,814	83.77	0.17%
2016 *	2,800,000	5.3%	48,092	228,570,571	81.63	0.17%
2015 *	2,807,000	5.9%	47,063	232,612,800	82.87	0.18%

(1) Source: Estimated based on data from Southeast Michigan Council of Governments (SEMCOG).

(2) Source: Bureau of Labor Statistics Detroit-Warren-Dearborn MSA Annual Average (For 2024 the average rate through September was used). The Detroit-Warren-Dearborn Metropolitan Statistical Area (MSA) is comprised of six counties: Wayne, Oakland, Macomb, Livingston, Lapeer and St. Clair. This represents the majority of the service area customers.

(3) Source: FRED Economic Data, St. Louis Fed (Prior year amounts have been updated to match current information from FRED)

(4) Source: Michigan State University Center for Economic Analysis (Prior year amounts have been updated to match current information from MSU)

(5) Debt service is based on set aside debt service requirements for the fiscal year which includes the subsequent year July 1st debt payment.

\* GLWA assumed operations on January 1, 2016. The information in this table for 2015 is based on operations under the City of Detroit Water and Sewerage Department (DWSD). Data for 2016 includes six months of operation under DWSD and six months of operation under GLWA.

## GREAT LAKES WATER AUTHORITY

LARGEST EMPLOYERS  
Current Year and 9 years prior

DRAFT 12.2.2024

Schedule 14

Employer	Type of Business	Fiscal Year 2024			Fiscal Year 2015		
		Full- Time Employees (a)	Rank	Percent of Total Employment (b)	Full- Time Employees (c)	Rank	Percent of Total Employment (d)
Ford Motor Co.	Automobile Manufacturer	47,750	1	2.25%	44,598	1	2.34%
Stellantis NV (Formerly FCA US LLC)	Automobile Manufacturer	39,468	2	1.86%	33,657	2	1.76%
University of Michigan	Public University and Health System	36,778	3	1.73%	30,852	4	1.62%
General Motors Co.	Automobile Manufacturer	35,793	4	1.69%	32,353	3	1.69%
Corewell Health (formerly Beaumont Health)	Health Care System	21,733	5	1.02%	27,387	5	1.43%
U.S. Government	Federal Government	20,538	6	0.97%	18,701	6	0.98%
Henry Ford Health System	Health Care System	17,649	7	0.83%	17,332	7	0.91%
Trinity Health Michigan	Health Care System	16,686	8	0.79%	14,231	9	0.75%
U.S. Postal Service	Postal Service	11,508	9	0.54%	n/a	n/a	n/a
Ascension Michigan	Health Care System	11,383	10	0.54%	n/a	n/a	n/a
Illitch Companies	Food, Sports, and Entertainment	n/a	n/a	n/a	16,567	8	0.87%
Rock Ventures	Umbrella managing a portfolio of companies, investments and real estate	n/a	n/a	n/a	13,445	10	0.70%
Total		<u>259,286</u>		<u>12.21%</u>	<u>249,123</u>		<u>13.05%</u>

- (a) July 2023 Employment data from Largest Southeast Michigan Employers - Ranked by full-time employees in the December 18, 2023 Crain's Detroit Business (most recent available)
- (b) Percentage base on U.S. Bureau of Labor Statistics from July 2023 of 2,124,109 for the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area
- (c) July 2015 Employment data from comparative column in July 2015 listing of Largest Southeast Michigan Employers - Ranked by full-time employees issued by Crain's Detroit Business
- (d) Percentage base on U.S. Bureau of Labor Statistics from July 2015 of 1,909,135 for the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area

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## **OPERATING INFORMATION**

Operating information is intended to show contextual information about the Authority's operations and resources to assist in using financial statement information to understand and assess the Authority's economic condition.

## GREAT LAKES WATER AUTHORITY

Schedule 15

## PRODUCED AND BILLED WATER VOLUMES (Mcf)

Fiscal Year	Water Produced [1]	Water Sales			Estimated Non-Revenue Water	Estimated Non-Revenue Water as % of Production
		Wholesale Billed [2]	Local System Billed [3]	Total Water Billed		
2024	19,601,200	12,888,500	4,209,100	17,097,600	2,503,600	12.8%
2023	21,159,700	13,838,200 [4]	4,342,400	18,180,600	2,979,100	14.1%
2022	19,725,700	13,205,300	4,297,300	17,502,600	2,223,100	11.3%
2021	20,565,800	14,258,300	4,120,000	18,378,300	2,187,500	10.6%
2020	19,989,500	13,578,700	4,161,300	17,740,000	2,249,500	11.3%
2019	20,968,100	13,708,600	4,354,600	18,063,200	2,904,900	13.9%
2018	23,228,600	14,391,800	4,428,200	18,820,000	4,408,600	19.0%
2017	23,915,600	14,824,000	4,465,800	19,289,800	4,625,800	19.3%
2016 *	23,580,700	14,730,400	4,649,100	19,379,500	4,201,200	17.8%

The table for historical water sales and reported total water production presents water volume in thousands of cubic feet ("Mcf") for suburban wholesale customers, for the Retail Water Customers, and for the Regional Water System as a whole, together with total water production and non-revenue water volume. As is common for all large water systems, the Regional Water System experiences a differential between the quantity of water produced by the treatment plants during the fiscal year and the quantity of water billed to customers over the same period, and the difference is referred to as "non-revenue water." Non-revenue water results from a variety of factors such as the range of accuracy of production and retail meters, losses due to leaks or major breaks in the transmission and distribution systems, unmetered water that is used for fire protection, and the accuracy of estimates for unmetered use. The Authority believes that improvements in the accuracy of the reported production figures may reduce the level of non-revenue water. Production at some of the water plants is not metered, but rather is estimated based on pump curves. The data continues to be reviewed, and the Authority has initiated efforts to measure production figures and refine production estimating techniques.

The schedule of charges for each of the wholesale customers consists of a fixed monthly charge and a commodity charge applied to monthly metered water usage. While the overall methodology used to determine charges for each customer is uniform, the service charge schedule for each customer is unique, reflecting the specific volumes, peak demands, and other demographic information in their individual contracts. Charges are designed to recover 60% of the revenue requirement via fixed monthly charges, with the other 40% generated by commodity charges.

[1] Represents, in part, estimated volumes based on pump curves and engineering analysis. GLWA engineering studies in 2017 concluded that the total water production values for calendar year 2016 were over-reported by 5.8%.

[2] Represents metered amounts for all suburban wholesale customers, with the exception of Dearborn which is based on self-reported billed volumes (including local system losses), and Highland Park, which is based on estimated volumes.

[3] The GLWA charges the DWSD local system a flat charge based on average historical usage from DWSD retail billings data adjusted for water loss. These amounts reflect retail water sales as reported by DWSD plus estimated real and apparent losses in the local distribution system based on engineering studies.

[4] Number revised from prior year based on additional analysis resulting in a decrease to the non-revenue water of 34,700 mcf, resulting in a decrease to the non-revenue water as percentage of production of 0.1%

\* GLWA assumed operations on January 1, 2016. Data for 2016 includes six months of operation under DWSD and six months of operation under GLWA.

Source: Great Lakes Water Authority Financial Services Area and the Foster Group

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

## GREAT LAKES WATER AUTHORITY

Schedule 16

## WASTEWATER VOLUMES (Mgd)

Fiscal Year	Wastewater Influent [1]	Master Metered Member Partners		Unmetered [2]	
		Sanitary Volume	Non-Sanitary Volume	Sanitary Volume	Non-Sanitary Volume
2024 *	584.598	129.293	140.717	64.926	249.662
2023	533.677	128.925	112.269	62.920	229.563
2022	737.980	132.968	187.440	61.591	355.981
2021	564.497	132.664	111.157	57.913	262.762
2020	632.381	128.857	156.844	59.490	287.191
2019	698.471	134.563	169.085	65.444	329.379
2018	656.612	136.775	145.231	65.789	308.817
2017	685.711	133.914	157.747	57.983	336.068
2016 **	597.988	134.505	128.906	59.030	275.547

Wastewater volumes are monitored by GLWA operations and engineering teams throughout the year then go through a formal review and approval process over a period of six to nine months following the end of the fiscal year. The formal, annual, data analytic review is led by an outside consultant. As part of this process preliminary data is shared with customers to confirm. Current and historic data does change at times as system improvements are made and reporting refinements occur.

The GLWA Sewer Charge Methodology uses historical wastewater volumes to allocate annual revenue requirements to the member partners based on historical wastewater volumes, and recovers the allocated revenue requirements via fixed monthly charges.

[1] Represents total influent volume to the System, including volumes treated and discharged at the Water Resource Recovery Facility and volumes discharged via Combined Sewer Overflow facilities.

[2] The GLWA Sewer Charge Methodology assigns a portion of the unmetered non-sanitary flow volume as a "system" responsibility allocable to all member partners. The remaining amount of unmetered non-sanitary flow and the unmetered sanitary flow is assigned to unmetered customers, which includes the Local System and certain wholesale customers.

\* Data is preliminary

\*\* GLWA assumed operations on January 1, 2016. Data for 2016 includes six months of operation under City of Detroit Water and Sewerage Department (DWSD) and six months of operation under GLWA.

This schedule is being built prospectively; ultimately, 10 years of data will be presented.

## GREAT LAKES WATER AUTHORITY

Schedule 17

## ADDITIONAL SUMMARY STATISTICS

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Capital Asset Statistics - Water</b>									
Water Treatment Plants	5	5	5	5	5	5	5	5	5
Intake Facilities	3	3	3	3	3	3	3	3	3
Booster Pumping Stations	19	19	19	19	19	19	19	19	19
Water Storage Reservoirs	32	32	32	32	32	32	32	32	32
Miles of Transmission Lines	797	816	816	816	816	816	803	803	803
<b>Capital Asset Statistics - Sewer</b>									
Water Resource Recovery Facility	1	1	1	1	1	1	1	1	1
Major Interceptors	3	3	3	3	3	3	3	3	3
Pump Stations [1]	9	9	9	9	9	9	9	9	9
Combined Sewer Overflow Facilities:									
Retention Treatment Basins [2]	6	5	5	5	5	5	5	5	5
Flow-through Type Facilities	3	3	3	3	3	3	3	3	3
Miles of Trunk Sewers and Interceptors	207	195	195	195	195	195	181	181	181
<b>GLWA Employees</b>									
Water Operations	226	217	203	211	211	213	205	180	155
Sewage Disposal Operations	312	289	298	320	344	369	358	342	320
Centralized Services	325	321	295	298	302	295	276	249	217
Administrative Services	182	181	152	156	152	147	129	110	90
Total Employees	<u>1,045</u>	<u>1,008</u>	<u>948</u>	<u>985</u>	<u>1,009</u>	<u>1,024</u>	<u>968</u>	<u>881</u>	<u>782</u>

[1] GLWA operates nine pump stations. This count includes four pump stations that are owned by DWSD and operated by GLWA under a shared services agreement.

[2] GLWA operates nine CSO facilities. This count includes one retention treatment basin that is owned by DWSD and operated by GLWA under a shared services agreement.

GLWA began operations on January 1, 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.





**Financial Services Area**  
735 Randolph, Suite 1608  
Detroit, Michigan 48226

# **Great Lakes Water Authority**

Report on Federal Awards

June 30, 2024

**Great Lakes Water Authority**

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Table of Contents  
June 30, 2024

	<u>Page</u>
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	1
<b>Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance</b>	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8



**Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of  
Great Lakes Water Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, and the major fund of the Great Lakes Water Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 11, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Madison, Wisconsin  
December 11, 2024

**Report on Compliance  
for the Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on the Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of  
Great Lakes Water Authority

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Great Lakes Water Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2024. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities, and the major fund of the Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 11, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Madison, Wisconsin  
December 11, 2024

## Great Lakes Water Authority

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Agency Program Title	Assistance Listing Number	Grant/Contract Number	Pass-Through Agency Grant Number	Payments Made to Subrecipients	Federal Expenditures
<b>Federal Programs</b>					
<b>U.S. DEPARTMENT OF TREASURY</b>					
Passed-Through the Michigan Department of Environment Great Lakes and Energy					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds					
Infrastructure Grants					
5.1 Clean Water: Centralized Wastewater Treatment	21.027		5836-01	\$ -	\$ 2,342,280
5.11 Drinking Water: Transmission & Distribution	21.027		7532-02	-	5,313,987
5.11 Drinking Water: Transmission & Distribution	21.027		FRF2969-GLWA02	-	5,000,000
5.2 Clean Water: Centralized Wastewater Collection and Conveyance	21.027		PA53-2024-001	-	25,000,000
Total U.S. Department of Treasury				-	37,656,267
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
Passed-Through the Michigan Department of Environment, Great Lakes and Energy					
Clean Water State Revolving Fund					
State Revolving Fund Loan	66.458		5673-01	-	990,250
State Revolving Fund Loan	66.458		5706-01	206,226	206,226
State Revolving Fund Loan	66.458		5741-01	-	807,694
State Revolving Fund Loan	66.458		5742-01	-	1,051,826
State Revolving Fund Loan	66.458		5836-01	-	2,953,032
Total Clean Water State Revolving Fund				206,226	6,009,028
Passed-Through the Michigan Department of Environment, Great Lakes and Energy					
Drinking Water State Revolving Fund					
State Revolving Fund Loan	66.468		7461-02	-	2,473,126
Total Drinking Water State Revolving Fund				-	2,473,126
Total U.S. Environmental Protection Agency				206,226	8,482,154
<b>U.S. DEPARTMENT OF ENERGY</b>					
Direct Programs					
Hydrothermal Liquefaction to Convert Organic Wet Wastes to Transportation Fuels					
	81.087	DE-EE0010307		53,605	102,804
Total U.S. Department of Energy				53,605	102,804
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Passed-Through the Michigan State Police					
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-70	-	1,858,713
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-117	-	19,348
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-403	-	102,850
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-418	-	470,475
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-469	-	334,193
COVID-19 Emergency Protective Measures Covid-19 Public Assistance	97.036		4494DR-MI / PW-544	-	73,494
Disaster Severe Storm Utilities Public Assistance	97.036		4607DR-MI / PW-17	-	80,129
Disaster Severe Storm Utilities Public Assistance	97.036		4607DR-MI / PW-67	-	180,000
Disaster Severe Storm Utilities Public Assistance	97.036		4607DR-MI / PW-75	-	1,910,621
Disaster Severe Storm Utilities Public Assistance	97.036		4607DR-MI / PW-88	-	319,911
Disaster Severe Storm Utilities Public Assistance	97.036		4607DR-MI / PW-100	-	247,651
Total U.S. Department of Homeland Security				-	5,597,385
Total Federal Programs				\$ 259,831	\$ 51,838,610

See notes to schedule of expenditures of federal awards

**Great Lakes Water Authority**

Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2024

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Great Lakes Water Authority (the Authority) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting, which is described as follows:

**Basis of Accounting for U.S. Environmental Protection Agency Programs**

In general, expenditures are reported in the Schedule when the Authority remits payment to a vendor or contractor, rather than when an expense is incurred by the Authority in accordance with Generally Accepted Accounting Principles (GAAP). Additionally, any amounts paid to subrecipients are included when paid or transferred instead of when incurred. The Authority reports its expenditures using this method based on guidance it received from the Michigan Department of Environment, Great Lakes, and Energy (EGLE), which serves as the pass-through entity for all of the Authority's federally funded loan programs.

**Pre-Award Costs for U.S. Environmental Protection Agency Programs**

In addition to the above, awarding agencies may approve reimbursement of costs related to projects undertaken (and paid to vendors) in prior periods. In those cases, as the payments were not previously reported as federal expenditures, they are reported on the Schedule in the period reimbursement is approved by the awarding agency. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Passthrough entity identifying numbers are presented where available.

**Basis of Accounting for All Other Federal Grants**

In general, the Authority reports expenditures in the Schedule when expenditures have been incurred and when the funds have been obligated. Additionally, any amounts paid to subrecipients are included when paid or transferred instead of when incurred.

The Authority incurred eligible expenses of \$3,068,613 in fiscal year ended June 30, 2021, \$14,525,104 in fiscal year ended June 30, 2022 and \$9,925,365 in fiscal year ended June 30, 2023 which were approved by EGLE. The Authority incurred eligible expenses of \$1,878,061 in fiscal year ended June 30, 2020, \$102,850 in fiscal year ended June 30, 2021, \$1,592,319 in fiscal year ended June 30, 2022, and \$113,534 in fiscal year ended June 30, 2023 which were approved by Michigan State Police in fiscal year ended June 30, 2024.

**3. Indirect Cost Rate**

The Authority has not elected to use the 10% de minimis indirect cost rate.

**Great Lakes Water Authority**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section I - Summary of Auditors' Results****Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes

  X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes

  X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes

  X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes

  X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes

  X   none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? \_\_\_\_\_ yes

  X   no

Auditee qualified as low-risk auditee?   X   yes

\_\_\_\_\_ no

Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_

\$1,555,158

Identification of major federal programs:

**Assistance Listing Number(s)**

**Name of Federal Program or Cluster**

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds – Infrastructure Grants



**Great Lakes Water Authority**

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Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section II - Financial Statement Findings**

*None Reported*

**Section III - Federal Awards Findings and Questioned Costs**

*None Reported*



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Nicolette Bateson, CPA  
Chief Financial Officer/Treasurer

**Re:** Proposed Calendar Year 2025 Audit Committee Meeting Dates

**Background:** Annually in November, the Audit Committee establishes its meeting schedule for the upcoming calendar year.

**Analysis:** Listed below are the proposed 2025 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 24, 2025	May 23, 2025	September 26, 2025
February 28, 2025	June 27, 2025	October 24, 2025
March 28, 2025	July 25, 2025	November 21, 2025*
April 25, 2025	August 22, 2025	December 19, 2025*

\* 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

### PROPOSED AUDIT COMMITTEE ANNUAL MEETING SCHEDULE

**(As of December 6, 2024 – 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 24, 2025

July 25, 2025

February 28, 2025

August 22, 2025

March 28, 2025

September 26, 2025

April 25, 2025

October 24, 2025

May 23, 2025

November 21, 2025\*

June 27, 2025

December 19, 2025\*

\* Moved up one week due to holidays scheduled.

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](mailto:CFO@glwater.org).



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Gerri Williams, Treasury Manager

**Re:** Proposed PFM Asset Management Contract Extension

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

**Proposed Action:** Audit Committee recommends the Great Lakes Water Authority Board approve the contract extension for PFM Asset Management as presented.

**..Title**

**Proposed Change Order No. 3 – Extension of Time Only  
SCN-0000189  
Investment Advisor Services  
PFM Asset Management, LLC contract extension**

**..Body**

Agenda of: December 11, 2024  
Item No.: **2024-397**  
Amount:

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** December 11, 2024

**RE: Proposed Change Order No. 3  
SCN-0000189  
Investment Advisor Services  
PFM Asset Management, LLC Contract Extension**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer & Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves a contract extension for Contract No. GLWA-SCN-10000189 Proposed Change Order No. 3 “Investment Advisor Services” with PFM Asset Management LLC, for an increased duration of 6 months for a total contract duration of 66 months through June 2025 ;** and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

## **BACKGROUND**

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

The present contract, executed January 1, 2020, was for three years at a cost of \$1,320,000 with two one-year renewals at a cost of \$440,000 for each renewal. Both renewals were executed resulting in a total contract amount of \$2,200,000. This contract expires December 31, 2024.

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

Due to staff transition in the Treasury Manager position as well as the workload for the Workday implementation, staff resource constraints to develop and execute an RFP before December 31, 2024 was not feasible.

## **JUSTIFICATION**

To maintain continuity of service during the RFP process, a contract amendment for an extension of time only is requested to the current contract with PFM Asset Management, LLC for six months to June 30, 2025. This contract extension will allow for a robust RFP process and support a smooth transition to the newly appointed Investment Advisor.

**PROJECT MANAGEMENT STATUS**

Original Contract Time	5 years (01/01/2020 – 12/31/2024)
Amendment No. 1	0 Months
Amendment No. 2	0 Months
Proposed Amendment No. 3	6 Months
New Contract Time	5 years 6 months (01/01/2020 – 06/30/2025)

**PROJECT ESTIMATE**

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

**BUDGET IMPACT**

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

**COMMITTEE REVIEW**

This matter was reviewed by the GLWA Audit Committee at its meeting on December 6, 2024. The Audit Committee [*insert action taken*] the Board of Directors approve the Change Order No. 3 “Investment Advisor Services” with PFM Asset Management LLC, for an increased duration of 6 months through June 2025, as presented.



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Lisa L. Mancini, Financial Services Chief of Staff

**Re:** Public Hearings on Proposed FY 2026 & FY 2027 Biennial Budget Request

**Background/Analysis:** See attached draft Board Letter.

**Proposed Action:** The GLWA Audit Committee recommends that the Board of Directors authorizes staff to schedule a Public Hearing on the FY 2026 & FY 2027 Biennial Budget Request to be held at a meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that the notice of this Public Hearing be published in a daily newspaper of general circulation, and directs that notice of this Public Hearing be mailed to GLWA member partner communities on or before January 27, 2025.



**..Title**

**Public Hearings on the Proposed FY 2026 & FY 2027 Biennial Budget Request**

**..Body**

Agenda of: December 11, 2024

Item No.: **2024-413**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** December 11, 2024

**RE: Public Hearings on the Proposed FY 2026 & FY 2027 Biennial Budget Request**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes staff to schedule a Public Hearing on the Proposed FY 2026 & FY 2027 Biennial Budget Request to be held at a Meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that notice of this Public Hearing be published in a daily newspaper of general circulation, and directs that notice of this Public Hearing be mailed to GLWA member partner communities on or before January 27, 2025;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

## **BACKGROUND**

The timing of the proposed public hearings is guided largely by contractual commitments that seek to align the budget and annual service charges approval process as well as following general practice in the public sector.

### **Contractual Commitments**

Section 7.02 of the GLWA Model Water Contract requires a Public Hearing prior to adoption of the FY 2026 & FY 2027 Biennial Budget. Section 7.02 provides:

“Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.”

The GLWA Model Sewer contract has the similar wording in Section 20.02 of that contract.

“Notification of Rates. As soon as possible in the ratemaking process, DWSD *[now GLWA]* shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, DWSD *[now GLWA]* shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. DWSD *[now GLWA]* shall meet with Customer to review the rate and the data.”  
*[Note that the contracts still reference DWSD; italics noted to infer GLWA.]*

### **General Practice in the Public Sector**

Michigan Public Act 279 provides that a water or sewerage system which serves more than 40% of the population must hold at least one public hearing at least 120 days before a proposed rate increase is scheduled to take effect. The hearing(s) must be conducted in compliance with the Open Meetings Act (OMA). Notice of the time, date and place of each hearing must be in compliance with the OMA and must be mailed to each city, village or township served by the system not less than 30 days before each hearing.

Although Act 279 does not currently apply to GLWA operations as the population served is close to, but less than, 40%, counsel has been in agreement that GLWA should continue to abide by the notice requirements of Act 279 as the most faithful interpretation of the contract requirements.

### **JUSTIFICATION**

The timing of the proposed public hearing aligns with the annual financial planning and charge development cycle in process.

### **BUDGET IMPACT**

A public hearing on the Proposed FY 2026 & FY 2027 Biennial Budget Request is necessary for the establishment of a budget effective July 1, 2025.

### **COMMITTEE REVIEW**

A discussion draft budget will be presented to the Audit Committee on December 20, 2024, with further discussion scheduled for the Board of Directors meeting on January 22, 2025, and the Audit Committee meeting on January 24, 2025 as needed.

At its meeting on December 6, 2024, the Audit Committee **[insert action]** that the Board of Directors authorizes staff to schedule a Public Hearing on the Proposed FY 2026 & FY 2027 Biennial Budget Request to be held at a Meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that notice of this Public Hearing be published in a daily newspaper of general circulation, and directs that notice of this Public Hearing be mailed to GLWA member partner communities on or before January 27, 2025.



**GREAT LAKES WATER AUTHORITY  
NOTICE OF PUBLIC HEARING  
PROPOSED BIENNIAL BUDGET  
For the Two-Year Period ended June 30, 2027 (FY 2026 and FY 2027)**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2026 and FY 2027 biennial budget.

**DATE: Wednesday, February 26, 2025**

**TIME: 2:00 p.m.**

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

**In Person**

Board Room, 5<sup>th</sup> Floor  
735 Randolph Street  
Detroit, Michigan 48226

**Join Zoom Meeting**

<https://glwater.zoom.us/j/86471667249?pwd=6oaIQhVws8U1bvaTyjO8UWUcPGrB83.1>

Meeting ID: 864 7166 7249

Passcode: 297061

**Join Zoom Telephonic**

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

or 888 788 0099 US Toll-Free

Meeting ID: 864 7166 7249

Passcode: 297061

The proposed biennial budget is scheduled to take effect on July 1, 2025.

The proposed biennial budget is available for public inspection online at <https://www.glwater.org/financials/>.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed biennial budget may do so at the Public Hearing as outlined in this notice. Individuals or groups wishing to make oral presentations may appear in person or participate via the Zoom as indicated in this notice.



Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A three minute time limit will be observed.

The Public Hearing on the FY 2026 and FY 2027 biennial budget proposed by the Great Lakes Water Authority scheduled for February 26, 2025 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

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

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

<https://glwater.zoom.us/j/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1>

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

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

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 25, 2025 and should reference "February 26, 2025 Public Hearing on proposed FY 2026 and FY 2027 biennial budget" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

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

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



Written comments by U.S. mail should reference “February 26, 2025 Public Hearing on proposed FY 2026 and FY 2027 biennial budget” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

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



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Lisa L. Mancini, Financial Services Chief of Staff

**Re:** Public Hearing on Proposed FY 2026 Schedule of Revenues and Charges

**Background/Analysis:** See attached draft Board Letter.

**Proposed Action:** The GLWA Audit Committee recommends that the Board of Directors authorize staff to schedule a Public Hearing on the Proposed FY 2026 Schedule of Revenues and Charges to be held at a meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that notice of this Public Hearing be published in a daily newspaper of general circulation, and directs that notice of this Public Hearing be mailed to GLWA member partner communities on or before January 27, 2025.

**..Title**

**Public Hearing on Proposed FY 2026 Schedule of Revenues and Charges**

**..Body**

Agenda of: December 11, 2024

Item No.: **2024-414**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** December 11, 2024

**RE: Public Hearing on the Proposed FY 2026 Schedule of Revenues and Charges**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes staff to schedule a Public Hearing on the Proposed FY 2026 Schedule of Revenues and Charges to be held at a Meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that notice of this Public Hearings be published in a daily newspaper of general circulation, and directs that notice of this Public Hearings be mailed to GLWA member partner communities on or before January 27, 2025;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.



## **BACKGROUND**

The timing of the proposed public hearings is guided largely by contractual commitments that seek to align the budget and annual service charges approval process as well as following general practice in the public sector.

### **Contractual Commitments**

Section 7.02 of the GLWA Model Water Contract requires a Public Hearing prior to adoption of the FY 2026 & FY 2027 Biennial Budget. Section 7.02 provides:

“Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.”

The GLWA Model Sewer contract has the similar wording in Section 20.02 of that contract.

“Notification of Rates. As soon as possible in the ratemaking process, DWSD *[now GLWA]* shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, DWSD *[now GLWA]* shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. DWSD *[now GLWA]* shall meet with Customer to review the rate and the data.”  
*[Note that the contracts still reference DWSD; italics noted to infer GLWA.]*

### **General Practice in the Public Sector**

Michigan Public Act 279 provides that a water or sewerage system which serves more than 40% of the population must hold at least one public hearing at least 120 days before a proposed rate increase is scheduled to take effect. The hearing(s) must be conducted in compliance with the Open Meetings Act (OMA). Notice of the time, date and place of each hearing must be in compliance with

the OMA and must be mailed to each city, village or township served by the system not less than 30 days before each hearing.

Although Act 279 does not currently apply to GLWA operations as the population served is close to, but less than, 40%, counsel has been in agreement that GLWA should continue to abide by the notice requirements of Act 279 as the most faithful interpretation of the contract requirements.

### **JUSTIFICATION**

The timing of the proposed public hearing aligns with the annual financial planning and charge development cycle in process.

### **BUDGET IMPACT**

The Public Hearings on a Proposed FY 2026 Schedule of Charges and Revenues is necessary for the establishment of a current budget and schedule of charges effective July 1, 2025.

### **COMMITTEE REVIEW**

A discussion draft budget will be presented to the Audit Committee on December 20, 2024, with further discussion scheduled for the Board of Directors meeting on January 22, 2025, and the Audit Committee meeting on January 24, 2025 as needed.

At its meeting on December 6, 2024, the Audit Committee **[insert action]** that the Board of Directors authorize staff to schedule a public hearing on Proposed FY 2026 Schedule of Revenues and Charges to be held at a Meeting of the Great Lakes Water Authority Board on February 26, 2025, at 2 pm, directs that notice of this public hearing be published in a daily newspaper of general circulation, and directs that notice of this Public Hearings be mailed to GLWA member partner communities on or before January 27, 2025.



**GREAT LAKES WATER AUTHORITY  
NOTICE OF PUBLIC HEARING  
PROPOSED FY 2026 WATER AND SEWERAGE SERVICE CHARGES**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on Water and Sewerage service charges proposed by the Great Lakes Water Authority for Fiscal Year 2026.

**DATE: Wednesday, February 26, 2025**

**TIME: 2:00 p.m.**

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

**In Person**

Board Room, 5<sup>th</sup> Floor  
735 Randolph Street  
Detroit, Michigan 48226

**Join Zoom Meeting**

<https://glwater.zoom.us/j/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1>

Meeting ID: 864 7166 7249  
Passcode: 297061

**Join Zoom Telephonic**

Public Call-In Number: 877 853 5247 US Toll-Free  
or 888 788 0099 US Toll-Free  
Meeting ID: 864 7166 7249  
Passcode: 297061

The proposed service charges are scheduled to take effect on July 1, 2025.

The proposed schedule of charges is available for public inspection online at <https://www.glwater.org/financials/>.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed service charges may do so at the Public Hearing as outlined in this notice. Individuals or groups wishing to make oral presentations may appear in person or participate via the Zoom as indicated in this notice.



Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A three minute time limit will be observed.

The Public Hearing on the FY 2026 Water and Sewerage service charges proposed by the Great Lakes Water Authority scheduled for February 26, 2025 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

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

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

<https://glwater.zoom.us/j/86471667249?pwd=6oaIQhVws8U1bvaTyjO8UWUcPGrB83.1>

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

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

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 25, 2025 and should reference "February 26, 2025 Public Hearing on service charges proposed for Fiscal Year 2026" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

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

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



Written comments by U.S. mail should reference “February 26, 2025 Public Hearing on service charges proposed for Fiscal Year 2026” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

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



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

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

**Re:** CFO Update

### Workday FINS and Adaptive Insights Updates

This month, we are providing an update on the status of Workday FINS (financial system) and Adaptive Insights (financial modeling) which went live on July 1, 2024. There are two ways to evaluate the status: *operational and reporting*.

**Operational** – The marks of success in the rollout of a financial system such as Workday is that financial operations are in place and working. While there are remaining items on the to do list, and a growing list of enhancement opportunities, the Great Lakes Water Authority team should be proud of a successful operational launch which impacts a wide range of constituents we serve.

- **Vendors are getting paid timely.** The average days to pay has been 30 days or less based on the FY 2025 first quarter KPI.
- **Team members and benefit providers are getting paid – accurately and timely.** The Workday payroll system was launched on December 25, 2023, and in place for the first pay date in January 2024. There was added work to smooth out the timekeeping process in August 2024.

The July 1, 2024, FINS launch successfully navigated multiple complexities related to this area to ensure banking and other protocols were securely in place for payments to team members and benefit providers. Behind the scenes efforts focused on additional coordination with some third-party processors.

- **Member Partners have not experienced any service level changes.** The billing and receipt of payments has continued with additional information now on the bill. Workday has enabled the use of invoice numbers and customer statements. Internally, the new billing system offers enhanced reporting options allowing easier access to current and historic activity.
- **The procurement process has continued forward with timely turnaround.** Based on the FY 2025 first quarter KPI, the average pace of the highest volume categories is five days for small purchases and 2.6 days for inventory.

- **PCard transactions are actively managed with enhanced business processing.** This includes new direct deposit election for team member business expense reimbursements.
- **Integration of NEXGEN asset management system with Workday went live on November 4, 2024, with minor interruption.** The key element of this integration is that procurements for a majority of GLWA team members will be initiated in NEXGEN because they are work order related.
- **Financial operations (including treasury and procurement) processing is uninterrupted.** Much of the day-to-day activities have continued and the team members have positively embraced new business processes, demonstrate collaborative problem solving, and are identifying further improvement opportunities and Workday features.
- **Bank integrations reduced manual input and process.** The new bank integrations have automated bank reconciliations to more effectively and efficiently identify and address exceptions. In addition, previous manually processed payments are now processed through the Workday accounts payable system. This provides greater tracking, payment history, and eliminates manual accounting entries.
- **New, but delayed, grants module supports improved grant, interlocal agreement and State Revolving Fund activity.** This module replaces spreadsheets to track activity. The ability to enter disbursement and reimbursement requests in Workday streamlines the payment receipt process and allows for improved cash flow forecasting. Currently, only the revenue features of this workstream are in place. There are plans to expand the use of this workstream in the future by implementing the grant expense features.

**Reporting** – While progress is being made, this is an area where we are not at the goal line. There are three key aspects: 1) navigating through the Financial Foundation Data Model (FFDM), 2) custom reporting *is* the new standard, 3) regroup and retrain.

- **Navigating through the Financial Foundation Data Model** - Colleagues from other organizations who had implemented Workday advised us that performing month-end closing and financial reporting was a significant challenge for their organizations post-go live. Unfortunately, identifying what could or should have been done differently by those organizations was not easily determinable. That advice was not lost on us however – and we anticipated – and the Board approved - additional consulting services to avert this issue.

The core of Workday FINS is the Financial Foundation Data Model (FFDM) which is unique to each organization. The model, when harnessed, should be able to automate data analysis and insights. For example, see attached FFDM from a university that utilizes Workday – the definitions are extensive and customizable for that

organization. A key to success, however, is designing the model as accurately as possible in the configuration process. Once moved to production, subsequent revisions require cross-functional planning, testing in sandbox, launch, and evaluating changes to that core model. As we settle in with Workday, we are learning that a configuration process will need to be followed when many types of changes are needed.

There were many lessons learned that will inform the approach for future configuration changes. During the implementation and optimization process we encountered challenges that have caused a delay in our ability to provide reporting.

**Data Transfer Issues:** We encountered data transfer errors when moving historical data between BS&A and Workday. The review and correction of these errors required additional time for troubleshooting and reconciling data to ensure accuracy and completeness.

**Configuration Challenges:** Errors in the migration of configuration settings from the configuration tenant to the production tenant have caused inconsistencies that require careful adjustments. These issues have impacted key workflows and require accounting intervention.

**Hierarchy Configuration Updates:** Initial planning for Workday implementation did not fully anticipate the level of detailed and custom reporting required. As a result, ongoing efforts to refine and update the hierarchy configuration for reporting purposes are creating delays in generating certain reports.

**Custom Validation and Posting Rules:** Internal control in Workday is created by using custom validations, account posting rules and security roles. Whenever there are changes in business processes, work tags and hierarchies, maintaining these enhancements are critical for safeguarding the integrity of our financial processes. Maintenance, a cross-functional effort, requires significant time to design, test and deploy.

And, unfortunately, not all known potential uses are known when designing. While the transactions are recorded correctly, they may not be able to be **reported** correctly or updated when needed.

Somewhat related are delays in accounting and data analytic functionality that was expected by now. This includes payroll and benefits distribution (which is a massive entry) to cost centers. A recent success however was the successful allocation of operations & maintenance expenses of the centralized and administrative cost centers by automating the process within Workday.

While GLWA looks forward to utilizing Workday features that can improve existing processes, these features are also held back by the complexity of integration with the FFDM. For example, the Grants team can gain significant process efficiencies using



new Workday configurations for grants such as work tags to track grant expenses. A grant work tag of 'FY 2024 Community Grant' could be associated with specific invoice expense lines. Simple queries would allow team members to quickly identify that activity eliminating hours of manual research. However, integrating the grant work tag setup effectively into the FFDM, Workday Procurement, and Workday Accounts Payable functions is a dedicated project on its own. The benefits will be realized, but not without additional pressure on existing project team members.

As it relates to Adaptive Insights, most of the templates were completed by the implementer before the dedicated consultants wrapped up on November 30, 2024. Testing the templates with live data is on hold pending the catch-up of the monthly close process.

The outcome of navigating these FFDM challenges is that monthly reports are not ready for publication and the budget information for FY 2024 and FY 2025 has not been able to be adopted in Workday. The workaround is taking us back to Excel while the team continues their diligent efforts to get us back to best-in-class reporting.

- **Custom Reporting in Workday is the New Standard** – There are no longer drop-down menus with system ready standard reports. Fortunately, we have very talented GLWA team members who are becoming Workday report writing experts on-the-job. By way of example, the Procurement Group developed two high priority custom reports to address operational needs. The report was developed, updated, tested, and ready to be rolled out in October. Further testing and reviews occurred. The next step is developing a process to rollout this initial report across the organization and then how to make sure end users receive future revisions to the report. While the team works to resolve this, we are also developing a structure and process around report version control, access policies, and a business process to share and manage reports. The same lesson, and perhaps at an even more sophisticated level, applies to administration of Adaptive Insights.
- **Regroup and Re-train** – Given the level of customization and internal report development, a focus in calendar year 2025 needs to be regrouping and retraining to ensure that 1) Financial Services Area team members understand updates to the FFDM and 2) that reports are quality control checked and standardized. Our team is also adjusting to configuration process becoming routine to implement FFDM changes. Ultimately, regrouping and retraining will also put the focus on the team and how we can best support those who have worked on this implementation, adapted, and still performed their day-to-day tasks.

The bottom line is that the Workday launch was clearly a success. And, while we may not be where we want to be progress is being made each day. It should also be noted that the same team working on the system implementation is the same team that successfully closed FY 2024 and nearly all audit workpapers, fieldwork, and reports were prepared ahead of prior years.

We will continue to update you next month as we settle into the new Workday FINS and Adaptive Insights environment.

### **Other Key Topics**

1. **The Willdan Group has “graduated” in their development of the water and sewer services charges model.** This means that they have successfully built the charges model and recreated the FY 2025 Cost of Service Study and Charges Calculation Sheets along with other deliverables. The next step will be getting an export of data from the GLWA team from Workday/Adaptive Insights to Willdan to prepare the FY 2026 Proposed Charges and Cost of Service Study. This is a point of concern for many of the reasons noted above. The next week is critical to this effort.
2. **Monthly financial reporting binder timeline under evaluation.** The team has performed a full month end close for the months of July and August 2024. That was achieved with some work-around efforts while the team continued to address FFDM and related configuration matters. If we are not able to achieve the full financial report binder presentation the Audit Committee typically receives for January 2025, a financial summary will be provided.
3. **Preparation of the FY 2026 & FY 2027 Biennial Budget and Five-Year Financial Plan is in process.** This is similarly a major area of concern based upon the FFDM challenges noted above. This will impact the format of the budget presentation scheduled for later this month. Our goal continues to be December 20, 2024. We do want you to be aware that we are behind schedule and presently in the phase of balancing the budget. The added inefficiencies due to data and configuration issues and staff resource constraints have made this year especially complex.

## Financial Foundation Data Model (FFDM) Definitions

1. **Academic Period** – Predominantly used when recording student-based revenue, this worktag will specify which academic term a transaction relates to.
  - a. Some examples include:
    - i. Autumn 2016
    - ii. Spring 2016
    - iii. Summer 2016
2. **Activities and Events (custom org)** – Used to track and report revenue and expense for localized activities that are short-lived or annually reoccurring and not necessarily reported on at a higher level within the organization. May be used in conjunction with a Program/Project if desired.
  - a. Some examples include:
    - i. Concerts
    - ii. Presidential Visits
    - iii. Conferences
    - iv. White Coat Ceremony
    - v. Martin Luther King Event
3. **Area (custom org)** – Used to track and report revenue, expense, and statistics for areas or group of individuals and nursing units that cross multiple Worktags (Cost Center, Program, Project, etc.).
  - a. Some examples include:
    - i. Facility Zones and Shops
    - ii. Faculty, Staff, and Students (no names of individuals)
    - iii. Football Team, Band
    - iv. Nursing units for health system (James Cancer Care Unit, East Intensive Care Unit, etc....)
    - v. City Kids Preschool
4. **Assignee** - Used to track and report on items at an individual's level.
  - a. Some examples include:
    - i. Faculty and Staff (Buckeye.1, Brutus)
    - ii. Graduate Students (specific names of individuals)
5. **Balancing Unit** – Used when there is a need to track assets and liabilities for the purpose of creating a full balance sheet. All financial transactions require a balancing unit and all entries must balance by balancing unit.
  - a. Some examples include:
    - i. OSUP's LLCs
    - ii. Health System | James Cancer Hospital, Health System | University Hospital
    - iii. Each college/ support unit
    - iv. Earnings operations (e.g., University Airport)
    - v. Clinics
6. **Company** - The level at which results are reported, balance sheets are managed, equity is recorded.
  - a. Some examples include:
  - b. The Ohio State University
  - c. Health System
  - d. OSU Physicians, Inc.
  - e. All entries must balance at a company level.
  - f. Intercompany is created, reported, eliminated and settled at this level.

