



Financial Services Audit Committee Communication

Date: December 19, 2019

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, CPA, Chief Financial Officer/Treasurer

Re: Overview – Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan

Background: In accordance with service agreements with Great Lakes Water Authority (GLWA) member partners, charges for the next fiscal year are annually presented at the end of January each year. This year that date is January 23, 2020. Key steps in that process are development of a proposed biennial budget and five-year plan as well as the capital improvement plan. The first year of the biennial budget is the “revenue requirement” for the purposes of establishes costs for allocation among member partners.

Analysis: GLWA’s financial strategy which drives the proposed biennial budget and five-year financial plan are a) optimizing operations and maintenance costs, b) lowering GLWA’s high debt burden through effective use of bond refunding opportunities combined with a programmatic use of revenue financed capital (i.e. pay as you go), and c) limiting average annual charge increases to no more than 4%.

Attached are the following related to discussion of the upcoming FY 2021 & FY 2022 Biennial Budget and Five-Year Financial Plan.

1. Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan Executive Summary
2. Memo from The Foster Group (TFG) (links the GLWA internally prepared proposed budget with the overall potential charges impact)
3. Budget One-Pager which provides highlights of the FY 2021 budget year
4. Schedule of upcoming activities and due dates related to the budget cycle
5. Staffing Plan and Full Time Equivalent (FTE) tables for FY 2018 through FY 2025
6. Operations & Maintenance Expense by Cost Category - trend with three years of history
7. Operations & Maintenance Expense by Cost Center - with highest & lowest difference

Proposed Action: Receive and file this report for further review and discussion at the next Audit Committee meeting on January 17, 2020 at 8:00 am.

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 1A - Water System Revenue Requirements Budget

	Current Year		Biennial Budget						Forecast		
Water System Revenue Requirements	FY 2020 Adopted	FY 2020 Amended	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Revenues											
11 Revenues from Charges	\$ 330,580,000	\$ 326,132,700	\$ 338,546,200	\$ 7,966,200	2.4%	\$ 349,895,500	\$ 11,349,300	3.4%	\$360,425,700	\$ 371,308,500	\$ 382,533,600
10.1 Non-Operating Revenue	9,084,200	7,068,800	4,854,300	(4,229,900)	-46.6%	3,807,100	(1,047,200)	-21.6%	3,887,900	3,934,500	3,966,700
Total Revenues	339,664,200	333,201,500	343,400,500	3,736,300	1.1%	353,702,600	10,302,100	3.0%	364,313,600	375,243,000	386,500,300
Revenue Requirements											
1 Operations & Maintenance (O&M) Expense	\$131,490,500	\$131,490,500	\$137,127,300	\$5,636,800	4.3%	\$139,642,500	\$2,515,200	1.8%	\$140,985,200	\$143,284,900	\$146,442,600
2 O&M Legacy Pension Allocation	6,048,000	6,048,000	6,048,000	-	0.0%	6,048,000	-	0.0%	6,048,000	1,200,000	1,200,000
3 Debt Service Allocation	137,557,600	137,612,100	138,799,700	1,242,100	0.9%	140,532,100	1,732,400	1.2%	149,614,100	159,437,300	167,165,800
4 Accelerated Legacy Pension Allocation	6,268,300	6,268,300	6,268,300	-	0.0%	6,268,300	-	0.0%	6,268,300	1,933,900	1,933,900
5 Water Residential Assistance Program	1,698,300	1,698,300	1,684,300	(14,000)	-0.8%	1,768,500	84,200	5.0%	1,821,600	1,876,200	1,932,500
6 Lease Payment to Local System I&E Account	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%	22,500,000	22,500,000	22,500,000
7 Improvement & Extension Fund Allocation	30,125,500	23,608,300	30,096,300	(29,200)	-0.1%	36,104,800	6,008,500	20.0%	36,628,800	44,244,100	44,272,900
8 Operating Reserve Deposit	3,976,000	3,976,000	876,600	(3,099,400)	-78.0%	838,400	(38,200)	-4.4%	447,600	766,600	1,052,600
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA	-	-	-
Annual Budgeted Revenue Requirements	\$ 339,664,200	\$ 333,201,500	\$ 343,400,500	\$ 3,736,300	1.1%	\$ 353,702,600	\$ 10,302,100	3.0%	\$364,313,600	\$ 375,243,000	\$ 386,500,300

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 1B - Sewer System Revenue Requirements Budget

	Current Year		Biennial Budget						Forecast		
Sewer System Revenue Requirements	FY 2020 Adopted	FY 2020 Amended	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Revenues											
11 Revenues from Charges <i>(prior to adjustment)</i>	\$ 471,874,500	\$471,874,500	\$489,411,900	\$ 17,537,400	3.7%	\$504,511,600	\$ 15,099,700	3.1%	\$ 519,796,300	\$ 535,450,400	\$ 551,713,700
Subtotal Revenues from Charges	471,874,500	471,874,500	489,411,900	17,537,400	3.7%	504,511,600	15,099,700	3.1%	519,796,300	535,450,400	551,713,700
10.1 Non-Operating Revenue	8,730,800	6,562,500	5,611,600	(3,119,200)	-35.7%	5,362,500	(249,100)	-4.4%	5,374,100	5,475,100	5,439,500
Total Revenues	480,605,300	478,437,000	495,023,500	14,418,200	3.0%	509,874,100	14,850,600	3.0%	525,170,400	540,925,500	557,153,200
Revenue Requirements											
1 Operations & Maintenance (O&M) Expense	\$187,057,200	\$187,057,200	\$184,946,100	\$ (2,111,100)	-1.1%	\$188,934,600	\$3,988,500	2.2%	\$194,027,300	\$198,497,900	\$202,047,700
2 O&M Legacy Pension Allocation	10,824,000	10,824,000	10,824,000	-	0.0%	10,824,000	-	0.0%	10,824,000	2,100,000	2,100,000
3 Debt Service Allocation	215,738,800	213,802,800	202,710,400	(13,028,400)	-6.0%	211,560,900	8,850,500	4.4%	207,244,700	217,602,700	208,393,500
4 Accelerated Legacy Pension Allocation	11,620,700	11,620,700	11,620,700	-	0.0%	11,620,700	-	0.0%	11,620,700	3,863,500	3,863,500
5 Water Residential Assistance Program	2,403,000	2,403,000	2,464,000	61,000	2.5%	2,549,400	85,400	3.5%	2,625,900	2,704,600	2,785,800
6 Lease Payment to Local System	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%	27,500,000	27,500,000	27,500,000
7 Improvement & Extension Fund Allocation	25,461,600	25,229,300	54,958,300	29,496,700	115.8%	55,555,000	596,700	1.1%	69,630,200	87,166,600	109,279,400
8 Operating Reserve Deposit	-	-	-	-	NA	1,329,500	1,329,500	NA	1,697,600	1,490,200	1,183,300
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA	-	-	-
Annual Budgeted Revenue Requirements	480,605,300	478,437,000	495,023,500	14,418,200	3.0%	509,874,100	14,850,600	3.0%	525,170,400	540,925,500	557,153,200

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 1C - Combined Water and Sewer System Revenue Requirements Budget

	Current Year		Biennial Budget						Forecast		
Sewer System Revenue Requirements	FY 2020 Adopted	FY 2020 Amended	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change	FY 2022 Requested	FY 2022 \$ Change	FY 2022 % Change	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Revenues											
11 Revenues from Charges <i>(prior to adjustment)</i>	\$ 802,454,500	\$ 798,007,200	\$ 827,958,100	\$ 25,503,600	3.2%	\$ 854,407,100	\$ 26,449,000	3.2%	\$ 880,222,000	\$ 906,758,900	\$ 934,247,300
Subtotal Revenues from Charges	802,454,500	798,007,200	827,958,100	25,503,600	3.2%	854,407,100	26,449,000	3.2%	880,222,000	906,758,900	934,247,300
10.1 Non-Operating Revenue	17,815,000	13,631,300	10,465,900	(7,349,100)	-41.3%	9,169,600	(1,296,300)	-12.4%	9,262,000	9,409,600	9,406,200
Total Revenues	820,269,500	811,638,500	838,424,000	18,154,500	2.2%	863,576,700	25,152,700	3.0%	889,484,000	916,168,500	943,653,500
Revenue Requirements											
1 Operations & Maintenance (O&M) Expense	\$318,547,700	\$318,547,700	\$322,073,400	\$3,525,700	1.1%	\$328,577,100	\$6,503,700	2.0%	\$335,012,500	\$341,782,800	\$348,490,300
2 O&M Legacy Pension Allocation	16,872,000	16,872,000	16,872,000	-	0.0%	16,872,000	-	0.0%	16,872,000	3,300,000	3,300,000
3 Debt Service Allocation	353,296,400	351,414,900	341,510,100	(11,786,300)	-3.3%	352,093,000	10,582,900	3.1%	356,858,800	377,040,000	375,559,300
4 Accelerated Legacy Pension Allocation	17,889,000	17,889,000	17,889,000	-	0.0%	17,889,000	-	0.0%	17,889,000	5,797,400	5,797,400
5 Water Residential Assistance Program	4,101,300	4,101,300	4,148,300	47,000	1.1%	4,317,900	169,600	4.1%	4,447,500	4,580,800	4,718,300
6 Lease Payment to Local System I&E Account	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%	50,000,000	50,000,000	50,000,000
7 Improvement & Extension Fund Allocation	55,587,100	48,837,600	85,054,600	29,467,500	53.0%	91,659,800	6,605,200	7.8%	106,259,000	131,410,700	153,552,300
8 Operating Reserve Deposit	3,976,000	3,976,000	876,600	(3,099,400)	-78.0%	2,167,900	1,291,300	147.3%	2,145,200	2,256,800	2,235,900
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA	-	-	-
Annual Budgeted Revenue Requirements	820,269,500	811,638,500	838,424,000	18,154,500	2.2%	863,576,700	25,152,700	3.0%	889,484,000	916,168,500	943,653,500

