



Audit Committee Meeting
Friday, August 1, 2025 at 8:00 a.m.
www.glwater.org

[Join Zoom Meeting](#)

Meeting ID: **837 1185 2466** Passcode: **461136**

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. June 27, 2025 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
 - A. Presentation: 2025 Achievement of Excellence in Procurement (AEP) (Page 5) Award
 - B. Annual Financial Planning Calendar with Charges Rollout Schedule (Page 27)
8. REPORTS
 - A. CFO Report (Page 32)
 - B. Monthly Financial Report for April 2025 (Page 37)
 - C. Gifts, Grants & Other Resources Report Through June 30, 2025 (Page 38)
 - D. Annual Vendor Performance Assessment (Page 49)
 - E. Business Inclusion and Diversity (B.I.D.) Program Update (Page 56)
9. COMMUNICATIONS
 - A. The Procurement Pipeline for July 2025 (Page 60)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: August 22, 2025 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



Great Lakes Water Authority

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

Meeting Minutes - Draft

Audit Committee

Friday, June 27, 2025

8:00 AM

Zoom Telephonic Meeting

Zoom Telephonic Meeting

Join Zoom Meeting

<https://glwater.zoom.us/j/82266176353?pwd=L8ukTLJEG64fWohJug2uWhzTaBMQJS.1>

Join by Telephone:

888 788 0099; or 877 853 5247

Meeting ID: 822 6617 6353

Passcode: 041108

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: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2025-214](#) Minutes of June 6, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A June 6, 2025 Audit Committee Meeting Minutes.pdf](#)

Chairperson Baker requested a Motion to Approve the June 6, 2025 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business**A. [2025-215](#) 2025 Bond Transaction Update**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A1 AC Memo - 2025 Bond Transaction Updates.pdf](#)
[6A2 GLWA Board Presentation 2025 Bond Deal v2.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

7. New Business

None

8. Reports**A. [2025-216](#) CFO Report**

Sponsors: Nicolette Bateson

Indexes: Finance

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

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2025-217](#) Monthly Financial Report

Sponsors: Nicolette Bateson

Indexes: Finance

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

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2025-218](#) Gifts, Grants & Other Resources Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C1 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.

D. [2025-219](#) 2025 Q3 Construction Work-in-Progress Report through March 31, 2025
(Unaudited)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D1 Memo Quarterly CWIP Report FY 2025 Q3.pdf](#)

[8D2 Quarterly CWIP Report FY 2025 Q3.pdf](#)

Motion By: Jaye Quadrozzi

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communications[2025-220](#) The Procurement Pipeline for June 2025

Sponsors: Nicolette Bateson

Indexes: Finance

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

No Action Taken

10. Look Ahead

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

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 8:57 a.m.



Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

From: Michael Lasley, CPPB, Procurement Manager - Administration

Re: 2025 Achievement of Excellence in Procurement (AEP) Award

Background & Analysis: GLWA has earned the 2025 Achievement of Excellence in Procurement (AEP) Award. The attached presentation provides an overview of the AEP Award and the criteria that GLWA was required to meet.

Proposed Action: Receive and file this report.



2025 Achievement of Excellence in Procurement (AEP) Award

Presented to the Audit Committee August 1, 2025

Page 7

2025 Achievement of Excellence in Procurement (AEP) Award



The AEP Award

- Established in 1995 by the National Procurement Institute (NPI)
- Recognized as one of the premier awards in the public procurement profession
- Award criteria measures innovation, professionalism, productivity, and leadership

How GLWA Scored

- 200 points possible
- 100 points must be achieved to earn the AEP award
- GLWA earned a final score of 135
- GLWA earned full credit for each criteria where documentation was submitted

2025 Award Winners

- 216 successful applicants
- GLWA one of 19 first time recipients
- GLWA one of three other Michigan agencies to receive this award

Achievement of Excellence in Procurement (AEP) Award

- ◆ Established in 1995 by the National Procurement Institute (NPI)
- ◆ Recognized as one of the premier awards in the public procurement profession
- ◆ Designed to recognize organizational excellence – earned by obtaining a high score based on criteria that measures innovation, professionalism, productivity, e-procurement, and leadership of the procurement organization

2025 AEP Award Winners

- ◆ 216 successful applicants (including GLWA) throughout United States and Canada
 - ◆ 85 cities, 48 counties, 23 special districts, 26 school districts, 15 higher education agencies, 7 state or provincial agencies, and 12 others
- ◆ GLWA one of 19 first-time recipients of the AEP
- ◆ GLWA one of only three other Michigan agencies to receive this award

How GLWA Scored

- 💧 200 points possible
- 💧 100 points must be achieved to earn the AEP Award
- 💧 GLWA earned a final score of 135
- 💧 GLWA earned full credit for each criteria that we submitted documentation

AEP Award Criteria

Establishment of a Procurement Ethics Policy

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ that within our procurement policy, we have a procurement ethics policy;
 - ◆ that the policy is posted publicly online;
 - ◆ and that the policy is adopted by the Chief Procurement Official.

Procurement Manual

- 💧 To receive credit for this criteria, GLWA was required to demonstrate:
 - 💧 that we have a procurement procedures manual;
 - 💧 that the manual is posted on a shared agency intranet site that is accessible to team members;
 - 💧 that the procedures manual has been updated during the last five years;
 - 💧 and that the manual is comprehensive, addressing all procurement activities undertaken by the agency.

Continuous Improvement Program

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ we conducted formal surveys of procurement performance completed by our internal customers (GLWA team members) and our external customers (Vendor/Contractors) within the past year;
 - ◆ we offered formal and comprehensive procurement trainings to our internal customers (GLWA team members) and to our external customers (Vendor/Contractors) within the past year; and
 - ◆ we maintained rigorous data on performance metrics related to the procurement function for the recently completed fiscal year and for the prior fiscal year for comparison.

Centralized Procurement Authority

- 💧 To receive credit for this criteria, GLWA was required to demonstrate:
 - 💧 that our procurement function maintains centralized procurement authority; and
 - 💧 that GLWA's centralized procurement authority is based in our agency's adopted procurement policy.

Centralized Procurement: describes a procurement function within an organization that has sole authority to buy goods and services for the entire organization. Central procurement leadership provides strategic direction, consistency, and cohesion.

Procurement Organizational Structure

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ that the Procurement Director is equal in authority, independence, and resources to other directorial positions within Financial Services.

Utilization of E-Procurement Automated Technology

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ evidence of electronic sourcing, including online vendor registration, automatic vendor notification, posting of the solicitation and award documentation; and
 - ◆ evidence of an online, centralized system that provides for review and scoring of proposals, notice of required evaluations and deadlines, and digital scorecards that automatically calculate individual scores and provide a means to rank submissions.

Procurement Card System

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ that we have a comprehensive procurement card program (including policies, procedures, training, and monitoring of transactions) with systems in place that provide proper financial controls; and
 - ◆ that a comprehensive audit of the procurement card program (performed independently of the p-card program administration) was conducted within the recently completed fiscal year.

Professional Certification – Procurement Director

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ that the Procurement Director holds a current professional certification in **one** of the following – Current Certified Professional in Supply Management (CPSM), Certified Purchasing Manager (CPM), Certified Public Purchasing Officer (CPPO), Certified Professional Contracts Manager (CPCM), Supply Chain Management Professional (SCMP), or a NIGP Certified Procurement Professional (NIGP-CPP).

Education

- 💧 To receive credit for this criteria, GLWA was required to demonstrate:
 - 💧 that our Procurement Director holds a bachelor's degree or higher from an accredited university or college; and
 - 💧 that at least 75% of our Procurement Professional staff (defined as those staff involved in the traditional procurement functions, e.g., buyer, contract administrator, purchasing manager) holds a bachelor's degree or higher from an accredited university or college.

Professional Staff with Leadership Position in Procurement Association

- 💧 To receive credit for this criteria, GLWA was required to demonstrate:
 - 💧 that we have a professional procurement staff member with a current leadership position (officer, board member, director, or committee chairperson) in a national, regional, provincial, territorial or state recognized procurement association.
 - 💧 Tina Clinkscales, Team Lead, is immediate past President of the Michigan Public Purchasing Officers Association and also a board member.

Best Value Procurement Policy

- 💧 To receive credit for this criteria, GLWA was required to demonstrate:
 - 💧 that procurement has authority to solicit through a best value procurement method for a broad range of services and commodities;
 - 💧 that the authority to solicit for best value is provided for in our adopted procurement policy; and
 - 💧 that the use of best value procurement method is evident in publicly posted GLWA solicitation documents.

Best Value Procurement:

a technique in a competitive solicitation process which emphasizes value over price and permits the evaluation of criteria such as qualifications, experience, and performance data to determine the best overall value to the agency.

Continued Pursuit of Excellence

- ◆ To receive credit for this criteria, GLWA was required to demonstrate:
 - ◆ a performance improvement over and above any criterion listed in the AEP application (including a new program, procedure, innovation, process improvement) that solved a problem or improved the performance and efficiency of our agency.

National Procurement Institute Annual Conference

- ◆ GLWA will accept the AEP Award at the 57th Annual NPI Conference in October

Questions?



**GLWA Procurement Team Earns
National Award for Excellence**



We are proud to announce that our Procurement Team, led by Director of Procurement, Sonya Collins, and including a dedicated team of talented professionals, has received the prestigious **Achievement of Excellence in Procurement (AEP) Award** from the **National Procurement Institute**, a first in GLWA history!

The AEP Award is given to organizations that demonstrate a strong commitment to excellence in public procurement through innovation, professionalism, and continuous improvement. This national recognition validates the strategic work happening behind the scenes to ensure our procurement processes remain forward-thinking, transparent, and collaborative.

“Earning the AEP is a tremendous honor, not just for me, but for our entire team,” said Sonya. “It’s a testament to our Procurement Team’s dedication to upholding the high standards of the public procurement profession and is an inspiration to continue striving to improve in the coming year.”

This accomplishment wasn’t a result of a single moment, but years of consistent leadership and rigorous process design. From the development of internal procurement policies to the launch of the Vendor Performance Assessment Program, the Procurement Team has embraced both innovation and feedback to refine and strengthen every part of our process. This included surveying our internal teams and vendor community, setting measurable performance goals, and ensuring every decision is grounded in fiscal responsibility and service to our member partner communities.

“As a relatively young department, we had to build our policies and procedures from scratch,” Sonya explained. “But that challenge became our greatest strength. It gave us the opportunity to create a foundation rooted in best practices and long-term growth.”

Looking ahead, the Procurement Team remains focused on evolving to ensure GLWA’s Member Partner communities receive the highest quality services and value through responsible and effective procurement strategies.

Please join us in congratulating the entire Procurement Team on this outstanding achievement! It’s a reminder that excellence isn’t a single moment, but a result of many intentional choices.

One Water, One Team!

www.glwater.org

Stay Connected with Great Lakes Water Authority (GLWA):





Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

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

Re: Annual Financial Planning Calendar with Charges Rollout Schedule

Background & Analysis: The proposed FY 2027 and FY 2028 Financial Planning Calendar is attached and provides a road map for the budgeting and charge-setting processes.

Noteworthy Items:

- **Preliminary Budget Briefing to Board of Directors**- Wednesday, October 8, 2025
- **Charges Rollout #1 (CIP)** – Thursday, October 23, 2025
- **Charges Rollout #2 (Units of Service)** – Thursday, November 13, 2025
- **Charges Rollout #3 (Proposed FY 2027 Charges)** - Thursday, January 15, 2026
- Charges discussions include the related budget and financial plan
- **Member Partner One-on-One Meetings**
 - Friday, January 16, 2026
 - Tuesday, January 20, 2026
 - Wednesday, January 21, 2026
- **Charges Rollout #4 (FY 2027 Charges Continued)** – Thursday, January 22, 2026
- **Regular GLWA Board of Directors Meeting Wednesday, January 28, 2026**
 - Presentation of Proposed FY 2027 and FY 2028 Biennial Budget
 - Presentation of Five-Year Financial Plan
 - Presentation of Proposed FY 2027 Charges.
- **GLWA Board of Directors Meeting - Wednesday, February 25, 2026**
 - Public Hearing for FY 2027 & FY 2028 Biennial Budget
 - Public Hearing for FY 2027 Schedule of Revenues and Charges
 - Pending public comment, proposed approval of biennial budget and annual charges

Proposed Action: Receive and file this report.

Financial Plan Calendar

FY 2027 and FY 2028 Biennial Budget & Five-Year Financial Planning Cycle As of June 30, 2025

The Great Lakes Water Authority (GLWA) Financial Planning Cycle includes:

1. FY 2027 and FY 2028 Biennial Budget
2. FY 2027 through FY 2031 Five-Year Financial Plan
3. FY 2027 through FY 2031 Five-Year Capital Improvement Plan
4. FY 2027 Schedule of Revenues and Charges

The schedule below reflects planning for the comprehensive GLWA Financial Plan.

Date	Activity
July 2025	Budget objectives determined based on long-term financial plan
July 2025	FP&A provide guidance to Budget Managers, targeting no more than 2% increase
Monday, September 15, 2025	Internal - Deadline for Budget Compilation by FP&A and Budget Managers
Monday, September 29, 2025	Internal – Deadline for Initial Budget Signoff by Chief
Wednesday, October 8, 2025	Preliminary budget briefing to Board of Directors
Tuesday, October 21, 2025	Capital Planning Committee – Review of CIP Version 1.0
Wednesday, October 22, 2025	Release CIP Version 1.0 to Member Partners for Review
Thursday, October 23, 2025 (9:00AM - 11:30 AM)	Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Version 1.0
Tuesday, October 28, 2025 9:00 AM – 11:00 AM	Analytical Work Group – Note: process is that GLWA sends notice of exceedances to communities by October 1st, meets by November 1 st and closes open items by AWG by December 1 st .
Saturday, November 1, 2025	DWSD – Proposed CIP to be provided (Water and Sewer Services Agreement 5.3d(i))
Thursday, November 13, 2025 9:00 AM – 11:30 AM	Charges Rollout Meeting #2 – Units of Service Update
Monday, December 1, 2025	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)

Date	Activity
Tuesday, December 9, 2025	Capital Planning Committee – Review of CIP Version 2.0
Wednesday, December 10, 2025	Budget status briefing to Board of Directors
Friday, December 19, 2025	GLWA Audit Committee Meeting – Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2027 Charges
Thursday, January 1, 2026	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)
Wednesday, January 14, 2026	GLWA Regular Board Workshop
<i>Thursday, January 15, 2026 8:30 AM – 12:00 PM</i>	<i>Charges Rollout Meeting #3 – Proposed FY 2027 Revenue Requirement and Charges</i>
Monday, January 19, 2026	Martin Luther King Jr. Day observed
<i>Friday, January 16, 2026, Tuesday, January 20, and Wednesday, January 21, 2026</i>	<i>Member Partner one-on-one meetings</i>
<i>Thursday, January 22, 2026 9:00 AM – 11:30 AM</i>	<i>Charges Rollout Meeting #4 – Feedback on Service Charges and Review of Proposed FY 2027 Revenue Requirements</i>
Friday, January 23, 2026	GLWA Audit Committee Meeting – Regular Meeting
Monday, January 26, 2026	Mail Notice to Member Partners of Public Hearing to be held on February 25, 2026 (minimum 30 days prior to Act 279 Public Hearing) (D)
Wednesday, January 28, 2026	GLWA Regular Board Meeting – Presentation: Proposed FY 2027 and 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2027 Charges
Friday, January 30, 2026	Publish notice of the hearing by publication in a newspaper of general circulation (B)
Sunday, February 1, 2026	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Wednesday, February 25, 2026 (Meets 120 day requirement)	GLWA Board Meeting – Public Hearing FY 2027 & FY 2028 Biennial Budget (A, D) and Possible Adoption of FY 2027 & FY 2028 Biennial Budget

Date	Activity
Wednesday, February 25, 2026	GLWA Board Meeting – Public Hearing FY 2027 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C) and Possible Adoption of FY 2027 Schedule of Revenues and Charges
Wednesday, February 25, 2026	GLWA Board Meeting – Proposed Approval of the FY 2027 & FY 2028 Biennial Budget (A)
Wednesday, February 25, 2026	GLWA Board Meeting – Proposed Approval of FY 2027–2031 Capital Improvement Plan
Wednesday, February 25, 2026	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2027 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Wednesday, March 4, 2026	Mail Notice to Member Partners of Approved Charges
Monday, March 23, 2026	DWSD – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)
Friday, May 1, 2026	DWSD – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Wednesday, July 1, 2026	GLWA – Effective date of FY 2027 and FY 2028 Biennial Budget, FY 2027 Schedule of Charges, and FY 2027–2031 Capital Improvement Plan

(A) thru (D) - The above schedule is designed to meet applicable statutory and contractual requirements with excerpts shown below.

- A. **Uniform Budgeting and Accounting Act, Act 2 of 1968, Section 141.434**, “Before final passage of a general appropriations act by the legislative body, a public hearing shall be held as required by 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, and the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.” (For purposes of Public Act 2, the GLWA Board is the legislative body.)
- B. **Budget Hearings of Local Governments, Act 43 of 1963 (2nd Ex. Sess.), Section 141.412**, “The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing.” (For purposes of Public Act 2, the GLWA Board is a local unit.)
- C. **Home Rule City Act, Act 279 of 1909, Section 117.5e**, “Municipal water or sewage system; annual audit; public hearing before proposed rate increase. A municipal water or sewage system established by a city incorporated under this act which serves more than 40% of the population of the state shall: (b) Hold at least 1 public hearing at least 120 days before a proposed rate increase is scheduled to take effect. Each hearing shall be conducted in

compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Notice of the time, date, and place of each hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, shall be prominently printed in a daily newspaper of general circulation within the area, and shall be mailed to each city, village, or township served by the system not less than 30 days before each hearing. A final vote by the governing body of the city to implement a proposed rate increase shall not be taken until the hearings provided for in this subdivision are concluded and the results of those hearings are considered by the city's governing body." It should be noted that the Home Rule City Act does not apply to GLWA. However, it is relevant to GLWA's planning cycle as it is referenced in the *Wholesale Customer Model Water and Sewer Contracts* as noted below.

- D. **GLWA Wholesale Customer Model Water Contract 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." (Act 279 is the Home Rule City Act noted above.) As a result of the model contract language, the Public Hearing should be scheduled no later than March 3rd of each year.



Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Update

Expanded Media Coverage of GLWA's Successful Bond Transaction and Ratings Upgrade

Last month the Board received a briefing on the successful bond transaction that closed on June 30, 2025. That report also noted the upgrade from Fitch Ratings on the Sewer System bonds to AA for the senior lien and AA- for the second lien, with affirmation of strong ratings from each of the other rating agencies.

This month, the GLWA bond transaction was featured in an article published July 9, 2025, by [The Bond Buyer](#). The article discussed the details of the complex transaction that included new money bond proceeds as well as the innovative tender refunding.

