

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 lower facility costs based on historical review (\$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