

# MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Water Services** provides for...

## FY 2027 Water System Budget Infographic

### 44.9% OPERATIONS AND MAINTENANCE

#### 44.9¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality around-the-clock, every day of the year.

### 44.6% DEBT SERVICE

#### 44.6¢ ON THE DOLLAR

Physical improvements to GLWA's regional water system and its assets are financed with debt. Debt service principal and interest are funded monthly.

### 5.2% REGIONAL SYSTEM LEASE

#### 5.2¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

### 3.9% REVENUE FINANCED CAPITAL

#### 3.9¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

### 0.6% CLOSED PENSION

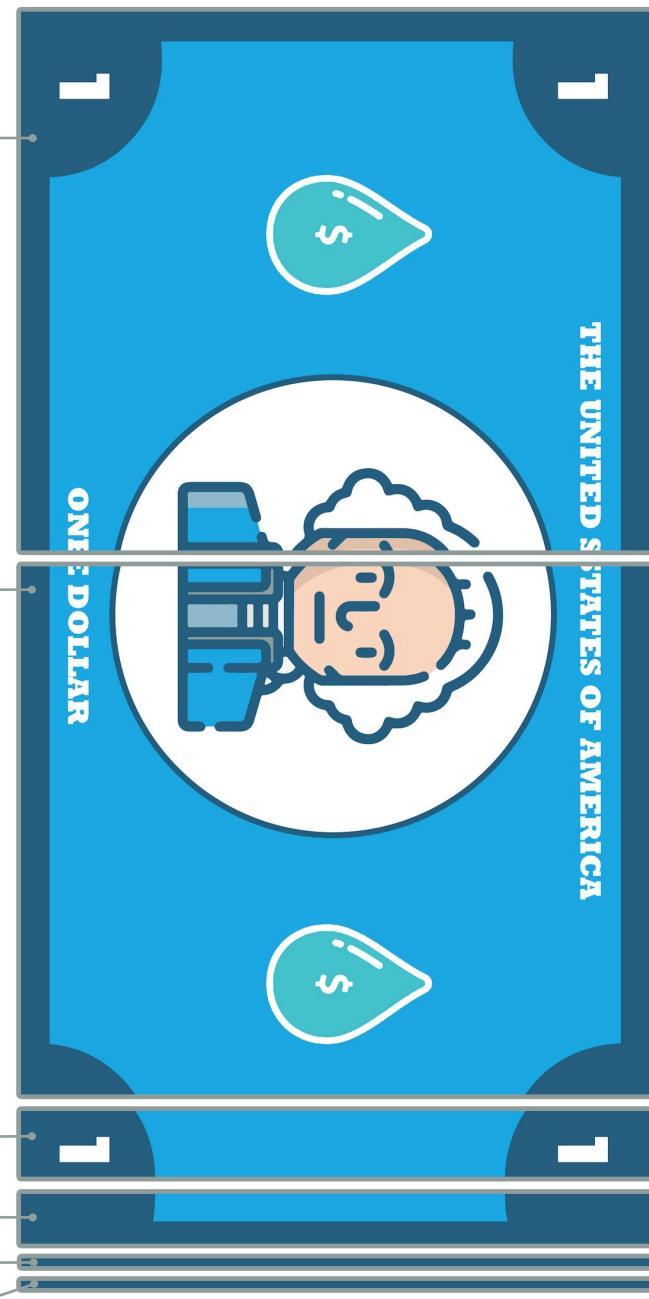
#### 0.6¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the water system before GLWA was formed. Over time, the annual payment will decrease.

### WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

#### 0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



### TRUST FUND WORKING CAPITAL & OTHER

#### 0.3¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

Source: Proposed FY 2027 Budget as of January 30, 2026

# MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Wastewater Services** provides for...

## *FY 2027 Wastewater System Budget Infographic*

### **41.5% OPERATIONS AND MAINTENANCE**

#### **41.5¢ ON THE DOLLAR**

The cost for people, utilities, chemicals, and services to deliver effective and efficient wastewater services around-the-clock, every day of the year.

### **40.9% DEBT SERVICE**

#### **40.9¢ ON THE DOLLAR**

Physical improvements to GLWA's regional wastewater system and its assets are financed with debt. Debt service principal and interest are funded monthly.

### **11.1% REVENUE FINANCED CAPITAL**

#### **11.1¢ ON THE DOLLAR**

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

### **4.8% REGIONAL SYSTEM LEASE**

#### **4.8¢ ON THE DOLLAR**

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional wastewater system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

### **0.9% CLOSED PENSION**

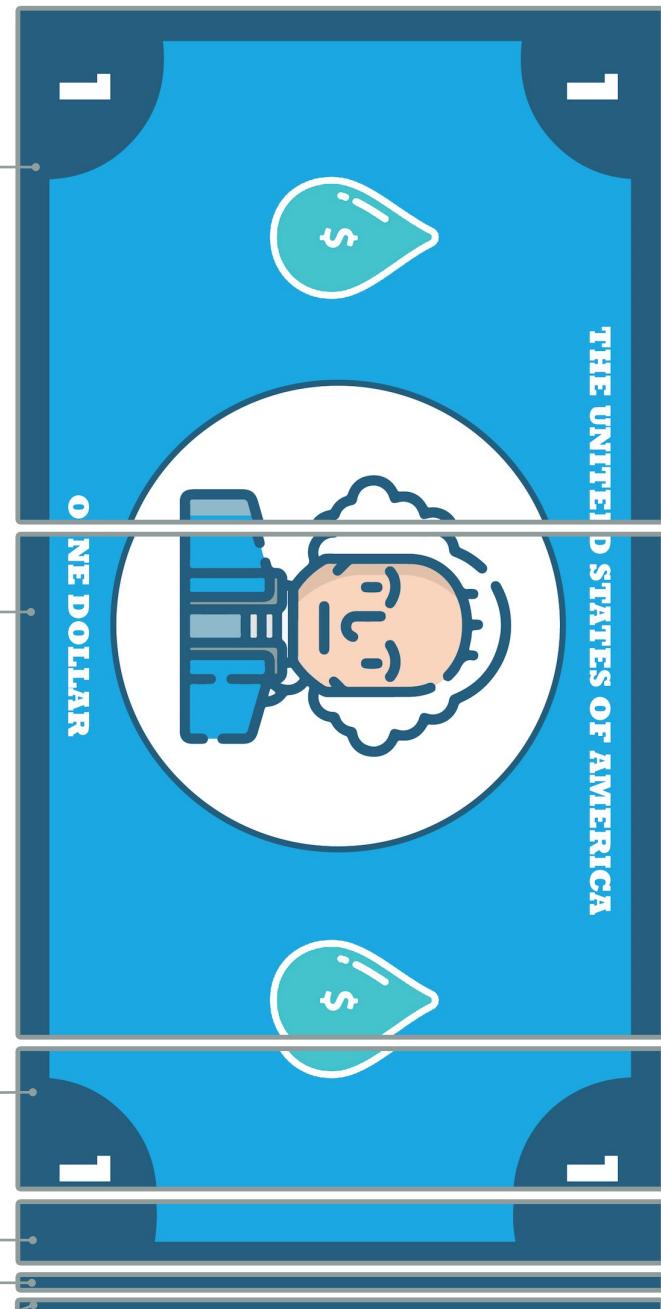
#### **0.9¢ ON THE DOLLAR**

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the wastewater system before GLWA was formed. Over time, the annual payment will decrease.

### **0.3% TRUST FUND WORKING CAPITAL & OTHER**

#### **0.3¢ ON THE DOLLAR**

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.



### **0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)**

#### **0.5¢ ON THE DOLLAR**

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

*Source: Proposed FY 2027 Budget as of January 30, 2026*

# MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for combined **Water and Wastewater Services** provides for...

## FY 2027 Water and Wastewater Combined Budget Infographic

### 43.0% OPERATIONS AND MAINTENANCE

#### 43.0¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality and effective and efficient wastewater services around-the-clock, every day of the year.

