



Financial Services Audit Committee Communication

Date: February 9, 2024

To: Great Lakes Water Authority Audit Committee

From: Gregg Kirk, Director of Financial Management and Planning
David Slowik, Interim Financial Planning & Analysis Manager

Re: Recommendation to Approve the FY 2025 & FY 2026 Biennial Budget Resolution
and the Resolution for the Proposed FY 2025 Schedule of Charges

Background: In accordance with service agreements with the Great Lakes Water Authority (GLWA) member partners, the budget and charges for the next fiscal year are annually presented in January each year. To accommodate that schedule, the upcoming year's budget is presented to the Audit Committee within the context of the biennial budget and five-year financial plan as well as a ten-year forecaster in December. Subsequently, the Audit Committee conducts a review of the budget and related analysis typically in January (this year the meeting was rescheduled to February).

Planning for this year started with "Budget and Charges Briefing" at the Board Workshop September 13, 2023.

At the December 15, 2023, Audit Committee meeting, a discussion draft of the FY 2025 & FY 2026 Biennial Budget and Five-Year Plan was presented. This draft focused on a) overall strategy of key budget elements including system-wide service charges and b) proposed operating group budgets.

On January 24, 2024, the Board of Directors received a presentation related to the FY 2025 & FY 2026 Biennial Budget and Five-Year Plan and FY 2025 Charges.

Also, during January 2024, the proposed Budget for FY 2024 & FY 2025 was presented at the Charges Rollout meetings with Member Partners on January 11, 2024 (Charges Rollout Meeting #3), as it relates to the proposed Schedule of Charges, and reviewed further on January 18, 2024 (Charges Rollout Meeting #4).

Analysis: The overall budget and charges proposals have not changed since the December 15, 2023 meeting with one exception. Updated follow balance information was received that modified the sewer shares update. We will review this matter at the Audit Committee meeting. That information is included in the updated cost of service study list as #3 on the next page.



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Additional analysis prepared and provided includes the following.

1. Presentation on key areas of interest for the Audit Committee
2. Table of Contents for the budget with yellow highlights noting new sections
3. Draft 2 of the Biennial Budget which contains updated and new pages for the Proposed FY 2025 & FY 2026 Biennial Budget & Five-Year Financial Plan FY 2025 through FY 2029 (490 pages) – also online at www.glwater.org
4. Cost of Service Study Updated as of January 22, 2024 (166 pages) – also [online](#)

The presentation materials for the proposed FY 2025 & FY 2026 Biennial Budget and proposed FY 2025 Schedule of Charges are now complete. The proposed Board Letters and Resolutions follow this presentation.

1. Agenda item # 6B - Adoption of the FY 2025 & FY 2026 Biennial Budget
2. Agenda item # 6C - Approval of the FY 2025 Schedule of Service Charges

Proposed Action: Receive and file.