GLWA's water quality monitoring buoy in the Detroit River

GLWA
Great Lakes Water Authority

FY 2024 and FY 2025 Biennial Budget & Five-Year Financial Plan FY 2024 through FY 2028

Prepared by
Great Lakes Water Authority
Financial Services Area
Detroit, Michigan

Dedicated to efficiently delivering the nation's best water and sewer services in partnership with our member partners across southeast Michigan

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MAKING SENSE OF YOUR DOLLARS

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

43.1% DEBT SERVICE

43.1¢ ON THE DOLLAR

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

41.3% OPERATIONS AND MAINTENANCE

41.3¢ ON THE DOLLAR

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

8.1% REVENUE FINANCED CAPITAL

8.1¢ ON THE DOLLAR

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

6.1% REGIONAL SYSTEM LEASE

6.1¢ ON THE DOLLAR

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

0.9% CLOSED PENSION

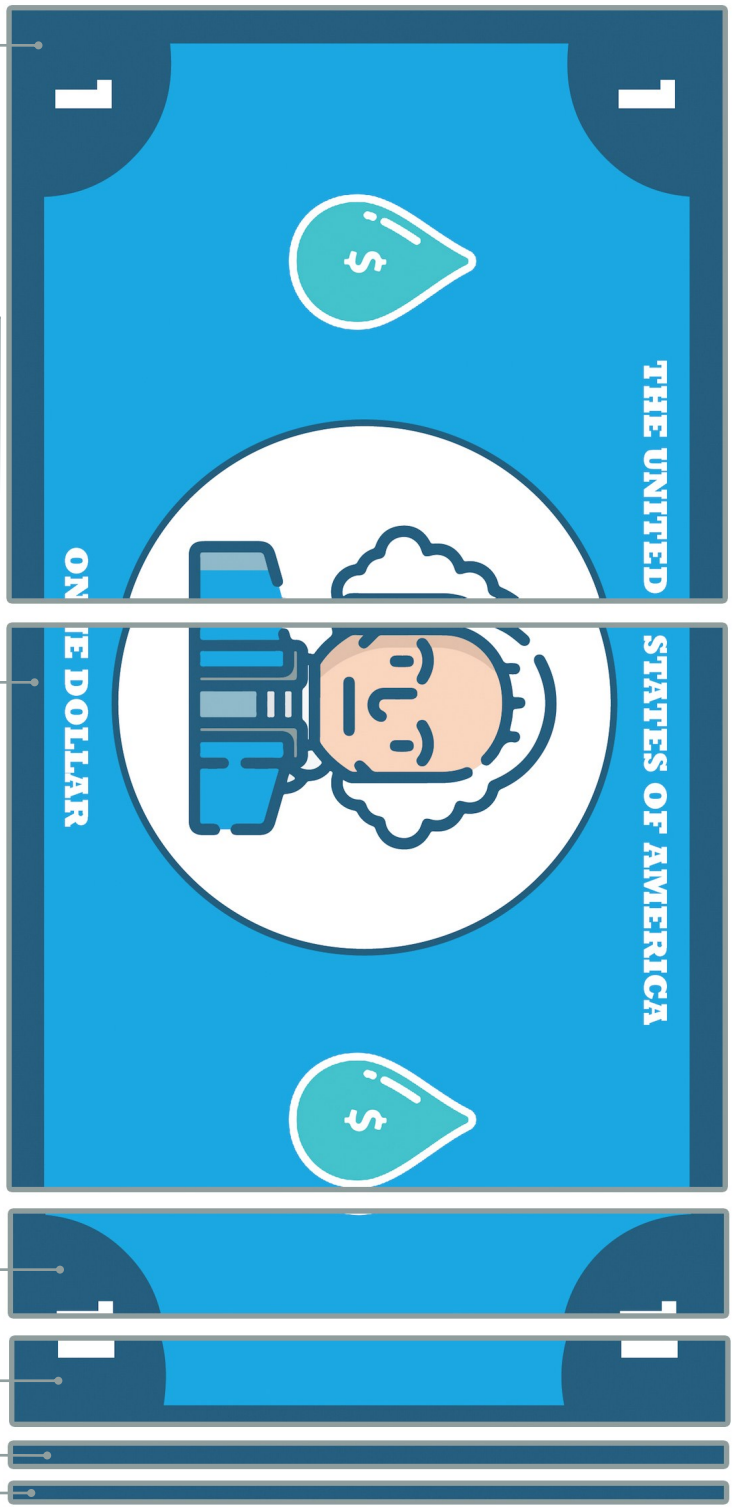
0.9¢ ON THE DOLLAR

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

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

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



Note: Percentages based on FY 2024 approved budget.

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MAKING SENSE OF YOUR DOLLARS

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

45.6% DEBT SERVICE

45.6¢ ON THE DOLLAR

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

41.1% OPERATIONS AND MAINTENANCE

41.1¢ ON THE DOLLAR

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

6.0% REVENUE FINANCED CAPITAL

6.0¢ ON THE DOLLAR

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

5.5% REGIONAL SYSTEM LEASE

5.5¢ ON THE DOLLAR

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

1.3% CLOSED PENSION

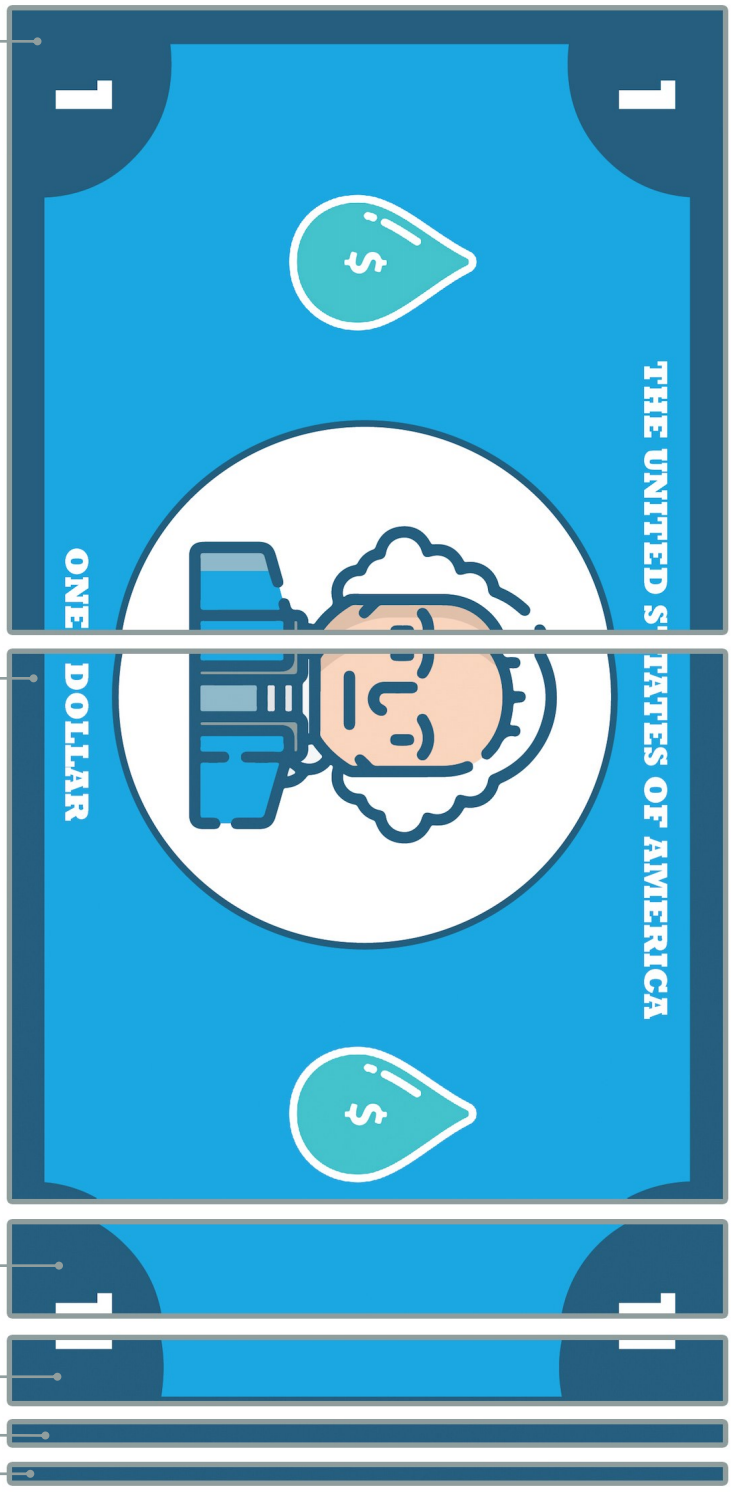
1.3¢ ON THE DOLLAR

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

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

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



Note: Percentages based on FY 2024 approved budget.

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FY 2024 Wastewater System Budget Infographic

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MAKING SENSE OF YOUR DOLLARS

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

44.5% DEBT SERVICE

44.5¢ ON THE DOLLAR

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

41.2% OPERATIONS AND MAINTENANCE

41.2¢ ON THE DOLLAR

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

7.0% REVENUE FINANCED CAPITAL

7.0¢ ON THE DOLLAR

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

5.7% REGIONAL SYSTEM LEASE

5.7¢ ON THE DOLLAR

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

1.1% CLOSED PENSION

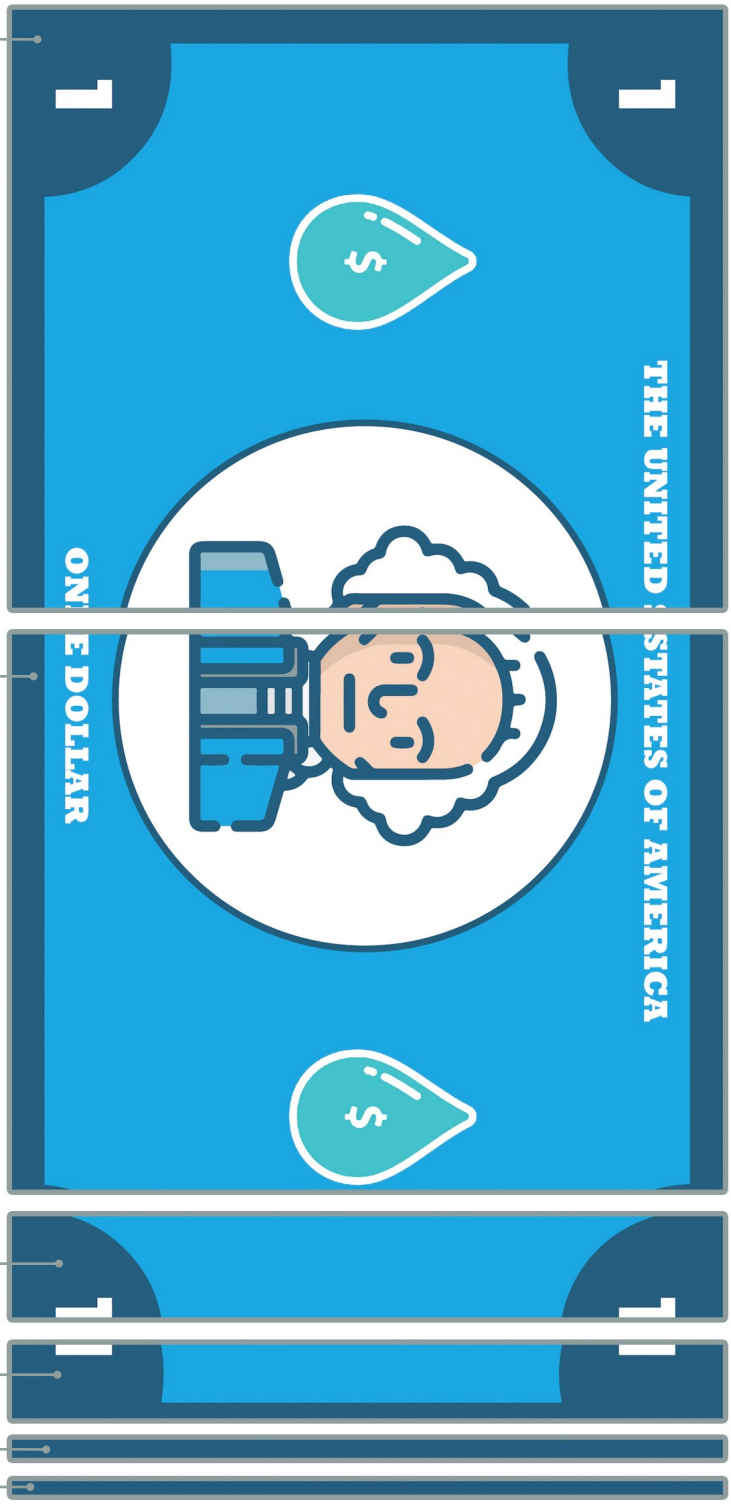
1.1¢ ON THE DOLLAR

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

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

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



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Note: Percentages based on FY 2024 approved budget.

FY 2024 Water and Wastewater Combined Budget Infographic

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A Message from Chief Executive Officer Suzanne R. Coffey

To Our Valued Partners,

The Great Lakes Water Authority (GLWA) team is honored to be entrusted with providing safe, reliable drinking water and environmentally responsible wastewater service to southeast Michigan. GLWA has delivered on the vision for the new regional water authority that was launched on January 1, 2016. As we present this budget at the beginning of our eighth year of operations, GLWA is an organization that has demonstrated consistent delivery of water of unquestionable quality, exemplary environmental stewardship, and a continued focus on both sustainability and affordability. The budget and five-year financial plan demonstrate the transition of those objectives into an actionable plan that encompasses cost control, transparency, and strong fiscal management.

The overriding theme for this year's financial plan is navigating through an era of unprecedented cost increases that began in calendar year 2021. These conditions continue to drive increases in capital program delivery and borrowing costs into the future. GLWA's commitment to affordability is strong and one way that we strike the balance between system needs and affordability of our services is through long-term financial planning and scenario building. The result is preserving financial resiliency as conditions evolve.

FY 2024 Budget Highlights

The FY 2024 Budget delivers on accomplishing our financial plan objectives in order to achieve our organizational strategic goals. Five key themes that shape budget decisions that help us bridge from the financial plan to achieving the strategic goals include the following:

1. *Four Percent Promise*: managing the overall budget within the commitment established in GLWA's founding documents to limit annual increases in the overall budget to four percent or less;
2. *Long-Term Financial Sustainability*: advancing the path toward long-term stability and equity in the services charges model;
3. *Controlled O&M*: annual operations and maintenance (O&M) increases indicative of activities that support operational optimization;
4. *Asset Management Focus*: strategic investment in the regional system; and
5. *Charges Equity & Stability*: ongoing effort to ensure that cost of service is equitably shared and is predictable and moderated.

If we stay true to these five themes, the outcome will enable us to achieve the Authority's strategic goals, which are to:

- Be positioned as a solid AA category credit by meeting or exceeding rating agency criteria in order to reduce the cost of capital; and
- Positive key performance indicators (KPI's) which are based on the 10 attributes of the effective utility management (EUM) framework for GLWA as a whole.

Water System – The approved water system budget and schedule of charges translates the above outlined goals into actions – which allowed us to control the average increase in water charges for suburban wholesale member partners to 2.1 percent and the local system charge to 6.2 percent, for a system-wide adjustment of 2.75 percent. Those goals and related actions include:

1. *Four Percent Promise:* limiting the water system revenue requirement (budget) to a 4 percent increase from the prior year; meeting the 4 percent promise. The average overall charges increase to all member partners is 2.75 percent, which is attributed mostly to a moderate increase in sales volume (0.37 percent) and an increase in investment earnings (0.88 percent), to reconcile the 4 percent budget increase to the average charge increase of 2.75 percent;
2. *Long-Term Financial Sustainability*: budgeted debt service coverage of 1.95 on Senior Lien Bonds and 1.30 on all bonds, and a $30 million deposit to the Improvement & Extension fund to lower the cost of future borrowing;
3. *O&M:* water O&M increase of 5.6 percent – due to high inflation and supply chain disruptions, particularly for chemical costs;
4. *Asset Management Focus:* budget provides for continued implementation of the improvement initiatives from the Strategic Asset Management Plan adopted in FY 2020; and
5. *Charges Stability and Equity Goal:* the FY 2024 water charges are the first in four years to reflect a detailed cost of service study to accurately represent cost responsibility for each member partner based on their updated peak demands emerging from the Contract Alignment Process (CAP). The FY 2024 Units of Service changed for the majority of the member partners share therefore there may be significant variance from the system-wide charge revenue increase of 2.75 percent for some individual member partners based on their unique needs. The CAP approach was mutually designed with member partners to limit volatility in relative shares from the system average to once every four years.

Sewer System – Similarly, the approved sewer system budget and schedule of charges translates the above outlined goals into actions – which allowed us to control the average increase in sewer charges for suburban wholesale member partners to 2.6 percent and the local system charge increase to 2.8 percent, for a system-wide increase of 2.75 percent. Those goals and related actions include:

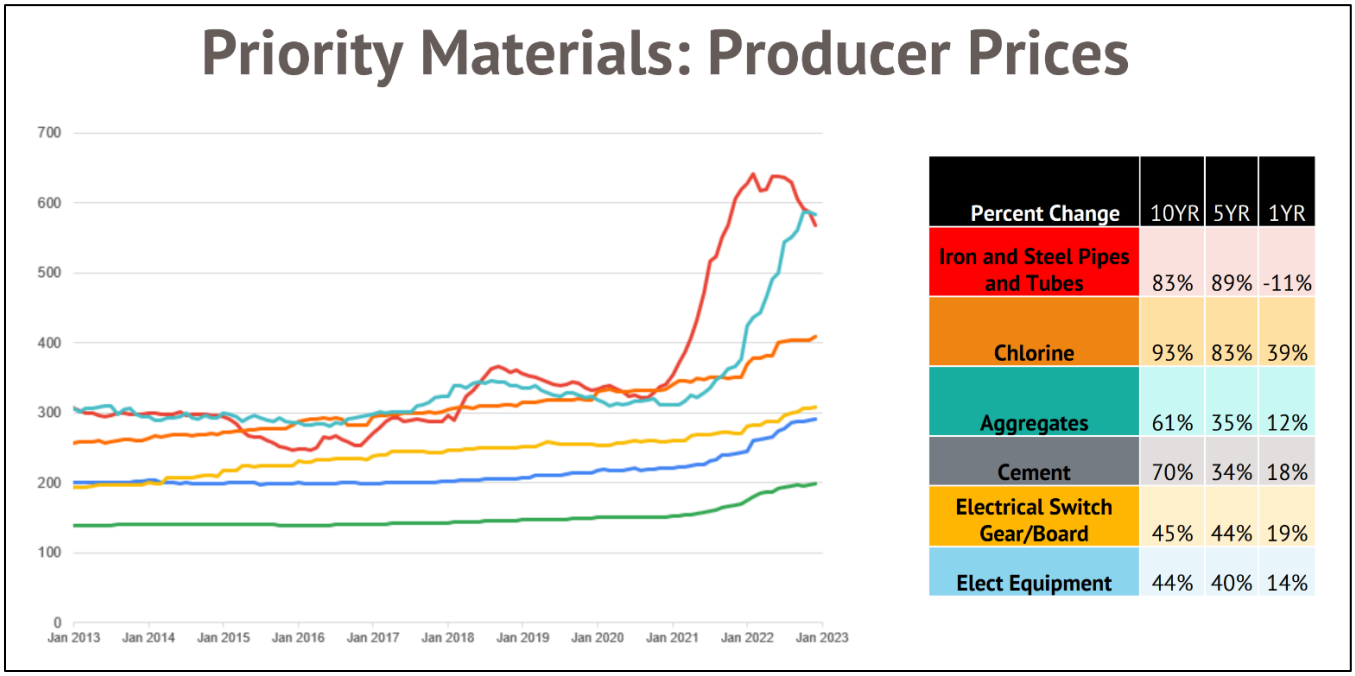
1. *Four Percent Promise:* reducing the sewer system revenue requirement (budget) to a 4 percent increase from the prior year; meeting the 4 percent promise. The average overall charges increase to all member partners is 2.75 percent. The difference between the two figures is mainly due to a projected increase in investment earnings (1.23 percent) and a projected increase in industrial charges (0.02 percent);
2. *Long-Term Financial Sustainability:* budgeted debt service coverage of 2.13 on Senior Lien Bonds and 1.27 on all bonds, and a $30 million deposit to the Improvement & Extension fund to lower the cost of future borrowing;
3. *O&M:* sewer O&M increase of 11.7 percent – due to high inflation and supply chain disruptions, particularly for chemical and utilities costs;
4. *Asset Management Focus:* budget provides for continued implementation of the of improvement initiatives from the Strategic Asset Management Plan adopted in FY 2020; and

5. *Charges Stability and Equity Goal:* the FY 2024 sewer service charges reflect an across-the-board uniform charge adjustment for all member partners with subsequent application of minor adjustments to reflect contractual requirements.

Financial Planning in an Era of Economically Challenging Times

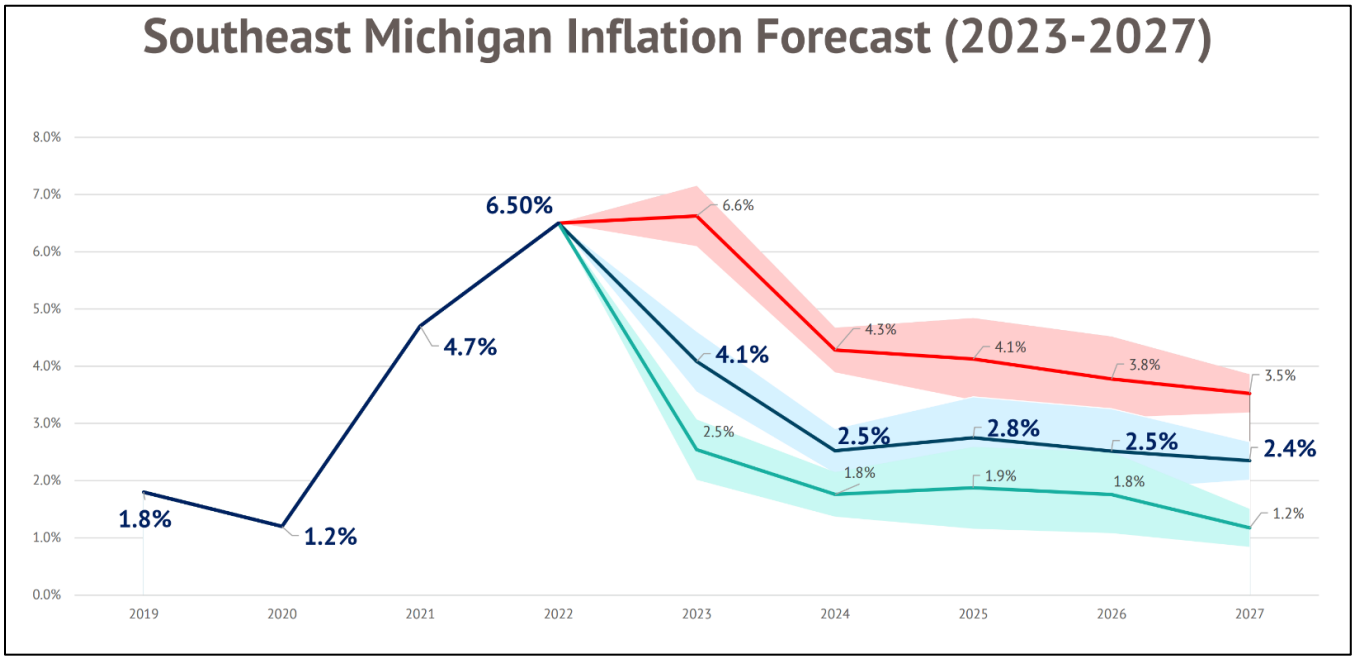
By far, the biggest challenge in preparing this year's budget was addressing an era of unprecedented cost increases. In July 2021, we began structured conversations with vendors, analysts, supply chain experts, and others to better understand the potential impact of global and economic conditions on GLWA's capital and operating budgets. In September 2021, a firm was engaged to work with the GLWA Procurement team, the GLWA Capital Improvement Planning team, and other stakeholders to conduct an economic analysis and identify impacts on the annual capital improvement plan. This effort is known as the Economic Outlook Task Force (EOTF). An outcome of that effort was to identify cost and risk control strategies, as well as identify a set of forecast assumptions for long-term planning purposes.

Much of the EOTF's work occurred during calendar year 2022. In November 2022, the EOTF's work resulted in a Phase I report presented to the GLWA Board of Directors, including the chart below which depicts material costs increases with a key takeaway: while there might be some price fluctuation, the rapid and ongoing increase since January 2021 has set a new baseline for most of the supply categories that GLWA utilizes for the operating and capital budgets.



Percent Change	10YR	5YR	1YR
Iron and Steel Pipes and Tubes	83%	89%	-11%
Chlorine	93%	83%	39%
Aggregates	61%	35%	12%
Cement	70%	34%	18%
Electrical Switch Gear/Board	45%	44%	19%
Elect Equipment	44%	40%	14%

We then turned to establishing a set of forecast scenarios in that report which informed the budget, capital planning, and long-term financial forecast as outlined in the table below with the redline being pessimistic, green being optimistic and blue representing the assumption utilized in our budget process. In March 2023, the EOTF revisited these assumptions based on newer economic data and found that this set of forecasting scenarios remained valid.



Despite these economic challenges, there is not one area of the utility that is not advancing resiliency and effectiveness initiatives. In this budget document, each operating area presents their initiatives and describes how the budget supports success.

Other Initiatives

Transparency

While we recognize that budget documents are lengthy in order to foster transparency by sharing large volumes of information, we also recognize that documents which are succinct often have a more effective and far-reaching impact to further enhance transparency. Following this budget message are two documents from the GLWA One-Pager series. The *Biennial Budget and Five-Year Financial Plan* and *Water and Sewer Service Charges* one-pager documents are designed for our member partners and other stakeholders to share with their constituents. Budget infographics on the inside cover of this document provide further transparency and improved communication.

Water Residential Assistance Program

The Water Residential Assistance Program (WRAP) is a unique program in our service sector that started with the formation of the GLWA in 2016. The legal framework that established GLWA provides for 0.5 percent of annual revenues to fund WRAP. Over time, in the spirit of continuous improvement, the program design was modified by GLWA's Board of Directors based upon staff and our nonprofit service delivery partners' recommendations. Based upon extensive research, significant changes were made to the program design which resulted in the launch of the WRAP "Income Based Plan" in October 2022. The Income Based Plan provides bill credits to eligible households so that the water bill does not exceed 3 percent of household income for up to two years (or ongoing for households with senior citizens and persons with permanent disabilities). Bill arrearage assistance and water conservation support, including minor plumbing repairs, also are key

features of WRAP. We believe the income-based assistance combined with conservation support places WRAP as a leading assistance program in the country.

Looking Ahead: FY 2024 through FY 2028 Financial Plan

In order to achieve our goals and validate our assumptions, a biennial budget combined with a five-year plan is developed at the operating unit level to provide a roadmap for the future and allow us to lessen risk of events beyond our control. Supplemental schedules and analysis in this document are provided to further insight into the decisions made in preparing the budget and financial plan.

As you read this document, you will notice our commitment to:

- ✓ The promise to keep the revenue requirement increase to less than four percent;
- ✓ Work with our member partners to advance equity and stability in charges;
- ✓ Build revenue financed capital to reduce the burden of long-term debt;
- ✓ Attract, engage, empower, and develop team members and foster technical and leadership opportunities in the region;
- ✓ Strategically initiate programs and implement modern technology; and
- ✓ Provide strong debt service coverage to achieve a lower cost of capital for our member partners.

Thank You!

The GLWA team is grateful to the vast number of stakeholders who support the Authority's day-to-day activities while setting the course for the future as outlined in this financial plan. We are truly *One Water, One Team*.

Suzanne R. Coffey, P.E.
Chief Executive Officer

The GLWA budget is the basis for establishing the annual charges for services.

Nearly 59% of the FY 2024 budget of $871 million are financing and legal commitments: debt payments (44%), lease payment (6%), Water Residential Assistance Program (WRAP) (0.5%), legacy pension liabilities (1%) and capital program funding (7%).

The Operations & Maintenance (O&M) expense represents $359 million, or 41% of the total budget. O&M expense, as compared to the prior year, increased 9.0%, or $29.6 million and is explained in this analysis. The economy has had a significant negative impact on GLWA's budget. See the Economic Outlook Task Force Phase I Report presented to the GLWA Board of Director's in November 2022

Staffing & Personnel The staffing plan (number of positions) is at 1,318 (increase of 25). Full-time Equivalents (FTE), which is the pro-rata hours that a position is budgeted is at 1,153 (decrease of 81). In general, the budget reflects longer lead times in filling positions and the related budget impact. Further information is noted in each category.

Water Operations – increase of $6.2 million The majority of this increase is due to chemical costs ($4.7 million) related to supply chain constraints and increased demand. Other increases: electrical costs for Treatment Plant and Pump Stations ($0.8 million); Contractual Services due to Mobile Dredging activities ($0.9 million); gas expense increase ($0.2 million) due to commodity price increases; and other general categories ($0.9 million). Decreases were due to personnel (net $1.3 million) with a reduction of FTE counts (32.5 FTEs) offset by nine additional positions including seven positions focused on insourcing capital program engineering.

Wastewater Operations – increase of $19.7 million The drivers for this increase are a) utility costs ($11.2 million) and b) chemicals ($9.6 million). Increases are partially offset by a decrease in the amounts budgeted for supplies & other ($0.8 million) for maintenance activities. A net decrease in personnel costs ($0.3 million) includes two new positions to insource capital program engineering services offset by a budget reduction for hard to fill positions (32.2 FTEs)

Centralized Services[1] – increase $2.4 million Increases include personnel ($0.4 million) for overtime and costs for increased skill levels; contract services to support the Capital Improvement Planning group while staff for that team is ramping up ($1.1 million); loss of some reimbursements from DWSD Information Technology Shared Services revenue ($1.4 million) due to reduced needs; and other general categories ($0.1 million). These increases were offset by a reduction in IT software subscriptions ($0.6 million).

Administrative Services[2] – increase $1.3 million Increases cover a number of areas including Organizational Development adding five positions (1.75 FTEs) to support onboarding and training ($0.3 million); Logistics & Materials seeing utilities and facilities cost increases ($0.2 million) for the Rialto warehouse; Enterprise Risk Management Fund experiencing increased insurance premiums ($0.1 million); contractual services within Organizational Development ($0.1 million), CFO Services ($0.1 million), and others general categories ($0.5 million).

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

[1] Includes the Planning Services, Systems Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity (includes HazMat).

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

Go to TOC

FY 2024 Service Charges Highlights

The GLWA Board of Directors held a Public Hearing on February 22, 2023 and approved the proposed schedule of charges for the fiscal year beginning July 1, 2023.

Charges are Based on Four Key Elements.

1) Budget: The daily costs to provide service (such as the people, utilities, chemicals, contractors, and materials to operate plants and maintain the pipes), the lease payment for the regional system, Water Residential Assistance Program (WRAP) funding, debt service, legacy pension, and capital project funding. The budget is also known as the "revenue requirement" as it defines the amount of revenue required to run the utility.

2) Capital Improvement Plan (CIP): Annually the GLWA's engineers evaluate the physical improvement needs of the regional systems. Those needs are funded by a combination of cash on hand and debt.

3) Units of Service (UOS): Quantifies each community's service needs based on engineering studies, metering data, and other criteria. Each member partner is assigned an allocation of the annual revenue requirement based on their relative use of the system. For the water system, this includes the amount of water purchased each year and contracted demands during peak periods. For the sewer system, each member partner's SHARE is based on contributed wastewater.

4) Cost of Service Study (COS): The inputs from the three sources above are applied to an agreed upon charges methodology to allocate the revenue requirement (i.e., budget) by functional categories (such as purification for the water system or sludge disposal for the sewer system) and then allocated to each customer. The outcome is the charge calculation for each member partner.

Looking for More Information? Visit us online at www.glwater.org

Approved FY 2024 Water System Charges

The average system charge adjustment for water is a 2.75 percent increase. This is the result of an approved Water budget increase of 4.0 percent offset by 1.25 percent from a) increased investment earnings and b) increased estimated sales volumes. As a result of the 2022 Contract Alignment Process (CAP), the FY 2024 Units of Service changed for the majority of the member partners. As such there is significant variance from the system-wide charge revenue increase of 2.75 percent to individual member partners based on their unique needs. The CAP is mutually designed and generates a variance from the system average once every four years.

Approved FY 2024 Sewer System Charges

The average system charge adjustment for sewer is also a 2.75 percent increase. This is the result of an approved Sewer budget increase of 4.0 percent offset by increased investment earnings which equates to almost 1.25 percent of the needed charge increase. The Sewer SHAREs, which were collaboratively established via the Sewer Charges Workgroup, were updated for FY 2022 and remain in effect until FY 2025. The use of the FY 2022 SHAREs calculation for the FY 2024 charges results in a uniform impact of charge adjustments for all member partners.

Average System Charge Adjustments

Year	Water	Sewer
2018	1.8%	-0.7%
2019	1.8%	0.1%
2020	0.6%	0.8%
2021	3.2%	2.0%
2022	1.5%	-0.6%
2023	3.7%	2.4%
2024	2.75%	2.75%
7-Year Average	2.2%	0.9%

The presentation below is based on the Schedule of Revenue Requirements-Budget to Actual as reported in the Supplementary Information of the Annual Comprehensive Financial Report (ACFR).

Water Fund Revenues and Revenue Requirements

	Actual 2020	Actual 2021	Actual 2022	Amended 2023	Budget 2024	Budget 2025
Revenues (Budget Basis)						
Wholesale customer charges	$ 312,701,777	$ 322,423,768	$ 323,026,213	$ 337,509,100	$ 347,192,400	$ 357,392,500
Charge credits (Flint-KWA) [1]	(6,652,348)	(6,652,253)	(6,496,428)	(6,652,800)	(6,651,800)	(6,651,800)
Net wholesale charges	306,049,429	315,771,515	316,529,785	330,856,300	340,540,600	350,740,700
Local system charges	21,295,500	21,925,500	21,697,300	22,834,300	25,537,200	27,011,900
Other revenue [2]	2,659,660	267,562	775,537	875,000	175,000	175,000
Investment earnings [3]	9,115,115	4,195,305	1,945,613	9,670,200	4,061,700	7,199,500
Total Revenues	$ 339,119,704	$ 342,159,882	$ 340,948,235	$ 364,235,800	$ 370,314,500	$ 385,127,100
Revenue Requirements						
O&M expense [4]	$ 131,840,040	$ 118,840,855	$ 136,436,567	$ 149,147,700	$ 152,906,400	$ 162,810,600
O&M legacy pension	6,048,000	6,048,000	$ 6,048,000	6,048,000	-	-
Debt service requirement	132,835,624	138,100,407	$ 136,039,760	150,055,300	159,482,800	175,154,900
Accelerated legacy pension	6,268,300	6,268,300	$ 6,268,300	6,268,300	3,395,500	4,173,300
WRAP	1,698,300	1,669,400	$ 1,705,500	1,770,500	1,851,600	1,925,600
Local system shortfall [5]	937,400	-	-	-	-	-
Regional system lease	18,952,000	14,221,700	13,574,600	19,577,900	22,500,000	21,487,700
Regional system lease payment applied to DWSD debt	3,548,000	8,278,300	8,925,400	2,922,100	-	1,012,300
Receiving fund working capital requirement	-	-	-	-	-	7,900,000
Improvement & extension fund	29,456,300	35,094,800	23,739,800	28,446,000	30,178,200	10,662,700
Total Revenue Requirements	$ 331,583,964	$ 328,521,762	$ 332,737,927	$ 364,235,800	$ 370,314,500	$ 385,127,100
Revenue Requirement Variance [6]	$ 7,535,740	$ 13,638,120	$ 8,210,308	$ -	$ -	$ -

[1] Credits applied reduce cash available to meet revenue requirements, therefore they are removed for this presentation. The credits applied reduce the Authority's liability for the raw water rights.

[2] Other revenues include other operating revenues and other nonoperating revenues for the Water Operations Funds. Numbers will not match those reported in the ACFR as other nonoperating is net of income and expenses.

[3] Investment earnings excludes investment earnings on bond proceeds. Once bond money has been depleted in the construction fund, I&E funds are transferred to the construction fund. Interest earnings on I&E funds that were transferred to the construction fund are included.

[4] Includes the Operations Fund operating expenses as reported in the Supplementary Information of the ACFR. Does not include I&E Fund operating expenses as those are paid with I&E funds and not current revenue.

[5] The amount of local system revenue requirements that were not covered by the local system receipts resulting in a receivable from the local system. System revenues were used to cover local system shortfall making less funds available to deposit in the I&E Fund. As the receivable is repaid by DWSD in subsequent periods, amounts are deposited into the I&E fund.

[6] Revenue Requirement Variance represents additional funds available for cash flow purposes that may be moved to I&E funds in future years. It reflects a budgeting basis analysis that is used to prepare member charges. It does not reflect net income for financial reporting purposes. See the Annual Comprehensive Financial Report for the financials based on generally accepted accounting principals.

The presentation below is based on the Schedule of Revenue Requirements-Budget to Actual as reported in the Supplementary Information of the Annual Comprehensive Financial Report (ACFR).

Sewage Disposal Fund Revenues and Revenue Requirements						
	Actual 2020	Actual 2021	Actual 2022	Amended 2023	Budget 2024	Budget 2025
Revenues (Budget Basis)						
Wholesale customer charges	$ 266,003,286	$ 267,567,816	$ 268,813,369	$ 274,407,200	$ 282,687,600	$ 292,502,800
Local system charges	185,807,300	187,959,700	188,662,200	191,042,200	196,569,600	203,725,800
Industrial waste and surcharges	14,303,101	14,724,903	13,482,094	13,370,800	13,912,500	14,405,200
Wholesale customer other [1]	5,960,000	5,960,000	-	-	-	-
Other revenue [2]	1,276,352	2,217,405	817,448	1,170,000	400,000	400,000
Investment earnings [3]	7,775,080	2,802,041	1,842,475	13,532,100	7,057,300	9,618,300
Total Revenues	$ 481,125,119	$ 481,231,865	$ 473,617,586	$ 493,522,300	$ 500,627,000	$ 520,652,100
Revenue Requirements						
O&M expense [4]	$ 174,514,562	$ 172,312,815	$ 182,862,055	$ 203,222,500	$ 205,643,700	$ 216,220,400
O&M legacy pension	10,824,000	10,824,000	10,824,000	10,824,000	-	-
Debt service requirement	211,331,439	201,945,083	206,490,151	212,509,100	228,328,300	230,354,100
Accelerated legacy pension	11,620,700	11,620,700	11,620,700	11,620,700	6,479,300	8,228,800
WRAP	2,403,000	2,415,100	2,358,300	2,394,200	2,503,100	2,603,300
Local system shortfall [5]	10,817,800	-	-	-	-	-
Regional system lease	$22,467,300	$24,242,800	$21,970,703	23,111,700	27,500,000	27,500,000
Regional system lease payment applied to DWSD debt	$5,032,700	$3,257,200	$5,529,297	4,388,300	-	-
Improvement & extension fund	20,797,600	42,742,700	23,424,000	25,451,800	30,172,600	35,745,500
Total Revenue Requirements	$ 469,809,101	$ 469,360,398	$ 465,079,206	$ 493,522,300	$ 500,627,000	$ 520,652,100
Revenue Requirement Variance [6]	$ 11,316,018	$ 11,871,467	$ 8,538,380	$ -	$ -	$ -

[1] Relates to capital contribution from OMIDD agreement and how funds were treated for budgeting purposes in computing member charges.

[2] Other revenues include other operating revenues and other nonoperating revenues for the Sewer Operations Funds. Numbers will not match those reported in the ACFR as other nonoperating is net of income and expenses.

[3] Investment earnings excludes investment earnings on bond proceeds. Once bond money has been depleted in the construction fund, I&E funds are transferred to the construction fund. Interest earnings on I&E funds that were transferred to the construction fund are included.

[4] Includes the Operations Fund operating expenses as reported in the Supplementary Information of the ACFR. Does not include I&E Fund operating expenses as those are paid with I&E funds and not current revenue.

[5] The amount of local system revenue requirements that were not covered by the local system receipts resulting in a receivable from the local system. System revenues were used to cover local system shortfall making less funds available to deposit in the I&E Fund. As the receivable is repaid by DWSD in subsequent periods, amounts are deposited into the I&E fund.

[6] Revenue Requirement Variance represents additional funds available for cash flow purposes that may be moved to I&E funds in future years. It reflects a budgeting basis analysis that is used to prepare member charges. It does not reflect net income for financial reporting purposes. See the Annual Comprehensive Financial Report for the financials based on generally accepted accounting principals.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Great Lakes Water Authority
Michigan

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Great Lakes Water Authority, Michigan, for its Biennial Budget for the biennium beginning July 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. This is the Authority's 4th year of receiving the award.

SECTION 1 - OVERVIEW

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We Are One Water

The Great Lakes Water Authority (GLWA) provides nearly 40 percent of Michigan's population with water of unquestionable quality, as well as effective and efficient wastewater services to nearly 30 percent of the state. GLWA is all about the movement of water, from the environment, to our member partners, and back to the environment. We ensure our member partner communities get the highest quality water using treatment standards that are stricter than state or federal regulatory requirements. Once the water has been used, we run it through our treatment process again before returning it to the environment – often cleaner than when we received it. Working hand-in-hand with our member partners, we provide water and wastewater services of the highest quality. Together, we are one water.

Our Mission

To exceed our member partners' expectations by utilizing best practices in the treatment and transmission of water and wastewater, while promoting healthy communities and economic growth.

Our Vision

Through regional collaboration, GLWA strives to be the provider of choice, dedicated to efficiently delivering the nation's best water and sewer services in partnership with our member partners.

Our Members

The collaborative relationship we share with our members makes up the bedrock of GLWA's operating philosophy. As we work together for the greater good of the region, GLWA coordinates projects for civic improvement and provides members with educational resources. Our One Water Partnership Agreement outlines the mutual commitment between GLWA and those we serve, including the One Water Mission: To collaboratively ensure a One Water system approach to our regional water and wastewater system that will be economically, socially, and environmentally responsible and sustainable.

Our members include GLWA team members, board members, water and wastewater partners, associated stakeholders, elected officials, consultants and regulatory agencies. GLWA has a dedicated Member Outreach Program that collaborates with its members on water and wastewater activities. Work groups are used to involve members in technical service and financial discussions that support decision-making for GLWA's water and wastewater systems. GLWA has designated team members working within the Member Outreach Program and includes a contracted third-party facilitator responsible for ensuring and sustaining the rules of collaboration and furthering the transparent exchange of information between GLWA and its members.

History

GLWA began operations on January 1, 2016 and is the result of a monumental collaboration among regional leaders. Working to meet the needs of sustainable and affordable infrastructure, a memorandum of understanding (MOU) was agreed upon on September 9, 2014. Subsequently, GLWA was incorporated by the City of Detroit (City) and the counties of Macomb, Oakland and Wayne on November 26, 2014, pursuant to Act 233, Public Acts of Michigan, 1955, as amended. At the time of GLWA's incorporation, the City, through its Detroit Water and Sewerage Department (DWSD), was providing water supply services within and outside of the City through a water supply system and drainage and sewage disposal services within and outside of the City through a sewage disposal system.

On June 12, 2015, the City and GLWA executed the Regional Water Supply and Sewerage Disposal System Leases, transferring the regional water and sewage disposal facilities from the City to GLWA for an initial term of 40 years. In addition, the City and GLWA entered into a Water and Sewer Services Agreement where GLWA provides water and sewer services to the City; the City then supplies these services to Detroit retail customers via the DWSD. The agreements required the satisfaction of several conditions before becoming effective. By January 1, 2016 (the Effective Date), those conditions were met and GLWA, under the terms of the Regional System Leases, became responsible for the assets, all bonded indebtedness, and operations for the regional water and wastewater systems.

GLWA leases the regional water and wastewater systems from the City for an allocation of $50 million per year to fund capital improvements for the City's retail system and/or debt obligations. GLWA also funds a Water Residential Assistance Program (WRAP) to assist low-income residential households in enrolled member partner communities.

Board of Directors *as of February 22, 2023*

Freman Hendrix ..... GLWA Board Chair; Representative for the City of Detroit
Brian Baker ..... GLWA Board Vice-Chair; Representative for Macomb County
Beverly Walker-Griffea, PH.D..... GLWA Board Secretary; Representative for the State of Michigan
Gary A. Brown ..... GLWA Board Representative for the City of Detroit
John J. Zech ..... GLWA Board Representative for Wayne County
Jaye Quadrozzi ..... GLWA Board Representative for Oakland County

Executive Leadership Team *as of February 22, 2023*

Suzanne R. Coffey, PE ..... Chief Executive Officer
William M. Wolfson ..... Chief Administrative and Compliance Officer
Nicolette N. Bateson, CPA ..... Chief Financial Officer/Treasurer - Financial Services
Cheryl D. Porter ..... Chief Operating Officer – Water & Field Services
Navid Mehram, PE ..... Chief Operating Officer – Wastewater Operating Services
Jody Caldwell, PE ..... Chief Planning Officer
Jeffrey E. Small ..... Chief Information Officer
Jordie Kramer ..... Chief Organizational Development Officer
W. Barnett Jones ..... Chief Security and Integrity Officer
Randal M. Brown ..... General Counsel
Michelle A. Zdrodowski ..... Chief Public Affairs Officer

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Organization

GLWA is organized into six intersecting operating areas. Within each area, there are functional groups. Together, these groups work in a cross-functional manner to achieve the organization's mission. Collaboration is our mode of operation. As One Team we succeed together. An organization line of reporting chart is included in Section 5, Operating Financial Plans Introduction which is color coded to show which operating area of the budget the department is included.

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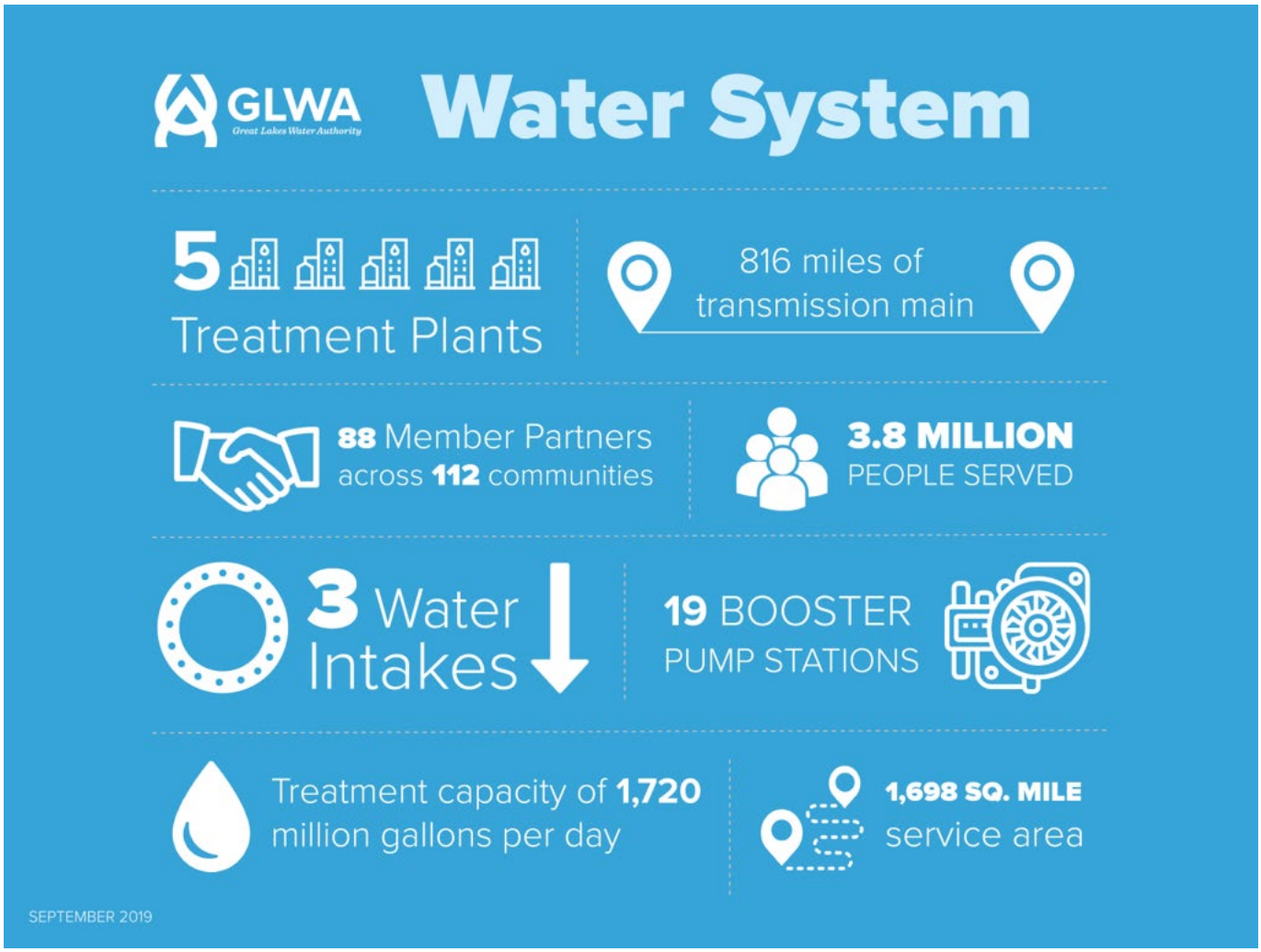
Our Water System



The Authority's water system is one of the largest in the United States, both in terms of water produced and population served. The water system currently serves an area of 1,698 square miles located in eight Michigan counties and an estimated population of approximately 3.8 million or approximately 38% of Michigan's population. Suburban wholesale member partners comprise approximately 82% of the population in the service area and the DWSD retail water customers comprise the remainder.

The water supply system consists of three intake facilities, five water treatment plants, 19 booster pumping stations, 32 water storage reservoirs and a conveyance system with over 816 miles of transmission mains. Water is drawn from Lake Huron and the Great Lakes tributary, the Detroit River. Recognizing that quality begins at the source, GLWA invests time and resources into the continued protection of our source water. We work with world-class universities and foundations to

ensure a level of water quality that not only meets but surpasses all federal and state standards. And a continued focus on environmental impact has helped GLWA become a leader on environmental practices and compliance in the Midwest.

Our Wastewater System

The Authority's sewer system is one of the largest in the United States, both in terms of treatment capacity and population served. The sewer system currently serves an area of 944 square miles located in three Michigan counties and an estimated population of approximately 2.8 million or approximately 28% of Michigan's population. Suburban member partners comprise approximately 76% of the population in the service area and the DWSD retail sewer customers comprise the remainder.

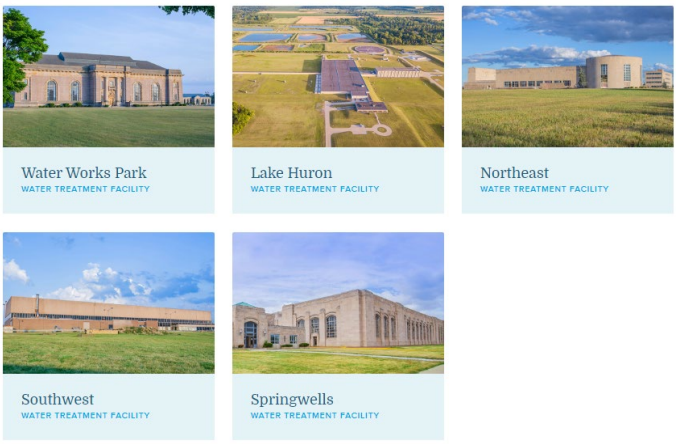
The wastewater system consists of one of the largest single-site wastewater treatment plants in the world, three major interceptors, nine pump stations, eight Combined Sewer Overflow (CSO) Control Facilities, including five retention treatment basins and three flow-through type facilities, and a conveyance system with 195 miles of trunk sewers and interceptors.

Our wastewater treatment plant is used as a benchmark for other plants across the Midwest. In a giant step toward becoming a Utility of the Future, GLWA is transitioning its Wastewater Treatment Plant (WWTP) to a Water Resource Recovery Facility (WRRF), that will ultimately operate on renewable energy. At the end of this process, the WRRF will be energy neutral, meaning the facility will create enough energy to power its own operations, and perhaps even create excess energy that can be fed into the power grid. Additionally, a Biosolids Dryer Facility (BFD) has the ability to turn roughly one billion gallons of biosolids into environmentally friendly fertilizer. This alternative to burning or dumping in a landfill will significantly decrease emissions year-over-year.

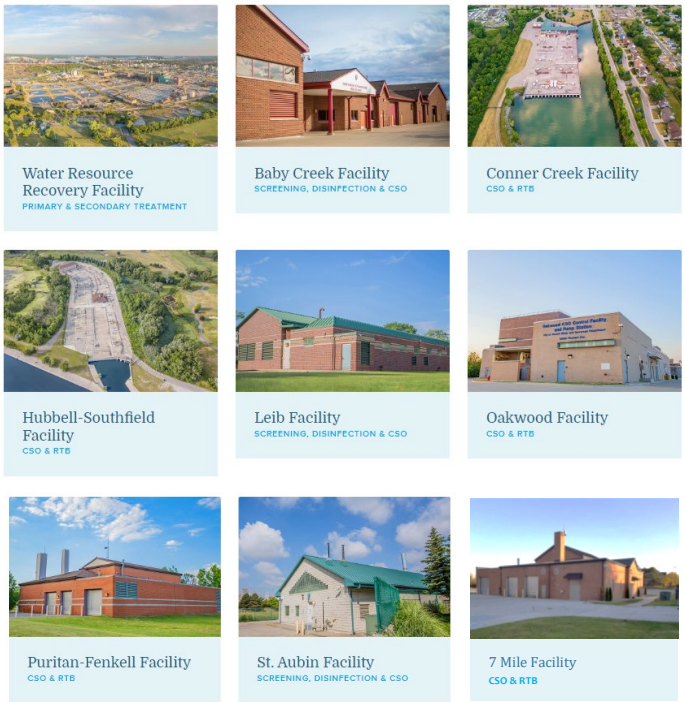
Facilities

We are continually updating our facilities to optimize water and wastewater treatment for the benefit of our member partners and the environment. To improve and optimize system efficiency, we invest significant time into maintaining and improving our facilities. This includes, but is not limited to, performing regular condition assessments and installing greener technology to become a Utility of the Future.

WATER TREATMENT FACILITIES



WASTEWATER AND COMBINED SEWER OVERFLOW (CSO) FACILITIES



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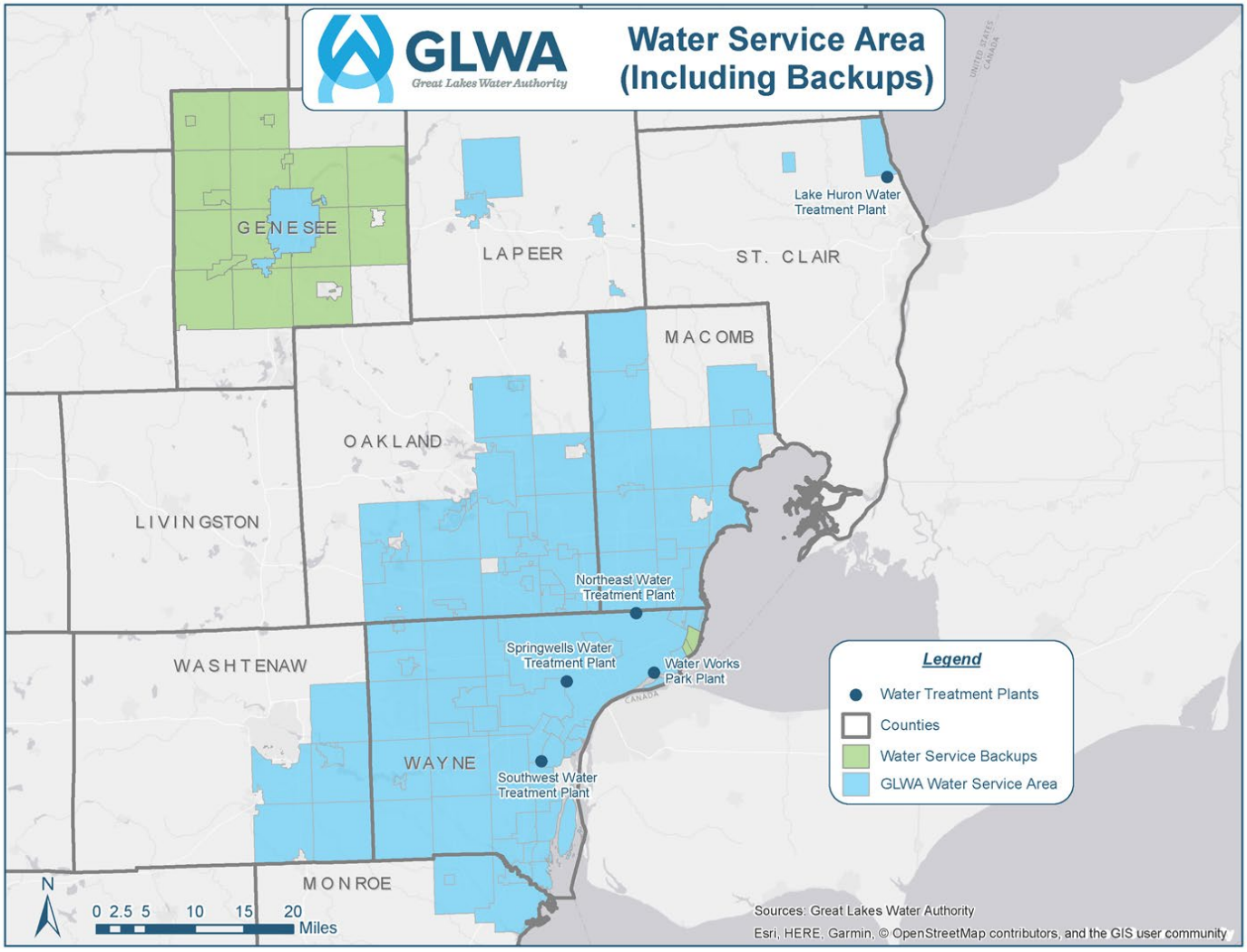
Service Area Maps

The following two maps show the service area for the water system and wastewater system.



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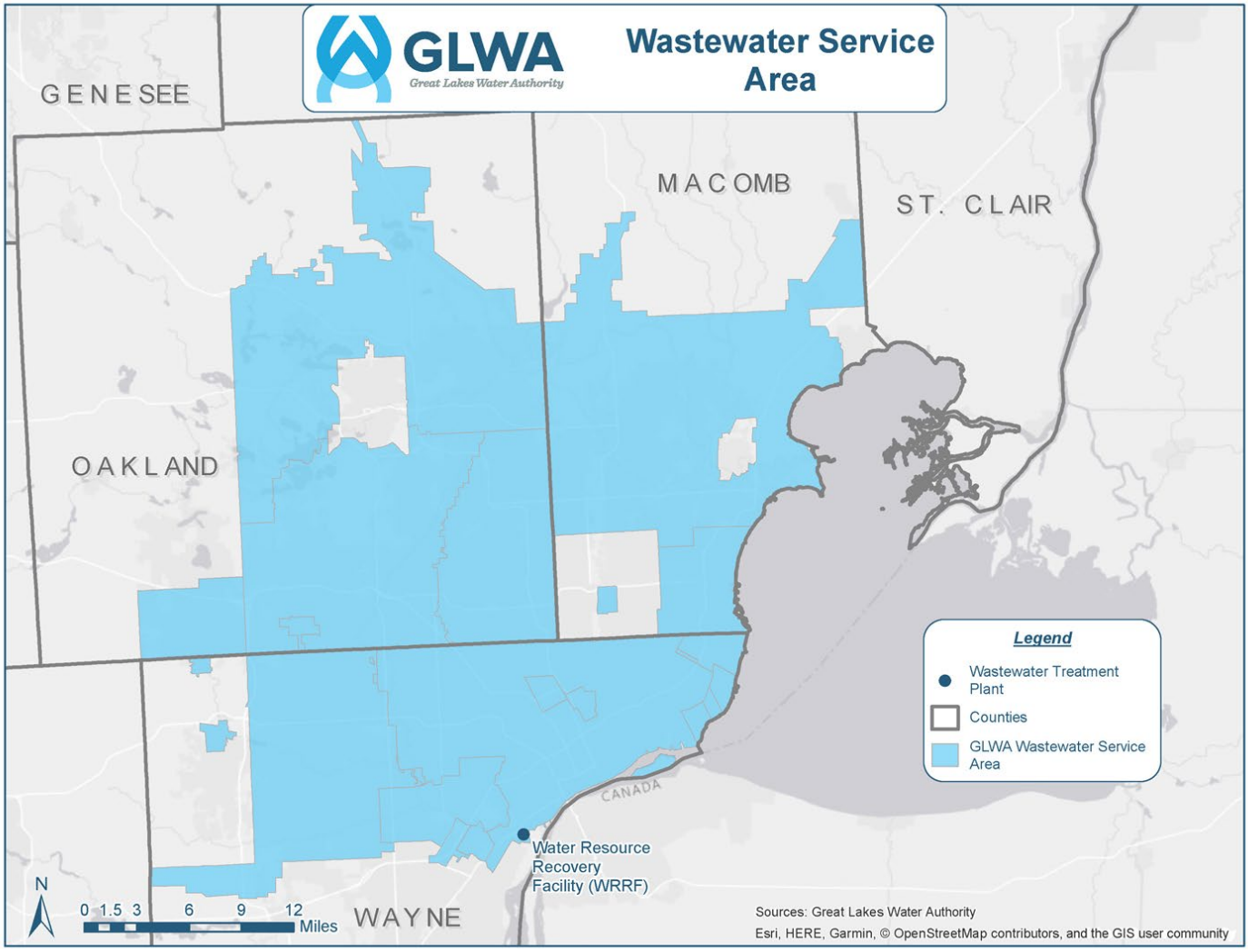

GLWA
Great Lakes Water Authority
Wastewater Service Area
GENESEE
MACOMB
ST. CLAIR
OAKLAND
WAYNE
CANADA
Legend
Wastewater Treatment Plant
Counties
GLWA Wastewater Service Area
Water Resource Recovery Facility (WRRF)
N
0 1.5 3 6 9 12
Miles
Sources: Great Lakes Water Authority
Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

Community Profile

The Authority services many communities in southeastern Michigan. Southeastern Michigan's largest city is Detroit. The Detroit retail customer class is collectively the Authority's largest member partner. The City of Detroit's Water & Sewage Department owns and operates the local water and sewer systems and serves as agent for the Authority for setting retail rates, billing, collecting, and enforcing the collection of amounts due from the Detroit retail customer class. That relationship is further defined by the Water and Sewer Services Agreement, consistent with the provisions of the Regional System Leases and related agreements. The Authority may revoke or terminate its appointment of the City as agent for the Authority if the City fails to perform its duties, obligations, or administrative functions in accordance with the Water and Sewer Services Agreement (WSSA).

The water system provides services to all or a portion of eight Michigan counties: Oakland, Macomb, Wayne, Lapeer, Genesee, Washtenaw, St. Clair and Monroe Counties. The Authority has 88 member partners across 112 communities. The 88 member partners are comprised of the City of Detroit and 87 wholesale member partners. Model contracts are in effect for 84 of the 87 wholesale member partners. Of the 4 current wholesale member partners not under model contracts, 2 are served under the former contract structure, and 1 is served under an emergency service contract.

The sewer system provides services in three Michigan counties: Oakland, Macomb, and Wayne Counties. The Authority has 19 member partners across 79 communities. The 19 member partners are comprised of the City of Detroit and 18 wholesale service contracts with municipal and other public entity member partners. Model contracts are in effect for 11 of the 18 wholesale service contracts. The remaining 7 contracts are under the former contract structure. These service areas are part of the Detroit-Warren-Dearborn Metropolitan Statistical Area (the "Detroit MSA").

Employment

The Detroit MSA's economy is highly susceptible to swings in the national economy due to its high concentration of employment in the durable goods industries, particularly the automotive industry. Over the past two decades, all three major automotive companies have experienced severe financial problems which have adversely affected the economy of the Detroit area.

The following tables provides information on the service area employment:

- Employment by industry group for the Detroit MSA
- Employment by industry group for the United States (provided for comparing)
- Largest employers in the service area

The region has in the past consistently maintained a greater percentage of persons employed in the manufacturing sector than the United States as whole. This reflects the area's dependence on the automotive industry.

Employees by Industry
Nonfarm, Not Seasonally Adjusted (numbers in thousands)

	Detroit-Warren-Dearborn MSA			
	June 2021		June 2022	
Mining, logging and construction	82.0	4.2%	84.3	4.1%
Manufacturing	235.1	12.1%	255.3	12.6%
Trade, transportation & utilities	368.4	19.0%	384.3	18.9%
Information	26.8	1.4%	28.0	1.4%
Financial activities	129.4	6.7%	132.7	6.5%
Professional and business services	384.3	19.8%	404.4	19.9%
Education and health services	298.4	15.4%	301.9	14.8%
Leisure & hospitality	164.4	8.5%	186.2	9.2%
Other services	68.9	3.6%	72.8	3.6%
Government	178.9	9.2%	183.9	9.0%
Total	1,936.6	100.0%	2,033.8	100.0%

	U.S.			
	June 2021		June 2022	
Mining & logging	569	0.4%	629	0.4%
Construction	7,557	5.2%	7,858	5.1%
Manufacturing	12,353	8.4%	12,875	8.4%
Trade, transportation & utilities	27,623	18.9%	28,692	18.8%
Information	2,823	1.9%	3,031	2.0%
Financial activities	8,780	6.0%	8,994	5.9%
Professional and business services	21,156	14.4%	22,310	14.6%
Education and health services	23,458	16.0%	24,145	15.8%
Leisure & hospitality	14,760	10.1%	16,315	10.7%
Other services	5,514	3.8%	5,770	3.8%
Government	21,900	14.9%	22,073	14.5%
Total	146,493	100.0%	152,692	100.0%

Source: U.S. Department of Labor Bureau of Labor Statistics

Largest Employers in the Service Area

Employer	Type of Business	Full-time Employees (a)	Rank	Percentage of MSA Employment (b)
Ford Motor Co.	Automobile Manufacturer	47,750	1	2.32%
Stellantis (formerly FCA US LLC)	Automobile Manufacturer	42,444	2	2.07%
General Motors Co.	Automobile Manufacturer	38,600	3	1.88%
University of Michigan	Public University and Health System	35,620	4	1.73%
Corewell Health (formerly BHSH System)	Hospital System	21,674	5	1.05%
U.S. Government	Federal Government	19,953	6	0.97%
Henry Ford Health	Health Care System	17,469	7	0.85%
Rocket Companies Inc.	FinTech platform company consisting of personal finance and consumer technology brands	14,109	8	0.69%
Trinity Health Michigan	Health Care System	13,186	9	0.64%
Ascension Michigan	Health Care System	12,085	10	0.59%
Total		262,890		12.79%

(a) Employment data from Crain's Detroit Business, Largest Southeast Michigan Employers - Ranked by full-time employees July 2022

(b) Percentage base on U.S. Bureau of Labor Statistics employment for July 2022 of 2,054,878 for the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area (MSA)

Service Area Demographics

The following table provides the population, unemployment, per capita income and the Authority's debt service requirements for the last ten years. Debt service requirements are also shown per capita and as a percentage of income.

Service Area Demographics

Year	Total Population (1)	Unemployment (2)	Per Capita Income (3)	Total Debt Service (4)	Debt Per Capita	Debt Service as a Percentage of Income
Water Fund						
2022	3,800,000	4.6%	$ 59,590	$ 176,589,315	$ 46.47	0.08%
2021	3,800,000	6.2%	$ 58,971	$ 179,214,379	$ 47.16	0.08%
2020	3,800,000	11.5%	$ 58,356	$ 172,869,073	$ 45.49	0.08%
2019	3,800,000	4.3%	$ 54,172	$ 167,966,454	$ 44.20	0.08%
2018	3,800,000	4.3%	$ 52,572	$ 172,549,891	$ 45.41	0.09%
2017	3,800,000	4.6%	$ 50,863	$ 175,010,011	$ 46.06	0.09%
2016 *	3,800,000	5.3%	$ 49,179	$ 171,138,525	$ 45.04	0.09%
2015 *	3,800,000	5.9%	$ 47,799	$ 178,923,900	$ 47.09	0.10%
2014 *	3,800,000	8.1%	$ 44,966	$ 182,464,900	$ 48.02	0.11%
2013 *	3,800,000	9.7%	$ 42,725	$ 172,458,800	$ 45.38	0.11%
Sewage Disposal Fund						
2022	2,800,000	4.6%	$ 59,590	$ 235,847,946	$ 84.23	0.14%
2021	2,800,000	6.2%	$ 58,971	$ 230,162,876	$ 82.20	0.14%
2020	2,800,000	11.5%	$ 58,356	$ 245,783,258	$ 87.78	0.15%
2019	2,800,000	4.3%	$ 54,172	$ 239,172,263	$ 85.42	0.16%
2018	2,800,000	4.3%	$ 52,572	$ 232,280,832	$ 82.96	0.16%
2017	2,800,000	4.6%	$ 50,863	$ 234,554,814	$ 83.77	0.16%
2016 *	2,800,000	5.3%	$ 49,179	$ 228,570,571	$ 81.63	0.17%
2015 *	2,807,000	5.9%	$ 47,799	$ 232,612,800	$ 82.87	0.17%
2014 *	2,807,000	8.1%	$ 44,966	$ 229,611,100	$ 81.80	0.18%
2013 *	2,807,000	9.7%	$ 42,725	$ 225,222,900	$ 80.24	0.19%

(1) Source: Estimated based on data from Southeast Michigan Council of Governments (SEMCOG).

(2) Source: Bureau of Labor Statistics Detroit-Warren-Dearborn MSA Annual Average (For 2022 the June rate was used). The Detroit-Warren-Dearborn Metropolitan Statistical Area (MSA) is comprised of six counties: Wayne, Oakland, Macomb, Livingston, Lapeer and St. Clair. This represents the majority of the service area customers.

(3) Source: FRED Economic Data, St. Louis Fed (2013-2020); Michigan State University Center for Economic Analysis (2021-2022)

(4) Debt service is based on a debt set aside basis to provide cash for when debt service payments are due.

* GLWA assumed operations on January 1, 2016. The information in this table from 2013-2015 is based on operations under the City of Detroit Water and Sewerage Department (DWSD). Data for 2016 includes six months of operation under DWSD and six months of operation under GLWA.

Largest Member Partners

The following tables provide information about the operating revenues and the ten largest wholesale member partners for the water system and sewage disposal system for the last three years.

Water Fund Operating Revenues and Largest Water Customers

	2020	2021	2022
Operating Revenues			
Suburban wholesale charges (1)	$ 312,701,777	$ 322,423,768	$ 323,026,213
Local system charges	21,295,500	21,925,500	21,697,300
Other revenue	256,300	265,822	234,462
Total Operating Revenues	$ 334,253,577	$ 344,615,090	$ 344,957,975
Suburban wholesale charges % of total operating revenue	93.55%	93.56%	93.64%
Local system charges % of total operating revenue	6.37%	6.36%	6.29%
Ten Largest Suburban Wholesale Member Partners			
Southeast Oakland County Water Authority	$ 23,089,967	$ 23,722,602	$ 24,035,255
North Oakland County Water Authority	22,293,795	22,667,931	22,798,372
Sterling Heights	15,242,912	16,375,729	16,235,356
Shelby Township	14,482,451	15,690,553	14,885,135
Troy	13,607,770	14,324,990	13,811,983
Macomb Township	12,870,377	13,388,385	13,065,395
Livonia	11,553,730	11,806,151	11,860,410
West Bloomfield Township	-	11,010,166	11,229,363
Ypsilanti Community Utilities Authority	10,450,861	-	11,059,703
Warren	-	-	10,940,909
Flint (2)	10,325,345	10,980,526	
Canton Township	10,491,407	10,919,607	-
Total Revenue Ten Largest Suburban Wholesale Member Partners	$ 144,408,615	$ 150,886,640	$ 149,921,881
Ten largest suburban wholesale member partners % of total operating revenues	43.20%	43.78%	43.46%

(1) Net of bad debt expense.
(2) Represents billed revenues prior to the credit to Flint for its proportional share of KWA debt service.

Sewage Disposal Fund Operating Revenues and Largest Sewer Customers

	2020	2021	2022
Operating Revenues			
Suburban wholesale charges (1)	$ 266,003,286	$ 267,567,816	$ 268,813,369
Local system charges	185,807,300	187,959,700	188,662,200
Industrial waste and surcharges	14,303,101	14,724,903	13,482,094
Other revenue	521,957	501,121	429,491
Total Operating Revenues	$ 466,635,644	$ 470,753,540	$ 471,387,154
Suburban wholesale charges % of total operating revenue	57.00%	56.84%	57.03%
Local system charges % of total operating revenue	39.82%	39.93%	40.02%
Ten Largest Suburban Wholesale Member Partners			
Oakland-Macomb Interceptor Drainage District	$ 69,870,786	$ 70,355,029	$ 70,683,993
Wayne County - Rouge Valley	54,162,000	54,536,400	55,267,200
Oakland County-George W Kuhn Drainage District	45,264,000	45,558,000	45,828,000
Evergreen Farmington	34,839,600	35,084,400	35,766,000
South Macomb Sanitation District	24,837,600	25,000,800	24,772,800
Dearborn	19,502,400	19,628,400	20,058,000
Highland Park	5,670,000	5,708,400	5,356,800
Hamtramck	3,994,800	4,019,400	3,993,600
Grosse Pointe Farms	2,750,400	2,769,000	2,715,600
Grosse Pointe Park	1,812,000	1,824,000	1,882,800
Total Revenue Ten Largest Suburban Wholesale Member Partners	$ 262,703,586	$ 264,483,829	$ 266,324,793
Ten largest suburban wholesale member partners % of total operating revenues	56.30%	56.18%	56.50%

(1) Net of bad debt expense.

Housing Characteristics

The following table shows certain housing characteristics of the Detroit MSA in comparison to the State of Michigan and the United States.

Housing Characteristics – Fourth Quarter 2022 Statistics

	Detroit MSA	State of Michigan	United States
Homeownership Rates	71.0%	73.5%	65.9%
Rental Vacancy	4.4%	6.2%	5.8%
Homeownership Vacancy	0.9%	0.7%	0.8%

Source: United States Census Bureau

Detroit/Wayne County Port Authority

The Detroit/Wayne County Port Authority is a governmental agency advancing southeast Michigan's maritime and related industries with the purpose of delivering prosperity and economic benefit to citizens and businesses. Its mission is to plan, develop, and foster economic and recreational growth, through environmental stewardship, in promoting Detroit and southeast Michigan as an import and export freight transportation and distribution hub for the United States, Canada, and the world marketplace. It operates the Port of Detroit, (the "Port") which provides direct water service to world markets via the Great Lakes/St. Lawrence Seaway. The port consists of multiple marine terminals handling general, liquid, and bulk cargo, as well as passengers. The Port of Detroit's single most valuable commodity is steel, and the largest commodity handled by tonnage is ore. Other important commodities handled at the port include stone, coal and cement. Each year, the Port Authority oversees millions of tons of cargo at 29 private and public sector terminal facilities in the Port of Detroit. International and domestic high-grade steel products, coal, iron ore, cement, aggregate and other road building commodities are shipped in and out of Detroit's port. It is the third largest steel-handling port in the nation. At the Port of Detroit's own terminal, steel, aluminum, and project cargoes are handled for the support of the manufacturing community in Southeast Michigan.

Transportation Network

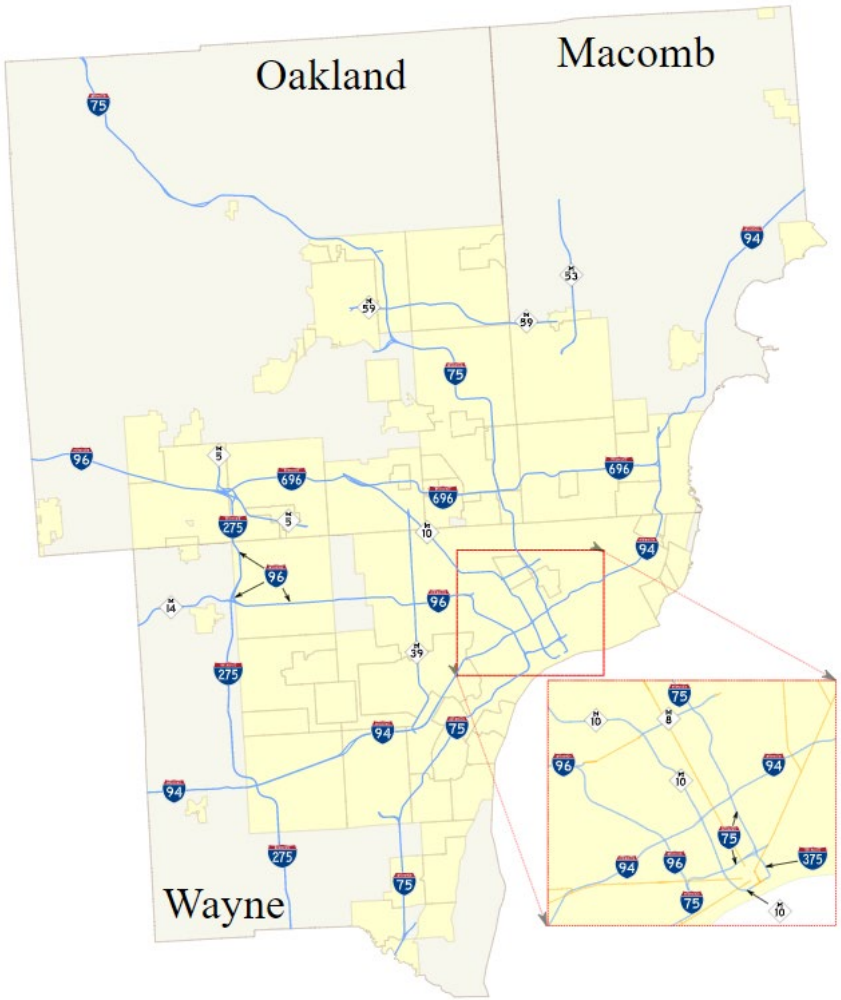
Major rail lines providing direct service to the Detroit area include railroad companies Conrail, Norfolk Southern, CN and CSX Transportation. Major cargo handled by the rail lines in the Detroit area include transportation equipment, chemicals and agriculture.

Passenger rail service is provided by Amtrack.

Air transportation service is provided by the following airports:

- Coleman A. Young International Airport (DET), which has general aviation and cargo services
- Willow Run Airport (YIP), which is an important corporate, cargo and general aviation facility
- Detroit Metropolitan Wayne County Airport (DTW), one of the world's leading air transportation hubs with more than 1,100 flights per day to and from four continents

The City of Detroit and the surrounding area have an extensive toll-free highway system, which includes interstate highways I-75, I-94, I-96, I-275, and I-696, as well as Highway 401 in Ontario, Canada.



Go to TOC

Budget Requirement

The Authority, which reports as an enterprise fund, is not required to adopt a legal budget under the State of Michigan's Uniform Budgeting and Accounting Act 2 of 1968. Enterprise funds are excluded under Section 141.422a (4)(c) and Section 141.436 of this act. The Authority's articles of incorporation, Article 9.H., requires the Board to adopt a budget each fiscal year in accordance with the uniform budget and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Article 9.I. of the Authority's articles of incorporation requires a two-year operating budget. The Authority's bylaws also require the Board to adopt a two-year operations budget and five-year capital improvement program under Article X, Sections 5(b) and (c) and Section 7.

Budgetary Funds

The Authority's budget consists of six funds. For Financial Reporting the Operations Fund, Improvement and Extension Fund, and Construction Fund are combined and reported under the respective Water Fund and Sewage Disposal Fund which are the major funds in the Authority's Annual Comprehensive Annual Report (ACFR). Combining schedules are provided in the supplementary information of the ACFR. The terms wastewater and sewer are also used when referring to the Sewage Disposal Fund throughout this document.

The Water System (Water Fund) includes the following funds:

- *Water Operations Fund* – All water revenues are credited to this fund. All expenses for the operations and maintenance (O&M) of the water system are paid from this fund. The total Water O&M funds budgeted are detailed in Schedule 2 of the Core Financial Plan Schedules.
- *Water Improvement & Extension Fund* (I&E) – The budget includes amounts from water charges revenues that are transferred to the I&E fund to reduce debt financing. Management may determine other water funds that are available for this use besides those that are budgeted. This fund is used for water system capital outlays and capital improvements. The budgeted transfer from water charges revenue to the Water I&E fund is included in Schedule 1A of the Core Financial Plan Schedules. The budgeted activity of the Water I&E Fund is provided in Schedule 5A of the Core Financial Plan Schedules.
- *Water Construction Fund* – This fund is used for the proceeds of water debt obligations and investment earnings thereon. I&E funds may also be transferred to this fund when bond proceeds have been exhausted. Funds are used to pay for water system capital improvements in accordance with the debt obligations. The budgeted activity of the Water Construction Fund is provided in Schedule 5C of the Core Financial Plan Schedules.

The Sewer System (Sewage Disposal Fund) includes the following funds:

- *Sewer Operations Fund* – All sewer revenues are credited to this fund. All expenses for the operations and maintenance of the wastewater system are paid from this fund. The total Sewer O&M funds budgeted are detailed in Schedule 2 of the Core Financial Plan Schedules.
- *Sewer Improvement & Extension Fund* (I&E) - The budget includes amounts from sewage disposal charges revenues that are transferred to the I&E fund to reduce debt financing. Management may determine other sewage disposal funds that are available for this use

besides those that are budgeted. This fund is used for wastewater system capital outlay and capital improvements. The budgeted transfer from sewage disposal charges revenue to the Sewer I&E fund is included in Schedule 1B of the Core Financial Plan Schedules. The budgeted activity of the Sewer I&E Fund is provided in Schedule 5B of the Core Financial Plan Schedules.

- *Sewer Construction Fund* – This fund is used for the proceeds of sewer debt obligations and investment earnings thereon. I&E funds may also be transferred to this fund when bond proceeds have been exhausted. Funds are used to pay for the wastewater system capital improvements in accordance with the debt obligations. The budgeted activity of the Sewer Construction Fund is provided in Schedule 5D of the Core Financial Plan Schedules

Budget Basis and Revenue Requirement

The Budget is prepared on a what we call a modified cash basis budget. The revenue requirement is determined based upon the cash needed to meet the expenditures as required by the Master Bond Ordinance. Each type of expenditure is listed below and how we determine the amount to use for the budget:

- Operation & Maintenance (O&M) expenses based on an accrual basis as reported in the Annual Comprehensive Financial Report plus payments for right to use assets recorded under GASB 87 and contracts recorded under GASB 96.
- O&M Legacy Pension Allocation and Accelerated Legacy Pension Allocation based on a cash basis. Starting in FY 2024 there are no longer any O&M Legacy Pension Allocation payments.
- Debt Service Allocation based on a cash set aside basis to provide the cash for the debt payments on the due dates.
- Water Residential Assistance Program based on a percentage of revenue.
- Regional System Lease payments based on a cash basis.
- Extraordinary Repair & Replacement Reserve Fund (ER&R) allocation on a cash basis if the ER&R balance is below the requirement.
- Regional System Improvement & Extension Fund Allocation on a cash basis
- Receiving Fund Working Capital Requirement - In order to maintain a days cash ratio of 500 days and increase working capital needs due to rising costs.

Once the revenue requirement amount is determined, Member Partner charges are calculated to meet the revenue requirement. See the Water System Charges and Sewer System Charges in Section 4 for information about the approved charges.

Accounting Basis

The Authority's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority has a water enterprise fund and a sewerage disposal enterprise fund, both of which are presented as major funds, which include the six funds described under the Budgetary Funds. The Authority maintains its records on the accrual basis of accounting to conform to GAAP. Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) of providing services to the public are recorded when incurred.

The Authority provides a crosswalk in the ACFR which shows the differences between the budget basis and GAAP. The key areas of reconciliation include the following:

- O&M Legacy Pension and Accelerated Legacy Pension to the City of Detroit General Employees Retirement System defined benefit plan. Annual contributions are an expense for the budget basis while the accrual basis financial report reflects the current year payment as a deferred outflow.
- Debt Service, BC Note Obligation and Regional System Lease (principal and interest) are an expense for the budget basis while the accrual basis financial report treats interest as an expense and principal payments as a reduction of a liability.
- Right to use asset lease payments recorded under GASB 87 and payments on subscription liabilities recorded under GASB 96 are an expense for the budget basis while the accrual basis financial report treats the payments as principal and interest payments with interest being an expense and principal a reduction of a liability.
- Contributions to the Regional System Improvement & Extension Fund and the Extraordinary Repair & Replacement Reserve Fund are an expense for the budget basis while the accrual basis financial report treats this activity as an increase in assets.
- Depreciation and amortization are not components of the budget basis while the accrual basis financial report treats these as an expense.

Budget Process - Biennial Budget and Five-Year Financial Plan

The ten-year financial plan is updated each year after the Board of Directors approves the biennial budget. This annual update reflects the Board's final action and serves as the roadmap for preparing the subsequent biennial budget and five-year financial plan. This plan provides parameters based on a general set of assumptions such as a 2% increase in O&M expenses. The parameters are then communicated to the Financial Planning & Analysis (FP&A) team who provides these key parameters along with other materials and assistance to those team members who are designated as the budget managers for their operating areas. These budget managers then use the information in developing the next year's biennial budget and five-year financial plan. Materials include current actual results, recent procurement outcomes, and other trend information. From July through September, the operating area budget managers provide the FP&A team with operating metrics information that may impact consumption of goods and services as well as Capital Outlay needs.

By October 1st, if the operating area budget manager and the FP&A team member are not able to develop a budget within the planning parameter, a list of ideas and related operational impacts are developed for review with the FP&A manager and operating area chief. Once requests are compiled from all operating areas, the FP&A manager facilitates a budget presentation to the operating area chief and Chief Financial Officer. After review and revision, a draft presentation from the operating area budget manager and finance team is presented to the Chief Executive Officer with alternatives to align the draft proposed budget with the long-term financial plan by mid-November. The proposed biennial budget and five-year financial plan is presented to the Audit Committee in December followed by Member Partners and the Board in January with a goal of adoption in February.

Concurrent with the development of the budget, proposed charges for the upcoming fiscal year are calculated and presented with the proposed budget throughout the budget process – this is known as the "charges rollout" process and consists of four key meetings with Member Partners.

Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan (CIP): This rollout meeting in October is designed to present the draft CIP to Member Partners and to initiate a feedback process. Further discussion of the CIP development is outlined below.

Charges Rollout #2 – Units of Service: The preliminary units of service is presented in November. Units of service is the basis for calculation of the water charges to Member Partners. Wastewater charges are allocated based on the wastewater SHAREs which are revised every four years.

Charges Rollout #3 – Proposed Charges: This meeting is held in early January. The primary focus is presenting Member Partners with proposed charges for their community and the supporting calculation worksheet based on the proposed budget. This meeting is followed by the opportunity for Member Partners to meet one-on-one with GLWA team members to review their proposed charges calculation.

Charges Rollout #4 – Proposed Budget and Charges Rollout Wrap-up: Held in late January, this meeting is the wrap-up of the annual charges rollout including a recap of Member Partner questions and answers from the one-on-one meetings.

Engagement with the Audit Committee and Board of Directors spans November through February. For this budget cycle, an executive budget briefing was presented to the Board on November 17, 2022. Strategic matters were presented related to the budget and charges related to unprecedented budget constraints that increase the base cost over the long-term and two more years of the 4% Promise. Long-term course recommendations to achieve improved sustainability were presented to achieve long-term plan objectives by year 10 while being mindful of external risks.

A budget discussion draft for the FY 2023 and FY 2024 Biennial Budget and Five-Year Plan, proposed 2024 charges, and updated long-term financial plan were presented to the Audit Committee on December 16, 2022. The draft focused on a) overall strategy of key budget elements including system-wide service charges and b) proposed operating group budgets. Summarized below is the effect of the proposed budget on proposed charges:

Proposed FY 2024 Water Charges reflected:

- Budgeted Revenue Requirement increase of $14.2 million (4%);
- System Charge Adjustment equal to a 2.75% increase;
- Significant variances to individual member partners due to the 2022 Contract Alignment Process which changed the FY 2024 units of service for the majority of the Member Partners;

Proposed FY 2024 Sewer Charges reflected:

- Budgeted Revenue Requirement increase of $19.3 million (4%);
- System Charge Adjustment equal to a 2.75% increase;
- Uniform System Charge Increase for all Member Partners as no changes to the Sewer SHAREs;

The FY 2024 & FY 2025 Biennial Budget and Five-Year Plan and FY 2024 Charges as presented to the Audit Committee on December 16, 2022 were presented to the Board of Directors on January 25, 2023. The Board received and referred the file to the Audit Committee. Budget discussions continued at the February 13, 2023 Audit Committee meeting at which time the committee recommended for approval to the Board of Directors.

The final budget and charges were submitted to the board during the Public Hearing on February 22, 2023 which received full approval from the Board of Directors. Upon receiving approval from the GLWA Board to adopt the budget, the FP&A team and other members of the Financial Services area began work to publish the approved budget and the supporting schedules from which the budget was created. The effective date of the budget is July 1, 2023.

Budget Process - Capital Improvement Plan

The FY 2024 - 2028 Capital Improvement Plan (CIP) development and approval process began in the summer of 2022. At that time, an authority-wide request for new and updated Business Case Evaluation (BCE) documents were made for projects and programs within all business areas. BCE's were received from project managers in June 2022. In July 2022, the Water and Wastewater Review Committees prioritized the newly submitted CIP projects. Project information related to new and substantially modified projects, as well as overall summary financial information, was reviewed by the Executive Leadership Team (ELT) in October 2022.

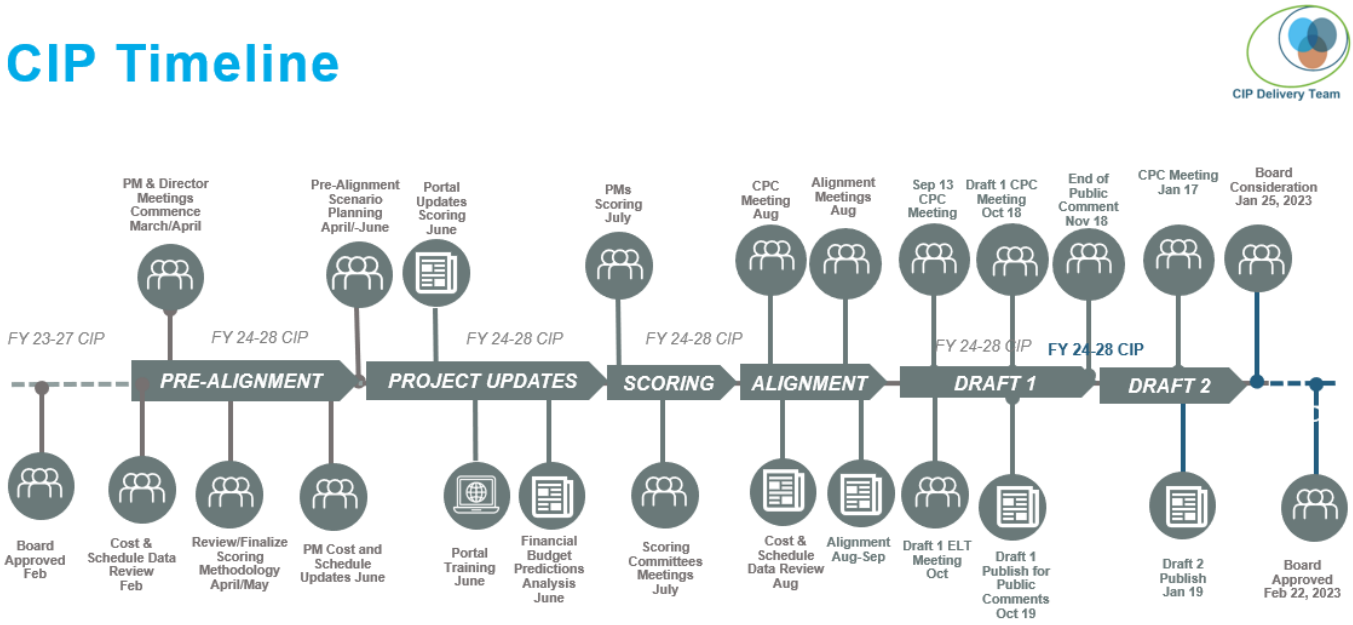
With projects vetted internally, Draft No. 1 CIP was created and presented to the GLWA Capital Improvement Planning Committee on October 18, 2022 and to the Member Partner communities in the Charges Rollout #1 on October 19, 2022. It was presented to the CIP Workgroup on November 15, 2022. Comments from member partners were requested by no later than November 18, 2022.

Draft 2 was presented at the January 18, 2023 Capital Improvement Planning Committee with a table of questions that were received and the answers to those questions as well as a list of the CIP changes

since Draft No. 1. Draft No. 2 was released via GLWA website and mass email communication to community partners on January 19, 2023 after continual refinement based on updated information.

No major changes were made to the CIP budgets for FY 2024-2028 since the publication of Draft No 2. The CIP was presented to the Board of Directors on January 25, 2023. The Board received and filed and postponed action until the February 22, 2023 Board of Directors meeting.

On February 22, 2023, the CIP was presented to the full Board of Directors and the final approval was received. Once approved, the Capital Improvement Planning group distributed and published the final CIP plan which is effective July 1, 2023. Concurrent with the adoption of the FY 2024 CIP, the present year, FY 2023, spending forecasts are amended to reflect the newer data in the FY 2024 CIP.



Budget Calendar

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

1. FY 2024 and 2025 Biennial Budget
2. FY 2024 through FY 2028 Five-Year Financial Plan
3. FY 2024 through FY 2028 Five-Year Capital Improvement Plan
4. FY 2024 Schedule of Revenues and Charges

The following schedule reflects planning for the comprehensive GLWA Financial Plan. Blue font indicates meetings for Member Partners input.

Date	Activity
July 2022	Budget objectives determined based on long-term financial plan
July 2022	Budget managers provided guidance of maintaining no more than 2% increase
Friday, September 16, 2022	Internal – Deadline for Cost Center Budget Request
Tuesday, October 18, 2022	Capital Planning Committee – Review of CIP Version 1.0
Tuesday, October 18, 2022	Release CIP Version 1.0 to Member Partners for Review
Wednesday, October 19, 2022	Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Version 1.0
Tuesday, November 1, 2022	Analytical Work Group – No Exceedances (exceedances to notified to communities by October 1st, meet by November 1st and AWG by December 1st)
Tuesday, November 1, 2022	DWSD – Proposed CIP to be provided (Water and Sewer Services Agreement 5.3d)
Wednesday, November 16, 2022	Charges Rollout Meeting #2 – Units of Service Update
Thursday, December 1, 2022	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
Friday, December 16, 2022	GLWA Audit Committee Meeting – Proposed Revenue Requirement & Charges
Sunday, January 1, 2023	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)
Wednesday, January 12, 2023	Charges Rollout Meeting #3 – Proposed FY 2024 Revenue Requirement and Charges
Friday, January 13, 2023 through Wednesday, January 18, 2023	Member Partners one-on-one meetings

Date	Activity
Thursday, January 19, 2023	Charges Rollout Meeting #4 – Feedback on Service Charges and Review of Proposed FY 2024 Revenue Requirements
Friday, January 20, 2023 (Note 30 days before is Monday, January 23, 2023)	Mail Notice to Member Partners of Public Hearing to be held on February 23, 2022 (minimum 30 days prior to Act 279 Public Hearing) **(D)**
Wednesday, January 25, 2023	GLWA Board Meeting – Presentation: Proposed FY 2024 and 2025 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan, Proposed FY 2024 Charges & FY 2024–2028 Capital Improvement Plan
Wednesday, February 1, 2023	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Friday, February 3, 2023	Publish notice of the hearing by publication in a newspaper of general circulation **(B)**
Monday, February 13, 2023	GLWA Special Audit Committee Meeting – Proposed Revisions to the FY 2024 & FY 2025 Biennial Budget and Five-Year Plan & related Proposed FY 2024 Water and Sewer Service Charges
Wednesday, February 22, 2023	GLWA Board Meeting – Public Hearing FY 2024 & FY 2025 Biennial Budget (A)
Wednesday, February 22, 2023	GLWA Board Meeting – Public Hearing FY 2024 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Wednesday, February 22, 2023	GLWA Board Meeting – Proposed Approval of the FY 2024 & FY 2025 Biennial Budget (A)
Wednesday, February 22, 2023	GLWA Board Meeting – Proposed Approval of FY 2024–2028 Capital Improvement Plan
Wednesday, February 22, 2023	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2024 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Wednesday, March 1, 2023	Mail Notice to Member Partners of Approved Charges
Thursday, March 23, 2023	*DWSD* – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)

Date	Activity
Monday, May 1, 2023	*DWSD* – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Saturday, July 1, 2023	GLWA – Effective date of FY 2024 and 2025 Biennial Budget, FY 2024 Schedule of Charges, and FY 2024-2028 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." It should be noted that the Home Rule City Act does not apply to GLWA. However, it is relevant to GLWA's planning cycle as it is referenced in the *Wholesale Customer Model Water and Sewer Contracts* as noted below.

D. **GLWA Wholesale Customer Model Water Contract Section 7.02 and GLWA Wholesale Customer Model Sewer Contract Section 20.02** 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." (Act 279 is the Home Rule City Act noted above.)

Budget Monitoring

Management control of the budget is facilitated by the Financial Planning and Analysis (FP&A) team. The FP&A team approves all requisitions as a step in the procurement process to ensure there are budgeted funds available. The FP&A team also approves requests for recruitment to ensure a staff position is funded before a recruitment process is initiated. FP&A team members monitor their assigned departments for potential budget amendments based on changes in operating data, activity reports, procurement results and participation in cross-functional team meetings where operating and financial matters are reviewed. Monthly budget basis reporting is provided to the Audit Committee. Quarterly budget reporting is provided to the Board along with any requested budget amendments.

Budget Amendments

The Authority's Board of Directors adopted a two-year budget on February 22, 2023, for the fiscal years 2024 and 2025. See Board Resolution 2023-054. By this resolution the total annual revenue requirement for the Regional Water System and the Regional Sewage Disposal System were established. The resolution also established the total operations and maintenance budget, the total debt service requirements, and the total capital expenditures for both the Regional Water System and the Regional Sewage Disposal System. The legal level of budgetary control is the bottom line based on each of the budgeted revenue requirement (components of the revenue requirement is referred to as appropriation categories) and the budget shall not be increased or decreased without prior Board authorization. The Board is provided detail schedules which support the totals in the resolution. The CFO may exercise discretion to modify the detail budget line items within each approved budget requirement which would result in no change to the total budgeted revenue requirement. In June 2020, the Authority's Board of Directors approved a formalized budget amendment policy which states that in the event that there is a proposed amendment of the budget among the appropriation categories, the matter is brought to the Audit Committee for review and consideration of a recommendation to the Board of Directors for their consideration for approval. Board budget amendments should be brought to the Audit Committee when identified and no less than quarterly. The Budget Amendment Policy can be found on the GLWA website.

Notice of Public Hearing Proposed Biennial Budget

GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED BIENNIAL BUDGET
For the Two-Year Period ended June 30, 2025 (FY 2024 and FY 2025)

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2024 and FY 2025 biennial budget.

DATE: **Wednesday, February 22, 2023**

TIME: **2:00 p.m.**

PLACE: **In person, Zoom Videoconferencing, and Telephonic Hearing**

Join Zoom Meeting
https://glwater.zoom.us/j/81268098609?pwd=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09
Meeting ID: 812 6809 8609
Passcode: 076058

In Person (subject to capacity)
Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Telephonic
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free
Meeting ID: 812 6809 8609
Passcode: 076058

The proposed biennial budget is scheduled to take effect on July 1, 2023.

The proposed biennial budget is available for public inspection online at https://www.glwater.org/financials/.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed biennial budget may do so at the Public Hearing as outlined in this notice. Individuals or groups wishing to make oral presentations may appear in person but are encouraged to participate via the Zoom as indicated in this notice.

Notice of Public Hearing Proposed Biennial Budget (continued)

GLWA
Great Lakes Water Authority

Individuals or groups wishing to make oral presentations are encouraged to participate by Zoom because at this time the State of Michigan, Department of Health and Human Services as well as other local health departments within the GLWA service area have declared emergencies related to the risk of infection associated with the COVID-19 pandemic.

Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A time limit will be imposed based upon registration at the hearing.

The Public Hearing on the FY 2024 and FY 2025 biennial budget proposed by the Great Lakes Water Authority scheduled for February 22, 2023 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

By Zoom videoconferencing: Members of the public who wish to use Zoom videoconferencing to attend the meeting and/or offer public comment may utilize the following link to attend:
https://glwater.zoom.us/j/81268098609?pwd=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09
During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

In Person (subject to capacity): Members of the public who, subject to capacity, wish to attend the meeting and/or offer public comment in person may attend the meeting in the Board Room, 5th Floor, 735 Randolph, Detroit, MI 48226.

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to "raise their hand for public comment." During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 21, 2023 and should reference "February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: members of the public may provide written comments by United States mail addressed to:

Suzanne R. Coffey P.E., Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Notice of Public Hearing Proposed Biennial Budget (continued)

Written comments by U.S. mail should reference "February 22, 2023 Public Hearing on proposed FY 2024 and FY 2025 biennial budget" in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.

Notice of Public Hearing Proposed Service Charges

GLWA
Great Lakes Water Authority

GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED FY 2024 WATER AND SEWERAGE SERVICE CHARGES

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on Water and Sewerage service charges proposed by the Great Lakes Water Authority for Fiscal Year 2024.

DATE: **Wednesday, February 22, 2023**

TIME: **2:00 p.m.**

PLACE: **In person, Zoom Videoconferencing, and Telephonic Hearing**

Join Zoom Meeting
https://glwater.zoom.us/j/81268098609?pwd=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09
Meeting ID: 812 6809 8609
Passcode: 076058

In Person (subject to capacity)
Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Telephonic
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free
Meeting ID: 812 6809 8609
Passcode: 076058

The proposed service charges are scheduled to take effect on July 1, 2023.

The proposed schedule of charges is available for public inspection online at https://www.glwater.org/financials/.

Individuals or groups wishing to make oral presentations or submit prepared statements pertaining to the proposed service charges may do so at the Public Hearing as outlined in this notice. Individuals or groups wishing to make oral presentations may appear in person but are encouraged to participate via the Zoom as indicated in this notice.

Notice of Public Hearing Proposed Service Charges (continued)

GLWA
Great Lakes Water Authority

Individuals or groups wishing to make oral presentations are encouraged to participate by Zoom because at this time the State of Michigan, Department of Health and Human Services as well as other local health departments within the GLWA service area have declared emergencies related to the risk of infection associated with the COVID-19 pandemic.

Individuals or groups giving oral presentations are encouraged to also submit their presentations in writing. Oral presentations should be brief to allow all parties the opportunity to participate. A time limit will be imposed based upon registration at the hearing.

The Public Hearing on FY 2024 Water and Sewerage service charges proposed by the Great Lakes Water Authority scheduled for February 22, 2023 at 2:00 p.m. will be held in person, through Zoom videoconferencing, and by telephone through Zoom's telephonic capabilities.

Members of the public may offer comment in the following manners:

By Zoom videoconferencing: Members of the public who wish to use Zoom videoconferencing to attend the meeting and/or offer public comment may utilize the following link to attend:
https://glwater.zoom.us/j/81268098609?pwd=TUlrWWNsdkhPcXZzY2MrbWZGdzBLdz09
During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

In Person (subject to capacity): Members of the public who, subject to capacity, wish to attend the meeting and/or offer public comment in person may attend the meeting in the Board Room, 5th Floor, 735 Randolph, Detroit, MI 48226.

By Telephone: Members of the public who wish to attend the meeting and/or offer public comment by telephone should call in at the number indicated above, press *9 on their keypad to "raise their hand for public comment." During other portions of the meeting, members of the public are asked to mute their line by pressing *6 on their keypad to mute or unmute their line.

By E-Mail: Members of the public may provide written comments to the Board by emailing those comments to CEO@glwater.org on or before 3:00 p.m. on Tuesday, February 21, 2023 and should reference "February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024" in the subject line of the e-mail. The opportunity to submit written comments by e-mail may remain open throughout the duration of the Public Hearing.

By U.S. Mail: members of the public may provide written comments by United States mail addressed to:

Suzanne R. Coffey P.E., Chief Executive Officer
Great Lakes Water Authority
735 Randolph
Detroit, Michigan, 48226

Notice of Public Hearing Proposed Service Charges (continued)

Written comments by U.S. mail should reference "February 22, 2023 Public Hearing on service charges proposed for Fiscal Year 2024" in the letter. The opportunity to submit written comments by U.S. mail may remain open throughout the duration of the Public Hearing.

If a member of the public requires accommodation due to a disability, please contact CEO@glwater.org or (844) 455-GLWA (4592) not less than 72 hours prior to the date of the meeting.

Financial Policies

The Authority began operations in January 2016 and has been creating financial policies since its inception. Some of the Authority's financial policies have been formalized into policy documents and approved by the Board of Directors. Some financial policies are based on the documents upon which the Authority was formed. The Authority is in compliance with all of its financial policies.

The following are the Board adopted policies that can be found on our website.

- Budget Amendment Policy – Discussed in Budget Process section. Requires quarterly budget amendment reporting.
- Capital Spend Rate Assumption Policy – Discussed in Capital Improvement Plan (CIP) section. The rate is set annually at time of approval of CIP.
- Debt Management Policy – Discussed in Debt Management section. Although not required by the policy, the Authority provides a Quarterly Debt Report to the Audit Committee.
- Grants, Gifts and Other Resources Delegation Policy – Requires quarterly reporting.
- Investment Policy – Discussed in Revenues Overview section. Requires quarterly reporting.
- Procurement Policy – At every phase of procurement, this policy is designed to insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices. A key provision of that policy is the annual mandatory completion and submittal of a Conflict of Interest Form by all Board Members and those team members that are engaged in any phase of procurement activities. GLWA demonstrates its transparency through the widely distributed monthly *Procurement Pipeline* with upcoming solicitations is presented at the Audit Committee meetings. The by-laws and articles require an Annual Procurement Report summarizing all awarded purchase orders and/or contracts for the fiscal year. In November 2020, an amendment was made to the Procurement Policy for the formation of a new Business Inclusion & Diversity (B.I.D.) Program within the Financial Services' Procurement Group. The BID program was launched in February 2021 and requires an inclusion and diversity plan requirement for all solicitations' greater than $1 million.

The following policies are based upon the legal foundational documents related to the creation of the Authority, which include the Articles of Incorporation, Bylaws, Compiled Master Water Bond Ordinance as amended and Compiled Master Sewer Bond Ordinance as amended:

- Accounting and Financial Reporting Policy – In order to meet the annual and quarterly reporting requirements in the foundational documents the Authority annually has an audit and submits the annual comprehensive financial report (ACFR) to GFOA for the Annual Comprehensive Financial Reporting Award. An audit of federal grant compliance is also performed. Monthly reporting is presented to the Audit Committee which includes the CFO report and a monthly financial report which includes the following items:
    - Executive Summary Dashboard
    - Budget to Actual Analysis

- Basic Financial Statements
- Financial Activity Charts
- Financial Operations KPI's
- Budget to Financial Statements Crosswalk
- Capital Improvement Plan Financial Summary
- Master Bond Ordinance Transfers
- Cash and Investment
- Retail Revenues, Receivables, & Collections
- Wholesale Billings, Receivables, & Collections
- Trust Receipts and Disbursements
- Aged Accounts Receivable Report
- Highland Park Life-to-Date Billings & Collections

❖ Balanced Budget Policy – The Master Bond Ordinances (MBO's) provide the revenue requirements of the budget. Customer charges are set to produce the revenue required to provide for the operations and maintenance costs of the system, the payment for debt service, maintenance of reserves as required by the MBO, the lease payment, deposit to the WRAP fund, repayments to the Extraordinary Repair and Replacement Fund and any other expenditures that the Ordinance may require. In addition the revenues must provide amounts so that the Rate Covenant Debt Service Coverage shall not be less that the Required Coverage of 1.20 for senior lien bonds, 1.10 for senior and second lien bonds and 1.00 for all bonds.

❖ Biennial Budget Policy – Annually a biennial budget is developed and approved by the Board. The biennial budget and financial plan is submitted to the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award.

❖ Capital Improvement Plan Policy – In conjunction with the requirement of an annual biennial budget it is necessary to prepare an annual five-year capital improvement plan for approval by the Board. See the Capital Improvement Plan in the Capital Program and Debt section.

❖ Ethics Policy – *The Way We Work - Policies, Rules and Guidelines* outlines the ethical behavior that is expected of GLWA team members.

❖ Expenditures Policy – Budgeted expenditures are those that are required by the MBO. See the Budget Requirement paragraph in the Budget Process section.

❖ Revenues Policy– Charges are set annually to meet the budgeted revenue requirements and so that the rate covenant debt service coverage shall not be less than the required coverage.

The following are the other financial policies of the Authority:

❖ Asset Management Policy – Provides the framework and principles by which the Authority will ensure sound stewardship of its regional assets to deliver established service levels in the most effective and efficient manner, while maintaining compliance with regulations. The policy presents the principles by which asset management decisions will be made and the requirements needed to support those decisions.

- Internal Controls Policy – The Authority has a comprehensive set of internal control policies that are followed and are revised as needed and reviewed annually.
- Long-term Forecasting Policy – Annually a ten-year forecast is developed at the time of the development of the biennial budget. See the Long-Range Financial Plan in the Financial Plan and Organizational Strategic Goals section.
- Operating Budget Policy – In order to stay within the limitation as provided in the Memorandum of Understanding that led to the creation of the Authority of an increase of no more than 4% annual revenue requirement, the operations budget policy is to stay within a 2% annual increase for operating and maintenance expenses.
- Other Reporting Policies - Monthly reporting includes a Chief Executive Officer report to the Board of Directors which includes the Office of the General Counsel report. Key Performance Indicators and explanation of those indicators that did not reach the goal are reported monthly to the Board of Directors or to the Operations and Resources Committee.
- Risk Management Policy – Identify, analyze and control the risk of physical, financial and reputation loss. Supported by the Risk Management and Safety team in the Chief Administrative and Compliance Officer area.
- Working Capital Policy – The Authority strives to maintain 2 months of working capital when reviewing the amount of funds that can be moved from the receiving fund to the I&E Funds.

The policy related to environmental, social, and government (ESG) matters is currently in development. ESG is important to GLWA. GLWA is working with a consulting firm to develop an ESG framework based upon internal and external stakeholder engagement. It is expected that this initiative will be completed in late calendar year 2023.

Financial Plan

As part of its founding principle of affordability and a commitment to supporting the region it serves, GLWA is devoted to building trust through an efficient organizational structure that ensures fiscal responsibility. Building on its year-over-year financial information allows GLWA to demonstrate delivery of the high level of financial performance that has been pledged to the Authority's member partners, investors and the region at large. This section covers the four main elements of the Authority's financial plan which provide the framework for current and future decision-making to accomplish the Authority's mission and vision.

- Financial Plan Objectives
- Organization Strategic Goals
- Long-Range Financial Plan
- Strategic Capital Management

Financial Plan Objectives

This overview and commentary address the following key topics to understand the context of GLWA's core financial plan which is adhered to in the preparation of the budget.

1. 4% Revenue Requirement Commitment
2. Revenue Stability for the System
3. Managing Charge Stability for Our Member Partners
4. Retail System Revenue and Collections
5. Water Residential Assistance Program
6. Closed Loop Lease Payment
7. Closed Legacy Benefit Plan Costs

1. The 4% Revenue Requirement Commitment - Since 2012, the water and sewer system has engaged an optimization effort to reduce expenses and stabilize revenues. The objectives of both efforts were to vastly improve the long-term sustainability of the system. That optimization effort revealed opportunities to significantly control costs. This resulted in a commitment to preserve the "revenue requirement" budget to an annual basis increase of 4% or less. The revenue requirement reflects those items which can be controlled by board policy and good management: operations and maintenance expenses, debt burden, and cash reserves. This 4% pledge by the management team was memorialized in the MOU that established the regional authority for the first ten years of its existence beginning with FY 2016. GLWA's long-term financial plan strives to perform well within the 4% commitment as demonstrated by a limitation of operations and maintenance ceiling of 2% for FY 2024 through FY 2028 as presented in this document.

2. Revenue Stability for the System - While the revenue requirement budget can be managed, revenues based on customer volume demands, are subject to external forces. Nationally, changes in weather and the benefits of conservation have contributed to steadily declining water volume demand.

- To stabilize water system revenue, the charge model is based on 60% fixed cost recovery and 40% of volume charges. Second, a cohesive approach to estimating water sales volumes for each customer is used. Water sales volume projections are calculated based on a uniform

forecasting method that reflects sales in both peak and non-peak months over the course of a 36-month time period. The averaging method considers the peak month volumes, from April to September, and the base month volumes in a separate manner. Revenue stability has proven successful with revenues at or near 100% of budget for fiscal years 2016-2022.

- Using a wholesale sewer rate simplification methodology, costs are allocated based on each customer's historical use of the system known as a "share" and is revisited every three years. Monthly billings are based on one-twelfth of the annual revenue requirement. The sewer system's wholesale revenue plan has a high degree of stability with achievement of wholesale revenues at 100% of budget.

3. Managing Charge Stability for Our Member Partners - The revenue stability initiatives for the water and sewer systems have improved charge stability for our customers – yet we know there is more that we can do.

- Due to water revenue stability measures, individual customer water charge adjustments now have less variability from the average charge adjustment. Our goal is to achieve an even narrower band through evaluating the timing of contract reopeners that establish peak demands for all Member Partners versus the previous multiple year cycle that varied by Member Partner. In addition, GLWA and its wholesale customers have begun a review of the overall water charge methodology in order to ensure it continues to meet core objectives of stability and simplicity while maintaining alignment with cost causative use of the system. No changes are anticipated to determining the key charge model components of annual volumes and contractual demands.
- Sewer rate simplification has provided a very predictable charge model for financial planning for both GLWA and its Member Partners. In 2019 an outside consultant with cost-allocation expertise was engaged to gather Member Partner concerns and ideas for further improvements and simplification of the charge methodology. The final recommendation of an updated approach to establish SHAREs was endorsed by the Board in November 2020 and has been used since the calculation of the FY 2022 charges. Over the last few years, GLWA, its Member Partners, and other stakeholders have worked collaboratively to develop a comprehensive, regional Wastewater Master Plan (WWMP). The WWMP was approved in September 2020. The plan was designed with affordability in mind and prioritizing lower cost, high-impact projects that provide the greatest benefit to the regional system, while first maximizing the use of existing infrastructure. By managing the entire system effectively, we reduce costs for everyone while protecting the environment.

4. Retail System Revenue and Collections - The regional collaboration that resulted in the formation of the GLWA was based on a foundation of achieving both a sustainable regional and local system as well as protecting stakeholder interests. That foundation includes sufficient operating and capital resources and a commitment to funding existing and new financial obligations. The relationship between the GLWA and the DWSD is outlined in the Regional System Leases for the water and sewer systems, water and sewer services agreement, and the GLWA Master Bond Ordinance (MBO). Retail system revenue is pledged revenue to the Authority for repayment of outstanding revenue bonds.

DWSD is agent for GLWA in establishing the retail rates, issuing bills, and performing collections. For this reason, all revenue receipts for the local retail system are deposited into a revenue receipts fund. Collected revenues are distributed monthly based on 1/12 of the annual budget requirements in the order of the flow of funds established in the MBO. The regional system and local system operations and maintenance 1/12th budget requirements are distributed first. Next, revenues are distributed as established by the Trustee to fund revenue bond debt obligations. Further monthly distributions follow the flow of funds in the order of the Revenue Requirements as depicted in Schedule 3 in Section 2 – Core Financial Plan Schedules. The outcome of the monthly distribution of the revenue receipts is that the retail system obligations are funded 100%, on a monthly basis. To the extent that there is a collections shortfall, there are a number of remedies including a budget stabilization fund and quarterly budget reviews, to determine the appropriate course of action.

5. Water Residential Assistance Program - The MOU and Water and Sewage Disposal System Regional Leases included a provision to establish a Water Residential Assistance Program ("WRAP"). This program is funded at 0.5% of the base budgeted operating revenues of the water and sewer systems for the regional system. The funding for the local system is not less than 0.5% but not greater than 1.0%. Funding for FY 2024 will be 0.5% for the local system. The WRAP provides assistance to indigent residential customers throughout the communities served by GLWA. The WRAP provides monthly bill assistance, arrearage assistance, minor plumbing repairs, and replacement of kitchen and bathroom fixtures that contain lead. Bill credits are based on household income and amount of the water and sewer bill, referred to as the WRAP Income Based Plan (IBP). The allocation of funds to the City of Detroit and other communities within the GLWA service area is in the same proportion of revenue that customers within those geographic boundaries pay into the program. The GLWA Board may reallocate underutilized funds to ensure that the program's objectives are met across the customer base. WRAP is currently administered by Wayne Metro and other community action agency alliance partners.

6. Closed Loop Regional System Lease Payment - The Regional System Lease agreements between the City of Detroit and the Great Lakes Water Authority, provides that the Authority pay an annual amount of $22.5 million for the regional water system and $27.5 million for the regional sewage disposal system. The allocation of these amounts, totaling $50 million, shall be subject to review and adjustment by the Authority every three to five years consistent with the method of allocation of other common-to-all charges between the regional water system and the regional sewage disposal system.

The lease payment is referred to as a closed loop system because the lease payment by the Authority stays within the local water and sewage disposal systems for the benefit of the water and sewage disposal systems. The City of Detroit can achieve this in one of three ways (or some combination). The lease payment may be used to:

1. pay the principal of and interest on bonds issued to finance the cost of water and sewage disposal system improvements to the Detroit local system; and/or
2. pay the City's share of the principal of and interest on bonds issued to finance the cost of common-to-all improvements to the leased water and sewage disposal facilities; and/or

3. pay the cost of improvements to the Detroit local water and sewage disposal system facilities.

7. Closed Legacy Benefit Plan Costs - The City of Detroit's Chapter 9 bankruptcy Plan of Adjustment (POA), approved on December 10, 2014, materially restructured the City's pension and retiree healthcare plan (otherwise referenced as other post-employment benefits or OPEB). The POA required annual payments by the then-existing DWSD for this closed plan for nine years with a tail liability in year ten. The first payment was in FY 2015. With the stand-up of the Authority on January 1, 2016, this annual commitment is allocated between the local and regional systems. The total annual commitment is $45.4 million per year payable to the City of Detroit General Retirement System (GRS). The most recent actuarial evaluation of the plan for the year ended June 30, 2022, estimates that there will be no tail liability in FY 2024.

The Authority is responsible for an allocable share of the portion of the City of Detroit 30-year B Notes relating to settlement of OPEB claims and 10-year C Note related to the Systems' prior allocable share of the City's pension obligation certificates. The Authority's allocable portion of those settlement payments was approximately $102 million at bifurcation in 2016.

See further information of these legacy costs in Section 6 – Supplemental Analysis under the Legacy Commitments section.

Organization Strategic Goals

Under GLWA's Articles of Incorporation, Article 13, B, provides that GLWA's Chief Executive Officer (CEO) "shall be responsible for the day-to-day operations of the Authority, including the control, supervision, management of and oversight of a water supply system or a sewage disposal system. . ." Annually, the CEO and the Board of Directors discuss their collective vision of GLWA's strategic goals to achieve alignment.

The Authority's strategic goals are to:

- Be positioned as a solid AA category credit by meeting or exceeding rating agency criteria in order to reduce the cost of capital and
- Achieve positive key performance indicators (KPI's) which are based on the ten attributes of the effective utility management (EUM) framework for GLWA as a whole.

Each goal is discussed in further detail below. Each O&M department in Section 5 of this budget document includes a table showing how each department's initiatives contribute towards achieving the organizational goals.

Bond Credit Rating of AA

Bond ratings are a key measure of an organization's financial strength. Ratings are established by independent agencies that conduct detailed reviews of an organization's operational and financial performance to assist those seeking to invest in an organization through the purchase of bonds.

As outlined in the official statements since GLWA's inaugural bond transaction in 2016, a positive future financial outcome of achieving a "Aa3" or "AA-" rating or higher from at least two of three

rating agencies (Moody's, S&P, and/or Fitch) would allow a reduction or elimination of reserve requirements for senior and/or second lien bonds.

The table below provides a summary of the current debt ratings for the Authority as of the latest ratings review in August 2022.

Current Debt Ratings			
	S&P Global Ratings	Moody's Investors Service	Fitch Ratings
Water Supply System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Positive	Stable
Sewage Disposal System Revenue Bonds			
Senior lien	AA-	A1	A+
Second lien	A+	A2	A
Junior lien	A+	N/A	N/A
Outlook	Stable	Positive	Positive

The path to becoming a solid AA credit is based upon rebalancing the mix of debt financing and revenue generated capital (PAYGO) to fund the capital improvement plan (CIP). By reducing the portion of annual revenue dollars that are dedicated to debt service, the following types of metrics, which are often used by rating agencies, will improve reflecting characteristics of a strong credit.

- ✓ Operating Margin
- ✓ Debt Service Coverage Ratio
- ✓ Debt to Operating Revenue Ratio
- ✓ Free Cash as a Percentage of Depreciation
- ✓ Net Position
- ✓ Debt/Asset Ratio

Key factors in improving the Authority's financial position and credit metrics, are the focus on continuing to optimize its operations, focus on financial planning with a biennial budget, annually update the five-year capital and financial plan, annual updates of the ten-year financial plan and applying core principles in asset management.

Another key factor in improving debt ratings is to decrease annual debt service with an effective debt refunding program. Since the Authority started in 2016, $2.5 billion of refunding bonds have been issued resulting in debt reserve releases of $107.5 million, which achieve future cash flow savings of $720 million for a net present value savings of $440.9 million. See Section 3 – Debt Management for detailed schedules of these savings.

The long-range financial forecast, presented later in this section, provides the data for the forecasted metrics presented below. Many of these metrics are considered by rating agencies when determining GLWA's credit ratings. Also included in the metrics calculation is data for the DWSD local system

which has been developed in coordination with the DWSD Finance Team. The forecast depicts moving from red (less that A metrics) to yellow (A metric), to light green (AA metric) to dark green (AAA metric).

Water Supply System – FY 2033 Plan - Depiction of Improving Credit Rating Metrics

GLWA Forecast Executive Summary
Water Supply System - *$ millions*

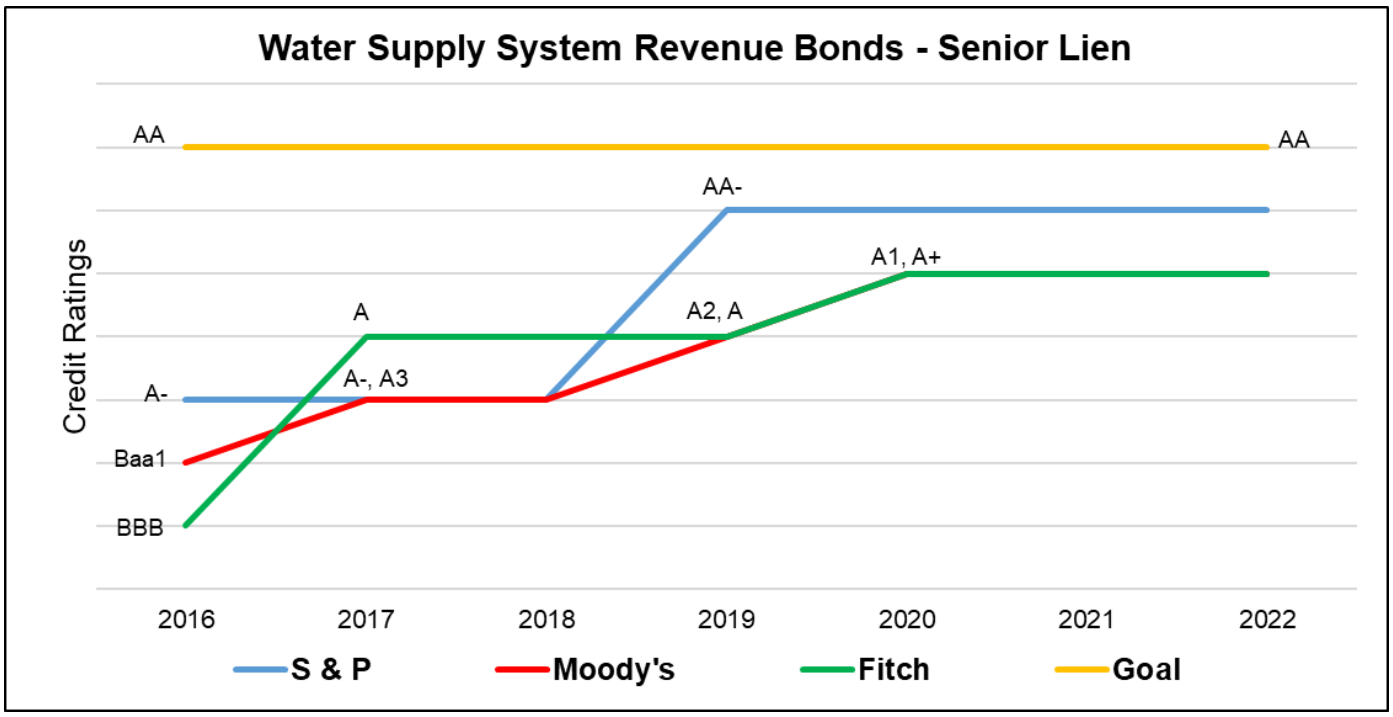
Metric Calculations	Metric Target Minimum			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	A	*AA*	*AAA*											
Operating Margin														
Depreciation Expense				130.0	137.7	119.8	99.7	99.4	97.4	100.3	103.9	102.7	101.0	104.0
Total Operating Expenses				274.9	290.6	282.6	265.1	268.7	270.0	276.3	283.5	285.8	287.7	294.5
Operating Margin				85.7	82.3	102.0	142.5	163.1	187.8	208.8	230.9	259.5	290.5	318.6
Operating Margin %	***25%***	***40%***	***50%***	**24.2%**	**22.5%**	**27.0%**	**35.6%**	**38.4%**	**41.6%**	**43.7%**	**45.5%**	**48.2%**	**50.8%**	**52.6%**
Regional Revenue Allocation														
O&M				41.7%	41.3%	42.3%	40.5%	39.1%	37.6%	36.2%	34.8%	33.5%	32.3%	31.0%
Debt Service	***40%***	***33%***	***25%***	**41.5%**	**43.1%**	**45.5%**	**44.6%**	**45.9%**	**44.8%**	**45.5%**	**44.1%**	**43.7%**	**41.6%**	**40.6%**
Non-Operating Expense				8.5%	7.5%	9.5%	7.6%	8.0%	6.9%	7.0%	6.2%	6.2%	5.5%	5.4%
Capital Financing				8.3%	8.2%	2.8%	7.3%	7.0%	10.7%	11.4%	14.8%	16.6%	20.7%	22.9%
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Debt Service Coverage														
Net Revenue - Local System				41.3	44.3	45.0	46.7	48.4	50.2	52.1	54.1	56.1	58.2	60.5
Total Net Revenues				256.1	266.0	271.7	294.0	316.4	341.1	367.2	394.9	424.5	455.9	489.3
Debt Service Coverage	***1.25***	***1.70***	***2.00***	**1.33**	**1.30**	**1.23**	**1.28**	**1.27**	**1.32**	**1.32**	**1.39**	**1.42**	**1.51**	**1.57**
Sr. Lien Debt Service Coverage	***1.50***	***2.00***	***2.25***	**1.91**	**1.95**	**1.80**	**1.89**	**1.81**	**1.90**	**1.86**	**1.96**	**1.97**	**2.09**	**2.25**
Debt to Operating Revenue														
Outstanding Debt Balance				2,316.7	2,513.3	2,528.1	2,874.3	2,801.8	3,053.4	2,927.3	3,124.0	2,976.6	3,043.8	2,877.8
Additional Principal				290.1	114.1	451.8	43.8	376.4	10.0	342.1	10.0	232.1	10.0	186.3
Outstanding Indebtedness				2,606.8	2,627.4	2,979.9	2,918.1	3,178.2	3,063.4	3,269.4	3,134.0	3,208.7	3,053.8	3,064.1
Debt to Operating Revenue	***7.0***	***4.0***	***2.0***	**5.74**	**5.67**	**6.19**	**5.75**	**5.94**	**5.43**	**5.49**	**4.99**	**4.84**	**4.36**	**4.15**
Free Cash as a % of Depreciation	***65%***	***105%***	***145%***	**48.6%**	**44.7%**	**41.7%**	**65.0%**	**66.9%**	**84.5%**	**89.6%**	**106.1%**	**122.4%**	**152.3%**	**169.9%**
Net Position	***-***	***250***	***500***	**(104.9)**	**(112.0)**	**(107.9)**	**(63.3)**	**(7.3)**	**73.3**	**167.0**	**283.8**	**425.7**	**601.5**	**803.8**
Debt / Asset Ratio	***1.00***	***0.90***	***0.75***	**1.26**	**1.21**	**1.31**	**1.24**	**1.31**	**1.21**	**1.23**	**1.14**	**1.13**	**1.04**	**1.01**

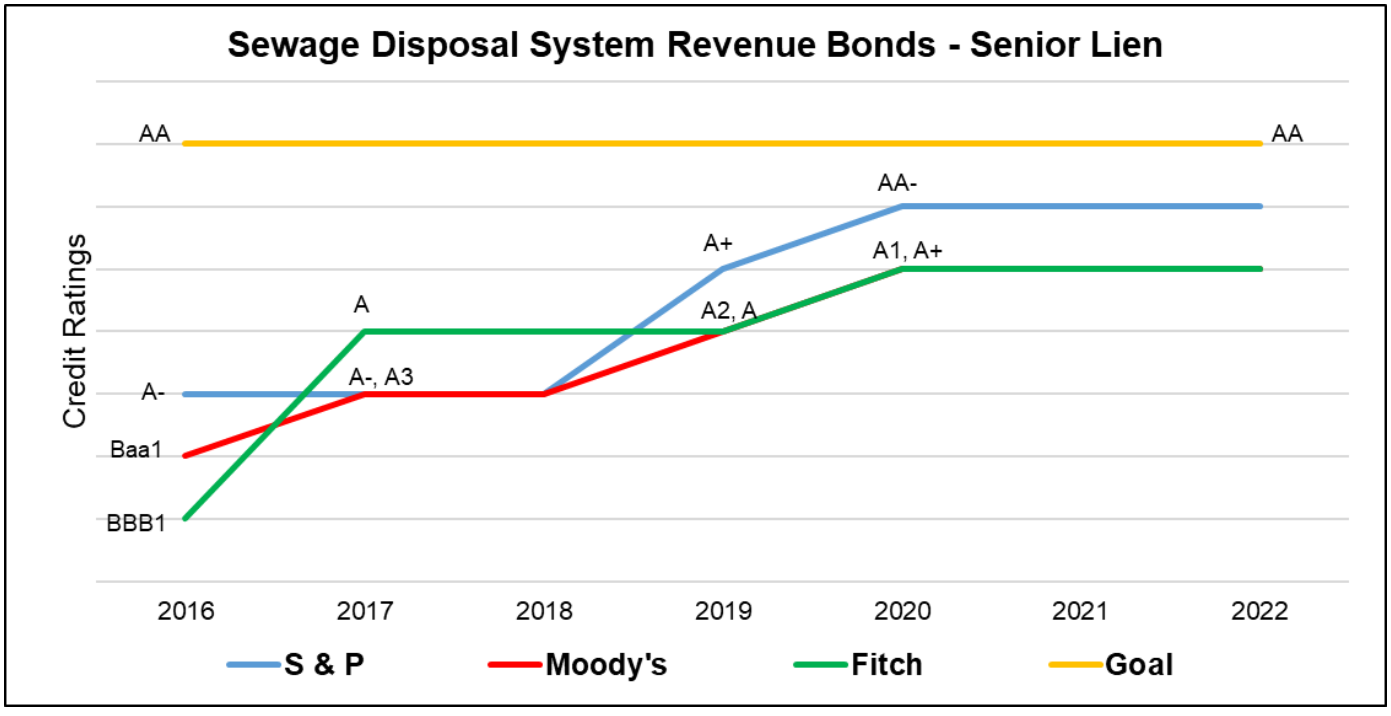
Sewage Disposal System – FY 2033 Plan - Depiction of Improving Credit Rating Metrics

GLWA Forecast Executive Summary
Sewage Disposal System - *$ millions*

Metric Calculations	Metric Target Minimum			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	A	*AA*	*AAA*											
Operating Margin														
Depreciation Expense				158.2	165.5	157.5	147.3	143.8	133.1	135.7	138.3	135.5	126.2	123.0
Total Operating Expenses				353.0	371.1	373.7	368.5	368.7	362.7	369.9	377.2	379.2	374.8	376.5
Operating Margin				124.8	122.5	137.3	168.5	195.4	230.1	240.9	251.2	267.8	292.9	312.2
Operating Margin %	***25%***	***40%***	***50%***	**26.1%**	**24.8%**	**26.9%**	**31.4%**	**34.7%**	**38.8%**	**39.5%**	**40.0%**	**41.4%**	**43.9%**	**45.4%**
Regional Revenue Allocation														
O&M				42.1%	41.1%	41.5%	40.5%	39.2%	38.1%	37.7%	37.4%	37.0%	36.6%	36.3%
Debt Service	***40%***	***33%***	***25%***	**43.1%**	**45.6%**	**44.2%**	**42.3%**	**43.8%**	**42.9%**	**42.4%**	**40.2%**	**38.5%**	**37.2%**	**36.1%**
Non-Operating Expense				8.5%	7.3%	7.4%	7.0%	6.6%	6.8%	6.7%	6.2%	6.1%	6.0%	5.9%
Capital Financing				6.3%	6.0%	6.9%	10.2%	10.3%	12.2%	13.2%	16.2%	18.4%	20.1%	21.7%
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Debt Service Coverage														
Net Revenue - Local System				24.3	28.2	27.2	30.3	32.7	35.1	34.2	33.6	32.8	31.2	29.8
Total Net Revenues				315.0	331.8	340.4	364.8	391.1	417.8	430.7	444.3	458.2	471.9	486.1
Debt Service Coverage	***1.25***	***1.70***	***2.00***	**1.30**	**1.27**	**1.30**	**1.38**	**1.38**	**1.43**	**1.45**	**1.53**	**1.59**	**1.64**	**1.69**
Sr. Lien Debt Service Coverage	***1.50***	***2.00***	***2.25***	**2.09**	**2.13**	**2.08**	**2.16**	**2.10**	**2.16**	**2.09**	**2.27**	**2.34**	**2.26**	**2.36**
Debt to Operating Revenue														
Outstanding Debt Balance				2,747.3	2,855.1	2,761.9	2,946.6	2,806.0	2,970.1	2,798.5	2,625.6	2,448.0	2,262.8	2,070.0
Additional Principal				254.2	50.7	331.1	20.0	335.0	10.0	10.0	10.0	10.0	10.0	10.0
Outstanding Indebtedness				3,001.5	2,905.8	3,093.0	2,966.6	3,141.0	2,980.1	2,808.5	2,635.6	2,458.0	2,272.8	2,080.0
Debt to Operating Revenue	***7.0***	***4.0***	***2.0***	**5.22**	**4.90**	**5.03**	**4.59**	**4.64**	**4.19**	**3.85**	**3.51**	**3.19**	**2.87**	**2.56**
Free Cash as a % of Depreciation	***65%***	***105%***	***145%***	**45.8%**	**43.1%**	**49.3%**	**68.8%**	**74.5%**	**94.7%**	**99.1%**	**111.1%**	**126.0%**	**146.1%**	**161.1%**
Net Position	***-***	***250***	***500***	**(105.1)**	**(111.2)**	**(105.9)**	**(66.5)**	**(6.7)**	**92.5**	**207.3**	**337.1**	**488.5**	**670.4**	**877.3**
Debt / Asset Ratio	***1.00***	***0.90***	***0.75***	**1.22**	**1.16**	**1.21**	**1.15**	**1.22**	**1.16**	**1.09**	**1.01**	**0.93**	**0.85**	**0.77**

The graphs below show the improvement in the debt ratings since the commencement of GLWA and the progress made in achieving the goal of an AA bond rating.





Positive Key Performance Indicators

GLWA uses a system of Key Performance Indicators (KPIs) which are aligned with Effective Utility Management (EUM) attributes. The EUM attributes were developed by 10 national water service sector organizations, including the American Water Works Association (AWWA), in conjunction with the United States Environmental Protection Administration (EPA). The purpose of EUM is designed to support water utility managers' ability to "make informed decisions and practical systematic changes to achieve excellence in utility performance in the face of everyday challenges and long-term needs for the utility and the community it serves." [1] The KPIs report is updated, received and filed with the Board on a monthly basis. In addition to the CEO's and the Board's monthly review, GLWA's EUM based KPI attributes are annually reviewed and, as necessary, revised by the CEO in consultation with the utility's Executive Leadership Team. In addition to these strategic focused EUM based KPIs, GLWA managers utilize operational and tactical KPIs to carry out their duties. The ten attributes and the components of the attributes are detailed below.

1. *Financial Viability* - Understands the full life-cycle cost of utility operations and value of water resources. Establishes and maintains an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. Establishes predictable rates—consistent with community expectations and acceptability—adequate to recover costs, provide for reserves, maintain support from bond rating agencies, plan and invest for future needs, and taking into account the needs of disadvantaged households. Implements sound strategies for collecting customer payments. Understands the opportunities available to diversify revenues and raise capital through adoption of new business models.

2. *Product Quality* - Produces "fit for purpose" water that meets or exceeds full compliance with regulatory and reliability requirements and consistent with customer, public health, ecological, and economic needs. Products include treated drinking water, treated wastewater effluent, recycled water, stormwater discharge, and recovered resources.

3. *Infrastructure Strategy and Performance* - Understands the condition of and costs associated with critical infrastructure assets. Plans infrastructure investments consistent with anticipated growth, system reliability goals, and relevant community priorities, building in flexibility for evolution in technology and materials, and uncertainty in the overall future operating context (e.g., climate impacts, customer base). Maintains and enhances the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels. Assures asset repair, rehabilitation, and replacement efforts are coordinated within the community to minimize disruptions and other negative consequences.

4. *Operational Optimization* - Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations in service to public health and environmental protection. Makes effective use of data from automated and smart systems and

[1] AWWA.org "Effective Utility Management"

learns from performance monitoring. Minimizes resource use, loss, and impacts from day-to-day operations, and reduces all forms of waste. Maintains awareness of information and operational technology developments to anticipate and support timely adoption of improvements.

5. *Enterprise Resiliency* - Ensures utility leadership and staff work together internally, and with external partners, to anticipate, respond to, and avoid problems. Proactively identifies, assesses, establishes tolerance levels for, and effectively manages a full range of business risks (including interdependencies with other services and utilities, legal, regulatory, financial, environmental, safety, physical and cyber security, knowledge loss, and natural disaster-related) in a proactive way consistent with industry trends and system reliability goals.

6. *Customer Satisfaction* - Provides reliable, responsive, and affordable services in line with explicit, customer-derived service levels. Utilizes a mix of evolving communication technologies to understand and respond to customer needs and expectations, including receiving timely customer feedback and communicating during emergencies. Provides tailored customer service and outreach to traditional residential, commercial, and industrial customers, and understands and exercises as appropriate the opportunities presented by emergent customer groups (e.g., high strength waste producers, power companies).

7. *Water Resource Sustainability* - Ensures the availability and sustainable management of water for its community and watershed, including water resource recovery. Understands its role in the complete water cycle, understands fit for purpose water reuse options, and integrates utility objectives and activities with other watershed managers and partners. Understands and plans for the potential for water resource variability (e.g., extreme events, such as drought and flooding), and utilizes as appropriate a full range of watershed investment and engagement strategies (e.g., Integrated Planning). Engages in long-term integrated water resource management, and ensures that current and future customer, community, and ecological water-related needs are met.

8. *Stakeholder Understanding and Support* - Engenders understanding and support from stakeholders (anyone who can affect or be affected by the utility), including customers, oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions. Actively promotes an appreciation of the true value of water and water services, and water's role in the social, economic, public, and environmental health of the community. Involves stakeholders in the decisions that will affect them, understands what it takes to operate as a "good neighbor," and positions the utility as a critical asset to the community.

9. *Employee and Leadership Development* - Recruits and retains a workforce that is competent, motivated, adaptive, and safety-focused. Establishes a participatory, collaborative organization dedicated to continual learning, improvement, and innovation. Ensures employee institutional knowledge is retained, transferred, and improved upon over time. Provides a focus on and emphasizes opportunities for professional and leadership

development, taking into account the differing needs and expectations of a multi-generational workforce and for resource recovery facilities. Establishes an integrated and well-coordinated senior leadership team.

10. *Community Sustainability* - Takes an active leadership role in promoting and organizing community sustainability improvements through collaboration with local partners (e.g., transportation departments, electrical utilities, planning departments, economic development organizations, watershed, and source water protection groups). Manages operations, infrastructure, and investments to support the economic, environmental, and social health of its community. Integrates water resource management with other critical community infrastructure, social, and economic development planning to support community-wide resilience, sustainability, and livability to enhance overall water resource sustainability.

The expectation is that the KPI goals will be reached each month. Reporting departments provide their KPI slides monthly to the Public Affairs department which compiles them into the "KPI and EUM Metrics" report for the Board. The Chief Administrative & Compliance Officer department uses this information to create a "Red Yellow Green Report" and a written report to explain unfavorable variances. The table below summarizes the KPI and EUM Metrics report data. The table identifies the EUM Attribute, operating area responsible for reporting, what is being measured, the significance of that measurement, measurement as provided in the June 2022 report, expected measurement for June 2023, and the goals for the biennial years of this budget document. These KPIs and EUM Metrics are an element of GLWA's performance measurement.

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2022	June 2023	June 2024	June 2025
Financial Viability	Financial Services	Water system wholesale monthly billed revenues will meet or exceed budgeted amount	Method for establishing revenue projections are reliable	W 98.0% S 100%	100.0%	100.00%	100.00%
		GLWA Regional System Net Receipts (Net Receipts equals cash collections less Master Bond Ordinance (MBO)disbursements)	While this measure may vary monthly based on billing and collection cycles, cumulative positive net receipts supports long term financial sustainability.	W 9% surplus S 6% surplus	Positive	Positive	Positive
		Reliability of Detroit Local Water and Sewer Revenue Projections	Method for establishing revenue projections are reliable	W billed 100.9% W usage 110.0% S billed 100.4% S usage 105.3%	100.0%	100.00%	100.00%
		DWSD Local System Net Receipts (Net Receipts equals cash collections less Master Bond Ordinance (MBO)disbursements)	While this measure may vary monthly based on billing and collection cycles, cumulative positive net receipts supports long term financial sustainability.	W 14% surplus S 2% surplus	Positive	Positive	Positive
		Optimizing cash balances	Maximize future investment earnings while meeting the objectives of safety and liquidity (does not include	$2.7 million	$17.4 million	$11.1 million	$16.8 million
		Days to pay an invoice (monthly)	Days to pay an invoice is monitored to support healthy vendor relations and expand the early payment discount program	34	34	<30 days	<30 days
Product Quality	Water Operations	Percent Compliance with Safe Drinking Water Act (SDWA)	GLWA's goal is to surpass Safe Drinking Water Act requirements	100%	100%	100%	100%
	Wastewater Operations	Effluent phosphorus concentration will be at least 20% below Permit levels	GLWA strives to surpass Federal and State wastewater regulatory requirements	< 20%	< 20%	< 20%	< 20%

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2022	June 2023	June 2024	June 2025
Infrastructure Strategy and Performance	Water Operations & Field Services	Water - Preventative maintenance projects completed as planned (monthly)	Timely preventative maintenance extends asset useful life and minimizes unplanned downtime	82%	87%	80%	80%
		Water - Preventative maintenance projects completed as a percentage of total projects (monthly)	Reduced risk of unplanned downtime or inefficiencies	82%	83%	80%	80%
		Water System valves assessed (monthly)	Reduced risk of unplanned downtime or emergency repairs	72	106	65	65
		Water System valves exercised (monthly)	Reduced risk of unplanned downtime or emergency repairs	56	65	55	65
		Water System valves located (YTD)	Reduced risk of unplanned downtime or emergency repairs	91.7%	91.1%	100%	100%
		Water System valves assessed (YTD)	Reduced risk of unplanned downtime or emergency repairs	96.7%	95.6%	100%	100%
		Water System valves operational (YTD)	Reduced risk of unplanned downtime or emergency repairs	81.1%	78.5%	100%	100%
		Water System air valves and blowoff valves assessed (monthly)	Reduced risk of unplanned downtime or emergency repairs	80	53	145	145
		Water System air valves and blowoff valves located (YTD)	Reduced risk of unplanned downtime or emergency repairs	92.5%	89%	100%	100%
		Water System air valves and blowoff valves assessed (YTD)	Reduced risk of unplanned downtime or emergency repairs	94.1%	91.9%	100%	100%
	Wastewater Operations & Field Services	Wastewater - Preventative maintenance projects completed as planned (monthly)	Timely preventative maintenance extends asset useful life and minimizes unplanned downtime	92%	85%	80%	80%
		Wastewater - Preventative maintenance projects completed as a percentage of total projects (monthly)	Reduced risk of unplanned downtime or inefficiencies	85%	79%	80%	80%
Operational Optimization	Wastewater Operations	Monthly Average Solids Inventory Below 750 Dry Tons	Wastewater regulatory compliance	< 750 dry tons	< 750 dry tons	< 750 dry tons	< 750 dry tons
		Chemical & Electrical Costs	Being able to identify ongoing performance improvements for chemical and electrical usage per MG of water pumped is a key metric in managing operational cost	metric in development to include tracking of total costs per MG	metric in development to include tracking of total costs per MG	metric in development to include tracking of total costs per MG	metric in development to include tracking of total costs per MG

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2022	June 2023	June 2024	June 2025
Enterprise Resiliency	Security & Integrity	GLWA security patrols	Risk prevention	6,224	5,567	2,350	2,350
		GLWA security reports/patrol ratio	Risk prevention	4.0%	2.0%	1.9% to 2.7%	1.9% to 2.7%
		GLWA security reports	Risk prevention	300	218	decreasing	decreasing
	General Counsel	General Counsel information requests (month)	One of the measures of organizational transparency is access to information. To the extent the information is readily available fewer FOIA requests should be received over time.	6	6	< 15	< 15
	Information Technology	GLWA will exceed the 68 % service sector standard by resolving at least 78% of Incidents reported to the Service Desk within 24 hours of receipt.	Rapid Incident response promotes Employee Productivity	83.2%	81.2%	78%	78%
		GLWA at least 78% of service requests reported to the Service Desk within 5 days of receipt.	Rapid Service Request response promotes Employee Productivity	85.8%	86.4%	78%	78%
		All GLWA sites (42 monitored) network connections will have 100% availability excluding schedule down time for maintenance.	Network Connectivity promotes Employee Productivity	99.98%	99.96%	100%	100%
		At least 99% of GLWA system data back-ups will be successful on the first attempt.	Network management protects data and promotes Employee Productivity	100%	100%	100%	100%
		At least 85% of GLWA team members will complete the most recent monthly cyber-security training within one month of issuance.	Cyber risk prevention	97%	95%	85%	85%
	Financial Services	Total CIP Spend to adopted capital spend ratio (YTD)	Method for establishing spending is aligned with budgeted revenue	W 119% S 83%	W 107% S 73%	W 100% S 100%	W 100% S 100%
		Procurement cycle	Established baselines are set to execute Request for Bid and Request for Proposal contracts to insure that internal customer requirements are met while constraining GLWA costs	Requirement met for all except RFB > $1 million due to challenges in negotiations.	Requirement met	Requirement met	Requirement met

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2022	June 2023	June 2024	June 2025
Customer Satisfaction	Water Operations & Field Services	GLWA will maintain pressure variance within 98% of required contract amounts	System reliability	> 98%	> 98%	> 98%	> 98%
Water Resource Sustainability	Wastewater Operations	Reporting of biosolids handling by method. No more than 10% disposed of through landfilling	GLWA strives to increase nutrient recovery and beneficial reuse of biosolids	Meets	Meets	Meets	Meets
Stakeholder Understanding and Support	Public Affairs	Facebook, Twitter & LinkedIn quarterly review (quarterly)	Effective media interaction	Facebook-24,316 Twitter-11,296 LinkedIn: Impressions-38,619 New Followers-255	Facebook-40,602 Twitter-13,629 LinkedIn: Impressions-43,750 New Followers-158	Facebook-21,000 Twitter-10,500 LinkedIn: Impressions-30,000 New Followers-400	Facebook-21,000 Twitter-10,500 LinkedIn: Impressions-30,000 New Followers-400
		Message pull through includes quotes or comments from a GLWA spokesperson, a quote from a GLWA press release or underlying theme of GLWA providing safe and clean water	Effective media interaction	93%	96%	75%	75%
Employee and Leadership Development	Organizational Development	Retention rate (quarterly)	Retention leads to decreased training costs, increased productivity, and cross training and development	96.9%	96.9%	94.9%	94.9%
Community Sustainability	Wastewater Operations	Watershed Health-Reduce phosphorus loading	Community sustainability and watershed health	below permitted level	below permitted level	below permitted level	below permitted level

Long-Range Financial Plan

The organization uses a long-term financial plan recognizing that as decisions made decades ago impact the present, and decisions we make today will impact the region decades from now. With modest assumptions, the long-term financial plan provides a path forward to eliminate the net deficit and control long-term debt while continuing to invest in infrastructure asset upgrades and replacement. The long-range financial plan presentation to the Board and Audit Committee provides meaningful context to annual decisions, such as approving the annual schedule of charges or the updated capital improvement plan. Answering the question, "Can we afford it?" begins with that plan. By focusing on the long-term, we also focus on key areas where we cannot defer or underspend to avoid compromising system reliability and cost-effective maintenance programs. The plan communicates management's rationale in seeking approval of the proposed budget and charge increases, as it provides the analysis of what the future holds based on the requested budget and charge increases. Looking at the long-range plan's effect on the financial metrics, which are a factor in reaching our goal of an AA credit rating, provides guidance on when those metrics will be reached to achieve a lower cost of borrowing in the future as well as efficiency from the release of bond reserves. This forecast is updated at least annually, and more often as significant financial events occur, such as bond refunding transactions.

