



FY 2026 Charges Rollout Meeting #4

January 16, 2025

Presented to GLWA Board of Directors on January 22, 2025

Willdan Company Profile

Project Team

Jeff McGarvey – VP, Managing Principal

32 years of experience in utility rate and financial consulting

Jason Gray – VP, Managing Principal

26 years of experience in utility rate and financial consulting

Kevin Burnett – Principal Consultant

24 years of experience in utility rate and financial consulting

Michael Cronan – Lead Project Analyst

8 years of experience in utility rate and financial consulting

Willdan Company Profile

- Willdan Group, Inc.



Founded in **1964**



Publicly Traded (**Nasdaq: WLDN**)



50+ Offices and **1,600+** Employees Nationwide



360,000 Projects Delivered



400,000+ Customers Served



Saved **8,100** GWh and **100M** Therms



7,700,000 Metric Tons Greenhouse Gas Emissions Avoided

Willdan Company Profile

Client Industries

Utilities

Government & Public Agencies

Commercial & Industrial

K-12 & Higher Education

Healthcare

Hospitality

Data Centers

Multi-family Housing



Willdan Company Profile

Professional Services

Energy Engineering

Energy Performance
Contracting

Financial Consulting
Services

Civil Engineering

EV Infrastructure

Software & Data Analytics

Policy Advisement

Microgrids

Financing for Public
Agencies

Program Management

Renewable Generation



Willdan Company Profile

- Willdan Financial Services
 - National firm established 1988
 - One of the largest public sector economic and financial consulting firms in the US
 - 80 full-time professionals
 - Broad range of consulting services

Utility Rate and Financial Expertise

Wholesale Cost of Service Analyses

Bond Feasibility Studies

Retail Cost of Service Analyses

Valuation/Divestiture Reports

System Development Fee Studies

Alternatives Analyses

Miscellaneous Fees and Charges

Capital Financing Planning

Policy and Ordinance Assistance

Renewal & Replacement Sufficiency

Bond Compliance (IRS and SEC)

Financial and Economic Feasibility Studies

Selection as GLWA Water & Wastewater Charges Consultant



GLWA Water & Wastewater Charges Consultant

September – October
Introductions and
acclimation

October – January
Development of FY
2026 cost of service
model

- GLWA transitioning to new budget and financial software platforms
- Transitioning to new rates and charges consultant

GLWA Water & Wastewater Charges Consultant

- Review of relevant agreements and other documents
- Developed necessary databases (i.e. customer data; budget information; capital asset list)
- Developed allocated cost of service model
- Reviewed with project team and revised as necessary
- Produced preliminary proposed water and sewer charges for FY 2026

Water Charge Methodology Unchanged

- Revenue requirements are allocated to appropriate cost pools
- One Member Partner has modified Contract Demands based the implementation of additional storage
- All other Member Partners will receive a uniform wholesale charge increase of 7.39%
- Water Charge Calculations embrace the simplified methodology

FY 2026 Water Charge Calculation

| Line No | Description | FY 2026 Wholesale Revenue Requirements | Detroit Ownership Adjustment | Flint KWA Debt Service Adjustment | FY 2026 TOTAL Revenue Requirements |
|---|---|--|------------------------------|-----------------------------------|------------------------------------|
| | | \$ | \$ | \$ | \$ |
| Revenue Requirement Analysis Summary | | | | | |
| 1 | Proforma FY 2026 Revenue - Existing Charges | \$ 2,478,600 | \$ 157,200 | \$ 44,400 | \$ 2,680,200 |
| 2 | Increase over Wholesale | | 6.34% | 1.79% | 8.13% |
| 3 | System Charge Adjustment - Index (a) | 7.98% | 0.19% | -0.68% | 7.39% |
| 4 | System Charge Adjustment - Amount | \$ 197,900 | \$ 300 | \$ (300) | \$ 197,900 |
| 5 | Allocated FY 2026 Revenue Requirements | \$ 2,676,500 | \$ 157,500 | \$ 44,100 | \$ 2,878,100 |
| 6 | Increase over Wholesale | | 5.88% | 1.65% | 7.53% |
| FY 2026 Service Charge Schedule | | | | | |
| 7 | Total Amount Required from Charges | | | | \$ 2,878,100 |
| 8 | Fixed Monthly Charges @ | | 60% | | 1,726,900 |
| 9 | Commodity Charges @ | | 40% | 115,500 | 1,151,300 |
| 10 | Fixed Monthly Charge per Month | | | | \$143,900 |
| 11 | Commodity Charge per Mcf * | | | | \$9.97 |

* Commodity Revenue Requirement adjusted to match 12 "rounded" monthly payments

* This calculation is based upon preliminary, proposed data as of January 6, 2025. The final proposed calculation worksheet will be distributed to Member Partners on or before January 27, 2025. A public hearing on the proposed charges for FY 2026 will be held by the GLWA Board of Directors on February 26, 2025. Pending public comment, the GLWA will adopt a scheduled of charges on or after February 26, 2025.



Sewer Charge Methodology Unchanged

- Revenue requirements are allocated to appropriate cost pools
- Next scheduled change in SHARES is FY 2028
- Same charge adjustments for all Member Partners

FY 2026 Sewer Charge Calculation

| Line | Description | (1) Existing FY 2025 Charges \$ | (2) Index Adjustment % | (3) Index Adjustment \$ | (4) Proposed FY 2026 Charges \$ | (5) FY 2026 Fixed Monthly Charge \$ |
|--|---|---|---------------------------------|----------------------------------|---|---|
| Revenue Requirement Analysis Summary | | | | | | |
| 1 | Wholesale Revenue Requirements for SHARES | \$ 491,465,200 | 5.34% | \$ 25,940,200 | \$ 517,405,400 | |
| ↑ Excludes Green Infrastructure Reallocation | | | | | | |
| 2 | SHARE - % | 0.176% | 0.00% | 0.000% | 0.176% | |
| 3 | Allocated Wholesale Rev Req'ts | \$ 866,400 | 5.10% | \$ 44,200 | \$ 910,600 | \$ 75,900 |
| 4 | Detroit Ownership Adjustment | \$ 16,800 | 0.00% | \$ - | \$ 16,800 | \$ 1,400 |
| 5 | Green Infrastructure Reallocation | \$ - | 0.00% | \$ - | \$ - | \$ - |
| 6 | Adjusted Allocated CTA Revenue Requirements | \$ 883,200 | 5.00% | \$ 44,200 | \$ 927,400 | \$ 77,300 |

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Take Aways

- **Water** – uniform adjustments of 7.39% with 3 exceptions
- **Sewer** – uniform adjustments of 5.34% with 2 exceptions
- Charge sheets being proposed today are preliminary with final charges being distributed to Members on or before January 27, 2025