



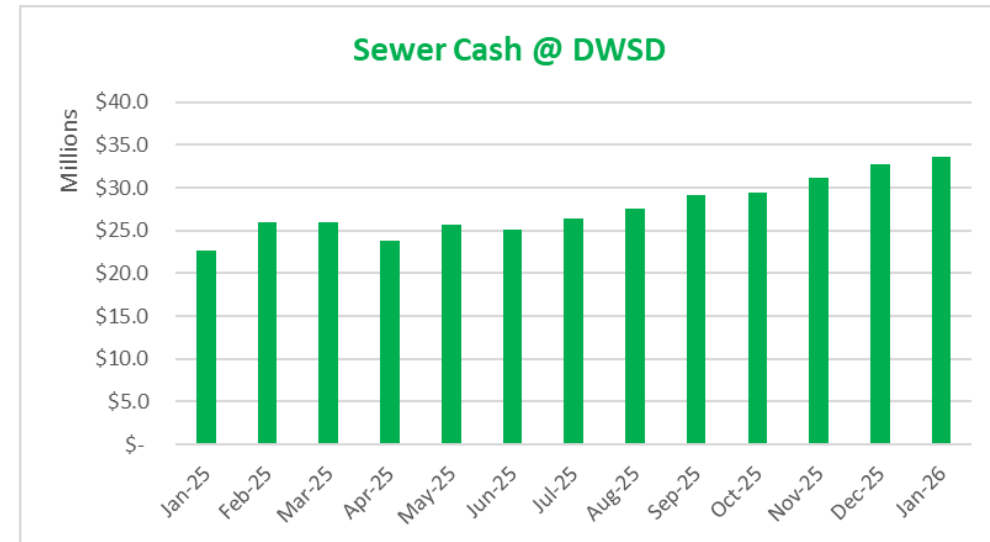
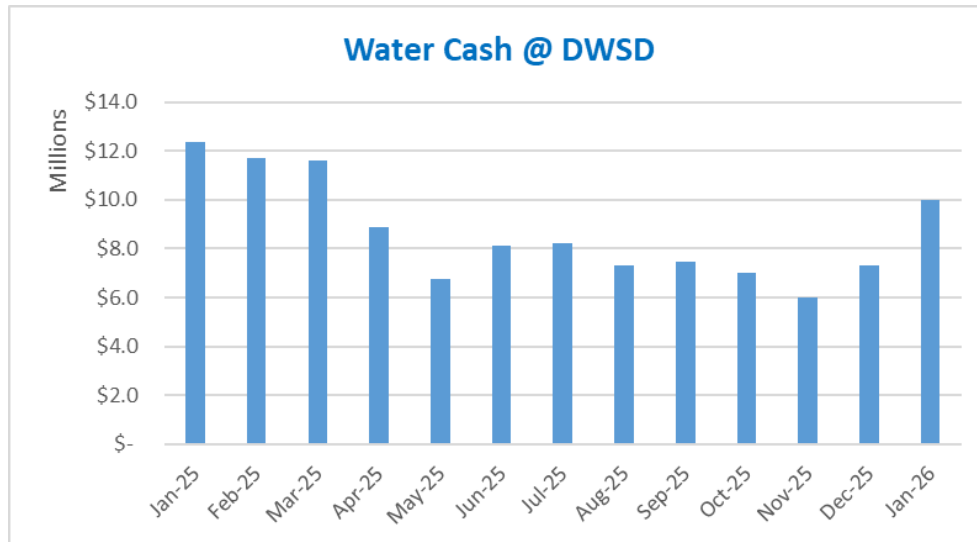
Financial Review January 2026

