



Date: June 22, 2022

To: Great Lakes Water Authority Audit Committee

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

Re: FY 2022 Fourth Quarter Budget Amendments through June 30, 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 generally reviews the proposed budget amendments and forward to the Board of Directors with a recommendation. Given the timing of fourth quarter budget amendments for FY 2022, the matter is being brought to the full Board for consideration.

Analysis: Highlights of the FY 2022 fourth quarter budget amendments include the following.

- A. Net decrease to the Water System revenues of \$3.8 million (Table 1A)
 - \$2.5 million revenue decrease - The decrease in water demand usage through the fourth quarter of FY 2022 (combined with the first quarter decrease of \$2.4 million brings the total decrease to \$4.9 million).
 - \$1.2 million revenue decrease - Increase to Dearborn bad debt (combined with the amount included in the FY 2022 approved budget of \$1.2 million brings the total FY 2022 bad debt to \$2.4 million). This line item is an offset to revenue.
 - \$97,600 revenue decrease - Other revenues adjustment for lead and copper testing fees and lease revenues (radio towers and easements).
 - The total revenue decrease was offset by a corresponding decrease in the Improvement & Extension Fund contribution budgeted for FY 2022.

- B. Net increase to the Sewer System revenues of \$2.3 million (Table 1B)
- \$1.4 million revenue increase – Decrease to Highland Park bad debt. This expense was originally budgeted at zero and was subsequently increased to \$5.4 million with the first and second quarter budget amendments due to nonpayment. Recently, Highland Park began making payments, which has resulted in this fourth quarter budget amendment to reduce the bad debt expense to \$4.0 million for FY 2022. This item is an offset to revenue.
 - \$0.9 million revenue increase – increase to activity for pollutant surcharge.
 - \$25,000 revenue increase – Other revenues adjustment for septic tank disposal fees.
 - The total revenue increase was offset by a corresponding increase in the Improvement & Extension Fund contribution budgeted for FY 2022.
- C. Construction Funds - Grant Revenues (SRF Loans) (Tables 4A and 4B) - The amount budgeted for the State Revolving Fund (SRF) Loans for both the water (\$9.5 million decrease) and sewer (\$4.1 million decrease) construction funds have been adjusted to reflect the timing of project design and construction activity. The result is that the close on the related SRF loans has shifted to FY 2023.
- D. Construction Funds – Capital Spend Rate Adjustment (Tables 4A and 4B) - The Capital Spending Ratio for the water capital improvement plan is forecasted to decrease from 100.6% to 95.0% which equates to \$10.0 million. The Capital Spending Ratio for the sewer capital improvement plan was decreased from 79.2% to 69.8% which equates to \$10.0 million. These adjustments were based on a review of the actual spend in FY 2022 based on financial records and discussion with project personnel.

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 attached.



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>The change to this category is due to the decrease in water demand usage through the fourth quarter of FY 2022.</i>
Bad Debt	<i>The change to this category is the result of an adjustment (increase) to the allowance for bad debt expense for Dearborn.</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 lead and copper testing fees and lease payments received (radio towers and easements). This source of revenue fluctuates from year to year.</i>
Revenue Requirements (Expenditures)	
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>



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

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



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
Revenues	
Suburban Wholesale Customer Charges	<i>No budget amendment is required.</i>
Bad Debt	<i>The change to this category is the result of an adjustment (decrease) to the allowance for bad debt expense for Highland Park.</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>The budget amendment proposed is for the increase to FY 2022 activity for pollutant surcharges.</i>
Investment Earnings	<i>No budget amendment is required.</i>
Other Revenues	<i>The budget amendment proposed is based on activity to date for septic tank disposal fees. This source of revenue fluctuates from year to year.</i>
Revenue Requirements (Expenditures)	
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>



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation	
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 30th 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, bad debt, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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

System	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Water System Operations	\$ 143,933,800	\$ -	\$ -	\$ -	\$ -	\$ 143,933,800	\$ 105,541,400
Wastewater System Operations	181,299,800	-	-	10,608,800	-	191,908,600	155,864,300
Total	\$ 325,233,600	\$ -	\$ -	\$ 10,608,800	\$ -	\$ 335,842,400	\$ 261,405,700

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.



