



Financial Services Audit Committee Communication

Date: July 25, 2022

To: Great Lakes Water Authority Audit Committee

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

Re: Expanded Authorization on Debt Policy Provisions

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter and related attachments.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board approve Expanded Authorization on Debt Policy Provisions for the 2022 Bond Series Transaction as outlined below:

- a) Authority to refund the July 1, 2023 maturity of the Sewer Series 2012A bonds in the amount of \$18.0 million to the extent that it produces positive savings, even if less than the 2.5% threshold specified in the policy; this action acknowledges that there are no foreseeable opportunities to otherwise refund these bonds and that securing some savings is preferred over securing no savings.
- b) Authority to apply a level debt service structure as referenced in the GLWA debt policy. Specifically, authorize GLWA to structure the 2022 Water System and Sewer System transactions to smooth the existing debt profiles and create a generally overall level debt service structure, when considered together with existing debt service.
- c) Authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.