



Audit Committee Meeting
Friday, August 27, 2021 at 8:00 a.m.
www.glwater.org

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Meeting ID: **868 2097 9787** Passcode: **589770**
US Toll-free: **888 788 0099** or **877 853 5247**

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
 - A. July 23, 2021 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
 - A. WRAP Program Update (Page 6)
7. NEW BUSINESS
 - A. FY 2021 Audit Engagement Letter (Page 24)
8. REPORTS
 - A. CFO Report (*Verbal*)
 - B. Monthly Financial Report for May 2021 (Page 33)
 - C. Business Inclusion and Diversity Program Update (Page 34)
 - D. Quarterly Shared Services Update (Page 35)
 - E. Update: PFM Asset Management Acquired by U.S. Bancorp Asset (Page 42) Management
 - F. Quarterly Investment Report (Page 57)
9. COMMUNICATIONS
 - A. *The Procurement Pipeline* for August 2021 (Page 90)
10. LOOK AHEAD
 - A. Next Audit Committee Meeting: September 24, 2021 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, July 23, 2021

8:00 AM

Telephonic Meeting

Audit Committee

Meeting Minutes - Draft

July 23, 2021

Telephonic Meeting

Call-In Number: 1-313-771-3116 Conference ID: 868 434 344#

1. Call To Order

Chairperson Baker called the meeting to order at 8:03 a.m.

2. Quorum Call

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

Committee Members' Attendance Location:

Chairperson Baker (Clinton Township, Michigan)

Director Brown (Detroit, Michigan)

Director Quadrozzi (Beverly Hills, Michigan)

3. Approval of Agenda

Nicolette Bateson, Chief Financial Officer/Treasurer, requested to add a discussion regarding the State Revolving Fund loans to the Agenda under Old Business, item 6A.

Chairperson Baker requested a Motion to Approve the Agenda as Amended.

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved as Amended

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2021-251](#) Approval of Minutes of June 21, 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4A Special Audit Committee Meeting Minutes - June 21, 2021](#)

Chairperson Baker requested a Motion to Approve the June 21, 2021 Special Audit Committee Meeting Minutes

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

B. [2021-297](#) Approval of Minutes of June 25, 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [4B June 25 2021 Audit Committee Meeting Minutes](#)

Chairperson Baker requested a Motion to Approve the June 25, 2021 Audit Committee Meeting Minutes

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business**A.** [2021-298](#) SRF Loans 7461-02 & 7484-01 Rate and Term Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [6A Audit Committee SRF Matter](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Recommended to Receive and File to the Board of Directors
Agenda of July 28, 2021

The motion carried by a unanimous vote

7. New Business

A. [2021-299](#) Annual Financial Statement Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7A FY 2021 Annual Financial Audit Update](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2021-300](#) General Retirement System Financial Report and Annual Actuarial Valuation for Year End June 30, 2020 (City of Detroit Component II)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [7B GRS Component II Annual Pension Report](#)

Chairperson Baker requested that staff reports back to the Committee regarding potential causes for the pension liability increase and a plan of action.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports**A.** [2021-301](#) CFO Report (Verbal)

Sponsors: Nicolette Bateson

Indexes: Finance

Nicolette Bateson, Chief Financial Officer/Treasurer, gave a report regarding the following: introduction of Nick Khouri, who has joined the FSA team to assist with a number of projects, including the pension; a roundtable discussion regarding affordability and assistance, hosted by Oakland County Commissioner Nash; and the Financial Services Team's evaluation of the ERP .

Chairperson Baker requested a Motion to Receive and File the CFO verbal report.

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2021-302](#) Monthly Financial Report for April 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8B April 2021 Financial Report_Tagetik](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2021-303](#) Business Inclusion and Diversity Program Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C Business Inclusion and Diversity Program Update](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2021-304](#) Quarterly WRAP Report through June 30, 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8D Quarterly WRAP Report as of 6.30.2021](#)

Motion By: Gary Brown

Support By: Jaye Quadrozzi

Action: Received and Filed

The motion carried by a unanimous vote.

9. Communication**A.** [2021-305](#) The Procurement Pipeline for July 2021

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The Procurement Pipeline for July 2021](#)

Motion By: Jaye Quadrozzi

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

10. Look Ahead

Next Audit Committee Meeting:

August 27, 2021 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support: Jaye Quadrozzi

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:27 a.m.



Financial Services Audit Committee Communication

Date: August 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: WRAP Program Update

Background: The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) member partners. The program is funded by GLWA at an amount equal to 0.5 percent of budgeted revenues for the Regional System and not less than 0.5 percent, but not greater than 1.0 percent of budgeted revenues for the DWSD Local System. The budgeted WRAP funding for FY 2022 is \$6.2 million combined for water and sewer services.

The WRAP funding is used for a) payment assistance, b) water audit and water conservation assistance and c) program administration. By way of administrative policy, presently 80% of the assistance funding is allocated to payment assistance and 20% is allocated to conservation.

In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate WRAP through a series of one-on-one meetings and focus groups with various GLWA and WRAP stakeholders. For FY2022, the following objectives have been identified for the program:

- Codify decentralized program delivery model to expand direct assistance by community action agencies in Macomb and Oakland counties
- Provide flexibility for the community action agencies to administer the program and to leverage other assistance and outreach efforts provided by the agencies
- Recruit nonparticipating member partner communities
- Make WRAP more accessible for residents
- Improve performance reporting, financial monitoring, cost of service, and program effectiveness
- Simplify monthly bill payment process
- Enhance conservation and water repair services
- Leverage other forms of assistance

GLWA and PSC are continuing to take steps to achieve the FY2022 objectives. This memo and attached presentation will provide an update on WRAP program changes and activities.

Analysis:**Committed vs. Spent – WRAP Program Dollars**

The following analysis has been prepared to provide the requested information about committed versus dollars spent for the WRAP program.

WRAP Program Funds FY2021 - Summary			
Agency	Direct Assistance		
	Budget	Committed	Funds Disbursed
Wayne Metro	2,991,124	3,771,259	3,008,670
Oakland Livingston Human Services Agency (OHLSA)	851,554	247,099	218,516
Macomb County Community Action	567,491	101,329	203,861
Genesee County Community Action Resource Dept (GCCARD)	18,150	94,275	168,266
Total GLWA	4,428,319	4,213,963	3,599,312
Agency	Conservation		
	Budget	Committed	Funds Disbursed
Wayne Metro	747,781	968,372	
Oakland Livingston Human Services Agency (OHLSA)	212,889	30,490	
Macomb County Community Action	141,873	3,072	
Genesee County Community Action Resource Dept (GCCARD)	4,538	-	
Total GLWA	1,107,081	1,001,934	943,078

Note 1 - Definitions:
Budget - WRAP Funds allocated by community based on budget revenue requirements for the fiscal year.
Committed - Funds set aside for approved WRAP participants. The dollars committed represent total funds for the specific program the participant qualified for and the disbursement of the funds may occur over more than one fiscal year.
Funds Disbursed - Funds that have disbursed for direct assistance dollars committed or conservation services performed.

Note 2: Reporting for conservation had not been allocated between communities. Going forward all reporting will be by community.

WRAP Program Updates

- Beginning July 2021, each community action agency is responsible for WRAP program implementation in their communities using the decentralized program delivery model.
- Wayne Metro is working with each agency to transition WRAP reporting. Updated reporting templates have been developed and training sessions have been scheduled to facilitate the transition.
- PSC has conducted a series of meetings with the community action agencies to assess the water conservation program and identify areas for improvement. The results of the study and recommended program changes are detailed in the attached PSC presentation.

Budget Impact: The recommended changes to the WRAP conservation services will be covered within the budgeted WRAP funding and does not impact the FY2022 budget.

Proposed Action: The Audit Committee recommends the GLWA Board approve WRAP Program conservation changes effective October 1, 2021 as outlined in the “WRAP Conservation Program Changes” document.

WRAP Conservation Program Changes

Document Background

This document is intended to provide a summary proposed changes to the water conservation portion of the Water Residential Assistance Program (WRAP) administered by the Great Lakes Water Authority (GLWA). As part of Public Sector Consultant's (PSC) WRAP program evaluation (concluded in October 2020) a recommendation was provided to evaluate the effectiveness of the current conservation program. The report stated:

GLWA should work with program administrators and member partner communities to assess the impact of conservation services provided through WRAP, with the goal of differentiating between audits and repairs. Based on this analysis, GLWA can develop a strategy to realign water conservation funding to support measures that yield the highest return on investment for customers. If, as suggested by stakeholders, home usage audits are not as effective at reducing household consumption, then this funding should be dedicated to measures that can demonstrate higher impact on consumption.

GLWA should conduct additional research to determine the types of water conservation measures that are deployable at scale and have a proven impact on savings. Such an approach could potentially enable WRAP to purchase equipment that directly benefits from economies of scale. Stakeholders highlighted DWSD's toilet replacement program as an example of an effective, proven conservation strategy that can be deployed at scale. While the general consensus was to focus conservation services on repairs and upgrading fixtures, stakeholders added that a focus on conservation education and behavioral change should be maintained.

PSC worked closely with Macomb Community Action Agency (MCA) and Wayne Metro to develop the proposed program changes **(indicated throughout this document in bold)**. **MCA will be administering the conservation program on behalf of Oakland Livingston Human Services Agency.**

Purpose of the Program

In keeping in line with the overall tenets of WRAP, the water conservation and plumbing repair program is designed to reduce the overall water usage in a home through repairs and conservation measures. The program overall goals are to educate the homeowner on responsible water usage, provide conservation measures in the home to reduce water consumption, and **repair leaking and/or nonfunctioning plumbing and other water fixtures to create a safe, livable home.**

Eligibility for Conservation Services

Households with income levels less than 200% of the federal poverty level and located within GLWA's service territory are eligible to receive conservation measures in their home, given they are responsible for the water bill.

Eligibility Criteria	
Current	Proposed
Located within the GLWA regional system and provide proof of residency	Located within the GLWA regional system and provide proof of residency
Water bill must be in the name of the resident, or the resident must be able to demonstrate they are responsible for payment of the water bill	Water bill must be in the name of the resident, or the resident must be able to demonstrate they are responsible for payment of the water bill
Live in a community current participating in WRAP	House does NOT need to be in a participating WRAP community
Household income at or below 200% of the federal poverty guidelines	Household income at or below 200% of the federal poverty guidelines
Proof of identity for all members of the household 18 years and older	Proof of identity for all members of the household 18 years and older
Household must be a high water user (120% more than the average household)	Water usage is utilized as a criterion for eligibility (without a high water use percentage)
Household must have proof of income	

Program Resource Allocation

Current	Proposed
The allocation for conservation services is 20 percent of the overall annual WRAP budget.	20 percent of the overall annual WRAP budget, although given the federal LIHWAP and CERA programs, this should be monitored and adjusted as needed.
Conservation services and minor home repairs capped at \$2000 (lifetime maximum) <ul style="list-style-type: none"> WM utilizes \$400 for the home water audit 	Conservation services and minor home repairs capped at \$2,000 per household, with exceptions for up to an additional \$1000 total for repairs to stabilize the home to usable conditions. <ul style="list-style-type: none"> CAAs will develop criteria for utilization of additional funds for home repairs. Exceedance activity will be reported to GLWA on a monthly basis and to the Board on a quarterly basis. CAAs can individually decide how/when to conduct the home water audit. <ul style="list-style-type: none"> A fee schedule will be developed for CAAs to utilize for water home audits, including fees for no-show appointments.

Conservation Services Program Delivery Plan (NEW)

Each community action agency (CAA) will annually submit a program implementation plan to GLWA for review and approval. The plan will outline the program plans for household education, delivery of conservation measures, and minor home repairs. It should include information on how program performance, spending, and services provided will be tracked and reported. Additionally, the program plan should include information on how the program will integrate with other home assistance programs

(i.e., home weatherization). Each community action plan should create a prioritization chart so program participants have a clear understanding of spending priorities should resources become limited.

For CAAs that continue to utilize a home water audit program, the CAA should clearly outline the services that are provided during the audit and how they will align with conservation measures and plumbing repair program.

Conservation and Plumbing Measures (NEW)

The following services, along with necessary associated repairs, are provided as part of minor plumbing and conservation measures provided to WRAP program recipients. Water supply fixtures, devices, and piping that exist in residential dwellings may be considered for repair/replacement to reduce water usage in the home and provide for access to clean potable water for the residents. **Qualified repairs will ensure the home has hot and cold water and will address issues that would prevent residents from the safe and full use of: at least one toilet in the home; at least one shower or bath; at least one bath faucet; one kitchen faucet.**

In offering these services, the CAAs will prioritize services that reduce water consumption or allow for safe access to water. CAAs should work to ensure that services scoped for a household are under the \$2,000 household cap.

Repairs and installations shall be categorized as plumbing repairs, while noting when repairs are considered conservation measures with deemed savings attached to them.

Proposed Conservation Measures	Proposed Minor Plumbing Repairs and Replacements
Shower timers	Toilet and associated plumbing
Low flow faucets installations	Shower or bath associated plumbing
Low flow toilets installations	Bath faucet and associated plumbing
Low flow aerator installation	Kitchen faucet and associated plumbing
Low flow showerheads	Piping in resident including shut offs and supply lines
Water usage educational materials	Utility tub faucet and controls repair/replacement
Leak detection	Plumbing repairs to address leaks and reduce usage
	Water heater
	Repairs to boilers to address leaks

Calculating Program Savings (NEW)

The program will annually develop a water savings guide that outlines the expected savings from the conservation and plumbing repairs conducted in the home. Each CAA will track the water saving of each service provided and report monthly to GLWA on program savings utilizing the water savings guide.

Water Residential Assistance Program Conservation Program Changes

Maggie Pallone
Public Sector Consultants
August 27, 2021

2015 Program Purpose

- Reduce overall water usage in a home through repairs and conservation measures
- Educate homeowners on responsible water usage
- Provide conservation measures in the home to reduce water consumption

Public Sector Consultants Evaluation (October 2020)

- Assess the impact of conservation services provided through WRAP
- Differentiate between water audits and repairs
- Realign water conservation funding to support measures that yield the highest return on investment for customers
- Determine the types of water conservation measures that are deployable at scale and have a proven impact on savings
- Focus conservation program on repairs and upgrading fixtures
- Maintain the conservation education part of the program

Current WRAP Conservation Program Offerings



COMMUNITY ACTION ALLIANCE
WRAP
Water Residential Assistance Program

GLWA
Great Lakes Water Authority
WRAP funding is made possible by the Great Lakes Water Authority

WRAP BENEFITS

- Home water audit and minor plumbing repairs **average of \$1,500** for residents above 120% of average usage
- Water saving kits, consumer training classes and Supportive WRAP - Around Services

CLIENT BENEFITS

- UP TO \$1,000** in assistance per household
- UP TO \$350** first arrearage payment made at initial enrollment
- \$25 MONTHLY** bill credit & help with arrears

WRAP QUALIFICATIONS

PROVIDE PROOF OF

- Residency & income
- Renter's proof of responsibility for water on lease
- Have income at or below 200% of poverty level
- Stay current on monthly bill payment

200% Federal Poverty Chart

Number of Household Members	1	2	3	4	5	6	7	8	9	10
Income Limit (\$)	25,520	34,480	43,440	52,400	61,360	70,320	79,280	88,240	96,600	100,980

CALL 313-386-WRAP (9727)
or scan this code to apply today!

- Provides water conservation education and minor home repairs to eligible residents in Great Lakes Water Authority (GLWA) service territory to reduce water waste
- Allocates 20 percent of overall WRAP dollars to conservation

Goals of Proposed Changes to WRAP Conservation

- Expand overall program purpose
- Increase number of eligible households
- Remove barriers to participation
- Ensure repairs are done in a responsible manner
- Make wise financial decisions
- Ensure proper GLWA oversight while providing community action agencies (CAAs) program management flexibility to meet community needs
- Provide transparency on water-saving measures

2021 Expanded Program Purpose

- In keeping in line with the overall tenets of WRAP, the water conservation and plumbing repair program is designed to reduce the overall water usage in a home through repairs and conservation measures. The program overall goals are to educate the homeowner on responsible water usage, provide conservation measures in the home to reduce water consumption, and repair leaking and/or nonfunctioning plumbing and other water fixtures to create a safe, livable home.

Eligibility for Conservation Services

Eligibility Criteria

Current	Proposed
Located within the GLWA regional system and provide proof of residency	Located within the GLWA regional system and provide proof of residency
Water bill must be in the name of the resident, or the resident must be able to demonstrate they are responsible for water bill payment	Water bill must be in the name of the resident, or the resident must be able to demonstrate they are responsible for water bill payment
Live in a community currently participating in WRAP	House does not need to be in a participating WRAP community
Household income at or below 200 percent of federal poverty guidelines	Household income at or below 200 percent of federal poverty guidelines
Proof of identity for all members of the household 18 years and older	Proof of identity for all members of the household 18 years and older
Household must be a high water user (120 percent more than the average household)	Water usage is utilized as a criterion for eligibility (without a high water use percentage)
Household must have proof of income	Household must have proof of income

Program Resource Allocation

Utilization of Program Resources

Current	Proposed
The allocation for conservation services is 20 percent of the overall annual WRAP budget.	20 percent of the overall annual WRAP budget, although given the federal Low-Income Household Water Assistance Program and Covid Emergency Rental Assistance programs, this should be monitored and adjusted as needed.
Conservation services and minor home repairs capped at \$2,000 (lifetime maximum)	<p>Conservation services and minor home repairs capped at \$2,000 per household, with exceptions for up to an additional \$1,000 total for repairs to stabilize the home to usable conditions.</p> <ul style="list-style-type: none"> • CAAs will develop criteria for use of additional funds for home repairs. • All exceedances will be reported to GLWA on a monthly basis and to the board on a quarterly basis.
\$400 set aside to conduct home water audits	<p>CAAs can individually decide how/when to conduct a home water audit.</p> <ul style="list-style-type: none"> • A fee schedule will be developed for CAAs to use for home water audits, including fees for no-show appointments.

Conservation Services Program Delivery Plan

Each CAA will annually submit a program implementation plan to GLWA for review and approval. The plan should include:

- The CAA's methods for delivering household education, conservation measures, and minor home repairs.
- Information on how program performance, spending, and services provided will be tracked and reported.
- Information on how the program will integrate with other home assistance programs (e.g., home weatherization).
- A prioritization chart so program participants have a clear understanding of spending priorities should resources become limited.
- For CAAs that continue to use a home water audit program, what services will be provided during the audit, and how it will align with conservation measures and the plumbing repair program.

Qualified Conservation and Plumbing Measures

- The following services and associated repairs are provided as part of plumbing and conservation measures to WRAP recipients.
 - Water supply fixtures, devices, and piping that exist in residential dwellings may be considered for repair/replacement to reduce water usage in the home and provide residents access to clean potable water.
 - Qualified repairs will ensure the home has hot and cold water and will address issues that would prevent residents from the safe and full use of at least one toilet in the home, at least one shower or bath, at least one bath faucet, and one kitchen faucet.

Proposed Conservation and Plumbing Measures

Conservation Measures*

Minor Plumbing Repairs and Replacements

Shower timers	Toilet and associated plumbing
Low-flow faucet installation	Shower or bath and associated plumbing
Low-flow toilet installation	Bath faucet and associated plumbing
Low-flow aerator installation	Kitchen faucet and associated plumbing
Low-flow showerhead	Piping in residence, including shutoffs and supply lines
Water usage educational materials	Utility tub faucet and control repair/replacement
Leak detection	Plumbing repairs to address leaks and reduce usage
	Water heater
	Repairs to boilers to address leaks

*CAAs will develop a water-saving guide that calculates expected savings from the conservation measures conducted in the home.



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Financial Services Audit Committee Communication

Date: August 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2021 Audit Engagement Letter

Background: Annually, the Great Lakes Water Authority (GLWA) prepares an Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly Virchow Krause LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards for fiscal years ending 2019, 2020 and 2021.

Analysis: GLWA Financial Services area has been preparing for the audit by reviewing internal control walkthrough documents, reviewing vendor statements, preparing a tentative schedule for the audit, and working to close the June 2021 period.

Before the auditors begin the annual fieldwork, the Audit Committee is presented with the draft engagement letter. Attached is the FY 2021 letter from Baker Tilly to assist in understanding the full scope of Baker Tilly and GLWA management responsibilities associated with this year's annual financial audit.

Proposed Action: Receive and file this report.



June 23, 2021

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Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

The purpose of this letter (the Engagement Letter) is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of the Great Lakes Water Authority (Client, you, your).

Service and Related Report

We will audit the financial statements of the Great Lakes Water Authority as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements. Upon completion of our audit, we will provide the Great Lakes Water Authority with our audit report on the financial statements and supplemental information referred to below. If, for any reasons caused by or relating to the affairs or management of the Great Lakes Water Authority, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

The following supplementary information accompanying the financial statements will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Combining and Individual Fund Schedules included within the Comprehensive Annual Financial Report

The following supplementary information will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Schedule of Expenditures of Federal (if in separate document from financial statements)

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the Great Lakes Water Authority's financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Great Lakes Water Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- > Management's Discussion and Analysis
- > Defined Benefit Pension Plan Schedules

We will read the following other information accompanying the financial statements to identify any material inconsistencies with the audited financial statements; however, the other information will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that other information:

- > Introductory Section
- > Statistical Section

Our Responsibilities and Limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- > Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether from (i) errors, (ii) fraudulent financial reporting, (iii) misappropriation of assets, or (iv) violations of laws or governmental regulations that are attributable to the Great Lakes Water Authority or to acts by management or employees acting on behalf of the Great Lakes Water Authority. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management and the audit committee or equivalent group charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the Great Lakes Water Authority and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and the audit committee or equivalent group charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards*, the Uniform Guidance.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

We will design our audit to obtain reasonable, but not absolute, assurance of detecting misstatements due to errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on financial statement amounts. An audit is not designed to detect error or fraud that is immaterial to the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Our audit is not a guarantee of the accuracy of the financial statements and, therefore, is subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact or a direct and material effect on major federal programs, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with GAAS and *Government Auditing Standards*, may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that errors, fraud or other illegal acts or noncompliance, if present, will be detected. However, we will communicate to you, as appropriate, any such matters that we identify during our audit. Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse directly to parties outside of the Great Lakes Water Authority.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Great Lakes Water Authority's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance require that we also plan and perform the audit to obtain reasonable assurance about whether you have complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Great Lakes Water Authority's major programs. The purpose of those procedures will be to express an opinion on your compliance with requirements applicable to each of your major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that the audit committee or equivalent group charged with governance is informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that the audit committee or equivalent group charged with governance receives copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Management's Responsibilities

The Great Lakes Water Authority's management is responsible for the financial statements referred to above. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance. Although we may advise you about appropriate accounting principles and their application, the responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework remains with management. In this regard, management is responsible for establishing policies and procedures that pertain to the maintenance of adequate accounting records and effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with applicable requirements; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. You are also responsible for the selection and application of accounting principles, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, for reporting financial information in conformity with accounting principles generally accepted in the United States of America (GAAP), and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us in the management representation letter (i) about all known or suspected fraud affecting the Great Lakes Water Authority involving: (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud or illegal acts could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the Great Lakes Water Authority received in communications from employees, former employees, analysts, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for preparation of the schedule of expenditures of federal and the awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and the awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and the awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal and the awards no later than the date the schedule of expenditures of federal and the awards is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal and the awards in accordance with the Uniform Guidance; (b) that you believe the schedule of expenditures of federal and the awards including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and the awards.

Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the Great Lakes Water Authority complies with the laws and regulations applicable to its activities.

As part of management's responsibility for the financial statements and the effectiveness of its system of internal control over financial reporting, management is responsible for making available to us, on a timely basis, all of your original accounting records and related information and for the completeness and accuracy of that information and your personnel to whom we may direct inquiries. As required by GAAS, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. GAAS also requires that we obtain written representations covering audited schedule of expenditures of federal awards, federal award programs, and compliance with laws, regulations, contracts and grant agreements from certain members of management. The results of our audit tests, the responses to our inquiries, and the written representations, comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements. If we do not receive complete and accurate information from the Great Lakes Water Authority or others, we may be prevented from performing our work and, among other issues, misstatements in your financial statements, whether due to error or fraud, may go undetected.

Baker Tilly is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the Act). Baker Tilly is not recommending an action to the Great Lakes Water Authority; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. Any municipal advisory services would only be performed by Baker Tilly Municipal Advisors LLC (BTMA) pursuant to a separate engagement letter between you and BTMA. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for us to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.

Great Lakes Water Authority

June 23, 2021

Page 7

- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

This engagement is subject to the terms and conditions outlined in the professional services contract No.1900933.

We appreciate the opportunity to be of service to you.



MOSSADAMS

Report on the Firm's System of Quality Control

September 26, 2018

To the Partners of Baker Tilly Virchow Krause, LLP and the
AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Baker Tilly Virchow Krause, LLP has received a peer review rating of *pass*.

Moss Adams LLP

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

May 2021

**Presented to the
Great Lakes Water Authority
Audit Committee on August 27, 2021**

TABLE OF CONTENTS

Executive Summary Dashboard	1
Budget to Actual Analysis.....	3
Basic Financial Statements	10
Financial Activity Charts.....	18
Financial Operations Key Performance Indicator.....	21
Budget to Financial Statements Crosswalk.....	22
Capital Improvement Plan Financial Summary	27
Master Bond Ordinance Transfers	30
Cash and Investment.....	36
Retail Revenues, Receivables, & Collections	41
Wholesale Billings, Receivables, & Collections.....	46
Trust Receipts and Disbursements	52
Appendix	
Aged Accounts Receivable Report.....	A-1
Highland Park Life-to-Date Billings & Collections	B-1

Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows:

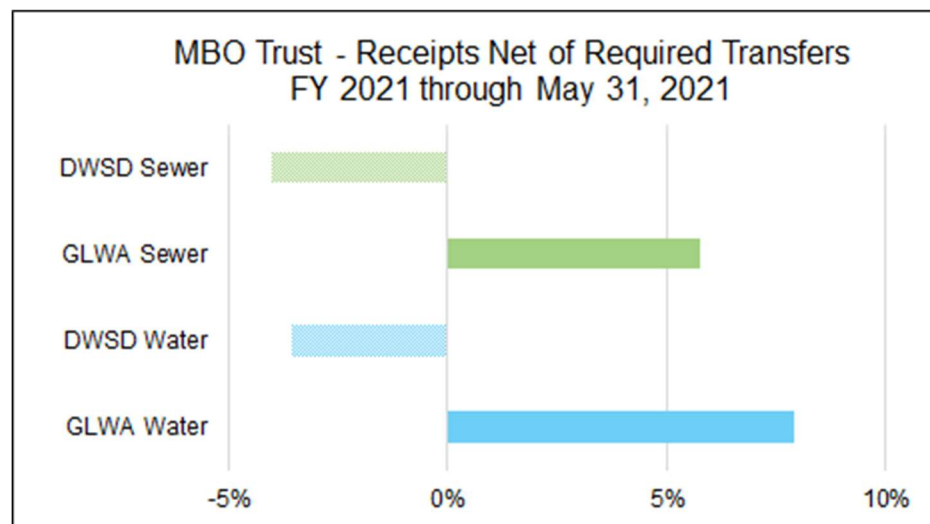
No Risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information.

As of May 31, 2021				
Metric	FY 2021 Budget	FY 2021 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$287.7	\$295.3	3%	47
Wholesale Water Billed Usage (mcf)	12,179,000	12,826,000	5%	
Wholesale Sewer Billed Revenue (\$M)	\$247.1	\$247.1	0%	49
Wholesale Water Operations & Maintenance (\$M)	\$122.9	\$107.3	-13%	6
Wholesale Sewer Operations & Maintenance (\$M)	\$167.1	\$149.4	-11%	
Investment Income (\$M)	\$6.3	\$6.7	6%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$101.0	\$121.0	20%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$76.0	\$78.0	3%	29

*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 52)



Net cash flow receipts remain positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s).

DWSD Water and Sewer report shortfalls of \$3.2 million and \$5.4 million respectively through May 2021. By monitoring collections and expenses, the DWSD management had a plan in place by April 2021 to end FY 2021 with positive net cash flows. As a post-script to this monthly report, the cash flow shortfalls for FY 2020 and FY 2021 were resolved by June 30, 2021.

The current DWSD loan receivable balance for fiscal years 2017 and 2018 is \$9.8 million.

Budget to Actual Analysis (page 3)

- The fourth quarter budget amendments which were approved by the GLWA Board on June 23, 2021, are reflected in the FY 2021 Amended Budget columns on the tables in the May 2021 Budget to Actual report.
- The total Revenue Requirements are on target through May 2021.
- The total Operations & Maintenance expenses are at 81.1% of budget through May 2021 which is reasonably within the pro-rata benchmark of 91.7%.

Basic Financial Statements (page 10)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for May 2021 is \$92.9 million for the Water fund (29.4% of total revenues) and \$142.5 million for the Sewer fund (32.8% of total revenues).
- Water Net Position decreased by \$2.5 million, and Sewage Disposal Net Position increased by \$20.1 million for the year to date through May 2021.

Capital Improvement Plan Financial Summary (page 27)

- Both the Water and Sewer systems exceed the 75% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 30)

- For May, transfers of \$12.8 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for May, transfers of \$4.5 million and \$8.1 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 36)

- Total cash & investments are \$515 million in the Water fund and \$500 million in the Sewer fund.
- The total combined cumulative investment income for FY 2021 through May is \$6.7 million.

DWSD Retail Revenues, Receivables & Collections (page 41)

- Water usage through May 31, 2021 is at 93.70% and revenues at 94.69% of budget.
- Sewer usage through May 31, 2021 is at 96.01% and revenues at 100.01% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$30.4 million over the prior year.
- Past dues over 180 days make up 66.6% of the total accounts receivable balance. The current bad debt allowance covers 98% of past dues over 180 days.

GLWA Wholesale Billing, Receivables & Collections (page 46)

- GLWA accounts receivable past due balance net of Highland Park is less than 5.0% of the total accounts receivable balance.
- The Highland Park past due balance is \$47.9 million. It includes \$36.5 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.6 million for water supply services. In FY 2021, Highland Park has made five payments totaling \$2.8 million through May 2021 which currently falls short of anticipated payments. The GLWA Legal team is pursuing options for additional collections.

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

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

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

The FY 2021 information presented in these sections includes the fourth quarter budget amendments approved by the GLWA Board on June 23, 2021.

Revenue Requirement Budget Basis Analysis

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

Table 1A – Water Revenue Requirement Budget and **Table 1B – Sewer Revenue Requirement Budget** presents a year-over-year budget to actual performance report. The revenue requirement budget is accounted for in the operations and maintenance fund for each system. Since this report is for May 2021, the pro-rata benchmark is 91.7% (11 of 12 months of the fiscal year).

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

1. **Revenues:** For *both* systems, FY 2021 revenues are on target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through May 31, 2021 these payments total \$6.1 million for FY 2021.

2. **Investment Earnings:** For *both* systems, investment earnings are above the pro-rata benchmark for FY 2021; the *water* system is at 100.9%; while the *sewer* system is at 95.1%. The market adjustment, previously reported in this section in FY 2020, has been removed. These annual entries are recorded for financial reporting purposes and are not a part of the revenue requirements reporting. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for *both* systems have variances from the pro-rata benchmark. The *water* system is less than the pro-rata benchmark for FY 2021 at 80.0%. The *sewer* system O&M expenses, at 82.0%, is also less than the pro-rata benchmark.
5. **Debt Service:** *Both* systems are slightly above the pro-rata benchmark for FY 2021; the *water* system is at 92.8%; while the *sewer* system is at 92.7%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding is in place to meet this requirement; therefore, it is expected that additional transfers to this reserve will not be required in FY 2021. The approved FY 2021 first quarter budget amendment removed the budgeted amount of \$877 thousand for the *water* system for this line item.
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 2020, DWSD sewer ended the year with a budgetary shortfall through June 30, 2020, of \$10.8 million. The DWSD *water* system experienced a \$937 thousand budgetary shortfall through June 30, 2020. For FY 2021, the DWSD *water* system has a budgetary shortfall of \$3.2 million and the DWSD *sewer* system has a budgetary shortfall of \$10.4 million through May 31, 2021. In April 2021, DWSD reimbursed \$5 million from reserves as a first step in addressing the 2021 Sewer net receipt shortfall. As a post-script to this monthly report, the cash flow shortfalls for FY 2020 and FY 2021 were resolved by June 30, 2021.

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.

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 System.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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

	FY2020 AMENDED BUDGET	FY 2020 THRU 5/31/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 5/31/2021	Percent Year-to- Date
Water System							
Revenues							
Suburban Wholesale Customer Charges	\$ 304,634	\$ 276,707	90.8%	\$ 314,252	\$ 317,034	\$ 289,178	91.2%
Retail Service Charges	21,296	19,521	91.7%	22,555	21,926	20,230	92.3%
Investment Earnings	8,084	8,625	106.7%	4,834	3,956	3,991	100.9%
Other Revenues	2	43	1808.3%	-	229	228	99.7%
Total Revenues	\$ 334,016	\$ 304,896	91.3%	\$ 341,642	\$ 343,144	\$ 313,627	91.4%
Revenue Requirements							
Operations & Maintenance Expense	\$ 126,840	\$ 117,138	92.4%	\$ 137,127	\$ 134,127	\$ 107,344	80.0%
General Retirement System Legacy Pension	6,048	5,544	91.7%	6,048	6,048	5,544	91.7%
Debt Service	135,999	122,370	90.0%	143,190	137,436	127,603	92.8%
General Retirement System Accelerated Pension	6,268	5,746	91.7%	6,268	6,268	5,746	91.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	1,698	1,557	91.7%	1,669	1,669	1,530	91.7%
Lease Payment	22,500	20,625	91.7%	22,500	22,500	20,625	91.7%
Operating Reserve Deposit	3,976	-	0.0%	877	-	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	1,230	1,230	100.0%	-	-	3,183	0.0%
Total Revenue Requirements	\$ 334,016	\$ 301,212	90.2%	\$ 341,642	\$ 343,144	\$ 299,830	87.4%
Net Difference		\$ 3,684				\$ 13,797	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ (1,286)				\$ (922)	
Revenue Requirement Variance		4,970				14,718	
Overall Variance		\$ 3,684				\$ 13,797	

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

	FY 2020 AMENDED BUDGET	FY 2020 THRU 5/31/2020	Percent Year-to- Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 THRU 5/31/2021	Percent Year-to- Date
Sewer System							
Revenues							
Suburban Wholesale Customer Charges	\$ 272,324	\$ 246,300	90.4%	\$ 277,012	\$ 272,454	\$ 247,830	91.0%
Retail Service Charges	185,807	170,323	91.7%	190,112	187,960	172,745	91.9%
Industrial Waste Control Charges	7,834	7,476	95.4%	8,775	7,685	7,328	95.4%
Pollutant Surcharges	5,910	5,470	92.5%	5,263	6,108	5,609	91.8%
Investment Earnings	7,731	7,082	91.6%	5,589	2,778	2,643	95.1%
Other Revenues	400	436	109.0%	-	2,195	444	20.2%
Total Revenues	\$ 480,005	\$ 437,087	91.1%	\$ 486,751	\$ 479,179	\$ 436,599	91.1%
Revenue Requirements							
Operations & Maintenance Expense	\$ 181,926	\$ 153,722	84.5%	\$ 184,946	\$ 182,296	\$ 149,420	82.0%
General Retirement System Legacy Pension	10,824	9,922	91.7%	10,824	10,824	9,922	91.7%
Debt Service	214,691	194,356	90.5%	209,740	201,780	187,104	92.7%
General Retirement System Accelerated Pension	11,621	10,652	91.7%	11,621	11,621	10,652	91.7%
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%
Water Residential Assistance Program Contribution	2,403	2,203	91.7%	2,415	2,415	2,214	91.7%
Lease Payment	27,500	25,208	91.7%	27,500	27,500	25,208	91.7%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall/(Surplus) Pending Improvement & Extension Fund Transfer Pending	10,244	10,244	100.0%	-	-	10,410	0.0%
Total Revenue Requirements	\$ 480,005	\$ 425,371	88.6%	\$ 486,751	\$ 479,179	\$ 433,865	90.5%
Net Difference		\$ 11,715				\$ 2,734	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ (2,918)				\$ (2,649)	
Revenue Requirement Variance		14,633				5,382	
Overall Variance		\$ 11,715				\$ 2,734	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of May 31, 2021, is 91.7% (eleven months). When comparing FY 2021 to FY 2020 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, it appears that overall spending is consistent.

