



Financial Services Audit Committee Communication

Date: February 9, 2018

To: Great Lakes Water Authority Audit Committee

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

Re: Update on Cost of Service Studies for FY 2019 Charges - The Foster Group

Background: Each January, the Great Lakes Water Authority (GLWA) members receive a calculation of the Cost of Service Studies and the resulting proposed charges. This timing is defined by service contracts as further cited in the attached budget calendar. Those notices were distributed on January 25, 2018.

Analysis: GLWA's advisor, The Foster Group, prepares the Cost of Service Studies and charges based upon several inputs and analysis. Bart Foster, The Foster Group, will be in present at the Audit Committee meeting to address the status of the Cost of Service study and charge development as well as unique considerations in the development of the FY 2019 charges. Presentation materials are attached. In addition, the Cost of Services Study is online at <http://www.glwater.org/wholesale-customers/charges/>.

Proposed Action: Receive and file report.