

Great Lakes Water Authority

Resolution 2025-109

Resolution Adopting the Budget Amendments through the Second Quarter of FY 2025

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 2025 budget on February 28, 2024, for the twelve-month fiscal year beginning July 1, 2024;

WHEREAS Following a review of the budget amendment report through the FY 2025 Second 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				
Wholesale Charges	\$ 347,758,000	No Change	\$ 287,517,600	\$ 287,386,800
Less: Bad Debt	-	No Change	-	No Change
Local System Charges	27,094,800	No Change	205,924,800	No Change
Industrial Waste Control	NA	NA	8,719,300	No Change
Pollutant Surcharges	NA	NA	5,434,400	No Change
Investment Earnings - Unrestricted	6,692,200	\$ 11,778,000	10,494,500	\$ 16,151,000
Investment Earnings - Restricted for Debt Service	3,182,100	\$ 3,199,000	1,861,500	\$ 4,004,000
Other Revenue	400,000	No Change	700,000	No Change
Total Revenues	\$ 385,127,100	\$ 390,229,800	\$ 520,652,100	\$ 528,320,300
Revenue Requirements				
Operations & Maintenance Expense	\$ 169,625,000	\$ 174,625,000	\$ 228,934,000	\$ 231,434,000
Debt Service	175,300,800	\$ 163,163,400	226,279,400	\$ 218,171,500
General Retirement System Pension	2,283,300	\$ 1,653,300	4,846,300	\$ 3,718,800
Water Residential Assistance Program Contribution	1,947,800	\$ 1,876,500	2,651,700	\$ 2,541,500
Extraordinary Repair & Replacement Deposit	-	\$ 906,400	-	No Change
Regional System Lease	22,500,000	No Change	27,500,000	No Change
Working Capital Requirement	6,200,000	No Change	2,300,000	No Change
Improvement & Extension Fund Transfer	7,270,200	\$ 19,305,200	28,140,700	\$ 42,654,500
Total Revenue Requirements	\$ 385,127,100	\$ 390,229,800	\$ 520,652,100	\$ 528,320,300

WHEREAS Following a review of the budget amendment report through the FY 2025 Second 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	\$ 151,609,800	\$ 139,737,100	\$ 157,316,400	\$ 152,128,200
Second Lien Bonds	51,930,500	50,697,300	53,776,500	53,311,100
SRF Junior Lien Bonds	18,368,100	17,908,900	47,436,600	44,875,300
Total Debt Service	\$ 221,908,400	\$ 208,343,300	\$ 258,529,500	\$ 250,314,600

WHEREAS Following a review of the budget amendment report through the FY 2025 Second 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
Inflows				
Transfers In from Operating	\$ 7,270,200	\$ 19,305,200	\$ 28,140,700	\$ 42,654,500
Grant Revenues & Capital Contributions	-	No Change	-	No Change
Investment Earnings	938,700	5,929,000	1,076,000	6,060,000
Total Inflows	8,208,900	25,234,200	29,216,700	48,714,500
Outflows				
Transfer out Investment Earnings	938,700	5,929,000	1,076,000	6,060,000
Capital Improvement Plan funded by I&E	-	No Change	-	No Change
Capital Outlay	10,527,800	No Change	12,071,300	No Change
Transfer out Revenue Financed Capital	15,000,000	-	5,500,000	No Change
Total Outflows	26,466,500	16,456,800	18,647,300	23,631,300
Net Increase (Use) of Reserves	\$ (18,257,600)	\$ 8,777,400	\$ 10,569,400	\$ 25,083,200

WHEREAS Following a review of the budget amendment report through the FY 2025 Second 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
Inflows				
Transfer from Improvement & Extension Fund	\$ 15,000,000	\$ -	\$ 5,500,000	No Change
Bond Proceeds	271,562,500	230,000,000	-	50,000,000
SRF loan proceeds	30,800,000	61,643,600	96,852,000	No Change
Investment Earnings	7,953,300	4,665,000	2,359,000	6,060,000
Grant Revenues & Capital Contributions	-	1,240,400	-	No Change
Other Revenue	-	No Change	-	No Change
Total Inflows	\$ 325,315,800	\$ 297,549,000	\$ 104,711,000	\$ 158,412,000
Outflows				
Bond Cost of Issuance	-	1,725,000	-	375,000
Capital Program	210,000,000	No Change	170,000,000	185,000,000
Total Outflows	\$ 210,000,000	\$ 211,725,000	\$ 170,000,000	\$ 185,375,000
Net (Use) Increase of Reserves	115,315,800	85,824,000	(65,289,000)	(26,963,000)

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meeting on March 28, 2025; 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 2025 Second 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.