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
A Water System Operations	\$ 74,813,000	\$ -	\$ -	\$ 1,608,800	\$ -	\$ 76,421,800	\$ 61,545,400
B Wastewater System Operations	111,971,400	-	-	9,000,000	-	120,971,400	98,348,100
C Centralized Services	103,845,900	-	-	-	-	103,845,900	75,344,300
D Administrative & Other Services	34,603,300	-	-	-	-	34,603,300	26,167,900
Total	\$ 325,233,600	\$ -	\$ -	\$ 10,608,800	\$ -	\$ 335,842,400	\$ 261,405,700

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 fourth quarter FY 2022, there are no amendments that cross the core groups. For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Personnel Costs	\$ 115,437,400	\$ (1,436,600)	\$ (92,700)	\$ (994,400)	\$ (1,045,100)	\$ 111,868,600	\$ 90,314,700
Utilities	50,398,000	-	42,900	7,803,400	1,138,800	59,383,100	48,480,300
Chemicals	16,044,300	-	1,470,400	1,580,800	746,800	19,842,300	15,992,700
Supplies & Other	38,559,700	1,057,200	(2,534,200)	(1,986,000)	(62,400)	35,034,300	25,354,400
Contractual Services	103,375,700	1,459,000	1,958,600	3,744,700	660,200	111,198,200	85,567,100
Capital Program Allocation	(3,471,000)	-	-	304,300	482,400	(2,684,300)	(2,134,700)
Shared Services	(1,892,500)	(883,200)	(153,300)	(273,200)	-	(3,202,200)	(2,168,800)
Unallocated Reserve	6,782,000	(196,400)	(691,700)	429,200	(1,920,700)	4,402,400	-
Total	\$ 325,233,600	\$ -	\$ -	\$ 10,608,800	\$ -	\$ 335,842,400	\$ 261,405,700

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 June 30, 2022

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

	FY 2022 Board Adopted Budget	Total 1st Quarter FY 2022 Amendments	Total 2nd Quarter FY 2022 Amendments	Total 3rd Quarter FY 2022 Amendments	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget
O&M Unallocated Reserves						
Water System Operations	\$ 1,798,800	\$ -	\$ -	\$ 1,207,800	\$ (1,397,000)	\$ 1,609,600
Wastewater System Operations	2,250,900	(1,061,100)	153,300	(1,080,500)	-	262,600
Centralized Services	2,187,600	(227,200)	(61,700)	913,500	(282,000)	2,530,200
Administrative & Other Services	544,700	1,091,900	(783,300)	(611,600)	(241,700)	-
	-					-
Total	\$ 6,782,000	\$ (196,400)	\$ (691,700)	\$ 429,200	\$ (1,920,700)	\$ 4,402,400

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)*.



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	4th Quarter FY 2022 Amendments Regional System	4th Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
	Revenues												
1 Regional System Wholesale Revenues	\$342,808,200	\$ (2,400,000)	\$ -	\$340,408,200	\$ -	\$ -	\$340,408,200	\$ -	\$ -	\$340,408,200	\$ (3,700,000)	\$ -	\$336,708,200
2 Local System Revenues	73,264,300	-	(3,626,300)	69,638,000	-	-	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	-	-	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	(97,600)	-	2,608,200
5 Total Revenues	\$423,723,200	\$ (1,900,000)	\$ (6,241,200)	\$415,582,000	\$ 492,500	\$ -	\$416,074,500	\$ 491,000	\$ -	\$416,565,500	\$ (3,797,600)	\$ -	\$412,767,900
Revenue Requirements													
Operations & Maintenance Expense													
6 Regional System Wholesale Expenses	\$143,933,800	\$ -	\$ -	\$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	-	-	29,989,000
8 GRS Pension allocable to Regional System	6,048,000	-	-	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	-	-	4,272,000
10 Total Operations & Maintenance Expense	188,902,400	-	(4,659,600)	184,242,800	-	-	184,242,800	-	-	184,242,800	-	-	184,242,800
11 Net Revenues after Operations & Maintenance Expense	\$234,820,800	\$ (1,900,000)	\$ (1,581,600)	\$231,339,200	\$ 492,500	\$ -	\$231,831,700	\$ 491,000	\$ -	\$232,322,700	\$ (3,797,600)	\$ -	\$228,525,100
Debt Service by Lien													
12 Senior Lien Bonds	\$124,309,700	\$ -	\$ -	\$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	-	-	46,840,400
14 SRF Junior Lien Bonds	6,695,100	(360,000)	-	6,335,100	-	-	6,335,100	-	-	6,335,100	-	-	6,335,100
15 Total Debt Service	\$177,845,200	\$ (360,000)	\$ -	\$177,485,200	\$ -	\$ -	\$177,485,200	\$ -	\$ -	\$177,485,200	\$ -	\$ -	\$177,485,200
Debt Service Coverage													
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	(0.03)	0.00	1.84
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	(0.02)	0.00	1.34
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	(0.02)	0.00	1.29

* 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.



