



FOR IMMEDIATE RELEASE

June 28, 2023

Media Contacts:

Michelle Zdrodowski / C: 313-618-0552 / michelle.zdrodowski@glwater.org

Ashleigh Chatel / M: 734-626-4252 / ashleigh.chatel@fleishman.com

GLWA Board Approves Methodology for Issuing Highland Park Bad Debt Recovery Credits to Member Partners

- *\$1 million payment from Highland Park to be issued as credits to reimburse member partners that absorbed portions of Highland Park bad debt expense*
- *Credits to be issued during first quarter of FY 2024 (which begins July 1, 2023) to reimburse first-tier member partners (those that have a direct contractual relationship with GLWA)*

DETROIT – The Great Lakes Water Authority (GLWA) Board of Directors today approved the methodology by which the organization will issue \$1 million in Highland Park bad debt recovery credits to reimburse first-tier member partners (those member partners who have a direct contractual agreement with GLWA) who had previously absorbed portions of this expense in their GLWA service charges.

The same methodology will also be used to issue credits to these member partners, for the benefit of their systems, when bad debt expense recovery payments are received related to the city of Highland Park’s past due balances which have been the subject of litigation for many years.

The bad debt recovery credit methodology is based on amounts that had been directly included in Water and Sewer charges to GLWA’s first-tier member partners related to Highland Park’s bad debt through June 30, 2022. Since FY 2023, GLWA paused bad debt recovery in anticipation of a resolution through the courts and mediation.

Based on an analysis of the amounts paid by member partners, it was determined that 87.4 percent of the bad debt expense had been included in sewer system service charges and 12.6 percent was included in the water system service charges. Based on these allocation percentages, credits will be issued to member partner in the first quarter of GLWA’s 2024 Fiscal Year (which begins on July 1, 2023) based on each member partners’ proportional share. A list of these credits for both the Water and Sewer Systems can be found [here](#).

“I want to thank our Board of Directors for their timely approval of our Highland Park Bad Debt Recovery Methodology which gives us a framework that can be carried forward for future payments made as a part of any global resolution that is reached,” said Nicolette N. Bateson, GLWA’s Chief Financial Officer and Treasurer. “We remain committed to working in good faith with all parties involved, including the state of Michigan, toward a comprehensive resolution to this matter. Future amounts received from Highland Park in payment of past-due water and sewer bills in this litigation will be reimbursed similarly to member partners.”

GLWA continues to participate in court ordered facilitation with Highland Park and the state of Michigan.

###

About the Great Lakes Water Authority (GLWA)

The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent, and efficient and effective wastewater services to nearly 30 percent, of Michigan’s population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its services beyond its 88 member partner communities. As part of its commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA’s board includes one representative each from Oakland, Macomb and Wayne counties, two representatives from the city of Detroit, and one appointed by the Michigan governor to represent member partner communities outside of the tri-county area.