GLWA Expertise Tapped for National GFOA Conference Panel

Deputy CFO Kim Garland serves on the national Government Finance Officers Association (GFOA) Debt Committee. This month, at the national GFOA conference, Kim participated on a panel including leaders from the Municipal Securities Rulemaking Board, the Securities & Exchange Commission Office of Municipal Securities, and a state higher education facilities authority. The topic was Enhancing Issuer Disclosure Practices.

Financial Services Area Hires Intern

The Financial Services Area (FSA) is excited to welcome Josh Steinhebel as a full-time Professional Administrative Assistant working with the Public Finance Team. Josh first joined GLWA as an intern in the CFO Services group last summer. He continued working as an intern throughout the school year and was hired as a full-time team member following his graduation from Eastern Michigan University.

CFO Services Group & Treasury Team Professional Development Event

On Monday, June 9, the CFO Services group & Treasury team held an in-service meeting focused on group culture and dynamics. A third-party facilitator led team building activities through structured discussions and break-out sessions. The group also incorporated insights from the recent Gallup survey to help recognize group strengths to build on and

challenges to be mindful of moving forward. The meeting supports the group's establishment of baseline goals for 2026 especially as this group is led by newer managers and newer functions (such as grants) who are continuing to transform their support of the organization.

THE BOND BUYER

Great Lakes Water Authority Deal Integrated Bond Tender

By [Jennifer Shea](#) July 09, 2025



After an upgrade from Fitch Ratings on its sewer system bonds, Michigan's Great Lakes Water Authority went to market in June with roughly a billion dollars of bonds, part of a complex transaction that included a tender refunding.

"We're (celebrating) our ten-year anniversary next year," GLWA CFO Nicolette Bateson told The Bond Buyer. "With this transaction, we're approaching nearly a billion dollars in future cash flow savings, cumulatively, from all of our transactions. And I think that just demonstrates our commitment to not just proactively manage our capital improvement program, but also proactively manage our debt

program."

The authority [launched at the end of 2015](#) to assume the regional operations of the former Detroit Water and Sewerage Department. As a city department, it had become entangled in the city's 2013-2014 bankruptcy, though its revenue bond debt emerged intact.

On the week of June 23, GLWA issued \$528.2 million of water system bonds to fund \$230 million of capital improvements, refund earlier bonds and fund the purchase of tendered bonds.

The authority also issued \$435.1 million of sewer system bonds to fund \$50 million of capital improvements, refund bonds and fund a tender for savings.

John Carter, senior managing director at Siebert Williams Shank, senior managing underwriter on the new money and current refunding bonds, said GLWA timed its new money needs to match up with the current refunding portion of the transaction.

And when the financing team made them aware of the tender opportunity — a way to manage interest rate risk [by offering to buy outstanding bonds](#) that were not callable — they were able to successfully bundle everything together.

They structured the tender, refunding and new money components in tandem, according to a presentation shared with The Bond Buyer.

The tender and current refunding were designed to create level savings through the term of the debt. And the new money component was amortized to smooth out the cash flow impact from the savings structure, with a 30-year final maturity and principal starting in 2027 for the water system and 2026 for the sewer system transaction.

"Since we didn't know how many bonds were tendered and what the refunding savings of the tendered bonds would look like, we waited until all the tenders were in, and Great Lakes decided that they were going to accept," Carter said. "We looked at the savings pattern from those tenders and the current refunding, and then structured the new money component so that Great Lakes could maintain its overall level debt service pattern."

It was a complex transaction that required separate bond ordinances for the authority's separate water and sewer systems, said Eric Brown of PFM, municipal advisor on the deal. Each of those separate ordinances included three components: the new money bonds, the current refunding and the tender refunding

For the water system transaction, the tender and current refunding components generated \$27.1 million of present value savings, according to the presentation.

For the sewer system transaction, the tender and current refunding generated \$34.3 million of present value savings.

Bateson said BofA Securities, senior managing underwriter on the tender refunding, settled on a structure that incentivized investors to seize the opportunity.

"One of the things that they did is have us structure the documents so that those who were tendering their bonds would have a priority on the new bonds," she said. "And what we saw was very strong investor participation on both the tender and the refunding."

That strong participation showed that investors were looking to retain their exposure to the credit, Brown said.



Nicolette Bateson is CFO of the Great Lakes Water Authority

"Part of the reason why they're offering to sell these bonds back is that they have an expectation that the bonds would be called away from them in 2026," he said. "And so what they're seeking to do is actually sell these bonds back and replace them with new GLWA bonds with longer-dated maturities. And we had really good results where we saw exactly that happening. Investors who tendered their bonds sought to replace them as part of this financing."

There were two pieces to the tender, Brown said: a taxable to tax-exempt refinancing, and a tax-exempt to tax-exempt. He said the participation rate was about 73% across the systems, among the highest for tender transactions year to date.

"It exceeded our goal, which means that when we intend to return to the market next year for new money for our capital program, we'll be able to have further opportunities for savings, as well," Bateson said.

The authority has a very level debt profile and works hard to keep it that way, so that rates are manageable for its customers, Carter said.

"It was a successful strategy, with high participation, but also, the investors liked the credit," he said, noting "the way that the rating agencies have recognized the strength of the credit through several upgrades over the last several years, including the most recent upgrade."

Ahead of the sale, Fitch upgraded the authority's senior lien sewer debt to AA from AA-minus, and its second lien debt to AA-minus from A-plus. It also affirmed the senior lien water debt at A-plus and the second lien debt at A. The outlook is stable.

Moody's Ratings affirmed the authority's senior lien debt rating of Aa3 and second lien debt rating of A1 for both the water and sewer systems. S&P Global Ratings affirmed GLWA's senior lien AA-minus rating and its second lien A-plus rating for both systems. The outlooks from both rating agencies are stable.

On this transaction, there was no deposit required for the debt service reserve fund as part of the financing, according to Brown.

"Over the course of the past decade, GLWA has implemented what's called a springing amendment and finally, with the 2024 transaction last year, was able to eliminate their reserve fund requirement," he said.

In 2016, the GLWA board adopted springing amendments to certain bond ordinances. Such amendments kick in only when required investor consents are obtained — which they were in GLWA's case.

The amendments allowed the authority to cut or eliminate the reserve requirement once it had achieved ratings of AA-minus or Aa3 on the senior lien credit from two of Moody's Ratings, Fitch and S&P Global Ratings, and had gotten confirmation that the ratings would not be downgraded due to the change in reserve requirement. The authority reached the required ratings in 2024 and chose to eliminate the reserve requirement.

"And by doing that, they were able to reduce the amount of the borrowing that would otherwise have been required here associated with that new money, by about \$19 million," Brown said.

The deal brought orders from nearly 70 unique institutional investors, and achieved the authority's lowest ever credit spreads to municipal benchmark rates, according to the presentation.

"It's really the culmination of a decade's worth of effort standing up the Great Lakes Water Authority," Brown said.

"There've been a number of achievements... that really have built over the course of the past decade," including the tightening credit spreads since standup, which have benefited GLWA's member partners.

"And the financing program is an important piece of the cost picture," he said.

Bond counsel was Dickinson Wright.

The sewer revenue bonds priced to yield from 2.86% for a 2026 maturity to 4.91% for a 2055. The bonds are callable at 10 years.

The water bonds priced to yield from 2.73% for the 2027 maturity to 4.89% for 2055.

STORY LINK: <https://www.bondbuyer.com/news/great-lakes-water-authority-deal-integrated-bond-tender>

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

April 2025

**Presented to the
Great Lakes Water Authority
Audit Committee on August 1, 2025**

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Financial Report Executive Summary Dashboard for the Month Ended April 30, 2025

Key Financial Metrics

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

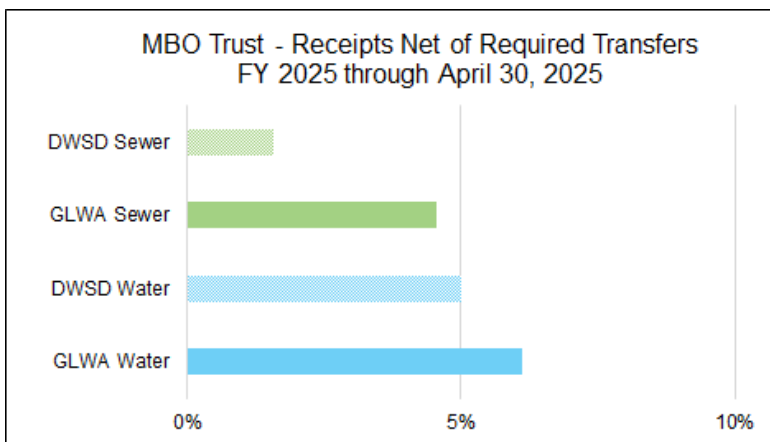
Variances are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available. GLWA staff have included first, second and third quarter budget amendments in this monthly financial report. The third quarter budget amendments were approved by the GLWA Board of Directors on June 25, 2025.

For the current year, sewer & water capital spend, wholesale water operations & maintenance, and investment earnings reflect variances to budget outside the normal range. Capital spend variances reflect evolving changes in timing that the Capital Improvement Planning group continues to monitor and review. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 due to the Federal Reserve moving monetary policy to a more neutral level. Wholesale water operations & maintenance reflects temporary variances that are expected to align more closely with the amended budget by June as yearend activity is incorporated.

As of April 30, 2025					
Metric	FY 2025 Budget	FY 2025 Amended Budget	FY 2025 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$291.1	\$291.1	\$290.8	0%	50
Wholesale Water Billed Usage (mcf)	10,711,000	10,711,000	10,623,000	-1%	
Wholesale Sewer Billed Revenue (\$M)	\$238.8	\$238.8	\$238.8	0%	53
Wholesale Water Operations & Maintenance (\$M)	\$141.4	\$151.9	\$141.0	-7%	6
Wholesale Sewer Operations & Maintenance (\$M)	\$190.8	\$196.0	\$187.9	-4%	
Investment Income (\$M)	\$27.1	\$39.5	\$42.3	7%	40
Water Prorated Capital Spend w/SRA* (\$M)	\$172.8	\$172.8	\$138.3	-20%	31
Sewer Prorated Capital Spend w/SRA* (\$M)	\$141.0	\$141.0	\$129.6	-8%	32

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

Master Bond Ordinance (MBO) Trust Net Receipts (page 53)



Net cash flow receipts remain positive for GLWA and DWSD Water and Sewer. This means that all legal commitments of the MBO trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD water reports a surplus of \$5.3 million and DWSD sewer reports a surplus of \$4.1 million of net receipts over disbursements through April 2025.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through April 2025.
- The total overall Operations & Maintenance expenses are at 78.8% of budget through April 2025 which is below the pro-rata benchmark of 83.3%. This variance equates to a dollar amount of \$19.0 million.

Basic Financial Statements (page 10)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for April 2025 is \$90.2 million for the Water fund (28.8% of total revenues) and \$111.3 million for the Sewage Disposal fund (26.3% of total revenues).
- Water net position increased by \$36.2 million, and sewage disposal net position increased by \$61.9 million for the year to date through April 2025.

Capital Improvement Plan Financial Summary (page 30)

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

Master Bond Ordinance Transfers (page 33)

- For April, transfers of \$14.7 million and \$19.9 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for March, transfers of \$4.9 million and \$6.1 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 40)

- Total cash & investments are \$545.0 million for Water and \$707.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through February is \$42.3 million.

DWSD Retail Revenues, Receivables & Collections (page 44)

- Water usage through April 30, 2025 is 101.83% and revenues are 102.31% of budget.
- Sewer usage through April 30, 2025 is 98.54% and revenues are 98.09% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$59.2 million over the prior year.
- Past dues over 180 days make up 72.7% of the total accounts receivable balance. The current bad debt allowance covers 94.1% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 50)

- GLWA accounts receivable past due balance net of Dearborn is 0.60% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections for the period of May 2024 through April 2025 are trending below the prior year.
- Average wholesale sewer collections for the period of May 2024 through April 2025 are trending below the prior year.

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



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

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

The FY 2025 information presented in these sections includes the approved second quarter and third quarter FY 2025 budget amendments. The third quarter amendment was approved by the GLWA Board of Directors on June 25, 2025.

Revenue Requirements Budget Basis Analysis

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

Table 1A – Water Revenue Requirements Budget and **Table 1B – Sewer Revenue Requirements Budget** presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. Since this report is for April 2025 the pro-rata benchmark is 83.3% (10 of 12 months of the fiscal year).

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

1. **Revenues:** For the *water* system, total revenues for FY 2025 are slightly below the pro-rata benchmark; the *water* system is at 82.3%. For the *sewer* system, total revenues for FY 2025 are in line with the pro-rata benchmark; the *sewer* system is at 83.3%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through April 30, 2025, these payments total \$5.0 million for FY 2025.

2. **Investment Earnings:** For the *water* system, investment earnings are above the pro-rata benchmark for FY 2025 at 85.5%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 87.2%. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 due to the Federal Reserve moving monetary policy to a more neutral level. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize investment income while meeting the objectives of safety and liquidity.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for the *water* system are below the pro-rata benchmark for FY 2025 at 77.4%, and the *sewer* system O&M is below the pro-rata benchmark for FY 2025 at 79.9%.
5. **Debt Service:** For FY 2025, the *water* system is above the pro-rata benchmark at 83.8%, while the *sewer* system is slightly below the pro-rata benchmark at 83.0%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility.
7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.² Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2025, neither the DWSD *water* system nor the DWSD *sewer* system have budgetary shortfall through April 30, 2025. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems. The variance to budget for this period is a result of the incorporation of third quarter budget amendments. Staff will adjust future transfer pending entries to reflect the third quarter amendments in future reports which will resolve this temporary difference.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance.

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

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

All amounts are unaudited unless otherwise noted.

10. **Overall:** Total revenue requirements for the water system are below the pro-rata benchmark at 80.6%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 81.9%.

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 4/30/2024	Percent Year-to-Date at 4/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 4/30/2025	Percent Year-to-Date at 4/30/2025
Water System							
Revenues							
Wholesale Charges	\$ 328,203	\$ 274,501	83.6%	\$ 347,758	\$ 347,758	\$ 285,466	82.1%
Local System Charges	25,537	21,281	83.3%	27,095	27,095	22,579	83.3%
Investment Earnings	18,051	14,974	83.0%	9,874	15,818	13,521	85.5%
Other Revenue	943	4,476	474.7%	400	400	387	96.8%
Total Revenues	\$ 372,734	\$ 315,232	84.6%	\$ 385,127	\$ 391,071	\$ 321,953	82.3%
Revenue Requirements							
Operations & Maintenance Expense	\$ 168,873	\$ 132,957	78.7%	\$ 169,625	\$ 182,227	\$ 141,006	77.4%
Debt Service	162,236	136,078	83.9%	175,301	161,945	135,743	83.8%
General Retirement System Pension	1,506	1,506	100.0%	2,283	1,653	1,903	115.1%
Water Residential Assistance							
Program Contribution	1,852	1,543	83.3%	1,948	1,877	1,623	86.5%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	2,650	-	0.0%
Regional System Lease	22,500	18,750	83.3%	22,500	22,500	18,750	83.3%
Working Capital Requirement	-	-	0.0%	6,200	4,956	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund							
Transfer Pending	15,768	17,990	114.1%	7,270	13,263	16,088	121.3%
Total Revenue Requirements	\$ 372,734	\$ 308,824	82.9%	\$ 385,127	\$ 391,071	\$ 315,113	80.6%
Net Difference		\$ 6,408				\$ 6,840	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 4,620				\$ (3,939)	
Revenue Requirement Variance		1,788				10,779	
Overall Variance		\$ 6,408				\$ 6,840	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 4/30/2024	Percent Year-to-Date at 4/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 4/30/2025	Percent Year-to-Date at 4/30/2025
Sewer System							
Revenues							
Wholesale Charges	\$ 267,879	\$ 234,803	87.7%	\$ 287,518	\$ 287,387	\$ 239,791	83.4%
Local System Charges	196,570	163,808	83.3%	205,925	205,925	171,604	83.3%
Industrial Waste Control Charges	8,560	7,206	84.2%	8,719	8,719	7,375	84.6%
Pollutant Surcharges	5,328	3,097	58.1%	5,434	5,434	3,525	64.9%
Investment Earnings	22,882	19,048	83.2%	12,356	20,605	17,974	87.2%
Other Revenue	1,130	2,659	235.3%	700	700	352	50.3%
Total Revenues	\$ 502,349	\$ 430,621	85.7%	\$ 520,652	\$ 528,770	\$ 440,620	83.3%
Revenue Requirements							
Operations & Maintenance Expense	\$ 224,874	\$ 182,389	81.1%	\$ 228,934	\$ 235,192	\$ 187,862	79.9%
Debt Service	230,976	193,837	83.9%	226,279	217,449	180,497	83.0%
General Retirement System Pension	3,097	3,097	100.0%	4,846	3,719	4,039	108.6%
Water Residential Assistance							
Program Contribution	2,503	2,086	83.3%	2,652	2,542	2,210	86.9%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	276	-	0.0%
Regional System Lease	27,500	22,917	83.3%	27,500	27,500	22,917	83.3%
Working Capital Requirement	-	-	0.0%	2,300	-	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund							
Transfer Pending	13,400	20,778	155.1%	28,141	42,094	35,545	84.4%
Total Revenue Requirements	\$ 502,349	\$ 425,104	84.6%	\$ 520,652	\$ 528,770	\$ 433,070	81.9%
Net Difference		\$ 5,517				\$ 7,551	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 11,997				\$ (22)	
Revenue Requirement Variance		(6,480)				7,572	
Overall Variance		\$ 5,517				\$ 7,551	

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 1, 2025

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of April 30, 2025, is 83.3% (ten months). When comparing FY 2025 to FY 2024 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2025.

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

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

Service Area	FY 2024 Amended Budget	FY 2024 Activity Thru 4/30/2024	Percent Year-to-Date at 4/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 4/30/2025	Percent Year-to-Date at 4/30/2025
A Water System Operations	\$ 90,810	\$ 70,855	78.0%	\$ 94,670	\$ 94,398	\$ 77,473	82.1%
B Wastewater System Operations	146,722	120,669	82.2%	147,245	145,040	121,171	83.5%
C Centralized Services	117,468	94,251	80.2%	116,980	135,244	98,155	72.6%
D Administrative & Other Services	38,747	29,572	76.3%	39,664	42,737	32,991	77.2%
Employee Benefits	-	-	0.0%	-	-	(922)	0.0%
Total O&M Budget	\$ 393,747	\$ 315,346	80.1%	\$ 398,559	\$ 417,419	\$ 328,868	78.8%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

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

Total: In total, the overall O&M expenses are at 78.8%, which is below the pro-rata benchmark of 83.3%. This negative variance equates to a dollar amount of \$19.0 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is below the pro-rata benchmark; coming in at 82.2% through April 2025.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 80.4% through April 2025. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is below the pro-rata benchmark, coming in at 80.9%. It should be noted that variances are not unexpected as usage varies throughout the year. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is above the pro-rata benchmark, coming in at 92.8%. This category is under review.
- **Sewage service** is lower than the pro-rata benchmark, coming in at 68.8%. This category is under review.
- **Water service** is lower than the pro-rata benchmark, coming in at 73.6%. This category is under review.