Budget Basis

An executive summary updated forecast was presented to the Board of Directors on November 17, 2022. A detailed version was included in the December 30, 2022 Cost of Service Study that was presented to the Board of Directors on January 25, 2023. That forecast has been updated to reflect the updated CIP as presented at the January 18, 2023 Capital Planning Committee meeting. In this forecast the Water CIP continues to place more financing pressure on the forecast than does the Sewer CIP. As a result, the Water System forecast contains significant debt financing, while mostly "pay go" capital financing is forecasted for the Sewer System towards the end of the ten-year period. The following items are the key assumptions used in creating the forecast:

- The current forecast anticipates maintaining Working Capital balances that ensure adequate amounts are on hand for subsequent monthly transfers for the MBO requirements. Prior forecasts held the existing working capital balance constant throughout the forecast period. Due to that methodology the Authority saw the days cash ratio decline.
- The Water O&M increase for FY 2024 is 5.6% and the Sewer increase is 11.7%. This is a reflection on the diligent review of the FY 2024 budget preparation and individual budget programs, including increased focus on programs to address Sewer issues. The proposed O&M increases for FY 2025 are 6.5% for Water and 5.1% for Sewer. Future O&M growth beyond FY 2025 is projected at 2% on average for the overall System, with varying amounts between Water and Sewer through FY 2028 and uniformly thereafter.
- CIP Expenditure Level reflects a Spend Rate Assumption of 100% for the entire forecast period.
- Investment earnings rate = 3.0% for FY 2023, declining to 2.5% for the remainder of the forecast period.
- Fund all major CIP expenditures from the Construction Fund which source of funding is SRF loans, transfer from I&E, bond proceeds and investment earning on bond proceeds.
- CIP funding source priority:
    - Identify short lived CIP projects that should be financed by I&E (currently estimated at 10% of total CIP)
    - Apply "confirmed" SRF resources to specific projects; then
    - Spend existing I&E Funds until they reach policy minimum
    - Do not rely on annual deposits to I&E to finance CIP until subsequent year(s)
    - Issue debt to finance remainder of annual capital requirements
    - Plan biennial bond sales in amounts that result in moderate "carryover" balances at the end of the 2nd year
- Increases in the annual revenue requirements are designed to increase forecasted debt service coverage ratios (for the Regional System contribution). The "4% Promise" sunsets in FY 2026. The forecast includes the following revenue requirement increases:
    - 4.0% for the Water System for FY 2024 and FY 2025 and 6.0% for the remainder of the forecast period
    - 4.0% for the Sewer System for FY 2024 and FY 2025, 5.0% for FY 2026 through FY 2028, and 3.0% for the remainder of the forecast period

The next three tables present the budget basis Water System, Sewage Disposal System, and Combined Water and Sewage Disposal Systems ten-year forecasts. Schedules may not foot due to rounding.

Water System (*$ millions*)											
	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenues											
Revenues from Charges	$ 353.7	$ 366.1	$ 377.8	$ 400.8	$ 425.0	$ 451.0	$ 478.3	$ 507.6	$ 538.5	$ 571.4	$ 606.2
Other Operating Revenue	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Non-Operating Revenue	7.9	4.1	7.2	7.3	7.5	7.5	7.7	7.6	7.7	7.5	7.4
Total Revenues	**$ 361.8**	**$ 370.3**	**$ 385.1**	**$ 408.2**	**$ 432.7**	**$ 458.7**	**$ 486.2**	**$ 515.4**	**$ 546.3**	**$ 579.1**	**$ 613.8**
Revenue Requirements											
Operations & Maintenance	$ 144.8	$ 152.9	$ 162.8	$ 165.3	$ 169.3	$ 172.6	$ 176.0	$ 179.5	$ 183.1	$ 186.8	$ 190.5
GRS Legacy Pension	6.0	-	-	-	-	-	-	-	-	-	-
Debt Service	150.2	159.5	175.2	182.0	198.4	205.5	221.1	227.5	238.6	240.8	249.2
GRS Accelerated Pension	6.3	3.4	4.2	4.1	4.0	3.8	3.8	3.8	3.7	3.7	3.7
WRAP	1.8	1.9	1.9	2.0	2.2	2.3	2.4	2.6	2.7	2.9	3.1
Regional System Lease	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Working Capital Requirement	-	-	7.9	2.6	5.9	3.0	5.2	3.0	4.7	2.6	4.2
Improvement & Extension	30.2	30.2	10.7	29.7	30.5	49.0	55.2	76.5	90.9	119.8	140.7
ER&R	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Requirements	**$ 361.8**	**$ 370.3**	**$ 385.1**	**$ 408.2**	**$ 432.7**	**$ 458.7**	**$ 486.2**	**$ 515.4**	**$ 546.3**	**$ 579.1**	**$ 613.8**

Sewage Disposal System (*$ millions*)											
	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenues											
Revenues from Charges	$ 477.4	$ 493.2	$ 510.6	$ 536.6	$ 563.7	$ 592.4	$ 610.4	$ 628.0	$ 646.6	$ 667.3	$ 688.3
Other Operating Revenue	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Non-Operating Revenue	10.9	7.1	9.6	9.6	9.9	9.9	10.0	11.0	11.6	10.7	10.0
Total Revenues	**$ 488.7**	**$ 500.6**	**$ 520.7**	**$ 546.7**	**$ 574.0**	**$ 602.7**	**$ 620.8**	**$ 639.4**	**$ 658.6**	**$ 678.4**	**$ 698.7**
Revenue Requirements											
Operations & Maintenance	$ 194.8	$ 205.6	$ 216.2	$ 221.3	$ 225.0	$ 229.6	$ 234.2	$ 238.9	$ 243.7	$ 248.5	$ 253.5
GRS Legacy Pension	10.8	-	-	-	-	-	-	-	-	-	-
Debt Service	210.6	228.3	230.4	231.2	251.6	258.8	263.1	257.1	253.4	252.6	252.5
GRS Accelerated Pension	11.6	6.5	8.2	8.2	7.8	7.4	7.4	7.3	7.2	7.2	7.1
WRAP	2.4	2.5	2.6	2.7	2.9	3.0	3.1	3.2	3.3	3.4	3.5
Regional System Lease	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
Working Capital Requirement	-	-	-	-	-	3.0	3.5	1.8	2.2	2.8	2.9
Improvement & Extension	31.0	30.2	35.7	55.8	59.3	73.3	82.0	103.7	121.4	136.4	151.8
ER&R	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Requirements	**$ 488.7**	**$ 500.6**	**$ 520.7**	**$ 546.7**	**$ 574.0**	**$ 602.7**	**$ 620.8**	**$ 639.4**	**$ 658.6**	**$ 678.4**	**$ 698.7**

Combined Water and Sewage Disposal Systems (*$ millions*)											
	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenues											
Revenues from Charges	$ 831.1	$ 859.3	$ 888.4	$ 937.4	$ 988.7	$1,043.4	$1,088.7	$1,135.6	$ 1,185.1	$ 1,238.7	$ 1,294.5
Other Operating Revenue	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Non-Operating Revenue	18.8	11.2	16.8	16.9	17.5	17.4	17.7	18.6	19.3	18.2	17.4
Total Revenues	**$ 850.5**	**$ 870.9**	**$ 905.8**	**$ 954.9**	**$1,006.7**	**$1,061.4**	**$1,107.0**	**$1,154.8**	**$ 1,204.9**	**$ 1,257.5**	**$ 1,312.5**
Revenue Requirements											
Operations & Maintenance	$ 339.6	$ 358.5	$ 379.0	$ 386.6	$ 394.3	$ 402.2	$ 410.2	$ 418.4	$ 426.8	$ 435.3	$ 444.0
GRS Legacy Pension	16.8	-	-	-	-	-	-	-	-	-	-
Debt Service	360.8	387.8	405.5	413.2	450.0	464.4	484.2	484.6	492.0	493.4	501.7
GRS Accelerated Pension	17.9	9.9	12.4	12.3	11.7	11.3	11.2	11.1	10.9	10.9	10.8
WRAP	4.2	4.4	4.5	4.8	5.0	5.3	5.5	5.8	6.0	6.3	6.6
Regional System Lease	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Working Capital Requirement	-	-	7.9	2.6	5.9	6.0	8.7	4.8	6.9	5.4	7.1
Improvement & Extension	61.2	60.4	46.4	85.5	89.8	122.3	137.2	180.2	212.3	256.2	292.5
ER&R	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Requirements	**$ 850.5**	**$ 870.9**	**$ 905.8**	**$ 954.9**	**$1,006.7**	**$1,061.4**	**$1,107.0**	**$1,154.8**	**$ 1,204.9**	**$ 1,257.5**	**$ 1,312.5**

Net Position- GAAP Basis

The Authority's net position is the difference between the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as accounted for under generally accepted accounting principles as applicable to governmental entities. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. Deferred inflows and deferred outflows generally relate to financing activity and the Authority's share of the GRS pension obligation.

The Authority's current deficit is representative of numerous cumulative historical financial activities via the predecessor entity. Another unique historical driver is the accounting requirement for the start-up of GLWA pursuant to GASB Statement No. 69, Government Combinations and Disposals of Government Operations. GASB 69 required, among other criteria, that all capital asset to be revalued. This work was performed by an appraiser. The valuation resulted in an increase in the book value of capital assets which, in turn, has resulted in increased annual depreciation expense over the

remaining life of the asset. Increased depreciation expense based on the revaluation contributes to the pressure on ending net position. Over time, the valuation impact will diminish. Addressing the deficit is a top priority for the GLWA Board and management, but it will take time to resolve. As noted earlier, bond refunding transactions have been a source of savings to control annual charge adjustments and help to reduce the deficit as savings are realized over the life of the refunded bonds. GLWA continues to optimize its operations, focus on financial planning with a biennial budget and five-year financial plan, a five-year capital improvement financial plan, ten-year financial forecasts, and applying core principles in asset management to work towards resolving the deficit. The forecast indicates positive results in reported net position are attainable, with the current deficits potentially being eliminated by FY 2028 for both systems.

The projected net position through FY 2033 is presented below for the Water Fund, Sewage Disposal Fund, and combined. Tables may not foot due to rounding.

Water Fund Net Position (*$ millions*)

	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Operating revenues	$ 360.5	$ 372.9	$ 384.6	$ 407.6	$ 431.8	$ 457.8	$ 485.2	$ 514.4	$ 545.3	$ 578.2	$ 613.1
Operating expenses	(144.8)	(152.9)	(162.8)	(165.3)	(169.3)	(172.6)	(176.0)	(179.5)	(183.1)	(186.8)	(190.5)
Depreciation & amortization	(130.0)	(137.7)	(119.8)	(99.7)	(99.4)	(97.4)	(100.3)	(103.9)	(102.7)	(101.0)	(104.0)
Operating income	85.7	82.3	102.0	142.5	163.1	187.8	208.8	230.9	259.5	290.5	318.6
Nonoperating expenses	(81.3)	(89.4)	(97.9)	(97.9)	(107.1)	(107.2)	(115.2)	(114.2)	(117.7)	(114.8)	(116.3)
Change in net position	**4.4**	**(7.1)**	**4.1**	**44.6**	**56.0**	**80.6**	**93.7**	**116.8**	**141.9**	**175.8**	**202.3**
Beginning net position	(109.3)	(104.9)	(112.0)	(107.9)	(63.3)	(7.3)	73.3	167.0	283.8	425.7	601.5
Ending Net Position	**$ (104.9)**	**$ (112.0)**	**$ (107.9)**	**$ (63.3)**	**$ (7.3)**	**$ 73.3**	**$ 167.0**	**$ 283.8**	**$ 425.7**	**$ 601.5**	**$ 803.8**

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Sewage Disposal Fund Net Position (*$ millions*)											
	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Operating revenues	$ 477.8	$ 493.6	$ 511.0	$ 537.0	$ 564.1	$ 592.8	$ 610.8	$ 628.4	$ 647.0	$ 667.7	$ 688.7
Operating expenses	(194.8)	(205.6)	(216.2)	(221.3)	(225.0)	(229.6)	(234.2)	(238.9)	(243.7)	(248.5)	(253.5)
Depreciation & amortization	(158.2)	(165.5)	(157.5)	(147.3)	(143.8)	(133.1)	(135.7)	(138.3)	(135.5)	(126.2)	(123.0)
Operating income	124.8	122.5	137.3	168.5	195.4	230.1	240.9	251.2	267.8	292.9	312.2
Nonoperating expenses	(119.8)	(128.6)	(132.0)	(129.1)	(135.7)	(131.0)	(126.1)	(121.3)	(116.4)	(111.0)	(105.3)
Change in net position	**4.9**	**(6.1)**	**5.3**	**39.4**	**59.8**	**99.2**	**114.8**	**129.8**	**151.4**	**181.9**	**206.9**
Beginning net position	(110.0)	(105.1)	(111.2)	(105.9)	(66.5)	(6.7)	92.5	207.3	337.1	488.5	670.4
Ending Net Position	**$ (105.1)**	**$ (111.2)**	**$ (105.9)**	**$ (66.5)**	**$ (6.7)**	**$ 92.5**	**$ 207.3**	**$ 337.1**	**$ 488.5**	**$ 670.4**	**$ 877.3**

Combined Net Position (*$ millions*)											
	Current Year	Biennial Budget		Forecast							
	Estimated FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Operating revenues	$ 838.3	$ 866.5	$ 895.6	$ 944.6	$ 995.9	$ 1,050.6	$ 1,096.0	$ 1,142.8	$ 1,192.3	$ 1,245.9	$ 1,301.8
Operating expenses	(339.6)	(358.5)	(379.0)	(386.6)	(394.3)	(402.2)	(410.2)	(418.4)	(426.8)	(435.3)	(444.0)
Depreciation & amortization	(288.2)	(303.2)	(277.3)	(247.0)	(243.2)	(230.5)	(236.0)	(242.2)	(238.2)	(227.2)	(227.0)
Operating income	210.5	204.8	239.3	311.0	358.5	417.9	449.7	482.1	527.3	583.4	630.8
Nonoperating expenses	(201.1)	(218.0)	(229.9)	(227.0)	(242.8)	(238.2)	(241.3)	(235.5)	(234.1)	(225.8)	(221.6)
Change in net position	**9.3**	**(13.2)**	**9.4**	**84.0**	**115.8**	**179.8**	**208.5**	**246.6**	**293.3**	**357.7**	**409.2**
Beginning net position	(219.3)	(210.0)	(223.2)	(213.8)	(129.8)	(14.0)	165.8	374.3	620.9	914.2	1,271.9
Ending Net Position	**$ (210.0)**	**$ (223.2)**	**$ (213.8)**	**$ (129.8)**	**$ (14.0)**	**$ 165.8**	**$ 374.3**	**$ 620.9**	**$ 914.2**	**$ 1,271.9**	**$ 1,681.1**

Strategic Capital Management

The water sector is capital intensive. For this reason, GLWA is implementing strategic multi-year initiatives in asset management and in capital program delivery.

Asset Management

In November 2019 GLWA released the inaugural Strategic Asset Management Plan (SAMP). The SAMP is a strategic document laying the foundation for asset management at GLWA. It includes:

- ✓ Asset management vision, policy, and objectives
- ✓ Line-of-sight that begins to link each team member's asset management contributions to GLWA's organizational objectives
- ✓ Asset management governance, roles and responsibilities, and principles for decision-making
- ✓ GLWA's commitment to align with the water service sector's best practices
- ✓ Asset management implementation plan with improvement initiatives
- ✓ Expectations for development of Asset Management Plans (AMPs)

The Planning Services area is responsible for implementation of the SAMP and leverages cross-functional teams. The Asset Management Strategic Organization (AMSO) is the governing body charged with the responsibility to provide strategic guidance over asset management activities at GLWA via seven teams.

Asset Management Leadership Team (AMLT) (oversight of the six functional teams)	
Asset Management Data & Technology Team (AMDTT)	Linear System Integrity Program Team (LSIPT)
Wastewater Asset Management Team (WaAMT)	Water Asset Management Team (WAMT)
Capital Improvement Planning Team (CIPT)	Asset Management Enables Team (AMET)

In June 2022, the asset management journey at GLWA achieved two significant milestones with the publication of the Wastewater Asset Management Plan (WwAMP) and the WAMP (Water Asset Management Plan). For each system, these plans identify the existing state and specific improvement activities as a series of defined tactical recommendations, resources, and timescales to achieve GLWA's asset management objectives.

In April 2023, the Data Collection and Management Plan for the Linear System Integrity Program was issued. This plan outlines the data management tools and procedures to ensure data gathered is structured and delivered in a useful format.

As we move toward FY 2024, these three tactical plans are shaping prioritization and scope of future infrastructure investment.

Capital Program Delivery

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors adopts a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio (CSR) assumption which allows the realities of capital program delivery to align with the financial plan. The Board has adopted a Capital Spend Ratio of 100 percent for both the Water Fund and Sewage Disposal Fund for FY 2024. See Section 3 for more information on the Capital Improvement Plan.

Improved capital delivery management allows GLWA to better predict use of financial resources. A strategic goal of GLWA has been to reduce the use of revenue bonds raised by market transactions for funding all of its major capital improvements. That goal has been realized beginning January 1, 2021, when GLWA utilized the remaining bond funds and moved to solely using I&E and lower cost State Revolving Loans (SRF) to fund CIP expenditures. The I&E funds and the SRF loans were sufficient to fund the capital program through FY 2022. Additional funds were needed in FY 2023. The Authority issued new revenue bonds for both the water and sewage disposal systems in September 2022.

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SECTION 2 - CORE FINANCIAL PLAN SCHEDULES

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Core Financial Plan Schedules

The Great Lakes Water Authority budget is presented for the two major funds, water and sewage disposal, utilizing five key schedules to depict the Core Financial Plan. The schedules present the Biennial Budget for FY 2024 and FY 2025 within the context of a five-year financial plan for FY 2024 through FY 2028. GLWA's budget parameters are governed by what is known as the 4% Promise. This means that the annual budget, known as the revenue requirement, is limited to a 4% increase as required by the terms of the Memorandum of Understanding that established the regional authority for the first ten years of operations through FY 2025.

Variance columns in Section 2 are based on a comparison to the original Adopted FY 2023 budget. The original budget is what is used to compute charges for the fiscal year. This is the framework from which the 4% revenue requirement commitment is derived.

Schedule 1 – Revenue Requirement

This schedule summarizes the Authority's direct costs of operations and maintenance plus its "allocable" share of debt and other long-term liabilities. These amounts establish the basis for revenue requirement and customer charges.

Schedule 2 – Operations & Maintenance Expenses Budget

This schedule, and the related analysis, provide an overview of the operations & maintenance (O&M) expenses budget. Additional analysis of the O&M budgets is presented in the **Section 5 – Operating Financial Plans.**

Schedule 3 – Sources of Revenues and Use of Revenue Requirement – Flow of Funds Basis Consistent with the Master Bond Ordinance

This schedule is most important for stakeholders that want to understand the Authority's financial plan as it relates to payment of outstanding debt, other long-term commitments, and compliance with lease terms and the Master Bond Ordinance (MBO). This schedule demonstrates alignment of the financial plan with the MBO flow of funds for the regional and local system combined.

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

Debt service coverage is a key measure of financial sustainability. This schedule demonstrates how debt service coverage is calculated and how the combined local and regional system revenues provide for payment of outstanding bond obligations.

Schedule 5 – Improvement & Extension Funds and Construction Funds

The GLWA has an Improvement & Extension Fund (I&E) and a Construction Fund for each system. Inflows to the I&E Fund represent amounts budgeted for future capital improvements in accordance with the long-term financial plan. Building the I&E Fund over time is a key financial objective of GLWA to reducing reliance on revenue bonds. Inflows to the Construction Funds include proceeds from the sale of bonds, SRF loans and investment income on those funds. Inflows are also made to the Construction Funds from the I&E Funds when bond proceeds have been depleted. Outflows are for the costs of constructing capital assets.

Schedule 1 – Revenue Requirement

Water: As shown in Schedule 1A, the proposed FY 2024 water revenue requirements of $370.3 million represents a budget (annual revenue requirement) increase of 4.0% from the prior year. Although the budget increase is 4%, due to offsetting other revenues and investment earnings, the system-wide charge revenue increase is 3.1%.

Schedule 1A – Water System Revenue Requirement Biennial Budget

Water System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues									
Revenues from Charges	$338,227,100	$354,947,900	$353,690,600	**$366,077,800**	**$ 11,129,900**	**3.1%**	$ 377,752,600	$ 11,674,800	3.2%
Other Revenues	775,400	175,000	875,000	**175,000**	**-**	**0.0%**	175,000	-	0.0%
Investment Earnings	1,945,800	948,700	9,670,200	**4,061,700**	**3,113,000**	**328.1%**	7,199,500	3,137,800	77.3%
Total Revenues	**340,948,300**	**356,071,600**	**364,235,800**	**$370,314,500**	**$ 14,242,900**	**4.0%**	**$ 385,127,100**	**$ 14,812,600**	**4.0%**
Revenue Requirements									
Operations & Maintenance (O&M) Expense	$136,436,500	$144,847,700	$149,147,700	**$152,906,400**	**$ 8,058,700**	**5.6%**	$ 162,810,600	$ 9,904,200	6.5%
General Retirement System Legacy Pension	6,048,000	6,048,000	6,048,000	**-**	**(6,048,000)**	**-100.0%**	-	-	0.0%
Debt Service	136,039,800	150,337,100	150,055,300	**159,482,800**	**9,145,700**	**6.1%**	175,154,900	15,672,100	9.8%
General Retirement System Accelerated Pension	6,268,300	6,268,300	6,268,300	**3,395,500**	**(2,872,800)**	**-45.8%**	4,173,300	777,800	22.9%
Water Residential Assistance Program Contribution	1,705,500	1,770,500	1,770,500	**1,851,600**	**81,100**	**4.6%**	1,925,600	74,000	4.0%
Regional System Lease	22,500,000	22,500,000	22,500,000	**22,500,000**	**-**	**0.0%**	22,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	**-**	**-**	**0.0%**	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	23,739,800	24,300,000	28,446,000	**30,178,200**	**5,878,200**	**24.2%**	10,662,700	(19,515,500)	-64.7%
Annual Water System Revenue Requirements	**$332,737,900**	**$356,071,600**	**$364,235,800**	**$370,314,500**	**$ 14,242,900**	**4.0%**	**$ 385,127,100**	**$ 14,812,600**	**4.0%**

The water system five-year plan (Schedule 1B) provides for an annual 6% increase in the revenue requirement after FY 2025. This forecasted increase is driven by the unprecedented level of cost escalation in chemicals, utilities, and capital program cost increases that largely began in calendar year 2021. The 4% Promise has limited the ability to smooth these impacts.

Schedule 1B – Water System Revenue Requirement – Five-Year Financial Plan

Water System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Revenues from Charges	$338,227,100	$354,947,900	$353,690,600	$366,077,800	$377,752,600	$400,754,500	$ 425,018,800	$ 450,981,700
Other Revenues	775,400	175,000	875,000	175,000	175,000	175,000	175,000	175,000
Investment Earnings	1,945,800	948,700	9,670,200	4,061,700	7,199,500	7,305,200	7,535,000	7,535,800
Total Revenues	**340,948,300**	**356,071,600**	**364,235,800**	**370,314,500**	**$385,127,100**	**$408,234,700**	**$ 432,728,800**	**$ 458,692,500**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$136,436,500	$144,847,700	$149,147,700	$152,906,400	$162,810,600	$165,333,900	$ 169,332,400	$ 172,565,100
General Retirement System Legacy Pension	6,048,000	6,048,000	6,048,000	-	-	-	-	-
Debt Service	136,039,800	150,337,100	150,055,300	159,482,800	175,154,900	181,958,400	198,392,100	205,545,400
General Retirement System Accelerated Pension	6,268,300	6,268,300	6,268,300	3,395,500	4,173,300	4,142,200	3,970,400	3,826,700
Water Residential Assistance Program Contribution	1,705,500	1,770,500	1,770,500	1,851,600	1,925,600	2,041,200	2,163,600	2,293,500
Regional System Lease	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000
Receiving Fund Working Capital Requirement	-	-	-	-	7,900,000	2,600,000	5,900,000	3,000,000
Improvement & Extension Fund Transfer Pending	23,739,800	24,300,000	28,446,000	30,178,200	10,662,700	29,659,000	30,470,300	48,961,800
Annual Water System Revenue Requirements	**$332,737,900**	**$356,071,600**	**$364,235,800**	**$370,314,500**	**$385,127,100**	**$408,234,700**	**$ 432,728,800**	**$ 458,692,500**
Annual Water System Charges Revenue Adjustment Percentage				***3.1%***	***3.2%***	***6.1%***	***6.1%***	***6.1%***
Annual Water System Revenue Requirements (Budget) Adjustment Percentage				***4.0%***	***4.0%***	***6.0%***	***6.0%***	***6.0%***

Sewer: The proposed FY 2024 sewer revenue requirement, as shown in Schedule 1C, of $500.6 million represents a budget (annual revenue requirement) increase of 4.0% from the prior year. Similar to the water system, the system-wide charge revenue increase is 2.8% due to offsetting other revenues and investment earnings.

Schedule 1C – Sewer System Revenue Requirement Biennial Budget

Sewer System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues									
Revenues from Charges	$470,957,600	$479,816,500	$478,820,200	**$493,169,700**	**$ 13,353,200**	**2.8%**	$ 510,633,800	$ 17,464,100	3.5%
Other Revenues	817,400	400,000	1,170,000	**400,000**	**-**	**0.0%**	400,000	-	0.0%
Investment Earnings	1,842,500	1,155,600	13,532,100	**7,057,300**	**5,901,700**	**510.7%**	9,618,300	2,561,000	36.3%
Total Revenues	**$473,617,500**	**$481,372,100**	**$493,522,300**	**$500,627,000**	**$ 19,254,900**	**4.0%**	**$ 520,652,100**	**$ 20,025,100**	**4.0%**
Revenue Requirements									
Operations & Maintenance (O&M) Expense	$182,863,200	$184,052,600	$203,222,500	**$205,643,700**	**$ 21,591,100**	**11.7%**	$ 216,220,400	$ 10,576,700	5.1%
General Retirement System Legacy Pension	10,824,000	10,824,000	10,824,000	**-**	**(10,824,000)**	**-100.0%**	-	-	0.0%
Debt Service	206,490,100	205,638,100	212,509,100	**228,328,300**	**22,690,200**	**11.0%**	230,354,100	2,025,800	0.9%
General Retirement System Accelerated Pension	11,620,700	11,620,700	11,620,700	**6,479,300**	**(5,141,400)**	**-44.2%**	8,228,800	1,749,500	27.0%
Water Residential Assistance Program Contribution	2,358,300	2,394,200	2,394,200	**2,503,100**	**108,900**	**4.5%**	2,603,300	100,200	4.0%
Regional System Lease	27,500,000	27,500,000	27,500,000	**27,500,000**	**-**	**0.0%**	27,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	**-**	**-**	**0.0%**	-	-	0.0%
Improvement & Extension Fund Transfer Pending	23,424,000	39,342,500	25,451,800	**30,172,600**	**(9,169,900)**	**-23.3%**	35,745,500	5,572,900	18.5%
Annual Sewer System Revenue Requirements	**$465,080,300**	**$481,372,100**	**$493,522,300**	**$500,627,000**	**$ 19,254,900**	**4.0%**	**$ 520,652,100**	**$ 20,025,100**	**4.0%**

The sewer system five-year plan (Schedule 1D) provides for a 5% increase in the revenue requirement after FY 2025. This forecasted increase is driven by the unprecedented level of cost escalation in chemicals, utilities, and capital program cost increases that largely began in calendar year 2021. The 4% Promise has limited the ability to smooth these impacts.

Schedule 1D – Sewer System Revenue Requirement – Five-Year Financial Plan

Sewer System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Revenues from Charges	$470,957,600	$479,816,500	$478,820,200	$493,169,700	$510,633,800	$536,641,500	$ 563,700,100	$ 592,409,300
Other Revenues	817,400	400,000	1,170,000	400,000	400,000	400,000	400,000	400,000
Investment Earnings	1,842,500	1,155,600	13,532,100	7,057,300	9,618,300	9,643,200	9,918,800	9,910,500
Total Revenues	**$473,617,500**	**$481,372,100**	**$493,522,300**	**$500,627,000**	**$520,652,100**	**$546,684,700**	**$ 574,018,900**	**$ 602,719,800**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$182,863,200	$184,052,600	$203,222,500	$205,643,700	$216,220,400	$221,259,100	$ 224,959,900	$ 229,613,100
General Retirement System Legacy Pension	10,824,000	10,824,000	10,824,000	-	-	-	-	-
Debt Service	206,490,100	205,638,100	212,509,100	228,328,300	230,354,100	231,207,000	251,630,500	258,843,800
General Retirement System Accelerated Pension	11,620,700	11,620,700	11,620,700	6,479,300	8,228,800	8,158,800	7,772,300	7,449,200
Water Residential Assistance Program Contribution	2,358,300	2,394,200	2,394,200	2,503,100	2,603,300	2,733,400	2,870,100	3,013,600
Regional System Lease	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000
Receiving Fund Working Capital Requirement	-	-	-	-	-	-	-	3,000,000
Improvement & Extension Fund Transfer Pending	23,424,000	39,342,500	25,451,800	30,172,600	35,745,500	55,826,400	59,286,100	73,300,100
Annual Sewer System Revenue Requirements	**$465,080,300**	**$481,372,100**	**$493,522,300**	**$500,627,000**	**$520,652,100**	**$546,684,700**	**$ 574,018,900**	**$ 602,719,800**
Annual Sewer System Charges Revenue Adjustment Percentage				***2.8%***	***3.5%***	***5.1%***	***5.0%***	***5.1%***
Annual Sewer System Revenue Requirements (Budget) Adjustment Percentage				***4.0%***	***4.0%***	***5.0%***	***5.0%***	***5.0%***

Combined: As shown in Schedule 1E, both systems combined meet the required 4% ceiling in total with an aggregate 2.9% increase in charges revenues system wide.

Schedule 1E – Combined Water and Sewer System Revenue Requirement Biennial Budget

Combined Water & Sewer System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues									
Revenues from Charges	$676,454,200	$834,764,400	$832,510,800	**$859,247,500**	**$ 24,483,100**	**2.9%**	$ 888,386,400	$ 29,138,900	3.4%
Other Revenues	1,592,800	575,000	2,045,000	**575,000**	**-**	**0.0%**	575,000	-	0.0%
Investment Earnings	3,788,300	2,104,300	23,202,300	**11,119,000**	**9,014,700**	**428.4%**	16,817,800	5,698,800	51.3%
Total Revenues	**$681,835,300**	**$837,443,700**	**$857,758,100**	**$870,941,500**	**$ 33,497,800**	**4.0%**	**$ 905,779,200**	**$ 34,837,700**	**4.0%**
Revenue Requirements									
Operations & Maintenance (O&M) Expense	$319,299,700	$328,900,300	$352,370,200	**$358,550,100**	**$ 29,649,800**	**9.0%**	$ 379,031,000	$ 20,480,900	5.7%
General Retirement System Legacy Pension	16,872,000	16,872,000	16,872,000	**-**	**(16,872,000)**	**-100.0%**	-	-	0.0%
Debt Service	342,529,900	355,975,200	362,564,400	**387,811,100**	**31,835,900**	**8.9%**	405,509,000	17,697,900	4.6%
General Retirement System Accelerated Pension	17,889,000	17,889,000	17,889,000	**9,874,800**	**(8,014,200)**	**-44.8%**	12,402,100	2,527,300	25.6%
Water Residential Assistance Program Contribution	4,063,800	4,164,700	4,164,700	**4,354,700**	**190,000**	**4.6%**	4,528,900	174,200	4.0%
Regional System Leases	50,000,000	50,000,000	50,000,000	**50,000,000**	**-**	**0.0%**	50,000,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	**-**	**-**	**0.0%**	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	47,163,800	63,642,500	53,897,800	**60,350,800**	**(3,291,700)**	**-5.2%**	46,408,200	(13,942,600)	-23.1%
Annual Revenue Requirements	**$797,818,200**	**$837,443,700**	**$857,758,100**	**$870,941,500**	**$ 33,497,800**	**4.0%**	**$ 905,779,200**	**$ 34,837,700**	**4.0%**

The combined system five-year plan (Schedule 1F) provides for an annual 5.4% increase in the revenue requirement after FY 2025. This forecasted increase is driven by the unprecedented level of cost escalation in chemicals, utilities, and capital program cost increases that largely began in calendar year 2021. The 4% Promise has limited the ability to smooth these impacts.

Schedule 1F – Combined Water and Sewer System Revenue Requirement – Five-Year Financial Plan

Combined Water & Sewer System Revenue Requirement	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Revenues from Charges	$676,454,200	$834,764,400	$832,510,800	$859,247,500	$888,386,400	$937,396,000	$ 988,718,900	$1,043,391,000
Other Revenues	1,592,800	575,000	2,045,000	575,000	575,000	575,000	575,000	575,000
Investment Earnings	3,788,300	2,104,300	23,202,300	11,119,000	16,817,800	16,948,400	17,453,800	17,446,300
Total Revenues	**$681,835,300**	**$837,443,700**	**$857,758,100**	**$870,941,500**	**$905,779,200**	**$954,919,400**	**$1,006,747,700**	**$1,061,412,300**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$319,299,700	$328,900,300	$352,370,200	$358,550,100	$379,031,000	$386,593,000	$ 394,292,300	$ 402,178,200
General Retirement System Legacy Pension	16,872,000	16,872,000	16,872,000	-	-	-	-	-
Debt Service	342,529,900	355,975,200	362,564,400	387,811,100	405,509,000	413,165,400	450,022,600	464,389,200
General Retirement System Accelerated Pension	17,889,000	17,889,000	17,889,000	9,874,800	12,402,100	12,301,000	11,742,700	11,275,900
Water Residential Assistance Program Contribution	4,063,800	4,164,700	4,164,700	4,354,700	4,528,900	4,774,600	5,033,700	5,307,100
Regional System Leases	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Receiving Fund Working Capital Requirement	-	-	-	-	7,900,000	2,600,000	5,900,000	6,000,000
Improvement & Extension Fund Transfer Pending	47,163,800	63,642,500	53,897,800	60,350,800	46,408,200	85,485,400	89,756,400	122,261,900
Annual Revenue Requirements	**$797,818,200**	**$837,443,700**	**$857,758,100**	**$870,941,500**	**$905,779,200**	**$954,919,400**	**$1,006,747,700**	**$1,061,412,300**
Annual System-wide Charges Revenue Adjustment Percentage				***2.9%***	***3.4%***	***5.5%***	***5.5%***	***5.5%***
Annual Revenue Requirements (Budget) Adjustment Percentage				***4.0%***	***4.0%***	***5.4%***	***5.4%***	***5.4%***

Schedule 2 – Operations & Maintenance Expense Budget

The following schedules in section 2 provide an overview of the operations & maintenance (O&M) expenses budget in three different ways: a) by expense type, b) by service area, and c) by fund. More in-depth analysis of the O&M budgets is presented on the Operating Area Financial Plans in **Section 5 – Operating Financial Plans** and **Section 6 – Supplemental Analysis**.

Operations and Maintenance Budget by Expense Category: Schedules 2A and 2B identify the major categories of expenses and the variance from the prior year for FY 2024 and FY 2025. A commentary of the major expense categories follows the table on the next page.

Schedule 2A – Operations & Maintenance Expense by Expense Category (Water and Sewer Combined) – Biennial Budget

Operations & Maintenance Expense	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
2.1 Salaries & Wages	$ 63,900,800	$ 75,768,800	$ 71,755,200	**$ 74,765,400**	**$ (1,003,400)**	**-1.3%**	$ 82,681,200	$ 7,915,800	1.2%
2.2 Workforce Development	844,000	1,801,900	1,341,900	**1,391,500**	**(410,400)**	**-22.8%**	1,508,800	117,300	0.0%
2.3 Overtime	8,113,300	6,882,600	7,006,700	**7,383,000**	**500,400**	**7.3%**	7,738,600	355,600	0.2%
2.4 Employee Benefits	24,205,500	30,087,300	27,869,000	**28,218,500**	**(1,868,800)**	**-6.2%**	31,521,500	3,303,000	3.0%
2.5 Transition Services	9,989,700	7,603,700	11,029,500	**9,128,700**	**1,525,000**	**20.1%**	9,128,700	-	2.9%
Total Personnel Costs	107,053,300	122,144,300	119,002,300	**120,887,100**	**(1,257,200)**	**-1.0%**	132,578,800	11,691,700	9.7%
3.1 Electric	43,755,000	39,966,000	43,314,000	**42,820,200**	**2,854,200**	**7.1%**	43,343,300	523,100	0.7%
3.2 Gas	8,664,700	5,791,300	8,553,400	**10,168,000**	**4,376,700**	**75.6%**	10,346,500	178,500	1.6%
3.3 Sewage Service	2,567,700	2,268,400	2,595,500	**2,563,100**	**294,700**	**13.0%**	2,563,700	600	1.2%
3.4 Water Service	4,668,600	2,981,700	11,052,300	**7,843,900**	**4,862,200**	**163.1%**	7,845,900	2,000	1.9%
Total Utilities Costs	59,656,000	51,007,400	65,515,200	**63,395,200**	**12,387,800**	**24.3%**	64,099,400	704,200	1.1%
4.1 Chemicals	20,382,300	16,118,600	28,475,900	**30,451,800**	**14,333,200**	**88.9%**	30,714,100	262,300	1.0%
4.2 Supplies & Other	29,088,400	32,097,300	32,307,000	**31,371,200**	**(726,100)**	**-2.3%**	32,733,100	1,361,900	-2.5%
4.3 Contractual Services	107,526,700	104,579,200	105,978,300	**106,889,200**	**2,310,000**	**2.2%**	113,185,100	6,295,900	5.9%
5.1 Capital Program Allocation	(2,631,900)	(4,376,200)	(3,636,200)	**(4,232,700)**	**143,500**	**-3.3%**	(4,651,400)	(418,700)	0.4%
5.2 Shared Services	(2,397,900)	(2,925,000)	(1,500,900)	**(1,655,800)**	**1,269,200**	**-43.4%**	(1,680,000)	(24,200)	-47.9%
6.0 Capital Outlay	622,800	2,814,500	2,814,500	**2,648,300**	**(166,200)**	**-5.9%**	2,691,000	42,700	1.6%
7.0 Unallocated Reserve	-	7,440,200	3,414,100	**8,795,800**	**1,355,600**	**18.2%**	9,360,900	565,100	30.7%
Total Other Categories	152,590,400	155,748,600	167,852,700	**174,267,800**	**18,519,200**	**11.9%**	182,352,800	8,085,000	4.6%
Grand Total	**$319,299,700**	**$328,900,300**	**$352,370,200**	**$358,550,100**	**$ 29,649,800**	**9.0%**	**$379,031,000**	**$ 20,480,900**	**5.7%**

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Schedule 2B – Operations & Maintenance Expense by Expense Category (Water and Sewer Combined) – Five-Year Financial Plan

Operations & Maintenance Expense	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 63,900,800	$ 75,768,800	$ 72,925,200	**$ 74,765,400**	$ 82,681,200	$ 82,864,600	$ 82,864,600	$ 82,864,600
2.2 Workforce Development	844,000	1,801,900	1,801,900	**1,391,500**	1,508,800	1,520,800	1,520,700	1,520,800
2.3 Overtime	8,113,300	6,882,600	6,983,700	**7,383,000**	7,738,600	7,744,200	7,744,200	7,744,200
2.4 Employee Benefits	24,205,500	30,087,300	28,947,000	**28,218,500**	31,521,500	31,841,200	32,102,100	32,362,800
2.5 Transition Services	9,989,700	7,603,700	11,119,300	**9,128,700**	9,128,700	9,128,700	9,128,700	9,128,700
Total Personnel Costs	107,053,300	122,144,300	121,777,100	**120,887,100**	132,578,800	133,099,500	133,360,300	133,621,100
3.1 Electric	43,755,000	39,966,000	42,114,000	**42,820,200**	43,343,300	43,876,900	44,420,100	44,971,700
3.2 Gas	8,664,700	5,791,300	8,553,400	**10,168,000**	10,346,500	10,529,400	10,166,300	9,818,700
3.3 Sewage Service	2,567,700	2,268,400	2,268,400	**2,563,100**	2,563,700	2,601,700	2,604,300	2,656,400
3.4 Water Service	4,668,600	2,981,700	2,981,700	**7,843,900**	7,845,900	8,002,900	8,006,900	8,167,500
Total Utilities Costs	59,656,000	51,007,400	55,917,500	**63,395,200**	64,099,400	65,010,900	65,197,600	65,614,300
4.1 Chemicals	20,382,300	16,118,600	23,781,600	**30,451,800**	30,714,100	30,974,700	31,110,100	31,210,000
4.2 Supplies & Other	29,088,400	32,097,300	32,097,300	**31,371,200**	32,733,100	33,168,900	33,850,800	33,021,900
4.3 Contractual Services	107,526,700	104,579,200	105,992,500	**106,889,200**	113,185,100	111,684,300	112,297,700	109,322,100
5.1 Capital Program Allocation	(2,631,900)	(4,376,200)	(4,376,200)	**(4,232,700)**	(4,651,400)	(4,792,900)	(4,800,500)	(4,808,300)
5.2 Shared Services	(2,397,900)	(2,925,000)	(1,500,900)	**(1,655,800)**	(1,680,000)	(1,706,100)	(1,731,300)	(1,757,800)
6.0 Capital Outlay	622,800	2,814,500	2,814,500	**2,648,300**	2,691,000	2,734,900	2,779,100	2,357,700
7.0 Unallocated Reserve	-	7,440,200	3,166,800	**8,795,800**	9,360,900	16,418,800	22,228,500	33,597,200
Total Other Categories	152,590,400	155,748,600	161,975,600	**174,267,800**	182,352,800	188,482,600	195,734,400	202,942,800
Grand Total	**$319,299,700**	**$328,900,300**	**$339,670,200**	**$358,550,100**	**$379,031,000**	**$386,593,000**	**$394,292,300**	**$402,178,200**
Operations & Maintenance Expense (Budget) Adjustment Percentage				***9.0%***	***5.7%***	***2.0%***	***2.0%***	***2.0%***

Personnel Costs are the single largest category of expenses. It includes traditional categories (salaries & wages, overtime, and benefits) in addition to two unique categories. The first is "Contractual Transition Services" which represents the use of contractual and/or temp to hire personnel that are placed in positions that would otherwise be filled by employees. While progress has been made in filling positions, the tight labor market has presented a challenge in the recruitment process. The second category listed in the table is "Workforce Development". In order to overcome the labor shortage, the GLWA partnered with Focus Hope and others to implement an apprenticeship program during FY 2017. This program, having received positive feedback, has and will be continued in future years.

Utilities costs are the third largest expense and are a strategic target for optimization through energy management efforts and improved review of billings. See further analysis of utilities in **Section 6 – Supplemental Analysis (Utilities)**.

Contractual Services are the second largest expense. This is not unusual for a large utility like the GLWA. This is a broad category that spans all groups from engineering, legal, operations, planning, information technology, and finance.

Capital Program Allocation denotes a portion of O&M expenses that are properly allocable to capital program management overhead based on staff time and task tracking. These costs are capitalized as part of the construction project.

Shared Services accounts for recoverable O&M costs pursuant to a shared services agreement executed in December 2015 with the City of Detroit. Shared services largely fall in the Information Technology, Systems Operations Control, Security, and Treasury budgets. See further analysis of shared services in **Section 6 – Supplemental Analysis (Shared Services)**.

Capital Outlay (O&M) are for equipment and tools, over $5,000, that are tagged and tracked for internal control purposes and are not capitalized as an asset. See further analysis of the Capital Outlay Plan in **Section 3 – Capital Program and Debt**.

Unallocated Reserve reflects a reserve for unforeseen operational needs which are reallocated to line items as needed. This eliminates the need for contingency funds within individual cost center line items and provides assurance to operators that sufficient funds exist if emergencies arise. Uses of the unallocated reserve in the past include emergency repairs, new initiatives, mid-fiscal year medical plan increases, revenue shortfalls, and items not known at the time of the budgeting process. The provision for wage adjustments, which are based on merit, can also be funded from this category.

Operations and Maintenance Budget by Service Area: Schedules 2C and 2D depict how similar cost centers are grouped and managed by the GLWA. There are four broad categories as listed and defined below.

A) **Water System Operations** are the direct operational activities to ensure the delivery of quality water, operation of five water treatment plants, 19 pumping (booster) stations, engineering, laboratory services, and management of those activities.
B) **Wastewater (Sewer) System Operations** include direct operational wastewater activities related to operations (process control, primary, secondary, dewatering, and incineration), biosolids dryer facility and hauling, engineering, industrial waste control, laboratory services, one water resource recovery facility, eight combined sewer overflow facilities (five CSO retention and treatment basins and three screening and disinfection facilities), six pumping (lift) stations, and management of those facilities. In addition, GLWA maintains one CSO and four pumping stations on behalf of DWSD pursuant to a shared service agreement.
C) **Centralized Services** include operational functions that serve both Water and Wastewater (Sewer) Operations. This includes Planning Services (Chief Planning Officer, Systems Planning & Development, Systems Planning, Systems Analytics, Asset Management, and Capital Improvement Planning); Systems Operations Control (Systems Control); Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology (Office of the Chief Information Officer, Project Management, Service Delivery, Infrastructure, Business Productivity Systems, Enterprise Asset Management Systems, and Security & Risk); and Security & Integrity which includes HazMat and Office of Emergency Preparedness.

D) **Administrative Services** include the Board of Directors, Chief Executive Officer, Chief Administrative and Compliance Officer (Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics & Materials).

The Centralized and Administrative Services areas act as an internal shared service to better manage resources and technical expertise. A supplemental section of this financial plan document, **Section 6 – Supplemental Analysis (Centralized & Administrative Services)**, explains the cost allocation methodology. A review of the cost allocation methodology is conducted annually.

Schedules 2C and 2D present the categorization of O&M expenses by the four major categories defined above.

Schedule 2C – Operations & Maintenance Biennial Budget by Service Area

Operating Area	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
A Water System Operations	$ 74,380,300	$ 76,518,200	$ 80,818,200	**$ 82,732,800**	**$ 6,214,600**	**8.1%**	$ 84,452,000	$ 1,719,200	2.1%
B Wastewater System Operations	119,645,600	113,197,500	132,367,400	**132,934,300**	**19,736,800**	**17.4%**	138,990,100	6,055,800	4.6%
C Centralized Services	91,882,800	104,502,900	104,502,900	**106,900,500**	**2,397,600**	**2.3%**	117,183,500	10,283,000	9.6%
D Administrative & Other Services	33,391,000	34,681,700	34,681,700	**35,982,500**	**1,300,800**	**3.8%**	38,405,400	2,422,900	6.7%
Grand Total	**$ 319,299,700**	**$328,900,300**	**$352,370,200**	**$358,550,100**	**$ 29,649,800**	**9.0%**	**$ 379,031,000**	**$ 20,480,900**	**5.7%**

Schedule 2D – Operations & Maintenance Five-Year Financial Plan by Operating Area

Operating Area	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
A Water System Operations	$ 74,380,300	$ 76,518,200	$ 80,818,200	$ 82,732,800	$ 84,452,000	$ 86,162,000	$ 87,788,200	$ 89,543,300
B Wastewater System Operations	119,645,600	113,197,500	132,367,400	132,934,300	138,990,100	141,730,300	144,629,400	147,522,700
C Centralized Services	91,882,800	104,502,900	104,502,900	106,900,500	117,183,500	119,527,200	121,917,700	124,356,100
D Administrative & Other Services	33,391,000	34,681,700	34,681,700	35,982,500	38,405,400	39,173,500	39,957,000	40,756,100
Grand Total	**$ 319,299,700**	**$328,900,300**	**$352,370,200**	**$358,550,100**	**$379,031,000**	**$386,593,000**	**$394,292,300**	**$402,178,200**

Operations and Maintenance Budget by Fund: After the Centralized and Administrative Services are allocated to the water and sewage disposal operations funds, the result of the above costs being allocated is shown below in Schedules 2E and 2F. The O&M expense with the Centralized and Administrative Services allocation agrees with **Schedules 1A through 1F – Revenue Requirements Budget** which is the basis for O&M expenses reflected in customer charges.

Schedule 2E – Operations & Maintenance Expense by Fund with Centralized & Administrative Services Allocated – Biennial Budget

System	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Water System	$ 136,436,500	$144,847,700	$149,147,700	**$152,906,400**	**$ 8,058,700**	**5.6%**	$162,810,600	$ 9,904,200	6.5%
Sewer (Wastewater) System	182,863,200	184,052,600	203,222,500	**205,643,700**	**21,591,100**	**11.7%**	216,220,400	10,576,700	5.1%
Grand Total	**$ 319,299,700**	**$328,900,300**	**$352,370,200**	**$358,550,100**	**$ 29,649,800**	**9.0%**	**$379,031,000**	**$ 20,480,900**	**5.7%**

Schedule 2F – Operations & Maintenance Expense by Fund with Centralized & Administrative Services Allocated – Five-Year Financial Plan

System	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water System	$ 136,436,500	$144,847,700	$149,147,700	$152,906,400	$162,810,600	$165,333,900	$169,332,400	$172,565,100
Sewer (Wastewater) System	182,863,200	184,052,600	203,222,500	205,643,700	216,220,400	221,259,100	224,959,900	229,613,100
Grand Total	**$ 319,299,700**	**$328,900,300**	**$352,370,200**	**$358,550,100**	**$379,031,000**	**$386,593,000**	**$394,292,300**	**$402,178,200**

Schedule 3 – Sources of Revenues and Uses of Revenues – Flow of Funds Consistent with the Master Bond Ordinance

While the prior schedules 1A through 1F provide the GLWA budget as a wholesale provider of service, Schedule 3 is provided to demonstrate compliance with the pledge of establishing sufficient regional and local system revenues to service financial commitments consistent with the Master Bond Ordinance (MBO) Flow of Funds. Noteworthy items include the following.

- The analysis validates that GLWA has a financial plan in place to ensure that revenues are sufficient to fund debt service.
- Schedule 3 is reconciled to Schedules 1A and 1C to demonstrate that all line items in the budget plan for the biennial budget approved for FY 2024 & FY 2025 (Schedules 1A through 1D) are in alignment with the financial plan.
- The local system revenue is shown net of its regional system commitments demonstrating the local system has sufficient revenues for local system operations as well as the local debt service and legacy commitments.
- The legacy pension commitment was a result of the City of Detroit's Chapter 9 Plan of Adjustment approved in December 2014. At the time of the operational start-up of the GLWA, that liability was allocated between GLWA and DWSD based on an agreed upon allocation that was formalized on January 24, 2017. Monthly funding of the annual payment for that liability occurs through the flow of funds. Schedule 3 confirms that both GLWA and DWSD have sufficient revenue to address that commitment as payments come due. It should be noted that a fixed annual payment amount was established through FY 2023 with an anticipated minimal tail pension liability in 2024. All parties (City of Detroit, Detroit General Retirement System, DWSD, and GLWA) continue to evaluate the amount of the City of Detroit General Retirement System (GRS) liability past 2023. **Section 6 – Supplemental Analysis (Legacy Commitments)** provides further information related to the pension system.

- The line item on Schedule 3 titled "Net Revenues Allocable to Regional System" quantifies GLWA's efforts to improve financial stability, debt service coverage ratio, cash position, and flexibility to meet future capital needs without maximum reliance on debt.
- The resolution adopting the FY 2024 and FY 2025 Biennial Budget (**Section 7 – Authorizing Resolutions**) affirms the annual debt service funding. See additional debt analysis in **Section 3 – Capital Program and Debt (Debt Management)**.
- All other known commitments are planned to be funded in accordance with supporting calculations and analysis. To the extent that there are any variances, they will be addressed with a budget amendment.

Schedule 3 – Sources of Revenues and Uses of Revenues – Flow of Funds Consistent with the Master Bond Ordinance*

Flow of Funds Basis	FY 2024 Water Fund Requested	FY 2024 Sewer Fund Requested	FY 2024 Combined (Informational Only)	FY 2025 Water Fund Requested	FY 2025 Sewer Fund Requested	FY 2025 Combined (Informational Only)
Revenues						
Regional System Wholesale Revenues - Suburban Wholesale Cus	$ 340,540,600	$ 296,600,100	$ 637,140,700	$ 350,740,700	$ 306,908,000	$ 657,648,700
Regional System Wholesale Revenues - Detroit Customers	25,537,200	196,569,600	222,106,800	27,011,900	203,725,800	230,737,700
Total Regional System Wholesale Revenues	**366,077,800**	**493,169,700**	**859,247,500**	**377,752,600**	**510,633,800**	**888,386,400**
DWSD Local System Revenues - Detroit Customers	89,140,400	83,940,300	173,080,700	91,626,300	85,137,500	176,763,800
Miscellaneous Revenue (Local System)	4,210,000	8,500,000	12,710,000	4,336,300	8,755,000	13,091,300
Other Revenues & Investment Earnings (Regional System)	4,236,700	7,457,300	11,694,000	7,374,500	10,018,300	17,392,800
Total Revenues	**$ 463,664,900**	**$ 593,067,300**	**$ 1,056,732,200**	**$ 481,089,700**	**$ 614,544,600**	**$ 1,095,634,300**
Revenue Requirements						
Operations & Maintenance Expense						
Regional System Wholesale Expenses	$ 152,906,400	$ 205,643,700	$ 358,550,100	$ 162,810,600	$ 216,220,400	$ 379,031,000
Local System Expenses	44,756,000	55,655,400	100,411,400	46,593,300	57,934,500	104,527,800
GRS Pension allocable to Regional System	-	-	-	-	-	-
GRS Pension allocable to Local System	-	-	-	-	-	-
Total Operations & Maintenance Expense	**197,662,400**	**261,299,100**	**458,961,500**	**209,403,900**	**274,154,900**	**483,558,800**
Net Revenues after Operations & Maintenance Expense	*266,002,500*	*331,768,200*	*597,770,700*	*271,685,800*	*340,389,700*	*612,075,500*
Non-operating Activities						
Debt Service Allocable to Regional System	159,482,800	228,328,300	387,811,100	175,154,900	230,354,100	405,509,000
Debt Service Allocable to Local System	44,965,300	32,221,600	77,186,900	46,544,800	32,247,300	78,792,100
GRS Accelerated Pension from Regional System	3,395,500	6,479,300	9,874,800	4,173,300	8,228,800	12,402,100
GRS Accelerated Pension from Local System	2,398,200	1,710,200	4,108,400	2,947,400	2,172,400	5,119,800
WRAP Contribution from Regional System	1,851,600	2,503,100	4,354,700	1,925,600	2,603,300	4,528,900
WRAP Contribution from Local System	858,500	1,333,300	2,191,800	889,400	1,365,600	2,255,000
Receiving Fund Working Capital Requirement	-	-	-	7,900,000	-	7,900,000
Total Nonoperating Activities	**212,951,900**	**272,575,800**	**485,527,700**	**239,535,400**	**276,971,500**	**516,506,900**
Net Revenues Available for Revenue Financed Capital	*53,050,600*	*59,192,400*	*112,243,000*	*32,150,400*	*63,418,200*	*95,568,600*
Reserve for Revenue Financed Capital from Net Revenues						
Lease Payment to Local System I&E Account	22,500,000	27,500,000	50,000,000	21,487,700	27,500,000	48,987,700
Net Revenues Allocable to Local System	372,400	1,519,800	1,892,200	-	172,700	172,700
Net Revenues Allocable to Regional System	30,178,200	*30,172,600*	60,350,800	10,662,700	*35,745,500*	46,408,200
Total Reserve for Revenue Financed Capital Both Systems	**53,050,600**	**59,192,400**	**112,243,000**	**32,150,400**	**63,418,200**	**95,568,600**
Total Revenue Requirements	**$ 463,664,900**	**$ 593,067,300**	**$ 1,056,732,200**	**$ 481,089,700**	**$ 614,544,600**	**$ 1,095,634,300**

*Rows highlighted in light grey in the above table are designed to align with the DWSD Budget (DWSD data preliminary as of February 2, 2023).

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

The Master Bond Ordinance and Michigan PA 94 of 1933 (the Revenue Bond Act) established the Required Coverage levels. Debt service coverage is calculated as Net Revenues divided by the Maximum Annual Debt Service requirements.

Schedule 4 – Debt Service Coverage Calculations**

	Debt Service Coverage Calculation	FY 2024 Water Fund Requested	FY 2024 Sewer Fund Requested	FY 2024 Combined (Informational Only)	FY 2025 Water Fund Requested	FY 2025 Sewer Fund Requested	FY 2025 Combined (Informational Only)
	Revenues						
1	Regional System Wholesale Revenues	$ 366,077,800	$ 493,169,700	$ 859,247,500	$ 377,752,600	$ 510,633,800	$ 888,386,400
2	Local System Revenues	89,140,400	83,940,300	173,080,700	91,626,300	85,137,500	176,763,800
3	Miscellaneous Revenue (Local System)	4,210,000	8,500,000	12,710,000	4,336,300	8,755,000	13,091,300
4	Other Revenues & Investment Earnings (Regional System)	4,236,700	7,457,300	11,694,000	7,374,500	10,018,300	17,392,800
5	**Total Revenues**	**$ 463,664,900**	**$ 593,067,300**	**$ 1,056,732,200**	**$ 481,089,700**	**$ 614,544,600**	**$ 1,095,634,300**
	Revenue Requirements						
	Operations & Maintenance Expense						
6	Regional System Wholesale Expenses	$ 152,906,400	$ 205,643,700	$ 358,550,100	$ 162,810,600	$ 216,220,400	$ 379,031,000
7	Local System Expenses	44,756,000	55,655,400	100,411,400	46,593,300	57,934,500	104,527,800
8	GRS Pension allocable to Regional System	-	-	-	-	-	-
9	GRS Pension allocable to Local System	-	-	-	-	-	-
10	**Total Operations & Maintenance Expense**	**197,662,400**	**261,299,100**	**458,961,500**	**209,403,900**	**274,154,900**	**483,558,800**
11	***Net Revenues after Operations & Maintenance Expense***	***$ 266,002,500***	***$ 331,768,200***	***$ 597,770,700***	***$ 271,685,800***	***$ 340,389,700***	***$ 612,075,500***
	Debt Service by Lien						
12	Senior Lien Bonds	$ 136,224,100	$ 155,429,200	$ 291,653,300	$ 150,810,500	$ 163,496,800	$ 314,307,300
13	Second Lien Bonds	51,754,500	53,273,500	105,028,000	51,930,500	53,590,200	105,520,700
14	SRF Junior Lien Bonds	16,469,500	51,847,200	68,316,700	18,958,700	45,514,400	64,473,100
15	**Total Debt Service**	**$ 204,448,100**	**$ 260,549,900**	**$ 464,998,000**	**$ 221,699,700**	**$ 262,601,400**	**$ 484,301,100**
	Debt Service Coverage						
16	Senior Lien Bonds *(11)/(12)*	1.95	2.13		1.80	2.08	
17	Second Lien Bonds *(11) / [(12)+(13)]*	1.42	1.59		1.34	1.57	
18	SRF Junior Lien Bonds *(11) / (15)*	1.30	1.27		1.23	1.30	

**Rows highlighted in light grey in the above table are designed to align with the DWSD Budget (DWSD data preliminary as of February 2, 2023).

Schedule 5 – Improvement & Extension Funds and Construction Bond Funds

Improvement & Extension Funds: The tables on the following pages present the FY 2024 and FY 2025 biennial budgets and five-year financial plan for the separate Improvement & Extension (I&E) Funds for the water and sewer systems. See also **Section 3 – Capital Program and Debt**.

Inflows to the I&E Fund

- Transfers from the Revenue Receipts Fund in accordance with the Master Bond Ordinance and Financial Plan
- DWSD budget shortfall loan payments in accordance with a 2018 Memorandum of Understanding
- Interest earned on the I&E funds is returned to the flow of funds monthly as required by the Master Bond Ordinance.

Outflows from the I&E Fund

- Capital outlay funding (generally non-construction capital outlay such as machinery, equipment, vehicles, and systems)
- Transfers to the Construction Fund for capital improvement plan projects to reduce the need of new revenue bonds and/or flexibility in timing for new bonds.

Schedule 5A – Water Improvement & Extension Fund

Water Improvement & Extension Fund Inflows & Outflows	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Water System Transfers In from General Operating	$ 23,739,800	$ 24,300,000	$ 28,446,000	**$ 30,178,200**	$ 10,662,700	$ 29,659,000	$ 30,470,300	$ 48,961,800
Earnings on Investments (b)	1,336,000	-	2,768,700	**1,694,800**	2,147,200	1,992,400	1,985,200	1,805,600
Net Use of Reserves (a)	-	19,888,000	11,296,100	**(10,926,100)**	(5,747,200)	(866,100)	628,900	(1,490,900)
Total Revenues	**$ 25,075,800**	**$ 44,188,000**	**$ 42,510,800**	**$ 20,946,900**	**$ 7,062,700**	**$ 30,785,300**	**$ 33,084,400**	**$ 49,276,500**
Expenditures								
Investment Earnings Transfers Out (b)	$ 1,879,200	$ -	$ 2,768,700	**$ 1,694,800**	$ 2,147,200	$ 1,992,400	$ 1,985,200	$ 1,805,600
Other Transfers Out	253,200	-	-	**-**	-	-	-	-
Capital Spending - Other	1,540,200	-	-	**-**	-	-	-	-
Capital Outlay	3,668,400	15,452,600	15,452,600	**11,539,100**	9,694,400	7,991,200	7,808,500	7,216,500
Revenue Financed Capital - Transfer to Construction Fund	124,161,400	28,735,400	24,289,500	**7,713,000**	(4,778,900)	20,801,700	23,290,700	40,254,400
Total Expenditures	**$131,502,400**	**$ 44,188,000**	**$ 42,510,800**	**$ 20,946,900**	**$ 7,062,700**	**$ 30,785,300**	**$ 33,084,400**	**$ 49,276,500**
*(a) Beginning Net Position (estimated)**			*$ 94,500,000*	*$ 83,203,900*	*$ 94,130,000*	*$ 99,877,200*	*$ 100,743,300*	$ 100,114,400
Net Use of Reserves			*$ (11,296,100)*	*$ 10,926,100*	*$ 5,747,200*	*$ 866,100*	*$ (628,900)*	*$ 1,490,900*
Projected Ending Net Position			*$ 83,203,900*	*$ 94,130,000*	*$ 99,877,200*	*$ 100,743,300*	*$ 100,114,400*	*$ 101,605,300*

(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 Requirements budget.

*The beginning net position at 7.01.2022 was estimated at $94.5 million; actual amount based on recently released audit report is $98.3 million.

Schedule 5B – Sewer Improvement & Extension Fund

Sewer Improvement & Extension Fund Inflows & Outflows	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Sewer System Transfers In from General Operating	$ 23,424,000	$ 39,342,500	$ 25,451,800	**$ 30,172,600**	$ 35,745,500	$ 55,826,400	$ 59,286,100	$ 73,300,100
Receipt of DWSD Shortfall Loan Interest	8,441,500	-	-	**-**	-	-	-	-
Earnings on Investments (b)	855,200	-	3,395,700	**2,133,000**	2,432,500	2,449,700	2,554,500	1,371,900
Net Use of Reserves (a)	-	5,549,500	90,600	**(15,202,100)**	(14,330,100)	(7,126,300)	(4,718,900)	(3,455,800)
Total Revenues	**$ 32,720,700**	**$ 44,892,000**	**$ 28,938,100**	**$ 17,103,500**	**$ 23,847,900**	**$ 51,149,800**	**$ 57,121,700**	**$ 71,216,200**
Expenditures								
Investment Earnings Transfers Out (b)	$ 876,500	$ -	$ 3,395,700	**$ 2,133,000**	$ 2,432,500	$ 2,449,700	$ 2,554,500	$ 1,371,900
Other Transfers Out	561,000	-	-	**-**	-	-	-	-
Capital Spending - Other	4,537,000	-	2,389,700	**-**	-	-	-	-
Capital Outlay	8,080,500	18,447,100	16,542,400	**14,970,500**	12,399,500	7,795,700	7,694,000	9,226,300
Revenue Financed Capital - Transfer to Construction Fund	48,145,700	26,444,900	6,610,300	**-**	9,015,900	40,904,400	46,873,200	60,618,000
Total Expenditures	**$ 62,200,700**	**$ 44,892,000**	**$ 28,938,100**	**$ 17,103,500**	**$ 23,847,900**	**$ 51,149,800**	**$ 57,121,700**	**$ 71,216,200**
*(a) Beginning Net Position (estimated)**			*$ 104,300,000*	*$ 104,209,400*	*$ 119,411,500*	*$ 133,741,600*	*$ 140,867,900*	$ 145,586,800
Net Use of Reserves			*$ (90,600)*	*$ 15,202,100*	*$ 14,330,100*	*$ 7,126,300*	*$ 4,718,900*	*$ 3,455,800*
Projected Ending Net Position			*$ 104,209,400*	*$ 119,411,500*	*$ 133,741,600*	*$ 140,867,900*	*$ 145,586,800*	*$ 149,042,600*

(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 Requirements budget.

*The beginning net position at 7.01.2022 was estimated at $104.3 million; actual amount based on recently released audit report is $102.3 million.

Construction Funds: The tables below present the FY 2024 and FY 2025 biennial budgets and five-year financial plan for the separate Construction Funds for the water and sewage disposal systems. See also **Section 3 – Capital Program and Debt**.

Inflows to the Construction Fund

- Transfers from the Improvement & Extension Fund for capital improvement plan projects and reduction of new revenue bonds
- Issuance of new bonds
- SRF loans
- Interest earned on investments

Outflows from the Construction Fund

- Capital Improvement Plan projects and other large capital initiatives authorized by the Chief Executive Officer
  - Capital Spend Rate Adjustment – 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.
  - The GLWA Capital Improvement Plan document is available online

Schedule 5C – Water Construction Fund

Water Construction Fund Inflows & Outflows	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Transfers from Improvement & Extension Fund	$124,161,400	$ 28,735,400	$ 24,289,500	**$ 7,713,000**	$ (4,778,900)	$ 20,801,700	$ 23,290,700	$ 40,254,400
Bond Proceeds	-	-	225,000,000	**-**	332,500,000	-	299,250,000	-
Bond Fund Earnings on Investment	32,100	128,800	4,565,800	**1,864,700**	1,335,800	2,862,000	2,317,100	3,258,900
SRF Loans (Grant Revenues)	25,642,100	54,992,000	82,867,000	**97,102,000**	44,230,000	20,000,000	4,000,000	-
Net Use of Reserves (a)	-	71,644,800	(110,932,300)	**132,580,300**	(172,864,900)	132,370,300	(163,044,800)	161,573,700
Total Revenues	**$149,835,600**	**$155,501,000**	**$ 225,790,000**	**$ 239,260,000**	**$ 200,422,000**	**$ 176,034,000**	**$ 165,813,000**	**$ 205,087,000**
Expenditures								
Water System Revenue Transfers Out	$ 31,900	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -
Capital Improvement Plan (b)	157,628,100	$194,376,000	$ 225,790,000	**$ 239,260,000**	$ 200,422,000	$ 176,034,000	$ 165,813,000	$ 205,087,000
Capital Spend Rate Adjustment	-	(38,875,000)	-	**-**	-	-	-	-
Total Expenditures (b)	**$157,660,000**	**$155,501,000**	**$ 225,790,000**	**$ 239,260,000**	**$ 200,422,000**	**$ 176,034,000**	**$ 165,813,000**	**$ 205,087,000**
*(a) Beginning Net Position (estimated)**			*$ 23,100,000*	*$ 134,032,300*	*$ 1,452,000*	*$ 174,316,900*	*$ 41,946,600*	*$ 204,991,400*
Net Use of Reserves			*110,932,300*	*(132,580,300)*	*172,864,900*	*(132,370,300)*	*163,044,800*	*(161,573,700)*
Projected Ending Net Position			*$ 134,032,300*	*$ 1,452,000*	*$ 174,316,900*	*$ 41,946,600*	*$ 204,991,400*	*$ 43,417,700*
(b) Total CIP Expenditures		*155,501,000*	*225,790,000*	*239,260,000*	*200,422,000*	*176,034,000*	*165,813,000*	*205,087,000*
Total Published Capital Improvement Plan		*194,376,000*	*225,790,000*	*239,260,000*	*200,422,000*	*176,034,000*	*165,813,000*	*205,087,000*
Capital Spending Ratio		*80.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

*The beginning net position at 7.01.2022 was estimated at $23.1 million; actual from recently released audit report is $4.6 million.

Schedule 5D – Sewer Construction Fund

Sewer Construction Fund Inflows & Outflows	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Revenues								
Transfers from Improvement & Extension Fund	$ 48,145,700	$ 26,444,900	$ 6,610,300	**$ -**	$ 9,015,900	$ 40,904,400	$ 46,873,200	$ 60,618,000
Bond Proceeds	-	-	225,000,000	**-**	280,250,000	-	308,750,000	-
Bond Fund Earnings on Investment	26,400	86,200	4,803,800	**2,365,600**	1,279,000	2,525,200	3,108,000	6,229,600
SRF Loans (Grant Revenues)	9,215,200	18,720,000	39,750,000	**47,253,000**	31,104,000	15,004,000	-	-
Net Use of Reserves (a)	-	49,197,900	(139,111,800)	**149,442,400**	(131,489,900)	100,610,400	(224,999,200)	49,332,400
Total Revenues	**$ 57,387,300**	**$ 94,449,000**	**$ 137,052,300**	**$ 199,061,000**	**$ 190,159,000**	**$ 159,044,000**	**$ 133,732,000**	**$ 116,180,000**
Expenditures								
Sewer System Revenue Transfers Out	$ 26,500	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -
Capital Improvement Plan (b)	65,148,500	$125,932,000	$ 137,052,300	**$ 199,061,000**	$ 190,159,000	$ 159,044,000	$ 133,732,000	$ 116,180,000
Capital Spend Rate Adjustment	-	(31,483,000)	-	**-**	-	-	-	-
Total Expenditures (b)	**$ 65,175,000**	**$ 94,449,000**	**$ 137,052,300**	**$ 199,061,000**	**$ 190,159,000**	**$ 159,044,000**	**$ 133,732,000**	**$ 116,180,000**
*(a) Beginning Net Position (estimated)**			*$ 16,000,000*	*$ 155,111,800*	*$ 5,669,400*	*$ 137,159,300*	*$ 36,548,900*	*$ 261,548,100*
Net Use of Reserves			*139,111,800*	*(149,442,400)*	*131,489,900*	*(100,610,400)*	*224,999,200*	*(49,332,400)*
Projected Ending Net Position			*$ 155,111,800*	*$ 5,669,400*	*$ 137,159,300*	*$ 36,548,900*	*$ 261,548,100*	*$ 212,215,700*
(b) Total CIP Expenditures		*94,449,000*	*137,052,300*	*199,061,000*	*190,159,000*	*159,044,000*	*133,732,000*	*116,180,000*
Total Published Capital Improvement Plan		*125,932,000*	*137,052,300*	*199,061,000*	*190,159,000*	*159,044,000*	*133,732,000*	*116,180,000*
Capital Spending Ratio		*75.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

*The beginning net position at 7.01.2022 was estimated at $16.0 million; actual amount based on recently released audit report is $3.9 million.

SECTION 3 - CAPITAL PROGRAM AND DEBT

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Capital Program Overview

The Great Lakes Water Authority assures effective operational flexibility, while controlling spending and optimizing the cost of capital. This is accomplished by utilizing five categories in GLWA's Capital Financial Plan for funding both "Capital Outlay" and the "Capital Improvement Plan" (CIP) which are listed below.

Category	Capital Outlay - Over $5,000 (Non-Capitalized)	Capital Outlay - Direct Purchase Over $5,000 (Capitalized)	Capital Outlay - Projects and Program (Capitalized)	Non-CIP Spending/Misc (Non-Capitalized)	Capital Improvement Plan I&E (Non-Capitalized or Capitalized)	Capital Improvement Plan Construction (Capitalized)
Fund Name	Operations & Maintenance	Improvement & Extension Fund	Improvement & Extension Fund	Improvement & Extension Fund	Improvement & Extension Fund	Construction Fund
Fund Number	5910 - Water 5960 - Sewer	5506 - Water 5404 - Sewer	5506 - Water 5404 - Sewer	5506 - Water 5404 - Sewer	5506 - Water 5404 - Sewer	5519 - Water 5421 - Sewer
Account Number	901060	901100	901100	See FP&A team	See CA&FR Team	See CA&FR Team
Rationale	Controllable asset, tagged and tracked for internal control purposes. Shorter lived assets such as computer software and hardware.	Items that cause variability in the annual financial plan that do not meet the criteria for CIP	Items that cause variability in the annual financial plan that do not meet the criteria for GLWA criteria bond funding	Items that do not meet the qualifications of capitalization	Condition assessments associated with a specific CIP project or program; Expenditures associated with a specific asset ineligible for bond funding; CIP assets that have less than 20 year life or for immediate expenditure	Engineering, design, and study services associated with a specific constructed asset in the CIP; Constructed assets eligible for bond funding
Frequency	Recurring in nature	Unique, nonrecurring purchases, and/or large dollar assets on a replacement program	Unique, nonrecurring purchases, and/or large dollar assets on a replacement program	Unique, nonrecurring purchases, and/or large dollar expenditures on a replacement program for the betterment of	Project specific	Project specific
Life	Greater than One Year	Greater than One Year	Greater than One Year	Greater than One Year	Less than 20 Years or current year expenditure	Greater than 20 Years
Examples	IT Equipment & Software that does not meet the Capitalization Policy threshold	Vehicles, large equipment, pumps, motors, and security equipment; no or low relative amount of installation costs	Infrastructure, plant, and facility upgrade/buildouts, rehabilitation, and/or replacement	Ovation upgrades, studies that will not be capitalized,	Security enhancements (cameras, fencing, gates & small dollar items by various locations), condition assessments not resulting in near term constructable design	Infrastructure, plant, and facility upgrade, rehabilitation, and/or replacement
Justification	Internal review panel, prioritization	Internal review panel, prioritization, replacement validation with asset records and other current market information	Internal review panel, prioritization, replacement validation with asset records and other current market information	Internal review panel, prioritization	Business Case Evaluation; Internal Review Panel; Member Outreach; GLWA Board Committee	Business Case Evaluation; Internal Review Panel; Member Outreach; GLWA Board Committee

Items identified as “Capital Outlay” are assets or programs acquired for the betterment of the system and are both above the dollar threshold for capitalizing on the financial statements (i.e., over $5,000), and are assets that should be tagged and tracked for internal control purposes. In both instances, these assets have an estimated useful life of greater than one year.

Capital Outlay includes vehicles, shop, lab, plant and field equipment, office furniture and equipment, as well as software and hardware. Generally capital outlay items have a life of less than 20 years. Capital Outlay items are not included in the “Capital Improvement Plan” (CIP). The CIP focuses on longer lived constructed assets with a useful life greater than 20 years, although some of the CIP expenditures do have lives less than 20 years.

Capital Outlay

The tables in this section present an entity-wide view of GLWA's capital outlay. Some capital outlay costs are shared between the water and wastewater systems. Examples of this include centralized services capital outlay such as facilities, fleet, and information technology.

Tables 1 and 2 – *Capital Outlay by System* depicts the capital outlay by water & wastewater systems. Each system budgets for specific types of expenditures as shown in Table 5 - *Total Capital Outlay by Asset Type* which support both systems.

Table 1 – *Capital Outlay by System (funded by both O&M and I&E) – Biennial Budget*

Operating System	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity As of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Water System	**$ 4,728,000**	**$ 18,267,100**	**$ 3,692,600**	**$ 14,187,400**	**$ (4,079,700)**	**-22.3%**	**$ 12,385,400**
Operations & Maintenance	622,800	2,814,500	298,000	2,648,300	(166,200)	-5.9%	2,691,000
Improvement & Extension	4,105,200	15,452,600	3,394,600	11,539,100	(3,913,500)	-25.3%	9,694,400
Wastewater System	**8,097,600**	**16,542,400**	**5,112,500**	**14,970,500**	**(1,571,900)**	**-9.5%**	**12,399,500**
Operations & Maintenance	-	-	12,800		-	0.0%	-
Improvement & Extension	8,097,600	16,542,400	5,099,700	14,970,500	(1,571,900)	-9.5%	12,399,500
Grand Total	**$ 12,825,600**	**$ 34,809,500**	**$ 8,805,100**	**$ 29,157,900**	**$ (5,651,600)**	**-16.2%**	**$ 24,784,900**

Table 2 – *Capital Outlay by System (funded by both O&M and I&E) – Five-Year Financial Plan*

Operating System	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water System	**$ 4,728,000**	**$ 18,267,100**	**$ 14,187,400**	**$ 12,385,400**	**$ 10,726,100**	**$ 10,587,600**	**$ 9,574,200**
Operations & Maintenance	622,800	2,814,500	2,648,300	2,691,000	2,734,900	2,779,100	2,357,700
Improvement & Extension	4,105,200	15,452,600	11,539,100	9,694,400	7,991,200	7,808,500	7,216,500
Wastewater System	**8,097,600**	**16,542,400**	**14,970,500**	**12,399,500**	**7,795,700**	**7,694,000**	**9,226,300**
Operations & Maintenance	-	-	-	-	-	-	-
Improvement & Extension	8,097,600	16,542,400	14,970,500	12,399,500	7,795,700	7,694,000	9,226,300
Grand Total	**$ 12,825,600**	**$ 34,809,500**	**$ 29,157,900**	**$ 24,784,900**	**$ 18,521,800**	**$ 18,281,600**	**$ 18,800,500**

Since assets are replaced on a periodic basis, annual expenditures may not be level throughout the year. In addition, some capital outlay projects span several years that are beyond the five-year planning documents. Examples of these non-recurring and long-term projects include the following:

- Instrumentation & control hardware and software for the water and wastewater systems. These projects are scheduled by facility and recur on a five to seven-year cycle as technologies and control capabilities advance. Thirty such upgrades are scheduled within the biennial budget with a total forecast of $19.5 million.
- GLWA enterprise-wide software systems. The replacement of these systems is scheduled in the biennial budget with a total forecast cost of $10.5 million.
- A program for the review and decommissioning of certain water mains is scheduled from FY 2023 through FY 2028 at an average annual budget of $0.9 million.

- As part of GLWA's commitment to maintaining sustainable water and wastewater systems, programs are in place for the replacement and renewal of various processing equipment. These include pumps, valves, motors, pipes and other processing or treatment equipment. The average annual proposed budget of these programs is $5.2 million.
- As part of GLWA 's commitment to maintaining a high level of service and safety to its team members, GLWA is actively replacing an aged fleet of service vehicles. These vehicles include heavy and light trucks, utility vehicles and vans. The proposed budget for these vehicles is approximately $3.0 million annually.
- The design, rehabilitation, and installation of flow meters for the wastewater system has been in place since FY 2021 and is expected to be completed in FY 2024 at an average annual cost of $1.1 million.

Funding Sources

The Capital Outlay expenditures are proposed to be $29.2 million for FY 2024, and $24.8 million for FY 2025. As shown in Tables 3 and 4 – *Capital Outlay by Funding Source*, Capital Outlay is funded by two primary sources: Operations & Maintenance (O&M) and Improvement & Extension (I&E) funds.

- **Operations & Maintenance Fund (O&M):** Capital outlay items funded by O&M funds are paid with current year revenues. The nature of these items is recurring so the impact on charges from year-to-year is not significant. The total capital outlay paid with O&M funds is included in Schedules 2A and 2B in Section 2 - Core Financial Plan Schedules.
- **Improvement & Extension Fund (I&E):** The source of the I&E Funds are revenues from charges that have been transferred to the I&E fund. Funds are budgeted annually to be added to the I&E fund to reduce debt financing and are used for capital outlay and capital improvements. The nature of these items is not necessarily recurring each year. They are, instead, replaced on a longer-term cycle or unique to a three to five-year planning horizon. The total capital outlay paid with I&E funds is included in Schedules 5A and 5B in Section 2 - Core Financial Plan Schedules.

Table 3 – *Capital Outlay by Funding Source – Biennial Budget*

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity Thru 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Operations & Maintenance	$ 622,800	$ 2,814,500	$ 310,800	$ 2,648,300	$ (166,200)	-5.9%	$ 2,691,000
Improvement & Extension	12,202,800	31,995,000	8,494,300	26,509,600	(5,485,400)	-17.1%	22,093,900
Grand Total	**$ 12,825,600**	**$ 34,809,500**	**$ 8,805,100**	**$ 29,157,900**	**$ (5,651,600)**	**-16.2%**	**$ 24,784,900**

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Table 4 – *Capital Outlay by Funding Source - Five-Year Financial Plan*

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Operations & Maintenance	$ 622,800	**$ 2,814,500**	**$ 2,648,300**	$ 2,691,000	$ 2,734,900	$ 2,779,100	$ 2,357,700
Improvement & Extension	12,202,800	**31,995,000**	**26,509,600**	22,093,900	15,786,900	15,502,500	16,442,800
Grand Total	**$ 12,825,600**	**$ 34,809,500**	**$ 29,157,900**	**$ 24,784,900**	**$ 18,521,800**	**$ 18,281,600**	**$ 18,800,500**

Biennial Budget Request

The biennial budget reflects a change in FY 2024, decreasing $5.65 million, or 16.2% as noted above. There are key factors that impact this change outside of the projects previously noted. These include the following:

- Capital Outlay for the O&M fund decreased $0.2 million or -5.9%
  - Information Technology was reduced by $0.2 million. The continued implementation of a hybrid cloud environment will move certain applications from the on-premises data center to a secure cloud environment.
- Capital Outlay in the I&E fund decreased $5.5 million or 17.1%
  - Buildings and Structures decreased $1.3 million as renovations to facilities are completed.
  - Leasehold improvements decreased $2.5 million for the consolidation of some planned improvements in other projects.
  - Information Technology decreased $1.4 million mainly due to a decrease of $2.2 million for the Enterprise Asset Management (EAM) system implementation moving towards completion. This is offset by the Project Management Information System (PMIS) budget increasing $0.8 million, due to the rescheduling of this project from FY 2023 to FY 2024.
  - Machinery & Equipment increased $2.7 million primarily due to the scheduled replacement of Controls and Communication systems ($4.0 million) This is offset by reduced scheduled replacement of processing equipment, pumps & motors and other heavy equipment at several facilities ($1.6 million).
  - Projects and Programs decreased $2.7 million due to the updated schedule of the program for the review of decommissioning certain underground assets. This program is long-term and is part of the ten-year forecast.

Tables 5 - Capital Outlay by Funding Source and Asset Type

Asset Type	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Operations & Maintenance						
Information Technology	**$ 2,814,500**	**$ 2,648,300**	**$ 2,691,000**	**$ 2,734,900**	**$ 2,779,100**	**$ 2,357,700**
Hardware	1,966,100	1,695,500	1,721,400	1,747,900	1,774,900	1,633,500
Software	848,400	952,800	969,600	987,000	1,004,200	724,200
Improvement & Extension	**$ 31,995,000**	**$ 26,509,600**	**$ 22,093,900**	**$ 15,786,900**	**$ 15,502,500**	**$ 16,442,800**
Building/Structures	**1,637,800**	**368,100**	**373,500**	**379,000**	**384,600**	**377,100**
Information Technology	**8,580,500**	**7,155,500**	**3,655,500**	**1,155,500**	**155,500**	**155,500**
Software	8,580,500	7,155,500	3,655,500	1,155,500	155,500	155,500
Leasehold Improvements	**2,475,300**	**-**	**158,000**	**-**	**-**	**-**
Machinery & Equipment	**11,278,800**	**13,990,800**	**13,343,100**	**10,474,000**	**10,993,400**	**12,308,200**
Computers & IT	22,000	110,000	365,500	18,000	22,000	2,110,000
Controls & Communication	2,254,500	6,267,500	5,074,800	2,340,500	2,682,500	1,881,400
Flow Measuring & Meters	890,000	1,092,100	1,009,200	996,400	1,011,700	1,615,000
Furniture & Fixtures	150,000	115,000	122,000	132,000	125,000	130,000
Heavy Equipment & Misc	515,000	120,000	197,000	180,000	215,000	447,000
Laboratory	392,400	263,200	297,400	391,700	443,400	223,200
Pipes, Gates & Valves	821,700	1,042,500	939,000	1,015,500	805,500	831,000
Process Equipment/Treatment	1,554,000	964,600	950,700	1,118,900	1,331,700	815,800
Pumps & Motors	4,609,200	3,988,600	4,367,500	4,252,000	4,257,100	4,234,800
Tools, Shop & Warehouse	70,000	27,300	20,000	29,000	99,500	20,000
Projects & Programs	**4,500,000**	**1,850,000**	**1,450,000**	**450,000**	**450,000**	**450,000**
Safety & Security	**192,600**	**83,200**	**84,800**	**86,400**	**88,000**	**90,000**
Access & Control	61,200	62,400	63,600	64,800	66,000	67,600
Safety Equipment	111,000	-	-	-	-	-
Surveillance	20,400	20,800	21,200	21,600	22,000	22,400
Site Improvements	**23,000**	**-**	**-**	**-**	**-**	**-**
Vehicles	**3,307,000**	**3,062,000**	**3,029,000**	**3,242,000**	**3,431,000**	**3,062,000**
Heavy Truck	650,000	740,000	1,070,000	1,650,000	1,350,000	1,350,000
Light Truck	1,090,000	730,000	770,000	690,000	450,000	450,000
Trailer & Towable Equipment	-	40,000	-	40,000	-	40,000
Utility Vehicle	367,000	352,000	469,000	382,000	1,151,000	742,000
Van	1,200,000	1,200,000	720,000	480,000	480,000	480,000
Grand Total	**$ 34,809,500**	**$ 29,157,900**	**$ 24,784,900**	**$ 18,521,800**	**$ 18,281,600**	**$ 18,800,500**

Table 6 - *Capital Outlay by Team funded by both I&E and O&M*

Team	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
881101 - Public Affairs	11,000	5,000	2,500	9,000	11,000	5,000
881201- Security	65,800	41,600	42,400	43,200	44,000	45,000
882111 - Water Engineering	5,500	5,500	5,500	5,500	5,500	5,500
882121 - Water Quality	51,000	18,000	30,000	17,500	19,000	51,000
882131 - Water Works Park	373,800	389,000	466,000	633,000	840,000	618,000
882141 - Springwells Water Plant	1,276,000	814,000	475,000	860,000	825,000	450,000
882151 - Northeast Water Plant	958,000	463,000	728,000	480,000	825,000	383,000
882161 - Southwest Water Plant	169,000	265,000	302,000	250,000	271,000	336,000
882171 - Lake Huron Water Plant	205,000	623,000	553,000	453,000	328,000	683,000
882301 - Systems Operations Control	1,500,000	1,025,000	1,275,000	1,125,000	1,025,000	1,025,000
882322 - Eastside Pumping Station	-	100,000	100,000	100,000	100,000	100,000
882323 - Northwest Pumping Station	-	100,000	100,000	100,000	100,000	100,000
882330 - Adams Road Pumping Station	-	50,000	50,000	50,000	50,000	50,000
882331 - Newburgh Pumping Station	-	50,000	50,000	50,000	50,000	50,000
882336 - Schoolcraft Pumping Station	-	50,000	50,000	50,000	50,000	50,000
882338 - Imlay Pumping Station	-	300,000	300,000	300,000	300,000	300,000
882421 - Facility Operations	62,500	15,000	15,000	15,000	15,000	15,000
882422 - Fleet Operations	2,220,000	2,325,000	2,200,000	2,250,000	2,250,000	2,250,000
882431 - Field Service Operations	3,050,000	500,000	500,000	500,000	500,000	500,000
882501 - Energy, Research & Innovation	155,000	200,000	200,000	200,000	200,000	200,000
883201- Organizational Development	350,000	-	-	-	-	-
883321- Info Technology Service Desk	1,259,800	1,387,000	1,414,800	1,443,100	1,472,000	1,501,400
883331- Info Technology Infrastructure	1,218,900	1,531,200	1,339,800	848,600	857,500	400,000
883341- Info Technology Business Applications	2,000,000	2,000,000	500,000	-	-	-
883351- Info Technology Business Applications	3,021,000	1,905,700	1,661,500	917,800	423,700	429,900
883361- Info Technology Security & Risk	64,800	24,400	24,900	25,400	25,900	26,400
886601 - Capital Improvement Planning	250,000	-	-	-	-	-
891101 - Public Affairs	11,000	5,000	2,500	9,000	11,000	5,000
891201- Security	65,800	41,600	42,400	43,200	44,000	45,000
891202- HazMat	61,000	-	-	-	-	-
892201 - Wastewater Director	742,800	368,100	395,500	579,000	551,400	657,100
892211 - Wastewater Engineering	-	-	-	-	13,000	-
892221 - Wastewater Operations	-	-	-	-	1,454,000	-
892222 - Wastewater Process Control	1,075,000	5,626,500	4,090,800	1,616,300	490,000	2,100,000
892223 - Wastewater Primary Process	776,300	146,500	104,800	352,800	155,600	166,600
892224 - Wastewater Secondary Process	882,800	120,000	35,000	25,000	33,000	90,600
892225 - Wastewater Dewatering Process	332,700	272,400	276,800	277,700	127,600	93,500
892226 - Wastewater Incineration Process	178,500	24,000	356,100	140,000	83,000	26,000
892231 - Industrial Waste Control	48,000	-	27,500	7,000	26,000	-
892235 - Wastewater Laboratories	36,700	14,200	17,900	186,200	167,400	6,200

(*continued on next page*)

Table 6 - *Capital Outlay by Team funded by both I&E and O&M (continued from previous page)*

Team	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892271 - Puritan-Fenkell Combined Sewer Overflow	314,200	-	60,000	-	220,000	700,000
892272 - 7 Mile Combined Sewer Overflow	35,000	68,000	750,600	14,000	-	8,400
892273 - Hubbell-Southfield Combined Sewer Overflow	1,747,900	400,800	138,800	189,700	595,700	593,600
892274 - Leib Combined Sewer Overflow	98,800	44,600	45,900	67,300	58,700	110,300
892275 - St. Aubin Combined Sewer Overflow	45,000	18,000	73,000	18,500	19,100	49,700
892276 - Conner Creek Combined Sewer Overflow	791,500	324,700	489,700	397,500	367,500	446,600
892277 - Baby Creek Combined Sewer Overflow	528,900	434,000	234,000	451,100	248,300	1,182,700
892278 - Oakwood Combined Sewer Overflow	18,000	-	19,000	-	85,000	-
892301 - Systems Operations Control	1,475,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
892345 - Conner Pumping Station	240,000	150,000	150,000	150,000	150,000	150,000
892349 - Freud Pumping Station	-	150,000	150,000	150,000	150,000	150,000
892351 - Oakwood Pumping Station	-	100,000	100,000	100,000	100,000	100,000
892421 - Facility Operations	62,500	15,000	15,000	15,000	15,000	15,000
892422 - Fleet Operations	780,000	675,000	800,000	730,000	750,000	750,000
892501 - Energy, Research & Innovation	75,000	-	-	-	-	-
893201 - Organizational Development	350,000	-	-	-	-	-
893331- Info Technology Infrastructure	500,000	700,000	500,000	-	-	-
893341 - Info Tech Business Productivity Systems	2,000,000	2,000,000	500,000	-	-	-
893351- Info Technology Business Applications	2,250,000	1,500,000	1,250,000	500,000	-	-
896401 - Systems Analytics	770,000	772,100	774,200	776,400	778,700	780,000
896601 - Capital Improvement Planning	250,000	-	-	-	-	-
Grand Total	**$ 34,809,500**	**$ 29,157,900**	**$ 24,784,900**	**$ 18,521,800**	**$ 18,281,600**	**$ 18,800,500**

Capital Improvement Plan At-A-Glance

Water System	Sewer System
The adopted FY 2024-2028 Water CIP calls for $986.6 million of major capital expenditures over the next five fiscal years.	The FY 2024-2028 Wastewater CIP calls for $798.2 million of major capital expenditures over the next five fiscal years.
The FY 2024-2028 capital financing plan of $986.6 million is based on an 100% Spend Rate Assumption	The FY 2024 - 2028 capital financing plan of $798.2 is based on a 100% Spend Rate Assumption
The CIP addresses: ✓ Treatment – 43% of capital expenditures ✓ Transmission – 44.7% of capital expenditures ✓ Storage – 6.5% of capital expenditures ✓ Pumps – 5.8% of capital expenditures	The CIP addresses: ✓ Treatment – 42.5% of capital expenditures ✓ Conveyance/Pumps – 45.1% of capital expenditures ✓ CSO– 12.4% of capital expenditures
Funding - The CIP will be funded with revenue bonds, Drinking Water Revolving Fund loans and PAYGO	Funding - The CIP will be funded with revenue bonds, Clean Water Revolving Fund loans and PAYGO

Capital Improvement Plan (CIP)

GLWA's CIP outlines the major capital asset investments in programs and projects to upgrade the Authority's water and wastewater system infrastructure, as well as the centralized service facilities and programs that support both systems. The CIP is a five-year plan which identifies capital projects and programs aimed to improve the system's reliability, redundancy, and operational efficiency as well as protect health and safety and their respective financing options. The plan also includes a ten-year outlook.

Projects are included in the CIP as recommended by the Water and Wastewater Master Plans, condition and needs assessments, regulatory requirements, and operational needs. The Comprehensive Water Master Plan and the Comprehensive Regional Wastewater Master Plan are long-term strategic planning tools that provide regional collaboration and planning to balance capital expenditures while implementing best practices in the treatment and transmission/conveyance of water and wastewater. Projects are vetted and prioritized to optimize capital investments.

The primary goals of the GLWA's CIP are the following:

- Provide a condensed volume of projects in a central location.
- Demonstrate alignment with the GLWA financial plan.
- Share the GLWA integrated master schedule.
- Provide transparency to the organizational goals.
- Meet regulatory and operational needs.
- Provide an opportunity to Member Partners & Communities to contribute to the plan.
- Address projects that promote improved redundancy, system resiliency, and health and safety.

While the GLWA Board of Directors approves the plan, the authority to spend does not occur until additional project review processes are completed prior to the procurement process. Depending on the scope and dollar amount of the project, final approval to proceed may include customer engagement, Chief Executive Officer review, and GLWA Board CIP Committee review and/or GLWA Board action.

Water Master Plan

The Water CIP supports activities to carry out the Water Master Plan completed in 2015 and accepted by the GLWA Board in 2016. The Master Plan is based on new forecasts of population and water use and by identifying the lowest life cycle solutions in collaboration with our member partners.

There are seven priorities identified in the Water Master Plan:

- Reduce water treatment plant capacity to align with projected water demand
- Reduce non-revenue water
- Reduce energy use and energy costs
- Collaborate with customers to address long standing water transmission problems
- Update water quality goals and monitoring efforts
- Optimize return on investments using asset management to prioritize capital improvements
- Renew and rehabilitate the water distribution system in the City of Detroit (Note that this priority was identified prior to the effective date of GLWA operations. The costs to rehabilitate the City's system are borne by the Detroit Water & Sewerage Department (DWSD). This significance to GLWA shifts to effective planning and coordination with the DWSD.)

The Water Master Plan is available on GLWA's website.

Wastewater Master Plan

The Wastewater Master Plan (WWMP) which was started in 2017 was completed in June 2020. This was a collaborative effort with member partners, MDEQ and other agencies, and regional stakeholders. The plan ensures that the wastewater system meets current and future needs and is able to provide cost-efficient, regulatory-compliant and reliable services to the GLWA communities for the next 40 years. There are five desired outcomes identified in that plan which will serve as filters in determining which projects will be included in the plan:

- Protect public health and safety
- Preserve natural resources and a healthy environment
- Maintain reliable, high-quality service
- Assure value of investment
- Contribute to economic prosperity

The Wastewater Master Plan is available on GLWA's website.

CIP Update Process

Annually, this plan is updated to reflect changing system needs, priorities and funding opportunities. The CIP process is a substantial level of effort that involves many team members throughout the Authority. Modifications, adjustments, and improvements are continuously considered and vetted internally and externally through various Member Outreach Work Groups. Projects and programs that ultimately get funded within the CIP are typically identified based upon master planning or condition/need assessment efforts. Projects also are identified internally based upon the needs of engineers, operations, or maintenance staff. An internal effort to coordinate and prioritize all identified projects is conducted to ensure the appropriate projects are being funded in a prioritized manner.

The scoring this year followed the same methodology introduced in the FY23-27 CIP. This methodology was applied to improve and optimize the scoring and prioritization of projects by refining the alignment of the resulting project scores with GLWA's overall priorities and values.

Water and wastewater projects are scored based on the eight criteria shown in table below.

No.	Weight	Criteria
1	12%	Condition
2	15%	Performance (Service Level/Reliability)
3	18%	Regulatory (Environmental/Legal)
4	11%	O&M
5	18%	Health & Safety
6	8%	Public Benefit
7	10%	Financial
8	8%	Efficiency & Innovation

For each project, a criteria score of 1 to 5 has been assigned, with a score of 1 representing minimal value or benefit, and 5 representing high value or benefit based on established definitions and scoring guidelines for each criteria. Weights for the eight criteria in the table have been established based on GLWA ranking of the relative importance of each criteria to GLWA's overall priorities.

Below are a few additional actions implemented to streamline scoring revisions that were implemented:

- Projects that were reclassified retain their highest score.
- Projects were not scored if they are under construction.
- Projects in the closeout stage were not scored.
- Projects under programs were scored, but programs were not scored.

The CIP processes will continue to improve and evolve to provide the various stakeholders with improved projections and reporting. During the CIP development process, considerations were taken for balancing capital expenditure demands without compromising our mission to implement best

practices in water and wastewater treatment and transmission/conveyance. The timeline of this update process is provided in the Budget Process section.

The CIP should be considered a forward-looking planning document and not necessarily a budget. It is a dynamic and evolving plan that requires continual review and improvement. The timing can be dynamic – this is particularly true when there are interagency approvals and innovative alternatives that occur in the design phase. The estimates vary in precision depending on the project phase. Short-term project cost estimates are more defined than long-term project cost estimates because short-term anticipated projects are typically better characterized by studies or scoped by design. Execution of the CIP will provide greater system reliability and result in meeting or exceeding current service levels. The current and prior Capital Improvement Plans are available on GLWA's website.

Capital Financing

The goals of the Authority's capital financing strategy are to:

- Recover the capital investment costs over the useful lives of the capital assets.
- Balance the needs of the water and sewage system with revenue requirements.
- Protect and enhance the Authority's financial position.
- Maintain affordable charges by investing wisely in system renewal and revitalization.

Recognizing the difference in scope between the CIP and the tactical financial plan, GLWA implemented a "Capital Spend Rate Assumption Policy" adopted in 2018 by the Board of Directors. The Spend Rate Assumption (SRA) policy provides 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. Those limitations, whether financial or nonfinancial, necessitate the SRA for budgetary purposes, despite the prioritization established in the CIP. The outcome is a reasoned balance between a desired level of capital investment with financial strategies to manage debt levels and control adjustments to customer charges. Annually, a projected spend rate assumption for the financial plan related to the proposed capital improvement plan will be established based upon pertinent factors and data available at that time. Such pertinent factors and data will include the mix of projects and phases in the proposed CIP, interdependency risk, criticality, and other measures provided by the GLWA team members that develop and manage the CIP projects. That spend rate assumption will be presented to the Audit Committee no later than December 31st each year after the GLWA Board, Capital Improvement Planning Committee, and Member Partners have had the opportunity to review the draft capital improvement plan. For this five-year financial plan, the capital spend rate is 100% for the water system and the sewer system. This is due to escalating costs and the pace of CIP execution is increasing.

The intersection of the CIP and the GLWA's overall financial plan balances several objectives to support the Authority's mission. Those objectives include the following:

- ✓ Transparency in the development of the financial plan
- ✓ Collaboration internally and externally
- ✓ Ensure sustainability

- ✓ Reduced the debt burden
- ✓ Smoothing of annual adjustments to service charges
- ✓ Improve the Authority's financial position

The Authority draws upon five sources of funding for its CIP:

- **Bond Proceeds**
  The Authority uses an incremental method of funding long-lived capital projects through a bond financing program rather than funding all projects in advance. The Authority issues revenue bonds pursuant to Michigan Public Act 94 of 1933 (the Revenue Bond Act). The Act provides a pledge of "net revenues" for the payment of the bond principal and interest. "Net revenues" means the revenues of the system remaining after deducting expenses for administration, operation, and maintenance of the water and sewer systems.
- **Revenue Financed Capital (Improvement & Extension Fund)**
  Based upon ongoing expense, capital, and revenue optimization efforts, the Authority is able to build reserves to use pay-as-you-go (PAYGO) funding for shorter-lived and lower-dollar capital expenditures. These funds are accounted for in the Improvement & Extension fund. In addition, establishing sufficient revenue financed capital is critical to strategically reducing the water and sewer systems' reliance on long-term debt. Striking the optimal balance between bond proceeds and revenue financed capital will lower the cost of capital over the long-term. Revenue financed capital is budgeted for use only after it is received to minimize financial plan risk. When I&E funds are assigned to offset a portion of the costs of specific capital expenses, a transfer is made from the I&E Fund to the Construction Bond Fund.
- **State and Federal Loan Programs**
  The Authority actively seeks funding from lower cost financing programs including the State Revolving Fund (SRF) loan program which includes federal financing. The SRF loan program includes both the Drinking Water State Revolving Fund (DWSRF) loan program and the Clean Water State Revolving Fund (CWSRF) loan program.
- **Grants**
  The Authority pursues grant opportunities through federal, state, university and other sources.
- **Contributed Capital**
  Periodically, the Authority may have the opportunity to partner with other public and private entities for the design and construction or improvement of an asset. Depending on the nature of the shared financing strategy, the Authority may offset the cost of system expansion or improvements with direct or indirect contributed capital from that partner.

The long-term financial plan differentiates between appropriate uses of long-term debt versus revenue financed capital in the Improvement & Extension (I&E) Fund as defined in the MBO. As a general rule assets with a life of less than 20 years are funded with I&E Funds. An example of an exception to the rule is some plant improvements. Otherwise, assets with a life greater than 20 years are funded with a blend of debt and I&E Funds. Building up I&E Funds over time allows GLWA to

position itself to further reduce reliance on debt. Exceptions to that plan may be to take advantage of lower cost borrowings from the revolving fund loan programs or a revision of the plan to optimize refunding savings. For this reason, the five-year financial plan is regularly reviewed during the fiscal year. Updates may also occur due to grant awards, collaboration opportunities, and changes in budgetary conditions. The financial plan reflects grants and federal and state loans only after approval is received by the grantor or authorized party.

Accounting

To ensure proper accountability of funding sources and uses, the Authority's water and wastewater systems each utilizes two funds for its capital program which are described below:

- **Construction Fund**
  This fund is used to account for constructed assets that will be capitalized improvement in future years. Revenues, or incoming resources for this fund include bond proceeds and related interest earnings as well as transfers in from the Improvement & Extension Fund for "pay as go" financing. The balance of bond funds and I&E funds is designed to lower the cost of capital improvements.
- **Improvement & Extension (I&E) Fund**
  The I&E Fund is defined by the Authority's Master Bond Ordinance (MBO) as the "fund used for improvements, enlargements, extensions or betterment" of the System. Cash receipts of the Authority are transferred into the I&E Fund pursuant to a flow of funds after commitments are met for a monthly allocation of operations and maintenance expense, debt service, pension, WRAP, budget stabilization fund, and extraordinary repair and replacement fund as administered by a trustee. Capital outlay items are funded with I&E Funds. Capital outlay are items that are generally purchased (rather than constructed) and with an estimated useful life of less than 20 years. As a general rule, assets in the CIP with a life of less than 20 years are funded with I&E funds.

The basis of accounting for the capital spending is the accrual basis. Under this basis of accounting, revenues are recognized when earned and measurable regardless of when collected; and expenses are recorded, or accrued, on a matching basis when incurred. Accrued expenses are expected to be paid in a subsequent accounting period.

Revenue Requirements

Revenue requirements are the basis for establishing customer charges. Included in that calculation are operations and maintenance expense, debt service, Master Bond Ordinance (MBO) reserve requirements, system lease requirements, revenue financed capital targets, water residential assistance program commitments, and legacy obligations. Each of these elements is allocated to the cost pools listed below that align with customer's use of the system. The debt service and revenue financed capital revenue requirements are allocated to cost pools based on the Authority's investment in fixed assets. The cost of capital improvements will impact future fixed asset records, and future charges.

The following table summarizes CIP costs by major function for both the Water System and the Wastewater System. This summary illustrates how the costs of financing the CIP will ultimately impact individual customer charges for the Authority's Member Partners, consistent with established cost allocation methodologies.

Capital Improvement Plan Cost Pool Allocation ($000)

Function	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total FY 2024-2028	Percent of Five Year Total
Water							
Treatment	$ 75,731	$ 75,916	$ 84,400	$ 81,957	$ 106,525	$ 424,529	43.0%
Transmission	141,281	111,386	72,972	53,781	60,867	440,287	44.7%
Storage	11,862	10,692	10,163	12,961	18,541	64,220	6.5%
Pumps	10,386	2,429	8,498	17,114	19,154	57,580	5.8%
Total Water (1)	$ 239,260	$ 200,423	$ 176,033	$ 165,813	$ 205,087	$ 986,616	100.0%
Wastewater							
Conveyance/Pumps	$ 114,426	$ 94,676	$ 74,313	$ 45,615	$ 31,299	$ 360,330	45.1%
CSO	23,340	13,871	13,305	19,410	29,233	99,158	12.4%
Treatment	61,295	81,611	71,426	68,707	55,649	338,688	42.5%
Total Wastewater (1)	$ 199,061	$ 190,158	$ 159,044	$ 133,732	$ 116,181	$ 798,176	100.0%

(1) Amounts included in Biennial Budget & Five Year Financial Plan-See Core Financial Plan Schedules 5C & 5D

Water Functions

1. ***Treatment*** represents costs associated with improvements to the Authority's Water Treatment Plants. In the current water cost allocation methodology, costs related to these facilities are allocable to customers based primarily on their contractual maximum day demands.

The other water functions reflect projects related to transmitting water to customers. In the current water cost allocation methodology, costs related to these facilities are allocable to customers based primarily on their contractual peak hour demands. There are other sub-functions that are utilized in the water charge methodology – including the relative distance and elevation associated with each customer's location.

2. ***Transmission*** projects reflect the Authority's investment in the large transmission mains that deliver water throughout the region. Several of these projects are designed to improve reliability of service in strategic areas of the System.
3. ***Storage*** projects are related to improvements to the reservoirs in the System, which are primarily designed to store water to be delivered in peak use conditions.

4. ***Pumps*** refers to projects to improve the System's 19 Water Booster Stations. These facilities pump water through the transmission system.

Wastewater Functions

1. ***Conveyance/Pumps*** summarizes projects in the CIP designed to make improvements to the System's major interceptors and lift stations. These facilities collect and deliver wastewater to the System's Water Resource Recovery Facility (WRRF).
2. ***CSO*** projects in the CIP reflect improvements to the System's existing combined sewer overflow treatment and conveyance facilities, including Retention Treatment Basins (RTB) and Screening and Disinfection Facilities (SDF).
3. ***Treatment*** projects are those designed to make improvements to facilities at the WRRF.

The Wastewater cost allocation methodology generally follows the functions shown in the table above. In general, costs associated with conveyance facilities are allocable to customers based on their contribution of total wastewater volumes and costs associated with treatment facilities are allocable to customers based on their contribution of sanitary and total volumes. Costs associated with certain CSO facilities are allocated based upon terms of service agreements with the Authority's member partners. The agreements assign 83% of costs related to these specifically designated facilities to City of Detroit customers and 17% to other member partners.

CIP Summary

The tables below summarize the Water Fund and Sewage Disposal Fund CIP Expenditures by project categories.

Water Capital Improvement Plan ($000)

Category	Lifetime Thru FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029 & Beyond	Project Total
Treatment Plants & Facilities									
Lake Huron	$ 18,802	$ 11,363	$ 16,976	$ 11,472	$ 33,035	$ 33,826	$ 61,374	$ 150,415	$ 337,263
Northeast	870	3,272	2,777	4,808	7,577	6,826	11,715	153,876	191,720
Southwest	2,483	4,769	1,467	1,450	123	-	-	192,926	203,217
Springwells	63,861	14,596	29,840	36,475	34,849	41,305	28,666	366,559	616,151
Water Works Park	12,802	19,772	16,974	16,192	8,049	-	4,770	135,283	213,843
General Purpose	56,113	16,529	17,620	12,504	-	-	-	-	102,767
Total Treatment Plants & Facilities	154,931	70,301	85,654	82,901	83,633	81,957	106,525	999,059	1,664,961
Field Services - Transmission System	152,629	122,636	122,699	94,797	67,732	44,865	44,867	352,500	1,002,725
System Control Center - Pump Stations/Reservoir	31,385	21,283	10,386	2,429	8,498	17,114	19,154	406,367	516,616
Metering - General Purpose	10,102	2,506	1,600	3,598	3,598	3,598	3,607	-	28,608
Programs	22,854	8,896	18,241	15,677	11,806	18,280	30,934	225,736	352,425
Total Water Projects	371,901	225,622	238,580	199,402	175,267	165,814	205,087	1,983,662	3,565,335
Central Service Projects Allocated to Water									
Security	5,258	-	-	-	-	-	-	-	5,258
General Purpose	-	-	-	-	-	-	-	25,000	25,000
Programs	-	166	680	1,022	767	-	-	-	2,635
Total Central Services Allocated To Water	5,258	166	680	1,022	767	-	-	25,000	32,893
Total Water CIP	$ 377,159	$ 225,788	$ 239,260	$ 200,424	$ 176,034	$ 165,814	$ 205,087	$ 2,008,662	$ 3,598,228

Wastewater Capital Improvement Plan ($000)

Category	Lifetime Thru FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029 & Beyond	Project Total
Water Resource Recovery Facility									
Primary Treatment	$ 74,515	$ 16,324	$ 25,644	$ 33,800	$ 32,718	$ 29,910	$ 33,971	$ 231,496	$ 478,377
Secondary Treatment & Disinfection	969	2,379	11,038	11,089	11,089	13,321	13,825	147,313	211,023
Residuals Management	22,237	2,596	1,760	413	2,794	4,166	3,443	201,757	239,166
IWC	14,300	-	-	-	-	-	-	-	14,300
General Purpose	16,263	17,080	22,854	36,308	24,825	21,310	4,410	95,430	238,480
Total WRRF	128,284	38,379	61,296	81,610	71,426	68,707	55,649	675,996	1,181,346
Field Services									
General Purpose	3,577	11,730	8,243	1,517	1,517	2,523	1,047	38,166	68,321
Inteceptors	46,333	30,879	39,135	26,044	14,559	216	2,277	99,499	258,942
Total Field Services	49,910	42,609	47,378	27,561	16,076	2,739	3,324	137,665	327,263
System Control Center									
General Purpose	37,583	26,216	37,926	31,638	17,000	6,717	9,579	16,253	182,912
Pumping Stations	55,358	8,711	24,295	26,207	29,444	29,444	17,434	413,987	604,880
In System Devices	-	-	-	-	-	-	-	46,436	46,436
Total SCC	92,941	34,927	62,221	57,845	46,444	36,161	27,013	476,676	834,228
Programs	27,101	13,599	17,540	13,165	14,916	9,838	4,094	1,031,483	1,131,736
CSO Facilities									
Multiple CSO Facilities	5,627	5,723	6,047	3,711	4,366	10,920	15,288	65,145	116,827
Hubbell Southfield	425	6	228	2,971	2,521	3,101	10,812	34,560	54,624
Conner Creek	2,227	375	-	-	-	-	-	-	2,602
Baby Creek	2,186	3,821	4,352	3,294	3,294	2,265	-	745	19,958
Total CSO Facilities	10,465	9,925	10,627	9,976	10,181	16,286	26,100	100,450	194,011
Total Wastewater Projects	308,701	139,439	199,062	190,157	159,043	133,731	116,180	2,422,270	3,668,584
Central Service Projects Allocated to Wastewater									
Security	2,345	4	-	-	-	-	-	-	2,349
Total Wastewater CIP	$ 311,046	$ 139,443	$ 199,062	$ 190,157	$ 159,043	$ 133,731	$ 116,180	$ 2,422,270	$ 3,670,933

CIP Types

A "Project" consists of the replacement and/or rehabilitation of specific capital assets within a finite timeframe and scope. Projects are generally nonrecurring expenditures.

A "Program" consists of the replacement and/or rehabilitation of specific capital assets on an ongoing or recurring basis. The program scope and/or projected expenses may vary from year-to-year depending on the needs identified within the program and as newly established programs develop consistent schedules, requirements, and history over time. Although not typically identified in the CIP future years projected expenses, these programs will typically be funded in perpetuity.

Nonrecurring Projects in the CIP for FY 2024 through FY 2028

The tables below list the nonrecurring projects that are budgeted for FY 2024 through FY 2028 that are greater than $30 million. There are nine (9) projects in the Water category and six (6) projects in the Wastewater category.

Water Nonrecurring Projects with 2024-2028 CIP Total Greater than $30M ($000)

CIP #	Project Title	Lifetime Actual Thru FY 2022	Projected Expenditures								
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2024-2028 CIP Total	FY 2029+	Project Total
122004	96-inch Water Transmission Main Relocation and Isolation Valve Installations	16,221	40,615	**85,217**	**58,316**	**20,536**	**20,536**	**22,954**	**207,560**	4,219	268,615
114002	Springwells Water Treatment Plant, Low-Lift and High-Lift Pumping Station Improvements	22,468	8,534	**22,555**	**30,487**	**28,861**	**36,138**	**28,527**	**146,567**	138,143	315,712
111001	Lake Huron Water Treatment Plant, Low-Lift, High Lift and Filter Backwash Pumping System Improvements	2,918	1,252	**1,553**	**1,549**	**12,040**	**12,459**	**38,731**	**66,331**	69,910	140,411
132016	North Service Center Pumping Station Improvements	372	2,663	**4,024**	**2,156**	**8,498**	**17,114**	**17,161**	**48,953**	31,414	83,402
122016	Downriver Transmission Main Loop	2,451	557	**5,309**	**10,575**	**10,575**	**10,575**	**10,604**	**47,638**	15,906	66,552
122019	Jefferson Main Replacement Project	-	338	**-**	**19,899**	**19,899**	**-**	**-**	**39,798**	-	40,136
111012	LHWTP-Flocculation Improvements	464	169	**1,787**	**2,385**	**11,785**	**11,785**	**11,817**	**39,559**	11,139	51,331
122017	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	6,046	3,973	**3,390**	**5,060**	**10,128**	**10,128**	**10,156**	**38,863**	17,482	66,364
111006	Lake Huron Water Treatment Plant, Filter Instrumentation and Raw Water Flow Metering Improvments	1,282	197	**1,026**	**1,024**	**9,184**	**9,582**	**9,609**	**30,424**	8,453	40,356

Wastewater Nonrecurring Projects with 2024-2028 CIP Total Greater than $30M ($000)											
			Projected Expenditures								
CIP #	Project Title	Lifetime Actual Thru FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2024-2028 CIP Total	FY 2029+	Project Total
232002	Freud & Conner Creek Pump Station Improvements	16,571	3,595	**21,816**	**26,207**	**29,444**	**29,444**	**17,434**	**124,345**	413,987	558,498
211006	WRRF PS No. 1 Improvements	6,015	6,478	**15,844**	**13,549**	**13,549**	**13,549**	**13,586**	**70,078**	9,498	92,069
211007	WRRF PS #2 Bar Racks Replacements and Grit Collection System Improvements	5,318	2,233	**4,815**	**14,424**	**14,424**	**14,424**	**14,464**	**62,552**	24,147	94,250
216008	Rehabilitation of Screened Final Effluent (SFE) Pump	1,665	3,913	**2,694**	**19,382**	**19,382**	**16,939**	**-**	**58,397**	-	63,975
212008	WRRF Aeration Improvements 1 and 2	968	2,379	**10,877**	**10,847**	**10,847**	**10,847**	**10,877**	**54,294**	20,211	77,852
222002	Detroit River Interceptor (DRI) Evaluation and Rehabilitation	42,279	12,892	**17,254**	**10,038**	**8,983**	**167**	**2,228**	**38,670**	19,719	113,560

The following tables outline the impact of these nonrecurring projects on the financial plan. In general, improvements to the system provide for more efficient operations. In the table below, projects are noted which have additional elements for optimizing operations and reducing O&M costs. Many of these align with the Water Master Plan Right-Sizing strategies that have incorporated the 2015 Water Master Plan recommendations to right size infrastructure to allow for future capital cost avoidance and will result in reduced O&M costs due to right sizing of the infrastructure. A specific aspect of the plan is the Northeast Water Treatment Plant (NEWTP) Repurposing in alignment with the 2015 Water Master Plan recommendations to repurpose the plant to allow for future capital cost avoidance. Redundancy & Reliability identifies projects that have a direct impact at improving system redundancy and reliability – generally a key factor ensuring service levels and reducing risk.

Water Nonrecurring Projects – Impact on Financial Plan			
Project/Project Drivers	**Optimized Operations/ Reduce O&M Costs**	**Service Level Reliability & Redundancy Improved**	**DWSRF Project No. (Lower Cost of Capital)**
CIP # 122004 - 96-inch Water Transmission Main Relocation and Isolation Valve Installations • Relocate 2.5 miles of transmission main currently located in landfill and crossing the Clinton River • Install additional isolation valves		Yes	7532-01 7532-02

Water Nonrecurring Projects – Impact on Financial Plan			
Project/Project Drivers	**Optimized Operations/ Reduce O&M Costs**	**Service Level Reliability & Redundancy Improved**	**DWSRF Project No. (Lower Cost of Capital)**
CIP # 114002 - Springwells Water Treatment Plant Low-Lift and High-Lift Pumping Station Improvements • Replace equipment and associated appurtenances placed in service from 1930 to 1958 (exceeded original design life). • Serviceability hindered by lack of replacement parts.	WMP Rightsizing and NEWTP Repurposing. Rightsizing the pumps (reducing number of and size of the pumps and adding variable frequency drives) will result in lower power bills.	Yes	

CIP # 111001 - Lake Huron Water Treatment Plant, Low-Lift, High Lift and Filter Backwash Pumping System Improvements
• Rehab or replacement of the following:
  ○ High and medium voltage electrical system
  ○ Low-lift pumps, to be right-sized to current and projected demands.
  ○ High-lift pumping units, right-sized to current and projected demands.
  ○ Filter wash water pumps and related equipment.
  ○ Phosphoric acid storage tanks and fill piping.
  ○ Update instrumentation, controls and supervisory, control and data acquisition (SCADA) systems related to the pumping system equipment.
	WMP Right Sizing Innovation-ensure energy efficiency	Yes	

CIP # 132016 - North Service Center Pumping Station Improvements • Reconstruction of the facility • Replacement of two ten million gallon reservoirs.	Focus on optimization of energy efficiency	Yes	
CIP # 122016 – Downriver Transmission Main Loop • Provide a transmission main loop to the Downriver system to provide redundancy on this branch of the system.		Yes	
CIP # 122019 – Jefferson Main Replacement Project • Replacement of 48-inch transmission main within Jefferson Avenue from Water Works Park to I-375		Yes	
CIP # 111012 – LHWTP-Flocculation Improvements • Replacement of flocculators increasing the number from two to four		Yes	
CIP # 122017 – 7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow control Station • Provide backup water service from Springwells WTP to Water Works and Northeast Service Areas. • Support Northeast WTP repurposing by providing a second finished water supply main to the Northeast site	WMP Rightsizing	Yes	

Water Nonrecurring Projects – Impact on Financial Plan			
Project/Project Drivers	**Optimized Operations/ Reduce O&M Costs**	**Service Level Reliability & Redundancy Improved**	**DWSRF Project No. (Lower Cost of Capital)**
• **CIP # 111006 – Lake Huron Water Treatment Plant, Filter Instrumentation and Raw Water Flow Metering Improvements** • Replacement of filter instrumentation and raw water metering.	Innovation	Yes	

Sewer Nonrecurring Projects – Impact on Financial Plan			
Project/Project Drivers	**Optimized Operations/ Reduce O&M Costs**	**Service Level Reliability & Redundancy Improved**	**CWSRF Project No. (Lower Cost of Capital)**
CIP # 232002 - Freud & Conner Creek Pump Station Improvements • The primary objective is to improve performance of Connor Creek and Freud sewage pumping stations. • Optimize the utilization of interconnected piping and operation between both pumping stations and the Connor Creek Retention and Treatment Basin.	Updated improvements are expected to reduced current O&M costs. However, a new sanitary PS will introduce additional O&M costs.	Yes	Intent to apply
CIP # 211006 – WRRF PS No. 1 Improvements • Condition assessment and rehabilitation of all pumps at Pump Station 1	Innovation	Yes	5836-01
CIP # 211007 - WRRF PS #2 Bar Racks Replacements and Grit Collection System Improvements • Efficient, state-of-the-art, grit collection and pumping system and grit washing and classification to reduce truck traffic and cost of disposal. • Improve the performance of all downstream processes, reduce maintenance costs and increase life of downstream equipment. • New instrumentation and controls for operations and monitoring. • Addresses plant operational inefficiencies that cause downtime for maintenance and risk permit violation.	Innovation	Yes	Intent to apply

Sewer Nonrecurring Projects – Impact on Financial Plan			
Project/Project Drivers	**Optimized Operations/ Reduce O&M Costs**	**Service Level Reliability & Redundancy Improved**	**CWSRF Project No. (Lower Cost of Capital)**
CIP # 216008 – Rehabilitation of Screened Final Effluent (SFE) Pump Station • The pump station provides SFE water to many of the GLWA WRRF treatment processes and needs to be completely rehabilitated to maintain uninterrupted supply of SFE water to these processes	WW Master Plan	Yes	Intent to apply
CIP # 212008 - WRRF Aeration Improvements 1 and 2 • The Intermediate Lift Pumps convey primary effluent to the secondary bioreactors (aeration decks) have reached their useful life and are in need of replacement.	Innovation	Yes	Intent to apply
CIP # 222002 – Detroit River Interceptor (DRI) Evaluation and Rehabilitation • Provide the necessary cleaning/rehabilitation/ • Replacement of interceptor to optimize the design capacity and to extend the service life of this asset.		Yes	5655-02 5655-03

Debt Management Objective

A clear long-term objective of the Great Lakes Water Authority (GLWA) is to reduce the level of annual debt service as a percent of the revenue requirements to reach our organizational goal of a bond credit rating of AA. For the FY 2024 budget, debt service is 41% of the water system revenue requirement and 41% of the sewer system revenue requirement. For the FY 2025 budget, debt service is 42% of the water system revenue requirement and 42% of the sewer system revenue requirement. Where possible, the GLWA is seeking to maximize the use of lower interest cost loan programs through the State Revolving Fund such as the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) programs.

Purpose

Pursuant to the terms of the regional system lease agreements dated June 12, 2015, and subsequent bondholder consent achieved in November 2015, the GLWA is the successor obligor for the former City of Detroit Water & Sewerage Department (DWSD) revenue bonds. Revenues from both the DWSD and GLWA systems represent pledged assets for the payment of the bonds. Revenues collected from both systems are deposited with the Trustee pursuant to the terms of the GLWA Master Bond Ordinance (MBO). The Trustee then distributes and maintains trust accounts for specified purposes including the payment of debt obligations. The MBO and lease agreements are available online at https://www.glwater.org/investor-relations/.

The Authority issues revenue bonds to fund regional system capital improvement project costs and to refund previous revenue bond issuances if targeted savings can be achieved. The Authority also issues revenue bonds on behalf of the local system as the regional system leases provide that GLWA will finance local system improvements of the DWSD. GLWA is the obligor of 100% of the debt payable which is recorded in GLWA's books. A "contractual obligation receivable" is recorded by GLWA which represents the amount related to the DWSD local system improvements. Accordingly, DWSD records an "obligation payable" for a like amount. GLWA maintains detailed records of all debt issuances and how the responsibility for payment of debt is allocated between the regional system and local system, as well as between the water and sewer systems. GLWA and DWSD regularly reconcile interrelated accounts between the entities.

The following table summarized the purpose of the revenue bond issues since GLWA's inception.

Purpose of Revenue Bond Issues *($ millions)*					
	Construction Funds				Total
Issue	Regional System	Local System	Total for Construction	Refunding	Bond Issues
Water System					
Series 2016	$ 201.1	$ 50.7	$ 251.8	$ 666.0	$ 917.8
Series 2018	-	-	-	155.6	155.6
Series 2020	-	85.6	85.6	377.5	463.1
Series 2022	207.2	-	207.2	-	207.2
Total Water	$ 408.3	$ 136.3	$ 544.6	$ 1,199.1	$ 1,743.7
Sewage Disposal System					
Series 2016	$ -	$ -	$ -	$ 421.3	$ 421.3
Series 2018	-	81.6	81.6	175.9	257.5
Series 2020	-	-	-	687.5	687.5
Series 2022	198.0	-	198.0	12.5	210.5
Total Sewer	$ 198.0	$ 81.6	$ 279.6	$ 1,297.1	$ 1,576.7
Combined					
Series 2016	$ 201.1	$ 50.7	$ 251.8	$ 1,087.3	$ 1,339.1
Series 2018	-	81.6	81.6	331.5	413.1
Series 2020	-	85.6	85.6	1,065.0	1,150.6
Series 2022	405.2	-	405.2	12.5	417.7
Total Combined	$ 606.3	$ 217.9	$ 824.2	$ 2,496.2	$ 3,320.4

The following table summarized the savings from the revenue refunding bond issues since GLWA's inception.

Revenue Refunding Bonds Savings *($ millions)*				
Issue	Refunding Bond Amount	Future Cash Flow Savings	Debt Reserve Release *(used to obtain savings)*	Net PV Savings
Water System				
Series 2016	$ 666.0	$ 185.4	$ 25.2	$ 120.8
Series 2018	155.6	30.9	1.6	24.9
Series 2020	377.5	103.1	10.5	66.5
Total Water	$ 1,199.1	$ 319.4	$ 37.3	$ 212.2
Sewage Disposal System				
Series 2016	$ 421.3	$ 123.7	$ 23.8	$ 71.2
Series 2018	175.9	54.0	11.2	34.5
Series 2020	687.5	221.0	33.6	122.9
Series 2022	12.5	2.0	1.6	0.2
Total Sewer	$ 1,297.1	$ 400.8	$ 70.2	$ 228.8
Combined				
Series 2016	$ 1,087.3	$ 309.1	$ 49.0	$ 191.9
Series 2018	331.5	84.9	12.8	59.4
Series 2020	1,065.0	324.1	44.1	189.4
Series 2022	12.5	2.0	1.6	0.2
Total Combined	$ 2,496.2	$ 720.1	$ 107.5	$ 440.9

Debt Management Policy

GLWA has a Debt Management Policy that was approved by the Board on December 9, 2015. GLWA has the right to waive or modify any of the policies with Board approval. The policy is currently being review and is expected to be amended during the current fiscal year. The policy governs the issuance and management of all bonds and other forms of indebtedness of the GLWA, together with any credit, liquidity, or other security instruments and agreements that may be executed in connection with the issuance of bonds and other forms of indebtedness. The Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers GLWA's specific capital improvement needs, ability to repay financial obligations, and the existing legal, economic, financial and debt market conditions. The Debt Management Policy can be found on the GLWA website.

The goals and objectives of the policy are listed below.

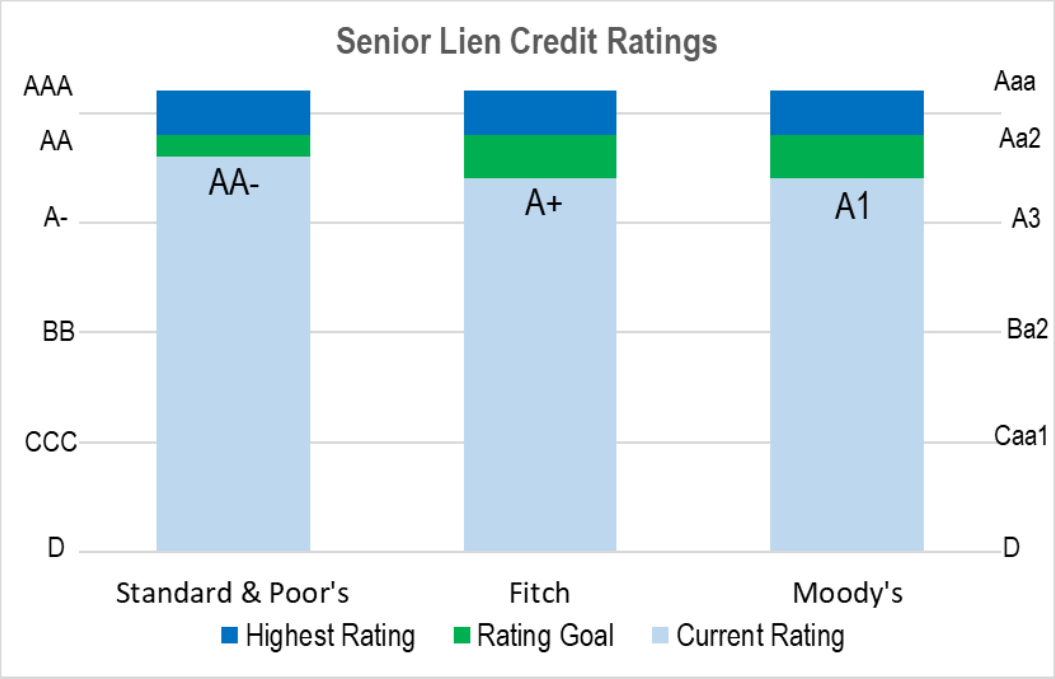
- Promote cooperation and coordination with all stakeholders in the financing and delivery of services by:
  - Seeking the lowest cost of capital reasonably available and minimizing financing costs for capital projects and other debt issuances.
  - Establishing criteria to determine use of financing sources (Long and Short-Term debt, Pay-As-You-Go (PAYGO) financing, grants, and other Alternative Forms of Financing).
  - Evaluating debt issuance options including the amount and type of debt.
  - Minimizing the use of unplanned, short-term cash flow borrowings by maintaining adequate working capital and authorizing the minimum amount required to offset mismatches between available cash and cash outflows determined by cash flow analysis.
- Promote sound financial management to maximize and best utilize future debt capacity by:
  - Maximizing administrative and operating flexibility.
  - Minimizing Legal and Financial Risk to current and future budgets.
  - Protecting GLWA's credit ratings to maintain access, on the best available terms, to local, regional and national credit markets.
  - Maintaining an appropriate level of operating cash reserves.
  - Maintaining reasonable and justifiable levels of rates and fees that address the current and future needs of stakeholders.
  - Improving the quality of decisions and parameters for justification on debt structure.

Debt Limits

As a regional authority established under Michigan Public Act 233 of 1955, GLWA may only issue Revenue Bonds under Michigan Public Act 94 of 1933 (PA 94). PA 94 does not have a legal debt limitation for outstanding bonds that GLWA may issue. Under the Master Bond Ordinance (MBO), GLWA is authorized to issue additional bonds, but only if GLWA certifies that the additional bonds debt service coverage for each priority of lien (regardless of the priority of lien of the additional bonds) is not less than the required coverage as stated in the MBO.

Credit Ratings

One of the Authority's organizational strategic goals is a bond credit rating of AA. The Authority discusses a plan to reach that goal in Section 1 Financial Plan under the Organizational Strategic Goals of this budget document. The following table summarizes the Authority's progress towards meeting that credit rating goal.



The following tables provide the history of the credit ratings as of June 30th for the Water Supply System Revenue Bonds and Sewage Disposal System Revenue Bonds.

Water Supply System Revenue Bonds							
	2016	2017	2018	2019	2020	2021	2022
Standard & Poor's							
Senior Lien	A-	A-	A-	AA-	AA-	AA-	AA-
Second Lien	BBB+	BBB+	BBB+	A+	A+	A+	A+
Junior Lien	N/A	N/A	N/A	A+	A+	A+	A+
Moody's							
Senior Lien	Baa1	A3	A3	A2	A1	A1	A1
Second Lien	Baa2	Baa1	Baa1	A3	A2	A2	A2
Fitch							
Senior Lien	BBB	A	A	A	A+	A+	A+
Second Lien	BBB-	A-	A-	A-	A	A	A

Sewage Disposal System Revenue Bonds							
		2017	2018	2019	2020	2021	2022
Standard & Poor's							
Senior Lien	A-	A-	A-	A+	AA-	AA-	AA-
Second Lien	BBB+	BBB+	BBB+	A	A+	A+	A+
Junior Lien	N/A	N/A	N/A	A	A+	A+	A+
Moody's							
Senior Lien	Baa1	A3	A3	A2	A1	A1	A1
Second Lien	Baa2	Baa1	Baa1	A3	A2	A2	A2
Fitch							
Senior Lien	BBB	A	A	A	A+	A+	A+
Second Lien	BBB-	A-	A-	A-	A	A	A

Debt Service Coverage

GLWA computes the debt service coverage ratio using two different methodologies. The Rate Covenant Method uses the cash basis in computing pledged revenue and the GAAP Method uses the accrual basis in computing pledged revenue. Pledged revenue is divided by the debt service requirements of each lien on a set aside basis to compute the debt service coverage ratio. The set aside basis is defined as the cash available to make the debt service payments on the due dates. The following table details the components of the pledged revenue for each methodology.

Pledged Revenue Components	Pledged Revenue Calculation	Rate Covenant Method	GAAP Method
Revenues	Addition	Cash basis	Accrual basis
GLWA O&M expenses	Subtraction	Cash basis	Accrual basis
GLWA O&M pension	Subtraction	Cash basis	Cash basis
DWSD O&M expenses & O&M pension	Subtraction	Cash transfers to DWSD	Cash transfers to DWSD

The following tables provided a summary of the MBO required minimum, historical, and budgeted debt service coverage.

Debt Service Coverage Water System	MBO Required Minimum	Actual 2020	Actual 2021	Actual 2022	Adopted Budget 2023	Adopted Budget 2024	Adopted Budget 2025
Rate Covenant Method							
Senior Lien Bonds	1.20	1.94	1.99	1.88	1.80	1.95	1.80
Senior and second lien bonds	1.10	1.39	1.40	1.37	1.33	1.42	1.34
All bonds, including SRF junior lien	1.00	1.37	1.38	1.33	1.27	1.30	1.23
GAAP Method							
Senior Lien Bonds		1.98	1.95	2.00			
Senior and second lien bonds		1.42	1.38	1.45			
All bonds, including SRF junior lien		1.40	1.35	1.41			

Debt Service Coverage Sewage Disposal System	MBO Required Minimum	Actual 2020	Actual 2021	Actual 2022	Adopted Budget 2023	Adopted Budget 2024	Adopted Budget 2025
Rate Covenant Method							
Senior Lien Bonds	1.20	2.15	2.92	2.35	2.17	2.13	2.08
Senior and second lien bonds	1.10	1.64	1.97	1.68	1.74	1.59	1.57
All bonds, including SRF junior lien	1.00	1.29	1.51	1.30	1.37	1.27	1.30
GAAP Method							
Senior Lien Bonds		2.15	2.50	2.64			
Senior and second lien bonds		1.64	1.68	1.89			
All bonds, including SRF junior lien		1.29	1.29	1.46			

Debt Requirements through Maturity

The following tables provide the aggregate debt service requirements for the Authority's debt (fixed and variable-rate) instruments as of June 30, 2022, by fund. These amounts assume that the current interest rate on the variable-rate sewer bond will remain the same through maturity. As interest rates vary, interest payments on the variable-rate sewer bond will vary.

Water Fund

Year Ended June 30	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	$ 20,165,000	$ 83,194,422	$ 5,096,750	$ 2,217,281	$ 110,673,453
2024	76,930,000	96,484,833	5,565,000	2,131,857	181,111,690
2025	82,590,000	92,746,039	11,008,950	1,965,336	188,310,325
2026	86,340,000	88,879,460	9,594,223	1,760,803	186,574,486
2027	90,325,000	84,650,908	6,927,820	1,594,236	183,497,964
2028-2032	527,010,000	351,936,257	23,017,928	6,430,861	908,395,046
2033-2037	632,475,000	209,310,447	22,368,516	4,134,090	868,288,053
2038-2042	322,955,000	102,464,151	17,021,934	1,906,071	444,347,156
2043-2047	273,890,000	39,623,500	7,793,699	606,294	321,913,493
2048-2050	16,210,000	1,242,000	1,034,642	25,904	18,512,546
	$ 2,128,890,000	$ 1,150,532,017	$ 109,429,462	$ 22,772,733	$ 3,411,624,212

Sewage Disposal Fund

Year Ended June 30	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	$ 35,665,000	$ 81,137,536	$ 47,936,430	$ 8,210,746	$ 172,949,712
2024	83,475,000	96,974,031	40,360,000	7,188,734	227,997,765
2025	98,650,000	92,838,983	41,265,870	6,271,040	239,025,893
2026	101,895,000	88,197,970	27,373,152	5,471,828	222,937,950
2027	111,945,000	83,397,094	24,805,000	4,917,078	225,064,172
2028-2032	672,355,000	338,564,893	108,248,511	16,814,924	1,135,983,328
2033-2037	831,540,000	182,552,944	71,643,260	6,493,521	1,092,229,725
2038-2042	399,565,000	44,946,983	16,965,993	731,375	462,209,351
2043-2047	94,650,000	9,172,617	1,050,000	10,500	104,883,117
2048-2049	10,005,000	506,375	-	-	10,511,375
	$ 2,439,745,000	$ 1,018,289,426	$ 379,648,216	$ 56,109,746	$ 3,893,792,388

For bonds issued through the Michigan Finance Authority (MFA) in 2014 and 2015, the Authority is required to make payment on these obligations to the MFA depository account five business days prior to the actual due date of the bond principal and interest payments. Therefore, the payments due to the MFA for principal and interest on July 1, 2022, are not included in the debt service requirement amounts above as they were paid on June 24, 2022.

Budgeted Debt Service FY 2024 and FY 2025

The tables below provide an analysis of the annual debt service budgets for FY 2024 and FY 2025 for the water fund and the sewage disposal fund. The debt service budget is based on cash needed to make the debt payments on the respective due dates. The majority of GLWA's debt payments are due on July 1st, therefore, those amounts are included in the calculation of the debt service requirements of the previous fiscal year budget ending June 30th. Also included are prorated portions of debt payments with varying due dates throughout the year.

Annual Debt Service on a Budget Set Aside Basis - Water Fund

	FY 2024			FY 2025		
	Current	Proposed	Total	Current	Proposed	Total
Principal						
Senior Lien	$ 64,210,000	$ -	$ 64,210,000	$ 67,320,000	$ -	$ 67,320,000
Second Lien	18,380,000	-	18,380,000	19,475,000	-	19,475,000
Junior Lien-SRF	10,944,700	-	10,944,700	12,496,200	-	12,496,200
Total Principal	$ 93,534,700	$ -	$ 93,534,700	$ 99,291,200	$ -	$ 99,291,200
Interest						
Senior Lien	$ 72,014,100	$ -	$ 72,014,100	$ 69,180,500	$ 14,310,000	$ 83,490,500
Second Lien	33,374,500	-	33,374,500	32,455,500	-	32,455,500
Junior Lien-SRF	4,621,500	903,300 (1)	5,524,800	5,156,900	1,305,600 (1)	6,462,500
Total Interest	$ 110,010,100	$ 903,300	$ 110,913,400	$ 106,792,900	$ 15,615,600	$ 122,408,500
Total Debt Service						
Senior Lien	$ 136,224,100	$ -	$ 136,224,100	$ 136,500,500	$ 14,310,000	$ 150,810,500
Second Lien	51,754,500	-	51,754,500	51,930,500	-	51,930,500
Junior Lien-SRF	15,566,200	903,300 (1)	16,469,500	17,653,100	1,305,600 (1)	18,958,700
Total Debt Service	$ 203,544,800	$ 903,300	**$ 204,448,100**	$ 206,084,100	$ 15,615,600	**$ 221,699,700**
Allocation of Debt Service (see Core Financial Plan Schedule 3)						
Debt Service Allocable to Regional System			$159,482,800			$175,154,900
Debt Service Allocable to Local System			44,965,300			46,544,800
Total Debt Service			**$ 204,448,100**			**$ 221,699,700**

(1) Includes debt service payments for increases in the Drinking Water State Revolving Fund (DWSRF) loans for regional and local system improvements.

Annual Debt Service on a Budget Set Aside Basis - Sewage Disposal Fund

	FY 2024			FY 2025		
	Current	Proposed	Total	Current	Proposed	Total
Principal						
Senior Lien Fixed	$ 82,615,000	$ -	$ 82,615,000	$ 85,100,000	$ -	$ 85,100,000
Senior Lien Variable Rate	-	-	-	-	-	-
Second Lien	16,035,000	-	16,035,000	17,210,000	-	17,210,000
Junior Lien-SRF & SAW	43,347,500	-	43,347,500	37,218,400	-	37,218,400
Total Principal	$ 141,997,500	$ -	$ 141,997,500	$ 139,528,400	$ -	$ 139,528,400
Interest						
Senior Lien	$ 63,208,900	$ -	$ 63,208,900	$ 59,551,300	$ 11,062,500	$ 70,613,800
Senior Lien Variable Rate	9,605,300	-	9,605,300	7,783,000	-	7,783,000
Second Lien	37,238,500	-	37,238,500	36,380,200	-	36,380,200
Junior Lien-SRF & SAW	8,499,700	- (1)	8,499,700	8,231,600	64,400 (1)	8,296,000
Total Interest	$ 118,552,400	$ -	$ 118,552,400	$ 111,946,100	$ 11,126,900	$ 123,073,000
Total Debt Service						
Senior Lien	$ 145,823,900	$ -	$ 145,823,900	$ 144,651,300	$ 11,062,500	$ 155,713,800
Senior Lien Variable Rate	9,605,300	-	9,605,300	7,783,000	-	7,783,000
Second Lien	53,273,500	-	53,273,500	53,590,200	-	53,590,200
Junior Lien-SRF & SAW	51,847,200	- (1)	51,847,200	45,450,000	64,400 (1)	45,514,400
Total Debt Service	$ 260,549,900	$ -	**$ 260,549,900**	$ 251,474,500	$ 11,126,900	**$ 262,601,400**

Allocation of Debt Service (see Core Financial Plan Schedule 3)		
Debt Service Allocable to Regional System	$228,328,300	$230,354,100
Debt Service Allocable to Local System	32,221,600	32,247,300
Total Debt Service	**$ 260,549,900**	**$ 262,601,400**

(1) Includes debt service payments for increases in the Clean Water State Revolving Fund (CWSRF) loans for regional and local system improvements.

Projected Revenue Bond and Loan Balances

The tables below show the projected outstanding revenue bond and loan activity for FY 2023 through FY 2025 at the time the FY 2024 and FY 2025 Biennial Budget was approved. The beginning and ending balances are as of July 1st since the fiscal year budgeted debt requirements include payments due on July 1st of the following fiscal year. These tables do not include the premium or discount activity.

Projected Revenue Bond and Loan Activity Water Fund

Fiscal Year	Projected Balance July 1st (1)	Payments (2)	GLWA Debt Additions				Projected Balance July 1st (4)
			Regional System		Local System (5)		
			Revenue Bonds	SRF Draws	Revenue Bonds	SRF Draws	
FY 2023	$ 2,218,154,500	$ (82,026,800)	$ 207,215,000	$ 82,867,000	$ -	$ -	$ 2,426,209,700
FY 2024	$ 2,426,209,700	$ (93,534,700)	$ -	$ 97,102,000	$ -	$ 17,000,000	$ 2,446,777,000
FY 2025	$ 2,446,777,000	$ (99,291,200)	$ 351,600,000	$ 44,230,000	$ 30,000,000	$ 26,000,000	$ 2,799,315,800

Projected Revenue Bond and Loan Activity Sewage Disposal Fund

Fiscal Year	Projected Balance July 1st (1)	Payments and Refundings (3)	GLWA Debt Additions				Projected Balance July 1st (4)
			Regional System		Local System (5)		
			Revenue Bonds	SRF Draws	Revenue Bonds	SRF Draws	
FY 2023	$ 2,783,728,200	$ (143,901,400)	$ 210,455,000	$ 39,750,000	$ -	$ 4,000,000	$ 2,894,031,800
FY 2024	$ 2,894,031,800	$ (141,997,500)	$ -	$ 47,253,000	$ -	$ 3,441,000	$ 2,802,728,300
FY 2025	$ 2,802,728,300	$ (139,528,400)	$ 295,000,000	$ 31,104,000	$ -	$ 5,000,000	$ 2,994,303,900

(1) Fiscal year is July 1 through June 30. Balance shown is after July 1st debt payments have been made as budgeted debt service is based on a debt set aside basis.

(2) Principal payments are based on the budget set aside basis which includes payments made during the last week in June of the fiscal year and the payments made July 1st, the first day after the fiscal year ends.

(3) Principal payments are based on the budget set aside basis which includes payments made during the last week in June of the fiscal year and the payments made July 1st, the first day after the fiscal year ends. FY 2023 payments includes $17.985 million for bonds refunded and the additions include $12.49 million of refunding revenue bonds issued.

(4) Balance shown does not represent balance on June 30th the last day of the fiscal year. Balance is for July 1st of the next fiscal year, since the fiscal year budgeted debt requirements include payments due on July 1st of the following fiscal year.

(5) Represents debt issued by GLWA on behalf of the local system. A corresponding obligation receivable from DWSD is recorded at the time the proceeds are transferred to DWSD for the local system.

