



Financial Services Audit Committee Communication

Date: April 28, 2023

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 & Modeling (CO&M) Team was established in Fiscal Year 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.

Analysis: This month we present an update on the initiatives CO&M has been focused on, including charges rollout, work group meetings, and ongoing outreach efforts.

1. FY 2023 Charge Modifications: As of this date, there have been no charge modifications. There were no exceedances identified resulting from the 2022 Max Day/Peak Hour calculations.
2. FY 2024 Charges Rollout Update: Great Lakes Water Authority cross-functional teams have **completed** the Fiscal Year 2024 Charges Rollout Schedule.
3. Contract Alignment Update: The Contract Alignment Process (CAP) has **concluded**.
4. Professional Development/Outreach Activities: I recently completed the Accounting and Rate Setting course through the Institute of Public Utilities at Michigan State University. This was attended by finance staff from utilities and public service commissions from across the country and provided an opportunity to network with peers and identify differences and similarity between utility types.
5. Additional CO&M updates include the following:
 - a. Over the last month, Charges Outreach and Modeling (CO&M) has facilitated member partner check-in meetings with both the City of Flint and the City of Utica. We also continue to connect with member partners at GLWA-sponsored meetings and events, including the Flood Mitigation and Resiliency Planning Meeting at Madonna University in Livonia, Water Analytical Work Group held at UofM-Detroit Center. CO&M has also been actively engaged in the Water Charges Methodology Review Subgroup meetings.

Look Ahead:

1. Charges Work Group

- a. This group is made up of Member Partners and staff from GLWA. It was established to review water and sewer charge methodology and to make recommendations regarding potential changes.
 - i. The overall Charges Work Group met Tuesday, April 25 via Zoom for an update on the work of the Water Charges Methodology Review Subgroup. We are also working to schedule a second Charges Work Group meeting to discuss Wastewater matters on Tuesday, May 9 via Zoom.
 - ii. 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 as-needed. We received valuable feedback from Member Partners at-large during the Charges Rollout process that will help guide future discussions for this subgroup. A summary report of activity to-date, prepared by Bridgeport Consulting, is attached to this update.
 - iii. The Water Charges Third-Party Rate Consulting Firm has made multiple presentations regarding their work including Member Partner interviews and peer reviews. They will be making a presentation to the overall Charges Work Group on Tuesday, April 25th.
 - iv. The most recent in-person meeting of the subgroup was held on March 3, 2023 at the City of Sterling Heights Department of Public Works.
 - v. Virtual subgroup meetings were also held March 17, 2023 and March 31, 2023 via Zoom.
 - vi. The next in-person Water Charges Methodology Review Subgroup Meeting is scheduled for May 5, 2023 at the Dearborn Center for the Performing Arts.

2. One Water Partnership Meetings

- a. The most recent OWP was held in-person on March 23, 2023, at the Michigan First Conference Center (The Mint) in Lathrup Village.
- b. The next OWP meeting will be scheduled and published by Member Outreach.

Proposed Action: Receive and file this report.