Chemicals: This category is lower than the pro-rata benchmark; coming in at 72.6% through April 2025. The FY 2025 budget is being closely monitored to account for rising chemical costs.

Supplies & Other: This category is lower than the pro-rata benchmark; coming in at 73.7% through April 2025. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

Contractual Services: The overall category is higher than the pro-rata benchmark; coming in at 77.1% through April 2025. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments are processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

Capital Program Allocation: This category is lower than the benchmark; coming in at 52.7% through April 2025. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget.

Shared Services: This category is higher than the benchmark; coming in at 85.2% through April 2025. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to reflect the forecasted activity more accurately for FY 2025. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount and activity includes true-up billings from prior years.



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

Expense Categories	FY 2024 AMENDED	FY 2024 ACTIVITY THRU	Percent Year-to- Date at	FY 2023 ACTIVITY THRU	Percent Year-to- Date at	FY 2025 AMENDED	FY 2025 PRORATED AMENDED BUDGET	FY 2025 ACTIVITY THRU	Percent Year-to- Date	FY 2025 Prorated Amended Budget Less FY 2025 Activity
Entity-wide	BUDGET	4/30/2024	4/30/2024	6/30/2024	6/30/2024	BUDGET	(10 MONTHS)	4/30/2025	4/30/2025	
Salaries & Wages	\$ 77,415	\$ 63,653	82.2%	\$ 77,595	82.0%	\$ 85,807	\$ 71,506	\$ 70,928	82.7%	\$ 578
Workforce Development	1,820	1,547	85.0%	1,949	79.4%	2,363	1,969	2,419	102.4%	(450)
Overtime	8,672	7,549	87.0%	9,171	82.3%	9,605	8,004	8,251	85.9%	(247)
Employee Benefits	27,869	22,383	80.3%	27,491	81.4%	32,244	26,870	26,731	82.9%	139
Transition Services	9,877	7,760	78.6%	9,249	83.9%	8,516	7,097	6,514	76.5%	583
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(922)	0.0%	922
Personnel Costs	125,653	102,891	81.9%	125,455	82.0%	138,535	115,446	113,922	82.2%	1,524
Electric	50,716	41,343	81.5%	49,805	83.0%	48,121	40,101	38,948	80.9%	1,152
Gas	7,767	6,205	79.9%	7,211	86.0%	7,000	5,833	6,494	92.8%	(660)
Sewage Service	2,538	2,106	83.0%	2,336	90.1%	2,980	2,483	2,051	68.8%	433
Water Service	12,803	10,764	84.1%	12,586	85.5%	11,602	9,668	8,534	73.6%	1,134
Utilities	73,823	60,418	81.8%	71,939	84.0%	69,703	58,085	56,027	80.4%	2,058
Chemicals	32,824	24,996	76.2%	31,075	80.4%	38,235	31,862	27,748	72.6%	4,115
Supplies & Other	45,364	35,065	77.3%	43,604	80.4%	46,574	38,811	34,318	73.7%	4,494
Contractual Services	120,914	96,026	79.4%	116,766	82.2%	131,234	109,361	101,209	77.1%	8,152
Capital Program										
Allocation	(2,624)	(2,129)	81.1%	(2,847)	74.8%	(4,582)	(3,818)	(2,413)	52.7%	(1,405)
Shared Services	(2,207)	(1,920)	87.0%	(2,281)	84.2%	(2,280)	(1,900)	(1,942)	85.2%	43
Unallocated Reserve	-	-	0.0%	-	0.0%	-	-	-	0.0%	-
Total Expenses	\$ 393,747	\$ 315,346	80.1%	\$ 383,711	82.2%	\$ 417,419	\$ 347,849	\$ 328,868	78.8%	\$ 18,981
<i>Totals may be off due to rounding</i>										



The Basic Financial Statements report includes the following four tables.

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

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

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

Statement of Net Position – All Funds Combined

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

Table 1 – Statement of Net Position - All Funds Combined
As of April 30, 2025
(\$000)

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2024
Assets				
Cash - unrestricted (a)	\$ 199,808	\$ 278,242	\$ 478,050	\$ 443,799
Cash - restricted (a)	91,824	143,613	235,437	662,614
Investments - unrestricted (a)	106,923	127,469	234,393	175,045
Investments - restricted (a)	138,143	172,137	310,280	108,102
Accounts Receivable	74,772	52,560	127,332	135,263
Due from (to) Other Funds (b)	28,562	(28,562)	-	-
Other Assets (c)	633,799	381,511	1,015,310	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,206,162	1,815,342	3,021,504	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	548,955	465,485	1,014,440	752,481
Total assets	3,322,572	3,534,613	6,857,186	6,924,804
Deferred Outflows (f)	24,780	50,474	75,254	89,954
Liabilities				
Liabilities - Liabilities-ST	255,014	267,099	522,114	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,207	5,818	8,025	7,500
Cash Held FBO DWSD (d)	34,540	40,863	75,403	58,147
Liabilities - Long-Term (i)	3,070,426	3,224,950	6,295,376	6,468,572
Total liabilities	3,362,187	3,538,730	6,900,917	7,071,818
Deferred Inflows (f)	60,053	63,705	123,758	133,364
Total net position (j)	\$ (74,887)	\$ (17,348)	\$ (92,235)	\$ (190,425)

Totals may be off due to rounding

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

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

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2024 are reported at market value. The April 30, 2025 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

Statement of Revenues, Expenses and Changes in Net Position

– All Funds Combined

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

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

Table 2 – Statement of Revenues, Expenses and Changes in Net Position
– All Funds Combined
For the Ten Months ended April 30, 2025
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
Revenue						
Wholesale customer charges	\$ 290,450	92.7%	\$ 239,791	56.7%	\$ 530,240	\$ 599,569
Local system charges	22,579	7.2%	171,604	40.6%	194,183	222,107
Industrial waste charges	-	0.0%	7,375	1.7%	7,375	8,617
Pollutant surcharges	-	0.0%	3,525	0.8%	3,525	4,089
Other revenues	382	0.1%	351	0.1%	733	1,149
Total Revenues	313,410	100.0%	422,645	100.0%	736,056	835,531
Operating expenses						
Operations and Maintenance	139,757	44.6%	186,186	44.1%	325,944	376,757
Depreciation	79,318	25.3%	123,648	29.3%	202,966	265,044
Amortization of intangible assets	4,106	1.3%	1,500	0.4%	5,606	4,837
Total operating expenses	223,181	71.2%	311,335	73.7%	534,516	646,638
Operating Income	90,229	28.8%	111,311	26.3%	201,540	188,893
Total Nonoperating (revenue) expense	53,985	17.2%	49,365	11.7%	103,350	147,736
Increase/(Decrease) in Net Position	36,244	11.6%	61,946	14.7%	98,190	41,157
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
Net position (deficit), end of year	\$ (74,887)		\$ (17,348)		\$ (92,235)	\$ (190,425)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$36.3 million.
- ✓ Wholesale water customer charges of \$290.4 million account for 92.7% of Water System revenues.
- ✓ Operating expenses of \$223.2 million represent 71.2% of total operating revenue. Depreciation is the largest operating expense at \$79.3 million or 35.5% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$90.2 million or 28.8% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$74.5 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$61.9 million.
- ✓ Wholesale customer charges of \$239.8 million account for 56.7% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$171.6 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$311.3 million represent 73.7% of total operating revenue. Depreciation is the largest operating expense at \$123.6 million or 39.7% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$111.3 million or 26.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$85.7 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the April 2025 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Ten Months ended April 30, 2025
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	26,321	18.8%	53,540	28.8%	79,861	24.5%
Overtime	5,230	3.7%	3,020	1.6%	8,251	2.5%
Employee Benefits	17,999	12.9%	7,810	4.2%	25,810	7.9%
Total Personnel	\$ 49,551	35.5%	\$ 64,371	34.6%	\$ 113,922	35.0%
Utilities						
Electric	24,150	17.3%	14,799	7.9%	38,948	11.9%
Gas	1,326	0.9%	5,168	2.8%	6,494	2.0%
Sewage	945	0.7%	1,106	0.6%	2,051	0.6%
Water	18	0.0%	8,516	4.6%	8,534	2.6%
Total Utilities	\$ 26,439	18.9%	\$ 29,588	15.9%	\$ 56,027	17.2%
Chemicals	11,334	8.1%	16,414	8.8%	27,748	8.5%
Supplies and other	11,048	7.9%	21,548	11.6%	32,595	10.0%
Contractual services	44,579	31.9%	57,050	30.6%	101,630	31.2%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(1,373)	-1.0%	(1,041)	-0.6%	(2,413)	-0.7%
Intergovernmental Agreement	(461)	-0.3%	(1,161)	-0.6%	(1,623)	-0.5%
Shared Services allocation	(1,359)	-1.0%	(583)	-0.3%	(1,942)	-0.6%
Operations and Maintenance Expenses	\$ 139,757	100.0%	\$ 186,186	100.0%	\$ 325,944	100.0%
<i>Totals may be off due to rounding</i>						

- ✓ Core expenses for water and sewage disposal systems are utilities (17.2% of total O&M expenses) and chemicals (8.5% of total O&M expenses).
- ✓ Personnel costs (35.0% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (31.2%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$4.1 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$15.1 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

Supplemental Schedule of Nonoperating Expenses – All Funds Combined

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

Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined
For the Ten Months ended April 30, 2025

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (19,341)	\$ (12,567)	\$ (31,908)	\$ (39,855)
Investment earnings	(18,178)	(24,215)	(42,393)	(59,786)
Net (incr) decr in fair value of invstmt	(621)	(1,045)	(1,667)	(2,068)
Other nonoperating revenue	108	(16,881)	(16,773)	(9,405)
Interest Expense				
Bonded debt	93,802	98,226	192,029	236,892
Lease obligation	13,600	16,622	30,222	36,780
Other obligations	3,014	1,361	4,375	5,286
	<u>110,416</u>	<u>116,209</u>	<u>226,625</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	(1,849)	(6,292)	(8,141)	(40,432)
Amortization, issuance costs, debt	(18,069)	(8,383)	(26,451)	4,155
(Gain) loss on disposal of capital assets	(12)	(6)	(19)	2,694
Loss on impairment of capital assets	-	-	-	-
Discontinued Capital Projects	-	-	-	-
Water Residential Assistance Program	446	604	1,050	6,772
Legacy pension expense	1,085	1,942	3,026	6,703
Total Nonoperating (Revenue)/Expense	<u>\$ 53,985</u>	<u>\$ 49,365</u>	<u>\$ 103,350</u>	<u>\$ 147,736</u>

Totals may be off due to rounding

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest.
- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2023 market value adjustments for Water and Sewer total \$1.3 million and \$2.6 million, respectively. FY 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. Any difference is due to realized gain or loss on investments.

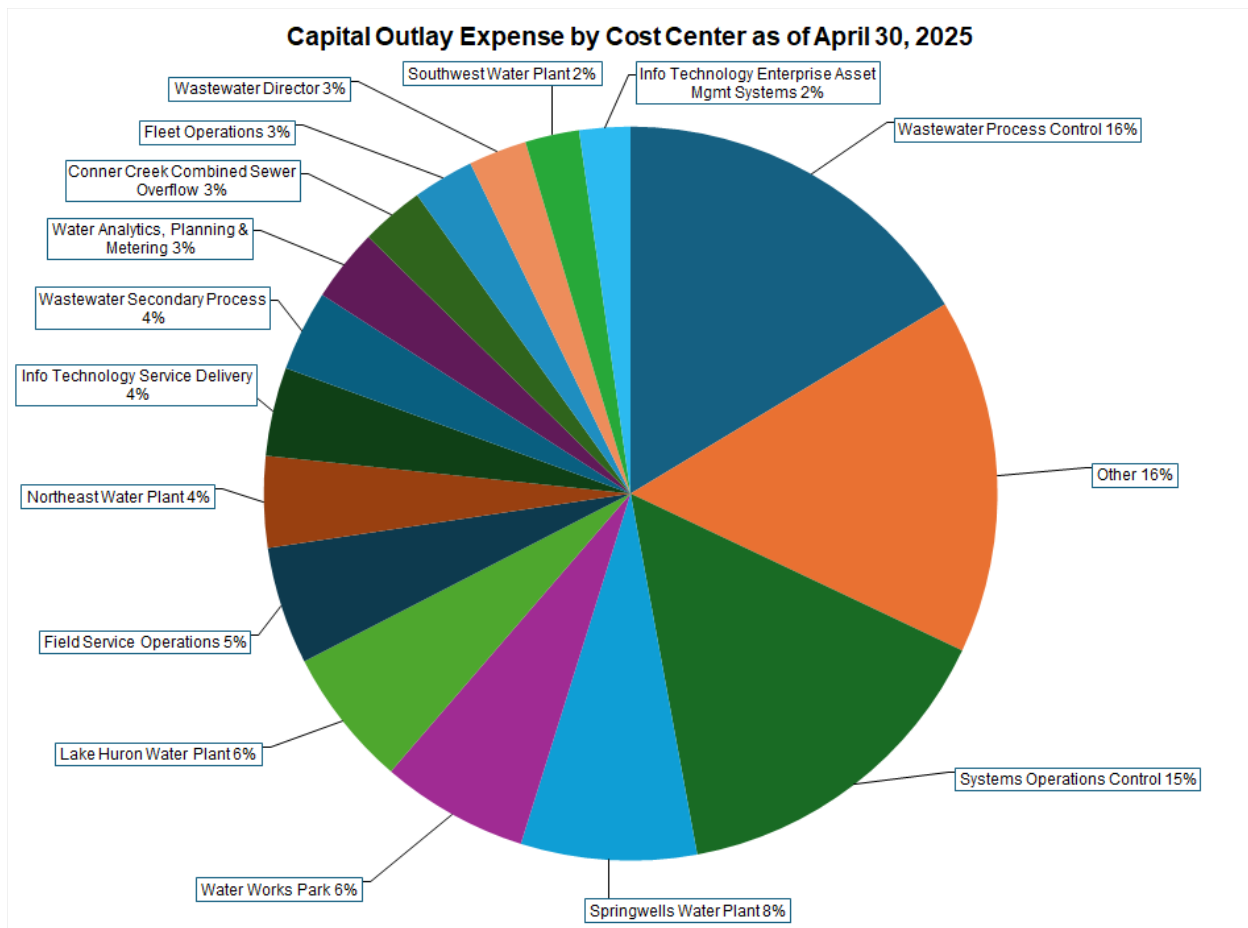
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating income consists of debt forgiveness for the Sewage Disposal system.
- ✓ FY 2024 other non-operating income consists of grant revenue for the Water and Sewage Disposal systems and debt forgiveness for the Sewage Disposal system.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$1.8 million) grant revenue for the Water system and (\$6.3 million) for the Sewage Disposal system.
- ✓ The FY 2024 capital contribution in Nonoperating (revenue) expense represents ARPA (\$33.9 million), FEMA (\$1.9 million) and other (\$3.6 million) grant revenue for the Water and Sewage Disposal systems.
- ✓ FY 2024 Water system loss on disposal of capital assets includes sale of Longitudinal Collectors.

Financial Activity Charts

Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA's capitalization policy.

Through April 30, 2025, total capital outlay spend is \$14.8 million. Following this chart is a sample list of projects and purchases from the total spend of \$14.8 million.



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

Water Operations: Ovation/power supply upgrade (\$850k); chlorine monorail (\$498k); Waterworks Park HVAC replacement (\$368k); ozonation pilot module (\$347k); fluid heater (\$189k); lead removal and disposal (\$185k); granular media filtration pilot plant (\$171k); Springwells alum sludge processing (\$129k); drive unit

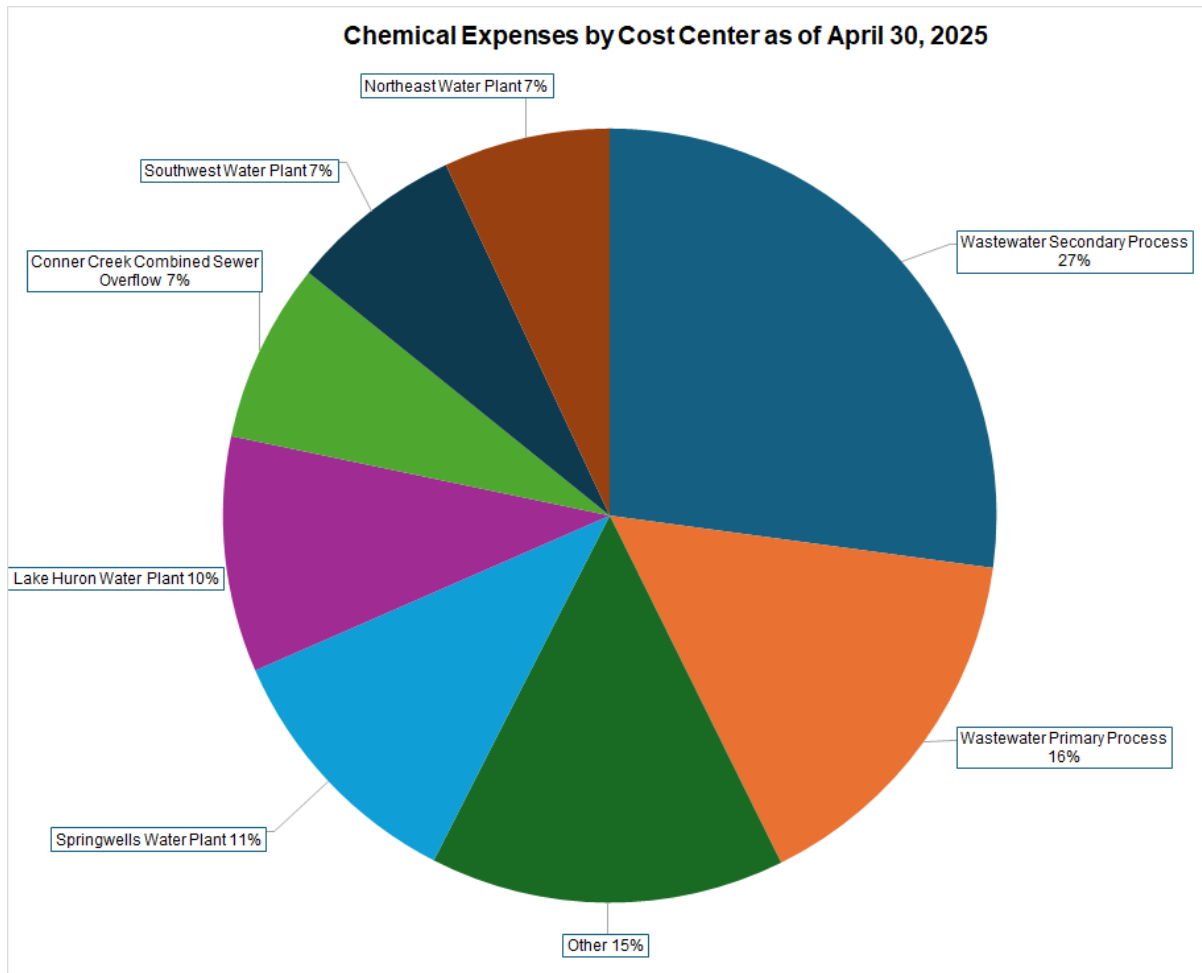
(\$99k); Northeast water plant furniture (\$80k); above ground storage tank (\$75k); hydraulic drive unit (\$65k); Southwest bare pump (\$51k); Springwells Grundfos pump (\$50k); and Waterworks Park rotork actuator (\$49k).

