



## Financial Services Audit Committee Communication

**Date:** April 24, 2026

**To:** Great Lakes Water Authority Audit Committee

**From:** Cindy Cezat, Financial Management and Planning Director

**Re:** FY 2027 Approved Budget and Charge Resolutions – DWSD Informational Data

**Background:** At the time the GLWA Board of Directors adopted the budget and approved the schedule of charges on February 25, 2026, certain informational items for the related resolutions were not available from the Detroit Water & Sewerage Department (DWSD). Since then, their Board has adopted their budget which has allowed GLWA to update these items in our documents. This impacts informational only items the following resolutions.

- ✓ Resolution 2026-070 Resolution Adopting the FY 2027 & FY 2028 Biennial Budget
- ✓ Resolution 2026-071 Approval of FY 2027 Schedule of Water and Sewer Service Charges

The resolutions authorized the GLWA Administration to revise, update, and report back the final schedules pending receipt of action by the Board of Water Commissioners for DWSD. No updates impacted the substance of the resolutions. The importance of this information is for users of budget information and related analysis.

**Analysis:** For 2026-070 Resolution Adopting the FY 2027 & FY 2028 Biennial Budget – Schedule 10 (shown below) was added to the resolution file and the asterisks were removed from the resolution language related to the debt service amounts. The footnote *\*Amounts are subject to change pending receipt of final DWSD budget information* was removed.

## Schedule 10 – Flow of Funds and Debt Service Coverage Consistent with the Master Bond Ordinance

Line No	Flow of Funds Basis	FY 2027			FY 2028		
		Water Fund	Sewer Fund	Combined (Info Only)	Water Fund	Sewer Fund	Combined (Info Only)
<b>Revenues</b>							
1	GLWA Revenue						
	Wholesale Charges	\$ 384,435,600	\$ 326,945,100	\$ 711,380,700	\$ 406,033,200	\$ 341,874,900	\$ 747,908,100
2	Charges to Local System [a]	33,087,600	225,283,200	258,370,800	36,139,800	235,235,000	271,374,800
3	Total GLWA Revenue from Charges	417,523,200	552,228,300	969,751,500	442,173,000	577,109,900	1,019,282,900
4	Investment Earnings & Other Revenues	9,234,900	10,953,900	20,188,800	8,669,100	10,649,900	19,319,000
5	Total GLWA Revenues	426,758,100	563,182,200	989,940,300	450,842,100	587,759,800	1,038,601,900
6	DWSD Local System Revenues [b]	104,113,600	100,599,000	204,712,600	109,221,400	106,983,300	216,204,700
7	<b>Total Revenues</b>	<b>\$ 530,871,700</b>	<b>\$ 663,781,200</b>	<b>\$1,194,652,900</b>	<b>\$ 560,063,500</b>	<b>\$ 694,743,100</b>	<b>\$1,254,806,600</b>
<b>Revenue Requirements</b>							
Operations & Maintenance Expense							
8	GLWA Regional System	\$ 193,563,400	\$ 237,763,400	\$ 431,326,800	\$ 200,736,600	\$ 248,410,600	\$ 449,147,200
9	DWSD Local System	54,218,900	64,186,900	118,405,800	56,387,700	66,754,400	123,142,100
10	Less Shared Service Revenue	(1,537,300)	(1,455,800)	(2,993,100)	(1,537,300)	(1,455,800)	(2,993,100)
11	Net Local System O&M Transfer	52,681,600	62,731,100	115,412,700	54,850,400	65,298,600	120,149,000
12	<b>Total Operations &amp; Maintenance Expense</b>	<b>246,245,000</b>	<b>300,494,500</b>	<b>546,739,500</b>	<b>255,587,000</b>	<b>313,709,200</b>	<b>569,296,200</b>
Debt Service by Lien (Regional & Local)							
13	Senior Lien Bonds	157,116,600	163,909,100	321,025,700	175,772,000	167,966,100	343,738,100
14	Second Lien Bonds	58,357,600	60,283,100	118,640,700	59,135,400	60,060,700	119,196,100
15	SRF Junior Lien Bonds	18,998,000	42,023,000	61,021,000	19,116,600	48,726,600	67,843,200
16	<b>Total Debt Service</b>	<b>\$ 234,472,200</b>	<b>\$ 266,215,200</b>	<b>\$ 500,687,400</b>	<b>\$ 254,024,000</b>	<b>\$ 276,753,400</b>	<b>\$ 530,777,400</b>
17	GRS Pension	4,540,800	6,748,400	11,289,200	4,295,700	6,339,900	10,635,600
18	WRAP Contribution	3,066,300	4,224,400	7,290,700	3,248,100	4,436,900	7,685,000
Lease Payment to Local System I&E Account							
19	Account	22,500,000	27,500,000	50,000,000	22,500,000	27,500,000	50,000,000
20	ER&R Deposit	216,800	-	216,800	618,900	-	618,900
21	Working Capital Requirements Available for Revenue Financed Capital	600,000	1,500,000	2,100,000	5,300,000	4,700,000	10,000,000
22	GLWA Regional System	16,152,800	54,568,000	70,720,800	11,540,700	56,907,800	68,448,500
23	DWSD Local System	3,077,800	2,530,700	5,608,500	2,949,100	4,395,900	7,345,000
24	<b>Total Revenue Requirements</b>	<b>\$ 530,871,700</b>	<b>\$ 663,781,200</b>	<b>\$1,194,652,900</b>	<b>\$ 560,063,500</b>	<b>\$ 694,743,100</b>	<b>\$1,254,806,600</b>
25	<b>Pledged Revenue</b>	<b>284,626,700</b>	<b>363,286,700</b>	<b>647,913,400</b>	<b>304,476,500</b>	<b>381,033,900</b>	<b>685,510,400</b>
<b>Debt Service Coverage</b>							
26	Senior Lien Bonds (25) / (13)	1.81	2.22		1.73	2.27	
27	Second Lien Bonds (25) / [(13)+(14)]	1.32	1.62		1.30	1.67	
28	All Bonds, including SRF Junior Lien Bonds (25) / (16)	1.21	1.36		1.20	1.38	

