

## **ADDENDUM 1**

### *Supplemental Information –*

#### *Enterprise-wide Operations & Maintenance Department and Account Level Amendments*

The summary of budget amendments for operations & maintenance (department and account level amendments) are organized by the four core groups. The FY 2022 third quarter budget amendments result in increases to the categories: A - Water System Operations and B - Sewer System Operations. The budget amendments result in a net zero change to the categories: C – Centralized Services and D – Administrative & Other Services.

GLWA's internal budget directive is for each area, group, and team to manage their needs to an amount within the initial budget. To the extent that is not possible, an amendment is made from the unallocated reserve. If savings are incurred, or an area appears to not require as much funding as established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased. In administering the budget, there are several refinements to departments and account categories. An explanation of key items is included in the table in Addendum 1.

Items greater than \$500,000 include the following (see Addendum 2 for a view of the operations & maintenance budget by expense category).

- A – Water System Operations – Net change = \$1.6 million
  - Utilities – Increase of \$0.8 million – Details can be found in *Addendum 2 – Supplemental Information – Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*.
  - Unallocated Reserve – Increase of \$1.2 million - Offset the realignment from Water to Wastewater for the allocation of the FY 2022 budget for C-Centralized Services and D-Administrative & Other Services which is primarily due to the independent investigation and legal fees associated with the June/July 2021 wet weather events (\$1.6 million); offset to the increase in budget for utilities (\$0.4 million decrease).
- B - Wastewater System Operations – Net change = \$9.0 million
  - Chemicals – Increase of \$1.6 million – Increase flow due to wet weather events required an increase in the usage of chemicals and chlorine-based products have incurred significant cost increases due to supply issues.
  - Contractual Services – Increase of \$1.4 million – Use of the New England Fertilizer Co. (NEFCO) contract, PC-792, has increased in FY 2022 along with an increase in the cost for the material processed through the Biosolids Dryer

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Facility (BDF) which is based on the increasing consumer price index (CPI) (\$1.0 million); an increase in the removal and disposal of debris from the grit channels due to the increase of wet weather events (\$0.4 million).

- Supplies & Other – Increase of \$0.5 million – Change in scope and timelines for projects such as delaying the on-going CIP screw project so that available resources could focus on priority projects while additional aeration deck maintenance took place, and an unplanned meter building/upgrade project was added. There was a reduction in the use of the HVAC contract (usage varies from year to year and additional work being performed by GLWA team members).
- Utilities – Increase of \$6.9 million - Details can be found in *Addendum 2 – Supplemental Information – Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*.
- Unallocated Reserve – Decrease of \$1.1 million – used to offset a portion of the increase to chemicals and utilities.
- C – Centralized Services – Net change = zero
  - Personnel – Increase of \$0.7 million due to increased overtime and usage of skilled labor contracts due to difficulty in filling positions.
  - Supplies & Other – Decrease of \$1.9 million due to the change in the timeline for the start of the ERP implementation (kickoff of project started later than originally planned) (decrease of \$0.6 million) and the reduction of the computer hardware budget (change in project start dates and reduced equipment needs) (decrease of \$1.2 million).
  - Unallocated Reserve – Increase of \$0.9 million related to the adjustment of the budget for the change in timelines for projects such as the Linear System Integrity Program (LSIP) which will start later than planned (decrease of \$1.4 million) and increased usage of contracts like the AECOM contract (increase of \$2.3 million).
- D - Administrative & Other Services – Net change = zero
  - Contractual Services – Increase of \$2.0 million primarily due to the following: Enterprise Risk Management and Safety (\$0.9 million decrease) due to the reduced usage of the NTH Environmental Health and Safety Compliance Services contract (usage varies from year to year); Enterprise Risk Mgt. Insurance Fund (\$1.5 million increase) due to increases in the business insurance premiums; General Counsel (\$1.4 million increase) due to increased legal fees related to the wet weather events.
  - Personnel Services – Decrease of \$1.2 million primarily due to the timing of filling budgeted positions.

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- Unallocated Reserve – Decrease of \$0.6 million to partially offset the increase for the legal fees related to the wet weather events.

Major Budget Categories and Expense Categories	Total 3rd Quarter FY 2022 Amendments
<b>A Water System Operations</b>	<b>1,608,800</b>
Supplies & Other	(421,000)
Unallocated Reserve	1,207,800
Utilities	822,000
<b>B Wastewater System Operations</b>	<b>9,000,000</b>
Capital Program Allocation	304,300
Chemicals	1,580,800
Contractual Services	1,449,600
Personnel	(450,700)
Shared Services	(273,200)
Supplies & Other	540,300
Unallocated Reserve	(1,080,500)
Utilities	6,929,400
<b>C Centralized Services</b>	<b>-</b>
Contractual Services	313,600
Personnel	691,700
Supplies & Other	(1,918,800)
Unallocated Reserve	913,500
<b>D Administrative &amp; Other Services</b>	<b>-</b>
Contractual Services	1,981,500
Personnel	(1,235,400)
Supplies & Other	(186,500)
Unallocated Reserve	(611,600)
Utilities	52,000
<b>Grand Total</b>	<b>10,608,800</b>

