



**GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED BIENNIAL BUDGET
For the Two Year Period ended June 30, 2019
(FY 2018 and 2019)**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the FY 2018 and 2019 Biennial budget.

DATE: Wednesday, March 1, 2017

TIME: 10:00 a.m.

**PLACE: 5th Floor Board Room
735 Randolph
Detroit, Michigan 48226**

The proposed budget is scheduled to take effect on July 1, 2017. The budget is available for public inspection at the office of the Authority, Water Board Building, 735 Randolph, Detroit, Michigan 48226. A copy of the budget may also be found online at <http://glwater.org/finance/>.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed budget may do so at the Public Hearing. Individuals or groups giving oral presentations are encouraged to have their presentations in writing, with a copy to be submitted for the record to the Great Lakes Water Authority Board of Directors. Oral presentations should be brief to allow all parties the opportunity to participate. A time limit may be imposed based upon registration at the hearing.

Interested parties who are unable to attend the Public Hearing may submit their comments in writing to:

Sue F. McCormick, Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Great Lakes Water Authority
Summary of **Proposed** FY 2018 & FY 2019 GLWA Wholesale BUDGET Elements - \$ millions

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				FY 2018 vs. FY 2017		FY 2019 vs. FY 2018	
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Variance</u>	<u>% Variance</u>	<u>Variance</u>	<u>% Variance</u>
<u>Water</u>							
1 Regional System Operations & Maintenance Expense	111.9	111.6	113.8	(0.3)	-0.3%	2.2	2.0%
2 <i>Re-Categorized "Capital Outlay"</i>		10.0	10.2	10.0	NA	0.2	2.0%
	-----	-----	-----	-----		-----	
3 Total Regional System Operations & Maintenance Expense	111.9	121.6	124.0	9.7	8.7%	2.4	2.0%
4 Pension Obligation - Operating Portion	6.0	6.0	6.0	0.0	0.0%	0.0	0.0%
5 Debt Service	159.3	138.6	143.9	(20.7)	-13.0%	5.3	3.8%
6 Transfer to Pension Obligation Payment Fund	6.0	6.4	6.4	0.4	6.0%	0.0	0.0%
7 Transfer to Water Residential Assistance Program Fund	1.6	1.7	1.8	0.1	4.0%	0.1	4.0%
8 Transfer to Extraordinary Repair and Replacement Fund	0.0	0.5	0.5	0.5	0.0%	0.0	2.0%
9 Lease Payment - Transfer to Detroit Local Improvement & Extension Fund	22.5	22.5	22.5	0.0	0.0%	0.0	0.0%
10 Transfer to GLWA Regional Improvement & Extension Fund	23.8	32.8	38.3	9.0	37.8%	5.4	16.5%
11 Operating Reserves	0.0	1.1	1.1	1.1	0.0%	0.0	2.0%
	-----	-----	-----	-----		-----	
12 Total	331.2	331.2	344.5	0.0	0.0%	13.2	4.0%
13 <i>less: Revenue from Non-Contract Customers</i>		(4.0)	0.0	(4.0)	0.0%	4.0	0.0%
14 <i>less: Non-Operating Revenue</i>	(2.1)	(3.0)	(3.0)	(0.9)	42.9%	0.0	0.0%
	-----	-----	-----	-----		-----	
15 Net BUDGET Required from Charges to Customers	329.1	324.2	341.5	(4.9)	-1.5%	17.2	5.3%

