



## Financial Services Audit Committee Communication

**Date:** January 21, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Lisa L. Mancini, Financial Planning & Analysis Manager

**Re:** Continued Discussion: FY 2023 & FY 2024 Biennial Budget and Five-Year Plan, Proposed FY 2023 Charges with Supporting Materials, and Updated Long-Term Plan

**Background:** In accordance with service agreements with the Great Lakes Water Authority (GLWA) member partners, the budget and charges for the next fiscal year are annually presented in January each year. To accommodate that schedule, the upcoming year's budget is presented to the Audit Committee within the context of the biennial budget and five-year financial plan as well as a ten-year forecaster in December. Subsequently, the Audit Committee conducts a review of the budget and related analysis in January.

At the December 17, 2021 Audit Committee, a discussion draft of the FY 2023 & FY 2024 Biennial Budget and Five-Year Plan was presented. This draft focused on a) overall strategy of key budget elements including system-wide service charges and b) proposed operating group budgets.

A continuation of the budget review is scheduled for a special meeting of the Audit Committee on January 21, 2022. Additional analysis has been provided for this discussion.

**Analysis:** Additional analysis prepared and provided includes the following.

1. Charges Rollout Meeting #4 Presentation from January 20, 2022
2. Operations & Maintenance trend schedule by major expense category
3. FY 2023 Proposed Budget - Staffing Analysis
4. One Pager Series - Bad Debt Expense - Draft - January 19, 2022
5. Proposed FY 2023 – FY 2024 Biennial Budget & Five-Year Financial Plan FY 2023 through FY 2027 Supplemental Analysis: Sections added to the document originally provided at the December 17, 2021 Audit Committee meeting.
  - a. Section 1 – Overview
    - ❖ Notice of Public Hearing for the Proposed FY 2023 and FY 2024 Biennial Budget



## Financial Services Audit Committee Communication

- ❖ Notice of Public Hearing for the FY 2023 Water and Sewerage Service Charges
- b. Supplemental Analysis
  - ❖ Utilities
  - ❖ Shared Services
  - ❖ Centralized & Administrative Services
- c. Capital Investment
  - ❖ Capital Investment Overview
  - ❖ Capital Outlay

**Proposed Action:** Receive and file the discussion draft of the FY 2023 & FY 2024 Biennial Budget and Five-Year Plan.

# Charges Roll Out #4: FY 2023 & FY 2024 Biennial Budget and Five-Year Plan

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*Executive Summary Presentation*

*January 20, 2022*



# Meeting Agenda

1. Welcome & Agenda Review
2. Further Discussion on Hot Topics from Charges Roll Out # 3
3. Proposed Budget Highlights
4. Break
5. Water & Wastewater Charges Q&A
6. Next Steps
7. Closing Comments and Adjourn

# Charge Season Schedule

- This is the fourth formal “charge rollout” meeting for the FY 2023 Budget and Charges
  - ✓ **11/9/2021** - *Capital Improvement Programs*
  - ✓ **11/16/2021** - *Preliminary Units of Service*
  - ✓ **1/6/2022** – *A) Introduce Proposed FY 2023 Budget and Financial Plan and B) Review Proposed Charges*
  - ➔ ✓ **1/20/2022** – *Follow Up Review Session: A) More on Budget & Financial Plan and B) Charges Q&A*
  - ✓ **2/23/2022** – *GLWA Public Hearing*
  - ✓ **7/1/2022** – *Effective Date for Charges*
- Parallel meetings of Outreach Work Groups

# Rollout # 3 Binder



**FY 2023 Service Charges Proposal**

**Charges Rollout #3 Meeting Material Binder**

January 6, 2022

[www.glwat.org](http://www.glwat.org)



**One Pager Series**  
FY 2023 Budget Analysis  
Proposed as of December 17, 2021

The GLWA "revenue requirement budget" is the basis for establishing the annual charges for services. Nearly 53% of the FY 2022 budget have also been recognized in the medical plan fringe benefits. Unallocated Reserves increased (\$1.1 million) to cover area of risk



**Proposed FY 2023 Service Charges Highlights**

**Proposed FY 2023 Water System Charges**

**Proposed FY 2023 Water System Charges**  
The average system charge adjustment for water is a 3.7 percent increase. This is the result of 1) a proposed Water budget increase of 3.5 percent; and 2) reduced baseline revenues related to decreased estimated sales volumes, which adds 0.2 percent to the needed charge increase. As a result of the 2018 Contract Alignment Process (CAP), the FY 2023 Units of Service changed for only 4 member partners. This has significantly improved charge stability among member partner communities. The proposed water charges reflect a uniform increase in wholesale revenue requirements of 3.6 percent with a

Greetings Member Partners!  
Charges Rollout Meeting #3 is scheduled for January 6, 2022. This binder has been compiled to provide supporting material for the service charges presentation as well as the individual community proposed charge calculation worksheet that was distributed to you on January 4, 2022. As a follow-up to Charges Rollout Meeting #3, a schedule of meeting times will be distributed for Member Partners that would like a one-on-one meeting with their team and the Great Lakes Water Authority (GLWA) team during the week of January 10, 2022 to review the charges calculations - as well as to address any other questions. Charges Rollout #4 is scheduled for January 20, 2022. We hope that you find this additional time between meetings helpful to review the charge proposals.

Any questions should be directed to [outreach@glwater.org](mailto:outreach@glwater.org) and we will make sure that your request is directed to the appropriate GLWA team member for a prompt response.

Charges Rollout #3 Meeting Binder

1. One Pager Series - FY 2023 Budget Analysis - Proposed as of December 17, 2021
2. One Pager Series - Proposed FY 2023 Water & Sewer Service Charges as of December 15, 2021
3. Water System Charge Worksheet Introductory Memo from Interim Chief Executive Officer
4. Sewer System Charge Worksheet Introductory Memo from Interim Chief Executive Officer
5. Proposed FY 2023 Water and Sewer Charges Memo dated December 29, 2021
6. Proposed FY 2023 Service Charge Summary Memo dated December 27, 2021
7. FY 2023 Service Charges Recommendations Memo dated December 27, 2021
8. Charges Rollout Meeting #2 - Units of Service from November 16, 2021
9. Preliminary FY 2023 Water Units of Service Memo dated November 11, 2021

Available on Outreach Portal  
[Meeting #3 Binder](#)  
[Meeting # 3 Presentation](#)

# Big Picture Review of Biennial Budget



## What is GLWA's "Financial Plan"?

- ✓ What is GLWA's financial plan?

*The financial plan is a set of documents that transparently charts the financial course on a path of long-term sustainability.*

- ✓ Why focus on a long-term plan?

*Decisions decades ago impact today; decisions we make today impact future generations. This is the basis for achieving affordability.*

- ✓ What goes into a financial plan?

*Extensive input, analysis, and collaboration by subject matter experts that span finance, engineering, legal, and operations, both internal and external to GLWA.*

## What are the Financial Plan documents?

- ✓ FY 2021 & Prior Audited Financial Statements
- ✓ FY 2023 & FY 2024 Biennial Budget and Five Year Plan (FY 2023 – FY 2027)
- ✓ Ten Year Financial Plan through FY 2032
- ✓ FY 2023 – FY 2027 Five Year Capital Improvement Plan
- ✓ FY 2023 Water & Sewer Charges Report from The Foster Group
- ✓ Related support documents submitted to the Board and the Audit Committee

# Water System

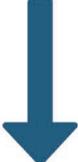
**5**   
Treatment Plants

 816 miles of  
transmission main 

 **3.8 MILLION**  
PEOPLE SERVED

 **88** Member Partners  
across **112** communities

 Treatment capacity of **1,720**  
million gallons per day 

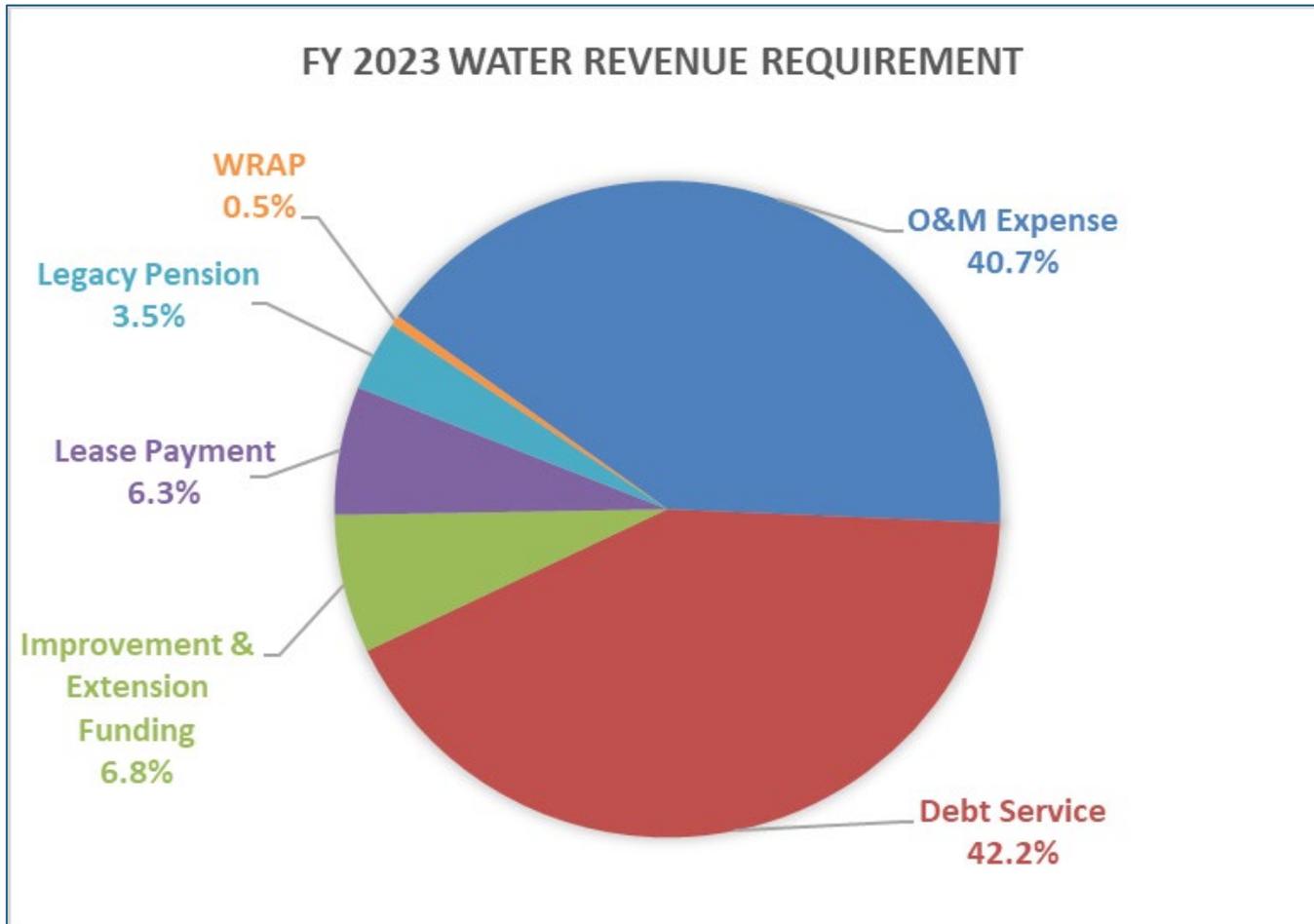
 **3** Water  
Intakes 

**19** BOOSTER  
PUMP STATIONS 

 **1,698 SQ. MILE**  
service area

**MISSION:** *To exceed our member partner's expectations by utilizing best practices in the treatment and transmission of water and wastewater, while promoting health communities and economic growth.*

# FY 2023 Proposed Water Revenue Requirement



# Wastewater System

W  
R  
R  
F



The largest single-site wastewater treatment facility in the United States



195 miles of trunk sewers & interceptors



**2.8 MILLION**  
PEOPLE SERVED



**19** Member Partners  
across **79** communities



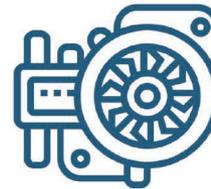
Treatment capacity of **1,700**  
million gallons per day



**8**   
CSOs

**3**   
Interceptors

**9** PUMP  
STATIONS

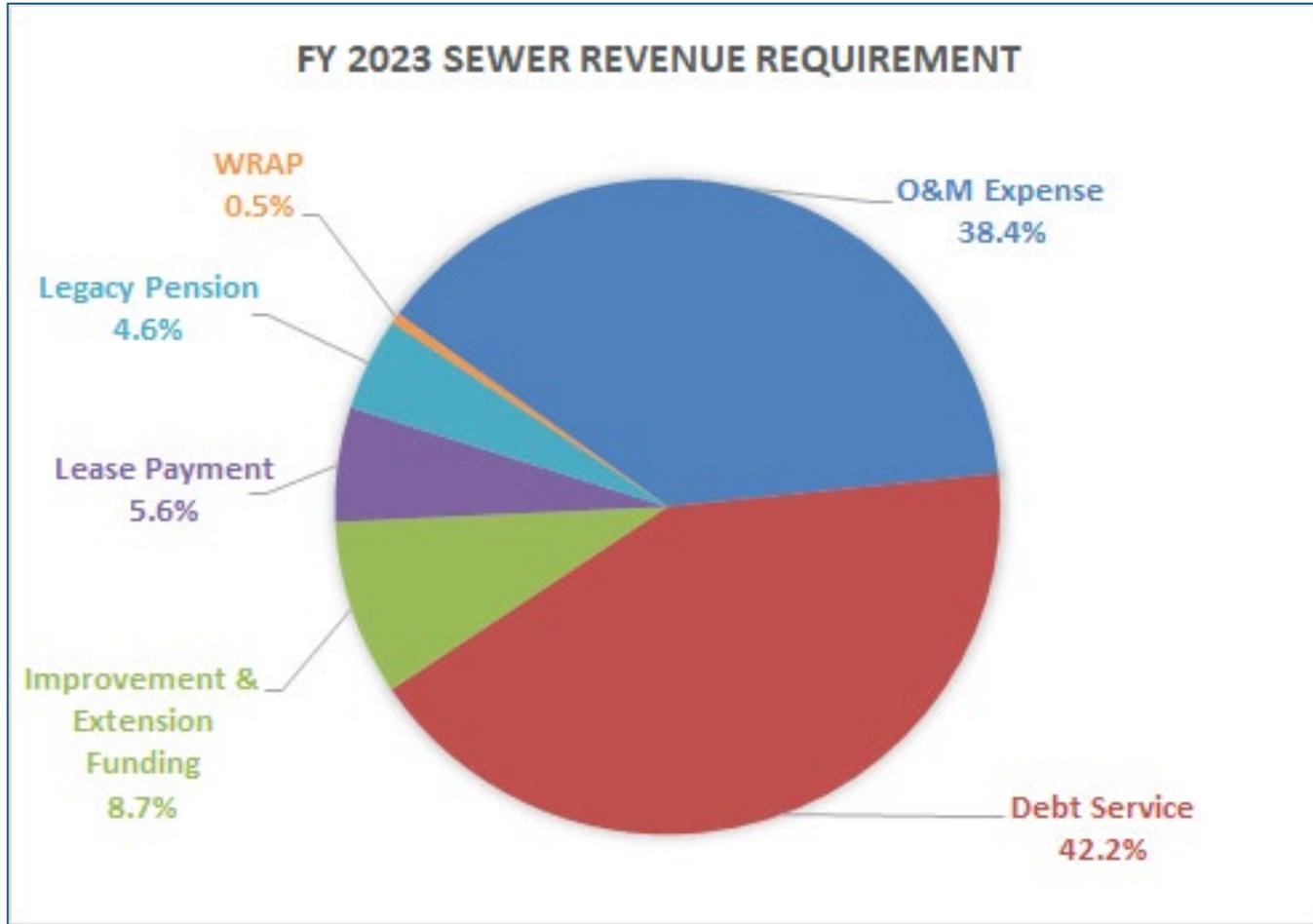


**944 SQ. MILE**  
service area

## VISION:

*Through regional collaboration, GLWA strives to be the provider of choice, dedicated to efficiently and effectively delivering the nation's best water and sewer services in partnership with our member partners.*

# FY 2023 Proposed Sewer Revenue Requirement



# Three Key BUDGET Categories

“BUDGET” = “Revenue Requirement”

1. *Operations & Maintenance Expense*
2. *Capital Program (Past, Present, and Future)*
  - ✓ Debt Service
  - ✓ Deposit to the Improvement and Extension (I&E) Fund  
(a/k/a Revenue Financed Capital Improvements or Paygo Capital)
3. *Non-Operating Expenses*
  - ✓ GLWA’s Share of the Closed, Legacy DWSD Pension Liability Pool
  - ✓ Water Residential Assistance Program Deposit
  - ✓ Lease Payment

*Note: Master Bond Ordinance defines (in much greater detail) how funds received are prioritized among the above categories*

# Financial Plan Highlights

<b>System</b>	<b>Water</b>	<b>Sewer</b>
<b>Theme</b>	<i>Capital and O&amp;M Pressures</i>	<i>Long-term Sustainability in Sight</i>
<b>Annual Revenue Requirement Increase Limit</b>	3.5% (less than the 4% Promise)	2.5% (less than the 4% Promise)
<b>Capital Spending Ratio</b>	Assumes an 80% of CIP Spend Rate thru 2027 then 100%	Assumes a 75% of CIP Spend Rate thru 2027 then 100%
<b>Reliance on Debt for Capital</b>	<i>More</i>	<i>Less</i>
<b>Debt Service Coverage Ratios</b>	<i>Declines</i>	<i>Improves</i>
<b>Risks that we are managing</b>	Increased Capital vs. 3.5% Revenue Assumption Increased Regulatory Requirements Legacy Pension	Increased Regulatory and Resiliency Requirements Legacy Pension

## Financial Plan Highlights - continued

<b>System</b>	<b>Water</b>	<b>Sewer</b>
<b>O&amp;M Biennial Budget Forecast - FY 2023 &amp; FY 2024</b>	<p><i>Overall increase of 0.6% for FY 2023 and 2.7% for FY 2024</i></p> <p><i>Strategic Emphasis on Water Technician Apprenticeship Program for recruitment, retention, and succession planning (25 positions)</i></p> <p><i>Increase in Central &amp; Admin for Planning CIP Group, new emergency management group, and staff recruitment</i></p>	<p><i>Overall increase of 3.2% for FY 2023 and 2.9% for FY 2024</i></p> <p><i>Emphasis on recruitment and retention base level wage adjustments in some classifications</i></p> <p><i>Increase in Central &amp; Admin for Planning CIP Group, new emergency management group, and staff recruitment</i></p>
<b>O&amp;M Forecast Over the Five Year Plan</b>	<i>Average of 2.0% in total</i>	<i>Average of 2.0% in total</i>

## Financial Plan Highlights - continued

System	Water	Sewer
<b>Debt Service – Biennial Budget FY 2023 &amp; FY 2024</b>	<i>Debt Service will increase in both years FY 2023 \$14.9 million higher than approved FY 2022 Budget due to: Naturally occurring amortization schedule variances; Progress on DWRP Funded CIP projects; Forecasted Revenue Bond Sale</i>	<i>Debt Service will decline in FY 2023 and then increase in FY 2024 FY 2023 \$1.6 million <u>lower</u> than approved FY 2022 Budget due to: Naturally occurring amortization schedule variances; Recognition of lower variable rate interest on 2006D Bonds; FY 2024 increase due to Forecasted Revenue Bond Sale</i>
<b>Debt Service – Forecast for FYs 2025 – 2027</b>	<i>Continued steady increases to support additional forecasted bond sales and DWRP activity</i>  <i>Forecasted FY 2027 Debt Service is \$50 million (37%) higher than Amended FY 2022 Budget</i>	<i>Relatively minor increases</i>  <i>Forecasted FY 2027 Debt Service is less than \$16 million (~ 8%) higher than Amended FY 2022 Budget</i>

## Financial Plan Highlights - continued

System	Water	Sewer
<p><b>Other Revenue Requirements</b></p>	<p>Legacy Pension Allocation is fixed through FY 2023            Forecasted reduction starting in FY 2024            Future amounts subject to actuarial updates            Total Lease Payment is fixed @ \$50 million for life of the Lease - <i>Amount allocated to Water is \$22.5 million</i>            WRAP Deposit fixed at 0.5% of revenue from charges</p>	<p>Legacy Pension Allocation is fixed through FY 2023            Forecasted reduction starting in FY 2024            Future amounts subject to actuarial updates            Total Lease Payment is fixed @ \$50 million for life of the Lease - <i>Amount allocated to Sewer is \$27.5 million</i>            WRAP Deposit fixed at 0.5% of revenue from charges</p>

## Financial Plan Highlights - continued

System	Water	Sewer
<b>I&amp;E Funding Biennial Budget FY 2023 &amp; FY 2024</b>	FY 2023 Deposit to I&E Fund for “pay go” CIP Financing Slightly lower (\$2.3 million) than FY 2022 Amended Budget for FY 2023 as new debt service occurs Increases by \$8.3 million in FY 2024	FY 2023 Deposit to I&E Fund for “pay go” CIP Financing Significantly higher (\$7.9 million) than FY 2022 Amended Budget for FY 2023 as debt service reduction occurs Increases by \$7.2 million in FY 2024
<b>I&amp;E Funding</b> <i>Forecast for FYs 2025 - 2027</i>	Relatively steady FY 2027 amount is only ~ \$8.5 million greater than Amended FY 2022 Budget level	Significant growth as debt service and other MBO requirements are steady FY 2027 amount is more than double than Amended FY 2022 Budget level

# Water Biennial BUDGET Highlights: Comprehensive Revenue Requirements

## Schedule 1A - Water System Revenue Requirements Biennial Budget

	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance
<b>Water System Revenue Requirements</b>								
<b>Revenues</b>								
Revenues from Charges	\$ 342,808,200	\$340,408,200	<b>\$354,946,100</b>	<b>\$ 12,137,900</b>	<b>3.5%</b>	\$ 366,527,400	\$ 11,581,300	3.3%
Other Operating Revenue	175,000	175,000	<b>175,000</b>	-	<b>0.0%</b>	175,000	-	0.0%
Non-Operating Revenue	1,047,300	1,547,300	<b>950,500</b>	<b>(96,800)</b>	<b>-9.2%</b>	1,831,700	881,200	92.7%
<b>Total Revenues</b>	<b>344,030,500</b>	<b>342,130,500</b>	<b>\$356,071,600</b>	<b>\$ 12,041,100</b>	<b>3.5%</b>	<b>\$368,534,100</b>	<b>\$ 12,462,500</b>	<b>3.5%</b>
<b>Revenue Requirements</b>								
Operations & Maintenance (O&M) Expense	\$ 143,933,800	\$143,933,800	<b>\$144,847,700</b>	<b>\$ 913,900</b>	<b>0.6%</b>	\$ 148,707,300	\$ 3,859,600	2.7%
General Retirement System Legacy Pension	6,048,000	6,048,000	<b>6,048,000</b>	-	<b>0.0%</b>	-	(6,048,000)	-100.0%
Debt Service	135,481,000	135,121,000	<b>150,337,100</b>	<b>14,856,100</b>	<b>11.0%</b>	159,237,000	8,899,900	5.9%
General Retirement System Accelerated Pension	6,268,300	6,268,300	<b>6,268,300</b>	-	<b>0.0%</b>	3,647,500	(2,620,800)	-41.8%
Water Residential Assistance Program Contribution	1,705,500	1,705,500	<b>1,770,500</b>	<b>65,000</b>	<b>3.8%</b>	1,842,700	72,200	4.1%
Regional System Lease	22,500,000	22,500,000	<b>22,500,000</b>	-	<b>0.0%</b>	22,500,000	-	0.0%
Improvement & Extension Fund Transfer Pending	28,093,900	26,553,900	<b>24,300,000</b>	<b>(3,793,900)</b>	<b>-13.5%</b>	32,599,600	8,299,600	34.2%
<b>Annual Water System Revenue Requirements</b>	<b>\$ 344,030,500</b>	<b>\$342,130,500</b>	<b>\$356,071,600</b>	<b>\$ 12,041,100</b>	<b>3.5%</b>	<b>\$ 368,534,100</b>	<b>\$ 12,462,500</b>	<b>3.5%</b>

