

Superseded Pages from FY 2024 Third Quarter Budget  
Amendment Report Presented to the Audit Committee  
on June 17, 2024

Amounts subsequently revised on June 18, 2024 due  
to report processing error are highlighted in blue





Quarterly Budget Amendment Report  
FY 2024 Ending March 31, 2024

**Table 2B - Appropriation Level – Debt Service Coverage Calculation – Sewer System**

Sewer System - Debt Service Coverage Calculation	FY 2024 Adopted Budget	1st Quarter FY 2024 Amendments Regional System	1st Quarter FY 2024 Amendments Local System	Estimated 1Q Adjustment to Local System Budget	FY 2024 Amended Budget	2nd Quarter FY 2024 Amendments Regional System	2nd Quarter FY 2024 Amendments Local System	Estimated 2Q Adjustment to Local System Budget	FY 2024 Amended Budget	3rd Quarter FY 2024 Amendments Regional System	3rd Quarter FY 2024 Amendments Local System	Estimated 3Q Adjustment to Local System Budget	FY 2024 Amended Budget
	<b>Revenues</b>												
1 Regional System Wholesale Revenues	\$ 493,169,700	\$ -	\$ -	\$ -	\$ 493,169,700	\$ (14,833,000)	\$ -	\$ -	\$ 478,336,700	\$ -	\$ -	\$ -	\$ 478,336,700
2 Local System Revenues	83,940,300	-	-	-	83,940,300	-	-	-	83,940,300	-	-	-	83,940,300
3 Miscellaneous Revenue (Local System)	8,500,000	-	-	-	8,500,000	-	-	-	8,500,000	-	-	-	8,500,000
4 Non-Operating Revenue (Regional System)	7,457,300	9,317,000	-	-	16,774,300	1,301,000	-	-	18,075,300	5,936,500	-	-	24,011,800
<b>5 Total Revenues</b>	<b>\$ 593,067,300</b>	<b>\$ 9,317,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 602,384,300</b>	<b>\$ (13,532,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,852,300</b>	<b>\$ 5,936,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 594,788,800</b>
<b>Revenue Requirements</b>													
<b>Operations &amp; Maintenance Expense</b>													
6 Regional System Wholesale Expenses	\$ 205,643,700	\$ 14,484,700	\$ -	\$ -	\$ 220,128,400	\$ 1,897,100	\$ -	\$ -	\$ 222,025,500	\$ 2,848,000	\$ -	\$ -	\$ 224,873,500
7 Local System Expenses	55,655,400	-	-	-	55,655,400	-	-	-	55,655,400	-	-	-	55,655,400
8 GRS Pension allocable to Regional System	-	-	-	-	-	-	-	-	-	-	-	-	-
9 GRS Pension allocable to Local System	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>10 Total Operations &amp; Maintenance Expense</b>	<b>261,299,100</b>	<b>14,484,700</b>	<b>-</b>	<b>-</b>	<b>275,783,800</b>	<b>1,897,100</b>	<b>-</b>	<b>-</b>	<b>277,680,900</b>	<b>2,848,000</b>	<b>-</b>	<b>-</b>	<b>280,528,900</b>
<b>11 Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$ 331,768,200</b>	<b>\$ (5,167,700)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 326,600,500</b>	<b>\$ (15,429,100)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 311,171,400</b>	<b>\$ 3,088,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 314,259,900</b>
<b>Debt Service by Lien</b>													
12 Senior Lien Bonds	\$ 155,429,200	\$ 3,510,900	\$ -	\$ -	\$ 158,940,100	\$ -	\$ -	\$ -	\$ 158,940,100	\$ -	\$ -	\$ -	\$ 158,940,100
13 Second Lien Bonds	53,273,500	106,600	-	-	53,380,100	-	-	-	53,380,100	-	-	-	53,380,100
14 SRF Junior Lien Bonds	51,847,200	(164,200)	-	(48,600)	51,634,400	(934,900)	-	(59,500)	50,640,000	-	-	-	50,640,000
<b>15 Total Debt Service</b>	<b>\$ 260,549,900</b>	<b>\$ 3,453,300</b>	<b>\$ -</b>	<b>\$ (48,600)</b>	<b>\$ 263,954,600</b>	<b>\$ (934,900)</b>	<b>\$ -</b>	<b>\$ (59,500)</b>	<b>\$ 262,960,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262,960,200</b>
<b>Debt Service Coverage</b>													
16 Senior Lien Bonds (11)/(12)	2.13	(0.08)	0.00	0.00	2.05	(0.10)	0.00	0.00	1.96	0.02	0.00		1.98
17 Second Lien Bonds (11)/[(12)+(13)]	1.59	(0.05)	0.00	0.00	1.54	(0.07)	0.00	0.00	1.47	0.01	0.00		1.48
18 SRF Junior Lien Bonds (11)/(15)	1.27	(0.04)	0.00	0.00	1.24	(0.05)	0.00	0.00	1.18	0.01	0.00		1.20

\* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget. The approved GLWA budget was based on preliminary DWSD budget information.

\*\* Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.

For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations & maintenance (O&M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Sewer System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.



Quarterly Budget Amendment Report  
FY 2024 Ending March 31, 2024

**Table 3B - Sewer System - Improvement & Extension Fund - Appropriation Level**

Sewer Improvement & Extension Fund	FY 2024 Board Adopted Budget	Total 1st Quarter FY 2024 Amendments	Total 2nd Quarter FY 2024 Amendments	Total 3rd Quarter FY 2024 Amendments	FY 2024 Amended Budget	FY 2024 Activity Thru 3/31/2024
<b>Inflows</b>						
Sewer System Transfers In from General Operating	\$ 30,172,600	\$ (5,238,500)	\$ (14,494,200)	\$ 3,088,500	\$ 13,528,400	\$ 18,700,600
Sewer System Transfers In from Construction Fund			12,775,200	1,237,600	14,012,800	12,775,200
Grant Revenues & Capital Contributions				40,000	40,000	-
Earnings on Investments (a)	2,133,000	2,426,700	1,870,700	390,600	6,821,000	5,000,900
Net Use (Increase) of Reserves	(15,202,100)	40,795,300	(35,154,700)	(8,906,100)	(18,467,600)	(27,473,200)
<b>Total Inflows</b>	<b>\$ 17,103,500</b>	<b>\$ 37,983,500</b>	<b>\$ (35,003,000)</b>	<b>\$ (4,149,400)</b>	<b>\$ 15,934,600</b>	<b>\$ 9,003,500</b>
<b>Outflows</b>						
Sewer System Revenue Transfers Out (a)	\$ 2,133,000	\$ 2,426,700	\$ 1,870,700	\$ 390,600	\$ 6,821,000	\$ 4,304,800
Capital Improvement Plan Spending	-	-	-	-	-	-
Capital Outlay	14,970,500	(3,443,200)	1,126,300	(3,540,000)	9,113,600	4,698,700
Revenue Financed Capital - Transfer to Construction Fund	-	39,000,000	(38,000,000)	(1,000,000)	-	-
<b>Total Outflows</b>	<b>\$ 17,103,500</b>	<b>\$ 37,983,500</b>	<b>\$ (35,003,000)</b>	<b>\$ (4,149,400)</b>	<b>\$ 15,934,600</b>	<b>\$ 9,003,500</b>

(a) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.

**Table 3B Commentary- Sewer System - Improvement & Extension Fund - Appropriation Level**

*Inflows*

- Transfers In from General Operating - The proposed budget amendment is to match the amount available for transfer from the FY 2024 revenue requirement based upon general operating fund performance. (see Table 1B - Appropriation Level - Sewer System Revenue Requirement line item I&E Fund Transfer Pending).
- Transfer in from Sewer Construction - The Sewer Construction fund received grant funds for prior year expenditures made with revenue financed capital from the I & E Fund. A transfer will be done to return this funding back to the I&E Fund.
- Grant Revenues & Capital Contributions - The budget increase is related to additional grant funds that are expected.