Great Lakes Water Authority
Summary of **Proposed** FY 2018 & FY 2019 GLWA Wholesale BUDGET Elements - \$ *millions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				FY 2018 vs. FY 2017		FY 2019 vs. FY 2018	
	FY 2017	FY 2018	FY 2019	Variance	% Variance	Variance	% Variance
Sewer							
16 Regional System Operations & Maintenance Expense	175.9	181.1	184.7	5.2	3.0%	3.6	2.0%
17 Re-Categorized "Capital Outlay"		10.0	10.2	10.0	NA	0.2	2.0%
18 Total Regional System Operations & Maintenance Expense	175.9	191.1	194.9	15.2	8.7%	3.8	2.0%
19 Pension Obligation - Operating Portion	10.8	10.8	10.8	0.0	0.0%	0.0	0.0%
20 Debt Service	222.4	215.6	227.5	(6.8)	-3.1%	11.9	5.5%
21 Transfer to Pension Obligation Payment Fund	11.1	11.4	11.4	0.4	3.2%	0.0	0.0%
22 Transfer to Water Residential Assistance Program Fund	2.3	2.4	2.4	0.1	4.0%	0.0	2.0%
23 Transfer to Extraordinary Repair and Replacement Fund	0.0	0.9	0.9	0.9	0.0%	0.0	2.0%
24 Lease Payment - Transfer to Detroit Local Improvement & Extension Fund	27.5	27.5	28.1	0.0	0.0%	0.6	2.0%
25 Transfer to GLWA Regional Improvement & Extension Fund	21.7	19.6	22.5	(2.0)	-9.4%	2.9	14.6%
26 Operating Reserves	0.0	1.7	1.8	1.7	0.0%	0.0	2.0%
27 Total	471.7	481.1	500.4	9.4	2.0%	19.2	4.0%
28 <i>less: Revenue from Non-Contract Customers</i>				0.0	0.0%	0.0	0.0%
29 <i>less: Non-Operating Revenue</i>	(4.1)	(2.8)	(2.8)	1.4	-33.2%	0.0	0.0%
30 Net BUDGET Required from Charges to Customers	467.6	478.4	497.6	10.8	2.3%	19.2	4.0%

Great Lakes Water Authority
 Summary of **Proposed** FY 2018 & FY 2019 GLWA Wholesale BUDGET Elements - \$ *millions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				FY 2018 vs. FY 2017		FY 2019 vs. FY 2018	
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Variance</u>	<u>% Variance</u>	<u>Variance</u>	<u>% Variance</u>
Combined Water and Sewer (Informational Only)							
31 Regional System Operations & Maintenance Expense	287.7	292.6	298.5	4.9	1.7%	5.9	2.0%
32 <i>Re-Categorized "Capital Outlay"</i>	0.0	20.0	20.4	20.0	NA	0.4	2.0%
33 Total Regional System Operations & Maintenance Expense	287.7	312.6	318.9	24.9	8.7%	6.3	2.0%
34 Pension Obligation - Operating Portion	16.9	16.9	16.9	0.0	0.0%	0.0	0.0%
35 Debt Service	381.7	354.2	371.4	(27.5)	-7.2%	17.2	4.9%
36 Transfer to Pension Obligation Payment Fund	17.1	17.8	17.8	0.7	4.2%	0.0	0.0%
37 Transfer to Water Residential Assistance Program Fund	3.9	4.1	4.2	0.2	4.0%	0.1	2.8%
38 Transfer to Extraordinary Repair and Replacement Fund	0.0	1.4	1.4	1.4	0.0%	0.0	2.0%
39 Lease Payment - Transfer to Detroit Local Improvement & Extension Fund	50.0	50.0	50.6	0.0	0.0%	0.5	1.1%
40 Transfer to GLWA Regional Improvement & Extension Fund	45.5	52.5	60.8	7.0	15.3%	8.3	15.8%
41 Operating Reserves	0.0	2.8	2.9	2.8	0.0%	0.1	2.0%
42 Total	802.9	812.4	844.9	9.4	1.2%	32.5	4.0%
43 <i>less: Revenue from Non-Contract Customers</i>	0.0	(4.0)	0.0	(4.0)	0.0%	4.0	0.0%
44 <i>less: Non-Operating Revenue</i>	(6.2)	(5.7)	(5.7)	0.5	-7.6%	0.0	0.0%
45 Net BUDGET Required from Charges to Customers	796.7	802.6	839.1	5.9	0.7%	36.5	4.5%