BOWC Finance Committee

April 1, 2026

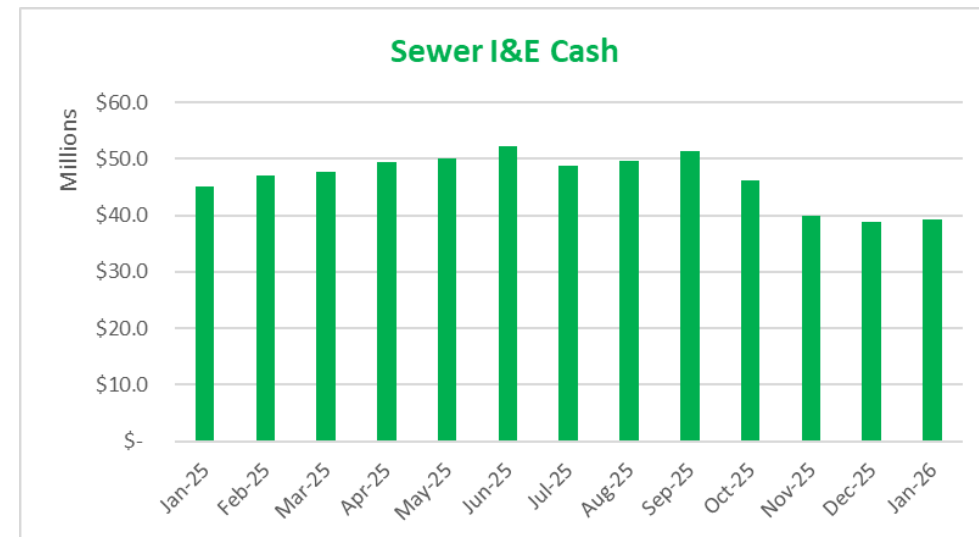
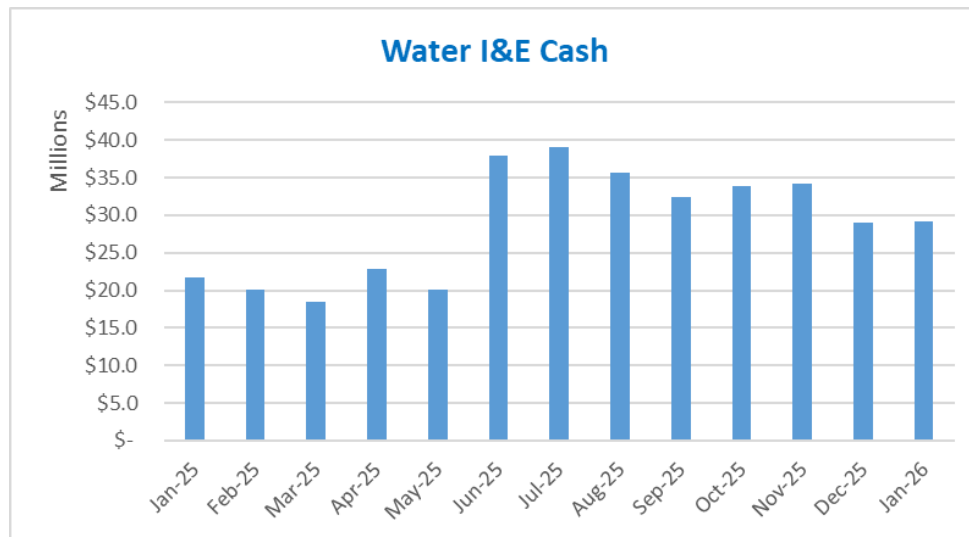
January 2026 Highlights – Operating Cash

- DWSD continues to maintain adequate cash reserves to support its operating and capital programs.
- On a systemwide basis, Cash and Investments in the Operating, Improvement & Extension (I&E), Trust accounts and Construction accounts amounted to \$245.4 million (\$91.0 million in the Water Fund and \$154.4 million in the Sewer Fund). This represents an overall increase of \$1.3 million over the December balance .
- **Water Operating Cash** of \$10.0 million increased by \$2.7 million over the previous month.
- **Sewer Operating Cash** of \$33.6 million increased by \$900,000 over the previous month.



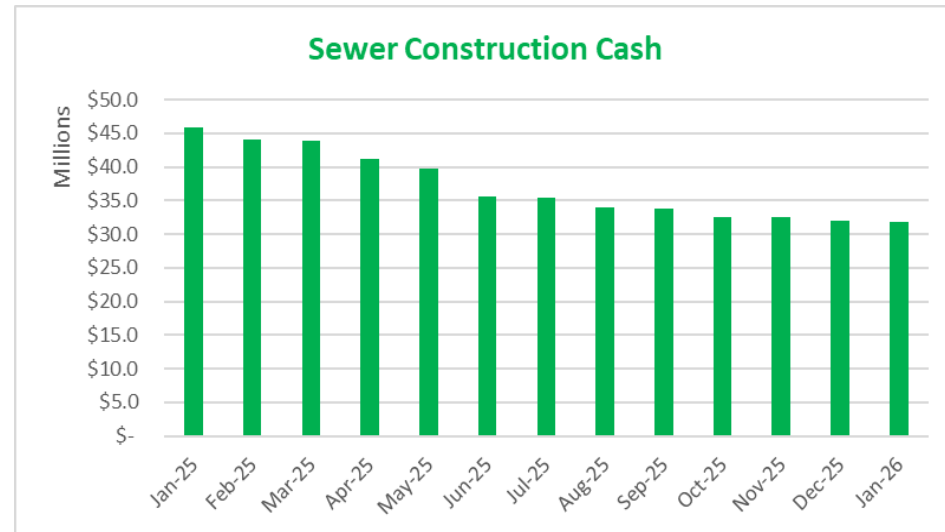
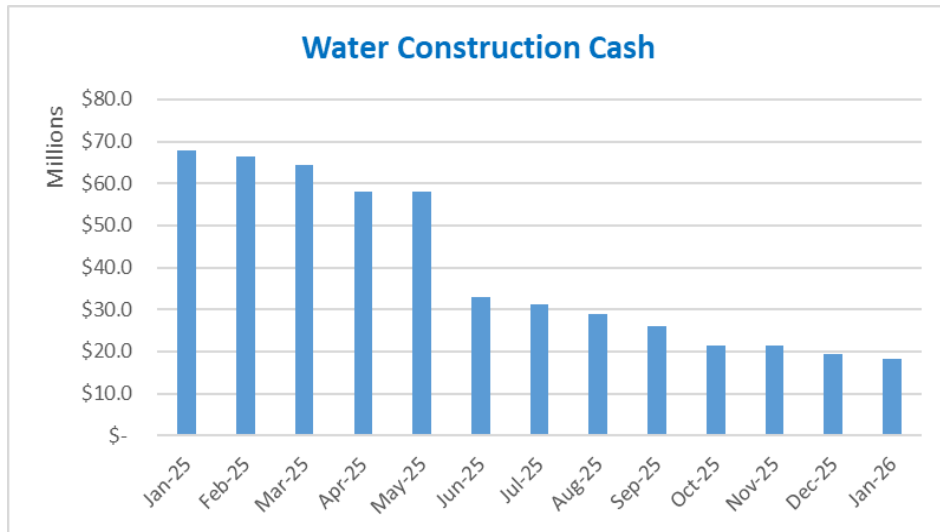
January 2026 Highlights – Improvement & Extension (I&E) Cash