<i>Change in Annual Revenue Requirement</i>	12,041,100	3.5%	12,462,500	3.5%
<i>Change Attributable to Non-Charge Revenue (FY 2023 reduction in investment earnings)</i>	96,800	0.0%	(881,200)	-0.2%
<i>Change Attributable to Sales Revenue (FY 2023 attributable to decreased projected Water Sales)</i>	512,100	0.1%	-	0.0%
<b>Charge Adjustment (Based on Revenue Requirement Increase of 3.5%)</b>	12,650,000	3.7%	11,581,300	3.3%

# Sewer Biennial BUDGET Highlights: Comprehensive Revenue Requirements

## Schedule 1B - Sewer System Revenue Requirements Biennial Budget

	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance
<b>Sewer System Revenue Requirements</b>								
<b>Revenues</b>								
Revenues from Charges	\$ 474,005,900	\$471,005,900	<b>\$485,760,000</b>	<b>\$ 11,754,100</b>	<b>2.5%</b>	\$ 496,787,900	\$ 11,027,900	2.3%
Other Operating Revenue	400,000	400,000	<b>400,000</b>	-	<b>0.0%</b>	400,000	-	0.0%
Non-Operating Revenue	1,023,300	1,523,300	<b>1,154,900</b>	<b>131,600</b>	<b>12.9%</b>	2,309,900	1,155,000	100.0%
<b>Total Revenues</b>	<b>475,429,200</b>	<b>472,929,200</b>	<b>\$487,314,900</b>	<b>\$ 11,885,700</b>	<b>2.5%</b>	<b>\$499,497,800</b>	<b>\$ 12,182,900</b>	<b>2.5%</b>
<b>Revenue Requirements</b>								
Operations & Maintenance (O&M) Expense	\$ 181,299,800	\$181,299,800	<b>\$187,052,600</b>	<b>\$ 5,752,800</b>	<b>3.2%</b>	\$ 192,419,100	\$ 5,366,500	2.9%
General Retirement System Legacy Pension	10,824,000	10,824,000	<b>10,824,000</b>	-	<b>0.0%</b>	-	(10,824,000)	-100.0%
Debt Service	207,209,500	204,984,500	<b>205,638,100</b>	<b>(1,571,400)</b>	<b>-0.8%</b>	220,662,100	15,024,000	7.3%
General Retirement System Accelerated Pension	11,620,700	11,620,700	<b>11,620,700</b>	-	<b>0.0%</b>	6,930,300	(4,690,400)	-40.4%
Water Residential Assistance Program Contribution	2,358,300	2,358,300	<b>2,423,800</b>	<b>65,500</b>	<b>2.8%</b>	2,497,500	73,700	3.0%
Regional System Lease	27,500,000	27,500,000	<b>27,500,000</b>	-	<b>0.0%</b>	27,500,000	-	0.0%
Improvement & Extension Fund Transfer Pending	34,616,900	34,341,900	<b>42,255,700</b>	<b>7,638,800</b>	<b>22.1%</b>	49,488,800	7,233,100	17.1%
<b>Annual Sewer System Revenue Requirements</b>	<b>\$ 475,429,200</b>	<b>\$472,929,200</b>	<b>\$487,314,900</b>	<b>\$ 11,885,700</b>	<b>2.5%</b>	<b>\$ 499,497,800</b>	<b>\$ 12,182,900</b>	<b>2.5%</b>
<i>Change in Annual Revenue Requirement</i>				11,885,700	2.5%		12,182,900	2.5%
<i>Change Attributable to Non-Charge Revenue (FY 2023 increase in investment earnings)</i>				(131,600)	0.0%		(1,155,000)	-0.2%
<i>Change Attributable to Sales Revenue (Reinstitution of Highland Park Bad Debt Adjustment)</i>				5,394,100	1.2%		-	0.0%
<b>Charge Adjustment (Based on Revenue Requirement Increase of 2.5%)</b>				17,148,200	3.7%		11,027,900	2.3%

# Four Operating Categories

## Schedule 2C - Operations & Maintenance Biennial Budget by Service Area

Operating Area	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance
A Water System Operations	\$ 74,813,000	\$ 74,813,000	\$ 76,309,300	\$ 1,496,300	2.0%	\$ 77,835,400	\$ 1,526,100	2.0%
B Sewer System Operations	111,971,400	111,971,400	114,785,600	2,814,200	2.5%	117,466,100	2,680,500	2.3%
C Centralized Services	103,845,900	103,845,900	105,405,300	1,559,400	1.5%	109,235,600	3,830,300	3.6%
D Administrative Services	34,603,300	34,603,300	35,400,100	796,800	2.3%	36,589,300	1,189,200	3.4%
<b>Grand Total</b>	<b>\$325,233,600</b>	<b>\$325,233,600</b>	<b>\$331,900,300</b>	<b>\$ 6,666,700</b>	<b>2.0%</b>	<b>\$341,126,400</b>	<b>\$ 9,226,100</b>	<b>2.8%</b>

## Schedule 2E - Operations & Maintenance Expense by Fund with Centralized & Administrative Services Allocated - Biennial Budget

System	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance
Water	\$143,933,800	\$143,933,800	\$ 144,847,700	\$ 913,900	0.6%	\$148,707,300	\$ 3,859,600	2.7%
Wastewater	181,299,800	181,299,800	187,052,600	5,752,800	3.2%	192,419,100	5,366,500	2.9%
<b>Grand Total</b>	<b>\$325,233,600</b>	<b>\$325,233,600</b>	<b>\$331,900,300</b>	<b>\$ 6,666,700</b>	<b>2.0%</b>	<b>\$341,126,400</b>	<b>\$ 9,226,100</b>	<b>2.8%</b>

# Operations & Maintenance Expenses by Type

## Schedule 2A - Operations & Maintenance Expense by Expense Type (Water and Sewer Combined) - Biennial Budget

Operations & Maintenance Expense	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance
2.1 Salaries & Wages	\$ 71,970,000	\$ 71,001,100	\$ 75,760,200	\$ 3,790,200	5.3%	\$ 80,648,900	\$ 4,888,700	1.2%
2.2 Workforce Development	976,700	976,700	1,801,900	825,200	84.5%	1,874,600	72,700	0.0%
2.3 Overtime	6,954,500	6,897,500	6,891,200	(63,300)	-0.9%	6,838,900	(52,300)	0.2%
2.4 Employee Benefits	27,134,500	26,829,400	30,087,300	2,952,800	10.9%	32,505,800	2,418,500	3.0%
2.5 Transition Services	8,401,700	8,296,100	7,603,700	(798,000)	-9.5%	7,603,700	-	2.9%
Total Personnel Costs	115,437,400	114,000,800	122,144,300	6,706,900	5.8%	129,471,900	7,327,600	6.0%
3.1 Electric	39,633,300	39,633,300	39,966,000	332,700	0.8%	40,151,000	185,000	0.7%
3.2 Gas	5,565,600	5,565,600	5,791,300	225,700	4.1%	5,861,800	70,500	1.6%
3.3 Sewage Service	2,079,100	2,079,100	2,268,400	189,300	9.1%	2,295,100	26,700	1.2%
3.4 Water Service	3,120,000	3,120,000	2,981,700	(138,300)	-4.4%	3,036,800	55,100	1.9%
Total Utilities Costs	50,398,000	50,398,000	51,007,400	609,400	1.2%	51,344,700	337,300	0.7%
4.1 Chemicals	16,044,300	16,044,300	16,118,600	74,300	0.5%	16,211,400	92,800	1.0%
4.2 Supplies & Other	35,024,800	36,082,000	35,358,100	333,300	1.0%	35,449,500	91,400	-2.5%
4.3 Contractual Services	103,375,700	104,834,700	105,299,200	1,923,500	1.9%	106,326,500	1,027,300	1.0%
5.1 Capital Program Allocation	(3,471,000)	(3,471,000)	(4,376,200)	(905,200)	26.1%	(5,419,400)	(1,043,200)	0.4%
5.2 Shared Services	(1,892,500)	(2,775,700)	(2,925,000)	(1,032,500)	54.6%	(2,977,100)	(52,100)	-47.9%
6.0 Capital Outlay	3,534,900	3,534,900	2,814,500	(720,400)	-20.4%	2,972,500	158,000	5.6%
7.0 Unallocated Reserve	6,782,000	6,585,600	6,459,400	(322,600)	-4.8%	7,746,400	1,287,000	30.7%
Total Other Categories	159,398,200	160,834,800	158,748,600	(649,600)	-0.4%	160,309,800	1,561,200	1.0%
<b>Grand Total</b>	<b>\$325,233,600</b>	<b>\$325,233,600</b>	<b>\$331,900,300</b>	<b>\$ 6,666,700</b>	<b>2.0%</b>	<b>\$341,126,400</b>	<b>\$ 9,226,100</b>	<b>2.8%</b>

# Water Five Year Plan Summary

Schedule 1C - Water System Revenue Requirements Five-Year Plan							
Water System Revenue Requirements	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Revenues</b>							
Revenues from Charges	\$ 342,808,200	\$340,408,200	<b>\$354,946,100</b>	\$366,527,400	\$ 377,369,800	\$ 388,663,000	\$402,515,800
Other Operating Revenue	175,000	175,000	<b>175,000</b>	175,000	175,000	175,000	175,000
Non-Operating Revenue	1,047,300	1,547,300	<b>950,500</b>	1,831,700	3,888,000	5,944,900	5,909,500
<b>Total Revenues</b>	<b>344,030,500</b>	<b>342,130,500</b>	<b>\$356,071,600</b>	<b>\$368,534,100</b>	<b>\$381,432,800</b>	<b>\$394,782,900</b>	<b>\$408,600,300</b>
<b>Revenue Requirements</b>							
Operations & Maintenance (O&M) Expense	\$ 143,933,800	\$143,933,800	<b>\$144,847,700</b>	\$148,707,300	\$ 154,338,200	\$ 155,636,900	\$159,155,500
General Retirement System Legacy Pension	6,048,000	6,048,000	<b>6,048,000</b>	-	-	-	-
Debt Service	135,481,000	135,121,000	<b>150,337,100</b>	159,237,000	170,589,900	180,955,100	185,569,700
General Retirement System Accelerated Pension	6,268,300	6,268,300	<b>6,268,300</b>	3,647,500	4,425,300	4,394,200	4,219,400
Water Residential Assistance Program Contribution	1,705,500	1,705,500	<b>1,770,500</b>	1,842,700	1,907,200	1,973,900	2,043,000
Regional System Lease	22,500,000	22,500,000	<b>22,500,000</b>	22,500,000	22,500,000	22,500,000	22,500,000
Improvement & Extension Fund Transfer Pending	28,093,900	26,553,900	<b>24,300,000</b>	32,599,600	27,672,200	29,322,800	35,112,700
<b>Annual Water System Revenue Requirements</b>	<b>\$ 344,030,500</b>	<b>\$342,130,500</b>	<b>\$356,071,600</b>	<b>\$368,534,100</b>	<b>\$ 381,432,800</b>	<b>\$ 394,782,900</b>	<b>\$408,600,300</b>
<i>Forecasted Adjustment</i>			3.5%	3.5%	3.5%	3.5%	3.5%

# Sewer Five Year Plan Summary

Schedule 1D - Sewer System Revenue Requirements Five-Year Plan							
	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Sewer System Revenue Requirements</b>							
<b>Revenues</b>							
Revenues from Charges	\$ 474,005,900	\$471,005,900	<b>\$485,760,000</b>	\$496,787,900	\$ 506,968,600	\$ 517,455,700	\$530,569,100
Other Operating Revenue	400,000	400,000	<b>400,000</b>	400,000	400,000	400,000	400,000
Non-Operating Revenue	1,023,300	1,523,300	<b>1,154,900</b>	2,309,900	4,616,600	6,929,100	6,935,300
<b>Total Revenues</b>	<b>475,429,200</b>	<b>472,929,200</b>	<b>\$487,314,900</b>	<b>\$499,497,800</b>	<b>\$511,985,200</b>	<b>\$524,784,800</b>	<b>\$537,904,400</b>
<b>Revenue Requirements</b>							
Operations & Maintenance (O&M) Expense	\$ 181,299,800	\$181,299,800	<b>\$187,052,600</b>	\$192,419,100	\$ 193,561,800	\$ 196,786,700	\$200,011,500
General Retirement System Legacy Pension	10,824,000	10,824,000	<b>10,824,000</b>	-	-	-	-
Debt Service	207,209,500	204,984,500	<b>205,638,100</b>	220,662,100	212,468,500	214,204,100	221,024,900
General Retirement System Accelerated Pension	11,620,700	11,620,700	<b>11,620,700</b>	6,930,300	8,679,800	8,609,800	8,216,700
Water Residential Assistance Program Contribution	2,358,300	2,358,300	<b>2,423,800</b>	2,497,500	2,559,900	2,623,900	2,689,500
Regional System Lease	27,500,000	27,500,000	<b>27,500,000</b>	27,500,000	27,500,000	27,500,000	27,500,000
Operating Reserve Deposit	-	-	-	-	-	-	-
DWSD Budget Shortfall/(Surplus) Pending	-	-	-	-	-	-	-
Improvement & Extension Fund Transfer Pending	34,616,900	34,341,900	<b>42,255,700</b>	49,488,800	67,215,200	75,060,300	78,461,800
<b>Annual Sewer System Revenue Requirements</b>	<b>\$ 475,429,200</b>	<b>\$472,929,200</b>	<b>\$487,314,900</b>	<b>\$499,497,800</b>	<b>\$ 511,985,200</b>	<b>\$ 524,784,800</b>	<b>\$537,904,400</b>
<i>Forecasted Adjustment</i>			2.5%	2.5%	2.5%	2.5%	2.5%

# Operations & Maintenance Budget Trends



# Staffing Level – From 2020 to Now

- The FY 2023 proposed budget identifies 1,234 full-time equivalents (FTEs) an increase of 18 FTEs from FY 2022 budgeted
- The budget is based on the FTE staffing which is the number of hours that a position is filled per year.

Status	FY 2020	FY 2021	FY 2022	FY 2023
Positions Filled at Year-end	1,059	1,037	*1038	
FTEs Budgeted	1,187	1,200	1,216	1,234

\*As of the 12.30.2021 pay date

- On the following slide is a table by Operating Area indicating the difference between budgeted Staffing Plan and FTEs from FY 2022 to FY 2023. In addition, some of the key initiatives and demands to support the increase in FTEs are as follows:
  - New Water Technician Apprenticeship Program (25 positions)
  - Capital Improvement Planning
  - Continual Improvement Process
  - Security for expanded coverage

# Staffing Plan vs FTEs – From 2020 to Now

Operating Area	+Increase, -Decrease Staffing Plan from FY 2022 to FY 2023	+Increase, -Decrease FTEs from FY 2022 to FY 2023
Water Operating & Field Services	+37.00	+26.00
Wastewater Operating Services	+2.00	-9.56
Planning Services	+11.00	+6.25
Administrative & Compliance Services	+8.00	+1.75
Chief Executive Officer	+5.00	+3.50
Financial Services	-9.00	-9.75
<b>Total</b>	<b>+54.00</b>	<b>-18.19</b>

Service Area	+Increase, -Decrease Staffing Plan from FY 2022 to FY 2023	+Increase, -Decrease FTEs from FY 2022 to FY 2023
A - Water System Operations	+29.00	+29.00
B - Wastewater System Operations	+2.00	-9.56
C - Centralized Services	+25.00	+6.25
D - Administrative & Compliance Services	-2.00	-7.50
<b>Total</b>	<b>+54.00</b>	<b>-18.19</b>

# Staffing Plan by Function

Operating Area	+Increase, -Decrease Staffing Plan from FY 2022 to FY 2023	+Increase, -Decrease Apprenticeship Program (*) FY 2022 to FY 2023	+Increase, -Decrease CIP Delivery FY 2022 to FY 2023	+Increase, -Decrease Other FY 2022 to FY 2023
Water Operating & Field Services	+37.00	+21.00	+7.00	+9.00
Wastewater Operating Services	+2.00	0	+2.00	0
Planning Services	+11.00	0	+8.00	+3.00
Administrative & Compliance Services	+8.00	0	0	+8.00
Chief Executive Officer	+5.00	0	0	+5.00
Financial Services	-9.00	0	0	-9.00
<b>Total</b>	<b>+54.00</b>	<b>+21.00</b>	<b>+17.00</b>	<b>+16.00</b>

Service Area	+Increase, -Decrease Staffing Plan from FY 2022 to FY 2023	+Increase, -Decrease Apprenticeship Program (*) FY 2022 to FY 2023	+Increase, -Decrease CIP Delivery FY 2022 to FY 2023	+Increase, -Decrease Other FY 2022 to FY 2023
A - Water System Operations	+29.00	+21.00	+7.00	+1.00
B - Wastewater System Operations	+2.00	0	+2.00	0
C - Centralized Services	+25.00	0	+8.00	+17.00
D - Administrative & Compliance Services	-2.00	0	0	-2.00
<b>Total</b>	<b>+54.00</b>	<b>+21.00</b>	<b>+17.00</b>	<b>+16.00</b>

(\*) Net of new Water Technician program +25, less positions no longer needed from former apprenticeship programs (-4)

# A – Water Operations

*Operations & Maintenance*

*Budget Analysis*



# A – Water Operations – FY 2021 Actual & Trend

A - Water Operations	FY 2021	FY 2021	Variance	
	Budget	Actual	Variance	%
2.0 Personnel	\$ 20.8	\$ 21.2	\$ (0.4)	-2%
3.0 Utilities	26.2	28.7	(2.6)	-10%
4.1 Chemicals	5.1	6.0	(1.0)	-19%
4.2 Supplies & Other	5.2	4.3	0.8	16%
4.3 Contractual Services	14.9	11.0	3.9	26%
5.1 Capital Program Allocation	(1.8)	(2.0)	0.2	-11%
5.2 Shared Services	-	-	-	n/a
7.0 Unallocated Reserve	1.7	-	1.7	100%
<b>Total</b>	<b>\$ 72.0</b>	<b>\$ 69.3</b>	<b>\$ 2.7</b>	<b>4%</b>

A - Water Operations Operations & Maintenance Expense Trend							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Budget</b>	\$ 67	\$ 67	\$ 66	\$ 72	\$ 75	\$ 76	\$ 78
<b>Actual</b>	62	69	69	69			
<b>Variance</b>	\$ 5	\$ (3)	\$ (3)	\$ 3			
<b>Variance %</b>	<u>7%</u>	<u>-4%</u>	<u>-4%</u>	<u>4%</u>			
<b>Annual Trend</b>		0%	-1%	9%	4%	2%	2%
<b>7 Year Average</b>							3%

## FY 2021 Variance Analysis

### Utilities (\$2.6M Over)

A 4.6% increase in total pumpage during peak season resulted in an increased expense of \$1.5 million at the water plants and \$ 1.1 at the water pump stations.

### Contractual Services (\$3.9M Under)

The removal, hauling, and disposal of alum sludge is necessary in order to meet regulatory standards and maintain water quality. For this particular contract, the operations project manager provides estimates based on anticipated scope of work for the upcoming fiscal year. The alum sludge project is very time contingent and cyclical. Based on operational priorities, services that were anticipated to occur in FY 2021 were deferred.

**TFG**

THE FOSTER GROUP

# A – Water Operations Proposed Budget Highlights

Operations & Maintenance Expense	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	Proposed FY 2023 Variance	FY 2024 Department Requested
<b>A Water Operations Total</b>	<b>\$ 74.8</b>	<b>\$ 74.8</b>	<b>\$ 76.3</b>	<b>\$ 1.5</b>	<b>\$ 77.8</b>
2.0 Personnel	21.7	21.7	25.0	3.3	26.1
3.0 Utilities	26.7	26.7	27.0	0.3	27.0
4.1 Chemicals	6.7	6.7	6.7	0.1	6.7
4.2 Supplies & Other	4.8	4.8	4.7	(0.1)	4.7
4.3 Contractual Services	15.2	15.2	13.5	(1.7)	13.5
5.1 Capital Program Allocation	(2.0)	(2.0)	(2.7)	(0.6)	(3.4)
5.2 Shared Services	-	-	-	-	-
7.0 Unallocated Reserve	1.8	1.8	2.1	0.3	3.3

**Water System Operations** are the direct operational activities to ensure the delivery of quality water, operation of five water treatment plants, 19 pumping stations, engineering, laboratory services, and management of those activities.

- ✓ Overall increase of \$1.5 million or 2.0%
- ✓ Personnel expenses are proposed to increase by \$3.3 million due to:
  - ✓ The adjustment of benefits to reflect the current medical plan cost increases
  - ✓ Staffing plan increase of 29 to expand the Water Technician Apprenticeship program (25), additional team members for capital delivery (7) and others (1). There is a reduction of 4 positions from a former apprenticeship program.
- ✓ Contractual services decrease of \$1.7 million due to the alum sludge removal, hauling and disposal project contract renewal for Springwells, Northeast, and Southwest water treatment plants.

# B – Wastewater Operations

*Operations & Maintenance*

*Budget Analysis*



## B – Wastewater Operations - FY 2021 Actual & Trend

B - Wastewater Operations	FY 2021	FY 2021	Variance	
	Budget	Actual	Variance	%
2.0 Personnel	\$ 37.9	\$ 36.6	\$ 1.2	3%
3.0 Utilities	25.5	23.8	1.7	7%
4.1 Chemicals	8.4	8.0	0.4	5%
4.2 Supplies & Other	14.2	17.2	(2.9)	-20%
4.3 Contractual Services	26.7	22.6	4.2	16%
5.1 Capital Program Allocation	(1.3)	(1.1)	(0.3)	19%
5.2 Shared Services	(0.3)	(0.3)	-	n/a
7.0 Unallocated Reserve	4.6	-	4.6	100%
<b>Total</b>	<b>\$115.7</b>	<b>\$106.8</b>	<b>\$ 8.9</b>	<b>8%</b>

### FY 2021 Variance Analysis

#### Supplies & Other (\$2.9 Over)

- Green Infrastructure reimbursement to DWSD accrued but was not budgeted (\$2.0M)
- Equipment & Facilities maintenance exceeded budget (1.1M)

#### Contractual Services (\$4.2 Under)

- Regulatory assistance contract not renewed (\$0.8M)
- Operations skilled labor contract budget, moved to transitional labor based on use (\$1.7M)
- Process Control contractor from AT&T moved under Information Technology mid-year (\$0.5M)

#### Unallocated Reserve (\$4.6 Under)

- Stable operations did not require use of reserves

B - Wastewater Operations Operations & Maintenance Expense Trend							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$ 118	\$ 118	\$ 116	\$ 116	\$ 112	\$ 115	\$ 117
Actual	110	112	106	107			
Variance	\$ 8	\$ 6	\$ 10	\$ 9			
Variance %	<u>7%</u>	<u>5%</u>	<u>9%</u>	<u>8%</u>			
Annual Trend		0%	-2%	0%	-3%	3%	2%
7 Year Average							0%

## B – Wastewater Operations Proposed Budget Highlights

Operations & Maintenance Expense	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	Proposed FY 2023 Variance	FY 2024 Department Requested
<b>B Wastewater Operations Total</b>	<b>\$ 112.0</b>	<b>\$ 112.0</b>	<b>\$ 114.8</b>	<b>\$ 2.8</b>	<b>\$ 117.5</b>
2.0 Personnel	39.2	38.2	40.1	1.9	42.6
3.0 Utilities	23.5	23.5	23.8	0.3	24.1
4.1 Chemicals	9.4	9.4	9.4	0.0	9.5
4.2 Supplies & Other	16.0	17.0	16.9	(0.2)	16.7
4.3 Contractual Services	23.3	24.3	24.3	(0.0)	24.5
5.1 Capital Program Allocation	(1.3)	(1.3)	(1.4)	(0.1)	(1.7)
5.2 Shared Services	(0.3)	(0.3)	(0.4)	(0.1)	(0.5)
7.0 Unallocated Reserve	2.3	1.2	2.3	1.1	2.3

**Wastewater (Sewer) Operations** includes the Water Resource Recovery Facility (WRRF), Combined Sewer Overflow (CSO) facilities, Industrial Waste Control, and Sewage Pumping Stations.

