

GLWA

Great Lakes Water Authority



**Summary of Board Actions
on February 22, 2023
Pertaining to Adoption of the
FY 2024 and FY 2025 Biennial Budget,
FY 2024 Service Charges, and
FY 2024 through FY 2028 Capital Improvement Plan
for the
Fiscal Period Beginning July 1, 2023**

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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, 2023. Those actions are reflected in the following three resolutions.

1. FY 2024 and FY 2025 Biennial Budget – Adopted on February 22, 2023
2. FY 2024 Schedule of Service Charges – Adopted on February 22, 2023
3. FY 2024 through FY 2028 Capital Improvement Plan – Adopted on February 22, 2023

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.

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%).

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.

Public Hearing Notice – Biennial Budget



**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.

Public Hearing Notice – Biennial Budget *(continued)*



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

Public Hearing Notice – Biennial Budget *(continued)*



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

Resolution 2023-054

Resolution Adopting the Biennial FY 2024 & FY 2025 Budget

By Board Member: Jaye Quadrozzi

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 eighth fiscal year budget demonstrating its ability to achieve that commitment with a Regional Water System annual revenue requirement budget increase of 4.0% which equates to an average 3.1% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 4.0% which equates to an average 2.8% increase 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 2024 is \$370,314,500 and for FY 2025 is \$385,127,100 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 2024 is \$500,627,000 and for FY 2025 is \$520,652,100 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 2024 is \$152,906,400 and for FY 2025 is \$162,810,600 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 2024 is \$205,643,700 and for FY 2025 is \$216,220,400 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 Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance is \$266,002,500 for FY 2024 and \$271,685,800 for FY 2025 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 Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance is \$331,768,200 for FY 2024 and \$340,389,700 for FY 2025 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 \$11,539,100 in FY 2024 and \$9,694,400 in FY 2025 for capital outlay in accordance with the “Schedule 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 \$239,260,000 in FY 2024 and \$200,422,000 in FY 2025 for the capital improvement plan in accordance with the “Schedule 5A – Water Capital Financing Plan: Water Construction Fund” budget with those capital amounts reflecting an 100% Capital Spending Ratio applied to FY 2024 and FY 2025 as shown in the proposed FY 2024 through FY 2028 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of \$14,970,500 in FY 2024 and \$12,399,500 in FY 2025 for the capital outlay in accordance with the “Schedule 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 \$199,061,000 in FY 2024 and \$190,159,000 in FY 2025 for the capital improvement plan in accordance with “Schedule 5B – Sewer Capital Financing Plan: Sewer Construction Fund” budget with those capital amounts reflecting a 100% Capital Spending Ratio applied to FY 2024 and FY 2025 as shown in the proposed FY 2024 through FY 2028 Capital Improvement Plan; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2024 through FY 2028 at its meeting on December 16, 2022; with updates at its meeting on February 13, 2023; 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 22, 2023 at 2:00 p.m. either in person or 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; 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 22, 2023 to receive public comment regarding the proposed budget for the Fiscal Years 2024 and 2025; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2024 and 2025; 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.

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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%	\$377,752,600	\$ 11,674,800	3.2%
Other Revenues	175,000	175,000	175,000	-	0.0%	175,000	-	0.0%
Investment Earnings	948,700	7,901,200	4,061,700	3,113,000	328.1%	7,199,500	3,137,800	77.3%
Total Revenues	356,071,600	361,766,800	\$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	150,171,200	159,482,800	9,145,700	6.1%	175,154,900	15,672,100	9.8%
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%	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	24,300,000	30,161,100	30,178,200	5,878,200	24.2%	10,662,700	(19,515,500)	-64.7%
Annual Water System Revenue Requirements	\$356,071,600	\$361,766,800	\$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	25,537,200
Total Revenues from Charges	<u>\$366,077,800</u>

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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%	\$510,633,800	\$ 17,464,100	3.5%
Other Revenues	400,000	400,000	400,000	-	0.0%	400,000	-	0.0%
Investment Earnings	1,155,600	10,915,000	7,057,300	5,901,700	510.7%	9,618,300	2,561,000	36.3%
Total Revenues	\$481,372,100	\$488,735,200	\$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	210,621,400	228,328,300	22,690,200	11.0%	230,354,100	2,025,800	0.9%
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	30,952,400	30,172,600	(9,169,900)	-23.3%	35,745,500	5,572,900	18.5%
Annual Sewer System Revenue Requirements	\$481,372,100	\$488,735,200	\$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	196,569,600
Total Revenues from Charges	<u>\$493,169,700</u>