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Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments	Total 3rd Quarter FY 2022	
	Amendments	Explanation of Key Items
<b>A Water System Operations</b>	<b>1,608,800</b>	See explanation for Water System Operations Unallocated Reserve (below)
<b>Adams Road Pumping Station</b>	<b>130,000</b>	
Supplies & Other	(50,000)	
Utilities	180,000	
<b>Eastside Pumping Station</b>	<b>22,000</b>	
Utilities	22,000	
<b>Ford Rd Pumping Station</b>	<b>(50,000)</b>	
Utilities	(50,000)	
<b>Franklin Road Pumping Station</b>	<b>15,000</b>	
Supplies & Other	(70,000)	
Utilities	85,000	
<b>Haggerty Road Pumping Station</b>	<b>130,000</b>	
Supplies & Other	(15,000)	
Utilities	145,000	
<b>Imlay Pumping Station</b>	<b>(141,000)</b>	
Utilities	(141,000)	
<b>Joy Road Pumping Station</b>	<b>(12,000)</b>	
Supplies & Other	(45,000)	
Utilities	33,000	
<b>Michigan Ave Pumping Station</b>	<b>40,000</b>	
Utilities	40,000	
<b>Newburgh Pumping Station</b>	<b>90,000</b>	
Supplies & Other	20,000	
Utilities	70,000	
<b>North Service Center Pumping Station</b>	<b>(440,000)</b>	
Supplies & Other	(290,000)	
Utilities	(150,000)	
<b>Northwest Pumping Station</b>	<b>28,000</b>	
Utilities	28,000	
<b>Orion Township Pumping Station</b>	<b>15,000</b>	
Utilities	15,000	
<b>Rochester Pumping Station</b>	<b>80,000</b>	
Utilities	80,000	
<b>Schoolcraft Pumping Station</b>	<b>(3,000)</b>	
Supplies & Other	(23,000)	
Utilities	20,000	
<b>Water System Operations Unallocated Reserves</b>	<b>1,207,800</b>	
Unallocated Reserve	1,207,800	Increase \$1.6 million to offset the realignment from Water to Sewer for the allocation of FY 2022 budget for Administrative & Other Services & Centralized Services due to the wet weather events; the decrease of \$401,000 was used to offset the increase in Utilities.
<b>West Service Center Pumping Station</b>	<b>195,000</b>	
Utilities	195,000	
<b>Wick Road Pumping Station</b>	<b>152,000</b>	
Supplies & Other	52,000	
Utilities	100,000	
<b>Ypsilanti Pumping Station</b>	<b>150,000</b>	
Utilities	150,000	
<b>B Wastewater System Operations</b>	<b>9,000,000</b>	
<b>7 Mile Combined Sewer Overflow</b>	<b>(75,500)</b>	
Contractual Services	(35,700)	
Supplies & Other	(39,000)	
Utilities	(800)	
<b>Baby Creek Combined Sewer Overflow</b>	<b>609,600</b>	
Chemicals	(59,600)	
Contractual Services	(25,200)	
Supplies & Other	639,700	Maintenance on the fine-screen system (Violia Water contract); this project was not included in the approved FY 2022 budget.
Utilities	54,700	
<b>BDF, COF &amp; Hauling</b>	<b>1,685,100</b>	
Contractual Services	966,800	Use of the New England Fertilizer Co. (NEFCO) contract, PC-792, has increased in FY 2022. In addition the cost for the material processed through the Biosolids Dryer Facility (BDF) is based on the consumer price index (CPI) which has been increasing.
Personnel	(80,200)	
Utilities	798,500	Increased use of the Biosolids Dryer Facility (BDF) in FY 2022 has led to an increase in natural gas usage. The price per BTU has been steadily increasing.
<b>Belle Isle Combined Sewer Overflow</b>	<b>(10,300)</b>	
Chemicals	(1,500)	
Contractual Services	(6,200)	
Shared Services	41,800	
Supplies & Other	(44,400)	
<b>Belle Isle Pumping Station</b>	<b>0</b>	
Shared Services	(50,000)	
Supplies & Other	50,000	

