



Summary of
FY 2024 & FY 2025
Biennial Budget
and
FY 2024 Schedule of Charges

January 20, 2023

January 20, 2023

Annually, in January, the Great Lakes Water Authority (GLWA) presents a proposed biennial budget and related schedule of charges for the upcoming fiscal year which begins on July 1, 2023. In addition, public hearings on the proposed budget and charges are scheduled for February each year. This year, the Public Hearings for the proposed FY 2024 and FY 2025 Biennial Budget and FY 2024 Water and Sewerage Service Charges are scheduled for the Board of Directors meeting at **2:00 p.m. on Wednesday, February 22, 2023**. While this year's meeting can be attended in person, participation via **Zoom** is being encouraged because 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. **The public call-in number is 877-853-5247 (US Toll-Free) or 888-788-0099 (US Toll-Free). The meeting ID is 812 6809 8609; the passcode is 076058. If you require accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.** Additional information regarding this meeting can be found in the Public Hearing Notices contained within this document.

This hearing will provide GLWA an opportunity to present the Authority's budget which encompasses the Capital Improvement Program (CIP), estimated sales volume and other factors that serve as the basis for the proposed revenue requirements and schedule of charges for FY 2024. This hearing also provides an opportunity for the public and our member partners to comment or submit questions in writing related to the proposed charges. All comments or questions raised during the hearing will receive a written response. Please note that the proposed budget and charges are subject to change after the public hearing and subsequent deliberation and approval by the GLWA Board.

Our primary objective continues to be one of providing our member partners with wholesale water and wastewater services of unquestionable quality at fair and equitable charges. GLWA is committed to exceeding our member partners' expectations in the region. GLWA would like to remind our valued member partners of added services that we provide at no additional cost. These services include training programs and community education opportunities, local system water testing, access to leading technology through the Technology Approval Group (TAG) portal and workshops, and public communication materials related to topics such as the State of Michigan's Lead and Copper Rule and public education on the perils of "flushable" wipes. Contact outreach@glwater.org for more information on any of the above programs.

Comments or questions may be submitted in the following manner:

By E-Mail: You may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 21, 2023. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

- For comments or questions regarding the proposed budget: You should reference “February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget” in the subject line of the e-mail.
- For comments or questions regarding the proposed charges: You should reference “February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024” in the subject line of the e-mail.

By U.S. Mail: You may provide written comments by United States mail addressed to Suzanne R. Coffey, P.E., Chief Executive Officer, Great Lakes Water Authority, 735 Randolph Detroit, Michigan, 48226. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

- For comments or questions regarding the proposed budget: You should reference “February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget” in the letter.
- For comments or questions regarding the proposed charges: You should reference “February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024” in the letter.

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One Pager Series – FY 2024 Proposed Schedule of Charges



**GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED BIENNIAL BUDGET
For the Two-Year Period ended June 30, 2025 (FY 2024 and FY 2025)**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2024 and FY 2025 biennial budget.

DATE: Wednesday, February 22, 2023

TIME: 2:00 p.m.

PLACE: In person, Zoom Videoconferencing, and Telephonic Hearing

Join Zoom Meeting

<https://glwater.zoom.us/j/81268098609?pwd=TUIrWWNsdkhPcXZzY2MrbWZGdzBLdz09>

Meeting ID: 812 6809 8609

Passcode: 076058

In Person (subject to capacity)

Board Room, 5th Floor

735 Randolph Street

Detroit, Michigan 48226

Telephonic

Public Call-In Number: 877 853 5247 US Toll-Free

or 888 788 0099 US Toll-Free

Meeting ID: 812 6809 8609

Passcode: 076058

The proposed biennial budget is scheduled to take effect on July 1, 2023.

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 wishing to make oral presentations may appear in person but are encouraged to participate via the Zoom as indicated in this notice.



Individuals or groups wishing to make oral presentations are encouraged to participate by Zoom because 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.

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.

The Public Hearing on the FY 2024 and FY 2025 biennial budget proposed by the Great Lakes Water Authority scheduled for February 22, 2023 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

By Zoom videoconferencing: Members of the public who wish to use Zoom videoconferencing to attend the meeting and/or offer public comment may utilize the following link to attend:

<https://glwater.zoom.us/j/81268098609?pwd=TUIrWWNsdkhPcXZzY2MrbWZGdzBLdz09>

During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

In Person (subject to capacity): Members of the public who, subject to capacity, wish to attend the meeting and/or offer public comment in person may attend the meeting in the Board Room, 5th Floor, 735 Randolph, Detroit, MI 48226.