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%	\$888,386,400	\$ 29,138,900	3.4%
Other Revenues	575,000	575,000	575,000	-	0.0%	575,000	-	0.0%
Investment Earnings	2,104,300	18,816,200	11,119,000	9,014,700	428.4%	16,817,800	5,698,800	51.3%
Total Revenues	\$837,443,700	\$850,502,000	\$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	360,792,600	387,811,100	31,835,900	8.9%	405,509,000	17,697,900	4.6%
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%	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	63,642,500	61,113,500	60,350,800	(3,291,700)	-5.2%	46,408,200	(13,942,600)	-23.1%
Annual Revenue Requirements	\$837,443,700	\$850,502,000	\$870,941,500	\$ 33,497,800	4.0%	\$905,779,200	\$ 34,837,700	4.0%

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

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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

Debt Service Coverage Calculation	FY 2024	FY 2024	FY 2024 Combined (Informational Only)	FY 2025	FY 2025	FY 2025 Combined (Informational Only)
	Water Fund Requested	Sewer Fund Requested		Water Fund Requested	Sewer Fund Requested	
Revenues						
1 Regional System Wholesale Revenues	\$ 366,077,800	\$ 493,169,700	\$ 859,247,500	\$ 377,752,600	\$ 510,633,800	\$ 888,386,400
2 Local System Revenues	89,140,400	83,940,300	173,080,700	91,626,300	85,137,500	176,763,800
3 Miscellaneous Revenue (Local System)	4,210,000	8,500,000	12,710,000	4,336,300	8,755,000	13,091,300
4 Other Revenues & Investment Earnings (Regional System)	4,236,700	7,457,300	11,694,000	7,374,500	10,018,300	17,392,800
5 Total Revenues	\$ 463,664,900	\$ 593,067,300	\$ 1,056,732,200	\$ 481,089,700	\$ 614,544,600	\$ 1,095,634,300
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	44,756,000	55,655,400	100,411,400	46,593,300	57,934,500	104,527,800
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	197,662,400	261,299,100	458,961,500	209,403,900	274,154,900	483,558,800
11 Net Revenues after Operations & Maintenance Expense	\$ 266,002,500	\$ 331,768,200	\$ 597,770,700	\$ 271,685,800	\$ 340,389,700	\$ 612,075,500
Debt Service by Lien						
12 Senior Lien Bonds	\$ 136,224,100	\$ 155,429,200	\$ 291,653,300	\$ 150,810,500	\$ 163,496,800	\$ 314,307,300
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	16,469,500	51,847,200	68,316,700	18,958,700	45,514,400	64,473,100
15 Total Debt Service	\$ 204,448,100	\$ 260,549,900	\$ 464,998,000	\$ 221,699,700	\$ 262,601,400	\$ 484,301,100
Debt Service Coverage						
16 Senior Lien Bonds (11)/(12)	1.95	2.13		1.80	2.08	
17 Second Lien Bonds (11) / [(12)+(13)]	1.42	1.59		1.34	1.57	
18 SRF Junior Lien Bonds (11) / (15)	1.30	1.27		1.23	1.30	

**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 February 2, 2023

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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	\$ 30,161,100	\$ 30,178,200	\$ 10,662,700
Earnings on Investments	-	2,126,400	1,694,800	2,147,200
Net Use of Reserves	19,888,000	17,081,000	(10,926,100)	(5,747,200)
Total Revenues	\$ 44,188,000	\$ 49,368,500	\$ 20,946,900	\$ 7,062,700
Expenditures				
Investment Earnings Transfers Out	\$ -	\$ 2,126,400	\$ 1,694,800	\$ 2,147,200
Capital Outlay	15,452,600	15,452,600	11,539,100	9,694,400
Revenue Financed Capital - Transfer to Construction Fund	28,735,400	31,789,500	7,713,000	(4,778,900)
Total Expenditures	\$ 44,188,000	\$ 49,368,500	\$ 20,946,900	\$ 7,062,700