### 42.5% DEBT SERVICE

#### 42.5¢ ON THE DOLLAR

Physical improvements to GLWA's regional water and wastewater system assets are financed with debt. Debt service principal and interest are funded monthly.

### 8.0% REVENUE FINANCED CAPITAL

#### 8.0¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

### 5.0% REGIONAL SYSTEM LEASE

#### 5.0¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water and wastewater systems. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

### 0.8% CLOSED PENSION

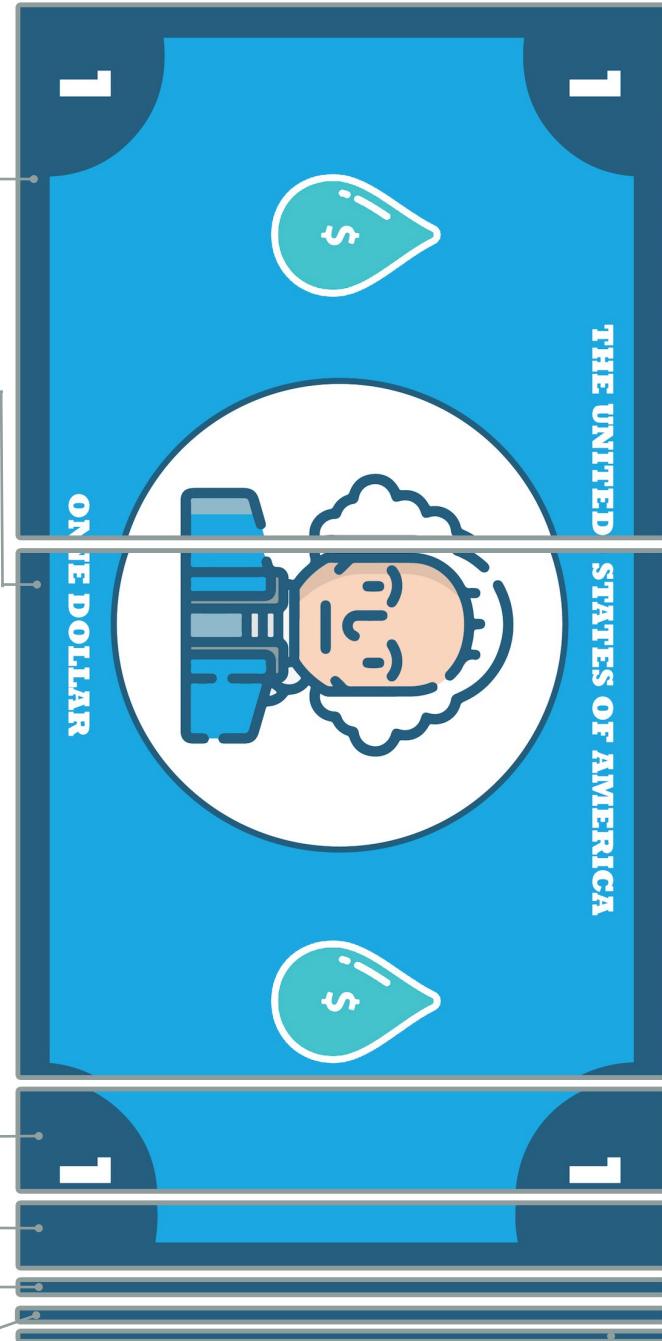
#### 0.8¢ ON THE DOLLAR

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### WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

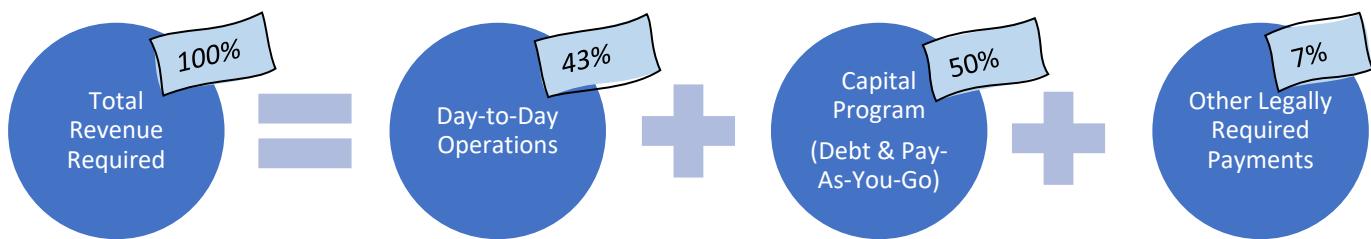
#### 0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

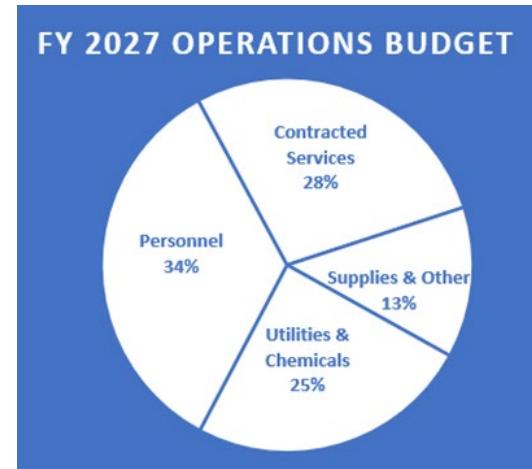


Source: Proposed FY 2027 Budget as of January 30, 2026

The total budget for a water utility, like the Great Lakes Water Authority (GLWA), is referred to as the *“revenue requirement.”* It tells us *how much revenue / cash is required* to operate and maintain the systems for a given year. The total revenue requirement increased by \$49.4 million or 5.2% for FY 2027. Three major categories makeup GLWA’s total revenue requirement of \$1.0 billion.



**Day-to-Day Operations** includes the personnel, specialty contractual services, utilities, chemicals, and supplies to operate five water treatment plants, the largest single-site Water Resource Recovery Facility (WRRF) in North America and all of the systems, processes, and controls to manage the vast regional water and sewer network. The total FY 2027 Operations & Maintenance Budget is \$431.3 million, up \$12.8 million over the previous year. This growth is from cost increases for utilities, chemicals, insurance and contractual provisions. New this year is the start of the water master plan update and increased technology security measures. A net staffing increase is zero thanks to a successful apprenticeship program where graduates filled key vacancies.



**Capital Program** costs include making payments on bonded debt, balanced with cash funding, to prevent GLWA from maxing out its borrowing capability for future generations. Because many of our assets are underground, it is hard to envision the scope of all capital needs. For perspective, consider that there are over 800 miles of transmission main that move treated drinking water from five water treatment plants to the local systems’ distribution network and there are also over 200 miles of trunk sewers and interceptors that return wastewater to the WRRF. The combined total of 1,000 miles equals the driving distance from Detroit to Jacksonville, Florida. The FY 2027 Capital Program-related revenue requirement is \$506 million, an increase of \$35 million.

**Other Legally Required** costs increased \$1.5 million to \$65.4 million. This includes the lease payment to the City of Detroit Water & Sewerage Department (DWSD) (\$50 million restricted for DWSD debt and capital program needs), legacy pension payments to the City of Detroit General Retirement System (\$7.8 million), a half of one percent of revenues for the Water Residential Assistant Program (WRAP) (\$4.9 million), and a working capital requirement (\$2.7 million).

**Revenue Required** from charges increased 6.2%. The average system charge increase to Member Partners of 6.83% for water and 5.98% for sewer is achieved with offsetting investment income and other (although to a lesser extent with an approximately \$4 million decrease for each system).

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

The proposed operations and maintenance (O&M) budget accounts for 43% (\$431.3M) of the total revenue requirement budget of \$1.0 billion. Compared to the FY 2026 Adopted Budget, this is an increase of almost \$12.8M (3.1%). The following is a discussion of the proposed O&M budget highlights for FY 2027. Note: amounts presented in millions (M).

