

**Date:** December 19, 2025

**To:** Great Lakes Water Authority Audit Committee

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

**Re:** Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and FY 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan

**Background:** The preparation for the Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and FY 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan is under way.

The headline challenge this year is the reduction in the investment earnings forecast due to economic conditions. A reduction was expected, but the magnitude was recently recalculated for a total of \$8 million – with \$4 million impact for each system. Translating that loss in revenue to charges, \$4 million equates to approximately a 1% charge adjustment for each system.

**Analysis:** A special meeting for review of the Proposed Revenue Requirement & Charges and Review Proposed FY 2027 and FY 2028 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan has been scheduled for January 9, 2026 at 8 am.

**Recommended action:** Receive and file.