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GLWA Board Approves Highland Park Bad Debt Recovery Credit Implementation for Member Partner Communities

- *Settlement agreement between GLWA, city of Highland Park and the state of Michigan has been approved and executed by all parties; new water and sewer contracts in place for Highland Park*
- *Achievement of key provisions of the agreement gave board confidence to implement bad debt recovery credits to reimburse first-tier member partners (those that have a direct contractual relationship with GLWA)*
- *Credits totaling \$20,026,500 (\$5,026,500 for the Water System and \$15,000,000 for the Sewer System) to be applied to June 2024 bill for services (reducing payments due from member partners for payments due after July 1, 2024)*
- *Parties have applied for and are waiting on Court Orders to dismiss all litigation*
- *Highland Park residents now eligible for Water Residential Assistance Program*

DETROIT – The Great Lakes Water Authority (GLWA) Board of Directors, at its regular meeting on Wednesday, June 26, 2024, authorized the utility's administration to implement 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 bad debt recovery credits, totaling \$20,026,500 (\$5,026,500 for the Water System and \$15,000,000 for the Sewer System), will be applied to June 2024 services (reducing payments due from member partners for payments in the months of August and September).

All credits will be applied based on the methodology approved by the board at its November 16, 2023, meeting. 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.

This is the second set of Highland Park bad debt recovery credits that GLWA has passed along to its first-tier member partners using the above-mentioned methodology. The first set of credits were applied in 2023 when Highland Park made its initial \$1 million payment to GLWA as a part of the Term Sheet that led to the final agreement.

“Now that the settlement agreement, new water and sewer contracts for Highland Park and the trust agreement between Highland Park and US Bank as trustee are in place and operating as agreed upon, we felt comfortable recommending to the GLWA Board of Directors that they authorize the application of credits to our first-tier member partners,” said Nicolette N. Bateson, Chief Financial Officer and Treasurer, GLWA. “We want to express our thanks to our member partners for their patience and support as we worked to bring resolution to many years of litigation between the Detroit Water & Sewerage Department, then the Great Lakes Water Authority, and Highland Park.”

In addition to implementing the bad debt recovery credits, on June 10, 2024, the parties applied for and are waiting on Court Orders that will dismiss all litigation between the parties.

Highland Park residents are now also eligible to receive assistance from GLWA’s Water Residential Assistance Program. For more information, please call Wayne Metro at (313) 386-9727 or click [here](#).

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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.