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to "raise their hand for public comment." During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 21, 2023 and should reference "February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: members of the public may provide written comments by United States mail addressed to:

Suzanne R. Coffey P.E., Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226



Written comments by U.S. mail should reference “February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.

Great Lakes Water Authority
FY 2024 & FY 2025 Proposed Biennial Budget Summary
As of January 20, 2023

Schedule 1A – Water System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Water System Revenue Requirements								
Revenues								
Revenues from Charges	\$354,947,900	\$353,690,600	\$366,077,800	\$ 11,129,900	3.1%	\$ 377,715,500	\$ 11,637,700	3.2%
Other Revenues	175,000	175,000	175,000	-	0.0%	175,000	-	0.0%
Investment Earnings	948,700	7,915,700	4,061,700	3,113,000	328.1%	7,236,600	3,174,900	78.2%
Total Revenues	356,071,600	361,781,300	\$370,314,500	\$ 14,242,900	4.0%	\$ 385,127,100	\$ 14,812,600	4.0%
Revenue Requirements								
Operations & Maintenance (O&M) Expense	\$144,847,700	\$144,847,700	\$152,906,400	\$ 8,058,700	5.6%	\$ 162,810,600	\$ 9,904,200	6.5%
General Retirement System Legacy Pension	6,048,000	6,048,000	-	(6,048,000)	-100.0%	-	-	0.0%
Debt Service	150,337,100	150,730,700	159,823,700	9,486,600	6.3%	177,435,900	17,612,200	11.0%
General Retirement System Accelerated Pension	6,268,300	6,268,300	3,395,500	(2,872,800)	-45.8%	4,173,300	777,800	22.9%
Water Residential Assistance Program Contribution	1,770,500	1,770,500	1,851,600	81,100	4.6%	1,925,600	74,000	4.0%
Regional System Lease	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	8,300,000	8,300,000	0.0%
Improvement & Extension Fund Transfer Pending	24,300,000	29,616,100	29,837,300	5,537,300	22.8%	7,981,700	(21,855,600)	-73.2%
Annual Water System Revenue Requirements	\$356,071,600	\$361,781,300	\$370,314,500	\$ 14,242,900	4.0%	\$ 385,127,100	\$ 14,812,600	4.0%

Note: Revenues from Charges for FY 2024 above is comprised of the following

Regional System Wholesale Revenues – Suburban Wholesale Customers	\$340,540,600
Regional System Wholesale Revenues – Detroit Wholesale Customer	<u>25,537,200</u>
Total Revenues from Charges	<u>\$366,077,800</u>

Great Lakes Water Authority
FY 2024 & FY 2025 Proposed Biennial Budget Summary
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Schedule 1B – Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Sewer System Revenue Requirements								
Revenues								
Revenues from Charges	\$479,816,500	\$477,420,200	\$493,169,700	\$ 13,353,200	2.8%	\$ 510,672,700	\$ 17,503,000	3.5%
Other Revenues	400,000	400,000	400,000	-	0.0%	400,000	-	0.0%
Investment Earnings	1,155,600	10,924,100	7,057,300	5,901,700	510.7%	9,579,400	2,522,100	35.7%
Total Revenues	\$481,372,100	\$488,744,300	\$500,627,000	\$ 19,254,900	4.0%	\$ 520,652,100	\$ 20,025,100	4.0%
Revenue Requirements								
Operations & Maintenance (O&M) Expense	\$184,052,600	\$194,822,500	\$205,643,700	\$ 21,591,100	11.7%	\$ 216,220,400	\$ 10,576,700	5.1%
General Retirement System Legacy Pension	10,824,000	10,824,000	-	(10,824,000)	-100.0%	-	-	0.0%
Debt Service	205,638,100	210,732,900	225,012,300	19,374,200	9.4%	228,638,200	3,625,900	1.6%
General Retirement System Accelerated Pension	11,620,700	11,620,700	6,479,300	(5,141,400)	-44.2%	8,228,800	1,749,500	27.0%
Water Residential Assistance Program Contribution	2,394,200	2,394,200	2,503,100	108,900	4.5%	2,603,300	100,200	4.0%
Regional System Lease	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	-	-	0.0%
Improvement & Extension Fund Transfer Pending	39,342,500	30,850,000	33,488,600	(5,853,900)	-14.9%	37,461,400	3,972,800	11.9%
Annual Sewer System Revenue Requirements	\$481,372,100	\$488,744,300	\$500,627,000	\$ 19,254,900	4.0%	\$ 520,652,100	\$ 20,025,100	4.0%

