

Date: January 9, 2026

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

Re: Proposed FY 2027 Charges Analysis

Background: The preparation for the Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and FY 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan is under way.

The headline challenge this year is the reduction in the investment earnings forecast due to economic conditions – a scenario beyond GLWA's control. A reduction was expected, but the magnitude was recently recalculated for a total of \$8 million – with \$4 million impact for each system. Translating that loss in revenue to charges, \$4 million equates to approximately a 1% charge adjustment for each system.

Analysis: See attached presentation.

Recommended action: Receive and file.