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance

Flow of Funds Basis		FY 2021 Water Fund	FY 2021 Sewer Fund	FY 21 Combined (Informational Only)	FY 2022 Water Fund	FY 2022 Sewer Fund	FY 22 Combined (Informational Only)
Revenues							
1	Regional System Wholesale Revenues	\$ 338,546,200	\$ 489,411,900	\$ 827,958,100	\$ 349,895,500	\$ 504,511,600	\$ 854,407,100
2	Local System Revenues	75,007,000	101,867,700	176,874,700	76,420,000	119,227,500	195,647,500
3	Miscellaneous Revenue (Local System)	2,200,000	500,000	2,700,000	2,200,000	500,000	2,700,000
4	Non-Operating Revenue (Regional System)	4,854,300	5,611,600	10,465,900	3,807,100	5,362,500	9,169,600
5	Total Revenues	<u>\$ 420,607,500</u>	<u>\$ 597,391,200</u>	<u>\$ 1,017,998,700</u>	<u>\$ 432,322,600</u>	<u>\$ 629,601,600</u>	<u>\$ 1,061,924,200</u>
Revenue Requirements							
Operations & Maintenance Expense							
6	Regional System Wholesale Expenses	\$ 137,127,300	\$ 184,946,100	\$ 322,073,400	\$ 139,642,500	\$ 188,934,600	\$ 328,577,100
7	Local System Expenses	35,721,100	71,425,100	107,146,200	36,811,500	73,568,900	110,380,400
8	GRS Pension allocable to Regional System	6,048,000	10,824,000	16,872,000	6,048,000	10,824,000	16,872,000
9	GRS Pension allocable to Local System	4,272,000	2,856,000	7,128,000	4,272,000	2,856,000	7,128,000
10	Total Operations & Maintenance Expense	<u>183,168,400</u>	<u>270,051,200</u>	<u>453,219,600</u>	<u>186,774,000</u>	<u>276,183,500</u>	<u>462,957,500</u>
11	Net Revenues after Operations & Maintenance Expense	<u>\$ 237,439,100</u>	<u>\$ 327,340,000</u>	<u>\$ 564,779,100</u>	<u>\$ 245,548,600</u>	<u>\$ 353,418,100</u>	<u>\$ 598,966,700</u>
Debt Service by Lien							
12	Senior Lien Bonds	126,106,400	125,656,600	251,763,000	128,612,200	139,767,900	268,380,100
13	Second Lien Bonds	49,280,800	54,642,000	103,922,800	44,683,600	48,104,300	92,787,900
14	SRF Junior Lien Bonds	5,236,400	54,321,500	59,557,900	13,342,400	57,541,400	70,883,800
15	Total Debt Service	<u>\$ 180,623,600</u>	<u>\$ 234,620,100</u>	<u>\$ 415,243,700</u>	<u>\$ 186,638,200</u>	<u>\$ 245,413,600</u>	<u>\$ 432,051,800</u>
Debt Service Coverage							
16	Senior Lien Bonds (11)/(12)	1.88	2.61		1.91	2.53	
17	Second Lien Bonds (11) / [(12)+(13)]	1.35	1.82		1.42	1.88	
18	SRF Junior Lien Bonds (11) / (15)	1.31	1.40		1.32	1.44	

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 5A - Water Improvement & Extension Fund

	Current Year	Biennial Budget		Forecast		
Inflows & Outflows	FY 2020 Projected	FY 2021 Requested	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Water Improvement & Extension Fund						
Water System Revenue Transfers	\$23,608,300	\$30,096,300	\$36,104,800	\$36,628,800	\$44,244,100	\$44,272,900
Receipt of DWSD Shortfall Loan	-	-	-	-	-	-
Grant Revenues	-	-	-	-	-	-
Earnings on Investments, Net	-	-	-	-	-	-
Capital Outlay	(10,125,300)	(17,892,000)	(13,760,200)	(5,427,400)	(5,457,700)	(4,748,000)
Revenue Financed Capital - Strategic	(50,000,000)	(75,000,000)	(95,000,000)	(30,000,000)	(40,000,000)	(42,000,000)
Increase (Decrease) in I&E Reserves	(\$36,517,000)	(\$62,795,700)	(\$72,655,400)	\$1,201,400	(\$1,213,600)	(\$2,475,100)
Beginning Year Balance	264,584,900	228,067,900	165,272,200	92,616,800	93,818,200	92,604,600
Projected Ending Balance	\$228,067,900	\$165,272,200	\$92,616,800	\$93,818,200	\$92,604,600	\$90,129,500

(Note: shortfall loan is not applicable for the water system.)

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 5B - Sewer Improvement & Extension Fund

	Current Year	Biennial Budget		Forecast		
Inflows & Outflows	FY 2020 Projected	FY 2021 Requested	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Sewer Improvement & Extension Fund						
Sewer System Revenue Transfers	\$25,229,300	\$54,958,300	\$55,555,000	\$69,630,200	\$87,166,600	\$109,279,400
Receipt of DWSD Shortfall Loan	19,288,300	19,288,300	8,705,000	-	-	-
Grant Revenues	-	-	-	-	-	-
Earnings on Investments, Net	-	-	-	-	-	-
Capital Outlay	(20,122,200)	(20,481,100)	(15,794,700)	(9,755,200)	(10,375,800)	(14,757,200)
Revenue Financed Capital - Strategic	(15,000,000)	(45,000,000)	(70,000,000)	(60,000,000)	(75,000,000)	(95,000,000)
Increase (Decrease) in I&E Reserves	\$9,395,400	\$8,765,500	(\$21,534,700)	(\$125,000)	\$1,790,800	(\$477,800)
Beginning Year Balance	96,648,700	106,044,100	114,809,600	93,274,900	93,149,900	94,940,700
Projected Ending Balance	\$106,044,100	\$114,809,600	\$93,274,900	\$93,149,900	\$94,940,700	\$94,462,900

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 5C - Water Construction Bond Fund

	Current Year	Biennial Budget		Forecast		
Inflows & Outflows	FY 2020 Projected	FY 2021 Requested	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Water Construction Bond Fund						
Bond Proceeds, Net	\$0	\$0	\$0	\$171,080,000	\$122,200,000	\$122,200,000
Earnings on Investments, Net	1,076,600	710,300	204,400	-	-	-
Transfer from Improvement & Extension Fund	50,000,000	75,000,000	95,000,000	30,000,000	40,000,000	42,000,000
Contributions In Aid of Construction	-	-	-	-	-	-
Grant Revenues (DWRP Loans)	12,898,300	12,365,800	16,590,200	18,889,800	18,549,900	-
Project Expenditures	(78,220,000)	(110,673,000)	(152,930,300)	(171,608,200)	(180,925,100)	(164,206,400)
Increase (Decrease) in Construction Funds	(\$14,245,100)	(\$22,596,900)	(\$41,135,700)	\$48,361,600	(\$175,200)	(\$6,400)
Beginning Year Balance	92,331,900	78,086,800	55,489,900	14,354,200	62,715,800	62,540,600
Projected Ending Balance	\$78,086,800	\$55,489,900	\$14,354,200	\$62,715,800	\$62,540,600	\$62,534,200

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Proposed Biennial Budget & Five-Year Plan through FY 2025
Executive Summary Schedules
As of December 19, 2019

Schedule 5D - Sewer Construction Bond Fund

	Current Year	Biennial Budget		Forecast		
Inflows & Outflows	FY 2020 Projected	FY 2021 Requested	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Sewer Construction Bond Fund						
Bond Proceeds, Net	\$0	\$0	\$59,220,000	\$ 46,060,000	\$97,760,000	\$50,760,000
Earnings on Investments, Net	355,200	-	-	300,600	17,400	367,200
Transfer from Improvement & Extension Fund	15,000,000	45,000,000	70,000,000	60,000,000	75,000,000	95,000,000
Contributions In Aid of Construction	-	-	-	-	-	-
Grant Revenues (CWRP Loans)	40,505,000	33,200,000	15,112,000	13,500,000	-	-
Project Expenditures	(131,703,100)	(82,978,500)	(95,843,500)	(119,716,600)	(172,769,300)	(146,148,200)
Increase (Decrease) in Construction Funds	(\$75,842,900)	(\$4,778,500)	\$48,488,500	\$144,000	\$8,100	(\$21,000)
Beginning Year Balance	82,031,700	6,188,800	1,410,300	49,898,800	50,042,800	50,050,900
Projected Ending Balance	\$6,188,800	\$1,410,300	\$49,898,800	\$50,042,800	\$50,050,900	\$50,029,900

TFG
THE FOSTER GROUP

P.O. BOX 26282
LEAWOOD, KS 66225
TEL: (913) 345-1410
FAX: (913) 345-1640

THE FOSTER GROUP, LLC
BART FOSTER, PRESIDENT
CELL: (913) 530-6240
BFOSTER@FOSTERGROUPLLC.COM

MEMORANDUM

FY 2021 Budget/Charge Planning
Executive Summary

December 17, 2019

To: Nicolette Bateson

From: Bart Foster

This memorandum has been prepared to summarize observations based on our review of the preliminary GLWA budget plan for FY 2021. Via our review we have updated our comprehensive five-year financial forecasts, and those updated forecasts have been used to prepare the budget summary exhibits presented nearby. This commentary focusses on the budget plan for FY 2021, in support of the proposed Water and Sewer charges that will be presented next month.

Executive Summary of Preliminary FY 2021 Budget / Charge Adjustments

- The average FY 2021 “System” Charge Adjustment for each System is below 4%
 - *Water = 3.8%, Sewer = 3.7%*
 - *Impacts on the on the overall Suburban Wholesale and Detroit Customer Classes, and on individual Member Partners, will be determined via the Cost of Service Study and presented next month.*
- The FY 2021 financial plan embraces GLWA’s commitment to stable and increasing “bottom line” contributions to the Improvement and Extension (“I&E”) Fund(s) and the accompanying debt service coverage ratios.
- The “drivers” for the charge increases are somewhat different between Water and Sewer, as illustrated below

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
<u>Charge Increase Drivers - %</u>			
Revenue Requirement Increase	1.1%	3.0%	2.2%
Negative Sales Revenue Variance	1.4%	0.0%	0.6%
Negative Investment Income Variance	<u>1.3%</u>	<u>0.7%</u>	<u>0.9%</u>
Total	3.8%	3.7%	3.7%

- *The Water charge adjustment is designed to support a moderate increase in overall revenue requirements, and to address negative baseline revenue budgets associated with both sales and investment income.*
- *The Sewer revenue requirement increase is a bit larger, but the baseline Sewer revenues do not have to overcome negative sales revenue budget to the entirely fixed nature of the Sewer charges. Sewer charges must also accommodate lower forecasted investment income.*
- The Operation and Maintenance Expense (“O&M”) Budget reflects detailed review and recognition of 3 full years of GLWA experience.

