



Financial Services Audit Committee Communication

Date: December 6, 2021

To: Great Lakes Water Authority Audit Committee

From: Lisa L. Mancini, Financial Planning & Analysis Manager

Re: FY 2022 First Quarter Budget Amendments through September 30, 2021, and Proposed Budget Amendment Resolution

Background: In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee will review the proposed budget amendments and forward to the Board of Directors with a recommendation.

Analysis: Highlights of the first quarter budget amendments include the following.

- A. There is a net decrease to the Water System revenues of \$2.4 million. This is due to the decrease in water demand usage during the first quarter of FY 2022.
- B. New this quarter is the addition of the Debt Service Coverage Calculation tables for both the Water and Sewer Systems. The total Debt Service amount is adopted by the Board during the budget adoption process. This is the amount necessary to pay the principal of and interest on all Regional Water and Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.
- C. The Capital Spending Ratio for the water capital improvement plan has increased from 75.0% to 80.4% which equates to \$9.7 million. The Capital Spending Ratio for the sewer capital improvement plan has increased from 75.0% to 77.0% which equates to \$2.1 million.

The attached budget amendment report is organized in the following manner.

1. Appropriation Level - Revenue Requirement - Water and Sewer Systems

- A. Water System General Operating Fund*
- B. Sewer System General Operating Fund*
- C. Total Operating Fund Level – Water System and Sewer System (Supplemental Information)*
- D. Enterprise-wide Core Groups (Supplemental Information)*
- E. Enterprise-wide Operations & Maintenance Account Type (Supplemental Information)*
- F. Unallocated Reserve by Core Group (Supplemental Information)*

2. Appropriation Level – Debt Service – Water and Sewer Systems

- A. Water System Debt Service Coverage Calculation*
- B. Sewer System Debt Service Coverage Calculation*

3. Appropriation Level – Improvement & Extension Fund – Water and Sewer Systems

- A. Water System Improvement & Extension Fund*
- B. Sewer System Improvement & Extension Fund*

4. Appropriation Level – Construction Fund – Water and Sewer Systems

- A. Water System Construction Fund*
- B. Sewer System Construction Fund*

A budget amendment resolution reflecting the budget amendments is also attached.

Proposed Action: The Audit Committee recommends that the Board of Directors for the Great Lakes Water Authority adopt the proposed budget resolution for the first quarter FY 2022 budget amendments.



Quarterly Budget Amendment Report
 FY 2022 Ending September 30, 2021

Table 1A - Appropriation Level - Revenue Requirement – Water System General Operating

Water System	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Suburban Wholesale Customer Charges	\$ 321,110,900	\$ (2,400,000)	\$ 318,710,900	\$ 59,034,200
Retail Service Charges	21,697,300	-	21,697,300	3,616,200
Investment Earnings	1,047,300	500,000	1,547,300	389,100
Other Revenues	175,000	-	175,000	-
Total Revenues	\$ 344,030,500	\$ (1,900,000)	\$ 342,130,500	\$ 63,039,500
Revenue Requirements				
Operations & Maintenance Expense	\$ 143,933,800	\$ -	\$ 143,933,800	\$ 20,801,100
General Retirement System Legacy Pension	6,048,000	-	6,048,000	1,008,000
Debt Service	135,481,000	(360,000)	135,121,000	22,583,800
General Retirement System Accelerated Pension	6,268,300	-	6,268,300	1,104,700
Extraordinary Repair & Replacement Deposit	-	-	-	-
Water Residential Assistance Program Contribution	1,705,500	-	1,705,500	284,300
Regional System Lease	22,500,000	-	22,500,000	3,750,000
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	-	-	-	-
	28,093,900	(1,540,000)	26,553,900	4,682,300
Total Revenue Requirements	\$ 344,030,500	\$ (1,900,000)	\$ 342,130,500	\$ 54,214,200
Net Actual to Date	\$ -	\$ -	\$ -	\$ 8,825,300



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Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>The change to this category is due to the decrease in water demand usage during the first quarter of FY 2022.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Investment Earnings	<i>The increase is based on the revised interest rates and cashflow forecast.</i>
Other Revenues	<i>No budget amendment is required.</i>
Revenue Requirements (Expenditures)	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>The decrease is due to the revision of the SRF schedules (timing of the draws).</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



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Table 1B - Appropriation Level - Revenue Requirement – Sewer System General Operating