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Departmental and Account Level Amendments	Total 3rd Quarter FY 2022	
	Amendments	Explanation of Key Items
<b>Blue Hill Pumping Station</b>	<b>0</b>	
Contractual Services	30,000	
Shared Services	(160,000)	
Supplies & Other	130,000	
<b>Chief Operating Officer Wastewater</b>	<b>(276,700)</b>	
Capital Program Allocation	18,000	
Contractual Services	(163,700)	
Personnel	(136,700)	
Supplies & Other	5,700	
<b>Combined Sewer Overflow</b>	<b>(445,900)</b>	
Capital Program Allocation	(8,100)	
Contractual Services	(109,900)	
Personnel	(276,600)	
Supplies & Other	(51,300)	
<b>Conner Creek Combined Sewer Overflow</b>	<b>646,500</b>	
Chemicals	314,900	
Contractual Services	47,500	
Supplies & Other	313,600	
Utilities	(29,500)	
<b>Conner Pumping Station</b>	<b>990,000</b>	
Contractual Services	10,000	
Supplies & Other	30,000	
Utilities	950,000	
		The change in the on-demand rate (electricity) has significantly increased this year. This rate was set in July 2021 during the wet weather events when usage was high. The rate is reset every 11 months.
<b>Fairview Pumping Station</b>	<b>200,000</b>	
Utilities	200,000	
<b>Fischer Pumping Station</b>	<b>0</b>	
Shared Services	(15,000)	
Supplies & Other	15,000	
<b>Freud Pumping Station</b>	<b>250,000</b>	
Supplies & Other	220,000	
Utilities	30,000	
<b>Hubble Southfield CSO</b>	<b>121,900</b>	
Chemicals	36,200	
Contractual Services	(31,300)	
Supplies & Other	187,000	
Utilities	(70,000)	
<b>Industrial Waste Control</b>	<b>(125,900)</b>	
Contractual Services	(46,700)	
Personnel	(56,800)	
Supplies & Other	(22,400)	
<b>Leib Combined Sewer Overflow</b>	<b>219,300</b>	
Chemicals	64,800	
Contractual Services	(11,800)	
Supplies & Other	133,300	
Utilities	33,000	
<b>Oakwood Combined Sewer Overflow</b>	<b>136,900</b>	
Chemicals	47,700	
Contractual Services	(24,100)	
Supplies & Other	(39,400)	
Utilities	152,700	
<b>Oakwood Pumping Station</b>	<b>50,000</b>	
Utilities	50,000	
<b>Puritan Fenkell Combined Sewer Overflow</b>	<b>(73,200)</b>	
Chemicals	(1,400)	
Contractual Services	(39,800)	
Supplies & Other	(22,300)	
Utilities	(9,700)	
<b>St Aubin Combined Sewer Overflow</b>	<b>539,900</b>	
Chemicals	(12,400)	
Contractual Services	123,200	
Supplies & Other	437,400	Additional work on facility outfall to reduce infiltration of river water into the system.
Utilities	(8,300)	
<b>Wastewater Dewatering Process</b>	<b>(283,300)</b>	
Chemicals	221,600	
Contractual Services	64,200	
Personnel	(67,200)	
Supplies & Other	(501,900)	On-going CIP screw project was delayed due to available resources needed to focus on priority projects in other areas.

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Departmental and Account Level Amendments	Total 3rd Quarter FY 2022 Amendments	Explanation of Key Items
<b>Wastewater Director</b>	<b>246,400</b>	
Contractual Services	(300,700)	
Personnel	441,800	Increased use of contractors for hard to fill positions (Maintenance Technicians and Electrical Instrumentation Control Technicians) and the addition of a Team Leader/Planner position.
Supplies & Other	105,300	
<b>Wastewater Engineering</b>	<b>384,200</b>	
Capital Program Allocation	294,400	
Contractual Services	241,700	
Personnel	(131,300)	
Supplies & Other	(20,600)	
<b>Wastewater Incineration Process</b>	<b>(65,100)</b>	
Chemicals	(19,900)	
Contractual Services	461,800	Additional incineration inspections, over the budgeted number, are taking place in FY 2022.
Personnel	50,900	
Supplies & Other	(557,900)	Planned projects delayed due to available resources needed for priority projects in Primary and Secondary Processing
<b>Wastewater Laboratories</b>	<b>(521,600)</b>	
Chemicals	(1,600)	
Contractual Services	(19,300)	
Personnel	(546,900)	Change to twelve hour shift has reduced the staffing plan originally budgeted. Not expected to be permanent
Supplies & Other	46,200	
<b>Wastewater Operations</b>	<b>4,307,000</b>	
Chemicals	2,600	
Contractual Services	73,300	
Personnel	146,900	
Supplies & Other	(694,600)	Reduction in the use of the HVAC contract
Utilities	4,778,800	Cost of electricity has increased significantly (\$1.3 million). In addition, the monthly billings for the water meters which were repaired and replaced led to increases in the actual billings (\$2.7 million)
<b>Wastewater Primary Process</b>	<b>1,467,000</b>	
Chemicals	816,500	Increase flow due to wet weather events required increase usage of chemicals. In addition, chlorine-based products have incurred significant cost increases due to supply issues.
Contractual Services	370,100	Continued cost of clearing debris from grit channels due to increased flow through WRRF.
Personnel	(45,600)	
Supplies & Other	326,000	
<b>Wastewater Process Control</b>	<b>(1,023,600)</b>	
Contractual Services	(164,700)	
Personnel	(116,400)	
Supplies & Other	(742,500)	Delay in the start of various projects due to the timing of the finalization of the instrumentation & controls contract.
<b>Wastewater Secondary Process</b>	<b>1,127,800</b>	
Chemicals	172,900	
Contractual Services	40,100	
Personnel	367,400	
Supplies & Other	547,400	Increase in the scope aeration deck maintenance project; the meter building/upgrade project was not included in the original budget for FY 2022.
<b>Wastewater System Operations Unallocated Reserves</b>	<b>(1,080,500)</b>	
Unallocated Reserve	(1,080,500)	Offset increase in utilities and chemicals
<b>Woodmere Pumping Station</b>	<b>0</b>	
Shared Services	(90,000)	
Supplies & Other	90,000	
<b>C Centralized Services</b>	<b>0</b>	
<b>Asset Management</b>	<b>(1,587,000)</b>	
Contractual Services	(1,425,000)	The contract scope and time line for the Linear System Integrity Program (LSIP) were finalized after the FY 2022 budget had been developed. More of the work will be done in FY 2023 than was previously anticipated.
Personnel	(162,000)	
<b>Capital Improvement Planning</b>	<b>2,250,000</b>	
Contractual Services	2,300,000	Additional AECOM support needed than was originally anticipated in the FY 2022 budget.
Personnel	(50,000)	
<b>Centralized Services Unallocated Reserves</b>	<b>913,500</b>	
Unallocated Reserve	913,500	Adjusted for timing of projects (LSIP) & usage of contracts (AECOM)
<b>Chief Planning Officer</b>	<b>2,000</b>	
Personnel	2,000	
<b>Energy, Research &amp; Innovation</b>	<b>(460,000)</b>	
Personnel	(200,000)	
Supplies & Other	(260,000)	
<b>Facility Operations</b>	<b>(360,000)</b>	
Contractual Services	(310,000)	
Personnel	(360,000)	
Supplies & Other	310,000	