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

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

Major Budget Categories	FY 2020 AMENDED BUDGET	FY 2020 ACTIVITY THRU 5/31/2020	Percent Year- to-Date	FY 2021 BOARD ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2021 ACTIVITY THRU 5/31/2021	Percent Year- to-Date
Water	\$ 66,021	\$ 62,371	94.5%	\$ 71,966	\$ 70,820	\$ 61,002	86.1%
Sewer	115,985	95,347	82.2%	115,676	114,975	94,073	81.8%
Centralized	97,731	87,136	89.2%	102,721	100,339	77,052	76.8%
Administrative	29,028	25,423	87.6%	31,709	30,290	24,637	81.3%
Employee Benefits	-	584	0.0%	-	-	-	0.0%
Total O&M Budget	\$ 308,766	\$ 270,861	87.7%	\$ 322,073	\$ 316,424	\$ 256,763	81.1%

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 O&M expenses are at 81.1% which is reasonably within the pro-rata benchmark of 91.7% given the expected trend of relatively higher fourth quarter expenses due to the seasonality of certain expenses and some year-end accruals which are based on actual versus estimated amounts. This positive variance equates to a dollar amount of \$33.3 million. The expense category commentary is provided below for items highlighted on Table 3.

Personnel Costs: The overall category is slightly under the pro-rata benchmark; coming in at 88.3% through May 2021.

Utilities: The overall category is on target with the pro-rata benchmark; coming in at 91.3% through May 2021. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is on target with the pro-rata benchmark, coming in at 91.5%. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 90.8% which is slightly lower than the benchmark of 91.7%. A review of the accounts has confirmed that the usage is variable throughout the year. The gas consumption at the Wastewater Recovery Facility (WRRF) is less than budget due to a) operational changes and b) the fire that occurred in September which took Complex II offline for several weeks.
- **Sewage service** is slightly higher than the benchmark, coming in at 93.3%. A review of this category is being conducted, however, bills for a meter for a large line at the WRRF are being estimated due to a reported fault with the meter. This issue is being addressed.
- **Water service** is slightly lower than the benchmark, coming in at 88.1%. While usage does vary throughout the year, a review of the accounts has shown that the water service bills are coming in lower for Wastewater Operations. Utilization of the new chemical building has required changes to the operational processes which has resulted in the reduction of the use of potable water.

Chemicals: This category is lower than the pro-rate benchmark; coming in at 84.8% through May 2021. Variances within this category are not unexpected as usage varies throughout the year. While this category is being reviewed, this variance is not a concern at this time.

Supplies & Other: This category is lower than the benchmark; coming in at 72.7% through May 2021. The items in this category are subject to one-time expenses that do not occur evenly throughout the year, with an increase in usage being projected for the fourth quarter.

Contractual Services: The overall category is lower than the pro-rata benchmark; coming in at 79.6% through May 2021. 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).

Capital Program Allocation: This category is lower than the benchmark; coming in at 80.1% through May 2021. 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 on target with the pro-rata benchmark; coming in at 90.9% through May 2021. 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 2021. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount.

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

Expense Categories	FY 2020 AMENDED BUDGET	FY 2020 ACTIVITY THRU 5/31/2020	Percent Year-to- Date at 5/31/2020	FY 2020 ACTIVITY THRU 6/30/2020	Percent Year-to- Date at 6/30/2020	FY 2021 AMENDED BUDGET	FY 2021 PRORATED AMENDED BUDGET (11 MONTHS)	FY 2021 ACTIVITY THRU 5/31/2021	Percent Year-to- Date	FY 2021 PRORATED BUDGET LESS FY 2021 ACTIVITY
Entity-wide										
Salaries & Wages	\$ 64,703	\$ 58,316	90.1%	\$ 64,189	90.9%	\$ 67,306	\$ 61,697	\$ 59,168	87.9%	\$ 2,529
Workforce Development	1,271	1,127	88.7%	1,252	90.0%	895	820	756	84.5%	65
Overtime	7,191	6,862	95.4%	7,494	91.6%	7,537	6,909	6,746	89.5%	163
Employee Benefits	22,465	22,231	99.0%	25,001	88.9%	26,806	24,572	23,832	88.9%	740
Transition Services	5,872	5,726	97.5%	6,330	90.4%	8,557	7,843	7,632	89.2%	212
Employee Benefits Fund	-	584	0.0%	-	0.0%	-	-	-	0.0%	-
Personnel Costs	101,503	94,846	93.4%	104,267	91.0%	111,100	101,842	98,134	88.3%	3,708
Electric	39,549	36,815	93.1%	40,669	90.5%	41,554	38,091	38,006	91.5%	85
Gas	5,332	4,825	90.5%	5,196	92.9%	5,924	5,430	5,380	90.8%	51
Sewage Service	1,988	1,967	99.0%	2,109	93.3%	2,297	2,105	2,142	93.3%	(37)
Water Service	3,662	2,990	81.7%	3,179	94.1%	2,608	2,391	2,298	88.1%	93
Utilities	50,531	46,598	92.2%	51,153	91.1%	52,383	48,017	47,825	91.3%	192
Chemicals	14,019	12,762	91.0%	14,242	89.6%	14,362	13,165	12,182	84.8%	983
Supplies & Other	34,124	29,678	87.0%	35,402	83.8%	35,595	32,628	25,883	72.7%	6,746
Contractual Services	103,975	94,624	91.0%	106,372	89.0%	99,977	91,646	79,600	79.6%	12,046
Capital Program Allocation	(3,122)	(2,985)	95.6%	(3,347)	89.2%	(3,447)	(3,159)	(2,761)	80.1%	(399)
Shared Services	(4,995)	(4,662)	93.3%	(1,734)	268.9%	(4,512)	(4,136)	(4,100)	90.9%	(36)
Unallocated Reserve	12,731	-	0.0%	-	0.0%	10,966	10,052	-	0.0%	10,052
Total Expenses	\$ 308,766	\$ 270,861	87.7%	\$ 306,354	88.4%	\$ 316,424	\$ 290,055	\$ 256,763	81.1%	\$ 33,291



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 2020 comparative values 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 May 31, 2021
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2020
Assets				
Cash - unrestricted (a)	\$ 143,268	\$ 160,673	\$ 303,941	\$ 208,357
Cash - restricted (a)	60,095	59,994	120,089	114,415
Investments - unrestricted (a)	209,080	136,519	345,599	473,549
Investments - restricted (a)	91,951	148,287	240,238	157,786
Accounts Receivable	84,641	68,714	153,355	193,719
Due from (to) Other Funds (b)	2,039	(2,039)	-	-
Other Assets (c)	687,374	433,933	1,121,307	1,114,230
Cash Held FBO DWSD Advance (d)	-	15,605	15,605	-
Capital Assets, net of Depreciation	1,309,781	2,219,280	3,529,061	3,689,047
Land	293,157	124,354	417,511	416,645
Construction Work in Process (e)	221,302	199,801	421,103	303,220
Total assets	3,102,689	3,565,121	6,667,810	6,670,969
Deferred Outflows (f)	54,916	137,206	192,122	217,097
Liabilities				
Liabilities - Short-Term (g)	173,091	182,366	355,458	305,598
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,672	6,345	9,017	9,179
Cash Held FBO DWSD (d)	(1,936)	-	(1,936)	1,250
Liabilities - Long-Term (i)	3,031,341	3,576,718	6,608,060	6,683,741
Total liabilities	3,205,169	3,765,429	6,970,598	6,999,768
Deferred Inflows (f)	51,297	41,928	93,225	109,876
Total net position (j)	\$ (98,860)	\$ (105,031)	\$ (203,891)	\$ (221,578)
<i>Totals may be off due to rounding</i>				

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

An ongoing challenge is the Net Position Deficit. The underlying causes took years to build (largely heavy use of debt to finance capital asset investment versus a strategic blend of debt, state revolving funds, and cash). The effect is reflected in GLWA's high debt interest expense. The GLWA is regularly updating the FY 2030 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, 2020 are reported at market value. The May 31, 2021 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 May 2021 Financial Report Binder. Prior year ending balances are provided in the June 30, 2020 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 Eleven Months ended May 31, 2021
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2020
Revenue						
Wholesale customer charges	\$ 295,276	93.5%	\$ 247,830	57.1%	\$ 543,106	\$ 578,705
Local system charges	20,230	6.4%	172,745	39.8%	192,974	207,103
Industrial waste charges		0.0%	7,328	1.7%	7,328	7,855
Pollutant surcharges		0.0%	5,609	1.3%	5,609	6,449
Other revenues	228	0.1%	444	0.1%	672	778
Total Revenues	315,734	100.0%	433,956	100.0%	749,690	800,889
Operating expenses						
Operations and Maintenance	109,792	34.8%	153,816	35.4%	263,608	309,482
Depreciation	113,045	35.8%	137,604	31.7%	250,649	280,104
Total operating expenses	222,837	70.6%	291,420	67.2%	514,257	589,586
Operating Income	92,897	29.4%	142,536	32.8%	235,433	211,303
Total Nonoperating (revenue) expense	95,347	30.2%	122,399	28.2%	217,746	232,056
Increase/(Decrease) in Net Position	(2,450)	-0.8%	20,137	4.6%	17,687	(20,753)
Net Position (deficit), beginning of year	(96,410)		(125,168)		(221,578)	(200,825)
Net position (deficit), end of year	\$ (98,860)		\$ (105,031)		\$ (203,891)	\$ (221,578)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The decrease in Water Fund Net Position is \$2.5 million.
- ✓ Wholesale water customer charges of \$295.3 million account for 93.5% of Water System revenues.
- ✓ Operating expenses of \$222.8 million represent 70.6% of total operating revenue. Depreciation is the largest operating expense at \$113.0 million or 50.7% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$92.9 million or 29.4% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$76.2 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 \$20.1 million.
- ✓ Wholesale customer charges of \$247.8 million account for 57.1% 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 \$172.7 million account for 39.8% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$291.4 million represent 67.2% of total operating revenue. Depreciation is the largest operating expense at \$137.6 million or 47.2% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$142.5 million or 32.8 % of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$88.2 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the May 2021 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Eleven Months ended May 31, 2021
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	20,497	18.7%	47,059	30.6%	67,556	25.6%
Overtime	4,176	3.8%	2,570	1.7%	6,746	2.6%
Benefits	15,842	14.4%	7,990	5.2%	23,832	9.0%
Total Personnel	\$ 40,516	36.9%	\$ 57,618	37.5%	\$ 98,134	37.2%
Utilities						
Electric	24,576	22.4%	13,429	8.7%	38,006	14.4%
Gas	1,088	1.0%	4,292	2.8%	5,380	2.0%
Sewage	670	0.6%	1,473	1.0%	2,142	0.8%
Water	1	0.0%	2,296	1.5%	2,298	0.9%
Total Utilities	\$ 26,335	24.0%	\$ 21,490	14.0%	\$ 47,825	18.1%
Chemicals	5,256	4.8%	6,926	4.5%	12,182	4.6%
Supplies and other	8,107	7.4%	17,776	11.6%	25,883	9.8%
Contractual services	35,445	32.3%	51,248	33.3%	86,693	32.9%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital program allocation	(1,830)	-1.7%	(931)	-0.6%	(2,761)	-1.0%
Intergovernmental Agreement	(248)	-0.2%	-	0.0%	(248)	-0.1%
Shared services allocation	(3,790)	-3.5%	(310)	-0.2%	(4,100)	-1.6%
Operations and Maintenance Expenses	\$ 109,792	100.0%	\$ 153,816	100.0%	\$ 263,608	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (18.1% of total O&M expenses) and chemicals (4.6% of total O&M expenses).
- ✓ Personnel costs (37.2% 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 (32.9%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$3.3 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$14.2 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 Eleven Months ended May 31, 2021
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2020
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (23,287)	\$ (16,145)	\$ (39,432)	\$ (41,136)
Interest income DWSD Shortfall	-	(608)	(608)	(1,299)
Investment earnings	(4,010)	(2,665)	(6,676)	(19,445)
Net (increase)/decrease in fair value of investments	4,946	3,340	8,286	(5,972)
Other nonoperating revenue	(39)	(21)	(60)	(2,552)
Interest Expense				
Bonded debt	99,527	104,295	203,823	243,745
Lease obligation	15,820	19,336	35,156	38,808
Other obligations	4,329	1,424	5,753	6,395
Total interest expense	119,677	125,055	244,731	288,948
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	(5,948)	(5,948)	(5,960)
Amortization, issuance costs, debt	(14,728)	2,816	(11,912)	(10,303)
Amortization, raw water rights	3,269	-	3,269	3,567
(Gain) loss on disposal of capital assets	125	241	366	1,317
Loss on impairment of capital assets	-	-	-	1,432
Water Residential Assistance Program	1,320	1,882	3,201	3,315
Legacy pension expense	8,075	14,453	22,528	20,144
Total Nonoperating (Revenue)/Expense	\$ 95,347	\$ 122,399	\$ 217,746	\$ 232,056

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU).
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest. FY 2020 market value adjustments for Water and Sewer totaled \$4.9 million and \$3.3 million,

respectively. FY 2021 market value adjustment will be made as part of audit preparation in June 2021.

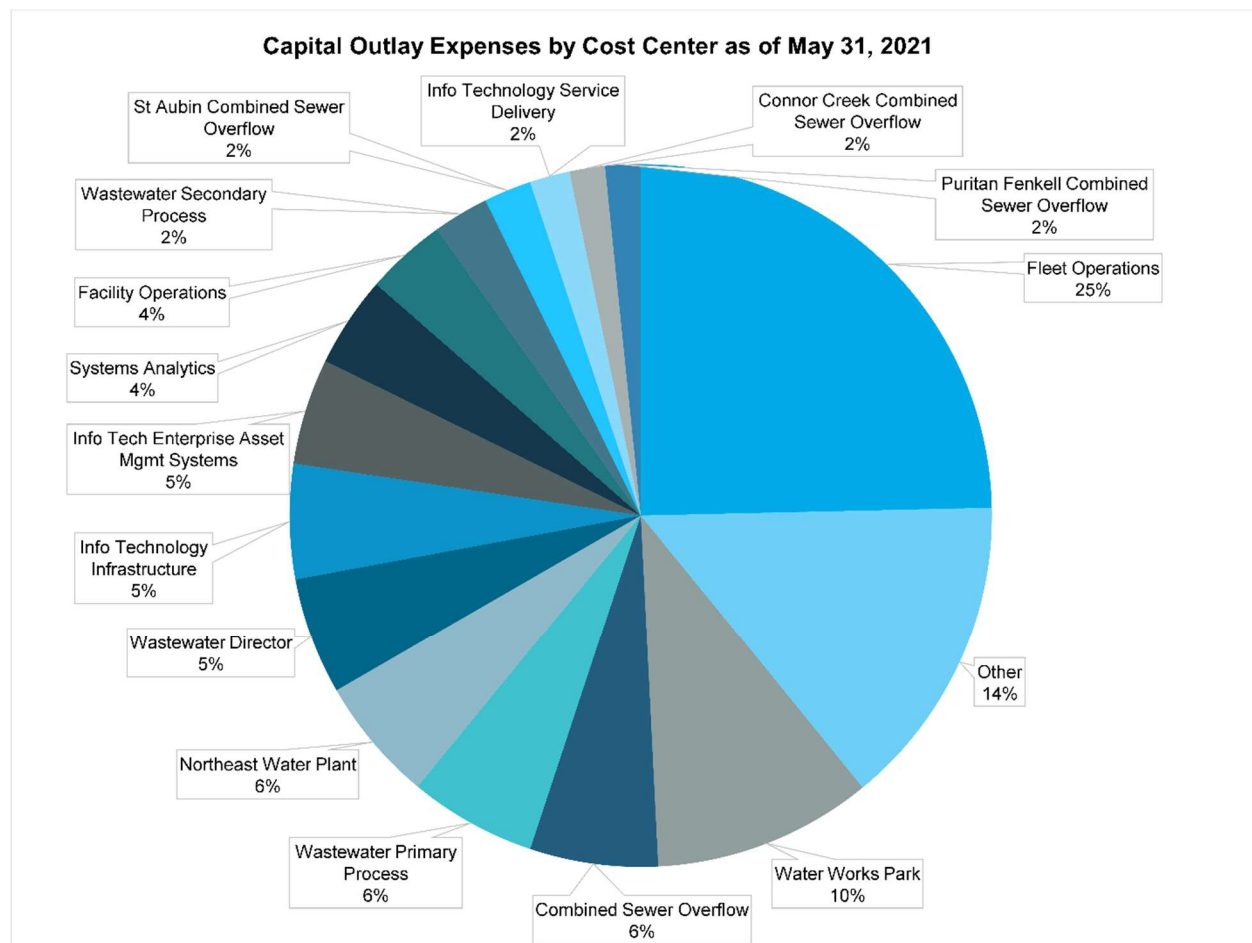
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ The capital contribution in Nonoperating (revenue) expense represents one-half of an \$11.92 million payment made by Oakland Macomb Interceptor Drainage District (OMIDD). The payment was part of an amendment to the OMIDD Wastewater Disposal Services Contract and was split between FY 2020 and FY 2021 based on budgeted revenue requirements for those respective years.

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 May 31, 2021, total capital outlay spend is \$15.6 million. Following this chart is a sample list of projects and purchases from the total spend of \$15.6 million:



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

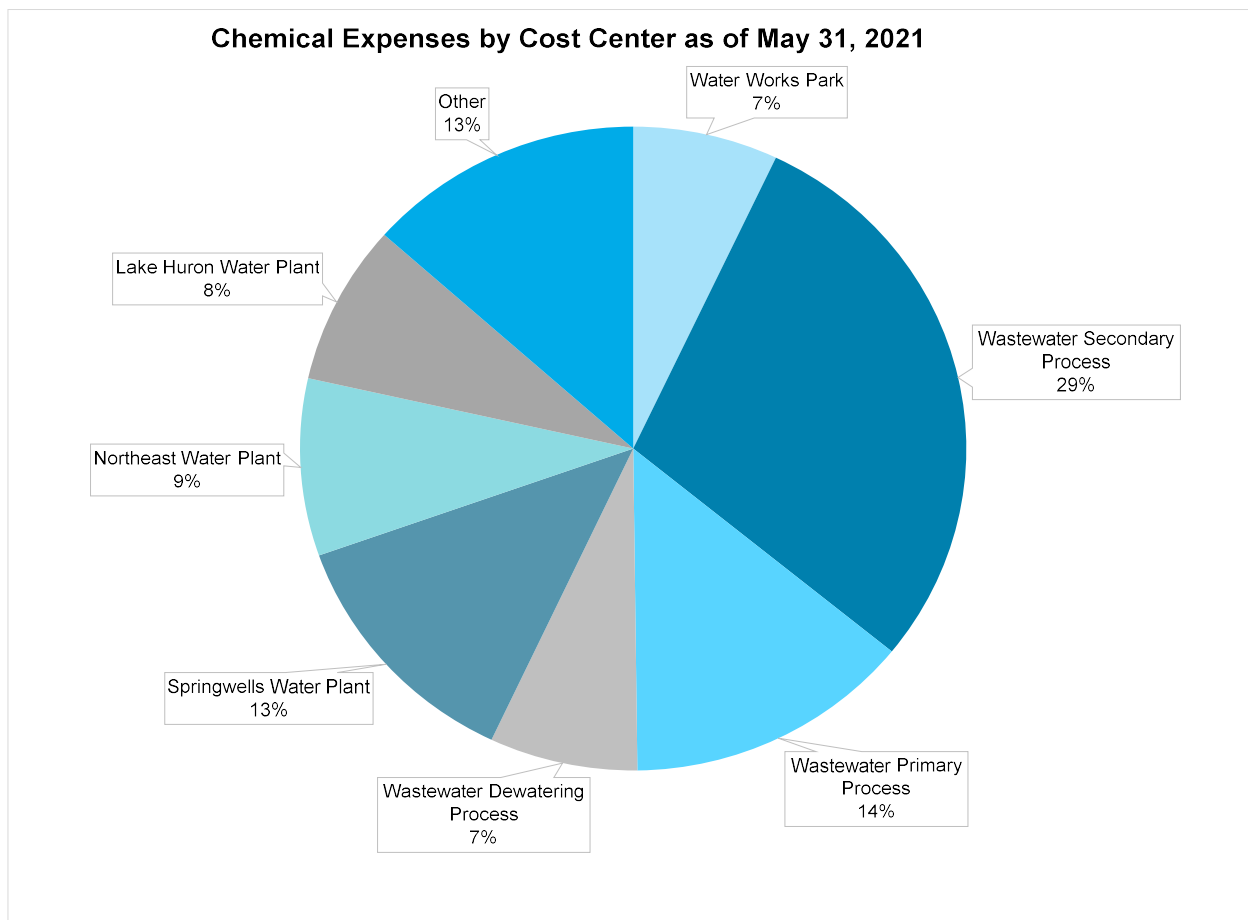
Water Operations: Water Works Park Ovation upgrade (\$921k); High-pressure water tank (\$494k); Water Works Park generator (\$326k); water pumps for various locations (\$130k); Southwest Water Plant feed system (\$110k) and evaporators (\$101k).

Wastewater Operations: Chemical containment improvements (\$917k); pump at WRRF (\$801k); Sewer vacuum truck (\$555k); Lieb CSO maintenance (\$301k); B-Houses (\$293k); level and flow instrumentation (\$241k); submersible mixers (\$135k); turbimeter, controller and process head (\$134k); magnetic drive (\$129k); actuators (\$121k); 7 Mile CSO maintenance (\$100k); Belle Isle fire alarm system (\$74k); Complex A Bio Solids dryer (\$68k); rotork parts (\$65k) and Camera (\$57k).

Centralized & Administrative Facilities: Trucks and vehicles (\$4.0m); IT software (\$1.2m); bleacher design (\$570k); sewer meter support (\$422k); datacenter modernization (\$320k); IT computers (\$230k); WRRF roof repair (\$179k); SCADA packs (\$105k); universal power supply (\$101k) and server drives (\$61k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

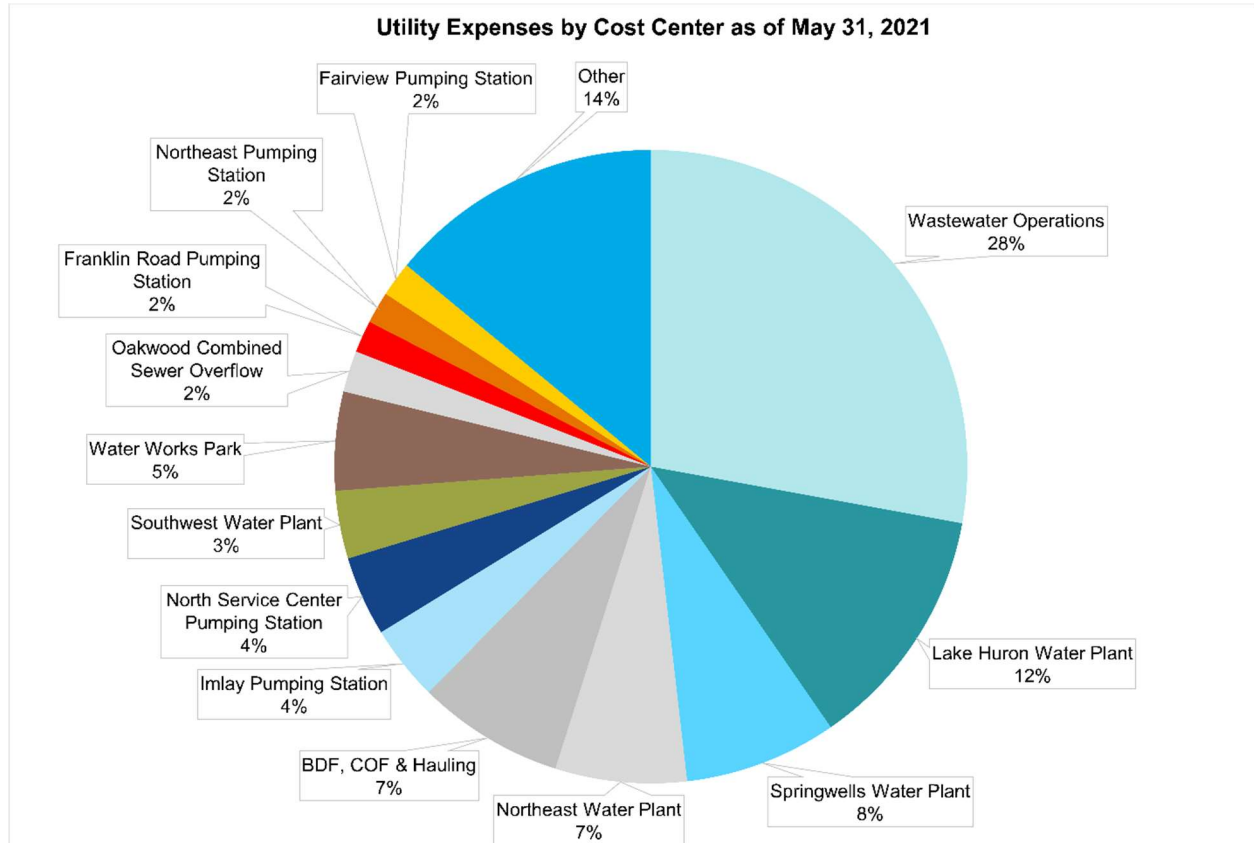
Chemical expenses are \$12.2 million through May 31, 2021. The allocation is shown in the chart below and remains consistent with prior periods.



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 \$47.8 million through May 31, 2021. 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 May 31, 2021 all reconciliations are up-to-date and complete.

There were no changes to the accounts since April 2021.

Chart 1 – Bank Reconciliation Completion Status

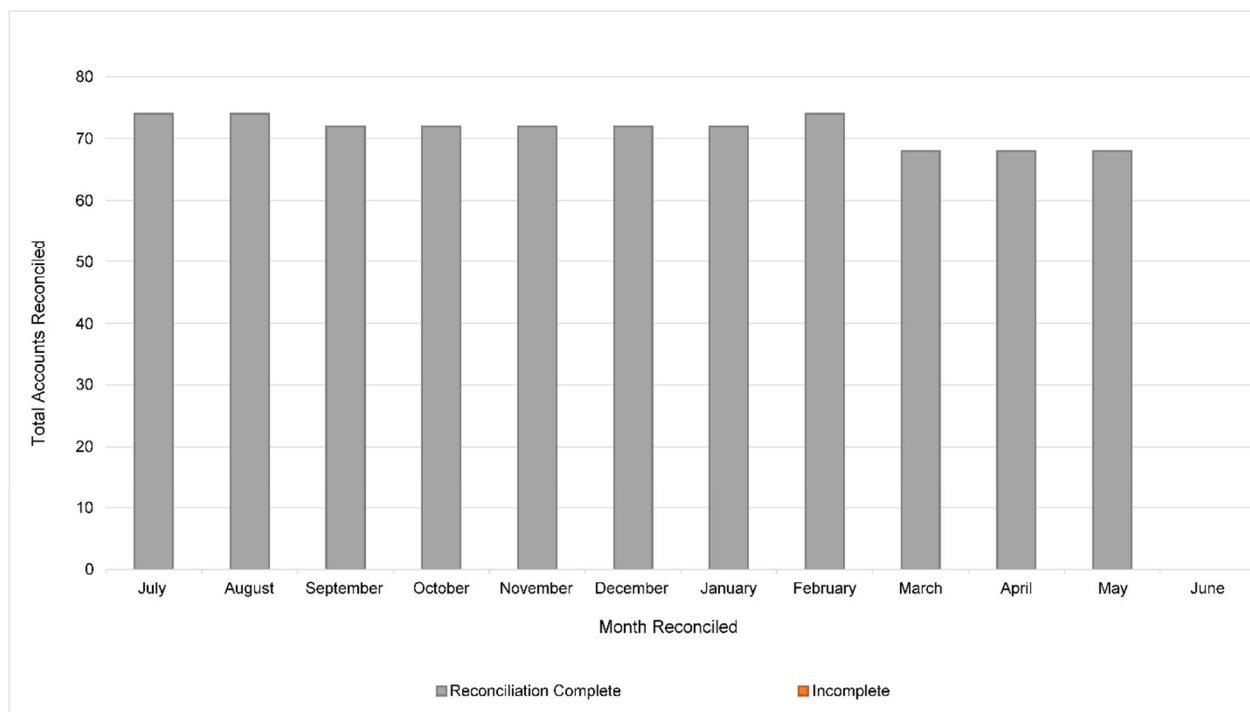


Table 1 – Fiscal Year 2021 GL Cash Account Rollforward

Total GL Cash accounts as of July 1, 2020	74
New GL Cash accounts	2
Inactivated GL Cash accounts	-8
Total GL Cash accounts as of May 31, 2021	<u>68</u>



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 Revenue Requirement Basis” from the Budget to Actual Analysis (Table 1A and Table 1B) to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in the monthly Financial Report.

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

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

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

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

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

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

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Eleven Months Ended May 31, 2021

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 13,797	\$ 2,734	\$ 16,531
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	10,487	18,769	29,256
Prior year pension contribution accounted for in current year (d)	(8,075)	(14,453)	(22,528)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	51,363	98,954	150,317
Accelerated pension B&C notes obligation portion (g)	170	381	551
Lease payment (h)	4,805	5,872	10,677
WRAP (i)	210	332	542
DWSD short term allocation (j)	3,183	10,410	13,593
Operating Reserve Deposit (j)	-	-	-
Improvement & Extension Fund (j)	25,661	34,538	60,199
Nonbudgeted financial reporting categories adjustments			
Depreciation (k)	(113,045)	(137,604)	(250,649)
Amortization (k)	11,459	(2,816)	8,643
Other nonoperating income (k)	39	21	60
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	(125)	(241)	(366)
Raw water rights (l)	2,402	-	2,402
Investment earnings for construction fund (m)	20	24	44
Interest on DWSD note receivable (n)	-	608	608
Investment earnings unrealized gain/loss (o)	(4,946)	(3,340)	(8,286)
Interlocal agreement reimbursements to improvement & extension fund (p)	145	-	145
Capital contribution (q)	-	5,948	5,948
Net Position Increase/(Decrease) per Financial Statements (b)	\$ (2,450)	\$ 20,137	\$ 17,687

Table 2- Explanatory Notes for Crosswalk

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

- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) The accelerated pension payment includes the obligation payable for the B&C notes. The pension portion is included in item (c) above. This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) The lease payment is included as an expense for budget and includes both principal and interest payments. Most of the adjustment relates to the principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense which is recorded on an accrual basis for financial reporting which is different from the cash basis.
- (i) WRAP is shown as an expense for budget purposes. For financial reporting purposes the expense is not recognized until the funds have been transferred to the WRAP administrator. The adjustment shown is the amount of current year transfers that have not been transferred to the WRAP administrator. Note that there are funds from the prior year that have not been transferred to the WRAP administrator.
- (j) The DWSD short term allocation, Operating Reserve Deposit, and Improvement & Extension Fund transfers are shown as an expense for budget purposes but not for financial reporting purposes. For FY 2021, the Water Improvement and Extension fund reflects \$2.6 million, and the Sewer Improvement and Extension fund reflects \$4.4 million in 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.

- (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 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 basis the Flint wholesale charges are recorded at 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 the 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.
- (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) GLWA enters Interlocal Agreements with other local governments to coordinate projects and services and reduce overlapping expense. Many of these agreements relate to current capital improvement projects. Where another local government reimburses GLWA for direct expenses associated with a capital improvement project financed using improvement and extension funds, those reimbursements received under the agreement are transferred back to the Improvement and Extension fund.

- (q) The capital contribution is a one-time payment of \$11.92 million made to GLWA by the Oakland Macomb Interceptor Drainage District (OMIDD) as part of an amendment to the OMIDD Wastewater Disposal Services Contract. This contribution is associated with revenue requirements for FY 2020 and 2021 so one-half of the contribution (or \$5.96 million) was recognized in FY 2020 and the remaining \$5.96 million is recognized as a capital contribution in FY 2021.



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 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 2021 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

Beginning January 1, 2021, GLWA has intentionally depleted Bond funds and has moved to solely using I&E and State Revolving Loans to fund CIP expenditures to lower the cost of debt. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues. In line with this change, the charts in this report have been revised as of March 2021 to show actual spend in terms of funding source.

This scope of this report and the associated charts were also expanded to the Capital Improvement Plan where in prior periods the focus had been solely on Construction Work in Progress. This change resulted in an increase of \$1 million in actual I&E spend in FY 2021 Q1 for the Sewer Fund and a slight shift in previously reported amounts for actual I&E and Revenue Bond spend in FY 2021 Q2 for the Sewer Fund.

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

As of May 2021, the Water system incurred over \$121 million of construction costs to date. This is 90% of the fiscal year 2021 prorated CIP through May and 120% of the financial plan which is labeled as the FY 2021 CIP w/SRA in the chart below.