Sewer System	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Suburban Wholesale Customer Charges	\$ 272,130,000	\$ (3,000,000)	\$ 269,130,000	\$ 45,364,000
Retail Service Charges	188,662,200	-	188,662,200	31,443,700
Industrial Waste Control Charges	9,024,800	-	9,024,800	1,385,200
Pollutant Surcharges	4,188,900	-	4,188,900	848,900
Investment Earnings	1,023,300	500,000	1,523,300	375,800
Other Revenues	400,000	-	400,000	126,900
Total Revenues	\$ 475,429,200	\$ (2,500,000)	\$ 472,929,200	\$ 79,544,500
Revenue Requirements				
Operations & Maintenance Expense	\$ 181,299,800	\$ -	\$ 181,299,800	\$ 25,572,200
General Retirement System Legacy Pension	10,824,000	-	10,824,000	1,804,000
Debt Service	207,209,500	(2,225,000)	204,984,500	34,544,300
General Retirement System Accelerated Pension	11,620,700	-	11,620,700	1,936,800
Extraordinary Repair & Replacement Deposit	-	-	-	-
Water Residential Assistance Program Contribution	2,358,300	-	2,358,300	393,100
Regional System Lease	27,500,000	-	27,500,000	4,583,300
DWSD Budget Shortfall Pending	-	-	-	564,800
Improvement & Extension Fund Transfer Pending	34,616,900	(275,000)	34,341,900	5,769,500
Total Revenue Requirements	\$ 475,429,200	\$ (2,500,000)	\$ 472,929,200	\$ 75,168,000
Net Actual to Date	\$ -	\$ -	\$ -	\$ 4,376,500



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Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>The reduction to this category is the result of an adjustment to the allowance for bad debt expense for Highland Park.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Industrial Waste Control Charges	<i>No budget amendment is required.</i>
Pollutant Surcharges	<i>No budget amendment is required.</i>
Investment Earnings	<i>The increase is based on the revised interest rates and cashflow forecast.</i>
Other Revenues	<i>No budget amendment is required.</i>
Revenue Requirements (Expenditures)	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>The decrease is due to the revision of the SRF schedules (timing of the draws) offset by lower actual variable rate on the 2006D Bonds than was assumed in the budget.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>



Quarterly Budget Amendment Report
 FY 2022 Ending September 30, 2021

Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time. The 2018 Memorandum of Understanding provides guidance related to repayment to the extent that the shortfall is not cured by other means before June 30th of the subsequent year. Communication with DWSD Management indicates that plans are cautiously optimistic that the shortfall will be cured by year-end.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Table 1C - Supplemental Information - Operating Fund Level - Water System and Sewer System

System	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Water System Operations	\$ 143,933,800	\$ -	\$ 143,933,800	\$ 20,801,100
Wastewater System Operations	181,299,800	-	181,299,800	25,572,200
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

Totals may be off due to rounding.

As shown in the table above, there are no budget amendments for transfers of resources between the water and sewer funds. It is unforeseen that such an amendment would occur as each system is accounted for as a stand-alone entity. The purpose of this table is to transparently report that funds from one system do not provide budget support to the other system.



Table 1D - Supplemental Information - Enterprise-wide Core Groups

O&M Major Budget Categories (Core Groups)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
A Water System Operations	\$ 74,813,000	\$ -	\$ 74,813,000	\$ 12,640,200
B Wastewater System Operations	111,971,400	-	111,971,400	16,717,600
C Centralized Services	103,845,900	-	103,845,900	12,719,200
D Administrative & Other Services	34,603,300	-	34,603,300	4,296,300
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

Totals may be off due to rounding.

A subset of the operating funds are core groups that account for A) direct cost of water operations, B) direct cost of sewer operations, C) centralized services (E.g., field services, security, information technology, facilities, and fleet), D) administrative services (E.g., finance, public affairs, general counsel, and organizational development). The costs of the latter two categories are allocated to the water and sewer systems based upon an internal cost allocation plan that is performed on an annual basis.

Through the first quarter FY 2022, there are no amendments that cross the core groups. For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Table 1E - Supplemental Information - Enterprise-wide Operations & Maintenance Account Type

O&M Expense Categories (Account Type)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Personnel Costs	\$ 115,437,400	\$ (1,436,600)	\$ 114,000,800	\$ 16,968,400
Utilities	50,398,000	-	50,398,000	9,391,000
Chemicals	16,044,300	-	16,044,300	2,911,700
Supplies & Other	38,559,700	1,057,200	39,616,900	3,523,700
Contractual Services	103,375,700	1,459,000	104,834,700	14,473,900
Capital Program Allocation	(3,471,000)	-	(3,471,000)	(446,200)
Shared Services	(1,892,500)	(883,200)	(2,775,700)	(449,200)
Unallocated Reserve	6,782,000	(196,400)	6,585,600	-
Total	\$ 325,233,600	\$ -	\$ 325,233,600	\$ 46,373,300

Totals may be off due to rounding.

The table above presents the Operations & Maintenance budget by the major expense categories (account type).