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

Appropriation Level - Debt Service - Water System Debt Service Coverage Calculation Budget Amendment Explanation	
Total Debt Service	<p><i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations & maintenance (O&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></p>



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

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	4th Quarter FY 2022 Amendments Regional System	4th Quarter FY 2022 Amendments Local System	FY 2022 Amended Budget
	Revenues												
1 Regional System Wholesale Revenues	\$474,005,900	\$ (3,000,000)	\$ -	\$471,005,900	\$ (3,100,000)	\$ -	\$467,905,900	\$ -	\$ -	\$467,905,900	\$ 2,300,000	\$ -	\$470,205,900
2 Local System Revenues	104,684,700	-	(6,803,300)	97,881,400	-	-	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	-	-	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	25,000	-	2,414,200
5 Total Revenues	\$586,924,700	\$ (2,500,000)	\$ (6,439,100)	\$577,985,600	\$ (2,657,100)	\$ -	\$575,328,500	\$ 23,000	\$ -	\$575,351,500	\$ 2,325,000	\$ -	\$577,676,500
Revenue Requirements													
Operations & Maintenance Expense													
6 Regional System Wholesale Expenses	\$181,299,800	\$ -	\$ -	\$181,299,800	\$ -	\$ -	\$181,299,800	\$ 10,608,800	\$ -	\$191,908,600	\$ -	\$ -	\$191,908,600
7 Local System Expenses	69,233,000	-	(7,932,000)	61,301,000	-	-	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	-	-	10,824,000
9 GRS Pension allocable to Local System	2,856,000	-	-	2,856,000	-	-	2,856,000	-	-	2,856,000	-	-	2,856,000
10 Total Operations & Maintenance Expense	264,212,800	-	(7,932,000)	256,280,800	-	-	256,280,800	10,608,800	-	266,889,600	-	-	266,889,600
11 Net Revenues after Operations & Maintenance Expense	\$322,711,900	\$ (2,500,000)	\$ 1,492,900	\$321,704,800	\$ (2,657,100)	\$ -	\$319,047,700	\$ (10,585,800)	\$ -	\$308,461,900	\$ 2,325,000	\$ -	\$310,786,900
Debt Service by Lien													
12 Senior Lien Bonds	\$133,195,700	\$ (2,375,000)	\$ -	\$130,820,700	\$ -	\$ -	\$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	-	-	51,893,000
14 SRF Junior Lien Bonds	53,921,600	150,000	-	54,071,600	-	-	54,071,600	-	-	54,071,600	-	-	54,071,600
15 Total Debt Service	\$239,010,300	\$ (2,225,000)	\$ -	\$236,785,300	\$ -	\$ -	\$236,785,300	\$ -	\$ -	\$236,785,300	\$ -	\$ -	\$236,785,300
Debt Service Coverage													
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	0.02	0.00	2.38
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	0.01	0.00	1.70
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	0.01	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.



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level - Debt Service - Sewer System Debt Service Coverage Calculation Budget Amendment Explanation	
Total Debt Service	<p><i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations & maintenance (O&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></p>



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Revenues							
Water System Transfers In from General Operating	\$ 28,093,900	\$ (1,540,000)	\$ 492,500	\$ 491,000	\$ (3,797,600)	\$ 23,739,800	\$ 22,549,900
Earnings on Investments (b)	-	715,000	614,000	-	-	1,329,000	1,280,100
Net Use of Reserves (a)	97,220,700	68,800	(3,523,300)	32,433,400	484,000	126,683,600	-
Total Revenues	\$ 125,314,600	\$ (756,200)	\$ (2,416,800)	\$ 32,924,400	\$ (3,313,600)	\$ 151,752,400	\$ 23,830,000
Expenditures							
Water System Revenue Transfers Out (b)	\$ -	\$ 715,000	\$ 614,000	\$ -	\$ -	\$ 1,329,000	\$ 1,377,400
Capital Spending - Other	-	567,400	-	-	-	567,400	1,347,000
Capital Outlay	17,006,600	-	(3,030,800)	(3,914,500)	(2,840,600)	7,220,700	4,075,700
Revenue Financed Capital - Operating Transfer to Construction Fund	108,308,000	(2,038,600)	-	36,838,900	(473,000)	142,635,300	103,775,400
Total Expenditures	\$ 125,314,600	\$ (756,200)	\$ (2,416,800)	\$ 32,924,400	\$ (3,313,600)	\$ 151,752,400	\$ 110,575,500
<i>(a) Beginning Net Position</i>						\$ 207,475,000	
<i>Net Use of Reserves</i>						\$ (126,683,600)	
<i>Projected Ending Net Position</i>						\$ 80,791,400	

(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.



Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
Revenues	
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&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&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>
Expenditures	
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&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>



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level – Improvement & Extension Fund – Water System Budget Amendment Explanation	
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&E funds rather than SRF funds.</i>



