

**Great Lakes Water Authority**

**Resolution 2026-114**

**Resolution Adopting the Budget Amendments through the Third Quarter of FY 2026**

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 2026 budget on February 26, 2025, for the twelve-month fiscal year beginning July 1, 2025;

**WHEREAS** Following a review of the budget amendment report through the FY 2026 Third 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 System	
	Adopted	Amended	Adopted	Amended
<b>Revenues</b>				
Wholesale Customers	\$ 365,646,100	No Change	\$ 300,316,800	No Change
Less: Bad Debt	-	No Change	-	No Change
Charges to Local System	30,028,800	No Change	215,324,400	No Change
Industrial Waste Control	NA	NA	9,150,300	No Change
Pollutant Surcharges	NA	NA	5,112,700	No Change
Investment Earnings - Unrestricted	4,654,800	No Change	5,087,300	No Change
Investment Earnings - I&E Fund Unrestricted	4,868,800	No Change	5,451,500	No Change
Investment Earnings - Restricted for Debt Service	3,260,100	No Change	4,076,400	No Change
Other Revenue	302,800	No Change	442,600	No Change
<b>Total Revenues</b>	<b>\$ 408,761,400</b>	<b>\$ 408,761,400</b>	<b>\$ 544,962,000</b>	<b>\$ 544,962,000</b>
<b>Revenue Requirements</b>				
Operations & Maintenance Expense	\$ 182,456,000	\$ 185,833,300	\$ 236,098,700	\$ 238,562,400
Debt Service	179,082,200	\$ 177,698,400	220,884,500	\$ 216,273,800
General Retirement System Pension	2,730,800	No Change	5,632,800	No Change
Water Residential Assistance Program Contribution	1,970,000	No Change	2,638,500	No Change
Extraordinary Repair & Replacement Deposit	320,000	No Change	-	No Change
Regional System Lease	22,500,000	No Change	27,500,000	No Change
Working Capital Requirement	600,000	\$ -	-	No Change
Improvement & Extension Fund Transfer	19,102,400	\$ 17,708,900	52,207,500	\$ 54,354,500
<b>Total Revenue Requirements</b>	<b>\$ 408,761,400</b>	<b>\$ 408,761,400</b>	<b>\$ 544,962,000</b>	<b>\$ 544,962,000</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2026 Third 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	
	Adopted	Amended	Adopted	Amended
<b>Debt Service by Lien</b>				
Senior Lien Bonds	\$ 153,735,500	\$ 146,982,800	\$ 158,579,500	\$ 154,261,000
Second Lien Bonds	50,697,200	56,245,400	56,447,200	56,591,200
SRF Junior Lien Bonds	19,843,600	19,623,400	38,107,400	37,595,600
<b>Total Debt Service</b>	<b>\$ 224,276,300</b>	<b>\$ 222,851,600</b>	<b>\$ 253,134,100</b>	<b>\$ 248,447,800</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2026 Third 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	
	Adopted	Amended	Adopted	Amended
<b>Inflows</b>				
Transfers In from Operating	\$ 19,102,400	\$ 17,708,900	\$ 52,207,500	\$ 54,354,500
Grant Revenues & Capital Contributions	-	No Change	-	No Change
Investment Earnings	4,868,800	No Change	5,451,500	No Change
<b>Total Inflows</b>	<b>23,971,200</b>	<b>22,577,700</b>	<b>57,659,000</b>	<b>59,806,000</b>
<b>Outflows</b>				
Capital Outlay	11,691,400	12,350,200	11,779,500	10,259,800
Transfer out Investment Earnings	4,868,800	No Change	5,451,500	No Change
Capital Improvement Plan funded by I&E	-	No Change	-	No Change
Transfer out Revenue Financed Capital	9,250,000	-	26,250,000	36,000,000
<b>Total Outflows</b>	<b>25,810,200</b>	<b>17,219,000</b>	<b>43,481,000</b>	<b>51,711,300</b>
<b>Net Increase (Use) of Reserves</b>	<b>\$ (1,839,000)</b>	<b>\$ 5,358,700</b>	<b>\$ 14,178,000</b>	<b>\$ 8,094,700</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2026 Third 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	
	Adopted	Amended	Adopted	Amended
<b>Inflows</b>				
Transfer from Improvement & Extension Fund	\$ 9,250,000	\$ -	\$ 26,250,000	\$ 36,000,000
Bond Proceeds	222,000,000	158,000,000	101,000,000	26,000,000
SRF loan proceeds	1,369,200	6,742,400	52,936,600	102,632,900
Grant Revenues & Capital Contributions	2,300,000	2,197,100	23,191,650	33,623,000
Investment Earnings	5,565,100	3,565,100	3,936,400	2,111,250
<b>Total Inflows</b>	<b>\$ 240,484,300</b>	<b>\$ 170,504,600</b>	<b>\$ 207,314,650</b>	<b>\$ 200,367,150</b>
<b>Outflows</b>				
Capital Program	185,000,000	165,000,000	175,000,000	240,000,000
Bond Cost of Issuance	1,665,000	1,185,000	757,500	195,000
<b>Total Outflows</b>	<b>\$ 186,665,000</b>	<b>\$ 166,185,000</b>	<b>\$ 175,757,500</b>	<b>\$ 240,195,000</b>
<b>Net (Use) Increase of Reserves</b>	<b>53,819,300</b>	<b>4,319,600</b>	<b>31,557,150</b>	<b>(39,827,850)</b>
<i>Capital Spend Rate Assumption</i>	100%	88%	90%	No Change

**WHEREAS** The GLWA Audit Committee reviewed the budget amendments at its meeting on March 27, 2026; and

**WHEREAS** An affirmative vote of five Board Members is necessary for the adoption of this Resolution,

**NOW THEREFORE BE IT:**

**RESOLVED** That the GLWA Board approves the FY 2026 Third Quarter Budget Amendments; and be it finally

**RESOLVED** That the 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.