For additional detail and the explanation of the key changes to the FY 2022 budget within these categories, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.

For an additional view of the Operations & Maintenance budget by expense category (account type) and by departmental level, see *Supplemental Information - Enterprise-wide Operations & Maintenance Account Type and Departmental Level Amendments (Addendum 2)*.



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Table 1F - Supplemental Information - Unallocated Reserve by Core Group

O&M Unallocated Reserves	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget
Water System Operations	\$ 1,798,800	\$ -	\$ 1,798,800
Wastewater System Operations	2,250,900	(1,061,100)	1,189,800
Centralized Services	2,187,600	(227,100)	1,960,500
Administrative & Other Services	544,700	1,091,800	1,636,500
Total	\$ 6,782,000	\$ (196,400)	\$ 6,585,600

Totals may be off due to rounding.

An Unallocated Reserve account is established for each of the four core groups. Budget is assigned to these accounts to cover expenditures not known at the time the budget is developed (merit increases, fluctuations within maintenance contracts and usage of utilities and chemicals, projects and initiatives not planned at the time the initial budget was developed, etc.). It is GLWA’s internal budget directive for each area, group, and team to manage their needs to an amount within the initial budget. If required, an amendment is made from the unallocated reserve. If an area does not require as much funding as was established in the original budget, that department’s budgeted expenses are reduced, and the unallocated reserve is increased.

For additional information on the FY 2022 changes to the unallocated reserve, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



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Table 2A - Appropriation Level – Debt Service Coverage Calculation – Water System

	FY 2022 Board Adopted Budget	1st Quarter FY 2022 Amendments Regional System	1st Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
Water System - Debt Service Coverage Calculation				
Revenues				
1 Regional System Wholesale Revenues	\$ 342,808,200	\$ (2,400,000)	\$ -	\$ 340,408,200
2 Local System Revenues	73,264,300	-	(3,626,300)	69,638,000
3 Miscellaneous Revenue (Local System)	6,428,400	-	(2,614,900)	3,813,500
4 Non-Operating Revenue (Regional System)	1,222,300	500,000	-	1,722,300
5 Total Revenues	\$ 423,723,200	\$ (1,900,000)	\$ (6,241,200)	\$ 415,582,000
Revenue Requirements				
Operations & Maintenance Expense				
6 Regional System Wholesale Expenses	\$ 143,933,800	\$ -	\$ -	\$ 143,933,800
7 Local System Expenses	34,648,600	-	(4,659,600)	29,989,000
8 GRS Pension allocable to Regional System	6,048,000	-	-	6,048,000
9 GRS Pension allocable to Local System	4,272,000	-	-	4,272,000
10 Total Operations & Maintenance Expense	188,902,400	-	(4,659,600)	184,242,800
11 Net Revenues after Operations & Maintenance Expense	\$ 234,820,800	\$ (1,900,000)	\$ (1,581,600)	\$ 231,339,200
Debt Service by Lien				
12 Senior Lien Bonds	\$ 124,309,700	\$ -	\$ -	\$ 124,309,700
13 Second Lien Bonds	46,840,400	-	-	46,840,400
14 SRF Junior Lien Bonds	6,695,100	(360,000)	-	6,335,100
15 Total Debt Service	\$ 177,845,200	\$ (360,000)	\$ -	\$ 177,485,200
Debt Service Coverage				
16 Senior Lien Bonds (11)/(12)	1.89	(0.02)	(0.01)	1.86
17 Second Lien Bonds (11)/[(12)+(13)]	1.37	(0.01)	(0.01)	1.35
18 SRF Junior Lien Bonds (11)/(15)	1.32	(0.01)	(0.01)	1.30

* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

** Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.



Quarterly Budget Amendment Report
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Appropriation Level - Debt Service - Water System Debt Service Coverage Calculation Budget Amendment Explanation	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations & maintenance (O&M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Water System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



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Table 2B - Appropriation Level – Debt Service Coverage Calculation – Sewer System