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Revenues							
Sewer System Transfers In from General Operating	\$ 34,616,900	\$ (275,000)	\$ (2,657,100)	\$ (10,585,800)	\$ 2,325,000	\$ 23,424,000	\$ 28,196,600
Receipt of DWSD Shortfall Loan Interest	406,400	-	(261,500)	-	-	144,900	139,300
Earnings on Investments (b)	-	500,000	504,900	-	-	1,004,900	725,600
Net Use of Reserves (a)	28,487,800	18,182,800	4,299,400	11,517,200	(12,917,000)	49,570,200	-
Total Revenues	\$ 63,511,100	\$ 18,407,800	\$ 1,885,700	\$ 931,400	\$ (10,592,000)	\$ 74,144,000	\$ 29,061,500
Expenditures							
Sewer System Revenue Transfers Out (b)	\$ -	\$ 500,000	\$ 504,900	\$ -	\$ -	\$ 1,004,900	\$ 717,500
Capital Spending - Other	-	722,200	-	-	-	722,200	4,208,100
Capital Outlay	15,965,100	-	1,380,800	(3,467,200)	(4,741,000)	9,137,700	4,288,600
Revenue Financed Capital - Operating Transfer to Construction Fund	47,546,000	17,185,600	-	4,398,600	(5,851,000)	63,279,200	41,725,300
Total Expenditures	\$ 63,511,100	\$ 18,407,800	\$ 1,885,700	\$ 931,400	\$ (10,592,000)	\$ 74,144,000	\$ 50,939,500
<i>(a) Beginning Net Position</i>						\$ 122,385,000	
<i>Net Use of Reserves</i>						(49,570,200)	
<i>Projected Ending Net Position</i>						\$ 72,814,800	

(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.



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
Revenues	
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&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&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>
Expenditures	
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&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>



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level – Improvement & Extension Fund – Sewer System Budget Amendment Explanations	
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&E funds rather than SRF funds.</i>



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Revenues							
Transfer from Improvement & Extension Fund	\$ 108,308,000	\$ (2,038,600)	\$ -	\$ 36,838,900	\$ (473,000)	\$ 142,635,300	\$ 103,775,400
Bond Proceeds	-	-	-	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	-	-	-	-
Grant Revenues (SRF Loans)	26,100,000	10,427,000	-	-	(9,527,000)	27,000,000	23,565,700
Net Use of Reserves (a)	-	772,700	-	(772,700)	-	-	-
Total Revenues	\$ 134,408,000	\$ 9,161,100	\$ -	\$ 36,066,200	\$ (10,000,000)	\$ 169,635,300	\$ 127,341,100
Expenditures							
Capital Improvement Plan (b)	\$ 179,210,000	\$ (567,400)	\$ -	\$ 992,700	\$ (992,700)	\$ 178,642,600	\$ 131,338,600
Capital Spend Rate Adjustment	(44,802,000)	9,728,500	-	35,073,500	(9,007,300)	(9,007,300)	-
Total Expenditures (b)	\$ 134,408,000	\$ 9,161,100	\$ -	\$ 36,066,200	\$ (10,000,000)	\$ 169,635,300	\$ 131,338,600
(a) Beginning Net Position						\$ 12,438,000	
Net Use of Reserves						-	
Projected Ending Net Position						<u>\$ 12,438,000</u>	
(b) Plus Direct I&E Projects	-					567,400	
Total CIP Expenditures	134,408,000					170,202,700	
Total Published Capital Improvement Plan	179,210,000					179,210,000	
Capital Spending Ratio	75.0%					95.0%	



Quarterly Budget Amendment Report
FY 2022 Ending June 30, 2022

Appropriation Level – Construction Fund – Water System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & 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>State Revolving Fund (SRF) loan disbursements are on a reimbursement basis. The amount and timing of revenues fluctuates with project expenditures incurred. The proposed amendment reflects the timing of project design and construction activity that shifts SRF loan closings into FY 2023. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the March 2022 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>No budget amendment is required. This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. For FY 2022 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&E funds.</i>
Expenditures	
Capital Improvement Plan	<i>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 & Extension Fund table.</i>



Appropriation Level – Construction Fund – Water System Budget Amendment Explanations

<p>Capital Spend Rate Assumption Adjustment</p>	<p><i>The proposed budget amendment represents the decrease in the projected Capital Spend Rate for the Water CIP from 100.6% (third quarter budget amendment projection) to 95.0% (based on review of actual spend for FY 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 80.4%. No amendment was made for the second quarter. The third quarter amendment increased the Capital Spend Rate to 100.6%. The most recent quarterly construction work-in-progress (CWIP) report is presented in the April 2022 Audit Committee binder.</i></p>
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Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

