



**Summary of Board Actions  
on March 24, 2021  
Pertaining to Adoption of the  
FY 2022 and FY 2023 Biennial Budget,  
FY 2022 Service Charges, and  
FY 2022 through FY 2026 Capital Improvement Plan  
for the  
Fiscal Period Beginning July 1, 2021**

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## Overview

The purpose of this document is to provide a synopsis of the actions taken by the Great Lakes Water Authority Board of Directors related to the financial plan with an effective date of July 1, 2021. Those actions are reflected in the following three resolutions.

1. FY 2022 and FY 2023 Biennial Budget – Adopted on March 24, 2021
2. FY 2022 Schedule of Service Charges – Adopted on March 24, 2021
3. FY 2022 through FY 2026 Capital Improvement Plan – Adopted on February 24, 2021

This document summarizes those actions for reference by stakeholders.

The comprehensive budget document that aligns with the Government Finance Officers Association standards will be issued at a later date. Additional financial information related to the Great Lakes Water Authority may be found online at [www.glwater.org](http://www.glwater.org).

The GLWA “revenue requirement budget” is the basis for establishing the annual charges for services. Just under 53% of the FY 2022 budget of \$819 million are legal commitments such as debt service (42%), lease payment (6%), Water Residential Assistance Program (WRAP) (0.5%) and legacy liabilities (4%). Capital funding reserve for replacement is 7.7% of the total budget. The Operations & Maintenance (O&M) expense represents \$325 million, or almost 40%, of the total requirement and is the focus of this One Pager. O&M represents an increase of \$3.2 million, or 1.0%, over FY 2021. In subsequent years, the budgeted increase is 2.0%. Highlights for the upcoming year include:

***Water Operations – increase of \$2.9 million***

Factors increasing the budget include Personnel Costs (\$0.9 million) due to the addition of eight positions with the largest number being in the job classification of apprenticeship as well as increases in medical plan fringe benefits; Chemicals (\$1.6 million) due to increased pricing since the last 3-year contract renewal; and Utilities (\$0.5 million) based on historical trends.

***Wastewater Operations – decrease \$3.7 million***

Factors increasing the budget include Personnel Costs (\$1.4 million) due to the addition of five positions in the apprenticeship program to support workforce development as well as increased medical benefit costs; Chemicals for water treatment was (\$1.0 million) based on expected pricing increase as contracts are renewed; and, Supplies & Other (\$1.7 million) for equipment and facilities maintenance.

Factors decreasing the budget include Utilities for Gas & Water (\$2.0 million) due to operational changes and equipment maintenance; decreased need for Unallocated reserve (\$2.4 million) due to stabilizing efforts in operations; decreased reliance on contractors (\$3.4 million) for skilled labor positions (focusing on direct hire) as well as the

GLWA team assuming responsibility for an instrumentation maintenance contract thereby allowing the contract to be eliminated.

***Centralized Services<sup>1</sup> – increase \$1.1 million***

Factors increasing the budget include Information Technology (\$2.6 million) which includes a loss of \$1.4 million in shared service reimbursements as well as \$1.2 million increase for the investment in ERP subscription services and 4 FTEs to manage increasing technology needs. Facility Operations (\$1.1 million) for contractual services which fluctuate depending on equipment repair needs.

Factors decreasing the budget include a reduction in software licenses (\$0.7 million) and the completion of contracts (\$1.5 million). The Planning Services Area decreased both their total staffing plan and FTEs to realign with future priorities (\$0.4 million).

***Administrative Services<sup>2</sup> – increase \$2.9 million***

Factors increasing are Personnel Costs (\$1.5 million) in Financial Services with 7.75 FTEs for the Business Inclusion and Diversity (B.I.D.) program, expanded WRAP oversight, and expanded needs for a contract management team. The Administration & Compliance Officer Area is adding three positions to support organizational wellness and legal services; Supplies & Other (\$0.4 million) for the new warehouse; Contractual Services (\$1.0 million) for the projected increase in business insurance rates.

***Staffing & Personnel*** – The staffing plan (number of positions) is at 1,239, an increase of 20 and full-time equivalents (FTEs) at 1,216.25, an increase of 16.75.

**Questions?** Contact the Office of the Chief Financial Officer at [cfo@glwater.org](mailto:cfo@glwater.org)

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<sup>1</sup> Includes the Planning Services, Systems Operations Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Information Technology; and Security & Integrity/HazMat.

<sup>2</sup> Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer, Risk Management & Safety, General Counsel, Public Affairs, Organizational Development, and Financial Services

## Public Hearing Notice – Biennial Budget



**GREAT LAKES WATER AUTHORITY  
NOTICE OF PUBLIC HEARING  
PROPOSED BIENNIAL BUDGET  
For the Two-Year Period ended June 30, 2023 (FY 2022 and FY 2023)**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2022 and FY 2023 biennial budget.

**DATE:** Wednesday, February 24, 2021

**TIME:** 2:00 p.m.

**PLACE:** Zoom Telephonic Meeting

Public Call-In Number: 877 853 5247 US Toll-Free  
or 888 788 0099 US Toll-Free

Meeting ID: 896 0276 4695

The proposed biennial budget is scheduled to take effect on July 1, 2021.

The proposed biennial budget is available for public inspection online at <https://www.glwater.org/financials/>.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed biennial budget may do so at the Public Hearing as outlined in this notice. Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A time limit will be imposed based upon registration at the hearing.

On October 14, 2020, the State of Michigan enacted certain amendments to Michigan's Open Meetings Act (SB1108), allowing remote telephonic and electronic participation in public meetings and hearings for public bodies subject to the Open Meetings Act during certain state or local emergencies. At this time, the State of Michigan, Department of Health and Human Services as well as other local health departments within the GLWA service area have declared emergencies related to the risk of infection associated with the COVID-19 pandemic.