	FY 2022 Board Adopted Budget	1st Quarter FY 2022 Amendments Regional System	1st Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
Sewer System - Debt Service Coverage Calculation				
Revenues				
1 Regional System Wholesale Revenues	\$ 474,005,900	\$ (3,000,000)	\$ -	\$ 471,005,900
19 Local System Revenues	104,684,700	-	(6,803,300)	97,881,400
20 Miscellaneous Revenue (Local System)	6,810,800	-	364,200	7,175,000
21 Non-Operating Revenue (Regional System)	1,423,300	500,000	-	1,923,300
22 Total Revenues	\$ 586,924,700	\$ (2,500,000)	\$ (6,439,100)	\$ 577,985,600
Revenue Requirements				
Operations & Maintenance Expense				
23 Regional System Wholesale Expenses	\$ 181,299,800	\$ -	\$ -	\$ 181,299,800
24 Local System Expenses	69,233,000	-	(7,932,000)	61,301,000
25 GRS Pension allocable to Regional System	10,824,000	-	-	10,824,000
26 GRS Pension allocable to Local System	2,856,000	-	-	2,856,000
27 Total Operations & Maintenance Expense	264,212,800	-	(7,932,000)	256,280,800
28 Net Revenues after Operations & Maintenance Expense	\$ 322,711,900	\$ (2,500,000)	\$ 1,492,900	\$ 321,704,800
Debt Service by Lien				
29 Senior Lien Bonds	\$ 133,195,700	\$ (2,375,000)	\$ -	\$ 130,820,700
30 Second Lien Bonds	51,893,000	-	-	51,893,000
31 SRF Junior Lien Bonds	53,921,600	150,000	-	54,071,600
32 Total Debt Service	\$ 239,010,300	\$ (2,225,000)	\$ -	\$ 236,785,300
Debt Service Coverage				
33 Senior Lien Bonds (11)/(12)	2.42	(0.02)	0.01	2.46
34 Second Lien Bonds (11)/[(12)+(13)]	1.74	(0.01)	0.01	1.76
35 SRF Junior Lien Bonds (11)/(15)	1.35	(0.01)	0.01	1.36

* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

** Total Debt Service, highlighted in dark grey (Row 32) in the above table, is adopted by the GLWA Board.



Appropriation Level - Debt Service - Sewer System Debt Service Coverage Calculation Budget Amendment Explanation	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations & maintenance (O&M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 32 of the Sewer System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



Quarterly Budget Amendment Report
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Table 3A - Appropriation Level - Improvement & Extension Fund - Water System

Water Improvement & Extension Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Water System Transfers In from General Operating	\$ 28,093,900	\$ (1,540,000)	\$ 26,553,900	\$ 4,682,300
Earnings on Investments (b)	-	715,000	715,000	321,300
Net Use of Reserves (a)	97,220,700	68,800	97,289,500	-
Total Revenues	\$ 125,314,600	\$ (756,200)	\$ 124,558,400	\$ 5,003,600
Expenditures				
Water System Revenue Transfers Out (b)	\$ -	\$ 715,000	\$ 715,000	\$ 413,000
Capital Spending - Other	-	567,400	567,400	462,000
Capital Outlay	17,006,600	-	17,006,600	907,000
Revenue Financed Capital - Operating Transfer to Construction Fund	108,308,000	(2,038,600)	106,269,400	21,588,300
Total Expenditures	\$ 125,314,600	\$ (756,200)	\$ 124,558,400	\$ 23,370,300
<i>(a) Beginning Net Position</i>			\$ 207,475,000	
<i>Net Use of Reserves</i>			\$ (97,289,500)	
<i>Projected Ending Net Position</i>			\$ 110,185,500	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
Revenues	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 revenue requirement based upon general operating fund performance. (see I&E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Water System General Operating table).</i>
Earnings on Investments	<i>Had not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. Amendment is for estimated amount.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenses. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
Expenditures	
Water System Revenue Transfers Out (Earnings on Investments)	<i>Had not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E Fund is zero). Amendment is for estimated amount. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference.</i>
Capital Spending - Other	<i>The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>No budget amendment is required.</i>



Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects an adjustment to the funding that is anticipated to be needed based on a) the increase in the Capital spend rate, and b) the adjustment to the projects in the CIP that do not meet the criteria for debt financing (will be funded out of I&E instead of Construction funds – see ‘Capital Spending – Other’ above), as well as the shift in Capital Projects completed that rely on SRF funds rather than I&E funds.</i>



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Table 3B - Appropriation Level - Improvement & Extension Fund – Sewer System