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Variance</u>	<u>% Variance</u>
<u>O&M Expense - \$ millions</u>				
Water	131.5	137.1	5.6	4.3%
Sewer	<u>187.1</u>	<u>184.9</u>	<u>(2.1)</u>	-1.1%
Combined	318.5	322.1	3.5	1.1%

- *Overall increase from FY 2020 budget is 1.1%*
- *Water / Sewer impacts reflect actual experience and specific budget programs.*
- The debt service amounts in the total Revenue Requirement BUDGETs reflect natural changes in the existing principal and interest schedules, but do not reflect any issuance of new revenue bonds during FY 2021.
- The debt service amounts in the total Revenue Requirement BUDGETs also reflect anticipated savings with the planned refunding transactions in late FY 2020. * See I&E Deposit commentary below.
 - *Projected Water savings = \$4.8 million*
 - *Projected Sewer savings = \$7.0 million*
- The FY 2021 budget amounts associated with Master Bond Ordinance (“MBO”) requirements are largely fixed and the same as the FY 2020 amounts.
 - *Legacy Pension Reimbursement, Lease Payment, WRAP Fund contribution*
- Amounts not required to fund O&M, debt service, and MBO requirements represent to “bottom line” contributions to the I&E Fund (and operating reserves). These amounts support the measure of debt service coverage.
 - *The Water “bottom line” amounts are stable compared to FY 2020*

- *The Sewer “bottom line” amounts reflect significant improvement compared to FY 2020, and are now more closely aligned with the Water figures*
 - ** To the extent that actual refinancing results vary from those assumed above, it is our understanding that GLWA intends to adjust the I&E deposits accordingly, without impacting the overall BUDGET or Charge Adjustments*
- The following schedule provides additional perspective on key indices for GLWA budget plans since FY 2017

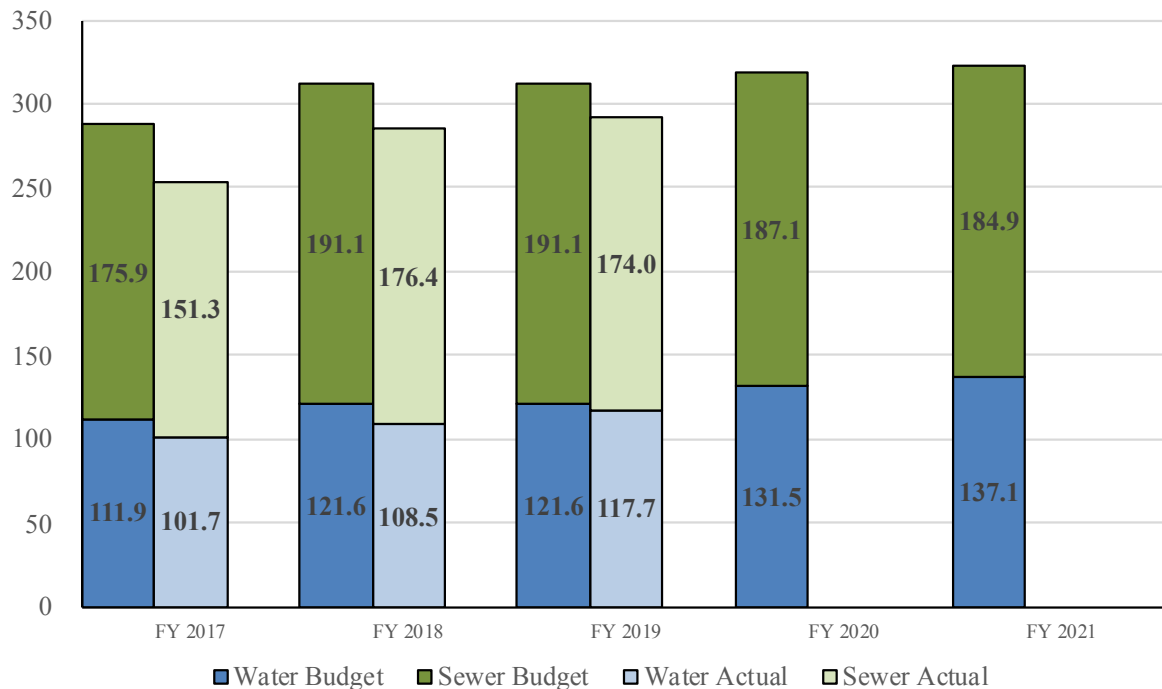
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<u>Water</u>					
Annual Change in Budgeted Revenue Req't (a)	4.0%	-0.9%	1.0%	2.5%	1.1%
<u>Annual Average Charge Increase</u>					
Total Regional System, Including Detroit Customer Class	4.5%	1.9%	1.6%	0.6%	3.8%
<u>(a) Revenue Requirement Budget Indices</u>					
O&M Budget Adjustment (b)	4.0%	8.7%	0.0%	8.2%	4.3%
Budgeted Deposit to I&E Fund - \$ millions	23.8	32.8	39.1	30.1	30.1
Budgeted Deposit to All Reserve Funds - \$ millions	23.8	34.6	39.1	34.1	31.0
Regional System Debt Service Coverage	1.34	1.48	1.52	1.47	1.44
<u>Sewer</u>					
Annual Change in Budgeted Revenue Req't (a)	4.0%	0.3%	1.0%	2.2%	3.0%
<u>Annual Average Charge Increase</u>					
Total Regional System, Including Detroit Customer Class	8.3%	-0.7%	0.1%	0.8%	3.7%
<u>(a) Revenue Requirement Budget Indices</u>					
O&M Budget Adjustment (b)	4.0%	8.7%	0.0%	-2.1%	-1.1%
Budgeted Deposit to I&E Fund - \$ millions	14.1	11.9	12.2	25.5	55.0
Budgeted Deposit to All Reserve Funds - \$ millions	14.1	14.5	12.2	25.5	55.0
Regional System Debt Service Coverage	1.25	1.27	1.25	1.31	1.48
<u>Combined Water and Sewer</u>					
Annual Change in Budgeted Revenue Req't (a)	4.0%	-0.2%	1.0%	2.3%	2.2%
<u>Annual Average Charge Increase</u>					
Total Regional System, Including Detroit Customer Class	6.7%	0.3%	0.7%	0.7%	3.8%
<u>(a) Revenue Requirement Budget Indices</u>					
O&M Budget Adjustment (b)	4.0%	8.7%	0.0%	1.9%	1.1%
Budgeted Deposit to I&E Fund - \$ millions	37.9	44.7	51.3	55.6	85.1
Budgeted Deposit to All Reserve Funds - \$ millions	37.9	49.1	51.3	59.6	85.9
Regional System Debt Service Coverage	1.29	1.35	1.35	1.37	1.46

(b) FY 2018 Budget reflects reassignment of \$10 million per system from minor capital expense to O&M expense.

Additional commentary on these executive summary observations follows.

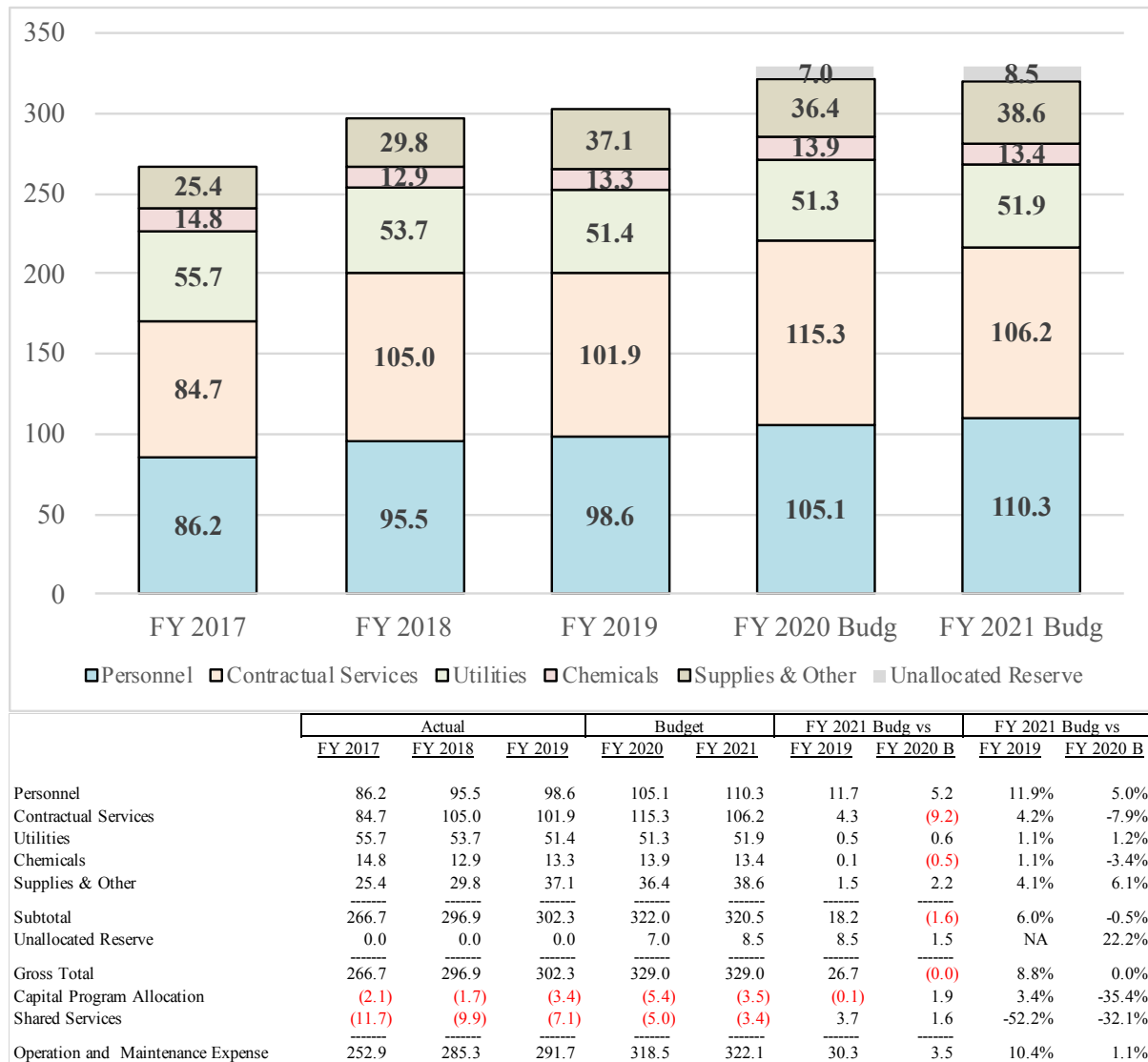
Operation and Maintenance Expense Budget

The chart below summarizes overall budgeted O&M expense (in \$ millions) for FYs 2017 through FY 2021 (preliminary) and compares actual reported figures for FYs 2017 through 2019. The FY 2021 O&M budget reflects detailed review and recognition of 3 full years of GLWA experience.



