



Financial Services Audit Committee Communication

Date: July 17, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Amount Not to Exceed \$40,000,000 (Ordinance 2020-05)

Background: Included is the draft Great Lakes Water Authority (“GLWA”) Board letter for the July 22, 2020 Board meeting regarding the Series Ordinance for the proposed Water Supply System Drinking Water Revolving Fund (DWRf) bond issue. This series of bonds authorized by this ordinance will be sold through the state of Michigan’s DWRf program and will be used to finance the following projects:

- *GLWA Northeast Transmission Main- Phase 2A-* Designated 2020 SRF-2 Junior Lien Bonds, not to exceed \$10.0 million
- *GLWA 14 Mile Road Transmission Loop- Phase 1-* Designated 2020 SRF-3 Junior Lien Bonds, not to exceed \$10.0 million
- *DWSD Water Main Replacement-* Designated 2020-4 SRF Junior Lien Bonds, not to exceed \$20.0 million

Key Provisions for the Bonds:

- Total Not to Exceed Amount: \$40,000,000
- Maximum Coupon Rate: 2.50% (Current program rate is 2.00%)
- Bonds will be sold to the Michigan Finance Authority (MFA)

Proposed Action: Audit Committee recommends that the Great Lakes Water Authority Board approve the resolution Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Amount Not to Exceed \$40,000,000 as presented, at its regular meeting on July 22, 2020.