



Financial Services Audit Committee Communication

Date: February 12, 2020

To: Great Lakes Water Authority Audit Committee

From: Nicolette Bateson, CPA, Chief Financial Officer/Treasurer

Re: Review of Draft Feasibility Consultant Report- 2020 Water and Sewer Bond Transactions

Background: Due to favorable interest rates, the Great Lakes Water Authority (GLWA) has initiated the process for a potential bond refunding transaction. In addition, the Detroit Water & Sewerage Department (DWSD) is seeking \$100 million in new money for the DWSD water system in accordance with the lease agreements between the City of Detroit and the Great Lakes Water Authority.

Analysis: The GLWA Audit Committee reviewed the latest ten-year financial forecast on October 19, 2019 and began reviewing the FY 2021 & FY 2022 Biennial Budget and related five-year financial plan on December 19, 2019.

As we begin the next level of analysis for the upcoming transaction, DWSD has submitted a preliminary ten-year financial forecast. GLWA's feasibility consultant, The Foster Group, has reviewed this forecast and provides a preliminary review of the consolidated GLWA and DWSD forecast to support the upcoming transaction.

Proposed Action: Receive and file report.