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	\$ 31,789,500	\$ 7,713,000	\$ (4,778,900)
Bond Proceeds	-	225,000,000	-	332,500,000
Bond Fund Earnings on Investment	128,800	4,845,600	1,864,700	1,335,800
Grant Revenues (SRF Loans)	54,992,000	82,867,000	97,102,000	44,230,000
Net Use of Reserves	71,644,800	(118,712,100)	132,580,300	(172,864,900)
Total Revenues	\$155,501,000	\$ 225,790,000	\$ 239,260,000	\$ 200,422,000
Expenditures				
Capital Improvement Plan	\$194,376,000	\$ 225,790,000	\$ 239,260,000	\$ 200,422,000
Capital Spend Rate Adjustment	(38,875,000)	-	-	-
Total Expenditures	\$155,501,000	\$ 225,790,000	\$ 239,260,000	\$ 200,422,000

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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	\$ 30,952,400	\$ 30,172,600	\$ 35,745,500
Earnings on Investments	-	2,492,300	2,133,000	2,432,500
Net Use of Reserves	5,549,500	11,494,700	(15,202,100)	(14,330,100)
Total Revenues	\$ 44,892,000	\$ 44,939,400	\$ 17,103,500	\$ 23,847,900
Expenditures				
Investment Earnings Transfers Out	\$ -	\$ 2,492,300	\$ 2,133,000	\$ 2,432,500
Capital Outlay	18,447,100	18,447,100	14,970,500	12,399,500
Revenue Financed Capital - Transfer to Construction Fund	26,444,900	24,000,000	-	9,015,900
Total Expenditures	\$ 44,892,000	\$ 44,939,400	\$ 17,103,500	\$ 23,847,900

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	\$ 24,000,000	\$ -	\$ 9,015,900
Bond Proceeds	-	225,000,000	-	280,250,000
Bond Fund Earnings on Investment	86,200	5,191,300	2,365,600	1,279,000
Grant Revenues (SRF Loans)	18,720,000	39,750,000	47,253,000	31,104,000
Net Use of Reserves (a)	49,197,900	(154,529,300)	149,442,400	(131,489,900)
Total Revenues	\$ 94,449,000	\$ 139,412,000	\$ 199,061,000	\$ 190,159,000
Expenditures				
Capital Improvement Plan	\$125,932,000	\$ 139,412,000	\$ 199,061,000	\$ 190,159,000
Capital Spend Rate Adjustment	(31,483,000)	-	-	-
Total Expenditures	\$ 94,449,000	\$ 139,412,000	\$ 199,061,000	\$ 190,159,000

FY 2024 Service Charges Highlights

The GLWA Board of Directors held a Public Hearing on February 22, 2023 and approved the proposed schedule of charges for the fiscal year beginning July 1, 2023.

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

Approved FY 2024 Water System Charges

The average system charge adjustment for water is a 2.75 percent increase. This is the result of an approved 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.

Approved FY 2024 Sewer System Charges

The average system charge adjustment for sewer is also a 2.75 percent increase. This is the result of an approved 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%

Public Hearing Notice – Charges



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=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09>

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.

Public Hearing Notice – Charges *(continued)*



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=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09>
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

Public Hearing Notice – Charges *(continued)*



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

Resolution 2023-055

RE: Approval of FY 2024 Schedule of Water and Sewer Service Charges

By Board Member: Gary Brown

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 2024, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2024 water system and sewer system revenue requirements budget with an effective date of July 1, 2023; and

Whereas The FY 2024 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 2024 on February 22, 2023 at 2:00 p.m.; and

NOW THEREFORE BE IT:

RESOLVED The Great Lakes Water Authority Board approves the proposed:

- 1) FY 2024 wholesale water service schedule of charges;
- 2) FY 2024 wholesale sewer service schedule of charges;
- 3) FY 2024 City of Detroit allocated wholesale water revenue requirement of \$25,537,200 which is the net of \$46,237,200 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 2024 City of Detroit allocated wholesale sewer revenue requirement of \$196,569,600 which is the net of \$202,085,600 gross revenue requirement less the Ownership Equity Credit of \$5,516,000 in accordance with the WSSA;