## Financial Foundation Data Model (FFDM) Definitions

7. **Cost Center** - A unit within an organization to which costs and revenues are recorded.
  - a. Typically used to house people and their associated payroll costs, operating expenses related to their individual departments and budget.
  - b. Represents the level at which budgets are often created and managed.
  - c. Should have a clearly defined responsible person (manager).
  - d. Should contain ongoing core business activity.
  - e. Includes cost centers for central budgets, resource allocation and oversight.
  - f. Cost Centers generally should not represent individual employees/faculty members, stand-alone locations, limited time activity such as start-ups.
  - g. Some examples include:
    - i. Dentistry | Radiology
    - ii. Newark | Admissions
    - iii. Engineering | Architecture
    - iv. Business and Finance | Warehouse Services
    - v. General University | Facilities Waste Disposal
8. **Financial Class (custom worktag)** – Used to track and report on types of revenue classifications.
  - a. Some examples include:
    - i. Medicare Payer
    - ii. Medicaid
    - iii. Commercial
    - iv. Self Pay
9. **Function (custom org)** – Represents NACUBO classifications or other functional classifications (Instruction, Separately Budgeted Research); may be defined at a lower level for internal reporting and rolled up to the higher level via hierarchies.
  - a. Some examples include:
    - i. Applied Research
    - ii. Institutional Support
    - iii. Construction
    - iv. Scholarships
10. **Fund** – Represents Unrestricted, Temporarily Restricted, Permanently Restricted and Board Designated activities. Will be established as a balancing worktag that will be required on every transaction.
  - a. Examples include:
    - i. Agency
    - ii. Designated Student Fees
    - iii. Health System
    - iv. General Fund
    - v. Current Use Development Activity Unrestricted
11. **Gift** – An irrevocable transfer of personal property (e.g., cash, securities, books, equipment) or real property (e.g., land, buildings) by a donor, either outright or through a planned/deferred gift vehicle, for the charitable purpose designated by the donor and without expectation of a tangible or direct economic benefit to the donor, with the exception of tax benefits and life income in the case of planned/deferred gifts. A gift implies no responsibility to provide the donor with a product, service, technical or scientific report, or intellectual property.
  - a. Some examples include:
    - i. Derby Scholarship
    - ii. Helen Topper Memorial Fund
    - iii. James W. Shocknessy Professorship of Law
    - iv. Wexner Family Fund in the College of Medicine

## Financial Foundation Data Model (FFDM) Definitions

12. **Grant** – A grant is a sum of money used by the university for a specific purpose, usually research. Grants are earned through an application process. Grants have time boundaries and deliverables which can include financial and technical reporting. Grants can be subject to university review boards (IRB, IACUC, etc.), and have requirements, terms and conditions in addition to standard university policies. These funds are restricted to the specific purpose of the grant.
- a. Some examples include:
    - i. Grants managed by the Office of Sponsored Programs (OSP)
    - ii. Some student financial aid (e.g. Pell Grants)
    - iii. Cost reimbursement and fixed price grants managed in the colleges and support units
    - iv. Yr 3 Restricted Supplement #1: A model-based examination of behavioral and social science workforce: Improving health outcomes
    - v. Srinivasan: NeTS: Medium: Connecting the next billion: Rethinking wireless network design principles for the internet of everything
    - vi. Chase Grant
    - vii. Functional Food Research
13. **Ledger Account** - Represents the natural account – (e.g., Accounts Receivable, Salary Expense); Ledger Accounts are part of your permanent financial record, not temporary items (i.e. a specific customer receivable).
- a. Remember: Workday’s model is to simplify the natural accounts and provide detail within Worktags.
    - i. Spend Category
    - ii. Revenue Category
    - iii. Bank Account Worktag
    - iv. Customer Worktag
    - v. Supplier Worktag
  - b. Some examples of Ledger Account include:
    - i. Cash
    - ii. Accounts Receivable
    - iii. Bonds Payable
    - iv. Tuition and Mandatory Fees
14. **Loan** - Used to track internal loans provided by the Internal Bank.
- a. Some examples include:
    - i. Mount Hall Renovations
    - ii. Ohio Stadium Lighting and Seat Expansion
15. **Locations (FIN/HCM/Student)** – Finance – Primary used in business assets to define the asset location and within Procurement/Inventory to specify shipping, receiving and inventory locations within the organization. Student – Instructional and Campus, drive the ability to reference that location for courses, events and other items in Student. HCM = location of worker.
- a. Some examples include:
    - i. Carepoint Gahanna
    - ii. Doan Hall
    - iii. OSU Primary Care at New Albany
    - iv. Ohio Stadium
    - v. Psychology Building
16. **Program** - Used to collect costs and revenue for activities across cost centers; not date bound.
- a. Some examples include:
    - i. Global Health Initiatives
    - ii. Diversity and Inclusion
    - iii. Start up
    - iv. Hackathon
    - v. Reserves

## Financial Foundation Data Model (FFDM) Definitions

17. **Project** - Used to collect costs and revenue for work activities associated with the project; have a distinct beginning and ending date. Also used to capture individual benefit related activity when full balance sheets are needed.
- a. Some examples include:
    - i. Airport Pavement Phase II
    - ii. Caldwell Lab Remodeling Class
    - iii. Hospital Kitchens Renovation
    - iv. Bricker Hall Suite 300 Upgrades
    - v. Gateway Apartment Improvements
    - vi. Rec Sports Equipment Replacement
18. **Revenue Category** – Describes types of revenue.
- a. Allows for a sub-classification of revenue account to streamline the chart of accounts with fewer revenue accounts.
  - b. Used to derive revenue ledger account.
  - c. Examples of Revenue Category include:
    - i. Inpatient Ancillary
    - ii. Application Fees
    - iii. Technology Fees
    - iv. Food Sales
19. **Service Line** - Used to group products and or services with like products and services to facilitate with reporting of specific metrics (e.g. Revenue, patient volumes, etc...).
- a. Some examples include:
    - i. Bone Marrow
    - ii. Hematology
    - iii. Health System | Comprehensive Wound Center
    - iv. Health System | Emergency Medicine
    - v. Health System | Epilepsy Monitory Unit
20. **Spend Category** – Describes types of spend, whether accounting results as expense, prepaid asset, or fixed asset.
- a. Allows for a sub-classification of ledger account to streamline the chart of accounts with fewer expense and asset accounts.
  - b. Used to derive expense, prepaid asset, and fixed asset ledger accounts in Account Posting Rules.
  - c. Examples of Spend Category include:
    - i. Salaries | 9 month | Faculty Base |Research Track | Regular >=50%Lab Supplies
    - ii. Med Supplies Stents
    - iii. Paper for printers and copiers
    - iv. Banking Services
    - v. Furniture Office
21. **Work Order (custom worktag)** – Used to bill and track expenses for services provided internal and external to OSU. Typically fed from an external system and reconciled.
- a. Some examples included:
    - i. Job Numbers related to Printing (Avanti System)
    - ii. Work Orders related to Facilities (AIM System)
    - iii. Work Orders related to Transportation Vehicle Repair (FASTER System)
    - iv. OPY236
    - v. PAY20180729 to 20180804



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Haran Stanley, Affordability & Assistance Management Professional

**Re:** Affordability & Assistance Update

### **Service Delivery Partner Engagement**

The Affordability & Assistance team recently hosted an in-person outreach event on October 29, 2024 at Water Works Park for the three GLWA WRAP Service Delivery Partners. The gathering provided an excellent opportunity for collaboration, networking, and strengthening relationships. Attendees included team members from the Macomb County Community Action Agency, United Way for Southeastern Michigan, and Wayne Metropolitan Community Action Agency.

As part of the event, GLWA Facility Manager, Andrae Savage led an informative tour of the GLWA Water Works Park Water Treatment Facility. This meeting brought together over 30 participants, including two members from our Public Affairs team, who captured photographs and engaged with the service delivery partner staff. We received extensive positive feedback and look forward to making this an annual event.

Wayne Metropolitan Community Action Agency has been convening quarterly Water Program Meetings for the municipalities they serve. Haran Stanley was invited to attend and actively participate in these meetings, which have proven to be valuable in understanding the experiences of municipality staff involved in processing WRAP bill credits and other payments. This engagement allows GLWA to identify both successful practices and areas for improvement.

### **Affordability Update**

Following the conclusion of the U.S., state, and local elections, the water affordability workgroup has refined its strategies for advocating the proposed water affordability legislation. Members will engage in more in-person discussions with legislators. GLWA continues to be supportive by emphasizing the utility's perspective in these conversations.

**Proposed Action:** Receive and file this report.



## Financial Services Audit Committee Communication

**Date:** December 6, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Alicia Schwartz, Grants Manager

**Re:** Grants, Gifts, and Other Resources Report Through October 31, 2024

**Highlights:** Key activities to note in this month's report through October 31, 2024, include the following.

- ✓ **Department of Energy (DOE) - Hydrothermal Liquefaction Grant** – Demonstration unit is scheduled to be at the Water Resource Recovery Facility (WRRF) in late January 2025. Postponement of the arrival of the demonstration unit is due to planning outreach activities for academic, corporate, community, and public sector groups.
- ✓ **Focus Hope - Michigan Industry Cluster Approach MICA 4.0** – Organizational Development was awarded MICA 4.0 through Focus Hope. GLWA requested \$14,000 in reimbursement from this program.
- ✓ Items highlighted in yellow in the attached tables reflect changes from the prior report.

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

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

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

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



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

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

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

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

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

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

Items of note related to each table include the following.

**Table 1 – Pre-Award Programs** reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The summarized activity below identifies four earmarked EPA Community Grants, three application submissions and the I-94 Modernization Project grant which is in the National Environmental Policy Act (NEPA) process to identify any environmental impacts related to the grant activities.

**Table 2 - Awarded Programs** reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards related to local nonprofit apprenticeship grants, five reimbursement requests submitted for six associated FEMA Flood projects, one reimbursement received from a SRF ARPA funded project (7532-02), the Department of Energy grant in which two reimbursement requests were submitted to the grantor, and a flood study grant where we are required to track costs incurred by GLWA.

**Table 3 – Post Award Programs** 2022 Detroit Employment Solutions Corporation (DESC) Apprenticeship Grant was closed. GLWA reimbursement has been received in full and the programs are in the process of being closed out, including any closeout reporting requirements.

***Table 4 –Programs not awarded or Programs that GLWA will not continue to pursue*** is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA. No activity this month.



## Financial Services Audit Committee Communication

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

**Table 1 – Pre-Award Programs**

Reference Number	Request Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2023-002	3/15/2022	FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Earmark (20% Cost Share)
2023-003	12/19/2022	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Earmark (20% Cost Share)
2023-023	8/30/2023	I-94 Modernization Project	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	NEPA Review with the State of Michigan
2024-005	12/15/2023	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping	Federal pass-through State (Reimbursement Basis)	\$856,000	Federal Audit Requirements	Application Submitted by GLWA

Reference Number	Request Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2024-007	5/9/2024	Safeguarding Tomorrow Revolving Fund Program	Federal pass-through State (Reimbursement Basis)	\$3,000,000	Federal Audit Requirements	Application Submitted by GLWA
2024-008	08/09/2024	FY2024 MI Clean Diesel Grant	State Grant (Reimbursement Basis)	\$109,649	Federal Audit Requirements	Application Submitted by GLWA
2024-009	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Conveyance System Infrastructure Improvements	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)
2024-009b	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Oakwood District Intercommunity Relief Sewer Modifications	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)

**Table 2 Awarded Programs** reflects all open, awarded grants from FY 2021 through FY 2025. Current month summarized activity below includes two awards related to local nonprofit apprenticeship grants, five reimbursement requests submitted for six associated FEMA Flood projects, one reimbursement received from a SRF ARPA funded project (7532-02), the Department of Energy grant in which one reimbursement request was submitted to the grantor, and a flood study grant in which we are required to track costs GLWA.

**Table 2 – Awarded Programs**

Reference Number	Request Date	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Reimbursement request of \$176,240 submitted in August 2024
2023-009	03/27/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660133 – Obligated \$80,129 Puritan Fenkell CSO	Federal pass-through State (Reimbursement Basis)	\$80,129	Federal Audit Requirements	Reimbursement Request of \$80,129 submitted in May 2024
2023-010	3/30/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660118 – Obligated \$180,000 WRRF	Federal pass-through State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Reimbursement Request of \$180,000 submitted in May 2024
2023-012	3/30/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660110 – Obligated \$319,911 Fairview PS	Federal pass-through State (Reimbursement Basis)	\$319,911	Federal Audit Requirements	Reimbursement Request of \$319,911 submitted in May 2024
2023-013	8/31/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls	Federal pass-through State (Reimbursement Basis)	\$1,332,235	Federal Audit Requirements	Reimbursement Request of \$275,167 submitted in February 2024
2023-014	8/23/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 Conner Creek Sewer System	Federal pass-through State (Reimbursement Basis)	\$8,888,277	Federal Audit Requirements	Reimbursement Request of \$1,805,600 submitted in February 2024
2023-015	9/26/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement Request to be submitted in November

Reference Number	Request Date	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-016	7/7/2023	Detroit Employment Solutions Corporation (DESC) Apprentices \$5,000 per apprentice; 9 apprentices	Detroit At Work (Nonprofit)	\$45,000	None	\$25,000 received in the month of August
2023-019	3/3/2021	American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE	Federal pass-through State (Reimbursement Basis)	\$11,751,730	Federal Audit Requirements	Reimbursement Request of \$5,313,988 received through August 2024
2024-011	7/10/2024	U.S. Army Corp of Engineers - Southeast Michigan Flood Study	Federal (Cost Share Only)	In Kind Services Only	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1,500,000
2024-014	06/07/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	Reimbursement Requests of \$14,000 submitted October 2024

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

Reference Number	Request Date	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2021-012	9/21/2021	Michigan Industrial Cluster Approach (MICA 3.0) Apprenticeship Program - \$1,000 per apprentice, 45 apprentices	Focus Hope (Nonprofit)	\$45,000	None	Grant has ended
2022-014	7/1/2022	Detroit Employment Solutions Corporation (DESC) Apprentices \$5,000 per apprentice; 8 apprentices	Detroit At Work (Nonprofit)	\$40,000	None	Grant has ended
2022-004	2/23/2022	Water Technician Registered Apprenticeship Program- \$2,225 per apprentice, 25 apprentices	Macomb Community College Tuition (Nonprofit)	\$55,625	None	Grant has ended
2023-006	2/21/2023	FEMA June Flood DR-4607 Project 660138 Seven Mile CSO	Federal pass through-State (Reimbursement Basis)	\$46,996	Federal Audit Requirements	Working with MSP to close out grant
2023-007	3/27/2023	FEMA June Flood DR-4607 Project 660076 Springwell Water Treatment Plant	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Working with MSP to close out grant
2023-008	3/30/2023	FEMA June Flood DR-4607 Project 668336 Fairview PS Protective Measures	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Working with MSP to close out grant
2024-013	4/11/2024	Water System Advisory Council Grant	Federal pass through-State (Reimbursement Basis)	\$20,787	Federal Audit Requirements	All required documentation provided to State of Michigan

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

**Proposed Action:** Receive and file this report.





## Financial Services Audit Committee Communication

**Date:** December 6, 2024  
**To:** Great Lakes Water Authority Audit Committee  
**From:** Gerri Williams, 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, 2024 (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, 2024: 4.52%
  - As of June 30, 2024: 5.06%
  
- Yield at Market:
  - As of September 30, 2024: 4.62%
  - As of June 30, 2024: 5.23%
  
- Portfolio Allocation in Cash/Money Market/LGIP Securities:
  - As of September 30, 2024: 53%
  - As of June 30, 2024: 79%

Investment income in each of the funds is identified as restricted or unrestricted as defined in the Master Bond Ordinance (MBO). Unrestricted investment income can be used to fund operations and is included in the revenue requirement calculations. Restricted investment income is held within the specific fund and can only be used for the fund's purpose as stipulated in the MBO.

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

**Proposed Action:** Receive and file this report.

# Great Lakes Water Authority

*Investment Performance Report – September 2024*



## **Table of Contents**

### **I. Executive Summary**

### **II. Investment Strategy**

### **III. Summary Market Overview and Outlook**

### **IV. Portfolio Snapshot**

Overall Portfolio Composition Summary

Portfolio Mix

Investments - Account Purpose

Maturity Distribution

Yield at Cost and Market

Peer Analysis

US Treasury Yield Curve

Investment Income by Month

Investment Income Year over Year

Monthly Investment Income Compared to Fed Funds Rate

Allocation and Income by Fund Type

Investments by Security Type

Investments by Credit Quality

### **VI. Appendix**

Economic Update

# 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 99% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by 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, 2024, approximately 53% of the funds were held in cash and money market accounts maturing overnight. The percentage is a bit lower than what was seen in the prior quarter.
- **Return** – The overall yield at market decreased to 4.62% as of September 30, 2024, versus 5.23% as of June 30, 2024. The lower yield is reflective of the Fed’s first reduction in borrowing costs since 2020 and the beginning of the easing cycle. GLWA earned over \$13.8 million (unaudited) in investment income for the first three months of fiscal year 2025 on a book value basis. Investment income includes earnings on all fund types, including restricted and unrestricted funds combined as well as construction and bond proceeds. It should be noted that investment income for GLWA for FY 2025 is projected to be less than what was seen in the previous fiscal year.

## AVAILABLE FUNDS (Unaudited)

Type	Book Value	Market Value	Yield @ Cost (as of 9/30/24)	Yield @ Market (as of 9/30/24)
Deposit Accounts	\$24,311,420	\$24,311,420	2.27%	2.27%
Trust Money Market Fund	\$270,051,482	\$270,051,482	4.78%	4.78%
Money Market Fund	\$20,387,355	\$20,387,355	4.83%	4.83%
Local Government Investment Pool	\$282,795,044	\$282,795,044	4.98%	4.98%
Managed Funds	\$532,048,323	\$532,106,555	4.23%	4.45%
<b><u>SEPTEMBER 2024 TOTALS:</u></b>	<b><u>\$1,129,593,625</u></b>	<b><u>\$1,129,651,858</u></b>	<b><u>4.52%</u></b>	<b><u>4.62%</u></b>
<b><u>PREVIOUS QUARTER TOTALS:</u></b>	<b><u>\$1,320,756,435</u></b>	<b><u>\$1,319,093,686</u></b>	<b><u>5.06%</u></b>	<b><u>5.23%</u></b>

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

# Investment Strategy

## OVERALL STRATEGY

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

## PORTFOLIO PERFORMANCE – CURRENT PERIOD\*

- The overall portfolio’s original yield at cost went from 5.06% as of 6/30/2024 to 4.52% as of 9/30/2024.
- The total portfolio had a market yield of 4.62% at the end of September, compared to 5.23% as of June 30, 2024. Yield at market represents what the market would provide in return if the portfolio was purchased on September 30, 2024 (versus purchased in prior months / years); the lower yield is a result of the Federal Reserve’s recent policy of cutting overnight interest rates.
  - We utilize a variety of investment sectors, and because of that, this 4.62% yield at market as of 9/30/2024 is lower than in the prior quarter due to the Federal Reserve lowering the target range for the Federal Funds rate.

## PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$13.8 million (unaudited) in investment interest income for fiscal year-to-date 2025 (as of 9/30/2024) on a book value basis.
- The fiscal year-to-date 2025 period earnings were in line with 2024 year-to-date earnings, though expectations are for lower interest income for the entire FY 2025 mainly due to the Fed moving monetary policy to a more neutral level.

*\* 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, 2024) 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

- The Federal Open Market Committee (“FOMC”) lowered the target range for the Fed Funds rate by 50 basis points to 4.75% – 5.00% at its September meeting. The half percentage point cut was well-digested by markets despite expectations being split between 25 and 50 basis points. Federal Chair Powell described the risks to achieving the Fed’s employment and inflation goals as now being “roughly in balance.”
- The FOMC’s updated median “dot” projection suggests an additional 50 basis points in rate cuts by the end of the year “if the economy performs as expected.” The projections also show an additional full percentage point of cuts in 2025, resulting in a Federal Funds target range of 3.25% – 3.50%.
- The FOMC released an updated Summary of Economic Projections (“SEPs”), which showed a higher median expectation for the unemployment rate at 4.4% for the remainder of calendar year 2024 and through 2025. The updated projections for the core Personal Consumption Expenditures (“PCE”) price index and gross domestic product (“GDP”) were both modestly lowered, with real growth prospects near 2.0% for the next several quarters.
- The August PCE reading of 2.2% year-over-year hit its lowest level since February of 2021, continuing the trajectory towards the Fed’s 2.0% inflation target.
- Non-farm payrolls came in well above expectations and showed 254,000 net new jobs created in September, the strongest print since March. The July and August prints were revised up by a combined 72,000 jobs. Additionally, the unemployment rate ticked back down to 4.1% from 4.2% in the prior month. The strength of the labor market continues to serve as a tailwind to the consumer.
- The final GDP reading showed the economy grew at a 3.0% pace during the second quarter. Consumer spending showed strength, growing at a pace of 2.8% versus the prior quarter’s 1.9% pace. Current estimates show similar growth in consumer spending for the third quarter.

## ECONOMIC IMPACT ON PORTFOLIO

- Treasury yields continued their descent in September as markets digested the Fed’s first cut. Overnight and short-term maturities (less than three months) declined in lockstep with the 50-basis point cut. Meanwhile, the yield on the 2-year U.S. Treasury note declined by 1.40% from its six-month high in April. Yields on benchmark 2, 5, and 10-year Treasuries ended the quarter at 3.64%, 3.56%, and 3.78%, respectively.
- Portfolio Impact: Given that market reactions and economic conditions remain supportive of a soft landing, GLWA and PFMAM will continue to maintain portfolio durations near 100% of benchmarks. September marked the first time since July of 2022 that the yield of the 10-year Treasury exceeded that of the 2-year as the U.S. Treasury yield curve un-inverted during the quarter. Historically, as markets price in overnight rate cuts, the yield curve has steepened with longer-term yields declining less than short and intermediate-term yields. Spreads on Federal Agencies remain unchanged near multi-year tight and are not expected to change in the near term. Credit spreads on the short end of the curve were relatively unchanged and remained tight despite the repricing in short-term U.S. Treasury Bills. In general, the money market yield curve remains inverted as the market continues to price in multiple Fed rate cuts. Money market funds and similar pools tend to lag the decline in cash yields during periods of Fed rate cutting, as they take time to adjust as investments roll over.

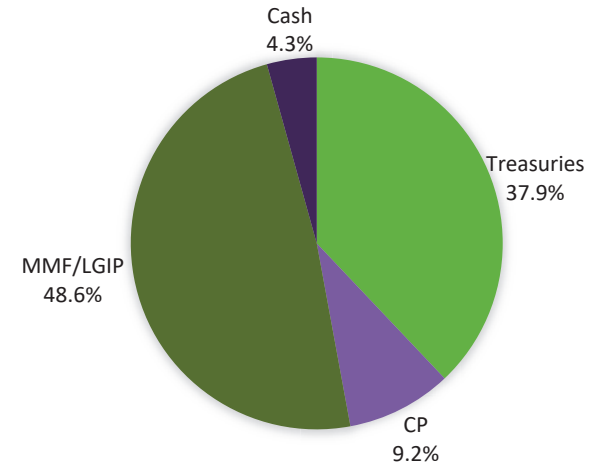
# Portfolio Snapshot

## Overall Portfolio Composition Summary

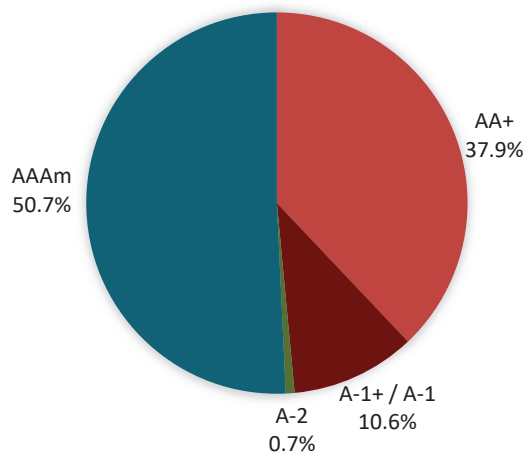
### PORTFOLIO STATISTICS

Invested Amount	\$1.130 Billion
Duration	0.35 Years
Yield at Cost	4.52%
Yield at Market	4.62%

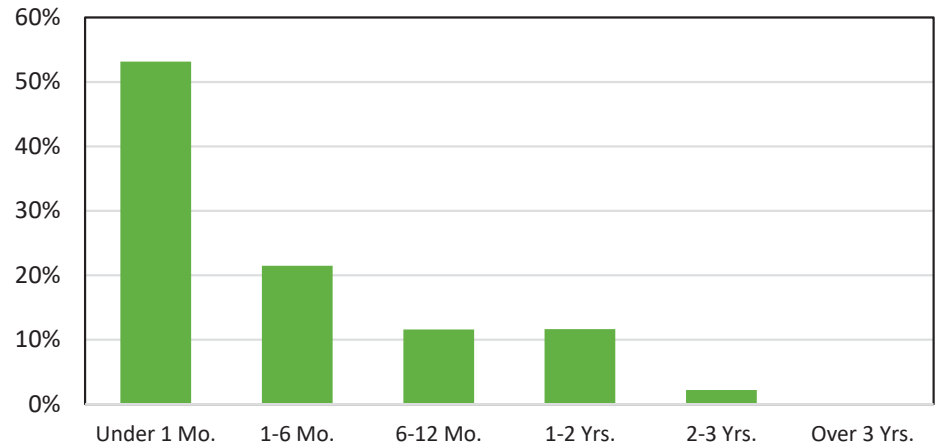
### SECTOR ALLOCATION



### CREDIT QUALITY



### MATURITY DISTRIBUTION

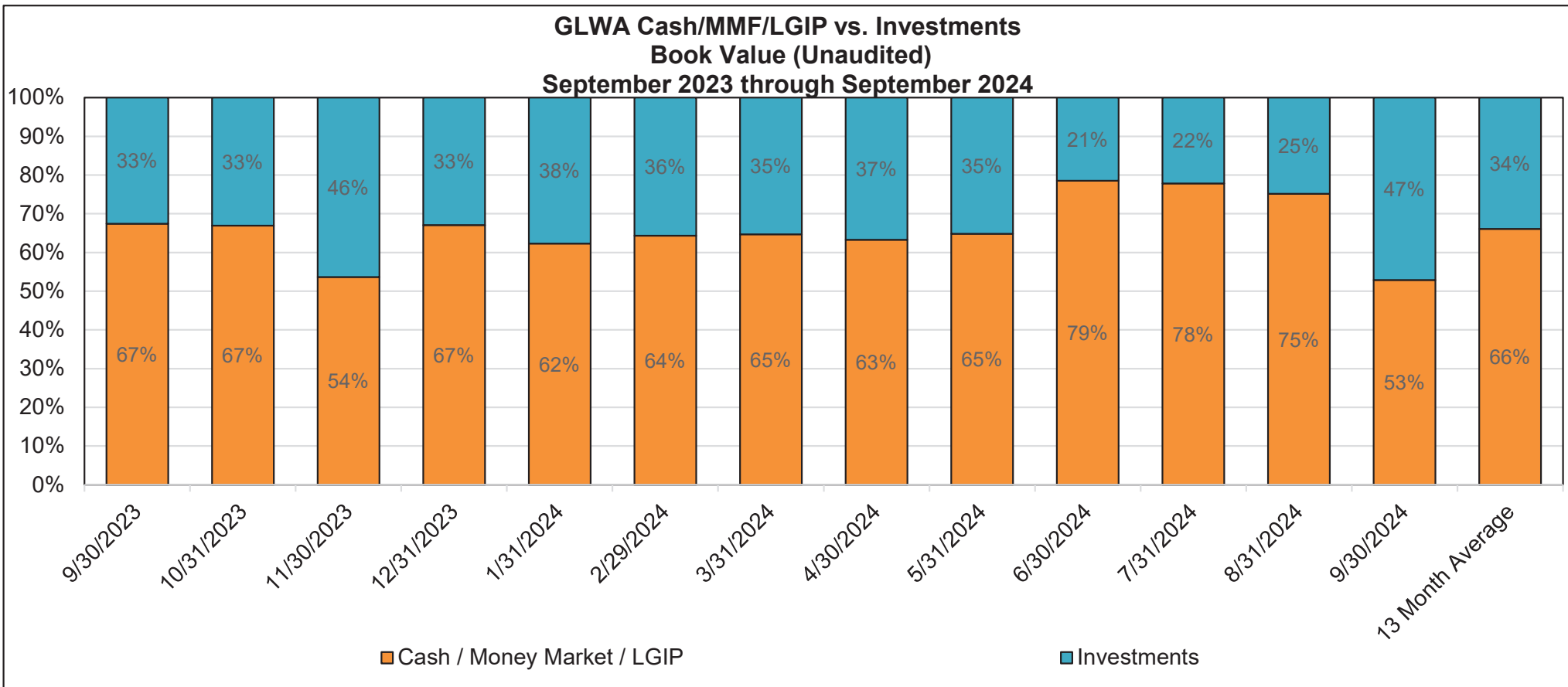


Accounts like the Flint Security Deposit and Retainage accounts which are not owned by GLWA are not included in this report.

# 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 2024, about 53% of the overall portfolio was invested in cash, LGIP, and/or overnight money market fund accounts. This is slightly lower than the level seen in previous months and is reflective of the impending Fed rate cuts expected by the market.

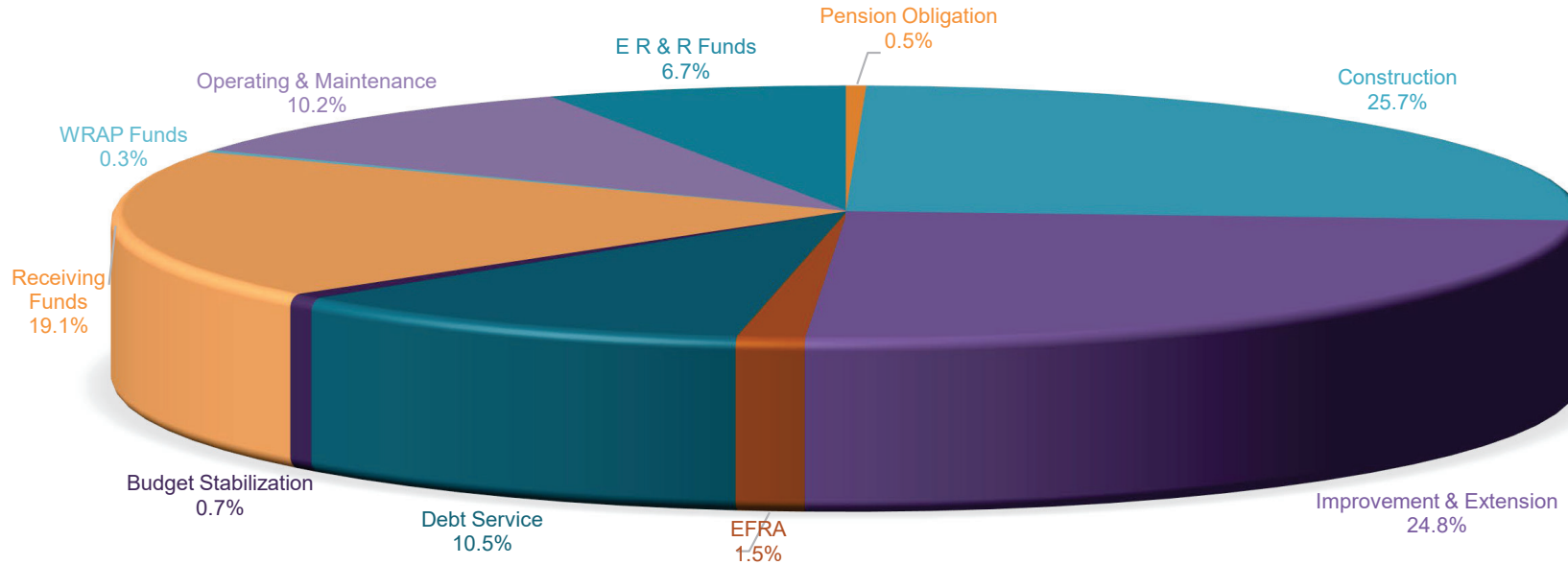


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# Portfolio Snapshot

## Investments – By Account Purpose



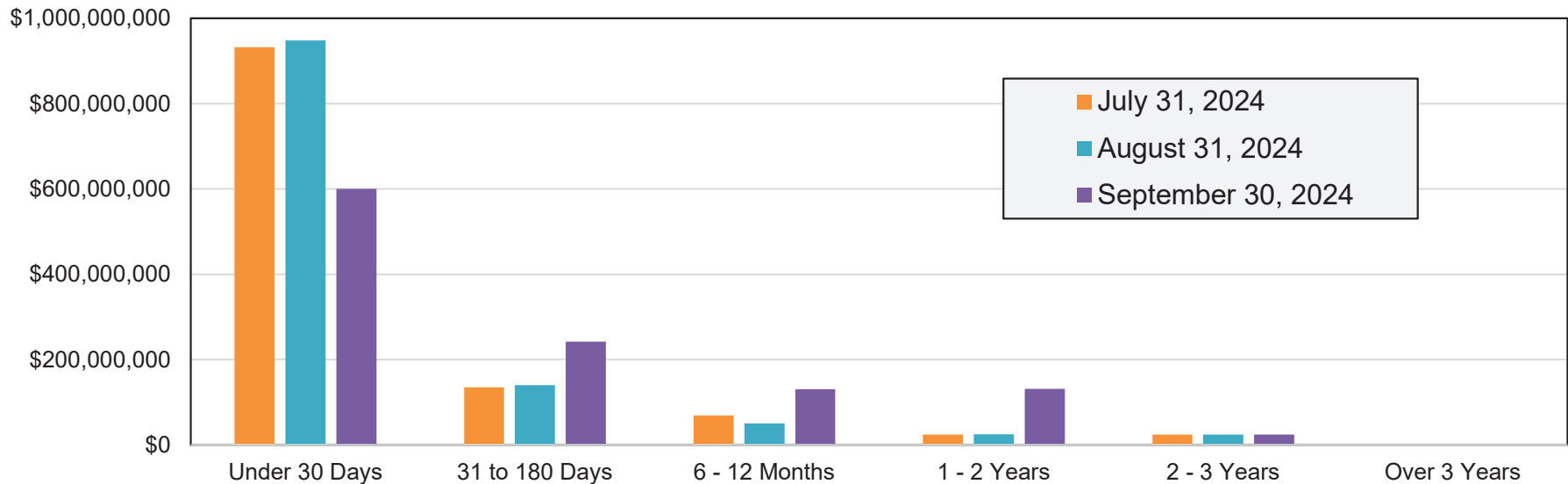
Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration	Strategy
Construction Bond Funds	\$ 290,409,446	25.7%	4.79%	4.85%	0.144 Years	Cash Flow Driven
Improvement & Extension	\$ 279,770,430	24.8%	4.39%	4.33%	0.744 Years	Cash Flow Driven
Receiving Funds (includes lockbox account)	\$ 216,299,800	19.1%	4.76%	4.76%	0.003 Years	Short-Term
Debt Service	\$ 118,818,500	10.5%	4.94%	4.92%	0.292 Years	Short-Term
Operating & Maintenance	\$ 115,147,314	10.2%	4.66%	4.66%	0.003 Years	Short-Term
Extraordinary Repair & Replacement Funds	\$ 76,145,213	6.7%	2.74%	4.19%	1.237 Years	Long-Term
Evergreen Farmington Regional Account	\$ 16,908,607	1.5%	3.64%	3.64%	0.003 Years	Short-Term
Budget Stabilization Funds	\$ 7,674,155	0.7%	2.95%	4.19%	1.218 Years	Long-Term
Pension Obligation Funds	\$ 5,083,528	0.5%	4.74%	4.76%	0.583 Years	Short-Term
WRAP Funds	\$ 3,394,864	0.3%	4.78%	4.78%	0.003 Years	Short-Term
<b>Total</b>	<b>\$ 1,129,651,858</b>	<b>100.0%</b>	<b>4.52%</b>	<b>4.62%</b>	<b>0.347 Years</b>	

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

# Portfolio Snapshot

## Investments – By Maturity

Maturity Distribution	July 31, 2024		August 31, 2024		September 30, 2024	
	\$	%	\$	%	\$	%
Under 30 Days	932,543,049	78.6%	948,071,130	79.8%	600,318,561	53.1%
31 to 180 Days	135,013,732	11.4%	140,385,683	11.8%	242,438,310	21.5%
6 - 12 Months	69,575,226	5.9%	50,552,499	4.3%	130,738,902	11.6%
1 - 2 Years	24,785,389	2.1%	24,946,587	2.1%	131,411,500	11.6%
2 - 3 Years	24,447,573	2.1%	24,616,062	2.1%	24,744,583	2.2%
Over 3 Years	-	0.0%	-	0.0%	-	0.0%
<b>Totals</b>	<b>\$ 1,186,364,969</b>	<b>100.0%</b>	<b>\$ 1,188,571,960</b>	<b>100.0%</b>	<b>\$ 1,129,651,858</b>	<b>100.0%</b>



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

# Portfolio Snapshot

## Investment Accounts – Yield at Cost & Market

	As of September 30, 2024		As of June 30, 2024	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
<b>Bank Deposits</b>				
Bank A	0.01%	0.01%	0.01%	0.01%
Bank C	3.46%	3.46%	3.76%	3.76%
<b>Sub-Total Bank Deposits</b>	<b>2.27%</b>	<b>2.27%</b>	<b>2.14%</b>	<b>2.14%</b>
<b>Money Market Funds / LGIPs</b>				
Local Government Investment Pool	4.98%	4.98%	5.37%	5.37%
Trust Money Market Fund	4.78%	4.78%	5.18%	5.18%
Money Market Fund	4.83%	4.83%	5.19%	5.19%
<b>Sub-Total MMF / LGIPs</b>	<b>4.88%</b>	<b>4.88%</b>	<b>5.26%</b>	<b>5.26%</b>
<b>Investment Portfolios</b>				
Sewage SR Debt Serv 5403	4.88%	5.00%	5.82%	6.22%
Sew 2nd Debt Serv 5403	4.99%	4.95%	5.83%	6.22%
Sew SRF Debt Serv 5410	4.88%	4.42%	5.35%	5.52%
Sewage ER & R	2.59%	4.23%	2.64%	5.00%
Sewer Improvement & Extension	4.25%	4.20%	5.37%	5.37%
Sewer Pension Obligation	4.73%	4.78%	0.00%	0.00%
Sewer Budget Stabilization Fund	2.88%	4.17%	2.88%	4.94%
Sewer Bond Fund	4.40%	4.56%	0.00%	0.00%
Water SR Debt Ser 5503	4.98%	4.93%	5.82%	6.21%
Water 2nd Debt Serv 5503	4.98%	4.94%	5.65%	6.47%
Water SRF Debt Serv 5575	4.90%	4.42%	5.36%	5.53%
Water ER & R	2.94%	4.13%	2.63%	4.98%
Water Improvement & Extension	4.37%	4.27%	5.37%	5.37%
Water Pension Obligation	4.75%	4.73%	0.00%	0.00%
Water Budget Stabilization Fund	2.93%	4.17%	2.93%	4.93%
Water Bond Fund	4.60%	4.88%	0.00%	0.00%
<b>Sub-Total Investment Portfolios</b>	<b>4.23%</b>	<b>4.45%</b>	<b>4.70%</b>	<b>5.48%</b>
<b><u>Grand Total</u></b>	<b><u>4.52%</u></b>	<b><u>4.62%</u></b>	<b><u>5.06%</u></b>	<b><u>5.23%</u></b>

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

# Portfolio Snapshot

## Peer Analysis Comparison

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

As of September 30, 2024				
	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
<b>GLWA</b>				
Great Lakes Water Authority	\$1,129,651,858	4.62%	0.35 Years	130 Days
<b>Short/Intermediate-Term Indices</b>				
S&P Rated Government Investment Pool Index		5.21%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		4.79%	0.16 Years	59 Days
BoA / ML 6-Month Treasury Index		4.47%	0.40 Years	146 Days
BoA / ML 1-Year Treasury Index		4.06%	0.88 Years	322 Days
BoA / ML 1-3 Year Treasury Index		3.71%	1.76 Years	644 Days
BoA / ML 1-5 Year Treasury Index		3.65%	2.53 Years	926 Days
<b>Peer Analysis (Water Entities / Utilities)</b>				
District of Columbia Water & Sewer Authority, DC	\$170,112,872	3.89%	1.62 Years	668 Days
DuPage Water Commission, IL	\$128,007,029	3.91%	2.44 Years	1,317 Days
Fairfax County Water Authority, VA	\$197,677,740	4.14%	1.60 Years	621 Days
Metro Wastewater Reclamation District, CO	\$217,892,885	3.69%	2.53 Years	1,000 Days
Metropolitan Water District of Southern California, CA	\$739,181,089	4.12%	1.94 Years	828 Days
Philadelphia Water Department, PA	\$246,051,684	4.21%	0.92 Years	352 Days
San Bernardino Valley Municipal Water District, CA	\$361,054,712	3.85%	1.70 Years	676 Days
Tohopekaliga Water Authority, FL	\$210,210,500	3.96%	1.69 Years	833 Days
Truckee Meadows Water Authority, NV	\$57,443,304	4.43%	0.86 Years	326 Days

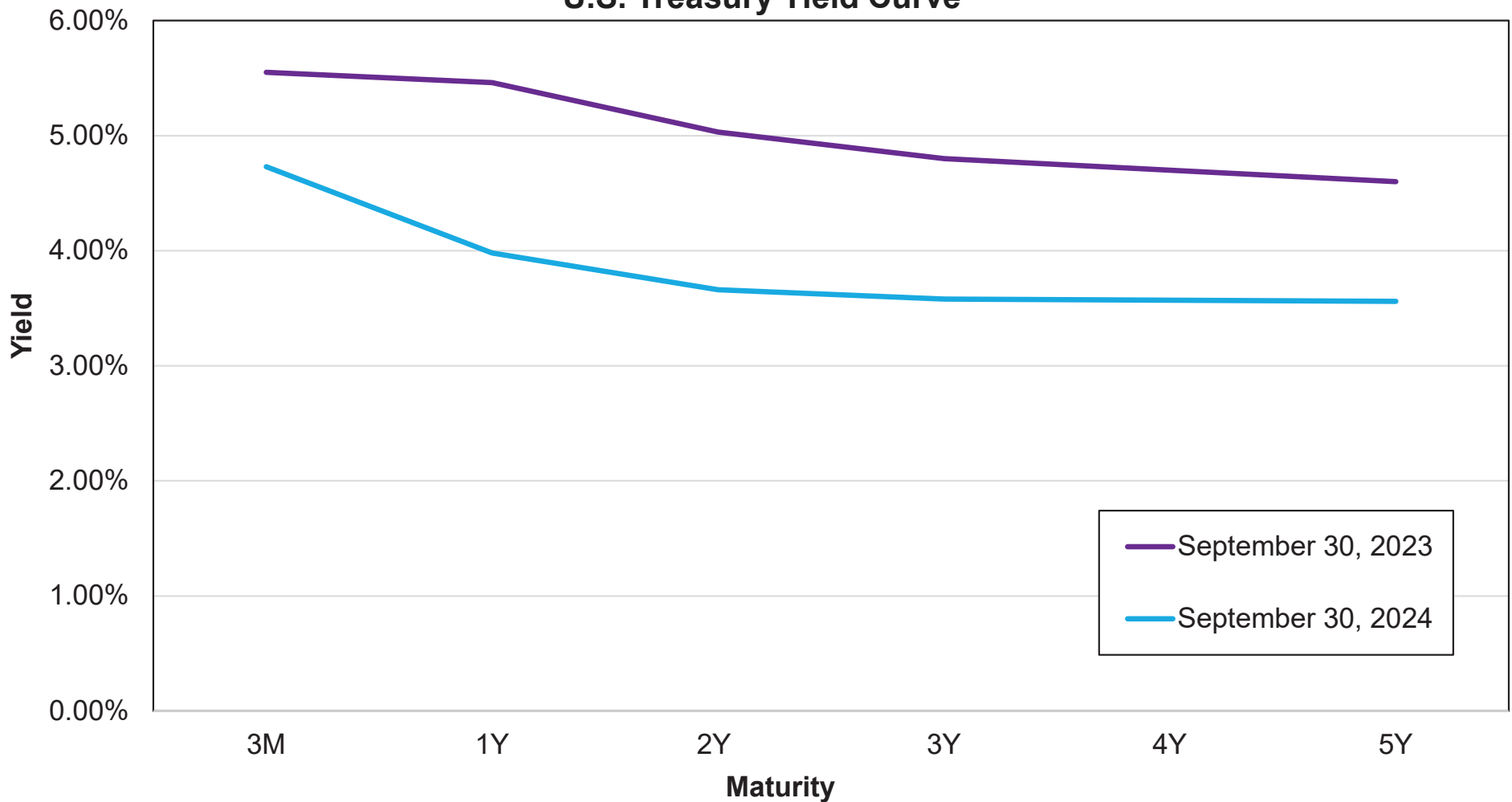
*The BoA / ML indexes are unmanaged indexes tracking on-the-run Treasuries. These indexes are produced and maintained by Bank of America / Merrill Lynch & Co. Yield to maturity is the rate of return, based on the current market value, the annual interest receipts, maturity value and time period remaining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

# Portfolio Snapshot - Market Overview and Outlook

## US Treasury Yield Curve Presently Inverted

- The Treasury yield curve in general remains inverted as the market continues to price in multiple interest rate cuts from the Federal Reserve. Currently, economic conditions remain supportive of a soft landing, and the markets will continue to assess the implications of potential policies around taxes, tariffs, regulation, and immigration going forward. The market still expects further rate cuts by the Federal Reserve, though Chair Powell has noted that the Fed will continue to be data-dependent.