Wastewater Operations: Ovation upgrade and cabinet replacement (\$4.3m); ferric chloride buffering (\$527k); WRRF cooling tower (\$371k); Bluehill pump station ovation upgrade (\$172k); Fischer pump station ovation upgrade (\$159k); scum hopper pump (\$155k); gate actuator (\$129k); Conner Creek CSO equipment plus installation (\$123k); Baby Creek CSO equipment plus installation (\$114k); WRRF/CSO process camera (\$101k); Woodmere elevator modernization (\$80k); sludge feed pump (\$74k); chopper pump (\$59k); pump with overpressure protection (\$51k); pump end (\$49k); and flushed solids pump (\$45k).

Centralized & Administrative Facilities: Pump stations ovation upgrade (\$710k); computer hardware and software (\$642k); trucks and vehicles (\$371k); system level sensors (\$356k); database support (\$334k); sewer meter support (\$248k); Water Works Park furniture (\$94k); flow meter verification tool (\$76k) and cable kit (\$45k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

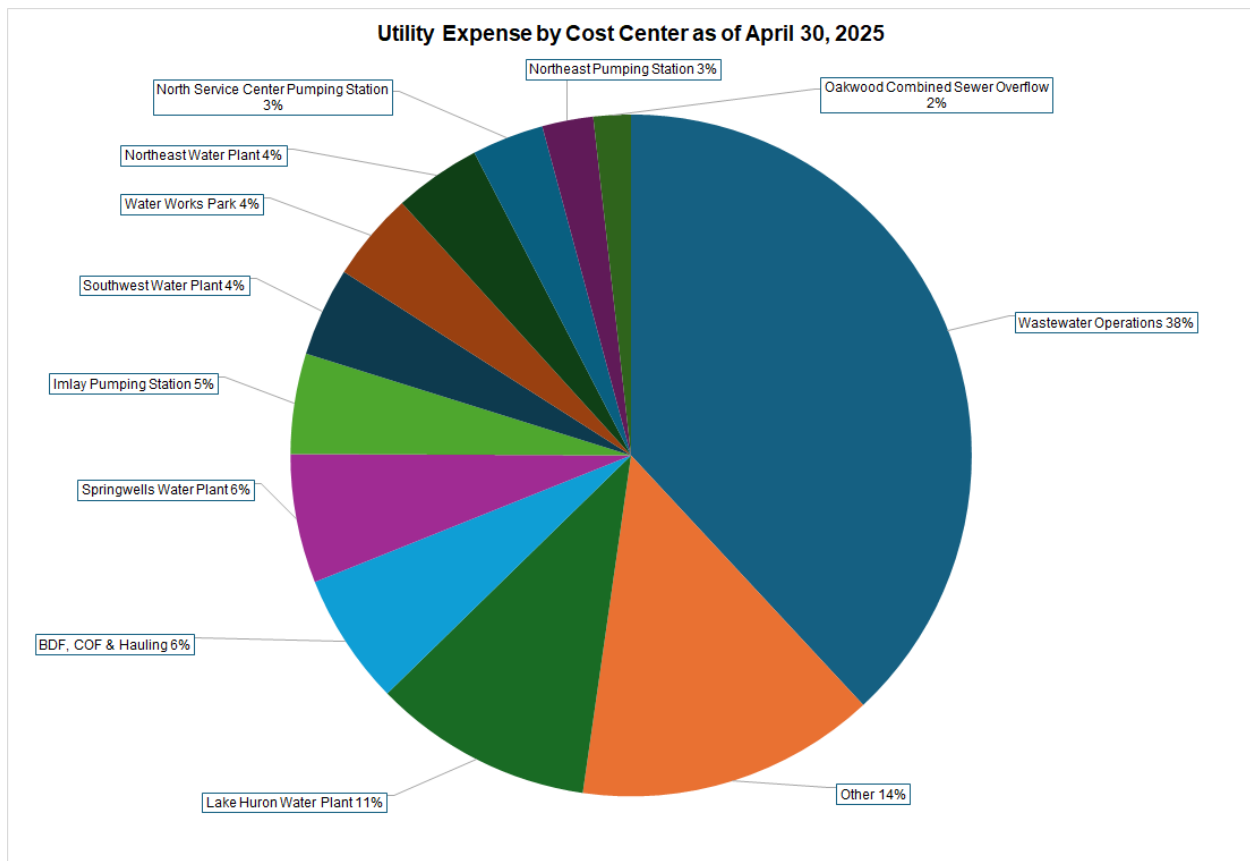
Chemical expenses are \$27.7 million through April 30, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$56.0 million through April 30, 2025. The allocation is shown in the chart below and consistent with prior periods.



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



Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end. Through April 30, 2025, all bank accounts are reconciled. There were no accounts added in the general ledger accounts since June 2024.

Chart 1 – Bank Reconciliation Completion Status

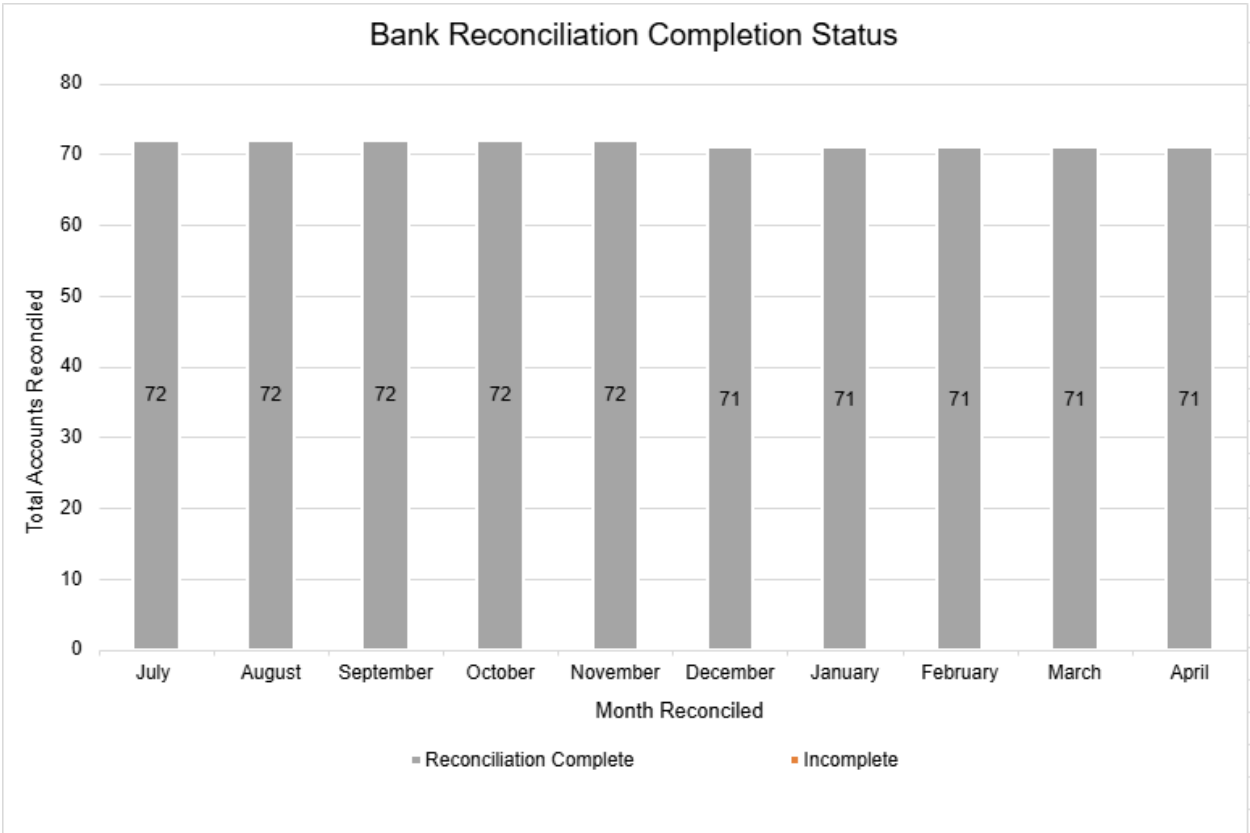


Table 1 – Fiscal Year 2025 GL Cash Account Rollforward

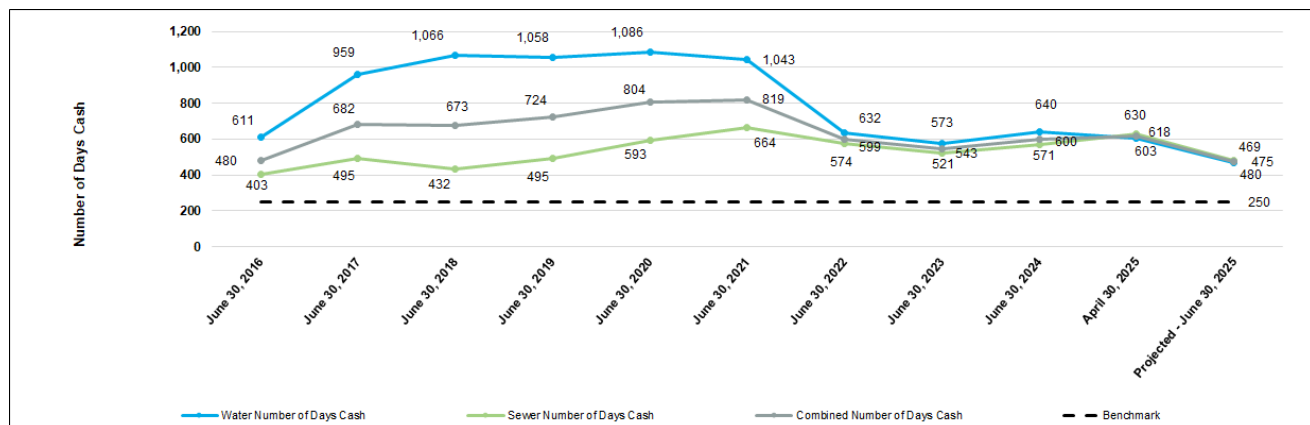
Total GL Cash accounts as of July 1, 2024	72
New GL Cash accounts	0
Inactivated GL Cash accounts (Dec 2024)	(1)
Total GL Cash accounts as of April 30, 2025	71

Financial Operations KPI - Liquidity

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

Both GLWA Water and Sewer funds continue to exceed this target with Water at 603 and Sewer at 630 days cash on hand as of April 30, 2025. These balances remain strong for the regional system but did decrease in FY 2022 as I&E funds were used as planned to fund capital improvement projects. A December 2023 revenue bond transaction that replenished the construction bond funds reducing the emphasis on I&E funding. The FY 2025 projection is calculated based on values from the GLWA FY 2025 – 2029 Budget & Five-Year Plan.

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



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

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

	June 30, 2024	April 30, 2025	June 30, 2025
Water Fund			
Cash and Investments - Unrestricted	276,591,000	306,732,000	238,600,000
Operating Expense			
Operating Expense (a)	272,172,000	229,495,000	275,394,000
Less: Depreciation (a)	(110,557,000)	(71,694,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(2,972,000)	(3,567,000)
Net Operating Expense	157,633,000	154,828,000	185,794,000
Operating Expense per Day	432,000	509,000	509,000
Days Cash			
Number of Days Cash	640	603	469
Sewage Disposal Fund			
Cash and Investments - Unrestricted	342,253,000	405,711,000	309,000,000
Operating Expense			
Operating Expense (a)	374,287,000	315,326,000	378,392,000
Less: Depreciation (a)	(154,486,000)	(119,333,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	218,946,000	195,993,000	235,192,000
Operating Expense per Day	600,000	644,000	644,000
Days Cash			
Number of Days Cash	571	630	480
Combined			
Cash and Investments - Unrestricted	618,844,000	712,443,000	547,600,000
Operating Expense			
Operating Expense (a)	646,460,000	544,821,000	653,785,000
Less: Depreciation (a)	(265,044,000)	(191,028,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(2,972,000)	(3,567,000)
Net Operating Expense	376,579,000	350,821,000	420,985,000
Operating Expense per Day	1,032,000	1,153,000	1,153,000
Days Cash			
Number of Days Cash	600	618	475
<i>Totals may be off due to rounding</i>			

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



The monthly Budget to Financial Statements Crosswalk includes the following.

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

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

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

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

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

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

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

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

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Ten Months Ended April 30, 2025

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 6,840	\$ 7,550	\$ 14,390
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	525	940	1,465
Prior year pension contribution accounted for in current year (d)	(1,085)	(1,942)	(3,027)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	61,282	94,838	156,120
Accelerated pension B&C notes obligation portion (g)	837	1,882	2,719
Regional System lease (h)	5,150	6,295	11,445
GASB 87 & GASB 96 adjustments (h)	1,189	1,532	2,721
WRAP (i)	1,177	1,606	2,783
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	16,088	35,545	51,633
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(83,424)	(125,148)	(208,572)
Amortization - debt related (k)	18,069	8,383	26,452
Other nonoperating income (k)	(113)	16,880	16,767
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	12	6	18
Raw water rights obligation (l)	2,571	-	2,571
Investment earnings for construction fund (m)	4,656	6,242	10,899
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	621	1,045	1,666
Improvement & extension fund operating expenses (p)	-	-	-
Capital Contribution (q)	1,849	6,292	8,141
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 36,244	\$ 61,946	\$ 98,190

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 1, 2025

Table 2 - Explanatory Notes for Crosswalk

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

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

- (o) Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.
- (p) The Water Improvement and Extension fund and the Sewer Improvement and Extension fund reflect certain expenses relating to repairs paid for through the Water and Sewer Improvement and Extension funds, respectively. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.
- (q) The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$1.8 million) grant revenue for the Water system and (\$6.3 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.



The Monthly Capital Improvement Plan Financial Summary includes the following.

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

Capital Improvement Plan Financial Summary

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

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

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

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

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

As of April 2025, the water system incurred \$138 million of construction costs to date. This spend represents 80% of the original, Board-approved CIP, and 80% of the Board-reviewed spend rate adjustment.

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

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

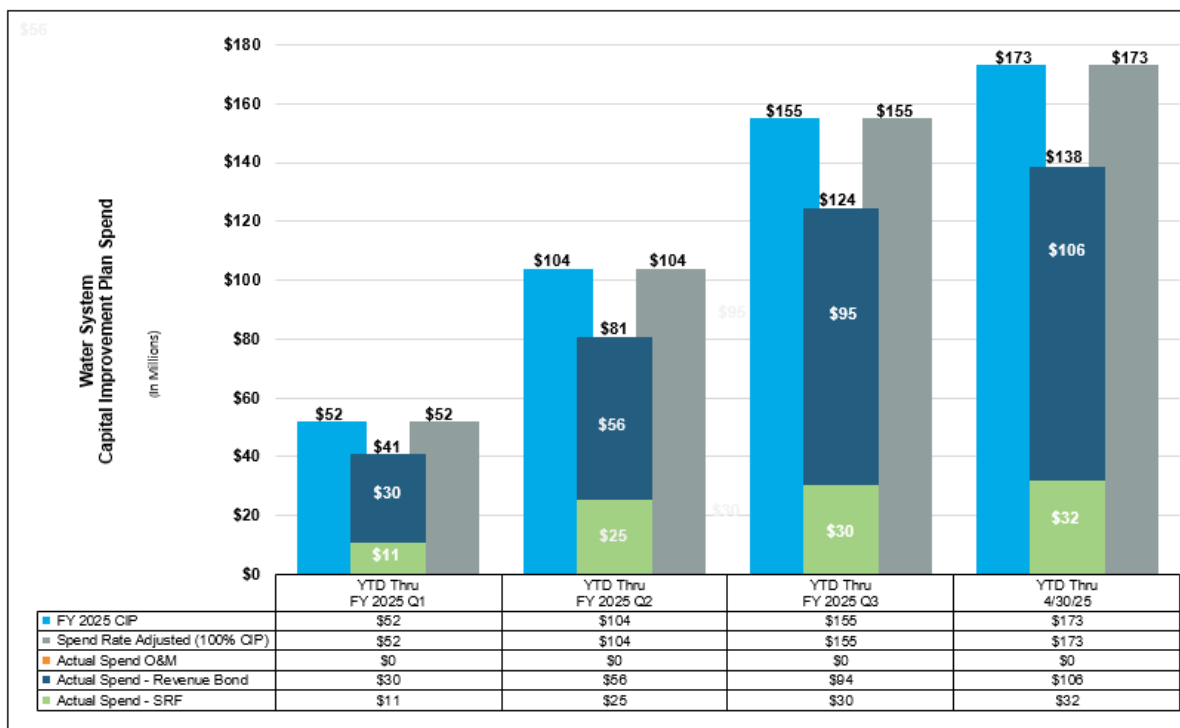
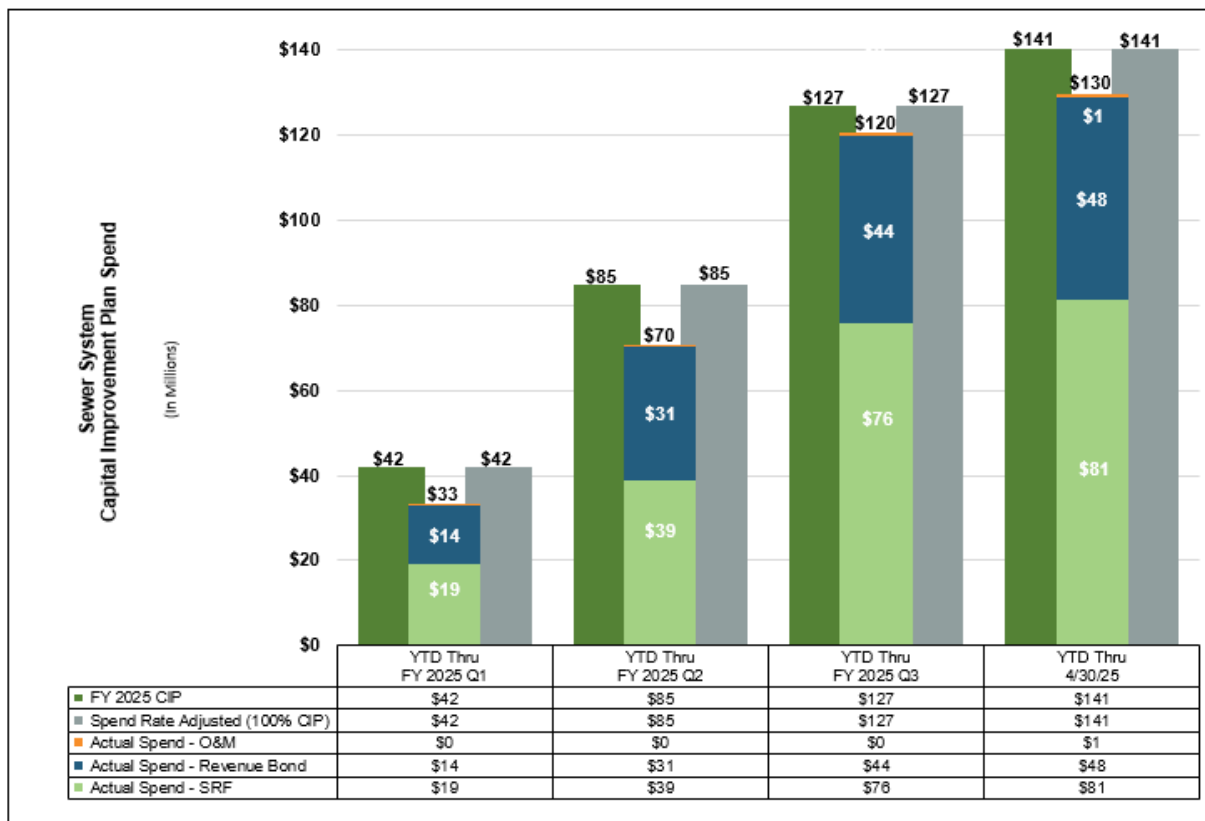


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of April 2025, the Sewer system incurred \$130 million of construction costs to date. This spend represents 92% of the original, Board-approved CIP, and 92% of the Board-reviewed spend rate adjustment.