**Staffing & Personnel** - Overall the staffing plan number of positions (1,352) did not change. Across multiple areas, five apprentices graduated who were promoted to regular team member status filling vacancies in key operational areas. Since not all positions are filled, the “full-time equivalent” count is 1,194 which is a vacancy rate of 12%. Medical plan costs increased an average of 11.5%.

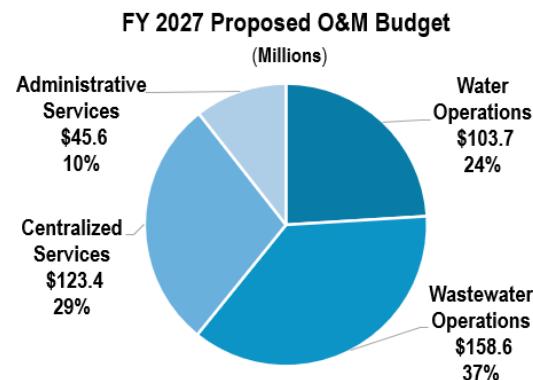
**Water Operations - increase of \$2.2M (2.1%)** Personnel increased (\$3.6M) for merit, market adjustments, and skills level progressions are included. Contractual Services decreased (\$2.8M) primarily due to the new sludge removal and hauling contract. Chemicals (bulk) are stable due to lower forecast volume of orthophosphate and stabilized market prices. Unallocated reserves (\$1.3 M) and other items (\$0.1M) also increased. Unallocated reserves are included in the budget to address cost increases or other contingencies throughout the year.

**Wastewater Operations - increase of \$2.1 M (1.3%)** An increase in Contractual Services (\$2.3M) is due to transferring the asset maintenance and reliability program for sewer operations from centralized Field Services; boiler operation services; and, a vendor price increase for operating the Biosolids Dryer Facility. Although staffing positions decreased by 10, personnel costs increased (\$1.6M) due to merit, market adjustments and skills level

progressions. Chemicals decreased significantly (\$4.1M) due to reduced forecast volume of chemicals used to control phosphorus and lower market prices. Unallocated reserve increased (\$1.8M) and other items increased (\$0.5M).

**Centralized Services<sup>1</sup> - increase \$6.0M (5.1%)** Personnel costs increased (\$2.4M) due to merit, market adjustments and skills level progressions. The increase in Supplies & Other (\$1.4M) is for wireless access points for the water plants to support technology and communication needs. Contractual Services net increase (\$0.5M) is due to capital projects for shared facilities, an update to the Water Master Plan, and technology for secure off-site backup services. These increases are offset by the sewer asset maintenance and repair costs transferred to the Wastewater Operations. Unallocated reserve increased (\$1.7 M).

**Administrative Services<sup>2</sup> - increase of \$2.5 M (5.8%)** Personnel cost increased (\$1.5M) due to merit and market adjustments. Unallocated reserves increased (\$0.7M). Contractual services increased (\$0.3M) due to legal resources needed to mitigate risk & safeguard the organization as well as an increase in insurance costs.



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

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

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

## Water System Operations

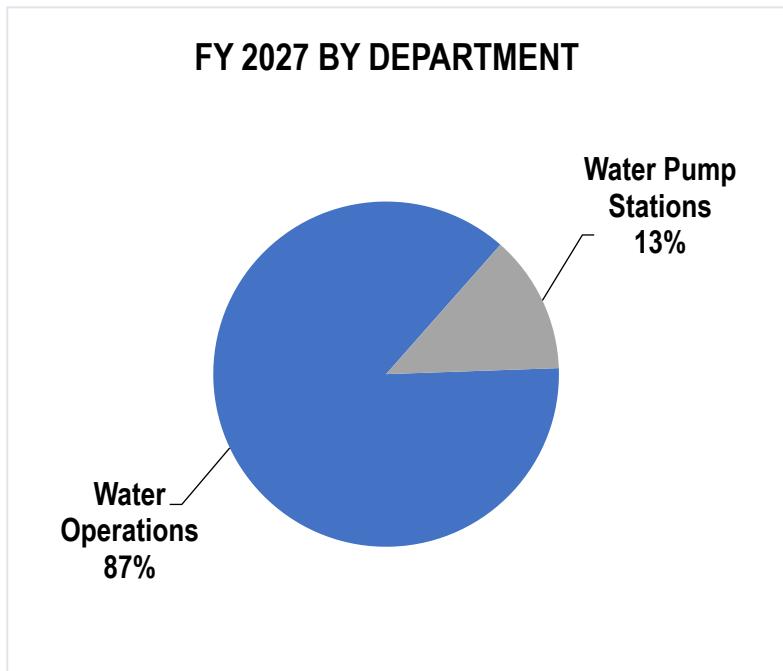
The Water System Operations area consists of the following departments:

- ❖ Water Operations
- ❖ Water Pump Stations

The detailed budget requests for each department are included in this section.

## Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Water Systems Operations area with comparison to both the FY 2026 Adopted and Amended Budget.



*Biennial Budget Request by Expense Category*

Expense Category	FY 2025		FY 2026			FY 2027				FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed Budget	
						Adopted	Amended	Adopted	Amended		
2.1 Salaries & Wages	16,573,568	16,229,200	17,160,600	4,874,890	18,708,000	2,478,800	1,547,400	15.3%	9.0%	19,237,800	
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	272,334	1,069,300	(402,300)	(414,800)	-27.3%	-27.9%	1,215,900	
2.3 Overtime	3,553,908	2,803,900	2,804,000	1,017,161	3,544,300	740,400	740,300	26.4%	26.4%	3,592,200	
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	1,997,319	7,252,200	735,600	582,200	11.3%	8.7%	7,576,100	
Total Personnel Costs	28,099,172	27,021,300	28,118,700	8,161,704	30,573,800	3,552,500	2,455,100	13.1%	8.7%	31,622,000	
3.1 Electric	28,294,276	31,706,300	32,234,300	7,472,597	31,016,000	(690,300)	(1,218,300)	-2.2%	-3.8%	31,541,900	
3.2 Gas	1,353,404	1,191,600	1,191,600	42,383	1,181,200	(10,400)	(10,400)	-0.9%	-0.9%	1,196,100	
3.3 Sewage Service	1,021,932	768,400	768,400	144,568	826,400	58,000	58,000	7.5%	7.5%	838,400	
3.4 Water Service	1,358	2,500	2,500	393	2,500	-	-	0.0%	0.0%	2,500	
Total Utility Costs	30,670,970	33,668,800	34,196,800	7,659,941	33,026,100	(642,700)	(1,170,700)	-1.9%	-3.4%	33,578,900	
4.1 Chemicals	14,111,804	14,904,300	14,904,300	3,285,109	14,906,600	2,300	2,300	0.0%	0.0%	15,303,900	
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	1,963,620	7,047,900	930,000	930,000	15.2%	15.2%	6,527,100	
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	4,765,137	16,496,600	(2,798,500)	(2,798,500)	-14.5%	-14.5%	15,373,700	
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	(415,272)	(1,819,900)	(200,000)	(200,000)	12.3%	12.3%	(735,800)	
7.0 Unallocated Reserve	-	2,113,200	487,900	-	3,422,800	1,309,600	2,934,900	62.0%	601.5%	5,898,900	
Total Other Categories	34,424,853	40,810,600	39,185,300	9,598,595	40,054,000	(756,600)	868,700	-1.9%	2.2%	42,367,800	
<b>Total Water System Operations (Operating Area A)</b>	<b>\$ 93,194,995</b>	<b>\$ 101,500,700</b>	<b>\$ 101,500,800</b>	<b>\$ 25,420,240</b>	<b>103,653,900</b>	<b>2,153,200</b>	<b>2,153,100</b>	<b>2.1%</b>	<b>2.1%</b>	<b>\$ 107,568,700</b>	
<b>Allocations</b>											
Centralized Services	63,779,190	61,003,500	62,787,600	15,351,360	68,818,700	7,815,200	6,031,100	12.8%	2.6%	71,078,400	
Administrative Services	18,431,448	19,951,800	19,972,300	5,583,024	21,090,800	1,139,000	1,118,500	5.7%	5.7%	22,089,500	
<b>Total Allocations</b>	<b>\$ 82,210,638</b>	<b>\$ 80,955,300</b>	<b>\$ 82,759,900</b>	<b>\$ 20,934,384</b>	<b>\$ 89,909,500</b>	<b>\$ 8,954,200</b>	<b>\$ 7,149,600</b>	<b>11.1%</b>	<b>8.6%</b>	<b>\$ 93,167,900</b>	
<b>Total Water System Operations &amp; Maintenance Expense</b>	<b>\$ 175,405,633</b>	<b>\$ 182,456,000</b>	<b>\$ 184,260,700</b>	<b>\$ 46,354,624</b>	<b>\$ 193,563,400</b>	<b>\$ 11,107,400</b>	<b>\$ 9,302,700</b>	<b>6.1%</b>	<b>5.0%</b>	<b>\$ 200,736,600</b>	

