**Great Lakes Water Authority**

**Resolution 2020 - XXX**

**Resolution Adopting the Budget Amendments through the Fourth Quarter of FY 2020**

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 executive officer; and

**WHEREAS** The GLWA Board adopted the FY 2020 budget on March 13, 2019 for the twelve-month fiscal year beginning July 1, 2020;

**WHREAS** Following a review of the budget amendment report through the FY 2020 Fourth Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer systems are amended as shown in the table below;

| **General Operating** | | | | |
|---|---|---|---|---|
| **Appropriation Category** | **Water System** | | **Sewer System** | |
| **Revenues** | **Adopted** | **Amended** | **Adopted** | **Amended** |
| Suburban Wholesale Customer Charges | $ 309,284,500 | $ 304,634,200 | $ 272,323,600 | No Change |
| Retail Service Charges | 21,295,500 | 21,295,500 | 185,807,300 | No Change |
| Industrial Waste Control Charges | - | - | 13,743,600 | 7,833,600 |
| Pollutant Surcharges | - | - | - | 5,910,000 |
| Investment Earnings | 9,084,200 | 8,084,200 | 8,730,800 | 7,730,800 |
| Other Revenues | - | 2,400 | - | 400,000 |
| Total Revenues | $ 339,664,200 | $ 334,016,300 | $ 480,605,300 | $ 480,005,300 |
| **Revenue Requirements** | | | | |
| Operations & Maintenance Expense | $ 131,490,500 | $ 126,840,200 | $ 187,057,200 | $ 181,925,800 |
| General Retirement System Legacy Pension | 6,048,000 | 6,048,000 | 10,824,000 | 10,824,000 |
| Debt Service | 137,557,600 | 135,998,800 | 215,738,800 | 214,690,700 |
| General Retirement System Accelerated Pension | 6,268,300 | 6,268,300 | 11,620,700 | 11,620,700 |
| Extraordinary Repair & Replacement Deposit | - | - | - | - |
| Water Residential Assistance Program Contributi | 1,698,300 | 1,698,300 | 2,403,000 | 2,403,000 |
| Lease Payment | 22,500,000 | 22,500,000 | 27,500,000 | 27,500,000 |
| Operating Reserve Deposit | 3,976,000 | 3,976,000 | - | - |
| DWSD Budget Shortfall Pending | - | 1,230,400 | - | 10,243,500 |
| Improvement & Extension Fund Transfer | 30,125,500 | 29,456,300 | 25,461,600 | 20,797,600 |
| Total Revenue Requirements | $ 339,664,200 | $ 334,016,300 | $ 480,605,300 | $ 480,005,300 |

**WHREAS** Following a review of the budget amendment report through the FY 2020 Fourth Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer systems are amended as shown in the table below;

| **Improvement & Extension Fund** | | | | |
|---|---|---|---|---|
| **Appropriation Category** | **Water System** | | **Sewer System** | |
| **Revenues** | **Adopted** | **Amended** | **Adopted** | **Amended** |
| Transfers In from General Operating | $ 30,125,500 | $ 29,456,300 | $ 25,461,600 | $ 20,797,600 |
| Earnings on Investments | - | 4,500,000 | - | 1,800,000 |
| Net Use of Reserves | 24,999,800 | (23,267,300) | (5,339,400) | (8,996,200) |
| Total Revenues | $ 55,125,300 | $ 10,689,000 | $ 20,122,200 | $ 13,601,400 |
| **Expenditures** | | | | |
| Water System Revenue Transfers Out | $ - | $ 4,500,000 | $ - | $ 1,800,000 |
| Capital Improvement Plan-I&E Funded | - | 1,173,200 | | |
| Capital Outlay | 10,125,300 | 5,015,800 | 20,122,200 | 11,801,400 |
| Revenue Financed Capital | 45,000,000 | - | - | - |
| Total Expenditures | $ 55,125,300 | $ 10,689,000 | $ 20,122,200 | $ 13,601,400 |

**WHREAS** Following a review of the budget amendment report through the FY 2020 Fourth Quarter, the appropriations established with the adoption of the construction bond fund budget for the water system and the sewer systems are amended as shown in the table below;

| **Construction Bond Fund** | | | | |
|---|---|---|---|---|
| **Appropriation Category** | **Water System** | | **Sewer System** | |
| **Revenues** | **Adopted** | **Amended** | **Adopted** | **Amended** |
| Transfer from Improvement & Extension Fund | $ 45,000,000 | $ - | $ - | $ - |
| Bond Proceeds | - | - | 78,960,000 | - |
| Grant Revenues (SRF Loans) | 5,531,000 | 12,898,300 | 29,342,000 | 40,505,000 |
| Earnings on Investments | 1,487,700 | 1,487,700 | 41,100 | 1,200,000 |
| Net Use of Reserves | 55,416,600 | 60,481,400 | 12,766,900 | 31,565,000 |
| Total Revenues | $ 107,435,300 | $ 74,867,400 | $ 121,110,000 | $ 73,270,000 |
| **Expenditures** | | | | |
| Project Expenditures | $ 107,435,300 | $ 74,867,400 | $ 121,110,000 | $ 73,270,000 |
| Total Expenditures | $ 107,435,300 | $ 74,867,400 | $ 121,110,000 | $ 73,270,000 |

**WHEREAS** The GLWA Audit Committee reviewed the budget amendments at its meetings on June 24, 2020; 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 through the FY 2020 Fourth Quarter Budget Amendments; and be it finally

**RESOLVED** That the 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.