SECTION 4 - REVENUES

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Revenues from Charges

The major source of revenues for the Authority is the charges to Member Partners for water supply and sewage disposal services. Water charges of $366.1 million and sewer charges of $493.2 million represent 98.7% of the Authority's budgeted revenue.

The water and sewer regional system charge structure, developed collaboratively with Member Partners, supports a high degree of financial stability.

Water System revenues are set using a methodology with a basis of 60 percent fixed monthly charge and 40 percent commodity consumption using a 36-month historical average usage. Model contract reopeners previously were "staggered" which resulted in changes in individual Member Partner demands that created charge volatility every year. The Contract Alignment Process (CAP) initiated for FY 2020 charges sought to minimize annual volatility. Universal contract demand is now reviewed every 4 years. This was augmented with a "Mod"/"No Mod" strategy that started with FY 2021 charges in which specific cost of service adjustments are only implemented for Member Partners with "out of cycle" demand changes based on those who modified ("Mod") or did not modify ("No Mod") the contracted values. The results of the 2022 CAP will take effect for the FY 2024 water charges which has updated the units of service for a majority of the Member Partners.

Sewage Disposal System revenues are a 100 percent fixed monthly charge based on each Member Partner's share of the annual forecasted revenue requirement. In FY 2022 GLWA implemented a new Sewer SHARES methodology that embraces simplicity and replaces the strength of flow with an appropriate weighting on sanitary volumes. This simplified sewer charge methodology was developed collaboratively by GLWA team members, advisors, and Member Partners. Sewer rate simplification sought to maintain fair charges while decreasing complexity and improving predictability and stability. While contributed volumes and related levels of service may vary amongst Member Partners year to year, over the long term the relative level of service is fairly stable. There is value in recognizing this stability that is fundamental in the sewer charges methodology which uses 10-year historical average flow contributions to determine SHAREs and holds SHAREs constant for 3-year periods.

Effect of Bad Debt on Charges

When one community does not pay for their allocated cost of service, the cost shifts to the remaining communities in future years. GLWA first seeks available remedies to recover the amount owed before recognizing bad debt expense. GLWA is transparent in identifying and reporting accounts with late payments in public monthly reports and presentations. It is important for stakeholders to be informed of financial matters that impact the system – and potentially their costs in the future.

GLWA is required to allocate bad debt expense in calculating charges. The 2011 Order to Incorporate Rate Settlements into Wastewater Contracts and Dismiss All Prior Rate Settlements, requires GLWA to allocate the bad debt expense in its sewer charges. A similar approach has been applied to water charges. Water System bad debt expense is recovered from all water system customers . For the Sewer System the 2011 Order requires bad debt expense recovery from "wholesale contract

customers" be recovered from that same group of customers . There is one community, Highland Park, that receives water and sewer services from GLWA which has not been paying the full amount of its services billed. GLWA continues to work toward resolving this matter including the pursuit of legal remedies. Though the matters have not been settled, the parties are in confidential mediation and progress is being made. Therefore, the FY 2024 water and sewer charges do not include any bad debt expense related to Highland Park.

See the "Water System Charges" and "Sewer System Charges" sections for more detailed information on the member charges.

Other Operating Revenues

Other operating revenues represents only 0.07% of revenues. It consists mainly of Lead and Copper rule sample testing fees charged to Member Partners for the water system and septage disposal fees charged to permitted companies who utilize the sewage disposal system.

Nonoperating Revenue

Investment earnings make up 1.28% of the Authority's budgeted revenue for FY 2024. Investment earnings fluctuate as interest rates change. The Treasury group works with an investment advisory firm to identify strategies to maximize investment returns while meeting the GLWA standards for safety and liquidity. GLWA is investing its funds in a diversified portfolio which includes bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper. All securities in the portfolio comply with the GLWA investment policy.

As stated in the GLWA Investment Policy, the investment purpose of the GLWA is to endeavor to accumulate a pool of assets sufficient to build capital for future use with the corresponding obligations to support near-term and long-term needs. The assets are to be invested consistent with the policies of the GLWA's Board of Directors and the Investment Policy document, as amended from time to time and in accordance with Michigan Public Act 20 of 1943 Investment of Surplus Funds of Political Subdivisions (the Act). The investment policy requires quarterly reporting by the Treasury Manager that includes the following.

- Discussion of investment strategy
- A summary of investments by type
- A summary of available funds and percentage invested
- A summary of interest income and average invested balances by financial asset classifications
- An analysis of investments by maturity dates
- A detailed report of all investments by type including fund, investment amount, rate, purchase date and maturity date and market price
- Reporting of portfolio as compared to the average U.S. Treasury Bills or U.S. Treasury Notes that most closely commensurate with the average life of the portfolio.

The full Investment Policy can be found on the GLWA website.

Grants, Gifts and Other Resources

The Authority is allowed under Article 4 Section B(4) of its Articles of Incorporation to solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the Authority, or participate in any other way in a federal, state, local, or intergovernmental government program. The Board, through the provisions of the Grants, Gifts, and Other Resources Delegation Policy, delegates this authority to the Chief Executive Officer with the exceptions of loans that are subject to provisions of the GLWA Board Debt Management Policy and intergovernmental agreements and other activities that are addressed in the GLWA Board Procurement Policy.

The Authority has not included any grant income in the FY 2024 – FY 2025 biennial budget.

The Authority continues to apply for grants as they become available. The American Rescue Plan Act of 2021 (ARPA) did not include authorities in the definition of entities allowed for ARPA funds. The Authority will continue to monitor the ARPA as amendments are made.

The Authority has applied for and or received some grants from the Federal Emergency Management Agency (FEMA) for Covid-19 related grants, June 2021 flood related grants and FEMA Building Resilient Infrastructure and Communities (BRIC) grants.

Grants have also been applied for or received from the Department of Energy, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water Asset Management (DWAM) grant, EGLE Surface Water Intake Protection Program (SWIPP) and from the Southeast Michigan Council of Governments (SEMCOG) for Infrastructure Asset Management Program grants.

The Authority is also involved in multiple research projects as a contributor or participant in research being conducted by universities and other entities.

Capital Contributions

Under the contract with Oakland-Macomb Interceptor Drain Drainage District (OMIDD), OMIDD is to maintain, repair, and improve Interceptor PCI-5, the Northeast Sewer Pump Station and the North Interceptor East Arm. When OMIDD improves or constructs a new asset under the terms of the agreement, they are transferred to GLWA through a process at the time the assets are placed into service. GLWA then recognizes a capital contribution for financial reporting basis. There are no capital contributions included in the FY 2024 – FY 2025 biennial budget as these capital contributions are not considered revenue for budget purposes as there are no funds provided that are used to meet the budgeted revenue requirements.

Water System Charges

The Water System Charges are based on industry practices and member partner contract terms. Inputs to the charge development process include meter data, usage patterns, budgetary decisions, capital needs, debt obligations, cost allocation methodologies, and related documents. GLWA's charges are developed by a financial consultant, The Foster Group, LLC in conjunction with a robust member partner engagement process which includes four Charges Roll-Out meetings held between November 1, 2022 and January 19, 2023 to solicit feed-back and answer questions from member partners.

The basis for the proposed water system service charges for FY 2024 are reflected in the service charge study prepared for GLWA by The Foster Group and as set forth in a memorandum dated December 30, 2022. The cost of service study in the memorandum report only addresses the wholesale service costs of service (revenue requirements) that are GLWA's responsibility. Retail revenue requirement elements solely attributable to the City of Detroit local system are allocated separately by GLWA through the Indirect Retail and Direct Retail revenue requirements to the City of Detroit. The results of the study were presented to wholesale member partners via the member partner outreach program at key milestone dates throughout the study period. Member partners were initially presented charges at the roll out meeting on January 12, 2023, and they were further discussed at a meeting on January 19, 2023. Member partners were formally notified of their proposed service charges on January 20, 2023. The memorandum report is available on the GLWA website at: FY 2024 Service Charge Recommendations

The FY 2024 Water Charges are the first in four years to reflect a detailed cost of service study to accurately represent cost responsibility for each Member Partner based on their updated peak demands emerging from the Contract Alignment Process ("CAP"). The calculations follow the same cost allocation strategies, practices, and protocols without any major modifications from cost of service calculations for prior years. Costs are allocated to "cost pools" that align with characteristics that define each Member Partner's use of the System. In many instances, the allocation of specific revenue requirement elements to cost pools reflects the same allocation assumptions as those applied in the development of the current service charges, although specific operating programs as reflected in the budget request for FY 2024 do impact the cost pool allocations. The FY 2024 Cost of Service Study continues to reflect results of the independent GLWA capital asset inventory and valuation project conducted at the "launch" of the Authority. Information provided by that project has been utilized, including updates reflecting activity through FY 2022, to allocate capital revenue requirements to Cost Pools.

The recommended charge adjustment reflects a proposed 2.75% "System Charge Adjustments" to meet wholesale revenue requirements. The proposed service charges for each Member Partner will vary from the system average to reflect recognition of required contractual adjustments and results of the FY 2024 Water Cost of Service. The charges do not include any amounts to recover bad debt expense associated with Highland Park from other Member Partners.

It is important to note that the existing FY 2023 Water service charges were determined via "across the board" Wholesale Charge Adjustments (applied to the FY 2022 service charges) to all Member Partners. The last charges determined via a detailed cost of service study that treated every Member Partner uniquely and individually were the FY 2020 Water Charges.

After the public hearing on February 22, 2023, the Board approved the proposed charges as presented. The final approved charges are set forth on the following two pages:

Great Lakes Water Authority
Approved FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.	Customer	Fixed Monthly Charge *(a)* $/mo	Commodity Charge *(a)* $/Mcf	Projected Revenue from Charges $
1	Allen Park	132,700	8.73	2,653,100
2	Almont Village	13,300	11.53	266,800
3	Ash Township	47,800	9.30	955,800
4	Belleville	18,300	9.68	366,700
5	Berlin Township	39,500	11.42	790,300
6	Brownstown Township	210,000	11.98	4,199,600
7	Bruce Township	17,400	46.26	348,500
8	Burtchville Township	21,800	19.33	435,600
9	Canton Township	577,700	12.34	11,555,000
10	Center Line	27,100	6.73	542,600
11	Chesterfield Township	245,000	10.86	4,899,100
12	Clinton Township	428,200	8.70	8,564,500
13	Commerce Township	195,400	14.45	3,906,800
14	Dearborn	551,100	7.85	11,021,800
15	Dearborn Heights	211,900	8.53	4,238,600
16	Eastpointe	90,900	6.99	1,817,800
17	Ecorse	66,200	5.80	1,325,100
18	Farmington	55,800	9.92	1,115,000
19	Farmington Hills	502,800	11.30	10,057,500
20	Ferndale	60,000	7.32	1,199,500
21	Flat Rock	79,700	12.30	1,593,500
22	Flint *(b)*	*584,400*	10.27	11,687,700
23	Fraser	70,800	9.94	1,417,200
24	Garden City	97,000	10.21	1,938,900
25	Gibraltar	19,200	9.35	383,700
26	Greenwood Township (DTE)	68,500	20.74	1,369,500
27	Grosse Ile Township	63,600	13.19	1,271,000
28	Grosse Pt. Park	76,700	11.04	1,534,200
29	Grosse Pt. Shores	36,700	15.07	734,300
30	Grosse Pt. Woods	73,700	8.42	1,473,000
31	Hamtramck	46,300	6.05	925,300
32	Harper Woods	49,400	7.56	988,200
33	Harrison Township	94,900	7.70	1,897,300
34	Hazel Park	43,100	7.01	861,400
35	Highland Park	64,700	5.02	1,293,500
36	Huron Township	85,400	10.53	1,707,100
37	Imlay City	83,700	14.64	1,673,400
38	Imlay Township (Single User)	900	62.31	18,900
39	Inkster	74,400	5.89	1,488,300
40	Keego Harbor	17,000	13.72	339,800
41	Lapeer	87,000	13.15	1,741,000
42	Lenox Township	17,100	9.88	341,500
43	Lincoln Park	129,300	6.04	2,585,000
44	Livonia	662,000	11.34	13,239,800
45	Macomb Township	695,100	16.79	13,902,000
46	Madison Heights	113,000	8.09	2,261,300
47	Mayfield Township (KAMAX)	2,700	47.11	53,600
48	Melvindale	36,400	6.70	727,600
49	New Haven, Village of	24,500	10.18	489,500
50	NOCWA	1,253,500	11.37	25,072,600
51	Northville	44,200	11.61	883,300
52	Northville Township	311,100	17.76	6,221,400
53	Novi	519,900	13.69	10,397,800
54	Oak Park	80,600	6.88	1,611,900
55	Oakland GWK Drain District	5,100	4.49	101,600
56	Plymouth	62,800	11.10	1,255,300
57	Plymouth Township	256,700	12.66	5,133,900
58	Redford Township	169,100	8.58	3,383,100
59	River Rouge	29,400	6.03	588,000
60	Riverview	50,300	8.41	1,005,600
61	Rockwood	14,300	11.52	285,600
62	Romeo	14,900	19.64	298,600

Great Lakes Water Authority
Approved FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.	Customer	Fixed Monthly Charge *(a)* $/mo	Commodity Charge *(a)* $/Mcf	Projected Revenue from Charges $
63	Romulus	214,700	7.90	4,293,900
64	Roseville	148,500	6.61	2,969,800
65	Royal Oak Township	11,800	9.34	235,900
66	Shelby Township	641,700	11.93	12,832,700
67	SOCWA	1,342,700	8.59	26,856,800
68	South Rockwood	6,600	11.43	132,900
69	Southgate	116,800	8.24	2,335,200
70	St. Clair Shores	178,100	7.09	3,562,300
71	Sterling Heights	846,100	11.25	16,919,000
72	Sumpter Township	40,500	9.67	809,900
73	Sylvan Lake	13,300	15.75	265,100
74	Taylor	259,500	7.87	5,190,100
75	Trenton	103,000	9.28	2,061,000
76	Troy	792,000	13.67	15,841,400
77	Utica	32,900	11.44	657,900
78	Van Buren Township	197,400	11.56	3,947,900
79	Walled Lake	45,200	12.27	904,400
80	Warren	544,300	6.95	10,885,800
81	Washington Township	132,900	12.28	2,657,000
82	Wayne	102,800	7.85	2,057,100
83	West Bloomfield Township	602,300	17.28	12,047,000
84	Westland	349,600	8.48	6,992,800
85	Wixom	141,000	14.44	2,819,800
86	Woodhaven	84,700	11.55	1,694,400
87	Ypsilanti Comm Util Auth	589,300	9.62	11,786,400
88	Total Wholesale Contract Member Partners			347,192,400
89	Adjustment to Flint Revenue Requirement for KWA Debt Service *(b)*			(6,651,800)
90	**Revenue from Wholesale Charges (agrees with "GLWA Budget Schedule 3")**			**340,540,600**
	Detroit Customer Class - $			
91	**Wholesale** Revenue Requirement *(c)*			**46,237,200**
92	less: Ownership Benefit per Lease			(20,700,000)
93	**Net Wholesale** Revenue Requirement			**25,537,200**
94	**Indirect Retail** Revenue Requirements *(d)*			***48,222,000***
95	less: Use of Lease Payment for Debt Service			0
96	**Net Indirect Retail** Revenue Requirements *(d)*			**48,222,000**
97	Subtotal Subject to GLWA Board Approval (93) + (96)			73,759,200
98	**Direct Retail** Revenue Requirements *(e)*			**45,128,400**
99	**Total Local System Revenue Requirement** (96) + (98)			**93,350,400**
100	**Total Requirement from Detroit Customer Class (agrees with "GLWA Budget Schedule 3")**			**118,887,600**
101	**Lead and Copper Rule Sample Testing Fee - $/Sample**			**60.00**

(a) *Proposed effective date of July 1, 2023. Effective on all bills issued on or after August 1, 2023.*
(b) *Net fixed monthly charge will include $554,300 monthly credits for KWA debt service.*
(c) *Wholesale revenue requirements for the Detroit Customer Class.*
(d) *Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)*
(e) *Local System operating expenses (net of shared services reimbursement)* ***and I&E deposit***. *Not Subject to GLWA Board approval.*
(d)&(e) *Local System information provided from Detroit Water & Sewerage Department as of February 2, 2023.*

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Water System Charge History

The table below shows the five-year history of the water system budgeted revenue requirement and charge adjustments:

Water System Charge Adjustments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budgeted revenue requirement [1]	$ 339,664,200	$ 341,642,000	$ 344,030,500	$ 356,071,600	$ 370,314,500
Percent change in budgeted revenue requirement	2.5%	0.6%	0.7%	3.5%	4.0%
Average annual charge adjustment [2]					
Total regional system	0.6%	3.2%	1.5%	3.7%	2.75%
Suburban wholesale	0.3%	3.1%	1.9%	3.5%	2.1%
Local system charge [3]	2.7%	3.0%	-2.0%	3.0%	6.2%
Number of wholesale water contracts [4]	87	87	87	87	87

[1] This is the revenue requirement in the original adopted budget for the fiscal year which is used in the calculation of charges. The revenue requirement represents the funding requirements which are defined in the Master Bond Ordinance. Determining the revenue requirements is the starting point in the process of determining charges, as the revenue from charges and non-operating revenues are used to fund the revenue requirements. This is the number the 4% revenue requirement commitment refers to.

[2] Average annual charge adjustment percentages is the required charge adjustment required when calculating revenue with the prior year existing charges, usage projections and any other specific individual contract requirements.

[3] Represents the annual change in the local system charges to the Detroit customer class before the annual credit of $20.7 million. Does not include any Detroit local system operating costs or charges included in the Detroit retail rate. Also does not include any impact of Detroit's use of the regional system lease payment to finance allocated debt service obligations.

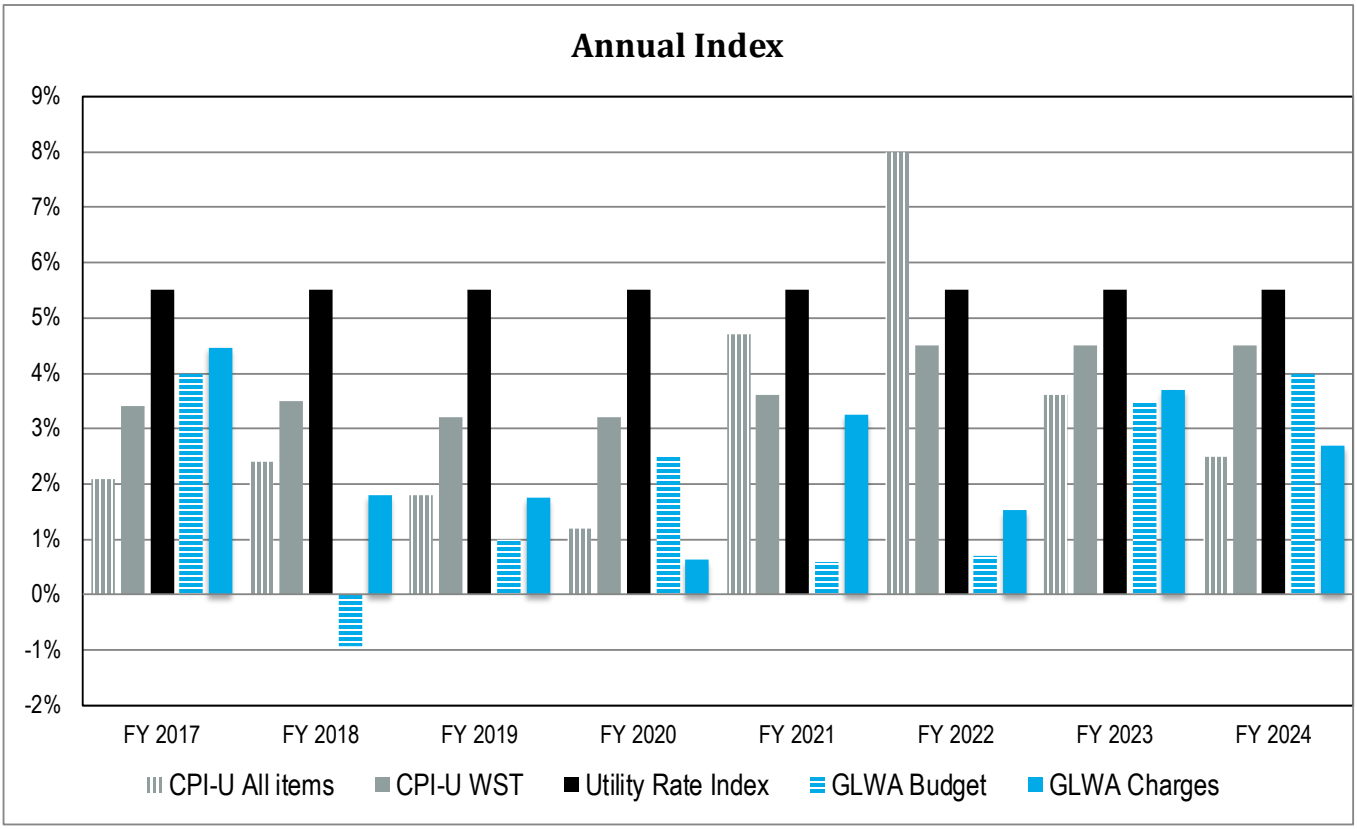
[4] Does not include the City of Detroit. Includes one emergency basis contract.

Source: Great Lakes Water Authority Financial Services Area and The Foster Group

The following two charts compare the GLWA budgeted revenue requirement and charge adjustments to other price indexes.

Historical Annual "Water System Budget & Charge" Adjustments

	Annual Index							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
(a) CPI-U All items	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	3.6%	2.5%
(b) CPI-U WST	3.4%	3.5%	3.2%	3.2%	3.6%	4.5%	4.5%	4.5%
(c) Utility Rate Index	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
GLWA Budget	4.0%	-0.9%	1.0%	2.5%	0.6%	0.7%	3.5%	4.0%
GLWA Charges	4.5%	1.8%	1.8%	0.6%	3.2%	1.5%	3.7%	2.7%



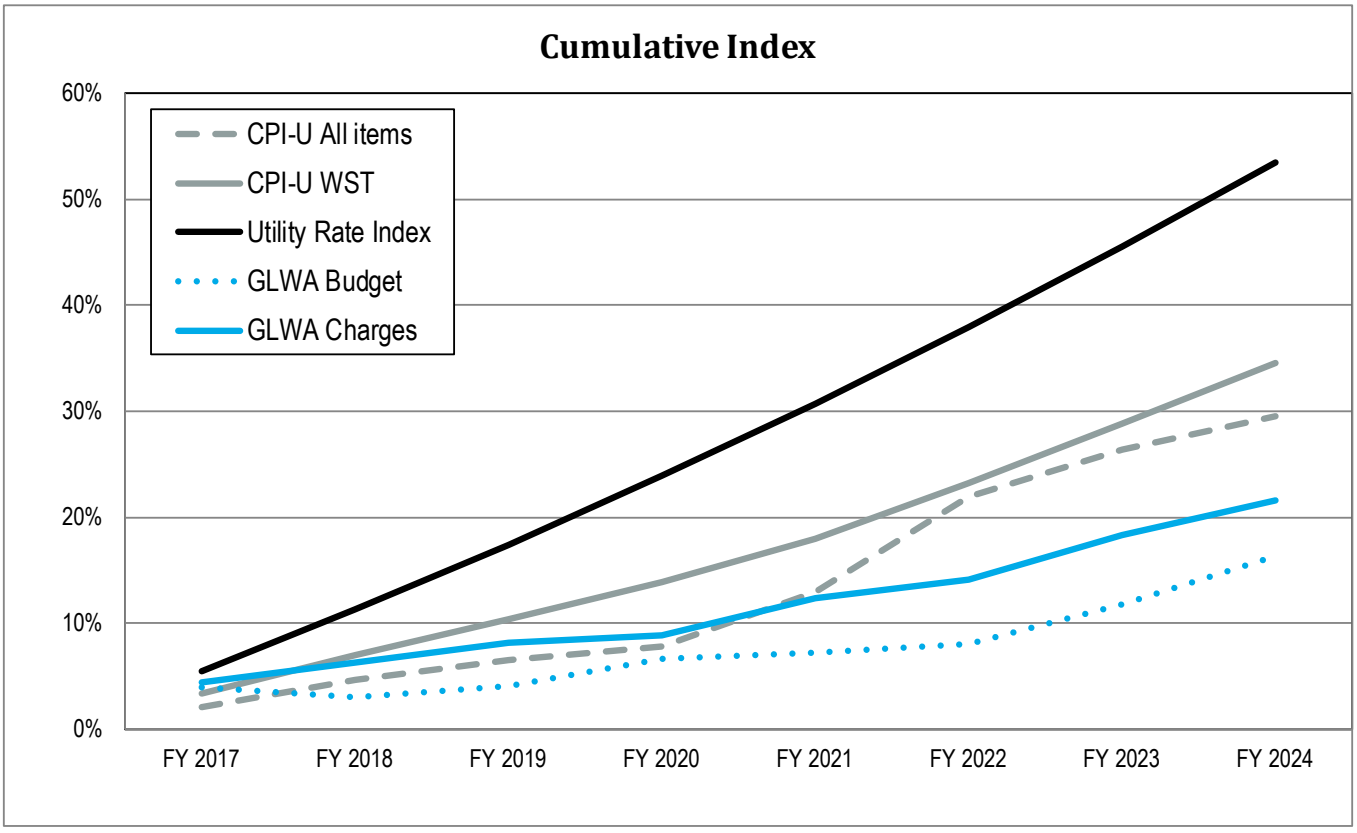
(a) FY 2017 - FY 2022 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2023 and FY 2024 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on November 17, 2022.

(b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2023 and FY 2024 based on FY 2022

(c) Black & Veatch 2021 50 Largest Cities Rate Survey Average rate of change water bills 2001-2020. The average was used for all years.

Cummulative Historical "Water System Budget & Charge" Adjustments

	Cumulative Index							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	26.3%	29.5%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	28.8%	34.6%
(c) Utility Rate Index	5.5%	11.3%	17.4%	23.9%	30.7%	37.9%	45.5%	53.5%
GLWA Budget	4.0%	3.0%	4.1%	6.7%	7.3%	8.0%	11.8%	16.3%
GLWA Charges	4.5%	6.3%	8.2%	8.9%	12.4%	14.1%	18.3%	21.5%



(a) FY 2017 - FY 2022 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2023 and FY 2024 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on November 17, 2022.

(b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2023 and FY 2024 based on FY 2022

(c) Black & Veatch 2021 50 Largest Cities Rate Survey Average rate of change water bills 2001-2020. The average was used for all years.

Produced and Billed Water Volumes

The five-year historical and projected produced and billed water volumes are presented in the table below.

Produced and Billed Water Volumes (Mcf)

Fisal Year	Water Produced [1]	Water Sales: Wholesale Billed [2]	Water Sales: Local System Billed [3]	Water Sales: Total Water Billed	Estimated Non-Revenue Water	Estimated Non-Revenue Water as % of Production
Projected						
2024	20,281,100	13,576,600	4,170,000	17,746,600	2,534,500	12.5%
2023	20,208,100	13,512,900	4,169,200	17,682,100	2,526,000	12.5%
Historical						
2022	20,498,700	13,205,300	4,297,300	17,502,600	2,996,100	14.6%
2021	20,565,800	14,258,300	4,120,000	18,378,300	2,187,500	10.6%
2020	19,989,500	13,578,700	4,161,300	17,740,000	2,249,500	11.3%
2019	20,968,100	13,708,600	4,354,600	18,063,200	2,904,900	13.9%
2018	23,228,600	14,391,800	4,428,200	18,820,000	4,408,600	19.0%

The table for historical water sales and reported total water production presents water volume in thousands of cubic feet ("Mcf") for suburban wholesale customers, for the Retail Water Customers, and for the Regional Water System as a whole, together with total water production and non-revenue water volume. As is common for all large water systems, the Regional Water System experiences a differential between the quantity of water produced by the treatment plants during the Fiscal Year and the quantity of water billed to customers over the same period, and the difference is referred to as "non-revenue water." Non-revenue water results from a variety of factors such as the range of accuracy of production and retail meters, losses due to leaks or major breaks in the transmission and distribution systems, unmetered water that is used for fire protection, and the accuracy of estimates for unmetered use. The Authority believes that improvements in the accuracy of the reported production figures may reduce the level of non-revenue water. Production at some of the water plants is not metered, but rather is estimated based on pump curves. The data continues to be reviewed, and the Authority has initiated efforts to measure production figures and refine production estimating techniques.

[1] Represents, in part, estimated volumes based on pump curves and engineering analysis.

[2] Represents metered amounts for all suburban wholesale customers, with the exception of Dearborn which is based on self-reported billed volumes (including local system losses), and Highland Park, which is based on estimated volumes.

[3] The GLWA charges the DWSD local system a flat charge based on average historical usage from DWSD retail billings data adjusted for water loss. These amounts reflect retail water sales as reported by DWSD plus estimated real and apparent losses in the local distribution system based on engineering studies.

Source: Great Lakes Water Authority Financial Services Area, DWSD and The Foster Group

Sewer System Charges

The Sewer System Charges are based on industry practices and member partner contract terms. GLWA's charges are developed by a financial consultant, The Foster Group, LLC in conjunction with a robust member partner engagement process which included four Charges Roll-Out meetings held between November 1, 2022 to January 19, 2023. During this time, proposed budget, results of the annual cost of service study, and recommended service charges were presented to the member partners to solicit feed-back and answer questions.

The basis for the proposed sewage disposal system service charges for FY 2024 are reflected in the service charge study prepared for GLWA by The Foster Group and as set forth in a memorandum dated December 30, 2022. The study in the memorandum report only addresses the wholesale service costs of service (revenue requirements) that are GLWA's responsibility. Retail revenue requirement elements solely attributable to the City of Detroit local system are allocated separately by GLWA through the Indirect Retail and Direct Retail revenue requirements to the City of Detroit. The results of the study were presented to wholesale member partners via the member partner outreach program at key milestone dates throughout the study period. Member partners were initially presented charges at the roll out meeting on January 12, 2023, and they were further discussed at a meeting on January 19, 2023. Member partners were formally notified of their proposed service charges on January 20, 2023. The memorandum report is available on the GLWA website at: FY 2024 Service Charge Recommendations

The FY 2024 Sewer Service Charges can be calculated without any recognition of "units of service", as Member Partner SHAREs are unchanged. Since the SHAREs established for the FY 2022 Sewer Charges are scheduled to remain in effect until FY 2025, the major units of service for the FY 2024 Sewer Charges are completely unchanged from FY 2023. This stability provides an opportunity to implement a charge strategy that embraces the hallmark GLWA objectives of stability and simplicity.

The FY 2024 Sewer Charges did not rely on an updated cost of service study of the FY 2024 Sewer Revenue Requirements. The "System Charge Adjustment" required from charges to Member Partners is 2.75%. Due to a small portion of the revenue requirement being recovered on a fixed contractual basis from the Oakland-Macomb Interceptor District (OMID), the remaining revenue from wholesale charges will require an 2.81% increase. The simplified approach applies a uniform 2.81% wholesale adjustment to all existing wholesale charges prior to required contractual adjustments.

Industrial Waste Control Charges and Pollutant Surcharges are also being adjusted at the 2.81% increase. The sewer charges do not include any amounts to recover bad debt expense associated with Highland Park from other Member Partners.

It is important to note that the existing FY 2023 Sewer service charges were determined via "across the board" Wholesale Charge Adjustments (applied to the FY 2022 service charges) to all Member Partners. The last charges determined via a detailed cost of service study that treated every Member Partner uniquely and individually were the FY 2022 Sewer Charges.

After the public hearing on February 22, 2023, the Board approved the proposed charges as presented.

The final approved charges are set forth in the two tables that follow this page. The following two paragraphs provide additional information regarding these tables.

In the Approved FY 2024 Sewage Disposal System Charges table, member partner OMID's total annual revenue requirement of $72,972,000 includes $71,030,900 for wholesale services, $1,191,100 for specific OMID O&M charges, and $750,000 for estimated pass thru utility charges (which are billed based on actual charges).

The table for Industrial Waste Control (IWC) Charges has two separate types of charges. The first column, labeled "Full Charge", includes both the administrative and field work components of the Industrial Pretreatment Program (IPP). The second column, labeled "Admin Only Charge", does not include the field work component and is for the IWC member partners that fall within the geographical area defined in an agreement between the GLWA and the City of Pontiac Wastewater Treatment Facility Drainage District and the Clinton River Water Resource Recovery Facility Drainage District. This Agreement addresses overlapping service areas that are governed by two IPPs with differing requirements and IPP rules. The IWC charges were analyzed to determine the administrative component (for reporting and oversight functions) and field work component (mainly sampling and testing).

Great Lakes Water Authority
Approved FY 2024 Sewage Disposal System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.		Fixed Monthly Charge $/mo	Projected Revenue from Charges $
	Suburban Wholesale		
1	OMID	6,081,000	72,972,000
2	Rouge Valley	4,789,300	57,471,600
3	Oakland GWK	3,971,300	47,655,600
4	Evergreen Farmington	3,099,400	37,192,800
5	SE Macomb San Dist	2,146,700	25,760,400
6	Dearborn	1,738,200	20,858,400
7	Grosse Pointe Farms	235,300	2,823,600
8	Grosse Pointe Park	163,100	1,957,200
9	Melvindale	134,700	1,616,400
10	Farmington	102,700	1,232,400
11	Center Line	89,300	1,071,600
12	Allen Park	72,600	871,200
13	Highland Park	464,200	5,570,400
14	Hamtramck	346,100	4,153,200
15	Grosse Pointe	77,100	925,200
16	Harper Woods	18,700	224,400
17	Redford Township	23,100	277,200
18	Wayne County #3	4,500	54,000
19	**Subtotal "Regional Wholesale Revenues from Charges"**		282,687,600
20	Industrial Specific Revenues		13,912,500
21	**Subtotal "Regional Wholesale Revenues from Charges"** *(a)*		**296,600,100**
	**** Wholesale charges will be effective July 1, 2023***		
	Detroit Customer Class - $		
22	**Wholesale** Revenue Requirement *(c)*		**202,085,600**
23	less: Ownership Benefit per Lease		(5,516,000)
24	**Net Wholesale** Revenue Requirement		**196,569,600**
25	**Indirect Retail** Revenue Requirements *(d)*		***35,265,100***
26	less: Use of Lease Payment for Debt Service		0
27	**Net Indirect Retail** Revenue Requirements *(d)*		**35,265,100**
28	Subtotal Subject to GLWA Board Approval (24) + (27)		231,834,700
29	**Direct Retail** Revenue Requirements *(e)*		**57,175,200**
30	**Total Local System Revenue Requirement** (27) + (29)		**92,440,300**
31	**Total Requirement from Detroit Customer Class *(a)***		**289,009,900**

(a) *Agrees with "GLWA Budget Schedule 3"*
(b) *Reserved*
(c) *Wholesale revenue requirements for the Detroit Customer Class.*
(d) *Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)*
(e) *Local System operating expenses (net of shared services reimbursement)* ***and I&E deposit****. Not Subject to GLWA Board approval.*
(d)&(e) *Local System information provided from Detroit Water & Sewerage Department as of February 2, 2023.*

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Great Lakes Water Authority
Approved FY 2024 Sewage Disposal System
Industrial Specific Retail Charges

Effective Date: July 1, 2023

Industrial Waste Control Charges

Meter Size *inches*	Full Charge *$/mo*	Admin Only Charge *$/mo*
5/8	3.64	0.91
3/4	5.46	1.37
1	9.10	2.28
1-1/2	20.02	5.01
2	29.12	7.28
3	52.78	13.20
4	72.80	18.20
6	109.20	27.30
8	182.00	45.50
10	254.80	63.70
12	291.20	72.80
14	364.00	91.00
16	436.80	109.20
18	509.60	127.40
20	582.40	145.60
24	655.20	163.80
30	728.00	182.00
36	800.80	200.20
48	873.60	218.40

Pollutant Surcharges

Pollutant	Charge *$/lb*
BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	**0.361**
TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	**0.496**
PHOSPHORUS (P) for concentrations > 12 mg/l	**6.629**
FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	**0.115**
SEPTAGE DISPOSAL FEE Per 500 gallons of disposal	**37.00**

Sewage Disposal System Charge History

The table below shows the five-year history of the sewage disposal system budgeted revenue requirement and charge adjustments:

Sewage Disposal System Charge Adjustments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budgeted revenue requirement [1]	$ 480,605,300	$ 486,751,300	$ 475,429,200	$ 481,372,100	$ 500,627,000
Percent change in budgeted revenue requirement	2.2%	1.3%	-2.3%	1.3%	4.0%
Average annual charge adjustment [2]					
Total regional system	0.8%	2.0%	-0.6%	2.4%	2.75%
Suburban wholesale	-0.1%	1.7%	-0.1%	3.2%	2.6%
Local system charge [3]	2.5%	2.3%	-0.7%	1.2%	2.8%
Number of wholesale sewage disposal contracts [4]	18	18	18	18	18

[1] This is the revenue requirement in the original adopted budget for the fiscal year which is used in the calculation of charges. The revenue requirement represents the funding requirements which are defined in the Master Bond Ordinance. Determining the revenue requirements is the starting point in the process of determining charges, as the revenue from charges and non-operating revenues are used to fund the revenue requirements. This is the number the 4% revenue requirement commitment refers to.

[2] Average annual charge adjustment percentages is the required charge adjustment required when calculating revenue with the prior year existing charges, usage projections and any other specific individual contract requirements. Also includes the bad debt adjustment.

[3] Represents the annual change in the local system charges to the Detroit customer class before the annual credit of $5.516 million. Does not include any Detroit local system operating costs or charges included in the Detroit retail rate. Also does not include any impact of Detroit's use of the regional system lease payment to finance allocated debt service obligations.

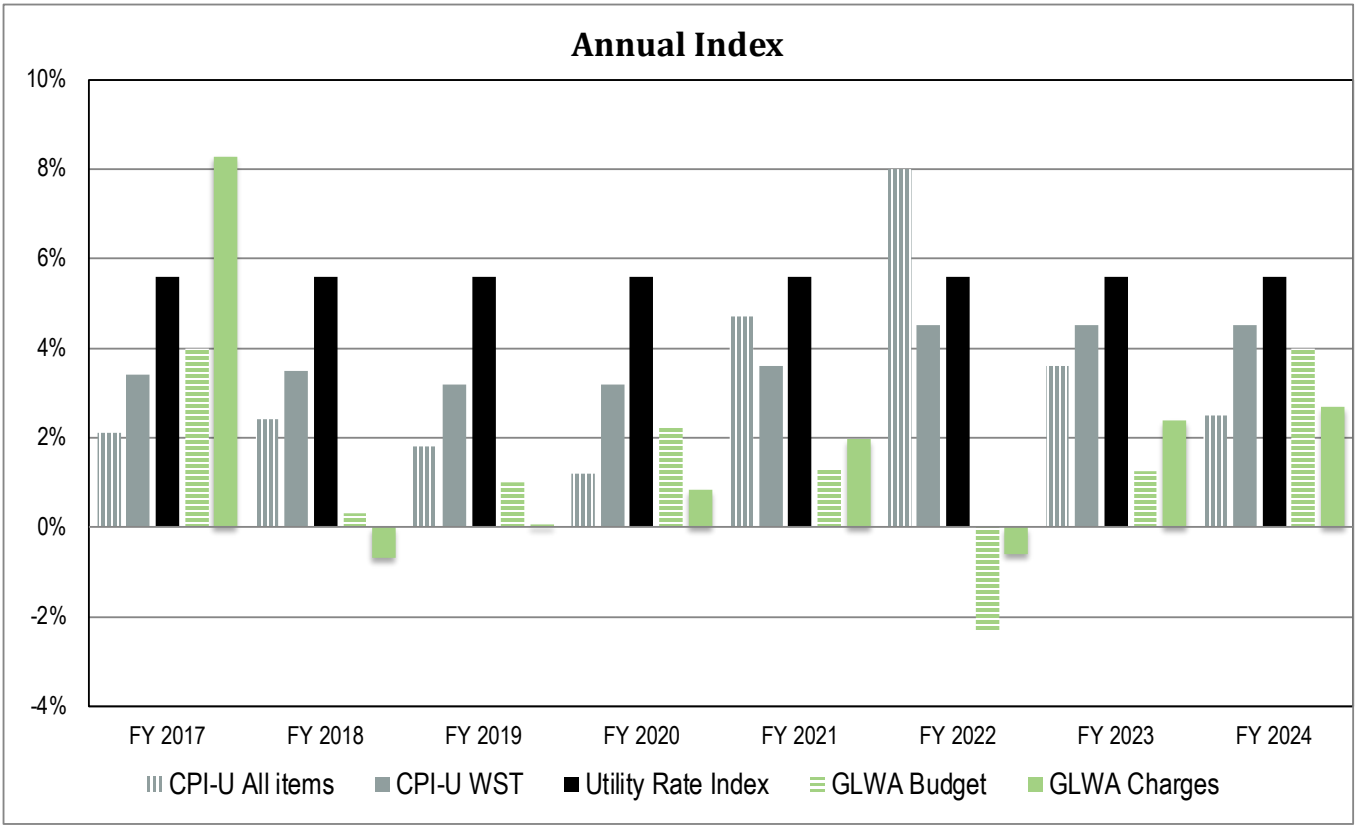
[4] Does not include the City of Detroit.

Source: Great Lakes Water Authority Financial Services Area and The Foster Group

The following two charts compare the GLWA budgeted revenue requirement and charge adjustments to other price indexes.

Historical Annual "Sewage Disposal System Budget & Charge" Adjustments

	Annual Index							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
(a) CPI-U All items	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	3.6%	2.5%
(b) CPI-U WST	3.4%	3.5%	3.2%	3.2%	3.6%	4.5%	4.5%	4.5%
(c) Utility Rate Index	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
GLWA Budget	4.0%	0.3%	1.0%	2.2%	1.3%	-2.3%	1.3%	4.0%
GLWA Charges	8.3%	-0.7%	0.1%	0.8%	2.0%	-0.6%	2.4%	2.7%



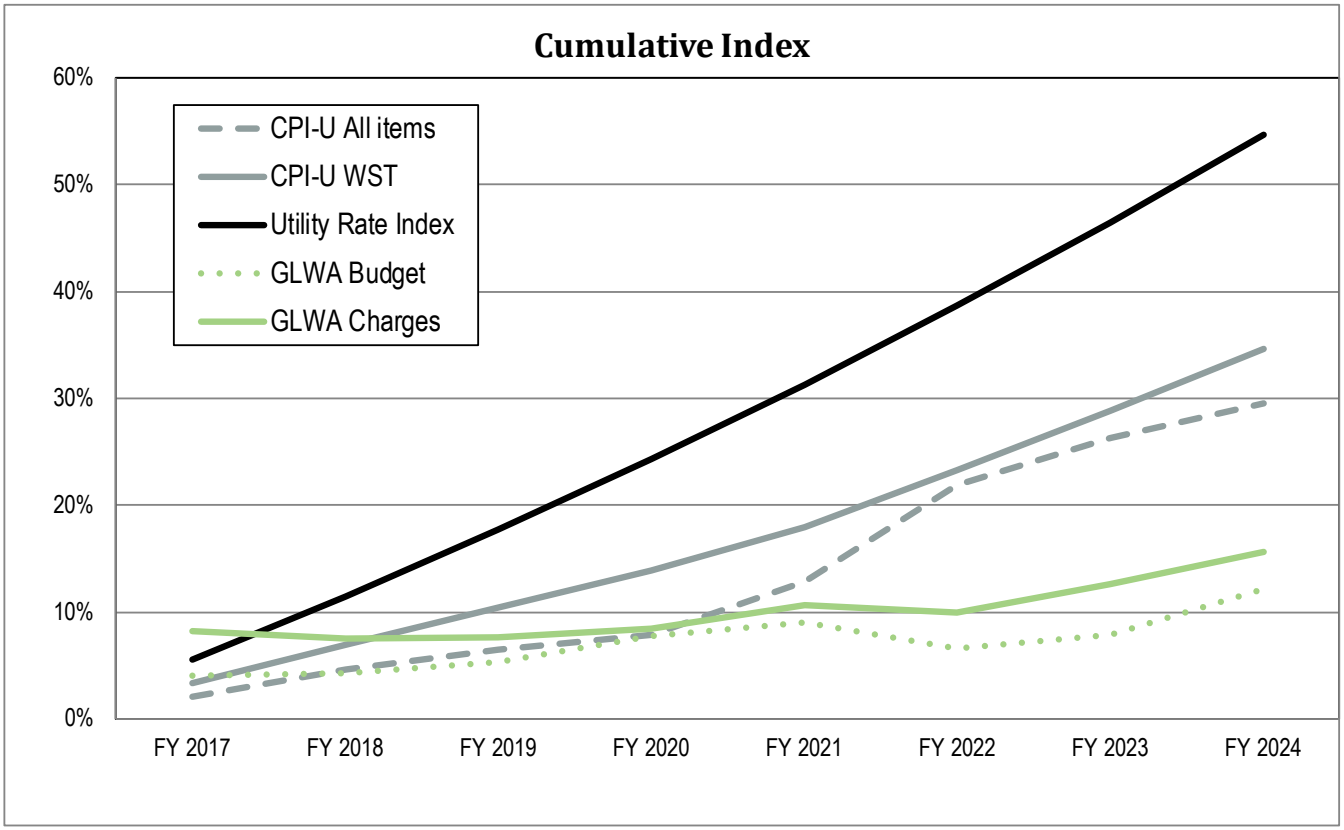
(a) FY 2017 - FY 2022 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2023 and FY 2024 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on November 17, 2022.

(b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2023 and FY 2024 based on FY 2022

(c) Black & Veatch 2021 50 Largest Cities Rate Survey Average rate of change sewer bills 2001-2020. The average was used for all years.

Cumulative Historical "Sewage Disposal System Budget & Charge" Adjustments

	Cumulative Index							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	26.3%	29.5%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	28.8%	34.6%
(c) Utility Rate Index	5.6%	11.5%	17.8%	24.4%	31.3%	38.7%	46.4%	54.6%
GLWA Budget	4.0%	4.3%	5.4%	7.7%	9.1%	6.5%	7.9%	12.2%
GLWA Charges	8.3%	7.5%	7.6%	8.5%	10.6%	9.9%	12.6%	15.6%



(a) FY 2017 - FY 2022 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2023 and FY 2024 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on November 17, 2022.

(b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2023 and FY 2024 based on FY 2022

(c) Black & Veatch 2021 50 Largest Cities Rate Survey Average rate of change sewer bills 2001-2020. The average was used for all years.

Wastewater Volumes

Historical wastewater volumes for the last five years are presented in the table below. Projected volumes are not presented as sewer wholesale revenues are recovered through a 100% fixed monthly charge based on allocated sewer shares and do not include a usage component. The sewer shares allocation is updated every 3 to 5 years based on historical wastewater flow data. The sewer SHAREs allocation formula was updated for FY 2022 charges and is based on historical flows for fiscal years 2013 through 2019. It is anticipated that this new sewer shares allocation will be used in computing charges through fiscal year 2024.

Wastewater Volumes (Mcf)

Fiscal Year	Total Wastewater Influent [1]	Wastewater Volume [2] Metered Customers	Wastewater Volume [2] Unmetered Customers [3]	"System" Volume [3]
2022 (preliminary)	36,008,500	15,496,000	11,451,400	9,061,100
2021	27,543,700	11,773,200	8,929,600	6,840,900
2020	30,856,000	13,812,000	9,633,400	7,410,600
2019	34,080,800	14,658,300	10,913,300	8,509,200
2018	32,139,200	13,587,800	10,487,000	8,064,400

Wastewater volumes are monitored by GLWA operations and engineering teams throughout the year then go through a formal review and approval process over a period of six to nine months following the end of the fiscal year. The formal, annual, data analytic review is led by an outside consultant. As part of this process preliminary data is shared with customers to confirm. Current and historic data does change at times as system improvements are made and reporting refinements occur.

[1] Represents total influent volume to the System, including volumes treated and discharged at the Water Resource Recovery Facility and volumes discharged via Combined Sewer Overflow facilities.

[2] The GLWA Sewer Charge Methodology uses historical wastewater volumes to allocate annual revenue requirements to the member partners based on historical wastewater volumes, and recovers the allocated revenue requirements via fixed monthly charges.

[3] The GLWA Sewer Charge Methodology assigns a portion of the unmetered non-sanitary flow volume as a "system" responsibility allocable to all member partners. The remaining amount is assigned to unmetered customers, which includes the Local System and certain wholesale customers.

Source: Great Lakes Water Authority Financial Services Area and The Foster Group

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SECTION 5 - OPERATING FINANCIAL PLANS

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Operating Financial Plans by Service Area

The GLWA's operating area financial plans provide the bridge from the operating units' objectives with the overall GLWA mission. The operating area plan also ensures that the organization is financially sound by aligning the allocation of resources across all levels of GLWA. This coordination requires a high level of preparation and interaction from both within and outside of the organization. Sound approaches to financial planning are imperative for ensuring long-term success in today's complex environment. The GLWA has prepared a balanced and responsible operating budget for fiscal years 2024 and 2025 and the forecasted financial plan for fiscal years 2026 through 2028.

Variance columns in Section 5 are based on a comparison to the amended FY 2023 budget. This provides a more useful analysis of the budget for FY 2024 by comparing to the expected expenditures for FY 2023.

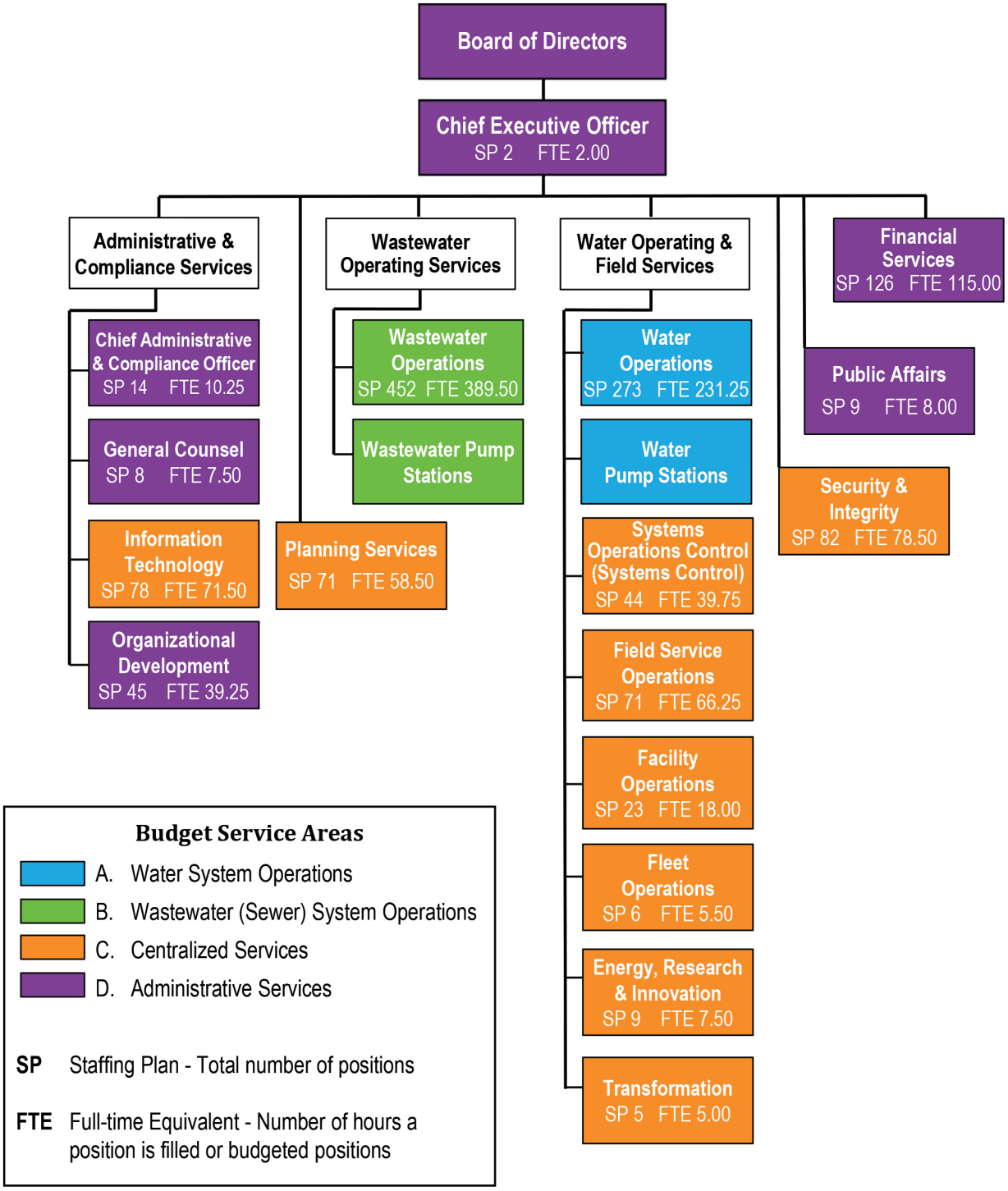
The tables in Section 5 are pulled from a database in which the underlying data is not rounded. The budget tables presented in this document are rounded to hundreds. This may result in some of the totals within the individual departments in Sections 5A, 5B, 5C and 5D not matching the department totals in Tables A, B, C and D of this Operating Financial Plans Introduction. This is due to how the rounding is applied as the data is pulled in different formats.

As discussed in Section 2, the Operations and Maintenance budget has four service areas as shown in Schedules 2C and 2D. They include:

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

The following organization chart shows each department and which service area that department's costs are allocated to.

Organizational Line of Reporting Chart



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The tables below provide the detail expenses by cost center of the four service areas as shown in Schedules 2C and 2D (Core Financial Plan Schedules).

A - Water System Operations Area and Related Cost Centers – Biennial Budget

A Water System Operations by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
COO - Water Operations & Field Services	$ 830,600	$ 1,112,000	$ 527,900	$ 1,282,300	$ 170,300	15.3%	$ 1,133,300
Lake Huron Water Plant	12,954,600	14,649,400	7,360,100	14,426,700	(222,700)	-1.5%	14,452,900
Northeast Water Plant	11,459,300	11,143,000	7,221,600	12,281,500	1,138,500	10.2%	12,288,300
Southwest Water Plant	9,457,900	10,341,400	4,864,700	10,231,300	(110,100)	-1.1%	10,238,000
Springwells Water Plant	14,776,900	15,408,900	7,438,700	15,295,700	(113,200)	-0.7%	15,302,800
Water Director	1,684,300	1,810,400	934,100	1,798,200	(12,200)	-0.7%	1,800,600
Water Engineering	1,366,200	810,100	664,600	1,415,400	605,300	74.7%	1,477,600
Water Quality	1,966,500	2,170,700	1,263,800	2,225,500	54,800	2.5%	2,259,400
Water Works Park	8,654,600	9,904,300	5,487,700	9,506,400	(397,900)	-4.0%	9,513,800
Water System Operations Unallocated Reserve	-	2,275,400	-	3,331,400	1,056,000	46.4%	4,853,100
Total Water Operations	63,150,900	69,625,600	35,763,200	71,794,400	2,168,800	3.1%	73,319,800
Adams Road Pumping Station	715,100	605,000	346,700	615,000	10,000	1.7%	625,200
Eastside Pumping Station	61,700	54,000	29,300	54,700	700	1.3%	55,400
Electric Ave Pumping Station	26,800	26,000	11,200	26,300	300	1.2%	26,600
Ford Rd Pumping Station	404,800	423,700	267,700	431,800	8,100	1.9%	439,900
Franklin Road Pumping Station	889,200	895,000	610,200	911,000	16,000	1.8%	927,000
Haggerty Road Pumping Station	384,300	257,500	123,600	284,700	27,200	10.6%	288,900
Imlay Pumping Station	2,294,300	2,795,000	1,647,500	2,481,000	(314,000)	-11.2%	2,527,900
Joy Road Pumping Station	741,500	642,500	374,900	653,600	11,100	1.7%	664,600
Michigan Ave Pumping Station	135,700	105,700	76,700	107,700	2,000	1.9%	109,700
Newburgh Pumping Station	478,500	380,000	221,400	387,000	7,000	1.8%	395,000
North Service Center Pumping Station	2,065,200	2,205,000	1,077,200	2,335,500	130,500	5.9%	2,376,800
Northwest Pumping Station	73,400	40,700	22,300	41,300	600	1.5%	41,900
Orion Township Pumping Station	94,000	73,000	49,400	75,400	2,400	3.3%	76,800
Rochester Pumping Station	298,000	272,000	159,100	277,100	5,100	1.9%	282,300
Roseville Pumping Station	100	300	-	300	-	0.0%	300
Schoolcraft Pumping Station	445,700	448,000	217,700	456,100	8,100	1.8%	463,100
West Chicago Rd Pumping Station	24,200	32,000	12,100	32,500	500	1.6%	33,000
West Service Center Pumping Station	959,100	947,700	579,300	760,700	(187,000)	-19.7%	773,700
Wick Road Pumping Station	679,400	605,500	280,400	615,600	10,100	1.7%	625,900
Ypsilanti Pumping Station	458,400	384,000	216,400	391,100	7,100	1.8%	398,200
Total Water Pump Stations	11,229,400	11,192,600	6,323,100	10,938,400	(254,200)	-2.3%	11,132,200
Grand Total	**$ 74,380,300**	**$ 80,818,200**	**$ 42,086,300**	**$ 82,732,800**	**$ 1,914,600**	**2.4%**	**$ 84,452,000**

A - Water System Operations Area and Related Cost Centers – Five-Year Financial Plan

A Water System Operations by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
COO - Water Operations & Field Services	$ 830,600	$ 1,112,000	$ 1,282,300	$ 1,133,300	$ 1,134,400	$ 1,135,400	$ 1,136,500
Lake Huron Water Plant	12,954,600	14,649,400	14,426,700	14,452,900	14,460,300	14,467,600	14,475,000
Northeast Water Plant	11,459,300	11,143,000	12,281,500	12,288,300	12,295,000	12,301,700	12,308,400
Southwest Water Plant	9,457,900	10,341,400	10,231,300	10,238,000	10,244,600	10,251,300	10,257,900
Springwells Water Plant	14,776,900	15,408,900	15,295,700	15,302,800	15,309,900	15,317,000	15,324,200
Water Director	1,684,300	1,810,400	1,798,200	1,800,600	1,802,900	1,805,300	1,807,600
Water Engineering	1,366,200	810,100	1,415,400	1,477,600	1,512,700	1,514,500	1,516,200
Water Quality	1,966,500	2,170,700	2,225,500	2,259,400	2,267,800	2,267,700	2,273,000
Water Works Park	8,654,600	9,904,300	9,506,400	9,513,800	9,521,200	9,528,600	9,535,900
Water System Operations Unallocated Reserve	-	2,275,400	3,331,400	4,853,100	6,284,200	7,670,200	9,177,500
Total Water Operations	63,150,900	69,625,600	71,794,400	73,319,800	74,833,000	76,259,300	77,812,200
Adams Road Pumping Station	715,100	605,000	615,000	625,200	635,600	646,200	657,000
Eastside Pumping Station	61,700	54,000	54,700	55,400	56,100	56,600	57,500
Electric Ave Pumping Station	26,800	26,000	26,300	26,600	26,900	27,200	27,500
Ford Rd Pumping Station	404,800	423,700	431,800	439,900	448,000	456,100	464,200
Franklin Road Pumping Station	889,200	895,000	911,000	927,000	944,000	961,000	978,000
Haggerty Road Pumping Station	384,300	257,500	284,700	288,900	293,100	297,300	299,500
Imlay Pumping Station	2,294,300	2,795,000	2,481,000	2,527,900	2,575,800	2,624,600	2,675,000
Joy Road Pumping Station	741,500	642,500	653,600	664,600	673,700	682,700	691,800
Michigan Ave Pumping Station	135,700	105,700	107,700	109,700	111,700	113,700	115,700
Newburgh Pumping Station	478,500	380,000	387,000	395,000	402,000	410,000	418,000
North Service Center Pumping Station	2,065,200	2,205,000	2,335,500	2,376,800	2,418,900	2,461,900	2,505,700
Northwest Pumping Station	73,400	40,700	41,300	41,900	42,500	42,900	43,700
Orion Township Pumping Station	94,000	73,000	75,400	76,800	78,300	79,800	81,300
Rochester Pumping Station	298,000	272,000	277,100	282,300	287,500	292,700	297,900
Roseville Pumping Station	100	300	300	300	300	300	300
Schoolcraft Pumping Station	445,700	448,000	456,100	463,100	471,200	479,200	488,300
West Chicago Rd Pumping Station	24,200	32,000	32,500	33,000	33,500	34,000	34,500
West Service Center Pumping Station	959,100	947,700	760,700	773,700	788,200	802,200	816,700
Wick Road Pumping Station	679,400	605,500	615,600	625,900	636,400	647,100	658,000
Ypsilanti Pumping Station	458,400	384,000	391,100	398,200	405,300	413,400	420,500
Total Water Pump Stations	11,229,400	11,192,600	10,938,400	11,132,200	11,329,000	11,528,900	11,731,100
Grand Total	**$ 74,380,300**	**$ 80,818,200**	**$ 82,732,800**	**$ 84,452,000**	**$ 86,162,000**	**$ 87,788,200**	**$ 89,543,300**

B - Sewer System Operations Area and Related Cost Centers – Biennial Budget

B Sewer System Operations by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater Operations Group							
7 Mile Combined Sewer Overflow	$ 110,800	$ 191,600	$ 57,500	$ 147,000	$ (44,600)	-23.3%	$ 149,000
Baby Creek Combined Sewer Overflow	1,426,800	1,511,300	516,100	1,421,300	(90,000)	-6.0%	1,355,900
BDF, COF & Hauling	22,483,900	22,400,500	11,712,100	24,015,000	1,614,500	7.2%	24,634,000
Belle Isle Combined Sewer Overflow	(21,600)	17,500	25,500	-	(17,500)	0.0%	-
Chief Operating Officer Wastewater	1,822,400	2,196,200	1,015,700	1,789,000	(407,200)	-18.5%	1,958,500
Combined Sewer Overflow	3,981,500	4,291,700	1,848,300	3,824,200	(467,500)	-10.9%	4,109,800
Conner Creek Combined Sewer Overflow	2,574,500	4,113,800	1,057,800	4,288,700	174,900	4.3%	4,757,400
Hubble Southfield CSO	824,000	879,400	330,800	858,300	(21,100)	-2.4%	864,600
Industrial Waste Control	2,271,100	2,539,200	1,205,100	2,454,400	(84,800)	-3.3%	2,726,000
Leib Combined Sewer Overflow	397,700	468,700	150,500	483,800	15,100	3.2%	488,000
Oakwood Combined Sewer Overflow	1,511,700	2,566,800	1,023,100	1,870,000	(696,800)	-27.1%	1,912,400
Puritan Fenkell Combined Sewer Overflow	266,100	320,600	110,200	275,700	(44,900)	-14.0%	279,400
St Aubin Combined Sewer Overflow	844,000	308,300	282,700	269,200	(39,100)	-12.7%	271,400
Suburban Only Green Infrastructure Allocation	-	340,000	-	340,000	-	0.0%	340,000
Wastewater Dewatering Process	5,960,800	6,465,200	3,061,600	6,483,700	18,500	0.3%	7,057,400
Wastewater Director	7,931,700	8,560,500	4,420,100	6,679,200	(1,881,300)	-22.0%	7,155,900
Wastewater Engineering	2,775,200	3,398,500	1,787,600	2,802,600	(595,900)	-17.5%	3,385,200
Wastewater Fire Damage	627,800	-	169,500	-	-	0.0%	-
Wastewater Incineration Process	6,239,800	6,245,300	2,417,600	6,300,700	55,400	0.9%	7,036,900
Wastewater Laboratories	3,270,500	3,313,200	1,730,900	3,799,900	486,700	14.7%	4,576,800
Wastewater Operations	24,829,500	31,598,600	16,343,400	30,260,800	(1,337,800)	-4.2%	30,782,500
Wastewater Primary Process	10,441,400	10,535,700	6,305,500	10,915,300	379,600	3.6%	11,694,200
Wastewater Process Control	2,893,100	3,548,900	1,347,900	3,889,500	340,600	9.6%	4,259,500
Wastewater Secondary Process	12,154,600	13,220,500	8,083,100	13,999,400	778,900	5.9%	14,387,500
Wastewater System Operations Unallocated Reserve	-	302,900	-	3,089,900	2,787,000	920.1%	2,087,200
Total Wastewater Operations Group	115,617,300	129,334,900	65,002,600	130,257,600	922,700	0.7%	136,269,500
Wastewater Pump Stations							
Belle Isle Pumping Station	(15,600)	-	7,300	-	-	0.0%	-
Blue Hill Pumping Station	19,900	-	44,000	-	-	0.0%	-
Conner Pumping Station	1,577,600	759,000	319,400	741,300	(17,700)	-2.3%	752,400
Fairview Pumping Station	706,000	760,000	276,000	540,400	(219,600)	-28.9%	549,000
Fischer Pumping Station	(8,800)	-	2,200	-	-	0.0%	-
Fox Creek Pumping Station	700	1,000	300	1,000	-	0.0%	1,000
Freud Pumping Station	659,700	501,500	149,900	435,000	(66,500)	-13.3%	441,200
Northeast Pumping Station	787,100	818,000	460,900	806,000	(12,000)	-1.5%	822,000
Oakwood Pumping Station	225,800	193,000	99,700	153,000	(40,000)	-20.7%	155,000
Woodmere Pumping Station	75,900	-	15,200	-	-	0.0%	-
Total Wastewater Pump Stations	4,028,300	3,032,500	1,374,900	2,676,700	(355,800)	-11.7%	2,720,600
Grand Total	**$ 119,645,600**	**$ 132,367,400**	**$ 66,377,500**	**$ 132,934,300**	**$ 566,900**	**0.4%**	**$ 138,990,100**

B - Sewer System Operations Area and Related Cost Centers – Five-Year Financial Plan

B Sewer System Operations by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater Operations Group							
7 Mile Combined Sewer Overflow	$ 110,800	$ 191,600	$ 147,000	$ 149,000	$ 152,400	$ 154,700	$ 156,100
Baby Creek Combined Sewer Overflow	1,426,800	1,511,300	1,421,300	1,355,900	1,379,700	1,388,200	1,477,000
BDF, COF & Hauling	22,483,900	22,400,500	24,015,000	24,634,000	25,017,600	24,934,700	24,876,700
Belle Isle Combined Sewer Overflow	(21,600)	17,500	-	-	-	-	-
Chief Operating Officer Wastewater	1,822,400	2,196,200	1,789,000	1,958,500	1,837,500	1,872,600	1,878,900
Combined Sewer Overflow	3,981,500	4,291,700	3,824,200	4,109,800	4,268,700	4,301,300	4,144,600
Conner Creek Combined Sewer Overflow	2,574,500	4,113,800	4,288,700	4,757,400	4,898,300	5,290,500	5,216,100
Hubble Southfield CSO	824,000	879,400	858,300	864,600	883,200	890,300	856,300
Industrial Waste Control	2,271,100	2,539,200	2,454,400	2,726,000	2,919,300	2,760,700	2,760,500
Leib Combined Sewer Overflow	397,700	468,700	483,800	488,000	497,400	502,000	501,900
Oakwood Combined Sewer Overflow	1,511,700	2,566,800	1,870,000	1,912,400	1,922,000	1,962,900	1,963,400
Puritan Fenkell Combined Sewer Overflow	266,100	320,600	275,700	279,400	284,400	297,100	283,400
St Aubin Combined Sewer Overflow	844,000	308,300	269,200	271,400	275,600	277,900	273,900
Suburban Only Green Infrastructure Allocation	-	340,000	340,000	340,000	340,000	350,000	350,000
Wastewater Dewatering Process	5,960,800	6,465,200	6,483,700	7,057,400	7,097,000	7,203,800	7,217,000
Wastewater Director	7,931,700	8,560,500	6,679,200	7,155,900	7,261,000	7,374,000	7,480,800
Wastewater Engineering	2,775,200	3,398,500	2,802,600	3,385,200	3,423,800	3,451,400	3,483,200
Wastewater Fire Damage	627,800	-	-	-	-	-	-
Wastewater Incineration Process	6,239,800	6,245,300	6,300,700	7,036,900	7,049,700	6,838,100	6,825,500
Wastewater Laboratories	3,270,500	3,313,200	3,799,900	4,576,800	4,576,300	4,595,000	4,625,700
Wastewater Operations	24,829,500	31,598,600	30,260,800	30,782,500	31,356,500	31,431,800	31,669,100
Wastewater Primary Process	10,441,400	10,535,700	10,915,300	11,694,200	11,796,000	11,796,900	11,902,000
Wastewater Process Control	2,893,100	3,548,900	3,889,500	4,259,500	4,429,100	4,690,000	4,376,600
Wastewater Secondary Process	12,154,600	13,220,500	13,999,400	14,387,500	14,549,800	14,723,800	14,972,900
Wastewater System Operations Unallocated Reserve	-	302,900	3,089,900	2,087,200	2,748,000	4,728,500	7,370,800
Total Wastewater Operations Group	115,617,300	129,334,900	130,257,600	136,269,500	138,963,300	141,816,200	144,662,400
Wastewater Pump Stations							
Belle Isle Pumping Station	(15,600)	-	-	-	-	-	-
Blue Hill Pumping Station	19,900	-	-	-	-	-	-
Conner Pumping Station	1,577,600	759,000	741,300	752,400	763,500	774,600	785,600
Fairview Pumping Station	706,000	760,000	540,400	549,000	559,600	569,200	580,000
Fischer Pumping Station	(8,800)	-	-	-	-	-	-
Fox Creek Pumping Station	700	1,000	1,000	1,000	1,100	1,100	1,100
Freud Pumping Station	659,700	501,500	435,000	441,200	447,800	454,200	460,600
Northeast Pumping Station	787,100	818,000	806,000	822,000	838,000	855,100	872,000
Oakwood Pumping Station	225,800	193,000	153,000	155,000	157,000	159,000	161,000
Woodmere Pumping Station	75,900	-	-	-	-	-	-
Total Wastewater Pump Stations	4,028,300	3,032,500	2,676,700	2,720,600	2,767,000	2,813,200	2,860,300
Grand Total	**$ 119,645,600**	**$ 132,367,400**	**$ 132,934,300**	**$ 138,990,100**	**$ 141,730,300**	**$ 144,629,400**	**$ 147,522,700**

C - Centralized Services Operating Area and Related Cost Centers - Biennial Budget

C Centralized Services by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Planning Services							
Asset Management	$ 3,466,300	$ 2,926,900	$ 1,620,200	$ 3,050,400	$ 123,500	4.2%	$ 7,446,200
Capital Improvement Planning	3,311,200	3,123,500	1,035,400	4,165,000	1,041,500	33.3%	4,737,800
Chief Planning Officer	282,800	374,300	171,000	318,200	(56,100)	-15.0%	319,600
Systems Analytics	4,798,900	5,978,000	2,494,400	6,087,700	109,700	1.8%	6,422,900
Systems Planning	1,327,900	2,099,500	944,100	1,832,900	(266,600)	-12.7%	2,101,200
Systems Planning & Development	220,400	585,900	118,500	919,800	333,900	57.0%	1,345,700
Total Planning Services	13,407,500	15,088,100	6,383,600	16,374,000	1,285,900	8.5%	22,373,400
Systems Operations Control (Systems Control)	11,382,900	12,625,800	7,565,800	12,707,200	81,400	0.6%	13,016,300
Facility Operations	6,693,400	7,863,800	3,291,900	7,865,900	2,100	0.0%	8,243,600
Fleet Operations	2,266,600	2,295,100	1,367,900	2,485,900	190,800	8.3%	2,587,200
Field Service Operations	16,702,400	18,152,200	9,930,600	18,572,100	419,900	2.3%	18,947,400
Energy, Research & Innovation	2,386,600	3,032,900	1,103,900	2,867,200	(165,700)	-5.5%	3,141,500
Transformation	590,900	775,900	329,700	728,000	(47,900)	-6.2%	728,900
Information Technology							
Info Tech Business Productivity Systems	2,340,700	4,018,200	1,242,200	4,077,900	59,700	1.5%	4,501,400
Info Tech Enterprise Asset Mgmt Systems	5,211,500	8,328,300	3,466,200	7,344,400	(983,900)	-11.8%	8,358,500
Info Technology Infrastructure	19,031,100	18,364,400	8,158,600	18,404,800	40,400	0.2%	18,718,000
Info Technology Security & Risk	80,400	428,800	106,600	320,200	(108,600)	-25.3%	413,800
Info Technology Service Delivery	3,243,900	3,779,100	1,542,500	3,909,400	130,300	3.4%	4,028,900
InfoTechnology Project Management Office	1,334,200	1,344,400	740,700	1,431,500	87,100	6.5%	1,434,500
Office of the CIO	1,036,300	1,293,200	671,800	1,565,900	272,700	21.1%	1,741,400
Total Information Technology	32,278,100	37,556,400	15,928,600	37,054,100	(502,300)	-1.3%	39,196,500
Security & Integrity							
HazMat	1,426,800	1,740,200	823,200	1,723,800	(16,400)	-0.9%	1,852,500
Office of Emergency Preparedness	118,500	341,200	146,300	432,100	90,900	26.6%	486,800
Security and Integrity	4,629,100	4,649,500	2,443,300	4,368,000	(281,500)	-6.1%	4,538,400
Total Security & Integrity	6,174,400	6,730,900	3,412,800	6,523,900	(207,000)	-3.1%	6,877,700
Centralized Services Unallocated Reserve		381,800	-	1,722,200	1,340,400	351.1%	2,071,000
Grand Total	**$ 91,882,800**	**$ 104,502,900**	**$ 49,314,800**	**$ 106,900,500**	**$ 2,397,600**	**2.3%**	**$ 117,183,500**

C - Centralized Services Operating Area and Related Cost Centers – Five-Year Financial Plan

C Centralized Services by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Planning Services							
Asset Management	$ 3,466,300	$ 2,926,900	$ 3,050,400	$ 7,446,200	$ 6,019,500	$ 7,100,300	$ 7,083,000
Capital Improvement Planning	3,311,200	3,123,500	4,165,000	4,737,800	3,740,500	2,743,300	2,496,100
Chief Planning Officer	282,800	374,300	318,200	319,600	321,100	322,200	323,500
Systems Analytics	4,798,900	5,978,000	6,087,700	6,422,900	6,502,300	6,588,900	6,610,200
Systems Planning	1,327,900	2,099,500	1,832,900	2,101,200	2,277,100	2,302,900	2,153,800
Systems Planning & Development	220,400	585,900	919,800	1,345,700	1,221,900	622,900	623,800
Total Planning Services	13,407,500	15,088,100	16,374,000	22,373,400	20,082,400	19,680,500	19,290,400
Systems Operations Control (Systems Control)	11,382,900	12,625,800	12,707,200	13,016,300	13,015,900	13,015,500	13,014,800
Facility Operations	6,693,400	7,863,800	7,865,900	8,243,600	8,299,300	8,356,000	8,413,700
Fleet Operations	2,266,600	2,295,100	2,485,900	2,587,200	2,588,400	2,589,700	2,591,000
Field Service Operations	16,702,400	18,152,200	18,572,100	18,947,400	18,964,200	18,981,300	18,998,200
Energy, Research & Innovation	2,386,600	3,032,900	2,867,200	3,141,500	3,208,000	3,275,500	3,371,000
Transformation	590,900	775,900	728,000	728,900	729,700	730,700	731,100
Information Technology							
Info Tech Business Productivity Systems	2,340,700	4,018,200	4,077,900	4,501,400	4,531,000	4,594,500	4,659,500
Info Tech Enterprise Asset Mgmt Systems	5,211,500	8,328,300	7,344,400	8,358,500	8,499,300	8,583,100	4,626,600
Info Technology Infrastructure	19,031,100	18,364,400	18,404,800	18,718,000	19,037,400	19,363,500	19,120,100
Info Technology Security & Risk	80,400	428,800	320,200	413,800	415,000	416,300	417,500
Info Technology Service Delivery	3,243,900	3,779,100	3,909,400	4,028,900	4,089,400	4,151,900	4,217,900
InfoTechnology Project Management Office	1,334,200	1,344,400	1,431,500	1,434,500	1,437,400	1,440,500	1,443,400
Office of the CIO	1,036,300	1,293,200	1,565,900	1,741,400	1,756,200	1,771,300	1,786,600
Total Information Technology	32,278,100	37,556,400	37,054,100	39,196,500	39,765,700	40,321,100	36,271,600
Security & Integrity							
HazMat	1,426,800	1,740,200	1,723,800	1,852,500	1,940,800	1,949,000	1,956,100
Office of Emergency Preparedness	118,500	341,200	432,100	486,800	489,800	492,500	495,300
Security and Integrity	4,629,100	4,649,500	4,368,000	4,538,400	4,554,200	4,569,900	4,586,200
Total Security & Integrity	6,174,400	6,730,900	6,523,900	6,877,700	6,984,800	7,011,400	7,037,600
Centralized Services Unallocated Reserve		381,800	1,722,200	2,071,000	5,888,800	7,956,000	14,636,700
Grand Total	**$ 91,882,800**	**$ 104,502,900**	**$ 106,900,500**	**$ 117,183,500**	**$ 119,527,200**	**$ 121,917,700**	**$ 124,356,100**

D - Administrative Services Operating Area and Related Cost Centers – Biennial Budget

D Administrative Services by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Board of Directors	$ 1,494,500	$ 215,600	$ 122,700	$ 169,600	$ (46,000)	-21.3%	$ 169,600
Chief Executive Officer	688,400	674,200	318,800	709,100	34,900	5.2%	715,100
Chief Administrative and Compliance Officer							
Chief Administrative Officer	860,200	1,118,400	521,600	1,252,800	134,400	12.0%	1,326,000
Enterprise Risk Management and Safety	694,600	1,706,100	91,100	1,658,700	(47,400)	-2.8%	2,008,600
Enterprise Risk Mgt. Insurance Fund	4,653,000	3,672,000	3,142,300	3,745,400	73,400	2.0%	3,820,300
Total Chief Administrative & Compliance Officer	6,207,800	6,496,500	3,755,000	6,656,900	160,400	2.5%	7,154,900
General Counsel	5,823,400	3,267,700	1,842,100	3,391,200	123,500	3.8%	3,529,000
Public Affairs	1,319,300	1,602,200	852,200	1,695,100	92,900	5.8%	1,909,900
Organizational Development							
OD Administration	918,300	664,700	479,100	588,700	(76,000)	-11.4%	740,100
OD Talent Management	2,093,800	2,815,900	1,200,900	3,252,700	436,800	15.5%	3,690,900
OD Training	1,331,800	1,699,000	695,200	1,740,200	41,200	2.4%	1,805,000
Total Organizational Development	4,343,900	5,179,600	2,375,200	5,581,600	402,000	7.8%	6,236,000
Financial Services							
CFO Services							
Chief Financial Officer	844,700	1,080,800	370,400	983,400	(97,400)	-9.0%	1,122,900
CFO Services	1,765,700	2,432,600	1,149,300	2,553,100	120,500	5.0%	2,743,300
Data Analytics & Internal Audit	30,900	-	-	-	-	0.0%	-
Financial Management & Planning	1,395,600	2,032,600	722,900	1,868,700	(163,900)	-8.1%	2,081,400
Treasury	635,200	879,700	272,700	906,300	26,600	3.0%	909,600
Total CFO Services	4,672,100	6,425,700	2,515,300	6,311,500	(114,200)	-1.8%	6,857,200
Operations Support Services							
Logistics and Materials	2,541,600	2,673,800	1,300,100	2,886,700	212,900	8.0%	3,080,600
Owners' Representative	181,000	-	-	-	-	0.0%	-
Procurement Director	3,325,700	3,928,100	2,017,500	4,090,500	162,400	4.1%	4,407,000
Total Operations Support Services	6,048,300	6,601,900	3,317,600	6,977,200	375,300	5.7%	7,487,600
Financial Reporting & Accounting	2,793,300	3,764,300	1,771,100	3,838,000	73,700	2.0%	3,996,500
Total Financial Services	13,513,700	16,791,900	7,604,000	17,126,700	334,800	2.0%	18,341,300
Administrative Services Unallocated Reserve	-	454,000	-	652,300	198,300	43.7%	349,600
Grand Total	**$ 33,391,000**	**$ 34,681,700**	**$ 16,870,000**	**$ 35,982,500**	**$ 1,300,800**	**3.8%**	**$ 38,405,400**

D - Administrative Services Operating Area and Related Cost Centers – Five-Year Financial Plan

D Administrative Services by Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Board of Directors	$ 1,494,500	$ 215,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600
Chief Executive Officer	688,400	674,200	709,100	715,100	721,400	727,600	733,900
Chief Administrative and Compliance Officer							
Chief Administrative Officer	860,200	1,118,400	1,252,800	1,326,000	1,337,800	1,350,200	1,362,700
Enterprise Risk Management and Safety	694,600	1,706,100	1,658,700	2,008,600	2,032,300	2,056,400	2,080,900
Enterprise Risk Mgt. Insurance Fund	4,653,000	3,672,000	3,745,400	3,820,300	3,896,700	3,974,700	4,054,100
Total Chief Administrative & Compliance Officer	6,207,800	6,496,500	6,656,900	7,154,900	7,266,800	7,381,300	7,497,700
General Counsel	5,823,400	3,267,700	3,391,200	3,529,000	3,588,000	3,636,300	3,685,500
Public Affairs	1,319,300	1,602,200	1,695,100	1,909,900	1,929,000	1,948,700	2,017,100
Organizational Development							
OD Administration	918,300	664,700	588,700	740,100	742,400	744,900	747,400
OD Talent Management	2,093,800	2,815,900	3,252,700	3,690,900	3,614,000	3,736,800	3,660,300
OD Training	1,331,800	1,699,000	1,740,200	1,805,000	1,816,300	1,828,100	1,839,600
Total Organizational Development	4,343,900	5,179,600	5,581,600	6,236,000	6,172,700	6,309,800	6,247,300
Financial Services							
CFO Services							
Chief Financial Officer	844,700	1,080,800	983,400	1,122,900	1,131,600	1,140,400	1,149,100
CFO Services	1,765,700	2,432,600	2,553,100	2,743,300	2,550,500	2,555,800	2,561,200
Data Analytics & Internal Audit	30,900	-	-	-	-	-	-
Financial Management & Planning	1,395,600	2,032,600	1,868,700	2,081,400	1,891,700	1,899,900	1,908,600
Treasury	635,200	879,700	906,300	909,600	912,800	916,200	919,600
Total CFO Services	4,672,100	6,425,700	6,311,500	6,857,200	6,486,600	6,512,300	6,538,500
Operations Support Services							
Logistics and Materials	2,541,600	2,673,800	2,886,700	3,080,600	3,107,700	3,135,100	3,163,100
Owners' Representative	181,000	-	-	-	-	-	-
Procurement Director	3,325,700	3,928,100	4,090,500	4,407,000	4,420,500	4,434,100	4,447,900
Total Operations Support Services	6,048,300	6,601,900	6,977,200	7,487,600	7,528,200	7,569,200	7,611,000
Financial Reporting & Accounting	2,793,300	3,764,300	3,838,000	3,996,500	3,813,400	3,828,400	3,843,300
Total Financial Services	13,513,700	16,791,900	17,126,700	18,341,300	17,828,200	17,909,900	17,992,800
Administrative Services Unallocated Reserve	-	454,000	652,300	349,600	1,497,800	1,873,800	2,412,200
Grand Total	**$ 33,391,000**	**$ 34,681,700**	**$ 35,982,500**	**$ 38,405,400**	**$ 39,173,500**	**$ 39,957,000**	**$ 40,756,100**

Departmental Introduction

Following this section is a section for each of the service areas of the Operations & Maintenance budget. Each service area section includes the departments that make up that service area. The departmental information is organized in the following order:

- Description of the department
- Strategic initiatives
- Major contracts (if applicable)
- Organization (Teams)
- Expense Categories
- Biennial Budget
- Personnel Budget
- Five-Year Financial Plan (by expense category)
- Capital Outlay*
- Line-Item Budget and Financial Plan (five-year plan)

*The Capital Outlay information provided is for Capital Outlay greater than $5,000 and is discussed in more detail in Section 3. Capital Outlay funded with I&E funds is not included in the department's operating budget. Expense category 6.0 Capital Outlay includes capital outlay greater than $5,000 which is not capitalized (primarily IT related) and is funded by current year revenues. Capital outlay less than $5,000 is reported under expense category 4.2 Supplies and Other and is not included in the capital outlay discussion.

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SECTION 5A - WATER SYSTEM OPERATIONS

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Water Operations

The Water Operations area produces and delivers water of unquestionable quality to nearly 40% of the State of Michigan's population while meeting or exceeding all state, federal, local, and department standards for quality and safety.

Strategic Initiatives

- **Maintain 100% water quality compliance (Ongoing)**
  Delivery of pure, safe drinking water is an essential to GLWA's mission. A monthly KPI is reported to the Board of the percent compliance with the Safe Drinking Water Act.
- **Restructuring Water Production (Ongoing)**
  Continue implementation of the 2015 Water Master Plan Update; specifically, those aspects which address excess production capacity.
- **Maintain Capital Project Delivery (Ongoing)**
  Sustain water treatment operations and transmission by effective and efficient delivery of capital investments.
- **Transmission Assessment & Rehabilitation (Ongoing)**
  Continue to assist in the program design for the rehabilitation of water mains.
- **Improve Operational Reliability through Automation & Equipment Maintenance (Ongoing)**
  - Implement water automation within all facilities.
  - Support asset management to improve maintenance activities.

The Partnership for Safe Water (PSW) is a voluntary utility program for drinking water treatment plant and distribution system optimization. GLWA has been a member of the PSW since 2000. Three plants Lake Huron, Northeast and Southwest received the Phase III 15 Year Directors Award in 2021 in recognition to their commitment to superior water quality. Water Works Park was awarded the Directors Award in 2019. In addition, Water Works Park received the highest award, the Presidents Award from PSW in the year 2020 and Southwest received the Presidents Award in the year 2023.

The table on the following page shows how the water operations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Water Operations Strategic Initiatives	Maintain 100% water quality compliance			x				x				x
	Restructuring Water Production			x	x	x						x
	Improve Capital Project Delivery			x	x							x
	Transmission Assessment & Rehabilitation			x	x							x
	Improve Operational Reliability through Automation and Equipment Maintenance	x	x	x	x	x						x

Water Operations Contracts

The Water Operations budget contains several contractual services to ensure system reliability, timely distribution and delivery of high-quality and safe water that complies with drinking water regulations. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process. It should be noted that several contracts are shared by multiple areas of GLWA.

The following tables include the key contracts for the Water Operations area.

Significant Contracts

Project Description	Comprehensive Corrosion Control Optimization Study	Ovation Evergreen Upgrade	Alum Sludge Hauling	Switchgear Maintenance & Testing Services	As Needed: CIP Implementation Assistance & Related Services	Standby Generator Preventative Maintenance & Repair Contract	Total Significant Contracts
Prime Consultant	Arcadis of Michigan, LLC	Emerson Process Management	Mobile Dredging & Video Pipe Inc	Motor City Electric	PMA Consultants LLC	Preventive Maintenance Technologies	
Contract #	1803705	2101167	GLWA-CON-170	1900995	GLWA-CS-166	2001082	
Contract Amount	$7,710,619	$18,151,779	$40,907,520	$9,702,373	$11,300,000	$2,612,707	
Contract End Date	11/08/24	N/A	03/31/24	01/25/24	01/11/25	11/10/24	
Cost Center Name	Various	Various	Various	Various	Various	Various	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 1,846,948	$ 263,459	$ 21,659,979	$ 943,124	$ 1,420,317	$ 289,675	$ 26,423,502
Pre-FY 2022 Average Spend	$ 1,168,954	$ 87,820	$ 6,188,565	$ 1,886,249	$ 405,805	$ 249,720	
FY 2022 Spend	1,686,385	15,893	8,742,023	1,847,572	2,129,082	226,341	14,647,296
FY 2023 Budget	1,475,000	300,000	6,500,000	503,000	300,000	250,000	9,328,000
FY 2024 Requested	**1,540,000**	**175,000**	**7,500,000**	**553,000**	**315,000**	**205,000**	**10,288,000**
FY 2025 Requested	1,540,000	175,000	7,500,000	553,000	315,000	205,000	10,288,000
FY 2026 Requested	1,540,000	175,000	7,500,000	553,000	315,000	205,000	10,288,000
FY 2027 Requested	1,540,000	175,000	7,500,000	553,000	315,000	205,000	10,288,000
FY 2028 Requested	1,540,000	175,000	7,500,000	553,000	315,000	205,000	10,288,000
Total	**$ 13,877,287**	**$ 1,542,172**	**$ 80,590,568**	**$ 7,944,945**	**$ 5,830,203**	**$ 2,040,736**	**$ 101,838,798**

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Significant Chemical Contracts

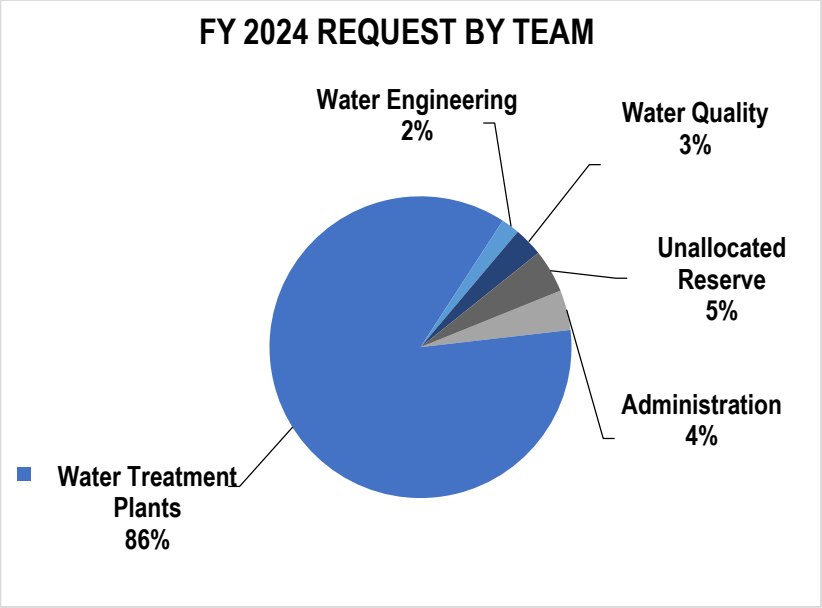
Project Description	Hydrofluorosilicic Acid	Aluminum Sulfate	Liquid Chlorine	Phosphoric Acid	Liquid Oxygen	Total Significant Chemical Contracts
Prime Vendor	PVS Pencco	Chemtrade Chemicals	JCI Jones Chemicals	PVS Pencco	Metro Welding	
Contract #	Various	N/A*	1803508	Various	Various	
Contract Amount	Purchase Order	$3,317,800	$1,995,600	Purchase Order	Purchase Order	
Contract End Date	Numbers	07/01/22	08/31/23	Numbers	Numbers	
Cost Center Name	Various	Various	Various	Various	Various	
Expense Category	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals
Pre-FY 2022 Spend	$ 5,973,089	$ 13,467,850	$ 3,728,727	$ 6,665,141	$ 450,316	$ 30,285,122
Pre-FY 2022 Average Spend	497,757	1,122,321	310,727	555,428	37,526	2,523,760
FY 2022 Spend	1,290,969	2,993,515	1,794,000	910,388	75,399	7,064,271
FY 2023 Budget	630,000	2,965,000	700,000	300,000	97,200	4,692,200
FY 2024 Requested	**990,000**	**3,900,000**	**2,370,000**	**700,000**	**97,200**	**8,057,200**
FY 2025 Requested	990,000	3,900,000	2,370,000	700,000	97,200	8,057,200
FY 2026 Requested	990,000	3,900,000	2,370,000	700,000	97,200	8,057,200
FY 2027 Requested	990,000	3,900,000	2,370,000	700,000	97,200	8,057,200
FY 2028 Requested	990,000	3,900,000	2,370,000	700,000	97,200	8,057,200
Total	**$ 13,341,816**	**$ 40,048,685**	**$ 18,383,453**	**$ 11,930,958**	**$ 1,146,441**	**$ 84,851,353**

N/A* - Short-term pricing agreement; currently chemical vendors are not entering into contracts. See Chemicals under Section 6 Supplemental Analysis for specific details.

Organization

The Water Operations Area consists of four teams that are vigilant about water quality. The Water Operations teams work to protect GLWA communities by testing water as it travels through distribution pipelines and maintaining the best water treatment possible.

- **Administration**
  - Chief Operating Officer – Water Operations and Field Services
  - Water Director
  - Overall budget management including unallocated reserve
- **Water Treatment Plants**
  - Water Works Park
  - Springwells WTP
  - Northeast WTP
  - Southwest WTP
  - Lake Huron WTP
- **Water Engineering**
- **Water Quality**
- **Water System Operations Unallocated** – Funds not apportioned for a specific purpose used for significant unexpected or unbudgeted expenditures

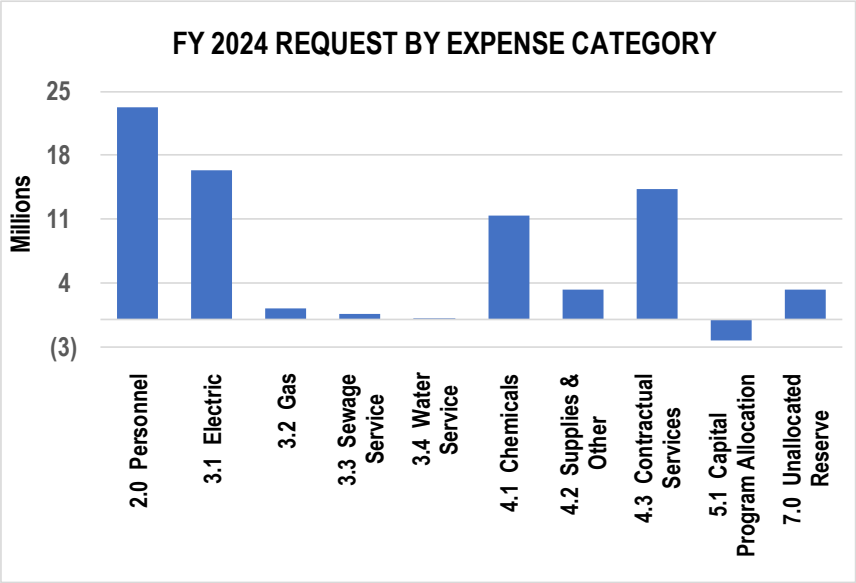


Expense Categories

There are four major categories of Water Operations expenses in the operations and maintenance budget as listed below.

- Personnel
- Electric Utilities
- Contractual Services
- Chemicals

The Water Operations Area is required to obtain a consistent level of personnel in order to avoid staff fatigue, overtime cost, and to assure the highest level of water quality. Accordingly, personnel costs are the highest expense category.



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The electric utilities are the second highest expense category for Water Operations. Water demand leads to increased or decreased energy consumption in order to transport enough safe drinking water to the GLWA's communities. Energy consumption is dependent on flow rate, total pressure, climate (temperature extremes), and overall pump efficiency.

Contractual services are the third highest expense category for Water Operations. The level of contractual services includes HVAC maintenance, janitorial services, ovation support (a reliable and innovative control system that integrates data from remote sites into a single, unified system, reducing complexity and minimizing maintenance), alum sludge hauling and corrosion control optimization studies.

Chemicals are the fourth highest expense category for Water Operations. The increases are to accommodate the expected rising costs of chemicals.

Biennial Budget Request

The discussion below compares the FY 2024 to the FY 2023 amended budget. The FY 2023 budget was amended at greater levels than previous years due to historic operational cost increases and inflationary pressures. The FY 2023 Water Operations budget was increased over $5 million from the adopted budget. Chemicals were increased by $4.8 million and Electric by $1.3 million for the FY 2023 amended budget.

The biennial budget reflects an overall increase in FY 2024 of $2.2 million, or 3.1%. Key factors that impact FY 2024 include the following:

- Personnel increased with the anticipated filling of key positions ($1.1M or 5%). This includes the addition of a Deputy Chief Operating Officer, additional engineering Subject Matter Experts, a Management Professional to support the EGLE Regulatory Changes for Member Partners and additional Workforce Development apprentices.
- Gas expenses have increased due to the increasing commodity prices ($245K, or 24.9%).
- Sewage Service has increased due to an increase in workload associated with the alum sludge removal project primarily at Springwell Water Plant ($100K, or 18.2%).
- Contractual services increased due to the alum sludge removal, hauling and disposal project contract renewal for Springwells WTP, Northeast WTP and Southwest WTP ($866K, or 6.4%).

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 20,731,600	$ 22,182,700	$ 11,478,700	**$ 23,295,100**	**$ 1,112,400**	**5.0%**	$ 23,691,100
3.1 Electric	16,162,500	16,880,000	9,761,100	**16,380,000**	**(500,000)**	**-3.0%**	16,380,000
3.2 Gas	1,342,500	983,400	547,400	**1,228,400**	**245,000**	**24.9%**	1,228,400
3.3 Sewage Service	714,500	550,000	219,000	**650,000**	**100,000**	**18.2%**	650,000
3.4 Water Service	900	500	600	**500**	**-**	**0.0%**	500
4.1 Chemicals	7,788,900	11,415,400	6,518,900	**11,415,400**	**-**	**0.0%**	11,415,400
4.2 Supplies & Other	3,381,700	3,756,300	2,068,500	**3,353,800**	**(402,500)**	**-10.7%**	3,351,800
4.3 Contractual Services	14,510,900	13,492,000	5,634,300	**14,358,400**	**866,400**	**6.4%**	14,208,400
5.1 Capital Program Allocation	(1,482,600)	(1,910,100)	(465,300)	**(2,218,600)**	**(308,500)**	**16.2%**	(2,458,900)
7.0 Unallocated Reserve	-	2,275,400	-	**3,331,400**	**1,056,000**	**46.4%**	4,853,100
Grand Total	**$ 63,150,900**	**$ 69,625,600**	**$ 35,763,200**	**$ 71,794,400**	**$ 2,168,800**	**3.1%**	**$ 73,319,800**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Administration	$ 2,514,900	$ 2,922,400	$ 1,462,000	$ 3,080,500	$ 158,100	5.4%	$ 2,933,900
Water Treatment Plants	57,303,300	61,447,000	32,372,800	61,741,600	294,600	0.5%	61,795,800
Water Engineering	1,366,200	810,100	664,600	1,415,400	605,300	74.7%	1,477,600
Water Quality	1,966,500	2,170,700	1,263,800	2,225,500	54,800	2.5%	2,259,400
Water System Operations Unallocated	-	2,275,400	-	3,331,400	1,056,000	46.4%	4,853,100
Grand Total	**$ 63,150,900**	**$ 69,625,600**	**$ 35,763,200**	**$ 71,794,400**	**$ 2,168,800**	**3.1%**	**$ 73,319,800**

Personnel Budget

Water system operations personnel consists of 273 positions and is largely comprised of staffing at the five water treatment plants at 192 positions for FY 2024. Water Engineering, at 37 positions, and Water Quality, at 27 positions, are the second and third largest categories for FY 2024, respectively. The staffing plan increase from FY 2023 to FY 2024 of 9 positions is a result of 7 additional Water Engineering related positions - including 4 additional Subject Matter Expert Engineers to facilitate the delivery of the Capital Improvement Planning, 1 Manager, and 1 Project Manager. The remaining 2 increases includes 1 newly created Deputy Chief Operating Officer - Water and Field Services within Chief Operating Office – Water Operations and Field Services and 1 Management Professional to support the EGLE Regulatory Changes for Member Partners.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Water System Operations	**235.00**	**264.00**	**273.00**	**280.00**	**284.00**	**284.00**	**284.00**
Chief Operating Officer - Water Operations & Field Services	3.00	4.00	5.00	5.00	5.00	5.00	5.00
Water Director	13.00	12.00	12.00	12.00	12.00	12.00	12.00
Water Engineering	23.00	30.00	37.00	44.00	48.00	48.00	48.00
Water Quality	26.00	26.00	27.00	27.00	27.00	27.00	27.00
Subtotal Water Treatment Plants	**170.00**	**192.00**	**192.00**	**192.00**	**192.00**	**192.00**	**192.00**
Water Works Park	36.00	41.00	40.00	40.00	40.00	40.00	40.00
Springwells Water Plant	37.00	40.00	40.00	40.00	40.00	40.00	40.00
Northeast Water Plant	33.00	38.00	38.00	38.00	38.00	38.00	38.00
Southwest Water Plant	33.00	37.00	37.00	37.00	37.00	37.00	37.00
Lake Huron Water Plant	31.00	36.00	37.00	37.00	37.00	37.00	37.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Water System Operations	**234.75**	**263.75**	**231.25**	**233.75**	**234.75**	**234.75**	**234.75**
Chief Operating Officer - Water Operations & Field Services	2.75	3.75	5.00	5.00	5.00	5.00	5.00
Water Director	13.00	12.00	11.00	11.00	11.00	11.00	11.00
Water Engineering	23.00	30.00	23.75	25.75	26.75	26.75	26.75
Water Quality	26.00	26.00	25.00	25.25	25.25	25.25	25.25
Subtotal Water Treatment Plants	**170.00**	**192.00**	**166.50**	**166.75**	**166.75**	**166.75**	**166.75**
Water Works Park	36.00	41.00	34.75	34.75	34.75	34.75	34.75
Springwells Water Plant	37.00	40.00	33.50	33.50	33.50	33.50	33.50
Northeast Water Plant	33.00	38.00	31.75	31.75	31.75	31.75	31.75
Southwest Water Plant	33.00	37.00	32.00	32.00	32.00	32.00	32.00
Lake Huron Water Plant	31.00	36.00	34.50	34.75	34.75	34.75	34.75

Personnel Budget - The following tables present the Water Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in category 7.0 Unallocated Reserve as shown in the Five-Year Financial Plan that follows this section.

Personnel - Biennial Budget Request by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 12,835,400	$ 13,838,300	$ 7,224,300	**$ 14,499,000**	**$ 660,700**	**4.8%**	$ 14,765,500
2.2 Workforce Development	272,200	575,500	247,200	**647,800**	**72,300**	**12.6%**	647,800
2.3 Overtime	2,455,200	2,271,900	1,308,200	**2,306,100**	**34,200**	**1.5%**	2,306,100
2.4 Employee Benefits	5,168,800	5,497,000	2,699,000	**5,842,200**	**345,200**	**6.3%**	5,971,700
Grand Total	**$ 20,731,600**	**$ 22,182,700**	**$ 11,478,700**	**$ 23,295,100**	**$ 1,112,400**	**5.0%**	**$ 23,691,100**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Administration	$ 1,929,300	$ 2,100,400	$ 1,029,400	**$ 2,252,100**	**$ 151,700**	**7.2%**	$ 2,255,500
Water Treatment Plants	14,704,300	16,030,600	8,335,500	**15,952,200**	**(78,400)**	**-0.5%**	16,006,500
Water Engineering	2,328,400	2,146,800	1,029,100	**3,101,600**	**954,800**	**44.5%**	3,404,000
Water Quality	1,769,600	1,904,900	1,084,700	**1,989,200**	**84,300**	**4.4%**	2,025,100
Grand Total	**$ 20,731,600**	**$ 22,182,700**	**$ 11,478,700**	**$ 23,295,100**	**$ 1,112,400**	**5.0%**	**$ 23,691,100**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 12,835,400	$ 13,838,300	**$ 14,499,000**	**$ 14,765,500**	$ 14,896,000	$ 14,896,000	$ 14,896,000
2.2 Workforce Development	272,200	575,500	**647,800**	**647,800**	647,800	647,800	647,800
2.3 Overtime	2,455,200	2,271,900	**2,306,100**	**2,306,100**	2,306,100	2,306,100	2,306,100
2.4 Employee Benefits	5,168,800	5,497,000	**5,842,200**	**5,971,700**	6,058,000	6,107,900	6,157,700
Grand Total	**$ 20,731,600**	**$ 22,182,700**	**$ 23,295,100**	**$ 23,691,100**	**$ 23,907,900**	**$ 23,957,800**	**$ 24,007,600**

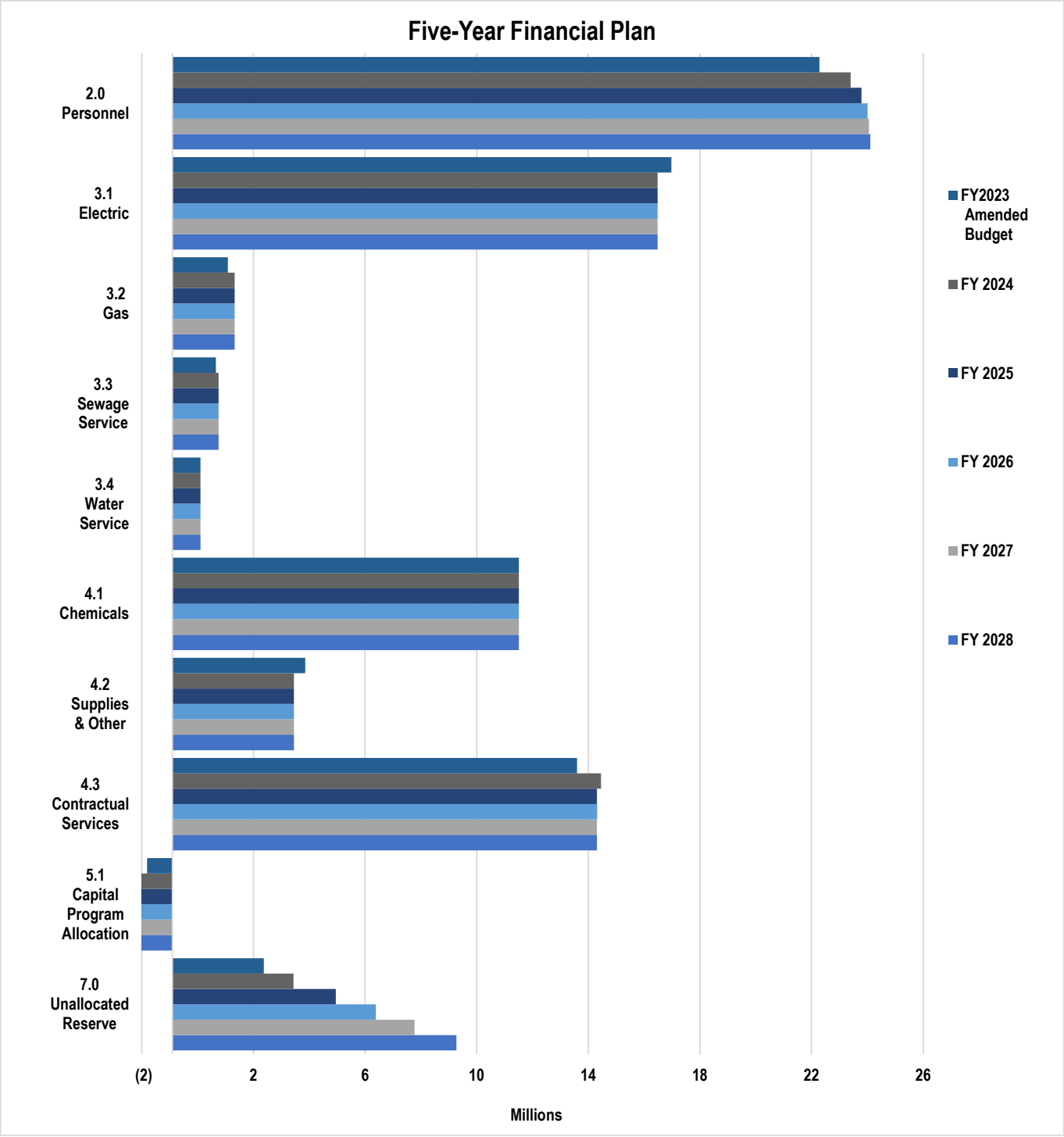
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water System Operations	**$ 6,027,300**	**$ 6,152,100**	**$ 7,342,900**	**$ 7,684,600**	**$ 7,866,000**	**$ 7,880,500**	**$ 7,894,900**
Chief Operating Officer - Water Operations & Field Services	548,000	799,700	845,000	846,000	847,100	848,100	849,200
Water Director	1,381,300	1,300,700	1,407,100	1,409,500	1,411,800	1,414,200	1,416,500
Water Engineering	2,328,400	2,146,800	3,101,600	3,404,000	3,576,600	3,582,300	3,588,000
Water Qualitiy	1,769,600	1,904,900	1,989,200	2,025,100	2,030,500	2,035,900	2,041,200
Subtotal Water Treatment Plants	**14,704,300**	**16,030,600**	**15,952,200**	**16,006,500**	**16,041,900**	**16,077,300**	**16,112,700**
Water Works Park	2,990,200	3,373,800	3,361,000	3,368,400	3,375,800	3,383,200	3,390,500
Springwells Water Plant	3,100,300	3,325,300	3,311,100	3,318,200	3,325,300	3,332,400	3,339,600
Northeast Water Plant	3,017,800	3,178,300	3,135,000	3,141,800	3,148,500	3,155,300	3,162,000
Southwest Water Plant	2,946,400	3,076,300	3,092,800	3,099,600	3,106,400	3,113,200	3,120,000
Lake Huron Water Plant	2,649,600	3,076,900	3,052,300	3,078,500	3,085,900	3,093,200	3,100,600
Grand Total	**$ 20,731,600**	**$ 22,182,700**	**$ 23,295,100**	**$ 23,691,100**	**$ 23,907,900**	**$ 23,957,800**	**$ 24,007,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 20,731,600	$ 22,182,700	**$ 23,295,100**	$ 23,691,100	$ 23,907,900	$ 23,957,800	$ 24,007,600
3.1 Electric	16,162,500	16,880,000	**16,380,000**	16,380,000	16,380,000	16,380,000	16,380,000
3.2 Gas	1,342,500	983,400	**1,228,400**	1,228,400	1,228,400	1,228,400	1,228,400
3.3 Sewage Service	714,500	550,000	**650,000**	650,000	650,000	650,000	650,000
3.4 Water Service	900	500	**500**	500	500	500	500
4.1 Chemicals	7,788,900	11,415,400	**11,415,400**	11,415,400	11,415,400	11,415,400	11,415,400
4.2 Supplies & Other	3,381,700	3,756,300	**3,353,800**	3,351,800	3,349,800	3,349,300	3,349,300
4.3 Contractual Services	14,510,900	13,492,000	**14,358,400**	14,208,400	14,213,400	14,208,400	14,208,400
5.1 Capital Program Allocation	(1,482,600)	(1,910,100)	**(2,218,600)**	(2,458,900)	(2,596,600)	(2,600,700)	(2,604,900)
7.0 Unallocated Reserve	-	2,275,400	**3,331,400**	4,853,100	6,284,200	7,670,200	9,177,500
Grand Total	**$ 63,150,900**	**$ 69,625,600**	**$ 71,794,400**	**$ 73,319,800**	**$ 74,833,000**	**$ 76,259,300**	**$ 77,812,200**


Five-Year Financial Plan
2.0 Personnel
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.1 Chemicals
4.2 Supplies & Other
4.3 Contractual Services
5.1 Capital Program Allocation
7.0 Unallocated Reserve
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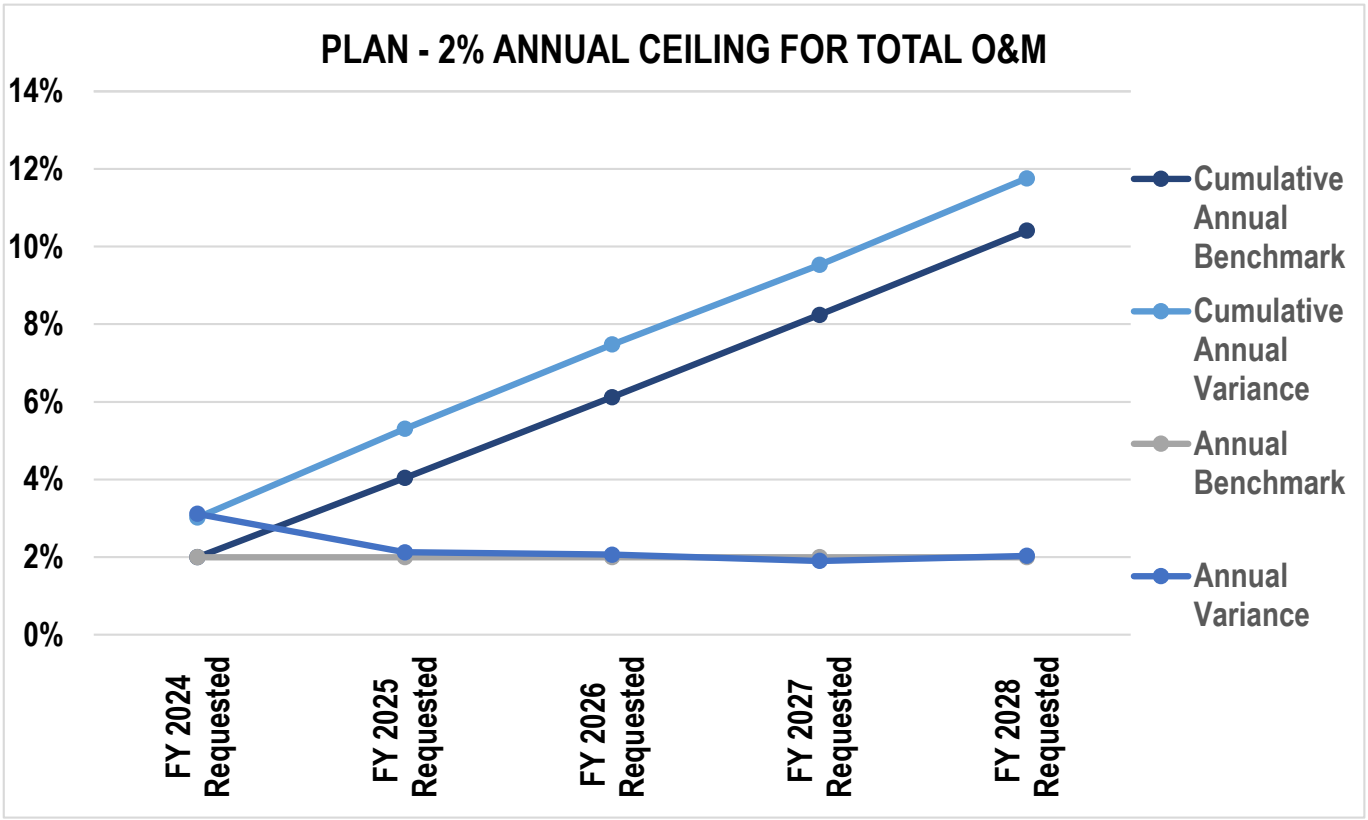
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Administration	$ 2,514,900	$ 2,922,400	$ 3,080,500	$ 2,933,900	$ 2,937,300	$ 2,940,700	$ 2,944,100
Water Treatment Plants	57,303,300	61,447,000	61,741,600	61,795,800	61,831,000	61,866,200	61,901,400
Water Engineering	1,366,200	810,100	1,415,400	1,477,600	1,512,700	1,514,500	1,516,200
Water Quality	1,966,500	2,170,700	2,225,500	2,259,400	2,267,800	2,267,700	2,273,000
Water System Operations Unallocated	-	2,275,400	3,331,400	4,853,100	6,284,200	7,670,200	9,177,500
Grand Total	**$ 63,150,900**	**$ 69,625,600**	**$ 71,794,400**	**$ 73,319,800**	**$ 74,833,000**	**$ 76,259,300**	**$ 77,812,200**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Water Operations area financial plan reflects a five-year overall increase of 11.8% which is slightly above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



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Capital Outlay

Water Operations capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

The FY 2024 Capital Outlay budget was reduced by $460,800. The reduction is primarily due to the anticipated completion of the Springwells WTP maintenance shop air quality improvement system project that was contained within the Buildings/Structures asset category at $500,000.

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Building/Structures	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Building/Structures Improvement	500,000	-	-	-	-	-
Information Technology	**5,500**	**5,500**	**5,500**	**5,500**	**5,500**	**5,500**
Software	5,500	5,500	5,500	5,500	5,500	5,500
Leasehold Improvements	**-**	**-**	**158,000**	**-**	**-**	**-**
Leasehold Improvements	-	-	158,000	-	-	-
Machinery & Equipment	**2,525,800**	**2,510,000**	**2,389,000**	**2,631,500**	**3,101,000**	**2,459,000**
Controls & Communication	139,000	115,000	154,000	120,000	120,000	144,000
Flow Measuring & Meters	-	-	-	-	-	-
Furniture & Fixtures	-	35,000	40,000	45,000	45,000	50,000
Heavy Equipment & Misc	150,000	120,000	197,000	180,000	120,000	197,000
Laboratory	330,700	249,000	254,000	205,500	250,000	217,000
Pipes, Gates & Valves	137,000	263,000	158,000	210,000	175,500	137,000
Process Equipment/Treatment	449,000	503,000	270,000	446,000	892,000	380,000
Pumps & Motors	1,300,100	1,205,000	1,296,000	1,405,000	1,478,500	1,314,000
Tools, Shop & Warehouse	20,000	20,000	20,000	20,000	20,000	20,000
Vehicles	**7,000**	**62,000**	**7,000**	**62,000**	**7,000**	**62,000**
Trailer & Towable Equipment	-	40,000	-	40,000	-	40,000
Utility Vehicle	7,000	22,000	7,000	22,000	7,000	22,000
Grand Total	**$ 3,038,300**	**$ 2,577,500**	**$ 2,559,500**	**$ 2,699,000**	**$ 3,113,500**	**$ 2,526,500**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	1,548,500	3,038,300	2,577,500	2,559,500	2,699,000	3,113,500	2,526,500
Grand Total	**$ 1,548,500**	**$ 3,038,300**	**$ 2,577,500**	**$ 2,559,500**	**$ 2,699,000**	**$ 3,113,500**	**$ 2,526,500**

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Five-Year Capital Outlay Plan by Team

In FY 2023, the Springwells Water Plant request of $1,276,000 was driven by the need to install surface wash booster pumps to meet AWOP requirements, perform air quality improvement updates in the maintenance shop and replace current equipment such as turbidimeters, flocculation drives and chlorinators. This project is anticipated to be completed in FY 2023 resulting in a reduction of the FY 2024 requested budget for that team.

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water Engineering	**$ 277,000**	**$ 5,500**	**$ 5,500**	**$ 5,500**	**$ 5,500**	**$ 5,500**	**$ 5,500**
Water Quality	**6,500**	**51,000**	**18,000**	**30,000**	**17,500**	**19,000**	**51,000**
Water Treatment Plants							
Water Works Park	419,500	373,800	389,000	466,000	633,000	840,000	618,000
Springwells Water Plant	122,700	1,276,000	814,000	475,000	860,000	825,000	450,000
Northeast Water Plant	356,700	958,000	463,000	728,000	480,000	825,000	383,000
Southwest Water Plant	181,300	169,000	265,000	302,000	250,000	271,000	336,000
Lake Huron Water Plant	184,800	205,000	623,000	553,000	453,000	328,000	683,000
Grand Total	**$ 1,548,500**	**$ 3,038,300**	**$ 2,577,500**	**$ 2,559,500**	**$ 2,699,000**	**$ 3,113,500**	**$ 2,526,500**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882001 - COO - Water Operations & Field Services	**$ 830,600**	**$ 1,112,000**	**$ 1,282,300**	**$ 1,133,300**	**$ 1,134,400**	**$ 1,135,400**	**$ 1,136,500**
2.1 Salaries & Wages	**425,400**	**643,400**	**662,200**	**662,200**	**662,200**	**662,200**	**662,200**
2.4 Employee Benefits	**122,600**	**156,300**	**182,800**	**183,800**	**184,900**	**185,900**	**187,000**
4.2 Supplies & Other	**282,600**	**312,300**	**287,300**	**287,300**	**287,300**	**287,300**	**287,300**
Memberships, Licenses & Subscriptions	268,800	296,800	269,200	269,200	269,200	269,200	269,200
Office Supplies	200	500	500	500	500	500	500
Training and Internal Meetings	7,000	5,000	7,600	7,600	7,600	7,600	7,600
Travel	6,600	10,000	10,000	10,000	10,000	10,000	10,000
4.3 Contractual Services	**-**	**-**	**150,000**	**-**	**-**	**-**	**-**
Contractual Professional Services	-	-	150,000	-	-	-	-
882101 - Water Director	**1,684,300**	**1,810,400**	**1,798,200**	**1,800,600**	**1,802,900**	**1,805,300**	**1,807,600**
2.1 Salaries & Wages	**1,046,300**	**963,500**	**1,051,200**	**1,051,200**	**1,051,200**	**1,051,200**	**1,051,200**
2.3 Overtime	**17,100**	**40,000**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**
2.4 Employee Benefits	**317,900**	**297,200**	**330,900**	**333,300**	**335,600**	**338,000**	**340,300**
4.2 Supplies & Other	**226,700**	**379,700**	**261,100**	**261,100**	**261,100**	**261,100**	**261,100**
Capital Outlay less than $5,000	900	-	-	-	-	-	-
Damage Claims	-	-	-	-	-	-	-
Employee Uniform Expense	89,100	105,000	110,000	110,000	110,000	110,000	110,000
Inspection and Permit Fees	-	1,000	1,000	1,000	1,000	1,000	1,000
Memberships, Licenses & Subscriptions	4,300	1,000	900	900	900	900	900
Mileage and Parking	7,500	10,000	10,000	10,000	10,000	10,000	10,000
Office Supplies	3,500	7,200	7,200	7,200	7,200	7,200	7,200
Operating Supplies	200	-	-	-	-	-	-
Supplies & Other - Covid19	600	-	-	-	-	-	-
Training and Internal Meetings	89,400	175,500	102,000	102,000	102,000	102,000	102,000
Travel	31,200	80,000	30,000	30,000	30,000	30,000	30,000
4.3 Contractual Services	**76,300**	**130,000**	**130,000**	**130,000**	**130,000**	**130,000**	**130,000**
Contractual Professional Services	76,300	130,000	130,000	130,000	130,000	130,000	130,000
882111 - Water Engineering	**1,366,200**	**810,100**	**1,415,400**	**1,477,600**	**1,512,700**	**1,514,500**	**1,516,200**
2.1 Salaries & Wages	**1,693,000**	**1,546,200**	**2,281,400**	**2,511,500**	**2,642,000**	**2,642,000**	**2,642,000**
2.3 Overtime	**84,200**	**120,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**
2.4 Employee Benefits	**551,200**	**480,600**	**720,200**	**792,500**	**834,600**	**840,300**	**846,000**
4.2 Supplies & Other	**111,900**	**78,300**	**79,700**	**79,700**	**79,700**	**79,700**	**79,700**
Capital Outlay less than $5,000	3,300	5,000	5,000	5,000	5,000	5,000	5,000
Employee Uniform Expense	55,500	10,000	12,000	12,000	12,000	12,000	12,000
Memberships, Licenses & Subscriptions	7,400	10,700	9,600	9,600	9,600	9,600	9,600
Mileage and Parking	17,200	18,000	18,000	18,000	18,000	18,000	18,000
Office Supplies	200	6,000	3,000	3,000	3,000	3,000	3,000
Operating Supplies	2,800	3,500	3,000	3,000	3,000	3,000	3,000
Postage	-	100	100	100	100	100	100
Supplies & Other - Covid19	500	-	-	-	-	-	-
Training and Internal Meetings	14,100	10,000	14,000	14,000	14,000	14,000	14,000
Travel	6,900	10,000	10,000	10,000	10,000	10,000	10,000
Tuition Refund	4,000	5,000	5,000	5,000	5,000	5,000	5,000
4.3 Contractual Services	**314,100**	**395,000**	**350,000**	**350,000**	**350,000**	**350,000**	**350,000**
Contractual Professional Services	314,100	395,000	350,000	350,000	350,000	350,000	350,000
5.1 Capital Program Allocation	**(1,388,200)**	**(1,810,000)**	**(2,115,900)**	**(2,356,100)**	**(2,493,600)**	**(2,497,500)**	**(2,501,500)**

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882121 - Water Quality	**1,966,500**	**2,170,700**	**2,225,500**	**2,259,400**	**2,267,800**	**2,267,700**	**2,273,000**
2.1 Salaries & Wages	**1,194,600**	**1,279,100**	**1,352,600**	**1,375,800**	**1,375,800**	**1,375,800**	**1,375,800**
2.3 Overtime	**66,700**	**50,800**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
2.4 Employee Benefits	**508,300**	**575,000**	**566,600**	**579,300**	**584,700**	**590,100**	**595,400**
4.1 Chemicals	**116,900**	**126,500**	**126,500**	**126,500**	**126,500**	**126,500**	**126,500**
4.2 Supplies & Other	**41,700**	**77,800**	**61,800**	**59,800**	**57,800**	**57,300**	**57,300**
Capital Outlay less than $5,000	-	5,000	5,000	5,000	5,000	5,000	5,000
Memberships, Licenses & Subscriptions	400	500	500	500	500	500	500
Mileage and Parking	300	200	200	200	200	200	200
Office Supplies	14,300	16,500	14,500	12,500	10,500	10,000	10,000
Operating Supplies	25,700	55,600	41,600	41,600	41,600	41,600	41,600
Postage	-	-	-	-	-	-	-
Supplies & Other - Covid19	1,000	-	-	-	-	-	-
4.3 Contractual Services	**38,300**	**61,500**	**48,000**	**48,000**	**53,000**	**48,000**	**48,000**
Contractual Operating Services	36,200	61,500	48,000	48,000	53,000	48,000	48,000
Contractual Professional Services	2,100	-	-	-	-	-	-
882131 - Water Works Park	**8,654,600**	**9,904,300**	**9,506,400**	**9,513,800**	**9,521,200**	**9,528,600**	**9,535,900**
2.1 Salaries & Wages	**1,675,700**	**1,932,600**	**1,862,500**	**1,862,500**	**1,862,500**	**1,862,500**	**1,862,500**
2.2 Workforce Development	**56,900**	**117,100**	**145,200**	**145,200**	**145,200**	**145,200**	**145,200**
2.3 Overtime	**519,200**	**511,100**	**511,100**	**511,100**	**511,100**	**511,100**	**511,100**
2.4 Employee Benefits	**738,400**	**813,000**	**842,200**	**849,600**	**857,000**	**864,400**	**871,700**
3.1 Electric	**2,111,800**	**2,200,000**	**2,050,000**	**2,050,000**	**2,050,000**	**2,050,000**	**2,050,000**
3.2 Gas	**288,600**	**240,000**	**240,000**	**240,000**	**240,000**	**240,000**	**240,000**
3.3 Sewage Service	**57,200**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
4.1 Chemicals	**1,271,500**	**1,834,500**	**1,834,500**	**1,834,500**	**1,834,500**	**1,834,500**	**1,834,500**
4.2 Supplies & Other	**670,800**	**598,500**	**597,900**	**597,900**	**597,900**	**597,900**	**597,900**
Capital Outlay less than $5,000	64,300	30,000	60,000	60,000	60,000	60,000	60,000
Inspection and Permit Fees	6,100	1,500	2,900	2,900	2,900	2,900	2,900
Memberships, Licenses & Subscriptions	1,900	1,000	2,000	2,000	2,000	2,000	2,000
Mileage and Parking	500	-	-	-	-	-	-
Office Supplies	16,700	21,000	21,000	21,000	21,000	21,000	21,000
Operating Supplies	166,700	107,000	142,000	142,000	142,000	142,000	142,000
Operating Supplies-Janitorial	12,900	15,000	15,000	15,000	15,000	15,000	15,000
Rentals- Office Equipment	3,000	-	-	-	-	-	-
Repairs & Maintenance-Equipment	395,600	423,000	354,500	354,500	354,500	354,500	354,500
Supplies & Other - Covid19	2,800	-	-	-	-	-	-
Travel		-	-	-	-	-	-
Tuition Refund	300	-	500	500	500	500	500
4.3 Contractual Services	**1,264,500**	**1,607,500**	**1,373,000**	**1,373,000**	**1,373,000**	**1,373,000**	**1,373,000**
Contract Services-Information Technology	48,100	130,000	85,000	85,000	85,000	85,000	85,000
Contractual Buildings & Grounds Maint	392,200	467,000	405,000	405,000	405,000	405,000	405,000
Contractual Operating Services	374,700	593,500	445,500	445,500	445,500	445,500	445,500
Contractual Professional Services	449,500	410,000	437,500	437,500	437,500	437,500	437,500
Telecom, Managed Security & Network Svcs	-	7,000	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882141 - Springwells Water Plant	**14,776,900**	**15,408,900**	**15,295,700**	**15,302,800**	**15,309,900**	**15,317,000**	**15,324,200**
2.1 Salaries & Wages	**1,748,700**	**1,959,300**	**1,866,000**	**1,866,000**	**1,866,000**	**1,866,000**	**1,866,000**
2.2 Workforce Development	**97,700**	**150,100**	**168,600**	**168,600**	**168,600**	**168,600**	**168,600**
2.3 Overtime	**475,100**	**400,000**	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**
2.4 Employee Benefits	**778,800**	**815,900**	**826,500**	**833,600**	**840,700**	**847,800**	**855,000**
3.1 Electric	**3,777,700**	**3,900,000**	**3,500,000**	**3,500,000**	**3,500,000**	**3,500,000**	**3,500,000**
3.2 Gas	**429,000**	**280,300**	**405,300**	**405,300**	**405,300**	**405,300**	**405,300**
4.1 Chemicals	**2,392,800**	**3,157,000**	**3,157,000**	**3,157,000**	**3,157,000**	**3,157,000**	**3,157,000**
4.2 Supplies & Other	**357,400**	**442,900**	**351,200**	**351,200**	**351,200**	**351,200**	**351,200**
Capital Outlay less than $5,000	51,000	30,000	30,000	30,000	30,000	30,000	30,000
Inspection and Permit Fees	4,300	1,500	2,500	2,500	2,500	2,500	2,500
Memberships, Licenses & Subscriptions	100	500	500	500	500	500	500
Mileage and Parking	100	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	9,800	11,200	11,200	11,200	11,200	11,200	11,200
Operating Supplies	96,700	104,000	93,000	93,000	93,000	93,000	93,000
Operating Supplies-Janitorial	12,900	10,000	12,000	12,000	12,000	12,000	12,000
Repairs & Maintenance-Equipment	119,600	282,700	199,000	199,000	199,000	199,000	199,000
Supplies & Other - Covid19	3,000	-	-	-	-	-	-
Supplies & Other – Flood Events	59,900	-	-	-	-	-	-
Tuition Refund	-	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**4,719,700**	**4,303,400**	**4,571,100**	**4,571,100**	**4,571,100**	**4,571,100**	**4,571,100**
Contract Services-Information Technology	21,400	87,000	62,000	62,000	62,000	62,000	62,000
Contractual Buildings & Grounds Maint	668,200	392,100	581,800	581,800	581,800	581,800	581,800
Contractual Operating Services	3,545,300	3,436,700	3,478,700	3,478,700	3,478,700	3,478,700	3,478,700
Contractual Professional Services	468,500	387,600	448,600	448,600	448,600	448,600	448,600
Contractual Services – Flood Events	16,300	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882151 - Northeast Water Plant	**11,459,300**	**11,143,000**	**12,281,500**	**12,288,300**	**12,295,000**	**12,301,700**	**12,308,400**
2.1 Salaries & Wages	**1,741,000**	**1,933,800**	**1,856,900**	**1,856,900**	**1,856,900**	**1,856,900**	**1,856,900**
2.2 Workforce Development	**48,500**	**67,100**	**93,000**	**93,000**	**93,000**	**93,000**	**93,000**
2.3 Overtime	**494,500**	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**
2.4 Employee Benefits	**733,800**	**777,400**	**785,100**	**791,900**	**798,600**	**805,400**	**812,100**
3.1 Electric	**2,636,300**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**
3.2 Gas	**197,500**	**153,100**	**183,100**	**183,100**	**183,100**	**183,100**	**183,100**
3.3 Sewage Service	**146,800**	**130,000**	**130,000**	**130,000**	**130,000**	**130,000**	**130,000**
3.4 Water Service	**100**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Chemicals	**1,231,300**	**2,144,600**	**2,144,600**	**2,144,600**	**2,144,600**	**2,144,600**	**2,144,600**
4.2 Supplies & Other	**385,900**	**364,100**	**410,800**	**410,800**	**410,800**	**410,800**	**410,800**
Capital Outlay less than $5,000	34,500	10,000	30,000	30,000	30,000	30,000	30,000
Inspection and Permit Fees	(200)	3,200	3,200	3,200	3,200	3,200	3,200
Memberships, Licenses & Subscriptions	9,900	1,500	6,500	6,500	6,500	6,500	6,500
Mileage and Parking	100	500	500	500	500	500	500
Office Supplies	13,900	5,200	14,500	14,500	14,500	14,500	14,500
Operating Supplies	177,800	116,000	156,000	156,000	156,000	156,000	156,000
Operating Supplies-Janitorial	19,100	12,000	12,000	12,000	12,000	12,000	12,000
Postage	-	100	100	100	100	100	100
Repairs & Maintenance-Equipment	126,200	215,600	186,000	186,000	186,000	186,000	186,000
Supplies & Other - Covid19	2,100	-	-	-	-	-	-
Tuition Refund	2,500	-	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**3,861,500**	**2,394,900**	**3,500,600**	**3,500,600**	**3,500,600**	**3,500,600**	**3,500,600**
Contract Services-Information Technology	20,500	60,000	35,000	35,000	35,000	35,000	35,000
Contractual Buildings & Grounds Maint	327,500	319,400	316,100	316,100	316,100	316,100	316,100
Contractual Operating Services	2,945,400	1,665,500	2,687,500	2,687,500	2,687,500	2,687,500	2,687,500
Contractual Professional Services	568,100	350,000	462,000	462,000	462,000	462,000	462,000
5.1 Capital Program Allocation	**(17,900)**	**(22,000)**	**(22,600)**	**(22,600)**	**(22,600)**	**(22,700)**	**(22,700)**

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882161 - Southwest Water Plant	**9,457,900**	**10,341,400**	**10,231,300**	**10,238,000**	**10,244,600**	**10,251,300**	**10,257,900**
2.1 Salaries & Wages	**1,689,900**	**1,821,400**	**1,746,700**	**1,746,700**	**1,746,700**	**1,746,700**	**1,746,700**
2.2 Workforce Development	**48,000**	**67,100**	**119,100**	**119,100**	**119,100**	**119,100**	**119,100**
2.3 Overtime	**480,600**	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**
2.4 Employee Benefits	**727,900**	**737,800**	**777,000**	**783,800**	**790,600**	**797,400**	**804,200**
3.1 Electric	**1,366,000**	**1,480,000**	**1,530,000**	**1,530,000**	**1,530,000**	**1,530,000**	**1,530,000**
3.2 Gas	**194,000**	**150,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**
3.3 Sewage Service	**441,600**	**300,000**	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**
3.4 Water Service	**800**	**500**	**500**	**500**	**500**	**500**	**500**
4.1 Chemicals	**960,700**	**1,520,500**	**1,520,500**	**1,520,500**	**1,520,500**	**1,520,500**	**1,520,500**
4.2 Supplies & Other	**544,500**	**747,500**	**546,900**	**546,900**	**546,900**	**546,900**	**546,900**
Capital Outlay less than $5,000	52,900	175,000	35,000	35,000	35,000	35,000	35,000
Inspection and Permit Fees	3,600	3,400	4,000	4,000	4,000	4,000	4,000
Memberships, Licenses & Subscriptions	200	300	300	300	300	300	300
Mileage and Parking	-	100	100	100	100	100	100
Office Supplies	12,300	12,500	13,000	13,000	13,000	13,000	13,000
Operating Supplies	113,400	113,000	106,000	106,000	106,000	106,000	106,000
Operating Supplies-Janitorial	12,200	10,000	11,000	11,000	11,000	11,000	11,000
Property Taxes	229,800	250,200	250,000	250,000	250,000	250,000	250,000
Repairs & Maintenance-Equipment	118,200	183,000	127,500	127,500	127,500	127,500	127,500
Supplies & Other - Covid19	1,900	-	-	-	-	-	-
4.3 Contractual Services	**3,080,400**	**3,144,700**	**3,020,700**	**3,020,700**	**3,020,700**	**3,020,700**	**3,020,700**
Contract Services-Information Technology	24,700	80,000	50,000	50,000	50,000	50,000	50,000
Contractual Buildings & Grounds Maint	320,200	343,100	343,100	343,100	343,100	343,100	343,100
Contractual Operating Services	2,475,200	2,359,600	2,310,600	2,310,600	2,310,600	2,310,600	2,310,600
Contractual Professional Services	260,300	362,000	317,000	317,000	317,000	317,000	317,000
5.1 Capital Program Allocation	**(76,500)**	**(78,100)**	**(80,100)**	**(80,200)**	**(80,400)**	**(80,500)**	**(80,700)**

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882171 - Lake Huron Water Plant	**12,954,600**	**14,649,400**	**14,426,700**	**14,452,900**	**14,460,300**	**14,467,600**	**14,475,000**
2.1 Salaries & Wages	**1,620,800**	**1,759,000**	**1,819,500**	**1,832,700**	**1,832,700**	**1,832,700**	**1,832,700**
2.2 Workforce Development	**21,100**	**174,100**	**121,900**	**121,900**	**121,900**	**121,900**	**121,900**
2.3 Overtime	**317,800**	**300,000**	**300,000**	**300,000**	**300,000**	**300,000**	**300,000**
2.4 Employee Benefits	**689,900**	**843,800**	**810,900**	**823,900**	**831,300**	**838,600**	**846,000**
3.1 Electric	**6,270,700**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**
3.2 Gas	**233,400**	**160,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**
3.3 Sewage Service	**68,900**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
4.1 Chemicals	**1,815,700**	**2,632,300**	**2,632,300**	**2,632,300**	**2,632,300**	**2,632,300**	**2,632,300**
4.2 Supplies & Other	**760,200**	**755,200**	**757,100**	**757,100**	**757,100**	**757,100**	**757,100**
Capital Outlay less than $5,000	75,900	35,000	50,000	50,000	50,000	50,000	50,000
Inspection and Permit Fees	3,400	1,000	3,400	3,400	3,400	3,400	3,400
Memberships, Licenses & Subscriptions	1,100	1,000	1,000	1,000	1,000	1,000	1,000
Mileage and Parking	100	3,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	8,600	13,500	8,500	8,500	8,500	8,500	8,500
Operating Supplies	174,400	186,500	177,500	177,500	177,500	177,500	177,500
Operating Supplies-Janitorial	8,900	7,000	7,500	7,500	7,500	7,500	7,500
Postage	-	200	200	200	200	200	200
Property Taxes	14,400	8,000	8,000	8,000	8,000	8,000	8,000
Rentals-Miscellaneous	-	-	-	-	-	-	-
Repairs & Maintenance-Equipment	471,800	500,000	500,000	500,000	500,000	500,000	500,000
Supplies & Other - Covid19	1,600	-	-	-	-	-	-
Tuition Refund	-	-	-	-	-	-	-
4.3 Contractual Services	**1,156,100**	**1,455,000**	**1,215,000**	**1,215,000**	**1,215,000**	**1,215,000**	**1,215,000**
Contract Services-Information Technology	-	45,000	20,000	20,000	20,000	20,000	20,000
Contractual Buildings & Grounds Maint	149,500	155,000	150,000	150,000	150,000	150,000	150,000
Contractual Operating Services	692,200	888,000	700,000	700,000	700,000	700,000	700,000
Contractual Professional Services	314,400	367,000	345,000	345,000	345,000	345,000	345,000
887601 - Water System Operations							
Unallocated	**-**	**2,275,400**	**3,331,400**	**4,853,100**	**6,284,200**	**7,670,200**	**9,177,500**
7.0 Unallocated Reserve	**-**	**2,275,400**	**3,331,400**	**4,853,100**	**6,284,200**	**7,670,200**	**9,177,500**
Grand Total	**$ 63,150,900**	**$ 69,625,600**	**$ 71,794,400**	**$ 73,319,800**	**$ 74,833,000**	**$ 76,259,300**	**$ 77,812,200**

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Water Operations Pumping Stations

The Water Operations Pumping (Booster) Stations are facilities located within the regional system that distribute water received from the water treatment facilities to communities and other stations to meet pressure and demand requirements. Some water is diverted to reservoirs at the stations until needed during times of high demand. There are nineteen (19) water booster pump stations and one decommissioned pump station (Roseville Pump Station) in the GLWA transmission system.

Strategic Initiatives

- **Maximize pumping reliability (Ongoing)**
  Regularly scheduled preventive maintenance is necessary and required to maintain the condition of all pumping (booster) stations.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total pressure, climate, and overall pump efficiency. Energy can be minimized through proper preventive maintenance in order to maintain the condition of all pumping (booster) stations.

The table below shows how the water operations area pumping (booster) stations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Water Pump Stations Strategic Initiatives	Maximize pumping reliability				x	x		x				
	Minimize energy usage		x		x	x						

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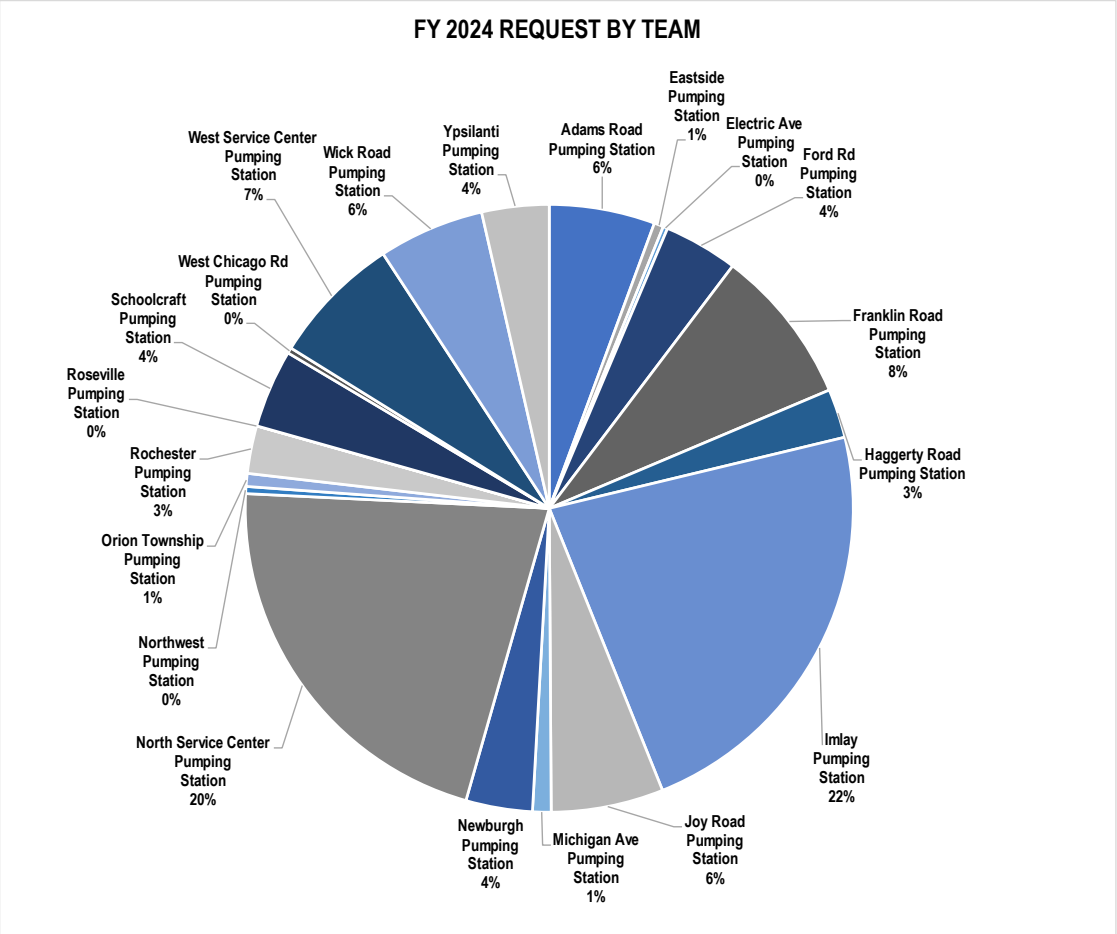
Organization

The Water Operations Pump (Booster) Stations consist of (19) water booster pump stations and one decommissioned pump station (Roseville Pump Station) in the water transmission system.

- Adams Rd PS
- Eastside PS
- Electric Ave PS
- Ford Rd PS
- Franklin Rd PS
- Haggerty Rd PS
- Imlay PS
- Joy Rd PS
- Michigan Ave. PS
- Newburgh PS
- North Service Center PS
- Northwest PS
- Orion Township PS
- Rochester PS
- Roseville PS *
- Schoolcraft PS
- West Chicago Rd PS
- West Service Center PS
- Wick Rd PS
- Ypsilanti PS



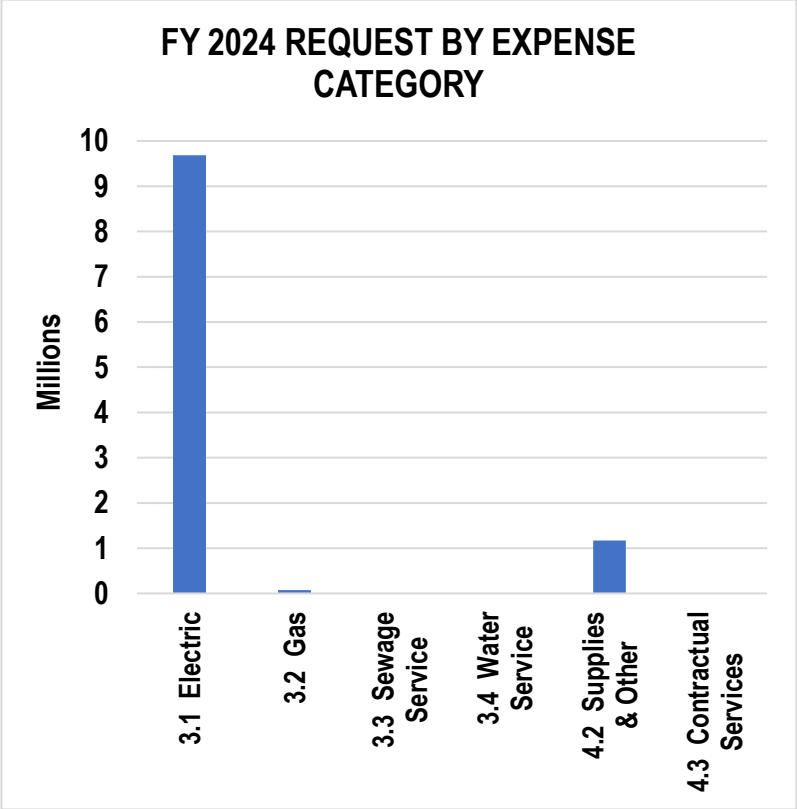
*The Roseville PS was decommissioned by DWSD prior to GLWA assuming operations. The only costs being incurred for this pump station are stormwater drainage charges.

Expense Categories

There is one major category of expense in the Water Pump Stations operations and maintenance budget as listed below.

- ❖ Electric Utilities

Electric utilities are the highest expense category for the water operations pumping (booster) stations. Booster stations require a significant amount of power. The electric costs represent approximately 89% of the total operations and maintenance costs for FY 2024 and FY 2025 and are directly proportional to the unit cost of power and the actual power used by the booster station pumps.