## Five-Year Financial Plan

### Five-Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 16,573,568	16,229,200	\$ 17,160,600	\$ 18,708,000	\$ 19,237,800	\$ 19,722,500	\$ 19,722,500	\$ 19,722,500
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	\$ 1,069,300	1,215,900	1,389,400	1,389,400	1,389,400
2.3 Overtime	3,553,908	2,803,900	2,804,000	\$ 3,544,300	3,592,200	3,633,900	3,633,900	3,633,900
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	\$ 7,252,200	7,576,100	7,890,200	7,953,200	8,016,200
<b>Total Personnel Costs</b>	<b>28,099,172</b>	<b>27,021,300</b>	<b>28,118,700</b>	<b>\$ 30,573,800</b>	<b>31,622,000</b>	<b>32,636,000</b>	<b>32,699,000</b>	<b>32,762,000</b>
3.1 Electric	28,294,276	31,706,300	32,234,300	\$ 31,016,000	31,541,900	32,076,300	32,613,600	32,976,600
3.2 Gas	1,353,404	1,191,600	1,191,600	\$ 1,181,200	1,196,100	1,213,300	1,232,000	1,245,000
3.3 Sewage Service	1,021,932	768,400	768,400	\$ 826,400	838,400	850,500	862,600	874,600
3.4 Water Service	1,358	2,500	2,500	\$ 2,500	2,500	2,500	2,500	2,500
<b>Total Utility Costs</b>	<b>30,670,970</b>	<b>33,668,800</b>	<b>34,196,800</b>	<b>\$ 33,026,100</b>	<b>33,578,900</b>	<b>34,142,600</b>	<b>34,710,700</b>	<b>35,098,700</b>
4.1 Chemicals	14,111,804	14,904,300	14,904,300	\$ 14,906,600	15,303,900	15,303,900	15,303,900	15,303,900
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	\$ 7,047,900	6,527,100	6,496,700	6,658,900	6,480,600
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	\$ 16,496,600	15,373,700	14,214,300	14,155,900	14,681,600
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	\$ (1,819,900)	(735,800)	(729,900)	(756,600)	(759,500)
7.0 Unallocated Reserve	-	2,113,200	487,900	\$ 3,422,800	5,898,900	8,249,600	10,336,100	12,432,000
<b>Total Other Categories</b>	<b>34,424,853</b>	<b>40,810,600</b>	<b>39,185,300</b>	<b>\$ 40,054,000</b>	<b>42,367,800</b>	<b>43,534,600</b>	<b>45,698,200</b>	<b>48,138,600</b>
<b>Total Water System Operations (Operating Area A)</b>	<b>\$ 93,194,995</b>	<b>\$ 101,500,700</b>	<b>\$ 101,500,800</b>	<b>\$ 103,653,900</b>	<b>\$ 107,568,700</b>	<b>\$ 110,313,200</b>	<b>\$ 113,107,900</b>	<b>\$ 115,999,300</b>
<b>Allocations</b>								
Centralized Services	63,779,190	61,003,500	62,787,600	\$ 68,818,700	71,078,400	73,071,900	73,119,800	74,621,300
Administrative Services	18,431,448	19,951,800	19,972,300	\$ 21,090,800	22,089,500	23,193,300	23,921,400	24,573,900
<b>Total Allocations</b>	<b>\$ 82,210,638</b>	<b>\$ 80,955,300</b>	<b>\$ 82,759,900</b>	<b>\$ 89,909,500</b>	<b>\$ 93,167,900</b>	<b>\$ 96,265,200</b>	<b>\$ 97,041,200</b>	<b>\$ 99,195,200</b>
<b>Total Water System Operations &amp; Maintenance Expense</b>	<b>\$ 175,405,633</b>	<b>\$ 182,456,000</b>	<b>\$ 184,260,700</b>	<b>\$ 193,563,400</b>	<b>\$ 200,736,600</b>	<b>\$ 206,578,400</b>	<b>\$ 210,149,100</b>	<b>\$ 215,194,500</b>
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				6.1%	3.7%	2.9%	1.7%	2.4%

## **Wastewater (Sewer) System Operations**

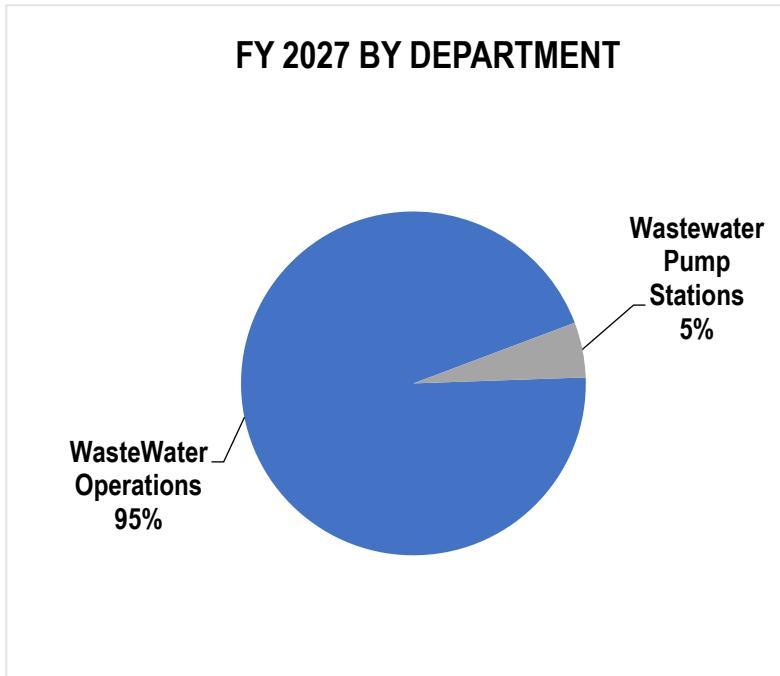
The Wastewater System Operations area consists of the following departments:

- ❖ Wastewater Operations
- ❖ Wastewater Pump Stations

The detailed budget requests for each department are included in this section.

## **Biennial Budget Request**

The following tables consolidate the department budgets presented in this section for an overall view of the Wastewater Systems Operations area with a comparison to the FY 2026 Adopted and Amended Budget.