- DWSD continues to spend down I&E and Construction Cash in support of its Capital Improvement Program.
- **Water I&E Cash** amounted to \$29.2 million at the end of January, an increase of \$200,000 over December balance.
- **Sewer I&E Cash** amounted to \$39.3 million at the end of January, an increase of \$500,000 over December balance.



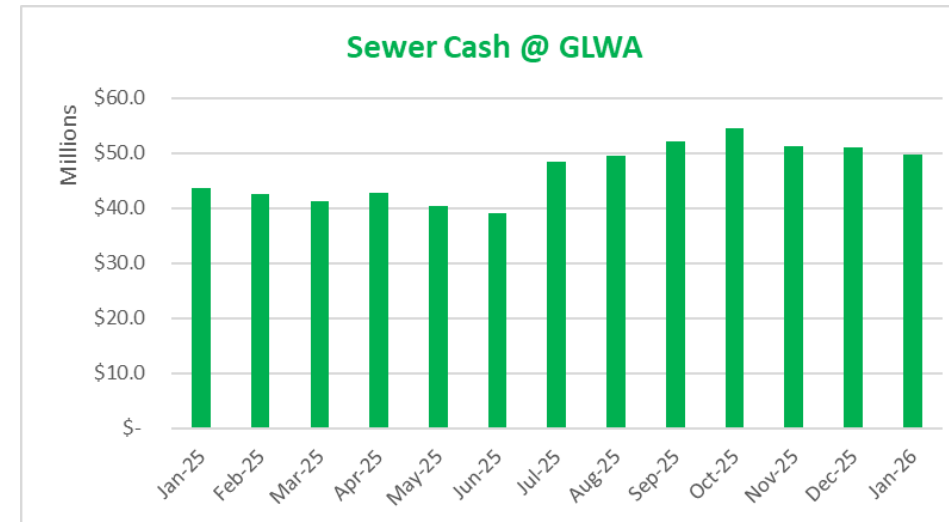
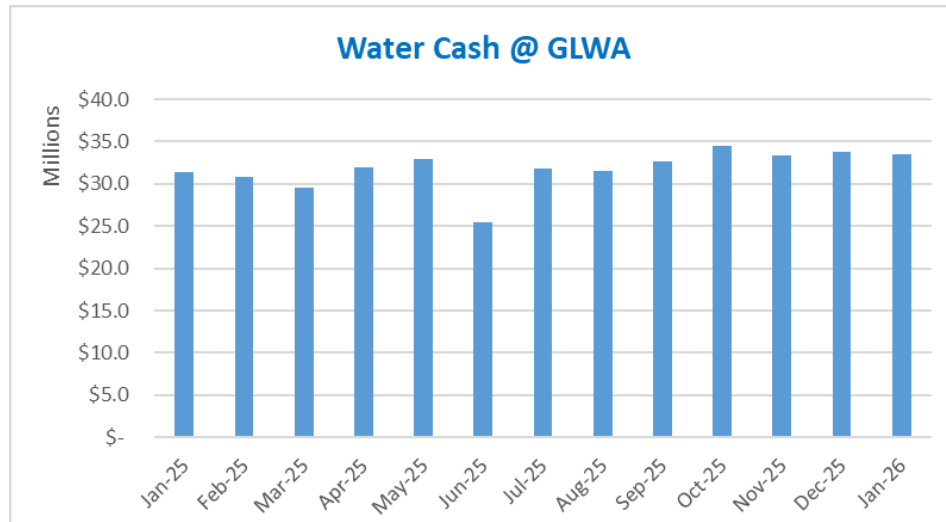
January 2026 Highlights – Construction Cash

- **Water Construction Cash** amounted to \$18.2 million at the end of January, a decrease of \$1.1 million over December balance.
- **Sewer Construction cash** amounted to \$31.8 million at the end of January, a decrease of \$200,000 over December balance.
- As shown in the graph. Water Construction fund cash has been depleting since June of 2025 mainly because of funding of Lead Service Line Replacements using Bond funds for \$30 million.



