

Great Lakes Water Authority

Resolution 2022-262

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

By Board Member: Brian Baker

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 twelve-month fiscal year beginning July 1, 2021;

WHEREAS Following a review of the budget amendment report through the FY 2022 Fourth 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
Revenues				
Suburban Wholesale Customer Charges	\$ 322,334,700	\$ 317,434,700	\$ 272,130,000	No Change
Less: Bad Debt	(1,223,800)	(2,423,800)	-	(4,000,000)
Retail Service Charges	21,697,300	No Change	188,662,200	No Change
Industrial Waste Control Charges	-	-	9,024,800	8,324,800
Pollutant Surcharges	-	-	4,188,900	5,088,900
Investment Earnings	1,047,300	1,923,800	1,023,300	1,876,200
Other Revenues	175,000	684,400	400,000	538,000
Total Revenues	<u>\$ 344,030,500</u>	<u>\$ 339,316,400</u>	<u>\$ 475,429,200</u>	<u>\$ 472,620,100</u>
Revenue Requirements				
Operations & Maintenance Expense	\$ 143,933,800	No Change	\$ 181,299,800	\$ 191,908,600
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	23,739,800	34,616,900	23,424,000
Total Revenue Requirements	<u>\$ 344,030,500</u>	<u>\$ 339,316,400</u>	<u>\$ 475,429,200</u>	<u>\$ 472,620,100</u>

WHEREAS Following a review of the budget amendment report through the FY 2022 Fourth 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
Debt Service by Lien				
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	<u>\$ 177,845,200</u>	<u>\$ 177,485,200</u>	<u>\$ 239,010,300</u>	<u>\$ 236,785,300</u>

WHEREAS Following a review of the budget amendment report through the FY 2022 Fourth 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
Revenues				
Transfers In from General Operating	\$ 28,093,900	\$ 23,739,800	\$ 34,616,900	\$ 23,424,000
Receipt of DWSD Shortfall Loan	-	-	406,400	144,900
Earnings on Investments	-	1,329,000	-	1,004,900
Net Use of Reserves	97,220,700	126,683,600	28,487,800	49,570,200
Total Revenues	<u>\$ 125,314,600</u>	<u>\$ 151,752,400</u>	<u>\$ 63,511,100</u>	<u>\$ 74,144,000</u>
Expenditures				
Water/Sewer System Revenue Transfers Out	\$ -	\$ 1,329,000	\$ -	\$ 1,004,900
Capital Spending - Other	-	567,400	-	722,200
Capital Outlay	17,006,600	7,220,700	15,965,100	9,137,700
Revenue Financed Capital - Operating				
Transfer to Construction Fund	108,308,000	142,635,300	47,546,000	63,279,200
Total Expenditures	<u>\$ 125,314,600</u>	<u>\$ 151,752,400</u>	<u>\$ 63,511,100</u>	<u>\$ 74,144,000</u>

WHEREAS Following a review of the budget amendment report through the FY 2022 Fourth 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
Revenues				
Transfer from Improvement & Extension Fund	\$ 108,308,000	142,635,300	\$ 47,546,000	63,279,200
Bond Proceeds	-	No Change	-	No Change
Grant Revenues (SRF Loans)	26,100,000	27,000,000	31,992,000	10,000,000
Earnings on Investments	-	No Change	-	No Change
Net Use of Reserves	-	-	-	-
Total Revenues	<u>\$ 134,408,000</u>	<u>\$ 169,635,300</u>	<u>\$ 79,538,000</u>	<u>\$ 73,279,200</u>
Expenditures				
Project Expenditures	\$ 134,408,000	169,635,300	\$ 79,538,000	73,279,200
Total Expenditures	<u>\$ 134,408,000</u>	<u>\$ 169,635,300</u>	<u>\$ 79,538,000</u>	<u>\$ 73,279,200</u>
Capital Spending Ratio	75.0%	95.0%	75.0%	69.8%

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 Fourth 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.