

Financial Services Audit Committee Communication

Date: December 6, 2021

To: Great Lakes Water Authority Audit Committee

From: Lisa L. Mancini, Financial Planning & Analysis Manager

Re: FY 2022 First Quarter Budget Amendments through September 30, 2021, and

Proposed Budget Amendment Resolution

Background: In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee will review the proposed budget amendments and forward to the Board of Directors with a recommendation.

Analysis: Highlights of the first quarter budget amendments include the following.

- A. There is a net decrease to the Water System revenues of \$2.4 million. This is due to the decrease in water demand usage during the first quarter of FY 2022.
- B. New this quarter is the addition of the Debt Service Coverage Calculation tables for both the Water and Sewer Systems. The total Debt Service amount is adopted by the Board during the budget adoption process. This is the amount necessary to pay the principal of and interest on all Regional Water and Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.
- C. The Capital Spending Ratio for the water capital improvement plan has increased from 75.0% to 80.4% which equates to \$9.7 million. The Capital Spending Ratio for the sewer capital improvement plan has increased from 75.0% to 77.0% which equates to \$2.1 million.

The attached budget amendment report is organized in the following manner.

1. Appropriation Level - Revenue Requirement - Water and Sewer Systems

- A. Water System General Operating Fund
- B. Sewer System General Operating Fund
- C. Total Operating Fund Level Water System and Sewer System (Supplemental Information)
- D. Enterprise-wide Core Groups (Supplemental Information)
- E. Enterprise-wide Operations & Maintenance Account Type (Supplemental Information)
- F. Unallocated Reserve by Core Group (Supplemental Information)

2. Appropriation Level - Debt Service - Water and Sewer Systems

- A. Water System Debt Service Coverage Calculation
- B. Sewer System Debt Service Coverage Calculation

3. Appropriation Level - Improvement & Extension Fund - Water and Sewer Systems

- A. Water System Improvement & Extension Fund
- B. Sewer System Improvement & Extension Fund

4. Appropriation Level - Construction Fund - Water and Sewer Systems

- A. Water System Construction Fund
- B. Sewer System Construction Fund

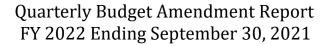
A budget amendment resolution reflecting the budget amendments is also attached.

Proposed Action: The Audit Committee recommends that the Board of Directors for the Great Lakes Water Authority adopt the proposed budget resolution for the first quarter FY 2022 budget amendments.



Table 1A - Appropriation Level - Revenue Requirement - Water System General Operating

FF -F	water bystem deneral operating						
FY 2022				Total			
		Board	1	st Quarter	FY 2022	FY 2022	
		Adopted		FY 2022	Amended	Activity Thru	
Water System		Budget	Aı	mendments	Budget	8/31/2021	
Revenues							
Suburban Wholesale Customer Charges	\$	321,110,900	\$	(2,400,000)	\$ 318,710,900	\$ 59,034,200	
Retail Service Charges		21,697,300		-	21,697,300	3,616,200	
Investment Earnings		1,047,300		500,000	1,547,300	389,100	
Other Revenues		175,000		-	175,000	-	
Total Revenues	\$	344,030,500	\$	(1,900,000)	\$ 342,130,500	\$ 63,039,500	
Revenue Requirements							
Operations & Maintenance Expense	\$	143,933,800	\$	-	\$ 143,933,800	\$ 20,801,100	
General Retirement System Legacy Pension		6,048,000		-	6,048,000	1,008,000	
Debt Service		135,481,000		(360,000)	135,121,000	22,583,800	
General Retirement System Accelerated Pension		6,268,300		_	6,268,300	1,104,700	
Extraordinary Repair & Replacement Deposit		<u> </u>		_	<u>-</u>	_	
Water Residential Assistance Program Contribution		1,705,500		_	1,705,500	284,300	
Regional System Lease		22,500,000		-	22,500,000	3,750,000	
DWSD Budget Shortfall Pending		-		-	-	-	
Improvement & Extension Fund Transfer Pending		28,093,900		(1,540,000)	26,553,900	4,682,300	
Total Revenue Requirements	\$	344,030,500	\$	(1,900,000)	\$ 342,130,500	\$ 54,214,200	
Net Actual to Date	\$	-	\$	-	\$ -	\$ 8,825,300	



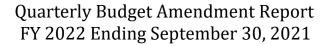


Appropriation Level - Revenue Rec	uirement - Water System General Operating Budget Amendment Explanation
Revenues	
Suburban Wholesale Customer	The change to this category is due to the decrease in water demand usage during the first
Charges	quarter of FY 2022.
Retail Services Charges	No budget amendment is required.
Investment Earnings	The increase is based on the revised interest rates and cashflow forecast.
Other Revenues	No budget amendment is required.
Revenue Requirements (Expenditur	es)
Operations & Maintenance Expense	No budget amendment is required.
General Retirement System Legacy	No budget amendment is required. Budget and funding are on a fixed schedule.
Pension	
Debt Service	The decrease is due to the revision of the SRF schedules (timing of the draws).
General Retirement System Legacy	No budget amendment is required. Budget and funding are on a fixed schedule.
Pension – Accelerated Payment	
Extraordinary Repair &	No budget amendment is required. This is a formulaic requirement in the Master Bond
Replacement Deposit	Ordinance. Based on adopted and amended budget, no adjustment is required.
Water Residential Assistance	No budget amendment is required. Budget is fixed at time of budget adoption.
Program Contribution	
Regional System Lease	No budget amendment is required. Lease payment is established in accordance with terms
	of the lease.
DWSD Budget Shortfall Pending	No budget amendment is proposed at this time.
Improvement & Extension Fund	Represents annual funding for pay-as-you-go capital improvement program. Budget
Transfer Pending	amendments to revenues, investment earnings, debt service, and DWSD budget shortfall
	affect this line item.