**Great Lakes Water Authority**

**Resolution 2021 - 056**

**Resolution Adopting the Biennial FY 2022 & FY 2023 Budget**

By Board Member: Beverly Walker-Griffea, Ph.D.

**WHEREAS** The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

**WHEREAS** In accordance with the by-laws of the GLWA, the Board shall adopt a two-year (Biennial) operating budget for the Regional Water and Sewer Systems; and

**WHEREAS** The Authority, through the terms of the Leases, committed to an annual increase in revenue requirement budget of no more than 4% though the fiscal year ending June 30, 2025; and

**WHEREAS** The GLWA Board is now adopting its sixth fiscal year budget demonstrating its ability to achieve and excel in meeting that commitment with a Regional Water System annual revenue requirement budget increase of 0.7% which equates to an average 1.8% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget decrease of 2.3% which equates to an average 1.5% decrease in revenues from Sewer Service Charges; and

**WHEREAS** The budgeted expenses for each such Fiscal Year shall equal the sum of the projected expenses and revenue requirements for the Regional Water System and the Regional Sewer System for each such Fiscal Year; and

**WHEREAS** The budgeted annual revenue requirements for the Regional Water System for FY 2022 is \$344,030,500 and for FY 2023 is \$354,351,400 as shown on “Schedule 1A – Water System Revenue Requirements” of the budget document; and

**WHEREAS** The budgeted annual revenue requirements for the Regional Sewer System for FY 2022 is \$475,429,200 and for FY 2023 is \$489,692,100 as shown on “Schedule 1B – Sewer System Revenue Requirements” of the budget document; and

**WHEREAS** The operations and maintenance budget for the Regional Water System for FY 2022 is \$143,933,800 and for FY 2023 is \$148,117,300 as shown on



“Schedule 1A – Water System Revenue Requirements” of the budget document; and

**WHEREAS** The operations and maintenance budget for the Regional Sewer System for FY 2022 is \$181,299,800 and for FY 2023 is \$183,783,000 as shown on Schedule 1B – Sewer System Revenue Requirements” of the budget document; and

**WHEREAS** The amounts necessary to pay the principal of and interest on all Regional Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance is \$177,845,200 for FY 2022 and \$189,898,800 for FY 2023 as shown on “Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

**WHEREAS** The amounts necessary to pay the principal of and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance is \$239,010,300 for FY 2022 and \$237,075,200 for FY 2023 as shown on “Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

**WHEREAS** The amounts necessary to fund the annual water system capital expenditures of \$17,006,600 in FY 2022 and \$14,078,600 in FY 2023 for capital outlay in accordance with the 5A – Water Capital Financing Plan: Water Improvement and Extension Fund budget; and

**WHEREAS** The amounts necessary to fund the annual water system capital expenditures of \$134,408,000 in FY 2022 and \$150,535,000 in FY 2023 for the capital improvement plan in accordance with the Schedule 5A – Water Capital Financing Plan: Water Construction Fund budget with those capital amounts reflecting a 75% Capital Spending Ratio applied to FY 2022 and FY 2023 as shown in the proposed FY 2022 through FY 2026 Capital Improvement Plan; and

**WHEREAS** The amounts necessary to fund the annual sewer system capital expenditures of \$15,965,100 in FY 2022 and \$18,211,900 in FY 2023 for the capital outlay in accordance with the 5B – Sewer Capital Financing Plan: Sewer Improvement and Extension Fund budget; and

**WHEREAS** The amounts necessary to fund the annual sewer system capital expenditures of \$79,538,000 in FY 2022 and \$92,393,000 in FY 2023 for the capital improvement plan in accordance with Schedule 5B – Sewer Capital Financing Plan: Sewer Construction Fund budget with those capital amounts reflecting a 75% Capital Spending Ratio applied to FY 2022 and FY 2023 as shown in the proposed FY 2022 through FY 2026 Capital Improvement Plan; and

- WHEREAS** The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2022 through FY 2026 at its meeting on December 18, 2020; with updates at its meetings on January 15, 2021, and January 22, 2021; and
- WHEREAS** The GLWA Board conducted a public hearing on the proposed budget in accordance with the provisions of Public Act No. 43 of the Acts of the State Legislature of 1963 (“Budget Hearings of Local Governments”); and
- WHEREAS** A notice for the public hearing on the proposed budget scheduled for February 24, 2021 at 2:00 p.m. via a telephonic Zoom meeting was published in The Detroit Legal News announcing a public hearing on the budget in addition to posting the notice and proposed budget on [glwater.org/financials](http://glwater.org/financials); and
- WHEREAS** The public hearing was opened on February 24, 2021 and continued through March 24, 2021, at 2:00 p.m.; and
- WHEREAS** An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

**NOW THEREFORE BE IT:**

- RESOLVED** That the GLWA Board conducted a public hearing on February 24, 2021, and continued that hearing through March 24, 2021, to receive public comment regarding the proposed budget for the Fiscal Years 2022 and 2023; and be it further
- RESOLVED** That the GLWA Board approves the budget for Fiscal Years 2022 and 2023; and be it finally
- RESOLVED** That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.