**U.S. Treasury Yield Curve**



# Portfolio Snapshot

## Monthly Investment Income

(Book Value in 000's)

### FY 2025 INVESTMENT INCOME BY MONTH (Unaudited)

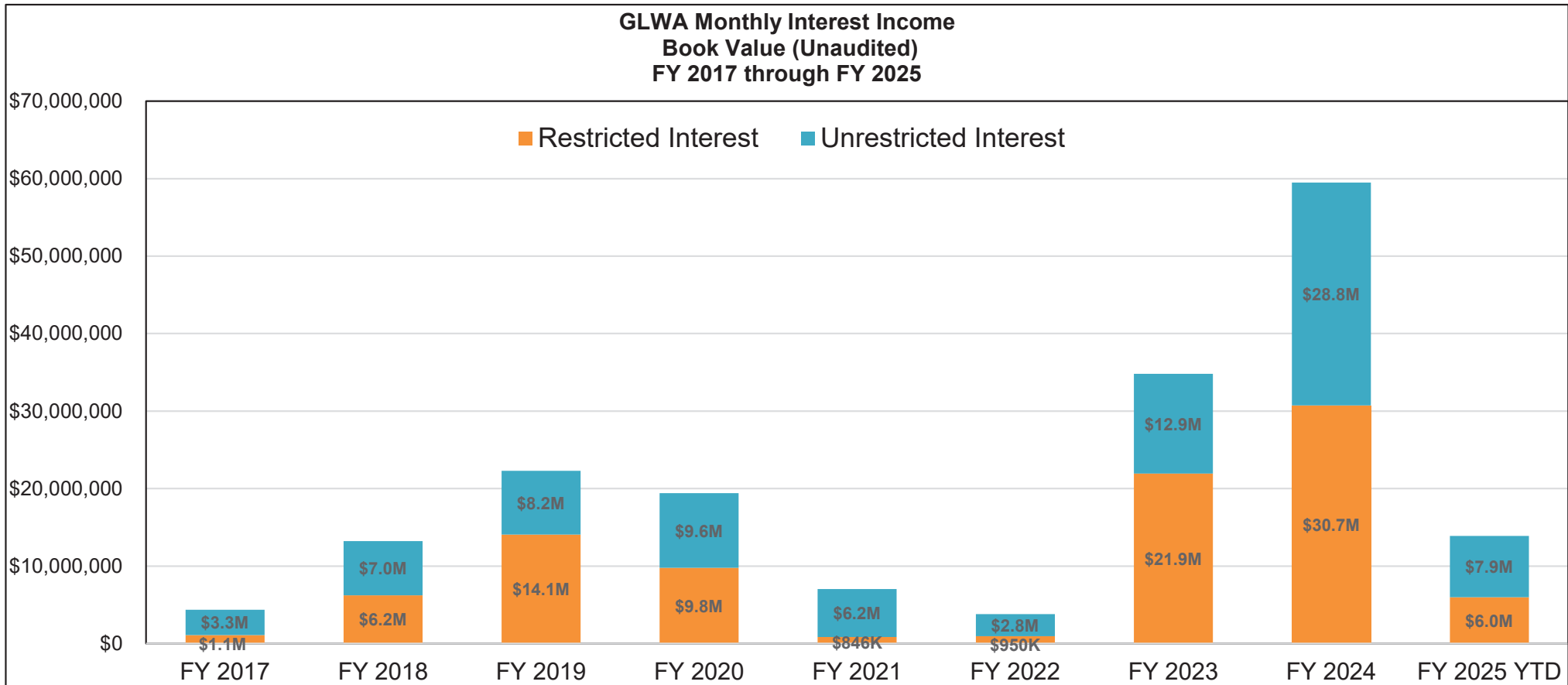
Month	Interest Earned During Period <i>(in thousands)</i>	Realized Gain / Loss <i>(in thousands)</i>	Investment Income <i>(in thousands)</i>
July 2024	\$4,774.3	\$0.0	\$4,774.3
August 2024	\$4,448.3	\$0.0	\$4,448.3
September 2024	\$4,661.9	\$4.0	\$4,665.9
<b><u>FY 2025 Y-T-D</u></b>	<b><u>\$13,884.6</u></b>	<b><u>\$4.0</u></b>	<b><u>\$13,888.5</u></b>

*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

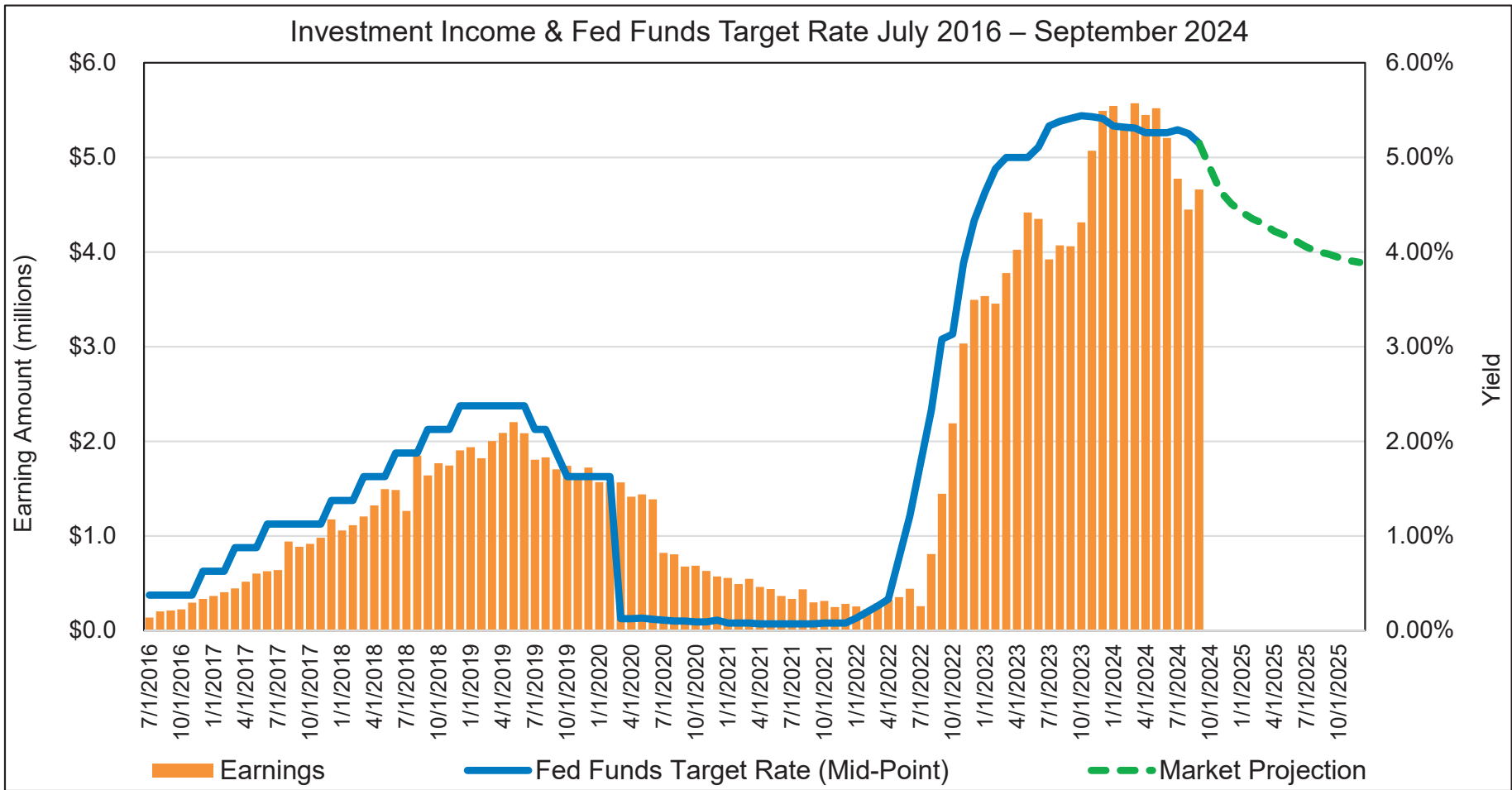
- GLWA earned \$13,888,536 in investment income for the first three months of fiscal year 2025 on a book value basis compared to \$12,049,932 for the first three months of fiscal year 2024.
- Based on current market assumptions, projected total investment income for fiscal year 2025 is forecasted to be lower than in FY 2025 (for both restricted fund income and unrestricted fund income combined) as the market expects the Federal Reserve to cut overnight rates over the next several 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.
- U.S. Treasury yields have fallen along the yield curve as the markets have reacted to the likelihood of rate cuts throughout the 2025 fiscal year. Looking forward, the Fed’s updated median “dot plot” projections point to additional rate cuts by the end of the 2024 calendar year and 100 basis points of cuts in the 2025 calendar year. Nonetheless, GLWA is expected to have lower interest earnings for FY 2025 than in the prior fiscal year as interest rates are expected to decline.

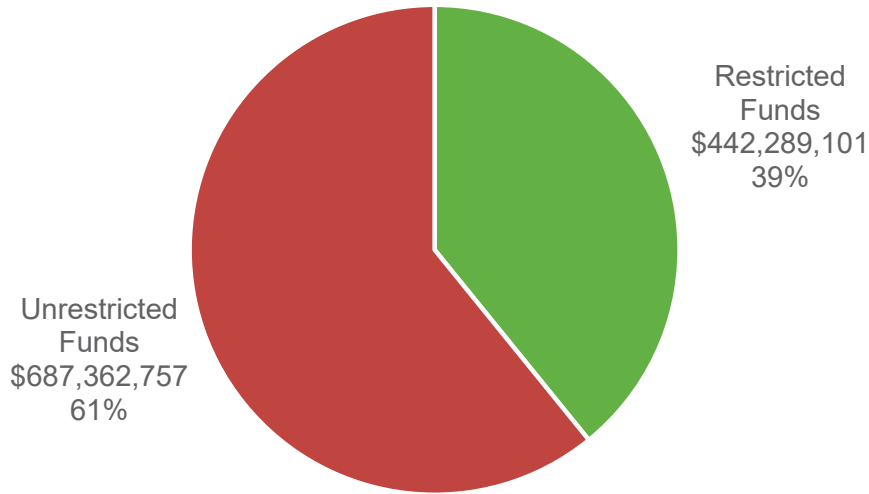




# Portfolio Snapshot

## Allocation and Income by Fund Type

**Bank Balance as of September 30, 2024**



**July 2024 – September 2024 Interest Earnings**



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

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

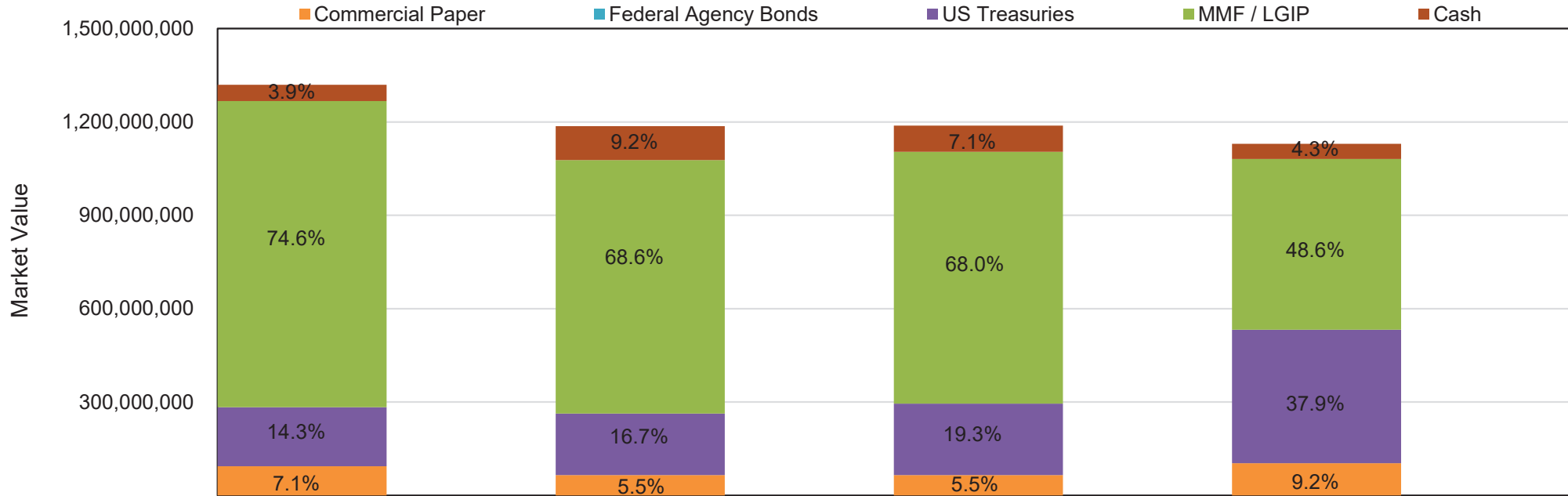
Restricted Principal Unrestricted Interest
Budget Stabilization Funds
Pension Obligation Funds
WRAP Funds

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

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

# Portfolio Snapshot

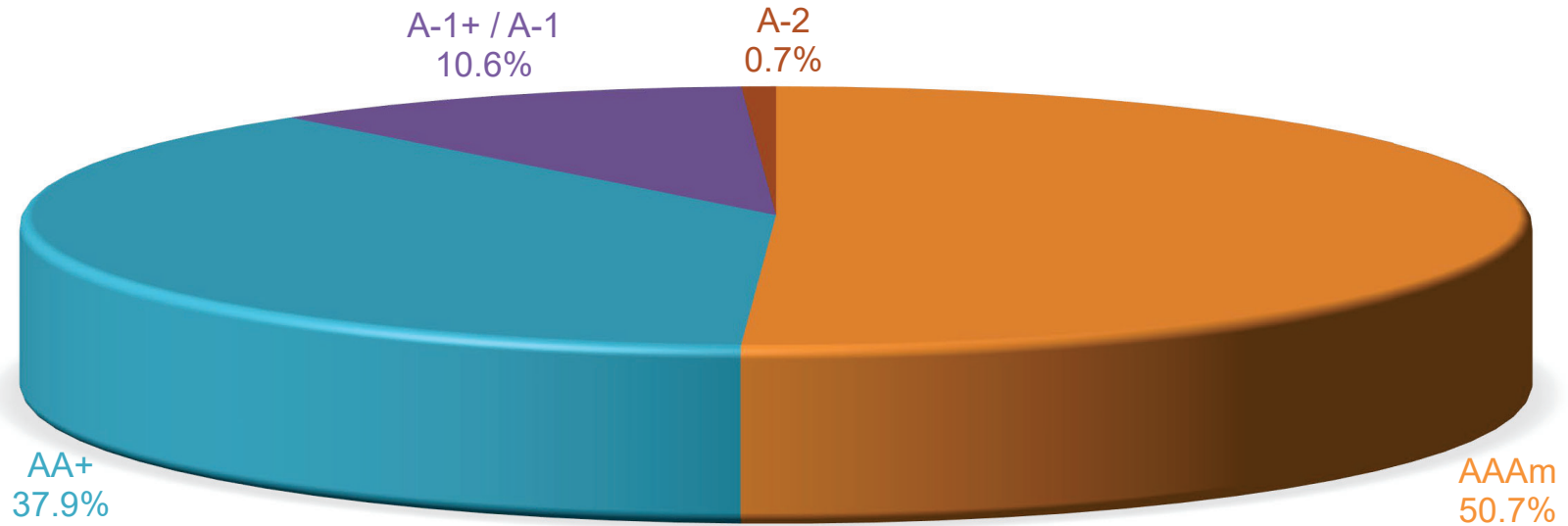
## Investments – By Security Type



Security Type	June		July		August		September	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	94,121,783	7.1%	65,212,830	5.5%	65,575,449	5.5%	103,572,224	9.2%
Federal Agencies	-	0.0%	-	0.0%	-	0.0%	-	0.0%
U.S. Treasuries	188,988,215	14.3%	197,972,371	16.7%	229,804,796	19.3%	428,520,298	37.9%
MMF / LGIP	984,040,135	74.6%	814,229,461	68.6%	808,637,913	68.0%	548,697,570	48.6%
Cash	51,943,554	3.9%	108,950,306	9.2%	84,553,803	7.1%	48,861,765	4.3%
<b>Total</b>	<b>1,319,093,686</b>	<b>100.0%</b>	<b>1,186,364,969</b>	<b>100.0%</b>	<b>1,188,571,960</b>	<b>100.0%</b>	<b>1,129,651,858</b>	<b>100.0%</b>

# Portfolio Snapshot

## Investments – By Credit Quality



Credit Quality	Market Value	Asset Allocation
<b>Ratings</b>		
AAAm	573,233,882	50.7%
AA+	428,533,711	37.9%
A-1 + / A-1	119,498,545	10.6%
A-2	8,385,720	0.7%
NR	-	0.0%
<b>Totals</b>	<b>1,129,651,858</b>	<b>100.0%</b>

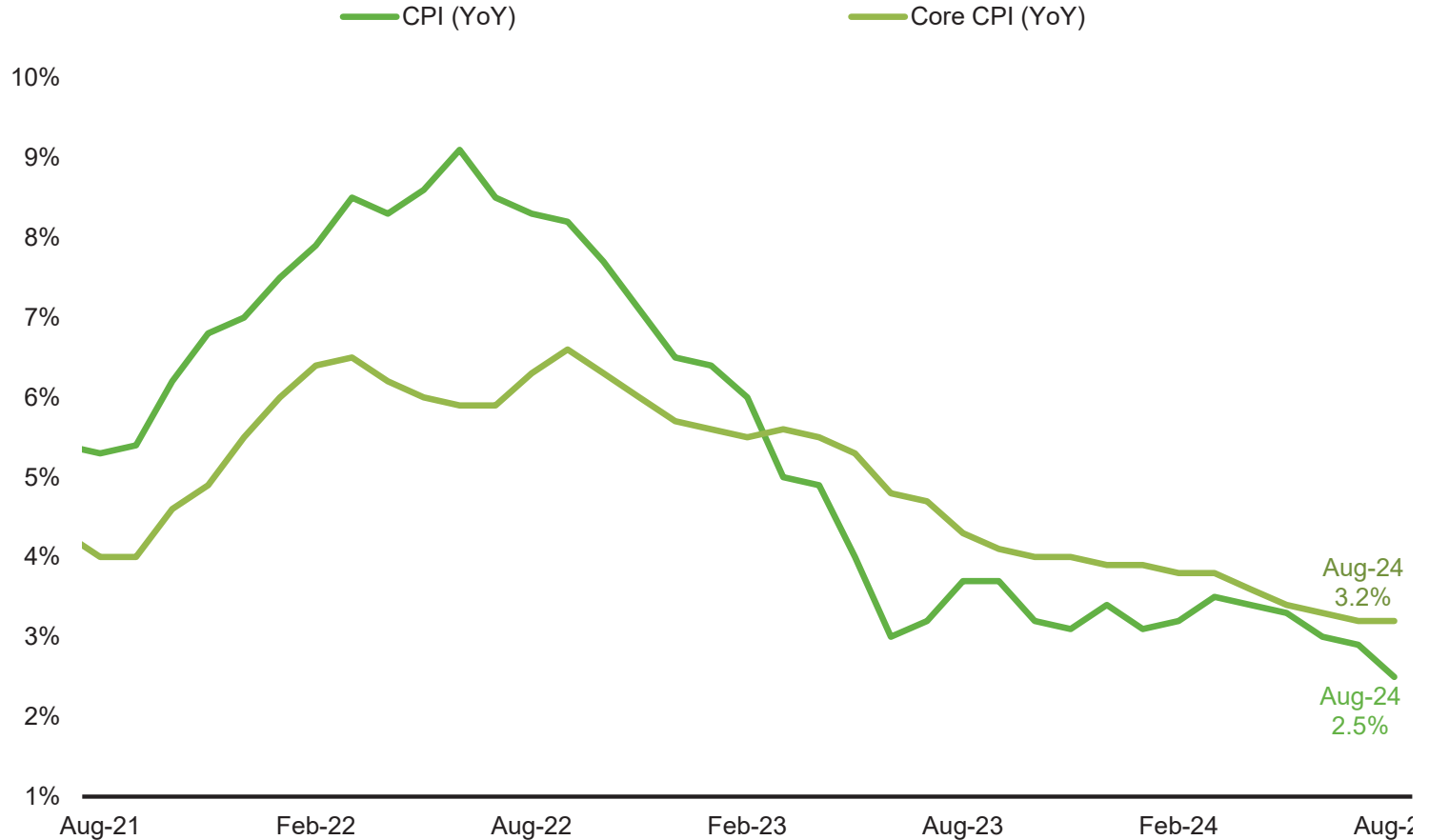
# Appendix I: Economic Update

# Consumer Price Index

## Consumer Price Index (CPI) Year-Over-Year Changes

The Consumer Price Index (“CPI”), commonly referred to as the “headline inflation number”, measures the change in the cost of a representative basket of goods paid by consumers.

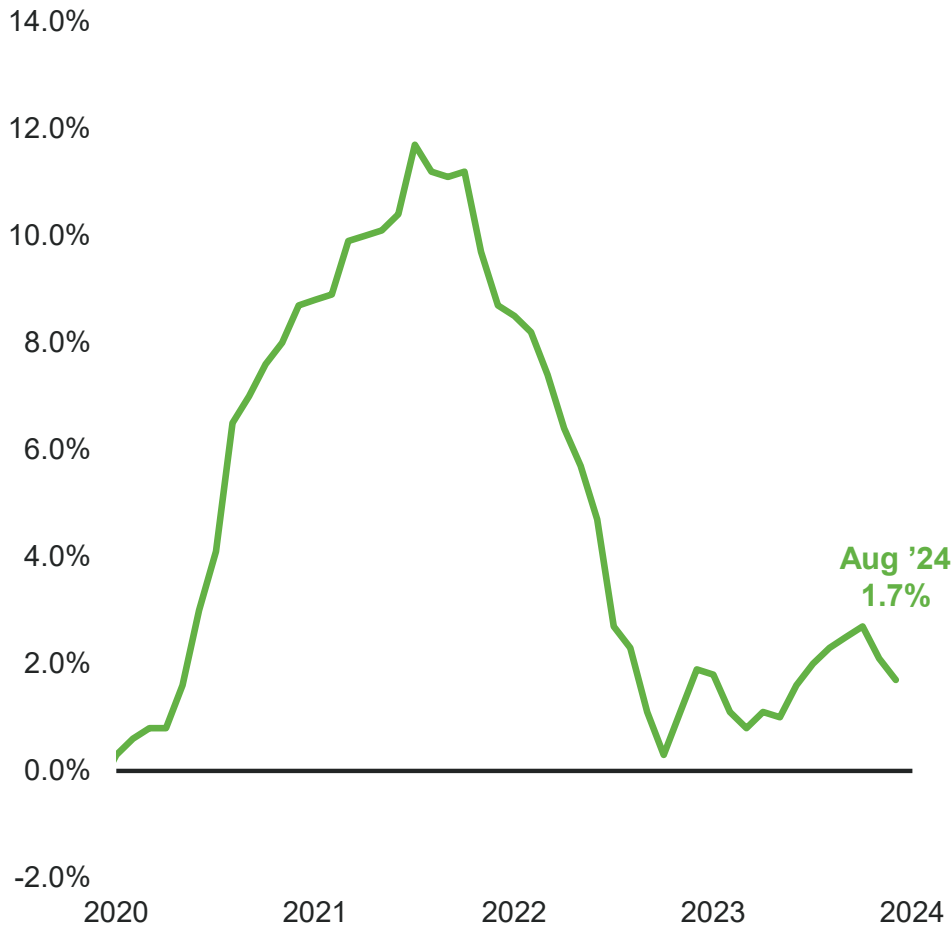
Core CPI strips out volatile food and energy components.



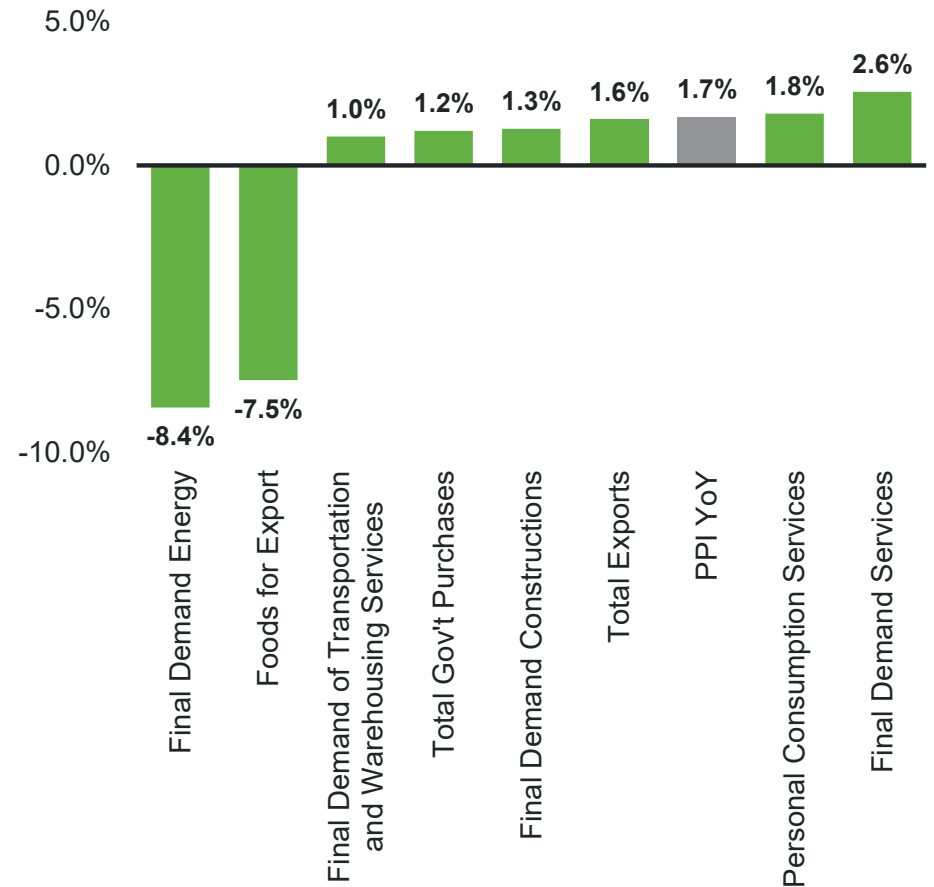
Source: Bureau of Labor Statistics and Bloomberg Finance L.P., as of August 2024.

# Producer Price Index

**Producer Price Index**  
 % Change YoY



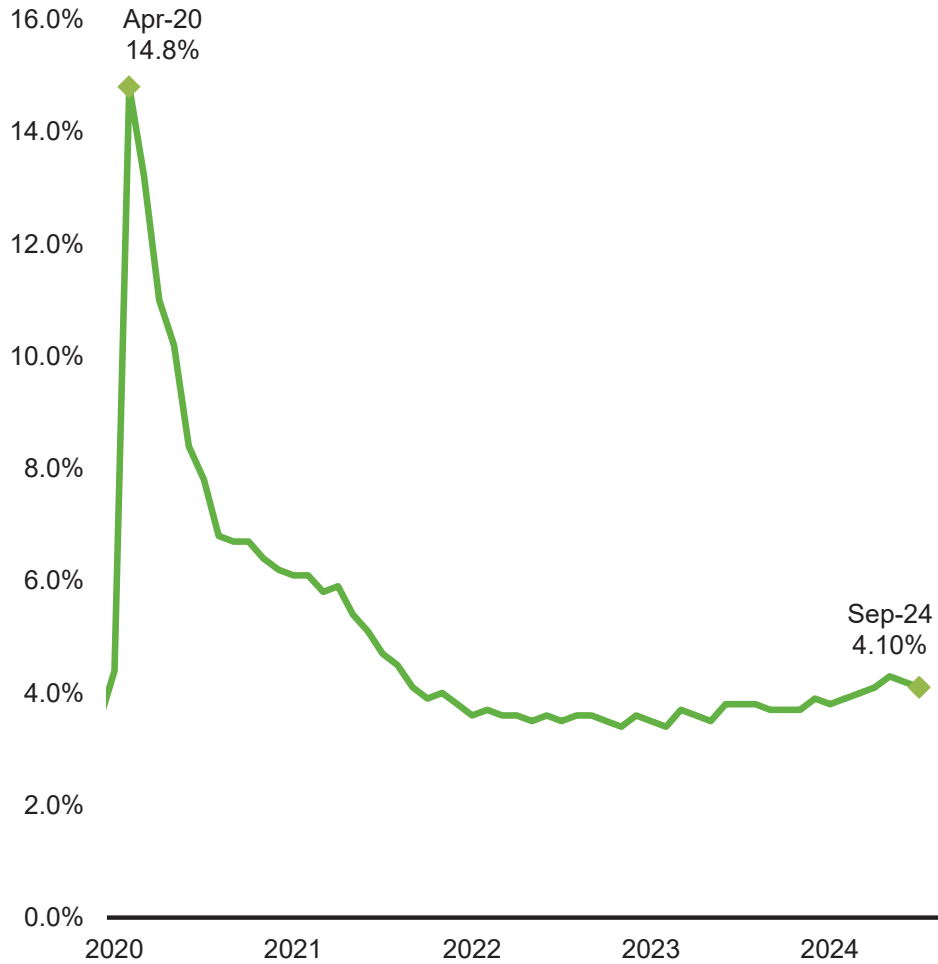
**Key Producer Price Index Components**  
 % Change YoY



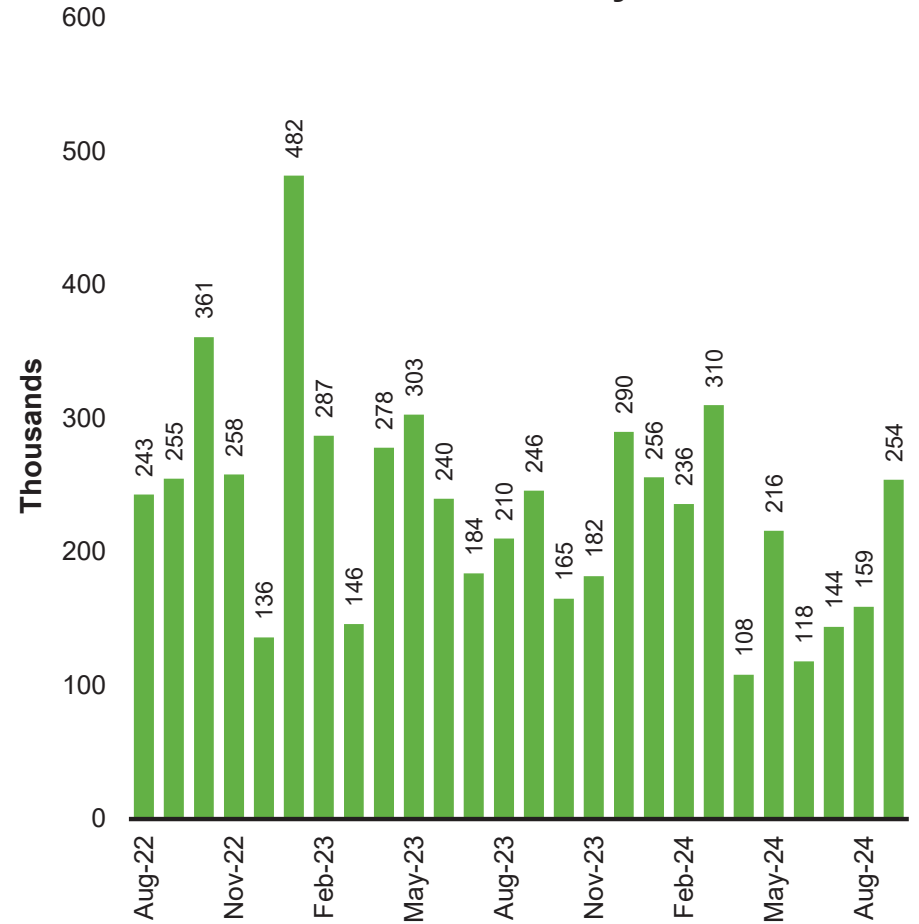
Source: Bloomberg Finance L.P., as of August 2024.

# Labor Market Sends Mixed Signals

### Unemployment Rate



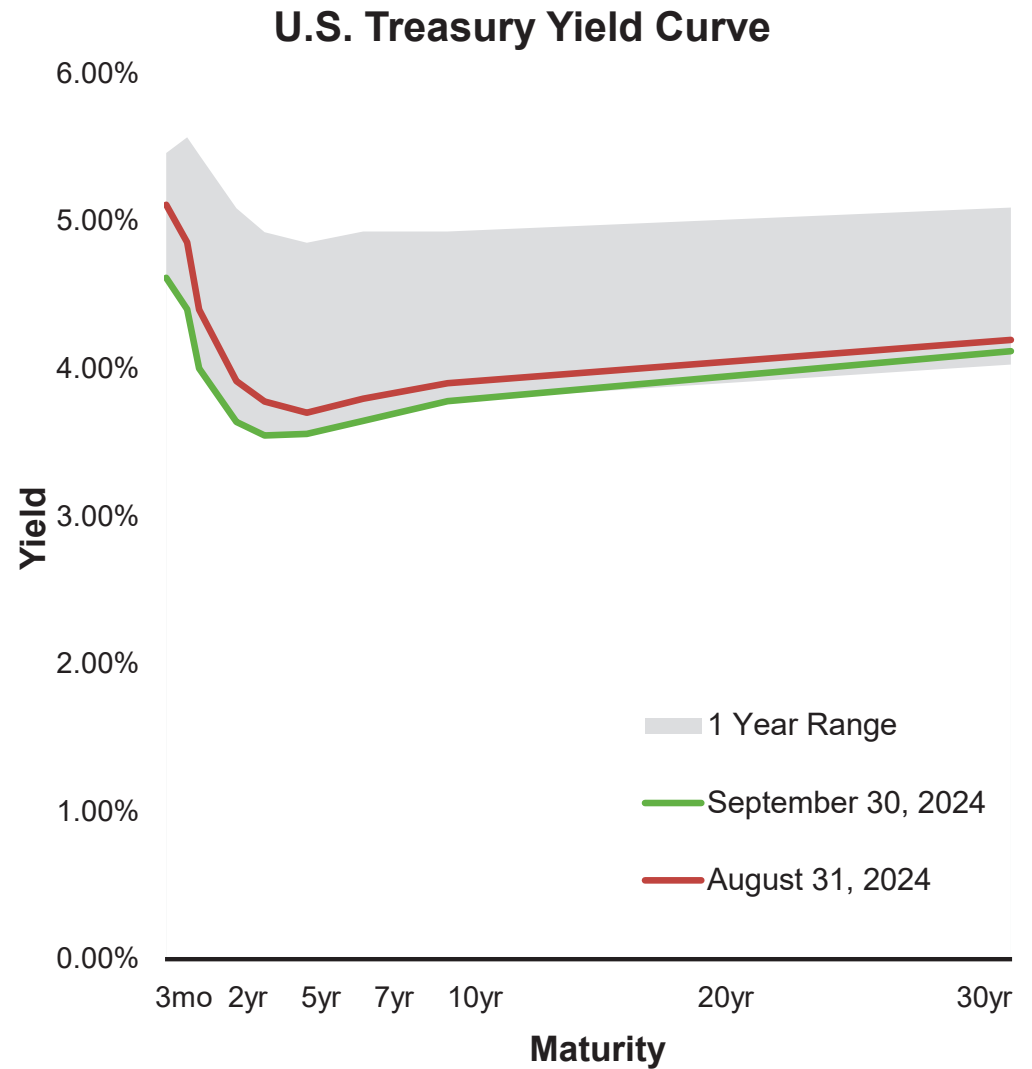
### Monthly Change In Nonfarm Payrolls



Source: Bloomberg Finance L.P., as of September 2024. Data is seasonally adjusted.

# Treasury Yield Curve

	8/31/2024	9/30/2024	Change
3 month	5.21%	4.62%	-0.59%
6 month	4.86%	4.40%	-0.46%
1 year	4.38%	4.40%	0.02%
2 year	3.91%	3.64%	-0.27%
3 year	3.79%	3.55%	-0.24%
5 year	3.71%	3.56%	-0.15%
10 year	3.90%	3.78%	-0.02%
30 year	4.20%	4.12%	-0.08%



Source: Bloomberg, as of 08/31/2024 and 09/30/2024, as indicated.



# Fixed Income Market Overview and Outlook

## FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Economic performance in the third quarter of calendar year 2024 continued to support a soft-landing outlook for the U.S. economy, underpinned by historically low unemployment, resilient consumer spending, record household wealth, and a supportive Federal Reserve (the “Fed”)
  - Inflation continued to make progress towards the Fed’s 2.0% target, while the labor market cooled from its formerly overheated state
  - The progress seen in inflation and in the labor markets prompted the Fed to acknowledge that the risks on both sides of its dual mandate – stable prices and full employment – were now “roughly in balance”
  
- The Fed cut the overnight policy rate by 50 basis points to a new target range of 4.75% to 5.00% at its September 18<sup>th</sup> meeting, marking the first rate cut in over four years
  - Furthermore, the Fed’s updated “dot plot” implied an additional 50 basis points of rate cuts through the balance of 2024 and 100 basis points of cuts in 2025
  - The Fed expects to reach the longer run “neutral” policy rate of 2.875% by the end of 2026
  
- While the bond market priced in much of the Federal Reserve’s forecasted rate trajectory into lower long-term bond yields, the equity and credit markets remained priced for a soft landing as positive sentiment and investor confidence continued to buoy risk asset valuations
  - Equity markets surged ahead in the quarter as the S&P 500 index returned 5.9% in the quarter, bringing calendar year-to-date returns to 22.1%; in a reversal of the first half of the year, market strength broadened out as the Russell 2000 small cap index outperformed the S&P 500, returning 9.3% for the quarter
  - The Nasdaq also lagged, returning just 2.8% for the quarter
  - U.S. Treasury yields plunged during the quarter, embracing the Fed’s expected rate cutting cycle, which supported strong bond market performance

# Fixed Income Market Overview and Outlook

## FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- The market spent most of the quarter preparing for the first rate cut in September, after the Fed noted in July that the risks to jobs and prices have come into better balance
  - The Fed delivered the much-anticipated interest rate cut at its September meeting and reduced the overnight rate by 50 basis points, which was on the high side of expectations
  
- U.S. Treasury yields fell sharply throughout the quarter, reflecting the imminent outset of the Fed’s cutting cycle
  - The yield on the 2, 5, and 10-year U.S. Treasuries ended the quarter at 3.64%, 3.56%, and 3.78%, respectively; this represented decreases of 111 basis points, 82 basis points, and 62 basis points, respectively
  
- After spending a record amount of time inverted, the yield curve steepened
  - The yield curve dis-inverted for the first time since July of 2022 (as measured by the yield difference between the 2 and 10-year U.S. Treasury notes)
  
- Sustained investor appetite continued to pressure yield spreads toward near multi-year lows across most investment grade sectors through the quarter, resulting in firmly positive excess returns on the corporate and mortgage-related sectors
  - During the period, the Fed initiated its first rate cut of the cycle, lowering the Fed Funds rate by 50 basis points; this was more than many market participants had anticipated
  - Treasury rates beyond the one-year range generally fell during the period
  - The yield curve steepened during the quarter and dis-inverted for the first time in over two years as the Fed Funds rate is targeted at 5.00%
  - Meanwhile, the 10-year fell to 3.78% and the 2-year Treasury ended at 3.64%

## Disclosure

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Business Inclusion and Diversity (B.I.D.) Program  
February 2021 through June 30, 2024

The Business Inclusion and Diversity (B.I.D.) Program Year-in-Review Summary includes the following:

1. Program Highlights
2. Background
3. Contract Language for B.I.D. Program Requirements
4. Vendor Outreach & Communication Efforts
5. Program Staffing
6. Program Updates
7. Program Data Summary (February 2021 through June 30, 2024)
8. Future Opportunities for GLWA's B.I.D. Program
9. Appendix: Program Data by Fiscal Year

## **Program Highlights**

- To date, GLWA has awarded 87 contracts under the B.I.D. Program requirements totaling \$859.8 million.
- GLWA has also received and reviewed 295 vendor Diversity Plans detailing efforts to maximize the participation of small, minority-owned, and disadvantaged business enterprises in GLWA's procurement process.

## **Background**

### **Procurement Policy Section 4.6. Business Inclusion and Diversity Plan**

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.

- a. In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.



- b. The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information.

#### **Procurement Policy Section 4.7. Economic Equity and Development**

As a regional water authority, GLWA is committed to providing economic development opportunities to the state of Michigan and Territory Area and in both services provided and as a partner to the business community.

- a. To foster economic development, for all solicitations, solicitation scoring scales will include the following for a business presence:
  - i. State of Michigan 1%
  - ii. Territory Area 1%, with a cumulative total of 2% for Territory Area and state business presence
  - iii. Disadvantaged GLWA Territory business enterprise 1%, with a cumulative total of 3% for Territory Area, state, and disadvantaged business presence within Territory area.
- b. State business presence is defined as those businesses that would be eligible as a Certified Michigan Based Business as defined by the State of Michigan law as administered by the Department of Technology, Management, & Budget.
- c. This section does not prohibit action that must be taken to establish or maintain eligibility for any federal program if ineligibility would result in a loss of federal funds to the state.

### **Contract Language for B.I.D. Program Requirements**

Contract language for B.I.D. Program requirements was added to all GLWA contract templates in August 2022. This language stipulates that when work or services require adherence to GLWA's B.I.D. Program that the Vendor/Contractor will use their best efforts to ensure compliance with the Diversity Plan that they submitted, and which was approved and finalized by GLWA in the executed contract. Contract language also stipulates that GLWA may monitor and assess the Vendor/Contractor's compliance with their Diversity Plan throughout the duration of the contract.



## Vendor Outreach & Communication Efforts

Communication with and support of the Vendor Community continues to be a central focus of the B.I.D. Program Team.

GLWA participates in various local, federal, state, municipal and membership-based organizations Outreach events. During Fiscal Year 2024, the B.I.D. Program Team Members participated in three Vendor Outreach events, hosted by the Detroit Water and Sewer Department, Michigan Public Purchasing Officer's Association (MPPOA), and SBA/American Express' ChallengerHER a minority women focused organization.

The B.I.D. Program Team/GLWA has also hosted virtual vendor introduction meetings where vendors can ask questions about the B.I.D. Program in a one-on-one setting. The B.I.D. Program Team is also a regular participant in GLWA-hosted Capital Improvement Project (CIP) Workgroup meetings, where information and updates on the B.I.D. Program are regularly provided.

In addition, the Vendor Management Team has participated in all GLWA Pre-Bid and Pre-Proposal meetings that have included the B.I.D. Program requirements since the program launch in February 2021. During these meetings a program overview is provided along highlighting the steps to successfully submitting a diversity and inclusion plan for the solicitation being discussed. Vendors are also afforded the opportunity to ask any questions and network with other vendors.

Lastly, GLWA hosted its annual Vendor Outreach event this fall on September 26, 2024, at Center Point Marriott in Pontiac, Michigan. The program for the event will provide information sharing and networking to support the success of the B.I.D. Program.

## Program Staffing

GLWA continues to recruit for additional B.I.D. Program staffing. In April 2024, Procurement hired Jeanette Driver as the B.I.D. Manager. We are currently recruiting for a Management Professional role. This role will assist the newly hired B.I.D. Manager with reporting and outreach.

## Program Updates

**Grant Funding** - We are continuing to review the impact of potential federal grant funding opportunities in coordination with the B.I.D. program requirements to assess their compliance with federal guideline requirements.



Federal guideline requirements prohibit the use of location-based preference policies in the award of a contract. Under provision 4.7(a) of GLWA's Procurement Policy (text included above), percentage points are awarded to the vendor's overall score based on their geographical presence in the state of Michigan, GLWA's service area, and in certain designated economically disadvantaged areas within GLWA's service area.

Ongoing discussions are currently being conducted to determine how best to position GLWA for federal funding opportunities. The goal of these conversations is to reduce the risk of forfeiting funding dollars due to business process or other related compliance matters while also continuing to prioritize our commitment to the values of inclusion and diversity in our procurement process.

**Reporting** - With the recent implementation of Workday we are evaluating the data tracking and reporting capabilities available and anticipate enhancing delivered reports.

## Program Data Summary February 2021 through June 30, 2024

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

### Table 1: B.I.D. Eligible Procurements as of June 30, 2024

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.

B.I.D. Eligible Procurements	Awarded 2/1/21 - 6/30/24	In Evaluation Phase	Active	Total
<b>Procurement Requiring B.I.D. Submittals</b>	<b>87</b>	<b>9</b>	<b>5</b>	<b>101</b>
<b>Total Number of Diversity Plans Submitted</b>	<b>295</b>	<b>25</b>	<b>-</b>	<b>320</b>



**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 criterion 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.

B.I.D. Scoring Criteria	Procurements Awarded Meeting B.I.D. Criteria as a % of Total \$ Awards	Total Contract Amount (millions)
Michigan Location	92%	\$ 1,219.5
Member Partner Service Area	80%	\$ 1,064.9
Disadvantaged Service Area	31%	\$ 416.4

**Table 3: Member Partner Communities**

Table 3 provides a breakdown of the number of awarded contracts to vendors located in GLWA's Member Partner Service area.

Member Community	Total Contract Count	Total Contract Amount (millions)	% of Total \$ Awarded
City of Detroit	47	\$ 416.4	31.45%
City of Taylor	3	361.3	27.29%
City of Novi	3	94.4	7.13%
City of Auburn Hills	5	76.7	5.79%
City of Livonia	3	59.6	4.50%
City of Troy	3	17.0	1.29%
Clinton Township	1	8.1	0.61%
City of Farmington Hills	2	6.5	0.49%
City of Southfield	2	6.3	0.47%
City of Madison Heights	1	6.0	0.45%
City of Wixom	2	5.1	0.38%
City of Warren	2	4.7	0.35%
City of Riverview	1	1.9	0.14%
Harrison Township	1	1.0	0.08%
<b>Subtotal</b>	<b>76</b>	<b>\$ 848.5</b>	<b>80.43%</b>
<b>Other Michigan</b>	<b>4</b>	<b>0.0</b>	<b>11.68%</b>
<b>Out of State</b>	<b>7</b>	<b>0.0</b>	<b>7.89%</b>
<b>Subtotal</b>	<b>11</b>	<b>\$ 0.1</b>	<b>19.57%</b>
<b>Total</b>	<b>87</b>	<b>\$ 1,324.1</b>	<b>100.00%</b>





**Table 4: Economically Disadvantaged Communities**

Table 4 provides a breakdown of the number of awarded contracts to vendors who have a business presence in an economically disadvantaged GLWA service territory area. This means that the vendor is located in a municipality designated as having one of the five lowest median household incomes in that respective county as defined by the U.S. Census Bureau every five years.

Economically Disadvantaged Communities	Total Contract Count	Total Contract Amount (in millions)
City of Detroit	47	\$ 416.4

**Table 5: Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses**

Table 5 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).

Non-Scored Criteria	Awarded as a % of Total \$ Awards	Total Contract Amount (millions)
Awarded to Disadvantaged, Minority-owned, Women-owned, and Small Businesses	27%	\$ 359.3

**Table 6: Diversity Certification Percentages**

Table 6 provides a breakdown of the vendors who met the certification criteria as SBE (Small Business Enterprise), DBE (Disadvantaged Business Enterprise), MBE (Minority-owned Business Enterprise), and/or WBE (Women-owned Business Enterprise). Note that some firms may have multiple certifications.

