

Great Lakes Water Authority

*735 Randolph Street
Detroit, Michigan 48226
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Meeting Minutes - Draft

Friday, March 16, 2018

8:00 AM

Water Board Building 5th Floor

Audit Committee

1. Call To Order

Chairman Baker called the meeting to order at 8:10 a.m.

2. Quorum Call

Present: 3 - Chairman Brian Baker, Director Gary Brown, and Director Robert Daddow

3. Approval of Agenda

Chairman Baker requested a Motion to approve the Agenda.

Motion By: Robert Daddow

Support: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

Nicolette Bateson, Chief Financial Officer/Treasurer noted there was an Audit Committee Meeting Binder Addendum which was distributed to the Committee.

4. Approval of Minutes

A. [2018-653](#) Approval of Minutes of February 23, 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [February 23, 2018 Audit Committee Meeting Minutes](#)

Chairman Baker requested a Motion to approve the February 23, 2018 Audit Committee Meeting Minutes.

Motion By: Robert Daddow

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

Raphael Chirolla (Oakland County Water Resources Commissioner's office), on behalf of the Oakland/Macomb Interceptor District (OMID), addressed the Audit Committee regarding the Charge Stability Adjustment and requested GLWA to update the information relative to the charges being proposed.

6. Old Business

A. [2018-654](#) Annual Update & Financing Strategy with PFM (Part 2 of 2)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [PFM Rating Agency Criteria and Peer Comp 3.16.18 v2](#)
[GLWA Peer Comparison and Rating Considerations 2018 vFINAL](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2018-655](#) Update: FY 2019 & FY 2020 Biennial Budget and FY 2019 - FY 2023 Financial Plan

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Update Biennial Budget and FY 2019 – FY 2023 Financial Plan 3.16.2018](#)
[Supplemental Budget Analysis Distributed 2.28.2018](#)

Nicolette Bateson, Chief Financial Officer/Treasurer gave a verbal update regarding the Update of FY 2019 - FY 2020 Biennial Budget FY 2019 - 2023.

Motion By: Gary Brown

Support By: Robert Daddow

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2018-656](#) FY 2017 Audit Extension Request

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Request for Audit Extension FY 2017 3.16.2018](#)
[GLWA FY 2017 CAFR extension to April 30 2018](#)
[2017 GLWA Extension 20180301 Granted to 4.30.2018](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

7. New Business

A. [2018-657](#) Water Residential Assistance Program Update and Proposed Program Assistance Allocation Changes

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [WRAP Update 3.16.18](#)

[Supplemental WRAP Update Documents 3.16.18](#)

[WRAP Communities](#)

Motion By: Robert Daddow

Support By: Gary Brown

Action: Postponed

The motion carried by a unanimous vote.

Director Daddow motioned, supported by Director Brown to postpone this item to the Board of Directors Workshop Meeting of April 11, 2018.

B. [2018-658](#) Request for Public Hearing: Drinking Water Revolving Fund (DWRf) Project Plan Submittals for the Lake Huron Water Treatment Plant Sludge System Improvements Project and the Waterworks Park to Northeast Transmission Main Project

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Audit Committee Communication 2019 DWRf Projects](#)

[LHWTP Public Hearing Notice](#)

[Resolution - LHWTP](#)

[CONVEYANCE 84 TRANS Public Hearing Notice](#)

[Resolution - Conveyance System Transmission Main](#)

Motion By: Robert Daddow

Support By: Gary Brown

Action: Recommended for Approval to the Board of Directors

Agenda of March 28, 2018

The motion carried by a unanimous vote.

