



Financial Services Audit Committee Communication

Date: February 13, 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 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 the Charges Outreach & Modeling Team 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 been working together to implement the Fiscal Year 2024 Charges Rollout Schedule.
(Attendance data provided by GLWA Outreach)
 - a. Charges Rollout Meeting #1-CIP took place on Wednesday, October 19, 2022, at 1:00 p.m. via Zoom. Attendance included 47 individuals representing 32 Member Partners.
 - b. Charges Rollout #2 Units of Service took place on Wednesday, November 16, 2022 at 1:00 p.m. via Zoom. Attendance, excluding staff from GLWA, included 40 individuals representing 32 Member Partners. After presenting the proposed Unites of Service, Member Partners were invited to sign up for one-on-one discussions with the Charges Outreach & Modeling Team. The team met virtually with six Member Partners.
 - c. Charges Rollout Meeting #3- Proposed FY 2024 Revenue Requirement and Charges: Thursday, January 12, 2023, at 9:00 a.m. via Zoom. Attendance, excluding staff from GLWA, included 101 individuals representing 64 Member Partners.
 - d. Charges Rollout One-on-Ones: Member Partners had the opportunity to have individual meetings, January 13, 2023, through January 18, 2023, to discuss charges in more detail. The Charges Outreach and Modeling Team met with 10 Member Partners to discuss their charges.
 - e. Charges Rollout Meeting #4- Feedback on Service Charges and Review of Proposed FY 2024 Revenue Requirement. Attendance, excluding staff from GLWA, included 50 individuals representing 37 Member Partners.

3. Contract Alignment Update: The Contract Alignment Process (CAP) has now concluded. It was facilitated by a cross-functional negotiation team (CAP Team) led by the General Counsel's office. At the time of the drafting of this update, most member partner contracts have been settled, with exception of non-master metered member partners and a few who have not submitted official resolutions. This team has been working through the process since March 2022. The Charges Outreach & Modeling team is represented on the CAP team and supports CAP efforts in whatever capacity is needed.
4. Professional Development/Outreach Activities: GLWA Charges Outreach & Modeling Manager Matt Lane, as a member of the Michigan Section of the American Water Works Association (MI-AWWA) Communications Council, moderated a panel discussion during a Communications Workshop at the Fishbeck offices in Lansing, on December 7, 2022. The workshop was titled "Making Your Message Matter - Communicating with the Decision Makers," and included three expert panelists, including GLWA Chief Operating Officer for Water Treatment and Field Services, Cheryl Porter, and Sue McCormick of 4Leaders, LLC. The hybrid event was recorded by GLWA Public Affairs and will be posted publicly by MI-AWWA for those who could not attend either virtually or in-person.
5. Additional Charges Outreach & Modeling updates include the following:
 - a. Matt Lane has been making rounds to various member partners as a way of introducing himself and recently coordinated a meeting with staff from the Oakland County Water Resources Commissioner's Office, facilitated by GLWA Outreach.
 - b. The team also attended a new webinar series hosted by the Michigan Municipal Services Authority, which focused on a one-of-a-kind virtual city concept that serves to facilitate state-wide and regional collaboration.

Look Ahead:

1. Water Charges Work Group -
 - a. This 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.
 - i. 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. We received valuable feedback from Member Partners at-large during the Charges Rollout process that will help guide future discussions for this subgroup.
2. Water Charges Third-Party Rate Consultant
 - a. Interviews with benchmark utilities are wrapping up. Raftelis provided a benchmarking presentation to the subgroup at the in-person meeting on Friday, February 3, 2023 which was held at the University of Michigan- Detroit Center.
3. One Water Partnership Meetings
 - a. The most recent was November 29, 2022, at Schoolcraft College in Livonia. The next meeting is scheduled to take place in March 2023. GLWA Outreach will publish more information on time and location at a later date.

Proposed Action: Receive and file report.