- ✓ Overall increase of \$2.8 million
- ✓ Personnel costs increase of \$1.9 million
  - ✓ Proposed Salaries & Wages increased due to a base wage level rate adjustment for certain classifications in order to recruit and retain team members
  - ✓ Two team members are being added for improved capital program delivery
  - ✓ FTEs decreased by 9.56 offsetting some of the wage increase
  - ✓ Employee Benefits reflect a forecasted medical plan cost increases (\$0.8 million)
  - ✓ Overtime was reduced based on expected staffing levels and shift configuration (-\$0.2 million)
- ✓ Unallocated Reserves increase of \$1.1 million
  - ✓ Recognizes potential cost fluctuations that may occur in several areas such as chemicals, utilities, and contracts, each of which are subject to factors outside the control of the Authority (\$1.1 million). These factors, such as significant wet weather events, may have an affect the cost structure that would not be easily quantifiable.

## **C – Centralized Services**

*Operations & Maintenance*

*Budget Analysis*



## C- Centralized Services Proposed Budget Highlights

**Centralized Services** include operational functions that serve both Water and Wastewater (Sewer) Operations. This includes:

- ✓ Planning Services (Chief Planning Officer, Systems Planning & Development, Systems Planning, Systems Analytics, Asset Management, and Capital Improvement Planning)
- ✓ Systems Control Center (SCC)
- ✓ Facility and Fleet Operations
- ✓ Field Service Operations
- ✓ Energy, Research & Innovation
- ✓ Transformation
- ✓ Information Technology (Office of the Chief Information Officer, Project Management Office, Service Delivery, Infrastructure, Business Productivity Systems, Enterprise Asset Management Systems, and Security & Risk); and
- ✓ Security & Integrity (Including HazMat and Office of Emergency Preparedness)

## C – Centralized Services - FY 2021 Actual & Trend

C - Centralized Services	FY 2021	FY 2021	Variance	
	Budget	Actual	Variance	%
2.0 Personnel	\$ 32.3	\$ 31.2	\$ 1.0	3%
3.0 Utilities	0.2	0.1	0.0	13%
4.1 Chemicals	-	-	-	n/a
4.2 Supplies & Other	17.3	8.9	8.4	49%
4.3 Contractual Services	54.4	50.1	4.3	8%
5.1 Capital Program Allocation	(0.2)	(0.1)	(0.1)	54%
5.2 Shared Services	(2.8)	(2.1)	(0.7)	n/a
7.0 Unallocated Reserve	1.6	-	1.6	100%
<b>Total</b>	<b>\$ 102.7</b>	<b>\$ 88.1</b>	<b>\$ 14.6</b>	<b>14%</b>

### FY 2021 Variance Analysis

**Supplies & Other (\$8.4 Under)**

**Contractual Services (\$4.3 Under)**

The variance is due to a number of factors – primarily in the Information Technology and Planning Services Area. See next two slides for analysis.

C - Centralized Services							
Operations & Maintenance Expense Trend							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$ 99	\$ 99	\$ 107	\$ 103	\$ 104	\$ 105	\$ 109
Actual	82	83	103	88			
Variance	\$ 17	\$ 16	\$ 4	\$ 15			
Variance %	<u>18%</u>	<u>16%</u>	<u>4%</u>	<u>14%</u>			
Annual Trend		0%	8%	-4%	1%	2%	4%
7 Year Average							2%

# C – Centralized Services - FY 2021 Actual & Trend

## Variance Explanations Continued

### Supplies & Other (\$8.4M Under)

#### Information & Technology Infrastructure

- ✓ In the first phase of the Data Center Modernization project, licenses were re-evaluated, and licensing agreements were renegotiated along with the reprioritization of active directory migration resulting in a \$1.3 million-dollar positive variance in the repairs, maintenance and hardware account
- ✓ Infrastructure for the new Rialto Warehouse resulted in a \$246,800 negative variance in the capital outlay less than \$5K account
- ✓ Certain telecom services were not being billed at the correct rate and was not corrected until the end of FY 2021 resulting in a \$279,100 negative variance in the telecom, managed security & network services account
- ✓ **Information Technology Asset Management Systems**
  - ✓ The start of Enterprise Asset Management subscription and the Project Management Information System were delayed along with the purchase of Innovyze licenses and its ongoing support resulting in a \$2.0 million-dollar positive variance in the repairs & maintenance software account
- ✓ **Information Technology Service Delivery**
  - ✓ Technical refresh cycle of computer equipment was delayed due to supply chain issues (computer chip shortages) resulting in a \$795,800 positive variance in the capital outlay less than \$5K account
  - ✓ Enterprise MFP hardware was not purchased due to employees working remotely resulting in a \$263,00 positive variance in the capital outlay over \$5K O&M non-capitalized account
  - ✓ Copier lease was delayed due to negotiations resulting in a \$205,00 positive in the printing account
- ✓ **Planning Services Area**
  - ✓ COVID-19 significantly reduced the need for office supplies and in person Member Partner meetings \$360,000 positive variance

# C – Centralized Services - FY 2021 Actual & Trend Variance Explanations Continued

## Contractual Services (\$4.3M Under)

- ✓ Information Technology Asset Management Systems
  - ✓ Consulting for EAM Advisory, Smart Water Platform (BI) Services and ESRI Professional Services were delayed to future years to align with the projects. The WAM support was lower in FY 2021 due to some DXC resources moving to new positions and a delay in replacing them. This resulted in a \$1.7 million dollar variance in the contractual services account
- ✓ Information & Technology Infrastructure
  - ✓ The contractual employee budgeted in the contractual services account resigned and was not replaced resulting in a \$384,500 dollar variance. The position has been filled with a direct hire employee
- ✓ Information Technology Service Delivery
  - ✓ There was an IT Shared Services True Up pertaining to the Help Desk which resulted in a negative \$159,600 dollar variance in the contractual services account
- ✓ Information Technology Project Management Office
  - ✓ The need for ERP Project Management Consulting Services were delayed to align with the ERP Project resulting in a \$339,900 variance in the contractual services account
- ✓ **Planning Services Area**
  - ✓ Meter Dye Testing delayed into 2022 (\$700,000)
  - ✓ Water Master Plan and Water Contract Negotiations initiatives delayed (\$600,000)
  - ✓ AECOM – Tasks 5 and 7 Activity exceeded 2021 forecast (\$500,000)

## C – Centralized Services Proposed Budget Highlights

	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	<i>Proposed</i> FY 2023 Variance	FY 2024 Department Requested
<b>Operations &amp; Maintenance Expense</b>					
<b>C Centralized Services Total</b>	<b>\$ 103.8</b>	<b>\$ 103.8</b>	<b>\$ 105.4</b>	<b>\$ 1.6</b>	<b>\$ 109.2</b>
2.0 Personnel	33.6	34.6	36.6	1.9	39.4
3.0 Utilities	0.2	0.2	0.1	(0.0)	0.2
4.1 Chemicals	-	-	-	-	-
4.2 Supplies & Other	15.6	15.7	14.4	(1.3)	14.8
4.3 Contractual Services	53.8	53.8	55.3	1.5	55.9
5.1 Capital Program Allocation	(0.1)	(0.1)	(0.3)	(0.2)	(0.3)
5.2 Shared Services	(1.4)	(2.3)	(2.3)	(0.0)	(2.4)
7.0 Unallocated Reserve	2.2	2.0	1.6	(0.4)	1.6

- ✓ Overall increase of \$1.6 million.
- ✓ See commentary on subsequent slides.

# C- Centralized Services Proposed Budget Highlights

## Planning Services

- ✓ Added a Systems Planning & Development Director to augment the Systems Planning Group to add technical skills and oversight to initiatives such as the Water and Wastewater Master Plans and various other Planning and modeling activities. Specifically, this change is effectuating the request by Member Partners for GLWA to bring master planning in-house to further develop expertise in this area retain the institutional knowledge gained by these planning activities. All staffing and other funding for this Group has been drawn from other areas in the organization (GLWA).
- ✓ Capital Improvement Planning Team is beginning its transition away from AECOM by adding 8 staffing positions to support the Capital Improvement Plan (CIP). These positions will only be partially filled in FY 2023 as AECOM support is budgeted to continue through year end. CIP spend for 2023 is projected to increase by 2.3M.
- ✓ After initial analysis, the Asset Management Team has revised the timing of the Linear System Integrity Program (LSIP) pushing major spend into FY 2025. This action will result in a departmental budget decrease of (1.2M).

## C- Centralized Services Proposed Budget Highlights

### Information Technology

- ✓ The proposed budget for the Information Technology group reflects an overall increase of \$149,700, or 0.4%, in FY 2023.
- ✓ The personnel account is increasing by \$289,400 in FY 2023 due to adding two Directors and one Management Professional to the Office of the CIO in the fourth quarter of FY 2023.
- ✓ The supplies & other account is decreasing by \$740,500 in FY 2023 due to the negotiated reduction of subscription cost for our new EAM solution.
- ✓ The contractual services account is increasing by \$ 1,350,500 in FY 2023 for contractual support staff. The largest portion of the increase is \$800,000 related to the need to continue to support WAM until the GO-Live of the new EAM system. The other factors include contractual support for the EAM and ERP enterprise projects in the amount of \$365,000, and an increase of \$270,400 for telecom services which reflects the usual 2% increase.
- ✓ The capital outlay account is decreasing by \$720,400 in FY 2023 due to a reduction of Oracle and SQL license requirements for DWSD.

## C- Centralized Services Proposed Budget Highlights

### Field Services & Other

- ✓ **Systems Control** - A new Systems Control Support Services contract with PCI Vertix (1903453) was entered into in Jan 2022. This contract is \$2 million dollars over 3 years.
- ✓ **Facility Operations** - Repairs to begin on Hurlbut Memorial Gate in FY 2022. \$500k budgeted to complete work in FY 2023
- ✓ **Energy, Research and Innovation**-- Addition of 2 new Management Professional positions to focus on Power Quality needs (\$155k)
- ✓ **Field Services** - Personnel cost increase due to updated benefits calculations and increased overtime budget (\$362k).

## **D – Administrative Services**

*Operations & Maintenance*

*Budget Analysis*



## D – Administrative Services Proposed Budget Highlights

**Administrative Services** support both Water and Wastewater (Sewer) Operations. This includes:

- ✓ Board of Directors
- ✓ Chief Executive Officer
- ✓ Chief Administrative and Compliance Officer (Risk Management & Safety)
- ✓ General Counsel
- ✓ Public Affairs
- ✓ Organizational Development
- ✓ Financial Services

## D – Administrative Services

D - Administrative Services				
	FY 2021	FY 2021	Variance	
	Budget	Actual	Variance	%
2.0 Personnel	19.4	17.9	1.5	8%
3.0 Utilities	0.1	0.0	0.1	n/a
4.2 Supplies & Other	1.9	0.8	1.1	56%
4.3 Contractual Services	10.1	8.4	1.8	17%
5.1 Capital Program Allocation	(0.1)	(0.0)	(0.1)	78%
5.2 Shared Services	(0.3)	(0.1)	(0.1)	n/a
7.0 Unallocated Reserve	0.5	-	0.5	100%
<b>Total</b>	<b>\$ 31.7</b>	<b>\$ 27.0</b>	<b>\$ 4.7</b>	<b>15%</b>

D - Administrative Services Operations & Maintenance Expense Trend							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$ 29	\$ 29	\$ 30	\$ 32	\$ 35	\$ 35	\$ 37
Actual	33	27	29	27			
Variance	\$ (4)	\$ 1	\$ 1	\$ 5			
Variance %	<u>-13%</u>	<u>5%</u>	<u>2%</u>	<u>15%</u>			
Annual Trend		0%	3%	7%	9%	2%	3%
7 Year Average							4%

### FY 2021 Variance Analysis

#### Personnel (\$1.5M Under)

- Delayed start in filling positions due to COVID-19

#### Supplies & Other (\$1.1M Under)

- GLWA Brand Awareness Campaign was placed on hold due to the pandemic. (\$0.2M)
- Supplies, Training, Travel, and Meeting Expenses came in under budget due to the pandemic (\$0.8M)

#### Contractual Services (\$1.8M Under)

- The start of contracts delayed due to the pandemic.

## D – Administrative Services Proposed Budget Highlights

	FY 2022 Adopted Budget	FY 2022 Amended Budget	FY 2023 Department Requested	Proposed FY 2023 Variance	FY 2024 Department Requested
<b>Operations &amp; Maintenance Expense</b>					
<b>D Administrative Services Total</b>	<b>\$ 34.6</b>	<b>\$ 34.6</b>	<b>\$ 35.4</b>	<b>\$ 0.8</b>	<b>\$ 36.6</b>
2.0 Personnel	20.9	19.4	20.5	1.1	21.4
3.0 Utilities	0.1	0.1	0.1	0.0	0.1
4.2 Supplies & Other	2.2	2.1	2.2	0.1	2.3
4.3 Contractual Services	11.1	11.5	12.2	0.7	12.4
5.1 Capital Program Allocation	(0.0)	(0.0)	-	0.0	-
5.2 Shared Services	(0.2)	(0.2)	(0.2)	(0.0)	(0.2)
7.0 Unallocated Reserve	0.5	1.6	0.5	(1.1)	0.5

- ✓ Overall increase of \$0.8 million.
- ✓ See commentary on subsequent slides.

# D – Administrative Services Proposed Budget Highlights (Continued)

## Personnel Increase of \$1.1M

- ✓ Five (5) Staffing positions are being added to Organizational Development to assist with the hiring, retention, and training & development of GLWA team members.
- ✓ While positions are not being added to the Financial Services area, a number of positions are requiring more advanced skill sets to in-source technical financial management needs which has resulted in increase to the FY 2023 budget.

## Contractual Services Increase of \$0.7M

- ✓ The FY 2023 budget includes implementation support for the new ERP (Enterprise Resource Planning). The implementation for the ERP as well as the EAM (Enterprise Asset Management) systems will begin in late FY 2022 (\$0.5M).
- ✓ The FY 2023 budget reflects an increases in the Enterprise Risk Management Fund insurance policies (\$0.2M).
- ✓ The budget for legal fees is increasing in FY 2023 (\$0.6M).

# Capital Finance Plan



# Water Biennial BUDGET Highlights: Capital Financing Plan

## Schedule 5A - Water Capital Financing Plan

### *Water Construction Fund*

	Current Year	Biennial Budget		Forecast		
	FY 2022 Estimated	FY 2023 Requested	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
<b>Inflows &amp; Outflows</b>						
<b>Water Construction Fund</b>						
Bond Proceeds, Net	\$175,750,000	\$0	\$0	\$256,500,000	\$0	\$261,250,000
Bond Fund Earnings on Investments	67,500	128,800	365,900	1,199,400	1,309,400	1,088,600
Grant Revenues (DWRP Loans)	36,527,000	54,992,000	59,446,000	21,442,000	2,400,000	22,505,000
Transfers from I&E Fund	106,836,800	28,735,400	18,221,400	17,914,700	20,159,900	26,149,600
Project Expenditures	(143,368,000)	(157,354,000)	(182,214,000)	(179,147,000)	(141,599,000)	(121,496,000)
Increase (Decrease) in Construction Funds	\$175,813,300	(\$73,497,800)	(\$104,180,700)	\$117,909,100	(\$117,729,700)	\$189,497,200
Beginning Year Net Position	12,438,000	188,251,300	114,753,500	10,572,800	128,481,900	10,752,200
<b>Projected Ending Net Position</b>	<b>\$188,251,300</b>	<b>\$114,753,500</b>	<b>\$10,572,800</b>	<b>\$128,481,900</b>	<b>\$10,752,200</b>	<b>\$200,249,400</b>

### *Water Improvement & Extension Fund*

	Current Year	Biennial Budget		Forecast		
	FY 2022 Estimated	FY 2023 Requested	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
<b>Inflows &amp; Outflows</b>						
<b>Water Improvement &amp; Extension Fund</b>						
Water System Revenue Transfers	\$26,553,900	\$24,300,000	\$32,599,600	\$27,672,200	\$29,322,800	\$35,112,700
Receipt of DWSD Shortfall Loan Interest	-	-	-	-	-	-
Budgeted Capital Outlay	(17,006,600)	(15,452,600)	(13,403,600)	(10,379,900)	(9,626,700)	(9,007,600)
Transfer to Construction Fund	(106,836,800)	(28,735,400)	(18,221,400)	(17,914,700)	(20,159,900)	(26,149,600)
Increase (Decrease) in I&E Reserves	(\$97,289,500)	(\$19,888,000)	\$974,600	(\$622,400)	(\$463,800)	(\$44,500)
Beginning Year Net Position	207,475,000	110,185,500	90,297,500	91,272,100	90,649,700	90,185,900
<b>Projected Ending Net Position</b>	<b>\$110,185,500</b>	<b>\$90,297,500</b>	<b>\$91,272,100</b>	<b>\$90,649,700</b>	<b>\$90,185,900</b>	<b>\$90,141,400</b>

# Sewer Biennial BUDGET Highlights: Capital Financing Plan

## Schedule 5B - Sewer Capital Financing Plan Sewer Construction Fund

Inflows & Outflows	Current Year	Biennial Budget		Forecast		
	FY 2022 Estimated	FY 2023 Requested	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
<b>Sewer Construction Fund</b>						
Bond Proceeds, Net	\$137,750,000	\$0	\$0	\$104,500,000	\$0	\$123,500,000
Bond Fund Earnings on Investments	96,000	86,200	256,600	581,600	396,900	388,100
Grant Revenues (CWRP Loans)	14,149,000	18,720,000	10,247,000	9,785,000	15,357,000	7,198,000
Transfers from I&E Fund	47,953,800	26,444,900	38,173,500	58,839,200	66,826,700	68,348,000
Project Expenditures	(79,538,000)	(94,449,000)	(121,735,000)	(138,392,000)	(118,267,000)	(98,480,000)
Increase (Decrease) in Construction Funds	\$120,410,800	(\$49,197,900)	(\$73,057,900)	\$35,313,800	(\$35,686,400)	\$100,954,100
Beginning Year Net Position	11,473,000	131,883,800	82,685,900	9,628,000	44,941,800	9,255,400
<b>Projected Ending Net Position</b>	<b>\$131,883,800</b>	<b>\$82,685,900</b>	<b>\$9,628,000</b>	<b>\$44,941,800</b>	<b>\$9,255,400</b>	<b>\$110,209,500</b>

## Sewer Improvement & Extension Fund

Inflows & Outflows	Current Year	Biennial Budget		Forecast		
	FY 2022 Estimated	FY 2023 Requested	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
<b>Sewer Improvement &amp; Extension Fund</b>						
Sewer System Revenue Transfers	\$34,341,900	\$42,255,700	\$49,488,800	\$67,215,200	\$75,060,300	\$78,461,800
Receipt of DWSD Shortfall Loan Interest	406,400	-	-	-	-	-
Budgeted Capital Outlay	(15,965,100)	(18,447,100)	(11,610,500)	(8,106,700)	(8,671,900)	(10,256,600)
Transfer to Construction Fund	(47,953,800)	(26,444,900)	(38,173,500)	(58,839,200)	(66,826,700)	(68,348,000)
Increase (Decrease) in I&E Reserves	(\$29,170,600)	(\$2,636,300)	(\$295,200)	\$269,300	(\$438,300)	(\$142,800)
Beginning Year Net Position	122,385,000	93,214,400	90,578,100	90,282,900	90,552,200	90,113,900
<b>Projected Ending Net Position</b>	<b>\$93,214,400</b>	<b>\$90,578,100</b>	<b>\$90,282,900</b>	<b>\$90,552,200</b>	<b>\$90,113,900</b>	<b>\$89,971,100</b>

# Benchmarking

*Checking in -*

*Goals Set, Goals Met*



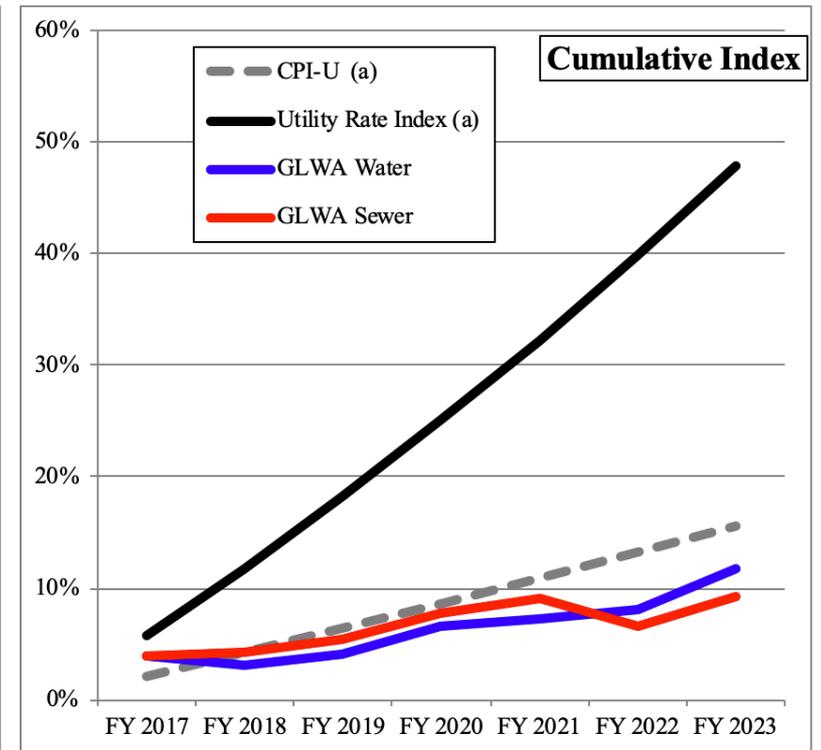
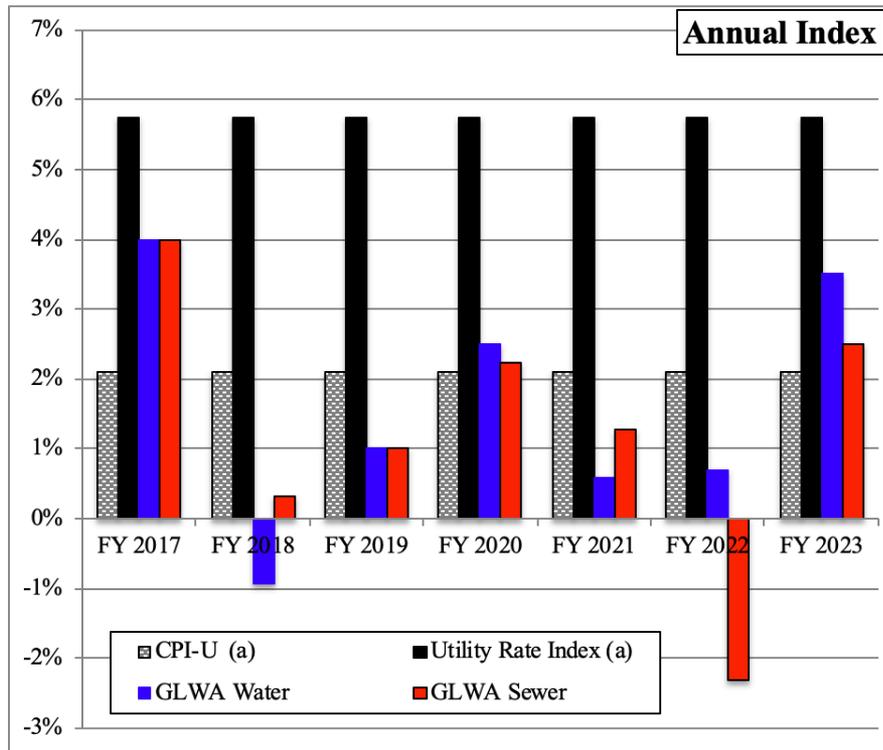
# GLWA BUDGET Adjustments Compared to Utility Indices