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Departmental and Account Level Amendments	Total 3rd Quarter FY 2022 Amendments	Explanation of Key Items
<b>Field Service Operations</b>	<b>775,000</b>	
Contractual Services	280,000	
Personnel	560,000	Increased use of overtime due to Staffing limitations; includes increase in benefits.
Supplies & Other	(65,000)	
<b>Fleet Operations</b>	<b>220,000</b>	
Contractual Services	(170,000)	
Personnel	140,000	
Supplies & Other	250,000	
<b>HazMat</b>	<b>(160,000)</b>	
Personnel	(25,000)	
Supplies & Other	(135,000)	
<b>Info Tech Business Productivity Systems</b>	<b>(620,000)</b>	
Supplies & Other	(620,000)	Adjust for the timing of the start of the ERP implementation project.
<b>Info Tech Enterprise Asset Mgmt Systems</b>	<b>0</b>	
Personnel	125,000	
Supplies & Other	(125,000)	
<b>Info Technology Infrastructure</b>	<b>620,000</b>	
Contractual Services	1,820,000	Rate increase for Telecom contracts which were renewed in FY 2022 (phone, voice mail, etc.)
Supplies & Other	(1,200,000)	Computer hardware budget has been reduced due to decrease in equipment needs for FY 2022 and change in project start dates.
<b>Info Technology Project Management Office</b>	<b>55,000</b>	
Personnel	55,000	
<b>Info Technology Security &amp; Risk</b>	<b>0</b>	
Personnel	(14,000)	
Supplies & Other	14,000	
<b>Info Technology Service Delivery</b>	<b>0</b>	
Personnel	200	
Supplies & Other	(200)	
<b>Office of the CIO</b>	<b>(55,000)</b>	
Contractual Services	(121,400)	
Personnel	60,000	
Supplies & Other	6,400	
<b>Security and Integrity</b>	<b>121,500</b>	
Contractual Services	(100,000)	
Personnel	290,000	
Supplies & Other	(68,500)	
<b>Systems Analytics</b>	<b>(482,000)</b>	
Contractual Services	(173,000)	
Personnel	(208,000)	
Supplies & Other	(101,000)	
<b>Systems Operations Control</b>	<b>0</b>	
Contractual Services	(935,000)	As needed contracts (LGC - Low Voltage Wiring and PCI - Professional Engineering) utilized less in FY 2022 than budgeted. Usage of these types of contracts varies from year-to-year. In addition, budget was transferred to Personnel for contractors filling vacant positions.
Personnel	775,000	Increase in overtime and higher utilization of skilled labor contract (PCI LLC - Professional Engineering Services for Instrumentation & SCADA System Services) to fill vacant positions (decrease to Contractual Services budget)
Supplies & Other	160,000	
<b>Systems Planning</b>	<b>(1,058,000)</b>	
Contractual Services	(858,000)	Decision made to have the Water and Sewer Master Plan projects performed primarily by GLWA staff instead of consultants. These projects have been moved to Systems Planning and Development.
Personnel	(150,000)	
Supplies & Other	(50,000)	
<b>Systems Planning &amp; Development</b>	<b>245,000</b>	
Contractual Services	6,000	
Personnel	238,000	
Supplies & Other	1,000	
<b>Transformation</b>	<b>(420,000)</b>	
Personnel	(384,500)	
Supplies & Other	(35,500)	
<b>D Administrative &amp; Other Services</b>	<b>0</b>	
<b>Administrative Services Unallocated Reserves</b>	<b>(611,600)</b>	
Unallocated Reserve	(611,600)	Partially used to offset the increase for legal fees related to wet weather events.
<b>Board of Directors</b>	<b>(14,400)</b>	
Supplies & Other	(14,400)	
<b>CFO Services</b>	<b>196,000</b>	
Contractual Services	210,000	
Personnel	(5,000)	
Supplies & Other	(9,000)	
<b>Chief Administrative Officer</b>	<b>(180,000)</b>	
Contractual Services	(150,000)	
Personnel	(27,000)	
Supplies & Other	(3,000)	