	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Water Budget	111.9	121.6	121.6	131.5	137.1
Sewer Budget	<u>175.9</u>	<u>191.1</u>	<u>191.1</u>	<u>187.1</u>	<u>184.9</u>
Total Budget	287.7	312.6	312.6	318.5	322.1
Water Actual	101.7	108.5	117.7		
Sewer Actual	<u>151.3</u>	<u>176.4</u>	<u>174.0</u>		
Total Actual	253.0	284.9	291.7		
Water Variance	(10.1)	(13.0)	(3.8)		
Sewer Variance	<u>(24.5)</u>	<u>(14.7)</u>	<u>(17.1)</u>		
Total Variance	(34.7)	(27.7)	(20.9)		
Water % Variance	-9.1%	-10.7%	-3.2%		
Sewer % Variance	-14.0%	-7.7%	-8.9%		
Total % Variance	-12.1%	-8.9%	-6.7%		

Additional perspective on the O&M Budget is provided by examining the major cost types included in the budget. *(Figures in \$ millions)*



Personnel Costs reflect the largest area of budget increase, reflective of the continual ramp up towards fulfilling the staffing plan and of the underlying prices of salaries and fringe benefits. Contractual services reflect a budget reduction for FY 2020. Commodity costs associated with chemicals and utilities are remarkably stable. The unallocated reserve reflects a fairly conservative allowance for unanticipated expenditures. We note that the total “gross” FY 2021 O&M budget is actually the same as the FY 2020 budget. Lower offsets related to the capital program allocation and shared services result in the overall 1.1% increase on a net basis.

Water Revenue Requirement BUDGET

The table below compares the preliminary FY 2021 budgeted Water revenue requirements with the original (used for charge development) FY 2020 budget. *(Figures in \$ millions)*

	(1)	(2)	(3)	(4)
	Baseline FY 2020 BUDGET	Preliminary FY 2021 BUDGET	Variance	% Variance
<u>Baseline Establishment</u>				
1 Baseline FY 2020 Revenue Requirement Budget	339.7	339.7		
2 Revenue Requirement Index		1.1%		
3 Budgeted FY 2021 Revenue Requirement [1]*(1+[2])	339.7	343.4	3.7	1.1%
4 less: Forecasted Investment Income	(9.1)	(4.9)	4.2	-46.6%
5 Revenues Required from Charges [3] + [4]	330.6	338.5	8.0	2.4%
6 Revenues Under Existing Charges	330.6	326.1	(4.5)	-1.4%
7 Revenues Required from Charge Increases [5] - [6]		12.5		
8 Projected Average Charge Increase [7] / [6]		3.8%		
<u>Revenue Requirement Specifics</u>				
9 Operation and Maintenance Budget	131.5	137.1	5.6	4.3%
10 Legacy Pension Reimbursement - Operating	6.0	6.0	0.0	0.0%
11 Debt Service (a)	137.6	138.8	1.2	0.9%
12 Transfer to Pension Obligation Payment Fund	6.3	6.3	0.0	0.0%
13 Transfer to WRAP Fund	1.7	1.7	(0.0)	-0.8%
14 Lease Payment - Transfer to Detroit Local I&E	22.5	22.5	0.0	0.0%
15 Operating Reserve Requirement	4.0	0.9	(3.1)	-78.0%
16 Subtotal Rev Req'ts [9] thru [15]	309.5	313.3	3.8	1.2%
17 Balance = Transfer to GLWA Regional I&E [3] - [16]	30.1	30.1	(0.0)	-0.1%
18 Regional Debt Service Coverage Ratio	1.47	1.44		
<u>(a) Debt Service Specifics</u>				
19 Existing Revenue Bonds	135.8	139.9	4.1	3.0%
20 Forecasted Revenue Bonds	0.0	0.0	0.0	0.0%
21 Existing SRF Loans	1.8	2.6	0.9	48.5%
22 Forecasted SRF Loans	0.0	1.0	1.0	0.0%
23 Subtotal	137.6	143.6	6.0	4.4%
24 less: Forecasted Refinancing Savings	0.0	(4.8)	(4.8)	0.0%
25 Budgeted Debt Service	137.6	138.8	1.2	0.9%

This provides more detailed comparisons of the observations expressed in the Executive Summary. Note the debt service specifics in footnote (c). The FY 2021 principal and interest requirements on existing revenue bonds reflects a natural increase compared to FY 2020. In addition, the amounts required for existing and forecasted SRF loans is naturally increasing as GLWA's participation in DWRF funding of water projects increases. As a result, the overall budgeted debt service for FY 2021 is an increase over FY 2020 despite the recognition of forecasted refinancing savings. This has negative implications on the budgeted FY 2021 "bottom line" contribution for the Water Fund.

Sewer Revenue Requirement BUDGET

Here's the same comparison for the preliminary FY 2021 Sewer revenue requirement budget with the original (used for charge development) FY 2020 budget. *(Figures in \$ millions)*

	(1)	(2)	(3)	(4)
	Baseline FY 2020 BUDGET	Preliminary FY 2021 BUDGET	Variance	% Variance
<u>Baseline Establishment</u>				
1 Baseline FY 2020 Revenue Requirement Budget	480.6	480.6		
2 <i>Revenue Requirement Index</i>		3.0%		
3 Budgeted FY 2021 Revenue Requirement <i>[1]*(1+[2])</i>	480.6	495.0	14.4	3.0%
4 less: Forecasted Investment Income	(8.7)	(5.6)	3.1	-35.7%
5 Revenues Required from Charges <i>[3] + [4]</i>	471.9	489.4	17.5	3.7%
6 Revenues Under Existing Charges	<u>471.9</u>	<u>471.9</u>	0.0	0.0%
7 Revenues Required from Charge Increases <i>[5] - [6]</i>		17.5		
8 Projected Average Charge Increase <i>[7] / [6]</i>		3.7%		
<u>Revenue Requirement Specifics</u>				
9 Operation and Maintenance Budget	187.1	184.9	(2.1)	-1.1%
10 Legacy Pension Reimbursement - Operating	10.8	10.8	0.0	0.0%
11 Debt Service <i>(a)</i>	215.7	202.7	(13.0)	-6.0%
12 Transfer to Pension Obligation Payment Fund	11.6	11.6	0.0	0.0%
13 Transfer to WRAP Fund	2.4	2.5	0.1	2.5%
14 Lease Payment - Transfer to Detroit Local I&E	27.5	27.5	0.0	0.0%
15 Operating Reserve Requirement	<u>0.0</u>	<u>0.0</u>	0.0	0.0%
16 Subtotal Rev Req'ts <i>[9] thru [15]</i>	455.1	440.1	(15.1)	-3.3%
17 Balance = Transfer to GLWA Regional I&E <i>[3] - [16]</i>	25.5	55.0	29.5	115.8%
18 <i>Regional Debt Service Coverage Ratio</i>	<i>1.31</i>	<i>1.48</i>		
<u>(a) Debt Service Specifics</u>				
19 Existing Revenue Bonds	161.0	155.7	(5.3)	-3.3%
20 Forecasted Revenue Bonds	1.8	0.0	(1.8)	-100.0%
21 Existing SRF Loans	52.9	53.6	0.7	1.3%
22 Forecasted SRF Loans	<u>0.0</u>	<u>0.4</u>	0.4	0.0%
23 Subtotal	215.7	209.7	(6.0)	-2.8%
24 less: Forecasted Refinancing Savings	<u>0.0</u>	(7.0)	(7.0)	0.0%
25 Budgeted Debt Service	215.7	202.7	(13.0)	-6.0%

Again, note the debt service specifics in footnote (c). Contrary to Water, the FY 2021 principal and interest requirements on existing revenue bonds reflects a natural **decrease** compared to FY 2020. In addition, the projected revenue bond issue included in the FY 2020 budget has been delayed to FY 2022 in the updated forecast, in part due to enhanced utilization of the SRF loan process and in part due to natural delays in the CIP. As a result, the overall budgeted debt service for FY 2021 reflected a decrease **even before** the recognition of forecasted refinancing savings. The resulting budgeted debt service savings has **positive** implications on the budgeted FY 2021 "bottom line" contribution for the Sewer Fund, and produces a more consistent budgeted contribution – and resulting debt service coverage ratio - from both Funds.

We continue diligent review on all of the budget parameters included in the preliminary submittal. We are preparing additional analysis and commentary to provide to the GLWA management team, the Board of Directors, and ultimately to Member Partners as part of the FY 2021 Charge Rollout process in early January.

In addition, we are utilizing this information in our preparation of the FY 2021 Cost of Service Study and the accompanying proposed wholesale service charges for FY 2021. Those proposed charges are scheduled to be delivered to the Board of Directors on January 22, 2020 and formally presented to Member Partners at the final FY 2021 Charge Rollout meeting on January 23, 2020.

We are prepared to discuss this matter at your convenience.