## Annual

CPI-U (a)  
Utility Rate Index (a)  
GLWA Water  
GLWA Sewer

Annual Index						
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
4.0%	-0.9%	1.0%	2.5%	0.6%	0.7%	3.5%
4.0%	0.3%	1.0%	2.2%	1.3%	-2.3%	2.5%

Cumulative Index						
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2.1%	4.2%	6.4%	8.7%	11.0%	13.3%	15.7%
5.8%	11.8%	18.3%	25.1%	32.3%	39.9%	47.9%
4.0%	3.0%	4.1%	6.7%	7.3%	8.0%	11.8%
4.0%	4.3%	5.4%	7.7%	9.1%	6.5%	9.2%



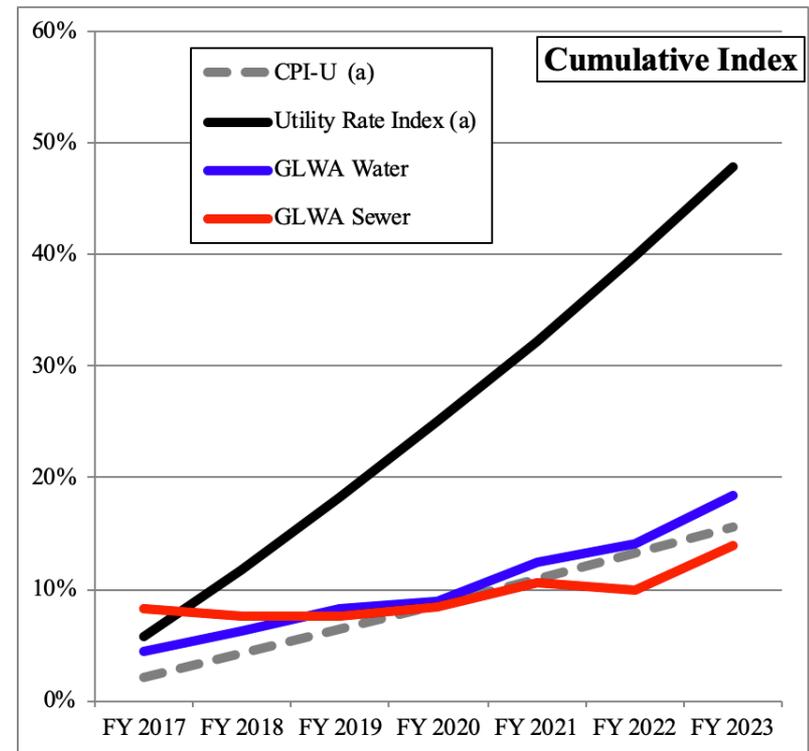
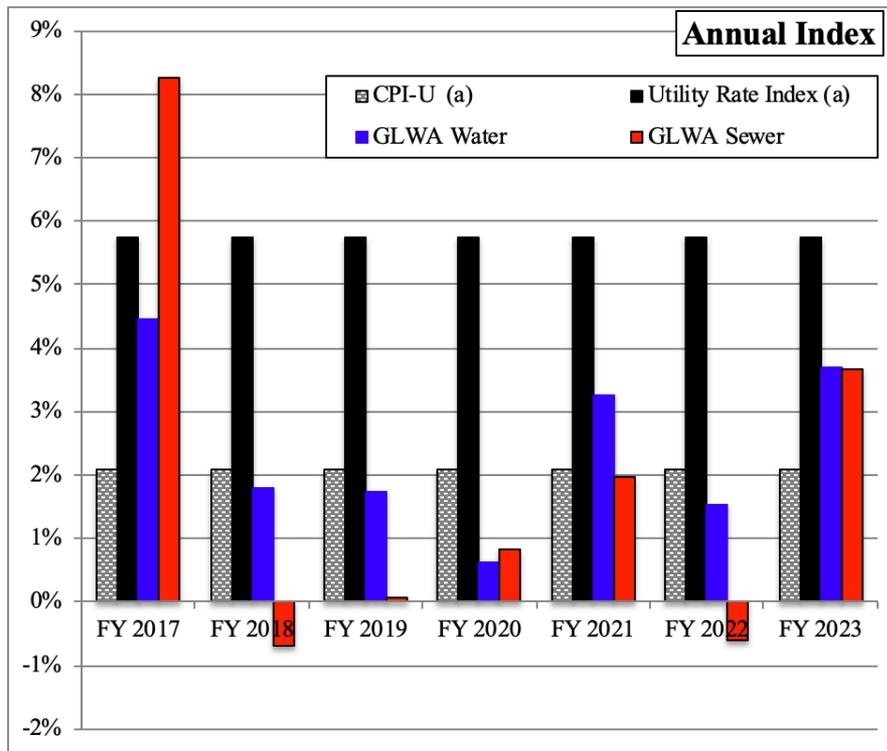
# GLWA CHARGE Adjustments Compared to Utility Indices

## Annual

CPI-U (a)  
Utility Rate Index (a)  
GLWA Water  
GLWA Sewer

Annual Index						
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
4.5%	1.8%	1.8%	0.6%	3.2%	1.5%	3.7%
8.3%	-0.7%	0.1%	0.8%	2.0%	-0.6%	3.7%

Cumulative Index						
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2.1%	4.2%	6.4%	8.7%	11.0%	13.3%	15.7%
5.8%	11.8%	18.3%	25.1%	32.3%	39.9%	47.9%
4.5%	6.3%	8.2%	8.9%	12.4%	14.1%	18.3%
8.3%	7.5%	7.6%	8.5%	10.6%	9.9%	14.0%





**GLWA**

*Great Lakes Water Authority*

# Charges Q&A



# Proposed FY 2023 Water Service Charge Summary

- ✓ Proposed FY 2023 Water System Charge Adjustment is a 3.7% increase
  - ***System Charge Adjustment*** = the amount by which revenues from existing charges must be adjusted to meet budgeted revenue requirements
- ✓ Charge Adjustments for individual Member Partners are largely uniform, as there are only 4 Member Partners whose units of service are changing
- ✓ Implement specific cost of service study adjustments for the 4 Member Partners whose demands were **modified** for FY 2023
  - *St Clair County DPW – now served under model contract*
  - *3 Non Master Metered Member Partners*
- ✓ Treat remaining 84 Member Partners as uniform class
  - *Uniform wholesale revenue requirement change is 3.7% and uniform charge adjustment is ~ 3.4%*  
*St Clair County DPW – now served under model contract*

# Proposed FY 2023 Sewer Service Charge Summary

- ✓ Proposed FY 2023 Water System Charge Adjustment is a 3.7% increase
  - *System Charge Adjustment = the amount by which revenues from existing charges must be adjusted to meet budgeted revenue requirements*
- ✓ No change in Sewer SHARES for FY 2023, so proposed Wholesale Charge Adjustments for individual Member Partners are uniformly increased relative to the revenue requirement increase of 2.5%
- ✓ “Uniform Charge Increase” of 4.5% for Suburban Wholesale Member Partners after recognizing Highland Park Bad Debt Expense
  - *Adds 2.0% to the Charge Adjustment for Suburban Wholesale Member Partners*

# Water Member Partner Individual Meetings: Key Themes

- ✓ Over the past two weeks 8 Water Member Partners scheduled and participated in individual meetings to discuss charge proposals specific to their communities
- ✓ General themes among both water and sewer discussions include interest in a better understanding of:
  - *Charge methodology and community specific charge calculations;*
  - *Specificity on "the 4% Promise";*
  - *History / rationale for DWSD Ownership Benefit; and*
  - *Highland Park payment history and charge treatment*
- ✓ *Water specific themes included:*
  - *CAP model contract Appendix B schedule & process and process for "interim" adjustments;*
  - *Schedule / scope for Water charges methodology review; and*
  - *History / rationale for Flint / KWA Debt Service credit.*

# Sewer Member Partner Individual Meetings

## Key Themes

- ✓ Over the past two weeks 4 Sewer Member Partners scheduled and participated in individual meetings to discuss charge proposals specific to their communities
- ✓ In addition to the general themes, the discussions included interest in better understanding of:
  - *Schedule for future SHARE modifications; and*
  - *Process for interim SHARE modifications for specific Member Partner specific adjustments.*

# The 4% Revenue Requirement Promise

[Water Lease](#) and [Sewer Lease](#) - Page 21 of both documents

(c) As provided in the MOU, through the Fiscal Year ending June 30, 2025, the Water System is assumed to experience annual increases in the Authority Revenue Requirement of not more than 4%; provided however, this limitation shall not be applicable if the Authority Revenue Requirement must increase beyond the 4% assumption in order to satisfy the Rate Covenant or to pay the cost of improvements to the Leased Water Facilities that are required to be made by Applicable Laws.

# DWSD Ownership Benefit – Water From the GLWA / Detroit Lease

SECTION 5.6 Adoption of Budget; Establishment of Rates for Use of Leased Water Facilities.

(b) The Authority shall for each Fiscal Year fix and approve rates and charges to its customers in an amount that is expected to produce Revenues sufficient to satisfy the Authority Revenue Requirement. In connection with the determination by the Authority of the rates and charges applicable to Retail Water Customers in the City for such Fiscal Year, the City shall receive a credit in the amount of \$20,700,000, representing the return on equity to the City for the Water System in recognition of the City's ownership of the Water System and support of the rate structure for the Water System.

# DWSD Ownership Benefit – Sewer From the GLWA / Detroit Lease

## SECTION 5.6 Adoption of Budget; Establishment of Rates for Use of Leased Sewer Facilities.

(b) The Authority shall for each Fiscal Year fix and approve rates and charges to its customers in an amount that is expected to produce Revenues sufficient to satisfy the Authority Revenue Requirement. In connection with the determination by the Authority of the rates and charges applicable to Retail Sewer Customers in the City for such Fiscal Year, the City shall receive a credit in the amount of \$5,516,000, representing the amount due to the City pursuant to a settlement relating to the Sewer System in recognition of the City's ownership of the Sewer System and support of the rate structure for the Sewer System.

# Flint / KWA Debt Service Credit – Water From the GLWA / Flint Service Agreement

12.05 Credits to Wholesale Billing Account Resulting from Trust Account Payments. Customer is obligated to make, or cause to be made, payments to GLWA, KWA and GCDC under the terms of trust accounts established pursuant to the terms of Exhibit C (“Trust Agreement”) of the Master Agreement (“Trust Accounts”). If Customer timely and fully pays, directly or via the Trust Accounts, its monthly amounts (i) due to GLWA for water supplied under this Contract, which includes the Pass-Through Charges from GCDC that are assessed on a direct pass through basis from GLWA to Customer pursuant to Section 7.01; however for purposes of this Section, amounts due will be considered timely and fully paid if Customer has deposited funds as provided in Section 12.02 equal to the Pass-Through Charges from GCDC and the balance of the monthly amounts due to GLWA on such bill that is not in dispute, and (ii) due to KWA for KWA Designated Debt Service (as such term is defined in the Trust Agreement), then GLWA shall in the current or subsequent month issue a credit to Customer’s wholesale billing account equal to the lesser of (y) the KWA Designated Debt Service paid by or on behalf of Customer through the Trust Agreement or (z) in the event of any bond issue not consented to by GLWA under Section 26.01, when such consent is required, the debt service payment currently scheduled as set forth in the Trust Agreements, all under (ii) above.

# Highland Park Bad Debt Expense – Sewer From the GLWA / Detroit Service Agreement\*

## EXHIBIT B-V

### Modified List of Relevant Ratemaking Terms

#### B. Revenue Requirements

##### 3. Bad Debt Expense.

c. The Authority shall review the differences between the projected bad debt expense assigned to specific customer classes (noted below) in a rate year and the actual bad debt expense incurred for that rate year. Any negative variance between the projected bad debt expense and the actual bad debt expense incurred for that year shall be incorporated into the revenue requirement for the next-commencing rate year to insure that revenue shortfalls due to nonpayment of sewer charges are recovered.

d. For purposes of this clause, specific customer classes are defined as:

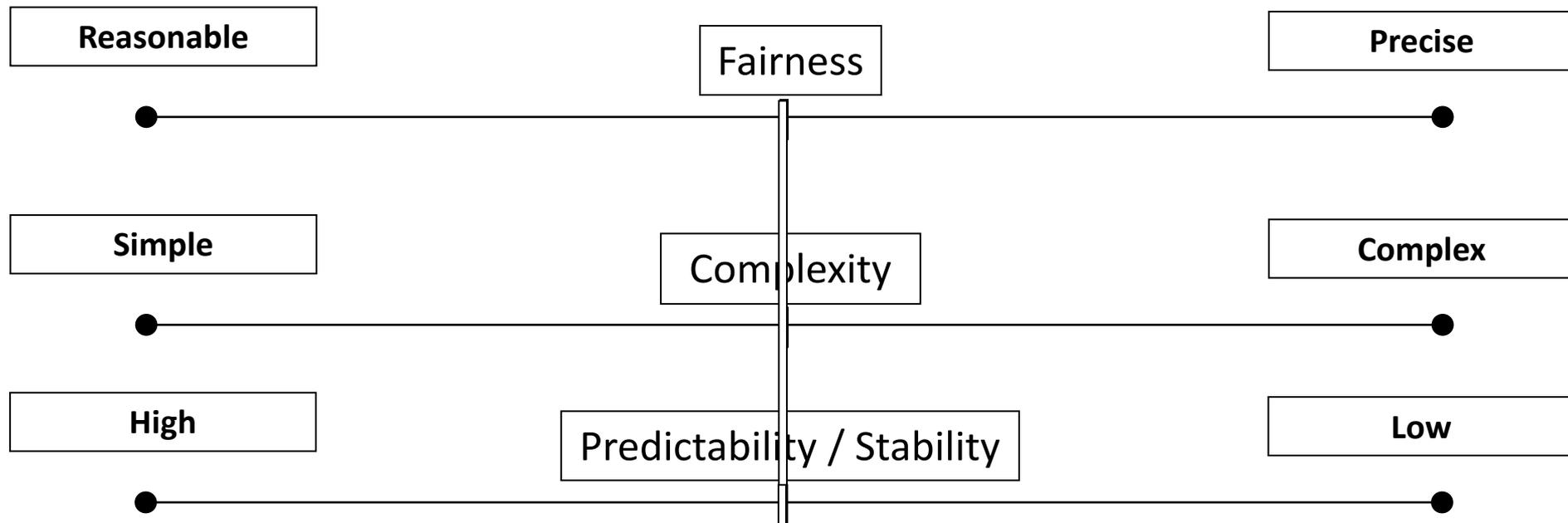
	Bad Debt Expense	Responsible Customer Class
1.	Detroit Retail Customers	Detroit Retail Customers
2.	Wholesale Contract Customers	Wholesale Contract Customers
3.	Surcharge Customers	Surcharge Customers
4.	Wayne County Hwy Drainage	Wayne County Hwy Drainage
5.	Michigan DOT Hwy Drainage	Michigan DOT Hwy Drainage
6.	Industrial Waste Control	Industrial Waste Control

# GLWA Charge Simplicity and Stability Strategies



# Utility Charges Methodology: Cost of Service *Continuum*

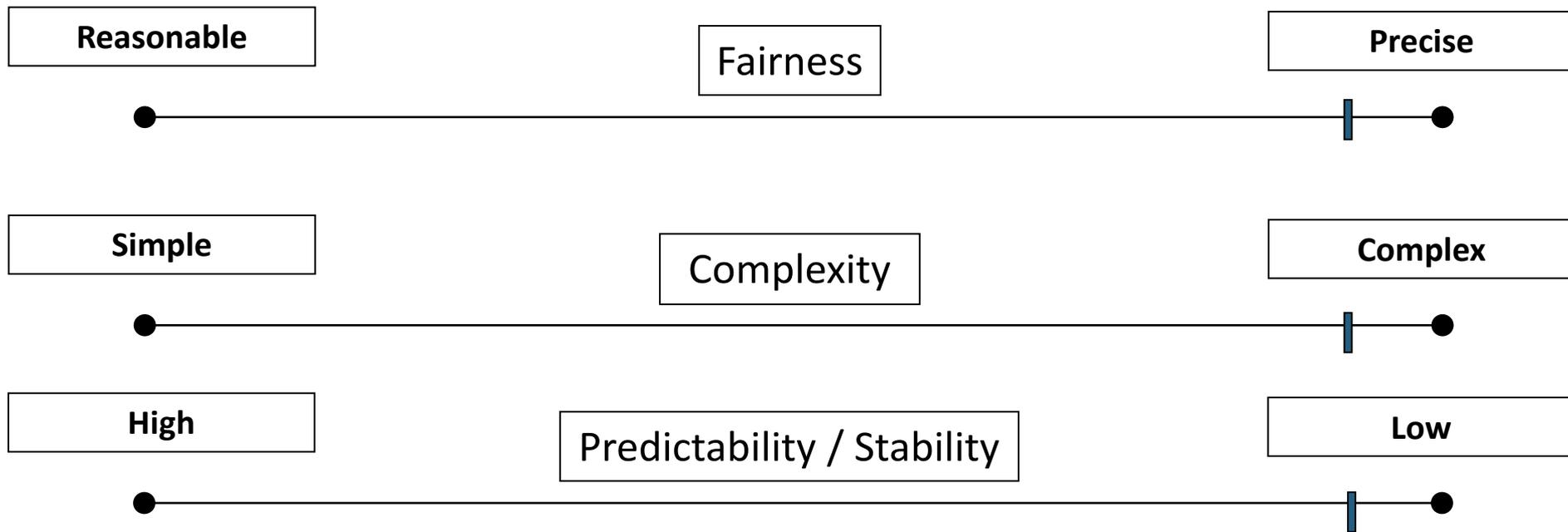
Legacy Fundamental Principle: *“Use best available, verifiable information to establish water and sewer charges”*



Prior to Sewer Rate Simplification, a pursuit of precision led to unintended consequences of high complexity and low predictability and stability.

# Utility Charges Methodology: Cost of Service *Continuum*

Sewer Rate Simplification sought to *maintain* fair charges while *decreasing* complexity and *improving* predictability and stability



# Lessons Learned from GLWA Sewer SHARES

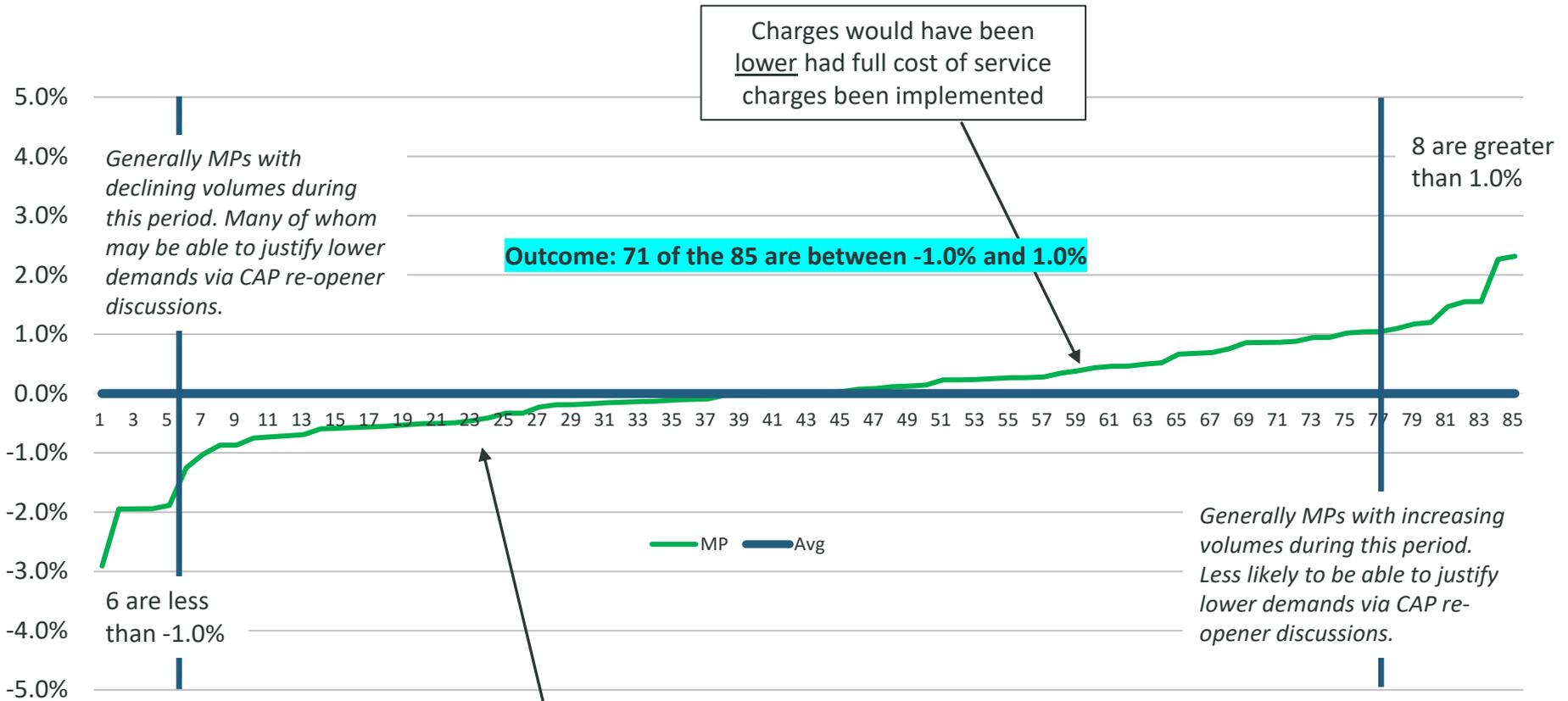
- ✓ While contributed volumes, and related levels of service, may vary amongst Member Partners year to year over the long term the relative level of service is fairly stable
- ✓ There is value in recognizing this stability that is fundamental in the current Sewer Charges Methodology:
  - ✓ *Commitment to using 10 year historical average flow contributions to determine SHARES*
  - ✓ *Hold SHARES constant for 3 year periods*

