



Financial Services Audit Committee Communication

Date: June 19, 2020

To: Great Lakes Water Authority Audit Committee

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

Re: CFO Update

Background: This month, we provide an update on three key topics.

1. Special Report from The Foster Group: Series 2020 Bond Results and Impact on June 17, 2020 FY 2021 – 2022 Forecast Update
2. Update: Detroit Water & Sewerage Department (DWSD) Retail Receipt Cash Logs
3. Progress: Selection of Water Residential Assistance Program (WRAP) Technical Advisor

Analysis: Please note the following updates.

1. Special Report from The Foster Group: Series 2020 Bond Results and Impact on June 17, 2020 FY 2021 – 2022 Forecast Update

The above report, attached, provides additional budgetary considerations beyond the FY 2021 budget amendments presented earlier on this agenda. The cautionary statement is that there continues to be several simultaneous moving conditions. As we reach the FY 2020 year-end, we were closing on the recent sewer bond refunding transaction this week and are continuing to assess impacts of the evolving COVID-19 pandemic impact on GLWA operations and general economic conditions. The bottom-line message to our team is that we remain nimble in our financial plan.

2. Update: Detroit Water & Sewerage Department (DWSD) Retail Receipt Cash Logs

Post-declaration of the COVID-19 pandemic, the retail system experienced a decline in cash receipts. See attached report which presents improvements in May 2020 and month to date for June 2020.

3. Progress: Selection of Water Residential Assistance Program (WRAP) Technical Advisor

This week, we selected a technical advisor, Public Sector Consultants, to support the evaluation of WRAP as we prepare for an upcoming WRAP program provider services. Presently, the contract is being finalized with a start date expected in the next ten days. The proposal response and presentation are attached. We look forward to working with PSC as they have experience with other similar programs throughout the state. The evaluation of the program will include focus groups including the GLWA Board.

Proposed Action: Receive and file this report.