The combined GLWA revenue requirement budget is the basis for establishing the annual charges for services. Much of the FY 2021 budget of \$838 million is fixed commitments such as debt service (41%), lease payment (6%), legacy liabilities (4%) as well as capital funding (10%), and other (1%). Operations & Maintenance (O&M) expense represents \$322 million, or 38%, of the total requirement for FY 2021 and is the focus of this One Pager. FY 2021 presents an increase of \$3.5 million, or 1.1%, over FY 2020. The second year of the biennial budget, FY 2022, increases 2%. Highlights for the upcoming year include:

Water Operations – increase of \$5.9 million

The majority of this net increase (\$5.2 million) is to the removal, hauling, and disposal of alum sludge at the water treatment plants. This mobile dredging & video piping program is a long-term maintenance effort that aligns with regulatory requirements.

Wastewater Operations – decrease \$309

thousand Ongoing efforts to achieve operational efficiencies have resulted in budgeted reductions of \$548,000 in utilities and \$758,000 in chemicals. Additionally, increased production through the environmentally stable Bio-dryer Facility, which significantly reduces the high cost of material sent to landfills, contributed an additional \$1,469,000 in projected savings. These savings are being reinvested into a multi-year instrumentation and control systems upgrade program budgeted at \$742,000 for FY 2021.

Centralized Services¹ – decrease \$4.2 million

Factors that decreased the budget include a reduction of contractual services in the planning area (\$2.2 million) due to material completion of large consulting projects for asset management and the wastewater master plan in FY 2020. In

addition, the pace of spending for the new, annual Water Transmission System Pipe Integrity Program has been slowed to align with other operational demands and projects.

Also, the field services team expects a reduction of \$2.5 million of contracted sewer cleaning and investigation services. The facilities team expects a decrease of \$2 million dollars from improved pricing on snow removal (\$400,000), in-sourcing trade services (\$500,000), and fleet maintenance (\$1.1 million).

Factors increasing the budget are related to information technology (\$2.7 million). This includes a loss of \$1.2 million in information shared service reimbursements as well as implementation expenses for a new enterprise asset management system (\$1.6 million).

Administrative Services² – increase \$2.1 million

The administrative services budget is largely driven by personnel costs and contractual services for eight areas. Programs that are supported by these increases include One Water Institute, procurement strategic initiatives, internal audit, and government relations service.

Staffing - If all positions were filled for the entire year, the full-time-equivalent (FTE) count would be 1,219, up by 12 positions from the prior year plan. Based on assumptions related to recruitment and turnover, the budget provides funding for 1,200 positions. Two positions are in water operations, four in wastewater operations, one in safety, two in organizational development, two in financial services and a partial allocation among other areas.

Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

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

² Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer, Risk Management & Safety, General Counsel, Public Affairs, Organizational Development, and Financial Services

	Prior Year FY 2018	Current Year FY 2019	FY 2020 Staffing Plan	FY 2021 Staffing Plan	FY 2022 Staffing Plan	FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan
Operating Area and Team	Staffing Plan	Staffing Plan						
Chief Operating Officer Water Operations	354.00	360.00	363.00	366.00	366.00	366.00	366.00	366.00
COO - Water Operations & Field Services	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Energy, Research & Innovation	0.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Facility Operations	22.00	22.00	25.00	25.00	25.00	25.00	25.00	25.00
Field Service Operations	44.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
Lake Huron Water Plant	31.00	30.00	30.00	31.00	31.00	31.00	31.00	31.00
Northeast Water Plant	32.00	32.00	30.00	32.00	32.00	32.00	32.00	32.00
Southwest Water Plant	29.00	29.00	30.00	30.00	30.00	30.00	30.00	30.00
Springwells Water Plant	35.00	35.00	36.00	36.00	36.00	36.00	36.00	36.00
Systems Operations Control	79.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Water Director	7.00	9.00	9.00	11.00	11.00	11.00	11.00	11.00
Water Engineering	19.00	24.00	24.00	23.00	23.00	23.00	23.00	23.00
Water Quality	18.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Water Works Park	36.00	37.00	37.00	35.00	35.00	35.00	35.00	35.00
Chief Operating Officer Wastewater Operations	436.00	440.00	440.00	443.00	443.00	442.00	441.00	440.00
BDF, COF & Hauling	0.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Chief Operating Officer Wastewater	18.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Combined Sewer Overflow	18.00	33.00	36.00	37.00	37.00	36.00	36.00	36.00
Industrial Waste Control	31.00	30.00	29.00	29.00	29.00	29.00	29.00	29.00
Wastewater Dewatering Process	0.00	54.00	50.00	51.00	51.00	51.00	51.00	51.00
Wastewater Director	0.00	46.00	47.00	47.00	47.00	47.00	47.00	47.00
Wastewater Engineering	32.00	26.00	24.00	24.00	24.00	24.00	24.00	24.00
Wastewater Incineration Process	0.00	52.00	52.00	51.00	51.00	51.00	51.00	51.00
Wastewater Laboratories	25.00	33.00	38.00	40.00	40.00	40.00	40.00	40.00
Wastewater Operations	312.00	16.00	15.00	15.00	15.00	15.00	15.00	15.00
Wastewater Primary Process	0.00	51.00	50.00	55.00	55.00	55.00	54.00	53.00
Wastewater Process Control	0.00	27.00	27.00	25.00	25.00	25.00	25.00	25.00
Wastewater Secondary Process	0.00	46.00	46.00	44.00	44.00	44.00	44.00	44.00
Chief Planning Officer	68.00	62.00	70.00	73.00	73.00	73.00	73.00	73.00
Asset Management	9.00	7.00	9.00	11.00	11.00	11.00	11.00	11.00
Capital Improvement Planning	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Chief Planning Officer	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Energy Management	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Research Innovation								
Systems Analytics	39.00	40.00	43.00	44.00	44.00	44.00	44.00	44.00
Systems Planning	4.00	4.00	7.00	7.00	7.00	7.00	7.00	7.00
Chief Administration & Compliance Officer	111.00	119.00	122.00	124.00	124.00	124.00	124.00	124.00
Chief Administrative Officer	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Enterprise Risk Management and Safety	4.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
General Counsel	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Info Technology Business Applications	12.00	13.00	13.00	16.00	16.00	16.00	16.00	16.00
Info Technology Enterprise Applications	14.00	13.00	13.00	10.00	10.00	10.00	10.00	10.00
Info Technology Infrastructure	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Info Technology Service Delivery	12.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Office of the CIO	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Organizational Development	28.00	28.00	31.00	33.00	33.00	33.00	33.00	33.00
Chief Financial Officer	110.00	118.00	123.00	124.00	124.00	124.00	124.00	124.00
Chief Financial Officer	2.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00
Data Analytics & Internal Audit	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Financial Planning & Analysis	6.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Financial Reporting & Accounting	27.00	27.00	27.00	26.00	26.00	26.00	26.00	26.00
Logistics and Materials	22.00	23.00	24.00	24.00	24.00	24.00	24.00	24.00
Owners' Representative	5.00	5.00	6.00	5.00	5.00	5.00	5.00	5.00
Procurement Director	30.00	30.00	29.00	31.00	31.00	31.00	31.00	31.00
Public Finance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Reporting and Compliance	0.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Transformation	6.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Treasury	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer	98.00	85.00	89.00	89.00	89.00	89.00	89.00	89.00
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	0.00	17.00	19.00	19.00	19.00	19.00	19.00	19.00
Public Affairs	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Security and Integrity	89.00	59.00	60.00	60.00	60.00	60.00	60.00	60.00
Grand Total	1,177.00	1,184.00	1,207.00	1,219.00	1,219.00	1,218.00	1,217.00	1,216.00

Operating Area and Team	Prior Year FY 2018 FTEs	Current Year FY 2019 FTEs	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs
Chief Operating Officer Water Operations	354.00	360.00	363.00	365.25	365.25	365.25	365.25	365.25
COO - Water Operations & Field Services	2.00	2.00	2.00	2.75	2.75	2.75	2.75	2.75
Energy, Research & Innovation	0.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Facility Operations	22.00	22.00	25.00	24.50	24.50	24.50	24.50	24.50
Field Service Operations	44.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
Lake Huron Water Plant	31.00	30.00	30.00	31.00	31.00	31.00	31.00	31.00
Northeast Water Plant	32.00	32.00	30.00	32.00	32.00	32.00	32.00	32.00
Southwest Water Plant	29.00	29.00	30.00	30.00	30.00	30.00	30.00	30.00
Springwells Water Plant	35.00	35.00	36.00	36.00	36.00	36.00	36.00	36.00
Systems Operations Control	79.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Water Director	7.00	9.00	9.00	11.00	11.00	11.00	11.00	11.00
Water Engineering	19.00	24.00	24.00	23.00	23.00	23.00	23.00	23.00
Water Quality	18.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Water Works Park	36.00	37.00	37.00	35.00	35.00	35.00	35.00	35.00
Chief Operating Officer Wastewater Operations	432.50	434.50	432.25	436.75	442.50	441.50	441.00	440.00
BDF, COF & Hauling	0.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Chief Operating Officer Wastewater	18.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Combined Sewer Overflow	18.00	32.00	31.25	36.50	36.50	36.00	36.00	36.00
Industrial Waste Control	31.00	30.00	29.00	28.50	29.00	29.00	29.00	29.00
Wastewater Dewatering Process	0.00	52.00	49.00	51.00	51.00	51.00	51.00	51.00
Wastewater Director	0.00	46.00	47.00	46.00	47.00	47.00	47.00	47.00
Wastewater Engineering	32.00	26.00	24.00	23.50	24.00	24.00	24.00	24.00
Wastewater Incineration Process	0.00	52.00	52.00	49.75	51.00	51.00	51.00	51.00
Wastewater Laboratories	25.00	33.00	38.00	40.00	40.00	40.00	40.00	40.00
Wastewater Operations	308.50	15.50	12.00	13.50	15.00	15.00	15.00	15.00
Wastewater Primary Process	0.00	50.50	50.00	54.50	55.00	54.50	54.00	53.00
Wastewater Process Control	0.00	27.00	26.00	24.50	25.00	25.00	25.00	25.00
Wastewater Secondary Process	0.00	45.50	46.00	44.00	44.00	44.00	44.00	44.00
Chief Planning Officer	63.50	60.25	64.25	63.25	70.00	72.00	72.00	72.00
Asset Management	8.00	7.00	9.00	9.50	10.00	10.00	10.00	10.00
Capital Improvement Planning	6.00	6.25	4.25	5.50	7.50	8.00	8.00	8.00
Chief Planning Officer	4.50	3.00	2.00	3.00	3.00	3.00	3.00	3.00
Energy Management	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Systems Analytics	39.00	40.00	43.00	39.25	42.50	44.00	44.00	44.00
Systems Planning	3.25	4.00	6.00	6.00	7.00	7.00	7.00	7.00
Chief Administration & Compliance Officer	110.75	119.00	120.00	124.00	124.00	124.00	124.00	124.00
Chief Administrative Officer	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Enterprise Risk Management and Safety	4.00	8.00	6.00	8.00	8.00	8.00	8.00	8.00
General Counsel	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Info Technology Business Applications	12.00	13.00	13.00	16.00	16.00	16.00	16.00	16.00
Info Technology Enterprise Applications	14.00	13.00	13.00	10.00	10.00	10.00	10.00	10.00
Info Technology Infrastructure	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Info Technology Service Delivery	12.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	9.75	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Office of the CIO	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Organizational Development	28.00	28.00	31.00	33.00	33.00	33.00	33.00	33.00
Chief Financial Officer	109.50	114.25	119.25	122.00	122.00	122.00	122.00	122.00
Chief Financial Officer	2.00	3.00	5.00	4.50	4.50	4.50	4.50	4.50
Data Analytics & Internal Audit	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Financial Planning & Analysis	6.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Financial Reporting & Accounting	26.50	25.00	26.00	25.00	25.00	25.00	25.00	25.00
Logistics and Materials	22.00	23.00	23.25	24.00	24.00	24.00	24.00	24.00
Owners' Representative	5.00	4.25	6.00	5.00	5.00	5.00	5.00	5.00
Procurement Director	30.00	29.25	27.00	30.50	30.50	30.50	30.50	30.50
Public Finance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Reporting and Compliance	0.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Transformation	6.00	6.75	8.00	8.00	8.00	8.00	8.00	8.00
Treasury	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer	97.50	84.50	88.50	88.25	89.00	89.00	89.00	89.00
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	0.00	17.00	19.00	19.00	19.00	19.00	19.00	19.00
Public Affairs	7.00	7.00	7.50	7.25	8.00	8.00	8.00	8.00
Security and Integrity	88.50	58.50	60.00	60.00	60.00	60.00	60.00	60.00
Grand Total	1,167.75	1,172.50	1,187.25	1,199.50	1,212.75	1,213.75	1,213.25	1,212.25

