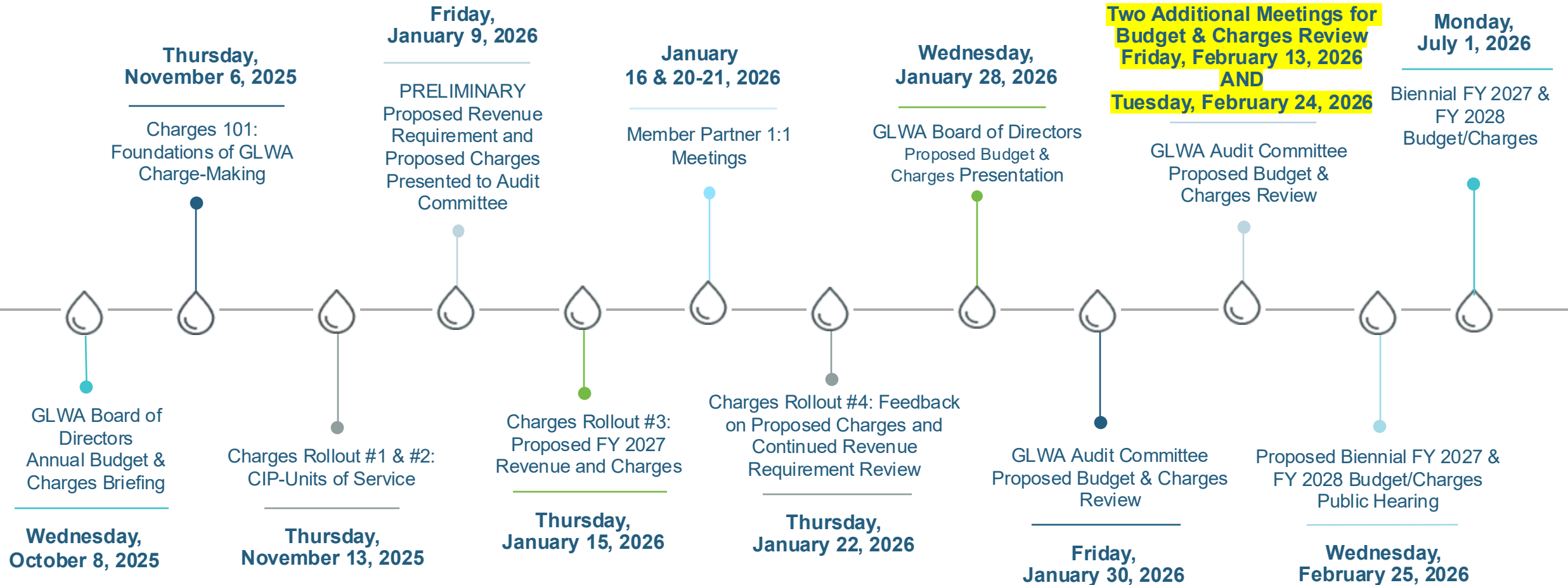




Public Hearing Proposed FY 2027 & 2028 Biennial Budget FY 2027 Schedule of Charges

**Board of Directors Meeting
February 25, 2026**

Budget & Charges Timeline



Public Budget & Charges Presentations

💧 Charges Rollout

💧 Rollout 1 & 2 Combined

💧 Rollout 1 – [Capital Improvement Plan](#)

💧 Rollout 2 – [Units of Service](#)

💧 Rollout 3 - [Budget & Charges Part 1](#)

💧 Rollout 4 – [Budget & Charges Part 2](#)

💧 Board

💧 October 8, 2025 [Budget and Charges Briefing](#)

💧 January 28, 2026 [Proposed FY 2027 and FY 2028 Biennial Budget Request](#)
[Proposed FY 2027 Schedule of Service Charges](#)

💧 Audit Committee

💧 January 9, 2026 [Review Proposed FY 2027 & FY 2028 Biennial Budget & Financial Plan](#)
[Proposed FY 2027 Charges Analysis](#)