Sewer Improvement & Extension Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Sewer System Transfers In from General Operating	\$ 34,616,900	\$ (275,000)	\$ 34,341,900	\$ 5,769,500
Receipt of DWSD Shortfall Loan Interest	406,400	-	406,400	42,600
Earnings on Investments (b)	-	500,000	500,000	176,700
Net Use of Reserves (a)	28,487,800	18,182,800	46,670,600	-
Total Revenues	\$ 63,511,100	\$ 18,407,800	\$ 81,918,900	\$ 5,988,800
Expenditures				
Sewer System Revenue Transfers Out (b)	\$ -	\$ 500,000	\$ 500,000	\$ 234,100
Capital Spending - Other	-	722,200	722,200	21,800
Capital Outlay	15,965,100	-	15,965,100	928,900
Revenue Financed Capital - Operating Transfer to Construction Fund	47,546,000	17,185,600	64,731,600	9,023,400
Total Expenditures	\$ 63,511,100	\$ 18,407,800	\$ 81,918,900	\$ 10,208,200
<i>(a) Beginning Net Position</i>			\$ 122,385,000	
<i>Net Use of Reserves</i>			(46,670,600)	
<i>Projected Ending Net Position</i>			\$ 75,714,400	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
Revenues	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from FY 2022 revenue requirement based upon general operating fund performance. (see I&E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Sewer System General Operating table).</i>
Earnings on Investments	<i>Had not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. Amendment is for estimated amount.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
Expenditures	
Sewer System Revenue Transfers Out (Earnings on Investments)	<i>Had not been budgeted as there is a corresponding transfer of earnings back to general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&E Fund is zero). Amendment is for estimated amount. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference.</i>
Capital Spending – Other	<i>The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>No budget amendment is required.</i>



Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects the change in funding that is anticipated to be needed based on the adjustment to the projects in the CIP that do not meet the criteria for debt financing (will be funded out of I&E instead of Construction funds – see ‘Capital Spending – Other’ above) as well as the shift in Capital Projects completed that rely on I&E funds rather than SRF funds.</i>



Quarterly Budget Amendment Report
 FY 2022 Ending September 30, 2021

Table 4A - Appropriation Level – Construction Fund – Water System

Water Construction Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Transfer from Improvement & Extension Fund	\$ 108,308,000	\$ (2,038,600)	\$ 106,269,400	\$ 21,588,300
Bond Proceeds	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	2,200
Grant Revenues (SRF Loans)	26,100,000	10,427,000	36,527,000	1,952,000
Net Use of Reserves (a)	-	772,700	772,700	-
Total Revenues	\$ 134,408,000	\$ 9,161,100	\$ 143,569,100	\$ 23,542,500
Expenditures				
Capital Improvement Plan (b)	\$ 179,210,000	\$ (567,400)	\$ 178,642,600	\$ 23,206,500
Capital Spend Rate Adjustment	(44,802,000)	9,728,500	(35,073,500)	-
Total Expenditures (b)	\$ 134,408,000	\$ 9,161,100	\$ 143,569,100	\$ 23,206,500
<i>(a) Beginning Net Position</i>			\$ 12,438,000	
<i>Net Use of Reserves</i>			(772,700)	
<i>Projected Ending Net Position</i>			<u>\$ 11,665,300</u>	
<i>(b) Plus Direct I&E Projects</i>			567,400	
<i>Total CIP Expenditures</i>	<i>134,408,000</i>		<i>144,136,500</i>	
<i>Total Published Capital Improvement Plan</i>	<i>179,210,000</i>		<i>179,210,000</i>	
<i>Capital Spending Ratio</i>	<i>75.0%</i>		<i>80.4%</i>	



Appropriation Level – Construction Fund – Water System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & Extension Fund-Water System table). The amount is based on the adjustment to the projects in the CIP that do not meet the criteria for debt financing, the increase in Capital spend rate, and the shift in Capital Projects completed that rely on SRF funds rather than I&E funds.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Earnings on Investments	<i>No budget amendment is required. The activity posted through August 31, 2021, will likely be reclassified in the next quarter.</i>
Grant Revenues (State Revolving Fund Loans)	<i>The increase is due to the shift in Capital Projects completed that rely on SRF funds rather than I&E funds. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the October 2021 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. The amount has been amended to reflect the anticipated decrease in the Capital spend rate from 75.0% to 80.4%.</i>
Expenditures	
Capital Improvement Plan	<i>The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the ‘Capital Spending – Other’ line on the Water Improvement & Extension Fund table.</i>



Appropriation Level – Construction Fund – Water System Budget Amendment Explanations

Capital Spend Rate
Assumption Adjustment

The proposed budget amendment represents the decrease in the projected Capital spend rate for the Water CIP from 75.0% (projection at time of the FY 2022 budget adoption) to 80.4%. The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the [October 2021 Audit Committee binder](#).