Diversity Vendors Awarded	SBE	DBE	MBE	WBE
Percentage of Total B.I.D. \$ Awarded	1%	25%	10%	5%
Total Amount (millions)	\$ 18.5	\$ 333.6	\$ 132.7	\$ 65.2



### Table 7: Overall Contracts Awarded

Table 7 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).

Overall Contracts Awarded	Total Contract Count	Total Contract Amount (millions)	% of Total \$ Awarded
<b>Eligible Procurements</b>	<b>87</b>	<b>\$ 1,324.1</b>	<b>100%</b>
<b>Met the certification criteria (non-scored criteria)</b>	<b>35</b>	<b>\$ 359.3</b>	<b>27%</b>
<b>Met the three geographic criteria (scored criteria)</b>	<b>47</b>	<b>\$ 416.4</b>	<b>31%</b>

### Future Opportunities for GLWA's B.I.D. Program

One potential future opportunity for the B.I.D. Program may include lowering the dollar threshold for the B.I.D. Diversity Plan requirement to further encourage the participation of small, minority-owned, and disadvantaged business enterprises in GLWA's service area. Additional future opportunities may include conducting compliance monitoring of Vendors' Diversity Plans, which will help GLWA to further measure the impact and effectiveness of the B.I.D. Program.



## Appendix: Program Data by Fiscal Year

B.I.D. Summary Data	FY 2022	FY 2023	FY 2024
Total Contracts B.I.D. Awarded	31	36	17
Total \$ Awarded	\$ 304,331,004	\$ 455,664,806	\$ 464,246,701
Total # Diversity Plans Submitted	29	36	17
Total # Vendors State of Michigan Qualifying	27	35	15
Total \$ Awarded to State of Michigan Qualifying Vendors	\$ 212,191,922	\$ 450,580,106	\$ 456,955,501
Total # Vendors Member Partner Qualifying	26	33	15
Total \$ Awarded to Member Partner Qualifying Vendors	\$ 207,451,602	\$ 393,118,495	\$ 456,955,501
Total # Vendors Disadvantaged Territory Qualifying	18	19	9
Total \$ Awarded to Disadvantaged Territory Qualifying Vendors	\$ 178,632,248	\$ 138,204,166	\$ 94,053,899
Total # Vendors Meeting 3 (Geographic) Scoring Criteria	18	19	9
Total \$ Awarded to Vendors Meeting 3 (Geographic) Scoring Criteria	\$ 178,632,248	\$ 138,204,166	\$ 94,053,899
Total # Vendors Meeting (Certification) Non-Scored Criteria	21	8	5
Total \$ Awarded to Vendors Meeting (Certification) Non-Scored Criteria	\$ 181,234,371	\$ 111,588,511	\$ 64,604,516



Annual Procurement Report  
for the Fiscal Year Ending June 30, 2024

Annual Procurement Report for Fiscal Year (FY) 2024 includes the following:

1. Report Highlights
2. Key Terms & Assumptions
3. Fiscal Year analysis of awarded purchase orders executed in FY 2024
4. Fiscal Year analysis of invoices processed for payment in FY 2024
5. Detailed Appendices

Pursuant to the Great Lakes Water Authority (GLWA) By-Laws Article XII, Section 4, GLWA Procurement provides an annual report summarizing all spend awarded (purchase orders) by GLWA in the previous fiscal year. In addition, this report provides statistics and analysis based on actual invoice spend for FY 2024.

The GLWA Procurement Team is a strategic cross-functional partner whose goal within the Financial Services Area (FSA) is to provide and manage effective procurement processes and procedures for the acquisition of quality goods and services in support of the Great Lakes Water Authority's mission and goals. GLWA Procurement utilizes the Bonfire public procurement application to manage the process of soliciting, reviewing, awarding, and monitoring contracts and services with suppliers. This system is used in tandem with BS&A (the primary source for these reports) financial system to assign requisitions, purchase orders, and to ultimately process supplier payments. The GLWA Procurement team works very closely with other FSA teams throughout the process of the procure to pay cycle.

The information contained in this report is a comprehensive compilation of data from these systems organized in a manner that not only satisfies the base requirement of the GLWA By-Laws but also highlights key insights and trends apparent to the GLWA FSA team upon review. Following review by the GLWA Audit Committee, this information will be available on the GLWA website Vendors page at [www.glwater.org](http://www.glwater.org) where you can also find an entire section dedicated to vendors and communication of GLWA procurement policies, programs, and current solicitations.

## Report Highlights

### GLWA Procurement Team Objectives (relevant to report)

- ✓ Ensure all purchases (requisitions, purchase orders and contracts) go through the approved procurement processes and meet or exceed the requirements of GLWA's internal customers and goals.
- ✓ Optimize the percentage of awards attributed to a contract.
- ✓ Identify, procure, manage, and maintain strategic suppliers and key contracts.

### Purchase Order (Awarded by Procurement) Totals

- ✓ Procurements awarded for FY 2024 totaled \$453.1 million.
- ✓ Procurement processed a total of 4,713 requisitions including execution of 3,835 new purchase orders and amending 706 existing purchase orders.
- ✓ Procurement executed 220 purchase orders tied to a formal contract.
- ✓ 90 percent of all awarded purchases were attached to a formal contract.

### Invoice (Accounts Payable) Totals

- ✓ Total combined spend by invoice for FY 2024 totaled \$596.1 million.
- ✓ Accounts Payable processed 25,126 invoices including payments relating to 4,623 purchase orders.
- ✓ Invoice payments directly attributable to a purchase order totaled \$506.6 million.

## Key Terms & Assumptions

Following are key terms that will assist the reader in interpreting the data presented in this report.

- **BS&A:** GLWA's financial software specializing in municipal accounting and finance.
- **Capital Improvement Plan (CIP):** Spend related to capital projects and equipment purchases.
- **Capital Outlay:** Spend related to either purchasing a fixed asset or to extend its useful life.
- **Contract:** A written binding agreement between GLWA and outside vendors predominantly based on GLWA's Terms and Conditions. All contracts are associated with an approved purchase order.
- **Fiscal Year (FY):** GLWA's one year period used for financial reporting extending from July 1 to June 30 the following year.
- **Invoice:** Issued by the seller/vendor to acquire payment and includes an itemized list of goods shipped specifying the price, products, and quantities. Invoices are reported by payment (check or EFT) paid date.
- **Operation and Maintenance (O&M):** Cost associated with continuing daily operations, repairs, and part replacements to extend life of assets.
- **Purchase Order (PO):** A document generated by GLWA that authorizes a purchase transaction. When accepted by the seller/vendor, it becomes a contract binding on both parties. Purchase orders are reported by post-date. Not all purchase orders are tied to a formal contract.
- **Requisitions:** A formal request for obtaining a good and/or service including supplies, raw materials, construction projects, and services. It is also used in requesting additional amendments and change orders for current purchase orders and contracts.

In addition to these key terms, certain assumptions were utilized in the presentation of this information. Key assumptions include the following:

- Purchase order data presented is based on the date the approved purchase order transaction was posted to the general ledger for accounting purposes.
- Invoice data presented is also based on the date the invoice is posted to the general ledger for accounting purposes.
- Purchase order amounts do not remain static, unlike invoice totals.
- Counts are unique unless otherwise noted.
- Procurement continually processes amendments (including renewals) and change orders that can decrease or more often increase the purchase order total. These changes impact the original fiscal year totals.

- For report purposes, amended purchase orders include change orders, construction change directives, and task orders.
- Sum totals can be based on actual, rounded, or in millions based on the individual report considerations.

## Fiscal Year Award Analysis

The following tables and charts highlight GLWA Procurement activity and purchase orders awarded and executed in FY 2024.

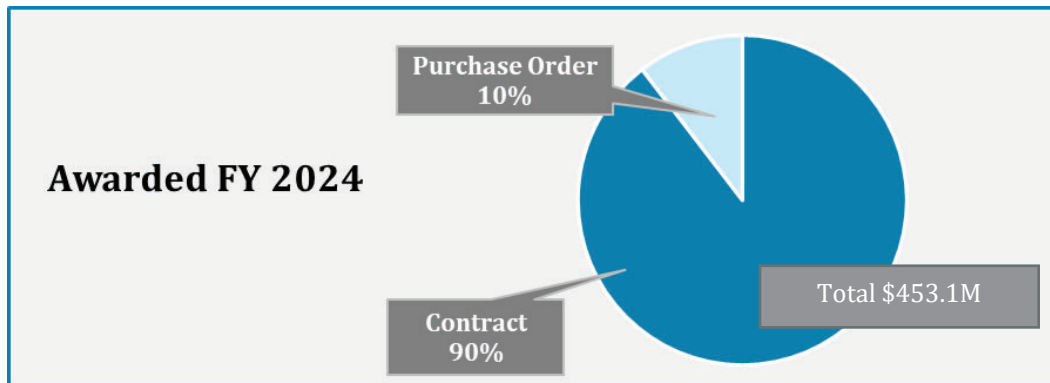
**Table 1 – GLWA FY 2024 Total Combined Contract/Purchase Order Awards.** This chart identifies the total contracts/purchase orders administered through Procurement. Procurement processed 3,835 purchase orders totaling \$453.1 million in FY 2024.

**Table 1 – GLWA FY 2024 Total Combined Contract/Purchase Order Awards**

Type	Requisition Count	Purchase Order Count	Contract Count	Awarded (Millions)
Contract	145	145	145	\$ 403.7
Purchase Order	3,615	3,615	-	47.3
Contract Related	73	73	73	2.0
	<b>3,833</b>	<b>3,833</b>	<b>218</b>	<b>\$ 453.1</b>

**Chart 1 – Total Awarded Contracts/Purchase Orders as a percent of Total s Issued.** This chart highlights the continuing emphasis Procurement places on capturing a majority of awarded spend under the protection of a formal contract. In addition to providing legal safeguards and quality of service protections, contracts restrain costs by reducing the number of purchase orders and combining purchases to drive down costs. In FY 2024, Procurement awarded \$453.1 million or 90% of the total awarded spend directly tied to a formal agreement (contract).

**Chart 1 – Awarded Contracts/Purchase Orders as a % of Total**



**Average Dollar Amount of Contracts and Purchase Orders FY 2024.** The average contract awarded by Procurement was \$2.75 million dollars.

**Table 2 – Average Awarded Amount for Contracts and Purchase Orders FY 2024**

Awarded Type	Count (Unique)	Amount Awarded	Average Award
New Contract	145	\$ 403,717,260	\$ 2,784,257
Purchase Order	3,615	\$ 47,332,671	\$ 13,093

**Awards by Contract** - Contracts ensure successful timetables are met and projects are completed to the satisfaction of all GLWA stakeholders.



**Table 3 - FY 2024 Top Ten Largest Contracts awarded by Dollar Value.** These top ten contracts represent \$364.5 million or 80% of the total awarded contracts/purchase orders for FY 2024. A complete listing of contracts awarded over a million dollars for FY 2024 can be found in Appendix A.

**Table 3 - FY 2024 Top Ten Largest Contracts awarded by Dollar Value**

Contract	Contract Title	Vendor	Awarded
2102926	WRRF Aeration Deck Improvements	Kokosing Industrial Inc.	\$ 209.9
2300600	96-inch Water Trans Main - Phase II	Ric Man/Clark Joint Venture	56.4
2201316	Reservoir Rehab Construction Phase II	Lakeshore Global Corporation	35.6
2201848	Wholesale Water Meter Pit Rehab & Replace	Lakeshore Global Corporation	15.7
2103225	HS Facility IMPROV - Engineering	Wade Trim Associates Inc	11.4
2204611	CSO Outfall Rehab - Phase V	Lakeshore Global Corporation	10.3
2302652	Emergency Sewer Eval Repair and Rehab II	Lakeshore Global Corporation	9.0
2201744	Entrance & Guard Shack Rehab	Commercial Contracting Corporation	7.0
2204058	Grounds Maintenance Services	Landscape Services, Inc	4.9
2400549	OMIDD/GLWA Cost Sharing (NIEA) 7 M Divers	Oakland-Macomb Interceptor Drain DD	4.5
<b>Subtotal Top Ten</b>			<b>\$ 364.5</b>

**Awards by Vendor** - Procurement understands that strategic vendors are integral to the success of GLWA.

**Table 4 - FY 2024 Top Ten Vendor Total Awards.** These top ten vendors represent \$382.6 million or 84% of the total awarded contracts/purchase orders for FY 2024. A complete list of combined awards for all vendors issued in FY 2024 can be found in the Appendix B.

**Table 4 - FY 2024 Top Ten Vendor Total Awards**

	Requisition Count	Purchase Order	Contract Count	Awarded
<b>Kokosing Industrial Inc.</b>	11	10	10	\$ 209.9
<b>Lakeshore Global Corporation</b>	31	31	31	72.8
<b>Ric Man/Clark Joint Venture</b>	11	11	11	56.4
<b>Wade Trim Associates Inc</b>	30	26	28	12.2
<b>Commercial Contracting Corporation</b>	31	30	30	8.7
<b>Kemira Water Solutions</b>	1	1	-	5.1
<b>Landscape Services, Inc</b>	1	1	1	4.9
<b>Oakland-Macomb Interceptor Drain DD</b>	1	1	1	4.5
<b>Polydyne Inc</b>	7	7	-	4.4
<b>Schreiber Corporation</b>	3	2	1	4.0
<b>Subtotal Top Ten</b>	<b>127</b>	<b>120</b>	<b>113</b>	<b>\$ 382.6</b>

## Fiscal Year Spend Analysis

The following tables and charts highlight GLWA Accounts Payable activity and paid invoice totals for FY 2024.

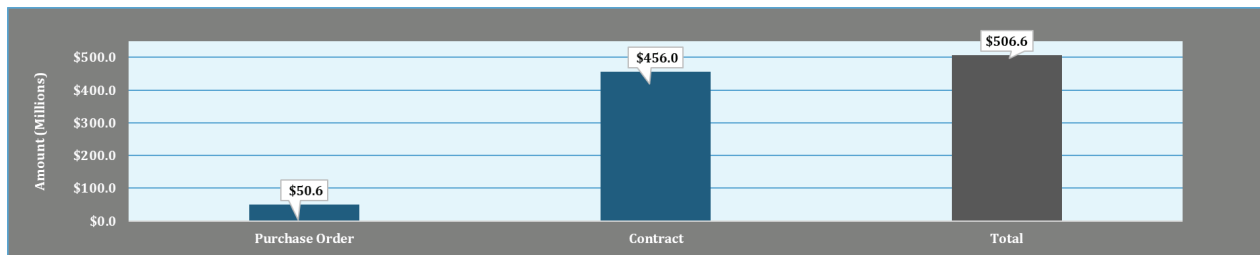
**Table 5 - GLWA's total spend by Invoice for FY 2024.** Total spend by invoice is divided by purchase type. Contracts and purchase orders are awarded by Procurement prior to any leaf invoicing by the vendor. In FY 2024, invoices directly related to a purchase order totaled \$506.6 million (\$456.0 million contract total plus \$50.6 million purchase order total in Table 5) representing 85% of total spend. Invoices paid without a purchase order are typically for utilities, telecom, employee benefits, state, federal and local governments, and agencies. Invoices without a purchase order totaled \$89.5 million and represent 15% of total annual spend.

**Table 5 - GLWA's total spend by Invoice for FY 2024**

Invoice Type	Invoice Count	Purchase Order Count	Contract Count	Amount Paid (Millions)	Percentage of Total
Contract	9,183	606	511	\$ 456	76%
No Purchase Order	7,686	-	-	90	15%
Purchase Order	8,241	4,020	-	51	8%
<b>Grand Total</b>	<b>25,093</b>	<b>4,626</b>	<b>511</b>	<b>\$ 596</b>	<b>100%</b>

**Chart 2 - Total Spend directly related to a Purchase Order Award (with or without a Contract).** This chart emphasizes Procurement's focus on identifying opportunities to capture as much spend as possible under the safeguards of a formal contract. The majority, 90% of all purchase orders and 76% of all GLWA spend, is directly related to a contract.

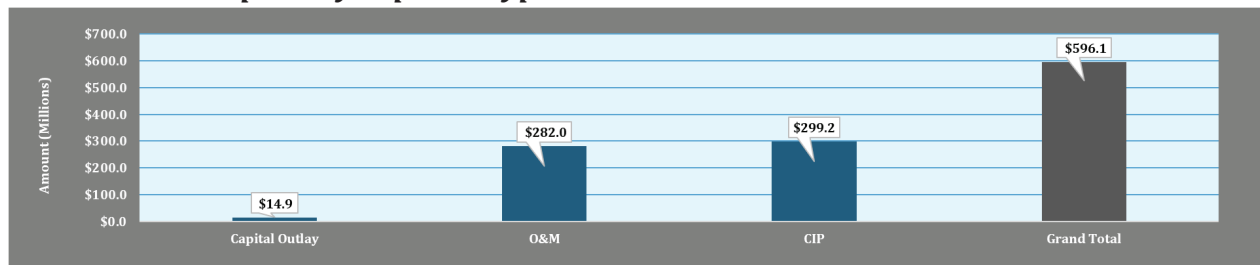
**Chart 2 - Total Spend directly related to a Purchase Order Award**



**Expense Type and Project** - Combined invoice totals by Expense Type and Project.

**Chart 3 - Total Spend by Expense Type.** This chart organizes the spend between Operations and Maintenance (O&M), Capital Improvement Plan (CIP), and Capital Outlay.

**Chart 3 - Total Spend by Expense Type**



**Top Ten Contracts** - Key contracts comprising a majority of actual spend for FY 2024.

**Table 6 - Top 10 Contracts paid FY 2024** provides a list of the largest contracts that captured FY 2024 spend. These ten contracts account for \$160.8 million or 27% of FY 2024 total spend. A complete listing of contracts with over a million dollars in spend for FY 2024 can be found in Appendix C.

**Table 6 - Top 10 Contracts paid FY 2024**

Contract	Contract Title	Vendor	Amount (Millions)
2004456	14 Mile Trans Main Loop	Ric-Man/Clark Joint Venture	\$ 31.7
2300600	96-inch Water Trans Main relocation- Phase II	Ric-Man/Clark Joint Venture	17.8
GLWA-PC-792	Bio-Solids Dryer Facility	New England Fertilizer Company	16.7
2102859	Conveyance System Infrastructure IMPROV	Jay Dee Contractors Inc.	16.7
2004825	(CMAR) for 96-Inch Water Trans Main Relocation	Kiewit Infrastructure Co	15.3
GLWA-DB-150	Repair of Raw Water Tunnels	Ballard Marine Construction LLC	13.8
2103688	Rehab of Connors Creek Sewer System	Oscar Renda Contracting Inc	13.5
2201068a	SWTP Medium Voltage Electrical System Replace	Clark Construction Company	12.5
2000610	Yard Piping, Valves & Venturi Meter Meters Replace	Lakeshore Global Corporation	11.8
2102834	Facilities Maintenance Svcs. - Staff Augment Skilled	Lakeshore Global Corporation	11.0
<b>Subtotal Top Ten</b>			<b>\$ 160.8</b>

**Top Ten Vendors** - The top vendors that dominated GLWA's FY 2024 actual spend.

**Table 7 - Top Ten Vendors paid FY 2024** highlights the vendors who received a majority of spend for FY 2024. These top ten vendors comprise \$286.8 million or 48% of total invoices paid. A complete list of vendor invoices in FY 2024 can be found in Appendix D.

**Table 7 - Top Ten Vendors paid FY 2024**

Vendor	Invoice Count	Purchase Order Count	Contract Count	Amount (Millions)
Lakeshore Global Corporation	190	17	17	\$ 63.7
DTE Energy	4,652	-	-	50.2
Ric-Man/Clark Joint Venture	29	3	3	47.7
Jay Dee Contractors Inc.	96	5	5	29.6
Commercial Contracting Corporation	108	16	16	17.0
New England Fertilizer Company	13	2	2	16.6
Kiewit Infrastructure Co	12	2	2	16.6
Clark Construction Company	44	5	5	15.7
Weiss Construction Co LLC	82	9	8	15.4
AT&T	219	3	-	14.5
<b>Subtotal Top Ten</b>	<b>5,445</b>	<b>62</b>	<b>58</b>	<b>\$ 286.8</b>

## Detailed Appendices

### **Appendix A – FY 2024 Combined Contracts Awarded by Procurement.**

This report identifies all contracts awarded by Procurement during the fiscal year. It includes the contract number, the vendor, and the total amount of the contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoice activity is based on the date range July 1, 2023, through June 30, 2024.

### **Appendix B – FY 2024 Combined Vendors Awarded by Procurement.**

This report identifies all vendors awarded during the fiscal year. It includes the contract number, the vendor, and the total amount of the contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2023, through June 30, 2024.

### **Appendix C – FY 2024 Combined Contracts Invoiced.**

This report identifies all contracts invoiced during the fiscal year. It includes the contract number, the vendor, and the total amount of the contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2023, through June 30, 2024.

### **Appendix D – FY 2024 Combined Vendors paid by Invoice.**

This report identifies all vendors invoiced during the fiscal year. It includes the contract number, the vendor, and the total amount of the contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2023, through June 30, 2024.

Contract	Contract Title	Vendor	Amount (Awarded)
2102926	WRRF Aeration Deck Improvements	Kokosing Industrial Inc.	\$ 209,880,500
2300600	96-inch Water Trans Main relocation- Phase II	Ric Man/Clark Joint Venture	56,350,500
2201316	CIP 170802 Contract 2201316 Reservoir Rehabilitation	Lakeshore Global Corporation	35,573,564
2201848	Wholesale Water Meter Pit Rehab & Replace	Lakeshore Global Corporation	15,679,152
2103225	HS Facility IMPROV - Engineering	Wade Trim Associates Inc	11,418,379
2204611	CSO Outfall Rehab - Phase V	Lakeshore Global Corporation	10,285,619
2302652	Emergency Sewer Evaluation Repair and Rehab II	Lakeshore Global Corporation	9,000,000
2201744	Entrance & Guard Shack Rehab	Commercial Contracting Corporation	6,997,000
2204058	Grounds Maintenance Services	Landscape Services, Inc	4,850,162
2400549	OMIDD/GLWA Cost Sharing (NIEA) 7 M Divers	Oakland-Macomb Interceptor Drain DD	4,500,000
2300394	Replacing & Rehabbing Select Roofs at WRRF	Schreiber Corporation	3,957,500
2303968	84"Triple Offset Ball Valve 96" Water Trans Reloc	Cascade Consultants LLC	3,240,588
2301775	Snow Removal and De-Icing Services	Premier Group Associates LC	2,874,204
2203638	Engineering Project Management & Inspect. Staff Augmentation.	PMA Consultants LLC	2,300,000
2203675	Conversion of Plumb Shop to Satellite Warehouse Bldg. 102	Clark Construction Company	2,288,107
2302932	Emerg Inc C-II Conveyor Sys Fire Protect Improv (Pilot)	Commercial Contracting Corporation	1,323,000
2204515	Loading, Hauling & Disposal of Scum	Lakeshore Global Corporation	1,226,832
2301145a	Communication & Marketing Services	The Martin Group LLC	989,000
2203802	Property & Casualty Insurance Brokerage & Ancillary Svcs.	Marsh USA Inc.	900,000
2202091	General maintenance for all grit collector needs.	Titus Welding Company Inc	800,000
2301695	VFD Package Replace for North Service Center #11	Rotor Electric Co	795,785
2401500	24/12370R Baby Creek Facility-Lining Sodium Hypochlorite Tank	General Acid Proofing Inc	788,000
2203437-2	Service- All Pumps For CSO Facilities	Kennedy Industries Inc	700,000
2203437-1	Service- All WRRF & CSO Facilities Pumps	Detroit Pump & Mfg Co	700,000
2400823	Process Flows and Organizational Fitness	Slalom, LLC	684,960
2203995	Hach Lab Equipment other	Hach Company	534,508
2304292	Air Emissions Stack Test Complex 2 Incinerators	Air Dynamics Testing	530,000
2203501	Risk-based framework contaminants Drinking Water	Michigan State University	519,254
2401912	Aruba Wi-Fi Expansion Rollout	CDW Computer Centers Inc	503,303
2302751	Baby Creek Chlorine Tank Liner issue	Zausmer, P.C.	500,000
2203858	Sewer Cleaning & Maint. Vactor truck & technician rental (KS)	Lakeshore Global Corporation	500,000
2300721	GLWA Contract 2300721 Development of WRRF Simulation Tool	Regents of the University of MI	497,919
2204731-1	As-Needed Pump Repair Services for Water Treatment Plants	Lakeshore Global Corporation	495,000
2204731-2	As-Need Pump Repair Services for Water Treatment Plants	Cleveland Pump Repair & Services LL	495,000
2301175	Specialized Contract Request for Hugh Connolly	HKC Consulting LLC	482,328
2303476	Water Industry Work Force Development & Pipe Mgmt.	Wayne State University	481,234
2400255	Government Relations & Legislative Rep Services	Dykema Gossett PLLC	462,000
2402182	Office Supplies And Office Related Products	Staples Business Advantage	450,000
2305072	Xerox Lease and Maintenance Agreement(s)	Xerox Corporation	439,616
2402144	Consulting Services through June 30, 2025.	Hupp Consulting LLC	434,410
2300785	Innovation Management & Utility Peer Review	Isle Inc.	430,000
2301383	Overhead Door Assess, Repair Replace Services	Secure Door LLC	426,000
2400818	Transitional and Historical Engineering Service	Wade Trim Associates Inc	420,000
2301404	Prevent Maintenance/Repair Lab Equip 2-Year	Hach Company	363,162
2304151	Pump Station#1/Station Maintenance/Repair	Commercial Contracting Corporation	350,000
2202732	Assessing Spatial Rainfall Volume-Duration-Frequency	Board of Regents U of Wisconsin	346,751
2400992	MiDeal 240000000257 Lab Chemicals & Non-Chem	VWR International	321,879
2203288	Employee Benefits - Broker Services	Lockton Companies LLC	321,000
2402266	Mgt trans consultation GLWA professional dev.	The Foster Group LLC	300,000
2401482	Legal Services - Auto Liability PIP and other related matters	Slater Seibert LLC	300,000
2302294	Hydrothermal Liquefaction Convert Organic Wastes	Wayne State University	300,000
2301009	Surveillance & Identification of Endemic & Emerging Diseases	Michigan State University	295,199
2101209	RFP-2021 Compensation Study	Segal Consulting	295,000
2300907	OZONE GENERATOR REFURBISHMENT	Xylem Water Solutions Usa Inc	280,127
2400705	Fire Extinguisher Visual Services & Supplies	Kb.co Services LLC	264,879
2303654	Grants Management Staff Assistance	RSM US LLP	255,600
2304186	Conveyor Rebuild at WRRF	RMF Nooter Inc	240,100
2401391	Fire Alarm, Sprinkler, Suppression Maintenance/Repair	Johnson Controls Fire Protection LP	224,835
2304112	Hydrothermal Liquefaction-Organic Wet Wastes to Trans Fuels	The University of Texas at Austin	206,000
2303553	WW Maint. Power wash, Strip, & Repaint stop logs & rack PS-1 rack	Signature Contracting Group, LLC	194,500
2304009	Sewage Pump St.s Wet Well Level Sensor Verification	Wade Trim Associates Inc	181,155
2201811	Rental of Uniforms, Floor Mats, Mops, Towels, & Related Svcs.	Cintas	170,788
2302368	DOE Hydrothermal Liquefaction Organic Wet Wastes to Trans Fuels	Regents of the University of MI	154,000
2304107	Animated Video Explain Water Treatment & Distribution Process	First Fight, LLC	150,000
2301933	Removal & Replace of 11 fire rated doors, frames & hardware	Lutz Construction LLC	132,210
2301732	Affordability & NPDES Permit Negotiation Services	Raftelis	120,000
2303065	Approval Dept: WW Maintenance I.A.T. to vactor grit channels	Industrial Applied Technologies	115,000
2300606	Retrofit the Dewatering Pump VFD's	Siemens Industry Inc	108,836
2303574	Pilot Project Historical Atlas Detroit's Water/Sewer	Eastern Michigan University	102,884
2400858	SW Water Treatment Plant Flocculator Gearbox Rebuild	Birclar Electric & Electronics LLC	95,407
2401172	Towing Services Owned/Rented Vehicles & Equip	JT Crova Towing	90,000
2203134	Towing Services for All GLWA Owned and Rented Vehicles	Nationwide Roadside Assistance	90,000
2303786	Conveyor Belt Repairs	Motion Industries Inc	84,913

1902536	Refuse & recycling Svcs. various locations	Waste Management of Michigan Inc	83,754
2401763	Vactor Services - WRRF	Industrial Applied Technologies	80,000
2401768	IAT to vactor rec tank 2 & 3	Industrial Applied Technologies	80,000
2400914	System Sessions Wastewater Conveyance	Wade Trim Associates Inc	72,750
2303558	Rewire & replace(4) 50-ft exterior pole lights WRRF	DES Electric LLC	64,878
2303742	#05S grit channel chain Replace	Titus Welding Company Inc	64,457
2302701	Department of Energy Grant	Genifuel Corporation	57,695
2302207	Shade Supply & install Services	The Sheer Shop Inc.	55,000
2400322	Conner Creek 30 Ton Boom Truck Rental	Jeffers Crane Service	54,600
2304094	Valmet Density Meter-Centrifuge System	Systems Specialties	54,540
2304319	Drinking Water Monitoring Network & Data Management	Environmental Consulting	53,934
2401171	One Year Initial Maintenance Agreement Service Link	Service-Link	52,502
2303415	Condition Assess. 1 mile (5,280 feet) of a 36-inch PCCP	KenWave Solutions Inc.	50,000
2301909	Kenwave Tonal Pipe Assess. Pilot Project	KenWave Solutions Inc.	50,000
2303906	Assess. 3/4 mile 42 & 48-inch PCCP	KenWave Solutions Inc.	50,000
2304651	Flow Diagrams Blue Hill, Fairview, Fisher, and Woodmere	The Osborn Engineering Company	49,800
2401682	WRRF Maintenance Thermo Electron Equip	Thermo Electron North America LLC	48,856
2204261	Sodium Hypochlorite & Sodium Bisulfate Project	CDM Smith Michigan Inc	47,400
2303366	Upgrade to Standard Operating Procedures (6) CSO	Wade Trim Associates Inc	47,001
2301300	Supplemental Instrumentation Staff	Advance Instrumentation Systems	46,750
2302275	Crane Rental from Allingham 18 Ton IC350-3D Crane-MO	Allingham Corporation	45,600
2401580	Construction and Demolition at St. Aubin CSO	Carlette Construction & Consulting	45,245
2302097	Asterra Rami Rosner Customer Success Manager	Asterra	45,000
2304337	Preventative Maintenance Program for 25 Clarifiers	Ford W Hall Company Inc	44,840
2301059	Support DOE Project: Hydrothermal Liquefaction to Conve	Brown and Caldwell LLC	44,600
2304469	Hubbell Sthfl Pump Room 2nd Contain System	Havener Tech	42,500
2303401-1	Chene & Dubois Hydraulic Equipment	Hesco Group LLC	42,427
1803126	Chemicals & Laboratory Supplies	Hach Company	42,067
2400353	Hand Station at Belle Isle CSO	Systems Specialties	41,726
2304487	Belle Isle Pump Room Secondary Containment System	Havener Tech	40,500
2401601	United Rental NASPO Valuepoint Contract.	United Rentals North America Inc	40,000
2300821	Distributed Control System Support (DCS)	PCI LLC	40,000
2303082	SIDRIVE-IQ Digital Subscription	Innomotics LLC	39,600
2401713	Odor Control Stack Repairs - Hubbell-Southfield	Titus Welding Company Inc	38,888
2301952	Wastewater Treatment Assess., Training, &	Bay de Noc Community College	37,880
2304754	Springwells Turbine House Garage Lintel Repair	Ram Construction Services of Michig	35,165
2400172	ITSM Implementation	Avante Solutions, Inc.	35,000
2400483	Installation of Seals to SG Outfall Stop Logs kr	DE-CAL Inc	34,901
2302118	Chemical Feed VFD Replace	PCI LLC	34,639
2303492	Waterworks Park Traveling Water Screen #4 Repairs	Ballard Marine Construction LLC	33,690
2304705	Lab Supplies -Water Treatment Plants	Aqua Science LLC	33,307
2304323	MACT Incinerator Emissions Testing WRRF	RWDI USA LLC	31,700
2401511	Water Conveyance Sys Instr Monitoring Tools Training	Wade Trim Associates Inc	29,700
2303027	Approval Dept: WW Maintenance ( emergency)	RJ Stacey LTD	29,125
2304998	Water Proofing Crack Filling and Injection kr	Smith's Waterproofing LLC	28,500
2301280	7 Mile CSO Grout work for Basin	Havener Tech	28,000
2303472	Tap In - 16 Week Media Campaign	EMG Media Group Inc.	27,750
1900949	Member Partner Opt-In Program	Aquasight LLC	27,120
2400646	Pur/Fenk CSO Leak Pipe Gallery Wall and Pipe Gallery Vault	Havener Tech	27,000
2400252	On-Site As-Needed ASL Interpretation Services kr	Bromberg & Associates LLC	25,915
2304586	GFC-2 Sprocket Addition & Refurbishment	Titus Welding Company Inc	25,467
2400278	Withholding and Unemployment Responsibility	Plante & Moran PLLC	25,000
2300873	Engineering Support 2021 Flood Damage Claim	Brown and Caldwell LLC	22,085
2303252	WW Maintenance lighting in PS1 basemen	DES Electric LLC	20,271
2301512	GLWA & Public sector Consults	One Water Solutions	17,000
2304862	MSA Gas Sensors Install Hubbell Sthfld & Puritan Fenkel	Advance Instrumentation Systems	16,500
2303754	Provide/install water heater WRRF 4th	Rotor Electric Co	15,970
2304274	CSO Woodmere Pump St. Dearborn Michigan	Carlette Construction & Consulting	15,500
2304814	Air compressor at Northeast	Motor City Electric Co	15,285
1804127	Thyssenkrupp Elevators PPM	Hach Company	15,010
2204670	Water Test Supplies & Reagents	Idexx Laboratories	15,000
2400497	Conner Creek 2nd floor office renovations kr	Albert Kahn Associates Inc.	15,000
2304660	GLWA's Intellectual Property Matters	The Dobrusin Law Firm PC	15,000
2202518a	Laboratory & Various Chemical Supplies	VWR International	12,758
2303556	ELECTRICAL INSTALLATION OF STEP DOWN TRANSFORMER	DES Electric LLC	11,700
2302952	2nd Containment Emergency Generator Wick Rd	Phoenix Environmental Inc	11,490
2304008	Replacement of 2" Ball Valves kr	RJ Stacey LTD	10,500
2401811	Meeting Planning Services for 2024 Vendor Outreach	Annie Kruse, LLC	9,000
2302689	2023 Vendor Outreach Event	Annie Kruse, LLC	9,000
2401089	Lake Huron Backflow Preventer Testing	Seaway Mechanical Contractors Inc	6,530
2304609	High Lift Pump No. 9 Varibale - Frequency Drive	Spina Electric Company	4,852
2304460	As-Needed Same Day Delivery Servicefor Payroll kr	Reliable Delivery	2,000
Grand Total			\$ 405,724,869

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Kokosing Industrial Inc.	1	1	\$ 209,880,500
Lakeshore Global Corporation	7	7	72,760,167
Ric Man/Clark Joint Venture	1	1	56,350,500
Wade Trim Associates Inc	7	6	12,218,835
Commercial Contracting Corporation	3	3	8,670,000
Kemira Water Solutions	1	-	5,084,700
Landscape Services, Inc	1	1	4,850,162
Oakland-Macomb Interceptor Drain DD	1	1	4,500,000
Polydyne Inc	2	-	4,368,000
Schreiber Corporation	1	1	3,957,500
CDW Computer Centers Inc	69	1	3,833,136
Cascade Consultants LLC	1	1	3,240,588
Premier Group Associates LC	2	1	2,888,549
PMA Consultants LLC	1	1	2,300,000
Clark Construction Company	1	1	2,288,107
PVS Nolwood Chemical Inc	12	-	2,093,600
Detroit Water and Sewerage	2	-	1,980,000
Chemtrade Chemicals US LLC	2	-	1,715,700
Grainger	1009	-	1,255,677
Detroit Pump & Mfg Co	31	1	1,141,694
Titus Welding Company Inc	8	4	1,064,249
Hach Company	68	4	1,051,861
Kennedy Industries Inc	22	1	990,111
The Martin Group LLC	1	1	989,000
Carmeuse Lime & Stone	1	-	963,200
Dickinson Wright PLLC	1	-	928,404
Penco, Inc.	2	-	918,400
Marsh USA Inc.	1	1	900,000
W C Ducomb Company	24	-	861,725
Univar USA Inc	4	-	814,523
Michigan State University	2	2	814,453
Rotor Electric Co	2	2	811,755
General Acid Proofing Inc	3	1	808,540
Wayne State University	2	2	781,234
Experis US Inc	7	-	698,488
Slalom, LLC	1	1	684,960
Regents of the University of MI	2	2	651,919
Moody's Investors Service Inc	2	-	616,400
Clayton Industries	7	-	595,072
JGM Valve Corporation	39	-	589,797
Data Consulting Group Inc	3	-	532,040
Air Dynamics Testing	1	1	530,000
Zausmer, P.C.	1	1	500,000
Water Research Foundation	4	-	496,966
Cleveland Pump Repair & Services LL	1	1	495,000
HKC Consulting LLC	1	1	482,328
Systems Specialties	18	2	474,253
Fluid Process Equipment	11	-	470,646
Secure Door LLC	2	1	468,395
PVS Technologies Inc	1	-	465,000
Dykema Gossett PLLC	1	1	462,000
PFM Financial Advisors LLC	1	-	460,900
Staples Business Advantage	10	1	454,838
Sulco Chemicals Limited	3	-	448,625
Xerox Corporation	1	1	439,616
Hupp Consulting LLC	1	1	434,410
Isle Inc.	1	1	430,000
Birclar Electric & Electronics LLC	3	1	415,281
OpTech	4	-	412,160
Industrial Applied Technologies	8	3	403,750
MetalFab Inc	51	-	402,489
Hamlett Environmental Technologies	7	-	378,241
Motor City Pipe & Supply Co	285	-	370,317
VWR International	41	2	370,305
S&P Global Ratings	2	-	357,840
Oracle America Inc	2	-	355,465
Board of Regents U of Wisconsin	1	1	346,751
Fitch Ratings Inc	3	-	340,000
Kainos WorkSmart Inc	1	-	321,555
Lockton Companies LLC	1	1	321,000
Kb.co Services LLC	17	1	317,422
RS Technical Services Inc	55	-	314,696
Xylem Water Solutions Usa Inc	3	1	300,703

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Slater Seibert LLC	1	1	300,000
The Foster Group LLC	1	1	300,000
Segal Consulting	1	1	295,000
MSC Industrial Supply Company	185	-	293,422
American Water Works Association	2	-	282,930
Mandiant Inc	1	-	282,600
RSM US LLP	1	1	255,600
Unconventional Services Inc	2	-	252,075
Evoqua Water Technologies LLC	20	-	249,412
RMF Nooter Inc	3	1	249,275
Mcnaughton Mckay Electric Company	90	-	242,101
Robert Half Finance & Accounting	6	-	234,747
Johnson Controls Fire Protection LP	3	1	226,546
Premier Safety	40	-	217,530
Motion Industries Inc	25	1	215,476
The University of Texas at Austin	1	1	206,000
Cintas	52	1	200,363
Signature Contracting Group, LLC	1	1	194,500
Conch Technologies Inc	1	-	186,200
Amazon Web Services Inc	2	-	185,554
Kusters Zima Corporation	3	-	185,370
GALCO Industrial Electronics	39	-	184,638
Alfa Laval Inc	17	-	172,377
Hesco Group LLC	13	1	168,790
Aquafit Chlorination System LLC	9	-	166,946
Cornerstone Controls Inc	3	-	163,912
JWC Environmental Inc.	4	-	163,004
Siemens Industry Inc	7	1	162,316
A/C Service & Repair Inc.	1	-	159,900
KenWave Solutions Inc.	3	3	150,000
First Fight, LLC	1	1	150,000
Lutz Construction LLC	3	1	146,560
Havener Tech	5	4	143,000
Avante Solutions, Inc.	2	1	141,216
Eastern Oil Company	27	-	137,472
Lubrication Engineers Inc.	13	-	136,323
America's Green Line	10	-	128,340
Raftelis	1	1	120,000
Williams Scotsman, Inc	1	-	118,648
HESCO Group Inc.	3	-	117,534
Carahsoft Technology Group	2	-	116,112
Professional Pump Inc	3	-	115,812
Sehi Computer Products Inc	11	-	115,320
Gallup Inc	1	-	114,188
Detroit Salt Company LLC	2	-	111,360
Advance Instrumentation Systems	3	2	108,250
Eganix, Inc.	4	-	107,065
SE Michigan Council of Governments	2	-	103,584
Waste Management of Michigan Inc	7	1	103,119
Eastern Michigan University	1	1	102,884
Enterprise Fleet Management	1	-	100,000
Zones Inc	2	-	99,844
DES Electric LLC	4	3	99,349
Kent Air Products Inc	2	-	91,497
FranklinCovey Client Sales Inc.	1	-	90,950
Nelson Liquid Drive LLC	1	-	90,750
Nationwide Roadside Assistance	1	1	90,000
JT Crova Towing	1	1	90,000
Waterworks Systems & Equipment Inc	6	-	87,632
Core Electric Company Inc	6	-	87,397
Flowquip Solutions	4	-	86,268
OSIsoft LLC	1	-	85,239
Integra Clear Co	8	-	84,831
United Rentals North America Inc	4	1	83,375
YSI Incorporated	3	-	82,640
US Bank	8	-	81,710
Capturis	2	-	81,474
Atlantic Coast Polymers Inc	1	-	81,000
AT&T	2	-	79,821
Park Rite Inc	1	-	76,800
PCI LLC	2	2	74,639
Macomb Mechanical Inc	3	-	73,345
Galloup,Forberg Smith, Merlo Energy	8	-	72,872



Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
BondLink	2	-	72,776
The Macomb Group Inc	51	-	71,708
Wadsworth Solutions Northwest	3	-	71,525
Henry Pratt Company	5	-	71,084
Ingersoll Rand Company	3	-	68,858
Solarwinds	1	-	66,906
Brown and Caldwell LLC	2	2	66,685
Aero Filter Inc	8	-	64,789
Tri County Equipment Inc	2	-	63,300
SHI International Corporation	1	-	62,321
Aqua Science LLC	13	1	61,054
Carlette Construction & Consulting	2	2	60,745
Pumps & Systems Inc	2	-	59,940
SkyNorth Software	1	-	59,900
Thermo Electron North America LLC	2	1	59,410
PdMA Corporation	1	-	57,763
Genifuel Corporation	1	1	57,695
Midwest Industrial Rubber Inc.	5	-	56,986
Allingham Corporation	3	1	55,862
Environmental Consulting	2	1	55,742
Dell Marketing LP	4	-	55,175
Weiss Construction Co LLC	3	-	55,050
The Sheer Shop Inc.	1	1	55,000
Jeffers Crane Service	1	1	54,600
Prefect Technologies, Incorporated	1	-	54,117
Innomotics LLC	2	1	53,784
Madison Electric Company	19	-	53,700
MSA Safety Sales LLC	3	-	52,580
Service-Link	1	1	52,502
DE-CAL Inc	2	1	52,476
EJ USA Inc	12	-	51,507
Phoenix Environmental Inc	7	1	51,289
Biotage LLC	2	-	50,825
Ram Construction Services of Michig	2	1	50,012
Effectv	1	-	50,000
The Osborn Engineering Company	1	1	49,800
Energy Products Inc	3	-	49,727
Yates Industries Inc	5	-	49,644
Marshall E. Campbell Company	17	-	48,131
CDM Smith Michigan Inc	1	1	47,400
Red Gate Software	1	-	47,124
Laird Plastics	2	-	46,616
Binkelman Corporation	19	-	46,315
Federal Pipe & Supply Co Inc	120	-	46,307
Durawear Glove & Safety Co. Inc.	13	-	46,217
Communications Professionals Inc	19	-	46,209
Transcat Inc	1	-	46,075
Rose Pest Solutions	2	-	45,685
Asterra	1	1	45,000
Crown Lift Trucks	1	-	45,000
Ford W Hall Company Inc	1	1	44,840
Serpentix Conveyor	4	-	43,404
Motorola Solutions Inc.	1	-	43,165
Powell Fabrication & Manufacturing	4	-	42,506
RJ Stacey LTD	3	2	42,475
SPX Flow US LLC	1	-	42,024
Shimadzu Scientific Instruments Inc	1	-	41,965
I & C Sales North Inc	5	-	41,736
ArmorerLink	2	-	41,453
Carleton Equipment Co.	1	-	41,250
Wastewater Microbiology Solutions	1	-	40,000
Herc Rentals Inc.	5	-	39,059
BigTime Software Inc.	2	-	38,605
Bay de Noc Community College	1	1	37,880
E2intel	3	-	37,500
Best Aire Compressors Services Inc	9	-	36,941
New Horizons Computer Learning	1	-	35,450
Moss Telecommunications Services	1	-	34,697
Ballard Marine Construction LLC	1	1	33,690
Smith's Waterproofing LLC	2	1	32,450
M C Guthrie Lumber Company	7	-	32,066
SW Controls Inc	7	-	31,909
Tracker	1	-	31,860