Note: Revenues from Charges for FY 2024 above is comprised of the following

Regional System Wholesale Revenues – Suburban Wholesale Customers	\$296,600,100
Regional System Wholesale Revenues – Detroit Wholesale Customer	<u>196,569,600</u>
Total Revenues from Charges	<u>\$493,169,700</u>

Great Lakes Water Authority
 FY 2024 & FY 2025 Proposed Biennial Budget Summary
 As of January 20, 2023

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

	Current Year		Biennial Budget					
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Combined Water & Sewer System Revenue Requirements								
Revenues								
Revenues from Charges	\$834,764,400	\$831,110,800	\$859,247,500	\$ 24,483,100	2.9%	\$ 888,388,200	\$ 29,140,700	3.4%
Other Revenues	575,000	575,000	575,000	-	0.0%	575,000	-	0.0%
Investment Earnings	2,104,300	18,839,800	11,119,000	9,014,700	428.4%	16,816,000	5,697,000	51.2%
Total Revenues	\$837,443,700	\$850,525,600	\$870,941,500	\$ 33,497,800	4.0%	\$ 905,779,200	\$ 34,837,700	4.0%
Revenue Requirements								
Operations & Maintenance (O&M) Expense	\$328,900,300	\$339,670,200	\$358,550,100	\$ 29,649,800	9.0%	\$ 379,031,000	\$ 20,480,900	5.7%
General Retirement System Legacy Pension	16,872,000	16,872,000	-	(16,872,000)	-100.0%	-	-	0.0%
Debt Service	355,975,200	361,463,600	384,836,000	28,860,800	8.1%	406,074,100	21,238,100	5.5%
General Retirement System Accelerated Pension	17,889,000	17,889,000	9,874,800	(8,014,200)	-44.8%	12,402,100	2,527,300	25.6%
Water Residential Assistance Program Contribution	4,164,700	4,164,700	4,354,700	190,000	4.6%	4,528,900	174,200	4.0%
Regional System Leases	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	8,300,000	8,300,000	0.0%
Improvement & Extension Fund Transfer Pending	63,642,500	60,466,100	63,325,900	(316,600)	-0.5%	45,443,100	(17,882,800)	-28.2%
Annual Revenue Requirements	\$837,443,700	\$850,525,600	\$870,941,500	\$ 33,497,800	4.0%	\$ 905,779,200	\$ 34,837,700	4.0%

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The following schedules have not been included for purposes of this presentation.

Schedule 3 – Sources of Revenues and Use of Revenues – Flow of Funds Basis Consistent with the Master Bond Ordinance

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

	FY 2024 Water Fund Requested	FY 2024 Sewer Fund Requested	FY 2024 Combined (Informational Only)	FY 2025 Water Fund Requested	FY 2025 Sewer Fund Requested	FY 2025 Combined (Informational Only)
Debt Service Coverage Calculation						
Revenues						
1 Regional System Wholesale Revenues	\$ 366,077,800	\$ 493,169,700	\$ 859,247,500	\$ 377,715,500	\$ 510,672,700	\$ 888,388,200
2 Local System Revenues	89,116,400	83,634,900	172,751,300	92,228,000	87,672,900	179,900,900
3 Miscellaneous Revenue (Local System)	4,210,000	8,500,000	12,710,000	4,210,000	8,500,000	12,710,000
4 Other Revenues & Investment Earnings (Regional System)	4,236,700	7,457,300	11,694,000	7,411,600	9,979,400	17,391,000
5 Total Revenues	\$ 463,640,900	\$ 592,761,900	\$ 1,056,402,800	\$ 481,565,100	\$ 616,825,000	\$ 1,098,390,100
Revenue Requirements						
Operations & Maintenance Expense						
6 Regional System Wholesale Expenses	\$ 152,906,400	\$ 205,643,700	\$ 358,550,100	\$ 162,810,600	\$ 216,220,400	\$ 379,031,000
7 Local System Expenses	45,933,500	56,977,900	102,911,400	47,770,800	59,257,000	107,027,800
8 GRS Pension allocable to Regional System	0	0	0	0	0	0
9 GRS Pension allocable to Local System	0	0	0	0	0	0
10 Total Operations & Maintenance Expense	198,839,900	262,621,600	461,461,500	210,581,400	275,477,400	486,058,800
11 Net Revenues after Operations & Maintenance Expense	\$ 264,801,000	\$ 330,140,300	\$ 594,941,300	\$ 270,983,700	\$ 341,347,600	\$ 612,331,300
Debt Service by Lien						
12 Senior Lien Bonds	\$ 136,224,100	\$ 152,067,400	\$ 288,291,500	\$ 151,500,500	\$ 161,711,000	\$ 313,211,500
13 Second Lien Bonds	51,754,500	53,273,500	105,028,000	51,930,500	53,590,200	105,520,700
14 SRF Junior Lien Bonds	16,833,800	51,916,900	68,750,700	19,823,300	45,595,500	65,418,800
15 Total Debt Service	\$ 204,812,400	\$ 257,257,800	\$ 462,070,200	\$ 223,254,300	\$ 260,896,700	\$ 484,151,000
Debt Service Coverage						
16 Senior Lien Bonds $(11)/(12)$	1.94	2.17		1.79	2.11	
17 Second Lien Bonds $(11)/[(12)+(13)]$	1.41	1.61		1.33	1.59	
18 SRF Junior Lien Bonds $(11)/(15)$	1.29	1.28		1.21	1.31	

