

Great Lakes Water Authority

Resolution 2020 -368

Resolution Adopting the Budget Amendments through the First Quarter of FY 2021

By Board Member: Brian Baker

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 Financial Officer; and

WHEREAS The GLWA Board adopted the FY 2021 budget on March 11, 2020 for the twelve-month fiscal year beginning July 1, 2020;

WHEREAS Following a review of the budget amendment report through the FY 2021 First 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	
	Adopted	Amended	Adopted	Amended
Revenues				
Suburban Wholesale Customer Charges	\$ 314,252,200	\$ 313,133,600	\$ 277,011,800	\$ 274,053,500
Retail Service Charges	22,555,400	21,925,500	190,112,100	187,959,700
Industrial Waste Control Charges	-	-	8,775,400	8,683,300
Pollutant Surcharges	-	-	5,262,800	5,207,600
Investment Earnings	4,834,400	1,269,600	5,589,200	986,900
Other Revenues	-	-	-	-
Total Revenues	<u>\$ 341,642,000</u>	<u>\$ 336,328,700</u>	<u>\$ 486,751,300</u>	<u>\$ 476,891,000</u>
Revenue Requirements				
Operations & Maintenance Expense	\$ 137,127,300	\$ 134,127,300	\$ 184,946,100	\$ 182,296,000
General Retirement System Legacy Pension	6,048,000	No Change	10,824,000	No Change
Debt Service	143,189,900	137,436,000	209,739,900	201,780,400
General Retirement System Accelerated Pension	6,268,300	No Change	11,620,700	No Change
Extraordinary Repair & Replacement Deposit	-	-	-	-
Water Residential Assistance Program Contributi	1,669,400	No Change	2,415,100	No Change
Lease Payment	22,500,000	No Change	27,500,000	No Change
Operating Reserve Deposit	876,600	-	-	-
DWSD Budget Shortfall Pending	-	-	-	-
Improvement & Extension Fund Transfer	23,962,500	28,279,700	39,705,500	40,454,800
Total Revenue Requirements	<u>\$ 341,642,000</u>	<u>\$ 336,328,700</u>	<u>\$ 486,751,300</u>	<u>\$ 476,891,000</u>

WHEREAS Following a review of the budget amendment report through the FY 2021 First 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	\$ 23,962,500	\$ 28,279,700	\$ 39,705,500	\$ 40,454,800
Receipt of DWSD Shortfall Loan	-	-	19,288,300	No Change
Earnings on Investments	-	-	-	-
Net Use of Reserves	68,929,500	64,612,300	3,987,300	3,238,000
Total Revenues	<u>\$ 92,892,000</u>	<u>\$ 92,892,000</u>	<u>\$ 62,981,100</u>	<u>\$ 62,981,100</u>
Expenditures				
Water System Revenue Transfers Out	\$ -	\$ -	\$ -	\$ -
Capital Improvement Plan-I&E Funded	-	-	-	-
Capital Outlay	17,892,000	No Change	20,481,100	No Change
Revenue Financed Capital - Operating				
Transfer to Construction Fund	75,000,000	No Change	42,500,000	No Change
Total Expenditures	<u>\$ 92,892,000</u>	<u>\$ 92,892,000</u>	<u>\$ 62,981,100</u>	<u>\$ 62,981,100</u>

WHEREAS Following a review of the budget amendment report through the FY 2021 First 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	\$ 75,000,000	No Change	\$ 42,500,000	No Change
Bond Proceeds	-	-	-	-
Grant Revenues (SRF Loans)	12,365,800	No Change	33,200,000	No Change
Earnings on Investments	820,400	180,500	497,700	109,500
Net Use of Reserves	22,486,800	23,126,700	6,781,300	7,169,500
Total Revenues	<u>\$ 110,673,000</u>	<u>\$ 110,673,000</u>	<u>\$ 82,979,000</u>	<u>\$ 82,979,000</u>
Expenditures				
Project Expenditures	\$ 110,673,000	No Change	\$ 82,979,000	No Change
Total Expenditures	<u>\$ 110,673,000</u>	<u>\$ 110,673,000</u>	<u>\$ 82,979,000</u>	<u>\$ 82,979,000</u>

WHEREAS The GLWA Audit Committee reviewed the budget amendments at its meetings on October 23, 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 the FY 2021 First 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.