💧 January 30, 2026 [FY 2027 & FY 2028 Biennial Budget FY 2027 Charges](#)

💧 February 13, 2026 [FY 2027 & FY 2028 Biennial Budget FY 2027 Charges](#)

💧 February 24, 2026 [FY 2027 & FY 2028 Biennial Budget FY 2027 Charges](#)

Public Hearing Booklet

The complete document
can be found on the GLWA
website at
[Public Hearing Summary of
FY 2027 Schedule of
Charges & FY 2027 & FY
2028 Biennial Budget](#)



Public Hearing
Summary of
FY 2027 Schedule of Charges
and
FY 2027 & FY 2028
Biennial Budget
As Proposed

January 26, 2026

www.glwa.org

Budget Presentations & Review Sessions

- ◆ During the course of January 2026 through today, many budget and charges scenarios have been evaluated.
- ◆ The goal was to achieve a lower charge increase now balanced with short-term, and long-term implications of any decision.
- ◆ Presented today is Scenario D
 - ◆ Achieves nearly \$13 million in savings for Member Partners from original proposal
 - ◆ Approximately \$4 million for water and \$9 million for sewer
 - ◆ Reduces the wholesale average system charge adjustment
 - ◆ Water system – from 6.83% to 5.8% (*reduction of 1.03%*)
 - ◆ Sewer system – from 5.98% to 4.26% (*reduction of 1.72%*)
- ◆ Reviewed by the Audit Committee on February 24, 2026

Proposal Summary

Leverages anticipated refunding savings and slows down capital program funding to ease affordability concerns.

Water System	Charge Percentage	Estimated \$ Reduction (millions)	Sewer System	Charge Percentage	Estimated \$ Reduction (millions)
Average System Charge Adjustment			Average System Charge Adjustment		
1) As proposed January 9, 2026 "A"	6.83%		1) As proposed January 9, 2026 "A"	5.98%	
2) Align budget with forecasted debt savings "B"	-0.93%	\$ (3,653)	2) Align budget with forecasted debt savings "B"	-1.08%	\$ (5,571)
Revised Average System Charge Adjustment "B"	5.90%		Revised Average System Charge Adjustment "B"	4.90%	
3) Audit Committee Review February 13, 2026 "C"	-0.40%	(1,587)	3) Audit Committee Review February 13, 2026 "C"	-0.40%	(2,068)
Revised Average System Charge Adjustment "C"	5.50%	(5,240)	Revised Average System Charge Adjustment "C"	4.50%	(7,639)
4) Prioritize Water System February 20, 2026 "D"	0.30%	1,172	4) Requested Realignment February 20, 2026 "D"	-0.23%	(1,168)
Total Average System Charge Adjustment	5.80%	\$ (4,068)	Total Average System Charge Adjustment	4.27%	\$ (8,807)
Net Decrease in Water Charge Adjustment (A to D)		-1.03%	Net Decrease in Sewer Charge Adjustment		-1.71%

Total Systemwide Estimated Dollar Reduction in Charges \$12.875 million

(\$4.068 million water and \$8.807 million sewer)

FY 2027 Charges Metrics

Water Supply System

- 💧 Revenue Requirements (Total Budget) Adjustment: 4.40%
- 💧 Revenues from Charges (Charges Budget): 5.52%
- 💧 Wholesale Average Charge Adjustment: 5.44%
- 💧 *Average System Charge Adjustment: **5.80%***