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

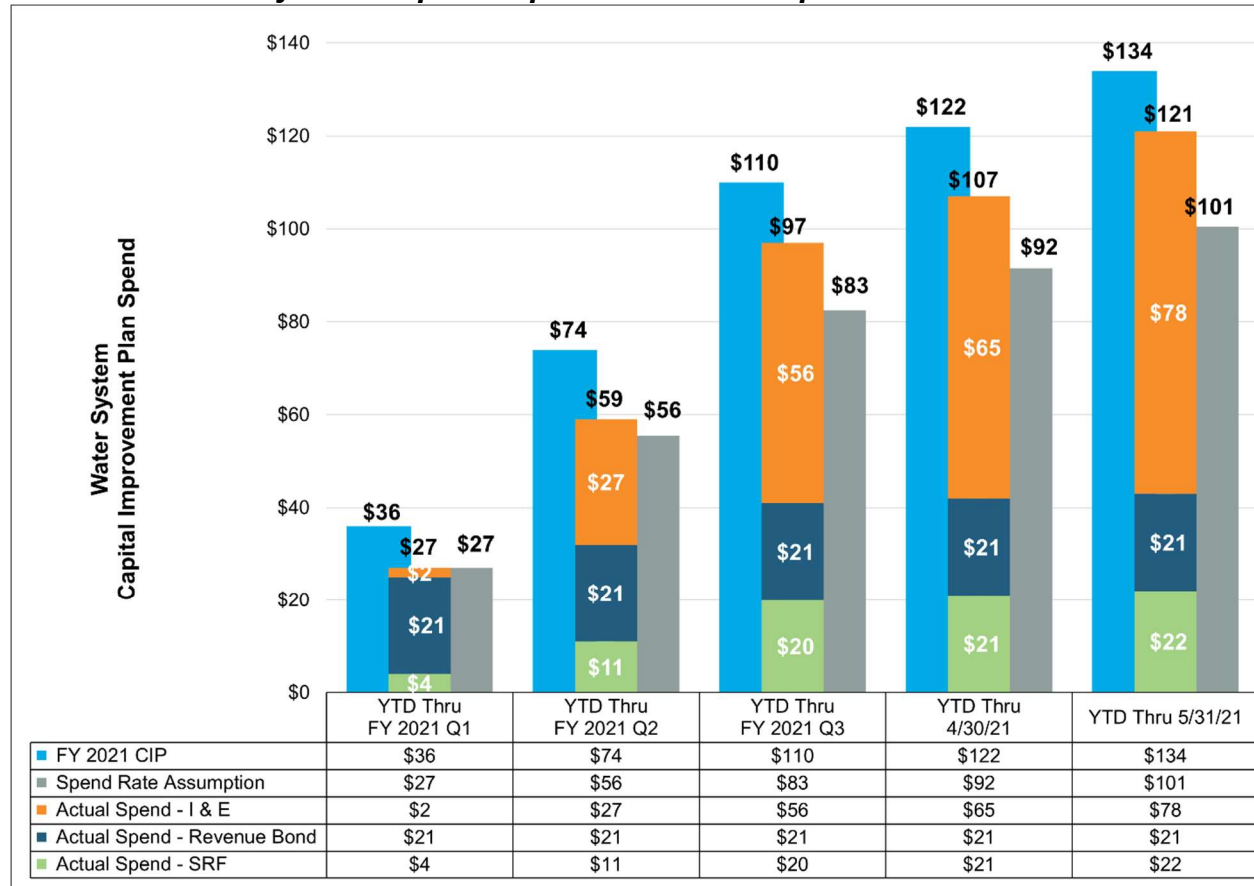
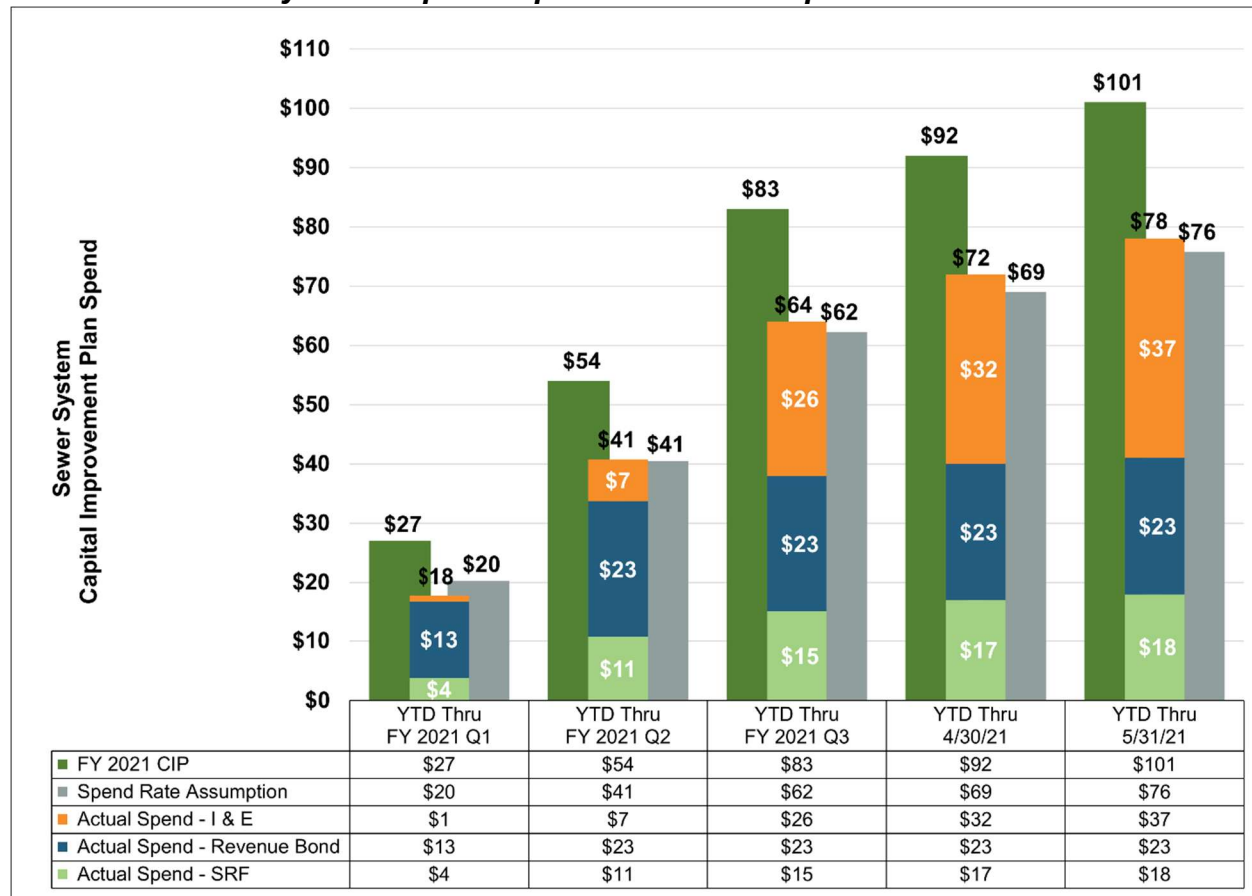


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of May 2021, the Sewer system incurred nearly \$72 million of construction costs to date. This is 77% of the fiscal year 2021 prorated CIP through May and 103% of the financial plan which is labeled as the FY 2021 CIP w/SRA in the chart below.

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





This report includes the following.

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

MBO Transfers to Accounts Held by GLWA

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

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

Table 1 – GLWA FY 2021 Water MBO Transfers reflects the required transfers for FY 2021 completed through May 3, 2021. MBO transfers for water totaling \$141.2 million have been transferred to GLWA accounts. The total transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting.

Table 2 – GLWA FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through May 3, 2021. MBO transfers for sewer totaling \$194.6 million have been transferred to GLWA accounts. The total transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 1 – GLWA FY 2021 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 2021							
July 2020	\$ 11,160,517	\$504,000	\$891,308	\$192,608	-	-	\$12,748,433
August 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
September 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
October 2020	11,160,517	504,000	891,308	192,608	-	-	12,748,433
November 2020	11,994,307	504,000	891,308	197,988	-	-	13,587,603
December 2020	11,177,275	504,000	891,308	193,684	-	-	12,766,267
January 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
February 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
March 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
April 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
May 2021	11,177,275	504,000	891,308	193,684	-	-	12,766,267
Total FY 2021	\$ 123,700,025	\$5,544,000	\$9,804,388	\$2,130,524	\$ -	\$ -	\$141,178,937

Table 2 – GLWA FY 2021 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 2021							
July 2020	\$ 15,194,175	\$902,000	\$1,223,950	\$313,500	-	-	\$17,633,625
August 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
September 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
October 2020	15,194,175	902,000	1,223,950	313,500	-	-	17,633,625
November 2020	15,842,491	902,000	1,223,950	314,455	-	-	18,282,896
December 2020	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
January 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
February 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
March 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
April 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
May 2021	15,191,333	902,000	1,223,950	313,691	-	-	17,630,974
Total FY 2021	\$167,767,189	\$9,922,000	\$13,463,450	\$3,450,601	\$ -	\$ -	\$194,603,240

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 (11 months)	123,700,025	5,544,000	9,804,388	2,130,524	-	-	141,178,937
Life to Date	\$676,597,037	\$35,762,300	\$62,485,863	\$12,392,228	\$2,686,900	\$606,000	\$790,530,328
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 (11 months)	167,767,189	9,922,000	13,463,450	3,450,601	-	-	194,603,240
Life to Date	\$1,008,576,181	\$64,070,800	\$85,578,559	\$17,147,497	\$8,246,100	\$779,600	\$1,184,398,737

All amounts are unaudited unless otherwise noted.

MBO Required and Lease Payment Transfers to DWSD

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

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

Table 4 – DWSD FY 2021 Water MBO Transfers reflects the required transfers for FY 2021 completed through May 3, 2021. MBO transfers for Water totaling \$49.8 million have been transferred to accounts held by DWSD. The I&E transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting. For FY 2021, DWSD has requested that \$8,278,300 of the lease payment be utilized to offset a portion of debt service.

Table 5 – DWSD FY 2021 Sewer MBO Transfers reflects the required transfers for FY 2021 completed through May 3, 2021. MBO transfers for Sewer totaling \$88.9 million have been transferred to accounts held by DWSD. The I&E transfer amounts for November and December are different than the prior months due to adjustments to reflect 1st Quarter budget amendments approved at the October 2020 GLWA Board meeting. For FY 2021, DWSD has requested that \$3,257,200 of the lease payment be utilized to offset a portion of debt service.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2021 to date.

Table 4 – DWSD FY 2021 Water MBO Transfers

WATER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2021				
July 2020	\$2,986,158	\$356,000	\$1,139,808	\$4,481,966
August 2020	2,986,158	356,000	1,139,808	4,481,966
September 2020	2,986,158	356,000	1,139,808	4,481,966
October 2020	2,986,158	356,000	1,139,808	4,481,966
November 2020	2,986,158	356,000	1,366,478	4,708,636
December 2020	2,986,158	356,000	1,185,142	4,527,300
January 2021	2,986,158	356,000	1,185,142	4,527,300
February 2021	2,986,158	356,000	1,185,142	4,527,300
March 2021	2,986,158	356,000	1,185,142	4,527,300
April 2021	2,986,158	356,000	1,185,142	4,527,300
May 2021	2,986,158	356,000	1,185,142	4,527,300
Total FY 2021	\$32,847,738	\$3,916,000	\$13,036,562	\$49,800,300

Table 5 – DWSD FY 2021 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2021				
July 2020	\$5,826,308	\$238,000	\$2,109,017	\$8,173,325
August 2020	5,826,308	238,000	2,109,017	8,173,325
September 2020	5,826,308	238,000	2,109,017	8,173,325
October 2020	5,826,308	238,000	2,109,017	8,173,325
November 2020	5,826,308	238,000	1,665,102	7,729,410
December 2020	5,826,308	238,000	2,020,234	8,084,542
January 2021	5,826,308	238,000	2,020,234	8,084,542
February 2021	5,826,308	238,000	2,020,234	8,084,542
March 2021	5,826,308	238,000	2,020,234	8,084,542
April 2021	5,826,308	238,000	2,020,234	8,084,542
May 2021	5,826,308	238,000	2,020,234	8,084,542
Total FY 2021	\$64,089,388	\$2,618,000	\$22,222,574	\$88,929,962

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

	WATER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
FY 2016 *				
MBO/Lease Requirement	\$26,185,600	\$4,262,700	\$22,500,000	\$52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
Net MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400
FY 2017				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
Net MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800
FY 2018				
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)
Net MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704
FY 2019				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
Net MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100
FY 2020				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
Net MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
FY 2021 (11 months)				
MBO/Lease Requirement	32,847,738	3,916,000	20,625,000	57,388,738
Offset to Debt Service	-	-	(7,588,438)	(7,588,438)
Net MBO Transfer	32,847,738	3,916,000	13,036,562	49,800,300
Life-to-Date				
MBO/Lease Requirement	197,836,142	25,257,100	133,125,000	356,218,242
Offsets	-	-	(19,310,538)	(19,310,538)
Total Water	197,836,142	25,257,100	113,814,462	336,907,704

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 (11 months)				
MBO/Lease Requirement	64,089,388	2,618,000	25,208,333	91,915,721
Offset to Debt Service	-	-	(2,985,759)	(2,985,759)
Total MBO Transfer	64,089,388	2,618,000	22,222,574	88,929,962
Life-to-Date				
MBO/Lease Requirement	305,028,700	16,909,800	162,708,333	484,646,833
Offsets	(7,100,000)	-	(41,591,623)	(48,691,623)
Total Sewer	297,928,700	16,909,800	121,116,710	435,955,210

* 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:

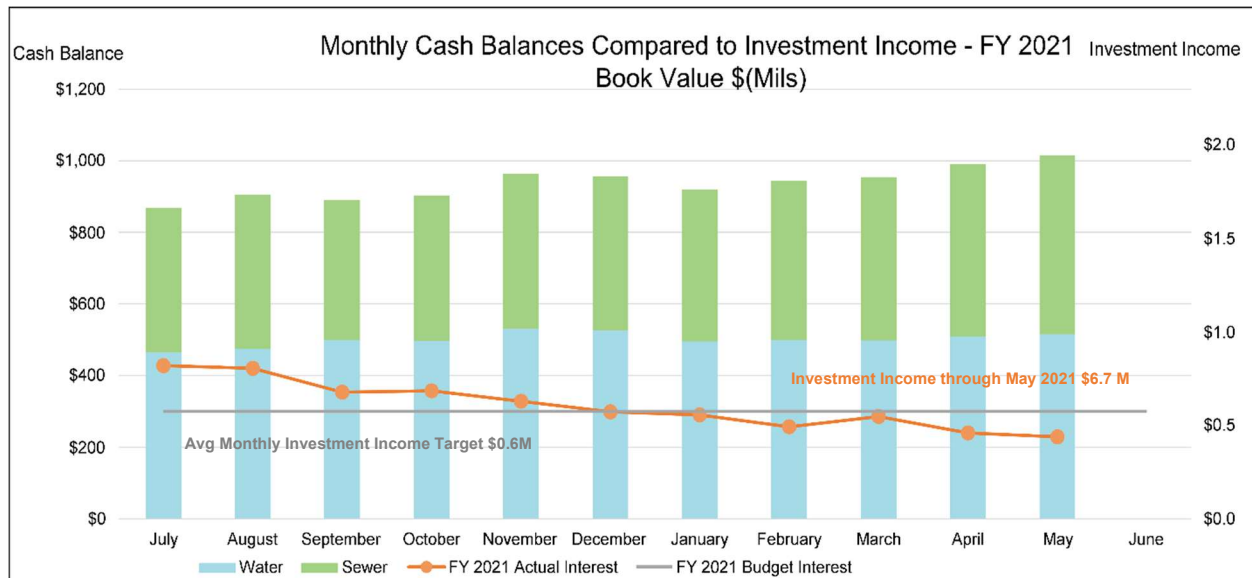
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 May 2021, GLWA earned investment income of \$0.4 million and the cumulative FY 2021 earnings through May is \$6.7 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

Investment earnings for the remainder of the fiscal year are expected to decline due to maturities of existing investments being reinvested into lower, current market rate investments. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through May 2021


\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$464	\$473	\$499	497	530	525	495	499	498	508	515	-
Sewer	\$403	\$431	\$391	406	433	431	424	445	455	482	500	-
Total	\$867	\$904	\$890	903	963	956	919	944	953	990	1,015	-
Investment Income	\$0.8	\$0.8	\$0.7	\$0.7	\$0.6	\$0.6	\$0.6	\$0.5	\$0.5	\$0.5	\$0.4	-

Cash Balance Detail

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

Funds Held Within Trust:

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

Funds Held Outside Trust:

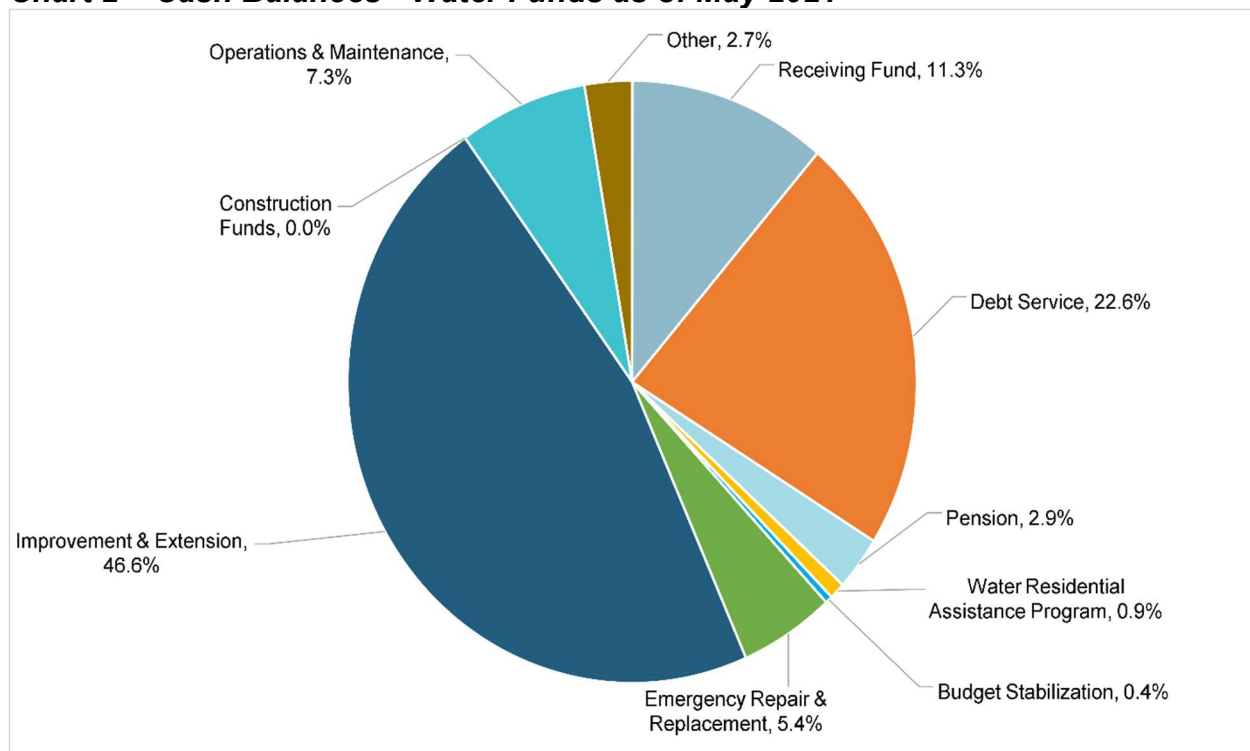
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors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

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

Chart 2 – Cash Balances - Water Funds as of May 2021 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of May 31, 2021 is \$515 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.

It should be noted existing proceeds from revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues.

Chart 2 – Cash Balances - Water Funds as of May 2021



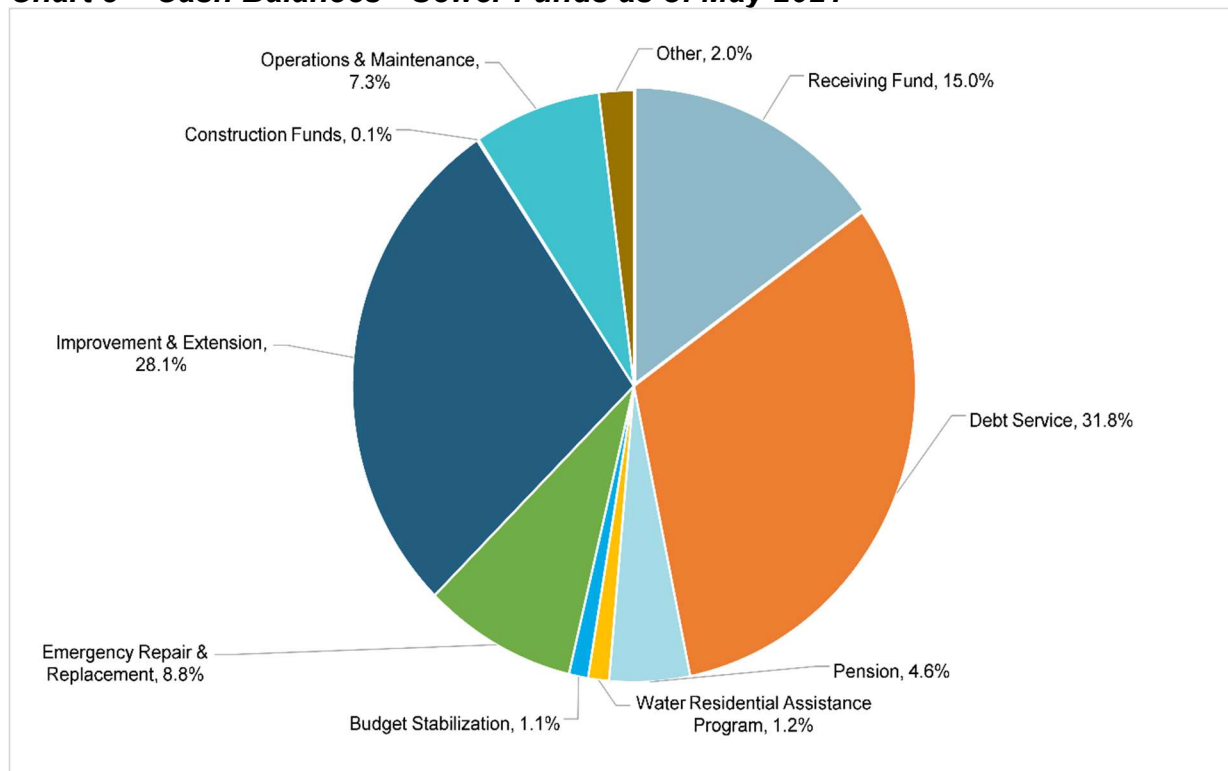
Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of May 2021 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of May 31, 2021 is \$500 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.

It should be noted existing proceeds from revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022 including an allowance to provide flexibility in the timing of future bond issues.

The pace for Sewer I&E deposits has been less than anticipated due to a budget shortfall over multiple years by DWSD. Beginning in February 2019, DWSD began making payments which will replenish the I&E fund.

Chart 3 – Cash Balances - Sewer Funds as of May 2021



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



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

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

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

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

DWSD Retail Water Billings and Collections

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

Table 1 - DWSD Retail Billings shows the FY 2021 water usage and billed revenue which are provided by DWSD staff. As of May 31, 2021, the DWSD usage was at 93.70% of the budget and billed revenue was at 94.69% 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 2021 - Original Budget		FY 2021 - Actual		FY 2021 - Variance		FY 2020 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	273,700	10,099,621	265,796	9,747,518	(7,904)	(352,103)	267,054	9,802,572
August	263,300	9,828,389	250,308	9,378,385	(12,992)	(450,004)	259,489	9,601,097
September	239,800	9,215,509	218,840	8,544,457	(20,960)	(671,052)	228,961	8,811,834
October	228,800	8,928,629	197,362	7,978,833	(31,438)	(949,796)	217,031	8,578,738
November	208,200	8,391,381	194,648	7,952,436	(13,552)	(438,945)	200,432	7,879,694
December	208,900	8,409,637	197,125	7,985,955	(11,775)	(423,682)	201,225	7,811,106
January	210,200	8,443,541	190,289	7,827,536	(19,911)	(616,005)	205,993	7,981,382
February	214,600	8,558,293	191,180	7,895,496	(23,420)	(662,797)	196,490	7,748,377
March	216,500	8,607,845	205,631	8,242,563	(10,869)	(365,282)	198,483	7,755,210
April	211,700	8,482,661	214,288	8,438,333	2,588	(44,328)	191,691	7,550,074
May	221,300	8,733,029	214,232	8,519,154	(7,068)	(213,875)	207,387	7,929,281
June	261,800	9,789,269					248,085	8,951,538
Total	2,758,800	107,487,800	2,339,699	92,510,666	(157,301)	(5,187,865)	2,622,321	100,400,903
Subtotals ytd	2,497,000	97,698,531	2,339,699	92,510,666	(157,301)	(5,187,865)		
Achievement of Budget			93.70%	94.69%				

(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
June	7,821,791	7,554,457	267,334	3.54%
July	8,017,490	8,093,394	(75,904)	-0.94%
August	7,135,456	8,671,848	(1,536,392)	-17.72%
September	9,031,966	8,610,801	421,165	4.89%
October	9,079,199	9,619,977	(540,778)	-5.62%
November	10,803,009	7,067,667	3,735,342	52.85%
December	7,409,888	8,597,558	(1,187,670)	-13.81%
January	7,884,889	9,076,091	(1,191,202)	-13.12%
February	6,426,553	8,281,985	(1,855,432)	-22.40%
March	8,458,827	6,948,308	1,510,519	21.74%
April	7,536,272	5,956,105	1,580,167	26.53%
May	7,365,204	8,109,469	(744,265)	-9.18%
Rolling, 12-Month Total	96,970,544	96,587,660		
Rolling, 12-Month Average	8,080,879	8,048,972		

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 2021 sewer billed revenue which are provided by DWSD staff. As of May 31, 2021, the DWSD usage was at 96.01% of the budget and billed revenue was at 100.01% 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 2021 - Original Budget		FY 2021 - Actual		FY 2021 - Variance		FY 2020 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	252,700	29,612,070	252,929	29,802,377	229	190,307	244,810	28,049,707
August	252,900	29,624,420	240,390	29,261,344	(12,510)	(363,076)	246,989	28,076,649
September	219,800	27,736,625	206,880	27,232,400	(12,920)	(504,225)	215,119	26,430,710
October	245,700	29,214,479	188,816	26,230,683	(56,884)	(2,983,796)	238,202	27,549,787
November	192,400	26,173,181	184,240	25,933,888	(8,160)	(239,293)	188,779	24,726,161
December	192,600	26,184,593	187,397	26,628,891	(5,203)	444,298	186,917	24,853,335
January	195,700	26,361,479	179,115	26,098,738	(16,585)	(262,741)	190,230	24,857,510
February	195,300	26,338,655	185,696	26,370,674	(9,604)	32,019	187,219	24,524,288
March	192,100	26,279,396	197,486	27,090,940	5,386	811,544	186,521	24,784,918
April	188,900	25,973,471	203,684	27,447,662	14,784	1,474,191	180,397	24,538,664
May	195,300	26,338,655	204,107	27,765,537	8,807	1,426,882	192,362	25,035,540
June	245,560	29,206,491					238,679	27,572,637
Total	2,568,960	329,043,516	2,230,740	299,863,134	(92,660)	26,108	2,496,224	310,999,906
<i>Subtotals ytd</i>	<i>2,323,400</i>	<i>299,837,026</i>	<i>2,230,740</i>	<i>299,863,134</i>		<i>26,108</i>		
<i>Achievement of Budget/Goal</i>				<i>96.01%</i>		<i>100.01%</i>		

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

(2) Retail Revenues include Miscellaneous Revenues and Penalties

Table 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
June	22,558,827	20,426,151	2,132,676	10.44%
July	20,652,159	20,940,157	(287,998)	-1.38%
August	22,395,220	23,175,643	(780,423)	-3.37%
September	26,463,387	21,972,754	4,490,633	20.44%
October	26,683,109	26,321,010	362,099	1.38%
November	28,730,139	17,546,180	11,183,959	63.74%
December	22,856,217	25,889,823	(3,033,606)	-11.72%
January	22,057,276	23,512,702	(1,455,426)	-6.19%
February	22,777,467	22,682,982	94,485	0.42%
March	25,002,508	19,325,377	5,677,131	29.38%
April	21,196,170	17,105,146	4,091,024	23.92%
May	21,888,687	23,639,652	(1,750,965)	-7.41%
Rolling 12-Month Total	283,261,166	262,537,577		
Rolling, 12-Month Average	23,605,097	21,878,131		

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 total, current and non-current Water and Sewer receivables by category as of May 31, 2021 with comparative totals from May 31, 2020.

DWSD regularly adjusts the bad debt allowance to cover the past due balance over 180 days. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Balance
Residential	211,263	\$ 540.78	\$ 12,842,000 11.2%	\$ 7,675,000 6.7%	\$ 20,385,000 17.8%	\$ 73,346,000 64.2%	\$ 114,248,000 100.0%
Commercial	21,163	1,433.63	7,653,000 25.2%	2,533,000 8.3%	5,577,000 18.4%	14,577,000 48.0%	30,340,000 100.0%
Industrial	3,477	5,118.72	5,259,000 29.5%	1,585,000 8.9%	2,684,000 15.1%	8,270,000 46.5%	17,798,000 100.0%
Tax Exempt	3,662	884.40	430,000 13.3%	170,000 5.3%	460,000 14.2%	2,178,000 67.3%	3,239,000 100.0%
Government	56,031	355.29	2,333,000 11.7%	1,333,000 6.7%	2,895,000 14.5%	13,347,000 67.0%	19,907,000 100.0%
Drainage	39,415	793.71	2,602,000 8.3%	1,673,000 5.3%	5,062,000 16.2%	21,947,000 70.2%	31,284,000 100.0%
Subtotal - Active Accounts	335,011	\$ 647.19	\$ 31,118,000 14.4%	\$ 14,969,000 6.9%	\$ 37,063,000 17.1%	\$ 133,665,000 61.6%	\$ 216,816,000 100.0%
Inactive Accounts	296,732	110.23	3,000 0.0%	68,000 0.2%	143,000 0.4%	32,494,000 99.3%	32,708,000 100.0%
Total	631,743	\$ 394.98	\$ 31,121,000	\$ 15,037,000	\$ 37,207,000	\$ 166,159,000	\$ 249,524,000
% of Total A/R			12.5%	6.0%	14.9%	66.6%	100.0%
Water Fund	227,970	201.28	\$ 6,801,000	\$ 2,837,000	\$ 5,703,000	\$ 30,545,000	\$ 45,887,000
Sewer Fund	272,634	746.92	\$ 24,320,000	\$ 12,200,000	\$ 31,504,000	\$ 135,614,000	\$ 203,637,000
Total May 31, 2021 (a)	631,743	394.98	\$ 31,121,000	\$ 15,037,000	\$ 37,207,000	\$ 166,159,000	\$ 249,524,000
Water Fund- Allowance							\$ (32,408,000)
Sewer Fund- Allowance							\$ (131,109,000)
Total Bad Debt Allowance							\$ (163,517,000)
Comparative - May 2020 (b)	613,409	357.26	\$ 27,665,000	\$ 15,856,000	\$ 33,923,000	\$ 141,705,000	\$ 219,149,000
Difference (a) - (b)	18,334	37.71	\$ 3,456,000	\$ (819,000)	\$ 3,284,000	\$ 24,453,000	\$ 30,374,000



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

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

Wholesale Water Billings and Collections

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

Service Arrangement Type

Model Contract	83
Emergency	1
Older Contracts	3
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 2021 water billed usage and revenues. As of May 31, 2021, the billed usage was at 105.31% of budget and billed revenue at 102.65% of budget. Billings and usage from the City of Flint are included as they were assumed in the FY 2021 Budget. This schedule has been updated to reflect the most recent, Board-approved budget amendments.

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. The year-over-year rolling average from FY 2020 to FY 2021 reflects the increased usage billed and collected for FY 2021 to date.

Table 1 – FY 2021 Wholesale Water Billings Report

WHOLESALE WATER CHARGES								
Month (1)	FY 2021 - Original Charges		FY 2021 - Amended Charges (3)		FY 2021 - Actual		FY 2021 - Variance	
	Volume	Revenue	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,639,200	32,266,700	1,639,200	31,200,500	1,862,791	33,583,619	223,591	2,383,119
August	1,491,400	30,810,000	1,491,400	29,826,800	1,622,324	31,230,027	130,924	1,403,227
September	1,331,600	28,737,000	1,331,600	27,851,500	1,313,440	27,836,560	(18,160)	(14,940)
October	1,034,400	25,778,000	1,034,400	25,055,600	1,070,660	25,454,840	36,260	399,240
November	901,700	24,559,000	901,700	23,897,700	956,542	24,390,303	54,842	492,603
December	982,100	25,192,800	982,100	24,506,200	981,770	24,600,202	(330)	94,002
January	985,300	25,261,300	985,300	25,263,400	969,483	25,235,130	(15,817)	(28,270)
February	884,200	24,343,500	884,200	24,348,400	920,467	24,794,259	36,267	445,859
March	984,200	25,211,000	984,200	25,213,400	1,001,073	25,450,418	16,873	237,018
April	912,200	24,591,700	912,200	24,594,700	954,308	25,140,003	42,108	545,303
May	1,032,900	25,895,200	1,032,900	25,896,700	1,173,606	27,569,969	140,706	1,673,269
June	1,373,700	29,464,500	1,373,700	29,463,800				
Total	13,552,900	322,110,700	13,552,900	317,118,700	12,826,464	295,285,330	647,264	7,630,430
Subtotals ytd	12,179,200	292,646,200	12,179,200	287,654,900	12,826,464	295,285,330	647,264	7,630,430
Achievement of Budget				26,426,558	105.31%	102.65%		

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

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

(3) Original charges were amended to account for the deferral of FY 2021 charges approved by the Board of Directors on September 23, 2020. The FY 2021 charges were initiated on January 1, 2021.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
June	27,098,783	25,676,458	1,422,325	5.54%
July	25,080,575	23,212,979	1,867,596	8.05%
August	26,241,018	28,808,254	(2,567,236)	-8.91%
September	26,078,015	28,336,152	(2,258,137)	-7.97%
October	29,292,690	25,786,774	3,505,916	13.60%
November	32,218,822	29,245,969	2,972,853	10.17%
December	29,609,061	23,292,382	6,316,679	27.12%
January	20,716,948	25,470,795	(4,753,847)	-18.66%
February	25,694,176	24,629,768	1,064,408	4.32%
March	20,854,506	25,017,989	(4,163,483)	-16.64%
April	23,545,123	17,856,644	5,688,479	31.86%
May	24,878,479	24,811,582	66,897	0.27%
Rolling 12-Month Total	311,308,196	302,145,746		
Rolling, 12-Month Average	25,942,350	25,178,812		

Wholesale Sewer Billings and Collections

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

Service Arrangement Type

Model Contract	11
Emergency	0
Older Contracts	7
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 2021 sewer billed revenue. As of May 31, 2021 the billed revenue is at 100.00% of budget. This schedule has been updated to reflect the most recent, Board-approved budget amendments.

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 year-over-year rolling average from FY 2020 to FY 2021 remains consistent.

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.

Table 3 – FY 2021 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
Month (1)	FY 2021 - Original Charges		FY 2021 - Amended Charges (3)		FY 2021 - Actual		FY 2021 - Variance	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
August	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
September	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
October	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
November	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
December	N/A	23,005,800	N/A	22,323,183	N/A	22,323,183	N/A	-
January	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
February	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
March	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
April	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
May	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
June	N/A	23,005,800	N/A	22,633,025	N/A	22,633,025	N/A	-
Total		276,069,600		269,737,248		247,104,223		-
Subtotals ytd		253,063,800		247,104,223		247,104,223		-
Achievement of Budget						100.00%		

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

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

(3) Original charges were amended to account for the deferral of FY 2021 charges approved by the Board of Directors on September 23, 2020. The FY 2021 charges began on January 1, 2021.

Table 4 - Wholesale Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
June	28,598,467	32,639,436	(4,040,969)	-12.38%
July	22,297,737	27,222,400	(4,924,663)	-18.09%
August	25,354,280	35,153,500	(9,799,220)	-27.88%
September	19,593,613	18,833,257	760,356	4.04%
October	16,853,983	29,833,760	(12,979,777)	-43.51%
November	18,966,208	19,428,000	(461,792)	-2.38%
December	25,232,649	19,999,642	5,233,007	26.17%
January	25,968,849	17,121,812	8,847,037	51.67%
February	16,872,900	23,284,737	(6,411,837)	-27.54%
March	22,368,124	21,108,100	1,260,024	5.97%
April	28,128,933	10,024,575	18,104,358	180.60%
May	15,972,800	21,189,047	(5,216,247)	-24.62%
Rolling 12-Month Total	266,208,543	275,838,266		
Rolling, 12-Month Average	22,184,045	22,986,522		

City of Highland Park Billings and Collections

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

As of May 31, 2021, Highland Park had a delinquent balance of \$47.9 million, including \$36.5 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.6 million for water supply services.

