



## Financial Services Audit Committee Communication

**Date:** July 23, 2019

**To:** Great Lakes Water Authority Audit Committee Members:  
Robert J. Daddow, Chairperson  
Brian Baker  
Gary A. Brown

**From:** Jon Wheatley, Public Finance Manager

**Cc:** Nicolette Bateson, GLWA Chief Financial Officer/Treasurer  
Sue McCormick, GLWA Chief Executive Officer  
William Wolfson, GLWA Chief Administrative and Compliance Officer  
Abe Munfakh, P.E., GLWA Board Director  
Freman Hendrix, GLWA Board Director  
Craig Hupy, GLWA Board Director

**Re:** REVISED- Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds an Amount Not to Exceed \$49,500,000 (Ordinance 2019-02)

**Background:** At its meeting on Friday, July 19, 2019 the Great Lakes Water Authority (“GLWA”) Audit Committee reviewed the *Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds an Amount Not to Exceed \$46,000,000 (Ordinance 2019-02)*. After review, the GLWA Audit Committee unanimously recommended that the GLWA Board approve the resolution for the Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds an Amount Not to Exceed \$46,000,000 as presented.

The two series of bonds authorized by the ordinance will be sold through the state of Michigan’s Drinking Water Revolving Fund (DWRF) program and will be used to finance improvements to the GLWA regional water system and the Detroit Water and Sewerage Department (DWSD) local water system. The loan amount for the GLWA regional project is (not to exceed) \$33,000,000 and the original DWSD local loan amount was (not to exceed) \$13,000,000 for a total of \$46,000,000 for the Series Ordinance.

**Update:** On July 23, 2019 the Michigan Department of Environment, Great Lakes, and Energy (EGLE) notified GLWA staff that the DWRF eligible costs from the DWSD/MDOT Contract 18-5527 (WS-714) will include additional water system-related items not previously considered as part of the loan

scope due to the multipurpose nature of the Major Cement construction contract. Therefore, the updated not to exceed amount of the loan will be increased to \$16,500,000. ***This increase in the DWSD local project will bring the total authorized borrowing amount in the Series Ordinance to \$49,500,000.*** The Series Ordinance 2019-02 and Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds have both been updated and attached to reflect the new amounts and will be presented for consideration to the GLWA Board of Directors at its meeting on July 24, 2019.