



## Financial Services Audit Committee Communication

**Date:** November 18, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Matthew S. Lane, MPA, Charges Outreach and Modeling Manager

**Re:** Charges Outreach & Modeling Update

**Background:** The Charges Outreach and Modeling Team was established in FY 2023 as part of the Financial Management & Planning Group to facilitate internal communication and external outreach with GLWA Member Partners as it relates to the charge methodology and charge-related financial matters. This team also serves as liaison between GLWA and third-party consultants in the development, maintenance and review of the annual water and sewer charges.

**FY 2023 Charge Modifications:** At this time, there are no charge modifications. There were no exceedances identified as a result of the 2022 Max Day/Peak Hour calculations.

**FY 2024 Charges Rollout Update:** Great Lakes Water Authority cross-functional teams have been working together to establish the Fiscal Year 2024 Charges Rollout Schedule.

1. Charges Rollout Meeting #1 regarding the Capital Improvement Plan (CIP) took place on Wednesday, October 19, 2022, at 1:00 p.m. via Zoom.
2. Subsequent Rollout Meetings Include:
  - a. Charges Rollout Meeting #2: Units of Service: Wednesday, November 16, 2022, at 1:00 p.m. via Zoom.
  - b. Charges Rollout One-on-One Meetings – Units of Service: New this year to support Member Partner questions - these meetings will be held on November 30, 2022 and December 1, 2022.
  - c. Charges Rollout Meeting #3: Proposed FY 2024 Revenue Requirement and Charges: Thursday, January 12, 2023, at 9:00 a.m. via Zoom
  - d. Charges Rollout One-on-One Meetings: Member Partners will have the opportunity to scheduled individual meetings, January 13, 2023, through January 18, 2023, to discuss charges in more detail.
  - e. Charges Rollout Meeting #4: Feedback on Service Charges and Review of Proposed FY 2024 Revenue Requirement

**Contract Alignment Update:** The Contract Alignment Process (CAP) is facilitated by a cross-functional negotiation team (CAP Team) led by the General Counsel's office. At the time of this update, most member partner contracts have been largely settled.

Contract discussions for the remaining eleven Member Partners are currently underway and in various stages of negotiation. This team has been working through the process since March 2022. The Charges Outreach and Modeling team is represented on the CAP team and will support their efforts in whatever capacity is needed.

**Charges Work Group Update:** The Charges Work Group is made up of Member Partners and staff from GLWA. It was established to review water charge methodology and to make recommendations regarding potential changes.

There is also a Water Charges Methodology Review Subgroup (Subgroup) made up of interested volunteer Member Partners convened to work closely with GLWA on the technical analysis and provide input on charges scenarios. The Subgroup meets twice per month and reports its findings and updates to the Charges Work Group every other month.

Raftelis Financial Consultants, Inc. (Raftelis) has begun participating in the Water Charges Work Group and Subgroup meetings. Thomas Beckley of Raftelis was in attendance at the most recent in-person Subgroup meeting on November 4<sup>th</sup>, 2022 in Farmington Hills and was able to provide support and input on the various discussion points among the group. Raftelis and the Charges Outreach and Modeling Team held small group interviews with Member Partners and will be reviewing and compiling information gathered from the conversations.

**Look Ahead:** The next One Water Partnership Meeting is November 29, 2022 at Schoolcraft College in Livonia. The Charges Outreach and Modeling Team will be attending and participating.

**Proposed Action:** Receive and file this report.