Biennial Budget Request

The biennial budget reflects an overall decrease in FY 2024 of $254,200, or 2.3%. The Supplies & Other category makes up most of this decrease ($246,000). Supplies & Other include annual maintenance costs which can vary depending on the complexity of the equipment and instrumentation.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
3.1 Electric	$ 10,261,200	$ 9,691,000	$ 5,669,400	**$ 9,681,400**	**$ (9,600)**	**-0.1%**	$ 9,873,900
3.2 Gas	87,100	73,200	28,700	**74,600**	**1,400**	**1.9%**	75,900
3.3 Sewage Service	2,200	2,700	1,100	**2,700**	**-**	**0.0%**	2,700
3.4 Water Service	600	1,000	200	**1,000**	**-**	**0.0%**	1,000
4.2 Supplies & Other	878,300	1,414,700	623,700	**1,168,700**	**(246,000)**	**-17.4%**	1,168,700
4.3 Contractual Services	-	10,000	-	**10,000**	**-**	**0.0%**	10,000
Grand Total	**$ 11,229,400**	**$ 11,192,600**	**$ 6,323,100**	**$ 10,938,400**	**$ (254,200)**	**-2.3%**	**$ 11,132,200**

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Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Adams Road Pumping Station	$ 715,100	$ 605,000	$ 346,700	**$ 615,000**	**$ 10,000**	**1.7%**	$ 625,200
Eastside Pumping Station	61,700	54,000	29,300	**54,700**	**700**	**1.3%**	55,400
Electric Ave Pumping Station	26,800	26,000	11,200	**26,300**	**300**	**1.2%**	26,600
Ford Rd Pumping Station	404,800	423,700	267,700	**431,800**	**8,100**	**1.9%**	439,900
Franklin Road Pumping Station	889,200	895,000	610,200	**911,000**	**16,000**	**1.8%**	927,000
Haggerty Road Pumping Station	384,300	257,500	123,600	**284,700**	**27,200**	**10.6%**	288,900
Imlay Pumping Station	2,294,300	2,795,000	1,647,500	**2,481,000**	**(314,000)**	**-11.2%**	2,527,900
Joy Road Pumping Station	741,500	642,500	374,900	**653,600**	**11,100**	**1.7%**	664,600
Michigan Ave Pumping Station	135,700	105,700	76,700	**107,700**	**2,000**	**1.9%**	109,700
Newburgh Pumping Station	478,500	380,000	221,400	**387,000**	**7,000**	**1.8%**	395,000
North Service Center Pumping Station	2,065,200	2,205,000	1,077,200	**2,335,500**	**130,500**	**5.9%**	2,376,800
Northwest Pumping Station	73,400	40,700	22,300	**41,300**	**600**	**1.5%**	41,900
Orion Township Pumping Station	94,000	73,000	49,400	**75,400**	**2,400**	**3.3%**	76,800
Rochester Pumping Station	298,000	272,000	159,100	**277,100**	**5,100**	**1.9%**	282,300
Roseville Pumping Station	100	300	-	**300**	**-**	**0.0%**	300
Schoolcraft Pumping Station	445,700	448,000	217,700	**456,100**	**8,100**	**1.8%**	463,100
West Chicago Rd Pumping Station	24,200	32,000	12,100	**32,500**	**500**	**1.6%**	33,000
West Service Center Pumping Station	959,100	947,700	579,300	**760,700**	**(187,000)**	**-19.7%**	773,700
Wick Road Pumping Station	679,400	605,500	280,400	**615,600**	**10,100**	**1.7%**	625,900
Ypsilanti Pumping Station	458,400	384,000	216,400	**391,100**	**7,100**	**1.8%**	398,200
Grand Total	**$ 11,229,400**	**$ 11,192,600**	**$ 6,323,100**	**$ 10,938,400**	**$ (254,200)**	**-2.3%**	**$ 11,132,200**

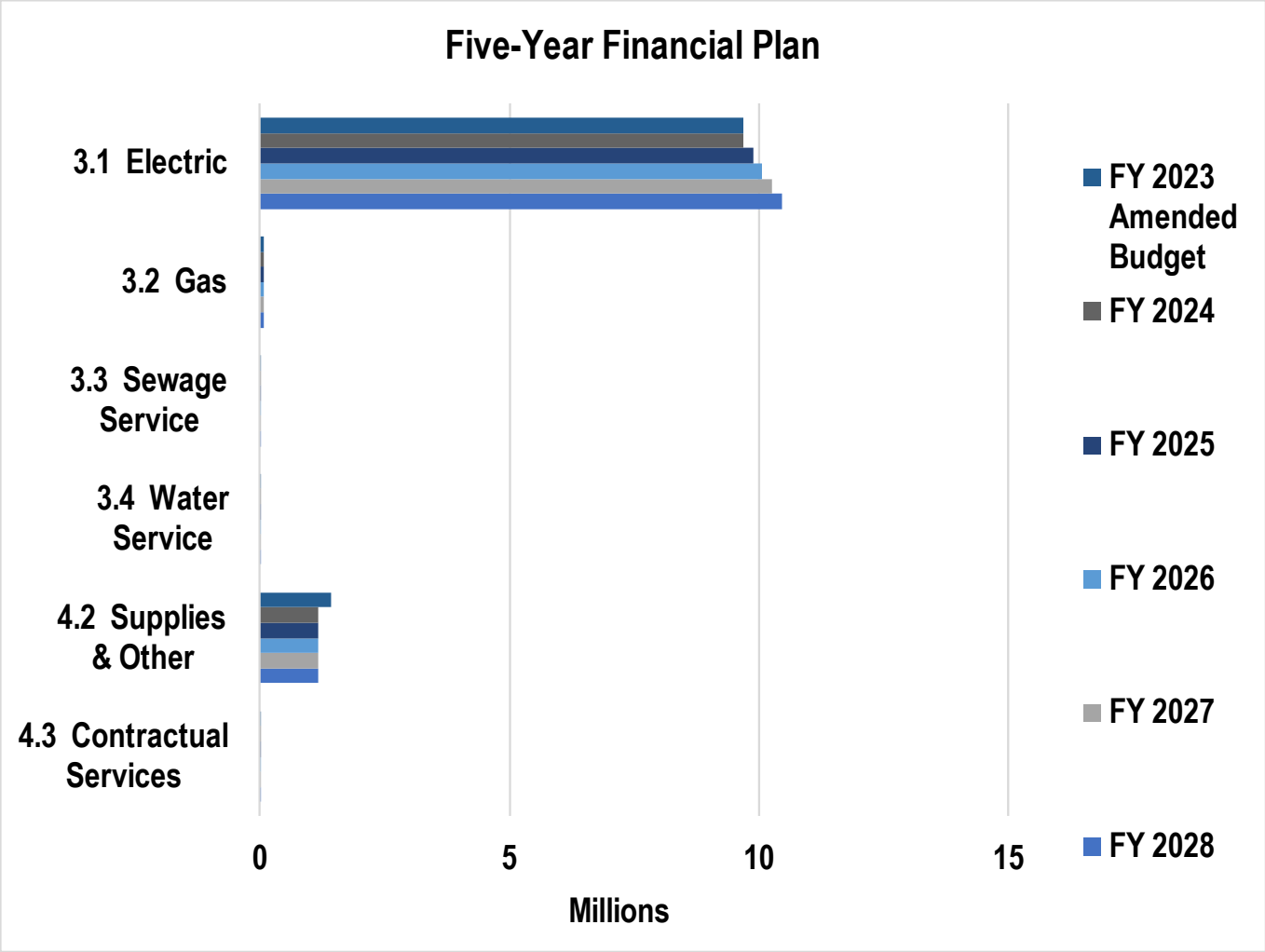
Personnel Budget

Personnel expenditures are not a component of the Water Pump Stations budget. Labor to maintain these facilities is included in the Field Service Operations budget.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
3.1 Electric	$ 10,261,200	$ 9,691,000	**$ 9,681,400**	$ 9,873,900	$ 10,068,700	$ 10,267,300	$ 10,467,500
3.2 Gas	87,100	73,200	**74,600**	75,900	77,900	79,200	81,200
3.3 Sewage Service	2,200	2,700	**2,700**	2,700	2,700	2,700	2,700
3.4 Water Service	600	1,000	**1,000**	1,000	1,000	1,000	1,000
4.2 Supplies & Other	878,300	1,414,700	**1,168,700**	1,168,700	1,168,700	1,168,700	1,168,700
4.3 Contractual Services	-	10,000	**10,000**	10,000	10,000	10,000	10,000
Grand Total	**$ 11,229,400**	**$ 11,192,600**	**$ 10,938,400**	**$ 11,132,200**	**$ 11,329,000**	**$ 11,528,900**	**$ 11,731,100**


Five-Year Financial Plan
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.2 Supplies & Other
4.3 Contractual Services
0
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Millions
FY 2023 Amended Budget
FY 2024
FY 2025
FY 2026
FY 2027
FY 2028

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Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Adams Road Pumping Station	$ 715,100	$ 605,000	**$ 615,000**	$ 625,200	$ 635,600	$ 646,200	$ 657,000
Eastside Pumping Station	61,700	54,000	**54,700**	55,400	56,100	56,600	57,500
Electric Ave Pumping Station	26,800	26,000	**26,300**	26,600	26,900	27,200	27,500
Ford Rd Pumping Station	404,800	423,700	**431,800**	439,900	448,000	456,100	464,200
Franklin Road Pumping Station	889,200	895,000	**911,000**	927,000	944,000	961,000	978,000
Haggerty Road Pumping Station	384,300	257,500	**284,700**	288,900	293,100	297,300	299,500
Imlay Pumping Station	2,294,300	2,795,000	**2,481,000**	2,527,900	2,575,800	2,624,600	2,675,000
Joy Road Pumping Station	741,500	642,500	**653,600**	664,600	673,700	682,700	691,800
Michigan Ave Pumping Station	135,700	105,700	**107,700**	109,700	111,700	113,700	115,700
Newburgh Pumping Station	478,500	380,000	**387,000**	395,000	402,000	410,000	418,000
North Service Center Pumping Station	2,065,200	2,205,000	**2,335,500**	2,376,800	2,418,900	2,461,900	2,505,700
Northwest Pumping Station	73,400	40,700	**41,300**	41,900	42,500	42,900	43,700
Orion Township Pumping Station	94,000	73,000	**75,400**	76,800	78,300	79,800	81,300
Rochester Pumping Station	298,000	272,000	**277,100**	282,300	287,500	292,700	297,900
Roseville Pumping Station	100	300	**300**	300	300	300	300
Schoolcraft Pumping Station	445,700	448,000	**456,100**	463,100	471,200	479,200	488,300
West Chicago Rd Pumping Station	24,200	32,000	**32,500**	33,000	33,500	34,000	34,500
West Service Center Pumping Station	959,100	947,700	**760,700**	773,700	788,200	802,200	816,700
Wick Road Pumping Station	679,400	605,500	**615,600**	625,900	636,400	647,100	658,000
Ypsilanti Pumping Station	458,400	384,000	**391,100**	398,200	405,300	413,400	420,500
Grand Total	**$ 11,229,400**	**$ 11,192,600**	**$ 10,938,400**	**$ 11,132,200**	**$ 11,329,000**	**$ 11,528,900**	**$ 11,731,100**

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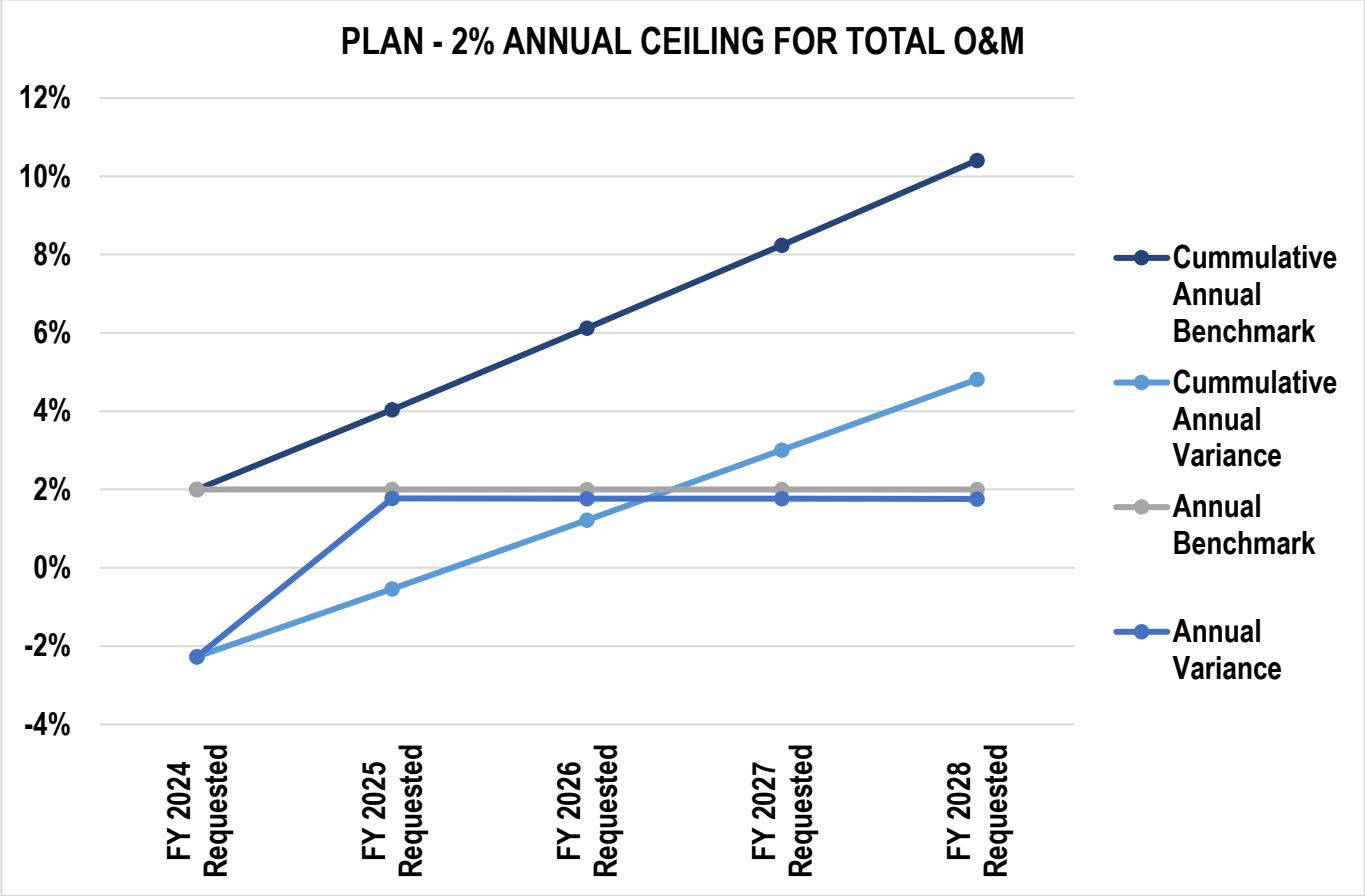
Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Water Operations pumping (booster) stations Group's financial plan reflects a five-year overall increase of 4.8% which is well within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Water Pump Stations Capital Outlay is funded by the Improvement & Extension (I&E) Budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Machinery & Equipment	$ -	$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000
Pumps & Motors	-	650,000	650,000	650,000	650,000	650,000
Grand Total	$ -	$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 468,200	$ -	$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000
Grand Total	**$ 468,200**	**$ -**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Adams Road Pumping Station	$ 13,300	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Eastside Pumping Station	-	-	100,000	100,000	100,000	100,000	100,000
Imlay Pumping Station	395,000	-	300,000	300,000	300,000	300,000	300,000
Newburgh Pumping Station	31,300	-	50,000	50,000	50,000	50,000	50,000
Northwest Pumping Station	15,300	-	100,000	100,000	100,000	100,000	100,000
Schoolcraft Pumping Station	13,300	-	50,000	50,000	50,000	50,000	50,000
Grand Total	**$ 468,200**	**-**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is reflected on the following page. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882321 - Ford Rd Pumping Station	**$ 404,800**	**$ 423,700**	**$ 431,800**	**$ 439,900**	**$ 448,000**	**$ 456,100**	**$ 464,200**
3.1 Electric	**382,000**	**400,000**	**408,000**	**416,000**	**424,000**	**432,000**	**440,000**
3.2 Gas	**6,300**	**3,700**	**3,800**	**3,900**	**4,000**	**4,100**	**4,200**
4.2 Supplies & Other	**16,500**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Repairs & Maintenance-Equipment	16,500	20,000	20,000	20,000	20,000	20,000	20,000
882322 - Eastside Pumping Station	**61,700**	**54,000**	**54,700**	**55,400**	**56,100**	**56,600**	**57,500**
3.1 Electric	**49,000**	**30,000**	**30,600**	**31,200**	**31,800**	**32,200**	**33,000**
3.2 Gas	**3,700**	**4,000**	**4,100**	**4,200**	**4,300**	**4,400**	**4,500**
4.2 Supplies & Other	**9,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Repairs & Maintenance-Equipment	9,000	20,000	20,000	20,000	20,000	20,000	20,000
882323 - Northwest Pumping Station	**73,400**	**40,700**	**41,300**	**41,900**	**42,500**	**42,900**	**43,700**
3.1 Electric	**54,200**	**30,000**	**30,600**	**31,200**	**31,800**	**32,200**	**33,000**
3.3 Sewage Service	**100**	**200**	**200**	**200**	**200**	**200**	**200**
3.4 Water Service	**500**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**18,600**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**
Capital Outlay less than $5,000	3,600	-	-	-	-	-	-
Repairs & Maintenance-Equipment	15,000	10,000	10,000	10,000	10,000	10,000	10,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882324 - West Service Center Pumping Station	**959,100**	**947,700**	**760,700**	**773,700**	**788,200**	**802,200**	**816,700**
3.1 Electric	**833,100**	**850,000**	**663,000**	**676,000**	**690,000**	**704,000**	**718,000**
3.2 Gas	**8,300**	**7,000**	**7,000**	**7,000**	**7,500**	**7,500**	**8,000**
4.2 Supplies & Other	**117,700**	**90,700**	**90,700**	**90,700**	**90,700**	**90,700**	**90,700**
Repairs & Maintenance-Equipment	117,700	90,700	90,700	90,700	90,700	90,700	90,700
882325 - Michigan Ave Pumping Station	**135,700**	**105,700**	**107,700**	**109,700**	**111,700**	**113,700**	**115,700**
3.1 Electric	**131,600**	**90,000**	**92,000**	**94,000**	**96,000**	**98,000**	**100,000**
3.3 Sewage Service	**100**	**200**	**200**	**200**	**200**	**200**	**200**
3.4 Water Service	**100**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**3,900**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
Repairs & Maintenance-Equipment	3,900	15,000	15,000	15,000	15,000	15,000	15,000
882326 - West Chicago Rd Pumping Station	**24,200**	**32,000**	**32,500**	**33,000**	**33,500**	**34,000**	**34,500**
3.1 Electric	**22,500**	**25,000**	**25,500**	**26,000**	**26,500**	**27,000**	**27,500**
4.2 Supplies & Other	**1,700**	**7,000**	**7,000**	**7,000**	**7,000**	**7,000**	**7,000**
Repairs & Maintenance-Equipment	1,700	7,000	7,000	7,000	7,000	7,000	7,000
882327 - Electric Ave Pumping Station	**26,800**	**26,000**	**26,300**	**26,600**	**26,900**	**27,200**	**27,500**
3.1 Electric	**17,800**	**16,000**	**16,300**	**16,600**	**16,900**	**17,200**	**17,500**
4.2 Supplies & Other	**9,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**
Repairs & Maintenance-Equipment	9,000	10,000	10,000	10,000	10,000	10,000	10,000
882328 - Orion Township Pumping Station	**94,000**	**73,000**	**75,400**	**76,800**	**78,300**	**79,800**	**81,300**
3.1 Electric	**90,600**	**70,000**	**71,400**	**72,800**	**74,300**	**75,800**	**77,300**
3.2 Gas	**300**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**3,100**	**2,500**	**3,500**	**3,500**	**3,500**	**3,500**	**3,500**
Repairs & Maintenance-Equipment	3,100	2,500	3,500	3,500	3,500	3,500	3,500
882329 - North Service Center Pumping Station	**2,065,200**	**2,205,000**	**2,335,500**	**2,376,800**	**2,418,900**	**2,461,900**	**2,505,700**
3.1 Electric	**1,913,600**	**2,000,000**	**2,040,000**	**2,080,800**	**2,122,400**	**2,164,900**	**2,208,200**
3.2 Gas	**22,300**	**25,000**	**25,500**	**26,000**	**26,500**	**27,000**	**27,500**
4.2 Supplies & Other	**129,300**	**180,000**	**270,000**	**270,000**	**270,000**	**270,000**	**270,000**
Repairs & Maintenance-Equipment	129,300	180,000	270,000	270,000	270,000	270,000	270,000
882330 - Adams Road Pumping Station	**715,100**	**605,000**	**615,000**	**625,200**	**635,600**	**646,200**	**657,000**
3.1 Electric	**670,800**	**500,000**	**510,000**	**520,200**	**530,600**	**541,200**	**552,000**
4.2 Supplies & Other	**44,300**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**
Capital Outlay less than $5,000	**3,800**	**-**	**-**	**-**	**-**	**-**	**-**
Repairs & Maintenance-Equipment	40,500	105,000	105,000	105,000	105,000	105,000	105,000
882331 - Newburgh Pumping Station	**478,500**	**380,000**	**387,000**	**395,000**	**402,000**	**410,000**	**418,000**
3.1 Electric	**454,400**	**365,000**	**372,000**	**380,000**	**387,000**	**395,000**	**403,000**
4.2 Supplies & Other	**24,100**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
Repairs & Maintenance-Equipment	24,100	15,000	15,000	15,000	15,000	15,000	15,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882332 - Franklin Road Pumping Station	**889,200**	**895,000**	**911,000**	**927,000**	**944,000**	**961,000**	**978,000**
3.1 Electric	**826,100**	**800,000**	**816,000**	**832,000**	**849,000**	**866,000**	**883,000**
4.2 Supplies & Other	**63,100**	**95,000**	**95,000**	**95,000**	**95,000**	**95,000**	**95,000**
Repairs & Maintenance-Equipment	63,100	95,000	95,000	95,000	95,000	95,000	95,000
882333 - Roseville Pumping Station	**100**	**300**	**300**	**300**	**300**	**300**	**300**
3.3 Sewage Service	**100**	**300**	**300**	**300**	**300**	**300**	**300**
882334 - Wick Road Pumping Station	**679,400**	**605,500**	**615,600**	**625,900**	**636,400**	**647,100**	**658,000**
3.1 Electric	**554,900**	**500,000**	**510,000**	**520,200**	**530,600**	**541,200**	**552,000**
3.2 Gas	**7,600**	**5,000**	**5,100**	**5,200**	**5,300**	**5,400**	**5,500**
3.3 Sewage Service	**400**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**116,500**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**
Repairs & Maintenance-Equipment	116,500	100,000	100,000	100,000	100,000	100,000	100,000
882335 - Joy Road Pumping Station	**741,500**	**642,500**	**653,600**	**664,600**	**673,700**	**682,700**	**691,800**
3.1 Electric	**683,900**	**550,000**	**561,000**	**572,000**	**581,000**	**590,000**	**599,000**
3.2 Gas	**3,500**	**3,000**	**3,100**	**3,100**	**3,200**	**3,200**	**3,300**
3.3 Sewage Service	**400**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**53,700**	**89,000**	**89,000**	**89,000**	**89,000**	**89,000**	**89,000**
Repairs & Maintenance-Equipment	53,700	89,000	89,000	89,000	89,000	89,000	89,000
882336 - Schoolcraft Pumping Station	**445,700**	**448,000**	**456,100**	**463,100**	**471,200**	**479,200**	**488,300**
3.1 Electric	**416,100**	**380,000**	**388,000**	**395,000**	**403,000**	**411,000**	**420,000**
3.2 Gas	**7,100**	**3,000**	**3,100**	**3,100**	**3,200**	**3,200**	**3,300**
4.2 Supplies & Other	**22,500**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**
Capital Outlay less than $5,000	3,800	-	-	-	-	-	-
Repairs & Maintenance-Equipment	18,700	65,000	65,000	65,000	65,000	65,000	65,000
882337 - Ypsilanti Pumping Station	**458,400**	**384,000**	**391,100**	**398,200**	**405,300**	**413,400**	**420,500**
3.1 Electric	**432,200**	**350,000**	**357,000**	**364,000**	**371,000**	**379,000**	**386,000**
3.2 Gas	**6,900**	**5,000**	**5,100**	**5,200**	**5,300**	**5,400**	**5,500**
4.2 Supplies & Other	**19,300**	**19,000**	**19,000**	**19,000**	**19,000**	**19,000**	**19,000**
Repairs & Maintenance-Equipment	19,300	19,000	19,000	19,000	19,000	19,000	19,000
4.3 Contractual Services	**-**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**
Contractual Professional Services	-	10,000	10,000	10,000	10,000	10,000	10,000
882338 - Imlay Pumping Station	**2,294,300**	**2,795,000**	**2,481,000**	**2,527,900**	**2,575,800**	**2,624,600**	**2,675,000**
3.1 Electric	**2,158,500**	**2,300,000**	**2,346,000**	**2,392,900**	**2,440,800**	**2,489,600**	**2,540,000**
4.2 Supplies & Other	**135,800**	**495,000**	**135,000**	**135,000**	**135,000**	**135,000**	**135,000**
Repairs & Maintenance-Equipment	135,800	495,000	135,000	135,000	135,000	135,000	135,000
882339 - Rochester Pumping Station	**298,000**	**272,000**	**277,100**	**282,300**	**287,500**	**292,700**	**297,900**
3.1 Electric	**261,600**	**225,000**	**230,000**	**235,000**	**240,000**	**245,000**	**250,000**
3.2 Gas	**9,900**	**7,000**	**7,100**	**7,300**	**7,500**	**7,700**	**7,900**
3.3 Sewage Service	**400**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**26,100**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**
Repairs & Maintenance-Equipment	26,100	39,500	39,500	39,500	39,500	39,500	39,500
882340 - Haggerty Road Pumping Station	**384,300**	**257,500**	**284,700**	**288,900**	**293,100**	**297,300**	**299,500**
3.1 Electric	**308,300**	**210,000**	**214,000**	**218,000**	**222,000**	**226,000**	**228,000**
3.2 Gas	**11,200**	**10,000**	**10,200**	**10,400**	**10,600**	**10,800**	**11,000**
3.3 Sewage Service	**700**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**64,100**	**37,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
Repairs & Maintenance-Equipment	64,100	37,000	60,000	60,000	60,000	60,000	60,000
Grand Total	**$ 11,229,400**	**$ 11,192,600**	**$ 10,938,400**	**$ 11,132,200**	**$ 11,329,000**	**$ 11,528,900**	**$ 11,731,100**

SECTION 5B - WASTEWATER (SEWER) SYSTEM OPERATIONS

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Wastewater Operations

The Wastewater Operations area treats the sanitary and combined sewage from 79 communities with nearly 3 million residents, or nearly 30% of the State of Michigan's population, protecting the receiving waters and safeguarding the publics' health, by meeting or exceeding the requirements outlined under the National Pollutant Discharge Elimination System (NPDES).

Strategic Initiatives

- **Safeguarding the publics' health and the environment (Ongoing)**
  This is achieved through compliance with the NPDES permit and partnership with our co-permittee, the Detroit Water and Sewer Department (DWSD), and our member partners, and others. This is measured through regular monitoring and reporting to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) as well as a monthly KPI to the Board of the effluent phosphorous concentration in relation to the permitted limit. Although, significant increases in utility and chemical cost are placing pressures onto the Operations and Maintenance Budget, GLWA plans to maintain a high priority for treatment and is committed to returning water of unquestionable quality to the environment.
- **Reliability of processing equipment (Ongoing)**
  This is achieved by focusing on our maintenance program and optimizing our resources in removing defects and stabilizing our maintenance measures. Reliability efforts are measured by monthly reporting of KPIs to the Board for preventative and corrective maintenance activity. Additionally, by planning critical equipment inventory to manage supply chain challenges.
- **Workforce (Ongoing)**
  Working with Organizational Development, the wastewater operations area is working to build a sustainable employment model. The model includes strategies for recruitment and retention of talented individuals and the continued implementation of apprenticeship programs and workforce development. This is monitored through training records and turn-over tracking.
- **Manage disposal of solids produced through the Water Resource Recovery Facility (Ongoing)**
  By close monitoring of the solids inventory in compliance with the NPDES permit, operations and maintenance continues to process above 75% of solids generated for beneficial reuse while incinerating the remaining product with no landfill disposal. This is in line with the organization's goals of environmental sustainability. This is monitored by a monthly KPI to the Board for solids inventory.
- **Upgrading Control Systems (Ongoing)**
  By establishing several contracts to replace and upgrade our control system for the CSO facilities and the Water Resource Recovery Facility. The improvements will increase reliability and visibility for operations. This also advances the hardening of the system to protect our infrastructure from cybersecurity attacks.
- **Operational Optimization through innovation (Ongoing)**
  By working with the Energy, Research and Innovation group to explore opportunities to partner with universities to conduct research at the WRRF. This will also be accomplished by involving the Energy, Research and Innovation group in the capital improvement process.

- **Capital Improvement Program delivery (Over the next Two years)**
  The focus on recruitment of Life Cycle Project Managers and Workforce development within the Capital Improvement delivery team provides the necessary direction for advancing critical projects forward on schedule and budget. The continued focus on CIP delivery has successfully advanced the current wastewater portfolio by 75% in construction projects and 33% in design projects. This is monitored by a monthly KPI reported to the Board.

The following table shows how the wastewater operations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals									
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Wastewater Operations Strategic Initiatives	Safeguarding the publics' health and the environment			x	x	x		x	x			x
	Reliability of processing equipment			x	x	x	x	x	x			
	Workforce		x	x		x	x				x	
	Manage disposal of solids produced through the Water Resource Recovery Facility	x	x	x	x	x	x		x	x		x
	Upgrade Control Systems			x	x	x	x		x			x
	Operational Optimizatoin through innovation	x	x	x	x	x	x	x	x			x
	Capital Improvement Program delivery		x	x	x	x	x		x		x	x

Wastewater Operations Contracts

The Wastewater Operations budget contains several contracts for commodities, services, and maintenance to ensure system reliability, safeguard public health and the environment in compliance with our NPDES permit. The following tables represent current contracts for the services listed. Expired contracts are not presented. Budgeted amounts beyond contract date are estimates based on past experience in addition to future program plans. These contracts would generally require a separate procurement process. It should be noted that several contracts are shared by multiple areas of GLWA. The tables on the follow page are the key contracts for these services.

As a part of the delivery of services for Wastewater Operations, three multi-vendor contracts have been executed. These contract, known as task-order contracts are designed to reduce the time from design to execution by pre-qualifying vendors within each contract. These task-oriented contracts are grouped into three key segments: rehabilitation (JOC), engineering (TOES) and control systems (TIC). Each segment contains multiple vendors who have the opportunity to compete for projects within their segment. The expenditure for any project, or task, is controlled by budget for the area for which that task is requested.

Significant Chemical Contracts

Project Description	**Chlorine (90 Ton Tank Cars)**	**Flocculant, Organic Polymer**	**Ferric Chloride**	**Gaseous & Liquid Oxygen and Nitrogen Service**	**Sodium Bisulfite**	**Sulfur Dioxide**	**Sodium Hypochlorite**	**Total of Significant Chemical Contracts**
Prime Consultant or Supplier	JCI Jones Chemicals Inc	Polydyne Inc	Kemira Water Solutions	Linde Inc	Sulco Chemicals Limited	PVS Technologies Inc	PVS Nolwood Chemical Inc	
Contract #	2101926	1802179	PO 9172	2102187	PO 9857	PO 9172	PO 13974	
Contract Amount	$ 10,540,000	$ 7,875,000	$ 13,772,500	$ 36,000,000	$ 1,250,100	$ 13,772,500	$ 8,623,700	
Contract End Date	05/01/27	01/31/24	05/26/23	08/31/31	04/23/23	05/26/23	03/31/23	
Cost Center Name	Wastewater Secondary Processing	Wastewater Incineration	Wastewater Primary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	CSO Facilities and Wastewater Secondary Processing	
Expense Category	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals
Pre-FY 2022 Spend	$ 2,061,700	$ 4,075,500	$ 9,407,100	$ 16,378,300	$ 508,300	$ 1,726,400	$ 6,113,700	$ 40,271,000
Pre-FY 2022 Average Spend (*)	412,300	815,100	1,881,400	3,275,700	101,700	345,300	1,222,700	
FY 2022 Spend	1,763,800	1,404,800	3,405,900	2,773,600	265,900	548,000	2,184,300	$ 12,346,300
FY 2023 Amended	2,916,100	1,188,000	4,055,000	2,877,000	267,000	505,000	5,040,000	$ 16,848,100
FY 2024 Requested	**3,232,000**	**1,647,000**	**4,258,000**	**3,139,000**	**319,000**	**565,000**	**5,663,200**	**$ 18,823,200**
FY 2025 Requested	3,232,000	1,663,000	4,460,000	3,204,100	319,000	565,000	5,663,200	$ 19,106,300
FY 2026 Requested	3,233,100	1,680,000	4,460,000	3,273,300	327,000	565,000	5,804,700	$ 19,343,100
FY 2027 Requested	3,297,100	1,680,000	4,460,000	3,344,500	336,000	577,000	5,804,700	$ 19,499,300
FY 2028 Requested	3,298,300	1,680,000	4,460,000	3,417,800	336,000	577,000	5,804,700	$ 19,573,800
Total	**$ 24,188,000**	**$ 16,865,400**	**$ 42,954,600**	**$ 44,662,600**	**$ 2,978,400**	**$ 6,465,500**	**$ 44,935,800**	**$ 165,811,100**

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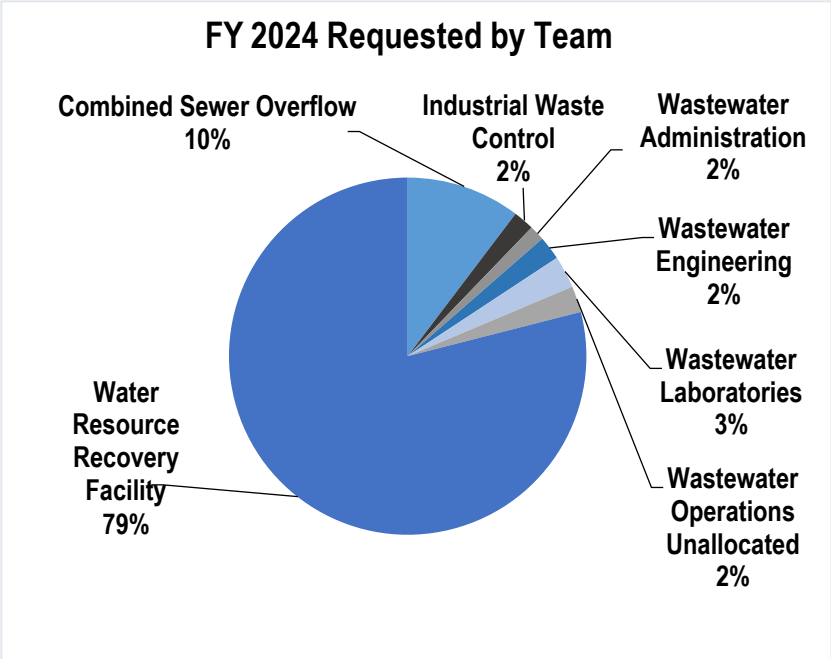
Significant Other Contracts

Project Description	Landfill Service For Lime Stabilized Dewatered Sludge	Maintenance Service contract for Accusonic Flow Meters	Biosolids Dryer Facility	Fire -Alarms, Sprinklers, Extinguishers- Maintenance & Repair	Refractory Inspection and Repairs	HVAC Services	Facilities Maintenance Services	Total of Significant Other Contracts
Prime Consultant or Supplier	Waste Management Of Michigan Inc	Waste Management Of Michigan Inc	New England Fertilizer Company	Johnson Controls Fire Protection LP	Commercial Contracting Corporation	Johnson Controls	Lakeshore Global Corporation	
Contract #	2000068	PO 10945	PC-792	2000284	2000917	1902548	2102834	
Contract Amount	$ 2,000,000	$ 2,845,200	$ 540,000,000	$ 1,659,587	$ 4,752,640	$ 5,790,800	$ 29,881,400	
Contract End Date	03/31/25	12/13/22	07/31/41	08/31/23	12/20/25	12/28/23	07/19/22	
Cost Center Name	Central Off Loading & Hauling	Central Off Loading & Hauling	Central Off Loading & Hauling	Wastewater Operations & CSO Facilities	Wastewater Incineration	Wastewater Operations & CSO Facilities	Various	
Expense Category	Contract Services	Contract Services	Contract Services	Supplies & Other	Supplies & Other	Supplies & Other	Personnel & Contract Services	
Pre-FY 2022 Spend	$ 1,839,200	$ 1,949,200	$ 72,594,644	$ 152,200	$ -	$ -	$ 38,895,000	$115,430,244
Pre-FY 2022 Average Spend (*)	459,800	487,300	13,199,000	152,200	-	-	7,779,000	
FY 2022 Spend	284,300	761,000	13,703,100	441,200	389,300	1,194,700	11,244,100	$ 28,017,700
FY 2023 Amended	372,000	500,000	15,708,000	346,700	701,500	1,252,100	11,099,800	$ 29,980,100
FY 2024 Requested	**-**	**864,900**	**16,277,700**	**358,700**	**603,200**	**1,239,600**	**8,015,600**	**$ 27,359,700**
FY 2025 Requested	-	864,900	16,603,000	362,000	593,000	1,262,900	8,131,600	$ 27,817,400
FY 2026 Requested	-	877,900	16,852,000	367,000	598,500	1,287,100	8,248,800	$ 28,231,300
FY 2027 Requested	-	886,700	16,859,000	371,000	587,500	1,294,600	8,367,100	$ 28,365,900
FY 2028 Requested	-	895,600	16,866,000	374,000	594,700	1,296,800	8,486,600	$ 28,513,700
Total	**$ 3,327,300**	**$ 8,587,500**	**$ 213,118,444**	**$ 3,271,700**	**$ 4,769,200**	**$ 10,079,900**	**$ 117,851,800**	**$313,716,044**

(*) Average Spend is based on historical contract totals for some commodities or services or the beginning of the contract for more recent services.

Organization

The GLWA Wastewater Operations Area consists of six teams.

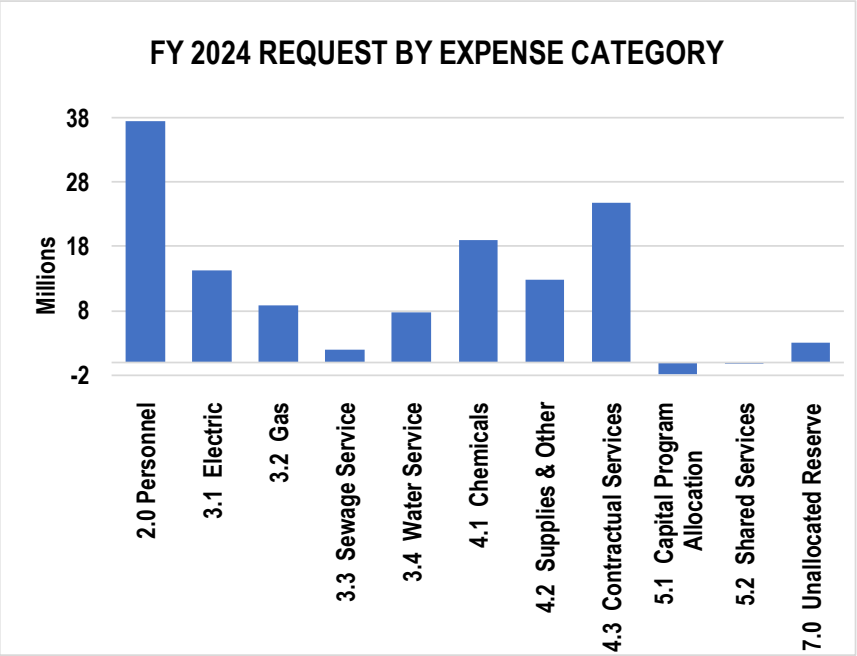


- **Wastewater Administration**
- **Water Resource Recovery Facility (WRRF)**
  Processing plant for the treatment of sewage for the greater metropolitan area.
- **Wastewater Engineering**
  Provide study, design, and construction administration services for improvements to the WRRF and CSO facilities
- **Wastewater Laboratories**
  Monitoring of pollutants entering and exiting the GLWA sewage facilities
- **Industrial Waste Control**
  Identification and monitoring of industrial users for pollutants
- **Combined Sewer Overflow (CSO)**
  Facilities utilized to control flow volumes for protecting the system and the receiving waters during increased system demand such as during rainstorms or snow melt. GLWA currently operates 6 CSO retention and treatment basins and 3 screening and disinfection facilities. The Belle Isle retention basin is owned by DWSD and operated by GLWA under a shared services agreement. See Shared Services under Section 6. Each CSO facility has its own cost center. Costs that are applicable to all CSO facilities are budgeted in cost center 892270 - Combined Sewer Overflow.
- **Wastewater Systems Unallocated**
  Funds not apportioned for a specific purpose used for significant unexpected or unbudgeted expenditures

Expense Categories

There are four major categories of Wastewater Operations expenses in the operations and maintenance budget as listed below.

- Personnel
- Contractual Services
- Chemicals
- Electric



As outlined in the strategic initiatives above, the Wastewater Operations area is tasked with the handling and disposal of solids separated through the treatment process. The disposal of these materials makes up most of the contractual services expenditures.

As noted in the Other Significant Contracts, the Biosolids Dryer Facility (BDF), operated by the New England Fertilizer Company, was commissioned in 2016. This facility has greatly reduced the volume of solid waste incinerated and contributed to the elimination of material sent to landfill by processing the product into a renewable resource (fertilizer). Over the past three years an effort has been made to maximize the volume of biological waste being processed by the BDF. The percentage of material processed ranges from approximately 66 to 74% of all biosolids.

Reliability of processing equipment is of primary concern for GLWA. As part of this effort the administration of the Wastewater Operations area has continued to focus on reinforcing a proactive maintenance program.

Biennial Budget Request

The discussion below compares the FY 2024 to the FY 2023 amended budget. The FY 2023 budget was amended due to historic operational cost increases and inflationary pressures. The FY 2023 budget amendments increased the Wastewater Operations and Maintenance budget $18.7 million from the adopted budget. The budget amendments primarily affected two areas: Utilities and Chemicals.

The biennial budget reflects an increase in FY 2024, growing by $0.9 million, or 0.7% over the amended FY 2023. Key factors that impact FY 2024 include the following:

- Chemical budgets increased by $2.0 million or 11.6%. During FY 2022 & FY 2023 water systems around the country experienced a dramatic increase in unit cost for the various

chemicals used to treat wastewater effluent. Additional information is discussed in the Chemicals section of the FY 2024 budget.

- Utilities costs increased in most categories. Overall they decreased $1.7 million or 4.9% . Each category is discussed below. Additional information is discussed in the Utilities section of the FY 2024 budget.
  - Water Service costs decreased at the Water Resource Recovery Facility and Combined Sewer Overflow Facilities $3.2 million or 29.5%. As part of the on-going maintenance program of our facilities several water meters were repaired and replaced. The legacy meters had previously been billed at estimated volumes, which are now electronically downloaded. Additionally, the local water utility has changed the billing structure for large volume customers which will increase costs for GLWA. A potential budget amendment for FY 2024 may be necessary.
  - Gas increased $1.3 million or 18.0%. The cost per million British Thermal Units (MMBTU) increased during FY 2022 by approximately 90.1%. Though natural gas pricing can be cyclical it is expected to remain elevated throughout the financial plan.
  - Electric increased $0.3 million or 2.5% from the amended FY 2023 budget. The FY 2023 amended budget reflects budget amendments made during the year due to increased power generation and infrastructure delivery charges.
  - Sewer Service decreased $0.1 million or 6.0%. One of the factors effecting sewer service charges is the volume of potable water at some facilities and the rates charged by the local water utility for these services.

Additionally, the biennial budget was impacted by the following items.

- Staffing, as noted in the *Personnel Budget* section below, remained steady, increasing 0.1%. This is due to a combination of factors: 1) *positions* that have proven more difficult to fill continue to be budgeted as transitional contractors (increased by 5), and 2) specific positions to assist in asset lifecycle and management were added. These were offset by reducing the budget for long-term vacancies as shown in the Personnel Section below.
- Supplies & Other were decreased by $0.7 million, or 5.1%. The majority of the reduction is a result of optimization of contracts and activities that have reduced the overall maintenance costs.
- Contract Services was decreased by $1.0 million, or 4.0%. Several programs underway, covered by the Task Order Engineering (TOE), and other similar services are expected to remain consistent. Inflationary pressures have impacted the disposal of material from the wastewater system. Hauling and the disposal of material through the Biosolids Dryer Facility increased $2.4 million. Contracted skilled labor was reduced in FY 2024 by $0.9 million as five positions are being shifted to transitional contractors along with reductions in forecasted usage. Additionally, a number of assessment projects concluded reducing the budget by an additional $0.8 million.
- Contribution to the unallocated reserve increased by $3.1 million, or 920.1%. The unallocated reserve is set aside for unbudgeted expenditures needed in operations.

An example of these unknown events would be the potential for inflationary pressures above those forecast. The adopted FY 2023 budget was reduce by $1.0 million for these purposes.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 37,043,900	$ 39,695,700	$ 19,729,500	**$ 39,735,400**	**$ 39,700**	**0.1%**	$ 44,962,900
3.1 Electric	13,813,500	13,978,000	6,293,200	**14,322,500**	**344,500**	**2.5%**	14,609,000
3.2 Gas	7,117,900	7,452,100	5,678,900	**8,790,000**	**1,337,900**	**18.0%**	8,965,700
3.3 Sewage Service	1,817,400	1,996,100	1,021,800	**1,876,400**	**(119,700)**	**-6.0%**	1,876,400
3.4 Water Service	4,598,400	10,977,600	5,353,500	**7,743,400**	**(3,234,200)**	**-29.5%**	7,743,400
4.1 Chemicals	12,593,400	17,060,500	8,361,200	**19,036,400**	**1,975,900**	**11.6%**	19,298,700
4.2 Supplies & Other	13,751,900	13,577,100	6,514,800	**12,881,800**	**(695,300)**	**-5.1%**	13,557,000
4.3 Contractual Services	26,044,500	25,887,600	12,558,100	**24,847,400**	**(1,040,200)**	**-4.0%**	25,416,200
5.1 Capital Program Allocation	(1,013,600)	(1,429,500)	(426,700)	**(1,905,300)**	**(475,800)**	**33.3%**	(2,083,600)
5.2 Shared Services	(150,000)	(163,200)	(81,700)	**(160,300)**	**2,900**	**-1.8%**	(163,400)
7.0 Unallocated Reserve		302,900	-	**3,089,900**	**2,787,000**	**920.1%**	2,087,200
Grand Total	**$ 115,617,300**	**$ 129,334,900**	**$ 65,002,600**	**$ 130,257,600**	**$ 922,700**	**0.7%**	**$ 136,269,500**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater Administration	$ 1,822,400	$ 2,196,200	$ 1,015,700	**$ 1,789,000**	**$ (407,200)**	**-18.5%**	$ 1,958,500
Water Resource Recovery Facility	93,562,600	102,915,200	53,860,800	**102,883,600**	**(31,600)**	**0.0%**	107,347,900
Wastewater Engineering	2,775,200	3,398,500	1,787,600	**2,802,600**	**(595,900)**	**-17.5%**	3,385,200
Industrial Waste Control	2,271,100	2,539,200	1,205,100	**2,454,400**	**(84,800)**	**-3.3%**	2,726,000
Wastewater Laboratories	3,270,500	3,313,200	1,730,900	**3,799,900**	**486,700**	**14.7%**	4,576,800
Combined Sewer Overflow	11,915,500	14,669,700	5,402,500	**13,438,200**	**(1,231,500)**	**-8.4%**	14,187,900
Wastewater Operations Unallocated		302,900	-	**3,089,900**	**2,787,000**	**920.1%**	2,087,200
Grand Total	**$ 115,617,300**	**$ 129,334,900**	**$ 65,002,600**	**$ 130,257,600**	**$ 922,700**	**0.7%**	**$ 136,269,500**

Personnel Budget

Wastewater Operations personnel expense is largely comprised of wastewater operations and maintenance staffing of 452 positions. Included in the staffing plan are 8 workforce development positions for positions that have proven difficult to fill. These positions demonstrate GLWA's commitment to developing the talent necessary to accomplish its initiatives effectively. Two positions have been added for Asset Life Cycle Project Managers. These positions are intended to increase the wastewater commitment to reliability and proper asset management. Two additional positions for Technical Management Leaders were added in FY 2025. The additional positions, being Capital Improvement Program (CIP) oriented, have an 80% allocation towards capital and 20% allocation towards the operations and maintenance budget.

The tables below provide three alternate views of the staffing plan.

Staffing Plan- Number of Positions – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is currently vacant.

Staffing Plan

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Wastewater System Operations	**448.00**	**450.00**	**452.00**	**454.00**	**454.00**	**454.00**	**454.00**
Wastewater Administration	14.00	13.00	13.00	13.00	13.00	13.00	13.00
Water Resouce Recovery Facility	301.00	304.00	303.00	303.00	303.00	303.00	303.00
Wastewater Engineering	26.00	31.00	34.00	36.00	36.00	36.00	36.00
Wastewater Laboratories	41.00	40.00	40.00	40.00	40.00	40.00	40.00
Industrial Waste Control	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Combined Sewer Overflow	37.00	33.00	33.00	33.00	33.00	33.00	33.00

Full Time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted, based upon a standard of 2,080 hours per year.

Full Time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Wastewater System Operations	**431.25**	**421.69**	**389.50**	**453.75**	**453.75**	**453.75**	**453.75**
Wastewater Administration	14.00	13.00	11.50	13.00	13.00	13.00	13.00
Water Resouce Recovery Facility	289.00	287.00	261.25	303.00	303.00	303.00	303.00
Wastewater Engineering	25.50	30.50	29.00	36.00	36.00	36.00	36.00
Wastewater Laboratories	39.75	34.00	32.50	40.00	40.00	40.00	40.00
Industrial Waste Control	28.25	27.75	25.75	29.00	29.00	29.00	29.00
Combined Sewer Overflow	34.75	29.44	29.50	32.75	32.75	32.75	32.75

Personnel Budget – The following tables present the Water Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in category 7.0 Unallocated Reserve as shown in the Five-Year Financial Plan that follows this section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater System Operations							
2.1 Salaries & Wages	18,124,500	19,142,300	10,118,000	**20,694,900**	**1,552,600**	**8.1%**	24,001,600
2.2 Workforce Development	257,200	276,900	159,100	**315,700**	**38,800**	**14.0%**	365,500
2.3 Overtime	2,932,000	2,931,900	1,470,500	**2,935,700**	**3,800**	**0.1%**	3,278,800
2.4 Employee Benefits	7,461,500	8,142,000	3,775,900	**8,392,900**	**250,900**	**3.1%**	9,920,800
2.5 Transition Services	8,268,700	9,202,600	4,206,000	**7,396,200**	**(1,806,400)**	**-19.6%**	7,396,200
Grand Total	**$ 37,043,900**	**$ 39,695,700**	**$ 19,729,500**	**$ 39,735,400**	**$ 39,700**	**0.1%**	**$ 44,962,900**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater System Operations							
Wastewater Administration	1,443,500	1,563,000	741,900	**1,537,000**	**(26,000)**	**-1.7%**	1,705,300
Water Resource Recovery Facility	25,484,600	26,920,400	13,584,500	**26,455,400**	**(465,000)**	**-1.7%**	29,523,600
Wastewater Engineering	2,399,100	3,123,700	1,433,000	**3,306,000**	**182,300**	**5.8%**	4,068,100
Wastewater Laboratories	2,729,900	2,829,700	1,477,600	**3,241,600**	**411,900**	**14.6%**	4,001,700
Industrial Waste Control	2,106,200	2,273,700	1,131,800	**2,253,800**	**(19,900)**	**-0.9%**	2,514,000
Combined Sewer Overflow	2,880,600	2,985,200	1,360,700	**2,941,600**	**(43,600)**	**-1.5%**	3,150,200
Grand Total	**$ 37,043,900**	**$ 39,695,700**	**$ 19,729,500**	**$ 39,735,400**	**$ 39,700**	**0.1%**	**$ 44,962,900**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater System Operations							
2.1 Salaries & Wages	18,124,500	19,142,300	20,694,900	24,001,600	24,001,600	24,001,600	24,001,600
2.2 Workforce Development	257,200	276,900	315,700	365,500	365,700	365,600	365,700
2.3 Overtime	2,932,000	2,931,900	2,935,700	3,278,800	3,278,800	3,278,800	3,278,800
2.4 Employee Benefits	7,461,500	8,142,000	8,392,900	9,920,800	10,007,500	10,094,600	10,181,500
2.5 Transition Services	8,268,700	9,202,600	7,396,200	7,396,200	7,396,200	7,396,200	7,396,200
Grand Total	**$ 37,043,900**	**$ 39,695,700**	**$ 39,735,400**	**$ 44,962,900**	**$ 45,049,800**	**$ 45,136,800**	**$ 45,223,800**

Personnel – Five-Year Financial Plan by Team

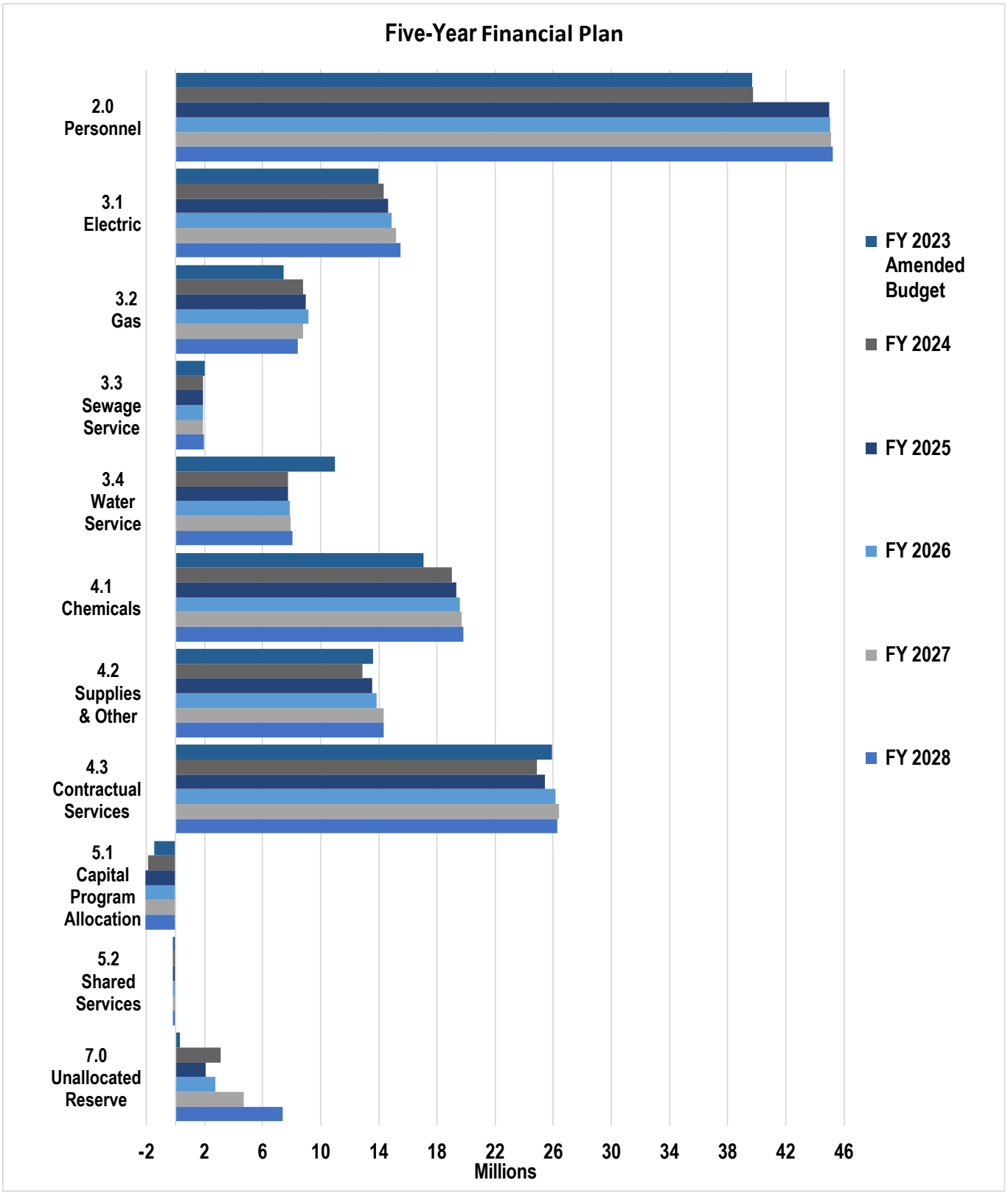
Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater System Operations							
Wastewater Administration	1,443,500	1,563,000	1,537,000	1,705,300	1,708,000	1,710,800	1,713,600
Water Resource Recovery Facility	25,484,600	26,920,400	26,455,400	29,523,600	29,579,300	29,635,000	29,690,600
Wastewater Engineering	2,399,100	3,123,700	3,306,000	4,068,100	4,075,500	4,083,000	4,090,400
Wastewater Laboratories	2,729,900	2,829,700	3,241,600	4,001,700	4,010,200	4,018,700	4,027,200
Industrial Waste Control	2,106,200	2,273,700	2,253,800	2,514,000	2,520,300	2,526,400	2,532,700
Combined Sewer Overflow	2,880,600	2,985,200	2,941,600	3,150,200	3,156,500	3,162,900	3,169,300
Grand Total	**$ 37,043,900**	**$ 39,695,700**	**$ 39,735,400**	**$ 44,962,900**	**$ 45,049,800**	**$ 45,136,800**	**$ 45,223,800**

Five-Year Financial Plan

The five-year financial plan presented aligns with the Wastewater Master Plan (WWMP). This plan takes into consideration the elements of the WWMP, including continuation of condition assessments to ensure our current assets are in good working order and preparation by operations and maintenance for the future capital projects that are identified in Phase 1 of the WWMP.

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 37,043,900	$ 39,695,700	**$ 39,735,400**	$ 44,962,900	$ 45,049,800	$ 45,136,800	$ 45,223,800
3.1 Electric	13,813,500	13,978,000	**14,322,500**	14,609,000	14,901,200	15,199,300	15,503,300
3.2 Gas	7,117,900	7,452,100	**8,790,000**	8,965,700	9,145,200	8,779,200	8,428,100
3.3 Sewage Service	1,817,400	1,996,100	**1,876,400**	1,876,400	1,913,700	1,915,700	1,967,100
3.4 Water Service	4,598,400	10,977,600	**7,743,400**	7,743,400	7,898,300	7,900,300	8,058,600
4.1 Chemicals	12,593,400	17,060,500	**19,036,400**	19,298,700	19,559,300	19,694,700	19,794,600
4.2 Supplies & Other	13,751,900	13,577,100	**12,881,800**	13,557,000	13,824,600	14,317,700	14,301,200
4.3 Contractual Services	26,044,500	25,887,600	**24,847,400**	25,416,200	26,177,900	26,405,200	26,283,200
5.1 Capital Program Allocation	(1,013,600)	(1,429,500)	**(1,905,300)**	(2,083,600)	(2,087,200)	(2,090,600)	(2,094,100)
5.2 Shared Services	(150,000)	(163,200)	**(160,300)**	(163,400)	(167,500)	(170,600)	(174,200)
7.0 Unallocated Reserve	-	302,900	**3,089,900**	2,087,200	2,748,000	4,728,500	7,370,800
Grand Total	**$ 115,617,300**	**$ 129,334,900**	**$ 130,257,600**	**$ 136,269,500**	**$ 138,963,300**	**$ 141,816,200**	**$ 144,662,400**


Five-Year Financial Plan
2.0 Personnel
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.1 Chemicals
4.2 Supplies & Other
4.3 Contractual Services
5.1 Capital Program Allocation
5.2 Shared Services
7.0 Unallocated Reserve
-2
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14
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22
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38
42
46
Millions
FY 2023 Amended Budget
FY 2024
FY 2025
FY 2026
FY 2027
FY 2028

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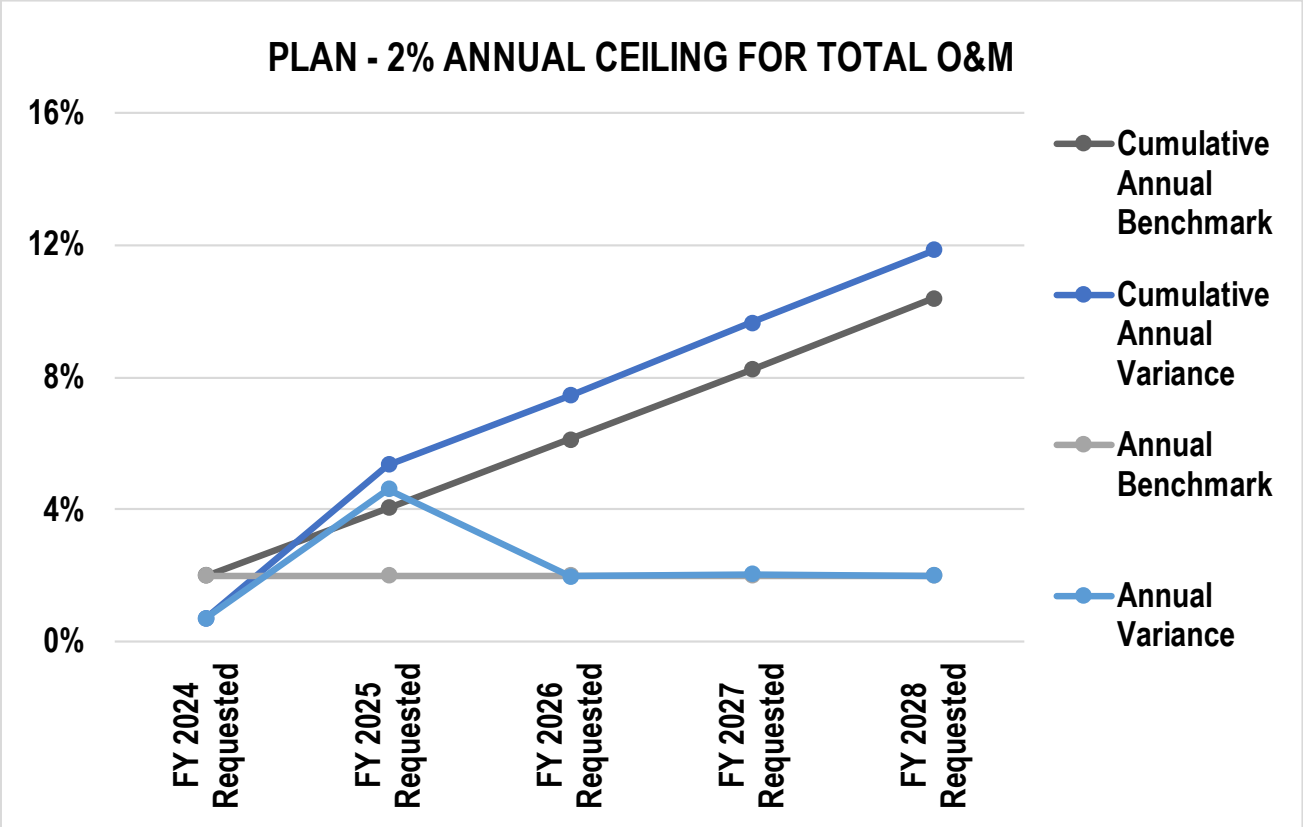
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater Administration	$ 1,822,400	$ 2,196,200	**$ 1,789,000**	$ 1,958,500	$ 1,837,500	$ 1,872,600	$ 1,878,900
Water Resource Recovery Facility	93,562,600	102,915,200	**102,883,600**	107,347,900	108,896,700	109,343,100	109,670,600
Wastewater Engineering	2,775,200	3,398,500	**2,802,600**	3,385,200	3,423,800	3,451,400	3,483,200
Industrial Waste Control	2,271,100	2,539,200	**2,454,400**	2,726,000	2,919,300	2,760,700	2,760,500
Wastewater Laboratories	3,270,500	3,313,200	**3,799,900**	4,576,800	4,576,300	4,595,000	4,625,700
Combined Sewer Overflow	11,915,500	14,669,700	**13,438,200**	14,187,900	14,561,700	15,064,900	14,872,700
Wastewater Operations Unallocated		302,900	**3,089,900**	2,087,200	2,748,000	4,728,500	7,370,800
Grand Total	**$ 115,617,300**	**$ 129,334,900**	**$ 130,257,600**	**$ 136,269,500**	**$ 138,963,300**	**$ 141,816,200**	**$ 144,662,400**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Wastewater Operations financial plan reflects a five-year overall increase of 11.9% which is slightly above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



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Capital Outlay

Wastewater Operations capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay by Asset Category

Asset Type	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	**$ 7,652,100**	**$ 7,861,800**	**$ 7,115,400**	**$ 4,322,100**	**$ 4,695,300**	**$ 6,231,300**
Building/Structures	**362,800**	**368,100**	**373,500**	**379,000**	**384,600**	**377,100**
Leasehold Improvements	**2,475,300**	**-**	**-**	**-**	**-**	**-**
Machinery & Equipment	**4,491,000**	**7,493,700**	**6,719,900**	**3,743,100**	**3,886,700**	**5,854,200**
Computers & IT	-	100,000	360,500	-	-	2,100,000
Controls & Communication	1,345,500	5,777,500	4,295,800	1,845,500	2,187,500	1,362,400
Flow Measuring & Meters	120,000	120,000	35,000	20,000	33,000	635,000
Furniture & Fixtures	-	-	2,000	7,000	-	-
Heavy Equipment & Misc	350,000	-	-	-	95,000	250,000
Laboratory	61,700	14,200	43,400	186,200	193,400	6,200
Pipes, Gates & Valves	234,700	179,500	181,000	205,500	30,000	94,000
Process Equipment/Treatment	530,000	311,600	530,700	422,900	289,700	285,800
Pumps & Motors	1,799,100	983,600	1,271,500	1,047,000	978,600	1,120,800
Tools, Shop & Warehouse	50,000	7,300	-	9,000	79,500	-
Site Improvements	23,000	-	-	-	-	-
Vehicles	300,000	-	22,000	200,000	424,000	-
Heavy Truck	-	-	-	200,000	-	-
Light Truck	300,000	-	-	-	-	-
Utility Vehicle	-	-	22,000	-	424,000	-
Grand Total	**$ 7,652,100**	**$ 7,861,800**	**$ 7,115,400**	**$ 4,322,100**	**$ 4,695,300**	**$ 6,231,300**

Five-Year Capital Outlay by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 3,549,200	$ 7,652,100	$ 7,861,800	$ 7,115,400	$ 4,322,100	$ 4,695,300	$ 6,231,300
Grand Total	**$ 3,549,200**	**$ 7,652,100**	**$ 7,861,800**	**$ 7,115,400**	**$ 4,322,100**	**$ 4,695,300**	**$ 6,231,300**

Five-Year Capital Outlay by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water Resource Recovery Facility	**$ 1,494,900**	**$ 3,988,100**	**$ 6,557,500**	**$ 5,259,000**	**$ 2,990,800**	**$ 2,894,600**	**$ 3,133,800**
Wastewater Engineering						**13,000**	
Industrial Waste Control		**48,000**		**27,500**	**7,000**	**26,000**	
Wastewater Laboratories	**36,400**	**36,700**	**14,200**	**17,900**	**186,200**	**167,400**	**6,200**
Combined Sewer Overflow	**2,017,900**	**3,579,300**	**1,290,100**	**1,811,000**	**1,138,100**	**1,594,300**	**3,091,300**
Combined Sewer Overflow	1,105,800						
Puritan Fenkell CSO	170,800	314,200		60,000		220,000	700,000
7 Mile CSO	131,200	35,000	68,000	750,600	14,000		8,400
Hubble Southfield CSO	231,600	1,747,900	400,800	138,800	189,700	595,700	593,600
Leib CSO	60,100	98,800	44,600	45,900	67,300	58,700	110,300
St Aubin CSO	118,600	45,000	18,000	73,000	18,500	19,100	49,700
Connor Creek CSO	148,700	791,500	324,700	489,700	397,500	367,500	446,600
Baby Creek CSO	51,100	528,900	434,000	234,000	451,100	248,300	1,182,700
Oakwood CSO		18,000		19,000		85,000	
Grand Total	**$ 3,549,200**	**$ 7,652,100**	**$ 7,861,800**	**$ 7,115,400**	**$ 4,322,100**	**$ 4,695,300**	**$ 6,231,300**

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Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892001 - Chief Operating Officer Wastewater	**1,822,400**	**2,196,200**	**1,789,000**	**1,958,500**	**1,837,500**	**1,872,600**	**1,878,900**
2.1 Salaries & Wages	**1,103,700**	**1,129,000**	**1,178,400**	**1,302,500**	**1,302,500**	**1,302,500**	**1,302,500**
2.3 Overtime	**-**	**100**	**300**	**300**	**300**	**300**	**300**
2.4 Employee Benefits	**339,800**	**365,900**	**358,300**	**402,500**	**405,200**	**408,000**	**410,800**
2.5 Transition Services	**-**	**68,000**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**170,700**	**160,800**	**180,000**	**180,800**	**151,800**	**183,900**	**187,500**
Memberships, Licenses & Subscriptions	55,800	56,900	57,000	57,000	57,100	58,100	58,200
Mileage and Parking	100	1,200	500	500	500	500	500
Office Supplies	5,200	9,700	6,500	6,600	6,600	7,000	7,000
Training and Internal Meetings	90,600	75,000	94,000	94,200	64,600	94,800	98,300
Travel	19,000	18,000	22,000	22,500	23,000	23,500	23,500
4.3 Contractual Services	**244,800**	**513,000**	**115,000**	**115,400**	**20,800**	**21,000**	**21,000**
Contractual Operating Services	244,800	513,000	115,000	115,400	20,800	21,000	21,000
5.1 Capital Program Allocation	**(36,600)**	**(40,600)**	**(43,000)**	**(43,000)**	**(43,100)**	**(43,100)**	**(43,200)**
Capital Program: Salaries & Wages-Direct	(26,200)	(31,800)	(31,800)	(31,800)	(31,800)	(31,800)	(31,800)
Capital Program: Employee Benefits	(10,400)	(8,800)	(11,200)	(11,200)	(11,300)	(11,300)	(11,400)
892201 - Wastewater Director	**7,931,700**	**8,560,500**	**6,679,200**	**7,155,900**	**7,261,000**	**7,374,000**	**7,480,800**
2.1 Salaries & Wages	**1,994,000**	**2,038,800**	**2,248,300**	**2,536,200**	**2,536,200**	**2,536,200**	**2,536,200**
2.2 Workforce Development	**45,900**	**43,000**	**55,000**	**55,000**	**55,100**	**55,000**	**55,000**
2.3 Overtime	**492,800**	**500,200**	**486,600**	**477,000**	**477,000**	**477,000**	**477,000**
2.4 Employee Benefits	**818,000**	**884,600**	**924,300**	**1,057,600**	**1,066,700**	**1,075,900**	**1,085,000**
2.5 Transition Services	**2,053,600**	**2,284,700**	**1,672,900**	**1,672,900**	**1,672,900**	**1,672,900**	**1,672,900**
4.2 Supplies & Other	**401,400**	**626,200**	**384,100**	**344,300**	**329,600**	**332,900**	**325,200**
Car Lease	80,800	65,000	52,000	10,000	-	-	-
Memberships, Licenses & Subscriptions	300	1,500	700	700	700	700	700
Office Supplies	1,400	3,000	2,000	2,000	2,000	2,000	2,000
Repairs & Maintenance-Equipment	298,400	325,500	298,400	300,600	305,900	309,200	311,500
Tuition Refund	-	1,200	1,000	1,000	1,000	1,000	1,000
Capital Outlay less than $5,000	20,500	230,000	30,000	30,000	20,000	20,000	10,000
4.3 Contractual Services	**2,126,000**	**2,183,000**	**908,000**	**1,012,900**	**1,123,500**	**1,224,100**	**1,329,500**
Contractual Operating Services	2,126,000	2,183,000	908,000	1,012,900	1,123,500	1,224,100	1,329,500

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892211 - Wastewater Engineering	**2,775,200**	**3,398,500**	**2,802,600**	**3,385,200**	**3,423,800**	**3,451,400**	**3,483,200**
2.1 Salaries & Wages	**1,539,800**	**2,238,900**	**2,233,500**	**2,782,300**	**2,782,300**	**2,782,300**	**2,782,300**
2.3 Overtime	**129,800**	**133,000**	**130,400**	**147,200**	**147,200**	**147,200**	**147,200**
2.4 Employee Benefits	**538,300**	**581,800**	**767,900**	**964,400**	**971,800**	**979,300**	**986,700**
2.5 Transition Services	**191,200**	**170,000**	**174,200**	**174,200**	**174,200**	**174,200**	**174,200**
4.2 Supplies & Other	**26,000**	**45,500**	**33,400**	**33,700**	**34,900**	**35,000**	**36,100**
Memberships, Licenses & Subscriptions	4,500	5,000	5,100	5,400	5,500	5,600	5,600
Mileage and Parking	16,600	22,000	20,000	20,000	21,000	21,000	22,000
Office Supplies	3,500	10,500	5,300	5,300	5,400	5,400	5,500
Operating Supplies	1,300	6,000	2,000	2,000	2,000	2,000	2,000
Tuition Refund	100	2,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	**1,249,900**	**1,618,200**	**1,325,500**	**1,324,000**	**1,357,500**	**1,380,900**	**1,407,600**
Contractual Operating Services	1,249,900	1,618,200	1,325,500	1,324,000	1,357,500	1,380,900	1,407,600
5.1 Capital Program Allocation	**(899,800)**	**(1,388,900)**	**(1,862,300)**	**(2,040,600)**	**(2,044,100)**	**(2,047,500)**	**(2,050,900)**
Capital Program: Salaries & Wages-Direct	(644,600)	(1,015,300)	(1,379,500)	(1,379,500)	(1,379,500)	(1,379,500)	(1,379,500)
Capital Program: Employee Benefits	(255,200)	(373,600)	(482,800)	(661,100)	(664,600)	(668,000)	(671,400)
892221 - Wastewater Operations	**24,829,500**	**31,598,600**	**30,260,800**	**30,782,500**	**31,356,500**	**31,431,800**	**31,669,100**
2.1 Salaries & Wages	**795,300**	**812,400**	**810,600**	**872,300**	**872,300**	**872,300**	**872,300**
2.3 Overtime	**207,800**	**210,900**	**208,500**	**224,500**	**224,500**	**224,500**	**224,500**
2.4 Employee Benefits	**302,300**	**339,800**	**308,000**	**342,200**	**345,000**	**347,700**	**350,500**
2.5 Transition Services	**-**	**-**	**115,500**	**115,500**	**115,500**	**115,500**	**115,500**
3.1 Electric	**11,491,900**	**11,562,000**	**11,951,600**	**12,190,600**	**12,434,400**	**12,683,100**	**12,936,800**
3.2 Gas	**3,861,600**	**4,498,300**	**5,464,300**	**5,573,300**	**5,685,100**	**5,457,700**	**5,239,300**
3.3 Sewage Service	**634,800**	**541,000**	**709,300**	**709,300**	**723,500**	**723,500**	**745,200**
3.4 Water Service	**4,018,000**	**9,799,000**	**6,976,900**	**6,976,900**	**7,116,400**	**7,116,400**	**7,258,700**
4.1 Chemicals	**12,100**	**5,100**	**5,200**	**5,200**	**5,200**	**5,200**	**5,200**
4.2 Supplies & Other	**2,772,500**	**3,144,100**	**3,013,900**	**3,064,700**	**3,123,100**	**3,157,400**	**3,191,100**
Inspection and Permit Fees	255,100	255,000	260,500	266,000	271,700	277,500	283,300
Memberships, Licenses & Subscriptions	2,100	1,200	2,000	2,000	2,000	2,000	2,000
Office Supplies	30,600	30,600	31,200	31,800	32,400	33,100	33,900
Operating Supplies	67,800	82,200	69,100	69,900	71,200	72,500	74,000
Operating Supplies-Janitorial	48,400	42,200	47,000	48,000	48,900	49,900	49,900
Repairs & Maintenance-Equipment	28,600	67,400	35,400	35,600	37,800	39,000	39,300
Repairs & Maintenance-Facilities	2,219,300	2,544,900	2,477,700	2,519,500	2,563,000	2,589,500	2,613,700
Supplies & Other - Covid19	35,700	-	-	-	-	-	-
Travel	2,000	-	-	-	-	-	-
Tuition Refund	1,300	2,000	2,000	2,000	2,000	2,000	2,000
Uniforms, Laundry, Cleaning	76,600	105,600	79,000	79,900	80,800	81,700	82,600
Capital Outlay less than $5,000	5,000	13,000	10,000	10,000	13,300	10,200	10,400
4.3 Contractual Services	**733,200**	**686,000**	**697,000**	**708,000**	**711,500**	**728,500**	**730,000**
Contract Services-Building Maintenance	613,500	561,000	572,000	583,000	583,000	595,000	595,000
Contractual Operating Services	119,700	125,000	125,000	125,000	128,500	133,500	135,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892222 - Wastewater Process Control	**2,893,100**	**3,548,900**	**3,889,500**	**4,259,500**	**4,429,100**	**4,690,000**	**4,376,600**
2.1 Salaries & Wages	**1,373,300**	**1,401,700**	**1,329,600**	**1,567,200**	**1,567,200**	**1,567,200**	**1,567,200**
2.3 Overtime	**126,200**	**126,200**	**119,000**	**168,500**	**168,500**	**168,500**	**168,500**
2.4 Employee Benefits	**490,600**	**531,700**	**493,100**	**605,200**	**610,300**	**615,400**	**620,500**
2.5 Transition Services	**74,000**	**72,600**	**528,200**	**528,200**	**528,200**	**528,200**	**528,200**
4.2 Supplies & Other	**172,600**	**648,800**	**565,500**	**531,300**	**627,800**	**713,400**	**593,000**
Operating Supplies	9,100	9,800	9,900	10,100	10,300	10,600	11,000
Repairs & Maintenance-Equipment	46,700	212,600	77,900	78,400	81,300	81,800	83,500
Repairs & Maintenance-Hardware	78,900	382,000	400,400	384,100	425,100	581,200	411,000
Repairs & Maintenance-Software	2,000	30,400	62,300	41,700	93,100	21,800	67,500
Capital Outlay less than $5,000	35,900	14,000	15,000	17,000	18,000	18,000	20,000
4.3 Contractual Services	**719,200**	**832,000**	**919,500**	**925,800**	**995,100**	**1,166,700**	**970,000**
Contractual Operating Services	719,200	832,000	919,500	925,800	995,100	1,166,700	970,000
5.2 Shared Services	**(62,800)**	**(64,100)**	**(65,400)**	**(66,700)**	**(68,000)**	**(69,400)**	**(70,800)**
Shared Services Reimbursement	(62,800)	(64,100)	(65,400)	(66,700)	(68,000)	(69,400)	(70,800)
892223 - Wastewater Primary Process	**10,441,400**	**10,535,700**	**10,915,300**	**11,694,200**	**11,796,000**	**11,796,900**	**11,902,000**
2.1 Salaries & Wages	**1,721,400**	**1,757,300**	**1,990,800**	**2,344,000**	**2,344,000**	**2,344,000**	**2,344,000**
2.2 Workforce Development	**39,400**	**37,700**	**41,600**	**41,600**	**41,600**	**41,600**	**41,600**
2.3 Overtime	**456,000**	**415,000**	**496,600**	**545,600**	**545,600**	**545,600**	**545,600**
2.4 Employee Benefits	**804,000**	**872,400**	**896,300**	**1,078,500**	**1,088,500**	**1,098,500**	**1,108,500**
2.5 Transition Services	**1,365,900**	**1,515,300**	**970,100**	**970,100**	**970,100**	**970,100**	**970,100**
4.1 Chemicals	**3,405,900**	**4,055,000**	**4,258,000**	**4,460,000**	**4,460,000**	**4,460,000**	**4,460,000**
4.2 Supplies & Other	**1,758,700**	**1,433,300**	**1,791,200**	**1,773,300**	**1,855,600**	**1,835,900**	**1,922,400**
Operating Supplies	59,600	61,200	62,400	63,600	64,800	66,100	67,200
Repairs & Maintenance-Equipment	1,657,300	1,369,100	1,675,600	1,706,300	1,727,200	1,766,000	1,791,200
Capital Outlay less than $5,000	22,900	3,000	53,200	3,400	63,600	3,800	64,000
Supplies & Other – Flood Events	18,900	-	-	-	-	-	-
4.3 Contractual Services	**890,100**	**449,700**	**470,700**	**481,100**	**490,600**	**501,200**	**509,800**
Contractual Operating Services	445,600	449,700	470,700	481,100	490,600	501,200	509,800
Contractual Services – Flood Events	444,500	-	-	-	-	-	-
892224 - Wastewater Secondary Process	**12,154,600**	**13,220,500**	**13,999,400**	**14,387,500**	**14,549,800**	**14,723,800**	**14,972,900**
2.1 Salaries & Wages	**1,984,300**	**2,023,000**	**2,226,300**	**2,375,600**	**2,375,600**	**2,375,600**	**2,375,600**
2.2 Workforce Development	**44,300**	**52,100**	**57,800**	**82,700**	**82,700**	**82,700**	**82,700**
2.3 Overtime	**292,500**	**292,500**	**287,600**	**337,100**	**337,100**	**337,100**	**337,100**
2.4 Employee Benefits	**828,600**	**901,500**	**932,000**	**1,024,000**	**1,033,100**	**1,042,300**	**1,051,400**
2.5 Transition Services	**1,039,400**	**1,154,500**	**663,100**	**663,100**	**663,100**	**663,100**	**663,100**
4.1 Chemicals	**5,831,400**	**7,470,400**	**8,386,000**	**8,429,100**	**8,557,500**	**8,691,300**	**8,788,600**
4.2 Supplies & Other	**1,772,000**	**1,122,700**	**1,223,400**	**1,246,600**	**1,264,800**	**1,289,200**	**1,300,200**
Operating Supplies	157,800	40,800	60,600	61,800	63,100	64,400	66,400
Repairs & Maintenance-Equipment	1,608,500	1,076,800	1,157,600	1,178,000	1,196,400	1,215,300	1,226,800
Capital Outlay less than $5,000	5,700	5,100	5,200	6,800	5,300	9,500	7,000
4.3 Contractual Services	**362,100**	**203,800**	**223,200**	**229,300**	**235,900**	**242,500**	**374,200**
Contractual Operating Services	362,100	203,800	223,200	229,300	235,900	242,500	374,200

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892225 - Wastewater Dewatering Process	**5,960,800**	**6,465,200**	**6,483,700**	**7,057,400**	**7,097,000**	**7,203,800**	**7,217,000**
2.1 Salaries & Wages	**1,278,200**	**1,300,900**	**1,497,300**	**1,879,800**	**1,879,800**	**1,879,800**	**1,879,800**
2.2 Workforce Development	**40,600**	**43,000**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**
2.3 Overtime	**222,200**	**227,800**	**210,200**	**239,200**	**239,200**	**239,200**	**239,200**
2.4 Employee Benefits	**641,700**	**696,300**	**691,700**	**882,500**	**891,000**	**899,500**	**908,000**
2.5 Transition Services	**1,290,200**	**1,427,700**	**1,052,500**	**1,052,500**	**1,052,500**	**1,052,500**	**1,052,500**
4.1 Chemicals	**1,404,800**	**1,188,000**	**1,647,000**	**1,663,000**	**1,680,000**	**1,680,000**	**1,680,000**
4.2 Supplies & Other	**915,500**	**1,461,700**	**1,155,400**	**1,107,100**	**1,119,000**	**1,213,100**	**1,214,700**
Operating Supplies	32,600	46,200	37,400	39,600	41,800	44,000	45,300
Repairs & Maintenance-Equipment	880,000	1,330,500	1,045,800	1,065,400	1,075,000	1,094,700	1,115,200
Supplies & Other - Covid19	100	-	-	-	-	-	-
Capital Outlay less than $5,000	2,800	85,000	72,200	2,100	2,200	74,400	54,200
4.3 Contractual Services	**167,600**	**119,800**	**180,100**	**183,800**	**186,000**	**190,200**	**193,300**
Contractual Operating Services	167,600	119,800	180,100	183,800	186,000	190,200	193,300
892226 - Wastewater Incineration Process	**6,239,800**	**6,245,300**	**6,300,700**	**7,036,900**	**7,049,700**	**6,838,100**	**6,825,500**
2.1 Salaries & Wages	**1,522,800**	**1,553,100**	**1,817,200**	**2,091,700**	**2,091,700**	**2,091,700**	**2,091,700**
2.2 Workforce Development	**41,300**	**43,000**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**
2.3 Overtime	**238,900**	**238,900**	**227,500**	**263,200**	**263,200**	**263,200**	**263,200**
2.4 Employee Benefits	**735,600**	**800,600**	**833,200**	**974,200**	**983,500**	**992,900**	**1,002,200**
2.5 Transition Services	**1,437,700**	**1,591,300**	**1,368,700**	**1,368,700**	**1,368,700**	**1,368,700**	**1,368,700**
4.1 Chemicals	**22,900**	**45,000**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**1,466,100**	**1,628,600**	**1,548,100**	**1,829,100**	**1,828,600**	**1,603,500**	**1,605,300**
Operating Supplies	18,700	25,400	22,800	23,300	23,800	24,300	24,700
Repairs & Maintenance-Equipment	1,446,100	1,542,600	1,484,800	1,738,800	1,763,600	1,516,800	1,538,500
Capital Outlay less than $5,000	1,300	60,600	40,500	67,000	41,200	62,400	42,100
4.3 Contractual Services	**774,500**	**344,800**	**456,500**	**460,500**	**464,500**	**468,600**	**444,900**
Contractual Operating Services	774,500	344,800	456,500	460,500	464,500	468,600	444,900
892227 - BDF, COF & Hauling	**22,483,900**	**22,400,500**	**24,015,000**	**24,634,000**	**25,017,600**	**24,934,700**	**24,876,700**
2.1 Salaries & Wages	**248,200**	**251,800**	**273,600**	**386,700**	**386,700**	**386,700**	**386,700**
2.3 Overtime	**58,500**	**58,500**	**56,000**	**76,300**	**76,300**	**76,300**	**76,300**
2.4 Employee Benefits	**107,400**	**116,000**	**120,300**	**178,800**	**180,500**	**182,200**	**183,900**
2.5 Transition Services	**271,700**	**303,600**	**346,400**	**346,400**	**346,400**	**346,400**	**346,400**
3.1 Electric	**1,229,700**	**1,267,000**	**1,254,300**	**1,279,400**	**1,305,000**	**1,331,100**	**1,357,700**
3.2 Gas	**3,056,000**	**2,743,000**	**3,117,200**	**3,179,500**	**3,243,100**	**3,113,300**	**2,988,800**
3.3 Sewage Service	**512,600**	**505,200**	**546,700**	**546,700**	**557,500**	**557,500**	**568,800**
3.4 Water Service	**254,900**	**382,000**	**376,700**	**376,700**	**384,200**	**384,200**	**391,900**
4.3 Contractual Services	**16,744,900**	**16,773,400**	**17,923,800**	**18,263,500**	**18,537,900**	**18,557,000**	**18,576,200**
Contractual Operating Services	16,490,700	16,773,400	17,923,800	18,263,500	18,537,900	18,557,000	18,576,200
Contractual Services – Flood Events	254,200	-	-	-	-	-	-
892228 - Wastewater Fire Damage	**627,800**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**627,800**	**-**	**-**	**-**	**-**	**-**	**-**
Repairs & Maintenance-Damage Recovery	627,800	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892231 - Industrial Waste Control	**2,271,100**	**2,539,200**	**2,454,400**	**2,726,000**	**2,919,300**	**2,760,700**	**2,760,500**
2.1 Salaries & Wages	**1,519,100**	**1,593,600**	**1,608,400**	**1,788,200**	**1,788,200**	**1,788,200**	**1,788,200**
2.2 Workforce Development	**1,400**	**-**	**4,500**	**4,500**	**4,600**	**4,600**	**4,700**
2.3 Overtime	**22,200**	**26,600**	**22,400**	**22,900**	**22,900**	**22,900**	**22,900**
2.4 Employee Benefits	**563,500**	**653,500**	**618,500**	**698,400**	**704,600**	**710,700**	**716,900**
4.2 Supplies & Other	**98,800**	**138,500**	**108,400**	**120,100**	**126,700**	**137,600**	**125,000**
Advertising	53,500	60,000	65,000	65,000	70,000	68,000	75,000
Memberships, Licenses & Subscriptions	200	2,500	400	-	400	-	400
Mileage and Parking	-	1,000	-	-	-	-	-
Office Supplies	6,800	9,400	7,500	7,500	7,500	7,600	7,600
Operating Supplies	20,100	33,400	22,000	24,400	19,800	30,000	21,100
Operating Supplies-Janitorial	200	2,000	1,000	1,000	1,000	1,000	1,000
Postage	3,200	6,000	4,000	4,000	4,000	4,000	4,000
Repairs & Maintenance-Equipment	100	-	-	-	-	-	-
Training and Internal Meetings	1,600	7,500	3,000	7,600	5,100	8,000	5,800
Travel	-	4,000	2,500	3,600	3,800	4,000	4,200
Uniforms, Laundry, Cleaning	2,600	4,000	3,000	3,000	3,000	3,000	3,000
Capital Outlay less than $5,000	10,500	8,700	-	4,000	12,100	12,000	2,900
4.3 Contractual Services	**66,100**	**127,000**	**92,200**	**91,900**	**272,300**	**96,700**	**102,800**
Contractual Operating Services	66,100	127,000	92,200	91,900	272,300	96,700	102,800
892235 - Wastewater Laboratories	**3,270,500**	**3,313,200**	**3,799,900**	**4,576,800**	**4,576,300**	**4,595,000**	**4,625,700**
2.1 Salaries & Wages	**1,825,400**	**1,863,700**	**2,202,400**	**2,712,000**	**2,712,000**	**2,712,000**	**2,712,000**
2.3 Overtime	**213,900**	**219,200**	**213,300**	**264,400**	**264,400**	**264,400**	**264,400**
2.4 Employee Benefits	**690,600**	**746,800**	**825,900**	**1,025,300**	**1,033,800**	**1,042,300**	**1,050,800**
4.1 Chemicals	**176,600**	**157,200**	**186,000**	**187,200**	**188,600**	**190,200**	**192,800**
4.2 Supplies & Other	**212,700**	**155,700**	**202,000**	**215,700**	**204,000**	**209,800**	**226,900**
Car Lease	11,600	5,500	-	-	-	-	-
Memberships, Licenses & Subscriptions	300	800	800	11,800	800	800	14,400
Office Supplies	9,700	6,000	6,000	6,000	6,000	6,000	6,000
Operating Supplies	159,800	127,600	166,600	168,300	171,100	176,800	179,900
Repairs & Maintenance-Equipment	19,600	12,000	19,600	19,700	20,100	20,200	20,600
Repairs & Maintenance-Facilities	200	-	-	-	-	-	-
Uniforms, Laundry, Cleaning	1,700	3,500	2,000	2,000	2,000	2,000	2,000
Capital Outlay less than $5,000	9,800	300	7,000	7,900	4,000	4,000	4,000
4.3 Contractual Services	**151,300**	**170,600**	**170,300**	**172,200**	**173,500**	**176,300**	**178,800**
Contractual Operating Services	151,300	170,600	170,300	172,200	173,500	176,300	178,800
892269 - Suburban Only Green Infrastructure Allocation	**-**	**340,000**	**340,000**	**340,000**	**340,000**	**350,000**	**350,000**
4.2 Supplies & Other	**-**	**340,000**	**340,000**	**340,000**	**340,000**	**350,000**	**350,000**
Inspection and Permit Fees	-	340,000	340,000	340,000	340,000	350,000	350,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892270 - Combined Sewer Overflow	**3,981,500**	**4,291,700**	**3,824,200**	**4,109,800**	**4,268,700**	**4,301,300**	**4,144,600**
2.1 Salaries & Wages	**1,219,000**	**1,178,100**	**1,278,500**	**1,363,100**	**1,363,100**	**1,363,100**	**1,363,100**
2.2 Workforce Development	**44,300**	**58,100**	**57,800**	**82,700**	**82,700**	**82,700**	**82,700**
2.3 Overtime	**471,200**	**483,000**	**477,300**	**512,600**	**512,600**	**512,600**	**512,600**
2.4 Employee Benefits	**601,100**	**651,100**	**623,400**	**687,200**	**693,500**	**699,900**	**706,300**
2.5 Transition Services	**545,000**	**614,900**	**504,600**	**504,600**	**504,600**	**504,600**	**504,600**
4.2 Supplies & Other	**35,700**	**31,600**	**29,400**	**30,300**	**30,700**	**31,300**	**31,900**
Inspection and Permit Fees	-	700	700	700	700	700	700
Memberships, Licenses & Subscriptions	-	700	700	700	700	700	700
Mileage and Parking	200	2,900	500	500	500	500	500
Office Supplies	2,000	4,100	2,000	2,000	2,000	2,000	2,000
Operating Supplies	15,000	2,100	4,500	4,600	4,700	4,800	4,900
Training and Internal Meetings	10,900	9,600	10,500	11,000	11,200	11,400	11,600
Travel	1,600	3,000	3,000	3,200	3,200	3,400	3,600
Tuition Refund	800	1,500	1,500	1,500	1,500	1,500	1,500
Uniforms, Laundry, Cleaning	5,200	7,000	6,000	6,100	6,200	6,300	6,400
4.3 Contractual Services	**1,162,100**	**1,295,000**	**873,700**	**950,200**	**1,102,900**	**1,128,900**	**965,600**
Contractual Operating Services	1,162,100	1,295,000	873,700	950,200	1,102,900	1,128,900	965,600
5.1 Capital Program Allocation	**(77,200)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	(55,300)	-	-	-	-	-	-
Capital Program: Employee Benefits	(21,900)	-	-	-	-	-	-
5.2 Shared Services	**(19,700)**	**(20,100)**	**(20,500)**	**(20,900)**	**(21,400)**	**(21,800)**	**(22,200)**
Shared Services : Salaries & Wages Reimb	(14,000)	(14,300)	(14,600)	(14,900)	(15,200)	(15,500)	(15,800)
Shared Services: Employee Benefit Reimb	(5,700)	(5,800)	(5,900)	(6,000)	(6,200)	(6,300)	(6,400)
892271 - Puritan Fenkell Combined Sewer Overflow	**266,100**	**320,600**	**275,700**	**279,400**	**284,400**	**297,100**	**283,400**
3.1 Electric	**55,000**	**57,000**	**56,100**	**57,200**	**58,400**	**59,500**	**60,700**
3.2 Gas	**16,800**	**17,000**	**17,100**	**17,500**	**17,800**	**17,100**	**16,400**
3.3 Sewage Service	**2,900**	**10,000**	**3,200**	**3,200**	**3,300**	**3,300**	**3,500**
3.4 Water Service	**5,900**	**10,000**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**
4.1 Chemicals	**13,400**	**32,900**	**29,600**	**29,600**	**30,300**	**30,300**	**30,300**
4.2 Supplies & Other	**169,100**	**148,200**	**145,400**	**147,400**	**149,700**	**151,800**	**146,800**
Office Supplies	100	200	100	100	100	100	100
Operating Supplies	2,600	4,000	2,700	2,800	2,900	3,000	3,100
Repairs & Maintenance-Equipment	76,000	60,200	80,800	82,100	83,600	84,800	79,100
Repairs & Maintenance-Facilities	58,100	83,800	61,800	62,400	63,100	63,900	64,500
Supplies & Other – Flood Events	32,300	-	-	-	-	-	-
4.3 Contractual Services	**3,000**	**45,500**	**18,300**	**18,500**	**18,900**	**29,100**	**19,700**
Contractual Operating Services	6,900	45,500	18,300	18,500	18,900	29,100	19,700
Contractual Services – Flood Events	(3,900)	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892272 - 7 Mile Combined Sewer Overflow	**110,800**	**191,600**	**147,000**	**149,000**	**152,400**	**154,700**	**156,100**
3.1 Electric	**37,100**	**41,000**	**37,800**	**38,600**	**39,400**	**40,200**	**41,000**
3.2 Gas	**5,600**	**10,000**	**10,000**	**10,200**	**10,400**	**10,000**	**9,600**
3.3 Sewage Service	**13,800**	**13,000**	**14,400**	**14,400**	**14,600**	**14,600**	**14,900**
3.4 Water Service	**7,800**	**10,000**	**8,000**	**8,000**	**8,100**	**8,100**	**8,300**
4.1 Chemicals	**-**	**1,900**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**40,600**	**71,600**	**62,200**	**63,100**	**64,800**	**66,600**	**66,700**
Operating Supplies	1,300	1,000	1,400	1,500	1,600	1,600	1,700
Repairs & Maintenance-Equipment	9,400	29,600	25,000	25,200	25,800	27,100	25,500
Repairs & Maintenance-Facilities	29,800	41,000	35,800	36,400	37,400	37,900	39,500
Capital Outlay less than $5,000	100	-	-	-	-	-	-
4.3 Contractual Services	**5,900**	**44,100**	**14,600**	**14,700**	**15,100**	**15,200**	**15,600**
Contractual Operating Services	8,500	44,100	14,600	14,700	15,100	15,200	15,600
Contractual Services – Flood Events	(2,600)	**-**	**-**	**-**	**-**	**-**	**-**
892273 - Hubble Southfield CSO	**824,000**	**879,400**	**858,300**	**864,600**	**883,200**	**890,300**	**856,300**
3.1 Electric	**65,500**	**66,000**	**66,800**	**68,100**	**69,500**	**70,900**	**72,300**
3.2 Gas	**26,300**	**27,000**	**26,800**	**27,400**	**27,900**	**26,800**	**25,700**
3.3 Sewage Service	**1,500**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
3.4 Water Service	**18,100**	**110,000**	**20,000**	**20,000**	**20,000**	**22,000**	**22,000**
4.1 Chemicals	**155,400**	**380,100**	**388,500**	**388,500**	**398,200**	**398,200**	**398,200**
4.2 Supplies & Other	**484,700**	**229,100**	**282,200**	**284,800**	**290,700**	**293,700**	**296,800**
Office Supplies	-	100	100	100	100	100	100
Operating Supplies	10,000	6,300	6,000	6,100	6,300	6,500	6,800
Repairs & Maintenance-Equipment	386,900	160,300	191,400	193,800	198,300	200,500	201,400
Repairs & Maintenance-Facilities	87,800	62,400	84,700	84,800	86,000	86,600	88,500
4.3 Contractual Services	**72,500**	**65,200**	**72,000**	**73,800**	**74,900**	**76,700**	**39,300**
Contractual Operating Services	72,500	65,200	72,000	73,800	74,900	76,700	39,300
892274 - Leib Combined Sewer Overflow	**397,700**	**468,700**	**483,800**	**488,000**	**497,400**	**502,000**	**501,900**
3.1 Electric	**73,600**	**84,000**	**75,100**	**76,600**	**78,100**	**79,700**	**81,300**
3.2 Gas	**17,000**	**18,000**	**17,300**	**17,700**	**18,000**	**17,300**	**16,600**
3.3 Sewage Service	**4,700**	**7,000**	**7,000**	**7,000**	**7,200**	**7,200**	**7,600**
3.4 Water Service	**2,700**	**4,000**	**3,500**	**3,500**	**4,000**	**4,000**	**4,500**
4.1 Chemicals	**72,200**	**142,400**	**145,400**	**145,400**	**149,000**	**149,000**	**149,000**
4.2 Supplies & Other	**185,000**	**145,200**	**203,900**	**205,800**	**208,800**	**212,200**	**209,700**
Office Supplies	900	500	600	600	600	700	-
Operating Supplies	5,100	5,500	5,600	5,600	5,700	5,700	-
Repairs & Maintenance-Equipment	113,900	112,200	124,400	125,100	126,100	128,100	129,900
Repairs & Maintenance-Facilities	65,100	27,000	73,300	74,500	76,400	77,700	79,800
4.3 Contractual Services	**42,500**	**68,100**	**31,600**	**32,000**	**32,300**	**32,600**	**33,200**
Contractual Operating Services	42,500	68,100	31,600	32,000	32,300	32,600	33,200
892275 - St Aubin Combined Sewer Overflow	**844,000**	**308,300**	**269,200**	**271,400**	**275,600**	**277,900**	**273,900**
3.1 Electric	**21,500**	**24,000**	**24,900**	**25,400**	**25,900**	**26,500**	**27,000**
3.2 Gas	**7,100**	**8,000**	**7,200**	**7,400**	**7,500**	**7,200**	**6,900**
3.3 Sewage Service	**2,400**	**2,000**	**2,500**	**2,500**	**2,500**	**2,500**	**2,600**
3.4 Water Service	**4,100**	**3,000**	**5,000**	**5,000**	**5,400**	**5,400**	**5,900**
4.1 Chemicals	**23,800**	**58,500**	**40,100**	**40,100**	**41,100**	**41,100**	**41,100**
4.2 Supplies & Other	**620,500**	**167,500**	**147,100**	**148,600**	**150,200**	**152,000**	**146,500**
Office Supplies	300	500	500	500	500	500	500
Operating Supplies	1,000	7,000	3,500	3,600	3,700	3,700	3,800
Repairs & Maintenance-Equipment	73,400	70,600	73,400	74,600	75,800	77,400	78,600
Repairs & Maintenance-Facilities	545,800	89,400	69,700	69,900	70,200	70,400	63,600
4.3 Contractual Services	**164,600**	**45,300**	**42,400**	**42,400**	**43,000**	**43,200**	**43,900**
Contractual Operating Services	164,600	45,300	42,400	42,400	43,000	43,200	43,900

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892276 - Conner Creek Combined Sewer Overflow	**2,574,500**	**4,113,800**	**4,288,700**	**4,757,400**	**4,898,300**	**5,290,500**	**5,216,100**
3.1 Electric	**281,800**	**292,000**	**287,400**	**293,200**	**299,000**	**305,000**	**311,100**
3.2 Gas	**69,800**	**71,000**	**71,200**	**72,600**	**74,100**	**71,100**	**68,300**
3.3 Sewage Service	**174,600**	**102,000**	**104,000**	**104,000**	**106,000**	**108,000**	**110,500**
3.4 Water Service	**73,500**	**39,000**	**61,900**	**61,900**	**63,100**	**63,100**	**64,400**
4.1 Chemicals	**1,130,800**	**2,642,300**	**2,938,700**	**2,938,700**	**3,012,200**	**3,012,200**	**3,012,200**
4.2 Supplies & Other	**646,700**	**790,600**	**602,100**	**1,061,300**	**1,113,900**	**1,498,100**	**1,415,600**
Office Supplies	6,900	7,200	7,400	7,500	7,600	7,700	7,800
Operating Supplies	16,300	35,700	26,400	26,800	27,200	27,600	30,000
Repairs & Maintenance-Equipment	224,100	583,800	374,000	779,300	727,100	1,106,400	1,063,800
Repairs & Maintenance-Facilities	399,400	163,900	194,300	247,700	352,000	356,400	314,000
4.3 Contractual Services	**197,300**	**176,900**	**223,400**	**225,700**	**230,000**	**233,000**	**234,000**
Contractual Operating Services	197,300	176,900	223,400	225,700	230,000	233,000	234,000
892277 - Baby Creek Combined Sewer Overflow	**1,426,800**	**1,511,300**	**1,421,300**	**1,355,900**	**1,379,700**	**1,388,200**	**1,477,000**
3.1 Electric	**156,600**	**179,000**	**159,700**	**162,900**	**166,200**	**169,500**	**172,900**
3.2 Gas	**28,700**	**31,000**	**29,300**	**29,900**	**30,500**	**29,200**	**28,100**
4.1 Chemicals	**195,400**	**518,400**	**553,800**	**553,800**	**567,600**	**567,600**	**567,600**
4.2 Supplies & Other	**965,000**	**696,000**	**623,800**	**554,100**	**559,500**	**565,300**	**651,100**
Office Supplies	100	500	600	600	600	700	700
Operating Supplies	6,400	10,000	10,200	10,400	10,600	10,800	11,000
Repairs & Maintenance-Equipment	813,100	329,700	422,900	426,200	429,600	433,000	436,600
Repairs & Maintenance-Facilities	142,900	355,800	190,100	116,900	118,700	120,800	202,800
Capital Outlay less than $5,000	2,500	-	-	-	-	-	-
4.3 Contractual Services	**81,100**	**86,900**	**54,700**	**55,200**	**55,900**	**56,600**	**57,300**
Contractual Operating Services	81,100	86,900	54,700	55,200	55,900	56,600	57,300
892278 - Oakwood Combined Sewer Overflow	**1,511,700**	**2,566,800**	**1,870,000**	**1,912,400**	**1,922,000**	**1,962,900**	**1,963,400**
3.1 Electric	**400,800**	**406,000**	**408,800**	**417,000**	**425,300**	**433,800**	**442,500**
3.2 Gas	**29,000**	**28,800**	**29,600**	**30,200**	**30,800**	**29,500**	**28,400**
3.3 Sewage Service	**470,100**	**813,900**	**487,300**	**487,300**	**497,100**	**497,100**	**512,000**
3.4 Water Service	**213,400**	**620,600**	**285,400**	**285,400**	**291,100**	**291,100**	**296,900**
4.1 Chemicals	**138,600**	**338,400**	**434,500**	**434,500**	**445,400**	**445,400**	**445,400**
4.2 Supplies & Other	**179,400**	**331,600**	**195,800**	**229,200**	**203,300**	**236,800**	**209,000**
Office Supplies	200	500	300	300	300	300	300
Operating Supplies	4,800	10,000	6,500	6,700	6,900	7,100	7,300
Repairs & Maintenance-Equipment	87,700	130,400	90,000	121,300	93,100	124,300	98,300
Repairs & Maintenance-Facilities	86,700	190,700	99,000	100,900	103,000	105,100	103,100
4.3 Contractual Services	**80,400**	**27,500**	**28,600**	**28,800**	**29,000**	**29,200**	**29,200**
Contractual Operating Services	80,400	27,500	28,600	28,800	29,000	29,200	29,200
892279 - Belle Isle Combined Sewer Overflow	**(21,600)**	**17,500**	**-**	**-**	**-**	**-**	**-**
4.1 Chemicals	**10,100**	**24,900**	**23,600**	**23,600**	**24,200**	**24,200**	**24,200**
4.2 Supplies & Other	**30,400**	**59,800**	**44,500**	**45,700**	**47,100**	**48,200**	**49,700**
Operating Supplies	400	1,000	1,100	1,100	1,200	1,200	1,300
Repairs & Maintenance-Equipment	7,800	28,800	17,200	17,800	18,500	19,000	19,800
Repairs & Maintenance-Facilities	22,200	30,000	26,200	26,800	27,400	28,000	28,600
4.3 Contractual Services	**5,400**	**11,800**	**6,300**	**6,500**	**6,800**	**7,000**	**7,300**
Contractual Operating Services	5,400	11,800	6,300	6,500	6,800	7,000	7,300
5.2 Shared Services	**(67,500)**	**(79,000)**	**(74,400)**	**(75,800)**	**(78,100)**	**(79,400)**	**(81,200)**
Shared Services Reimbursement	(67,500)	(79,000)	(74,400)	(75,800)	(78,100)	(79,400)	(81,200)
897600 - Wastewater System Operations Unallocated	**-**	**302,900**	**3,089,900**	**2,087,200**	**2,748,000**	**4,728,500**	**7,370,800**
7.0 Unallocated Reserve	**-**	**302,900**	**3,089,900**	**2,087,200**	**2,748,000**	**4,728,500**	**7,370,800**
Grand Total	**$ 115,617,300**	**$ 129,334,900**	**$ 130,257,600**	**$ 136,269,500**	**$ 138,963,300**	**$ 141,816,200**	**$ 144,662,400**

Wastewater Operations Pumping Stations

The Wastewater Operations Pumping (Lift) Stations are facilities designed to move wastewater from lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation depths and high sewer construction costs.

Strategic Initiatives

- **Maximize pumping reliability (Ongoing)**
  Regularly scheduled preventive maintenance is necessary and required to maintain the condition of all pumping (lift) stations.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total head, climate, and overall pump efficiency. Energy can be minimized through proper preventive maintenance in order to maintain the condition of all pumping (lift) stations.

The table below shows how the wastewater operations area pumping (lift) stations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Wastewater Pump Stations Strategic Initiatives	Maximize pumping reliability				x	x		x				
	Minimize energy usage		x		x	x						

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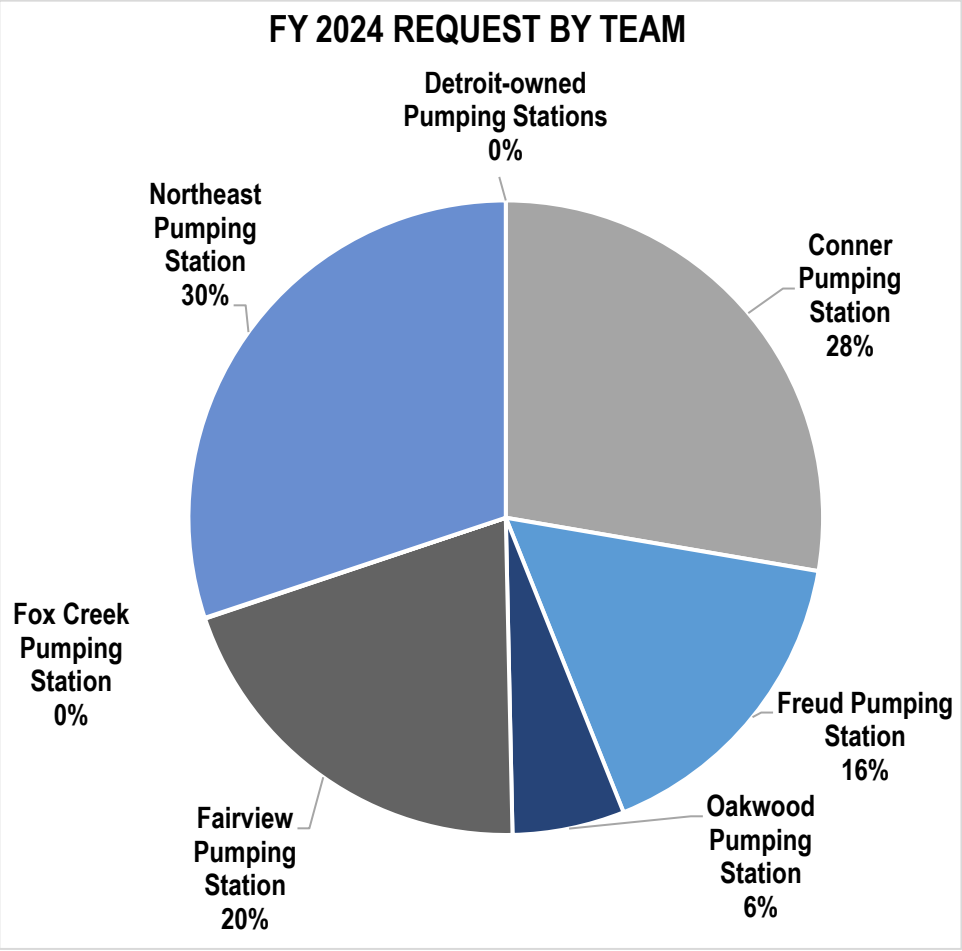
Organization

The Wastewater Operations Pump (Lift) Stations consist of (9) sewer lift station in the wastewater collections system. Wastewater stations pump wastewater, and when necessary excess storm water, to the Water Resource Recovery Facility.

- Conner Pumping Station
- Detroit-owned Pumping Stations
  - Belle Isle Pump Station
  - Bluehill Pump Station
  - Fischer Pump Station
  - Woodmere Pump Station
- Fairview Pumping Station
- Freud Pumping Station
- Northeast Pumping Station**
- Oakwood Pumping Station
- Fox Creek Enclosure*



* Fox Creek Enclosure is a gate operations site and not a pumping station. The only cost incurred for this location is electrical costs.

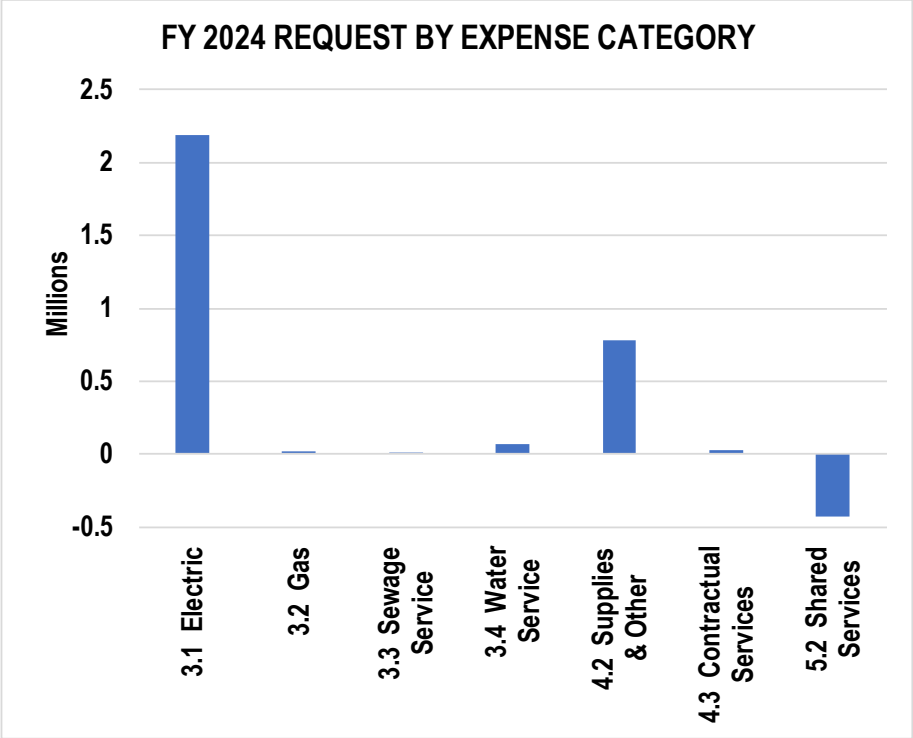
** A portion of the cost for Northeast Pumping Station is billed to OMID through an intergovernmental agreement.

Expense Categories

There is one major expense category in the Wastewater Pump Stations operations and maintenance budget as listed below.

- Electric Utilities

Electric utilities are the highest expense category for wastewater operations pumping (lift) stations. Lift stations require a significant amount of power. Typically, power costs account for 85 to 95 percent of the total operations and maintenance costs and are directly proportional to the unit cost of power and the actual power used by the lift station pumps.



Biennial Budget Request

The biennial budget reflects an overall decrease in FY 2024 of $355,800, or -11.7%. Key factors that impact the FY 2024 budget include the following.

- Although Electric commodity costs are increasing this category is decreasing $398,000 based on current billings. This is due to a higher peak rate at one of the pumping stations that occurred in June 2021, thereby increasing the expense, as the peaking factor is used for 11 months for the electric billing. This is why the FY 2022 actual costs are much higher than the FY 2024 budget.
- Gas, Sewage Service and Water Service have been increased based on prior year spend ($7,200).
- Supplies & Other include the annual maintenance costs which vary depending on the complexity of the equipment and instrumentation. Current forecast in usage resulted in an increase of $169,800.
- Increase in Contractual Services budget is based on based on prior spending. ($5,000)
- Shared Services for Detroit-owned pumping stations is equivalent to the budget for those departments and is based solely on the entire actual expenses for these locations being billed back to Detroit Water and Sewerage Department (DWSD) (decrease of $139,800).

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
3.1 Electric	$ 3,292,600	$ 2,582,000	$ 1,109,800	**$ 2,184,000**	**$ (398,000)**	**-15.4%**	$ 2,225,800
3.2 Gas	$ 66,500	$ 19,000	$ 37,100	**$ 24,300**	**$ 5,300**	**27.9%**	$ 24,800
3.3 Sewage Service	$ 10,700	$ 9,000	$ 5,100	**$ 10,000**	**$ 1,000**	**11.1%**	$ 10,200
3.4 Water Service	$ 66,500	$ 67,500	$ 56,200	**$ 68,400**	**$ 900**	**1.3%**	$ 69,800
4.2 Supplies & Other	$ 1,168,000	$ 615,200	$ 297,900	**$ 785,000**	**$ 169,800**	**27.6%**	$ 785,000
4.3 Contractual Services	$ 45,400	$ 25,200	$ 11,500	**$ 30,200**	**$ 5,000**	**19.8%**	$ 30,200
5.2 Shared Services	$ (621,400)	$ (285,400)	$ (142,700)	**$ (425,200)**	**$ (139,800)**	**49.0%**	$ (425,200)
Grand Total	**$ 4,028,300**	**$ 3,032,500**	**$ 1,374,900**	**$ 2,676,700**	**$ (355,800)**	**-11.7%**	**$ 2,720,600**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Detroit-owned Pumping Stations	**$ 71,400**	**$ -**	**$ 68,700**	**$ -**	**$ -**	**0.0%**	**$ -**
Belle Isle Pumping Station	(15,600)	-	7,300	-	-	0.0%	-
Blue Hill Pumping Station	19,900	-	44,000	-	-	0.0%	-
Fischer Pumping Station	(8,800)	-	2,200	-	-	0.0%	-
Woodmere Pumping Station	75,900	-	15,200	-	-	0.0%	-
Conner Pumping Station	**1,577,600**	**759,000**	**319,400**	**741,300**	**(17,700)**	**-2.3%**	**752,400**
Freud Pumping Station	**659,700**	**501,500**	**149,900**	**435,000**	**(66,500)**	**-13.3%**	**441,200**
Oakwood Pumping Station	**225,800**	**193,000**	**99,700**	**153,000**	**(40,000)**	**-20.7%**	**155,000**
Fairview Pumping Station	**706,000**	**760,000**	**276,000**	**540,400**	**(219,600)**	**-28.9%**	**549,000**
Fox Creek Pumping Station	**700**	**1,000**	**300**	**1,000**	**-**	**0.0%**	**1,000**
Northeast Pumping Station	**787,100**	**818,000**	**460,900**	**806,000**	**(12,000)**	**-1.5%**	**822,000**
Grand Total	**$ 4,028,300**	**$ 3,032,500**	**$ 1,374,900**	**$ 2,676,700**	**$ (355,800)**	**-11.7%**	**$ 2,720,600**

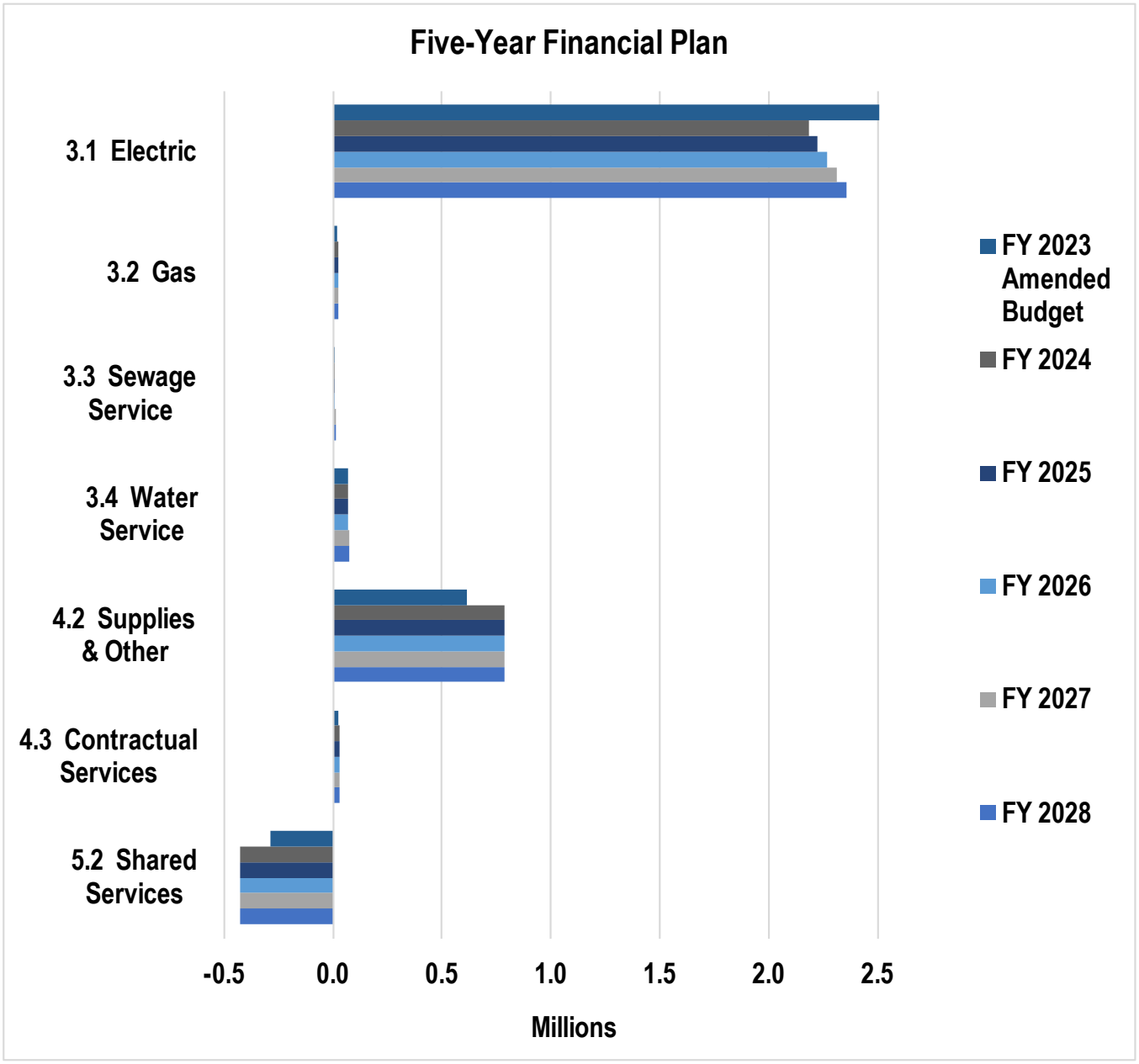
Personnel Budget

Personnel expenditures is not a component of the Wastewater Pump Stations budget. Labor to maintain these facilities is included in the Field Service Operations budget.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
3.1 Electric	$ 3,292,600	$ 2,582,000	**$ 2,184,000**	$ 2,225,800	$ 2,270,100	$ 2,314,200	$ 2,359,100
3.2 Gas	$ 66,500	$ 19,000	**$ 24,300**	$ 24,800	$ 25,200	$ 25,700	$ 26,100
3.3 Sewage Service	$ 10,700	$ 9,000	**$ 10,000**	$ 10,200	$ 10,400	$ 10,600	$ 10,800
3.4 Water Service	$ 66,500	$ 67,500	**$ 68,400**	$ 69,800	$ 71,300	$ 72,700	$ 74,300
4.2 Supplies & Other	$ 1,168,000	$ 615,200	**$ 785,000**	$ 785,000	$ 785,000	$ 785,000	$ 785,000
4.3 Contractual Services	$ 45,400	$ 25,200	**$ 30,200**	$ 30,200	$ 30,200	$ 30,200	$ 30,200
5.2 Shared Services	$ (621,400)	$ (285,400)	**$ (425,200)**	$ (425,200)	$ (425,200)	$ (425,200)	$ (425,200)
Grand Total	**$ 4,028,300**	**$ 3,032,500**	**$ 2,676,700**	**$ 2,720,600**	**$ 2,767,000**	**$ 2,813,200**	**$ 2,860,300**


Five-Year Financial Plan
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.2 Supplies & Other
4.3 Contractual Services
5.2 Shared Services
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1.0
1.5
2.0
2.5
Millions
FY 2023 Amended Budget
FY 2024
FY 2025
FY 2026
FY 2027
FY 2028

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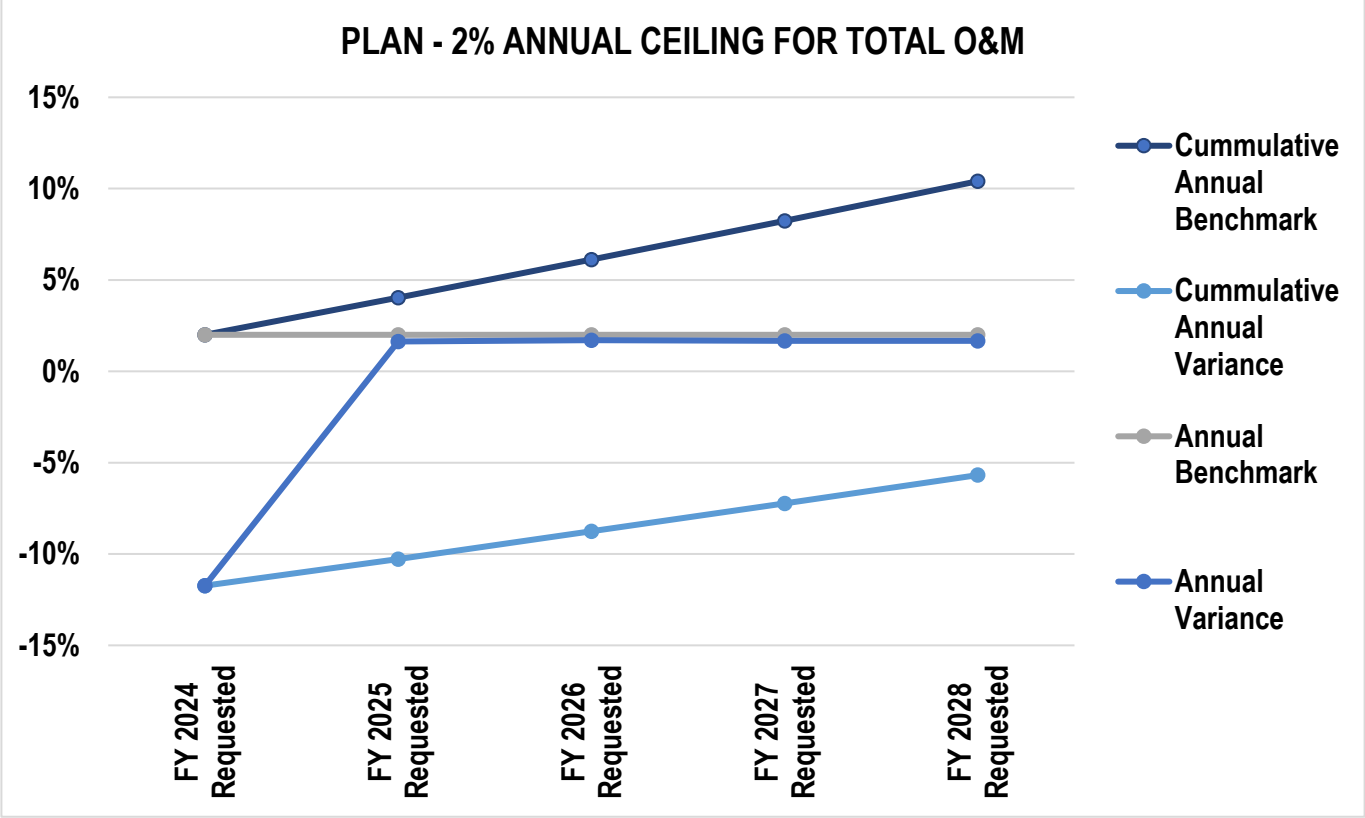
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Detroit-owned							
Pumping Stations	**$ 71,400**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Belle Isle Pumping Station	(15,600)	-	-	-	-	-	-
Blue Hill Pumping Station	19,900	-	-	-	-	-	-
Fischer Pumping Station	(8,800)	-	-	-	-	-	-
Woodmere Pumping Station	75,900	-	-	-	-	-	-
Conner Pumping Station	1,577,600	759,000	**741,300**	752,400	763,500	774,600	785,600
Freud Pumping Station	659,700	501,500	**435,000**	441,200	447,800	454,200	460,600
Oakwood Pumping Station	225,800	193,000	**153,000**	155,000	157,000	159,000	161,000
Fairview Pumping Station	706,000	760,000	**540,400**	549,000	559,600	569,200	580,000
Fox Creek Pumping Station	700	1,000	**1,000**	1,000	1,100	1,100	1,100
Northeast Pumping Station	787,100	818,000	**806,000**	822,000	838,000	855,100	872,000
Grand Total	**$ 4,028,300**	**$ 3,032,500**	**$ 2,676,700**	**$ 2,720,600**	**$ 2,767,000**	**$ 2,813,200**	**$ 2,860,300**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Wastewater Operations pumping (lift) stations Group's financial plan reflects a five-year overall decrease of 5.7% which is below the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



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Capital Outlay

The Wastewater Pump Stations budget is funded by the Improvement & Extension (I&E) Budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Machinery & Equipment	**$ 240,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**
Pumps & Motors	240,000	400,000	400,000	400,000	400,000	400,000
Grand Total	**$ 240,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 773,100	$ 240,000	**$ 400,000**	$ 400,000	$ 400,000	$ 400,000	$ 400,000
Grand Total	**$ 773,100**	**$ 240,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Conner Pumping Station	$ 173,800	$ 240,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Freud Pumping Station	418,800	-	150,000	150,000	150,000	150,000	150,000
Oakwood Pumping Station	180,500	-	100,000	100,000	100,000	100,000	100,000
Grand Total	**$ 773,100**	**$ 240,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892342 - Belle Isle Pumping Station	**$ (15,600)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
4.2 Supplies & Other	**81,800**	**45,000**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**
Repairs & Maintenance-Equipment	81,800	45,000	65,000	65,000	65,000	65,000	65,000
4.3 Contractual Services	**1,300**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**
Contractual Buildings & Grounds Maint	1,300	3,700	3,700	3,700	3,700	3,700	3,700
5.2 Shared Services	**(98,700)**	**(48,700)**	**(68,700)**	**(68,700)**	**(68,700)**	**(68,700)**	**(68,700)**
Shared Services Reimbursement	(98,700)	(48,700)	(68,700)	(68,700)	(68,700)	(68,700)	(68,700)
892343 - Blue Hill Pumping Station	**19,900**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**331,000**	**152,000**	**222,000**	**222,000**	**222,000**	**222,000**	**222,000**
Repairs & Maintenance-Equipment	331,000	152,000	222,000	222,000	222,000	222,000	222,000
4.3 Contractual Services	**25,100**	**3,200**	**3,200**	**3,200**	**3,200**	**3,200**	**3,200**
Contractual Buildings & Grounds Maint	25,100	3,200	3,200	3,200	3,200	3,200	3,200
5.2 Shared Services	**(336,200)**	**(155,200)**	**(225,200)**	**(225,200)**	**(225,200)**	**(225,200)**	**(225,200)**
Shared Services Reimbursement	(336,200)	(155,200)	(225,200)	(225,200)	(225,200)	(225,200)	(225,200)
892345 - Conner Pumping Station	**1,577,600**	**759,000**	**741,300**	**752,400**	**763,500**	**774,600**	**785,600**
3.1 Electric	**1,352,300**	**534,000**	**510,000**	**520,000**	**530,000**	**540,000**	**550,000**
3.2 Gas	**1,200**	**2,000**	**2,000**	**2,100**	**2,100**	**2,200**	**2,200**
3.3 Sewage Service	**10,700**	**9,000**	**10,000**	**10,200**	**10,400**	**10,600**	**10,800**
3.4 Water Service	**40,600**	**39,000**	**39,300**	**40,100**	**41,000**	**41,800**	**42,600**
4.2 Supplies & Other	**163,100**	**170,000**	**170,000**	**170,000**	**170,000**	**170,000**	**170,000**
Repairs & Maintenance-Equipment	163,100	170,000	170,000	170,000	170,000	170,000	170,000
4.3 Contractual Services	**9,700**	**5,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**
Contractual Professional Services	9,700	5,000	10,000	10,000	10,000	10,000	10,000
892346 - Fairview Pumping Station	**706,000**	**760,000**	**540,400**	**549,000**	**559,600**	**569,200**	**580,000**
3.1 Electric	**670,900**	**685,000**	**460,000**	**468,000**	**478,000**	**487,000**	**497,000**
3.2 Gas	**17,100**	**5,000**	**10,000**	**10,200**	**10,400**	**10,600**	**10,800**
3.4 Water Service	**1,400**	**20,000**	**20,400**	**20,800**	**21,200**	**21,600**	**22,200**
4.2 Supplies & Other	**16,600**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Repairs & Maintenance-Equipment	16,600	50,000	50,000	50,000	50,000	50,000	50,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
892347 - Fischer Pumping Station	**(8,800)**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**17,100**	**7,200**	**17,000**	**17,000**	**17,000**	**17,000**	**17,000**
Repairs & Maintenance-Equipment	17,100	7,200	17,000	17,000	17,000	17,000	17,000
4.3 Contractual Services	**1,900**	**5,600**	**5,600**	**5,600**	**5,600**	**5,600**	**5,600**
Contractual Buildings & Grounds Maint	1,900	5,600	5,600	5,600	5,600	5,600	5,600
5.2 Shared Services	**(27,800)**	**(12,800)**	**(22,600)**	**(22,600)**	**(22,600)**	**(22,600)**	**(22,600)**
Shared Services Reimbursement	(27,800)	(12,800)	(22,600)	(22,600)	(22,600)	(22,600)	(22,600)
892348 - Fox Creek Pumping Station	**700**	**1,000**	**1,000**	**1,000**	**1,100**	**1,100**	**1,100**
3.1 Electric	**700**	**1,000**	**1,000**	**1,000**	**1,100**	**1,100**	**1,100**
892349 - Freud Pumping Station	**659,700**	**501,500**	**435,000**	**441,200**	**447,800**	**454,200**	**460,600**
3.1 Electric	**337,200**	**387,000**	**290,000**	**295,800**	**302,000**	**308,000**	**314,000**
3.2 Gas	**48,200**	**12,000**	**12,300**	**12,500**	**12,700**	**12,900**	**13,100**
3.4 Water Service	**24,500**	**8,500**	**8,700**	**8,900**	**9,100**	**9,300**	**9,500**
4.2 Supplies & Other	**243,700**	**90,000**	**120,000**	**120,000**	**120,000**	**120,000**	**120,000**
Repairs & Maintenance-Equipment	243,700	90,000	120,000	120,000	120,000	120,000	120,000
4.3 Contractual Services	**6,100**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
Contractual Professional Services	6,100	4,000	4,000	4,000	4,000	4,000	4,000
892350 - Northeast Pumping Station	**787,100**	**818,000**	**806,000**	**822,000**	**838,000**	**855,100**	**872,000**
3.1 Electric	**787,100**	**818,000**	**806,000**	**822,000**	**838,000**	**855,100**	**872,000**
4.2 Supplies & Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repairs & Maintenance-Equipment	-	-	-	-	-	-	-
892351 - Oakwood Pumping Station	**225,800**	**193,000**	**153,000**	**155,000**	**157,000**	**159,000**	**161,000**
3.1 Electric	**144,400**	**157,000**	**117,000**	**119,000**	**121,000**	**123,000**	**125,000**
4.2 Supplies & Other	**81,400**	**36,000**	**36,000**	**36,000**	**36,000**	**36,000**	**36,000**
Repairs & Maintenance-Equipment	81,400	36,000	36,000	36,000	36,000	36,000	36,000
4.3 Contractual Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Professional Services	-	-	-	-	-	-	-
892352 - Woodmere Pumping Station	**75,900**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**233,300**	**65,000**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**
Repairs & Maintenance-Equipment	233,300	65,000	105,000	105,000	105,000	105,000	105,000
4.3 Contractual Services	**1,300**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**
Contractual Buildings & Grounds Maint	1,300	3,700	3,700	3,700	3,700	3,700	3,700
5.2 Shared Services	**(158,700)**	**(68,700)**	**(108,700)**	**(108,700)**	**(108,700)**	**(108,700)**	**(108,700)**
Shared Services Reimbursement	(158,700)	(68,700)	(108,700)	(108,700)	(108,700)	(108,700)	(108,700)
Grand Total	**$ 4,028,300**	**$ 3,032,500**	**$ 2,676,700**	**$ 2,720,600**	**$ 2,767,000**	**$ 2,813,200**	**$ 2,860,300**

SECTION 5C - CENTRALIZED SERVICES

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Planning Services

Teaming with our member partners, the Planning Services area provides strategic guidance for major GLWA programs. With a focus on the areas of asset management, capital improvement planning, innovative system analytics and meter operations, long range planning and member outreach, the Planning Services area provides strategic guidance to shape GLWA's future.

Strategic Initiatives

Water System Programs:

- **Linear System Integrity Program – (Ongoing)**
  Assess the risk to the water delivery infrastructure through the physical inspection of the transmission system as well as assessing reliability to ensure stability of service delivery to member partners. In addition, this program will provide the framework to optimize the wastewater interceptor inspection, maintenance, and renewal. We have selected a vendor, HDR of Michigan, as our strategic partner for this initiative and started the program development in FY 2022. At present, the program is in the planning phase of transmission repairs which are expected to begin in 2025.
- **Water Performance Monitoring – (Ongoing)**
  This initiative ensures quality and efficiency at local levels. Using Aquasight software, individual communities will monitor their water systems with customized dashboards providing real time system data.
- **Water Master Plan Update – (Completion Date – June 2025)**
  An update to the regional plan ensuring GLWA continues to meet the needs of its members and strategic investment in assets. This project will be performed primarily by GLWA team members.
- **Units of Service for Non-Master Meter Members of Great Lakes Water Authority and System Water Audit – (Ongoing)**
  An analytical review of data to quantify flow volumes for our member partners who do not have master meters and systemwide water audit services including review of water treatment plant flows and transmission system. This program will transition into its second phase continuing to provide analysis and analytical support for GLWA and our non-metered customers in FY 2024 and beyond as, "GLWA System Water Audit and Analytical Support Services".

Wastewater System Programs:

- **Wastewater Master Plan & Update – (Ongoing)**
  A review of the existing regional wastewater plan and its effectiveness in meeting the requirements of our member partners.
- **Good Sewer Metering Practice Analysis & Support – (Ongoing)**
  This ongoing program in the Wastewater Analytics Task Force (WATF) consists of four core elements: metering, sewer shares analysis and review, collection system initiative and Water Resource Recovery Facility initiatives.

- **Regional Flood Mitigation Study – (Completion Date June 2026)**
  As the Sponsor for the Southeast Michigan Flood Risk Mitigation Study in partnership with the U.S. Army Corps of Engineers (USACE), GLWA intends to cooperatively investigate solutions for on-going surface and basement flooding in southeast Michigan. GLWA is optimistic that this study will be partially funded through an allocation of federal funds through the annual Congressional appropriations process. If selected, GLWA intends to sign a Feasibility Cost Sharing Agreement to initiate the study with USACE. The feasibility study is targeted for completion within three years at a total cost of no more $3 million. The study will be conducted and managed by USACE and cost-sharing for the study is based on a 50 percent contribution by the federal government, with GLWA's 50 percent contribution provided in cash, in-kind services, or a combination of both.
- **Meter Dye Testing – (Ongoing)**
  This program ensures the accuracy of the sewer meters through review, repair, and calibration.
- **Professional and Technical Sewer Support Services – (Ongoing)**
  This program is for the calibration, corrective maintenance, and emergency repair of sewer meters in the collection system. This program also covers the installation of new meters, control cabinets and programmable controllers at various locations throughout the collection system.

Both Systems (GLWA Wide) Initiatives:

- **Capital Improvement Plan – (Completion Date – June 2023)**
  In May 2019 GLWA's Board of Directors approved a partnership with consultants, AECOM to provide Capital Improvement Planning (CIP) services. This partnership will provide GLWA with tools and resources to manage a best-in-class CIP program at the end of this four-year contract. The CIP is broken into the following 10 tasks outlined in the chart below:

Capital Improvement Process (CIP) Task	Purpose
1. CIP Business Process Improvements 2. CIP Delivery Standard Operating Procedure Development	These initial tasks will focus on general GLWA business and process improvements.
3. CIP Delivery Resource Evaluation	This task will help GLWA identify and secure the human resources necessary to execute the CIP.
4. Development of Project Management Information System (PMIS)	This task will identify and select technology solutions necessary to support the new CIP business processes.
5A. Project Controls and Reporting Support (O&M) 5B. Project Controls and Reporting Support (Capital) 6. CIP Validation	These tasks will identify, validate, and implement project controls necessary for a well-managed CIP.

7A. Engineering & Construction Staff Augmentation (O&M) 7B. Engineering & Construction Staff Augmentation (Capital) 8. Other Staff Augmentation as Required	These tasks will provide staffing augmentation to execute the CIP and supplemental resources to meet the needs of the organization while existing internal processes are being re-engineered.
9. Advanced Facilities Planning (Capital) 10. Enterprise-Wide Energy Optimization & Sustainability Planning	These tasks will support the creation of reliable and sustainable projects.

The majority of the agreement is funded as Capital as it targets specific, long-term projects. However, there is a significant Operations and Maintenance (O&M) component involving business improvement, process development and other O&M related support. As we continue into the final year of the initial agreement, we are indeed observing this expected expenditure shift as presented in the schedules below. Staffing is being ramped up throughout the organization to continue the work of AECOM consultants upon contract completion.

- **Oracle Work and Asset Management System (WAM) Support – (Completion Date – June 2024)**
  Provides consulting services for support, training, and policy management of GLWA's Computerized Maintenance Management System. A renegotiation of this contract has resulted in reduced costs for FY 2021 and beyond.
- **Asset Management Planning (Ongoing)**
  Identifies the timing of components of key initiatives and how asset management related information is used to drive prudent Capital Improvement Plan expenditures. The process will result with the creation of a 10-year road map to execute various asset management initiatives.

The following tables present how Planning Services programs align with overall corporate strategic goals.

Water System Programs

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Planning Services Strategic Initiatives Water System Programs	Linear System Integrity Program				x		x					
	Water Performance Monitoring				x				x	x		x
	Water Master Plan Update				x	x	x			x		
	Units of Service for Non-Master Meter Members				x	x				x		

Wastewater System Programs

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Planning Services Strategic Initiatives Wastewater System Programs	Wastewater Master Plan				x	x	x		x	x		
	Good Sewer Metering Practice Analysis & Support				x	x				x		
	Regional Flood Mitigation Study				x	x	x		x			x
	Meter Dye Testing				x					x		
	Professional and Technical Sewer Support Services				x					x		

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Both Systems (GLWA Wide Initiatives)

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Planning Services Strategic Initiatives Both Systems	Capital Improvement Plan				x	x	x			x		
	Oracle Work and Asset Management System Support				x	x	x					
	Asset Management Planning				x	x	x					

Planning Services Contracts

The Planning Services area budget contains several contractual services. Budgeted amounts beyond contract end date are estimates for future study updates or subsequent implementation of a program. Expenditures that extend beyond contract completion assume contract renewal. These services would generally require a separate procurement process. The charts below delineate the key contracts for these services.

Water System

Water system programs provide infrastructure analysis, long term capital planning, real time data for quality and efficiency of product delivery and flow analysis for non-metered systems assuring outstanding product quality, system reliability and billing accuracy for our member partners.

Water System Programs Significant Contracts

Project Description	System Integrity Program (LSIP)	Water Performance Monitoring	Water Master Plan Update	Units of Service for Non-Master Meter Customers	Units of Service II	Project Management Services	Total of Significant Contracts
Prime Consultant or Supplier	HDR	Aquasight	TBD	Black & Veatch	TBD	TWN Consulting	
Contract #	1902659	2102026	TBD	GLWA-CS-039	TBD	1905080	
Contract Amount	$ 29,012,900	$ 1,217,500	TBD	$ 740,800	TBD	$ 200,000	
Contract End Date	08/31/27	09/24/24	TBD	In Renewal	TBD	03/01/23	
Cost Center Name	Asset Management	Systems Planning	Systems Planning	Systems Analytics	Systems Analytics	Systems Planning	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ -	$ -	$ -	$ 1,746,200	$ -	$ 31,800	$ 1,778,000
Pre-FY 2022 Average Spend	$ -	$ -	$ -	$ 436,550	$ -	$ 31,800	$ 468,350
FY 2022 Spend	-	143,300	-	317,600	-	74,900	535,800
FY 2023 Budget	1,538,300	450,000	100,000	309,000	-	20,000	2,417,300
FY 2024 Requested	**1,585,400**	**400,000**	**125,000**	**-**	**318,300**	**25,000**	**2,453,700**
FY 2025 Requested	5,475,100	450,000	125,000	-	327,800	30,000	6,407,900
FY 2026 Requested	4,143,600	500,000	-	-	337,700	30,000	5,011,300
FY 2027 Requested	5,219,700	500,000	-	-	647,800	30,000	6,397,500
FY 2028 Requested	5,000,000	500,000	-	-	358,200	30,000	5,888,200
Total	**$ 22,962,100**	**$ 2,943,300**	**$ 350,000**	**$ 2,372,800**	**$ 1,989,800**	**$ 271,700**	**$ 30,889,700**

Wastewater System Programs

Wastewater system programs focus heavily on the preservation and improvement of system integrity and the efficiency of sewage flow. These programs benefit system operations today and many years into the future.

Wastewater System Programs Significant Contracts

Project Description	Wastewater Master Plan & Update	Regional Flood Mitigation Study	Good Sewer Metering Practice Analysis & Support	Meter Dye Testing	Professional and Technical Sewer Support Services	Systems Planning	Linear System Integrity Program (LSIP)	Total of Significant Contracts
Prime Consultant or Supplier	CDM Smith or Other	TBD	CDM Smith	Applied Science	PCI LLC	Wade Trim or Other	HDR	
Contract #	GLWA-CS-036	TBD	GLWA-CS-239	2003785	GLWA-CON-179	1905080	1902659	
Contract Amount	$ 9,022,700	TBD	$ 3,220,900	$ 2,634,900	$ 6,465,800	$ 921,800	29,012,900	
Contract End Date	10/31/20	TBD	In Renewal	05/11/26	In Renewal	02/01/23	08/31/27	
Cost Center Name	Systems Planning	Systems Planning & Development	Systems Analytics	Systems Analytics	Systems Analytics	Systems Planning	Asset Management	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 9,022,700	$ -	$ 1,908,300	$ 737,900	$ 4,407,800	$ 728,600	$ -	$ 16,805,300
Pre-FY 2022 Average Spend	$ 2,255,675	$ -	$ 636,100	$ 246,000	$ 1,102,000	$ 182,200	$ -	$ 4,421,975
FY 2022 Spend	-	-	519,500	336,900	1,089,000	187,900	27,300	2,160,600
FY 2023 Budget	-	-	600,000	527,000	1,711,400	200,000	297,000	3,335,400
FY 2024 Requested	**-**	**300,000**	**650,000**	**527,000**	**1,814,400**	**100,000**	**272,700**	**3,664,100**
FY 2025 Requested	-	600,000	700,000	527,000	1,814,400	100,000	100,000	3,841,400
FY 2026 Requested	-	600,000	760,000	527,000	1,814,400	100,000	100,000	3,901,400
FY 2027 Requested	-	-	800,000	527,000	1,814,400	100,000	100,000	3,341,400
FY 2028 Requested		-	800,000	527,000	1,814,400	100,000	100,000	3,341,400
Total	**$ 9,022,700**	**$ 1,500,000**	**$ 6,737,800**	**$ 4,236,800**	**$ 16,280,200**	**$ 1,616,500**	**$ 997,000**	**$ 40,391,000**

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Combined Water / Wastewater Programs

System wide programs supporting both Water and Wastewater include initiatives that benefit the management of GLWA's strategic assets and will further support the development of a Capital Improvement Planning group that will oversee the organization's long-term strategic goals.