- 5) FY 2024 City of Detroit allocated indirect water revenue requirement of \$48,222,000, in accordance with the Regional Water Supply System Lease;
- 6) FY 2024 City of Detroit allocated indirect sewer revenue requirement of \$35,265,100, 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 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.	Customer	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue from 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

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

Line No.	Customer	Fixed Monthly Charge (a) \$/mo	Commodity Charge (a) \$/Mcf	Projected Revenue from Charges \$
62	Romeo	14,900	19.64	298,600
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)			48,222,000
95	less: Use of Lease Payment for Debt Service			0
96	Net Indirect Retail Revenue Requirements (d)			48,222,000
97	Subtotal Subject to GLWA Board Approval (93) + (96)			73,759,200
98	Direct Retail Revenue Requirements (e)			45,128,400
99	Total Local System Revenue Requirement (96) + (98)			93,350,400
100	Total Requirement from Detroit Customer Class (agrees with "GLWA Budget Schedule 3")			118,887,600
101	Lead and Copper Rule Sample Testing Fee - \$/Sample			60.00
(a)	<i>Proposed effective date of July 1, 2023. Effective on all bills issued on or after August 1, 2023.</i>			
(b)	<i>Net fixed monthly charge will include \$554,300 monthly credits for KWA debt service.</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 February 2, 2023.</i>			

Great Lakes Water Authority

Approved FY 2024 Sewage Disposal System Service Charges and Allocated Revenue Requirements

Effective Date: July 1, 2023

Line	Fixed Monthly Charge	Projected Revenue from Charges
No.	<i>\$/mo</i>	<i>\$</i>
<u>Suburban Wholesale</u>		
1	OMID	6,081,000
2	Rouge Valley	4,789,300
3	Oakland GWK	3,971,300
4	Evergreen Farmington	3,099,400
5	SE Macomb San Dist	2,146,700
6	Dearborn	1,738,200
7	Grosse Pointe Farms	235,300
8	Grosse Pointe Park	163,100
9	Melvindale	134,700
10	Farmington	102,700
11	Center Line	89,300
12	Allen Park	72,600
13	Highland Park	464,200
14	Hamtramck	346,100
15	Grosse Pointe	77,100
16	Harper Woods	18,700
17	Redford Township	23,100
18	Wayne County #3	4,500
19	Subtotal "Regional Wholesale Revenues from Charges"	282,687,600
20	Industrial Specific Revenues	13,912,500
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	(5,516,000)
24	Net Wholesale Revenue Requirement	196,569,600
25	Indirect Retail Revenue Requirements (d)	35,265,100
26	less: Use of Lease Payment for Debt Service	0
27	Net Indirect Retail Revenue Requirements (d)	35,265,100
28	Subtotal Subject to GLWA Board Approval (24) + (27)	231,834,700
29	Direct Retail Revenue Requirements (e)	57,175,200
30	Total Local System Revenue Requirement (27) + (29)	92,440,300
31	Total Requirement from Detroit Customer Class (a)	289,009,900

(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 2, 2023.*

Great Lakes Water Authority
Approved FY 2024 Sewage Disposal System
Industrial Specific Retail Charges

Effective Date: July 1, 2023

Industrial Waste Control Charges		
<u>Meter Size</u> <i>inches</i>	<u>Full Charge</u> <i>\$/mo</i>	<u>Admin Only Charge</u> <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	
<u>Pollutant</u>	<u>Charge</u> <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

Great Lakes Water Authority
Resolution 2023-015
Resolution Adopting the FY 2024 through FY 2028 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 2024 through FY 2028 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 19, 2022, and January 18, 2023; and

Whereas The FY 2024 through FY 2028 Capital Improvement Plan and the related financial plan have been prepared within the boundaries established by the GLWA’s long-term financial strategy emphasizing effective capital delivery at the lowest cost of capital; and

Whereas The FY 2024 through FY 2028 Capital Improvement Plan identifies \$798.2 Million of water system capital improvements and \$986.6 Million of sewer system improvements; and

Whereas An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution



GLWA
Great Lakes Water Authority

Financial Services Area
735 Randolph Street
Detroit, Michigan 48226