**Rows highlighted in light grey in the above table are designed to align with the Local System information provided from Detroit Water & Sewerage Department (DWSD) as of January 18, 2023.

Great Lakes Water Authority
 FY 2024 & FY 2025 Proposed Biennial Budget Summary
 As of January 20, 2023

Schedule 5A – Water Capital Financing Plan

Water Improvement & Extension Fund

	Current Year		Biennial Budget	
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2025 Department Requested
Water Improvement & Extension Fund Inflows & Outflows				
Revenues				
Water System Transfers In from General Operating	\$ 24,300,000	\$ 29,616,100	\$ 29,837,300	\$ 7,981,700
Earnings on Investments	-	2,283,900	984,100	396,100
Net Use of Reserves	19,888,000	17,126,000	(10,835,200)	(5,266,200)
Total Revenues	\$ 44,188,000	\$ 49,026,000	\$ 19,986,200	\$ 3,111,600
Expenditures				
Investment Earnings Transfers Out	\$ -	\$ 2,283,900	\$ 984,100	\$ 396,100
Capital Outlay	15,452,600	15,452,600	11,539,100	9,694,400
Revenue Financed Capital - Transfer to Construction Fund	28,735,400	31,289,500	7,463,000	(6,978,900)
Total Expenditures	\$ 44,188,000	\$ 49,026,000	\$ 19,986,200	\$ 3,111,600

Water Construction Fund

	Current Year		Biennial Budget	
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2025 Department Requested
Water Construction Fund Inflows & Outflows				
Revenues				
Transfers from Improvement & Extension Fund	\$ 28,735,400	\$ 31,289,500	\$ 7,463,000	\$ (6,978,900)
Bond Proceeds	-	225,000,000	-	342,000,000
Bond Fund Earnings on Investment	128,800	4,838,100	1,848,900	1,378,100
Grant Revenues (SRF Loans)	54,992,000	82,867,000	97,102,000	44,230,000
Net Use of Reserves	71,644,800	(118,204,600)	132,845,100	(180,207,200)
Total Revenues	\$155,501,000	\$ 225,790,000	\$ 239,259,000	\$ 200,422,000
Expenditures				
Capital Improvement Plan	\$194,376,000	\$ 225,790,000	\$ 239,259,000	\$ 200,422,000
Capital Spend Rate Adjustment	(38,875,000)	-	-	-
Total Expenditures	\$155,501,000	\$ 225,790,000	\$ 239,259,000	\$ 200,422,000

**Capital Improvement Plan amounts pending reconciliation with CIP-Draft 2 and supporting materials.

Great Lakes Water Authority
FY 2024 & FY 2025 Proposed Biennial Budget Summary
As of January 20, 2023

Schedule 5B – Sewer Capital Financing Plan

Sewer Improvement & Extension Fund

	Current Year		Biennial Budget	
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2025 Department Requested
Sewer Improvement & Extension Fund Inflows & Outflows				
Revenues				
Sewer System Transfers In from General Operating	\$ 39,342,500	\$ 30,850,000	\$ 33,488,600	\$ 37,461,400
Earnings on Investments	-	2,499,800	2,092,900	2,339,700
Net Use of Reserves	5,549,500	11,097,100	(14,518,100)	(14,641,700)
Total Revenues	\$ 44,892,000	\$ 44,446,900	\$ 21,063,400	\$ 25,159,400
Expenditures				
Investment Earnings Transfers Out	\$ -	\$ 2,499,800	\$ 2,092,900	\$ 2,339,700
Capital Outlay	18,447,100	18,447,100	14,970,500	12,399,500
Revenue Financed Capital - Transfer to Construction Fund	26,444,900	23,500,000	4,000,000	10,420,200
Total Expenditures	\$ 44,892,000	\$ 44,446,900	\$ 21,063,400	\$ 25,159,400