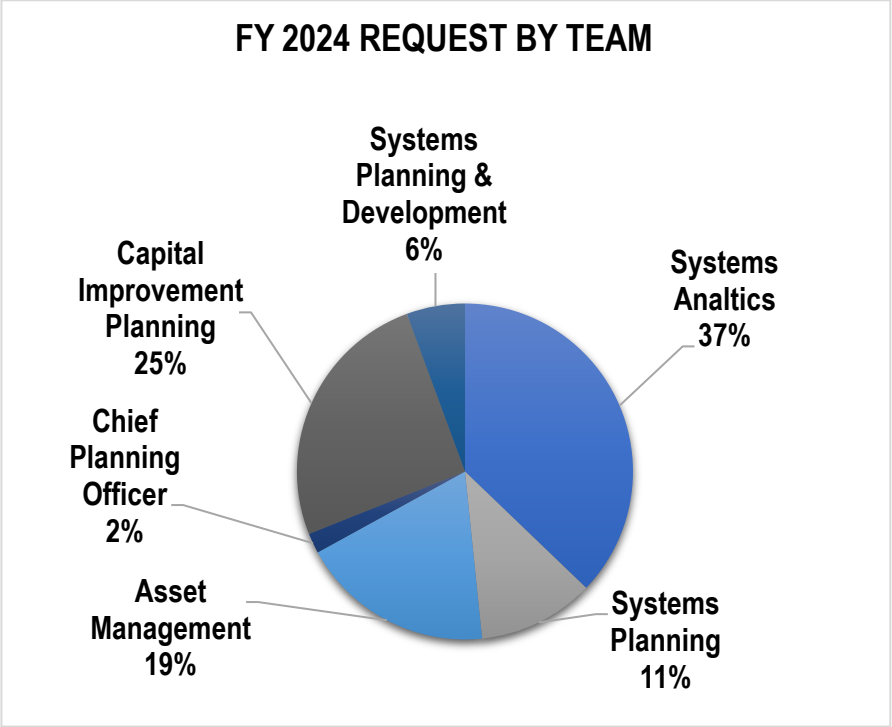
Combined System (GLWA Wide) Programs Significant Contracts

Project Description	Member Outreach	Asset Management Planning	Capital Improvement Planning	CMMS Support	Total of Significant Contracts
Prime Consultant or Supplier	Bridgeport Consulting	Jacobs Engineering or Other	AECOM or Other	Experis Financial or Other	
Contract #	GLWA-CS-216	GLWA-CS-198	GLWA-CS-272	PO 7279	
Contract Amount	$ 3,980,400	$ 4,370,900	$ 15,519,000	Annual PO	
Contract End Date	12/31/23	In Renewal	05/27/23	In Renewal	
Cost Center Name	Systems Planning	Asset Management	Capital Improvement Planning	Asset Management	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 2,099,100	$ 3,161,600	$ 8,717,800	$ 1,071,200	$ 15,049,700
Pre-FY 2022 Average Spend	$ 699,700	$ 1,053,900	$ 2,905,900	$ 357,100	$ 5,016,600
FY 2022 Spend	595,700	1,253,300	2,744,600	156,300	4,749,900
FY 2023 Budget	700,000	400,000	1,900,000	200,000	3,200,000
FY 2024 Requested	**700,000**	**100,000**	**3,000,000**	**250,000**	**4,050,000**
FY 2025 Requested	750,000	300,000	3,000,000	100,000	4,150,000
FY 2026 Requested	750,000	300,000	2,000,000	-	3,050,000
FY 2027 Requested	800,000	300,000	1,000,000	-	2,100,000
FY 2028 Requested	800,000	500,000	750,000	-	2,050,000
Total	**$ 7,194,800**	**$ 6,314,900**	**$ 23,112,400**	**$ 1,777,500**	**$ 38,399,600**

Note: The AECOM (CS-272) total contract award was $58.6 million of which $15.5 million is allocatable to the O&M budget and the remainder of $43.1 million is allocatable to the capital improvement program over the life of the program.

Organization

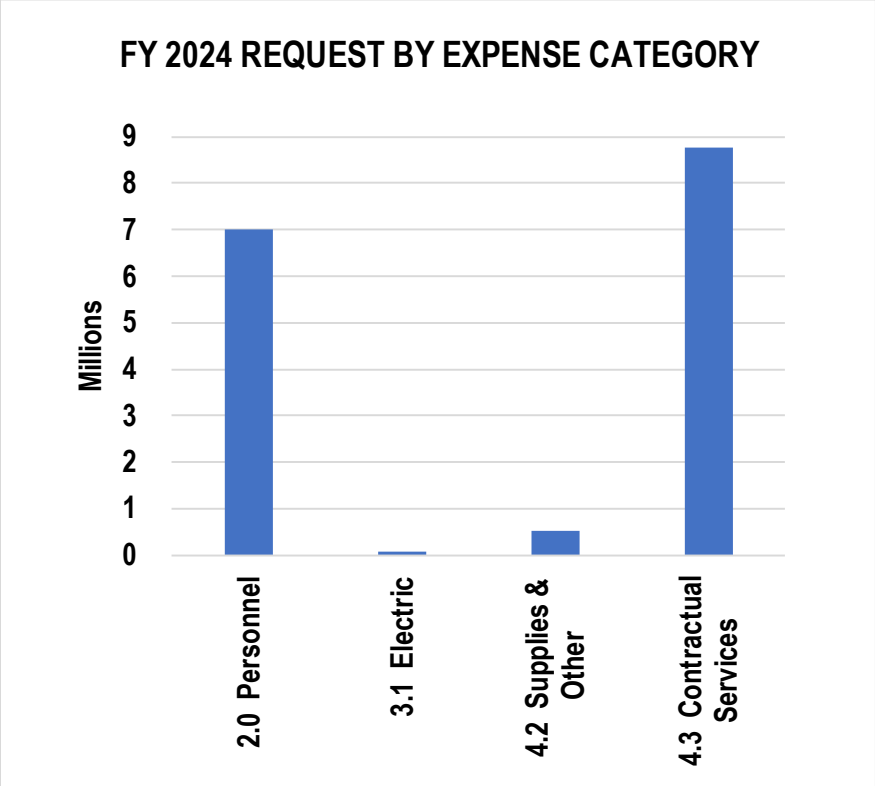
The GLWA System Planning Area consists of five teams.



- **Office of the Chief Planning Officer**
  Administration and oversight of GLWA's planning efforts with current and prospective Member Partners.
- **Systems Planning & Development**
  This will limit the reliance on external engineering and consulting firms related to creating and updating water and wastewater master plans/models and begin to develop an in-house group that can perform modeling, evaluate potential service extension to new customers and various other updates.
- **Asset Management**
  Responsible for leading the enterprise-wide asset management strategy at GLWA.
- **Systems Planning**
  Responsible for internal and external strategic planning, outreach, and coordination with member partners.
- **Capital Improvement Planning**
  Manages the planning and execution of the enterprise-wide capital improvement program including the development of a five-year Capital Improvement Plan which is updated annually.
- **Systems Analytics**
  Responsible for maintaining meter operations and analyzing flow data for both water and wastewater, and for administrating the Wholesale Automatic Meter Reading (WAMR) system.

Expense Categories

Contractual Services and Personnel costs are the two major categories of Planning Services area expenses in the operations and maintenance budgets.



Contractual Services is the largest expense category with strategic initiatives spanning the entire organization. Significant efforts include the Linear System Pipe Integrity Program and the Capital Improvement Plan (CIP). Other efforts include significant contractual services supporting meter operations, data analytics, flood mitigation and member partner outreach. To optimize member partner engagement, the Planning Services Team employs the services of Bridgeport Consulting who specialize in efficient group facilitation assuring that GLWA Member Partners are fully engaged in making decisions that affect the region today and in the future.

The Planning Services Area has been in existence for seven years. Given the breadth of assignments, recruiting and retaining top talent is a high priority. Accordingly, personnel costs are the second highest expense category. To help reduce the requirement for the contractual services support noted above, we are ramping up our staff to support a more in-house approach to planning and modeling activities. The Systems Planning and Development team was established last year to help oversee this transition. Another significant staffing update involves the Capital Improvement Planning team which has now identified key positions and activities and is actively recruiting staff to manage the transition of efforts currently performed by their lead vendor (AECOM) into a more inhouse directed operation. It should be noted that these staffing updates are currently in their infancy and their full impact will not be realized until FY 2025. This will be evident is some of the financial charts to follow. It is possible that a portion of the daily activities of the Planning Services area will have a direct impact on capital delivery. To the extent that occurs, an allocation of this area's effort will be assigned directly to construction projects.

Smaller expenditures for utilities, supplies, training, and other miscellaneous expense round out the departmental budget request.

Biennial Budget Request

The biennial budget reflects a $1.3M increase, or 8.5%, in FY 2024 due to changes in activity levels of several large consulting projects within the Planning Services Area.

- While the Capital Improvement Planning team is ramping up their staffing to support an in-house operation they will still require the services of AECOM (or another vendor) thru FY 2026 to support the continued development of the ClP. The forecast for AECOM's services has been increased to reflect a more accurate spend projection for the final year of the contract. Net departmental increase $1.04 million.
- The newly created Systems Planning and Development team will have the responsibility for updating the Water Master Plan and Regional Flood Mitigation Study as well as other in-house planning and modeling activities. Support staff for this team will primarily be drawn from other areas within GLWA. This new team is expected to significantly reduce the need for contracted engineering and other professional services going forward. Net departmental increase $334 thousand.
- Systems Planning completed phase one of the Wastewater Master Plan with vendor CDM Smith in FY 2020. As Phase II will be overseen by the Systems Planning and Development team (as well as transitioning one engineer), this team will now focus primarily on project management and customer outreach. Net departmental decrease $267 thousand.
- As noted earlier, the Asset Management Team has selected strategic vendor HDR of Michigan for the Linear System Integrity Program which started in FY 2022. As we continue to develop the schedule for this project, major spending is not projected to begin until FY 2025 when the viewing and assessing of the transmission system is expected to begin. As such, the departmental budget request indicates a slight increase of $123,500 FY 2024.
- The Systems Analytics team rounds out planning services with a minor budget increase of $110 thousand supporting sewer system operational analysis and maintenance. This department's core initiatives remain unchanged.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity thru 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	5,027,600	7,251,100	2,433,400	**7,001,200**	**(249,900)**	**-3.4%**	8,555,900
3.1 Electric	72,900	82,000	32,200	**82,300**	**300**	**0.4%**	82,600
4.2 Supplies & Other	216,700	528,700	173,900	**536,100**	**7,400**	**1.4%**	547,400
4.3 Contractual Services	8,090,300	7,417,500	3,744,100	**8,754,400**	**1,336,900**	**18.0%**	13,187,500
5.1 Capital Program Allocation	-	(191,200)	-	**-**	**191,200**	**-100.0%**	-
Grand Total	**$ 13,407,500**	**$ 15,088,100**	**$ 6,383,600**	**$ 16,374,000**	**$ 1,285,900**	**8.5%**	**$ 22,373,400**

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Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity thru 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY2024 Percent Variance	FY 2025 Department Requested
Chief Planning Officer	282,800	374,300	171,000	**318,200**	**(56,100)**	**-15.0%**	319,600
Systems Planning & Development	220,400	585,900	118,500	**919,800**	**333,900**	**100.0%**	1,345,700
Systems Planning	1,327,900	2,099,500	944,100	**1,832,900**	**(266,600)**	**-12.7%**	2,101,200
Asset Management	3,466,300	2,926,900	1,620,200	**3,050,400**	**123,500**	**4.2%**	7,446,200
Systems Analytics	4,798,900	5,978,000	2,494,400	**6,087,700**	**109,700**	**1.8%**	6,422,900
Capital Improvement Planning	3,311,200	3,123,500	1,035,400	**4,165,000**	**1,041,500**	**33.3%**	4,737,800
Grand Total	**$ 13,407,500**	**$ 15,088,100**	**$ 6,383,600**	**$ 16,374,000**	**$ 1,285,900**	**8.5%**	**$ 22,373,400**

Personnel Budget

The staffing plan provides for 71 positions for FY 2024. This staffing level will fully support the Planning Services Organization thru FY 2028.

Staffing Plan – Number of Positions - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a forecast of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Planning Services	**57.00**	**68.00**	**71.00**	**71.00**	**71.00**	**71.00**	**71.00**
Chief Planning Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Systems Planning & Development	-	4.00	4.00	4.00	4.00	4.00	4.00
Systems Planning	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Asset Management	8.00	10.00	11.00	11.00	11.00	11.00	11.00
Systems Analytics	36.00	35.00	37.00	37.00	37.00	37.00	37.00
Capital Improvement Planning	6.00	13.00	13.00	13.00	13.00	13.00	13.00

Full Time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled or budgeted, based upon a standard of 2,080 hours. For this budget area, the Staffing Plan and correlating FTEs project gradual, annual increases in staffing, leveling off to "full" in FY 2025 and beyond.

Full Time Equivalents

Team	Prior Year FY 2022 FTE's	Current Year FY 2023 FTE's	FY 2024 FTE's	FY 2025 FTE's	FY 2026 FTE's	FY 2027 FTE's	FY 2028 FTE's
Planning Services	**56.00**	**62.25**	**58.50**	**71.00**	**71.00**	**71.00**	**71.00**
Chief Planning Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Systems Planning & Development	-	3.25	3.00	4.00	4.00	4.00	4.00
Systems Planning	4.50	3.25	3.50	4.00	4.00	4.00	4.00
Asset Management	7.50	8.00	7.00	11.00	11.00	11.00	11.00
Systems Analytics	36.00	35.00	34.50	37.00	37.00	37.00	37.00
Capital Improvement Planning	6.00	10.75	8.50	13.00	13.00	13.00	13.00

Personnel Budget – The tables below present the Planning Services personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity thru 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	3,254,100	4,589,200	1,677,600	4,358,700	(230,500)	-5%	5,526,500
2.2 Workforce Development (Internships)	2,700	30,000	12,700	-	(30,000)	-100%	-
2.3 Overtime	125,900	157,700	58,100	140,900	(16,800)	-11%	145,000
2.4 Employee Benefits	1,077,400	1,552,800	530,200	1,450,200	(102,600)	-7%	1,833,000
2.5 Transition Services - All Sewer	567,500	921,400	154,800	1,051,400	130,000	14%	1,051,400
Grand Total	**$ 5,027,600**	**$ 7,251,100**	**$ 2,433,400**	**$ 7,001,200**	**$ (249,900)**	**-3.4%**	**$ 8,555,900**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity thru 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY2024 Percent Variance	FY 2025 Department Requested
Chief Planning Officer	282,100	359,000	170,900	**304,000**	**(55,000)**	**-15.3%**	304,400
Systems Planning & Development	220,400	474,600	115,500	**479,000**	**4,400**	**0.9%**	604,700
Systems Planning	319,400	402,400	191,400	**455,900**	**53,500**	**13.3%**	517,900
Asset Management	593,900	977,400	197,400	**896,300**	**(81,100)**	**-8.3%**	1,417,700
Systems Analytics	3,045,600	3,637,500	1,460,900	**3,715,800**	**78,300**	**2.2%**	3,988,400
Capital Improvement Planning	566,200	1,400,200	297,300	**1,150,200**	**(250,000)**	**-17.9%**	1,722,800
Grand Total	**$ 5,027,600**	**$ 7,251,100**	**$ 2,433,400**	**$ 7,001,200**	**$ (249,900)**	**-3.4%**	**$ 8,555,900**

Personnel - Five-Year Financial Plan by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	3,254,100	4,589,200	4,358,700	5,526,500	5,526,500	5,526,500	5,526,500
2.2 Workforce Development (Internships)	2,700	30,000	-	-	-	-	-
2.3 Overtime	125,900	157,700	140,900	145,000	145,000	145,000	145,000
2.4 Employee Benefits	1,077,400	1,552,800	1,450,200	1,833,000	1,846,800	1,860,400	1,874,300
2.5 Transition Services - All Sewer	567,500	921,400	1,051,400	1,051,400	1,051,400	1,051,400	1,051,400
Grand Total	**$ 5,027,600**	**$ 7,251,100**	**$ 7,001,200**	**$ 8,555,900**	**$ 8,569,700**	**$ 8,583,300**	**$ 8,597,200**

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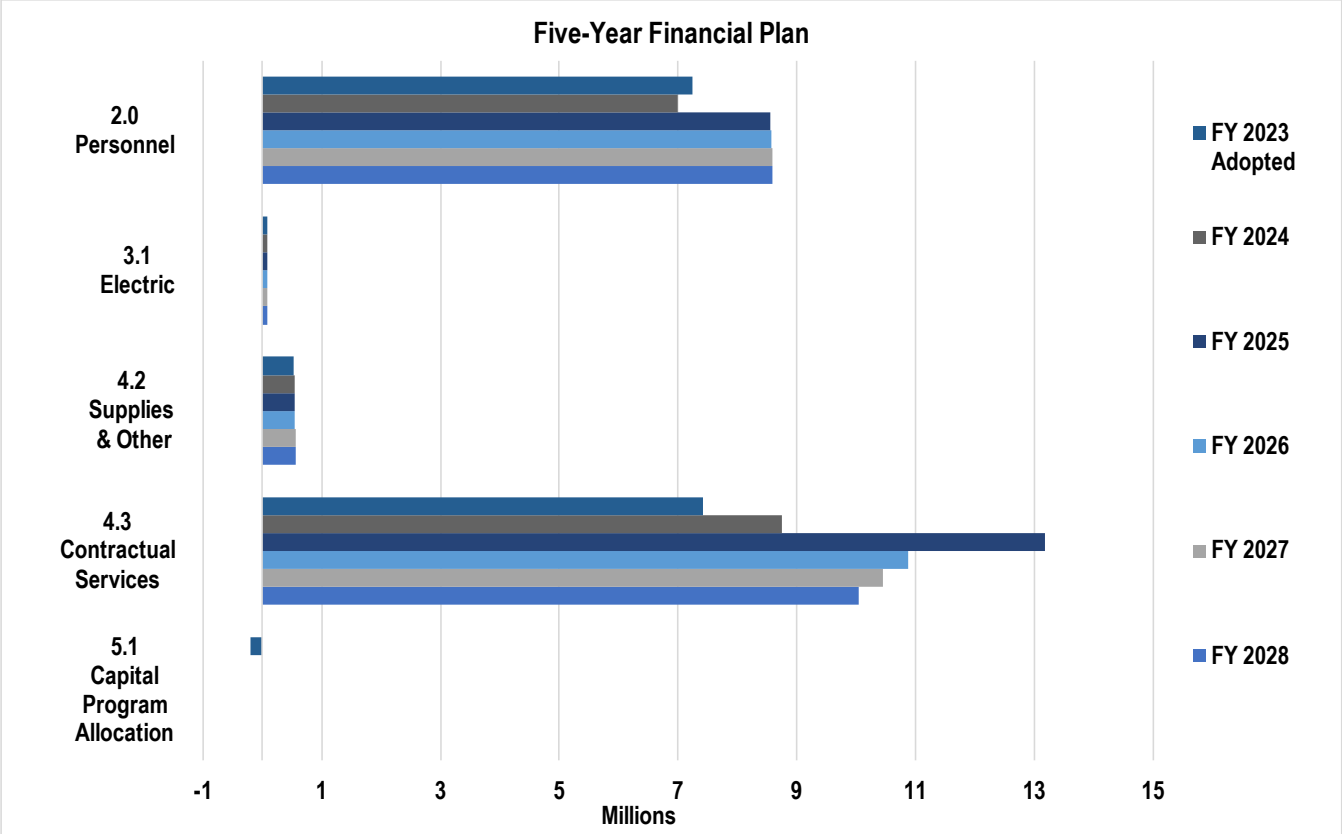
Personnel - Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Planning Officer	282,100	359,000	**304,000**	304,400	304,900.00	305,300.00	305,700.00
Systems Planning & Development	220,400	474,600	**479,000**	604,700	605,600	606,400	607,300
Systems Planning	319,400	402,400	**455,900**	517,900	518,800	519,600	520,500
Asset Management	593,900	977,400	**896,300**	1,417,700	1,420,100	1,422,400	1,424,800
Systems Analytics	3,045,600	3,637,500	**3,715,800**	3,988,400	3,994,800	4,001,300	4,007,800
Capital Improvement Planning	566,200	1,400,200	**1,150,200**	1,722,800	1,725,500	1,728,300	1,731,100
Grand Total	**$ 5,027,600**	**$ 7,251,100**	**$ 7,001,200**	**$ 8,555,900**	**$ 8,569,700**	**$ 8,583,300**	**$ 8,597,200**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	5,027,600	7,251,100	**7,001,200**	8,555,900	8,569,700	8,583,300	8,597,200
3.1 Electric	72,900	82,000	**82,300**	82,600	82,900	83,200	83,500
4.2 Supplies & Other	216,700	528,700	**536,100**	547,400	552,500	556,900	558,900
4.3 Contractual Services	8,090,300	7,417,500	**8,754,400**	13,187,500	10,877,300	10,457,100	10,050,800
5.1 Capital Program Allocation	-	(191,200)	**-**	-	-	-	-
Grand Total	**$ 13,407,500**	**$ 15,088,100**	**$ 16,374,000**	**$ 22,373,400**	**$ 20,082,400**	**$ 19,680,500**	**$ 19,290,400**

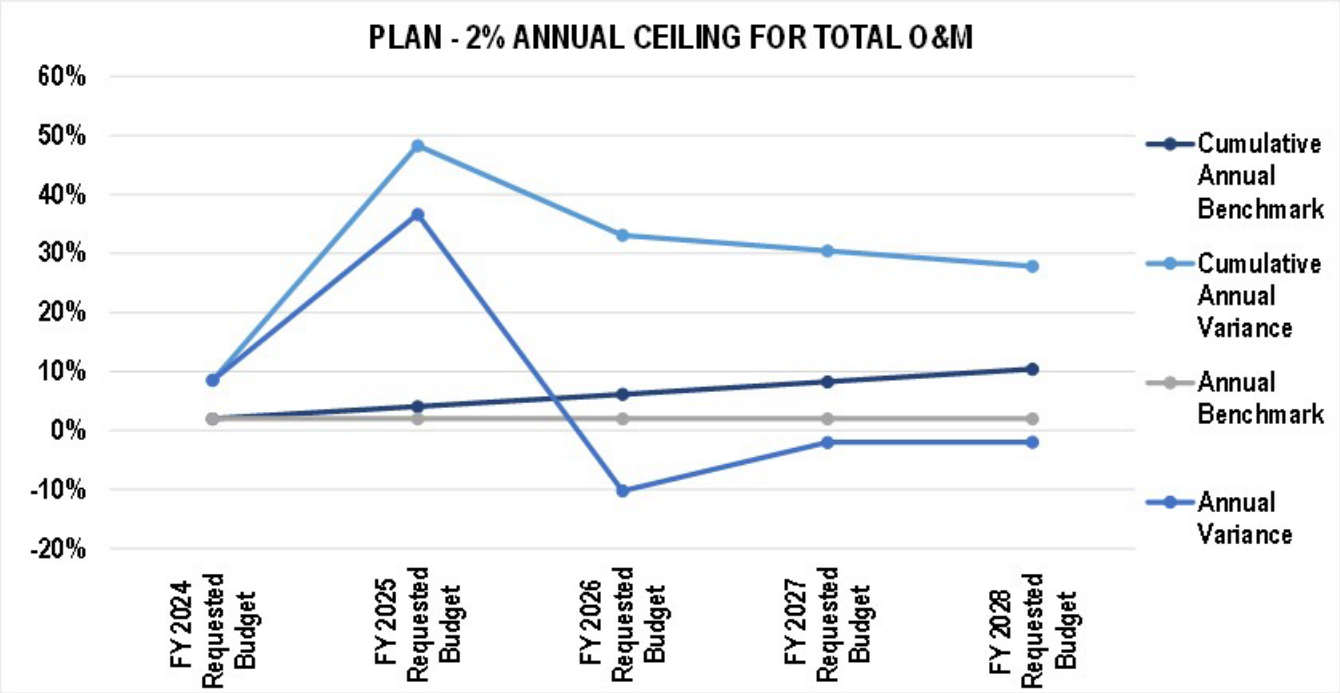


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Planning Officer	282,800	374,300	**318,200**	319,600	321,100	322,200	323,500
Systems Planning & Development	220,400	585,900	**919,800**	1,345,700	1,221,900	622,900	623,800
Systems Planning	1,327,900	2,099,500	**1,832,900**	2,101,200	2,277,100	2,302,900	2,153,800
Asset Management	3,466,300	2,926,900	**3,050,400**	7,446,200	6,019,500	7,100,300	7,083,000
Systems Analytics	4,798,900	5,978,000	**6,087,700**	6,422,900	6,502,300	6,588,900	6,610,200
Capital Improvement Planning	3,311,200	3,123,500	**4,165,000**	4,737,800	3,740,500	2,743,300	2,496,100
Grand Total	**$ 13,407,500**	**$ 15,088,100**	**$ 16,374,000**	**$ 22,373,400**	**$ 20,082,400**	**$ 19,680,500**	**$ 19,290,400**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Planning Services area financial plan reflects a five-year overall increase of 27.9% while the entity-wide goal is a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). This increase is primarily explained by the addition on the Linear System Pipe Integrity Program (LSIP) and the increase in staffing in the Systems Planning & Development team and the Capital Improvement Planning team as previously discussed under the Biennial Budget Request section. This is mitigated by a plan to bring more engineering and professional services in house hence reducing the requirement for contracted services particularly in the areas of planning and modeling.



Capital Outlay

Planning Services capital outlay is funded by the Improvement and Extension (I&E) Budget. Significant components of the FY 2024 I&E budget are as follows:

- ✓ Flow Metering & Meters – sewage meter design, installation, and replacement program.
- ✓ Tools, Shop & Warehouse – purchase, maintenance, and repair of equipment necessary to repair and maintain meters.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Flow Metering & Meters	770,000	772,100	774,200	776,400	778,700	780,000
CIP I&E	500,000	-	-	-	-	-
Grand Total	**1,270,000**	**772,100**	**774,200**	**776,400**	**778,700**	**780,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	2,813,200	1,270,000	772,100	774,200	776,400	778,700	780,000
Grand Total	**$ 2,813,200**	**$ 1,270,000**	**$ 772,100**	**$ 774,200**	**$ 776,400**	**$ 778,700**	**$ 780,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Analytics	393,200	770,000	772,100	774,200	776,400	778,700	780,000
Capital Improvement Planning	2,420,000	500,000	-	-	-	-	-
Grand Total	**$ 2,813,200**	**$ 1,270,000**	**$ 772,100**	**$ 774,200**	**$ 776,400**	**$ 778,700**	**$ 780,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is presented on the following pages. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
886001 - Chief Planning Officer	**$ 282,800**	**$ 374,300**	**$ 318,200**	**$ 319,600**	**$ 321,100**	**$ 322,200**	**$ 323,500**
2.1 Salaries & Wages	**222,500**	**279,900**	**236,100**	**236,100**	**236,100**	**236,100**	**236,100**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**59,600**	**79,100**	**67,900**	**68,300**	**68,800**	**69,200**	**69,600**
4.2 Supplies & Other	**600**	**14,700**	**13,600**	**14,600**	**15,600**	**16,300**	**17,200**
Capital Outlay less than $5000	-	2,000	-	-	-	-	-
Memberships, Licenses & Subscriptions	-	1,100	1,400	1,600	1,900	2,100	2,400
Mileage and Parking	-	-	-	-	-	-	-
Office Supplies	600	2,700	3,000	3,200	3,500	3,700	4,000
Training and Internal Meetings		3,600	3,700	3,800	3,900	4,000	4,000
Travel		5,300	5,500	6,000	6,300	6,500	6,800
4.3 Contractual Services	**100**	**600**	**600**	**600**	**600**	**600**	**600**
Contract Operating Services	100	600	600	600	600	600	600
886100 - Systems Planning & Development	**220,400**	**585,900**	**919,800**	**1,345,700**	**1,221,900**	**622,900**	**623,800**
2.1 Salaries & Wages	**174,200**	**345,500**	**360,800**	**455,900**	**455,900**	**455,900**	**455,900**
2.3 Overtime	**5,400**	**20,000**	**14,000**	**14,000**	**14,000**	**14,000**	**14,000**
2.4 Employee Benefits	**40,800**	**109,100**	**104,200**	**134,800**	**135,700**	**136,500**	**137,400**
4.2 Supplies & Other	**-**	**11,300**	**15,800**	**16,000**	**16,300**	**16,500**	**16,500**
Memberships, Licenses & Subscriptions	-	600	4,800	4,800	4,800	4,800	4,800
Mileage and Parking	-	2,000	2,000	2,000	2,000	2,000	2,000
Office Supplies	-	2,700	3,000	3,200	3,500	3,700	3,700
Training and Internal Meetings	-	3,000	3,000	3,000	3,000	3,000	3,000
Travel		3,000	3,000	3,000	3,000	3,000	3,000
4.3 Contractual Services	**-**	**100,000**	**425,000**	**725,000**	**600,000**	-	-
Contractual Operating Services - All Sewer	-	100,000	300,000	600,000	600,000	-	-
Contractual Operating Services - All Water	-	-	125,000	125,000	-	-	-
886101 - Systems Planning	**1,327,900**	**2,099,500**	**1,832,900**	**2,101,200**	**2,277,100**	**2,302,900**	**2,153,800**
2.1 Salaries & Wages	**248,100**	**304,500**	**348,700**	**395,100**	**395,100**	**395,100**	**395,100**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**71,300**	**97,900**	**107,200**	**122,800**	**123,700**	**124,500**	**125,400**
4.2 Supplies & Other	**5,000**	**102,100**	**102,000**	**103,300**	**103,300**	**103,300**	**103,300**
Memberships, Licenses & Subscriptions	500	1,000	1,200	1,500	1,500	1,500	1,500
Mileage and Parking	-	1,200	1,300	1,300	1,300	1,300	1,300
Office Supplies		7,200	3,000	4,000	4,000	4,000	4,000
Operating Supplies	700	82,500	85,000	85,000	85,000	85,000	85,000
Training and Internal Meetings	1,400	800	1,000	1,000	1,000	1,000	1,000
Travel	2,400	9,400	10,500	10,500	10,500	10,500	10,500
4.3 Contractual Services	**1,003,500**	**1,595,000**	**1,275,000**	**1,480,000**	**1,655,000**	**1,680,000**	**1,530,000**
Contractual Professional Services	801,100	1,020,000	750,000	900,000	950,000	1,000,000	900,000
Contractual Professional Services - All Water	202,400	575,000	425,000	480,000	605,000	580,000	530,000
Contractual Professional Services - All Sewer	-	-	100,000	100,000	100,000	100,000	100,000

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
886201 - Asset Management	**3,466,300**	**2,926,900**	**3,050,400**	**7,446,200**	**6,019,500**	**7,100,300**	**7,083,000**
2.1 Salaries & Wages	**449,800**	**740,000**	**684,200**	**1,081,000**	**1,081,000**	**1,081,000**	**1,081,000**
2.4 Employee Benefits	**144,100**	**237,400**	**212,100**	**336,700**	**339,100**	**341,400**	**343,800**
4.2 Supplies & Other	**8,300**	**39,600**	**46,000**	**53,400**	**55,800**	**58,200**	**58,200**
Memberships, Licenses & Subscriptions	500	2,000	2,200	2,400	2,600	2,800	2,800
Mileage and Parking	500	3,000	4,000	5,000	6,000	7,000	7,000
Office Supplies	5,700	16,600	17,800	20,000	21,200	22,400	22,400
Training and Internal Meetings	1,600	6,000	8,000	10,000	10,000	10,000	10,000
Travel	-	10,000	12,000	14,000	14,000	14,000	14,000
Tuition Refund	-	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**2,864,100**	**1,909,900**	**2,108,100**	**5,975,100**	**4,543,600**	**5,619,700**	**5,600,000**
Contractual Professional Services	1,298,500	300,000	250,000	400,000	300,000	300,000	500,000
Contractual Professional Services - All Sewer	27,300	297,000	272,700	100,000	100,000	100,000	100,000
Contractual Professional Services - All Water	1,538,300	1,312,900	1,585,400	5,475,100	4,143,600	5,219,700	5,000,000
886401 - Systems Analytics	**4,798,900**	**5,978,000**	**6,087,700**	**6,422,900**	**6,502,300**	**6,588,900**	**6,610,200**
2.1 Salaries & Wages	**1,716,100**	**1,883,700**	**1,845,700**	**2,040,800**	**2,040,800**	**2,040,800**	**2,040,800**
2.3 Overtime	**120,500**	**137,700**	**126,900**	**131,000**	**131,000**	**131,000**	**131,000**
2.4 Employee Benefits	**641,500**	**694,700**	**691,800**	**765,200**	**771,600**	**778,100**	**784,600**
2.5 Transition Services - All Sewer	**567,500**	**921,400**	**1,051,400**	**1,051,400**	**1,051,400**	**1,051,400**	**1,051,400**
3.1 Electric	**72,900**	**82,000**	**82,300**	**82,600**	**82,900**	**83,200**	**83,500**
4.2 Supplies & Other	**202,400**	**346,500**	**343,900**	**345,100**	**346,500**	**347,600**	**348,700**
Capital Outlay less than $5000	104,200	205,400	205,400	205,400	205,400	205,400	205,400
Memberships, Licenses & Subscriptions	300	2,500	2,500	2,500	2,500	2,500	2,500
Mileage and Parking	1,500	2,700	2,500	2,500	2,500	2,500	2,500
Office Supplies	5,700	9,000	9,000	9,000	9,000	9,000	9,000
Supplies & Other - Covid19	800	-	-	-	-	-	-
Operating Supplies	17,000	15,000	15,000	15,500	16,000	16,400	16,900
Repairs & Maintenance Equipment	44,900	68,600	68,900	69,200	69,500	69,800	70,100
Repairs & Maintenance Hardware	9,200	9,400	9,700	9,700	10,000	10,000	10,000
Repairs & Maintenance Miscellaneous	12,500	10,000	10,000	10,000	10,000	10,000	10,000
Training and Internal Meetings	-	5,100	5,100	5,100	5,100	5,100	5,100
Travel	900	6,000	2,700	2,700	2,700	2,700	2,700
Tuition Refund	-	2,000	2,000	2,000	2,000	2,000	2,000
Uniforms, Laundry, Cleaning	5,400	10,800	11,100	11,500	11,800	12,200	12,500
4.3 Contractual Services	**1,478,000**	**1,912,000**	**1,945,700**	**2,006,800**	**2,078,100**	**2,156,800**	**2,170,200**
Contractual Services - Information Technology	90,000	76,000	77,400	79,000	80,400	82,000	85,000
Contractual Operating Services - All Sewer	1,066,500	1,527,000	1,550,000	1,600,000	1,660,000	1,727,000	1,727,000
Contractual Professional Services	3,900	-	-	-	-	-	-
Contractual Professional Services - All Water	317,600	309,000	318,300	327,800	337,700	347,800	358,200

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
886601 - Capital Improvement Planning	**3,311,200**	**3,123,500**	**4,165,000**	**4,737,800**	**3,740,500**	**2,743,300**	**2,496,100**
2.1 Salaries & Wages	**443,400**	**1,035,600**	**883,200**	**1,317,600**	**1,317,600**	**1,317,600**	**1,317,600**
2.2 Salaries & Wages - Internships	**2,700**	**30,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**120,100**	**334,600**	**267,000**	**405,200**	**407,900**	**410,700**	**413,500**
2.5 Transition Services	-	-	**-**	-	-	-	**-**
4.2 Supplies & Other	**400**	**14,500**	**14,800**	**15,000**	**15,000**	**15,000**	**15,000**
Memberships, Licenses & Subscriptions	100	2,000	2,300	2,500	2,500	2,500	2,500
Mileage and Parking	-	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	300	2,000	2,000	2,000	2,000	2,000	2,000
Training and Internal Meetings	-	2,000	2,000	2,000	2,000	2,000	2,000
Travel	-	7,500	7,500	7,500	7,500	7,500	7,500
4.3 Contractual Services	**2,744,600**	**1,900,000**	**3,000,000**	**3,000,000**	**2,000,000**	**1,000,000**	**750,000**
5.1 Capital Program Allocation	**-**	**(191,200)**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$ 13,407,500**	**$ 15,088,100**	**$ 16,374,000**	**$ 22,373,400**	**$ 20,082,400**	**$ 19,680,500**	**$ 19,290,400**

Systems Control

The Systems Control area (also referred to as Systems Operations Control) operates the water transmission system by controlling and monitoring the distribution of water throughout the Regional Water System. The treatment and distribution system is controlled by an award-winning state of the arts Supervisory Control and Data Acquisition (SCADA) system. Operators remotely control the pumps and valves that allow the system to deliver water to all communities. Access to real-time data from throughout the system allows quicker response, reaction, detection, and isolation of system leaks and rapidly changing conditions such as storm water inflow.

Strategic Initiatives

- **Control Systems Enhancement (Ongoing)**
  Drive the use of Ovation (distributed control system) and OSIsoft PI (application software for real-time data infrastructure solutions called process information) systems for technology enhancement and analytics.
- **Operational Efficiency (Ongoing)**
  - Improve operational efficiency, maintain regulatory and environmental compliance, and accommodate future systems expansion.
  - Implement real-time pump curves at all booster stations for pump efficiency monitoring.
  - Pressure compliance is one of the metrics reported on by Systems Control to ELT monthly.
  - Goal of inspecting the entire sewer system every 5 years, normally this takes 7 years.

The table below shows how the system control area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Systems Control Strategic Initiatives	Control System Enhancements		x		x	x	x					
	Operational Efficency		x		x	x	x					

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Systems Control Contracts

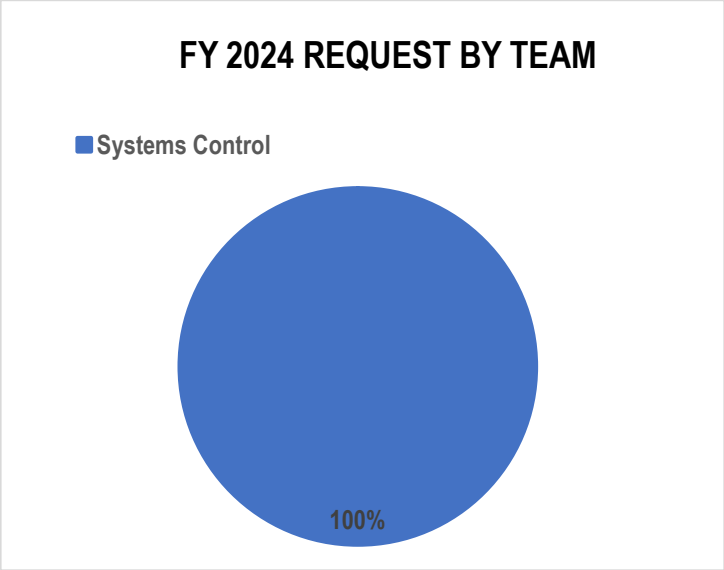
The Systems Control budget contains several contractual services related to VFD (variable frequency drive) maintenance and service and specialized services for engineering, instrumentation, and SCADA network. Budgeted amounts beyond contract date are estimates for future study updates, or subsequent implementation of a program. These services would generally require a separate procurement process. In the chart below are the key contracts for these services. It should be noted that contract 2004889 is shared with other departments.

Significant Contracts

Project Description	Specialized Services (contract split w/ Field Service)	Professional Engineering Services for Instrumentation & SCADA	Low Voltage Electrical Wiring	(Wastewater) Regional River Water Quality Monitoring Program	Total of Significant Contracts
Prime Consultant or Supplier	Lakeshore Global Corp	PCI LLC	Lakeshore Global Corp	U.S. Geological Survey	
Contract #	2004889	CS-090A	2004773	2003901	
Contract Amount	$ 11,389,132	$ 12,621,361	$ 5,639,560	$ 1,365,000	
Contract End Date	03/06/24	02/14/23	07/18/24	09/30/25	
Cost Center Name	Systems Control	Systems Control	Systems Control	Systems Control	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Sewer	
Pre-FY 2022 Spend	$ 15,081,065	$ 10,459,131	$ 7,297,933	$ 128,500	$ 32,966,629
Pre-FY 2022 Average Spend	$ 3,770,266	$ 1,901,660	$ 2,302,187	$ 171,333	
FY 2022 Actual	3,391,472	1,203,524	1,440,779	420,000	6,455,775
FY 2023 Budget	2,900,000	1,900,000	1,900,000	273,000	6,973,000
FY 2024 Requested	**2,900,000**	**1,900,000**	**1,800,000**	**273,000**	**6,873,000**
FY 2025 Requested	2,900,000	1,900,000	1,800,000	273,000	6,873,000
FY 2026 Requested	2,900,000	1,900,000	1,800,000	273,000	6,873,000
FY 2027 Requested	2,900,000	1,900,000	1,800,000	273,000	6,873,000
FY 2028 Requested	2,900,000	1,900,000	1,800,000	273,000	6,873,000
Total	**$ 39,642,804**	**$ 24,964,315**	**$ 21,940,899**	**$ 2,357,833**	**$ 88,905,851**

Organization

The Systems Control area has one team.



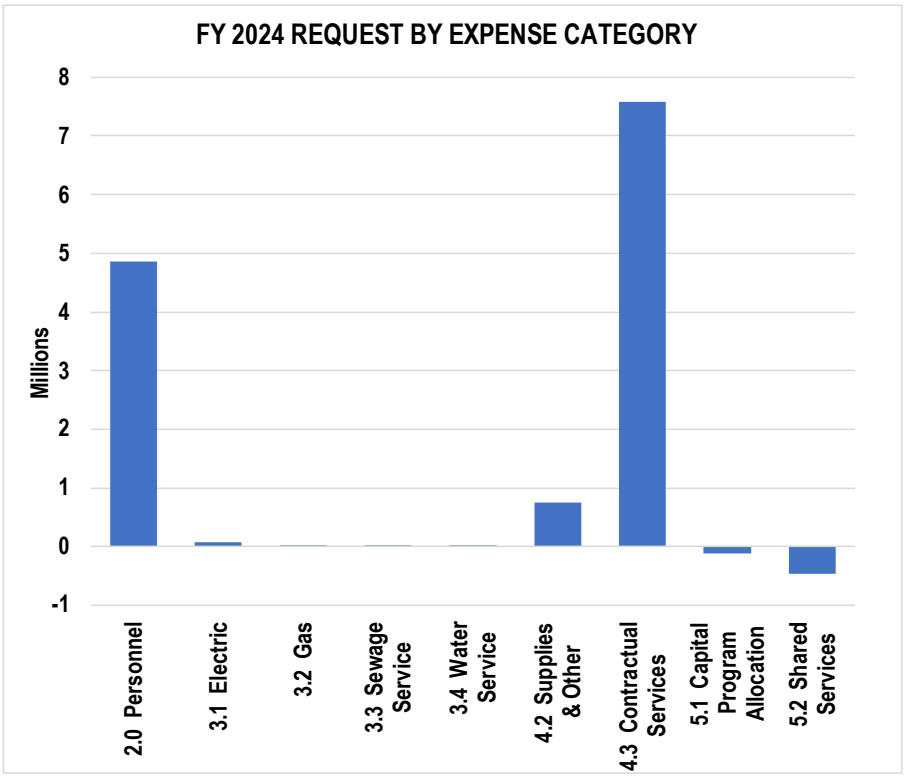
Expense Categories

There are two major categories of Systems Control expenses in the operations and maintenance budget as listed below.

- Contractual Services
- Personnel

Contractual Services are the highest expense category expense for Systems Control. Contractual services are heavily utilized in the Systems Control group to perform various maintenance, monitoring and evaluations of the distribution systems to maintain operational readiness.

Personnel costs are the second highest expense category.



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Biennial Budget Request

The biennial budget reflects an increase of $81,400, or 0.6% for FY 2024. Key factors that impact the FY 2024 budget include the following:

- Personnel – Multiple positions were promoted prior to budget inception ($319,300).
- Contractual Services – Reduction of budget for contracts 2004889 & 2004773 to better align with spend (-$174,400).
- Supplies & Other – Reduction of Capital Outlay under $5k budget to align with spend (-$56,000).

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 5,054,900	$ 4,547,500	$ 2,563,100	**$ 4,866,800**	**$ 319,300**	**7.0%**	$ 5,185,200
3.1 Electric	64,700	65,000	41,800	**70,000**	**5,000**	**7.7%**	70,000
3.2 Gas	200	200	100	**200**	**-**	**0.0%**	200
3.3 Sewage Service	2,400	2,000	600	**2,000**	**-**	**0.0%**	2,000
3.4 Water Service	400	600	100	**600**	**-**	**0.0%**	600
4.2 Supplies & Other	650,100	814,400	337,000	**758,400**	**(56,000)**	**-6.9%**	758,400
4.3 Contractual Services	6,174,500	7,757,000	4,885,300	**7,582,600**	**(174,400)**	**-2.2%**	7,582,600
5.1 Capital Program Allocation	(117,700)	(105,400)	(34,400)	**(108,800)**	**(3,400)**	**3.2%**	(108,900)
5.2 Shared Services	(446,600)	(455,500)	(227,800)	**(464,600)**	**(9,100)**	**2.0%**	(473,800)
Grand Total	**$ 11,382,900**	**$ 12,625,800**	**$ 7,565,800**	**$ 12,707,200**	**$ 81,400**	**0.6%**	**$ 13,016,300**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Systems Control	$ 11,382,900	$ 12,625,800	$ 7,565,800	**$ 12,707,200**	**$ 81,400**	**0.6%**	$ 13,016,300
Grand Total	**$ 11,382,900**	**$ 12,625,800**	**$ 7,565,800**	**$ 12,707,200**	**$ 81,400**	**0.6%**	**$ 13,016,300**

Personnel Budget

Systems Control personnel consists of 44 positions for FY 2024. Systems Control is largely comprised of technicians that operate and maintain instrumentation equipment in the water and wastewater operations, field services, pumping stations, electrical systems, computerized process controls, and equipment. This staffing plan includes 2 apprentice positions. The creation of these positions shows GLWA's commitment to developing its workforce and sustaining it for the future.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Systems Control	44.00	44.00	44.00	44.00	44.00	44.00	44.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are consistent.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Systems Control	44.00	40.25	39.75	44.00	44.00	44.00	44.00

Personnel Budget - The following tables present the Systems Control personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 2,482,700	$ 2,488,200	$ 1,389,500	**$ 2,669,300**	**$ 181,100**	**7.3%**	$ 2,839,200
2.2 Workforce Development	-	94,500	-	**46,200**	**(48,300)**	**-51.1%**	92,400
2.3 Overtime	1,232,100	900,000	599,300	**1,075,000**	**175,000**	**19.4%**	1,075,000
2.4 Employee Benefits	1,065,100	1,064,800	574,300	**1,076,300**	**11,500**	**1.1%**	1,178,600
2.5 Transition Services	275,000	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 5,054,900**	**$ 4,547,500**	**$ 2,563,100**	**$ 4,866,800**	**$ 319,300**	**7.0%**	**$ 5,185,200**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Systems Control	$ 5,054,900	$ 4,547,500	$ 2,563,100	**$ 4,866,800**	**$ 319,300**	**7.0%**	$ 5,185,200
Grand Total	**$ 5,054,900**	**$ 4,547,500**	**$ 2,563,100**	**$ 4,866,800**	**$ 319,300**	**7.0%**	**$ 5,185,200**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 2,482,700	$ 2,488,200	**$ 2,669,300**	$ 2,839,200	$ 2,839,200	$ 2,839,200	$ 2,839,200
2.2 Workforce Development	-	94,500	**46,200**	92,400	92,400	92,400	92,400
2.3 Overtime	1,232,100	900,000	**1,075,000**	1,075,000	1,075,000	1,075,000	1,075,000
2.4 Employee Benefits	1,065,100	1,064,800	**1,076,300**	1,178,600	1,187,900	1,197,300	1,206,600
2.5 Transition Services	275,000	-	**-**	-	-	-	-
Grand Total	**$ 5,054,900**	**$ 4,547,500**	**$ 4,866,800**	**$ 5,185,200**	**$ 5,194,500**	**$ 5,203,900**	**$ 5,213,200**

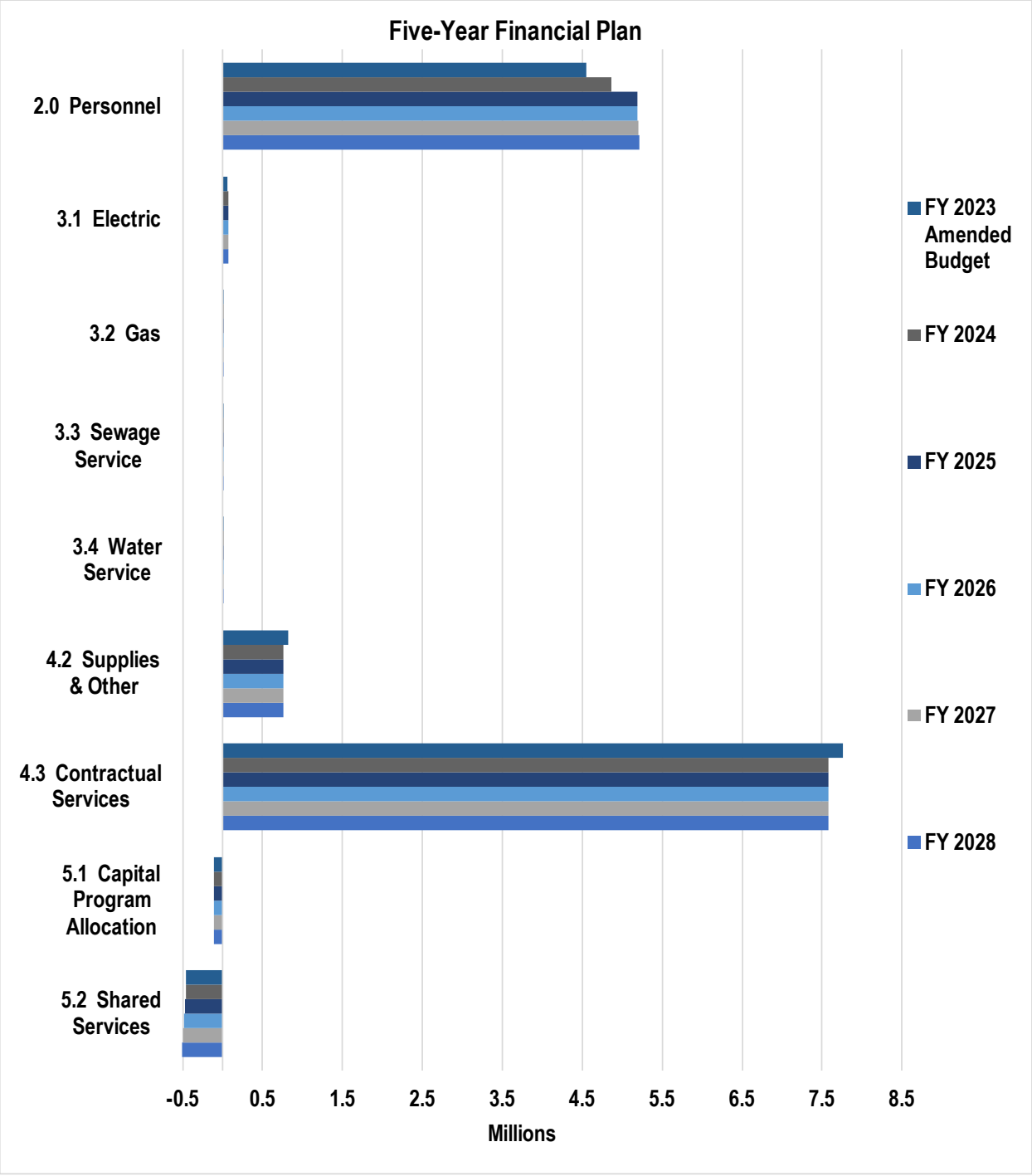
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Control	$ 5,054,900	$ 4,547,500	**$ 4,866,800**	$ 5,185,200	$ 5,194,500	$ 5,203,900	$ 5,213,200
Grand Total	**$ 5,054,900**	**4,547,500**	**$ 4,866,800**	**$ 5,185,200**	**$ 5,194,500**	**$ 5,203,900**	**$ 5,213,200**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 5,054,900	$ 4,547,500	**$ 4,866,800**	$ 5,185,200	$ 5,194,500	$ 5,203,900	$ 5,213,200
3.1 Electric	64,700	65,000	**70,000**	70,000	70,000	70,000	70,000
3.2 Gas	200	200	**200**	200	200	200	200
3.3 Sewage Service	2,400	2,000	**2,000**	2,000	2,000	2,000	2,000
3.4 Water Service	400	600	**600**	600	600	600	600
4.2 Supplies & Other	650,100	814,400	**758,400**	758,400	758,400	758,400	758,400
4.3 Contractual Services	6,174,500	7,757,000	**7,582,600**	7,582,600	7,582,600	7,582,600	7,582,600
5.1 Capital Program Allocation	(117,700)	(105,400)	**(108,800)**	(108,900)	(109,100)	(109,200)	(109,300)
5.2 Shared Services	(446,600)	(455,500)	**(464,600)**	(473,800)	(483,300)	(493,000)	(502,900)
Grand Total	**$ 11,382,900**	**$ 12,625,800**	**$ 12,707,200**	**$ 13,016,300**	**$ 13,015,900**	**$ 13,015,500**	**$ 13,014,800**

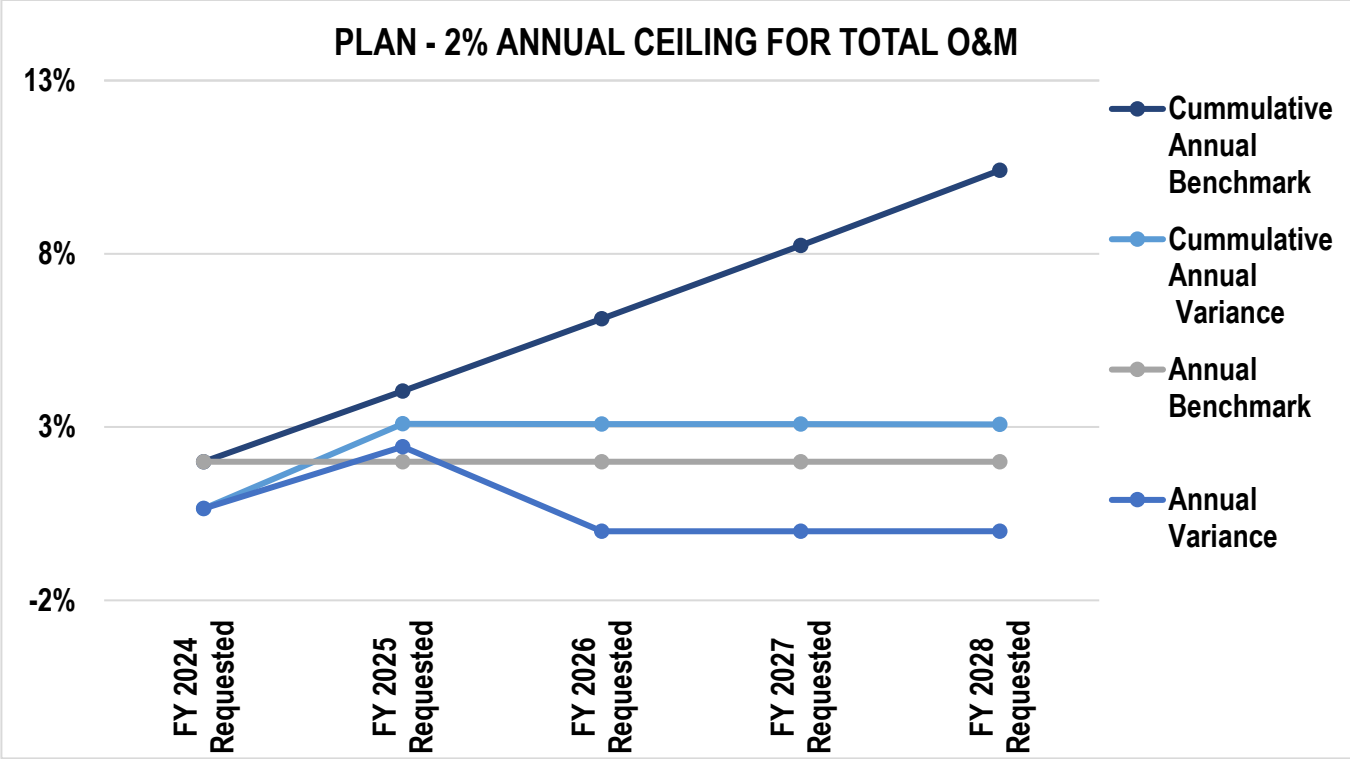


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Control	$ 11,382,900	$ 12,625,800	**$ 12,707,200**	$ 13,016,300	$ 13,015,900	$ 13,015,500	$ 13,014,800
Grand Total	**$ 11,382,900**	**12,625,800**	**$ 12,707,200**	**$ 13,016,300**	**$ 13,015,900**	**$ 13,015,500**	**$ 13,014,800**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Systems Control Group's financial plan reflects a five-year overall increase of 3.1% which is well within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Systems Control five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Information Technology	**75,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**
Software	75,000	150,000	150,000	150,000	150,000	150,000
Machinery & Equipment	**2,900,000**	**1,875,000**	**2,125,000**	**1,975,000**	**1,875,000**	**1,875,000**
Controls & Communication	375,000	375,000	625,000	375,000	375,000	375,000
Pipes, Gates & Valves	450,000	600,000	600,000	600,000	600,000	600,000
Process Equipment/Treatment	575,000	150,000	150,000	250,000	150,000	150,000
Pumps & Motors	1,500,000	750,000	750,000	750,000	750,000	750,000
Grand Total	**$ 2,975,000**	**$ 2,025,000**	**$ 2,275,000**	**$ 2,125,000**	**$ 2,025,000**	**$ 2,025,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 13,400	$ 2,975,000	$ 2,025,000	$ 2,275,000	$ 2,125,000	$ 2,025,000	$ 2,025,000
Grand Total	**$ 13,400**	**$ 2,975,000**	**$ 2,025,000**	**$ 2,275,000**	**$ 2,125,000**	**$ 2,025,000**	**$ 2,025,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Control	$ 13,400	$ 2,975,000	$ 2,025,000	$ 2,275,000	$ 2,125,000	$ 2,025,000	$ 2,025,000
Grand Total	**$ 13,400**	**$ 2,975,000**	**$ 2,025,000**	**$ 2,275,000**	**$ 2,125,000**	**$ 2,025,000**	**$ 2,025,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882301 - Systems Operations Control	**$ 11,382,900**	**$ 12,625,800**	**$ 12,707,200**	**$ 13,016,300**	**$ 13,015,900**	**$ 13,015,500**	**$ 13,014,800**
2.1 Salaries & Wages	**2,482,700**	**2,488,200**	**2,669,300**	**2,839,200**	**2,839,200**	**2,839,200**	**2,839,200**
2.2 Workforce Development	**-**	**94,500**	**46,200**	**92,400**	**92,400**	**92,400**	**92,400**
2.3 Overtime	**1,232,100**	**900,000**	**1,075,000**	**1,075,000**	**1,075,000**	**1,075,000**	**1,075,000**
2.4 Employee Benefits	**1,065,100**	**1,064,800**	**1,076,300**	**1,178,600**	**1,187,900**	**1,197,300**	**1,206,600**
2.5 Transition Services	**275,000**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Electric	**64,700**	**65,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
3.2 Gas	**200**	**200**	**200**	**200**	**200**	**200**	**200**
3.3 Sewage Service	**2,400**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
3.4 Water Service	**400**	**600**	**600**	**600**	**600**	**600**	**600**
4.2 Supplies & Other	**650,100**	**814,400**	**758,400**	**758,400**	**758,400**	**758,400**	**758,400**
Capital Outlay less than $5,000	5,700	130,000	50,000	50,000	50,000	50,000	50,000
Employee Uniform Expense	21,900	30,000	30,000	30,000	30,000	30,000	30,000
Memberships, Licenses & Subscriptions	7,500	15,500	15,500	15,500	15,500	15,500	15,500
Mileage and Parking	200	4,000	4,000	4,000	4,000	4,000	4,000
Office Supplies	3,700	12,200	12,200	12,200	12,200	12,200	12,200
Operating Supplies	102,100	189,800	189,800	189,800	189,800	189,800	189,800
Operating Supplies-Janitorial	700	1,000	1,000	1,000	1,000	1,000	1,000
Rentals-Buildings	22,800	38,100	38,100	38,100	38,100	38,100	38,100
Repairs & Maintenance-Equipment	191,300	200,000	200,000	200,000	200,000	200,000	200,000
Repairs & Maintenance-Hardware	46,400	104,000	104,000	104,000	104,000	104,000	104,000
Repairs & Maintenance-Software	221,500	50,300	74,300	74,300	74,300	74,300	74,300
Supplies & Other - Covid19	900	-	-	-	-	-	-
Training and Internal Meetings	16,500	28,000	28,000	28,000	28,000	28,000	28,000
Travel	8,000	10,000	10,000	10,000	10,000	10,000	10,000
Tuition Refund	900	1,500	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**6,174,500**	**7,757,000**	**7,582,600**	**7,582,600**	**7,582,600**	**7,582,600**	**7,582,600**
Contract Services-Information Technology	30,900	100,000	100,000	100,000	100,000	100,000	100,000
Contractual Buildings & Grounds Maint	8,600	5,000	8,600	8,600	8,600	8,600	8,600
Contractual Operating Services	2,517,800	2,992,000	2,901,000	2,901,000	2,901,000	2,901,000	2,901,000
Contractual Professional Services	3,210,800	4,387,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
Contractual Professional Svcs-All Sewer	575,000	273,000	273,000	273,000	273,000	273,000	273,000
Contractual Svcs–Flood Events-All Water	8,200	-	-	-	-	-	-
Intergovernmental Agreement	(176,800)	-	-	-	-	-	-
5.1 Capital Program Allocation	**(117,700)**	**(105,400)**	**(108,800)**	**(108,900)**	**(109,100)**	**(109,200)**	**(109,300)**
5.2 Shared Services	**(446,600)**	**(455,500)**	**(464,600)**	**(473,800)**	**(483,300)**	**(493,000)**	**(502,900)**
Shared Services : Salaries & Wages Reimb	(141,000)	(143,800)	(146,700)	(149,600)	(152,600)	(155,700)	(158,800)
Shared Services Reimbursement	(249,300)	(254,300)	(259,400)	(264,500)	(269,800)	(275,200)	(280,700)
Shared Services: Employee Benefit Reimb	(56,300)	(57,400)	(58,500)	(59,700)	(60,900)	(62,100)	(63,400)
Grand Total	**$ 11,382,900**	**$ 12,625,800**	**$ 12,707,200**	**$ 13,016,300**	**$ 13,015,900**	**$ 13,015,500**	**$ 13,014,800**

Facility Operations

The Facility Operations area is responsible for maintaining and managing all properties, such as the grounds and structures associated with the water and wastewater system. These activities include but are not limited to glass repairs, electrical work, painting and other maintenance.

Strategic Initiative

- **Improving buildings and grounds efficiency (Ongoing)**
  Ensure facilities, buildings and grounds are properly maintained, secure, environmentally safe and upgraded to support GLWA's specific operations.

The table below shows how the facility operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Facility Operations Strategic Initiatives	Improving building & grounds efficency		x		x	x						

Facility Operations Contracts

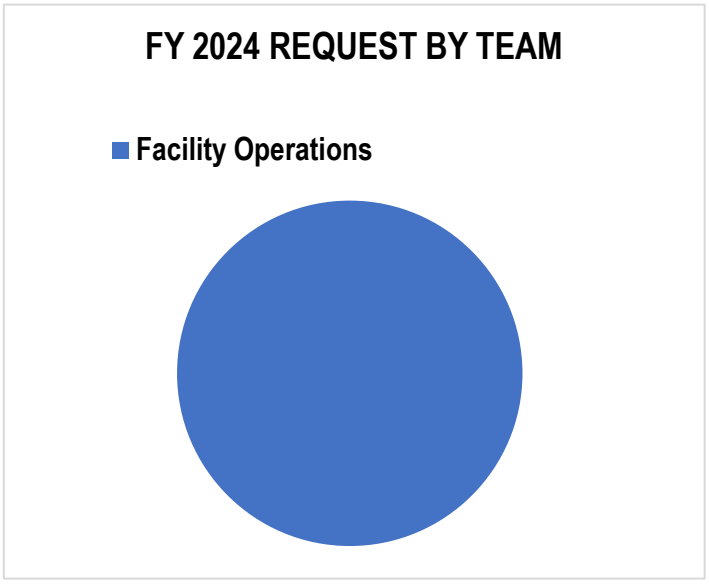
The Facility Operations budget contains several contractual services to provide maintenance and repairs for all GLWA facilities including but not limited to lawn care, snow removal, rubbish removal, elevator maintenance and extermination services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process. In the following chart are the key contracts for these services. The GDI Services Commercial Janitorial Services budget is shared across multiple cost centers and only the Facility Operations share is represented in the table.

Significant Contracts

Project Description	Commerical Janitorial Services	Deicing/Snow Removal Services	Lawncare/ Grounds Maintenance	Elevators Preventative Maintenance & Repair Service	Refuse & Recycling Service	Shared Facilities Shared Cost	Total of Significant Contracts
Prime Consultant or Supplier	GDI Services	Premier Group Associates	Premier Group Associates	KONE Inc	Waste Management	OPS-006 DWSD Shared Service	
Contract #	1904332	1901555	1900702	2100340	1902536		
Contract Amount	$ 9,575,569	$ 2,384,806	$ 3,805,609	$ 3,593,405	$ 237,924	N/A	
Contract End Date	04/05/24	11/18/2023	7/14/2023	10/31/2024	12/14/2023		
Cost Center Name	Facility Operations	Facility Operations	Facility Operations	Facility Operations	Facility Operations	Facility Operations	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Combined	Combined	Combined	
Pre-FY 2022 Spend	$ 8,145,910	$ 1,453,154	$ 5,089,239	$ 2,276,179	$ 807,205	$ 12,808,098	$ 30,579,785
Pre-FY 2022 Average Spend	$ 1,528,313	$ 272,637	$ 954,829	$ 427,050	$ 151,446	$ 2,328,745	
FY 2022 Actual	1,469,116	432,168	884,239	183,456	71,891	2,600,000	5,640,871
FY 2023 Budget	1,338,800	500,000	900,000	750,000	100,000	2,440,800	6,029,600
FY 2024 Requested	**1,358,100**	**600,000**	**950,000**	**750,000**	**100,000**	**2,489,600**	**6,247,700**
FY 2025 Requested	1,369,500	600,000	950,000	750,000	100,000	2,539,400	6,308,900
FY 2026 Requested	1,370,700	600,000	950,000	750,000	100,000	2,590,200	6,360,900
FY 2027 Requested	1,383,600	600,000	950,000	750,000	100,000	2,642,000	6,425,600
FY 2028 Requested	1,377,300	600,000	950,000	750,000	100,000	2,694,800	6,472,100
Total	**$ 19,341,339**	**$ 5,657,959**	**$ 12,578,307**	**$ 7,386,686**	**$ 1,630,542**	**$ 33,133,643**	**$ 74,065,456**

Organization

The Facility Operations area has one team.



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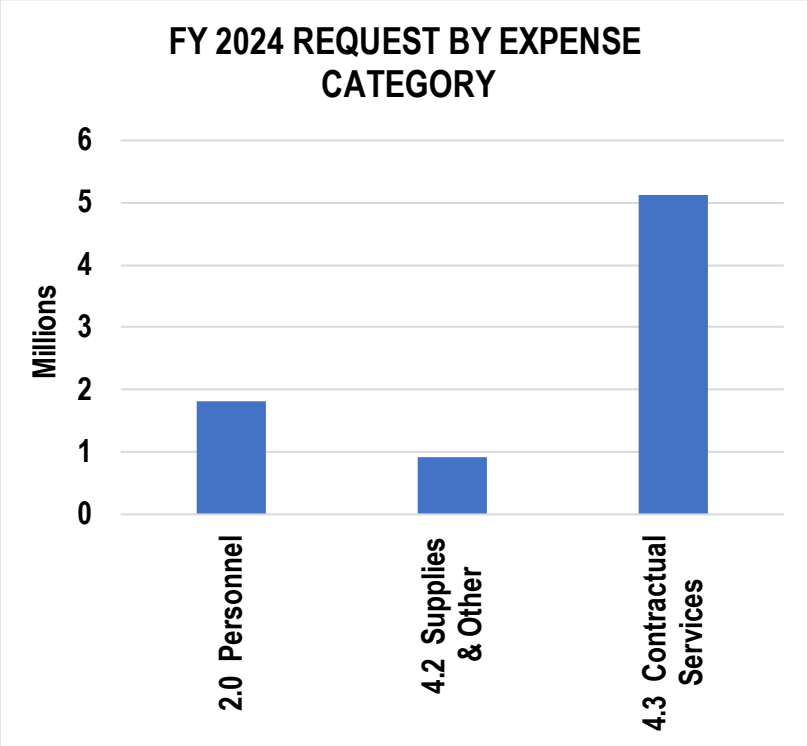
Expense Categories

There are two major categories of Facility Operations expenses in the operations and maintenance budget as listed below.

- Contractual Services
- Personnel

Contractual Services is the highest expense category for Facility Operations. The level of contractual services reflects the decision to contract for certain non-core services which includes lawn care maintenance, snow removal, rubbish removal, extermination services, elevator maintenance, preventative maintenance, Detroit Water & Sewerage Department (DWSD) shared services (OPS-006 – Shared Facilities Shared Cost) as well as the efficient management of peak workload activities.



Personnel costs is the second highest expense category.

Biennial Budget Request

The biennial budget reflects an increase of $2,100, or 0.0%, in FY 2024.

- Personnel Expense reduction due to decrease in FTE's budgeted (-$21,300)
- Shift of budget between Contractual Services & Supplies & Other to properly align with spend ($23,400)

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 1,595,400	$ 1,832,100	$ 863,400	**$ 1,810,800**	**$ (21,300)**	**-1.2%**	$ 2,138,700
4.2 Supplies & Other	829,200	685,800	280,700	**921,000**	**235,200**	**34.3%**	921,000
4.3 Contractual Services	4,268,800	5,345,900	2,147,800	**5,134,100**	**(211,800)**	**-4.0%**	5,183,900
Grand Total	**$ 6,693,400**	**$ 7,863,800**	**$ 3,291,900**	**$ 7,865,900**	**$ 2,100**	**0.0%**	**$ 8,243,600**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Facility Operations	$ 6,693,400	$ 7,863,800	$ 3,291,900	**$ 7,865,900**	**$ 2,100**	**0.0%**	$ 8,243,600
Grand Total	**$ 6,693,400**	**$ 7,863,800**	**$ 3,291,900**	**$ 7,865,900**	**$ 2,100**	**0.0%**	**$ 8,243,600**

Personnel Budget

Facility Operations personnel consists of 23 positions for FY 2024 and is largely comprised of operations staffing that perform a variety of skilled facility work relative to the operations and maintenance of water and wastewater facilities.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Facility Operations	23.00	23.00	**23.00**	23.00	23.00	23.00	23.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Facility Operations	22.50	19.00	**18.00**	22.50	22.50	22.50	22.50

Personnel Budget - The following tables present the Facility Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 1,168,100	$ 1,321,200	$ 648,200	**$ 1,321,600**	**$ 400**	**0.0%**	$ 1,546,900
2.3 Overtime	19,700	15,000	9,100	**15,000**	**-**	**0.0%**	15,000
2.4 Employee Benefits	407,600	495,900	206,100	**474,200**	**(21,700)**	**-4.4%**	576,800
Grand Total	**$ 1,595,400**	**$ 1,832,100**	**$ 863,400**	**$ 1,810,800**	**$ (21,300)**	**-1.2%**	**$ 2,138,700**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Facility Operations	$ 1,595,400	$ 1,832,100	$ 863,400	**$ 1,810,800**	**$ (21,300)**	**-1.2%**	$ 2,138,700
Grand Total	**$ 1,595,400**	**$ 1,832,100**	**$ 863,400**	**$ 1,810,800**	**$ (21,300)**	**-1.2%**	**$ 2,138,700**

Personnel – Five-Year Financial Plan by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 1,168,100	$ 1,321,200	**$ 1,321,600**	$ 1,546,900	$ 1,546,900	$ 1,546,900	$ 1,546,900
2.3 Overtime	19,700	15,000	**15,000**	15,000	15,000	15,000	15,000
2.4 Employee Benefits	407,600	495,900	**474,200**	576,800	581,700	586,600	591,500
Grand Total	**$ 1,595,400**	**$ 1,832,100**	**$ 1,810,800**	**$ 2,138,700**	**$ 2,143,600**	**$ 2,148,500**	**$ 2,153,400**

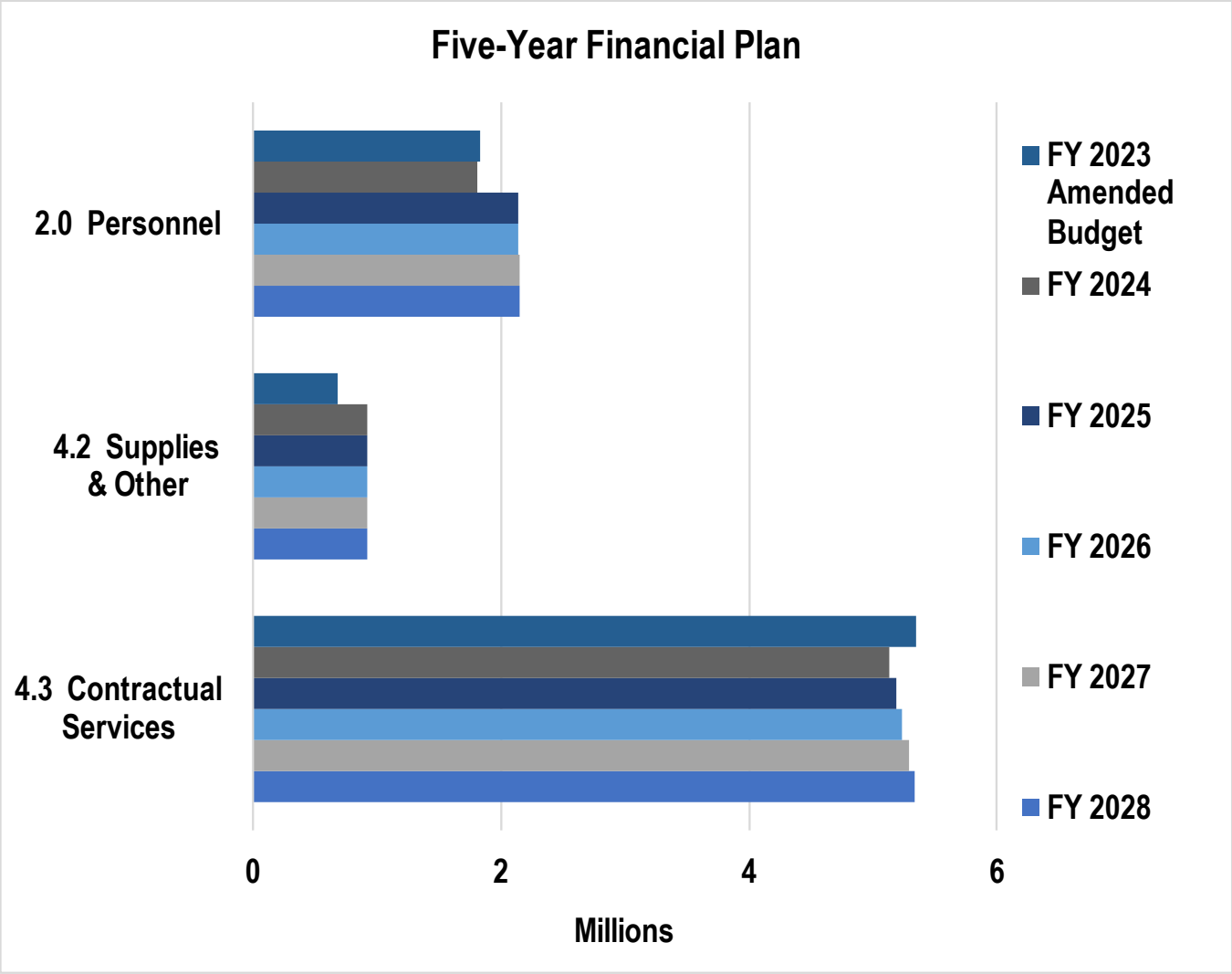
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Facility Operations	$ 1,595,400	$ 1,832,100	**$ 1,810,800**	$ 2,138,700	$ 2,143,600	$ 2,148,500	$ 2,153,400
Grand Total	**$ 1,595,400**	**$ 1,832,100**	**$ 1,810,800**	**$ 2,138,700**	**$ 2,143,600**	**$ 2,148,500**	**$ 2,153,400**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 1,595,400	$ 1,832,100	**$ 1,810,800**	$ 2,138,700	$ 2,143,600	$ 2,148,500	$ 2,153,400
4.2 Supplies & Other	829,200	685,800	**921,000**	921,000	921,000	921,000	921,000
4.3 Contractual Services	4,268,800	5,345,900	**5,134,100**	5,183,900	5,234,700	5,286,500	5,339,300
Grand Total	**$ 6,693,400**	**$ 7,863,800**	**$ 7,865,900**	**$ 8,243,600**	**$ 8,299,300**	**$ 8,356,000**	**$ 8,413,700**

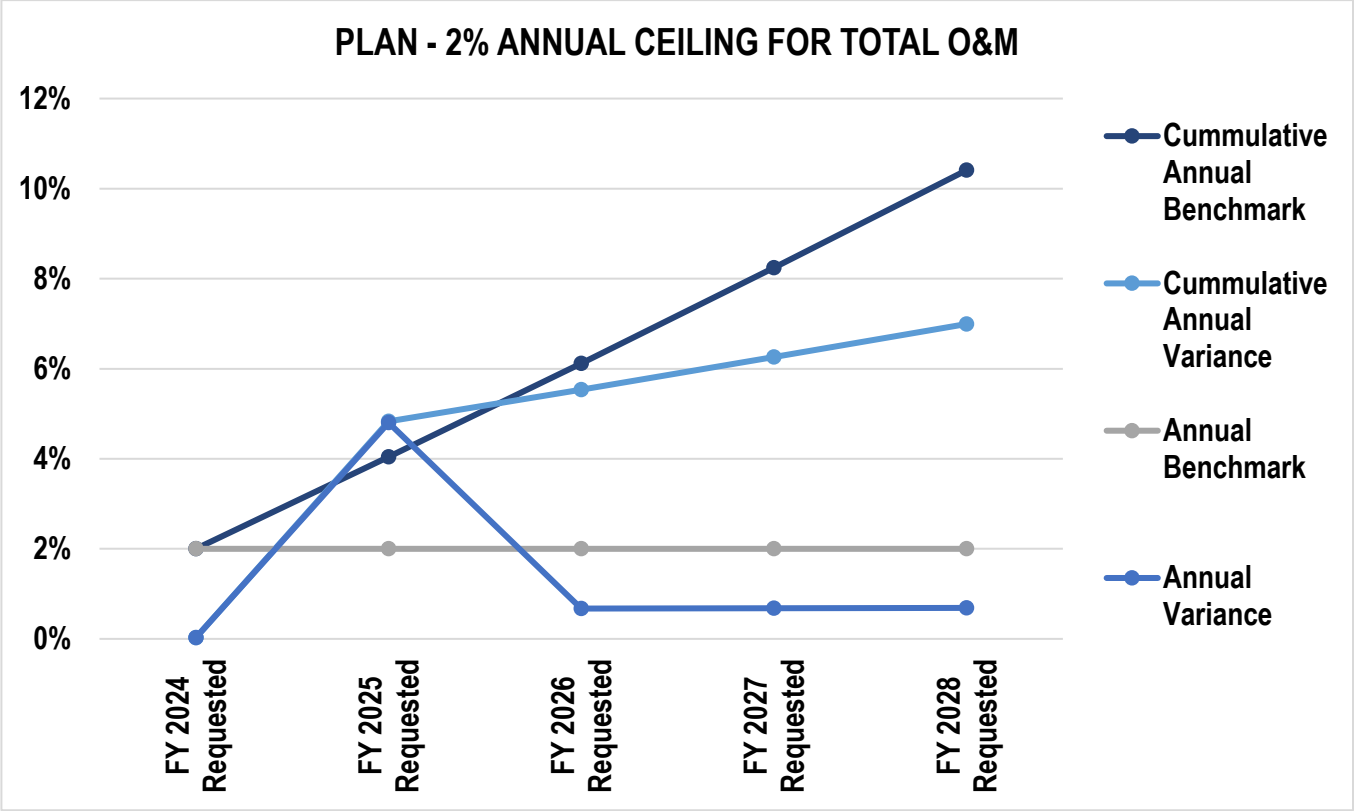


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Facility Operations	$ 6,693,400	$ 7,863,800	**$ 7,865,900**	$ 8,243,600	$ 8,299,300	$ 8,356,000	$ 8,413,700
Grand Total	**$ 6,693,400**	**7,863,800**	**$ 7,865,900**	**$ 8,243,600**	**$ 8,299,300**	**$ 8,356,000**	**$ 8,413,700**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Facility Operations Group's financial plan reflects a five-year overall increase of 7%. This is within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Facility Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget. Note that facility improvements are budgeted to align with cost centers requests for improvement.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Machinery & Equipment	**$ 125,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**
Furniture & Fixtures	100,000	30,000	30,000	30,000	30,000	30,000
Heavy Equipment & Misc	15,000	-	-	-	-	-
Pumps & Motors	10,000	-	-	-	-	-
Grand Total	**$ 125,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 30,600	$ 125,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Grand Total	**$ 30,600**	**$ 30,600**	**$ 30,600**	**$ 30,600**	**$ 30,600**	**$ 30,600**	**$ 30,600**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Facility Operations	$ 30,600	$ 125,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Grand Total	**$ 30,600**	**$ 125,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882421 - Facility Operations	**$ 6,693,400**	**$ 7,863,800**	**$ 7,865,900**	**$ 8,243,600**	**$ 8,299,300**	**$ 8,356,000**	**$ 8,413,700**
2.1 Salaries & Wages	**1,168,100**	**1,321,200**	**1,321,600**	**1,546,900**	**1,546,900**	**1,546,900**	**1,546,900**
2.3 Overtime	**19,700**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
2.4 Employee Benefits	**407,600**	**495,900**	**474,200**	**576,800**	**581,700**	**586,600**	**591,500**
4.2 Supplies & Other	**829,200**	**685,800**	**921,000**	**921,000**	**921,000**	**921,000**	**921,000**
Capital Outlay less than $5,000	12,900	125,000	100,000	100,000	100,000	100,000	100,000
Employee Uniform Expense	9,800	10,000	10,000	10,000	10,000	10,000	10,000
Inspection and Permit Fees		12,000	12,000	12,000	12,000	12,000	12,000
Memberships, Licenses & Subscriptions	700	2,000	2,000	2,000	2,000	2,000	2,000
Mileage and Parking	100	500	500	500	500	500	500
Office Supplies	6,500	8,000	8,000	8,000	8,000	8,000	8,000
Operating Supplies	248,300	225,000	225,000	225,000	225,000	225,000	225,000
Operating Supplies-Janitorial	13,300	5,000	10,000	10,000	10,000	10,000	10,000
Repairs & Maintenance-Buildings & Ground	473,400	292,800	548,000	548,000	548,000	548,000	548,000
Supplies & Other - Covid19	64,200	-	-	-	-	-	-
Training and Internal Meetings	-	2,000	2,000	2,000	2,000	2,000	2,000
Travel	-	2,500	2,500	2,500	2,500	2,500	2,500
Tuition Refund	-	1,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	**4,268,800**	**5,345,900**	**5,134,100**	**5,183,900**	**5,234,700**	**5,286,500**	**5,339,300**
Contract Bldg & Grounds Maint-All Water	-	500,000	-	-	-	-	-
Contractual Buildings & Grounds Maint	1,438,200	2,068,500	2,544,500	2,544,500	2,544,500	2,544,500	2,544,500
Contractual Operating Services	2,734,900	2,777,400	2,589,600	2,639,400	2,690,200	2,742,000	2,794,800
Contractual Services - Covid19	95,200	-	-	-	-	-	-
Contractual Svcs–Flood Events -All Sewer	10,400	-	-	-	-	-	-
Intergovernmental Agreement	(9,900)	-	-	-	-	-	-
Grand Total	**$ 6,693,400**	**$ 7,863,800**	**$ 7,865,900**	**$ 8,243,600**	**$ 8,299,300**	**$ 8,356,000**	**$ 8,413,700**

Fleet Operations

The Fleet Operations area is responsible for maintaining and managing all vehicles, such as the cars, trucks, lifts, vacuum tankers, and other equipment associated with the water and wastewater systems while ensuring vehicles and equipment are properly matched to the job requirements and functioning properly and safely.

Strategic Initiatives

- **Improve vehicle efficiency (Ongoing)**
  Ensure vehicles are properly maintained, functioning properly and safely as well as matched to the job requirements to support GLWA's operational needs
- **Increase Team member safety (Ongoing)**
  Utilizing metrics provided by the GEOTAB system, team members are made aware of safety factors such as seat belt usage, speed, hard cornering, and aggressive driving. These items are reported out to executive leadership team members on a monthly basis.

The table below shows how the fleet operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Fleet Operations Strategic Initiatives	Improve Vehicle Efficency		x		x	x	x					
	Increase Team Member Safety		x				x				x	

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Fleet Operations Contracts

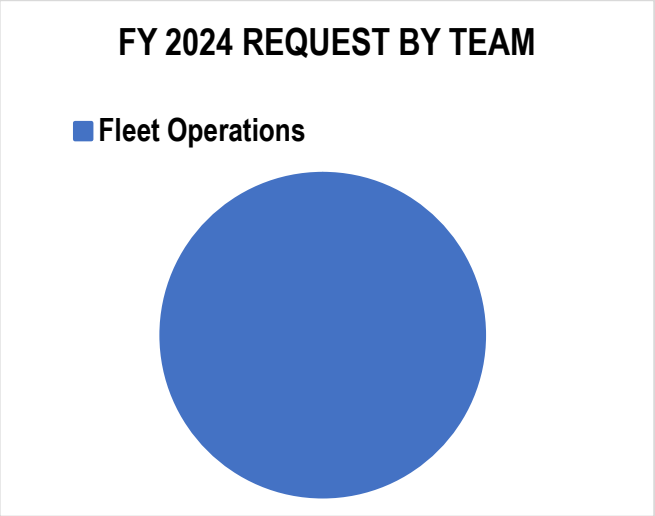
The Fleet Operations budget contains several contractual services to ensure that vehicles are in safe, operable conditions while controlling costs, productivity, and fuel management. The chart below includes the key contracts for these services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

Significant Contracts

Project Description	Fleet Maintenance	Furnish Fuel & Diesel Fuel	Fuel System Maintenance	GPS/AVL Tracking	Total of Significant Contracts
Prime Consultant or Supplier	Enterprise Fleet Management	Crystal Flash	Phoenix Environmental Inc	GEOTAB Inc.	
Contract #	1802170	2201558	2201490	1904862	
Contract Amount	$ 1,553,000	$ 720,000	$ 699,840	$ 375,000	
Contract End Date	11/04/24	09/29/23	06/30/23	06/30/24	
Cost Center Name	Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations	
Water/Sewer	Combined	Combined	Combined	Combined	
Expense Category	Contractual Services	Supplies & Other	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 894,652	$ 1,842,539	$ 764,590	$ 68,809	$ 3,570,590
Pre-FY 2022 Average Spend	$ 672,671	$ 345,692	$ 139,016	$ 68,809	
FY 2022 Actual	732,277	724,137	271,034	136,947	1,864,395
FY 2023 Budget	600,600	500,000	75,600	75,000	1,251,200
FY 2024 Requested	**460,900**	**650,000**	**233,000**	**120,000**	**1,463,900**
FY 2025 Requested	460,900	650,000	233,000	120,000	1,463,900
FY 2026 Requested	460,900	650,000	233,000	120,000	1,463,900
FY 2027 Requested	460,900	650,000	233,000	120,000	1,463,900
FY 2028 Requested	460,900	650,000	233,000	120,000	1,463,900
Total	**$ 5,204,700**	**$ 6,662,368**	**$ 2,415,240**	**$ 949,565**	**$ 15,231,873**

Organization

The Fleet Operations area has one team.

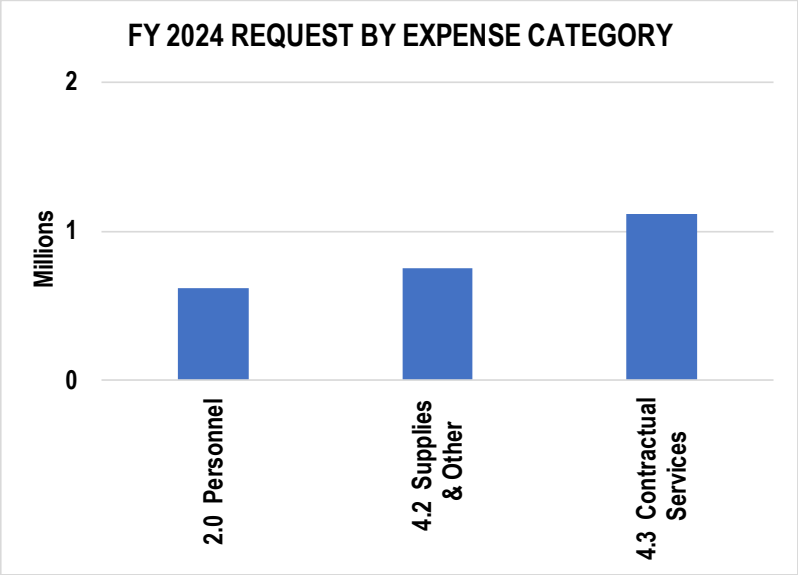


Expense Categories

There are three major categories of Fleet Operations expenses in the Operations and Maintenance Budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services is the highest expensecategory for Fleet Operations. The level of contractual services reflects the on-going contract with Enterprise Fleet Management, as well as various small contracts implemented over the past year to replace services once provided by DWSD through the Shared Services Agreement.



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Biennial Budget Request

The biennial budget reflects an increase of $190,800, or 8.3%, in Operations & Maintenance for FY 2024. Key Factors that are impacting the increase include the following:

- Personnel increase to account for the addition of a Management Professional to assist with equipment acquisition and maintenance and a part-time shuttle driver to move employees between the DPSH parking garage and the Water Board Building ($143,500)
- Supplies & Other: Increase due to continued rising cost of fuel ($152,300)
- Contractual Services: Reductions taken to offset increases in personnel and fuel cost ($105,000)

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 410,800	$ 474,500	$ 246,900	**$ 618,000**	**$ 143,500**	**30.2%**	$ 619,300
4.2 Supplies & Other	797,100	598,500	394,000	**750,800**	**152,300**	**25.4%**	750,800
4.3 Contractual Services	1,058,700	1,222,100	727,000	**1,117,100**	**(105,000)**	**-8.6%**	1,217,100
Grand Total	**$ 2,266,600**	**$ 2,295,100**	**$ 1,367,900**	**$ 2,485,900**	**$ 190,800**	**8.3%**	**$ 2,587,200**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Fleet Operations	$ 2,266,600	$ 2,295,100	$ 1,367,900	**$ 2,485,900**	**$ 190,800**	**8.3%**	$ 2,587,200
Grand Total	**$ 2,266,600**	**$ 2,295,100**	**$ 1,367,900**	**$ 2,485,900**	**$ 190,800**	**8.3%**	**$ 2,587,200**

Personnel Budget

Fleet Operations personnel consists of 6 positions for FY 2024. The department is requesting a Management Professional to assist with equipment acquisition and maintenance and a part-time shuttle driver.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Fleet Operations	3.00	4.00	**6.00**	6.00	6.00	6.00	6.00

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Full-time Equivalents - The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are consistent.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Fleet Operations	3.00	4.00	**5.50**	5.50	5.50	5.50	5.50

Personnel Budget - The following tables present the Fleet Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 250,300	$ 357,200	$ 184,700	**$ 459,100**	**$ 101,900**	**28.5%**	$ 459,100
2.4 Employee Benefits	71,200	117,300	54,600	**158,900**	**41,600**	**35.5%**	160,200
2.5 Transition Services	89,300	-	7,600	**-**	**-**	**0.0%**	-
Grand Total	**$ 410,800**	**$ 474,500**	**$ 246,900**	**$ 618,000**	**$ 143,500**	**30.2%**	**$ 619,300**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Fleet Operations	$ 410,800	$ 474,500	$ 246,900	**$ 618,000**	**$ 143,500**	**30.2%**	$ 619,300
Grand Total	**$ 410,800**	**$ 474,500**	**$ 246,900**	**$ 618,000**	**$ 143,500**	**30.2%**	**$ 619,300**

Personnel – Five-Year Financial Plan by Expense Category

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 250,300	$ 357,200	**$ 459,100**	$ 459,100	$ 459,100	$ 459,100	$ 459,100
2.4 Employee Benefits	71,200	117,300	**158,900**	160,200	161,400	162,700	164,000
2.5 Transition Services	89,300	-	**-**	-	-	-	-
Grand Total	**$ 410,800**	**$ 474,500**	**$ 618,000**	**$ 619,300**	**$ 620,500**	**$ 621,800**	**$ 623,100**

Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Fleet Operation	$ 410,800	$ 474,500	**$ 618,000**	$ 619,300	$ 620,500	$ 621,800	$ 623,100
Grand Total	**$ 410,800**	**$ 474,500**	**$ 618,000**	**$ 619,300**	**$ 620,500**	**$ 621,800**	**$ 623,100**

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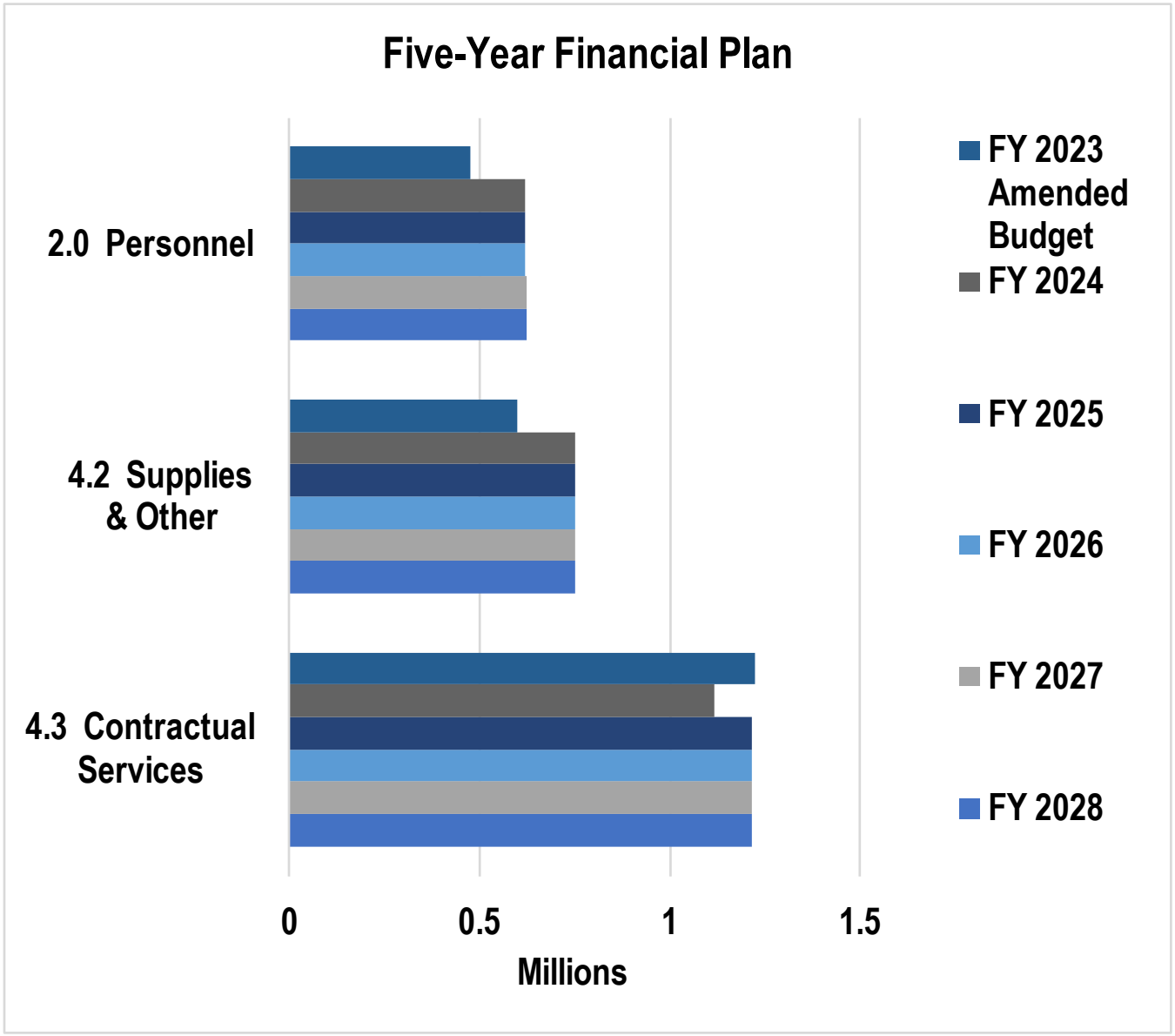
Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 410,800	$ 474,500	**$ 618,000**	$ 619,300	$ 620,500	$ 621,800	$ 623,100
4.2 Supplies & Other	797,100	598,500	**750,800**	750,800	750,800	750,800	750,800
4.3 Contractual Services	1,058,700	1,222,100	**1,117,100**	1,217,100	1,217,100	1,217,100	1,217,100
Grand Total	**$ 2,266,600**	**$ 2,295,100**	**$ 2,485,900**	**$ 2,587,200**	**$ 2,588,400**	**$ 2,589,700**	**$ 2,591,000**



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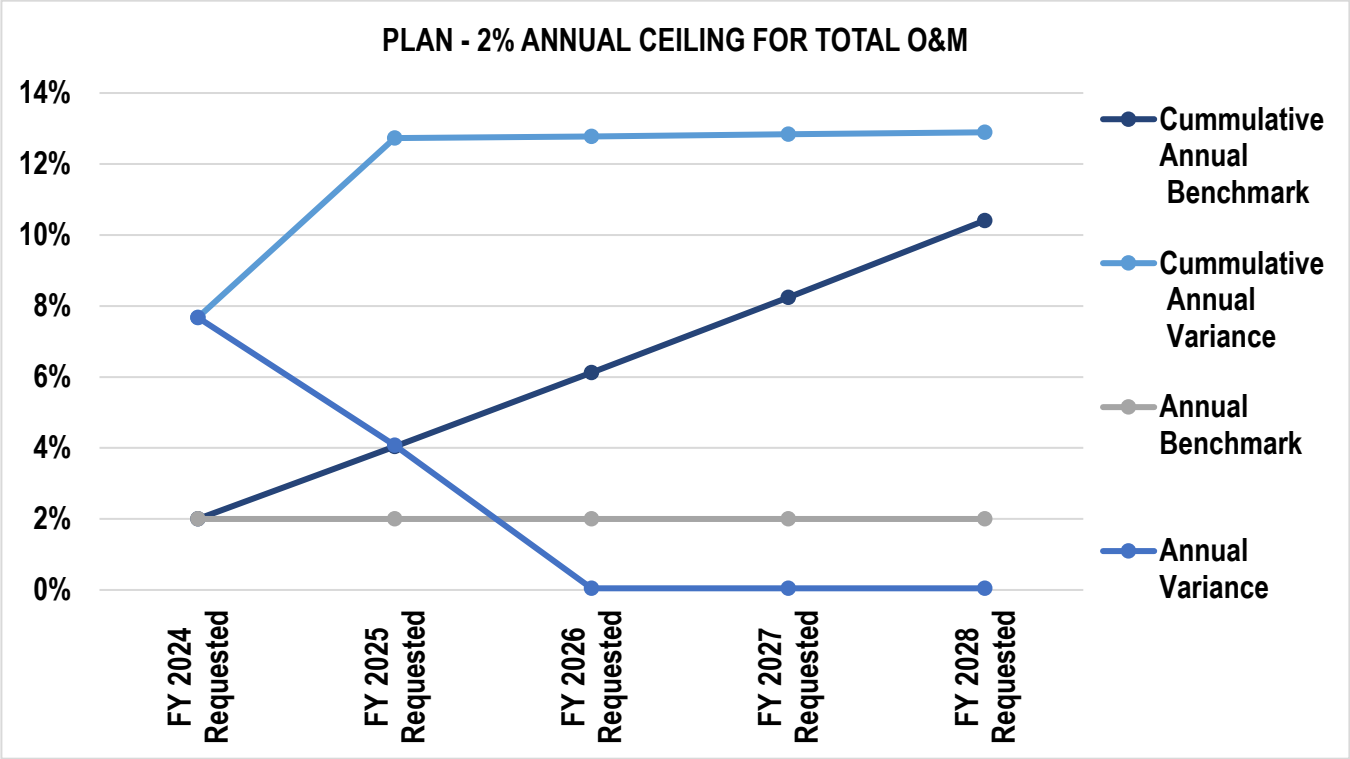
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Fleet Operations	$ 2,266,600	$ 2,295,100	**$ 2,485,900**	$ 2,587,200	$ 2,588,400	$ 2,589,700	$ 2,591,000
Grand Total	**$ 2,266,600**	**2,295,100**	**$ 2,485,900**	**$ 2,587,200**	**$ 2,588,400**	**$ 2,589,700**	**$ 2,591,000**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Fleet Operations Group's financial plan reflects a five-year overall increase of 12.9%, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The increase above the targeted goal is driven by the increase in the budget for FY 2024.



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Capital Outlay

Fleet Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Vehicles	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**
Heavy Truck	650,000	740,000	1,070,000	1,450,000	1,350,000	1,350,000
Light Truck	790,000	730,000	770,000	690,000	450,000	450,000
Passenger	-	-	-	-	-	-
Utility Vehicle	360,000	330,000	440,000	360,000	720,000	720,000
Van	1,200,000	1,200,000	720,000	480,000	480,000	480,000
Grand Total	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 1,480,800	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 2,980,000	$ 3,000,000	$ 3,000,000
Grand Total	**$ 1,480,800**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Fleet Operations	$ 1,480,800	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 2,980,000	$ 3,000,000	$ 3,000,000
Grand Total	**$ 1,480,800**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882422 - Fleet Operations	**$ 2,266,600**	**$ 2,295,100**	**$ 2,485,900**	**$ 2,587,200**	**$ 2,588,400**	**$ 2,589,700**	**$ 2,591,000**
2.1 Salaries & Wages	**250,300**	**357,200**	**459,100**	**459,100**	**459,100**	**459,100**	**459,100**
2.4 Employee Benefits	**71,200**	**117,300**	**158,900**	**160,200**	**161,400**	**162,700**	**164,000**
2.5 Transition Services	**89,300**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**797,100**	**598,500**	**750,800**	**750,800**	**750,800**	**750,800**	**750,800**
Capital Outlay less than $5,000	-	-	-	-	-	-	-
Inspection and Permit Fees	300	1,000	1,300	1,300	1,300	1,300	1,300
Memberships, Licenses & Subscriptions	500	-	2,000	2,000	2,000	2,000	2,000
Office Supplies	-	2,000	2,000	2,000	2,000	2,000	2,000
Operating Supplies	40,800	72,500	72,500	72,500	72,500	72,500	72,500
Operating Supplies – Fuel	751,900	500,000	650,000	650,000	650,000	650,000	650,000
Operating Supplies-Automotive	2,900	23,000	17,000	17,000	17,000	17,000	17,000
Repairs & Maintenance-Automotive	(400)	-	-	-	-	-	-
Supplies & Other - Covid19	100	-	-	-	-	-	-
Training and Internal Meetings	-	-	1,000	1,000	1,000	1,000	1,000
Travel	1,000	-	5,000	5,000	5,000	5,000	5,000
4.3 Contractual Services	**1,058,700**	**1,222,100**	**1,117,100**	**1,217,100**	**1,217,100**	**1,217,100**	**1,217,100**
Contractual Operating Services	922,600	1,077,100	952,100	1,052,100	1,052,100	1,052,100	1,052,100
Contractual Vehicle Services	136,100	145,000	165,000	165,000	165,000	165,000	165,000
Grand Total	**$ 2,266,600**	**$ 2,295,100**	**$ 2,485,900**	**$ 2,587,200**	**$ 2,588,400**	**$ 2,589,700**	**$ 2,591,000**

Field Service Operations

The Field Service Operations area is responsible for ensuring reliable transmission of water and collection of combined storm and wastewater. They maintain over 800 miles of transmission main, 19 booster pump stations, 180 miles of interceptor sewer, and seven sanitary lift stations, as well as all associated equipment, such as valves, gates, pumps, and siphons. In addition, Field Services Operations manages the MISS DIG utility location requirements for GLWA and clears all construction crossings of GLWA infrastructure.

Strategic Initiatives

- **Sewer & Valve Condition Assessment Program (Ongoing)**
  Continue Sewer Condition Assessment Program for the conveyance system.
  Continue Valve Assessment and replacement program to improve service reliability. KPI's are reported out monthly on number of valves exercised and functioning.
- **Transmission Main Assessment & Rehabilitation (Ongoing)**
  Continue to develop and optimize assessment and decommissioning programs.

The table below shows how the field service operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Field Service Operations Strategic Initiatives	Sewer & Valve Condition Assesment Program			x	x	x	x	x	x			x
	Transmission Main Assesment & Rehabilitation			x	x	x	x	x	x	x		x

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Field Service Operations Contracts

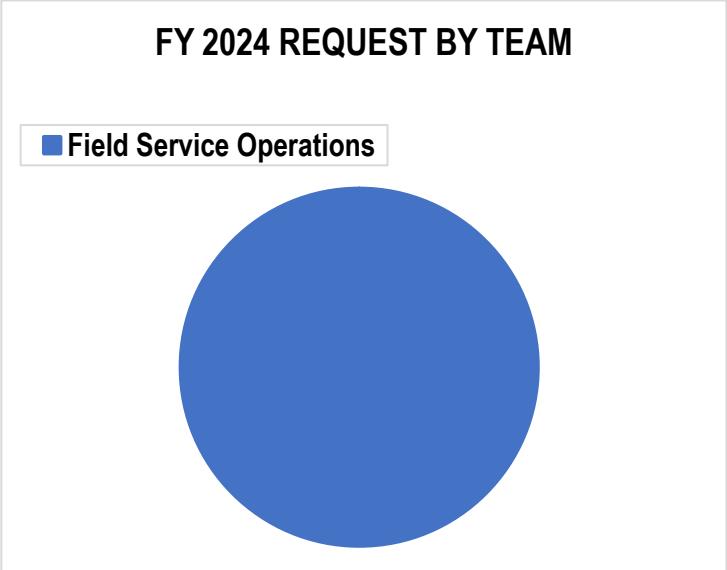
The Field Service Operations budget contains several contractual services to assess the current condition of water transmission mains, repair sewers, install, or maintain equipment and systems. In the chart below are the key contracts for these services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

Significant Contracts

Project Description	Water Transmission Main Repair	Water Transmission Main Repair	Sewer Repair Contract	Gate Valve Inspection/ Exercising	Specialized Services (contract split w/ Systems Control)	As Needed Field Services	Total of Significant Contracts
Prime Consultant or Supplier	Ric-Man Construction Inc.	Lakeshore Global Corp	Inland Waters Pollution Control, Inc.	Hydromax USA LLC	Lakeshore Global Corp	OPS-003 Shared Service	
Contract #	1802745	2003730	CON-149	2000292	2004889		
Contract Amount	$ 18,000,000	$ 15,000,000	$ 67,000,000	$ 5,601,663	$ 11,389,132	N/A	
Contract End Date	08/26/24	10/08/26	12/30/23	08/10/23	03/06/24		
Cost Center Name	Field Service Operations	Field Service Operations	Field Service Operations	Field Service Operations	Field Service Operations	Field Service Operations	
Water/Sewer	Water	Water	Sewer	Water	Combined	Combined	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 1,318,697	$ 4,422,832	$ 26,260,686	$ 3,750,946	$ 4,689,630	$ 206,400	$ 40,649,193
Pre-FY 2022 Average Spend	$ 239,763	$ 1,179,422	$ 4,774,670	$ 1,126,410	$ 1,172,408	$ 37,527	
FY 2022 Actual	3,261,700	1,251,943	2,954,219	1,900,027	3,263,708	-	12,631,597
FY 2023 Budget	1,250,000	1,250,000	4,918,400	1,300,000	2,900,000	106,100	11,724,500
FY 2024 Requested	**1,400,000**	**1,400,000**	**4,518,400**	**1,500,000**	**2,700,000**	**108,200**	**11,626,600**
FY 2025 Requested	1,400,000	1,400,000	4,518,400	1,500,000	2,700,000	110,400	11,628,800
FY 2026 Requested	1,400,000	1,400,000	4,518,400	1,500,000	2,700,000	112,600	11,631,000
FY 2027 Requested	1,400,000	1,400,000	4,518,400	1,500,000	2,700,000	114,900	11,633,300
FY 2028 Requested	1,400,000	1,400,000	4,518,400	1,500,000	2,700,000	117,200	11,635,600
Total	**$ 13,070,161**	**$ 15,104,197**	**$ 61,499,976**	**$ 15,577,383**	**$ 25,525,746**	**$ 913,327**	**$ 131,690,790**

Organization

The Field Services Operations area has one team.



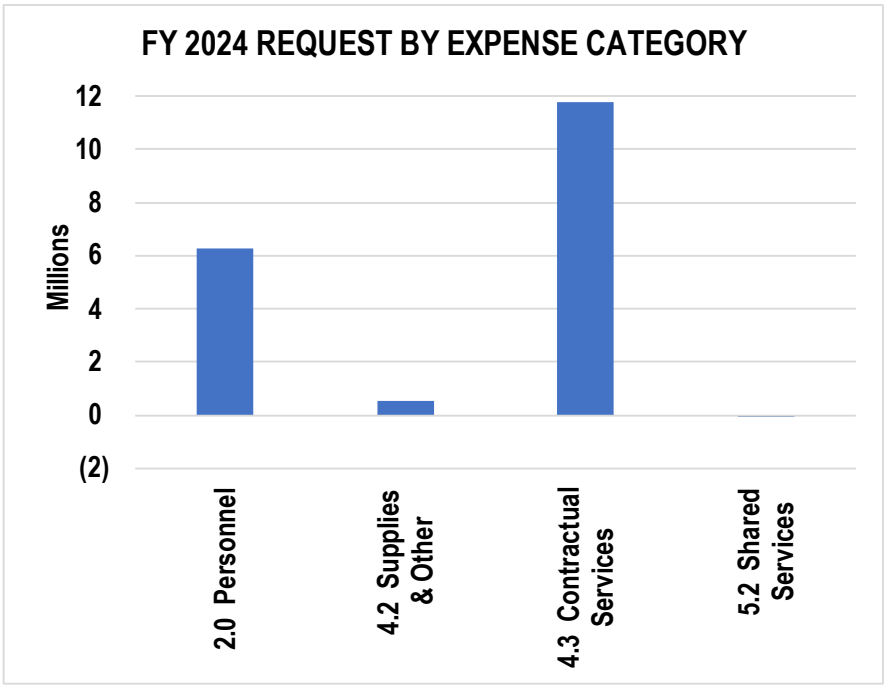
Expense Categories

There are two major categories of Field Service Operations expenses in the Operations and Maintenance Budget as listed below.

- Contractual Services
- Personnel

Contractual Services is the highest expense category for Field Service Operations. The level of contractual services supports the complex nature of the water transmission and wastewater collection system. The level also reflects the decision to contract for certain non-core services as well as the efficient management of peak workload activities.

Personnel costs are the second highest expense category.



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Biennial Budget Request

The biennial budget reflects an overall increase of $419,900, or 2.3% for FY 2024. Key Factors impacting FY 2024 include the following:

- The Personnel cost increase is due mostly to the increase in the overtime budget based on prior activity ($378,200).
- Contractual Services increased based on prior activity ($44,100).

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 6,051,900	$ 5,889,200	$ 3,423,300	**$ 6,267,400**	**$ 378,200**	**6.4%**	$ 6,640,800
4.2 Supplies & Other	391,600	555,700	274,200	**553,600**	**(2,100)**	**-0.4%**	553,600
4.3 Contractual Services	10,276,300	11,725,000	6,241,900	**11,769,100**	**44,100**	**0.4%**	11,771,300
5.2 Shared Services	(17,400)	(17,700)	(8,800)	**(18,000)**	**(300)**	**1.7%**	(18,300)
Grand Total	**$ 16,702,400**	**$ 18,152,200**	**$ 9,930,600**	**$ 18,572,100**	**$ 419,900**	**2.3%**	**$ 18,947,400**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Field Service Operations	$ 16,702,400	$ 18,152,200	$ 9,930,600	**$ 18,572,100**	**$ 419,900**	**2.3%**	$ 18,947,400
Grand Total	**$ 16,702,400**	**$ 18,152,200**	**$ 9,930,600**	**$ 18,572,100**	**$ 419,900**	**2.3%**	**$ 18,947,400**

Personnel Budget

Field Service Operations personnel consists of 71 positions for FY 2024. Field Service Operations is largely comprised of operations staffing that perform a variety of skilled field work relative to the operations and maintenance of water and wastewater systems. This staffing plan includes 6 apprentice positions and additional support for the appropriate evaluation of decommissioning transmission mains. The apprenticeship positions shows GLWA's commitment to developing its workforce and sustaining it for the future.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Field Service Operations	71.00	71.00	**71.00**	71.00	71.00	71.00	71.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Field Service Operations	71.00	68.00	**66.25**	71.00	71.00	71.00	71.00

Personnel Budget - The following tables present the Field Service Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 3,408,700	$ 3,536,300	$ 2,002,100	**$ 3,664,600**	**$ 128,300**	**3.6%**	$ 3,895,800
2.2 Workforce Development	307,500	332,200	189,300	**358,400**	**26,200**	**7.9%**	379,700
2.3 Overtime	799,700	400,000	409,000	**630,000**	**230,000**	**57.5%**	630,000
2.4 Employee Benefits	1,536,000	1,620,700	822,900	**1,614,400**	**(6,300)**	**-0.4%**	1,735,300
Grand Total	**$ 6,051,900**	**$ 5,889,200**	**$ 3,423,300**	**$ 6,267,400**	**$ 378,200**	**6.4%**	**$ 6,640,800**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Field Service Operations	$ 6,051,900	$ 5,889,200	$ 3,423,300	**$ 6,267,400**	**$ 378,200**	**6.4%**	$ 6,640,800
Grand Total	**$ 6,051,900**	**$ 5,889,200**	**$ 3,423,300**	**$ 6,267,400**	**$ 378,200**	**6.4%**	**$ 6,640,800**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 3,408,700	$ 3,536,300	**$ 3,664,600**	$ 3,895,800	$ 3,895,800	$ 3,895,800	$ 3,895,800
2.2 Workforce Development	307,500	332,200	**358,400**	379,700	379,700	379,700	379,700
2.3 Overtime	799,700	400,000	**630,000**	630,000	630,000	630,000	630,000
2.4 Employee Benefits	1,536,000	1,620,700	**1,614,400**	1,735,300	1,750,400	1,765,500	1,780,600
Grand Total	**$ 6,051,900**	**$ 5,889,200**	**$ 6,267,400**	**$ 6,640,800**	**$ 6,655,900**	**$ 6,671,000**	**$ 6,686,100**

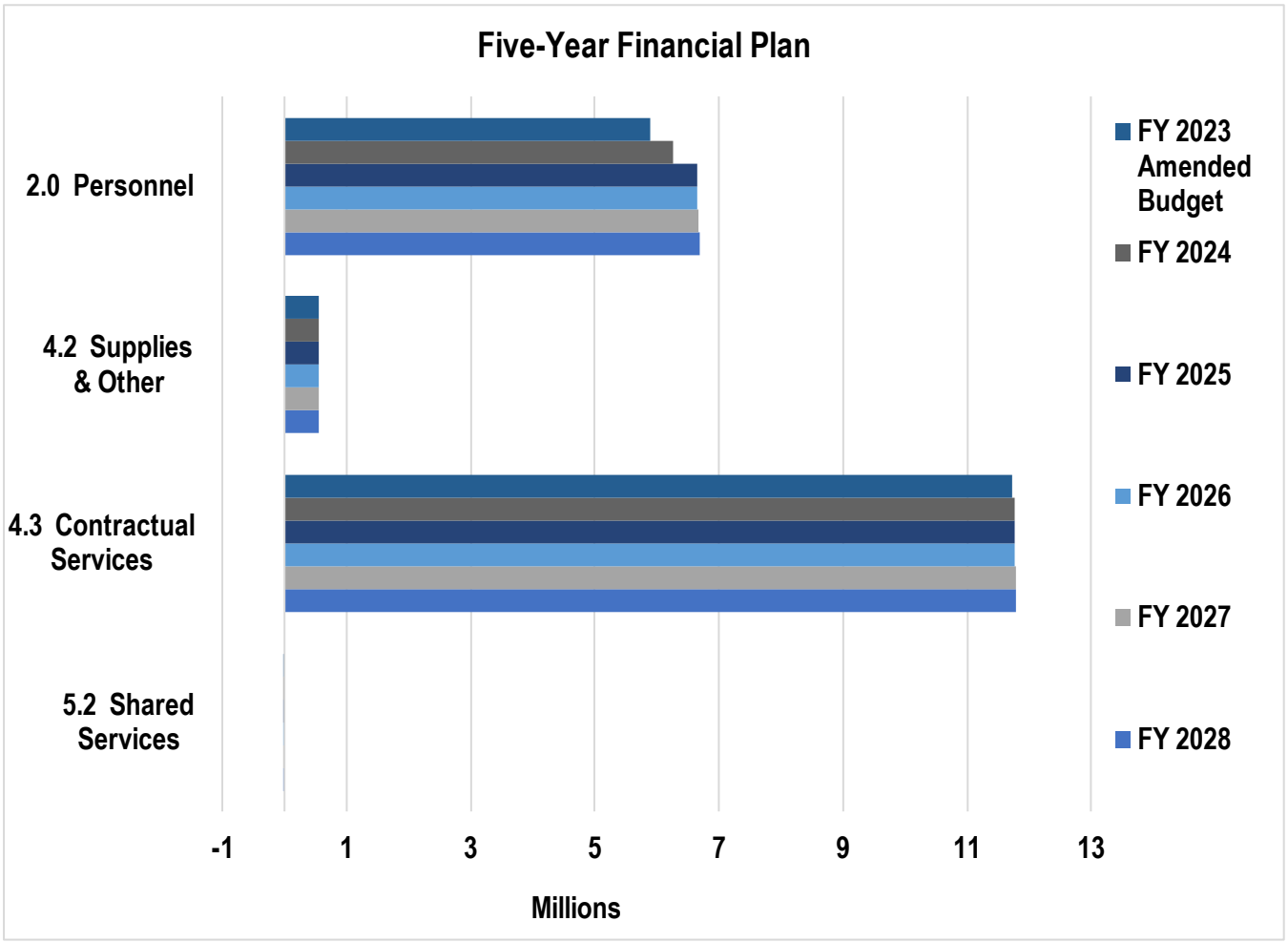
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Field Service Operations	$ 6,051,900	$ 5,889,200	**$ 6,267,400**	$ 6,640,800	$ 6,655,900	$ 6,671,000	$ 6,686,100
Grand Total	**$ 6,051,900**	**$ 5,889,200**	**$ 6,267,400**	**$ 6,640,800**	**$ 6,655,900**	**$ 6,671,000**	**$ 6,686,100**

Five Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 6,051,900	$ 5,889,200	**$ 6,267,400**	$ 6,640,800	$ 6,655,900	$ 6,671,000	$ 6,686,100
4.2 Supplies & Other	391,600	555,700	**553,600**	553,600	553,600	553,600	553,600
4.3 Contractual Services	10,276,300	11,725,000	**11,769,100**	11,771,300	11,773,500	11,775,800	11,778,100
5.2 Shared Services	(17,400)	(17,700)	**(18,000)**	(18,300)	(18,800)	(19,100)	(19,600)
Grand Total	**$ 16,702,400**	**$ 18,152,200**	**$ 18,572,100**	**$ 18,947,400**	**$ 18,964,200**	**$ 18,981,300**	**$ 18,998,200**



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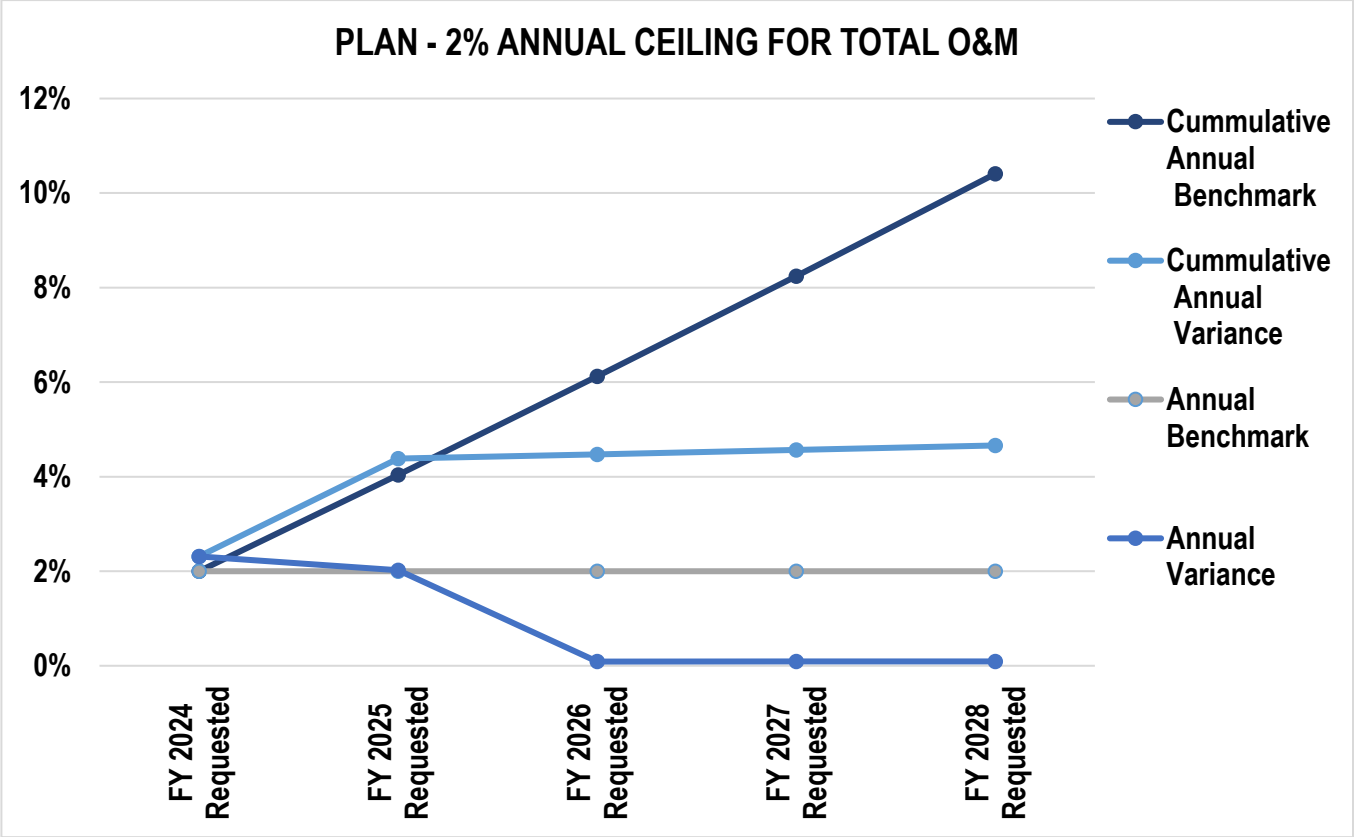
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Field Service Operations	$ 16,702,400	$ 18,152,200	**$ 18,572,100**	$ 18,947,400	$ 18,964,200	$ 18,981,300	$ 18,998,200
Grand Total	**$ 16,702,400**	**18,152,200**	**$ 18,572,100**	**$ 18,947,400**	**$ 18,964,200**	**$ 18,981,300**	**$ 18,998,200**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Field Service Operations Group's financial plan reflects a five-year overall increase of 4.7% which is well within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



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Capital Outlay

Field Service Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Machinery & Equipment	**50,000**	**-**	**-**	**-**	**-**	**-**
Furniture & Fixtures	50,000	-	-	-	-	-
Projects & Programs	**3,000,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**
Projects & Programs	3,000,000	500,000	500,000	500,000	500,000	500,000
Grand Total	**$ 3,050,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 378,400	$ 3,050,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Grand Total	**$ 378,400**	**$ 3,050,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Field Service Operations	$ 378,400	$ 3,050,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Grand Total	**$ 378,400**	**$ 3,050,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882431 - Field Service Operations	**16,702,400**	**18,152,200**	**18,572,100**	**18,947,400**	**18,964,200**	**18,981,300**	**18,998,200**
2.1 Salaries & Wages	**3,408,700**	**3,536,300**	**3,664,600**	**3,895,800**	**3,895,800**	**3,895,800**	**3,895,800**
2.2 Workforce Development	**307,500**	**332,200**	**358,400**	**379,700**	**379,700**	**379,700**	**379,700**
2.3 Overtime	**799,700**	**400,000**	**630,000**	**630,000**	**630,000**	**630,000**	**630,000**
2.4 Employee Benefits	**1,536,000**	**1,620,700**	**1,614,400**	**1,735,300**	**1,750,400**	**1,765,500**	**1,780,600**
4.2 Supplies & Other	**391,600**	**555,700**	**553,600**	**553,600**	**553,600**	**553,600**	**553,600**
Capital Outlay less than $5,000	85,100	65,000	65,000	65,000	65,000	65,000	65,000
Employee Uniform Expense	35,400	40,000	40,000	40,000	40,000	40,000	40,000
Inspection and Permit Fees	29,300	32,000	32,000	32,000	32,000	32,000	32,000
Memberships, Licenses & Subscriptions	32,800	54,100	54,100	54,100	54,100	54,100	54,100
Mileage and Parking	-	500	500	500	500	500	500
Office Supplies	9,300	17,000	17,000	17,000	17,000	17,000	17,000
Operating Supplies	181,800	273,500	273,500	273,500	273,500	273,500	273,500
Rentals-Buildings	5,500	5,100	-	-	-	-	-
Repairs & Maintenance-Equipment	(100)	2,000	-	-	-	-	-
Supplies & Other - Covid19	500	-	-	-	-	-	-
Training and Internal Meetings	9,000	55,000	55,000	55,000	55,000	55,000	55,000
Travel	3,000	10,000	15,000	15,000	15,000	15,000	15,000
Tuition Refund	-	1,500	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**10,276,300**	**11,725,000**	**11,769,100**	**11,771,300**	**11,773,500**	**11,775,800**	**11,778,100**
Contractual Operating Services	1,113,000	1,226,600	1,250,700	1,252,900	1,255,100	1,257,400	1,259,700
Contractual Operating Services-All Sewer	1,047,900	3,998,400	4,518,400	4,518,400	4,518,400	4,518,400	4,518,400
Contractual Operating Services-All Water	5,578,700	4,800,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
Contractual Professional Services	1,510,700	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Contractual Svcs–Flood Events -All Sewer	1,026,000	-	-	-	-	-	-
5.2 Shared Services	**(17,400)**	**(17,700)**	**(18,000)**	**(18,300)**	**(18,800)**	**(19,100)**	**(19,600)**
Shared Services : Salaries & Wages Reimb	(11,000)	(11,200)	(11,400)	(11,600)	(11,900)	(12,100)	(12,400)
Shared Services Reimbursement	(1,900)	(1,900)	(1,900)	(2,000)	(2,000)	(2,000)	(2,100)
Shared Services: Employee Benefit Reimb	(4,500)	(4,600)	(4,700)	(4,700)	(4,900)	(5,000)	(5,100)
Grand Total	**$ 16,702,400**	**$ 18,152,200**	**$ 18,572,100**	**$ 18,947,400**	**$ 18,964,200**	**$ 18,981,300**	**$ 18,998,200**

Energy, Research & Innovation

The mission of the Energy, Research, and Innovation (ERI) area is to help improve operations, optimize the value of our capital and operational investments, help identify and mitigate future risks, such as emerging contaminants, asset failure, and climate change.

The ERI team is involved with three different focus areas, energy, research, and innovation. Our energy-focused efforts address the technology and processes needed to assess, evaluate, and improve energy use and energy efficiency across our systems. Our research efforts involve small, but focused, projects helping to address complex operational and engineering issues relevant to GLWA operations. Finally, our innovation related efforts address the assessment and piloting of new and emerging technologies, as well as improving the collaborative exchange of ideas between GLWA team members, member partners, and other utilities.

Strategic Initiatives

- **Advance the Energy Management Program (Ongoing)**
- **Pursue Research of Treatment & Monitoring (Ongoing)**
  - Treatment techniques for emerging contaminates of concern
  - Innovative monitoring tools

The table below shows how the energy, research and innovation area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Energy, Research & Innovation Strategic Initiatives	Advance Energy Management Program		x	x	x	x	x		x	x		
	Pursue Research of Treatment & Monitoring		x	x	x	x			x	x		x

Energy, Research & Innovation Contracts

The Energy, Research & Innovation budget contains several contractual services to assess the current innovation environment, create programs by tailoring them to the expectations, environment, and resources of GLWA and launching the programs by establishing urgency and funding resources. Budgeted amounts beyond contract date are estimates for future study updates or subsequent

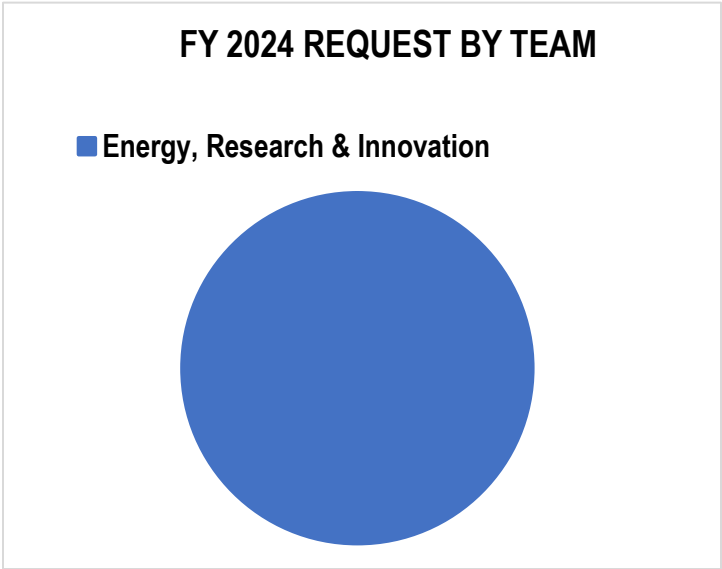
implementation of a program. These services would generally require a separate procurement process. The following chart shows a limited number of contracts for these services.

Significant Contracts

Project Description	PFAS Health & Ecological Impacts	Microplastics & Human Health	Evaluation of Real-Time Bacteria Monitoring Tools	Assistance Opitimizing WRRF Performance	Life Cycle Assessment	Transport & Fate of Nutrients in Biosolids	Smart Pipes	Drinking Water Contaminant Prioritization Framework	Total of Significant Contracts
Prime Consultant or Supplier	Wayne State University	Wayne State University	OHM Advisors	Regents of the University of Michigan	Regents of the University of Michigan	Michigan State University	Regents of the University of Michigan	Michigan State University	
Contract #	1902151	1904710	2101423	2203703	2001595	1902059	2102864	2203501	
Contract Amount	$ 192,153	$ 195,000	$ 159,000	$ 280,000	$ 234,726	$ 277,470	$ 590,179	$ 514,235	
Contract End Date	12/31/22	08/31/23	10/31/23	12/31/26	08/31/23	06/30/23	06/30/24	n/a	
Cost Center Name	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Combined	Water	Sewer	Sewer	Sewer	Sewer	Water	Water	
Pre-FY 2022 Spend	$ 79,450	$ 20,599	$ -	$ -	$ -	$ 224,345	$ 314,528	$ -	$ 638,922
Pre-FY 2022 Average Spend	$ 73,565	$ 35,516	$ -	$ -	$ -	$ 121,927	$ 139,790	$ -	
FY 2022 Actual	61,041	111,483	60,924	-	61,460	22,457	116,662	-	434,028
FY 2023 Budget	-	100,000	100,000	-	125,000	50,000	200,000	-	575,000
FY 2024 Requested	**-**	**-**	**-**	**70,000**	**50,000**	**-**	**200,000**	**166,000**	**486,000**
FY 2025 Requested	-	-	-	70,000	-	-	200,000	166,000	436,000
FY 2026 Requested	-	-	-	70,000	-	-	-	166,000	236,000
FY 2027 Requested	-	-	-	70,000	-	-	-	166,000	236,000
FY 2028 Requested	-	-	-	70,000	-	-	-	166,000	236,000
Total	**$ 214,056**	**$ 267,598**	**$ 160,924**	**$ 350,000**	**$ 236,460**	**$ 418,729**	**$ 1,170,980**	**$ 830,000**	**$ 3,277,949**

Organization

The Energy, Research & Innovation area has one team.



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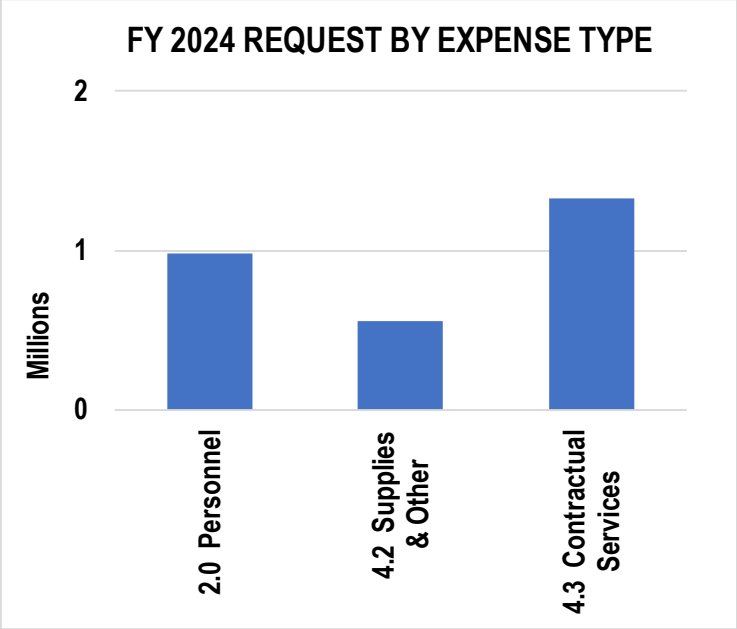
Expense Categories

There are two major categories of Energy, Research, & Innovation and Maintenance Budget as listed below.

- Contractual Services
- Personnel



Contractual Services are the highest expense category for Energy, Research & Innovation. The level of contractual services reflects the decision to contract for services that will help to accomplish the following:

- Implement conservation measures
- Monitor energy consumption
- Assess business decisions for sustainability
- Coordinate research efforts to enhance operational efficiency and resiliency
- Identify and implement the latest advancements in managing water quality

The Energy, Research & Innovation Area is reaching a steady state in staffing. As a result of progress in staff placement, there has been a restructuring of current positions in order to accommodate the higher level of expertise required, to support the day-to-day operational decision-making needs, and to reduce the utilization of contracts. Accordingly, personnel costs are the second highest expense category.

Biennial Budget Request

The biennial budget reflects a decrease of $165,700, or 5.5% for FY 2024. This is a result of the key factors listed below.

- Reduction of FTE count for vacant positions to 0.5 ($51,700).
- Reduction of Capital Outlay less than $5,000 & Memberships, Licenses & Subscriptions (Supplies & Other) to bring in line with anticipated spending ($129,600).
- Increase in Contractual Services budget to align with anticipated spend ($15,600)

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 672,100	$ 1,033,700	$ 402,600	**$ 982,000**	**$ (51,700)**	**-5.0%**	$ 1,182,700
4.2 Supplies & Other	471,900	688,200	265,200	**558,600**	**(129,600)**	**-18.8%**	564,600
4.3 Contractual Services	1,242,600	1,311,000	436,100	**1,326,600**	**15,600**	**1.2%**	1,394,200
Grand Total	**$ 2,386,600**	**$ 3,032,900**	**$ 1,103,900**	**$ 2,867,200**	**$ (165,700)**	**-5.5%**	**$ 3,141,500**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Energy, Research & Innovation	$ 2,386,600	$ 3,032,900	$ 1,103,900	**$ 2,867,200**	**$ (165,700)**	**-5.5%**	$ 3,141,500
Grand Total	**$ 2,386,600**	**$ 3,032,900**	**$ 1,103,900**	**$ 2,867,200**	**$ (165,700)**	**-5.5%**	**$ 3,141,500**

Personnel Budget

Energy, Research & Innovation personnel consists of 9 positions for FY 2024 and is largely comprised of staffing that will provide ongoing monitoring of developments to allow new research priorities to be set and phase out topics that are no longer relevant. Research and innovation are essential pillars of a promising future strategy for shaping energy supplies of tomorrow.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Energy, Research & Innovation	**7.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Energy, Research & Innovation	**7.00**	**8.25**	**7.50**	**9.00**	**9.00**	**9.00**	**9.00**

Personnel Budget - The following tables present the Energy, Research and Innovation personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents

table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 521,200	$ 766,300	$ 299,200	**$ 751,400**	**$ (14,900)**	**-1.9%**	$ 903,700
2.2 Workforce Development	1,500	20,000	16,100	**-**	**(20,000)**	**-100.0%**	-
2.4 Employee Benefits	149,400	247,400	87,300	**230,600**	**(16,800)**	**-6.8%**	279,000
Grand Total	**$ 672,100**	**$ 1,033,700**	**$ 402,600**	**$ 982,000**	**$ (51,700)**	**-5.0%**	**$ 1,182,700**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Energy, Research & Innovation	$ 672,100	$ 1,033,700	$ 402,600	**$ 982,000**	**$ (51,700)**	**-5.0%**	$ 1,182,700
Grand Total	**$ 672,100**	**$ 1,033,700**	**$ 402,600**	**$ 982,000**	**$ (51,700)**	**-5.0%**	**$ 1,182,700**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 521,200	$ 766,300	**$ 751,400**	$ 903,700	$ 903,700	$ 903,700	$ 903,700
2.2 Workforce Development	1,500	20,000					
2.4 Employee Benefits	149,400	247,400	**230,600**	279,000	280,900	282,800	284,700
Grand Total	**$ 672,100**	**$ 1,033,700**	**$ 982,000**	**$ 1,182,700**	**$ 1,184,600**	**$ 1,186,500**	**$ 1,188,400**

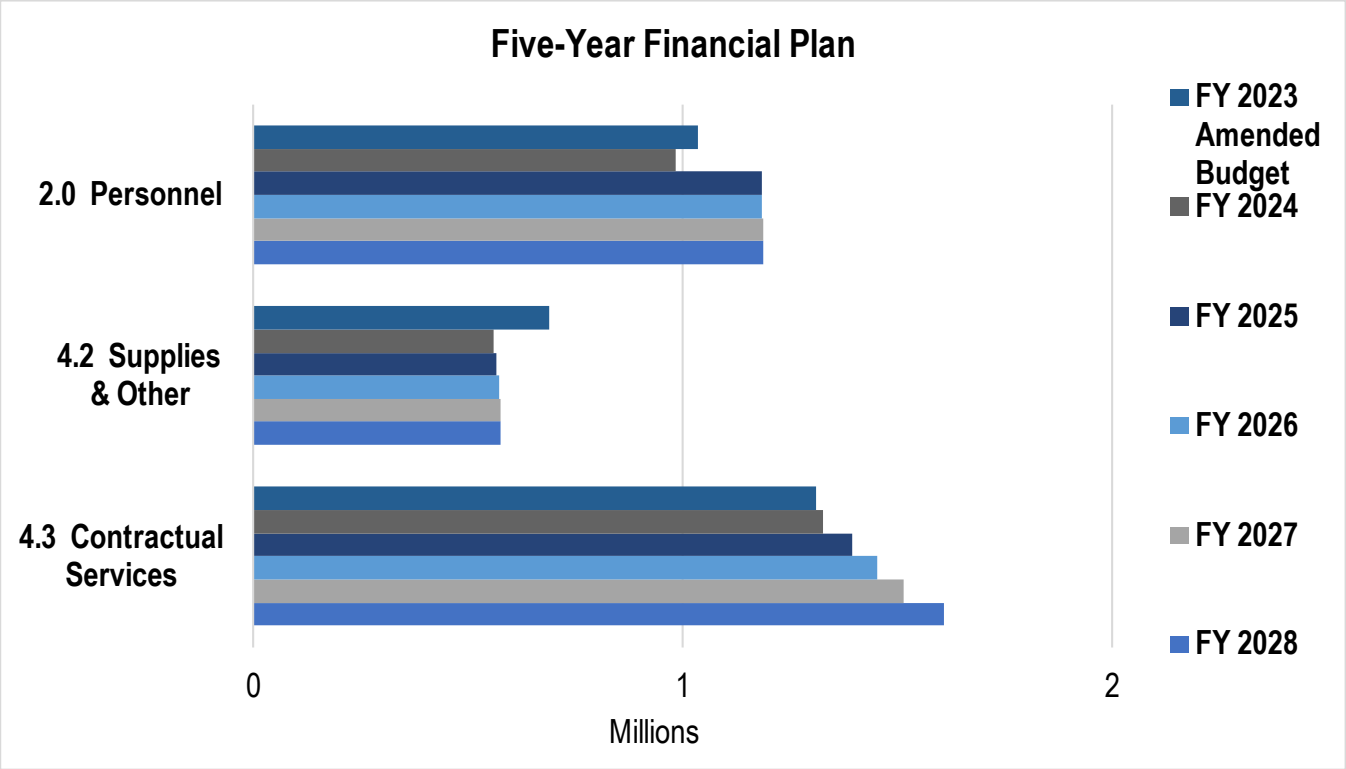
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Energy, Research & Innovation	$ 672,100	$ 1,033,700	**$ 982,000**	$ 1,182,700	$ 1,184,600	$ 1,186,500	$ 1,188,400
Grand Total	**$ 672,100**	**1,033,700**	**$ 982,000**	**$ 1,182,700**	**$ 1,184,600**	**$ 1,186,500**	**$ 1,188,400**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 672,100	$ 1,033,700	**$ 982,000**	$ 1,182,700	$ 1,184,600	$ 1,186,500	$ 1,188,400
4.2 Supplies & Other	471,900	688,200	**558,600**	564,600	570,600	575,600	575,600
4.3 Contractual Services	1,242,600	1,311,000	**1,326,600**	1,394,200	1,452,800	1,513,400	1,607,000
Grand Total	**$ 2,386,600**	**$ 3,032,900**	**$ 2,867,200**	**$ 3,141,500**	**$ 3,208,000**	**$ 3,275,500**	**$ 3,371,000**

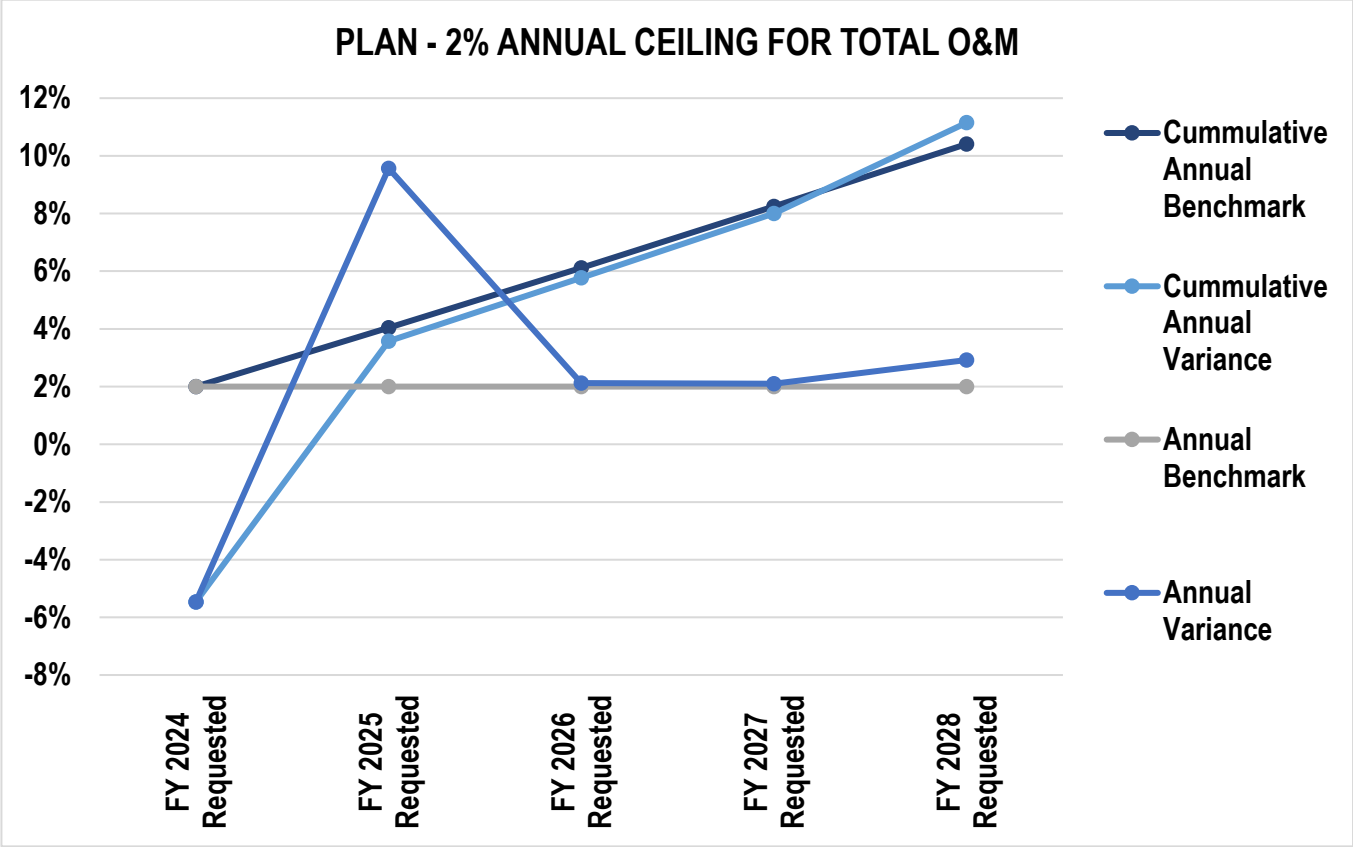


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Energy, Research & Innovation	$ 2,386,600	$ 3,032,900	**$ 2,867,200**	$ 3,141,500	$ 3,208,000	$ 3,275,500	$ 3,371,000
Grand Total	**$ 2,386,600**	**3,032,900**	**$ 2,867,200**	**$ 3,141,500**	**$ 3,208,000**	**$ 3,275,500**	**$ 3,371,000**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Energy, Research & Innovation Group's financial plan reflects a five-year overall increase of 11.1%, which is slightly above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Energy, Research & Innovations five-year capital outlay plan is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Building/Structures	**$ 75,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Building/Structures Improvement	75,000	-	-	-	-	-
Machinery & Equipment	**155,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**
Controls & Communication	155,000	-	-	-	-	-
Flow Measuring & Meters	-	200,000	200,000	200,000	200,000	200,000
Grand Total	**$ 230,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 198,300	$ 230,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Grand Total	**$ 198,300**	**$ 230,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**

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Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Energy, Research & Innovation	$ 198,300	$ 230,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Grand Total	**$ 198,300**	**$ 230,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882501 - Energy, Research & Innovation	**$ 2,386,600**	**$ 3,032,900**	**$ 2,867,200**	**$ 3,141,500**	**$ 3,208,000**	**$ 3,275,500**	**$ 3,371,000**
2.1 Salaries & Wages	**521,200**	**766,300**	**751,400**	**903,700**	**903,700**	**903,700**	**903,700**
2.2 Workforce Development	**1,500**	**20,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**149,400**	**247,400**	**230,600**	**279,000**	**280,900**	**282,800**	**284,700**
4.2 Supplies & Other	**471,900**	**688,200**	**558,600**	**564,600**	**570,600**	**575,600**	**575,600**
Capital Outlay less than $5,000	12,500	170,000	50,000	50,000	50,000	50,000	50,000
Memberships, Licenses & Subscriptions	388,100	423,100	406,000	406,000	406,000	406,000	406,000
Mileage and Parking	700	2,000	2,000	2,000	2,000	2,000	2,000
Office Supplies	3,700	7,100	7,100	7,100	7,100	7,100	7,100
Operating Supplies	34,900	50,000	55,000	60,000	65,000	70,000	70,000
Postage	1,200	-	1,500	1,500	1,500	1,500	1,500
Supplies & Other - Covid19	300	-	-	-	-	-	-
Training and Internal Meetings	13,700	20,000	20,000	20,000	20,000	20,000	20,000
Travel	16,800	16,000	17,000	18,000	19,000	19,000	19,000
4.3 Contractual Services	**1,242,600**	**1,311,000**	**1,326,600**	**1,394,200**	**1,452,800**	**1,513,400**	**1,607,000**
Grand Total	**$ 2,386,600**	**$ 3,032,900**	**$ 2,867,200**	**$ 3,141,500**	**$ 3,208,000**	**$ 3,275,500**	**$ 3,371,000**

Transformation

The Transformation area is a group of experts in Lean and Six Sigma methods and techniques. Transformation partners with business leaders across GLWA to identify and execute process improvements and cost savings projects for safety, operations, management, planning and reporting functions.