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	Total 4th Quarter FY 2022 Amendments	FY 2022 Amended Budget	FY 2022 Activity Thru 04/30/2022
Revenues							
Transfer from Improvement & Extension Fund	\$ 47,546,000	\$ 17,185,600	\$ -	\$ 4,398,600	\$ (5,851,000)	\$ 63,279,200	\$ 41,725,300
Bond Proceeds	-	-	-	-	-	-	-
Bond Fund Earnings on Investments	-	-	-	-	-	-	-
Grant Revenues (SRF Loans)	31,992,000	(17,843,000)	-	-	(4,149,000)	10,000,000	8,076,100
Net Use of Reserves (a)	-	2,008,200	1,100,000	(3,108,200)	-	-	-
Total Revenues	\$ 79,538,000	\$ 1,350,800	\$ 1,100,000	\$ 1,290,400	\$ (10,000,000)	\$ 73,279,200	\$ 49,801,400
Expenditures							
Capital Improvement Plan (b)	\$ 106,050,000	\$ (722,200)	\$ -	\$ -	\$ -	\$ 105,327,800	\$ 50,227,500
Capital Spend Rate Adjustment	(26,512,000)	2,073,000	1,100,000	1,290,400	(10,000,000)	(32,048,600)	-
Total Expenditures (b)	\$ 79,538,000	\$ 1,350,800	\$ 1,100,000	\$ 1,290,400	\$ (10,000,000)	\$ 73,279,200	\$ 50,227,500
<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&E Projects</i>	-					722,200	
<i>Total CIP Expenditures</i>	<u>79,538,000</u>					<u>74,001,400</u>	
<i>Total Published Capital Improvement Plan</i>	106,050,000					106,050,000	
<i>Capital Spending Ratio</i>	75.0%					69.8%	



Quarterly Budget Amendment Report
 FY 2022 Ending June 30, 2022

Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations	
Revenues	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2022 Improvement & Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement & 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>State Revolving Fund (SRF) loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. The proposed amendment reflects the timing of project design and construction activity that shifts SRF loan closings into FY 2023. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the March 2022 Audit Committee binder which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>No budget amendment is required. This amount represents the net amount of revenues less expenditures. A “use of reserves” indicates a spend down of prior year reserves. For FY 2022 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&E funds.</i>
Expenditures	
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 & Extension Fund table.</i>



Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations

Capital Spend Rate Adjustment

The proposed budget amendment represents the decrease in the projected Capital Spend Rate for the Sewer CIP from 79.2% (third quarter budget amendment projection) to 69.8% (based on review of actual spend for FY 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 Sewer 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 and 79.2% for the third 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 fourth quarter budget amendments result in a net zero change to all categories: A - Water System Operations, B - Sewer System Operations, 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 the table on the following page).

- A – Water System Operations
 - Chemicals – Increase of \$0.7 million – Adjustment for increase in chemical costs and estimated usage in FY 2022.
 - Personnel – Decrease of \$0.5 million – Adjustment of salaries & wages due to timing of filling positions.
 - Utilities – Increase of \$1.2 million – Adjustment of electrical and gas usage based on review of historical spend and projected FY 2022 utilization.
 - Unallocated Reserve – Decrease of \$1.4 million – Utilized to offset the increases primarily in chemicals and utilities.
- C – Centralized Services – Contractual Services – Increase of \$0.7 million
 - Asset Master Plan (increase of \$0.3 million) is due to work performed in FY 2022, by CH2M Hill Engineers, which was budgeted in FY 2023. The change is due to project timing, not an increase to the scope or amount of the contract.
 - Linear System Integrity Project (LSIP) (increase of \$0.4 million) is due to further refinement of the budget based on the project timeline and scope (an adjustment was initially made during the 3rd quarter of FY 2022). This project was finalized after the FY 2022 budget had been developed.

ADDENDUM 1

Supplemental Information –

Enterprise-wide Operations & Maintenance Department and Account Level Amendments

The table below shows the adjustment per Expense Category for the four core groups.

Major Budget Categories and Expense Categories	Total 4th Quarter FY 2022 Amendments
A Water System Operations	-
Capital Program Allocation	482,400
Chemicals	746,800
Contractual Services	(430,800)
Personnel	(538,200)
Supplies & Other	(18,500)
Unallocated Reserve	(1,397,000)
Utilities	1,155,300
B Wastewater System Operations	-
Contractual Services	1,500
Supplies & Other	15,000
Utilities	(16,500)
C Centralized Services	-
Contractual Services	745,800
Personnel	(465,500)
Supplies & Other	1,700
Unallocated Reserve	(282,000)
D Administrative & Other Services	-
Contractual Services	343,700
Personnel	(41,400)
Supplies & Other	(60,600)
Unallocated Reserve	(241,700)
Grand Total	-