Sewer Construction Fund

	Current Year		Biennial Budget	
	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2025 Department Requested
Sewer Construction Fund Inflows & Outflows				
Revenues				
Transfers from Improvement & Extension Fund	\$ 26,444,900	\$ 23,500,000	\$ 4,000,000	\$ 10,420,200
Bond Proceeds	-	225,000,000	-	247,000,000
Bond Fund Earnings on Investment	86,200	5,188,600	2,411,000	1,280,900
Grant Revenues (SRF Loans)	18,720,000	39,750,000	47,253,000	31,104,000
Net Use of Reserves	49,197,900	(154,345,600)	145,397,000	(115,603,100)
Total Revenues	\$ 94,449,000	\$ 139,093,000	\$ 199,061,000	\$ 174,202,000
Expenditures				
Capital Improvement Plan	\$125,932,000	\$ 139,093,000	\$ 199,061,000	\$ 174,202,000
Capital Spend Rate Adjustment	(31,483,000)	-	-	-
Total Expenditures	\$ 94,449,000	\$ 139,093,000	\$ 199,061,000	\$ 174,202,000

**Capital Improvement Plan amounts pending reconciliation with CIP-Draft 2 and supporting materials.

The GLWA budget is the basis for establishing the annual charges for services.

Nearly 59% of the FY 2024 budget of \$871 million are financing and legal commitments: debt payments (44%), lease payment (6%), Water Residential Assistance Program (WRAP) (0.5%), legacy pension liabilities (1%) and capital program funding (7.3%).

The Operations & Maintenance (O&M) expense represents \$359 million, or 41% of the total budget. O&M expense, as compared to the prior year, increased 9.0%, or \$29.6 million and is explained in this analysis. The economy has had a significant negative impact on GLWA's budget. See the [Economic Outlook Task Force Phase I Report](#) presented to the GLWA Board of Director's in November 2022

Staffing & Personnel The staffing plan (number of positions) is at 1,318 (increase of 25). Full-time Equivalents (FTE), which is the pro-rata hours that a position is budgeted is at 1,153 (decrease of 81). In general, the budget reflects longer lead times in filling positions and the related budget impact. Further information is noted in each category.

Water Operations – increase of \$6.2 million The majority of this increase is due to chemical costs (\$4.7 million) related to supply chain constraints and increased demand. Other increases: electrical costs for Treatment Plant and Pump Stations (\$0.8 million); Contractual Services due to Mobile Dredging activities (\$0.9 million); gas expense increase (\$0.2 million) due to commodity price increases; and other general categories (\$0.9 million). Decreases were due to personnel (net \$1.3 million) with a reduction of FTE counts (32.5 FTEs) offset by nine additional positions including seven positions focused on insourcing capital program engineering.

Wastewater Operations – increase of \$19.7 million The drivers for this increase are a) utility costs (\$11.2 million) and b) chemicals (\$9.6 million). Increases are partially offset by a decrease in the amounts budgeted for supplies & other (\$0.8 million) for maintenance activities. A net decrease in personnel costs (\$0.3 million) includes two new positions to insource capital program engineering services offset by a budget reduction for hard to fill positions (32.2 FTEs)

Centralized Services¹ – increase \$2.4 million Increases include personnel (\$0.4 million) for overtime and costs for increased skill levels; contract services to support the Capital Improvement Planning group while staff for that team is ramping up (\$1.1 million); loss of some reimbursements from DWSD Information Technology Shared Services revenue (\$1.4 million) due to reduced needs; and other general categories (\$0.1 million). These increases were offset by a reduction in IT software subscriptions (\$0.6 million).

Administrative Services² – increase \$1.3 million Increases cover a number of areas including Organizational Development adding five positions (1.75 FTEs) to support onboarding and training (\$0.3 million); Logistics & Materials seeing utilities and facilities cost increases (\$0.2 million) for the Rialto warehouse; Enterprise Risk Management Fund experiencing increased insurance premiums (\$0.1 million); contractual services within Organizational Development (\$0.1 million), CFO Services (\$0.1 million), and others general categories (\$0.5 million).

Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

¹ Includes the Planning Services, Systems Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity (includes HazMat).

² Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer (includes Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services.



**GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED FY 2024 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 2024.

DATE: Wednesday, February 22, 2023

TIME: 2:00 p.m.

PLACE: In person, Zoom Videoconferencing, and Telephonic Hearing

Join Zoom Meeting

<https://glwater.zoom.us/j/81268098609?pwd=TUIrWWNsdkhPcXZzY2MrbWZGdzBLdz09>

Meeting ID: 812 6809 8609

Passcode: 076058

In Person (subject to capacity)

Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Telephonic

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

Meeting ID: 812 6809 8609

Passcode: 076058

The proposed service charges are scheduled to take effect on July 1, 2023.