- Lean – A systematic method for waste reduction or waste elimination within a system or process without sacrificing quality or productivity.
- Six Sigma – A disciplined, data driven methodology for identifying and eliminating variation and removing the causes of defects in any manufacturing or business process.

Mission: The mission of Transformation is to develop a culture throughout the organization that cultivates the cycle of Continuous Improvement and Lean Six Sigma methodology by first respecting people, increasing understanding of our current state, providing meaningful training, and working to empower, engage, and inspire team members.

Vision: The vision of Transformation is to create and maintain a safe working environment, be leaders who lead by example, and empower those we work alongside. Through internal partnerships within the organization, we will construct a framework that is built upon Lean Six Sigma structured tools that deliver financial and operational results, reduce risks, improve processes, and identify cost savings opportunities by reducing or eliminating waste.

Strategic Initiatives

- **5S Workplace Organization & Audit for Compliance Initiative (Ongoing)**
  The goal of Transformation is to partner with all areas and groups of the organization to make GLWA's work areas function better by making the areas easier and safer places to work. This occurs by making spaces make sense; tools and materials are placed in logical locations based on who needs them, how frequently they're needed, and other considerations such as safety and location. Over time, cleaning and organization become habits and processes become more efficient. Each area that has completed a 5S project begins an audit for compliance process to sustain all the gains made during the project.
- **Process Improvement/Kaizen (Ongoing)**
  Small increments of good change across the organization will reap huge benefits and returns. The objective of Kaizen is to improve productivity, reduce waste, eliminate unnecessary hard work and refine the workplace, while boosting team member morale.
- **Root Cause Analysis/Practical Methods & Techniques for Solving Problems (Ongoing)**
  The Transformation team has been working with various areas, groups, and teams to identify the root cause(s) of many problems team members face on a regular basis. Transformation helps teams systematically find permanent solutions so that the possibility of future reoccurrence is eliminated or greatly reduced. Teaching Root Cause Analysis (RCA) tools and techniques helps develop a logical approach to solving problems. RCA also helps GLWA to

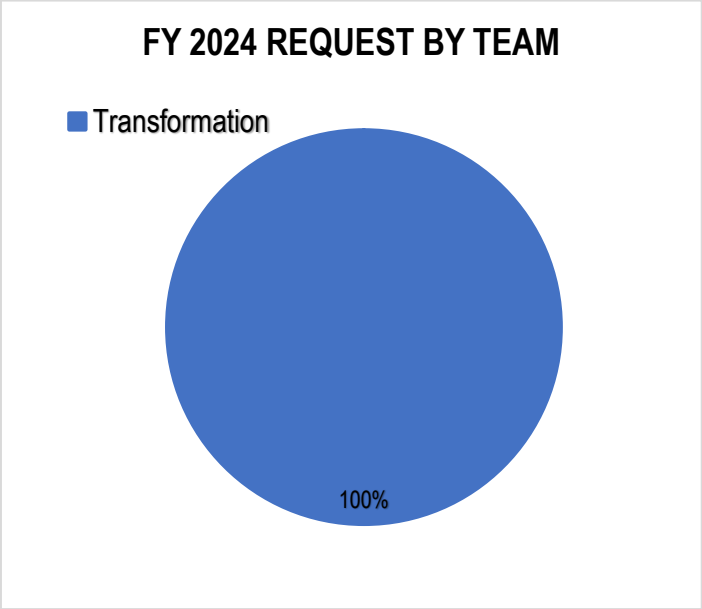
repeat successes learned through this analysis that can be shared across the organization creating a more effective and efficient work environment.

The table below shows how the Transformation area's initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
General Counsel Strategic Initiatives	5S Workplace Organization & Audit for Compliance Initiative (Enterprise Wide Initiative)		x	x	x	x	x	x		x		
	Process Improvement / Kaizen (Small Increments Of Good Change)		x	x		x	x	x				
	Root Cause Analysis/Practical Methods & Techniques for Solving Problems		x	x	x	x	x	x				

Organization

The Transformation area has one team.



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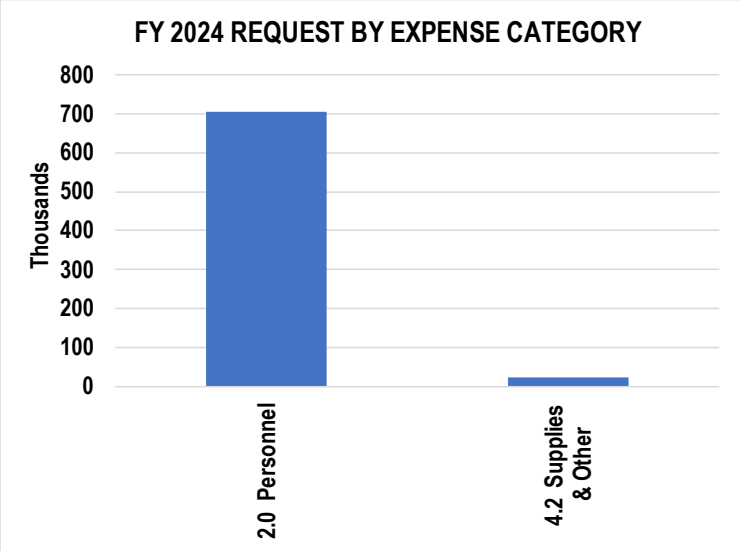
Expense Categories

The Transformation area consists of two expense categories:

- Personnel
- Supplies & Other

Based upon the nature of this service area, the highest category of expense is salaries. Supplies & Other includes operating supplies and training.



Biennial Budget Request

The biennial budget reflects a decrease of $47,900, or 6.2%, in FY 2024.

- Personnel: Conversion of one contractor to team member and reduction of budgeted amounts for unfilled contract positions. ($48,300)
- Slight increase in Supplies and Other budgets ($400)

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 590,400	$ 754,400	$ 325,300	**$ 706,100**	**$ (48,300)**	**-6.4%**	$ 706,500
4.2 Supplies & Other	500	21,500	4,400	**21,900**	**400**	**1.9%**	22,400
Grand Total	**$ 590,900**	**$ 775,900**	**$ 329,700**	**$ 728,000**	**$ (47,900)**	**-6.2%**	**$ 728,900**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Transformation	$ 590,900	$ 775,900	$ 329,700	**$ 728,000**	**$ (47,900)**	**-6.2%**	$ 728,900
Grand Total	**$ 590,900**	**$ 775,900**	**$ 329,700**	**$ 728,000**	**$ (47,900)**	**-6.2%**	**$ 728,900**

Personnel Budget

The staffing plan provides for a of 5 total positions beginning in FY 2024. The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan – The table on the following page presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Transformation	7.00	5.00	5.00	5.00	5.00	5.00	5.00

Full Time Equivalents – The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are consistent.

Full Time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Transformation	6.25	5.00	5.00	5.00	5.00	5.00	5.00

Personnel Budget - The following tables present the Transformation personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 133,700	$ 132,100	$ 105,500	$ 222,800	$ 90,700	68.7%	$ 222,800
2.4 Employee Benefits	34,800	37,200	27,200	65,500	28,300	76.1%	65,900
2.5 Transition Services	421,900	585,100	192,600	417,800	(167,300)	-28.6%	417,800
Grand Total	**$ 590,400**	**$ 754,400**	**$ 325,300**	**$ 706,100**	**$ (48,300)**	**-6.4%**	**$ 706,500**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Transformation	$ 590,400	$ 754,400	$ 325,300	**$ 706,100**	**$ (48,300)**	**-6.4%**	$ 706,500
Grand Total	**$ 590,400**	**$ 754,400**	**$ 325,300**	**$ 706,100**	**$ (48,300)**	**-6.4%**	**$ 706,500**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 133,700	$ 132,100	**$ 222,800**	$ 222,800	$ 222,800	$ 222,800	$ 222,800
2.4 Employee Benefits	34,800	37,200	**65,500**	65,900	66,400	66,800	67,200
2.5 Transition Services	421,900	585,100	**417,800**	417,800	417,800	417,800	417,800
Grand Total	**$ 590,400**	**$ 754,400**	**$ 706,100**	**$ 706,500**	**$ 707,000**	**$ 707,400**	**$ 707,800**

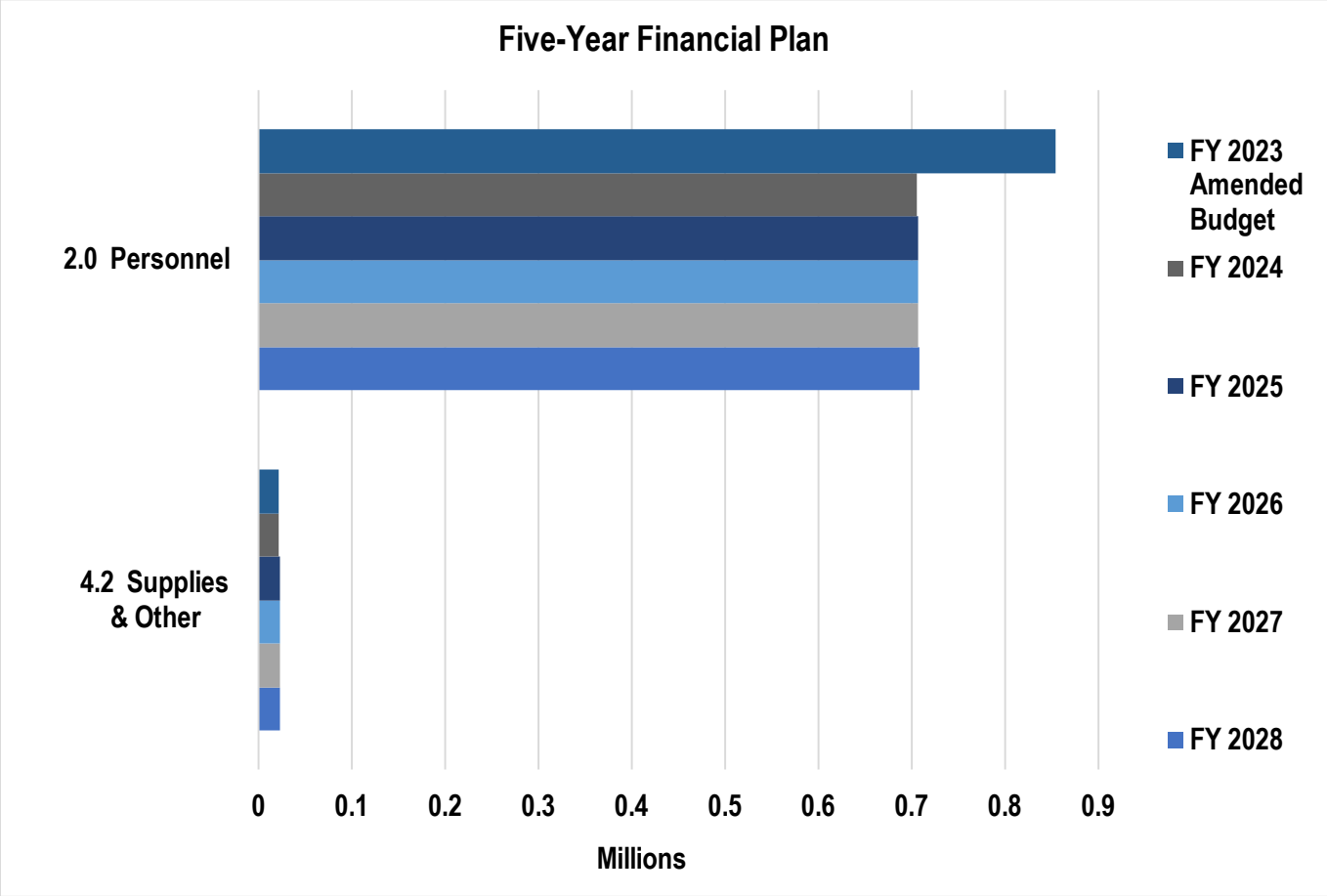
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Transformation	$ 590,400	$ 754,400	**$ 706,100**	$ 706,500	$ 707,000	$ 707,400	$ 707,800
Grand Total	**$ 590,400**	754,400	**$ 706,100**	**$ 706,500**	**$ 707,000**	**$ 707,400**	**$ 707,800**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 590,400	$ 754,400	**$ 706,100**	$ 706,500	$ 707,000	$ 707,400	$ 707,800
4.2 Supplies & Other	500	21,500	**21,900**	22,400	22,700	23,300	23,300
Grand Total	**$ 590,900**	**$ 775,900**	**$ 728,000**	**$ 728,900**	**$ 729,700**	**$ 730,700**	**$ 731,100**



Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Transformation	$ 590,900	$ 775,900	**$ 728,000**	$ 728,900	$ 729,700	$ 730,700	$ 731,100
Grand Total	**$ 590,900**	**775,900**	**$ 728,000**	**$ 728,900**	**$ 729,700**	**$ 730,700**	**$ 731,100**

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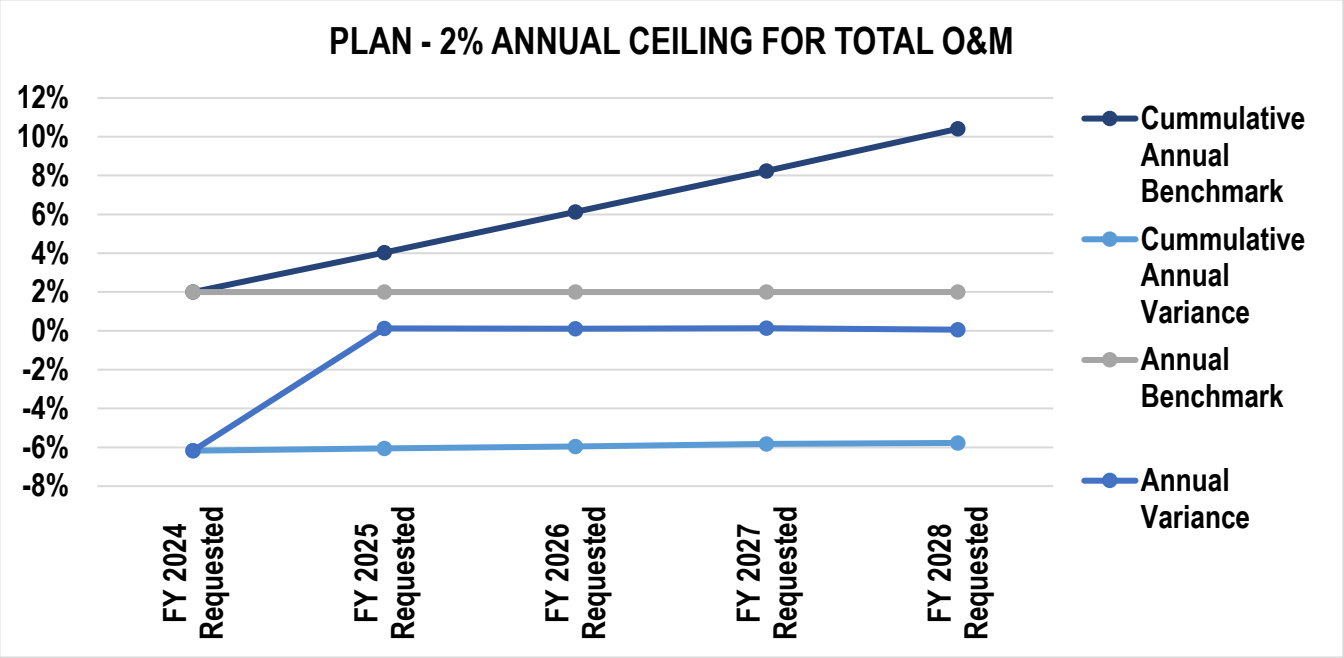
Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Transformation area's financial plan reflects a five-year overall decrease of 5.8% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the Transformation area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
882511 - Transformation	$ 590,900	$ 775,900	$ 728,000	$ 728,900	$ 729,700	$ 730,700	$ 731,100
2.1 Salaries & Wages	133,700	132,100	222,800	222,800	222,800	222,800	222,800
2.4 Employee Benefits	34,800	37,200	65,500	65,900	66,400	66,800	67,200
2.5 Transition Services	421,900	585,100	417,800	417,800	417,800	417,800	417,800
4.2 Supplies & Other	500	21,500	21,900	22,400	22,700	23,300	23,300
Memberships, Licenses & Subscriptions	400	2,000	2,100	2,100	2,200	2,200	2,200
Mileage and Parking	-	500	500	500	500	600	600
Office Supplies	100	1,000	1,000	1,100	1,100	1,100	1,100
Operating Supplies	-	10,000	10,200	10,400	10,600	10,900	10,900
Training and Internal Meetings	-	5,000	5,100	5,200	5,200	5,300	5,300
Travel	-	3,000	3,000	3,100	3,100	3,200	3,200
Grand Total	$ 590,900	$ 775,900	$ 728,000	$ 728,900	$ 729,700	$ 730,700	$ 731,100

Information Technology

A center of excellence that provides reliable, contemporary, and integrated technology to support and facilitate teaching, learning, research, and service for GLWA.

The Information Technology Group is leading GLWA in several strategic initiatives.

- **Enterprise Asset Management (EAM) (Completion by second quarter FY 2025)**
  The current EAM system (WAM) is on extended vendor support and no longer meets the growing needs of our organization. In FY 2022, GLWA selected a new EAM (NEXGEN) and initiated the discovery and planning phases of the project. In FY 2023, project activities including completion of system planning and much of configuration will continue to prepare for the planned go-live in FY 2025. New GIS applications will continue to be developed to support CIP, engineering, and operations, as well as begin Utility Network implementation.
- **Enterprise Resource Planning (ERP) (Completion by first quarter of FY 2025)**
  As the organization matures, the current Human Resources (HR) and Finance systems (Ceridian & BS&A, respectively) that were implemented during the stand-up of GLWA no longer meet our growing needs. Workday was selected to replace these systems and fully integrate HR, Finance, Procurement, and reporting functions across the enterprise. Workday will leverage best practices to increase efficiency and effectiveness in reporting and operations and ensure that proper controls and procedures are followed. In FY 2023, core HR modules (Human Capital Management, Payroll, and Time Tracking) will be configured for the planned go-live in FY 2024. Also, modules to support all enterprise financial functions and a new budgeting system will be configured in anticipation of a go- live at the end of FY 24.
- **Data Center Modernization Program (Completion by end of FY 2025)**
  A multiyear roadmap has been created to mitigate risks and provide infrastructure resiliency by building a sustainable, secure, compliant, robust, and reliable IT infrastructure as the foundation to support GLWA's core enterprise technology needs. In FY 2021, the data center systems and hardware were upgraded to a modern and secure environment. In FY 2022, a backup platform was put in place to secure our Microsoft Office 365 environment in an offsite location in the cloud. Another significant accomplishment was the deployment of a more robust and proactive threat protection software on all windows-based end user devices and servers. In FY 2023, the VMware Cloud Disaster Recovery (VCDR) SaaS Solution will be implemented to provide automated failover to a cloud-based disaster recovery site in the event of a system or site failure. Also, a comprehensive cloud Backup as a Service (BaaS) solution will be completed. In FY24, an advanced threat Network Detection and Response (NDR) system which creates a feed of security alerts that will identify suspicious network activity. Other projects slated for FY24 include the replacement of core network devices that have aged out and a migration and modernization which will improve network resiliency. Some components of the Data Center Modernization Program will be funded through the Improvement & Extension Fund budget as they are related to implementation, physical hardware, and software items. The remaining components are subscription related and other cloud services which will be funded from through IT's Operations & Maintenance budget. Details are shown in the Capital Outlay section of this document.

❖ **Shared Services**

The dollar amount of shared services reimbursement from DWSD will drastically reduce by $3,200 which is a 3.6% reduction in FY 2024. There are three IT shared services agreements still in place.

The following table shows how the Information Technology Area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Information Technology Strategic Initiatives	Enterprise Asset Management (EAM)		x		x	x	x		x			x
	Enterprise Resource Planning (ERP)		x		x	x	x				x	
	Data Center Modernization				x	x	x					
	Shared Services				x	x	x	x		x		x

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Information Technology Contracts

The Information Technology (IT) budget contains most IT-related costs used throughout GLWA. This includes software and hardware purchases, subscriptions for cloud-based solutions, hardware and software maintenance, and contracted services to support GLWA's IT platforms. The largest expense category is Telecom, Managed Security & Network Services, due to an annual contract with AT&T who operates, updates, and maintains the wide area network, local area network, phone services, internet, and managed network security. In the table below are the key contracts for these services.

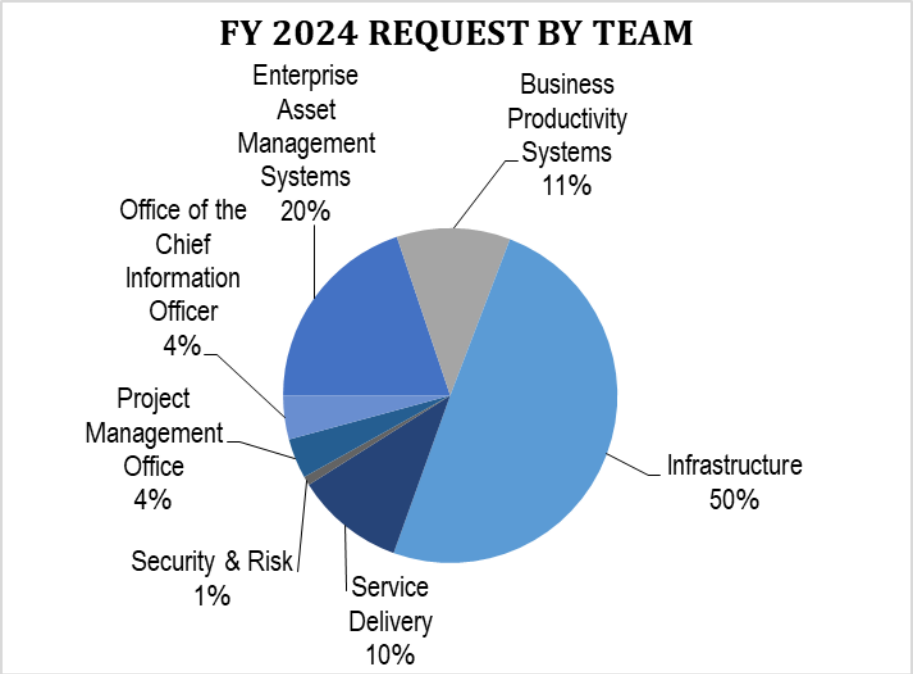
Significant Contracts

Project Description	Telecom, Managed Security & Networks	Telecom, Managed Security & Networks	Disaster Recovery Services	Repair & Maint Software/ Contractual Op Svcs	Professional Services	Repairs & Maintenance - Software	Professional Services	Professional Services	Total of Significant Contracts
Prime Consultant or Supplier	AT&T	Verizon	VMWARE Cloud Disaster Recovery as a Service	ERP Subscription - Workday	Magnolia River GIS Strategic Services	EAM Subscription- NEXGEN	DXC - WAM	Human Resources Information Systems	
Software Type	N/A	N/A	Subscription	Subscription	N/A	Subscription	N/A	Subscription	
Contract #	CS-1689	1801674	2200346	2000274-2	1901592	1904219-2	CS-119	1803978	
Contract Amount	$ 60,000,000	$ 500,000	$ 1,605,755	$ 6,265,747	$ 2,300,000	$ 1,731,624	$ 7,000,000	$ 3,603,091	
Contract End Date	TBD	TBD	5/8/2025	5/31/2030	08/31/25	11/20/2028	06/30/22	12/05/24	
Cost Center Name	Infrastructure	IT Service Delivery	Infrastructure	IT Business Applications	IT Enterprise Applications	IT Enterprise Applications	IT Enterprise Applications	IT Business Applications	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2022 Spend	$ 34,272,962	$ 1,348,000	$ -	$ -	$ 1,170,571	$ -	$ 7,716,258	$ 531,028	$ 45,038,819
Pre-FY 2022 Average Spend (*)	$ 11,424,321	$ 449,333	$ -	-	$ 390,190	-	$ 2,572,086	$ 514,125	15,750,055
FY 2022 Spend	10,323,027	516,882	1,477,625	411,506	242,515	-	1,829,192	$ 497,222	15,297,969
FY 2023 Budget	13,789,500	552,200	408,000	1,530,000	765,000	440,000	2,500,000	438,600	20,423,300
FY 2024 Requested	**14,065,200**	**600,000**	**416,100**	**748,600**	**350,000**	**440,000**	**2,550,000**	**447,300**	**19,617,200**
FY 2025 Requested	14,346,500	612,000	424,400	766,900	350,000	440,000	2,601,000	456,200	19,997,000
FY 2026 Requested	14,633,400	628,000	432,900	785,600	350,000	440,000	2,653,000	465,300	20,388,200
FY 2027 Requested	14,926,100	645,000	441,600	799,500	350,000	440,000	2,653,000	474,600	20,729,800
FY 2027 Requested	15,224,600	665,000	450,400	813,700	350,000	-	-	484,100	17,987,800
Total	**$131,581,289**	**$ 5,567,082**	**$ 4,051,025**	**$ 5,855,806**	**$ 3,928,086**	**$ 2,200,000**	**$ 22,502,450**	**$ 3,794,350**	**$179,480,088**

Go to TOC

Organization

The GLWA Information Technology (IT) Group consists of seven teams.



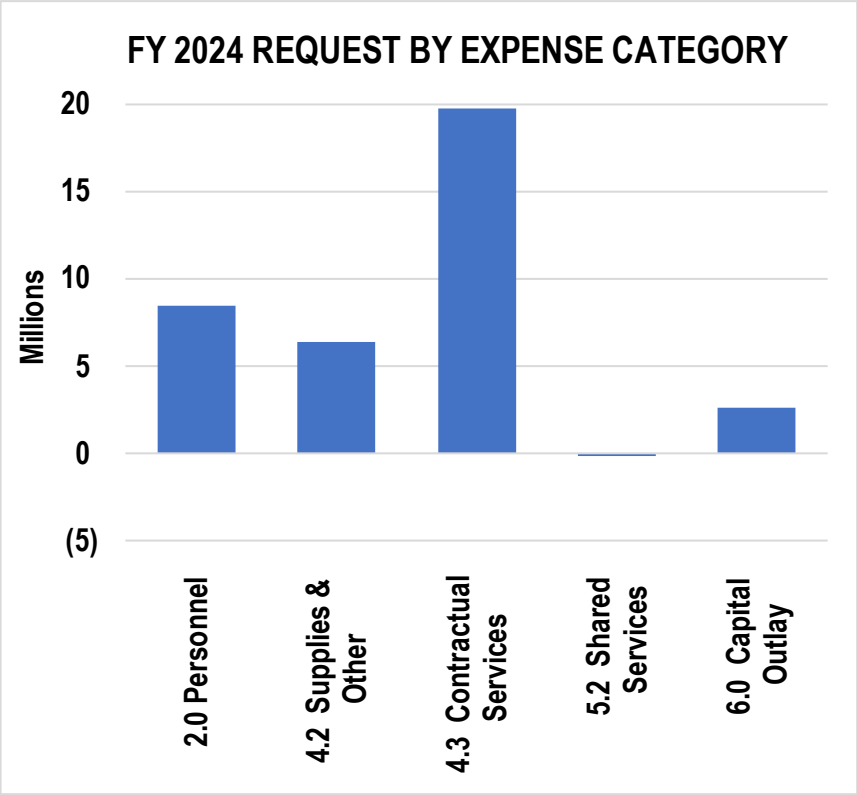
- **Office of the Chief Information Officer**
  Provides strategic direction and administrative support for all IT functions.
- **Project Management Office**
  Fosters collaboration, support and oversees the execution of technology initiatives.
- **Security & Risk**
  Responsible for deploying security solutions and monitoring our network, systems, and users to secure GLWA's systems and data from cyber threats.
- **Infrastructure**
  Manages the information technology (IT) components that provide the technology backbone for the organization including data center operations, data storage, systems administration, telecommunications, network administration, backups, and disaster recovery.
- **Enterprise Asset Management Systems**
  Supports all asset management-related software which facilitates operations, maintenance, and capital planning of GLWA's assets. These services include Business Intelligence (BI), Geographic Information System (GIS), and Enterprise Asset Management (EAM).
- **Business Productivity Systems**
  Leads the development and support of all customer-facing "back office" applications common to all team members including financial and human resource systems, websites/portals, office productivity systems, and electronic document management.
- **Service Delivery** – Provides frontline service and support to all team members and is responsible for deployment and support of all assigned computing and mobile devices and printers.

Expense Categories

There are five categories of Information Technology expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services
- Shared Services
- Capital Outlay

Contractual Services is the highest expense category for FY 2024. Included in this account are the budgets for Telecom Managed Security & Network Services, Data Center Modernization, and GIS Strategic Services and Support.



Biennial Budget Request

The biennial budget reflects an overall decrease of $502,300, or a 1.3% decrease in FY 2024.

- The personnel account is decreasing by $138,400 in FY 2024 due to a reduction in full-time equivalents of one Administrative Specialist position on the Service Delivery team and three Application Analysts positions on the Business Productivity Systems team.
- The supplies & other account is decreasing by $15,300 in FY 2024 due to a need assessment for Oracle Database Licensing. We right sized because we had reduced need for number of users and licensing line items.
- The contractual services account is decreasing by $179,200 in FY 2024 for contractual support staff. Systems support and subscriptions related to the need to continue to support WAM projected to decrease as we move toward the GO-Live of the new EAM system and ERP enterprise projects. The other factors include right sizing contractual support for Smart Water Technology, Trimble University Implementation, Magnolia Rivers, and GIS OnDemand Support.
- The shared service reimbursements will decrease by $3,200 due to some shared services agreements ending on July 1, 2022. There are three service agreements continuing in a capacity to better reflect the IT services GLWA provides to DWSD.

- The capital outlay account is decreasing by $166,200 in FY 2024 due to replacing Symantec Endpoint Protection with newer technology that is implemented through budget infrastructure.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 7,210,400	$ 8,567,400	$ 3,904,200	**$ 8,429,000**	**$ (138,400)**	**-1.6%**	$ 9,087,800
4.2 Supplies & Other	4,986,300	6,398,600	3,041,000	**6,383,300**	**(15,300)**	**-0.2%**	7,057,800
4.3 Contractual Services	20,524,600	19,935,900	8,639,800	**19,756,700**	**(179,200)**	**-0.9%**	20,526,300
5.2 Shared Services	(1,066,000)	(160,000)	45,600	**(163,200)**	**(3,200)**	**2.0%**	(166,400)
6.0 Capital Outlay	622,800	2,814,500	298,000	**2,648,300**	**(166,200)**	**-5.9%**	2,691,000
Grand Total	**$ 32,278,100**	**$ 37,556,400**	**$ 15,928,600**	**$ 37,054,100**	**$ (502,300)**	**-1.3%**	**$ 39,196,500**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Office of the CIO	$ 1,036,300	$ 1,293,200	$ 671,800	**1,565,900**	**$ 272,700**	**21.1%**	$ 1,741,400
Project Management Office	1,334,200	1,344,400	740,700	**1,431,500**	**87,100**	**6.5%**	1,434,500
Service Delivery	3,243,900	3,779,100	1,542,500	**3,909,400**	**130,300**	**3.4%**	4,028,900
Infrastructure	19,031,100	18,364,400	8,158,600	**18,404,800**	**40,400**	**0.2%**	18,718,000
Business Productivity Systems	2,340,700	4,018,200	1,242,200	**4,077,900**	**59,700**	**1.5%**	4,501,400
Enterprise Asset Management Systems	5,211,500	8,328,300	3,466,200	**7,344,400**	**(983,900)**	**-11.8%**	8,358,500
Security & Risk	80,400	428,800	106,600	**320,200**	**(108,600)**	**-25.3%**	413,800
Grand Total	**$ 32,278,100**	**$ 37,556,400**	**15,928,600**	**37,054,100**	**(502,300)**	**-1.3%**	**$ 39,196,500**

Personnel Budget

Information Technology personnel consists of 78 positions for FY 2024 which is the same as FY 2023. There is one addition position in the Product Management Office team and one reduction in position in the Business Productivity Services team.

The Information Technology Group is currently exploring an apprenticeship program that may add up to 3 FTEs depending on the identified need. Because of the preliminary nature of this opportunity, this additional headcount has not been reflected in the staffing plan counts below.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Information Technology	**75.00**	**78.00**	**78.00**	**78.00**	**78.00**	**78.00**	**78.00**
Office of the CIO	4.00	7.00	7.00	7.00	7.00	7.00	7.00
Project Management Office	10.00	10.00	11.00	11.00	11.00	11.00	11.00
Service Delivery	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Infrastructure	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Enterprise Asset Management Systems	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Business Productivity Systems	13.00	13.00	12.00	12.00	12.00	12.00	12.00
Security & Risk	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Information Technology	**74.50**	**74.50**	**71.50**	**77.50**	**77.50**	**77.50**	**77.50**
Office of the CIO	4.00	4.75	6.00	7.00	7.00	7.00	7.00
Project Management Office	10.00	10.00	11.00	11.00	11.00	11.00	11.00
Service Delivery	15.00	15.00	14.00	15.00	15.00	15.00	15.00
Infrastructure	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Enterprise Asset Management Systems	16.50	16.25	16.00	16.50	16.50	16.50	16.50
Business Productivity Systems	13.00	13.00	9.50	12.00	12.00	12.00	12.00
Security & Risk	3.00	2.50	2.00	3.00	3.00	3.00	3.00

Personnel Budget - The following tables present the Information Technology personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 5,524,800	$ 6,370,200	$ 2,997,200	**$ 6,373,100**	**$ 2,900**	**0.0%**	$ 6,852,700
2.3 Overtime	200	-	300		**-**	**0.0%**	-
2.4 Employee Benefits	1,685,400	2,107,000	906,700	**2,055,900**	**(51,100)**	**-2.4%**	2,235,100
2.5 Transition Services	-	90,200	-		**(90,200)**	**-100.0%**	-
Grand Total	**$ 7,210,400**	**$ 8,567,400**	**$ 3,904,200**	**$ 8,429,000**	**$ (138,400)**	**-1.6%**	**$ 9,087,800**

Personnel - Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Office of the CIO	$ 584,500	$ 658,100	$ 413,500	**$ 913,600**	**$ 255,500**	**38.8%**	$ 1,076,000
Project Management Office	1,318,500	1,315,300	728,400	**1,401,900**	**86,600**	**6.6%**	1,404,300
Service Delivery	1,192,400	1,340,000	636,500	**1,283,200**	**(56,800)**	**-4.2%**	1,350,300
Infrastructure	1,398,200	1,520,900	726,700	**1,528,500**	**7,600**	**0.5%**	1,531,300
Business Productivity Systems	895,200	1,597,400	381,200	**1,103,000**	**(494,400)**	**-31.0%**	1,369,500
Enterprise Asset Management Systems	1,741,200	1,775,500	911,300	**1,906,800**	**131,300**	**7.4%**	1,971,400
Security & Risk	80,400	360,200	106,600	**292,000**	**(68,200)**	**-18.9%**	385,000
Grand Total	**$ 7,210,400**	**$ 8,567,400**	**$ 3,904,200**	**$ 8,429,000**	**$ (138,400)**	**-1.6%**	**$ 9,087,800**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 5,524,800	$ 6,370,200	**$ 6,373,100**	$ 6,852,700	$ 6,852,700	$ 6,852,700	$ 6,852,700
2.3 Overtime	200	-	**-**	-	-	-	-
2.4 Employee Benefits	1,685,400	2,107,000	**2,055,900**	2,235,100	2,251,400	2,268,000	2,284,600
2.5 Transition Services	-	90,200	**-**	-	-	-	-
Grand Total	**$ 7,210,400**	**$ 8,567,400**	**$ 8,429,000**	**$ 9,087,800**	**$ 9,104,100**	**$ 9,120,700**	**$ 9,137,300**

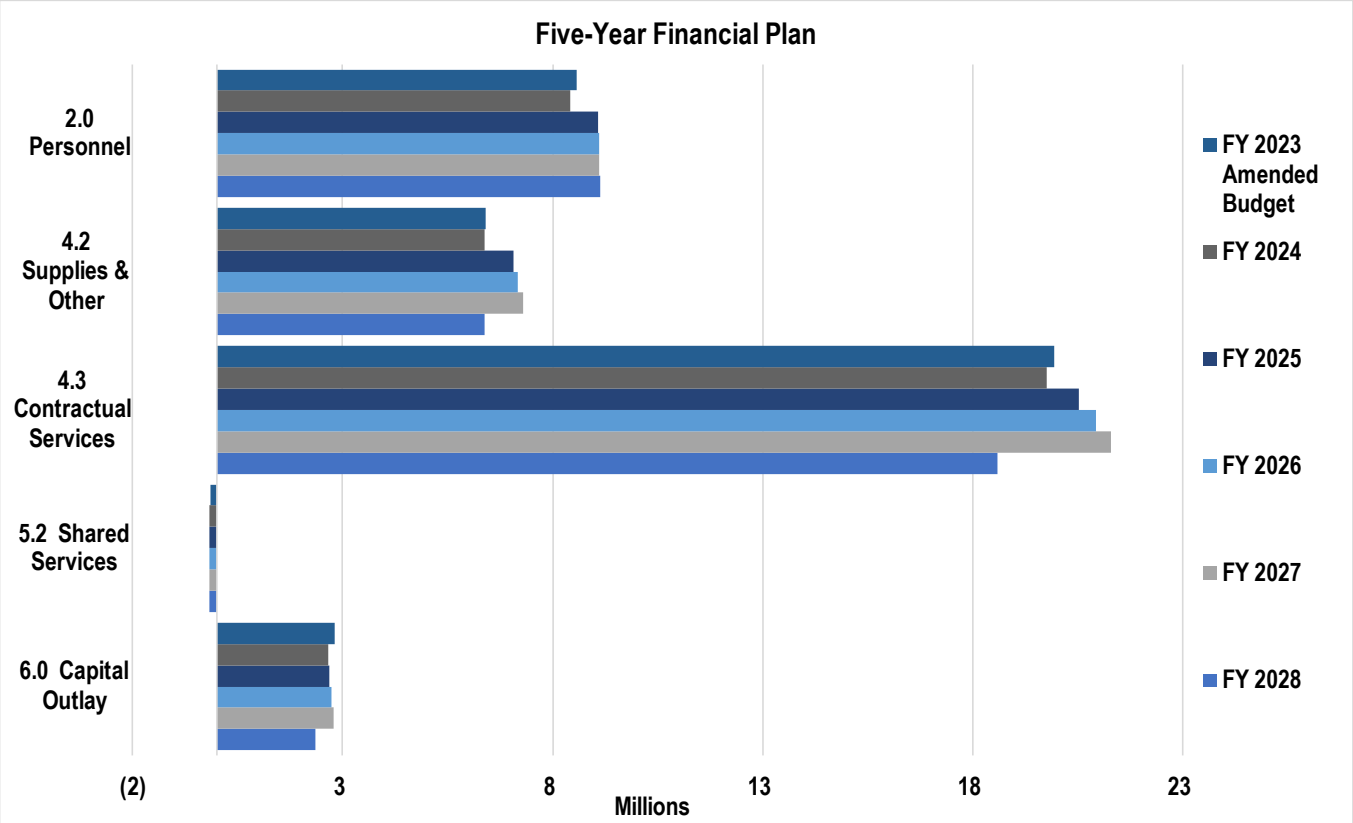
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Office of the CIO	$ 584,500	$ 658,100	**$ 913,600**	$ 1,076,000	$ 1,077,500	$ 1,079,000	$ 1,080,500
Project Management Office	1,318,500	1,315,300	**1,401,900**	1,404,300	1,406,600	1,409,000	1,411,300
Service Delivery	1,192,400	1,340,000	**1,283,200**	1,350,300	1,353,400	1,356,600	1,359,800
Infrastructure	1,398,200	1,520,900	**1,528,500**	1,531,300	1,534,000	1,536,800	1,539,600
Business Productivity Systems	895,200	1,597,400	**1,103,000**	1,369,500	1,372,100	1,374,600	1,377,200
Enterprise Asset Management Systems	1,741,200	1,775,500	**1,906,800**	1,971,400	1,974,900	1,978,400	1,982,000
Security & Risk	80,400	360,200	**292,000**	385,000	385,600	386,300	386,900
Grand Total	**$ 7,210,400**	**$ 8,567,400**	**$ 8,429,000**	**$ 9,087,800**	**$ 9,104,100**	**$ 9,120,700**	**$ 9,137,300**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 7,210,400	$ 8,567,400	**$ 8,429,000**	$ 9,087,800	$ 9,104,100	$ 9,120,700	$ 9,137,300
4.2 Supplies & Other	4,986,300	6,398,600	**6,383,300**	7,057,800	7,163,100	7,287,800	6,369,200
4.3 Contractual Services	20,524,600	19,935,900	**19,756,700**	20,526,300	20,933,300	21,306,500	18,583,800
5.2 Shared Services	(1,066,000)	(160,000)	**(163,200)**	(166,400)	(169,700)	(173,000)	(176,400)
6.0 Capital Outlay	622,800	2,814,500	**2,648,300**	2,691,000	2,734,900	2,779,100	2,357,700
Grand Total	**$ 32,278,100**	**$ 37,556,400**	**$ 37,054,100**	**$ 39,196,500**	**$ 39,765,700**	**$ 40,321,100**	**$ 36,271,600**



Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Office of the CIO	$ 1,036,300	$ 1,293,200	**$ 1,565,900**	$ 1,741,400	$ 1,756,200	$ 1,771,300	$ 1,786,600
Project Management Office	1,334,200	1,344,400	**1,431,500**	1,434,500	1,437,400	1,440,500	1,443,400
Service Delivery	3,243,900	3,779,100	**3,909,400**	4,028,900	4,089,400	4,151,900	4,217,900
Infrastructure	19,031,100	18,364,400	**18,404,800**	18,718,000	19,037,400	19,363,500	19,120,100
Business Productivity Systems	2,340,700	4,018,200	**4,077,900**	4,501,400	4,531,000	4,594,500	4,659,500
Enterprise Asset Management Systems	5,211,500	8,328,300	**7,344,400**	8,358,500	8,499,300	8,583,100	4,626,600
Security & Risk	80,400	428,800	**320,200**	413,800	415,000	416,300	417,500
Grand Total	**$ 32,278,100**	**$ 37,556,400**	**$ 37,054,100**	**$ 39,196,500**	**$ 39,765,700**	**$ 40,321,100**	**$ 36,271,600**

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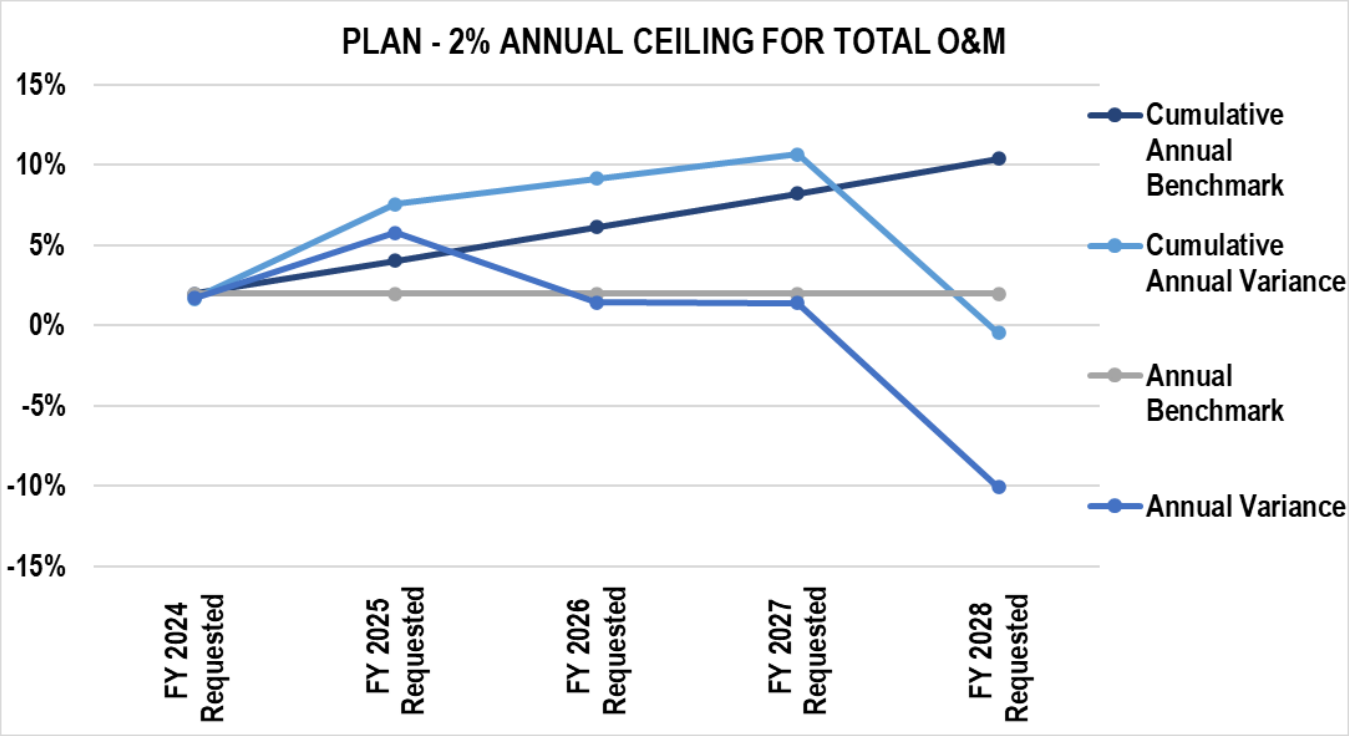
Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The IT financial plan reflects a five-year overall decrease of -3.4% while the entity-wide goal is a cumulative 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Information Technology five-year capital outlay plan is funded by both the Improvements & Extension budget and the Operations & Maintenance budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Operations & Maintenance	**$ 2,814,500**	**$ 2,648,300**	**$ 2,691,000**	**$ 2,734,900**	**$ 2,779,100**	**$ 2,357,700**
Hardware	1,537,500	1,768,300	1,795,700	1,823,600	1,852,100	1,633,500
Software	1,277,000	880,000	895,300	911,300	927,000	724,200
Improvement & Extension	**9,500,000**	**8,400,000**	**4,500,000**	**1,000,000**	**-**	**-**
Leasehold Improvements, Computers & IT, Furniture & Fixtures	1,000,000	1,400,000	1,000,000	-	-	-
Software	8,500,000	7,000,000	3,500,000	1,000,000	-	-
Grand Total	**$ 12,314,500**	**$ 11,048,300**	**$ 7,191,000**	**$ 3,734,900**	**$ 2,779,100**	**$ 2,357,700**

Go to TOC

Five-Year Capital Outlay Plan by Funding Source

Funding Source	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Operations & Maintenance	$ 622,800	$ 2,814,500	**$ 2,648,300**	$ 2,691,000	$ 2,734,900	$ 2,779,100	$ 2,357,700
Improvement & Extension	924,000	9,500,000	**8,400,000**	4,500,000	1,000,000	-	-
Grand Total	**$ 1,546,800**	**$ 12,314,500**	**$ 11,048,300**	**$ 7,191,000**	**$ 3,734,900**	**$ 2,779,100**	**$ 2,357,700**

Five-Year Capital Outlay Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Service Delivery	$ 902,900	$ 1,259,800	**$ 1,387,000**	$ 1,414,800	$ 1,443,100	$ 1,472,000	$ 1,501,400
Infrastructure	330,600	1,718,900	2,231,200	1,839,800	848,600	857,500	400,000
Business Productivity Systems	-	4,000,000	4,000,000	1,000,000	-	-	-
Enterprise Asset Management Sytems	-	5,271,000	3,405,700	2,911,500	1,417,800	423,700	429,900
Security & Risks	-	64,800	24,400	24,900	25,400	25,900	26,400
Grand Total	**$ 1,233,500**	**$ 12,314,500**	**$ 11,048,300**	**$ 7,191,000**	**$ 3,734,900**	**$ 2,779,100**	**$ 2,357,700**

As overall improvements and enhancements to the backbone of the IT infrastructure are completed under the Data Center Modernization Program, certain items will be funded through the Improvement & Extension budget as they are related to implementation, physical hardware, and software items. The remaining components are related subscription and other cloud services which will be funded from through IT's Operations & Maintenance budget.

The tables below contain the budget details by fiscal year.

Project Description	FY 2022 Improvement & Extension Fund	FY 2023 Improvement & Extension Fund	FY 2024 Improvement & Extension Fund	FY 2025 Improvement & Extension Fund	Total Improvement & Extension Fund
Veeam Licensing (Back Up)	$ -	$ -	**$ 260,876.00**	$ -	$ 260,876.00
Isilon Replacement including professional services and migration	500,000	-	**-**	-	500,000
DRaaS - Professional Sevices (Access Interactive)	78,540	-	**-**	-	78,540
Forcepoint (Barracude Replacement)	-	300,000	**-**	-	300,000
Hybrid Cloud Migration Professional Services	-	173,250	**-**	-	173,250
Network Cisco Switch Replacement/ Upgrade	-	-	**500,000**	500,000	1,000,000
AD Migration	-	-	**150,000**	150,000	300,000
Total	**$ 578,540**	**$ 473,250**	**$ 910,876**	**$ 650,000**	**$ 2,612,666**

Project Description	FY 2022 Operations & Maintenance Fund	FY 2023 Operations & Maintenance Fund	FY 2024 Operations & Maintenance Fund	FY 2025 Operations & Maintenance Fund	Total Operations & Maintenance Fund
Endpoint Protection (Sentinel One)	90,000	**90,000**	90,000	90,000	360,000
DRaaS Subscription Services	426,739	**426,739**	426,739	426,739	1,706,956
Amazon Web Services (Storage and Server Costs)	100,000	**100,000**	100,000	100,000	400,000
Cybersecurity Monitoring Solution	-	**225,000**	225,000	225,000	675,000
Hybrid Cloud Migration/NSX-T	-	**515,871**	515,871	515,871	1,547,613
Total	**$ 616,739**	**$ 1,357,610**	**$ 1,357,610**	**$ 1,357,610**	**$ 4,689,569**

Line-Item Budget and Plan

The five-year plan by line-item expense is shown below. The expenses are for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883301 - Office of the CIO	**$ 1,036,300**	**$ 1,293,200**	**$ 1,565,900**	**$ 1,741,400**	**$ 1,756,200**	**$ 1,771,300**	**$ 1,786,600**
2.1 Salaries & Wages	**463,500**	**504,100**	**709,600**	**835,200**	**835,200**	**835,200**	**835,200**
2.4 Employee Benefits	**121,000**	**154,000**	**204,000**	**240,800**	**242,300**	**243,800**	**245,300**
4.2 Supplies & Other	**119,000**	**118,100**	**120,100**	**122,500**	**125,000**	**127,500**	**130,000**
Memberships, Licenses & Subscriptions	61,300	83,200	84,700	86,400	88,200	90,000	91,800
Office Supplies	46,500	14,600	14,800	15,100	15,400	15,700	16,000
Operating Supplies	400	-	-	-	-	-	-
Supplies & Other - Covid19	4,900	-	-	-	-	-	-
Training and Internal Meetings	4,900	9,200	9,300	9,500	9,700	9,900	10,100
Travel	1,000	11,100	11,300	11,500	11,700	11,900	12,100
4.3 Contractual Services	**332,800**	**517,000**	**532,200**	**542,900**	**553,700**	**564,800**	**576,100**
Contract Services-Information Technology	331,800	517,000	532,200	542,900	553,700	564,800	576,100
Contractual Operating Services	1,000	-	-	-	-	-	-
883311 - Project Management Office	**1,334,200**	**1,344,400**	**1,431,500**	**1,434,500**	**1,437,400**	**1,440,500**	**1,443,400**
2.1 Salaries & Wages	**1,025,100**	**1,002,000**	**1,069,600**	**1,069,600**	**1,069,600**	**1,069,600**	**1,069,600**
2.4 Employee Benefits	**293,400**	**313,300**	**332,300**	**334,700**	**337,000**	**339,400**	**341,700**
4.2 Supplies & Other	**15,600**	**29,100**	**29,600**	**30,200**	**30,800**	**31,500**	**32,100**
Memberships, Licenses & Subscriptions	1,600	14,100	14,300	14,600	14,900	15,200	15,500
Mileage and Parking	-	-	-	-	-	-	-
Training and Internal Meetings	14,000	14,100	14,400	14,700	15,000	15,300	15,600
Travel	-	900	900	900	900	1,000	1,000
4.3 Contractual Services	**100**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Operating Services	100	-	-	-	-	-	-
883321 - Service Delivery	**3,243,900**	**3,779,100**	**3,909,400**	**4,028,900**	**4,089,400**	**4,151,900**	**4,217,900**
2.1 Salaries & Wages	**886,600**	**968,300**	**936,700**	**980,000**	**980,000**	**980,000**	**980,000**
2.3 Overtime	**200**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**305,600**	**371,700**	**346,500**	**370,300**	**373,400**	**376,600**	**379,800**
4.2 Supplies & Other	**781,500**	**780,100**	**795,300**	**811,000**	**827,300**	**843,900**	**860,600**
Memberships, Licenses & Subscriptions	2,900	5,400	5,500	5,600	5,700	5,800	5,900
Office Supplies	300	-	-	-	-	-	-
Printing	-	306,000	312,000	318,200	324,600	331,100	337,700
Repairs & Maintenance-Equipment	27,900	-	-	-	-	-	-
Repairs & Maintenance-Hardware	400	46,400	47,300	48,200	49,200	50,200	51,200
Repairs & Maintenance-Miscellaneous	-	26,900	27,400	27,900	28,500	29,100	29,700
Repairs & Maintenance-Software	690,700	212,400	216,600	220,900	225,400	229,900	234,400
Training and Internal Meetings	16,900	64,800	66,000	67,300	68,600	70,000	71,400
Travel	-	16,200	16,500	16,800	17,100	17,400	17,700
Capital Outlay less than $5,000	42,400	102,000	104,000	106,100	108,200	110,400	112,600
4.3 Contractual Services	**517,100**	**552,200**	**600,000**	**612,000**	**628,000**	**645,000**	**665,000**
Telecom, Managed Security & Network Svcs	517,100	552,200	600,000	612,000	628,000	645,000	665,000
5.2 Shared Services	**(150,000)**	**(153,000)**	**(156,100)**	**(159,200)**	**(162,400)**	**(165,600)**	**(168,900)**
Shared Services : Salaries & Wages Reimb	(51,500)	(52,500)	(53,600)	(54,700)	(55,800)	(56,900)	(58,000)
Shared Services Reimbursement	(78,000)	(79,600)	(81,200)	(82,800)	(84,500)	(86,200)	(87,900)
Shared Services: Employee Benefit Reimb	(20,500)	(20,900)	(21,300)	(21,700)	(22,100)	(22,500)	(23,000)
6.0 Capital Outlay	**902,900**	**1,259,800**	**1,387,000**	**1,414,800**	**1,443,100**	**1,472,000**	**1,501,400**
Capital Outlay over $5k(O&M-NonCapitlzd)	902,900	1,259,800	1,387,000	1,414,800	1,443,100	1,472,000	1,501,400

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Line-Item Budget and Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883331 - Infrastructure	**19,031,100**	**18,364,400**	**18,404,800**	**18,718,000**	**19,037,400**	**19,363,500**	**19,120,100**
2.1 Salaries & Wages	**1,071,400**	**1,143,000**	**1,155,300**	**1,155,300**	**1,155,300**	**1,155,300**	**1,155,300**
2.4 Employee Benefits	**326,800**	**377,900**	**373,200**	**376,000**	**378,700**	**381,500**	**384,300**
4.2 Supplies & Other	**1,039,000**	**1,680,600**	**1,346,500**	**1,354,600**	**1,362,800**	**1,371,400**	**1,327,300**
Memberships, Licenses & Subscriptions	5,100	-	-	-	-	-	-
Repairs & Maintenance-Equipment	200	-	-	-	-	-	-
Repairs & Maintenance-Hardware	392,400	1,498,100	1,229,000	1,234,800	1,240,700	1,246,800	1,253,000
Repairs & Maintenance-Software	524,100	140,600	74,800	76,300	77,800	79,400	28,200
Training and Internal Meetings	-	21,600	22,000	22,400	22,800	23,300	23,800
Travel	-	20,300	20,700	21,100	21,500	21,900	22,300
Capital Outlay less than $5,000	117,200	-	-	-	-	-	-
4.3 Contractual Services	**16,748,900**	**14,451,000**	**14,705,700**	**14,999,500**	**15,299,300**	**15,605,200**	**15,860,700**
Contract Services-Information Technology	86,600	94,300	62,000	63,000	64,100	65,200	10,000
Contractual Operating Services	243,700	567,200	578,500	590,000	601,800	613,900	626,100
Telecom, Managed Security & Network Svcs	16,418,600	13,789,500	14,065,200	14,346,500	14,633,400	14,926,100	15,224,600
5.2 Shared Services	**(431,000)**	**(7,000)**	**(7,100)**	**(7,200)**	**(7,300)**	**(7,400)**	**(7,500)**
Shared Services : Salaries & Wages Reimb	(75,000)	-	-	-	-	-	-
Shared Services Reimbursement	(326,000)	(7,000)	(7,100)	(7,200)	(7,300)	(7,400)	(7,500)
Shared Services: Employee Benefit Reimb	(30,000)	-	-	-	-	-	-
6.0 Capital Outlay	**276,000**	**718,900**	**831,200**	**839,800**	**848,600**	**857,500**	**400,000**
Capital Outlay over $5k(O&M-NonCapitlzd)	276,000	718,900	831,200	839,800	848,600	857,500	400,000
883341 - Business Productivity Systems	**2,340,700**	**4,018,200**	**4,077,900**	**4,501,400**	**4,531,000**	**4,594,500**	**4,659,500**
2.1 Salaries & Wages	**685,400**	**1,142,300**	**832,400**	**1,029,200**	**1,029,200**	**1,029,200**	**1,029,200**
2.4 Employee Benefits	**209,800**	**364,900**	**270,600**	**340,300**	**342,900**	**345,400**	**348,000**
2.5 Transition Services	**-**	**90,200**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**1,053,600**	**1,942,400**	**2,373,100**	**2,400,400**	**2,411,600**	**2,456,200**	**2,501,800**
Memberships, Licenses & Subscriptions	9,600	-	-	-	-	-	-
Repairs & Maintenance-Software	1,033,300	1,883,100	2,312,700	2,338,700	2,348,600	2,391,900	2,436,200
Supplies & Other - Covid19	200	-	-	-	-	-	-
Training and Internal Meetings	10,500	36,800	37,500	38,300	39,100	39,900	40,700
Travel	-	22,500	22,900	23,400	23,900	24,400	24,900
4.3 Contractual Services	**391,900**	**478,400**	**601,800**	**731,500**	**747,300**	**763,700**	**780,500**
Contract Services-Information Technology	235,800	478,400	601,800	731,500	747,300	763,700	780,500
Contractual Operating Services	156,100	-	-	-	-	-	-
883351 - Enterprise Asset Management Systems	**5,211,500**	**8,328,300**	**7,344,400**	**8,358,500**	**8,499,300**	**8,583,100**	**4,626,600**
2.1 Salaries & Wages	**1,332,800**	**1,333,500**	**1,443,600**	**1,490,000**	**1,490,000**	**1,490,000**	**1,490,000**
2.4 Employee Benefits	**408,400**	**442,000**	**463,200**	**481,400**	**484,900**	**488,400**	**492,000**
4.2 Supplies & Other	**1,977,600**	**1,844,500**	**1,714,900**	**2,335,200**	**2,401,600**	**2,453,200**	**1,513,200**
Memberships, Licenses & Subscriptions	100	500	500	500	500	500	500
Mileage and Parking	-	800	800	800	800	800	800
Repairs & Maintenance-Software	1,970,300	1,804,400	1,674,100	2,293,600	2,359,200	2,410,000	1,467,600
Training and Internal Meetings	5,000	20,400	20,800	21,200	21,600	22,000	24,000
Travel	2,200	18,400	18,700	19,100	19,500	19,900	20,300
Capital Outlay less than $5,000	-	-	-	-	-	-	-
4.3 Contractual Services	**2,533,800**	**3,937,300**	**3,317,000**	**3,640,400**	**3,705,000**	**3,727,800**	**701,500**
Contract Services-Information Technology	2,365,100	3,937,300	3,317,000	3,640,400	3,705,000	3,727,800	701,500
Contractual Operating Services	168,700	-	-	-	-	-	-
5.2 Shared Services	**(485,000)**	**-**	**-**	**-**	**-**	**-**	**-**
Shared Services : Salaries & Wages Reimb	(41,600)	-	-	-	-	-	-
Shared Services Reimbursement	(428,700)	-	-	-	-	-	-
Shared Services: Employee Benefit Reimb	(14,700)	-	-	-	-	-	-
6.0 Capital Outlay	**(556,100)**	**771,000**	**405,700**	**411,500**	**417,800**	**423,700**	**429,900**
Capital Outlay over $5k(O&M-NonCapitlzd)	(556,100)	771,000	405,700	411,500	417,800	423,700	429,900

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Line-Item Budget and Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883361 - Security & Risk	**80,400**	**428,800**	**320,200**	**413,800**	**415,000**	**416,300**	**417,500**
2.1 Salaries & Wages	**60,000**	**277,000**	**225,900**	**293,400**	**293,400**	**293,400**	**293,400**
2.4 Employee Benefits	**20,400**	**83,200**	**66,100**	**91,600**	**92,200**	**92,900**	**93,500**
4.2 Supplies & Other	**-**	**3,800**	**3,800**	**3,900**	**4,000**	**4,100**	**4,200**
Memberships, Licenses & Subscriptions	-	3,800	3,800	3,900	4,000	4,100	4,200
6.0 Capital Outlay	**-**	**64,800**	**24,400**	**24,900**	**25,400**	**25,900**	**26,400**
Capital Outlay over $5k(O&M-NonCapitlzd)	-	64,800	24,400	24,900	25,400	25,900	26,400
Grand Total	**$ 32,278,100**	**$ 37,556,400**	**$ 37,054,100**	**$ 39,196,500**	**$ 39,765,700**	**$ 40,321,100**	**$ 36,271,600**

Security & Integrity

Provide high quality, professional security operations and technical intelligence for the organization and its valued customers throughout Michigan.

Strategic Initiatives

- **Water Act 2018 Threat and Vulnerability Assessments (Ongoing)**
  Continue assessing all GLWA facilities for threats and vulnerabilities to meet the five-year requirements of the Water Act of 2018. The progress will be tracked by the Chief of Security and Integrity who will confirm each threat is addressed and vulnerabilities are eliminated.
- **Plan, design & implement a joint "Disaster Response Unit" (Completion in FY 2026)**
  The Security and Integrity area will be working on a concept to plan, design, and implement a Disaster Response Unit. This concept consists of several distinct phases:
  - **Phase One –** Identify scope of response and type of equipment necessary to support and sustain responders to include vehicles. This phase was started in FY 2020 with the initial purchase of a truck and a trailer and is 80% complete.
  - **Phase Two -** Coordinate with the State of Michigan and Federal Emergency Management Agency (FEMA) to research requirements and certify GLWA as a Disaster Response team. This phase started in FY 2021 with the research of requirements and is 100% completed.
  - **Phase Three –** Identify training requirements and train members to standards. This phase is 100% complete.
  - **Phase Four –** Identify team makeup to include total numbers on team and minimum number to be deployed. This phase will be completed in FY 2024/25.
  - **Phase Five -** Identify policies and standard operating guidelines. This phase will be completed in FY 2024/25 and will require a review with General Counsel.
  - **Phase Six -** Recurring training to ensure competencies and maintain disciplines. This phase will be completed in FY 2024/25.
- **Expand the Office of Emergency Preparedness (Completion FY 2024)**
  By coordinating with the Executive Leadership Team (ELT) and creating avenues that will increase GLWA's ability to is prepared for, respond to, and recover from, all natural and man-made emergencies. By expanding effective training programs, drills and threat and vulnerability assessments, that will engage team members to save lives and reduce the impact of disasters and emergencies. With the goal of instructing 40 staff members ICS 100, 200, 700 and 800 and conducting two tabletop exercises within the fiscal year. Total staffing to occur within FY 2024.
- **Implement CAD System (Completion FY 2024)**
  The implementation of a CAD (computer-aided dispatch) system in the Fusion Center would improve the efficiency of the Fusion Center by providing the call-taker with a visual pertinent information of where the call is coming from and in many cases who the caller is as well as any notes on the caller and/or location (i.e., special needs and/or call history, hazardous materials, access). The visual information will allow the call-taker to focus on the information the caller is giving about the emergency, making response times faster. And finally, having any

special information about the specific site will also keep the officers and other first responders safe. They will bring the appropriate equipment and be better prepared for not only the emergency but the environment. To be completed by the end of the FY 2024.

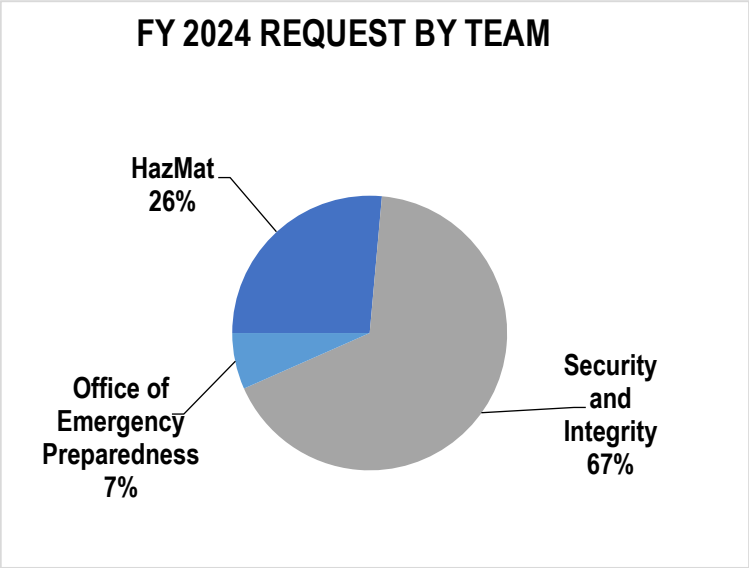
The following table shows how the Security & Integrity area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Security & Integrity Strategic Initiatives	Water Act 2018 Threat and Vulnerability Assessments			x	x	x	x		x			
	Plan, design & implement a joint "Disaster Response Unit"				x	x	x	x	x	x	x	x
	Expand the Office of Emergency Preparedness										x	
	Implement CAD System			x	x	x	x		x			

Organization

The Security and Integrity Area consists of two teams.

- **Security and Integrity**
  Provide high quality, professional security operations and technical intelligence for the organization and its valued customers throughout Michigan.
- **HazMat**
  An in-house delivery service within the Security & Integrity Group who perform immediate response to all Level (1) Hazmat calls on the property of Water Resource Recovery Facility (WRRF). This team provides three main services: immediate response to



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all HazMat discharges at the WRRF, professional security operations for the Detroit Marine Terminal and confined space rescue standby for GLWA employees at WRRF.

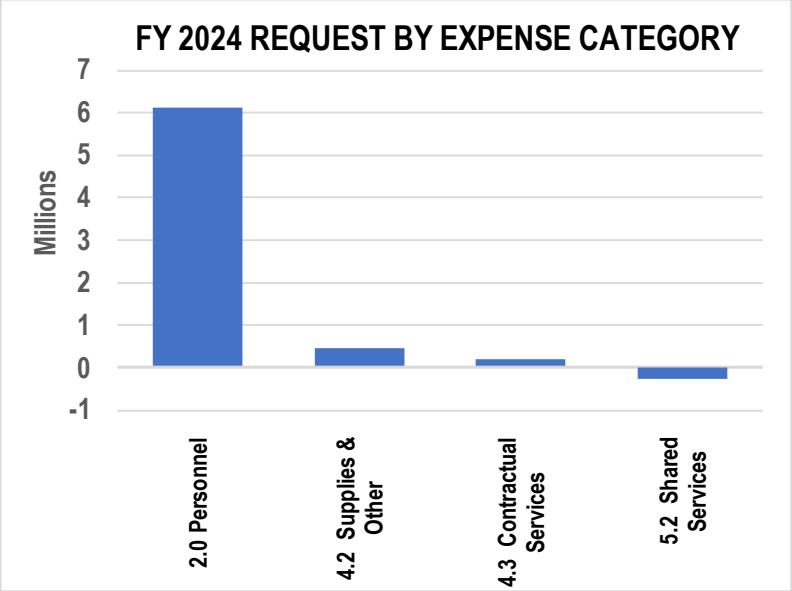
- **Office of Emergency Preparedness**
  An in-house emergency preparedness team that works with GLWA Operational Areas, Groups and Teams to provide enhanced focus and preparation to address emergency situations, mitigate potential emergencies and threats to the utility, and assess vulnerabilities for the utility.

Expense Categories

There are four categories of Security and Integrity expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services
- Shared Services

Personnel is the highest expense category for the Security and Integrity area.



Biennial Budget Request

The biennial budget reflects an overall decrease of $207,000 or -3.1%, in FY 2024.

- The personnel category is increasing by $5,900 due to delay in hiring new security officers in the first quarter of FY 2023 for expanded coverage.
- The $138,300 decrease in supplies & other due to right sizing of operating expense and projected training sessions to complement staffing count with compliance and industry standards.
- The contractual services account is decreasing by $69,600 due to the declining use of contractual services with DA Central for building maintenance. This is the result of less foot traffic and wear on our systems.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 5,689,900	$ 6,120,800	$ 3,273,100	**$ 6,126,700**	**$ 5,900**	**0.1%**	$ 6,472,700
4.2 Supplies & Other	221,800	521,200	119,500	**451,600**	**(69,600)**	**-13.4%**	460,500
4.3 Contractual Services	206,300	338,900	146,100	**200,600**	**(138,300)**	**-40.8%**	204,600
5.2 Shared Services	56,800	(250,000)	(125,900)	**(255,000)**	**(5,000)**	**2.0%**	(260,100)
Grand Total	**$ 6,174,800**	**$ 6,730,900**	**$ 3,412,800**	**$ 6,523,900**	**$ (207,000)**	**-3.1%**	**$ 6,877,700**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Security and Integrity	$ 4,629,500	$ 4,649,500	$ 2,443,300	**4,368,000**	**$ (281,500)**	**-6.1%**	$ 4,538,400
HazMat	1,426,800	1,740,200	823,200	**1,723,800**	**(16,400)**	**-0.9%**	1,852,500
Office of Emergency Preparedness	118,500	341,200	146,300	**432,100**	**90,900**	**26.6%**	486,800
Grand Total	**$ 6,174,800**	**$ 6,730,900**	**3,412,800**	**6,523,900**	**(207,000)**	**-3.1%**	**$ 6,877,700**

Personnel Budget

The Security and Integrity Area consists of 82 positions in FY 2024. We have postponed filling two security positions with the HazMat team to FY 2025. The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Security and Integrity Area	**79.00**	**82.00**	**82.00**	**84.00**	**84.00**	**84.00**	**84.00**
Security and Integrity	57.00	60.00	60.00	60.00	60.00	60.00	60.00
HazMat	19.00	19.00	19.00	21.00	21.00	21.00	21.00
Office of Emergency Preparedness	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Full-time Equivalents - The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Security and Integrity Area	**79.00**	**82.00**	**78.50**	**83.00**	**84.00**	**84.00**	**84.00**
Security and Integrity	57.00	60.00	57.50	60.00	60.00	60.00	60.00
HazMat	19.00	19.00	18.50	20.00	21.00	21.00	21.00
Office of Emergency Preparedness	3.00	3.00	2.50	3.00	3.00	3.00	3.00

Personnel Budget – The following tables presents the Security & Integrity personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 3,597,500	$ 4,033,900	$ 2,182,800	**$ 4,103,600**	**$ 69,700**	**1.7%**	$ 4,325,700
2.3 Overtime	513,100	266,200	246,800	**266,300**	**100**	**0.0%**	274,700
2.4 Employee Benefits	1,579,300	1,820,700	843,500	**1,756,800**	**(63,900)**	**-3.5%**	1,872,300
Grand Total	**$ 5,689,900**	**$ 6,120,800**	**$ 3,273,100**	**$ 6,126,700**	**$ 5,900**	**0.1%**	**$ 6,472,700**

Personnel Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Security and Integrity	$ 4,167,400	$ 4,265,400	**$ 2,325,300**	$ 4,216,000	$ (49,400)	-1.2%	$ 4,383,300
HazMat	1,404,000	1,594,200	**802,000**	1,581,600	(12,600)	-0.8%	1,707,500
Office of Emergency Preparedness	118,500	261,200	**145,800**	329,100	67,900	26.0%	381,900
Grand Total	**$ 5,689,900**	**$ 6,120,800**	**$ 3,273,100**	**$ 6,126,700**	**$ 5,900**	**0.1%**	**$ 6,472,700**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 3,597,500	$ 4,033,900	**$ 4,103,600**	$ 4,325,700	$ 4,378,600	$ 4,378,600	$ 4,378,600
2.3 Overtime	513,100	266,200	**266,300**	274,700	280,300	280,300	280,300
2.4 Employee Benefits	1,579,300	1,820,700	**1,756,800**	1,872,300	1,913,000	1,930,900	1,948,800
Grand Total	**$ 5,689,900**	**$ 6,120,800**	**$ 6,126,700**	**$ 6,472,700**	**$ 6,571,900**	**$ 6,589,800**	**$ 6,607,700**

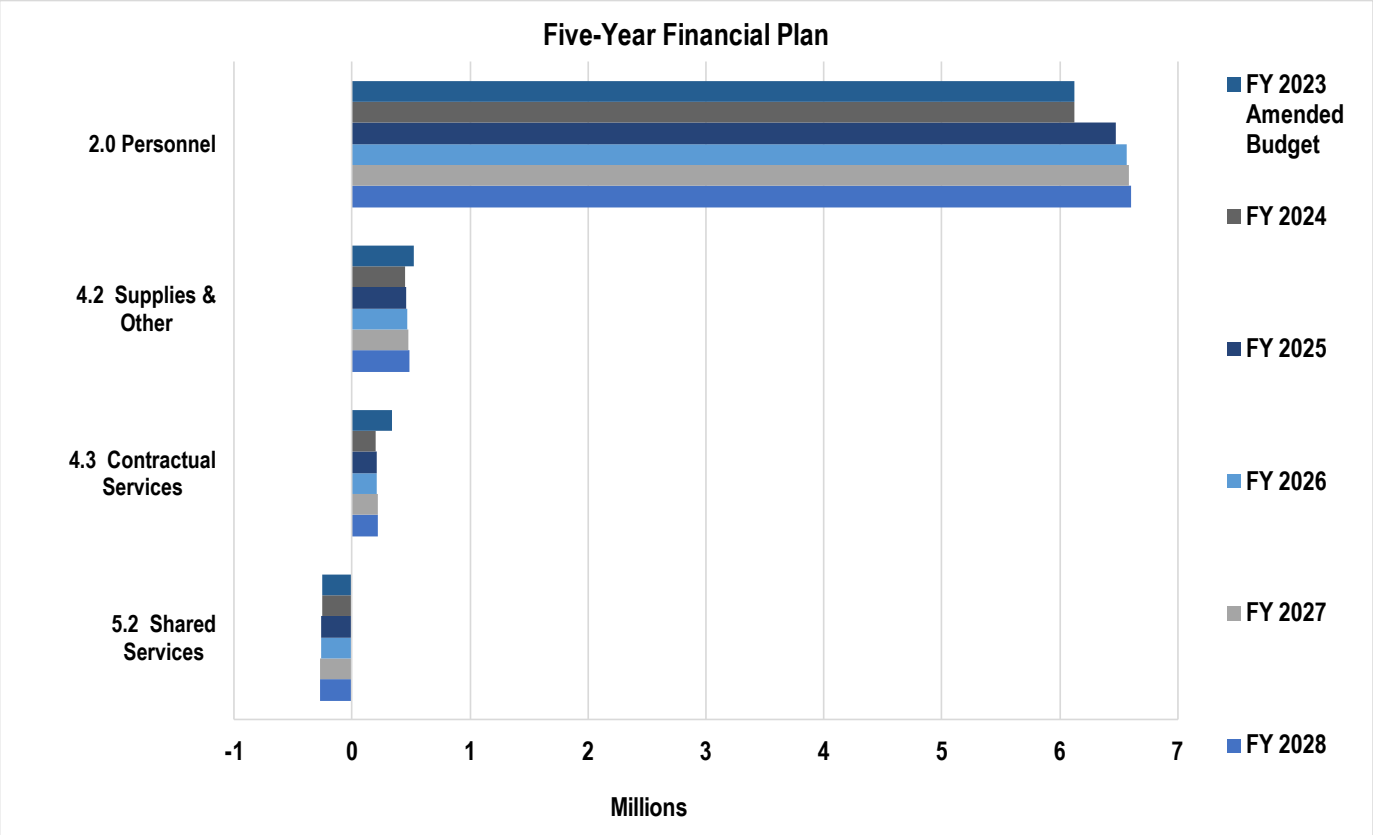
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Security and Integrity	$ 4,167,400	$ 4,265,400	**$ 4,216,000**	$ 4,383,300	$ 4,396,000	$ 4,408,800	$ 4,421,600
HazMat	1,404,000	1,594,200	**1,581,600**	1,707,500	1,793,300	1,797,800	1,802,300
Office of Emergency Preparedness	118,500	261,200	**329,100**	381,900	382,600	383,200	383,800
Grand Total	**$ 5,689,900**	**$ 6,120,800**	**$ 6,126,700**	**$ 6,472,700**	**$ 6,571,900**	**$ 6,589,800**	**$ 6,607,700**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 5,689,900	$ 6,120,800	**$ 6,126,700**	$ 6,472,700	$ 6,571,900	$ 6,589,800	$ 6,607,700
4.2 Supplies & Other	221,800	521,200	**451,600**	460,500	469,500	479,200	488,700
4.3 Contractual Services	206,300	338,900	**200,600**	204,600	208,700	213,000	217,200
5.2 Shared Services	56,800	(250,000)	**(255,000)**	(260,100)	(265,300)	(270,600)	(276,000)
Grand Total	**$ 6,174,800**	**$ 6,730,900**	**$ 6,523,900**	**$ 6,877,700**	**$ 6,984,800**	**$ 7,011,400**	**$ 7,037,600**



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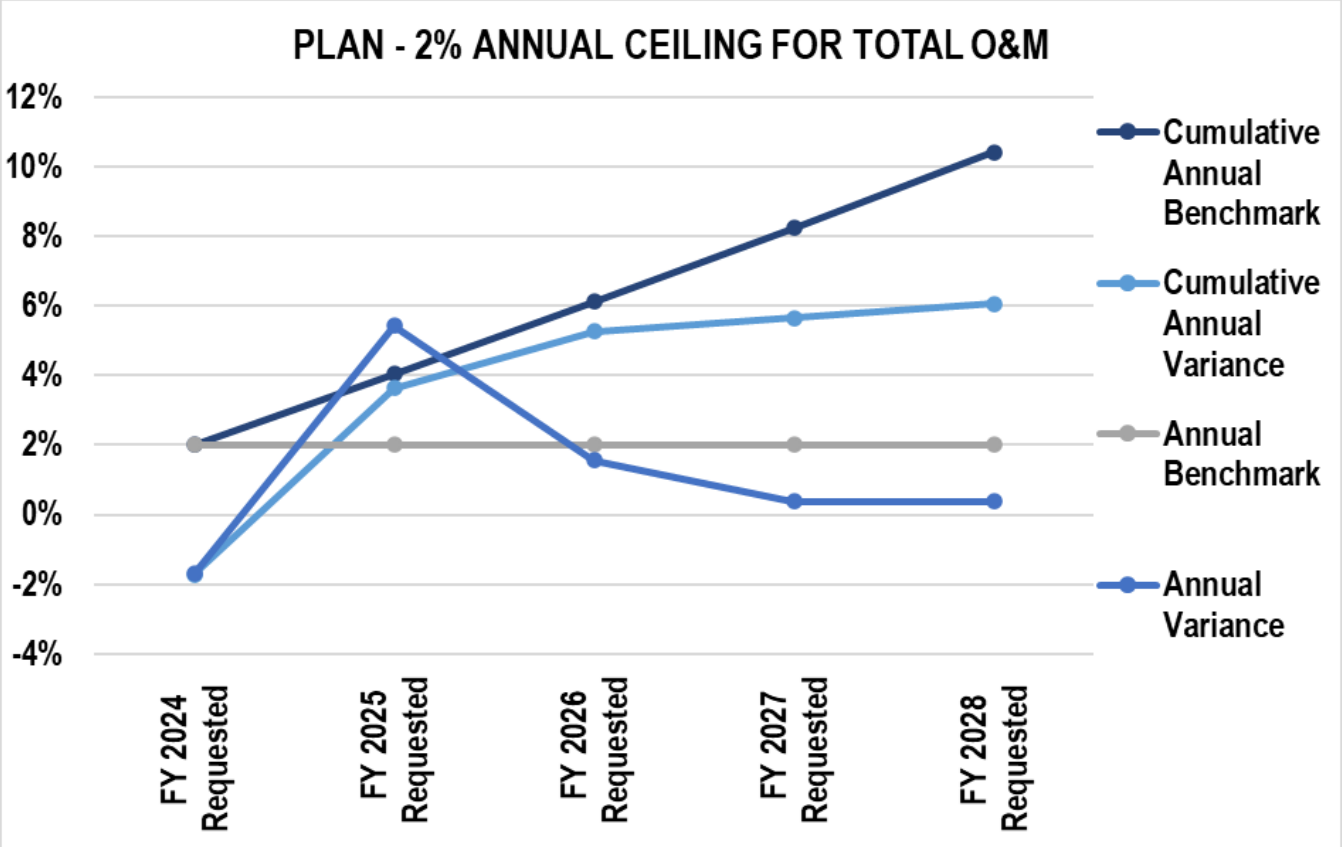
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Security and Integrity	$ 4,629,500	$ 4,649,500	**$ 4,368,000**	$ 4,538,400	$ 4,554,200	$ 4,569,900	$ 4,586,200
HazMat	1,426,800	1,740,200	**1,723,800**	1,852,500	1,940,800	1,949,000	1,956,100
Office of Emergency Preparedness	118,500	341,200	**432,100**	486,800	489,800	492,500	495,300
Grand Total	**$ 6,174,800**	**$ 6,730,900**	**$ 6,523,900**	**$ 6,877,700**	**$ 6,984,800**	**$ 7,011,400**	**$ 7,037,600**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Security and Integrity area financial plan reflects a five-year overall increase of 6.1%, which is within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



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Capital Outlay

The Security and Integrity area capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension						
Access Control, Surveillance	192,600	83,200	84,800	86,400	88,000	90,000
Grand Total	**$ 192,600**	**$ 83,200**	**$ 84,800**	**$ 86,400**	**$ 88,000**	**$ 90,000**

Five-Year Capital Outlay by Funding Source

Funding Source	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	$ 192,600	$ 83,200	$ 84,800	$ 86,400	$ 88,000	$ 90,000
Grand Total	**$ 192,600**	**$ 83,200**	**$ 84,800**	**$ 86,400**	**$ 88,000**	**$ 90,000**

Five-Year Capital Outlay by Team

Team	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Security and Integrity	131,600	**$ 83,200**	$ 84,800	$ 86,400	$ 88,000	$ 90,000
HazMat	61,000	**-**	-	-	-	-
Grand Total	**$ 192,600**	**$ 83,200**	**$ 84,800**	**$ 86,400**	**$ 88,000**	**$ 90,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
881201 - Security and Integrity	**$ 4,629,500**	**$ 4,649,500**	**$ 4,368,000**	**$ 4,538,400**	**$ 4,554,200**	**$ 4,569,900**	**$ 4,586,200**
2.1 Salaries & Wages	**2,605,100**	**2,794,800**	**2,799,800**	**2,903,800**	**2,903,800**	**2,903,800**	**2,903,800**
2.3 Overtime	**393,200**	**168,500**	**168,500**	**168,500**	**168,500**	**168,500**	**168,500**
2.4 Employee Benefits	**1,169,100**	**1,302,100**	**1,247,700**	**1,311,000**	**1,323,700**	**1,336,500**	**1,349,300**
4.2 Supplies & Other	**199,000**	**370,200**	**237,900**	**242,700**	**247,600**	**252,200**	**257,500**
Employee Uniform Expense	57,600	54,700	55,700	56,800	58,000	59,100	60,300
Memberships, Licenses & Subscriptions	24,100	34,500	16,500	16,900	17,100	17,500	17,900
Mileage and Parking	-	200	200	200	200	200	200
Office Supplies	10,600	13,300	13,600	13,900	14,200	14,400	14,700
Operating Supplies	78,400	130,800	106,000	108,100	110,300	112,400	114,800
Supplies & Other - Covid19	2,500	-	-	-	-	-	-
Training and Internal Meetings	6,500	100,300	8,800	9,000	9,200	9,300	9,500
Travel	1,000	16,400	16,700	17,000	17,400	17,700	18,100
Tuition Refund	2,300	10,000	10,200	10,400	10,600	10,800	11,000
Uniforms, Laundry, Cleaning	-	10,000	10,200	10,400	10,600	10,800	11,000
Capital Outlay less than $5,000	16,000	-	-	-	-	-	-
4.3 Contractual Services	**206,300**	**263,900**	**169,100**	**172,500**	**175,900**	**179,500**	**183,100**
5.2 Shared Services	**56,800**	**(250,000)**	**(255,000)**	**(260,100)**	**(265,300)**	**(270,600)**	**(276,000)**
Shared Services : Salaries & Wages Reimb	28,600	(151,200)	(154,200)	(157,300)	(160,400)	(163,600)	(166,900)
Shared Services Reimbursement	19,100	(38,400)	(39,200)	(40,000)	(40,800)	(41,600)	(42,400)
Shared Services: Employee Benefit Reimb	9,100	(60,400)	(61,600)	(62,800)	(64,100)	(65,400)	(66,700)
881202 - HazMat	**1,426,800**	**1,740,200**	**1,723,800**	**1,852,500**	**1,940,800**	**1,949,000**	**1,956,100**
2.1 Salaries & Wages	**895,900**	**1,050,400**	**1,051,800**	**1,131,100**	**1,184,000**	**1,184,000**	**1,184,000**
2.3 Overtime	**119,900**	**97,700**	**97,800**	**106,200**	**111,800**	**111,800**	**111,800**
2.4 Employee Benefits	**388,200**	**446,100**	**432,000**	**470,200**	**497,500**	**502,000**	**506,500**
4.2 Supplies & Other	**22,800**	**146,000**	**142,200**	**145,000**	**147,500**	**151,200**	**153,800**
Employee Uniform Expense	3,500	9,600	9,800	10,000	10,100	10,500	10,600
Memberships, Licenses & Subscriptions	1,000	1,500	1,500	1,500	1,500	1,600	1,600
Office Supplies	1,000	18,800	19,100	19,500	19,900	20,300	20,600
Operating Supplies	13,000	35,700	57,200	58,300	59,500	60,700	61,900
Repairs & Maintenance-Equipment	2,800	17,200	17,500	17,800	18,100	18,700	18,900
Supplies & Other - Covid19	-	-	-	-	-	-	-
Training and Internal Meetings	-	20,600	1,200	1,400	1,100	1,300	1,500
Travel	900	4,000	4,000	4,000	4,100	4,200	4,200
Tuition Refund	600	-	-	-	-	-	-
Uniforms, Laundry, Cleaning	-	7,300	-	-	-	-	-
Capital Outlay less than $5,000	-	31,300	31,900	32,500	33,200	33,900	34,500
881203 - Office of Emergency Preparedness	**118,500**	**341,200**	**432,100**	**486,800**	**489,800**	**492,500**	**495,300**
2.1 Salaries & Wages	**96,500**	**188,700**	**252,000**	**290,800**	**290,800**	**290,800**	**290,800**
2.4 Employee Benefits	**22,000**	**72,500**	**77,100**	**91,100**	**91,800**	**92,400**	**93,000**
4.2 Supplies & Other	**-**	**5,000**	**71,500**	**72,800**	**74,400**	**75,800**	**77,400**
Memberships, Licenses & Subscriptions	-	-	18,900	19,300	19,700	20,100	20,400
Office Supplies	-	2,000	-	-	-	-	-
Operating Supplies	-	-	10,400	10,600	10,800	11,000	11,300
Training and Internal Meetings	-	3,000	35,200	35,800	36,600	37,300	38,100
Travel	-	-	7,000	7,100	7,300	7,400	7,600
4.3 Contractual Services	**-**	**75,000**	**31,500**	**32,100**	**32,800**	**33,500**	**34,100**
Grand Total	**$ 6,174,800**	**$ 6,730,900**	**$ 6,523,900**	**$ 6,877,700**	**$ 6,984,800**	**$ 7,011,400**	**$ 7,037,600**

SECTION 5D - ADMINISTRATIVE SERVICES

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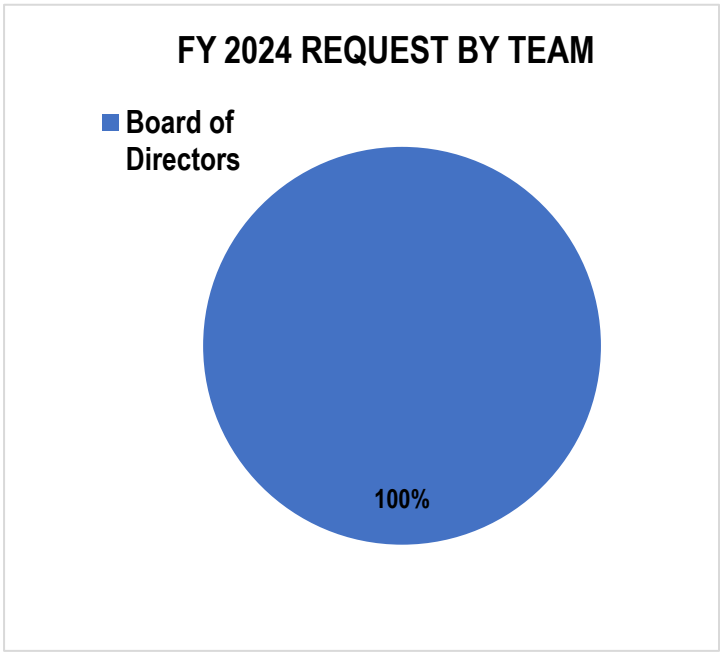
Board of Directors

A governing body that brings together representatives from the surrounding counties to set policies that help GLWA execute its mission and vision in the long-term to ensure GLWA is a provider of choice for water and wastewater services in Southeast Michigan.



Organization

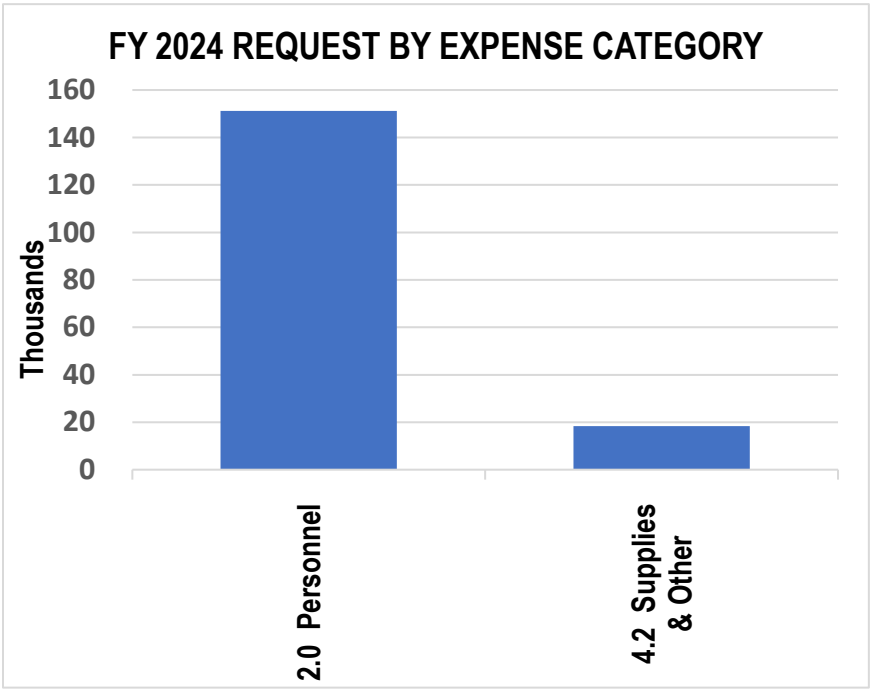
The Board of Directors is composed of six voting members. Two members are residents of the City of Detroit and are appointed by the Mayor of the city. The counties of Wayne, Oakland, and Macomb each appoint one member who is a resident of the county from which appointed. The Governor of the State of Michigan appoints one member who is a resident of an area served by GLWA that is outside of the three counties.

Expense Categories

The primary cost driver in the Board of Directors area is Salaries, Wages and Benefits. This is the category in which the Board's stipends are recorded. A budget to actual variance is recognized when a Board member opts out of receiving the monthly stipend.

Supplies & Other is the other expenditure category which includes the following expenses:

- Memberships, Licenses & Subscriptions
- Travel
- Training & Internal Meetings



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Biennial Budget Request

The biennial budget reflects a decrease of $46,000, or 21.3%, in FY 2024. There is no change in the Personnel and Supplies & Other categories.

- Personnel - FY 2024 assumes 100% participation in the stipend for Board members. The budget is amended during the current year if Board members opt out of receiving the monthly stipend.
- Contractual Services – The FY 2022 Actual and FY 2023 Amended Budget includes three contracts for the independent investigation into the June 25th-26th, 2021 and July 16th, 2021 rain events. These contracts ended in FY 2023.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 151,200	$ 151,200	$ 75,600	**$ 151,200**	**$ -**	**0.0%**	$ 151,200
4.2 Supplies & Other	3,200	18,400	1,200	**18,400**	-	**0.0%**	18,400
4.3 Contractual Services	1,340,100	46,000	45,900	-	**(46,000)**	**-100.0%**	-
Grand Total	**$ 1,494,500**	**$ 215,600**	**$ 122,700**	**$ 169,600**	**$ (46,000)**	**-21.3%**	**$ 169,600**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Board of Directors	$ 1,494,500	$ 215,600	$ 122,700	**$ 169,600**	**$ (46,000)**	**-21.3%**	$ 169,600
Grand Total	**$ 1,494,500**	**$ 215,600**	**$ 122,700**	**$ 169,600**	**$ (46,000)**	**-21.3%**	**$ 169,600**

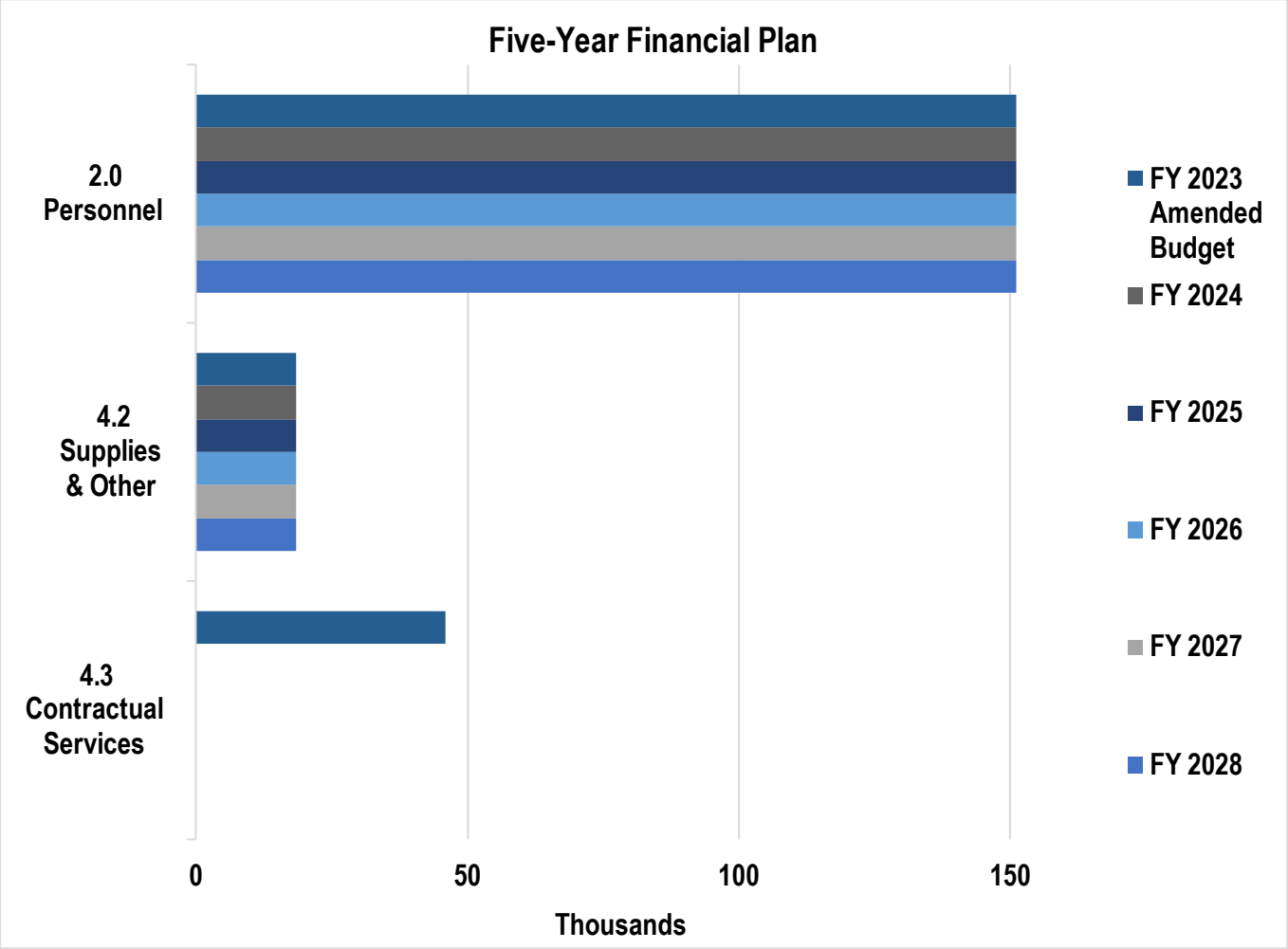
Personnel Budget

The Board of Directors' Area is not reported in the GLWA Staffing Plan and Full-time Equivalents tables.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 151,200	$ 151,200	**$ 151,200**	$ 151,200	$ 151,200	$ 151,200	$ 151,200
4.2 Supplies & Other	3,200	18,400	**18,400**	18,400	18,400	18,400	18,400
4.3 Contractual Services	1,340,100	46,000	-	-	-	-	-
Grand Total	**$ 1,494,500**	**$ 215,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**

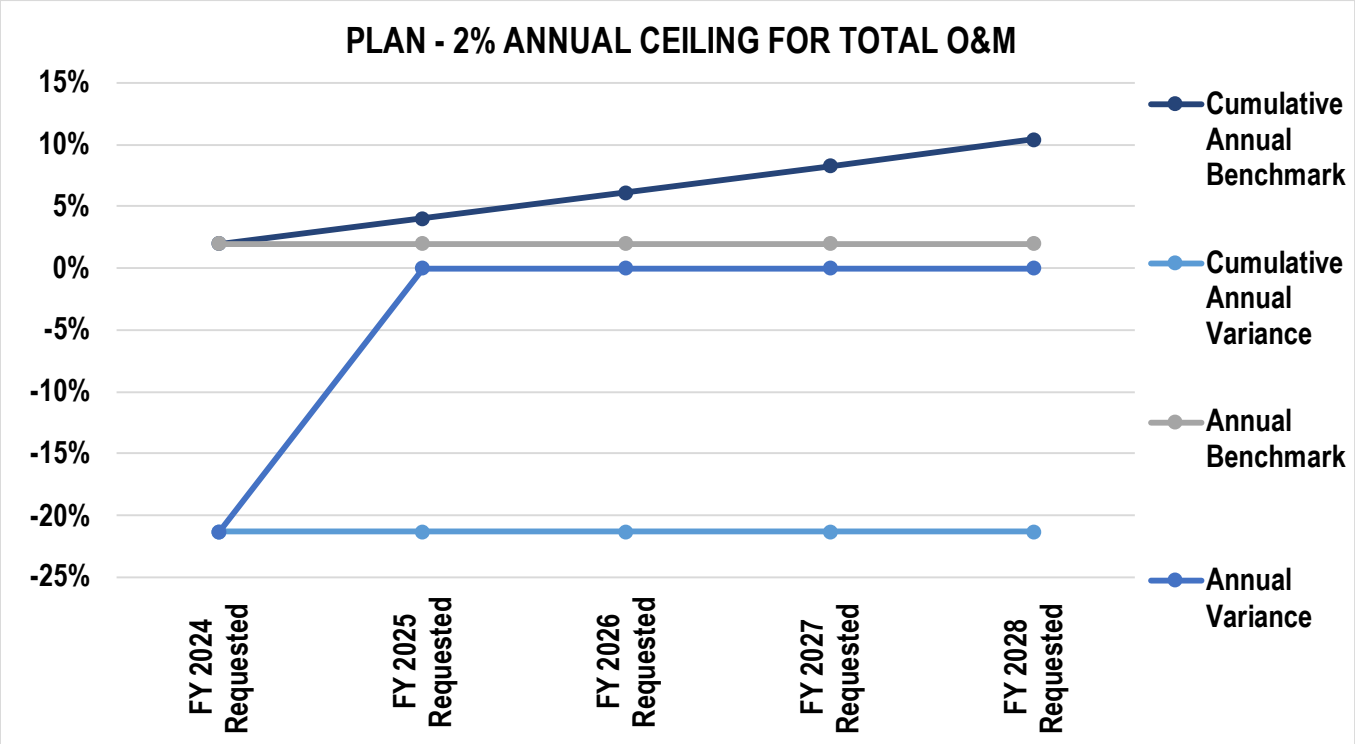


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Board of Directors	$ 1,494,500	$ 215,600	**$ 169,600**	$ 169,600	$ 169,600	$ 169,600	$ 169,600
Grand Total	**$ 1,494,500**	**$ 215,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**	**$ 169,600**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Board of Directors' financial plan reflects a five-year overall decrease of 21.3% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the Board of Directors' Area.

Line-Item Budget and Financial Plan

The Board of Directors five-year plan by line-item expense is listed below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
881151 - Board of Directors	$ 1,494,500	$ 215,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600
2.1 Salaries & Wages	151,200	151,200	151,200	151,200	151,200	151,200	151,200
4.2 Supplies & Other	3,200	18,400	18,400	18,400	18,400	18,400	18,400
Memberships, Licenses & Subscriptions	-	5,300	5,300	5,300	5,300	5,300	5,300
Office Supplies	-	2,600	2,600	2,600	2,600	2,600	2,600
Training and Internal Meetings	2,400	5,300	5,300	5,300	5,300	5,300	5,300
Travel	800	5,200	5,200	5,200	5,200	5,200	5,200
4.3 Contractual Services	1,340,100	46,000	-	-	-	-	-
Contractual Svcs-Flood Events -All Sewer	1,340,100	46,000	-	-	-	-	-
Grand Total	$ 1,494,500	$ 215,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600	$ 169,600

Go to TOC

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA's mission and vision.

Strategic Initiatives

In conjunction with the GLWA Board, the Chief Executive Officer's initiatives are established and span multiple years. These initiatives speak to the values that are foundational to the establishment of GLWA.

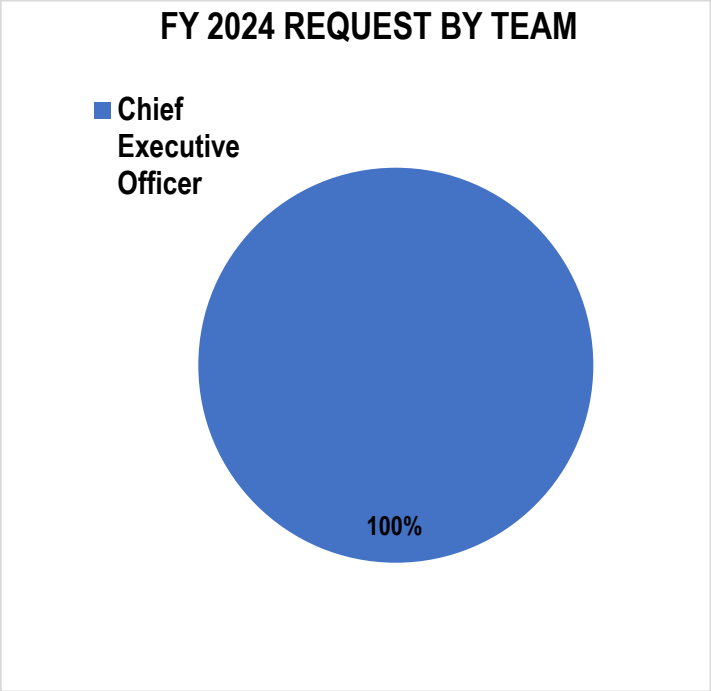
- Environmental Regulatory Compliance (Ongoing)
- Financial Resiliency and Charge Equity and Stability (Ongoing)
- Capital and Operational Utility Optimization (Ongoing)
- Member Partner Engagement and Satisfaction (Ongoing)
- GLWA Team Member Support and Retention (Ongoing)
- GLWA 4% Promise to contain revenue requirement (Ongoing)
- Commitment to Affordability, Equity, and Inclusion (Ongoing)
- Application of principles of Effective Utility Management (EUM) (Ongoing)

The following table shows how the Chief Executive Officer's initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Chief Executive Officer Strategic Initiatives	Environmental Regulatory Compliance	x	x	x				x	x			x
	Financial Resiliency and Charge Equity and Stability	x	x					x	x	x		x
	Capital and Operational Utility Optimization	x	x	x	x	x	x	x	x			x
	Member Partner Engagement and Satisfaction						x	x	x	x		x
	GLWA Team Member Support and Retention		x	x	x	x	x	x	x	x	x	x
	GLWA 4% Promise to contain revenue requirement							x		x		
	Commitment to Affordability, Equity, and Inclusion	x	x				x	x	x			x
	Application of principles of Effective Utility Management (EUM)	x	x	x	x	x	x	x	x	x	x	x

Organization

The Chief Executive Officer's area has one team.

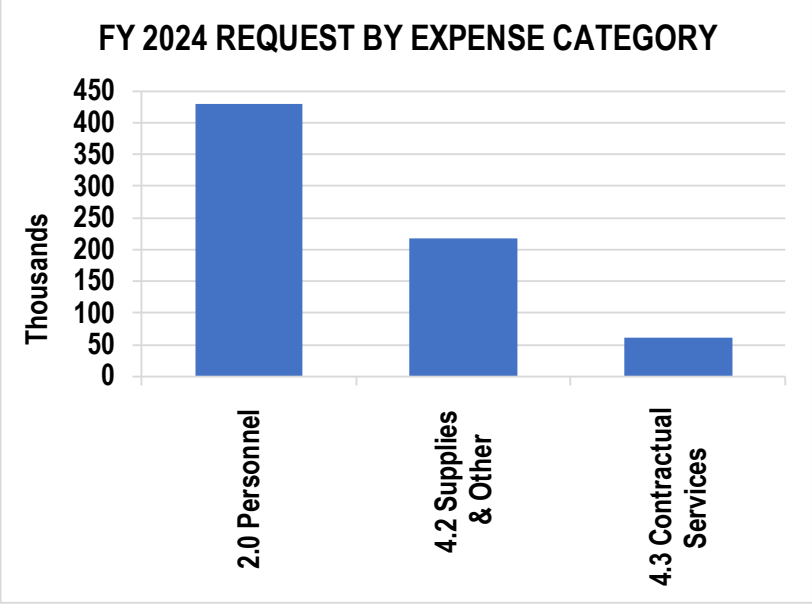


Expense Categories

The Chief Executive Officer's area consists of three expense categories:

- Personnel
- Supplies & Other
- Contractual Services

Based upon the nature of this service area, the highest category of expense is salaries. The second highest, Supplies & Other, provides for training, organizational memberships, and includes the contract with Park Rite for parking spaces.



Go to TOC

Biennial Budget Request

The biennial budget reflects an increase of $34,900, or 5.2%, in FY 2024.

- Personnel – FY 2022 actual includes the transition of the CEO, who retired in July 2021, to the Interim CEO as a national search was being conducted for the authority's new CEO. The new CEO was appointed in June 2022.
- Supplies & Other – The FY 2024 budget has been increased to cover the increase in the corporate membership fees for both the National Association of Clean Water and Association of Metropolitan Water as well as an increase of the monthly parking fee.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 484,700	$ 407,900	$ 217,900	**$ 429,600**	**$ 21,700**	**5.3%**	$ 430,000
4.2 Supplies & Other	176,000	206,300	96,300	**218,300**	**12,000**	**5.8%**	222,700
4.3 Contractual Services	27,700	60,000	4,600	**61,200**	**1,200**	**2.0%**	62,400
Grand Total	**$ 688,400**	**$ 674,200**	**$ 318,800**	**$ 709,100**	**$ 34,900**	**5.2%**	**$ 715,100**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Executive Officer	$ 688,400	$ 674,200	$ 318,800	**$ 709,100**	**$ 34,900**	**5.2%**	$ 715,100
Grand Total	**$ 688,400**	**$ 674,200**	**$ 318,800**	**$ 709,100**	**$ 34,900**	**5.2%**	**$ 715,100**

Personnel Budget

The staffing plan provides for the Chief Executive Officer and administrative support. This is consistent with the staffing plans of prior years.

Staffing Plan – The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Chief Executive Officer	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

Go to TOC

Full Time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are consistent.

Full Time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2025 FTEs
Chief Executive Officer	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

Personnel Budget - The following tables present the Chief Executive Officer's personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 387,200	$ 322,800	$ 173,900	**$ 342,500**	**$ 19,700**	**6.1%**	$ 342,500
2.4 Employee Benefits	97,500	85,100	44,000	**87,100**	**2,000**	**2.4%**	87,500
Grand Total	**$ 484,700**	**$ 407,900**	**$ 217,900**	**$ 429,600**	**$ 21,700**	**5.3%**	**$ 430,000**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Executive Officer	$ 484,700	$ 407,900	$ 217,900	**$ 429,600**	**$ 21,700**	**5.3%**	$ 430,000
Grand Total	**$ 484,700**	**$ 407,900**	**$ 217,900**	**$ 429,600**	**$ 21,700**	**5.3%**	**$ 430,000**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 387,200	$ 322,800	**$ 342,500**	$ 342,500	$ 342,500	$ 342,500	$ 342,500
2.4 Employee Benefits	97,500	85,100	**87,100**	87,500	87,900	88,400	88,800
Grand Total	**$ 484,700**	**$ 407,900**	**$ 429,600**	**$ 430,000**	**$ 430,400**	**$ 430,900**	**$ 431,300**

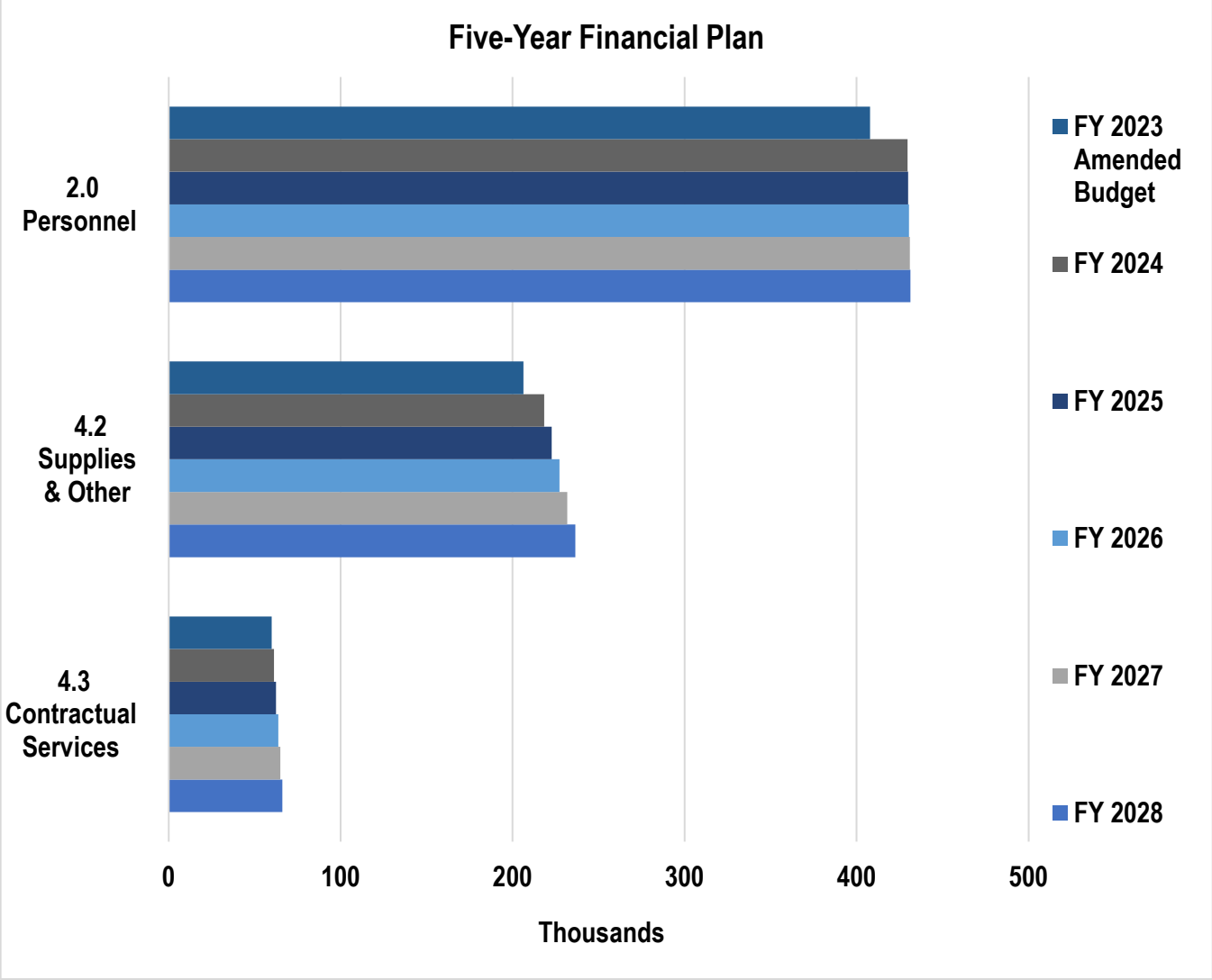
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Executive Officer	$ 484,700	$ 407,900	**$ 429,600**	$ 430,000	$ 430,400	$ 430,900	$ 431,300
Grand Total	**$ 484,700**	**$ 407,900**	**$ 429,600**	**$ 430,000**	**$ 430,400**	**$ 430,900**	**$ 431,300**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 484,700	$ 407,900	**$ 429,600**	$ 430,000	$ 430,400	$ 430,900	$ 431,300
4.2 Supplies & Other	176,000	206,300	**218,300**	222,700	227,300	231,800	236,400
4.3 Contractual Services	27,700	60,000	**61,200**	62,400	63,700	64,900	66,200
Grand Total	**$ 688,400**	**$ 674,200**	**$ 709,100**	**$ 715,100**	**$ 721,400**	**$ 727,600**	**$ 733,900**

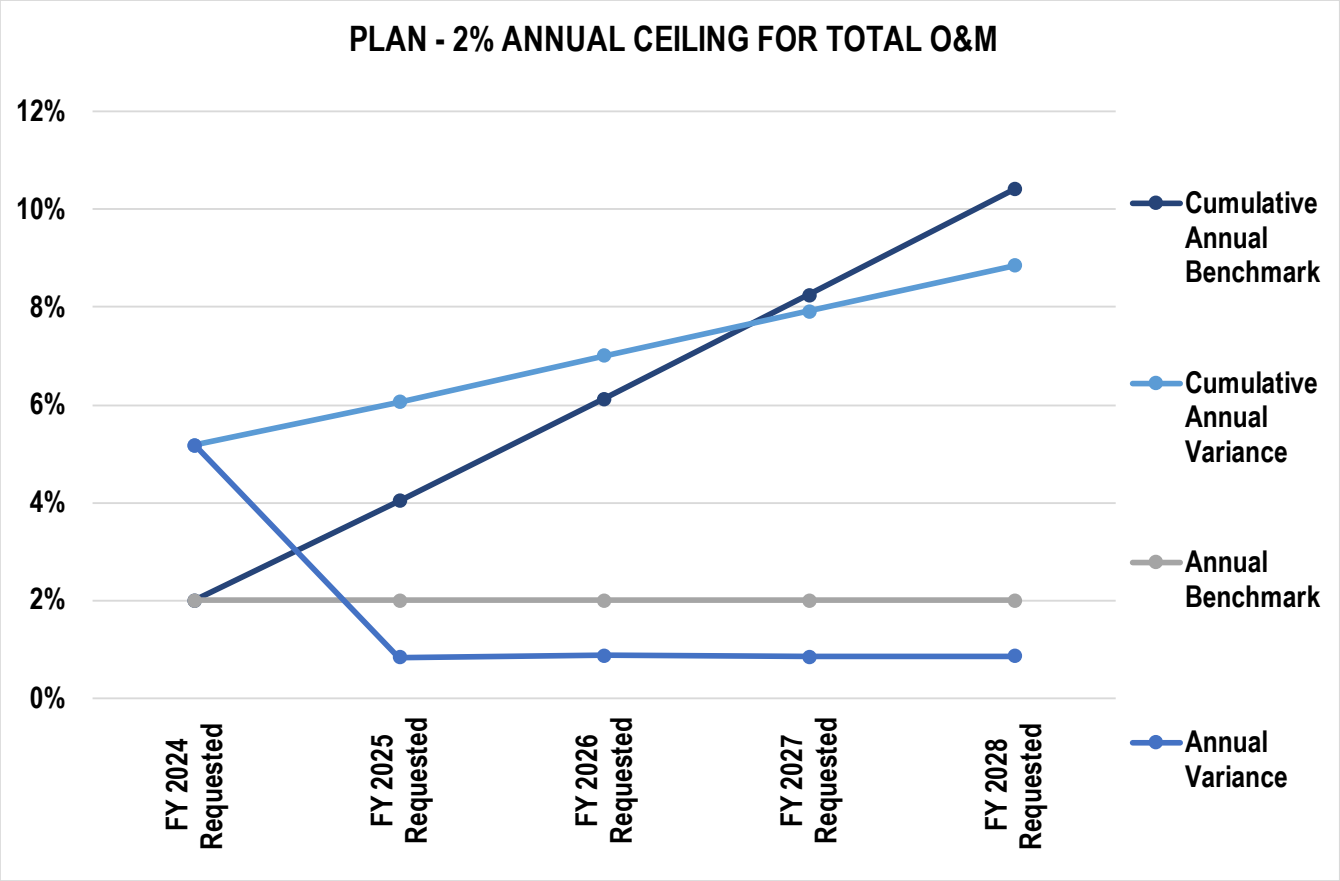


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Executive Officer	$ 688,400	$ 674,200	**$ 709,100**	$ 715,100	$ 721,400	$ 727,600	$ 733,900
Grand Total	**$ 688,400**	**$ 674,200**	**$ 709,100**	**$ 715,100**	**$ 721,400**	**$ 727,600**	**$ 733,900**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Chief Executive Officer's financial plan reflects a five-year overall increase of 8.9% while the entity-wide goal is a cumulative 10.4% ceiling for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the Chief Executive Officer Area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
881001 - Chief Executive Officer	**$ 688,400**	**$ 674,200**	**$ 709,100**	**$ 715,100**	**$ 721,400**	**$ 727,600**	**$ 733,900**
2.1 Salaries & Wages	**387,200**	**322,800**	**342,500**	**342,500**	**342,500**	**342,500**	**342,500**
Salaries & Wages	387,200	322,800	342,500	342,500	342,500	342,500	342,500
2.4 Employee Benefits	**97,500**	**85,100**	**87,100**	**87,500**	**87,900**	**88,400**	**88,800**
Employee Benefits	97,500	85,100	87,100	87,500	87,900	88,400	88,800
4.2 Supplies & Other	**176,000**	**206,300**	**218,300**	**222,700**	**227,300**	**231,800**	**236,400**
Memberships, Licenses & Subscriptions	105,900	107,300	117,400	119,800	122,200	124,600	127,100
Mileage and Parking	68,400	69,900	71,300	72,700	74,200	75,700	77,200
Office Supplies	1,300	10,600	10,800	11,000	11,200	11,500	11,700
Postage	100	100	100	100	100	100	100
Supplies & Other - Covid19	100	-	-	-	-	-	-
Training and Internal Meetings	200	7,400	7,500	7,700	7,900	8,000	8,200
Travel	-	11,000	11,200	11,400	11,700	11,900	12,100
4.3 Contractual Services	**27,700**	**60,000**	**61,200**	**62,400**	**63,700**	**64,900**	**66,200**
Contractual Professional Services	27,700	60,000	61,200	62,400	63,700	64,900	66,200
Grand Total	**$ 688,400**	**$ 674,200**	**$ 709,100**	**$ 715,100**	**$ 721,400**	**$ 727,600**	**$ 733,900**

Chief Administrative and Compliance Officer

The Chief Administrative and Compliance Officer area supports the ongoing labor negotiations throughout GLWA.

Strategic Initiatives

- **Support GLWA's Cooperative Labor-Management Relationship (Ongoing)**
  Focus on expansion of safety teams; identify and acknowledge safe work performance. This strategic initiative is measured by the success of negotiations and implementation of the Collective Bargaining Agreement along with quick resolution of any unfair labor practices complaints.
- **Continue Build Out of Legislative Relations team (Ongoing)**
  Establish annual legislative agenda for the utility.
- **Support multi-area change management throughout the utility (Ongoing)**
  Provide leadership support for large multi-area initiatives.

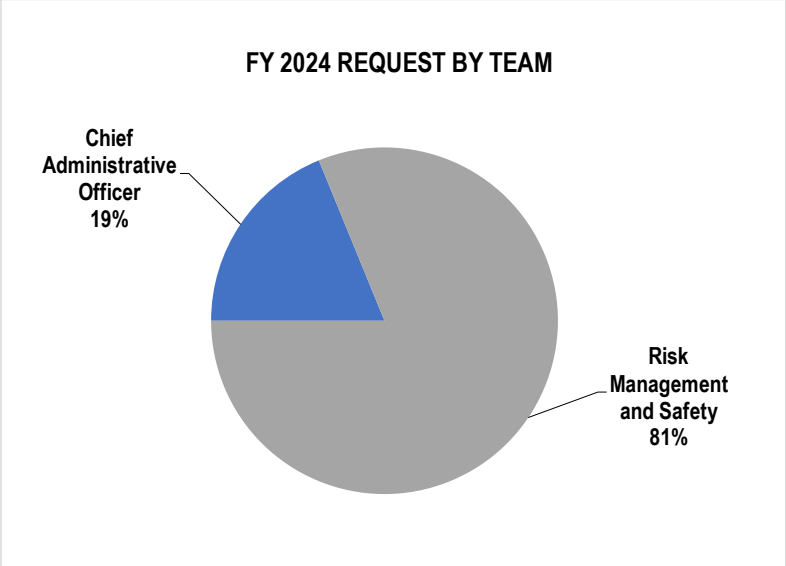
The following table shows how the Chief Administrative and Compliance Officer area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Chief Administrative Officer Strategic Initiatives	Support GLWA's Cooperative Labor-Management Relationship						x					
	Continue Build Out of Legislative Relations Team						x		x	x		x
	Support Multi-Area Change Management Throughout The Utility				x			x	x		x	x

Go to TOC

Organization

The Chief Administrative and Compliance Officer (CACO) Area consists of two teams.



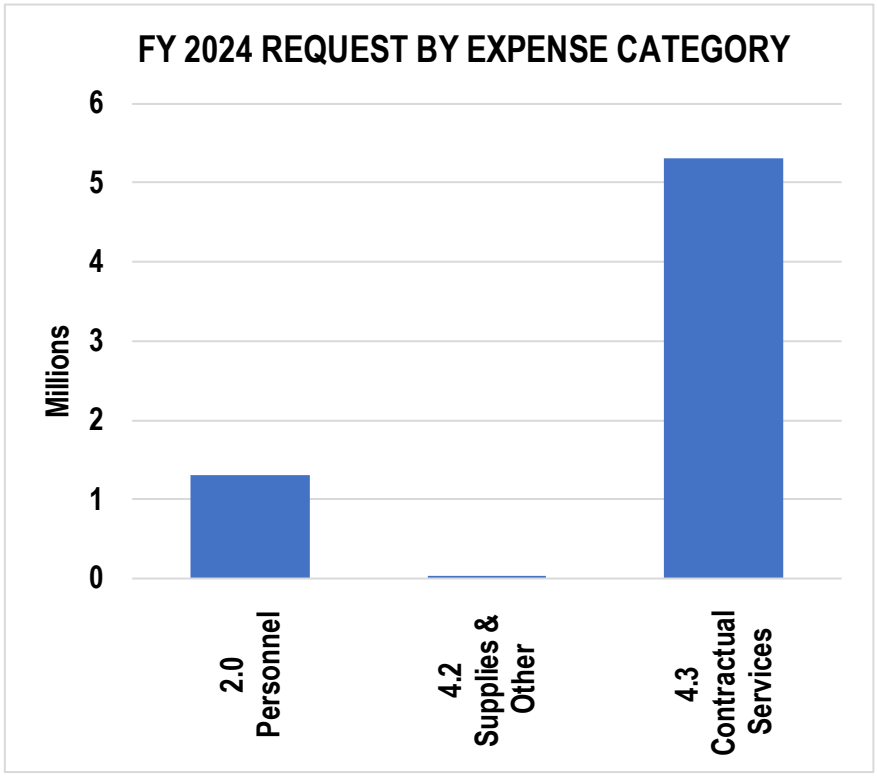
- **Chief Administrative Officer**
  Provides support to the Board of Directors and the Chief Executive Officer. The Office provides coordinative services and administrative support to Enterprise Risk Management, Organizational Development, General Counsel and Information Technology.
- **Risk Management and Safety**
  Responsible for a process, effected by GLWA's Board of Directors and management, which is designed to identify potential events that may affect the Authority, and to manage risk within its risk appetite to provide reasonable assurance regarding the achievement of GLWA's objectives.

Expense Categories

There are three categories of Chief Administrative and Compliance Officer area expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services are the highest expense category for FY 2024. The contractual services account encompasses two major contracts; Government Relation Services and NTH Engineering.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall increase of $160,400, or 2.5% in FY 2024.

- The supplies and other account is increasing by $3,000 to invest in employee training and development.
- The contractual services account is increasing by $153,100 to reflect the estimated annual premium rate increase on insurance policies.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 1,106,300	$ 1,303,900	$ 514,200	**$ 1,308,200**	**$ 4,300**	**0.3%**	$ 1,699,200
4.2 Supplies & Other	15,000	31,800	11,200	**34,800**	**3,000**	**9.4%**	35,500
4.3 Contractual Services	5,086,500	5,160,800	3,229,600	**5,313,900**	**153,100**	**3.0%**	5,420,200
Grand Total	**$ 6,207,800**	**$ 6,496,500**	**$ 3,755,000**	**$ 6,656,900**	**$ 160,400**	**2.5%**	**$ 7,154,900**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Administrative Officer	$ 860,200	$ 1,118,400	$ 521,600	**$ 1,252,800**	**$ 134,400**	**12.0%**	$ 1,326,000
Risk Management and Safety	$ 5,347,600	$ 5,378,100	$ 3,233,400	**$ 5,404,100**	**$ 26,000**	**0.5%**	$ 5,828,900
Grand Total	**$ 6,207,800**	**$ 6,496,500**	**$ 3,755,000**	**$ 6,656,900**	**$ 160,400**	**2.5%**	**$ 7,154,900**

Personnel Budget

The Chief Administrative and Compliance Officer area consists of 14 positions for FY 2024. One staff position for an Environmental Health & Safety Coordinator to be dedicated to CIP in FY 2024.

The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Chief Administrative and Compliance Officer	**13.00**	**13.00**	**14.00**	**14.00**	**14.00**	**14.00**	**14.00**
Chief Administrative Officer	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Risk Management and Safety	8.00	8.00	9.00	9.00	9.00	9.00	9.00

Go to TOC

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Chief Administrative and Compliance Officer	**11.50**	**10.00**	**10.25**	**14.00**	**14.00**	**14.00**	**14.00**
Chief Administrative Officer	5.00	4.25	4.50	5.00	5.00	5.00	5.00
Risk Management and Safety	6.50	5.75	5.75	9.00	9.00	9.00	9.00

Personnel Budget - The table below presents the Chief Administrative and Compliance Officer area personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 856,300	$ 992,400	$ 399,900	$ 998,200	$ 5,800	0.6%	$ 1,286,700
2.4 Employee Benefits	250,000	311,500	114,300	310,000	(1,500)	(0)	412,500
Grand Total	**$ 1,106,300**	**$ 1,303,900**	**$ 514,200**	**$ 1,308,200**	**$ 4,300**	**0.3%**	**$ 1,699,200**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Administrative Officer	$ 626,800	$ 640,200	$ 350,300	$ 712,700	$ 72,500	11.3%	$ 775,000
Risk Management and Safety	$ 479,500	$ 663,700	$ 163,900	$ 595,500	$ (68,200)	-10.3%	$ 924,200
Grand Total	**$ 1,106,300**	**$ 1,303,900**	**$ 514,200**	**$ 1,308,200**	**$ 4,300**	**0.3%**	**$ 1,699,200**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 856,300	$ 992,400	$ 998,200	$ 1,286,700	$ 1,286,700	$ 1,286,700	$ 1,286,700
2.4 Employee Benefits	250,000	311,500	310,000	412,500	$ 415,500	$ 418,500	$ 421,500
and Total	**$ 1,106,300**	**$ 1,303,900**	**$ 1,308,200**	**$ 1,699,200**	**$ 1,702,200**	**$ 1,705,200**	**$ 1,708,200**

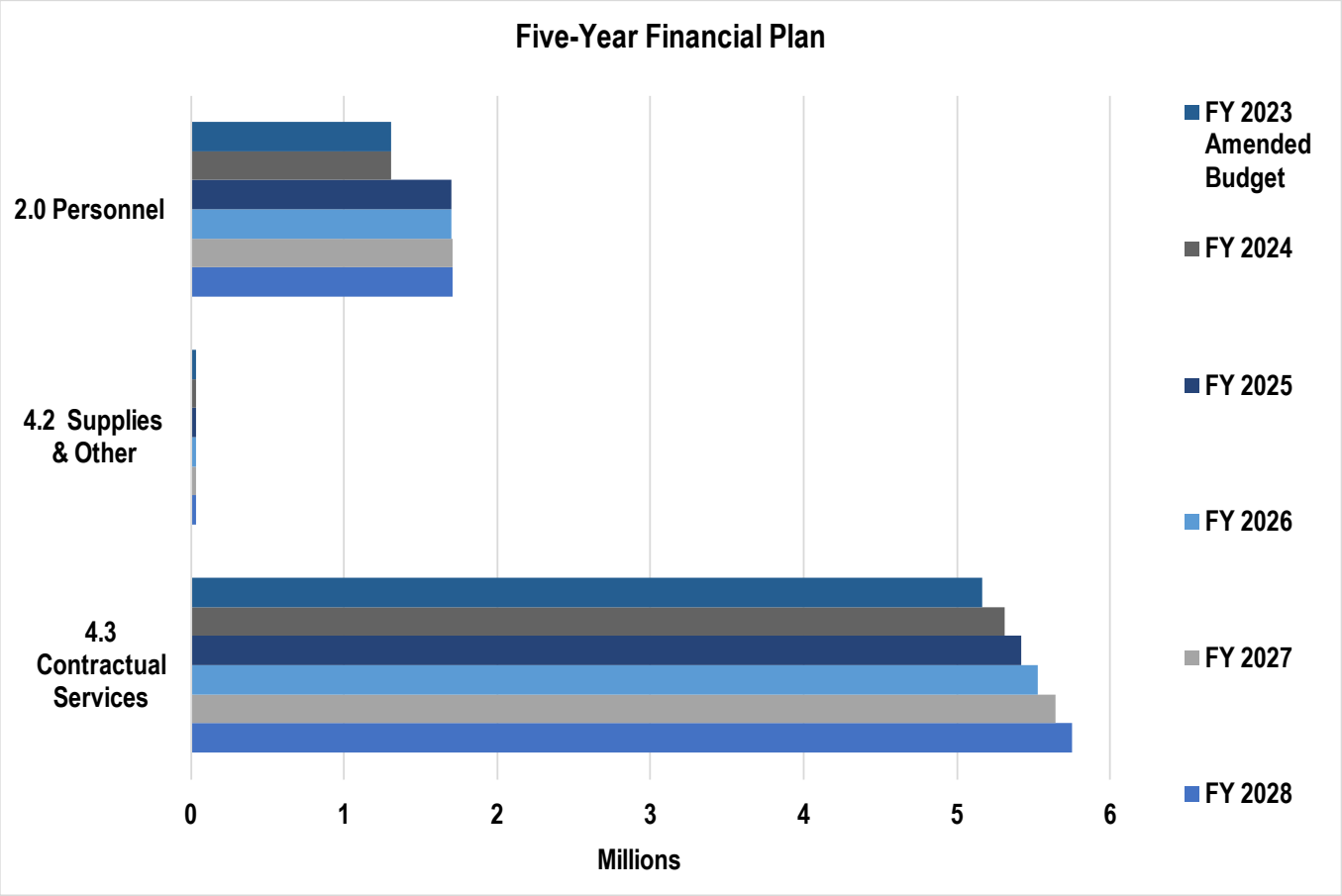
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Administrative Officer	$ 626,800	$ 640,200	**$ 712,700**	$ 775,000	$ 776,000	$ 777,100	$ 778,200
Risk Management and Safety	$ 479,500	$ 663,700	**$ 595,500**	$ 924,200	$ 926,200	$ 928,100	$ 930,000
Grand Total	**$ 1,106,300**	**$ 1,303,900**	**$ 1,308,200**	**$ 1,699,200**	**$ 1,702,200**	**$ 1,705,200**	**$ 1,708,200**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 1,106,300	$ 1,303,900	**$ 1,308,200**	$ 1,699,200	$ 1,702,200	$ 1,705,200	$ 1,708,200
4.2 Supplies & Other	15,000	31,800	**34,800**	35,500	36,100	36,900	37,600
4.3 Contractual Services	5,086,500	5,160,800	**5,313,900**	5,420,200	5,528,500	5,639,200	5,751,900
Grand Total	**$ 6,207,800**	**$ 6,496,500**	**$ 6,656,900**	**$ 7,154,900**	**$ 7,266,800**	**$ 7,381,300**	**$ 7,497,700**



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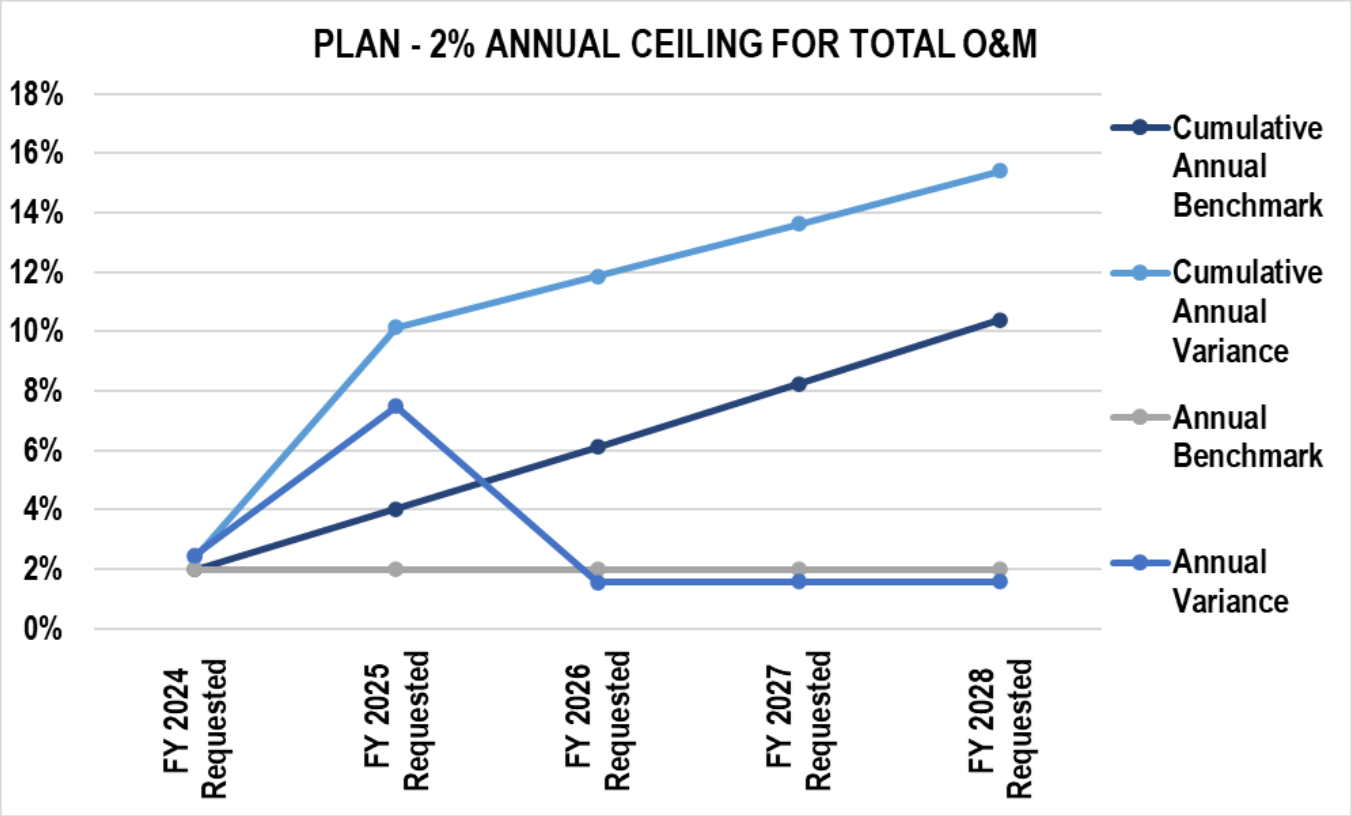
Five-Year Financial Plan by Team

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Administrative Officer	$ 860,200	$ 1,118,400	**$ 1,252,800**	$ 1,326,000	$ 1,337,800	$ 1,350,200	$ 1,362,700
Risk Management and Safety	$ 5,347,600	$ 5,378,100	**$ 5,404,100**	$ 5,828,900	$ 5,929,000	$ 6,031,100	$ 6,135,000
Grand Total	**$ 6,207,800**	**$ 6,496,500**	**$ 6,656,900**	**$ 7,154,900**	**$ 7,266,800**	**$ 7,381,300**	**$ 7,497,700**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Chief Administrative and Compliance Officer area financial plan reflects a five-year overall increase of 15.4% while the entity-wide goal is a cumulative 10.4% for planning purposes (based upon an annual 2% adjustment). The larger increase is mainly a result of an anticipated increase in insurance premiums.



Capital Outlay

Capital Outlay is not a component of the Chief Administrative and Compliance Officer Area.

Line-Item Budget and Financial Plan

The Chief Administrative and Compliance Officer area five-year plan by line-item expense is listed below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883001 - Chief Administrative Officer	**$ 860,200**	**$ 1,118,400**	**$ 1,252,800**	**$ 1,326,000**	**$ 1,337,800**	**$ 1,350,200**	**$ 1,362,700**
2.1 Salaries & Wages	**496,400**	**494,500**	**555,500**	**602,000**	**602,000**	**602,000**	**602,000**
2.4 Employee Benefits	**130,400**	**145,700**	**157,200**	**173,000**	**174,000**	**175,100**	**176,200**
4.2 Supplies & Other	**5,400**	**9,400**	**12,000**	**12,300**	**12,400**	**12,700**	**12,900**
Memberships, Licenses & Subscriptions	-	900	900	900	900	900	900
Office Supplies	1,100	-	2,500	2,600	2,600	2,700	2,700
Supplies & Other - Covid19	100	-	-	-	-	-	-
Training and Internal Meetings	4,200	3,300	3,300	3,400	3,400	3,500	3,600
Travel	-	5,200	5,300	5,400	5,500	5,600	5,700
4.3 Contractual Services	**228,000**	**468,800**	**528,100**	**538,700**	**549,400**	**560,400**	**571,600**
883401 - Enterprise Risk Management and Safety	**694,600**	**1,706,100**	**1,658,700**	**2,008,600**	**2,032,300**	**2,056,400**	**2,080,900**
2.1 Salaries & Wages	**359,900**	**497,900**	**442,700**	**684,700**	**684,700**	**684,700**	**684,700**
2.4 Employee Benefits	**119,600**	**165,800**	**152,800**	**239,500**	**241,500**	**243,400**	**245,300**
4.2 Supplies & Other	**9,600**	**22,400**	**22,800**	**23,200**	**23,700**	**24,200**	**24,700**
Employee Uniform Expense	-	-	-	-	-	-	-
Operating Supplies	9,100	7,100	7,200	7,300	7,500	7,600	7,800
Supplies & Other - Covid19	100	-	-	-	-	-	-
Training and Internal Meetings	-	15,300	15,600	15,900	16,200	16,600	16,900
Tuition Refund	400	-	-	-	-	-	-
4.3 Contractual Services	**205,500**	**1,020,000**	**1,040,400**	**1,061,200**	**1,082,400**	**1,104,100**	**1,126,200**
883411 - Enterprise Risk Mgt. Insurance Fund	**4,653,000**	**3,672,000**	**3,745,400**	**3,820,300**	**3,896,700**	**3,974,700**	**4,054,100**
4.3 Contractual Services	**4,653,000**	**3,672,000**	**3,745,400**	**3,820,300**	**3,896,700**	**3,974,700**	**4,054,100**
Grand Total	**$ 6,207,800**	**$ 6,496,500**	**$ 6,656,900**	**$ 7,154,900**	**$ 7,266,800**	**$ 7,381,300**	**$ 7,497,700**

General Counsel

Provides legal representation, strategic guidance, counseling, advice, and support to the Great Lakes Water Authority so that it will make sound decisions and use appropriate legal processes to better provide its member partners with quality compliant water services.

Strategic Initiatives

- **Work collaboratively with GLWA water member partners to reopen their water usage demands (Ongoing)**
  Ensure that all member partners with direct water service contracts have an opportunity to determine whether they want to adjust their water usage demands. The Board becomes aware of those contracts reopened as all member partner contract amendments are approved by the Board.
- **Create a Best Practices Manual (Ongoing)**
  Ensure consistent representation of the Authority in contractual, real estate, employment, and litigation matters.
- **Incorporate a bill review software for Contractual Services (Completion in FY 2024)**
  Use a third-party service to review legal bills budgeted in Contractual Services, which should garner savings in contractual services costs for legal services.
- **Defend litigation related to the summer 2021 rain events. (As needed)**
  Manage multiple class action lawsuits.

The following table shows how the General Counsel Area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
General Counsel Strategic Initiatives	Work collaboratively with GLWA water member partners to reopen their water usage demands						x	x		x		x
	Create a Best Practices Manual				x	x	x	x		x	x	
	Incorporate a bill review software for Contractual Services				x	x	x	x				
	Defend litigation related to the summer 2021 rain events						x					

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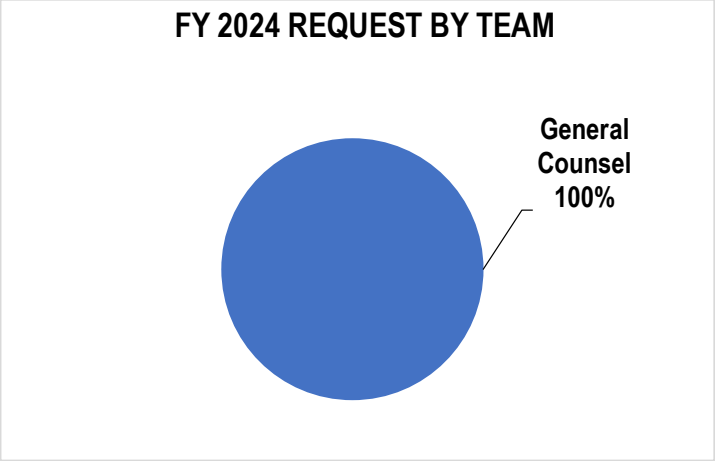
Organization

The General Counsel area has one team.

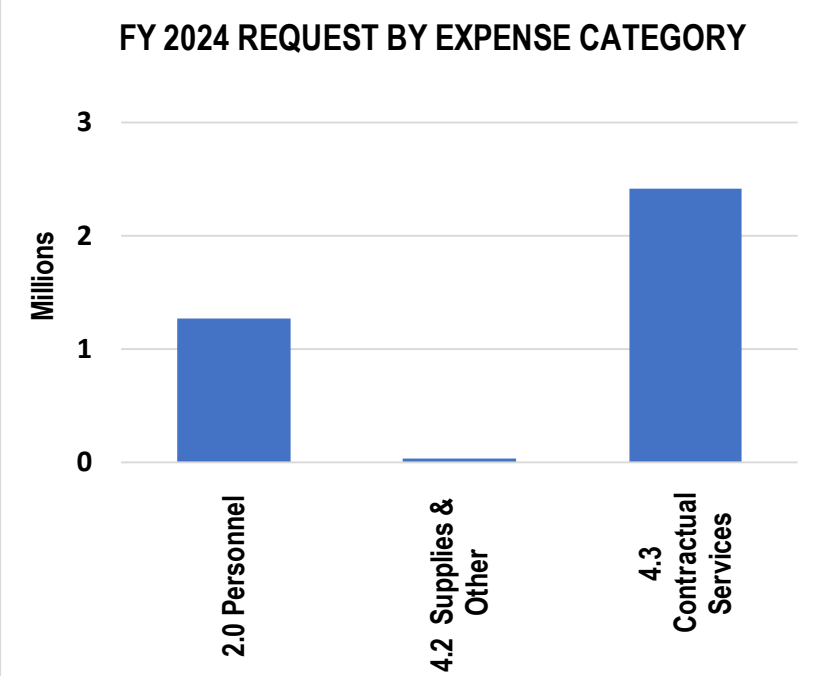


Expense Categories

There are three categories of General Counsel expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services is the highest expense category. This account contains the outside counsel for a wide range of matters, including expert witnesses, environmental, labor, contract review, land matters, non-transactional bond counsel and other matters.



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Biennial Budget Request

The biennial budget reflects an overall increase of $123,500 or 3.8% in FY 2024.