## Schedule 1A – Water System Revenue Requirements Budget

Water System Revenue Requirements	Current Year		Biennial Budget					
	FY 2021 Adopted	FY 2021 Estimated	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Requested	FY 2023 \$ Change	FY 2023 % Change
<b>Revenues</b>								
Revenues from Charges	\$336,807,600	\$335,060,200	\$342,808,200	\$ 6,000,600	1.8%	\$353,126,600	\$ 10,318,400	3.0%
Other Operating Revenue	-	175,000	175,000	175,000	0.0%	175,000	-	0.0%
Non-Operating Revenue	4,834,400	1,276,500	1,047,300	(3,787,100)	-78.3%	1,049,800	2,500	0.2%
<b>Total Revenues</b>	<b>\$341,642,000</b>	<b>\$336,511,700</b>	<b>\$344,030,500</b>	<b>2,388,500</b>	<b>0.7%</b>	<b>\$354,351,400</b>	<b>10,320,900</b>	<b>3.0%</b>
<b>Revenue Requirements</b>								
Operations & Maintenance (O&M) Expense	\$137,127,300	\$134,127,300	\$143,933,800	\$6,806,500	5.0%	\$148,117,300	\$4,183,500	2.9%
General Retirement System Legacy Pension	6,048,000	6,048,000	6,048,000	-	0.0%	6,048,000	-	0.0%
Debt Service	143,189,900	137,436,100	135,481,000	(7,708,900)	-5.4%	146,520,400	11,039,400	8.1%
General Retirement System Accelerated Pension	6,268,300	6,268,300	6,268,300	-	0.0%	6,268,300	-	0.0%
Water Residential Assistance Program Contribution	1,669,400	1,669,400	1,705,500	36,100	2.2%	1,756,700	51,200	3.0%
Lease Payment	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Operating Reserve Deposit	876,600	-	-	(876,600)	-100.0%	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,962,500	28,462,600	28,093,900	4,131,400	17.2%	23,140,700	(4,953,200)	-17.6%
<b>Annual Water System Revenue Requirements</b>	<b>\$341,642,000</b>	<b>\$336,511,700</b>	<b>\$344,030,500</b>	<b>\$ 2,388,500</b>	<b>0.7%</b>	<b>\$354,351,400</b>	<b>\$ 10,320,900</b>	<b>3.0%</b>

Note: Revenues from Charges for FY 2022 above is comprised of the following

Regional System Wholesale Revenues – Suburban Wholesale Customers	\$321,110,900
Regional System Wholesale Revenues – Detroit Customers	<u>21,697,300</u>
Total Revenues from Charges	<u>\$342,808,200</u>

## Schedule 1B – Sewer System Revenue Requirements Budget

Sewer System Revenue Requirements	Current Year		Biennial Budget					
	FY 2021 Adopted	FY 2021 Estimated	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Requested	FY 2023 \$ Change	FY 2023 % Change
<b>Revenues</b>								
Revenues from Charges	\$481,162,100	\$475,904,100	\$474,005,900	\$ (7,156,200)	-1.5%	\$488,077,800	\$ 14,071,900	3.0%
Other Operating Revenue	-	400,000	400,000	400,000	0.0%	400,000	-	0.0%
Non-Operating Revenue	5,589,200	1,046,100	1,023,300	(4,565,900)	-81.7%	1,214,300	191,000	18.7%
<b>Total Revenues</b>	<b>\$486,751,300</b>	<b>\$477,350,200</b>	<b>\$475,429,200</b>	<b>\$(1,322,100)</b>	<b>-2.3%</b>	<b>\$489,692,100</b>	<b>\$ 14,262,900</b>	<b>3.0%</b>
<b>Revenue Requirements</b>								
Operations & Maintenance (O&M) Expense	\$184,946,100	\$182,296,000	\$181,299,800	\$ (3,646,300)	-2.0%	\$183,783,000	\$2,483,200	1.4%
General Retirement System Legacy Pension	10,824,000	10,824,000	10,824,000	-	0.0%	10,824,000	-	0.0%
Debt Service	209,739,900	201,780,500	207,209,500	(2,530,400)	-1.2%	204,566,500	(2,643,000)	-1.3%
General Retirement System Accelerated Pension	11,620,700	11,620,700	11,620,700	-	0.0%	11,620,700	-	0.0%
Water Residential Assistance Program Contribution	2,415,100	2,415,100	2,358,300	(56,800)	-2.4%	2,429,000	70,700	3.0%
Lease Payment	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
Operating Reserve Deposit	-	-	-	-	0.0%	-	-	0.0%
Improvement & Extension Fund Transfer Pending	39,705,500	40,913,900	34,616,900	(5,088,600)	-12.8%	48,968,900	14,352,000	41.5%
<b>Annual Sewer System Revenue Requirements</b>	<b>\$486,751,300</b>	<b>\$477,350,200</b>	<b>\$475,429,200</b>	<b>\$ (1,322,100)</b>	<b>-2.3%</b>	<b>\$489,692,100</b>	<b>\$ 14,262,900</b>	<b>3.0%</b>

Note: Revenues from Charges for FY 2022 above is comprised of the following

Regional System Wholesale Revenues – Suburban Wholesale Customers	\$285,343,700
Regional System Wholesale Revenues – Detroit Customers	<u>188,662,200</u>
Total Revenues from Charges	<u>\$474,005,900</u>

