



Financial Services Audit Committee Communication

Date: October 18, 2019

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: FY 2021 Charges Rollout Update

Background: Over the next few months, the Great Lakes Water Authority (GLWA) will host the annual charges rollout meetings for Fiscal Year 2021. This is an essential process to ensure member partner engagement in the financial recommendations that result in charges for services for the upcoming fiscal year. During these meetings GLWA will present and discuss how our capital improvement plan (CIP) and Budget form the basis for GLWA's proposed Revenue Requirements and how the Units of Service for each of our members is used to determine each members' charges in alignment with the Service Agreements. The rollout meeting schedule for FY 2021 is shown below

Rollout Meeting #1 (Water and Sewer Capital Improvement Plan)

- Thursday, October 17, 2019

Rollout Meeting #2 (Units of Service & Sewer SHARES)

- Thursday, November 21, 2019

Rollout Meeting #3 (Proposed FY 2021 Revenue Requirements)

- Thursday, January 9, 2020

Rollout Meeting #4 (Proposed FY 2021 Service Charges)

- Thursday, January 23, 2020

Analysis: As a backdrop to the charges rollout discussion for FY 2021, GLWA continues to experience reduced water usage and flow demands from its member partners. At the September 24, 2019 Water Analytical Work Group meeting, the 2019 summer Max Day information was presented. The highest daily pumpage occurred on July 14, 2019 and the highest hourly pumpage on that date occurred between 7:00 p.m. EST and 8:00 p.m. EST.

The Max Day demand was 619 MGD (down from 693 MGD in 2018) and Peak Hour demand was 700 MGD (down from 823 MGD in 2018). The table below shows the historical decline in Max Day and Peak Hour demands since 2003 which spans the operation of the system by DWSD prior to January 1, 2016 and subsequently GLWA.

	Customer Proxy		System Max Day		Reported Pumpage Days Over . . .				
	Max Day	Peak Hour	Max Day	Peak Hour	600 mgd	700 mgd	800 mgd	900 mgd	1,000 mgd
2003	13	13	1,195	1,290					
2004	2	1	1,082	1,168					
2005	26	26	1,067	1,347					
2006	17	8	1,041	1,337					
2007	16	18	1,092	1,388			96	40	11
2008	3	2	961	1,184			23	5	-
2009	-	1	802	989			1	-	-
2010	1	-	962	1,114			4	2	-
2011	-	4	1,008	1,143			22	6	1
2012	4	8	969	1,171			32	8	-
2013	-	1	729	914	47	7	-	-	-
2014	1	1	720	853	23	2	-	-	-
2015	NA	NA	725	897	18	2	-	-	-
2016	NA	NA	777	924	70	30	-	-	-
2017	NA	NA	723	812	38	4	-	-	-
2018	NA	NA	693	823	20	-	-	-	-
2019	NA	NA	619	700	6	-	-	-	-
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Budget Impact: The results of the CIP, Units of Service, Revenue Requirements and Service Charges presented at these meetings will be incorporated into the FY 2021 – FY 2025 five year financial plan. The FY 2021 proposed service charges and will be presented to the Board of Directors in January 2020 and at a public hearing tentatively scheduled for February 26, 2020.

Proposed Action: Receive and file this report.