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

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





This report includes the following.

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

MBO Transfers to Accounts Held by GLWA

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

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

Table 1 – GLWA FY 2025 Water MBO Transfers reflects the required transfers for FY 2025 completed through April 2025. MBO transfers for water totaling \$147.0 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through April 2025. MBO transfers for sewer totaling \$199.2 million have been transferred to GLWA accounts.

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

Table 1 – GLWA FY 2025 Water MBO Transfers

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
FY 2025							
July 2024	\$ 14,135,417	\$ -	\$ 324,642	\$ 236,359	\$ -	\$ -	\$ 14,696,418
August 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
September 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
October 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
November 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
December 2024	14,135,417	-	324,642	236,560	-	-	14,696,619
January 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
February 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
March 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
April 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
May 2025							
June 2025							
Total FY 2025	\$141,354,170	\$ -	\$ 3,246,420	\$2,362,589	\$ -	\$ -	\$ 146,963,179

Table 2 – GLWA FY 2025 Sewer MBO Transfers

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
FY 2025							
July 2024	\$ 19,077,833	\$ -	\$ 510,516	\$ 332,933	\$ -	\$ -	\$ 19,921,282
August 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
September 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
October 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
November 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
December 2024	19,077,833	-	510,516	329,816	-	-	19,918,165
January 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
February 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
March 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
April 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
May 2025							
June 2025							
Total FY 2025	\$190,778,330	-	\$ 5,105,160	\$3,344,919	\$ -	\$ -	\$ 199,228,409

Table 3 – GLWA MBO Transfer History

GLWA MBO Transfer History							
WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$ 71,052,000	\$ 6,037,100	\$ 10,297,200	\$ 1,983,300	\$ 2,326,900	\$ 606,000	\$ 92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000	178,303,200
Total FY 2024	168,873,100	-	2,568,700	2,710,200	-	2,836,000	176,988,000
Total FY 2025 (year to date)	141,354,170	-	3,246,420	2,362,589	-	-	146,963,179
Life to Date	\$ 1,297,933,082	\$ 48,362,300	\$ 90,583,695	\$ 22,647,093	\$ 2,686,900	\$ 5,642,000	\$ 1,467,855,070

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
Total FY 2016	\$ 100,865,600	\$ 10,838,400	\$ 14,025,800	\$ 2,523,400	\$ 5,591,700	\$ 779,600	\$ 134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-	221,288,700
Total FY 2023	204,122,500	10,824,000	14,687,400	3,673,800	-	-	233,307,700
Total FY 2024	224,873,500	-	3,914,500	3,836,402	150,000	-	232,774,402
Total FY 2025 (year to date)	190,778,330	-	5,105,160	3,344,919	-	-	199,228,409
Life to Date	\$ 1,834,787,922	\$ 86,620,800	\$ 125,197,069	\$ 32,185,017	\$ 8,396,100	\$ 779,600	\$ 2,087,966,508

MBO Required and Lease Payment Transfers to DWSD

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

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

Table 4 – DWSD FY 2025 Water MBO Transfers reflects the required transfers for FY 2025 completed through April 2025. MBO transfers for Water totaling \$57.5 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through April 2025. MBO transfers for Sewer totaling \$70.7 million have been transferred to accounts held by DWSD.

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

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

Table 4 – DWSD FY 2025 Water MBO Transfers

WATER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2025				
July 2024	\$ 3,970,517	\$ -	\$ 1,875,000	\$ 5,845,517
August 2024	3,970,517	-	1,875,000	5,845,517
September 2024	3,970,517	-	1,875,000	5,845,517
October 2024	3,970,517	-	1,875,000	5,845,517
November 2024	3,970,517	-	1,875,000	5,845,517
December 2024	3,970,517	-	1,875,000	5,845,517
January 2025	3,970,517	-	1,875,000	5,845,517
February 2025	3,970,517	-	1,875,000	5,845,517
March 2025	3,970,517	-	1,875,000	5,845,517
April 2025	2,989,267	-	1,875,000	4,864,267
May 2025				
June 2025				
Total FY 2025	\$ 38,723,920	-	\$ 18,750,000	\$ 57,473,920

Table 5 – DWSD FY 2025 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2025				
July 2024	\$ 4,889,950	\$ -	\$ 2,291,667	\$ 7,181,617
August 2024	4,889,950	-	2,291,667	7,181,617
September 2024	4,889,950	-	2,291,667	7,181,617
October 2024	4,889,950	-	2,291,667	7,181,617
November 2024	4,889,950	-	2,291,667	7,181,617
December 2024	4,889,950	-	2,291,667	7,181,617
January 2025	4,889,950	-	2,291,667	7,181,617
February 2025	4,889,950	-	2,291,667	7,181,617
March 2025	4,889,950	-	2,291,667	7,181,617
April 2025	3,787,870	-	2,291,667	6,079,537
May 2025				
June 2025				
Total FY 2025	\$ 47,797,420	-	\$ 22,916,670	\$ 70,714,090

Table 6 – DWSD Water MBO and Lease Payment Transfer History

	WATER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
FY 2016 *				
MBO/Lease Requirement	\$ 26,185,600	\$ 4,262,700	\$ 22,500,000	\$ 52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
Total MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400
FY 2017				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800
FY 2018				
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)
Total MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704
FY 2019				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
Total MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100
FY 2020				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
Total MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
FY 2021				
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)
Total MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600
FY 2022				
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)
Total MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
FY 2023				
MBO/Lease Requirement	42,581,600	4,272,000	22,500,000	69,353,600
Offset to Debt Service	-	-	(2,922,100)	(2,922,100)
Total MBO Transfer	42,581,600	4,272,000	19,577,900	66,431,500
FY 2024				
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	44,776,800	-	22,500,000	67,276,800
FY 2025 (year to date)				
MBO/Lease Requirement	38,723,920	-	18,750,000	57,473,920
Offset to Debt Service	-	-	-	-
Total MBO Transfer	38,723,920	-	18,750,000	57,473,920
Life-to-Date				
MBO/Lease Requirement	356,893,624	34,157,100	221,250,000	612,300,724
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	\$ 356,893,624	\$ 34,157,100	\$ 189,402,100	\$ 580,452,824

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

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

	SEWER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
FY 2016 *				
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600
FY 2017				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600
FY 2018				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328
FY 2019				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920
FY 2020				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
FY 2021				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
FY 2022				
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023				
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100
FY 2024				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704
FY 2025 (year to date)				
MBO/Lease Requirement	47,797,420	-	22,916,670	70,714,090
Offset to Debt Service	-	-	-	-
Total MBO Transfer	47,797,420	-	22,916,670	70,714,090
Life-to-Date				
MBO/Lease Requirement	527,055,532	22,859,800	270,416,674	819,410,459
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	\$ 519,955,532	\$ 22,859,800	\$ 218,636,013	\$ 761,451,345

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



This report includes the following:

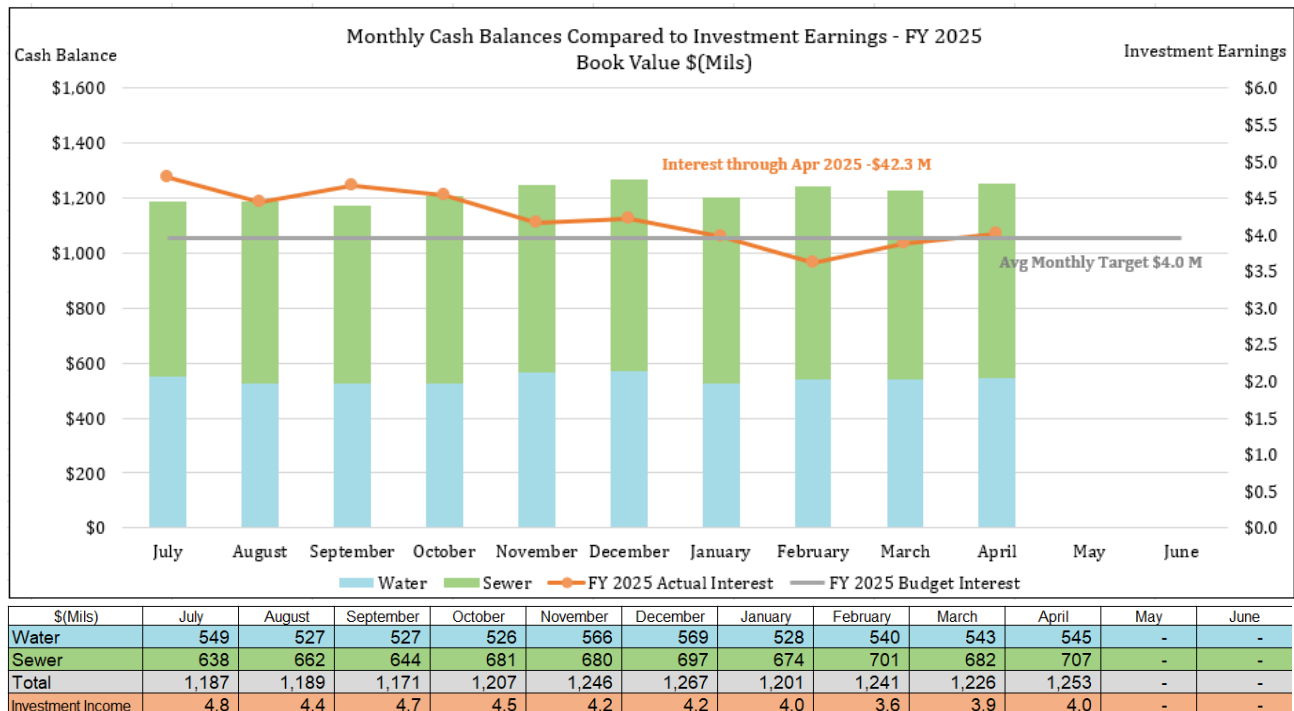
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

Monthly Cash Balances Compared to Investment Income

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

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of April 2025, GLWA earned investment income of \$4.0 million and cumulative FY 2025 earnings through April 2025 of \$42.3 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

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



All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 1, 2025

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

Cash Balance Detail

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

Funds Held Within Trust:

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

Funds Held Outside Trust:

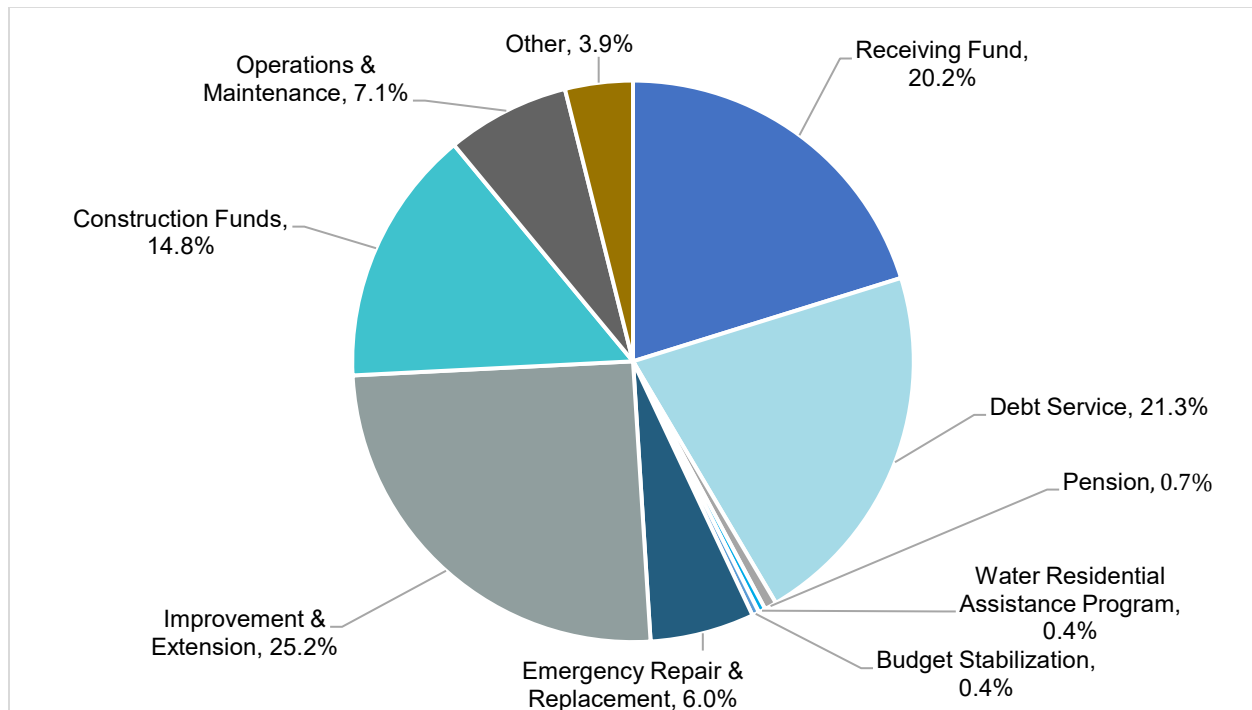
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors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

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

Chart 2 – Cash Balances - Water Funds as of April 2025 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of April 2025 is \$545 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

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

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

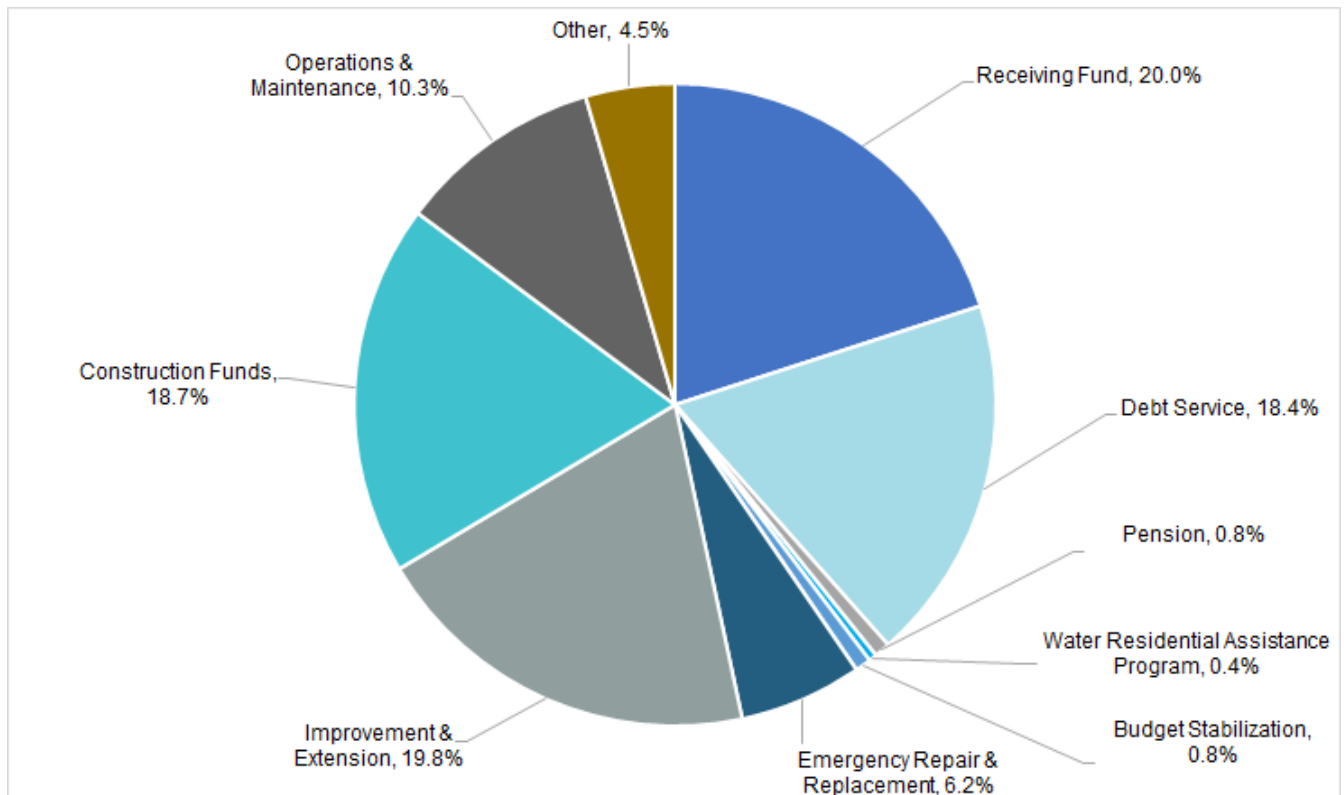


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of April 2025 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of April 2025 is \$707 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

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

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



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



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

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

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

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

DWSD Retail Water Billings and Collections

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

Table 1 - DWSD Retail Billings shows the FY 2025 water usage and billed revenue which are provided by DWSD staff. As of April 30, 2025, the DWSD usage was 101.83% of the budget and billed revenue was 102.31% of budget.