### Schedule 1C – Combined Water and Sewer System Revenue Requirements Budget

Combined System Revenue Requirements	Current Year		Biennial Budget					
	FY 2021 Adopted	FY 2021 Estimated	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Requested	FY 2023 \$ Change	FY 2023 % Change
<b>Revenues</b>								
Revenues from Charges	\$817,969,700	\$810,964,300	\$816,814,100	\$ (1,155,600)	-0.1%	\$841,204,400	\$ 24,390,300	3.0%
Other Operating Revenue	-	575,000	575,000	575,000	0.0%	575,000	-	0.0%
Non-Operating Revenue	10,423,600	2,322,600	2,070,600	(8,353,000)	-80.1%	2,264,100	193,500	9.3%
<b>Total Revenues</b>	<b>\$28,393,300</b>	<b>\$13,861,900</b>	<b>\$19,459,700</b>	<b>\$ (8,933,600)</b>	<b>-1.1%</b>	<b>\$44,043,500</b>	<b>\$ 24,583,800</b>	<b>3.0%</b>
<b>Revenue Requirements</b>								
Operations & Maintenance (O&M) Expense	\$322,073,400	\$316,423,300	\$325,233,600	\$3,160,200	1.0%	\$331,900,300	\$6,666,700	2.0%
General Retirement System Legacy Pension	16,872,000	16,872,000	16,872,000	-	0.0%	16,872,000	-	0.0%
Debt Service	352,929,800	339,216,600	342,690,500	(10,239,300)	-2.9%	351,086,900	8,396,400	2.5%
General Retirement System Accelerated Pension	17,889,000	17,889,000	17,889,000	-	0.0%	17,889,000	-	0.0%
Water Residential Assistance Program Contribution	4,084,500	4,084,500	4,063,800	(20,700)	-0.5%	4,185,700	121,900	3.0%
Lease Payment	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Operating Reserve Deposit	876,600	-	-	(876,600)	-100.0%	-	-	0.0%
Improvement & Extension Fund Transfer Pending	63,668,000	69,376,500	62,710,800	(957,200)	-1.5%	72,109,600	9,398,800	15.0%
<b>Annual Revenue Requirements</b>	<b>\$28,393,300</b>	<b>\$13,861,900</b>	<b>\$19,459,700</b>	<b>\$ (8,933,600)</b>	<b>-1.1%</b>	<b>\$44,043,500</b>	<b>\$ 24,583,800</b>	<b>3.0%</b>

There is no Schedule 3 for purposes of the Budget Resolution.

### Schedule 4 – Debt Service Coverage Calculations Consistent with the Master Bond Ordinance

Flow of Funds Basis		FY 2022 Water Fund	FY 2022 Sewer Fund	FY 22 Combined (Informational Only)	FY 2023 Water Fund	FY 2023 Sewer Fund	FY 23 Combined (Informational Only)
<b>Revenues</b>							
1	Regional System Wholesale Revenues	\$ 342,808,200	\$ 474,005,900	\$ 816,814,100	\$ 353,126,600	\$ 488,077,800	\$ 841,204,400
2	Local System Revenues	73,264,300	104,684,700	177,949,000	73,964,800	101,441,800	175,406,600
3	Miscellaneous Revenue (Local System)	6,428,400	6,810,800	13,239,200	6,436,500	6,819,200	13,255,700
4	Other Revenue (Regional System)	1,222,300	1,423,300	2,645,600	1,224,800	1,614,300	2,839,100
5	<b>Total Revenues</b>	<b>\$ 423,723,200</b>	<b>\$ 586,924,700</b>	<b>\$ 1,010,647,900</b>	<b>\$ 434,752,700</b>	<b>\$ 597,953,100</b>	<b>\$ 1,032,705,800</b>
<b>Revenue Requirements</b>							
<b>Operations &amp; Maintenance Expense</b>							
6	Regional System Wholesale Expenses	\$ 143,933,800	\$ 181,299,800	\$ 325,233,600	\$ 148,117,300	\$ 183,783,000	\$ 331,900,300
7	Local System Expenses	34,648,600	69,233,000	103,881,600	35,721,600	69,233,000	104,954,600
8	GRS Pension allocable to Regional System	6,048,000	10,824,000	16,872,000	6,048,000	10,824,000	16,872,000
9	GRS Pension allocable to Local System	4,272,000	2,856,000	7,128,000	4,272,000	2,856,000	7,128,000
10	Total Operations & Maintenance Expense	188,902,400	264,212,800	453,115,200	194,158,900	266,696,000	460,854,900
11	<b>Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$ 234,820,800</b>	<b>\$ 322,711,900</b>	<b>\$ 557,532,700</b>	<b>\$ 240,593,800</b>	<b>\$ 331,257,100</b>	<b>\$ 571,850,900</b>
<b>Debt Service by Lien</b>							
12	Senior Lien Bonds	124,309,700	133,195,700	257,505,400	132,433,500	148,824,800	281,258,300
13	Second Lien Bonds	46,840,400	51,893,000	98,733,400	47,200,100	36,738,500	83,938,600
14	SRF Junior Lien Bonds	6,695,100	53,921,600	60,616,700	10,265,200	51,511,900	61,777,100
15	<b>Total Debt Service</b>	<b>\$ 177,845,200</b>	<b>\$ 239,010,300</b>	<b>\$ 416,855,500</b>	<b>\$ 189,898,800</b>	<b>\$ 237,075,200</b>	<b>\$ 426,974,000</b>
<b>Debt Service Coverage</b>							
	Senior Lien Bonds (11)/(12)	1.89	2.42		1.82	2.23	
16	Second Lien Bonds (11)/(12)+(13))	1.37	1.74		1.34	1.79	
17	SRF Junior Lien Bonds (11)/(15)	1.32	1.35		1.27	1.40	

Local System information provided from Detroit Water & Sewerage Department (DWSD) as of February 17, 2021 and amended subsequently due to the GLWA Board action taken at the March 24, 2021 Board meeting.