January 2026 Highlights – Cash Held in Trust

- **Water Cash @ GLWA** amounted to \$33.5 million at the end of January, a decrease of \$300,000 over December balance.
- Retail Water receipts of \$10.4 million in January fell short of the target collection by \$200,000 for the month.
- **Sewer Cash @ GLWA** amounted to \$49.7 million at the end of January, a decrease of \$1.5 million over December balance.
- Retail Sewer receipts of \$24.6 million in January fell short of the target collection by \$1.4 million for the month.



January 2026 Highlights - Comparative Accounts Receivable

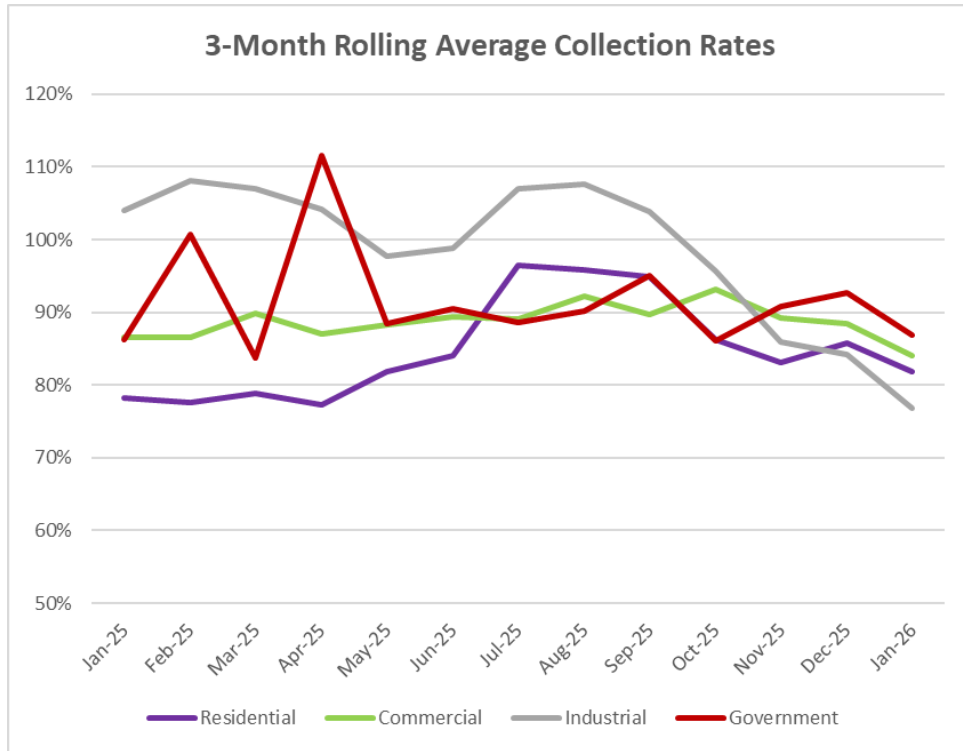


- January sales were \$41.4 million, a \$1.7 million (4.3%) increase from December's \$39.7 million.
- Receivables of \$334.9 million for total active accounts increased by \$6.6 million (2.0%) compared to December receivables of \$328.3 million. Increase in Receivables is primarily due to higher collections in December (\$37.4 million) compared to \$32.8 million in January.
- Collected \$2.8 million from Tax Roll transfer in January.
- Active Residential Accounts Receivable increased by \$3.2 million (1.3%) but the aging decreased by 13 days in January.
- Allowance for Doubtful Accounts are 82.6% of the Total Accounts Receivable (including Tax Roll Transfer) balance as of January.

Sales Class	June 30, 2025			December 31, 2025			January 31, 2026		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 16,952,600	\$ 228,181,542	404	\$ 16,677,677	\$ 239,347,141	431	\$ 17,417,690	\$ 242,511,296	418
Commercial	8,683,254	32,053,891	111	7,917,360	29,919,765	113	8,377,416	31,658,233	113
Industrial	5,399,644	13,600,488	76	6,516,721	16,105,637	74	6,651,113	16,906,507	76
Tax Exempt	766,651	3,196,851	125	4,505,422	22,998,537	153	4,825,128	23,361,447	145
Government	4,856,313	23,664,329	146	4,050,999	19,966,540	148	4,080,985	20,517,912	151
Drainage Only	3,568,189	27,969,932	235	-	-	-	-	-	-
Total Active Accounts	\$ 40,226,650	328,667,033	245	\$ 39,668,180	328,337,620	248	\$ 41,352,331	334,955,395	243
Inactive Accounts Receivable		53,084,537			64,029,222			65,256,010	
Total Accounts Receivable		381,751,570			392,366,841			400,211,405	
Allowance for Doubtful Accounts		(310,878,978)			(343,893,654)			(349,362,147)	
Net Accounts Receivable		\$ 70,872,592			\$ 48,473,187			\$ 50,849,258	
Tax Roll Transfer		11,167,067			25,751,905			22,957,362	
Total		\$ 82,039,659			\$ 74,225,092			\$ 73,806,620	

*DWSD continues to monitor its Receivable balance, and appropriate allowances are made to account for uncertainty of collection.