# GLWA Water Charge Stability Strategies

- ✓ Model contract reopeners previously were “staggered”
  - ✓ Result was changes in individual Member Partner demands created charge volatility every year
- ✓ Contract Alignment Process (CAP) initiated for FY 2020 charges sought to minimize annual volatility
  - ✓ *Universal contract demand review every 4 years*
- ✓ Augmented by “Mod” / “No Mod” strategy
  - ✓ *Only implement specific cost of service adjustments for Member Partners with “out of cycle” demand changes*
  - ✓ *Applied for FY 2021, FY 2022, and proposed FY 2023 Charges*

# Stability Achieved: Illustration of Water “Mod / No Mod” Charge Approach for FY 2021 thru FY 2023

Chart indicates the average annual variance between actual charges adopted / proposed compared to the charges that would have been calculated via full cost of service studies. After removing 3 outliers, the range of variance for the remaining 85 Member Partners runs from a 2.5% reduction to a 2.5% increase



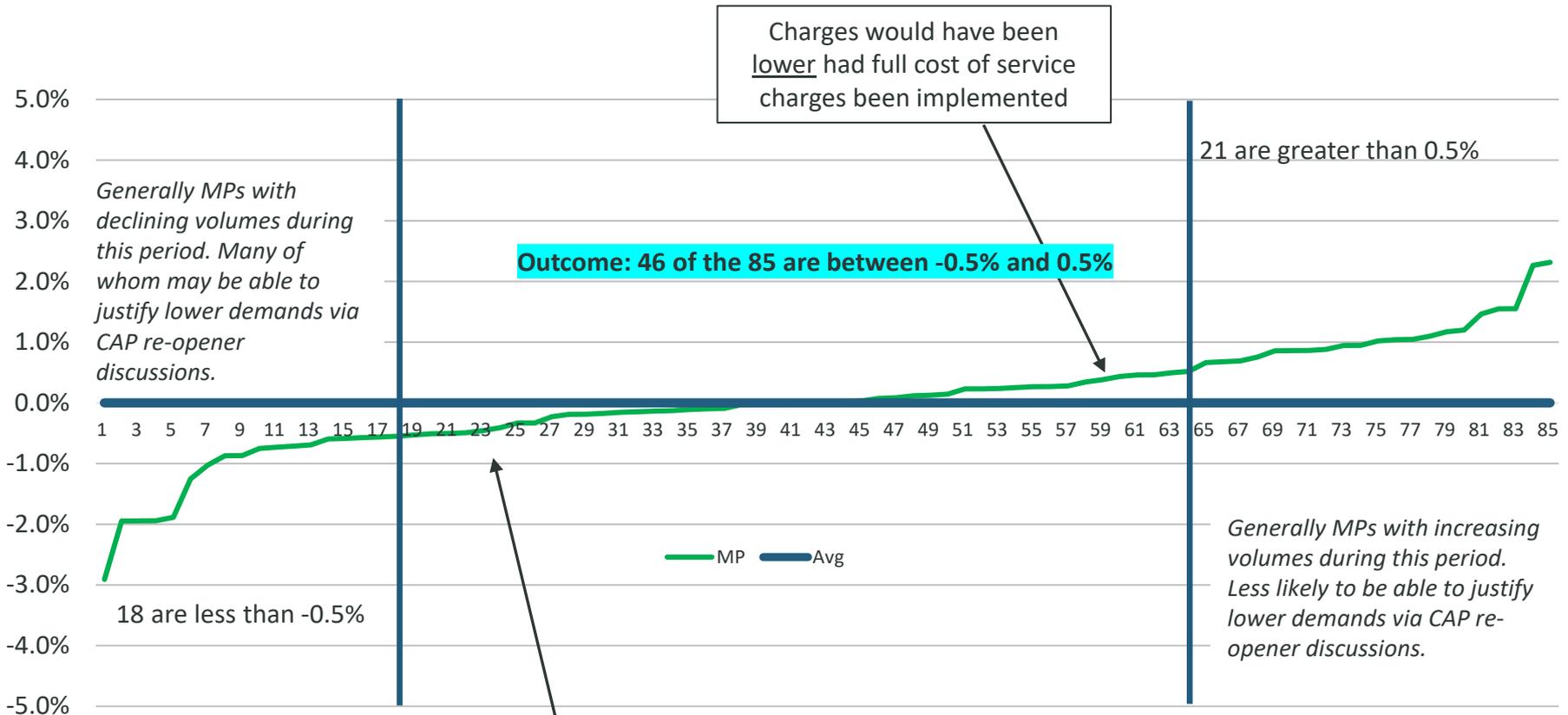
Charges would have been higher had full cost of service charges been implemented

# Another View Via a Different Threshold Perspective



# Stability Achieved: Illustration of Water “Mod / No Mod” Charge Approach for FY 2021 thru FY 2023

Chart indicates the average annual variance between actual charges adopted / proposed compared to the charges that would have been calculated via full cost of service studies. After removing 3 outliers, the range of variance for the remaining 85 Member Partners runs from a 2.5% reduction to a 2.5% increase



# A Final Note on Bad Debt



# Highland Park Bad Debt Expense

- ✓ The proposed Sewer Charges contain amounts for the Suburban Wholesale Member Partners that represents approximately 2.0% of the annual total charge.
- ✓ To date, the cumulative amount that has been included in Sewer Charges to these Member Partners equates to approximately 13.0% of the current annual total charge.
- ✓ The proposed Water Charges contain amounts for ALL Member Partners that represents approximately 0.4% of the annual total charge.
- ✓ To date, the cumulative amount that has been included in Water Charges to ALL Member Partners equates to approximately 1.5% of the current annual total charge.

## Next Steps



## What to Expect Over the Next 60 Days

- ❖ **Friday, January 21, 2022** – Audit Committee Special Meeting: Review of Proposed Budget & Financial Plan and Related Proposed Charges
- ❖ **Monday, January 24, 2022** – GLWA mails proposed charges worksheets to Member Partner designee in contract
- ❖ **Wednesday, January 26, 2022** – GLWA Board of Directors Meeting – First Budget, Charges, & Financial Plan Presentation to Board of Directors
- ❖ **Wednesday, February 23, 2022** - GLWA Board of Directors Meeting - Public Hearing for Biennial Budget and Schedule of Charges
- ❖ **Wednesday, February 23, 2022 (On or After)** – Board of Directors action to approved a biennial budget and schedule of charges with an effective date of July 1, 2022
  - ❖ Approved Charges Worksheets will be sent to Member Partners after Board Action



**GLWA**

*Great Lakes Water Authority*

**Great Lakes Water Authority**  
**Operations & Maintenance Trend Schedule by Major Expense Category**  
**Friday, January 21, 2022**

O&M Expense Categories by Operating Area	Actual					FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
	FY 2019 Activity as of 06.30.2019	FY 2020 Activity as of 06.30.2020	FY 2021 Activity as of 06.30.2021	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021					
<b>2.0 Personnel</b>	<b>\$ 98,588,800</b>	<b>\$ 104,266,400</b>	<b>\$ 106,944,600</b>	<b>\$ 114,000,800</b>	<b>\$ 36,753,600</b>	<b>\$ 122,144,300</b>	<b>\$ 129,471,900</b>	<b>\$ 131,374,000</b>	<b>\$ 132,601,400</b>	<b>\$ 133,235,600</b>
A Water Operations	19,349,000	20,747,300	21,185,800	21,728,200	7,173,400	25,017,700	26,069,600	27,130,300	27,800,000	27,938,700
B Wastewater Operations	36,668,300	36,296,300	36,648,700	38,210,700	12,513,300	40,062,900	42,611,200	43,092,900	43,289,800	43,486,900
C Centralized Services	26,877,400	29,530,300	31,238,200	34,631,600	10,923,300	36,550,700	39,356,100	39,610,300	39,865,700	40,058,800
D Administrative Services	15,694,100	17,692,500	17,871,900	19,430,300	6,143,600	20,513,000	21,435,000	21,540,500	21,645,900	21,751,200
<b>3.0 Utilities</b>	<b>\$ 51,395,600</b>	<b>\$ 51,152,700</b>	<b>\$ 52,749,400</b>	<b>\$ 50,398,000</b>	<b>\$ 18,884,400</b>	<b>\$ 51,007,400</b>	<b>\$ 51,344,700</b>	<b>\$ 51,394,000</b>	<b>\$ 51,833,400</b>	<b>\$ 52,280,900</b>
A Water Operations	26,130,400	27,670,400	28,745,200	26,669,800	10,127,000	26,981,800	26,981,800	26,981,800	26,981,800	26,981,800
B Wastewater Operations	25,037,200	23,388,100	23,844,300	23,483,700	8,693,400	23,773,500	24,108,500	24,155,500	24,592,500	25,037,500
C Centralized Services	168,500	65,900	135,800	152,500	35,500	149,800	150,100	150,400	150,700	151,000
D Administrative Services	59,500	28,300	24,100	92,000	28,500	102,300	104,300	106,300	108,400	110,600
<b>4.1 Chemicals</b>	<b>\$ 13,275,600</b>	<b>\$ 14,241,800</b>	<b>\$ 13,982,200</b>	<b>\$ 16,044,300</b>	<b>\$ 6,240,800</b>	<b>\$ 16,118,600</b>	<b>\$ 16,211,400</b>	<b>\$ 16,306,100</b>	<b>\$ 16,387,100</b>	<b>\$ 16,471,200</b>
A Water Operations	5,088,800	5,569,400	6,028,200	6,662,600	2,422,000	6,721,100	6,719,900	6,718,800	6,717,600	6,716,500
B Wastewater Operations	8,186,800	8,672,400	7,954,000	9,381,700	3,818,800	9,397,500	9,491,500	9,587,300	9,669,500	9,754,700
<b>4.2 Supplies &amp; Other</b>	<b>\$ 37,119,900</b>	<b>\$ 35,402,400</b>	<b>\$ 31,215,500</b>	<b>\$ 39,616,900</b>	<b>\$ 8,812,700</b>	<b>\$ 38,172,600</b>	<b>\$ 38,422,000</b>	<b>\$ 39,128,600</b>	<b>\$ 39,862,500</b>	<b>\$ 40,275,700</b>
A Water Operations	5,023,700	4,509,600	4,341,900	4,779,100	1,329,700	4,661,000	4,659,000	4,657,000	4,655,000	4,654,500
B Wastewater Operations	18,411,600	15,908,900	17,155,200	17,029,500	4,298,300	16,852,600	16,672,800	17,098,100	17,377,800	17,868,800
C Centralized Services	12,505,100	13,811,500	8,873,200	15,678,800	2,708,500	14,409,500	14,798,700	15,037,300	15,447,200	15,324,700
D Administrative Services	1,179,500	1,172,400	845,200	2,129,500	476,200	2,249,500	2,291,500	2,336,200	2,382,500	2,427,700
<b>4.3 Contractual Services</b>	<b>\$ 101,873,100</b>	<b>\$ 106,371,700</b>	<b>\$ 92,019,900</b>	<b>\$ 104,834,700</b>	<b>\$ 32,039,900</b>	<b>\$ 105,299,200</b>	<b>\$ 106,326,500</b>	<b>\$ 110,000,700</b>	<b>\$ 108,600,200</b>	<b>\$ 110,750,500</b>
A Water Operations	15,826,500	12,365,700	10,985,300	15,222,300	6,232,500	13,502,000	13,496,700	13,446,700	13,451,700	13,446,700
B Wastewater Operations	25,834,200	23,737,200	22,573,600	24,313,600	8,071,700	24,293,600	24,460,600	24,614,900	24,732,400	24,932,700
C Centralized Services	49,343,700	59,977,500	50,067,600	53,784,900	14,476,200	55,299,200	55,948,200	59,296,500	58,141,000	59,865,200
D Administrative Services	10,868,700	10,291,300	8,393,400	11,513,900	3,259,500	12,204,400	12,421,000	12,642,600	12,275,100	12,505,900
<b>5.1 Capital Program Allocation</b>	<b>\$ (3,380,700)</b>	<b>\$ (3,347,200)</b>	<b>\$ (3,191,600)</b>	<b>\$ (3,471,000)</b>	<b>\$ (961,200)</b>	<b>\$ (4,376,200)</b>	<b>\$ (5,419,400)</b>	<b>\$ (6,415,700)</b>	<b>\$ (6,871,500)</b>	<b>\$ (6,903,200)</b>
A Water Operations	(1,873,300)	(2,030,200)	(1,997,400)	(2,047,800)	(599,500)	(2,650,100)	(3,401,000)	(4,158,900)	(4,604,200)	(4,625,500)
B Wastewater Operations	(1,325,900)	(1,183,400)	(1,068,700)	(1,292,700)	(318,000)	(1,429,500)	(1,722,400)	(1,959,500)	(1,968,600)	(1,977,700)
C Centralized Services	(90,800)	(96,500)	(106,500)	(100,300)	(40,800)	(296,600)	(296,000)	(297,300)	(298,700)	(300,000)
D Administrative Services	(90,700)	(37,100)	(19,000)	(30,200)	(2,900)	-	-	-	-	-
<b>5.2 Shared Services</b>	<b>\$ (7,139,400)</b>	<b>\$ (1,733,700)</b>	<b>\$ (2,566,800)</b>	<b>\$ (2,775,700)</b>	<b>\$ (909,500)</b>	<b>\$ (2,925,500)</b>	<b>\$ (2,977,100)</b>	<b>\$ (3,029,900)</b>	<b>\$ (3,083,800)</b>	<b>\$ (3,139,100)</b>
A Water Operations	(351,500)	57,600	-	-	-	-	-	-	-	-
B Wastewater Operations	(713,700)	(1,036,800)	(338,200)	(344,900)	(115,100)	(448,600)	(451,100)	(453,600)	(456,000)	(458,900)
C Centralized Services	(5,740,300)	(589,400)	(2,079,600)	(2,262,100)	(754,000)	(2,307,300)	(2,353,500)	(2,400,400)	(2,448,400)	(2,497,200)
D Administrative Services	(333,900)	(165,100)	(149,000)	(168,700)	(40,400)	(169,100)	(172,500)	(175,900)	(179,400)	(183,000)
<b>7.0 Unallocated Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,585,600</b>	<b>\$ -</b>	<b>\$ 6,459,400</b>	<b>\$ 7,746,400</b>	<b>\$ 9,142,200</b>	<b>\$ 13,094,300</b>	<b>\$ 16,195,400</b>
A Water Operations	-	-	-	1,798,800	-	2,075,800	3,309,400	4,616,500	5,978,100	7,486,900
B Wastewater Operations	-	-	-	1,189,800	-	2,283,600	2,295,000	2,340,900	3,387,700	4,435,400
C Centralized Services	-	-	-	1,960,500	-	1,600,000	1,632,000	1,664,600	2,697,900	2,931,900
D Administrative Services	-	-	-	1,636,500	-	500,000	510,000	520,200	1,030,600	1,341,200
<b>Grand Total</b>	<b>\$ 291,732,900</b>	<b>\$ 306,354,100</b>	<b>\$ 291,153,200</b>	<b>\$ 325,233,600</b>	<b>\$ 100,860,700</b>	<b>\$ 331,900,300</b>	<b>\$ 341,126,400</b>	<b>\$ 347,900,000</b>	<b>\$ 352,423,600</b>	<b>\$ 359,167,000</b>

**Great Lakes Water Authority**  
**FY 2023 Staffing Analysis**  
**Friday, January 21, 2022**

Service Area	Operating Area	Change in Staffing Plan	Change in FTEs	Position	Budget (*) with Fringes	Purpose of position
<b>Positions Added in FY 2023</b>						
A Water System Operations	Water Operating Services	1	1.00	Management Professional	\$ 98,000	To assist the COO with budget development, analysis, & reporting
A Water System Operations	Water Operating Services	5	5.00	Engineer	490,000	CIP Delivery - Life Cycle Project Manager (LPM)
A Water System Operations	Water Operating Services	2	2.00	Engineer	196,000	CIP Delivery - Subject Matter Expert (SME)
A Water System Operations	Water Operating Services	25	25.00	Water Technician -A	2,450,000	New Water Technician Apprenticeship Program, starting FY 2023
B Wastewater System Operations	Wastewater Operating Services	2	2.00	Engineer	196,000	CIP Delivery - Life Cycle Project Manager (LPM)
C Centralized Services	Chief Executive Officer	1	1.00	Director	98,000	Position converted from Manager for new Emergency Preparedness department
C Centralized Services	Chief Executive Officer	1	1.00	Security Officer	98,000	Position needed for expanded security coverage
C Centralized Services	Chief Executive Officer	1	1.00	Management Professional	98,000	Position for new Emergency Preparedness department
C Centralized Services	Chief Executive Officer	1	1.00	Professional Administrative Analyst	98,000	Position for new Emergency Preparedness department
C Centralized Services	Administrative & Compliance Services	2	0.50	Director	49,000	The addition of two new Directors will enable IT to have the bandwidth necessary to drive the implementation and ongoing modernization anticipated with the upgrades and replacements of our data center and major business applications. The new positions will also enhance collaboration between IT and all areas of the business and facilitate strategic business process improvement.
C Centralized Services	Administrative & Compliance Services	1	0.25	Management Professional	24,500	Position needed to support the new Directors on the IT team
C Centralized Services	Fleet Operations	1	1.00	Professional Administrative Analyst	98,000	Position needed to support the Fleet team (currently there is no admin support for this team)
C Centralized Services	Energy, Research & Innovation	1	1.00	Management Professional	98,000	Energy Projects -needed to Expand metering initiatives within WRRF, CSO, WATER OPS & FIELD SVC.
C Centralized Services	Energy, Research & Innovation	1	1.00	Management Professional	98,000	Energy Analytics - Needed to continue to improve and build upon the Energy Database that has been implemented
C Centralized Services	Transformation	1	1.00	Manager	98,000	Position transfer due to reorganization (Department moved from Financial Services to Operations to align with operational driven initiatives)
C Centralized Services	Transformation	4	4.00	Management Professional	392,000	Position transfer due to reorganization (Department moved from Financial Services to Operations to align with operational driven initiatives)
C Centralized Services	Planning Services	1	1.00	Director	98,000	Position needed to lead the New Systems Planning & Development Team
C Centralized Services	Planning Services	1	1.00	Engineer	98,000	Position to support corporate wide initiatives (Water / Sewer Masterplans & various modeling exercises)
C Centralized Services	Planning Services	1	0.25	Management Professional	24,500	Position to support customer / partner outreach initiatives
C Centralized Services	Planning Services	2	0.75	Management Professional	73,500	Positions to support Asset Management Initiatives (LSIP, Asset Management Plan)
C Centralized Services	Planning Services	1	1.00	Field Services Technician	98,000	Remote meter, will perform SCADA analysis, field & online work
C Centralized Services	Planning Services	1	1.00	Manager	98,000	CIP Delivery: Program Assurances - Leader for CIP Quality, Risk & Safety
C Centralized Services	Planning Services	1	1.00	Manager	98,000	CIP Delivery: Program Controls - Leader for CIP Schedule, Budget & Document Management
C Centralized Services	Planning Services	2	1.25	Management Professional	122,500	CIP Delivery: Scheduler - Responsible for CIP Master Schedule and Work Breakdown Structure
C Centralized Services	Planning Services	1	1.00	Management Professional	98,000	CIP Delivery: Document - Responsible for CIP Document Control Process
C Centralized Services	Planning Services	1	1.00	Management Professional	98,000	CIP Delivery: Risk - Monitors, tracks and reports CIP KPI's and metrics
C Centralized Services	Planning Services	1	0.25	Management Professional	24,500	CIP Delivery: Quality - Assures CIP initiatives are performed within the CIP Project Management Plan (PMP). Works with PM's to assure compliance.
C Centralized Services	Planning Services	1	0.25	Management Professional	24,500	CIP Delivery: Budget - Leads and manages the development, maintenance and reporting of the Capital Improvement Plan (CIP) Master Budget

**Great Lakes Water Authority**  
**FY 2023 Staffing Analysis (continued)**  
**Friday, January 21, 2022**

Service Area	Operating Area	Change in Staffing Plan	Change in FTEs	Position	Budget (*) with Fringes	Purpose of position
D Administrative & Other Services	Chief Executive Officer	2	1.25	Public Affairs Specialist	122,500	Needed to expand the capacity to create a broad base of public education materials and campaigns for GLWA and its Member Partners and begin to bring external PR/Marketing services in-house.
D Administrative & Other Services	Administrative & Compliance Services	1	0.00	Manager	-	Changed from 1 Full Time Manager to 2 Part Time Managers
D Administrative & Other Services	Administrative & Compliance Services	2	2.00	Human Resources Generalist	196,000	Positions needed to support the OD Talent Management Team - hiring and retention of GLWA team members
D Administrative & Other Services	Administrative & Compliance Services	1	1.00	Professional Administrative Analyst	98,000	Position needed to support the OD Talent Management Team - hiring and retention of GLWA team members
D Administrative & Other Services	Administrative & Compliance Services	1	1.00	Training Specialist	98,000	Position needed to support the OD Training Team
<b>Total positions added in FY 2023</b>		<b>71</b>	<b>62.75</b>		<b>\$ 6,149,500</b>	
<b>Positions Eliminated in FY 2023</b>						
A Water System Operations	Water Operating Services	-2	-2.00	Electrical Instrumentation Control Technician (EA)-1	\$ (196,000)	Eliminated apprenticeship position used for prior program; not carried over to new program
A Water System Operations	Water Operating Services	-2	-2.00	Maintenance Technician-A	(196,000)	Eliminated apprenticeship position used for prior program; not carried over to new program
C Centralized Services	Chief Executive Officer	-1	-1.00	Manager	(98,000)	Position changed to Director for new Emergency Preparedness department
C Centralized Services	Planning Services	-1	-0.50	Office Support Specialist	(49,000)	Vacant position; determined no longer needed
C Centralized Services	Planning Services	-1	-1.00	Engineer	(98,000)	Vacant position. Will not be necessary under new CIP Delivery plan
C Centralized Services	Planning Services	-1	-1.00	Application Analyst	(98,000)	Position changed to Engineer
D Administrative & Other Services	Financial Services	-1	-1.00	Manager	(98,000)	Position moved to Centralized Services - Planning Services
D Administrative & Other Services	Financial Services	-3	-3.00	Management Professional	(294,000)	Positions moved to Centralized Services - Planning Services
D Administrative & Other Services	Financial Services	-1	-1.00	Manager	(98,000)	Position moved to Centralized Services - Transformation
D Administrative & Other Services	Financial Services	-4	-3.25	Management Professional	(318,500)	Positions moved to Centralized Services - Transformation
<b>Total positions eliminated in FY 2023</b>		<b>-17</b>	<b>-15.75</b>		<b>\$(1,543,500)</b>	
<b>Changes in FTE for existing positions</b>						
B Wastewater System Operations	Wastewater Operating Services	0	-11.56	Various - Timing differences from when positions were or will be filled		
C Centralized Services	Various	0	-12.75			
D Administrative & Other Services	Various	0	-4.50			
<b>Total changes in FTE for existing positions</b>		<b>0</b>	<b>-28.81</b>			
<b>Total FY 2023 Increase</b>		<b>54</b>	<b>18.19</b>			

(\*) Average - Includes Salaries & Wages, Overtime, Fringe Benefits

## **What is “Bad Debt Expense”?**

In the normal course of providing water and sewer services, communities are billed for those services on a regular basis, typically monthly. For accounting purposes, each month an amount of revenue is recorded for service provided and the corresponding amount billed is recorded as an accounts receivable. Generally, communities pay their bill on a monthly basis.

