

**Centralized and Administrative Services** include operational functions that serve both water and wastewater operations. The following functional areas are included in this cost center group.

**Centralized Services**

- ✓ Planning Services (Chief Planning Officer, Systems Planning, Asset Management, Systems Analytics, and Capital Improvement Planning)
- ✓ Information Technology (Office of the CIO, Project Management Office, Infrastructure, Enterprise Asset Management Systems, Business Productivity Systems, Security & Risk, and Service Delivery)
- ✓ Security & Integrity (includes HazMat)
- ✓ Facility Operations
- ✓ Fleet Operations
- ✓ Systems Operations Control
- ✓ Field Service Operations
- ✓ Energy Research & Innovation

**Administrative Services**

- ✓ Board of Directors
- ✓ Chief Executive Officer
- ✓ Chief Administrative Officer
- ✓ General Counsel
- ✓ Public Affairs
- ✓ Organizational Development
- ✓ Enterprise Risk Management & Safety
- ✓ Financial Services Group (Chief Financial Officer, Financial Reporting & Accounting, Financial Planning & Analysis, Reporting & Compliance, Treasury, Public Finance, Procurement Director, Logistics & Materials, Owners' Representative, Data Analytics & Internal Audit, and Transformation)

**Cost Allocation** for the functional areas above disburses operational expenses to GLWA's water and wastewater systems using a defined methodology. Cost allocation for both Centralized Services and Administrative Services are allocated based upon a two-step approach.

- ✓ **Step One:** Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system.
- ✓ **Step Two:** The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis that considers department operations as a whole.

The tables below detail the budgets for the Administrative and Centralized Services cost centers and their projected allocation to GLWA's water and wastewater systems. Data is presented in biennial and five-year budget formats.

**Tables 1 and 2 – Costs Allocated to Water and Wastewater (Summary)** presents the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods.

**Table 1 – Biennial Cost Allocation Summary**

Expense Categories	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Activity as of 09.30.2020	FY 2022 Department Requested	FY 2022 Dollar Variance	FY 2022 Percent Variance	FY 2023 Department Requested
<b>Wastewater</b>	\$ 68,343,800	\$ 69,269,800	\$ 15,605,600	\$ 69,487,800	\$ 218,000	0.3%	\$ 70,002,500
Administrative Services	14,477,800	15,854,600	3,091,100	17,617,700	1,763,100	11.1%	18,121,600
Centralized Services	53,866,000	53,415,200	12,514,500	51,870,100	(1,545,100)	-2.9%	51,880,900
<b>Water</b>	<b>63,311,000</b>	<b>65,160,900</b>	<b>14,523,800</b>	<b>70,520,900</b>	<b>5,360,000</b>	<b>8.2%</b>	<b>72,075,100</b>
Administrative Services	14,477,700	15,854,700	3,091,100	17,185,700	1,331,000	8.4%	17,681,000
Centralized Services	48,833,300	49,306,200	11,432,700	53,335,200	4,029,000	8.2%	54,394,100
<b>Grand Total</b>	<b>\$ 131,654,800</b>	<b>\$ 134,430,700</b>	<b>\$ 30,129,400</b>	<b>\$ 140,008,700</b>	<b>\$ 5,578,000</b>	<b>4.1%</b>	<b>\$ 142,077,600</b>

**Table 2 – Five Year Cost Allocation Summary**

Expense Categories	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Activity as of 09.30.2020	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested
<b>Wastewater</b>	\$ 68,343,800	\$ 69,269,800	\$ 15,605,600	\$ 69,487,800	\$ 70,002,500	\$ 71,191,500	\$ 71,627,400	\$ 72,293,500
Administrative Services	14,477,800	15,854,600	3,091,100	17,617,700	18,121,600	18,368,400	18,470,300	18,793,200
Centralized Services	53,866,000	53,415,200	12,514,500	51,870,100	51,880,900	52,823,100	53,157,100	53,500,300
<b>Water</b>	<b>63,311,000</b>	<b>65,160,900</b>	<b>14,523,800</b>	<b>70,520,900</b>	<b>72,075,100</b>	<b>71,941,800</b>	<b>71,842,200</b>	<b>72,498,400</b>
Administrative Services	14,477,700	15,854,700	3,091,100	17,185,700	17,681,000	17,919,000	18,011,800	18,325,600
Centralized Services	48,833,300	49,306,200	11,432,700	53,335,200	54,394,100	54,022,800	53,830,400	54,172,800
<b>Grand Total</b>	<b>\$ 131,654,800</b>	<b>\$ 134,430,700</b>	<b>\$ 30,129,400</b>	<b>\$ 140,008,700</b>	<b>\$ 142,077,600</b>	<b>\$ 143,133,300</b>	<b>\$ 143,469,600</b>	<b>\$ 144,791,900</b>

**Table 3 Cost Allocation - Water and Wastewater Percentages** presents the projected aggregate allocation percentages for the five-year period 2022 through 2026. The percentages are based off the data presented in tables 1 and 2 above and forecasted expenditures for periods 2024-2026.