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

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

Table 1 – DWSD Retail Water Billing

RETAIL WATER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	241,000	12,395,932	226,703	11,590,136	(14,297)	(805,796)	248,307	12,606,397
August	261,000	13,459,400	240,621	12,171,324	(20,379)	(1,288,076)	255,079	12,913,867
September	248,000	12,773,235	238,868	12,205,143	(9,132)	(568,092)	214,796	11,119,261
October	212,000	10,944,671	216,527	11,222,004	4,527	277,333	222,909	11,409,427
November	208,000	10,711,071	212,832	11,115,046	4,832	403,975	210,687	10,898,684
December	198,000	10,200,009	212,252	11,100,382	14,252	900,373	214,139	11,246,818
January	195,000	10,077,416	190,716	10,661,000	(4,284)	583,584	224,414	11,263,184
February	207,000	10,656,080	222,769	11,469,800	15,769	813,720	225,042	11,774,408
March	201,000	10,347,960	229,724	11,649,351	28,724	1,301,391	206,204	11,096,805
April	203,000	10,437,186	222,774	11,403,695	19,774	966,509	213,950	10,552,343
May	193,000	9,948,001					214,474	10,667,783
June	211,000	10,879,139					226,703	10,637,883
Total	2,578,000	132,830,100	2,213,786	114,587,881	39,786	2,584,921	2,676,703	136,186,859
Subtotals ytd	2,174,000	112,002,960	2,213,786	114,587,881	39,786	2,584,921		
Achievement of Budget			101.83%	102.31%				

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

(2) Retail revenues include miscellaneous revenues and penalties

Table 2 – DWSD Retail Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
May	5,960,146	12,162,719	(6,202,573)	-51.00%
June	9,045,195	13,467,858	(4,422,663)	-32.84%
July	12,645,121	5,943,286	6,701,835	112.76%
August	10,203,737	11,794,131	(1,590,394)	-13.48%
September	10,837,378	9,790,065	1,047,313	10.70%
October	12,110,080	9,884,937	2,225,143	22.51%
November	8,572,356	10,499,606	(1,927,250)	-18.36%
December	10,277,979	13,663,688	(3,385,709)	-24.78%
January	10,935,031	8,506,008	2,429,023	28.56%
February	9,632,511	8,996,740	635,771	7.07%
March	9,132,694	15,842,538	(6,709,844)	-42.35%
April	11,714,224	13,840,518	(2,126,294)	-15.36%
Rolling, 12-Month Total	121,066,452	134,392,093		
Rolling, 12-Month Average	10,088,871	11,199,341		

DWSD Retail Sewer Billings and Collections

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

Table 3 - DWSD Retail Sewer Billings shows the FY 2025 sewer billed revenue which are provided by DWSD staff. As of April 30, 2025, the DWSD usage was at 98.54% of the budget and billed revenue was at 98.09% of budget.

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

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

Table 3 - DWSD Retail Sewer Billings

RETAIL SEWER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	214,000	30,316,100	173,084	26,350,527	(40,916)	(3,965,573)	207,574	29,192,723
August	196,000	29,206,000	195,207	28,301,325	(793)	(904,675)	211,503	29,278,720
September	215,000	30,359,800	198,474	28,536,169	(16,526)	(1,823,631)	178,576	27,476,376
October	180,000	28,256,800	181,932	28,141,699	1,932	(115,101)	184,382	27,700,094
November	181,000	28,322,800	171,499	28,166,266	(9,501)	(156,534)	175,498	26,939,338
December	166,000	27,436,800	192,915	28,831,326	26,915	1,394,526	156,168	26,546,712
January	160,000	27,139,500	140,835	26,273,695	(19,165)	(865,805)	182,643	26,882,316
February	177,000	28,085,500	182,920	28,075,547	5,920	(9,953)	179,551	27,455,737
March	166,000	27,448,400	184,249	28,353,310	18,249	904,910	165,992	26,725,597
April	169,000	27,639,700	176,337	27,741,237	7,337	101,537	179,514	26,737,898
May	166,000	27,458,600					170,754	26,225,089
June	175,000	27,995,600					173,084	26,149,588
Total	2,165,000	339,665,600	1,797,454	278,771,101	(26,546)	(5,440,299)	2,165,240	327,310,189
Subtotals ytd	1,824,000	284,211,400	1,797,454	278,771,101	(26,546)	(5,440,299)		
Achievement of Budget/Goal			98.54%		98.09%			

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

(2) Reflects billed volume based on actual usage except for residential customers where the billed volume differs from actual usage due to residential sewer volume caps implemented in FY 2023.

(3) Retail revenues include miscellaneous revenues and penalties

Table 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
May	22,487,372	24,419,561	(1,932,189)	-7.91%
June	20,945,929	23,769,626	(2,823,696)	-11.88%
July	36,297,569	32,379,222	3,918,346	12.10%
August	22,591,511	25,391,891	(2,800,380)	-11.03%
September	22,367,425	23,489,448	(1,122,023)	-4.78%
October	25,231,098	21,610,149	3,620,949	16.76%
November	23,609,169	25,951,736	(2,342,568)	-9.03%
December	23,914,649	23,249,973	664,676	2.86%
January	26,416,591	26,248,512	168,079	0.64%
February	24,116,823	24,230,304	(113,481)	-0.47%
March	23,871,283	26,438,687	(2,567,405)	-9.71%
April	25,340,397	23,532,381	1,808,016	7.68%
Rolling 12-Month Total	297,189,815	300,711,490		
Rolling, 12-Month Average	24,765,818	25,059,291		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

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

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

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

Table 6 is a summary of the total, current and non-current Water and Sewer receivables by category as of April 30, 2025 with comparative totals from April 30, 2024. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of April 30, 2025, are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary

Summary					
Period Ending	Monthly Sales	Receivables			Days in AR (1)
		Total	Allowance	Net	
Jun 30, 2022	39,022,000	300,346,000	(253,924,000)	46,422,000	36
Jun 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
Jun 30, 2024 (3)	39,029,000	324,867,000	(249,922,000)	74,944,000	58
Apr 30, 2025 (2)	40,720,000	370,828,000	(300,717,000)	70,110,000	52
Totals may be off due to rounding					

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

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

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

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	1,017.09	14,620,000 6.4%	10,500,000 4.6%	31,827,000 14.0%	170,298,000 74.9%	227,246,000 100.0%
Commercial	1,416.86	7,372,000 24.2%	2,545,000 8.3%	6,614,000 21.7%	13,966,000 45.8%	30,496,000 100.0%
Industrial	3,490.90	5,232,000 40.7%	679,000 5.3%	1,729,000 13.5%	5,200,000 40.5%	12,840,000 100.0%
Tax Exempt	788.51	616,000 20.5%	240,000 8.0%	624,000 20.7%	1,527,000 50.8%	3,007,000 100.0%
Government	512.92	4,600,000 22.0%	1,264,000 6.1%	4,364,000 20.9%	10,655,000 51.0%	20,883,000 100.0%
Drainage	606.40	2,072,000 7.7%	1,172,000 4.3%	3,494,000 12.9%	20,294,000 75.1%	27,032,000 100.0%
Subtotal - Active Accounts	951.94	34,512,000 10.7%	16,400,000 5.1%	48,651,000 15.1%	221,940,000 69.0%	321,504,000 100.0%
Inactive Accounts	128.18	224,000 0.5%	285,000 0.6%	1,142,000 2.3%	47,673,000 96.7%	49,324,000 100.0%
Total	513.23	34,736,000	16,685,000	49,793,000	269,613,000	370,828,000
% of Total A/R		9.4%	4.5%	13.4%	72.7%	100.0%
Water Fund	113.55	9,535,000	4,420,000	12,974,000	55,116,000	82,046,000
Sewer Fund	399.68	25,200,000	12,265,000	36,819,000	214,497,000	288,782,000
Total Apr 30, 2025 (a)	513.23	34,736,000	16,685,000	49,793,000	269,613,000	370,828,000
Water Fund- Allowance						(59,367,000)
Sewer Fund- Allowance						(241,350,000)
Total Bad Debt Allowance						(300,717,000)
Comparative - Apr 2024 (b)	448.34	35,680,000	16,474,000	48,486,000	210,954,000	311,595,000
Difference (a) - (b)		(944,000)	211,000	1,307,000	58,659,000	59,233,000



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

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

Wholesale Water Billings and Collections

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

Service Arrangement Type

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

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

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

Table 1 - Wholesale Water Billings shows the FY 2025 water billed usage and revenues. As of April 30, 2025, the billed usage was at 99.18% of the original plan and billed revenue at 99.92% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2025 Budget.

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

Table 2 - Wholesale Water Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. Current year collections are trending below the prior year for the twelve-month period ending April 30, 2025.

Table 1 – FY 2025 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2025 Charges (2)		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (3) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
1 July	1,471,701	33,806,600	1,347,527	32,449,201	(124,174)	(1,357,399)	1,396,012	31,956,320
2 August	1,378,066	32,779,600	1,297,169	31,977,986	(80,897)	(801,614)	1,295,617	30,947,078
3 September	1,252,529	31,226,000	1,315,030	32,104,405	62,501	878,405	1,212,814	29,862,077
4 October	1,040,750	28,617,400	1,051,234	28,946,404	10,484	329,004	1,043,901	27,856,141
5 November	902,080	27,224,500	872,926	26,975,632	(29,154)	(248,868)	899,934	26,481,380
6 December	965,968	27,817,100	966,671	27,877,869	703	60,769	947,841	26,904,465
7 January	979,263	27,960,900	989,175	28,114,300	9,912	153,400	984,406	27,231,881
8 February	869,226	26,840,000	888,053	27,055,774	18,827	215,774	877,428	26,143,840
9 March	946,913	27,587,200	966,088	27,862,863	19,175	275,663	930,938	26,675,356
10 April	904,594	27,235,000	928,903	27,482,932	24,309	247,932	886,646	26,342,756
11 May	1,122,987	29,809,800					1,101,158	28,684,891
12 June	1,440,113	33,505,700					1,313,310	31,043,002
Total	13,274,190	354,409,800	10,622,776	290,847,366	(88,314)	(246,934)	12,890,005	340,129,187
Subtotals ytd	10,711,090	291,094,300	10,622,776	290,847,366	(88,314)	(246,934)		
Achievement of Original Plan			99.18%	99.92%				

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

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

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

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
May	25,838,255	29,265,308	(3,427,053)	-11.71%
June	24,182,036	29,370,704	(5,188,668)	-17.67%
July	30,278,936	22,645,008	7,633,928	33.71%
August	25,054,796	36,275,672	(11,220,876)	-30.93%
September	31,569,804	29,955,755	1,614,049	5.39%
October	29,858,946	26,617,271	3,241,675	12.18%
November	29,728,772	35,490,010	(5,761,238)	-16.23%
December	33,080,276	28,246,829	4,833,447	17.11%
January	28,917,330	24,448,936	4,468,394	18.28%
February	25,874,160	29,100,065	(3,225,905)	-11.09%
March	26,649,141	24,740,554	1,908,587	7.71%
April	25,622,706	26,856,179	(1,233,473)	-4.59%
Rolling 12-Month Total	336,655,158	343,012,291		
Rolling, 12-Month Average	28,054,597	28,584,358		

Wholesale Sewer Billings and Collections

Wholesale Sewer Contracts: GLWA provides wholesale sewer service to 18 member-partners via multiple service arrangements.

Service Arrangement Type

Model Contract	14
Emergency	0
Older Contracts	4
Total	<u>18</u>

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

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

Table 3 - Wholesale Sewer Billings shows the FY 2025 sewer billed revenue. As of April 30, 2025 the billed revenue reflects 100.00% of the original plan.

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

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

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending below the twelve-month period ending April 30, 2025.

Table 3 – FY 2025 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2025 Charges		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
2 August	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
3 September	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
4 October	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
5 November	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
6 December	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
7 January	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
8 February	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
9 March	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
10 April	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
11 May	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
12 June	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
Total		286,606,800		238,839,000		-		281,937,600
<i>Subtotals ytd</i>		238,839,000		238,839,000		-		
Achievement of Original Plan				100.00%				

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

(2) Not tracked as part of the wholesale sewer charges.

Table 4 - Wholesale Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
May	28,363,300	18,213,966	10,149,334	55.72%
June	23,300,100	38,287,549	(14,987,449)	-39.14%
July	18,438,961	22,331,831	(3,892,870)	-17.43%
August	13,987,797	22,377,366	(8,389,569)	-37.49%
September	25,450,281	18,770,419	6,679,862	35.59%
October	13,037,715	23,107,016	(10,069,301)	-43.58%
November	33,933,304	27,958,885	5,974,419	21.37%
December	23,958,644	21,351,498	2,607,146	12.21%
January	23,850,161	21,117,470	2,732,691	12.94%
February	23,509,614	27,856,400	(4,346,786)	-15.60%
March	24,230,161	23,460,900	769,261	3.28%
April	24,138,802	18,685,600	5,453,202	29.18%
Rolling 12-Month Total	276,198,840	283,518,900		
Rolling, 12-Month Average	23,016,570	23,626,575		

Wholesale Water & Sewer Accounts Receivable Aging Report

Because most utilities bill in arrears for services rendered, GLWA operational invoicing reflects 45-day payment terms. This allows Member Partners the ability to collect payment for services rendered under typical 30-day payment terms with an additional 15-day window to make payment to GLWA for wholesale services provided during that service period.

Table 5 - Wholesale Accounts Receivable Aging Report Summary is a summary of the total, current and non-current receivables by category as of April 30, 2025.

Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn is the same summary *without* the past due balances for Dearborn. Three water accounts comprise the past due balances reported. Two accounts reflect a past due balance of \$119,122. The majority of that past due was paid in early July. The Billing team continues to work with the remaining member partner on collection of their balance. The small past due balance of \$3,777 was fully paid in May.

One sewer account comprises the past due balance of \$104,500 and was fully paid in May. The IWC past due balance reflects two accounts totaling \$6,718 of which \$6,499 was paid in June and the balance the GLWA staff continues to work with the community to become current. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	1-45 Days	46-74 Days	75-104	>105 Days
Water	42,687,716	34,640,105	183,289	64,167	67,943	7,732,212
Sewer	14,176,727	14,072,227	104,500	-	-	-
IWC	594,847	588,129	73	73	73	6,499
Pollutant	686,516	624,971	17,878	20,173	4,303	19,191
Total	58,145,805	49,925,432	305,740	84,412	72,319	7,757,902
	100.00%	85.86%	0.53%	0.15%	0.12%	13.34%

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

	Total	Current	1-45 Days	46-74 Days	75-104	>105 Days
Water	33,783,405	33,660,506	119,122	-	3,777	-
Sewer	14,176,727	14,072,227	104,500	-	-	-
IWC	594,847	588,129	73	73	73	6,499
Pollutant	686,516	624,971	17,878	20,173	4,303	19,191
Total	49,241,494	48,945,833	241,573	20,246	8,152	25,690
	100.00%	99.40%	0.49%	0.04%	0.02%	0.05%

Note: percentages vary from 100% due to rounding.



The Monthly Trust Receipts & Disbursements Report includes the following.

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

GLWA Trust Receipts & Disbursements

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

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

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects ten months of activity to date.

Water fund receipts exceeded required disbursements by 7% through April 30, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

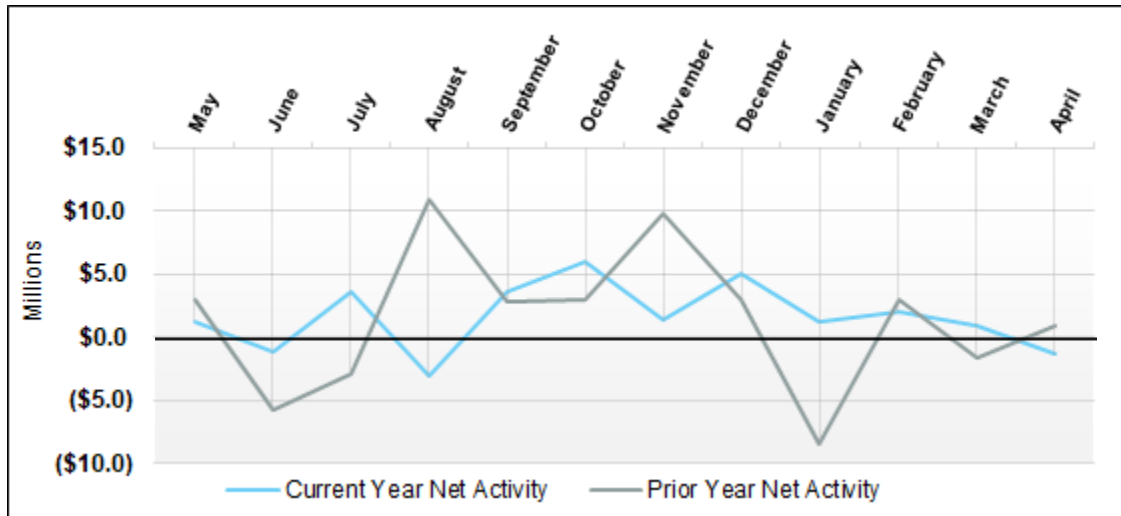
Sewer fund receipts exceeded required disbursements by 5% through April 30, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

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

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

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Through April 30
Water					
1 Receipts	336,642,021	338,117,694	363,335,474	374,252,221	318,847,190
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	318,847,190
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(299,373,330)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	19,473,860
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(4,063,073)	(5,000,528)	4,250,999	(8,005,400)	19,473,860
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	107%
Sewer					
9 Receipts	472,871,853	471,979,297	498,888,416	506,731,576	419,537,724
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	419,537,724
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(400,440,417)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	19,097,307
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	13,972,674	(8,077,664)	(1,394,022)	16,812,782	19,097,307
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	105%
Combined					
19 Receipts	809,513,874	810,096,991	862,223,890	880,983,797	738,384,913
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	738,384,913
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(699,813,747)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	38,571,166
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	9,909,601	(13,078,192)	2,856,977	8,807,382	38,571,166
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	106%

Chart 1 – GLWA 12-Month Net Receipts – Water

Chart 2 – GLWA 12-Month Net Receipts – Sewer


DWSD Trust Receipts & Disbursements

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

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

Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects ten months of activity to date.