Table 5 - City of Highland Park Billings and Collections provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2021 through May 31, 2021. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

Table 5 - City of Highland Park Billings and Collections

	Water	Sewer	IWC	Total
June 30, 2020 Balance	8,533,684	34,112,127	1,722,340	44,368,151
July 2020 Billing	100,390	472,500	3,831	576,721
July 2020 Payments	-	(926,053)	-	(926,053)
July 31, 2020 Balance	8,634,074	33,658,574	1,726,171	44,018,819
August 2020 Billing	104,325	472,500	3,835	580,660
August 2020 Payments	-	(560,097)	-	(560,097)
August 31, 2020 Balance	8,738,399	33,570,977	1,730,006	44,039,382
September 2020 Billing	105,628	472,500	3,835	581,963
September 2020 Payments	-	(296,930)	-	(296,930)
September 30, 2020 Balance	8,844,027	33,746,547	1,733,841	44,324,415
October 2020 Billing	105,071	472,500	3,862	581,433
October 2020 Payments	-	-	-	-
October 31, 2020 Balance	8,949,098	34,219,047	1,737,703	44,905,848
November 2020 Billing	98,963	472,500	3,929	575,392
November 2020 Payments	-	-	-	-
November 30, 2020 Balance	9,048,061	34,691,547	1,741,632	45,481,240
December 2020 Billing	96,582	472,500	3,929	573,011
December 2020 Payments	-	(227,283)	-	(227,283)
December 31, 2020 Balance	9,144,643	34,936,764	1,745,561	45,826,968
January 2021 Billing	92,525	472,500	3,941	568,966
January 2021 Payments	-	(328,365)	-	(328,365)
January 31, 2021 Balance	9,237,168	35,080,899	1,749,502	46,067,569
February 2021 Billing	95,775	478,900	4,032	578,707
February 2021 Payments	-	-	-	-
February 28, 2021 Balance	9,332,943	35,559,799	1,753,534	46,646,276
March 2021 Billing	95,121	478,900	4,060	578,081
March 2021 Payments	-	(220,241)	-	(220,241)
March 31, 2021 Balance	9,428,064	35,818,458	1,757,594	47,004,116
April 2021 Billing	96,950	478,900	4,051	579,901
April 2021 Payments	-	(224,583)	-	(224,583)
April 30, 2021 Balance	9,525,014	36,072,775	1,761,645	47,359,434
May 2021 Billing	94,839	478,900	4,065	577,804
May 2021 Payments	-	-	-	-
May 31, 2021 Balance	9,619,853	36,551,675	1,765,710	47,937,238

Wholesale Water & Sewer Accounts Receivable Aging Report

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

Table 6 - Wholesale Accounts Receivable Aging Report Summary is a summary of the total, current and non-current receivables by category as of May 31, 2021.

Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park is the same summary *without* the past due balances for the City of Highland Park. One member partner contract dispute accounts for \$2.96 million of the current water past due balance.

GLWA staff is working with each member partner to identify the source of delay and resolve the remaining \$56 thousand in water and \$35 thousand in IWC past due balances. The GLWA Treasury team is also exploring possible payment method alternatives to address ongoing mail service challenges.

Pollutant surcharge invoices are billed to commercial and industrial customers, many of whom have been directly impacted by COVID. GLWA staff continue to stay in close communication with those that are past due. The pollutant surcharge balance over 105 days includes \$28 thousand related to a bankruptcy that is currently pending further court action.

Table 6 - Wholesale Accounts Receivable Aging Report Summary

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 47,167,479.44	\$ 34,724,089.98	\$ 1,551,408.43	\$ 929,680.29	\$ 9,962,300.74
Sewer	\$ 62,570,684.75	\$ 26,497,909.59	\$ 478,900.00	\$ 478,900.00	\$ 35,114,975.16
IWC	\$ 2,327,262.86	\$ 534,863.22	\$ 38,865.44	\$ 4,032.12	\$ 1,749,502.08
Pollutant Surcharge	\$ 585,761.90	\$ 509,883.89	\$ 39,434.48	\$ 4,367.21	\$ 32,076.32
Total	\$ 112,651,188.95	\$ 62,266,746.68	\$ 2,108,608.35	\$ 1,416,979.62	\$ 46,858,854.30
	100.00%	55.27%	1.87%	1.26%	41.60%

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

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 37,547,626.44	\$ 34,532,301.18	\$ 1,456,287.21	\$ 833,905.81	\$ 725,132.24
Sewer	\$ 26,019,009.59	\$ 26,019,009.59	\$ -	\$ -	\$ -
IWC	\$ 561,552.95	\$ 526,747.23	\$ 34,805.72	\$ -	\$ -
Pollutant Surcharge	\$ 585,761.90	\$ 509,883.89	\$ 39,434.48	\$ 4,367.21	\$ 32,076.32
Total	\$ 64,713,950.88	\$ 61,587,941.89	\$ 1,530,527.41	\$ 838,273.02	\$ 757,208.56
	100.00%	95.17%	2.37%	1.30%	1.17%

Note: percentages vary from 100% due to rounding.



The Monthly Trust Receipts & Disbursements Report includes the following.

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

GLWA Trust Receipts & Disbursements

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

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

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2021 reflects eleven months of activity to date.

Water fund receipts exceeded required disbursements by 9% through May 31, 2021 with a historical ratio of receipts exceeding required disbursements by 14% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 6% through May 31, 2021 with a historical ratio of receipts exceeding required disbursements by 6% since January 1, 2016.

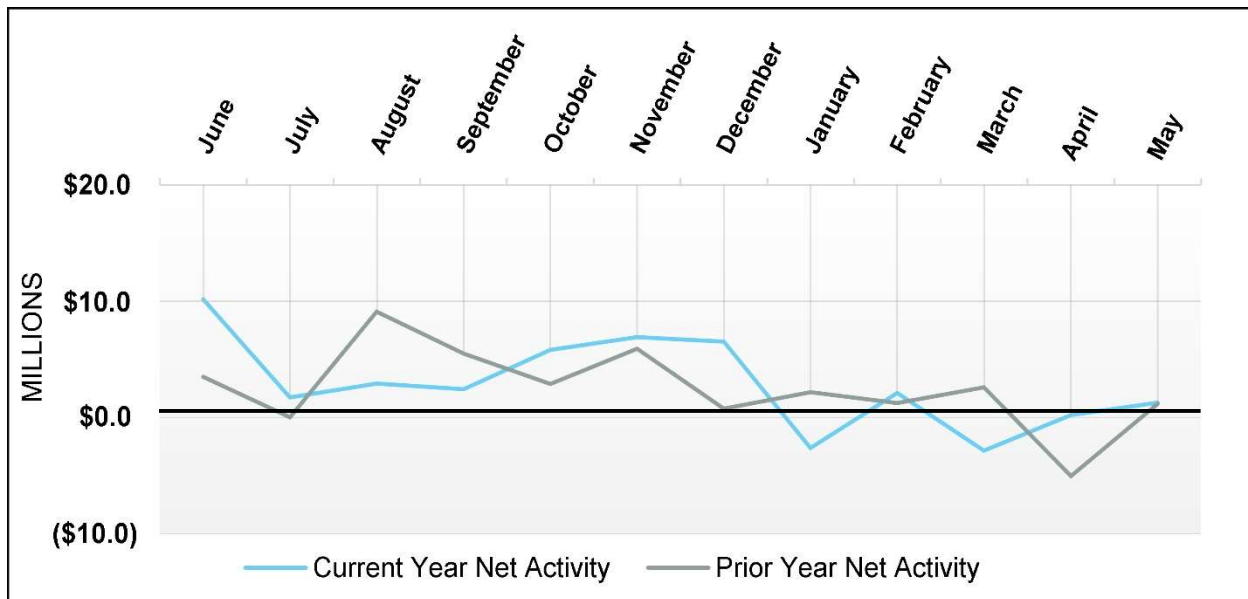
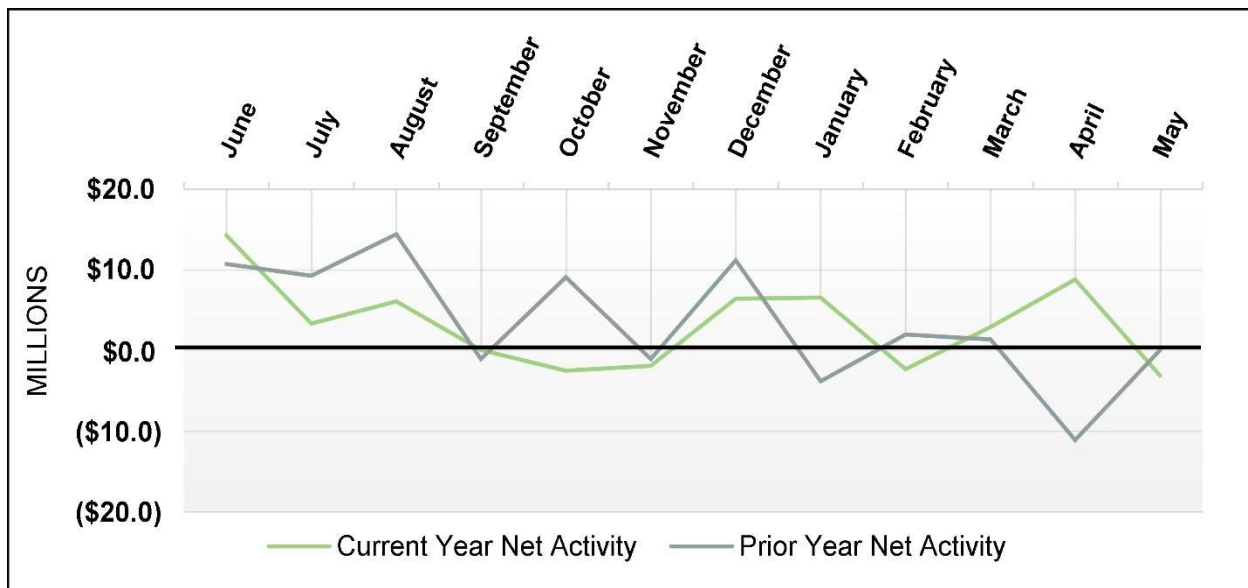
Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

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

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Thru May 31	Life-to-Date Total
Water							
1 Receipts	\$ 149,688,711	\$ 352,941,909	\$ 338,452,001	\$ 336,594,234	\$ 332,606,196	\$ 309,079,295	\$ 1,819,362,346
2 MOU Adjustments	-	-	-	-	-	-	-
3 Adjusted Receipts	149,688,711	352,941,909	338,452,001	336,594,234	332,606,196	309,079,295	1,819,362,346
4 Disbursements	(146,256,185)	(288,777,985)	(297,064,810)	(289,230,481)	(296,190,425)	(284,685,046)	(1,602,204,932)
5 Receipts Net of Required	3,432,526	64,163,924	41,387,191	47,363,753	36,415,771	24,394,249	217,157,414
6 I&E Transfer	-	-	(25,739,700)	(47,695,000)	(25,719,751)	(29,052,026)	(128,206,477)
7 Net Receipts	\$ 3,432,526	\$ 64,163,924	\$ 15,647,491	\$ (331,247)	\$ 10,696,020	\$ (4,657,777)	\$ 88,950,937
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	102%	122%	114%	116%	112%	109%	114%
Sewer							
9 Receipts	\$ 232,377,715	\$ 469,788,882	\$ 476,269,761	\$ 467,743,744	\$ 490,461,356	\$ 427,485,930	\$ 2,564,127,388
10 MOU Adjustments	-	-	-	-	-	-	-
11 Adjusted Receipts	232,377,715	469,788,882	476,269,761	467,743,744	490,461,356	427,485,930	2,564,127,388
12 Disbursements	(219,538,325)	(441,443,340)	(458,903,335)	(453,406,636)	(445,604,952)	(402,880,418)	(2,421,777,006)
13 Receipts Net of Required	12,839,390	28,345,542	17,366,426	14,337,108	44,856,404	24,605,512	142,350,382
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(36,746,653)	(101,088,653)
15 DWSD Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	-	(53,413,034)
16 Shortfall Repayment (principal)	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
17 Net Receipts	\$ 11,553,924	\$ 331,008	\$ (29,444,708)	\$ 1,156,763	\$ 43,302,873	\$ (3,122,467)	\$ 23,777,394
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	106%	106%	104%	103%	110%	106%	106%
Combined							
19 Receipts	\$ 382,066,426	\$ 822,730,791	\$ 814,721,762	\$ 804,337,978	\$ 823,067,552	\$ 736,565,225	\$ 4,383,489,734
20 MOU Adjustments	-	-	-	-	-	-	-
21 Adjusted Receipts	382,066,426	822,730,791	814,721,762	804,337,978	823,067,552	736,565,225	4,383,489,734
22 Disbursements	(365,794,510)	(730,221,325)	(755,968,145)	(742,637,117)	(741,795,377)	(687,565,464)	(4,023,981,938)
23 Receipts Net of Required	16,271,916	92,509,466	58,753,617	61,700,861	81,272,175	48,999,761	359,507,796
24 I&E Transfer	-	-	(48,437,800)	(70,242,700)	(44,815,951)	(65,798,679)	(229,295,130)
25 Shortfall Advance	(1,285,466)	(28,014,534)	(24,113,034)	-	-	-	(53,413,034)
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
27 Net Receipts	\$ 14,986,450	\$ 64,494,932	\$ (13,797,217)	\$ 825,516	\$ 53,998,893	\$ (7,780,244)	\$ 112,728,331
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	104%	113%	108%	108%	111%	107%	109%

MOU Adjustments applies to DWSD and is shown here for consistency.

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 as well as a total of all activity for DWSD since inception at January 1, 2016. Fiscal year 2021 reflects eleven months of activity to date.

Water fund receipts fell short of required disbursements by 3% through May 31, 2021 with a historical ratio of net receipts exceeding required disbursements by 1% since January 1, 2016.

Sewer fund receipts fell short of required disbursements by 2% through May 31, 2021 with a historic ratio of receipts falling short of required disbursements by 5% since January 1, 2016.

Both DWSD Water and Sewer funds closed fiscal year 2020 with shortfalls. However, agreed-upon terms under the April 2018 Memorandum of Understanding (MOU) state that DWSD has until June 30, 2021 to resolve this shortfall prior to establishment of a loan receivable with GLWA. This topic is discussed with executive leadership at quarterly Reconciliation Committee meetings and at regularly scheduled internal DWSD and GLWA management meetings. DWSD is working to address this shortfall resulting largely from this unforeseen COVID-19 pandemic using tax liens on commercial and industrial past due balances and the distribution of CARES Act funding from the State of Michigan. In April 2021, DWSD reimbursed \$5 million from reserves as a first step in addressing the 2021 Sewer net receipt shortfall. As a post-script to this monthly report, the cash flow shortfalls for FY 2020 and FY 2021 were resolved by June 30, 2021.

Table 3 – FY 2017 DWSD Loan Receivable - Sewer provides an activity summary of the loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2016 and FY 2017.

Table 4 – FY 2017 DWSD Loan Receivable Payments - Sewer provides an activity summary of loan receivable payments to date on the FY 2017 Sewer Loan Receivable including the interest on the loan. This payment is transferred directly to GLWA Sewer Improvement & Extension fund monthly.

The Reconciliation Committee monitors this balance and repayment progress as part of its quarterly meetings.

Table 5 – FY 2018 DWSD Loan Receivable - Sewer provides an activity summary of the loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2018.

Table 6 – FY 2018 DWSD Loan Receivable Payments - Sewer provides an activity summary of loan receivable payments to date on the FY 2018 Sewer Loan Receivable including the interest on the loan. This payment is transferred directly to GLWA Sewer Improvement & Extension fund monthly.

The Reconciliation Committee monitors this balance and repayment progress as part of its quarterly meetings.

Table 7 – Total DWSD Loan Receivable Balance – Sewer provides a summary of the FY 2017 and FY 2018 loan receivable balances in a combined total.

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.

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Thru May 31	Life-to-Date Total
Water							
1 Receipts	\$ 26,201,881	\$ 96,451,105	\$ 101,233,147	\$ 99,868,219	\$ 96,885,723	\$ 89,149,577	\$ 509,789,652
2 MOU Adjustments	18,446,100	-	-	-	-	-	18,446,100
3 Adjusted Receipts	44,647,981	96,451,105	101,233,147	99,868,219	96,885,723	89,149,577	528,235,752
4 Disbursements	(47,809,552)	(93,066,144)	(93,049,457)	(97,694,600)	(97,823,097)	(92,332,800)	(521,775,650)
5 Receipts Net of Required	(3,161,571)	3,384,961	8,183,690	2,173,619	(937,374)	(3,183,223)	6,460,102
6 I&E Transfer	-	-	-	(8,407,080)	-	-	(8,407,080)
7 Net Receipts	\$ (3,161,571)	\$ 3,384,961	\$ 8,183,690	\$ (6,233,461)	\$ (937,374)	\$ (3,183,223)	\$ (1,946,976)
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	93%	104%	109%	102%	99%	97%	101%
Sewer							
9 Receipts (a)	\$ 65,256,734	\$ 233,723,367	\$ 242,104,791	\$ 265,339,797	\$ 264,689,559	\$ 265,702,508	\$1,336,816,756
10 MOU Adjustments	55,755,100	-	-	6,527,200	-	-	62,282,300
11 Adjusted Receipts	121,011,834	233,723,367	242,104,791	271,866,997	264,689,559	265,702,508	1,399,099,056
12 Disbursements	(122,297,300)	(261,963,973)	(266,217,825)	(271,018,306)	(275,507,374)	(271,112,715)	(1,468,117,493)
13 Receipts Net of Required	(1,285,466)	(28,240,606)	(24,113,034)	848,691	(10,817,815)	(5,410,207)	(69,018,437)
14 I&E Transfer	-	-	-	-	-	-	-
15 Shortfall Advance from GLWA	1,285,466	28,014,534	24,113,034	-	-	-	53,413,034
16 Net Receipts (b)	\$ -	\$ (226,072)	\$ -	\$ 848,691	\$ (10,817,815)	\$ (5,410,207)	\$ (15,605,403)
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	99%	89%	91%	100%	96%	98%	95%
Combined							
18 Receipts	\$ 91,458,615	\$ 330,174,472	\$ 343,337,938	\$ 365,208,016	\$ 361,575,282	\$ 354,852,085	\$1,846,606,408
19 MOU Adjustments	74,201,200	-	-	6,527,200	-	-	80,728,400
20 Adjusted Receipts	165,659,815	330,174,472	343,337,938	371,735,216	361,575,282	354,852,085	1,927,334,808
21 Disbursements	(170,106,852)	(355,030,117)	(359,267,282)	(368,712,906)	(373,330,471)	(363,445,515)	(1,989,893,143)
22 Receipts Net of Required	(4,447,037)	(24,855,645)	(15,929,344)	3,022,310	(11,755,189)	(8,593,430)	(62,558,335)
23 I&E Transfer	-	-	-	(8,407,080)	-	-	(8,407,080)
24 Shortfall Advance from GLWA	1,285,466	28,014,534	24,113,034	-	-	-	53,413,034
25 Net Receipts	\$ (3,161,571)	\$ 3,158,889	\$ 8,183,690	\$ (5,384,770)	\$ (11,755,189)	\$ (8,593,430)	\$ (17,552,381)
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	97%	93%	96%	101%	97%	98%	97%

(a) FY 2021 Sewer fund receipt values reported include an April 2021 transfer of \$5 million from DWSD back into the flow of funds as part of the plan to resolve the FY 2020 and current FY 2021 shortfall.

(b) The \$226,072 difference in FY 2017 is due to the June IWC payment from DWSD that was not past due at yearend and the \$12,272 rounding difference on the loan receivable.

Note 1: The \$29,300,000 for the DWSD loan receivable balance is calculated as follows.

(1,285,466)	FY 2016 Shortfall
(28,240,606)	FY 2017 Shortfall
(29,526,072)	Subtotal
238,264	June IWC not due until July
(29,287,808)	FY 2017 Shortfall-to-Date

29,300,000 FY 2017 Shortfall-to-Date, Rounded

Table 3 – FY 2017 DWSD Loan Receivable – Sewer

Date	Transaction	Amount	Balance
06-30-18	Record Loan Receivable		29,300,000
02-08-19	Payment for July - Dec 2018	4,635,462	24,664,538
02-22-19	Payment for Jan - Mar 2019	2,353,768	22,310,770
04-15-19	Payment for the Apr 2019	789,990	21,520,780
05-08-19	Payment for May 2019	792,705	20,728,075
06-07-19	Payment for June 2019	795,430	19,932,645
07-05-19	Payment for July 2019	798,164	19,134,480
08-08-19	Payment for August 2019	800,908	18,333,572
09-06-19	Payment for September 2019	803,661	17,529,911
10-02-19	Payment for October 2019	806,424	16,723,487
11-04-19	Payment for November 2019	809,196	15,914,291
12-03-19	Payment for December 2019	811,978	15,102,314
01-06-20	Payment for January 2020	814,769	14,287,545
02-04-20	Payment for February 2020	817,570	13,469,975
03-03-20	Payment for March 2020	820,380	12,649,595
04-15-20	Payment for April 2020	823,200	11,826,395
05-06-20	Payment for May 2020	826,030	11,000,366
06-02-20	Payment for June 2020	828,869	10,171,497
07-07-20	Payment for July 2020	831,718	9,339,778
08-04-20	Payment for August 2020	834,577	8,505,201
09-02-20	Payment for September 2020	837,446	7,667,754
10-05-20	Payment for October 2020	840,325	6,827,429
11-03-20	Payment for November 2020	843,214	5,984,216
12-03-20	Payment for December 2020	846,112	5,138,103
01-05-21	Payment for January 2021	849,021	4,289,083
02-02-21	Payment for February 2021	851,939	3,437,143
03-03-21	Payment for March 2021	854,868	2,582,276
04-05-21	Payment for April 2021	857,806	1,724,470
05-04-21	Payment for May 2021	860,755	863,714
		28,436,285	863,715

Table 4 – FY 2017 DWSD Loan Receivable Payments – Sewer

Date	Transaction	Principal	Interest	Total Paid
02-08-19	Payment for July - Dec 2018	4,635,462	564,636	5,200,098
02-22-19	Payment for Jan - Mar 2019	2,353,768	246,280	2,600,049
04-15-19	Payment for the Apr 2019	789,990	76,693	866,683
05-08-19	Payment for May 2019	792,705	73,978	866,683
06-07-19	Payment for June 2019	795,430	71,253	866,683
07-05-19	Payment for July 2019	798,164	68,518	866,683
08-08-19	Payment for August 2019	800,908	65,775	866,683
09-06-19	Payment for September 2019	803,661	63,022	866,683
10-02-19	Payment for October 2019	806,424	60,259	866,683
11-04-19	Payment for November 2019	809,196	57,487	866,683
12-03-19	Payment for December 2019	811,978	54,705	866,683
01-06-20	Payment for January 2020	814,769	51,914	866,683
02-04-20	Payment for February 2020	817,570	49,113	866,683
03-03-20	Payment for March 2020	820,380	46,303	866,683
04-15-20	Payment for April 2020	823,200	43,483	866,683
05-06-20	Payment for May 2020	826,030	40,653	866,683
06-02-20	Payment for June 2020	828,869	37,814	866,683
07-07-20	Payment for July 2020	831,718	34,965	866,683
08-04-20	Payment for August 2020	834,577	32,105	866,683
09-02-20	Payment for September 2020	837,446	29,237	866,683
10-05-20	Payment for October 2020	840,325	26,358	866,683
11-03-20	Payment for November 2020	843,214	23,469	866,683
12-03-20	Payment for December 2020	846,112	20,571	866,683
01-05-21	Payment for January 2021	849,021	17,662	866,683
02-02-21	Payment for February 2021	851,939	14,744	866,683
03-03-21	Payment for March 2021	854,868	11,815	866,683
04-05-21	Payment for April 2021	857,806	8,877	866,683
05-04-21	Payment for May 2021	860,755	5,928	866,683
		28,436,286	1,897,617	29,467,220

Table 5 – FY 2018 DWSD Loan Receivable – Sewer

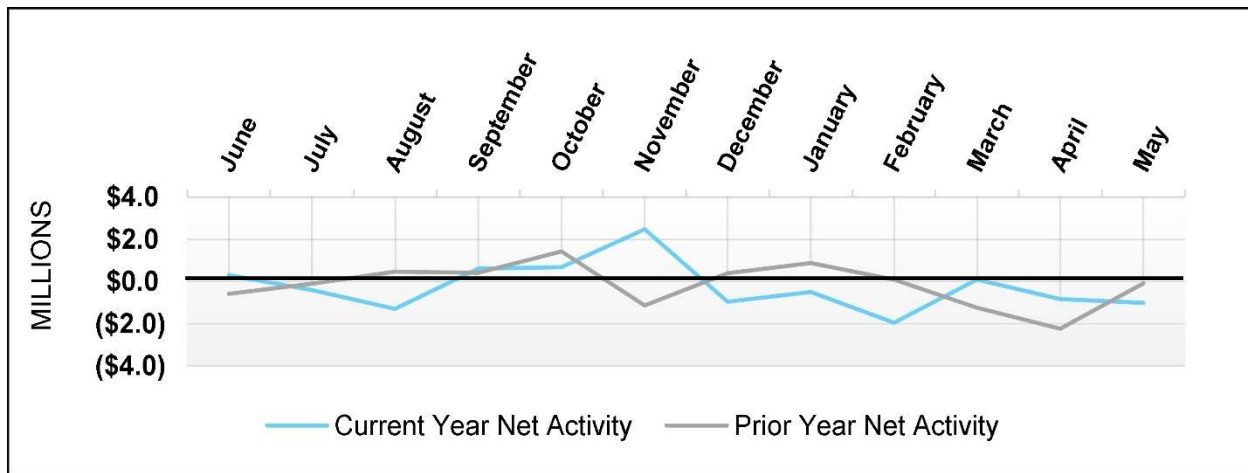
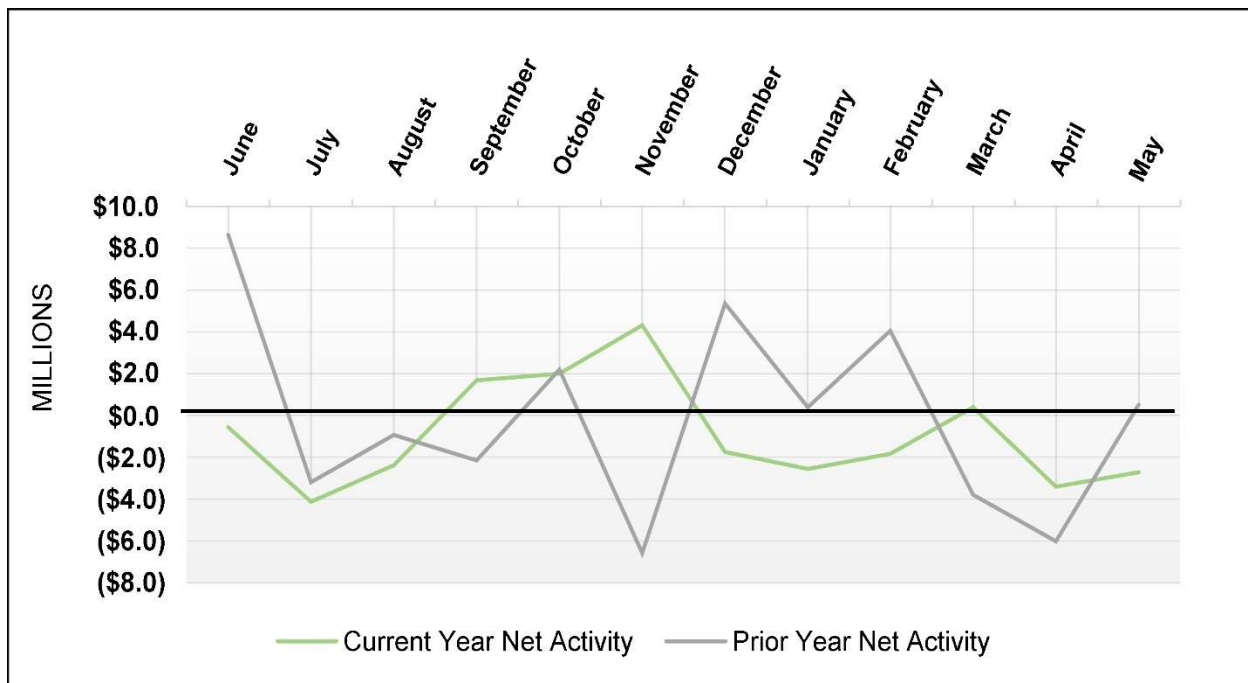
Date	Transaction	Amount	Balance
06-30-19	Record Loan Receivable		24,113,034
07-15-19	Payment for July 2019	638,978	23,474,056
08-08-19	Payment for August 2019	640,686	22,833,370
09-06-19	Payment for September 2019	642,400	22,190,970
10-02-19	Payment for October 2019	644,118	21,546,852
11-04-19	Payment for November 2019	645,840	20,901,012
12-03-19	Payment for December 2019	647,567	20,253,445
01-06-20	Payment for January 2020	649,299	19,604,146
02-04-20	Payment for February 2020	651,035	18,953,111
03-03-20	Payment for March 2020	652,776	18,300,335
04-15-20	Payment for April 2020	654,522	17,645,813
05-06-20	Payment for May 2020	656,272	16,989,541
06-02-20	Payment for June 2020	658,027	16,331,514
07-07-20	Payment for July 2020	659,787	15,671,727
08-04-20	Payment for August 2020	661,551	15,010,176
09-02-20	Payment for September 2020	663,320	14,346,855
10-05-20	Payment for October 2020	665,094	13,681,761
11-03-20	Payment for November 2020	666,873	13,014,888
12-03-20	Payment for December 2020	668,656	12,346,232
01-05-21	Payment for January 2021	670,444	11,675,788
02-02-21	Payment for February 2021	672,237	11,003,551
03-03-21	Payment for March 2021	674,035	10,329,517
04-05-21	Payment for April 2021	675,837	9,653,679
05-04-21	Payment for May 2021	677,644	8,976,035
		15,136,999	8,976,035

Table 6 – FY 2018 DWSD Loan Receivable Payments – Sewer

Date	Transaction	Principal	Interest	Total Paid
07-15-19	Payment for July 2019	638,978	64,482	703,460
08-08-19	Payment for August 2019	640,686	62,774	703,460
09-06-19	Payment for September 2019	642,400	61,060	703,460
10-02-19	Payment for October 2019	644,118	59,342	703,460
11-04-19	Payment for November 2019	645,840	57,620	703,460
12-03-19	Payment for December 2019	647,567	55,893	703,460
01-06-20	Payment for January 2020	649,299	54,161	703,460
02-04-20	Payment for February 2020	651,035	52,425	703,460
03-03-20	Payment for March 2020	652,776	50,684	703,460
04-15-20	Payment for April 2020	654,522	48,938	703,460
05-06-20	Payment for May 2020	656,272	47,188	703,460
06-02-20	Payment for June 2020	658,027	45,433	703,460
07-07-20	Payment for July 2020	659,787	43,673	703,460
08-04-20	Payment for August 2020	661,551	41,909	703,460
09-02-20	Payment for September 2020	663,320	40,140	703,460
10-05-20	Payment for October 2020	665,094	38,366	703,460
11-03-20	Payment for November 2020	666,873	36,587	703,460
12-03-20	Payment for December 2020	668,656	34,804	703,460
01-05-21	Payment for January 2021	670,444	33,016	703,460
02-02-21	Payment for February 2021	672,237	31,223	703,460
03-03-21	Payment for March 2021	674,035	29,425	703,460
04-05-21	Payment for April 2021	675,837	27,623	703,460
05-04-21	Payment for May 2021	677,644	25,816	703,460
		15,136,999	1,042,581	15,476,120

Table 7 – Total DWSD Loan Receivable Balance – Sewer

Date	FY17 Loan Balance	FY18 Loan Balance	Total
06-30-18	29,300,000	-	29,300,000
07-31-18	29,300,000	-	29,300,000
08-31-18	29,300,000	-	29,300,000
09-30-18	29,300,000	-	29,300,000
10-31-18	29,300,000	-	29,300,000
11-30-18	29,300,000	-	29,300,000
12-31-18	29,300,000	-	29,300,000
01-31-19	29,300,000	-	29,300,000
02-28-19	24,664,538	-	24,664,538
03-31-19	22,310,770	-	22,310,770
04-30-19	21,520,780	-	21,520,780
05-31-19	20,728,075	-	20,728,075
06-30-19	19,932,645	24,113,034	44,045,679
07-31-19	19,134,480	23,474,056	42,608,537
08-31-19	18,333,572	22,833,370	41,166,942
09-30-19	17,529,911	22,190,970	39,720,881
10-31-19	16,723,487	21,546,852	38,270,340
11-30-19	15,914,291	20,901,012	36,815,303
12-31-19	15,102,314	20,253,445	35,355,759
01-31-20	14,287,545	19,604,146	33,891,691
02-29-20	13,469,975	18,953,111	32,423,086
03-31-20	12,649,595	18,300,335	30,949,930
04-30-20	11,826,395	17,645,813	29,472,208
05-31-20	11,000,366	16,989,541	27,989,906
06-30-20	10,171,497	16,331,514	26,503,010
07-31-20	9,339,778	15,671,727	25,011,505
08-31-20	8,505,201	15,010,176	23,515,376
09-30-20	7,667,754	14,346,855	22,014,610
10-31-20	6,827,429	13,681,761	20,509,190
11-30-20	5,984,216	13,014,888	18,999,104
12-31-20	5,138,103	12,346,232	17,484,336
01-31-21	4,289,083	11,675,788	15,964,871
02-28-21	3,437,143	11,003,551	14,440,695
03-31-21	2,582,276	10,329,517	12,911,792
04-30-21	1,724,470	9,653,679	11,378,149
05-31-21	863,714	8,976,035	9,839,749

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 8 – Combined Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2021 reflects eleven months of activity to date.

Water fund net receipts exceeded required disbursements by 6% through May 31, 2021 with a historical ratio of receipts exceeding required disbursements by 11% since January 1, 2016.

Sewer fund receipts exceeded required disbursements by 3% through May 31, 2021 and with a historical ratio of receipts exceeding required disbursements by 2% since January 1, 2016.

