



Legislation Text

File #: 2023-018, **Version:** 1

Presentation: Proposed FY 2024 Schedule of Service Charges

Agenda of: January 25, 2023

Item No.: **2023-018**

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: January 25, 2023

RE: **Presentation: Proposed FY 2024 Schedule of Service Charges**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **receives and files the Presentation related to the Proposed FY 2024 Schedule of Charges;** and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The annual financial planning cycle encompasses development of the capital improvement plan, the ten-year financial forecast, the revenue requirement (in the form of a biennial budget), and the resulting schedule of service charges. The proposed budget and charges are linked as the budget is the basis for the charges. Accordingly, Agenda Item # 2023-017 for this meeting date of January 25, 2023 provides a combined presentation and support materials related to the proposed charges.

JUSTIFICATION

This year, as in last, the proposed charges were presented to Member Partners prior to the Member Partner Charges Rollout Meeting #3 which took place on January 12, 2023. Presenting the proposed charges schedule in this manner allows more time for member partner engagement with both GLWA staff and the charges consultant from The Foster

Group individually and in group settings.

The 3 key themes from the proposed FY 2024 Charges rollout are as follows:

1. The System-Wide Charges Revenue Increase is 2.75 Percent for both Water and Sewer - Well Below the Rate of Inflation.
2. Highland Park Bad Debt Expense is NOT Included in the FY 2024 Charges.
3. For Water System Member Partners, the Contract Alignment Process (CAP) Outcomes Reflected in the Proposed FY 2024 Charges Create Short-Term Variability While Promoting Long-Term Stability.

Attached are the following reports related to this proposed action.

1. Draft Resolution Regarding Approval of FY 2024 Schedule of Service Charges
2. Memorandum from The Foster Group - FY 2024 Cost of Service Study and Service Charge Recommendations as of December 30, 2022

These reports are also support material for matters referenced in Agenda Item # 2023-017, Proposed FY 2024 and FY 2025 Biennial Budget Request.

BUDGET IMPACT

This action is a step toward establishment of service charges with an effective date of July 1, 2023.

COMMITTEE REVIEW

The Audit Committee reviewed this matter at its meeting on December 16, 2022. The materials presented at that meeting were received and filed.

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