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Departmental and Account Level Amendments	Total 3rd Quarter FY 2022	
	Amendments	Explanation of Key Items
<b>Chief Executive Officer</b>	<b>34,200</b>	
Personnel	50,000	
Supplies & Other	(15,800)	
<b>Chief Financial Officer</b>	<b>(247,400)</b>	
Contractual Services	40,000	
Personnel	(264,000)	
Supplies & Other	(23,400)	
<b>Enterprise Risk Management and Safety</b>	<b>(1,033,900)</b>	
Contractual Services	(860,000)	Reduction in usage of the NTH Environmental Health and Safety Compliance Services contract; usage varies from year-to-year.
Personnel	(160,000)	
Supplies & Other	(13,900)	
<b>Enterprise Risk Mgt. Insurance Fund</b>	<b>1,500,000</b>	
Contractual Services	1,500,000	Increase budget for rate increases to business insurance premiums; partially offset by the decrease in the Contractual Services budget for Enterprise Risk Management and Safety.
<b>Financial Management &amp; Planning</b>	<b>(58,200)</b>	
Personnel	(50,000)	
Supplies & Other	(8,200)	
<b>Financial Reporting &amp; Accounting</b>	<b>(583,900)</b>	
Contractual Services	(300,000)	
Personnel	(258,300)	
Supplies & Other	(25,600)	
<b>General Counsel</b>	<b>1,337,100</b>	
Contractual Services	1,400,000	Increase budget for legal fees related to wet weather events.
Personnel	(47,000)	
Supplies & Other	(15,900)	
<b>Logistics and Materials</b>	<b>0</b>	
Contractual Services	17,000	
Personnel	(110,000)	
Supplies & Other	41,000	
Utilities	52,000	
<b>OD Administration</b>	<b>155,300</b>	
Contractual Services	380,000	
Personnel	(195,000)	
Supplies & Other	(29,700)	
<b>OD Talent Management</b>	<b>(130,300)</b>	
Contractual Services	(86,000)	
Personnel	(38,000)	
Supplies & Other	(6,300)	
<b>OD Training</b>	<b>(96,200)</b>	
Contractual Services	(78,000)	
Personnel	39,800	
Supplies & Other	(58,000)	
<b>Procurement Director</b>	<b>(88,700)</b>	
Contractual Services	105,500	
Personnel	(212,800)	
Supplies & Other	18,600	
<b>Public Affairs</b>	<b>0</b>	
Personnel	10,000	
Supplies & Other	(10,000)	
<b>Treasury</b>	<b>(178,000)</b>	
Contractual Services	(197,000)	
Personnel	31,900	
Supplies & Other	(12,900)	
<b>Grand Total</b>	<b>10,608,800</b>	

Totals may be off due to rounding





## ADDENDUM 2

### *Supplemental Information –*

#### *Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*

The table in Addendum 2 summarizes the FY 2022 third quarter budget amendments for operations & maintenance by the major expense categories (account type). An explanation of key items is included in the table in Addendum 2.

A significant increase in the cost of utilities has been experienced in FY 2022, especially in the Wastewater System Operations.

- Electric - \$3.6 million (\$2.8 million for Wastewater System Operations)
  - The change in the on-demand rate for electricity has significantly increased in FY 2022. This rate was set in July 2021 during the wet weather event when usage was high. The rate is reset every 11 months.
  - DTE has changed from a nuclear surcharge recovery to a volumetric delivery surcharge. This change has resulted in an increase to the charge for kWh.
  - In May 2021 the third redundant electrical feed was energized at the WRRF. This third feed is used to ensure that there are no power interruptions at the facility. The feed is an additional \$22,000 per month and was not known at the time the FY 2022 budget was developed.
- Gas - \$1.1 million
  - The cost of natural gas has increased over the past two years.
  - Increased production at the Biosolids Dryer Facility (BDF) and wastewater incineration has led to an increase in natural gas usage.
- Sewage Service - \$0.3 million
  - Sewage treatment is a cost associated with cubic feet billed for water. Increased production at the Biosolids Dryer Facility (BDF) during FY 2022 has resulted in an increase in the budget from \$487,000 in FY 2021 to \$555,200 for FY 2022.
  - The cost per acre related to drainage charges at various wastewater facilities increases annually. This is billed at a flat rate per parcel of property which has changed each year.
- Water Service - \$2.7 million
  - The largest component of the increase to the Water Service is the metered consumption at the Water Resource Recovery Facility (WRRF). Throughout FY 2021 and well into FY 2022, the water service meter readings were being estimated. During FY 2022 the meters have been either repaired or replaced,

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including two main meters at the Chlorination/Dechlorination facility and WRRF. As meters are being addressed, bills are being produced with actual readings. For FY 2021 the average monthly billing was approximately \$191,300. The has increased in FY 2022 to an average of approximately \$437,800. This average is expected to increase as the meter repair/replacement project continues.