January 2026 Highlights - Collection Rates

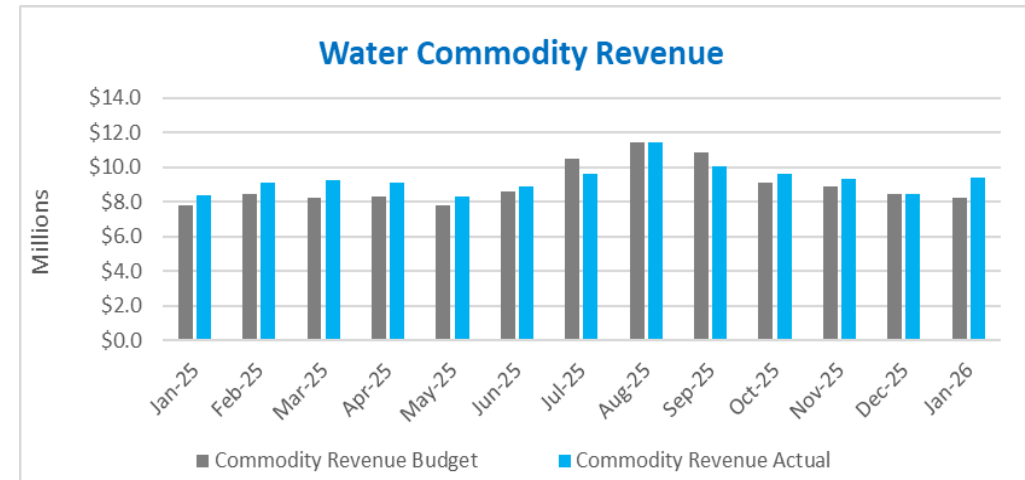
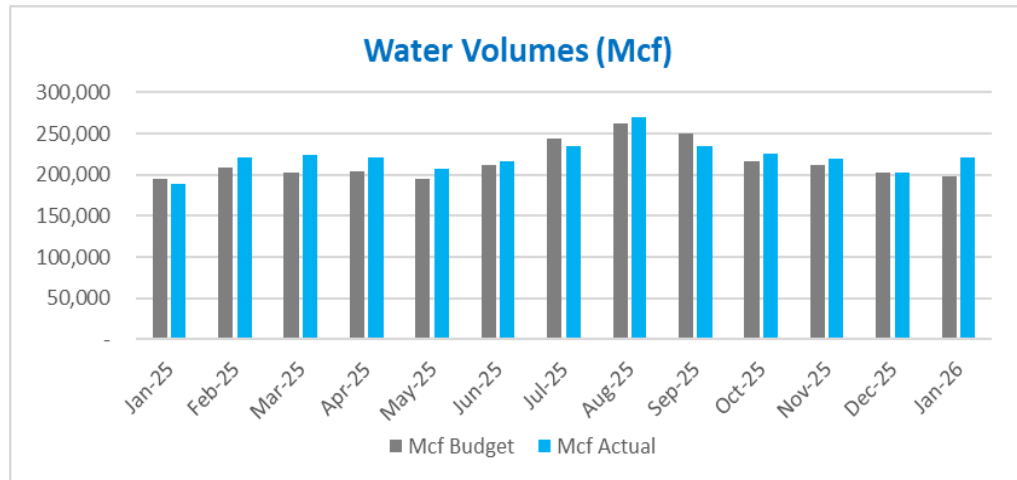


	Nov-25	Dec-25	Jan-26	3 - Month
Customer Class	Coll Rate	Coll Rate	Coll Rate	Rolling Average
Residential	76.0%	89.6%	80.1%	81.9%
Commercial	81.9%	84.2%	86.4%	84.1%
Industrial	65.7%	86.5%	77.4%	76.9%
Tax Exempt	89.8%	91.9%	96.4%	92.6%
Government	86.4%	95.5%	78.4%	86.9%

- **Residential** collection rates for the last three months have averaged at 81.9%. January collections decreased to 80.1% compared to 89.6% in December.
- **Commercial and Industrial** - Commercial 3-month rolling averaged at 84.1%, a decrease from December’s 3 month average of 88.4%. Industrial 3-month rolling averaged at 76.9%, a decrease from December’s 3 month average of 84.3%. Collection rates for Commercial has been steady; however, the Industrial collection rate is showing a negative trend.
- **Government** collection rates for the last three months have averaged at 86.9%. January collections decreased to 78.4% compared to 95.5% in December.
- January combined collection rate of 82.6% for all active customer classes was lower than December’s combined collection rate of 88.8%. The 3-month moving average rate for all active customer classes was 83.2% compared to December’s 87.7%.