For accounting purposes, if a community is unable or unwilling to pay their bill, generally accepted accounting principles require that GLWA recognize bad debt expense and a corresponding allowance for doubtful accounts. If the reason for the late payment is an inability to pay when the bill is due, GLWA works with the community to bring the account current over time with a payment plan. In the very rare instance where there is an unwillingness to pay, GLWA may need to pursue other means to collect the debt including legal action.

*For accounting purposes*, it is required to record the bad debt expense when the timely collection of an account becomes doubtful. For most organizations, including GLWA, bad debt expense is treated as an operating expense. That means that bad debt is treated like other system operating costs like chemicals, electricity, maintenance, and personnel.

*For budget and charge setting purposes*, GLWA first seeks available remedies to recover the amount owed before recognizing the bad debt expense in the costs of operating the system. GLWA and its Member Partners have worked diligently to establish fair and equitable methodologies to allocate the cost of providing service. When one community does not pay for their allocated cost of service, the cost shifts to the remaining communities in future years.

## **How is Bad Debt Expense Reported?**

GLWA is transparent in identifying and reporting accounts with late payments in public monthly reports and presentations. It is important for stakeholders to be informed of financial matters that impact the system – and potentially their costs in the future.

## **Is GLWA Required to Allocate Bad Debt Expense in Calculating Charges?**

Yes, the 2011 Order to Incorporate Rate Settlements into Wastewater Contracts and Dismiss All Prior Rate Settlements, requires GLWA to allocate the bad debt expense in its sewer charges. A similar approach has been applied to water charges.

## **Water System Bad Debt Expense Allocation**

The bad debt expense is recovered from all customer classes.

## **Sewer System Bad Debt Expense Allocation**

The 2011 Order requires bad debt expense recovery from “wholesale contract customers” be recovered from that same customer class.

## **Do Our Current Charges Include Bad Debt Recovery?**

Unfortunately, there is one community that receives water and sewer service for which we have been unable to collect. We know this is frustrating. You have our commitment to continue to resolve the matter.

## **What if the Delinquent Bad Debt is Paid by the Community that received the Service?**

GLWA maintains records that would provide an allocation credit back to the communities that funded the bad debt expense. Depending on the timing and amount, we would work with Member Partners to determine the preferred method(s) to address the credit.

## **Questions?**

Please contact General Counsel Randal Brown via [Randal.Brown@glwater.org](mailto:Randal.Brown@glwater.org).

# GLWA

*Great Lakes Water Authority*



**Proposed**

**FY 2023 – FY 2024 Biennial Budget &**

**Five Year Financial Plan**

**FY 2023 through FY 2027**

**Supplemental Analysis**

**Presented to the Audit Committee**

**January 21, 2022**



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\*Proposed budget document distributed at the December 17, 2021 Audit Committee meeting. Supplement #1 distributed at the January 21, 2022 Audit Committee meeting.

## **Section 6 – Capital Investment**

Capital Investment Overview\*

Capital Outlay\*

\* Proposed budget document distributed at the December 17, 2021 Audit Committee meeting. Supplement #1 distributed at the January 21, 2022 Audit Committee meeting.



**GREAT LAKES WATER AUTHORITY  
NOTICE OF PUBLIC HEARING  
PROPOSED BIENNIAL BUDGET  
For the Two-Year Period ended June 30, 2024 (FY 2023 and FY 2024)**

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2023 and FY 2024 biennial budget.

**DATE: Wednesday, February 23, 2022**

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

**PLACE: In person, Zoom Videoconferencing, and Telephonic Hearing**

**Join Zoom Meeting**

<https://glwater.zoom.us/j/88966908345?pwd=Tkt3NTFodjEyZU44TzJQd0xweU0wUT09>

Meeting ID: 889 6690 8345

Passcode: 546743

**In Person (subject to capacity)**

Board Room, 5<sup>th</sup> 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: 889 6690 8345

Passcode: 546743

The proposed biennial budget is scheduled to take effect on July 1, 2022.

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 2023 and FY 2024 biennial budget proposed by the Great Lakes Water Authority scheduled for February 23, 2022 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/88966908345?pwd=Tkt3NTFodjEyZU44TzJQd0xweU0wUT09>

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, 5<sup>th</sup> 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 22, 2022 and should reference "February 23, 2022 Public Hearing on proposed FY 2023 and FY 2024 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., Interim Chief Executive Officer  
Great Lakes Water Authority  
735 Randolph  
Detroit, Michigan, 48226



Written comments by U.S. mail should reference “February 23, 2022 Public Hearing on proposed FY 2023 and FY 2024 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](mailto:CEO@glwater.org) or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



**GREAT LAKES WATER AUTHORITY  
NOTICE OF PUBLIC HEARING  
PROPOSED FY 2023 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 2023.

**DATE: Wednesday, February 23, 2022**

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

**PLACE: In person, Zoom Videoconferencing, and Telephonic Hearing**

**Join Zoom Meeting**

<https://glwater.zoom.us/j/88966908345?pwd=Tkt3NTFodjEyZU44TzJQd0xweU0wUT09>

Meeting ID: 889 6690 8345

Passcode: 546743

**In Person (subject to capacity)**

Board Room, 5<sup>th</sup> Floor

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

or 888 788 0099 US Toll-Free

Meeting ID: 889 6690 8345

Passcode: 546743

The proposed service charges are scheduled to take effect on July 1, 2022.

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 2023 Water and Sewerage service charges proposed by the Great Lakes Water Authority scheduled for February 23, 2022 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/88966908345?pwd=Tkt3NTFodjEyZU44TzJQd0xweU0wUT09>

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, 5<sup>th</sup> 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 22, 2022 and should reference "February 23, 2022 Public Hearing on service charges proposed for Fiscal Year 2023" 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., Interim Chief Executive Officer  
Great Lakes Water Authority  
735 Randolph  
Detroit, Michigan, 48226



Written comments by U.S. mail should reference “February 23, 2022 Public Hearing on service charges proposed for Fiscal Year 2023” 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](mailto:CEO@glwater.org) or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.



**Utilities**

GLWA has utilized Capturis, a multi-site utility information management system, has been in place for three years. There are a total of 83 trained users. The system allows team members to easily view invoices, run reports, and access any utility data information that may be needed. Capturis continues to allow us to monitor our utility usage and billing more accurately and efficiently.

The tables below provide an overall look at the utility costs that are included in the details of the budgets by operating area in Section 3 – Operating Financial Plans.

**Biennial Budget Request (tables 1 through 4)**

**Table 1 – Electric**

The proposed electric expense budget has an increase of \$332,700, or 0.8%. Key variances include the following.

- ✓ Southwest Water Plant increase of \$260,000 in order to right size budget based on actual usage and spend.
- ✓ Water pumping stations increase of \$90,000 due to energy consumption being directly proportional to the unit cost of power and the actual power used by the booster station pumps.
- ✓ Wastewater operations decrease of \$98,200 due to changes in operations resulting in a shift in usage.

Cost Center	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
Biosolids Dryer Facility	\$ 1,144,400	\$ 1,120,000	\$ 413,500	\$ 1,149,000	\$ 29,000	2.6%	\$ 1,166,000
Combined Sewer Overflow Facilities	1,015,400	955,400	366,900	1,004,000	48,600	5.1%	1,019,000
Lake Huron Water Plant	6,545,900	6,500,000	2,424,100	6,500,000	-	0.0%	6,500,000
Logistics & Materials Warehouse	5,200	27,000	20,600	36,000	9,000	33.3%	36,700
Northeast Water Plant	3,232,600	2,800,000	799,900	2,800,000	-	0.0%	2,800,000
Southwest Water Plant	1,611,300	1,270,000	493,600	1,530,000	260,000	20.5%	1,530,000
Springwells Water Plant	3,726,700	3,000,000	1,350,000	3,000,000	-	0.0%	3,000,000
System Analytics	77,800	81,700	16,100	82,000	300	0.4%	82,300
Systems Operations Control	55,900	65,000	18,600	65,000	-	0.0%	65,000
Wastewater Operations	9,812,400	10,226,200	3,793,700	10,128,000	(98,200)	-1.0%	10,280,000
Wastewater Operations Pumping (Lift) Stations	2,621,000	2,137,000	1,257,700	2,131,000	(6,000)	-0.3%	2,131,000
Water Pumping Stations	10,239,600	9,401,000	3,920,200	9,491,000	90,000	1.0%	9,491,000
Water Works Park	1,893,700	2,050,000	636,000	2,050,000	-	0.0%	2,050,000
<b>Grand Total</b>	<b>\$ 41,981,900</b>	<b>\$ 39,633,300</b>	<b>\$ 15,510,900</b>	<b>\$ 39,966,000</b>	<b>\$ 332,700</b>	<b>0.8%</b>	<b>\$ 40,151,000</b>



**Table 2 – Gas**

The proposed natural gas expense budget has an increase of \$225,700, or 4.1%. This increase is almost entirely driven by an increase in usage in Wastewater Operations at the Water Resource Recovery Facility (\$156,400) and at the Biosolids Dryer Facility (113,000).

Cost Center	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
Biosolids Dryer Facility	\$ 1,980,800	\$ 1,900,000	\$ 833,400	\$ 2,013,000	\$ 113,000	5.9%	\$ 2,043,000
Combined Sewer Overflow Facilities	146,400	206,200	10,600	177,000	(29,200)	-14.2%	179,000
Lake Huron Water Plant	139,200	180,000	16,700	160,000	(20,000)	-11.1%	160,000
Logistics & Materials Warehouse	1,300	25,000	700	25,500	500	2.0%	26,000
Northeast Water Plant	152,600	153,100	21,700	153,100	-	0.0%	153,100
Southwest Water Plant	171,000	140,000	15,500	150,000	10,000	7.1%	150,000
Springwells Water Plant	324,900	280,300	37,100	280,300	-	0.0%	280,300
Systems Operations Control	200	200	100	200	-	0.0%	200
Wastewater Operations	2,496,700	2,343,600	657,900	2,500,000	156,400	6.7%	2,538,000
Wastewater Operations Pumping (Lift) Stations	10,900	24,000	600	19,000	(5,000)	-20.8%	19,000
Water Pumping Stations	73,700	73,200	4,800	73,200	-	0.0%	73,200
Water Works Park	207,900	240,000	26,500	240,000	-	0.0%	240,000
<b>Grand Total</b>	<b>\$ 5,705,600</b>	<b>\$ 5,565,600</b>	<b>\$ 1,625,600</b>	<b>\$ 5,791,300</b>	<b>\$ 225,700</b>	<b>4.1%</b>	<b>\$ 5,861,800</b>

**Table 3 – Water**

The proposed water expense budget reflects a decrease of \$138,300, or 4.4%. This decrease is driven by a reduction of budget for Water Resource Recovery Facility.

Cost Center	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
Biosolids Dryer Facility	\$ 244,000	\$ 180,000	\$ 75,200	\$ 228,000	\$ 48,000	26.7%	\$ 231,000
Combined Sewer Overflow Facilities	363,400	360,300	82,700	379,000	18,700	5.2%	385,000
Lake Huron Water Plant		1,000	-		(1,000)	-100.0%	
Logistics & Materials Warehouse		5,000	400	5,100	100	2.0%	5,200
Northeast Water Plant		2,000	-		(2,000)	-100.0%	
Southwest Water Plant	200	500	300	500	-	0.0%	500
Systems Operations Control	500	600	-	600	-	0.0%	600
Wastewater Operations	2,296,300	2,502,100	668,000	2,300,000	(202,100)	-8.1%	2,346,000
Wastewater Operations Pumping (Lift) Stations	82,300	67,500	25,200	67,500	-	0.0%	67,500
Water Pumping Stations	700	1,000	200	1,000	-	0.0%	1,000
<b>Grand Total</b>	<b>\$ 2,987,400</b>	<b>\$ 3,120,000</b>	<b>\$ 852,000</b>	<b>\$ 2,981,700</b>	<b>\$ (138,300)</b>	<b>-4.4%</b>	<b>\$ 3,036,800</b>



**Table 4 – Sewer**

The proposed sewer expense budget reflects an increase in cost of \$189,300, or 9.1%. The sewer charges billed to GLWA represent sewer usage as well as stormwater drainage charges. The largest driving factor is an increase in budget of \$149,600 at the Biosolids Dryer Facility due to increased sewer usage demand at the facility.

Cost Center	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
Biosolids Dryer Facility	\$ 500,000	\$ 350,400	\$ 153,300	\$ 500,000	\$ 149,600	42.7%	\$ 508,000
Combined Sewer Overflow Facilities	541,300	604,400	168,200	585,000	(19,400)	-3.2%	594,000
Lake Huron Water Plant	68,300	70,000	11,400	70,000	-	0.0%	70,000
Logistics & Materials Warehouse	17,600	35,000	6,800	35,700	700	2.0%	36,400
Northeast Water Plant	132,300	130,000	44,600	130,000	-	0.0%	130,000
Southwest Water Plant	62,000	350,000	305,700	300,000	(50,000)	-14.3%	300,000
Systems Operations Control	1,400	5,000	700	2,000	(3,000)	-60.0%	2,000
Wastewater Operations	579,500	497,600	183,400	584,000	86,400	17.4%	593,000
Wastewater Operations Pumping (Lift) Stations	9,500	9,000	3,100	9,000	-	0.0%	9,000
Water Pumping Stations	2,000	2,700	900	2,700	-	0.0%	2,700
Water Works Park	160,600	25,000	17,800	50,000	25,000	100.0%	50,000
<b>Grand Total</b>	<b>\$ 2,074,500</b>	<b>\$ 2,079,100</b>	<b>\$ 895,900</b>	<b>\$ 2,268,400</b>	<b>\$ 189,300</b>	<b>9.1%</b>	<b>\$ 2,295,100</b>

**Five-Year Financial Plan (tables 5 through 8)**

**Table 5 – Electric**

The increase in the amount requested for electric through FY 2027 is less than 1% per year, representing the assumed increase in surcharges and electric cost each year from DTE.

Cost Center	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Biosolids Dryer Facility	\$ 1,120,000	\$ 413,500	\$ 1,149,000	\$ 29,000	2.6%	\$ 1,166,000	\$ 1,166,000	\$ 1,189,000	\$ 1,213,000
Combined Sewer Overflow Facilities	955,400	366,900	1,004,000	48,600	5.1%	1,019,000	1,019,000	1,040,000	1,061,000
Lake Huron Water Plant	6,500,000	2,424,100	6,500,000	-	0.0%	6,500,000	6,500,000	6,500,000	6,500,000
Logistics & Materials Warehouse	27,000	20,600	36,000	9,000	33.3%	36,700	37,400	38,200	38,900
Northeast Water Plant	2,800,000	799,900	2,800,000	-	0.0%	2,800,000	2,800,000	2,800,000	2,800,000
Southwest Water Plant	1,270,000	493,600	1,530,000	260,000	20.5%	1,530,000	1,530,000	1,530,000	1,530,000
Springwells Water Plant	3,000,000	1,350,000	3,000,000	-	0.0%	3,000,000	3,000,000	3,000,000	3,000,000
System Analytics	81,700	16,100	82,000	300	0.4%	82,300	82,600	82,900	83,200
Systems Operations Control	65,000	18,600	65,000	-	0.0%	65,000	65,000	65,000	65,000
Wastewater Operations	10,226,200	3,793,700	10,128,000	(98,200)	-1.0%	10,280,000	10,280,000	10,486,000	10,696,000
Wastewater Operations Pumping (Lift) Stations	2,137,000	1,257,700	2,131,000	(6,000)	-0.3%	2,131,000	2,131,000	2,131,000	2,131,000
Water Pumping Stations	9,401,000	3,920,200	9,491,000	90,000	1.0%	9,491,000	9,491,000	9,491,000	9,491,000
Water Works Park	2,050,000	636,000	2,050,000	-	0.0%	2,050,000	2,050,000	2,050,000	2,050,000
<b>Grand Total</b>	<b>\$ 39,633,300</b>	<b>\$ 15,510,900</b>	<b>\$ 39,966,000</b>	<b>\$ 332,700</b>	<b>0.8%</b>	<b>\$ 40,151,000</b>	<b>\$ 40,152,000</b>	<b>\$ 40,403,100</b>	<b>\$ 40,659,100</b>



**Table 6 – Gas**

The average increase for FY 2024 through FY 2027 in the amount requested for gas each year is less than 1% per year. This is based on the assumed increase in natural gas cost from the State of Michigan & transportation cost from DTE.

Cost Center	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Biosolids Dryer Facility	\$ 1,900,000	\$ 833,400	\$ 2,013,000	\$ 113,000	5.9%	\$ 2,043,000	\$ 2,043,000	\$ 2,084,000	\$ 2,126,000
Combined Sewer Overflow Facilities	206,200	10,600	177,000	(29,200)	-14.2%	179,000	179,000	181,000	183,000
Lake Huron Water Plant	180,000	16,700	160,000	(20,000)	-11.1%	160,000	160,000	160,000	160,000
Logistics & Materials Warehouse	25,000	700	25,500	500	2.0%	26,000	26,500	27,000	27,600
Northeast Water Plant	153,100	21,700	153,100	-	0.0%	153,100	153,100	153,100	153,100
Southwest Water Plant	140,000	15,500	150,000	10,000	7.1%	150,000	150,000	150,000	150,000
Springwells Water Plant	280,300	37,100	280,300	-	0.0%	280,300	280,300	280,300	280,300
Systems Operations Control	200	100	200	-	0.0%	200	200	200	200
Wastewater Operations	2,343,600	657,900	2,500,000	156,400	6.7%	2,538,000	2,538,000	2,589,000	2,641,000
Wastewater Operations Pumping (Lift) Stations	24,000	600	19,000	(5,000)	-20.8%	19,000	19,000	19,000	19,000
Water Pumping Stations	73,200	4,800	73,200	-	0.0%	73,200	73,200	73,200	73,200
Water Works Park	240,000	26,500	240,000	-	0.0%	240,000	240,000	240,000	240,000
<b>Grand Total</b>	<b>\$ 5,565,600</b>	<b>\$ 1,625,600</b>	<b>\$ 5,791,300</b>	<b>\$ 225,700</b>	<b>4.1%</b>	<b>\$ 5,861,800</b>	<b>\$ 5,862,300</b>	<b>\$ 5,956,800</b>	<b>\$ 6,053,400</b>

**Table 7 – Water**

We have budgeted a less than 2% increase for water for FY 2024 through FY 2027 to compensate for the increase in water charges from DWSD and other municipalities.

Cost Center	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Biosolids Dryer Facility	\$ 180,000	\$ 75,200	\$ 228,000	\$ 48,000	26.7%	\$ 231,000	\$ 231,000	\$ 236,000	\$ 241,000
Combined Sewer Overflow Facilities	360,300	82,700	379,000	18,700	5.2%	385,000	385,000	392,000	399,000
Lake Huron Water Plant	1,000	-	-	(1,000)	-100.0%	-	-	-	-
Logistics & Materials Warehouse	5,000	400	5,100	100	2.0%	5,200	5,300	5,400	5,500
Northeast Water Plant	2,000	-	-	(2,000)	-100.0%	-	-	-	-
Southwest Water Plant	500	300	500	-	0.0%	500	500	500	500
Systems Operations Control	600	-	600	-	0.0%	600	600	600	600
Wastewater Operations	2,502,100	668,000	2,300,000	(202,100)	-8.1%	2,346,000	2,393,000	2,441,000	2,490,000
Wastewater Operations Pumping (Lift) Stations	67,500	25,200	67,500	-	0.0%	67,500	67,500	67,500	67,500
Water Pumping Stations	1,000	200	1,000	-	0.0%	1,000	1,000	1,000	1,000
<b>Grand Total</b>	<b>\$ 3,120,000</b>	<b>\$ 852,000</b>	<b>\$ 2,981,700</b>	<b>\$ (138,300)</b>	<b>-4.4%</b>	<b>\$ 3,036,800</b>	<b>\$ 3,083,900</b>	<b>\$ 3,144,000</b>	<b>\$ 3,205,100</b>



**Table 8 – Sewer**

The increase for FY 2023 is discussed in Table 4. The Budget Request increase assumption for FY 2024 through FY 2027 is less than 2% per year.

Cost Center	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Biosolids Dryer Facility	\$ 350,400	\$ 153,300	\$ 500,000	\$ 149,600	42.7%	\$ 508,000	\$ 508,000	\$ 518,000	\$ 528,000
Combined Sewer Overflow Facilities	604,400	168,200	585,000	(19,400)	-3.2%	594,000	594,000	605,000	616,000
Lake Huron Water Plant	70,000	11,400	70,000	-	0.0%	70,000	70,000	70,000	70,000
Logistics & Materials Warehouse	35,000	6,800	35,700	700	2.0%	36,400	37,100	37,800	38,600
Northeast Water Plant	130,000	44,600	130,000	-	0.0%	130,000	130,000	130,000	130,000
Southwest Water Plant	350,000	305,700	300,000	(50,000)	-14.3%	300,000	300,000	300,000	300,000
Systems Operations Control	5,000	700	2,000	(3,000)	-60.0%	2,000	2,000	2,000	2,000
Wastewater Operations	497,600	183,400	584,000	86,400	17.4%	593,000	593,000	605,000	617,000
Wastewater Operations Pumping (Lift) Stations	9,000	3,100	9,000	-	0.0%	9,000	9,000	9,000	9,000
Water Pumping Stations	2,700	900	2,700	-	0.0%	2,700	2,700	2,700	2,700
Water Works Park	25,000	17,800	50,000	25,000	100.0%	50,000	50,000	50,000	50,000
<b>Grand Total</b>	<b>\$ 2,079,100</b>	<b>\$ 895,900</b>	<b>\$ 2,268,400</b>	<b>\$ 189,300</b>	<b>9.1%</b>	<b>\$ 2,295,100</b>	<b>\$ 2,295,800</b>	<b>\$ 2,329,500</b>	<b>\$ 2,363,300</b>



### Shared Services

The GLWA and DWSD leverage economies of scale, assets, technology, and expertise by sharing services. The shared services agreement, dated December 1, 2015, is available at <https://www.glwater.org/investor-relations/>.

The shared services billing process began in FY 2016 and was new to both entities. To best facilitate the tracking of expenses, the GLWA has designed its general ledger system to manage the budget and accumulate costs via a “contra” account in each cost center that matches the source of the expense (hence the contra amounts are shown as negative amounts). The net effect on the cost center expense is zero which preserves the basis for appropriate cost allocation. Amounts charged by DWSD for services are recorded in a manner consistent with other vendor expenses.

The tables below provide an overall look of the shared services that are included in the details of the budgets by operating area in Section 3 – Operating Financial Plans.

### Biennial Budget Request

The biennial budget reflects an overall increase in FY 2023 of \$149,300, or 5.4%. This increase is primarily due to an adjustment in the maintenance plan for the OPS-008 Systems Control Center Shared Service at the Blue Hill and Woodmere Pumping Stations.