<b>Utilities and Major Budget Categories</b>	<b>Total 3rd Quarter FY 2022 Amendments</b>
<b>Electric</b>	<b>3,618,300</b>
A Water System Operations	822,000
B Wastewater System Operations	2,779,300
D Administrative & Other Services	17,000
<b>Gas</b>	<b>1,183,700</b>
B Wastewater System Operations	1,148,700
D Administrative & Other Services	35,000
<b>Sewage Service</b>	<b>277,300</b>
B Wastewater System Operations	277,300
<b>Water Service</b>	<b>2,724,100</b>
B Wastewater System Operations	2,724,100
<b>Grand Total</b>	<b>7,803,400</b>

**ADDENDUM 2**

Supplemental Information  
Enterprise-wide Operations & Maintenance  
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total 3rd Quarter FY 2022 Amendments	Explanation of Key Items
<b>Capital Program Allocation</b>	<b>304,300</b>	
Chief Operating Officer Wastewater	18,000	
Combined Sewer Overflow	(8,100)	
Wastewater Engineering	294,400	
<b>Chemicals</b>	<b>1,580,800</b>	Increase flow due to wet weather events required increase usage of chemicals. In addition, chlorine-based products have incurred significant cost increases due to supply issues.
Baby Creek Combined Sewer Overflow	(59,600)	
Belle Isle Combined Sewer Overflow	(1,500)	
Conner Creek Combined Sewer Overflow	314,900	
Hubble Southfield CSO	36,200	
Leib Combined Sewer Overflow	64,800	
Oakwood Combined Sewer Overflow	47,700	
Puritan Fenkell Combined Sewer Overflow	(1,400)	
St Aubin Combined Sewer Overflow	(12,400)	
Wastewater Dewatering Process	221,600	
Wastewater Incineration Process	(19,900)	
Wastewater Laboratories	(1,600)	
Wastewater Operations	2,600	
Wastewater Primary Process	816,500	See explanation for chemicals category above.
Wastewater Secondary Process	172,900	
<b>Contractual Services</b>	<b>3,744,700</b>	
7 Mile Combined Sewer Overflow	(35,700)	
Asset Management	(1,425,000)	The contract scope and time line for the Linear System Integrity Program (LSIP) were finalized after the FY 2022 budget had been developed. More of the work will be done in FY 2023 than was previously anticipated.
Baby Creek Combined Sewer Overflow	(25,200)	
BDF, COF & Hauling	966,800	Use of the New England Fertilizer Co. (NEFCO) contract, PC-792, has increased in FY 2022. In addition the cost for the material processed through the Biosolids Dryer Facility (BDF) is based on the consumer price index (CPI) which has been increasing.
Belle Isle Combined Sewer Overflow	(6,200)	
Blue Hill Pumping Station	30,000	
Capital Improvement Planning	2,300,000	Additional AECOM support needed than was originally anticipated in the FY 2022 budget.
CFO Services	210,000	
Chief Administrative Officer	(150,000)	
Chief Financial Officer	40,000	
Chief Operating Officer Wastewater	(163,700)	
Combined Sewer Overflow	(109,900)	
Conner Creek Combined Sewer Overflow	47,500	
Conner Pumping Station	10,000	
Enterprise Risk Management and Safety	(860,000)	Reduction in usage of the NTH Environmental Health and Safety Compliance Services contract; usage varies from year-to-year.
Enterprise Risk Mgt. Insurance Fund	1,500,000	Increase budget for rate increases to business insurance premiums; partially offset by the decrease in the Contractual Services budget for Enterprise Risk Management and Safety.
Facility Operations	(310,000)	
Field Service Operations	280,000	
Financial Reporting & Accounting	(300,000)	
Fleet Operations	(170,000)	
General Counsel	1,400,000	Increase budget for legal fees related to wet weather events.
Hubble Southfield CSO	(31,300)	
Industrial Waste Control	(46,700)	
Info Technology Infrastructure	1,820,000	Rate increase for Telecom contracts which were renewed in FY 2022 (phone, voice mail, etc.)
Leib Combined Sewer Overflow	(11,800)	
Logistics and Materials	17,000	
Oakwood Combined Sewer Overflow	(24,100)	
OD Administration	380,000	
OD Talent Management	(86,000)	
OD Training	(78,000)	
Office of the CIO	(121,400)	
Procurement Director	105,500	
Puritan Fenkell Combined Sewer Overflow	(39,800)	
Security and Integrity	(100,000)	
St Aubin Combined Sewer Overflow	123,200	
Systems Analytics	(173,000)	
Systems Operations Control	(935,000)	As needed contracts (LGC - Low Voltage Wiring and PCI - Professional Engineering) utilized less in FY 2022 than budgeted. Usage of these types of contracts varies from year-to-year. In addition, budget was transferred to Personnel for contractors filling vacant positions.
Systems Planning	(858,000)	Decision made to have the Water and Sewer Master Plan projects performed primarily by GLWA staff instead of consultants. These projects have been moved to Systems Planning and Development.
Systems Planning & Development	6,000	
Treasury	(197,000)	
Wastewater Dewatering Process	64,200	
Wastewater Director	(300,700)	
Wastewater Engineering	241,700	
Wastewater Incineration Process	461,800	Additional incineration inspections, over the budgeted number, are taking place in FY 2022.
Wastewater Laboratories	(19,300)	
Wastewater Operations	73,300	
Wastewater Primary Process	370,100	Continued cost of clearing debris from grit channels due to increased flow through WRRF
Wastewater Process Control	(164,700)	
Wastewater Secondary Process	40,100	
<b>Personnel</b>	<b>(994,400)</b>	
Asset Management	(162,000)	
BDF, COF & Hauling	(80,200)	
Capital Improvement Planning	(50,000)	
CFO Services	(5,000)	