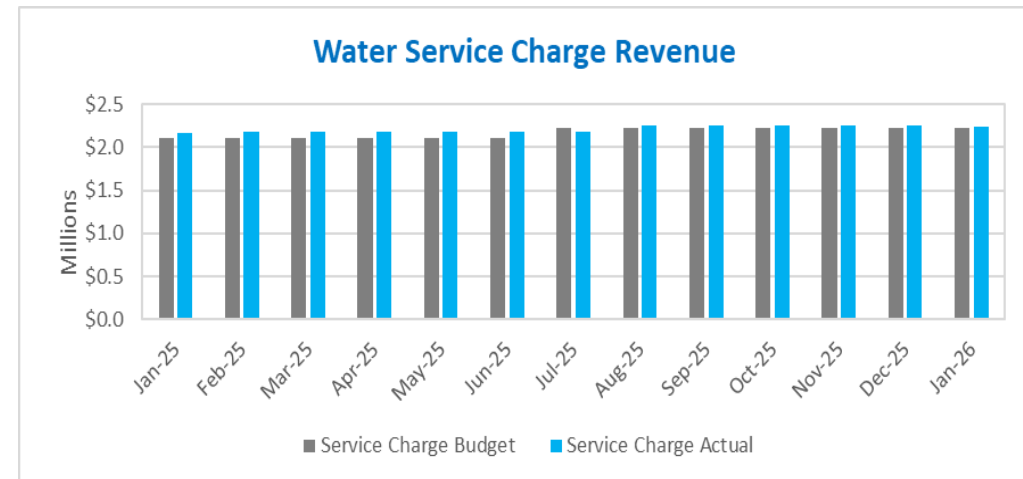
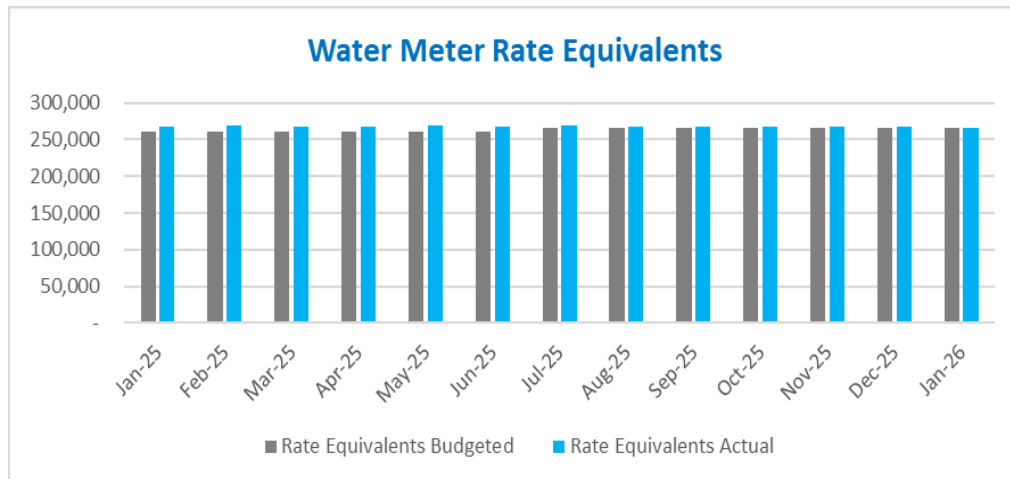
January 2026 Highlights - Water Commodity Metrics and Revenues

- January actual Volume exceeded the budget for the month by 11.6% and was 9.5% higher than actual December Volume and 17.1% above January 2025 Volume.
- Year-to-date actual Water Volume was 1.3% above seasonally adjusted budget.
- January actual Commodity Revenue exceeded the budget for the month by 14.3% and was 10.9% higher than actual December Revenue and was 12.4% above January 2025 Revenue.
- Year-to-date actual Commodity Revenue was 0.6% above seasonally adjusted budget.



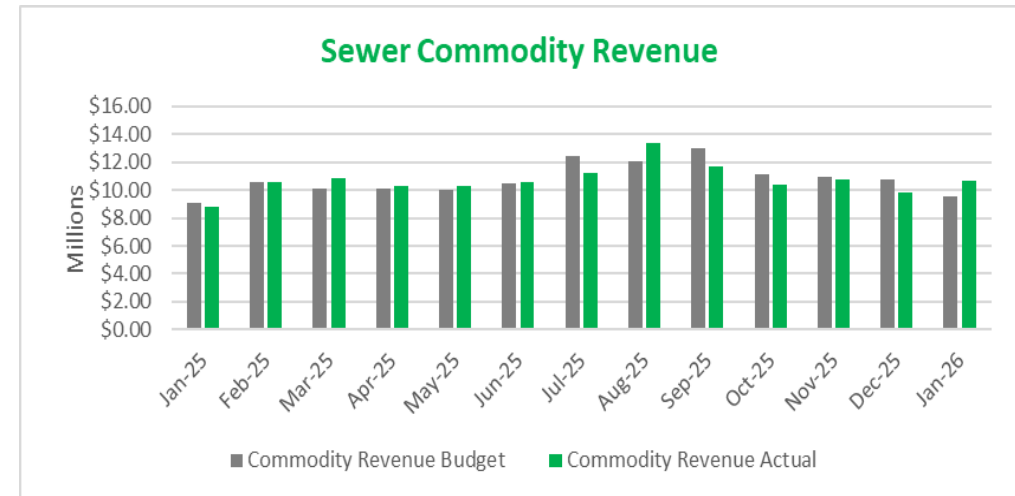
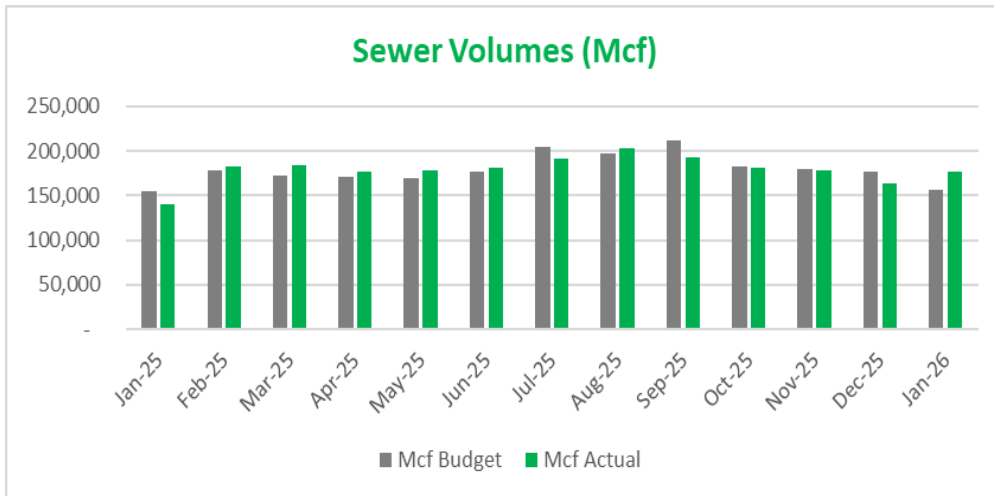
January 2026 Highlights - Water Service Charge Metrics and Revenues