Table 8 – Combined Net Cash Flows from Trust Receipts & Disbursements

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Thru May 31	Life-to-Date Total
Water							
1 Receipts	\$ 175,890,592	\$ 449,393,014	\$ 439,685,148	\$ 436,462,453	\$ 429,491,919	\$ 398,228,872	\$2,329,151,998
2 MOU Adjustments	18,446,100	-	-	-	-	-	18,446,100
3 Adjusted Receipts	194,336,692	449,393,014	439,685,148	436,462,453	429,491,919	398,228,872	2,347,598,098
4 Disbursements	(194,065,737)	(381,844,129)	(390,114,267)	(386,925,081)	(394,013,522)	(377,017,846)	(2,123,980,582)
5 Receipts Net of Required	270,955	67,548,885	49,570,881	49,537,372	35,478,397	21,211,026	223,617,516
6 I&E Transfer	-	-	(25,739,700)	(56,102,080)	(25,719,751)	(29,052,026)	(136,613,557)
7 Net Receipts	\$ 270,955	\$ 67,548,885	\$ 23,831,181	\$ (6,564,708)	\$ 9,758,646	\$ (7,841,000)	\$ 87,003,959
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	100%	118%	113%	113%	109%	106%	111%
Sewer							
9 Receipts	\$ 297,634,449	\$ 703,512,249	\$ 718,374,552	\$ 733,083,541	\$ 755,150,915	\$ 693,188,438	\$3,900,944,144
10 MOU Adjustments	55,755,100	-	-	6,527,200	-	-	62,282,300
11 Adjusted Receipts	353,389,549	703,512,249	718,374,552	739,610,741	755,150,915	693,188,438	3,963,226,444
12 Disbursements	(341,835,625)	(703,407,313)	(725,121,160)	(724,424,942)	(721,112,326)	(673,993,133)	(3,889,894,499)
13 Receipts Net of Required	11,553,924	104,936	(6,746,608)	15,185,799	34,038,589	19,195,305	73,331,945
14 I&E Transfer	-	-	(22,698,100)	(22,547,700)	(19,096,200)	(36,746,653)	(101,088,653)
15 Shortfall Advance	-	-	-	-	-	-	-
16 Shortfall Repayment (principal)	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
17 Net Receipts	\$ 11,553,924	\$ 104,936	\$ (29,444,708)	\$ (7,361,901)	\$ 32,485,058	\$ (8,532,674)	\$ 8,171,991
18 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	103%	100%	99%	102%	105%	103%	102%
Combined							
19 Receipts	\$ 473,525,041	\$1,152,905,263	\$1,158,059,700	\$1,169,545,994	\$1,184,642,834	\$ 1,091,417,310	\$6,230,096,142
20 MOU Adjustments	74,201,200	-	-	6,527,200	-	-	80,728,400
21 Adjusted Receipts	547,726,241	1,152,905,263	1,158,059,700	1,176,073,194	1,184,642,834	1,091,417,310	6,310,824,542
22 Disbursements	(535,901,362)	(1,085,251,442)	(1,115,235,427)	(1,111,350,023)	(1,115,125,848)	(1,051,010,979)	(6,013,875,081)
23 Receipts Net of Required	11,824,879	67,653,821	42,824,273	64,723,171	69,516,986	40,406,331	296,949,461
24 I&E Transfer	-	-	(48,437,800)	(78,649,780)	(44,815,951)	(65,798,679)	(237,702,210)
25 Shortfall Advance	-	-	-	-	-	-	-
26 Shortfall Repayment	-	-	-	9,367,355	17,542,669	9,018,674	35,928,699
27 Net Receipts	\$ 11,824,879	\$ 67,653,821	\$ (5,613,527)	\$ (4,559,254)	\$ 42,243,704	\$ (16,373,674)	\$ 95,175,950
28 Ratio of Receipts to Required Disbursements (Line 21/Line 22)	102%	106%	104%	106%	106%	104%	105%

APPENDIX

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$230,271.17	\$230,271.17	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$137,696.78	\$137,696.78	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$29,157.63	\$29,157.63	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$60,635.32	\$60,635.32	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$593,729.62	\$593,729.62	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$56,421.79	\$56,421.79	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$27,680.94	\$27,680.94	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$817,905.46	\$817,905.46	\$0.00	\$0.00	\$0.00
CENTER LINE	\$40,715.33	\$40,715.33	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$345,258.40	\$345,258.40	\$0.00	\$0.00	\$0.00
FLINT	\$355,426.28	\$355,426.28	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$602,735.47	\$602,735.47	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$546,462.47	\$546,462.47	\$0.00	\$0.00	\$0.00
DEARBORN	\$4,697,583.79	\$1,738,371.93	\$1,400,173.81	\$833,905.81	\$725,132.24
DEARBORN HEIGHTS	\$302,253.99	\$302,253.99	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$267,578.97	\$267,578.97	\$0.00	\$0.00	\$0.00
ECORSE	\$113,561.18	\$113,561.18	\$0.00	\$0.00	\$0.00
FARMINGTON	\$82,103.90	\$82,103.90	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,378,240.10	\$1,378,240.10	\$0.00	\$0.00	\$0.00
FERNDAL	\$182,215.84	\$182,215.84	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$84,345.10	\$84,345.10	\$0.00	\$0.00	\$0.00
FRASER	\$201,038.80	\$201,038.80	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$142,250.48	\$142,250.48	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GENESEE COUNTY DRAIN COMM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$27,911.59	\$27,911.59	\$0.00	\$0.00	\$0.00
GREATER LAPEER CUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$175,567.13	\$175,567.13	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$115,444.88	\$115,444.88	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$47,788.45	\$47,788.45	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$115,053.99	\$115,053.99	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$67,559.04	\$67,559.04	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$69,017.45	\$69,017.45	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$127,738.59	\$127,738.59	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$124,303.82	\$124,303.82	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$9,619,853.00	\$191,788.80	\$95,121.22	\$95,774.48	\$9,237,168.50
HURON TOWNSHIP	\$126,240.47	\$126,240.47	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$121,433.93	\$121,433.93	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$1,411.45	\$1,411.45	\$0.00	\$0.00	\$0.00
INKSTER	\$231,480.10	\$231,480.10	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$49,400.27	\$49,400.27	\$0.00	\$0.00	\$0.00
LAPEER	\$265,106.89	\$265,106.89	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$48,279.15	\$48,279.15	\$0.00	\$0.00	\$0.00
LINCOLN PARK	\$195,265.97	\$195,265.97	\$0.00	\$0.00	\$0.00
LIVONIA	\$939,533.33	\$939,533.33	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
MACOMB TWP	\$2,003,007.69	\$2,003,007.69	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$156,525.12	\$156,525.12	\$0.00	\$0.00	\$0.00
MAYFIELD TOWNSHIP	\$8,405.47	\$5,642.83	\$2,762.64	\$0.00	\$0.00
MELVINDALE	\$55,933.02	\$55,933.02	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$29,926.19	\$29,926.19	\$0.00	\$0.00	\$0.00
NOCWA	\$1,705,742.63	\$1,705,742.63	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$69,851.75	\$69,851.75	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$422,296.23	\$422,296.23	\$0.00	\$0.00	\$0.00
NOVI	\$1,394,629.03	\$1,394,629.03	\$0.00	\$0.00	\$0.00
OAK PARK	\$113,100.14	\$113,100.14	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$5,028.60	\$5,028.60	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$85,669.09	\$85,669.09	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$348,333.84	\$348,333.84	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$260,233.72	\$260,233.72	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$161,676.57	\$108,325.81	\$53,350.76	\$0.00	\$0.00
RIVERVIEW	\$72,094.66	\$72,094.66	\$0.00	\$0.00	\$0.00
ROCKWOOD	\$22,923.53	\$22,923.53	\$0.00	\$0.00	\$0.00
ROMEO	\$39,936.58	\$39,936.58	\$0.00	\$0.00	\$0.00
ROMULUS	\$743,342.09	\$743,342.09	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$218,044.03	\$218,044.03	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$31,610.81	\$31,610.81	\$0.00	\$0.00	\$0.00
SOCWA	\$3,620,492.59	\$3,620,492.59	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$2,171,264.66	\$2,171,264.66	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOUTH ROCKWOOD	\$9,877.33	\$9,877.33	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$184,024.13	\$184,024.13	\$0.00	\$0.00	\$0.00
ST. CLAIR COUNTY-GREENWOOD T	\$66,843.67	\$66,843.67	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$255,920.26	\$255,920.26	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$1,260,498.29	\$1,260,498.29	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$117,466.26	\$117,466.26	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$18,917.93	\$18,917.93	\$0.00	\$0.00	\$0.00
TAYLOR	\$382,452.92	\$382,452.92	\$0.00	\$0.00	\$0.00
TRENTON	\$135,983.53	\$135,983.53	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,065,317.09	\$1,065,317.09	\$0.00	\$0.00	\$0.00
UTICA	\$44,965.15	\$44,965.15	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$288,450.98	\$288,450.98	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$19,499.50	\$19,499.50	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$130,619.20	\$130,619.20	\$0.00	\$0.00	\$0.00
WARREN	\$837,820.41	\$837,820.41	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$174,377.70	\$174,377.70	\$0.00	\$0.00	\$0.00
WAYNE	\$269,629.38	\$269,629.38	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,702,192.60	\$1,702,192.60	\$0.00	\$0.00	\$0.00
WESTLAND	\$520,750.55	\$520,750.55	\$0.00	\$0.00	\$0.00
WIXOM	\$202,147.58	\$202,147.58	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$274,668.68	\$274,668.68	\$0.00	\$0.00	\$0.00
YCUA	\$1,701,329.95	\$1,701,329.95	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL WATER ACCOUNTS	\$47,167,479.44	\$34,724,089.98	\$1,551,408.43	\$929,680.29	\$9,962,300.74

GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$72,200.00	\$72,200.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$87,299.50	\$87,299.50	\$0.00	\$0.00	\$0.00
DEARBORN N.E.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN EAST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$97,200.00	\$97,200.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$337,000.00	\$337,000.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$36,551,675.16	\$478,900.00	\$478,900.00	\$478,900.00	\$35,114,975.16
MELVINDALE	\$129,600.00	\$129,600.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$2,944,100.00	\$2,944,100.00	\$0.00	\$0.00	\$0.00
OMID	\$11,831,110.09	\$11,831,110.09	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$22,300.00	\$22,300.00	\$0.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,821,000.00	\$3,821,000.00	\$0.00	\$0.00	\$0.00
SOUTH MACOMB SANITATION DIST	\$2,097,000.00	\$2,097,000.00	\$0.00	\$0.00	\$0.00
WAYNE COUNTY-AREA #3	\$4,300.00	\$4,300.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$4,575,900.00	\$4,575,900.00	\$0.00	\$0.00	\$0.00
TOTAL SEWER ACCOUNTS	\$62,570,684.75	\$26,497,909.59	\$478,900.00	\$478,900.00	\$35,114,975.16

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
AUBURN HILLS (C-O) ADMIN	\$1,935.15	\$1,935.15	\$0.00	\$0.00	\$0.00
ALLEN PARK	\$1,564.73	\$1,564.73	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O)	\$11,069.26	\$11,069.26	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$374.46	\$374.46	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,068.69	\$3,068.69	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$19.94	\$19.94	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,507.27	\$5,507.27	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$2,370.64	\$2,370.64	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$7,379.47	\$7,379.47	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$82.80	\$82.80	\$0.00	\$0.00	\$0.00
CENTER LINE	\$3,574.98	\$3,574.98	\$0.00	\$0.00	\$0.00
DEARBORN	\$35,247.54	\$35,247.54	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$194.96	\$194.96	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$ (65.94)	\$0.00	\$ (65.94)	\$0.00	\$0.00
CLAWSON	\$2,681.73	\$2,681.73	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$25,364.74	\$25,364.74	\$0.00	\$0.00	\$0.00
DEARBORN HEIGHTS	\$9,442.18	\$9,442.18	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$103.50	\$103.50	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$18,864.57	\$12,576.38	\$6,288.19	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
FARMINGTON	\$3,910.16	\$3,910.16	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$17,287.74	\$17,287.74	\$0.00	\$0.00	\$0.00
FRASER	\$4,814.66	\$4,814.66	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$1,534.08	\$1,534.08	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$2,027.35	\$2,027.35	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$1,147.65	\$1,147.65	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$2,510.71	\$2,510.71	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,052.03	\$4,052.03	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,828.71	\$1,828.71	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$174.29	\$174.29	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$9,217.00	\$6,150.99	\$3,066.01	\$0.00	\$0.00
HIGHLAND PARK	\$1,765,709.91	\$8,115.99	\$4,059.72	\$4,032.12	\$1,749,502.08
HUNTINGTON WOODS	\$277.78	\$277.78	\$0.00	\$0.00	\$0.00
CHARTER TOWNSHIP OF INDEPENI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,230.29	\$1,230.29	\$0.00	\$0.00	\$0.00
INKSTER	\$16,190.25	\$10,793.50	\$5,396.75	\$0.00	\$0.00
KEEGO HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LAKE ORION	\$2,339.64	\$1,559.76	\$779.88	\$0.00	\$0.00
LATHRUP	\$28.44	\$28.44	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LENOX TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIVONIA	\$39,462.35	\$39,462.35	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$200.23	\$200.23	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELVINDALE	\$3,412.70	\$3,412.70	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$596.99	\$596.99	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NOVI	\$51,485.52	\$34,301.25	\$17,184.27	\$0.00	\$0.00
OAK PARK	\$6,957.05	\$6,957.05	\$0.00	\$0.00	\$0.00
OAKLAND TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORCHARD LAKE VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O)	\$3,966.27	\$3,966.27	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$465.55	\$465.55	\$0.00	\$0.00	\$0.00
OXFORD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$1,221.90	\$1,221.90	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$ (265.73)	\$ (265.73)	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$3,785.44	\$3,785.44	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$132.84	\$132.84	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$26,515.04	\$24,358.48	\$2,156.56	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,210.71	\$12,210.71	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$18,122.35	\$18,122.35	\$0.00	\$0.00	\$0.00
ROMULUS	\$898.75	\$898.75	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROSEVILLE	\$14,263.21	\$14,263.21	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,439.46	\$13,439.46	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$14,268.23	\$14,268.23	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$54,877.07	\$54,877.07	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,712.11	\$7,712.11	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$11,787.00	\$11,787.00	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$31,038.95	\$31,038.95	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTICA	\$2,958.81	\$2,958.81	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$2,044.27	\$2,044.27	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,411.32	\$1,411.32	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADMI	\$3,019.10	\$3,019.10	\$0.00	\$0.00	\$0.00
WAYNE	\$9,740.50	\$9,740.50	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) P	\$230.46	\$230.46	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,231.97	\$6,231.97	\$0.00	\$0.00	\$0.00
WESTLAND	\$22,011.08	\$22,011.08	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL IWC ACCOUNTS	\$2,327,262.86	\$534,863.22	\$38,865.44	\$4,032.12	\$1,749,502.08

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HOUGHTON INTERNATIONAL INC.	\$17,005.77	\$10,656.48	\$4,698.89	\$1,650.40	\$0.00
UNCLE RAYS SNACKS, LLC	\$4,372.16	\$2,867.95	\$1,275.94	\$228.27	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$1,701.93	\$829.22	\$446.50	\$426.21	\$0.00
WINTER SAUSAGE MFG. CO.	\$212.38	\$212.38	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$6,469.08	\$6,469.08	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$12,341.77	\$12,341.77	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$5,360.51	\$5,360.51	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL REPRODUCTIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$24,462.60	\$24,462.60	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$440.60	\$0.00	\$440.60	\$0.00	\$0.00
U-METCO, INC.	\$1,027.16	\$1,027.16	\$0.00	\$0.00	\$0.00
3M COMPANY (MINNESOTA MINING	\$1,836.98	\$1,836.98	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$7,887.67	\$7,887.67	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$2.27	\$2.27	\$0.00	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$3,180.36	\$3,180.36	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$3,062.61	\$3,062.61	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LA MICHOACANA FLOUR TORTILLA	\$ (214.55)	\$ (214.55)	\$0.00	\$0.00	\$0.00
LA MICHOACANA FLOUR TORTILLA	\$63.78	\$63.78	\$0.00	\$0.00	\$0.00
DETRONIC INDUSTRIES, INC.	\$29.77	\$29.77	\$0.00	\$0.00	\$0.00
ADVANCE ENGINEERING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$70,487.02	\$43,206.44	\$25,717.84	\$1,562.74	\$0.00
SEAFARE FOODS, INC.	\$75.39	\$75.39	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$ (24.89)	\$0.00	\$ (24.89)	\$0.00	\$0.00
HACIENDA MEXICAN FOODS	\$2,583.27	\$1,200.35	\$582.78	\$600.18	\$199.96
MOTOR CITY BREWING WORKS	\$1,619.85	\$89.50	\$0.00	\$0.00	\$1,530.35
TRAFFIC JAM & SNUG	\$ (31.16)	\$0.00	\$0.00	\$0.00	\$ (31.16)
BOZEK'S MARKET	\$49.47	\$49.47	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, IN	\$123.95	\$123.95	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$7.94	\$0.00	\$7.94	\$0.00	\$0.00
NORTH CENTER BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$10.05	\$10.05	\$0.00	\$0.00	\$0.00
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$80.92	\$0.00	\$80.92	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHERN LAKES SEAFOOD & MEAT	\$30.44	\$30.44	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HUNTINGTON CLEANERS	\$983.67	\$0.00	\$983.67	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARON INDUSTRIES	\$929.74	\$929.74	\$0.00	\$0.00	\$0.00
HOME STYLE FOOD INC.	\$68.89	\$68.89	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$1,054.24	\$730.96	\$323.28	\$0.00	\$0.00
THE CROWN GROUP-LIVONIA PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLF	\$2,371.40	\$2,371.40	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$2,446.77	\$2,446.77	\$0.00	\$0.00	\$0.00
MACDERMID, INC.	\$1,478.35	\$1,478.35	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FITZGERALD FINISHING LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$86.57	\$82.75	\$3.82	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$48.78	\$48.78	\$0.00	\$0.00	\$0.00
KAR NUT PRODUCTS	\$1,089.72	\$1,089.72	\$0.00	\$0.00	\$0.00
ROYAL OAK BREWERY	\$ (487.43)	\$0.00	\$0.00	\$0.00	\$ (487.43)
EQ DETROIT, INC.	\$1,051.11	\$1,051.11	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$9,782.58	\$9,782.58	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$122.11	\$77.64	\$44.47	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$519.09	\$365.71	\$153.38	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$515.56	\$515.56	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$332.29	\$0.00	\$332.29	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$35.78	\$21.74	\$9.97	\$4.07	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,140.49	\$1,140.49	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$19,842.44	\$19,842.44	\$0.00	\$0.00	\$0.00
BETTER MADE SNACK FOOD	\$29,092.74	\$29,092.74	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$ (26.00)	\$0.00	\$0.00	\$0.00	\$ (26.00)
QUALA SERVICES, LLC	\$864.91	\$864.91	\$0.00	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$6,685.04	\$6,685.04	\$0.00	\$0.00	\$0.00
CF BURGER CREAMERY	\$37,489.73	\$37,489.73	\$0.00	\$0.00	\$0.00
G2O ENERGY, LLC	\$3,091.98	\$3,091.98	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$297.07	\$0.00	\$297.07	\$0.00	\$0.00
NEAPCO DRIVELINES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WIGLEY'S MEAT PROCESS	\$695.35	\$695.35	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
JAMEX BREWING CO.	\$185.82	\$34.01	\$0.00	\$0.00	\$151.81
SHERWOOD BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIFE TECHNOLOGIES	\$43,890.92	\$43,890.92	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$694.66	\$694.66	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$2,274.99	\$2,274.99	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$82,085.42	\$82,085.42	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$ (46.61)	\$0.00	\$0.00	\$0.00	\$ (46.61)
CADILLAC STRAITS BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$68.30	\$68.30	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$527.44	\$527.44	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$1,612.73	\$1,612.73	\$0.00	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON BREW WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROAK BREWING CO. LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$550.92	\$550.92	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$1,276.99	\$1,276.99	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
VAUGHAN INDUSTRIES, INC.	\$81.90	\$81.90	\$0.00	\$0.00	\$0.00
VERNDALÉ PRODUCTS	\$10,840.90	\$10,840.90	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$45,282.45	\$45,282.45	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$475.51	\$0.00	\$475.51	\$0.00	\$0.00
BASTONE BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$1,508.82	\$1,508.82	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$29.68	\$29.68	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OLIVER HATCH CONSTRUCTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$4,070.25	\$4,070.25	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$2,078.56	\$2,078.56	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$10,035.01	\$6,915.72	\$3,119.29	\$0.00	\$0.00
SUPERNATURAL SPIRITS & BREWI	\$ (125.28)	\$0.00	\$0.00	\$ (125.28)	\$0.00
BATCH BREWING COMPANY	\$828.85	\$89.65	\$0.00	\$0.00	\$739.20
VALICOR ENVIROMENTAL SERVICE	\$669.33	\$669.33	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
DOWNEY BREWING COMPANY	\$ (1.00)	\$0.00	\$ (1.00)	\$0.00	\$0.00
CINTAS CORP. - MACOMB TWP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$145.47	\$145.47	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$55.69	\$55.69	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$4,685.10	\$4,685.10	\$0.00	\$0.00	\$0.00
RTT	\$27,772.36	\$0.00	\$0.00	\$0.00	\$27,772.36
MILANO BAKERY	\$1,544.23	\$1,071.22	\$473.01	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
APPLIED TECHNOLOGY INDUSTRIE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$0.00	\$37.00
UNITED LINEN SERVICE, LLC.	\$243.61	\$243.61	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$10,460.02	\$10,460.02	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$31.88	\$14.54	\$5.82	\$5.82	\$5.70
MCCLURE'S PICKLES	\$662.38	\$662.38	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HENKEL CORPORATION	\$95.93	\$95.93	\$0.00	\$0.00	\$0.00
AACTRON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$ (25.78)	\$0.00	\$ (25.78)	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$170.01	\$170.01	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
US ECOLOGY ROMULUS, INC.	\$1,884.36	\$1,884.36	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$ (36.26)	\$0.00	\$0.00	\$0.00	\$ (36.26)
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$1,895.27	\$31.25	\$13.16	\$14.80	\$1,836.06
EXTRUDE HONE CORPORATION	\$195.48	\$195.48	\$0.00	\$0.00	\$0.00
OAKWOOD BAKERY	\$26.72	\$26.72	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$1,850.89	\$1,850.89	\$0.00	\$0.00	\$0.00
HOMEGROWN BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$103.33	\$103.33	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$4,157.72	\$4,157.72	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$31,255.48	\$31,255.48	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$46.40	\$46.40	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$3,139.24	\$3,139.24	\$0.00	\$0.00	\$0.00

GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 05/31/21

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$0.00	\$14.52
URBANREST BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$179.40	\$179.40	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL POLLUTANT SURCHARGE ACCOUNTS	\$585,761.90	\$509,883.89	\$39,434.48	\$4,367.21	\$32,076.32

City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	(65,652)	(2,206,211)	-	(2,271,863)
				-
June 30, 2013 Balance	\$ 420,235	\$ 12,989,380	\$ 1,007,431	\$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	-	(1,612,633)	-	(1,612,633)
				-
June 30, 2014 Balance	\$ 1,424,592	\$ 18,357,189	\$ 1,169,382	\$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	-	(1,444,623)	-	(1,444,623)
				-
June 30, 2015 Balance	\$ 2,432,625	\$ 22,465,689	\$ 1,335,121	\$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	-	(2,022,335)	-	(2,022,335)
				-
June 30, 2016 Balance	\$ 3,589,803	\$ 26,055,521	\$ 1,441,551	\$ 31,086,875
FY 2017 Billings	1,245,267	5,802,000	101,999	7,149,265
FY 2017 Payments	-	(2,309,186)	-	(2,309,186)
				-
June 30, 2017 Balance	\$ 4,835,070	\$ 29,548,335	\$ 1,543,550	\$ 35,926,954
FY 2018 Billings	1,277,179	5,657,101	80,472	7,014,752
FY 2018 Payments	-	(4,108,108)	-	(4,108,108)
				-
June 30, 2018 Balance	\$ 6,112,248	\$ 31,097,327	\$ 1,624,022	\$ 38,833,597
FY 2019 Billings	1,238,797	5,617,100	51,220	6,907,117
FY 2019 Payments	-	(5,241,583)	-	(5,241,583)
				-
June 30, 2019 Balance	\$ 7,351,045	\$ 31,472,844	\$ 1,675,243	\$ 40,499,132
FY 2020 Billings	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments	-	(3,026,117)	-	(3,026,117)
				-
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings (11 Months)	1,086,169	5,223,100	43,370	6,352,639
FY 2021 Payments (11 Months)	-	(2,783,552)	-	(2,783,552)
				-
Balance as of May 31, 2021	\$ 9,619,853	\$ 36,551,675	\$ 1,765,710	\$ 47,937,238



Financial Services Audit Committee Communication

Date: August 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Megan Torti, Vendor Outreach Coordinator

Re: Business Inclusion & Diversity Program Update

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

Analysis: As the B.I.D. Program entered Phase II implementation on July 1, 2021, the B.I.D. Program Team undertook the following strategic efforts.

1. Delivered B.I.D. Program Presentations at the Pure Michigan Business Connect (PMBC) and the Macomb Procurement Technical Assistance Center (PTAC) Virtual Meet the Buyer Events on August 12, 2021 and August 19, 2021.
2. Attended virtual webinar on "How to Develop Supplier Diversity" on August 10, 2021. This event was sponsored by the Michigan Economic Development Corporation (MEDC) and featured speakers from Wayne State University, Pure Michigan Business Connect (PMBC), and Kellogg who discussed strategies for developing a diverse supplier base.
3. Continued attendance of B.I.D. Program Liaison at Pre-Bid and Pre-Proposal solicitation meetings to overview the B.I.D. Program requirements and answer any questions from vendor/contractors.

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

- Developing a checklist of requirements for B.I.D. Program Diversity Plans to distribute to vendors as a template for future solicitations.
- Discussing workplans for targeted outreach to small, minority-owned, and disadvantaged business enterprises.
- Developing contract language for B.I.D. Program requirements.
- Evaluating the insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises.
- Identifying meaningful reporting and performances measures.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: August 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Management Professional – Intergovernmental Relations

Re: Quarterly Shared Services Update

Background: The Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD) are parties to a Shared Services Agreement (the Agreement) dated December 1, 2015. This agreement provides the framework for shared services for the efficient operation of both entities.

Invoices are prepared monthly. While the intent is for the monthly invoices to represent actual costs, the reality is that the timing of certain vendor invoices and accumulation of internal charges requires a “True-up” process. It is also the intent for the parties to transmit payment monthly utilizing estimates for service provided. Section 5.1 of the Agreement states, “Payments for services shall be payable monthly.”

Analysis: The following is a summary of billings and payments to date as well as an update on the FY 2018 True-Up, FY 2019 True-Up Analysis, and activity beyond that point.

Summary of Shared Services Billings and Payments

GLWA and DWSD have been exchanging invoices for services since January 1, 2016, the start of the Agreement. A history of this activity and applicable payments is summarized in two tables. **Table 1 – GLWA as a Service Provider** reflects activity in which GLWA is the provider and is billing DWSD for services and **Table 2 – DWSD as a Service Provider** reflects activity in which DWSD is the provider and is billing GLWA for services.

In FY 2021, DWSD and GLWA began exchanging monthly payments. At this time, payments through June 2021, except for April 2021, have been processed by GLWA. DWSD has processed payments through April 2021 and plan to make a payment for May and June 2021 in the next week.

Table 1 – GLWA as Service Provider (FY 2021 Billings through August 20, 2021)

Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 4,781,194	\$ 3,311,838	\$ 8,093,032	\$ -
FY2017	\$ 9,378,922	\$ 3,076,854	\$ 12,455,776	\$ -
FY2018*	\$ 7,477,571	\$ 364,588	\$ 6,768,256	\$ 1,073,903
FY2019*	\$ 8,933,462	\$ (2,363,150)	\$ 298,445	\$ 6,271,867
FY2020**	\$ 5,012,664	\$ -	\$ 158,789	\$ 4,853,875
FY2021***	\$ 4,524,788	\$ -	\$ 3,200,000	\$ 1,324,788
Subtotals	\$ 40,108,602	\$ 4,390,130	\$ 30,974,299	\$ 13,524,434

* All True Up calculations have been provided to DWSD and the True Up Amount is indicated.

** True Up not complete at this time.

***Payments are based on an estimated amount as agreed to by GLWA and DWSD.

Table 2 – DWSD as Service Provider (FY 2021 Billings through August 20, 2021)

Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 2,543,735	\$ 5,003,644	\$ 7,547,379	\$ -
FY2017	\$ 4,722,364	\$ (1,077,584)	\$ 3,644,780	\$ -
FY2018	\$ 5,308,539	\$ (1,274,432)	\$ 3,622,245	\$ 411,862
FY2019	\$ 4,175,695	\$ -	\$ -	\$ 4,175,695
FY2020	\$ 4,677,356	\$ -	\$ -	\$ 4,677,356
FY2021	\$ 2,028,000	\$ -	\$ 1,861,000	\$ 167,000
Subtotals	\$ 23,455,689	\$ 2,651,628	\$ 16,675,404	\$ 9,431,913

FY 2018 True-Up Status Update

The FY 2018 True-Up process is almost complete for both GLWA and DWSD Shared Services teams. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. DWSD has provided GLWA two True-Ups.

DWSD and GLWA Shared Service Teams are not in agreement on two shared services – Security and Systems Control Center. The two parties have agreed to have a third-party consultant be brought in to help finalize these Shared Services. There is one open item related to staffing costs for IT Infrastructure, but payments have been made for the majority of this Shared Service.

GLWA is reviewing the details of the Facilities costs as provided by DWSD. GLWA is almost complete with the review. GLWA has made payments on the majority of this Shared Service. GLWA will make final payment after the final review is complete.

FY 2019 True-Up Status Update

The FY 2019 True-Up process is complete for the GLWA Shared Services team. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. The True-Ups were provided as they were completed, GLWA recognized that the FY 2018 negotiations may impact the FY 2019 True-Ups. As these items were agreed to, GLWA made the appropriate changes to the FY 2019 True-Ups. DWSD has not provided any True-Ups for FY 2019 for OPS-001 Fleet or OPS-006 Facilities to date.

Table 3 – FY 2019 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA's staff analysis. True-Ups are provided to DWSD as they are completed.

The update in **Table 3** represents the progress that GLWA has made on the True-Ups related to GLWA-provided services. DWSD and GLWA Shared Service Teams will continue to meet and work on a timeline for the completion of the FY 2019 True-Up. Meetings are held regularly to discuss the status of the completion and resolution of the True-Ups.

Table 3 – FY 2019 GLWA as Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	DWSD progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-004 Water Quality	3	5	8/9/2019
OPS-005 Security	3	5	8/5/2019
OPS-005 Security Training	3	5	8/5/2019
OPS-008 Systems Control Center	3	5	4/15/2021
ITS-001 Retail AMR	3	5	10/29/2019
ITS-002 Customer Service Tech Suite	3	5	10/29/2019
ITS-003 See Click Fix	3	5	10/29/2019
ITS-004 WAM	3	5	10/29/2019
ITS-005 Mobile Work Force	3	5	11/6/2019
ITS-006 ESRI-GIS	3	5	10/29/2019
ITS-007 DADS	3	5	10/29/2019
ITS-008 TIBCO	3	5	10/29/2019
ITS-009 IT Infrastructure	3	5	4/15/2021
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	N/A		
Other items to bill not a defined shared service code			
DWSD-R Staff Training by GLWA	3	5	11/6/2019
Bank Fees	3	9	8/9/2019
Public Finance	3	5	11/4/2019

Table 4 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD.

Table 4 – FY 2019 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (1-3)	GLWA Progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-001 Fleet	1		1/15/2021
OPS-002 Miss Dig	3a	9	10/30/2020
OPS-003 As Needed Field Services	3a	9	10/30/2020
OPS-006 Facilities	1		1/15/2021
DoIT-001 Financial Information Services	N/A	N/A	
DoIT-002 Radios	N/A	N/A	
DoIT-003 Customer Service Technology Suite	3a	9	10/30/2020

Other items to bill not a defined shared service			
Fuel	3a	9	11/6/2020
WAM Invoices	3	6	10/30/2020

Provider status:

True up calculation not completed by Shared Services team.	1
True up calculation completed by Shared Services team; under review by Executive Leadership team.	2
True up calculation provided to subscriber.	3
Low value - Methodology to be agreed upon to determine costs.	3a

Subscriber status:

True up not yet reviewed by Shared Services team.	4
True up being reviewed by Shared Services Team.	5
True up reviewed by Shared Services team; questions sent to provider.	6
True up needs to be escalated due to differing opinions.	7
True up review completed by Shared Services team; under review by Executive Leadership team.	8
True up completed and amount agreed upon or agreed upon difference.	9
Shared Service not active at this time.	N/A

FY 2020 and FY 2021 True-Up Status Update

At this time GLWA has begun internal discussions with the applicable Chiefs to complete the analysis for the True-Up calculations. GLWA staff is working on both FY 2020 and FY 2021 currently. As the True-Up calculations are completed they will be provided to DWSD. DWSD has not provided any True-Ups for FY 2020 or FY 2021.

Table 5 – Shared Services Terminations and Updated Scope of Service lists the scope of each Shared Service based upon GLWA's analysis. The Shared Services Agreements (SSA) that have been terminated are also listed below. In FY 2022 there have been seven new Shared Service Agreements that have been approved by GLWA Board of Directors. DWSD is to take these new Shared Services Agreements to the Board of Water Commissioners in the next month.

Table 5 – Shared Service Terminations, Updated Scope of Service and New Shared Service Agreements

Shared Service	Description	Provider	Scope of Service
ITS-004A	WAM	GLWA	New SSA in FY 2022
ITS-008A	TIBCO	GLWA	New SSA in FY 2022
ITS-009A	IT Infrastructure	GLWA	New SSA in FY 2022
ITS-011	Print Shop	GLWA	New SSA in FY 2022
ITS-012	Oracle Database Licensing	GLWA	New SSA in FY 2022
ITS-013	Board Room AV Support	GLWA	New SSA in FY 2022
ITS-014	Security Network	GLWA	New SSA in FY 2022
OPS-005	Security and Integrity	GLWA	*Badging and Fusion Center
OPS-003	As Needed Field Service	DWSD	No changes
OPS-006	Facilities	DWSD	No changes
OPS-008	Systems Control	GLWA	No changes
DoIT-001	Financial Information System	City of Detroit	No changes
DoIT-002	Radios	City of Detroit	No changes
DoIT-003	Customer Service Tech Suite	City of Detroit	No changes
Training	Training	GLWA	No changes
LS-001 - LS-003	Legal Services	Both	No changes
ITS-004	WAM	GLWA	Terminated on 6/30/2021
ITS-007	DADS	GLWA	Terminated on 6/30/2021
ITS-008	Tibco	GLWA	Terminated on 6/30/2021
ITS-009	Infrastructure	GLWA	Terminated on 6/30/2021
ITS-005	Mobile Workforce Management	GLWA	Terminated on 6/30/2021
OPS-002	MISS DIG	DWSD	Terminated 3/31/2021
OPS-001	Fleet	DWSD	Terminated on 6/30/2020
ITS-002	Customer Service Tech Suite	GLWA	Terminated on 10/1/18
ITS-001	Retail AMR	GLWA	Terminated on 6/30/19
ITS-003	See Click Fix	GLWA	Terminated on 12/31/18
ITS-006	ESRI-GIS	GLWA	Terminated on 6/30/19
OPS-004	Water Quality	GLWA	Terminated on 6/30/19
OPS-007	WWTP IWC Underground Storage Tank	N/A – not needed	
PRO-001	Applications Analyst	N/A – not needed	

*OPS-005 Terminated on 6/30/17. However, Badging and Fusion Center costs continue to be provided.

Proposed Action: Receive and file this report.



Financial Services Audit Committee Communication

Date: August 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Update: PFM Asset Management Acquired by U.S. Bancorp Asset Management

Background: On July 8, 2021, U.S. Bank entered into an agreement to purchase PFM Asset Management LLC under its subsidiary U.S. Bancorp Asset Management. PFM Asset Management will continue to operate as a separate entity.

Analysis: U.S. Bank is the custodian for Great Lakes Water Authority (GLWA) Master Bond Ordinance (MBO) Trust. As stated by PFM Asset Management, there is a corporate separation between the MBO trust activities at U.S. Bank and the PFM asset management activities. Attached is a presentation from PFM summarizing the transaction and a copy of the press release. At this time, the General Counsel's office and Procurement groups are reviewing the transaction to ensure there are no additional actions required to accept this change in vendor ownership.

Budget Impact: None.

Proposed Action: Receive and file this report.

PFM Asset Management LLC Acquisition by U.S. Bancorp Asset Management, Inc.