**ADDENDUM 2**

Supplemental Information  
Enterprise-wide Operations & Maintenance  
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total	
	3rd Quarter	FY 2022
	Amendments	Explanation of Key Items
Chief Administrative Officer	(27,000)	
Chief Executive Officer	50,000	
Chief Financial Officer	(264,000)	
Chief Operating Officer Wastewater	(136,700)	
Chief Planning Officer	2,000	
Combined Sewer Overflow	(276,600)	
Energy, Research & Innovation	(200,000)	
Enterprise Risk Management and Safety	(160,000)	
Facility Operations	(360,000)	
Field Service Operations	560,000	Increased use of overtime due to Staffing limitations; includes increase in benefits.
Financial Management & Planning	(50,000)	
Financial Reporting & Accounting	(258,300)	
Fleet Operations	140,000	
General Counsel	(47,000)	
HazMat	(25,000)	
Industrial Waste Control	(56,800)	
Info Tech Enterprise Asset Mgmt Systems	125,000	
Info Technology Project Management Office	55,000	
Info Technology Security & Risk	(14,000)	
Info Technology Service Delivery	200	
Logistics and Materials	(110,000)	
OD Administration	(195,000)	
OD Talent Management	(38,000)	
OD Training	39,800	
Office of the CIO	60,000	
Procurement Director	(212,800)	
Public Affairs	10,000	
Security and Integrity	290,000	
Systems Analytics	(208,000)	
Systems Operations Control	775,000	Increase in overtime and higher utilization of skilled labor contract (PCI LLC - Professional Engineering Services for Instrumentation & SCADA System Services) to fill vacant positions (decrease to Contractual Services budget)
Systems Planning	(150,000)	
Systems Planning & Development	238,000	
Transformation	(384,500)	
Treasury	31,900	
Wastewater Dewatering Process	(67,200)	
Wastewater Director	441,800	Increased use of contractors for hard to fill positions (Maintenance Technicians and Electrical Instrumentation Control Technicians) and the addition of a Team Leader/Planner position.
Wastewater Engineering	(131,300)	
Wastewater Incineration Process	50,900	
Wastewater Laboratories	(546,900)	Change to twelve hour shift has reduced the staffing plan originally budgeted. Not expected to be permanent
Wastewater Operations	146,900	
Wastewater Primary Process	(45,600)	
Wastewater Process Control	(116,400)	
Wastewater Secondary Process	367,400	
<b>Shared Services</b>	<b>(273,200)</b>	
Belle Isle Combined Sewer Overflow	41,800	
Belle Isle Pumping Station	(50,000)	
Blue Hill Pumping Station	(160,000)	
Fischer Pumping Station	(15,000)	
Woodmere Pumping Station	(90,000)	
<b>Supplies &amp; Other</b>	<b>(1,986,000)</b>	
7 Mile Combined Sewer Overflow	(39,000)	
Adams Road Pumping Station	(50,000)	
Asset Management	0	
Baby Creek Combined Sewer Overflow	639,700	Maintenance on the fine-screen system (Viola Water contract); this project was not included in the approved FY 2022 budget.
Belle Isle Combined Sewer Overflow	(44,400)	
Belle Isle Pumping Station	50,000	
Blue Hill Pumping Station	130,000	
Board of Directors	(14,400)	
CFO Services	(9,000)	
Chief Administrative Officer	(3,000)	
Chief Executive Officer	(15,800)	
Chief Financial Officer	(23,400)	
Chief Operating Officer Wastewater	5,700	
Combined Sewer Overflow	(51,300)	
Conner Creek Combined Sewer Overflow	313,600	
Conner Pumping Station	30,000	
Energy, Research & Innovation	(260,000)	
Enterprise Risk Management and Safety	(13,900)	
Facility Operations	310,000	
Field Service Operations	(65,000)	
Financial Management & Planning	(8,200)	
Financial Reporting & Accounting	(25,600)	
Fischer Pumping Station	15,000	
Fleet Operations	250,000	
Franklin Road Pumping Station	(70,000)	
Freud Pumping Station	220,000	
General Counsel	(15,900)	
Haggerty Road Pumping Station	(15,000)	
HazMat	(135,000)	

