



Financial Services Audit Committee Communication

Date: October 27, 2023 (Rescheduled to November 9, 2023)

To: Great Lakes Water Authority Audit Committee

From: Matthew S. Lane, MPA, Charges Outreach and Modeling Manager

Re: Charges Outreach & Modeling Update

Background: The Charges Outreach & Modeling (CO&M) Team was established in Fiscal Year 2023 as part of the Financial Management & Planning Group to facilitate internal communication and external outreach with GLWA Member Partners as it relates to the charge methodology and charge-related financial matters. This team also serves as liaison between GLWA and third-party consultants in the development, maintenance and review of the annual water and sewer charges.

Analysis: This month we present an update on activities related to charges work group activities.

1. 2023 Max Day and Peak Hour Determination

- CO&M and the Systems Analytics & Meter Operations (SA&MO) teams worked together to calculate the annual coincidental max day and peak hour values. The SA&MO team and the CO&M team conduct parallel analyses to provide quality assurance and quality control for the process. Using the same source data and analytical methods, both teams arrived at the same conclusion. Details of the 2023 Max Day and Peak Hour values are included in a separate report. The basic conclusions include:
 - i. Max Day: June 2, 2023: 690 MGD - (631 MGD in 2022)
 - ii. Peak Hour: 7:00 AM-8:00 AM: 789 MGD - (697 MGD in 2022)

2. Water Charges Work Group

- This group is made up of Member Partners and staff from GLWA and convenes for the purpose of reviewing the water charge methodology and recommending potential changes.
- A subset of this group, the Water Charges Methodology Review Subgroup, met virtually on Friday, September 1st and Friday, September 15th.
- The subgroup has been discussing various potential modifications to the water charge methodology. Most recently, the discussion has focused on the concept of a “delivery factor” as a simplification to the existing methodology as well as

reducing the number of cost pools from nine to three. They have moved the discussion to the larger Water Charges Work Group for consideration.

3. Combined Water and Wastewater Charges Workgroup
 - The overall Charges Work Group met virtually via Zoom on September 5th and October 16th, 2023. The next meeting date is to-be-determined.
4. FY 2025 Charges Rollout Process:
 - Rollout # 1: Thursday, October 19th, 2023 (Done)
 - Rollout # 2: Tuesday, November 14th, 2023
 - Rollout # 3: Thursday, January 11th, 2024
 - *Member Partner One-on-One Meetings: January 12-17th, 2024*
 - Rollout # 4: Thursday, January 18th, 2024
5. The CO&M team was represented at the One Water Partnership (OWP) meeting on September 28th at Macomb Community College in Warren. The next OWP meeting date is scheduled for Wednesday, December 6, location to-be-determined.

Proposed Action: Receive and file this report.