#### Biennial Budget by Area - Shared Services - GLWA as Provider

Cost Center & Description	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
<b>Wastewater System Operations</b>	<b>(338,200)</b>	<b>(344,900)</b>	<b>(115,100)</b>	<b>(448,600)</b>	<b>(103,700)</b>	<b>30.1%</b>	<b>(451,100)</b>
892222 - Wastewater Process Control	(61,600)	(62,800)	(20,900)	(64,100)	(1,300)	2.1%	(65,400)
892270 - Combined Sewer Overflow	(19,400)	(19,700)	(6,600)	(20,100)	(400)	2.0%	(20,500)
892279 - Belle Isle Combined Sewer Overflow	(76,400)	(77,900)	(26,000)	(79,000)	(1,100)	1.4%	(79,800)
892342 - Belle Isle Pumping Station	(56,400)	(57,500)	(19,200)	(48,700)	8,800	-15.3%	(48,700)
892343 - Blue Hill Pumping Station	(75,500)	(77,000)	(25,700)	(155,200)	(78,200)	101.6%	(155,200)
892347 - Fischer Pumping Station	(12,200)	(12,500)	(4,200)	(12,800)	(300)	2.4%	(12,800)
892352 - Woodmere Pumping Station	(36,700)	(37,500)	(12,500)	(68,700)	(31,200)	83.2%	(68,700)
<b>Centralized Services</b>	<b>(2,079,600)</b>	<b>(2,262,100)</b>	<b>(754,000)</b>	<b>(2,307,300)</b>	<b>(45,200)</b>	<b>2.0%</b>	<b>(2,353,500)</b>
881201 - Security and Integrity	(323,500)	(338,100)	(112,600)	(344,800)	(6,700)	2.0%	(351,800)
882301 - Systems Operations Control	(437,800)	(446,600)	(148,900)	(455,500)	(8,900)	2.0%	(464,600)
882431 - Field Service Operations	(17,000)	(17,400)	(5,800)	(17,700)	(300)	1.7%	(18,000)
883321 - IT Service Delivery	(166,600)	(150,000)	(50,000)	(153,000)	(3,000)	2.0%	(156,100)
883331 - IT Infrastructure	(1,736,600)	(825,000)	(275,000)	(841,500)	(16,500)	2.0%	(858,300)
883351 - IT Enterprise Asset Management Systems	721,500	(485,000)	(161,700)	(494,800)	(9,800)	2.0%	(504,700)
883361 - IT Security & Risk	(36,400)	-	-	-	-	0.0%	-
886401 - Systems Analytics	(83,200)	-	-	-	-	0.0%	-
<b>Administrative &amp; Other Services</b>	<b>(149,000)</b>	<b>(168,700)</b>	<b>(40,400)</b>	<b>(169,100)</b>	<b>(400)</b>	<b>0.2%</b>	<b>(172,500)</b>
884131 - Treasury	(143,100)	(150,000)	(34,200)	(150,000)	-	0.0%	(153,000)
884141 - CFO Services	(5,900)	(18,700)	(6,200)	(19,100)	(400)	2.1%	(19,500)
<b>Grand Total</b>	<b>\$ (2,566,800)</b>	<b>\$ (2,775,700)</b>	<b>\$ (909,500)</b>	<b>\$ (2,925,000)</b>	<b>\$ (149,300)</b>	<b>5.4%</b>	<b>\$ (2,977,100)</b>



*Biennial Budget by Area - Shared Services - GLWA as Subscriber*

Cost Center & Description	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
<b>Centralized Services</b>	<b>\$ 2,885,335</b>	<b>\$ 2,854,900</b>	<b>\$ 951,633</b>	<b>\$ 2,912,000</b>	<b>\$ 57,100</b>	<b>2.0%</b>	<b>\$ 2,970,200</b>
882421 - Facility Operations	2,432,435	2,392,900	797,633	2,440,800	47,900	2.0%	2,489,600
882431 - Field Service Operations	102,000	104,000	34,667	106,100	2,100	2.0%	108,200
883331 - IT Infrastructure	153,000	156,100	52,033	159,200	3,100	2.0%	162,400
883341 - Info Tech Business Productivity Systems	153,000	156,100	52,033	159,200	3,100	2.0%	162,400
883351 - IT Enterprise Asset Management Systems	44,900	45,800	15,267	46,700	900	2.0%	47,600
<b>Grand Total</b>	<b>\$ 2,885,335</b>	<b>\$ 2,854,900</b>	<b>\$ 951,633</b>	<b>\$ 2,912,000</b>	<b>\$ 57,100</b>	<b>2.0%</b>	<b>\$ 2,970,200</b>

**Five-Year Financial Plan**

*Five-Year Financial Plan by Area - Shared Services - GLWA as Provider*

Cost Center & Description	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Wastewater System Operations</b>	<b>(344,900)</b>	<b>(115,100)</b>	<b>(448,600)</b>	<b>(103,700)</b>	<b>30.1%</b>	<b>(451,100)</b>	<b>(453,600)</b>	<b>(456,000)</b>	<b>(458,900)</b>
892222 - Wastewater Process Control	(62,800)	(20,900)	(64,100)	(1,300)	2.1%	(65,400)	(66,700)	(68,000)	(69,400)
892270 - Combined Sewer Overflow	(19,700)	(6,600)	(20,100)	(400)	2.0%	(20,500)	(20,900)	(21,400)	(21,800)
892279 - Belle Isle Combined Sewer Overflow	(77,900)	(26,000)	(79,000)	(1,100)	1.4%	(79,800)	(80,600)	(81,200)	(82,300)
892342 - Belle Isle Pumping Station	(57,500)	(19,200)	(48,700)	8,800	-15.3%	(48,700)	(48,700)	(48,700)	(48,700)
892343 - Blue Hill Pumping Station	(77,000)	(25,700)	(155,200)	(78,200)	101.6%	(155,200)	(155,200)	(155,200)	(155,200)
892347 - Fischer Pumping Station	(12,500)	(4,200)	(12,800)	(300)	2.4%	(12,800)	(12,800)	(12,800)	(12,800)
892352 - Woodmere Pumping Station	(37,500)	(12,500)	(68,700)	(31,200)	83.2%	(68,700)	(68,700)	(68,700)	(68,700)
<b>Centralized Services</b>	<b>(2,262,100)</b>	<b>(754,000)</b>	<b>(2,307,300)</b>	<b>(45,200)</b>	<b>2.0%</b>	<b>(2,353,500)</b>	<b>(2,400,400)</b>	<b>(2,448,400)</b>	<b>(2,497,200)</b>
881201 - Security and Integrity	(338,100)	(112,600)	(344,800)	(6,700)	2.0%	(351,800)	(358,900)	(366,000)	(373,300)
882301 - Systems Operations Control	(446,600)	(148,900)	(455,500)	(8,900)	2.0%	(464,600)	(473,800)	(483,300)	(493,000)
882431 - Field Service Operations	(17,400)	(5,800)	(17,700)	(300)	1.7%	(18,000)	(18,300)	(18,800)	(19,100)
883321 - IT Service Delivery	(150,000)	(50,000)	(153,000)	(3,000)	2.0%	(156,100)	(159,200)	(162,400)	(165,600)
883331 - IT Infrastructure	(825,000)	(275,000)	(841,500)	(16,500)	2.0%	(858,300)	(875,400)	(892,900)	(910,700)
883351 - IT Enterprise Asset Management Systems	(485,000)	(161,700)	(494,800)	(9,800)	2.0%	(504,700)	(514,800)	(525,000)	(535,500)
<b>Administrative &amp; Other Services</b>	<b>(168,700)</b>	<b>(40,400)</b>	<b>(169,100)</b>	<b>(400)</b>	<b>0.2%</b>	<b>(172,500)</b>	<b>(175,900)</b>	<b>(179,400)</b>	<b>(183,000)</b>
884131 - Treasury	(150,000)	(34,200)	(150,000)	-	0.0%	(153,000)	(156,100)	(159,200)	(162,400)
884141 - CFO Services	(18,700)	(6,200)	(19,100)	(400)	2.1%	(19,500)	(19,800)	(20,200)	(20,600)
<b>Grand Total</b>	<b>\$ (2,775,700)</b>	<b>\$ (909,500)</b>	<b>\$ (2,925,000)</b>	<b>\$ (149,300)</b>	<b>5.4%</b>	<b>\$ (2,977,100)</b>	<b>\$ (3,029,900)</b>	<b>\$ (3,083,800)</b>	<b>\$ (3,139,100)</b>

*Five-Year Financial Plan by Area - Shared Services - GLWA as Subscriber*

Cost Center & Description	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Centralized Services</b>	<b>\$ 2,854,900</b>	<b>\$ 951,633</b>	<b>\$ 2,912,000</b>	<b>\$ 57,100</b>	<b>2.0%</b>	<b>\$ 2,970,200</b>	<b>\$ 3,029,600</b>	<b>\$ 3,090,200</b>	<b>\$ 3,152,100</b>
882421 - Facility Operations	2,392,900	797,633	2,440,800	47,900	2.0%	2,489,600	2,539,400	2,590,200	2,642,000
882431 - Field Service Operations	104,000	34,667	106,100	2,100	2.0%	108,200	110,400	112,600	114,900
883331 - IT Infrastructure	156,100	52,033	159,200	3,100	2.0%	162,400	165,600	168,900	172,300
883341 - Info Tech Business Productivity Systems	156,100	52,033	159,200	3,100	2.0%	162,400	165,600	168,900	172,300
883351 - IT Enterprise Asset Management Systems	45,800	15,267	46,700	900	2.0%	47,600	48,600	49,600	50,600
<b>Grand Total</b>	<b>\$ 2,854,900</b>	<b>\$ 951,633</b>	<b>\$ 2,912,000</b>	<b>\$ 57,100</b>	<b>2.0%</b>	<b>\$ 2,970,200</b>	<b>\$ 3,029,600</b>	<b>\$ 3,090,200</b>	<b>\$ 3,152,100</b>



*Five-Year Financial Plan by Shared Services Number - GLWA as Provider & Subscriber*

Both activities by the GLWA as service “provider” and services received by the GLWA as the service “subscriber” are shown in the table below.

Shared Services Number and Description	Cost Center - Description	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
DoIT-001 Financial Information System	883341 - Info Tech Business Productivity Syst	\$ 156,100	\$ 52,033	\$ 159,200	\$ 162,400	\$ 165,600	\$ 168,900	\$ 172,300
DoIT-002 Radios	883331 - IT Infrastructure	156,100	52,033	159,200	162,400	165,600	168,900	172,300
DoIT-003 Customer Service Technology Suite	883331 - IT Infrastructure	45,800	15,267	46,700	47,600	48,600	49,600	50,600
	883351 - IT Enterprise Asset Management Systems							
ITS-004A WAM	883351 - IT Enterprise Asset Management Systems	(400,000)	(142,900)	(408,100)	(416,300)	(424,700)	(433,200)	(441,900)
	883351 - IT Enterprise Asset Management Systems	(40,000)	(13,900)	(40,800)	(41,600)	(42,400)	(43,200)	(44,100)
ITS-008A TIBCO	883331 - IT Infrastructure	(800,000)	(275,000)	(816,000)	(832,300)	(848,900)	(865,900)	(883,200)
ITS-009A IT Infrastructure	883321 - Info Technology Service Delivery	(150,000)	(50,000)	(153,000)	(156,100)	(159,200)	(162,400)	(165,600)
ITS-011 Print Shop	883351 - Info Tech Enterprise Asset Mgmt Sys	(45,000)	(4,900)	(45,900)	(46,800)	(47,700)	(48,600)	(49,500)
ITS-012 Oracle Database Licensing	883331 - Info Technology Infrastructure	(25,000)	-	(25,500)	(26,000)	(26,500)	(27,000)	(27,500)
ITS-014 Security Network	884131 - Treasury	(150,000)	(34,200)	(150,000)	(153,000)	(156,100)	(159,200)	(162,400)
DWSD - Bank Fees	884141 - CFO Services	(18,700)	(6,200)	(19,100)	(19,500)	(19,800)	(20,200)	(20,600)
DWSD - Public Finance	882431 - Field Service Operations	104,000	34,667	106,100	108,200	110,400	112,600	114,900
OPS-003 As Needed Field Services	881201 - Security and Integrity	(338,100)	(112,600)	(344,800)	(351,800)	(358,900)	(366,000)	(373,300)
OPS-005 Security and Integrity	882421 - Facility Operations	2,392,900	797,633	2,440,800	2,489,600	2,539,400	2,590,200	2,642,000
OPS-006 Shared Facilities Shared Costs								
OPS-008 Systems Control Center: Detroit Only Pump Stations/CSO	882301 - Systems Operations Control	(446,600)	(148,900)	(455,500)	(464,600)	(473,800)	(483,300)	(493,000)
	882431 - Field Service Operations	(17,400)	(5,800)	(17,700)	(18,000)	(18,300)	(18,800)	(19,100)
	892222 - Wastewater Process Control	(62,800)	(20,900)	(64,100)	(65,400)	(66,700)	(68,000)	(69,400)
	892270 - Combined Sewer Overflow	(19,700)	(6,600)	(20,100)	(20,500)	(20,900)	(21,400)	(21,800)
	892279 - Belle Isle Combined Sewer Overflow	(77,900)	(26,000)	(79,000)	(79,800)	(80,600)	(81,200)	(82,300)
	892342 - Belle Isle Pumping Station	(57,500)	(19,200)	(48,700)	(48,700)	(48,700)	(48,700)	(48,700)
	892343 - Blue Hill Pumping Station	(77,000)	(25,700)	(155,200)	(155,200)	(155,200)	(155,200)	(155,200)
	892347 - Fischer Pumping Station	(12,500)	(4,200)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)
	892352 - Woodmere Pumping Station	(37,500)	(12,500)	(68,700)	(68,700)	(68,700)	(68,700)	(68,700)
<b>Grand Total</b>		<b>\$ 79,200</b>	<b>\$ 42,133</b>	<b>\$ (13,000)</b>	<b>\$ (6,900)</b>	<b>\$ (300)</b>	<b>\$ 6,400</b>	<b>\$ 13,000</b>



**Centralized and Administrative Services** include operational functions that serve both water and wastewater operations. The following functional areas are included in this cost center group.

### **Centralized Services**

- ✓ Planning Services (Chief Planning Officer, Systems Planning & Development, Systems Planning, Asset Management, Systems Analytics, and Capital Improvement Planning)
- ✓ Information Technology (Office of the CIO, Project Management Office, Infrastructure, Enterprise Asset Management Systems, Business Productivity Systems, Security & Risk, and Service Delivery)
- ✓ Security & Integrity (includes HazMat and Office of Emergency Preparedness)
- ✓ Facility Operations
- ✓ Fleet Operations
- ✓ Systems Operations Control
- ✓ Field Service Operations
- ✓ Energy Research & Innovation
- ✓ Transformation

### **Administrative Services**

- ✓ Board of Directors
- ✓ Chief Executive Officer
- ✓ Chief Administrative Officer
- ✓ General Counsel
- ✓ Public Affairs
- ✓ Organizational Development
- ✓ Enterprise Risk Management & Safety
- ✓ Financial Services Group (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics & Materials)



**Cost Allocation** for the functional areas above distributes operational expenses to GLWA’s water and wastewater systems using a defined methodology. Cost allocation for both Centralized Services and Administrative Services are allocated based upon a two-step approach.

- ✓ Step One: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system.
- ✓ Step Two: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis that considers department operations as a whole. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occurs.

The tables below present the budgets for the Administrative and Centralized Services cost centers and their projected allocation to GLWA’s water and wastewater systems. Data is presented in biennial and five-year budget formats.

**Tables 1 and 2 – Costs Allocated to Water and Wastewater (Summary)** presents the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods.

**Table 1 – Biennial Cost Allocation Summary**

Expense Categories	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Wastewater</b>	\$ 59,369,700	\$ 69,607,500	\$ 19,578,800	\$ 72,265,400	\$ 2,657,900	3.8%	\$ 74,910,900	\$ 75,108,000	\$ 76,200,700	\$ 76,964,100
Administrative Services	13,292,700	17,517,700	5,000,800	17,975,500	457,800	2.6%	18,575,600	18,771,500	18,923,800	19,274,900
Centralized Services	46,077,000	52,089,800	14,578,000	54,289,900	2,200,100	4.2%	56,335,300	56,336,500	57,276,900	57,689,200
<b>Water</b>	55,607,000	68,841,900	17,477,200	68,540,000	(301,900)	-0.4%	70,914,000	74,923,300	74,617,800	76,523,900
Administrative Services	13,197,700	17,085,700	4,705,500	17,424,600	338,900	2.0%	18,013,700	18,198,400	18,339,300	18,678,700
Centralized Services	42,409,300	51,756,200	12,771,700	51,115,400	(640,800)	-1.2%	52,900,300	56,724,900	56,278,500	57,845,200
<b>Grand Total</b>	\$ 114,976,700	\$ 138,449,400	\$ 37,056,000	\$ 140,805,400	\$ 2,356,000	1.7%	\$ 145,824,900	\$ 150,031,300	\$ 150,818,500	\$ 153,488,000

**Table 2 – Five Year Cost Allocation Summary**

Expense Categories	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Administrative	26,490,400	34,603,400	9,706,300	35,400,100	796,700	2.3%	36,589,300	36,969,900	37,263,100	37,953,600
Centralized Services	88,486,300	103,846,000	27,349,700	105,405,300	1,559,300	1.5%	109,235,600	113,061,400	113,555,400	115,534,400
<b>Grand Total</b>	\$ 114,976,700	\$ 138,449,400	\$ 37,056,000	\$ 140,805,400	\$ 2,356,000	1.7%	\$ 145,824,900	\$ 150,031,300	\$ 150,818,500	\$ 153,488,000



**Table 3 Cost Allocation - Water and Wastewater Percentages** presents the projected aggregate allocation percentages for the five-year period 2023 through 2027. The percentages are based off the data presented in tables 1 and 2 above and forecasted expenditures for periods 2023-2027.

**Table 3 – Five Year Projected Cost Allocated Percentages**

Expense Categories	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity as of 10.31.2021	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Centralized Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Water	47.9%	49.8%	46.7%	48.5%	48.4%	50.2%	49.6%	50.1%
Wastewater	52.1%	50.2%	53.3%	51.5%	51.6%	49.8%	50.4%	49.9%
<b>Administrative Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Water	49.8%	49.4%	48.5%	49.2%	49.2%	49.2%	49.2%	49.2%
Wastewater	50.2%	50.6%	51.5%	50.8%	50.8%	50.8%	50.8%	50.8%
<b>Total Allocated Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Water	48.4%	49.7%	47.2%	48.7%	48.6%	49.9%	49.5%	49.9%
Wastewater	51.6%	50.3%	52.8%	51.3%	51.4%	50.1%	50.5%	50.1%

**Tables 4 through 7** list the Administrative and Centralized Services contracts and cost centers that receive specific water and/or sewer accounting treatment as noted above.

**Table 4 – Administrative Services Water/Sewer Specific Contracts**

Cost Center	Contract	Vendor	Description of Service	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	Allocation
Logistics & Materials	2100822	Family Associates, LLC	Melvindale Warehouse Rental	\$ 550,800	\$ 561,800	\$ 573,000	\$ 584,500	\$ 596,200	Sewer
<b>Total</b>				<b>\$ 550,800</b>	<b>\$ 561,800</b>	<b>\$ 573,000</b>	<b>\$ 584,500</b>	<b>\$ 596,200</b>	

**Table 5 – Centralized Services Water Specific Contracts**

Cost Center	Contract	Vendor	Description of Service	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	Allocation
Planning Services Director	Pending	TBD	Water Master Plan Update	\$ 100,000	\$ -	\$ -	\$ -	\$ -	Water
Systems Planning	Pending	TBD	Water Contract Negotiations	\$ 125,000	\$ 125,000	\$ 50,000	\$ 50,000	\$ 50,000	Water
Systems Planning	12772	Aquasight	Water Performance Monitoring	\$ 450,000	\$ 450,000	\$ 500,000	\$ 500,000	\$ 500,000	Water
Asset Management	1902659	HDR Water Resource Management	Linear System Integrity Program	\$ 1,312,900	\$ 1,585,400	\$ 5,475,100	\$ 4,143,600	\$ 5,219,700	Water
Systems Analytics	CS-039	Black & Veatch	Units of Service D+ Region	\$ 309,000	\$ 318,300	\$ 327,800	\$ 337,700	\$ 347,800	Water
Field Service Operations	CON-181	Lakeshore Global	Water Transmission Main Repair	\$ 2,300,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	Water
Facility Operations	Pending	TBD	Hurlbut Memorial Gate Repair	\$ 500,000	\$ -	\$ -	\$ -	\$ -	Water
<b>Total</b>				<b>\$ 5,096,900</b>	<b>\$ 4,978,700</b>	<b>\$ 8,852,900</b>	<b>\$ 7,531,300</b>	<b>\$ 8,617,500</b>	



**Table 6 – Centralized Services Sewer Specific Contracts**

Cost Center	Contract	Vendor	Description of Service	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	Allocation
Planning Services Director	Pending	TBD	Waste Water Master Plan	\$ -	\$ 100,000	\$ 110,000	\$ 120,000	\$ -	Sewer
Field Service Operations	CON-149	Inland Waters	Emergency Sewer Repair	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	Sewer
Asset Management	1902659	HDR Water Resource Management	Linear System Integrity Program	\$ 297,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	Sewer
Systems Analytics	CON-179	PCI	Staffing Augmentation	\$ 1,051,400	\$ 1,051,400	\$ 1,051,400	\$ 1,051,400	\$ 1,051,400	Sewer
Systems Analytics	CON-179	PCI	Sewer Meter Support	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	Sewer
Systems Analytics	CS-236	Applied Science	Meter Dye Testing	\$ 527,000	\$ 527,000	\$ 527,000	\$ 527,000	\$ 527,000	Sewer
Systems Analytics	CS-239	CDM Michigan	Good Sewer Metering	\$ 600,000	\$ 700,000	\$ 730,000	\$ 760,000	\$ 800,000	Sewer
Hazmat	Entire Center	N/A	Hazardous Materials Management	\$ 1,740,200	\$ 1,929,300	\$ 1,941,400	\$ 1,954,100	\$ 1,967,200	Sewer
<b>Total</b>				<b>\$ 9,534,000</b>	<b>\$ 9,726,100</b>	<b>\$ 9,778,200</b>	<b>\$ 9,830,900</b>	<b>\$ 9,764,000</b>	

**Table 7 – Centralized Services Water/Sewer Specific Contracts**

Cost Center	Contract	Vendor	Description of Service	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	Allocation
Systems Operational Control (Net)	Entire Center	N/A	Water Transmission Control	\$ 12,625,800	\$ 13,123,600	\$ 13,136,500	\$ 13,012,600	\$ 13,025,000	55% Water / 45% Sewer
<b>Total</b>				<b>\$ 12,625,800</b>	<b>\$ 13,123,600</b>	<b>\$ 13,136,500</b>	<b>\$ 13,012,600</b>	<b>\$ 13,025,000</b>	

### Capital Investment Overview

The Great Lakes Water Authority assures effective operational flexibility, while controlling spending and optimizing the cost of capital. This is accomplished by utilizing five categories in GLWA’s Capital Financial Plan for funding both “Capital Outlay” and the “Capital Improvement Plan” (CIP) which are listed below.