Quarterly Budget Amendment Report
 FY 2022 Ending September 30, 2021

Table 4B - Appropriation Level – Construction Fund – Sewer System

Sewer Construction Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 8/31/2021
Revenues				
Transfer from Improvement & Extension Fund	\$ 47,546,000	\$ 17,185,600	\$ 64,731,600	\$ 9,023,400
Bond Proceeds	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	2,000
Grant Revenues (SRF Loans)	31,992,000	(17,843,000)	14,149,000	2,770,000
Net Use of Reserves (a)	-	2,008,200	2,008,200	-
Total Revenues	\$ 79,538,000	\$ 1,350,800	\$ 80,888,800	\$ 11,795,400
Expenditures				
Capital Improvement Plan (b)	\$ 106,050,000	\$ (722,200)	\$ 105,327,800	\$ 10,142,300
Capital Spend Rate Adjustment	(26,512,000)	2,073,000	(24,439,000)	-
Total Expenditures (b)	\$ 79,538,000	\$ 1,350,800	\$ 80,888,800	\$ 10,142,300
<i>(a) Beginning Net Position</i>			\$ 11,473,000	
<i>Net Use of Reserves</i>			(2,008,200)	
<i>Projected Ending Net Position</i>			\$ 9,464,800	
<i>(b) Plus Direct I&E Projects</i>	-		722,200	
<i>Total CIP Expenditures</i>	79,538,000		81,611,000	
<i>Total Published Capital Improvement Plan</i>	106,050,000		106,050,000	
<i>Capital Spending Ratio</i>	75.0%		77.0%	



Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & Extension Fund-Sewer System table). The amount is based on the change in the adjustment to the projects in the CIP that do not meet the criteria for debt financing and the shift in Capital Projects completed that rely on I&E funds rather than SRF funds.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Earnings on Investments	<i>No budget amendment is required. The activity posted through August 31, 2021, will likely be reclassified in the next quarter.</i>
Grant Revenues (State Revolving Fund Loans)	<i>The decrease is due to the shift in Capital Projects completed that rely on I&E funds rather than SRF funds. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the October 2021 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. The amount has been amended to reflect the anticipated decrease in the Capital spend rate from 75.0% to 77.0%.</i>
Expenditures	
Capital Improvement Plan	<i>The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the ‘Capital Spending – Other’ line on the Sewer Improvement & Extension Fund table.</i>



Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations

Capital Spend Rate Adjustment

The proposed budget amendment represents the decrease in the projected Capital spend rate for the Water CIP from 75.0% (projection at time of the FY 2022 budget adoption) to 77.0%. The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA’s control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress report is presented in the [October 2021 Audit Committee binder](#).



ADDENDUM 1

Supplemental Information –

Enterprise-wide Operations & Maintenance Department and Account Level Amendments

The summary of budget amendments for operations & maintenance (department and account level amendments) are organized by the four core groups. The FY 2022 first quarter budget amendments result in a net zero change to all categories: A - Water System Operations, B - Sewer System Operations, C – Centralized Services, and D – Administrative & Other Services.

GLWA’s internal budget directive is for each area, group, and team to manage their needs to an amount within the initial budget. To the extent that is not possible, an amendment is made from the unallocated reserve. If savings are incurred, or an area appears to not require as much funding as established in the original budget, that department’s budgeted expenses are reduced, and the unallocated reserve is increased. In administering the budget, there are several refinements to departments and account categories. An explanation of larger items (greater than \$500,000) is included in the table in Addendum 1.

ADDENDUM 1

Supplemental Information
Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments	Total 1st Quarter FY 2022 Amendments	Explanation of Key Items
Administrative	0	
Administrative Services Unallocated Reserves	1,091,800	
Unallocated Reserve	1,091,800	Increase is due primarily to the transfer of Transformation to Centralized Services and the reorganization of the Data Analytics & Internal Audit cost center.
Board of Directors	650,000	
Contractual Services	650,000	Add budget for the three contracts for the independent investigation into the June and July 2021 rain events.
Chief Executive Officer	97,900	Add budget for additional expenditures related to transition of CEO.
Contractual Services	44,000	
Personnel	50,000	
Supplies & Other	3,900	
Data Analytics & Internal Audit	(729,400)	Reorganization of this cost center throughout various Financial Services groups (offset Unallocated Reserves).
Contractual Services	(255,000)	
Personnel	(466,600)	
Supplies & Other	(7,800)	
OD Compensation	(361,200)	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(200,000)	
Personnel	(157,200)	
Supplies & Other	(4,000)	
OD Organizational Wellness	(435,500)	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(70,000)	
Personnel	(353,200)	
Supplies & Other	(12,300)	
OD Performance	(741,850)	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(436,500)	
Personnel	(301,100)	
Supplies & Other	(4,250)	
OD Recruiting	(438,300)	Consolidation of OD cost center into OD Talent Management.
Contractual Services	(70,000)	
Personnel	(335,800)	
Supplies & Other	(32,500)	
OD Talent Management	1,976,850	Consolidation of OD cost centers to improve management.
Contractual Services	776,500	
Personnel	1,147,300	
Supplies & Other	53,050	
Public Finance	533,000	Consolidation of the Reporting & Compliance cost center into Public Finance.
Personnel	518,300	
Supplies & Other	14,700	
Reporting and Compliance	(533,000)	Consolidation of the Reporting & Compliance cost center into Public Finance.
Personnel	(518,300)	
Supplies & Other	(14,700)	
Transformation	(1,110,300)	Transfer of the Transformation cost center to Centralized Services.
Personnel	(1,067,800)	
Supplies & Other	(42,500)	
Centralized	0	
Centralized Services Unallocated Reserves	(227,100)	
Unallocated Reserve	(227,100)	
Info Technology Business Applications	(485,000)	
Shared Services	(485,000)	To record newly created Information Technology Shared Service Agreements with DWSD.
Info Technology Infrastructure	(398,100)	
Shared Services	(398,100)	To record newly created Information Technology Shared Service Agreements with DWSD.
Info Technology Service Delivery	(100)	
Shared Services	(100)	
Transformation	1,110,300	Transfer of the Transformation cost center to Centralized Services.
Personnel	1,067,800	
Supplies & Other	42,500	
Sewer	0	
BDF, COF & Hauling	(30,000)	
Personnel	(30,000)	
Combined Sewer Overflow	(22,000)	
Personnel	(22,000)	
Suburban Only Green Infrastructure Allocation	1,061,100	
Supplies & Other	1,061,100	To add budget for the Suburban Green Infrastructure Allocation (offset Unallocated Reserves)
Wastewater Dewatering Process	(201,400)	
Personnel	(201,400)	
Wastewater Director	1,027,600	
Contractual Services	1,020,000	Increase budget for Skilled Labor contract filling vacant positions (reduction to Personnel budget).
Personnel	7,600	
Wastewater Engineering	0	
Personnel	0	