Financial Plan Calendar

FY 2021 and 2022 Biennial Budget & Five-Year Financial Planning Cycle

The Great Lakes Water Authority (GLWA) Financial Planning Cycle includes:

1. FY 2021 and 2022 Biennial Budget
2. FY 2021 through FY 2025 Five-Year Financial Plan
3. FY 2021 through FY 2025 Five-Year Capital Improvement Plan
4. FY 2021 Schedule of Revenues and Charges

The schedule below reflects planning for the comprehensive GLWA Financial Plan.

Date	Activity
Friday, August 30, 2019	Internal – Deadline for Cost Center Budget Request
Thursday, October 17, 2019	Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Update
Thursday, November 21, 2019	Charges Rollout Meeting #2 – Units of Service Update
Sunday, December 1, 2019	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
Thursday, December 19, 2019	GLWA Audit Committee Meeting – Revenue Requirement Status Report
Wednesday, January 1, 2020	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)
Wednesday, January 8, 2020	GLWA Board Workshop – Review of Proposed FY 2021 and 2022 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan
Thursday, January 9, 2020	Charges Rollout Meeting #3 – Proposed FY 2021 Revenue Requirement
Friday, January 17, 2020	GLWA Audit Committee Meeting – Regular Meeting
Wednesday, January 22, 2020	GLWA Board Meeting – Status Report FY 2021 Service Charges, FY 2021 and 2022 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan
Thursday, January 23, 2020	Charges Rollout Meeting #4 – Proposed FY 2021 Service Charges

Friday, January 24, 2020	Publish notice of the hearing by publication in a newspaper of general circulation (B)
Friday, January 24, 2020	Mail Notice to Member Partners of Public Hearing to be held on February 26, 2020 (minimum 30 days prior to Act 279 Public Hearing) (D)
Saturday, February 1, 2020	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Wednesday, February 26, 2020	GLWA Board Meeting – Public Hearing FY 2021 & FY 2022 Biennial Budget (A)
Wednesday, February 26, 2020	GLWA Board Meeting – Public Hearing FY 2021 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Wednesday, February 26, 2020	GLWA Board Meeting – Proposed Approval of the FY 2021 & FY 2022 Biennial Budget (A)
Wednesday, February 26, 2019	GLWA Board Meeting – Proposed Approval of FY 2021–2025 Capital Improvement Plan
Wednesday, February 26, 2020	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2021 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Monday, March 2, 2020	Mail Notice to Member Partners of Approved Charges
Monday, March 23, 2020	DWSD – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)
Friday, May 1, 2020	DWSD – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Wednesday, July 1, 2020	GLWA – Effective date of FY 2020 and 2021 Biennial Budget, FY 2020 Schedule of Charges, and FY 2020-2024 Capital Improvement Plan

(A) thru (D) - The above schedule is designed to meet applicable statutory and contractual requirements with excerpts shown below.

- A. **Uniform Budgeting and Accounting Act, Act 2 of 1968, Section 141.434**, “Before final passage of a general appropriations act by the legislative body, a public hearing shall be held as required by 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, and the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.” (For purposes of Public Act 2, the GLWA Board is the legislative body.)

- B. **Budget Hearings of Local Governments, Act 43 of 1963 (2nd Ex. Sess.), Section 141.412**, “The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing.” (For purposes of Public Act 2, the GLWA Board is a local unit.)
- C. **Home Rule City Act, Act 279 of 1909, Section 117.5e**, “Municipal water or sewage system; annual audit; public hearing before proposed rate increase. A municipal water or sewage system established by a city incorporated under this act which serves more than 40% of the population of the state shall:(b) Hold at least 1 public hearing at least 120 days before a proposed rate increase is scheduled to take effect. Each hearing shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Notice of the time, date, and place of each hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, shall be prominently printed in a daily newspaper of general circulation within the area, and shall be mailed to each city, village, or township served by the system not less than 30 days before each hearing. A final vote by the governing body of the city to implement a proposed rate increase shall not be taken until the hearings provided for in this subdivision are concluded and the results of those hearings are considered by the city's governing body.” (Emphasis added)

It should be noted that the Home Rule City Act does not apply to GLWA. It is relevant to GLWA’s planning cycle, however, as it is referenced in the *Wholesale Customer Model Water Contract* as noted below.

- D. **GLWA Wholesale Customer Model Water Contract Section 7.02** provides: “Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.” (Emphasis added; Act 279 is the Home Rule City Act noted above.)

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan
Operations & Maintenance Expense by Cost Category - trend with three years of history
As of 12.19.2019

Positions (FTE) filled at year end	881	968	1,024									
Positions (FTE) budgeted	1,106	1,168	1,173	1,187	1,200				1,213	1,214	1,213	1,212

