



Legislation Text

File #: 2022-022, **Version:** 1

Presentation: Proposed FY 2023 Schedule of Service Charges

Agenda of: January 26, 2022

Item No.: **2022-022**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: January 26, 2022

RE: **Presentation: Proposed FY 2023 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 2023 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, Agenda Item # 2022-021 for this meeting date of January 26, 2022 provides a combined presentation and support materials related to the proposed charges.

JUSTIFICATION

This year, as in last, the proposed charges were presented to Member Partners prior to the Member Partner Charges Rollout Meeting #3 which took place on January 6, 2022. This is the second year in a row that the proposed charges schedule was presented two weeks in advance of the historic schedule. This allowed more time for member partner

engagement with both GLWA staff and the charges consultant from The Foster Group individually and in group settings. The shift in schedule is the result of business process improvements put into place by GLWA's Financial Planning & Analysis team working in coordination with GLWA's Public Finance team and charges consultant, The Foster Group.

A key theme of the charges proposal is stability in charges as a result of the contract alignment process for the water system member partners and the shares allocation for the sewer system.

Attached are the following reports and memorandum from The Foster Group.

1. Memorandum - Proposed FY 2023 Water & Sewer Charges (Updated) as of December 29, 2021
2. Memorandum - Proposed FY 2023 Service Charge Summary as of December 29, 2021
3. Memorandum - Highland Park Bad Debt Expense Review Executive Summary as of December 15, 2021

These reports are also support material for matters referenced in Agenda Item # 2022-021, Proposed FY 2023 and FY 2024 Biennial Budget Request

BUDGET IMPACT

This action is a step toward establishment of service charges with an effective date of July 1, 2022.

COMMITTEE REVIEW

The Audit Committee reviewed this matter at a special meeting on January 21, 2022. In preparation for the continued review of the budget and charges at the February 11, 2022 Audit Committee meeting, the Audit Committee has asked the Administration to provide an analysis which would illustrate the impact of reducing the FY 2023 sewer system revenue requirement budget by \$5.5 million and the related impact on sewer charges.