August 27, 2021

PFM Asset
Management LLC

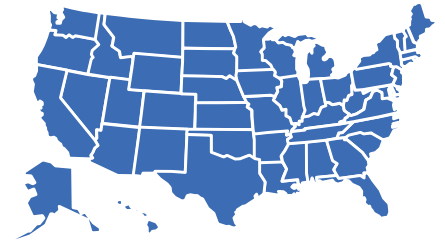
Brian K. Quinn
Managing Director
quinnb@pfm.com
616-304-5200

555 Briarwood Circle,
Suite 333
Ann Arbor, MI 48108

Transaction Strategy and Structure

The Transaction: U.S. Bank Subsidiary to Acquire PFM Asset Management LLC

- ◆ PFM has entered into a definitive agreement to sell PFM Asset Management LLC (“PFMAM”) along with other associated entities, including PFM Fund Distributors, Inc., to U.S. Bancorp Asset Management Inc. (“USBAM”), a subsidiary of U.S. Bank, N.A.
- ◆ PFMAM will become a wholly-owned subsidiary of USBAM, and will continue to operate as a separate registered investment advisor as “PFM Asset Management, a division of USBAM”
- ◆ Subject to regulatory approval, PFM Fund Distributors, Inc. will remain the broker-dealer affiliate of PFMAM
- ◆ PFMAM and USBAM had combined assets under management and administration of more than \$325 billion



NATIONAL
PRESENCE
AND
COMBINED
RESOURCES

\$325b

ASSETS UNDER
MANAGEMENT AND
ADMINISTRATION

Strategy: Why now?

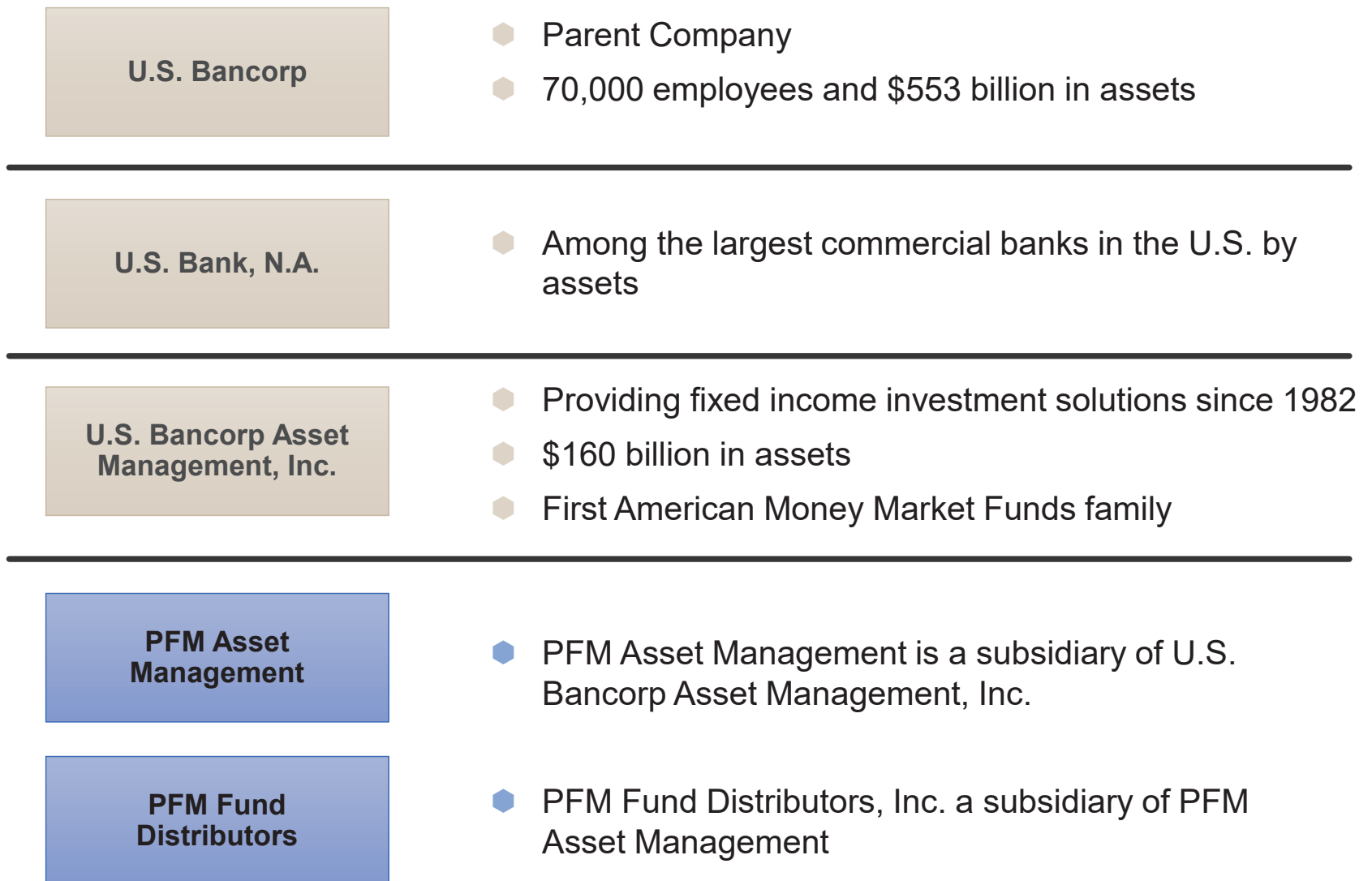
CLIENTS ARE OUR PRIORITY

- ◆ We believe this transaction best positions PFMAM to meet the needs of our clients by partnering with a firm with complementary businesses across investment grade fixed income, LGIPs/money markets, and Outsourced Chief Investment Officer (OCIO) advisory services
- ◆ U.S. Bank is a strong partner because of our aligned cultures and values, consistent investment philosophies, and a similar focus on client service. The increased scale in investment resources may provide the opportunity for both firms to identify and capture opportunities in the markets for clients

A STRATEGIC PARTNER

- ◆ Our long-term vision is that this combination with USBAM provides PFMAM enhanced ability to invest in technology, infrastructure and personnel, and to continue safeguarding assets and providing innovative solutions to meet our clients' needs

Structure of Organizational Support and Resources – Post Acquisition



U.S. Bank – Financial Position and Overview

Build toward the future with a solid foundation

Strength through the bank and Investment Services

EST

1863

5th largest commercial bank in the U.S.

Strong capital and liquidity position

CET1 ratio and Tier 1 capital ratio, exceeding regulatory requirements²

\$8.6 trillion

AUCA WM&IS³

\$3B

Revenue WM&IS³

A+

S&P¹

\$434B

deposits

A1

Moody's¹

\$294B

loans

\$553B

assets³

More than

70k

employees



Source: U.S. Bank

1. The debt ratings established for U.S. Bancorp by Moody's and Standard and Poor's reflect the rating agencies' recognition of the strong, consistent financial performance of the Company and the quality of the balance sheet. Holding Company, as of 4/8/21.

2. As of 3/31/21, per latest regulations-based requirements, calculated under Basel III standardized approach. 3. As of 3/31/2021

Credit products offered by U.S. Bank National Association. Deposit products offered by U.S. Bank National Association.

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Leadership Changes at PFMAM Post Acquisition

◆ As part of an accelerated succession for Marty Margolis:

- Ken Schiebel, CFA, a 26-year PFM veteran will assume CIO role
- John Molloy, CFA, A 19-year PFM veteran will assume day-to-day administrative and leadership responsibilities
- Both will report to Eric Thole, CEO of U.S. Bancorp Asset Management, Inc., with Marty Margolis serving as an executive consultant to Eric for an interim period

◆ Additional leadership updates:

- Jeff Rowe, CFA, a 16-year PFM veteran will assume full responsibility for short-term fixed income portfolio management, including LGIP's
- Mike Varano will assist in the transition and then separate from PFMAM
- Dan Hess will serve as an executive consultant for asset management accounting services to USBAM for an interim period, then will separate from PFMAM

◆ In addition to Ken and John, the following PFMAM leaders will become part of USBAM's executive leadership team, after closing, to assist in guiding the combined organization

- Regional Leadership – Lauren Brant, Nelson Bush, Stephen Faber and Tim Sullivan
- Outsourced-CIO business – John Spagnola
- Marketing – Michael Harris, Compliance – Leo Karwejna



USB Custodian and PFMAM as Investment Advisor

- ◆ Utilizing U.S. Bank National Association (U.S. Bank) as custodian remains your choice. U.S. Bank's Institutional Trust and Custody group is housed in a different part of the organization with regulatory oversight by the Office of the Comptroller of the Currency. As such, appropriate information barriers relating to activities and data exist to facilitate fully independent and segregated oversight of client assets as custodian. There is specific separation of the Institutional Trust and Custody group including systems and controls for transactions and the audit functions overseeing the administration of the activities.
- ◆ According to federal banking law, the securities U.S. Bank holds in a client custody account are not commingled with the assets of U.S. Bank itself. The securities are the sole property of the client and are kept segregated from other assets. U.S. Bank is responsible for transparent reporting and custody client securities do not appear on the U.S. Bank balance sheet and are not subject to claims made by U.S. Bank creditors.
- ◆ In addition to internal governance, numerous federal agencies, including the Office of the Comptroller of the Currency (OCC), the Federal Reserve System and the Consumer Financial Protection Bureau (CFPB), supervise and inspect U.S. Bank and its parent company, U.S. Bancorp, to ensure sound banking practices and to protect clients.

Appendix

U.S. Bancorp Asset Management

A Dedicated Institutional Investment Grade Fixed Income Manager

- **Focused** on investment grade fixed income for institutional clients
- **Stable** and **strong** parent, U.S. Bank N.A.
- More than **\$179 billion** in assets under management* provides **scale** to exploit market opportunities
- **Experienced** and **tenured** portfolio management team
- **Specialized**, investment grade credit research team
- State of the art **reporting** – **customizable** to meet client needs
- Culture of **stability** and **integrity**

*As of June 30, 2021

Guiding Principles

How we define successful portfolio management

Our investment philosophy is based on the premise that superior investment grade fixed income returns over time require active management, utilizing yield curve positioning, duration management, sector diversification and security selection as market conditions warrant.

As such, we strive to:

- Preserve principal
- Maintain ample liquidity
- Manage risk to client parameters
- Produce returns commensurate with client goals

Guiding Principles

How we define successful client service

Our client philosophy is to be a trusted advisor to our clients and serve as their full investment partner.

As such, we strive to:

- Fully understand our clients' objectives and constraints
- Serve as an extension of client Treasury staff
- Ease client administrative responsibilities
- Proactively communicate market, economic and industry trends



U.S. Bank Acquires PFM's Asset Management Business

July 8, 2021

MINNEAPOLIS--(BUSINESS WIRE)--Jul. 8, 2021-- U.S. Bank announced today that it has entered into a definitive agreement to purchase PFM Asset Management LLC under its subsidiary, U.S. Bancorp Asset Management. PFM Asset Management will continue to operate as a separate entity. PFM Asset Management and U.S. Bancorp Asset Management had combined assets under management and assets under administration of more than \$325 billion on March 31, 2021.

"PFM Asset Management brings a wide array of client relationships and product offerings, including local government investment pools, outsourced chief investment officer services and separately managed accounts in both fixed income and multi-asset class strategies," said Eric Thole, head of U.S. Bancorp Asset Management. "These services complement U.S. Bank's current book of business, and we're thrilled to have the opportunity to increase our presence nationally and solidify U.S. Bank's position as a leading provider of investment solutions."

Thole added, "PFM Asset Management has a great reputation in the public space, and that's a testament to its talent. U.S. Bank is known for working with clients one-on-one to understand their unique needs and delivering customized, proactive solutions to help them meet their objectives. We're excited to put the variety of resources offered by U.S. Bank to work for our new colleagues and clients."

Marty Margolis, head of PFM Asset Management, said, "This sale combines the resources of two organizations who recognize the importance of providing clients with exemplary customer service; our commitment to clients will remain a priority throughout the transition. We're also very pleased that U.S. Bank aligns with our fundamental belief in creating a diverse, inclusive and ethical culture."

PFM's financial advisory business is not part of this acquisition and will continue to operate independently as the nation's leading independent financial advisor in terms of transactions and par amount. For the year ended Dec. 31, 2020, PFM advised on 995 overall transactions totaling more than \$69.7 billion in par amount, according to Ipreo.

"PFM will continue to provide outstanding financial advisory and consulting services to state and local governments and the non-profit sector," said Dan Hartman, who currently leads PFM's financial advisory practice and will lead PFM as its president and CEO after closing.

U.S. Bancorp Asset Management is part of U.S. Bank's Wealth Management and Investment Services division, which has more than \$8.6 trillion in assets under custody and administration and \$244 billion in assets under management, globally. In addition to offering asset management products and services, it also offers global corporate trust and custody services, alternative investment, fund custody and administration services, and wealth management services.

The deal was signed on July 7, 2021 and is expected to close in fourth quarter 2021, subject to regulatory approval and satisfaction of customary closing conditions. Financial terms were not disclosed.

Piper Sandler & Co. served as strategic and financial advisor, and Dechert LLP served as legal counsel to PFM. McCarter & English served as legal counsel to PFM's financial advisory business. Jones Day served as legal counsel to U.S. Bank.

About U.S. Bancorp Asset Management

U.S. Bancorp Asset Management's core strength and focus is managing investment grade fixed income strategies for institutional clients. A registered investment adviser, it has been providing investment grade fixed income investment solutions since 1982. With more than \$160 billion in assets under management as of March 31, 2021, U.S. Bancorp Asset Management is a resource for institutional clients including corporations, healthcare organizations, higher education, public entities and nonprofits. For more information, visit usbancorpassetmanagement.com.

About U.S. Bank

U.S. Bancorp, with nearly 70,000 employees and \$553 billion in assets as of March 31, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usbank.com/about.

About PFM

At PFM, over 600 employees – asset managers (with \$123 billion in assets under management and \$41.2 billion in assets under administration as of March 31, 2021), financial advisors and consultants – partner with clients in every region of the country to transform their world. PFM combines superior financial advice, disciplined management and ingenuity to build, power, move and educate. PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. For more information regarding PFM's services or entities, please visit pfm.com.

U.S. Bancorp Asset Management, Inc. is a registered investment adviser and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

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Source: U.S. Bancorp



Financial Services Audit Committee Communication

Date: May 27, 2021

To: Great Lakes Water Authority Audit Committee

From: Deirdre Henry, Treasury Manager

Re: Quarterly Investment Report (Unaudited)

Background: As stated in section 14 of the Great Lakes Water Authority (GLWA) Investment Policy, quarterly reporting shall be presented to provide a clear picture of the status of the current GLWA investment portfolio. The attached report, prepared and presented by PFM Asset Management LLC, summarizes portfolio information through June 30, 2021 (unaudited).

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

- Yield at Cost:
 - As of June 30, 2021: 0.43%
 - As of March 31, 2021: 0.66%
- Portfolio Allocation in Cash/Money Market Securities:
 - As of June 30, 2021: 57%
 - As of March 31, 2021: 35%

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

Proposed Action: Receive and file this report.

Great Lakes Water Authority

Investment Performance Report – June 2021





Table of Contents

I. Executive Summary

II. Investment Strategy

III. Summary Market Overview and Outlook

IV. Portfolio Snapshot

Overall Portfolio Composition Summary

Account Purpose

Maturity Distribution

Yield at Cost and Market

Peer Analysis

Investment Income by Month

Investment Income Year over Year

Monthly Investment Income Compared to Fed Funds Rate

VI. Appendix

Portfolio Holdings

Economic Update



Executive Summary

PORTFOLIO RECAP

- **Safety** – The aggregate portfolio is diversified amongst cash, bank deposits, U.S. Treasuries, Federal Agencies, commercial paper, SEC-registered money market funds, and a local government investment pool. The total credit profile of the portfolio is strong with over 97% of the assets invested in bank deposits or securities that are rated within the two highest short and long-term rating classifications as established by S&P.
- **Liquidity** – Great Lakes Water Authority (“GLWA”) has continued to monitor its portfolio with the goal of limiting the allocation to cash and bank deposit accounts and maximizing the use of short-term investments to meet liquidity requirements. As of June 30, 2021, around 57% of the funds were held in cash and money market accounts maturing overnight. This percentage is slightly higher at the end of June due to liquidity needed for July 1st debt payments.
- **Return** – The overall yield at cost decreased to 0.43% as of June 30, 2021, versus 0.66% as of March 31, 2021. The lower yield is reflective of the extremely low interest rate environment. GLWA earned over \$7.0 million (unaudited) in investment income for fiscal year 2021 on a book value basis. Based on current market assumptions, we expect the investment income for GLWA for FY 2022 to be approximately \$3.0 million.

AVAILABLE FUNDS (Unaudited)

Type	Financial Institution	Book Value	Market Value	Yield @ Cost (as of 6/30/21)	Yield @ Market (as of 6/30/21)
Deposit Account	Comerica	\$6,173,864	\$6,173,864	0.01%	0.01%
Deposit Account - Retainage	First Independence	\$20,591,724	\$20,591,724	0.01%	0.01%
Deposit Account – Flint Security Deposit	Chase	\$3,814,156	\$3,814,156	0.01%	0.01%
Deposit Account	Chase	\$58,801,158	\$58,801,158	0.01%	0.01%
Trust Money Market Fund	U.S. Bank	\$394,952,356	\$394,952,356	0.02%	0.02%
Money Market Fund	JP Morgan	\$35,751,581	\$35,751,581	0.01%	0.01%
Local Government Investment Pool	GovMIC	\$1,734,753	\$1,734,753	0.05%	0.05%
Managed Funds	PFM	\$390,649,399	\$393,154,863	0.99%	0.20%
<u>MARCH 2021 TOTALS:</u>		<u>\$912,468,992</u>	<u>\$914,974,456</u>	<u>0.43%</u>	<u>0.10%</u>
<u>PREVIOUS QUARTER TOTALS:</u>		<u>\$952,530,271</u>	<u>\$956,208,315</u>	<u>0.66%</u>	<u>0.13%</u>

The accounts at Comerica Bank get an earnings credit to offset bank fees. The funds and earnings in the Retainage account are held on behalf of the contractors and do not belong to GLWA. The funds and earnings in the Flint Security Deposit account are held on behalf of the City of Flint and do not belong to GLWA. In addition to the above, there also exists surety bonds in the amount of \$324,809,258 as of 6/30/2021.

Investment Strategy

OVERALL STRATEGY

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

PORTFOLIO PERFORMANCE – CURRENT PERIOD*

- The overall portfolio's original yield at cost went from 0.66% as of March 31, 2021, to 0.43% as of June 30, 2021. Though we utilize a variety of investment sectors, the lower yield is a result of investing in a near zero interest rate environment.
- The total portfolio had a market yield of 0.10% at the end of June. Yield at market represents what the market would provide in return if the portfolio was purchased on June 30, 2021 (versus purchased in prior months / years)
 - This 0.10% yield at market as of 6/30/2021 is favorable when compared to the 0.05% yield of the 3-Month U.S. Treasury Bill Index, which is a comparable market indicator to the GLWA portfolio.

PORTFOLIO PERFORMANCE – PROJECTIONS

- GLWA earned over \$7.0 million (unaudited) in investment income for the entire fiscal year of 2021 (as of June 30, 2021) on a book value basis.
- Even though the current period earnings are slightly above the figure for the amended budget, we anticipate a significant drop in earnings for fiscal year 2022 as a result of reinvesting in an extremely low interest rate environment.
- The current forecast for total interest earnings for FY 2022 is \$3.0 million.

** Yield at cost is based on the original cost of the individual investments from the purchase date to maturity. On the other hand, yield at market is calculated on a specific day (in this case, June 30, 2021) and assumes that all the securities in the portfolio are purchased given the market price/yield on that particular day. If one is to generally hold their investments to the stated maturity date, then the yield at cost would be the better number to use to gauge how the portfolio is performing.*

Summary Market Overview and Outlook

ECONOMIC HIGHLIGHTS UPDATE

- The U.S. economy continued to recover from the COVID-19 recession as the virus infection rate declined from early in calendar year 2021, while fiscal and monetary stimulus set the pace. Most states are fully reopened which should drive strong gross domestic product (“GDP”) growth in the second half of calendar year 2021.
- Federal Reserve (“Fed”) policymakers signaled an intention to accelerate a possible post-pandemic interest rate rise as the U.S. makes strong progress on vaccination efforts and inflation heats up. In its updated June projections, thirteen of eighteen Fed officials indicated they expect to lift short-term rates by the end of 2023, up from only seven in March. Furthermore, seven officials expect rates to rise by the end of 2022 and none projected any rate changes this year. More immediately, the Fed may soon begin discussing the timing of tapering its bond purchase program.

ECONOMIC IMPACT ON PORTFOLIO

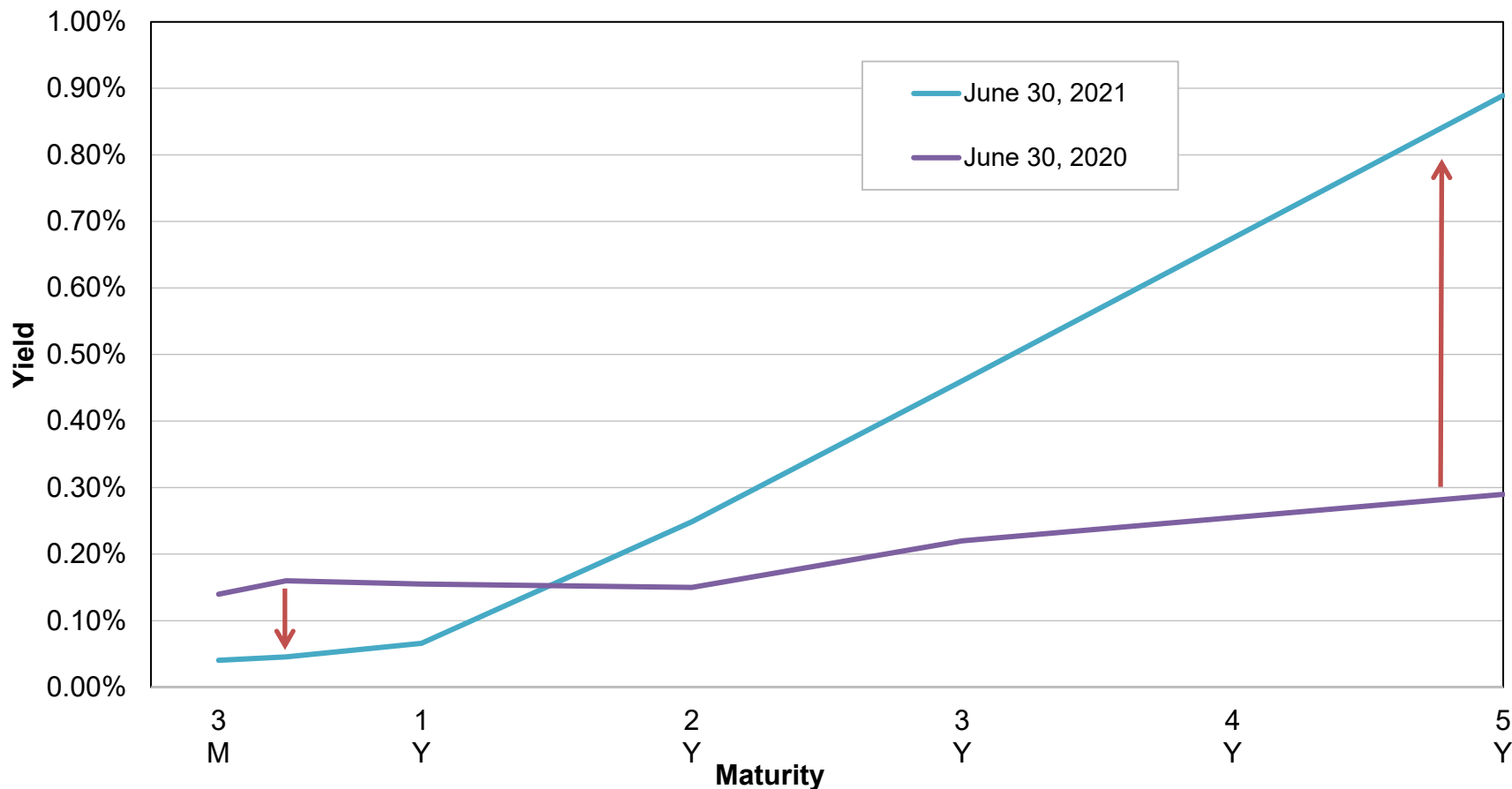
- Despite higher inflation and the possible acceleration of Fed actions to tighten monetary policy, long-term Treasury yields declined, and the yield curve flattened over the quarter. The market is grappling with various uncertainties, including concerns about the Delta COVID variant, downward growth momentum, short coverings in the bond market, foreign demand, a more hawkish Fed, and reduced expectations for additional fiscal stimulus.
- Short-term Treasury yields rose from near zero in response to the Fed’s five basis point increase in rates, paying for excess reserves and overnight repurchase agreements. The pull-forward of the Fed rate hike expectations into 2023 pushed the yield on the 2-year Treasury up to 0.25%.
- U.S. economic growth has accelerated while the labor market is also gaining strength. Inflation has picked up markedly, but investors largely discount the rise in inflation as transitory. Traditional historical analysis would point to an expected curve steepening on the back of economic recovery. Still, the market seems more focused on a return to slow growth in 2022 and 2023 and thus has recently pushed long-maturity rates lower.
- In the money market space, short-term rates moved modestly higher after the Fed’s technical rate adjustments. Short-term credit remains attractive relative to short-term government securities.
- Portfolio Impact: Diversification across permitted investments will remain a key element of our strategy with a continued focus on income as a key driver of return. Due to narrow sector spreads, the overall portfolio has been positioned over the last several months with increased allocations to government securities. This provides greater flexibility to capture future opportunities, if and when spreads rise in other sectors.

Summary Market Overview and Outlook

Short-Term Interest Rates Remain Low

- It should be noted that as a result of the Federal Reserve's current zero interest rate policy, the markets have seen a dramatic drop in very short-term fixed-income yields over the past two years.

U.S. Treasury Yield Curve





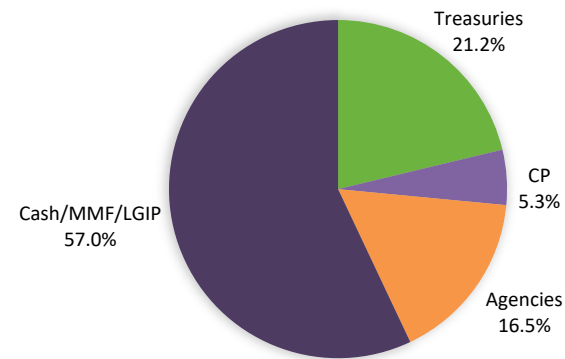
Portfolio Snapshot

Overall Portfolio Composition Summary

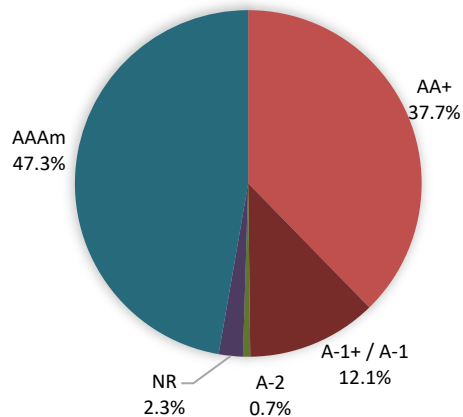
PORTFOLIO STATISTICS

Invested Amount	\$914.974 Million
Duration	0.57 Years
Yield at Cost	0.43%
Yield at Market	0.10%

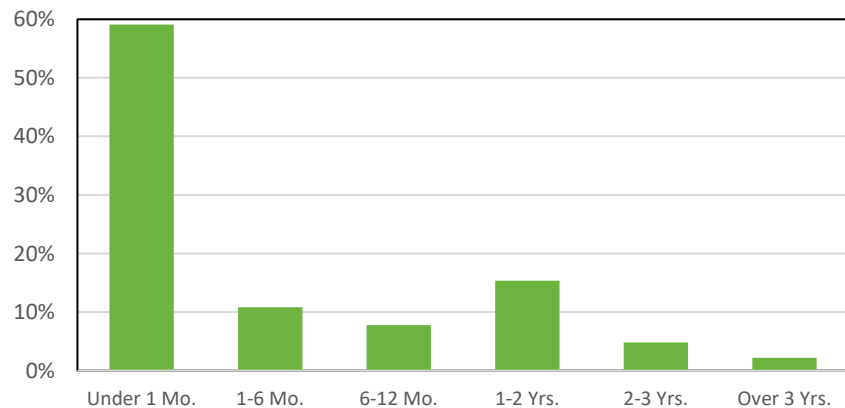
SECTOR ALLOCATION



CREDIT QUALITY



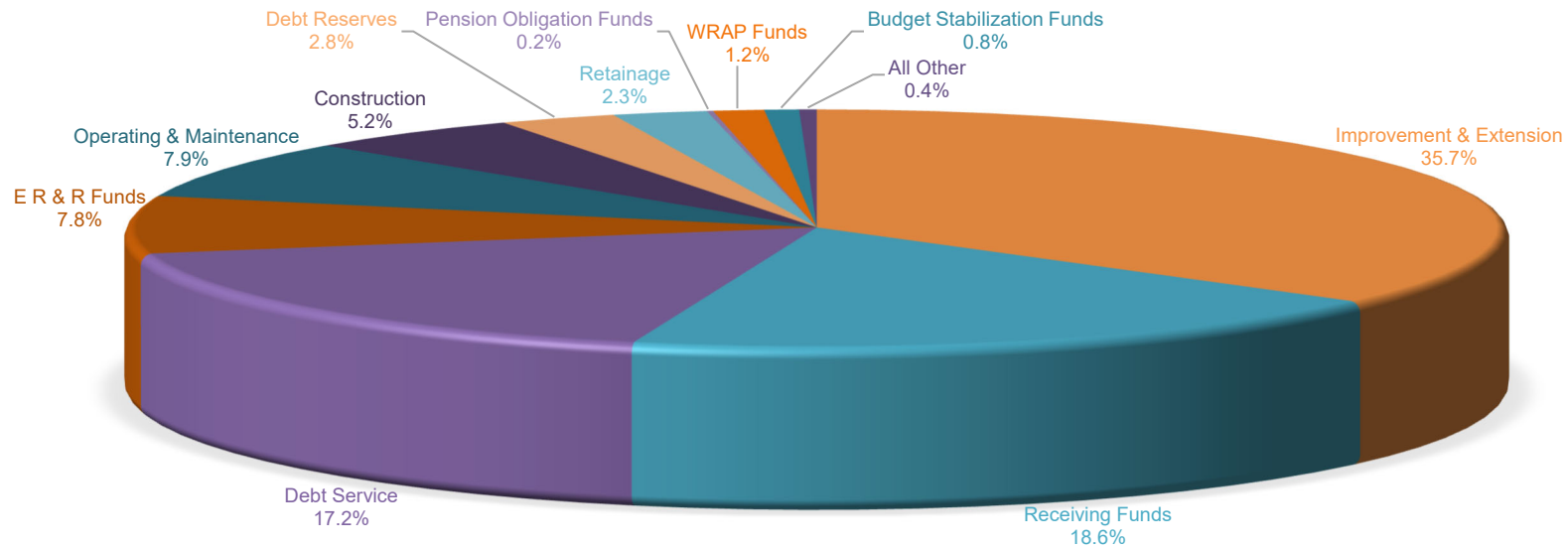
MATURITY DISTRIBUTION



In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.

Portfolio Snapshot

Investments – By Account Purpose



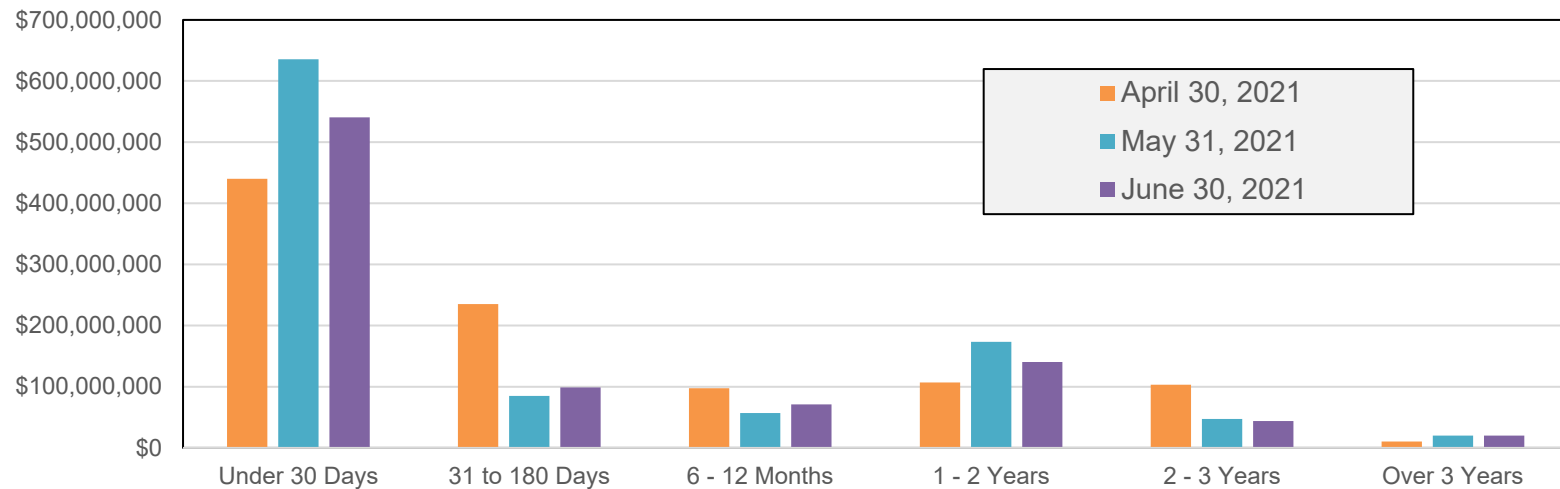
Account Purpose	Value Market	Allocation %	Cost Yield at	Market Yield at	Duration
Improvement & Extension	\$ 326,355,272	35.7%	0.89%	0.15%	0.965 Years
Receiving Funds (includes lockbox account)	\$ 170,457,266	18.6%	0.02%	0.02%	0.003 Years
Debt Service	\$ 157,096,385	17.2%	0.05%	0.05%	0.043 Years
Operating & Maintenance	\$ 72,290,537	7.9%	0.01%	0.01%	0.003 Years
Extraordinary Repair & Replacement Funds	\$ 71,539,360	7.8%	0.68%	0.36%	2.129 Years
Construction	\$ 47,525,583	5.2%	0.04%	0.04%	0.144 Years
Debt Reserves	\$ 25,394,619	2.8%	1.56%	0.09%	0.635 Years
Retainage	\$ 20,591,724	2.3%	0.01%	0.01%	0.003 Years
WRAP Funds	\$ 11,043,108	1.2%	0.10%	0.10%	0.112 Years
Budget Stabilization Funds	\$ 7,491,684	0.8%	0.51%	0.36%	2.337 Years
Flint Security Deposit Account	\$ 3,814,156	0.4%	0.01%	0.01%	0.003 Years
Pension Obligation Funds	\$ 1,374,760	0.2%	0.03%	0.03%	0.003 Years
Total	\$ 914,974,456	100.0%	0.43%	0.10%	0.564 Years

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.



Portfolio Snapshot Investments – By Maturity

Maturity Distribution	April 30, 2021		%	May 31, 2021		%	June 30, 2021		%
Under 30 Days	\$	440,120,526	44.3%	\$	635,313,706	62.4%	\$	540,442,335	59.1%
31 to 180 Days		235,109,979	23.7%		84,922,487	8.3%		98,947,660	10.8%
6 - 12 Months		97,459,298	9.8%		56,943,356	5.6%		71,091,685	7.8%
1 - 2 Years		106,848,142	10.8%		173,305,846	17.0%		140,479,738	15.4%
2 - 3 Years		103,349,962	10.4%		47,251,085	4.6%		43,971,417	4.8%
Over 3 Years		10,369,827	1.0%		20,130,143	2.0%		20,041,621	2.2%
Totals	\$	993,257,734	100.0%	\$	1,017,866,623	100.0%	\$	914,974,456	100.0%



In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.