Schedule 10 includes the budget for both GLWA and the Local System(DWSD). The DWSD budget was approved by the DWSD Board of Commissioners on March 18, 2026.

[a] Charges to the Local System are for water and sewer services provided by GLWA to DWSD under Section 3.1 of the Water and Sewer Services Agreement.

[b] DWSD Local System Revenues is net of the GLWA Charges to Local System on line 2 which are paid from the local system revenues.

For Resolution 2026-071 Approval of FY 2027 Schedule of Water and Sewer Service Charges, the **Schedule of Water Service Charges**, the “TBD” on pages 3 and 4 were updated with final numbers.

<b>Detroit Customer Class -Other</b>					
93	Indirect Retail Revenue Requirements (e)				\$ 48,354,200
Approved 2/25/2026  3 of 4					
<b>GREAT LAKES WATER AUTHORITY</b> <b>WATER SUPPLY SYSTEM</b> <b>Service Charges and Allocated Revenue Requirements</b> Approved as of February 25, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026					
Line No.	Member Partner	Contract	Fixed Monthly Charge (a) \$/mo	Commodity Charge (a) \$/mcf	Projected Revenue From Charges \$
94	less: Use of Lease Payment for Debt Service				\$ -
95	<b>Net Indirect Retail Revenue Requirements (e)</b>				<b>\$ 48,354,200</b>
96	Subtotal Subject to GLWA Board Approval (91) + (95)				\$ 81,441,800
97	Direct Retail Revenue Requirements (f)				\$ 55,759,400
98	Total Local Retail Revenue Requirement (95) + (97)				\$ 104,113,600
99	<b>Total Requirement Detroit Customer Class (91) + (98) (agrees with GLWA Budget Schedule 3)</b>				<b>\$ 137,201,200</b>

On the **Schedule of Sewer Service Charges**, the “TBD” on page 2 was updated with final numbers.

<b>Detroit Customer Class -Other</b>					
27	Indirect Retail Revenue Requirements (e)				\$ 35,337,200
28	less: Use of Lease Payment for Debt Service				\$ -
29	<b>Net Indirect Retail Revenue Requirements (e)</b>				<b>\$ 35,337,200</b>
30	Subtotal Subject to GLWA Board Approval (25) + (29)				\$ 260,620,400
31	Direct Retail Revenue Requirements (f)				\$ 65,261,800
32	Total Local System Revenue Requirement (29) + (31)				\$ 100,599,000
33	<b>Total Requirement from Detroit Customer Class (25) + (32)</b>				<b>\$ 325,882,200</b>

**Proposed Action:** Receive and file.