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Carlson-Dimond & Wright Inc	9	-	31,806
Brentwood Industries Inc	1	-	31,800
RWDI USA LLC	1	1	31,700
LimnoTech	1	-	31,530
RS Americas, Inc	3	-	30,318
R.J. Corman Railroad Services LLC	1	-	30,000
Globic Advisors Inc	1	-	29,960
Seal and Cylinder Source Inc.	6	-	29,760
American Tower Management LLC	1	-	29,651
HI Controls LLC	3	-	29,498
Andritz Separation Inc	1	-	29,155
Canon Solutions America Inc	5	-	28,194
Graybar Electric Company	5	-	28,183
EMG Media Group Inc.	1	1	27,750
Lisam America Inc	1	-	27,319
Aquasight LLC	1	1	27,120
AVE Office Supplies	20	-	27,114
Jack Doheny Companies Inc	7	-	26,989
Linkedin Corporation	1	-	26,200
Bromberg & Associates LLC	1	1	25,915
Detroit Stoker Company LLC	4	-	25,783
Public Rubber & Supply Co Inc	15	-	25,588
Barta Sales LLC	15	-	25,550
City Of Allen Park	1	-	25,263
Plante & Moran PLLC	1	1	25,000
Allstate Industrial Equipment	3	-	24,729
Metrix Instrument Company LP	1	-	24,519
Actuator Specialties	4	-	24,102
Bonfire Interactive Ltd	2	-	24,000
Michigan.com	1	-	23,772
Laurel Manor	1	-	23,663
Spina Electric Company	5	1	22,737
Smartsheet Inc	2	-	22,349
Miller Canfield Paddock & Stone PLC	2	-	22,000
ZOHO Corporation #4926	1	-	21,520
Black Anvil Construction Supplies	18	-	21,183
Imagemaster, LLC	2	-	21,051
Lion Group Inc / Lion	1	-	20,868
ReNu Power Tool & Supply Co Inc	1	-	20,000
Water Environment Federation	1	-	20,000
Marriott Pontiac at Centerpoint	1	-	20,000
Enerco Corporation	1	-	20,000
Focus HOPE	1	-	20,000
Harrington Industrial Plastics LLC	11	-	19,525
Michigan CAT	1	-	19,500
Emerson Process Management	2	-	19,375
Fisher Scientific Company LLC	3	-	19,171
Global Industrial	7	-	18,823
Kerr Pump and Supply, Inc.	4	-	18,798
Jim Myers & Sons, Inc.	2	-	18,676
Uline, Inc.	18	-	18,286
Safety Services Inc	23	-	18,236
Dun & Bradstreet Inc	1	-	18,230
D/A Central Inc	2	-	18,165
Annie Kruse, LLC	1	2	18,000
Jade Scientific Inc	2	-	18,000
Crane Tech LLC	1	-	17,695
Roberts Filter	2	-	17,470
Test Equipment Depot	2	-	17,127
One Water Solutions	1	1	17,000
Digital Assurance Certification LLC	4	-	16,800
MacAllister Machinery Co Inc	2	-	16,699
Creative Safety Supply, LLC	6	-	16,242
Institute For Environmental Health	1	-	16,200
FTP Today Inc.	1	-	16,181
Innovyze LLC	1	-	16,159
REACH Media Network	1	-	16,075
Owl Cyber Defense Solutions	1	-	16,000
VanCon Inc	1	-	15,563
Jesco Industries Inc	1	-	15,437
e-Hazard	2	-	15,360
Motor City Electric Co	1	1	15,285
Route4Me, Inc	1	-	15,127

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Kiesler Police Supply Inc	4	-	15,053
The Dobrusin Law Firm PC	1	1	15,000
Albert Kahn Associates Inc.	1	1	15,000
Idexx Laboratories	1	1	15,000
Ino-Tek Inc	2	-	14,865
Oscar W Larson Company	1	-	14,850
Paragon Laboratories Inc	2	-	14,787
HSI Workplace Compliance Solutions	1	-	14,400
Apex Controls	1	-	14,315
Water& Wastewater Leadership Center	1	-	14,275
BlueAlly Technology Solutions LLC	1	-	14,080
B & H Machine Sales, Inc	3	-	14,044
Environmental Resource Associates	14	-	13,958
Merit Laboratories Inc	9	-	13,174
Emerson LLLP	2	-	13,051
Deep Trekker	1	-	12,851
Great Lakes Pump & Supply Co	1	-	12,692
Nationwide IME	3	-	12,675
DTN LLC	1	-	12,605
Gardner Denver Nash LLC	1	-	12,533
Panolin America Inc	1	-	12,466
Dell Computer Corporation	3	-	12,187
Stantec Consulting Services Inc.	1	-	12,000
Continental Catering & Events	1	-	12,000
Alro Steel Corporation	1	-	11,970
Park Place Technologies LLC	1	-	11,929
Alfonsi Railroad Construction Co	1	-	11,876
Michigan Rural Water Association	2	-	11,687
Industrial Networking Solutions	2	-	11,276
Radwell International Inc.	6	-	11,045
Dice Career Solution	1	-	11,029
Midwest Air Filter Inc	11	-	10,998
Service Electric Supply Inc	20	-	10,888
Vasion	1	-	10,824
Accu-Time Systems, Inc.	1	-	10,588
Sterling Millwork, Incorporated	2	-	10,480
Teledyne Monitor Labs	2	-	10,422
Meg-Alert, Inc.	1	-	10,384
EH Wachs	1	-	10,255
CBT Nuggets, LLC	1	-	10,180
Gray Matter Systems LLC	1	-	10,088
Trusty-Cook	1	-	10,054
NSI Lab Solutions Inc	4	-	9,933
Garrett Burgess Inc	1	-	9,862
YTI Office Express	12	-	9,350
Precision Digital Corporation	2	-	9,274
Chemtrac Inc	3	-	9,162
Complete Battery Source	7	-	9,052
Progressive Plumbing Supply Co Inc	32	-	8,996
HD Edwards & Company	12	-	8,893
Process Control Services Inc	1	-	8,772
WPENGINE Inc.	1	-	8,280
BAVCO	5	-	8,183
Bearing Service Inc	3	-	8,175
TargetSolutions Learning, LLC	1	-	8,015
ReadyOP Communications Inc.	1	-	8,000
Aqua Solutions Inc.	1	-	7,928
United States Plastic	3	-	7,739
Capp USA	6	-	7,673
Indeed, Incorporated	1	-	7,640
Howard Commercial Door	1	-	7,590
Davidson Sales	2	-	7,523
Computational Hydraulics Inc	1	-	7,400
Team Industrial Services Inc	6	-	7,287
Central Poly-Bag Corp	1	-	7,143
HR Management Group Inc	1	-	7,000
Core & Main LP	3	-	6,988
Compressor Engineering Corporation	3	-	6,875
Gold Standard Diagnostics Horsham	3	-	6,729
Baker Tilly US LLP	2	-	6,600
Blue Water Air Compressor	3	-	6,561
Pennzoil-Quaker State Company	1	-	6,532
Seaway Mechanical Contractors Inc	1	1	6,530

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Agilent Technologies Inc	6	-	6,508
Versaterm Public Safety US Inc	1	-	6,458
Plattco Corporation	1	-	6,383
Fab Tech Wastewater Solutions LLC	1	-	6,345
Helwig Carbon Products Inc	4	-	6,094
Brehob Corporation	1	-	5,846
Major Brand Oil Company Inc	1	-	5,822
Hanna Instruments USA	1	-	5,717
Midwest Municipal Instrumentation	2	-	5,665
Mody Pumps Inc	1	-	5,557
Artist Ltd	1	-	5,500
Michigan Water Environment	1	-	5,440
Brooks Lumber Company	4	-	5,263
Pure Data Services, LLC	1	-	5,205
Staples	11	-	5,177
Advance Plumbing & Heating Supply	12	-	5,061
Rosemount Inc	1	-	4,994
Andax Industries LLC	3	-	4,952
Robert Thomas CPA, LLC	1	-	4,800
Industrial Safety Products	2	-	4,755
Towlift Inc	2	-	4,695
Eurofins Eaton Analytical, Inc.	3	-	4,653
One Clarion	1	-	4,547
PDQ.COM Corporation	1	-	4,500
Thompson Grants	1	-	4,478
R.S. Means Company LLC	1	-	4,455
Purvis & Foster Inc	1	-	4,309
Shutterstock Inc	1	-	4,299
Kirk's Automotive Inc	23	-	4,291
Bentley Systems Incorporated	1	-	4,170
Goodway Technologies	1	-	4,020
Emedco	3	-	4,015
ZLED Lighting	1	-	3,960
Exotic Automation & Supply	4	-	3,924
KSB Dubric Inc	1	-	3,924
Flor Dri Supply Company Inc	6	-	3,924
C P E Filters Inc	2	-	3,893
DP Brown Of Detroit Inc	2	-	3,888
Identification Lamination Products	2	-	3,875
2Checkout	1	-	3,599
Fred's Key Shop	1	-	3,585
Resa Service LLC	1	-	3,560
Michigan Air Solution LLC	1	-	3,486
USA Bluebook - Main	4	-	3,485
Michigan Valve & Fitting Inc	2	-	3,388
Interior Environments LLC	1	-	3,359
R L Deppmann Company	1	-	3,344
Chemical Systems Inc	1	-	3,312
Swanky Restroom Trailers	1	-	3,300
Tobys Instrument Shop Inc	5	-	3,237
Swagelok Michigan Toledo	1	-	3,229
IDN Hardware Sales, Inc.	4	-	3,223
Sodexo Inc.	1	-	3,140
Allied-Eagle Supply Company LLC	1	-	3,137
Comcast Business Communication, LLC	1	-	3,136
Unconventional Solutions Inc	1	-	3,100
American Gear & Engineering, Inc	2	-	3,095
Omega Engineering Inc	1	-	3,084
Fleishman Hilliard Inc	1	-	3,000
VEGA Americas Inc.	1	-	2,959
Sherwin Williams Company	6	-	2,922
American Red Cross	1	-	2,875
VESCO Oil Corporation	5	-	2,808
Michigan Mechanical Insulation	1	-	2,776
MW Watermark LLC	1	-	2,750
Able Label	2	-	2,691
American Water College	1	-	2,680
BCC Distributon	2	-	2,639
J.J. Supply Company Inc.	4	-	2,531
Oakland County WRC	1	-	2,500
Eclincher	1	-	2,422
American Floor Mats	1	-	2,391
McMaster-Carr Industrial Supply Co	6	-	2,349

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
Choctaw-Kaul Distribution Company	11	-	2,343
CEM Corporation	1	-	2,243
Contractors Connection Inc	4	-	2,199
The Crowley Company	1	-	2,120
Bearing Headquarters Co	3	-	2,084
Reliable Delivery	1	1	2,000
Cech Corporation	1	-	1,982
Thermo Ramsey LLC	1	-	1,949
JMS Southeast Inc	1	-	1,941
B&H Photo-Video	2	-	1,860
Caniff Electric Supply Co., Inc.	3	-	1,840
Airgas USA LLC	2	-	1,826
Krohne, Inc	1	-	1,791
Farnell Equipment Company	1	-	1,750
Evident Scientific, Inc	2	-	1,736
Accredited Lock & Door Hardware	2	-	1,663
M&M Control Service Inc	1	-	1,625
Heco Industrial Service Group, Inc.	1	-	1,620
S P Kinney Engineers Inc	2	-	1,608
Global Environmental Consulting LLC	1	-	1,600
Gilson Engineering Sales	1	-	1,534
Discovery Solutions Inc	1	-	1,525
Dunbar Mechanical, Inc.	1	-	1,500
Raven Environmental Products Inc	1	-	1,496
Ideal Electric Power Company	2	-	1,450
TPC Wire & Cable	1	-	1,443
Mullen Equipment Corporation	1	-	1,430
Spiral Binding Company Inc	1	-	1,412
Industrial Controls Equipment LLC	1	-	1,350
Professional Publishing Group	1	-	1,248
Depco Pump Company	1	-	1,227
Ayyeka Inc.	1	-	1,225
EUCI	1	-	1,195
Waste Wise Products LLC	1	-	1,119
Precision Locker	1	-	1,090
Metro Welding Supply Corporation	2	-	1,025
Downriver Utility Wastewater Auth.	1	-	1,000
Pollardwater	2	-	971
JPW Industries, Inc	1	-	962
Rematek LLC	1	-	936
Monroe Motorsports, Inc	1	-	900
Action Mat & Towel Rental	1	-	887
YRC Freight	1	-	873
AIA Corporation	1	-	849
AFC International Inc	1	-	846
Linde Gas & Equipment Inc.	1	-	820
Alta Equipment Company	1	-	800
Tri Star Steel Corporation	2	-	789
Salinger Electric Supply Co	1	-	747
Flagpoles ETC	2	-	747
Advanced Calibration Designs	1	-	724
Fibre Industries	1	-	720
Chart Pool USA Inc	1	-	718
Amscope	1	-	714
George Instrument Company	1	-	659
StylAir LLC	3	-	650
LabStrong Corporation	2	-	649
Torch Associates LLC	1	-	624
Equipment Material Sales, LLC	2	-	600
H & P Technologies Inc.	1	-	487
Hughes Supply	1	-	452
Liberty Plumbing Supply Company	2	-	382
Poco Sales Inc	1	-	368
Faro Imaging Solutions	1	-	348
Ferndale Electric Company Inc	1	-	346
Detroit Legal News	1	-	322
Bearings and Industrial Supply Co	1	-	318
K & K Maintenance Supply Inc	2	-	318
Downriver Refrigeration Supply Co	1	-	251
Drinkpod LLC	1	-	200
Wright Tool Co	1	-	196
Seton	1	-	147
Flotronics Automation	1	-	93

Vendor	Purchase Order Count	Contract Count	Amount (Awarded)
HireRight, LLC	1	-	79
Indian Springs Mfg. Co Inc	1	-	44
R&M Recycling of Monroe, LLC	1	-	-
<b>Grand Total</b>	<b>3835</b>	<b>145</b>	<b>\$ 453,057,539</b>

Contract	Contract Title	Vendor	Amount
2004456	14 Mile Trans Main Loop	Ric Man/Clark Joint Venture	\$ 31,733,739
2300600	96-inch Water Trans Main relocation- Phase II	Ric Man/Clark Joint Venture	17,822,143
GLWA-PC-792	Bio-Solids Dryer Facility	New England Fertilizer Company	16,731,489
2102859	Conveyance System Infrastructure IMPROV	Jay Dee Contractors Inc.	16,675,025
2004825	(CMAR) for 96-Inch Water Trans Main Relocation	Kiewit Infrastructure Co	15,305,028
GLWA-DB-150	Repair of Raw Water Tunnels	Ballard Marine Construction LLC	13,812,056
2103688	Rehab of Connors Creek Sewer System	Oscar Renda Contracting Inc	13,514,984
2201068a	SWTP Medium Voltage Electrical System Replace	Clark Construction Company	12,475,332
2000610	Yard Piping, Valves & Venturi Meter Meters Replace	Lakeshore Global Corporation	11,777,185
2102834	Facilities Maintenance Svcs. - Staff Augment Skilled	Lakeshore Global Corporation	10,977,956
2004889	Specialized Svcs.	Lakeshore Global Corporation	9,503,397
GLWA-DB-226	Repair & Rehab (DRI) Alter Rd. to (WRRF)	Jay Dee Contractors Inc.	7,976,009
2103380	WWP HVAC IMPROV	Commercial Contracting Corporation	7,689,953
2004082	Rehab of Woodward Sewer System	Lanzo Construction Co., Florida	6,938,787
2201142	Conveyance System Infrastructure IMPROV	Lakeshore Global Corporation	6,408,289
2201255	SWTP 1958 Flocculator Replace	FH Paschen	6,309,094
GLWA-CON-170	Sludge Removal & Disposal Svcs.	Mobile Dredging & Video Pipe Inc	6,049,081
1803990	DB LHWTP High Lift Pump Meter & Yard Piping	Weiss Construction Co LLC	5,922,918
2003730	Water Trans Main, valve & other priority repairs.	Lakeshore Global Corporation	5,529,294
GLWA-CS-272	Capital Program Delivery Contract	AECOM Great Lakes, Inc	4,889,907
2102824	Rehab of NW Interceptor 8 Mile Rd to Tireman	Lakeshore Global Corporation	4,869,375
2100891	Rehab of Outfall B-39	Lakeshore Global Corporation	4,794,871
2001488	7 Mile/Nevada Main Renewal	Pullman SST, Inc.	4,793,638
2201316	CIP 170802 Reservoir Rehab Const Phase II	Lakeshore Global Corporation	4,778,818
1900741	Eng. Svcs. for 96" Water Trans Main Relocation	Jacobs Consultants, Inc.	4,500,061
1802745	Water Trans Main, Valve & other priority repairs	Ric-Man Construction Inc	4,469,456
RFB-1123	Sodium Hypochlorite PO T's & C's	PVS Nolwood Chemical Inc	4,458,346
2103350	Pump St. No. 1 IMPROV	Weiss Construction Co LLC	4,322,714
2102187R	Oxygen Nitrogen Supply & Svcs. Agreement	Linde Inc.	4,322,061
2202757	Rehab Joy Rd & Brush/Bates Sewers(KS)	Jay Dee Contractors Inc.	4,178,688
GLWA-CS-120	Freud & Conner Creek Pump Improv. Study & Design	Arcadis of Michigan LLC	4,069,186
2101167	Cyber Security, Ovation, Instrum., & Controls	Emerson Process Management	3,614,882
2100998	East Avon Early Works 96-Inch Water Trans Main	Northwest Pipe Company	3,559,003
1802170	Fleet Mgmt. Service	Enterprise Fleet Management	3,497,424
sw-548	SW WTP Sludge Treatment & Waste Water Facilities	Colasanti Construction Services	3,063,984
2100239	WRR Facilities Structural Evaluation & Repairs	Kokosing Industrial Inc.	2,997,108
2101475	CSO Facility IMPROV	CDM Smith Michigan Inc	2,988,360
1902908	B/Creek CSO Effluent Conduit. Mitigation	Jay Dee Contractors Inc.	2,891,811
1803312	Division Valves at West Service Center Reservoir	Kokosing Industrial Inc.	2,873,325
2101680	Replace instrumentation: LHWTP	Brown and Caldwell Constructors	2,675,275
2201762	Pumps Station 1 (PS 1) Rack & Grit HVAC Upgrade	Clark Construction Company	2,619,574
1902548C	(HVAC) Bldg. & Mechanical System	Johnson Controls Inc.	2,577,122
1900134	1900134 Springwell's Low Lift Pump Suction Gate	Barton Malow Company	2,451,367
1902659	Linear System Integrity Program	HDR Michigan, Inc.	2,444,305
2101878-1	2101878-1 CIP 260901 Hazmat Bldg. Rehab (LK)	LaSalle Construction Services	2,314,293
GLWA-CS-119(a)	WAM Support & Enhancement Svcs.	DXC Technology Services LLC	2,246,048
1903598	Assess. & Rehab WRRF Piping /Underground	The Christman Company	2,182,904
2102983	SCADA System Professional Svcs.	PCI LLC	2,170,043
1902548A	Labor rate negotiations GLWA & JCI	Johnson Controls Inc.	2,132,606
2202790	(WRRF) IMPROV Sludge Feed Pumps DeWatering	CDM Smith Michigan Inc	2,093,165
2000274-2	Workday Implementation Services	Alight Solution LLC	2,086,552
2001051	SWTP SCADA Network Upgrade	Burns & McDonnell Michigan Inc.	2,065,580
2203412	Consult Svcs. for Workday Project	Slalom, LLC	2,043,146
2200368	WRRF PS No. 1 Discharge Gate Valves	J&S Valve, Inc	2,026,274
1904219	Enterprise Asset Mgmt. Software & Implement Svcs.	NEXGEN Asset Management	1,937,470
1902224	DB CSO Structural IMPROV	Pullman SST, Inc.	1,935,655
2004538	Instr./Control Syst. Replace St. Aubin, 7 Mile, Leib CSO	Burns & McDonnell Michigan Inc.	1,918,309
2102000	Emergency & Urgent Sewer Eval Repair & Rehab	Inland Waters Pollution Control Inc	1,895,192
2204611	CSO Outfall Rehab - Phase V	Lakeshore Global Corporation	1,868,368
RFB 1900744	Imlay, WCS,LH,SP,SW Reservoir Inspect.	Pullman SST, Inc.	1,861,237
2103225	HS Facility IMPROV - Engineering	Wade Trim Associates Inc	1,831,043
1802575	GLWA Conveyance System Eng. Svcs.	Brown and Caldwell LLC	1,825,109
2002190	Iron(III) chloride Feed PS-1 & Sludge Complex B	Weiss Construction Co LLC	1,760,312
1900995	Maintenance & Repair of Electrical Equipment	Motor City Electric Co	1,750,854
2200061	Design Svcs. of CSO Facilities IMPROV	Hazen and Sawyer	1,746,721
GLWA-CON-149	Emergency Sewer Repair CIP 1263	Inland Waters Pollution Control Inc	1,732,591
2004773	Low Voltage Wiring TOES Svcs.	Lakeshore Global Corporation	1,648,384
2101610	Magnetic Flow Meter Circular Primary Clarifiers	Rotor Electric Co	1,547,693
2100236	Reservoir Inspect., Design, Resident Rep. Svcs.	Brown and Caldwell LLC	1,519,242
2201101	Wastewater Engineering CCD-01	Commercial Contracting Corporation	1,508,353
1803025-2	Job Order Contract - (6 vendors total)	Commercial Contracting Corporation	1,439,776
1904231	NE WTP Flocculator Replace	Commercial Contracting Corporation	1,401,804
1803705	Comp, Corrosion Control Optimization Study	Arcadis of Michigan LLC	1,378,898
1904332	(Multiple PO's) Commercial Janitorial Svcs.	GDI Services Inc	1,341,358
1902548B	Planned Svcs. agreement	Johnson Controls Inc.	1,291,548
2201848	Wholesale Water Meter Pit Rehab & Replace	Lakeshore Global Corporation	1,278,230
2201041	Engineering Design Svcs. Agreement	FK Engineering Associates	1,269,785
1802448	14 Mile Trans Main Loop	Brown and Caldwell LLC	1,249,774
GLWA-CS-102	Rehab of Pump St. No. 1 IMPROV	Wade Trim Associates Inc	1,208,004
1900318-6	Eng. Svcs. for GLWA (all sites) - 6 vendors total	Wade Trim Associates Inc	1,202,478
1903601	Yard Piping Eng. Svcs.	CDM Smith Michigan Inc	1,159,132
2202956	Svcs. for Sewer Meter Support	PCI LLC	1,154,088
2000292	New Valve Exercising Project for Field Svcs.	Hydromax USA LLC	1,151,723
2400549	OMIDD/GLWA Cost Sharing (NIEA) 7 M Divers	Oakland-Macomb Interceptor Drain DD	1,125,000

Contract	Contract Title	Vendor	Amount
GLWA-CS-166	CIP Implementation Assistance & Related Svcs.	PMA Consultants LLC	1,101,912
GLWA-CON-297	Fairview Sewage Pump St. IMPROV	Weiss Construction Co LLC	1,100,758
2004674	North Service Center BPS IMPROV	CDM Smith Michigan Inc	1,076,399
1802774	SWTP Sedimentation Sluice Gates, Guides, & Hoist	Kokosing Industrial Inc.	1,050,580
2100330-2	2 2022 Job Order Contract	Weiss Construction Co LLC	1,044,092
GLWA-CON-252	Springwell's Condensate Return, & Compressed Air	Clark Construction Company	1,029,591
4000701 (1900516)	Freeze Protection Pump Install at Inlay Pump St.	Commercial Contracting Corporation	1,023,857
GLWA-CS-195	Financial Mgmt. Consult Svcs.	The Foster Group LLC	997,500
2204949	Municipal Advisor Svcs.	PFM Financial Advisors LLC	986,298
1803621	Wick Rd. 48-Inch Water Trans Main	Ric-Man Construction Inc	983,159
1803508	Liquid Chlorine for Water Plants (one ton)	JCI Jones Chemicals Inc	981,757
1803769	Low Lift, High Lift, Wash Water Pump IMPROV	Arcadis of Michigan LLC	976,375
2201744	Front Entrance & Guard Shack Rehab - CONST	Commercial Contracting Corporation	968,770
1902702	Furniture & Flooring & Space Design Svcs.	Interior Environments LLC	968,532
2003443	Study & Design Svcs. for Conveyance System	FK Engineering Associates	960,113
1803709	Conveyance System Infrastructure IMPROV	Applied Science Inc	941,452
1904197	CSO Long-Term Control Plan	LimnoTech	924,208
2102618	Complete Rehab of screens	Commercial Contracting Corporation	918,106
1803025-6	Job Order Contract - (6 vendors total)	Weiss Construction Co LLC	858,783
2000274	(ERP) Syst. Implement Svcs.	Workday	839,939
GLWA-CS-103	Engineering Springwell's Low & High Lift Pump St.	CDM Smith Michigan Inc	839,347
1903453	Systems Control Center Support Svcs.	PCI LLC	838,140
2202942	Pump St. Lift Pumps Rehab Other	PMA Consultants LLC	819,324
2203675	Conversion Plumb Shop to Satellite Bldg, 102	Clark Construction Company	789,669
2000284	Fire Alarm, Sprinkler, Extinguisher Maint. & Repair	Johnson Controls Fire Protection LP	769,590
1900702	Grounds Maintenance Svcs. for GLWA sites	Premier Group Associates LC	760,109
GLWA-CS-168	Conveyance System Interceptors & Trunk Sewers	FK Engineering Associates	752,816
2203045	MiDeal (MMCP)	Dell Marketing LP	721,401
2201558	Gasoline & Diesel Fuel deliveries	Crystal Flash, Inc.	680,968
GLWA-LS-295	Legal Rep. Lease with COD & Regional Water & waste	Dickinson Wright PLLC	673,163
2000970	Rehab of Screened Final Effluent (SFE) Pump St.	Noresco LLC	660,723
1904337	WRRF PS-2 Bar Racks Replace & Grit Collection System	Hazen and Sawyer	647,750
2203047	(blank)	Dell Computer Corporation	9,038
	01/11/2024: Hardware Purchase	Dell Computer Corporation	607,396
GLWA-CS-055	Replace of Yard Piping	AECOM Great Lakes, Inc	611,286
2100340	Elevator maintenance, Repair, & Service	KONE Inc	600,763
2100330-5	5 2022 Job Order Contract	J F Cavanaugh Company	597,810
2301883	Secondary Clarifiers Brush Assembly Rehab	Edwards Hall Company Inc	597,696
2101879	Renovation 4th Floor (WRRF) - NAB	Allied Building Service Co. Detroit	585,250
	(blank)	Allied Building Service Co. Detroit	3,290
GLWA-CON-197	Modifications Incinerator Sludge Feed Syst. Complex II WRRF	Weiss Construction Co LLC	585,521
GLWA-CS-216	Third Party Facilitator - Customer Outreach	Bridgeport Consulting LLC	585,363
GLWA-LS-140	Legal Rep. Consult & Advice to GLWA	Dykema Gossett PLLC	574,877
1802410	Rehab various sampling sites & PS2 Syst.	Commercial Contracting Corporation	559,976
	(blank)	Commercial Contracting Corporation	7,006
1904738-2	Engage up to 6 instrumentation contractors TOES	PCI LLC	562,126
2202164	SCREENINGS & GRIT TRANS. & DISP, WRRF & CSO's	Waste Management of Michigan Inc	558,209
2202091	General maintenance for all grit collector needs.	City Welding Company Inc	556,924
2100822	Lease of Warehouse Space in Melvindale, Michigan	Family Associates, LLC	544,093
2103347-1	2023 TOES Eng. Svcs.	Arcadis of Michigan LLC	536,746
2003330	HVAC Odors Control IMPROV Oakwood CSO Facility	Commercial Contracting Corporation	536,430
2004474	UPS Maintenance Service CSO & WRRF Facilities	PCI LLC	533,879
2101766A	Hauling & Disposal of Ash	DHT Transport	520,134
2204376a	Replace & Rehab. Water Mains East Jefferson Ave.	Detroit Water and Sewerage	502,549
1900318-1	Eng. Svcs. for GLWA (all sites) - 6 vendors total	Arcadis of Michigan LLC	493,480
GLWA-CS-090A	Eng. Svcs. Instrumentation & SCADA Systems Svcs.	PCI LLC	492,615
GLWA-CS-1747	Fairview Sewage Pump St.	Brown and Caldwell LLC	490,689
2001082	Standby Generator PPM & Repair Water Plant/Pump	Proactive Maintenance Technologies	468,018
2100330-6	JOC Enterprise wide	FH Paschen	466,533
1903746	Contractual Professional Svcs. Team Training	PeopleGro LLC	450,500
2002048	14 Mile Transfer Main Loop - Double Disc Gate Valves	Kennedy Industries Inc	436,723
2102026	Aura 6.0 & annual maintenance	Aquasight LLC	432,930
GLWA-CON-285	Wholesale Water Meter Rehab & Meter Replace	Lakeshore Global Corporation	430,097
2103347-2	2023 TOES Eng. Svcs.	Brown and Caldwell LLC	413,750
2003901	Joint Funding Water Resource Investigations	United States Geological Survey	400,958
2003785	Dye Test Svcs. & As-Needed Engineering	Applied Science Inc	384,504
2004549	LHWTP - Flocculation IMPROV	CDM Smith Michigan Inc	381,836
2002946	Environmental Health & Safety Compliance Svcs.	NTH Consultants Ltd	369,421
2000279	SWTP Flocculator Drive Replace	Fishbeck	366,720
2204058	Grounds Maintenance Services	Landscape Services, Inc	353,297
1803978	Corridor Formation System (HRIS)	City of Detroit Inc	340,318
1901555	Snow Removal & De-icing Svcs.	Premier Group Associates LC	329,663
2002350	PPM, Inspect. & repair of Rotork Actuators	Systems Specialties	329,434
2204928	Gull Abatement for the WRRF Properties	ScAir Force Falconry & Bird Abateme	325,680
2400823	Process Flows and Organizational Fitness	Slalom, LLC	317,946
GLWA-CS-2102200	Legal Svcs.	Wade Trim Associates Inc	310,545
1803025-3	Job Order Contract - (6 vendors total)	DE-CAL Inc	303,358
1803025-4	Job Order Contract - (6 vendors total)	J F Cavanaugh Company	292,720
2203437-2	Service- All Pumps For CSO Facilities	Kennedy Industries Inc	291,943
2102864	Data-Driven Decision-Making Water Trans Syst.	Regents of the University of Mich.	282,856
SCO-1134	WWP Filter Upgrade WRRF DOO WWP Valve Master	Emerson Process Management	275,878
2102993	2102993 - 360Water Professional Svcs.	360water, Inc.	279,440
1900318-5	Eng. Svcs. for GLWA (all sites) - 6 vendors total	HDR Michigan, Inc.	278,351
GLWA-CON-179	Professional & Technical Svcs.	PCI LLC	277,276
2102500	Esri Licensing for all Water operations	ESRI Inc.	275,000



Contract	Contract Title	Vendor	Amount
1803942	Downriver Trans Main Loop	OHM and WSP, A Joint Venture	269,075
2202518a	Laboratory & Various Chemical Supplies	VWR International	267,714
2302751	Baby Creek Chlorine Tank Liner issue	Zausmer, P.C.	263,615
2101048	GLWA TPA Svcs	PMA Management Corp	259,490
2002655	NW Interceptor Relief Sewer to Oakwood CSO	FK Engineering Associates	258,881
2203995	Hach Lab Equipment other	Hach Company	255,852
2001317	Overhead Door Assess., Repair & Replace Svcs.	Secure Door LLC	254,122
2300907	OZONE GENERATOR REFURBISHMENT	Xylem Water Solutions Usa Inc	252,114
2300808	ISA Training	International Society of Automation	251,708
2203506	Legal Services	Egis BLN USA, Inc	248,584
2301237	Clarifiers, Cross Sludge Collector, Scum Collectors	Commercial Contracting Corporation	248,102
1902721	3 Year Investment advisor Svcs	PFM Asset Management LLC	247,181
2204670	Water Test Supplies & Reagents	Idexx Laboratories	246,213
2304186	Conveyor Rebuild at WRRF	RMF Nooter Inc	240,100
GLWA-CS-239	Good Sewer Metering Practices & Analytic Svcs.	CDM Michigan, Inc	229,351
2100575	CSO Facilities - Emergency Generator Imp (blank)	Rotor Electric Co	221,248
2101920	Enterprise wide document scanning	Rotor Electric Co	1,327
2104125	External Auditor Svcs.	Global Solutions Group Inc.	221,282
2204515	Loading, Hauling & Disposal of Scum	Baker Tilly US LLP	216,652
1904562	Fuel Maintenance	Lakeshore Global Corporation	209,139
2100330-7	JOC Enterprise wide	Phoenix Environmental Inc	205,914
2000917	Refractory 1 - Complex Incineration II	DE-CAL Inc	203,325
2303553	WW Power wash, Strip, & Repaint stop logs PS-1 rack	Commercial Contracting Corporation	202,960
GLWA-CS-1671	Steam, Condensate Return & Compressed Air	Signature Contracting Group, LLC	194,500
2001492	Crane Service Inspects & Repairs WRRF/CSO Basins	METCO Services Inc	194,337
2201870	Replace Schoolcraft Water Main	Crane Technologies Group Inc	189,210
2200243	Chemical Feed Pump Oakwood CSO Facility	Mark Anthony Contracting, Inc	188,703
2204513	Video Mgmt. System Emergency & Replace Svcs.	Hesco Group LLC	183,592
GLWA-CS-151A	Inspect Design & Cons Treatment Plants	D/A Central Inc	177,764
2203215	NavVis VIX On-site Training NavVis IVION	Hazen and Sawyer	177,474
2203991	Scrubber Tank Repairs Chlorination/De-Chlorination	NavVis US, Incorporated	172,875
2203802	Property & Casualty Brokerage & Ancillary Svcs.	Powell Fabrication & Manufacturing	172,240
2203858	Sewer Cleaning & Maint. Vactor truck & rental (KS)	Marsh USA Inc	170,000
2104064	Pilot Plant Research, Collab & Renovation WWP	Lakeshore Global Corporation	169,810
2001493	Roofing Maintenance, Repair, & Emergency	Wayne State University	168,829
1802499	WWP HVAC IMPROV	Schreiber Corporation	167,243
1900318-4	Eng. Svcs. for GLWA (all sites) - 6 vendors total	HDR Michigan, Inc.	167,151
2300094	Terrazzo Flooring Repairs	Hubbell, Roth & Clark, Inc.	164,975
1904736	1904736 Pretreatment Software Mgmt. System	Boston tile and Terrazzo Company	162,820
2002908	WAM Systems Specialist expertise (CMMS)	Aquatic Informatics Inc	161,371
2001433	Marketing & Communications Svcs.	David D. Taylor	159,775
2203185	(blank)	Fleishman Hilliard Inc	159,049
1900646	Uniform & Laundering for Water Supply OP	Imperial Dade Paper & Bag	1,661
2300639	enter Drive Assembly 2nd Clarifier B-23, Install Spare	Imperial Dade Paper & Bag	150,650
1904716	1904716 Member Outreach Advisor	Unifirst Corporation	152,084
1802144	Government Relations & Legislative Representation	Titus Welding Company Inc	152,000
2103347-7	2023 TOES Eng. Svcs.	Project Innovations Inc	150,167
1803437-1	1 Pump Repair for the Five Water Plants	Dykema Gossett PLLC	144,000
2304107	Animated Video Water Treatment & Dist. Process	Hubbell, Roth & Clark, Inc.	143,583
1900318-3	Eng. Svcs. for GLWA (all sites) - 6 vendors total	Kennedy Industries Inc	143,084
2204432	Time Clock	First Flight, LLC	140,000
2202737	Modeling Impacts of Loss of Power System Resilience	Hazen and Sawyer	139,467
GLWA-CS-300	Financial Automation Solution Svcs.	Accu-Time Systems, Inc	139,057
2103401	Welding Supplies for Northeast	Regents of the University of Mich.	138,284
2301933	11 fire rated doors, frames & hardware	CCH Tagetik	135,025
GLWA-1S-2103067	Property Acquisition	Metro Welding Supply Corporation	134,098
2304009	Sewage Pump Sts Wet Well Level Sensor Verification	Lutz Construction LLC	132,210
2000068	Lill Service For Lime Stabilized DeWatered Sludge	The Allen Law Group PC	130,531
2203891	Bonfire Support & API Integration Work - Renewal	Wade Trim Associates Inc	130,453
2002193	SWTP Chlorine Scrubber & Raw Water Screen Replace	Waste Management of Michigan Inc	130,268
2203501	Risk-based framework contaminants Drinking Water	Bonfire Interactive Ltd	129,500
2201077	Fence & Fence Gates, & Parking Control Devices	Kokosing Industrial Inc	129,358
1904738-1	Engage up to 6 instrumentation contractors for TOES	Michigan State University	127,599
1902063 (GLWA-CS-267)	Ypsilanti Pump St. IMPROV Design	Nationwide Construction Group	125,992
2301175	Specialized Contract Request for Hugh Connolly	Outbound Technologies, Inc.	124,197
2203638	Engineering Project Management & Inspect. Staff Augment	Brown and Caldwell LLC	122,995
2300336	CHEMICAL CONTAINMENT SPILL DETECTION PROJECT	HKC Consulting LLC	122,984
1803126	Chemicals & Laboratory Supplies	PMA Consultants LLC	122,631
2203399	Gauge Adjusted Radar Rainfall (GARR)	Industrial Applied Technologies	122,500
1803594-1	Accusonic Flow Meters all CSOs	Hach Company	121,773
2000299	Floor Covering Supply & Install Svcs.	Vlux & Associates Inc.	121,760
2101255	Belle Isle Seawall Rehab	Hesco Group LLC	120,875
2002363	Printers for Print Shop	SCI Floor Covering Inc.	119,586
1803594	PM Svcs. for all of the CSO Facilities	Dean Marine & Excavating Inc	118,861
2103347-9	2023 TOES Eng. Svcs.	Xerox Corporation	118,607
2303065	WW Maintenance I.A.T. to vactor grit channels	Hesco Group LLC	118,212
GLWA-1S-1802970	Legal Representation General Mills Supply Company	Wade Trim Associates Inc	115,111
2102512	Vendor Performance related to Yates Cider Mill	Industrial Applied Technologies	115,000
2203848	EPA Study PPCPs & PFASs	Fausone & Grysko, PLC	113,947
1802543	Rehab Ferric Chloride Feed Syst. at PS-1 & Complex B Sludge	Zausmer, P.C.	113,229
1900217	CONST Agreement for GLWA sites	Brown and Caldwell LLC	112,869
2103206	Effluent Butterfly Valves Actuat, 7 Mile/Puritan/Fenkell CSO	Hazen and Sawyer	112,068
2204326	96" Main Relocation, Isolation Valve Ins	Future Fence Company	110,783
		Lakeshore Global Corporation	109,395
		RA Consultants, LLC	109,283

Contract	Contract Title	Vendor	Amount
2103733	Virtual Tour, Laser, & Unmanned Aerial Vehicle Scanning	Wade Trim Associates Inc	108,933
2300606	Retrofit the Dewatering Pump VFD's	Siemens Industry Inc	108,836
1904862	Geotab	Geotab USA, Inc.	108,570
2201913	Mgmt. Consult Svcs. (WRAP)	Plante & Moran PLLC	105,710
2101209	RFP-2021 Compensation Study	Segal Consulting	103,500
2103919	Sludge Thickening Tank Repair - As-needed	Titus Welding Company Inc	101,558
2201951	Day tanks, sensors, & other-above-ground diesel fuel storage	Phoenix Environmental Inc	100,035
2203437-1	Service- All WRRF & CSO Facilities Pumps	Detroit Pump & Mfg Co	99,620
2301404	Prevent Maintenance/Repair Lab Equip 2-Year	Hach Company	98,506
2204068	24 Passenger shuttle bus service	Lavdas Limousines	98,320
2101867	Gearbox Maintenance & Repair Svcs.	B&D Industrial	93,000
2002204	DEVELOPMENT OF NEW DASHBOARDS	Aquasight LLC	93,750
GLWA-CS-002(a)	Financial Adviser	PFM Financial Advisors LLC	93,528
2204633	Memberships	Info-Tech Research Group Inc	92,745
2004735	DB Incineration Complex Fire Repairs	Commercial Contracting Corporation	92,390
1067-1	Repair Pumps	Kennedy Industries Inc	90,975
2301198	UPS Replace	Superior Electric Great Lakes Co	90,959
2100721	GLWA Security Uniforms & Supplies	Allie Brothers Inc	90,135
2100041	Fire Alarm, Sprinkler, Extinguisher Maint. & Repair	Johnson Controls Fire Protection LP	87,747
2202429	Organizational Support for Workday Implementation	Plante & Moran PLLC	85,870
1904738-5	Engage up to 6 instrumentation contractors for TOES	CEC Controls Company, Inc.	85,781
2101423	2101423 Evaluation of Real-Time Bacteria Monitoring Tools	OHM Advisors	84,339
2200243-A	Oakwood CSO Pulsafeeder Chem Feed Pumps Maintenance	Hesco Group LLC	83,079
1904449	LHWP Pilot Plant DB Svcs.	Brown and Caldwell Constructors	81,282
2203414	Sourcewell United Rentals. Contract	United Rentals North America Inc	79,962
2202648	Intrusion Alarm (Hardware & Software)	D/A Central Inc	79,400
1902536	Refuse & recycling Svcs. various locations	Waste Management of Michigan Inc	79,167
2301145a	Communication & Marketing Services	The Martin Group LLC	79,140
2002240	Crane Service Inspects & Repairs Water Plants & Pump Sts	Crane Technologies Group Inc	78,503
2303786	Conveyor Belt Repairs	Motion Industries Inc	74,722
2204261	Sodium Hypochlorite & Sodium Bisulfate Project	DM Smith Michigan Inc	73,670
2400255	Government Relations & Legislative Rep Services	Dykema Gossett PLLC	73,016
2300721	Development of WRRF Simulation Tool	Regents of the University of MI	72,009
1803447	1803447 Parts & Repair Svcs. for Various Motors	Integrated Power Services LLC	68,662
GLWA-LS-2102518	Real Property Matters	Zausmer, P.C.	65,579
2301009	Surveillance & Identification Endemic & Emerging Diseases	Michigan State University	65,545
2100330-8	# 2022 Job Order Contract	Commercial Contracting Corporation	65,518
2204867	Install sink & faucet at LH WTP Pilot Lab Area	Macomb Mechanical Inc	65,337
2303558	Rewire & replace (4) 50-ft exterior pole lights WRRF	DES Electric LLC	64,878
2303742	#05S grit channel chain Replace	Titus Welding Company Inc	64,457
2204165	Rack & Grit Explosion Proof Disconnects	Rotor Electric Co	63,344
2101260	Reverse Dock Litigation - 5851 W Jefferson Ave, Detroit, MI	Lewis & Munday P C	62,935
2201811	Rental Uniforms, Floor Mats, Mops, Towels, & Related Svcs.	Cintas	62,730
1803933	Extermination Svcs.	Rose Pest Solutions	61,139
2200545	Renovate 3rd floor of WRRF New Administration Bldg. (NAB)	Albert Kahn Associates Inc.	60,000
2302484	Overhead Crane & Hoist Operator & Mobile Operator Train	Crane Tech LLC	59,375
2897583	Req#170300	VWR International	58,788
2100911	Roof Replace & Roofing IMPROV	Schreiber Corporation	55,423
	(blank)	Schreiber Corporation	964
2303654	Grants Management Staff Assistance	RSM US LLP	56,175
2102526	Learning Mgmt. System	Convergence onDemand Inc.	54,774
2304094	Valmet Density Meter-Centrifuge System	Systems Specialties	54,540
2204527	Pump Asset Mgmt. & Optimization	Specific Energy, Inc.	52,430
1903548	Gov Delivery Communications Cloud & Legistar	Granicus LLC	50,249
2000092	Systems Planning	Wade Trim Associates Inc	50,084
2301909	Kenwave Tonal Pipe Assess. Pilot Project	KenWave Solutions Inc.	50,000
2303906	Assess. 3/4 mile 42 & 48-inch PCCP	KenWave Solutions Inc.	50,000
2001308	Vinyl Graphics Svcs. for GLWA Fleet & Facilities	FastSigns Detroit	49,398
1904738-4	JOC Instrumentation & Controls (WRRF & CSOs)	UIS Scada Inc	49,038
2203141	Professional Svcs. Contract (Technical Svcs. Agreement)	Innomotics LLC	49,036
2300778	LH WTP Intrusion & Detroit River Observing System	InnoTech	48,746
2300240	Relocatingsludge level sensors at sedimentation basins	PCI LLC	48,705
1901592	GIS Strategic Support Svcs.	Magnolia River Services Inc.	48,620
2204897	Consult Svcs.	B&R Consultants	48,000
2302701	Department of Energy Grant	Genifuel Corporation	45,800
1900455-1	1 Architectural, Engineering, & Design Service	SDG Associates, LLC	45,201
2303415	Condition Assess. 1 mile (5,280 feet) of a 36-inch PCCP	KenWave Solutions Inc.	45,000
1904037	14 Mile 48" PCCP Trans Main NON-Destructive Test of PCCP	Echologies LLC	44,991
1902433	(Emergency) Generator Maintenance & Repair	Michigan CAT	43,710
2301759	Manholes Leak Stopping Polymer Injection Grouting LEIB CSO	Havener Tech	43,595
2101867-1	Gearbox Maintenance and Repair Services	B&D Industrial	43,550
2203703-1	Assistance Optimizing GLWA collaboration U of M	Regents of the University of Mich.	43,405
2303366	Upgrade to Standard Operating Procedures (6) CSO	Wade Trim Associates Inc	42,718
2100771	Detection Human Fecal Contamination in Watershed	Wayne State University	42,704
2304469	Hubbell Sthl Pump Room 2nd Contain System	Havener Tech	42,500
2302275	Crane Rental from Allingham 18 Ton IC350-3D Crane-MO	Allingham Corporation	41,800
2302402	DOE Hydroth. Liquefaction Convert Organic Wastes Trans Fuels	Public Sector Consultants	41,238
1905154	Maint. & Repair Clayton Steam Generators (4) Water Plants	Clayton Industries	41,116
RFB-1067	Service & Parts for all Pumps Rated 125Hp & Lowe	Detroit Pump & Mfg Co	41,045
2203915	Real Estate Matters	Rosati, Schultz, Joppich &	40,626
2304487	Belle Isle Pump Room Secondary Containment System	Havener Tech	40,500
2300845	CONST Agreement	Lutz Construction LLC	39,575
1902110	Technical Consult Svcs. for the transition of auditors.	Rehmann Robson	38,960
2202738	Pilot Test Evaluate Anaerobic Digestion for Wastewater Solids	Brown and Caldwell LLC	38,957
GLWA-LS-1905087	Legal Representation	Zausmer, P.C.	38,581