The proposed schedule of charges 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 service charges may do so at the Public Hearing as outlined in this notice. Individuals or groups wishing to make oral presentations may appear in person but are encouraged to participate via the Zoom as indicated in this notice.



Individuals or groups wishing to make oral presentations are encouraged to participate by Zoom because 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.

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.

The Public Hearing on FY 2024 Water and Sewerage service charges proposed by the Great Lakes Water Authority scheduled for February 22, 2023 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

By Zoom videoconferencing: Members of the public who wish to use Zoom videoconferencing to attend the meeting and/or offer public comment may utilize the following link to attend:

<https://glwater.zoom.us/j/81268098609?pwd=TUIrWWNsdkhPcXZzY2MrbWZGdzBLdz09>

During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

In Person (subject to capacity): Members of the public who, subject to capacity, wish to attend the meeting and/or offer public comment in person may attend the meeting in the Board Room, 5th Floor, 735 Randolph, Detroit, MI 48226.

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to "raise their hand for public comment." During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 21, 2023 and should reference "February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: members of the public may provide written comments by United States mail addressed to:

Suzanne R. Coffey P.E., Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226



Written comments by U.S. mail should reference “February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024” in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.

Great Lakes Water Authority
Proposed FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Proposed Effective Date: July 1, 2023

Line No.	Member Partner	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue from Proposed Charges
		\$/mo	\$/Mcf	\$
1	Allen Park	132,700	8.73	2,653,100
2	Almont Village	13,300	11.53	266,800
3	Ash Township	47,800	9.30	955,800
4	Belleville	18,300	9.68	366,700
5	Berlin Township	39,500	11.42	790,300
6	Brownstown Township	210,000	11.98	4,199,600
7	Bruce Township	17,400	46.26	348,500
8	Burtchville Township	21,800	19.33	435,600
9	Canton Township	577,700	12.34	11,555,000
10	Center Line	27,100	6.73	542,600
11	Chesterfield Township	245,000	10.86	4,899,100
12	Clinton Township	428,200	8.70	8,564,500
13	Commerce Township	195,400	14.45	3,906,800
14	Dearborn	551,100	7.85	11,021,800
15	Dearborn Heights	211,900	8.53	4,238,600
16	Eastpointe	90,900	6.99	1,817,800
17	Ecorse	66,200	5.80	1,325,100
18	Farmington	55,800	9.92	1,115,000
19	Farmington Hills	502,800	11.30	10,057,500
20	Ferndale	60,000	7.32	1,199,500
21	Flat Rock	79,700	12.30	1,593,500
22	Flint (b)	584,400	10.27	11,687,700
23	Fraser	70,800	9.94	1,417,200
24	Garden City	97,000	10.21	1,938,900
25	Gibraltar	19,200	9.35	383,700
26	Greenwood Township (DTE)	68,500	20.74	1,369,500
27	Grosse Ile Township	63,600	13.19	1,271,000
28	Grosse Pt. Park	76,700	11.04	1,534,200
29	Grosse Pt. Shores	36,700	15.07	734,300
30	Grosse Pt. Woods	73,700	8.42	1,473,000
31	Hamtramck	46,300	6.05	925,300
32	Harper Woods	49,400	7.56	988,200
33	Harrison Township	94,900	7.70	1,897,300
34	Hazel Park	43,100	7.01	861,400
35	Highland Park	64,700	5.02	1,293,500
36	Huron Township	85,400	10.53	1,707,100
37	Imlay City	83,700	14.64	1,673,400
38	Imlay Township (Single User)	900	62.31	18,900
39	Inkster	74,400	5.89	1,488,300
40	Keego Harbor	17,000	13.72	339,800
41	Lapeer	87,000	13.15	1,741,000
42	Lenox Township	17,100	9.88	341,500
43	Lincoln Park	129,300	6.04	2,585,000
44	Livonia	662,000	11.34	13,239,800
45	Macomb Township	695,100	16.79	13,902,000
46	Madison Heights	113,000	8.09	2,261,300
47	Mayfield Township (KAMAX)	2,700	47.11	53,600
48	Melvindale	36,400	6.70	727,600
49	New Haven, Village of	24,500	10.18	489,500
50	NOCWA	1,253,500	11.37	25,072,600
51	Northville	44,200	11.61	883,300
52	Northville Township	311,100	17.76	6,221,400
53	Novi	519,900	13.69	10,397,800
54	Oak Park	80,600	6.88	1,611,900
55	Oakland GWK Drain District	5,100	4.49	101,600
56	Plymouth	62,800	11.10	1,255,300
57	Plymouth Township	256,700	12.66	5,133,900
58	Redford Township	169,100	8.58	3,383,100
59	River Rouge	29,400	6.03	588,000
60	Riverview	50,300	8.41	1,005,600
61	Rockwood	14,300	11.52	285,600
62	Romeo	14,900	19.64	298,600