- January actual Meter Equivalents was steady with the budget for the month and was 0.4% below December Equivalents and was 0.7% below January 2025 Equivalents.
- Year-to-date actual Water Meter Equivalents exceeded budget by 0.5%.
- January actual Water Service Charge Revenue exceeded the budget for the month by 0.7% and was 0.3% below actual December Revenue and was 3.7% above January 2025 Revenue.
- Year-to-date actual Water Service Charge Revenue exceeded the budget by 0.5%



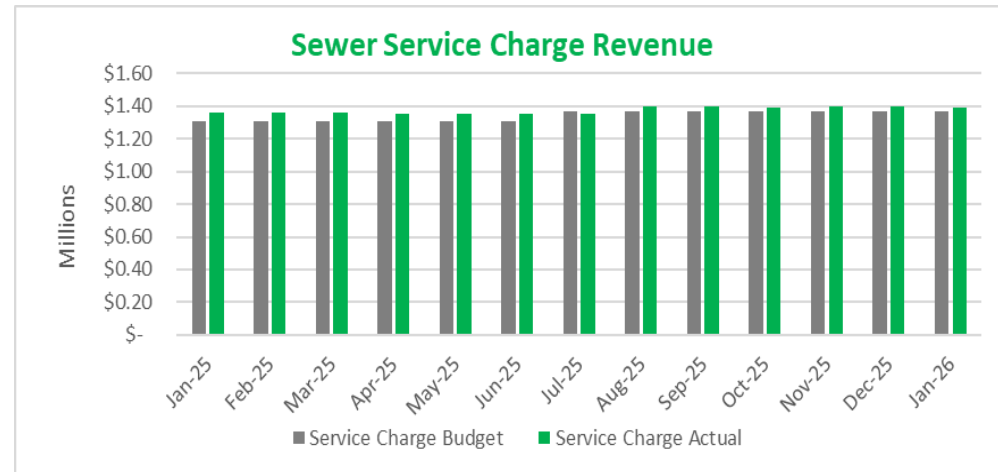
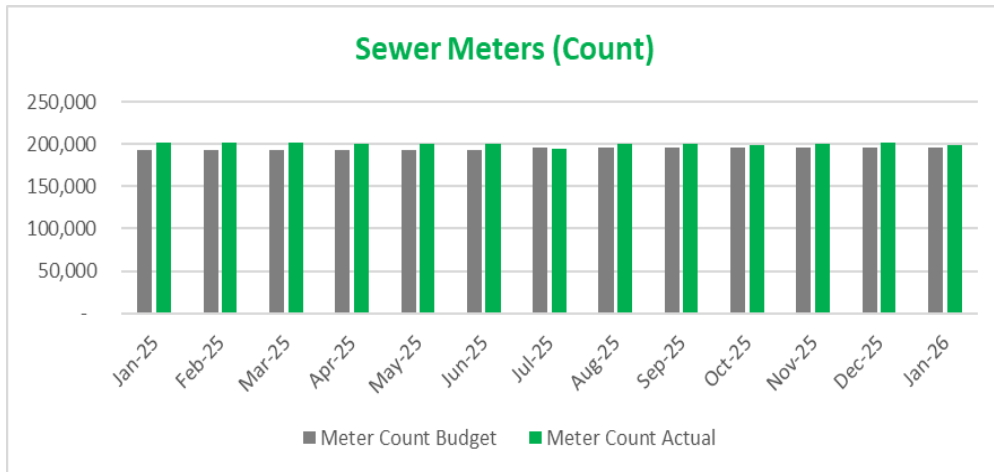
January 2026 Highlights - Sewer Commodity Metrics and Revenues

- January actual Volume exceeded the budget for the month by 13.2% and 8.6% higher than actual December Volume and was 25.6% higher than January 2025 Volume.
- Year-to-date actual Sewer Volume was 1.6% below seasonally adjusted budget.
- January actual Commodity Revenue exceeded the budget for the month by 12.0% and was 8.8% higher than actual December Revenue and was 20.7% higher than January 2025 Revenue.
- Year-to-date actual Commodity Revenue was 2.5% below seasonally adjusted budget.