O&M Cost Category	ACTUAL	ACTUAL	ACTUAL									
	FY 2017 Activity	FY 2018 Activity thru 06.30.2018	FY 2019 Activity thru 06.30.2019	FY 2020 Board Adopted Budget	FY 2021 Department Requested	Sum of FY 2021 Dollar Increase	Sum of FY 2021 Dollar Increase %	Sum of FY 2021 Request vs FY 2019 Actual	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested
2.0 Personnel	86,156,300	95,525,800	98,588,800	105,090,700	110,333,100	5,242,400	5.0%	11,744,300	112,128,900	112,793,200	113,248,100	113,677,600
A Water Operations	15,468,300	17,554,200	19,349,000	19,477,100	20,765,100	1,288,000	6.6%	1,416,100	20,859,400	20,953,700	21,047,900	21,142,100
B Wastewater Operations	33,260,500	35,353,900	36,668,300	36,219,200	37,871,500	1,652,300	4.6%	1,203,200	38,559,200	38,666,800	38,799,700	38,907,400
C Centralized Services	24,504,100	27,601,700	26,877,400	31,078,300	32,276,800	1,198,500	3.9%	5,399,400	33,165,300	33,548,700	33,697,000	33,845,600
D Administrative Services	12,923,400	15,016,000	15,694,100	18,316,100	19,419,700	1,103,600	6.0%	3,725,600	19,545,000	19,624,000	19,703,500	19,782,500
3.0 Utilities	55,661,800	53,693,800	51,395,700	51,333,700	51,937,000	603,300	1.2%	541,300	52,404,200	52,882,200	53,371,000	53,853,000
A Water Operations	28,329,800	26,801,100	26,130,400	25,078,900	26,153,800	1,074,900	4.3%	23,400	26,169,800	26,185,800	26,185,800	26,185,800
B Wastewater Operations	27,060,800	26,732,700	25,037,200	26,080,000	25,531,600	(548,400)	-2.1%	494,400	25,980,800	26,440,800	26,910,900	27,390,100
C Centralized Services	260,300	139,000	168,500	158,600	156,800	(1,800)	-1.1%	(11,700)	157,100	157,300	157,500	158,100
D Administrative Services	10,900	21,000	59,600	16,200	94,800	78,600	485.2%	35,200	96,500	98,300	116,800	119,000
4.1 Chemicals	14,765,300	12,877,700	13,275,600	13,898,600	13,419,800	(478,800)	-3.4%	144,200	13,551,600	13,699,300	13,785,600	13,836,800
A Water Operations	5,340,800	4,804,700	5,088,800	4,774,700	5,053,900	279,200	5.8%	(34,900)	5,059,600	5,065,300	5,065,300	5,065,300
B Wastewater Operations	9,424,500	8,073,000	8,186,800	9,123,900	8,365,900	(758,000)	-8.3%	179,100	8,492,000	8,634,000	8,720,300	8,771,500
C Centralized Services	0	0	0	0	0	0 N/A		0	0	0	0	0
4.2 Supplies & Other	25,433,400	29,846,000	37,095,000	36,392,000	38,621,600	2,229,600	6.1%	1,526,600	38,276,400	39,246,400	41,743,700	40,792,300
A Water Operations	3,045,500	4,068,900	4,998,600	4,739,900	5,168,800	428,900	9.0%	170,200	5,176,000	5,183,100	5,183,100	5,174,500
B Wastewater Operations	12,546,600	13,064,300	18,411,600	14,855,400	14,241,900	(613,500)	-4.1%	(4,169,700)	13,934,000	15,861,900	17,686,600	17,269,500
C Centralized Services	8,622,300	11,799,100	12,505,100	15,289,300	17,306,900	2,017,600	13.2%	4,801,800	17,293,300	16,327,200	16,968,200	16,433,700
D Administrative Services	1,219,000	913,700	1,179,700	1,507,400	1,904,000	396,600	26.3%	724,300	1,873,100	1,874,200	1,905,800	1,914,600
4.3 Contractual Services	84,716,700	104,981,000	101,898,100	115,306,800	106,153,800	(9,153,000)	-7.9%	4,255,700	106,384,700	104,335,800	103,252,600	103,002,600
A Water Operations	7,722,200	9,168,600	15,851,600	11,290,200	14,900,700	3,610,500	32.0%	(950,900)	14,916,300	14,980,800	15,004,800	14,978,800
B Wastewater Operations	26,867,800	28,069,600	25,834,200	28,012,900	26,725,600	(1,287,300)	-4.6%	891,400	26,932,800	27,438,100	27,431,500	27,227,600
C Centralized Services	45,732,400	51,687,600	49,343,600	65,863,400	54,381,700	(11,481,700)	-17.4%	5,038,100	54,047,800	51,343,900	49,949,900	49,638,800
D Administrative Services	4,394,300	16,055,200	10,868,700	10,140,300	10,145,800	5,500	0.1%	(722,900)	10,487,800	10,573,000	10,866,400	11,157,400
5.1 Capital Program Allocation	(2,127,900)	(1,683,300)	(3,380,700)	(5,414,300)	(3,495,200)	1,919,100	-35.4%	(114,500)	(3,463,700)	(3,525,100)	(4,005,700)	(3,554,800)
A Water Operations	(869,300)	(582,700)	(1,873,300)	(1,983,900)	(1,805,200)	178,700	-9.0%	68,100	(1,812,800)	(1,820,500)	(1,828,100)	(1,835,700)
B Wastewater Operations	(1,150,300)	(969,600)	(1,325,900)	(1,239,400)	(1,325,800)	(86,400)	7.0%	100	(1,331,600)	(1,337,400)	(1,838,900)	(1,349,100)
C Centralized Services	(108,300)	(125,300)	(90,800)	(2,112,500)	(279,300)	1,833,200	-86.8%	(188,500)	(234,000)	(281,600)	(252,700)	(283,700)
D Administrative Services	0	(5,700)	(90,700)	(78,500)	(84,900)	(6,400)	8.2%	5,800	(85,300)	(85,600)	(86,000)	(86,300)
5.2 Shared Services	(11,704,400)	(9,908,100)	(7,139,400)	(5,025,100)	(3,412,900)	1,612,200	-32.1%	3,726,500	(1,777,700)	(1,813,300)	(1,849,700)	(1,886,700)
A Water Operations	(74,500)	(141,100)	(351,500)	(53,000)	0	53,000	-100.0%	351,500	0	0	0	0
B Wastewater Operations	(101,200)	(293,000)	(713,700)	(331,600)	(338,200)	(6,600)	2.0%	375,500	(344,900)	(351,900)	(359,000)	(366,300)
C Centralized Services	(11,459,200)	(9,438,300)	(5,740,300)	(4,016,600)	(2,806,300)	1,210,300	-30.1%	2,934,000	(1,159,100)	(1,182,200)	(1,205,900)	(1,230,000)
D Administrative Services	(69,500)	(35,700)	(333,900)	(623,900)	(268,400)	355,500	-57.0%	65,500	(273,700)	(279,200)	(284,800)	(290,400)
7.0 Unallocated Reserve	0	0	0	6,965,300	8,516,200	1,550,900	22.3%	8,516,200	11,072,700	17,394,000	22,237,200	28,769,500
A Water Operations	0	0	0	2,697,300	1,729,300	(968,000)	-35.9%	1,729,300	2,723,000	5,119,500	7,282,600	10,421,400
B Wastewater Operations	0	0	0	3,264,900	4,603,900	1,339,000	41.0%	4,603,900	5,971,800	9,294,300	11,764,100	14,876,100
C Centralized Services	0	0	0	653,000	1,684,700	1,031,700	158.0%	1,684,700	1,464,300	1,665,200	1,664,600	1,698,100
D Administrative Services	0	0	0	350,100	498,300	148,200	42.3%	498,300	913,600	1,315,000	1,525,900	1,773,900
Grand Total	252,901,200	285,332,900	291,733,100	318,547,700	322,073,400	3,525,700	1.1%	30,340,300	328,577,100	335,012,500	341,782,800	348,490,300

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan
Operations & Maintenance Expense by Cost Center - with highest & lowest difference
As of 12.19.2019

A - Water System Operations
B - Wastewater (Sewer) System Operations
C - Centralized Services
D - Administrative Services

		ACTUAL	ACTUAL	ACTUAL						
ABCD				FY 2019	FY 2020 Board	FY 2021	FY 2022	Sum of FY		Sum of FY 2021
Grouping	Cost Center Description	FY 2017 Activity	FY 2018 Activity	Activity thru 06.30.2019	Adopted Budget	Department Requested	Department Requested	Sum of FY 2021 Dollar Increase	2021 Dollar Increase %	Request vs FY 2019 Actual
A		58,962,800	61,673,700	69,193,600	66,021,200	71,966,400	73,091,300	5,945,200	9.0%	2,772,800
	Southwest Water Plant	8,022,000	8,022,500	9,327,700	6,675,500	9,407,500	9,424,900	2,732,000	40.9%	79,800
	Springwells Water Plant	9,620,900	10,047,600	15,044,400	12,063,800	13,631,400	13,707,100	1,567,600	13.0%	(1,413,000)
	Northeast Water Plant	8,875,500	9,400,300	9,731,500	9,356,600	10,229,900	10,242,500	873,300	9.3%	498,400
	Imlay Pumping Station	1,899,400	2,091,300	2,615,200	1,805,300	2,305,000	2,305,000	499,700	27.7%	(310,200)
	North Service Center Pumping Station	2,064,100	2,094,500	2,455,600	1,927,000	2,416,000	2,416,000	489,000	25.4%	(39,600)
	Lake Huron Water Plant	11,023,800	11,542,600	11,408,700	11,846,200	12,031,300	12,043,900	185,100	1.6%	622,600
	Franklin Road Pumping Station	810,100	845,100	933,800	780,600	915,000	915,000	134,400	17.2%	(18,800)
	Water Director	728,800	1,375,500	1,490,600	1,617,800	1,724,200	1,729,700	106,400	6.6%	233,600
	COO - Water Operations & Field Services	285,200	332,100	330,800	359,600	462,900	465,400	103,300	28.7%	132,100
	Water Quality	1,146,200	1,239,500	1,272,700	1,846,600	1,944,700	1,929,400	98,100	5.3%	672,000
	Adams Road Pumping Station	541,800	545,100	517,600	520,000	605,000	605,000	85,000	16.3%	87,400
	West Service Center Pumping Station	839,100	745,600	813,500	720,000	799,300	799,700	79,300	11.0%	(14,200)
	Joy Road Pumping Station	436,800	592,400	626,000	592,300	657,500	657,500	65,200	11.0%	31,500
	Rochester Pumping Station	183,000	182,400	207,800	174,200	231,000	231,000	56,800	32.6%	23,200
	Ypsilanti Pumping Station	308,900	375,000	630,200	353,300	406,800	413,200	53,500	15.1%	(223,400)
	Wick Road Pumping Station	465,100	558,200	605,600	551,000	589,500	599,000	38,500	7.0%	(16,100)
	Water Works Park	8,618,700	8,618,600	8,068,900	8,693,400	8,729,500	8,729,200	36,100	0.4%	660,600
	Ford Rd Pumping Station	281,700	401,000	416,000	394,600	423,700	423,700	29,100	7.4%	7,700
	Schoolcraft Pumping Station	424,000	408,900	399,600	401,300	416,000	416,000	14,700	3.7%	16,400
	Michigan Ave Pumping Station	87,500	83,500	98,500	90,800	102,000	102,000	11,200	12.3%	3,500
	Eastside Pumping Station	37,500	34,200	52,700	43,000	53,000	53,000	10,000	23.3%	300
	Northwest Pumping Station	5,400	8,300	21,400	17,000	27,000	27,000	10,000	58.8%	5,600
	Newburgh Pumping Station	358,000	375,800	331,600	382,300	390,000	390,000	7,700	2.0%	58,400
	O&M Unallocated Reserve	0	0	0	0	0	0	0 N/A		0
	Electric Ave Pumping Station	24,000	18,700	19,100	25,500	19,500	19,500	(6,000)	-23.5%	400
	Orion Township Pumping Station	61,500	71,200	70,900	81,500	74,500	74,500	(7,000)	-8.6%	3,600

A - Water System Operations
B - Wastewater (Sewer) System Operations
C - Centralized Services
D - Administrative Services

[illegible]

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan
Operations & Maintenance Expense by Cost Center - with highest & lowest difference
As of 12.19.2019

A - Water System Operations
B - Wastewater (Sewer) System Operations
C - Centralized Services
D - Administrative Services

