

## Legislation Text

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File #: 2023-073, Version: 1

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### Proposed Debt Management Policy Amendments

Agenda of: April 26, 2023

Item No.: **2023-073**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** **April 26, 2023**

**RE: Proposed Debt Management Policy Amendments**

### MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer & Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the Proposed Amendments to the Debt Management Policy with an immediate effective date** and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

### BACKGROUND

The Authority's Debt Management Policy was adopted by the GLWA Board on December 9, 2015. The goal of the policy is to ensure that financings undertaken by GLWA satisfy clear objective standards which allow it to protect its financial resources, meet its long-term capital needs, and comply with the provisions of the Master Bond Ordinance. The policy provides guidance on the types and structures of debt instruments and the methods of sales to be considered. The policy also specifies the selection process of underwriters and other professionals engaged to support debt transactions. In addition to addressing the sale of debt, the policy demonstrates the Authority's goal to provide debt management activities such as timely continuing disclosure filings and rating agency

communications that will help the Authority maintain and improve its credit ratings to reduce the future cost of capital.

### **JUSTIFICATION**

The Public Finance team identified and drafted proposed amendments with the intent to clarify and improve GLWA's current Debt Management Policy. The proposed amendments are a compendium of feedback from the professionals that have worked on GLWA's transactions in the past and include the financial advisor, underwriting syndicate members, feasibility consultant, and bond counsel.

A marked-up version of the GLWA Debt Management Policy with proposed changes follows this Board Letter. In addition, please see **Attachment 1 - Table of Proposed Debt Management Policy Amendments**. The table of proposed amendments summarizes the areas changed from the original Debt Management Policy.

### **BUDGET IMPACT**

None.

### **COMMITTEE REVIEW**

This matter was reviewed by the Great Lakes Water Authority Audit Committee at its meeting on March 24, 2023. The Audit Committee unanimously recommends Great Lakes Water Authority Board of Director approval of the proposed amendments to the Debt Management Policy as presented.