## Schedule 5A – Water Capital Financing Plan

### ***Water Improvement & Extension Fund***

	Current Year	Biennial Budget	
	FY 2021 Estimated	FY 2022 Requested	FY 2023 Forecast
<b>Inflows &amp; Outflows</b>			
<b>Water Improvement &amp; Extension Fund</b>			
Water System Revenue Transfers	\$28,462,600	\$28,093,900	\$23,140,700
Receipt of DWSD Shortfall Loan Interest	\$0	\$0	\$0
Budgeted Capital Outlay	(\$17,892,000)	(\$17,006,600)	(\$14,078,600)
Transfer to Construction Fund	(46,789,100)	(108,308,000)	(57,264,300)
Increase (Decrease) in I&E Reserves	(\$36,218,500)	(\$97,220,700)	(\$48,202,200)
Beginning Year Net Position	288,752,600	252,534,100	155,313,400
<b>Projected Ending Net Position</b>	<b>\$252,534,100</b>	<b>\$155,313,400</b>	<b>\$107,111,200</b>

### ***Water Construction Fund***

	Current Year	Biennial Budget	
	FY 2021 Estimated	FY 2022 Requested	FY 2023 Forecast
<b>Inflows &amp; Outflows</b>			
<b>Water Construction Fund</b>			
Bond Proceeds, Net	\$0	\$0	\$192,700,000
Bond Fund Earnings on Investments	62,600	-	202,300
Grant Revenues (DWRFL Loans)	45,397,000	26,100,000	16,600,000
Transfers from I&E Fund	46,789,100	108,308,000	57,264,300
Project Expenditures	(113,055,000)	(134,408,000)	(150,535,000)
Increase (Decrease) in Construction Funds	(\$20,806,300)	\$0	\$116,231,600
Beginning Year Net Position	20,806,300	-	-
<b>Projected Ending Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,231,600</b>

## Schedule 5B – Sewer Capital Financing Plan

### ***Sewer Improvement & Extension Fund***

	Current Year	Biennial Budget	
	FY 2021	FY 2022	FY 2023
Inflows & Outflows	Estimated	Requested	Forecast
<b>Sewer Improvement &amp; Extension Fund</b>			
Sewer System Revenue Transfers	\$40,913,900	\$34,616,900	\$48,968,900
Receipt of DWSD Shortfall Loan Interest	\$1,081,900	\$406,400	\$0
Budgeted Capital Outlay	(\$20,521,300)	(\$15,965,100)	(\$18,211,900)
Transfer to Construction Fund	(48,837,100)	(47,546,000)	(36,359,000)
Increase (Decrease) in I&E Reserves	(\$27,362,600)	(\$28,487,800)	(\$5,602,000)
Beginning Year Net Position (a)	153,727,100	126,364,500	97,876,700
<b>Projected Ending Net Position</b>	<b>\$126,364,500</b>	<b>\$97,876,700</b>	<b>\$92,274,700</b>

(a) Net Position includes DWSD Loan Receivable

### ***Sewer Construction Fund***

	Current Year	Biennial Budget	
	FY 2021	FY 2022	FY 2023
Inflows & Outflows	Estimated	Requested	Forecast
<b>Sewer Construction Fund</b>			
Bond Proceeds, Net	\$0	\$0	\$122,200,000
Bond Fund Earnings on Investments	69,800	-	128,300
Grant Revenues (CWRP Loans)	23,586,000	31,992,000	4,122,000
Transfers from I&E Fund	48,837,100	47,546,000	36,359,000
Project Expenditures	(95,804,000)	(79,538,000)	(92,393,000)
Increase (Decrease) in Construction Funds	(\$23,311,100)	\$0	\$70,416,300
Beginning Year Net Position	23,311,100	-	-
<b>Projected Ending Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,416,300</b>

## FY 2022 Service Charges Highlights

On February 24, 2021, the GLWA Board of Directors held a Public Hearing for the proposed schedule of charges for the fiscal year beginning July 1, 2021. The Board deliberation approved the FY 2022 water and sewer charges at its meeting on March 24, 2021, after receiving public input.

### Charges are Based on Four Key Elements.

**1) Budget:** The costs for the daily operations and maintenance activities (such as the people, services, utilities, chemicals, and parts to operate plants and maintain the pipelines), the lease payment for the regional system, Water Residential Assistance Program (WRAP) funding, debt service, legacy pension, and capital project funding. The budget is also known as the “revenue requirement”.

**2) Capital Improvement Plan (CIP):** Annually the GLWA’s engineers evaluate the physical improvement needs of the regional systems. Those needs are funded by a combination of cash on hand and debt.

**3) Units of Service (UOS):** Quantifies each community’s service needs based on engineering studies, metering data, and other criteria. For the water system, this includes the amount of water purchased each year. For the sewer system, each member partner is assigned a percentage “share.”

**4) Cost of Service Study (COS):** The inputs from the three sources above are applied to an agreed upon charges methodology to allocate the revenue requirement (i.e., budget) by functional categories (such as purification for the water system or sludge disposal for the sewer system) and then allocated to each customer. The outcome is the charge calculation for each member partner.

**Looking for More Information?** Visit us online at [www.glwater.org](http://www.glwater.org)

## Approved FY 2022 Water System Charges

The average system charge adjustment for water is a 1.5 percent increase. This is the result of 1) a proposed Water budget increase of 0.7 percent; 2) reduced investment earnings, creating the need for a 1.1 percent increase; and 3) an offset of 0.2 percent from increased estimated sales volumes. As a result of the 2019 Contract Alignment Process (CAP), the FY 2022 Units of Service changed for only 11 member partners. This has significantly improved charge stability among member partner communities. The proposed water charges reflect a uniform increase in common to all revenue requirements of 2.18 percent, with an average charge increase of 2.07 percent for the 77 member partners that did not have changes in contractual demand.

## Approved FY 2022 Sewer System Charges

The recently updated Sewer Shares, which were collaboratively established through the Sewer Charges Workgroup, were included in the calculations for all member partners for the proposed FY 2022 charges. The average wholesale sewer charges reflect a reduction of 0.4% from the existing charges, with the entire system charge adjustment being a 0.6 percent decrease. This outcome is the result of a proposed FY 2022 Sewer budget decrease of 2.3 percent which was offset by 1) the loss of a one-time revenue source in the prior year and 2) reduced investment earnings.