- The personnel account is increasing by $112,600 due to promoting and increasing use of internships within the legal department.
- The supplies and other account decreased by $39,200. Projected expenses for training and internal meetings were adjusted based on need.
- The contractual services account is increasing by $50,100 due to additional legal fees for the 2021 flood events that are expected to continue into FY 2024.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 1,010,100	$ 1,041,900	$ 630,200	$ 1,154,500	$ 112,600	10.8%	$ 1,247,500
4.2 Supplies & Other	12,400	83,300	18,300	44,100	(39,200)	-47.1%	45,000
4.3 Contractual Services	4,800,900	2,142,500	1,193,600	2,192,600	50,100	2.3%	2,236,500
Grand Total	**$ 5,823,400**	**$ 3,267,700**	**$ 1,842,100**	**$ 3,391,200**	**$ 123,500**	**3.8%**	**$ 3,529,000**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
General Counsel	$ 5,823,400	$ 3,267,700	$ 1,842,100	$ 3,391,200	$ 123,500	3.8%	$ 3,529,000
Grand Total	**$ 5,823,400**	**$ 3,267,700**	**$ 1,842,100**	**$ 3,391,200**	**$ 123,500**	**3.8%**	**$ 3,529,000**

Personnel Budget

General Counsel consists of eight positions for FY 2024, which is staying consistent with the FY 2023 staffing level. The following tables provide three views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
General Counsel	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**

Full-time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
General Counsel	**8.00**	**7.25**	**7.50**	**8.00**	**8.00**	**8.00**	**8.00**

Personnel Budget - The table below presents the General Counsel personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 790,100	$ 801,100	$ 491,100	**$ 877,800**	**$ 76,700**	**9.6%**	$ 949,800
2.2 Workforce Development	2,900	-	12,800	**23,400**	**23,400**	**0.0%**	23,400
2.4 Employee Benefits	217,100	240,800	126,300	**253,300**	**12,500**	**5.2%**	274,300
Grand Total	**$ 1,010,100**	**$ 1,041,900**	**$ 630,200**	**$ 1,154,500**	**$ 112,600**	**10.8%**	**$ 1,247,500**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
General Counsel	$ 1,010,100	$ 1,041,900	$ 630,200	$ 1,154,500	$ 112,600	10.8%	$ 1,247,500
Grand Total	**$ 1,010,100**	**$ 1,041,900**	**$ 630,200**	**$ 1,154,500**	**$ 112,600**	**10.8%**	**$ 1,247,500**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 790,100	$ 801,100	**$ 877,800**	$ 949,800	$ 949,800	$ 949,800	$ 949,800
2.2 Workforce Development	2,900	0	**23,400**	23,400	35,200	35,200	35,200
2.4 Employee Benefits	217,100	240,800	**253,300**	274,300	276,000	277,700	279,400
Grand Total	**$ 1,010,100**	**$ 1,041,900**	**$ 1,154,500**	**$ 1,247,500**	**$ 1,261,000**	**$ 1,262,700**	**$ 1,264,400**

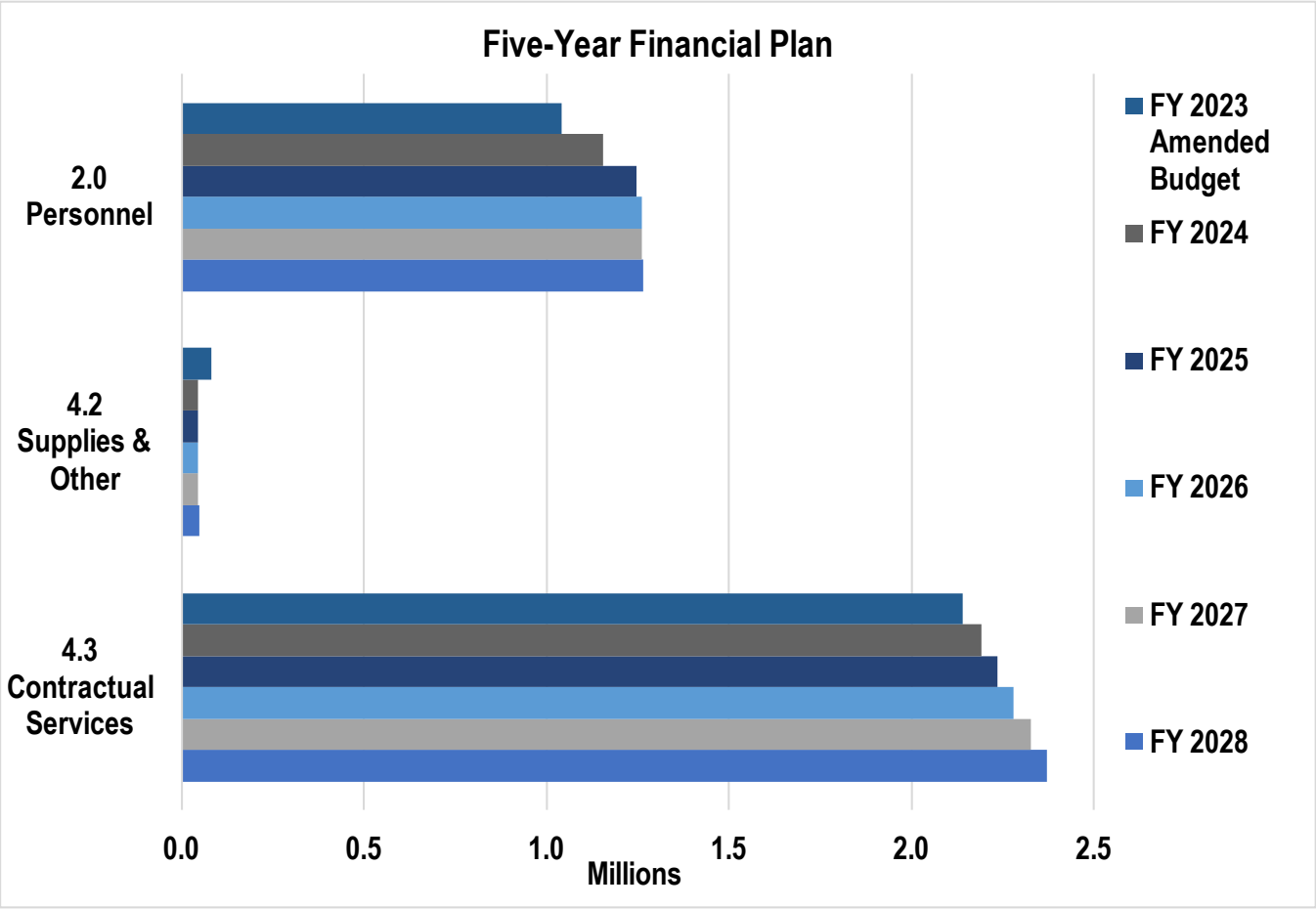
Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
General Counsel	$ 1,010,100	$ 1,041,900	**$ 1,154,500**	$ 1,247,500	$ 1,261,000	$ 1,262,700	$ 1,264,400
Grand Total	**$ 1,010,100**	**$ 1,041,900**	**$ 1,154,500**	**$ 1,247,500**	**$ 1,261,000**	**$ 1,262,700**	**$ 1,264,400**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Adopted Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 1,010,100	$ 1,041,900	**$ 1,154,500**	$ 1,247,500	$ 1,261,000	$ 1,262,700	$ 1,264,400
4.2 Supplies & Other	12,400	83,300	**44,100**	45,000	45,800	46,800	47,800
4.3 Contractual Services	4,800,900	2,142,500	**2,192,600**	2,236,500	2,281,200	2,326,800	2,373,300
Grand Total	**$ 5,823,400**	**$ 3,267,700**	**$ 3,391,200**	**$ 3,529,000**	**$ 3,588,000**	**$ 3,636,300**	**$ 3,685,500**

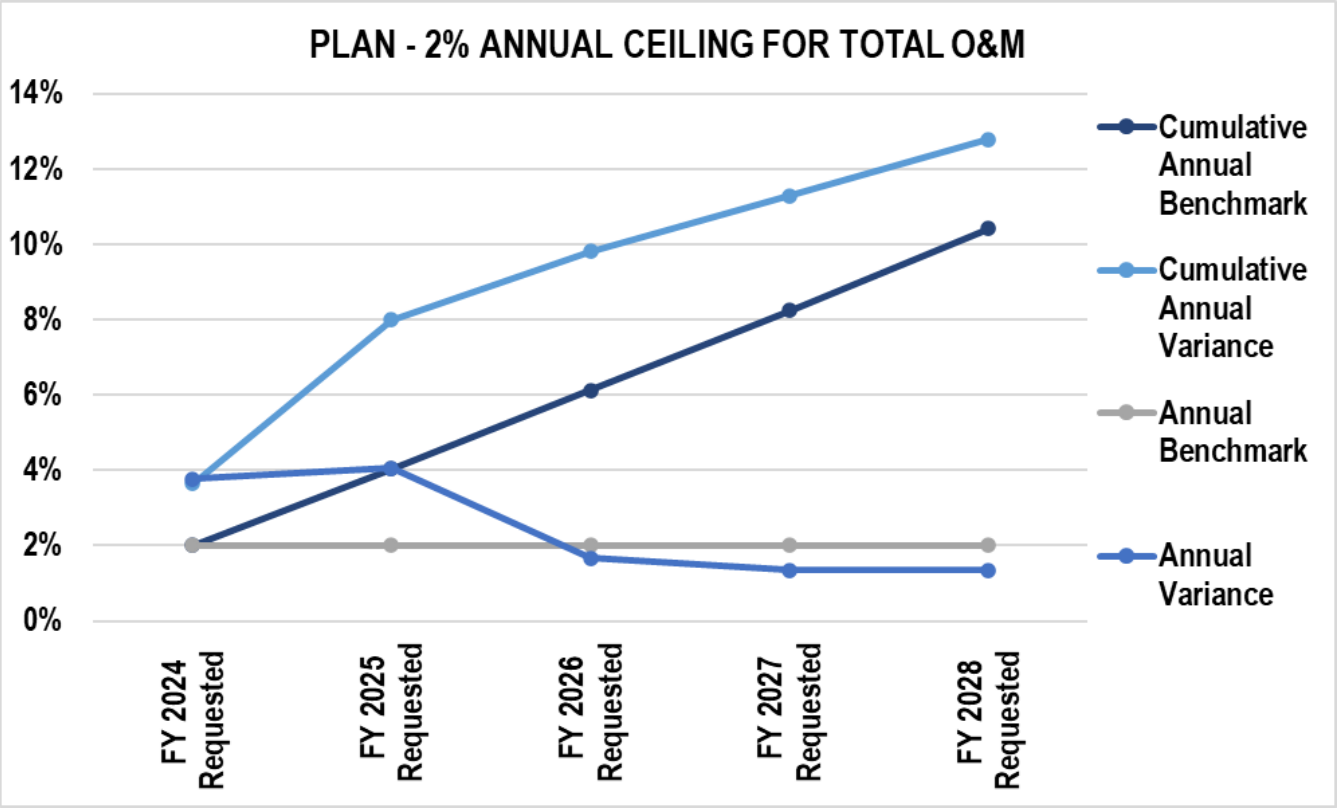


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
General Counsel	$ 5,823,400	$ 3,267,700	**$ 3,391,200**	$ 3,529,000	$ 3,588,000	$ 3,636,300	$ 3,685,500
Grand Total	**$ 5,823,400**	**$ 3,267,700**	**$ 3,391,200**	**$ 3,529,000**	**$ 3,588,000**	**$ 3,636,300**	**$ 3,685,500**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The General Counsel area financial plan reflects a five-year overall increase of 12.8% which is above the entity-wide goal of a cumulative 10.4% for planning purposes based upon an annual 2% adjustment. This is mainly due to the increase in personnel costs as described earlier.



Capital Outlay

Capital Outlay is not a component of the General Counsel area.

Line-Item Budget and Financial Plan

The General Counsel five-year plan by line-item expense is listed below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883101 - General Counsel							
2.1 Salaries & Wages	**$ 790,100**	**$ 801,100**	**$ 877,800**	**$ 949,800**	**$ 949,800**	**$ 949,800**	**$ 949,800**
2.2 Workforce Development	**2,900**	**-**	**23,400**	**23,400**	**35,200**	**35,200**	**35,200**
2.4 Employee Benefits	**217,100**	**240,800**	**253,300**	**274,300**	**276,000**	**277,700**	**279,400**
4.2 Supplies & Other	**12,400**	**83,300**	**44,100**	**45,000**	**45,800**	**46,800**	**47,800**
Memberships, Licenses & Subscriptions	7,800	13,000	10,000	10,200	10,400	10,600	10,800
Office Supplies	600	5,400	1,000	1,000	1,000	1,100	1,100
Postage	100	2,900	100	100	100	100	100
Training and Internal Meetings	3,000	46,700	25,000	25,500	26,000	26,500	27,100
Travel	900	15,300	8,000	8,200	8,300	8,500	8,700
4.3 Contractual Services	**4,800,900**	**2,142,500**	**2,192,600**	**2,236,500**	**2,281,200**	**2,326,800**	**2,373,300**
Contractual Operating Services	200	-	-	-	-	-	-
Contractual Svcs–Flood Events -All Sewer	2,211,800	-	-	-	-	-	-
Legal	2,588,900	2,142,500	2,192,600	2,236,500	2,281,200	2,326,800	2,373,300
Grand Total	**$ 5,823,400**	**$ 3,267,700**	**$ 3,391,200**	**$ 3,529,000**	**$ 3,588,000**	**$ 3,636,300**	**$ 3,685,500**

Public Affairs

The Public Affairs Group is responsible for building knowledge of the Authority's mission, vision, and values, as well as sharing its accomplishments with stakeholders – both internal and external.

Strategic Initiatives

- **Build/Rebuild Public Trust in GLWA (Ongoing)**
  Implement a comprehensive, proactive, and transparent communications campaign to heighten knowledge of GLWA system operations and efforts to improve overall system resiliency. This initiative is tracked through a message pull through in the monthly KPI report under the stakeholder understanding category.
- **Provide a Communications Resource to GLWA Member Partners (Ongoing)**
  Leverage the resources and capacity of the Public Affairs team to produce relevant, informative materials/campaigns for use by GLWA and its member partner communities in educating their elected officials, residents, and other stakeholders about important water/wastewater-related issues.
- **Refine GLWA's Internal Communications Outreach (Ongoing)**
  Continue to refine and implement an internal communications strategy that engages GLWA team members and helps to grow overall team member morale and satisfaction. This initiative will be measured through the implementation of a regular internal communication survey to help identify what information team members want and how to improve the ways we communicate that information.

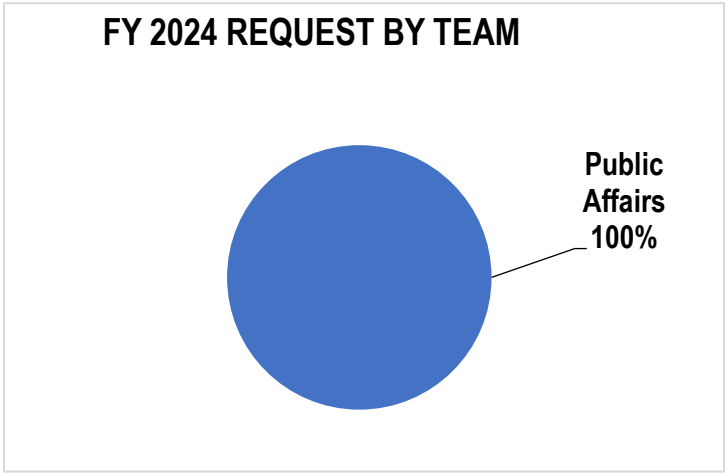
The following table shows how the Public Affairs area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Public Affairs Strategic Initiatives	Build/Rebuild Public Trust in GLWA	x					x	x		x	x	x
	Provide a Communications Resource to GLWA Member Partners						x	x		x		x
	Refine GLWA's Internal Communications Outreach						x	x		x	x	x

Go to TOC

Organization

The Public Affairs area has one team.

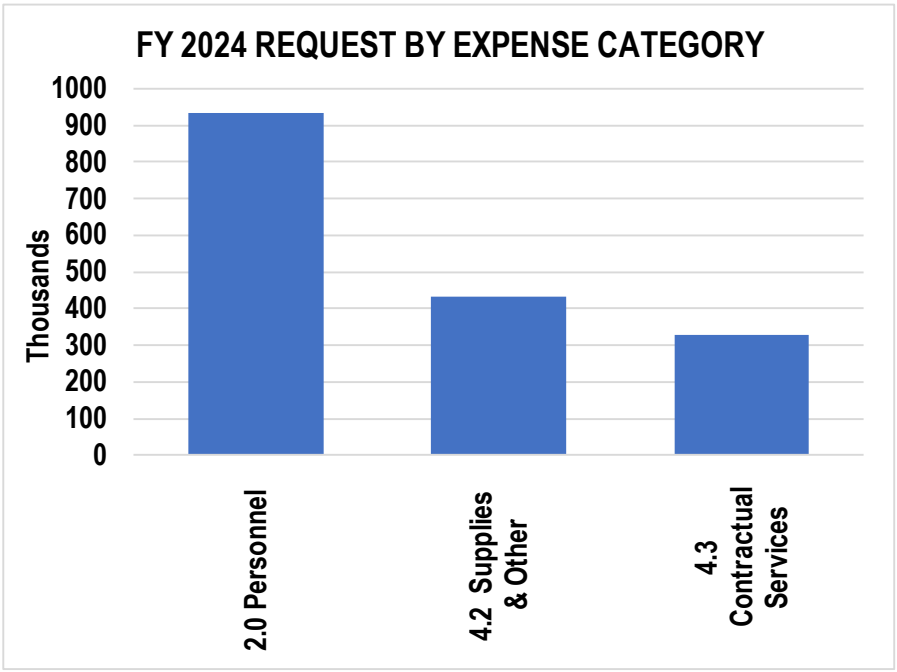


Expense Categories

There are three categories of Public Affairs expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services

Personnel is the highest expense category for Public Affairs.



Biennial Budget Request

The biennial budget reflects an increase of $92,900 or 5.8% in FY 2024.

- The personnel account is increasing by $77,000 due to adding one Public Affairs Specialist.
- The supplies & other account is increasing by $7,200 due to the incremental increase in supplies.
- The contractual services account is increasing by $8,700 due to incremental increases in several marketing/communications services.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 711,700	$ 857,200	$ 451,500	**$ 934,200**	**$ 77,000**	**9.0%**	$ 1,042,100
4.2 Supplies & Other	258,600	425,900	230,400	**$ 433,100**	**7,200**	**1.7%**	395,800
4.3 Contractual Services	349,000	319,100	170,300	**$ 327,800**	**8,700**	**2.7%**	472,000
Grand Total	**$ 1,319,300**	**$ 1,602,200**	**$ 852,200**	**$ 1,695,100**	**$ 92,900**	**5.8%**	**$ 1,909,900**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Public Affairs	$ 1,319,300	$ 1,602,200	$ 852,200	**$ 1,695,100**	**$ 92,900**	**5.8%**	$ 1,909,900
Grand Total	**$ 1,319,300**	**$ 1,602,200**	**$ 852,200**	**$ 1,695,100**	**$ 92,900**	**5.8%**	**$ 1,909,900**

Personnel Budget

Public Affairs personnel consists of 9 positions for FY 2024, which remains constant from FY 2023. One position is scheduled to be converted from contractual to direct hire in the fourth quarter of FY 2023 to provide sufficient in-house support.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Public Affairs	**7.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**

Full-time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Team	Prior Year FY 2022 FTEs	Current FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Public Affairs	**7.00**	**7.50**	**8.00**	**9.00**	**9.00**	**9.00**	**9.00**

Personnel Budget - The table below presents the Public Affairs personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel - Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 512,800	$ 642,300	$ 317,500	**$ 705,500**	**$ 63,200**	**9.8%**	$ 784,600
2.4 Employee Benefits	158,700	214,900	94,900	**228,700**	**13,800**	**6.4%**	257,500
2.5 Transition Services	40,200	-	39,100	**-**	**-**	**-**	-
Grand Total	**$ 711,700**	**$ 857,200**	**$ 451,500**	**$ 934,200**	**$ 77,000**	**9.0%**	**$ 1,042,100**

Personnel - Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Public Affairs	$ 711,700	$ 857,200	$ 451,500	**$ 934,200**	**$ 77,000**	**9.0%**	$ 1,042,100
Grand Total	**$ 711,700**	**$ 857,200**	**$ 451,500**	**$ 934,200**	**$ 77,000**	**9.0%**	**$ 1,042,100**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 512,800	$ 642,300	**$ 705,500**	$ 784,600	$ 784,600	$ 784,600	$ 784,600
2.4 Employee Benefits	158,700	214,900	**228,700**	257,500	259,500	261,400	263,300
2.5 Transition Services	40,200	-	**-**	-	-	-	-
Grand Total	**$ 711,700**	**$ 857,200**	**$ 934,200**	**$ 1,042,100**	**$ 1,044,100**	**$ 1,046,000**	**$ 1,047,900**

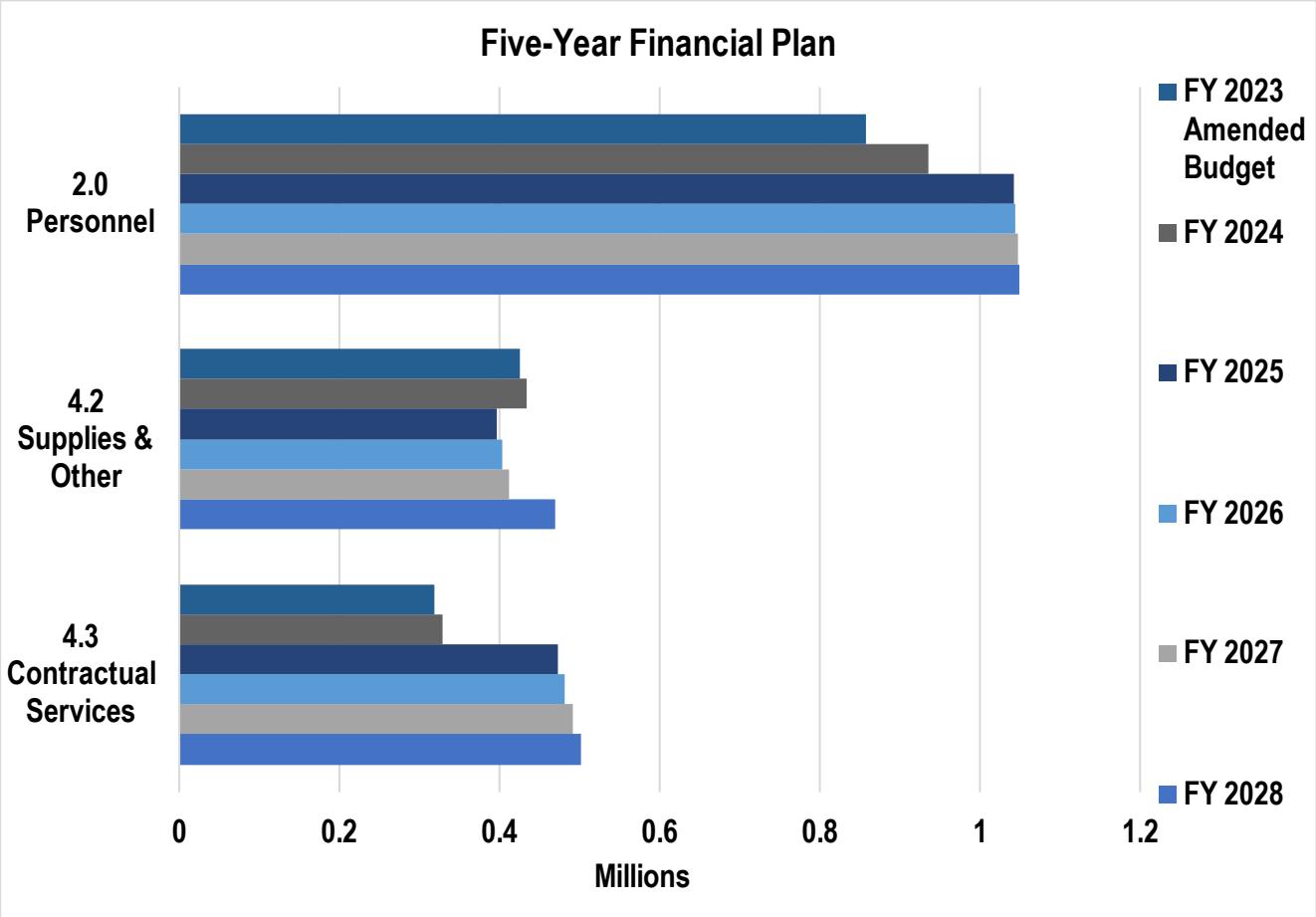
Personnel – Five-Year Financial Plan by Team

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Public Affairs	$ 711,700	$ 857,200	**$ 934,200**	$ 1,042,100	$ 1,044,100	$ 1,046,000	$ 1,047,900
Grand Total	**$ 711,700**	**$ 857,200**	**$ 934,200**	**$ 1,042,100**	**$ 1,044,100**	**$ 1,046,000**	**$ 1,047,900**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 711,700	$ 857,200	**$ 934,200**	$ 1,042,100	$ 1,044,100	$ 1,046,000	$ 1,047,900
4.2 Supplies & Other	258,600	425,900	**$ 433,100**	395,800	403,500	411,700	468,400
4.3 Contractual Services	349,000	319,100	**$ 327,800**	472,000	481,400	491,000	500,800
Grand Total	**$ 1,319,300**	**$ 1,602,200**	**$ 1,695,100**	**$ 1,909,900**	**$ 1,929,000**	**$ 1,948,700**	**$ 2,017,100**



Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Public Affairs	$ 1,319,300	$ 1,602,200	$ 1,695,100	$ 1,909,900	$ 1,929,000	$ 1,948,700	$ 2,017,100
Grand Total	**$ 1,319,300**	**$ 1,602,200**	**$ 1,695,100**	**$ 1,909,900**	**$ 1,929,000**	**$ 1,948,700**	**$ 2,017,100**

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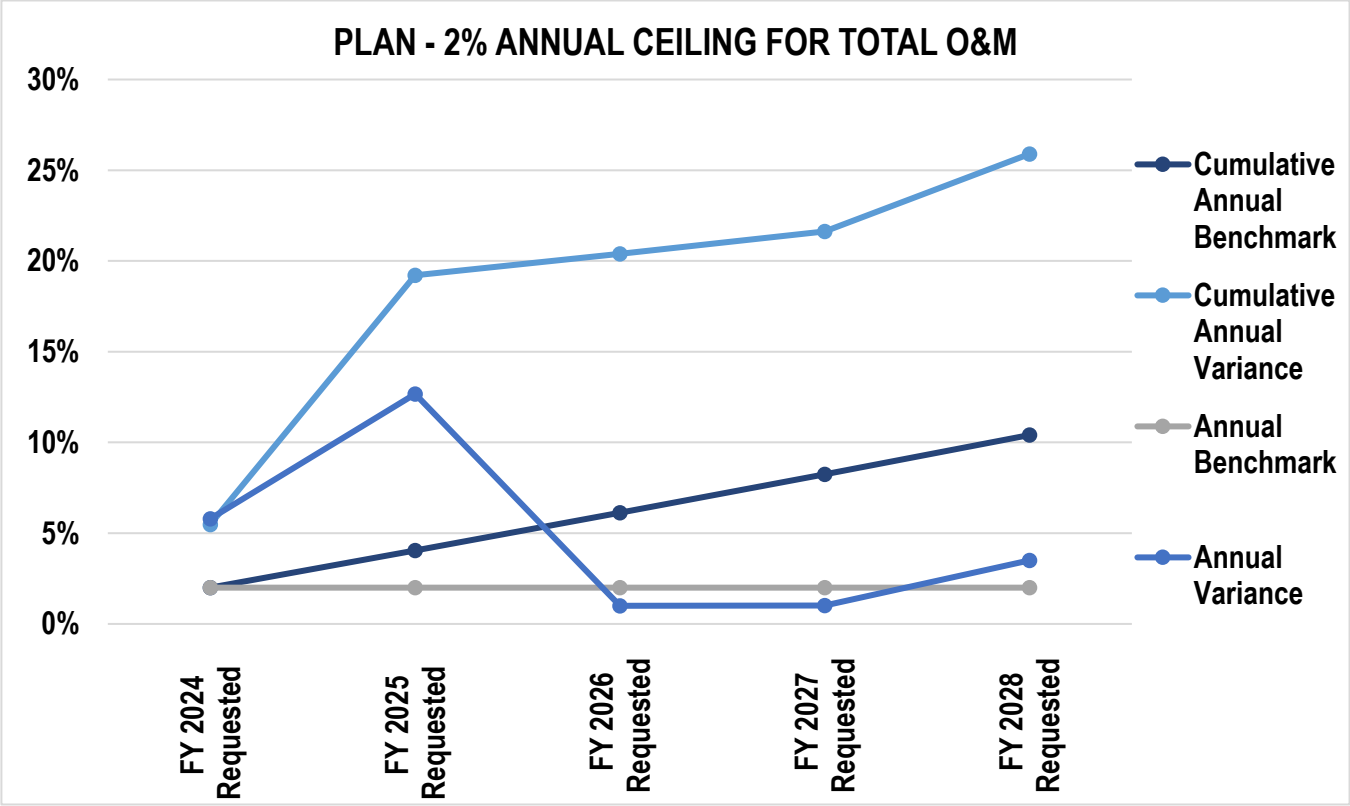
Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Public Affairs area financial plan reflects a five-year overall increase of 25.9% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment. The main reason for the increase is due to an increase in FY 2025 contractual services for video and animation services.



Capital Outlay

Public Affairs capital outlay is funded by the Improvement & Extension budget.

Five-Year Capital Outlay by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension						
Computers & IT	22,000	10,000	5,000	18,000	22,000	10,000
Grand Total	**$ 22,000**	**$ 10,000**	**$ 5,000**	**$ 18,000**	**$ 22,000**	**$ 10,000**

Go to TOC

Five-Year Capital Outlay by Funding Source

Funding Source	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	22,000	10,000	5,000	18,000	22,000	10,000
Grand Total	**$ 22,000**	**$ 10,000**	**$ 5,000**	**$ 18,000**	**$ 22,000**	**$ 10,000**

Five-Year Capital Outlay by Team

Team	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Public Affairs	$ 22,000	$ 10,000	5000	18000	22000	10000
Grand Total	**$ 22,000**	**$ 10,000**	**$ 5,000**	**$ 18,000**	**$ 22,000**	**$ 10,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense begins below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
881101 - Public Affairs	**$ 1,319,300**	**$ 1,602,200**	**$ 1,695,100**	**$ 1,909,900**	**$ 1,929,000**	**$ 1,948,700**	**$ 2,017,100**
2.1 Salaries & Wages	**512,800**	**642,300**	**705,500**	**784,600**	**784,600**	**784,600**	**784,600**
2.4 Employee Benefits	**158,700**	**214,900**	**228,700**	**257,500**	**259,500**	**261,400**	**263,300**
2.5 Transition Services	**40,200**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**258,600**	**425,900**	**433,100**	**395,800**	**403,500**	**411,700**	**468,400**
Advertising	165,700	192,600	191,200	149,200	152,200	155,400	207,000
Memberships, Licenses & Subscriptions	1,500	-	-	-	-	-	-
Mileage and Parking	100	1,200	1,300	1,300	1,300	1,400	1,400
Office Supplies	2,800	6,600	6,700	6,800	6,900	7,000	7,100
Operating Supplies	64,700	157,100	160,200	163,300	166,400	169,700	173,200
Printing	3,700	43,200	44,100	45,000	45,900	46,800	47,700
Supplies & Other - Covid19	200	-	-	-	-	-	-
Training and Internal Meetings	10,000	12,500	14,700	15,000	15,300	15,600	15,900
Travel	3,800	12,700	14,900	15,200	15,500	15,800	16,100
Capital Outlay less than $5,000	6,100	-	-	-	-	-	-
4.3 Contractual Services	**349,000**	**319,100**	**327,800**	**472,000**	**481,400**	**491,000**	**500,800**
Grand Total	**$ 1,319,300**	**$ 1,602,200**	**$ 1,695,100**	**$ 1,909,900**	**$ 1,929,000**	**$ 1,948,700**	**$ 2,017,100**

Organizational Development

Provides GLWA team members with effective and efficient support needed to ensure the best possible work experience, engagement, and personal development, in a collaborative manner, that also provides the best water treatment and service to our customers.

Strategic Initiatives

- **Apprentice Program (Ongoing)**
  GLWA has established a robust apprenticeship program. In FY 2024, GLWA will continue to expand the use of apprenticeships throughout the organization by adding new classes of apprentices and titles to the program. KPI's are reported for apprentices' classes that have started and completed.
- **Enterprise Resource Management System (ERM) (Ongoing)**
  Organizational Development provides managed services for GLWA's current Ceridian (ERM) system. Organizational Development is actively participating and supporting GLWA's Enterprise Resource Management System led by Information Technology who maintains the strategic KPI's for this initiative.
- **Compensation Equity Team (Ongoing)**
  Organizational Development will continue a compensation benchmarking study and review of job classifications, job duties and compensation.
- **One Water Institute (Ongoing)**
  GLWA's training and development program has provided extensive health and safety course offerings to team members and Member Partners. In FY 2024 GLWA will continue expanding access to the One Water Institute with the rollout of the Leadership Development and Leader-in-Me academies. In FY 2024 the One Water Institute will continue to build out its evening in-person course offerings for GLWA team members.

The following table shows how the Organizational Development Area strategic initiatives relate to the organizational strategic goals.

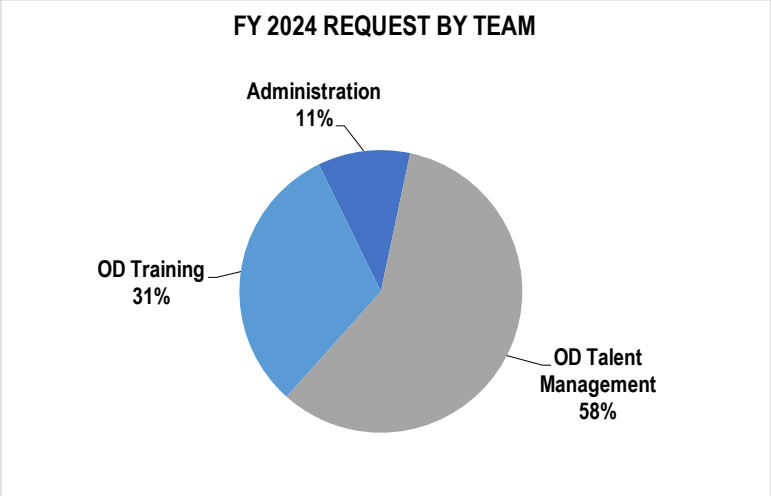
		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Organizational Development Strategic Initiatives	Apprentice Program			x	x	x	x		x		x	x
	Enterprise Resource Management System (ERM)		x	x	x	x	x					
	Compensation Equity Team		x				x				x	
	One Water Institute			x	x	x	x	x	x		x	x

Go to TOC

Organization

The Organizational Development area consists of three teams.

- **Administration**
  Provides coordination and support to the Organizational Development area and strategic direction for the utility relative to human relations as well as team support and development.
- **Talent Management**
  From recruitment to retirement talent management is responsible for supporting all aspects of the employment relationship.
- **Training**
  Ensures new GLWA team members receive essential orientation and mandatory health and safety training. Responsible for planning, coordinating, and delivering ongoing health and safety and leadership development training to all GLWA team members. Provides training opportunities to GLWA's Member Partners through the One Water Institute.

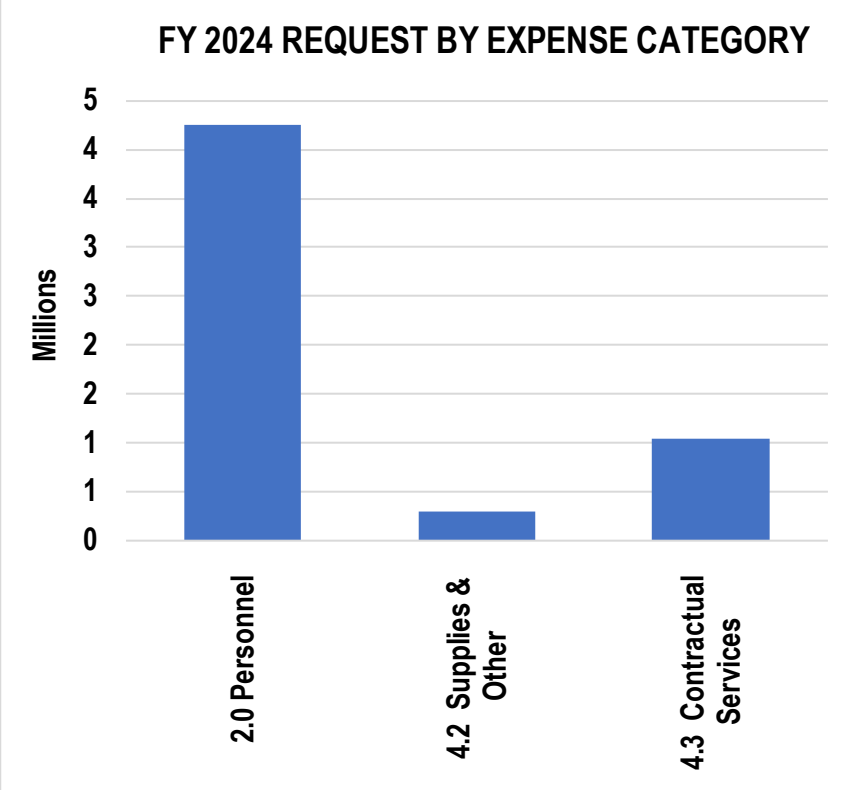


Expense Categories

There are three categories of Organizational Development (OD) expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services

Personnel costs are the highest expense category for OD. In FY 2024, five staffing positions will be added in the first quarter to support the Talent Management team.



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Biennial Budget Request

The biennial budget reflects an increase of $402,000 or 7.8% in FY 2024.

- The Personnel costs are increasing by $318,000 due to an increase of five staffing positions and an increase in the cost of employee benefits.
- The supplies & other account is increasing by $25,000 in FY 2024, due to the Training team adjusting their budget to align with actual expenses for the operating supplies account.
- The contractual services account is increasing by $59,000 due to incremental increases in other contractual services.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 3,005,200	$ 3,930,600	$ 1,796,400	**$ 4,248,600**	**$ 318,000**	**8.1%**	$ 4,787,200
4.2 Supplies & Other	211,500	271,900	157,300	**296,900**	**25,000**	**9.2%**	292,100
4.3 Contractual Services	1,127,200	977,100	421,500	**1,036,100**	**59,000**	**6.0%**	1,156,700
Grand Total	**$ 4,343,900**	**$ 5,179,600**	**$ 2,375,200**	**$ 5,581,600**	**$ 402,000**	**7.8%**	**$ 6,236,000**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Administration	$ 918,300	$ 664,700	$ 479,100	**$ 588,700**	**$ (76,000)**	**-11.4%**	$ 740,100
Talent Management	2,093,800	2,815,900	1,200,900	**3,252,700**	**436,800**	**15.5%**	3,690,900
Training	1,331,800	1,699,000	695,200	**1,740,200**	**41,200**	**2.4%**	1,805,000
Grand Total	**$ 4,343,900**	**$ 5,179,600**	**$ 2,375,200**	**$ 5,581,600**	**$ 402,000**	**7.8%**	**$ 6,236,000**

Personnel Budget

Organizational Development personnel consists of 45 positions for FY 2024, which is an increase of five staffing positions from FY 2023. The increase in staffing is to support Talent Management by adding one Manager and four Organizational Development Specialists. The following tables provide three alternate views of the staffing plans and budget.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Organizational Development	**35.00**	**40.00**	**45.00**	**45.00**	**45.00**	**45.00**	**45.00**
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Talent Management	18.00	22.00	27.00	27.00	27.00	27.00	27.00
Training	12.00	13.00	13.00	13.00	13.00	13.00	13.00

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

	Prior Year FY 2022 FTEs	Current FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Organizational Development	**35.00**	**39.00**	**39.25**	**43.75**	**43.75**	**43.75**	**43.75**
Administration	5.00	5.00	4.00	5.00	5.00	5.00	5.00
Talent Management	18.00	21.00	22.75	25.75	25.75	25.75	25.75
Training	12.00	13.00	12.50	13.00	13.00	13.00	13.00

Personnel Budget - The table below presents the Organizational Development personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 2,192,300	$ 2,885,700	$ 1,356,600	**$ 3,166,900**	**$ 281,200**	**9.7%**	$ 3,566,900
2.3 Overtime	5,200	4,000	900	**3,000**	**(1,000)**	**-25.0%**	3,000
2.4 Employee Benefits	743,500	1,040,900	438,900	**1,078,700**	**37,800**	**3.6%**	1,217,300
2.5 Transition Services	64,200	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 3,005,200**	**$ 3,930,600**	**$ 1,796,400**	**$ 4,248,600**	**$ 318,000**	**8.1%**	**$ 4,787,200**

Go to TOC

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Administration	$ 271,100	$ 563,800	$ 244,700	**$ 524,800**	**$ (39,000)**	**-6.9%**	$ 675,000
Talent Management	1,597,200	2,061,100	936,600	**2,400,700**	**339,600**	**16.5%**	2,732,600
Training	1,136,900	1,305,700	615,100	**1,323,100**	**17,400**	**1.3%**	1,379,600
Grand Total	**$ 3,005,200**	**$ 3,930,600**	**$ 1,796,400**	**$ 4,248,600**	**$ 318,000**	**8.1%**	**$ 4,787,200**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 2,192,300	$ 2,885,700	**$ 3,166,900**	$ 3,566,900	$ 3,566,900	$ 3,566,900	$ 3,566,900
2.3 Overtime	5,200	4,000	**3,000**	3,000	3,000	3,000	3,000
2.4 Employee Benefits	743,500	1,040,900	**1,078,700**	1,217,300	1,226,800	1,236,400	1,245,700
2.5 Transition Services	64,200	-	**-**	-	-	-	-
Grand Total	**$ 3,005,200**	**$ 3,930,600**	**$ 4,248,600**	**$ 4,787,200**	**$ 4,796,700**	**$ 4,806,300**	**$ 4,815,600**

Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Administration	$ 271,100	$ 563,800	**$ 524,800**	$ 675,000	$ 676,100	$ 677,200	$ 678,200
Talent Management	1,597,200	2,061,100	**2,400,700**	2,732,600	2,738,200	2,743,900	2,749,500
Training	1,136,900	1,305,700	**1,323,100**	1,379,600	1,382,400	1,385,200	1,387,900
Grand Total	**$ 3,005,200**	**$ 3,930,600**	**$ 4,248,600**	**$ 4,787,200**	**$ 4,796,700**	**$ 4,806,300**	**$ 4,815,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 3,005,200	$ 3,930,600	**$ 4,248,600**	$ 4,787,200	$ 4,796,700	$ 4,806,300	$ 4,815,600
4.2 Supplies & Other	211,500	271,900	**296,900**	292,100	298,200	303,900	310,100
4.3 Contractual Services	1,127,200	977,100	**1,036,100**	1,156,700	1,077,800	1,199,600	1,121,600
Grand Total	**$ 4,343,900**	**$ 5,179,600**	**$ 5,581,600**	**$ 6,236,000**	**$ 6,172,700**	**$ 6,309,800**	**$ 6,247,300**

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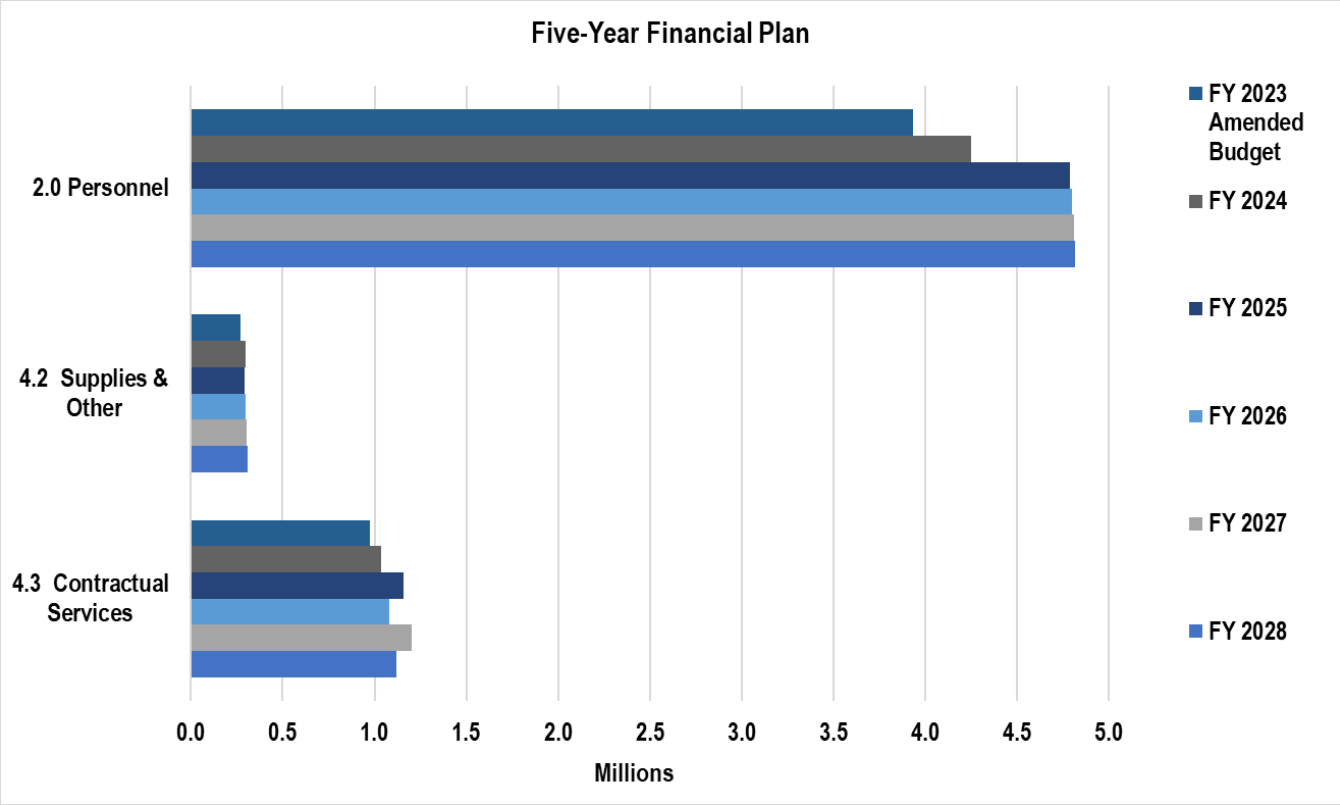
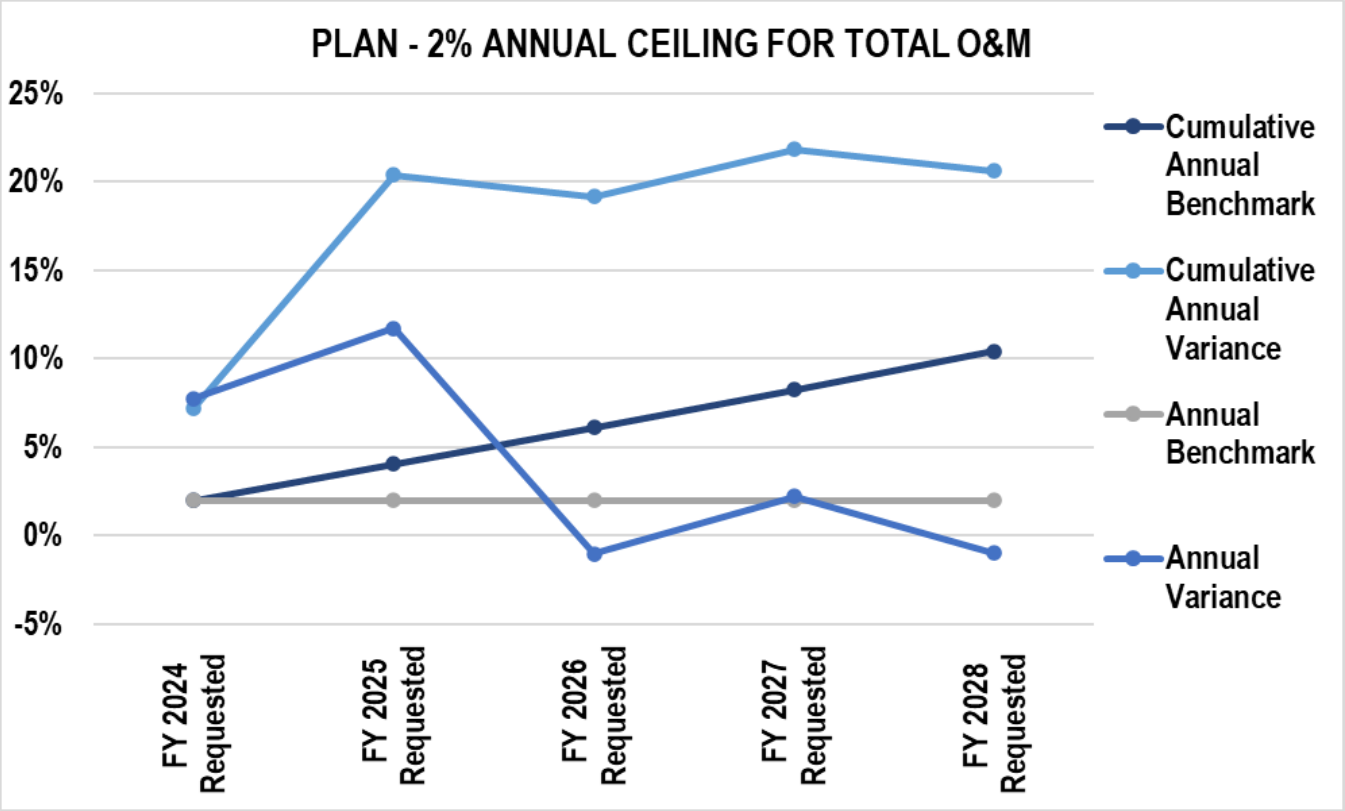


Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Administration	$ 918,300	$ 664,700	**$ 588,700**	$ 740,100	$ 742,400	$ 744,900	$ 747,400
Talent Management	2,093,800	2,815,900	**3,252,700**	3,690,900	3,614,000	3,736,800	3,660,300
Training	1,331,800	1,699,000	**1,740,200**	1,805,000	1,816,300	1,828,100	1,839,600
Grand Total	**$ 4,343,900**	**$ 5,179,600**	**$ 5,581,600**	**$ 6,236,000**	**$ 6,172,700**	**$ 6,309,800**	**$ 6,247,300**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Organizational Development area financial plan reflects a five-year overall increase of 20.6% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment. The increase over the entity-wide goal is anticipated with the addition of staffing positions as discussed previously and additional Apprenticeship Programs and training courses.



Capital Outlay

Organizational Development capital outlay is funded by the Improvement & Extension budget.

The tables provided reflect anticipated costs for renovation of training facilities.

Five-Year Capital Outlay by Asset Category

Asset Category	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension						
Building/Structures	700,000	-	-	-	-	-
Grand Total	**$ 700,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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Five-Year Capital Outlay by Funding Source

Funding Source	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Improvement & Extension	700,000	-	-	-	-	-
Grand Total	**$ 700,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

Team	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Organizational Development	$ 700,000	$ -	-	$ -	$ -	$ -
Grand Total	**$ 700,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Line-Item Budget and Financial Plan

The Organizational Development five-year plan by line-item expense is listed below. The expenses are listed for each cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
883201 - OD Administration	**$ 918,300**	**$ 664,700**	**$ 588,700**	**$ 740,100**	**$ 742,400**	**$ 744,900**	**$ 747,400**
2.1 Salaries & Wages	**194,600**	**421,700**	**401,700**	**517,300**	**517,300**	**517,300**	**517,300**
2.4 Employee Benefits	**76,500**	**142,100**	**123,100**	**157,700**	**158,800**	**159,900**	**160,900**
4.2 Supplies & Other	**15,800**	**45,000**	**45,900**	**46,800**	**47,700**	**48,600**	**49,700**
Memberships, Licenses & Subscriptions	4,400	400	400	400	400	400	400
Mileage and Parking	-	-	-	-	-	-	-
Office Supplies	6,500	20,400	20,800	21,200	21,600	22,100	22,500
Operating Supplies	-	100	100	100	100	100	100
Printing	-	-	-	-	-	-	-
Supplies & Other - Covid19	2,000	-	-	-	-	-	-
Training and Internal Meetings	2,900	10,200	10,400	10,600	10,800	11,000	11,300
Travel	-	10,200	10,400	10,600	10,800	11,000	11,300
Tuition Refund	-	3,700	3,800	3,900	4,000	4,000	4,100
4.3 Contractual Services	**631,400**	**55,900**	**18,000**	**18,300**	**18,600**	**19,100**	**19,500**
883211 - OD Talent Management	**2,093,800**	**2,815,900**	**3,252,700**	**3,690,900**	**3,614,000**	**3,736,800**	**3,660,300**
2.1 Salaries & Wages	**1,143,300**	**1,503,800**	**1,778,600**	**2,022,800**	**2,022,800**	**2,022,800**	**2,022,800**
2.3 Overtime	**5,200**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
2.4 Employee Benefits	**384,500**	**554,300**	**619,100**	**706,800**	**712,400**	**718,100**	**723,700**
2.5 Transition Services	**64,200**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**61,800**	**85,500**	**90,600**	**81,700**	**83,700**	**84,900**	**86,600**
Advertising	23,500	43,000	44,400	34,700	35,400	36,100	36,800
Memberships, Licenses & Subscriptions	27,200	8,400	6,100	6,200	6,800	6,500	6,600
Mileage and Parking	700	2,900	2,900	2,900	2,900	3,000	3,000
Office Supplies	2,000	-	-	-	-	-	-
Operating Supplies	-	1,300	-	-	-	-	-
Printing	1,600	2,800	2,800	2,900	2,900	3,000	3,000
Repairs & Maintenance-Software	-	-	7,600	7,800	7,900	8,100	8,200
Training and Internal Meetings	6,000	4,000	8,700	8,800	9,000	9,100	9,400
Travel	800	13,500	18,100	18,400	18,800	19,100	19,600
Tuition Refund	-	9,600	-	-	-	-	-
4.3 Contractual Services	**434,800**	**669,300**	**761,400**	**876,600**	**792,100**	**908,000**	**824,200**
883231 - OD Training	**1,331,800**	**1,699,000**	**1,740,200**	**1,805,000**	**1,816,300**	**1,828,100**	**1,839,600**
2.1 Salaries & Wages	**854,400**	**960,200**	**986,600**	**1,026,800**	**1,026,800**	**1,026,800**	**1,026,800**
2.3 Overtime	**-**	**1,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**282,500**	**344,500**	**336,500**	**352,800**	**355,600**	**358,400**	**361,100**
4.2 Supplies & Other	**133,900**	**141,400**	**160,400**	**163,600**	**166,800**	**170,400**	**173,800**
Memberships, Licenses & Subscriptions	4,100	12,000	6,100	6,200	6,300	6,500	6,700
Mileage and Parking	-	-	1,500	1,500	1,600	1,600	1,600
Office Supplies	300	15,300	15,600	15,900	16,200	16,600	16,900
Operating Supplies	400	10,000	1,000	1,000	1,000	1,100	1,100
Training and Internal Meetings	127,800	100,000	111,200	113,400	115,700	118,000	120,400
Travel	1,300	4,100	22,500	23,000	23,400	23,900	24,400
Tuition Refund	-	-	2,500	2,600	2,600	2,700	2,700
4.3 Contractual Services	**61,000**	**251,900**	**256,700**	**261,800**	**267,100**	**272,500**	**277,900**
Grand Total	**$ 4,343,900**	**$ 5,179,600**	**$ 5,581,600**	**$ 6,236,000**	**$ 6,172,700**	**$ 6,309,800**	**$ 6,247,300**

Financial Services

The Financial Services Area consists of three groups. The *CFO Services* group plans and directs all strategic financial planning, compliance, internal audit, and intergovernmental activities. The *Operations Support Services* group is responsible for procurement and inventory management. The *Financial Reporting & Accounting* group is responsible for construction, general ledger, accounts payable, payroll, asset management and related activities.

Strategic Initiatives

- **Financial operations (Ongoing)**
  Continued rollout of technology to reduce the inefficiencies of processing times and to expand analytical capacity – as well as to improve the data available for management decisions.
- **Business support (Ongoing)**
  Continue to refine the new Business Inclusion & Diversity program, explore utility cooperative procurement sponsorship, and vendor quality management.
- **Cross-functional collaboration in key initiatives (Ongoing)**
  Support transformational efforts across GLWA including asset management, capital program management, operations, and movement toward enterprise-wide contractual services management.
- **Member Partner Engagement (Ongoing)**
  Support short-and long-term efforts related to the charges' equity and stability program.
- **Affordability (Ongoing)**
  Continue to improve and expand constituent service including implementation of the water residential assistance program.

The following table shows how the financial services strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Financial Services Strategic Initiatives	Financial operations	x	x			x	x					
	Business support		x	x		x	x					x
	Cross-functional collaboration in key initiatives	x	x	x	x	x	x	x	x	x		x
	Member Partner Engagement	x	x				x	x	x			x
	Affordability		x				x	x	x			x

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Financial Services Contracts

The Financial Services Area budget contains several contracts for professional services needed for external auditing, financial & investment consulting, and the Water Residential Assistance Program (WRAP). Included in the chart below are the current key contracts for the services listed. Expired contracts are not represented. Budgeted amounts beyond the contract end date are estimates for future services. These contracts would generally require a separate procurement process.

Significant Contracts

Project Description	External Auditor Services	Financial Management Consulting Services	Investment Advisor Services	Financial Advisor Services	Water Residential Assistance Program Advisor	Total of Significant Contracts
Prime Consultant or Supplier	Baker Tilly Virchow Krause, LLP	The Foster Group	PFM Asset Management LLC	PFM Financial Advisors LLC	Public Sector Consultants	
Contract #	2104125	GLWA-CS-195	1902721	GLWA-CS-002	2104125	
Contract Amount	$ 800,000	$ 4,200,000	$ 2,200,000	$ 878,600	$ 655,000	
Contract End Date	06/11/25	06/30/23	12/31/24	12/31/22	06/21/25	
Cost Center Name	Financial Reporting & Accounting	CFO Services and Financial Management & Planning	Treasury	CFO Services	CFO Services	
Expense Category	Auditing	Contractual Professional Services	Contractual Services	Contractual Professional Services	Contractual Professional Services	
System	Combined	Combined	Combined	Combined	Combined	
Pre-FY 2022 Spend	**$ 391,500**	**$ 1,000,000**	**$ 433,900**	**$ 400,700**	**$ 168,400**	**$ 2,394,500**
Pre-FY 2022 Average Spend	195,800	250,000	289,000	80,100	112,300	
FY 2022 Spend	201,200	475,000	228,900	107,100	121,200	1,133,400
FY 2023 Amended Budget	207,200	475,000	440,000	60,000	50,000	1,232,200
FY 2024 Requested	**211,500**	**262,200**	**440,000**	**100,000**	**100,000**	1,113,700
FY 2025 Requested	222,000	267,400	440,000	100,000	100,000	1,129,400
FY 2026 Requested	226,400	272,800	440,000	100,000	100,000	1,139,200
FY 2027 Requested	231,000	278,200	440,000	100,000	100,000	1,149,200
FY 2028 Requested	235,600	283,800	440,000	100,000	100,000	1,159,400
Total	**$ 1,926,400**	**$ 3,314,400**	**$ 3,302,800**	**$ 1,067,800**	**$ 839,600**	**$ 10,451,000**

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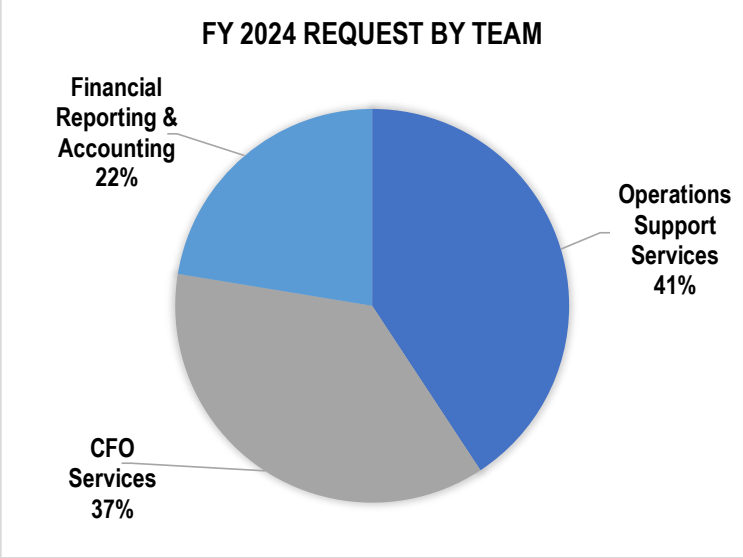
Organization

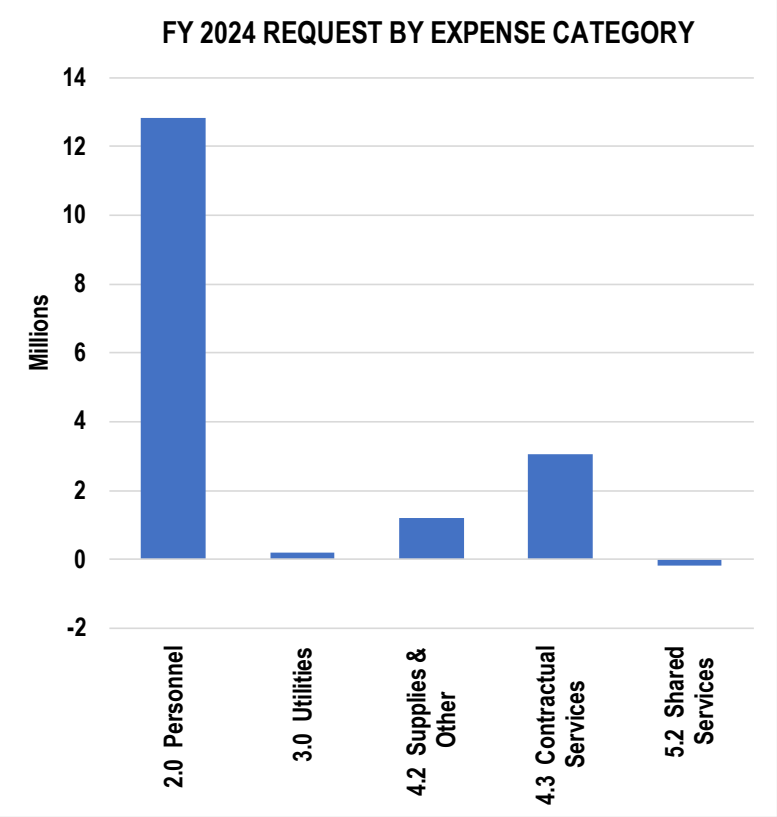
The Financial Services Area has eleven teams that fall within the three group classifications.

- **CFO Services**
  Chief Financial Officer
  Financial Management & Planning
  CFO Services
  Treasury
- **Operations Support Services**
  Procurement Director
  Logistics and Materials
- **Financial Reporting & Accounting**
  Financial Reporting & Accounting is reported under one team, and it includes construction, general ledger, accounts payable, payroll and asset management.



Expense Categories

The primary expense category in the Financial Services area is Personnel Services. The second largest category is Contractual Services for project management support, and other special projects, studies, and audits.



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Biennial Budget Request

The biennial budget reflects an overall increase of $334,800, or 2.0%. The primary reasons for the increase are highlighted below.

- Utilities – The FY 2023 budget was developed based on historical trends of the McKinstry warehouse. The transition from the McKinstry warehouse to the Rialto warehouse began towards the end of FY 2021 and continued into FY 2022. The FY 2023 budget will be amended to record the increase in electrical usage at the new warehouse. The FY 2024 budget includes the increase in electrical usage for the new warehouse.
- Supplies & Other – The primary reason for the increase in this category is for the property tax associated with the Rialto warehouse lease. The amount of this tax was not known at the time the FY 2023 budget was developed.
- Contractual Services – The primary reason for the increase was a realignment of the budget based on a review of historical data.

Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.0 Personnel	$ 10,505,200	$ 12,960,500	$ 6,078,700	**$ 12,822,300**	**$ (138,200)**	**-1.1%**	$ 13,978,000
3.0 Utilities	160,400	102,300	89,600	**202,500**	**100,200**	**97.9%**	206,500
4.2 Supplies & Other	666,600	1,093,500	396,300	**1,201,000**	**107,500**	**9.8%**	1,224,600
4.3 Contractual Services	2,352,800	2,804,700	1,118,200	**3,070,400**	**265,700**	**9.5%**	3,105,000
5.1 Capital Program Allocation	(18,000)	-	-	**-**	**-**	**0.0%**	-
5.2 Shared Services	(153,300)	(169,100)	(78,800)	**(169,500)**	**(400)**	**0.2%**	(172,800)
Grand Total	**$ 13,513,700**	**$ 16,791,900**	**$ 7,604,000**	**$ 17,126,700**	**$ 334,800**	**2.0%**	**$ 18,341,300**

Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
CFO Services	**$ 4,672,100**	**$ 6,425,700**	**$ 2,515,300**	**$ 6,311,500**	**$ (114,200)**	**-1.8%**	**$ 6,857,200**
Chief Financial Officer	844,700	1,080,800	370,400	**983,400**	**(97,400)**	**-9.0%**	1,122,900
CFO Services	1,765,700	2,432,600	1,149,300	**2,553,100**	**120,500**	**5.0%**	2,743,300
Data Analytics & Internal Audit	30,900	-	-	**-**	**-**	**0.0%**	-
Financial Management & Planning	1,395,600	2,032,600	722,900	**1,868,700**	**(163,900)**	**-8.1%**	2,081,400
Treasury	635,200	879,700	272,700	**906,300**	**26,600**	**3.0%**	909,600
Operations Support Services	**6,048,300**	**6,601,900**	**3,317,600**	**6,977,200**	**375,300**	**5.7%**	**7,487,600**
Procurement Director	3,325,700	3,928,100	2,017,500	**4,090,500**	**162,400**	**4.1%**	4,407,000
Logistics and Materials	2,541,600	2,673,800	1,300,100	**2,886,700**	**212,900**	**8.0%**	3,080,600
Owners' Representative	181,000	-	-	**-**	**-**	**0.0%**	-
Financial Reporting & Accounting	**2,793,300**	**3,764,300**	**1,771,100**	**3,838,000**	**73,700**	**2.0%**	**3,996,500**
Grand Total	**$ 13,513,700**	**$ 16,791,900**	**$ 7,604,000**	**$ 17,126,700**	**$ 334,800**	**2.0%**	**$ 18,341,300**

Personnel Budget

The staffing plan has been increased by 3 positions in FY 2024 (CFO Services: 1-Manager and 1-Professional Administrative Analysis to manage the grants; Procurement Director: 1-Management Professional). The staffing plan remains at a steady state of 126 total positions through FY 2028. The staffing level is shown in the tables below. The decrease in number of positions in FY 2023 was the result of the FY 2022 Financial Services Area reorganization, in which the staffing plan was reduced by 9 positions (4 positions were transferred to Planning Services and 5 positions were transferred to Innovation).

Staffing Plan - The table on the following page presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team	Prior Year FY 2022 Staffing Plan	Current Year FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Financial Services Area	**132.00**	**123.00**	**126.00**	**126.00**	**126.00**	**126.00**	**126.00**
CFO Services	**33.00**	**35.00**	**37.00**	**37.00**	**37.00**	**37.00**	**37.00**
Chief Financial Officer	6.00	5.00	5.00	5.00	5.00	5.00	5.00
CFO Services	11.00	15.00	17.00	17.00	17.00	17.00	17.00
Data Analytics & Internal Audit	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Management & Planning	10.00	12.00	12.00	12.00	12.00	12.00	12.00
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations Support Services	**68.00**	**59.00**	**60.00**	**60.00**	**60.00**	**60.00**	**60.00**
Procurement Director	32.00	35.00	36.00	36.00	36.00	36.00	36.00
Logistics and Materials	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Owners' Representative	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Reporting & Accounting	**31.00**	**29.00**	**29.00**	**29.00**	**29.00**	**29.00**	**29.00**

Full Time Equivalents - The table on the following page represents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, while the number of staffing positions increased, the number of budgeted positions, or FTEs, decreased. This is the result of budgeting vacant positions at a lower FTE in FY 2024 than in previous years due to the challenging labor market.

Full Time Equivalents

Team	Prior Year FY 2022 FTEs	Current Year FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2025 FTEs
Financial Services Area	**129.75**	**120.00**	**115.00**	**124.50**	**124.50**	**124.50**	**124.50**
CFO Services	**32.50**	**34.50**	**32.50**	**36.50**	**36.50**	**36.50**	**36.50**
Chief Financial Officer	5.50	4.50	3.50	4.50	4.50	4.50	4.50
CFO Services	11.00	15.00	15.50	17.00	17.00	17.00	17.00
Data Analytics & Internal Audit	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Management & Planning	10.00	12.00	10.50	12.00	12.00	12.00	12.00
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations Support Services	**67.25**	**57.50**	**55.50**	**60.00**	**60.00**	**60.00**	**60.00**
Procurement Director	32.00	33.50	33.50	36.00	36.00	36.00	36.00
Logistics and Materials	24.00	24.00	22.00	24.00	24.00	24.00	24.00
Owners' Representative	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation	6.25	0.00	0.00	0.00	0.00	0.00	0.00
Financial Reporting & Accounting	**30.00**	**28.00**	**27.00**	**28.00**	**28.00**	**28.00**	**28.00**

Personnel Budget – The following tables present the Financial Services personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. These values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in the Operating Financial Plan Introduction section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
2.1 Salaries & Wages	$ 7,709,900	$ 9,384,500	$ 4,482,100	**$ 9,405,200**	**$ 20,700**	**0.2%**	$ 10,260,000
2.2 Workforce Development	-	12,800	-	**-**	**(12,800)**	**-100.0%**	-
2.3 Overtime	30,200	60,000	4,000	**11,000**	**(49,000)**	**-81.7%**	11,000
2.4 Employee Benefits	2,502,200	3,273,000	1,386,900	**3,142,800**	**(130,200)**	**-4.0%**	3,443,700
2.5 Transitiion Services	262,900	230,200	205,700	**263,300**	**33,100**	**14.4%**	263,300
Grand Total	**$ 10,505,200**	**$ 12,960,500**	**$ 6,078,700**	**$ 12,822,300**	**$ (138,200)**	**-1.1%**	**$ 13,978,000**

Personnel – Biennial Budget Request by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
CFO Services	**$ 3,175,300**	**$ 4,400,700**	**$ 1,893,700**	**$ 4,100,700**	**$ (300,000)**	**-6.8%**	**$ 4,629,300**
Chief Financial Officer	566,700	719,300	265,700	**614,700**	**(104,600)**	**-14.5%**	746,900
CFO Services	1,186,700	1,773,300	901,100	**1,774,300**	**1,000**	**0.1%**	1,962,900
Data Analytics & Internal Audit	30,900	-	-	**-**	**-**	**0.0%**	-
Financial Management & Planning	1,089,800	1,560,700	561,800	**1,391,200**	**(169,500)**	**-10.9%**	1,598,300
Treasury	301,200	347,400	165,100	**320,500**	**(26,900)**	**-7.7%**	321,200
Operations Support Services	**4,801,000**	**5,475,700**	**2,683,600**	**5,613,800**	**138,100**	**2.5%**	**6,097,300**
Procurement Director	2,984,700	3,603,800	1,817,300	**3,795,500**	**191,700**	**5.3%**	4,106,200
Logistics and Materials	1,619,500	1,871,900	866,300	**1,818,300**	**(53,600)**	**-2.9%**	1,991,100
Owners' Representative	196,800	-	-	**-**	**-**	**0.0%**	-
Transformation	-	-	-	**-**	**-**	**0.0%**	-
Financial Reporting & Accounting	**2,528,900**	**3,084,100**	**1,501,400**	**3,107,800**	**23,700**	**0.8%**	**3,251,400**
Grand Total	**$ 10,505,200**	**$ 12,960,500**	**$ 6,078,700**	**$ 12,822,300**	**$ (138,200)**	**-1.1%**	**$ 13,978,000**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.1 Salaries & Wages	$ 7,709,900	$ 9,384,500	**$ 9,405,200**	$ 10,260,000	$ 10,260,000	$ 10,260,000	$ 10,260,000
2.2 Workforce Development	-	12,800	**-**	-	-	-	-
2.3 Overtime	30,200	60,000	**11,000**	11,000	11,000	11,000	11,000
2.4 Employee Benefits	2,502,200	3,273,000	**3,142,800**	3,443,700	3,470,100	3,496,200	3,522,600
2.5 Employee Benefits	262,900	230,200	**263,300**	263,300	263,300	263,300	263,300
Grand Total	**$ 10,505,200**	**$ 12,960,500**	**$ 12,822,300**	**$ 13,978,000**	**$ 14,004,400**	**$ 14,030,500**	**$ 14,056,900**

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Personnel – Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
CFO Services	**$ 3,175,300**	**$ 4,400,700**	**$ 4,100,700**	**$ 4,629,300**	**$ 4,637,200**	**$ 4,644,900**	**$ 4,652,900**
Chief Financial Officer	566,700	719,300	**614,700**	746,900	748,000	749,000	750,100
CFO Services	1,186,700	1,773,300	**1,774,300**	1,962,900	1,966,500	1,970,100	1,973,700
Data Analytics & Internal Audit	30,900	-	**-**	-	-	-	-
Financial Management & Planning	1,089,800	1,560,700	**1,391,200**	1,598,300	1,600,900	1,603,400	1,606,000
Treasury	301,200	347,400	**320,500**	321,200	321,800	322,400	323,100
Operations Support Services	**4,801,000**	**5,475,700**	**5,613,800**	**6,097,300**	**6,109,900**	**6,122,500**	**6,135,000**
Procurement Director	2,984,700	3,603,800	**3,795,500**	4,106,200	4,113,600	4,121,100	4,128,500
Logistics and Materials	1,619,500	1,871,900	**1,818,300**	1,991,100	1,996,300	2,001,400	2,006,500
Owners' Representative	196,800	-	**-**	-	-	-	-
Transformation	-	-	**-**	-	-	-	-
Financial Reporting & Accounting	**2,528,900**	**3,084,100**	**3,107,800**	**3,251,400**	**3,257,300**	**3,263,100**	**3,269,000**
Grand Total	**$ 10,505,200**	**$ 12,960,500**	**$ 12,822,300**	**$ 13,978,000**	**$ 14,004,400**	**$ 14,030,500**	**$ 14,056,900**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
2.0 Personnel	$ 10,505,200	$ 12,960,500	**$ 12,822,300**	$ 13,978,000	$ 14,004,400	$ 14,030,500	$ 14,056,900
3.0 Utilities	160,400	102,300	**202,500**	206,500	210,600	214,800	219,300
4.2 Supplies & Other	666,600	1,093,500	**1,201,000**	1,224,600	1,249,300	1,274,000	1,299,500
4.3 Contractual Services	2,352,800	2,804,700	**3,070,400**	3,105,000	2,540,200	2,570,400	2,600,600
5.1 Capital Program Allocation	(18,000)	-	**-**	-	-	-	-
5.2 Shared Services	(153,300)	(169,100)	**(169,500)**	(172,800)	(176,300)	(179,800)	(183,500)
Grand Total	**$ 13,513,700**	**$ 16,791,900**	**$ 17,126,700**	**$ 18,341,300**	**$ 17,828,200**	**$ 17,909,900**	**$ 17,992,800**

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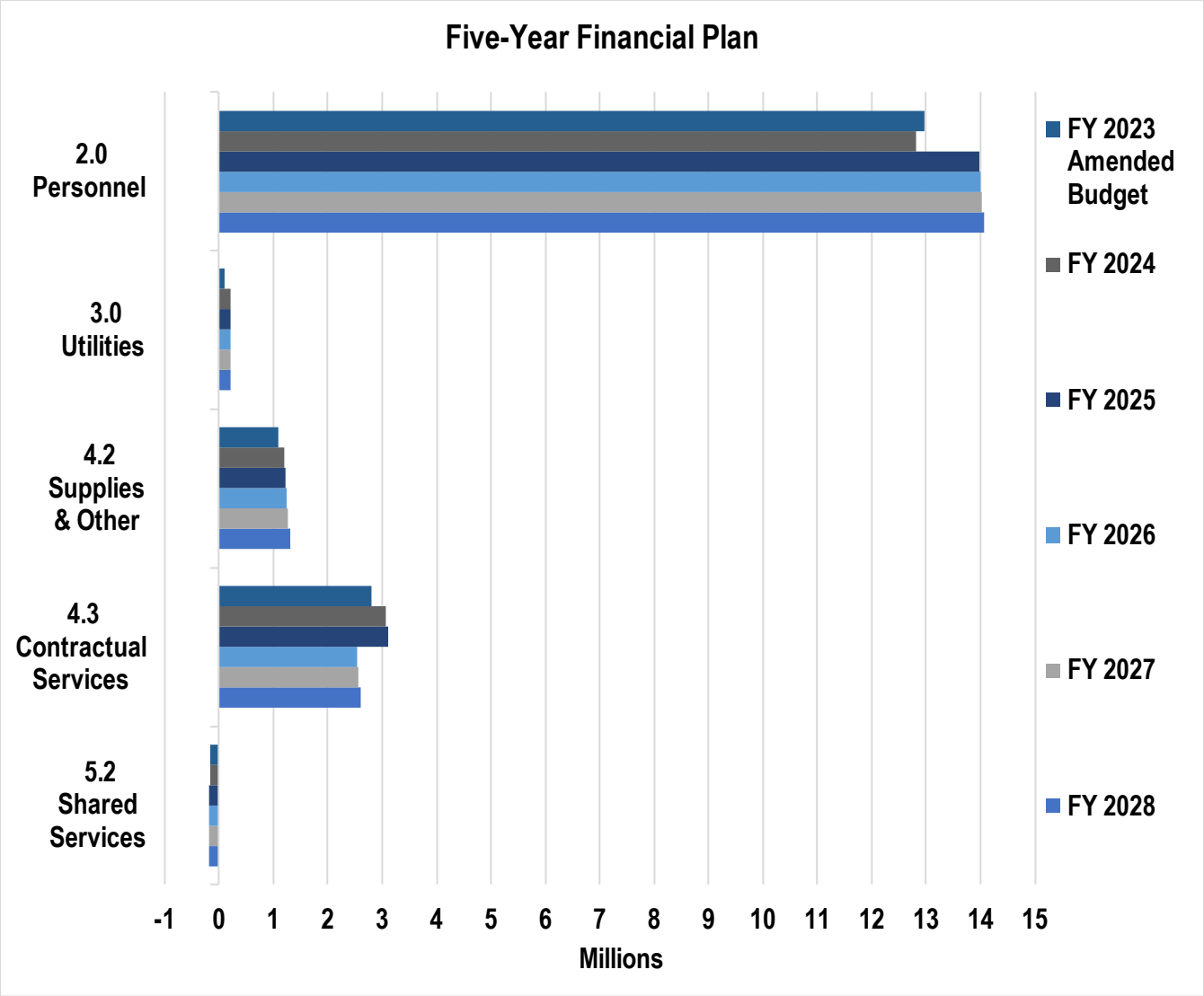
Five-Year Financial Plan
2.0 Personnel
3.0 Utilities
4.2 Supplies & Other
4.3 Contractual Services
5.2 Shared Services
FY 2023 Amended Budget
FY 2024
FY 2025
FY 2026
FY 2027
FY 2028
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Millions

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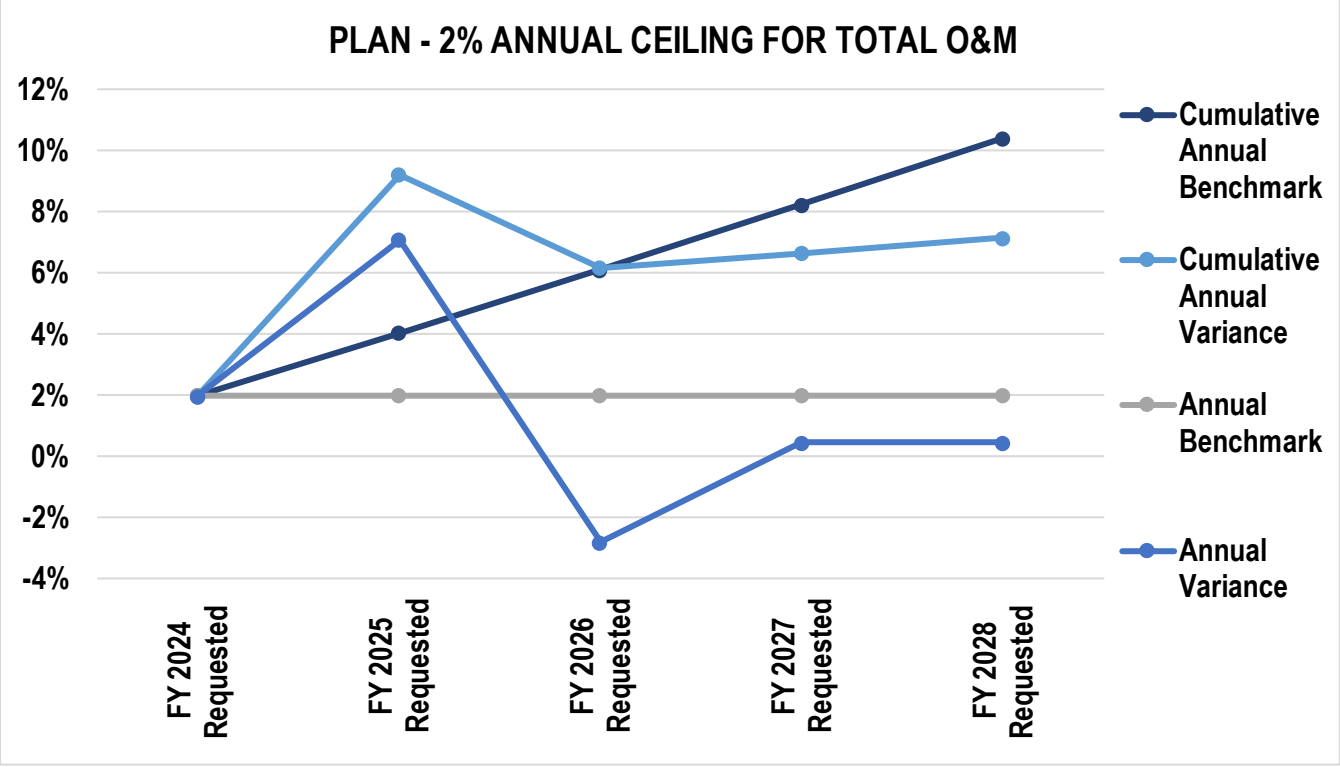
Five-Year Financial Plan by Team

Team	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
CFO Services	**$ 4,672,100**	**$ 6,425,700**	**$ 6,311,500**	**$ 6,857,200**	**$ 6,486,600**	**$ 6,512,300**	**$ 6,538,500**
Chief Financial Officer	844,700	1,080,800	**983,400**	1,122,900	1,131,600	1,140,400	1,149,100
CFO Services	1,765,700	2,432,600	**2,553,100**	2,743,300	2,550,500	2,555,800	2,561,200
Data Analytics & Internal Audit	30,900	-	**-**	-	-	-	-
Financial Management & Planning	1,395,600	2,032,600	**1,868,700**	2,081,400	1,891,700	1,899,900	1,908,600
Treasury	635,200	879,700	**906,300**	909,600	912,800	916,200	919,600
Operations Support Services	**6,048,300**	**6,601,900**	**6,977,200**	**7,487,600**	**7,528,200**	**7,569,200**	**7,611,000**
Procurement Director	3,325,700	3,928,100	**4,090,500**	4,407,000	4,420,500	4,434,100	4,447,900
Logistics and Materials	2,541,600	2,673,800	**2,886,700**	3,080,600	3,107,700	3,135,100	3,163,100
Owners' Representative	181,000	-	**-**	-	-	-	-
Financial Reporting & Accounting	**2,793,300**	**3,764,300**	**3,838,000**	**3,996,500**	**3,813,400**	**3,828,400**	**3,843,300**
Grand Total	**$ 13,513,700**	**$ 16,791,900**	**$ 17,126,700**	**$ 18,341,300**	**$ 17,828,200**	**$ 17,909,900**	**$ 17,992,800**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Financial Services area financial plan reflects a five-year overall increase of 7.2% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



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Capital Outlay

Capital Outlay is not a component of the Financial Services Area for FY 2024 through FY 2028.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is presented on the following pages. The expenses are listed in order by cost center. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
884001 - Chief Financial Officer	**844,700**	**1,080,800**	**983,400**	**1,122,900**	**1,131,600**	**1,140,400**	**1,149,100**
2.1 Salaries & Wages	**443,700**	**553,100**	**477,800**	**578,200**	**578,200**	**578,200**	**578,200**
2.4 Employee Benefits	**123,000**	**166,200**	**136,900**	**168,700**	**169,800**	**170,800**	**171,900**
4.2 Supplies & Other	**12,500**	**48,200**	**49,100**	**50,100**	**51,200**	**52,200**	**53,100**
Memberships, Licenses & Subscriptions	5,500	10,800	11,000	11,200	11,500	11,700	11,900
Mileage and Parking	500	2,000	2,000	2,100	2,100	2,200	2,200
Office Supplies	3,100	12,600	12,900	13,100	13,400	13,600	13,900
Postage	-	200	200	200	200	200	200
Supplies & Other - Covid19	700	-	-	-	-	-	-
Training and Internal Meetings	2,700	10,800	11,000	11,200	11,500	11,700	11,900
Travel	-	11,800	12,000	12,300	12,500	12,800	13,000
4.3 Contractual Services	**265,500**	**313,300**	**319,600**	**325,900**	**332,400**	**339,200**	**345,900**
Contractual Operating Services	200	800	800	800	800	900	900
Contractual Professional Services	157,200	312,500	318,800	325,100	331,600	338,300	345,000
Contractual Svcs-Flood Events-All Sewer	108,100	-	-	-	-	-	-
884111 - Financial Reporting & Accounting	**2,793,300**	**3,764,300**	**3,838,000**	**3,996,500**	**3,813,400**	**3,828,400**	**3,843,300**
2.1 Salaries & Wages	**1,898,600**	**2,134,000**	**2,229,900**	**2,335,900**	**2,335,900**	**2,335,900**	**2,335,900**
2.2 Workforce Development	**-**	**12,800**	**-**	**-**	**-**	**-**	**-**
2.3 Overtime	**100**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
2.4 Employee Benefits	**613,500**	**756,300**	**738,300**	**775,900**	**781,800**	**787,600**	**793,500**
2.5 Transition Services	**16,700**	**90,000**	**138,600**	**138,600**	**138,600**	**138,600**	**138,600**
4.2 Supplies & Other	**21,500**	**100,000**	**65,700**	**67,000**	**68,400**	**69,800**	**70,900**
Memberships, Licenses & Subscriptions	5,500	7,100	7,200	7,400	7,500	7,700	7,800
Mileage and Parking	400	3,200	3,300	3,300	3,400	3,500	3,500
Office Supplies	2,900	35,400	20,000	20,400	20,800	21,200	21,600
Postage	4,200	24,000	10,000	10,200	10,400	10,600	10,800
Supplies & Other - Covid19	500	-	-	-	-	-	-
Training and Internal Meetings	7,000	18,300	15,000	15,300	15,600	15,900	16,200
Travel	1,000	10,800	9,000	9,200	9,400	9,600	9,700
Tuition Refund	-	1,200	1,200	1,200	1,300	1,300	1,300
4.3 Contractual Services	**242,900**	**670,200**	**664,500**	**678,100**	**487,700**	**495,500**	**503,400**
Contractual Operating Services	2,600	4,900	5,000	5,100	5,200	5,300	5,400
Contractual Professional Services	39,100	358,100	348,000	351,000	156,100	159,200	162,400
Auditing	201,200	307,200	311,500	322,000	326,400	331,000	335,600

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
884113 - Financial Management & Planning	**1,395,600**	**2,032,600**	**1,868,700**	**2,081,400**	**1,891,700**	**1,899,900**	**1,908,600**
2.1 Salaries & Wages	**789,300**	**1,187,500**	**1,065,900**	**1,223,100**	**1,223,100**	**1,223,100**	**1,223,100**
2.4 Employee Benefits	**230,000**	**373,200**	**325,300**	**375,200**	**377,800**	**380,300**	**382,900**
2.5 Transition Services	**70,500**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**2,300**	**16,900**	**17,300**	**17,700**	**18,000**	**18,300**	**18,800**
Memberships, Licenses & Subscriptions	1,800	3,000	3,100	3,100	3,200	3,200	3,300
Mileage and Parking	-	300	400	400	400	400	400
Office Supplies	-	2,000	2,000	2,100	2,100	2,200	2,200
Training and Internal Meetings	500	6,300	6,400	6,600	6,700	6,800	7,000
Travel	-	5,300	5,400	5,500	5,600	5,700	5,900
4.3 Contractual Services	**303,500**	**455,000**	**460,200**	**465,400**	**272,800**	**278,200**	**283,800**
Contractual Professional Services	303,500	455,000	460,200	465,400	272,800	278,200	283,800
884121 - Procurement Director	**3,325,700**	**3,928,100**	**4,090,500**	**4,407,000**	**4,420,500**	**4,434,100**	**4,447,900**
2.1 Salaries & Wages	**2,151,500**	**2,633,300**	**2,760,800**	**2,990,800**	**2,990,800**	**2,990,800**	**2,990,800**
2.3 Overtime	**23,200**	**50,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**686,600**	**920,500**	**910,000**	**990,700**	**998,100**	**1,005,600**	**1,013,000**
2.5 Transition Services	**123,400**	**-**	**124,700**	**124,700**	**124,700**	**124,700**	**124,700**
4.2 Supplies & Other	**67,800**	**203,400**	**173,700**	**177,100**	**180,700**	**184,200**	**188,100**
Advertising	100	-	100	100	100	100	100
Memberships, Licenses & Subscriptions	42,500	28,800	50,000	51,000	51,900	53,000	54,100
Mileage and Parking	-	1,000	1,000	1,000	1,000	1,100	1,100
Office Supplies	7,800	61,300	12,500	12,800	13,000	13,200	13,600
Office Supplies - Covid19	500	-	-	-	-	-	-
Operating Supplies	1,200	25,500	2,000	2,000	2,100	2,100	2,200
Postage	-	100	100	100	100	100	100
Training and Internal Meetings	3,900	78,000	78,000	79,500	81,300	82,800	84,400
Travel	9,800	8,500	20,000	20,400	20,800	21,200	21,700
Tuition Refund	2,000	200	10,000	10,200	10,400	10,600	10,800
4.3 Contractual Services	**275,400**	**120,900**	**121,300**	**123,700**	**126,200**	**128,800**	**131,300**
Contractual Operating Services	8,700	20,400	20,800	21,200	21,600	22,100	22,500
Contractual Professional Services	266,700	100,500	100,500	102,500	104,600	106,700	108,800
5.1 Capital Program Allocation	**(2,200)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	(1,600)	-	-	-	-	-	-
Capital Program: Employee Benefits	(600)	-	-	-	-	-	-

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
884124 - Logistics and Materials	**2,541,600**	**2,673,800**	**2,886,700**	**3,080,600**	**3,107,700**	**3,135,100**	**3,163,100**
2.1 Salaries & Wages	**1,154,700**	**1,313,900**	**1,298,500**	**1,419,100**	**1,419,100**	**1,419,100**	**1,419,100**
2.3 Overtime	**3,300**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**
2.4 Employee Benefits	**461,500**	**552,000**	**513,800**	**566,000**	**571,200**	**576,300**	**581,400**
2.5 Transition Services	**-**	**-**	-	-	-	-	-
3.1 Electric	**87,600**	**36,000**	**100,000**	**102,000**	**104,000**	**106,100**	**108,300**
3.2 Gas	**50,500**	**25,500**	**50,500**	**51,500**	**52,500**	**53,600**	**54,700**
3.3 Sewage Service	**20,500**	**35,700**	**22,000**	**22,400**	**22,900**	**23,300**	**23,800**
3.4 Water Service	**1,800**	**5,100**	**30,000**	**30,600**	**31,200**	**31,800**	**32,500**
4.2 Supplies & Other	**552,600**	**674,600**	**840,400**	**857,000**	**874,300**	**891,800**	**909,700**
Capital Outlay less than $5,000	1,400	5,000	2,000	2,000	2,100	2,100	2,200
Employee Uniform Expense	-	15,000	-	-	-	-	-
Inspection and Permit Fees-All Sewer	1,500	-	2,000	2,000	2,100	2,100	2,200
Mileage and Parking	-	500	500	500	500	500	500
Office Supplies	26,800	25,500	26,000	26,500	27,100	27,600	28,100
Office Supplies - Covid19	7,500	-	-	-	-	-	-
Operating Supplies	36,300	56,800	40,800	41,600	42,400	43,300	44,200
Property Taxes-All Sewer	176,500	-	180,000	183,600	187,300	191,000	194,800
Repairs & Maintenance-Buildings & Ground	6,900	1,000	7,000	7,100	7,300	7,400	7,600
Repairs & Maintenance-Equipment	6,000	8,000	8,100	8,300	8,400	8,600	8,800
Rentals-Buildings-All Sewer	280,000	550,800	561,800	573,000	584,500	596,200	608,100
Training and Internal Meetings	-	1,000	1,000	1,000	1,000	1,100	1,100
Travel	-	1,000	1,000	1,000	1,000	1,100	1,100
Uniforms, Laundry, Cleaning	9,700	10,000	10,200	10,400	10,600	10,800	11,000
4.3 Contractual Services	**209,100**	**25,000**	**25,500**	**26,000**	**26,500**	**27,100**	**27,600**
Contractual Operating Services	127,300	10,000	10,000	10,200	10,400	10,600	10,800
Contractual Professional Services	81,800	15,000	15,500	15,800	16,100	16,500	16,800
884126 - Owners' Representative	**181,000**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Salaries & Wages	**147,700**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**49,100**	**-**	**-**	**-**	**-**	**-**	**-**
5.1 Capital Program Allocation	**(15,800)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	(11,300)	-	-	-	-	-	-
Capital Program: Employee Benefits	(4,500)	-	-	-	-	-	-
884131 - Treasury	**635,200**	**879,700**	**906,300**	**909,600**	**912,800**	**916,200**	**919,600**
2.1 Salaries & Wages	**225,700**	**228,600**	**239,300**	**239,300**	**239,300**	**239,300**	**239,300**
2.4 Employee Benefits	**75,500**	**80,800**	**81,200**	**81,900**	**82,500**	**83,100**	**83,800**
4.2 Supplies & Other	**4,300**	**19,500**	**20,000**	**20,300**	**20,600**	**20,900**	**21,200**
Memberships, Licenses & Subscriptions	900	2,500	2,500	2,600	2,600	2,700	2,700
Mileage and Parking	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Office Supplies	200	2,000	2,000	2,000	2,100	2,100	2,200
Postage	600	1,000	1,500	1,500	1,500	1,500	1,500
Training and Internal Meetings	600	5,000	5,000	5,100	5,200	5,300	5,400
Travel	-	5,000	5,000	5,100	5,200	5,300	5,400
4.3 Contractual Services	**464,300**	**700,800**	**715,800**	**721,100**	**726,500**	**732,100**	**737,700**
Contractual Operating Services	464,300	700,800	715,800	721,100	726,500	732,100	737,700
5.2 Shared Services	**(134,600)**	**(150,000)**	**(150,000)**	**(153,000)**	**(156,100)**	**(159,200)**	**(162,400)**
Shared Services Reimbursement	(134,600)	(150,000)	(150,000)	(153,000)	(156,100)	(159,200)	(162,400)

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
884141 - CFO Services	**1,765,700**	**2,432,600**	**2,553,100**	**2,743,300**	**2,550,500**	**2,555,800**	**2,561,200**
2.1 Salaries & Wages	**876,000**	**1,324,100**	**1,333,000**	**1,473,600**	**1,473,600**	**1,473,600**	**1,473,600**
2.3 Overtime	**3,600**	**-**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
2.4 Employee Benefits	**254,800**	**437,000**	**437,300**	**485,300**	**488,900**	**492,500**	**496,100**
2.5 Transition Services	**52,300**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**5,600**	**30,900**	**34,800**	**35,400**	**36,100**	**36,800**	**37,700**
Memberships, Licenses & Subscriptions	2,800	5,000	7,500	7,600	7,800	8,000	8,100
Mileage and Parking	-	1,800	800	800	800	800	900
Office Supplies	700	3,000	3,100	3,100	3,200	3,200	3,300
Postage	300	1,500	1,500	1,600	1,600	1,600	1,700
Training and Internal Meetings	500	6,000	8,000	8,200	8,300	8,500	8,700
Travel	1,300	13,600	13,900	14,100	14,400	14,700	15,000
4.3 Contractual Services	**592,100**	**659,700**	**763,500**	**764,800**	**568,100**	**569,500**	**570,900**
Contractual Operating Services	60,000	51,700	65,500	66,800	68,100	69,500	70,900
Contractual Professional Services	532,100	608,000	698,000	698,000	500,000	500,000	500,000
5.2 Shared Services	**(18,700)**	**(19,100)**	**(19,500)**	**(19,800)**	**(20,200)**	**(20,600)**	**(21,100)**
Shared Services : Salaries & Wages Reimb	(13,300)	(13,600)	(13,900)	(14,100)	(14,400)	(14,700)	(15,000)
Shared Services: Employee Benefit Reimb	(5,400)	(5,500)	(5,600)	(5,700)	(5,800)	(5,900)	(6,100)
884151 - Data Analytics & Internal Audit	**30,900**	**-**	-	-	-	-	-
2.1 Salaries & Wages	**22,700**	**-**	-	-	-	-	-
2.4 Employee Benefits	**8,200**	**-**	-	-	-	-	-
Grand Total	**$ 13,513,700**	**$ 16,791,900**	**$ 17,126,700**	**$ 18,341,300**	**$ 17,828,200**	**$ 17,909,900**	**$ 17,992,800**

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SECTION 6 - SUPPLEMENTAL ANALYSIS

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The Budget and Five-Year Plan is the compilation of significant effort at the cost center level. This section provides additional information that has an entity-wide impact and are significant elements of the financial plan. The supplemental schedules and analysis include the following categories.

- Operations & Maintenance Historical Analysis
- Personnel Costs
- Utilities
- Bulk Chemicals
- Shared Services
- Centralized & Administrative Services
- Legacy Commitments

Operations & Maintenance Historical Analysis

This section of the budget analysis is designed to evaluate the proposed (requested) budget in relation to past trends as well as support future operating and financial decision making. The trend analysis springs from five years of audited actual data, plus the current fiscal year amended budget, as well as the next two years of proposed budgets. This analysis touches on many of the same topics addressed in the other sections of the budget as listed below.

Section 5 – Operating Financial Plans - Operating Financial Plans by Service Area

Section 6 – Supplemental Analysis - Personnel Costs, Utilities, Bulk Chemicals, Shared Services, and Centralized & Administrative Services

Section 1 – Operations & Maintenance Expense Trends

Table 1 – Total Operations & Maintenance Expense – Five Year Actual Expense, Current Year Amended, and Biennial Proposed (Requested) Budget

Expense Category	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Proposed	FY 2025 Proposed
Personnel Costs	$ 95.5	$ 98.6	$ 104.3	$ 106.9	$ 107.1	$ 119.0	$ 120.9	$ 132.6
Contractual Services	100.5	101.9	106.4	92.0	107.5	106.0	106.9	113.2
Utilities	53.7	51.4	51.2	52.7	59.7	65.5	63.4	64.1
Chemicals	12.9	13.3	14.2	14.0	20.4	28.5	30.5	30.7
Supplies & Other (includes capital outlay < $5k)	35.0	37.1	35.4	31.2	29.7	35.1	34.0	35.4
Budget Offsets (capital program allocation & shared services)	(11.6)	(10.5)	(5.1)	(5.8)	(5.0)	(5.1)	(5.9)	(6.3)
Unallocated Reserve	-	-	-	-	-	3.4	8.8	9.4
Total	**$ 285.9**	**$ 291.7**	**$ 306.4**	**$ 291.2**	**$ 319.3**	**$ 352.4**	**$ 358.6**	**$ 379.0**

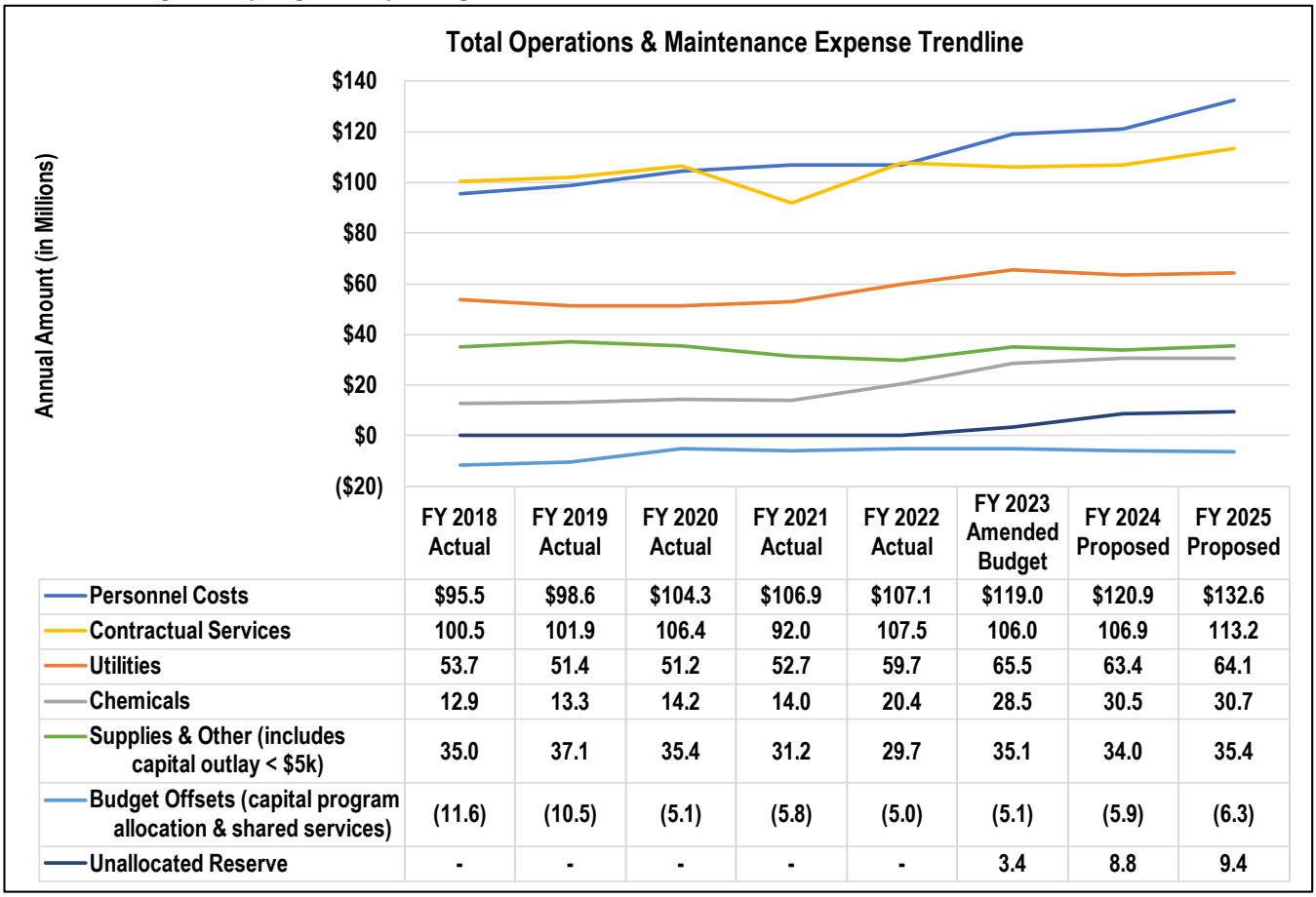
Key Takeaway: There is no one size fits all explanation for GLWA's overall increase in the budget categories over this eight-year time span. The annual expense categories, while significant, are also dynamic. Further analysis is required.

Table 2 – Total Operations & Maintenance Expense – FY 2018 Actual Compared with FY 2024 Proposed (Requested) Budget

	Relative % of Total		Absolute Variance FY 2018 to FY 2024			
			Increase (Decrease)		Six Year Average	
Expense Category	FY 2018 Actual	FY 2024 Proposed	$	%	$	%
Personnel Costs	33%	34%	$ 25.4	27%	4.2	4%
Contractual Services	35%	30%	6.4	6%	1.1	1%
Utilities	19%	18%	9.7	18%	1.6	3%
Chemicals	5%	8%	17.6	136%	2.9	23%
Supplies & Other (includes capital outlay < $5k)	12%	9%	(0.9)	-3%	(0.2)	0%
Budget Offsets (capital program allocation & shared services)	-4%	-2%	5.7	-49%	1.0	-8%
Unallocated Reserve	0%	2%	8.8	100%	1.5	100%
Total	***100%***	***100%***	***$ 72.6***	**25%**	**$ 12.1**	**4%**

Key Takeaway: As a "Relative % of Total" Expense, FY 2024 Proposed is not much different from the FY 2018 Actual – most percentage variances are within 2%. When we look at the "Absolute Variance", however, more significant budget shifts become evident across nearly every category. ***The most notable variance over time is Chemicals expense with a $17.6 million increase, or 136%, from FY 2018 to FY 2024.*** *The total "Absolute Variance" equates to a simple six-year average annual increase of 25% which is well above the total annual average of 4%.*

Chart 1 – Total Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed (Requested) Budget Trendline Chart



	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Proposed	FY 2025 Proposed
Personnel Costs	$95.5	$98.6	$104.3	$106.9	$107.1	$119.0	$120.9	$132.6
Contractual Services	100.5	101.9	106.4	92.0	107.5	106.0	106.9	113.2
Utilities	53.7	51.4	51.2	52.7	59.7	65.5	63.4	64.1
Chemicals	12.9	13.3	14.2	14.0	20.4	28.5	30.5	30.7
Supplies & Other (includes capital outlay < $5k)	35.0	37.1	35.4	31.2	29.7	35.1	34.0	35.4
Budget Offsets (capital program allocation & shared services)	(11.6)	(10.5)	(5.1)	(5.8)	(5.0)	(5.1)	(5.9)	(6.3)
Unallocated Reserve	-	-	-	-	-	3.4	8.8	9.4

Key Takeaways: While expenses are increasing overall, the year-to-year fluctuations may increase or decrease. Contractual services vary based upon project-based initiatives while utilities and chemicals are impacted by weather patterns and related demands on the water and sewer systems. Increases in personnel costs are largely due to efforts to achieve the staffing plan which has suffered from delays in recruiting top talent as well as increases in compensation to retain team members based on market.

Section 2 - Next Level Deeper - Trend Analysis – By Function & Expense Type

Table 3 – Operations & Maintenance Expense by Function and Expense Type – FY 2018 Actual Compared with FY 2024 Proposed (Requested) Budget

Expense Type	Function	FY 2018 Actual	FY 2024 Proposed	Relative % of Total FY 2018 Actual	Relative % of Total FY 2024 Proposed	Absolute Variance FY 2018 to FY 2024 Increase (Decrease) $	Increase (Decrease) %	Six Year Average $	Six Year Average %
Chemicals	Water	$ 4.8	$ 11.4	2%	3%	6.6	138%	1.1	23%
Personnel	Water	17.6	23.3	6%	6%	5.7	33%	1.0	5%
Contractual Services	Water	9.2	14.4	3%	4%	5.2	57%	0.9	9%
Unallocated Reserve	Water	-	3.3	0%	1%	3.3	100%	0.6	17%
Utilities	Water	26.8	28.0	9%	8%	1.2	5%	0.2	1%
Supplies & Small Capital	Water	4.1	4.5	1%	1%	0.5	11%	0.1	2%
Budget Offsets	Water	(0.7)	(2.2)	0%	-1%	(1.5)	207%	(0.2)	34%
Total Water		61.7	82.7	22%	23%	21.1	34%	3.5	6%
Chemicals	Sewer	8.1	19.0	3%	5%	11.0	136%	1.8	23%
Utilities	Sewer	26.7	35.0	9%	10%	8.3	31%	1.4	5%
Personnel	Sewer	35.4	39.7	12%	11%	4.4	12%	0.7	2%
Unallocated Reserve	Sewer	-	3.1	0%	1%	3.1	100%	0.5	17%
Supplies & Small Capital	Sewer	13.1	13.7	5%	4%	0.6	5%	0.1	1%
Budget Offsets	Sewer	(1.3)	(2.5)	0%	-1%	(1.2)	97%	(0.2)	16%
Contractual Services	Sewer	28.1	24.9	10%	7%	(3.2)	-11%	(0.5)	-2%
Total Sewer		110.0	132.9	38%	37%	22.9	21%	3.8	3%
Personnel	Centralized	27.6	36.8	10%	10%	9.2	33%	1.5	6%
Budget Offsets	Centralized	(9.6)	(1.0)	-3%	0%	8.6	-89%	1.4	-15%
Contractual Services	Centralized	51.7	55.6	18%	16%	4.0	8%	0.7	1%
Supplies & Small Capital	Centralized	11.8	13.6	4%	4%	1.8	15%	0.3	3%
Unallocated Reserve	Centralized	-	1.7	0%	0%	1.7	100%	0.3	17%
Utilities	Centralized	0.1	0.2	0%	0%	0.0	12%	0.0	2%
Chemicals	Centralized	-	-	-	-	-	-	-	-
Total Centralized Services		81.7	106.9	29%	30%	25.2	31%	4.2	5%
Personnel	Administrative	15.0	21.0	5%	6%	6.0	40%	1.0	7%
Unallocated Reserve	Administrative	-	0.7	0%	0%	0.7	100%	0.1	17%
Contractual Services	Administrative	11.5	12.0	4%	3%	0.5	4%	0.1	1%
Utilities	Administrative	0.0	0.2	0%	0%	0.2	860%	0.0	143%
Budget Offsets	Administrative	(0.0)	(0.2)	0%	0%	(0.1)	309%	(0.0)	52%
Supplies & Small Capital	Administrative	6.0	2.2	2%	1%	(3.8)	-63%	(0.6)	-10%
Total Administrative Services		32.5	36.0	11%	10%	3.4	11%	0.6	2%
Total		**$ 285.9**	**$ 358.6**	**100%**	**100%**	**72.6**	**25%**	**12.1**	**4%**

Key Takeaway: Like the table above, as a "Relative % of Total" Expense, the FY 2024 Proposed is not much different from the FY 2018 Actual – most percentage variances are within 2%. When we look at the "Absolute Variance", however, more significant budget shifts become evident across nearly every category.

Water Operations - Chemicals expense is the largest increase at $6.6 million due to market cost increases, followed by Personnel at $5.7 million, and Contractual Services (largely for regulatory required sludge hauling to maintain water quality) at $5.2 million.

Sewer Operations - Chemicals expense is the largest increase at $11.0 million due to market cost increases, followed by Utilities at $8.3 million due to new water billings for WRRF operations as well as supplier cost increases, and Personnel at $4.4 million.

Centralized Services - Personnel is the largest increase at $9.2 million, Budget Offsets decreased $8.6 million due to reduced shared services reimbursement activity largely for IT services, and Contractual Services increased $4.0 million due to large-contracted initiatives such as Capital Program Management, IT initiatives, and others.

Administrative Services - Personnel is the largest increase at $6.0 million.

In all functional areas, efforts to achieve the staffing plan have been a challenge due to competition for talent. While medical plan costs have increased over time, that has not been a key driver in cost increases. In addition, GLWA utilizes a defined contribution pension plan. This type of plan supports accurate budgeting and predictability of costs.

The following charts depict the annual variance over an eight-year time period.

Chart 2 – Water Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed (Requested) Budget Trendline Chart

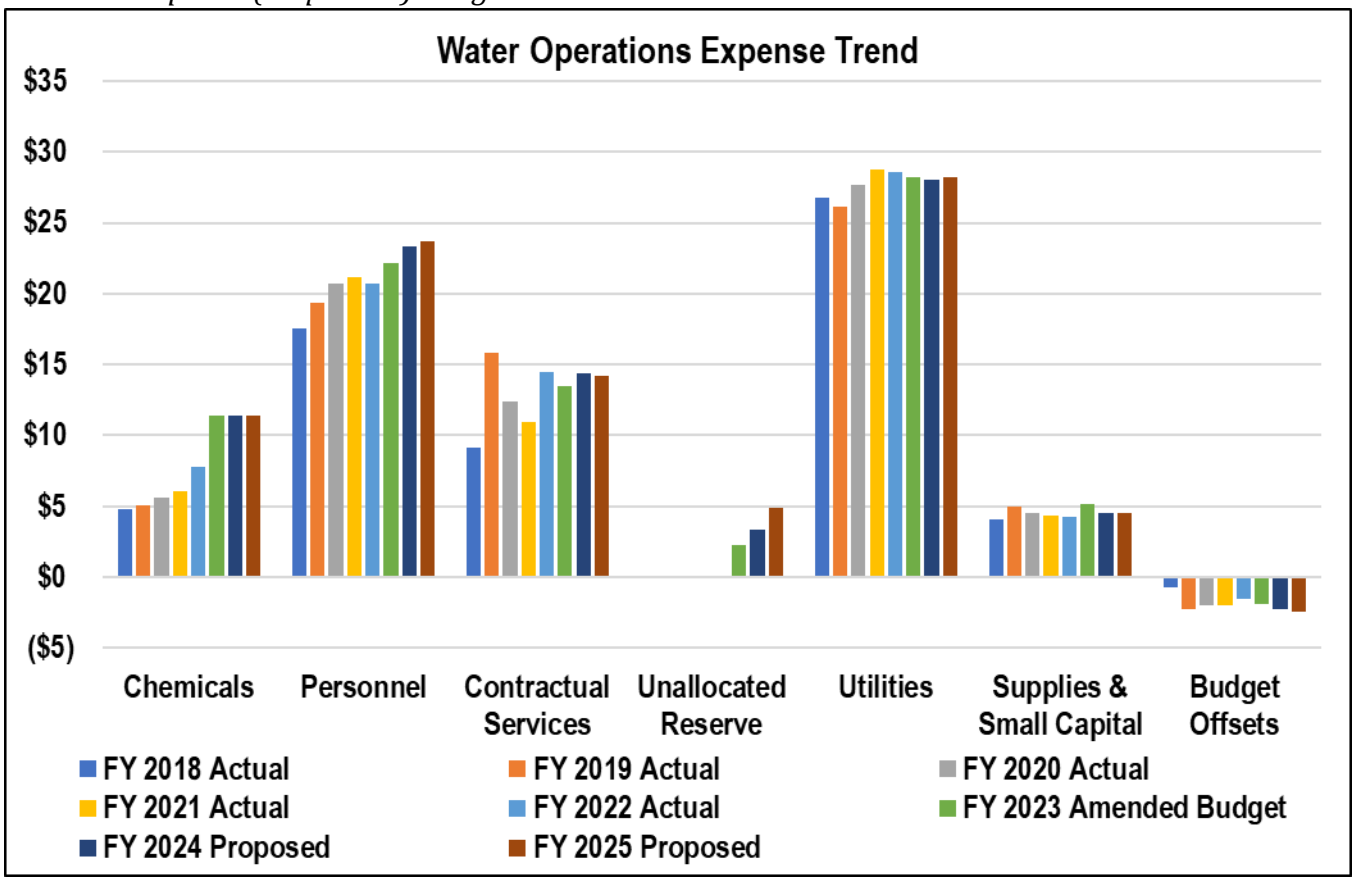


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Chart 3 – Sewer Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed (Requested) Budget Trendline Chart

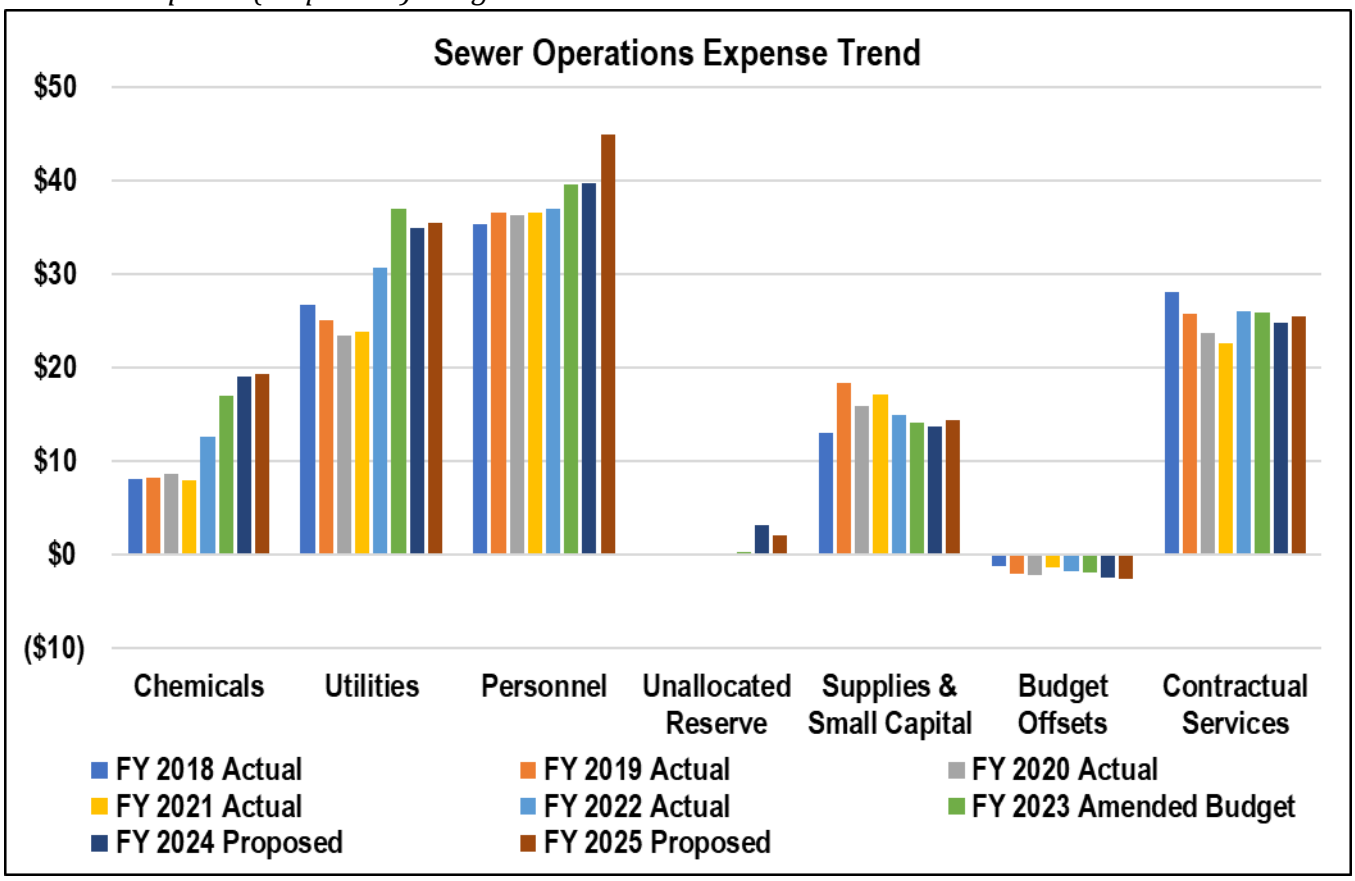

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Chart 4 – Centralized Services Operations & Maintenance Expense – Five Year Actual, Current Year Amended and Biennial Proposed (Requested) Budget Trendline Chart

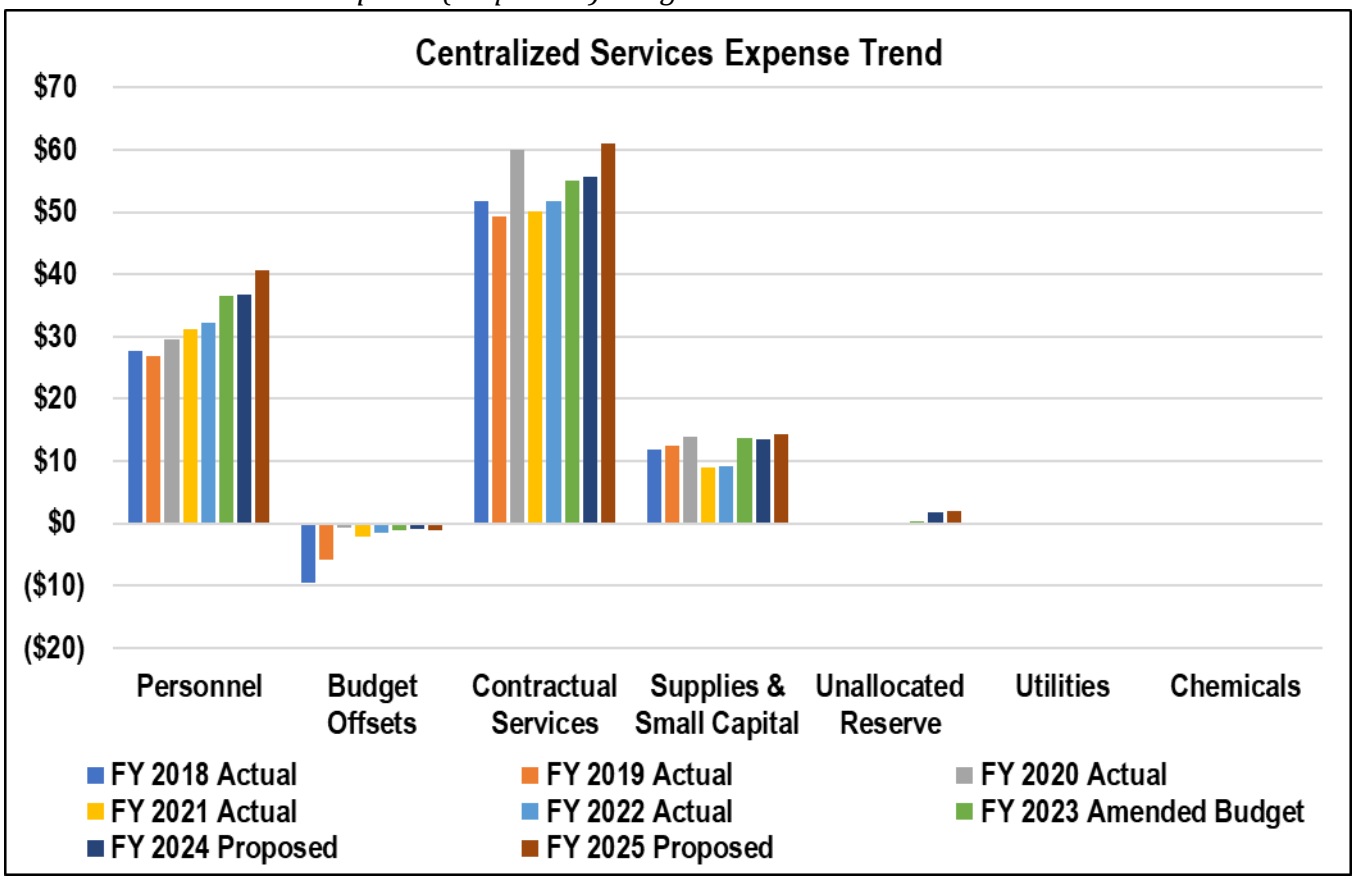
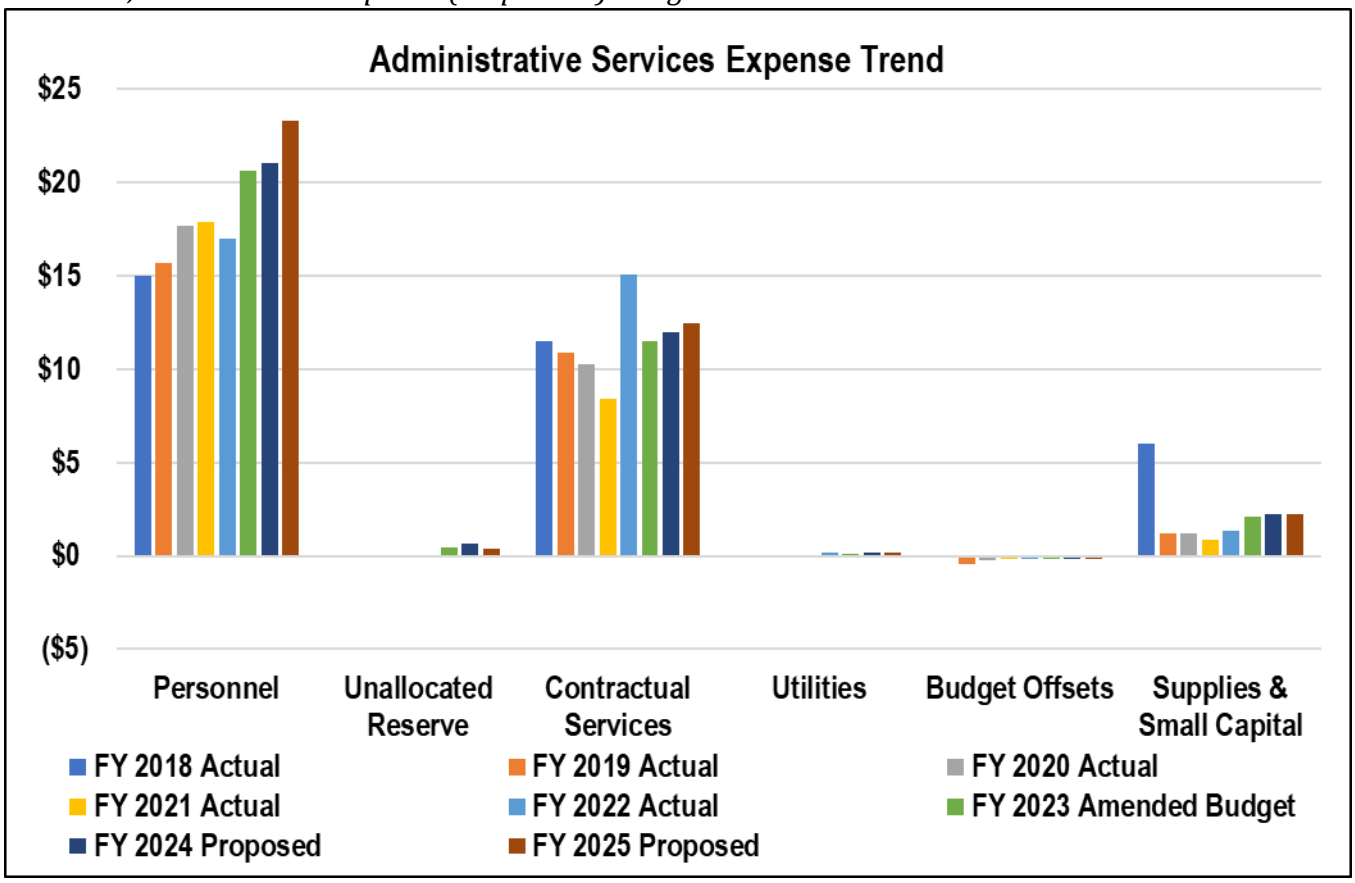


Chart 5 – Administrative Services Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed (Requested) Budget Trendline Chart



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Personnel Costs

Achieving the GLWA's initiatives is dependent on the ability to attract, retain, and develop highly qualified and effective team members. Due to the challenges of recruiting and retaining team members over the past year in this unprecedented, competitive job market, the full-time equivalents (FTEs) were decreased from FY 2023 by 81 to account for the difficulty in filling numerous vacant positions. However, staffing positions were increased by 25 to support GLWA's objectives.

The following tables of staffing positions and full-time equivalents highlights the current competitive job market. As of December 31, 2022, the Staffing Positions vacancy rate percentage is estimated at 21.3%, and FTEs vacancy rate percentage is estimated at 17.8%.

Staffing Positions Vacancy Rate				
	As of June 30			As of December 31
Fiscal Year	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Actual # of Active Team Member Staffing Positions	1,009	985	948	972
Estimated Staffing Positions Transitional Contractors	53	52	67	45
Vacant Staffing Positions	**145**	**182**	**224**	**276**
Grand Total Budgeted Staffing Positions	1,207	1,219	1,239	1,293
Vacancy Rate Staffing Positions	**12.0%**	**14.9%**	**18.1%**	**21.3%**

FTEs Vacancy Rate				
	As of June 30			As of December 31
Fiscal Year	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Actual # of Active Team Member FTEs	1,006.00	982.25	945.50	969.75
Estimated FTEs Transitional Contractors	53.00	52.00	67.00	45.00
Vacant FTEs	**128.25**	**165.25**	**203.75**	**219.69**
Grand Total Budgeted FTEs	1,187.25	1,199.50	1,216.25	1,234.44
Vacancy Rate FTEs	**10.8%**	**13.8%**	**16.8%**	**17.8%**

The entity-wide personnel budget increased by over $1.8 million, or 1.6%, between FY 2023 and FY 2024. While specific reasons for the variances in the personnel budget are addressed in Section 5 of this document by each department, the following highlights some of the key factors.

Salaries & Wages – The increase in budget of $3 million or 4.2% is due to several components.

- There is an increase in number of Staffing positions of 25 in total, to support key initiatives and demands.
  - Organizational Development Needs (Recruitment, Talent Management)
  - Capital Improvement Planning
  - Continual Improvement Process
- A change in the classification and compensation of team members who attain a higher level of knowledge, skills, and abilities.
- A reduction of 81 full-time equivalents (FTEs) due to delay in filling vacant positions. The budget is based on the FTE staffing which is the number of hours that a position is filled per year. Since a number of the positions may not be filled until late in FY 2024, the FTE count is less than the number of Staffing positions.

Salaries & Wages – Workforce Development – The workforce development classification represents the salaries and wages for workers that have been hired into the apprenticeship program. There was a slight increase in budget of $49,600 or 3.7%. This is primarily due a few additional positions in the Wastewater Operations and Chief Administrative & Compliance Officer areas.

Overtime – There was an increase to overtime budget in the amount of $376,300, or 5.4%. The majority of the increase is in Water Operations Area (Springwells Water Plant, Systems Operations Control, and Field Service Operations cost centers). This is due to expected challenges and delays in filling vacant positions thereby increasing the need for others to work overtime.

Employee Benefits – Increased slightly by $349,500, or 1.3%. While there is a decrease in the number of budgeted FTEs as well as number of enrollees in the cafeteria plans, there is an increase in medical premiums charged by the health insurance vendors. The annual plan renewals and related carrier rates are based on a calendar year.

Contractual Transition Services – There was an overall decrease of $1,900,800, or -17.2%, in the Contractual Transition Services.

- ✓ *Wastewater Operations* (several cost centers) decreased by $1,806,400 due to a reduced reliance on Skilled Labor Transitional Contractors.
- ✓ *Chief Operating Water Operations* (Transformation) and *Chief Administrative & Compliance Officer* (Info Technology Enterprise Applications) areas decreased due to the result of transitioning positions previously filled by individuals on a contract basis to GLWA team members.
- ✓ *Chief Financial Officer* (Procurement Director) and *Chief Planning Officer* (Systems Analytics) areas increased slightly due to the need to fill specialized positions in the staffing plan. Some of these specialized positions were previously budgeted in Salaries & Wages. It is taking longer to hire for these positions than originally projected when the FY 2023 budget was developed. There has been a need to temporarily fill these positions on a contractual basis until they can be permanently filled.

Personnel Biennial Budget by Expense Category

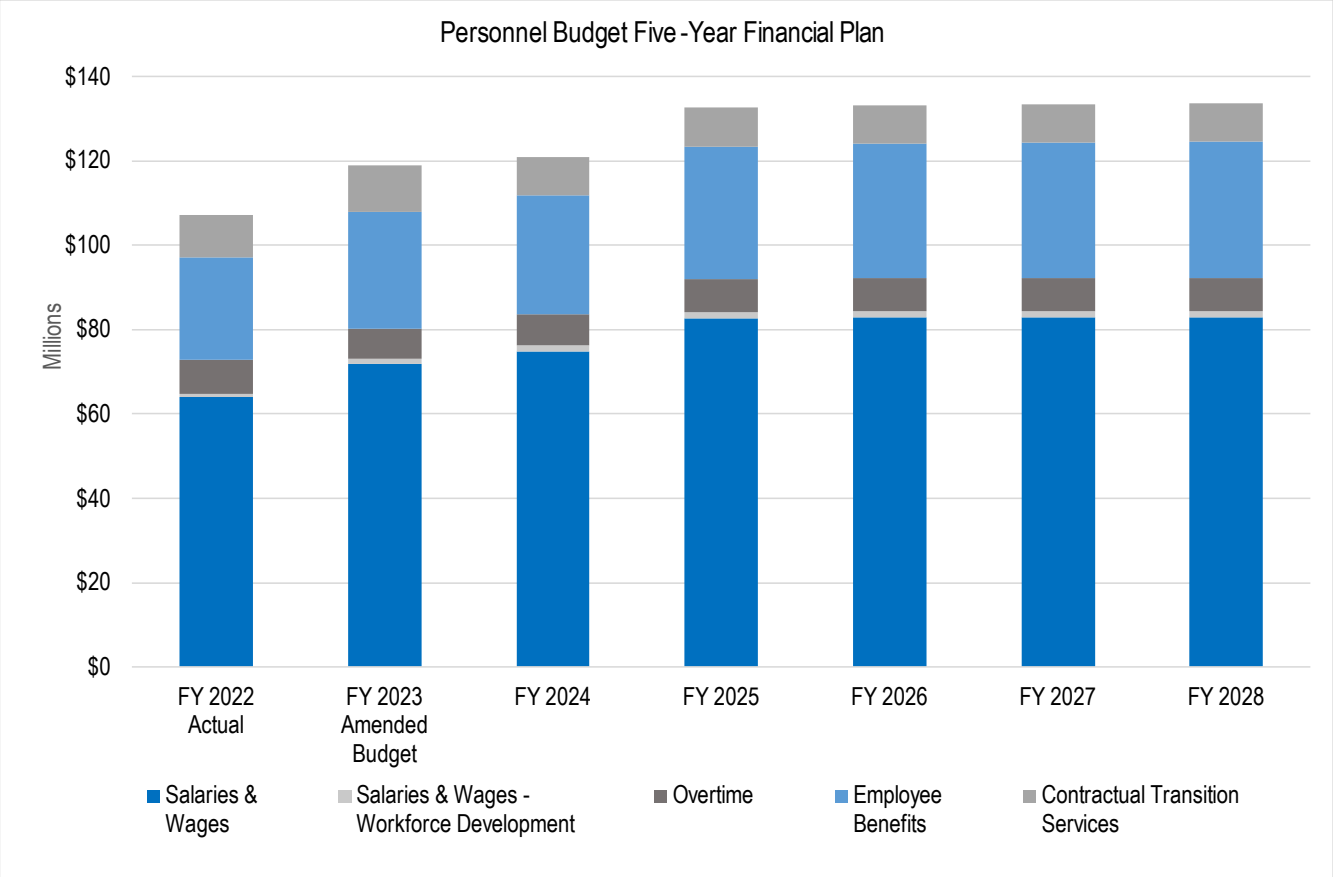
Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Salaries & Wages	63,900,800	71,755,200	36,125,800	74,765,400	3,010,200	4.2%	82,681,200
Salaries & Wages - Workforce Development	844,000	1,341,900	637,200	1,391,500	49,600	3.7%	1,508,800
Overtime	8,113,300	7,006,700	4,106,200	7,383,000	376,300	5.4%	7,738,600
Employee Benefits	24,205,500	27,869,000	12,733,000	28,218,500	349,500	1.3%	31,521,500
Contractual Transition Services	9,989,700	11,029,500	4,805,800	9,128,700	(1,900,800)	-17.2%	9,128,700
Grand Total	**$ 107,053,300**	**$ 119,002,300**	**$ 58,408,000**	**$ 120,887,100**	**$ 1,884,800**	**1.6%**	**$ 132,578,800**

Personnel Biennial Budget by Operating Area and Expense Category

Operating Area and Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Operating Officer Water Operations	**$ 35,107,100**	**$ 36,714,100**	**$ 19,303,300**	**$ 38,546,200**	**$ 1,832,100**	**5.0%**	**$ 40,164,300**
Salaries & Wages	20,800,100	22,439,600	11,853,500	23,587,800	1,148,200	5.1%	24,633,000
Salaries & Wages - Workforce Development	581,200	1,022,200	452,600	1,052,400	30,200	3.0%	1,119,900
Overtime	4,506,700	3,586,900	2,325,600	4,026,100	439,200	12.2%	4,026,100
Employee Benefits	8,432,900	9,080,300	4,471,400	9,462,100	381,800	4.2%	9,967,500
Contractual Transition Services	786,200	585,100	200,200	417,800	(167,300)	-28.6%	417,800
Chief Operating Officer Wastewater Operations	**37,043,900**	**39,695,700**	**19,729,500**	**39,735,400**	**39,700**	**0.1%**	**44,962,900**
Salaries & Wages	18,124,500	19,142,300	10,118,000	20,694,900	1,552,600	8.1%	24,001,600
Salaries & Wages - Workforce Development	257,200	276,900	159,100	315,700	38,800	14.0%	365,500
Overtime	2,932,000	2,931,900	1,470,500	2,935,700	3,800	0.1%	3,278,800
Employee Benefits	7,461,500	8,142,000	3,775,900	8,392,900	250,900	3.1%	9,920,800
Contractual Transition Services	8,268,700	9,202,600	4,206,000	7,396,200	(1,806,400)	-19.6%	7,396,200
Chief Planning Officer	**5,027,600**	**7,251,100**	**2,433,400**	**7,001,200**	**(249,900)**	**-3.4%**	**8,555,900**
Salaries & Wages	3,254,100	4,589,200	1,677,600	4,358,700	(230,500)	-5.0%	5,526,500
Salaries & Wages - Workforce Development	2,700	30,000	12,700	-	(30,000)	-	-
Overtime	125,900	157,700	58,100	140,900	(16,800)	-10.7%	145,000
Employee Benefits	1,077,400	1,552,800	530,200	1,450,200	(102,600)	-6.6%	1,833,000
Contractual Transition Services	567,500	921,400	154,800	1,051,400	130,000	14.1%	1,051,400
Chief Administrative & Compliance Officer	**12,332,000**	**14,843,800**	**6,845,000**	**15,140,300**	**296,500**	**2.0%**	**16,821,700**
Salaries & Wages	9,363,500	11,049,400	5,244,800	11,416,000	366,600	3.3%	12,656,100
Salaries & Wages - Workforce Development	2,900	-	12,800	23,400	23,400	0.0%	23,400
Overtime	5,400	4,000	1,200	3,000	(1,000)	-25.0%	3,000
Employee Benefits	2,896,000	3,700,200	1,586,200	3,697,900	(2,300)	-0.1%	4,139,200
Contractual Transition Services	64,200	90,200	-	-	(90,200)	-100.0%	-
Chief Financial Officer	**10,505,200**	**12,960,500**	**6,078,700**	**12,822,300**	**(138,200)**	**-1.1%**	**13,978,000**
Salaries & Wages	7,709,900	9,384,500	4,482,100	9,405,200	20,700	0.2%	10,260,000
Salaries & Wages - Workforce Development	-	12,800	-	-	(12,800)	-100.0%	-
Overtime	30,200	60,000	4,000	11,000	(49,000)	-81.7%	11,000
Employee Benefits	2,502,200	3,273,000	1,386,900	3,142,800	(130,200)	-4.0%	3,443,700
Contractual Transition Services	262,900	230,200	205,700	263,300	33,100	14.4%	263,300
Chief Executive Officer	**7,037,500**	**7,537,100**	**4,018,100**	**7,641,700**	**104,600**	**1.4%**	**8,096,000**
Salaries & Wages	4,648,700	5,150,200	2,749,800	5,302,800	152,600	3.0%	5,604,000
Overtime	513,100	266,200	246,800	266,300	100	0.0%	274,700
Employee Benefits	1,835,500	2,120,700	982,400	2,072,600	(48,100)	-2.3%	2,217,300
Contractual Transition Services	40,200	-	39,100	-	-	0.0%	-
Grand Total	**$ 107,053,300**	**$ 119,002,300**	**$ 58,408,000**	**$ 120,887,100**	**$ 1,884,800**	**1.6%**	**$ 132,578,800**

Five-Year Financial Plan by Expense Category

Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Salaries & Wages	63,900,800	71,755,200	74,765,400	82,681,200	82,864,600	82,864,600	82,864,600
Salaries & Wages - Workforce Development	844,000	1,341,900	1,391,500	1,508,800	1,520,800	1,520,800	1,520,800
Overtime	8,113,300	7,006,700	7,383,000	7,738,600	7,744,200	7,744,200	7,744,200
Employee Benefits	24,205,500	27,869,000	28,218,500	31,521,500	31,841,200	32,102,100	32,362,800
Contractual Transition Services	9,989,700	11,029,500	9,128,700	9,128,700	9,128,700	9,128,700	9,128,700
Grand Total	**$ 107,053,300**	**$ 119,002,300**	**$ 120,887,100**	**$ 132,578,800**	**$ 133,099,500**	**$ 133,360,400**	**$ 133,621,100**



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Five-Year Financial Plan by Operating Area and Expense Category

Operating Area and Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Operating Officer Water Operations	**$ 35,107,100**	**$ 36,714,100**	**$ 38,546,200**	**$ 40,164,300**	**$ 40,414,000**	**$ 40,496,900**	**$ 40,579,600**
Salaries & Wages	20,800,100	22,439,600	23,587,800	24,633,000	24,763,500	24,763,500	24,763,500
Salaries & Wages - Workforce Development	581,200	1,022,200	1,052,400	1,119,900	1,119,900	1,119,900	1,119,900
Overtime	4,506,700	3,586,900	4,026,100	4,026,100	4,026,100	4,026,100	4,026,100
Employee Benefits	8,432,900	9,080,300	9,462,100	9,967,500	10,086,700	10,169,600	10,252,300
Contractual Transition Services	786,200	585,100	417,800	417,800	417,800	417,800	417,800
Chief Operating Officer Wastewater Operations	**37,043,900**	**39,695,700**	**39,735,400**	**44,962,900**	**45,049,800**	**45,136,900**	**45,223,800**
Salaries & Wages	18,124,500	19,142,300	20,694,900	24,001,600	24,001,600	24,001,600	24,001,600
Salaries & Wages - Workforce Development	257,200	276,900	315,700	365,500	365,700	365,700	365,700
Overtime	2,932,000	2,931,900	2,935,700	3,278,800	3,278,800	3,278,800	3,278,800
Employee Benefits	7,461,500	8,142,000	8,392,900	9,920,800	10,007,500	10,094,600	10,181,500
Contractual Transition Services	8,268,700	9,202,600	7,396,200	7,396,200	7,396,200	7,396,200	7,396,200
Chief Planning Officer	**5,027,600**	**7,251,100**	**7,001,200**	**8,555,900**	**8,569,700**	**8,583,300**	**8,597,200**
Salaries & Wages	3,254,100	4,589,200	4,358,700	5,526,500	5,526,500	5,526,500	5,526,500
Salaries & Wages - Workforce Development	2,700	30,000	-	-	-	-	-
Overtime	125,900	157,700	140,900	145,000	145,000	145,000	145,000
Employee Benefits	1,077,400	1,552,800	1,450,200	1,833,000	1,846,800	1,860,400	1,874,300
Contractual Transition Services	567,500	921,400	1,051,400	1,051,400	1,051,400	1,051,400	1,051,400
Chief Administrative & Compliance Officer	**12,332,000**	**14,843,800**	**15,140,300**	**16,821,700**	**16,864,000**	**16,894,900**	**16,925,500**
Salaries & Wages	9,363,500	11,049,400	11,416,000	12,656,100	12,656,100	12,656,100	12,656,100
Salaries & Wages - Workforce Development	2,900	-	23,400	23,400	35,200	35,200	35,200
Overtime	5,400	4,000	3,000	3,000	3,000	3,000	3,000
Employee Benefits	2,896,000	3,700,200	3,697,900	4,139,200	4,169,700	4,200,600	4,231,200
Contractual Transition Services	64,200	90,200	-	-	-	-	-
Chief Financial Officer	**10,505,200**	**12,960,500**	**12,822,300**	**13,978,000**	**14,004,400**	**14,030,500**	**14,056,900**
Salaries & Wages	7,709,900	9,384,500	9,405,200	10,260,000	10,260,000	10,260,000	10,260,000
Salaries & Wages - Workforce Development	-	12,800	-	-	-	-	-
Overtime	30,200	60,000	11,000	11,000	11,000	11,000	11,000
Employee Benefits	2,502,200	3,273,000	3,142,800	3,443,700	3,470,100	3,496,200	3,522,600
Contractual Transition Services	262,900	230,200	263,300	263,300	263,300	263,300	263,300
Chief Executive Officer	**7,037,500**	**7,537,100**	**7,641,700**	**8,096,000**	**8,197,600**	**8,217,900**	**8,238,100**
Salaries & Wages	4,648,700	5,150,200	5,302,800	5,604,000	5,656,900	5,656,900	5,656,900
Overtime	513,100	266,200	266,300	274,700	280,300	280,300	280,300
Employee Benefits	1,835,500	2,120,700	2,072,600	2,217,300	2,260,400	2,280,700	2,300,900
Contractual Transition Services	40,200	-	-	-	-	-	-
Grand Total	**$ 107,053,300**	**$ 119,002,300**	**$ 120,887,100**	**$ 132,578,800**	**$ 133,099,500**	**$ 133,360,400**	**$ 133,621,100**

Capital Program Allocation

The amounts in the following Capital Program Allocation tables are shown as negative amounts because they are "contra" accounts which represent an offset to the Personnel costs section of the operations & maintenance budget. The Capital Program Allocation activity reflects staff time to support project delivery of the Capital Improvement Plan (CIP).

The 16.4% increase represents an overall greater level of activity within the Water Operations and Wastewater Operations due to a total of four Life Cycle Engineering positions newly budgeted for FY 2024, as well as the rise in compensation of team members charged to capital projects. The decrease in *Chief Planning Officer Area* (Capital Improvement Planning) represents a lesser level of activity due to the reduction of full-time equivalents (FTEs) caused by the delay in filling vacant positions.

Time charged to capital projects is recorded by GLWA team members in a time tracking software called BigTime.