Wastewater (Sewer) System Operations Overview  
Budget & Five-Year Plan  
FY 2027 through FY 2031

*Biennial Budget Request by Expense Category*

Expense Category	FY 2025		FY 2026			FY 2027				FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026			
						Adopted	Amended	Adopted	Amended		
2.1 Salaries & Wages	23,385,647	23,895,800	25,065,000	6,607,117	26,617,400	2,721,600	1,552,400	11.4%	6.2%	28,175,700	
2.2 Workforce Development	518,748	691,600	691,600	89,587	512,600	(179,000)	(179,000)	-25.9%	-25.9%	641,500	
2.3 Overtime	3,730,878	3,401,600	3,401,600	953,659	3,390,500	(11,100)	(11,100)	-0.3%	-0.3%	3,390,500	
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	2,589,334	9,923,700	964,100	769,900	10.8%	8.4%	10,636,600	
2.5 Transition Services	7,602,831	7,328,300	7,328,300	1,871,629	5,403,500	(1,924,800)	(1,924,800)	-26.3%	-26.3%	5,403,500	
<b>Total Personnel Costs</b>	<b>44,218,993</b>	<b>44,276,900</b>	<b>45,640,300</b>	<b>12,111,327</b>	<b>45,847,700</b>	<b>1,570,800</b>	<b>207,400</b>	<b>3.5%</b>	<b>0.5%</b>	<b>48,247,800</b>	
3.1 Electric	17,968,898	19,315,800	18,787,800	4,408,369	18,514,600	(801,200)	(273,200)	-4.1%	-1.5%	18,897,200	
3.2 Gas	6,246,055	5,865,000	5,865,000	1,648,847	7,807,700	1,942,700	1,942,700	33.1%	33.1%	7,682,600	
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	454,991	1,469,800	(190,000)	(190,000)	-11.4%	-11.4%	1,498,800	
3.4 Water Service	10,412,469	12,188,800	12,188,800	3,080,490	11,151,100	(1,037,700)	(1,037,700)	-8.5%	-8.5%	10,150,100	
<b>Total Utility Costs</b>	<b>35,991,766</b>	<b>39,029,400</b>	<b>38,501,400</b>	<b>9,592,696</b>	<b>38,943,200</b>	<b>(86,200)</b>	<b>441,800</b>	<b>-0.2%</b>	<b>1.1%</b>	<b>38,228,700</b>	
4.1 Chemicals	20,273,320	23,460,300	22,284,700	4,513,180	19,400,100	(4,060,200)	(2,884,600)	-17.3%	-12.9%	19,723,400	
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	4,779,827	19,745,200	458,600	153,800	2.4%	0.8%	22,051,900	
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	7,431,050	31,921,000	2,265,200	1,537,000	7.6%	5.1%	33,069,600	
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	(269,032)	(1,393,500)	205,000	205,000	-12.8%	-12.8%	(929,900)	
5.2 Shared Services	(527,744)	(714,300)	(714,300)	(164,496)	(750,300)	(36,000)	(36,000)	5.0%	5.0%	(769,500)	
5.5 Intergovernmental Agreement	(1,103,422)	-	-	-	-	-	-	0.0%	0.0%	-	
7.0 Unallocated Reserve	-	3,176,400	2,483,600	-	4,933,400	1,757,000	2,449,800	55.3%	98.6%	7,045,700	
<b>Total Other Categories</b>	<b>68,902,152</b>	<b>73,266,300</b>	<b>72,430,900</b>	<b>16,290,528</b>	<b>73,855,900</b>	<b>589,600</b>	<b>1,425,000</b>	<b>0.8%</b>	<b>2.0%</b>	<b>80,191,200</b>	
<b>Total Wastewater System Operations (Operating Area B)</b>	<b>\$ 149,112,911</b>	<b>\$ 156,572,600</b>	<b>\$ 156,572,600</b>	<b>\$ 37,994,551</b>	<b>158,646,800</b>	<b>2,074,200</b>	<b>2,074,200</b>	<b>1.3%</b>	<b>1.3%</b>	<b>\$ 166,667,700</b>	
<b>Allocations</b>											
Centralized Services	59,089,584	56,384,100	57,471,900	13,165,841	54,610,100	(1,774,000)	(2,861,800)	-3.1%	-5.0%	56,169,800	
Administrative Services	21,551,487	23,142,000	23,156,300	6,178,065	24,506,500	1,364,500	1,350,200	5.9%	5.8%	25,573,100	
<b>Total Allocations</b>	<b>\$ 80,641,071</b>	<b>\$ 79,526,100</b>	<b>\$ 80,628,200</b>	<b>\$ 19,343,906</b>	<b>\$ 79,116,600</b>	<b>\$ (409,500)</b>	<b>\$ (1,511,600)</b>	<b>-0.5%</b>	<b>-1.9%</b>	<b>\$ 81,742,900</b>	
<b>Total Wastewater System Operations &amp; Maintenance Expense</b>	<b>\$ 229,753,982</b>	<b>\$ 236,098,700</b>	<b>\$ 237,200,800</b>	<b>\$ 57,338,457</b>	<b>\$ 237,763,400</b>	<b>\$ 1,664,700</b>	<b>\$ 562,600</b>	<b>0.7%</b>	<b>0.2%</b>	<b>\$ 248,410,600</b>	

## Five-Year Financial Plan

### Five-Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 23,385,647	23,895,800	\$ 25,065,000	\$ 26,617,400	\$ 28,175,700	\$ 29,817,400	\$ 29,817,400	\$ 29,817,400
2.2 Workforce Development	518,748	691,600	691,600	512,600	641,500	810,500	810,500	810,500
2.3 Overtime	3,730,878	3,401,600	3,401,600	3,390,500	3,390,500	3,377,000	3,377,000	3,377,000
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	9,923,700	10,636,600	11,416,900	11,509,900	11,602,500
2.5 Transition Services	7,602,831	7,328,300	7,328,300	5,403,500	5,403,500	5,403,500	5,403,500	5,403,500
<b>Total Personnel Costs</b>	<b>44,218,993</b>	<b>44,276,900</b>	<b>45,640,300</b>	<b>45,847,700</b>	<b>48,247,800</b>	<b>50,825,300</b>	<b>50,918,300</b>	<b>51,010,900</b>
3.1 Electric	17,968,898	19,315,800	18,787,800	18,514,600	18,897,200	19,287,900	19,687,000	20,081,000
3.2 Gas	6,246,055	5,865,000	5,865,000	7,807,700	7,682,600	7,432,700	7,581,200	7,732,700
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	1,469,800	1,498,800	1,528,400	1,558,500	1,589,700
3.4 Water Service	10,412,469	12,188,800	12,188,800	11,151,100	10,150,100	11,189,600	11,209,400	11,229,600
<b>Total Utility Costs</b>	<b>35,991,766</b>	<b>39,029,400</b>	<b>38,501,400</b>	<b>38,943,200</b>	<b>38,228,700</b>	<b>39,438,600</b>	<b>40,036,100</b>	<b>40,633,000</b>
4.1 Chemicals	20,273,320	23,460,300	22,284,700	19,400,100	19,723,400	20,031,500	20,402,300	20,751,100
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	19,745,200	22,051,900	21,702,000	23,008,400	22,602,600
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	31,921,000	33,069,600	33,893,400	34,616,300	35,355,200
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	(1,393,500)	(929,900)	(1,048,800)	(1,076,100)	(1,920,400)
5.2 Shared Services	(527,744)	(714,300)	(714,300)	(750,300)	(769,500)	(791,300)	(812,100)	(818,100)
5.5 Intergovernmental Agreement	(1,103,422)	-	-	-	-	-	-	-
7.0 Unallocated Reserve	-	3,176,400	2,483,600	4,933,400	7,045,700	9,369,000	11,346,000	13,230,100
<b>Total Other Categories</b>	<b>68,902,152</b>	<b>73,266,300</b>	<b>72,430,900</b>	<b>73,855,900</b>	<b>80,191,200</b>	<b>83,155,800</b>	<b>87,484,800</b>	<b>89,200,500</b>
<b>Total Wastewater System Operations (Operating Area B)</b>	<b>\$ 149,112,911</b>	<b>\$ 156,572,600</b>	<b>\$ 156,572,600</b>	<b>\$ 158,646,800</b>	<b>\$ 166,667,700</b>	<b>\$ 173,419,700</b>	<b>\$ 178,439,200</b>	<b>\$ 180,844,400</b>
<b>Allocations</b>								
Centralized Services	59,089,584	56,384,100	57,471,900	54,610,100	56,169,800	58,058,900	60,581,200	62,103,700
Administrative Services	21,551,487	23,142,000	23,156,300	24,506,500	25,573,100	26,746,600	27,546,000	28,271,600
<b>Total Allocations</b>	<b>\$ 80,641,071</b>	<b>\$ 79,526,100</b>	<b>\$ 80,628,200</b>	<b>\$ 79,116,600</b>	<b>\$ 81,742,900</b>	<b>\$ 84,805,500</b>	<b>\$ 88,127,200</b>	<b>\$ 90,375,300</b>
<b>Total Wastewater System Operations &amp; Maintenance Expense</b>	<b>\$ 229,753,982</b>	<b>\$ 236,098,700</b>	<b>\$ 237,200,800</b>	<b>\$ 237,763,400</b>	<b>\$ 248,410,600</b>	<b>\$ 258,225,200</b>	<b>\$ 266,566,400</b>	<b>\$ 271,219,700</b>
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				0.7%	4.5%	4.0%	3.2%	1.7%