		ACTUAL	ACTUAL	ACTUAL						
ABCD										
Grouping	Cost Center Description	FY 2017 Activity	FY 2018 Activity	FY 2019 Activity thru 06.30.2019	FY 2020 Board Adopted Budget	FY 2021 Department Requested	FY 2022 Department Requested	Sum of FY 2021 Dollar Increase	Sum of FY 2021 Dollar Increase %	Sum of FY 2021 Request vs FY 2019 Actual
B	Wastewater Fire Damage	1,753,200	0	0	0	0	0	0	N/A	0
	Belle Isle Combined Sewer Overflow	82,500	(200)	86,100	0	(400)	(5,800)	(400)	N/A	(86,500)
	Northeast Pumping Station	0	792,200	967,500	750,000	748,000	746,000	(2,000)	-0.3%	(219,500)
	Fischer Pumping Station	400	0	(62,300)	0	(5,100)	(5,300)	(5,100)	N/A	57,200
	Belle Isle Pumping Station	0	0	(82,200)	0	(6,000)	(6,700)	(6,000)	N/A	76,200
	Fox Creek Pumping Station	13,900	1,500	900	18,500	2,000	2,000	(16,500)	-89.2%	1,100
	Hubble Southfield CSO	383,000	572,800	652,400	472,400	447,800	453,500	(24,600)	-5.2%	(204,600)
	St Aubin Combined Sewer Overflow	90,100	232,200	1,332,300	165,900	140,300	141,900	(25,600)	-15.4%	(1,192,000)
	Oakwood Combined Sewer Overflow	1,447,500	1,364,400	1,823,900	1,306,300	1,280,000	1,271,100	(26,300)	-2.0%	(543,900)
	Conner Pumping Station	613,000	831,900	805,500	899,400	870,000	870,000	(29,400)	-3.3%	64,500
	Fairview Pumping Station	460,700	616,100	486,100	680,200	535,000	535,000	(145,200)	-21.3%	48,900
	Wastewater Director	2,032,800	2,384,200	4,777,000	5,285,600	5,136,200	5,285,300	(149,400)	-2.8%	359,200
	Wastewater Secondary Process	5,376,100	6,198,500	10,415,700	10,479,900	9,847,600	9,940,800	(632,300)	-6.0%	(568,100)
	Wastewater Operations	60,344,400	56,206,700	28,038,000	27,411,900	26,683,500	27,334,400	(728,400)	-2.7%	(1,354,500)
	BDF, COF & Hauling	15,706,000	18,782,100	20,145,000	21,766,000	20,297,500	20,438,100	(1,468,500)	-6.7%	152,500
	Baby Creek Combined Sewer Overflow	628,200	1,067,400	1,553,200	2,974,900	1,119,800	878,200	(1,855,100)	-62.4%	(433,400)
C		67,551,400	81,664,200	83,063,600	106,913,500	102,721,300	104,734,700	(4,192,200)	-3.9%	19,657,700
	Info Technology Business Applications	2,565,500	4,980,200	5,371,300	5,914,000	9,685,800	9,811,200	3,771,800	63.8%	4,314,500
	Capital Improvement Planning	0	0	657,100	1,943,900	3,559,600	3,288,500	1,615,700	83.1%	2,902,500
	Centralized Services Unallocated Reserve	0	0	0	653,000	1,684,700	1,464,300	1,031,700	158.0%	1,684,700
	Energy, Research & Innovation	0	613,300	1,852,400	2,040,000	2,785,500	2,787,800	745,500	36.5%	933,100
	Systems Planning	1,308,600	4,286,600	4,842,900	2,433,100	2,960,700	3,046,900	527,600	21.7%	(1,882,200)
	Info Technology Infrastructure	19,984,300	14,264,300	14,779,500	19,432,400	19,802,900	21,443,400	370,500	1.9%	5,023,400
	Security and Integrity	4,034,100	4,551,000	4,206,800	4,253,600	4,365,200	4,352,300	111,600	2.6%	158,400
	Info Technology Security & Risk	109,200	326,600	223,500	403,200	459,800	462,100	56,600	14.0%	236,300

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan
Operations & Maintenance Expense by Cost Center - with highest & lowest difference
As of 12.19.2019

A - Water System Operations
B - Wastewater (Sewer) System Operations
C - Centralized Services
D - Administrative Services

		ACTUAL	ACTUAL	ACTUAL						
ABCD										
Grouping	Cost Center Description	FY 2017 Activity	FY 2018 Activity	FY 2019 Activity thru 06.30.2019	FY 2020 Board Adopted Budget	FY 2021 Department Requested	FY 2022 Department Requested	Sum of FY 2021 Dollar Increase	Sum of FY 2021 Dollar Increase %	Sum of FY 2021 Request vs FY 2019 Actual
C	HazMat	0	410,100	1,540,800	1,545,500	1,594,200	1,666,800	48,700	3.2%	53,400
	O&M Unallocated Reserve	0	0	0	0	0	0	0 N/A		0
	Meter Operations	0	0	0	0	0	0	0 N/A		0
	Field Services Director	126,200	3,682,200	0	0	0	0	0 N/A		0
	Central Yard	0	0	0	0	0	0	0 N/A		0
	Energy Management	365,600	196,200	0	0	0	0	0 N/A		0
	Chief Planning Officer	438,400	886,700	368,600	408,900	382,000	383,600	(26,900)	-6.6%	13,400
	Office of the CIO	1,874,700	437,700	662,800	975,800	878,200	882,200	(97,600)	-10.0%	215,400
	Asset Management	710,100	1,711,200	3,115,100	4,990,100	3,693,900	4,370,200	(1,296,200)	-26.0%	578,800
	Info Technology Enterprise Applications	839,600	1,074,900	635,900	4,098,700	2,570,600	2,139,600	(1,528,100)	-37.3%	1,934,700
	Systems Operations Control	14,223,300	11,748,100	10,746,800	11,939,700	9,958,700	9,969,200	(1,981,000)	-16.6%	(788,100)
	Facility Operations	4,765,600	7,774,100	5,358,900	8,538,200	6,188,300	6,181,200	(2,349,900)	-27.5%	829,400
	Field Service Operations	4,732,900	11,989,700	16,729,500	20,493,100	17,958,100	18,127,800	(2,535,000)	-12.4%	1,228,600
	Systems Analytics	3,756,800	6,497,400	6,155,800	9,385,500	6,504,700	6,610,800	(2,880,800)	-30.7%	348,900
D		18,478,400	31,964,400	27,377,200	29,627,700	31,709,300	32,557,000	2,081,600	7.0%	4,332,100
	Procurement Director	4,064,600	1,661,300	2,596,200	2,715,300	3,111,600	3,121,900	396,300	14.6%	515,400
	Treasury	465,900	687,000	721,300	591,200	829,500	841,300	238,300	40.3%	108,200
	Enterprise Risk Mgt. Insurance Fund	2,704,000	2,624,400	2,915,200	2,411,300	2,634,100	2,684,300	222,800	9.2%	(281,100)
	Data Analytics & Internal Audit	308,900	403,400	633,700	544,000	750,500	756,800	206,500	38.0%	116,800
	Public Affairs	929,300	1,028,700	1,261,700	1,386,100	1,587,900	1,593,200	201,800	14.6%	326,200
	Logistics and Materials	0	1,341,500	1,691,400	1,723,900	1,921,300	1,934,400	197,400	11.5%	229,900
	Chief Administrative Officer	471,100	561,400	731,100	936,600	1,123,600	1,131,600	187,000	20.0%	392,500
	Administrative Services Unallocated Res	0	0	0	350,100	498,300	913,600	148,200	42.3%	498,300
	Public Finance	1,000,400	1,255,900	1,147,400	878,400	1,014,300	946,500	135,900	15.5%	(133,100)
	Reporting and Compliance	0	0	447,000	395,200	516,900	519,200	121,700	30.8%	69,900
	Financial Planning & Analysis	507,000	1,095,100	1,150,400	1,239,200	1,358,600	1,369,400	119,400	9.6%	208,200
	General Counsel	2,559,200	4,761,000	2,006,600	3,038,900	3,111,200	3,157,800	72,300	2.4%	1,104,600
	Organizational Development	2,172,100	2,615,300	3,207,300	4,366,400	4,421,200	4,708,200	54,800	1.3%	1,213,900

Great Lakes Water Authority
Proposed FY 2021 & FY 2022 Biennial Budget and Five-Year Plan
Operations & Maintenance Expense by Cost Center - with highest & lowest difference
As of 12.19.2019

A - Water System Operations
B - Wastewater (Sewer) System Operations
C - Centralized Services
D - Administrative Services

		ACTUAL	ACTUAL	ACTUAL						
ABCD				FY 2019	FY 2020 Board	FY 2021	FY 2022	Sum of FY		Sum of FY 2021
Grouping	Cost Center Description	FY 2017 Activity	FY 2018 Activity	Activity thru 06.30.2019	Adopted Budget	Department Requested	Department Requested	Sum of FY 2021 Dollar Increase	2021 Dollar Increase %	Request vs FY 2019 Actual
D	Chief Executive Officer	458,000	501,100	565,300	632,700	663,000	670,000	30,300	4.8%	97,700
	Enterprise Risk Management and Safety	333,100	1,552,800	858,700	1,819,800	1,828,600	1,832,200	8,800	0.5%	969,900
	Procurement (Enterprise Services)	0	104,600	0	0	0	0	0 N/A		0
	O&M Unallocated Reserve	0	0	0	0	0	0	0 N/A		0
	Discontinued Capital Program	0	0	2,258,400	0	0	0	0 N/A		(2,258,400)
	Procurement (Water & Field Services)	0	1,161,800	0	0	0	0	0 N/A		0
	Procurement (Wastewater)	0	758,500	0	0	0	0	0 N/A		0
	Legal Settlement & Claims - Operating	(5,418,900)	5,103,900	0	0	0	0	0 N/A		0
	Transition	1,275,100	0	0	0	0	0	0 N/A		0
	Board of Directors	2,300	129,100	104,200	202,400	197,600	201,600	(4,800)	-2.4%	93,400
	Chief Financial Officer	326,200	563,000	678,100	840,400	828,900	831,800	(11,500)	-1.4%	150,800
	Owners' Representative	0	97,000	615,800	629,100	590,300	594,200	(38,800)	-6.2%	(25,500)
	Transformation	1,165,100	946,200	747,600	1,414,900	1,339,900	1,339,000	(75,000)	-5.3%	592,300
	Financial Reporting & Accounting	5,155,000	3,011,400	3,039,800	3,511,800	3,382,000	3,410,000	(129,800)	-3.7%	342,200
Grand Total		252,901,300	285,333,200	291,732,900	318,547,700	322,073,400	328,577,100	3,525,700	1.1%	30,340,500