**ADDENDUM 2**

Supplemental Information  
Enterprise-wide Operations & Maintenance  
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total 3rd Quarter FY 2022 Amendments	Explanation of Key Items
Hubble Southfield CSO	187,000	
Industrial Waste Control	(22,400)	
Info Tech Business Productivity Systems	(620,000)	Adjust for the timing of the start of the ERP implementation project.
Info Tech Enterprise Asset Mgmt Systems	(125,000)	
Info Technology Infrastructure	(1,200,000)	Computer hardware budget has been reduced due to decrease in equipment needs for FY 2022 and change in project start dates.
Info Technology Security & Risk	14,000	
Info Technology Service Delivery	(200)	
Joy Road Pumping Station	(45,000)	
Leib Combined Sewer Overflow	133,300	
Logistics and Materials	41,000	
Newburgh Pumping Station	20,000	
North Service Center Pumping Station	(290,000)	
Oakwood Combined Sewer Overflow	(39,400)	
OD Administration	(29,700)	
OD Talent Management	(6,300)	
OD Training	(58,000)	
Office of the CIO	6,400	
Procurement Director	18,600	
Public Affairs	(10,000)	
Puritan Fenkell Combined Sewer Overflow	(22,300)	
Schoolcraft Pumping Station	(23,000)	
Security and Integrity	(68,500)	
St Aubin Combined Sewer Overflow	437,400	Additional work on facility outfall to reduce infiltration of river water into the system.
Systems Analytics	(101,000)	
Systems Operations Control	160,000	
Systems Planning	(50,000)	
Systems Planning & Development	1,000	
Transformation	(35,500)	
Treasury	(12,900)	
Wastewater Dewatering Process	(501,900)	On-going CIP screw project was delayed due to available resources needed to focus on priority projects in other areas.
Wastewater Director	105,300	
Wastewater Engineering	(20,600)	
Wastewater Incineration Process	(557,900)	Planned projects delayed due to available resources needed for priority projects in Primary and Secondary Processing
Wastewater Laboratories	46,200	
Wastewater Operations	(694,600)	Reduction in the use of the HVAC contract
Wastewater Primary Process	326,000	
Wastewater Process Control	(742,500)	Delay in the start of various projects due to the timing of the finalization of the instrumentation & controls contract.
Wastewater Secondary Process	547,400	Increase in the scope aeration deck maintenance project; the meter building/upgrade project was not included in the original budget for FY 2022.
Wick Road Pumping Station	52,000	
Woodmere Pumping Station	90,000	
<b>Unallocated Reserve</b>	<b>429,200</b>	
Administrative Services Unallocated Reserves	(611,600)	Partially used to offset the increase for legal fees related to wet weather events.
Centralized Services Unallocated Reserves	913,500	Adjusted for timing of projects (LSIP) & usage of contracts (AECOM)
Wastewater System Operations Unallocated Reserves	(1,080,500)	Offset increase in utilities and chemicals
Water System Operations Unallocated Reserves	1,207,800	Increase \$1.6 million to offset the realignment from Water to Sewer for the allocation of FY 2022 budget for Administrative & Other Services & Centralized Services due to the wet weather events; the decrease of \$401,000 was used to offset the increase in Utilities.
<b>Utilities</b>	<b>7,803,400</b>	Electric Cost Increase at WRRF and Conner Creek are main drivers for electric, natural gas cost has increased substantially in FY 2022. Water cost is driven by meter repairs at WRRF/Chlor-Decolor, Sewer cost has increased at BDF due to increased production.
7 Mile Combined Sewer Overflow	(800)	
Adams Road Pumping Station	180,000	
Baby Creek Combined Sewer Overflow	54,700	
BDF, COF & Hauling	798,500	Increased use of the Biosolids Dryer Facility (BDF) in FY 2022 has led to an increase in natural gas usage. The price per BTU has been steadily increasing.
Conner Creek Combined Sewer Overflow	(29,500)	
Conner Pumping Station	950,000	The change in the on-demand rate (electricity) has significantly increased this year. This rate was set in July 2021 during the wet weather events when usage was high. The rate is reset every 11 months.
Eastside Pumping Station	22,000	
Fairview Pumping Station	200,000	
Ford Rd Pumping Station	(50,000)	
Franklin Road Pumping Station	85,000	
Freud Pumping Station	30,000	
Haggerty Road Pumping Station	145,000	
Hubble Southfield CSO	(70,000)	
Imlay Pumping Station	(141,000)	
Joy Road Pumping Station	33,000	
Leib Combined Sewer Overflow	33,000	
Logistics and Materials	52,000	
Michigan Ave Pumping Station	40,000	
Newburgh Pumping Station	70,000	
North Service Center Pumping Station	(150,000)	
Northwest Pumping Station	28,000	
Oakwood Combined Sewer Overflow	152,700	
Oakwood Pumping Station	50,000	
Orion Township Pumping Station	15,000	
Puritan Fenkell Combined Sewer Overflow	(9,700)	
Rochester Pumping Station	80,000	
Schoolcraft Pumping Station	20,000	

**ADDENDUM 2**

Supplemental Information  
Enterprise-wide Operations & Maintenance  
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total	
	3rd Quarter FY 2022	Amendments
St Aubin Combined Sewer Overflow	(8,300)	
Wastewater Operations	4,778,800	
		Cost of electricity has increased significantly (\$1.3 million). In addition, the monthly billings for the water meters which were repaired and replaced led to increases in the actual billings (\$2.7 million)
West Service Center Pumping Station	195,000	
Wick Road Pumping Station	100,000	
Ypsilanti Pumping Station	150,000	
<b>Grand Total</b>	<b>10,608,800</b>	

Totals may be off due to rounding