Water fund receipts exceeded required disbursements by 5% through April 30, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 2% through April 30, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 3% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru April 30
Water					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	106,101,304
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	106,101,304
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(100,799,065)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	5,302,239
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	5,302,239
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	101%	108%	105%	106%	105%
Sewer					
9 Receipts	308,210,767	291,280,896	298,896,942	296,088,194	253,811,332
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	253,811,332
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(249,759,335)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	4,051,997
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	4,051,997
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	102%
Combined					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	359,912,635
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	359,912,635
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(350,558,400)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	9,354,235
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	9,354,235
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	103%

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

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

Chart 3 – DWSD 12-Month Net Receipts – Water

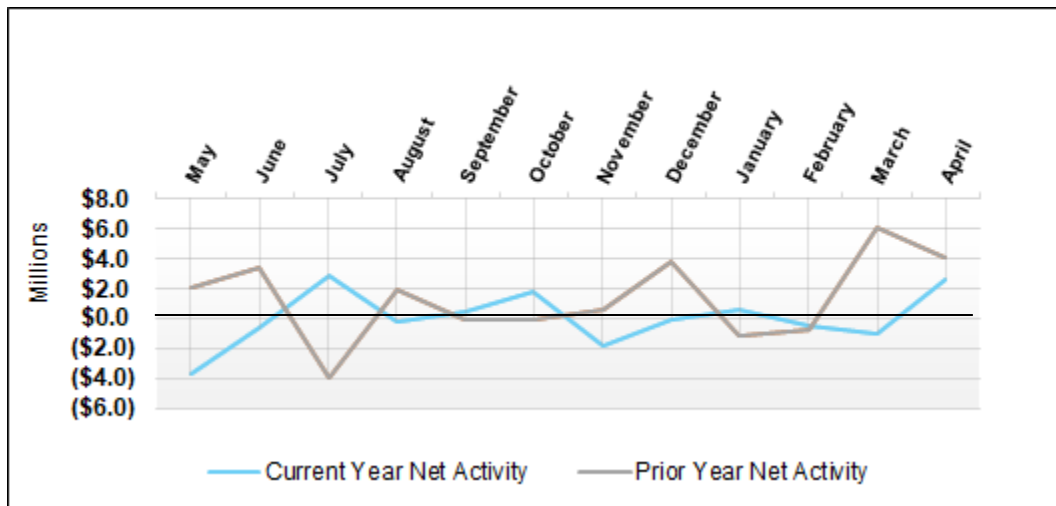
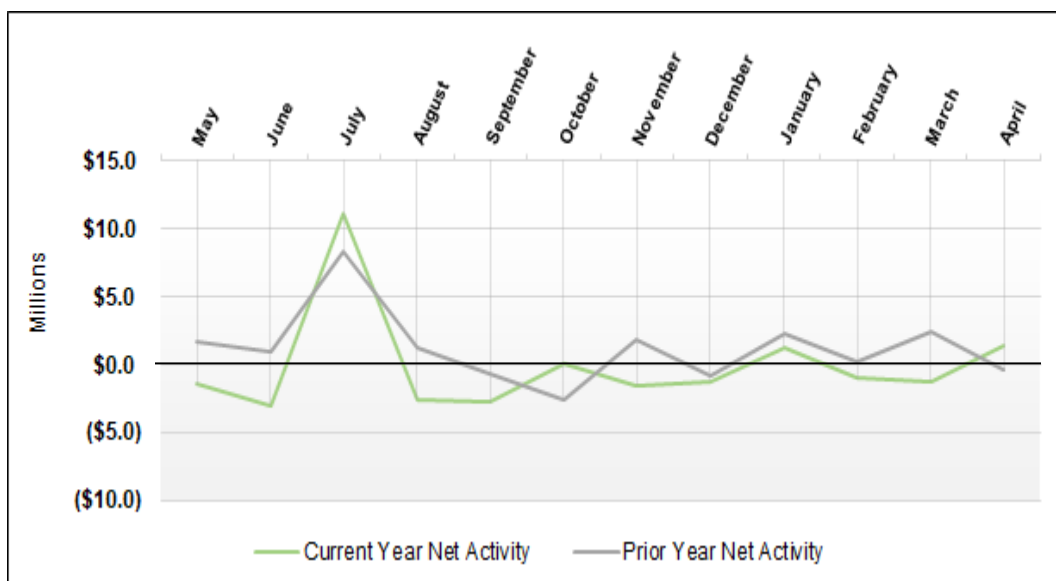


Chart 4 – DWSD 12-Month Net Receipts – Sewer



Combined System Trust Receipts & Disbursements

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

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

Water fund net receipts exceeded required disbursements by 6% through April 30, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 4% through April 30, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru April 30
Water					
1 Receipts	438,709,444	440,082,657	487,102,098	498,070,508	424,948,493
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	424,948,493
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(400,172,395)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	24,776,098
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(2,702,850)	2,468,834	10,351,523	(1,477,704)	24,776,098
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	106%
Sewer					
9 Receipts	781,082,620	763,260,193	797,785,358	802,819,770	673,349,055
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	673,349,055
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(650,199,752)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	23,149,303
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	27,082,670	(2,052,768)	14,407,820	24,781,459	23,149,303
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	104%
Combined					
19 Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	1,098,297,548
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	1,098,297,548
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,050,372,147)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	47,925,402
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	24,379,820	416,066	24,759,343	23,303,755	47,925,402
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	107%	105%	105%	105%	105%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee August 1, 2025



Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

From: Greg Bolterman, CFO Services Management Professional

Re: Grants, Gifts, and Other Resources Report Through June 30, 2025

Highlights: The Grants, Gifts, and Other Resources Report highlights changes from the prior report in yellow. Fourteen (14) projects were updated this month. Of particular note are the following.

- ✓ **2023-002 FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor (CIP Project 222002)** – Received notification of award for \$2,000,000 grant; Grants One Pager Series for the EPA FY22 Community Grant (DRI) is attached for further reference.
- ✓ **2023-003 FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project** – Received notification of award for \$3,452,972 grant; Grants One Pager Series “EPA FY22 Community Grant (PFAS))” is attached for further reference.
- ✓ **2023-019 American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE (CIP Project 122004)** – Two reimbursement requests received in June 2025 totaling \$502,941.
- ✓ **2025-005 American Rescue Plan Northwest – State Revolving Fund Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)** – Reimbursement of \$3,422,643 received in June, additional request of \$1,937,504 submitted in June 2025.
- ✓ **2025-008 Federal Emergency Management Agency (FEMA) COVID-19 CAT-Z – Allocation of Management Costs** – Reimbursement request of \$100,398 submitted June 2025. Project closeout in progress.
- ✓ **2023-009/2023-010/2023-011 Federal Emergency Management Agency (FEMA)**– Final payments totaling \$303,160 received on three projects (WRRF, Puritan Fenkell, and System Wide Emergency Protective Measures).

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

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

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

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

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

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

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

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

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

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

Items of note related to each table include the following.

Table 1 – Pre-Award Programs reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The summarized activity below identifies two earmarked EPA Community Grants, two Cybersecurity Grants, 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 EPA Community Grants, two awards for local nonprofit apprenticeship grants, four reimbursement requests submitted for four associated FEMA Flood projects, two SRF funded projects, a Department of Energy grant, a Building Resilient Infrastructure and Communities (BRIC) Grant, a DWSD SRF pass through grant, a flood study grant where we are required to track costs incurred by GLWA, and a subrecipient grant for scale up of the hydrothermal liquefaction process.

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

Table 4 – Programs not awarded or Programs that GLWA will not continue to pursue is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – current activity is a BRIC grant where GLWA has decided to pursue a scoping grant instead as a recommended means of building support for a possible larger grant award.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Table 1 – Pre-Award Programs reflects open submissions for FY 2023, FY 2024 and FY 2025 to date. The programs listed under this section do not have a grant agreement between the awarding agency and GLWA at this time, but an application has been submitted, or the funds have been identified in legislation (i.e. earmarks). The summarized activity below identifies two earmarked EPA Community Grants, two Cybersecurity Grants, 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	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2023-023	8/30/2023	I-94 Modernization Project (CIP Project 270001)	MDOT Federal pass-through State (Reimbursement Basis)	\$34,400,000	Federal Audit Requirements	NEPA Review with the State of Michigan.
2024-009	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Conveyance System Infrastructure Improvements (CIP Project 260701)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)
2024-009b	3/9/2024	FY2024 Environmental Protection Agency Community Grant – Oakwood District Intercommunity Relief Sewer Modifications (CIP Project 222001)	Federal Grant (Reimbursement Basis)	\$959,752	Federal Audit Requirements	Earmark (20% Cost Share)

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status
2025-001	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Assessments	Federal Grant (Reimbursement Basis)	\$80,000	Federal Audit Requirements	Application Submitted by GLWA, under review by FEMA.
2025-002	12/19/2024	State and Local Cybersecurity Grant Program (SLCGP) - Cybersecurity Professional Training for IT/Security Staff	Federal Grant (Reimbursement Basis)	\$191,194	Federal Audit Requirements	Application Submitted by GLWA, under review by FEMA.

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

Table 2 – Awarded Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-002	6/6/2025	FY2022 Environmental Protection Agency Community Grant – Detroit River Interceptor (CIP Project 222002)	Federal Grant (Reimbursement Basis)	\$2,000,000	Federal Audit Requirements	Received notification of award June 6, 2025.
2023-003	12/19/2022	FY2023 Environmental Protection Agency Community Grant – PFAS Compounds remediations project	Federal Grant (Reimbursement Basis)	\$3,452,972	Federal Audit Requirements	Received notification of award June 6, 2025.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-005	3/28/2023	Department of Energy – Hydrothermal Liquefaction Project	Federal Grant (Reimbursement Basis)	\$1,000,000	Federal Audit Requirements	Reimbursement requests of \$598,925 received through June 2025.
2023-013	8/06/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 714729 Outfalls (CIP Project 260201)	Federal pass-through State (Reimbursement Basis)	\$247,650	Federal Audit Requirements	Reimbursement request of \$247,650 submitted in February 2024. Project closeout in progress.
2023-014	8/28/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 664811 Conner Creek Sewer System (CIP Project 260204)	Federal pass-through State (Reimbursement Basis)	\$1,910,621	Federal Audit Requirements	Reimbursement request of \$1,910,621 submitted in February 2024. Project closeout in progress.
2023-015	10/3/2024	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 670521 CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$90,541	Federal Audit Requirements	Reimbursement request of \$90,541 submitted in November 2024. Project closeout in progress.
2023-019	3/3/2021	American Rescue Plan – State Revolving Fund (ARPA) Funded Project 7532-02 96 Inch Water Transmission Main Relocation Phase 2 EGLE (CIP Project 122004)	Federal pass-through State (Reimbursement Basis)	\$11,751,730	Federal Audit Requirements	Reimbursement requests received totaling \$502,941 in June 2025. Total reimbursement requests received of \$8.1M to date.
2024-005	12/15/2023	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Project Scoping/Feasibility Study (design and engineering only – no construction)	Federal pass-through State (Reimbursement Basis)	\$856,000	Federal Audit Requirements	\$856,000 Grant awarded January 2025 – currently on hold.
2024-011	7/10/2024	Southeast Michigan Flood Study	Federal (Cost Share Only)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$1.5M.
2024-014	6/07/2023	Focus Hope – Michigan Industry Cluster Approach (MICA 4.0)	Focus Hope (Nonprofit)	\$43,000	None	Reimbursement of \$16,000 received in June 2025. \$17,000 received to date.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2025-004	5/1/2025	Scale-up of Hydrothermal Liquefaction with Supercritical Water Oxidation in an Integrated Biorefinery	Federal Grant (Cost Share)	\$0	Federal Audit Requirements	Cost Share Agreement – GLWA share \$250,000 completed May 2025.
2025-005	9/06/2024	American Rescue Plan Northwest – State Revolving Fund Project 5840-01 Northwest Interceptor to Oakwood CSO Sewer (CIP Project 222001)	Federal pass-through State (Reimbursement Basis)	\$20,000,000	Federal Audit Requirements	Reimbursement of \$3,422,643 received in June 2025, additional request of \$1,937,504 submitted in June 2025. Total reimbursement to date \$9.8M.
2025-006	5/08/2025	Detroit Employment Solutions Corp (DESC) Apprentice Grant	DESC (Nonprofit)	Currently \$5,000 per Apprentice, will decrease to \$4,000 per Apprentice July 2025	None	Total 2025 reimbursements through June 2025 \$102,000.
2025-007	8/22/2024	State Revolving Fund Clean Water Initiative/Strategic Water Quality Initiative 5980-01 West Chicago South Stormwater Improvements (DWSD Grant)	Pass Through to DWSD	\$14,011,908	Federal Audit Requirements	Reimbursements processed totaling \$2M received through March 2025. Submitted additional request of \$242,632 in June 2025.
2025-008	6/03/2025	Federal Emergency Management Agency (FEMA) COVID-19 DR-4494 Project 953011 - CAT-Z – Allocation of Management Costs	Federal pass-through State (Reimbursement Basis)	\$100,398	Federal Audit Requirements	Reimbursement request of \$100,398 submitted June 2025. Project closeout in progress.

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

Table 3 – Post Award Programs

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-006	2/22/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 660138 Seven Mile CSO	Federal pass through-State (Reimbursement Basis)	\$46,996	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-007	4/03/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 660076 Springwell Water Treatment Plant	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-008	4/03/2023	Federal Emergency Management Agency (FEMA), June Flood DR-4607 Project 668336 Fairview PS Protective Measures (CIP Project 232001)	Federal pass through-State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Funds received as of June 30, 2023. Working with MSP to close out grant.
2023-009	4/03/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660133 – Obligated \$80,129 Puritan Fenkell CSO	Federal pass-through State (Reimbursement Basis)	\$80,129	Federal Audit Requirements	Funds received June 20, 2025. Working with MSP to close out grant.
2023-010	4/10/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660118 – Obligated \$180,000 WRRF	Federal pass-through State (Reimbursement Basis)	\$180,000	Federal Audit Requirements	Funds received June 20, 2025. Working with MSP to close out grant.
2023-011	8/29/2022	Federal Emergency Management Agency (FEMA) June 25-26 Flood, DR-4607 Project 668672 - System Wide Emergency Protective Measures	Federal pass-through State (Reimbursement Basis)	\$43,031	Federal Audit Requirements	Funds received June 20, 2025. Working with MSP to close out grant.

Reference Number	Date Originally Awarded or Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2023-012	4/03/2023	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Project 660110 – Obligated \$319,911 Fairview PS (CIP Project 232001)	Federal pass-through State (Reimbursement Basis)	\$319,911	Federal Audit Requirements	Funds received as of March 6, 2025. Working with MSP to close out grant.

Table 4 –Programs not awarded or Programs that GLWA will not continue to pursue is a table that reflects programs that GLWA was not awarded, or alternatively, programs that will not continue to be pursued by GLWA – current activity is a BRIC grant where GLWA has decided to pursue a scoping grant instead as a recommended means of building support for a possible larger grant award.

Table 4 –Programs not awarded or Programs that GLWA will not continue to pursue

Reference Number	Date Originally Requested	Program Description	Type of Activity	Grant Amount	Compliance and/or Performance Requirements	Status
2025-003	11/14/2024	Fiscal Year 2023 Building Resilient Infrastructure and Communities (BRIC) Grant - Dedicated Microgrid-Critical Water Infrastructure for Flood Prevention project – construction	Federal Grant (Reimbursement Basis)	\$14,000,000	Federal Audit Requirements	GLWA to pursue a scoping grant first.



Grant Activity Overview

The U.S. Environmental Protection Agency (EPA) awarded GLWA a FY 2022 Community Grant. The project selected under this grant is the Detroit River Interceptor (DRI) Evaluation and Rehabilitation project (CIP 222002). This Grant Agreement provides funding to Great Lakes Water Authority to implement a portion of this large CIP project, specifically “Reach 3” of the Detroit River Interceptor sewer. GLWA was awarded \$2,000,000 in federal funding with a \$543,359 cost share.

Project Background

The Detroit River Interceptor (DRI) is about twelve miles long and parallels the Detroit River from the Detroit city limits at Alter Road to the Wastewater Resource Recovery Facility. The diameter of the interceptor ranges from 8 feet at Alter Road to 16 feet at the Water Resources Recovery Facility (WRRF). It is constructed of differing materials ranging from brick to unreinforced concrete, to reinforced concrete. The purpose of the DRI as originally Constructed is to prevent-newly constructed sewers from discharging directly into the river. Since its original construction, the DRI has been supplemented by the North Interceptor East Arm (NI-EA) and the Northwest Interceptor (NWI), which together intercept and relieve flow from the North, East, and West.

Project Objective

In October 2017 GLWA issued a request for proposal (RFP) to provide professional engineering and construction services to repair and rehabilitate almost all portions of the DRI from Alter Road to the WRRF, later this RFP was revised to include all portions. This constitutes the entire DRI within the Detroit city limits.

GLWA awarded Contract No. DB-226 to Jay Dee Contractors, Inc. (JDC) and their professional team on May 25, 2018 for “Repair and Rehabilitate Detroit River Interceptor (DRI) from Alter Road to Wastewater Resource Recovery.” The effort was divided into three sections of the DRI, Reach 1, 2, and 3 described as follows.

Reach 1 - Jefferson and Alter Road to Jefferson and McClellan; now complete

Reach 2 - McDougall and Franklin to Rivard and Franklin; now complete

Reach 3 - Rivard and Franklin to Water Resource Recovery Facility (WRRF); in process

Proposed Grant Reimbursement

The DRI Project was also selected for SRF funding so coordination between these two awards is required to ensure no overlapping cost reimbursement. To do so, the Grants team worked with the SRF team and the GLWA Project Manager to identify two Pay Applications for Reach 3 repairs. The GLWA teams then coordinated with the GLWA State of Michigan Department of the Environment, Great Lakes and Energy (EGLE) Representative to have these two Pay Applications excluded from SRF reimbursement.

The Grants team recently submitted the SF-270 form with the two identified Pay Applications to the GLWA EPA Representative. The EPA Representative approved these for reimbursement submission. The GLWA team is currently awaiting final setup of the project in the EPA’s reimbursement system to facilitate submission of that reimbursement request.



Grant Activity Overview

The U.S. Environmental Protection Agency (EPA) awarded GLWA a FY 2023 Community Grant. The project selected is the “Per and Poly Fluoroalkyl Substances (PFAS Compounds) in the Great Lakes Water Authority Oakwood Sewer District and an Assessment of Remediation Opportunities”. GLWA was awarded \$3,452,972 in federal funding with \$863,243 cost share to support this project.

Project Objective

GLWA is a Publicly Operated Treatment Works (POTW), as defined by section 212 of the Federal Water Pollution Control Act [33 USC 1292], that provides wastewater treatment activities to residential and non-residential sources located within an 840 square mile service area and manages and disposes of residual and biosolid materials that result from such treatment. Since 2018, the State of Michigan has identified PFAS Compounds as emerging contaminants and required GLWA to “Control, Reduce or Eliminate” PFAS Compounds and minimize their impact upon the GLWA Water Resource Recovery Facility (WRRF). Currently, PFAS Compounds are believed to “pass-through” the municipal treatment plant and source control is the preferred method to reduce, control and eliminate these contributions.

To date, regulatory activities have focused on the identification of active PFAS Compound sources, however historic and unidentified on-going releases of PFAS Compounds to the sewer system creates a long-term uncontrolled risk to GLWA. Therefore, the objective of this project is to complete an investigation to “assess a sewer system’s potential for being a source of PFAS Compounds”.

