



Legislation Text

File #: 2022-312, Version: 1

Resolutions Authorizing Publication of Notice of Intent to Issue Water Supply System and Sewage Disposal System Revenue Bonds

Agenda of: July 29, 2022
Item No.: **2022-312**
Amount: Not to Exceed \$900,000,000

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: July 27, 2022

RE: Resolutions Authorizing Publication of Notice of Intent to Issue Water Supply System and Sewage Disposal System Revenue Bonds

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer//Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approve the Resolutions Authorizing Publication of Notice of Intent to Issue Water Supply System Revenue Bonds of \$250,000,000 and Sewage Disposal System Revenue Bonds of \$65 0,000,000 in an Amount Not to Exceed \$900,000,000 as presented**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

While the GLWA is presently preparing for a 2022 bond transaction, it is also time to look to authorization for future transactions, particularly related to state revolving fund loan programs. This process begins with the publication of the Notice of Intent (NOI) to Issue Water Supply System Revenue Bonds and Sewage Disposal System Revenue Bonds. The NOI is required pursuant to Section 33 of Public Act 94 of 1933 to begin the 45-day referendum period. "If within 45 days after the publication of the notice a petition, signed by not less than 10% or 15,000 of the registered electors, whichever is less, residing within the limits of the borrower, is filed with the clerk, or other recording officer, of the

borrower, requesting a referendum upon the question of the issuance of the bonds, then the bonds shall not be issued until approved by the vote of a majority of the electors of the borrower qualified to vote and voting on the bonds at a general or special election.” If the 45-day referendum period expires without a petition requesting a referendum, then the Authority may authorize and issue such bonds.

JUSTIFICATION

Included with this memo are proposed resolutions authorizing the publication of Notice of Intent to issue water supply and sewage disposal system revenue bonds in the amounts of \$250 million and \$650 million respectively. This authorization would provide for continued funding for improvements to the system in two important ways.

1. Support the current GLWA and DWSD FY 2023 projects submitted for State Revolving Fund consideration, and;

2. Allow for the use of additional federal infrastructure funds that may flow through the State Revolving Fund program and therefore be subject to notice of intent requirements.

BUDGET IMPACT

The debt service payments on local and regional SRF projects approved for FY 2023 funding would not begin until FY 2024 with minimal amounts of interest due, because of the projected draw down schedules. Estimates of this minimal interest expense on the approved loans would be included in the FY 2024 - FY 2025 biennial budget. It is difficult to determine the impact of federal infrastructure funds at this time as criteria, available funds, and the nature of the distributions (loan, grant, etc.) are still under review at the State level.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on July 25, 2022. The Audit Committee unanimously recommended that the GLWA Board of Directors approve the Resolutions Authorizing Publication of Notice of Intent to Issue Water Supply System Revenue Bonds of \$250,000,000 and Sewage Disposal System Revenue Bonds of \$650,000,000 in an Amount Not to Exceed \$900,000,000 as presented.