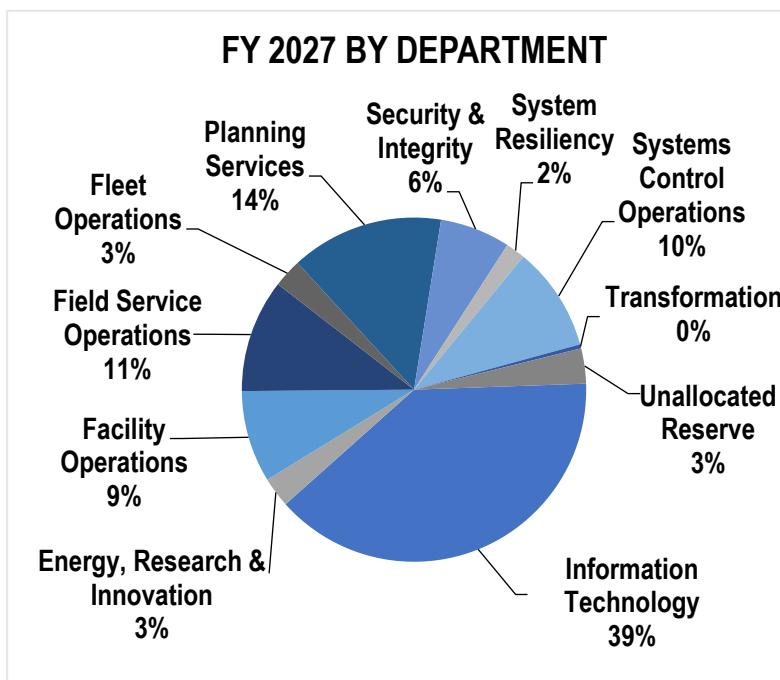
## Centralized Services

The Centralized Services operating area serves both water and wastewater operations. The following departments are included in the Centralized Services operating area:

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

## Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Centralized Services operating area with comparison to both the FY 2026 Adopted and Amended Budget.



*Biennial Budget Request by Expense Category*

Expense Category	FY 2025		FY 2026			FY 2027						FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance to FY 2026		Percent Variance to FY 2026		Adopted	Amended		
						Adopted	Amended	Adopted	Amended				
2.1 Salaries & Wages	\$ 27,131,113	\$ 28,256,800	\$ 29,858,900	\$ 7,792,938	\$ 30,800,400	\$ 2,543,600	\$ 941,500	9.0%	3.2%	\$ 31,650,700			
2.2 Workforce Development	952,551	1,386,500	1,404,500	168,684	665,300	(721,200)	(739,200)	-52.0%	-52.6%	758,100			
2.3 Overtime	2,834,661	2,700,200	2,700,200	752,253	2,701,100	900	900	0.0%	0.0%	2,701,100			
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	2,808,443	10,639,000	644,900	369,600	6.5%	3.6%	11,037,600			
2.5 Transition Services	551,423	1,033,600	1,033,600	264,594	1,002,100	(31,500)	(31,500)	-3.0%	-3.0%	1,002,100			
<b>Total Personnel Costs</b>	<b>41,168,709</b>	<b>43,371,200</b>	<b>45,266,600</b>	<b>11,786,912</b>	<b>45,807,900</b>	<b>2,436,700</b>	<b>541,300</b>	<b>5.6%</b>	<b>1.2%</b>	<b>47,149,600</b>			
3.1 Electric	225,829	171,600	171,600	32,895	231,000	59,400	59,400	34.6%	34.6%	235,000			
3.2 Gas	209	200	200	55	200	-	-	0.0%	0.0%	200			
3.3 Sewage Service	12,038	2,000	2,000	538	9,500	7,500	7,500	375.0%	375.0%	9,500			
3.4 Water Service	4,931	600	600	358	600	-	-	0.0%	0.0%	600			
<b>Total Utility Costs</b>	<b>243,007</b>	<b>174,400</b>	<b>174,400</b>	<b>33,846</b>	<b>241,300</b>	<b>66,900</b>	<b>66,900</b>	<b>38.4%</b>	<b>38.4%</b>	<b>245,300</b>			
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	3,240,206	18,511,500	\$ 1,371,600	\$ 1,371,600	8.0%	8.0%	18,807,400			
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	13,928,716	56,440,400	504,500	(2,825,500)	0.9%	-4.8%	56,643,800			
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	(106,519)	(205,600)	6,600	6,600	-3.1%	-3.1%	(206,000)			
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	(366,687)	(1,443,800)	(33,400)	(68,700)	2.4%	5.0%	(1,516,000)			
5.5 Intergovernmental Agreement	(461,268)	-	-	-	-	-	-	0.0%	0.0%	-			
7.0 Unallocated Reserve	-	2,388,800	-	-	4,077,100	1,688,300	4,077,100	70.7%	N/A	6,124,100			
<b>Total Other Categories</b>	<b>81,457,067</b>	<b>73,842,000</b>	<b>74,818,500</b>	<b>16,695,716</b>	<b>77,379,600</b>	<b>3,537,600</b>	<b>2,561,100</b>	<b>4.8%</b>	<b>3.4%</b>	<b>79,853,300</b>			
<b>Total Centralized Services (Operating Area C)</b>	<b>\$ 122,868,783</b>	<b>\$ 117,387,600</b>	<b>\$ 120,259,500</b>	<b>\$ 28,516,474</b>	<b>\$ 123,428,800</b>	<b>\$ 6,041,200</b>	<b>\$ 3,169,300</b>	<b>5.1%</b>	<b>2.6%</b>	<b>\$ 127,248,200</b>			

