

The GLWA "revenue requirement budget" is the basis for establishing the annual charges for services. Nearly 53% of the FY 2022 budget of \$843 million are legal commitments such as debt service (42%), lease payment (6%), Water Residential Assistance Program (WRAP) (0.5%) and legacy liabilities (4%). Capital funding reserve for replacement is 7.9% of the total budget. The Operations & Maintenance (O&M) expense represents \$332 million, or 39% of the total. This analysis focuses on O&M expense, as compared to the prior year, to provide insight into O&M expense increase of 2%, or \$6.7 million.

**Staffing & Personnel** The staffing plan (number of positions) is at 1,293 (increase of 54). Full-time Equivalents (FTE), which is the pro-rata hours that a position is budgeted is at 1,234.44 (increase of 18.19). Key changes are noted in this analysis.

**Water Operations - increase of \$1.5 million** Factors increasing the budget are mainly due to Personnel Costs (\$3.3 million) related to the staffing plan increase of 29 (24.25 FTEs), 25 positions are for the new Water Technician Apprenticeship Program, as well as increases in medical plan fringe benefits. Factors decreasing the budget include Contractual Services which decreased (\$1.7 million) due to the alum sludge removal, hauling, and disposal project for the Springwells, Northeast, and Southwest Water Treatment Plants.

**Wastewater Operations - increase of \$2.8 million** Factors increasing the budget are mainly due to Personnel Costs (\$1.8 million) which reflect an increase in base level wages for some classifications to recruit and retain personnel. Note that the staffing plan positions has increased by 2 but FTEs decreased by 9.56 due to the recruiting challenges. Increases

have also been recognized in the medical plan fringe benefits. Unallocated Reserves increased (\$1.1 million) to cover area of risk such as chemical price increases.

**Centralized Services<sup>1</sup> - increase \$1.6 million** Factors increasing the budget include the addition of 11 positions (6.25 FTEs) (\$1.9 million) in Planning Services primarily to support the Capital Improvement Plan with the completion of AECOM's support in late FY 2023. Security is adding 3 security officers for (\$0.5 million) for expanded coverage. The Systems Operations Control support services contract increased (\$0.3 million); and Facility Operations increased (\$0.5 million) for a gate repair. Factors decreasing the budget are in the Planning Services Area in which project timelines adjusted for both the Linear System Integrity Program (LSIP) (\$1.2 million) and the Water Master Plan (\$0.4 million).

**Administrative Services<sup>2</sup> - increase \$0.8 million** Factors increasing are mainly due to Personnel Costs: Organizational Development is adding 5 positions (4 FTEs) to support onboarding and training (\$0.6 million); Procurement is adding 3 positions (1.5 FTEs) to manage increased workload (\$0.4 million); Financial Services, while decreasing 9 positions (9.75 FTE), has an overall increase to in costs due to the skill level for succession and in-sourcing as well as increases fringe benefits (\$0.6 million). Contractual Services increased (\$0.5 million) to support ERP implementation. Legal services contracts also increased (\$0.5 million). Factors decreasing are Unallocated Reserves (\$1.1 million) and Contractual services for the Board of Directors will be decreased (\$0.7 million) for a one-time project.

**Questions?** Contact the Office of the Chief Financial Officer at [cfo@glwater.org](mailto:cfo@glwater.org)

<sup>1</sup> Includes the Planning Services, Systems Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity (includes HazMat).

<sup>2</sup> Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer (includes Risk Management & Safety), General Counsel, Public Affairs, Organizational Development and Financial Services.