

Great Lakes Water Authority

Resolution 2025-414

Resolution Adopting the Budget Amendments through the First 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 First 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 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
Total Revenues	\$ 408,761,400	\$ 408,761,400	\$ 544,962,000	\$ 544,962,000
Revenue Requirements				
Operations & Maintenance Expense	\$ 182,456,000	\$ 183,909,400	\$ 236,098,700	\$ 237,552,000
Debt Service	179,082,200	\$ 177,686,400	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	\$ 19,644,800	52,207,500	\$ 55,364,900
Total Revenue Requirements	\$ 408,761,400	\$ 408,761,400	\$ 544,962,000	\$ 544,962,000

WHEREAS Following a review of the budget amendment report through the FY 2026 First 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	\$ 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	19,611,400	38,107,400	37,580,600
Total Debt Service	\$ 224,276,300	\$ 222,839,600	\$ 253,134,100	\$ 248,432,800

WHEREAS Following a review of the budget amendment report through the FY 2026 First 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	\$ 19,102,400	\$ 19,644,800	\$ 52,207,500	\$ 55,364,900
Grant Revenues & Capital Contributions	-	No Change	-	No Change
Investment Earnings	4,868,800	No Change	5,451,500	No Change
Total Inflows	23,971,200	24,513,600	57,659,000	60,816,400
Outflows				
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
Capital Outlay	11,691,400	No Change	11,779,500	No Change
Transfer out Revenue Financed Capital	9,250,000	-	26,250,000	36,000,000
Total Outflows	25,810,200	16,560,200	43,481,000	53,231,000
Net Increase (Use) of Reserves	\$ (1,839,000)	\$ 7,953,400	\$ 14,178,000	\$ 7,585,400

WHEREAS Following a review of the budget amendment report through the FY 2026 First 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	\$ 9,250,000	\$ -	\$ 26,250,000	\$ 36,000,000
Bond Proceeds	222,000,000	202,000,000	101,000,000	26,000,000
SRF loan proceeds	1,369,200	6,369,200	52,936,600	102,632,900
Grant Revenues & Capital Contributions	2,300,000	4,300,000	23,191,650	33,623,000
Investment Earnings	5,565,100	3,565,100	3,936,400	2,111,250
Total Inflows	\$ 240,484,300	\$ 216,234,300	\$ 207,314,650	\$ 200,367,150
Outflows				
Bond Cost of Issuance	1,665,000	No Change	757,500	No Change
Capital Program	185,000,000	No Change	175,000,000	240,000,000
Total Outflows	\$ 186,665,000	\$ 186,665,000	\$ 175,757,500	\$ 240,757,500
Net (Use) Increase of Reserves	53,819,300	29,569,300	31,557,150	(40,390,350)

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meeting on December 19, 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 2026 First 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.