



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 Water Supply System Revenue Bonds

Background: Included 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 Water Supply System Revenue Bonds.

Key Takeaways:

- The not to exceed amount of the Notice of Intent is \$200 million
- The publication of the Notice of Intent to Issue Water Supply 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 \$200 million not to exceed amount in the notice is anticipated to cover the approved Drinking Water Revolving Fund (DWRFF) bonds which will be closing in 2019 and 2020 for both Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD).
- Projects to be funded include the following.
 - GLWA Water Conveyance System – Waterworks Park to Northeast Transmission Main Project- (CIP# 122003) with a second financial funding segment estimated to be \$93 million of the total \$133.7 million total.
 - GLWA 14 Mile Water Transmission Main Loop Project – (CIP# 122013) with a total estimated cost of the project is \$54 million. The requested authorization includes the first phase of this project is estimated to be \$8.4 million.
 - DWSD Water Main Replacement Project with an estimated cost of \$25 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 Water Supply System Revenue Bonds to the GLWA Board of Directors at its meeting on February 26, 2020.