Category	Capital Outlay - Over \$5,000 (O&M - Not Capitalized)	Capital Outlay - Direct Purchase Over \$5,000 (I&E Funded)	Capital Outlay - Projects and Programs (I&E Funded)	Capital Improvement Plan (I&E Funded)	Capital Improvement Plan (Bonds)
<b>Funding Source</b>	Operations & Maintenance	Improvement & Extension Fund	Improvement & Extension Fund	Improvement & Extension Fund	Construction Bond Fund
<b>Fund Number</b>	5910 - Water 5960 - Sewer	5506 - Water 5404 - Sewer	5506 - Water 5404 - Sewer	5506 - Water 5404 - Sewer	5519 - Water 5421 - Sewer
<b>Account Number</b>	901060	901100	901100	See CA&FR Team	See CA&FR Team
<b>Rationale</b>	Controllable asset, tagged and tracked for internal control purposes. Shorter lived assets such as computer software and hardware.	Items that cause variability in the annual financial plan that do not meet the criteria for CIP	Items that cause variability in the annual financial plan that do not meet the GLWA criteria for use of bond funding	Engineering, design, and study services associated with a specific constructed asset in the CIP	Constructed assets eligible for bond funding
<b>Frequency</b>	Recurring in nature	Unique, nonrecurring purchases, and/or large dollar assets on a replacement program	Unique, nonrecurring purchases, and/or large dollar assets on a replacement program	Project specific	Project Specific
<b>Life</b>	Greater than One Year	Greater than One Year	Greater than One Year	Greater than 20 Years	Greater than 20 Years
<b>Examples</b>	IT Equipment & Software that does not meet the Capitalization Policy threshold	Vehicles, large equipment, pumps, motors, and security equipment; no or low relative amount of installation costs	Infrastructure, plant, and facility upgrade, rehabilitation, and/or replacement	Infrastructure, plant, and facility upgrade, rehabilitation, and/or replacement	Infrastructure, plant, and facility upgrade, rehabilitation, and/or replacement
<b>Justification</b>	Internal review panel, prioritization	Internal review panel, prioritization, replacement validation with asset records and other current market information	Internal review panel, prioritization, replacement validation with asset records and other current market information	Business Case Evaluation; Internal Review Panel; Member Outreach; GLWA Board Committee	Business Case Evaluation; Internal Review Panel; Member Outreach; GLWA Board Committee

Items identified as “Capital Outlay” are assets or programs acquired for the betterment of the system and are both above the dollar threshold for capitalizing on the financial statements (i.e. over \$5,000), and are assets that should be tagged and tracked for internal control purposes. In both instances, these assets have an estimated useful life of greater than one year.

Capital Outlay includes vehicles, shop, lab, plant and field equipment, office furniture and equipment, as well as software and hardware. Generally capital outlay items have a life of less than 20 years. Capital Outlay items are not included in the “Capital Improvement Plan” (CIP). The CIP focuses on longer lived constructed assets with a useful life greater than 20 years, although some of the CIP expenditures do have lives less than 20 years.

## Capital Outlay

The tables in this section present an entity-wide view of GLWA's capital outlay. Some capital outlay costs are shared between the water and wastewater systems. Examples of this include centralized services capital outlay such as facilities, fleet, and information technology.

Tables 1 and 2 – *Capital Outlay by System* depicts the capital outlay by water & wastewater systems. Each system budgets for specific types of expenditures as shown in Table 5 - *Total Capital Outlay by Asset Type* on the following pages as well as the asset types noted above which support both systems.

Table 1 – *Capital Outlay by System (funded by both O&M and I&E) – Biennial Budget*

Operating System	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity Thru 10.31.21	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
<b>Water System</b>	8,162,700	20,541,500	1,278,000	18,267,100	(2,274,400)	-11.1%	16,376,100
Operations & Maintenance	1,570,200	3,534,900	418,700	2,814,500	(720,400)	-20.4%	2,972,500
Improvement & Extension	6,592,500	17,006,600	859,300	15,452,600	(1,554,000)	-9.1%	13,403,600
<b>Wastewater System</b>	<b>9,377,100</b>	<b>15,965,100</b>	<b>1,688,000</b>	<b>18,447,100</b>	<b>2,482,000</b>	<b>15.5%</b>	<b>11,610,500</b>
Operations & Maintenance	223,800	-	69,800	-	-	0.0%	-
Improvement & Extension	9,153,300	15,965,100	1,618,200	18,447,100	2,482,000	15.5%	11,610,500
<b>Grand Total</b>	<b>\$ 17,539,800</b>	<b>\$ 36,506,600</b>	<b>\$ 2,966,000</b>	<b>\$ 36,714,200</b>	<b>\$ 207,600</b>	<b>0.6%</b>	<b>\$ 27,986,600</b>

Table 2 – *Capital Outlay by System (funded by both O&M and I&E) – Five-Year Financial Plan*

Operating System	FY 2021 Actual	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Water System</b>	<b>\$ 8,162,700</b>	<b>\$ 20,541,500</b>	<b>\$ 18,267,100</b>	<b>\$ 16,376,100</b>	<b>\$ 13,411,800</b>	<b>\$ 12,719,100</b>	<b>\$ 12,161,800</b>
Operations & Maintenance	1,570,200	3,534,900	2,814,500	2,972,500	3,031,900	3,092,400	3,154,200
Improvement & Extension	6,592,500	17,006,600	15,452,600	13,403,600	10,379,900	9,626,700	9,007,600
<b>Wastewater System</b>	<b>9,377,100</b>	<b>15,965,100</b>	<b>18,447,100</b>	<b>11,610,500</b>	<b>8,106,700</b>	<b>8,671,900</b>	<b>10,256,600</b>
Operations & Maintenance	223,800	-	-	-	-	-	-
Improvement & Extension	9,153,300	15,965,100	18,447,100	11,610,500	8,106,700	8,671,900	10,256,600
<b>Grand Total</b>	<b>\$ 17,539,800</b>	<b>\$ 36,506,600</b>	<b>\$ 36,714,200</b>	<b>\$ 27,986,600</b>	<b>\$ 21,518,500</b>	<b>\$ 21,391,000</b>	<b>\$ 22,418,400</b>

Since assets are replaced on a periodic basis, annual expenditures may not be consistent throughout the year. In addition, some capital outlay projects span several years and five-year planning documents. Examples of these projects include the following.

- ❖ Instrumentation & control hardware and software for the water and wastewater systems. These projects are scheduled by facility and recur on a five to seven-year cycle as technologies and control capabilities advance. Four such upgrades are scheduled within the biennial budget with a total budget of \$8.4 million
- ❖ GLWA enterprise-wide software systems. The forecast replacement of these systems is scheduled from FY 2021 through FY 2025 with a total budget of \$34.5 million.
- ❖ A program for the review and decommissioning of certain water mains is scheduled from FY 2022 through FY 2027 at an average annual budget of \$3.0 million.

- ❖ As part of GLWA’s commitment to maintaining sustainable water and wastewater systems, programs are in place for the replacement and renewal of various processing equipment. These include pumps, valves, motors, pipes and other processing or treatment equipment. The average annual proposed budget of these programs is \$6.3 million
- ❖ The design, rehabilitation, and installation of flow meters for the wastewater system is scheduled from FY 2021 through FY 2024 at an average annual cost of \$0.9 million.

### Funding Sources

The Capital Outlay expenditures are proposed to be \$36.7 million for FY 2023, and \$28.0 million for FY 2024. As shown in Tables 3 and 4 – *Capital Outlay by Funding Source*, Capital Outlay is funded by two primary sources: Operations & Maintenance (O&M) and Improvement & Extension (I&E) funds.

- ❖ **Operations & Maintenance (O&M):** Capital outlay items funded by O&M funds are paid with current year revenues. The nature of these items is recurring so the impact on charges from year-to-year is not significant. The total capital outlay paid with O&M funds is included in Schedules 2A and 2B in Section 2 - Core Financial Plan Schedules.
- ❖ **Improvement & Extension (I&E):** The I&E Funds source of funds are revenues from charges that have been transferred to the I&E fund. Funds are budgeted annually to be added to the I&E fund to reduce debt financing and are used for capital outlay and capital improvements. The nature of these items is not necessarily recurring each year. They are, instead, replaced on a longer-term cycle or unique to a three to five-year planning horizon. The total capital outlay paid with I&E funds is included in Schedules 5A and 5B in Section 2 - Core Financial Plan Schedules.

Table 3 – *Capital Outlay by Funding Source – Biennial Budget*

Funding Source	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Activity Thru 10.31.21	FY 2023 Department Requested	FY 2023 Dollar Variance	FY 2023 Percent Variance	FY 2024 Department Requested
Operations & Maintenance	\$ 1,794,000	\$ 3,534,900	\$ 488,500	\$ 2,814,500	\$ (720,400)	-20.4%	\$ 2,972,500
Improvement & Extension	15,745,800	32,971,700	2,477,500	33,899,700	928,000	2.8%	25,014,100
<b>Grand Total</b>	<b>\$ 17,539,800</b>	<b>\$ 36,506,600</b>	<b>\$ 2,966,000</b>	<b>\$ 36,714,200</b>	<b>\$ 207,600</b>	<b>0.6%</b>	<b>\$ 27,986,600</b>

Table 4 – *Capital Outlay by Funding Source - Five-Year Financial Plan*

Funding Source	FY 2021 Actual	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
Operations & Maintenance	\$ 1,794,000	\$ 3,534,900	\$ 2,814,500	\$ 2,972,500	\$ 3,031,900	\$ 3,092,400	\$ 3,154,200
Improvement & Extension	15,745,800	32,971,700	33,899,700	25,014,100	18,486,600	18,298,600	19,264,200
<b>Grand Total</b>	<b>\$ 17,539,800</b>	<b>\$ 36,506,600</b>	<b>\$ 36,714,200</b>	<b>\$ 27,986,600</b>	<b>\$ 21,518,500</b>	<b>\$ 21,391,000</b>	<b>\$ 22,418,400</b>

### Biennial Budget Request

The biennial budget reflects a change in FY 2023, increasing \$0.2 million, or 0.6% as noted above. There are key factors that impact this change outside of the projects previously noted. These include the following.

- ❖ For the Operations and Maintenance fund - capital outlay for Information Technology was reduced by \$0.7 million. The implementation of a hybrid cloud environment will move certain applications from the on-premises data center to a secure cloud environment. This will in turn require a lower hardware cost. Additionally, there will be a reduction in the Oracle and SQL license requirements for the Detroit Water and Sewerage Department (DWSD) as a result of the further bifurcation of the two organizations.
- ❖ For the Improvement and Extension fund
  - Buildings and Structures increase \$1.3 million for the renovation of several facilities. These updates include better, efficient lighting, heating and cooling systems (HVAC), and air handling systems for air quality
  - Leasehold improvements decreased \$0.3 million for the completion of various safety initiatives at the combined sewer overflow (CSO) facilities.
  - Information Technology decreased \$0.5 million as the implementation of two systems, part of the FY 2022 budget, moves towards completion. The Information Technology Service Management Solution was budgeted and expected to conclude during FY 2022. Additionally, the Project Management Information System (PMIS), also initiated in FY 2022, is expected to incur the majority of the implementation costs during the current fiscal year.
  - Machinery & Equipment increased \$2.2 million due to the program noted above for the Instrumentation and Controls renewals and replacements.
  - Projects and Programs decreased \$3.1 million for two significant reasons. (1) During FY 2021 GLWA began a consolidation of warehouses from three to a single facility. Allowing for economies of scale, this facility will handle inventoried supplies and equipment used in both water production and sewage treatment. The upgrades to this facility were part of the current FY 2022 budget. (\$1.8 million), (2) A structural assessment of the CSO facilities was concluded in FY 2022 and not budgeted for in FY 2023.
  - The vehicle budget increased \$1.2 million due to the replacement of fleet vehicles including any modifications or upfitting costs. A significant number of vehicles need replacement due to age, miles, and serviceability. The vehicles scheduled for replacement have been reviewed and are considered obsolete or too costly to repair. The budget for these replacements was updated to include the upfitting costs which were not included in the current FY 2022 budget.

Table 5 - Total Capital Outlay by Asset Type (funded by both O&M and I&E)

Asset Type	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Operations &amp; Maintenance</b>	\$ 3,534,900	\$ 2,814,500	\$ 2,972,500	\$ 3,031,900	\$ 3,092,400	\$ 3,154,200
<b>Information Technology</b>	<b>3,534,900</b>	<b>2,814,500</b>	<b>2,972,500</b>	<b>3,031,900</b>	<b>3,092,400</b>	<b>3,154,200</b>
Hardware	2,025,800	1,466,100	1,597,400	1,629,300	1,661,900	1,695,200
Software	1,509,100	1,348,400	1,375,100	1,402,600	1,430,500	1,459,000

Table 5 - Total Capital Outlay by Asset Type (funded by both O&amp;M and I&amp;E) (continued)

Asset Type	FY 2022 Amended Budget	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
<b>Improvement &amp; Extension</b>	<b>\$ 32,971,700</b>	<b>\$ 33,899,700</b>	<b>\$ 25,014,100</b>	<b>\$ 18,486,600</b>	<b>\$ 18,298,600</b>	<b>\$ 19,264,200</b>
<b>Building/Structures</b>	<b>357,500</b>	<b>1,637,800</b>	<b>368,100</b>	<b>373,500</b>	<b>379,000</b>	<b>384,600</b>
<b>Information Technology</b>	<b>9,080,500</b>	<b>8,580,500</b>	<b>5,080,500</b>	<b>580,500</b>	<b>80,500</b>	<b>80,500</b>
Software	9,080,500	8,580,500	5,080,500	580,500	80,500	80,500
<b>Leasehold Improvements</b>	<b>880,000</b>	<b>550,200</b>	<b>250,000</b>	<b>158,000</b>	-	-
<b>Machinery &amp; Equipment</b>	<b>12,906,700</b>	<b>15,108,600</b>	<b>11,190,300</b>	<b>9,800,800</b>	<b>11,010,700</b>	<b>11,739,900</b>
Computers & IT	1,168,000	172,000	110,000	365,500	18,000	1,822,000
Controls & Communication	2,530,000	5,994,500	2,581,000	1,997,500	3,604,200	3,207,500
Flow Measuring & Meters	1,026,600	890,000	892,100	809,200	796,400	811,700
Furniture & Fixtures	100,000	100,000	400,000	102,000	152,000	145,000
Heavy Equipment & Misc	1,060,000	515,000	120,000	72,000	45,000	110,000
Laboratory	368,100	392,400	294,200	297,400	385,700	422,400
Pipes, Gates & Valves	965,000	762,000	892,500	789,000	865,500	655,500
Process Equipment/Treatment	1,303,500	1,554,000	1,063,600	1,210,700	1,342,900	1,594,200
Pumps & Motors	4,306,500	4,658,700	4,809,600	4,147,500	3,772,000	2,892,100
Tools, Shop & Warehouse	79,000	70,000	27,300	10,000	29,000	79,500
<b>Projects &amp; Programs</b>	<b>7,605,800</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>
<b>Safety &amp; Security</b>	<b>80,000</b>	<b>192,600</b>	<b>83,200</b>	<b>84,800</b>	<b>86,400</b>	<b>88,200</b>
Access & Control	60,000	61,200	62,400	63,600	64,800	66,200
Safety Equipment	-	111,000	-	-	-	-
Surveillance	20,000	20,400	20,800	21,200	21,600	22,000
<b>Site Improvements</b>	-	<b>23,000</b>	-	-	-	-
<b>Vehicles</b>	<b>2,061,200</b>	<b>3,307,000</b>	<b>3,542,000</b>	<b>2,989,000</b>	<b>3,242,000</b>	<b>3,471,000</b>
Heavy Truck	150,000	650,000	1,240,000	1,070,000	1,650,000	1,350,000
Light Truck	50,000	1,090,000	620,000	690,000	690,000	450,000
Passenger	906,600	-	-	-	-	-
Trailer & Towable Equipment	40,000	-	40,000	-	40,000	40,000
Utility Vehicle	914,600	367,000	442,000	509,000	382,000	1,151,000
Van	-	1,200,000	1,200,000	720,000	480,000	480,000
<b>Grand Total</b>	<b>\$ 36,506,600</b>	<b>\$ 36,714,200</b>	<b>\$ 27,986,600</b>	<b>\$ 21,518,500</b>	<b>\$ 21,391,000</b>	<b>\$ 22,418,400</b>

Table 6 - Total Capital Outlay by Team (funded by both I&amp;E and O&amp;M) (continued on the next page)

Team	FY 2021 Activity thru 06.30.2021	FY 2022 Amended Budget	FY 2022 Activity thru 10.31.2021	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
881101 - Public Affairs	-	9,000	-	11,000	5,000	2,500	9,000	11,000
881201 - Security and Integrity	-	80,000	-	65,800	41,600	42,400	43,200	44,100
882111 - Water Engineering	-	5,500	-	5,500	5,500	5,500	5,500	5,500
882121 - Water Quality	145,800	20,000	-	51,000	18,000	30,000	17,500	19,000
882131 - Water Works Park	1,713,000	308,100	65,400	373,800	354,000	354,000	633,000	701,000
882141 - Springwells Water Plant	39,700	510,000	13,600	1,276,000	1,326,000	350,000	359,000	440,000
882151 - Northeast Water Plant	1,075,900	1,175,000	231,800	958,000	463,000	628,000	110,000	275,000
882161 - Southwest Water Plant	237,400	250,000	58,000	169,000	265,000	280,000	250,000	250,000
882171 - Lake Huron Water Plant	149,000	490,000	-	205,000	608,000	205,000	177,000	177,000
882301 - Systems Operations Control	30,100	1,437,500	38,400	1,500,000	1,400,000	2,025,000	2,375,000	1,437,500
882322 - Eastside Pumping Station	115,000	-	-	-	-	-	-	-
882324 - West Service Center Pumping Station	120,600	-	-	-	-	-	-	-
882338 - Inlay Pumping Station	38,400	-	-	-	-	-	-	-



Capital Outlay  
Budget & Five-Year Plan  
FY 2023 through FY 2027

**Table 6 - Total Capital Outlay by Team (funded by both I&E and O&M) (continued)**

Team	FY 2021 Activity thru 06.30.2021	FY 2022 Amended Budget	FY 2022 Activity thru 10.31.2021	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested
882421 - Facility Operations	577,400	62,500	1,400	62,500	62,500	62,500	62,500	62,500
882422 - Fleet Operations	2,201,600	942,600	126,500	2,220,000	2,250,000	2,190,000	2,250,000	2,250,000
882431 - Field Service Operations	24,600	3,050,000	-	3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
882501 - Energy, Research & Innovation	8,900	170,000	106,100	155,000	155,000	155,000	35,000	35,000
883201 - OD Administration	-	-	-	350,000	-	-	-	-
883321 - Info Technology Service Delivery	202,300	1,583,300	174,800	1,259,800	1,387,000	1,414,700	1,443,000	1,471,900
883331 - Info Technology Infrastructure	598,800	1,691,900	96,200	1,218,900	1,233,100	1,247,800	762,700	777,900
883341 - Info Technology Enterprise Applications	-	2,000,000	-	2,000,000	2,000,000	250,000	-	-
883351 - Info Technology Business Applications	762,700	3,321,200	122,000	3,021,000	1,286,400	802,100	818,100	834,500
883361 - Info Technology Security & Risk	6,400	63,500	25,700	64,800	66,000	67,300	68,600	69,900
884124 - Logistics and Materials	-	3,030,800	-	-	-	-	-	-
886101 - Systems Planning	-	-	-	-	150,000	-	-	-
886301 - Energy Management	13,700	-	-	-	-	-	-	-
886401 - Systems Analytics	101,400	340,600	218,100	-	-	-	-	-
886601 - Capital Improvement Planning	-	-	-	250,000	250,000	250,000	250,000	250,000
891101 - Public Affairs	-	9,000	-	11,000	5,000	2,500	9,000	11,000
891201 - Security	-	-	-	65,800	41,600	42,400	43,200	44,100
891202 - HazMat	-	-	-	61,000	-	-	-	-
892201 - Wastewater Director	792,300	566,500	-	993,000	1,118,100	395,500	579,000	551,400
892211 - Wastewater Engineering	-	-	-	-	-	-	-	13,000
892221 - Wastewater Operations	74,500	370,000	-	-	-	-	-	1,454,000
892222 - Wastewater Process Control	7,900	1,855,000	-	5,205,000	1,865,000	960,500	2,720,000	2,780,000
892223 - Wastewater Primary Process	877,000	993,500	36,600	562,500	146,500	104,800	352,800	155,600
892224 - Wastewater Secondary Process	504,500	145,000	249,800	499,500	120,000	35,000	25,000	33,000
892225 - Wastewater Dewatering Process	26,100	248,500	11,200	273,000	272,400	276,800	277,700	127,600
892226 - Wastewater Incineration Process	-	168,000	19,700	178,500	24,000	356,100	140,000	83,000
892231 - Industrial Waste Control	-	-	-	48,000	-	27,500	7,000	26,000
892235 - Wastewater Laboratories	18,500	40,100	18,800	36,700	14,200	17,900	186,200	167,400
892270 - Combined Sewer Overflow	2,542,600	800,000	807,800	-	-	-	-	-
892271 - Puritan Fenkell Combined Sewer Overflow	403,000	165,000	18,000	205,500	19,000	60,000	-	220,000
892272 - 7 Mile Combined Sewer Overflow	244,200	131,000	-	35,000	68,000	750,600	14,000	-
892273 - Hubble Southfield CSO	222,600	200,000	-	287,000	400,800	138,800	189,700	595,700
892274 - Leib Combined Sewer Overflow	19,600	382,000	-	198,800	144,600	45,900	67,300	58,700
892275 - St Aubin Combined Sewer Overflow	336,800	229,400	-	45,000	178,000	73,000	18,500	19,100
892276 - Connor Creek Combined Sewer Overflow	269,700	515,000	-	791,500	324,700	489,700	397,500	367,500
892277 - Baby Creek Combined Sewer Overflow	141,000	302,000	11,500	324,800	434,000	234,000	451,100	248,300
892278 - Oakwood Combined Sewer Overflow	28,700	95,000	-	113,000	95,000	114,000	-	85,000
892279 - Belle Isle Combined Sewer Overflow	223,800	-	-	-	-	-	-	-
892301 - Systems Operations Control	23,800	1,375,000	-	1,475,000	1,375,000	1,375,000	1,375,000	1,375,000
892345 - Conner Pumping Station	-	-	141,500	-	-	-	-	-
892349 - Freud Pumping Station	-	-	-	-	-	-	-	-
892352 - Woodmere Pumping Station	-	-	69,800	-	-	-	-	-
892421 - Facility and Fleet Operations	179,000	62,500	-	62,500	62,500	62,500	62,500	62,500
892422 - Fleet Operations	1,636,000	1,362,600	303,300	780,000	730,000	770,000	730,000	750,000
892431 - Field Service Operations	24,600	-	-	-	-	-	-	-
892501 - Energy, Research & Innovation	15,400	-	-	75,000	-	-	-	-
893201 - Organizational Development	-	-	-	350,000	-	-	-	-
893331 - Info Technology Infrastructure	-	500,000	-	500,000	500,000	500,000	-	-
893341 - Info Technology Enterprise Applications	-	2,000,000	-	2,000,000	2,000,000	250,000	-	-
893351 - Info Technology Business Applications	-	2,375,000	-	2,250,000	500,000	-	-	-
894124 - Logistics and Materials	146,400	-	-	-	-	-	-	-
896101 - System Planning	-	-	-	-	150,000	-	-	-
896201 - Asset Management	-	14,000	-	-	-	-	-	-
896401 - System Analytics	605,700	1,061,000	-	770,000	772,100	774,200	776,400	778,700
896601 - Capital Improvement Planning	13,400	-	-	250,000	250,000	250,000	250,000	250,000
<b>Grand Total</b>	<b>17,539,800</b>	<b>36,506,600</b>	<b>2,966,000</b>	<b>36,714,200</b>	<b>27,986,600</b>	<b>21,518,500</b>	<b>21,391,000</b>	<b>22,418,400</b>