## Five-Year Financial Plan

### Five Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 27,131,113	\$ 28,256,800	\$ 29,858,900	\$ 30,800,400	\$ 31,650,700	\$ 32,547,800	\$ 32,547,800	\$ 32,547,800
2.2 Workforce Development	952,551	1,386,500	1,404,500	665,300	758,100	880,700	880,700	880,700
2.3 Overtime	2,834,661	2,700,200	2,700,200	2,701,100	2,701,100	2,680,200	2,680,200	2,680,200
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	10,639,000	11,037,600	11,456,100	11,543,700	11,631,400
2.5 Transition Services	551,423	1,033,600	1,033,600	1,002,100	1,002,100	1,002,100	1,002,100	1,002,100
<b>Total Personnel Costs</b>	<b>41,168,709</b>	<b>43,371,200</b>	<b>45,266,600</b>	<b>45,807,900</b>	<b>47,149,600</b>	<b>48,566,900</b>	<b>48,654,500</b>	<b>48,742,200</b>
3.1 Electric	225,829	171,600	171,600	231,000	235,000	240,000	246,000	252,000
3.2 Gas	209	200	200	200	200	300	300	300
3.3 Sewage Service	12,038	2,000	2,000	9,500	9,500	9,500	9,600	9,600
3.4 Water Service	4,931	600	600	600	600	600	700	700
<b>Total Utility Costs</b>	<b>243,007</b>	<b>174,400</b>	<b>174,400</b>	<b>241,300</b>	<b>245,300</b>	<b>250,400</b>	<b>256,600</b>	<b>262,600</b>
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	18,511,500	18,807,400	19,109,500	19,456,900	19,728,700
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	56,440,400	56,643,800	56,875,400	57,298,500	58,240,400
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	(205,600)	(206,000)	(206,400)	(206,800)	(207,200)
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	(1,443,800)	(1,516,000)	(1,592,000)	(1,671,600)	(1,755,200)
5.5 Intergovernmental Agreement	(461,268)	-	-	-	-	-	-	-
7.0 Unallocated Reserve	-	2,388,800	-	4,077,100	6,124,100	8,127,000	9,912,900	11,713,500
<b>Total Other Categories</b>	<b>81,457,067</b>	<b>73,842,000</b>	<b>74,818,500</b>	<b>77,379,600</b>	<b>79,853,300</b>	<b>82,313,500</b>	<b>84,789,900</b>	<b>87,720,200</b>
<b>Total Centralized Services (Operating Area C)</b>	<b>\$ 122,868,783</b>	<b>\$ 117,387,600</b>	<b>\$ 120,259,500</b>	<b>\$ 123,428,800</b>	<b>\$ 127,248,200</b>	<b>\$ 131,130,800</b>	<b>\$ 133,701,000</b>	<b>\$ 136,725,000</b>
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				5.1%	3.1%	3.1%	2.0%	2.3%

## Cost Allocation

Centralized Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the change from the FY 2026 amended budget.

### Biennial Cost Allocation Summary

Operations Area	FY 2025		FY 2026		FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Centralized Services								
Water	\$ 63,779,190	\$ 61,003,600	\$ 62,787,600	\$ 15,351,360	\$ 68,818,700	\$ 6,031,100	9.6%	\$ 71,078,400
Wastewater	59,089,584	56,384,000	57,471,900	13,165,841	54,610,100	(2,861,800)	-5.0%	56,169,800
<b>Grand Total</b>	<b>\$ 122,868,774</b>	<b>\$ 117,387,600</b>	<b>\$ 120,259,500</b>	<b>\$ 28,517,201</b>	<b>\$ 123,428,800</b>	<b>\$ 3,169,300</b>	<b>2.6%</b>	<b>\$ 127,248,200</b>

### Five Year Cost Allocation Summary

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services								
Water	\$ 63,779,190	\$ 61,003,600	\$ 62,787,600	\$ 68,818,700	\$ 71,078,400	\$ 73,071,900	\$ 73,119,800	\$ 74,621,300
Wastewater	59,089,584	56,384,000	57,471,900	54,610,100	56,169,800	58,058,900	60,581,200	62,103,700
<b>Grand Total</b>	<b>\$ 122,868,774</b>	<b>\$ 117,387,600</b>	<b>\$ 120,259,500</b>	<b>\$ 123,428,800</b>	<b>\$ 127,248,200</b>	<b>\$ 131,130,800</b>	<b>\$ 133,701,000</b>	<b>\$ 136,725,000</b>
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				5.1%	3.1%	3.1%	2.0%	2.3%

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

*Five Year Projected Cost Allocated Percentages*

Operations Area	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services								
Water	51.9%	52.0%	52.2%	55.8%	55.9%	55.7%	54.7%	54.6%
Wastewater	48.1%	48.0%	47.8%	44.2%	44.1%	44.3%	45.3%	45.4%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The following table lists the Centralized Services split between the Specific (Step One) and Pooled (Step Two) costs.

Allocation Cost Type	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized - Specific	\$ 11,568,700	\$ 10,963,600	\$ 17,566,500	\$ 17,610,200	\$ 17,624,700	\$ 17,417,500	\$ 17,726,200
Centralized - Pooled	105,818,900	109,295,900	105,862,300	109,638,000	113,506,100	116,283,500	118,998,800
<b>Grand Total</b>	<b>\$ 117,387,600</b>	<b>\$ 120,259,500</b>	<b>\$ 123,428,800</b>	<b>\$ 127,248,200</b>	<b>\$ 131,130,800</b>	<b>\$ 133,701,000</b>	<b>\$ 136,725,000</b>

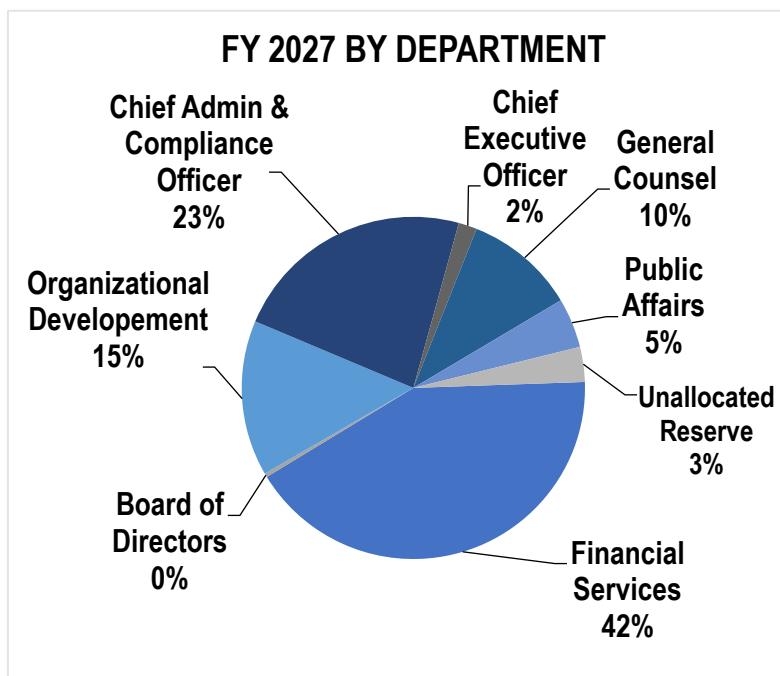
## Administrative Services

The Administrative Services operating area serves both water and wastewater operations. The following departments are included in the Administrative Services operating area:

- ❖ Board of Directors
- ❖ Chief Executive Officer
- ❖ Chief Administrative and Compliance Officer (includes Risk Management & Safety and Insurance Fund)
- ❖ General Counsel
- ❖ Public Affairs
- ❖ Organizational Development (includes Training and Talent Management)
- ❖ Financial Services (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics and Materials)

## Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Administrative Services operating area compared to the FY 2026 Adopted and Amended Budget.



