



Legislation Details (With Text)

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Title: PROPOSED FY 2020 AND FY 2021 BIENNIAL BUDGET REQUEST
Sponsors: Nicolette Bateson
Indexes: Finance
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Attachments: 1. Presentation.Preliminary FY 2020 & FY 2021 Budget and Financial Plan.010919, 2. Attachment 1 - Draft FY 2020+ Budget One Pager as of 1.10.2019.pdf, 3. Attachment 2 - Process and Calendar FY 2020+Biennial Budget as of 12.20.2018.pdf, 4. Attachment 3 - 7A Budget Discussion Draft 12.21.2018.pdf, 5. Attachment 4 - Audit Committee Budget Memo for 1.4.2019 Meeting.pdf

Date	Ver.	Action By	Action	Result
1/9/2019	1	Board of Directors Workshop Meeting	Received and Filed	Pass

PROPOSED FY 2020 AND FY 2021 BIENNIAL BUDGET REQUEST

Agenda of: January 9, 2019
Item No.: **2019-008**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: January 9, 2019

RE: Proposed FY 2020 Schedule of Revenues and Charges and FY 2020 & FY 2021 Biennial Budget Request

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **receives, files, and refers the FY 2019 and FY 2020 biennial budget and**

related five-year financial plan to the Audit Committee; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Development, and related Audit Committee discussion of, the FY 2019 and FY 2020 biennial budget and related five-year financial plan has begun. A summary of activities, and related attachments, is provided below.

- ✓ One-page summary of the proposed budget as it stands today (Attachment 1).
- ✓ Budget and financial planning cycle calendar for reference (Attachment 2).
- ✓ Audit Committee memo from the January 4, 2019 Audit Committee meeting related to review of the capital financing plan and other related budget analysis (Attachment 3).
- ✓ Audit Committee memo from the December 21, 2018 Audit Committee meeting related to the operating area budgets and overall budget and charges draft proposal with the Audit Committee on December 21, 2018 (Attachment 4).

JUSTIFICATION

While a significant amount of information related to the budget has been prepared and presented, there are remaining open items that are interdependent with actions by other parties. The GLWA team is working toward resolution of these matters as listed below (in no particular order).

1. Reaching agreement with the Oakland Macomb Interceptor District related to a maintenance agreement. This impacts charges, budget, and the capital plan.
2. Receipt of final, DWSD proposed budget for coordination of debt projections, use of lease payment, and the impact on debt service coverage. (A working draft has been presented.)
3. The impact of the contract alignment project (CAP) and the impact on suburban wholesale master metered units of service.
4. The incorporation of the Units of Service study phase 2 findings for non-master metered Customers (Detroit, Dearborn, and Highland Park).
5. Budget and cost allocation impacts of potential changes in the GLWA / DWSD definitions of a) transmission / distribution main responsibility and b) billing for service provided by DWSD to GLWA facilities.

The efforts toward a final budget, charges, and capital financing plan have a next scheduled, detail review by the Audit Committee at its regular meeting on January 18, 2019.

BUDGET IMPACT

This action is a step toward establishment of a new budget with an effective date of July 1, 2019.

COMMITTEE REVIEW

The next Audit Committee review is scheduled for January 18, 2019.