Date: July 28, 2023

To: Great Lakes Water Authority Audit Committee

From: Nick Fedewa, CPA, Acting Public Finance Manager

Re: DWSD State Revolving Fund (SRF) Loans 7656-01 and 7657-01 Grant Funded

Background: The resolutions listed below were approved by the Great Lakes Water Authority Board of Directors on June 28, 2023 to provide low cost state revolving fund loan financing for Detroit Water & Sewerage Department (DWSD) in accordance with the terms of the lease agreement between GLWA and the City of Detroit which includes DWSD. Subsequently, DWSD was informed that the Department of Environment, Great Lakes and Energy (EGLE) confirmed entire amount of those SRF loans will be funded by American Rescue Plan (ARP) grant monies and confirmed SRF loans would no longer be necessary for these projects. EGLE and the Municipal Finance Authority (MFA) recognize the funding source as a grant that will be fully administered by DWSD.

- Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Aggregate Amount Not to Exceed $20,900,000, (Ordinance 2023-03 / Series 2023 SRF-2 / DWSD 7656-01 Water Main Replacement WS-732) 2023-179
- Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue Bonds in an Aggregate Amount Not to Exceed $21,800,000 (Ordinance 2023-04 / Series 2023 SRF-3 / DWSD 7657-01 Water Main Replacement WS-733) 2023-180

Analysis: Since series ordinances related to these projects were approved by the Board it should be noted, as concurred by Bond Counsel, that adoption of a series ordinance by the GLWA Board authorizes GLWA to issue bonds, pursuant to the terms specified in the Series Ordinance. However, it does not obligate GLWA to follow through on the *issuance* of bonds so authorized. For this reason, no further action is required by the Board of Directors.

Proposed Action: Receive and file this report.