*Biennial Budget Request by Expense Category*

Expense Category	FY 2025		FY 2026			Proposed Budget	FY 2027				FY 2028	
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025			Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed Budget	
							Adopted	Amended	Adopted	Amended		
2.1 Salaries & Wages	\$ 17,888,851	\$ 18,251,100	\$ 19,002,100	\$ 5,187,656	\$ 19,422,200	\$ 1,171,100	\$ 420,100	6.4%	2.2%	\$ 19,860,500		
2.2 Workforce Development	74,247	197,100	197,100	41,283	179,000	(18,100)	(18,100)	-9.2%	-9.2%	206,200		
2.3 Overtime	4,986	5,700	5,700	1,069	5,800	100	100	1.8%	1.8%	5,800		
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	1,551,442	6,061,800	409,200	287,600	7.2%	5.0%	6,253,800		
2.5 Transition Services	40,290	129,500	129,500	-	23,000	(106,500)	(106,500)	-82.2%	-82.2%	45,500		
<b>Total Personnel Costs</b>	<b>23,395,859</b>	<b>24,236,000</b>	<b>25,108,600</b>	<b>6,781,450</b>	<b>25,691,800</b>	<b>1,455,800</b>	<b>583,200</b>	<b>6.0%</b>	<b>2.3%</b>	<b>26,371,800</b>		
3.1 Electric	89,124	114,400	114,400	15,988	116,700	2,300	2,300	2.0%	2.0%	119,000		
3.2 Gas	61,394	55,800	55,800	(897)	72,300	16,500	16,500	29.6%	29.6%	73,700		
3.3 Sewage Service	1,894	25,100	25,100	499	6,500	(18,600)	(18,600)	-74.1%	-74.1%	6,600		
3.4 Water Service	1,123	10,900	10,900	279	4,100	(6,800)	(6,800)	-62.4%	-62.4%	4,200		
<b>Total Utility Costs</b>	<b>153,535</b>	<b>206,200</b>	<b>206,200</b>	<b>15,870</b>	<b>199,600</b>	<b>(6,600)</b>	<b>(6,600)</b>	<b>-3.2%</b>	<b>-3.2%</b>	<b>203,500</b>		
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	688,389	2,781,500	114,700	114,700	4.3%	4.3%	2,824,000		
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	4,315,847	15,597,600	276,200	276,200	1.8%	1.8%	15,892,400		
5.2 Shared Services	(178,731)	(184,400)	(174,400)	(40,467)	(180,700)	3,700	(6,300)	-2.0%	3.6%	(184,200)		
7.0 Unallocated Reserve	-	847,800	-	-	1,507,500	659,700	1,507,500	77.8%	100.0%	2,555,100		
<b>Total Other Categories</b>	<b>16,433,536</b>	<b>18,651,600</b>	<b>17,813,800</b>	<b>4,963,769</b>	<b>19,705,900</b>	<b>1,054,300</b>	<b>1,892,100</b>	<b>5.7%</b>	<b>10.6%</b>	<b>21,087,300</b>		
<b>Total Administrative Services (Operating Area D)</b>	<b>\$ 39,982,930</b>	<b>\$ 43,093,800</b>	<b>\$ 43,128,600</b>	<b>\$ 11,761,089</b>	<b>\$ 45,597,300</b>	<b>\$ 2,503,500</b>	<b>\$ 2,468,700</b>	<b>5.8%</b>	<b>5.7%</b>	<b>\$ 47,662,600</b>		

## Five-Year Financial Plan

### Five Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	\$ 17,888,851	\$ 18,251,100	\$ 19,002,100	\$ 19,422,200	\$ 19,860,500	\$ 20,418,100	\$ 20,418,100	\$ 20,418,100
2.2 Workforce Development	74,247	197,100	197,100	179,000	206,200	224,400	224,400	224,400
2.3 Overtime	4,986	5,700	5,700	5,800	5,800	5,800	5,800	5,800
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	6,061,800	6,253,800	6,480,400	6,527,100	6,573,900
2.5 Transition Services	40,290	129,500	129,500	23,000	45,500	91,100	91,100	91,100
<b>Total Personnel Costs</b>	<b>23,395,859</b>	<b>24,236,000</b>	<b>25,108,600</b>	<b>25,691,800</b>	<b>26,371,800</b>	<b>27,219,800</b>	<b>27,266,500</b>	<b>27,313,300</b>
3.1 Electric	89,124	114,400	114,400	116,700	119,000	121,400	123,800	123,800
3.2 Gas	61,394	55,800	55,800	72,300	73,700	75,200	76,700	78,200
3.3 Sewage Service	1,894	25,100	25,100	6,500	6,600	6,700	6,800	6,900
3.4 Water Service	1,123	10,900	10,900	4,100	4,200	4,300	4,400	4,500
<b>Total Utility Costs</b>	<b>153,535</b>	<b>206,200</b>	<b>206,200</b>	<b>199,600</b>	<b>203,500</b>	<b>207,600</b>	<b>211,700</b>	<b>213,400</b>
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	2,781,500	2,824,000	2,877,700	2,935,200	2,988,200
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	15,597,600	15,892,400	16,169,800	16,480,300	16,764,100
5.2 Shared Services	(178,731)	(184,400)	(174,400)	(180,700)	(184,200)	(188,000)	(191,900)	(196,000)
7.0 Unallocated Reserve	-	847,800	-	1,507,500	2,555,100	3,653,000	4,765,600	5,762,500
<b>Total Other Categories</b>	<b>16,433,536</b>	<b>18,651,600</b>	<b>17,813,800</b>	<b>19,705,900</b>	<b>21,087,300</b>	<b>22,512,500</b>	<b>23,989,200</b>	<b>25,318,800</b>
<b>Total Administrative Services (Operating Area D)</b>	<b>\$ 39,982,930</b>	<b>\$ 43,093,800</b>	<b>\$ 43,128,600</b>	<b>\$ 45,597,300</b>	<b>\$ 47,662,600</b>	<b>\$ 49,939,900</b>	<b>\$ 51,467,400</b>	<b>\$ 52,845,500</b>
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				5.8%	4.5%	4.8%	3.1%	2.7%



## Administrative Services Overview Budget & Five-Year Plan FY 2027 through FY 2031

## Cost Allocation

Administrative Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the change from the FY 2026 amended budget.

## *Biennial Cost Allocation Summary*

Operations Area	FY 2025		FY 2026			FY 2027			FY 2028
	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	
Administrative Services									
Water	\$ 18,431,448	\$ 19,951,700	\$ 19,972,300	\$ 5,583,024	\$ 21,090,800	\$ 1,118,500	5.6%	\$ 22,089,500	
Wastewater	21,551,487	23,142,100	23,156,300	6,178,065	24,506,500	1,350,200	5.8%	25,573,100	
<b>Grand Total</b>	<b>\$ 39,982,935</b>	<b>\$ 43,093,800</b>	<b>\$ 43,128,600</b>	<b>\$ 11,761,089</b>	<b>\$ 45,597,300</b>	<b>\$ 2,468,700</b>	<b>5.7%</b>	<b>\$ 47,662,600</b>	

## *Five Year Cost Allocation Summary*

	Actual	Adopted	Amended	Proposed Budget			Projected		
		Budget	Budget						
Operations Area	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
Administrative Services									
Water	\$ 18,431,448	\$ 19,951,700	\$ 19,972,300	\$ 21,090,800	\$ 22,089,500	\$ 23,193,300	\$ 23,921,400	\$ 24,573,900	
Wastewater	21,551,487	23,142,100	23,156,300	24,506,500	25,573,100	26,746,600	27,546,000	28,271,600	
<b>Grand Total</b>	<b>\$ 39,982,935</b>	<b>\$ 43,093,800</b>	<b>\$ 43,128,600</b>	<b>\$ 45,597,300</b>	<b>\$ 47,662,600</b>	<b>\$ 49,939,900</b>	<b>\$ 51,467,400</b>	<b>\$ 52,845,500</b>	
<i>Changes in Annual Operations &amp; Maintenance Budget</i>				5.8%	4.5%	4.8%	3.1%	2.7%	

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

### *Five Year Projected Cost Allocated Percentages*

The following table lists the Administrative Services split between the Specific (Step One) and Pooled (Step Two) costs.

*Table 4 – Five Year Cost Allocation by Cost Type*

Allocation Cost Type	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Administrative - Specific	\$ 689,200	\$ 689,200	\$ 703,000	\$ 717,100	\$ 731,400	\$ 746,000	\$ 760,900
Administrative - Pooled	42,404,600	42,439,400	44,894,300	46,945,500	49,208,500	50,721,400	52,084,600
<b>Grand Total</b>	<b>\$ 43,093,800</b>	<b>\$ 43,128,600</b>	<b>\$ 45,597,300</b>	<b>\$ 47,662,600</b>	<b>\$ 49,939,900</b>	<b>\$ 51,467,400</b>	<b>\$ 52,845,500</b>