



Financial Services Audit Committee Communication

Date: June 15, 2018

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Proposed Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Bonds an Amount Not to Exceed \$45,000,000 (Ordinance 2018-01)

Background: On March 8, 2017, the Great Lakes Water Authority (“GLWA”) Board of Directors approved Resolution 2017-185, *“Resolution of the Great Lakes Water Authority Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds in a principal amount not to exceed \$275,000,000”* (the “Notice of Intent”). This is the second series of sewer bonds from that Notice of Intent in the amount not to exceed \$45,000,000. The first series was issued on June 13, 2017 for the Rouge River Outfall disinfection project in the amount of \$38,450,000 through the State Revolving Fund (SRF).

The projects to be funded are two SRF Projects for the GLWA regional system, which will close in September 2018. The projects are the Detroit River Interceptor (DRI) project which is anticipated to be about \$29 million and the Central Offload Facility project at the WRRF which is anticipated to be about \$16 million.

The Series Ordinance presented today is the next formal step required by the GLWA Board of Directors in the bond issuance process which authorizes the issuance of the Bonds by GLWA, sets forth the guidelines for the SRF Bonds, designates the Bonds as 2018 SRF Junior Lien Bonds, and authorizes the Chief Executive Officer or the Chief Financial Officer to execute the final terms of the Bonds, paying issuance costs and signing of the Purchase Contract and Sale Order within the parameters set forth in the Series Ordinance. A copy of the Series Ordinance and draft resolution are included with this memo.

Budget Impact: The debt service on the proposed projects is anticipated to commence in FY 2019 and have been included in the FY 2019 financial plan.

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board approve the resolution for the Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Bonds an Amount Not to Exceed \$45,000,000 as presented, at its Regular Meeting on July 11, 2018.