Portfolio Snapshot

Investment Accounts – Yield at Cost & Market

	As of June 30, 2021		As of March 31, 2021	
	YTM @ Cost	YTM @ Market	YTM @ Cost	YTM @ Market
Bank Deposits				
Comerica	0.01%	0.01%	0.01%	0.01%
First Independence	0.01%	0.01%	0.01%	0.01%
Flint Deposit Account	0.01%	0.01%	0.01%	0.01%
JP Morgan Chase	0.01%	0.01%	0.14%	0.14%
Sub-Total Bank Deposits	0.01%	0.01%	0.09%	0.09%
Money Market Funds / LGIPs				
GovMIC	0.05%	0.05%	0.05%	0.05%
U.S. Bank - First American MMF	0.02%	0.02%	0.03%	0.03%
JP Morgan Securities - Blackrock MMF	0.01%	0.01%	0.01%	0.01%
Sub-Total MMF / LGIPs	0.02%	0.02%	0.03%	0.03%
Investment Portfolios				
Sewage SR Debt Serv 5403	0.00%	0.00%	0.20%	0.20%
Sewage SR Res 5400	1.04%	0.10%	1.46%	0.10%
Sew 2nd Debt Serv 5403	0.00%	0.00%	0.19%	0.21%
Sewage 2nd Res 5481	0.00%	0.00%	1.80%	0.07%
Sew SRF Debt Serv 5410	0.18%	0.15%	0.19%	0.23%
Sewage ER & R	0.66%	0.36%	1.27%	0.25%
Sewer Improvement & Extension	1.26%	0.18%	1.39%	0.14%
Sewer Pension Obligation	0.00%	0.00%	0.17%	0.19%
Sewer Wrap Fund	0.17%	0.17%	0.19%	0.21%
Sewer Budget Stabilization Fund	0.52%	0.36%	1.12%	0.30%
Sewer O&M Pension Sub Account	0.00%	0.00%	0.17%	0.19%
Water SR Debt Ser 5503	0.00%	0.00%	0.20%	0.19%
Water SR Reserve 5500	0.69%	0.07%	1.80%	0.07%
Water 2nd Debt Serv 5503	0.00%	0.00%	0.21%	0.19%
Water 2nd Res 5581	0.00%	0.00%	1.80%	0.07%
Water SRF Debt Serv 5575	0.19%	0.14%	0.20%	0.22%
Water ER & R	0.72%	0.35%	1.31%	0.24%
Water Improvement & Extension	1.21%	0.17%	1.46%	0.14%
Water Pension Obligation	0.00%	0.00%	0.17%	0.19%
Water Wrap Fund	0.14%	0.14%	0.18%	0.19%
Water Budget Stabilization Fund	0.52%	0.35%	1.11%	0.30%
Water O&M Pension Sub Account	0.00%	0.00%	0.17%	0.19%
Sub-Total Investment Portfolios	0.99%	0.20%	0.99%	0.17%
Grand Total	0.43%	0.10%	0.66%	0.13%

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



Portfolio Snapshot

Peer Analysis Comparison

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

As of June 30, 2021				
	Market Value	YTM @ Market	Effective Duration	Weighted Average Maturity
GLWA				
Great Lakes Water Authority	\$914,974,456	0.10%	0.57 Years	209 Days
Short/Intermediate-Term Indices				
S&P Rated Government Investment Pool Index		0.02%	0.08 Years	30 Days
BoA / ML 3-Month Treasury Index		0.05%	0.15 Years	55 Days
BoA / ML 6-Month Treasury Index		0.05%	0.41 Years	150 Days
BoA / ML 1-Year Treasury Index		0.10%	0.91 Years	332 Days
BoA / ML 1-3 Year Treasury Index		0.25%	1.84 Years	672 Days
BoA / ML 1-5 Year Treasury Index		0.41%	2.60 Years	949 Days
Peer Analysis (Water Entities / Utilities)				
District of Columbia Water & Sewer Authority, DC	\$221,046,146	0.23%	1.06 Years	419 Days
DuPage Water Commission, IL	\$176,542,803	0.62%	2.28 Years	1,139 Days
Fairfax County Water Authority, VA	\$168,038,571	0.33%	1.88 Years	726 Days
Metro Wastewater Reclamation District, CO	\$299,078,962	0.37%	2.10 Years	813 Days
Metropolitan Water District of Southern California, CA	\$1,023,168,049	0.35%	0.98 Years	420 Days
Philadelphia Water Department, PA	\$195,316,698	0.15%	0.96 Years	351 Days
San Bernardino Valley Municipal Water District, CA	\$416,329,134	0.32%	1.86 Years	697 Days
Tohopekalgia Water Authority, FL	\$157,591,776	0.57%	1.85 Years	887 Days
Truckee Meadows Water Authority, NV	\$106,184,626	0.42%	2.38 Years	901 Days

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



Portfolio Snapshot

Monthly Investment Income

(Book Value)

FY 2021 INVESTMENT INCOME BY MONTH (Unaudited)

Month	Interest Earned During Period	Realized Gain / Loss	Investment Income
July 2020	\$819,118.39	\$0.00	\$819,118.39
August 2020	\$804,779.94	\$0.00	\$804,779.94
September 2020	\$677,008.40	\$0.00	\$677,008.40
October 2020	\$684,428.35	\$0.00	\$684,428.35
November 2020	\$628,192.58	\$0.00	\$628,192.58
December 2020	\$571,545.59	\$0.00	\$571,545.59
January 2021	\$555,530.42	\$0.00	\$555,530.42
February 2021	\$491,722.08	\$0.00	\$491,722.08
March 2021	\$546,601.70	\$0.00	\$546,601.70
April 2021	\$458,997.83	\$0.00	\$458,997.83
May 2021	\$437,984.93	\$0.00	\$437,984.93
June 2021	\$363,523.98	\$0.00	\$363,523.98
<u>FY 2021</u>	<u>\$7,039,434.19</u>	<u>\$0.00</u>	<u>\$7,039,434.19</u>

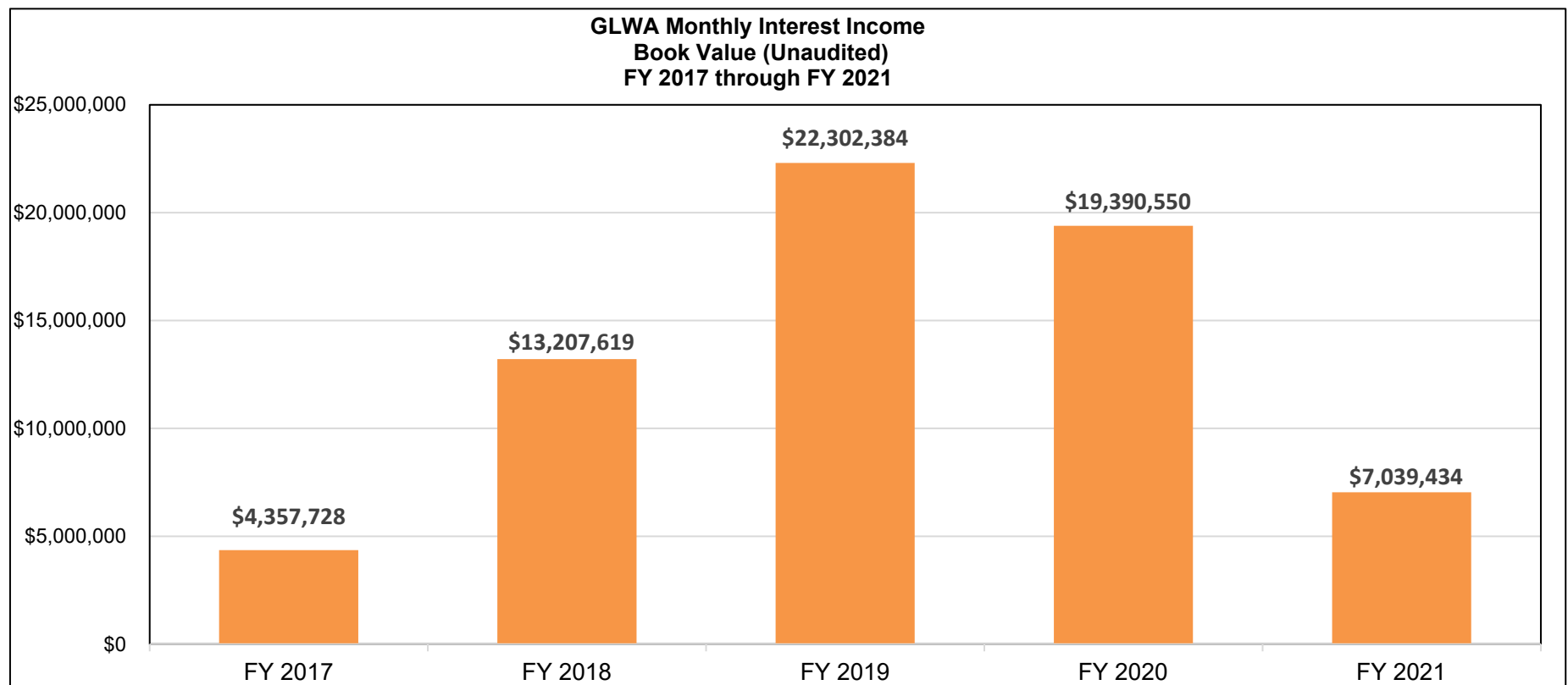
These figures are based upon actual interest earned and posted to the Authority's various accounts via book value and does not include any earnings credit rate tied to the Authority's bank deposits.



Portfolio Snapshot

Year-Over-Year Investment Income

- GLWA earned \$7,039,434 in investment income for fiscal year 2021 on a book value basis compared to \$19,390,550 for fiscal year 2020.
- Projected total investment income for fiscal year 2022 is conservatively expected to be approximately \$4.5 million, which is below than what was seen in previous years as the market anticipates the Fed Funds target rate to be near zero the next twelve months.

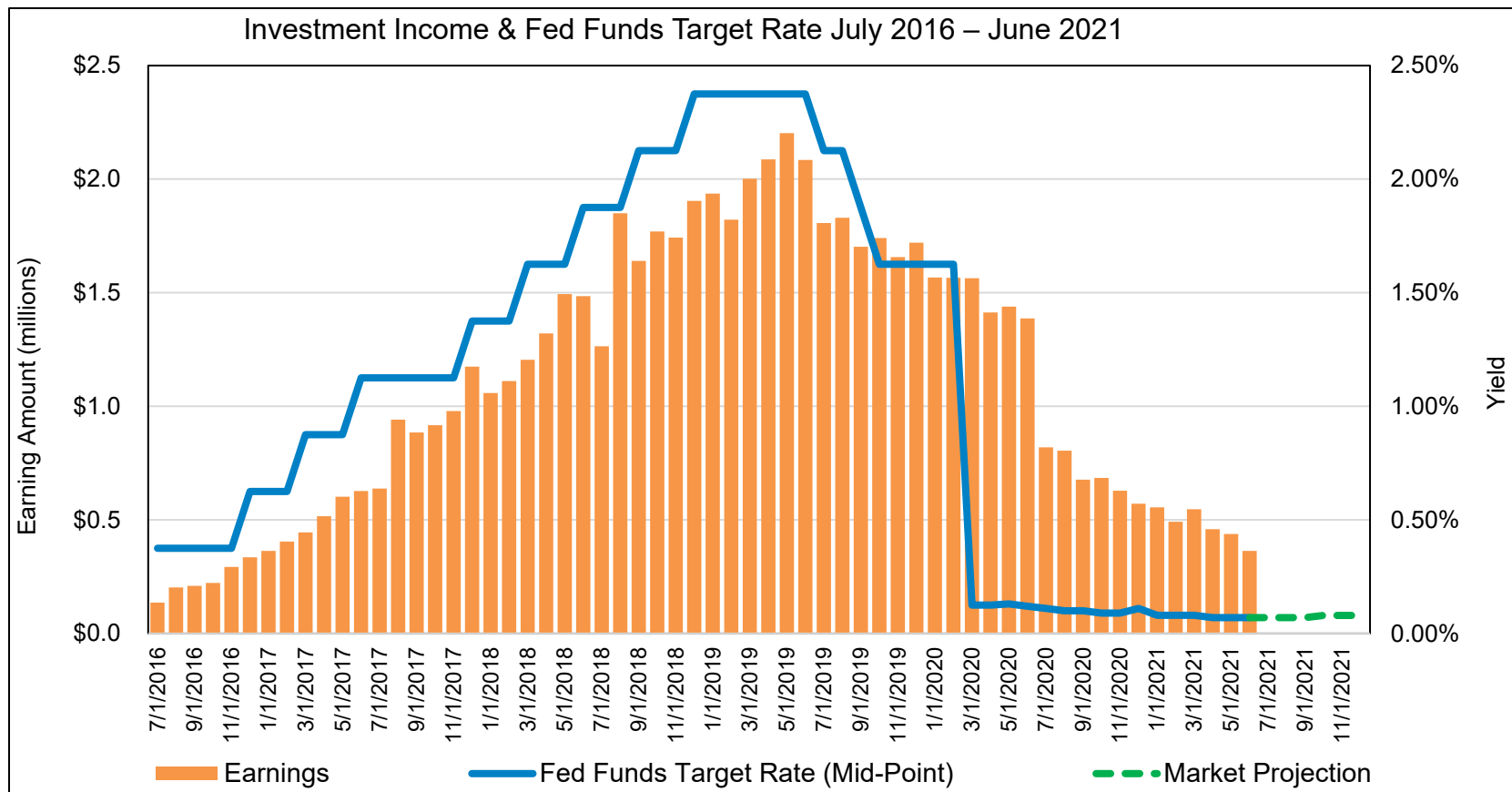




Portfolio Snapshot

Monthly Investment Income Compared to Fed Funds Rate

- Due to the short-term duration of GLWA's portfolio, it is heavily impacted by changes in the Fed Funds target rate; the chart below illustrates that GLWA's investment income has consistently followed the trend of the Fed Funds rate.
- As a result of many investment-grade fixed income sectors trading at or near pre-pandemic lows and the consensus that the Federal Reserve's zero interest rate policy will remain intact for at least the next year, investment income expectations for FY 2022 are tempered relative to the exceptional interest earned in previous years.

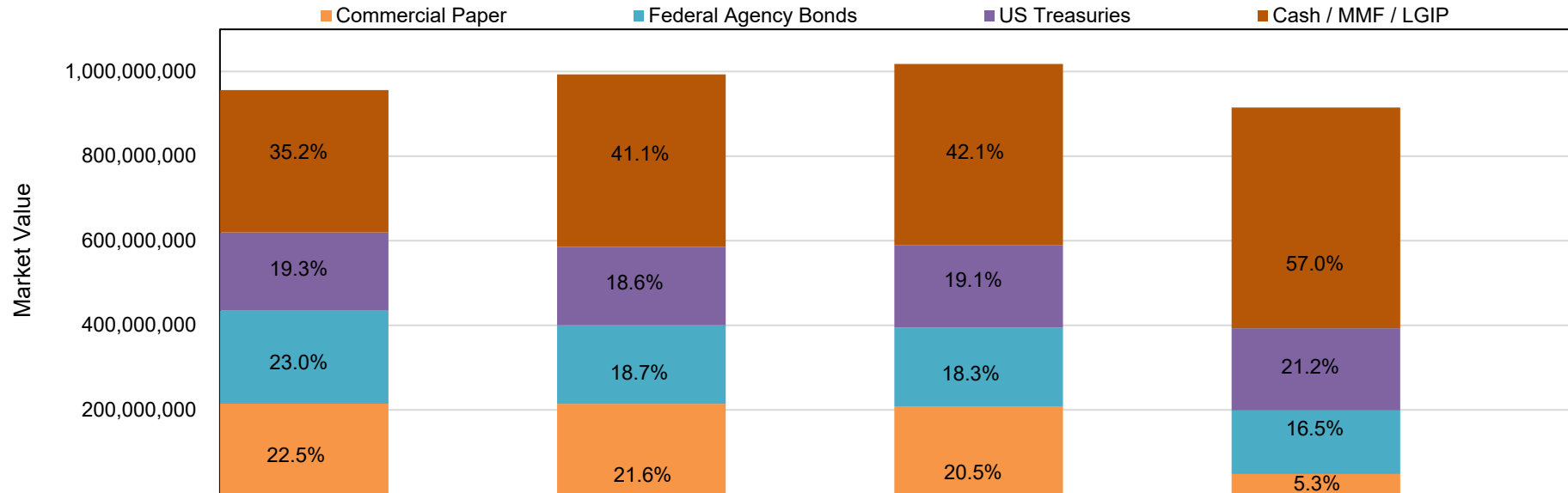


Appendix I: Portfolio Holdings



Portfolio Snapshot

Investments – By Security Type

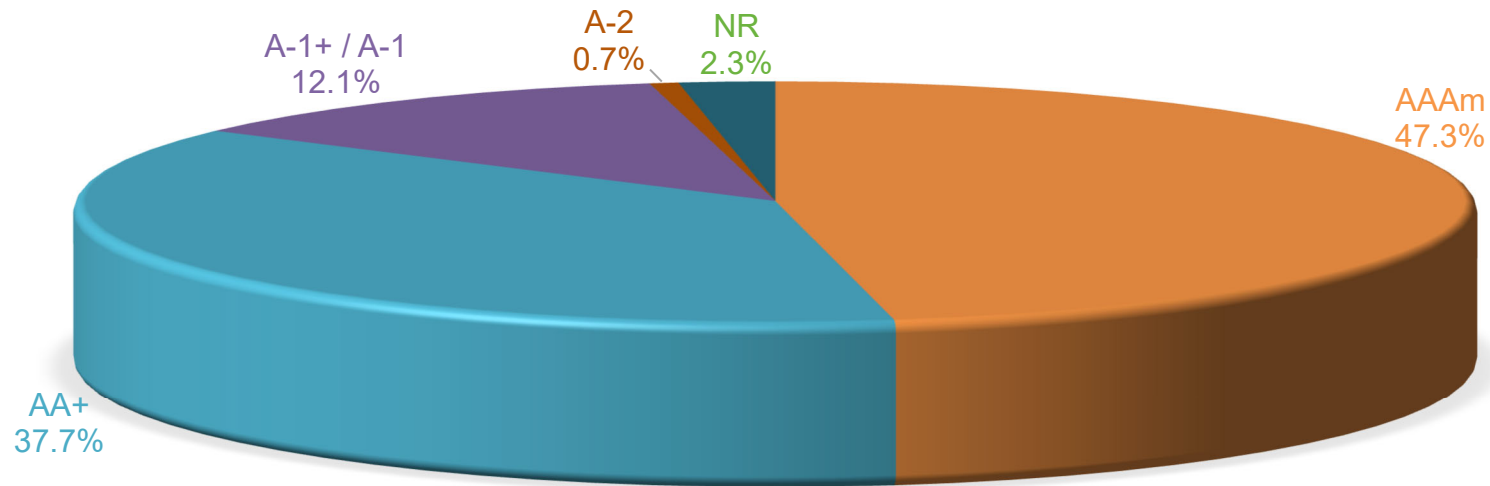


Security Type	March		April		May		June	
	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation	Market Value	Asset Allocation
Commercial Paper	214,791,918	22.5%	214,375,647	21.6%	208,384,098	20.5%	48,222,836	5.3%
Federal Agencies	219,792,740	23.0%	185,957,144	18.7%	185,855,996	18.3%	150,550,548	16.5%
U.S. Treasuries	184,970,004	19.3%	184,895,129	18.6%	194,806,148	19.1%	194,386,003	21.2%
Cash / MMF / LGIP	336,653,653	35.2%	408,029,814	41.1%	428,820,381	42.1%	521,815,068	57.0%
Total	956,208,315	100.0%	993,257,734	100.0%	1,017,866,623	100.0%	914,974,456	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.

Portfolio Snapshot

Investments – By Credit Quality



Credit Quality	Market Value	Asset Allocation
Ratings		
AAAm	432,438,691	47.3%
AA+	344,940,948	37.7%
A-1 + / A-1	110,829,229	12.1%
A-2	6,173,864	0.7%
NR	20,591,724	2.3%
Totals	914,974,456	100.0%

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.



Portfolio Holdings As of June 30, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
<u>Short-Term Bank Deposits / MMF / LGIP</u>									
COMERICA BANK		\$ 6,173,864	7/1/2021	6/30/2021	0.01%	\$ 6,173,864	1	\$ -	\$ 6,173,864
FIRST INDEPENDENCE BANK		20,591,724	7/1/2021	6/30/2021	0.01%	20,591,724	1	-	20,591,724
FLINT DEPOSIT ACCOUNT		3,814,156	7/1/2021	6/30/2021	0.01%	3,814,156	1	-	3,814,156
JP MORGAN CHASE		58,801,158	7/1/2021	6/30/2021	0.01%	58,801,158	1	-	58,801,158
GovMIC		1,734,753	7/1/2021	6/30/2021	0.05%	1,734,753	1	-	1,734,753
U.S. BANK - FIRST AMERICAN MMF		394,952,356	7/1/2021	6/30/2021	0.02%	394,952,356	1	-	394,952,356
JP MORGAN SECURITIES - BLACKROCK MMF		35,751,581	7/1/2021	6/30/2021	0.01%	35,751,581	1	-	35,751,581

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.



Portfolio Holdings As of June 30, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Commercial Paper									
Skandinavisk Bank 0 7/27/2021	83050TUT6	\$ 1,000,000	7/27/2021	1/26/2021	0.18%	\$ 999,090	27	\$ -	\$ 999,910
Royal Bank of Canada 0 8/2/2021	78013VV25	735,000	8/2/2021	3/11/2021	0.16%	734,530	33	-	734,934
Coöperatieve Rabobank 0 8/3/2021	21687AV34	417,000	8/3/2021	11/17/2020	0.24%	416,280	34	-	416,962
MacQuarie Bank LTD 0 9/1/2021	55607KW10	771,000	9/1/2021	6/1/2021	0.10%	770,803	63	-	770,854
Ridgefield Funding Co 0 9/3/2021	76582JW34	1,000,000	9/3/2021	3/11/2021	0.20%	999,022	65	-	999,800
Sumitomo Mitsui Bank 0 9/9/2021	86563GW99	793,000	9/9/2021	5/12/2021	0.15%	792,604	71	-	792,833
Sumitomo Mitsui Bank 0 9/9/2021	86563GW99	9,880,000	9/9/2021	5/12/2021	0.15%	9,875,060	71	-	9,877,925
Collat CP Co 0 9/14/2021	19424HWE6	778,000	9/14/2021	1/19/2021	0.21%	776,920	76	-	777,821
Royal Bank of Canada 0 9/14/2021	78015CWE8	945,000	9/14/2021	3/11/2021	0.17%	944,166	76	-	944,783
Collat CP Co 0 9/14/2021	19424HWE6	9,185,000	9/14/2021	1/19/2021	0.21%	9,172,248	76	-	9,182,887
Royal Bank of Canada 0 9/14/2021	78015CWE8	9,700,000	9/14/2021	3/11/2021	0.17%	9,691,434	76	-	9,697,769
LMA Americas LLC 0 10/1/2021	53944QX13	915,000	10/1/2021	5/12/2021	0.15%	914,459	93	-	914,716
LMA Americas LLC 0 10/1/2021	53944QX13	685,000	10/1/2021	3/11/2021	0.20%	684,224	93	-	684,788
LMA Americas LLC 0 10/1/2021	53944QX13	900,000	10/1/2021	5/12/2021	0.15%	899,468	93	-	899,721
MacQuarie Bank LTD 0 10/1/2021	55607KX19	531,000	10/1/2021	6/2/2021	0.10%	530,822	93	-	530,835
Collat CP Co 0 3/4/2022	19424JC46	5,000,000	3/4/2022	6/9/2021	0.17%	4,993,672	247	-	4,993,688
Collat CP Co 0 3/4/2022	19424JC46	5,000,000	3/4/2022	6/9/2021	0.17%	4,993,672	247	-	4,993,688

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Portfolio Holdings As of June 30, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
Federal Agencies									
FHLB 1.875 7/7/2021	3130AGLD5	\$ 3,715,000	7/7/2021	6/10/2019	1.96%	\$ 3,708,982	7	\$ 33,474	\$ 3,716,263
FHLB 1.875 7/7/2021	3130AGLD5	3,910,000	7/7/2021	6/10/2019	1.96%	3,903,666	7	35,231	3,911,329
FHLMC 2.375 1/13/2022	3137EADB2	10,000,000	1/13/2022	7/11/2019	1.89%	10,118,700	197	110,174	10,122,400
FHLMC 2.375 1/13/2022	3137EADB2	25,000,000	1/13/2022	7/11/2019	1.89%	25,296,750	197	275,434	25,306,000
FHLB 2.125 6/10/2022	313379Q69	10,000,000	6/10/2022	7/11/2019	1.92%	10,059,200	345	11,806	10,191,000
FHLB 2.125 6/10/2022	313379Q69	25,000,000	6/10/2022	7/11/2019	1.92%	25,148,000	345	29,514	25,477,500
FHLMC 0.375 5/5/2023	3137EAER6	6,000,000	5/5/2023	6/5/2020	0.38%	6,000,060	674	3,438	6,015,840
FHLMC 0.375 5/5/2023	3137EAER6	14,650,000	5/5/2023	6/5/2020	0.38%	14,650,147	674	8,393	14,688,676
FNMA 0.25 5/22/2023	3135G04Q3	10,000,000	5/22/2023	6/5/2020	0.36%	9,968,400	691	2,639	10,000,100
FNMA 0.25 5/22/2023	3135G04Q3	25,000,000	5/22/2023	6/5/2020	0.36%	24,921,000	691	6,597	25,000,250
FNMA 0.25 5/22/2023	3135G04Q3	240,000	5/22/2023	6/5/2020	0.35%	239,292	691	63	240,002
FNMA 0.25 5/22/2023	3135G04Q3	3,400,000	5/22/2023	6/5/2020	0.35%	3,389,970	691	897	3,400,034
FNMA 0.25 5/22/2023	3135G04Q3	670,000	5/22/2023	6/5/2020	0.35%	668,024	691	177	670,007
FNMA 0.25 5/22/2023	3135G04Q3	5,750,000	5/22/2023	6/5/2020	0.35%	5,733,038	691	1,517	5,750,058
FHLMC 0.25 6/26/2023	3137EAE54	3,150,000	6/26/2023	7/2/2020	0.29%	3,146,189	726	88	3,149,937
FNMA 0.25 7/10/2023	3135G05G4	1,250,000	7/10/2023	7/16/2020	0.29%	1,248,425	740	1,476	1,250,013
FNMA 0.25 7/10/2023	3135G05G4	1,650,000	7/10/2023	7/16/2020	0.29%	1,647,921	740	1,948	1,650,017

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Portfolio Holdings As of June 30, 2021

DESCRIPTION	CUSIP	PAR AMOUNT	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	DAYS TO MATURITY	ACCRUED INTEREST	TOTAL VALUE
U.S. Treasuries									
T-Note 1.25 10/31/2021	912828T67	\$ 10,000,000	10/31/2021	7/11/2019	1.83%	\$ 9,870,703	123	\$ 20,720	\$ 10,039,600
T-Note 1.25 10/31/2021	912828T67	2,500,000	10/31/2021	7/11/2019	1.83%	2,467,676	123	5,180	2,509,900
T-Note 1.25 10/31/2021	912828T67	17,500,000	10/31/2021	9/6/2019	1.55%	17,388,574	123	36,260	17,569,300
T-Note 1.25 10/31/2021	912828T67	270,000	10/31/2021	9/6/2019	1.55%	268,313	123	559	271,069
T-Note 1.25 10/31/2021	912828T67	3,405,000	10/31/2021	9/6/2019	1.55%	3,383,586	123	7,055	3,418,484
T-Note 1.25 10/31/2021	912828T67	730,000	10/31/2021	9/6/2019	1.55%	725,438	123	1,513	732,891
T-Note 1.25 10/31/2021	912828T67	5,765,000	10/31/2021	9/6/2019	1.55%	5,728,744	123	11,945	5,787,829
T-Note 2.625 12/15/2021	9128285R7	1,500,000	12/15/2021	7/10/2019	1.80%	1,529,414	168	1,614	1,517,520
T-Note 2.625 12/15/2021	9128285R7	2,700,000	12/15/2021	6/23/2021	1.81%	2,710,422	168	2,905	2,731,536
T-Note 2.625 12/15/2021	9128285R7	10,900,000	12/15/2021	7/10/2019	1.80%	11,113,742	168	11,726	11,027,312
T-Note 2.625 12/15/2021	9128285R7	6,050,000	12/15/2021	6/23/2021	1.81%	6,073,354	168	6,509	6,120,664
T-Note 0.125 10/31/2022	91282CAR2	200,000	10/31/2022	5/27/2021	0.10%	200,063	488	41	199,914
T-Note 0.125 10/31/2022	91282CAR2	425,000	10/31/2022	5/27/2021	0.10%	425,133	488	88	424,817
T-Note 1.5 1/15/2023	912828Z29	15,000,000	1/15/2023	2/7/2020	1.39%	15,045,703	564	103,177	15,304,050
T-Note 1.5 1/15/2023	912828Z29	15,000,000	1/15/2023	2/7/2020	1.39%	15,045,703	564	103,177	15,304,050
T-Note 0.5 3/15/2023	912828ZD5	10,000,000	3/15/2023	3/16/2020	0.58%	9,977,344	623	14,538	10,050,800
T-Note 0.5 3/15/2023	912828ZD5	20,000,000	3/15/2023	3/16/2020	0.58%	19,954,688	623	29,076	20,101,600
T-Note 0.5 3/15/2023	912828ZD5	250,000	3/15/2023	3/16/2020	0.59%	249,336	623	363	251,270
T-Note 0.5 3/15/2023	912828ZD5	3,410,000	3/15/2023	3/16/2020	0.59%	3,400,942	623	4,957	3,427,323
T-Note 0.5 3/15/2023	912828ZD5	688,000	3/15/2023	3/16/2020	0.59%	686,173	623	1,000	691,495
T-Note 0.5 3/15/2023	912828ZD5	5,765,000	3/15/2023	3/16/2020	0.59%	5,749,687	623	8,381	5,794,286
T-Note 0 8/15/2023	912833LM0	10,500,000	8/15/2023	2/7/2020	1.41%	9,992,745	776	-	10,438,470
T-Note 0 8/15/2023	912833LM0	10,500,000	8/15/2023	2/7/2020	1.41%	9,992,745	776	-	10,438,470
T-Note 1.625 10/31/2023	912828T91	130,000	10/31/2023	5/27/2021	0.20%	134,489	853	350	133,951
T-Note 1.625 10/31/2023	912828T91	3,300,000	10/31/2023	5/28/2021	0.20%	3,414,082	853	8,889	3,400,287
T-Note 1.625 10/31/2023	912828T91	425,000	10/31/2023	5/27/2021	0.20%	439,676	853	1,145	437,916
T-Note 1.625 10/31/2023	912828T91	5,500,000	10/31/2023	5/28/2021	0.20%	5,690,137	853	14,815	5,667,145
T-Note 0.125 1/15/2024	91282CBE0	260,000	1/15/2024	1/25/2021	0.18%	259,563	929	149	258,427
T-Note 0.125 1/15/2024	91282CBE0	3,420,000	1/15/2024	1/25/2021	0.18%	3,414,255	929	1,960	3,399,309
T-Note 0.125 1/15/2024	91282CBE0	695,000	1/15/2024	1/25/2021	0.18%	693,833	929	398	690,795
T-Note 0.125 1/15/2024	91282CBE0	5,790,000	1/15/2024	1/25/2021	0.18%	5,780,275	929	3,319	5,754,971
T-Note 0.25 3/15/2024	91282CBR1	125,000	3/15/2024	3/15/2021	0.33%	124,712	989	91	124,503
T-Note 0.25 3/15/2024	91282CBR1	340,000	3/15/2024	3/15/2021	0.33%	339,216	989	247	338,647
T-Note 1.5 10/31/2024	912828YM6	130,000	10/31/2024	5/27/2021	0.42%	134,773	1,219	323	134,144
T-Note 1.5 10/31/2024	912828YM6	3,300,000	10/31/2024	5/28/2021	0.42%	3,421,301	1,219	8,205	3,405,204
T-Note 1.5 10/31/2024	912828YM6	450,000	10/31/2024	5/27/2021	0.42%	466,523	1,219	1,119	464,346
T-Note 1.5 10/31/2024	912828YM6	5,500,000	10/31/2024	5/28/2021	0.42%	5,702,168	1,219	13,675	5,675,340
T-Note 0.375 4/30/2025	912828ZL7	125,000	4/30/2025	3/11/2021	0.61%	123,789	1,400	78	123,658
T-Note 0.375 4/30/2025	912828ZL7	350,000	4/30/2025	3/11/2021	0.61%	346,609	1,400	218	346,241
T-Note 0.375 12/31/2025	91282CBC4	250,000	12/31/2025	1/25/2021	0.43%	249,287	1,645	-	245,265
T-Note 0.375 12/31/2025	91282CBC4	3,400,000	12/31/2025	1/25/2021	0.43%	3,390,305	1,645	-	3,335,604
T-Note 0.375 12/31/2025	91282CBC4	685,000	12/31/2025	1/25/2021	0.43%	683,047	1,645	-	672,026
T-Note 0.375 12/31/2025	91282CBC4	5,750,000	12/31/2025	1/25/2021	0.43%	5,733,604	1,645	-	5,641,095

In addition to the totals listed above, there also exists surety bonds in the amount of \$324,809,258 as of June 30, 2021.

Appendix II: Economic Update

“Talking About, Talking About Tapering”

June

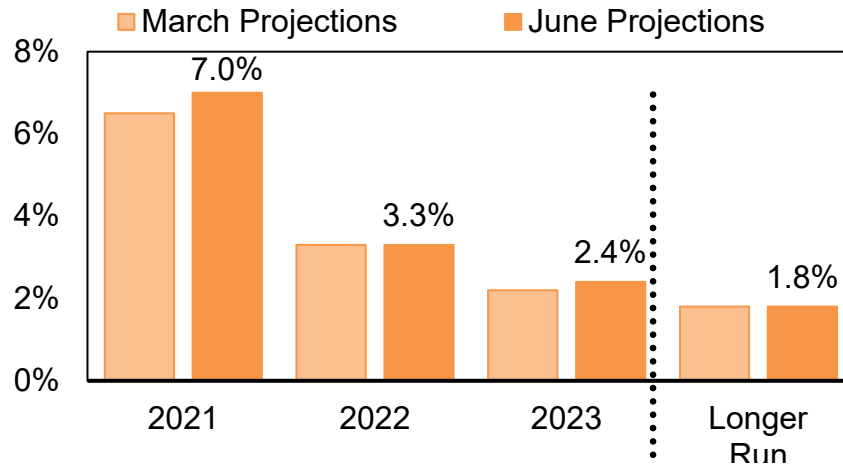
16

- Progress on vaccinations has reduced the spread of COVID-19 in the United States. ***Amid this progress and strong policy support, indicators of economic activity and employment have strengthened.***
- ***Inflation has risen, largely reflecting transitory factors.*** Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
- ***Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy*** but risks to the economic outlook remain.
- With inflation having run persistently below [the Committee’s] longer-run goal, the Committee will aim to achieve inflation ***moderately above 2.0% for some time so that inflation averages 2.0% over time*** and longer-term inflation expectations remain well anchored at 2.0%.
- The Committee **decided to keep the target range for the Federal Funds rate at 0.00% to 0.25%** and expects it will be appropriate to maintain this target range **until** labor market conditions have reached levels consistent with the Committee’s assessments of **maximum employment and inflation has risen to 2.0% and is on track to moderately exceed 2.0% for some time.**
- In addition, the Federal Reserve will **continue to increase its holdings of Treasury securities by at least \$80 billion per month and of Federal Agency mortgage-backed securities by at least \$40 billion per month** until substantial further progress has been made toward the Committee’s maximum employment and price stability goals.