ADDENDUM 1

Supplemental Information
Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments	Total	
	1st Quarter	FY 2022
	Amendments	Explanation of Key Items
Wastewater Fire Damage	627,800	
Supplies & Other	627,800	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Incineration Process	(166,400)	
Personnel	(166,400)	
Wastewater Laboratories	(245,000)	
Personnel	(245,000)	
Wastewater Operations	(627,800)	
Supplies & Other	(627,800)	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Primary Process	(148,600)	
Personnel	(148,600)	
Wastewater Process Control	(107,000)	
Personnel	(107,000)	
Wastewater Secondary Process	(107,200)	
Personnel	(107,200)	
Wastewater System Operations Unallocated Reserves	(1,061,100)	
Unallocated Reserve	(1,061,100)	Decrease is due to the addition of budget to the Suburban Only Green Infrastructure Allocation.
Grand Total	0	

Totals may be off due to rounding



ADDENDUM 2

Supplemental Information –

Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments

The table in Addendum 2 summarizes the FY 2022 first quarter budget amendments for operations & maintenance by the major expense categories (account type). An explanation of larger items (greater than \$500,000) is included in the table in Addendum 2.

ADDENDUM 2

Supplemental Information
Enterprise-wide Operations & Maintenance
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total 1st Quarter FY 2022 Amendments	Explanation of Key Items
Contractual Services	1,459,000	
Board of Directors	650,000	Add budget for the three contracts for the independent investigation into the June and July 2021 rain events.
Chief Executive Officer	44,000	
Data Analytics & Internal Audit	(255,000)	
OD Compensation	(200,000)	
OD Organizational Wellness	(70,000)	
OD Performance	(436,500)	
OD Recruiting	(70,000)	
OD Talent Management	776,500	Consolidation of OD cost centers (offsets OD cost centers above)
Wastewater Director	1,020,000	Increase budget for Skilled Labor contract filling vacant positions (reduction to Personnel budget).
Personnel	(1,436,600)	
BDF, COF & Hauling	(30,000)	
Chief Executive Officer	50,000	
Combined Sewer Overflow	(22,000)	
Data Analytics & Internal Audit	(466,600)	
OD Compensation	(157,200)	
OD Organizational Wellness	(353,200)	
OD Performance	(301,100)	
OD Recruiting	(335,800)	
OD Talent Management	1,147,300	Consolidation of OD cost centers (offsets OD cost centers above)
Public Finance	518,300	Consolidation of the Reporting & Compliance cost center into Public Finance.
Reporting and Compliance	(518,300)	Consolidation of the Reporting & Compliance cost center into Public Finance.
Transformation	0	
Wastewater Dewatering Process	(201,400)	
Wastewater Director	7,600	
Wastewater Engineering	0	
Wastewater Incineration Process	(166,400)	
Wastewater Laboratories	(245,000)	
Wastewater Primary Process	(148,600)	
Wastewater Process Control	(107,000)	
Wastewater Secondary Process	(107,200)	
Shared Services	(883,200)	
Info Technology Business Applications	(485,000)	
Info Technology Infrastructure	(398,100)	
Info Technology Service Delivery	(100)	
Supplies & Other	1,057,200	
Chief Executive Officer	3,900	
Data Analytics & Internal Audit	(7,800)	
OD Compensation	(4,000)	
OD Organizational Wellness	(12,300)	
OD Performance	(4,250)	
OD Recruiting	(32,500)	
OD Talent Management	53,050	
Public Finance	14,700	
Reporting and Compliance	(14,700)	
Suburban Only Green Infrastructure Allocation	1,061,100	To add budget for the Suburban Green Infrastructure Allocation (offset Unallocated Reserves)
Transformation	0	
Wastewater Fire Damage	627,800	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Wastewater Operations	(627,800)	Adjustment for the portion of the insurance deductible that will be expended in FY 2022.
Unallocated Reserve	(196,400)	
Administrative Services Unallocated Reserves	1,091,800	Increase is due primarily to the transfer of Transformation to Centralized Services and the reorganization of the Data Analytics & Internal Audit cost center.
Centralized Services Unallocated Reserves	(227,100)	
Wastewater System Operations Unallocated Reserves	(1,061,100)	Decrease is due to the addition of budget to the Suburban Only Green Infrastructure Allocation.
Grand Total	0	

