



Financial Services Area
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Date: November 21, 2024

To: Great Lakes Water Authority Board of Directors

From: Matt Lane, Charges Outreach & Modeling Manager

Re: Clarification - FY 2025 Sewer Service Charge for the City of Highland Park

Background: The Settlement Agreement and Mutual Release between the City of Highland Park and the Great Lakes Water Authority (GLWA) included a Wastewater Disposal Services Contract which outlined two options for the FY 2025 sewer service charge in section 20.05 of that contract (**emphasis added**).

“A. Effective January 1, 2024, GLWA shall provide a settlement credit of \$60,000.00 per month to Customer on its sewage charge until June 30, 2024, subject to the following:

(i) Customer may fully participate in the GLWA share and charge process for fiscal year 2025, and

(ii) Beginning July 1, 2024, Customer shall receive the lesser of (a) the fiscal year 2024 sewage charges and credit, or (b) the fiscal year 2025 sewer share and resulting charges, and

(iii) The settlement credit shall terminate no later than June 30, 2025.”

Pursuant to the contract, option (a) above results in a net monthly charge of \$404,200 (\$464,200 FY 2024 Charge less \$60,000 settlement credit). Option (b) equates to \$415,100. The lesser of the two is option (a) at \$404,200.

Due to the timing of charges approval versus execution of the agreement, there was a staff oversight in overriding the sewer methodology charge of \$415,100 with the alternate calculation of \$404,200. The outcome is that the City of Highland Park is due a credit of \$10,900 for the months of July through October for a total of \$43,600.

Analysis: Given that the GLWA Board of Directors approved the settlement agreement that was publicly available, it is deemed that there is no further action required by the Board. Staff will process the \$43,600 credit in November 2024 and update the billing system with the correct monthly charge of \$404,200 beginning with the November 2024 services billed.