ADDENDUM 1

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

Departmental and Account Level Amendments	Total 4th Quarter FY 2022 Amendments	Explanation of Key Items
A Water System Operations	-	
Adams Road Pumping Station	4,000	
Supplies & Other	4,000	
COO - Water Operations & Field Services	342,800	
Contractual Services	(5,000)	
Personnel	132,400	
Supplies & Other	215,400	
Haggerty Road Pumping Station	12,000	
Supplies & Other	10,000	
Utilities	2,000	
Imlay Pumping Station	(20,000)	
Supplies & Other	(20,000)	
Joy Road Pumping Station	142,000	
Utilities	142,000	
Lake Huron Water Plant	438,800	
Chemicals	558,200	Adjustment for increase in chemical costs and estimated usage in FY 2022.
Contractual Services	(182,500)	
Personnel	(73,900)	
Supplies & Other	98,700	
Utilities	38,300	
Michigan Ave Pumping Station	(5,000)	
Supplies & Other	(5,000)	
North Service Center Pumping Station	(10,000)	
Supplies & Other	(10,000)	
Northeast Water Plant	352,200	
Capital Program Allocation	7,000	
Chemicals	(283,300)	The expected timeline (start and end dates) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
Contractual Services	599,600	
Personnel	240,500	
Supplies & Other	51,800	
Utilities	(263,400)	
Northwest Pumping Station	4,000	
Supplies & Other	4,000	
Rochester Pumping Station	4,000	
Utilities	4,000	
Schoolcraft Pumping Station	4,000	
Utilities	4,000	
Southwest Water Plant	(160,300)	
Capital Program Allocation	21,500	
Chemicals	114,600	The expected timeline (start and end dates) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
Contractual Services	(486,800)	
Personnel	(27,600)	
Supplies & Other	(144,900)	
Utilities	362,900	
Springwells Water Plant	1,192,700	
Chemicals	307,400	
Contractual Services	192,100	
Personnel	(82,900)	
Supplies & Other	(33,800)	
Utilities	809,900	Budget added for electrical and gas usage based on review of historical spend and projected FY 2022 utilization.
Water Director	(71,400)	
Contractual Services	50,000	
Personnel	(95,900)	
Supplies & Other	(25,500)	
Water Engineering	(63,700)	
Capital Program Allocation	453,900	Actual hours reported by engineers working on capital projects is less than forecasted.
Contractual Services	(155,000)	
Personnel	(375,000)	
Supplies & Other	12,400	
Water Quality	(9,900)	
Chemicals	19,500	
Contractual Services	(10,000)	
Personnel	-	
Supplies & Other	(19,400)	
Water System Operations Unallocated Reserves	(1,397,000)	
Unallocated Reserve	(1,397,000)	Unallocated Reserve was used for the refinement of various account categories within the Water Operations area, primarily Chemicals and Utilities.
Water Works Park	(724,200)	
Chemicals	30,400	The expected timeline (start and end dates) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
Contractual Services	(433,200)	
Personnel	(255,800)	
Supplies & Other	(116,200)	
Utilities	50,600	

ADDENDUM 1

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

Departmental and Account Level Amendments	Total 4th Quarter FY 2022 Amendments	Explanation of Key Items
West Service Center Pumping Station	(29,000)	
Supplies & Other	(30,000)	
Utilities	1,000	
Wick Road Pumping Station	(8,000)	
Supplies & Other	(10,000)	
Utilities	2,000	
Ypsilanti Pumping Station	2,000	
Utilities	2,000	
B Wastewater System Operations	-	
BDF, COF & Hauling	(40,000)	
Contractual Services	(40,000)	
Combined Sewer Overflow	(130,000)	
Contractual Services	(90,000)	
Personnel	(40,000)	
Conner Creek Combined Sewer Overflow	(375,000)	
Chemicals	(300,000)	
Contractual Services	40,000	
Supplies & Other	(115,000)	
Conner Pumping Station	(83,500)	
Utilities	(83,500)	
Fairview Pumping Station	3,000	
Utilities	3,000	
Freud Pumping Station	65,500	
Contractual Services	1,500	
Utilities	64,000	
Hubble Southfield CSO	140,000	
Contractual Services	90,000	
Supplies & Other	50,000	
Leib Combined Sewer Overflow	(65,000)	
Supplies & Other	(65,000)	
Northeast Pumping Station	3,000	
Supplies & Other	3,000	
Oakwood Pumping Station	12,000	
Supplies & Other	12,000	
Puritan Fenkell Combined Sewer Overflow	(10,000)	
Supplies & Other	(10,000)	
Wastewater Dewatering Process	(35,000)	
Supplies & Other	(35,000)	
Wastewater Director	(50,000)	
Personnel	(50,000)	
Wastewater Incineration Process	(35,000)	
Supplies & Other	(35,000)	
Wastewater Primary Process	410,000	
Chemicals	100,000	
Personnel	90,000	
Supplies & Other	220,000	
Wastewater Process Control	(10,000)	
Supplies & Other	(10,000)	
Wastewater Secondary Process	200,000	
Chemicals	200,000	
C Centralized Services	-	
Asset Management	644,000	
Contractual Services	710,000	Asset Master Plan (increase \$300,000) - Work performed by CH2M Hill Engineers in FY 2022 (budgeted in FY 2023). This is project timing, not an increase in scope. LSIP (increase \$400,000) - Adjustment of budget for work performed in FY 2022. Change to project timing and scope, but not the cost of the overall project.
Personnel	(66,000)	
Capital Improvement Planning	84,000	
Contractual Services	150,000	
Personnel	(66,000)	
Centralized Services Unallocated Reserves	(282,000)	
Unallocated Reserve	(282,000)	
Chief Planning Officer	13,200	
Personnel	13,200	
Energy, Research & Innovation	8,000	
Supplies & Other	8,000	
Facility Operations	108,000	
Contractual Services	100,000	
Personnel	2,000	
Supplies & Other	6,000	
Field Service Operations	(198,000)	
Contractual Services	(200,000)	
Supplies & Other	2,000	
Fleet Operations	2,000	
Supplies & Other	2,000	
Info Tech Business Productivity Systems	(200,000)	
Contractual Services	(200,700)	
Supplies & Other	700	
Info Tech Enterprise Asset Mgmt Systems	(600,000)	
Contractual Services	(400,000)	
Supplies & Other	(200,000)	