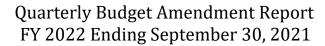
Table 1B - Appropriation Level - Revenue Requirement - Sewer System General Operating

	FY 2022		Total		
	Board	1st Quarter		FY 2022	FY 2022
	Adopted	FY 2022		Amended	Activity Thru
Sewer System	 Budget		mendments	Budget	8/31/2021
Revenues					
Suburban Wholesale Customer Charges	\$ 272,130,000	\$	(3,000,000)	\$ 269,130,000	\$ 45,364,000
Retail Service Charges	188,662,200		-	188,662,200	31,443,700
Industrial Waste Control Charges	9,024,800		-	9,024,800	1,385,200
Pollutant Surcharges	4,188,900		-	4,188,900	848,900
Investment Earnings	1,023,300		500,000	1,523,300	375,800
Other Revenues	400,000		-	400,000	126,900
Total Revenues	\$ 475,429,200	\$	(2,500,000)	\$ 472,929,200	\$ 79,544,500
Revenue Requirements					
Operations & Maintenance Expense	\$ 181,299,800	\$	-	\$ 181,299,800	\$ 25,572,200
General Retirement System Legacy Pension	10,824,000		-	10,824,000	1,804,000
Debt Service	207,209,500		(2,225,000)	204,984,500	34,544,300
General Retirement System Accelerated Pension	11,620,700		_	11,620,700	1,936,800
Extraordinary Repair & Replacement Deposit	_		_	_	-
Water Residential Assistance Program Contribution	2,358,300		_	2,358,300	393,100
Regional System Lease	27,500,000		-	27,500,000	4,583,300
DWSD Budget Shortfall Pending	-		-	-	564,800
Improvement & Extension Fund Transfer Pending	34,616,900		(275,000)	34,341,900	5,769,500
Total Revenue Requirements	\$ 475,429,200	\$	(2,500,000)	\$ 472,929,200	\$ 75,168,000
Net Actual to Date	\$ -	\$	-	\$ -	\$ 4,376,500





Appropriation Level - Revenue Requirement - Sewer System General Operating Budget Amendment Explanation						
Revenues						
Suburban Wholesale Customer	The reduction to this category is the result of an adjustment to the allowance for bad debt					
Charges	expense for Highland Park.					
Retail Services Charges	No budget amendment is required.					
Industrial Waste Control Charges	No budget amendment is required.					
Pollutant Surcharges	No budget amendment is required.					
Investment Earnings	The increase is based on the revised interest rates and cashflow forecast.					
Other Revenues	No budget amendment is required.					
Revenue Requirements (Expenditur	es)					
Operations & Maintenance Expense	No budget amendment is required.					
General Retirement System Legacy	No budget amendment is required. Budget and funding are on a fixed schedule.					
Pension						
Debt Service	The decrease is due to the revision of the SRF schedules (timing of the draws) offset by					
	lower actual variable rate on the 2006D Bonds than was assumed in the budget.					
General Retirement System Legacy	No budget amendment is required. Budget and funding are on a fixed schedule.					
Pension – Accelerated Payment						
Extraordinary Repair &	No budget amendment is required. This is a formulaic requirement in the Master Bond					
Replacement Deposit	Ordinance. Based on adopted and amended budget, no adjustment is required.					
Water Residential Assistance	No budget amendment is required. Budget is fixed at time of budget adoption.					
Program Contribution						
Regional System Lease	No budget amendment is required. Lease payment is established in accordance with terms					
	of the lease.					





Appropriation Level - Revenue Requirement - Sewer System General Operating Budget Amendment Explanation							
DWSD Budget Shortfall Pending	No budget amendment is proposed at this time. The 2018 Memorandum of Understanding provides guidance related to repayment to the extent that the shortfall is not cured by other means before June 30 th of the subsequent year. Communication with DWSD Management indicates that plans are cautiously optimistic that the shortfall will be cured by year-end.						
Improvement & Extension Fund Transfer Pending	Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.						



Table 1C - Supplemental Information - Operating Fund Level - Water System and Sewer System

Sunta m	FY 2022 Board Adopted	Total 1st Quarter FY 2022	FY 2022 Amended	FY 2022 Activity Thru
System	 Budget	 Amendments	 Budget	8/31/2021
Water System Operations	\$ 143,933,800	\$ -	\$ 143,933,800	\$ 20,801,100
Wastewater System Operations	181,299,800	-	181,299,800	25,572,200
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

As shown in the table above, there are no budget amendments for transfers of resources between the water and sewer funds. It is unforeseen that such an amendment would occur as each system is accounted for as a stand-alone entity. The purpose of this table is to transparently report that funds from one system do not provide budget support to the other system.



Table 1D - Supplemental Information - Enterprise-wide Core Groups

O&M Major Budget Categories (Core Groups)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
A Water System Operations	\$ 74,813,000	\$ -	\$ 74,813,000	\$ 12,640,200
B Wastewater System Operations	111,971,400	-	111,971,400	16,717,600
C Centralized Services	103,845,900	-	103,845,900	12,719,200
D Administrative & Other Services	34,603,300	-	34,603,300	4,296,300
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

A subset of the operating funds are core groups that account for A) direct cost of water operations, B) direct cost of sewer operations, C) centralized services (E.g., field services, security, information technology, facilities, and fleet), D) administrative services (E.g., finance, public affairs, general counsel, and organizational development). The costs of the latter two categories are allocated to the water and sewer systems based upon an internal cost allocation plan that is performed on an annual basis.

Through the first quarter FY 2022, there are no amendments that cross the core groups. For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments* (Addendum 1).



Table 1E - Supplemental Information - Enterprise-wide Operations & Maintenance Account Type

O&M Expense Categories (Account Type)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Personnel Costs	\$ 115,437,400	\$ (1,436,600)	\$ 114,000,800	\$ 16,968,400
Utilities	50,398,000	-	50,398,000	9,391,000
Chemicals	16,044,300	-	16,044,300	2,911,700
Supplies & Other	38,559,700	1,057,200	39,616,900	3,523,700
Contractual Services	103,375,700	1,459,000	104,834,700	14,473,900
Capital Program Allocation	(3,471,000)	-	(3,471,000)	(446,200)
Shared Services	(1,892,500)	(883,200)	(2,775,700)	(449,200)
Unallocated Reserve	6,782,000	(196,400)	6,585,600	-
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

The table above presents the Operations & Maintenance budget by the major expense categories (account type).