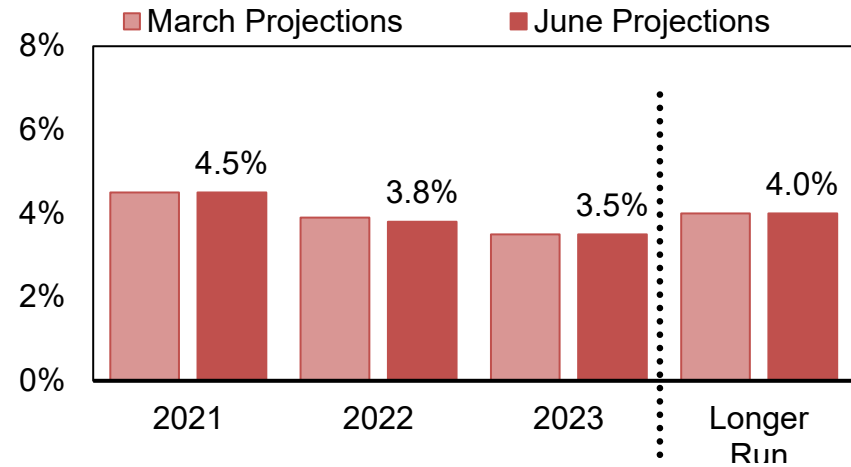
Source: Federal Reserve.

Fed's Projections Reflect Expectation for Near-Term Growth

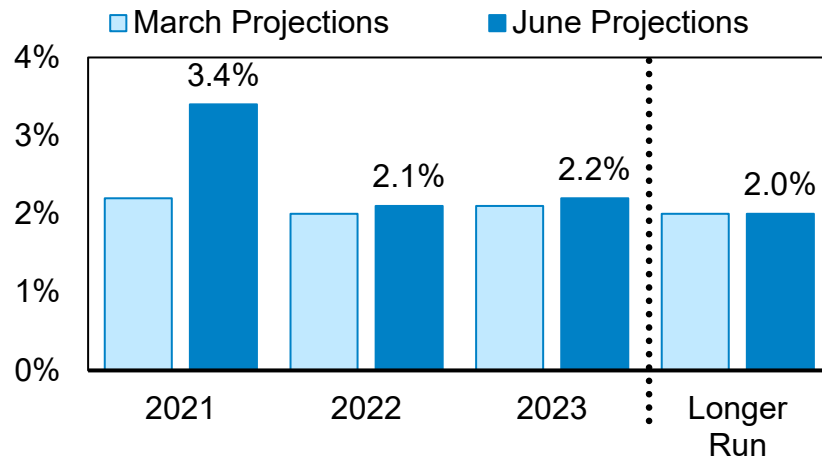
Change in Real GDP



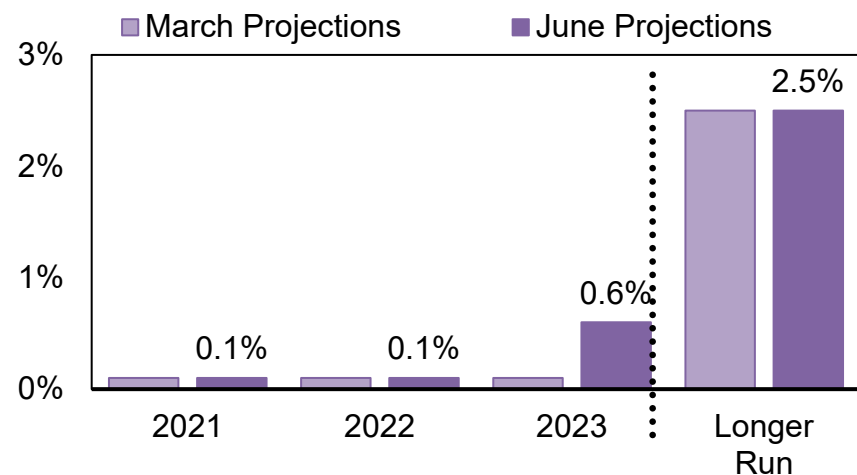
Unemployment Rate



Core PCE Inflation



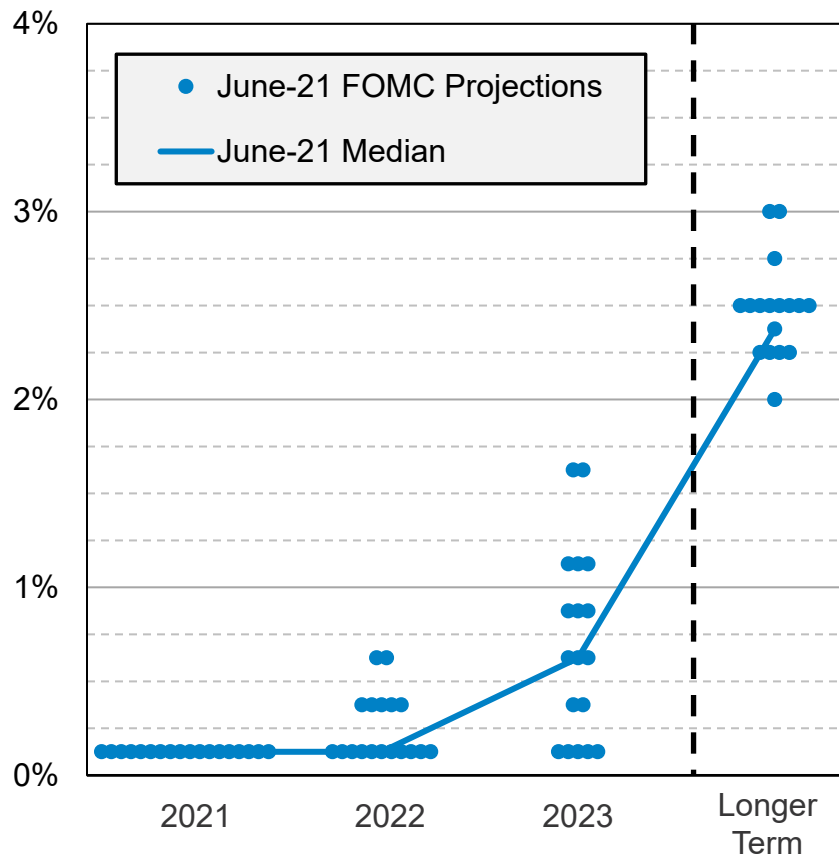
Federal Funds Rate



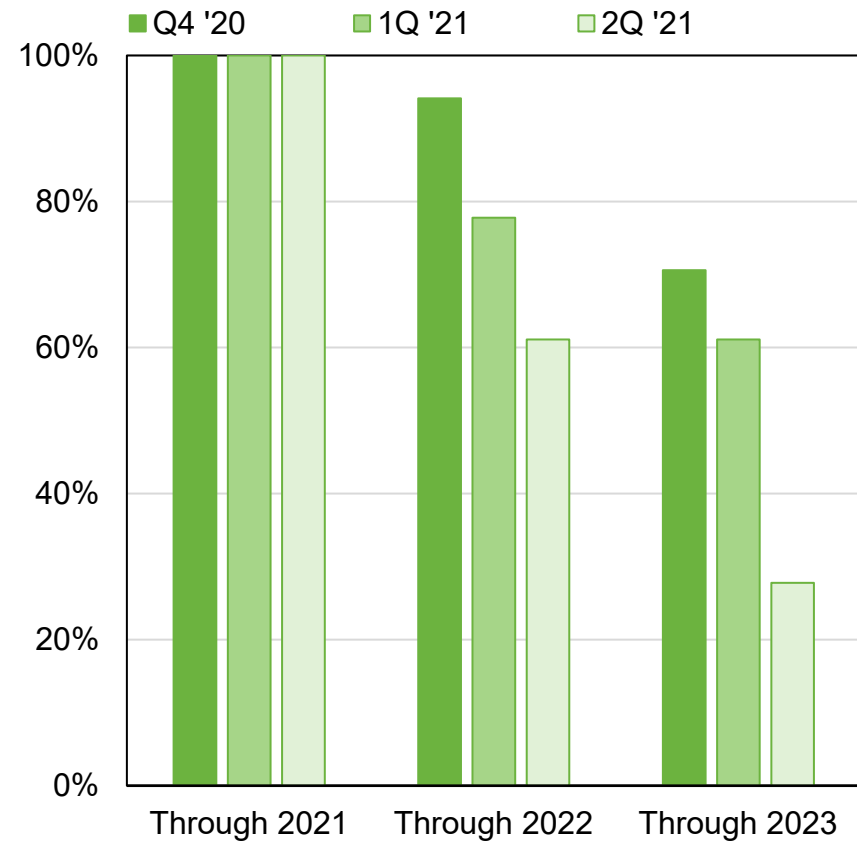
Source: Federal Reserve, latest economic projections as of June 2021.

Fed's "Dot Plot" Reflects Evolving Monetary Policy Views

Fed Participants' Assessments of 'Appropriate' Monetary Policy

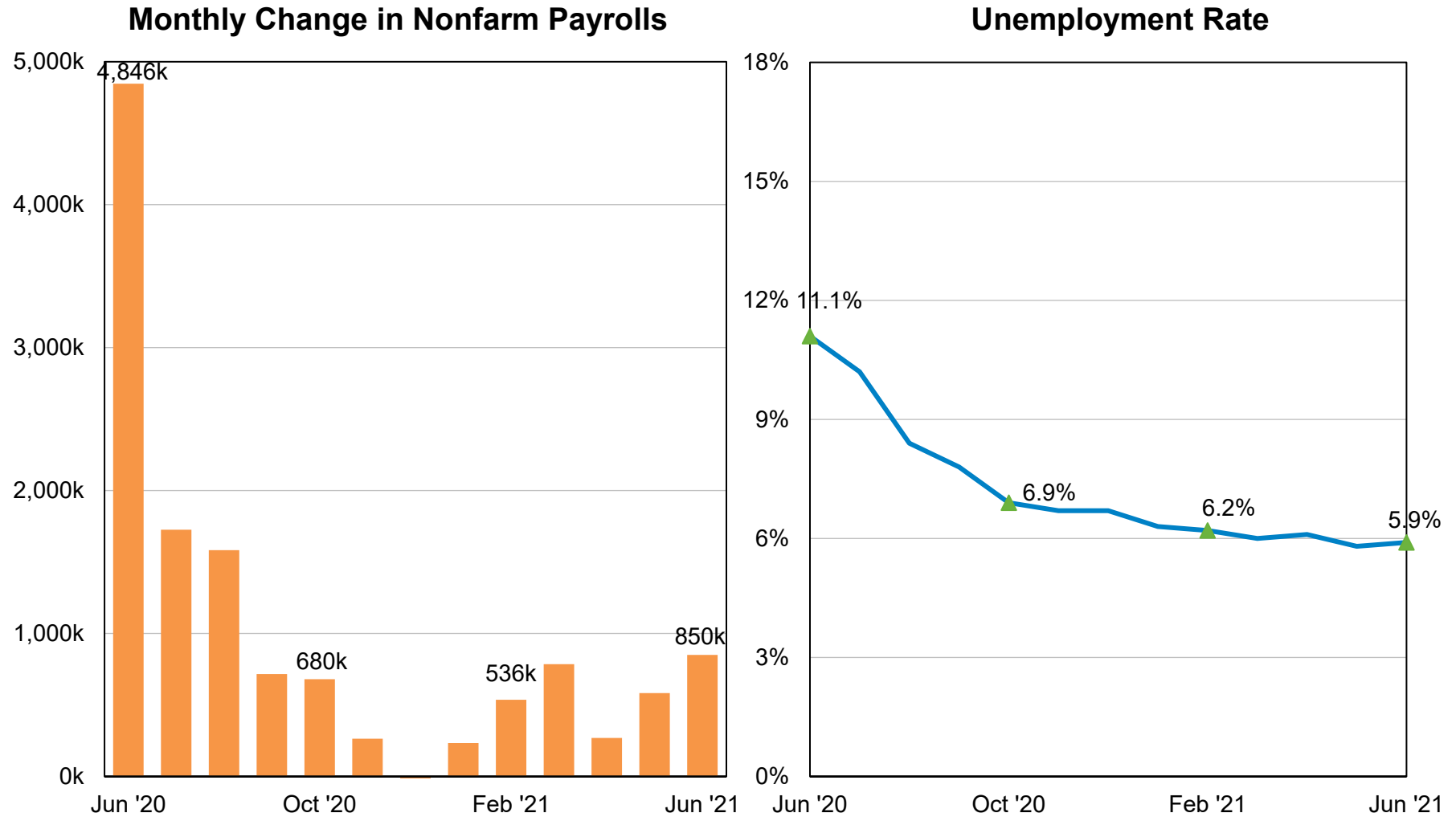


FOMC Officials Forecasting Near-Zero Target Rates (%)



Source: Federal Reserve and Bloomberg. Left Chart: Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the Federal Funds rate at each year-end. Right Chart: Based on projections of 17 officials in Q4 2020 and 18 in Q1 and Q2 2021.

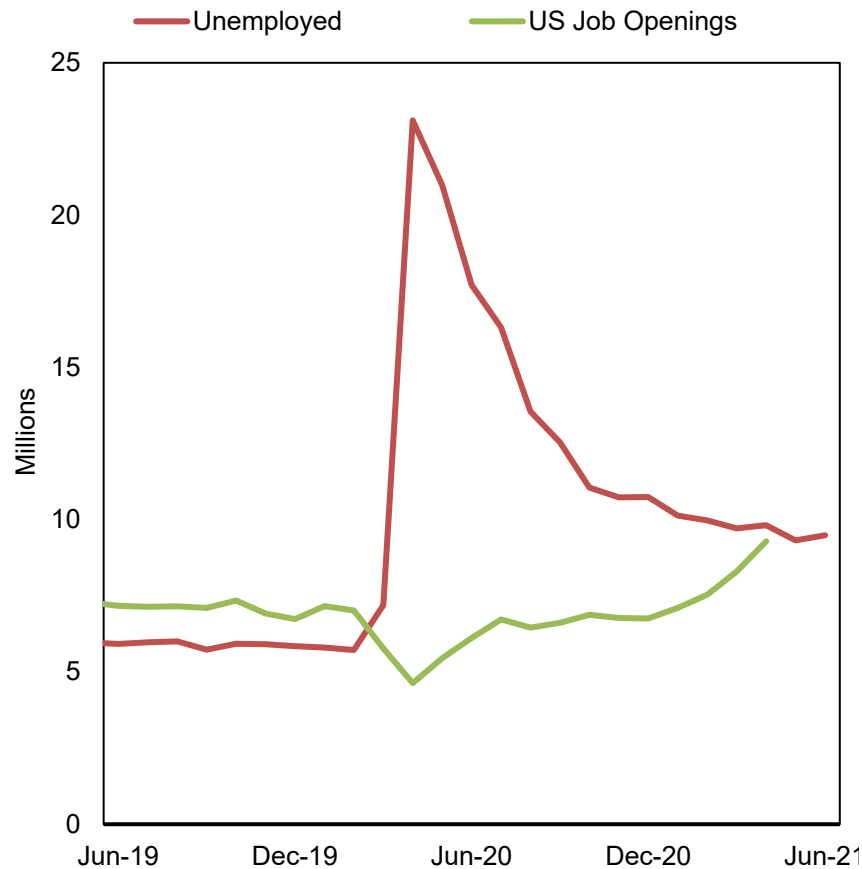
Job Market Recovery Surges



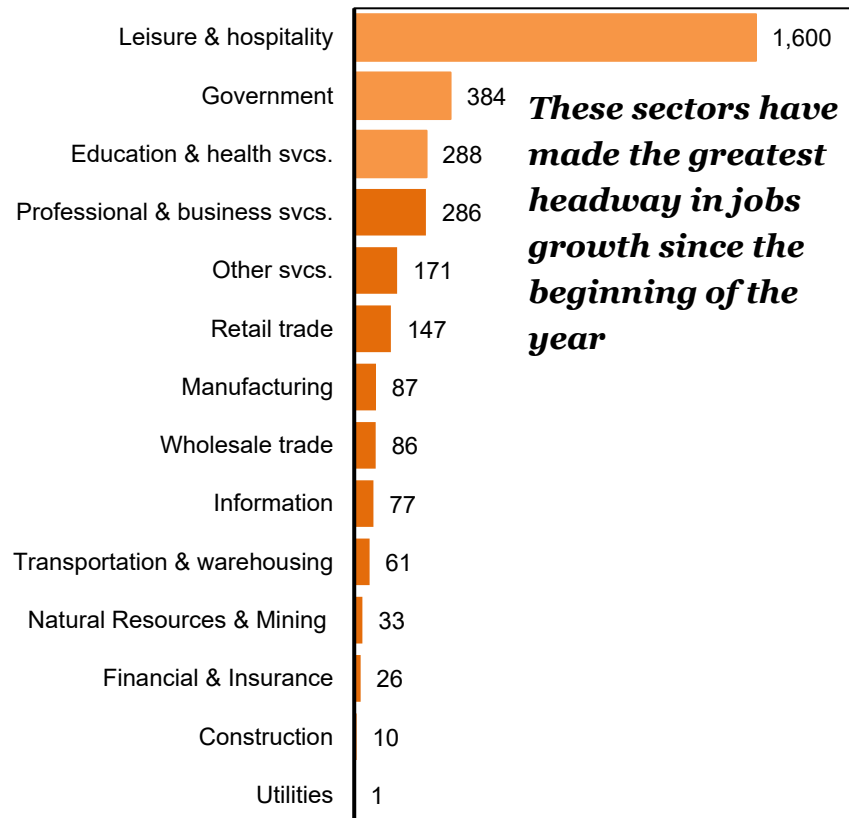
Source: Bloomberg, as of 6/30/2021.

Job Openings Hit Record High; Service Sector Leads Recovery

Job Openings vs. Unemployed Workers

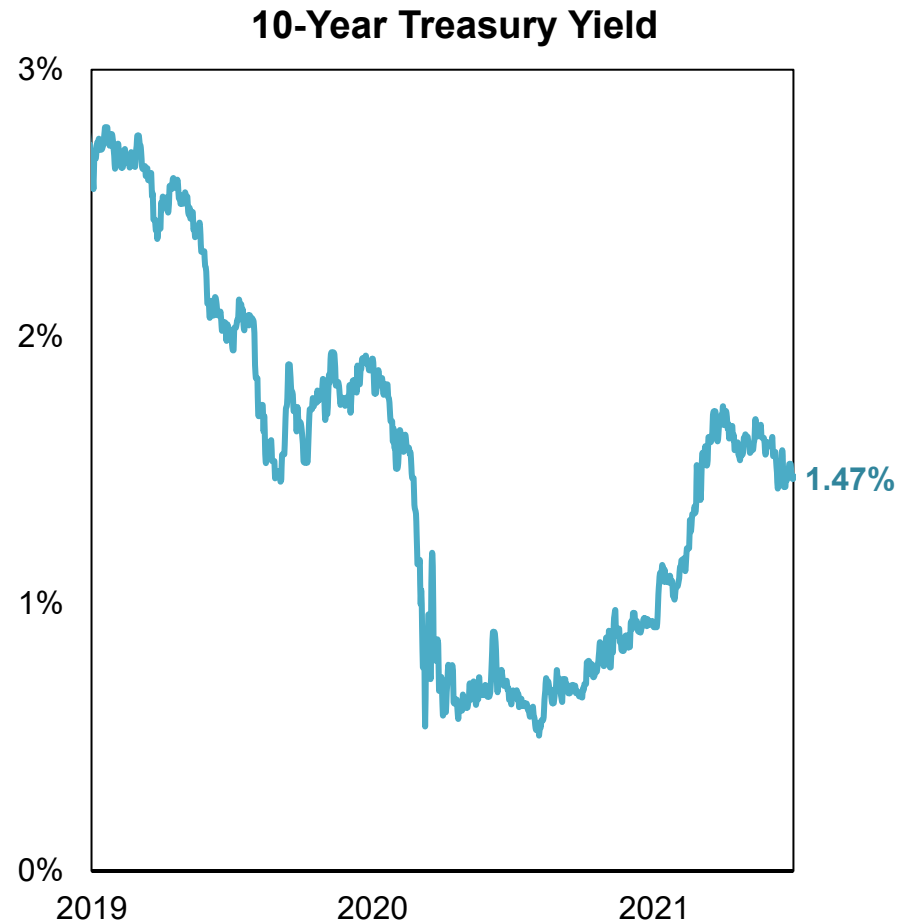
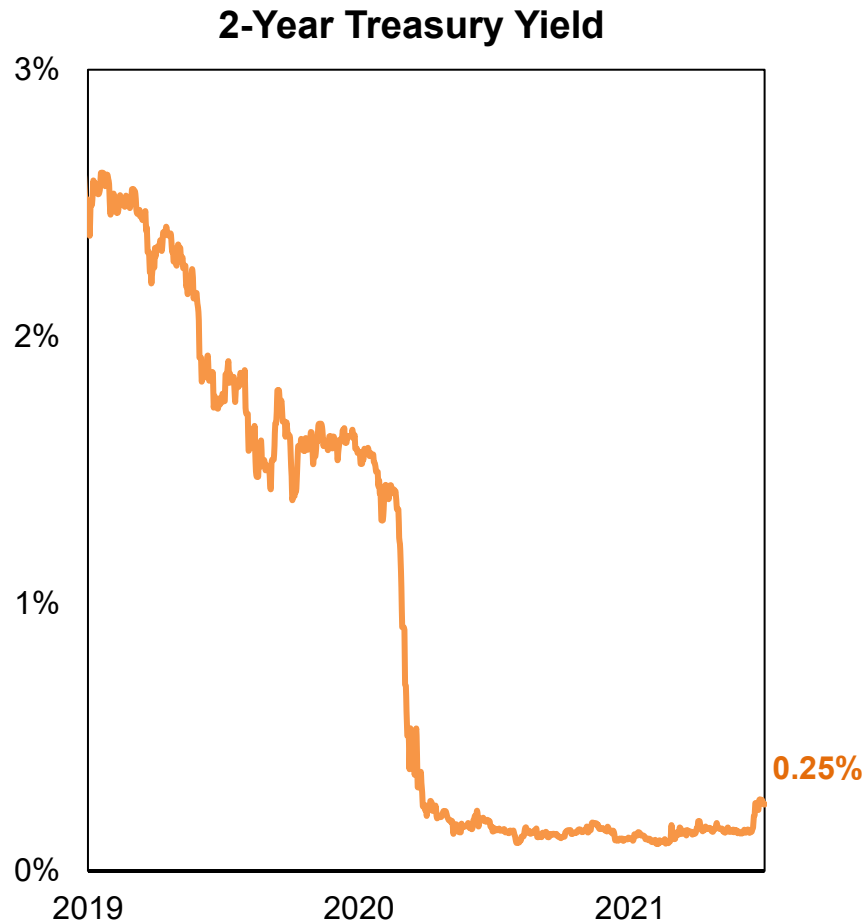


Change in Total Nonfarm Employment Since December 2020 (thousands)



Source: Bloomberg, Bureau of Labor Statistics, as of 6/30/2021.

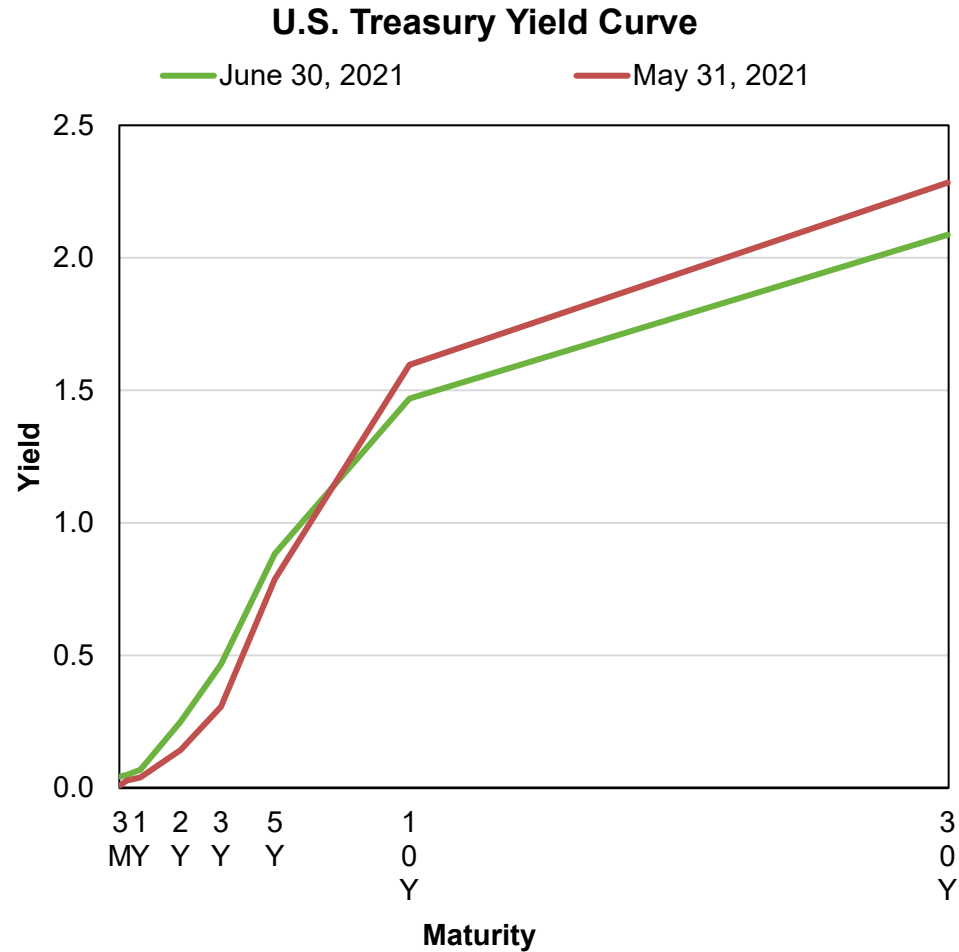
Yields Remain Relatively Constant



Source: Bloomberg, as of 6/30/2021.

Treasury Yield Curve Flattens Modestly in June

	<u>5/31/2021</u>	<u>6/30/2021</u>	<u>Change</u>
3 month	0.01%	0.04%	0.03%
6 month	0.03%	0.05%	0.02%
1 year	0.04%	0.07%	0.03%
2 year	0.14%	0.25%	0.11%
3 year	0.31%	0.47%	0.16%
5 year	0.79%	0.88%	0.10%
10 year	1.60%	1.47%	-0.13%
30 year	2.28%	2.09%	-0.20%



Source: Bloomberg, as of 5/31/2021 and 6/30/2021, as indicated.

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Economic conditions during the second quarter of calendar year 2021 were characterized by the following:
 - Dramatically lower COVID-19 caseload as vaccine inoculations ramped up, balanced with waning vaccine demand and the emergence of more infectious variants.
 - Strong consumer-oriented economic data supported by ongoing fiscal stimulus measures.
 - Elevated inflation figures by surging economic activity amid labor and supply chain shortages.
 - A late-quarter hawkish pivot from the Federal Reserve, as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward

- The U.S. Treasury yield curve flattened modestly over the quarter, as longer-term yields retraced some of their significant move higher in the first quarter of calendar year 2021, while shorter-term maturities inched higher off rock-bottom lows. Nevertheless, short-term rates (maturities less than two years) remain near historically low levels. Despite the decline in yields on longer-term maturities (greater than seven years) of 10 to 20 basis points (0.10% to 0.20%) over the quarter, the curve remains relatively steep.
 - As a result, short-term U.S. Treasury index returns were flat to slightly negative for the quarter, while longer-duration indices posted strong, positive returns on the flatter yield curve.
 - Diversification away from U.S. Treasuries was again additive to performance as the spreads on most non-government sectors re-tested multi-year highs throughout the quarter. As a result, most investment grade spread sectors produced positive excess returns relative to comparable duration Treasuries, but by a smaller amount than in recent periods as incremental income was modest.

Fixed Income Market Overview and Outlook

FIXED INCOME MARKET – ECONOMIC HIGHLIGHTS

- Our strategy for the second quarter of calendar year 2021 encompassed the following:
 - Our strategic themes were largely carried forward from the first quarter of calendar year 2021: maintain core allocations in most sectors, while opportunistically trimming non-Treasury allocations in certain sectors and maturities where spreads reached multi-year lows, and carefully manage risk considering inflationary pressures and Fed policy uncertainty.
 - We largely maintained a neutral duration stance relative to benchmarks as yields remained mostly range-bound.
 - The Federal Agency sector experienced 1 to 2 basis points of spread widening, mostly concentrated in the 4 – 5 year and 7 – 10-year areas of the curve. Allocations to the sector were reduced selectively, locking in strong performance from previously purchased Agency securities at much wider spreads following the market disruptions over one year ago.
 - Short-term credit (commercial paper) yields continued to decline over the quarter with some of the shortest tenors continuing to offer low absolute yields while still offering a spread to comparable maturity Treasuries trading at near zero levels. Towards the end of the quarter, short-term government securities drifted higher in response to the Fed's adjustment of interest rate on excess reserves (IOER) and the reverse repo rate (RRP).
- The strong U.S. economic expansion is expected to persist, aided by vaccine-driven re-openings, pent-up consumer demand, and continued fiscal and monetary support. Calendar year 2021 GDP expectations have been revised upward, with current forecasts pointing to an annualized 6% growth this year. However, growing inflationary pressures may force the Federal Reserve's hand when considering tapering its bond purchases, and ultimately future rate increases.
 - Interest rates at the very short end of the U.S. Treasury yield curve are expected to remain anchored by the Fed's zero interest rate policy, while yields on the long end of the curve will respond to emerging inflation expectations.

Disclosure

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.



Welcome to the August 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: Attending Pre-Bid/Proposal Meetings for GLWA Solicitations and Submitting Questions in Bonfire

When deciding to submit a response to a GLWA solicitation, Procurement strongly encourages all vendors to attend the Pre-Bid or Pre-Proposal meeting for that solicitation for several reasons.

- ✓ Vendors can learn more about the project from the GLWA Project Manager as well as better gauge if it is a fit for their business.
- ✓ Vendors can learn about other vendors who are interested in submitting a response. Prime vendors who are seeking qualified subcontractors, or smaller businesses who seek to partner with a larger firm, may discover “matchmaking” opportunities. An attendance list for all Pre-Bid/Proposal meetings is always published afterwards as an addendum in Bonfire.
- ✓ For any solicitation that qualifies for GLWA’s Business Inclusion and Diversity (B.I.D.) Program, a Procurement representative will review the B.I.D. Program requirements and answer any questions vendors may have.

In addition to Pre-Bid/Proposal meetings, each GLWA solicitation also has a “Question and Answer Period.” During this period, vendors may submit questions they have related to the project by the deadline noted in the Bonfire project page. These questions are then answered in an addendum which ensures that all vendors receive the same information, and that the solicitation process remains fair and transparent for all participating.

To learn more about any upcoming Pre-Bid/Proposal Meetings, or to submit a question regarding a GLWA solicitation, please visit [GLWA’s Bonfire Procurement Portal](#). Any further questions on these topics may be directed to the GLWA Buyer of Record associated with the solicitation.

Reminder: Visitor COVID-19 Badged Access Requirements Remain in Effect Until 9/1/2021

GLWA’s Visitor COVID-19 Access Requirements and Safety Protocols are in effect until September 1, 2021. For a detailed overview of the mandatory access requirements and safety protocols for all visitors to GLWA facilities and project worksites, please carefully review [Coronavirus Update #130](#) which is available on the [GLWA Vendor Webpage](#). Any additional questions regarding GLWA’s Visitor COVID-19 Access Requirements may be directed via email to [Michael Lasley](#) and [Megan Torti](#).

Virtual Introduction Meetings with GLWA

If you are interested in learning more about doing business with GLWA, contact us at GLWAVendorOutreach@glwater.org to schedule a vendor introductory meeting. Topics include helpful information on submitting a competitive bid or proposal to a GLWA solicitation, as well as the requirements for GLWA’s Business Inclusion and Diversity (B.I.D.) Program.

Where to Meet GLWA

GLWA attends vendor outreach events throughout southeast Michigan. We welcome you to join us at the following upcoming events:

- ✓ [Pure Michigan Business Connect \(PMBC\) and Flint & Genesee Economic Alliance PTAC Virtual Meet the Buyer Event](#) on August 12, 2021 from 9am-12pm.
- ✓ [Macomb PTAC Virtual Meet the Buyer Event](#) on August 19, 2021 from 9am to 12pm.

What’s Coming Down the Pipe?

Current Solicitations: Be sure to register in [Bonfire](#) for new solicitations and contract award information. *Upcoming Procurements: Next Three to Nine Months* - See page 2

Visit GLWA online! See the Vendors page at www.glwater.org or contact us via email at procurement@glwater.org.

Upcoming Solicitations August 2021

Category	Description	Budget Estimate
Water System (next three months)		
Engineering	North Service Center Pumping Station Improvements (CIP #132016)	\$8,150,000
Design Build	Belle Isle Seawall Rehabilitation (CIP #116005)	\$1,740,000
Design	Reservoir Inspection, Design, Construction Administration, and RPR Services (CIP #170802)	\$5,400,000
Progressive Design Build	Water Works Park High Lift Pumping Station Modernization (CIP #115007)	\$88,400,000
Progressive Design Build	Lake Huron WTP Instrumentation and Filter Control Improvements (CIP #111006)	\$15,262,000
Wastewater System (next three months)		
Design Build	Control System Upgrade – St. Aubin, Leib, and 7 Mile CSO Facilities (CIP #260619)	\$7,000,000
Construction	Generator Improvements (Controls upgrades, Generator modifications) (JOC) (CIP #260600) (CSO)	\$1,000,000
Construction	Hubbell Southfield CSO Basin Pipe Hanger Replacement	\$1,500,000
Construction	HAZMAT (Hazardous Material) Building Renovation (CIP #216010)	\$1,500,000
Maintenance Services	Facilities Maintenance Services	\$17,000,000
Water System (next four to nine months)		
Construction	Roof Replacement – Lake Huron WTP and Southwest WTP (CIP #171500)	\$3,000,000
Purchase	Springwells WTP Pumping Unit Procurement Package (CIP#114002 Contracts E thru G)	\$56,000,000
Purchase	Springwells WTP Pumping Unit Procurement Package (CIP#114002 Contracts H thru I)	\$12,500,000
Wastewater System (next four to nine months)		
Professional Services	Virtual Tour and Laser Scanning Services	TBD
Design	Pilot Netting Facility Project (CIP #270001) (CSO)	\$2,250,000
Construction	Rehabilitation of CSO Outfall Backwater Gates (CIP #260510)	\$5,000,000
Construction	WRRF Administration Building 4 th Floor Renovation (CIP #216010)	\$2,500,000
Construction	Pump Station #1 Screenings Building HVAC Improvements (CIP #211006)	\$1,000,000
Construction	Connor Creek Sewer System Rehabilitation (CIP #260208)	\$24,400,000
Design Build	WRRF Rehabilitation of Intermediate Lift Pumps (ILPs) 1 & 2 and Modifications to Aeration Decks 1 & 2 to Incorporate Biological Phosphorus Removal and Step Feed (CIP #212008)	\$60,000,000
Construction	WRRF Pump Station #1 Improvements (CIP #211006)	\$55,000,000
Design Build	WRRF Structural Improvements (CIP #216011)	\$12,000,000
Design Build	Sewer Repair Contract (CIP #260200)	\$22,400,000
Construction	Rehabilitation of Northwest Interceptor from 8 Mile Road to Warren Pierson (CIP #260205)	\$7,000,000
Design	Architectural & Safety Improvements to CSO Facilities (CIP #260600)	\$1,400,000

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

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