Great Lakes Water Authority
Proposed FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Proposed Effective Date: July 1, 2023

Line No.	Member Partner	Fixed Monthly Charge (a) \$/mo	Commodity Charge (a) \$/Mcf	Projected Revenue from Proposed Charges \$
63	Romulus	214,700	7.90	4,293,900
64	Roseville	148,500	6.61	2,969,800
65	Royal Oak Township	11,800	9.34	235,900
66	Shelby Township	641,700	11.93	12,832,700
67	SOCWA	1,342,700	8.59	26,856,800
68	South Rockwood	6,600	11.43	132,900
69	Southgate	116,800	8.24	2,335,200
70	St. Clair Shores	178,100	7.09	3,562,300
71	Sterling Heights	846,100	11.25	16,919,000
72	Sumpter Township	40,500	9.67	809,900
73	Sylvan Lake	13,300	15.75	265,100
74	Taylor	259,500	7.87	5,190,100
75	Trenton	103,000	9.28	2,061,000
76	Troy	792,000	13.67	15,841,400
77	Utica	32,900	11.44	657,900
78	Van Buren Township	197,400	11.56	3,947,900
79	Walled Lake	45,200	12.27	904,400
80	Warren	544,300	6.95	10,885,800
81	Washington Township	132,900	12.28	2,657,000
82	Wayne	102,800	7.85	2,057,100
83	West Bloomfield Township	602,300	17.28	12,047,000
84	Westland	349,600	8.48	6,992,800
85	Wixom	141,000	14.44	2,819,800
86	Woodhaven	84,700	11.55	1,694,400
87	Ypsilanti Comm Util Auth	589,300	9.62	11,786,400
88	Total Wholesale Contract Member Partners			347,192,400
89	Adjustment to Flint Revenue Requirement for KWA Debt Service (b)			(6,651,800)
90	Revenue from Wholesale Charges (agrees with "GLWA Budget Schedule 3")			340,540,600
Detroit Customer Class - \$				
91	Wholesale Revenue Requirement (c)			46,237,200
92	less: Ownership Benefit per Lease			(20,700,000)
93	Net Wholesale Revenue Requirement			25,537,200
94	Indirect Retail Revenue Requirements (d)			48,789,400
95	less: Use of Lease Payment for Debt Service			(1,396,500)
96	Net Indirect Retail Revenue Requirements (d)			47,392,900
97	Subtotal Subject to GLWA Board Approval (93) + (96)			72,930,100
98	Direct Retail Revenue Requirements (e)			45,933,500
99	Total Local System Revenue Requirement (96) + (98)			93,326,400
100	Total Requirement from Detroit Customer Class (agrees with "GLWA Budget Schedule 3")			118,863,600
101	Lead and Copper Rule Sample Testing Fee - \$/Sample			60.00
(a)	Proposed effective date of July 1, 2023. Effective on all bills issued on or after August 1, 2023.			
(b)	Net fixed monthly charge will include \$554,300 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 January 18, 2023.			

Great Lakes Water Authority
Proposed FY 2024 Sewage Disposal System Service Charges and Allocated Revenue Requirements
Proposed Effective Date: July 1, 2023