Contract	Contract Title	Vendor	Amount
2301545	Conner Creek Pump St. Storm Water Motor #3 Repair	Heco Industrial Service Group, Inc.	37,854
1803077A	Air Emissions Stack Test Svcs. for Complex 2 Incinerators	Alliance Technical Group	36,500
2004445	Addendum No.1 Lerch Bates Co op	Lerch Bates, Inc.	35,400
2204908	CHEMICAL CONTAINMENT SPILL DETECTION PROJECT	Advance Instrumentation Systems	35,000
2301135	Repairs for Basin, Influent, Effluent Roller Gates	Hesco Group LLC	34,411
2202701	Planning strategies for evaluating risk	ESPRI	34,245
2100330-4	4 2022 Job Order Contract	Lakeshore Global Corporation	34,033
2203415	(blank)	Truck & Trailer Specialties Inc.	21
	Truck & Trailer	Truck & Trailer Specialties Inc.	33,741
2303492	Waterworks Park Traveling Water Screen #4 Repairs	Ballard Marine Construction LLC	33,690
2301317	Modification of Grit Flight #1 with Sprocket	Titus Welding Company Inc.	33,390
GLWA-CS-018	Utility Billing & Cash Receipt Software	BS&A Software	33,351
2000322	Furniture & Equipment Moving Svcs.	Rose Moving & Storage Co. Inc.	32,849
GLWA-LS-2102207	Legal June 25th & 26th, 2021 Rain Events	Schenk & Bruetsch PLC	32,747
2204544	PMS Services at WRRF	Heco Industrial Service Group, Inc.	32,494
2200365	Emergency Conveyors, Gearboxes, Pumps, & Other	RMF Nooter Inc	32,241
2103001	Specialized Utility Consult	4 Leaders LLC	31,840
2301383	Overhead Door Assess, Repair Replace Services	Secure Door LLC	31,487
2100149	Security Mentor Replace	KnowBe4 Inc.	29,916
2104330	1 Year Pipe Repairs	RJ Stacey LTD	29,600
2303027	Approval Dept: WW Maintenance (emergency)	RJ Stacey LTD	29,125
2200008	Advisa - Predictive Index Renewal	The Predictive Index LLC	29,000
1904710	Occurrence & Fate of Microplastics	Wayne State University	28,930
2202732	Assessing Spatial Rainfall Volume-Duration-Frequency	Board of Regents U of Wisconsin	28,410
2301280	7 Mile CSO Grout work for Basin	Havener Tech	28,000
2303472	Tap In - 16 Week Media Campaign	EMG Media Group Inc.	27,750
2301613	Painting at Complex II DeWatering Bldg.	Signature Contracting Group, LLC	27,500
2103088	Engineering & analytical support	Wade Trim Associates Inc	27,490
2101765	Hauling of Biosolids to Disposal Sites	DHT Transport	27,303
1900949	Member Partner Opt-In Program	Aquasight LLC	27,120
2203353	GLWA Water Charges Methodology Consult Svcs.	Raftelis	26,725
GLWA-CS-299	GLWA-CSO Facilities Needs Assess. Project	Jacobs Consultants, Inc.	26,692
1803456	Loading, Hauling & Disposal of Scum	Rickman Enterprise Group LLC	25,767
1903695-1	Eval, Repair, Site PGA & FID Analyzers & Oximeters	Rosemount Inc	25,745
2304586	GFC-2 Sprocket Addition & Refurbishment	Titus Welding Company Inc	25,467
2100360A	Cyanide & Ammonia Instruments	YSI Incorporated	24,184
2102046	Masonry, concrete repair & Restore of historical monument	Ram Construction Services of Michig	24,041
1900169	Biological Phosphorus Removal Pilot	Regents of the University of Mich	23,986
1903098	Blanket with MiDeal contract no. 071B77000086	Truck & Trailer Specialties Inc.	23,926
2102007	Stationary Generator Repair & Maintenance	Wolverine Power Systems	23,803
2301052	Wastewater Treatment Assess., Training, &	Bay de Noc Community College	23,673
GLWA-CS-259	Concrete Test, Geotechnical Soil Borings & other	Somat Engineering Inc	23,195
GLWA-LS-2101689	Environmental Matters	Dykema Gossett PLLC	23,191
2003851	CDL Test & Training for 'B' & 'A'	Bert's Testing & Training Services	23,010
2103970	Wastewater Treatment Assess., Training, & Cert Program	Bay de Noc Community College	22,141
1903808	Ethics & Compliance Hotline Svcs. (RFB)	Calls Plus	22,025
2001694	Water Residential Assistance Program Advisor	Public Sector Consultants	21,820
1803448	Parts & Repair Svcs. for Various Motors	Birclar Electric & Electronics LLC	21,810
2103268	Svcs. Two Quick Trace M7600 Mercy Analyzers	Teledyne Leeman Labs	21,617
2001574	Sympro Debt Mgmt. Software	Emphasys Software	21,123
2300785	Innovation Management & Utility Peer Review	360water, Inc.	20,000
2304151	Pump Station#1/Station Maintenance/Repair	Commercial Contracting Corporation	20,000
2203846	Mgmt. of a 501(c)(6) Mid-West Biosolids Organization.	Kevin Burke III	20,000
2201341	Abatement Mold, Asbestos, Materials, & 3rd Party Test	Global Green Service Group	19,947
2303082	SIDRIVE-IQ Digital Subscription	Innomotics LLC	19,800
GLWA-CS-257	Employee Benefits Broker Svcs.	Lockton Companies LLC	19,466
2300872	Consult Svcs. to support FEMA Insurance Claims	FK Engineering Associates	19,299
2301072	Repair of Rectangular Tank #1 Grass Collector	Commercial Contracting Corporation	19,000
2303401	CSO Additional repairs Chene & Dubois hydraulic equipment	Hesco Group LLC	18,822
2400322	Conner Creek 30 Ton Boom Truck Rental	Jeffers Crane Service	18,600
2103659	Plunkett Cooney, P.C. Legal Svcs.	Plunkett Cooney PC	18,108
2303252	WW Maintenance lighting in PS1 basemen	DES Electric LLC	18,071
2202291	Comprehensive Professional Development Classes	CLE Strategic Solutions LLC	18,000
2301300	Supplemental Instrumentation Staff	Advance Instrumentation Systems	16,873
2104348	360Water Software	360water, Inc.	16,800
2200550	Assist/Assessing Affordability in Service Area	Raftelis	16,505
2304862	MSA Gas Sensors Install Hubbell Sthfid & Puritan Fenkel	Advance Instrumentation Systems	16,500
1803821	Unity Implementation	Hrimble Inc	16,440
GLWA-LS-2201109	High& Park Contract Negotiations.	Dykema Gossett PLLC	16,200
1804127	Thyssenkrupp Elevators PPM	Hach Company	16,031
2200346A	VMware Cloud Disaster Recovery as a Service Solution	People Driven Technology	15,940
1901566	GLWA Incinerator MACT MMM Emission Test Assistance	Incinerator Rx Corporation	15,768
GLWA-PS-074	Oversight of CONST Contractors for WRRF (\$300,000.00)	Hugh Connolly	15,698
2300914	Detailed Site Survey at CSO Facilities	Metrix Instrument Company LP	15,634
2304274	CSO Woodmere Pump St. Dearborn Michigan	Carlette Construction & Consulting	15,500
GLWA-LS-221	Legal Representation, Consult & Advice	Attorney Eric V Smith PLC	15,351
2102225	Svcs. for Biotage Horizon 3100 & 5000 Lab Instruments	Biotage LLC	15,318
2204890	WRAP Relief Utility Billing Import	BS&A Software	15,000
1904860	Bacteriological Water Test Supplies & Reagents	Idexx Laboratories	14,962
2204693	Oakwood CSO Stairwell HVAC Design	The Osborn Engineering Company	14,754
2301625	Operations, Maintenance, & Engineering Assistance	Daniel A Hensley Alford	14,188
2300508	Water Administration and General Expense	Brown and Caldwell LLC	13,984
2203945	Trace Test of Mercury, Copper, TOC & P	Trace Analytical Laboratories Inc	13,839
2300762	Lockout-Tagout Procedure Writing Hypo & RRO Bldg.s	SEAM Group LLC	13,750
1905080	Facilitation & Project Mgmt. Svcs.	TWN Consulting LLC	13,650

Contract	Contract Title	Vendor	Amount
2103137	Blanket	Paragon Laboratories Inc	13,252
2300336-1	Clean Thickener Tanks and Storage Tanks	Industrial Applied Technologies	13,000
2103059	PPM & Repair Service for the Three Deionized Water Syst.	Evoqua Water Technologies LLC	12,816
1703524	Thyssenkrupp Elevators PPM	TK Elevator Corporation	12,409
GLWA-LS-2101474	Legal Svcs.	Plunkett Cooney PC	12,382
2400914	System Sessions Wastewater Conveyance	Wade Trim Associates Inc	12,125
2300869	Engineering Support GLWA 2021 Flood Damage Claim	NTH Consultants Ltd	11,894
2303556	ELECTRICAL INSTALLATION OF STEP DOWN TRANSFORMER	BES Electric LLC	11,700
GLWA-LS-2201015	GLWA v High& Park Industrial Pretreat Program Litigation	Dykema Gossett PLLC	11,552
1902059	Transport & Fate of Nutrients in Biosolids at WRRF	Michigan State University	11,473
2204680	Sewer Operations Primary Sedimentation	Rotor Electric Co	11,468
2203288	Employee Benefits - Broker Services	Lockton Companies LLC	11,269
2301505	IT Asset Disposal Svcs.	Re-Source Partners	11,157
GLWA-LS-2000388	General Employment/Labor Matters	The Allen Law Group PC	11,115
2101321	Lighting & electrical supplies MiDeal	Graybar Electric Company	11,027
2100588	Blanket for Masonry Supplies & Tools.	Boomer Construction Materials	10,904
2004471	Consult Svcs.	Public Sector Consultants	10,744
2300246	Environmental Social Governance Program (ESG)	Plante & Moran PLLC	10,637
1901968	1901968 Mat Rental Svcs.	Action Mat & Towel Rental	10,006
1902151	PFAs Health & Ecological Impacts	Wayne State University	9,872
2302294	Hydrothermal Liquefaction Convert Organic Wastes	Wayne State University	9,605
GLWA-LS-294	Legal Representation & advice with ERISA issues	Dickinson Wright PLLC	9,563
1803437-2	2 Pump Repair for the Five Water Plants	Kerr Pump and Supply, Inc.	9,407
2102587	Water Administration and General Expense	Tidal Basin Government Consulting	9,394
2401172	Towing Services Owned/Rented Vehicles & Equip	JT Grova Towing	9,273
2301135-1	Basin, Influent, Effluent Roller Gates	Hesco Group LLC	9,110
GLWA-CS-301	General Eng. Svcs.	Sigma Associates Inc	8,974
GLWA-LS-2102331	June 25-26, July 2-3, July 16 & July 24, 2021 Rain Events	Kerr, Russell and Weber, PLC	8,933
2300241	2300241-WWP UPS Test & Training	PCI LLC	8,813
2002947	Renovation 4th Floor at WRR	Albert Kahn Associates Inc.	8,549
2301059	Support DOE Project: Hydrothermal Liquefaction to Conve	Brown and Caldwell LLC	8,385
SCO-1133	Capturis: Utility Billing Mgmt. Svcs. - Contract #1133	Capturis	8,038
1901340	GLWA Engagement Workplace Survey Subscription	Gallup Inc	7,945
2002492	Equipment Rental	United Rentals North America Inc	7,917
2200670	Eval of Flow Cytometry Drinking Water Applications	Wayne State University	7,063
2001970	Blanket towing Svcs. for all GLWA vehicles	L.J.B.S. Enterprises, LLC	6,794
2300624	Personal Svcs.	Michael Gould	6,310
2300257	As-Needed On-Site ASL Interpretation Svcs.	Bromberg & Associates LLC	6,242
GLWA-LS-2100779	High& Park Appeal	Plunkett Cooney PC	6,150
2302689	2023 Vendor Outreach Event	Annie Kruse, LLC	6,000
2200417	Trimbale Unity 3-year Subscription	Trimbale Inc	6,000
2004673	Aruba Upgrade & Support	Moss Telecommunications Services	6,000
2100013	Target Solutions	TargetSolutions Learning, LLC	5,915
2201969	(PO) Background Screening Consult	Plante & Moran PLLC	5,890
2401089	Lake Huron Backflow Preventer Testing	Seaway Mechanical Contractors Inc	5,752
2300265	Consult Svcs. for GLWA Conner Creek Pump St.	Behnke Pump Technologies, LLC	5,665
2103347-4	2023 TOES Eng. Svcs.	Hazen and Sawyer	5,619
2400252	On-Site As-Needed ASL Interpretation Services kr	Bromberg & Associates LLC	5,296
2004359	9738137-Sterling Infosystems, Inc.-Contract	Sterling Infosystems, Inc.	5,139
1901155	Drinking Water Monitoring Network	Environmental Consulting	5,000
1900107	General Mill Supply Co v. GLWA & City of Detroit	Koba Finkus & Dolin PC	4,857
2101258	Geo tab installing & repair of geo tabs	SGN Mobile Electronics	4,831
2004712	Consult Svcs. for Various Outreach Initiatives	Bridgeport Consulting LLC	4,718
2304319	Drinking Water Monitoring Network & Data Management	Environmental Consulting	4,275
2202412	PM Service of Balances, Autoclaves, & Microscopes	Tobys Instrument Shop Inc	4,204
2302952	2nd Containment Emergency Generator Wick Rd	Phoenix Environmental Inc	3,890
GLWA-CS-233	Lexisnexis Subscription Agreement	LexisNexis	3,703
2301610	PM TRAINING IN-TANK EVAL. & 3D TANK SCAN	Brentwood Industries Inc	3,700
2303554	Willscot Lease Agreement	Williams Scotsman, Inc	3,609
2401811	Meeting Planning Services for 2024 Vendor Outreach	Annie Kruse, LLC	3,600
2200325	(AI) Guided Water Treatment Plant Operations & Maintenance	Brown and Caldwell LLC	3,345
2004700	Executive & Managerial Training for Water Operations	Project Innovations Inc	3,220
2002349	Maintenance, Repair, Service & Supply for GLWA Fleet	Michigan CAT	3,021
2200346	VMWARE Cloud Disaster Recovery as a Service	People Driven Technology	3,011
2101630	GLWA Payment Portal Project	PaymentVision	2,860
CS-115	Background Screening Svcs.	HireRight, LLC	2,823
2301512	GLWA & Public sector Consults	One Water Solutions	2,784
2304008	Replacement of 2" Ball Valves kr	RJ Stacey LTD	2,750
2400992	MiDeal 240000000257 Lab Chemicals & Non-Chem	VWR International	2,684
2100570	Consult Risk & Process Safety Mgmt. Program (RMP/PSM)	Process Improvement Institute Inc.	2,678
GLWA-CS-006	Third Party Claims Administrator	Broadspire Services Inc	2,670
2102560-1	Car Rental	Enterprise Holding Inc.	2,337
GLWA-CS-060	Upgraded Sludge Conveyance Svcs. CIP 1257	Black & Veatch Ltd Of Michigan	2,292
1902299	ITSM	Avante Solutions, Inc.	2,217
2103091	7 Mile/Nevada & Garl&, Hurlbut, & Bewick projects.	Stantec Consulting Services Inc.	2,002
2200950	Water Treatment Svcs. for LH WTP WTP	Nalco Water	1,938
2302207	Shade Supply & install Services	The Sheer Shop Inc.	1,935
2304660	GLWA's Intellectual Property Matters	The Dobrusin Law Firm PC	1,562
2002530	Midwest Valve v GLWA	Dickinson Wright PLLC	1,540
2302089	Mat Delivery Service	Action Mat & Towel Rental	1,182
2000014	Hurlbut Memorial Gate Architectural Svcs.	Quinn Evans	1,050
2201268	Compensation Study	HR Management Group Inc	998
2304651	Flow Diagrams Blue Hill, Fairview, Fisher, and Woodmere	The Osborn Engineering Company	996
2023.03.29 OWP	Facility Rental	Madonna University	825
2101259	Attorney for IT Negotiations	Schuster Law PLC	822

Contract	Contract Title	Vendor	Amount
2103086	Removal & Abatement of Hazard Materials	Norkan Inc	779
2301732	Affordability & NPDES Permit Negotiation Services	Raftelis	680
GLWA-LS-2200276	2021 & 2022 14 Mile Rd. Watermain break claims	Rosati, Schultz, Joppich &	650
2103134	Emergency Geotechnical Svcs.	FK Engineering Associates	602
GLWA-LS-2100757	Negotiation of the I-94 Storm Water Discharge Agreement	Butzel Long PC	300
2000876	ShredCorp Svcs.	ShredCorp.	290
1803422	Iron Mountain Storage for FR&A & Treasury	Iron Mountain	260
2003057	Water & Sewer Svcs. to the City of Dearborn	Fausone & Grysko, PLC	79
1900230	Black Anvil Construction Supplies	Black Anvil Construction Supplies	(53)
<b>Grand Total</b>			<b>\$ 455,989,719</b>

Vendor	Invoice Count	PO Count	Contract Count	Amount
Lakeshore Global Corporation	190	17	17	\$ 63,739,245
DTE Energy	4,652	-	-	50,214,234
Ric Man/Clark Joint Venture	29	3	3	47,740,563
Jay Dee Contractors Inc.	96	5	5	29,594,748
Commercial Contracting Corporation	108	16	16	16,691,265
New England Fertilizer Company	13	2	2	16,595,692
Kiewit Infrastructure Co	12	2	2	16,574,521
Clark Construction Company	44	5	5	15,666,632
Weiss Construction Co LLC	82	9	8	15,433,001
AT&T	219	3	-	14,537,525
Ballard Marine Construction LLC	15	3	3	13,905,374
Board of Water Commissioners	34	-	-	13,618,372
Oscar Renda Contracting Inc	22	2	2	12,209,575
Pullman SST, Inc.	22	4	4	9,111,923
CDM Smith Michigan Inc	77	8	7	8,611,909
Arcadis of Michigan LLC	84	5	5	7,454,685
Kokosing Industrial Inc.	44	5	5	7,311,656
Marsh USA Inc.	34	2	2	6,982,483
Lanzo Construction Co., Florida	11	2	1	6,938,787
FH Paschen	23	3	3	6,144,717
PCI LLC	89	10	10	6,092,231
State of Michigan - Natural Gas	16	-	-	6,074,185
Mobile Dredging & Video Pipe Inc	6	1	1	6,049,081
Johnson Controls Inc.	124	4	4	6,004,130
Brown and Caldwell LLC	80	11	11	5,799,098
PVS Nolwood Chemical Inc	413	13	2	5,743,815
Ric-Man Construction Inc	31	3	3	5,579,880
AECOM Great Lakes, Inc	37	2	2	5,501,193
JCI Jones Chemicals Inc	139	9	2	5,420,928
Wade Trim Associates Inc	143	13	12	5,178,772
Kemira Water Solutions	455	1	-	5,004,947
Jacobs Consultants, Inc.	16	2	2	4,526,753
Linde Inc.	62	1	1	4,322,061
Chemtrade Chemicals US LLC	537	6	-	4,092,002
Burns & McDonnell Michigan Inc.	36	3	3	3,938,300
Emerson Process Management	10	7	3	3,914,027
Northwest Pipe Company	11	1	1	3,559,003
Inland Waters Pollution Control Inc	36	3	3	3,438,264
Detroit Water and Sewerage	41	7	2	3,307,627
FK Engineering Associates	55	6	6	3,261,496
Colasanti Construction Services	3	1	1	3,063,984
Barton Malow Company	11	2	2	2,962,399
HDR Michigan, Inc.	92	3	3	2,889,807
Enterprise Fleet Management	15	2	2	2,877,550
Hazen and Sawyer	64	6	6	2,829,099
Brown and Caldwell Constructors	13	2	2	2,756,557
CDW Computer Centers Inc	141	79	-	2,717,063
Slalom, LLC	18	2	2	2,361,092
LaSalle Construction Services	10	2	1	2,314,293
DXC Technology Services LLC	13	1	1	2,246,048
Pencco, Inc.	131	7	-	2,218,142
The Christman Company	8	1	1	2,182,904
Alight Solution LLC	18	1	1	2,086,552
PMA Consultants LLC	36	4	4	2,045,503
J&S Valve, Inc	2	1	1	2,026,274
NEXGEN Asset Management	9	1	1	1,937,470
Polydyne Inc	218	7	-	1,913,933
Rotor Electric Co	19	6	5	1,904,903
Motor City Electric Co	35	3	1	1,750,854
Dickinson Wright PLLC	23	5	4	1,457,935
Grainger	1,369	1,084	-	1,395,832
GDI Services Inc	132	3	1	1,341,358
Applied Science Inc	17	2	2	1,325,957
W C Ducomb Company	27	25	-	1,282,679
Kennedy Industries Inc	52	24	5	1,159,439
Hydromax USA LLC	11	1	1	1,151,723
Oakland-Macomb Interceptor Drain DD	1	1	1	1,125,000
Titus Welding Company Inc	34	11	7	1,119,133
Premier Group Associates LC	237	2	2	1,089,771
PFM Financial Advisors LLC	13	3	2	1,079,826
Univar USA Inc	35	5	-	1,022,157
The Foster Group LLC	20	2	1	997,500
LimnoTech	17	2	2	972,954
Interior Environments LLC	47	2	2	971,891
Verizon	31	-	-	953,684
Road Commission for Oakland County	2	-	-	898,617
J F Cavanaugh Company	7	2	2	890,530
Johnson Controls Fire Protection LP	110	5	3	860,450
Dykema Gossett PLLC	82	6	6	842,836
Workday	6	1	1	839,939
Waste Management of Michigan Inc	453	16	4	784,020
Dell Marketing LP	5	5	2	774,729
Systems Specialties	67	21	3	743,544
MetalFab Inc	59	59	-	728,628

Vendor	Invoice Count	PO Count	Contract Count	Amount
Crystal Flash, Inc.	261	1	1	680,968
Hesco Group LLC	35	15	8	680,156
Noresco LLC	7	1	1	660,723
Data Consulting Group Inc	42	7	-	636,808
Dell Computer Corporation	22	4	2	628,621
Hach Company	228	72	5	606,115
Experis US Inc	148	9	-	603,528
Ford W Hall Company Inc	3	2	2	601,552
KONE Inc	99	2	1	600,763
Bridgeport Consulting LLC	14	2	2	590,080
Allied Building Service Co. Detroit	6	2	1	588,540
Aquasight LLC	11	3	3	553,800
DHT Transport	58	2	2	547,437
Family Associates, LLC	13	1	1	544,093
DE-CAL Inc	10	3	3	524,258
Detroit Pump & Mfg Co	39	29	3	495,416
Regents of the University of Mich.	16	4	4	488,531
Hamlett Environmental Technologies	12	12	-	487,971
Zausmer, P.C.	60	4	4	481,003
Preventive Maintenance Technologies	210	3	1	468,018
PeopleGro LLC	12	1	1	450,500
Mcnaughton Mckay Electric Company	152	113	-	417,289
JGM Valve Corporation	39	39	-	414,010
United States Geological Survey	2	1	1	400,958
Motor City Pipe & Supply Co	348	313	-	400,185
PVS Technologies Inc	10	2	-	391,181
NTH Consultants Ltd	16	2	2	381,315
State of Michigan - EGLE	18	-	-	380,309
VWR International	979	46	4	376,439
Phoenix Environmental Inc	39	11	4	368,885
RS Technical Services Inc	75	63	-	368,182
Fishbeck	12	1	1	366,720
Industrial Applied Technologies	17	5	4	364,750
Landscape Services, Inc	223	1	1	353,297
OpTech	38	8	-	350,991
Birclar Electric & Electronics LLC	6	4	2	348,224
Ceridian HCM Inc	12	1	1	340,318
ScAir Force Falconry & Bird Abateme	11	1	1	325,680
Hubbell, Roth & Clark, Inc.	26	2	2	308,557
Oracle America Inc	9	2	-	299,603
360water, Inc.	10	2	2	296,240
Secure Door LLC	86	2	2	285,608
RMF Nooter Inc	8	5	3	285,311
GALCO Industrial Electronics	58	46	-	285,072
City Of Allen Park	13	2	-	284,837
American Water Works Association	2	2	-	282,930
D/A Central Inc	106	5	3	275,329
ESRI Inc.	1	1	1	275,000
Crane Technologies Group Inc	135	4	3	274,193
Xylem Water Solutions Usa Inc	4	3	2	272,556
Moody's Investors Service Inc	3	3	-	272,000
Alfa Laval Inc	20	20	-	271,592
Sulco Chemicals Limited	33	1	-	269,519
OHM and WSP, A Joint Venture	14	1	1	269,075
PFM Asset Management LLC	14	2	2	268,781
Amazon Web Services Inc	12	3	-	268,093
Wayne State University	30	6	6	267,004
Idexx Laboratories	68	9	2	261,175
PMA Management Corp	22	1	1	259,490
Veolia Water Technologies Canada	1	1	-	254,565
International Society of Automation	14	1	1	251,708
Egis BLN USA, Inc	39	1	1	248,584
Schreiber Corporation	31	3	3	230,429
CDM Michigan, Inc	8	1	1	229,351
Staples Business Advantage	932	12	-	226,477
Signature Contracting Group, LLC	4	2	2	222,000
Global Solutions Group Inc.	3	1	1	221,282
Baker Tilly US LLP	8	2	2	218,152
MSC Industrial Supply Company	269	197	-	217,386
Premier Safety	69	51	-	215,892
Motion Industries Inc	29	24	2	209,381
Powell Fabrication & Manufacturing	4	4	2	209,246
Plante & Moran PLLC	28	4	4	208,107
Evoqua Water Technologies LLC	42	25	2	207,766
Concentra Medical Centers	79	2	-	205,468
Michigan State University	16	3	3	204,617
Robert Half Finance & Accounting	27	6	-	200,607
Mark Anthony Contracting, Inc	2	2	2	199,456
METCO Services Inc	9	1	1	194,337
Cintas	803	57	2	191,369
Innomotics LLC	14	5	3	180,783
Lutz Construction LLC	6	4	3	180,485
Zones Inc	3	3	-	178,422
HESCO Group Inc.	5	5	-	177,358
S&P Global Ratings	7	3	-	176,850

Vendor	Invoice Count	PO Count	Contract Count	Amount
City of Dearborn	22	-	-	175,174
NavVis US, Incorporated	1	1	1	172,975
Metro Welding Supply Corporation	254	3	2	167,718
Aquafit Chlorination System LLC	9	9	-	166,926
Omo Farm, LLC	1	-	-	163,200
Boston tile and Terrazzo Company	2	1	1	162,820
JMK Engineering, Inc	24	1	-	162,247
Fleishman Hilliard Inc	8	2	2	161,697
Aquatic Informatics Inc	3	1	1	161,371
David D. Taylor	53	1	1	159,775
Havener Tech	5	5	5	159,595
Zoll Medical Corporation	2	1	-	159,049
Siemens Industry Inc	11	7	2	157,143
Allingham Corporation	38	6	2	157,120
OD Reimbursement	688	-	-	155,217
Project Innovations Inc	17	2	2	153,387
Imperial Dade Paper & Bag	197	1	1	152,311
Unifirst Corporation	429	1	1	152,084
Macomb Mechanical Inc	16	5	2	149,345
The Allen Law Group PC	39	2	2	141,646
B&D Industrial	4	1	2	141,550
Bonfire Interactive Ltd	3	2	2	141,500
First Fight, LLC	6	1	1	140,000
Eastern Oil Company	27	27	-	137,472
Merit Laboratories Inc	152	12	-	136,328
Smartsheet Inc	3	3	-	136,127
Carus LLC	2	2	-	135,870
CCH Tagetik	10	2	1	135,025
SEMCO Energy	12	-	-	132,044
Detroit Salt Company LLC	11	3	-	130,514
Fitch Ratings Inc	5	4	-	130,000
W.S.I. Industrial Services, Inc.	3	3	-	129,250
Solarwinds	2	2	-	127,732
America's Green Line	9	9	-	127,540
Lubrication Engineers Inc.	21	12	-	126,287
Nationwide Construction Group	24	1	1	125,992
United Rentals North America Inc	132	3	3	125,524
Outbound Technologies, Inc.	4	1	1	124,197
HKC Consulting LLC	11	1	1	122,984
Vieux & Associates Inc.	13	1	1	121,760
Unconventional Services Inc	1	1	-	121,700
GEA Mechanical Equipment US Inc	2	1	-	120,713
SCI Floor Covering Inc.	8	1	1	119,586
Xerox Corporation	60	1	1	118,607
Cornerstone Controls Inc	2	2	-	117,594
City of Melvindale	29	-	-	117,083
Carahsoft Technology Group	2	2	-	116,112
Fausone & Grysko, PLC	13	2	2	114,025
Ingersoll Rand Company	10	5	-	111,233
YSI Incorporated	21	5	2	111,157
Future Fence Company	2	1	1	110,783
Clayton Industries	16	10	2	109,814
RA Consultants, LLC	3	1	1	109,283
Geotab USA, Inc.	15	1	1	108,570
Avante Solutions, Inc.	8	2	2	108,433
Messina Product Operations LLC	1	-	-	107,720
Dean Marine & Excavating Inc.	22	2	2	106,975
SE Michigan Council of Governments	2	2	-	103,584
Segal Consulting	4	1	1	103,500
Sehi Computer Products Inc	8	8	-	102,905
Fluid Process Equipment	15	9	-	102,653
Water Research Foundation	3	3	-	102,500
Landia, Inc.	1	1	-	102,135
Kainos WorkSmart Inc	1	1	-	102,000
Lavdas Limousines	43	1	1	98,320
DES Electric LLC	5	4	4	97,149
JWC Environmental Inc.	4	4	-	96,702
CEC Controls Company, Inc.	6	2	2	96,663
Yates Industries Inc	11	7	-	93,384
Info-Tech Research Group Inc	1	1	1	92,745
Consumers Energy	107	-	-	92,694
Superior Electric Great Lakes Co	1	1	1	90,959
FranklinCovey Client Sales Inc.	1	1	-	90,950
National Association of Clean Water	1	-	-	90,945
Dubois-Cooper Associates Inc	2	2	-	90,560
Allie Brothers Inc	296	1	1	90,135
MacAllister Machinery Co Inc	10	4	-	89,213
Core Electric Company Inc	9	6	-	87,397
Biotage LLC	19	4	2	86,148
Alta Equipment Company	1	1	-	85,795
Oscar W Larson Company	3	2	-	85,313
OSIsoft LLC	1	1	-	85,239
Galloup,Forberg Smith, Merlo Energy	13	9	-	85,190
City of Detroit	25	-	-	85,159
Integra Clear Co	8	8	-	84,831



Vendor	Invoice Count	PO Count	Contract Count	Amount
OHM Advisors	9	1	1	84,339
Actuator Specialties	9	9	-	83,635
The Macomb Group Inc	84	58	-	83,103
Moss Telecommunications Services	3	3	2	82,963
Wadsworth Solutions Northwest	2	2	-	81,650
Conch Technologies Inc	5	1	-	79,800
The Martin Group LLC	5	1	1	79,140
Michigan.com	4	3	-	78,646
Charter Township of Northville	1	-	-	77,516
Crane Tech LLC	2	2	2	77,070
Waterworks Systems & Equipment Inc	6	6	-	76,388
Homrich	20	2	-	75,869
Accu-Time Systems, Inc.	15	3	2	75,277
Regents of the University of MI	13	2	2	74,348
Fort Gratiot Charter Township	4	-	-	73,864
Public Sector Consultants	26	3	3	73,802
US Bank	19	8	-	73,350
Epitec Inc	24	1	-	73,040
Heco Industrial Service Group, Inc.	13	3	3	72,648
Park Rite Inc	11	1	-	70,400
Water Environment Federation	2	2	-	70,000
Integrated Power Services LLC	8	1	1	68,662
Albert Kahn Associates Inc.	3	2	2	68,549
Advance Instrumentation Systems	5	3	3	68,373
BondLink	5	3	-	66,890
Emerson LLLP	1	1	-	66,607
Michigan CAT	8	3	3	66,231
RJ Stacey LTD	5	4	4	64,325
SkyNorth Software	14	2	-	63,316
Tri County Equipment Inc	2	2	-	63,300
Lewis & Munday P C	16	1	1	62,935
Eganix, Inc.	4	4	-	62,515
Cyber Defense Technologies	1	1	-	62,332
Rose Pest Solutions	49	2	2	61,824
SHI International Corporation	1	1	-	60,435
SOCRRA	1	-	-	60,000
PdMA Corporation	1	1	-	57,763
Truck & Trailer Specialties Inc.	21	2	2	57,688
Midwest Industrial Rubber Inc.	5	5	-	56,685
RSM US LLP	2	1	1	56,175
Cornerstone onDemand Inc.	1	1	1	54,774
Thermo Electron North America LLC	3	2	-	53,915
Laird Plastics	3	2	-	53,690
i3-ImageSoft	2	1	-	52,656
Specific Energy, Inc.	3	1	1	52,430
Kb.co Services LLC	15	15	-	51,645
Federal Pipe & Supply Co Inc	173	134	-	51,219
Williams Scotsman, Inc	11	1	2	50,751
Madison Electric Company	28	27	-	50,505
Granicus LLC	1	1	1	50,249
Effectv	7	1	-	49,999
Communications Professionals Inc	19	19	-	49,548
Carlson-Diamond & Wright Inc	10	10	-	49,486
FastSigns Detroit	33	1	1	49,398
Energy Products Inc	4	4	-	49,048
UIS Scada Inc	5	1	1	49,038
Magnolia River Services Inc.	5	1	1	48,620
Binkelman Corporation	27	26	-	48,473
BS&A Software	3	2	2	48,351
B&R Consultants	12	1	1	48,000
MSA Safety Sales LLC	3	2	-	47,796
Red Gate Software	1	1	-	47,124
LinkedIn Corporation	2	2	-	46,409
Welding Concepts Training Inc	9	1	-	46,300
Transcat Inc	1	1	-	46,075
Bay de Noc Community College	4	2	2	45,814
Genifuel Corporation	1	1	1	45,800
SDG Associates, LLC	13	1	1	45,201
Kusters Zima Corporation	2	2	-	45,119
Echologics LLC	3	1	1	44,991
Durawear Glove & Safety Co. Inc.	14	14	-	44,854
Raftelis	12	3	3	43,982
Kent Air Products Inc	1	1	-	43,537
SPX Flow US LLC	2	2	-	43,421
Serpentix Conveyor	4	4	-	43,404
Shimadzu Scientific Instruments Inc	2	1	-	41,965
EJ USA Inc	24	16	-	41,913
Williams Williams Rattner & Plunket	2	-	-	41,795
ArmorerLink	2	2	-	41,453
Rosati, Schultz, Joppich &	13	2	2	41,276
Carleton Equipment Co.	1	1	-	41,250
Graybar Electric Company	23	6	2	39,210
Rehmann Robson	13	1	1	38,960
Ram Construction Services of Michig	2	2	2	38,888
Metrix Instrument Company LP	2	2	2	38,152

Vendor	Invoice Count	PO Count	Contract Count	Amount
Aero Filter Inc	6	6	-	38,056
St Clair County Treasurer	1	-	-	38,000
Wastewater Microbiology Solutions	1	1	-	37,577
Plunkett Cooney PC	23	3	3	36,639
Alliance Technical Group	2	1	1	36,500
Brentwood Industries Inc	2	2	2	35,500
Herc Rentals Inc.	15	5	-	35,460
Lerch Bates, Inc.	13	1	1	35,400
Audacy Operations, Inc.	10	1	-	35,336
I & C Sales North Inc	3	3	-	35,312
Gallup Inc	4	3	2	35,238
Professional Pump Inc	1	1	-	34,862
ESPRI	8	1	1	34,245
Fred's Key Shop	11	2	-	33,703
Rosemount Inc	6	3	2	33,560
HI Controls LLC	3	3	-	33,203
Wayne County Treasurer	14	-	-	33,014
Rose Moving & Storage Co. Inc.	14	2	1	32,849
Schenk & Bruetsch PLC	17	1	1	32,747
PTSolutions	1	1	-	32,267
Marshall E. Campbell Company	28	20	-	32,224
4 Leaders LLC	20	1	1	31,840
Lockton Companies LLC	11	2	2	30,735
Andritz Separation Inc	2	2	-	30,662
American Gear & Engineering, Inc	4	3	4	30,595
E2intel	4	3	-	30,000
Pumps & Systems Inc	1	1	-	29,970
Globic Advisors Inc	1	1	-	29,960
KnowBe4 Inc.	1	1	1	29,916
Seal and Cylinder Source Inc.	6	6	-	29,760
Capturis	14	2	2	29,185
Electrical Workers Insurance Fund	54	1	-	29,020
The Predictive Index LLC	1	1	1	29,000
SW Controls Inc	9	7	-	28,691
Board of Regents U of Wisconsin	7	1	1	28,410
Fab Tech Wastewater Solutions LLC	2	2	-	28,357
Barta Sales LLC	17	17	-	28,064
Association of Metropolitan Water	1	-	-	28,000
EMG Media Group Inc.	2	1	1	27,750
Aqua Science LLC	7	7	-	27,603
Paragon Laboratories Inc	50	6	2	27,600
Jack Doheny Companies Inc	14	10	-	27,342
Lisam America Inc	1	1	-	27,319
Black Anvil Construction Supplies	30	26	2	27,241
Public Rubber & Supply Co Inc	22	21	-	26,507
Prefect Technologies, Incorporated	1	1	-	26,398
AVE Office Supplies	21	21	-	26,376
Rickman Enterprise Group LLC	1	1	1	25,767
Tracker	12	2	-	25,610
Matterport, Inc.	10	1	-	25,048
ERDCO Engineering Corporation	3	3	-	24,948
Allstate Industrial Equipment	4	3	-	24,729
Continental Catering & Events	3	2	-	24,595
RS Americas, Inc	2	2	-	24,464
Hamlin Dequindre Storage LLC	1	-	-	24,266
Wolverine Power Systems	23	2	2	23,803
Frontier Communications	113	-	-	23,697
DLT Solutions LLC	2	1	-	23,603
Christy Glass Company, Inc.	8	1	-	23,537
Crucial Learning	1	1	-	23,300
Somat Engineering Inc	2	1	1	23,195
Bert's Testing & Training Services	7	1	1	23,010
Aston Carter Inc.	27	1	-	22,968
Calls Plus	1	1	1	22,025
Industrial Furnace Co Inc	1	1	-	21,774
Teledyne Leeman Labs	5	1	1	21,617
Park Place Technologies LLC	11	2	-	21,590
ZOHO Corporation #4926	1	1	-	21,520
Hydra-Tech Pumps LLC	2	2	-	21,317
Emphasys Software	1	1	1	21,123
Lion Group Inc / Lion	1	1	-	20,868
Wayne County Community College	2	2	-	20,700
General Acid Proofing Inc	2	2	-	20,540
People Driven Technology	12	2	3	20,213
Laurel Manor	2	1	-	20,081
Enerco Corporation	19	2	-	20,054
Kevin Burke III	8	1	1	20,000
Isle Inc.	1	1	1	20,000
Tarrant Regional Water District	1	1	-	20,000
Focus HOPE	1	1	-	20,000
Miller Canfield Paddock & Stone PLC	2	2	-	20,000
Global Green Service Group	5	1	1	19,947
American Tower Management LLC	11	2	-	19,619
R.J. Corman Railroad Services LLC	1	1	-	19,460
Metro Detroit EITC	12	1	-	19,200

Vendor	Invoice Count	PO Count	Contract Count	Amount
BAVCO	9	9	-	19,069
Wex Bank	12	-	-	18,967
Global Industrial	7	7	-	18,823
Alexander Chemical Corporation	2	2	-	18,728
Harrington Industrial Plastics LLC	12	10	-	18,724
HF Scientific	1	1	-	18,686
City of Rochester Hills	7	2	-	18,672
Jeffers Crane Service	2	1	1	18,600
Safety Services Inc	32	24	-	18,555
Uline, Inc.	23	20	-	18,352
Dun & Bradstreet Inc	1	1	-	18,230
A/C Service & Repair Inc.	1	1	-	18,218
CLE Strategic Solutions LLC	5	1	1	18,000
Gold Standard Diagnostics Horsham	5	4	-	17,729
Pete's Coin Laundry	13	1	-	17,660
City of Warren	8	1	-	17,504
Roberts Filter	2	2	-	17,470
Pomp's Tire Service Inc.	20	1	-	17,207
Lyon LLC	1	1	-	17,204
American Red Cross	29	2	-	17,133
Test Equipment Depot	2	2	-	17,127
Near North Title Group	3	-	-	17,113
Agilent Technologies Inc	10	8	-	16,691
Indeed, Incorporated	22	3	-	16,595
Henry Pratt Company	2	2	-	16,517
Imagemaster, LLC	5	2	-	16,514
National Oilwell Varco, LP	3	1	-	16,443
Sherwin Williams Company	36	10	-	16,345
Creative Safety Supply, LLC	6	6	-	16,199
FTP Today Inc.	1	1	-	16,181
Innovyze LLC	1	1	-	16,159
REACH Media Network	1	1	-	16,075
Owl Cyber Defense Solutions	1	1	-	16,000
ReadyOP Communications Inc.	2	2	-	16,000
Incinerator Rx Corporation	2	1	1	15,768
The Osborn Engineering Company	8	2	2	15,750
Hugh Connolly	2	1	1	15,698
TSP Environmental	2	1	-	15,515
Carlette Construction & Consulting	1	1	1	15,500
e-Hazard	2	2	-	15,360
Attorney Eric V Smith PLC	11	1	1	15,351
Canon Solutions America Inc	32	4	-	15,234
Route4Me, Inc	1	1	-	15,127
EMP Industries Inc	2	2	-	14,985
Ino-Tek Inc	2	2	-	14,865
HSI Workplace Compliance Solutions	1	1	-	14,400
Apex Controls	1	1	-	14,315
Institute For Environmental Health	12	2	-	14,310
Trace Analytical Laboratories Inc	12	2	2	14,284
Water & Wastewater Leadership Center	1	1	-	14,275
Daniel A Hensley Alford	5	1	1	14,188
BlueAlly Technology Solutions LLC	1	1	-	14,080
B & H Machine Sales, Inc	6	3	-	14,044
Stantec Consulting Services Inc.	2	2	2	14,002
Fibergrate Composite Structures	1	1	-	13,949
SEAM Group LLC	2	1	1	13,750
Environmental Resource Associates	20	15	-	13,714
TWN Consulting LLC	12	1	1	13,650
Midwest Air Filter Inc	12	12	-	13,441
Digital Assurance Certification LLC	5	4	-	13,300
Eurofins Eaton Analytical, Inc.	12	6	-	12,703
Great Lakes Pump & Supply Co	1	1	-	12,692
Action Mat & Towel Rental	84	4	3	12,324
Alro Steel Corporation	1	1	-	11,970
Alfonsi Railroad Construction Co	1	1	-	11,876
Service Electric Supply Inc	23	22	-	11,672
Bromberg & Associates LLC	5	2	2	11,538
Sterling Millwork, Incorporated	3	3	-	11,340
Macomb Community College	3	1	-	11,292
Michigan Rural Water Association	3	2	-	11,247
Re-Source Partners	5	1	1	11,157
Dice Career Solution	1	1	-	11,029
Continental Carbon Group Inc	5	1	-	10,980
Precision Digital Corporation	3	3	-	10,972
Boomer Construction Materials	50	1	1	10,904
Environmental Consulting	11	3	3	10,884
Vasion	1	1	-	10,824
Corrosion Fluid Products	1	1	-	10,784
Shelby Township DPW	4	-	-	10,684
Best Aire Compressors Services Inc	6	6	-	10,387
Meg-Alert, Inc.	1	1	-	10,384
Compressor Engineering Corporation	5	5	-	10,365
EH Wachs	1	1	-	10,255
Jim Myers & Sons, Inc.	3	2	-	10,188
CBT Nuggets, LLC	1	1	-	10,180

Vendor	Invoice Count	PO Count	Contract Count	Amount
Trusty-Cook	1	1	-	10,054
Gray Matter Systems LLC	1	1	-	10,052
The Water Tower Institute	1	1	-	10,000
Garrett Burgess Inc	1	1	-	9,862
International - Mokveld Valves BV	2	1	-	9,750
Annie Kruiise, LLC	4	2	2	9,600
RepcLite Paints, Inc.	41	1	-	9,454
USA Bluebook - Main	7	5	-	9,423
Kerr Pump and Supply, Inc.	1	1	1	9,407
Tidal Basin Government Consulting	11	1	1	9,394
YTI Office Express	18	13	-	9,350
Dunbar Mechanical, Inc.	2	2	-	9,292
JT Crova Towing	37	1	1	9,273
Progressive Plumbing Supply Co Inc	35	32	-	9,188
Robin Cash Ph.D., LLC	4	1	-	9,156
Complete Battery Source	7	7	-	9,052
Alpha Psychological Services PC	13	1	-	9,000
Sigma Associates Inc	4	1	1	8,974
Kerr, Russell and Weber, PLC	9	1	1	8,933
McLaren Port Huron Industrial	5	1	-	8,760
Process Control Services Inc	1	1	-	8,726
Caniff Electric Supply Co., Inc.	39	4	-	8,651
City of Farmington Hills	6	-	-	8,511
Bearing Service Inc	3	3	-	8,170
Fisher Scientific Company LLC	2	2	-	8,144
Detroit Legal News	7	3	-	8,027
Sunbelt Rentals, Inc.	5	1	-	7,927
Kiesler Police Supply Inc	4	4	-	7,927
Indian Springs Mfg. Co Inc	2	2	-	7,702
Capp USA	6	6	-	7,673
United States Plastic	3	3	-	7,655
Tru Steel Metals LLC	1	1	-	7,635
Blue Water Air Compressor	4	4	-	7,631
Henry Ford College	1	1	-	7,598
Howard Commercial Door	1	1	-	7,590
Radwell International Inc.	6	4	-	7,574
Davidson Sales	2	2	-	7,523
Tobys Instrument Shop Inc	11	7	2	7,355
L&W Supply	16	2	-	7,251
Advance Plumbing & Heating Supply	20	13	-	7,145
Central Poly-Bag Corp	1	1	-	7,143
Trimble Inc	4	3	3	7,080
United Parcel Service	176	-	-	7,048
HD Edwards & Company	12	11	-	7,033
International Controls & Equipment	1	1	-	6,857
L.I.J.B.S. Enterprises, LLC	6	1	1	6,794
Communication Supply Co.	6	2	-	6,710
J. Dedoes Enterprises Inc.	17	1	-	6,620
Pennzoil-Quaker State Company	1	1	-	6,532
Plattco Corporation	1	1	-	6,371
Michael Gould	8	1	1	6,310
Staples	21	16	-	6,088
Anderson Process	1	1	-	5,980
TargetSolutions Learning, LLC	1	1	1	5,915
Brehob Corporation	1	1	-	5,846
Major Brand Oil Company Inc	1	1	-	5,822
Seaway Mechanical Contractors Inc	1	1	1	5,752
Hanna Instruments USA	2	1	-	5,717
Behnke Pump Technologies, LLC	4	1	1	5,665
Richard and Christine Stuhlsatz	1	-	-	5,564
Michigan Valve & Fitting Inc	4	4	-	5,514
Michigan Water Environment	1	1	-	5,440
Identification Lamination Products	3	3	-	5,290
Brooks Lumber Company	4	4	-	5,263
Sterling Infosystems, Inc.	7	1	1	5,139
Marine Pollution Control Corp	2	1	-	5,067
Innovyze Inc	1	1	-	5,000
DTN LLC	10	2	-	4,978
ZLED Lighting	2	2	-	4,966
Andax Industries LLC	4	3	-	4,952
Quality Air Service Inc.	2	1	-	4,906
Kopka Pinkus & Dolin PC	5	1	1	4,857
SGN Mobile Electronics	11	1	1	4,831
Bearing Headquarters Co	6	6	-	4,812
Robert Thomas CPA, LLC	1	1	-	4,800
Sabiston Building Supply	29	1	-	4,761
Martin Engineering Company	1	1	-	4,752
TK Elevator Corporation	5	3	2	4,736
Spina Electric Company	2	2	-	4,685
R L Deppmann Company	2	2	-	4,616
Action Impact - Eastpointe	9	1	-	4,601
One Clarion	1	1	-	4,547
PDQ.COM Corporation	1	1	-	4,500
State of Michigan - MIOSHA	1	-	-	4,500
Pure Data Services, LLC	25	3	-	4,471

Vendor	Invoice Count	PO Count	Contract Count	Amount
R.S. Means Company LLC	1	1	-	4,455
Towlift Inc	2	2	-	4,450
Quadient Inc.	22	2	-	4,421
BigTime Software Inc.	1	1	-	4,417
Kirk's Automotive Inc	26	25	-	4,333
Purvis & Foster Inc	1	1	-	4,309
Shutterstock Inc	3	2	-	4,299
Bentley Systems Incorporated	1	1	-	4,170
Comcast Business Communication, LLC	24	-	-	4,150
Goodway Technologies	1	1	-	4,020
Smith's Waterproofing LLC	1	1	-	3,950
Sodexo Inc.	2	2	-	3,936
Emedco	3	3	-	3,930
Thompson Grants	1	1	-	3,928
Flor Dri Supply Company Inc	6	6	-	3,924
EKUIPTTECH, LLC	1	1	-	3,898
DP Brown Of Detroit Inc	2	2	-	3,888
Iron Mountain	41	1	2	3,769
C P E Filters Inc	2	2	-	3,761
Marsh Power Tools, Inc	13	1	-	3,751
Antonio Dushaj	1	-	-	3,726
LexisNexis	12	1	1	3,703
Charlison Scott Rayburn	1	-	-	3,700
Industrial Networking Solutions	2	2	-	3,638
Jeffrey Flanigan	1	-	-	3,620
ALS Environmental	12	1	-	3,600
2Checkout	1	1	-	3,599
Nationwide IME	3	3	-	3,578
Douglas Orlo Hoyt Jr	1	-	-	3,500
Michigan Air Solution LLC	1	1	-	3,486
Chemtrac Inc	2	2	-	3,371
Chemical Systems Inc	1	1	-	3,312
Swanky Restroom Trailers	1	1	-	3,300
Detroit Stoker Company LLC	2	2	-	3,253
Michigan Chronicle Publishing Co	1	1	-	3,250
Bell Equipment Company	1	-	-	3,213
Tri Star Steel Corporation	3	3	-	3,133
Unconventional Solutions Inc	1	1	-	3,100
Cole-Parmer Instrument Company LLC	1	1	-	3,046
GEO Jobe GIS Consulting	1	1	-	3,000
Youngs Consulting Ltd Inc	1	1	-	3,000
Detroit-Wayne Joint Building Auth	1	-	-	3,000
VEGA Americas Inc.	1	1	-	2,959
Heritage Vision Plans	10	1	-	2,947
Aqua Solutions Inc.	11	2	-	2,938
HireRight, LLC	4	2	2	2,902
PaymentVision	13	1	1	2,860
Contractors Connection Inc	5	5	-	2,841
Swagelok Michigan Toledo	1	1	-	2,830
VESCO Oil Corporation	5	5	-	2,808
Beasley Media Group LLC	1	1	-	2,800
M C Gutherie Lumber Company	8	8	-	2,797
One Water Solutions	1	1	1	2,784
Michigan Mechanical Insulation	1	1	-	2,776
MW Watermark LLC	1	1	-	2,750
Discovery Solutions Inc	13	2	-	2,686
American Water College	1	1	-	2,680
Process Improvement Institute Inc.	1	1	1	2,678
Broadspire Services Inc	4	1	1	2,670
BCC Distributon	2	2	-	2,639
Team Industrial Services Inc	3	3	-	2,626
Able Label	2	2	-	2,599
Saint Theodora of Sihla Romanian Or	1	-	-	2,588
Industrial Safety Products	1	1	-	2,587
Anthony and Rebecca Moore	1	-	-	2,538
Canfield Equipment Service Inc	1	1	-	2,533
Helwig Carbon Products Inc	3	3	-	2,526
J.J. Supply Company Inc.	4	4	-	2,522
State of Michigan	1	-	-	2,500
D Mahaba Investments LLC	1	-	-	2,450
Midwest Municipal Instrumentation	1	1	-	2,450
Eclincher	1	1	-	2,422
CSX Transportation	4	-	-	2,400
ReNu Power Tool & Supply Co Inc	8	1	-	2,397
Air Design Incorporated	1	1	-	2,375
McMaster-Carr Industrial Supply Co	6	6	-	2,349
Enterprise Holding Inc.	2	1	1	2,337
Black & Veatch Ltd Of Michigan	2	1	1	2,292
Choctaw-Kaul Distribution Company	13	12	-	2,276
Flagpoles ETC	2	2	-	2,247
CEM Corporation	1	1	-	2,215
IDN Hardware Sales, Inc.	3	3	-	2,152
City of Highland Park	2	2	-	2,102
City of Auburn Hills	2	-	-	2,036
FedEx Freight Inc	3	-	-	2,033

Vendor	Invoice Count	PO Count	Contract Count	Amount
Cech Corporation	1	1	-	1,982
City of Harper Woods	2	-	-	1,977
Thermo Ramsey LLC	1	1	-	1,949
TForce Freight	7	-	-	1,939
Nalco Water	5	1	1	1,938
The Sheer Shop Inc.	1	1	1	1,935
JMS Southeast Inc	1	1	-	1,909
B&H Photo-Video	2	2	-	1,860
Gilson Engineering Sales	1	1	-	1,832
Farnell Equipment Company	1	1	-	1,750
Fondriest Environmental Inc	1	1	-	1,700
Electro-Matic Products Inc	1	1	-	1,670
Airgas USA LLC	2	2	-	1,662
Madonna University	2	2	2	1,650
Accredited Lock & Door Hardware	2	2	-	1,643
S P Kinney Engineers Inc	2	2	-	1,608
Graphic Products Inc.	1	1	-	1,578
The Dobrusin Law Firm PC	1	1	1	1,562
Teledyne Monitor Labs	1	1	-	1,531
Global Environmental Consulting LLC	4	2	-	1,525
Krohne, Inc	1	1	-	1,503
Raven Environmental Products Inc	1	1	-	1,496
State of Michigan - SET Fund	1	-	-	1,492
Nabil K Siblani	1	-	-	1,394
Citra, LLC	1	1	-	1,339
Air Dimensions Inc	1	1	-	1,326
H & P Technologies Inc.	2	2	-	1,293
Professional Publishing Group	1	1	-	1,248
RedGuard Fire & Security, Inc.	4	1	-	1,236
Depco Pump Company	1	1	-	1,227
Ayyeka Inc.	1	1	-	1,225
EUCI	1	1	-	1,195
Exotic Automation & Supply	2	2	-	1,176
Equipment Material Sales, LLC	3	3	-	1,120
Precision Locker	1	1	-	1,090
Zymo Research Corporation	1	1	-	1,080
Quinn Evans	1	1	1	1,050
Crown Lift Trucks	5	3	-	1,046
Xiong Van and Julia A Vang	1	-	-	1,038
HR Management Group Inc	1	1	1	998
JPW Industries, Inc	1	1	-	962
Dennis & Deborah Hayden	1	-	-	934
Engineering Reproduction Inc.	1	1	-	925
Yates Cider Mill LLC	1	-	-	890
YRC Freight	1	1	-	873
NSI Lab Solutions Inc	1	1	-	864
AFC International Inc	1	1	-	838
Schuster Law PLC	1	1	1	822
Linde Gas & Equipment Inc.	1	1	-	820
Downriver Utility Wastewater Auth.	3	1	-	800
Norkan Inc	2	1	1	779
Ideal Electric Power Company	1	1	-	760
Seton	5	3	-	737
Advanced Calibration Designs	1	1	-	724
Fibre Industries	1	1	-	720
Chart Pool USA Inc	1	1	-	718
Hi-Lo Industrial Trucks Co. Inc.	1	1	-	710
City of Novi	4	-	-	687
LabStrong Corporation	2	2	-	649
StylAir LLC	3	3	-	647
City of Troy	2	-	-	643
George Instrument Company	1	1	-	629
Torch Associates LLC	1	1	-	624
Teledyne CETAC Technologies Inc	2	1	-	616
Evident Scientific, Inc	2	2	-	565
City of Romulus	7	-	-	502
Macomb County Department of Roads	1	-	-	450
Liberty Plumbing Supply Company	4	2	-	370
Poco Sales Inc	1	1	-	368
Faro Imaging Solutions	1	1	-	348
Ferndale Electric Company Inc	1	1	-	346
Dal-Tile Distribution	1	1	-	326
Bearings and Industrial Supply Co	1	1	-	318
Butzel Long PC	2	1	1	300
ShredCorp.	1	1	1	290
Bulldog Records Management Inc	5	1	-	264
Charter Township of Plymouth	11	-	-	252
Downriver Refrigeration Supply Co	1	1	-	251
City of Wayne - Water Department	5	-	-	236
Flowquip Solutions	1	1	-	225
Wright Tool Co	1	1	-	196
K & K Maintenance Supply Inc	2	2	-	183
City of Roseville Water Department	4	-	-	173
City of Southfield	11	-	-	161
Atlas Plumbing Supply Co.	1	1	-	92

Appendix D – FY 2024  
 Combined Vendors paid by Invoice

Vendor	Invoice Count	PO Count	Contract Count	Amount
Columbia Pipe & Supply Co.	1	1	-	59
Core & Main LP	1	1	-	46
Consolidated Rail Corporation	1	-	-	25
KenWave Solutions Inc.	10	4	4	-
Hughes Supply	2	1	-	-
TempoTech Controls Inc	2	2	-	-
Ise Metal Incorporated	2	2	-	-
Computational Hydraulics Inc	4	3	-	-
Unemployment Insurance Agency	4	-	-	-
Sysmex America, Inc.	3	2	-	(1,590)
Mokveld Valves BV	2	-	-	(9,750)
<b>Grand Total</b>	<b>25,126</b>	<b>4,706</b>	<b>617</b>	<b>\$ 596,108,815</b>

*Note-Totals include returns/refunds and other adjustments*



# GLWA 2024 Vendor Outreach Event Post Event Report



# Executive Summary

- ◆ A survey was sent out to all attendees via the Whova app
- ◆ 41 evaluations received
- ◆ Overall, very positive feedback – 93% evaluated the event as excellent (49%) or very good (44%)
- ◆ Over 73% of survey responses indicated that the event exceeded their expectations
- ◆ Over 80% of survey respondents are now more likely to respond to a GLWA solicitation
- ◆ Innovative program with prime contractor panel received positive feedback
- ◆ Constructive suggestions and feedback that will be applied in future events

# Overview

The following report includes a post-event evaluation and recommendations for future events. As identified in the contract it was important that Annie Kruiise, LLC (AKLCC) provide event coordination for the GLWA 2024 Vendor Outreach Event and support all meetings and event activities with the assigned GLWA project manager.

## **PRE-EVENT SERVICES**

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

# Overview

## EVENT DAY MANAGEMENT

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

## POST EVENT SERVICES

- ◆ Met with GLWA to debrief immediately following event.
- ◆ Reviewed event invoices for accuracy before submittal to GLWA for payment.
- ◆ Collected, analyzed, and provided a written summary of the survey results.
- ◆ Researching 2025 event locations based on GLWA member areas.

*Annie Kruiise, LLC appreciates the opportunity to provide our event management services to support the GLWA's annual Vendor Outreach event.*

# Event Agenda

**Registration** (Oakland Foyer) ..... 7:30 a.m.  
**Breakfast** (Oakland Ballroom) ..... 7:30 a.m.

## General Session (Oakland Ballroom)

**Welcome to Great Lakes Water Authority** ..... 8:30 a.m.  
 Suzanne R. Coffey, P.E. Chief Executive Officer

**Great Lakes Water Authority Financial Outlook** ..... 8:40 a.m.  
 Nicolette N. Bateson, CPA, Chief Financial Officer/Treasurer

**Ethics in Public Procurement** ..... 8:45 a.m.  
 David W. Jones, General Counsel

**What's new with GLWA Procurement** ..... 9:00 a.m.  
 Sonya Collins, CPPB, Chief Procurement Officer

**Open Q&A - Overview of Resource Tables** ..... 9:10 a.m.  
 Nicolette N. Bateson, CPA, Chief Financial Officer/Treasurer

**How We Select Our Subcontractors - GLWA Prime Contractors Panel** ..... 9:25 a.m.  
 Facilitator: Sonya Collins, CPPB, Chief Procurement Officer  
 Panel: Gino D'Agostini, Ric-Man Construction  
 Colt Odeh, VP, Clark Construction  
 Thomas Hardiman Sr., EVP, LGC Global  
 Matt Glaz, Director Commercial Contracting Corporation  
 Todd Schurig, PE, DBIA - Business Development, Kokosing Industrial Inc.

## Breakout Sessions 10:40 a.m. – 12:00 p.m.

### Construction & Engineering Track

(Salons - ABC)

**CIP/Program Management Plan (PMP) Rollout** ..... 10:40 a.m.  
 Facilitator: Dima El-Gamal, CIP Director  
 Panel: Sonya Collins, CPPB, Procurement Director  
 Brian Van Hall, Water Engineering Manager

**CIP Delivery/Project Controls - P6 Schedules** ..... 11:25 a.m.  
 Facilitator: Ian Thompson, CIP Controls Manager

### Services & Goods Track

(Ottawa Ballroom)

**How to Successfully Respond to a GLWA RFB/RFP** ..... 10:40 a.m.  
 Facilitator: Dan Edwards, Procurement Manager  
 Panel: Joan Salwasser, Procurement Team Lead  
 Tina Clinkscales, Procurement Team Lead  
 Gladys Cannon, Procurement Team Lead

**Vendor Performance Assessment Program** ..... 11:25 a.m.  
 Facilitator: Steve Vesschemoet, Procurement Management Professional

## Resources & Networking

7:45 a.m. – 8:30 a.m.  
 10:40 a.m. – 12:00 p.m.

### GLWA Resources

**Procurement** ..... Procurement Team

**Accounts Payable** ..... Dionna Wilson, Accounts Payable Manager  
 Kendra Taylor, Professional Administrative Analyst – Accounts Payable  
 Theresa Turner, Professional Administrative Analyst – Accounts Payable

**Organizational Development** ..... Valerie Jefferson, Manager  
 Melissa McCabee, Human Resources Generalist – Recruiter

**Business Inclusion and Diversity Program** ..... Jeanette Driver, B.I.D. Manager

**Affordability & Assistance Program** ..... Handouts Available

**Construction Accounting & Reporting** ..... Jennie Eddy, Manager  
 William Baker, Financial Management Professional  
 Desiree Barrett, Financial Management Professional  
 Tina Gillery, Financial Management Professional  
 Scott Schultz, CCIFP, Financial Management Professional

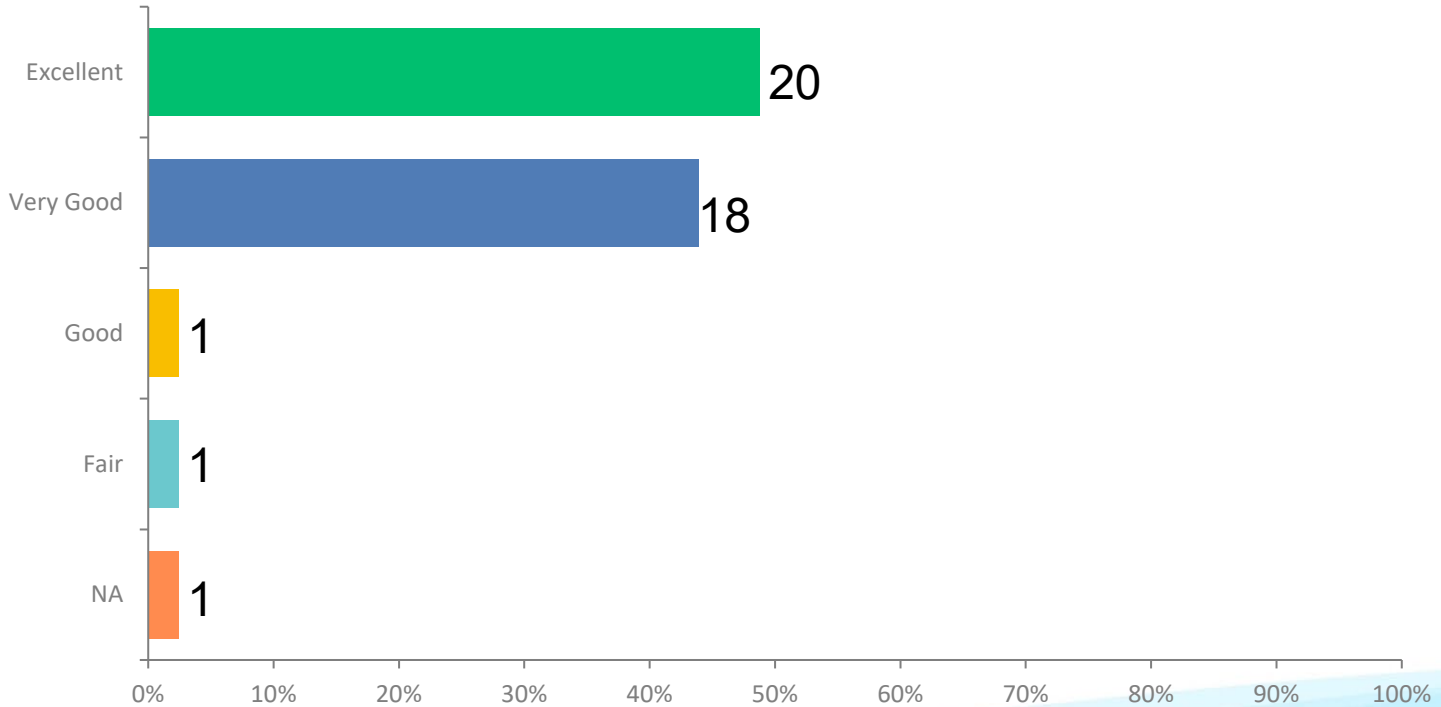
### External Resources

**Detroit Water & Sewerage Department (DWSD)** .....  
 Tiffany Jones, Diversity, Opportunity & Inclusion Director  
 Marqacha Welch, Procurement Manager  
 Sonali Patel, Public Affairs  
 Sabrina Ferguson, Procurement Specialist

# Survey Evaluation Results

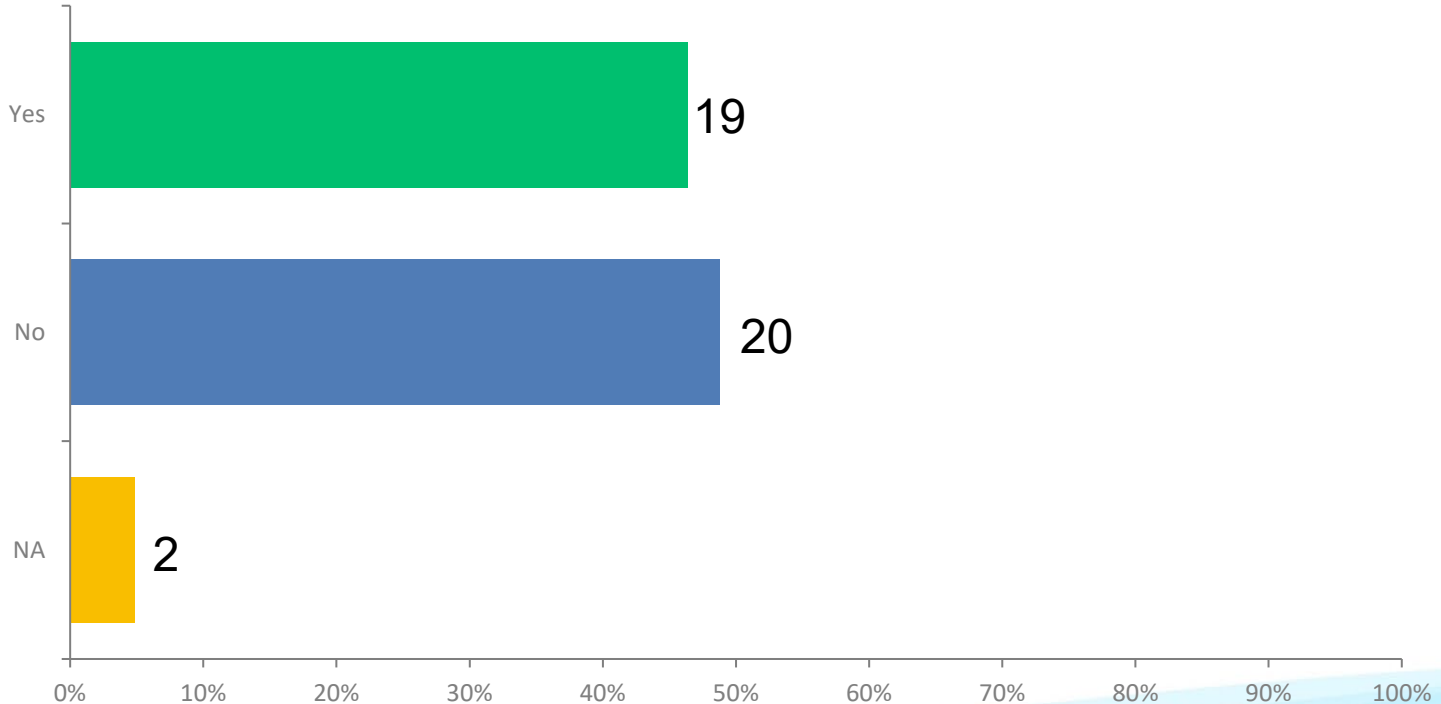
# Q1: Overall, how would you rate the GLWA Vendor Outreach Event?

Answered: 41 | Skipped: 0



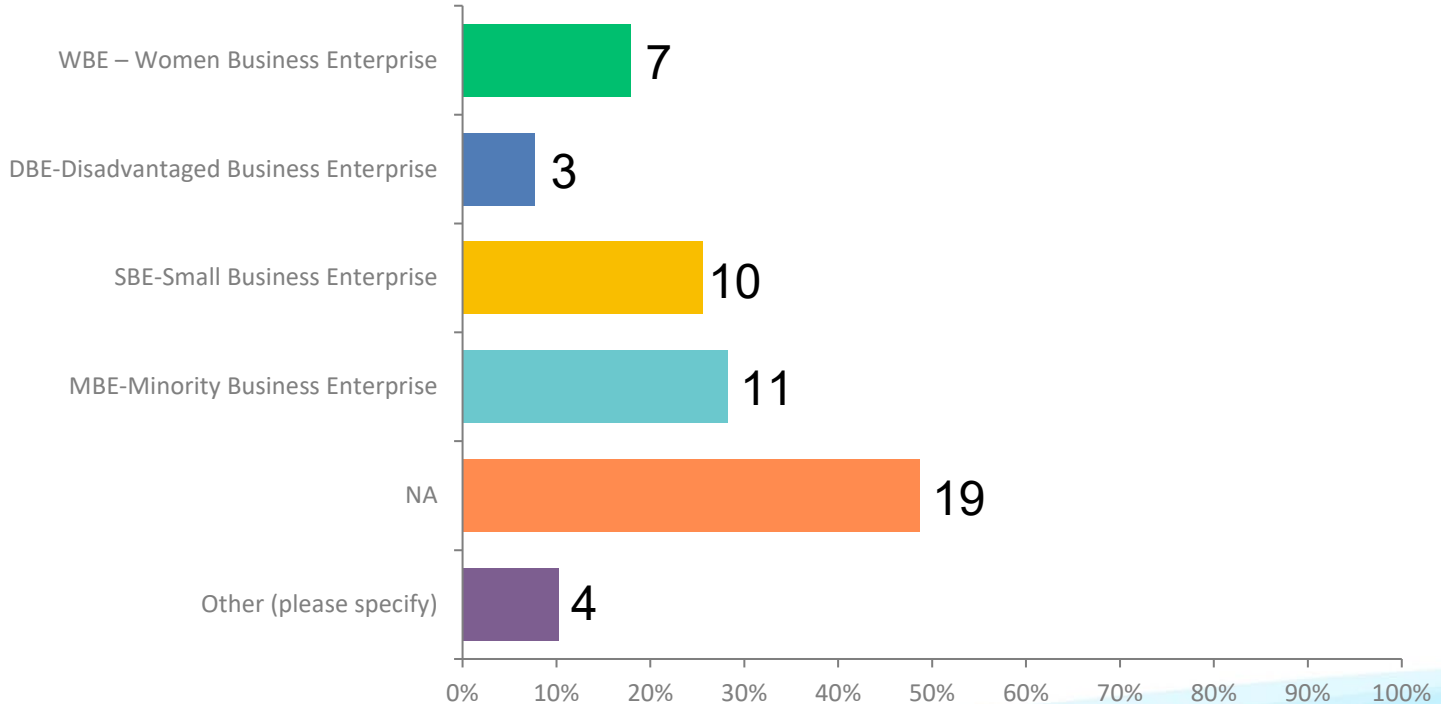
## Q2: Was this the first time you attended the GLWA Vendor Outreach Event?

Answered: 41 | Skipped: 0



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

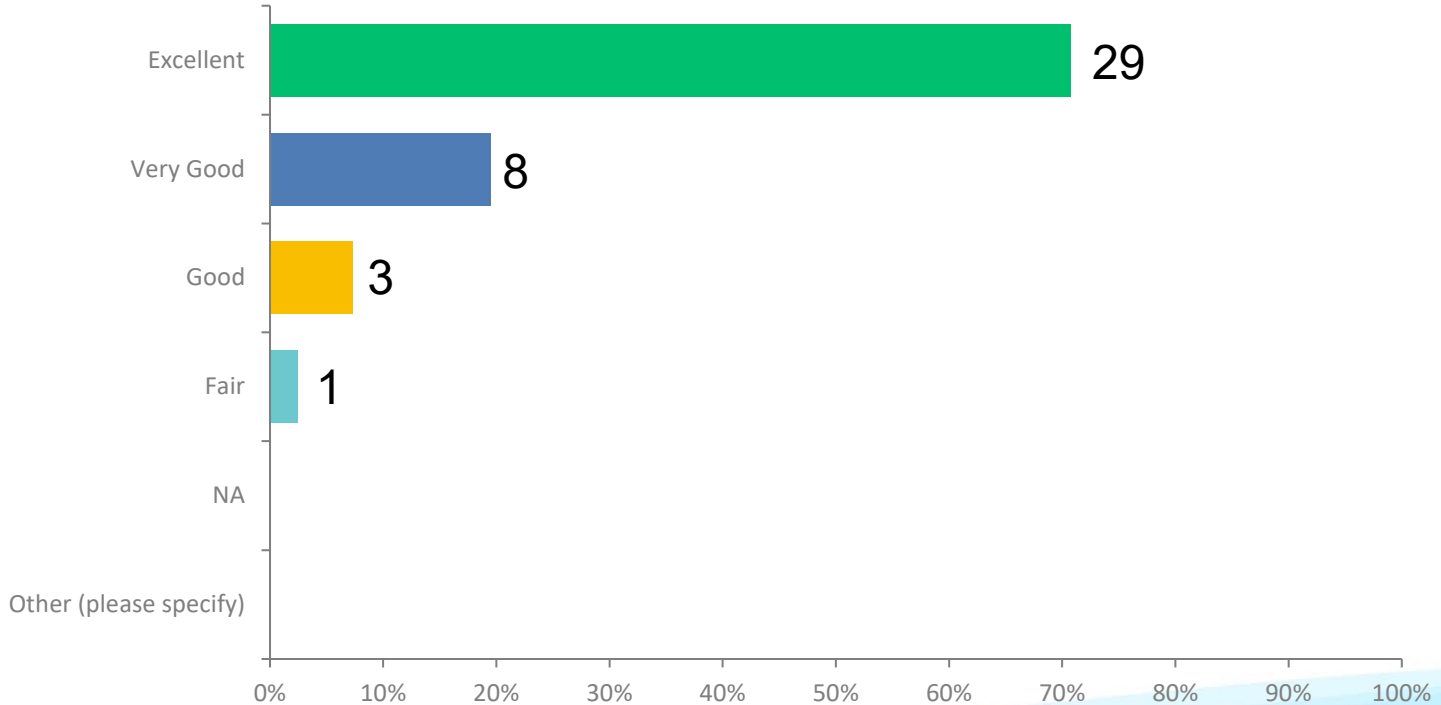
Answered: 39 | Skipped: 2





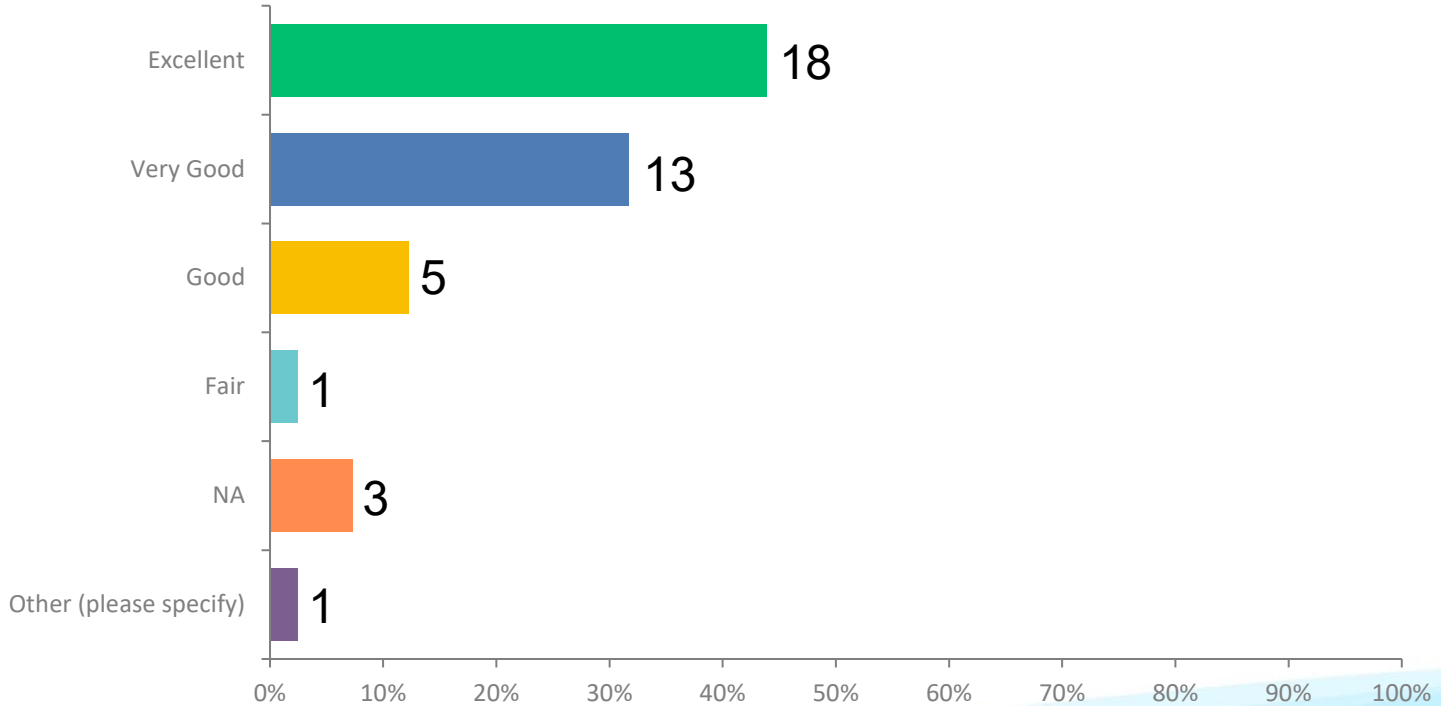
## Q4: Please rate the registration process.

Answered: 41 | Skipped: 0



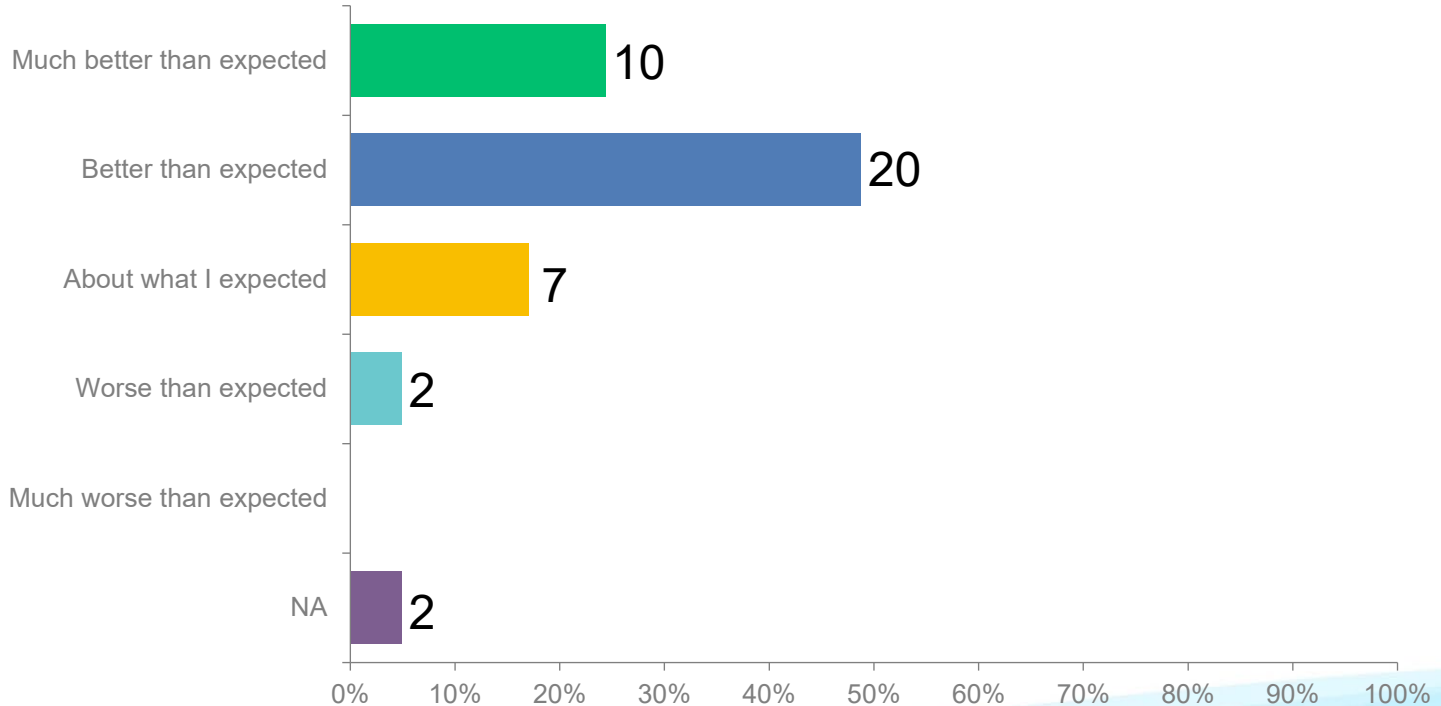
### Q5: Please rate the Whova event app.

Answered: 41 | Skipped: 0



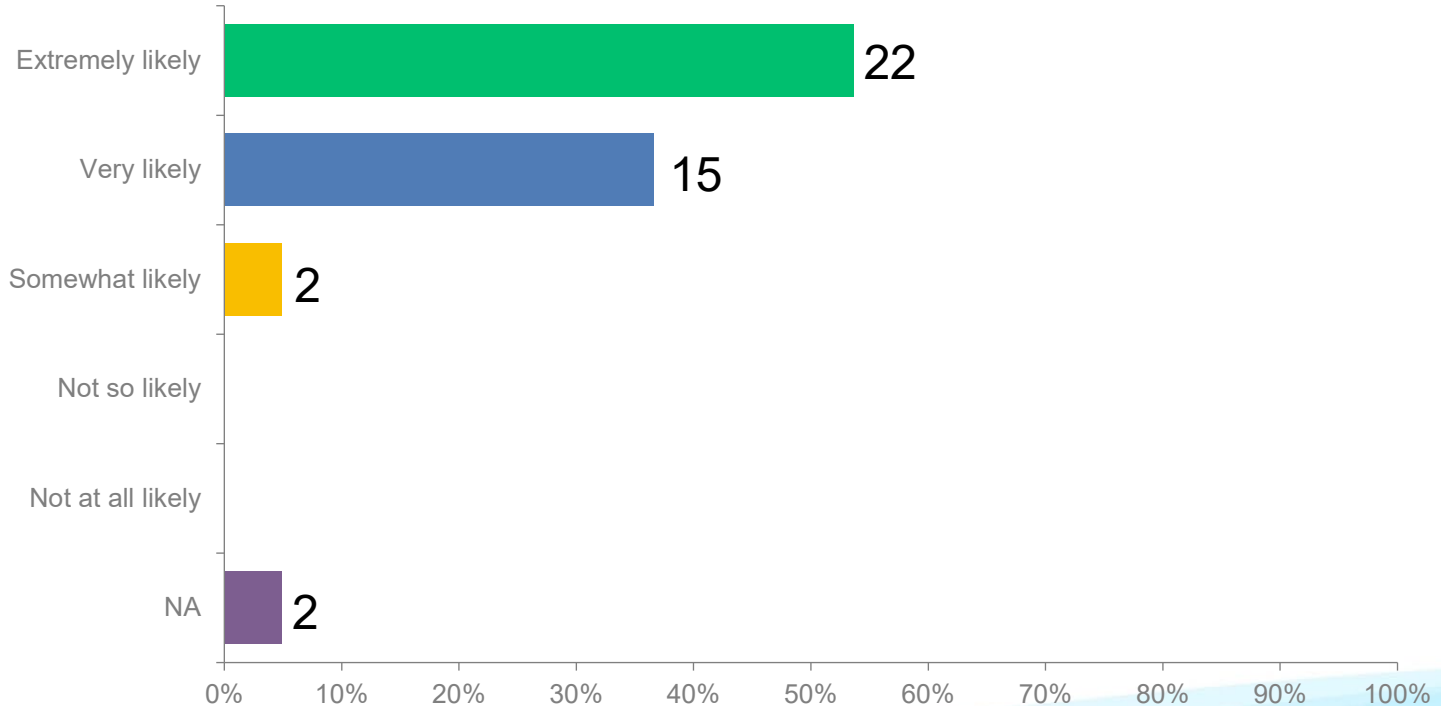
## Q6: How well did the Vendor Outreach event meet your expectations?