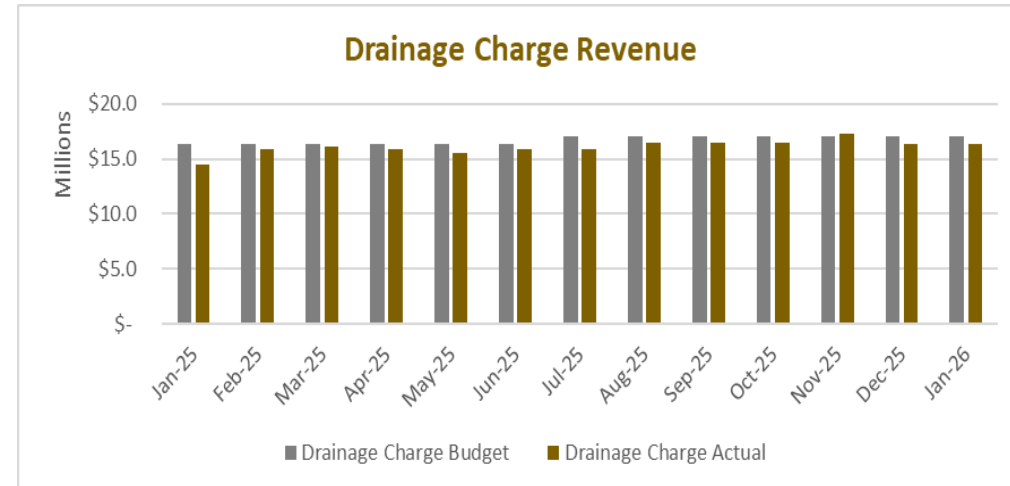
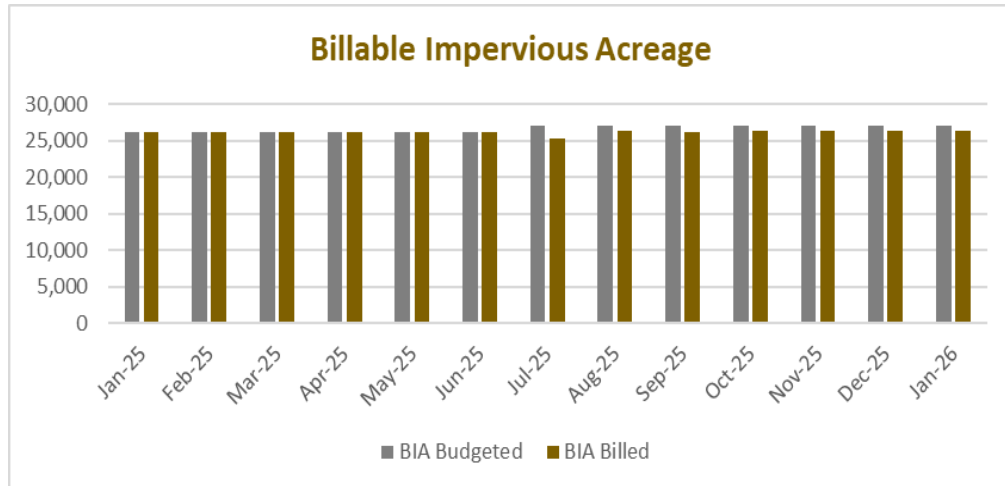
January 2026 Highlights - Sewer Service Charge Metrics and Revenues

- January actual Sewer Meter Counts exceeded the budget for the month by 2.0% and were 1.3% below actual December Counts and were 1.1% below January 2025 Counts.
- Year-to-date actual Sewer Meter Counts exceeded budget by 1.9%.
- January actual Sewer Service Charge Revenue exceeded the budget for the month by 2.0% and was 0.3% below actual December Revenue and was 2.1% over January 2025 Revenue.
- Year-to-date actual Sewer Service Charge Revenue exceeded budget by 1.8%.



January 2026 Highlights - Drainage Charge Metrics and Revenues

- January actual Billable Impervious Acreage (BIA) fell short of the budget for the month by 2.8% and was 0.1% below December actual BIA but was 0.3% above January 2025 actual BIA.
- Year-to-date actual BIA was 3.2% below budget.
- January actual Drainage Revenue fell short of the budget for the month by 4.5% and was 0.3% lower than actual December Revenue but, was 13.1% above January 2025 actual Revenue.
- Year-to-date actual Drainage Charge Revenue was 3.6% below budget.



THANK YOU!

Detroit Water & Sewerage Department

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