### Average System Charge Adjustments

Year	Water	Sewer
2018	1.8%	-0.7%
2019	1.8%	0.1%
2020	0.6%	0.8%
2021	3.2%	2.0%
2022	1.5%	-0.6%
Five Year Average	1.8%	0.3%



## Public Hearing Notice - Charges



### GREAT LAKES WATER AUTHORITY NOTICE OF PUBLIC HEARING PROPOSED FY 2022 WATER AND SEWERAGE SERVICE CHARGES

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on Water and Sewerage service charges proposed by the Great Lakes Water Authority for Fiscal Year 2022.

**DATE:** Wednesday, February 24, 2021

**TIME:** 2:00 p.m.

**PLACE:** Zoom Telephonic Meeting  
Public Call-In Number: 877 853 5247 US Toll-Free  
or 888 788 0099 US Toll-Free

Meeting ID: 896 0276 4695

The proposed service charges are scheduled to take effect on July 1, 2021.

The proposed schedule of charges is available for public inspection online at <https://www.glwa.org/financials/>.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed service charges may do so at the Public Hearing as outlined in this notice. Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A time limit will be imposed based upon registration at the hearing.

On October 14, 2020, the State of Michigan enacted certain amendments to Michigan's Open Meetings Act (SB1108), allowing remote telephonic and electronic participation in public meetings and hearings for public bodies subject to the Open Meetings Act during certain state or local emergencies. At this time, the State of Michigan, Department of Health and Human Services as well as other local health departments within the GLWA service area have declared emergencies related to the risk of infection associated with the COVID-19 pandemic.

**Great Lakes Water Authority**

**Resolution 2021-055**

**RE: Approval of FY 2022 Schedule of Water and Sewer Service Charges**

By Board Member: Brian Baker

**Whereas** The Great Lakes Water Authority (“GLWA”) management and its consultant, The Foster Group, have developed the attached Schedule of Water Service Charges and Sewer Service Charges for FY 2022, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2022 water system and sewer system revenue requirements budget with an effective date of July 1, 2021; and

**Whereas** The FY 2022 water and sewer revenue requirements reflect GLWA’s commitment to work within the four percent limitation outlined in the Memorandum of Understanding; and

**Whereas** A Public Hearing was held for the Water Service Charges and Sewer Service Charges proposed by the GLWA for FY 2022 on February 24, 2021 at 2:00 p.m.; and

**Whereas** The Public Hearing was held open through March 24, 2021, at 2:00 p.m.; and

**NOW THEREFORE BE IT:**

**RESOLVED** The Great Lakes Water Authority Board approves the proposed:

- 1) FY 2022 wholesale water service schedule of charges;
- 2) FY 2022 wholesale sewer service schedule of charges;
- 3) FY 2022 City of Detroit allocated wholesale water revenue requirement of \$21,697,300, which is the net of \$42,397,300 gross revenue requirement less the Ownership Equity Credit of \$20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);
- 4) FY 2022 City of Detroit allocated wholesale sewer revenue requirement of \$188,662,200 which is the net of \$194,178,200 gross revenue requirement less the Ownership Equity Credit of \$5,516,000 in accordance with the WSSA;
- 5) FY 2022 City of Detroit allocated indirect water revenue requirement of \$51,734,700, in accordance with the Regional Water Supply System Lease;



- 6) FY 2022 City of Detroit allocated indirect sewer revenue requirement of \$39,233,900, in accordance with the Regional Sewage Disposal System Lease; and

**RESOLVED** That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this vote.

**Great Lakes Water Authority**  
**Approved FY 2022 Water Supply System Service Charges and Allocated Revenue Requirements**  
**Effective Date: July 1, 2021**

<b>Line No.</b>	<b>Member Partner</b>	<b>Fixed Monthly Charge (a) \$/mo</b>	<b>Commodity Charge (a) \$/Mcf</b>	<b>Projected Revenue from Charges \$</b>
1	Allen Park	126,400	7.82	2,527,900
2	Almont Village	12,600	10.54	251,300
3	Ash Township	43,900	8.27	877,400
4	Belleville	16,600	9.74	331,700
5	Berlin Township	38,400	11.54	767,800
6	Brownstown Township	190,600	11.09	3,812,100
7	Bruce Twp	16,700	61.19	333,800
8	Burtchville Twp	17,700	18.19	354,300
9	Canton Township	539,900	12.36	10,798,600
10	Center Line	24,600	6.28	491,100
11	Chesterfield Township	223,800	10.41	4,475,100
12	Clinton Township	398,900	7.92	7,979,400
13	Commerce Township	187,700	14.72	3,753,800
14	Dearborn	538,500	7.22	10,767,300
15	Dearborn Heights	193,300	7.84	3,867,200
16	Eastpointe	82,000	6.31	1,640,200
17	Ecorse	79,400	4.48	1,588,100
18	Farmington	53,000	9.52	1,060,600
19	Farmington Hills	465,600	10.57	9,314,200
20	Ferndale	54,100	6.19	1,081,300
21	Flat Rock	69,900	9.79	1,398,800
22	Flint (b)	564,400	9.43	11,286,900
23	Fraser	64,300	8.72	1,287,000
24	Garden City	88,100	8.71	1,761,800
25	Gibraltar	17,500	8.61	350,300
26	Grosse Ile Township	57,800	12.10	1,157,000
27	Grosse Pt. Park	71,000	10.21	1,419,700
28	Grosse Pt. Shores	34,800	13.75	695,400
29	Grosse Pt. Woods	67,700	7.50	1,353,900
30	Hamtramck	42,200	5.42	843,500
31	Harper Woods	42,500	7.12	848,900
32	Harrison Township	85,100	7.21	1,701,800
33	Hazel Park	38,800	6.15	776,200
34	Highland Park	61,200	4.63	1,223,800
35	Huron Township	77,600	10.28	1,551,100
36	Imlay City	77,200	13.50	1,543,400
37	Imlay Twp	800	42.50	16,400
38	Inkster	65,100	5.56	1,301,600
39	Keego Harbor	15,700	12.74	314,500
40	Lapeer	80,600	12.39	1,612,700
41	Lenox Township	15,600	8.42	312,700
42	Lincoln Park	121,000	6.04	2,419,600
43	Livonia	607,100	10.11	12,141,000
44	Macomb Township	669,300	16.23	13,384,300
45	Madison Heights	98,000	7.35	1,959,500
46	Mayfield Twp	2,500	24.68	49,500
47	Melvindale	34,100	6.42	682,700
48	New Haven, Village of	22,200	6.94	443,400
49	North Oakland County Water Authority	1,168,100	10.41	23,364,300
50	Northville	40,600	10.48	812,100
51	Northville Township	299,300	17.00	5,985,200
52	Novi	476,200	13.03	9,524,400
53	Oak Park	73,700	6.08	1,474,200
54	Oakland Co. Drain Comm.	4,300	3.49	85,500
55	Plymouth	57,000	10.34	1,140,000
56	Plymouth Township	234,100	11.57	4,682,400
57	Redford Township	167,100	8.32	3,340,600
58	River Rouge	35,900	7.58	718,100
59	Riverview	46,900	7.73	937,700