Line No.	<u>Suburban Wholesale</u>	<u>Fixed Monthly Charge</u>	<u>Projected Revenue from Proposed Charges</u>
		<i>\$/mo</i>	<i>\$</i>
1	OMID	6,081,000	72,972,000
2	Rouge Valley	4,789,300	57,471,600
3	Oakland GWK	3,971,300	47,655,600
4	Evergreen Farmington	3,099,400	37,192,800
5	SE Macomb San Dist	2,146,700	25,760,400
6	Dearborn	1,738,200	20,858,400
7	Grosse Pointe Farms	235,300	2,823,600
8	Grosse Pointe Park	163,100	1,957,200
9	Melvindale	134,700	1,616,400
10	Farmington	102,700	1,232,400
11	Center Line	89,300	1,071,600
12	Allen Park	72,600	871,200
13	Highland Park	464,200	5,570,400
14	Hamtramck	346,100	4,153,200
15	Grosse Pointe	77,100	925,200
16	Harper Woods	18,700	224,400
17	Redford Township	23,100	277,200
18	Wayne County #3	4,500	54,000
19	Subtotal "Regional Wholesale Revenues from Charges"		<u>282,687,600</u>
20	Industrial Specific Revenues		<u>13,912,500</u>
21	Subtotal "Regional Wholesale Revenues from Charges" (a)		296,600,100
	<i>* Wholesale charges will be effective July 1, 2023</i>		
	Detroit Customer Class - \$		
22	Wholesale Revenue Requirement (c)		202,085,600
23	less: Ownership Benefit per Lease		<u>(5,516,000)</u>
24	Net Wholesale Revenue Requirement		196,569,600
25	Indirect Retail Revenue Requirements (d)		35,286,800
26	less: Use of Lease Payment for Debt Service		<u>(129,800)</u>
27	Net Indirect Retail Revenue Requirements (d)		35,157,000
28	Subtotal Subject to GLWA Board Approval (24) + (27)		231,726,600
29	Direct Retail Revenue Requirements (e)		56,977,900
30	Total Local System Revenue Requirement (27) + (29)		<u>92,134,900</u>
31	Total Requirement from Detroit Customer Class (a)		288,704,500
(a)	<i>Agrees with "GLWA Budget Schedule 3"</i>		
(b)	<i>Reserved</i>		
(c)	<i>Wholesale revenue requirements for the Detroit Customer Class.</i>		
(d)	<i>Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)</i>		
(e)	<i>Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.</i>		
(d)&(e)	<i>Local System information provided from Detroit Water & Sewerage Department as of January 18, 2023.</i>		

Great Lakes Water Authority
Proposed FY 2024 Sewage Disposal System
Industrial Specific Retail Charges
Proposed Effective Date: July 1, 2023

Industrial Waste Control Charges		
Meter Size	Full Charge	Admin Only Charge
<i>inches</i>	<i>\$/mo</i>	<i>\$/mo</i>
5/8	3.64	0.91
3/4	5.46	1.37
1	9.10	2.28
1-1/2	20.02	5.01
2	29.12	7.28
3	52.78	13.20
4	72.80	18.20
6	109.20	27.30
8	182.00	45.50
10	254.80	63.70
12	291.20	72.80
14	364.00	91.00
16	436.80	109.20
18	509.60	127.40
20	582.40	145.60
24	655.20	163.80
30	728.00	182.00
36	800.80	200.20
48	873.60	218.40

Pollutant Surcharges	
Pollutant	Charge
	<i>\$/lb</i>
BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	0.361
TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	0.496
PHOSPHORUS (P) for concentrations > 12 mg/l	6.629
FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	0.115
SEPTAGE DISPOSAL FEE Per 500 gallons of disposal	37.00

FY 2024 Service Charges Highlights

The GLWA Board of Directors will hold a Public Hearing on February 22, 2023 related to the proposed schedule of charges for the fiscal year beginning July 1, 2022.

Charges are Based on Four Key Elements.

1) Budget: The daily costs to provide service (such as the people, utilities, chemicals, contractors, and materials to operate plants and maintain the pipes), 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” as it defines the amount of revenue required to run the utility.

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. Each member partner is assigned an allocation of the annual revenue requirement based on their relative use of the system. For the water system, this includes the amount of water purchased each year and contracted demands during peak periods. For the sewer system, each member partner’s SHARE is based on contributed wastewater.

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

Proposed FY 2024 Water System Charges

The proposed average system charge adjustment for water is a 2.75 percent increase. This is the result of a proposed Water budget increase of 4.0 percent offset by 1.25 percent from a) increased investment earnings and b) increased estimated sales volumes. As a result of the 2022 Contract Alignment Process (CAP), the FY 2024 Units of Service changed for the majority of the member partners. As such there is significant variance from the system-wide charge revenue increase of 2.75 percent to individual member partners based on their unique needs. The CAP is mutually designed and generates a variance from the system average once every four years.

Proposed FY 2024 Sewer System Charges

The proposed average system charge adjustment for sewer is also a 2.75 percent increase. This is the result of a proposed Sewer budget increase of 4.0 percent offset by increased investment earnings which equates to almost 1.25 percent of the needed charge increase. The Sewer SHARES, which were collaboratively established via the Sewer Charges Workgroup, were updated for FY 2022 and remain in effect until FY 2025. The use of the FY 2022 SHARES calculation for the FY 2024 charges results in a uniform impact of charge adjustments for all member partners.

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%
2023	3.7%	2.4%
2024	2.75%	2.75%
7-Year Average	2.2%	0.9%



GLWA
Great Lakes Water Authority

Financial Services Area
735 Randolph Street
Detroit, Michigan 48226