Capital Program Allocation Biennial Budget

Operating Area and Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Chief Operating Officer Water Operations	**$ (1,600,300)**	**$ (2,015,500)**	**$ (499,700)**	**$ (2,327,400)**	**$ (311,900)**	**15.5%**	**$ (2,567,800)**
Capital Program: Employee Benefits	(454,000)	(552,200)	(141,800)	(537,900)	14,300	-2.6%	(595,000)
Capital Program: Salaries & Wages-Direct	(1,146,300)	(1,463,300)	(357,900)	(1,789,500)	(326,200)	22.3%	(1,972,800)
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	0.0%	-
Chief Operating Officer Wastewater Operations	**(1,013,600)**	**(1,429,500)**	**(426,700)**	**(1,905,300)**	**(475,800)**	**33.3%**	**(2,083,600)**
Capital Program: Employee Benefits	(287,500)	(382,400)	(121,000)	(494,000)	(111,600)	29.2%	(672,300)
Capital Program: Salaries & Wages-Direct	(726,100)	(1,047,100)	(305,700)	(1,411,300)	(364,200)	34.8%	(1,411,300)
Chief Planning Officer	**-**	**(191,200)**	**-**	**-**	**191,200**	**-100.0%**	**-**
Capital Program: Employee Benefits	-	(47,100)	-	-	47,100	-100.0%	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	0.0%	-
Capital Program: Salaries & Wages-Direct	-	(144,100)	-	-	144,100	-100.0%	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	0.0%	-
Chief Financial Officer	**(18,000)**	**-**	**-**	**-**	**-**	**0.0%**	**-**
Capital Program: Employee Benefits	(5,100)	-	-	-	-	0.0%	-
Capital Program: Salaries & Wages-Direct	(12,900)	-	-	-	-	0.0%	-
Capital Program: Salaries & Wages-Indire			-			0.0%	-
Chief Executive Officer	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**
Capital Program: Employee Benefits	-	-				0.0%	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	0.0%	-
Grand Total	**$ (2,631,900)**	**$ (3,636,200)**	**$ (926,400)**	**$ (4,232,700)**	**$ (596,500)**	**16.4%**	**$ (4,651,400)**

Capital Program Allocation Five-Year Financial Plan

Operating Area and Expense Category	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Chief Operating Officer Water Operations	**$ (1,600,300)**	**$ (2,015,500)**	**$ (2,327,400)**	**$ (2,567,800)**	**$ (2,705,700)**	**$ (2,709,900)**	**$ (2,714,200)**
Capital Program: Employee Benefits	(454,000)	(552,200)	(537,900)	(595,000)	(628,500)	(632,700)	(637,000)
Capital Program: Salaries & Wages-Direct	(1,146,300)	(1,463,300)	(1,789,500)	(1,972,800)	(2,077,200)	(2,077,200)	(2,077,200)
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**(1,013,600)**	**(1,429,500)**	**(1,905,300)**	**(2,083,600)**	**(2,087,200)**	**(2,090,600)**	**(2,094,100)**
Capital Program: Employee Benefits	(287,500)	(382,400)	(494,000)	(672,300)	(675,900)	(679,300)	(682,800)
Capital Program: Salaries & Wages-Direct	(726,100)	(1,047,100)	(1,411,300)	(1,411,300)	(1,411,300)	(1,411,300)	(1,411,300)
Chief Planning Officer	**-**	**(191,200)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(47,100)	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(144,100)	-	-	-	-	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Financial Officer	**(18,000)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(5,100)	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(12,900)	-	-	-	-	-	-
Capital Program: Salaries & Wages-Indire				-	-	-	-
Chief Executive Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-		-			
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Grand Total	**$ (2,631,900)**	**$ (3,636,200)**	**$ (4,232,700)**	**$ (4,651,400)**	**$ (4,792,900)**	**$ (4,800,500)**	**$ (4,808,300)**

Staffing Plan

The increase in the staffing plan of 25 positions from 1,293 to 1,318 positions are presented in the following table. For comparison, the decrease in FTEs of 81.19 is also presented. The FTE staffing is based on the number of hours that a position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Operating Area	+Increase, -Decrease Staffing Plan from FY 2023 to FY 2024	+Increase, -Decrease in FTEs from FY 2023 to FY 2024
Water Operations	+11.00	-35.00
Wastewater Operations	+2.00	-32.19
Planning Services	+3.00	-3.75
Administration & Compliance Officer	+6.00	-2.25
Financial Services	+3.00	-5.00
Chief Executive Officer	0.00	-3.00
Total	**25.00**	**-81.19**

The Staffing Plan and FTE counts level out beginning in FY 2026 as the organization reaches an optimal staffing level and vacancies are filled. The goal of the staffing plan is to provide the organization with an appropriate level of personnel to achieve operational reliability, to ensure a safe environment, maintain compliance and efficient capital delivery, and to provide reliable and quality services to our customer communities.

The following tables present both a "Staffing Plan" reflecting the *number* of positions and a "Staffing Budget" based on *full-time equivalents* (FTEs). In the Staffing Plan each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant. The FTE staffing is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Staffing Plan

Operating Area and Team	Cost Center	Prior Year FY 2020 Staffing Plan	Prior Year FY 2021 Staffing Plan	Prior Year FY 2022 Staffing Plan	Current FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Chief Operating Officer Water Operations		**363.00**	**366.00**	**383.00**	**420.00**	**431.00**	**438.00**	**442.00**	**442.00**	**442.00**
COO - Water Operations & Field Services	882001	2.00	3.00	3.00	4.00	5.00	5.00	5.00	5.00	5.00
Energy, Research & Innovation	882501	6.00	6.00	7.00	9.00	9.00	9.00	9.00	9.00	9.00
Transformation	882511	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00
Facility Operations	882421	25.00	25.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
Fleet Operations	882422	0.00	0.00	3.00	4.00	6.00	6.00	6.00	6.00	6.00
Field Service Operations	882431	65.00	65.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00
Lake Huron Water Plant	882171	30.00	31.00	31.00	36.00	37.00	37.00	37.00	37.00	37.00
Northeast Water Plant	882151	30.00	32.00	33.00	38.00	38.00	38.00	38.00	38.00	38.00
Southwest Water Plant	882161	30.00	30.00	33.00	37.00	37.00	37.00	37.00	37.00	37.00
Springwells Water Plant	882141	36.00	36.00	37.00	40.00	40.00	40.00	40.00	40.00	40.00
Systems Operations Control	882301	43.00	43.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Water Director	882101	9.00	11.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00
Water Engineering	882111	24.00	23.00	23.00	30.00	37.00	44.00	48.00	48.00	48.00
Water Quality	882121	26.00	26.00	26.00	26.00	27.00	27.00	27.00	27.00	27.00
Water Works Park	882131	37.00	35.00	36.00	41.00	40.00	40.00	40.00	40.00	40.00
Chief Operating Officer Wastewater		**440.00**	**443.00**	**448.00**	**450.00**	**452.00**	**454.00**	**454.00**	**454.00**	**454.00**
BDF, COF & Hauling	892227	12.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Chief Operating Officer Wastewater	892001	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00
Combined Sewer Overflow	892270	36.00	37.00	37.00	33.00	33.00	33.00	33.00	33.00	33.00
Industrial Waste Control	892231	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Wastewater Dewatering Process	892225	50.00	51.00	50.00	48.00	47.00	47.00	47.00	47.00	47.00
Wastewater Director	892201	47.00	47.00	49.00	51.00	52.00	52.00	52.00	52.00	52.00
Wastewater Engineering	892211	24.00	24.00	26.00	31.00	34.00	36.00	36.00	36.00	36.00
Wastewater Incineration Process	892226	52.00	51.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00
Wastewater Laboratories	892235	38.00	40.00	41.00	40.00	40.00	40.00	40.00	40.00	40.00
Wastewater Operations	892221	15.00	15.00	14.00	15.00	14.00	14.00	14.00	14.00	14.00
Wastewater Primary Process	892223	50.00	55.00	52.00	53.00	53.00	53.00	53.00	53.00	53.00
Wastewater Process Control	892222	27.00	25.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00
Wastewater Secondary Process	892224	46.00	44.00	47.00	48.00	47.00	47.00	47.00	47.00	47.00
Chief Planning Officer		**70.00**	**73.00**	**57.00**	**68.00**	**71.00**	**71.00**	**71.00**	**71.00**	**71.00**
Asset Management	886201	9.00	11.00	8.00	10.00	11.00	11.00	11.00	11.00	11.00
Capital Improvement Planning	886601	8.00	8.00	6.00	13.00	13.00	13.00	13.00	13.00	13.00
Chief Planning Officer	886001	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Systems Analytics	886401	43.00	44.00	36.00	35.00	37.00	37.00	37.00	37.00	37.00
Systems Planning & Development	886100	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00	4.00
Systems Planning	886101	7.00	7.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00

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Staffing Plan (continued from previous page)

Operating Area and Team	Cost Center	Prior Year FY 2020 Staffing Plan	Prior Year FY 2021 Staffing Plan	Prior Year FY 2022 Staffing Plan	Current FY 2023 Staffing Plan	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan
Chief Administration & Compliance Officer		**122.00**	**124.00**	**131.00**	**139.00**	**145.00**	**145.00**	**145.00**	**145.00**	**145.00**
Chief Administrative Officer	883001	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Enterprise Risk Management and Safety	883401	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00
General Counsel	883101	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Info Technology Business Productivity Systems	883341	13.00	10.00	13.00	13.00	12.00	12.00	12.00	12.00	12.00
Info Technology Enterprise Asset Mgmt Systems	883351	13.00	16.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Info Technology Infrastructure	883331	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	883361	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Info Technology Service Delivery	883321	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00
Office of the CIO	883301	4.00	4.00	4.00	7.00	7.00	7.00	7.00	7.00	7.00
Organizational Development Administration	883201	31.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Organizational Development Talent Management	883211	0.00	17.00	18.00	22.00	27.00	27.00	27.00	27.00	27.00
Organizational Development Training	883231	0.00	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00
Chief Financial Officer		**123.00**	**124.00**	**132.00**	**123.00**	**126.00**	**126.00**	**126.00**	**126.00**	**126.00**
Chief Financial Officer	884001	5.00	5.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Data Analytics & Internal Audit	884151	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Management & Planning	884113	9.00	9.00	10.00	12.00	12.00	12.00	12.00	12.00	12.00
Financial Reporting & Accounting	884111	27.00	26.00	31.00	29.00	29.00	29.00	29.00	29.00	29.00
Logistics and Materials	884124	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Owners' Representative	884126	6.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Procurement Director	884121	29.00	31.00	32.00	35.00	36.00	36.00	36.00	36.00	36.00
CFO Services	884141	5.00	5.00	11.00	15.00	17.00	17.00	17.00	17.00	17.00
Reporting and Compliance	884135	4.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation	884161	8.00	8.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**89.00**	**89.00**	**88.00**	**93.00**	**93.00**	**95.00**	**95.00**	**95.00**	**95.00**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	19.00	19.00	19.00	19.00	19.00	21.00	21.00	21.00	21.00
Office of Emergency Preparedness	881203	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Affairs	881101	8.00	8.00	7.00	9.00	9.00	9.00	9.00	9.00	9.00
Security and Integrity	881201	60.00	60.00	57.00	60.00	60.00	60.00	60.00	60.00	60.00
Grand Total		**1,207.00**	**1,219.00**	**1,239.00**	**1,293.00**	**1,318.00**	**1,329.00**	**1,333.00**	**1,333.00**	**1,333.00**

Full-time Equivalents

Operating Area and Team	Cost Center	Prior Year FY 2020 FTEs	Prior Year FY 2021 FTEs	Prior Year FY 2022 FTEs	Current FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Chief Operating Officer Water Operations		**363.00**	**365.25**	**382.25**	**408.25**	**373.25**	**390.75**	**391.75**	**391.75**	**391.75**
COO - Water Operations & Field Services	882001	2.00	2.75	2.75	3.75	5.00	5.00	5.00	5.00	5.00
Energy, Research & Innovation	882501	6.00	6.00	7.00	8.25	7.50	9.00	9.00	9.00	9.00
Transformation	882511	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00
Facility Operations	882421	25.00	24.50	22.50	19.00	18.00	22.50	22.50	22.50	22.50
Fleet Operations	882422	0.00	0.00	3.00	4.00	5.50	5.50	5.50	5.50	5.50
Field Service Operations	882431	65.00	65.00	71.00	68.00	66.25	71.00	71.00	71.00	71.00
Lake Huron Water Plant	882171	30.00	31.00	31.00	36.00	34.50	34.75	34.75	34.75	34.75
Northeast Water Plant	882151	30.00	32.00	33.00	38.00	31.75	31.75	31.75	31.75	31.75
Southwest Water Plant	882161	30.00	30.00	33.00	37.00	32.00	32.00	32.00	32.00	32.00
Springwells Water Plant	882141	36.00	36.00	37.00	40.00	33.50	33.50	33.50	33.50	33.50
Systems Operations Control	882301	43.00	43.00	44.00	40.25	39.75	44.00	44.00	44.00	44.00
Water Director	882101	9.00	11.00	13.00	12.00	11.00	11.00	11.00	11.00	11.00
Water Engineering	882111	24.00	23.00	23.00	30.00	23.75	25.75	26.75	26.75	26.75
Water Quality	882121	26.00	26.00	26.00	26.00	25.00	25.25	25.25	25.25	25.25
Water Works Park	882131	37.00	35.00	36.00	41.00	34.75	34.75	34.75	34.75	34.75
Chief Operating Officer Wastewater		**432.25**	**436.75**	**431.25**	**421.69**	**389.50**	**453.75**	**453.75**	**453.75**	**453.75**
BDF, COF & Hauling	892227	11.00	11.00	9.50	8.75	8.25	11.00	11.00	11.00	11.00
Chief Operating Officer Wastewater	892001	14.00	14.00	14.00	13.00	11.50	13.00	13.00	13.00	13.00
Combined Sewer Overflow	892270	34.25	36.50	34.75	29.44	29.50	32.75	32.75	32.75	32.75
Industrial Waste Control	892231	29.00	28.50	28.25	27.75	25.75	29.00	29.00	29.00	29.00
Wastewater Dewatering Process	892225	49.00	51.00	48.75	44.50	38.25	47.00	47.00	47.00	47.00
Wastewater Director	892201	47.00	46.00	47.50	49.25	46.25	52.00	52.00	52.00	52.00
Wastewater Engineering	892211	24.00	23.50	25.50	30.50	29.00	36.00	36.00	36.00	36.00
Wastewater Incineration Process	892226	52.00	49.75	49.25	50.00	46.75	53.00	53.00	53.00	53.00
Wastewater Laboratories	892235	38.00	40.00	39.75	34.00	32.50	40.00	40.00	40.00	40.00
Wastewater Operations	892221	12.00	13.50	11.00	12.75	12.50	14.00	14.00	14.00	14.00
Wastewater Primary Process	892223	50.00	54.50	51.00	51.25	44.75	53.00	53.00	53.00	53.00
Wastewater Process Control	892222	26.00	24.50	25.00	24.00	21.25	26.00	26.00	26.00	26.00
Wastewater Secondary Process	892224	46.00	44.00	47.00	46.50	43.25	47.00	47.00	47.00	47.00
Chief Planning Officer		**64.25**	**63.25**	**56.00**	**62.25**	**58.50**	**71.00**	**71.00**	**71.00**	**71.00**
Asset Management	886201	9.00	9.50	7.50	8.00	7.00	11.00	11.00	11.00	11.00
Capital Improvement Planning	886601	4.25	5.50	6.00	10.75	8.50	13.00	13.00	13.00	13.00
Chief Planning Officer	886001	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Systems Analytics	886401	43.00	39.25	36.00	35.00	34.50	37.00	37.00	37.00	37.00
Systems Planning & Development	886100	0.00	0.00	0.00	3.25	3.00	4.00	4.00	4.00	4.00
Systems Planning	886101	6.00	6.00	4.50	3.25	3.50	4.00	4.00	4.00	4.00

(continued on next page)

Full-time Equivalents (continued from previous page)

Operating Area and Team	Cost Center	Prior Year FY 2020 FTEs	Prior Year FY 2021 FTEs	Prior Year FY 2022 FTEs	Current FY 2023 FTEs	FY 2024 FTEs	FY 2025 FTEs	FY 2026 FTEs	FY 2027 FTEs	FY 2028 FTEs
Chief Administration & Compliance Officer		**120.00**	**124.00**	**129.00**	**130.75**	**128.50**	**143.25**	**143.25**	**143.25**	**143.25**
Chief Administrative Officer	883001	5.00	5.00	5.00	4.25	4.50	5.00	5.00	5.00	5.00
Enterprise Risk Management and Safety	883401	6.00	8.00	6.50	5.75	5.75	9.00	9.00	9.00	9.00
General Counsel	883101	7.00	7.00	8.00	7.25	7.50	8.00	8.00	8.00	8.00
Info Technology Business Productivity Systems	883341	13.00	10.00	13.00	13.00	9.50	12.00	12.00	12.00	12.00
Info Technology Enterprise Asset Mgmt Systems	883351	13.00	16.00	16.50	16.25	16.00	16.50	16.50	16.50	16.50
Info Technology Infrastructure	883331	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	883361	3.00	3.00	3.00	2.50	2.00	3.00	3.00	3.00	3.00
Info Technology Service Delivery	883321	15.00	15.00	15.00	15.00	14.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00
Office of the CIO	883301	4.00	4.00	4.00	4.75	6.00	7.00	7.00	7.00	7.00
Organizational Development Administration	883201	31.00	4.00	5.00	5.00	4.00	5.00	5.00	5.00	5.00
Organizational Development Talent Management	883211	0.00	17.00	18.00	21.00	22.75	25.75	25.75	25.75	25.75
Organizational Development Training	883231	0.00	12.00	12.00	13.00	12.50	13.00	13.00	13.00	13.00
Chief Financial Officer		**119.25**	**122.00**	**129.75**	**120.00**	**115.00**	**124.50**	**124.50**	**124.50**	**124.50**
Chief Financial Officer	884001	5.00	4.50	5.50	4.50	3.50	4.50	4.50	4.50	4.50
Data Analytics & Internal Audit	884151	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Management & Planning	884113	9.00	9.00	10.00	12.00	10.50	12.00	12.00	12.00	12.00
Financial Reporting & Accounting	884111	26.00	25.00	30.00	28.00	27.00	28.00	28.00	28.00	28.00
Logistics and Materials	884124	23.25	24.00	24.00	24.00	22.00	24.00	24.00	24.00	24.00
Owners' Representative	884126	6.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Procurement Director	884121	27.00	30.50	32.00	33.50	33.50	36.00	36.00	36.00	36.00
CFO Services	884141	5.00	5.00	11.00	15.00	15.50	17.00	17.00	17.00	17.00
Reporting and Compliance	884135	4.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation	884161	8.00	8.00	6.25	0.00	0.00	0.00	0.00	0.00	0.00
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**88.50**	**88.25**	**88.00**	**91.50**	**88.50**	**94.00**	**95.00**	**95.00**	**95.00**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	19.00	19.00	19.00	19.00	18.50	20.00	21.00	21.00	21.00
Office of Emergency Preparedness	881203	0.00	0.00	3.00	3.00	2.50	3.00	3.00	3.00	3.00
Public Affairs	881101	7.50	7.25	7.00	7.50	8.00	9.00	9.00	9.00	9.00
Security and Integrity	881201	60.00	60.00	57.00	60.00	57.50	60.00	60.00	60.00	60.00
Grand Total		**1,187.25**	**1,199.50**	**1,216.25**	**1,234.44**	**1,153.25**	**1,277.25**	**1,279.25**	**1,279.25**	**1,279.25**

Utilities

GLWA has utilized Capturis, a multi-site utility information management system, that has been in place for four years. There are a total of 93 trained users. The system allows team members to easily view invoices, run reports, and access any utility data information that may be needed. Capturis continues to allow us to monitor our utility usage and billing more accurately and efficiently.

The tables below provide an overall look at the utility costs that are included in the details of the budgets by operating area in Section 5 – Operating Financial Plans.

Biennial Budget Request *(tables 1 through 4)*

Table 1 – Electric

The biennial budget reflects decrease of $493,800, or -1.1%. The FY 2023 amended budget reflects budget amendments made during the year due to increased power generation and infrastructure demand charges. Based on a review of FY 2023 activity through December 31, 2022, which was after the budget document was prepared, amendments may be necessary during FY 2024.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Biosolids Dryer Facility	$ 1,229,700	$ 1,267,000	$ 499,700	**$ 1,254,300**	**$ (12,700)**	**-1.0%**	$ 1,279,400
Combined Sewer Overflow Facilities	1,091,900	1,149,000	422,500	**1,116,600**	**(32,400)**	**-2.8%**	1,139,000
Lake Huron Water Plant	6,270,700	6,500,000	3,751,300	**6,500,000**	**-**	**0.0%**	6,500,000
Logistics and Materials	87,600	36,000	53,100	**100,000**	**64,000**	**177.8%**	102,000
Northeast Water Plant	2,636,300	2,800,000	1,735,900	**2,800,000**	**-**	**0.0%**	2,800,000
Southwest Water Plant	1,366,000	1,480,000	716,500	**1,530,000**	**50,000**	**3.4%**	1,530,000
Springwells Water Plant	3,777,700	3,900,000	2,361,800	**3,500,000**	**(400,000)**	**-10.3%**	3,500,000
System Analytics	72,900	82,000	32,200	**82,300**	**300**	**0.4%**	82,600
Systems Control	64,700	65,000	41,800	**70,000**	**5,000**	**7.7%**	70,000
Wastewater Operations	11,491,900	11,562,000	5,371,000	**11,951,600**	**389,600**	**3.4%**	12,190,600
Wastewater Operations Pumping (Lift) Stations	3,292,600	2,582,000	1,109,800	**2,184,000**	**(398,000)**	**-15.4%**	2,225,800
Water Pumping Stations	10,261,200	9,691,000	5,669,400	**9,681,400**	**(9,600)**	**-0.1%**	9,873,900
Water Works Park	2,111,800	2,200,000	1,195,600	**2,050,000**	**(150,000)**	**-6.8%**	2,050,000
Grand Total	**$ 43,755,000**	**$ 43,314,000**	**$ 22,960,600**	**$ 42,820,200**	**$ (493,800)**	**-1.1%**	**$ 43,343,300**

Table 2 – Gas

The proposed natural gas expense budget has an increase of $1,614,600, or 18.9%. This increase is almost entirely driven by an increase in commodity cost, the cost per metric million British Thermal Unit (MMBTU) increased by approximately 90.1% during FY 2022. While natural gas pricing can be cyclical it is anticipated to remain elevated throughout the financial plan. This is most visible at our highest usage locations, the Water Resource Recovery Facility ($966,000), the Biosolids Dryer Facility ($374,200) and Springwells Water Plant ($125,000).

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Biosolids Dryer Facility	$ 3,056,000	$ 2,743,000	$ 2,303,900	**$ 3,117,200**	**$ 374,200**	**13.6%**	$ 3,179,500
Combined Sewer Overflow Facilities	200,300	210,800	64,700	**208,500**	**(2,300)**	**-1.1%**	212,900
Lake Huron Water Plant	233,400	160,000	63,800	**200,000**	**40,000**	**25.0%**	200,000
Logistics and Materials	50,500	25,500	23,800	**50,500**	**25,000**	**98.0%**	51,500
Northeast Water Plant	197,500	153,100	90,400	**183,100**	**30,000**	**19.6%**	183,100
Southwest Water Plant	194,000	150,000	93,000	**200,000**	**50,000**	**33.3%**	200,000
Springwells Water Plant	429,000	280,300	182,100	**405,300**	**125,000**	**44.6%**	405,300
Systems Control	200	200	100	**200**	**-**	**0.0%**	200
Wastewater Operations	3,861,600	4,498,300	3,310,300	**5,464,300**	**966,000**	**21.5%**	5,573,300
Wastewater Operations Pumping (Lift) Stations	66,500	19,000	37,100	**24,300**	**5,300**	**27.9%**	24,800
Water Pumping Stations	87,100	73,200	28,700	**74,600**	**1,400**	**1.9%**	75,900
Water Works Park	288,600	240,000	118,100	**240,000**	**-**	**0.0%**	240,000
Grand Total	**$ 8,664,700**	**$ 8,553,400**	**$ 6,316,000**	**$ 10,168,000**	**$ 1,614,600**	**18.9%**	**$ 10,346,500**

Table 3 – Water

The proposed water expense budget reflects a decrease of $3,208,400 or 29.0% for FY 2024. Based on a review of FY 2023 activity through December 31, 2022, which was after the budget document was prepared, amendments may be necessary during FY 2024. A comparison of the WRRF to FY 2022 actuals notes a significant increase. Approximately 50% of this increase is driven by increased billing at WRRF after multiple meters were repaired in August 2021. Accurate reads were established for the facilities water usage going forward. In addition, DWSD's 2022 Rate Case Analysis resulted in a change in their billing methodology effective September 2022. This new methodology resulted in increased bill rates for all water usage over 0.6 MCF. Due to the nature of the work performed at GLWA's facilities this resulted in an increase in expense for all facilities with water accounts within the DWSD service area.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Biosolids Dryer Facility	$ 254,900	$ 382,000	$ 204,200	**$ 376,700**	**$ (5,300)**	**-1.4%**	$ 376,700
Combined Sewer Overflow Facilities	325,500	796,600	381,000	**389,800**	**(406,800)**	**-51.1%**	389,800
Logistics and Materials	1,800	5,100	2,600	**30,000**	**24,900**	**488.2%**	30,600
Northeast Water Plant	100	-	200	**-**	**-**	**0.0%**	-
Southwest Water Plant	800	500	400	**500**	**-**	**0.0%**	500
Systems Control	400	600	100	**600**	**-**	**0.0%**	600
Wastewater Operations	4,018,000	9,799,000	4,768,300	**6,976,900**	**(2,822,100)**	**-28.8%**	6,976,900
Wastewater Operations Pumping (Lift) Stations	66,500	67,500	56,200	**68,400**	**900**	**1.3%**	69,800
Water Pumping Stations	600	1,000	200	**1,000**	**-**	**0.0%**	1,000
Grand Total	**$ 4,668,600**	**$ 11,052,300**	**$ 5,413,200**	**$ 7,843,900**	**$ (3,208,400)**	**-29.0%**	**$ 7,845,900**

Table 4 – Sewer

The proposed sewer expense budget reflects a decrease of 32,400 or 1.2%. This category includes both sewerage charges and stormwater drainage charges.

- A Water main break at Oakwood CSO was discovered in February 2023. This break doubled the amount of water being charged to the facility from August 2022 – February 2023. The repair has been made and usage is expected to return to normal.
- Southwest Water Plant has increased sewer billing due to sludge removal projects. The budget has been increased $100,000 based on prior usage.
- Wastewater Operations budget has been increased $168,300 due to increases in storm water drainage charges.
- The Biosolids Dryer Facility has experienced increased water usage (which is used for billing sewer) in production resulting in an increase of $41,500
- Logistics & Materials budget has been reduced $13,700 due to the sale of the McKinstry warehouse and elimination of associated drainage charges.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Biosolids Dryer Facility	$ 512,600	$ 505,200	$ 267,800	**$ 546,700**	**$ 41,500**	**8.2%**	$ 546,700
Combined Sewer Overflow Facilities	670,000	949,900	510,500	**620,400**	**(329,500)**	**-34.7%**	620,400
Lake Huron Water Plant	68,900	70,000	29,300	**70,000**	**-**	**0.0%**	70,000
Logistics and Materials	20,500	35,700	10,100	**22,000**	**(13,700)**	**-38.4%**	22,400
Northeast Water Plant	146,800	130,000	82,800	**130,000**	**-**	**0.0%**	130,000
Southwest Water Plant	441,600	300,000	81,700	**400,000**	**100,000**	**33.3%**	400,000
Systems Control	2,400	2,000	600	**2,000**	**-**	**0.0%**	2,000
Wastewater Operations	634,800	541,000	243,500	**709,300**	**168,300**	**31.1%**	709,300
Wastewater Operations Pumping (Lift) Stations	10,700	9,000	5,100	**10,000**	**1,000**	**11.1%**	10,200
Water Pumping Stations	2,200	2,700	1,100	**2,700**	**-**	**0.0%**	2,700
Water Works Park	57,200	50,000	25,200	**50,000**	**-**	**0.0%**	50,000
Grand Total	**$ 2,567,700**	**$ 2,595,500**	**$ 1,257,700**	**$ 2,563,100**	**$ (32,400)**	**-1.2%**	**$ 2,563,700**

Five-Year Financial Plan *(tables 5 through 8)*

Table 5 – Electric

As noted earlier it is expected the FY 2024 budget will need to be increased. The average increase for FY 2025 through FY 2028 is approximately 1% per year, representing the assumed increase in surcharges and electric cost from DTE.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Biosolids Dryer Facility	$ 1,229,700	$ 1,267,000	**$ 1,254,300**	$ 1,279,400	$ 1,305,000	$ 1,331,100	$ 1,357,700
Combined Sewer Overflow Facilities	1,091,900	1,149,000	**1,116,600**	1,139,000	1,161,800	1,185,100	1,208,800
Lake Huron Water Plant	6,270,700	6,500,000	**6,500,000**	6,500,000	6,500,000	6,500,000	6,500,000
Logistics and Materials	87,600	36,000	**100,000**	102,000	104,000	106,100	108,300
Northeast Water Plant	2,636,300	2,800,000	**2,800,000**	2,800,000	2,800,000	2,800,000	2,800,000
Southwest Water Plant	1,366,000	1,480,000	**1,530,000**	1,530,000	1,530,000	1,530,000	1,530,000
Springwells Water Plant	3,777,700	3,900,000	**3,500,000**	3,500,000	3,500,000	3,500,000	3,500,000
System Analytics	72,900	82,000	**82,300**	82,600	82,900	83,200	83,500
Systems Control	64,700	65,000	**70,000**	70,000	70,000	70,000	70,000
Wastewater Operations	11,491,900	11,562,000	**11,951,600**	12,190,600	12,434,400	12,683,100	12,936,800
Wastewater Operations Pumping (Lift) Stations	3,292,600	2,582,000	**2,184,000**	2,225,800	2,270,100	2,314,200	2,359,100
Water Pumping Stations	10,261,200	9,691,000	**9,681,400**	9,873,900	10,068,700	10,267,300	10,467,500
Water Works Park	2,111,800	2,200,000	**2,050,000**	2,050,000	2,050,000	2,050,000	2,050,000
Grand Total	**$ 43,755,000**	**$ 43,314,000**	**$ 42,820,200**	**$ 43,343,300**	**$ 43,876,900**	**$ 44,420,100**	**$ 44,971,700**

Table 6 – Gas

The largest natural gas users are the Biosolids Dryer facility and the Wastewater Operations facility. The forecast for these two cost centers is based on historical data which takes into account cyclical cost variations. The Authority purchases natural gas as a MiDeal member through the Michigan Natural Gas Customer Choice Program.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Biosolids Dryer Facility	$ 3,056,000	$ 2,743,000	**$ 3,117,200**	$ 3,179,500	$ 3,243,100	$ 3,113,300	$ 2,988,800
Combined Sewer Overflow Facilities	200,300	210,800	**208,500**	212,900	217,000	208,200	200,000
Lake Huron Water Plant	233,400	160,000	**200,000**	200,000	200,000	200,000	200,000
Logistics and Materials	50,500	25,500	**50,500**	51,500	52,500	53,600	54,700
Northeast Water Plant	197,500	153,100	**183,100**	183,100	183,100	183,100	183,100
Southwest Water Plant	194,000	150,000	**200,000**	200,000	200,000	200,000	200,000
Springwells Water Plant	429,000	280,300	**405,300**	405,300	405,300	405,300	405,300
Systems Control	200	200	**200**	200	200	200	200
Wastewater Operations	3,861,600	4,498,300	**5,464,300**	5,573,300	5,685,100	5,457,700	5,239,300
Wastewater Operations Pumping (Lift) Stations	66,500	19,000	**24,300**	24,800	25,200	25,700	26,100
Water Pumping Stations	87,100	73,200	**74,600**	75,900	77,900	79,200	81,200
Water Works Park	288,600	240,000	**240,000**	240,000	240,000	240,000	240,000
Grand Total	**$ 8,664,700**	**$ 8,553,400**	**$ 10,168,000**	**$ 10,346,500**	**$ 10,529,400**	**$ 10,166,300**	**$ 9,818,700**

Table 7 – Water

Water billings are for usage and for connection charges. Connection charges were projected to remain constant. At the time the budget was developed water charges were estimated to increase on average 2% annually. As discussed earlier, based on current year activity, we anticipate that FY 2024 will need amendments due to the higher than anticipated rate increases and increased usage due to meter repairs.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Biosolids Dryer Facility	$ 254,900	$ 382,000	**$ 376,700**	$ 376,700	$ 384,200	$ 384,200	$ 391,900
Combined Sewer Overflow Facilities	325,500	796,600	**389,800**	389,800	397,700	399,700	408,000
Logistics and Materials	1,800	5,100	**30,000**	30,600	31,200	31,800	32,500
Northeast Water Plant	100	-	**-**	-	-	-	-
Southwest Water Plant	800	500	**500**	500	500	500	500
Systems Control	400	600	**600**	600	600	600	600
Wastewater Operations	4,018,000	9,799,000	**6,976,900**	6,976,900	7,116,400	7,116,400	7,258,700
Wastewater Operations Pumping (Lift) Stations	66,500	67,500	**68,400**	69,800	71,300	72,700	74,300
Water Pumping Stations	600	1,000	**1,000**	1,000	1,000	1,000	1,000
Grand Total	**$ 4,668,600**	**$ 11,052,300**	**$ 7,843,900**	**$ 7,845,900**	**$ 8,002,900**	**$ 8,006,900**	**$ 8,167,500**

Table 8 – Sewer

See Table 4 for a detail discussion of these costs for FY 2024. The average annual increase for the period FY 2025 to FY 2028 is less than 1% per year.

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Biosolids Dryer Facility	$ 512,600	$ 505,200	**$ 546,700**	$ 546,700	$ 557,500	$ 557,500	$ 568,800
Combined Sewer Overflow Facilities	670,000	949,900	**620,400**	620,400	632,700	634,700	653,100
Lake Huron Water Plant	68,900	70,000	**70,000**	70,000	70,000	70,000	70,000
Logistics and Materials	20,500	35,700	**22,000**	22,400	22,900	23,300	23,800
Northeast Water Plant	146,800	130,000	**130,000**	130,000	130,000	130,000	130,000
Southwest Water Plant	441,600	300,000	**400,000**	400,000	400,000	400,000	400,000
Systems Control	2,400	2,000	**2,000**	2,000	2,000	2,000	2,000
Wastewater Operations	634,800	541,000	**709,300**	709,300	723,500	723,500	745,200
Wastewater Operations Pumping (Lift) Stations	10,700	9,000	**10,000**	10,200	10,400	10,600	10,800
Water Pumping Stations	2,200	2,700	**2,700**	2,700	2,700	2,700	2,700
Water Works Park	57,200	50,000	**50,000**	50,000	50,000	50,000	50,000
Grand Total	**$ 2,567,700**	**$ 2,595,500**	**$ 2,563,100**	**$ 2,563,700**	**$ 2,601,700**	**$ 2,604,300**	**$ 2,656,400**

Chemicals - Bulk

Water and Wastewater Operations utilize chemicals in the processing of raw water, wastewater effluent and laboratory testing. These chemicals ensure water produced for the public and discharged to the environment is of unquestionable quality.

The tables below provide an overall look at the chemical costs that are included in the details of the budgets by the operating areas in Section 5 - Operating Financial Plans.

Biennial Budget Request

The proposed chemical expense budget for FY 2024 has an increase of $2.0 million, or 6.9%. Key parameters of GLWA chemical budget include the following.

- Chemicals are used in operations to maintain compliance with standards established by the Federal Environmental Protection Agency (EPA) and State of Michigan Department of Environment, Great Lakes and Energy (EGLE).
- Volumes of chemical use vary from year to year depending on weather, demand, and the quality of source waters.
- During FY 2022, global supply chain constraints had a significant inflationary impact on the pricing of the bulk chemicals used in the water sector. As a result, the budget for chemicals significantly outpaced inflation in the overall economy.
- Chemical supply agreements are subject to manufacturers pricing, which has been negatively impacted by raw material shortages. GLWA is subject to those pricing adjustments.
- Transportation of chemicals to the various GLWA facilities has also impacted the cost and delivery structure from the Authority's suppliers.
- The annual budget is based on the projected operational volume used during an average year. The projected chemical volume excludes abnormal demands by operations; both high or low.

Biennial Budget Request by Team

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2025 Percent Variance	FY 2025 Department Requested
Water Quality	$ 116,900	$ 126,500	$ 133,400	$ 126,500	$ -	0.0%	$ 126,500
Water Treatment Plants	7,672,000	11,288,900	6,385,500	11,288,900	-	0.0%	11,288,900
Water Works Park	1,271,500	1,834,500	1,131,000	1,834,500	-	0.0%	1,834,500
Springwells Water Plant	2,392,800	3,157,000	2,073,000	3,157,000	-	0.0%	3,157,000
Northeast Water Plant	1,231,300	2,144,600	1,318,000	2,144,600	-	0.0%	2,144,600
Southwest Water Plant	960,700	1,520,500	774,300	1,520,500	-	0.0%	1,520,500
Lake Huron Water Plant	1,815,700	2,632,300	1,089,200	2,632,300	-	0.0%	2,632,300
Water Resource Recovery Facility	10,677,100	7,991,000	3,534,800	14,296,200	6,305,200	78.9%	14,557,300
Wastewater Director	-	-	2,100	-	-	0.0%	-
Wastewater Operations	12,100	5,100	-	5,200	100	2.0%	5,200
Wastewater Primary Process	3,405,900	4,055,000	2,079,200	4,258,000	203,000	5.0%	4,460,000
Wastewater Secondary Process	5,831,400	7,470,400	4,884,000	8,386,000	915,600	12.3%	8,429,100
Wastewater Dewatering Process	1,404,800	1,188,000	605,100	1,647,000	459,000	38.6%	1,663,000
Wastewater Incineration Process	22,900	45,000	200	-	(45,000)	-100.0%	-
Wastewater Laboratories	176,600	157,200	86,900	186,000	28,800	18.3%	187,200
Combined Sewer Overflow	1,739,700	4,139,800	703,500	4,554,200	414,400	10.0%	4,554,200
Puritan Fenkell Combined Sewer Overflow	13,400	32,900	-	29,600	(3,300)	-10.0%	29,600
7 Mile Combined Sewer Overflow	-	1,900	-	-	(1,900)	-100.0%	-
Hubble Southfield CSO	155,400	380,100	53,300	388,500	8,400	2.2%	388,500
Leib Combined Sewer Overflow	72,200	142,400	37,400	145,400	3,000	2.1%	145,400
St Aubin Combined Sewer Overflow	23,800	58,500	24,600	40,100	(18,400)	-31.5%	40,100
Conner Creek Combined Sewer Overflow	1,130,800	2,642,300	302,300	2,938,700	296,400	11.2%	2,938,700
Baby Creek Combined Sewer Overflow	195,400	518,400	236,000	553,800	35,400	6.8%	553,800
Oakwood Combined Sewer Overflow	138,600	338,400	37,500	434,500	96,100	28.4%	434,500
Belle Isle Combined Sewer Overflow	10,100	24,900	12,400	23,600	(1,300)	-5.2%	23,600
Grand Total	$ 20,382,300	$ 28,475,900	$ 14,879,900	$ 30,451,800	$ 1,975,900	6.9%	$ 30,714,100

Five-Year Financial Plan

The proposed five-year plan reflects a leveling of the commodity pricing. The plan forecasts a 1.0% increase in cost for FY 2025 and FY 2026, falling below 0.5% for FY 2027 and FY 2028.

Five-Year Financial Plan by Team

Cost Center	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Water Quality	$ 116,900	$ 126,500	$ 126,500	$ 126,500	$ 126,500	$ 126,500	$ 126,500
Water Treatment Plants	7,672,000	11,288,900	11,288,900	11,288,900	11,288,900	11,288,900	11,288,900
Water Works Park	1,271,500	1,834,500	1,834,500	1,834,500	1,834,500	1,834,500	1,834,500
Springwells Water Plant	2,392,800	3,157,000	3,157,000	3,157,000	3,157,000	3,157,000	3,157,000
Northeast Water Plant	1,231,300	2,144,600	2,144,600	2,144,600	2,144,600	2,144,600	2,144,600
Southwest Water Plant	960,700	1,520,500	1,520,500	1,520,500	1,520,500	1,520,500	1,520,500
Lake Huron Water Plant	1,815,700	2,632,300	2,632,300	2,632,300	2,632,300	2,632,300	2,632,300
Water Resource Recovery Facility	10,677,100	7,991,000	14,296,200	14,557,300	14,702,700	14,836,500	14,933,800
Wastewater Director	-	-	-	-	-	-	-
Wastewater Operations	12,100	5,100	5,200	5,200	5,200	5,200	5,200
Wastewater Primary Process	3,405,900	4,055,000	4,258,000	4,460,000	4,460,000	4,460,000	4,460,000
Wastewater Secondary Process	5,831,400	7,470,400	8,386,000	8,429,100	8,557,500	8,691,300	8,788,600
Wastewater Dewatering Process	1,404,800	1,188,000	1,647,000	1,663,000	1,680,000	1,680,000	1,680,000
Wastewater Incineration Process	22,900	45,000	-	-	-	-	-
Wastewater Laboratories	176,600	157,200	186,000	187,200	188,600	190,200	192,800
Combined Sewer Overflow	1,739,700	4,139,800	4,554,200	4,554,200	4,668,000	4,668,000	4,668,000
Puritan Fenkell Combined Sewer Overflow	13,400	32,900	29,600	29,600	30,300	30,300	30,300
7 Mile Combined Sewer Overflow	-	1,900	-	-	-	-	-
Hubble Southfield CSO	155,400	380,100	388,500	388,500	398,200	398,200	398,200
Leib Combined Sewer Overflow	72,200	142,400	145,400	145,400	149,000	149,000	149,000
St Aubin Combined Sewer Overflow	23,800	58,500	40,100	40,100	41,100	41,100	41,100
Conner Creek Combined Sewer Overflow	1,130,800	2,642,300	2,938,700	2,938,700	3,012,200	3,012,200	3,012,200
Baby Creek Combined Sewer Overflow	195,400	518,400	553,800	553,800	567,600	567,600	567,600
Oakwood Combined Sewer Overflow	138,600	338,400	434,500	434,500	445,400	445,400	445,400
Belle Isle Combined Sewer Overflow	10,100	24,900	23,600	23,600	24,200	24,200	24,200
Grand Total	$ 20,382,300	$ 28,475,900	$ 30,451,800	$ 30,714,100	$ 30,974,700	$ 31,110,100	$ 31,210,000

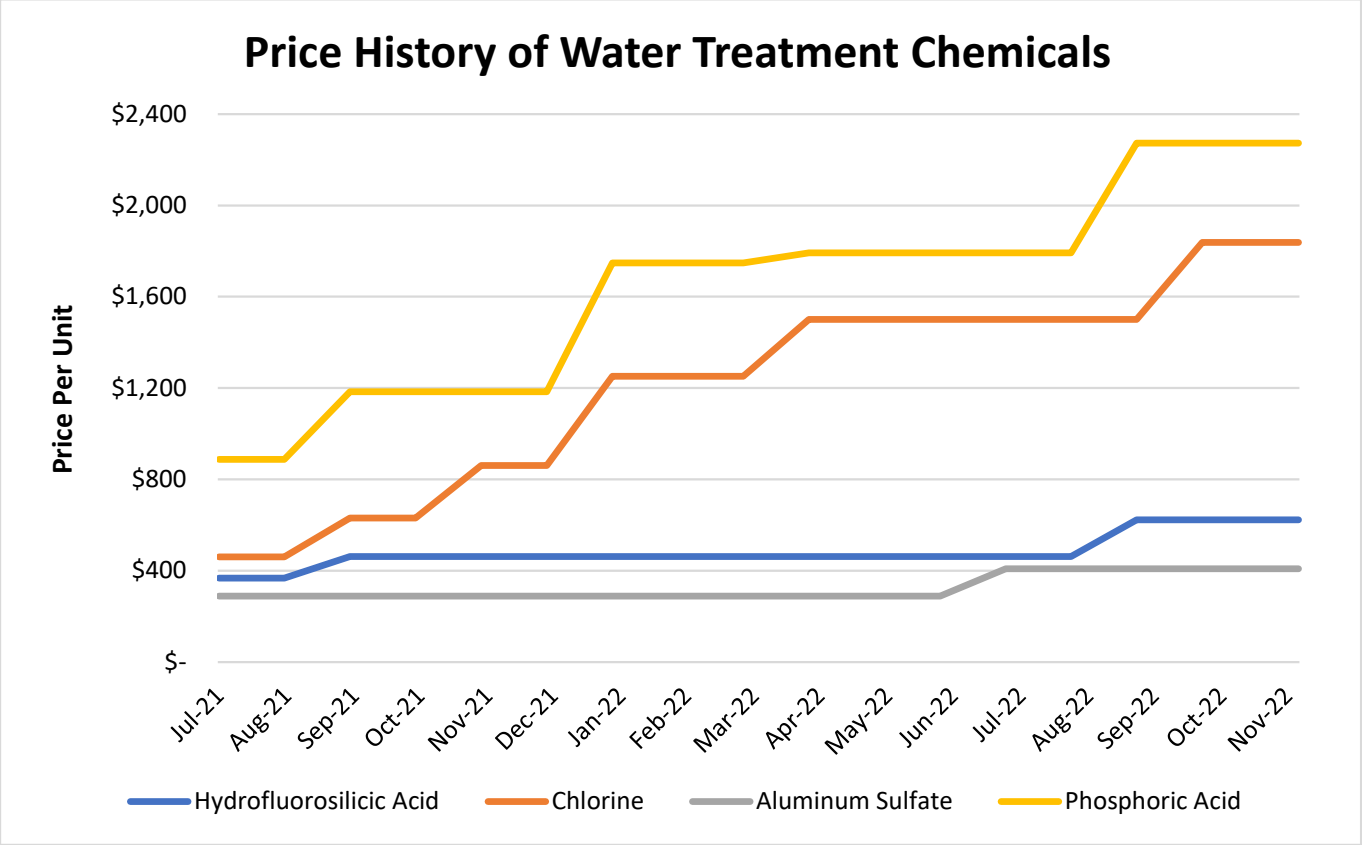
Water Chemicals

Chemicals are a significant expense category in the Water Operations budget for FY 2024. It makes up the largest budget increase for the Water Treatment Plants. The table below shows the changes in the historical and forecast cost per unit of the major chemicals required in the treatment of drinking water between FY 2022 to FY 2024.

Water Chemical Cost Per Unit

Chemical	Unit Cost Beginning of FY 2022	Unit Cost Beginning of FY 2023	FY 2023 Percent Variance	FY 2024 Unit Cost Forcast	FY 2024 Percent Variance
Aluminum Sulfate	288.50	408.50	41.6%	418.71	2.5%
Liquid Chlorine	460.00	1,838.00	299.6%	2,022.00	10.0%
Hydrofluorosilicic Acid	367.00	623.00	69.8%	638.56	2.5%
Phosphoric Acid	886.86	2,271.95	156.2%	2,385.55	5.0%
Sodium Hyprochlorite	979.00	1,600.00	63.4%	3,853.00	140.8%
Soduim Bisbulfite	280.20	400.00	42.8%	400.00	0.0%

The first four chemicals in the table above signify the largest percentage of chemicals used in the treatment of drinking water. The chart below shows the change, over time, of the unit cost for these chemicals.



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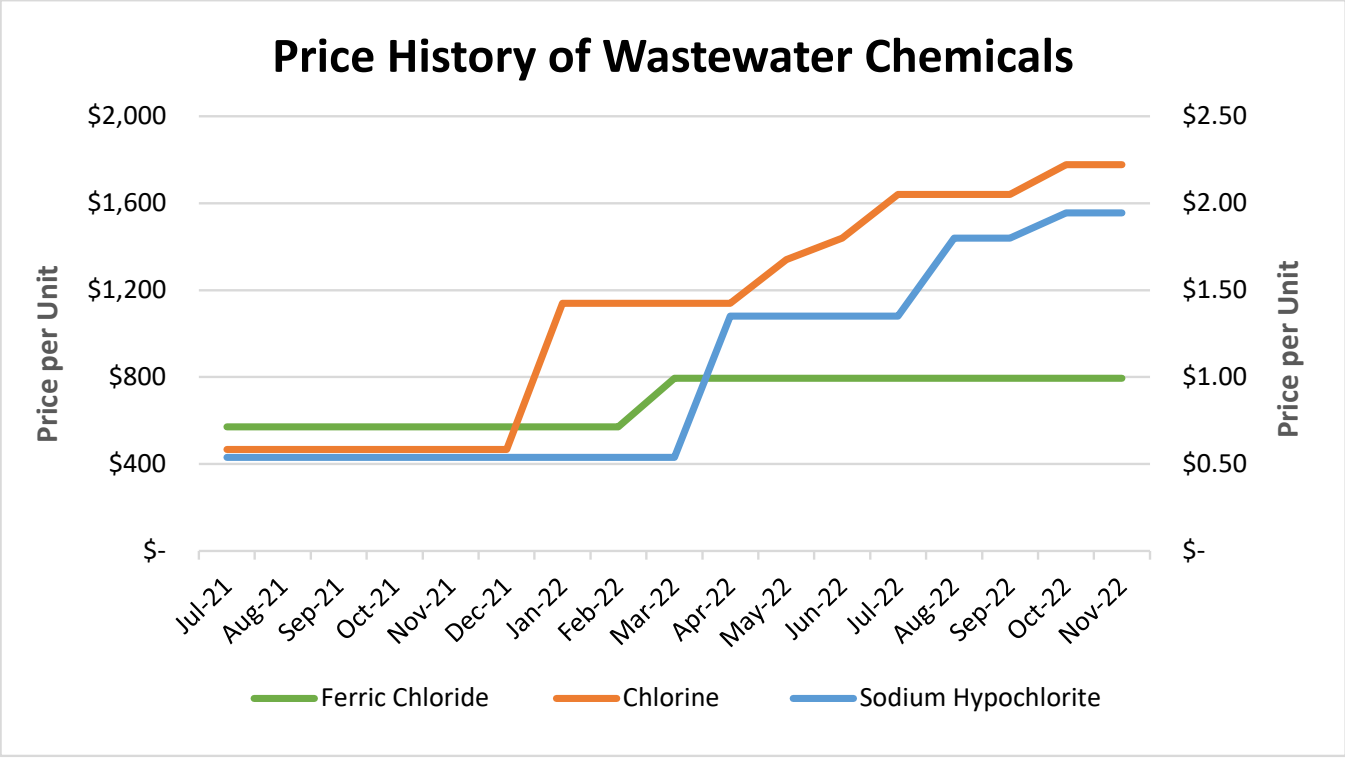
Wastewater Chemicals

This category had one of the largest impacts on the cost structure for the Wastewater Operations budget for FY 2024. The table below shows the changes in the historical and forecast cost per unit of the major chemicals required to treat the flow in the Wastewater Resource Recovery Facility and the Combined Sewer Overflow facilities between FY 2022 to FY 2024.

Wastewater Chemical Cost per Unit

Chemical	Unit Cost Beginning of FY 2022	Unit Cost Beginning of FY 2023	FY 2023 Percent Variance	FY 2024 Unit Cost Forcast	FY 2024 Percent Variance
Polymer (Lb)	0.1500	0.1650	10.0%	0.1790	8.5%
Ferric Chloride (Dry Ton)	413.1750	795.0000	92.4%	834.7500	5.0%
Chlorine (Ton)	288.6000	1,178.0000	308.2%	1,866.9000	58.5%
Sulfur Dioxide (Ton)	465.0000	465.0000	0.0%	513.0000	10.3%
Sodium Hypochlorite (Dry Lb)	0.5307	1.8000	239.2%	1.9800	10.0%
Sodium Bisulfite (Ton)	194.0000	303.0000	56.2%	318.1500	5.0%
Gaseous Oxygen (CCF)	0.2349	0.2650	12.8%	0.2780	4.9%
Liquid Oxygen (CCF)	0.6669	0.7397	10.9%	0.7770	5.0%
Bulk Nitrogen (CCF)	0.6416	0.7449	16.1%	0.7820	5.0%

The pricing of chlorine-based chemicals, used for the disinfection of wastewater effluent, had the largest impact on the FY 2024 budget. The chart below highlights the historical change in unit costs for these chlorine-based products since the beginning of FY 2022.



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Shared Services

The GLWA and the DWSD (Detroit Water and Sewerage Department) leverage economies of scale, assets, technology, and expertise by sharing services. The shared services agreement, dated December 1, 2015, is available at https://www.glwater.org/investor-relations/.

The shared services billing process began in FY 2016 and was new to both entities. To best facilitate the tracking of expenses for those agreements in which the GLWA provides services to DWSD (GLWA as Provider), the GLWA has designed its general ledger system to manage the budget and accumulate costs via a "contra" account in each cost center that matches the source of the expense (hence the contra amounts are shown as negative amounts). The net effect on the cost center expense is zero which preserves the basis for appropriate cost allocation. Amounts charged by DWSD, for services provided to the GLWA (GLWA as Subscriber), are recorded in a manner consistent with other vendor expenses.

The tables below provide an overall look of the shared services that are included in the details of the budgets by operating area in Section 5 – Operating Financial Plans.

Biennial Budget Request

The biennial budget for the GLWA as Provider agreements reflects an overall increase in FY 2024 of $154,900, or 10.3%, as compared to the FY 2023 Amended Budget. This increase is primarily due to increased maintenance at the pumping stations (OPS-008 Systems Control Center: Detroit Only Pump Stations/CSO).

The FY 2023 budget was amended as a result of changes that occurred to several of the shared services agreements. The changes, consisting primarily of changes in the scope of agreements and the termination of agreements, resulted in an overall decrease in the FY 2023 Provider agreements of $1.4 million. While the associated expense may recognize a slight decrease, the result is a net increase to the Operations & Maintenance expense as resources originally focused on tasks associated with the shared services agreements will be utilized to focus on other initiatives. The primary reasons for the changes to the shared services agreements in FY 2023 are highlighted below.

- Agreements with scope changes
  - The OPS-005 Security and Integrity (cost center 881201) agreement was terminated and OPS-005A was created with a revision to the services provided ($94,800 decrease).
  - The services provided under ITS-014 Security Network (cost center 883331) were revised ($18,500 decrease).
- Terminated Agreements
  - ITS-004A WAM (cost center 883351) – Decrease of $408,100
  - ITS-008A TIBCO (cost center 883351) – Decrease of $40,800
  - ITS-009A IT Infrastructure (cost center 883331) – Decrease of $816,000
  - ITS-012 Oracle Database Licensing (cost center 883351) – Decrease of $45,900

Shared Services - GLWA as Provider - Biennial Budget by Area and Cost Center

Cost Center & Description	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Adopted vs Amended Variance	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater System Operations	**(771,400)**	**(448,600)**	**(448,600)**	**-**	**(224,300)**	**(585,500)**	**(136,900)**	**30.5%**	**(588,600)**
892222 - Wastewater Process Control	(62,800)	(64,100)	(64,100)	-	(32,100)	(65,400)	(1,300)	2.0%	(66,700)
892270 - Combined Sewer Overflow	(19,700)	(20,100)	(20,100)	-	(10,100)	(20,500)	(400)	2.0%	(20,900)
892279 - Belle Isle Combined Sewer Overflow	(67,500)	(79,000)	(79,000)	-	(39,500)	(74,400)	4,600	-5.8%	(75,800)
892342 - Belle Isle Pumping Station	(98,700)	(48,700)	(48,700)	-	(24,300)	(68,700)	(20,000)	41.1%	(68,700)
892343 - Blue Hill Pumping Station	(336,200)	(155,200)	(155,200)	-	(77,600)	(225,200)	(70,000)	45.1%	(225,200)
892347 - Fischer Pumping Station	(27,800)	(12,800)	(12,800)	-	(6,400)	(22,600)	(9,800)	76.6%	(22,600)
892352 - Woodmere Pumping Station	(158,700)	(68,700)	(68,700)	-	(34,300)	(108,700)	(40,000)	58.2%	(108,700)
Centralized Services	**(1,473,200)**	**(2,307,300)**	**(883,200)**	**1,424,100**	**(316,900)**	**(900,800)**	**(17,600)**	**2.0%**	**(918,600)**
881201 - Security and Integrity	56,800	(344,800)	(250,000)	94,800	(125,900)	(255,000)	(5,000)	2.0%	(260,100)
882301 - Systems Operations Control	(446,600)	(455,500)	(455,500)	-	(227,800)	(464,600)	(9,100)	2.0%	(473,800)
882431 - Field Service Operations	(17,400)	(17,700)	(17,700)	-	(8,800)	(18,000)	(300)	1.7%	(18,300)
883321 - Information Technology Service Delivery	(150,000)	(153,000)	(153,000)	-	49,100	(156,100)	(3,100)	2.0%	(159,200)
883331 - Information Technology Infrastructure	(431,000)	(841,500)	(7,000)	834,500	(3,500)	(7,100)	(100)	1.4%	(7,200)
883351 - Information Technology Enterprise Asset Management Systems	(485,000)	(494,800)	-	494,800	-	-	-	0.0%	-
Administrative & Other Services	**(153,300)**	**(169,100)**	**(169,100)**	**-**	**(78,800)**	**(169,500)**	**(400)**	**0.2%**	**(172,800)**
884131 - Treasury	(134,600)	(150,000)	(150,000)	-	(69,300)	(150,000)	-	0.0%	(153,000)
884141 - CFO Services	(18,700)	(19,100)	(19,100)	-	(9,500)	(19,500)	(400)	2.1%	(19,800)
Grand Total	**$ (2,397,900)**	**$ (2,925,000)**	**$ (1,500,900)**	**$ 1,424,100**	**$ (620,000)**	**$ (1,655,800)**	**$ (154,900)**	**10.3%**	**$ (1,680,000)**

The biennial budget for the GLWA as Subscriber agreements reflects an overall increase in FY 2024 of $54,100, or 2.0%, as compared to the FY 2023 Amended Budget.

The FY 2023 budget was amended due to the termination of two agreements (highlighted below) which resulted in a decrease to the Operations & Maintenance expense.

- DoIT-001 Financial Information System (cost center 883341) – Decrease of $159,200
- DoIt-003 Customer Service Technology Suite (cost center 883351) – Decrease of $46,700

Shared Services - GLWA as Subscriber - Biennial Budget by Area and Cost Center

Cost Center & Description	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Adopted vs Amended	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Centralized Services	**$ 2,746,000**	**$ 2,912,000**	**$ 2,706,100**	**$ (205,900)**	**$ 1,353,100**	**$ 2,760,200**	**$ 54,100**	**2.0%**	**$ 2,815,400**
882421 - Facility Operations	2,392,900	2,440,800	2,440,800	-	1,220,400	2,489,600	48,800	2.0%	2,539,400
882431 - Field Service Operations	(4,900)	106,100	106,100	-	53,100	108,200	2,100	2.0%	110,400
883331 - Information Technology Infrastructure	156,100	159,200	159,200	-	79,600	162,400	3,200	2.0%	165,600
883341 - Information Technology Business Productivity Systems	156,100	159,200	-	(159,200)	-	-	-	0.0%	-
883351 - Information Technology Enterprise Asset Management Systems	45,800	46,700	-	(46,700)	-	-	-	0.0%	-
Grand Total	**$ 2,746,000**	**$ 2,912,000**	**$ 2,706,100**	**$ (205,900)**	**$ 1,353,100**	**$ 2,760,200**	**$ 54,100**	**2.0%**	**$ 2,815,400**

Five-Year Financial Plan

Shared Services - GLWA as Provider - Five-Year Financial Plan by Area and Cost Center

Cost Center & Description	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater System Operations	**(771,400)**	**(448,600)**	**(585,500)**	**(588,600)**	**(592,700)**	**(595,800)**	**(599,400)**
892222 - Wastewater Process Control	(62,800)	(64,100)	(65,400)	(66,700)	(68,000)	(69,400)	(70,800)
892270 - Combined Sewer Overflow	(19,700)	(20,100)	(20,500)	(20,900)	(21,400)	(21,800)	(22,200)
892279 - Belle Isle Combined Sewer Overflow	(67,500)	(79,000)	(74,400)	(75,800)	(78,100)	(79,400)	(81,200)
892342 - Belle Isle Pumping Station	(98,700)	(48,700)	(68,700)	(68,700)	(68,700)	(68,700)	(68,700)
892343 - Blue Hill Pumping Station	(336,200)	(155,200)	(225,200)	(225,200)	(225,200)	(225,200)	(225,200)
892347 - Fischer Pumping Station	(27,800)	(12,800)	(22,600)	(22,600)	(22,600)	(22,600)	(22,600)
892352 - Woodmere Pumping Station	(158,700)	(68,700)	(108,700)	(108,700)	(108,700)	(108,700)	(108,700)
Centralized Services	**(1,473,200)**	**(883,200)**	**(900,800)**	**(918,600)**	**(937,100)**	**(955,700)**	**(974,900)**
881201 - Security and Integrity	56,800	(250,000)	(255,000)	(260,100)	(265,300)	(270,600)	(276,000)
882301 - Systems Operations Control	(446,600)	(455,500)	(464,600)	(473,800)	(483,300)	(493,000)	(502,900)
882431 - Field Service Operations	(17,400)	(17,700)	(18,000)	(18,300)	(18,800)	(19,100)	(19,600)
883321 - Information Technology Service Delivery	(150,000)	(153,000)	(156,100)	(159,200)	(162,400)	(165,600)	(168,900)
883331 - Information Technology Infrastructure	(431,000)	(7,000)	(7,100)	(7,200)	(7,300)	(7,400)	(7,500)
883351 - Information Technology Enterprise Asset Management Systems	(485,000)	-	-	-	-	-	-
Administrative & Other Services	**(153,300)**	**(169,100)**	**(169,500)**	**(172,800)**	**(176,300)**	**(179,800)**	**(183,500)**
884131 - Treasury	(134,600)	(150,000)	(150,000)	(153,000)	(156,100)	(159,200)	(162,400)
884141 - CFO Services	(18,700)	(19,100)	(19,500)	(19,800)	(20,200)	(20,600)	(21,100)
Grand Total	**$ (2,397,900)**	**$ (1,500,900)**	**$ (1,655,800)**	**$ (1,680,000)**	**$ (1,706,100)**	**$ (1,731,300)**	**$ (1,757,800)**

Shared Services - GLWA as Subscriber - Five-Year Financial Plan by Area and Cost Center

Cost Center & Description	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Centralized Services	**$ 2,746,000**	**$ 2,706,100**	**$ 2,760,200**	**$ 2,815,400**	**$ 2,871,700**	**$ 2,929,200**	**$ 2,987,700**
882421 - Facility Operations	2,392,900	2,440,800	2,489,600	2,539,400	2,590,200	2,642,000	2,694,800
882431 - Field Service Operations	(4,900)	106,100	108,200	110,400	112,600	114,900	117,200
883331 - Information Technology Infrastructure	156,100	159,200	162,400	165,600	168,900	172,300	175,700
883341 - Information Technology Business Productivity Systems	156,100	-	-	-	-	-	-
883351 - Information Technology Enterprise Asset Management Systems	45,800	-	-	-	-	-	-
Grand Total	**$ 2,746,000**	**$ 2,706,100**	**$ 2,760,200**	**$ 2,815,400**	**$ 2,871,700**	**$ 2,929,200**	**$ 2,987,700**

Five-Year Financial Plan by Shared Services Number - GLWA as Provider & Subscriber

Both activities by the GLWA as service "provider" and services received by the GLWA as the service "subscriber" are shown in the table below.

Shared Services Number & Description	Cost Center - Description	FY 2022 Actual	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Provider		**$ (2,397,900)**	**$ (2,925,000)**	**$ (1,500,900)**	**$ (620,000)**	**$ (1,655,800)**	**$ (1,680,000)**	**$ (1,706,100)**	**$ (1,731,300)**	**$ (1,757,800)**
ITS-004A WAM	883351 - Information Technology Enterprise Asset Management Systems	(400,000)	(408,100)	-	-	-	-	-	-	-
ITS-008A TIBCO	883351 - Information Technology Enterprise Asset Management Systems	(40,000)	(40,800)	-	-	-	-	-	-	-
ITS-009A IT Infrastructure	883331 - Information Technology Infrastructure	(406,000)	(816,000)	-	-	-	-	-	-	-
ITS-011 Print Shop	883321 - Information Technology Service Delivery	(150,000)	(153,000)	(153,000)	49,100	**(156,100)**	(159,200)	(162,400)	(165,600)	(168,900)
ITS-012 Oracle Database Licensing	883351 - Information Technology Enterprise Asset Management Systems	(45,000)	(45,900)	-	-	-	-	-	-	-
ITS-014 Security Network	883331 - Information Technology Infrastructure	(25,000)	(25,500)	(7,000)	(3,500)	**(7,100)**	(7,200)	(7,300)	(7,400)	(7,500)
DWSD - Bank Fees	884131 - Treasury	(134,600)	(150,000)	(150,000)	(69,300)	**(150,000)**	(153,000)	(156,100)	(159,200)	(162,400)
DWSD - Public Finance	884141 - CFO Services	(18,700)	(19,100)	(19,100)	(9,500)	**(19,500)**	(19,800)	(20,200)	(20,600)	(21,100)
OPS-005A Security and Integrity	881201 - Security and Integrity	56,800	(344,800)	(250,000)	(125,900)	**(255,000)**	(260,100)	(265,300)	(270,600)	(276,000)
OPS-008 Systems Control Center: Detroit Only Pump Stations/CSO	OPS-008 Total:	(1,235,400)	(921,800)	(921,800)	(460,900)	**(1,068,100)**	(1,080,700)	(1,094,800)	(1,107,900)	(1,121,900)
	882301 - Systems Operations Control	(446,600)	(455,500)	(455,500)	(227,800)	**(464,600)**	(473,800)	(483,300)	(493,000)	(502,900)
	882431 - Field Service Operations	(17,400)	(17,700)	(17,700)	(8,800)	**(18,000)**	(18,300)	(18,800)	(19,100)	(19,600)
	892222 - Wastewater Process Control	(62,800)	(64,100)	(64,100)	(32,100)	**(65,400)**	(66,700)	(68,000)	(69,400)	(70,800)
	892270 - Combined Sewer Overflow	(19,700)	(20,100)	(20,100)	(10,100)	**(20,500)**	(20,900)	(21,400)	(21,800)	(22,200)
	892279 - Belle Isle Combined Sewer Overflow	(67,500)	(79,000)	(79,000)	(39,500)	**(74,400)**	(75,800)	(78,100)	(79,400)	(81,200)
	892342 - Belle Isle Pumping Station	(98,700)	(48,700)	(48,700)	(24,300)	**(68,700)**	(68,700)	(68,700)	(68,700)	(68,700)
	892343 - Blue Hill Pumping Station	(336,200)	(155,200)	(155,200)	(77,600)	**(225,200)**	(225,200)	(225,200)	(225,200)	(225,200)
	892347 - Fischer Pumping Station	(27,800)	(12,800)	(12,800)	(6,400)	**(22,600)**	(22,600)	(22,600)	(22,600)	(22,600)
	892352 - Woodmere Pumping Station	(158,700)	(68,700)	(68,700)	(34,300)	**(108,700)**	(108,700)	(108,700)	(108,700)	(108,700)
Subscriber		**$ 2,746,000**	**$ 2,912,000**	**$ 2,706,100**	**$ 1,353,100**	**$ 2,760,200**	**$ 2,815,400**	**$ 2,871,700**	**$ 2,929,200**	**$ 2,987,700**
DoIT-001 Financial Information System	883341 - Information Technology Business Productivity Systems	156,100	159,200	-	-	-	-	-	-	-
DoIT-002 Radios	883331 - Information Technology Infrastructure	156,100	159,200	159,200	79,600	**162,400**	165,600	168,900	172,300	175,700
DoIT-003 Customer Service Technology Suite	883351 - Information Technology Enterprise Asset Management Systems	45,800	46,700	-	-	-	-	-	-	-
OPS-002 MISS DIG	882431 - Field Service Operations	(108,900)	-	-	-	-	-	-	-	-
OPS-003 As Needed Field Services	882431 - Field Service Operations	104,000	106,100	106,100	53,100	**108,200**	110,400	112,600	114,900	117,200
OPS-006 Shared Facilities Shared Costs	882421 - Facility Operations	2,392,900	2,440,800	2,440,800	1,220,400	**2,489,600**	2,539,400	2,590,200	2,642,000	2,694,800
Grand Total		**$ 348,100**	**$ (13,000)**	**$ 1,205,200**	**$ 733,100**	**$ 1,104,400**	**$ 1,135,400**	**$ 1,165,600**	**$ 1,197,900**	**$ 1,229,900**

Centralized and Administrative Services

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

Administrative Services

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

Cost Allocation for the functional areas above distributes 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. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ 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 allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage

allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occurs and when new vendor contracts are executed.

The tables below present the budgets for Administrative and Centralized Services and their projected allocation to GLWA's water and wastewater systems.

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 operations area for both the biennial budget and five-year financial plan.

Table 1a – Biennial Budget Cost Allocation Summary

Operations Area	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Wastewater	**$ 63,217,700**	**$ 70,158,600**	**$ 32,098,200**	**$ 72,709,500**	**$ 2,550,900**	**3.6%**	**$ 77,230,300**
Administrative Services	18,754,500	17,616,300	8,754,000	18,363,200	746,900	4.2%	19,582,000
Centralized Services	44,463,200	52,542,300	23,344,200	54,346,300	1,804,000	3.4%	57,648,300
Water	**62,056,100**	**69,026,000**	**34,086,600**	**70,173,600**	**1,147,600**	**1.7%**	**78,358,600**
Administrative Services	14,636,500	17,065,400	8,116,000	17,619,400	554,000	3.2%	18,823,400
Centralized Services	47,419,600	51,960,600	25,970,600	52,554,200	593,600	1.1%	59,535,200
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 66,184,800**	**$ 142,883,100**	**$ 3,698,500**	**2.7%**	**$ 155,588,900**

Table 1b – Biennial Budget Cost Allocation Summary

Operations Area	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Administrative Services	33,391,000	34,681,700	16,870,000	35,982,600	1,300,900	3.8%	38,405,400
Centralized Services	91,882,800	104,502,900	49,314,800	106,900,500	2,397,600	2.3%	117,183,500
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 66,184,800**	**$ 142,883,100**	**$ 3,698,500**	**2.7%**	**$ 155,588,900**

Table 2a – Five-Year Financial Plan Cost Allocation Summary

Operations Area	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Wastewater	**$ 63,217,700**	**$ 70,158,600**	**$ 72,709,500**	**$ 77,230,300**	**$ 79,528,800**	**$ 80,330,500**	**$ 82,090,300**
Administrative Services	18,754,500	17,616,300	18,363,200	19,582,000	19,973,700	20,373,100	20,780,500
Centralized Services	44,463,200	52,542,300	54,346,300	57,648,300	59,555,100	59,957,400	61,309,800
Water	**62,056,100**	**69,026,000**	**70,173,600**	**78,358,600**	**79,171,900**	**81,544,200**	**83,021,800**
Administrative Services	14,636,500	17,065,400	17,619,400	18,823,400	19,199,800	19,583,900	19,975,500
Centralized Services	47,419,600	51,960,600	52,554,200	59,535,200	59,972,100	61,960,300	63,046,300
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 142,883,100**	**$ 155,588,900**	**$ 158,700,700**	**$ 161,874,700**	**$ 165,112,100**

Table 2b – Five-Year Financial Plan Cost Allocation Summary

Operations Area	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Administrative Services	33,391,000	34,681,700	35,982,600	38,405,400	39,173,500	39,957,000	40,756,000
Centralized Services	91,882,800	104,502,900	106,900,500	117,183,500	119,527,200	121,917,700	124,356,100
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 142,883,100**	**$ 155,588,900**	**$ 158,700,700**	**$ 161,874,700**	**$ 165,112,100**

Tables 3 and 4 – Allocation by expense category summarizes the expense categories subject to allocation to the water and wastewater systems for both the biennial budget and five-year plan.

Table 3 – Biennial Budget Costs Subject to Allocation by Expense Category

Expense Categories	FY 2022 Actual	FY 2023 Amended Budget	FY 2023 Activity as of 12.31.2022	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested
Centralized Services	**$ 91,882,800**	**$ 104,502,900**	**$ 49,314,800**	**$ 106,900,500**	**$ 2,397,600**	**2.3%**	**$ 117,183,500**
2.1 Salaries & Wages	20,341,100	23,594,600	11,486,900	23,924,200	329,600	1.4%	26,572,400
2.2 Workforce Development	311,700	476,700	218,100	404,600	(72,100)	-15.1%	472,100
2.3 Overtime	2,690,700	1,738,900	1,322,600	2,127,200	388,300	22.3%	2,139,700
2.4 Employee Benefits	7,606,200	9,063,800	4,052,800	8,882,800	(181,000)	-2.0%	9,936,200
2.5 Transition Services	1,353,700	1,596,700	355,000	1,469,200	(127,500)	-8.0%	1,469,200
3.1 Electric	137,600	147,000	74,000	152,300	5,300	3.6%	152,600
3.2 Gas	200	200	100	200	-	0.0%	200
3.3 Sewage Service	2,400	2,000	600	2,000	-	0.0%	2,000
3.4 Water Service	400	600	100	600	-	0.0%	600
4.2 Supplies & Other	8,565,200	10,812,600	4,889,900	10,935,300	122,700	1.1%	11,636,500
4.3 Contractual Services	52,028,800	55,053,300	26,968,000	55,641,200	587,900	1.1%	61,067,500
5.1 Capital Program Allocation	(117,700)	(296,600)	(34,400)	(108,800)	187,800	-63.3%	(108,900)
5.2 Shared Services	(1,473,200)	(883,200)	(316,900)	(900,800)	(17,600)	2.0%	(918,600)
5.5 Intergovermental Agreement	(187,100)	-	-	-	-	0.0%	-
6.0 Capital Outlay	622,800	2,814,500	298,000	2,648,300	(166,200)	-5.9%	2,691,000
7.0 Unallocated Reserve	-	381,800	-	1,722,200	1,340,400	351.1%	2,071,000
Administrative Services	**33,391,000**	**34,681,700**	**16,870,000**	**35,982,600**	**1,300,900**	**3.8%**	**38,405,400**
2.1 Salaries & Wages	12,599,600	15,180,000	7,296,700	15,647,300	467,300	3.1%	17,341,700
2.2 Workforce Development	2,900	12,800	12,800	23,400	-	0.0%	23,400
2.3 Overtime	35,400	64,000	4,900	14,000	(50,000)	-78.1%	14,000
2.4 Employee Benefits	3,969,000	5,166,200	2,205,300	5,100,600	(65,600)	-1.3%	5,692,800
2.5 Transition Services	367,300	230,200	244,800	263,300	33,100	14.4%	263,300
3.1 Electric	87,600	36,000	53,100	100,000	64,000	177.8%	102,000
3.2 Gas	50,500	25,500	23,800	50,500	25,000	98.0%	51,500
3.3 Sewage Service	20,500	35,700	10,100	22,000	(13,700)	-38.4%	22,400
3.4 Water Service	1,900	5,100	2,600	30,000	24,900	488.2%	30,600
4.2 Supplies & Other	1,343,300	2,131,100	911,000	2,246,600	115,500	5.4%	2,234,100
4.3 Contractual Services	15,084,200	11,510,200	6,183,700	12,002,100	491,900	4.3%	12,452,800
5.1 Capital Program Allocation	(18,000)	-	-	-	-	0.0%	-
5.2 Shared Services	(153,200)	(169,100)	(78,800)	(169,500)	(400)	-100.0%	(172,800)
7.0 Unallocated Reserve	-	454,000	-	652,300	198,300	43.7%	349,600
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 66,184,800**	**$ 142,883,100**	**$ 3,698,500**	**2.7%**	**$ 155,588,900**

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Table 4 – Five-Year Financial Plan Costs Subject to Allocation by Expense Category

Expense Categories	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Centralized Services	**$ 91,882,800**	**$ 104,502,900**	**$ 106,900,500**	**$ 117,183,500**	**$ 119,527,200**	**$ 121,917,700**	**$ 124,356,100**
2.1 Salaries & Wages	20,341,100	23,594,600	23,924,200	26,572,400	26,625,300	26,625,300	26,625,300
2.2 Workforce Development	311,700	476,700	404,600	472,100	472,100	472,100	472,100
2.3 Overtime	2,690,700	1,738,900	2,127,200	2,139,700	2,145,300	2,145,300	2,145,300
2.4 Employee Benefits	7,606,200	9,063,800	8,882,800	9,936,200	10,039,900	10,121,000	10,202,300
2.5 Transition Services	1,353,700	1,596,700	1,469,200	1,469,200	1,469,200	1,469,200	1,469,200
3.1 Electric	137,600	147,000	152,300	152,600	152,900	153,200	153,500
3.2 Gas	200	200	200	200	200	200	200
3.3 Sewage Service	2,400	2,000	2,000	2,000	2,000	2,000	2,000
3.4 Water Service	400	600	600	600	600	600	600
4.2 Supplies & Other	8,565,200	10,812,600	10,935,300	11,636,500	11,762,200	11,906,600	10,999,500
4.3 Contractual Services	52,028,800	55,053,300	55,641,200	61,067,500	59,280,000	59,352,000	56,375,900
5.1 Capital Program Allocation	(117,700)	(296,600)	(108,800)	(108,900)	(109,100)	(109,200)	(109,300)
5.2 Shared Services	(1,473,200)	(883,200)	(900,800)	(918,600)	(937,100)	(955,700)	(974,900)
5.5 Intergovermental Agreement	(187,100)	-	-	-	-	-	-
6.0 Capital Outlay	622,800	2,814,500	2,648,300	2,691,000	2,734,900	2,779,100	2,357,700
7.0 Unallocated Reserve	-	381,800	1,722,200	2,071,000	5,888,800	7,956,000	14,636,700
Administrative Services	**33,391,000**	**34,681,700**	**35,982,600**	**38,405,400**	**39,173,500**	**39,957,000**	**40,756,000**
2.1 Salaries & Wages	12,599,600	15,180,000	15,647,300	17,341,700	17,341,700	17,341,700	17,341,700
2.2 Workforce Development	2,900	12,800	23,400	23,400	35,200	35,200	35,200
2.3 Overtime	35,400	64,000	14,000	14,000	14,000	14,000	14,000
2.4 Employee Benefits	3,969,000	5,166,200	5,100,600	5,692,800	5,735,800	5,778,600	5,821,300
2.5 Transition Services	367,300	230,200	263,300	263,300	263,300	263,300	263,300
3.1 Electric	87,600	36,000	100,000	102,000	104,000	106,100	108,300
3.2 Gas	50,500	25,500	50,500	51,500	52,500	53,600	54,700
3.3 Sewage Service	20,500	35,700	22,000	22,400	22,900	23,300	23,800
3.4 Water Service	1,900	5,100	30,000	30,600	31,200	31,800	32,500
4.2 Supplies & Other	1,343,300	2,131,100	2,246,600	2,234,100	2,278,600	2,323,500	2,418,200
4.3 Contractual Services	15,084,200	11,510,200	12,002,100	12,452,800	11,972,800	12,291,900	12,414,300
5.1 Capital Program Allocation	(18,000)	-	-	-	-	-	-
5.2 Shared Services	(153,200)	(169,100)	(169,500)	(172,800)	(176,300)	(179,800)	(183,500)
7.0 Unallocated Reserve	-	454,000	652,300	349,600	1,497,800	1,873,800	2,412,200
Grand Total	**$ 125,273,800**	**$ 139,184,600**	**$ 142,883,100**	**$ 155,588,900**	**$ 158,700,700**	**$ 161,874,700**	**$ 165,112,100**

Table 5 Cost Allocation - Water and Wastewater Percentages presents the projected aggregate allocation percentages for the five-year period 2024 through 2028. The percentages are based on the data presented in tables 1 and 2 above and forecasted expenditures for periods 2024-2028.

Table 5 – Five-Year Financial Plan Projected Cost Allocated Percentages

Expense Categories	FY 2022 Actual	FY 2023 Adopted Budget	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Centralized Services	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Water	51.6%	49.7%	49.2%	50.8%	50.2%	50.8%	50.7%
Wastewater	48.4%	50.3%	50.8%	49.2%	49.8%	49.2%	49.3%
Administrative Services	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Water	43.8%	49.2%	49.0%	49.0%	49.0%	49.0%	49.0%
Wastewater	56.2%	50.8%	51.0%	51.0%	51.0%	51.0%	51.0%
Total Allocated Services	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Water	49.5%	49.6%	49.1%	50.4%	49.9%	50.4%	50.3%
Wastewater	50.5%	50.4%	50.9%	49.6%	50.1%	49.6%	49.7%

Tables 6 through 9 list the Administrative and Centralized Services contracts and cost centers that receive specific water and/or sewer accounting treatment as noted above.

Table 6 – Administrative Services Water/Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Logistics & Materials	2100822	Family Associates, LLC	Melvindale Warehouse Rental	561,800	573,000	584,500	596,200	608,100
Logistics & Materials	Multiple	N/A	Inspection & Permit Fees	2,000	2,000	2,000	2,000	2,000
Logistics & Materials	47003990009300	City of Melvindale	Property Taxes	180,000	183,600	187,300	191,000	194,800
Total				**743,800**	**758,600**	**773,800**	**789,200**	**804,900**

Table 7 – Centralized Services Water Specific Contracts – 100% allocation to Water

Cost Center	Contract	Vendor	Description of Service	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Planning & Development	Pending	TBD	Water Master Plan Update	125,000	125,000	-	-	-
Systems Planning	Pending	TBD	Water Contract Negotiations	-	-	75,000	50,000	-
Systems Planning	12772	Aquasight	Water Performance Monitoring	400,000	450,000	500,000	500,000	500,000
Systems Planning	1905080	TWN Consulting	Project Management Services	25,000	30,000	30,000	30,000	30,000
Asset Management	1902659	HDR Water Resource Management	Linear System Integrity Program	1,585,400	5,475,100	4,143,600	5,219,700	5,000,000
Systems Analytics	CS-039	Black & Veatch	Units of Service D+ Region	318,300	327,800	337,700	347,800	358,200
Field Service Operations	CON-181	Lakeshore Global	Water Transmission Main Repair	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Facility Operations	Pending	TBD	Hurlbut Gate Repair	-	-	-	-	-
Field Service Operations	WS-695C	Hydromax	Transmission Main Exercising	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total				**6,753,700**	**10,707,900**	**9,386,300**	**10,447,500**	**10,188,200**

Table 8 – Centralized Services Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Field Service Operations	CON-149	Inland Waters	Emergency Sewer Repair	4,518,400	4,518,400	4,518,400	4,518,400	4,518,400
Systems Planning & Development	Pending	TBD	Regional Flood Mitigation Study	300,000	600,000	600,000	-	-
Systems Planning	200092	Wade Trim Inc	Engineering Services	100,000	100,000	100,000	100,000	100,000
Asset Management	1902659	HDR Water Resource Management	Linear System Integrity Program	272,700	100,000	100,000	100,000	100,000
Systems Analytics	CON-179	PCI	Staffing Augmentation	1,051,400	1,051,400	1,051,400	1,051,400	1,051,400
Systems Analytics	CON-179	PCI	Sewer Meter Support	373,000	373,000	373,000	400,000	400,000
Systems Analytics	CS-236	Applied Science	Meter Dye Testing	527,000	527,000	527,000	527,000	527,000
Systems Analytics	CS-239	CDM Michigan	Good Sewer Metering	650,000	700,000	760,000	800,000	800,000
Systems Operational Control	3000032585	USGS	Detroit River Survey	273,000	273,000	273,000	273,000	273,000
Hazmat	Entire Center	N/A	Hazardous Materials Management	1,723,800	1,852,500	1,940,800	1,949,000	1,956,100
Total				**9,789,300**	**10,095,300**	**10,243,600**	**9,718,800**	**9,725,900**

Table 9 – Centralized Services Water/Sewer Specific Contracts – allocated 55% Water/45% Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2024 Department Requested	FY 2025 Department Requested	FY 2026 Department Requested	FY 2027 Department Requested	FY 2028 Department Requested
Systems Operations Control (Net)	Entire Center	N/A	Water Transmission Control	12,434,200	12,743,300	12,742,900	12,742,500	12,741,800
Total				**12,434,200**	**12,743,300**	**12,742,900**	**12,742,500**	**12,741,800**

Legacy Commitments

In municipal finance, the term "legacy obligations" represents unfunded liabilities accrued over prior decades. In the context of the GLWA, legacy obligations represent an allocable portion of the DWSD's closed defined benefit pension and restructured retiree healthcare liability obligation. The terms of that obligation were established in the City of Detroit's Chapter 9 bankruptcy plan of adjustment (POA) approved on December 10, 2014. With the standup of the GLWA on January 1, 2016, those legacy obligations were bifurcated between GLWA and DWSD. That allocation was based upon a review of wholesale and retail data in cost of service studies at intervals throughout the prior three decades.

Background – Prior to January 1, 2016, Bifurcation

The City of Detroit's Chapter 9 bankruptcy POA, approved on December 10, 2014, materially restructured the City's pension and retiree healthcare plan (otherwise referenced as other post-employment benefits or OPEB). Under the POA, the City of Detroit General Retirement System (GRS) defined benefit plan was frozen as of July 1, 2014, and closed to new participants; however, the City retained the responsibility to fund amounts necessary to provide adjusted (reduced) pension benefits to employees and retirees who accrued benefits under the GRS Plan. Claims relating to the City's pension obligation certificates and post-retirement health benefits were funded by the City's Financial Recovery Bonds, Series 2014-B(1), Series 2014-B(2) and Series 2014-C. DWSD was assigned an allocable share of those bonds.

The plan of adjustment required the following of DWSD as it related to the GRS Component II frozen, closed pension plan.

1. Annual payments by the DWSD to fully fund its portion of the closed defined benefit pension liability due to the GRS over nine years beginning in fiscal year 2015. Under the POA, an assumed investment rate of 6.75% and then-available mortality tables were utilized in calculating the potential size of the Systems' remaining liability.
2. The water and sewer systems (the Systems') are required to contribute $42.9 million annually to the GRS, plus $2.5 million per year in administrative expenses, for a total of $45.4 million for the nine fiscal years beginning on July 1, 2014 and ending on June 30, 2023. The required funding under the POA represents a substantial reduction in the Systems' overall funding obligation from the pre-bankruptcy liability.
3. The Systems remain responsible for the remaining allocable share of the unfunded accrued actuarial liability (UAAL) of the GRS after the initial nine-year period. The amount of the unknown tail pension liability payable to GRS in year ten (FY 2024) was represented as minimal at the time of the POA.

It is important to note that the annual payment represents both a normal expense plus an advance payment of a liability that would otherwise be amortized over a period up to 30 years. For that reason, a portion of the payment is treated as an operations & maintenance expense (through fiscal year 2023) as a proxy for normal cost under the MBO flow of funds including the administrative fee. This is referred to as the "General Retirement System Legacy Pension" in the core financial plan schedules

in Section 2. The remaining non-operating portion is treated as a long-term debt payment subordinate to bonded debt in the MBO flow of funds. This is referred to as the "General Retirement System Accelerated Pension" in the core financial plan schedules in Section 2. Starting in fiscal year 2024, none of the payments will be considered operating for MBO purposes, therefore Table 1 only shows nonoperating payments. For financial reporting purposes, the administrative fee and the expenses and amortization related to the pension payments are reported in the nonoperating section of the statement of revenue, expenses, and changes in fund net position.

The POA required the following of DWSD as it related to the Financial Recovery Bonds (BC Notes) for pension obligation certificates and post-retirement health benefits.

1. The DWSD is responsible for an allocable share of the portion of the City of Detroit 30-year B Notes relating to settlement of OPEB claims and 10-year C Notes related to the Systems' prior allocable share of the City's pension obligation certificates.
2. Payments are based on the allocable share of the B and C notes payment schedules. The payments for the next 5 years are included in Table 1 below. The B note payments end in fiscal year 2044. The C note payments end in fiscal year 2027.

January 1, 2016 – Operational Effective Date of Bifurcated Legacy Obligations

With the stand-up of the Authority on January 1, 2016, the legacy obligations for the GRS Pension and BC Notes obligation were allocated between the local and regional systems. Cost of service studies at intervals throughout the prior three decades were reviewed to establish the allocation between the water and sewer systems as well as wholesale and retail customer cost pools. Based upon the review of that information, the Chief Executive Officer for the GLWA and Director for DWSD authorized the GRS to begin accounting for pension cost pool activity with the GLWA allocated 70.3% of the pension activity and the DWSD allocated 29.7% of the pension activity. This was formalized in a letter dated January 24, 2017. The BC Notes are allocated 71.42% to GLWA and 28.58% to DWSD. The costs were further allocated between the water and sewer funds as shown below:

	Water	Sewer	Total
Pension Obligation			
GLWA Regional System	25.20%	45.10%	70.30%
DWSD Local System	17.80%	11.90%	29.70%
Total	43.00%	57.00%	100.00%
BC Notes			
GLWA Regional System	21.98%	49.44%	71.42%
DWSD Local System	15.52%	13.06%	28.58%
Total	37.50%	62.50%	100.00%

Leading up to the operational effective date, one of the required tasks was development of an agreement among the GRS, the City of Detroit and the GLWA regarding the GRS Defined Benefit Plan (the "pension agreement"). This agreement, dated December 1, 2015, establishes certain disclosures, calculations, and other recordkeeping by the GRS, its auditors, and its actuaries.

The pension agreement also requires the GRS to provide the GLWA with a determination of the UAAL for the Authority Pension Pool using the market value of assets for the Authority Pension Pool and whether the Authority Pension Pool is funded at 100%. If the Authority Pension Pool is less than 100% funded, then the Authority is required to make such level annual contributions to the GRS as necessary to amortize such shortfall over five years (as provided in the leases or such greater period not to exceed ten years as agreed upon by GRS and the Authority) at an interest rate equal to the then current GRS investment return assumption.

The pension agreement further establishes a requirement for reporting of the annual funded administrative expenses (which is set at $2.5 million annually) compared to actual in the annual GRS audit report. During FY 2024 the City and the Authority shall mutually determine and resolve whether the aggregate excess or shortfall shall have any effect on the payments to GRS. The amount paid in excess of administrative expenses as of June 30, 2022 is approximately $9.86 million, which is allocated $6.93 million to the Authority and $2.93 million to DWSD, and is recorded as a prepaid expense by each entity.

Future Planning

The GRS Legacy Plan fiduciary net position as a percent of the total pension liability was 62.65% as reported in the June 30, 2022, GRS GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for the Pension Plans of Component II. The pension payments in Table 1 for FY 2024 through FY 2027 contributions were estimated at $10 million. The June 30, 2021 actuarial valuation issued March 11, 2022, is the first time the actuarial report indicated the DWSD share of the liability will be fully funded by the end of FY 2023. This significant reduction is a result of improved investment returns for the plan during the year ending June 30, 2021. The actuarial valuation for June 30, 2022 dated January 5, 2023 is in draft form as the Board for the GRS has not adopted a Funding Policy for the FY 2024 contributions. Although this report also shows that the DWSD share of the liability will be fully funded by the end of FY 2023, it does note that at any point in the future, plan experience may result in an unfunded actuarial accrued liability for DWSD.

The administrative fee for FY 2024 through FY 2028 is expected to be covered by the anticipated excess payments made in previous fiscal years.

GLWA management continues to have ongoing conversations with the City of Detroit, the DWSD and the GRS personnel regarding the outstanding liability with the goal of establishing a long-term plan that will limit the budget impact of future fluctuations.

Table 1 – Legacy Obligation Allocation – The blue and green highlighted amounts are included in the budget revenue requirements in Section 2 – Core Financial Plan Schedules. Starting in FY 2024, the legacy pension payment is considered only a nonoperating expense for MBO purposes. In prior years a portion was considered an operating expense in the MBO flow of funds for priority of funding.

Description	*Allocation Percentage*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Legacy Pension Obligation - Component II (Nonoperating) (a)						
GLWA-Water	*25.20%*	$ 2,520,000	$ 2,520,000	$ 2,520,000	$ 2,520,000	$ 2,520,000
GLWA-Sewer	*45.10%*	4,510,000	4,510,000	4,510,000	4,510,000	4,510,000
DWSD-R-Water	*17.80%*	1,780,000	1,780,000	1,780,000	1,780,000	1,780,000
DWSD-R-Sewer	*11.90%*	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Total Legacy Pension Obligation		**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**
BC Notes (Nonoperating) (b)						
GLWA-Water	*21.98%*	875,500	1,653,300	1,622,200	1,450,400	1,306,700
GLWA-Sewer	*49.44%*	1,969,300	3,718,800	3,648,800	3,262,400	2,939,200
DWSD-R-Water	*15.52%*	618,200	1,167,400	1,145,400	1,024,100	922,700
DWSD-R-Sewer	*13.06%*	520,200	982,400	963,900	861,800	776,400
Total BC Notes		**3,983,200**	**7,521,900**	**7,380,300**	**6,598,700**	**5,945,000**
Total General Retirement System Accelerated Pension (Legacy Pension (a) + BC Notes (b))						
GLWA-Water		3,395,500	4,173,300	4,142,200	3,970,400	3,826,700
GLWA-Sewer		6,479,300	8,228,800	8,158,800	7,772,300	7,449,200
DWSD-R-Water		2,398,200	2,947,400	2,925,400	2,804,100	2,702,700
DWSD-R-Sewer		1,710,200	2,172,400	2,153,900	2,051,800	1,966,400
Total General Retirement System Accelerated Pension		**$ 13,983,200**	**$ 17,521,900**	**$ 17,380,300**	**$ 16,598,600**	**$ 15,945,000**

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SECTION 7 - AUTHORIZING RESOLUTIONS

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Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Great Lakes Water Authority Board of Directors

General Certification

The undersigned hereby certifies that (i) the Resolution **2023-054** regarding **"Resolution Adopting the FY 2024 & FY 2025 Biennial Budget"** attached hereto is a true and complete copy of the Resolution duly passed by the Great Lakes Water Authority Board of Directors at a meeting held on February 22, 2023 at which meeting a quorum was present and remained throughout, (ii) the original thereof is on file in the records of the Great Lakes Water Authority Board of Directors, (iii) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (iv) Minutes of such meeting were kept and will be or have been made available as required thereby.

YES:	Freman Hendrix, Brian Baker, Gary A. Brown, Jaye Quadrozzi and John J. Zech
NO:	None
ABSTAIN:	None
EXCUSED:	Beverly Walker-Griffea

Dated: February 22, 2023

Rechanda L. Willis

By: Rechanda L. Willis
Title: Executive Board Assistant

Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Resolution Adopting the FY 2024 & FY 2025 Biennial Budget

Agenda of: February 22, 2023
Item No.: **2023-054**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: February 22, 2023

RE: **Resolution Adopting the FY 2024 & FY 2025 Biennial Budget**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

1) **Concludes the Public Hearing related to the FY 2024 and FY 2025 Biennial Budget held on February 22, 2023;**
2) **Pending public comment, adopts the attached resolution, 2023-054, adopting the FY 2024 and FY 2025 Biennial Budget for the GLWA;**
3) **Notes that the GLWA By-Laws Article X, Section 5, requires a super-majority affirmative vote of at least five (5) members of the Board is necessary for the approval of the operating budget; and**
4) **Authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the Regional Water and Sewer systems on January 1, 2016 (the "Effective Date") pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015. Section 5.6 of the Lease Agreements require the Authority to adopt a two-year budget for the Regional Water and Sewer Systems that sets forth budgeted revenues and expenses for each such Fiscal Year.

JUSTIFICATION

The Board has received a proposed Budget for FY 2024 and FY 2025 which was reviewed at Audit Committee meetings on December 16, 2022 and February 13, 2023; Board meetings of January 25, 2023 and February 22, 2023; and Member Partner meetings on January 12, 2023, as it relates to the proposed Schedule of Charges, and January 19, 2023.

The information contained in the attached resolution was included in the Proposed FY 2024 & FY 2025 Biennial Budget and Five-Year Plan Draft 2.13.2023 which was presented to the Audit Committee on February 13, 2023.

A Notice of Public Hearing was published in the Detroit Legal News on January 30, 2023. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwater.org/financials.

BUDGET IMPACT

This action establishes a budget for FY 2024 and FY 2025.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the budget and supplemental analysis at the meetings noted above. On February 13, 2023, the Audit Committee unanimously recommended that the Board of Directors adopts the resolution related to the FY 2024 and FY 2025 Biennial Budget and related FY 2024 Schedule of Charges as presented on February 13, 2023, subject to public comment at the public hearing to be held on February 22, 2023.

Great Lakes Water Authority

Resolution 2023-054

Resolution Adopting the Biennial FY 2024 & FY 2025 Budget

By Board Member: Jaye Quadrozzi

WHEREAS The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the regional water and sewer systems on January 1, 2016 (the "Effective Date") pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

WHEREAS In accordance with the by-laws of the GLWA, the Board shall adopt a two-year (Biennial) operating budget for the Regional Water and Sewer Systems; and

WHEREAS The Authority, through the terms of the Leases, committed to an annual increase in revenue requirement budget of no more than 4% though the fiscal year ending June 30, 2025; and

WHEREAS The GLWA Board is now adopting its eighth fiscal year budget demonstrating its ability to achieve that commitment with a Regional Water System annual revenue requirement budget increase of 4.0% which equates to an average 3.1% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 4.0% which equates to an average 2.8% increase in revenues from Sewer Service Charges; and

WHEREAS The budgeted expenses for each such Fiscal Year shall equal the sum of the projected expenses and revenue requirements for the Regional Water System and the Regional Sewer System for each such Fiscal Year; and

WHEREAS The budgeted annual revenue requirements for the Regional Water System for FY 2024 is $370,314,500 and for FY 2025 is $385,127,100 as shown on "Schedule 1A – Water System Revenue Requirements" of the budget document; and

WHEREAS The budgeted annual revenue requirements for the Regional Sewer System for FY 2024 is $500,627,000 and for FY 2025 is $520,652,100 as shown on "Schedule 1B – Sewer System Revenue Requirements" of the budget document; and

WHEREAS The operations and maintenance budget for the Regional Water System for FY 2024 is $152,906,400 and for FY 2025 is $162,810,600 as shown on "Schedule 1A – Water System Revenue Requirements" of the budget document; and

WHEREAS The operations and maintenance budget for the Regional Sewer System for FY 2024 is $205,643,700 and for FY 2025 is $216,220,400 as shown on "Schedule 1B – Sewer System Revenue Requirements" of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance is $204,448,100 for FY 2024 and $221,699,700 for FY 2025 as shown on "Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance" of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance is $260,549,900 for FY 2024 and $262,601,400 for FY 2025 as shown on "Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance" of the budget document; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of $11,539,100 in FY 2024 and $9,694,400 in FY 2025 for capital outlay in accordance with the "Schedule 5A – Water Capital Financing Plan: Water Improvement and Extension Fund" budget; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of $239,260,000 in FY 2024 and $200,422,000 in FY 2025 for the capital improvement plan in accordance with the "Schedule 5A – Water Capital Financing Plan: Water Construction Fund" budget with those capital amounts reflecting an 100% Capital Spending Ratio applied to FY 2024 and FY 2025 as shown in the proposed FY 2024 though FY 2028 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of $14,970,500 in FY 2024 and $12,399,500 in FY 2025 for the capital outlay in accordance with the "Schedule 5B – Sewer Capital Financing Plan: Sewer Improvement and Extension Fund" budget; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of $199,061,000 in FY 2024 and $190,159,000 in FY 2025 for the capital improvement plan in accordance with "Schedule 5B – Sewer Capital Financing Plan: Sewer Construction Fund" budget with those capital amounts reflecting a 100% Capital Spending Ratio applied to FY 2024 and FY 2025 as shown in the proposed FY 2024 though FY 2028 Capital Improvement Plan; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2024 through FY 2028 at its meeting on December 16, 2022; with updates at its meeting on February 13, 2023; and

WHEREAS The GLWA Board conducted a public hearing on the proposed budget in accordance with the provisions of Public Act No. 43 of the Acts of the State Legislature of 1963 ("Budget Hearings of Local Governments"); and

WHEREAS A notice for the public hearing on the proposed budget scheduled for February 22, 2023 at 2:00 p.m. either in person or via a telephonic Zoom meeting was published in The Detroit Legal News announcing a public hearing on the budget in addition to posting the notice and proposed budget on glwater.org/financials; and

WHEREAS An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board conducted a public hearing on February 22, 2023 to receive public comment regarding the proposed budget for the Fiscal Years 2024 and 2025; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2024 and 2025; and be it finally

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 1A – Water System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
Water System Revenue Requirements	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues								
Revenues from Charges	$ 354,947,900	$ 353,690,600	$ 366,077,800	$ 11,129,900	3.1%	$ 377,752,600	$ 11,674,800	3.2%
Other Revenues	175,000	175,000	175,000	-	0.0%	175,000	-	0.0%
Investment Earnings	948,700	7,901,200	4,061,700	3,113,000	328.1%	7,199,500	3,137,800	77.3%
Total Revenues	**356,071,600**	**361,766,800**	**$ 370,314,500**	**$ 14,242,900**	**4.0%**	**$ 385,127,100**	**$ 14,812,600**	**4.0%**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$ 144,847,700	$ 144,847,700	$ 152,906,400	$ 8,058,700	5.6%	$ 162,810,600	$ 9,904,200	6.5%
General Retirement System Legacy Pension	6,048,000	6,048,000	-	(6,048,000)	-100.0%	-	-	0.0%
Debt Service	150,337,100	150,171,200	159,482,800	9,145,700	6.1%	175,154,900	15,672,100	9.8%
General Retirement System Accelerated Pension	6,268,300	6,268,300	3,395,500	(2,872,800)	-45.8%	4,173,300	777,800	22.9%
Water Residential Assistance Program Contribution	1,770,500	1,770,500	1,851,600	81,100	4.6%	1,925,600	74,000	4.0%
Regional System Lease	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	24,300,000	30,161,100	30,178,200	5,878,200	24.2%	10,662,700	(19,515,500)	-64.7%
Annual Water System Revenue Requirements	**$ 356,071,600**	**$ 361,766,800**	**$ 370,314,500**	**$ 14,242,900**	**4.0%**	**$ 385,127,100**	**$ 14,812,600**	**4.0%**

Budget Document Note (not included in Resolution): Revenues from Charges for FY 2024 above is comprised of the following.

Regional System Wholesale Revenues – Suburban Wholesale Customers	$340,540,600
Regional System Wholesale Revenues – Detroit Wholesale Customer	25,537,200
Total Revenues from Charges	$366,077,800

Schedule 1B – Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
Sewer System Revenue Requirements	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues								
Revenues from Charges	$ 479,816,500	$ 477,420,200	$ 493,169,700	$ 13,353,200	2.8%	$ 510,633,800	$ 17,464,100	3.5%
Other Revenues	400,000	400,000	400,000	-	0.0%	400,000	-	0.0%
Investment Earnings	1,155,600	10,915,000	7,057,300	5,901,700	510.7%	9,618,300	2,561,000	36.3%
Total Revenues	**$ 481,372,100**	**$ 488,735,200**	**$ 500,627,000**	**$ 19,254,900**	**4.0%**	**$ 520,652,100**	**$ 20,025,100**	**4.0%**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$ 184,052,600	$ 194,822,500	$ 205,643,700	$ 21,591,100	11.7%	$ 216,220,400	$ 10,576,700	5.1%
General Retirement System Legacy Pension	10,824,000	10,824,000	-	(10,824,000)	-100.0%	-	-	0.0%
Debt Service	205,638,100	210,621,400	228,328,300	22,690,200	11.0%	230,354,100	2,025,800	0.9%
General Retirement System Accelerated Pension	11,620,700	11,620,700	6,479,300	(5,141,400)	-44.2%	8,228,800	1,749,500	27.0%
Water Residential Assistance Program Contribution	2,394,200	2,394,200	2,503,100	108,900	4.5%	2,603,300	100,200	4.0%
Regional System Lease	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	-	-	0.0%
Improvement & Extension Fund Transfer Pending	39,342,500	30,952,400	30,172,600	(9,169,900)	-23.3%	35,745,500	5,572,900	18.5%
Annual Sewer System Revenue Requirements	**$ 481,372,100**	**$ 488,735,200**	**$ 500,627,000**	**$ 19,254,900**	**4.0%**	**$ 520,652,100**	**$ 20,025,100**	**4.0%**

Budget Document Note (not included in Resolution): Revenues from Charges for FY 2024 above is comprised of the following.

Regional System Wholesale Revenues – Suburban Wholesale Customers	$296,600,100
Regional System Wholesale Revenues – Detroit Wholesale Customer	196,569,600
Total Revenues from Charges	$493,169,700

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 1C – Combined Water and Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
Combined Water & Sewer System Revenue Requirements	FY 2023 Adopted Budget	FY 2023 Estimated Budget	FY 2024 Department Requested	FY 2024 Dollar Variance	FY 2024 Percent Variance	FY 2025 Department Requested	FY 2025 Dollar Variance	FY 2025 Percent Variance
Revenues								
Revenues from Charges	$ 834,764,400	$ 831,110,800	$ 859,247,500	$ 24,483,100	2.9%	$ 888,386,400	$ 29,138,900	3.4%
Other Revenues	575,000	575,000	575,000	-	0.0%	575,000	-	0.0%
Investment Earnings	2,104,300	18,816,200	11,119,000	9,014,700	428.4%	16,817,800	5,698,800	51.3%
Total Revenues	**$ 837,443,700**	**$ 850,502,000**	**$ 870,941,500**	**$ 33,497,800**	**4.0%**	**$ 905,779,200**	**$ 34,837,700**	**4.0%**
Revenue Requirements								
Operations & Maintenance (O&M) Expense	$ 328,900,300	$ 339,670,200	$ 358,550,100	$ 29,649,800	9.0%	$ 379,031,000	$ 20,480,900	5.7%
General Retirement System Legacy Pension	16,872,000	16,872,000	-	(16,872,000)	-100.0%	-	-	0.0%
Debt Service	355,975,200	360,792,600	387,811,100	31,835,900	8.9%	405,509,000	17,697,900	4.6%
General Retirement System Accelerated Pension	17,889,000	17,889,000	9,874,800	(8,014,200)	-44.8%	12,402,100	2,527,300	25.6%
Water Residential Assistance Program Contribution	4,164,700	4,164,700	4,354,700	190,000	4.6%	4,528,900	174,200	4.0%
Regional System Leases	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Receiving Fund Working Capital Requirement	-	-	-	-	0.0%	7,900,000	7,900,000	0.0%
Improvement & Extension Fund Transfer Pending	63,642,500	61,113,500	60,350,800	(3,291,700)	-5.2%	46,408,200	(13,942,600)	-23.1%
Annual Revenue Requirements	**$ 837,443,700**	**$ 850,502,000**	**$ 870,941,500**	**$ 33,497,800**	**4.0%**	**$ 905,779,200**	**$ 34,837,700**	**4.0%**

There is no Schedule 3 for purposes of the Budget Resolution.

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

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

	Debt Service Coverage Calculation	FY 2024 Water Fund Requested	FY 2024 Sewer Fund Requested	FY 2024 Combined (Informational Only)	FY 2025 Water Fund Requested	FY 2025 Sewer Fund Requested	FY 2025 Combined (Informational Only)
	Revenues						
1	Regional System Wholesale Revenues	$ 366,077,800	$ 493,169,700	$ 859,247,500	$ 377,752,600	$ 510,633,800	$ 888,386,400
2	Local System Revenues	89,140,400	83,940,300	173,080,700	91,626,300	85,137,500	176,763,800
3	Miscellaneous Revenue (Local System)	4,210,000	8,500,000	12,710,000	4,336,300	8,755,000	13,091,300
4	Other Revenues & Investment Earnings (Regional System)	4,236,700	7,457,300	11,694,000	7,374,500	10,018,300	17,392,800
5	**Total Revenues**	**$ 463,664,900**	**$ 593,067,300**	**$ 1,056,732,200**	**$ 481,089,700**	**$ 614,544,600**	**$ 1,095,634,300**
	Revenue Requirements						
	Operations & Maintenance Expense						
6	Regional System Wholesale Expenses	$ 152,906,400	$ 205,643,700	$ 358,550,100	$ 162,810,600	$ 216,220,400	$ 379,031,000
7	Local System Expenses	44,756,000	55,655,400	100,411,400	46,593,300	57,934,500	104,527,800
8	GRS Pension allocable to Regional System	-	-	-	-	-	-
9	GRS Pension allocable to Local System	-	-	-	-	-	-
10	**Total Operations & Maintenance Expense**	**197,662,400**	**261,299,100**	**458,961,500**	**209,403,900**	**274,154,900**	**483,558,800**
11	***Net Revenues after Operations & Maintenance Expense***	***$ 266,002,500***	***$ 331,768,200***	***$ 597,770,700***	***$ 271,685,800***	***$ 340,389,700***	***$ 612,075,500***
	Debt Service by Lien						
12	Senior Lien Bonds	$ 136,224,100	$ 155,429,200	$ 291,653,300	$ 150,810,500	$ 163,496,800	$ 314,307,300
13	Second Lien Bonds	51,754,500	53,273,500	105,028,000	51,930,500	53,590,200	105,520,700
14	SRF Junior Lien Bonds	16,469,500	51,847,200	68,316,700	18,958,700	45,514,400	64,473,100
15	**Total Debt Service**	**$ 204,448,100**	**$ 260,549,900**	**$ 464,998,000**	**$ 221,699,700**	**$ 262,601,400**	**$ 484,301,100**
	Debt Service Coverage						
16	Senior Lien Bonds *(11)/(12)*	1.95	2.13		1.80	2.08	
17	Second Lien Bonds *(11) / [(12)+(13)]*	1.42	1.59		1.34	1.57	
18	SRF Junior Lien Bonds *(11) / (15)*	1.30	1.27		1.23	1.30	

***Rows highlighted in light grey in the above table are designed to align with the Local System information provided from Detroit Water & Sewerage Department (DWSD) as of February 2, 2023.*

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 5A – Water Capital Financing Plan

Water Improvement & Extension Fund

	Current Year		Biennial Budget	
Water Improvement & Extension Fund Inflows & Outflows	**FY 2023 Adopted Budget**	**FY 2023 Estimated Budget**	**FY 2024 Department Requested**	**FY 2025 Department Requested**
Revenues				
Water System Transfers In from General Operating	$ 24,300,000	$ 30,161,100	$ 30,178,200	$ 10,662,700
Earnings on Investments	-	2,126,400	1,694,800	2,147,200
Net Use of Reserves	19,888,000	17,081,000	(10,926,100)	(5,747,200)
Total Revenues	**$ 44,188,000**	**$ 49,368,500**	**$ 20,946,900**	**$ 7,062,700**
Expenditures				
Investment Earnings Transfers Out	$ -	$ 2,126,400	$ 1,694,800	$ 2,147,200
Capital Outlay	15,452,600	15,452,600	**11,539,100**	**9,694,400**
Revenue Financed Capital - Transfer to Construction Fund	28,735,400	31,789,500	7,713,000	(4,778,900)
Total Expenditures	**$ 44,188,000**	**$ 49,368,500**	**$ 20,946,900**	**$ 7,062,700**

Water Construction Fund

	Current Year		Biennial Budget	
Water Construction Fund Inflows & Outflows	**FY 2023 Adopted Budget**	**FY 2023 Estimated Budget**	**FY 2024 Department Requested**	**FY 2025 Department Requested**
Revenues				
Transfers from Improvement & Extension Fund	$ 28,735,400	$ 31,789,500	$ 7,713,000	$ (4,778,900)
Bond Proceeds	-	225,000,000	-	332,500,000
Bond Fund Earnings on Investment	128,800	4,845,600	1,864,700	1,335,800
Grant Revenues (SRF Loans)	54,992,000	82,867,000	97,102,000	44,230,000
Net Use of Reserves	71,644,800	(118,712,100)	132,580,300	(172,864,900)
Total Revenues	**$155,501,000**	**$ 225,790,000**	**$ 239,260,000**	**$ 200,422,000**
Expenditures				
Capital Improvement Plan	$194,376,000	$ 225,790,000	**$ 239,260,000**	**$ 200,422,000**
Capital Spend Rate Adjustment	(38,875,000)	-	**-**	-
Total Expenditures	**$155,501,000**	**$ 225,790,000**	**$ 239,260,000**	**$ 200,422,000**

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 5B – Sewer Capital Financing Plan

Sewer Improvement & Extension Fund

	Current Year		Biennial Budget	
Sewer Improvement & Extension Fund Inflows & Outflows	**FY 2023 Adopted Budget**	**FY 2023 Estimated Budget**	**FY 2024 Department Requested**	**FY 2025 Department Requested**
Revenues				
Sewer System Transfers In from General Operating	$ 39,342,500	$ 30,952,400	$ 30,172,600	$ 35,745,500
Earnings on Investments	-	2,492,300	2,133,000	2,432,500
Net Use of Reserves	5,549,500	11,494,700	(15,202,100)	(14,330,100)
Total Revenues	**$ 44,892,000**	**$ 44,939,400**	**$ 17,103,500**	**$ 23,847,900**
Expenditures				
Investment Earnings Transfers Out	$ -	$ 2,492,300	$ 2,133,000	$ 2,432,500
Capital Outlay	18,447,100	18,447,100	**14,970,500**	**12,399,500**
Revenue Financed Capital - Transfer to Construction Fund	26,444,900	24,000,000	-	9,015,900
Total Expenditures	**$ 44,892,000**	**$ 44,939,400**	**$ 17,103,500**	**$ 23,847,900**

Sewer Construction Fund

	Current Year		Biennial Budget	
Sewer Construction Fund Inflows & Outflows	**FY 2023 Adopted Budget**	**FY 2023 Estimated Budget**	**FY 2024 Department Requested**	**FY 2025 Department Requested**
Revenues				
Transfers from Improvement & Extension Fund	$ 26,444,900	$ 24,000,000	$ -	$ 9,015,900
Bond Proceeds	-	225,000,000	-	280,250,000
Bond Fund Earnings on Investment	86,200	5,191,300	2,365,600	1,279,000
Grant Revenues (SRF Loans)	18,720,000	39,750,000	47,253,000	31,104,000
Net Use of Reserves (a)	49,197,900	(154,529,300)	149,442,400	(131,489,900)
Total Revenues	**$ 94,449,000**	**$ 139,412,000**	**$ 199,061,000**	**$ 190,159,000**
Expenditures				
Capital Improvement Plan	$125,932,000	$ 139,412,000	**$ 199,061,000**	**$ 190,159,000**
Capital Spend Rate Adjustment	(31,483,000)	-	-	-
Total Expenditures	**$ 94,449,000**	**$ 139,412,000**	**$ 199,061,000**	**$ 190,159,000**

Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Great Lakes Water Authority Board of Directors

General Certification

The undersigned hereby certifies that (i) the Resolution **2023-055** regarding **"Resolution Regarding Approval of FY 2024 Schedule of Service Charges"** attached hereto is a true and complete copy of the Resolution duly passed by the Great Lakes Water Authority Board of Directors at a meeting held on February 22, 2023 at which meeting a quorum was present and remained throughout, (ii) the original thereof is on file in the records of the Great Lakes Water Authority Board of Directors, (iii) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (iv) Minutes of such meeting were kept and will be or have been made available as required thereby.

YES:	Freman Hendrix, Brian Baker, Gary A. Brown, Jaye Quadrozzi and John J. Zech
NO:	None
ABSTAIN:	None
EXCUSED:	Beverly Walker-Griffea

Dated: February 22, 2023

Rechanda L. Willis

By: Rechanda L. Willis
Title: Executive Board Assistant

Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Resolution Regarding Approval of FY 2024 Schedule of Service Charges

Agenda of: February 22, 2023
Item No.: **2023-055**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: February 22, 2023

RE: **Resolution Regarding Approval of FY 2024 Schedule of Service Charges**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority, **approves the following actions, which require a supermajority affirmative vote of at least five (5) members of the Board, and the attached Resolution 2023-055** with an effective date of July 1, 2023:

1) FY 2024 wholesale water service schedule of charges;

2) FY 2024 wholesale sewer service schedule of charges;

3) FY 2024 City of Detroit allocated wholesale water revenue requirement of $25,537,200, which is the net of $46,237,200 gross revenue requirement less the Ownership Equity Credit of $20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);

4) FY 2024 City of Detroit allocated wholesale sewer revenue requirement of $196,569,600 which is the net of $202,085,600 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;

5) FY 2024 City of Detroit allocated indirect water revenue requirement of $48,222,000, in accordance with the Regional Water Supply System Lease;

6) FY 2024 City of Detroit allocated indirect sewer revenue requirement of $35,265,100, in accordance with the Regional Sewage Disposal System Lease;

8) authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Pursuant to the water system and sewer system leases signed between the Great Lakes Water Authority (GLWA/Authority) and the City of Detroit, the GLWA began operations of the regional water supply and sewage disposal system on January 1, 2016. Consistent with the terms of those leases, the Authority shall, for each fiscal year fix and approve rates and charges to its customers in an amount that is expected to produce revenues sufficient to satisfy the Authority revenue requirement. The attached, proposed schedule of charges meets that requirement.

Leading up to this charge recommendation, staff presented the proposed FY 2024 and 2025 Biennial Budget and five-year financial plan for FY 2024 through 2028 and an analysis of proposed water and sewer system charges at its January 25, 2023 Board meeting. A Public Hearing was opened for the FY 2024 Water Service Charges and Sewer Service Charges on February 22, 2023.

JUSTIFICATION

Great Lakes Water Authority ("GLWA") management and its consultant, The Foster Group, developed a Schedule of Water Service Charges and Sewer Service Charges for FY 2024 including the City of Detroit Revenue Requirement for the water and sewer systems. These charges support the proposed FY 2024 water system revenue requirements budget and the proposed FY 2024 sewer system revenue requirements, respectively. The FY 2024 water and sewer revenue requirements reflect GLWA's commitment to work within the four percent revenue requirement budget limitation outlined in the September 9, 2014 Memorandum of Understanding that resulted in the establishment of the Great Lakes Water Authority. The proposed wholesale customer charges and revenue requirements for the City of Detroit are the result of significant customer engagement in the charge setting process to evaluate the appropriate allocation of revenue requirements.

Proposed FY 2024 Water Charges

The proposed FY 2024 water service charges reflect a proposed FY 2024 Water budget increase of 4.0 percent along with increased investment earnings and increased estimated sales volumes. **Therefore, the average water system charges increase will be 2.75 percent.**

Proposed FY 2024 Sewer Charges

The proposed FY 2024 sewer service charges reflect a proposed FY 2024 Sewer budget increase of 4.0 percent along with the increased investment earnings and increased estimated industrial charges. **Therefore, the average sewer system charges increase will be 2.75 percent.**

A Notice of Public Hearing was published in the Detroit Legal News on January 30, 2023. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwater.org/financials.

BUDGET IMPACT

The recommended FY 2024 Schedule of Water Service Charges and Sewer Service Charges as presented produces the necessary revenues to fund the FY 2024 Water System and Sewer System Budget.

Coordination with DWSD's Budget - Under the terms of the lease agreements and related financial commitments, key inputs are required from DWSD. An analysis of the DWSD budget inputs and related reconciliation based upon some of the changes above is reflected in the attached schedules.

COMMITTEE REVIEW

The Audit Committee has reviewed the FY 2024 financial plan, including charge setting matters, at its meetings on December 16, 2022 and February 13, 2023. On February 13, 2023, the Audit Committee unanimously recommended that the Board of Directors adopts the resolution related to the FY 2024 and FY 2025 Biennial Budget and related FY 2024 Schedule of Charges as presented on February 13, 2023, subject to public comment at the public hearing to be held on February 22, 2023.

SHARED SERVICES IMPACT

This item does not impact the Shared Services Agreement between the GLWA and the City of Detroit.

Great Lakes Water Authority

Resolution 2023-055

RE: Approval of FY 2024 Schedule of Water and Sewer Service Charges

By Board Member: Gary Brown

Whereas The Great Lakes Water Authority ("GLWA") management and its consultant, The Foster Group, have developed the attached Schedule of Water Service Charges and Sewer Service Charges for FY 2024, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2024 water system and sewer system revenue requirements budget with an effective date of July 1, 2023; and

Whereas The FY 2024 water and sewer revenue requirements reflect GLWA's commitment to work within the four percent limitation outlined in the Memorandum of Understanding; and

Whereas A Public Hearing was held for the Water Service Charges and Sewer Service Charges proposed by the GLWA for FY 2024 on February 22, 2023 at 2:00 p.m.; and

NOW THEREFORE BE IT:

RESOLVED The Great Lakes Water Authority Board approves the proposed:

1) FY 2024 wholesale water service schedule of charges;
2) FY 2024 wholesale sewer service schedule of charges;
3) FY 2024 City of Detroit allocated wholesale water revenue requirement of $25,537,200 which is the net of $46,237,200 gross revenue requirement less the Ownership Equity Credit of $20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);
4) FY 2024 City of Detroit allocated wholesale sewer revenue requirement of $196,569,600 which is the net of $202,085,600 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;

5) FY 2024 City of Detroit allocated indirect water revenue requirement of $48,222,000, in accordance with the Regional Water Supply System Lease;

6) FY 2024 City of Detroit allocated indirect sewer revenue requirement of $35,265,100, in accordance with the Regional Sewage Disposal System Lease; and

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this vote.

Great Lakes Water Authority
Approved FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.	Customer	Fixed Monthly Charge *(a)* *$/mo*	Commodity Charge *(a)* *$/Mcf*	Projected Revenue from Charges *$*
1	Allen Park	132,700	8.73	2,653,100
2	Almont Village	13,300	11.53	266,800
3	Ash Township	47,800	9.30	955,800
4	Belleville	18,300	9.68	366,700
5	Berlin Township	39,500	11.42	790,300
6	Brownstown Township	210,000	11.98	4,199,600
7	Bruce Township	17,400	46.26	348,500
8	Burtchville Township	21,800	19.33	435,600
9	Canton Township	577,700	12.34	11,555,000
10	Center Line	27,100	6.73	542,600
11	Chesterfield Township	245,000	10.86	4,899,100
12	Clinton Township	428,200	8.70	8,564,500
13	Commerce Township	195,400	14.45	3,906,800
14	Dearborn	551,100	7.85	11,021,800
15	Dearborn Heights	211,900	8.53	4,238,600
16	Eastpointe	90,900	6.99	1,817,800
17	Ecorse	66,200	5.80	1,325,100
18	Farmington	55,800	9.92	1,115,000
19	Farmington Hills	502,800	11.30	10,057,500
20	Ferndale	60,000	7.32	1,199,500
21	Flat Rock	79,700	12.30	1,593,500
22	Flint *(b)*	*584,400*	10.27	11,687,700
23	Fraser	70,800	9.94	1,417,200
24	Garden City	97,000	10.21	1,938,900
25	Gibraltar	19,200	9.35	383,700
26	Greenwood Township (DTE)	68,500	20.74	1,369,500
27	Grosse Ile Township	63,600	13.19	1,271,000
28	Grosse Pt. Park	76,700	11.04	1,534,200
29	Grosse Pt. Shores	36,700	15.07	734,300
30	Grosse Pt. Woods	73,700	8.42	1,473,000
31	Hamtramck	46,300	6.05	925,300
32	Harper Woods	49,400	7.56	988,200
33	Harrison Township	94,900	7.70	1,897,300
34	Hazel Park	43,100	7.01	861,400
35	Highland Park	64,700	5.02	1,293,500
36	Huron Township	85,400	10.53	1,707,100
37	Imlay City	83,700	14.64	1,673,400
38	Imlay Township (Single User)	900	62.31	18,900
39	Inkster	74,400	5.89	1,488,300
40	Keego Harbor	17,000	13.72	339,800
41	Lapeer	87,000	13.15	1,741,000
42	Lenox Township	17,100	9.88	341,500
43	Lincoln Park	129,300	6.04	2,585,000
44	Livonia	662,000	11.34	13,239,800
45	Macomb Township	695,100	16.79	13,902,000
46	Madison Heights	113,000	8.09	2,261,300
47	Mayfield Township (KAMAX)	2,700	47.11	53,600
48	Melvindale	36,400	6.70	727,600
49	New Haven, Village of	24,500	10.18	489,500
50	NOCWA	1,253,500	11.37	25,072,600
51	Northville	44,200	11.61	883,300
52	Northville Township	311,100	17.76	6,221,400
53	Novi	519,900	13.69	10,397,800
54	Oak Park	80,600	6.88	1,611,900
55	Oakland GWK Drain District	5,100	4.49	101,600
56	Plymouth	62,800	11.10	1,255,300
57	Plymouth Township	256,700	12.66	5,133,900
58	Redford Township	169,100	8.58	3,383,100
59	River Rouge	29,400	6.03	588,000
60	Riverview	50,300	8.41	1,005,600
61	Rockwood	14,300	11.52	285,600

Great Lakes Water Authority
Approved FY 2024 Water Supply System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.	Customer	Fixed Monthly Charge *(a)* $/mo	Commodity Charge *(a)* $/Mcf	Projected Revenue from Charges $
62	Romeo	14,900	19.64	298,600
63	Romulus	214,700	7.90	4,293,900
64	Roseville	148,500	6.61	2,969,800
65	Royal Oak Township	11,800	9.34	235,900
66	Shelby Township	641,700	11.93	12,832,700
67	SOCWA	1,342,700	8.59	26,856,800
68	South Rockwood	6,600	11.43	132,900
69	Southgate	116,800	8.24	2,335,200
70	St. Clair Shores	178,100	7.09	3,562,300
71	Sterling Heights	846,100	11.25	16,919,000
72	Sumpter Township	40,500	9.67	809,900
73	Sylvan Lake	13,300	15.75	265,100
74	Taylor	259,500	7.87	5,190,100
75	Trenton	103,000	9.28	2,061,000
76	Troy	792,000	13.67	15,841,400
77	Utica	32,900	11.44	657,900
78	Van Buren Township	197,400	11.56	3,947,900
79	Walled Lake	45,200	12.27	904,400
80	Warren	544,300	6.95	10,885,800
81	Washington Township	132,900	12.28	2,657,000
82	Wayne	102,800	7.85	2,057,100
83	West Bloomfield Township	602,300	17.28	12,047,000
84	Westland	349,600	8.48	6,992,800
85	Wixom	141,000	14.44	2,819,800
86	Woodhaven	84,700	11.55	1,694,400
87	Ypsilanti Comm Util Auth	589,300	9.62	11,786,400
88	Total Wholesale Contract Member Partners			347,192,400
89	Adjustment to Flint Revenue Requirement for KWA Debt Service *(b)*			(6,651,800)
90	**Revenue from Wholesale Charges (agrees with "GLWA Budget Schedule 3")**			**340,540,600**
	Detroit Customer Class - $			
91	**Wholesale** Revenue Requirement *(c)*			**46,237,200**
92	less: Ownership Benefit per Lease			(20,700,000)
93	**Net Wholesale** Revenue Requirement			**25,537,200**
94	**Indirect Retail** Revenue Requirements *(d)*			***48,222,000***
95	less: Use of Lease Payment for Debt Service			0
96	**Net Indirect Retail** Revenue Requirements *(d)*			**48,222,000**
97	Subtotal Subject to GLWA Board Approval (93) + (96)			73,759,200
98	**Direct Retail** Revenue Requirements *(e)*			**45,128,400**
99	**Total Local System Revenue Requirement** (96) + (98)			**93,350,400**
100	**Total Requirement from Detroit Customer Class (agrees with "GLWA Budget Schedule 3")**			**118,887,600**
101	**Lead and Copper Rule Sample Testing Fee - $/Sample**			**60.00**

(a) *Proposed effective date of July 1, 2023. Effective on all bills issued on or after August 1, 2023.*
(b) *Net fixed monthly charge will include $554,300 monthly credits for KWA debt service.*
(c) *Wholesale revenue requirements for the Detroit Customer Class.*
(d) *Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)*
(e) *Local System operating expenses (net of shared services reimbursement)* ***and I&E deposit***. *Not Subject to GLWA Board approval.*
(d)&(e) *Local System information provided from Detroit Water & Sewerage Department as of February 2, 2023.*

Great Lakes Water Authority
Approved FY 2024 Sewage Disposal System Service Charges and Allocated Revenue Requirements
Effective Date: July 1, 2023

Line No.		Fixed Monthly Charge $/mo	Projected Revenue from Charges $
	Suburban Wholesale		
1	OMID	6,081,000	72,972,000
2	Rouge Valley	4,789,300	57,471,600
3	Oakland GWK	3,971,300	47,655,600
4	Evergreen Farmington	3,099,400	37,192,800
5	SE Macomb San Dist	2,146,700	25,760,400
6	Dearborn	1,738,200	20,858,400
7	Grosse Pointe Farms	235,300	2,823,600
8	Grosse Pointe Park	163,100	1,957,200
9	Melvindale	134,700	1,616,400
10	Farmington	102,700	1,232,400
11	Center Line	89,300	1,071,600
12	Allen Park	72,600	871,200
13	Highland Park	464,200	5,570,400
14	Hamtramck	346,100	4,153,200
15	Grosse Pointe	77,100	925,200
16	Harper Woods	18,700	224,400
17	Redford Township	23,100	277,200
18	Wayne County #3	4,500	54,000
19	**Subtotal "Regional Wholesale Revenues from Charges"**		282,687,600
20	Industrial Specific Revenues		13,912,500
21	**Subtotal "Regional Wholesale Revenues from Charges"** *(a)*		**296,600,100**
	**** Wholesale charges will be effective July 1, 2023***		
	Detroit Customer Class - $		
22	**Wholesale** Revenue Requirement *(c)*		**202,085,600**
23	less: Ownership Benefit per Lease		(5,516,000)
24	**Net Wholesale** Revenue Requirement		**196,569,600**
25	**Indirect Retail** Revenue Requirements *(d)*		***35,265,100***
26	less: Use of Lease Payment for Debt Service		0
27	**Net Indirect Retail** Revenue Requirements *(d)*		**35,265,100**
28	Subtotal Subject to GLWA Board Approval (24) + (27)		231,834,700
29	**Direct Retail** Revenue Requirements *(e)*		**57,175,200**
30	**Total Local System Revenue Requirement** (27) + (29)		**92,440,300**
31	**Total Requirement from Detroit Customer Class *(a)***		**289,009,900**

(a) *Agrees with "GLWA Budget Schedule 3"*
(b) *Reserved*
(c) *Wholesale revenue requirements for the Detroit Customer Class.*
(d) *Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)*
(e) *Local System operating expenses (net of shared services reimbursement)* ***and I&E deposit****. Not Subject to GLWA Board approval.*
(d)&(e) *Local System information provided from Detroit Water & Sewerage Department as of February 2, 2023.*

APPROVED FY 2024 CHARGES 2/22/2023

Great Lakes Water Authority
Approved FY 2024 Sewage Disposal System
Industrial Specific Retail Charges
Effective Date: July 1, 2023

Industrial Waste Control Charges

Meter Size *inches*	Full Charge *$/mo*	Admin Only Charge *$/mo*
5/8	3.64	0.91
3/4	5.46	1.37
1	9.10	2.28
1-1/2	20.02	5.01
2	29.12	7.28
3	52.78	13.20
4	72.80	18.20
6	109.20	27.30
8	182.00	45.50
10	254.80	63.70
12	291.20	72.80
14	364.00	91.00
16	436.80	109.20
18	509.60	127.40
20	582.40	145.60
24	655.20	163.80
30	728.00	182.00
36	800.80	200.20
48	873.60	218.40

Pollutant Surcharges

Pollutant	Charge *$/lb*
BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	**0.361**
TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	**0.496**
PHOSPHORUS (P) for concentrations > 12 mg/l	**6.629**
FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	**0.115**
SEPTAGE DISPOSAL FEE Per 500 gallons of disposal	**37.00**

APPROVED FY 2024 CHARGES 2/22/2023

Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Great Lakes Water Authority Board of Directors

General Certification

The undersigned hereby certifies that (i) the Resolution **2023-015** regarding **"Resolution Regarding Approval of FY 2024 through FY 2028 Capital Improvement Plan"** attached hereto is a true and complete copy of the Resolution duly passed by the Great Lakes Water Authority Board of Directors at a meeting held on February 22, 2023 at which meeting a quorum was present and remained throughout, (ii) the original thereof is on file in the records of the Great Lakes Water Authority Board of Directors, (iii) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (iv) Minutes of such meeting were kept and will be or have been made available as required thereby.

YES:	Freman Hendrix, Brian Baker, Gary A. Brown, Jaye Quadrozzi and John J. Zech
NO:	None
ABSTAIN:	None
EXCUSED:	Beverly Walker-Griffea

Dated: February 22, 2023

By: Rechanda L. Willis
Title: Executive Board Assistant

Board of Directors
735 Randolph Street, Suite 1900
Detroit, Michigan 48226
(313) 224-4785

Resolution Regarding Approval of FY 2024 through FY 2028 Capital Improvement Plan

Agenda of: January 25, 2023, February 22, 2023
Item No.: 2023-015

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: January 20, 2023

RE: **Resolution Regarding Approval of FY 2024 through FY 2028 Capital Improvement Plan**

MOTION

Upon recommendation of Jody Caldwell, Chief Planning Officer, The Board of Directors for the Great Lakes Water Authority (GLWA), **adopts the resolution supporting the Capital Improvement Plan (CIP) for Fiscal Years 2024 through 2028, and authorizes the Chief Executive Officer to approve the five year Capital Improvement Plan (CIP) for Fiscal Years 2024 through 2028, including the ten year outlook, noting an affirmative vote of at least five (5) Board Members is necessary for approval of this Motion**; and also authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION

A capital improvement plan addresses the following objectives.

1. Identifies an organization's priorities within available resources over a multiple year period.
2. Communicates the scope, funding, and timing to stakeholders, coordinating agencies, investors, and the public.
3. Encompasses stakeholder engagement in its development.
4. Aligns with strategic objectives of the organization, including effective capital delivery and regulatory compliance at the lowest cost of capital investment.

BUDGET IMPACT

The FY 2024 through FY 2028 Capital Improvement Plan identifies $986.6 Million of water system capital improvements and $798.2 Million of sewer system improvements. Giving that GLWA adopts a two-year budget, it is recommended that FY 2024 and FY 2025 be designated as a two-year capital budget for purposes of carrying out the CIP that coincides with GLWA adopted biennial operating budget (also referenced as the revenue requirement budget).

COMMITTEE REVIEW

The Capital Planning Committee reviewed Preliminary Drafts of the CIP on October 19, 2022, and January 18, 2023. The Capital Planning Committee at its meeting on January 18, 2023. unanimously recommended that the GLWA Board adopt the Resolution and approve the FY 2024 through FY 2028 Capital Improvement Plan.

APPROVAL REQUIRED

The Articles of Incorporation of the Great Lakes Water Authority requires an affirmative vote of at least five (5) members to approve the 5-year Capital Improvement Plan.

Great Lakes Water Authority
Resolution 2023-015
Resolution Adopting the FY 2024 through FY 2028 Capital Improvement Plan

Whereas The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the regional water and sewer systems on January 1, 2016 (the Effective Date") pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

Whereas During the term of the Lease Agreements, the Authority shall be entitled to make such rehabilitation of and replacements and improvements to the Leased Water and Sewer Facilities as it determines to be necessary to keep the Leased Facilities in compliance with performance standards; and

Whereas In connection with the terms of the Lease Agreements, the Authority shall for each Fiscal Year prepare and approve a Capital Improvement Plan, which shall set forth the improvements to the Leased Sewer Facilities that the Authority proposes to undertake during the next five (5) Fiscal Years; and

Whereas The GLWA Planning Services staff facilitated the preparation of the FY 2024 through FY 2028 Capital Improvement Plan which encompassed engineering and operating unit personnel, business case evaluation preparation, scoring by the Capital Improvement Plan Development Review Committee members for each system, customer engagement, and review by the GLWA Board Capital Planning Committee on October 19, 2022 and January 18, 2023; and

Whereas The FY 2024 through FY 2028 Capital Improvement Plan and the related financial plan have been prepared within the boundaries established by the GLWA's long-term financial strategy emphasizing effective capital delivery at the lowest cost of capital; and

Whereas The FY 2024 through FY 2028 Capital Improvement Plan identifies $986.6 Million of water system capital improvements and $798.2 Million of sewer system improvements; and

Whereas An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution

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SECTION 8 - ACRONYMS & GLOSSARY

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Acronyms

ACFR	Annual Comprehensive Financial Report
AMP	Asset Management Plan
AMSO	Asset Management Strategic Organization
AWWA	American Water Works Association
BaaS	Backup as a Service
BCE	Business Case Evaluation
BDF	Biosolids Dryer Facility
BI	Business Intelligence
BID	Business Inclusion & Diversity
Board	GLWA's Board of Directors
CACO	Chief Administrative and Compliance Officer
CAD	Computer-Aided Dispatch
CAP	Contract Alignment Process
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIP	Capital Improvement Plan
CMMS	Computerized Maintenance Management System
COF	Central Offloading Facility
CSO	Combined Sewer Overflow
CSR	Capital Spend Ratio
CWSRF	Clean Water State Revolving Fund
DWSD	Detroit Water & Sewerage Department
DWSRF	Drinking Water State Revolving Fund
EAM	Enterprise Asset Management
EGLE	Michigan Department of Environment, Great Lakes, and Energy
ELT	Executive Leadership Team
EPA	United States Environmental Protection Administration
ERI	Energy, Research & Innovation
ERP	Enterprise Resource Planning
EUM	Effective Utility Management
FTE	Full-time equivalent
FY	Fiscal Year
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GLWA	Great Lakes Water Authority

Acronyms *(continued)*

GRS	City of Detroit General Retirement System
HR	Human Resources
HVAC	Heating, ventilation, and air conditioning
I&E Fund	Improvement & Extension Fund
IPP	Industrial Pretreatment Program
IWC	Industrial Waste Control
IT	Information Technology
KPI's	Key Performance Indicators
MBO	GLWA Master Bond Ordinances (2015-01 Water, 2015-02 Sewer)
MDEQ	Michigan Department of Environmental Quality (see EGLE)
MMBTU	Metric Million British Thermal Unit
MOU	Memorandum of Understanding
NDR	Network Detection and Response
NESPS	Northeast Sewer Pump Station
NPDES	National Pollutant Discharge Elimination System
O&M	Operations & Maintenance
OD	Organizational Development
OMID or OMIDD	Oakland-Macomb Interceptor Drain Drainage District
OPEB	Other post-employment benefits
OWI	One Water Institute
PA 94	Michigan Public Act 94
PAYGO	Pay as you go
POA	Plan of adjustment (bankruptcy)
PSW	Partnership for Safe Water
SaaS	Software as a Service
SAMP	Strategic Asset Management Plan
SAW	Stormwater, Asset Management, and Wastewater
SCADA	Supervisory Control and Data Acquisition system
SRA	Spend Rate Assumption
SRF	State Revolving Fund
UAAL	Unfunded Accrued Actuarial Liability
VCDR	VMware Cloud Disaster Recovery SaaS
VFD	Variable Frequency Drive

Acronyms *(continued)*

WAM	Work Order and Asset Management software
WAMP	Water Asset Management Plan
WAMR	Wholesale Automatic Meter Reading
WATF	Wastewater Analytics Task Force
WRAP	Water Residential Assistance Program
WRRF	Wastewater Resource Recovery Facility
WwAMP	Wastewater Asset Management Plan
WSSA	Water and Sewer Services Agreement
WWTP	Wastewater Treatment Plant

Glossary

Accrual Basis - Method of accounting that recognizes the financial effect of transactions, events and inter-fund activities when they occur, regardless of the timing of related cash flows.

Amortization – Expensing the acquisition cost of intangible assets in a systematic manner over the estimated useful life to reflect the consumption or decline in value as a result of use or the passage of time. Amortization also refers to the paying off of debt in installments over a period of time.

Audit – An independent examination of an organization's accounts or financial information.

Balanced Budget – A budget in which the revenue equals the revenue requirements.

BC Notes – Financial Recovery Bonds issued by the City of Detroit to fund pension obligation certificates and post-retirement health benefits.

Biennial Budget – The practice of preparing and adopting a budget for two-year periods.

BigTime – A custom-built Professional Services Automation (PSA) software for accountants, architects, engineers, and other professional services firms.

Biosolids Dryer Facility (BDF) – A facility at the WRRF which converts wastewater sludge into marketable pelletized biosolids product, which is beneficially reused as sustainable fertilizer.

Bond Interest and Redemption Fund – A requirement of the Master Bond Ordinances to set up bank accounts to provide for payment of principal and interest on bonded debt. Monthly deposits to the bank accounts are made to reflect 1/12th of the annual debt service requirement.

BS&A – Financial accounting software designed specifically for municipalities currently being used by GLWA.

Budget - A plan of financial operation which includes an estimate of proposed expenditures for a given period and the proposed means of financing them.

Capital Improvement Program (CIP) – GLWA prepares a five-year plan, which outlines water and wastewater infrastructure improvement strategy on a short and long-term basis. It provides a planning schedule and includes the financial plan for financing the plan.

Capital Outlay Plan - Assets that are purchased and are either above the dollar threshold for capitalizing on the financial statements (i.e., over $5,000) or are an asset that should be tagged and tracked for internal control purposes. In both instances, they have an estimated useful life of more than a year.

Capital Program Allocation - Portion of operations and maintenance expenses that are properly allocable to capital program management overhead.

Capturis – A multi-site utility information management system.

Centralized Services - Functions that support all Great Lakes Water Authority.

Ceridian – Human resources software currently used by GLWA for payroll processing and benefits.

Glossary *(continued)*

Clean Water State Revolving Fund (CWSRF) – Michigan's Water Pollution Control Revolving fund, better known as the State Revolving Fund (SRF) is a low-interest loan financing program that assists qualified local municipalities with the construction of needed water pollution control facilities. Interest rates are usually between 1.875% and 2.5% and are repaid over 20-30 years.

Construction Fund – This fund is used for the proceeds of debt obligations and investment earnings thereon. I&E funds may also be transferred to this fund when bond proceeds have been exhausted. Funds are used to pay for capital improvements in accordance with the debt obligations. These funds are not part of the regular flow of funds and cannot be used for any purposes other than capital improvements.

Contract Alignment Process (CAP) - As part of strategy to achieve water charge stability member partners asked for alignment of the model contract reopener to a common schedule to minimize the annual charge volatility created by changing contract demands as model contract amendments were made. Previously there were staggered contract re-openers. The effect of the CAP on the units of service was first utilized for the FY 2020 water charges. As part of the 2017 and 2018 reopener meetings, the model contract reopener schedule within each member partner's contract was amended to change the next regularly scheduled reopener date to 2022 and every 4 years thereafter. The 2022 reopener has been completed and will affect the units of service starting with the FY 2024 water charges. The next reopener will be in 2026 and will affect the units of service starting with the FY 2028 water charges.

Contractual Transition Services - Staff positions which are filled with outside contractors until they can be permanently filled.

Customers – Those member partners we provide services to. See "Member Partners".

Depreciation - The portion of the cost of a fixed asset which is charged as an expense during a particular period.

Drinking Water State Revolving Fund (DWSRF) - A program designed to assist water suppliers in satisfying the requirements of the Safe Drinking Water Act by offering low-interest to eligible water suppliers to finance qualified water supply system projects. Interest rates are usually between 1.875% and 2.5% and are repaid over 20-30 years.

DTE – DTE Energy is a utility providing electric and gas service to GLWA.

Enterprise Fund - A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting. The Authority reports two enterprise funds: Water Fund and Sewage Disposal Fund.

Enterprise Resource Planning (ERP) – A suite of integrated software applications that is used to collect store, manage, and interpret data from many different business activities.

Glossary *(continued)*

Extraordinary Repair and Replacement Reserve Fund - Serves as a contingency fund for unanticipated capital improvements in excess of $1 million. Must be maintained at 15% of annual operating expense.

Fiscal Year - A twelve-month period that an organization uses for budgeting, forecasting and reporting. The Authority fiscal year begins on July 1st and ends the following June 30th.

Full-Time Equivalent (FTE) – A unit of measure used for staff positions. An FTE of 1.0 is equivalent to 2,080 working hours per year.

General Retirement System (GRS) – The City of Detroit pension plan that provides retirement, disability, and survivor benefits to the plan members. Plan members include the City of Detroit active employees, retirees, and beneficiaries. A Board of Trustees administers the General Retirement System. The Board of Trustees consists of five elected active employees, one elected retiree, a non-member individual, and three ex-officio trustees.

Improvement & Extension Fund (I&E) - Used to account for funds for revenue finance capital improvements, extensions or betterment of the Water and Wastewater Systems.

Innovyze – A software vendor that provides hydraulic modeling and asset management analysis software for water and wastewater systems.

Local Sewer System - That portion of the Sewer System that provides sewer service directly to Retail Sewer Customers, which consists of the Detroit Local Sewer Facilities and is serviced by the Detroit Water Sewerage Department per the Water and Sewer Services Agreement.

Local Water System - That portion of the Water System that provides water service directly to the Retail Water Customers, which consists of the Detroit Local Water Facilities and is serviced by the Detroit Water Sewerage Department per the Water and Sewer Services Agreement.

Major Fund - Are funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. The Authority has two major enterprise funds, the water fund and the sewage disposal fund.

Master Bond Ordinance (MBO) – An ordinance which provided for the assumption of the outstanding bonds issued for the water and sewer systems of the City of Detroit, for the issuance of revenue bonds to improve the leased water and sewer systems, to provide for the collection of revenues for the operation and maintenance, debt services and other matters related to the leased water and sewer systems.

Member Partners – Includes GLWA team members, board members, water and wastewater partners, associated stakeholders, elected officials, consultants, and regulatory agencies.

Glossary *(continued)*

Michigan Department of Environment, Great Lakes, and Energy (EGLE) - An agency of the state of Michigan. Formally known as the Michigan Department of Environmental Quality (MDEQ) until April 22, 2019, the department was created in 1995. Its mission statement says that it "promotes wise management of Michigan's air, land, and water resources to support a sustainable environment, healthy communities, and vibrant economy."

Michigan Department of Environmental Quality (MDEQ) – See Michigan Department of Environment, Great Lakes, and Energy (EGLE).

MiDEAL – Is the State of Michigan's extended purchasing program that allows Michigan cities, townships, villages, counties, school districts, universities, colleges and nonprofit hospitals to buy goods and services from state contracts. Local governments benefit directly from the reduced cost of goods and services and indirectly by eliminating the time needed to process bids.

Model Contract – The GLWA water services contract and the wastewater disposal services contract templates, as collaboratively drafted and agreed upon by and between GLWA and/or its predecessor, the Detroit Water and Sewerage Department, and their member partners, which provide consistent contract terms and conditions between all GLWA member partners.

National Pollutant Discharge Elimination System (NPDES) – Created in 1972 by the Clean Water Act the agency addresses water pollutants to waters of United States through it permit program.

Northeast Sewer Pump Station (NESPS) – A GLWA wastewater pump station that exclusively handles flows from the Oakland-Macomb Interceptor Drain Drainage District (OMID). Per the 2019 contract amendment, GLWA will continue to operate the NESPS but OMID will maintain and finance improvements to the NESPS starting in fiscal year 2020.

Oakland-Macomb Interceptor Drain Drainage District (OMID or OMIDD) – A wholesale member partner of the sewer system.

One Water Institute (OWI) – A GLWA training program that provides quality education, training, and leadership development to GLWA Member Partners to facilitate the creation of a highly-skilled water sector workforce able to provide quality service to customers throughout Southeastern Michigan, using a common language, skills, and knowledge base.

Operation and Maintenance (O&M) Fund - Accounts for the day-to-day operating expenses of the Department.

Other post-employment benefits (OPEB) - The benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits.

Ovation – A reliable and innovative control system that integrates data from monitoring devices for equipment and instrumentation into a single, unified system, reducing complexity and minimizing maintenance.

PAYGO – Pay as you go is a term indicating that we pay for projects from other available funds that are not from bond issues.

Glossary *(continued)*

Regional Sewer System - That portion of the Sewer System that provides sewer service to the wholesale customers thereof and Retail Sewer Customers up to the point of connection to the Local Sewer System, which includes the Leased Sewer Facilities.

Regional Water System - That portion of the Water System that provides water service to the wholesale customers thereof and Retail Customers up to the point of connection to the Local Water System, which includes the Leased Water Facilities.

Revenue Financed Capital – Capital improvements that are funded with current revenues instead of issuing bonds or obtaining SRF loans.

Revenue Requirement – The funding requirements defined in the Master Bond Ordinance. These include funds for operation and maintenance, debt service, debt reserves, pension obligation, WRAP, budget stabilization, lease payment, ER&R fund, I&E fund and the surplus fund.

Shared Services - Recoverable operations and maintenance costs pursuant to a shared services agreement.

SHAREs – The simplified methodology used for assigning costs in the regional wastewater system which was implemented in FY 2022.

State Revolving Fund (SRF) - A State Revolving Fund (SRF) is a fund administered by a U.S. state for the purpose of providing low-interest loans for investments in water and sanitation infrastructure (e.g., sewage treatment, stormwater management facilities, drinking water treatment), as well as for the implementation of nonpoint source pollution. Loans issued may be Drinking Water State Revolving Fund (DWSRF) or Clean Water State Revolving Fund (CWSRF). These funds are a combination of federal and state funds.

Stormwater, Asset Management, and Wastewater (SAW) Program – Grants or loans issued by the State of Michigan for qualifying wastewater and stormwater related expenditures.

Trustee – A trust company or bank, currently U.S. Bank, who shall hold all sums received by it designated as trust funds by the MBO and all funds shall be used only for the purposes and in the manner set forth in the MBO**.**

Unfunded Accrued Actuarial Liability (UAAL) – An actuarial term for pension plans that refers to the difference between the actuarial values of assets owned by the plan and the total benefits due to be paid.

Water Residential Assistance Program (WRAP) – Established by the MOU and funded by charges to the customers to provide assistance to indigent residential customers throughout the communities served by GLWA and is independently administered on behalf of the Authority. The WRAP was designed to provide monthly bill assistance, arrearage assistance and minor plumbing repairs to qualified applicants that have income at or below 150% of the federal poverty threshold.

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Financial Services Area
735 Randolph
Detroit, Michigan 48226
www.glwater.org