



Financial Services Audit Committee Communication

Date: February 21, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds

Background: Attached is the draft Great Lakes Water Authority (“GLWA”) Board letter for the February 26, 2020 Board meeting regarding Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds.

Key Takeaways: Please note the following.

- The not to exceed amount of the Notice of Intent is \$75 million
- The publication of the Notice of Intent to Issue Sewage Disposal System Revenue Bonds is required pursuant to Section 33 of Public Act 94 of 1933 to begin the 45-day referendum period. If the 45-day referendum period expires without a petition requesting a referendum, then the Authority may authorize and issue such bonds.
- The \$75 million not to exceed amount in the notice is anticipated to cover the approved State Revolving Fund (SRF) bonds which will be closing in calendar year 2020 for both Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD).
- Projects to be funded include the following.
 - The GLWA Project to be funded is the Pump Station No. 1 (PS-1) Ferric Chloride System Rehabilitation and Struvite Removal Project - (CIP# 211008) with an estimated budget of \$13 million.
 - These bonds would also fund a DWSD Sewer Replacement Project with a budget of \$30 million.
 - The remaining authorized amount would provide for future projects in the GLWA and DWSD and capital improvement programs.

Proposed Action: The GLWA Audit Committee recommends the approval of the Resolution Authorizing Publication of Notice of Intent to Issue Sewage Disposal System Revenue Bonds to the GLWA Board of Directors at its meeting on February 26, 2020.