ADDENDUM 1

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

Departmental and Account Level Amendments	Total 4th Quarter FY 2022 Amendments	Explanation of Key Items
Info Technology Infrastructure	800,000	
Contractual Services	800,000	Timing of Data Modernization project. Project costs higher in FY 2022 than budgeted (project scope has not changed). The majority of this increase is due to the VCDR (VMware Cloud Disaster Recovery) subscription which started in FY 2022 instead of FY 2023.
Info Technology Security & Risk	-	
Personnel	(75,000)	
Supplies & Other	75,000	
Office of the CIO	-	
Contractual Services	(33,500)	
Supplies & Other	33,500	
Systems Analytics	(246,000)	
Contractual Services	(80,000)	
Personnel	(166,000)	
Systems Operations Control	80,000	
Contractual Services	100,000	
Personnel	(94,500)	
Supplies & Other	74,500	
Systems Planning	(213,200)	
Contractual Services	(200,000)	
Personnel	(13,200)	
D Administrative & Other Services	-	
Administrative Services Unallocated Reserves	(241,700)	
Unallocated Reserve	(241,700)	
Board of Directors	195,000	
Contractual Services	195,000	
CFO Services	14,100	
Contractual Services	17,100	
Supplies & Other	(3,000)	
Chief Administrative Officer	(100,000)	
Contractual Services	(100,000)	
Chief Financial Officer	35,600	
Contractual Services	35,600	
General Counsel	210,000	
Contractual Services	210,000	
OD Administration	125,000	
Contractual Services	125,000	
OD Talent Management	(175,000)	
Contractual Services	(176,000)	
Supplies & Other	1,000	
Procurement Director	-	
Contractual Services	40,000	
Personnel	(41,400)	
Supplies & Other	1,400	
Public Affairs	(60,000)	
Supplies & Other	(60,000)	
Treasury	(3,000)	
Contractual Services	(3,000)	
Grand Total	-	

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 fourth 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.

ADDENDUM 2

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

Expense Categories and Departmental Level Amendments	Total 4th Quarter FY 2022 Amendments	Explanation of Key Items
Capital Program Allocation	482,400	
Northeast Water Plant	7,000	
Southwest Water Plant	21,500	
Water Engineering	453,900	Actual hours reported by engineers working on capital projects is less than forecasted.
Chemicals	746,800	
		Continuing refinement to the chemicals budget. The wet weather events at the end of FY 2021 and continuing into FY 2022 has led to increased flow which requires an increase in the usage of chemicals. In addition, chlorine-based products have incurred significant cost increases due to supply issues.
Conner Creek Combined Sewer Overflow	(300,000)	
Lake Huron Water Plant	558,200	
Northeast Water Plant	(283,300)	
Southwest Water Plant	114,600	
Springwells Water Plant	307,400	
Wastewater Primary Process	100,000	
Wastewater Secondary Process	200,000	
Water Quality	19,500	
Water Works Park	30,400	
Contractual Services	660,200	
Asset Management	710,000	Asset Master Plan (increase \$300,000) - Work performed by CH2M Hill Engineers in FY 2022 (budgeted in FY 2023). This is project timing, not an increase in scope. LSIP (increase \$400,000) - Adjustment of budget for work performed in FY 2022. Change to project timing and scope, but not the cost of the overall project.
BDF, COF & Hauling	(40,000)	
Board of Directors	195,000	
Capital Improvement Planning	150,000	
CFO Services	17,100	
Chief Administrative Officer	(100,000)	
Chief Financial Officer	35,600	
Combined Sewer Overflow	(90,000)	
Conner Creek Combined Sewer Overflow	40,000	
COO - Water Operations & Field Services	(5,000)	
Facility Operations	100,000	
Field Service Operations	(200,000)	
Freud Pumping Station	1,500	
General Counsel	210,000	
Hubble Southfield CSO	90,000	
Info Tech Business Productivity Systems	(200,700)	
Info Tech Enterprise Asset Mgmt Systems	(400,000)	
Info Technology Infrastructure	800,000	Timing of Data Modernization project. Project costs higher in FY 2022 than budgeted (project scope has not changed). The majority of this increase is due to the VCDR (VMware Cloud Disaster Recovery) subscription which started in FY 2022 instead of FY 2023.
Lake Huron Water Plant	(182,500)	
Northeast Water Plant	599,600	The expected timeline (start and end dates) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
OD Administration	125,000	
OD Talent Management	(176,000)	
Office of the CIO	(33,500)	
Procurement Director	40,000	
Southwest Water Plant	(486,800)	The expected timeline (start and end dates) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
Springwells Water Plant	192,100	
Systems Analytics	(80,000)	
Systems Operations Control	100,000	
Systems Planning	(200,000)	
Treasury	(3,000)	
Water Director	50,000	
Water Engineering	(155,000)	
Water Quality	(10,000)	
Water Works Park	(433,200)	The expected timeline (start and end) and work locations can change for contracts such as GDI Janitorial Services, Motor City Electric (switchgear maintenance), Mobile Dredging (alum sludge hauling & removal), and Arcadis of Michigan, LLC (Comprehensive Corrosion Control Optimization Study). Budget amendments are created to adjust for these changes.
Personnel	(1,045,100)	Adjustment of Salaries & Wages due to timing of filling positions
Asset Management	(66,000)	
Capital Improvement Planning	(66,000)	
Chief Planning Officer	13,200	
Combined Sewer Overflow	(40,000)	
COO - Water Operations & Field Services	132,400	
Facility Operations	2,000	
Info Technology Security & Risk	(75,000)	
Lake Huron Water Plant	(73,900)	
Northeast Water Plant	240,500	
Procurement Director	(41,400)	
Southwest Water Plant	(27,600)	
Springwells Water Plant	(82,900)	
Systems Analytics	(166,000)	
Systems Operations Control	(94,500)	
Systems Planning	(13,200)	
Wastewater Director	(50,000)	
Wastewater Primary Process	90,000	