For this project, GLWA selected the area of investigation as the Oakwood Sewer District 2, which is known to have had both historic and on-going releases of materials containing PFAS Compounds, including but not limited to PFOS, PFOA and PFBS3. Regulatory controls have been implemented to control existing PFAS Compounds.

The objectives of the investigation are as follows.

- Identify all current, former, and other incidental sources located within the Oakwood Sewer District (including the Melvindale-Oakwood add-on Area).
- Quantify the extent to which these sources have impacted the physical structures, including sewers, pump stations and CSO basins.
- Identify and quantify sedimentary deposits and/or build-up areas existing therein and ascertain whether they are contaminated with PFAS Compounds.
- Develop and prepare a sewer system mitigation and remediation plan and evaluate its feasibility within the current project and/or as may be recommended for future work.

Proposed Grant Reimbursement

The GLWA project team in conjunction with the GLWA Procurement team released a Request for Proposal (RFP) for this project in Bonfire on June 28, 2025. Once the contract is awarded, the Grants team will monitor any cost and submit reimbursement requests quarterly to offset the expenses associated with this project.



Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

From: Michael Lasley, CPPB, Procurement Manager - Administration

Re: Annual Vendor Performance Assessment

Background & Analysis: GLWA monitors the performance of its vendors to review quality, delivery, service levels, contract compliance, and overall value to ensure they are aligned with GLWA's needs and goals. The attached report summarizes vendor performance for FY 2025.

Proposed Action: Receive and file this report.



Annual Procurement Vendor Performance Assessment (VPA) Report for Fiscal Year (FY) 2025 includes the following:

1. Report Highlights
2. Program Background
3. Program Overview
4. Benefits of the VPA Program
5. Key Performance Indicators (KPIs)
6. Program Data Summary
7. Program Training Data
8. VPA Outreach Presentations

Report Highlights

- Better sourcing decisions
- Educating GLWA Project Managers on vendor performance assessment process
- Key Performance Indicator (KPIs) summary since program launch

Program Background

Prior to the development of the Vendor Performance Assessment (VPA) Program, GLWA had no measurable, documented process for the evaluation of a vendor's performance on a contract. This meant that important lessons learned during the execution of one contract were not made available during the evaluation process of another, representing a gap in GLWA's desire for continuous and strategic improvement in our sourcing decisions.

A soft launch of the VPA Program was executed in October 2022 and allowed GLWA to begin internally collecting VPA data, training team members on the VPA Program, and refining the VPA process. With the full launch of the program in September 2024, GLWA began utilizing VPA scoring during the solicitation evaluation process to improve strategic sourcing decisions and to provide vendors with actionable opportunities for performance improvement on current and future GLWA projects.

VPA Program Overview

The purpose of GLWA's VPA Program is to monitor and manage vendor quality, delivery, service levels, and overall value to ensure they are aligned with GLWA's needs and goals. GLWA's VPA Program is structured to evaluate and measure how well vendors are meeting the agreed-upon contractual requirements and performance standards of the organization.

VPA Program Eligibility

- All current contracts in the Euna Solutions (Bonfire) System \geq \$1,000,000
- Construction, Architectural Engineering, Design Build, Information Technology, Operations & Maintenance, Progressive Design Build, and Personnel contracts
- Job Order Contracts (JOCs) and Task Order Engineering Services (TOES) contracts \geq \$300,000
- Contracts terminated for cause or convenience
- Extended or renewed contracts meeting the above requirements

VPA Survey

VPAs are distributed to GLWA Project Managers of eligible contracts within 30 days of contract end-date via an online survey tool. A standard survey is currently used for all GLWA projects. The VPA survey content consists of the multiple-choice categories and narrative items shown below.

Multiple Choice Categories	Narrative Items
1. Project Management	<p>1. What else would you want future GLWA Procurement evaluation teams to know about this Vendor/Contractor's performance?</p> <p>2. List any suggestions you have for this Vendor/Contractor to improve future performance in the execution of GLWA contracts.</p> <p>3. List below any additional criteria you would like to see added to future GLWA Vendor Performance Assessments.</p>
2. Finance/Budget	
3. Quality of Work	
4. Communication/Responsiveness	
5. Scope of Work	
6. Health & Safety	
7. Schedule	
8. Security	
9. Business Inclusion & Diversity	
10. Evaluation Team Feedback	

VPA Data Usage

- All existing validated VPA scores and data are shared with GLWA evaluation teams during future solicitations involving affected Vendors.
- Vendors with validated one year rolling aggregate scores of less than 70% are classified as “Vendors at Risk” and are deemed “non-responsible” for any solicitations they are currently pursuing per GLWA procedure FSA_PRO_SOP_0012 Non-Award Determination and GLWA Procurement Policy (13.1 Imposing Suspension/Debarment).
- Vendors at Risk are given an opportunity to appeal the VPA or submit a Preventative Action Plan (PAP) to regain eligibility for future GLWA solicitations. The PAP must be approved by GLWA stakeholders, must address all known performance issues, and will be referenced during any future awarded contracts. Detailed PAP instructions are shared with each affected Vendor.

VPA Appeal Process

A Vendor is permitted to appeal any individual VPA item within seven business days of receipt of the VPA Vendor Notification Letter. Appeal instructions are included in the letter.

Benefits of the VPA Program

GLWA's VPA Program has enabled several key improvements in our procurement process as it relates to measuring vendor performance and developing stronger vendor relationships. The VPA Program has allowed GLWA to:

- Establish KPIs by defining specific, measurable metrics that reflect critical aspects of vendor performance like delivery time, quality rate, customer satisfaction, cost per unit, etc.
- Collect key data from various sources like purchase orders, delivery records, customer feedback, and vendor reports.
- Analyze collected data against established KPIs to assess vendor performance against expectations.
- Facilitate feedback and communication with vendors on their performance, highlighting areas of strength and areas for improvement.
- Hold periodic performance review meetings with vendors to discuss their performance, address concerns, and set future goals.

Overall, the VPA Program has benefited GLWA in the following ways.

- **Improved cost management:** Helping us to identify areas where cost savings can be achieved through better vendor negotiation and performance optimization.
- **Enhanced quality control:** Ensuring consistent high quality of products and services delivered by vendors.
- **Risk mitigation:** Identifying potential issues with vendors early on and taking corrective actions to minimize disruptions.
- **Stronger Vendor Relationships:** Fostering open communication and collaboration with vendors to improve overall performance.
- **Procurement Policy Alignment:** Addressing "gap" in determining Vendor responsibility.
- **Data-based Sourcing Decisions:** When VPA data is available, GLWA evaluation teams can determine Vendor responsibility based on past performance data.

Key Performance Indicators

Table 1 – VPA Current KPI Data

KPI	Current Data
1. Average VPA Score (Validated)	95.5%
2. Project Managers Trained	76
3. Non-Responsible Vendors Identified	1
4. VPAs Submitted	37
5. VPA's Validated	33

Program Data Summary



Table 2 – VPAs Submitted FY 2023

Vendor Name	Project Title
DES Electric	Power Monitor Installation Project
Waste Management of Michigan	Hauling & Disposal of Rack & Grit
Salenbien Trucking and Excavating	Park – Merriman 24" Water Main
WSP Michigan Inc.	Springwells Admin. Bld. & Fire Protect
Major Cement Company	14 Mile Transmission Loop - Phase I
Detroit Pump & Mfg. Company	Pumps and Grinders Service
ThyssenKrupp Elevator Corp.	Preventative Monthly Elevator Maintenance

Table 3 – VPAs Submitted FY 2024

Vendor Name	Project Title
The Foster Group LLC	Financial Management Consulting Service
LGC Global Inc.	Wholesale Water Meter Rehabilitation & Meter Replacement
Rickman Enterprise Group, LLC	Loading, Hauling and Disposal of Scum
Magnolia River Services	GIS Strategic Support Services
J.F. Cavanaugh Company	Complex II- Measurement Systems for Filters at NE Water Treatment Plant
Weiss Construction Corporation	Fairview Sewage Pumping Station Improvements (Task)
Mark Anthony Contracting	Schoolcraft Road Concrete Pavement Restoration and Landscaping
Kokosing Industrial, Inc.	SWTP 1930 Sedimentation Basin Sluice Gates, Guides, and Hoist Improvements
Inland Waters Pollution Control	Emergency Sewer Repair CIP
CDM Smith Michigan Inc.	Good Sewer Metering Practices & Analytic Services
Brown and Caldwell, LLC	Fairview Sewage Pump Station
Jacobs Consultants, Inc.	Facilities Needs Assessment Project
Motor City Electric	Maintenance and Repair of Electrical Equipment
LGC Global Inc.	Rehabilitation of Outfall B-39
Brown and Caldwell Constructors	LHWTP Pilot Plant DB Services

Table 4 – VPAs Submitted FY 2025

Vendor Name	Project Title
Weiss Construction Company	Rehabilitation of Ferric Chloride Feed Systems
Ric-Man Construction, Inc	Wick Rd. 48-Inch Water Transmission Main
Somat Engineering Inc	Engineering Services for Concrete Testing, Geotechnical Soil Borings
Commercial Contracting Corporation	Incineration and Ash Handling System Rehabilitation
Commercial Contracting Corporation	Baby Creek CSO Facility Screen Rehabilitation
Weiss Construction Company	RRO Sodium Hypochlorite Feed System Improvements

Vendor Name	Project Title
Preventative Maintenance Technologies, LLC	Standby Generator Preventative Maintenance and Repair Services
Slalom, LLC	Consultant Services for Workday Project
Arcadis of Michigan LLC	Comprehensive Corrosion Control Optimization Study
Titus Welding Company, Inc	General maintenance for all grit collector needs
NTH Consultants, Ltd.	Environmental Health and Safety Compliance Services
Enterprise Fleet Management	Fleet Management Service
Pullman SST, Inc.	Reservoir Rehabilitation Project at Water Treatment Facilities
LaSalle Construction Services	Hazmat Building Rehabilitation
Hazen and Sawyer	Reservoir Inspection and Design & Construction

VPA Training Data

VPA Training is provided to GLWA Project Managers in advance of receiving the VPA survey. Training sessions are one hour and are delivered to the GLWA Project Managers virtually via Microsoft Teams Meetings. We started offering this training on November 10, 2022 and there have been a total of 76 GLWA Project Manager trained in 17 training sessions at the end of FY 2025.

Table 5 – GLWA VPA Training by Organization Since Program Launch

GLWA Organization	# of Project Managers Trained
Wastewater Operations	29
Water & Field Services	28
Admin. & Compliance Services	9
Financial Services	7
Planning Services	1
Systems & Resiliency	1
Executive Office	1

VPA Outreach Presentations

- GLWA Vendor Outreach Event, September 26, 2024
- Michigan Intergovernmental Trade Network, March 21, 2025
- Michigan Public Procurement Officers Association (MPPOA) Reverse Trade Fair, April 3, 2025



Financial Services Audit Committee Communication

Date: August 1, 2025

To: Great Lakes Water Authority Audit Committee

From: Jeanette Driver MSA, Procurement Manager - B.I.D.

Re: Business Inclusion and Diversity (B.I.D.) Program Update June 2025

Background & Analysis: GLWA is committed to providing business opportunities for small, minority-owned, and disadvantaged businesses within GLWA service area. The attached report summarized B.I.D. activity for July 1, 2024 – June 30, 2025.

Proposed Action: Receive and file this report.



Program Background

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

Program Data Summary July 1, 2024-June 30, 2025

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

Table 1 identifies a total of GLWA's twenty (20) awarded contracts totaling \$622.2 million under this program.

Table 1 B.I.D. Program Overall Activity from July 1, 2024 – June 30, 2025		
Quarter	Contracts Awarded	Amount Awarded
1 (July 1-September 30)	5	\$307,594,437
2 (October 1-December 31)	5	51,254,341
3 (January 1-March 31)	6	54,575,021
4 (April 1- June 30)	4	208,776,728
Totals	20	\$622,200,527

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

Table 2 B.I.D. Program Breakdown by Scored Criteria July 1, 2024 – June 30, 2025		
Qualifying Description	Contracts Awarded	Amount Awarded
Michigan Qualifying	15	\$529,182,645
GLWA Member Partner Community	14	\$526,921,445
Economic Disadvantage Territory (All awarded in the City of Detroit)	5	\$27,041,741



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

Table 3 B.I.D. Program Breakdown by Diversity Designation July 1, 2024 – June 30, 2025		
Designation	Contracts Awarded	Amount Awarded
DBE	1	\$13,391,349
SBE	1	\$2,000,000

Program Summary Data by Fiscal Year

Table 4 represents the program breakdown by number of contracts awarded and dollar amount. Since its inception the B.I.D. program has awarded 108 contracts worth nearly \$1.96 billion dollars.

Table 4 B.I.D. Program Summary by Fiscal Year		
Fiscal Year	Contract Awarded	Awarded Amount
2021	3	\$99,831,952
2022	31	304,331,004
2023	36	455,664,806
2024	18	485,746,701
2025	20	622,200,527
Total	108	\$1,967,774,990

Key Achievements and Updates

During Fiscal Year 2025, the B.I.D. team participated in twenty-two (22) vendor events focused on introducing GLWA to prospective suppliers and providing education on how to do business with GLWA. These events serve as key opportunities to expand outreach, build and strengthen supplier relationships, and reinforce GLWA's presence and reputation within the regional business community.

Additionally, we are collaborating with the Public Affairs team to update the B.I.D. Program branding, including updates to program collateral, website content, and visual identity. These efforts aim to improve clarity, accessibility, and alignment with GLWA's supplier engagement goals.



Key outreach events attended include:

- BuyDetroit Passport to Procurement – Attended by over 200 participants, including small, minority-owned, veteran-owned, and Detroit-based businesses.
- APEX Accelerator (formerly the Procurement Technical Assistance Program – PTAP)
- Detroit Economic Growth Corporation (DEGC)
- Great Lakes Women’s Business Council
- Supplier.io – A nationally recognized leader in supplier diversity data and analytics.

Participation in these events and ongoing program improvements support GLWA’s continued commitment to expanding its supplier base and advancing equitable access to procurement opportunities.



Welcome to the July 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: Reviewing the Solicitation Cover & Instructions to Vendors

Carefully reviewing the Solicitation Cover and Instructions to Vendors is an important first step for Vendors interested in submitting a bid or proposal response to a GLWA solicitation. This document, included with every solicitation and available on the Bonfire project page, helps Vendors to understand how to properly submit a response as well as what to expect as they navigate through the GLWA procurement process. Read below to learn more about this document.

Solicitation Cover – The Solicitation Cover provides a snapshot of the solicitation’s key due dates and requirements, as well as an overview of the project and its background. Vendors will also find information on the following:

- ✓ Minimum qualifications;
- ✓ All required documents for the submission of a complete and responsive proposal; and
- ✓ Detailed descriptions of the evaluation criteria and scoring weights.

Instructions to Vendors – From advertisement to award, Vendors must follow specific procedures when submitting a bid or proposal response. Instructions on the following topics are included:

- ✓ Checking for addenda posted on Bonfire;
- ✓ Securing (if applicable) bid bonds;
- ✓ Retaining subcontractors and/or suppliers for the performance of work outlined in the solicitation documents;
- ✓ The opening, modification, withdrawal, and evaluation of responses; and
- ✓ Conditions to final award.

Questions regarding the information contained within the Solicitation Cover and Instructions to Vendors must be directed to the GLWA Buyer of Record listed on the solicitation.

Save the Date! GLWA’s 2025 Vendor Outreach Event on September 25

GLWA’s 2025 Vendor Outreach Event will be held on September 25 at Macomb Community College. The half-day event will feature presentations by GLWA’s leadership team as well as opportunities to interact with GLWA team members. Stay tuned to future editions of the *Pipeline* for registration info.

Virtual Vendor Introduction Meetings

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

Keeping up with GLWA

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

What’s Coming Down the Pipe?

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

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

Visit GLWA online!

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

Upcoming Solicitations July 2025

Category	CIP #	Description/Project Title	Budget Estimate
Water System (next four to nine months)			
Construction	111001	Lake Huron Water Treatment Plant – LH-401 Switchgear and Low Lift Improvements	\$95,000,000
Design Build	170803	Reservoir Rehabilitation Phase III	\$51,830,000
Wastewater Systems (next four to nine months)			
Construction	273001	Hubbell Southfield CSO Facility Improvements	\$56,100,000
Construction	211009	EB-20 Substation Replacement and Primary Area Gas Detection System Upgrade	\$4,400,000
Design	270009	Site improvements at BC, BLI and STA CSO Facilities	\$640,000
Water System (next three months)			
Professional Services	O&M	Sludge Contract	\$22,498,000
Professional Services	O&M	Water Master Plan	\$1,500,000
Wastewater (next three months)			
Design	270002	Meldrum Sewer Diversion and VR-15 Improvements	\$2,000,000
Construction	261001	Critical Repairs to Secondary Clarifiers and B-Houses	\$4,360,000
Construction	232002	Conner Creek Sanitary Pump Station	\$167,000,00
Design	270007	CSO Facility Disinfection Improvements	\$2,063,930
Construction	213006	WRRF Improvements to Sludge Feed Pumps at Dewatering Facilities	\$16,000,000
Construction	260904	WRRF 3 rd Floor Renovation (New Administration Building)	\$9,906,199
Construction	270006	CSO Facility Improvements II	\$18,900,000
Projects moved to Procurement Team (Preparing for solicitation on Bonfire)			
Professional Services	O&M	Crane Rental	\$853,125
Professional Services	O&M	Staffing Services	\$500,000
Design	113010	Southwest WTP Flocculation Improvements	\$4,933,000
Professional Services	O&M	Valve Reconditioning Service	\$54,000,000
Construction	122016	Downriver Transmission Main Loop – Phase 1 – Inkster Road	\$2,172,102
Professional Services	O&M	Refuse and Recycling Services	\$654,000
Professional Services	O&M	Glass and Glazing Repair/Replacement Services	\$400,000
Professional	O&M	Flooring Covering	\$246,000
Construction	270006	CSO Facility Improvements II	\$18,901,448
Construction	260904	Renovation of the New Administration Building 3 rd Floor	\$8,500,000
Construction	260510	CSO Outfall Rehabilitation Phase VI	\$10,000,000
Construction	260206	Rehabilitation of 7 Mile Sewer System	\$9,810,185
Professional Services	O&M	System Control Center Support Services	\$4,935,840
Design	270007	CSO Facility Disinfection Improvements	\$2,063,930
Supplies	O&M	Phosphoric Acid	\$3,292,800
Construction	211005	Pump Station 2 VFD Replacement at WRRF	\$20,000,000
Professional Services	O&M	Sludge Removal – Northeast WTP	\$22,498,060
Supplies/Equipment	O&M	Inductively Coupled Plasma Mass Spectrometer (ICP-MS) System	\$200,000
Professional Services	O&M	External Auditing Services	\$800,000

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

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