C. [2018-659](#) GLWA Sewer Charge Stability Adjustment

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Charges Stability Adj 031318](#)

Motion By: Robert Daddow

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

8. Reports

A. [2018-660](#) Quarterly Investment Report through December 31, 2017 (Unaudited)

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Quarterly Investment Report as of 12.31.2017](#)

[GLWA Quarterly Report December 2017 by PFM](#)

Motion By: Robert Daddow

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

B. [2018-661](#) Monthly Revenue & Collections Report for January 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Monthly Revenue and Collections Report 03.16.2018 \(Feb\)](#)

[AR Aging W S IWC PS 02.28.18](#)

[Addendum- Update on Accounts Receivable Report 03.16.2018 Aging Explanations](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

C. [2018-662](#) Treasury Report: Cash Transfers through February 1, 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [DWSD & GLWA Cash Transfers March 2018](#)

[Monthly Transfers to DWSD March 2018](#)

[Monthly Transfers to GLWA March 2018](#)

Motion By: Gary Brown

Support By: Robert Daddow

Action: Received and Filed

The motion carried by a unanimous vote.

D. [2018-663](#) Construction Work-in-Progress Report through September 30, 2017

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [FY 2018 Q1 Construction Work-in-Progress Report 3.16.2018](#)
[CWIP Quarterly Report Q1 as of 3.15.2018](#)

Motion By: Robert Daddow

Support By: Gary Brown

Action: Received and Filed

The motion carried by a unanimous vote.

E. [2018-664](#) Procurement Group Process Improvements - Implementation of Bonfire

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Memorandum Procurement - Bonfire OR Final \(2\)](#)

Motion By: Gary Brown,

Support By: Robert Daddow

Action: Received and Filed

The motion carried by a unanimous vote.

F. [2018-665](#) Addendum CFO Update-Key Performance Indicators

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Key Performance Indicators](#)

Nicolette Bateson, Chief Financial Officer/Treasurer, provided an update to the Audit Committee on the Key Performance Indicators, which are in development as requested by the GLWA Board of Directors.

9. Look Ahead

The Next Audit Committee Meeting is scheduled for Friday, April 20, 2018 at 8:00 a.m.

10. Information

- A. [2018-666](#) City of Detroit Water and Sewerage Department Audited Financial Report
FYE June 30, 2017

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Information Cover City of Detroit Water and Sewer Audited Financial Report FYE June 30, 2017](#)
[City of Detroit Water and Sewer Audited Financial Report FYE 6.30.2017](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

- B. [2018-667](#) City of Detroit Water and Sewerage Department Monthly Financial Report
for January 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Information Cover DWSD January 2018 Report](#)
[DWSD January 2018 Report presented March 2018](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

- C. [2018-668](#) City of Detroit Water and Sewerage Department Proposed FY 2019
Budget as of February 7, 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Information Cover DWSD January 2018 Report](#)
[DWSD Preliminary Budget Review for BOWC - FY 2019 2.2.18_v4_FINAL](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

- D. [2018-669](#) City of Detroit Water and Sewerage Department Preliminary FY 2019-2023 Capital Improvement Plan as of February 7, 2018

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [Information Cover Preliminary CIP as of 2.7.2018](#)
[DWSD FY2019-2023 Preliminary CIP as of 2.7.2018](#)

Motion By: Robert Daddow

Support By: Brian Baker

Action: Received and Filed

The motion carried by a unanimous vote.

11. Other Matters

Chairman Baker indicated he would like the full Board to be notified if there are any impacts of internal cost allocations from the Financial Services cost studies.

Sue McCormick, Chief Executive Officer, informed the Audit Committee that during GLWA's Partnership Meeting held March 15, 2018, she reminded the member partners of GLWA's two (2) day effort of reviewing cost allocation models for wastewater to be held with wholesale customers on May 1 - 2, 2018.

Nicolette Bateson, Chief Financial Officer/Treasurer, informed the Audit Committee of a May 7, 2018 event to learn more information on water storage, where GLWA's Public Affairs Group launched a video for Farmington Hills.

12. Adjournment

Chairman Baker requested a Motion to Adjourn.

Motion By: Gary Brown

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 10:56 a.m.