



Legislation Details (With Text)

File #: 2024-026 **Version:** 1 **Name:**
Type: Presentation **Status:** Filed
File created: 1/22/2024 **In control:** Board of Directors
On agenda: 1/24/2024 **Final action:** 1/24/2024
Title: Presentation: Proposed FY 2025 Schedule of Service Charges
Sponsors: Nicolette Bateson
Indexes: Finance
Code sections:
Attachments: 1. 2.0 2025-026 Resolution.Legistar-Charges, 2. 2.1 FY 2025 Water Charge Schedule 12.15.2023, 3. 2.2 FY 2025 Sewer Charge Schedule 12.15.2023, 4. 2.3 FY 2025 Industrial Charge Schedule 12.15.2023

Date	Ver.	Action By	Action	Result
1/24/2024	1	Board of Directors	Received and Filed	Pass

Presentation: Proposed FY 2025 Schedule of Service Charges

Agenda of: January 24, 2024

Item No.: **2024-026**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: January 24, 2024

RE: **Presentation: Proposed FY 2025 Schedule of Service Charges**

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **receives and files the Presentation related to the Proposed FY 2025 Schedule of Charges**; and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The annual financial planning cycle encompasses development of the capital improvement plan, the ten-year financial forecast, the revenue requirement (in the form of a biennial budget), and the resulting schedule of service charges. The proposed budget and charges are linked as the budget is the basis for the charges. Accordingly, a companion agenda item #2024-025 for this meeting date of January 24, 2024 provides a combined presentation and support materials related to the proposed charges.

JUSTIFICATION

This year, as in last, the proposed charge worksheets were emailed to Member Partners prior to the Member Partner Charges Rollout Meeting #3 which took place on January 11, 2024. Presenting the proposed charges schedule in this manner allows more time for member partner engagement with both GLWA staff and the charges consultant from The Foster Group individually and in group settings.

The 3 key themes from the proposed FY 2024 Charges rollout are as follows:

1. The System-Wide Charges Revenue increase is 3.25 percent for Water and 3.0 percent for Sewer - continuing a trend where GLWA's charges continue to be well below the rate of inflation.
2. Sewer SHAREs are being updated for the first time in 3 years and the resulting changes in individual Member Partner Charge adjustments (generally) reflect moderate variances from the System-Wide adjustment of 3.0% noted above.
3. Simplified Water Charge Methodology developed in conjunction with Member Partners is recommended to proceed. Accordingly, the FY 2025 Water Charges embrace the recently endorsed "10/50/40 with Delivery Factor" methodology. Charge adjustments for all but three Member Partners are uniform and approximate the System-Wide increase of 3.25%.

Attached is the draft Proposed Resolution Regarding Approval of FY 2024 Schedule of Service Charges and the Schedule of Charges.

Two related key documents are posted at www.glwater.org <<http://www.glwater.org>> online as well.

1. [FY 2024 & FY 2025 Biennial Budget and Financial Plan Draft 1](https://glwa.wpenginepowered.com/wp-content/uploads/2024/01/Draft-1-Proposed-Biennial-)
<<https://glwa.wpenginepowered.com/wp-content/uploads/2024/01/Draft-1-Proposed-Biennial->
(as presented to the Audit Committee on December 15, 2023)
2. [FY 2025 Cost of Service Study dated December 29, 2023](https://glwa.wpenginepowered.com/wp-content/uploads/2024/01/FY-2025-COS-Service-)
<<https://glwa.wpenginepowered.com/wp-content/uploads/2024/01/FY-2025-COS-Service->

As noted above, these reports also support material for matters referenced in Agenda Item #2024-025, Proposed FY 2025 and FY 2026 Biennial Budget Request.

BUDGET IMPACT

This action is a step toward establishment of service charges with an effective date of July 1, 2024.

COMMITTEE REVIEW

The Audit Committee reviewed this matter at its meeting on December 15, 2023. The materials presented at that meeting were received and filed.