Totals may be off due to rounding

Great Lakes Water Authority

Resolution 2021 - 469

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

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 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 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				
Suburban Wholesale Customer Charges	\$ 321,110,900	\$ 318,710,900	\$ 272,130,000	\$ 269,130,000
Retail Service Charges	21,697,300	No Change	188,662,200	No Change
Industrial Waste Control Charges	-	-	9,024,800	No Change
Pollutant Surcharges	-	-	4,188,900	No Change
Investment Earnings	1,047,300	1,547,300	1,023,300	1,523,300
Other Revenues	175,000	No Change	400,000	No Change
Total Revenues	<u>\$ 344,030,500</u>	<u>\$ 342,130,500</u>	<u>\$ 475,429,200</u>	<u>\$ 472,929,200</u>
Revenue Requirements				
Operations & Maintenance Expense	\$ 143,933,800	No Change	\$ 181,299,800	No Change
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	26,553,900	34,616,900	34,341,900
Total Revenue Requirements	<u>\$ 344,030,500</u>	<u>\$ 342,130,500</u>	<u>\$ 475,429,200</u>	<u>\$ 472,929,200</u>

WHEREAS Following a review of the budget amendment report through the FY 2022 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	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 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
Revenues				
Transfers In from General Operating	\$ 28,093,900	\$ 26,553,900	\$ 34,616,900	\$ 34,341,900
Receipt of DWSD Shortfall Loan	-	-	406,400	No Change
Earnings on Investments	-	715,000	-	500,000
Net Use of Reserves	97,220,700	97,289,500	28,487,800	46,670,600
Total Revenues	<u>\$ 125,314,600</u>	<u>\$ 124,558,400</u>	<u>\$ 63,511,100</u>	<u>\$ 81,918,900</u>
Expenditures				
Water/Sewer System Revenue Transfers Out	\$ -	\$ 715,000	\$ -	\$ 500,000
Capital Spending - Other	-	567,400	-	722,200
Capital Outlay	17,006,600	No Change	15,965,100	No Change
Revenue Financed Capital - Opoerating				
Transfer to Construction Fund	108,308,000	106,269,400	47,546,000	64,731,600
Total Expenditures	<u>\$ 125,314,600</u>	<u>\$ 124,558,400</u>	<u>\$ 63,511,100</u>	<u>\$ 81,918,900</u>

WHEREAS Following a review of the budget amendment report through the FY 2022 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
Revenues				
Transfer from Improvement & Extension Fund	\$ 108,308,000	106,269,400	\$ 47,546,000	64,731,600
Bond Proceeds	-	No Change	-	No Change
Grant Revenues (SRF Loans)	26,100,000	36,527,000	31,992,000	14,149,000
Earnings on Investments	-	No Change	-	No Change
Net Use of Reserves	-	772,700	-	2,008,200
Total Revenues	<u>\$ 134,408,000</u>	<u>\$ 143,569,100</u>	<u>\$ 79,538,000</u>	<u>\$ 80,888,800</u>
Expenditures				
Project Expenditures	<u>\$ 134,408,000</u>	<u>143,569,100</u>	<u>\$ 79,538,000</u>	<u>80,888,800</u>
Total Expenditures	<u>\$ 134,408,000</u>	<u>\$ 143,569,100</u>	<u>\$ 79,538,000</u>	<u>\$ 80,888,800</u>
Capital Spending Ratio	75.0%	91.4%	75.0%	77.0%

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meetings on December 6, 2021; and

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 First 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.