**Great Lakes Water Authority**  
**Approved FY 2022 Water Supply System Service Charges and Allocated Revenue Requirements**  
**Effective Date: July 1, 2021**

Line No.	Member Partner	Fixed Monthly Charge (a) \$/mo	Commodity Charge (a) \$/Mcf	Projected Revenue from Charges \$
60	Rockwood	14,700	11.79	293,100
61	Romeo	13,500	18.13	270,800
62	Romulus	224,200	8.21	4,484,300
63	Roseville	142,200	5.99	2,843,900
64	Royal Oak Township	10,400	7.65	209,000
65	Southeastern Oakland County Water Authority	1,215,400	7.75	24,309,500
66	Shelby Township	751,600	14.88	15,032,200
67	South Rockwood	6,100	10.17	121,000
68	Southgate	116,300	8.12	2,325,300
69	St. Clair County-Greenwood Township	49,400	19.18	987,900
70	St. Clair Shores	161,800	6.80	3,235,000
71	Sterling Heights	804,500	11.14	16,091,800
72	Sumpter Township	35,600	9.67	712,500
73	Sylvan Lake	12,300	15.48	246,700
74	Taylor	244,700	7.46	4,895,400
75	Trenton	89,100	8.19	1,782,500
76	Troy	722,200	12.20	14,443,100
77	Utica	30,000	9.72	600,100
78	Van Buren Township	183,700	11.10	3,674,000
79	Walled Lake	42,200	10.98	843,500
80	Warren	545,200	6.94	10,902,100
81	Washington Township	121,700	12.37	2,433,900
82	Wayne	168,700	12.96	3,373,500
83	West Bloomfield Township	551,000	16.52	11,019,500
84	Westland	327,500	7.99	6,551,500
85	Wixom	130,500	13.95	2,610,900
86	Woodhaven	88,100	12.22	1,762,300
87	Ypsilanti Community Utilities Authority	547,900	9.03	10,957,100
88	Total Wholesale Contract Member Partners			328,987,500
89	Adjustment to Flint Revenue Requirement for KWA Debt Service			(6,652,800)
90	Adjustment for Highland Park Bad Debt			(1,223,800)
91	<b>Revenue from Wholesale Charges (agrees with "GLWA Budget Schedule 3")</b>			<b>321,110,900</b>
<b><u>Detroit Customer Class - \$</u></b>				
92	<b><u>Wholesale</u></b> Revenue Requirement (c)			<b>42,397,300</b>
93	less: Ownership Benefit per Lease			(20,700,000)
94	<b><u>Net Wholesale</u></b> Revenue Requirement			<b>21,697,300</b>
95	<b><u>Indirect Retail</u></b> Revenue Requirements (d)			<b>51,734,700</b>
96	less: Use of Lease Payment for Debt Service			(6,690,600)
97	<b><u>Net Indirect Retail</u></b> Revenue Requirements (d)			<b>45,044,100</b>
98	Subtotal Subject to GLWA Board Approval (94) + (97)			66,741,400
99	<b><u>Direct Retail</u></b> Revenue Requirements (e)			<b>34,648,600</b>
100	<b>Total Local System Revenue Requirement (97) + (99)</b>			<b>79,692,700</b>
101	<b>Total Requirement from Detroit Customer Class (agrees with "GLWA Budget Schedule 3")</b>			<b>101,390,000</b>
102	<b>Proposed Lead and Copper Rule Sample Testing Fee - \$/Sample</b>			<b>56.00</b>

- (a) Proposed effective date of July 1, 2021. Effective on all bills issued on or after August 1, 2021.
- (b) Net fixed monthly charge will include \$554,400 monthly credits for KWA debt service.
- (c) Wholesale revenue requirements for the Detroit Customer Class.
- (d) Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)
- (e) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not subject to GLWA Board approval.
- (d) & (e) Local System information provided from Detroit Water & Sewerage Department as of February 17, 2021 and amended subsequently due to the GLWA Board action taken at the March 24, 2021 Board meeting.