For additional detail and the explanation of the key changes to the FY 2022 budget within these categories, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1).*

For an additional view of the Operations & Maintenance budget by expense category (account type) and by departmental level, see Supplemental Information - Enterprise-wide Operations & Maintenance Account Type and Departmental Level Amendments (Addendum 2).



Table 1F - Supplemental Information - Unallocated Reserve by Core Group

O&M Unallocated Reserves	FY 2022 Board Adopted Budget	Total st Quarter FY 2022 nendments	FY 2022 Amended Budget
Water System Operations	\$ 1,798,800	\$ -	\$ 1,798,800
Wastewater System Operations	2,250,900	(1,061,100)	1,189,800
Centralized Services	2,187,600	(227,100)	1,960,500
Administrative & Other Services	544,700	1,091,800	1,636,500
Total	\$ 6,782,000	\$ (196,400)	\$ 6,585,600

An Unallocated Reserve account is established for each of the four core groups. Budget is assigned to these accounts to cover expenditures not known at the time the budget is developed (merit increases, fluctuations within maintenance contracts and usage of utilities and chemicals, projects and initiatives not planned at the time the initial budget was developed, etc.). It is GLWA's internal budget directive for each area, group, and team to manage their needs to an amount within the initial budget. If required, an amendment is made from the unallocated reserve. If an area does not require as much funding as was established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased.

For additional information on the FY 2022 changes to the unallocated reserve, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1).*



Table 2A - Appropriation Level - Debt Service Coverage Calculation - Water System

Board FY 2022 FY	Quarter	
	2022 ndments	FY 2022 Amended
	System	Budget
Revenues		
1 Regional System Wholesale Revenues \$ 342,808,200 \$ (2,400,000) \$	- \$,,
	3,626,300)	69,638,000
3 Miscellaneous Revenue (Local System) 6,428,400 - (2	2,614,900)	3,813,500
4 Non-Operating Revenue (Regional System) 1,222,300 500,000	-	1,722,300
5 Total Revenues \$ 423,723,200 \$ (1,900,000) \$ (6	5,241,200) \$	415,582,000
Revenue Requirements Operations & Maintenance Expense		
6 Regional System Wholesale Expenses \$ 143,933,800 \$ - \$	- \$	143,933,800
7 Local System Expenses 34,648,600 - (4	4,659,600)	29,989,000
8 GRS Pension allocable to Regional System 6,048,000 -	-	6,048,000
9 GRS Pension allocable to Local System 4,272,000 -	-	4,272,000
10 Total Operations & Maintenance Expense 188,902,400 - (4	4,659,600)	184,242,800
11 Net Revenues after Operations & Maintenance Expense \$ 234,820,800 \$ (1,900,000) \$ (1	1,581,600) \$	231,339,200
Debt Service by Lien		
12 Senior Lien Bonds \$ 124,309,700 \$ - \$	- \$	124,309,700
13 Second Lien Bonds 46,840,400 -	-	46,840,400
14 SRF Junior Lien Bonds 6,695,100 (360,000)	-	6,335,100
15 Total Debt Service \$ 177,845,200 \$ (360,000) \$	- \$	177,485,200
Debt Service Coverage		
16 Senior Lien Bonds (11)/(12) 1.89 (0.02)	(0.01)	1.86
17 Second Lien Bonds $(11) / [(12)+(13)]$ 1.37 (0.01)	(0.01)	1.35
18 SRF Junior Lien Bonds (11) / (15) 1.32 (0.01)	(0.01)	1.30

^{*} Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

^{**} Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.



	vice - Water System Debt Service Coverage Calculation Budget Amendment							
Explanation								
Total Debt Service	For purposes of Debt Service coverage, we look at the combined Regional and Local							
(DWSD) revenue less operations & maintenance (O&M) expense to determine net reve								
	to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown							
	on line 15 of the Water System Debt Service Coverage Calculation table on the previous							
	page. This is the amount necessary to pay the principal of and interest on all Regional							
Water System bonds and to restore any reserves therefore established in the Master								
	Ordinance.							

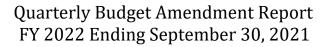


Table 2B - Appropriation Level - Debt Service Coverage Calculation - Sewer System

	** *							
Sou	er System - Debt Service Coverage Calculation	FY 2022 Board Adopted Budget	Ar	st Quarter FY 2022 nendments ional System	An	st Quarter FY 2022 nendments ocal System		FY 2022 Amended Budget
	<u> </u>	Buuget	Neg	ionai System		cai System		Buaget
1	enues	A 474 005 000	Φ.	(0.000.000)	Φ.		Φ.	474 005 000
1	Regional System Wholesale Revenues	\$ 474,005,900	\$	(3,000,000)	\$	- (0.000.000)	\$	471,005,900
19	Local System Revenues	104,684,700		-		(6,803,300)		97,881,400
20	Miscellaneous Revenue (Local System)	6,810,800		<u>-</u>		364,200		7,175,000
21	Non-Operating Revenue (Regional System)	1,423,300		500,000		-		1,923,300
22	Total Revenues	\$ 586,924,700	\$	(2,500,000)	\$	(6,439,100)	\$	577,985,600
	enue Requirements rations & Maintenance Expense							
23	Regional System Wholesale Expenses	\$ 181,299,800	\$	-	\$	-	\$	181,299,800
24	Local System Expenses	69,233,000		-		(7,932,000)		61,301,000
25	GRS Pension allocable to Regional System	10,824,000		-		-		10,824,000
26	GRS Pension allocable to Local System	2,856,000		-		-		2,856,000
27	Total Operations & Maintenance Expense	264,212,800		-		(7,932,000)		256,280,800
28	Net Revenues after Operations & Maintenance Expense	\$ 322,711,900	\$	(2,500,000)	\$	1,492,900	\$	321,704,800
Deb	t Service by Lien							
29	Senior Lien Bonds	\$ 133,195,700	\$	(2,375,000)	\$	-	\$	130,820,700
30	Second Lien Bonds	51,893,000		-		-		51,893,000
31	SRF Junior Lien Bonds	53,921,600		150,000				54,071,600
32	Total Debt Service	\$ 239,010,300	\$	(2,225,000)	\$	-	\$	236,785,300
	t Service Coverage							
33	Senior Lien Bonds (11)/(12)	2.42		(0.02)		0.01		2.46
34	Second Lien Bonds (11) / [(12)+(13)]	1.74		(0.01)		0.01		1.76
35	SRF Junior Lien Bonds (11) / (15)	1.35		(0.01)		0.01		1.36

 $^{^{*}}$ Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

^{**} Total Debt Service, highlighted in dark grey (Row 32) in the above table, is adopted by the GLWA Board.





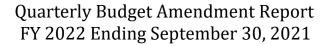
Appropriation Level - Debt Serv	vice - Sewer System Debt Service Coverage Calculation Budget Amendment
Explanation	
Total Debt Service	For purposes of Debt Service coverage, we look at the combined Regional and Local
	(DWSD) revenue less operations & maintenance (O&M) expense to determine net revenues
	to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown
	on line 32 of the Sewer System Debt Service Coverage Calculation table on the previous
	page. This is the amount necessary to pay the principal of and interest on all Regional
	Sewer System bonds and to restore any reserves therefore established in the Master Bond
	Ordinance.



Table 3A - Appropriation Level - Improvement & Extension Fund - Water System

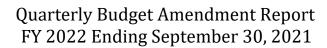
Water Improvement & Extension Fund	FY 2022 Board Adopted Budget	Total st Quarter FY 2022 nendments	FY 2022 Amended Budget	FY 2022 etivity Thru 8/31/2021
Revenues				
Water System Transfers In from General Operating	\$ 28,093,900	\$ (1,540,000)	\$ 26,553,900	\$ 4,682,300
Earnings on Investments (b)	-	715,000	715,000	321,300
Net Use of Reserves (a)	97,220,700	68,800	97,289,500	-
Total Revenues	\$ 125,314,600	\$ (756,200)	\$ 124,558,400	\$ 5,003,600
Expenditures				
Water System Revenue Transfers Out (b)	\$ -	\$ 715,000	\$ 715,000	\$ 413,000
Capital Spending - Other	-	567,400	567,400	462,000
Capital Outlay	17,006,600	-	17,006,600	907,000
Revenue Financed Capital - Operating				
Transfer to Construction Fund	108,308,000	(2,038,600)	106,269,400	21,588,300
Total Expenditures	\$ 125,314,600	\$ (756,200)	\$ 124,558,400	\$ 23,370,300
(a) Beginning Net Position			\$ 207,475,000	
Net Use of Reserves			\$ (97,289,500)	
Projected Ending Net Position			\$ 110,185,500	

⁽b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.





Appropriation Level - Improvement & Extension Fund - Water System Budget Amendment Explanation								
Revenues								
Transfers In from General Operating	The proposed budget amendment is to match the amount available for transfer from the FY 2022 revenue requirement based upon general operating fund performance. (see I&E							
	Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Water System General Operating table).							
Earnings on Investments	Had not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund							
	is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. Amendment is for estimated amount.							
Net Use (Source) of Reserves	This amount represents the net amount of revenues less expenses. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.							
Expenditures								
Water System Revenue Transfers	Had not been budgeted as there is a corresponding transfer of earnings back to general							
Out (Earnings on Investments)	operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E Fund is zero). Amendment is for estimated amount. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing							
	difference.							
Capital Spending - Other	The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.							
Capital Outlay	No budget amendment is required.							





Appropriation Level - Improvement & Extension Fund - Water System Budget Amendment Explanation								
Revenue Financed Capital – Transfer The proposed budget amendment reflects an adjustment to the funding that is antici								
to Construction Fund	to be needed based on a) the increase in the Capital spend rate, and b) the adjustment to							

the projects in the CIP that do not meet the criteria for debt financing (will be funded out of I&E instead of Construction funds - see 'Capital Spending - Other' above), as well as the



Table 3B - Appropriation Level - Improvement & Extension Fund - Sewer System

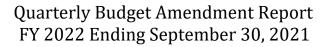
Sewer Improvement & Extension Fund	FY 2022 Board Adopted Budget	1	Total st Quarter FY 2022 mendments	<i>y</i> 3	FY 2022 Amended Budget	FY 2022 etivity Thru 8/31/2021
Revenues	 					
Sewer System Transfers In from General Operating	\$ 34,616,900	\$	(275,000)	\$	34,341,900	\$ 5,769,500
Receipt of DWSD Shortfall Loan Interest	406,400		-		406,400	42,600
Earnings on Investments (b)	-		500,000		500,000	176,700
Net Use of Reserves (a)	28,487,800		18,182,800		46,670,600	-
Total Revenues	\$ 63,511,100	\$	18,407,800	\$	81,918,900	\$ 5,988,800
Expenditures						
Sewer System Revenue Transfers Out (b)	\$ -	\$	500,000	\$	500,000	\$ 234,100
Capital Spending - Other	-		722,200		722,200	21,800
Capital Outlay	15,965,100		-		15,965,100	928,900
Revenue Financed Capital - Operating						
Transfer to Construction Fund	47,546,000		17,185,600		64,731,600	9,023,400
Total Expenditures	\$ 63,511,100	\$	18,407,800	\$	81,918,900	\$ 10,208,200
(a) Beginning Net Position				\$	122,385,000	
Net Use of Reserves					(46,670,600)	
Projected Ending Net Position				\$	75,714,400	

⁽b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.





Appropriation Level - Improvemen	Appropriation Level - Improvement & Extension Fund - Sewer System Budget Amendment Explanations							
Revenues								
Transfers In from General Operating	The proposed budget amendment is to match the amount available for transfer from FY							
	2022 revenue requirement based upon general operating fund performance. (see I&E							
	Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Sewer							
	System General Operating table).							
Earnings on Investments	Had not been budgeted as there is a corresponding transfer of earnings back to general							
	operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund							
	is zero as the earnings are budgeted and accounted for in the operating fund to lower							
	revenue requirement for charges. Amendment is for estimated amount.							
Net Use (Source) of Reserves	This amount represents the net amount of revenues less expenditures. A negative amount							
	represents an increase in reserves from current year activity rather than a use of reserves.							
Expenditures								
Sewer System Revenue Transfers	Had not been budgeted as there is a corresponding transfer of earnings back to general							
Out (Earnings on Investments)	operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E							
	Fund is zero). Amendment is for estimated amount. This line offsets Earnings on							
	Investments and represents the transfer of earnings back to the general operating fund							
	as allowed by the Master Bond Ordinance. Any variance between the two lines represents							
	a timing difference.							
Capital Spending – Other	The proposed budget amendment represents an adjustment to the projects in the Board							
	adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.							
Capital Outlay	No budget amendment is required.							





Appropriation Level - Improvement & Extension Fund - Sewer System Budget Amendment Explanations									
Revenue Financed Capital – Transfer	The proposed budget amendment reflects the change in funding that is anticipated to be								
to Construction Fund	needed based on the adjustment to the projects in the CIP that do not meet the criteria								
	for debt financing (will be funded out of I&E instead of Construction funds – see 'Capital								
	Spending – Other' above) as well as the shift in Capital Projects completed that rely on								

I&E funds rather than SRF funds.

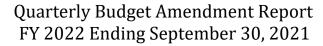


Table 4A - Appropriation Level - Construction Fund - Water System

Table 4A - Appropriation Level - Constru	ictic		iter					
		FY 2022		Total				
		Board	1	st Quarter		FY 2022		FY 2022
Water		Adopted		FY 2022		Amended	A	ctivity Thru
Construction Fund		Budget	Ame ndme nts		Budget		8/31/2021	
Revenues								
Transfer from Improvement & Extension Fund	\$	108,308,000	\$	(2,038,600)	\$	106,269,400	\$	21,588,300
Bond Proceeds		-		-		-		-
Bond Fund Earnings on Investments		-		-		-		2,200
Grant Revenues (SRF Loans)		26,100,000		10,427,000		36,527,000		1,952,000
Net Use of Reserves (a)		-		772,700		772,700		-
Total Revenues	\$	134,408,000	\$	9,161,100	\$	143,569,100	\$	23,542,500
Expenditures								
Capital Improvement Plan (b)	\$	179,210,000	\$	(567,400)	\$	178,642,600	\$	23,206,500
Capital Spend Rate Adjustment		(44,802,000)		9,728,500		(35,073,500)		-
Total Expenditures (b)	\$	134,408,000	\$	9,161,100	\$	143,569,100	\$	23,206,500
(a) Beginning Net Position					\$	12,438,000		
Net Use of Reserves						(772,700)		
Projected Ending Net Position					\$	11,665,300		
(b) Plus Direct I&E Projects		-				567,400		
Total CIP Expenditures		134,408,000				144,136,500		
Total Published Capital Improvement Plan		179,210,000				179,210,000		
Capital Spending Ratio		75.0%				80.4%		



	uction Fund – Water System Budget Amendment Explanations							
Revenues								
Transfers from Improvement	The proposed budget amendment is to match the amount available for transfer from the FY 2022							
& Extension Fund	Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to							
	Construction Fund line on the Appropriation Level-Improvement & Extension Fund-Water							
	System table). The amount is based on the adjustment to the projects in the CIP that do not meet							
	the criteria for debt financing, the increase in Capital spend rate, and the shift in Capital Projects							
	completed that rely on SRF funds rather than I&E funds.							
Bond Proceeds	No budget amendment is required.							
Earnings on Investments	No budget amendment is required. The activity posted through August 31, 2021, will likely be							
	reclassified in the next quarter.							
Grant Revenues	The increase is due to the shift in Capital Projects completed that rely on SRF funds rather than							
(State Revolving Fund Loans)	I&E funds. State revolving fund loan disbursements are on a reimbursement basis. The amount							
	and timing of funds fluctuates with project expenditures incurred. Details related to the SRF							
	projects are presented in the quarterly debt report. The most recent quarterly debt report is							
	presented in the October 2021 Audit Committee binder which provides details related to the SRF							
	funding and associated projects.							
Net Use (Source) of Reserves	This amount represents the net amount of revenues less expenditures. A "use of reserves"							
	indicates a spend down of prior year reserves. The amount has been amended to reflect the							
	anticipated decrease in the Capital spend rate from 75.0% to 80.4%.							
Expenditures								
Capital Improvement Plan	The proposed budget amendment represents an adjustment to the projects in the Board							
	adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This							
	amount is reflected on the 'Capital Spending – Other' line on the Water Improvement &							
	Extension Fund table.							





Appropriation Level - Construction Fund - Water System Budget Amendment Explanations

Capital Spend Rate Assumption Adjustment The proposed budget amendment represents the decrease in the projected Capital spend rate for the Water CIP from 75.0% (projection at time of the FY 2022 budget adoption) to 80.4%. 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. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the October 2021 Audit Committee binder.

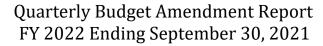


Table 4B - Appropriation Level - Construction Fund - Sewer System

Table 4B - Appropriation Level - Constitu		FY 2022		Total				
		Board	1	st Quarter		FY 2022		FY 2022
Sewer	Adopted		FY 2022		Amended		Activity Thru	
Construction Fund		Budget	Amendments		Budget		8/31/2021	
Revenues								
Transfer from Improvement & Extension Fund	\$	47,546,000	\$	17,185,600	\$	64,731,600	\$	9,023,400
Bond Proceeds		-		-		-		-
Bond Fund Earnings on Investments		-		-		-		2,000
Grant Revenues (SRF Loans)		31,992,000		(17,843,000)		14,149,000		2,770,000
Net Use of Reserves (a)		-		2,008,200		2,008,200		-
Total Revenues	\$	79,538,000	\$	1,350,800	\$	80,888,800	\$	11,795,400
Expenditures								
Capital Improvement Plan (b)	\$	106,050,000	\$	(722,200)	\$	105,327,800	\$	10,142,300
Capital Spend Rate Adjustment		(26,512,000)		2,073,000		(24,439,000)		-
Total Expenditures (b)	\$	79,538,000	\$	1,350,800	\$	80,888,800	\$	10,142,300
(a) Beginning Net Position					\$	11,473,000		
Net Use of Reserves						(2,008,200)		
Projected Ending Net Position					\$	9,464,800		
(b) Plus Direct I&E Projects		<u>-</u>				722,200		
Total CIP Expenditures		79,538,000				81,611,000		
Total Published Capital Improvement Plan		106,050,000				106,050,000		
Capital Spending Ratio		75.0%				77.0%		



Appropriation Level - Construction	Fund – Sewer System Budget Amendment Explanations						
Revenues							
Transfers from Improvement &	The proposed budget amendment is to match the amount available for transfer from the						
Extension Fund	FY 2022 Improvement & Extension Fund (see Revenue Financed Capital-Operating						
	Transfer to Construction Fund line on the Appropriation Level-Improvement & Extension						
	Fund-Sewer System table). The amount is based on the change in the adjustment to the						
	projects in the CIP that do not meet the criteria for debt financing and the shift in Capital						
	Projects completed that rely on I&E funds rather than SRF funds.						
Bond Proceeds	No budget amendment is required.						
Earnings on Investments	No budget amendment is required. The activity posted through August 31, 2021, will						
	likely be reclassified in the next quarter.						
Grant Revenues	The decrease is due to the shift in Capital Projects completed that rely on I&E funds rather						
(State Revolving Fund Loans)	than SRF funds. State revolving fund loan disbursements are on a reimbursement basis.						
	The amount and timing of funds fluctuates with project expenditures incurred. Details						
	related to the SRF projects are presented in the quarterly debt report. The most recent						
	quarterly debt report is presented in the <u>October 2021 Audit Committee binder</u> which						
	provides details related to the SRF funding and associated projects.						
Net Use (Source) of Reserves	This amount represents the net amount of revenues less expenditures. A "use of reserves"						
	indicates a spend down of prior year reserves. The amount has been amended to reflect						
	the anticipated decrease in the Capital spend rate from 75.0% to 77.0%.						
Expenditures							
Capital Improvement Plan	The proposed budget amendment represents an adjustment to the projects in the Board						
	adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.						
	This amount is reflected on the 'Capital Spending – Other' line on the Sewer Improvement						
	& Extension Fund table.						





Appropriation Level - Construction Fund - Sewer System Budget Amendment Explanations

Capital Spend Rate Adjustment

The proposed budget amendment represents the decrease in the projected Capital spend rate for the Water CIP from 75.0% (projection at time of the FY 2022 budget adoption) to 77.0%. 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. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the October 2021 Audit Committee binder.





Supplemental Information -

Enterprise-wide Operations & Maintenance Department and Account Level Amendments

The summary of budget amendments for operations & maintenance (department and account level amendments) are organized by the four core groups. The FY 2022 first quarter budget amendments result in a net zero change to all categories: A - Water System Operations, B - Sewer System Operations, C - Centralized Services, and D - Administrative & Other Services.

GLWA's internal budget directive is for each area, group, and team to manage their needs to an amount within the initial budget. To the extent that is not possible, an amendment is made from the unallocated reserve. If savings are incurred, or an area appears to not require as much funding as established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased. In administering the budget, there are several refinements to departments and account categories. An explanation of larger items (greater than \$500,000) is included in the table in Addendum 1.

Supplemental Information Enterprise-wide Operations & Maintenance Department and Account Level Amendments

	Total	
	1st Quarter	
	FY 2022	
Departmental and Account Level Amendments		Explanation of Key Items
Administrative Administrative Services Unallocated Reserves	0 1.091.800	
Unallocated Reserve	,,	Increase is due primarily to the transfer of Transformation to Centralized Services and the
Chancoatod Nosonvo	1,001,000	reorganization of the Data Analytics & Internal Audit cost center.
Board of Directors	650,000	
Contractual Services	650,000	Add budget for the three contracts for the independent investigation into the June and July 2021 rain
		events.
Chief Executive Officer Contractual Services		Add budget for additional expenditures related to transition of CEO.
Personnel	44,000 50,000	
Supplies & Other	3,900	
Data Analytics & Internal Audit	,	Reorganization of this cost center throughout various Finanical Services groups (offset Unallocated
		Reserves).
Contractual Services	(255,000)	
Personnel	(466,600)	
Supplies & Other OD Compensation	(7,800)) Consolidation of OD cost center into OD Talent Management.
Contractual Services	(200,000)	
Personnel	(157,200)	
Supplies & Other	(4,000)	
OD Organizational Wellness	• • •	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(70,000)	
Personnel	(353,200)	
Supplies & Other	(12,300)	
OD Performance		Consolidation of OD cost center into OD Talent Management.
Contractual Services Personnel	(436,500) (301,100)	
Supplies & Other	(4,250)	
OD Recruiting	• • •	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(70,000)	
Personnel	(335,800)	
Supplies & Other	(32,500)	
OD Talent Management	· · ·	Consolidation of OD cost centers to improve management.
Contractual Services	776,500	
Personnel Supplies & Other	1,147,300 53,050	
Public Finance	,	Consolidation of the Reporting & Compliance cost center into Public Finance.
Personnel	518,300	
Supplies & Other	14,700	
Reporting and Compliance		Consolidation of the Reporting & Compliance cost center into Public Finance.
Personnel	(518,300)	
Supplies & Other	(14,700)	
Transformation Personnel	(1,110,300)	Transfer of the Transformation cost center to Centralized Services.
Supplies & Other	(42,500)	
Centralized	0	
Centralized Services Unallocated Reserves	(227,100)	
Unallocated Reserve	(227,100)	
Info Technology Business Applications	(485,000)	
Shared Services	• • •	To record newly created Information Technology Shared Service Agreements with DWSD.
Info Technology Infrastructure	(398,100)	
Shared Services Info Technology Service Delivery	• • •	To record newly created Information Technology Shared Service Agreements with DWSD.
Shared Services	(100) (100)	
Transformation	, ,	Transfer of the Transformation cost center to Centralized Services.
Personnel	1,067,800	-
Supplies & Other	42,500	
Sewer	0	
BDF, COF & Hauling	(30,000)	
Personnel Combined Sower Overflow	(30,000)	
Combined Sewer Overflow Personnel	(22,000) (22,000)	
Suburban Only Green Infrastructure Allocation	1,061,100	
Supplies & Other		To add budget for the Suburban Green Infrastructure Allocation (offset Unallocated Reserves)
Wastewater Dewatering Process	(201,400)	·
Personnel	(201,400)	
Wastewater Director	1,027,600	
Contractual Services		Increase budget for Skilled Labor contract filling vacant positions (reduction to Personnel budget).
Personnel Wastewater Engineering	7,600 0	
Personnel	0	
	0	

Supplemental Information Enterprise-wide Operations & Maintenance Department and Account Level Amendments

December 2012 and Account Level Accounts	Total 1st Quarter FY 2022	Fundamention of Many Norma
Departmental and Account Level Amendments		Explanation of Key Items
Wastewater Fire Damage	627,800	
Supplies & Other	627,800	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Incineration Process	(166,400)	
Personnel	(166,400)	
Wastewater Laboratories	(245,000)	
Personnel	(245,000)	
Wastewater Operations	(627,800)	
Supplies & Other	(627,800)	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Primary Process	(148,600)	
Personnel	(148,600)	
Wastewater Process Control	(107,000)	
Personnel	(107,000)	
Wastewater Secondary Process	(107,200)	
Personnel	(107,200)	
Wastewater System Operations Unallocated Reserves	(1,061,100)	
Unallocated Reserve	(1,061,100)	Decrease is due to the addition of budget to the Suburban Only Green Infrastructure Allocation.
Grand Total	0	<u> </u>

Totals may be off due to rounding



Quarterly Budget Amendment Report FY 2022 Ending September 30, 2021

ADDENDUM 2

Supplemental Information -

Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments

The table in Addendum 2 summarizes the FY 2022 first quarter budget amendments for operations & maintenance by the major expense categories (account type). An explanation of larger items (greater than \$500,000) is included in the table in Addendum 2.

Supplemental Information Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments Contractual Services Board of Directors Chief Executive Officer Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting OD Talent Management	1,459,000 650,000 44,000 (255,000) (200,000) (70,000) (436,500) (70,000)	
Amendments Contractual Services Board of Directors Chief Executive Officer Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting	Amendments 1,459,000 650,000 44,000 (255,000) (200,000) (70,000) (436,500) (70,000)	Add budget for the three contracts for the independent investigation into the June and July 2021 rain events.
Contractual Services Board of Directors Chief Executive Officer Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting	1,459,000 650,000 44,000 (255,000) (200,000) (70,000) (436,500) (70,000)	Add budget for the three contracts for the independent investigation into the June and July 2021 rain events.
Board of Directors Chief Executive Officer Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting	44,000 (255,000) (200,000) (70,000) (436,500) (70,000)	events.
Chief Executive Officer Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting	44,000 (255,000) (200,000) (70,000) (436,500) (70,000)	events.
Data Analytics & Internal Audit OD Compensation OD Organizational Wellness OD Performance OD Recruiting	(255,000) (200,000) (70,000) (436,500) (70,000)	
OD Compensation OD Organizational Wellness OD Performance OD Recruiting	(200,000) (70,000) (436,500) (70,000)	
OD Organizational Wellness OD Performance OD Recruiting	(70,000) (436,500) (70,000)	
OD Performance OD Recruiting	(436,500) (70,000)	
OD Recruiting	(70,000)	
•		
OD Talent Management	776,500	
		Consolidation of OD cost centers (offsets OD cost centers above)
Wastewater Director	1,020,000	Increase budget for Skilled Labor contract filling vacant positions (reduction to Personnel budget).
Personnel	(1,436,600)	
BDF, COF & Hauling	(30,000)	
Chief Executive Officer	50,000	
Combined Sewer Overflow	(22,000)	
Data Analytics & Internal Audit	(466,600)	
OD Compensation	(157,200)	
OD Organizational Wellness	(353,200)	
OD Performance	(301,100)	
OD Recruiting	(335,800)	
OD Talent Management	1,147,300	Consolidation of OD cost centers (offsets OD cost centers above)
Public Finance	518,300	Consolidation of the Reporting & Compliance cost center into Public Finance.
Reporting and Compliance		Consolidation of the Reporting & Compliance cost center into Public Finance.
Transformation	0	
Wastewater Dewatering Process	(201,400)	
Wastewater Director	7,600	
Wastewater Engineering	0	
Wastewater Incineration Process	(166,400)	
Wastewater Laboratories	(245,000)	
Wastewater Primary Process	(148,600)	
Wastewater Process Control	(107,000)	
Wastewater Secondary Process	(107,200)	
Shared Services	(883,200)	
Info Technology Business Applications	(485,000)	
Info Technology Infrastructure	(398,100)	
Info Technology Service Delivery	(100)	
Supplies & Other	1,057,200	
Chief Executive Officer	3,900	
Data Analytics & Internal Audit	(7,800)	
OD Compensation	(4,000)	
OD Organizational Wellness	(12,300)	
OD Performance	(4,250)	
OD Recruiting	(32,500)	
OD Talent Management	53,050	
Public Finance	14,700	
Reporting and Compliance	(14,700)	
Suburban Only Green Infrastructure Allocation	, , ,	To add budget for the Suburban Green Infrastructure Allocation (offset Unallocated Reserves)
Transformation	1,001,100	10 and branger for the outsident of continuitable detailed Allocation (officer officiallocated 1/eset ves)
Wastewater Fire Damage		Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Operations		Adjustment for the portion of the insurance deductible that will be expended in FY 2022. Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Unallocated Reserve	(196,400)	
		Increase is due primarily to the transfer of Transformation to Centralized Services and the
Administrative Services Unallocated Reserves	1,091,800	reorganization of the Data Analytics & Internal Audit cost center.
Centralized Services Unallocated Reserves	(227,100)	· ·
Wastewater System Operations Unallocated Reserves		Decrease is due to the addition of budget to the Suburban Only Green Infrastructure Allocation.
Grand Total	(1,061,100)	Decrease is due to the addition of budget to the Suburban Only Green inhastructure Allocation.

Totals may be off due to rounding

Great Lakes Water Authority

Resolution 2021 - 469

Resolution Adopting the Budget Amendments through the First Quarter of FY 2022

By Board Member:

- WHEREAS The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the regional water and sewer systems on January 1, 2016 (the "Effective Date") pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and
- WHEREAS In accordance with the by-laws of the GLWA, further defined by its budget amendment policy, the Board shall amend the budget as needed based upon a quarterly report from the Chief Financial Officer; and
- **WHEREAS** The GLWA Board adopted the FY 2022 budget on March 24, 2021, for the twelvemonth fiscal year beginning July 1, 2021;
- WHEREAS Following a review of the budget amendment report through the FY 2022 First Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer system are amended as shown in the table below;

General Operating						
Appropriation Category	Water	System	Sewer	Sewer System		
Revenues	Adopted	Amended	Adopted	Amended		
Suburban Wholesale Customer Charges	\$321,110,900	\$318,710,900	\$ 272,130,000	\$269,130,000		
Retail Service Charges	21,697,300	No Change	188,662,200	No Change		
Industrial Waste Control Charges	-	-	9,024,800	No Change		
Pollutant Surcharges	-	-	4,188,900	No Change		
Investment Earnings	1,047,300	1,547,300	1,023,300	1,523,300		
Other Revenues	175,000	No Change	400,000	No Change		
Total Revenues	\$ 344,030,500	\$ 342,130,500	\$ 475,429,200	\$472,929,200		
Revenue Requirements						
Operations & Maintenance Expense	\$ 143,933,800	No Change	\$ 181,299,800	No Change		
General Retirement System Legacy Pension	6,048,000	No Change	10,824,000	No Change		
Debt Service	135,481,000	135,121,000	207,209,500	204,984,500		
General Retirement System Accelerated Pension	6,268,300	No Change	11,620,700	No Change		
Extraordinary Repair & Replacement Deposit	-	No Change	=	No Change		
Water Residential Assistance Program Contribution	1,705,500	No Change	2,358,300	No Change		
Regional System Lease	22,500,000	No Change	27,500,000	No Change		
DWSD Budget Shortfall Pending	-	No Change	-	No Change		
Improvement & Extension Fund Transfer	28,093,900	26,553,900	34,616,900	34,341,900		
Total Revenue Requirements	\$ 344,030,500	\$ 342,130,500	\$ 475,429,200	\$472,929,200		

WHEREAS Following a review of the budget amendment report through the FY 2022 First Quarter, the appropriations established with the adoption of the amounts necessary to pay the principal of and interest on all Regional bonds and to restore any reserves therefore established in the Master Bond Ordinance for the water system and the sewer system are amended as shown in the table below;

Debt Service Coverage Calculation						
Appropriation Category	Water	System	Sewer System			
Debt Service by Lien	Adopted	Amended	Adopted	Amended		
Senior Lien Bonds	124,309,700	No Change	133,195,700	130,820,700		
Second Lien Bonds	46,840,400	No Change	51,893,000	No Change		
SRF Junior Lien Bonds	6,695,100	6,335,100	53,921,600	54,071,600		
Total Debt Service	\$ 177,845,200	\$ 177,485,200	\$ 239,010,300	\$ 236,785,300		

WHEREAS Following a review of the budget amendment report through the FY 2022 First Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer system are amended as shown in the table below;

Improvement & Extension Fund								
Appropriation Category	Water System			Sewer System				
Revenues	Adopted		Amended		Adopted		Amended	
Transfers In from General Operating	\$ 28,0	93,900	\$	26,553,900	\$	34,616,900	\$	34,341,900
Receipt of DWSD Shortfall Loan		-		-		406,400	No	Change
Earnings on Investments		-		715,000		-		500,000
Net Use of Reserves	97,2	220,700		97,289,500		28,487,800		46,670,600
Total Revenues	\$ 125,3	314,600	\$ ^	124,558,400	\$	63,511,100	\$	81,918,900
Expenditures					_			
Water/Sewer System Revenue Transfers Out	\$	-	\$	715,000	\$	-	\$	500,000
Capital Spending - Other		-		567,400		-		722,200
Capital Outlay	17,006,600		No Change			15,965,100	No	Change
Revenue Financed Capital - Opoerating								
Transfer to Construction Fund	108,3	808,000	•	106,269,400		47,546,000		64,731,600
Total Expenditures	\$ 125,314,600		\$ 1	124,558,400	\$	63,511,100	\$	81,918,900

WHEREAS Following a review of the budget amendment report through the FY 2022 First Quarter, the appropriations established with the adoption of the construction fund budget for the water system and the sewer system are amended as shown in the table below;

Construction Fund							
Appropriation Category	Water System			Sewer System			
Revenues	Adopted	Amended		Adopted	Amended		
Transfer from Improvement & Extension Fund	\$108,308,000	106,269,400	\$	47,546,000	64,731,600		
Bond Proceeds	-	No Change		-	No Change		
Grant Revenues (SRF Loans)	26,100,000	36,527,000		31,992,000	14,149,000		
Earnings on Investments	-	No Change		-	No Change		
Net Use of Reserves	-	772,700		-	2,008,200		
Total Revenues	\$ 134,408,000	\$ 143,569,100	\$	79,538,000	\$ 80,888,800		
Expenditures	•		-				
Project Expenditures	\$ 134,408,000	143,569,100	\$	79,538,000	80,888,800		
Total Expenditures	\$ 134,408,000	\$ 143,569,100	\$	79,538,000	\$ 80,888,800		
Capital Spending Ratio	75.0%	91.4%		75.0%	77.0%		

- **WHEREAS** The GLWA Audit Committee reviewed the budget amendments at its meetings on December 6, 2021; and
- **WHEREAS** An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

- **RESOLVED** That the GLWA Board approves the FY 2022 First Quarter Budget Amendments; and be it finally
- **RESOLVED** That the Interim Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.