**Table 3 – Five Year Projected Cost Allocated Percentages**

Expense Categories	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Activity as of 09.30.2021	FY 2022 Department Requested	FY 2022 Percent Variance	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested
<b>Centralized Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Water	47.5%	48.0%	47.7%	50.7%	8.2%	51.2%	50.6%	50.3%	50.3%
Wastewater	52.5%	52.0%	52.3%	49.3%	-2.9%	48.8%	49.4%	49.7%	49.7%
<b>Administrative Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>9.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Water	50.0%	50.0%	50.0%	49.4%	8.4%	49.4%	49.4%	49.4%	49.4%
Wastewater	50.0%	50.0%	50.0%	50.6%	11.1%	50.6%	50.6%	50.6%	50.6%
<b>Total Allocated Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Water	48.1%	48.5%	48.2%	50.4%	8.2%	50.7%	50.3%	50.1%	50.1%
Wastewater	51.9%	51.5%	51.8%	49.6%	0.3%	49.3%	49.7%	49.9%	49.9%

**Tables 4 through 7** list the Administrative and Centralized Services contracts and cost centers that receive specific water and/or sewer accounting treatment as noted above.

**Table 4 – Administrative Services Water/Sewer Specific Contracts**

Cost Center	Contract/Cost Center	Vendor	Description of Service	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	Allocation
884124 - Logistics & Materials	New Melvindale Warehouse	TBD	Warehouse Rental	\$ 540,000	\$ 550,800	\$ 561,800	\$ 573,100	\$ 584,500	90% Sewer, 10% Water
<b>Total</b>				<b>\$ 540,000</b>	<b>\$ 550,800</b>	<b>\$ 561,800</b>	<b>\$ 573,100</b>	<b>\$ 584,500</b>	

**Table 5 – Centralized Services Water Specific Contracts**

Cost Center	Contract/Cost Center	Vendor	Description of Service	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	Allocation
886101 - Systems Planning	TBD	Aquasight	Water Performance Monitoring	350,000	350,000	350,000	350,000	350,000	Water
886101 - Systems Planning	TBD	TBD	Water Master Plan Update	500,000	1,500,000	1,000,000	500,000	-	Water
886401 - Systems Analytics	CS-039	Black & Veatch	Units of Service D+ Region	300,000	309,000	318,300	327,800	337,700	Water
886201 - Asset Management	TBD	TBD	Linear System Integrity Program	3,428,400	3,428,400	2,870,600	2,870,600	3,217,500	Water
882431 - Field Service Operations	CON-181	Lakeshore Global	Water Transmission Main Repair	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	Water
882431 - Field Service Operations	WS-695C	Hydromax	Transmission Main Exercising	1,866,700	1,866,700	1,866,700	1,866,700	1,866,700	Water
<b>Total</b>				<b>\$ 8,945,100</b>	<b>\$ 9,954,100</b>	<b>\$ 8,905,600</b>	<b>\$ 8,415,100</b>	<b>\$ 8,271,900</b>	

**Table 6 – Centralized Services Sewer Specific Contracts**

Cost Center	Contract/Cost Center	Vendor	Description of Service	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	Allocation
882431 - Field Service Operations	CON-149	Inland Waters	Emergency Sewer Repair	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	\$ 4,918,400	Sewer
886201 - Asset Management	TBD	TBD	Linear System Integrity Program	100,000	100,000	100,000	100,000	100,000	Sewer
886401 - Systems Analytics	CON-179	PCI	Sewer Meter Support	490,000	490,000	490,000	490,000	490,000	Sewer
886401 - Systems Analytics	CS-236	Applied Science	Meter Dye Testing	425,000	425,000	425,000	425,000	425,000	Sewer
886401 - Systems Analytics	CS-239	CDM Michigan	Good Sewer Metering	600,000	600,000	700,000	730,000	760,000	Sewer
882301 - Systems Operational Control	USGS River Survey	USGS	River Survey	273,000	273,000	273,000	273,000	136,500	Sewer
881202 - Hazmat	Entire Cost Center	N/A	N/A	1,666,500	1,627,400	1,792,400	1,798,300	1,776,100	Sewer
<b>Total</b>				<b>\$ 8,472,900</b>	<b>\$ 8,433,800</b>	<b>\$ 8,698,800</b>	<b>\$ 8,734,700</b>	<b>\$ 8,606,000</b>	



Central and Admin Services  
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**Table 7 – Centralized Services Water/Sewer Specific Contracts**

Cost Center	Contract/Cost Center	Vendor	Description of Service	FY 2022 Department Requested	FY 2023 Department Requested	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	Allocation
882301 - Systems Operational Control	CON-089A	Lakeshore Global	Low Voltage Wiring	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	50% Water, 50% Sewer
882301 - Systems Operational Control	Non Specific	N/A	N/A	9,929,900	9,929,900	9,929,900	9,929,900	10,066,400	55% Water, 45% Sewer
<b>Total</b>				<b>\$ 12,029,900</b>	<b>\$ 12,029,900</b>	<b>\$ 12,029,900</b>	<b>\$ 12,029,900</b>	<b>\$ 12,166,400</b>	