Answered: 41 | Skipped: 0



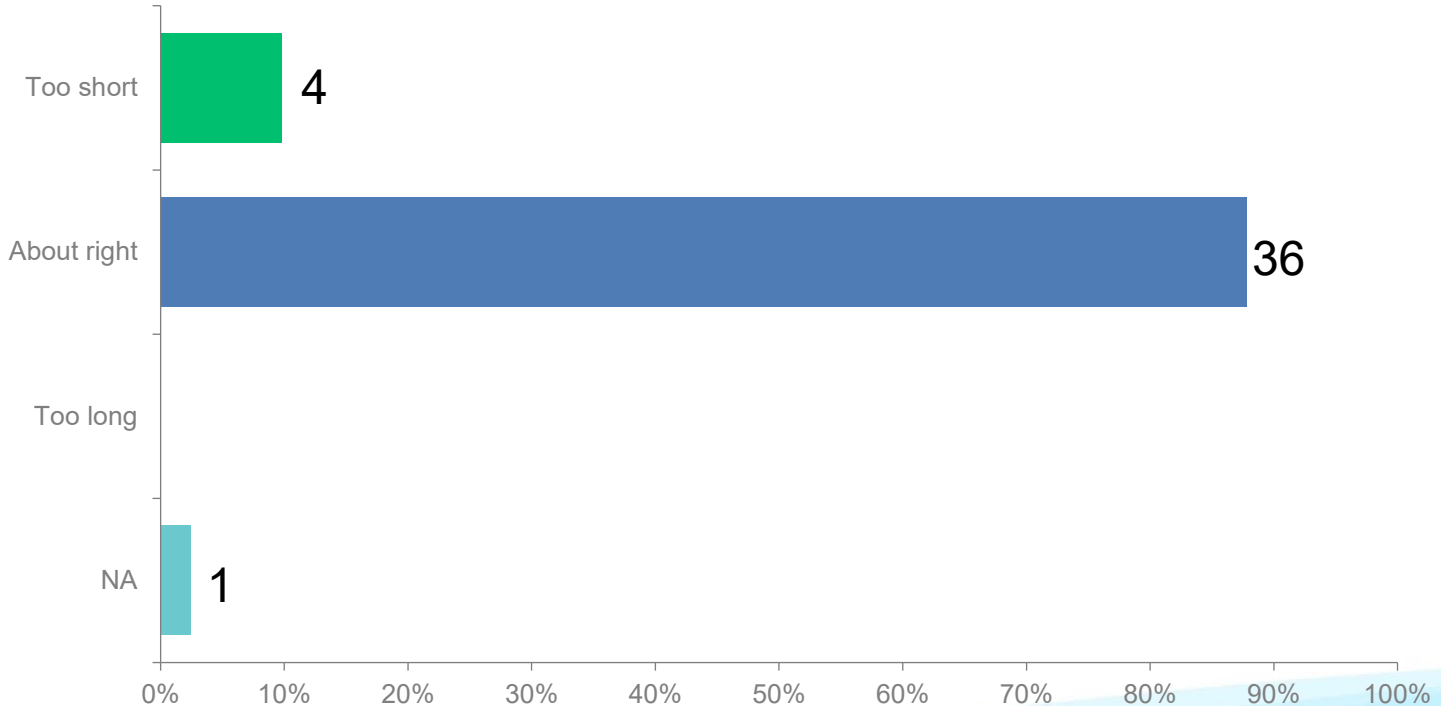
## Q7: Based on your experience at the GLWA Vendor Outreach event, how likely are you to attend future events?

Answered: 41 | Skipped: 0



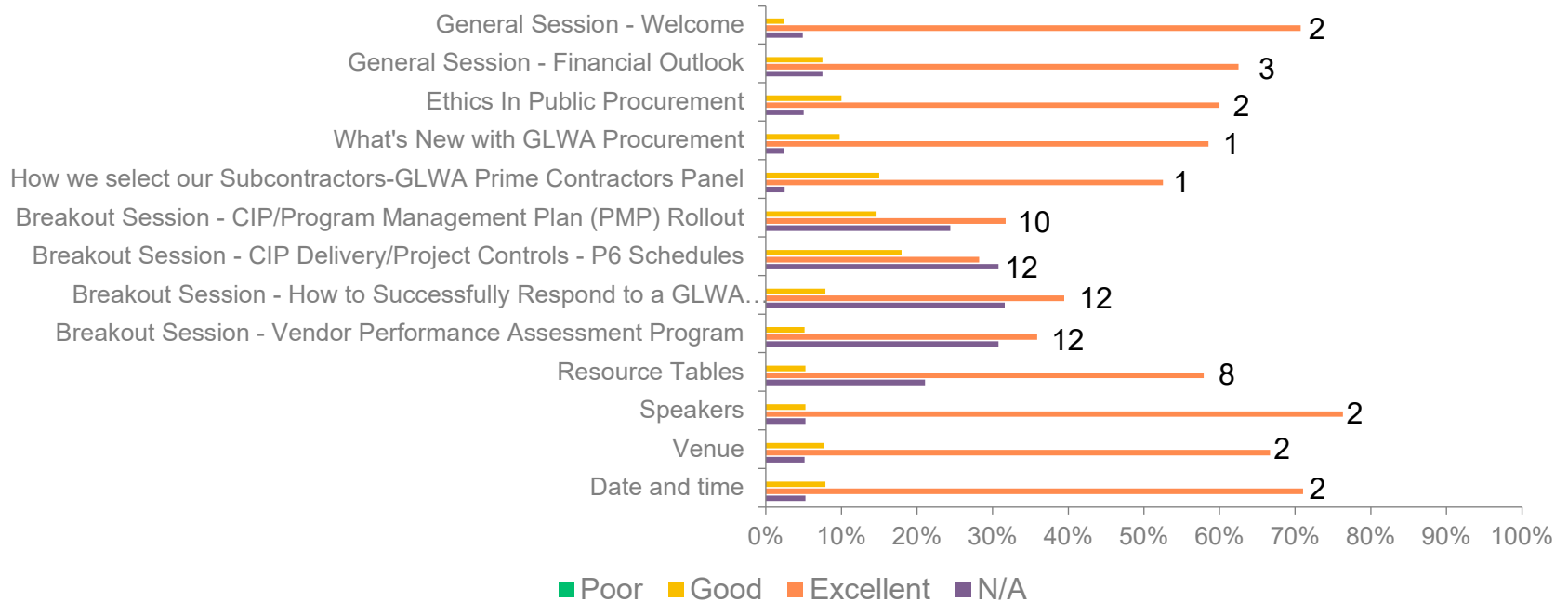
# Q8: Do you think the GLWA Vendor Outreach event was too short, about right, or too long?

Answered: 41 | Skipped: 0



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

Answered: 41 | Skipped: 0



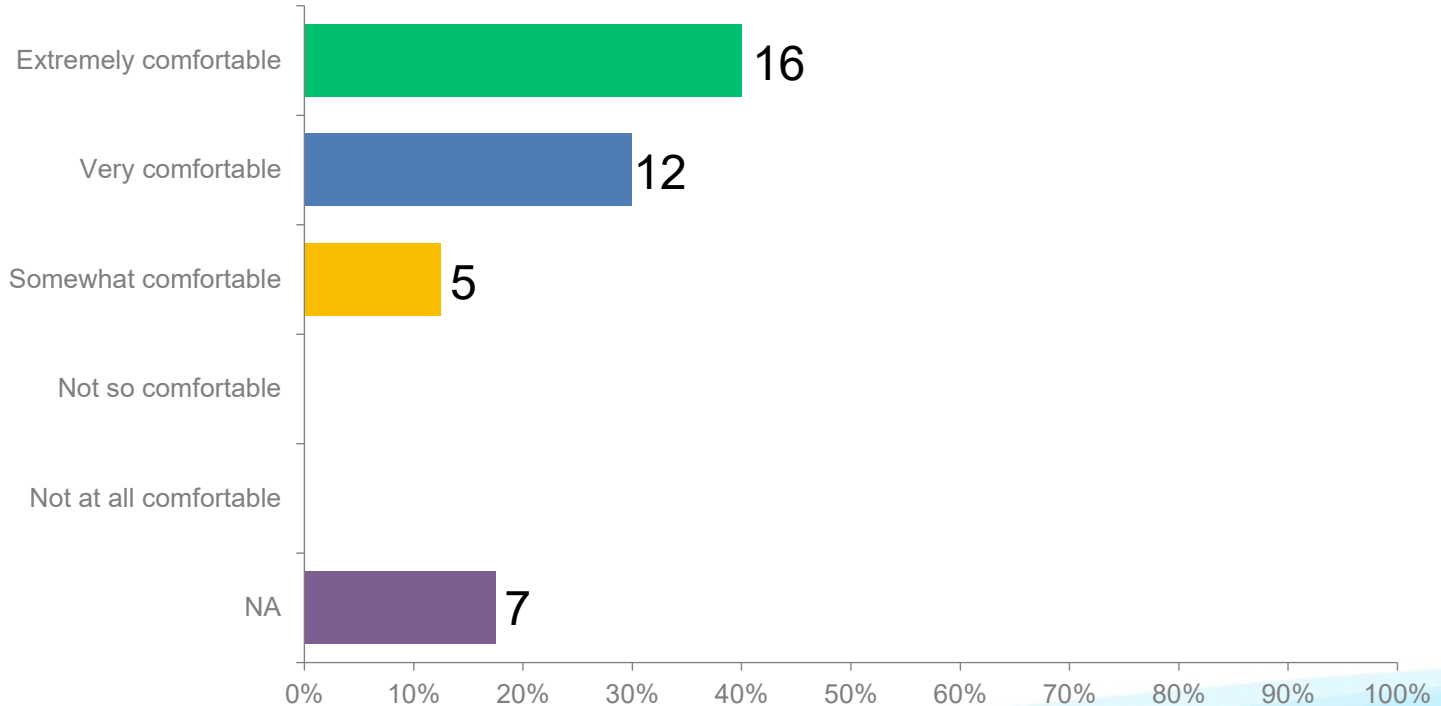
**COMMENTS:**

- The start of 7:30a.m was too early
- Very well managed
- I had a great experience at the GLWA event. I learned new things and met some very nice people



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

Answered: 40 | Skipped: 1



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

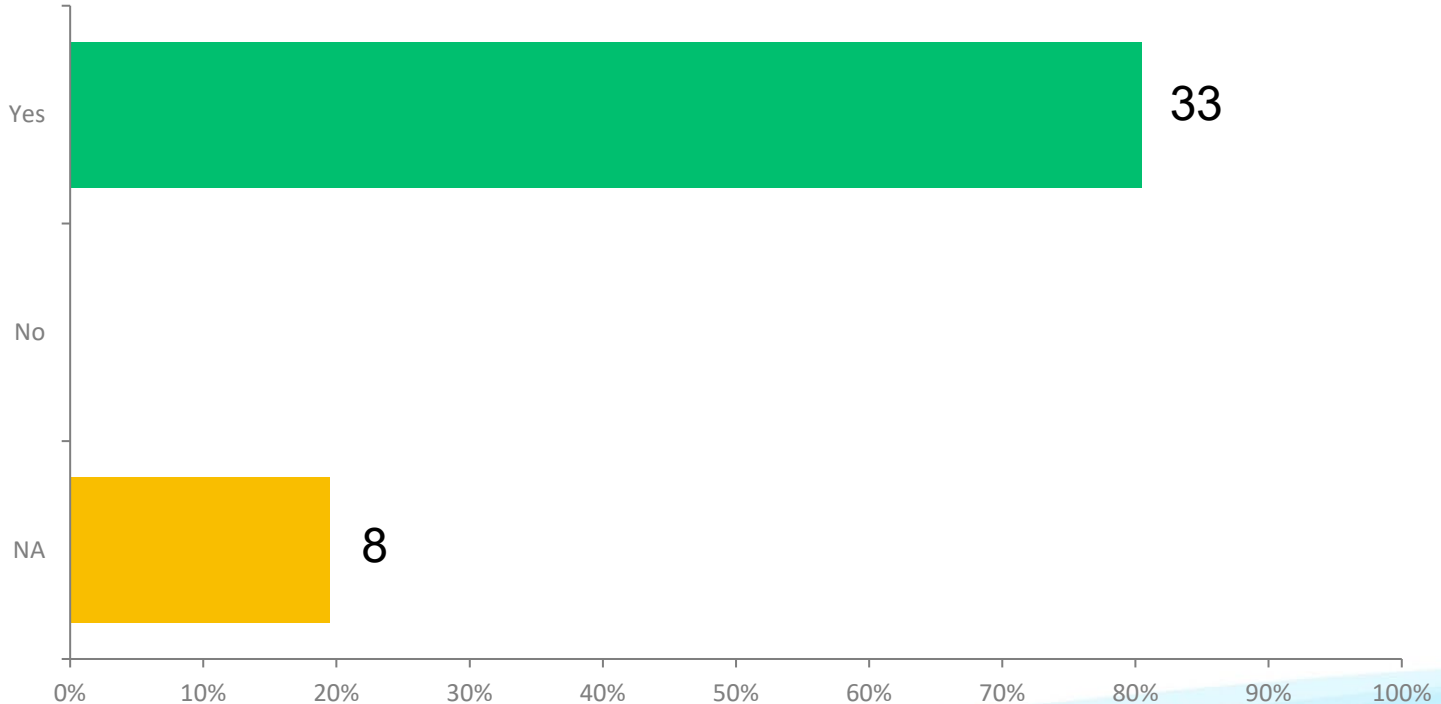
Answered: 32 | Skipped: 9

- ◆ A survey was sent out to all attendees via the Whova app
- ◆ 41 evaluations received
- ◆ That Sonya and other folks from GLWA are super approachable and open to give a chance to anyone
- ◆ About the new bidding system that vendors are moving over to
- ◆ Even playing field and outlook on spending
- ◆ To reach out to the prime contractors and get on their prequalified subcontractor lists
- ◆ You guys and gals are approachable
- ◆ It was services-related, and we are looking to connect with indirect material and goods needs.
- ◆ The new NexGen System and how well GLWA has done in ten years
- ◆ GLWA Staff is welcoming, outstanding, and committed
- ◆ Resiliency being no 1 target
- ◆ Vendor diversity
- ◆ The process on how to go about bidding
- ◆ Collaboration & Networking
- ◆ Great Networking opportunity
- ◆ Process to register in Bonfire and connect
- ◆ Networking opportunities and feeling free to ask GLWA questions
- ◆ Understanding the process of doing business with GLWA and main contractors, which I did not know before. It was also good to know who some prime contractors are.
- ◆ As a minority-owned business we received what we need to grow
- ◆ I thought the transparency and enthusiasm every GLWA teammate showed about developing strong working relationships with partners and vendors was very telling - and encouraging.
- ◆ GLWA'S commitment to small businesses
- ◆ Subcontractor panel
- ◆ That construction contractors are our biggest vendors
- ◆ How much the vendors value GLWA transparency
- ◆ Meeting some more of the GLWA people and getting contact info
- ◆ Made connections
- ◆ How the vendors selected their subcontractors and how that process worked
- ◆ Unfortunately, I was unable to attend due to Hurricane Helene
- ◆ I enjoyed David Jones' presentation on ethics
- ◆ The new PO system
- ◆ Where to find GLWA resources related to upcoming opportunities
- ◆ It was great to see people that I have worked with for many years face to face. I like how GLWA includes everyone to attend. Since Covid it has been difficult to meet so it is a great opportunity



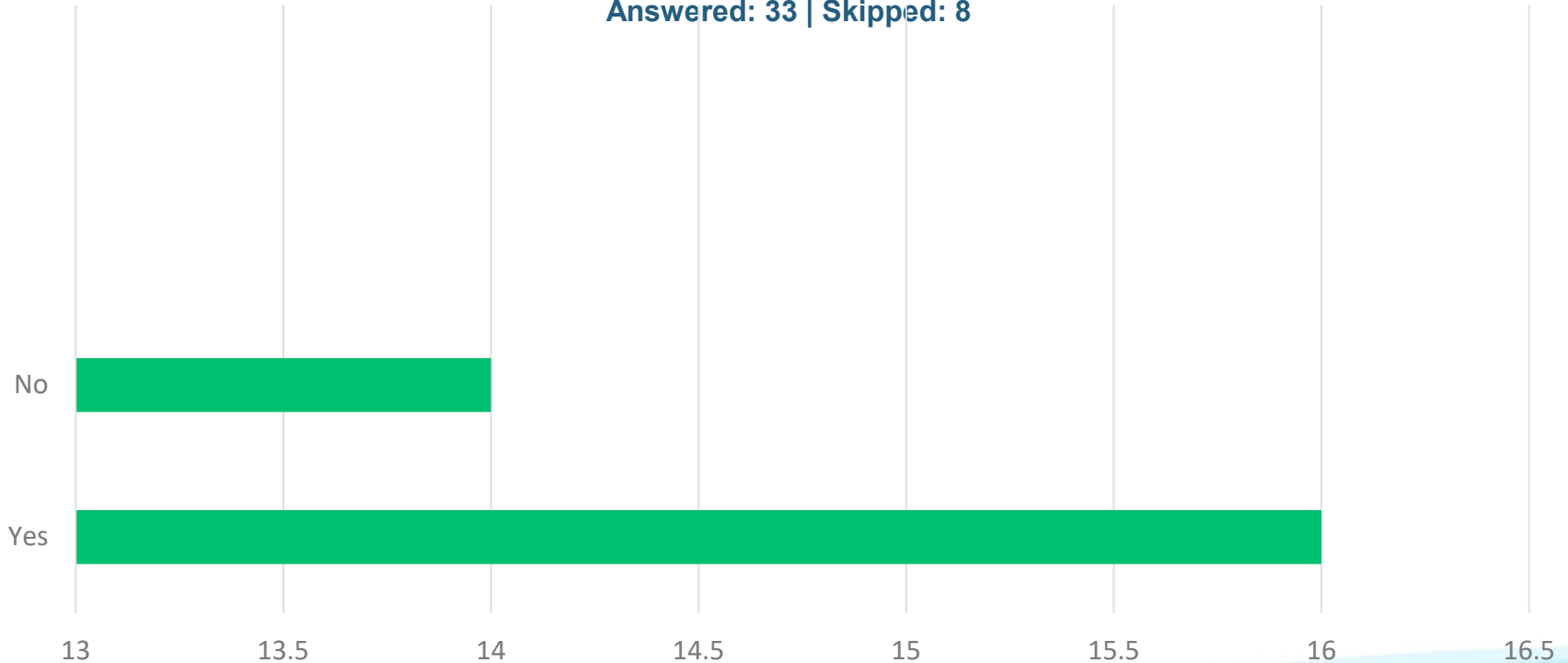
# Q12: Now knowing more about GLWA, are you more likely to respond to procurement solicitations?

Answered: 41 | Skipped: 0



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

Answered: 33 | Skipped: 8



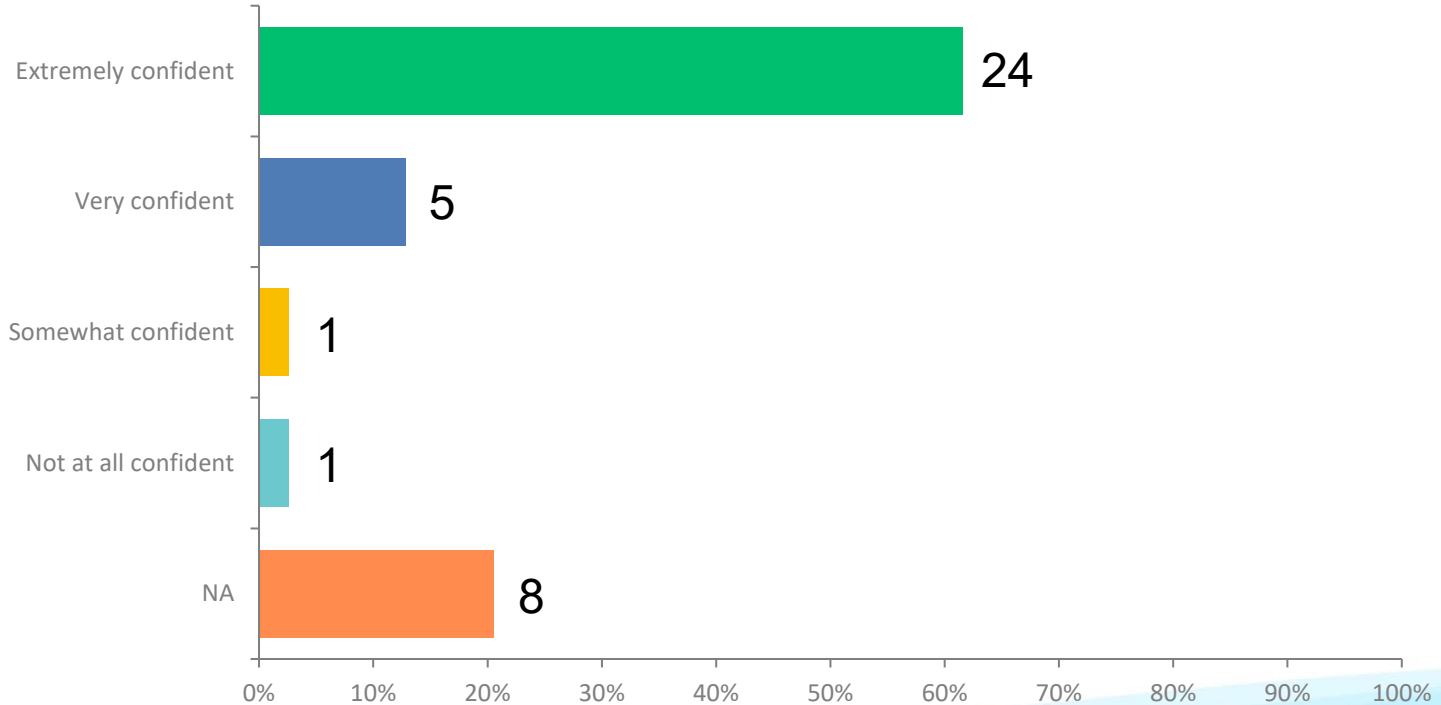
## Q14: What program changes or topics would you like to see at future events?

Answered: 25 | Skipped: 16

- Most content (if not all) was focused on "services/projects", but we are struggling to connect with materials and supplies procurement and RFQ's used at GLWA sites.
- More of the supervisors to attend as meet and greet
- No real changes but maybe a round table for consultants/especially local and small/minority consultants
- Mentor Protege Program. Hassel Free MWBE or WOSB Application, allow subcontractor feature for solicitations to connect and meet with Primes
- Annual CIP Summary (what's coming up)
- Allow vendors to exhibit at the event
- Get understanding of how the planning of the jobs maybe
- Contact information for all who attended
- Breakout sessions with separate time slots. Not two at the same time.
- More vendor SME's
- More detailed information about future projects and where GLWA budget will be spent. Long-term project plans would be nice to see as well.
- Technology sessions (Scada/Cyber/AI)
- I'd like to see a hands-on demonstration of how suppliers utilize Bonfire. Everyone is not familiar with the system.
- More time with buyers

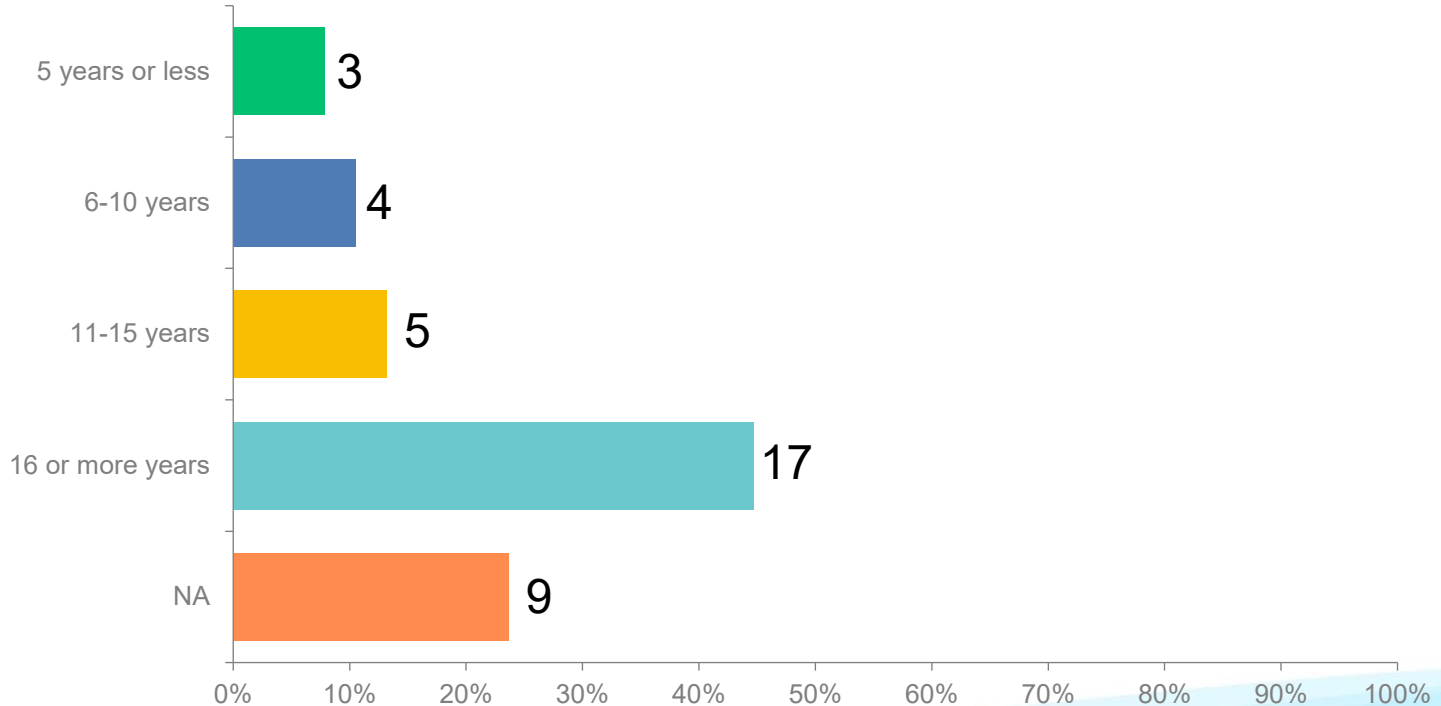
# Q17: How confident are you that your company can do business with GLWA?

Answered: 39 | Skipped: 2



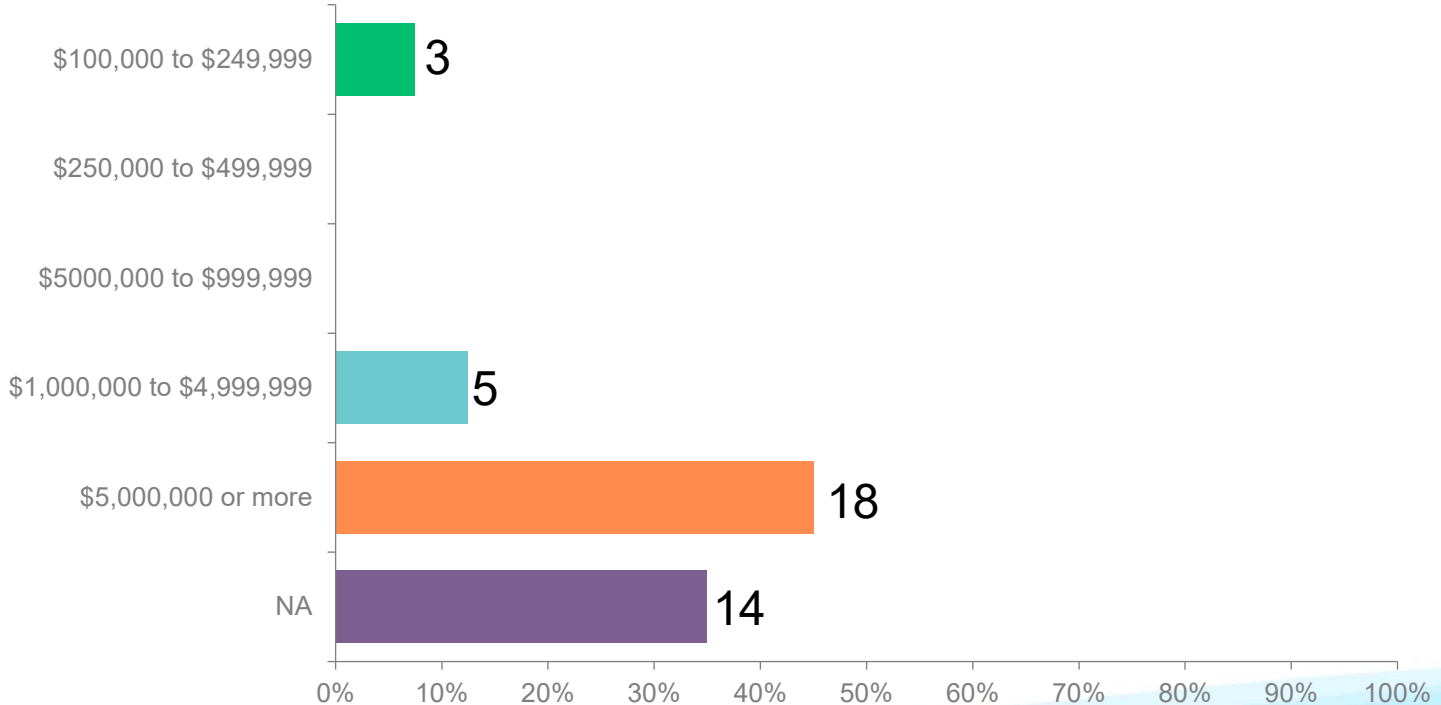
## Q18: How long has your company been in business?

Answered: 38 | Skipped: 3



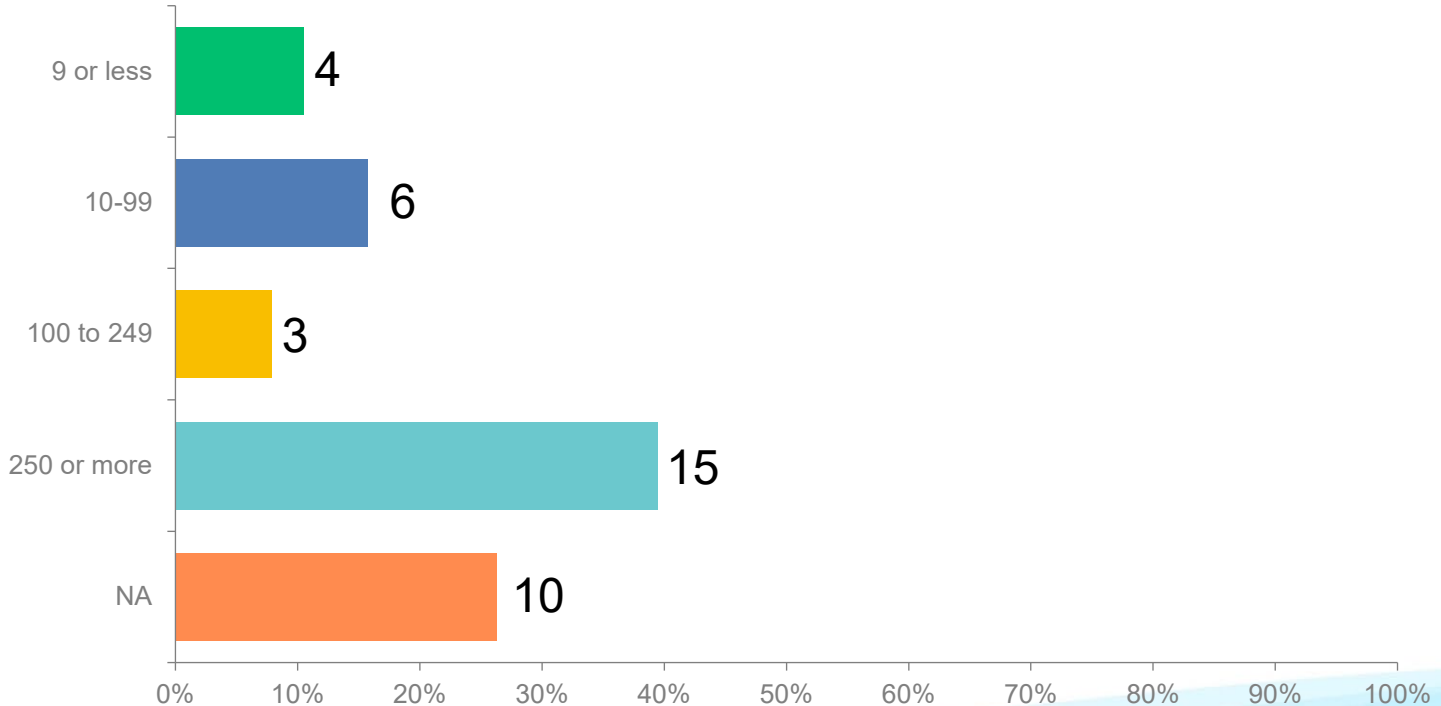
# Q19: What is the approximate annual revenue for your company last year?

Answered: 40 | Skipped: 1



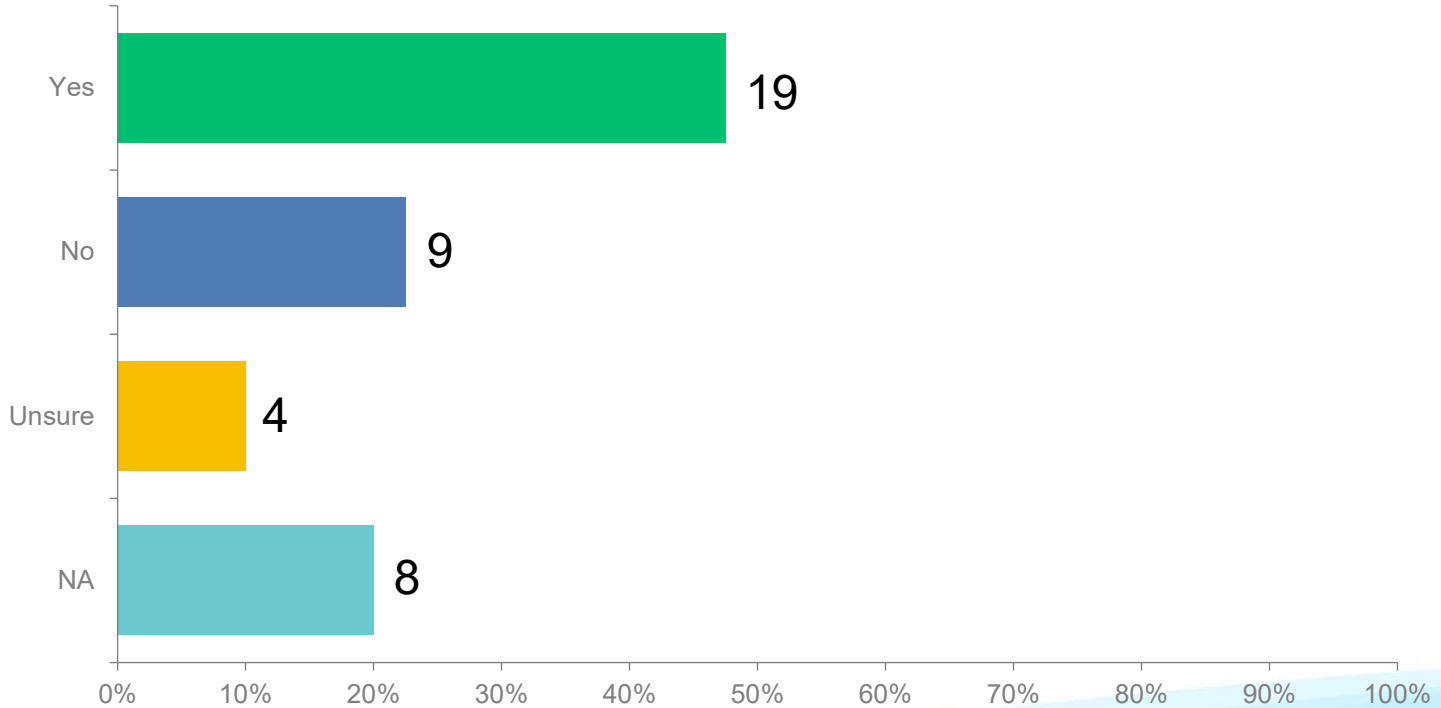
## Q20: How many people are employed at your company (i.e., full-time, part-time, employees or 1099 contractors)?

Answered: 38 | Skipped: 3



## Q21: Do you currently receive the Procurement Pipeline newsletter?

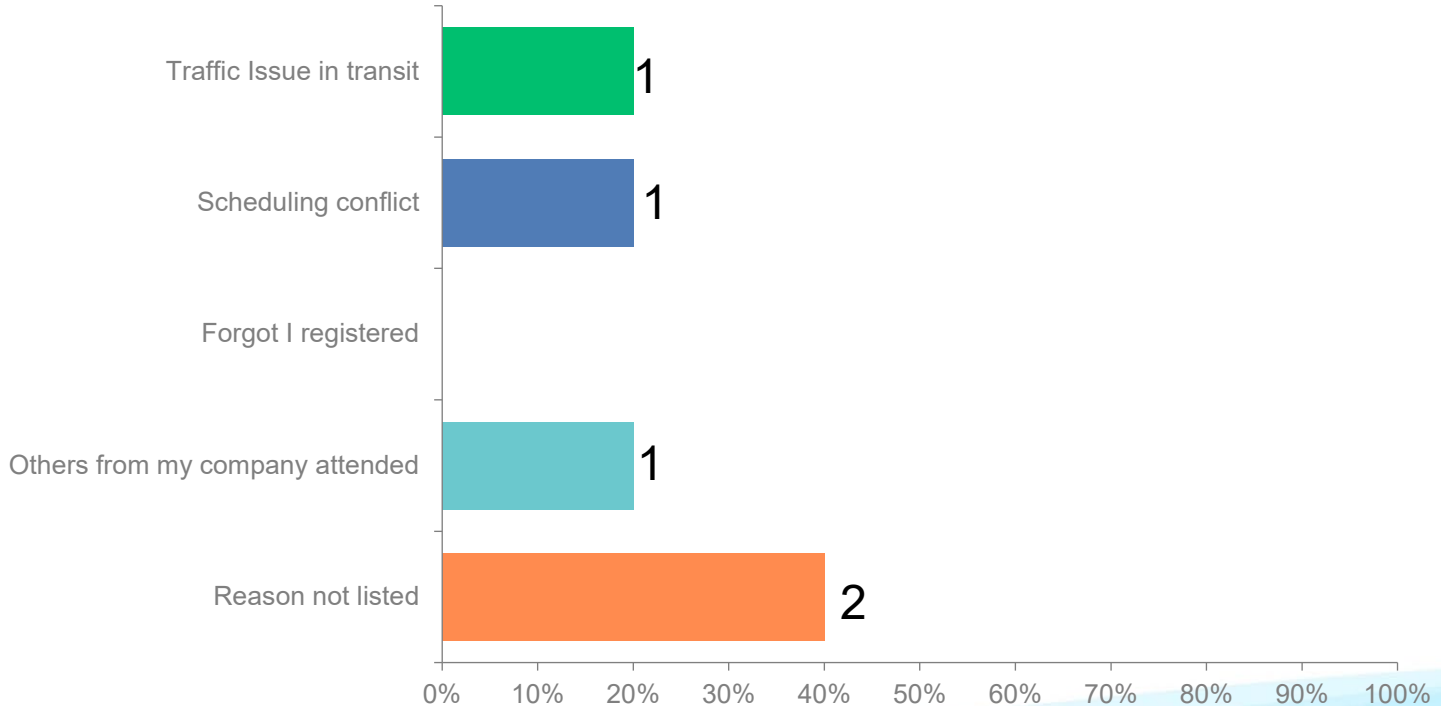
Answered: 40 | Skipped: 1





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

Answered: 5 | Skipped: 36



# Stats & Recommendations

## WHOVA APP STATS

- 💧 300 attendees expected
- 💧 372 registered with the Whova online registration process
- 💧 253 actual attendance
- 💧 119 No Shows
- 💧 168 attendees downloaded the Whova App (76%)
- 💧 41 evaluations returned for a 16% return rate (*anything above 10% is considered good*)
- 💧 121 mobile app users | web app users
- 💧 8 business cards scanned & exchanged
- 💧 137 private messages (1-on-1)

## FUTURE EVENT RECOMMENDATIONS

- 💧 Use QR Code for checking in attendees.
- 💧 Create a separate ticket for GLWA staff and add dietary needs question for lunch.
- 💧 Add a question to the survey directing attendees to input their contact information for follow up after event.

## Event Attendance

Event Year/Location	Number of Unique Vendors Represented	Registrations	Attendees	Survey Responses
2024 Marriott Auburn Hills (Pontiac)	165	372	253	41 (16%)
2023 Laurel Manor (Livonia)	207	295	221	36 (16%)
2019 Laurel Manor (Livonia)	Data not available	240*	193	75 (31%)
2018 Michigan State University (Troy)	Data not available	261	168	66 (25%)
2017 Shriners Silver Garden (Southfield)	Data not available	219	169	38 (17%)
2016 Crowne Plaza Hotel (Detroit)	Data not available	230	Data not available	No Survey Conducted

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

# Event Photos





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

### **Procurement Tip of the Month: Utilizing GLWA's CIP and PMP Planning Documents**

GLWA's Capital Improvement Plan (CIP) is a five-year planning document which identifies projects that support the continuation of major capital asset investments in GLWA's regional water and wastewater systems. Updated annually to reflect changing system needs, priorities, and funding opportunities, [GLWA's Board Approved Capital Improvement Plan for 2025-2029](#) is available on the [CIP page of GLWA's website](#).

Vendors reviewing GLWA's CIP documents may expect to find the following.

- ✓ A full listing of CIP projects for water, wastewater, and centralized services.
- ✓ Detailed one-page summaries on each project's purpose, status (whether in procurement, execution, or future planned), phases, scope of work, and cost estimations.
- ✓ Six additional informational appendices providing greater detail about projects, system background information, scoring evaluations, and [How to Navigate the CIP](#).

Vendors who regularly utilize the "Upcoming Solicitations" portion of the *monthly Procurement Pipeline* newsletter to prepare for future solicitation submissions will see, where applicable, CIP numbers listed next to certain projects. Vendors interested to know more about these upcoming projects may look up those CIP numbers in GLWA's CIP documents to review further details on projects they may be interested to pursue.

### **The CIP Project Management Plan (PMP)**

The [CIP PMP Plan](#) establishes the business requirements, processes, and procedures used by

GLWA's CIP Delivery Team in executing CIP projects. This document includes detailed information on how projects are scheduled, budgeted, developed, and managed from start to finish, and is designed to help ensure that CIP projects are completed on time, within budget, and according to the highest quality standards. Vendors who have either been awarded a CIP project contract or who are interested to pursue one may review the PMP to gather insight on GLWA CIP projects as well as to better understand their role and responsibilities in contributing to a project's overall success.

### **Virtual Vendor Introduction Meetings**

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

### **Keeping up with GLWA**

Our Chief Executive Officer (CEO) Monthly Report provides a wealth of information and news about important initiatives within GLWA's service territory that impact GLWA, its member partners, and the public. To read the October 2024 Monthly Report, please [click here](#).

### **What's Coming Down the Pipe?**

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

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

### **Visit GLWA online!**

To see the GLWA vendor homepage, please visit [www.glwater.org](http://www.glwater.org) or contact us via email at [procurement@glwater.org](mailto:procurement@glwater.org).

## Upcoming Solicitations November 2024

Category	CIP #	Description/Project Title	Budget Estimate
<b>Water System (next four to nine months)</b>			
Construction	111001	Lake Huron Water Treatment Plant – LH-401 Switchgear and Low Lift Improvements	\$100,000,000
Construction	122016	Downriver Transmission Main Loop – Phase 1 – Inkster Rd	\$21,000,000
<b>Wastewater Systems (next four to nine months)</b>			
Construction	260510	CSO Outfall Rehabilitation Phase VI	\$10,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$30,000,000
Construction	211005.2	WRRF Pump Station 2 VFD Replacements	\$12,000,000
Design	270007	CSO Facility Disinfection Improvements	\$2,000,000
Construction	270006	CSO Facility Improvements II	\$15,000,000
Construction	260904	Renovation of the New Administration Building 3 <sup>rd</sup> Floor	\$3,300,000
Construction	260210	Lonyo Sewer System Rehabilitation	\$24,000,000
Construction	273001	Hubbell Southfield CSO Facility Improvements	\$56,000,000
<b>Water System (next three months)</b>			
Design	113010	Southwest WTP Flocculation Improvements	\$4,933,000
<b>Wastewater (next three months)</b>			
N/A			
<b>Projects moved to Procurement Team (Preparing for solicitation on Bonfire)</b>			
Professional Services	O&M	Above Ground and Below Ground Fuel System Maintenance	\$900,000
Professional Services/Supplies	O&M	Services and Equipment, Doors, Frames and Hardware	\$160,000
Professional Services	O&M	Low Voltage Wiring Task Order Service	\$5,639,560
Professional Services	O&M	Door Repairs, Service and Maintenance at Sewer Pumping Stations and CSO Basins	\$375,000
Professional Services	O&M	Pest Control and Extermination Services	\$370,000
Professional Services	O&M	Crane Rental and Maintenance	\$900,000
Design	270010	Puritan Fenkell and Seven Mile HVAC improvements	\$1,200,000
Construction	112007	Structural Repairs, Northeast Water Treatment Plant	\$6,000,000
Professional Services	O&M	Emergency Standby Generator Preventative Maintenance	\$2,910,225
Professional Services	O&M	Staffing Services	\$750,000
Professional Services/Supplies	O&M	Floor Covering Supply and Installation Services	\$246,000

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

Acronyms		
<b>WRRF:</b> Water Resource Recovery Facility	<b>CSO:</b> Combined Sewer Overflow	<b>WTP:</b> Water Treatment Plant