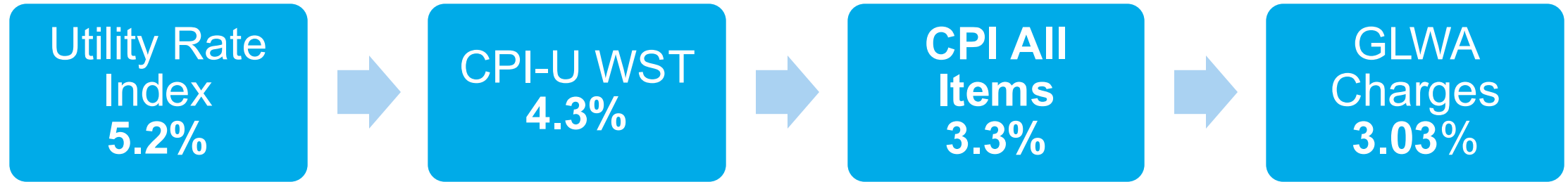
Sewage Disposal System

- 💧 Revenue Requirements (Total Budget) Adjustment : 3.34%
- 💧 Revenues from Charges (Charges Budget): 4.21%
- 💧 Wholesale Average Charge Adjustment: 4.00%
- 💧 *Average System Charge Adjustment: **4.26%***

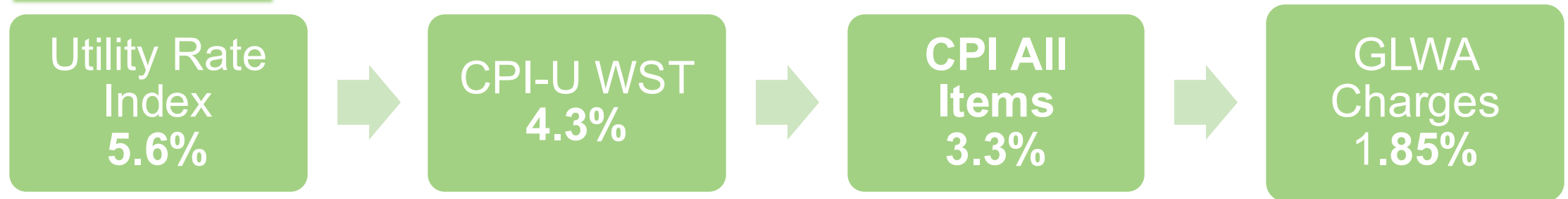
Average System Charge Adjustments		
Year	Water	Sewer
2018	1.80%	-0.70%
2019	1.80%	0.10%
2020	0.60%	0.80%
2021	3.20%	2.00%
2022	1.50%	-0.60%
2023	3.70%	2.40%
2024	2.75%	2.75%
2025	3.25%	3.00%
2026	5.90%	4.50%
2027 Proposed	5.80%	4.26%
10-Year Average	3.03%	1.85%

Ten Year Average – Charges

Water



Sewer



CPI-U WST: Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year)

Utility Rate Index: Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024

CPI-U all Items: Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year)

FY 2027 Charge Increase Perspective

- ◆ How the charge increases impact end consumer is dependent on local rate setting
 - ◆ Depending on local system budgets, GLWA wholesale costs as a percent of the total vary significantly among communities
- ◆ However, as an example to provide perspective, based on the population in the GLWA service area, and a census validated factor of 2.5 people per household, **the relative monthly, per household, share of the revised proposed increase is:**
 - ◆ *Water - \$1.17 per month per household*
 - ◆ *Sewer - \$1.60 per month per household*

Charge Adjustment Definitions

- ◆ Revenue Requirements (Total Budget) Adjustment: This is the increase in the overall total budget including all line items of revenues and financial commitments.
- ◆ Revenues from Charges (Charges Revenue): This represents the year over year dollar amount increase, shown as a percentage, in “Charges Revenues” as shown in the balanced budget document.
 - ◆ For FY 2027, there is less investment revenue, so as a percentage, the increase in charges is higher than the total budget increase.
- ◆ Average System Charge Adjustment: This is the simple average of each Member Partners charge adjustment
 - ◆ Some Member Partners were close to the average, some had higher increases, and some had decreases
- ◆ Wholesale Average Charge Adjustment: This is the simple average of each Member Partner excluding the local system charge for DWSD