**Great Lakes Water Authority**  
**Approved FY 2022 Sewage Disposal System Service Charges and Allocated Revenue Requirements**  
**Effective Date: July 1, 2021**

	<b>Fixed Monthly Charge (a)</b>	<b>Projected Revenue from Charges</b>
	\$/mo	\$
<b><u>Suburban Wholesale</u></b>		
1 Oakland Macomb Interceptor District	5,871,700	70,460,400
2 Rouge Valley	4,605,600	55,267,200
3 Oakland County - George W. Kuhn	3,819,000	45,828,000
4 Evergreen Farmington	2,980,500	35,766,000
5 SE Macomb Sanitary District	2,064,400	24,772,800
6 Dearborn	1,671,500	20,058,000
7 Grosse Pointe Farms	226,300	2,715,600
8 Grosse Pointe Park	156,900	1,882,800
9 Melvindale	129,500	1,554,000
10 Farmington	98,700	1,184,400
11 Center Line	85,800	1,029,600
12 Allen Park	69,800	837,600
13 Highland Park	446,400	5,356,800
14 Hamtramck	332,800	3,993,600
15 Grosse Pointe	74,100	889,200
16 Harper Woods	18,000	216,000
17 Redford Township	22,200	266,400
18 Wayne County #3	4,300	51,600
19 <b>Subtotal "Regional Wholesale Revenues from Charges"</b>		272,130,000
20 Industrial Specific Revenues		<b>13,213,700</b>
21 <b>Subtotal "Regional Wholesale Revenues from Charges"</b>		285,343,700
22 less: Highland Park Bad Debt		0
23 <b>Total "Regional Wholesale Revenues" (a)</b>		<b>285,343,700</b>
<b><u>Detroit Customer Class - \$</u></b>		
24 <b><u>Wholesale</u></b> Revenue Requirement (c)		<b>194,178,200</b>
25 less: Ownership Benefit per Lease		(5,516,000)
26 <b><u>Net Wholesale</u></b> Revenue Requirement		<b>188,662,200</b>
27 <b><u>Indirect Retail</u></b> Revenue Requirements (d)		<b>39,233,900</b>
28 less: Use of Lease Payment for Debt Service		0
29 <b><u>Net Indirect Retail</u></b> Revenue Requirements (d)		<b>39,233,900</b>
30 Subtotal Subject to GLWA Board Approval (26) + (29)		227,896,100
31 <b><u>Direct Retail</u></b> Revenue Requirements (e)		<b>72,261,600</b>
32 <b>Total Local System Revenue Requirement (29) + (31)</b>		<b>111,495,500</b>
33 <b>Total Requirement from Detroit Customer Class (a)</b>		<b>300,157,700</b>

(a) Agrees with "GLWA Budget Schedule 3"

(b) Reserved

(c) Wholesale revenue requirements for the Detroit Customer Class.

(d) Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)

(e) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not subject to GLWA Board approval.

(d) & (e) Local System information provided from Detroit Water & Sewerage Department as of February 17, 2021 and amended subsequently due to the GLWA Board action taken at the March 24, 2021 Board meeting.

**Great Lakes Water Authority**  
**Approved FY 2022 Sewage Disposal System Industrial**  
**Specific Retail Charges**  
*Effective Date: July 1, 2021*

<b>Industrial Waste Control Charges</b>		
<b>Meter Size</b>	<b>Full Charge</b>	<b>Admin Only Chg</b>
<i>inches</i>	<i>\$/mo</i>	<i>\$/mo</i>
5/8	3.54	0.89
3/4	5.31	1.33
1	8.85	2.21
1-1/2	19.47	4.87
2	28.32	7.08
3	51.33	12.83
4	70.80	17.70
6	106.20	26.55
8	177.00	44.25
10	247.80	61.95
12	283.20	70.80
14	354.00	88.50
16	424.80	106.20
18	495.60	123.90
20	566.40	141.60
24	637.20	159.30
30	708.00	177.00
36	778.80	194.70
48	849.60	212.40

<b>Pollutant Surcharges</b>	
<b>Pollutant</b>	<b>Charge</b>
	<i>\$/lb</i>
BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	<b>0.347</b>
TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	<b>0.476</b>
PHOSPHORUS (P) for concentrations > 12 mg/l	<b>6.368</b>
FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	<b>0.111</b>
SEPTAGE DISPOSAL FEE Per 500 gallons of disposal	<b>36.00</b>

**Great Lakes Water Authority**  
**Resolution 2021-052**  
**Resolution Adopting the FY 2022 through FY 2026 Capital Improvement Plan**

By Board Member: John J. Zech

- Whereas The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the Effective Date”) pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and
- Whereas During the term of the Lease Agreements, the Authority shall be entitled to make such rehabilitation of and replacements and improvements to the Leased Water and Sewer Facilities as it determines to be necessary to keep the Leased Facilities in compliance with performance standards; and
- Whereas In connection with the terms of the Lease Agreements, the Authority shall for each Fiscal Year prepare and approve a Capital Improvement Plan, which shall set forth the improvements to the Leased Sewer Facilities that the Authority proposes to undertake during the next five (5) Fiscal Years; and
- Whereas The GLWA Planning Services staff facilitated the preparation of the FY 2022 through FY 2026 Capital Improvement Plan which encompassed engineering and operating unit personnel, business case evaluation preparation, scoring by the Capital Improvement Plan Development Review Committee members for each system, customer engagement, and review by the GLWA Board Capital Planning Committee on October 27, 2020, December 15, 2020 and February 16, 2021; and
- Whereas The FY 2022 through FY 2026 Capital Improvement Plan and related financial plan has been prepared within the boundaries establish by the GLWA’s long-term financial strategy emphasizing effective capital delivery at the lowest cost of capital; and
- Whereas The FY 2022 through FY 2026 Capital Improvement Plan identifies \$932.5 million of water system capital improvements and \$738.4 million of sewer system improvements; and
- Whereas An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution