



**Special Audit Committee Meeting**  
**Tuesday, June 7, 2022 at 8:00 a.m.**  
*www.glwater.org*

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Meeting ID: **891 4687 2012** Passcode: **449018**

US Toll-free: **888 788 0099** or **877 853 5247**

**AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
7. NEW BUSINESS
  - A. *Action Item:* FY 2022 Third Quarter Budget Amendments through March 31, 2022, and Proposed Budget Amendment Resolution
8. REPORTS
9. COMMUNICATIONS
10. LOOK AHEAD
  - A. Next Audit Committee Meeting: June 24, 2022 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT



## Financial Services Audit Committee Communication

**Date:** June 07, 2022

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

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

**Re:** FY 2022 Third Quarter Budget Amendments through March 31, 2022, and Proposed Budget Amendment Resolution

**Background:** In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee will review the proposed budget amendments and forward to the Board of Directors with a recommendation.

**Analysis:** Highlights of the third quarter budget amendments include the following.

- A. There is an increase to the Water System revenues of \$0.5 million. This is due to an adjustment to Other Revenues for energy rebates, scrap metal sales, and a liquid aluminum sulfate settlement for estimated overcharges (\$354,000).
- B. There is an increase to the Sewer System revenues of \$23,000 due to an adjustment to Other Revenues for energy rebates and scrap metal sales.
- C. There is an increase to the Sewer Operations & Maintenance Expense of \$10.6 million. This primary drivers for this increase are as follows.
  - Utilities - \$6.9 million increase – Electric usage has increased \$2.8 million; Water Services usage has increased \$2.7 million; Gas usage has increased \$1.1 million; and Sewage Services has increased \$0.3 million. Details can be found in *Addendum 2 – Supplemental Information – Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*.
  - Chemicals - \$3.1 million increase – The increase in wet weather events results in increased flow through the wastewater facilities which leads to an increase in chemical usage. In addition, chlorine-based products have incurred significant cost increases due to supply issues. Amendments to the chemical

budget have been included in both the 2<sup>nd</sup> (\$1.5 million increase) and 3<sup>rd</sup> quarter (\$1.6 million increase) of FY 2022.

- Contractual Services - \$1.4 million increase – Primary causes for the increase are the increased usage and annual price adjustment of the New England Fertilizer Co (NEFCO) contract PC-792 (\$1.0 million increase); an increase in the removal and disposal of debris from the grit channels (\$370,000 increase) due to the increase of wet weather events.
- The realignment in the allocation of Centralized Services and Administrative & Other Services from Water to Wastewater Operations - \$1.6 million increase – This realignment is primarily due to independent investigation and legal fees associated with the June/July 2021 wet weather events.
- The Wastewater System Operations Unallocated Reserves, at the time of the FY 2022 budget adoption, was at \$2.2 million. This amount is insufficient to cover the increases noted in the bullet points above.

D. The water capital improvement plan is projected to reach 100.6% of the FY 2022 approved plan. This equates to an increase of \$36.1 million. The Capital Spending Ratio for the sewer capital improvement plan has increased from 78.0% to 79.2% which equate to \$1.3 million.

The attached budget amendment report is organized in the following manner.

**1. Appropriation Level - Revenue Requirement - Water and Sewer Systems**

- A. *Water System General Operating Fund*
- B. *Sewer System General Operating Fund*
- C. *Total Operating Fund Level – Water System and Sewer System (Supplemental Information)*
- D. *Enterprise-wide Core Groups (Supplemental Information)*
- E. *Enterprise-wide Operations & Maintenance Account Type (Supplemental Information)*
- F. *Unallocated Reserve by Core Group (Supplemental Information)*

**2. Appropriation Level – Debt Service – Water and Sewer Systems**

- A. *Water System Debt Service Coverage Calculation*
- B. *Sewer System Debt Service Coverage Calculation*

**3. Appropriation Level – Improvement & Extension Fund – Water and Sewer Systems**

- A. *Water System Improvement & Extension Fund*

*B. Sewer System Improvement & Extension Fund*

**4. Appropriation Level – Construction Fund – Water and Sewer Systems**

*A. Water System Construction Fund*

*B. Sewer System Construction Fund*

A budget amendment resolution reflecting the budget amendments is also attached.

**Proposed Action:** The Audit Committee recommends that the Board of Directors for the Great Lakes Water Authority adopt the proposed budget resolution for the third quarter FY 2022 budget amendments.



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

**Table 1A - Appropriation Level - Revenue Requirement – Water System General Operating**

<b>Water System</b>	<b>FY 2022 Board Adopted Budget</b>	<b>Total 1st Quarter FY 2022 Amendments</b>	<b>Total 2nd Quarter FY 2022 Amendments</b>	<b>Total 3rd Quarter FY 2022 Amendments</b>	<b>FY 2022 Amended Budget</b>	<b>FY 2022 Activity Thru 03/31/2022</b>
<b>Revenues</b>						
Suburban Wholesale Customer Charges	\$ 321,110,900	\$ (2,400,000)	\$ -	\$ -	\$ 318,710,900	\$ 237,680,300
Retail Service Charges	21,697,300	-	-	-	21,697,300	16,273,000
Investment Earnings	1,047,300	500,000	376,500	-	1,923,800	1,459,100
Other Revenues	175,000	-	116,000	491,000	782,000	719,200
<b>Total Revenues</b>	<b>\$ 344,030,500</b>	<b>\$ (1,900,000)</b>	<b>\$ 492,500</b>	<b>\$ 491,000</b>	<b>\$ 343,114,000</b>	<b>\$ 256,131,600</b>
<b>Revenue Requirements</b>						
Operations & Maintenance Expense	\$ 143,933,800	\$ -	\$ -	\$ -	\$ 143,933,800	\$ 97,452,000
General Retirement System Legacy Pension	6,048,000	-	-	-	6,048,000	4,536,000
Debt Service	135,481,000	(360,000)	-	-	135,121,000	101,508,300
General Retirement System Accelerated Pension	6,268,300	-	-	-	6,268,300	4,701,400
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	1,705,500	-	-	-	1,705,500	1,279,100
Regional System Lease	22,500,000	-	-	-	22,500,000	16,875,000
DWSD Budget Shortfall Pending	-	-	-	-	-	-
Improvement & Extension Fund Transfer Pending	28,093,900	(1,540,000)	492,500	491,000	27,537,400	20,337,100
<b>Total Revenue Requirements</b>	<b>\$ 344,030,500</b>	<b>\$ (1,900,000)</b>	<b>\$ 492,500</b>	<b>\$ 491,000</b>	<b>\$ 343,114,000</b>	<b>\$ 246,688,900</b>
Net Actual to Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,442,700



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

<b>Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation</b>	
<b>Revenues</b>	
Suburban Wholesale Customer Charges	<i>No budget amendment is required.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Investment Earnings	<i>No budget amendment is required.</i>
Other Revenues	<i>The budget amendment proposed is based on activity to date for energy rebates, scrap metal sales, and a liquid aluminum sulfate settlement for estimated overcharges (\$354,000). This source of revenue fluctuates from year to year.</i>
<b>Revenue Requirements (Expenditures)</b>	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time.</i>



<b>Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation</b>	
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

**Table 1B - Appropriation Level - Revenue Requirement – Sewer System General Operating**

Sewer System	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
<b>Revenues</b>						
Suburban Wholesale Customer Charges	\$ 272,130,000	\$ (3,000,000)	\$ (2,400,000)	\$ -	\$ 266,730,000	\$ 204,270,300
Retail Service Charges	188,662,200	-	-	-	188,662,200	141,496,600
Industrial Waste Control Charges	9,024,800	-	(700,000)	-	8,324,800	6,218,200
Pollutant Surcharges	4,188,900	-	-	-	4,188,900	3,738,300
Investment Earnings	1,023,300	500,000	352,900	-	1,876,200	1,188,600
Other Revenues	400,000	-	90,000	23,000	513,000	378,200
<b>Total Revenues</b>	<b>\$ 475,429,200</b>	<b>\$ (2,500,000)</b>	<b>\$ (2,657,100)</b>	<b>\$ 23,000</b>	<b>\$ 470,295,100</b>	<b>\$ 357,290,200</b>
<b>Revenue Requirements</b>						
Operations & Maintenance Expense	\$ 181,299,800	\$ -	\$ -	\$ 10,608,800	\$ 191,908,600	\$ 140,598,000
General Retirement System Legacy Pension	10,824,000	-	-	-	10,824,000	8,118,000
Debt Service	207,209,500	(2,225,000)	-	-	204,984,500	154,297,300
General Retirement System Accelerated Pension	11,620,700	-	-	-	11,620,700	8,715,500
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Water Residential Assistance Program Contribution	2,358,300	-	-	-	2,358,300	1,768,700
Regional System Lease	27,500,000	-	-	-	27,500,000	20,625,000
DWSD Budget Shortfall Pending	-	-	-	-	-	-
Improvement & Extension Fund Transfer Pending	34,616,900	(275,000)	(2,657,100)	(10,585,800)	21,099,000	25,334,800
<b>Total Revenue Requirements</b>	<b>\$ 475,429,200</b>	<b>\$ (2,500,000)</b>	<b>\$ (2,657,100)</b>	<b>\$ 23,000</b>	<b>\$ 470,295,100</b>	<b>\$ 359,457,300</b>
Net Actual to Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,167,100)





Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

<b>Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation</b>	
<b>Revenues</b>	
Suburban Wholesale Customer Charges	<i>No budget amendment is required.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Industrial Waste Control Charges	<i>No budget amendment is required.</i>
Pollutant Surcharges	<i>No budget amendment is required.</i>
Investment Earnings	<i>No budget amendment is required.</i>
Other Revenues	<i>The budget amendment proposed is based on activity to date for energy rebates and scrap metal sales. This source of revenue fluctuates from year to year.</i>
<b>Revenue Requirements (Expenditures)</b>	
Operations & Maintenance Expense	<i>The Sewer O&amp;M budget is being increased by \$9.0 million to cover the shortfall projected in FY 2022 (details can be found in the Highlights section beginning on the first page of this document). An additional \$1,608,800 is needed to cover the realignment in the allocation of the Centralized Services and Administrative &amp; Other Services which is primarily due to the independent investigation and legal fees associated with the June/July 2021 wet weather events.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

<b>Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation</b>	
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time. The 2018 Memorandum of Understanding provides guidance related to repayment to the extent that the shortfall is not cured by other means before June 30<sup>th</sup> of the subsequent year. Communication with DWSD Management indicates that plans are cautiously optimistic that the shortfall will be cured by year-end.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

**Table 1C - Supplemental Information - Operating Fund Level - Water System and Sewer System**

<b>System</b>	<b>FY 2022 Board Adopted Budget</b>	<b>Total 1st Quarter FY 2022 Amendments</b>	<b>Total 2nd Quarter FY 2022 Amendments</b>	<b>Total 3rd Quarter FY 2022 Amendments</b>	<b>FY 2022 Amended Budget</b>	<b>FY 2022 Activity Thru 03/31/2022</b>
Water System Operations	\$ 143,933,800	\$ -	\$ -	\$ -	\$ 143,933,800	\$ 97,452,000
Wastewater System Operations	181,299,800	-	-	10,608,800	191,908,600	140,598,000
<b>Total</b>	<b>\$ 325,233,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,608,800</b>	<b>\$ 335,842,400</b>	<b>\$ 238,050,000</b>

*Totals may be off due to rounding.*

As shown in the table above, there are no budget amendments for transfers of resources between the water and sewer funds. It is unforeseen that such an amendment would occur as each system is accounted for as a stand-alone entity. The purpose of this table is to transparently report that funds from one system do not provide budget support to the other system.



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**Table 1D - Supplemental Information - Enterprise-wide Core Groups**

O&M Major Budget Categories (Core Groups)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
A Water System Operations	\$ 74,813,000	\$ -	\$ -	\$ 1,608,800	\$ 76,421,800	\$ 56,722,000
B Wastewater System Operations	111,971,400	-	-	9,000,000	120,971,400	88,711,000
C Centralized Services	103,845,900	-	-	-	103,845,900	68,909,000
D Administrative & Other Services	34,603,300	-	-	-	34,603,300	23,708,000
<b>Total</b>	<b>\$ 325,233,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,608,800</b>	<b>\$ 335,842,400</b>	<b>\$ 238,050,000</b>

*Totals may be off due to rounding.*

A subset of the operating funds are core groups that account for A) direct cost of water operations, B) direct cost of sewer operations, C) centralized services (E.g., field services, security, information technology, facilities, and fleet), D) administrative services (E.g., finance, public affairs, general counsel, and organizational development). The costs of the latter two categories are allocated to the water and sewer systems based upon an internal cost allocation plan that is performed on an annual basis.

Through the third quarter FY 2022, the following amendments are being proposed.

- A-Water System Operations – The allocation of the C-Centralized Services and D-Administrative & Other Services amended budget between water and sewer has been reviewed and an amendment is being proposed to move \$1,608,800 from the overall Water Systems Operations to the overall Wastewater System Operations. This realignment is primarily due to the June/July 2021 wet weather events (legal fees found in the General Counsel budget and internal investigation fees found in the Board of Directors’ budget) which impacts the B-Wastewater System Operations. To offset the decrease of \$1,608,800 to the A-Water System Operations, the Unallocated Reserves for the A-Water System Operations is being increased so that the net effect on the overall Water Systems Operations is zero (see Table 1C – Supplemental Information – Operating Fund Level – Water System and Sewer System).



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

- B-Wastewater System Operations – The Sewer O&M budget is being increased by \$9.0 million to cover the shortfall projected in FY 2022 (details can be found in the Highlights section beginning on the first page of this document).

For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



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**Table 1E - Supplemental Information - Enterprise-wide Operations & Maintenance Account Type**

O&M Expense Categories (Account Type)	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
Personnel Costs	\$ 115,437,400	\$ (1,436,600)	\$ (92,700)	\$ (994,400)	\$ 112,913,700	\$ 82,203,000
Utilities	50,398,000	-	42,900	7,803,400	58,244,300	43,708,000
Chemicals	16,044,300	-	1,470,400	1,580,800	19,095,500	14,199,000
Supplies & Other	38,559,700	1,057,200	(2,534,200)	(1,986,000)	35,096,700	22,679,000
Contractual Services	103,375,700	1,459,000	1,958,600	3,744,700	110,538,000	79,053,000
Capital Program Allocation	(3,471,000)	-	-	304,300	(3,166,700)	(1,930,000)
Shared Services	(1,892,500)	(883,200)	(153,300)	(273,200)	(3,202,200)	(1,862,000)
Unallocated Reserve	6,782,000	(196,400)	(691,700)	429,200	6,323,100	-
	-				-	-
	-				-	-
<b>Total</b>	<b>\$ 325,233,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,608,800</b>	<b>\$ 335,842,400</b>	<b>\$ 238,050,000</b>

Totals may be off due to rounding.

The table above presents the Operations & Maintenance budget by the major expense categories (account type).

For additional detail and the explanation of the key changes to the FY 2022 budget within these categories, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.

For an additional view of the Operations & Maintenance budget by expense category (account type) and by departmental level, see *Supplemental Information - Enterprise-wide Operations & Maintenance Account Type and Departmental Level Amendments (Addendum 2)*.



Quarterly Budget Amendment Report  
FY 2022 Ending March 31, 2022

**Table 1F - Supplemental Information - Unallocated Reserve by Core Group**

O&M Unallocated Reserves	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget
Water System Operations	\$ 1,798,800	\$ -	\$ -	\$ 1,207,800	\$ 3,006,600
Wastewater System Operations	2,250,900	(1,061,100)	153,300	(1,080,500)	262,600
Centralized Services	2,187,600	(227,100)	(61,700)	913,500	2,812,300
Administrative & Other Services	544,700	1,091,900	(783,300)	(611,600)	241,700
	-				-
<b>Total</b>	<b>\$ 6,782,000</b>	<b>\$ (196,300)</b>	<b>\$ (691,700)</b>	<b>\$ 429,200</b>	<b>\$ 6,323,200</b>

*Totals may be off due to rounding.*

An Unallocated Reserve account is established for each of the four core groups. Budget is assigned to these accounts to cover expenditures not known at the time the budget is developed (merit increases, fluctuations within maintenance contracts and usage of utilities and chemicals, projects and initiatives not planned at the time the initial budget was developed, etc.). It is GLWA's internal budget directive for each area, group, and team to manage their needs to an amount within the initial budget. If required, an amendment is made from the unallocated reserve. If an area does not require as much funding as was established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased.

For additional information on the FY 2022 changes to the unallocated reserve, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



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**Table 2A - Appropriation Level – Debt Service Coverage Calculation – Water System**

Water System - Debt Service Coverage Calculation	FY 2022 Board Adopted Budget	1st Quarter FY 2022 Amendments Regional System	1st Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget	2nd Quarter FY 2022 Amendments Regional System	2nd Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget	3rd Quarter FY 2022 Amendments Regional System	3rd Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
	<b>Revenues</b>									
1 Regional System Wholesale Revenues	\$342,808,200	\$ (2,400,000)	\$ -	\$340,408,200	\$ -	\$ -	\$340,408,200	\$ -	\$ -	\$340,408,200
2 Local System Revenues	73,264,300	-	(3,626,300)	69,638,000	-	-	69,638,000	-	-	69,638,000
3 Miscellaneous Revenue (Local System)	6,428,400	-	(2,614,900)	3,813,500	-	-	3,813,500	-	-	3,813,500
4 Non-Operating Revenue (Regional System)	1,222,300	500,000	-	1,722,300	492,500	-	2,214,800	491,000	-	2,705,800
<b>5 Total Revenues</b>	<b>\$423,723,200</b>	<b>\$ (1,900,000)</b>	<b>\$ (6,241,200)</b>	<b>\$415,582,000</b>	<b>\$ 492,500</b>	<b>\$ -</b>	<b>\$416,074,500</b>	<b>\$ 491,000</b>	<b>\$ -</b>	<b>\$416,565,500</b>
<b>Revenue Requirements</b>										
<b>Operations &amp; Maintenance Expense</b>										
6 Regional System Wholesale Expenses	\$143,933,800	\$ -	\$ -	\$143,933,800	\$ -	\$ -	\$143,933,800	\$ -	\$ -	\$143,933,800
7 Local System Expenses	34,648,600	-	(4,659,600)	29,989,000	-	-	29,989,000	-	-	29,989,000
8 GRS Pension allocable to Regional System	6,048,000	-	-	6,048,000	-	-	6,048,000	-	-	6,048,000
9 GRS Pension allocable to Local System	4,272,000	-	-	4,272,000	-	-	4,272,000	-	-	4,272,000
<b>10 Total Operations &amp; Maintenance Expense</b>	<b>188,902,400</b>	<b>-</b>	<b>(4,659,600)</b>	<b>184,242,800</b>	<b>-</b>	<b>-</b>	<b>184,242,800</b>	<b>-</b>	<b>-</b>	<b>184,242,800</b>
<b>11 Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$234,820,800</b>	<b>\$ (1,900,000)</b>	<b>\$ (1,581,600)</b>	<b>\$231,339,200</b>	<b>\$ 492,500</b>	<b>\$ -</b>	<b>\$231,831,700</b>	<b>\$ 491,000</b>	<b>\$ -</b>	<b>\$232,322,700</b>
<b>Debt Service by Lien</b>										
12 Senior Lien Bonds	\$124,309,700	\$ -	\$ -	\$124,309,700	\$ -	\$ -	\$124,309,700	\$ -	\$ -	\$124,309,700
13 Second Lien Bonds	46,840,400	-	-	46,840,400	-	-	46,840,400	-	-	46,840,400
14 SRF Junior Lien Bonds	6,695,100	(360,000)	-	6,335,100	-	-	6,335,100	-	-	6,335,100
<b>15 Total Debt Service</b>	<b>\$177,845,200</b>	<b>\$ (360,000)</b>	<b>\$ -</b>	<b>\$177,485,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$177,485,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$177,485,200</b>
<b>Debt Service Coverage</b>										
16 Senior Lien Bonds (11)/(12)	1.89	(0.02)	(0.01)	1.86	0.00	0.00	1.86	0.00	0.00	1.87
17 Second Lien Bonds (11)/[(12)+(13)]	1.37	(0.01)	(0.01)	1.35	0.00	0.00	1.35	0.00	0.00	1.36
18 SRF Junior Lien Bonds (11)/(15)	1.32	(0.01)	(0.01)	1.30	0.00	0.00	1.31	0.00	0.00	1.31

\* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

\*\* Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.





<b>Appropriation Level - Debt Service - Water System Debt Service Coverage Calculation Budget Amendment Explanation</b>	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations &amp; maintenance (O&amp;M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Water System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



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**Table 2B - Appropriation Level – Debt Service Coverage Calculation – Sewer System**

Sewer System - Debt Service Coverage Calculation	FY 2022 Board Adopted Budget	1st Quarter FY 2022 Amendments Regional System	1st Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget	2nd Quarter FY 2022 Amendments Regional System	2nd Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget	3rd Quarter FY 2022 Amendments Regional System	3rd Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
	<b>Revenues</b>									
1 Regional System Wholesale Revenues	\$474,005,900	\$ (3,000,000)	\$ -	\$471,005,900	\$ (3,100,000)	\$ -	\$467,905,900	\$ -	\$ -	\$467,905,900
2 Local System Revenues	104,684,700	-	(6,803,300)	97,881,400	-	-	97,881,400	-	-	97,881,400
3 Miscellaneous Revenue (Local System)	6,810,800	-	364,200	7,175,000	-	-	7,175,000	-	-	7,175,000
4 Non-Operating Revenue (Regional System)	1,423,300	500,000	-	1,923,300	442,900	-	2,366,200	23,000	-	2,389,200
<b>5 Total Revenues</b>	<b>\$586,924,700</b>	<b>\$ (2,500,000)</b>	<b>\$ (6,439,100)</b>	<b>\$577,985,600</b>	<b>\$ (2,657,100)</b>	<b>\$ -</b>	<b>\$575,328,500</b>	<b>\$ 23,000</b>	<b>\$ -</b>	<b>\$575,351,500</b>
<b>Revenue Requirements</b>										
<b>Operations &amp; Maintenance Expense</b>										
6 Regional System Wholesale Expenses	\$181,299,800	\$ -	\$ -	\$181,299,800	\$ -	\$ -	\$181,299,800	\$ 10,608,800	\$ -	\$191,908,600
7 Local System Expenses	69,233,000	-	(7,932,000)	61,301,000	-	-	61,301,000	-	-	61,301,000
8 GRS Pension allocable to Regional System	10,824,000	-	-	10,824,000	-	-	10,824,000	-	-	10,824,000
9 GRS Pension allocable to Local System	2,856,000	-	-	2,856,000	-	-	2,856,000	-	-	2,856,000
<b>10 Total Operations &amp; Maintenance Expense</b>	<b>264,212,800</b>	<b>-</b>	<b>(7,932,000)</b>	<b>256,280,800</b>	<b>-</b>	<b>-</b>	<b>256,280,800</b>	<b>10,608,800</b>	<b>-</b>	<b>266,889,600</b>
<b>11 Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$322,711,900</b>	<b>\$ (2,500,000)</b>	<b>\$ 1,492,900</b>	<b>\$321,704,800</b>	<b>\$ (2,657,100)</b>	<b>\$ -</b>	<b>\$319,047,700</b>	<b>\$ (10,585,800)</b>	<b>\$ -</b>	<b>\$308,461,900</b>
<b>Debt Service by Lien</b>										
12 Senior Lien Bonds	\$133,195,700	\$ (2,375,000)	\$ -	\$130,820,700	\$ -	\$ -	\$130,820,700	\$ -	\$ -	\$130,820,700
13 Second Lien Bonds	51,893,000	-	-	51,893,000	-	-	51,893,000	-	-	51,893,000
14 SRF Junior Lien Bonds	53,921,600	150,000	-	54,071,600	-	-	54,071,600	-	-	54,071,600
<b>15 Total Debt Service</b>	<b>\$239,010,300</b>	<b>\$ (2,225,000)</b>	<b>\$ -</b>	<b>\$236,785,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$236,785,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$236,785,300</b>
<b>Debt Service Coverage</b>										
16 Senior Lien Bonds (11)/(12)	2.42	(0.02)	0.01	2.46	(0.02)	0.00	2.44	(0.08)	0.00	2.36
17 Second Lien Bonds (11)/[(12)+(13)]	1.74	(0.01)	0.01	1.76	(0.01)	0.00	1.75	(0.06)	0.00	1.69
18 SRF Junior Lien Bonds (11)/(15)	1.35	(0.01)	0.01	1.36	(0.01)	0.00	1.35	(0.04)	0.00	1.30

\* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget.

\*\* Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.



<b>Appropriation Level - Debt Service - Sewer System Debt Service Coverage Calculation Budget Amendment Explanation</b>	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations &amp; maintenance (O&amp;M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Sewer System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



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**Table 3A - Appropriation Level – Improvement & Extension Fund – Water System**

Water Improvement & Extension Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
<b>Revenues</b>						
Water System Transfers In from General Operating	\$ 28,093,900	\$ (1,540,000)	\$ 492,500	\$ 491,000	\$ 27,537,400	\$ 20,337,100
Earnings on Investments (b)	-	715,000	614,000	-	1,329,000	1,199,400
Net Use of Reserves (a)	97,220,700	68,800	(3,523,300)	32,433,400	126,199,600	-
<b>Total Revenues</b>	<b>\$ 125,314,600</b>	<b>\$ (756,200)</b>	<b>\$ (2,416,800)</b>	<b>\$ 32,924,400</b>	<b>\$ 155,066,000</b>	<b>\$ 21,536,500</b>
<b>Expenditures</b>						
Water System Revenue Transfers Out (b)	\$ -	\$ 715,000	\$ 614,000	\$ -	\$ 1,329,000	\$ 1,385,900
Capital Spending - Other	-	567,400	-	-	567,400	1,323,100
Capital Outlay	17,006,600	-	(3,030,800)	(3,914,500)	10,061,300	3,673,400
Revenue Financed Capital - Operating Transfer to Construction Fund	108,308,000	(2,038,600)	-	36,838,900	143,108,300	89,879,400
<b>Total Expenditures</b>	<b>\$ 125,314,600</b>	<b>\$ (756,200)</b>	<b>\$ (2,416,800)</b>	<b>\$ 32,924,400</b>	<b>\$ 155,066,000</b>	<b>\$ 96,261,800</b>
<i>(a) Beginning Net Position</i>					\$ 207,475,000	
<i>Net Use of Reserves</i>					\$ (126,199,600)	
<i>Projected Ending Net Position</i>					\$ 81,275,400	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



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<b>Appropriation Level – Improvement &amp; Extension Fund – Water System Budget Amendment Explanation</b>	
<b>Revenues</b>	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 revenue requirement based upon general operating fund performance. (see I&amp;E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Water System General Operating table).</i>
Earnings on Investments	<i>Had not been originally budgeted as there is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&amp;E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. No budget amendment is required.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenses. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
<b>Expenditures</b>	
Water System Revenue Transfers Out (Earnings on Investments)	<i>Had not been originally budgeted as there is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&amp;E Fund is zero). This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference. No budget amendment is required.</i>
Capital Spending - Other	<i>No budget amendment is required. This line represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>The proposed budget amendment reflects the decrease in spending which is primarily driven by the change in project start dates and project scope.</i>



<b>Appropriation Level – Improvement &amp; Extension Fund – Water System Budget Amendment Explanation</b>	
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects the funding that is anticipated to be needed for Capital Projects that will be completed in FY 2022 that rely on I&amp;E funds rather than SRF funds.</i>



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FY 2022 Ending March 31, 2022

**Table 3B - Appropriation Level - Improvement & Extension Fund – Sewer System**

Sewer Improvement & Extension Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
<b>Revenues</b>						
Sewer System Transfers In from General Operating	\$ 34,616,900	\$ (275,000)	\$ (2,657,100)	\$ (10,585,800)	\$ 21,099,000	\$ 25,334,800
Receipt of DWSD Shortfall Loan Interest	406,400	-	(261,500)	-	144,900	133,700
Earnings on Investments (b)	-	500,000	504,900	-	1,004,900	676,600
Net Use of Reserves (a)	28,487,800	18,182,800	4,299,400	11,517,200	62,487,200	-
<b>Total Revenues</b>	<b>\$ 63,511,100</b>	<b>\$ 18,407,800</b>	<b>\$ 1,885,700</b>	<b>\$ 931,400</b>	<b>\$ 84,736,000</b>	<b>\$ 26,145,100</b>
<b>Expenditures</b>						
Sewer System Revenue Transfers Out (b)	\$ -	\$ 500,000	\$ 504,900	\$ -	\$ 1,004,900	\$ 723,000
Capital Spending - Other	-	722,200	-	-	722,200	4,125,000
Capital Outlay	15,965,100	-	1,380,800	(3,467,200)	13,878,700	3,758,100
Revenue Financed Capital - Operating Transfer to Construction Fund	47,546,000	17,185,600	-	4,398,600	69,130,200	39,120,900
<b>Total Expenditures</b>	<b>\$ 63,511,100</b>	<b>\$ 18,407,800</b>	<b>\$ 1,885,700</b>	<b>\$ 931,400</b>	<b>\$ 84,736,000</b>	<b>\$ 47,727,000</b>
(a) Beginning Net Position					\$ 122,385,000	
Net Use of Reserves					(62,487,200)	
Projected Ending Net Position					\$ 59,897,800	

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



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<b>Appropriation Level – Improvement &amp; Extension Fund – Sewer System Budget Amendment Explanations</b>	
<b>Revenues</b>	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 revenue requirement based upon general operating fund performance. (see I&amp;E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Sewer System General Operating table).</i>
Receipt of DWSD Shortfall Loan Interest	<i>No budget amendment is required. This represents the interest earnings on the Note Receivable for the FY 2018 DWSD Sewer System Shortfall to the payment schedule. This note is scheduled to be paid off by June 30, 2022.</i>
Earnings on Investments	<i>Had not been originally budgeted as there is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&amp;E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges. No budget amendment is required.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
<b>Expenditures</b>	
Sewer System Revenue Transfers Out (Earnings on Investments)	<i>Had not been originally budgeted as there is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance (so the net effect on the I&amp;E Fund is zero). This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance between the two lines represents a timing difference. No budget amendment is required.</i>
Capital Spending – Other	<i>No budget amendment is required. This line represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>





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<b>Appropriation Level – Improvement &amp; Extension Fund – Sewer System Budget Amendment Explanations</b>	
Capital Outlay	<i>The proposed budget amendment reflects the decrease in spending which is primarily driven by the change in project start dates and project scope.</i>
Revenue Financed Capital – Transfer to Construction Fund	<i>The proposed budget amendment reflects the funding that is anticipated to be needed for Capital Projects that will be completed in FY 2022 that rely on I&amp;E funds rather than SRF funds.</i>



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**Table 4A - Appropriation Level – Construction Fund – Water System**

Water Construction Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
<b>Revenues</b>						
Transfer from Improvement & Extension Fund	\$ 108,308,000	\$ (2,038,600)	\$ -	\$ 36,838,900	\$ 143,108,300	\$ 89,879,400
Bond Proceeds	-	-	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	-	-	-
Grant Revenues (SRF Loans)	26,100,000	10,427,000	-	-	36,527,000	22,850,400
Net Use of Reserves (a)	-	772,700	-	(772,700)	-	-
<b>Total Revenues</b>	<b>\$ 134,408,000</b>	<b>\$ 9,161,100</b>	<b>\$ -</b>	<b>\$ 36,066,200</b>	<b>\$ 179,635,300</b>	<b>\$ 112,729,800</b>
<b>Expenditures</b>						
Capital Improvement Plan (b)	\$ 179,210,000	\$ (567,400)	\$ -	\$ 992,700	\$ 179,635,300	\$ 116,952,200
Capital Spend Rate Adjustment	(44,802,000)	9,728,500	-	35,073,500	-	-
<b>Total Expenditures (b)</b>	<b>\$ 134,408,000</b>	<b>\$ 9,161,100</b>	<b>\$ -</b>	<b>\$ 36,066,200</b>	<b>\$ 179,635,300</b>	<b>\$ 116,952,200</b>
<i>(a) Beginning Net Position</i>					\$ 12,438,000	
<i>Net Use of Reserves</i>					-	
<i>Projected Ending Net Position</i>					<u>\$ 12,438,000</u>	
<i>(b) Plus Direct I&amp;E Projects</i>	-				567,400	
<i>Total CIP Expenditures</i>	<i>134,408,000</i>				<i>180,202,700</i>	
<i>Total Published Capital Improvement Plan</i>	<i>179,210,000</i>				<i>179,210,000</i>	
<i>Capital Spending Ratio</i>	<i>75.0%</i>				<i>100.6%</i>	



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<b>Appropriation Level – Construction Fund – Water System Budget Amendment Explanations</b>	
<b>Revenues</b>	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement &amp; Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement &amp; Extension Fund-Water System table). The amount is primarily based on the increase in the Capital spend rate.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Earnings on Investments	<i>No budget amendment is required.</i>
Grant Revenues (State Revolving Fund Loans)	<i>No budget amendment is required. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the <a href="#">March 2022 Audit Committee binder</a> which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>The proposed budget amendment zeros out the budget for this line item. A “use of reserves” indicates a spend down of prior year reserves. There are no reserves as all bond proceeds were expended during the previous year. All Capital Projects are being funded either through SRF loans or I&amp;E funds.</i>
<b>Expenditures</b>	
Capital Improvement Plan	<i>The Water Capital Improvement Plan (CIP) is projected to exceed the approved plan by 0.6% (forecast as of May 23, 2022). The proposed budget amendment for this line represents the amount that exceeds adopted Water CIP for FY 2022.</i>



**Appropriation Level – Construction Fund – Water System Budget Amendment Explanations**

Capital Spend Rate  
Assumption Adjustment

*The proposed budget amendment represents the increase in the projected Capital spend rate for the Water CIP from 80.4% (1st quarter budget amendment projection) to 100.6%, thereby eliminating the Capital spend rate. The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The Capital spend rate for the Water CIP was amended for the first quarter from 75.0% (projection at time of the FY 2022 budget adoption) to 80.4%. No further amendment was made for the second quarter. The most recent quarterly construction work-in-progress (CWIP) report is presented in the [April 2022 Audit Committee binder](#).*



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**Table 4B - Appropriation Level – Construction Fund – Sewer System**

Sewer Construction Fund	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 03/31/2022
<b>Revenues</b>						
Transfer from Improvement & Extension Fund	\$ 47,546,000	\$ 17,185,600	\$ -	\$ 4,398,600	\$ 69,130,200	\$ 39,120,900
Bond Proceeds	-	-	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	-	-	-
Grant Revenues (SRF Loans)	31,992,000	(17,843,000)	-	-	14,149,000	7,409,500
Net Use of Reserves (a)	-	2,008,200	1,100,000	(3,108,200)	-	-
<b>Total Revenues</b>	<b>\$ 79,538,000</b>	<b>\$ 1,350,800</b>	<b>\$ 1,100,000</b>	<b>\$ 1,290,400</b>	<b>\$ 83,279,200</b>	<b>\$ 46,530,400</b>
<b>Expenditures</b>						
Capital Improvement Plan (b)	\$ 106,050,000	\$ (722,200)	\$ -	\$ -	\$ 105,327,800	\$ 44,402,400
Capital Spend Rate Adjustment	(26,512,000)	2,073,000	1,100,000	1,290,400	(22,048,600)	-
<b>Total Expenditures (b)</b>	<b>\$ 79,538,000</b>	<b>\$ 1,350,800</b>	<b>\$ 1,100,000</b>	<b>\$ 1,290,400</b>	<b>\$ 83,279,200</b>	<b>\$ 44,402,400</b>
<i>(a) Beginning Net Position</i>					\$ 11,473,000	
<i>Net Use of Reserves</i>					-	
<i>Projected Ending Net Position</i>					<u>\$ 11,473,000</u>	
<i>(b) Plus Direct I&amp;E Projects</i>	-				722,200	
<i>Total CIP Expenditures</i>	79,538,000				84,001,400	
<i>Total Published Capital Improvement Plan</i>	106,050,000				106,050,000	
<i>Capital Spending Ratio</i>	75.0%				79.2%	



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<b>Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations</b>	
<b>Revenues</b>	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement &amp; Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement &amp; Extension Fund-Water System table). The amount is primarily based on the increase in the Capital spend rate.</i>
Bond Proceeds	<i>No budget amendment is required.</i>
Earnings on Investments	<i>No budget amendment is required.</i>
Grant Revenues (State Revolving Fund Loans)	<i>No budget amendment is required. State revolving fund loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the <a href="#">March 2022 Audit Committee binder</a> which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>The proposed budget amendment zeros out the budget for this line item. A “use of reserves” indicates a spend down of prior year reserves. There are no reserves as all bond proceeds were expended during the previous year. All Capital Projects are being funded either through SRF loans or I&amp;E funds.</i>
<b>Expenditures</b>	
Capital Improvement Plan	<i>No budget amendment is required. This line represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the ‘Capital Spending – Other’ line on the Water Improvement &amp; Extension Fund table.</i>



**Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations**

**Capital Spend Rate Adjustment**

*The proposed budget amendment represents the increase in the projected Capital spend rate for the Water CIP from 78.0% (second quarter budget amendment projection) to 79.2% (forecast as of May 23, 2022). The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The Capital spend rate for the Water CIP was amended for the first quarter from 75.0% (projection at time of the FY 2022 budget adoption) to 77.0%. The Capital spend rate was further adjusted to 78.0% for the second quarter. The most recent quarterly construction work-in-progress (CWIP) report is presented in the [April 2022 Audit Committee binder](#).*



## 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



## ADDENDUM 1

### *Supplemental Information –*

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

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.

**ADDENDUM 1***Supplemental Information –**Enterprise-wide Operations & Maintenance Department and Account Level Amendments*

- 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>

## ADDENDUM 1

Supplemental Information  
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	

## ADDENDUM 1

Supplemental Information  
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>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.

## ADDENDUM 1

Supplemental Information  
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>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	

## ADDENDUM 1

Supplemental Information  
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>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)	

## ADDENDUM 1

Supplemental Information  
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>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,



**ADDENDUM 2***Supplemental Information –**Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*

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  
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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	Explanation of Key Items
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*

..Title

**Proposed FY 2022 Third Quarter Budget Amendments**

..Body

Agenda of: June 8, 2022

Item No.: **2022-239**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Suzanne R. Coffey, P.E.  
Interim Chief Executive Officer  
Great Lakes Water Authority

**DATE:** June 8, 2022

**RE: Proposed FY 2022 Third Quarter Budget Amendments**

**MOTION**

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), approves the **Proposed FY 2022 Third Quarter Budget Amendments as presented**; and authorizes the Interim Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

**BACKGROUND**

The founding legal documents for the Great Lakes Water Authority (GLWA) provide a structure for budget preparation, adoption, and amendment. The Board of Directors adopts a biennial budget by resolution which specifies appropriation amounts which may be modified through budget amendments. To the extent that there is a proposed amendment of the budget among the appropriation categories, the matter is brought to

the Audit Committee for review and consideration of a recommendation to the Board of Directors for their consideration for approval.

### **JUSTIFICATION**

Attached is the communication to the Audit Committee dated June 7, 2022, which presents the proposed budget amendments for the third quarter of FY 2022. The reports included in this communication include the following.

1. Quarterly Budget Amendment Report for FY 2022 ending March 31, 2022.
2. Resolution Adopting the Budget Amendments through the Third Quarter of FY 2022.

### **BUDGET IMPACT**

The overall budget, despite amendment, continues to be balanced.

### **COMMITTEE REVIEW**

This matter was reviewed by the Audit Committee at its meeting on June 7, 2022. The Audit Committee [*insert action*] that the Board of Directors for the Great Lakes Water Authority adopt the proposed FY 2022 third quarter budget amendments.

### **SHARED SERVICES IMPACT**

The impact of the third quarter FY 2022 budget amendments is an increase of \$273,200 to OPS-008 – Systems Control Center, Detroit Only Pump Stations/CSO.

**Great Lakes Water Authority**

**Resolution 2022-239**

**Resolution Adopting the Budget Amendments through the Third Quarter of FY 2022**

By Board Member:

**WHEREAS** The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

**WHEREAS** In accordance with the by-laws of the GLWA, further defined by its budget amendment policy, the Board shall amend the budget as needed based upon a quarterly report from the Chief Financial Officer; and

**WHEREAS** The GLWA Board adopted the FY 2022 budget on March 24, 2021, for the twelve-month fiscal year beginning July 1, 2021;

**WHEREAS** Following a review of the budget amendment report through the FY 2022 Third Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer system are amended as shown in the table below;

<b>General Operating Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Revenues</b>				
Suburban Wholesale Customer Charges	\$ 321,110,900	\$ 318,710,900	\$ 272,130,000	\$ 266,730,000
Retail Service Charges	21,697,300	No Change	188,662,200	No Change
Industrial Waste Control Charges	-	-	9,024,800	8,324,800
Pollutant Surcharges	-	-	4,188,900	No Change
Investment Earnings	1,047,300	1,923,800	1,023,300	1,876,200
Other Revenues	175,000	782,000	400,000	513,000
<b>Total Revenues</b>	<b>\$ 344,030,500</b>	<b>\$ 343,114,000</b>	<b>\$ 475,429,200</b>	<b>\$ 470,295,100</b>
<b>Revenue Requirements</b>				
Operations & Maintenance Expense	\$ 143,933,800	No Change	\$ 181,299,800	\$ 191,908,600
General Retirement System Legacy Pension	6,048,000	No Change	10,824,000	No Change
Debt Service	135,481,000	135,121,000	207,209,500	204,984,500
General Retirement System Accelerated Pension	6,268,300	No Change	11,620,700	No Change
Extraordinary Repair & Replacement Deposit	-	No Change	-	No Change
Water Residential Assistance Program Contribution	1,705,500	No Change	2,358,300	No Change
Regional System Lease	22,500,000	No Change	27,500,000	No Change
DWSD Budget Shortfall Pending	-	No Change	-	No Change
Improvement & Extension Fund Transfer	28,093,900	27,537,400	34,616,900	21,099,000
<b>Total Revenue Requirements</b>	<b>\$ 344,030,500</b>	<b>\$ 343,114,000</b>	<b>\$ 475,429,200</b>	<b>\$ 470,295,100</b>



**WHEREAS** Following a review of the budget amendment report through the FY 2022 Third Quarter, the appropriations established with the adoption of the amounts necessary to pay the principal of and interest on all Regional bonds and to restore any reserves therefore established in the Master Bond Ordinance for the water system and the sewer system are amended as shown in the table below;

<b>Debt Service Coverage Calculation</b>				
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Debt Service by Lien</b>				
Senior Lien Bonds	124,309,700	No Change	133,195,700	130,820,700
Second Lien Bonds	46,840,400	No Change	51,893,000	No Change
SRF Junior Lien Bonds	6,695,100	6,335,100	53,921,600	54,071,600
Total Debt Service	<u>\$ 177,845,200</u>	<u>\$ 177,485,200</u>	<u>\$ 239,010,300</u>	<u>\$ 236,785,300</u>

**WHEREAS** Following a review of the budget amendment report through the FY 2022 Third Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer system are amended as shown in the table below;

<b>Improvement &amp; Extension Fund</b>				
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
<b>Revenues</b>				
Transfers In from General Operating	\$ 28,093,900	\$ 27,537,400	\$ 34,616,900	\$ 21,099,000
Receipt of DWSD Shortfall Loan	-	-	406,400	144,900
Earnings on Investments	-	1,329,000	-	1,004,900
Net Use of Reserves	97,220,700	126,199,600	28,487,800	62,487,200
Total Revenues	<u>\$ 125,314,600</u>	<u>\$ 155,066,000</u>	<u>\$ 63,511,100</u>	<u>\$ 84,736,000</u>
<b>Expenditures</b>				
Water/Sewer System Revenue Transfers Out	\$ -	\$ 1,329,000	\$ -	\$ 1,004,900
Capital Spending - Other	-	567,400	-	722,200
Capital Outlay	17,006,600	10,061,300	15,965,100	13,878,700
Revenue Financed Capital - Operating				
Transfer to Construction Fund	108,308,000	143,108,300	47,546,000	69,130,200
Total Expenditures	<u>\$ 125,314,600</u>	<u>\$ 155,066,000</u>	<u>\$ 63,511,100</u>	<u>\$ 84,736,000</u>

**WHEREAS** Following a review of the budget amendment report through the FY 2022 Third Quarter, the appropriations established with the adoption of the construction fund budget for the water system and the sewer system are amended as shown in the table below;

Construction Fund Appropriation Category	Water System		Sewer System	
	Adopted	Amended	Adopted	Amended
<b>Revenues</b>				
Transfer from Improvement & Extension Fund	\$ 108,308,000	143,108,300	\$ 47,546,000	69,130,200
Bond Proceeds	-	No Change	-	No Change
Grant Revenues (SRF Loans)	26,100,000	36,527,000	31,992,000	14,149,000
Earnings on Investments	-	No Change	-	No Change
Net Use of Reserves	-	-	-	-
Total Revenues	<u>\$ 134,408,000</u>	<u>\$ 179,635,300</u>	<u>\$ 79,538,000</u>	<u>\$ 83,279,200</u>
<b>Expenditures</b>				
Project Expenditures	\$ 134,408,000	179,635,300	\$ 79,538,000	83,279,200
Total Expenditures	<u>\$ 134,408,000</u>	<u>\$ 179,635,300</u>	<u>\$ 79,538,000</u>	<u>\$ 83,279,200</u>
Capital Spending Ratio	75.0%	100.6%	75.0%	79.2%

**WHEREAS** The GLWA Audit Committee reviewed the budget amendments at its meetings on June 7, 2022; and

**WHEREAS** An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

**NOW THEREFORE BE IT:**

**RESOLVED** That the GLWA Board approves the FY 2022 Third Quarter Budget Amendments; and be it finally

**RESOLVED** That the Interim Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.