



**Financial Services
Procurement**
735 Randolph Street, Suite 1508
Detroit, Michigan 48226
Phone: 313-964-9157

Memorandum

Date: June 27, 2023

To: The Honorable
Board of Directors
Great Lakes Water Authority

From: Sonya Collins, Chief Procurement Officer

RE: Contract No. 2204949
Municipal Advisory Services
O & M
Vendor: PFM Financial Advisors LLC

Agenda of: June 28, 2023
Item No.: **2023-181**
Amount: \$3,150,000.00

During review of the PFM contract, it was discovered that the bond transactional services fee for the not to exceed amount was computed incorrectly. Consistent with the current contract, bond transaction fees are charged separately for each system (water or sewer). The original not to exceed of \$2,500,000.00 only included bond transaction fees for one system which does not match the financing schedule in the 10-year forecast. In order to take into account a transaction for both water and sewer the not to exceed amount should be \$3,150,000.00.

Sincerely,

Sonya Collins
Chief Procurement Officer

Funding Source: Depending on service will be either Operations & Maintenance (O&M) Budget – Administrative or Bond Proceeds (Debt Service Fund) – Water & Sewer Specific
Cost Center(s): Public Finance - 887511/897511
Expense Type(s): Debt Cost of Issuance (706150)

Estimated Cost by Year:

Fiscal Year	Bond Transaction	SRF Services	Other Services	Total
FY 2024	\$ 440,000	\$ 400,000	\$ 100,050	\$ 940,050
FY 2025	-	225,000	100,050	325,050
FY 2026	440,000	225,000	102,100	767,100
FY 2027	-	225,000	103,900	328,900
FY 2028	460,000	225,000	103,900	788,900
Total	\$ 1,340,000	\$ 1,300,000	\$ 510,000	\$ 3,150,000

Estimated cost varies by year based upon the anticipated timing of revenue bond transactions.