**Great Lakes Water Authority**

**Resolution 2024-198**

**Resolution Adopting the Budget Amendments through the Third Quarter of FY 2024**

By Board Member:

**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 2024 budget on February 22, 2023, for the twelve-month fiscal year beginning July 1, 2023;

**WHEREAS** Following a review of the budget amendment report through the FY 2024 Third Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer system are amended as shown in the table below;

<b>General Operating Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Revenues</b>				
Suburban Wholesale Customer Charges	\$ 340,540,600	\$ 333,229,600	\$ 282,687,600	\$ 282,878,600
Less: Bad Debt	-	No Change	-	No Change
Less: Pending Bad Debt Recovery Credit	-	(5,026,500)	-	(15,000,000)
Retail Service Charges	25,537,200	No Change	196,569,600	No Change
Industrial Waste Control Charges	-	No Change	8,584,200	8,560,200
Pollutant Surcharges	-	No Change	5,328,300	No Change
<i>Investment Earnings - Unrestricted</i>	<i>3,067,000</i>	<i>12,640,000</i>	<i>5,567,000</i>	<i>16,096,000</i>
Investment Earnings - Restricted for Debt Service	<u>994,700</u>	<u>5,411,000</u>	<u>1,490,300</u>	<u>6,786,000</u>
Investment Earnings	4,061,700	18,051,000	7,057,300	22,882,000
Other Revenues	175,000	942,900	400,000	1,129,800
Total Revenues	<u>\$ 370,314,500</u>	<u>\$ 372,734,200</u>	<u>\$ 500,627,000</u>	<u>\$ 502,348,500</u>
<b>Revenue Requirements</b>				
Operations & Maintenance Expense	\$ 152,906,400	\$ 168,873,100	\$ 205,643,700	\$ 224,873,500
Debt Service	159,482,800	162,236,100	228,328,300	230,846,700
General Retirement System Accelerated Pension	3,395,500	1,505,500	6,479,300	3,096,800
Extraordinary Repair & Replacement Deposit	-	No Change	-	No Change
Water Residential Assistance Program Contribution	1,851,600	No Change	2,503,100	No Change
Regional System Lease	22,500,000	No Change	27,500,000	No Change
Receiving Fund Working Capital Requirement	-	No Change	-	No Change
Improvement & Extension Fund Transfer	<u>30,178,200</u>	<u>15,767,900</u>	<u>30,172,600</u>	<u>13,528,400</u>
Total Revenue Requirements	<u>\$ 370,314,500</u>	<u>\$ 372,734,200</u>	<u>\$ 500,627,000</u>	<u>\$ 502,348,500</u>

**WHEREAS** Following a review of the budget amendment report through the FY 2024 Third Quarter, the appropriations established with the adoption of the amounts necessary to pay the principal of and interest on all Regional bonds and to restore any reserves therefore established in the Master Bond Ordinance for the water system and the sewer system are amended as shown in the table below;

<b>Debt Service Coverage Calculation</b>				
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Debt Service by Lien</b>				
Senior Lien Bonds	\$ 136,224,100	\$ 139,877,500	\$ 155,429,200	\$ 158,940,100
Second Lien Bonds	51,754,500	No Change	53,273,500	53,380,100
SRF Junior Lien Bonds	16,469,500	15,674,800	51,847,200	50,640,000
<b>Total Debt Service</b>	<b>\$ 204,448,100</b>	<b>\$ 207,306,800</b>	<b>\$ 260,549,900</b>	<b>\$ 262,960,200</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2024 Third Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer system are amended as shown in the table below;

<b>Improvement &amp; Extension Fund</b>				
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Inflows</b>				
Transfers In from General Operating	\$ 30,178,200	\$ 15,767,900	\$ 30,172,600	\$ 13,528,400
Transfers In from Construction Fund	-	4,303,700	-	14,012,800
Grant Revenues & Capital Contributions	-	-	-	40,000
Earnings on Investments	1,694,800	7,205,000	2,133,000	6,821,000
Net Use of Reserves	(10,926,100)	(8,404,800)	(15,202,100)	(18,467,600)
<b>Total Inflows</b>	<b>\$ 20,946,900</b>	<b>\$ 18,871,800</b>	<b>\$ 17,103,500</b>	<b>\$ 15,934,600</b>
<b>Outflows</b>				
Water/Sewer System Revenue Transfers Out	\$ 1,694,800	\$ 7,205,000	\$ 2,133,000	\$ 6,821,000
Capital Improvement Plan Spending	-	No Change	-	No Change
Capital Outlay	11,539,100	11,666,800	14,970,500	9,113,600
Revenue Financed Capital - Transfer to Construction Fund	7,713,000	-	-	No Change
<b>Total Outflows</b>	<b>\$ 20,946,900</b>	<b>\$ 18,871,800</b>	<b>\$ 17,103,500</b>	<b>\$ 15,934,600</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2024 Third Quarter, the appropriations established with the adoption of the construction fund budget for the water system and the sewer system are amended as shown in the table below;