ADDENDUM 2

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

Expense Categories and Departmental Level Amendments	Total 4th Quarter FY 2022 Amendments	Explanation of Key Items
Water Director	(95,900)	
Water Engineering	(375,000)	
Water Works Park	(255,800)	
Supplies & Other	(62,400)	
Adams Road Pumping Station	4,000	
CFO Services	(3,000)	
Conner Creek Combined Sewer Overflow	(115,000)	
COO - Water Operations & Field Services	215,400	
Energy, Research & Innovation	8,000	
Facility Operations	6,000	
Field Service Operations	2,000	
Fleet Operations	2,000	
Haggerty Road Pumping Station	10,000	
Hubble Southfield CSO	50,000	
Imlay Pumping Station	(20,000)	
Info Tech Business Productivity Systems	700	
Info Tech Enterprise Asset Mgmt Systems	(200,000)	
Info Technology Security & Risk	75,000	
Lake Huron Water Plant	98,700	
Leib Combined Sewer Overflow	(65,000)	
Michigan Ave Pumping Station	(5,000)	
North Service Center Pumping Station	(10,000)	
Northeast Pumping Station	3,000	
Northeast Water Plant	51,800	
Northwest Pumping Station	4,000	
Oakwood Pumping Station	12,000	
OD Talent Management	1,000	
Office of the CIO	33,500	
Procurement Director	1,400	
Public Affairs	(60,000)	
Puritan Fenkell Combined Sewer Overflow	(10,000)	
Southwest Water Plant	(144,900)	
Springwells Water Plant	(33,800)	
Systems Operations Control	74,500	
Wastewater Dewatering Process	(35,000)	
Wastewater Incineration Process	(35,000)	
Wastewater Primary Process	220,000	
Wastewater Process Control	(10,000)	
Water Director	(25,500)	
Water Engineering	12,400	
Water Quality	(19,400)	
Water Works Park	(116,200)	
West Service Center Pumping Station	(30,000)	
Wick Road Pumping Station	(10,000)	
Unallocated Reserve	(1,920,700)	
Administrative Services Unallocated Reserves	(241,700)	
Centralized Services Unallocated Reserves	(282,000)	
Water System Operations Unallocated Reserves	(1,397,000)	Unallocated Reserve was used for the refinement of various account categories within the Water Operations area, primarily Chemicals and Utilities.
Utilities	1,138,800	
Conner Pumping Station	(83,500)	
Fairview Pumping Station	3,000	
Freud Pumping Station	64,000	
Haggerty Road Pumping Station	2,000	
Joy Road Pumping Station	142,000	
Lake Huron Water Plant	38,300	
Northeast Water Plant	(263,400)	
Rochester Pumping Station	4,000	
Schoolcraft Pumping Station	4,000	
Southwest Water Plant	362,900	
Springwells Water Plant	809,900	
		Budget added for electrical and gas usage based on review of historical spend and projected FY 2022 utilization.
Water Works Park	50,600	
West Service Center Pumping Station	1,000	
Wick Road Pumping Station	2,000	
Ypsilanti Pumping Station	2,000	
Grand Total	-	

Totals may be off due to rounding